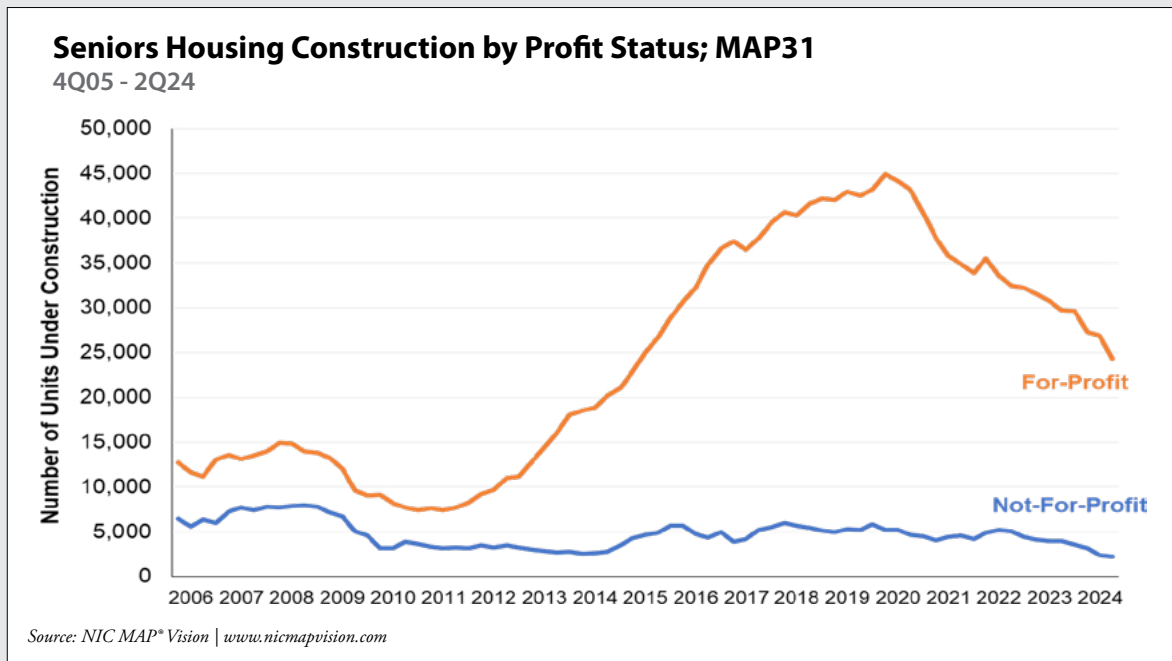


FEATURED ARTICLE

GROWTH OPPORTUNITIES AMID SENIOR POPULATION SURGE

It is well known among senior living providers that the industry is on the cusp of a demographic boom as the next generation of retirees enter the market. The 80+ population is set to grow by roughly 40% by 2030. These future senior living residents are eagerly seeking out varied and sophisticated dining options, have a strong focus on health & wellness, and have more advanced technology needs than those before them. As providers continue to explore the best ways to serve this population, however, one key component is missing: there are simply not enough units for the upcoming surge in demand.

According to a NICMAP Vision's Construction Starts Trends report, the number of unit starts in 2Q2024 was just under one hundred units less than the previous low in 2Q2009, during the global financial crisis. The number of not-for-profit units under construction was significantly less than for-profit units, but both have continued to decline since the pandemic.



While construction costs have skyrocketed and the cost of capital has risen considerably, the potential opportunities available to senior living providers is cause to consider growth. In the second quarter of 2024, NIC reported the 12th consecutive quarter of occupancy growth in the sector. Right now, there are more people living in senior living than ever before. But if penetration rates remain the same, an estimated 10-12%², the number of units needed far outpaces the current rate of construction starts. NIC MAP data estimates that at the current rate, the industry will need an additional 200,000 units by 2025 and 775,000 units by 2030.

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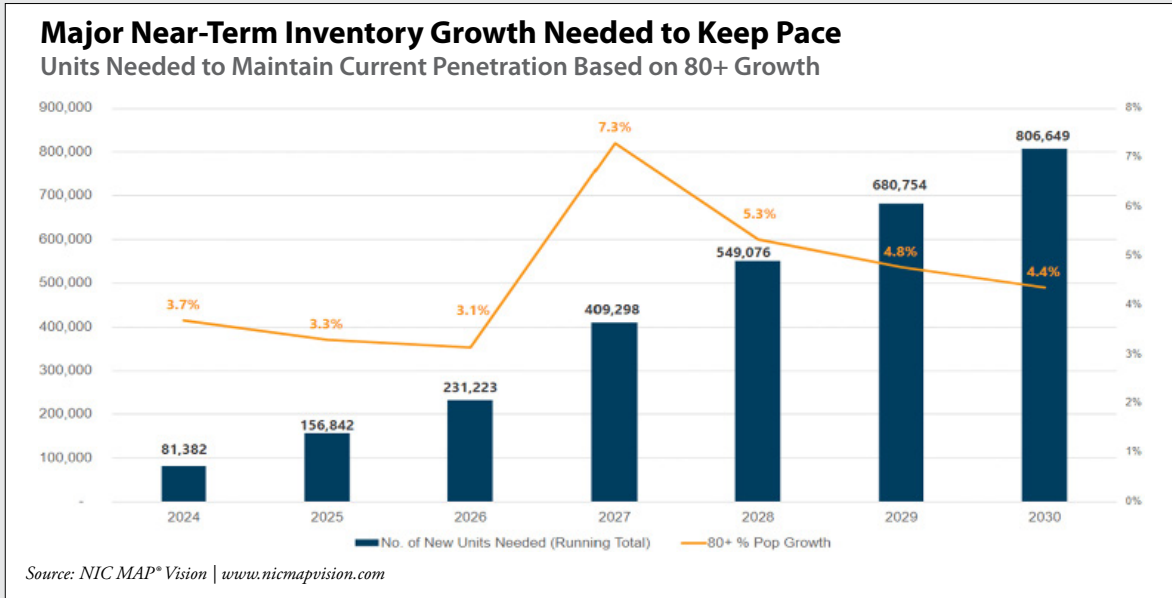
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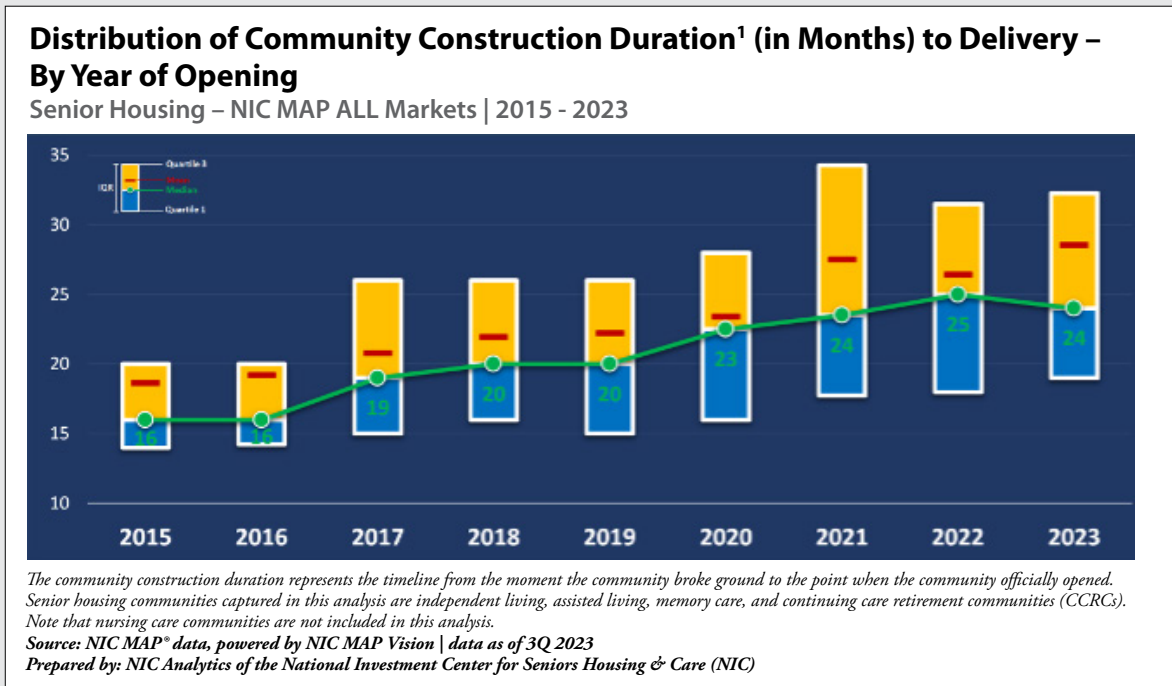
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With the lack of construction starts halfway through 2024 and the 80+ population set to increase 3.7% in the coming year, the number of unit starts will have to accelerate at a rapid pace to try and meet the coming demand. Most construction projects take between one and two years to complete, so the low number of starts now can complicate the surge in population over the next few years.



While there are still headwinds, the current and immediate hike in demand for senior living can give providers some security to invest in growth. The industry as a whole needs roughly \$1 trillion dollars invested to provide the necessary units³ going into the next few decades. If stakeholders can harness the contemporary expectations of this generation and invest in a strategic plan going forward that includes innovative living spaces, senior living communities can become the premier option for this new demographic. The Boomer population explosion is on our doorstep and will continue to be an attractive incentive to promote growth in the space for many years to come.

MEGAN CUNNINGHAM
 RESEARCH ANALYST
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1. NIC MAP Vision, Construction Starts Trends 2Q2024.
 2. Industry Quests for 'Holy Grail' of Improving Senior Living Penetration Rates – Senior Housing News. Austin Montgomery. July 11, 2024.
 3. The Impending Age Wave: Navigating the Urgent Need for Senior Housing | NIC MAP Vision. December 9, 2023.

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF JULY 12, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Transforming Age (WA)	Fitch	BB Stable	Affirmed Rating Affirmed IDR*	7/9/24
Trinity Terrace (TX)	Fitch	A- Stable	Assigned Rating Affirmed Rating Affirmed IDR*	7/9/24

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING JULY 12, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.68%	3.73%	3.81%
Senior Living 30-Yr "A"	4.50%	4.55%	5.12%
Senior Living 30-Yr "BBB"	4.80%	4.85%	5.52%
Senior Living Unrated	6.00%	6.05%	6.60%
Senior Living New Campus	7.75%	7.75%	7.91%
SIFMA Muni Swap Index	2.57%	2.98%	3.50%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.40%	5.44%	1.73%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCINGS

CAROLINA MEADOWS
 Chapel Hill, North Carolina

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

\$76,170,000

July, 2024


FELLOWSHIPLIFE
 ENRICH • TRANSFORM • EMPOWER

FELLOWSHIPLIFE
 Freehold, New Jersey

 Bank Placement
 New Money

\$42,500,000

July, 2024

MARKET REVIEW

MONEY MARKET RATES

	07/12	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.34	5.38
30-Day Commercial Paper (taxable)	5.31	5.31
Libor (30-day)	5.44	5.44
SOFR	5.34	5.32
7 Day Tax-Exempt VRDB	2.57	2.98
Daily Rate Average	2.14	2.57

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.51	5.01	1 Year	2.94	4.94	4.34	3.59	3.29	3.04
5 Year	4.14	4.74	5 Year	2.81	4.91	4.26	3.51	3.21	2.96
7 Year	4.15	4.90	7 Year	2.80	5.00	4.30	3.55	3.25	3.00
10 Year	4.21	5.21	10 Year	2.80	5.10	4.35	3.60	3.30	3.00
30 Year	4.42	5.92	30 Year	3.68	6.28	5.38	4.68	4.38	3.93

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.94	3.96	-0.02
11 Bond Index	3.84	3.86	-0.02
Revenue Bond Index	4.23	4.25	-0.02
30 Year MMD	3.68	3.73	-0.05
Weekly Tax-Exempt Volume (Bil)	6.08	6.08	0.00
30 Day T/E Visible Supply (Bil)	13.04	8.45	+4.59
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	99.1	98.0	+1.10

Source: Bloomberg