

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER RELEASES SPONSORSHIP TRANSITIONS WHITE PAPER

This week Ziegler has released a white paper entitled, ***“Sponsorship Transitions: Considerations for Not-for-Profit Senior Living Providers.”*** Over the past 10-20 years, the entire healthcare sector has undergone significant consolidation. The number of smaller, community hospitals has dropped considerably as our changing healthcare system has dramatically shifted the structure of the marketplace. In turn, a number of other subsectors within the healthcare universe have transformed as organizations join together to be stronger in their ability to thrive during turbulent times. This is true for home health, physician practices, healthcare technology and yes, senior living.

The white paper is intended to be a resource for provider organizations who may be looking to partner, acquire, affiliate or even dispose of a community. The white paper includes key discussion points for senior living providers, regardless of which ‘side of the fence’ they are on as well as tips to avoid waiting-too-long if the organization is in a difficult position. The “Hard Truth” checklist gives a series of questions to help providers know when it may be time to consider an affiliation due to occupancy challenges, losing market share and/or financial challenges among other pressure points. Examples of recent not-for-profit affiliations, mergers, acquisitions and dispositions are also included in the report.

Ziegler remains committed to helping individual providers and the sector overall with research, education and thought leadership around sponsorship transitions. To download and access the full report, readers can visit the [Ziegler website](#) for further information.

LISA MCCRACKEN
DIRECTOR, SENIOR LIVING RESEARCH AND DEVELOPMENT
ZIEGLER



ZIEGLER

One North Wacker Drive | Suite 2000
Chicago, IL 60606

B.C. Ziegler and Company | Member SIPC & FINRA

CONTACT US

800 366 8899
askziegler@ziegler.com



CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF JUNE 10, 2019

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Masonic Villages of The Grand Lodge of Pennsylvania (PA)	S&P	A Stable	Affirmed Rating	6/5/19
Orchard Park CCRC dba Fox Run at Orchard Park (NY)	Fitch	BBB- Positive	Affirmed Rating Revised Outlook	6/5/19

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INTEREST RATES/YIELDS

(AS OF JUNE 7, 2019)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.33%	2.36%	2.92%
Senior Living 30-Yr "A"	3.03%	3.06%	3.79%
Senior Living 30-Yr "BBB"	3.33%	3.36%	4.07%
Senior Living Unrated	4.13%	4.16%	4.86%
Senior Living New Campus	6.50%	6.50%	6.50%
SIFMA Muni Swap Index	1.40%	1.42%	1.53%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.53%	4.54%	2.22%

*Ziegler Senior Living Municipal Long Bond Index
 Source: Ziegler Capital Markets

FEATURED FINANCING


WAVERLY HEIGHTS
 Gladwyne, Pennsylvania

Montgomery County Industrial
 Development Authority,
 Revenue Bonds,
 Series 2019

\$44,140,000

MARKET REVIEW

MONEY MARKET RATES

	6/7/19	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.50	5.50	5.50	4.75
Federal Funds (weekly average)	2.37	2.37	2.39	1.69
90 Day T-Bills	2.26	2.34	2.42	1.92
30-Day Commercial Paper (taxable)	2.38	2.42	2.43	1.92
Libor (30-day)	2.41	2.43	2.45	2.02
7 Day Tax-Exempt VRDB	1.40	1.42	1.59	1.05
Daily Rate Average	1.50	2.00	1.29	1.00

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
1 Year	1.99	2.29	1 Year	1.33	2.73	2.43	1.93	1.48	1.33
5 Year	1.85	2.60	5 Year	1.37	2.87	2.62	2.17	1.77	1.52
7 Year	1.97	2.92	7 Year	1.45	3.15	2.85	2.40	2.00	1.65
10 Year	2.08	3.58	10 Year	1.64	3.44	3.14	2.64	2.34	1.84
30 Year	2.57	4.27	30 Year	2.30	4.13	3.83	3.33	3.03	2.53

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2019 HIGH	LOW
Bond Buyer					
20 Bond Index	3.48	3.51	-.03	4.24	3.48
11 Bond Index	3.02	3.05	-.03	3.71	3.02
Revenue Bond Index	3.97	4.00	-.03	4.71	3.97
30 Year MMD	2.33	2.36	-.03	3.11	2.33
Weekly Tax-Exempt Volume (Bil)	4.36	1.83	+2.53	5.80	0.20
30 Day T/E Visible Supply (Bil)	6.97	4.95	+2.04	6.60	1.92
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	117.89	117.69	+.20	134.42%	109.21%

INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK T-BILL RATE	C.P.RATE TAXABLE	LIBOR (30-DAY)	30-YEAR T/E BONDS (A-AAA)		
06/07/19	1.40	5.50	2.37	2.26	2.38	2.41	3.03	-	2.53
05/31/19	1.42	5.50	2.37	2.34	2.42	2.43	3.06	-	2.56
05/24/19	1.32	5.50	2.37	2.33	2.40	2.43	3.12	-	2.62
05/17/19	1.35	5.50	2.37	2.38	2.42	2.43	3.08	-	2.58
05/10/19	1.59	5.50	2.39	2.42	2.43	2.45	3.13	-	2.63
05/03/19	2.12	5.50	2.42	2.41	2.42	2.48	3.23	-	2.73
04/26/19	2.30	5.50	2.41	2.41	2.41	2.48	3.29	-	2.79
04/19/19	2.04	5.50	2.43	2.47	2.43	2.48	3.40	-	2.90
04/12/19	1.54	5.50	2.40	2.44	2.43	2.48	3.38	-	2.88
04/05/19	1.48	5.50	2.40	2.42	2.47	2.47	3.40	-	2.90
03/29/19	1.50	5.50	2.40	2.40	2.43	2.49	3.30	-	2.80
03/22/19	1.53	5.50	2.40	2.46	2.46	2.49	3.44	-	2.94
03/01/19	1.74	5.50	2.40	2.43	2.43	2.49	3.88	-	3.43
02/01/19	1.43	5.50	2.40	2.39	2.40	2.51	4.02	-	3.47
01/04/19	1.63	5.50	2.40	2.42	2.47	2.52	3.93	-	3.38
12/07/18	1.65	5.25	2.19	2.39	2.30	2.38	4.08	-	3.55
11/02/18	1.61	5.25	2.18	2.25	2.25	2.31	3.83	-	3.38
10/05/18	1.53	5.25	2.16	2.21	2.21	2.28	4.11	-	3.76
09/07/18	1.49	5.00	1.91	2.13	2.04	2.12	3.86	-	3.51
08/03/18	1.29	5.00	1.90	2.00	1.94	2.08	3.80	-	3.50
07/06/18	1.19	5.00	1.90	1.91	1.96	2.09	3.67	-	3.37
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32

Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.