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M&A activity is continuing at a strong pace in 2025, with the first half of the year's activity nearly even with last year, on an annualized basis. But senior care dealmaking in the United States alone has slowed more considerably in the second quarter.

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The Lenders Roundtable

Three expert panelists from the lending world convened for our latest webinar to discuss the current state of the capital markets, what lenders are thinking, what borrowers should be thinking, and what is in store for 2026.

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Q2:25 Trailing Q2:24 in Activity

Will M&A Activity Top 2024's Level?

In the second quarter of 2025, there were 176 publicly announced seniors housing and care transactions, a preliminary number that is almost certain to increase in the weeks ahead. On an annualized basis, that results in a projected 704 total deals in 2025. To compare, last year, we recorded 716 total deals throughout 2024. So, we are not far off that record pace.

However, breaking out United States activity from the total, there are some differences. The second quarter of 2024 totaled 186 transactions, or 155 U.S. transactions, which was a new quarterly record at the time (Q3:24 surpassed it with 192 deals). On an annualized basis, U.S. deals would have projected to be 620 deals for 2024, and we finished with 593 U.S. deals. However, the second quarter of 2025 only saw 129 U.S. deals, or 516 on an annualized basis. It is still possible that 2025 will surpass last

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The Lenders Roundtable: A Recap

Panelists Were Positive on the Lending Environment

Since the pandemic, there has been no bigger wrench thrown into the seniors housing and care M&A market than the capital markets upheaval of 2022 and 2023 when soaring inflation caused interest rates to spike and liquidity to dry up. Higher capital costs significantly depressed the prices that buyers were willing, and able, to pay, and the absence of many active lenders limited the buyer pool to mostly those that could pay in cash. Bidding wars were a thing of the past, and with prices so low, only "motivated sellers" were putting their properties on the market, and they were usually for distressed deals. Inflation, staffing shortages and the recovery from the pandemic left many properties in distressed situations, as well.

However, once interest rates stopped rising last year, both lenders and borrowers could get behind the idea of "at least things won't get worse,"

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We believe there were several bids in the low-nine-figure range for the two properties, which would put the per-unit price above $400,000 per unit. We also suspect that given the quality of the two assets and their performance (with upside), the cap rate may be in the low-6s on in-place financials. The transaction closed with the assumption of one agency loan, one bank refinancing and the Oregon licensure process. **BMO**'s Healthcare Real Estate Finance group provided the refinancing, acting as the sole lender on an acquisition term loan of $41 million for The Ackerly at Sherwood.

Next for Blueprint, Jacob Gehl, Brooks Blackmon, Lauren Nagle and Dillon Rudy were engaged by an institutional private equity seller in its sale of a senior care community in Greenville, South Carolina. The Gables comprises a three-story assisted living and memory care building and an adjoining skilled nursing component with private pay and Medicare residents. The community was experiencing a strong recovery and was trending positively at the time of marketing, driven by improving private-pay demand and favorable Medicare reimbursement dynamics on the skilled side.

Emerging from a range of buyer profiles, a publicly traded healthcare REIT was ultimately selected as the buyer. The REIT was looking to expand an existing partnership with a regional seniors housing operator to execute on a growth strategy in the Carolinas.

Lastly this month for Blueprint, Andrew Sfreddo, Gunnar Raney, Shane Harmon and Colin Segner facilitated the sale of a seniors housing community in Roswell, Georgia, on behalf of a private real estate investor. The community, built in 1998 and renovated in 2021, comprised 60 units and was vacant at the time of sale. The seller was seeking a buyer that would repurpose it into behavioral health.

Within 14 days of launch, Blueprint secured a signed LOI with a leading Southeast-based provider of mental health and substance use disorder treatment services, with the closing occurring 75 days later. The provider intends to repurpose the community into a residential behavioral health facility with 80 beds.

Blueprint and the incoming owner/operator shared a mutual relationship with a land-use attorney who helped the buyer obtain zoning approval directly from the City of Roswell, avoiding a public process and entitlement hurdles common in high-affluent Atlanta suburbs. The asset traded at $93,000 per unit.

Kandu Capital, LLC, and its operating company, **Bloom Senior Living**, collectively known as Bloom, sold its final seniors housing community in South Carolina. The company is seeking realignment as it exits the state after a decade-long presence in the region. The 129-unit independent living/memory care community in Bluffton sold for $13.5 million on an initial investment of around $3 million. Occupancy was around 63% at the time of acquisition, but performance improved between LOI and closing, with monthly revenues increasing from between $250,000 and $260,000 to over $300,000 (or over $3.6 million annualized). NOI also trended up, from roughly breakeven to around $45,000 per month ($540,000 annualized) in May. And it's getting better.

Silver Wave Capital and **Persimmon Ventures** acquired the community and will re-brand it as May River Landing. They plan to convert half of the memory care capacity to assisted living and have **Senior Living Asset Management** take over operations, marking the second collaboration between Silver Wave/Persimmon and the operator. **Berkadia** represented both Bloom and the undisclosed buyer in the transaction. **Honigman LLP** served as legal counsel to Bloom.

Prior to this transaction, Bloom divested two assisted living and memory care communities in the Bluffton and Hilton Head markets. Additionally, in recent years Kandu has divested skilled nursing, behavioral health and seniors housing assets at peak valuations of up to $225,000 per bed, while strategically redeploying capital into new seniors housing investments at less than $30,000 per unit.

Since 2021, these transactions have generated over $120 million in proceeds on total initial investments of approximately $27 million, with minimal leverage. Bloom's core portfolio is currently just below 100% occupied with record rent and NOI, as well as a strong balance sheet. And the company has new opportunities in the pipeline.

A trio of small, well-performing assisted living communities in rural Idaho sold with the help of Blake Bozett and Spud Batt of **The Zett Group**. The pair represented a mom & pop who were looking to retire after nearly 25 years of operating. Terri and Carl Pendleton built the first 16-unit assisted living community in Gooding, Idaho, and added two more 16-unit buildings next to each other in Jerome, one focused on memory care that was built in 2011 and one AL building constructed in 2015. Together, they are known as DeSano Place Assisted Living.

Occupancy was strong across the board, averaging over 90% across the last two years with a 95% private pay census. Under the leadership of the Pendletons, the communities also saw very little staff turnover and commanded above-market rents. Combined, they operated at a roughly 15% margin on $3.0 million of trailing-six month revenues. Pretty good for small, rural communities.

Occupancy had briefly dipped nearly a year before marketing started, but census and margin quickly rebounded, so The Zett Group highlighted the more recent T-6 financials that were more emblematic of its typical operations. That is how the buyer saw it, too. **Elton Development**, a Meridian, Idaho-based commercial real estate developer, paid $5 million, or $104,200 per unit, at a 9.5% cap rate.

Elton Development focuses on residential, multifamily and commercial development and has a large seniors housing development underway in Eagle, Idaho. However, with the pace of development slowing, it decided to look for cash flowing M&A opportunities. They financed this acquisition through a combination of seller financing and a loan from a local credit union.

Bob Richards and Chad Wegner of **Senior Care Realty** facilitated the sale of a two-property seniors housing portfolio in Madison, Wisconsin, on behalf of a Dane County-based seller. The portfolio included two newer-vintage assisted living/memory care communities, comprising 66 units and 72 beds, operating under an all-private-pay model.

At the time of sale, the communities were not performing, with occupancy levels on the lower end. However, the new Minneapolis-based investor and local management team are well positioned to drive occupancy and profitability. The purchase price was $9 million, or $136,000 per unit, with financing secured through a conventional lender.

JCH Senior Housing Investment Brokerage was engaged in the sale of a well-established assisted living/memory care community with 86 units and 100 beds in Inland Empire, California. JCH was tasked with confidentially marketing the community to a select group of qualified buyers. There were multiple qualified offers, with a local operator being selected for its alignment with the seller's values and its portfolio of seniors housing communities in the region.

The buyer acquired the community for $14.125 million, or $164,200 per unit. The intent is to maintain current operations while enhancing resident experience and operational efficiencies. Both parties were represented by Cindy Hazzard and Jim Hazzard.

A Class-A seniors housing community recently sold in Miami, Florida. Built in 2023, The Oasis at Coral Reef has 102 independent living, 71 assisted living and 28 memory care units with floor plans ranging from studio to two-bedroom residences. Located adjacent to Jackson South Community Hospital, the community features high-end amenities, including a fitness room, a restaurant-style dining room with chef-prepared meals, a beach club, recreational program rooms, weekly housekeeping, multiple pools, among many others. The community opened at various stages throughout 2023, as state licenses were issued. Thus, it was in the early stages of lease-up, with occupancy reaching 60% and cash flow turning positive.

Ross Sanders, David Fasano, Cody Tremper and Mike Garbers of Berkadia represented the seller, Florida-based **Royal Senior Care**, in the transaction. **Winterpast Capital**