

# MULTICARE + AON

420 McPhee Rd SW Olympia, WA 98502

NEW 5-YEAR AON LEASE & NEW 3-YEAR MULTICARE LEASE  
AND SUITE EXPANSION LOCATED NEAR MULTICARE CAPITAL  
MEDICAL CENTER IN OLYMPIA, WA

BARK &  
GARDEN CENTER

 HARRISON AVE NW (21,000 VPD)

LEW RENTS  
WEST

420 MCPHEE RD SW,  
OLYMPIA, WA 98502

 MCPHEE RD SW

MultiCare 

 **AON**  
American Oncology Network

ACTUAL PROPERTY PHOTO







# THE OFFERING

*420 McPhee Rd SW Olympia, WA 98502*

Marcus & Millichap's Brown Retail Group has been selected exclusively to market for sale **MultiCare + AON, a fully leased medical office building located in west Olympia, WA**, just minutes from the region's two largest hospitals— MultiCare Capital Medical Center and Providence St. Peter. The property is 100% occupied by MultiCare and American Oncology Network (AON), offering stable cash flow with strong credit tenancy and long-term medical demand drivers. MultiCare recently expanded with a new 3-year lease for Suite 201, increasing its occupancy to nearly 48% of GLA, while AON executed a new 5-year lease extension, further strengthening the tenancy profile. All leases include 2.0%–3.0% annual rent increases, providing consistent income growth and inflation protection. Priced at a 7.30% cap rate, the asset delivers compelling yield supported by highly durable tenancy— Vista Oncology (now AON) has occupied since 2013 and Capital Medical Center (now MultiCare) since 2018. Built in 2013 with high-quality construction and minimal anticipated capital expenditures, the property serves a dense, affluent population base of approximately 90,000 residents within five miles with average household incomes nearing \$100,000. Located in Washington, an income tax-free state, the asset offers additional investor advantages with recession-resistant healthcare tenancy and staggered lease expirations supporting predictable long-term revenue.

**PRICE: \$3,150,000**  
**CAP RATE: 7.30%**

ACTUAL PROPERTY PHOTO





MULTICARE + AON **SUMMARY** AS OF OCT 2025

Address	420 McPhee Rd SW, Olympia, WA 98502	Price	\$3,150,000
GLA	9,555 SF	Cap Rate	7.30%
Lot Size	0.86 Acres	Price/SF	\$330
# Suites	3	Year Built	2013

Tenant Name	Suite	SF	% Bldg Share	Lease From	Lease To	Rent/ SF	Rent/ Mo	Rent/ Year	Changes On	Changes To	Lease Type	Options
AON Vista Oncology [1]	100	5,000	52.3%	1/4/13	12/31/30	\$32.85	\$13,688	\$164,250	N/A	N/A	NN	-
MultiCare Capital Medical Center	200	3,100	32.4%	11/1/18	11/30/27	\$28.14	\$7,270	\$87,240	Dec-2026	\$88,984	Gross	1, 3-Year
MultiCare Weight Loss Clinic	201	1,455	15.2%	7/16/25	8/31/28	\$28.14	\$3,412	\$40,944	Sep-2026	\$41,763	Gross	2, 3-Year
Total		9,555				\$30.61	\$24,369	\$292,433				

ACQUISITION FINANCING

LTV	68%
Interest Rate*	6.00%
Pricing Index	5-year Treasury + 225 bps
Amortization	25 or 30 Years
Prepayment Penalty	Negotiable
Cash on Cash Return**	7.54%
Return on Equity	10.17%

FOR ADDITIONAL LOAN PROGRAMS PLEASE CONTACT:  
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\* As of 8/4/2025.  
\*\* Assumes 30-year amortization.

MULTICARE + AON **OPERATING STATEMENT**

Income	Year 1	Per SF	Notes
Scheduled Base Rental Income	292,852	30.65	
Expense Reimbursement Income			
CAM	11,978	1.25	[1]
Insurance	2,273	0.24	[1]
Real Estate Taxes	14,300	1.50	[1]
Total Reimbursement Income	\$28,551	31.3%	\$2.99
Effective Gross Revenue	\$321,403		\$33.64

Operating Expenses	Year 1	Per SF	Notes
Common Area Maintenance (CAM)			
Repairs & Maintenance	11,013	1.15	[2]
Internet	3,577	0.37	[2]
Licenses & Permits	137	0.01	[2]
Security	511	0.05	[2]
Utilities	22,891	2.40	[2]
Trash & Janitorial	8,661	0.91	[2]
Insurance	4,344	0.45	[3]
Real Estate Taxes	27,327	2.86	[4]
Management Fee	12,856	4.0%	1.35 [5]
Total Expenses	\$91,316		\$9.56
Expenses as % of EGR	28.4%		
Net Operating Income	\$230,087		\$24.08

Notes
[1] AON Vista Oncology to sign 5-Year lease extension at closing. Lease terms set at \$32.85/SF Modified Gross with reimbursements for utilities, insurance, and property taxes.
[2] Per Property Manager's Annualized Jan - Oct 2025 P&L.
[3] Per Property Manager's 2024 Profit & Loss Statement.
[4] 2025 Property Taxes per Thurston County assessor.
[5] Management Fee 4% of EGI.



# THE HIGHLIGHTS

## NEW MULTICARE EXPANSION & NEW 5-YEAR AON LEASE

MultiCare currently occupies Suite 200 with an outpatient therapy clinic (physical therapy, speech therapy, and lymphedema treatment). They recently executed a new 3-year lease for Suite 201 to open a weight-loss clinic starting September 1, 2025, expanding their footprint to nearly 48% of the GLA and demonstrating strong long-term commitment to the site. In addition, AON has signed a new 5-year lease, further strengthening the tenancy profile and reinforcing the property's stability and medical-office demand.

## 100% OCCUPIED MEDICAL BUILDING

The property is fully occupied by American Oncology Network and MultiCare, providing an investor with stable, immediate cash flow in a high-demand healthcare corridor.

## ANNUAL RENT INCREASES

All three leases benefit from annual rent increases. The annual increases range from 2.0% - 3.0%.

## HIGH-YIELD INVESTMENT

The opportunity is priced at an attractive 7.57% cap rate on current income, and features annual rent increases across all three suites, providing an investor with strong in place cash flow and a hedge against inflation.

## STRATEGIC LOCATION NEAR MAJOR MEDICAL CAMPUSES

The property is ideally located just minutes from both the MultiCare Capital Medical Center and Providence St. Peter Hospital, Olympia's two largest medical campuses. This proximity strengthens tenant synergies, supports patient referrals, and reinforces long-term demand from healthcare users seeking access to established medical hubs.



## HIGH QUALITY CONSTRUCTION

The building was built in 2013 and features high quality construction, efficient layouts, and limited near-term capital needs, minimizing future investor expense.

## STRONG HISTORICAL OCCUPANCY

Vista Oncology has been a tenant at the property for more than a decade, since it was built in 2013, and was acquired by American Oncology Network (AON) in 2019. Capital Medical Center has been a tenant in the property for more than 7 years, since 2018, and was acquired by MultiCare in 2021.

## SOLID MEDICAL GUARANTEES

The leases are guaranteed by MultiCare Health System and American Oncology Network, two leading healthcare providers with strong footprints. MultiCare operates 300+ care locations and 13 hospitals across the Pacific Northwest. AON supports 290+ oncology providers across 21 states.

## ESSENTIAL TENANTS

Healthcare remains a fundamental need in all economic environments. The property's tenancy of essential medical providers ensures stable occupancy and reliable income through all market cycles.

## STAGGERED LEASE EXPIRATIONS

The leases across all three suites feature staggered lease expirations, ensuring long-term occupancy levels and supporting predictable revenue.

## DENSE, AFFLUENT DEMOGRAPHICS

The property draws from a dense population of roughly 90,000 residents within a 5-mile radius, with average household incomes nearing \$100,000.

## INCOME TAX FREE STATE

Washington State is an income tax free state.





# MultiCare Capital Medical Center

MultiCare acquired the operations of Columbia Capital Medical Center, an outpatient therapy clinic, in 2021 and has been re-branded to MultiCare Capital Medical Center - Outpatient Therapy Services.

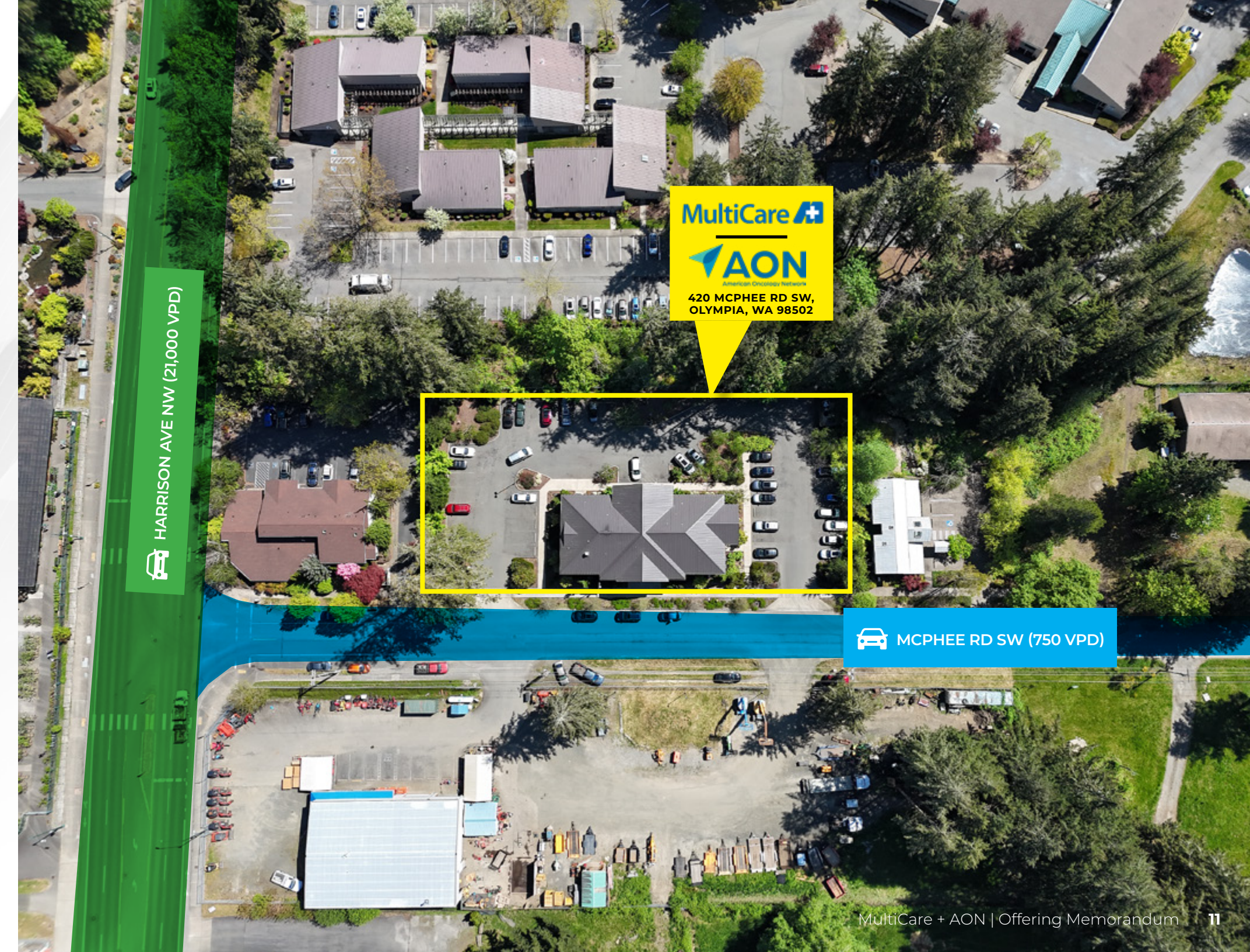
The clinic provides physical therapy, speech therapy, and lymphedema treatment services. It functions as part of the Capital Medical Center hospital just up the road, so receives patients from the hospital and also from the surrounding area.

MultiCare is a locally governed, nonprofit health system dedicated to serving communities across the Pacific Northwest. MultiCare's roots in the Pacific Northwest go back to 1882, with the founding of Tacoma's first hospital. Today, their comprehensive system of health includes more than 300 primary, urgent, pediatric and specialty care locations across Washington, Idaho and Oregon, as well as 13 hospitals. They welcome patients from the entire Pacific Northwest region and our 20,000-plus team members — including employees, providers and volunteers.

<https://www.multicare.org/>



American Oncology Network (AON) acquired the operations of Vista Oncology in 2019 and is continuing to operate as “Vista Oncology, a division of AON”. AON is a “national alliance of physicians and healthcare leaders partnering to ensure the long-term success of community oncology”. They provide comprehensive support, ancillary services and proven practice management expertise to empower physicians to make cancer care better. Vista offers a unique model of physician-led, community-based oncology management. With services such as a centralized specialty pharmacy, diagnostics, pathology, fully integrated electronic medical records, a care management team and a variety of financial assistance programs, an alliance with AON ensures that patients' experiences will be at the very pinnacle of cancer care today. Vista's partners and care teams are leaders in scientific discovery for the prevention, treatment, and curing of cancer. They include UW Medicine, Fred Hutchinson Cancer Research Center, Seattle Cancer Care Alliance, and Virginia Mason Medical Center.



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AON  
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HARRISON AVE NW (21,000 VPD)

MCPHEE RD SW (750 VPD)



OLYMPIA, WA

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2024 Population	9,169	42,757	89,991
2029 Pop. Projection	9,659	45,174	95,080
Pop Growth 2020-2024	0.5%	0.9%	0.9%
Annual Growth 2024-2029	1.1%	1.1%	1.1%
Avg. HH Income	\$82,525	\$89,549	\$96,568

TRAVEL TIMES

OLYMPIA - 10 MIN

TACOMA - 40 MIN

SEATTLE - 1 HR 10 MIN

MULTICARE + AON

420 MCPHEE RD SW, OLYMPIA, WA 98502

OLYMPIA, WA

Olympia, the capital city of Washington state, is located at the southern end of the Puget Sound. The city is 30 miles southwest of Tacoma and 60 miles from Seattle via Interstate 5. The Olympia-Tumwater metro encompasses all of Thurston County. Joint Base Lewis–McChord borders the county on the northeast and its proximity impacts the market’s economy. Art and cultural activities can be found at the Washington Center for the Performing Arts, the Hands On Children’s Museum, Yashiro Japanese Garden or the WET Science Center.

ECONOMY

- The largest private employer is Providence St. Peter Hospital with 2,800 workers. Capital Medical Center and Kaiser Permanente are other major healthcare companies in the metro.
- Agriculture remains a significant driver in the local economy, led by livestock and poultry production. Berries, vegetables and trees are the dominant crops grown.
- Nearby Joint Base Lewis-McChord has a significant impact on the local economy. There are roughly 38,000 service members and 15,000 civilians on the base. Many of the soldiers and their families live, eat and shop in Thurston County.

LARGE GOVERNMENT SECTOR:

The state government employs roughly 26,000 workers throughout Thurston County. Additional hiring comes from federal and local entities.

JOINT BASE LEWIS-MCCHORD:

Located along I-5 adjacent to Thurston County, JBLM is home to the Air Force’s 62nd Airlift Wing and the Army’s I Corps.

INSTITUTIONS OF HIGHER LEARNING:

Evergreen State College. South Puget Sound Community College and Stain Martin’s University contribute to an educated and skilled workforce.



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