

CHANCERY MONTHLY NEWSLETTER

This article uses actual data comparisons to illustrate that in the first quarter of 2021, closed new permanent and construction loans remained relatively weak. Besides, a large number of delinquent loans appeared. However, the situation is improving.

Over \$1 Billion in Senior Housing Loans Are Delinquent, But Situation is Improving

Across 15 different lenders, there were over \$1 billion in loans tied to senior housing communities delinquent for over 60 days in the first quarter of 2021. And foreclosures totaled nearly \$54 million during this period.

But the pace of loan delinquency has declined significantly from its Q3 2020 peak, according to a new lending trends report released Thursday by the National Investment Center for Seniors Housing & Care (NIC).

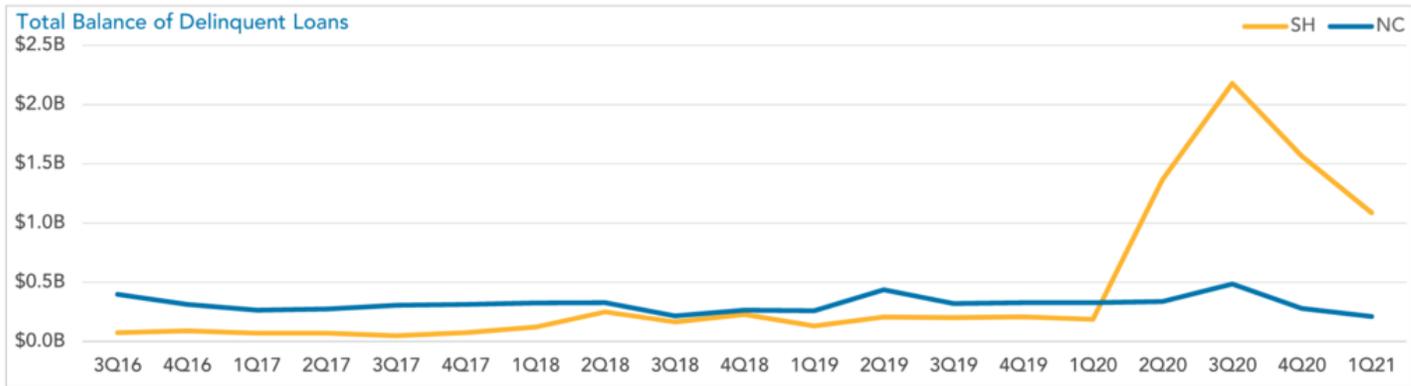
Additionally, closed new permanent and construction loans remained relatively weak in the quarter, and were at their lowest levels since the industry group began recording activity in mid-2016. And the same-store growth rate for permanent and construction loan issuances trended negative for four consecutive quarters.

The 15 organizations that contributed to the report included banks, commercial real estate services firms and other lenders.

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INDUSTRY INSIGHT

Total senior housing loan delinquencies totaled \$1.087 billion in Q1 2021 – a 50% drop from \$2.2 billion in the third quarter of 2020 and 30.6% drop on a sequential basis, from when the second major wave of positive Covid-19 cases swept through the country.



Same-store new construction loan growth has been negative throughout the duration of the pandemic.

Total loan balances among participants in the report totaled \$57.4 billion; delinquencies accounted for 1.9%. Foreclosures in the first quarter totaled \$53.8 million, marking the first time foreclosures were recorded in the study since the first quarter of 2019.

This may reflect growing distress during Covid-19 among smaller operators that were already struggling with operations and financial performance prior to the pandemic’s onset.

Overall, new lending in the first quarter of 2021 was weak, with \$1.2 billion in total closed loans. New construction lending, in particular, was impacted by projects being postponed due to pandemic-related uncertainties: the report’s participants reported \$153.1 million in new construction loan volume during the quarter.

Participants reported \$789.2 million in new permanent loan closures in Q1 2021 – a 45.6% drop from the previous quarter and the lowest recorded volume since the third quarter of 2016.

There are signs of optimism, however. The study's authors cite anecdotal evidence among participants of improved lender interest in senior housing, coinciding with vaccine rollouts, which may be reflected in future quarters.

Original Article:

<https://seniorhousingnews.com/2021/07/29/over-1-billion-in-senior-housing-loans-are-delinquent-but-situation-is-improving/>

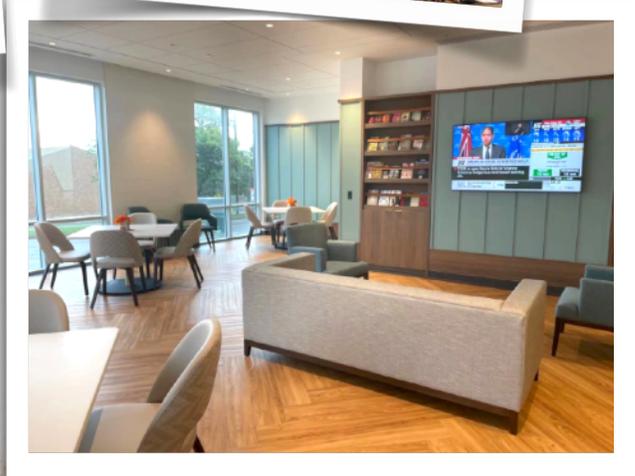
Bartlett Project Update

The Bartlett Seniors Housing Complex will be a 129-unit apartment building designed for active senior living, located at 550 Bond Street in Oshawa, ON. The Bartlett represents an affordable alternative to conventional seniors housing, offering services that permit seniors to live independently, on an à-la-carte basis through a concierge, in a regular apartment building, while providing the comfort to seniors and their families that care will be available in short order should the need arise.

- Chancery Seniors Housing Investments (“Chancery”), is pleased to share that The Bartlett Independent Seniors Apartments in Oshawa, ON (“The Bartlett”), has received its final occupancy permit.
- This week, Steve Suske, Chair of Chancery, and Jessica Zhang, President & CEO of Chancery, visited The Bartlett to meet with staff and residents and tour the building. They were both very impressed with the beautiful building and rooms as well as the Bistro and attached Seniors Urgency Room. Steve reported that the quality of the building is very impressive and that the residents they spoke to are really pleased with their decision to move into The Bartlett.
- During the tour, they visited the Seniors Urgency Room and met with Dr. Lubna Tirmizi who is very enthusiastic and pleased with the synergy between the building and the medical center. The Seniors Urgency Room is a not-for-profit health care hub designed to support seniors through their health care journey. The clinic is purpose-built and at 8,000 square feet, is a state-of-the-art facility with private exam rooms, infusion therapy rooms, ancillary service spaces, and an on-site pharmacy. The Seniors Urgency Room will shortly move to phase 2 of its opening, which extends its hours from 12:00 pm – 12:00 am.
- The Bartlett Bistro’s equipment has been delivered and installed and the Bistro is scheduled to open in October. The Bartlett Bistro will be Oshawa’s newest exclusive dining experience for The Bartlett residents and their friends and family. The Bartlett Lounge, the lounge section of the Bistro, opened on September 21st is a beautiful space for tenants and their guests to sit and socialize, relax, read a book, watch tv, and much more!

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PROJECT UPDATE



Chancery Seniors Housing Investments Inc. is a private real-estate investment firm with a focus on seniors housing. Powered by its two strong founding partners, Suske Capital Inc. and LD Capital Corp., Chancery creates a team with the expertise and experience of over 55 years in real estate and seniors housing developments with an estimated completion value of over \$5 billion.

For more information about our company and projects, please visit www.chanceryseniors.com