

# Cash Flow Requirements and Returns Senior Housing Sectors

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# Market Rate Assisted Living/Memory Care

Units	120
Costs	\$54,000,000
Cost/Unit	450,000
Loan (65% LTC)	35,100,000
Mortgage (5.5% 30yr)	2,490,000
NOI for 1.4x	\$3,486,000
Actual NOI	4,100,000
NOI/Unit – Annual	\$29,050
NOI/Unit – Monthly	2,421
Average Monthly Rent	<b>\$6,917</b>
Appraised Value	\$60,740,741
LTV	58%
<u>Investor Return</u>	
Equity Contribution	18,900,000
Sale of Property (5yr)	61,500,000
5 Year IRR	11.6%

## Notes:

- Market Rate and Low/Moderate Scenarios are representative of actual loans in portfolio
- Middle Income Scenario is based on Maximum Leverage of 75% LTV for a \$2,500 monthly average resident fee.
- Market Rate NOI is based on 35% Operating Margin. Low/Moderate and Middle Income NOI is based on 18% Operating Margin.

# Low/Moderate - Assisted Living/Memory Care

Beds	155
Costs	\$7,500,000
Cost/Unit	48,387
Loan (< 75% LTC)	5,100,000
Mortgage (5.5% 30yr)	350,000
NOI for 1.4x	\$490,000
Actual NOI	490,000
NOI/Bed – Annual	\$3,161
NOI/Bed – Monthly	263
Average Monthly Rent	<b>\$1,464</b>
Appraised Value	\$7,000,000
LTV	73%
<u>Investor Return</u>	
Equity Contribution	2,400,000
Free Cash/Distribution	140,000
Annual Return	5.8%

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# Middle Income - Assisted Living/Memory Care

Beds	155
Costs	\$12,400,000
Cost/Unit	80,000
Loan (< 75% LTC)	8,800,000
Mortgage (5.5% 30yr)	600,000
NOI for 1.4x	\$840,000
Actual NOI	840,000
NOI/Bed – Annual	\$5,400
NOI/Bed – Monthly	450
Average Monthly Rent	<b>\$2,500</b>
Appraised Value	\$12,000,000
LTV	73%
<u>Investor Return</u>	
Equity Contribution	3,600,000
Free Cash/Distribution	240,000
Annual Return	6.7%

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