

TYPE-B ASSISTED LIVING

Texas Gulf Coast | Value-Add Acquisition

9,204 SF | 14 Bedrooms | 16-Patient Licensed Capacity

\$2,999,000	10.7%	\$320,918	16
Asking Price	Cap Rate (Pro Forma)	Stabilized NOI	Patient Capacity

THE OPPORTUNITY

A 9,204 SF horseshoe-shaped Type-B assisted living facility in the Galveston, Texas market is offered at \$2,999,000 — a **10.7% implied cap rate** on stabilized net operating income of \$320,918. The Property recently completed a 9-room expansion bringing the licensed configuration to 14 bedrooms and 16-patient capacity. The 2025 rent roll demonstrated \$4,978/month weighted average rate per occupied bed across seven residents with 100% retention on the stable cohort. **This is a value-add acquisition for an experienced Texas Type-B operator** qualifying for the 26 TAC §553.25 Good Standing fast-track licensing pathway.

INVESTMENT HIGHLIGHTS

- **Recently expanded, purpose-built facility.** Horseshoe configuration with two symmetric 3,208 SF wings flanking a renovated 2,788 SF center; well-suited for memory care vs. general AL segmentation
- **Validated rate-bearing capacity.** 2025 rent roll demonstrated private-pay rates from \$3,200 to \$6,500/month with 100% retention on the long-term cohort through 12 months of construction disruption
- **Forward rate structure established.** Post-construction one-bedroom rate of \$5,500/month plus \$4,000 admission fee on new signups
- **Compelling value-add cap rate.** 10.7% on stabilized NOI fairly compensates the licensing-application timeline and lease-up risk
- **Powerful demographic tailwinds.** Galveston County has ~61,300 residents aged 65+ (16.7% of population); U.S. ALF market projected to grow from \$44B (2024) to \$94B (2033)
- **Gulf Coast healthcare cluster.** Proximity to University of Texas Medical Branch (UTMB) and Houston-MSA healthcare infrastructure supports referral pipelines and staffing

PROPERTY SNAPSHOT

Property Type	Type-B Assisted Living Facility	Bedrooms	14 (12 single + 2 double-occupancy)
Market	Galveston, Texas (Houston MSA)	Licensed Capacity	16 patients
Building Size	9,204 sq ft	Price per Bed	\$187,438
Configuration	Horseshoe (W1 3,208 / W2 3,208 / Center 2,788)	Price per SF	\$325.84
Sq Ft / Resident	575 sq ft	Year Renovated	2025 (9-room expansion)

STABILIZED ECONOMICS (PRO FORMA)

Rental Revenue (16 beds, blended rate, 93% occupancy)	\$937,440
Admission Fees (8 turnovers x \$4,000)	\$32,000
Ancillary Services	\$18,000
Total Effective Gross Revenue	\$987,440
Operating Expenses (industry-standard 67.5%)	(\$666,522)
Net Operating Income (NOI)	\$320,918
Implied Cap Rate at \$2,999,000	10.70%

Pro forma based on Seller's established post-construction rate structure (\$5,500/month single + \$4,000 admission fee) and industry-standard Texas Type-B operating expense ratios. Editable Excel financial model available under CA.

TARGET BUYER PROFILE

The Property is positioned for an **experienced Texas Type-B ALF operator** with 6+ consecutive years of operating history qualifying for the 26 TAC §553.25 Good Standing fast-track licensing pathway. Buyer underwriting should assume a 3-6 month licensing timeline and 12-18 month ramp to stabilized 93% occupancy. The HHSC Type-B license is applied by the acquiring buyer.

- Operating presence in Houston-Galveston metro area preferred
- 2-15 facility portfolio operators (private-pay focus, not Medicaid-dependent)
- Working capital sufficient for 12-18 months of operating ramp
- Acquisition history within past 24 months

MATERIALS AVAILABLE UPON CA EXECUTION

Document	Detail
Confidential Offering Memorandum (14 pp)	Property, market, financial detail; DD summary; transaction process
Income Analysis & Pro Forma (6 pp)	2025 rent roll detail, stabilized pro forma, 7-row cap rate sensitivity
Financial Model (Excel, 4 sheets)	Editible pro forma with 138 formulas; buyer DD-ready
Site Tour	Coordinated upon CA execution to minimize operational disruption

To request the Confidentiality Agreement and full materials package, contact:

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