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THE FOREST AT DUKE

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## **Fitch Ratings announces BBB Rating; Outlook Stable for The Forest at Duke, Inc., Durham, NC**

*For immediate release*

DURHAM, NC, May 3, 2021 - Fitch Ratings announced that a 'BBB' rating has been awarded to The Forest at Duke and includes a stable outlook. The Fitch Ratings announcement stated that the 'BBB' rating reflected The Forest at Duke's strong market position in a demographically favorable service area and long history of high occupancy levels and strong profitability. The community's relationship with Duke University and its high resident satisfaction have helped it consistently draw residents from outside its primary market and maintain a sizeable waiting list despite the presence of several competitors.

The 2021 rating is an expected downgrade from 2020, reflecting Fitch's expectation that The Forest's leverage will increase following the series 2021 bond issuance. Proceeds from the series 2021 bonds will be used to fund the costs of a health center repositioning project, to include a new state-of-the-art health center and the addition of up to 75 contemporary, luxury apartments for independent living. Fitch "views the project favorably given the community's strong demand" and "expects that this project will strengthen demand going forward".

Only 150 of over 2,000 continuing care retirement communities in the United States have public ratings. First issued in 2007, The Forest at Duke continues to strive for financial excellence. This 'BBB' rating provides continued confidence that The Forest at Duke has the financial strength to fulfill its commitments, both to the residents we serve, future Forest at Duke residents, and to those investing in The Forest at Duke's bonds.

Fitch Ratings is a leading global rating agency committed to providing the world's credit markets with independent, timely and prospective credit opinions. With dual-headquarters in New York and London, Fitch Ratings operates offices and joint ventures in more than 49 locations and covers entities in more than 90 countries, including insurer financial strength ratings on over 2,000 insurance companies. Fitch Ratings was one of the three ratings agencies first recognized as a nationally recognized statistical rating organization (NRSRO) by the Securities and Exchange Commission in 1975.

Fitch's determination to grant a rating at the 'BBB' investment grade level came after a rigorous process of on-site interviews of management and extensive review of The Forest at Duke's financial and operating information.

Celebrating its 29th year, The Forest at Duke is a continuing care retirement community that redefines retirement, providing vibrant living and a continuum of care in the heart of Durham.