

**Pine Manor Guest Home – Adult Residential Care  
Property/Operations Summary**

**Facility:** Pine Manor Guest Home

**Introduction &  
Offering  
Instructions:**

This is a unique opportunity to own the largest adult residential care facility among the primary local competing facilities. With 43 beds, Pine Manor Guest Home represents about 33 percent of the 131 adult care beds available in the trade area. Further, it appears that there is little to no new competition coming on line in the immediate future. Presently, 42 beds are occupied and the home enjoys a good reputation within the community. At \$1.7M, the price per bed is \$39,535 and price per square foot is \$121 - well within the range of recent comparable sales.

The property and its operations are currently in receivership and are being liquidated, subject to court approval. Potential buyers must have a valid California Adult Residential care license and should submit their offers to the attention of the Receiver, Bellann Raile. Her contact information is:

Cordes & Company  
4400 MacArthur Blvd, Suite 980  
Newport Beach, CA 92660  
(949) 208-1410  
braile@cordesco.com

All offers must include:

1. An outline all relevant terms with the offer and an offering price.
2. Proof of buyer's cash availability to support the offering price.
3. The buyer's Resume/Summary of Qualifications and proof of licensure.

A buyer will be chosen based upon the price and the offer terms and conditions.

**Location:** 404-408 East Pine Street  
Lodi, , California 95240  
San Joaquin County

**Asking Price:** **\$1,700,000** for the real property, personal property associated with the business and the business assets.

**Price/Bed:** \$39,535

**Price/SF:** \$121

**Property/  
Operations  
Description:**

The property consists of a 14,050 square foot, one-building, three-story residential care facility containing 43 beds (17 single occupant rooms, 13 double occupant rooms) on a .39-acre parcel of land. It was built in 1910 and renovated in 1967. There are two main living floors, a basement with kitchen, dining room and support facilities.

The exterior façade of the building is concrete block and stucco siding. The roofing system is wood truss with a composition shingles. The windows are single paned.

The common areas have linoleum and wood flooring. The resident units have carpet and/or padded wood flooring in the living and bedroom areas with tile in the bathrooms. Bathroom facilities are improved with 11 shared bathrooms. Each bathroom includes a walk-in shower, toilet, and sink. There is a non-working elevator.

Meals for the residents are prepared in a basement kitchen. The kitchen equipment includes a gas range, steel hood with fire suppression system, dishwashers, stainless steel preparation tables, coolers and freezers.

Other site improvements include signage, trash enclosures, paved concrete driveway, concrete sidewalks, exterior lighting, and perimeter fencing. All landscaped areas are irrigated with an automatic sprinkler irrigation system. There is one driveway for parking.

The site is served by all typical utilities, including water, sewer, electricity, natural gas and telephone.

The property is in a FEMA flood zone X500 so no mandatory flood insurance purchase requirements apply.

The property is expected to have a remaining economic life of 30 years.

**Mechanical Detail:**

The common areas of the building are heated and cooled by ground mounted gas fired HVAC systems. The units have central heat and air ducts on the ceilings.

The building is three-story and has one elevator that has not been in service for a long period of time.

The building has a fire sprinkler system. Each unit has electric smoke detectors in compliance with local code.

**Market  
Information:**

The property is well-located with access and proximity to major lead generators. Client rent income is primarily paid by San Joaquin County. With the limited availability of beds in this market sector, the average occupancy is typically very high. This home is currently 95 percent occupied.

**Area Demographics:**

Demographics factors are positive with both senior and overall population increase trends. This suggests that the subject facility will not have to place greater weight on attracting residents to relocate in order to be closer to family members.

**Age Distribution in the Area**

Under 18 – 17,282 (27.8%)  
 18 – 24 - 5,863 (9.4%)  
 25 – 44 – 15,931 (25.6%)  
 45 – 64 – 14,681 (23.6%)  
 65 and older – 8,377 (13.5%)

Median age: 34.3  
 For every 100 females there were 95.5 males.

**Source: Wikipedia, 2010**

**Comparable Sales:**

SENIOR HOUSING SALES					
Facility Name	Sale Price	Average Unit SF	%Occ	Condition & Quality	\$/SqFt
	Date	Bldg SqFt	# Units	Year Built	\$/Unit
Pine Manor Guest Home Lodi, CA	\$1,700,000	327-468 14,050	95.0% 43	Average 1910-1967	\$121.00 \$39,535
Victorian Manor San Leandro, CA	\$1,050,000 4/14	213 5,751	100.0% 27 units	Average 1939	\$182.58 \$38,889
Mirsona Manor Williams, CA	\$675,000 3/14	343 5,147	90.0% 15 units	Average 1967	\$131.14 \$45,000
Alpha House Stocton, CA	\$698,000 2/14	277 4,438	90.0% 16 units	Average 1950	\$157.28 \$43,625
Agnes Guest Home Galt, CA	\$350,000 5/13	247 3,700	n/a 15 units	Average 1960	\$94.59 \$23,333
Rainbow Haven Guest Home Turlock, CA	\$316,000 1/13	267 4,000	n/a 15 units	Average 1962	\$79.00 \$21,067

**Comparable Market Competition:**

MARKET OCCUPANCY CHARACTERISTICS Primary Market Area			
Facility Name	No Units	Occupancy	Occupied Units
Anka Lodi	16	88%	14
Choice Mannor 1	6	83%	5
Hanot Foundation	30	100%	30
Haynes Board & Care Home	30	100%	30
Vella's Friendship Home	6	100%	6

According to local providers and municipal planning departments, there are no additional facilities planned at this time.

**Operating Information:**

Current rental rates for adult residential care units in the competitive market area begin at approximately \$1,003 (SSI minimum) for a resident in a companion or shared unit and \$2,663 per month for residents who are placed in the facility by the Valley Regional Center (County) which provides a supplemental patch rate for adult residents. We understand that there are currently no concessions offered for leasing vacant units.

**Property Tax Information:**

The property is subject to the taxing jurisdiction of San Joaquin County. The assessor's parcel identification number is 043-123-02.

For 2013, the total property assessment (assessor market value) is \$1,414,374 which equates to \$32,892 per unit. The full year 2013 property taxes for the property are \$14,973.

**Cash Flow Projections:**

	<b>Year 1</b>
Resident Rents	\$505,512
Behavioral Health Supp Income	\$99,600
<b>Operating Revenues</b>	<b>\$605,112</b>
Personnel Expense	\$213,932
Workman's Comp	\$7,779
Insurance	\$9,840
Food/Food Supplies	\$84,000
Supplies	\$6,000
Repairs & Maintenance	\$12,000
Utilities	\$24,000
Van Rental	\$12,000
Other	\$1,200
<b>Operating Expenses</b>	<b>\$370,752</b>
Property Taxes	\$15,160
Replacement Reserves (1%)	\$6,051
<b>Other Expenses</b>	<b>\$21,211</b>
<b>Net Operating Income</b>	<b>\$213,149</b>

*\*\* Note, the property is in receivership and no historical operating information is available. Information above is only a projection. Buyer should perform their own analysis of the potential NOI before making an offer.*

**Property Photos:**

