

## High Yield Impact Survey - 2022 Update

Given the dislocation in the market, over the last six months, Hilltop's Debt Capital Markets Team wanted to check in with municipal market participants including buy side analysts, sell side intermediaries, financial advisors, rating analysts, bond insurers, and counsel to share their insights and perspectives.

We all know that the volatility in 2022, has made it challenging to complete certain financings or deliver operating results that were forecast in 2021. So far in 2022, we have seen skilled nursing providers continue to face pressures of labor shortages and cost increases without significant revenue offsets thereby decreasing their financial margins and pressuring operations.

Our mid-year survey responders have signaled to us that they are less concerned about Covid–19 general disruptions. However, they are more concerned about labor shortages and cost increases that can challenge budgets. On the project finance front, responders are more than ever focused on liquidity and the type of equity brought to a project so there is sufficient liquidity to support an investment if the transition to commercial operations takes longer than projected. In this survey, we have also seen that investors are even more focused on location in the land secured sector given expected development challenges as development costs skyrocket. Perhaps the most interesting change between the 2022 and 2021 surveys is some responders are more willing to assign some value to the Green Bond Designation. We hope you enjoy the survey and encourage you to respond to us with any questions or comments.

Download the full article