

CRES CORP

CRES CORP INTERNATIONAL, LLC  
COMMERCIAL REAL ESTATE AND FINANCIAL SERVICES

JACKSONVILLE, FL

21.22-ACRE FULLY APPROVED

CCRC DEVELOPMENT

ASSISTED LIVING-MEMORY CARE-INDEPENDENT LIVING



**CORNER OF S OLD MIDDLEBURG RD & HIPPS RD,  
JACKSONVILL, FL**

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Prospective Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
Print Name \_\_\_\_\_  
Address \_\_\_\_\_ Phone # \_\_\_\_\_



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# Property Introduction

## Introduction – Project Overview

**Location:** 0 S Old Middleburg Rd, Jacksonville, FL 32222 (PID# 016310-000 & 061312-0000) Duval County

Two contiguous properties include 21.22-Acres, located approximately 11 miles SW of the downtown Jacksonville. The property includes a fully approved development of a Continuing Care Retirement Community (CCRC), consisting of:

- 200-Bed ALF
- 120-Unit Memory Care
- 180-Units Independent Living

This area is desirable for a CCRC. There is minimal competition and a high population (414,836 within a 10-mile radius) of those over 55 years of age (23%).

**Assisted Living Competition:** There is only one ALF, located within 5-miles from the subject property: The Benton House at Oakleaf. The Benton House is an upscale 95-bed facility offering Assisted Living, Memory Care and Adult Day Care.

**Area Hospitals:** HCA Florida Orange Park Hospital is located approximately 6 miles from the subject property.

### **Area Average Bed/Room Rates/mo:\***

- ALF: \$4,660
- Memory Care: \$5,800
- Independent Living: \$2,513

The property and proposed development are offered in its entirety to one purchaser or offered as separate components to individual purchasers.

**Asking Price:** \$21M (includes property, development approvals and plans)

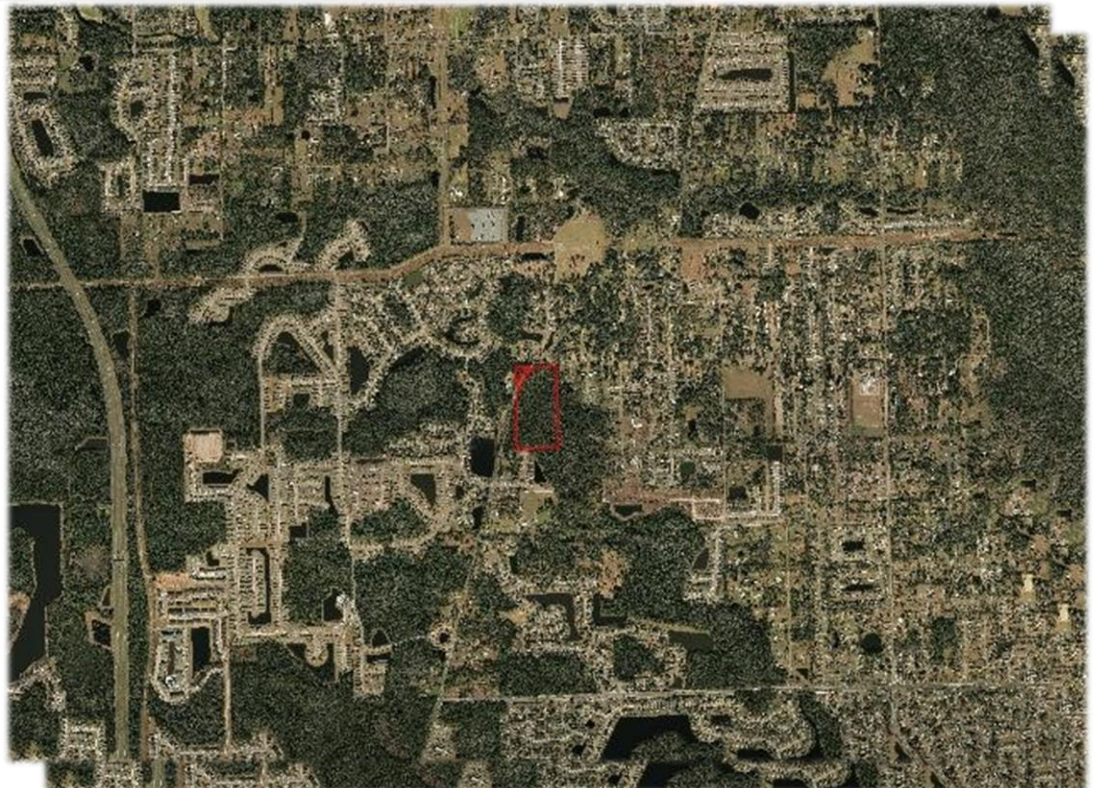
**Estimated Completed Value:** Based on the financial expectations of the entire CCRC, completely constructed, with a fully seasoned business, and with an expected 90% occupancy level, it is my opinion, as a real estate Broker, the value will range between \$100 Million and \$110 Million.\*

**\*Note:** For the purposes of this report, the above figures will be used for financial projections. For those interested in this opportunity it is recommended to you to seek the advice from professional people or institutions who can furnish feasibility studies, appraisal, legal, financial and other types of advice, regarding this offering.



Site Plans available upon request







# Project Introduction

## Continuing Care Retirement Community

### Proposed Continuing Care Retirement Community (CCRC)

This report focuses on the development of a 208,703 SF CCRC situated on a 21.22-acre site. The CCRC is comprised of:

- Assisted Living: 200-Units/Beds (2-Stories-28,471 SF)
- Memory Care: 120-Units (2-Stories-41,781 SF)
- Independent Living – 180 units (3 Buildings, 3-Stories, 129,600SF)

The CCRC is a self-contained community offering residents the convenience of being able to transition from Independent Living to an ALF, should the occupant need a higher level of care.

The estimated construction costs of the entire CCRC will be around \$67 million (\$321K/sf), to include hard/soft costs, escalations, contingencies, and error.

The properties/project can incorporate one developer or be distributed to separate Developers. This report provides separate projections for each of the CCRC components.

**Land Infrastructure Development:** The owners of the subject property are Developers and are including horizontal land preparation in this offering, which may include:

- Land clearing, grading, excavation
- Pond placement
- Roadway Installation
- Parking Lot Paving-Sealing
- Underground Utilities – Wet & Dry

The above is negotiable and is included in the asking price of the property.

**Development:** The owners, under contract, will offer their development services for the entire development of this project.

**Partnership Opportunity:** The owners will consider structuring a partnership, or equity stake position, on all or individual components, of the CCRC, in exchange for favorable pricing.





# Project Introduction

## Independent Living

### **Investor Offering/Summary – 160-Unit Independent Living**

**Location:** 0 S Old Middleburg Rd, Jacksonville, FL 32222 (PID# 016310-000 & 061312-0000) South portion of property

**Project:** Proposed Development - 3-Buildings/3-stories, 180-Units, 129,600 sq ft-Independent Living situated on approximately 12-acres, on the Southernmost portion, buildable and non-buildable area, of the entire 21.22-acre lot.

**Property Description:** 12-Acres MOL (South Section of Property)

**Parcel ID:** PID# 016310-000 & 061312-0000

**Zoning:** PUD

- 12-acres MOL
- 8.4-acres Buildable Land Area
- 1.7-acres Site Variables
- 6.7-acres Core Development Area
- 937-ft Hwy Frontage
- 129,600 SF Structure (Total)

**Land Price:** \$6,000,000 (12-acres)

**Estimated Overall Construction Costs:** \$23 million

*The following is based on 95% Occupancy in Year 4 of Ownership and after three years of business operation when the IL would be considered fully seasoned.*

**Projected Gross Income:** \$4,824,960

**Projected Expenses/Reserves:** \$2,894,976

**Projected NOI:** \$1,929,194

**Projected Debt Service:** \$1,282,215\*

**Projected BTCF:** \$647,796

**Projected Cap Rate:** 6.66% Cost basis/6% Resale basis

**Projected Cash Return:** 13.74% (with Equity) 5.58% (before Taxes)

**Cash Position:** \$2,620,074



# Project Introduction

## Independent Living

### **\*Financing**

For the purposes of this Report, Debt Service is based on an initial Loan balance of \$17,400,000 (60% LTC) 10% Interest Only loan during year 1. Within year two, and the completion of the construction, the original loan balance is replaced with a permanent loan offering a 5.5% Interest rate and amortization of 30-years.

#### **Proposed Construction Loan Scenario 1: As indicated in *CCI Financial Projection Report***

\$29,000,000 (Land Acquisition-Total Construction Costs) 60% LTC/LTV = \$17,400,000 loan amount.  
Down Payment = \$11,600,000

**Estimated Initial Investment = \$11,600,000**



# Project Introduction

## Independent Living

This projection is based on a purchase price of \$6,000,000 for the property acquisition plus a budget of \$23,000,000 for the IL development expenses. (Acquisition/Construction Loan amount \$17,400,000, 10% Interest Only Rate during year 1 of construction, Refinance in year 2 at 5.5% IR, 30-Yr Amortization). Projection is based on an average \$2513 per unit, 95% Occupancy (reached within 4 years after construction completion, a 3% annual increase in Gross Revenue and 3% increase in annual expenses.

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$	\$ 2,539,452	\$ 3,809,178	\$ 5,078,905	\$ 5,231,272	\$ 5,388,210	\$ 5,549,857	\$ 5,716,352	\$ 5,887,843	\$ 6,064,478
Less: Vacancy & Credit Losses		(126,973)	(190,459)	(253,945)	(261,564)	(269,411)	(277,493)	(285,818)	(294,392)	(303,224)
<b>Effective Gross Income</b>	\$	\$ 2,412,479	\$ 3,618,719	\$ 4,824,960	\$ 4,969,709	\$ 5,118,800	\$ 5,272,364	\$ 5,430,535	\$ 5,593,451	\$ 5,761,254
Less: Operating Expenses	-	(1,447,487)	(2,171,231)	(2,894,976)	(2,981,825)	(3,071,280)	(3,163,418)	(3,258,321)	(3,356,071)	(3,456,753)
<b>Net Operating Income (NOI)</b>	\$	\$ 964,992	\$ 1,447,488	\$ 1,929,984	\$ 1,987,883	\$ 2,047,520	\$ 2,108,945	\$ 2,172,214	\$ 2,237,380	\$ 2,304,502
Less: Annual Debt Service	(1,740,000)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)	(1,282,215)
<b>CASH FLOW Before Taxes</b>	\$ (1,740,000)	\$ (317,222)	\$ 165,273	\$ 647,769	\$ 705,669	\$ 765,305	\$ 826,731	\$ 889,999	\$ 955,165	\$ 1,022,287

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Sales Price	\$ 16,083,207	\$ 24,124,802	\$ 32,166,396	\$ 33,131,388	\$ 34,125,329	\$ 35,149,089	\$ 36,203,562	\$ 37,289,669	\$ 38,408,359	\$ 39,560,610
Less: Selling Expenses	(643,328)	(964,992)	(1,286,656)	(1,325,256)	(1,365,013)	(1,405,964)	(1,448,142)	(1,491,587)	(1,536,334)	(1,582,424)
<b>Adjusted Projected Sales Price</b>	\$ 15,439,878	\$ 23,159,810	\$ 30,879,740	\$ 31,806,132	\$ 32,760,316	\$ 33,743,126	\$ 34,755,419	\$ 35,798,082	\$ 36,872,024	\$ 37,978,185
Less: Mortgage(s) Balance Payoff	(17,400,000)	(17,066,461)	(16,714,107)	(16,341,878)	(15,948,652)	(15,533,246)	(15,094,407)	(14,630,814)	(14,141,070)	(13,623,702)
<b>SALE PROCEEDS Before Taxes</b>	\$ (1,960,122)	\$ 6,093,349	\$ 14,165,633	\$ 15,464,254	\$ 16,811,664	\$ 18,209,880	\$ 19,661,013	\$ 21,167,268	\$ 22,730,954	\$ 24,354,483

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Generated in Current Year	\$ (1,740,000)	\$ (317,222)	\$ 165,273	\$ 647,769	\$ 705,669	\$ 765,305	\$ 826,731	\$ 889,999	\$ 955,165	\$ 1,022,287
Cash Generated in Previous Years	n/a	(1,740,000)	(2,057,222)	(1,891,949)	(1,244,180)	(538,511)	226,794	1,053,524	1,943,523	2,898,689
Cash Generated from Property Sale	(1,960,122)	6,093,349	14,165,633	15,464,254	16,811,664	18,209,880	19,661,013	21,167,268	22,730,954	24,354,483
Original Initial Investment	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)	(11,600,000)
<b>Total Potential CASH Generated</b>	\$ (15,300,122)	\$ (7,563,873)	\$ 673,684	\$ 2,620,074	\$ 4,673,153	\$ 6,836,674	\$ 9,114,537	\$ 11,510,792	\$ 14,029,643	\$ 16,675,459

Financial Measurements	FMV EOY - Debt EOY	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Coverage Ratio (DCR)	-	0.75	1.13	1.51	1.55	1.60	1.64	1.69	1.74	1.80
Loan-to-Value Ratio (LVR)	108.2%	70.7%	52.0%	49.3%	46.7%	44.2%	41.7%	39.2%	36.8%	34.4%
Capitalization Rate Based on Cost	0.00%	3.33%	4.99%	6.66%	6.85%	7.06%	7.27%	7.49%	7.72%	7.95%
Capitalization Rate Based on Resale Price	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Break-Even Ratio	0.00%	107.49%	90.66%	82.25%	81.51%	80.80%	80.10%	79.43%	78.78%	78.14%
Operating Expense Ratio	0.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
<b>Return on Equity (ROE)</b>	-131.90%	0.00%	135.19%	13.74%	13.28%	12.87%	12.51%	12.19%	11.90%	11.64%
<b>Cash-on-Cash Return - Before Taxes</b>	-15.00%	-2.73%	1.42%	5.58%	6.08%	6.60%	7.13%	7.67%	8.23%	8.81%
<b>Internal Rate-of-Return (IRR) - Before Taxes</b>	Can't Comp.	-36.54%	1.72%	4.70%	6.36%	7.38%	8.05%	8.51%	8.85%	9.09%



# Project Introduction

## Assisted Living

### **Investor Offering/Summary – 200-Unit/Bed Assisted Living Facility**

**Location:** 0 S Old Middleburg Rd, Jacksonville, FL 32222 (PID# 016310-000 & 061312-0000) South portion of property

**Project:** Proposed Development –1-Buildings/2-stories, 200-Units/Beds, 28,471 sq ft-Assisted Living situated on approximately 4-acres, on the mid-portion of the property, buildable and non-buildable area, of the entire 21.22-acre lot.

**Property Description:** 4-Acres MOL (Mid-portion of Property)

**Parcel ID:** PID# 016310-000 & 061312-0000

**Zoning:** PUD

- 4-acres MOL
- 3.4-acres Buildable Land Area
- .7-acres Site Variables
- 2.7-acres Core Development Area
- 937-ft Hwy Frontage
- 28,471 SF Structure (Total)

**Land Price:** \$7,500,000 (4.5-acres)

**Estimated Overall Construction Costs:** \$13 million

*The following is based on 95% Occupancy in Year 4 of Ownership and after three years of business operation when the ALF would be considered fully seasoned.*

**Projected Gross Income:** \$7,922,000

**Projected Expenses/Reserves:** \$4,932,000

**Projected NOI:** \$2,990,000

**Projected Debt Service:** \$862,865\*

**Projected BTCF:** \$2,127,145

**Projected Cap Rate:** 14.6% Cost basis/10.38% Resale basis

**Projected Cash Return:** 20.7% (with Equity) 27.03% (before Taxes)

**Cash Position:** \$9,976,969



# Project Introduction

## Assisted Living

### **\*Financing**

For the purposes of this Report, Debt Service is based on an initial Loan balance of \$12,300,000 (60% LTC) 10% Interest Only loan during year 1. Within year two, and the completion of the construction, the original loan balance is replaced with a permanent loan offering a 5.5% Interest rate and amortization of 30-years.

#### **Proposed Construction Loan Scenario 1: As indicated in *CCI Financial Projection Report***

\$21,500,000 (Land Acquisition-Total Construction Costs) 60% LTC/LTV = \$12,300,000 loan amount.  
Down Payment = \$8,200,000

**Estimated Initial Investment = \$8,200,000**



# Project Introduction

## Assisted Living

This projection is based on a purchase price of \$7,500,000 for the property acquisition plus a budget of \$23,000,000 for the IL development expenses. (Acquisition/Construction Loan amount \$17,400,000, 10% Interest Only Rate during year 1 of construction, Refinance in year 2 at 5.5% IR, 30-Yr Amortization. Projection is based on an average \$4,660 per bed, 85% Occupancy (reached within 4 years after construction completion), a 3% annual increase in Gross Revenue and 3% increase in annual expenses.

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$	\$ 4,970,000	\$ 7,456,000	\$ 9,320,000	\$ 9,599,600	\$ 9,887,588	\$ 10,184,216	\$ 10,489,742	\$ 10,804,434	\$ 11,128,567
Less: Vacancy & Credit Losses		(745,500)	(1,118,400)	(1,398,000)	(1,439,940)	(1,483,138)	(1,527,632)	(1,573,461)	(1,620,665)	(1,669,285)
<b>Effective Gross Income</b>	<b>\$</b>	<b>\$ 4,224,500</b>	<b>\$ 6,337,600</b>	<b>\$ 7,922,000</b>	<b>\$ 8,159,660</b>	<b>\$ 8,404,450</b>	<b>\$ 8,656,583</b>	<b>\$ 8,916,281</b>	<b>\$ 9,183,769</b>	<b>\$ 9,459,282</b>
Less: Operating Expenses		(3,131,000)	(4,697,000)	(4,932,000)	(5,079,960)	(5,232,359)	(5,389,330)	(5,551,009)	(5,717,540)	(5,889,066)
<b>Net Operating Income (NOI)</b>	<b>\$</b>	<b>\$ 1,093,500</b>	<b>\$ 1,640,600</b>	<b>\$ 2,990,000</b>	<b>\$ 3,079,700</b>	<b>\$ 3,172,091</b>	<b>\$ 3,267,254</b>	<b>\$ 3,365,271</b>	<b>\$ 3,466,229</b>	<b>\$ 3,570,216</b>
Less: Annual Debt Service		(1,230,000)	(906,393)	(906,393)	(906,393)	(906,393)	(906,393)	(906,393)	(906,393)	(906,393)
<b>CASH FLOW Before Taxes</b>	<b>\$</b>	<b>\$(1,230,000)</b>	<b>\$ 187,107</b>	<b>\$ 734,207</b>	<b>\$ 2,083,607</b>	<b>\$ 2,173,307</b>	<b>\$ 2,265,698</b>	<b>\$ 2,360,861</b>	<b>\$ 2,458,878</b>	<b>\$ 2,559,836</b>

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Sales Price	\$ 7,500,000	\$ 14,400,000	\$ 21,600,000	\$ 28,800,000	\$ 29,664,000	\$ 30,553,920	\$ 31,470,538	\$ 32,414,654	\$ 33,387,093	\$ 34,388,706
Less: Selling Expenses	(300,000)	(576,000)	(864,000)	(1,152,000)	(1,186,560)	(1,222,157)	(1,258,822)	(1,296,586)	(1,335,484)	(1,375,548)
<b>Adjusted Projected Sales Price</b>	<b>\$ 7,200,000</b>	<b>\$ 13,824,000</b>	<b>\$ 20,736,000</b>	<b>\$ 27,648,000</b>	<b>\$ 28,477,440</b>	<b>\$ 29,331,763</b>	<b>\$ 30,211,716</b>	<b>\$ 31,118,068</b>	<b>\$ 32,051,610</b>	<b>\$ 33,013,158</b>
Less: Mortgage(s) Balance Payoff	(12,300,000)	(12,064,222)	(11,815,145)	(11,552,017)	(11,274,047)	(10,980,398)	(10,670,184)	(10,342,472)	(9,996,274)	(9,630,548)
<b>SALE PROCEEDS Before Taxes</b>	<b>\$ (5,100,000)</b>	<b>\$ 1,759,778</b>	<b>\$ 8,920,855</b>	<b>\$ 16,095,983</b>	<b>\$ 17,203,393</b>	<b>\$ 18,351,365</b>	<b>\$ 19,541,532</b>	<b>\$ 20,775,596</b>	<b>\$ 22,055,336</b>	<b>\$ 23,382,610</b>

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Generated in Current Year	\$ (1,230,000)	\$ 187,107	\$ 734,207	\$ 2,083,607	\$ 2,173,307	\$ 2,265,698	\$ 2,360,861	\$ 2,458,878	\$ 2,559,836	\$ 2,663,823
Cash Generated in Previous Years	n/a	(1,230,000)	(1,042,893)	(308,686)	1,774,921	3,948,227	6,213,925	8,574,786	11,033,664	13,593,500
Cash Generated from Property Sale	(5,100,000)	1,759,778	8,920,855	16,095,983	17,203,393	18,351,365	19,541,532	20,775,596	22,055,336	23,382,610
Original Initial Investment	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)	(8,200,000)
<b>Total Potential CASH Generated</b>	<b>\$(14,530,000)</b>	<b>\$(7,483,115)</b>	<b>\$ 412,169</b>	<b>\$ 9,670,903</b>	<b>\$ 12,951,620</b>	<b>\$ 16,365,291</b>	<b>\$ 19,916,318</b>	<b>\$ 23,609,260</b>	<b>\$ 27,448,836</b>	<b>\$ 31,439,934</b>

Financial Measurements	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Coverage Ratio (DCR)	-	1.21	1.81	3.30	3.40	3.50	3.60	3.71	3.82	3.94
Loan-to-Value Ratio (LVR)	164.0%	83.8%	54.7%	40.1%	38.0%	35.9%	33.9%	31.9%	29.9%	28.0%
Capitalization Rate Based on Cost	0.00%	5.33%	8.00%	14.59%	15.02%	15.47%	15.94%	16.42%	16.91%	17.42%
Capitalization Rate Based on Resale Price	0.00%	7.59%	7.60%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%
Break-Even Ratio	0.00%	81.24%	75.15%	62.64%	62.36%	62.09%	61.82%	61.56%	61.31%	61.06%
Operating Expense Ratio	0.00%	74.12%	74.11%	62.26%	62.26%	62.26%	62.26%	62.26%	62.26%	62.26%
<b>Return on Equity (ROE)</b>	<b>-177.20%</b>	<b>0.00%</b>	<b>448.65%</b>	<b>103.79%</b>	<b>20.38%</b>	<b>19.84%</b>	<b>19.35%</b>	<b>18.90%</b>	<b>18.48%</b>	<b>18.10%</b>
<b>Cash-on-Cash Return - Before Taxes</b>	<b>-15.00%</b>	<b>2.28%</b>	<b>8.95%</b>	<b>25.41%</b>	<b>26.50%</b>	<b>27.63%</b>	<b>28.79%</b>	<b>29.99%</b>	<b>31.22%</b>	<b>32.49%</b>
<b>Internal Rate-of-Return (IRR) - Before Taxes</b>	<b>Can't Comp.</b>	<b>-58.20%</b>	<b>1.51%</b>	<b>20.33%</b>	<b>20.34%</b>	<b>20.27%</b>	<b>20.17%</b>	<b>20.06%</b>	<b>19.94%</b>	<b>19.83%</b>



# Project Introduction

## Memory Care

### **Investor Offering/Summary – 120-Unit Memory Care Center**

**Location:** 0 S Old Middleburg Rd, Jacksonville, FL 32222 (PID# 016310-000 & 061312-0000) South portion of property

**Project:** Proposed Development –1-Buildings/2-stories, 120-Units/Beds, 41,781 sq ft-Memory Care Center situated on approximately 4-acres, on the Northernmost section of the property, buildable and non-buildable area, of the entire 21.22-acre lot.

**Property Description:** 4-Acres MOL (Northernmost section of Property)

**Parcel ID:** PID# 016310-000 & 061312-0000

**Zoning:** PUD

- 4-acres MOL
- 3.4-acres Buildable Land Area
- .7-acres Site Variables
- 2.7-acres Core Development Area
- 937-ft Hwy Frontage
- 41,781 SF Structure (Total)

**Land Price:** \$7,500,000 (4.5-acres)

**Estimated Overall Construction Costs:** \$19 million

*The following is based on 95% Occupancy in Year 4 of Ownership and after three years of business operation when the ALF would be considered fully seasoned.*

**Projected Gross Income:** \$8,352,000

**Projected Expenses/Reserves:** \$5,846,400

**Projected NOI:** \$2,505,600

**Projected Debt Service:** \$1, 171,679\*

**Projected BTCF:** \$1,333,921

**Projected Cap Rate:** 9.46% Cost basis/6.99% Resale basis

**Projected Cash Return:** 14.38% (with Equity) 13.29% (before Taxes)

**Cash Position:** \$8,793,307



# Project Introduction

## Memory Care

### **\*Financing**

For the purposes of this Report, Debt Service is based on an initial Loan balance of \$15,900,000 (60% LTC) 10% Interest Only loan during year 1. Within year two, and the completion of the construction, the original loan balance is replaced with a permanent loan offering a 5.5% Interest rate and amortization of 30-years.

#### **Proposed Construction Loan Scenario 1: As indicated in *CCI Financial Projection Report***

\$26,500,000 (Land Acquisition-Total Construction Costs) 60% LTC/LTV = \$15,900,000 loan amount.  
Down Payment = \$10,600,000

**Total Initial Investment = \$10,600,000**





# Project Introduction

## Memory Care

This projection is based on a purchase price of \$7,500,000 for the property acquisition plus a budget of \$19,000,000 for the MC development expenses. (Acquisition/Construction Loan amount \$15,900,000, 10% Interest Only Rate during year 1 of construction, Refinance in year 2 at 5.5% IR, 30-Yr Amortization. Projection is based on an average \$5,800 per Unit, 85% Occupancy (reached within 4 years after construction completion), a 3% annual increase in Gross Revenue and 3% increase in annual expenses.

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$	\$ 3,930,352	\$ 5,895,529	\$ 9,825,882	\$ 10,120,658	\$ 10,424,278	\$ 10,737,007	\$ 11,059,117	\$ 11,390,890	\$ 11,732,617
Less: Vacancy & Credit Losses		(589,553)	(884,329)	(1,473,882)	(1,518,099)	(1,563,642)	(1,610,551)	(1,658,868)	(1,708,634)	(1,759,893)
<b>Effective Gross Income</b>	\$	\$ 3,340,799	\$ 5,011,200	\$ 8,352,000	\$ 8,602,560	\$ 8,860,636	\$ 9,126,456	\$ 9,400,249	\$ 9,682,257	\$ 9,972,724
Less: Operating Expenses	-	(2,338,559)	(3,507,840)	(5,846,400)	(6,021,792)	(6,202,446)	(6,388,519)	(6,580,175)	(6,777,580)	(6,980,907)
<b>Net Operating Income (NOI)</b>	\$	\$ 1,002,240	\$ 1,503,360	\$ 2,505,600	\$ 2,580,768	\$ 2,658,191	\$ 2,737,936	\$ 2,820,075	\$ 2,904,677	\$ 2,991,817
Less: Annual Debt Service	(1,590,000)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)	(1,171,679)
<b>CASH FLOW Before Taxes</b>	\$ (1,590,000)	\$ (169,439)	\$ 331,681	\$ 1,333,921	\$ 1,409,089	\$ 1,486,512	\$ 1,566,258	\$ 1,648,396	\$ 1,732,998	\$ 1,820,138

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Sales Price	\$ 7,500,000	\$ 13,920,000	\$ 20,880,000	\$ 35,844,000	\$ 36,919,320	\$ 38,026,900	\$ 39,167,707	\$ 40,342,738	\$ 41,553,020	\$ 42,799,611
Less: Selling Expenses	(300,000)	(556,800)	(835,200)	(1,433,760)	(1,476,773)	(1,521,076)	(1,566,708)	(1,613,710)	(1,662,121)	(1,711,984)
<b>Adjusted Projected Sales Price</b>	\$ 7,200,000	\$ 13,363,200	\$ 20,044,800	\$ 34,410,240	\$ 35,442,547	\$ 36,505,824	\$ 37,600,998	\$ 38,729,028	\$ 39,890,899	\$ 41,087,626
Less: Mortgage(s) Balance Payoff	(15,900,000)	(15,595,214)	(15,273,236)	(14,933,095)	(14,573,768)	(14,194,173)	(13,793,165)	(13,369,537)	(12,922,013)	(12,449,245)
<b>SALE PROCEEDS Before Taxes</b>	\$ (8,700,000)	\$ (2,232,014)	\$ 4,771,564	\$ 19,477,145	\$ 20,868,779	\$ 22,311,651	\$ 23,807,834	\$ 25,359,492	\$ 26,968,887	\$ 28,638,381

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Generated in Current Year	\$ (1,590,000)	\$ (169,439)	\$ 331,681	\$ 1,333,921	\$ 1,409,089	\$ 1,486,512	\$ 1,566,258	\$ 1,648,396	\$ 1,732,998	\$ 1,820,138
Cash Generated in Previous Years	n/a	(1,590,000)	(1,759,439)	(1,427,758)	(93,837)	1,315,251	2,801,763	4,368,021	6,016,416	7,749,414
Cash Generated from Property Sale	(8,700,000)	(2,232,014)	4,771,564	19,477,145	20,868,779	22,311,651	23,807,834	25,359,492	26,968,887	28,638,381
Original Initial Investment	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)	(10,600,000)
<b>Total Potential CASH Generated</b>	\$ (20,890,000)	\$ (14,591,453)	\$ (7,256,194)	\$ 8,783,307	\$ 11,584,030	\$ 14,513,414	\$ 17,575,855	\$ 20,775,908	\$ 24,118,301	\$ 27,607,934

Financial Measurements	FMV EOY - Debt EOY <span style="float: right;"><a href="#">Hide/Unhide Ratios</a></span>									
Debt Coverage Ratio (DCR)	-	0.86	1.28	2.14	2.20	2.27	2.34	2.41	2.48	2.55
Loan-to-Value Ratio (LVR)	212.0%	112.0%	73.1%	41.7%	39.5%	37.3%	35.2%	33.1%	31.1%	29.1%
Capitalization Rate Based on Cost	0.00%	3.78%	5.67%	9.46%	9.74%	10.03%	10.33%	10.64%	10.96%	11.29%
Capitalization Rate Based on Resale Price	0.00%	7.20%	7.20%	6.99%	6.99%	6.99%	6.99%	6.99%	6.99%	6.99%
Break-Even Ratio	0.00%	89.31%	79.37%	71.42%	71.08%	70.74%	70.41%	70.09%	69.79%	69.49%
Operating Expense Ratio	0.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
<b>Return on Equity (ROE)</b>	-197.08%	0.00%	0.00%	336.15%	14.38%	14.04%	13.73%	13.44%	13.18%	12.94%
<b>Cash-on-Cash Return - Before Taxes</b>	-15.00%	-1.60%	3.13%	12.58%	13.29%	14.02%	14.78%	15.55%	16.35%	17.17%
<b>Internal Rate-of-Return (IRR) - Before Taxes</b>	Can't Comp.	Can't Comp.	-26.96%	15.02%	14.89%	14.76%	14.63%	14.51%	14.39%	14.27%



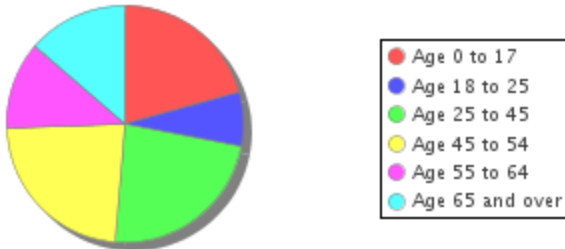
# Estimated Construction Budget

## IL-ALF-MC

PHASE ONE HARD COSTS		
28,471 sq/ft 320 AL 200 Units 200 Beds	\$250/SF	\$ 7,200,000
129,600 sq/ft IL Units	\$160/SF	\$ 20,736,000
8,851 sq/ft Cafeteria/Restaurant/Rec	\$150/SF	\$ 1,327,650
41,781 sq/ft MC 120 Units	\$280/SF	\$ 13,400,000
Site Work (930,877 SF)		\$ 2,300,000
Parking (Surface) (78,710 SF)		\$ 200,000
Parking (Structures)		\$ -
12 Elevators 1-3 Stops		\$ 3,500,000
<b>TOTAL</b>		<b>\$ 48,663,650</b>
ESCALATION CONTINGENCY		\$ 1,459,910
HARD COST CONTINGENCY		\$ 1,459,910
<b>TOTAL HARD - PHASE ONE</b>		<b>\$ 51,583,469</b>
PHASE ONE SOFT COSTS		
Real Estate Taxes		\$ -
Bonds		
Permits & Licenses & Fees		\$ 973,273
Arch, MESP, Struct, other consult		\$ -
Development Costs		\$ 2,919,819
Construction Mgmt. Fee		\$ 2,919,819
Accounting/Legal		\$ 973,273
Zoning & Condo Docs		\$ 486,637
Finance & Closing Costs		\$ 1,946,546
Pre-opening Expense		\$ 200,000
Insurance		\$ 973,273
FFE/OSE		\$ 2,433,183
Leasing Expense		\$ -
<b>TOTAL SOFT - PHASE ONE</b>		<b>\$ 13,825,822</b>
<b>TOTAL HARD &amp; SOFT - PHASE ONE</b>		<b>\$ 65,409,291</b>
Soft Cost Contingency		\$ 1,962,279

Persons	414,836	Families	108,855
Households	157,181	Persons Per Household	2.6
Percent Children	23.73 %		

**Age Distribution**



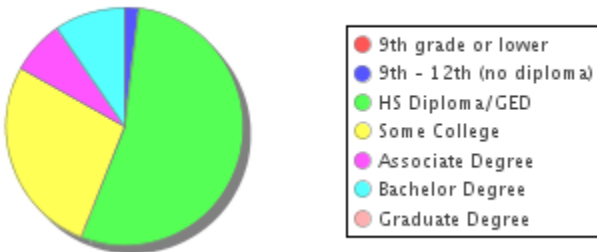
**Occupancy - Rent vs Own**



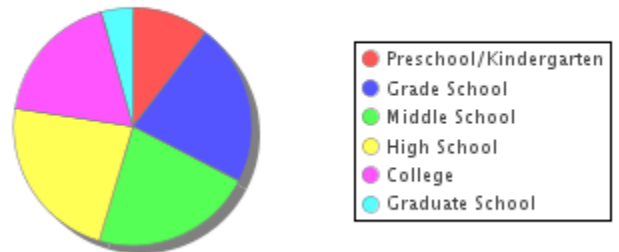
Source: [2020 Census / US Census Bureau](#)

House Median Year Built	1980	Per Capita Income	\$38,456
Average Home Value	\$247,686	Average Household Income	\$79,384
Average Rent	\$1,343		

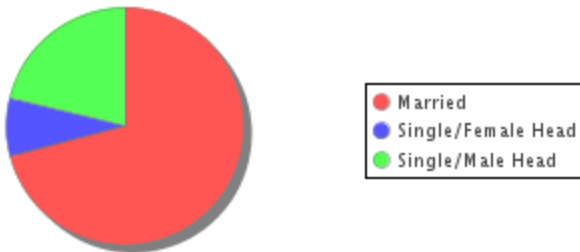
**Education Attained**



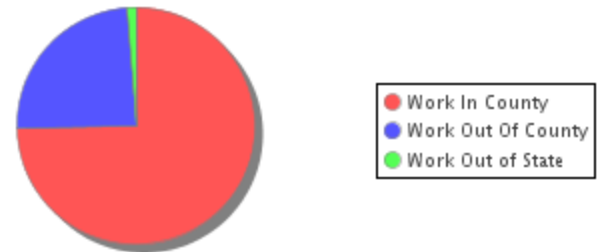
**Education - Current Enrollment**



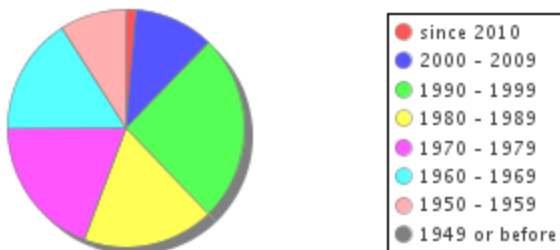
**Family Type**



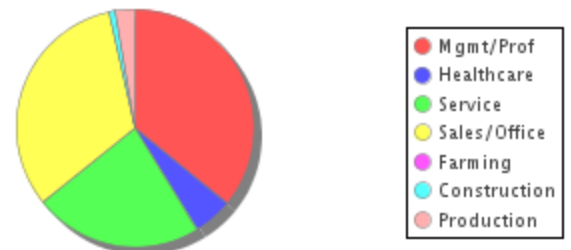
**Place Of Employment**



**Year Built Distribution**



**Occupation**



## Acquisition-Finance-Development-Management

# HEALTHCARE-MEDICAL

## ASSISTED LIVING - INDEPENDENT LIVING - MEMORY CARE



In the past, the Healthcare and Medical industries offered investment and development opportunities only to those experienced in operating, or developing, an **Assisted Living** or **Memory Care Facility**, an **Independent Living Facility**, **Nursing Home** or **Medical Facility**. These areas offer lucrative investment opportunities for our clients.

For our clients who want to get involved in owning an ALF/Memory Care or Medical Facility, but do not have the experience, we bring them A.I.M.!

A.I.M. offers our clients all they need to acquire an existing healthcare or medical facility, or develop one:

- Healthcare/Medical Facility & Land Sales
- Direct Primary Care (DPC) Structuring
- Acquisition & Development Financing
- Development Consultation & Management Services
- Management/Administrative Services
- Business Consulting, Marketing & Branding

**NO EXPERIENCE? NO PROBLEM! Contact us and let's get you started!**

**844-887-2737 (Tampa/Brandon)**

**772-223-3344 (Port St Lucie)**



## Commercial Financing Arrangement

CRES Corp International assists our clients with the provision of project funding:

- Acquisition Funding
  - Multi-Family
  - Hotels
  - Retail
  - Healthcare
  - Medical
- Development Funding

Our Company strives to beat the current loan products offered by financial institutions, private capital and other lending resources. We bring the best loan scenarios to our clients:

- Lower Interest Rates
- Higher Leverage
- Longer Terms
- Non-Recourse
- No Prepayment

For further information on financing contact

**Brian Hartman**, Director, Financing Division – 561-633-8971 or [Brian.Hartman@CRESCorpINTL.com](mailto:Brian.Hartman@CRESCorpINTL.com)



**pharus**group

**pharus**practice

## Business Brokering – Management/Leasing - Consulting

For our clients seeking professional management and consulting for their businesses, CRES Corp International has teamed with the Pharus Group ([www.pharusgroup.com](http://www.pharusgroup.com)) to provide the following:

- Leasing & Management
- Billing, Collections
- Record Keeping/Budgeting, Cash Management
- Account Report Preparation – Monthly-Quarterly-Annual
- Human Resource/Employee Hiring
- Business Enhancement & Branding
- Exit Strategy Consulting
- Web Design/Social Media Management

For the following types of business:

- Retail/Office
- Medical/Health Care ([www.pharuspractice.com](http://www.pharuspractice.com))
- Apartments
- Hotels

Christopher Morhardt, Pharus Group, President - 772-223-3344 or [chris@PharusGroup.com](mailto:chris@PharusGroup.com)



## Commercial Real Estate & Financial Services

CRES Corp International, LLC (CCI) is a Commercial Real Estate firm offering brokerage, finance and management services.

Our unique business model brings to our property owners and investors the means to get transactions completed where all parties are satisfied.

CRES Corp International offers the **Preferred Investor Program (PIP)**, where our clients receive the following benefits:

### Property Owners

- No Exclusive Listing Agreement
- Property introduced only to Pre-Qualified Investors who:
  - Have Sufficient Funds for RE Purchases
  - Have Experience in Investing
  - Make Reasonable Offers

### Investors

- Receive Information on "Off-Market" Property
- Receive information on "Pre-Listed" Property
- Minimal Competition
- Great Price on their RE Purchases

CRES Corp International specializes in the following commercial property:

- Apartments
- Hotels
- MHP/RV
- Office Buildings/Complexes
- Medical Offices & Centers
- Vacant Land (Development)

***For further information contact Benny Spensieri – 813-391-1545 or [Benny@CRESCorpLLC.com](mailto:Benny@CRESCorpLLC.com).***