

# Managing Facility Refurbishment and Change

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Owner / CEO



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# How we started

## August 2002



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# How we started

**August 2002**

- Purchased 18 Bed Rest Home with a 2-Bedroom Unit and 4 Studio Apartments



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# How we started

- Renamed the facility & painted the Interior
- 67% Occupancy to 100% by January 2003
- 17 Staff



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# 1<sup>st</sup> Development

## April – November 2007



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# 1<sup>st</sup> Development

**April to November 2007**

- Built a 31 Bed Hospital Extension  
(49 Beds + 2 Studio Apartments)



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# 1<sup>st</sup> Development

- Refurbished Existing 18 Bed Rest Home
- Increased Staff from 17 to 47
- 100% Occupancy by April 2008



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# 2<sup>nd</sup> Development

## July 2010 – March 2011



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# 2<sup>nd</sup> Development

July 2010 to March 2011

- Built a 39 Bed Hospital Extension  
(88 Beds)



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# 2<sup>nd</sup> Development

- Implemented Computerised Patient Management System in October 2010
- Increased Staff from 47 to 84
- 100% Occupancy by July 2011



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# Planned 3<sup>rd</sup> Development

**October 2011 to July 2012**

- Demolish existing 18 Bed Rest Home  
Build 34 Hospital Beds  
(104 Beds)



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# How do we do it?

- Found the right Architect / Designer
- Talked to and visited other Provider Facilities
- Listened to our Staff on Design Elements



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# How do we do it?

- Surrounded ourselves with Experienced Business Advisors
- Used the Bank's Quantity Surveyor for advice



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# How did we get Funding?

- Established Business Relationships with Existing Bankers
- Funders/Bankers wanted at least 3-5 years Projected Cash Flows & Statement of Financial Position



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# How did we get Funding?

- Funders/Bankers wanted a Valuation – “As is” and “As if complete”
- Engaged the Bank’s Quantity Surveyor, who knew what the Bank process were and how to present documentation



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# What did we learn?

- Design Issues – be flexible & don't make too many changes to final plans  
(Changes cost money)
- Pricing – Varies and depends on market conditions



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# What did we learn?

- Budgeting – have a good construction contingency
- Ramp up – budget for 3 to 7 beds per month
- Good things take time, be patient



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# Hindsight

## What would we change?

- Minor Design Changes to allow for greater Facility flexibility
- Tighter Tendering Conditions
- Increased Construction Programme Monitoring



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# Steps & Advice for Refurbishment and Change



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# 1<sup>st</sup> Step

## Identify Market Trends

Look for Gaps

Find your Niche

ARC Service Review



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# 2<sup>nd</sup> Step

## Business Advisors

Accountant

Lawyer

Architect / Designers

Quantity Surveyors / Contract Consultants



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**2<sup>nd</sup> Step**  
**Business Advisors**  
**Accountant**

Cash Flow Forecasts

Budgeting, Costs & Ramp Up Projections

Assist in Bank/Funding Discussions



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**2<sup>nd</sup> Step**  
**Business Advisors**  
**Lawyer**

Sound Legal Advise

Review of Loan Documents

Structure of Property & Investments



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# 2<sup>nd</sup> Step

## Business Advisors

### Architect

Experience in Rest Home / Hospital Design

Bulk Location (Layout of Bedrooms)

Resource & Building Consents



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## 2<sup>nd</sup> Step

# Business Advisors

## Quantity Surveyors / Contract Consultants

Tender Documents & Analysis

Contract Documentation & Negotiation

Funders Report (Pre-condition Report for Bank)



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# 3<sup>rd</sup> Step

## Feasibility Study

Projected Occupancy

Ramp Up (how long to fill rooms)

Construction / Equipment Costs



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# 3<sup>rd</sup> Step

## Feasibility Study

Budgeting / Cash Flow Forecasts

Valuation – will it stack up

Funding Approval



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# 4<sup>th</sup> Step

## Contract Tender

Tender (Contractor) Selection

Issue Documents to Contractors for Tender

Tender Analysis



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# 5<sup>th</sup> Step

# Construction

Construction Programme  
(Start / Finish Dates)

Audits & MoH Certification



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# 5<sup>th</sup> Step

# Construction

Fire Evacuation Scheme Approval

Certificate of Code Compliance



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# Last Step

# Opening & Ramp Up

Staffing & Resources

Marketing – Media/Advertising

Celebrate your Success & Thank your Staff



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