

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

### FEATURED ARTICLE

## UNDERSTANDING THE LARGEST NOT-FOR-PROFIT SINGLE-SITE PROVIDERS

A few weeks ago, Ziegler and LeadingAge released the 2019 *LeadingAge Ziegler 200* publication. A large focus of that report is on the largest not-for-profit multi-site providers. However, it is important to point out that the report actually provides a handful of not-for-profit rankings, including the largest single-site providers.

The focus of this week's *Z-News* is to highlight the largest not-for-profit single-site providers in the country. The largest single-site providers range in size from 1,815 market-rate units (Charlestown Community, MD, rank #1) to 321 units (Carlyle Place, GA, rank #150). Among the largest 150 communities, on average, 59% of units are devoted to Independent Living, 17% to Assisted Living, and roughly 24% Skilled Nursing. Nearly 95% of the largest not-for-profit single-sites represent Life Plan Communities. The table below details the 25 largest single-site providers.

Among the largest 150 single-sites, 64% reported having some type of home and community-based services (HCBS) platform, however, not all of the communities offer those services beyond the walls of their campus. About 44% of the largest single-sites indicated they do serve the greater community with some type of HCBS platform. The 2019 survey also asked information about technology adoption. Nearly all providers indicated that they have adopted EMR technologies and electronic point-of-care/point of services documentation systems. Other common technologies utilized include access control/wander management systems and user-activated personal emergency response systems. Telehealth and telecare monitoring systems were adopted by fewer than 10% of the largest single-site providers.

The chart information is further detailed in Chapter 6 of the full *LeadingAge Ziegler 200* publication. Readers can access the full report on the Ziegler website by [clicking here](#). For additional questions about items in this report, we encourage you to reach out to the Ziegler banker in your region.

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Source: *LeadingAge Ziegler 2019 Publication*

2019 Rank	Campus	City	State	Total Market-Rate Units
1	Charlestown Community, Inc.	Catonsville	MD	1,815
2	John Knox Village	Lee's Summit	MO	1,692
3	The Mennonite Village	Albany	OR	1,048
4	Henry Ford Village	Dearborn	MI	1,037
5	The Hebrew Home at Riverdale	Riverdale	NY	1,004
6	Panorama	Lacey	WA	981
7	John Knox Village of Florida	Pompano Beach	FL	930
8	Cross Keys Village - The Brethren Home Community	New Oxford	PA	904
9	Brethren Village	Lititz	PA	858
10	Westminster Canterbury Richmond	Richmond	VA	822
11	Mennonite Home Communities	Lancaster	PA	797
12	Friendship Village Tempe	Tempe	AZ	794
13	Menorah Park Center for Senior Living	Cleveland	OH	790
14	Charles E. Smith Life Communities	Rockville	MD	783
15	Luther Manor	Wauwatosa	WI	732
16	Lakeview Village	Lenexa	KS	727
17	The Center for Modern Aging at Glencroft	Glendale	AZ	710
18	Indiana Masonic Home	Franklin	IN	702
19	Atlantic Shores Cooperative Association	Virginia Beach	VA	671
20	Tel Hai Retirement Community	Honey Brook	PA	656
21	John Knox Village of Central Florida	Orange City	FL	654
22	The Beatitudes Campus	Phoenix	AZ	651
23	Copeland Oaks	Sebring	OH	640
24	Miami Jewish Health	Miami	FL	637
25	Army Residence Community	San Antonio	TX	634

Source: *LeadingAge Ziegler 2019 Publication*

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

AS OF NOVEMBER 12, 2019

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Lifespace Communities, Inc. (IA)	Fitch	BBB Stable	Assigned Rating Affirmed Rating	10/24/19
Peconic Landing at Southold (NY)	Fitch	BBB- Positive	Assigned Rating Affirmed Rating Revised Outlook	10/24/19
Buckner Retirement Services (TX)	Fitch	A Stable	Affirmed Rating	10/30/19
Morningstar Senior Living (PA)	Fitch	BB+ Stable	Assigned Rating Affirmed Rating	11/4/19
Village on the Isle (FL)	Fitch	BBB- Negative	Assigned Rating Affirmed Rating Revised Outlook	11/5/19
Lenbrook Square Foundation (GA)	Fitch	BBB Negative	Rating Watch	11/8/19
Christian Care Centers (TX)	Fitch	BB- Negative	Downgraded Rating	11/12/19


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Any non-Ziegler sources referenced in this Z-News are believed to be reliable but cannot be guaranteed.*

**INTEREST RATES/YIELDS**

(AS OF NOVEMBER 8, 2019)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.20%	2.06%	2.49%
Senior Living 30-Yr "A"	3.20%	3.06%	3.38%
Senior Living 30-Yr "BBB"	3.40%	3.26%	3.66%
Senior Living Unrated	4.30%	4.16%	4.50%
Senior Living New Campus	6.00%	6.00%	6.41%
SIFMA Muni Swap Index	1.09%	1.12%	1.52%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.40%	4.37%	2.22%

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


**FEATURED FINANCINGS**


**THE BARRINGTON  
OF CARMEL**

**BARRINGTON OF CARMEL**  
(an affiliate of BHI SENIOR LIVING)  
Carmel, Indiana

Taxable Term Loan / New Money

**\$49,940,000**



**COVENANT LIVING**  
COMMUNITIES & SERVICES  
Skokie, Illinois

Bank Direct Purchase / New Money

**\$45,000,000**

## MARKET COMMENTARY

## FROM A CAPITAL MARKETS PERSPECTIVE

Last week in equities, for the first time since February, the S&P 500 has risen for five weeks in a row. The major indexes extended their recent steady climb, setting new record highs and gaining around 1% for the week as quarterly earnings season continued to provide some modest lift. While third-quarter earnings results continued to come in slightly ahead of expectations, the outlook for the fourth quarter has recently worsened. Analysts project that fourth-quarter earnings among S&P 500 companies will slip 0.4%, according to FactSet<sup>1</sup>.

Growing optimism about prospects for a partial trade agreement between the United States and China lifted stocks on Thursday, as Chinese officials indicated they expected the two nations would roll back tariffs imposed earlier in the conflict. A gauge of U.S. consumer sentiment rose, easing concerns about prospects of a recession. The University of Michigan Consumer Sentiment released on Friday that its preliminary index of November consumer sentiment was up slightly from the previous month up from 95.5 to 95.7.

In fixed income, the yield of the 10-year U.S. Treasury bond climbed to 1.92% on Thursday, the highest level in more than three months, as selling pressure sent yields higher. As recently as early October, the yield was as low as 1.52%. In Munis, yields matched treasury movements. The 10-Year and 30-Year MMD each increased 11 and 16 bp's respectively from 1.49% to 1.60% and 2.06% to 2.22%, respectively. The tax-exempt bond funds saw an inflow of approximately \$1,103.64 million.

ADAM BUCHANAN

SENIOR VICE PRESIDENT

*See pages 4-5 for current market rates.*

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

*1 (FactSet. Earnings Insight, Key Metrics (11/08/2019)).*

## MARKET REVIEW

## MONEY MARKET RATES

	11/08/19	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	4.75	4.75	5.00	5.25
Federal Funds (weekly average)	1.54	1.70	1.80	2.18
90 Day T-Bills	1.55	1.52	1.66	2.35
30-Day Commercial Paper (taxable)	1.61	1.66	1.90	2.29
Libor (30-day)	1.75	1.78	1.92	2.31
7 Day Tax-Exempt VRDB	1.09	1.12	1.40	1.62
Daily Rate Average	1.07	1.20	1.37	1.59

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
1 Year	1.57	2.17	1 Year	1.12	2.82	2.52	1.92	1.57	1.42
5 Year	1.74	2.79	5 Year	1.21	3.01	2.76	2.21	1.91	1.61
7 Year	1.86	3.11	7 Year	1.35	3.35	3.05	2.40	2.20	1.80
10 Year	1.94	3.74	10 Year	1.59	3.69	3.39	2.79	2.59	2.04
30 Year	2.42	4.22	30 Year	2.20	4.30	4.00	3.40	3.20	2.65

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2019 HIGH	LOW
Bond Buyer					
20 Bond Index	2.86	2.79	+0.07	4.24	2.59
11 Bond Index	2.40	2.33	+0.07	3.71	2.13
Revenue Bond Index	3.34	3.27	+0.07	4.71	3.07
30 Year MMD	2.20	2.06	+0.14	3.20	1.84
Weekly Tax-Exempt Volume (Bil)	10.43	5.70	+4.73	10.43	0.20
30 Day T/E Visible Supply (Bil)	12.46	14.22	-1.76	14.22	.93
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	132.23	135.09	-2.86	145.27%	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)		
11/08/19	1.09	4.75	1.54	1.55	1.61	1.75	3.20	-	2.65
11/01/19	1.12	4.75	1.70	1.52	1.66	1.78	3.06	-	2.51
10/25/19	1.19	5.00	1.83	1.66	1.83	1.80	3.10	-	2.55
10/18/19	1.29	5.00	1.85	1.66	1.87	1.84	3.05	-	2.50
10/11/19	1.40	5.00	1.80	1.66	1.90	1.92	2.92	-	2.37
10/04/19	1.49	5.00	1.85	1.71	1.90	1.99	2.92	-	2.37
09/27/19	1.58	5.00	1.83	1.77	1.92	2.03	3.01	-	2.46
09/20/19	1.47	5.00	2.08	1.90	2.06	2.04	3.08	-	2.53
09/13/19	1.31	5.25	2.10	1.94	2.05	2.03	3.03	-	2.48
09/06/19	1.28	5.25	2.11	1.95	2.03	2.04	2.60	-	2.05
08/30/19	1.35	5.25	2.11	1.98	2.02	2.10	2.54	-	1.99
08/23/19	1.36	5.25	2.10	1.94	2.02	2.14	2.61	-	2.06
08/02/19	1.40	5.25	2.28	2.05	2.18	2.24	2.89	-	2.34
07/05/19	1.49	5.50	2.38	2.17	2.36	2.39	2.97	-	2.47
06/07/19	1.40	5.50	2.37	2.26	2.38	2.41	3.03	-	2.53
05/03/19	2.12	5.50	2.42	2.41	2.42	2.48	3.23	-	2.73
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

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