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*White Paper*

# How to Attract the Largest Number of Buyers

A white paper for facility owners

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- *Preparing an assisted living facility for sale*

## Properly preparing your facility for sale makes it more attractive to buyers.

When it comes time to sell your assisted living facility, how you prepare can make a huge difference in not only how fast the property moves, but in how much money you can make in selling the facility. Several factors work together with one common goal in mind: to attract the largest possible audience of potential buyers. These factors include: financial record keeping, occupancy, licensing and building code issues, physical appearance and eliminating excess assets.

- **Financial record keeping**

To successfully sell your assisted living facility, you must demonstrate positive financial performance of the property. Many assisted living facilities are owned by family businesses. Occasionally, some personal expenses may become mixed in with business expenses; groceries are a common example. While it's understandable why an owner might opt for such a thing, a food bill that seems extraordinarily high may make for a more difficult sale.

The best advice is to keep personal and business expenses separate and build an accurate record of actual expenses attributed to the assisted living enterprise.

- **Occupancy**

A full facility is worth more than one only partially full. If your facility underperforms with occupancy low for its market and does not generate enough income

A property needs to be offered to the market in a way that appeals to the broadest possible audience.

to cover expenses, it will sell for much less. Do whatever necessary to improve or maximize occupancy before putting your facility on the market.

Some owners may be in a comfortable position of enjoying full ownership of their facilities, and work there themselves. Let's say their 15-bed facility has a year-round average of 10 residents. The owners are comfortable because of their low overhead, and are not marketing to fill all of their beds. When it's time to sell, however, a buyer will sense that the property may never achieve full occupancy and generate the kind of cash flow possible.

The best advice before selling: work to get the facility filled with residents. If your facility is producing the maximum amount of income, it's worth more.



- **Licensing and building code issues**

State regulatory agencies have real teeth. They can stop a transaction right in its tracks if previously cited licensing deficiencies or building code violations are not corrected. If your facility has received a licensing deficiency, correct it immediately. Outstanding licensing and building code issues can negatively affect the value of the property or slow the process later when potential buyers apply for their own license.

- **Physical appearance**

The physical attractiveness of your facility is crucial to helping ensure a successful sale. This all relates to the “curb and counter appeal” of the facility. Curb appeal applies to the facility’s exterior while counter appeal relates to the interior attributes of the facility.

Proper preparation helps maximize value when it’s time to sell.

Ask someone else to view your property and provide an assessment of what could be done to make the facility more attractive on the outside and inside.

Just as in selling a home, you want the facility to appeal to the broadest possible market. In a practical sense, if your favorite color is purple and that color is on your exterior door, you may want to change to something more neutral. Proper preparation may mean removing some of the ways in which you’ve personalized your facility.

- **Excess assets**

Buyers will be attracted to your facility because of the income potential it represents. In other words, they simply do not want to pay for something that will not generate income. Excess assets that do not contribute to income are irrelevant.

What types of excess assets are we talking about? Perhaps your facility has a van used for senior-related transportation. Maybe there is extra land, or an out-building not related to the facility itself. The point is the same for all excess assets: liquidate those assets separately and sell what the buyers are really after.

**For more information**

If you are considering selling your assisted living facility, ask for a complimentary valuation from Senior Care Realty. Visit [www.seniorcarerealty.com](http://www.seniorcarerealty.com), or call toll free (877) 834-4175.

