

## FEATURED ARTICLE

# LIFE PLAN COMMUNITY OCCUPANCY CONTINUES TO RISE

For the past several years, the National Investment Center for Seniors Housing & Care (NIC) has partnered with Ziegler to provide additional insights into the occupancy, growth, and other key indicators for the Life Plan Community (LPC) sector. This article summarizes the 1Q 2024 metrics for Life Plan Communities by level of living and also in comparison to the non-LPC community types. This analysis covers the primary and secondary markets across the U.S. that are tracked by NIC MAP®.

NIC MAP®, powered by NIC MAP Vision, collects primary data on occupancy, asking rents, demand, inventory, and construction for about 16,200 independent living, assisted living, memory care, skilled nursing, and life plan communities (LPCs — also referred to as continuing care retirement communities) across 140 U.S. metropolitan markets. The dataset includes more than 1,164 not-for-profit and for-profit entrance fee and rental LPCs in these 140 combined markets, including 1,086 in the 99 combined Primary and Secondary Markets.

### LPC Occupancy by Level of Living

The exhibit below shows that LPC occupancy continues to grow, with the Independent Living segment reporting the highest levels of occupancy. The Assisted Living and Memory Care occupancy figures are fairly similar at just below 89% nationally, followed by skilled nursing occupancy within the LPCs of 85.1%.

| LPC Segment        | 1Q 2024 Occupancy | Change from 1Q 2023 |
|--------------------|-------------------|---------------------|
| Independent Living | 91.0%             | +1.1%               |
| Assisted Living    | 88.9%             | +2.8%               |
| Memory Care        | 88.7%             | +3.4%               |
| Skilled Nursing    | 85.1%             | +2.0%               |

*Source: NIC MAP® data, powered by NIC MAP Vision*

*Prepared by: NIC Analytics of the National Investment Center for Seniors Housing & Care (NIC)*

While the Independent Living occupancy is the highest among all segments, it has shown the slowest overall growth across the four types. Memory care, followed by assisted living, have had the largest occupancy growth compared to one year ago. This trend of a more rapid occupancy recovery is also consistent with what is being observed overall across all senior living community types. It should also be noted that the Life Plan Community occupancy exceeds the non-LPC community occupancy across each segment, with the greatest gap within Independent Living. The LPC Independent Living occupancy is 5.7% above the non-LPC Independent Living occupancy.

### Entrance Fee vs Rental Comparisons

A large proportion of LPCs, particularly among not-for-profit sponsors, offer entrance-fee contracts as their primary type of resident agreement. Patterns emerge when comparing the entrance-fee model to the rental LPCs. There are also differences when comparing not-for-profit communities versus those owned and operated by for-profit organizations. The graph on the next page details those differences.

*...continued on next page*

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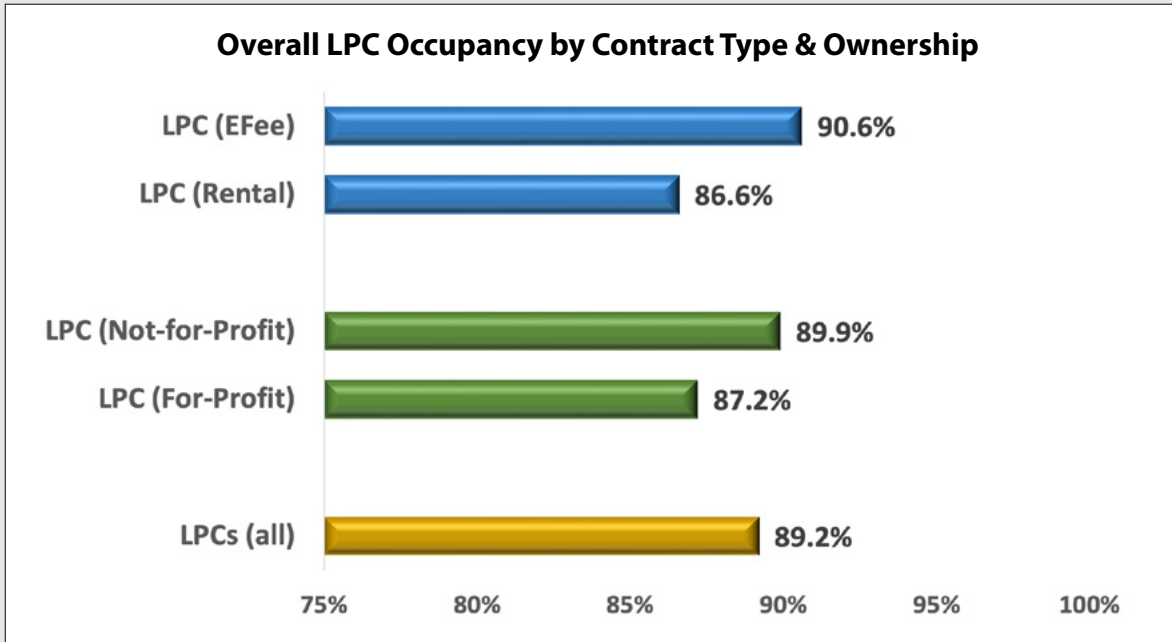
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Source: NIC MAP® data, powered by NIC MAP Vision  
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### Additional LPC Observations

Readers should be reminded that these figures represent national statistics and that regional differences do indeed exist across the country. This holds true for market variances as well, so providers should stay on top of the occupancy benchmarks in their particular geographic region.

Additionally, as has been reported on across the past few years, the total skilled nursing inventory within LPCs continues to decline. So, while the occupancy continues to increase, the overall universe of skilled nursing beds is less than it was one, two and three years ago. When comparing the 1Q 2024 LPC skilled nursing inventory to the 1Q 2023 skilled nursing inventory, there was a 1.6% decline in beds. That does not account for declines in the years' prior.

For further insights and data on the LPC market fundamentals, please visit [www.nic.org](http://www.nic.org) and also follow the NIC Insider newsletter for additional deep-dive information.

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 NIC

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

AS OF JUNE 14, 2024

| ORGANIZATION                   | RATING AGENCY | RATING/ OUTLOOK | TYPE OF ACTION  | DATE    |
|--------------------------------|---------------|-----------------|---|---------|
| Loomis Communities (MA)        | S&P           | BBB Stable      | Affirmed Rating                                       | 5/16/24 |
| Highlands at Wyomissing (PA)   | Fitch         | BBB Stable      | Review – no action                                    | 6/4/24  |
| Carolina Meadows (NC)          | Fitch         | BBB+ Stable     | Downgraded IDR*<br>Assigned Rating<br>Assigned IDR*   | 6/6/24  |
| Jerome Home (CT)               | Fitch         | BBB Stable      | Affirmed Rating<br>Affirmed IDR*                      | 6/6/24  |
| The Pines at Davidson (NC)     | Fitch         | BBB+ Stable     | Affirmed Rating<br>Affirmed IDR*                      | 6/6/24  |
| Kendal at Ithaca (NY)          | S&P           | BBB+ Stable     | Affirmed Rating                                       | 6/7/24  |
| RiverWoods at Exeter (NH)      | Fitch         | A- Stable       | Affirmed IDR*   | 6/7/24  |
| BHI Senior Living (IN)         | Fitch         | BBB Stable      | Affirmed Rating<br>Affirmed IDR*                      | 6/12/24 |
| Brazos Presbyterian Homes (TX) | Fitch         | BB+ Stable      | Affirmed Rating<br>Affirmed IDR*                      | 6/13/24 |
| Shell Point (FL)               | S&P           | BBB+ Negative   | Assigned Rating<br>Affirmed Rating<br>Revised Outlook | 6/13/24 |
| Immanuel Obligated Group (NE)  | Fitch         | AA Stable       | Review – no action                                    | 6/14/24 |
| Lifespire of Virginia (VA)     | Fitch         | BBB Stable      | Review – no action                                    | 6/14/24 |
| Orchard Cove (MA)              | Fitch         | BBB Stable      | Affirmed Rating<br>Affirmed IDR*                      | 6/14/24 |

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\* IDR – Issuer Default Rating

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**INTEREST RATES/YIELDS**

WEEK ENDING JUNE 14, 2024

|                           | CURRENT | LAST WEEK | 52-WK AVG |
|---------------------------|---------|-----------|-----------|
| 30-Yr MMD                 | 3.73%   | 3.76%     | 3.80%     |
| Senior Living 30-Yr “A”   | 4.57%   | 4.60%     | 5.17%     |
| Senior Living 30-Yr “BBB” | 4.87%   | 4.90%     | 5.59%     |
| Senior Living Unrated     | 6.07%   | 6.10%     | 6.63%     |
| Senior Living New Campus  | 7.72%   | 7.75%     | 7.88%     |
| SIFMA Muni Swap Index     | 3.18%   | 2.89%     | 3.52%     |

|                           | CURRENT | WEEKLY AVERAGE | SPREAD TO MMD |
|---------------------------|---------|----------------|---------------|
| ZSLMLB Index <sup>†</sup> | 5.50%   | 5.57%          | 1.83%         |

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

Source: Bloomberg BVALS

**FEATURED FINANCINGS**

**RIVERSPRING HEALTH SENIOR LIVING**

Riverdale, New York

 Line of Credit  
New Money

**\$25,000,000**

June, 2024


**LUTHERAN SENIOR SERVICES**

St. Louis, Missouri

 Health and Educational Facilities  
Authority of the State of Missouri,  
Senior Living Facilities Revenue Bonds,  
Series 2024A

**\$79,235,000**

June, 2024

## MARKET REVIEW

## MONEY MARKET RATES

|                                   | 06/14 | Last week |
|-----------------------------------|-------|-----------|
| Prime Rate                        | 8.50  | 8.50      |
| Federal Funds (weekly average)    | 5.31  | 5.31      |
| 90 Day T-Bills                    | 5.38  | 5.39      |
| 30-Day Commercial Paper (taxable) | 5.30  | 5.29      |
| Libor (30-day)                    | 5.44  | 5.44      |
| SOFR                              | 5.31  | 5.33      |
| 7 Day Tax-Exempt VRDB             | 3.18  | 2.89      |
| Daily Rate Average                | 3.48  | 2.43      |

## COMPARATIVE YIELDS

| TAXABLE REVENUE |      |      |         |      |      |      |      |      |      |
|-----------------|------|------|---------|------|------|------|------|------|------|
|                 | GOVT | A    |         | MMD  | NR*  | BB   | BBB  | A    | AAA  |
| 2 Year          | 4.69 | 5.19 | 1 Year  | 3.13 | 5.13 | 4.63 | 3.78 | 3.48 | 3.23 |
| 5 Year          | 4.24 | 4.84 | 5 Year  | 2.89 | 4.99 | 4.49 | 3.64 | 3.34 | 3.04 |
| 7 Year          | 4.23 | 4.98 | 7 Year  | 2.85 | 5.05 | 4.50 | 3.70 | 3.35 | 3.05 |
| 10 Year         | 4.24 | 5.24 | 10 Year | 2.83 | 5.13 | 4.53 | 3.73 | 3.48 | 3.03 |
| 30 Year         | 4.39 | 5.89 | 30 Year | 3.73 | 6.33 | 5.63 | 4.98 | 4.58 | 4.03 |

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

|  | THIS WEEK | LAST WEEK | CHANGE |
|--|-----------|-----------|--------|
| Bond Buyer   |           |           |        |
| 20 Bond Index  | 3.94      | 3.97      | -0.03  |
| 11 Bond Index  | 3.84      | 3.87      | -0.03  |
| Revenue Bond Index                                       | 4.23      | 4.26      | -0.03  |
| 30 Year MMD  | 3.73      | 3.76      | -0.03  |
| Weekly Tax-Exempt Volume (Bil)                           | 4.48      | 8.28      | -3.80  |
| 30 Day T/E Visible Supply (Bil)                          | 8.51      | 7.29      | +1.22  |
| 30 year "A" Rated Hospitals as a % of 30 Year Treasuries | 104.3     | 104.0     | +0.30  |

Source: Bloomberg