

Case Study Value - Added

Northern Arizona

Rent Range

Old Rates \$1,295 - \$3,500 per month
New Rates \$1,895 - \$6,500 per month

History

The facility was originally constructed as a resort hotel but never opened as one due to litigation and bankruptcy proceedings.



After 10 years of sitting vacant and uncompleted, the subject property opened as a retirement community of 114 independent living units with some assisted living services.

A nationally known senior housing company owned and operated the subject property. Over the course of 10 years of operation, the subject property never exceeded 92 percent occupancy. In the year prior to Turnaround Solutions' marketing sprint, occupancy had dropped to 62 percent.

The property was in disrepair. The exterior needed to be repainted and the interior never had been renovated. The property had the same furniture from the day it opened 10 years prior.

An ineffective heating and cooling system prompted residents and their family members to report the facility's deficiencies to the State of Arizona. As a consequence of the management's inaction, many residents moved out.

The property had been characterized as being in an undesirable location in a small, oversaturated market and viewed as unable to compete with other facilities in the primary market area. The nearest major city is over 100 miles away.

The marketing efforts prior to Turnaround Solutions' arrival failed to produce any net move-ins for over six months.

Changes

Turnaround Solutions streamlined existing management departments to better define maintenance, housekeeping, and resident relations duties.

Since it would take refinancing to fund any renovations or interior redesign, Turnaround Solutions used creative methods, in addition to an extensive cleanup of the community, to give the interior new life.

Turnaround Solutions eliminated the existing Respite Care and Summer Stays programs while simultaneously starting the application process for a more effective Directed Care Program.

Personal care staffing was increased and emergency response time was reduced to provide better resident care services.

Street rents were increased from 25 to 200 percent depending on the unit type.

Turnaround Solutions added resident services for an additional charge such as dog walking, watering plants, and mail reading. Activities were increased to 10-12 activities spanned over the full day.

Results

In four months, occupancy increased from 62 percent to 100 percent with an active waiting list.

The subject property was later appraised and refinanced at nearly two times the purchase price in less than six months as a result of the Turnaround Solutions' sales and marketing efforts.

Turnaround Solutions was able to fill the building with the existing lead base without new lead generation.

Turnaround Solutions found and trained new marketers to carry on the efforts even after the campaign had ended to ensure the re-stabilization of operations.