

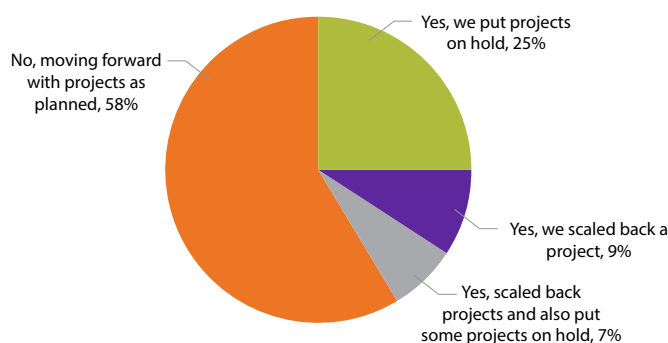
## FEATURED ARTICLE

## NOT-FOR-PROFIT SENIOR LIVING GROWTH PLANS

In some respects, the Not-for-Profit Senior Living & Care growth plans have been altered by the events of the pandemic and economic disturbances this past year. In other respects, there are a number of providers who are staying the course with respect to their future growth initiatives, whether it be expansion or development on the housing front or pursuit of services in the home. Ziegler recently completed a *CFO Hotline*<sup>SM</sup> poll related to projected growth over the next two years. More than 220 provider organizations responded to the most recent survey. This particular survey was also conducted in 2021 and 2020, allowing for longitudinal comparisons before, during and emerging from the pandemic. The summary below highlights key takeaways from the survey.

- The most common plan for growth in the next two years is through **unit expansion**, a sentiment expressed by slightly more than half of the respondents.
- The percentages who are growing through various strategies, whether through new development, expansion or acquisition, have stayed **relatively stable since March of 2020**.

### In the past year, have you had any planned construction/development projects that you either scaled back on or put on hold given current pressures?



Source: Ziegler CFO Hotline<sup>SM</sup>, August 2022

- The one area showing a **notable increase** in providers exploring growth is with Home & Community-Based Services (**HCBS**). The percentage of providers looking to enter into these service lines, or grow existing HCBS platforms, doubled six months into the COVID-19 pandemic and have remained at the same elevated levels two years later.
- The grow plans for **multi-site providers appear more aggressive than their single-site counterparts**.

The survey also explored pressures that may be hindering growth plans. Respondents were most likely to source workforce shortages as a limiting factor to growth, followed by construction pressures and the financial cost of growth. As noted below, however, nearly 6 out of 10 indicated that they are moving forward with construction/development projects despite these headwinds.

Roughly one-quarter of organizations have a position specifically devoted to growth, new business development, etc. or are considering adding this position. This individual often carries the title of “Chief Growth Officer,” “Chief Strategy Officer,” “VP of Business Development” or some other similar label. There are differences in the likelihood of this position across multi-sites versus single-site providers. The majority of those roles are seen among the larger, multi-site providers.

There are additional findings from the most recent poll, all of which are included in the full report, which can be found [online](#). If you have additional questions about the results of this survey or other related items, we encourage you to contact the Ziegler representative in your region.

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

AS OF AUGUST 22, 2022

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
United Methodist Retirement Communities dba Brio Living Services (MI)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	8/16/22
Westhills Village Retirement Community (SD)	S&P	A+ Stable	Affirmed Rating	8/16/22
Ohio Living (OH)	Fitch	BBB Negative	Affirmed Rating Affirmed IDR* Revised Outlook	8/22/22

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\* IDR – Issuer Default Rating (FitchRatings)

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**INTEREST RATES/YIELDS**

WEEK ENDING AUGUST 19, 2022


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.06%	2.91%	2.24%
Senior Living 30-Yr “A”	4.26%	4.11%	3.24%
Senior Living 30-Yr “BBB”	4.56%	4.41%	3.57%
Senior Living Unrated	5.31%	5.16%	4.41%
Senior Living New Campus	6.40%	6.25%	5.66%
SIFMA Muni Swap Index	1.79%	1.83%	0.41%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	5.03%	4.97%	1.94%

<sup>†</sup> Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

**FEATURED FINANCING**


**Goodwin Living**

**THE VIEW AT GOODWIN LIVING**  
Alexandria, Virginia

Taxable Term Loan  
Acquisition

**\$17,775,000**  
August, 2022

## MARKET REVIEW

## MONEY MARKET RATES

	8/19	LAST WEEK
Prime Rate	5.50	5.50
Federal Funds (weekly average)	2.32	2.32
90 Day T-Bills	2.66	2.50
30-Day Commercial Paper (taxable)	2.27	2.33
Libor (30-day)	2.36	2.39
7 Day Tax-Exempt VRDB	1.79	1.83
Daily Rate Average	1.59	1.67

## COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	3.20	4.15	1 Year	2.15	4.00	3.65	3.30	2.50	2.25
5 Year	3.02	4.27	5 Year	2.12	4.07	3.72	3.32	2.52	2.32
7 Year	2.97	4.52	7 Year	2.22	4.32	4.02	3.47	2.72	2.47
10 Year	2.88	4.73	10 Year	2.41	4.61	4.31	3.71	3.01	2.71
30 Year	3.13	5.53	30 Year	3.06	5.46	5.21	4.56	4.11	3.61

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	3.44	3.27	+0.17
11 Bond Index	3.34	3.17	+0.17
Revenue Bond Index	3.72	3.55	+0.17
30 Year MMD	3.06	2.91	+0.15
Weekly Tax-Exempt Volume (Bil)	8.54	4.51	+4.03
30 Day T/E Visible Supply (Bil)	9.52	12.77	-3.25
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	131.3	125.3	+6.00

Source: Bloomberg