

## **Start earning from day one with this income-producing property!**

***Opportunity to make a difference in the lives of individuals transitioning through sober living.***

\* Current ownership is willing to provide invaluable support and initial guidance to new buyers.  
Proprietary business information available at close of escrow. \*

- **Structured Environment:** Facility has built a reputation for providing quality care within the sober/transitional living community. Established routines and rules that foster a stable, clean, comfortable, and affordable lifestyle that include shared rooms, communal areas, and recreational spaces.
- **Community Support:** A network of peers who understand, encourage, and motivate each other. Proven success stories and positive outcomes in residents' total health and wellness by providing stable housing. Provided resources of local support groups, community activities, and structured sober/transitional living programs with the city/county. Established credibility and trust within the community and industry.
- **Safety First:** 24/7 management, security system, and enforced house rules to ensure the safety of everyone.
- **Substance-Free Environment:** Regular check-ins and a strict no-tolerance policy.
- **Scalability:** Increasing need for high-quality sober living homes in the community with possibility for expansion on buildable land with additional units, duplex, or single-family home.
- **Current Capacity:** 9 income-producing beds and 2 non-income-producing house manager beds.
- **Diverse Income Streams:** Three reliable sources of income: state-funded, court/program appointed and funded, and direct member pay.
- **Additional Rental Income:** Section 8 approved detached rented studio (ADU) for additional revenue.
- **Bonus Mini Studio:** Attached mini studio offers potential for extra income, separated from the main house by a door.
- **Low Overhead Costs:** Minimal expenses lead to maximized profitability. The facility has never operated at a deficit.
- **Independent Operation:** Facility is independently run, allowing for autonomy in decision-making. Sober living facilities consistently see high demand, ensuring occupancy. Well-established systems and house managers in place for smooth operation. Proven occupancy track record with steady tenant flow. The current experienced house manager may be willing to stay onboard post-sale, ensuring continuity and smooth operations.

## FAQs for ROI

- 1) **Are there any immediate maintenance needs?** Nothing noted aside from normal wear and tear items.
  
- 2) **Can this land be expanded upon?** Yes, current owners have checked with planning and development, this property can be expanded to include a duplex, an additional single-family home or a mixture of both. The community of Spring Valley is an unincorporated area of San Diego County making expansion that much easier.
  
- 3) **Will I need any type of license to acquire this business?** No. This is a turnkey business and because the city of Spring Valley is an unincorporated area, no business license is required.
  
- 4) **What is the reputation of the property?** This address has a massive existing client base and reputation with the county of San Diego, court systems, and justice department with a current waiting list for placement of new residents.
  
- 5) **Is there immediate cashflow?** Yes, with an existing profitable business from day one of current ownership, this business is set and ready to go. The property is fully furnished and operational with little to no need for additional expenditure to set up the property, saving the buyer time and money allowing them to focus on maintaining or growing the business.
  
- 6) **Is there a proven business model?** Yes, with six years at this location, the business has always been profitable. Any buyer can be confident that the current business model is more than proven.

### \*Summarized Benefit\*

As an already established independent living property that offers room for expansion, whether through increasing occupancy, adding services, or optimizing operations to further increase profitability, the groundwork is already laid. Scaling the business can lead to even greater returns.

## Valuation of property & business worth

### 1. Property Value:

- **Market value of the property:** \$850,000 +

### 2. Business Value:

- **Annual gross revenue:** \$176,000
- **Annual net profit:** \$120,000

To evaluate the business value, we use a **multiple of earnings (Net Profit)**. For a sober living facility, the multiple can range from **2x to 5x** or higher, depending on demand, location, and risk.

We are using a multiple of **3x** to be conservative:

- **Business value** = Net Profit  $\times$  Multiple = \$120,000  $\times$  3 = \$360,000

### 3. Total Value (Property + Business)

- **Business value:** \$360,000
- **Property value:** \$850,000

**Estimated Business Worth = \$360,000 + \$850,000 = \$1,210,000**