## **Silverleaf Rehabilitation Center – Construction Takeout (Healthcare Facility Build-Out)**

**Document Type:** *Investment Committee Summary (internal memo)*

**Overview:** Sponsor requests $19.8 MM takeout for newly built 84-bed rehabilitation center in western Pennsylvania. Facility opened six months ago with partial occupancy (42 %). Management agreement with RiverCare Health expires in two years with one extension option.

**Underwriting Metrics:**

* **Total Cost:** 23.5 MM
* **Loan Request:** 19.8 MM (84 % LTC)
* **NOI (Year-1):** 1.08 MM → 1.62 MM stabilized
* **DSCR:** 0.92× → 1.25×
* **Cap Rate:** 6.1 % projected
* **IRR (levered):** 9.8 %
* **LTV (as-is):** 87 %

**Comments:** Facility underperforming vs. feasibility study. Medicaid reimbursement approval delayed, forcing temporary rate freeze. Borrower’s cash reserve = $600 k (< 3 months burn). Appraisal assumes 80 % stabilized occupancy by 2026, which seems optimistic.

**Committee Outcome:** Recommend partial approval only after twelve-month trailing NOI > 1.3 MM and long-term management renewal executed.