

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

### FEATURED ARTICLE

## ZIEGLER'S RECOMMENDED READING LIST: SECOND QUARTER 2019

Each quarter Ziegler provides a list of white papers, reports and recently released articles that providers can add to their recommended reading list. These publications are often worthwhile to pass along to board members and the leadership team to stay on top of industry trends and innovations. This quarter's list includes topics such as technology adoption and research, understanding the workforce needs for today and into the future, the middle-market customer, and nursing home regulation to name a few. As always, if you have suggestions for future reading lists, please do not hesitate to pass your thoughts on to us.

1. [The 2019 Forecast Report: Workforce Trends](#): The senior living industry continues to help fuel the nation's economy as one of its steadiest job creators. On a year-to-date basis through June 2018, employment in the senior living industry rose 2 percent. (Research paper produced by Argentum)
2. [2019 Technology Survey of Older Adults Age 55-100](#): Since 2011, Link-age Connect, a Cincinnati, Ohio, based research consultancy (working exclusively with an older adult population), has been conducting research on the technology use among this cohort.
3. [ASHA, ProMatura Study: In What Ways Can Assisted Living Offer a More Satisfying Environment?](#): The American Seniors Housing Association (ASHA), a D.C.-based seniors housing advocacy organization, and ProMatura, a Mississippi-based research firm, have released a study that identifies how assisted living communities can provide a more satisfying environment, a greater sense of feeling at home, and a greater quality of life.
4. [Families' and Residents' Right to Know](#): Many older Americans and people with disabilities living in nursing homes benefit from the care of dedicated leadership and staff members devoted to the health, flourishing and overall well-being of their residents. Investigative reporting, however, continues to identify facilities that fall short of the care standards required of every one of our nation's nursing homes.
5. [Emerging Technologies to Support an Aging Population](#): The Task Force on Research and Development for Technology to Support Aging Adults was established under the NSTC Committee on Technology to examine the potential of technology to maximize independence for older Americans by sustaining health, independence, and opportunities for social engagement.
6. [U.S. Home Care Workers: Key Facts](#): More than 2 million home care workers across the U.S. provide personal assistance and health care support to older adults and people with disabilities in home and community-based settings. The home care workforce—primarily comprised of women and people of color—has doubled in size over the past 10 years as the delivery of long-term services and supports has increasingly shifted from institutional settings, such as nursing homes, to private homes and communities.
7. [The Forgotten Middle: Middle Market Seniors Housing Study](#): This NIC-funded demand study, which was conducted by NORC at the University of Chicago, is the first of its kind and defines American's large middle-income seniors' cohort—not only by its demographic characteristics but its housing and healthcare needs—today and in 2029. The study includes data, by income cohorts, that capture level of cognitive impairment, chronic conditions and mobility limitations.
8. [CMS Announces PACE Final Rule](#): On May 28, 2019, the Centers for Medicare and Medicaid Services (CMS) announced a new final rule for PACE (Programs of All-Inclusive Care for the Elderly) programs. The final rule increases flexibility for PACE programs and may have the effect of expanding access to PACE among consumers.

If you have any questions about the content of this issue of *Z-News* or other related items, please contact the Ziegler banker in your region.

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CAPITAL :: INVESTMENTS :: ADVICE

**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

AS OF JUNE 27, 2019

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Mary's Woods at Marylhurst (OR)	Fitch	BB Stable	Affirmed Rating	6/19/19
Mercy Ridge Inc. (MD)	S&P	A Stable	Upgraded Rating	6/21/19
Otterbein Homes nka Otterbein SeniorLife (OH)	S&P	A Stable	Affirmed Rating Assigned Rating	6/24/19
Ohio Living (OH)	Fitch	BBB Stable	Affirmed Rating Affirmed IDR	6/26/19
United Methodist Communities (NJ)	Fitch	BBB- Stable	Affirmed Rating Revised Outlook	6/26/19
HumanGood California Obligated Group (CA)	Fitch	A- Stable	Upgraded Rating Assigned Rating	6/27/19

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\*IDR - Issuer Default Rating (FitchRatings)

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**INTEREST RATES/YIELDS**

(AS OF JUNE 21, 2019)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.32%	2.35%	2.90%
Senior Living 30-Yr "A"	3.02%	3.05%	3.76%
Senior Living 30-Yr "BBB"	3.32%	3.35%	4.05%
Senior Living Unrated	4.12%	4.15%	4.84%
Senior Living New Campus	6.50%	6.50%	6.50%
SIFMA Muni Swap Index	1.90%	1.71%	1.55%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.54%	4.54%	2.21%

\*Ziegler Senior Living Municipal Long Bond Index

Source: Ziegler Capital Markets

**FEATURED FINANCINGS**

**WISCONSIN ILLINOIS**  
 SENIOR HOUSING INC.

**WISCONSIN-ILLINOIS SENIOR HOUSING**  
 Illinois-Wisconsin

 Bank Direct Purchase  
 New Money

**\$5,415,000**

**METHODIST**  
 RETIREMENT COMMUNITIES

**METHODIST RETIREMENT COMMUNITIES**  
 The Woodlands, Texas

 Bank Direct Purchase  
 New Money / Refunding

**\$31,625,554**

Taxable Term Loan

**\$9,621,071**

**GARDEN SPOT**  
 VILLAGE

**GARDEN SPOT VILLAGE**  
 New Holland, Pennsylvania

 Bank Direct Purchase  
 Refunding

**\$19,485,000**

 Bank Direct Purchase  
 New Money

**\$37,515,000**

## MARKET REVIEW

## MONEY MARKET RATES

	6/21/19	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.50	5.50	5.50	5.00
Federal Funds (weekly average)	2.36	2.36	2.37	1.90
90 Day T-Bills	2.11	2.18	2.33	1.91
30-Day Commercial Paper (taxable)	2.34	2.38	2.40	1.95
Libor (30-day)	2.38	2.40	2.43	2.09
7 Day Tax-Exempt VRDB	1.90	1.71	1.32	1.50
Daily Rate Average	1.91	1.80	1.50	1.44

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
1 Year	1.93	2.23	1 Year	1.26	2.66	2.36	1.86	1.41	1.26
5 Year	1.80	2.55	5 Year	1.31	2.81	2.56	2.11	1.71	1.46
7 Year	1.92	2.87	7 Year	1.42	3.12	2.82	2.37	1.97	1.62
10 Year	2.06	3.56	10 Year	1.63	3.43	3.13	2.63	2.33	1.83
30 Year	2.59	4.09	30 Year	2.32	4.12	3.82	3.32	3.02	2.52

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2019 HIGH	LOW
Bond Buyer					
20 Bond Index	3.51	3.52	-.01	4.24	3.48
11 Bond Index	3.05	3.06	-.01	3.71	3.02
Revenue Bond Index	4.00	4.01	-.01	4.71	3.97
30 Year MMD	2.32	2.35	-.03	3.11	2.32
Weekly Tax-Exempt Volume (Bil)	3.96	6.41	-2.45	6.41	0.20
30 Day T/E Visible Supply (Bil)	4.77	4.79	-.02	6.97	1.92
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	117.50	117.76	-.26	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)		
06/21/19	1.90	5.50	2.36	2.11	2.34	2.38	3.02	-	2.52
06/14/19	1.71	5.50	2.36	2.18	2.38	2.40	3.05	-	2.55
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
03/01/19	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.