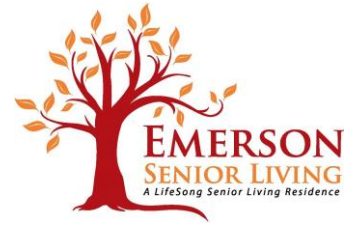


2024



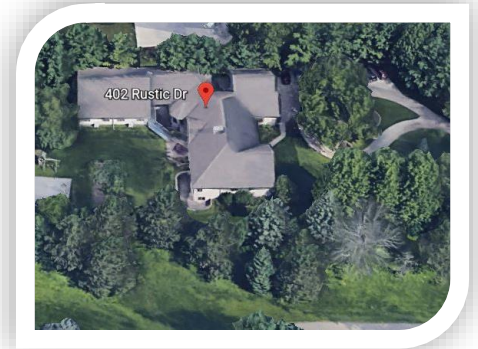
# Seller Overview Package

402 Rustic Dr. Madison, WI 53718



## Property Description and Location

This 8-Bedroom and 8.5-bathroom RAL (Residential Assisted Living) home is located minutes from Major Highways, multiple churches, and new single-family subdivisions. Property is in a very desirable subdivision in Madison. The immediate area has several similar single-family residences and close to Madison, parks, schools, shopping, and of course Hwy 94.



## Property Acquisition

The property was acquired on July 13, 2022.

## Property Summary:

Year Built:	2001 and 2014	<p>Emerson Senior Living is an existing large, beautiful ranch style home on 1.17 acres located at 402 Rustic Drive, Madison, WI 53718. The inside is an open floor plan with a spacious living room with fireplace and cathedral ceilings. There is also a library, sitting room with TV, and a screened side porch and a covered front porch. There are 4 studio suites each with private living/bedroom, private ada bathroom, kitchenette, in-floor heat and generous closets. There are also 3 bedrooms (one with a separate accessible bathroom and 2 share a Jack and Jill bathroom). Finally, there is an oversized suite with a large bed/living room, a separate kitchenette, and accessible bathroom with walk-in closets. There is also a small salon with full bathroom and private entrance to the exterior.</p> <p>Emerson is handicap accessible with an enclosed ramp for the main entrance, two additional exit ramps, and two porches available with barrier free access from the inside of the house.</p> <p>The basement if fully finished with a legal bedroom, a full kitchen, 3 sided fireplace, look-out basement windows, separate entry/exit to garage and side walk-way.</p> <p>The backyard a play structure, tire swing, full basketball court, frisbee golf goal, garden beds, fire ring, storage shed, and trees line the property. Yes, it's as gorgeous as it sounds!</p>
Home Style:	Ranch	
Bedrooms:	8	
Bathrooms:	8.5	
Sq Ft:	9,500 (apprx)	
Garages:	None – both converted to storage space	
Parking:	7 parking stalls	
Misc:	Includes full size basketball court, lots of mature trees, organic gardens, and perennials	
Lot Acreage:	1.17 (+/-) Acres	

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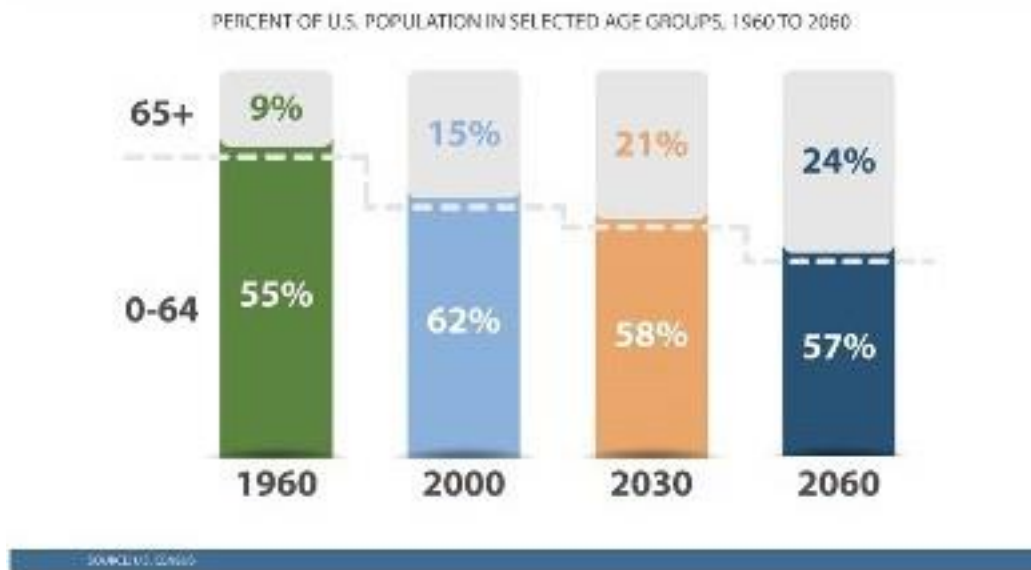
## Property & Business Overview

- ✓ Tap into the unrealized value of this property. This is a perfect property to be converted to a group home, CBRF, extended family home or for a live-in senior care owner operator.
  - ✓ Emerson Senior Living is currently licensed as an Adult Family Home. This business can be included in the sale.
  - ✓ With a total of 9 bedrooms on main floor and one in the lower, this home has more potential!!
  - ✓ Expansion Plans - we have architectural and civil engineering cad files for a 2 story 12 bedroom addition. This design work is valued at well over \$250k. The city plan commission approved the project, but the former owner didn't proceed with construction because her husband passed away.
  - ✓ The master suite is ready for light remodel to make an oversized suite ideal for a couple with kitchenette, large living/bedroom, and accessible bathroom.
  - ✓ Creative Partnerships will be considered with experienced operators. This could take advantage of low mortgage rates, existing business and DHS license, existing social media platforms, etc. Current Mortgage is 5.5% amortized over 25 years locked until July 2027.
  - ✓ The basement is fully finished with full kitchen, bathroom, legal bedroom, look-out windows, separate entrance to a private 1-car garage, 3 sided fireplace, and lots of storage.
  - ✓ The house has been brought into compliance with DHS Adult Family Home (AFH) standards.
  - ✓ The state required documentation for the AFH is up to date. This includes resident binders, employee binders, tracking/documentation logs, postings, etc.
  - ✓ My Choice agreements are active to place Medicaid clients and coordinate their services and provider compensation.
  - ✓ Emerson has gone through the credentialing process with My Choice. This has taken months and could be transferred to new ownership team.
  - ✓ Staffing - We've built a team of care providers that all want to keep ESL moving forward. We have gathered the required background checks, medical tests, training records, etc. for each of them. We've paid to have all staff training updated. We're fortunate to have staff who've been in the industry and an Emerson for a long period of time.
  - ✓ Payroll - we've got a system set up and a payroll accountant coordinating payment and taxes.
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## America's Senior Housing Opportunity

The United States is currently undergoing one of the largest population shifts in human history. Starting from 2019 until 2030, 10,000 members of the Baby Boomer Generation will turn 65 years old every single day. By 2029, every one of them will have hit the age of 65+ years old. The ratio of seniors in our country will hit 20 percent of the total population. As if that weren't a staggering enough number, our aging population will only keep growing. By 2050, it is estimated that our country will be supporting 88 million seniors—nearly double the current senior population. And by 2056, those 65+ will outnumber those under 18. Even more shocking? By the end of 2020, the number of people aged 65+ will outnumber those under the age of 5—for the first time in U.S. history.

### Percent of U.S. Population by Age Group



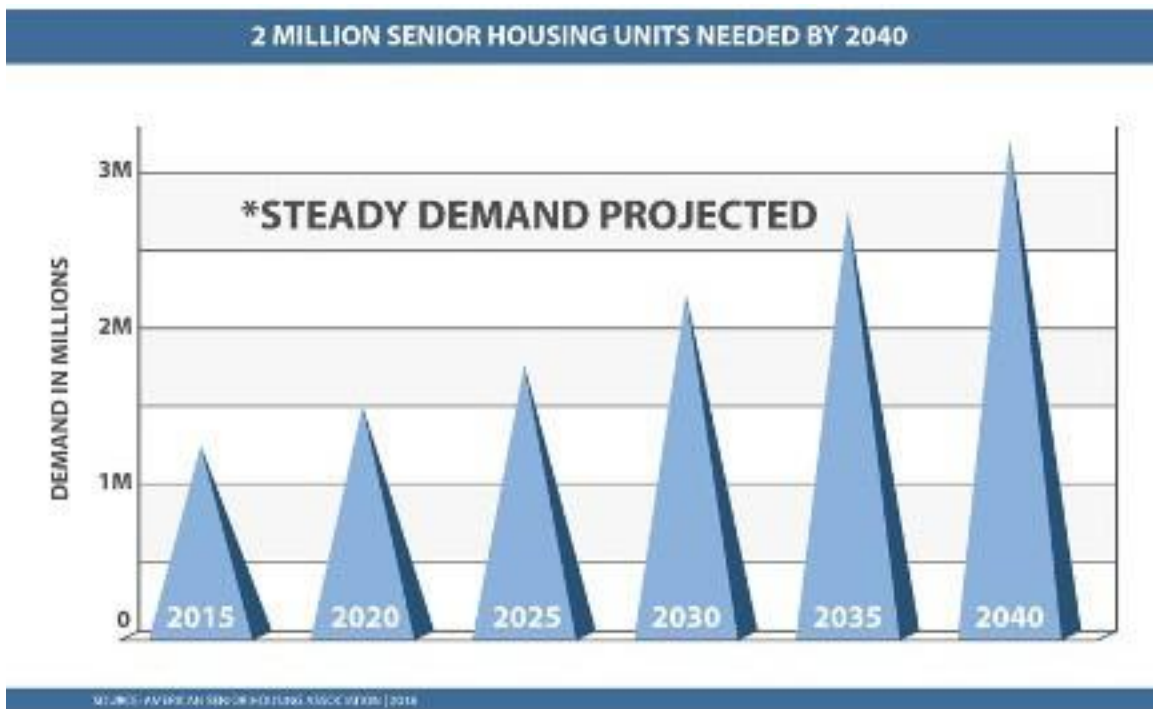


### Increased Life Span

The elderly are also benefiting from advances in medical care that increase the average life span, which allows the population aged 85 and older to grow at three times the national population growth rate. Increased longevity among the elderly extends the years of caregiving that is needed. This can mean that adult children, many of whom have children of their own who require care, have to balance as many as four elderly living parents. They can also be responsible for other parents or relatives that are in need of care.

Today there are approximately 6.3 million seniors aged 85 and older, by 2035, that number will double to 12 million. By 2049, it will have tripled and those aged 85 and over are projected to account for 4.5 percent of the U.S. population. The United States has the highest number of centenarians, with an estimated population of about 80,000, and this number is expected to rise in the coming years.

### Increasing Demand



## Occupancy Rates for Senior Housing

After a period of historical lows, seniors housing occupancy rates became steady across the United States during the fourth quarter of 2018 primarily due to new construction.<sup>58</sup> Data provided by the National Investment Center for Seniors Housing & Care indicates that the occupancy rate averaged 88% in the fourth quarter.<sup>59</sup> However, this changed marked reduction of 2.2% from the most recent high occupancy rate of 90.2% reported during the fourth quarter of 2014.<sup>60</sup>

Independent living and assisted living facilities averaged occupancy rates of 90.2% and 85.4% during the fourth quarter of 2018.<sup>61</sup> The annual absorption of seniors housing was 2.6% during the same period, marking a 0.1%-point increase from the third quarter of 2018, and a 0.3%-point increase from 2017.<sup>62</sup> The annual inventory growth rate for senior housing during the fourth quarter of 2018 was 3.5%, marking a 0.1%-point increase from the previous quarter.<sup>63</sup>

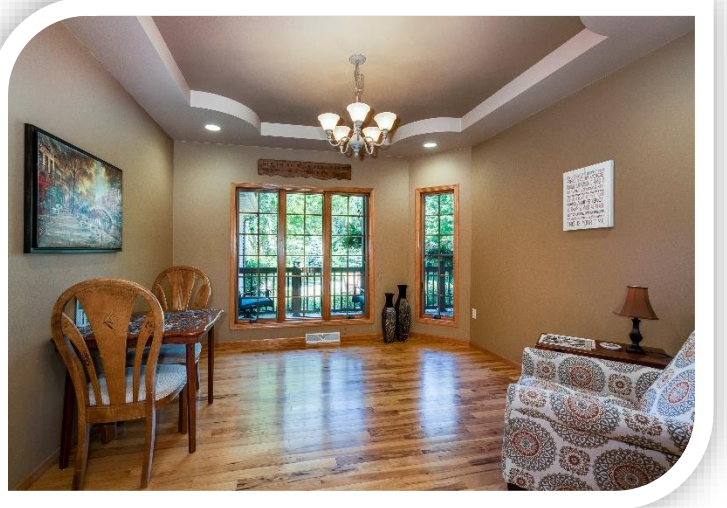
NIC also noted “Not only was the fourth quarter’s increase in occupied seniors housing units the highest recorded since NIC began reporting the data back in 2006, but the fourth quarter was the first quarter of the past three years during which the growth in occupied units managed to keep pace with the number of new units that came online. New demand and new supply during the quarter were on par with each other.”<sup>64</sup>



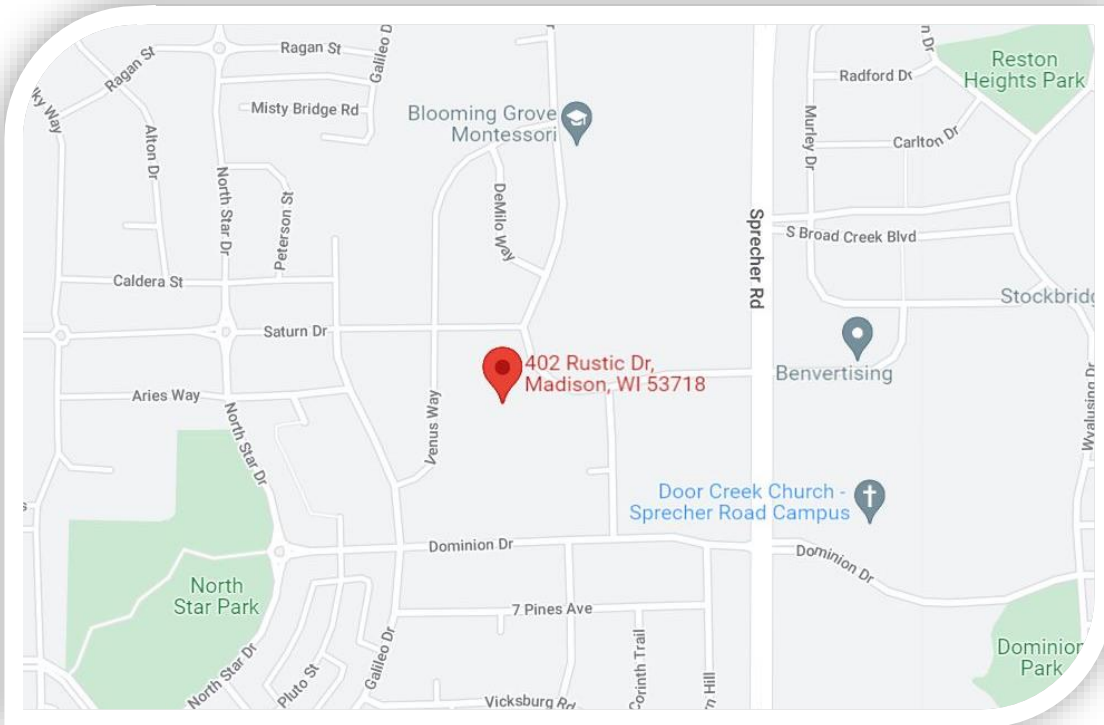
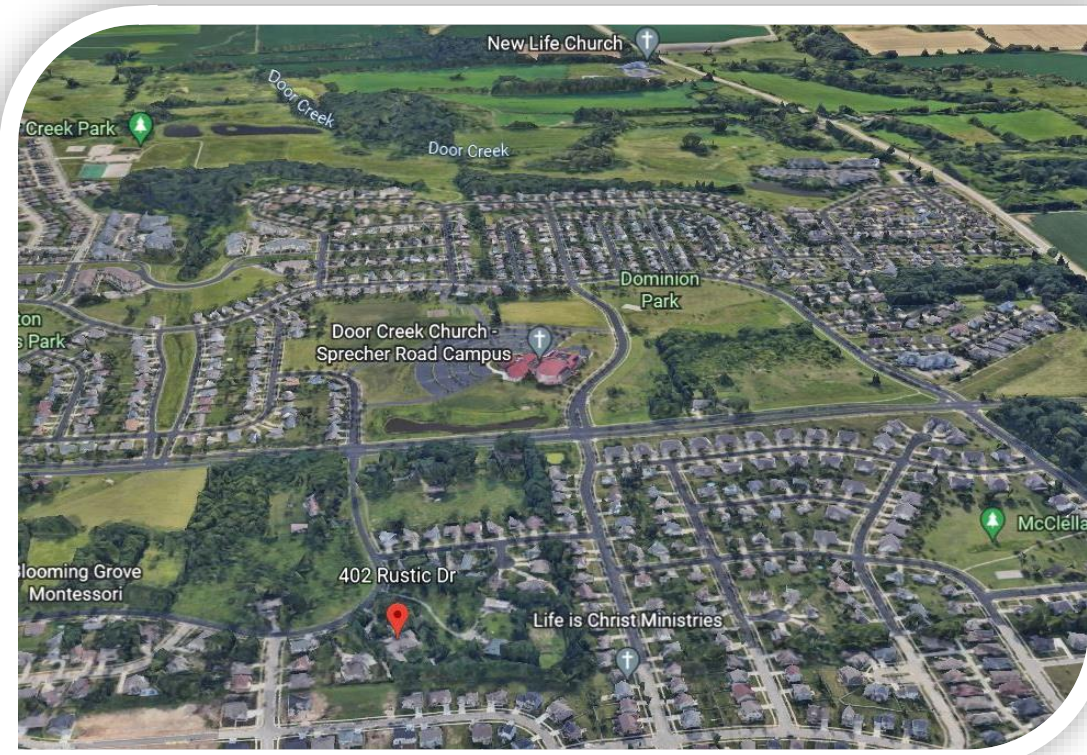
### Property Photos





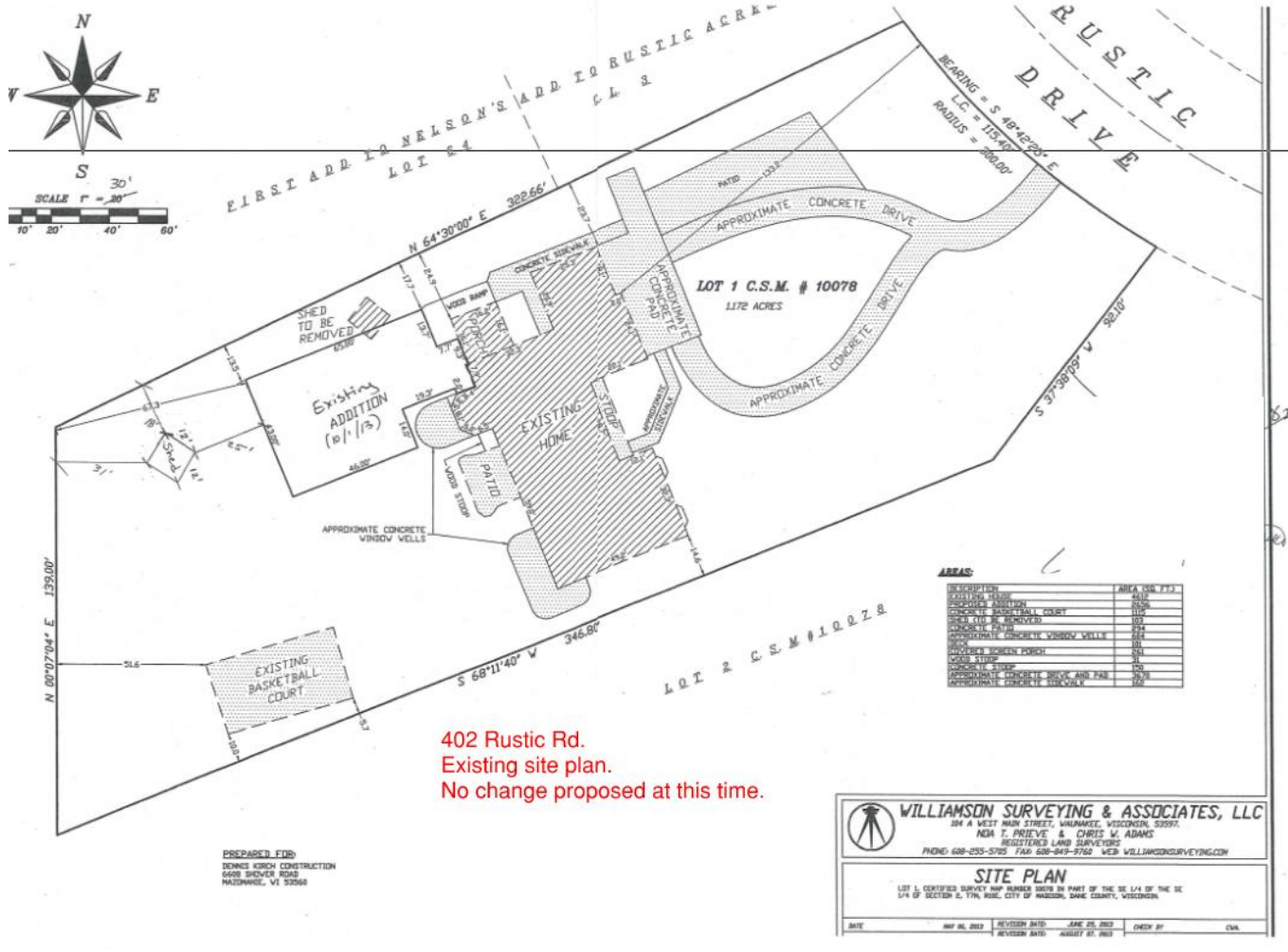






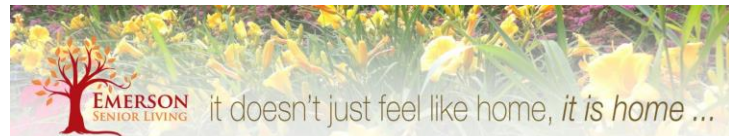


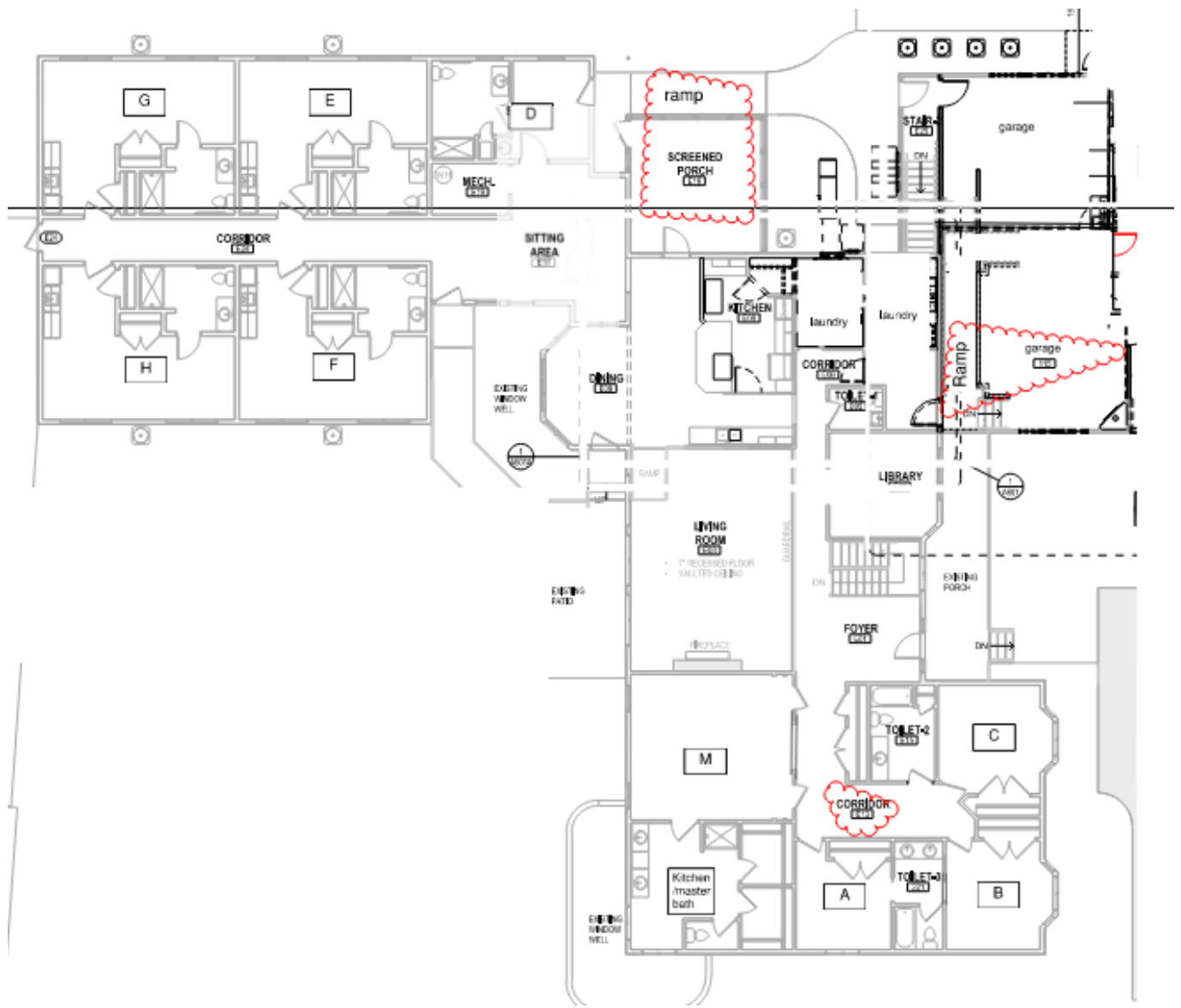




402 Rustic Rd.  
 Existing site plan.  
 No change proposed at this time.

**Site Plan**





## Floor Plan – main level



## **See Separate document for confidential Financial Projections.**

**Disclaimer:** The preparer(s) - Chris Hake, Michele Parker, Travis Dettinger, Emerson Senior Living, LLC and Madison Property Group, LLC accepts no expressed or implied liability due to the contents of the analysis worksheets, comps or income projections supplied. The figures, cells, formulas, images and projections have been obtained from sources deemed reliable and are believed to be correct, but no guarantee or liability is assumed by preparer if they are not. It is not meant nor designed to represent what will happen with regards to Buyer's lender interest rates and terms, expenses, repairs, market shifts, rents or vacancy that Buyer might realize.

If you are not comfortable with property valuations (ARV), running property comps, or analyzing repairs we suggest seeking advice/counsel from competent Realtors and/or Contractors.

The preparer(s) of this packet are neither attorneys nor accountants, and do not give legal or accounting advice. Every real estate transaction is different. You are encouraged to seek legal counsel and/or accounting advice specific to your situation, and especially before executing any real estate transactions.

This form will assist user in the analysis of whether this property might be a good fit for Buyer to pursue for purchase. Information provided does not analyze the tax ramifications for an individual.