

Chapter 11 and Health Care Distress Levels Rise in Q3, Real Estate Holds Steady

(Nov. 11, 2025) The latest [Polsinelli-TrBK Distress Indices Report](#) shows mixed distress trends across major sectors, with a sharp increase in health care distress, a rise in Chapter 11 filings and steady distress levels in real estate. After a brief decline in Q2, overall distress activity rebounded in the third quarter. The health care sector in particular saw one of the largest quarter-over-quarter increases in distress since the indices were established.

“Distress in health care remains significantly decoupled from general distress and real estate and shows that, despite significant investment in health care, there is still substantial distress,” said Jeremy R. Johnson, a restructuring attorney at Polsinelli and co-author of the report. “Over the last year, we have seen sustained distress in the senior living and hospital sectors. This contributed to the slight uptick in general distress.”

The report, released by Polsinelli, includes the following updates:

The Chapter 11 Distress Research Index was 80.93 for the third quarter of 2025. The Chapter 11 Index has increased over 7 points since the last quarter. Compared with the same period one year ago, the Index has decreased over 14 points and compared with the benchmark period of the fourth quarter of 2010, it is down over 19 points.

The Real Estate Distress Research Index was 48.35 for the third quarter of 2025. The Real Estate Index has stayed approximately the same since the last quarter. Compared with the same period one year ago, the Index has decreased over 7 points and compared with the benchmark period of the fourth quarter of 2010, it is down over 51 points.

The Health Care Services Distress Research Index was 1,208.33 for the third quarter of 2025. The Health Care Index increased over 711 points since the last quarter. Compared with the same period one year ago, the Index has decreased 48 points and compared with the benchmark period of the fourth quarter of 2010, it is up over 1,108 points.

On a trailing four-quarter average, the percentage of real estate filings among all index Chapter 11 filings decreased from 13.18% to 11.94% this quarter. The percentage of health care filings increased from 7.61% to 16.87%.

The Polsinelli-TrBK Distress Indices are research indices based on Chapter 11 bankruptcy filing data. The Chapter 11 Distress Research Index serves as the primary index and is based on filings by entities with assets scheduled at greater than \$1 million as represented on initial Chapter 11 petitions.

About the Polsinelli-TrBK Distress Indices

The Polsinelli-TrBK Distress Indices measure distress in the U.S. economy using Chapter 11 filing data, tracking overall economic conditions as well as specific sectors such as health care and real estate. The

indices are published quarterly and serve as contrarian indicators, where lower values suggest stronger economic conditions and higher values suggest greater distress.

About Polsinelli

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