

Assisted living diligence

Define the property, care business, operator and proposed ownership. Financial underwriting does not determine licensing, resident eligibility or safe staffing.

Facility / state / buyer / property owner / licensed operator / date

Buying property, business or both? / approved capacity / current census

1. Evidence and ownership transition

Record / question	Status	Owner / next action
License, approved use and capacity; authority confirmation		
Change of ownership / operator requirements and approval timing		
Inspection history, open findings and physical-plant condition		
Operator experience, management, transition and continuity plan		
Aggregate census, billed revenue and collections reconciliation		
Payer terms, receivables, concessions and resident retention		
Compliant staffing plan, payroll, benefits, relief and agency labor		
Property lease / business valuation / price allocation		
Capital scope, bids, equipment and opening cash budget		
All debt schedules, seller obligations and maturity exit		

2. Staffing budget from the qualified operating plan

Role / coverage	Hours / period	Loaded cost / relief / support
Direct care / shifts		
Supervision / administration		
Relief / overtime / agency		
Replacement of seller duties		

Keep clinical and resident records in the approved confidential diligence process. Confirm local licensing, building, fire and operating requirements with responsible authorities and qualified advisers. Never cut required staffing to force a financial result.

Assisted living cash model

For a combined owner-operator acquisition, eliminate internal rent once. A landlord-only investment needs its own supported-rent and property-expense analysis.

Facility / buyer / financial period / source dates

3. Collections, cash costs and break-even

Annual model / driver	Amount / assumption
Occupied beds x collected monthly fee x 12	beds / \$ / revenue \$
Variable monthly cost per occupied bed x occupied beds x 12	\$ / cost \$
Fixed payroll, benefits, management and relief	\$
Other overhead: external property and business operating costs	\$
Operating income less separate replacement allowance = net cash flow	\$
All annual debt payments / cash flow after debt / coverage	\$ / \$ / ratio
Per-bed contribution = (monthly collections - variable cost) x 12	\$
Whole-bed break-even, including reserves and debt / approved capacity	beds / beds

4. Acquisition uses and funding

Budget / funding	Amount
Combined price + costs + initial work + operating cash = total uses	\$
Acquisition debt / buyer equity / cash remaining after closing	\$ / \$ / \$

5. Lower census, higher payroll and separate values

Review	Answer / evidence
Downside census / payroll increase / monthly cash deficit	
Initial cash available / additional capital / monthly cash timing	
Property rent and value / business value after consistent rent treatment	
Operator transition / maturity balance / separately reviewed exit	

Round break-even up to whole occupied beds. If required beds exceed approved capacity, the budget does not fit at full occupancy. A constant-deficit liquidity estimate is not a monthly forecast. Initial working capital is funded once in total uses.

[Full guide, interactive calculator and editable spreadsheet](#) | (833) 264-7776