

724 NE 79th Terrace – Skilled Nursing Facility Acquisition Opportunity

This represents a compelling **value-add SNF living opportunity** in a supply-constrained Kansas City submarket with exceptional demographic tailwinds.

The property's **Certificate of Need, believed to be among the last remaining viable opportunities in this submarket based on current market intelligence**, is currently licensed for 75 and can be amended up to 150 beds.

This, combined with Missouri's estimated **2,000-bed shortage and virtually zero new supply in the development pipeline, according to available data**, creates an extremely rare competitive moat in an affluent, aging market.



Property Overview & Key Metrics

Physical Characteristics:

Building

32,238 SF (built 1983)

Site

4.03 acres (175,547 SF)

Licensed Capacity

75-150 beds (Certificate of Need)

Current Status

Completely gutted, ready for full renovation



Location Advantages:



4 major hospitals within proximity (St. Luke's, Kindred Northland, Liberty, North KC Hospital)



Superior transportation access (Highway 169/Route 152)



20-25 minutes to major attractions (Chiefs/Royals stadiums, downtown KC)



Premium North Kansas City submarket (64118)

Market Positioning & Demographics

Target Demographics (1-mile radius):

\$92,300

Average Household Income

(+14% growth projected)

33%

Population 55+

(vs. 24% MSA average)

44.5

Median Age

years

Market Opportunity:

Supply Constraint

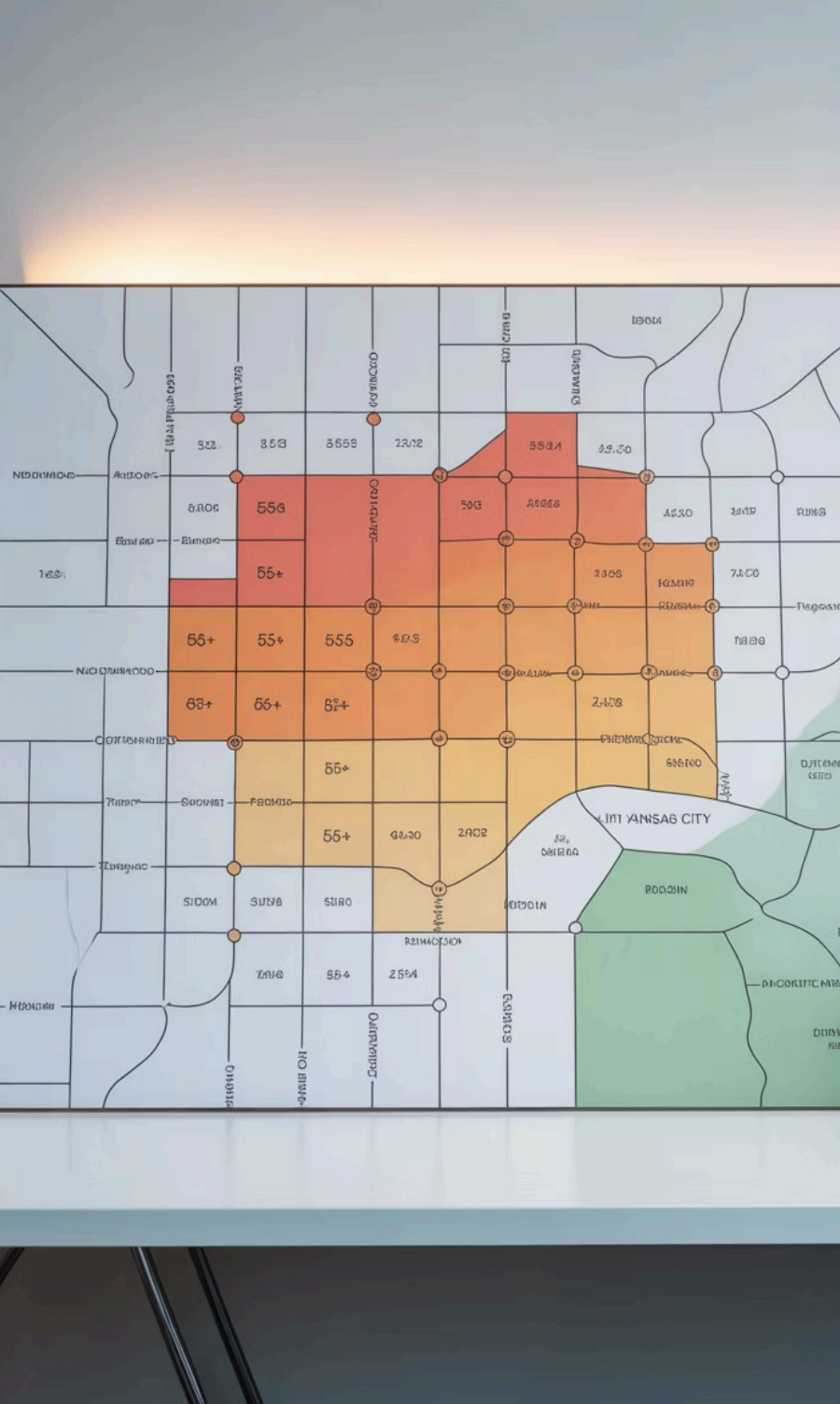
Zero skilled nursing communities in 36-month pipeline, believed to be among the last developable Certificate of Need opportunities based on current market intelligence.

Demand Drivers

65+ age group accounts for 2/3 of population growth through 2035

Competitive Gap

Limited assisted living options in North KC submarket



Area Overview + Landmarks





Missouri CON Market Intelligence Report

"Among the Final Viable Certificate of
Need Opportunities in Kansas City
Metro"

Exclusive Investment Opportunity for Healthcare Real
Estate Professionals

(Based on current market intelligence and available data)

Why This Opportunity Stands Apart

"You're looking at one of the last developable Certificate of Need assisted living opportunities in supply-constrained North Kansas City, based on current market intelligence. This isn't just any location; it's an affluent submarket where 33% of residents are over 55, and crucially, there's zero competitive pipeline. This is your chance to capture a unique market position."

Your Investment Advantages

1 Unmatched Scarcity

You gain access to one of the last available Certificate of Need opportunities in a rapidly growing submarket, believed to be among the final according to available data.

2 Ideal Demographics

You'll tap into an affluent, aging population, providing a perfect and expanding target market for your services.

3 Strategic Location

Benefit from a premium North Kansas City address, strategically positioned near four major hospitals for optimal patient access and referrals.

4 Development Flexibility

You have the flexibility to develop a facility with 75-150 beds, allowing you to scale to market demand.

5 Optimal Timing

Your investment aligns perfectly with current market recovery and strong demographic tailwinds, setting the stage for significant returns.

How This Investment Protects You

"Development-Ready"

All major approvals are already in place, significantly reducing your upfront risk and accelerating your path to development.

"Proven Market"

This submarket has a demonstrated demand for assisted living, backed by clear market data, ensuring a robust customer base for your facility.

"Patient Capital Opportunity"

This is more than a short-term flip; it's an opportunity for you to build a long-term healthcare platform, offering sustained value and growth.



Executive Summary for Healthcare Investors

Missouri's highly restrictive Certificate of Need (CON) environment has created an unparalleled market scarcity, evident in significant competitor project forfeitures.

For sophisticated healthcare operators, this presents a singular opportunity to acquire 75-150 bed development rights in the critically supply-constrained Kansas City metropolitan area.

With zero competitive pipeline and proven regulatory compliance, this represents what is believed to be among the final institutional-quality CON acquisitions based on current market intelligence, offering an exclusive market position to drive substantial value through operational improvements.

Exclusive Opportunity

Among the final remaining
Certificate of Need opportunities
in Kansas City metro area
(according to available data)

Significant Value

Well below replacement cost with
immediate market access

Expansion Potential

150-bed capability in Missouri's
most restrictive CON environment

Market Destruction Creates Unprecedented Opportunity

Statewide CON Forfeitures – 2025 Data

Competitor	Market	Investment Lost	Beds Eliminated	Your Advantage
Smart Senior Living	St. Louis	\$10.0M	80 beds	No Competition
Preserve Village	Branson	\$15.8M	105 beds	Supply Scarcity
Baptist Homes	KC Metro	\$6.4M	48 beds	Market Monopoly
Regional Projects	Various	\$13.8M	50+ beds	Barrier Protection
MARKET IMPACT	Statewide	\$46.0M	283 beds	AMONG THE FINAL OPPORTUNITIES

Kansas City Metro Competitive Analysis:

- **Baptist Homes Smithville:** \$6.4M forfeited (your only KC competitor eliminated)

→ **Development Pipeline:** Zero new CON applications approved (according to available data)
- **724 NE 79th Terrace:** Believed to be one of the last remaining viable CON projects based on current market intelligence

→ **Market Access:** One of the few remaining Certificate of Need holders (extremely rare)

Certificate of Need Specifications & Expansion Rights

Current CON Status:

- **Approved Capacity:** 75 beds (Skilled Nursing Facility)
- **Expansion History:** Originally approved for 150 beds (May 2023)
- **Administrative Flexibility:** Reduced to 75 beds (July 2024) - **Can be amended back to 150 beds**
- **Development Rights:** Renovation of existing 32,238 SF facility
- **Compliance Status:** Fourth extension granted through November 2025



Facility Reconfiguration Analysis

Unlock the full potential of your investment with two strategic options for maximizing bed capacity, aligning with Missouri's CON requirements.

1

Option 1: Convert 18 Larger Rooms to Doubles

Achieve an immediate capacity increase with minimal investment and no additional CON approval.

- **Capacity:** 93 beds (+24% increase)
- **Compliance:** Larger rooms (250-300 SF) easily accommodate 160 SF double room minimums.

2

Option 2: Full Reconfiguration (150 Beds)

A comprehensive strategy to maximize the facility to its full 150-bed potential, complete with specialized wings.

- **Total Available SF:** 32,238 SF (meets 150-bed requirements)

Your Cost Advantage: Significant Savings vs. Market

A look at the high costs faced by others, leading to forfeiture or struggle:

Smart Senior Living

\$125K per bed

Preserve Village

\$151K per b

Arnold Senior Living

\$259K per bed

Market Average: **\$167K per bed**

MEDICARE RATE ADVANTAGE

Understanding the robust reimbursement structure for skilled nursing facilities.

Official CMS PDPM Rates (FY 2025)

Medicare's Patient-Driven Payment Model (PDPM) offers a comprehensive daily rate structure, validated by CMS data, reflecting the complexity of care provided.

Base Components

PT **\$73.25**, OT **\$68.18**, Nursing **\$127.68**, NTA **\$96.33**

Case-Mix Multipliers

1.5x to 4.0x for high-acuity patients, significantly boosting daily rates.

Total Daily Rates

\$450-\$600+ for skilled nursing beds, reflecting high revenue potential.

Annual Increases

4.2% mandated by CMS for FY 2025, ensuring consistent revenue growth.

Market Rate Comparison

This opportunity allows you to capitalize on the highest paying patient segments, providing a significant financial edge compared to other care models.



Medicare SNF

\$450-600/day



Private Pay

\$250-400/day



Medicaid

\$180-220/day

Rate Validation Sources:

- CMS Web Pricer Tool ([webpricer.cms.gov](https://www.cms.gov/webpricer))
- CMS SNF PPS Final Rules ([cms.gov](https://www.cms.gov))

DEVELOPER RETURNS & MARKET OPPORTUNITY

Industry-Leading Returns Without Regulatory Risk

Key Advantages



Eliminated CON Risk

Last viable opportunity in KC metro, ensuring market exclusivity.



Below Replacement Cost

Significant savings compared to new ground-up construction.



Accelerated Timeline

18-month stabilization vs. 36+ month new development.



Expansion Optionality

Secured pathway to a \$21.4M stabilized value.

Developer Spread Benchmarks

1

Industry Standard

20-25% for SNF development

2

High-Risk Markets

30-40% due to CON uncertainty

3

This Opportunity

25-65% potential spreads (depending on acquisition cost)

Risk-Adjusted Investment Advantages

Regulatory Risk Mitigation:

Risk Factor	Market Competitors	Your Opportunity
CON Approval	Required (18+ month process)	✔ Approved & Transferable (one of the last remaining opportunities)
Zoning/Permits	Unknown timeline	✔ Existing Use Rights
Construction Risk	Ground-up development	✔ Renovation Project
Market Competition	New supply possible	✔ Enduring CON Protection (believed to be among the final in the market)
Timeline Certainty	3-5 year development	✔ 18 Month Stabilization

Market Risk Advantages:



Supply Protection

CON (believed to be one of the last remaining) prevents new competition indefinitely, based on current market intelligence.



Demographic Tailwinds

33% of local population over 55 (vs. 24% MSA)



Income Support

\$92,300 average household income within 1 mile



Hospital Proximity

4 major hospitals within 5 miles (referral sources)

Investment Thesis Summary

For institutional healthcare investors, 724 NE 79th Terrace represents:



Market Position

One of the few remaining CON holders in KC metro after competitor forfeitures, according to available data.



Expansion Rights

75-bed current, 150-bed potential (100% upside)



Cost Advantage

28-40% below \$167K market development average



Risk Mitigation

Renovation vs. ground-up, CON vs. application process



Demographic Alignment

Affluent, aging population in supply-constrained market



Financial Engineering

Seller financing reduces capital requirements



Timeline Certainty

18-month stabilization vs. 3-5 year ground-up

Understanding the Value: Why This Asset is Unique

Evaluating an asset like a Certificate of Need (CON) requires a unique approach, as traditional valuation methods often don't capture its full strategic significance. This CON is an exclusive opportunity, protected by substantial regulatory barriers, making it a distinct investment.

When considering this opportunity, it's crucial to look beyond typical market comparisons. The scarcity and regulatory difficulty of replicating such an asset are key drivers of its inherent value. We encourage you to consider the following points as you conduct your evaluation:

Key Considerations for Your Evaluation:



Ground-up Comparison

Consider the costs associated with new Skilled Nursing Facility (SNF) development, which typically range from **\$150-200K per bed**. For a 75-bed facility, this equates to around **\$11-15M** in construction alone.



CON Replacement

This CON is virtually **impossible to replicate** in today's restrictive regulatory environment. It represents years of approved regulatory work and a rare pathway to market entry.



Expansion Value

The potential to develop up to a 150-bed facility offers significant expansion value, effectively doubling operational capacity on the same regulatory platform, leading to a stabilized value of **\$22-30M** based on construction costs alone.

Guidance for Strategic Bidding

For an asset of this unique nature, a thoughtful approach to negotiation is key to securing this rare opportunity.

Opening Position: Valuing Scarcity

We are currently entertaining offers from serious buyers who truly understand the strategic, long-term value and scarcity of this asset.

The seller is not motivated by a quick sale; instead, they are looking for the right price that accurately reflects the unparalleled scarcity value and the significant future potential inherent in this Certificate of Need.

Encouraging Your Best Offer

Interest in this unique opportunity spans various strategic profiles. We are actively engaging with several distinct buyer types, each recognizing different facets of this investment's potential:

Given the competitive interest and the asset's irreplaceable nature, we encourage you to present your most compelling and highest offer.

Midwest CRE Advisors

A full-service commercial real estate brokerage and advisory firm serving the greater Kansas City metro area across all asset classes, including multifamily, industrial, retail, office, and medical sectors.

Logan Freeman, Managing Broker

Midwest CRE Advisors

Logan@MidwestCREadvisors.com

573-694-9669



Confidential Marketing Disclaimer

This marketing package is intended solely for qualified healthcare real estate investors. Distribution is limited to pre-qualified parties who have executed confidentiality agreements. The information contained herein is proprietary and confidential.

Qualified Investors Only

This opportunity is exclusively available to experienced healthcare real estate investors with proven track records.

Confidentiality Required

All recipients must execute a confidentiality agreement prior to receiving detailed information.

Proprietary Information

The data and analysis contained in this presentation are proprietary and may not be shared.

Independent Verification

All statements and data are provided to the best of our ability and knowledge; however, no warranties or guarantees are made regarding their accuracy or completeness. Potential buyers must independently verify all information, statements, and claims through their own due diligence process.