

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: Q2 2024

Once a quarter, we feature an issue of *Z-News* that is devoted to recommended reading. These lists include newly released research reports, hot-topic white papers or noteworthy articles that have meaningful information for the senior living & care sector. The list of reading materials below range in topics from demographics to risk management to philanthropy, among others. As always, we welcome feedback on potential future publications or articles to include for our readers.

- [Proactive Risk Management: How The Right Clinical Team Can Be Your Secret Weapon \(4637029\) \(on24.com\)](#) Webinar aired July 24 at 12 pm ET. The key to mitigating risk in senior living communities lies in having a competent and dedicated clinical team. This presentation outlines the critical role of your clinical team in risk management and how they can be leveraged as a secret weapon in safeguarding the health and safety of your communities. We'll discuss potential risks for operators and offer strategies to ensure the safety, well-being, and satisfaction of residents while improving operational and financial efficiencies. You'll hear success stories from operators who have implemented these tactics and learn how to choose the right partners to ensure your success.
- [Impact of Medicare's "GUIDE" Model on Life Plan Communities \(06/24\) Registration Form | Ziegler Webinar](#) aired Thursday, June 14, 2024. On July 1, 2024 CMS launched a new voluntary nationwide model – Guiding an Improved Dementia Experience (GUIDE). GUIDE is a model that aims to support people living with dementia outside of a skilled nursing facility. While the program was announced in July 2023, its impact and relevance to Life Plan Communities remains relatively unknown. We believe it is important for Life Plan Communities to understand GUIDE and how this program impacts residents and creates an opportunity for providers. In this webinar we heard directly from experts on the key attributes of the GUIDE program and its impact on Life Plan Communities. The session included best practices to implement the model in the life plan setting, to include appropriately leveraging existing staff and resources.
- [Living better, longer. The new narrative for senior living, ICAA Forum 2024](#) Spring, 2024. The wellness model is the new narrative. The map of senior living is being redrawn by the forces of demographics and economics. If executives try to fit new approaches into old models, it's like trying to force your foot into a too-small shoe. Potential residents, new revenue streams and updated services don't fit and the community defaults into the way operations have always been done.
- [How to Build a Thriving Resident Tech Committee: 10 Easy Steps – Icon \(goicon.com\)](#) 2024. In the ever-evolving landscape of senior living, the emergence of Resident Tech Committees is on the rise. But what exactly is a Resident Tech Committee, and how can it transform the technological landscape within a senior living community? In this

eBook, we delve into the crucial role these committees play in fostering a sense of community, empowering seniors in the digital age, and seamlessly integrating technology into their daily lives.

- [Effective leadership, management practices benefit insurance underwriting process — McKnight's Senior Living \(mcknightsseniorliving.com\)](#) August 2, 2024. Julie Bordo, president and CEO of PCH Mutual Insurance, provided a professional liability insurance perspective on the issue Wednesday during an Adelman Law Senior Living Empower Hour webinar. Strong, effective leadership is critical in managing risk and enhancing the insurance profile of senior living communities, she said. When deciding whether to insure a company, Bordo said, the process starts with the application, which provides a snapshot into an organization. But communication and trust indicators — responding in a timely manner, for instance — can go a long way. Strong leadership reduces perceived risks by insurers, Bordo said, and effective management demonstrates a stable and low-risk environment to underwriters. Managers, she added, can have power over the narrative of a business by demonstrating how they manage risk.
- [The Sticky Nature of Senior Housing Penetration: A Challenging Puzzle To Solve](#). May 13, 2024. This analysis, conducted by NIC Analytics, explores the trends and variations in occupied penetration rates since 2017 across senior housing segments and markets within the 31 NIC MAP Primary Markets. It sets the foundation for an upcoming in-depth research segment within the NIC SHARK series. For purposes of this analysis, occupied penetration rates are defined as occupied senior living units relative to households aged 75+.
- [What's Happening in the Real Estate Market: Update Through April 2024. June 14, 2024](#). Over the past few years, with high mortgage rates and low sales volume, Love & Company has kept a close watch on the real estate market, always looking to answer the question, "Can our prospects sell their homes at a reasonable value?" In this update, we take a look at the first four months of 2024 ... and find that very little has changed. For our market, this is good news, as home resale values continue to be strong, and the time period in which homes are selling continues to be relatively short. So yes, it continues to be a good time for our prospects to sell their homes — especially those with higher home values, as the National Association of Realtors® (NAR) reported the following in its April release.

If you have any questions about this newsletter or related topics, we encourage readers to reach out to the Ziegler representative in the region.

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF AUGUST 2, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Buckner Retirement Services (TX)	Fitch	A- Stable	Downgraded Rating Downgraded IDR*	7/31/24
Lutheran Services for the Aging dba Lutheran Services Carolinas (NC)	Fitch	BBB Stable	Assigned Rating Assigned IDR*	7/31/24
Presbyterian Homes, Inc. Obligated Group dba Brightspire (NC)	Fitch	BBB+ Stable	Affirmed Rating Affirmed IDR*	7/31/24
Village on the Isle (FL)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	7/31/24

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING AUGUST 2, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.62%	3.68%	3.82%
Senior Living 30-Yr "A"	4.50%	4.52%	5.08%
Senior Living 30-Yr "BBB"	4.85%	4.82%	5.47%
Senior Living Unrated	6.00%	6.02%	6.58%
Senior Living New Campus	7.75%	7.77%	7.92%
SIFMA Muni Swap Index	3.51%	3.61%	3.52%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.20%	5.31%	1.68%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING


**TRINITY
TERRACE**

TRINITY TERRACE
(Pacific Retirement Services)
Fort Worth, Texas

Tarrant County Cultural Education Facilities
Finance Corporation
Revenue Refunding Bonds
Series 2024

\$72,550,000
July, 2024

MARKET REVIEW

MONEY MARKET RATES

	08/05	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.25	5.30
30-Day Commercial Paper (taxable)	5.31	5.29
Libor (30-day)	5.46	5.46
SOFR	5.35	5.35
7 Day Tax-Exempt VRDB	3.51	3.61
Daily Rate Average	3.31	3.50

COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.15	4.65	1 Year	2.83	4.83	4.23	3.48	3.18	2.98
5 Year	3.83	4.43	5 Year	2.69	4.79	4.14	3.39	3.09	2.90
7 Year	3.88	4.63	7 Year	2.69	4.89	4.19	3.44	3.14	2.97
10 Year	3.97	4.97	10 Year	2.76	5.06	4.31	3.56	3.26	3.00
30 Year	4.27	5.77	30 Year	3.62	6.22	5.32	4.62	4.32	3.93

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.94	3.94	0.00
11 Bond Index	3.84	3.84	0.00
Revenue Bond Index	4.23	4.23	0.00
30 Year MMD	3.62	3.68	-0.06
Weekly Tax-Exempt Volume (Bil)	5.65	8.30	-2.65
30 Day T/E Visible Supply (Bil)	13.40	8.80	+4.60
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	101.1	97.7	+3.40

Source: Bloomberg