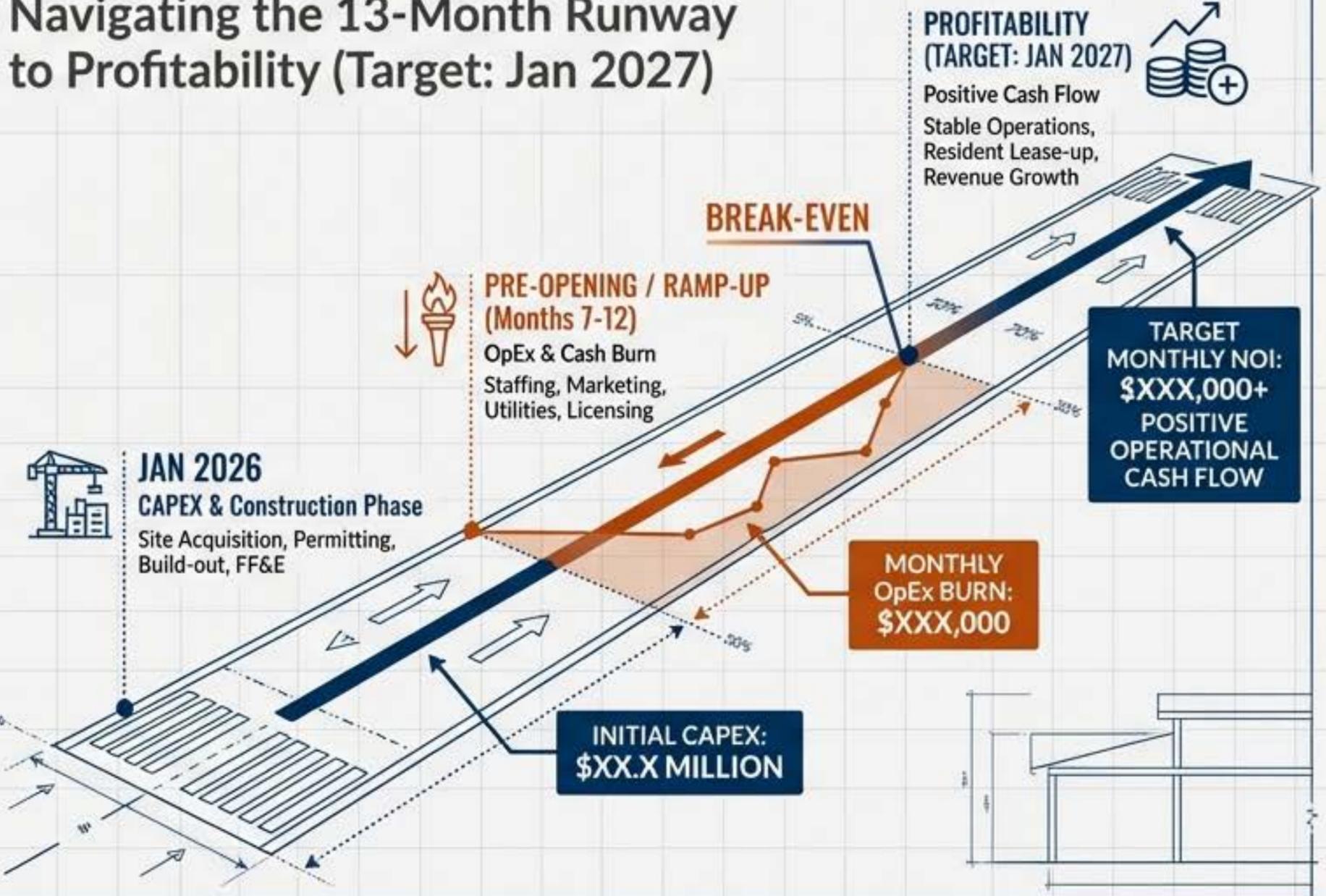




Assisted Living Facility: Startup Capital & Financial Planning

Navigating the 13-Month Runway to Profitability (Target: Jan 2027)



A Strategic Blueprint for Capital Expenditure (CAPEX) and Operational Cash Flow

The Financial Snapshot: Startup Requirements & Critical Metrics

Total Setup Range

\$12M – \$15M

Total asset scope including land acquisition and construction.

Immediate CAPEX Requirement

\$1.035M

Includes Renovation, Equipment, and Tech Infrastructure.

Operational Runway

13 Months

Time to Break-Even (Jan 2027).

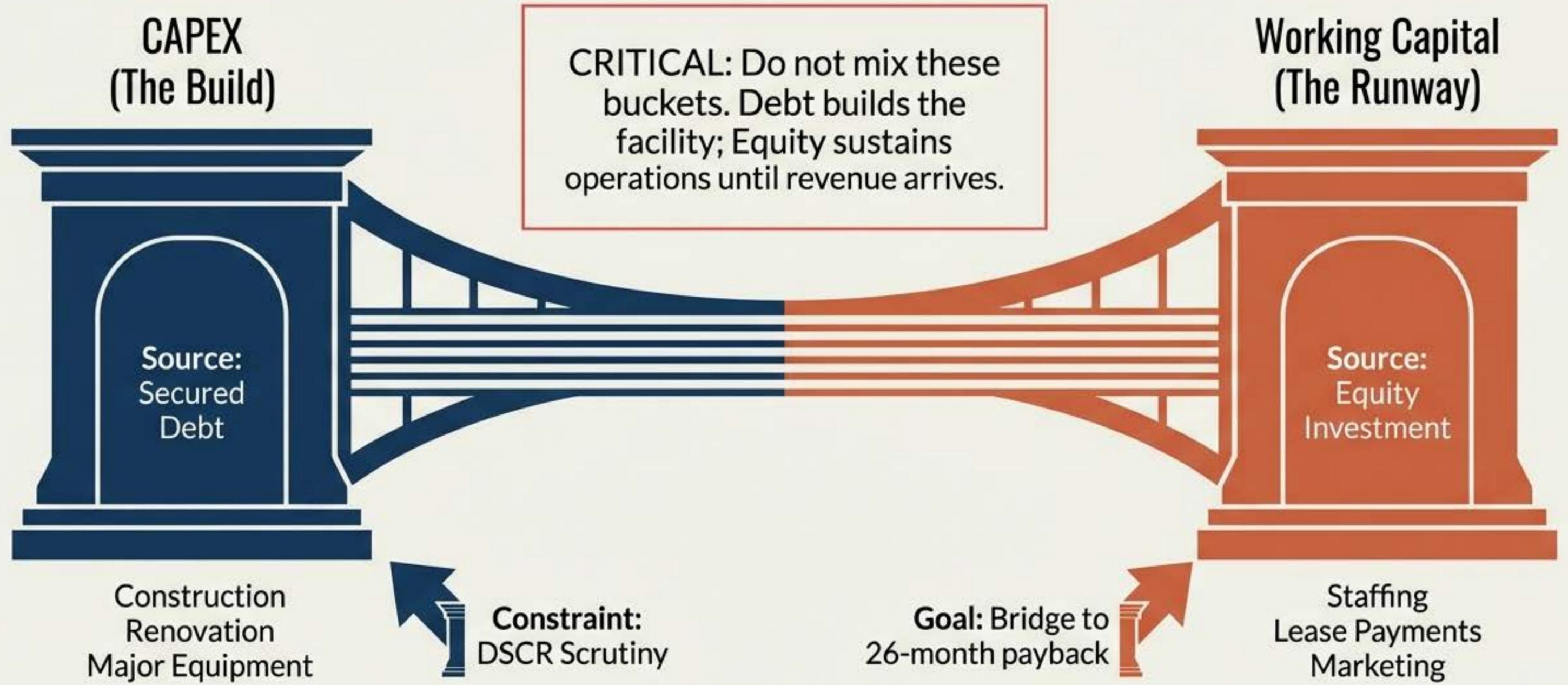
The Danger Zone (Min Cash Buffer)

\$117,000

Projected lowest cash balance in Dec 2026.

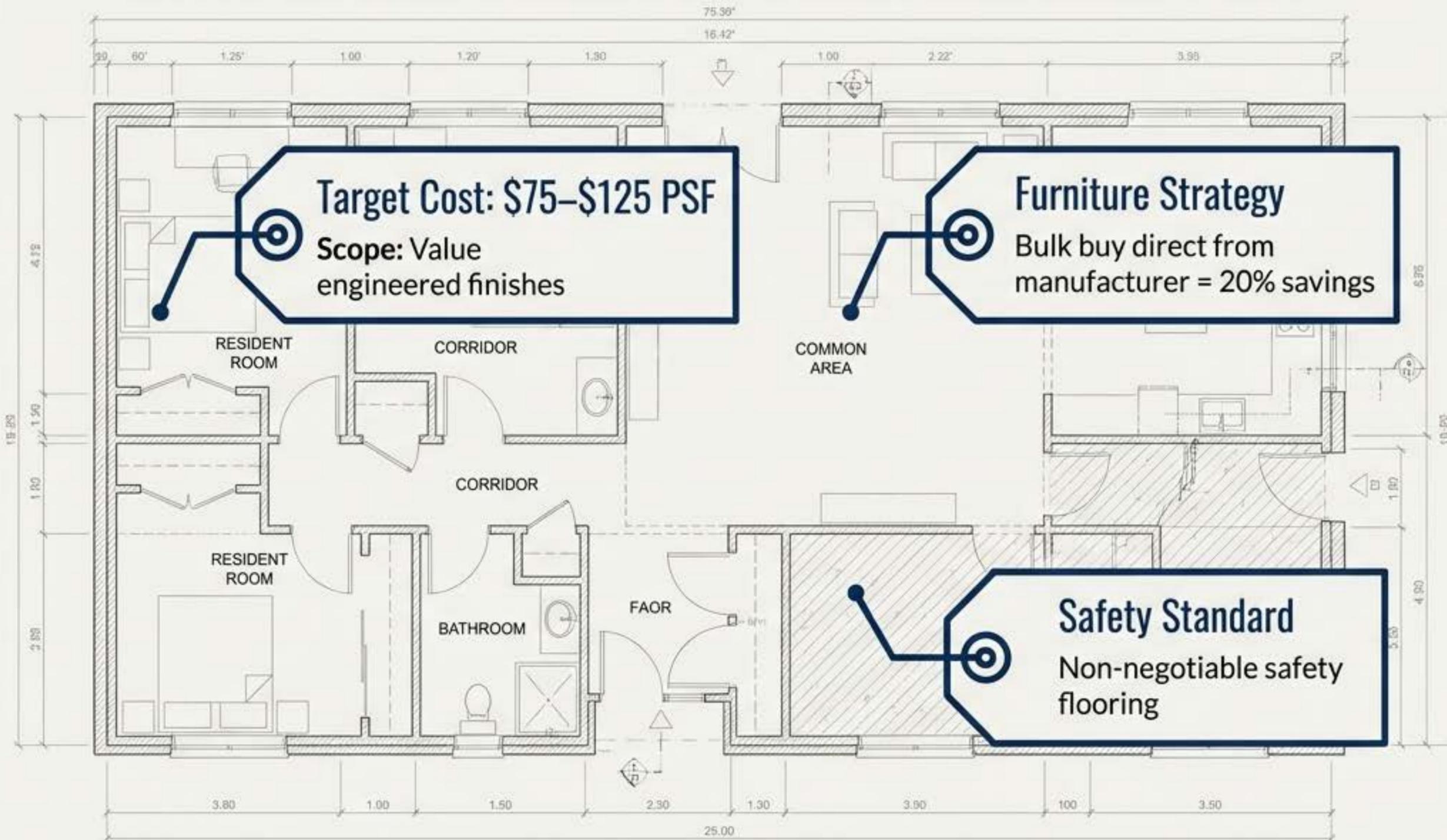
Insight: Launching is capital intensive. Success requires funding not just the building (CAPEX), but the burn rate (OpEx) until stabilization.

The Funding Architecture: Separating Build-Out from Burn Rate



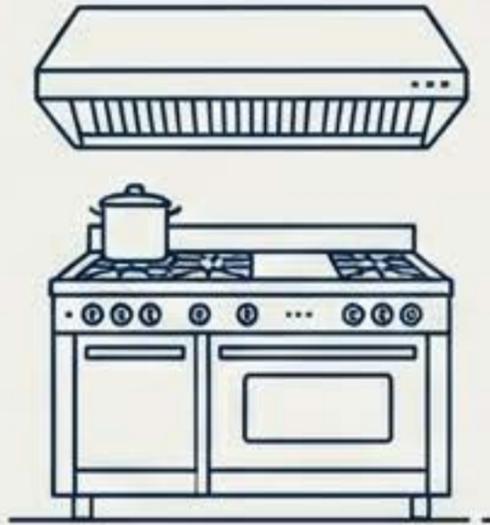
Cost Center 1: Renovation & Furnishings (\$500k)

The Calculation



- **Total Budget:** \$500,000
- **Risk:** Overruns here steal directly from the \$117k operational buffer.

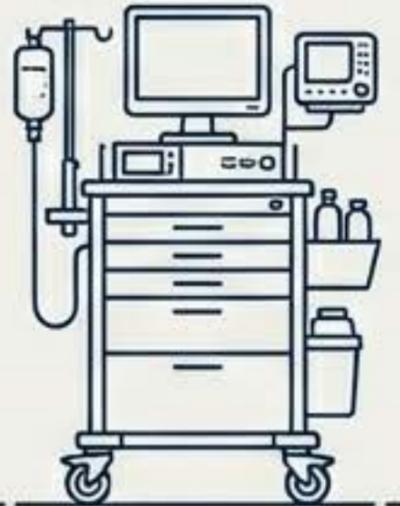
Cost Center 2: Specialized Equipment (\$225k)



The Kitchen (\$150,000)

Commercial-grade appliances for farm-to-table prep.

Lever: Buy certified pre-owned or lease heavy machinery.



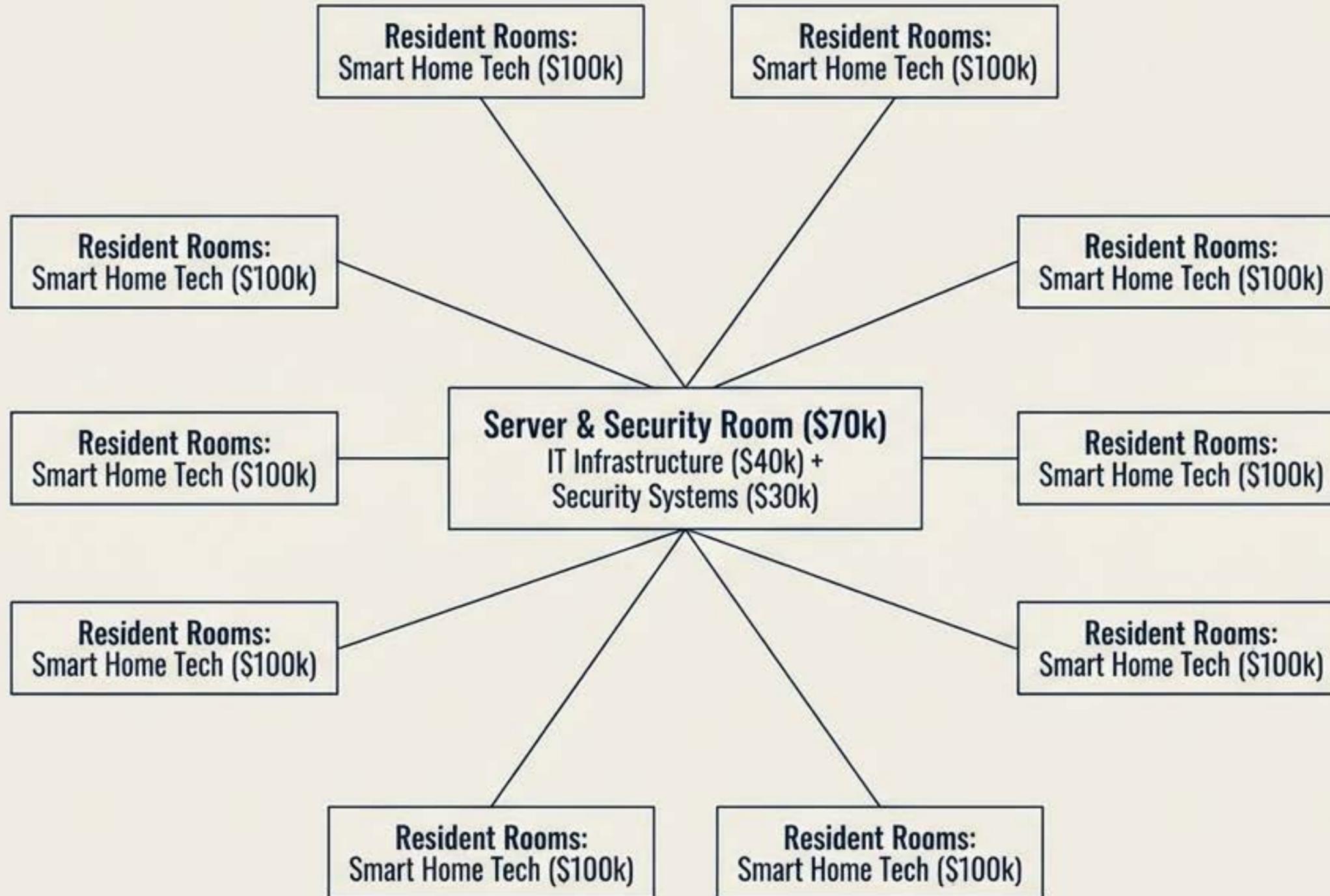
Medical Infrastructure (\$75,000)

Essential resident care devices and supplies.

Lever: Verify requirements precisely; avoid overbuying consumables.

Accounting Note: These are assets to be depreciated over time, not expensed immediately.

Cost Center 3: Technology & Security Infrastructure (\$170k)



Execution Strategy:

1. This is an upfront CAPEX, not a monthly expense.
2. Bundle Contracts: Combine IT and security to gain leverage.
3. Compliance: Full security compliance is required on Day 1.

Cost Center 4: Pre-Opening Overhead & The “Ghost Facility” Phase



Monthly OpEx Breakdown: \$93k

-  Lease: \$75,000
-  Property Tax: \$10,000
-  Utilities: \$8,000



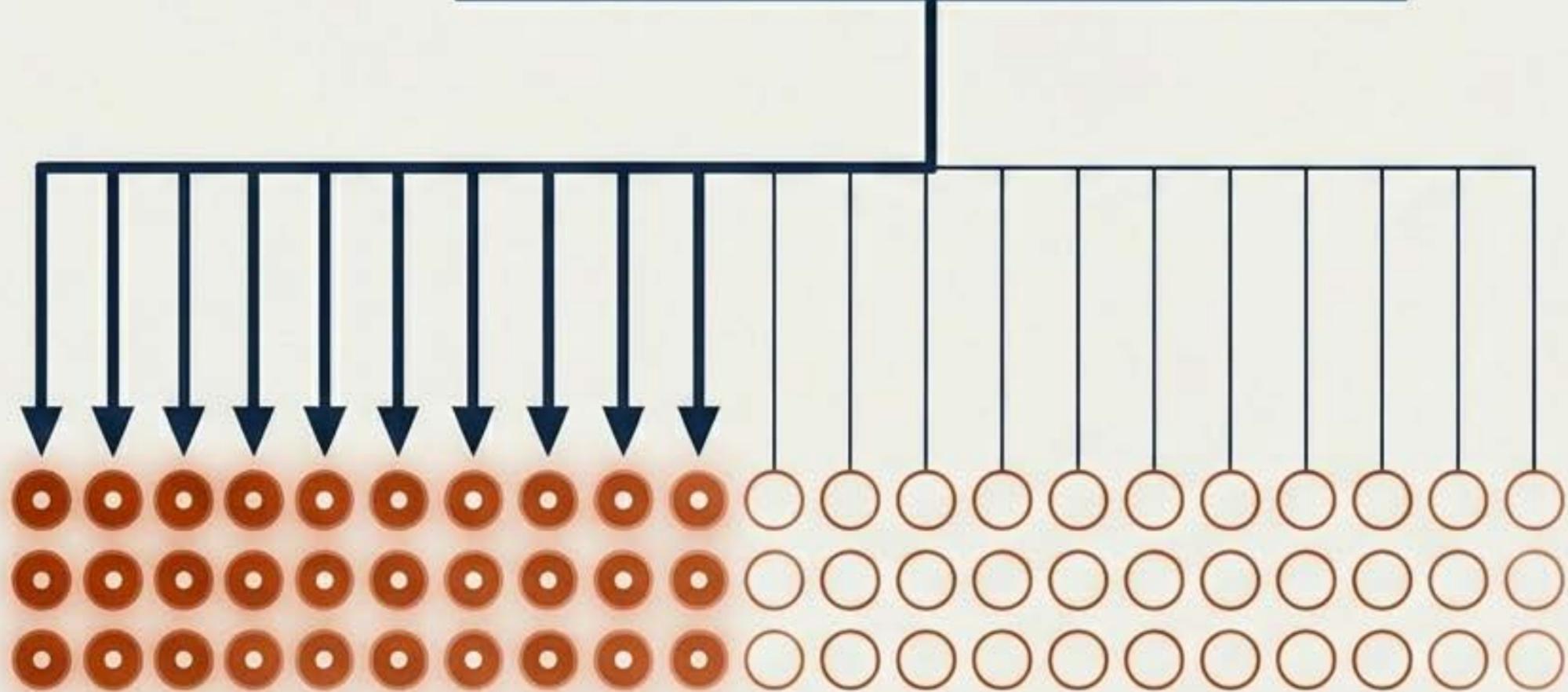
Strategic Lever

Negotiate Rent Abatement.
Reducing pre-opening from 6 to 4 months saves ~\$186,000.

$\$93,000 \times 6 \text{ Months} = \sim \$558,000 \text{ Total Cash Drain}$

Cost Center 5: Initial Staffing & Payroll Ramp-Up (\$165k)

Facility Director (\$120k/yr)
Facility Director (\$120k/yr)



The Initial Plan (First 3 Months):
\$165,000 Budget

Projected 2026 Annual Run Rate:
\$660,000


Management Rule:
Do not staff to 100%
capacity immediately.
Hire strictly based on
booked occupancy.

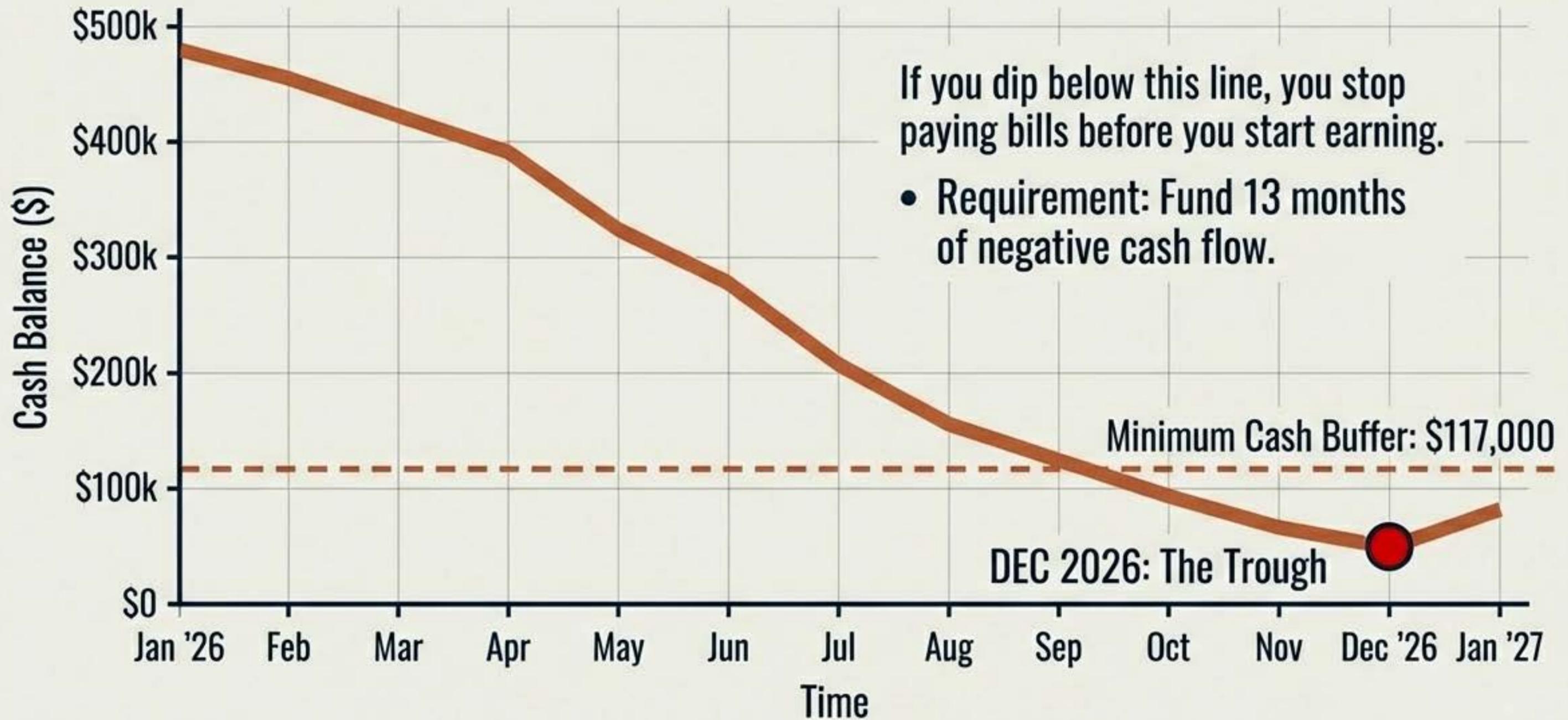
Cost Center 6: Licensing & Compliance (\$2,500/mo)



The “Time is Money” Risk

- Licensing and inspections must be cleared **BEFORE** move-ins.
- Delays here push back the Break-Even date (Jan 2027).
- Advice: Bundle professional services (legal/consulting) into a project fee rather than hourly billing.

The "Valley of Death": Cash Flow Forecast



Protecting the Runway: Contingency & Acceleration

DEFENSE (The Buffer)



The \$117k is sacred. It is NOT for over-budget renovations.

Strategy: Keep it liquid and separate from construction draws.

OFFENSE (Sales Velocity)



Accelerate “Early Bird” deposits to shallow out the cash trough.

Align lease start dates with construction milestones.

Goal: Positive cash flow before Jan 2027 reduces the \$117k requirement.

Summary Checklist: The 7 Pillars of Startup Capital

- 1. Renovation: \$500,000 (Target \$75-\$125 PSF)**
- 2. Specialized Equipment: \$225,000 (Kitchen & Medical)**
- 3. Tech & Security: \$170,000 (Upfront CAPEX)**
- 4. Pre-Opening Overhead: ~\$558,000 (6 months lease/tax/utilities)**
- 5. Initial Staffing: \$165,000 (First 3 months)**
- 6. Compliance: \$2,500/mo (Recurring)**
- 7. Working Capital Buffer: \$117,000 (Minimum cash floor)**

Total CAPEX: \$1.035M | Total OpEx Runway: Variable based on lease/staffing duration

Final Strategic Recommendations

Separate the Funds

Keep Construction draws separate from Operating cash. Do not let renovation overruns eat your payroll budget.

Watch the Lease

The \$75k/month burn is the biggest threat. Abate it, delay it, or align it strictly with permits.

Sales Velocity is Survival

The only way to fix a cash shortage is to move residents in faster. Onboarding delays > 14 days increase churn risk.

Diligent capital planning bridges the gap between a built facility and a profitable business.