

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

LIFE PLAN COMMUNITY FINANCIAL RATIOS AND MEDIANS

This week, CARF released the 32nd edition of the *Financial Ratios & Trend Analysis of CARF-Accredited Continuing Care Retirement Communities*. Ziegler is pleased to be a partner to CARF, along with Baker Tilly, on this annual publication. Ziegler's Tom Meyers was one of the presenters during the live, recorded, webinar that took place at 10:30am CT on Thursday October 17th.

The 2024 CARF ratios publication reflects fiscal years ranging from March 31, 2023, to December 31, 2023. Comparative (single-site and multi-site) data for 17 separate financial ratios is presented by contract type and quartile rankings. The table below outlines a few of those ratios broken out by single-site and multi-site organizations.

Ratios – 50 th % Quartiles	Single-Site	Multi-Site
Net Operating Margin	3.30%	6.42%
Net Operating Margin-Adjusted	19.39%	20.37%
Days Cash on Hand	439	297
Debt Service Coverage Ratio	2.56	1.99
Average Age of Community (years)	12.25	12.45

Source: 2024 Financial Ratios and Trend Analysis (CARF)

As noted in the report's executive summary, for single site organizations, 2023 can be characterized as a year of attaining operational stability. Multi-site organizations, on the other hand, generally experienced bona fide improvements.

The *Financial Ratios & Trend Analysis of CARF-Accredited Continuing Care Retirement Communities* publication with the detailed financial ratios and benchmarks, [can be accessed here](#).

Fitch Ratings also recently released their *2024 Not-for-Profit Life Plan Communities Median Ratios*. This report provides an additional benchmarking tool for Not-for-Profit provider organizations, [click here to view](#) (note: an account is required to access the report and a cost may be involved).

The Ziegler Credit Surveillance and Analytics team also releases an annual financial ratio medians report for the Not-for-Profit Life Plan Communities that are monitored with outstanding municipal debt. The fiscal year 2023 results will be released later this fall.

Ziegler encourages senior living organizations to take advantage of these benchmarking tools to establish organizational goals and to assess the overall financial health of their organization. If you have specific questions regarding any of these reports, please reach out to the Ziegler representative in your region to learn more.

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF OCTOBER 11, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Horizon House (WA)	Fitch	BB+ Stable	Review – no action	10/9/24
Homewood Retirement Centers (MD)	Fitch	BBB+ Stable	Assigned Rating Assigned IDR*	10/11/24

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* IDR – Issuer Default Rating

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

INTEREST RATES/YIELDS

WEEK ENDING OCTOBER 11, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.66%	3.49%	3.73%
Senior Living 30-Yr “A”	4.55%	4.42%	4.87%
Senior Living 30-Yr “BBB”	4.90%	4.77%	5.22%
Senior Living Unrated	6.10%	5.92%	6.41%
Senior Living New Campus	7.75%	7.72%	7.91%
SIFMA Muni Swap Index	3.03%	3.00%	3.46%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.18%	5.16%	1.51%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING


EVERYAGE
Newton, North Carolina

North Carolina Medical Care Commission,
Retirement Facilities First Mortgage Revenue Bonds,
Series 2024B

\$25,310,000

September, 2024

Bank Placement
Taxable Loan / New Money

\$23,400,000

October, 2024

MARKET REVIEW

MONEY MARKET RATES

	10/11	Last week
Prime Rate	8.00	8.00
Federal Funds (weekly average)	4.81	4.81
90 Day T-Bills	4.64	4.58
30-Day Commercial Paper (taxable)	4.79	4.82
SOFR (30-day)	5.00	4.85
SOFR	4.82	4.85
7 Day Tax-Exempt VRDB	3.03	3.00
Daily Rate Average	3.22	2.32

COMPARATIVE YIELDS

TAXABLE REVENUE

	A	MMD	NR*	BB	BBB	A	AA		
2 Year	3.95	4.45	1 Year	2.68	4.68	4.08	3.33	3.03	2.68
5 Year	3.88	4.48	5 Year	2.41	4.51	3.86	3.11	2.81	2.41
7 Year	3.96	4.71	7 Year	2.54	4.74	4.04	3.29	2.99	2.54
10 Year	4.06	5.06	10 Year	2.75	5.05	4.30	3.55	3.25	2.75
30 Year	4.36	5.86	30 Year	3.66	6.26	5.36	4.66	4.36	3.66

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	3.91	3.74	+0.17
11 Bond Index	3.81	3.53	+0.17
Revenue Bond Index	4.20	4.03	+0.17
30 Year MMD	3.66	3.49	+0.17
Weekly Tax-Exempt Volume (Bil)	3.36	7.36	-4.00
30 Day T/E Visible Supply (Bil)	11.96	13.36	-1.40
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	100.0	100.4	-0.40

Source: Bloomberg