

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

## FEATURED ARTICLE

# ZIEGLER CFO HOTLINE<sup>SM</sup>: DINING CONTRACTS (PAST AND PRESENT)

Over the years Life Plan Communities have expanded amenities, especially dining venues, to include cafés, bistros, and pubs to offer residents a variety of casual dining versus a more elegant dining experience. Today, there are also dining venues utilizing the assistance of AI and robots — how far we have come!

More than ten years ago Ziegler conducted a *CFO Hotline<sup>SM</sup>* poll on the topic of Dining Contracts and nearly 140 organizations responded to that survey. Recently we reissued the survey to see what has changed over the last 10+ years. Nearly 200 CFOs and finance professionals responded — the majority from not-for-profit Life Plan Communities.

Although it does seem that there have been some changes in the types of meal plans offered, the use percentages have fluctuated somewhat. Today residents have choices in whether to dine in a casual setting or a more elegant dining experience, and there are similarities in the payment programs and the way meals are tracked (see the full report for more details). Let's compare...

MEAL PLANS OFFERED	DECEMBER, 2013	MAY, 2024
Declining Balance	77%	43%
Voucher / Points	3%	13%
Meal Credits	53%	8%
Fixed Amount	--	23%
A la Carte	--	5%
Combination / Other	10%	9%

*Note: Respondents were asked to answer all that apply.*

DINING PREFERENCE	DECEMBER, 2013	MAY, 2024
Casual Dining	47%	49%
Formal Dining	53%	51%

MEAL PLAN TRACKING	DECEMBER, 2013	MAY, 2024
Dollar Amount Used	29%	49%
Meals Consumed	57%	34%
Points System	3%	10%
Combination / Other	10%	7%

*Note: Respondents were asked to answer all that apply.*

*Ziegler CFO Hotline<sup>SM</sup> Report, 'Dining Contracts' (December 2013 and May 2024)*

**ZIEGLER**

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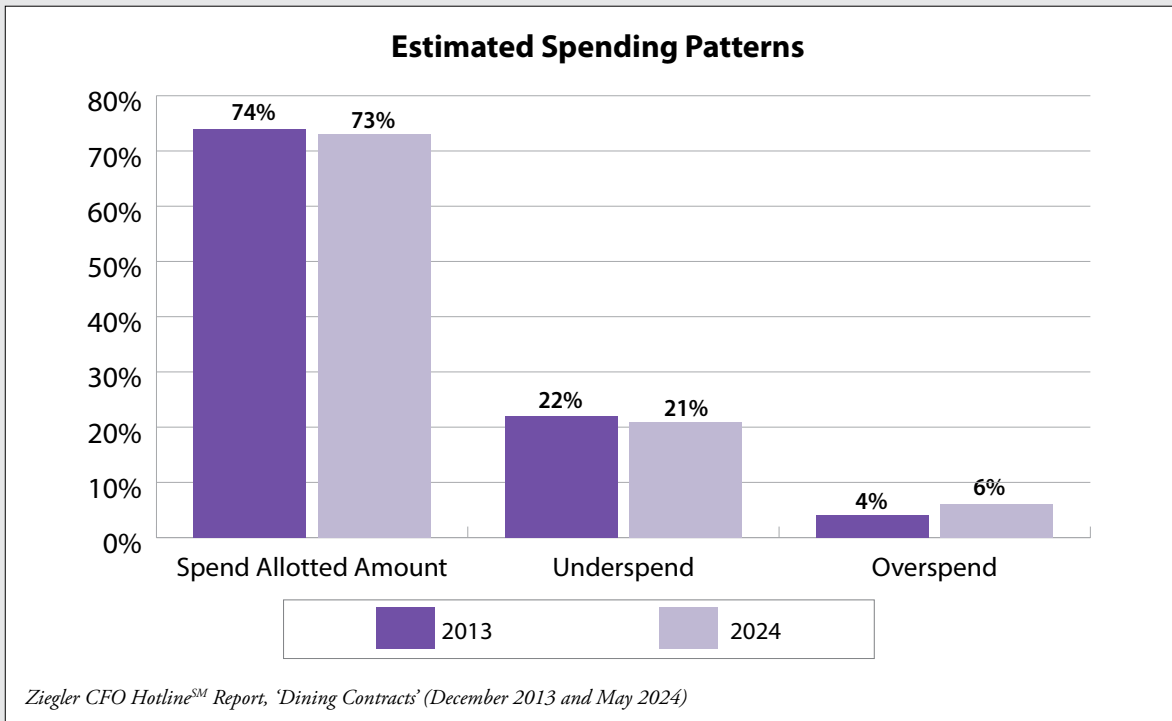
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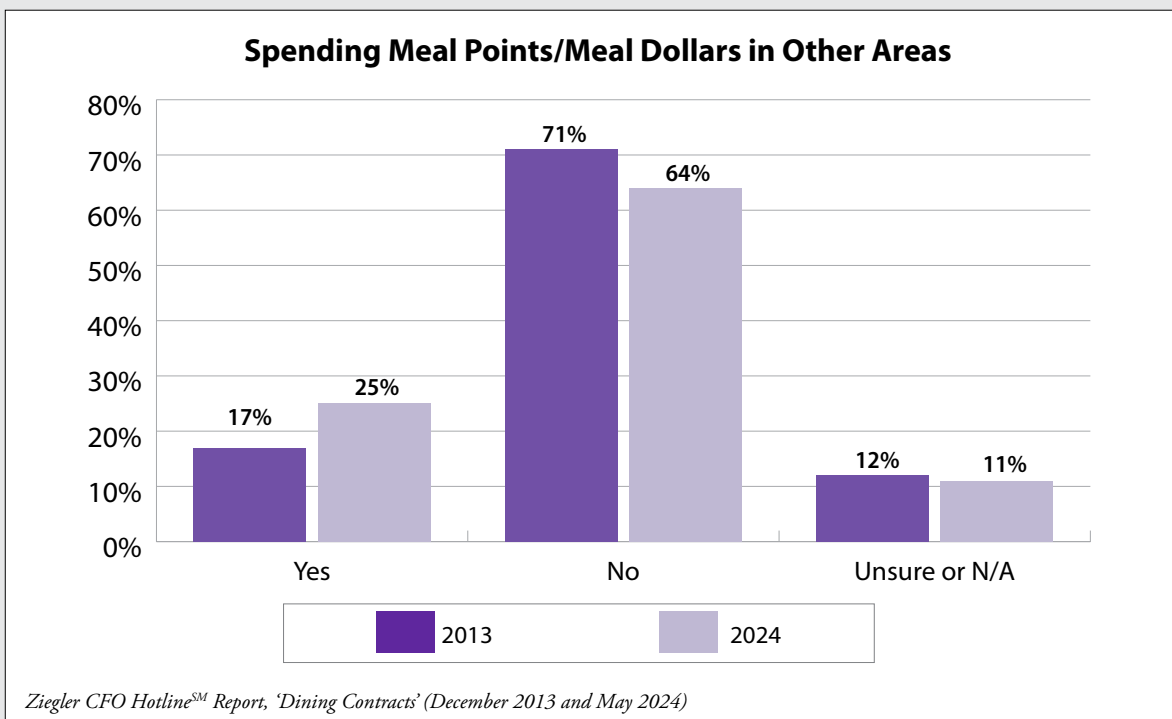


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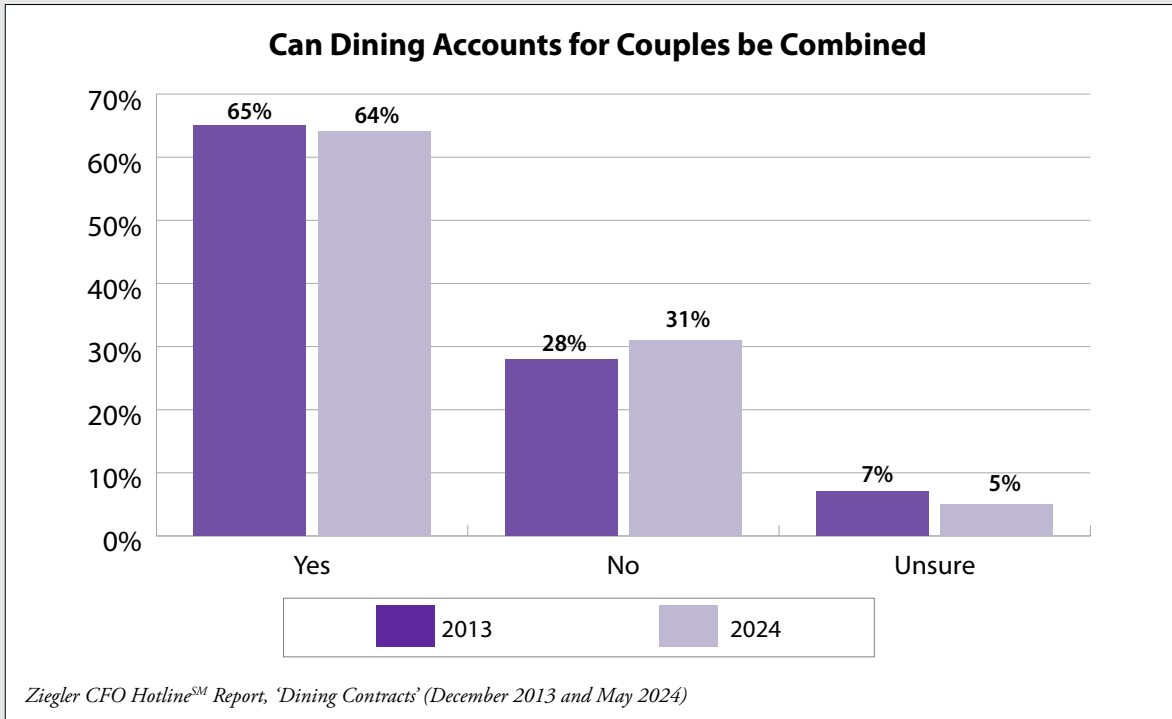
When it comes to spending patterns, residents for the most part only spend what has been allotted them for meals, but there are also the small percent who are frugal — those who tend to underspend. However, every community has the few who push their limits — they want that extra piece of pie or that second glass of wine, but that’s okay, they deserve to indulge occasionally!



I’m sure it is a question that most residents ask at one time or another, can meal points or meal dollars be used in other areas of the community, such as a convenience store, hair salon, or ice cream parlor? As shown in the chart below, most communities do not allow this, however, some do, and others are unsure or do not have such amenities.



Finally, the question was asked whether dining accounts can be combined for residents who live in the community as a couple? The responses were very similar from the past survey to the current one, see below:



Dining contracts have evolved over the years to offer a variety of benefits and options to accommodate the ever-changing preferences of today's resident. Such preferences and varied contracts are not without challenges for the provider. We encourage readers to [access the full CFO Hotline<sup>SM</sup> Report](#) on the Ziegler website to view additional findings.

If you have any questions regarding this *Z-News* or other related topics, please reach out to the Ziegler representative in your region.

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

AS OF MAY 24, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Presbyterian Villages of Michigan (MI)	Fitch	BB- Negaative	Downgraded Rating Downgraded IDR*	5/21/24
Lutheran Senior Services (MO)	Fitch	BBB Stable	Assigned Rating Affirmed Rating Affirmed IDR*	5/24/24
Orchard Park CCRC, Inc. dba Fox Run at Orchard Park (NY)	Fitch	BBB Stable	Affirmed Rating Affirmed IDR*	5/24/24

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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 MAY 24, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.87%	3.76%	3.78%
Senior Living 30-Yr “A”	4.85%	4.69%	5.21%
Senior Living 30-Yr “BBB”	5.25%	5.09%	5.61%
Senior Living Unrated	6.30%	6.24%	6.64%
Senior Living New Campus	8.00%	7.89%	7.85%
SIFMA Muni Swap Index	3.42%	4.21%	3.53%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	5.73%	5.72%	1.89%

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

Source: Bloomberg BVALS

**FEATURED FINANCING**


# BELLE SPRINGS

LIFE PLAN COMMUNITY

## HUTSONWOOD AT SPRING HILL

Spring Hill, Tennessee

**\$14,665,000**

 Public Finance Authority,  
Revenue Bond Anticipation Notes,  
Series 2024A

**\$3,000,000**

Subordinate Taxable Note

May, 2024

## MARKET REVIEW

## MONEY MARKET RATES

	05/24	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.41	5.40
30-Day Commercial Paper (taxable)	5.30	5.33
Libor (30-day)	5.43	5.43
SOFR	5.31	5.31
7 Day Tax-Exempt VRDB	3.42	4.21
Daily Rate Average	3.20	3.91

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.93	5.43	1 Year	3.36	5.36	4.86	4.01	3.71	3.46
5 Year	4.53	5.13	5 Year	3.03	5.13	4.63	3.78	3.48	3.18
7 Year	4.49	5.24	7 Year	3.00	5.20	4.65	3.85	3.50	3.20
10 Year	4.47	5.47	10 Year	3.01	5.31	4.71	3.91	3.66	3.21
30 Year	4.58	6.08	30 Year	3.87	6.47	5.77	5.12	4.72	4.17

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.00	3.93	+0.07
11 Bond Index	3.90	3.83	+0.07
Revenue Bond Index	4.29	4.22	+0.07
30 Year MMD	3.87	3.76	+0.11
Weekly Tax-Exempt Volume (Bil)	1.55	8.41	-6.86
30 Day T/E Visible Supply (Bil)	6.94	12.3	-5.36
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	103.0	100.0	+3.00

Source: Bloomberg