September 2026

2026 Resident Fees

ZIEGLER CFO HOTLINE℠

In August, the Ziegler *CFO Hotline℠* survey was devoted to the topic of Resident Fees. This annual survey provides senior living organizations with benchmarking data to support budgeting and pricing decisions and offers insight into how resident fees continue to evolve across the sector.

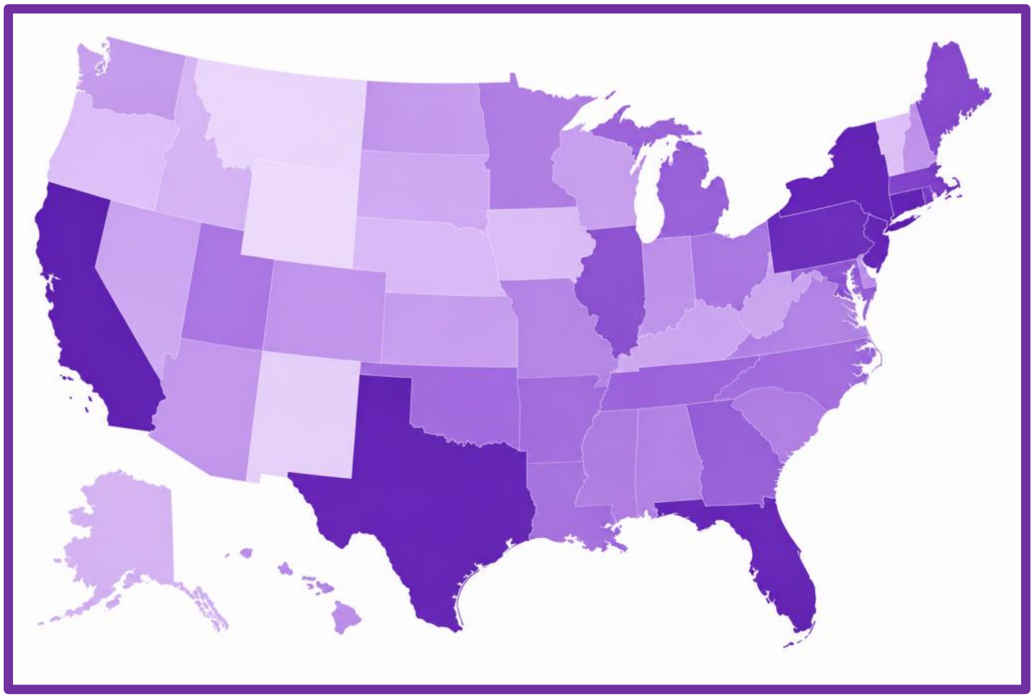
This year's survey expands upon previous years by taking a closer look at the factors influencing both entrance fee and monthly service fee adjustments, as well as contract structures and refundable entrance fee options. The report also provides historical comparisons of fee modifications and examines differences by geography and organization type.

Key Takeaways

- Resident fees continue to moderate, with an average increase of **4.3%** projected for 2027.
- Entrance fees remain relatively steady. The median increase has held at **5%** for three consecutive years.
- Entrance fees are driven primarily by home values, demand and competitive positioning, while monthly fees are more heavily influenced by operating costs and financial sustainability.
- Providers continue to offer a range of contract and refund options, with considerable variation in how residents are distributed among those offerings.
- Providers are taking a more targeted approach to pricing by providing greater consideration of individual unit demand, desirability, market conditions and affordability rather than relying solely on broad, uniform fee increases.

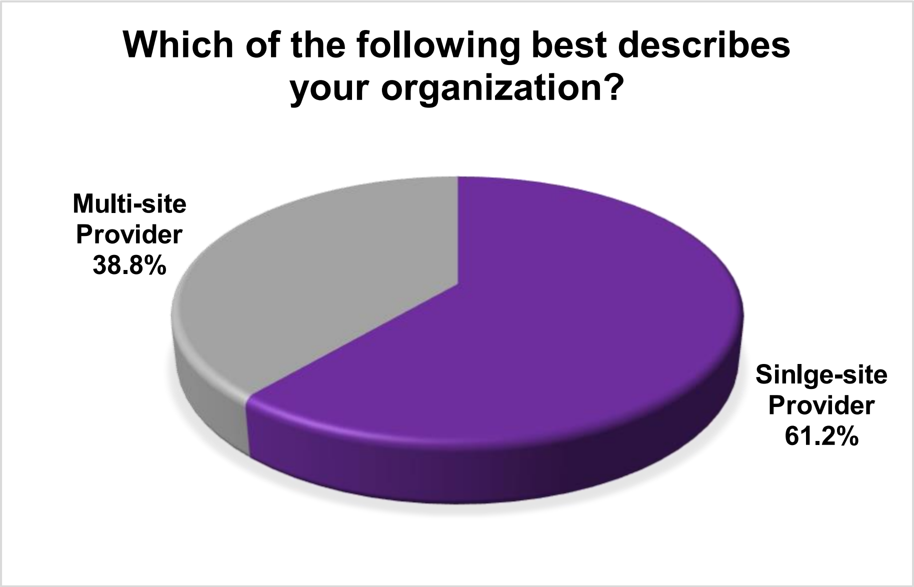
DEMOGRAPHICS

Respondents represented senior living organizations from across the country, with the South and Midwest accounting for the largest shares, followed by the Northeast and West (based on U.S. Census Regions).



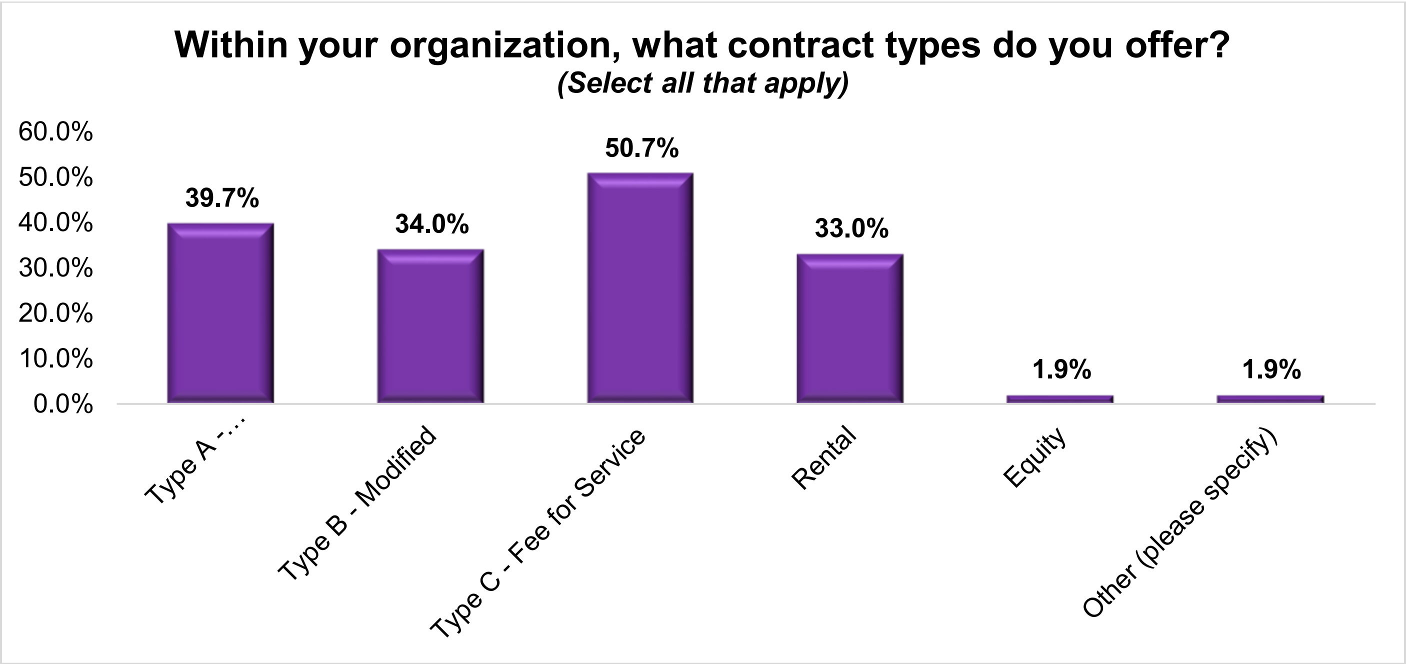
Northeast 23.0% | Midwest 29.7% | South 30.6% | West 16.7%

Single-site providers represented 61.2% of respondents, while 38.8% represented multi-site organizations.

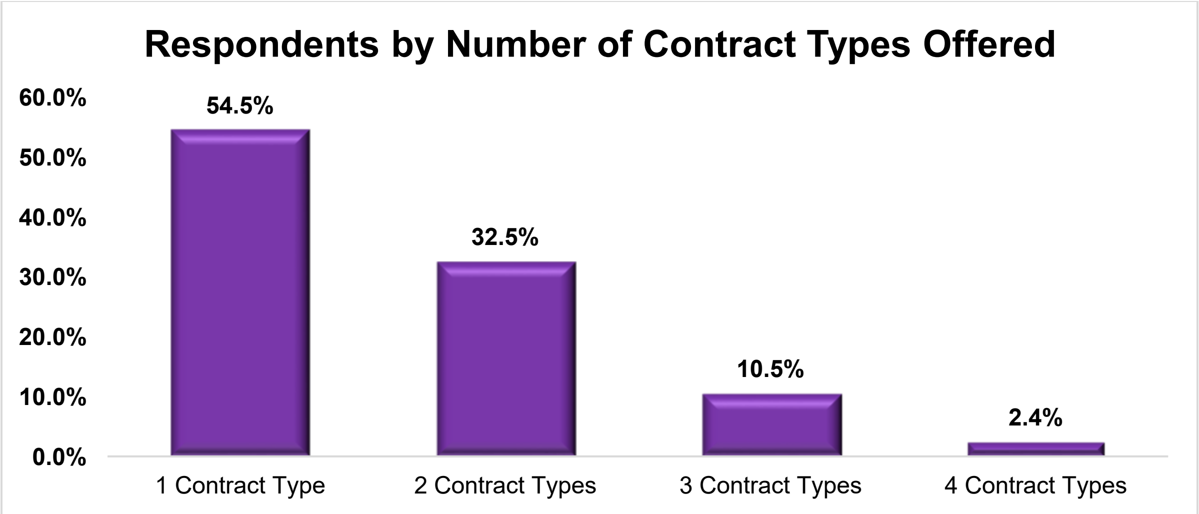


ENTRANCE FEE ADJUSTMENTS

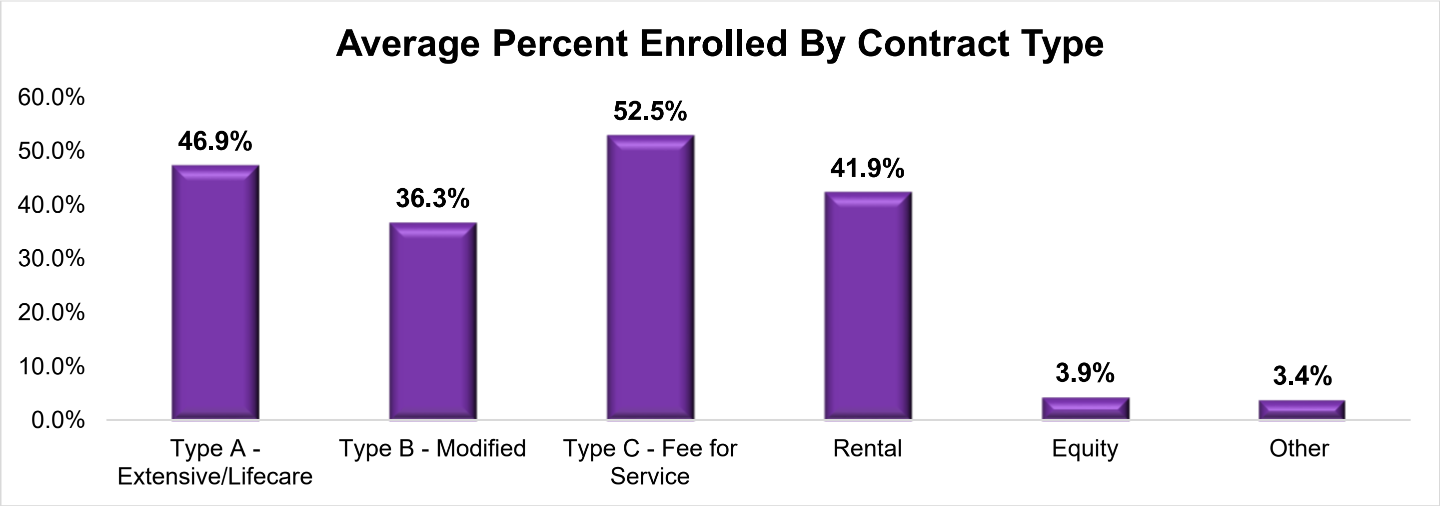
Type C fee-for-service (further referred to as Type C) contracts are the most commonly offered contract type, reported by roughly half of respondents. Type A/Lifecare (further referred to as Type A) contracts are offered by 39.7%, followed by Type B modified (further referred to as Type B) and rental contracts. Respondents were able to select multiple contract types, reflecting the variety of contract structures offered across organizations.



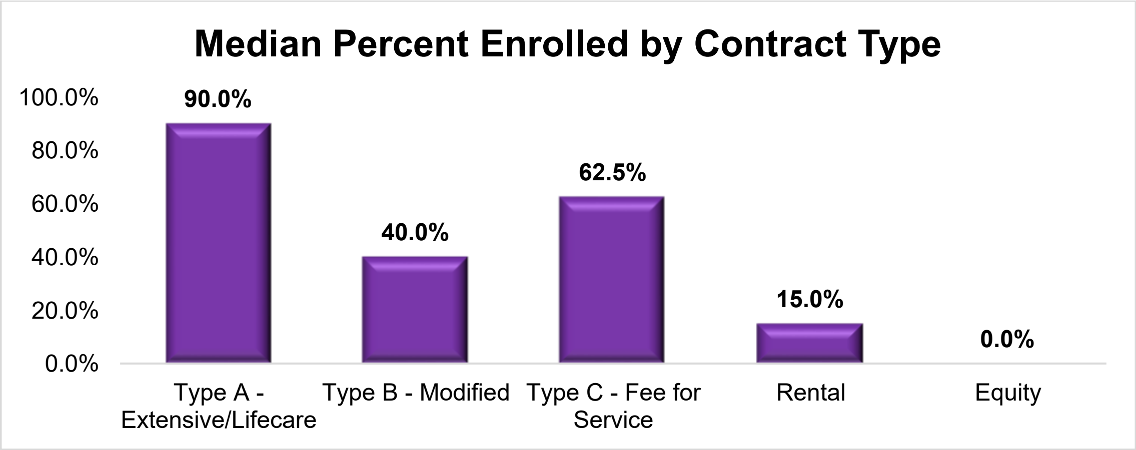
More than half (54.5%) of respondents offer a single contract type, while nearly one-third (32.5%) offer two. Offering three or more contract types is considerably less common, reported by just 12.9% of respondents.



Looking beyond the types of contracts offered, resident enrollment provides additional perspective on how heavily each contract structure is utilized within organizations. Among organizations reporting enrollment in each contract type, Type C contracts had the highest average share of resident enrollment, followed by Type A contracts. Respondents were asked to report the percentage of residents enrolled in each refundable contract option. The chart below includes only respondents whose reported allocations totaled 100% across all refund options.



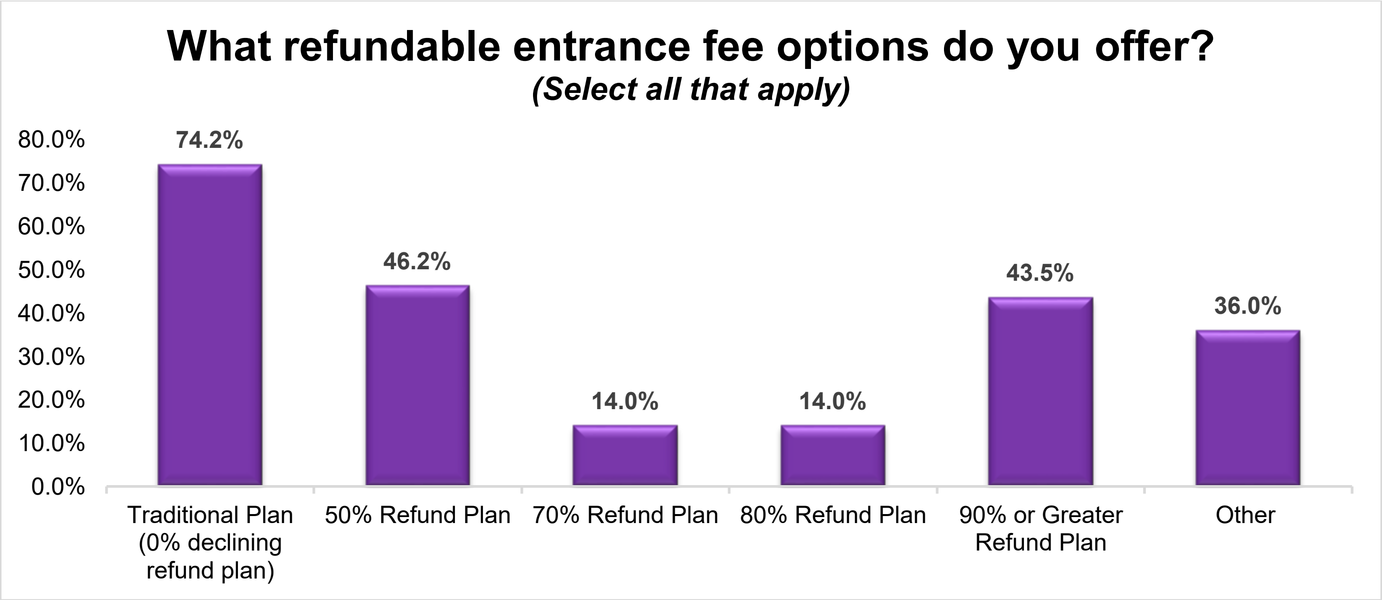
Enrollment within each organization reveals a different pattern. Among organizations with residents enrolled in Type A contracts, the median share of enrollment is 90%, compared with 62.5% for Type C, 40% for Type B, and 15% for rental contracts. This suggests that organizations offering Type A contracts tend to have a much greater concentration of their resident population enrolled in that contract structure.



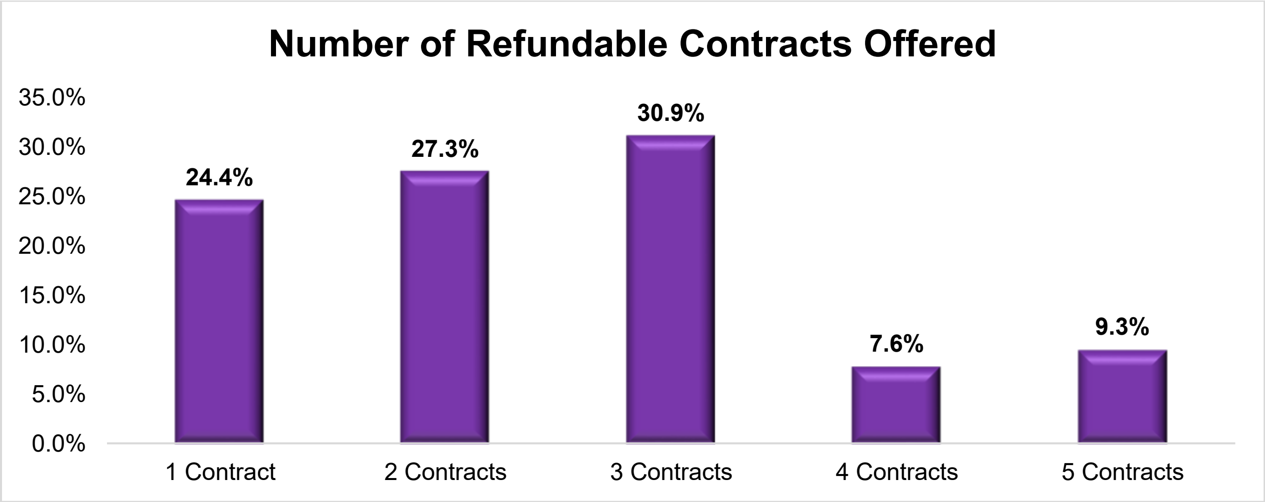
44% of respondents reported 100% resident selection in a single contract type.

Traditional declining refund plans remain the most commonly offered entrance fee structure, reported by 74.2% of respondents. Nearly half of respondents offer a 50% refundable plan (46.2%) or a 90% or greater refundable plan (43.5%), while 14.0% offer 70% and 80% refundable plans.

Respondents selecting "Other" reported additional refundable options, including 20%, 25%, 60%, 75%, and 85% refund plans. Open-ended responses also highlighted variation in how refunds are structured, including declining or amortizing refunds, multiple refund options, contract- or unit-specific arrangements, and legacy contracts no longer offered to new residents. A small number of respondents cited alternative structures, such as contingent refunds and guaranteed dollar amounts.



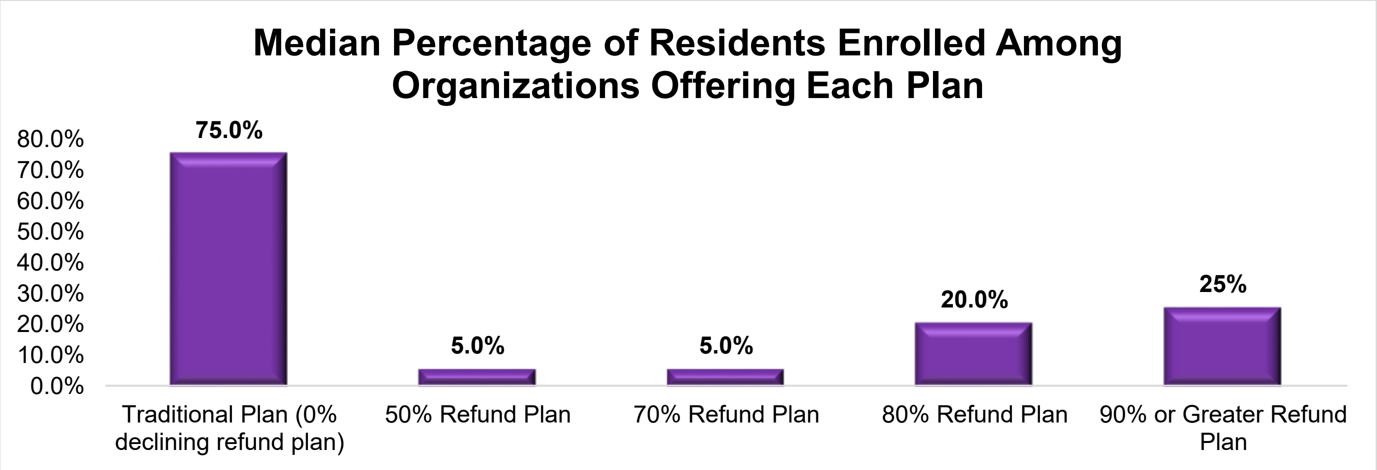
Most organizations offer more than one refundable contract option, suggesting an emphasis on providing consumers with greater choice and flexibility. More than three-quarters (75.6%) offer two or more options, with three options being the most common (30.9%). This variety allows prospective residents to select a refund structure that better aligns with their individual financial preferences and priorities.



Resident enrollment remains most heavily concentrated in traditional declining refund plans. Among organizations offering each plan, the median share of residents enrolled in a traditional plan is 75%. By comparison, median enrollment is 25% for 90% or greater refundable plans and 20% for 80% refundable plans, while both 50% and 70% refundable plans have a median enrollment of just 5%.

The results also highlight an important distinction between the availability of a refund option and the level of resident enrollment. **While 50% and 90% or greater refundable plans are offered at similar rates (46.2% and 43.5%, respectively), resident enrollment is more concentrated in the higher-refund option.** Among organizations offering each plan, the median share of residents enrolled is 25% for 90% or greater refundable plans, compared with just 5% for 50% refundable plans.

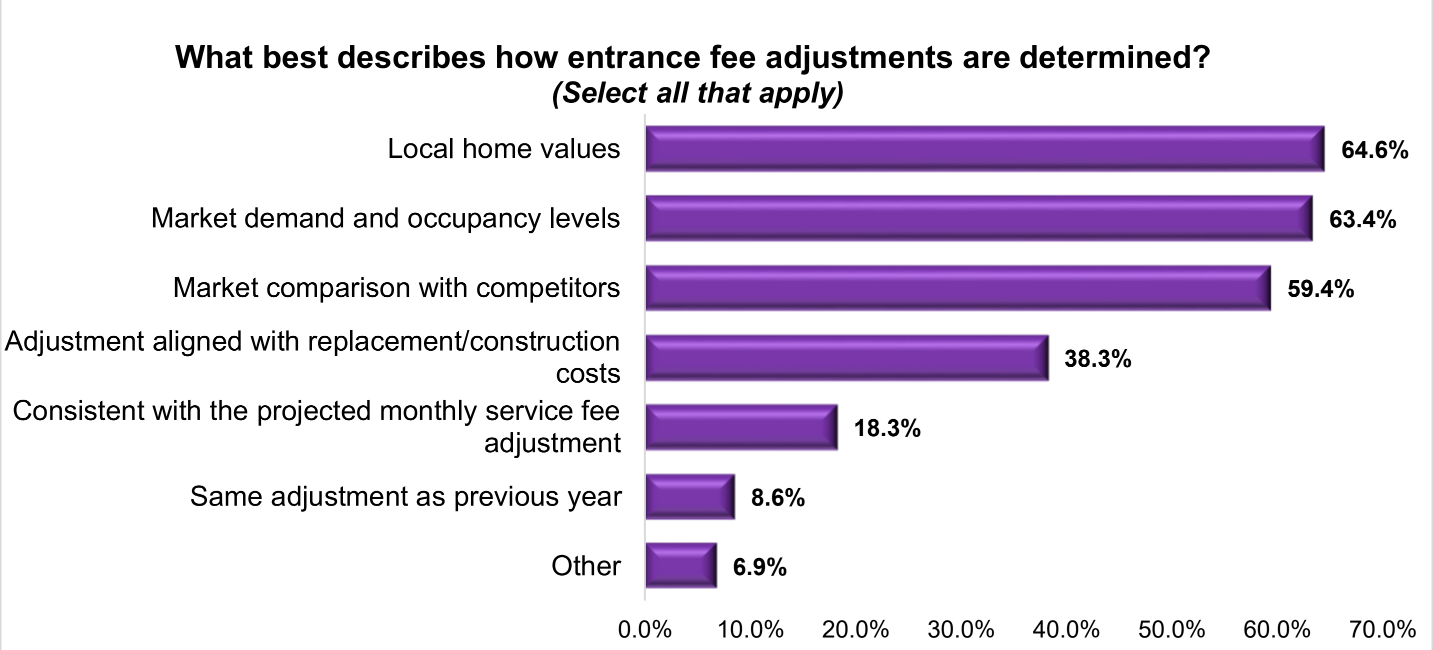
Although the median provides the clearest measure of typical enrollment, averages were higher than medians across the refundable options, indicating variation among organizations and suggesting that some providers have substantially higher concentrations of residents enrolled in these plans.



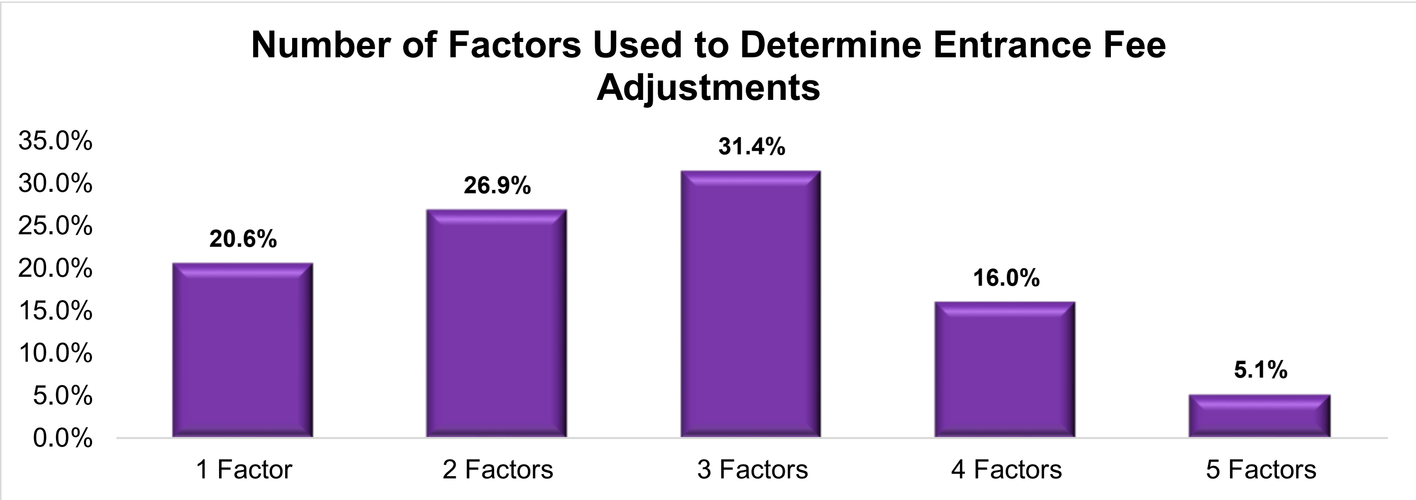
Entrance fee adjustments are overwhelmingly implemented on an annual basis. Nearly all respondents reported typically amending entrance fees once per year, with only a small number indicating twice annually.

Entrance fee modifications are largely driven by market conditions. Local home values (64.6%), market demand and occupancy levels (63.4%), and market comparisons with competitors (59.4%) were the most commonly cited factors used to determine entrance fee adjustments. Replacement and construction costs were also considered by more than one-third of respondents (38.3%). In comparison, fewer organizations reported aligning entrance fees with projected monthly service fee adjustments (18.3%) or simply applying the same adjustment as the previous year (8.6%).

“Other” responses further highlight the individualized nature of entrance fee pricing. Additional considerations included actuarial analysis, construction-cost inflation, operational costs, unit location and desirability, and alignment with existing campus pricing. Some respondents also described more dynamic approaches, adjusting entrance fees based on demand for individual units or floor plans.



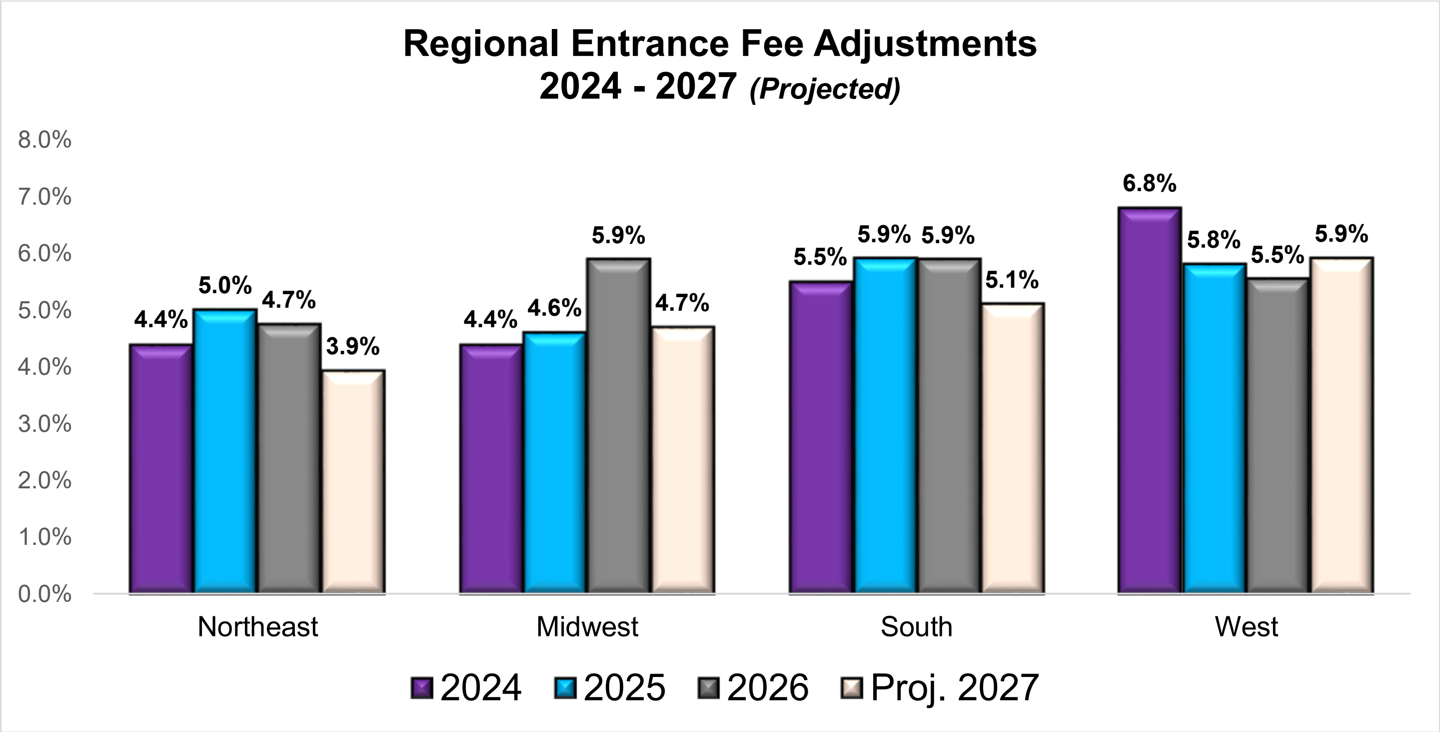
The findings also highlight that entrance fee adjustments are rarely based on a single consideration. Nearly 80% of respondents reported using two or more factors when determining entrance fee adjustments. Three factors was the most common approach (31.4%), followed by two factors (26.9%), four factors (16.0%), and five factors (5.1%).The most common approach was evaluating three factors (31.4%). This suggests that entrance fee pricing decisions are generally multifaceted, balancing a combination of market, financial, operational, and community-specific considerations rather than relying on any one measure.



Despite variation in individual entrance fee adjustments, the median has remained steady at 5.0% across 2025, 2026, and projected 2027 modifications. The average adjustment rose slightly from 5.3% in 2025 to 5.6% in 2026 but is projected to moderate to 4.8% in 2027. The upper quartile has declined from 7.0% in 2025 to 6.0% in 2026 and a projected 5.0% in 2027, suggesting some moderation among communities that have historically implemented larger increases.

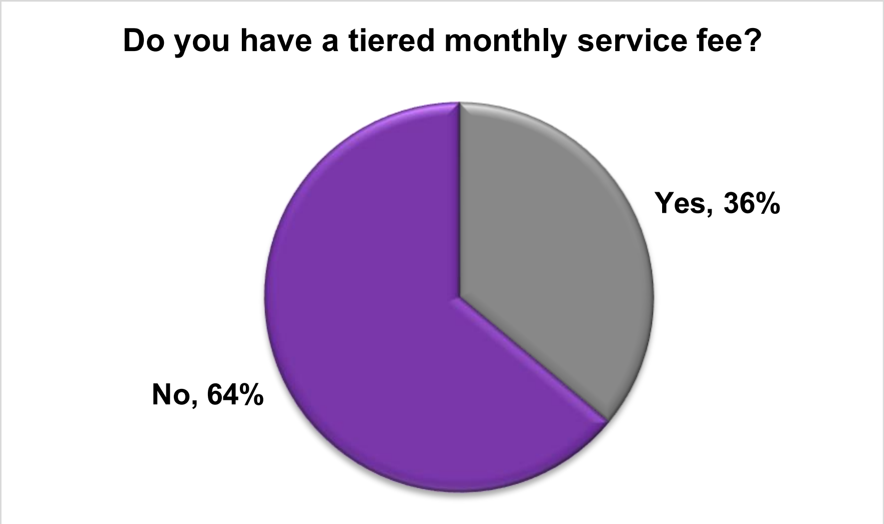
	2027 Projected Entrance Fee Adjustments	2026 Entrance Fee Adjustments	2025 Entrance Fee Adjustments
Minimum	0.0%	0.0%	0.0%
1st Quartile	3.9%	4.0%	3.5%
Median	**5.0%**	**5.0%**	**5.0%**
3rd Quartile	5.0%	6.0%	7.0%
Maximum	20.0%	30.0%	16.0%
Average	**4.8%**	**5.6%**	**5.3%**

Regional trends show variation in entrance fee adjustments over the four-year period. The West has generally reported the highest increases, reaching 6.8% in 2024 and projected at 5.9% for 2027. The South has remained comparatively consistent, while the Midwest experienced a notable increase in 2026 before moderating in the 2027 projection. Looking ahead, projected adjustments range from 3.9% in the Northeast to 5.9% in the West.

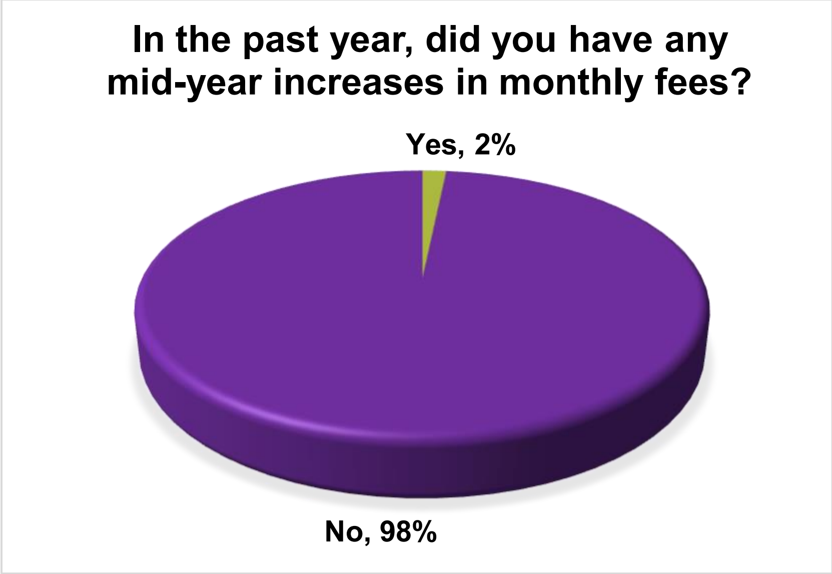


MONTHLY FEE ADJUSTMENTS

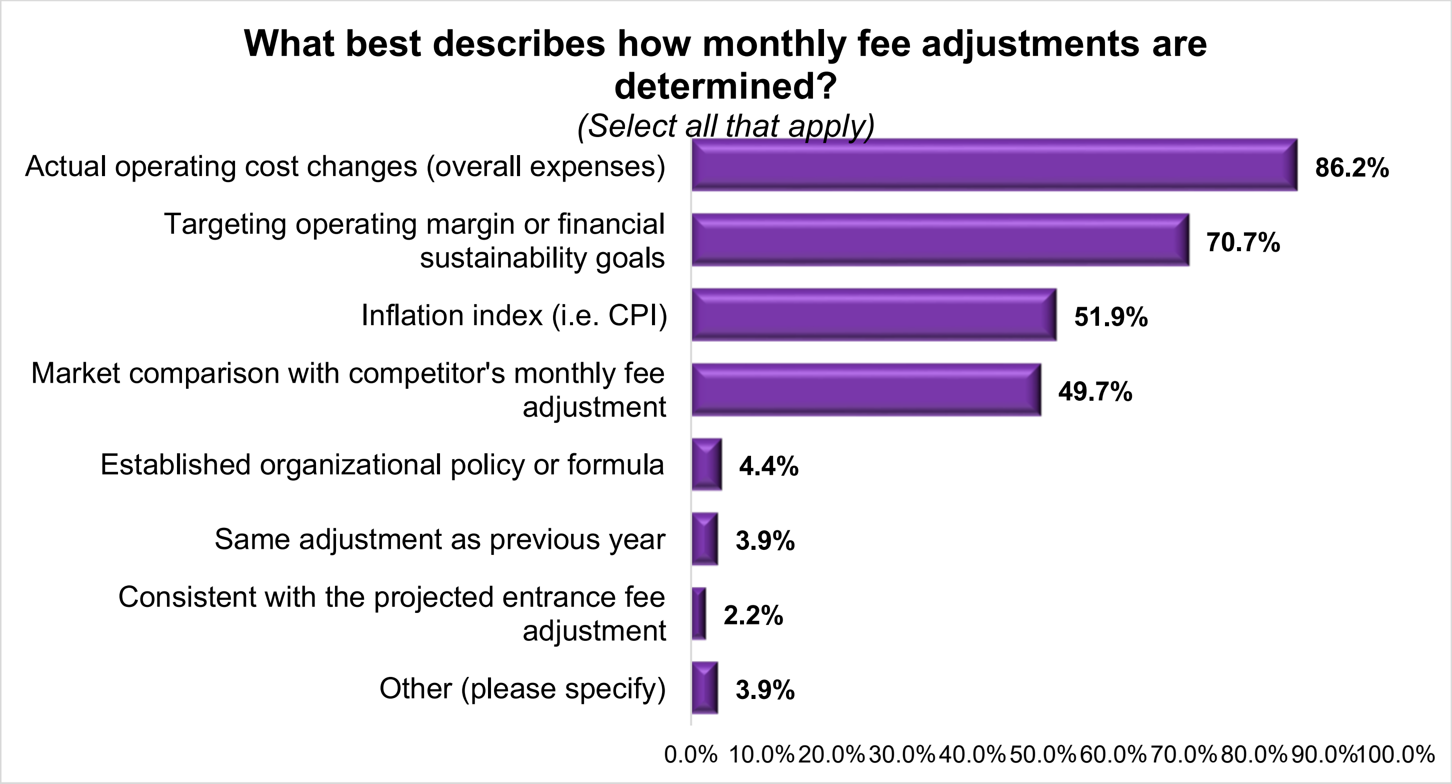
More than one-third (36%) of respondents reported using a tiered monthly service fee structure, allowing monthly fees to vary among residents of the same unit type, such as charging incoming residents a higher rate than existing residents. The majority (64%), however, do not utilize this type of pricing structure.



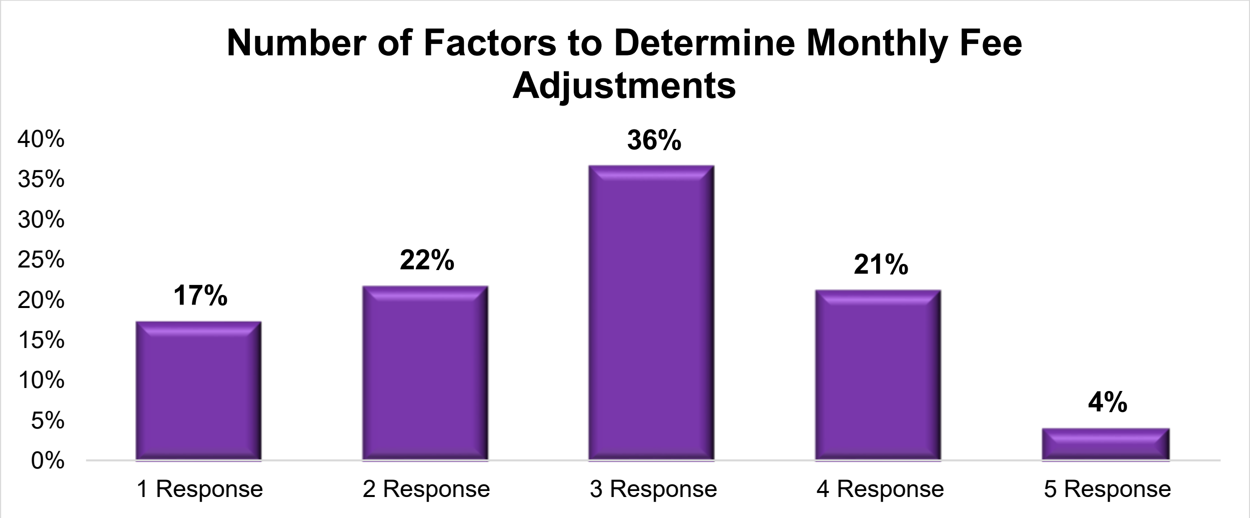
Mid-year monthly service fee adjustments remain extremely uncommon. Nearly all respondents (98%) reported that they had not implemented a mid-year adjustment during the past year, with just 2% reporting that they had.



Operating costs and financial sustainability are the primary drivers of monthly fee adjustments. The vast majority of respondents (86.2%) consider changes in actual operating costs when determining fee modifications, while 70.7% factor in operating margin or broader financial sustainability goals. Inflation also plays a significant role, cited by 51.9% of respondents, while nearly half (49.7%) consider competitors' monthly fee adjustments. Far fewer organizations rely on an established formula or policy (4.4%), repeat the prior year's adjustment (3.9%), or align monthly fees with entrance fee adjustments (2.2%).

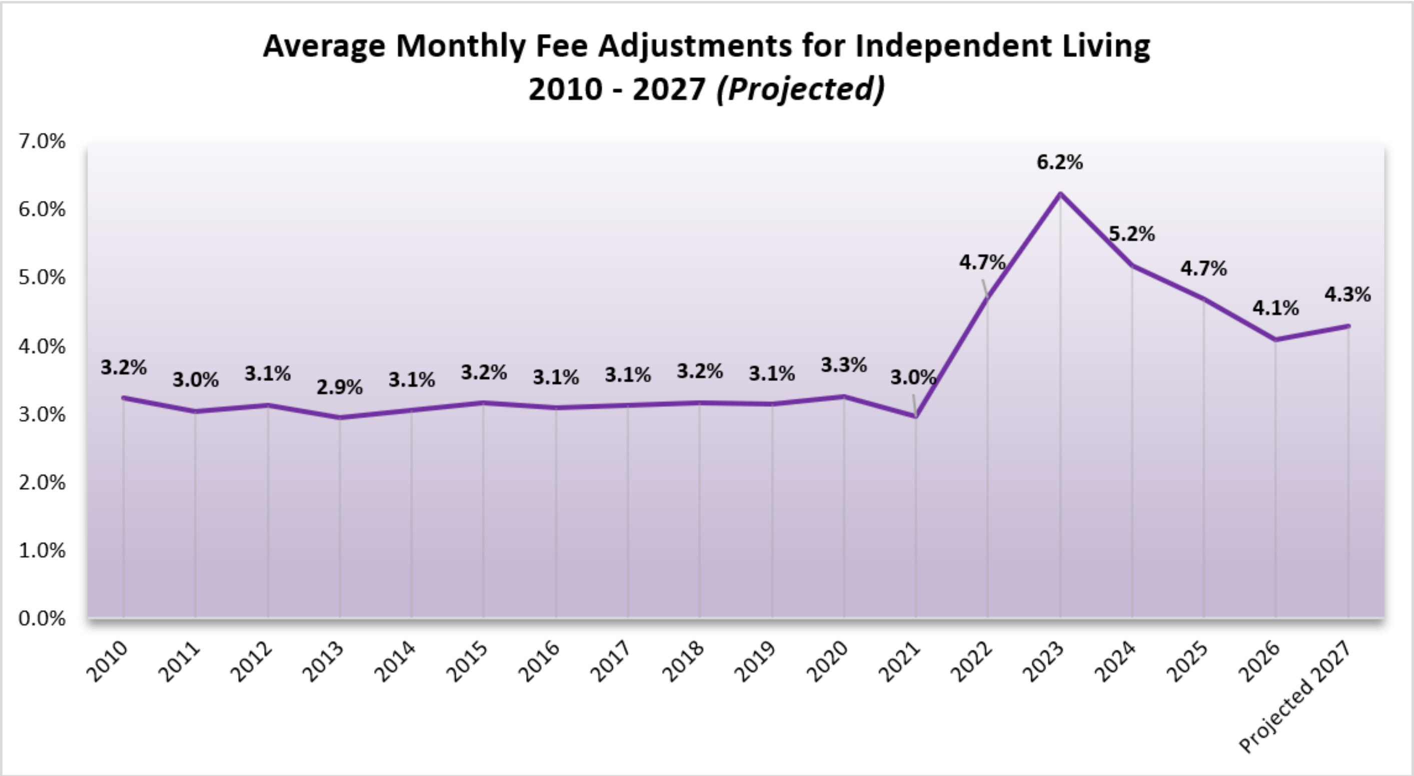


Monthly fee adjustments are generally determined using multiple inputs rather than a single measure. More than four out of five respondents (83%) consider two or more factors, with three factors representing the most common approach (36%). Actual operating cost changes and financial sustainability goals are the leading considerations, while roughly half of respondents also factor in inflation and competitive market pricing.



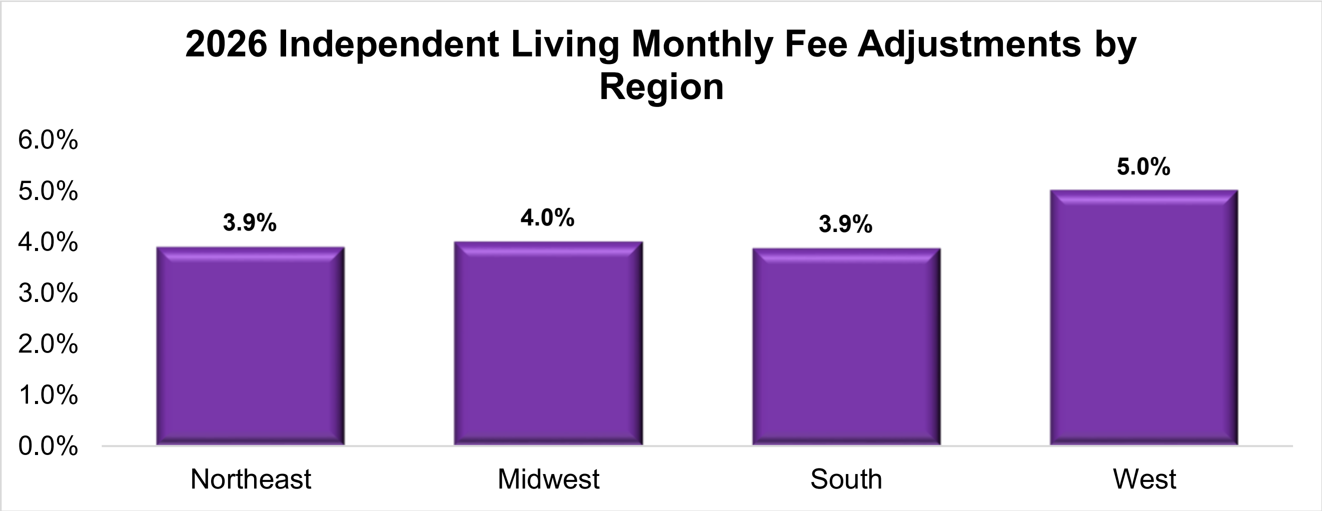
Monthly service fee modifications have moderated following the elevated adjustments seen earlier in the decade. Average adjustments rose from approximately 3% in the years leading up to 2022 to 4.7% in 2022, peaking at 6.2% in 2023. Since then, changes have steadily moderated, averaging 5.2% in 2024, 4.7% in 2025, and 4.1% in 2026. Respondents project a similar average adjustment of 4.3% for 2027. The median has also stabilized at 4.0% for 2025, 2026, and projected 2027, suggesting that monthly fees have settled into a more consistent range following the heightened adjustments of 2022–2024.

2027 Projected Independent Living Resident Fee Adjustments	
Minimum	0.0%
1st Quartile	4.0%
Median	4.0%
3rd Quartile	5.0%
Maximum	21.8%
Average	4.3%

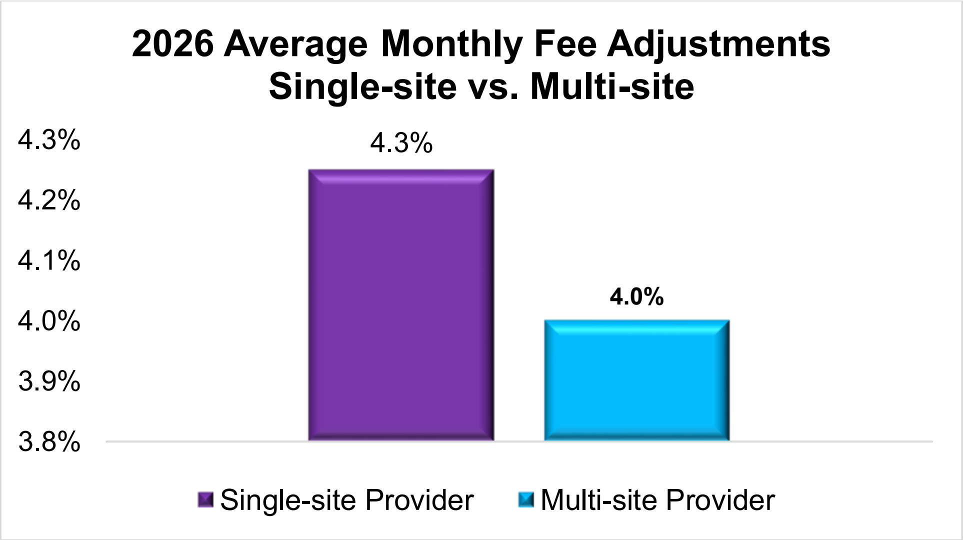


Percentage Adjustments to Independent Living Monthly Fees												
Statistic	***2027 (Projected)***	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Minimum	***0.0%***	-15.0%	0.0%	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1st Quartile	***4.0%***	4.0%	4.0%	4.2%	5.0%	3.5%	2.7%	2.9%	3.0%	3.0%	2.9%	2.8%
Median	***4.0%***	**4.0%**	**4.0%**	**5.0%**	**6.0%**	**4.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**
3rd Quartile	***5.0%***	5.0%	5.0%	6.0%	7.5%	5.5%	3.8%	3.9%	3.8%	3.5%	3.5%	3.5%
Maximum	***21.8%***	10.0%	13.0%	15.0%	15.0%	15.0%	12.0%	10.0%	6.9%	6.0%	8.0%	5.5%
Average	***4.3%***	**4.1%**	**4.7%**	**5.2%**	**6.2%**	**4.7%**	**3.0%**	**3.3%**	**3.1%**	**3.2%**	**3.1%**	**3.1%**

Monthly fees also varied by region in 2026, with the West reporting the highest average adjustment at 5.0%. Average updates were notably similar across the other regions, ranging from 3.9% in both the Northeast and South to 4.0% in the Midwest.



Differences by organization type were more modest, with single-site providers reporting an average monthly fee adjustment of 4.3%, compared with 4.0% among multi-site providers.



The open-ended responses highlight several factors influencing entrance fee and monthly fee adjustments. Inflation and rising operating costs (specifically labor, staffing, utilities, food, energy, insurance, and technology) remain key pressures on monthly fees, while several organizations are also balancing the need for adjustments against resident affordability, satisfaction, and potential occupancy impacts.

OPEN-ENDED COMMENTS

For entrance fees, respondents frequently cited market demand, waitlists, local home values, unit type and desirability, and competitive positioning. Several specifically described using dynamic pricing models, with entrance fee adjustments varying by individual floor plan or unit based on demand, waitlist depth, location, and desirability. Under these approaches, high-demand units may receive larger increases, while pricing on units with less demand may be held steady or adjusted more modestly.

Others noted efforts to catch up after years of limited increases or to better align pricing with the underlying cost and value of their contract offerings. **Taken together, the responses point to a shift away from broad, uniform fee increases toward more deliberate pricing decisions that reflect the economics, demand, and value of individual units and contract offerings.**

Below is a sampling of these comments, which may be edited for length or minor grammatical errors.

- “*Direction set by board usually considers, local market competition, and net operating goals between 3-7% margin.”*
- *“…We raised Entrance Fees 75% over the past 4 years, aligning them to local home values. Our demand has not diminished, but rather increased. We have the funding now to invest in modernizing the community's environment and programming.”*
- *“Entrance fees went up anywhere from 3% to 8% as we adjusted for demand and past housing market increases not taken into account at the time. Monthly fees for outside prospects increased a minimum of 7.25% up to 16% for apartments in high demand.”*
- *“Entrance Fees: we very much approach this in a dynamic fashion, looking at each individual floor plan, the desirability of that particular floor plan, and then mark up (or hold/reduce) accordingly. Overall, we tend to be the highest in our markets so we do keep an eye on the competition as well as other market influencers. Monthly Service Fees: ideally we would be able to hold last year's increases as we are attempting not to pass too much of our costs along to our residents. With that, we recognize 2027 is trending upward, and once we advance further into the budget season, we may need to adjust accordingly. With that, we are also looking at the possibility of increasing MSFs for incoming while lessening the increase for existing.”*
- *“If we want to keep up with inflation, if we don't want our staff suffer even more than they have 2027's COLA increases will have to be at least in the mid 4% range. There is only one way to pay for that spend, and it is not wishful dreams and puppy dog tails.”*
- *“Interestingly, we do not have any residents electing the entrance fee option. All of our residents are electing market rental.”*
- *“Residents continue to pressure for fee increases well below inflation. There is a resident disconnect with the need for the increase in entrance fees and matching them to home value increases and cost of construction.”*
- *“The organization raised one community by 7% and the other three by 5%. this was done in consultation with the residents and their desire for certain additional services.”*
- *“We are still evaluating anticipated inflationary increases on operating expenses, most notably health insurance premiums, utilities, and software increases driven by AI enhancements.”*

- *"We feel as though we've had a few years of historically significant increases in rates (8-10%) and are not able to continue these increases for another year without impacting occupancy, so rate increases will be closer to historical levels of a 3-4% increase."*

"We have focused on ensuring our lifecare products are priced appropriately given the rising costs; we have focused on a premium pricing structure on entrance fees in IL based on unit location and desirability; and we have focused on ensuring that our units with double occupancy are not entirely subsidized by single occupancy units. We expect to continue to work on all of these factors over the next several years."

Katelyn McCauley
VP, Head of Research
kmccauley@ziegler.com

Megan Cunningham
Research Associate
mcunningham@ziegler.com