

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

Page 1 | Week of February 2, 2026

FEATURED ARTICLE

A LOOK BEHIND...A LOOK AHEAD

PART II: SENIOR LIVING FINANCE ACTIVITY

In the last issue of **Z-News** we observed what occurred over the past year while predicting what to expect as we look ahead in the new year. This issue of **Z-News** will review the 2025 municipal bond issuance, capital markets, interest rates, and the more than 60 transactions Ziegler led this past year.

Some may remember the past few years when we experienced inflation at its highest level (8.0%) in 40 years, gas prices were \$5.00 a gallon, and interest rates on a 30-year mortgage topped 8.0%. Now we see inflation below 3.0%, gas prices below \$3.00 a gallon, and rates roughly 2.0% lower (6.0%) on a 30-year fixed mortgage -- that's the good news. However, consumers are still struggling with high grocery prices, increased utility costs, and the loss of funding for some vital programs. The only question left to ask, will the Fed continue to lower its target short-term rate or is this latest pause the end?

According to *The Bond Buyer Daily Report* (01/05/2026), total municipal bond issuance in 2025 was nearly \$580 billion, up 12.9% from nearly \$514 billion in 2024. Issuance in 2025 hit a new record high, due in part to the potential elimination of tax-exemption, and interest rates decreased to an acceptable level.

2025 started off on a positive note — Ziegler successfully priced its first two deals of the year in January. First, **LutherCare (PA)** financed \$31.520 million to refund outstanding bank debt. The second deal was for a \$7.5 million BANs (bond anticipation notes) deal for **Fairview (CT)** to fund the construction of its new community in Groton, CT. This followed with 40 more bond financings throughout 2025 along with 20 bank transactions for a combined total of more than \$4.3 billion representing a 52% market share.

There were additional BANs deals to fund the development of three more communities: **Green Cay Life Plan Village (The Winsberg) (FL)**, in the amount of \$3.705 million; **The Sanctuary at Village On The Isle (FL)** for \$35.840 million; and **Life Care ET (Vicar's Landing) (FL)** in the amount of \$27.0 million.

Ziegler was pleased to represent a new financing client in 2025: **Carol Woods (NC)** financed \$34.0 million to refinance a bank loan, fund major renovation/expansion projects and routine capital improvements.

Ziegler assisted several clients on bond financings for more than \$100 million: **Bella Vida Forefront Living (TX)** financed \$230.250 million for its new community development in San Antonio; **Acts Retirement-Life Communities (PA/FL)** financed \$163.100 to fund a variety of projects across Pennsylvania and Florida, and refinance bank debt; **Covenant Living Communities (CO)** for \$146.4 million to fund projects at various communities and refund outstanding debt; **Sequoia Living (CA)** financed \$151.555 million to fund capital projects and refund 2015 bonds; **Fleet Landing at Nocatee (FL)** for \$332.710 million to fund the construction of its new community in Ponte Vedra, FL; **Friendship Village of Tempe (AZ)** in the amount of \$107.525 million in conjunction with a bank loan for \$13.5 million to fund Phase III of its master plan, known as the Ironwood building, and refinance a taxable obligation; **Horizon House (WA)**, financed \$600.0 million, the first largest senior living bond financing, to fund the development of the West Tower project and fund various master plan improvements; **Beacon Hill at Eastgate (MI)** for \$175.0 million to fund its project to demolish existing units, construct new apartments, renovate and upgrade common areas; **Tel Hai Retirement Community (PA)** for a \$53.465 million to refund debt and replace its existing skilled nursing center; **The Moorings of Arlington Heights (Presbyterian Living) (IL)** financed \$101.770 million in conjunction with a bank loan for \$61.090 million to fund its construction project, expand common areas, and renovate an existing health center; **Deerfield Episcopal Retirement Community (NC)** financed \$307.225 to fund its major expansion and renovation projects at Simonds Health Center, Haden Hall, and Canterbury Homes, other amenities and common spaces; and **Brio Living Services (MI)** for a \$113.5 million bank placement to finance a multi-phase repositioning project, Phases I and II, to modernize and enhance its Porter Hills Village campus.

There were also financings for a combination of refundings, new money expansions and capital improvements, acquisitions and affiliations. Among the bond financings were **Westminster (TX)** financed \$83.940 million to refinance its 2016 bonds and complete the final phase of its expansion project; **Wesley Retirement Services (WesleyLife) (IA)** for \$30.0 million to fund Phase I of The Village Master Plan in Indianola, IA; **Twin Lakes Community (NC)** for

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\$35.310 million to fund Stockton Phase II of its expansion project; **Bethesda Senior Living Communities (CO)** in the amount of \$39.240 million to refinance a bank loan and fund the construction of new memory care apartments in Arizona and Texas; **Marquette (IN)** for \$74.920 million to refund all existing debt and fund various projects; **Immanuel Living at Buffalo Hill (MT)** in the amount of \$50.880 million to fund its expansion project and refinance 2017A bonds; **Bayview (WA)** financed \$16.510 million to convert a skilled nursing floor into new independent living apartments along with other capital improvements; **Orlando Senior Health Network (FL)** financed \$25.0 million to renovate the Fountains, make upgrades to Windsor Place and fund capital costs; **HumanGood California Obligated Group (CA)** for \$67.230 million to refund 2015 bonds and bank debt; **Oak Hammock at the University of Florida (FL)** in the amount of \$93.5 million to fund its expansion and renovations; **Greenwood Village South (IN)** for \$45.850 million in conjunction with a bank loan for \$25.0 to fund the Village Flats expansion project and upgrade amenities on its campus; **Aberdeen Ridge (PMMA) (CO)** financed \$21.020 million to fund the construction of its new community; **Air Force Enlisted Village (FL)** for \$72.0 million to fund the construction of Village 7 and refund bank notes; **Pennybyrn (NC)** in the amount of \$41.710 million to refund all 2015 and fund capital projects; **Josephine Caring Community (WA)** financed \$77.115 million to fund its construction project (Cascade Village) and refinance a taxable obligation; **Channing House (CA)** financed \$36.120 to purchase 430 Forest in Palo Alto and fund capital improvements; **Frasier (CO)** for \$41.4 million to refund bank loans; **Woodland Pond at New Paltz (NY)** in the amount of \$32.355 million to fund Phase I of II of its expansion and renovation project; **Fox Run at Orchard Park (NY)** financed \$67.665 million to fund its expansion and repositioning project, and renovate common areas; **Brazos Presbyterian Homes (TX)** in the amount of \$80.0 million for capital improvements and refund outstanding debt; **The United Methodist Retirement Homes (NC)** financed \$77.125 million in conjunction with a bank loan for \$15.0 million to fund the expansion projects at Croasdale Village and Wesley Pines; **Meadowlark Hills (KS)** financed \$53.8 million to fund its expansion project called The Aster; **Bishop Gadsden (SC)** for \$47.9 million to construct, expand and renovate a variety of capital improvements to amenities and common areas; **Larksfield Place (KS)** financed \$32.455 million in conjunction with a bank loan for \$12.750 million to fund its major expansion and significant campus improvements; and **Messiah Living (PA)** for \$82.320 million to refund existing debt and reimburse development costs for its Fernecrest project.

In addition to the above-mentioned, there were 14 more Ziegler-led bank placements including transactions for new money projects, construction loans, taxable term loans, and bank renewals similar to what has taken place in recent years. Bank-related transactions are traditionally smaller in size than bond financings, but the 2025

average deal was nearly \$24.5 million, slightly less than the 2024 average deal of more than \$25.0 million. Other than the six bank deals listed previously in conjunction with bond financings, the bank deals ranged in value from \$6.5 million **Kendal at Oberlin (OH)** to \$55.0 million **St. Johns Home for the Aging (NY)**.

Several clients tapped into bank transactions in 2025 for a variety of purposes, such as **Collington Episcopal Life Care Community (MD)** in the amount of \$7.0 million for new money; **Jewish Senior Life (NY)** for \$26.0 million for a construction loan; **Miriam Osborn (NY)** in the amount of \$22.0 million for a construction loan; **Friendship Village of Kalamazoo (MI)** in the amount of \$8.0 million on a taxable term loan to pay existing debt; **LutherCare (PA)** for \$25.0 million to fund construction of an expansion; **Pleasant View Retirement Community (PA)** in the amount of \$9.010 million on a taxable term loan for an affiliation; **Shenandoah Valley Westminster-Communities (VA)** nearly \$16.470 million of new money for an expansion; **Duncaster (CT)** a loan for \$15.0 million to refund existing debt; **Cascade Manor (PRS PNW OG) (OR)** a construction loan in the amount of \$35.334 million to fund an expansion; **Independence Health System (MO)** a bank loan for more than \$8.843 million of new money and refunding; **Tamarisk (RI)** for \$8.0 million of new money and to refund debt; and **Jennings Center for Older Adults (OH)** in the amount of \$14.565 million for a refunding and bank renewal.

After a quieter 2024, the 2025 bank lending market was cautious-but-optimistic, and the results speak for themselves — loan growth was more than modest. Over the past several years, banks were largely focused on lending to existing relationships with tightened terms for new development projects, clearly that was not the case in 2025. Bank lending will continue to be an attractive alternative in 2026.

With MMD hovering in the 4.20% to 4.30% range in early 2026, we expect steady demand for fixed rate debt throughout the year.

We encourage you to reach out to the Ziegler representative in your region to discuss options for the year ahead.

For more information regarding the structure and use of each of these 2025 bond issues, please see the Electronic Municipal Market Access <https://emma.msrb.org> system's website or contact the Ziegler representative in your area.

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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF FEBRUARY 3, 2026

ORGANIZATION	RATING AGENCY	RATING/OUTLOOK	TYPE OF ACTION	DATE
Holland Home Obligated Group (MI)	Fitch	BBB- Negative	Affirmed Rating Affirmed IDR*	1/16/26
The Carmelite System Obligated Group (NY)	Fitch	BBB+ Stable	Affirmed Rating Affirmed IDR*	1/16/26
Ingleside at King Farm (MD)	Fitch	BB Stable	Upgraded Rating Upgraded IDR*	1/20/26
Moorings, Inc. (FL)	Fitch	A Positive	Affirmed Rating Affirmed IDR* Revised Outlook	1/20/26
Montereau, Inc. (OK)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	1/22/26
Westminster Manor (TX)	Fitch	BBB Positive	Affirmed Rating Affirmed IDR* Revised Outlook	2/3/26

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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 JANUARY 30, 2026

	LAST CURRENT	52-WK WEEK	AVG
30-Yr MMD	4.29%	4.29%	4.32%
Senior Living 30-Yr "A"	5.19%	5.19%	5.17%
Senior Living 30-Yr "BBB"	5.44%	5.44%	5.44%
Senior Living Unrated	6.09%	6.09%	6.39%
Senior Living New Campus	7.04%	7.04%	7.19%
SIFMA Muni Swap Index	2.28%	1.31%	2.62%
	WEEKLY CURRENT	AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.51%	5.52%	1.23%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCINGS



LIVE WELL SENIOR LIVING
Vineland, New Jersey
New Community
\$45,600,000
January, 2026



FRIENDSHIP VILLAGE
Senior Living Community
WHERE CONNECTIONS MATTER
FRIENDSHIP VILLAGE OF KALAMAZOO
Kalamazoo, Michigan
Fixed Rate Expansion / Refunding
\$103,585,000
January, 2026



Deerfield
DEERFIELD EPISCOPAL RETIREMENT COMMUNITY
Asheville, North Carolina
Bank Placement
New Money
\$50,000,000
January, 2026

MARKET REVIEW
MONEY MARKET RATES

	01/30	Last week
Prime Rate	6.75	6.75
Federal Funds (weekly average)	3.64	3.64
90 Day T-Bills	3.66	3.66
30-Day Commercial Paper (taxable)	3.63	3.61
SOFR (30-day)	3.68	3.69
SOFR	3.65	3.64
7 Day Tax-Exempt VRDB	2.28	1.31
Daily Rate Average	2.87	0.91

COMPARATIVE YIELDS
TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AA
2 Year	3.55	4.05		1 Year	2.18	4.13	3.43	2.88	2.48
5 Year	3.81	4.41		5 Year	2.25	4.35	3.65	3.10	2.70
7 Year	4.02	4.77		7 Year	2.40	4.45	3.75	3.20	2.90
10 Year	4.23	5.23		10 Year	2.64	4.74	4.09	3.49	3.19
30 Year	4.85	6.25		30 Year	4.29	6.59	5.89	5.34	5.04

(Representative of institutional sales)*
TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	4.81	4.81	0.00
11 Bond Index	4.71	4.71	0.00
Revenue Bond Index	5.10	5.10	0.00
30 Year MMD	4.29	4.29	0.00
Weekly Tax-Exempt Volume (Bil)	2.16	6.97	-4.81
30 Day T/E Visible Supply (Bil)	8.28	4.10	+4.18
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	103.9	104.3	-0.40

Source: Bloomberg