CUSHMAN & WAKEFIELD

MARKET TRENDS & INVESTOR SURVEY

SENIOR LIVING & CARE

H1 2025

Photo provided by National Development

Better never settles

IN THIS REPORT

Photo provided by Watermark Retirement Communities

01

SENIOR LIVING & CARE MARKET HIGHLIGHTS

Photo provided by Thrive Senior Living

MARKET HIGHLIGHTS

- U.S. senior living property market fundamentals continue to strengthen. Stabilized occupancy trended upward for the seventeenth consecutive quarter, surpassing 89% overall, with secondary markets reaching 90% occupancy, a level not obtained since 2017.
- The number of occupied units reached a new all-time-high in Q1 2025 with net absorption outpacing supply growth by 2.5 to 1, as inventory growth remains near historic lows.
- Annual rent growth, though tapered from prior quarters, has remained intact, averaging 3.9% in Q1 2025, a dip that is likely seasonal as the sector emerges from winter months. This outsized occupancy and rent growth has helped counterbalance short-term turbulence in the broader capital markets.
- Secular tailwinds are stronger than ever. To meet market demand at peak levels, supply growth must increase by 35,000 to 45,000 units per year, beginning today. For context, the highest number of units delivered in a year was 34,000 with less than 10,000 units delivered over the trailing 12-month period, with construction starts dipping to a new low.
- Affordability remains broadly unsolved, though new design trends are emerging. With the number of middle-income seniors projected to double by 2029, over half of this segment will not have adequate finances to afford conventional senior living and care.
- Active Adult communities continues to gain momentum in the market, achieving favorable rent growth indications that are consistent with conventional senior living, with operating expenses and debt underwriting that is more consistent with conventional multifamily.
- Valuations remain highly stratified and dependent on specific market segments. While active adult capitalization rates nearly mirror conventional multifamily, stand-alone independent living is trading at year 1 capitalization rates in the low 6's. Senior living communities that contain independent, assisted and memory care have a low water mark (cap rate) of approximately 6-6.5% with averages about 50-75bps higher. Assisted living with memory care are achieving a low water mark in the mid to high 6's and averages are falling in the 7.0-8.0% range.
- Of the 75+ senior living & care professionals who participated in Cushman & Wakefield's investor survey, 53% of participants expect capitalization rates to have peaked and to remain level through the remainder of the year. Conversely, 33% of respondents expect to see a decrease in capitalization rates in H2 2025.
- Interest rate levels remain the top concern as it relates to market valuations. Concerns over debt market liquidity subsides as more lenders return to the market. The most significant change from H1 2024 is the increased concerns over labor shortages and inflationary costs, as the industry aims to expand.
- In 2023, the amount of troubled loans reached the highest levels since the great financial crisis. Since that time, lenders have worked to resolve an estimated $65.8 billion in senior living debt.
- The percentage of distressed sales was reported at 2.77% of total transaction volume YTD in 2025, falling well below market expectations targeting distressed opportunities, resulting in a shift back to core and core-plus strategies, as noted by a combined 49% of survey participants.
- Basis point spreads between the going-in capitalization rate and terminal or exit capitalization rate have widened signaling that market participants are underwriting “higher-for-longer” as it relates to interest rates.

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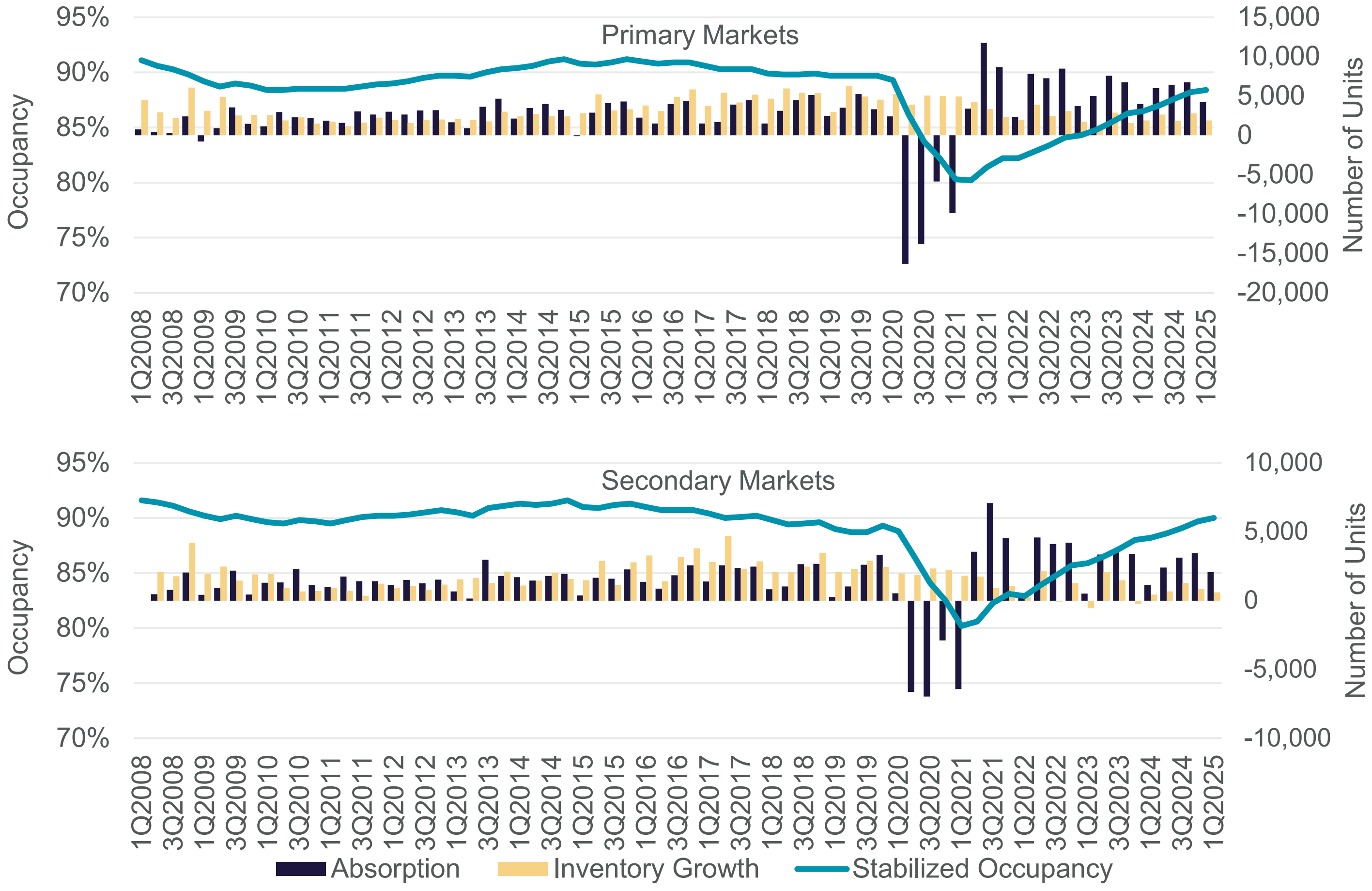
PROPERTY MARKETS FUNDAMENTALS

PROPERTY MARKETS

Property markets are performing stronger than ever

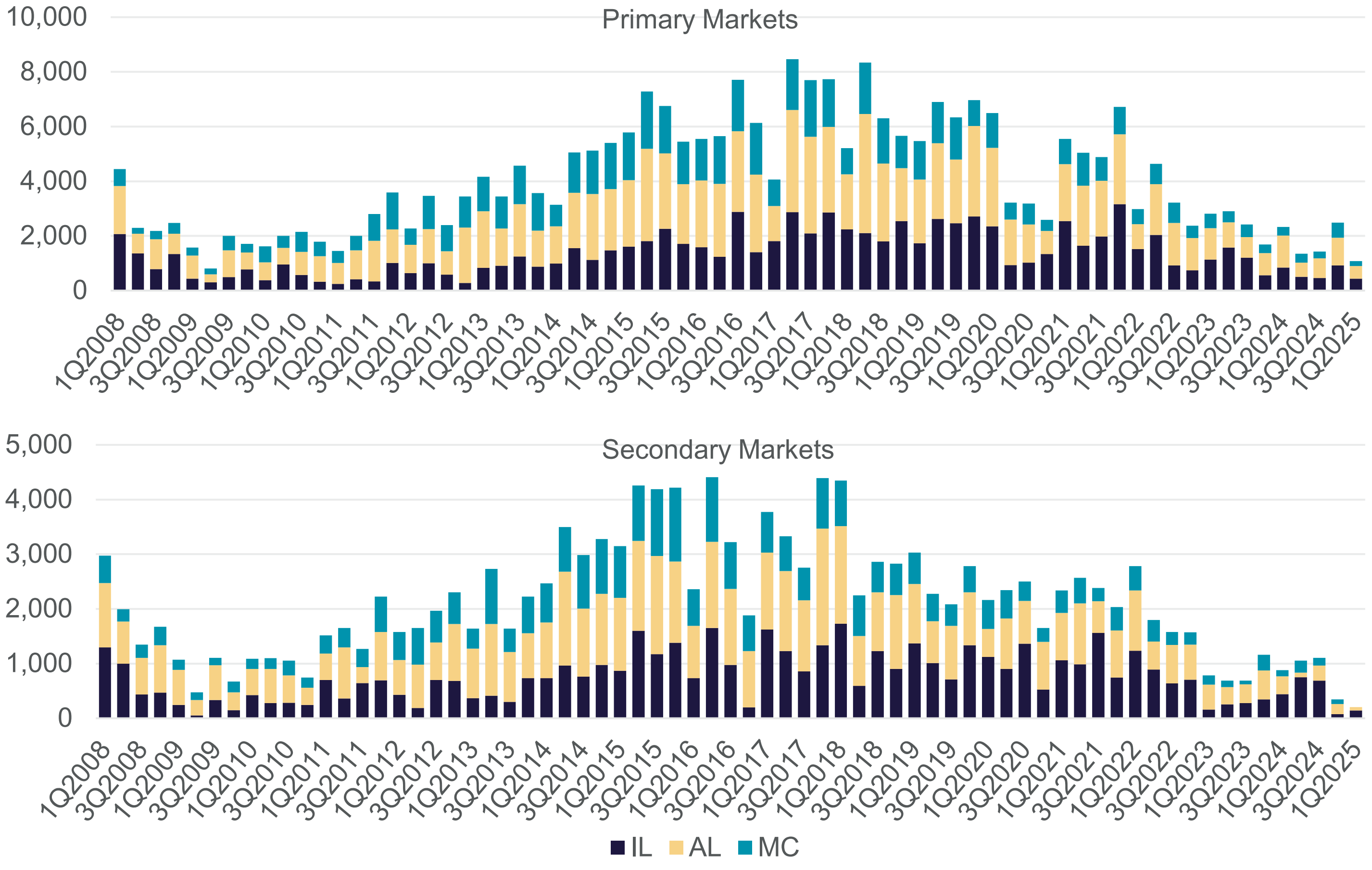


Source: Cushman & Wakefield. NICMAP, Q2025

- U.S. senior living property market fundamentals continue to strengthen. Stabilized occupancy trended upward for the seventeenth consecutive quarter, surpassing 89% overall, with secondary markets reaching 90% occupancy, a level not obtained since 2017.
- The number of occupied units reached a new all-time-high in Q2025 with net absorption outpacing supply growth by 2.5 to 1, as inventory growth remains near historic lows.
- Annual rent growth, thought tapered from prior quarters, has remained intact, averaging 3.9% in Q2025, a dip that is likely seasonal as the sector emerges from winter months.
- Active adult rental properties, an emerging segment and hybrid between multifamily and traditional senior living, reached an average occupancy of 95.6% occupancy, with rental growth surpassing 5% in Q2025.
- The slowing residential housing market does raise some concern for the more lifestyle focused properties and should be monitored accordingly.

PROPERTY MARKETS

Construction starts reach a new all-time low

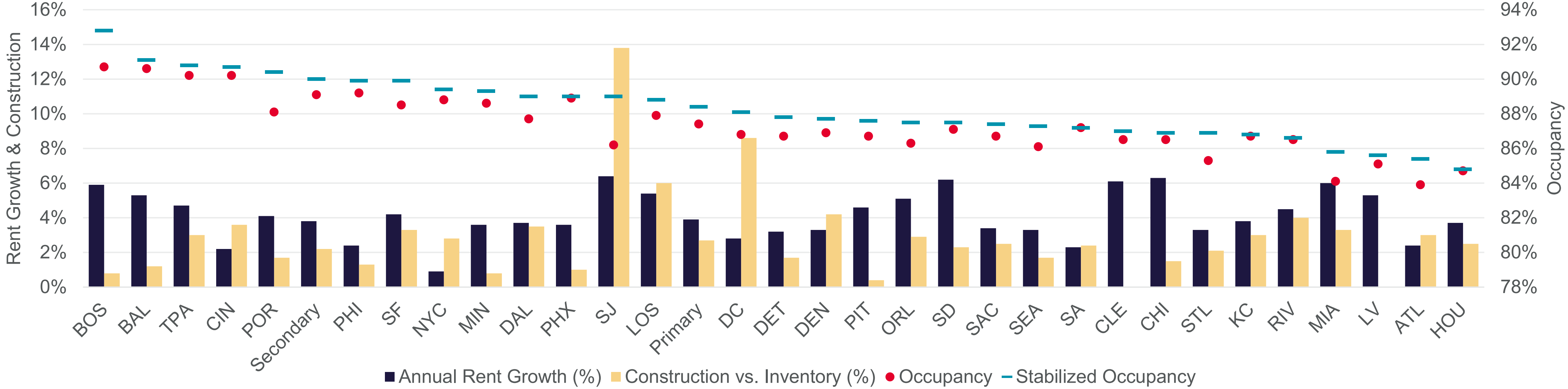


Source: Cushman & Wakefield. NICMAP, Q2025

- Cushman & Wakefield expects continued improvement in stabilized occupancy levels and rent growth as net demand from the aging U.S. population continues to mount and construction starts dip to a new all-time low.
- After turning positive in Q2 2021, net absorption surged to all time highs in primary and secondary markets. While net absorption did taper in Q2025, the YoY increase from Q2024 is nearly 22%, indicating the lag is seasonal.
- Stabilized occupancy trended upward at the fastest rate recorded for IL, AL and MC with the number of occupied units reaching a new all-time high in Q2025.
- Conversely, construction starts have subsided to levels not experienced since the Great Financial Crisis. This reduction in projected supply growth, coupled with the increase in consumer demand, will be critical in the sectors ability to offset the increased operating expenses caused by labor shortages and rising insurance premiums plaguing the sector.

PROPERTY MARKETS

Submarket trends continue to strengthen as new supply is absorbed



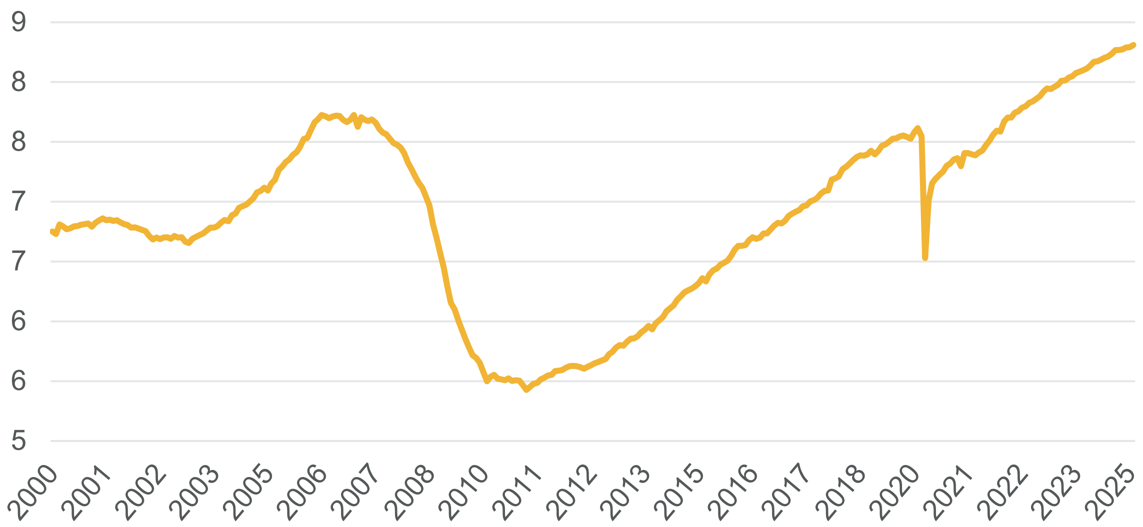
- The Northeast region remains the strongest performer with stabilized occupancy nearing 91% and annual rent growth nearing 3.5%. While the Mid-Atlantic region is also achieving favorable occupancy and rent growth, construction levels remain elevated as a percentage of supply.
- Markets with high occupancy and low construction vs. inventory will experience the greatest rent growth and include Boston, Baltimore, Tampa, Portland and Phoenix. Some Midwest markets including Chicago, Minneapolis and Cleveland are also poised for favorable occupancy and rent growth.
- Markets such as San Jose, Washington DC, Denver, NYC and Atlanta all have significant construction relative to supply and will likely experience some downward pressure as this supply comes online, notwithstanding migration trends.

Source: Cushman & Wakefield. NICMAP, Q2025

PROPERTY MARKETS

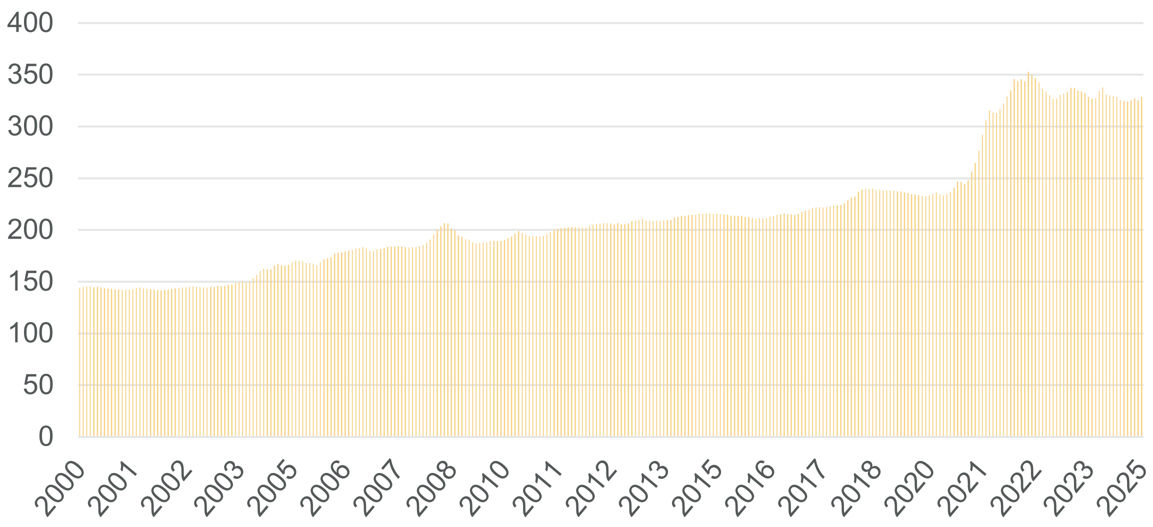
Labor shortages & construction costs remain elevated

Total U.S. Construction Employment (Millions)



- Construction employment has only recently surpassed pre-GFC levels of employment, hence little reduction in this cost component is expected.
- Reduced immigration could add upward pressure to labor costs if the labor market remains resilient. Further, as workers age out of the workforce, the shortage of construction workers is likely to persist.

Price Index, Construction Materials

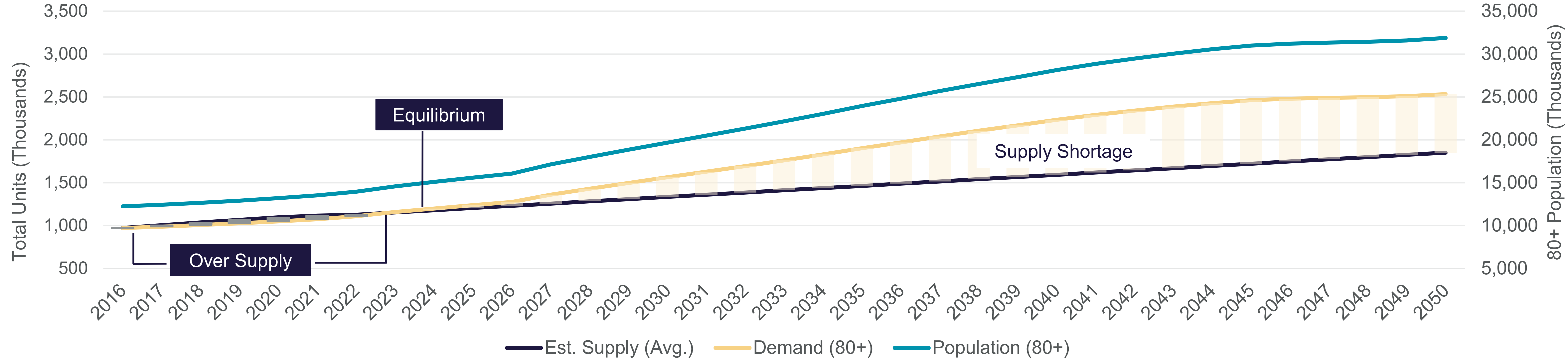


- Cost pressures began to ease in 2024 and remained relatively level in Q2025, still well above pre-pandemic levels.
- The recent tariffs are expected to drive up construction material costs by an estimated 5-7% in 2025, according to Cushman & Wakefield Insights.
- These dynamics will slow new development, benefiting existing assets as the supply pipeline continues to contract.

Source: U.S. Bureau of Labor Statistics; Cushman & Wakefield

PROPERTY MARKETS

Senior living long-term demand outlook points to massive shortage in supply



- After weathering a period oversupply, secular tailwinds are stronger than ever. To meet market demand at peak levels, supply growth must increase by 35,000 to 45,000 units per year, beginning today. For context, the highest number of units delivered in a year was 34,000 with less than 10,000 units delivered over the trailing 12-month period.
- According to NIC, an additional 2.2 million adults age 65+ will enter the rental market over the next decade, offering a prime opportunity for Active Adult properties, a sub-segment within senior living that offers significant opportunity to fill the demand gap and, potentially, affordability challenges faced by the more traditional senior living and care operating model.
- Affordability remains broadly unsolved, though new design trends are emerging. With the number of middle-income seniors projected to double by 2029, over half of this segment will not have adequate finances to afford conventional senior living and care.

Source: Cushman & Wakefield

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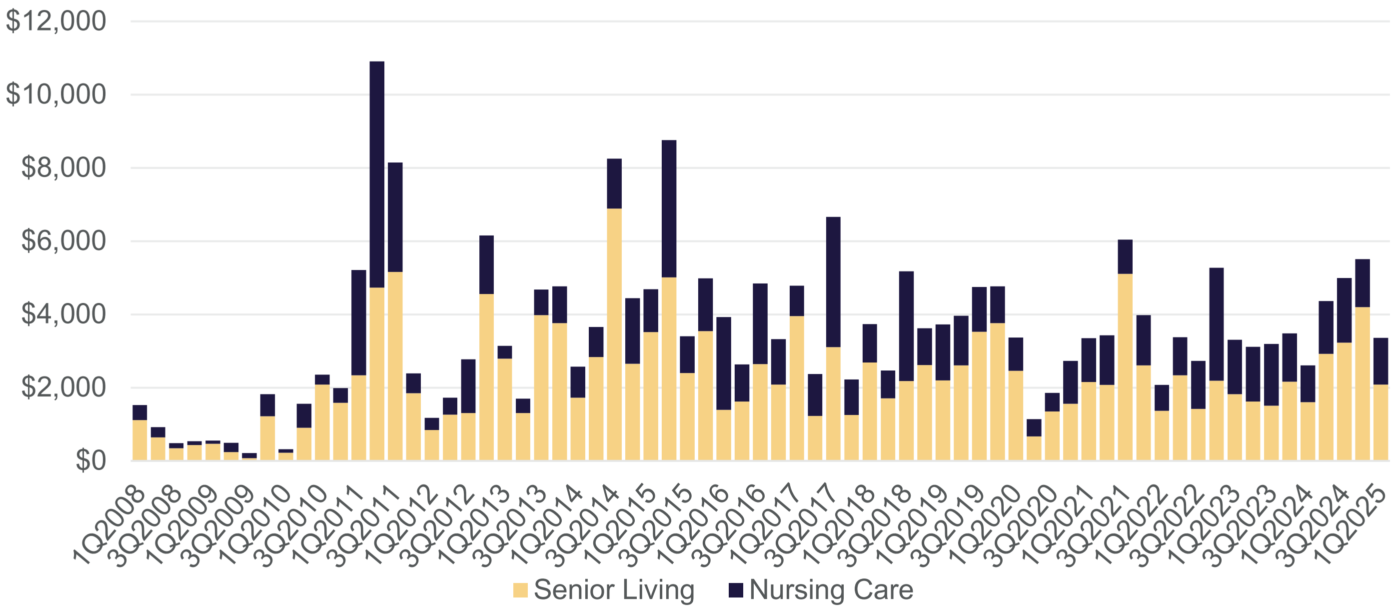
CAPITAL MARKETS FUNDAMENTALS

CAPITAL MARKETS

Quarterly transaction volume (millions)

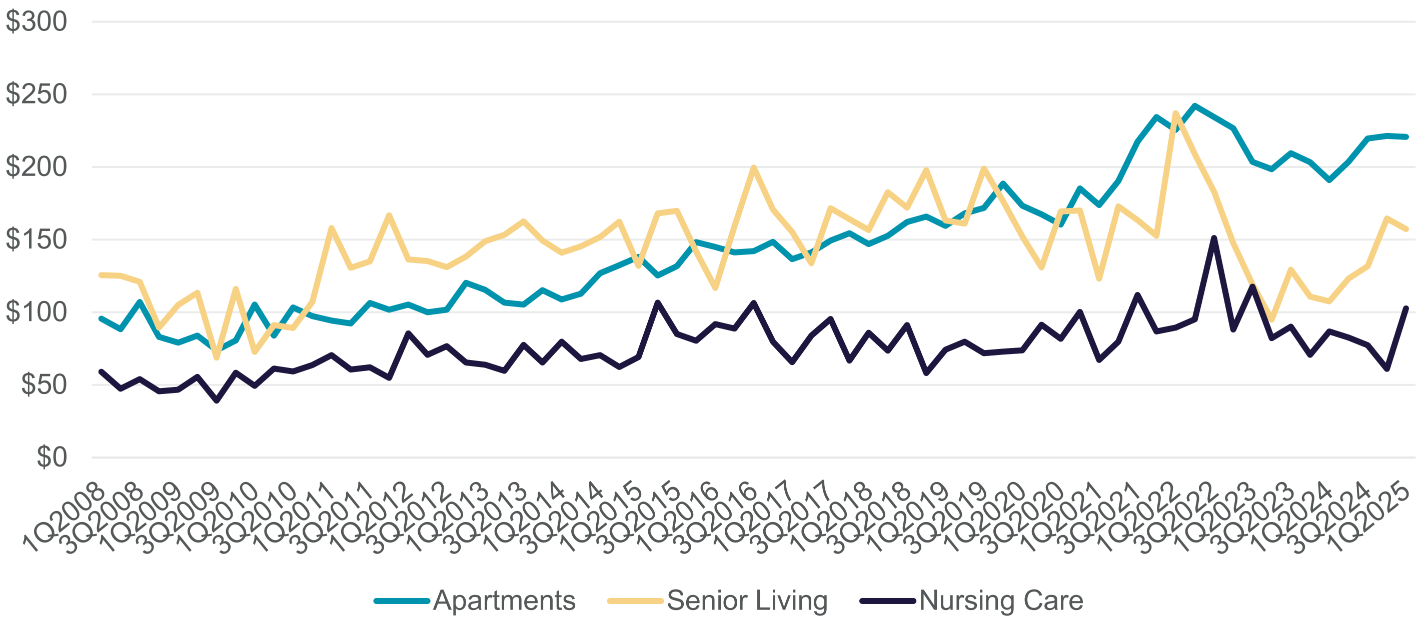


Source: NICMAP, Q2025; Cushman & Wakefield

- Senior living transaction volume reached the highest post-pandemic levels in the second half of 2024, marking a year-over-year increase of nearly 70%, as dry powder emerged from the sideline and debt liquidity cautiously returned to the sector.
- While the Federal Reserve did move to cut the Federal Funds rate in September 2024, the reduction was above market expectations. As of April 23, markets are now favoring three cuts despite market-based measures indicating that tariffs will be inflationary in the immediate term, resulting in continued market uncertainty.
- With NCREIF ODCE funds reporting an increase in fund allocations to alternative real estate sectors and debt markets becoming more liquid, positive investment activity, with notable entity level portfolios already taking place.
- Nursing care transaction volume also posted year-over-year increase, though slightly more modest at 27%, a positive sign for valuations. Regulatory uncertainty and ongoing staffing concerns will likely keep transaction volume at more moderate levels though the second half of 2025.

CAPITAL MARKETS

Price per unit valuation trends (thousands)

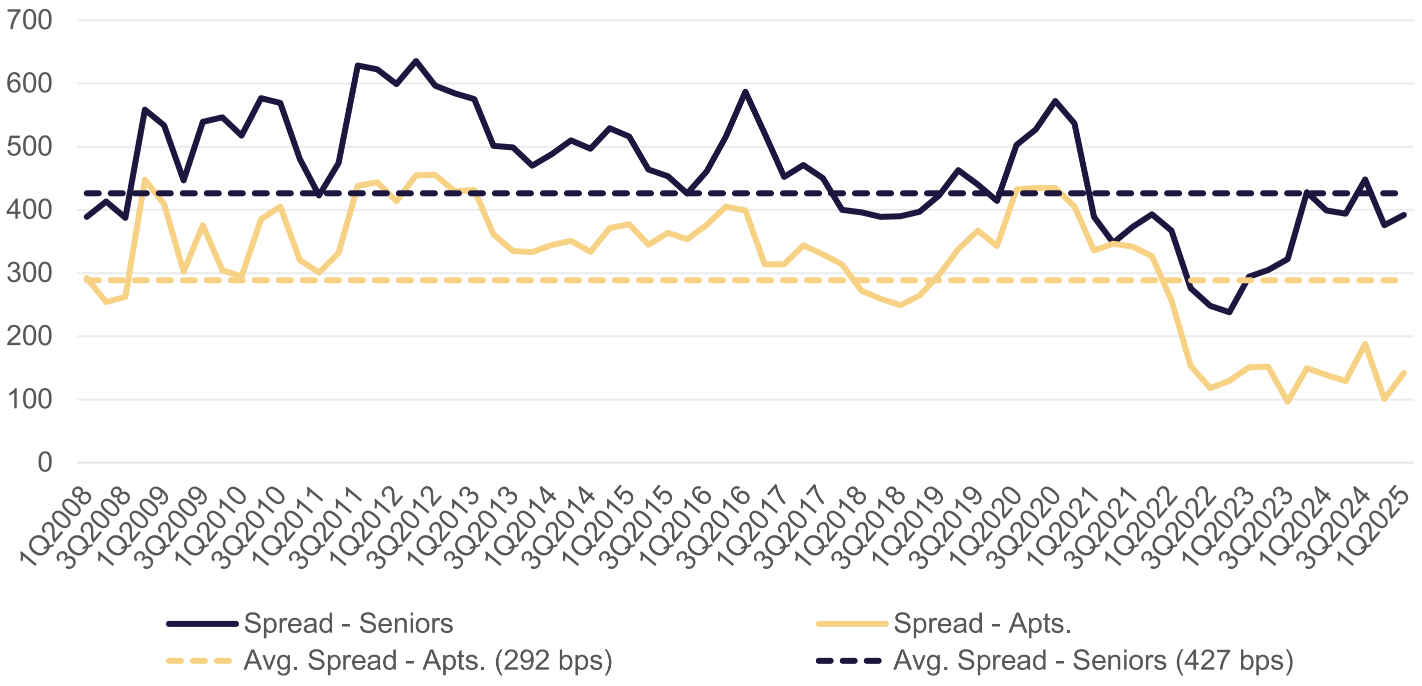


Source: NICMAP, Q2025; Real Capital Analytics; Cushman & Wakefield

- According to the National Investment Center for the Seniors Housing and Care Industry (NIC), the average transaction price per unit increased by 46% year-over-year in the first quarter of 2025, another sign that valuations are beginning to turn.
- This increase in average price per unit highlights investors shift back to core investment strategies, as buyer vs. seller expectations of well operated properties realign.
- Senior living pricing, however, remains below peak levels, with a significant spread from multifamily pricing (a leading indicator), suggesting valuations should continue to tick upwards.
- Cushman & Wakefield is once again conducting valuations with per unit indications surpassing $750,000 per unit, along with notable portfolio transactions.
- Skilled nursing pricing increased by 18% YoY after dipping to a six-year low, as volatility and uncertainty tapers investment activity.

CAPITAL MARKETS

Capitalization rates vs. 10-year treasury (basis points)



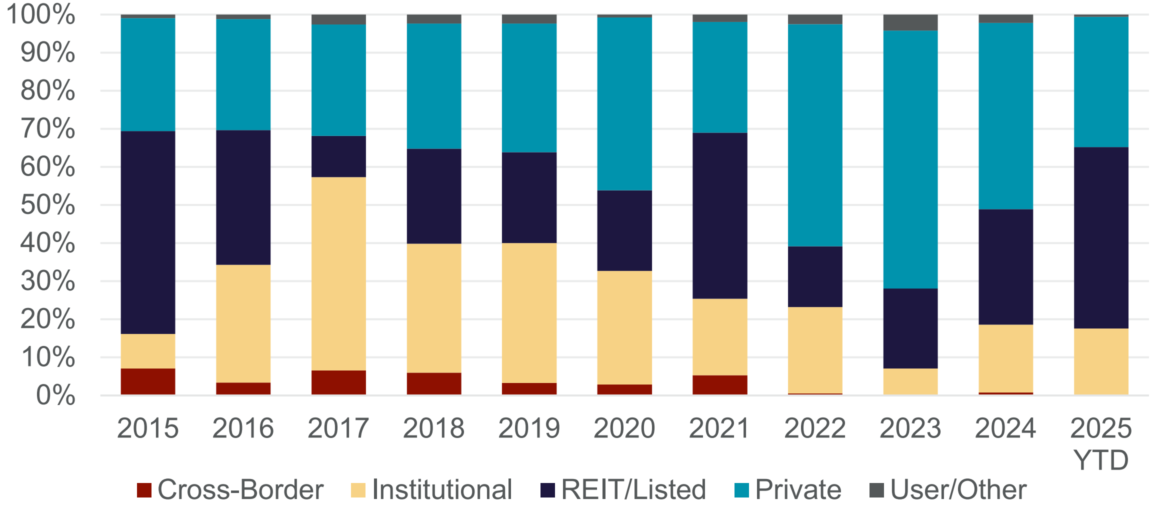
Source: Real Capital Analytics; Cushman & Wakefield

- Over the past 10 years, the senior living sector has averaged 426 bps spread between the 10Y and capitalization rates, with apartments averaging 288 bps—a 138 bp difference. The current spread at 250 bps, the widest spread between multifamily and senior living pricing in over a decade.
- Interest rates remain volatile, with the 10-year Treasury fluctuating significantly. Despite daily moments, our base case is that the 10-year Treasury yield will generally hover in the 4-4.5% range, consistent with long-run equilibrium.
- While credit and risk spreads may widen in the short term due to uncertainty, the fundamentals for a gradual recovery in debt and capital markets remain strong. Risk-off attitudes will drive demand for assets with stable income, with such deals continuing to draw selective interest from opportunistic investors as the recovery progresses which will help bring capitalization rate spreads closer to the strike zone.
- With spreads for senior living pricing returning to historical norms, more capital is expected to return from the sidelines in a meaningful way.

CAPITAL MARKETS

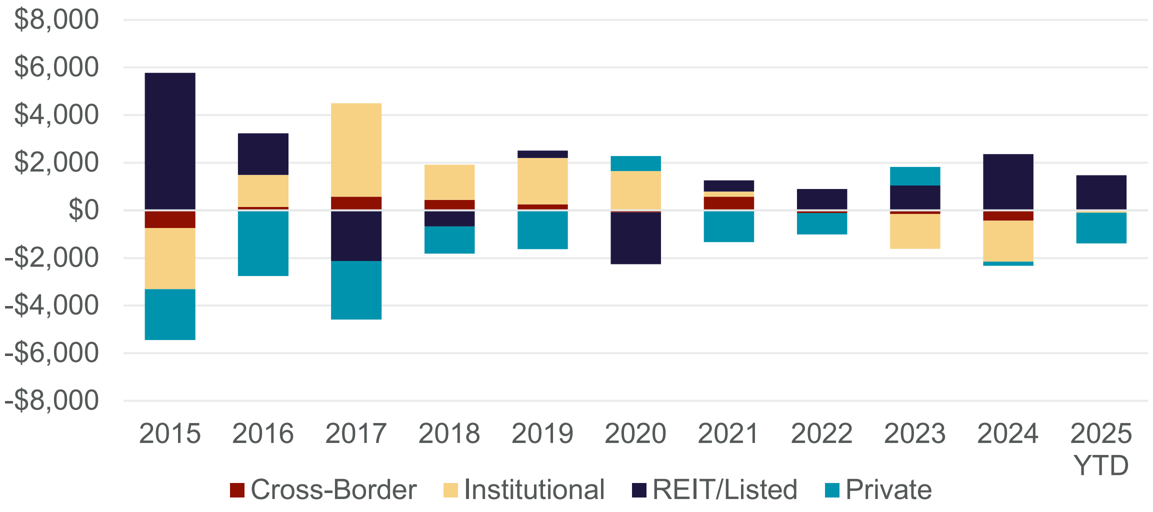
Evolving investor landscape & investment strategies

Buyer Composition



- Private capital investors stepped in as the primary buyer for senior living properties in 2023 and 2024, representing 50% to 60% of investment, mostly seeking opportunistic investment strategies.
- REITs returned to the market in the second half of 2024 a trend that continued into 2025, despite the public market volatility. Institutional investment activity remains below historical levels, sitting on dry powder, for more certain market conditions.

Capital Flows (Millions)

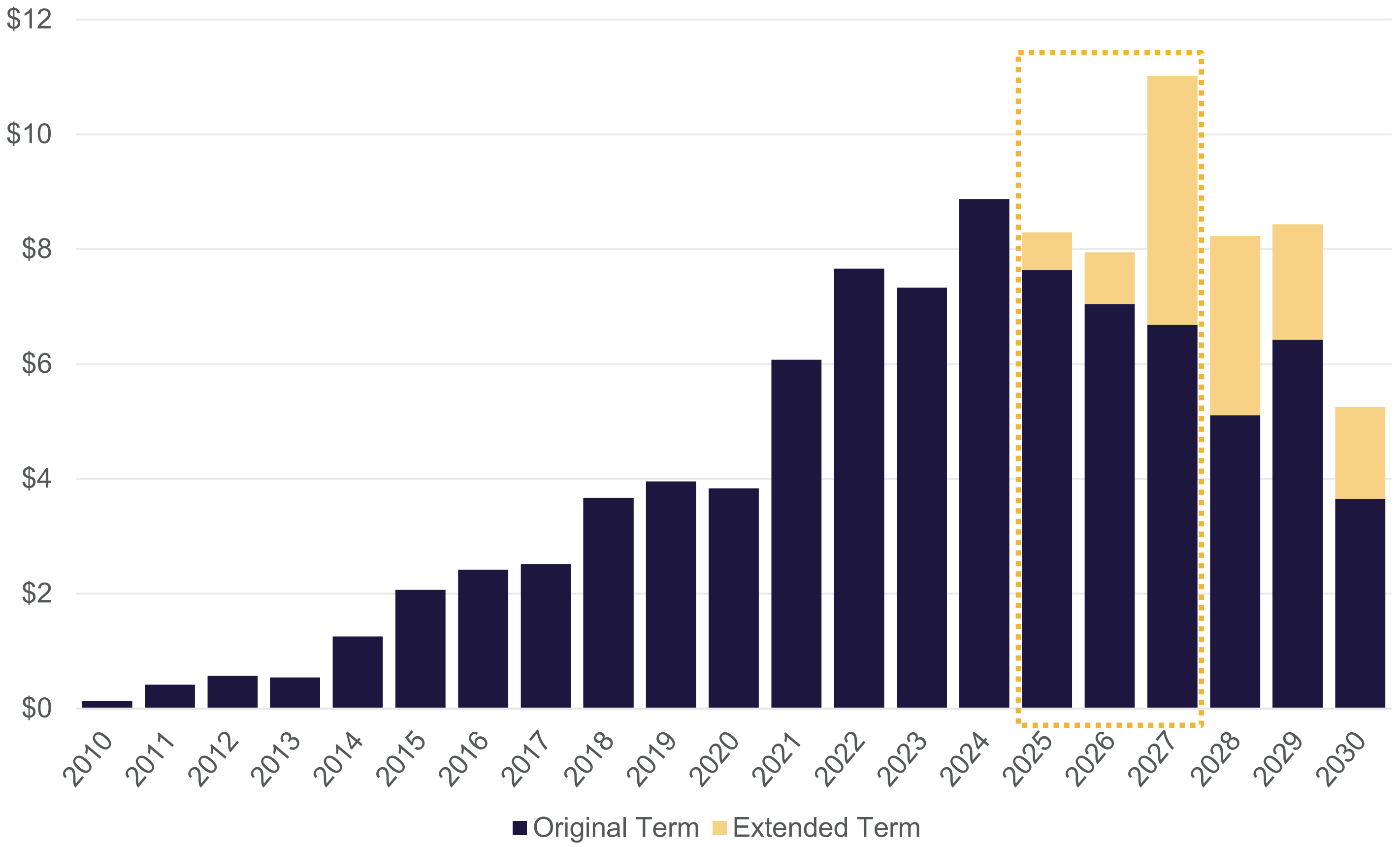


- CRE fund flows may fluctuate as portfolios adjust to the near-term denominator effect. However, in the long term, CRE's diversification and inflation-hedging benefits will sustain capital flows and maintain its role in institutional and private portfolios.
- Investors are expected to focus more on resiliency and key drivers of income growth over time, a viewpoint that favors the senior living sector.

Source: RCA; Cushman & Wakefield

CAPITAL MARKETS

Senior living debt maturities remain a focal point (billions)

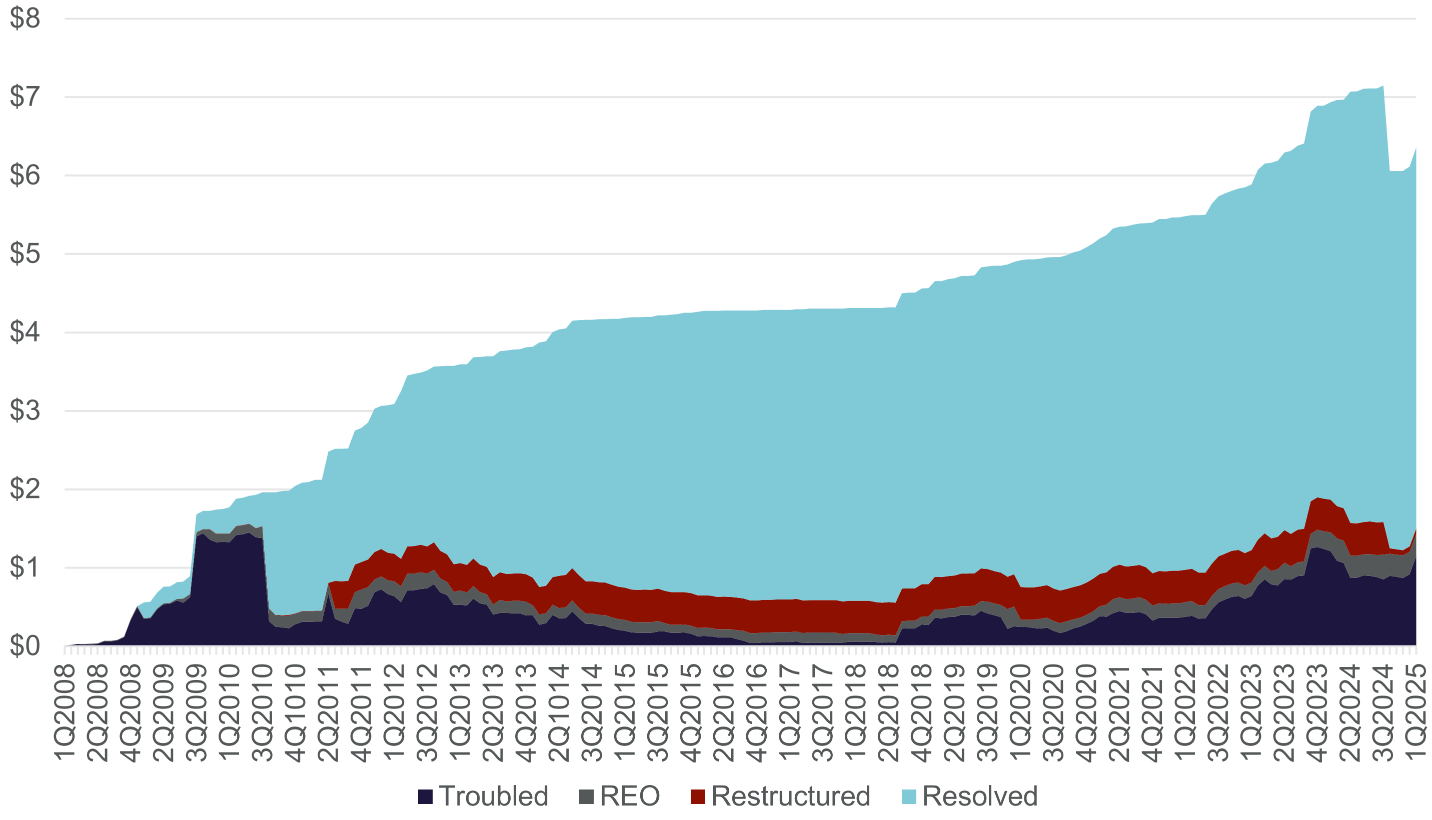


Source: Real Capital Analytics; Cushman & Wakefield

- Senior living loan maturities, set to exceed $18 billion within the next 24 months, with $8.3 billion in senior living loans set to mature this year and projected to peak in 2027 after accounting for term extensions.
- These loan maturities have been identified by investors as an opportunistic opportunity to acquire newer and well-located properties as significant discounts to replacement cost, with funds raised in accordance.
- Favorable property market fundamentals and positive operating trends have helped to mitigate the level of loan defaults with lenders opting to work with their borrowers vs. default proceedings.
- With a significant amount of loan maturities still ahead, concern of additional valuation decreases due to debt market distress does still exist, yet investors are broadly pivoting back to more core investment strategies as this concern continues to subside, and valuations tick upward.
- Markets with the highest levels of loan maturities scheduled within the forward-looking three-year period include Seattle, Phoenix, Atlanta, Dallas and Chicago.

CAPITAL MARKETS

Troubled loans remain below prior recessionary levels (billions)



Source: Real Capital Analytics, Cushman & Wakefield Research, Data through March 31, 2025

- In 2023, the amount of troubled loans reached the highest levels since the great financial crisis. Since that time, lenders have worked to resolve an estimated $65.8 billion in senior living debt.
- The percentage of distressed sales has elevated from a 0.57% low in 2020 to 2.77% of total transaction volume YTD in 2025. However, this amount remains well below the 39% peak that was reached during the GFC (2009).
- The total dollar amount of troubled loans remain below prior recessionary levels as lenders work with borrowers of well performing properties to resolve outstanding issues, primarily driven by improving property market fundamentals.
- Despite the wave of loan maturities, debt liquidity is returning to the market, with Q2025 trailing four-quarter loan volume up 78% YoY, with the majority executed in Q4 2024 and Q2025.
- Of the total trailing four-quarter senior living loan volume, 12% was for construction with nearly 22% being for acquisitions, and the balance, at 66% of new loans, being for refinancings, indicating a 36% YoY increase in refinancing activity.

04

SENIOR LIVING & CARE VALUATION INDICES

SENIOR LIVING & CARE VALUATION INDICES

H1 2025

- The Cushman & Wakefield valuation index represents an aggregation of mark-to-market valuation conclusions from nearly 2,000 properties throughout the U.S., that were valued within the past twelve months.
- The aggregate market value of this proprietary dataset totals approximately $30 billion, or 6.25% of the total estimated market capitalization of $480 billion of institutional seniors housing & care supply.

Stand Alone Active Adult	Lower Decile	Lower Quartile	Average	Upper Quartile	Upper Decile
Stabilized Occupancy (%)	86	89	94	96	97
Effective Monthly Rent per Revenue Unit ($)	1,132	1,971	2,245	2,696	3,266
Expense Ratio (%)	53	46	41	39	36
Capitalization Rate (%)	6.45	6.3	5.15	4.75	4.5
Stabilized Market Value per Revenue Unit ($)	102,235	178,858	298,542	398,222	501,699

Majority Independent Living	Lower Decile	Lower Quartile	Average	Upper Quartile	Upper Decile
Stabilized Occupancy (%)	86	89	92	93	96
Effective Monthly Rent per Revenue Unit ($)	2,523	3,221	3,954	4,958	6, 381
Expense Ratio (%)	76	69	66	60	58
Capitalization Rate (%)	7.9	7.2	6.5	6.3	5.9
Stabilized Market Value per Revenue Unit ($)	86,870	162,924	299,422	388,225	522,234

Source: Cushman & Wakefield Valuation Index (H12025)

SENIOR LIVING & CARE VALUATION INDICES

H1 2025

Majority Assisted Living	Lower Decile	Lower Quartile	Average	Upper Quartile	Upper Decile
Stabilized Occupancy (%)	86	89	93	93	95
Effective Monthly Rent per Revenue Unit ($)	3,124	3,784	5,275	6,157	7,898
Expense Ratio (%)	80	78	71	69	62
Capitalization Rate (%)	8.4	7.9	7.1	6.5	6.0
Stabilized Market Value per Revenue Unit ($)	89,061	132,211	286,385	354,125	572,523

Stand Alone Memory Care	Lower Decile	Lower Quartile	Average	Upper Quartile	Upper Decile
Stabilized Occupancy (%)	81	84	89	90	90
Effective Monthly Rent per Revenue Unit ($)	3,201	3,714	4,722	5,279	6,289
Expense Ratio (%)	82	78	75	61	55
Capitalization Rate (%)	9.1	8.7	8.6	8.1	7.75
Stabilized Market Value per Revenue Unit ($)	89,672	121,465	181,697	241,572	345,357

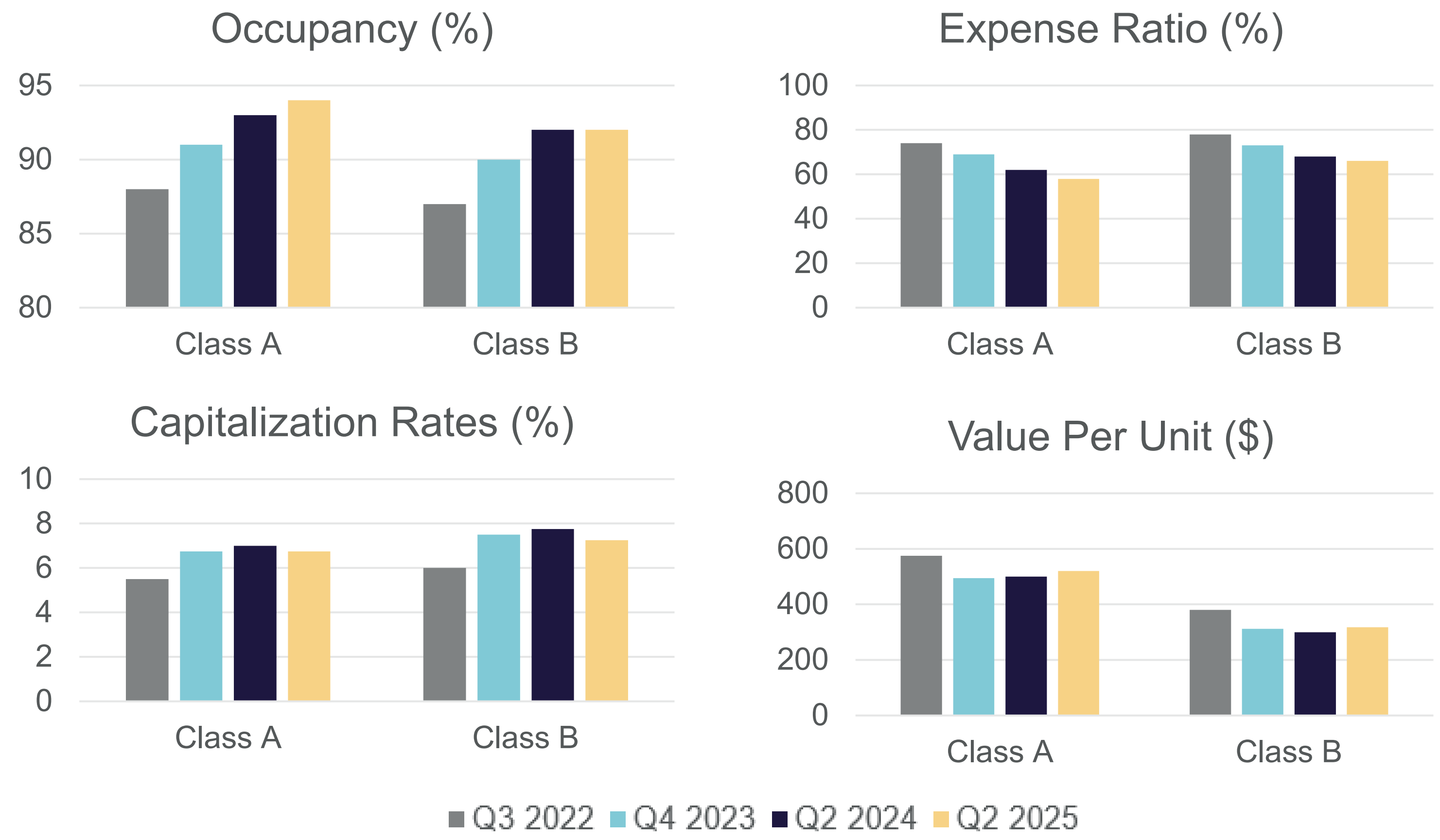
Majority Nursing Care	Lower Decile	Lower Quartile	Average	Upper Quartile	Upper Decile
Stabilized Occupancy (%)	73	80	88	90	92
Effective Daily Rate per Revenue Unit ($)	143	162	251	288	372
Expense Ratio (%)	81	83	86	90	93
Capitalization Rate (%)	14.7	13.9	13.4	12.2	10.75
Stabilized Market Value per Revenue Unit ($)	36,222	67,214	121,211	145,964	169,913

Source: Cushman & Wakefield Valuation Index (H12025)

SENIOR LIVING & CARE VALUATION INDICES

H1 2025 Same Store Analysis

CUSHMAN & WAKEFIELD



- Same store operating and valuation data were extracted from properties Cushman & Wakefield values annually. This data provides a unique insight into actual year-over-year changes in market valuation assumptions.
- Cushman & Wakefield's same-store indices suggest a decrease in capitalization rates of 25 bps over Q2 2024, with valuations turning upward for investment Class A and B properties, by 4% and 6%, respectively.
- After a nearly 20% peak-to-trough decline, valuations have likely reached the floor and will continue to trend in a positive direction, as property markets continue to strengthen and capital markets stabilize.
- The residential housing market, debt liquidity and still looming wave of loan maturities remain a red flag for investors and are all critical for the continued growth in market valuations for the sector.

Source: Cushman & Wakefield Valuation Index (H12025)

05

INVESTOR SURVEY RESULTS

SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

CUSHMAN & WAKEFIELD

H1 2025 survey results from over 75 of the industry's most influential leaders

Primary Markets

	Investment Class A			Investment Class B			Investment Class C		
Capitalization Rates (%)	Low	High	Average	Low	High	Average	Low	High	Average
Active Adult	4.5	6.3	5.2	5.0	6.5	5.8	5.5	7.3	6.6
Majority Independent Living	5.5	7.0	6.2	6.0	8.0	7.0	6.8	9.0	7.6
Majority Assisted Living	6.5	7.5	6.8	7.0	8.5	7.6	7.3	10.0	8.5
Stand Alone Memory Care	7.5	9.5	8.5	7.5	10.0	9.1	8.5	11.0	9.9
Nursing Home	9.5	12.8	11.9	11.0	13.5	12.6	12.5	14.5	14.0
CCRC/ LPC	6.0	8.5	7.4	6.5	9.0	8.2	7.5	11.0	9.0

Secondary Markets

	Investment Class A			Investment Class B			Investment Class C		
Capitalization Rates (%)	Low	High	Average	Low	High	Average	Low	High	Average
Active Adult	5.0	6.5	5.9	5.3	7.5	6.5	6.0	8.0	7.1
Majority Independent Living	6.0	7.5	6.7	6.5	8.0	7.4	7.0	9.5	8.1
Majority Assisted Living	6.8	8.0	7.3	7.5	9.0	7.9	8.0	10.5	8.8
Stand Alone Memory Care	7.5	10.5	8.8	8.0	10.5	9.4	9.0	11.5	10.1
Nursing Home	11.0	13.5	12.6	11.5	14.5	13.8	12.5	15.5	15.5
CCRC/ LPC	7.0	10.0	8.3	8.0	10.5	9.0	8.5	12.0	9.5

Average Spreads by Location (Bps)

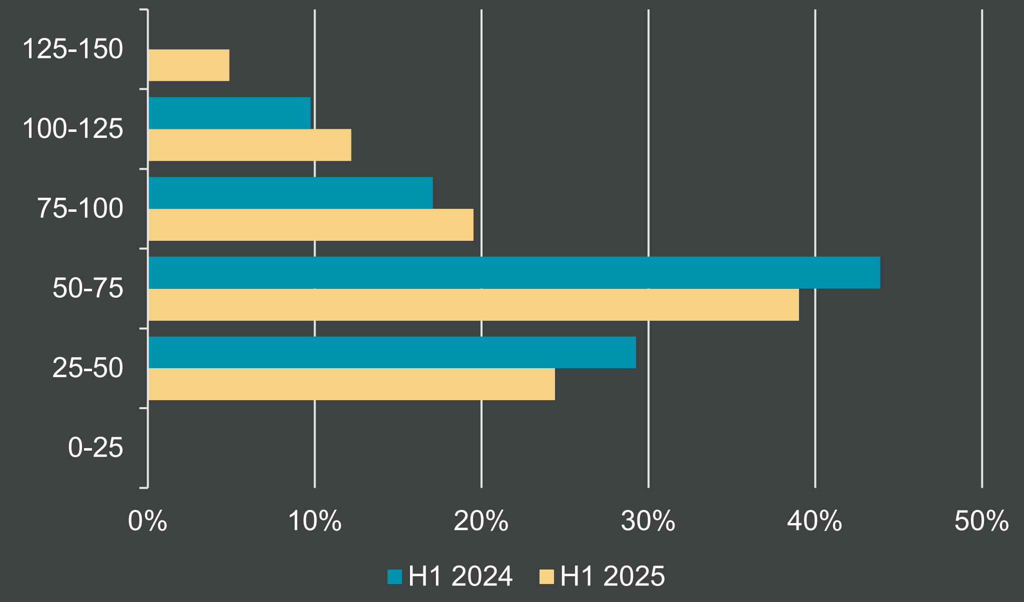
	Primary Market Locations			Secondary Market Locations			Locational Spreads Primary vs. Secondary		
Investment Class	A - B	B - C	A - C	A - B	B - C	A - C	A	B	C
Active Adult	52.0	83.0	135.0	55.0	57.0	112.0	70.0	73.0	47.0
Majority Independent Living	79.8	63.2	143.0	69.7	72.3	142.1	52.6	42.5	51.7
Majority Assisted Living	72.0	96.0	168.0	67.5	82.5	150.0	42.0	37.5	24.0
Stand Alone Memory Care	59.9	77.1	137.0	64.2	64.9	129.1	29.3	33.5	21.4
Nursing Home	69.1	136.9	206.0	121.9	166.9	288.8	66.3	119.0	149.0
CCRC/ LPC	86.0	80.6	166.6	75.0	50.0	125.0	88.0	77.0	46.4

Source: Cushman & Wakefield Investor Survey (H1 2025)

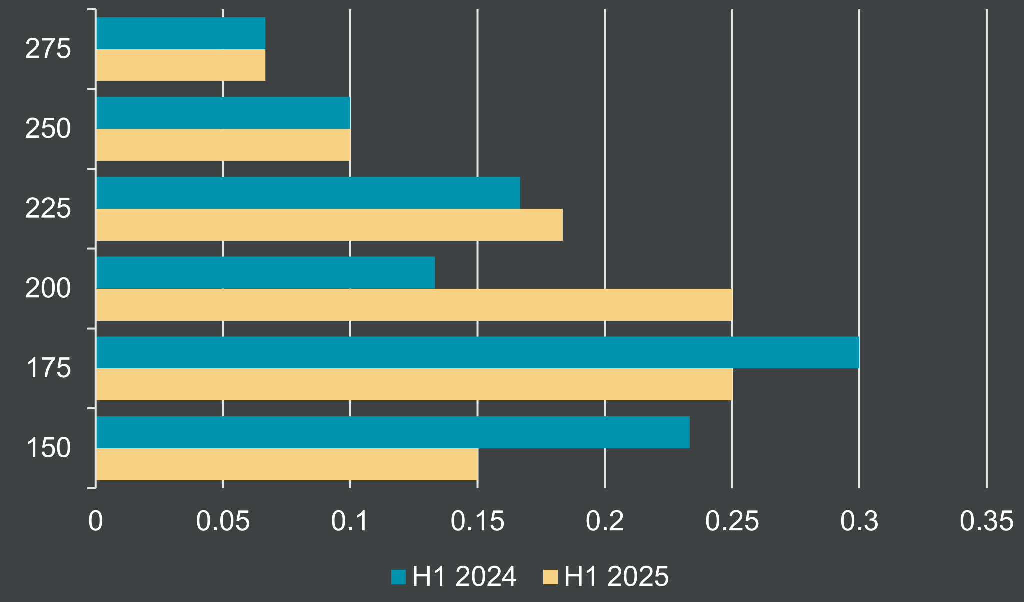
SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

H1 2025

Terminal Capitalization Rate Spreads (BPS)



Discount Rate Spreads (BPS)



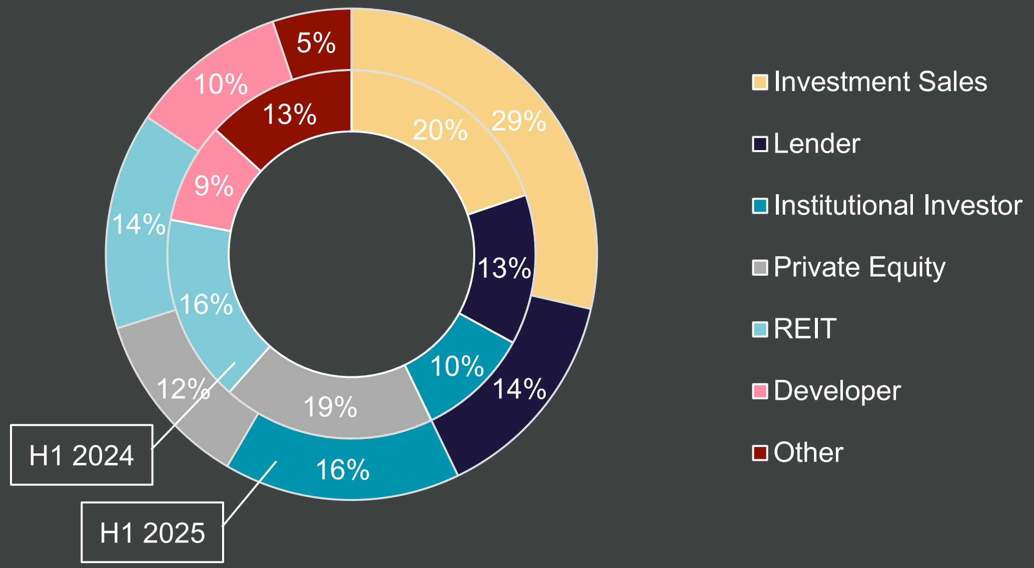
With limited transactional data, investors are more often relying on discounted cash flow analysis. The percentage of survey respondents relying on the discounted cash flow analysis was 70% with key underwriting assumptions summarized above. Basis point spreads between the going-in capitalization rates and terminal or exit capitalization rate have widened signaling that market participants are underwriting “higher-for-longer” as it relates to interest rates.

Source: Cushman & Wakefield Investor Survey (H1 2025)

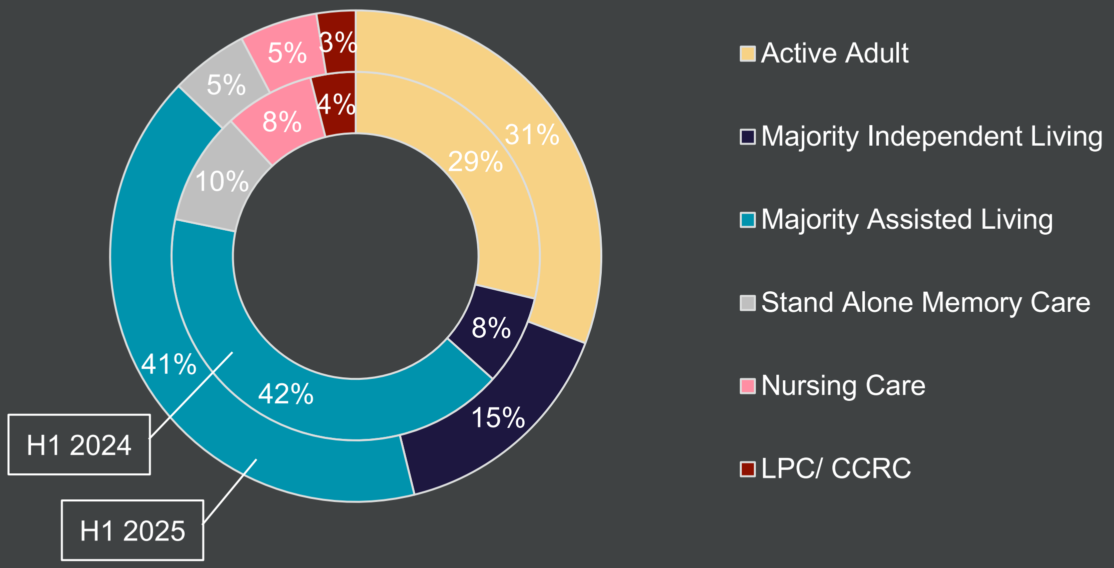
SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

H1 2025

Composition of Survey Participants



Greatest Segment for Investment Opportunity



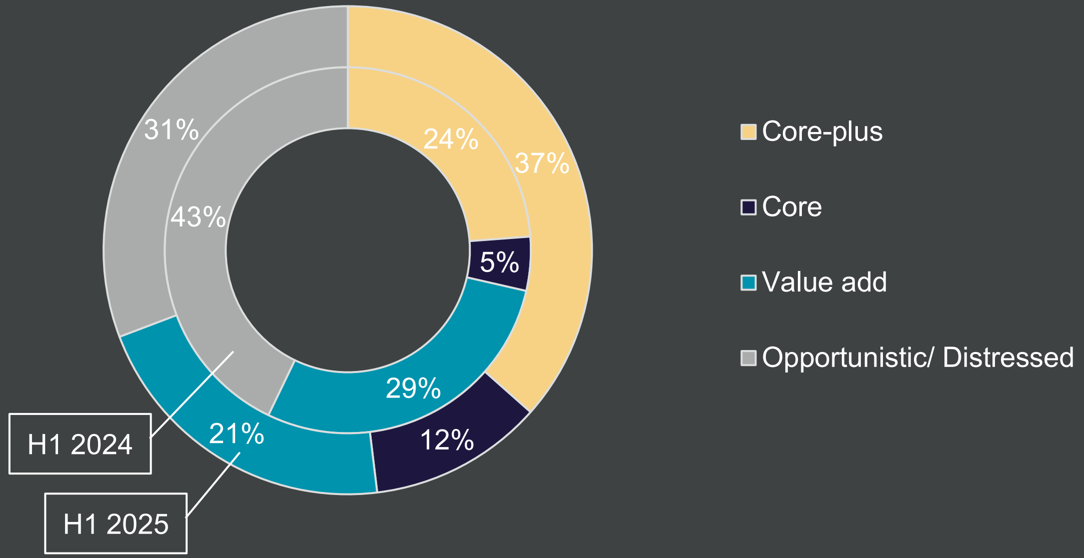
With a relatively equal distribution of survey participant representation from the H1 2024 survey, these participants continue to view majority assisted living properties as the greatest opportunity for investment, at 41% of survey respondents. Survey participants continue to favor active adult with the more notable change is the increased focus on independent living properties.

Source: Cushman & Wakefield Investor Survey (H1 2025)

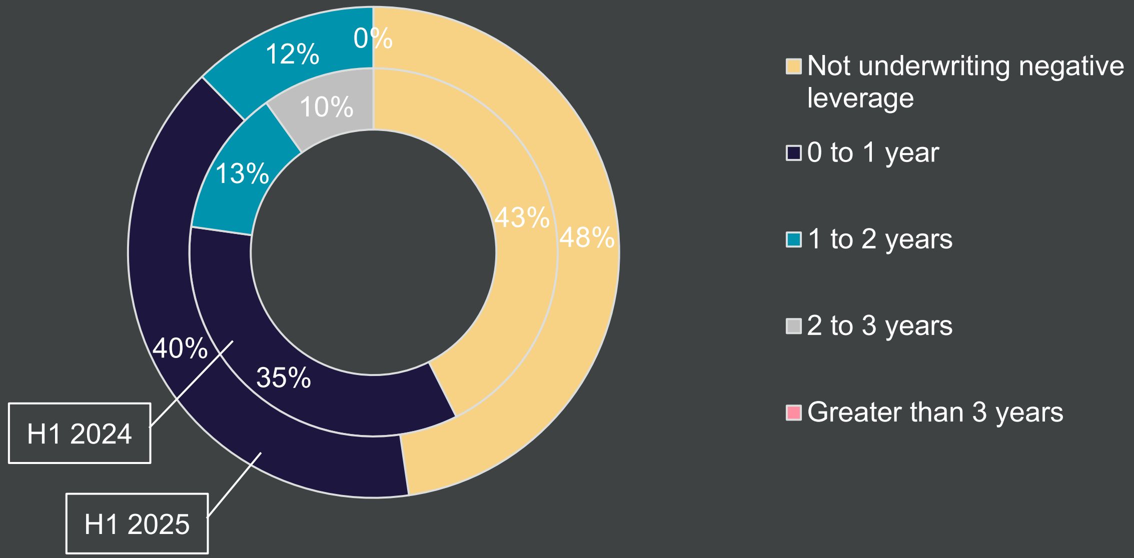
SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

H1 2025

Most Compelling Investment Strategy



Willingness to Underwrite Negative Leverage



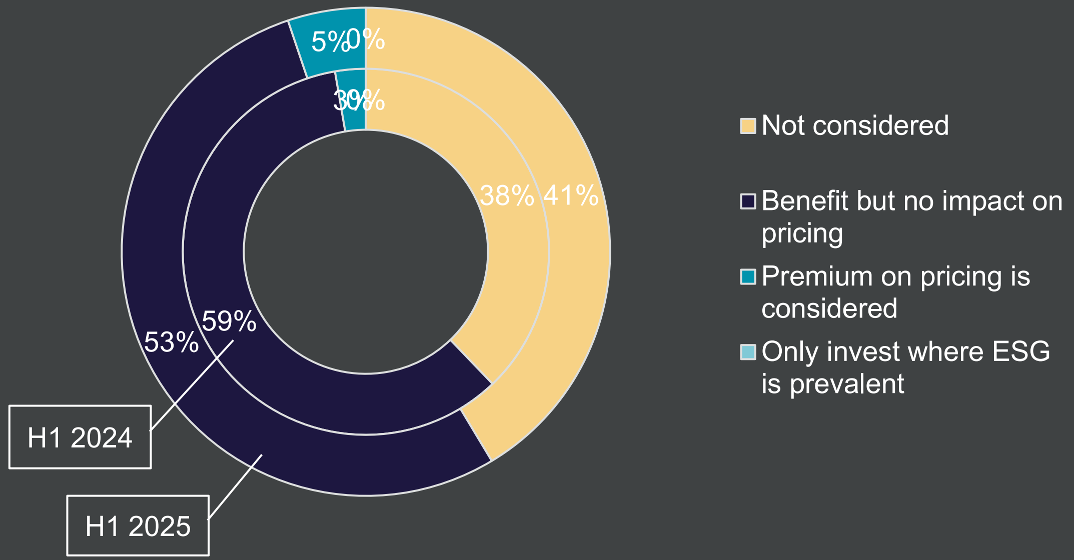
Investor focus has shifted back to core-plus and core strategies, representing a combined 49% of survey participants, a notable increase from H1 2024. Though opportunistic/distressed strategies are still sought out by investors, limited opportunity for this strategy has materialized, due to lender workouts and favorable property market performance. The survey results further indicate a reduction of negative leverage in investor underwriting, signaling that pricing is beginning to return to equilibrium.

Source: Cushman & Wakefield Investor Survey (H1 2025)

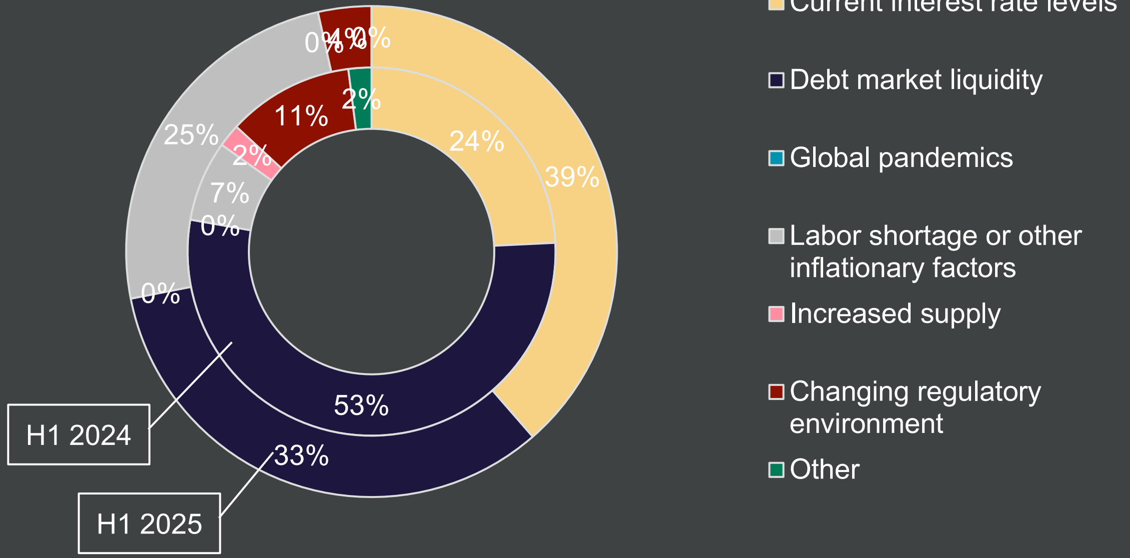
SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

H1 2025

Environmental, Social & Governance (ESG) Investing



Greatest Risk to Valuations Over Next 12 Months



Environmental, social and governance (ESG) remains a topic of focus within the senior living sector. However, only 5% of survey respondents would consider a premium on pricing when ESG incentives are present with most respondents viewing ESG as a benefit but not having an impact on valuations.

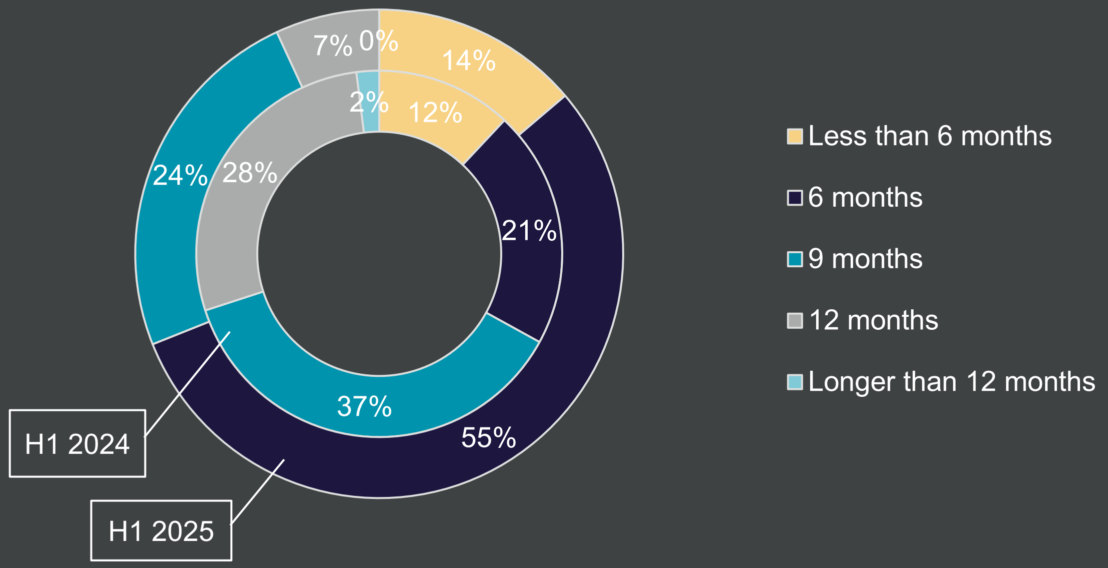
Interest rate levels remain the top concern as it relates to market valuations. Concerns over debt market liquidity subsides as more lenders return to the market. The most significant change from H1 2024 is the increased concerns over labor shortages and costs, as the industry aims to expand.

Source: Cushman & Wakefield Investor Survey (H1 2025)

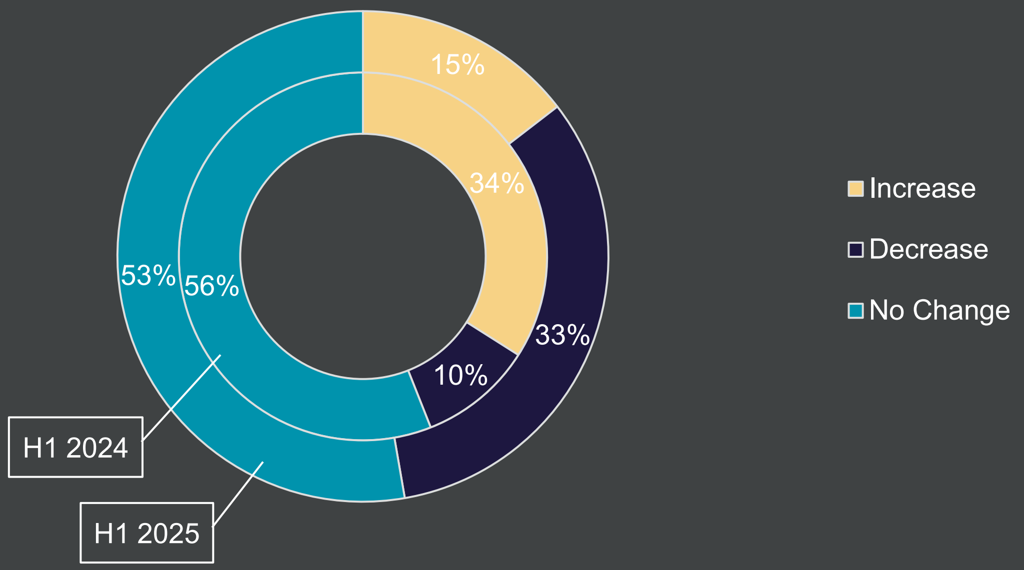
SENIOR LIVING & CARE INVESTOR SURVEY RESULTS

H1 2025

Average Marketing Period (Listed to Closing)



Capitalization Rate Outlook for H2 2025



Survey participants expect capitalization rates to have peaked and to remain level through the remainder of the year. Conversely, 33% of respondents expect to see a decrease in capitalization rates in the second half of 2025, a stark contrast from the 10% who expected capitalization rates to decrease in H1 2024. With property market fundamentals continuing to strengthen, this could signal that valuations have reached a bottom.

Source: Cushman & Wakefield Investor Survey (H1 2025)

LOOKING FORWARD

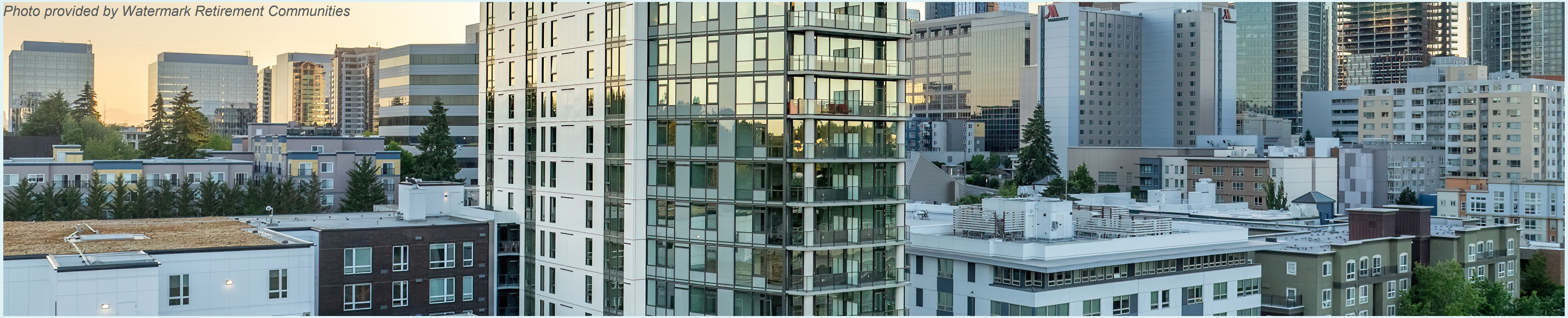
According to the Chinese zodiac, 2025 is the year of the wood snake, which symbolizes wisdom, creativity, and growth. The wood element emphasizing renewal and transformation, while encouraging growth and expansion. This sign indicates significant opportunities and a focus on strategic thinking throughout the year, an appropriate parallel for the state of the senior living & care sector. Trends and innovations in the senior living sector continue to accelerate, such as technology, infrastructure, and design components. From a valuation standpoint, it does appear that the market is at or near the bottom. In the years ahead, renewed interest from investors and lenders is expected due to the softening of some of the more core asset classes while senior living operating performance continues to show stable growth, once again highlighting the sector's resiliency.

As various crosscurrents between strong property market fundamentals for the sector and a choppy capital markets environment begin to normalize, investor sentiment is seemingly gaining optimism as investment strategies continue to evolve. Operators continue to grapple with labor challenges as occupancy and rental growth remains on a positive trajectory. There is also a continued focus on creating scale through size and strategic service delivery partnerships to help drive operating margins, a key component to the industries ability to meet future demand expectations.

Amid ongoing capital markets dislocation and uncertainty surrounding the tariffs, investors are resetting their strategies as they look to opportunistically deploy capital. While transactions involving properties with distressed capital stacks have ticked upward, the velocity of transaction activity anticipated from $18 billion of loan maturities within the next 24 months has yet to significantly impact market transactions as previously expected. Though elevated activity may still be in the immediate future, a level that will statistically depress valuations is not likely.

Increased transaction activity is expected during the second half of 2025. Debt is becoming more available as lenders more programmatically open their balance sheets and debt becomes less expensive, albeit still selective. In addition to the lower overall debt costs, this contraction in base rates helps the financial engineering of deals by restoring some neutral or positive leverage conditions for fixed-rate product relative to cap rates. These improvements in the debt markets may also help move the mountain of dry powder ($382 billion globally) off the sidelines, signaling the cusp of the next growth cycle as the strong performance of the senior living sector continues to capture the attention of investors.

Photo provided by Watermark Retirement Communities



Source: Cushman & Wakefield

Thank you to the 75+ market leaders who participated in this survey. Your support and input remains key to our ability to keep a real-time pulse on the market and to best understand what's ahead.

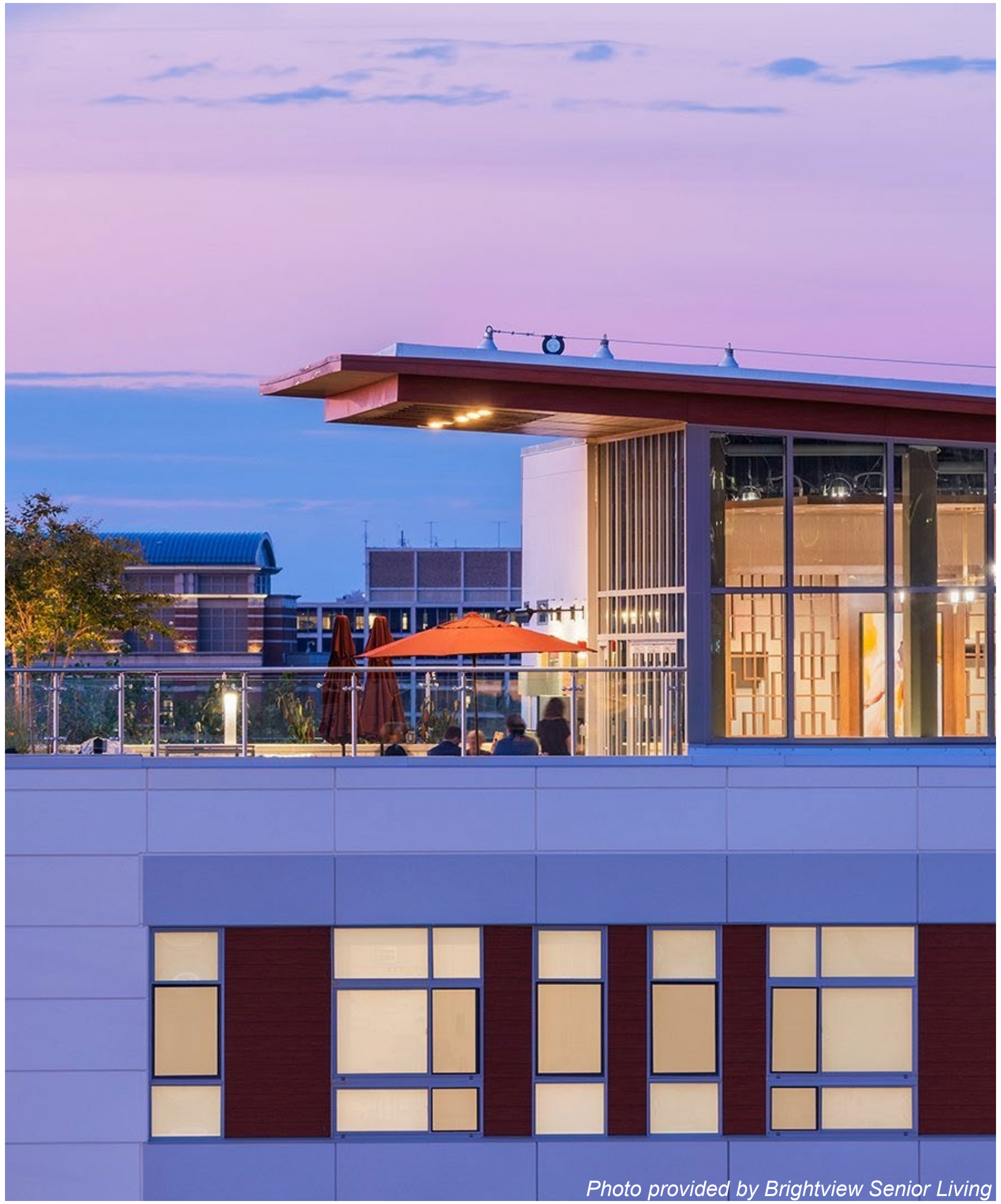


Photo provided by Brightview Senior Living

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Learn more about our senior living & care service offerings at:

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ABOUT CUSHMAN & WAKEFIELD

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