

Families Taking Care of Families

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Family-run senior living communities have had a long history in our industry, but perhaps not many as long as the Rauls family in Georgia. Going back to their grandfather, who owned and operated one of the first nursing homes in Georgia more than 60 years ago, for John Rauls and his sister Ashley, you can say taking care of the elderly runs in their blood. Their father has also been in the business, and is in fact the Chairman of **Rauls Living Inc.**, with John as CEO and Ashley as COO. Rounding out the C-Suite is the CFO, Jimmy Hill, a non-family member, but no one is holding that against him. John was recently vice president at **Southeastern Retirement Management**, which had several Rauls family members running it.

Because it is a family-owned and run business, they do look at themselves as a “family taking care of other families.” You could say it’s personal. The company is small now, with two communities located in Georgia (their home base) and North Carolina, but they are planning on growing.

In Macon, Georgia, they own and operate a 130-unit community with 80 assisted living and 50 memory care units. In the last 90 days, they have increased occupancy by 10% to about 80%, and expect it to continue to increase. That is an exceptional increase. Outside Cary, North Carolina they own and operate a 167-unit independent living community that also provides some supportive services. Occupancy there is in the low 70% area, but with some recent additions to the sales team they expect to see net increases of three to four units a month in the near term. The sales team in Cary is newer than in Macon, so they are expecting to match that 10% increase before the end of the year.

The good news for Rauls Living is that both communities have excess land on which to expand. Preston Pointe in North Carolina sits on six acres but has an additional eight acres on which to add units and services. John-Wesley Village in Macon, Georgia has an extra 14 acres. Obviously, the first goal is to bring census back up at both communities, which seems to be on track, and then to work on expansion projects. They are already interviewing contractors.

After that, they will either acquire or develop, depending on the opportunities. They like the active adult market, partly because it fills a need and partly because the staffing requirements are so minimal. They may go this route but with some extra services. They are conservative, trying to maintain a 50% leverage on their balance sheet, and right now they are not looking for outside equity to grow. We guess you could say they want to keep it in the family.