

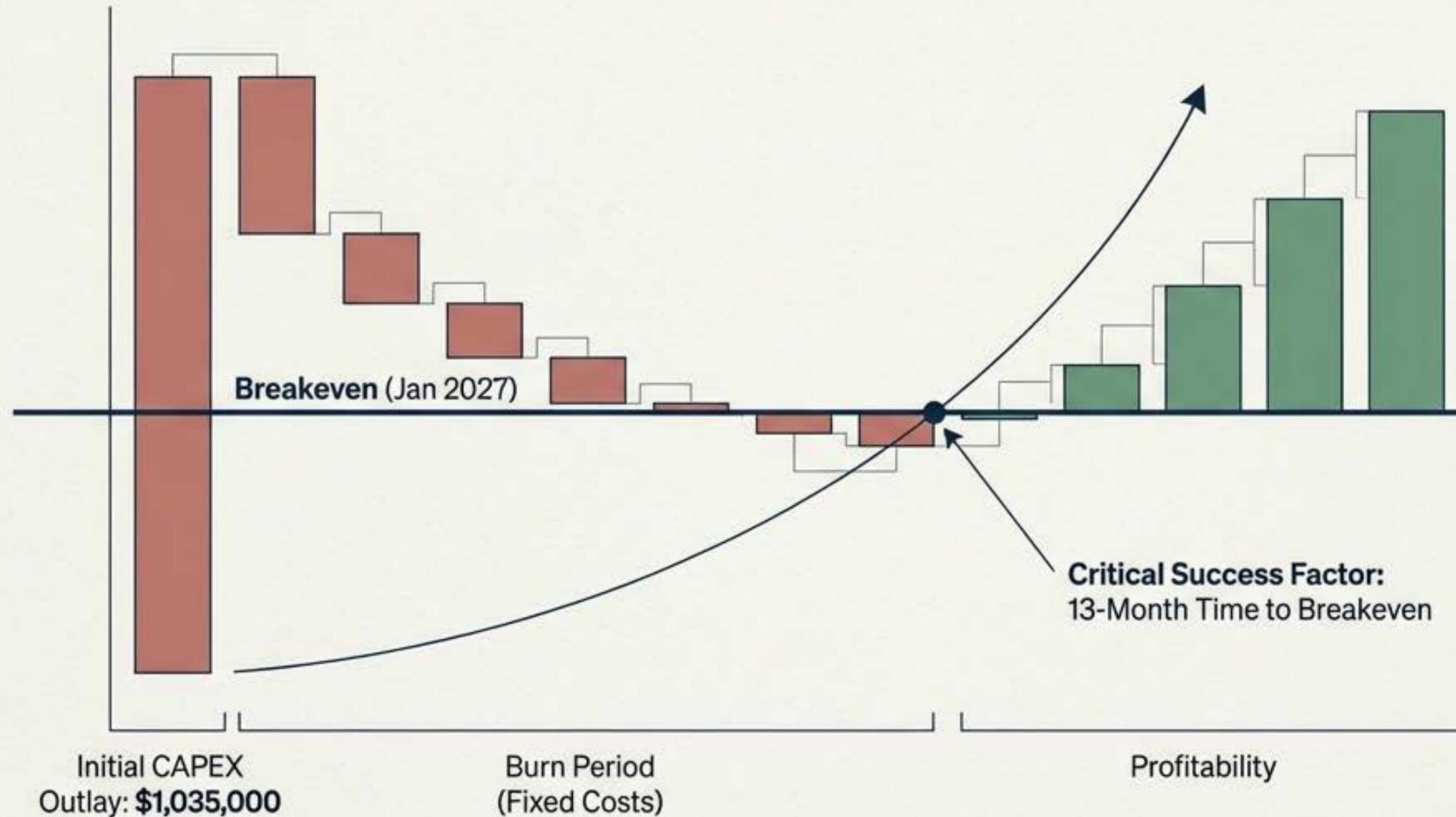
Strategic Launch Framework: Assisted Living Facilities

Operational Roadmap,
Financial Modelling, and
Market Entry Strategy



The Economics of High-Stakes Healthcare Operations

Balancing a massive fixed cost base with rapid occupancy ramp-up.



Key Data

CAPEX Requirement:
\$1,035,000
(Renovation + Equipment)

Fixed Cost Base:
\$129M
Annual Portfolio Overhead

Target Revenue:
\$243M
(Year 1 Projected)

Target Demographic:
75+ requiring daily
support

Critical Success Factors: The Four Pillars of Viability



1. Proven Demand

Local market must support a **\$5,000** Residency Unit Month (RUM). Analysis must justify price point against competitors offering amenities like farm-to-table dining.



2. Capital Efficiency

Full funding for **\$1.035M** CAPEX plus a **\$117,000** working capital buffer. Essential to bridge the gap before revenue generation.



3. Staffing Stability

Management of 60 FTEs covering 360 unit months. Salary baseline of **\$40,000** is mandatory to prevent churn and ensure care quality.



4. Risk Mitigation

Surviving the 'Licensing Gap'. Pre-opening costs run **\$25,000/month** with zero revenue until state approval.

Step 1: Market & Regulatory Feasibility

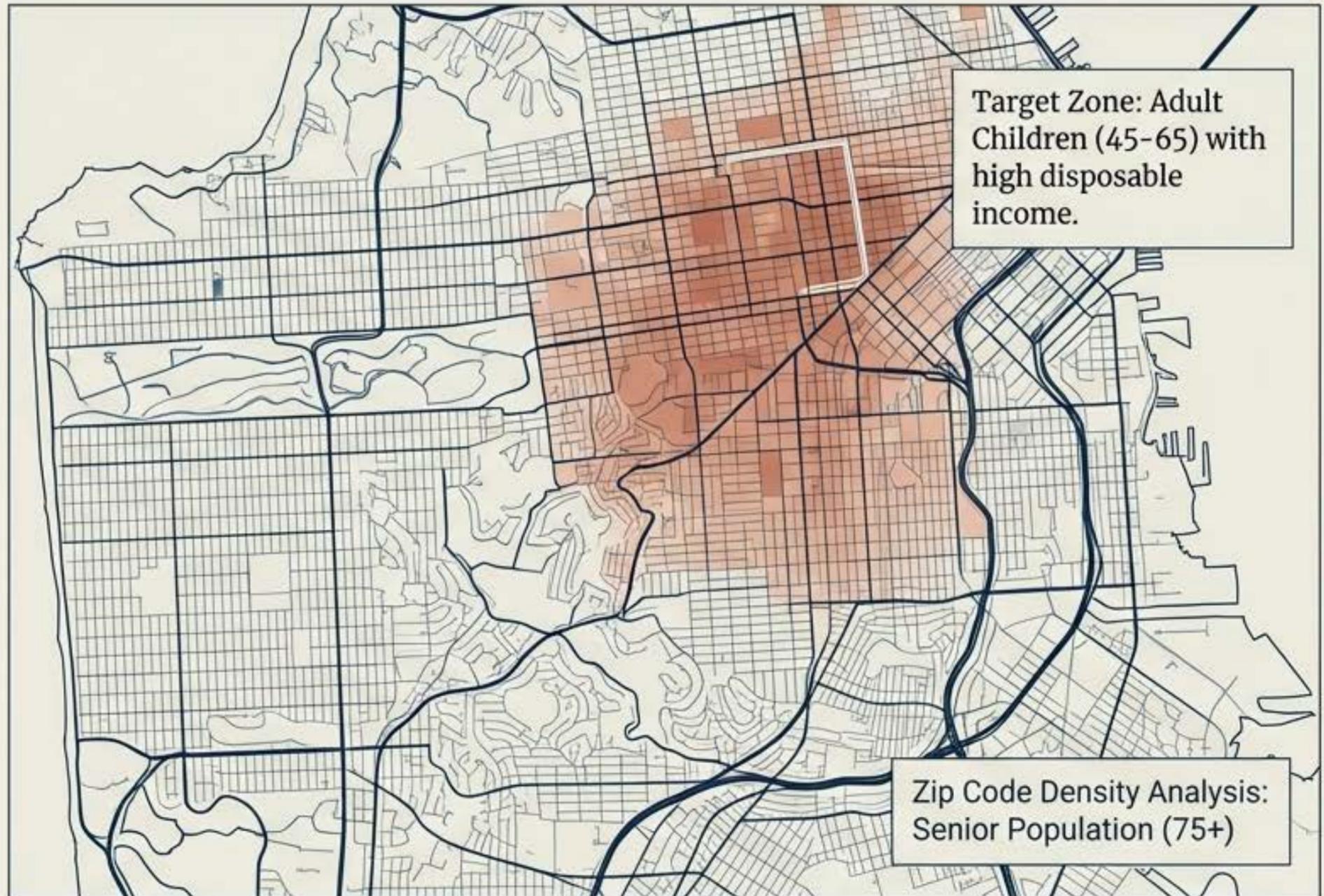
Validation Before Expenditure

The Mandate: Do not commit to fixed costs yet. We buy demand, not just land.

Actionable Validation Checks:

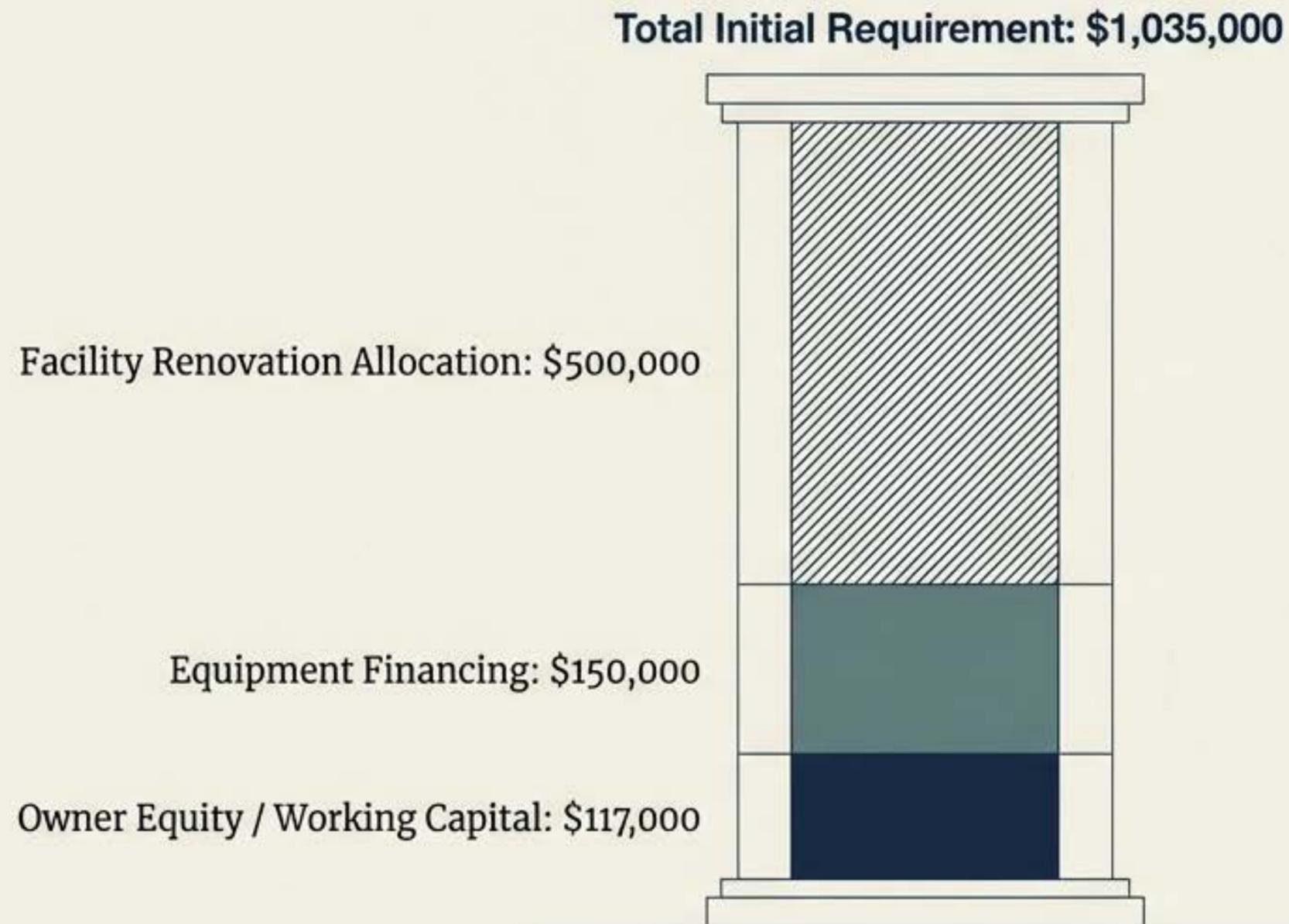
- 1. Geriatric Manager Interviews:** Conduct 5 interviews to confirm pipeline for \$5,000+ payers.
- 2. Zoning Verification:** Cross-reference sites with senior density data.
- 3. Regulatory Ceiling:** Confirm state statutes on medication administration and staff ratios to calculate accurate overhead.

If these checks fail, the project halts here.



Step 2: Financial Modelling & The Capital Stack

Structuring the \$1.035M CAPEX for the 5-Year View



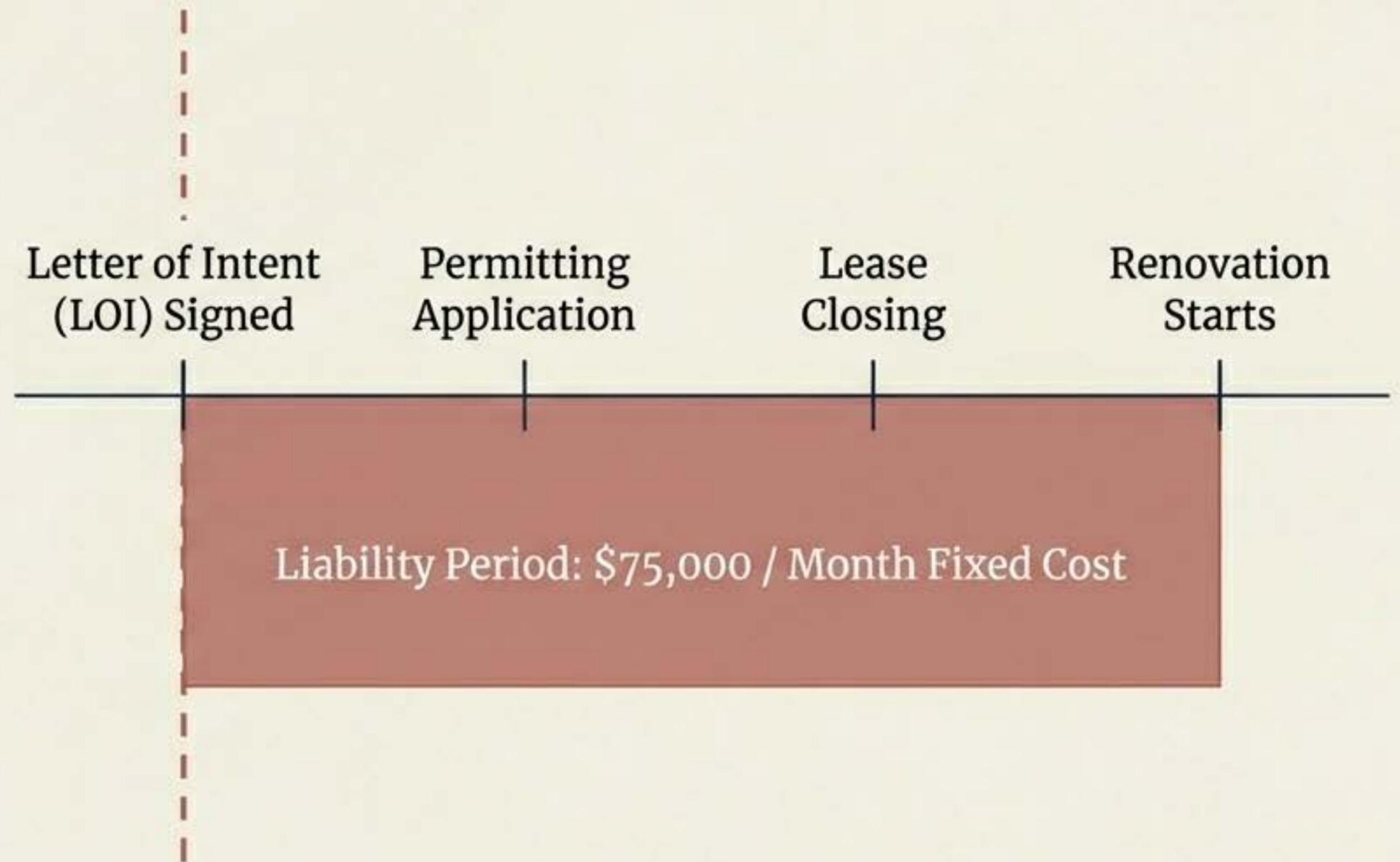
Investment Hurdles:

- Target IRR: 7%
- Validation: Model must prove viability beyond Year 1 revenue.
- ! **Risk:** High leverage increases debt service pressure. If debt consumes margin, the 7% IRR fails.

Step 3: Facility Acquisition & The Ticking Clock

The Point of No Return

- **Trigger Event:** Signing the LOI initiates the financial liability.
- **Strategy:** Negotiate rent abatement to cover local government approval delays.
- **Budget Discipline:** Strict adherence to the \$500,000 renovation allocation. Scope creep is fatal here.



Step 4: Organisational Structure & Staffing

Building the Care Engine



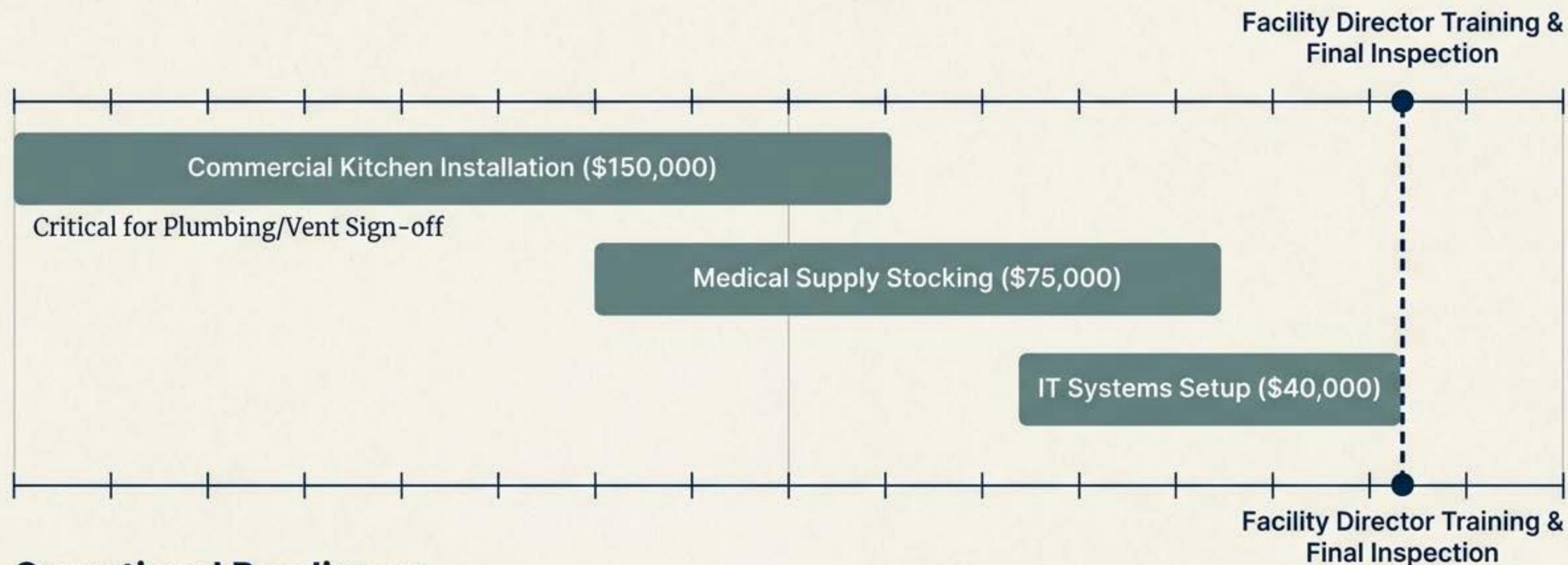
Capacity Goals:

- Staffing Ratio must cover **360** Unit Months.
- Future Scaling (2027): **RN FTEs** grow from **10** to **15**; **Dietary Aides** grow from **10** to **15**.

! Personnel is the product. Under-market salaries guarantee turnover and compliance failure.

Step 5: Procurement & Installation Strategy

Sequencing the \$265,000 Asset Spend

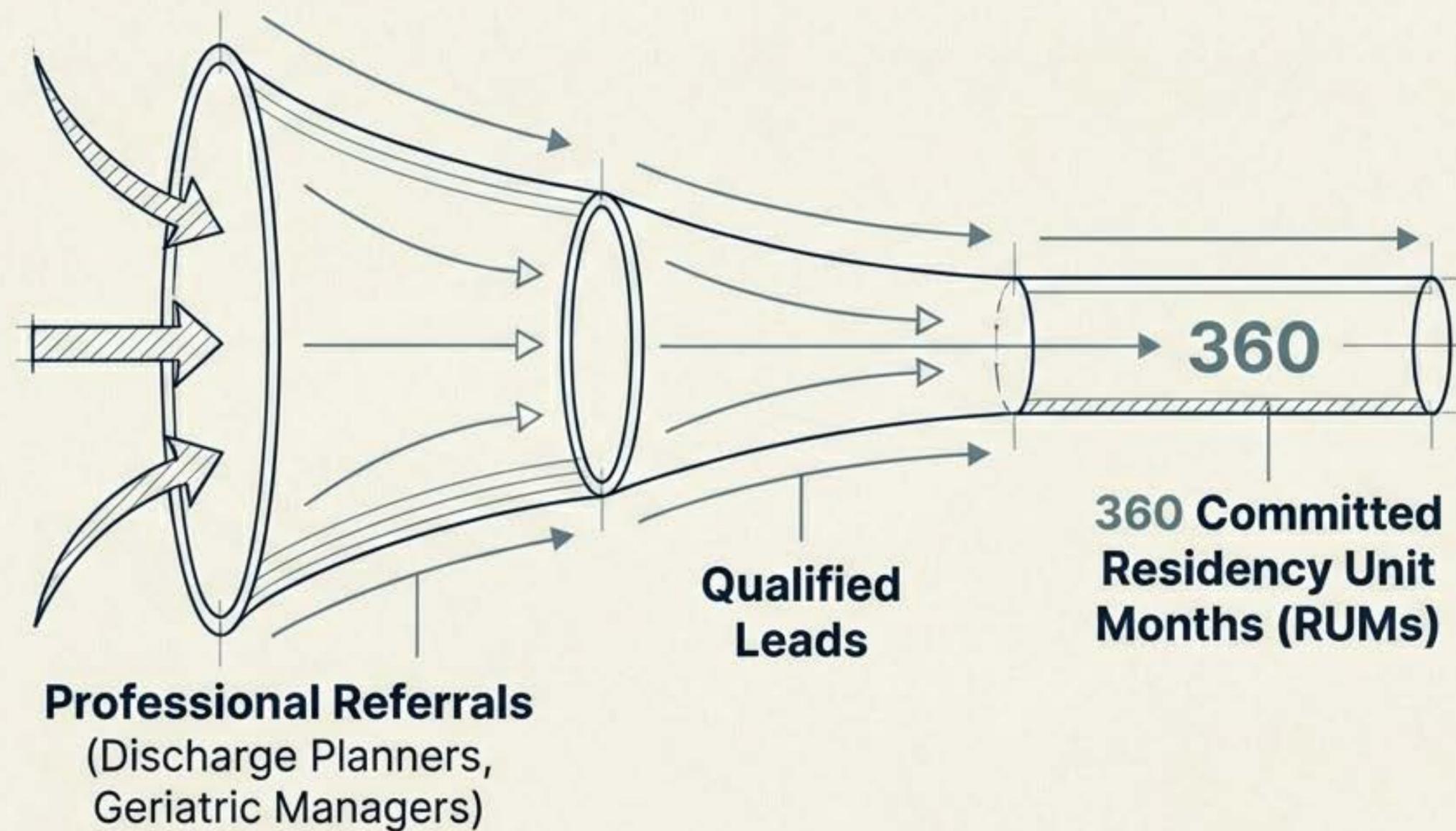


Operational Readiness:

- Installations must be sequenced to align with specific state inspection requirements.
- Delays in procurement push back the final inspection, extending the pre-revenue burn period.

Step 6: Pre-Opening Sales & Marketing

Preselling the Pipeline



- Budget Strategy: 30% of Projected Revenue allocated to Lead Gen.
- The Goal: **360** Committed RUMs secured *before* doors open.
- Primary Channel: High-value professional referrals over general awareness.

Step 7: Licensing & The Launch Gate

Crossing the Finish Line to Revenue



- **The Barrier:** No billing allowed until state approval.

- **The Cost of Delay:** Missing the Oct 1 Launch = \$25,000/month added pre-opening cost.

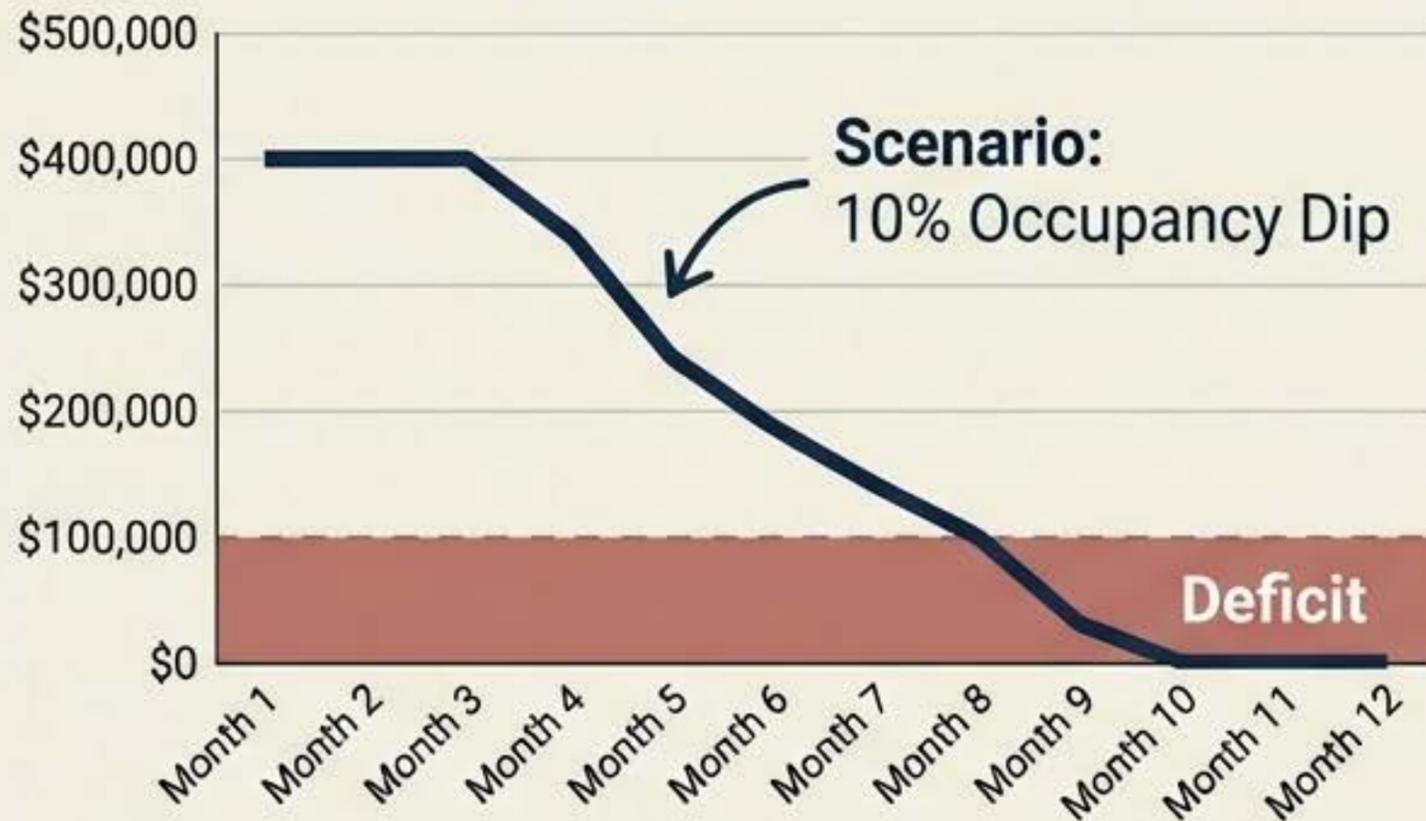
- **Key Performance Indicator:** Onboarding Velocity.

- **Metric:** Intake must take <14 days. Slow intake increases churn and misses the \$243M revenue projection.

Risk Analysis: The Cash Flow Crisis

Sensitivity Analysis & Mitigation

Contingency Fund Balance



A 10% miss consumes contingency funds in 6 months.

Mitigation Strategies

-  **Occupancy Dip:** 10% drop = \$12,500 monthly revenue loss.
-  **Licensing Delay:** Adds massive pre-opening costs.
-  **Safety Net:** Secure \$250,000 Line of Credit before construction completion.
-  **Trigger:** If budget > \$1.035M + 15%, immediate capital re-evaluation.

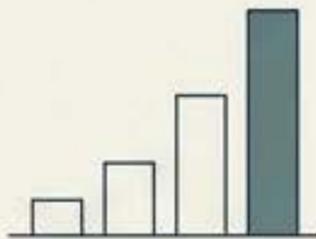
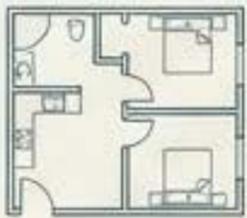
Financial Summary & Unit Economics

Unit Economics

Revenue:

**\$5,000 /
month (RUM)**

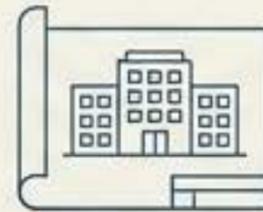
Break-Even Requirement:
High occupancy mandatory to
cover portfolio overhead.



Portfolio Scale Context

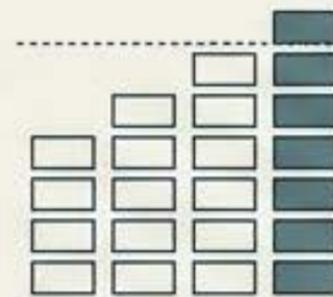
Fixed Cost Threshold:

\$129M
(Portfolio)



Break-Even Volume:

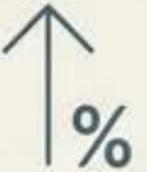
2,150
occupied units



Investment Targets

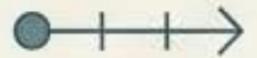
Hurdle Rate:

7% IRR



Launch Target:

October 1, 2025



Risk Note:

Low occupancy at 300-unit
facility would theoretically
require \$35,833 RUM to
break even.

Strategic Takeaways for Execution

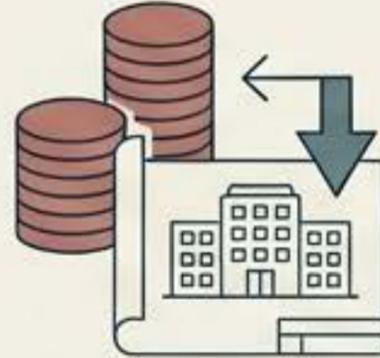
1



Validate First

Do not spend CAPEX until the \$5,000 RUM demand is verified in local zip codes.

2



Secure the Stack

Fund the \$1.035M CAPEX and the \$117k working capital buffer immediately.

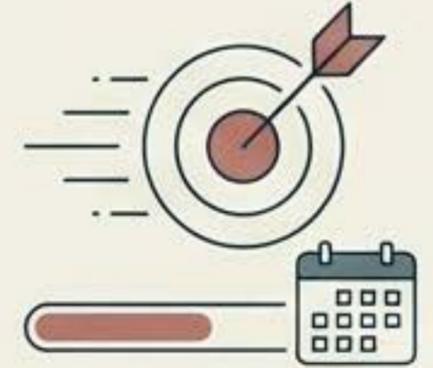
3



Manage the Clock

Sync the lease signing (start of \$75k/mo liability) with rapid permitting and renovation.

4



Execute Velocity

Drive 360 pre-launch RUMs and achieve <14 day onboarding to secure the 7% IRR.

Execution of this operational plan is the only path to the projected breakeven in Jan 2027.