

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

## FEATURED ARTICLE

# ZIEGLER CREDIT SURVEILLANCE: 2026 CCRC DEFAULT STUDY

In April, Ziegler Credit Surveillance released its 2026 CCRC Default Study. This study focuses on not-for-profit CCRCs that have issued public market bond debt since 1990. We examined this pool of debt for payment defaults on the bonds — technical covenants like coverage or liquidity violations are not included.

Recent default trends are very positive — there was only one new payment default early on in 2025, with none in 2026 so far. We are also monitoring far fewer providers at risk than usual. For context, the average number of defaults since 2000 was 3.3 per year and during the 2020-2024 COVID period was 5.2 per year. We believe that defaults will stay at a low level for at least the next two years, barring any other extreme events.

There are multiple reasons for the current default lull. First and most obviously, there were many organizations in vulnerable positions pre-COVID and they were pushed over the edge by the pandemic before they had time to adapt. There were also some planned new projects that were canceled or postponed, which reduced construction and fill-up risks for the sector as a whole. On the positive side, most organizations persevered and many came out of COVID stronger and leaner than they went in.

In addition to fewer new defaults, prior defaults are resolving, most frequently through a sale of the facilities. Some borrowers that had previously undergone distressed bond restructurings defaulted again in the past few years and sold facilities.

Historically, defaults were most common for single-site greenfield start-ups before they reached financial stability. In recent years, even starting pre-COVID, we began to see some shift towards mature communities with long-standing bond debt and more defaults for rated borrowers. COVID caused some larger, multi-site systems to default, which had previously been rare.

Here are a few key statistics from the entire study period going back to 1990:

- \$71.2 billion in debt was issued for 786 unique borrowers in 1,627 bond issues
  - We believe that most facilities are represented at least once in the data
- 11.8% of the borrowers and 8.6% of issues in the study defaulted at some point
  - Most defaulted borrowers continued operating in some way, whether through a bond restructuring or a sale to another NFP or FP operator
- The Net Default Rate (Recovery adjusted) was 2.8%
  - This represents par amounts lost by bondholders after all actual and projected recoveries are accounted for
  - The average post-default recovery was about 63 cents on the dollar

You can [access the full report here](#). If you have any questions about this report, please reach out to its author, [mvtiello@ziegler.com](mailto:mvtiello@ziegler.com), or the Ziegler representative in your region.

MIKE VITIELLO, CFA  
SENIOR VICE PRESIDENT  
ZIEGLER CREDIT SURVEILLANCE AND ANALYTICS



## ZIEGLER

One North Wacker Drive | Suite 2000  
Chicago, IL 60606

## CONTACT US

800 366 8899  
[askziegler@ziegler.com](mailto:askziegler@ziegler.com)

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

AS OF APRIL 24, 2026

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Eliza Jennings Senior Care Network (OH)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	4/22/26
Legacy at Willow Bend (TX)	Fitch	BB- Negative	Affirmed Rating Affirmed IDR* Revised Outlook	4/22/26
Kendal at Lexington (VA)	Fitch	BBB Stable	Upgraded Rating Upgraded IDR* Revised Outlook	4/23/26
John Knox Village (MO)	Fitch	BB+ Stable	Assigned Rating Affirmed Rating Affirmed IDR*	4/24/26

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\* IDR – Issuer Default Rating

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**INTEREST RATES/YIELDS**

WEEK ENDING APRIL 24, 2026

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	4.27%	4.31%	4.36%
Senior Living 30-Yr “A”	5.17%	5.21%	5.23%
Senior Living 30-Yr “BBB”	5.37%	5.46%	5.50%
Senior Living Unrated	5.77%	5.81%	6.31%
Senior Living New Campus	6.97%	6.96%	7.17%
SIFMA Muni Swap Index	3.62%	2.81%	2.47%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	5.44%	5.44%	1.17%

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

Source: Bloomberg BVALS

## MARKET REVIEW

## MONEY MARKET RATES

	04/24	Last week
Prime Rate	6.75	6.75
Federal Funds (weekly average)	3.64	3.64
90 Day T-Bills	3.67	3.69
30-Day Commercial Paper (taxable)	3.69	3.73
SOFR (30-day)	3.64	3.64
SOFR	3.65	3.67
7 Day Tax-Exempt VRDB	3.62	3.65
Daily Rate Average	3.50	3.60

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AA
2 Year	3.83	4.33	1 Year	2.38	4.33	3.63	3.08	2.68	2.43
5 Year	3.95	4.55	5 Year	2.50	4.60	3.90	3.35	2.95	2.70
7 Year	4.13	4.88	7 Year	2.64	4.69	3.99	3.44	3.14	2.79
10 Year	4.32	5.32	10 Year	2.91	5.01	4.36	3.76	3.46	3.11
30 Year	4.91	6.31	30 Year	4.27	6.57	5.87	5.32	5.02	4.57

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	4.68	4.72	-0.04
11 Bond Index	4.58	4.62	-0.04
Revenue Bond Index	4.97	5.01	-0.04
30 Year MMD	4.27	4.31	-0.04
Weekly Tax-Exempt Volume (Bil)	5.24	11.43	-6.19
30 Day T/E Visible Supply (Bil)	10.30	9.55	+0.75
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	102.2	102.6	-0.40

Source: Bloomberg