

# **Bond Case Briefs**

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## **Senior-Living Debt Defaults Far Outpace the Rest of Government Debt Market.**

- **About 7% of outstanding senior-living bonds in payment default**
- **With business model changing, new projects are riskier**

One sector is an outlier when it comes to the traditionally-tiny default rates in the \$4 trillion municipal bond market.

Roughly 7% of the \$43 billion in outstanding senior-living bonds, or about \$3.2 billion, is in default on a payment, according to data compiled by Bloomberg. That compares to a rate of less than 1% for all state and local government debt.

Health care has been slammed by a shortage of caregivers and higher wage and supply costs, even as the pandemic pushed occupancy rates down. Hundreds of nursing homes have closed since the beginning of the pandemic as they cope with those pressures, along with government reimbursements that fall short of covering costs — and the fallout is expected to continue.

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### **Bloomberg Markets**

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