ZIEGLER INVESTMENT BANKING
SENIOR LIVING FINANCE Z-NEWS
Page 1 | Week of September 29, 2025

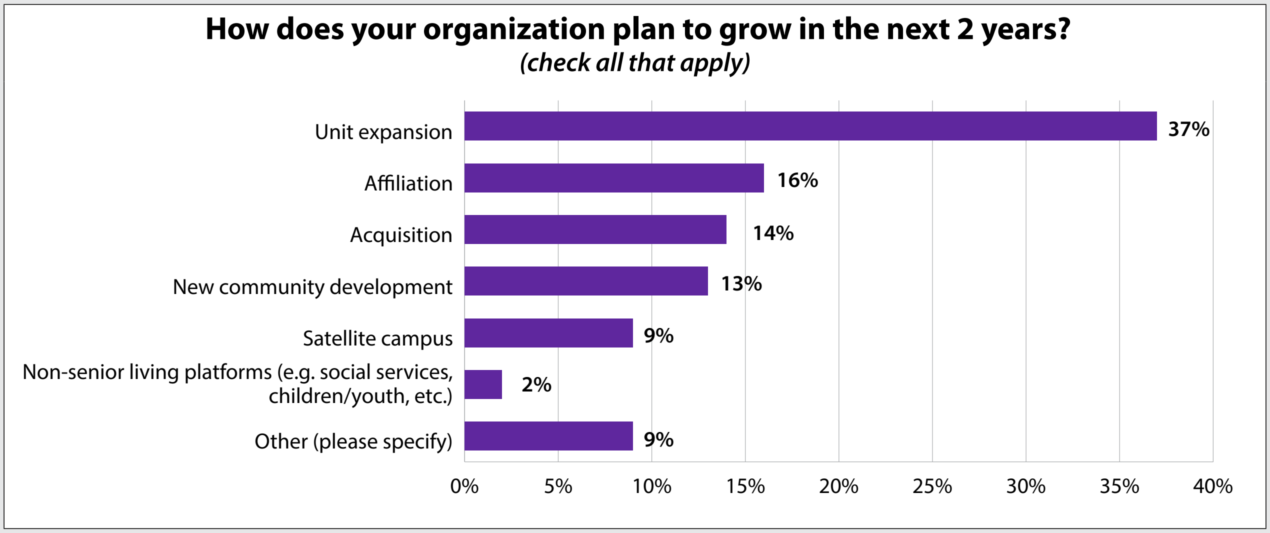
FEATURED ARTICLE

CAUTIOUS OPTIMISM: SENIOR LIVING LEADERS WEIGH GROWTH OPPORTUNITIES AMID RISING COSTS

A September 2025 *Ziegler CFO Hotline*℠ report weighs in on growth opportunities for senior living and care organizations. It reveals a sector optimistic about future demand although realistic about the challenges of growth. Findings from the survey report were first shared at the 2025 Ziegler Senior Living Finance + Strategy Conference, where growth emerged as a central theme. Positive sector indicators, including a record number of occupied senior housing units, strong absorption rates, and historically low levels of new inventory, point to expansion opportunities as the 75+ population surges in the years ahead. Nearly 200 not-for-profit senior living CFOs and financial leaders participated in the survey, with 59% representing single-site organizations and 41% from multi-site providers.

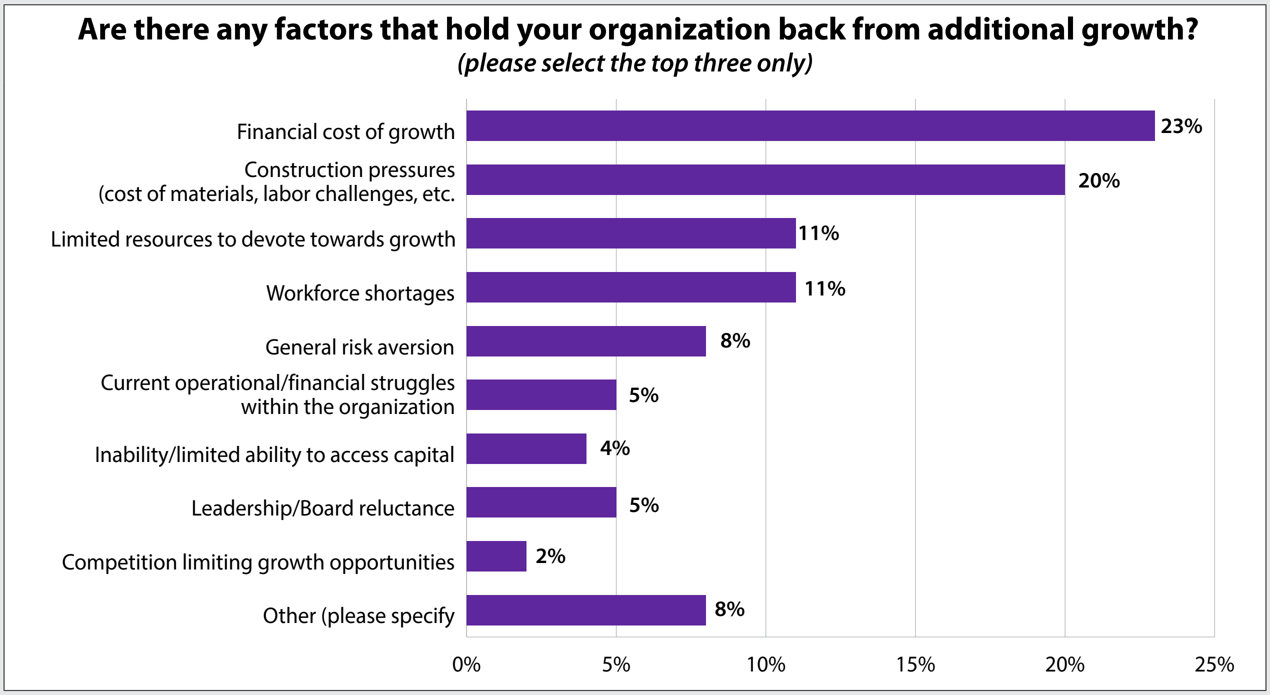
The most common path for growth, according to respondents, is expanding the number of units on existing campuses. Some also see affiliations and acquisitions as strategic avenues for growth, while about 13% plan to develop new senior living communities. Others noted interest in satellite campuses or diversifying into non-senior living platforms.

Additional comments revealed creativity beyond bricks and mortar. Leaders pointed to service line expansion, alternative growth models, repositioning and renovations, and enhanced governance and planning as ways to pursue growth.

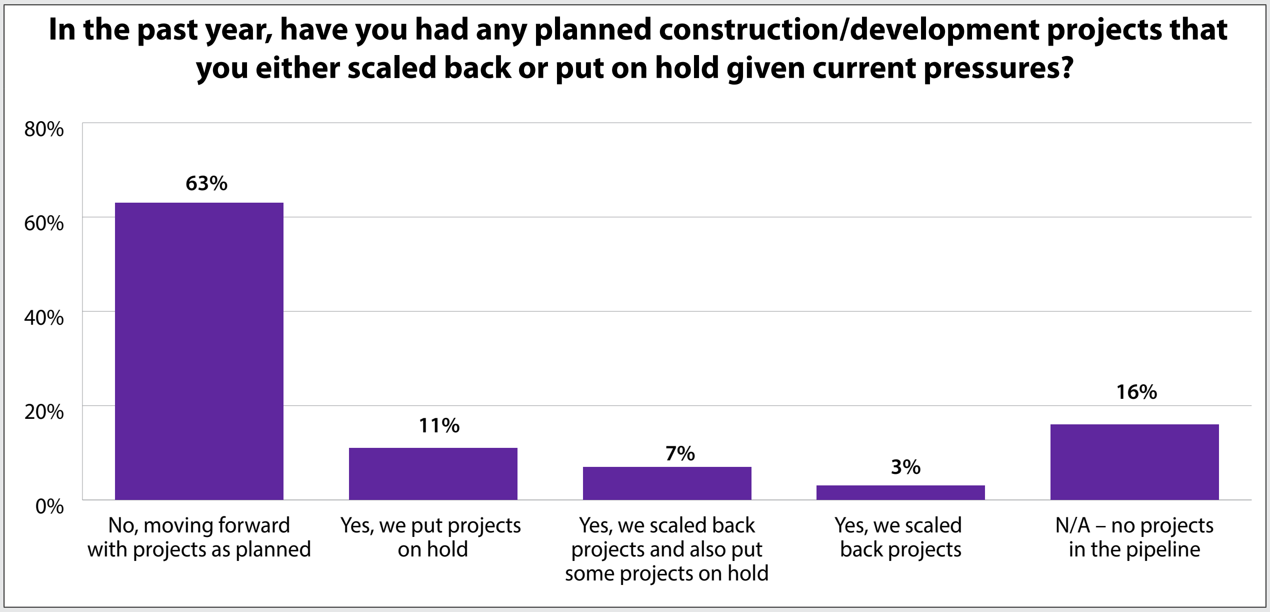


In the graph below, respondents identified the financial cost of growth as the leading challenge to additional growth, surpassing workforce shortages, which topped the list in *Ziegler's 2023 CFO Hotline*℠ *Growth Projections* survey. Other major barriers cited include construction pressures and limited internal resources, while workforce challenges, though still significant, ranked fourth this year.

Respondents also cited zoning restrictions, lack of available land, shifting demographics, and regulatory hurdles as additional headwinds. One respondent summed it up: *"Construction costs are insane of course. And where will the additional workforce across the nation come from?"*

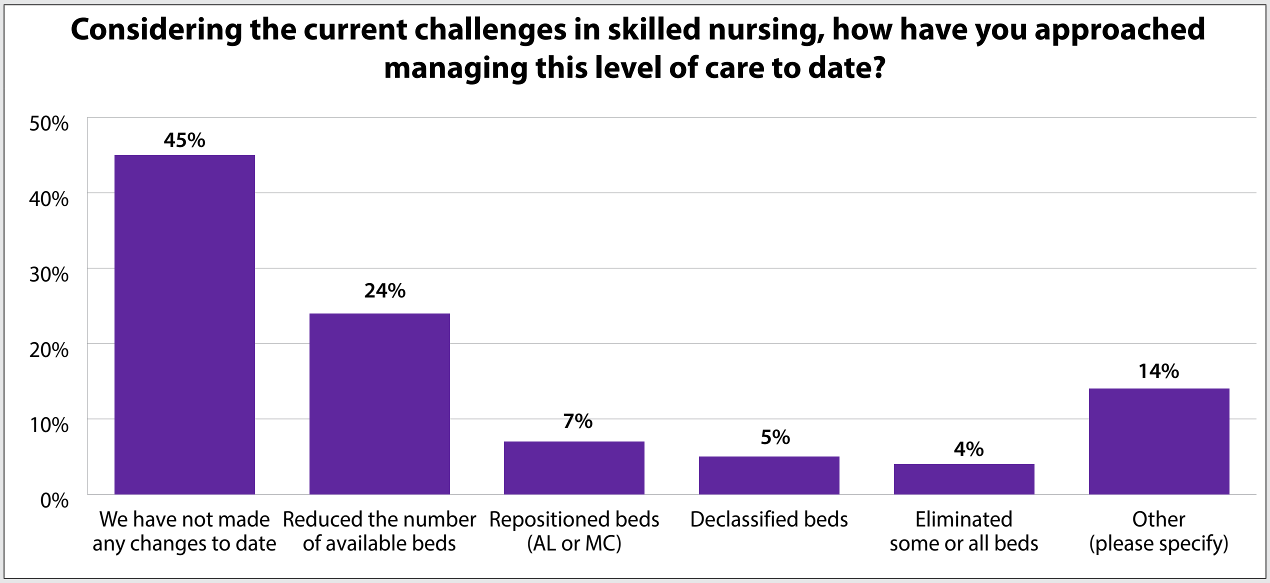


Even with these pressures, the majority of organizations remain committed to growth. Among providers with projects in their pipeline, 63% indicated they are moving forward, though a few have scaled back or delayed initiatives. Most organizations are leaning toward incremental expansions, campus master planning, and service diversification (such as home health and wellness programs), rather than large-scale new developments.



Many boards remain cautious, favoring modest renovations or targeted independent living growth over bolder moves. As one respondent noted: *"Board reluctance for affiliation, but not unit expansion."* Still, some organizations reported being "full steam ahead," pointing to strong demand and an increase in applications from prospective residents.

This *CFO Hotline*[SM] bonus question asked about the nursing care sector. Nearly half (45%) reported making no changes, but about a quarter said they have reduced bed counts. Smaller percentages have repositioned, declassified, or eliminated beds altogether. A handful reported building new units or exploring a full exit from skilled nursing altogether.



The survey reflects a sector caught between unprecedented demand and the heavy realities of cost, labor, and regulation. Growth is happening but it is currently measured, cautious, and often incremental. As one survey respondent framed it, *"Continued growth in age demographics supports investment in growth strategies,"* but boards and CFOs are balancing ambition with pragmatism.

The full *CFO Hotline*[SM] report can be accessed here. If you have any questions about this ***Z-News*** or any other topics, please reach out to the Ziegler representative in your region.

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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF SEPTEMBER 26, 2025

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Tel Hai Services, Inc. Obligated Group (PA)	Fitch	BBB Stable	Assigned Rating Assigned IDR*	9/24/25
Springpoint Senior Living (NJ)	Fitch	BBB+ Stable	Affirmed Rating Affirmed IDR*	9/25/25
Good Shepherd at Endwell (NY)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	9/26/25

* *IDR – Issuer Default Rating*

Any non-Ziegler sources referenced in this Z-News are believed to be reliable but cannot be guaranteed.

FEATURED FINANCINGS

The Osborn

MIRIAM OSBORN
Rye, New York

Construction Loan

$22,000,000

August, 2025

FRIENDSHIP VILLAGE
Senior Living Community
WHERE CONNECTIONS MATTER

FRIENDSHIP VILLAGE OF KALAMAZOO
Kalamazoo, Michigan

Taxable Term Loan / New Money

$8,000,000

August, 2025

PLEASANT VIEW
COMMUNITIES

PLEASANT VIEW COMMUNITIES
Manheim, Pennsylvania

Taxable Term Loan / New Money

$9,010,000

September, 2025

INTEREST RATES/YIELDS

WEEK ENDING SEPTEMBER 26, 2025

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	4.26%	4.21%	4.19%
Senior Living 30-Yr “A”	5.16%	5.11%	5.03%
Senior Living 30-Yr “BBB”	5.41%	5.36%	5.34%
Senior Living Unrated	6.11%	6.21%	6.45%
Senior Living New Campus	7.01%	6.96%	7.44%
SIFMA Muni Swap Index	2.89%	2.70%	2.79%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index†	5.60%	5.58%	1.33%

† Ziegler Senior Living Municipal Long Bond Index
Source: Bloomberg BVALS

MARKET REVIEW

MONEY MARKET RATES

	09/26	Last week
Prime Rate	7.25	7.25
Federal Funds (weekly average)	4.07	4.07
90 Day T-Bills	3.97	3.97
30-Day Commercial Paper (taxable)	4.08	4.05
SOFR (30-day)	4.33	4.38
SOFR	4.18	4.14
7 Day Tax-Exempt VRDB	2.89	2.70
Daily Rate Average	3.03	2.70

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A
2 Year	3.65	4.15
5 Year	3.75	4.35
7 Year	3.94	4.69
10 Year	4.17	5.17
130 Year	4.74	6.14

	MMD	NR*	BB	BBB	A	AA
1 Year	2.31	4.26	3.56	3.01	2.61	2.36
5 Year	2.26	4.31	3.61	3.06	2.66	2.41
7 Year	2.54	4.59	3.89	3.34	3.04	2.69
10 Year	2.92	5.02	4.37	3.77	3.47	3.12
30 Year	4.26	6.56	5.86	5.31	5.01	4.56

(Representative of institutional sales)*

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	4.90	4.88	+0.02
11 Bond Index	4.80	4.78	+0.02
Revenue Bond Index	5.19	5.17	+0.02
30 Year MMD	4.26	4.21	+0.05
Weekly Tax-Exempt Volume (Bil)	11.78	4.05	+7.73
30 Day T/E Visible Supply (Bil)	12.30	16.86	-4.56
30 year “A” Rated Hospitals as a % of 30 Year Treasuries	105.6	105.0	+0.60

Source: Bloomberg