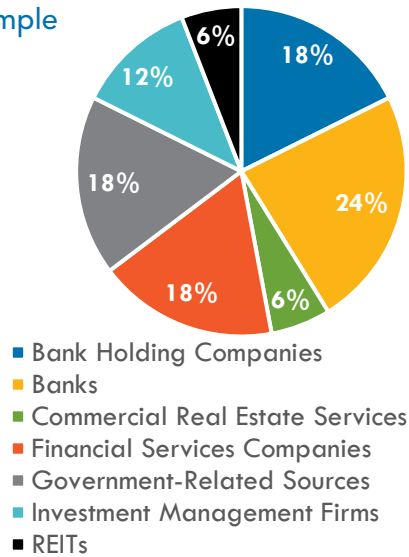


Current Quarter Snapshot

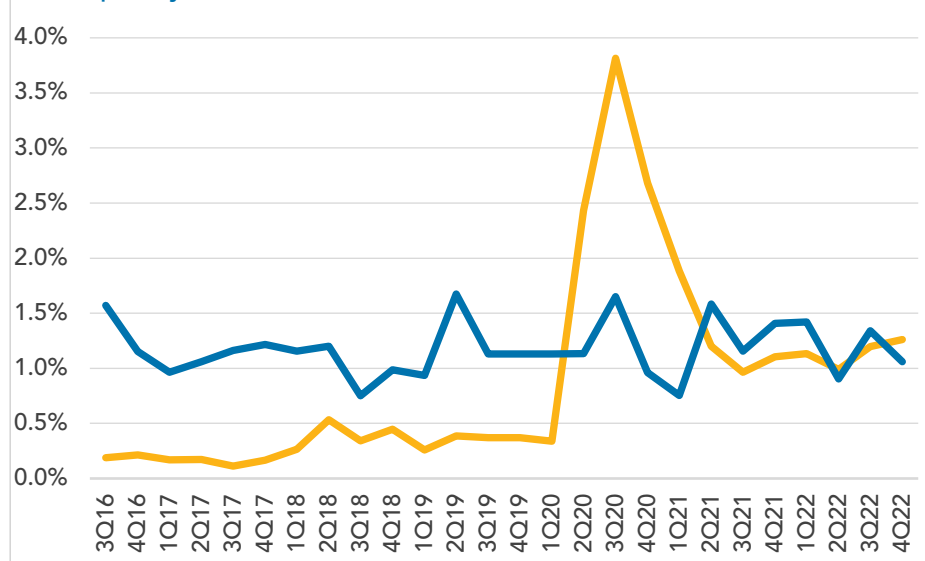
	Senior Housing	Nursing Care	Total
1. Total Loan Volume Closed 4Q2022:	\$ 1,985,277,769	\$ 935,898,475	\$ 2,921,176,244
1a. New Permanent Loan Volume Closed 4Q2022:	\$ 1,081,059,454	\$ 675,506,852	\$ 1,756,566,306
1b. Mini-Perm/Bridge Loan Volume Closed 4Q2022:	\$ 686,122,532	\$ 245,256,123	\$ 931,378,655
1c. New Construction Loan Volume Closed 4Q2022:	\$ 218,095,783	\$ 15,135,500	\$ 233,231,283
2. Total Loan Balances as of 12/31/2022:	\$ 56,844,236,060	\$ 28,770,486,687	\$ 85,614,722,747
2a. Total Permanent Loan Balances as of 12/31/2022:	\$ 45,242,932,939	\$ 25,244,417,034	\$ 70,487,349,972
2b. Total Construction/Mini-Perm/Bridge Loan Balances as of 12/31/2022:	\$ 11,601,303,121	\$ 3,526,069,654	\$ 15,127,372,775
2b-i. Total Mini-Perm/Bridge Balances as of 12/31/2022:	\$ 8,873,732,225	\$ 2,518,332,341	\$ 11,392,064,567
2b-ii. Total Construction Balances as of 12/31/2022:	\$ 2,727,570,896	\$ 1,007,737,312	\$ 3,735,308,208
3. Total Balance of Delinquent Loans (60 days or more) as of 12/31/2022:	\$ 717,308,587	\$ 304,633,380	\$ 1,021,941,967
4. Total Amount of Foreclosures during 4Q2022:	\$ 29,068,514	\$ -	\$ 29,068,514
Contributor Count	17	15	17*

Lender Types in the 4Q 2022 Sample



Source: NIC Lending Trends Report, NIC Analytics

Delinquency as a Share of Total Loans



Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways for 4Q 2022

After a sharp decline in the third quarter 2022, the issuance of **mini-perm/bridge debt** for senior housing bounced back in fourth quarter 2022 to levels seen earlier in the year. The use of mini-perms and bridge debt reflects difficulties in sourcing permanent debt, given the challenges in the overall capital markets and lending environment. Specifically, the jump in mini-perm/bridge loans for senior housing suggests that some borrowers are opting for mini-perm loans over permanent loans for some deals, likely due to elevated interest rates, inflation, and moderately low occupancy rates in general.

Closed new permanent loan volumes increased to levels seen earlier in 2022 but remained well below those levels seen in 2018 and 2019. For the sample of lenders in the Lending Trends Report, new permanent loans closed for nursing care was 38% less than that of senior housing.

Separately, senior housing **new construction loan closings** inched up slightly in the fourth quarter of 2022 but were generally weak by historic standards. Only two other periods in the time series were as low — the third quarter of 2022 and the first quarter of 2021. The issuance of construction debt for nursing care was almost negligible, in line with its pattern of limited debt financing for new nursing care property construction since NIC began collecting the data in 2016. In general, there has been limited development of new nursing care properties for the past several years.

The total balance of delinquent loans for senior housing inched higher in fourth quarter 2022, but was well below the high levels seen in 2020.

Delinquencies as a share of total loans increased to 1.3% for senior housing from 1.2% in the third quarter. For nursing care, the delinquency rate slipped to 1.1%. Note that loans in forbearance are reported in the delinquent loan data for some debt providers. Notably, some foreclosures were reported for the sample in fourth quarter 2022 for senior housing.

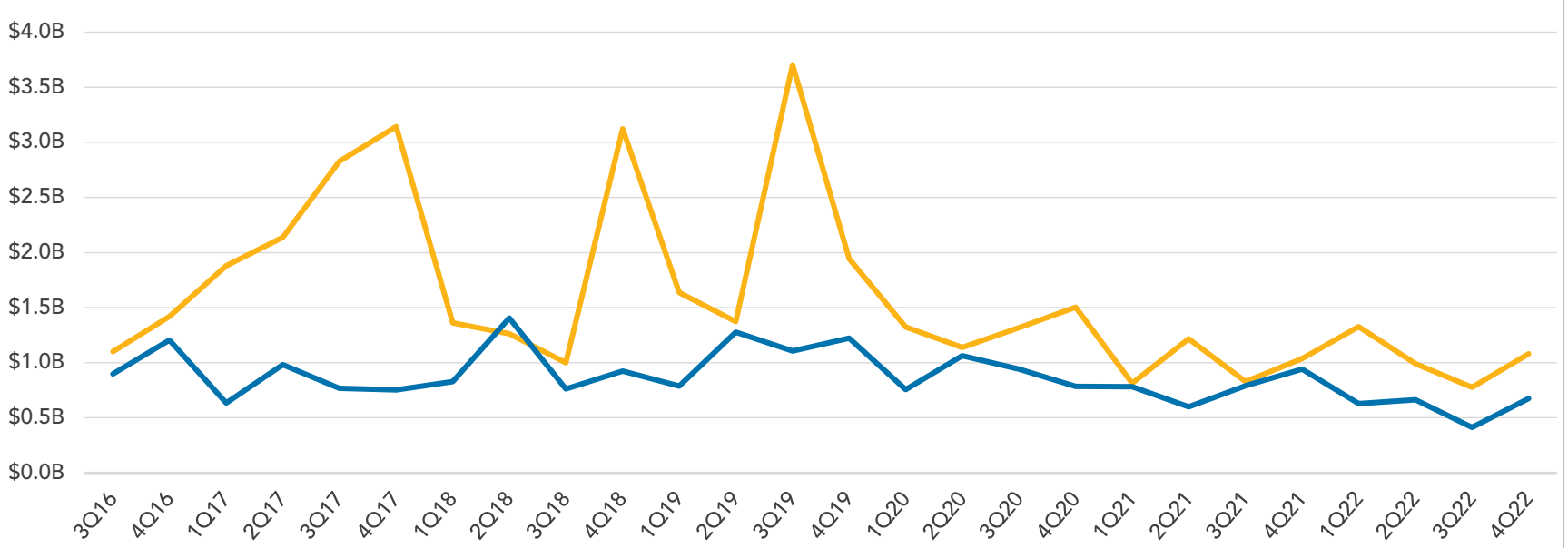
As background, the Fed raised interest rates by 1.25 percentage points (pps) to 4.25%-4.5% in the fourth quarter of 2022 (+0.75pps in November 2022 and +0.5pps in December 2022). Subsequently, the annual inflation rate in the U.S. slowed for a sixth straight month to 6.5% in December 2022, down 2.6pps from the highs seen in June 2022 (9.1%). Meanwhile, senior housing construction starts remained relatively low in the fourth quarter of 2022, and the number of senior housing units under construction in the 31 NIC MAP Primary Markets remained near its lowest level since 2015, according to data released by NIC MAP Vision.

*Note: while there are 17 total contributors this quarter, not all of them lend for nursing care. Hence, nursing care has a lower count.

Key Takeaways

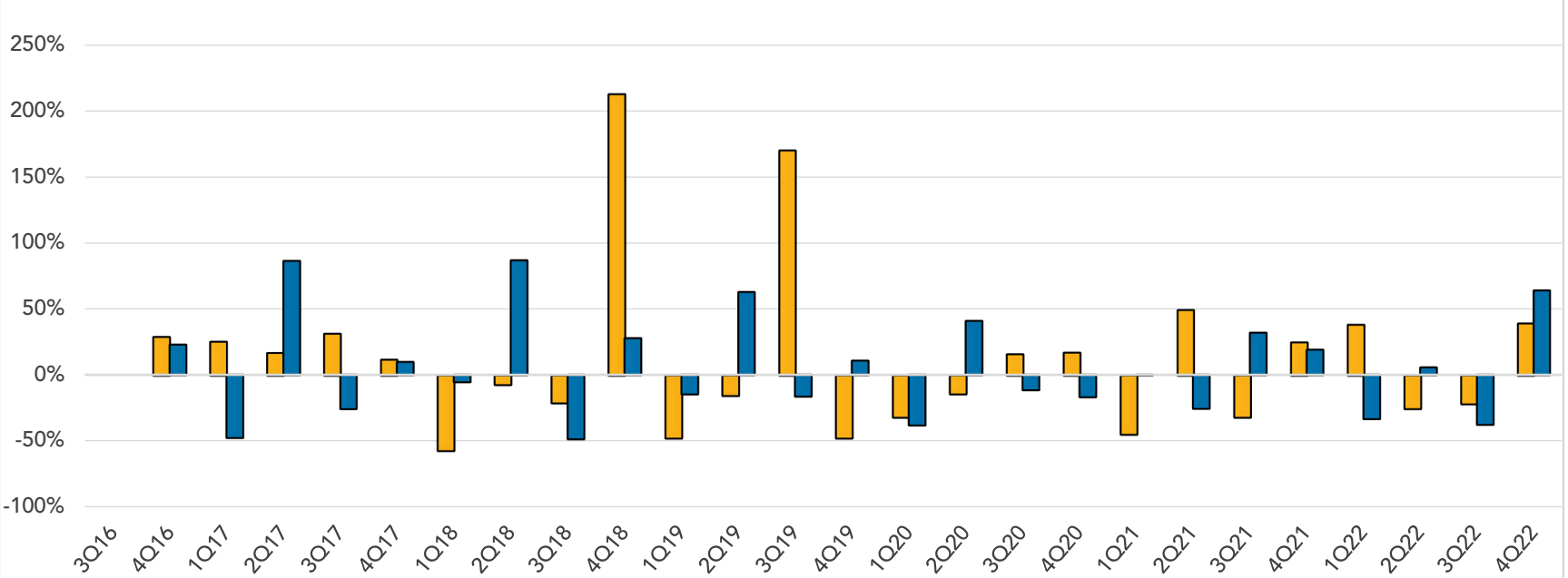
Closed new permanent loan volumes reversed course in fourth quarter 2022 for both senior housing and nursing care and increased to levels seen earlier in 2022 but remained well below those levels seen in 2018 and 2019. Closed new permanent loans for senior housing increased to \$1.08B in fourth quarter 2022, while new permanent loans closed for nursing care increased to \$675.5M. For the sample of lenders in the Lending Trends Report, new permanent loans closed for nursing care was 38% less than that of senior housing.

New Permanent Loan Volume Closed



Source: NIC Lending Trends Report, NIC Analytics

New Permanent Loan Volume Closed Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

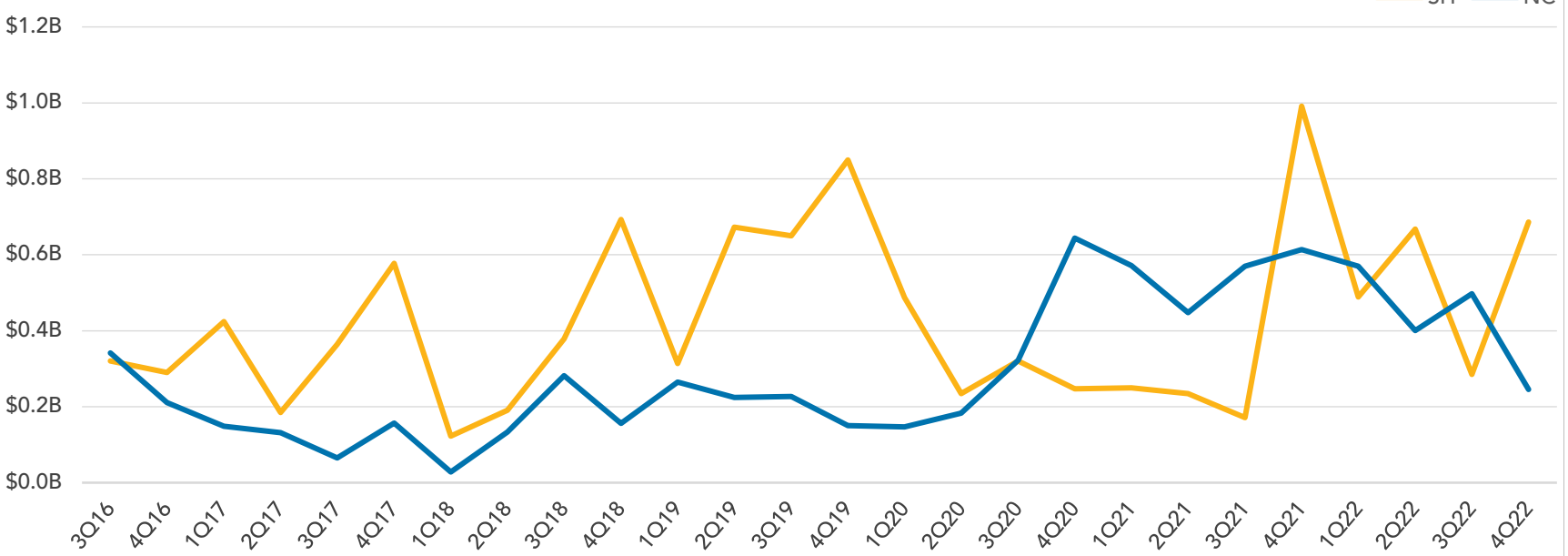
Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	19	19	19	18	18	17	19	18	19	18	19	17	17	17	17	16	15	15	14	14	14	15	14	14	14	15
Nursing Care	17	17	17	16	16	15	17	16	17	16	17	15	15	15	15	14	13	13	12	12	12	13	12	12	12	12

Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways

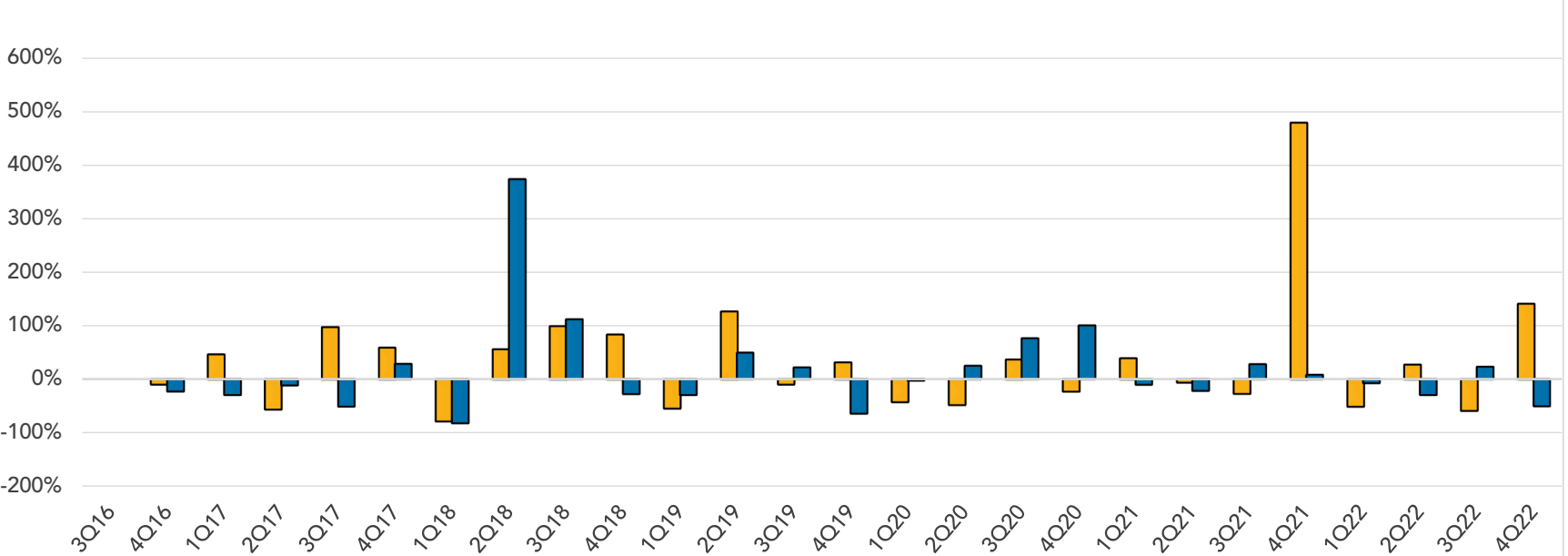
The issuance of mini-perm/bridge debt for senior housing bounced back in fourth quarter 2022 to levels seen earlier in the year, after a sharp decline in the third quarter 2022. Separately, nursing care mini-perm/bridge loan closings decreased to their lowest level since late 2020. The jump in mini-perm/bridge loans for senior housing in the fourth quarter suggests that some borrowers are opting for mini-perm loans over permanent loans for some deals, likely due to elevated interest rates, inflation, and moderately low occupancy rates in general.

New Mini-Perm/Bridge Loan Volume Closed



Source: NIC Lending Trends Report, NIC Analytics

New Mini-Perm/Bridge Loan Volume Closed Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

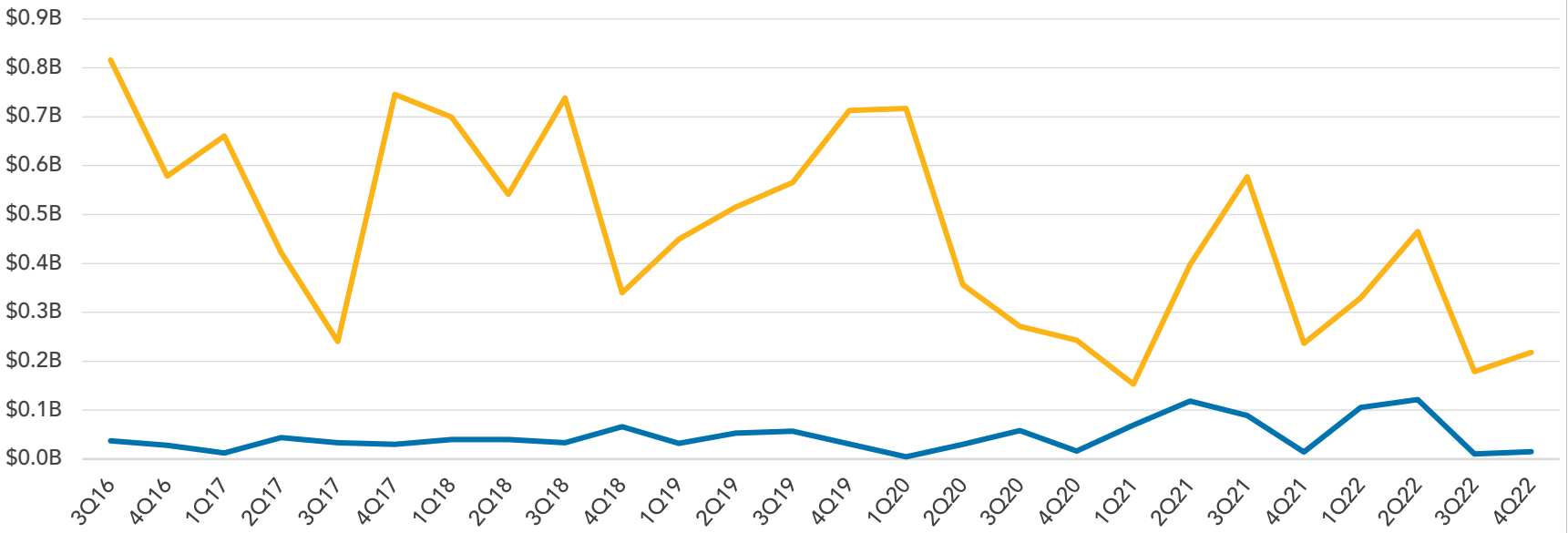
Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	17	17	17	16	16	16	18	17	18	16	18	16	15	16	16	15	14	14	13	13	13	14	13	13	13	14
Nursing Care	17	17	17	16	16	16	18	17	18	16	18	16	15	16	16	15	14	14	13	13	13	14	13	13	13	13

Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways

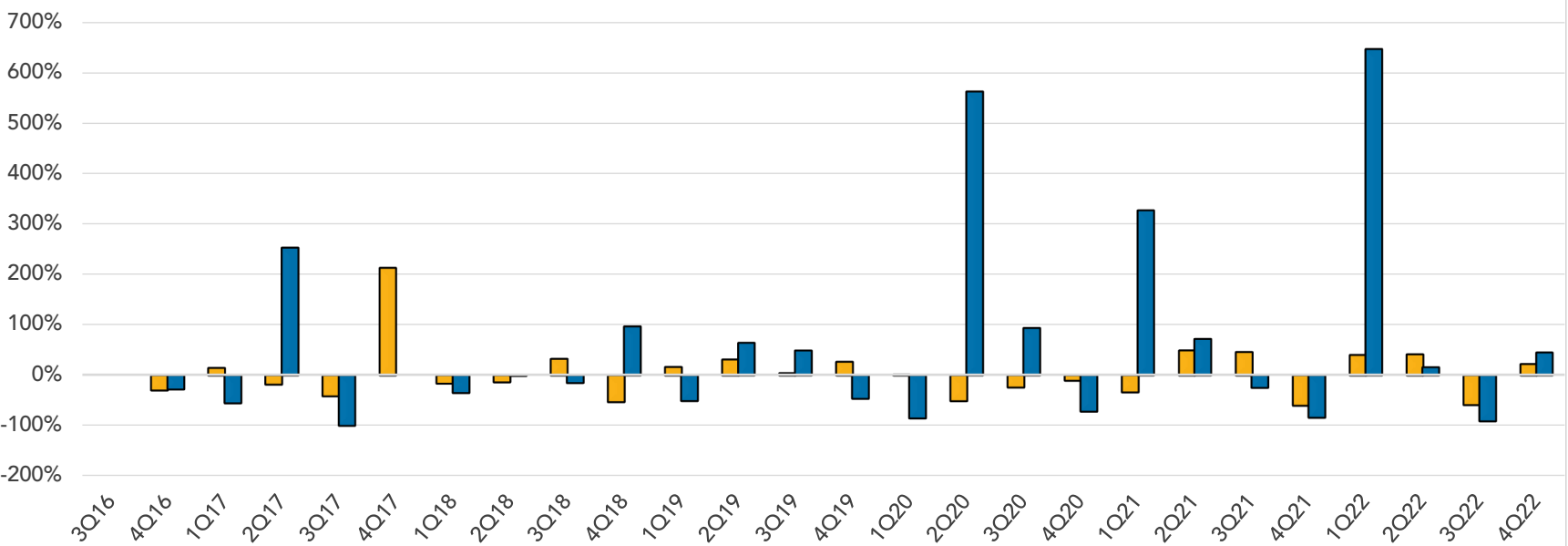
Senior housing new construction loan closings inched up slightly in the fourth quarter of 2022 but were generally weak by historic standards. Only two other periods in the time series were as low — the third quarter of 2022 and the first quarter of 2021. The issuance of construction debt for nursing care was almost negligible, in line with its pattern of limited debt financing for new nursing care property construction since NIC began collecting the data in 2016. In general, there has been limited development of new nursing care properties for the past several years.

New Construction Loan Volume Closed



Source: NIC Lending Trends Report, NIC Analytics

New Construction Loan Volume Closed Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

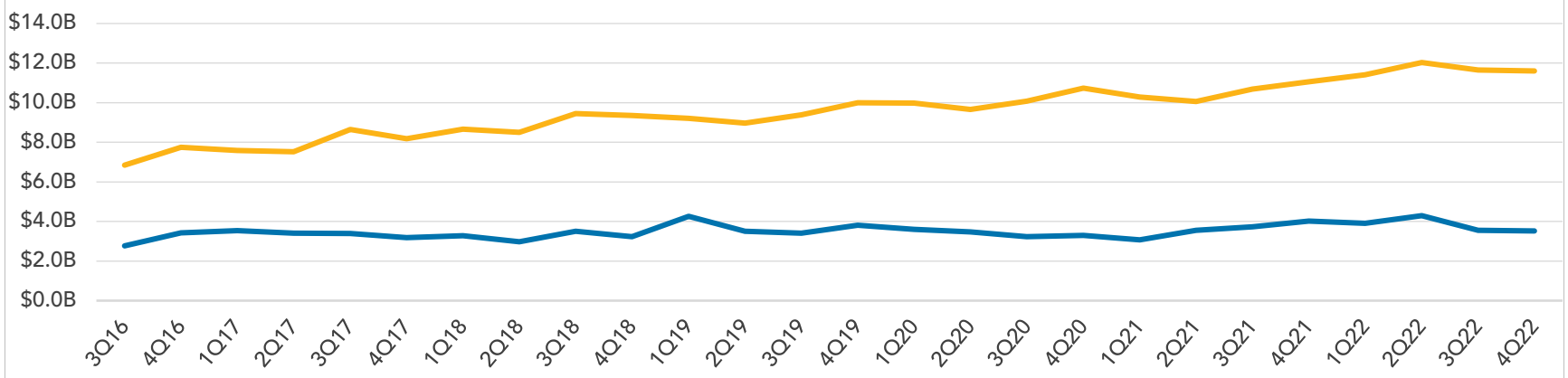
Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	18	18	18	17	17	17	19	18	19	17	19	17	16	17	17	16	15	15	14	14	14	15	14	14	14	15
Nursing Care	18	18	18	17	17	17	19	18	19	17	19	17	16	17	17	16	15	15	14	14	14	15	14	14	14	14

Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways

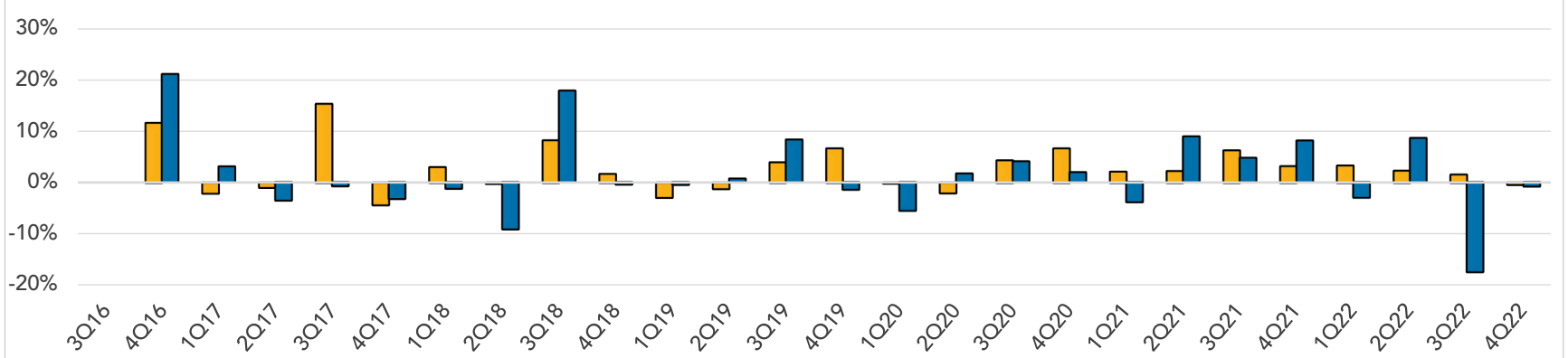
Total construction/mini-perm/bridge loan balances for senior housing edged lower in fourth quarter 2022, but remained at relatively high levels, off only 3.6% from their time series high in the second quarter of 2022. Nursing care loan balances slipped more than senior housing, down 17.9% from their time series high in the second quarter of 2022. These trends reflect a slowdown in construction activity.

Total Construction/Mini-Perm/Bridge Loan Balances



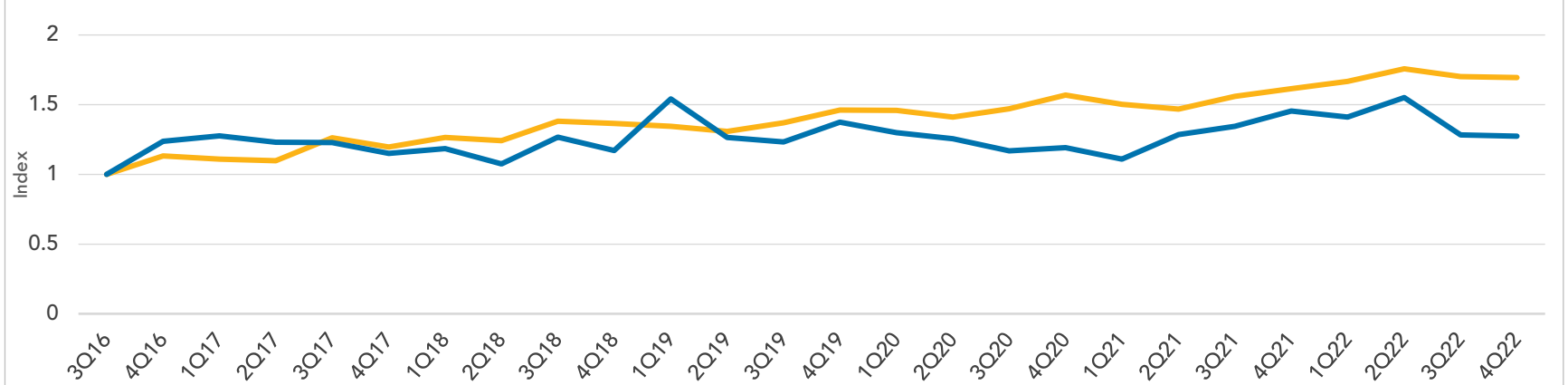
Source: NIC Lending Trends Report, NIC Analytics

Total Construction/Mini-Perm/Bridge Loan Balances Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Total Construction/Mini-Perm/Bridge Loan Balances Indexed



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

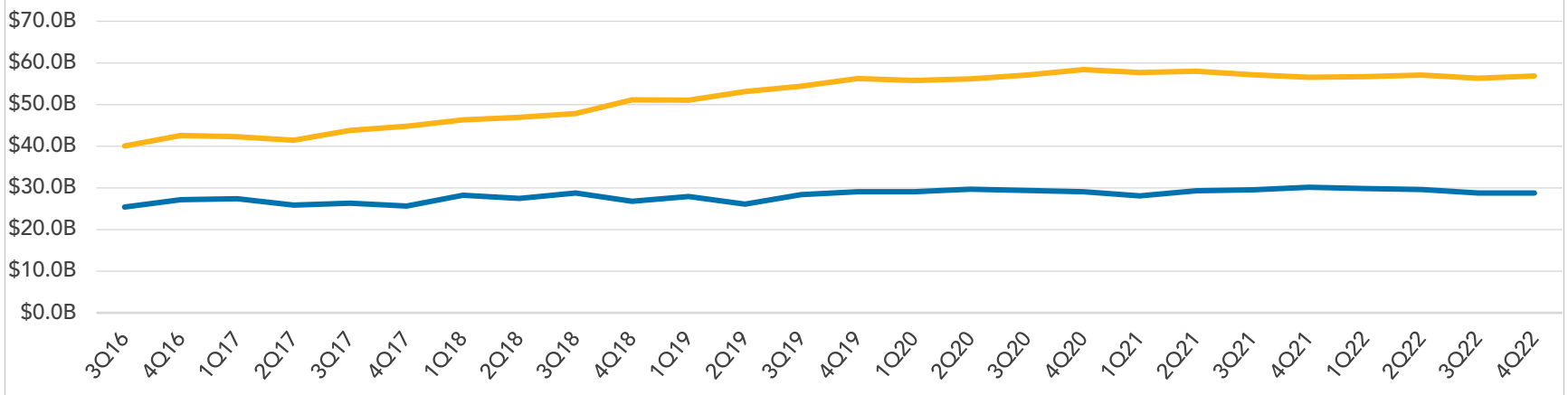
Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	18	18	18	17	17	17	19	18	19	17	19	17	16	17	17	16	15	15	14	14	14	15	14	14	14	15
Nursing Care	18	18	18	17	17	17	19	18	19	17	19	17	16	17	17	16	15	15	14	14	14	15	14	14	14	14

Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways

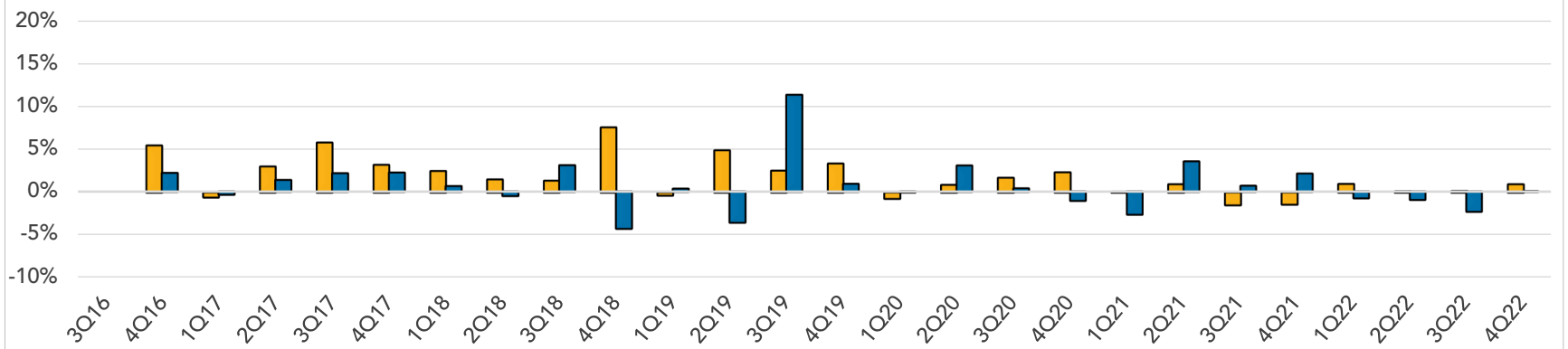
Total loan balances edged higher for senior housing in fourth quarter 2022. On a same-store basis, the senior housing loan balances increased by 0.9% in fourth quarter 2022. By comparison, on a same-store quarter-over-quarter basis, the nursing care loan balances remained somewhat unchanged.

Total Loan Balances



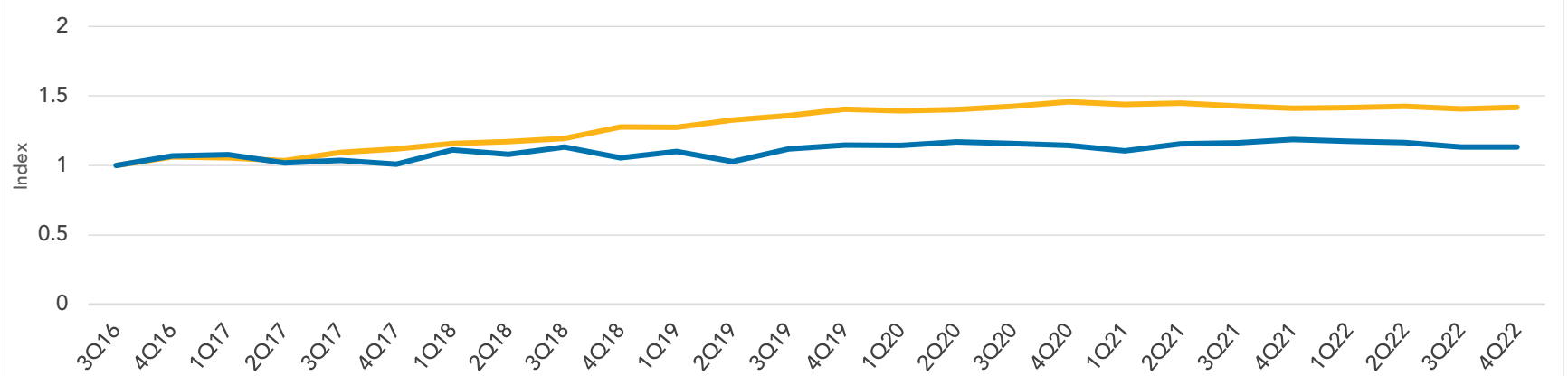
Source: NIC Lending Trends Report, NIC Analytics

Total Loan Balances Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Total Loan Balances Indexed



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

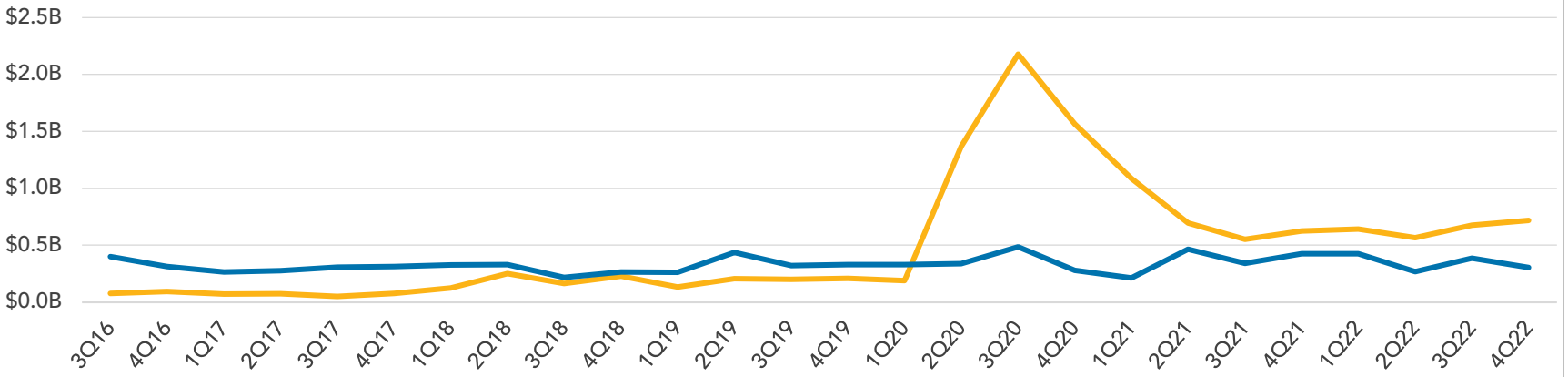
Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	20	20	20	19	19	19	21	20	21	19	21	19	18	19	19	18	17	17	16	16	16	17	16	16	16	17
Nursing Care	18	18	18	17	17	17	19	18	19	17	19	17	16	17	16	15	15	14	14	14	14	15	14	14	14	14

Source: NIC Lending Trends Report, NIC Analytics

Key Takeaways

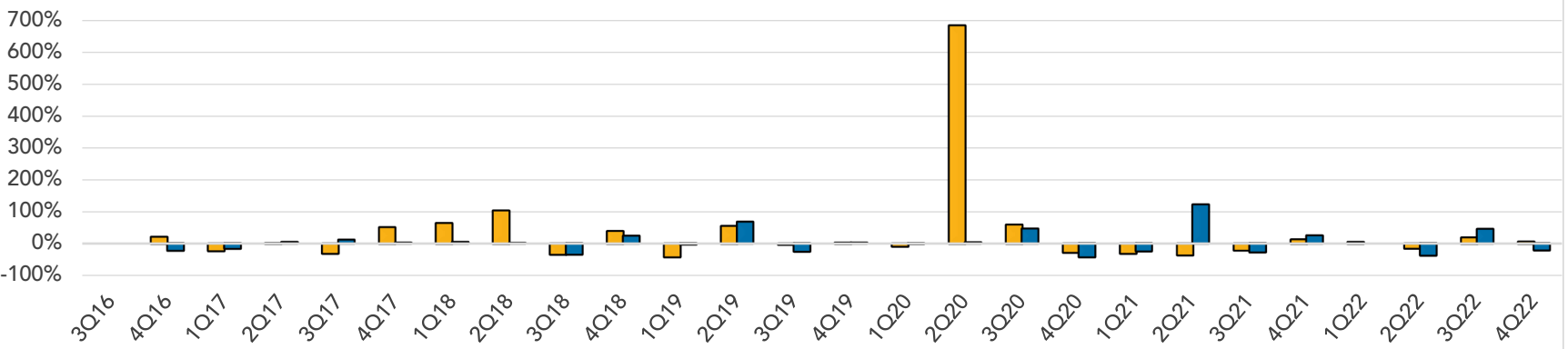
The total balance of delinquent loans for senior housing inched higher in fourth quarter 2022, but was well below the high levels seen in 2020. Senior housing delinquencies rose by 6.2%, while nursing care decreased by 21.1%. Subsequently, delinquencies as a share of total loans increased to 1.3% for senior housing from 1.2% in the third quarter 2022. For nursing care, the delinquency rate slipped to 1.1%. Note that loans in forbearance are reported in the delinquent loan data for some debt providers. Notably, some foreclosures were reported for the sample in fourth quarter 2022 for senior housing.

Total Balance of Delinquent Loans



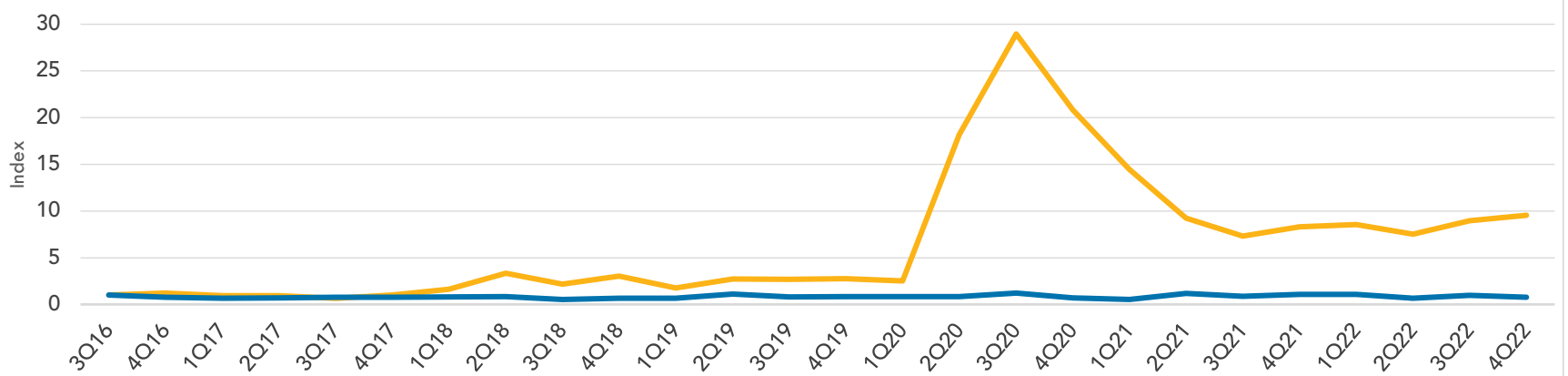
Source: NIC Lending Trends Report, NIC Analytics

Total Balance of Delinquent Loans Same-Store Growth Rate



Source: NIC Lending Trends Report, NIC Analytics

Total Balance of Delinquent Loans Indexed



Source: NIC Lending Trends Report, NIC Analytics

Contributor Counts per Quarter

Quarter	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4
Senior Housing	20	20	20	19	19	19	21	20	21	19	21	19	18	19	19	18	17	17	16	16	16	17	16	16	16	17
Nursing Care	18	18	18	17	17	17	19	18	19	17	19	17	16	17	17	16	15	15	14	14	14	15	14	14	14	14

Source: NIC Lending Trends Report, NIC Analytics

Note: some contributors include loans that are in forbearance in reporting delinquent loans and other contributors do not.

Loan Type Glossary

New Permanent Loan Volume Closed: Mortgage loans closed in a specific quarter for completed projects. These permanent loans generally have amortization periods between 15 and 30 years. These loans tend to be acquired following a construction loan or following a mini-perm loan.

Mini-Perm/Bridge Loan Volume Closed: Mini-perm/bridge loans are generally between 3 and 5 years and tend to function as an intermediary loan following a construction loan and prior to finding a longer-term mortgage loan.

New Construction Loan Volume Closed: A shorter term loan to finance the construction of a property.

Total Loan Balances: Total of all loan balances outstanding at the end of the quarter.

Total Permanent Loan Balance: Total of all outstanding permanent loans at the end of the quarter.

Total Construction/Mini-Perm/Bridge Loan Balance: The total balance of all construction loans, mini-perm, and bridge loans outstanding at the end of the quarter.

Total Mini-Perm/Bridge Loan Balances: Total of all mini-perm/bridge loans outstanding at the end of the quarter.

Total Construction Balances: Total of all construction loans outstanding at the end of the quarter.

Total Balance of Delinquent Loans: Total balances of loans that are delinquent by more than 60 days as of the end of the quarter. Note: some contributors include loans that are in forbearance in reporting delinquent loans and other contributors do not.

Total Amount of Foreclosures During the Quarter: Total amount of loans foreclosed upon during the quarter. For the current sample, this number is generally close to zero as there are relatively few foreclosures during the time that NIC has been collecting data from contributors.

Lender Type Glossary

Bank – A bank is a financial institution that accepts deposits and provides loans. Bank financing for senior housing and care properties covers a wide range of institutions and financing options. Commercial banks typically lend for new construction and acquisitions, and offer lines of credit, corporate credit lines, and shorter-term property financing options, i.e., bridge or mini perm loans.

Bank Holding Company – A bank holding company is a company that has one or more banks and possibly other assets. Generally, bank holding companies have more flexibility for methods of raising capital than traditional banks do.

Commercial Real Estate Services Company – Commercial real estate services companies can offer a range of investment services for several property types.

Financial Services Company – Financial services companies are a broad category that encompass businesses that offer a variety of services including banking, investment funds, or other services.

Government-Related Sources – Companies or organizations that are related to or funded by the government.

Investment Management Firm – Investment management firms offer their clients investment opportunities that the firm designs and manages. Investment management firms aim to create portfolios that generate returns with varying levels of risk, which can include lending services.

REIT – Real Estate Investment Trust (REIT) is a company that owns, manages, or finances income-generating real estate. To qualify as a REIT a company must: (1) invest at least 75% of its total assets in real estate; (2) derive at least 75% of its gross income from rents from real property, interest on mortgages financing real property or from sales of real estate; (3) pay at least 90% of its taxable income in the form of shareholder dividends each year among other requirements. Shareholders pay the income taxes on those dividends.

Methodology

Growth rates are calculated on a same-store basis. A data provider must have files for two consecutive quarters in order to be included in the quarter-over-quarter calculation. The same-store growth rate is a quarter-over-quarter metric that's calculated by taking the set of contributors that provided data files for two quarters back to back, summing all the values for each of the two quarters, then calculating the growth from one quarter to the next.

The indexed values for total construction/mini-perm/bridge loan balances, total loan balances, and total delinquent balances are calculated as a quarter's outstanding volume over the sum of the volume in 3Q2016, the base period for comparison. As a result, it is not same-store. Mergers account for some of the variability in contributor counts. Note: not all charts have the same axes.

About this Report

The NIC Lending Trends Report collects loan volume data for senior housing and care properties. NIC conducts this quarterly survey and generates this report to further enhance transparency of capital market trends in the senior housing and care sector. These data are not to be interpreted as a census of all senior housing and skilled nursing lending activity in the U.S. and reflect lending activity from participants included in the survey sample only. Property type is the industry's traditional categorization where each property is classified by its plurality care segment, and where: (1) memory care is considered a subset of assisted living and (2) individual CCRC/LPCs are classified according to their plurality care segment. Senior housing represents the aggregate of majority independent living and majority assisted living.

About NIC Analytics

This report was prepared by NIC Analytics at National Investment Center for Seniors Housing and Care (NIC), a nonprofit 501(c)(3) organization whose mission is to support access and choice for America's seniors. NIC's Analytics group interprets data and analyzes trends in the senior housing and nursing care sectors as they relate to and impact capital seekers (owners, operators, and developers) and capital providers (debt and equity entities).

How to Participate

If you would like to contribute your data, please contact us at analytics@nic.org.