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## **Worthiness of Investment Analysis in Nursing Homes for the Elderly**

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### **Abstract**

The aim of the current study is to study the financial feasibility and accomplish a sensitivity analysis for investment in nursing homes for the elderly. The primary data are from interviews of entrepreneurs of small and medium sized nursing homes. The results showed that the main reason for putting elderly parents in the nursing home was that they are more secure than leaving their elderly family members at home alone. A study of financial feasibility found that investing in a nursing home for the elderly is a worthy investment. The case examined considered houses or villas that can accommodate 10 elderly people. Average monthly cost of the project in first year is 51,250.20 baht. The pricing is marked up by 28-30% to average of around 65,000 baht for nursing homes that have the same style. The project has a return of 20%. Sensitivity analysis of the project indicates that if the benefits are reduced by 10%, the total cost is increased by 10%, and the project is still worthy of investment. However, the return for a nursing home are not as much as some other businesses. This is because there are high operating costs since personnel with special expertise are required. So, if the government offers a tax exemption, the returns will increase, which will incentivize more people to invest in such businesses to accommodate the rapid increase in the elder population.

**Keywords:** feasibility, elderly nursing home, investment