ZIEGLER INVESTMENT BANKING
SENIOR LIVING FINANCE Z-NEWS
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FEATURED ARTICLE

A LOOK BEHIND…A LOOK AHEAD

SENIOR LIVING IN 2026: CHARTING A COURSE FOR STRATEGIC GROWTH

Throughout 2025, the Ziegler team collaborated with senior living providers across the country to understand their challenges and priorities, which revealed a clear shift toward proactive growth and reinvestment opportunities. Providers were focused on campus repositioning and expansion, new partnership models, and wellness-driven programming that enhances daily life and reflects today's evolving consumer preferences. All of this was designed to advance each provider's mission, support financial sustainability, and elevate the resident experience in the years ahead.

As 2026 begins, senior living organizations stand on the threshold of a year that will be defined by growth, reinvention, and new opportunity. Occupancy continues to climb, demand is accelerating as the first wave of Baby Boomers turn 80, and organizations are re-envisioning what it means to thrive in an evolving marketplace. In the past year, Ziegler's *CFO Hotline*[SM] surveys revealed a sector shifting from stabilization to strategic growth, with providers investing in technology, design, and leadership models that strengthen their relevance and reach for the next generation of older adults.

GROWTH THROUGH INNOVATION AND INTENTIONAL EXPANSION

Across the country, senior living providers are taking measured and confident steps toward expansion. According to Ziegler's September 2025 *CFO Hotline*[SM] on Growth Projections, more than half of responding organizations with projects in their pipeline are moving forward with no plans to delay or postpone. While Ziegler did see some plans for new campus development, many providers are focusing more on growth that requires less capital, while still enhancing market competitiveness to advance their organization's mission. The majority of respondents (37%), noted that they will grow through unit expansions, 16% through affiliations and 14% by acquisition of another property. In 2026 Ziegler expects to see continued renovations and capital improvements to aging campuses, further addition of independent living residences, added home- and community-based services and other ancillary business lines, and formation of strategic partnerships that open new channels of care and enhanced resident experiences.

These moves come amid a continued increase in pricing trends. The October 2025 *CFO Hotline*[SM] on Resident Fees found that the average 2025 entrance fee increase was 5.3%, with the 2026 increase projected to be slightly less at 5.0%. In 2026 providers are projecting monthly fee increases to average 4.3% for independent living, and just over 4% for both assisted living and skilled nursing. These increases remain somewhat elevated compared to years prior to COVID, where they averaged around 3.0%, suggesting a sector that is still balancing cost realities such as inflation, unit turnover costs, and wage increases, with the need to reinvest.

TECHNOLOGY AS A CATALYST FOR TRANSFORMATION

Technology has become the cornerstone of future-ready strategies and one of the most dynamic areas of focus for senior living providers heading into 2026. Findings from Ziegler's *CFO Hotline*[SM] on Technology Spending showed that organizations were allocating a growing share of resources to digital transformation, with technology representing an average of 9.8% of capital budgets and 3.8% of operating budgets in 2025, both modest increases from the prior year. Top areas of investment included information and communication technology (ICT) infrastructure, workforce scheduling systems, EMR/EHR platforms, and access control technology. Robotics adoption also saw a sharp rise, with two-thirds of respondents reporting some form of robotic implementation, most commonly in dining, housekeeping, and process automation functions designed to reduce strain on staff and streamline repetitive work.

However, insights from the inaugural LeadingAge/Ziegler *CTO Hotline* revealed that while providers are more willing to invest, many remain cautious and strategic amid a crowded and increasingly complex technology marketplace. Leaders described an environment where a growing number of vendors are offering overlapping or competing solutions, each promising efficiency, automation, or enhanced engagement. The challenge, many noted, is not access to technology, but discernment: determining which tools truly advance organizational goals and deliver measurable value in resident experience, workforce satisfaction, and operational outcomes.

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CTOs emphasized the importance of selectivity and integration, favoring interoperable systems, scalable platforms, and proven partners over point solutions that may complicate workflows or create siloed data. Several organizations will continue to develop formal evaluation frameworks in 2026 that will assess new tools based on ease of use, return on time saved, and resident impact rather than cost alone. This pragmatic approach reflects a maturing digital mindset within senior living; one where technology is viewed not just as an expense or efficiency driver, but as a strategic asset in improving care delivery, staff retention, and long-term competitiveness.

MARKET POSITIONING & COMMUNITY APPEAL

Growth in 2026 is also being driven by renewed focus on brand, design, and the resident experience. Communities are investing in modernization projects that blend sustainability, lifestyle amenities, and hospitality-inspired designs to appeal to a more discerning generation of Baby Boomers. At the same time, marketing teams are leaning into digital storytelling and data-driven outreach, positioning their organizations as not only safe and supportive places to live, but vibrant hubs for wellness, purpose, and connection. As the competitive landscape evolves, organizations that communicate clear value, and back it up with tangible enhancements in experience, will see the strongest occupancy and referral growth.

LEADERSHIP & GOVERNANCE FOR A NEW ERA

Strategic growth also demands adaptive leadership. Many boards and executive teams will continue to engage in succession planning, governance renewal, and leadership development in 2026 to prepare for generational transitions and a more complex operating environment. Forward-thinking organizations are building leadership capacity around data analytics, technology integration, partnership development, and physical campus growth. These skills will define the next era of senior living success and help providers expand their mission thoughtfully within their markets.

LOOKING AHEAD: GROWTH WITH PURPOSE

The year ahead promises not only growth, but transformation. Providers are no longer content to simply weather economic headwinds, they are actively shaping a future in which financial health, resident satisfaction, and workforce well-being are interconnected. As technology becomes more integrated, partnerships more collaborative, and residents more empowered, 2026 will mark a year when the sector reclaims its growth narrative. While some headwinds remain around the cost of capital, workforce pressures, and broader economic uncertainty, this progress will come not through rapid expansion alone but through strategic, sustainable, and mission-aligned evolution.

This year, Ziegler looks forward to continuing our collaboration with friends and colleagues across the senior living sector through our upcoming events: Women in Senior Living, Ziegler CFO Workshop, the annual Senior Living Finance & Strategy Conference, and other industry gatherings. Stay tuned to ***Z-News***, our website Newsroom, and Ziegler LinkedIn for more thought leadership and insights throughout 2026!

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 JANUARY 9, 2026

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Saint Anne's Retirement Community (PA)	Fitch	BB Stable	Affirmed Rating Affirmed IDR*	12/18/25
Peconic Landing at Southold (NY)	Fitch	BBB Stable	Upgraded Rating Upgraded IDR*	12/19/25
Pennswood Village (PA)	Fitch	A- Positive	Affirmed Rating Affirmed IDR* Revised Outlook	12/19/25
NewBridge on the Charles (NY)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	1/9/26

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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.

FEATURED FINANCINGS

LIFE CARE ET PROJECT
(Vicar's Landing)
Jacksonville, Florida
BANs
$27,000,000
December, 2025

THE MOORINGS OF ARLINGTON HEIGHTS
(Presbyterian Living)
Arlington Heights, Illinois
Bank Placement
Refunding / Renewal
$61,090,000
December, 2025

JENNINGS CENTER FOR OLDER ADULTS
Garfield Heights, Ohio
Bank Placement
Refunding / Renewal
$14,565,000
December, 2025

LARKSFIELD PLACE
Wichita, Kansas
Bank Placement
New Money
$12,750,000
December, 2025

INTEREST RATES/YIELDS

WEEK ENDING JANUARY 9, 2026

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	4.21%	4.25%	4.31%
Senior Living 30-Yr "A"	5.11%	5.14%	5.15%
Senior Living 30-Yr "BBB"	5.36%	5.39%	5.43%
Senior Living Unrated	6.01%	6.04%	6.40%
Senior Living New Campus	6.96%	6.99%	7.21%
SIFMA Muni Swap Index	1.37%	2.36%	2.67%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index†	5.48%	5.50%	1.28%

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

MARKET REVIEW

MONEY MARKET RATES

	01/09	Last week
Prime Rate	6.75	6.75
Federal Funds (weekly average)	3.64	3.64
90 Day T-Bills	3.58	3.62
30-Day Commercial Paper (taxable)	3.62	3.69
SOFR (30-day)	3.72	3.78
SOFR	3.64	3.87
7 Day Tax-Exempt VRDB	1.37	2.36
Daily Rate Average	0.82	2.13

COMPARATIVE YIELDS

	TAXABLE REVENUE								
	GOVT	A		MMD	NR*	BB	BBB	A	AA
2 Year	3.48	3.98	1 Year	2.31	4.26	3.56	3.01	2.61	2.36
5 Year	3.72	4.32	5 Year	2.27	4.37	3.67	3.12	2.72	2.47
7 Year	3.93	4.68	7 Year	2.44	4.49	3.79	3.24	2.94	2.59
10 Year	4.16	5.16	10 Year	2.67	4.77	4.12	3.52	3.22	2.87
30 Year	4.83	6.23	30 Year	4.21	6.51	5.81	5.26	4.96	4.51

(Representative of institutional sales)*

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	4.76	4.83	-0.07
11 Bond Index	4.66	4.73	-0.07
Revenue Bond Index	5.05	5.12	-0.07
30 Year MMD	4.21	4.25	-0.04
Weekly Tax-Exempt Volume (Bil)	5.78	0.00	5.78
30 Day T/E Visible Supply (Bil)	7.04	8.63	-1.59
30 year “A” Rated Hospitals as a % of 30 Year Treasuries	102.6	103.3	-0.70

Source: Bloomberg