

MCKAY CREEK ASSISTED LIVING

1601 Southgate Place, Pendleton, OR



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SECTION 1

EXECUTIVE SUMMARY



MCKAY CREEK ASSISTED LIVING

1601 Southgate Place, Pendleton, OR 97801



PROPERTY NAME

McKay Creek Assisted Living

PROPERTY LOCATION

1601 Southgate Place, Pendleton, OR 97801

NUMBER OF UNITS

44-Unit Assisted Living Facility

YEAR BUILT

2000 (modern construction)

BUILDING SIZE

33,250 SF (Level 1 - 20,092 SF; Level 2 - 13,158 SF)

UNIT COUNT

44 Units

PARKING

31 Spaces on site

LICENSING

Oregon DHS-Licensed Residential Care facility

ZONING

R-1

SINGLE-TENANT NNN LEASE

PRICING SUMMARY		
	Year 1	Year 3
Scheduled Gross Income	\$581,824	\$611,278
Expenses	\$0.00	\$0.00
Net Operating Income	\$581,824	\$611,278
Capitalization Rate	6.75%	7.09%
Property Price	\$8,620,000	
Price Per Square Foot	\$259.00	
Price Per Unit	\$195,909	



CAPACITY COMMERCIAL GROUP is pleased to announce the opportunity to own the well-located Long-Term Lease, Single Tenant investment located in Pendleton, Oregon.

THE OFFERING

The McKay Creek Assisted Living is an excellent investment property. It offers long term stability with a 20-Year Lease Term in place. Additionally, this is a hands-off investment with the Tenant responsible for all expenses including capital costs. With easy access off Interstate-84, it serves the Greater Pendleton and Umatilla County Area.

PRICE: \$8,620,000

- 6.75% Capitalization Rate
- Price per unit: \$195,909
- Price per SF: \$259 / SF

INVESTMENT HIGHLIGHTS

- Long-Term Absolute-NNN Lease
- 20-year primary term through 2044, 18+/- years remaining; tenant pays all taxes, insurance, maintenance, and capex.
- Operated by Publicly-Traded PACS Group, which operates 300+ facilities across 17 states.
- Managed through Providence Group NH, LLC — a subsidiary of PACS Group, Inc. (NYSE: PACS).
- Built-In 2.5% Annual Rent Growth
- Escalations every July 1 provide a 64% total base-rent increase over the primary term.
- Purpose-Built Senior Housing
- 33,250 SF, 44-unit assisted living community on 1.77 acres with 31 on-site parking stalls



ASSET SUMMARY	
Address	1601 Southgate Place Pendleton, OR 97801
Year Built	2000
# of Units	44
Construction Type	Frame/Wood
# of Stories	2
Land Area	Approx 1.77 AC (Per County Records)
Siding Veneer	Wood
Roof Material	Comp Shingle
Zoning	R-1
County	Umatilla

UNIT MIX	
BD/BA	# of Units
Studio	20
1/1	22
2/1	2
Total	44

COMMON AMENITIES	
Dining Room	YES
Commercial Kitchen	YES
Activities / Living rooms	YES
Salon	YES
Wellness Area	YES

SECTION 2

NEARBY POINTS OF INTEREST



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SECTION 3

LEASE ABSTRACT



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LEASE ABSTRACT

Landlord	Delamarter & Delamarter, L.L.C. (Oregon)
Tenant	McKay Creek Community Healthcare, LLC (single-purpose entity)
Operator	Providence Group NH, LLC (PACS Group, Inc. affiliate)
Lease Type	Absolute Triple-Net (NNN)
Commencement Date	September 1, 2024
Primary Term	20 Years (expires August 31, 2044)
Renewal Options	Two (2) consecutive five-year options at fair market rent
Initial Base Rent	\$46,149 per month (\$553,788 / year)
Current Base Rent (Lease Yr 3)	\$48,485 per month (\$581,824 / year)
Escalations	2.5% annual increase every July 1
Property Taxes	Tenant responsibility (absolute-NNN)
Insurance	Tenant responsibility; landlord named as additional insured
Maintenance & Repairs	100% tenant responsibility, including roof, structure, and capex
Utilities	Tenant pays all utilities directly
Assignment	Permitted to affiliate; third-party assignment requires consent
Guaranty	None from parent; Prestige Care guaranty applies to future assignment
Purchase Option	None
Right of First Refusal	None

CREDIT & GUARANTY NOTE

The lease is held by McKay Creek Community Healthcare, LLC, a single-purpose Oregon LLC. The facility is operated through Providence Group NH, LLC, a subsidiary of PACS Group, Inc. (NYSE: PACS), a large publicly-traded post-acute care operator. The Prestige Care guaranty referenced in Section 38 applies only if the lease is assigned back to Prestige — no parent guaranty from PACS is in place at this time.

TENANT & OPERATOR STRUCTURE

A three-tier operating structure: strong publicly-traded parent, regional subsidiary, and single-purpose lease entity

PARENT COMPANY

PACS Group, Inc.

NYSE: PACS | Salt Lake City, UT

One of the largest post-acute care operators in the U.S. with 300+ skilled nursing, senior living, and independent living facilities across 17 states. Strong credit profile and operational scale.



REGIONAL SUBSIDIARY

Providence Group NH, LLC

PACS Group Subsidiary | Pacific Northwest

PACS-affiliated regional operator managing the McKay Creek community. Provides operational oversight, licensing, staffing, and quality management for the senior living portfolio across the region.



LEASE ENTITY (TENANT)

McKay Creek Community Healthcare, LLC

Single-Purpose Oregon LLC | Tenant of Record

Single-purpose Oregon limited liability company — the entity that signed the lease. Holds the Residential Care Facility license and operates the McKay Creek Assisted Living community.

SECTION 4

PROPERTY PHOTOS



MCKAY CREEK ASSISTED LIVING

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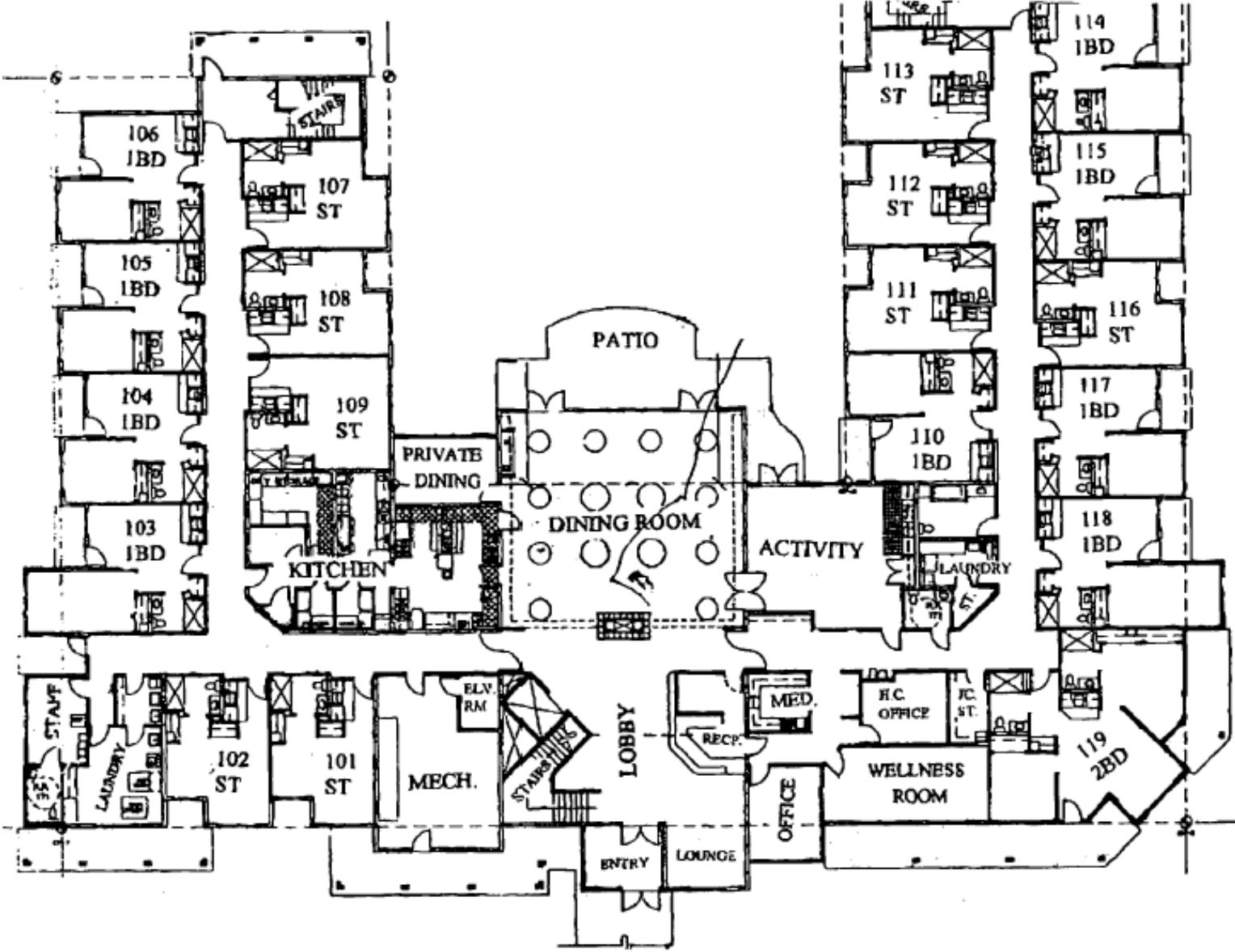
SECTION 5

FLOORPLANS

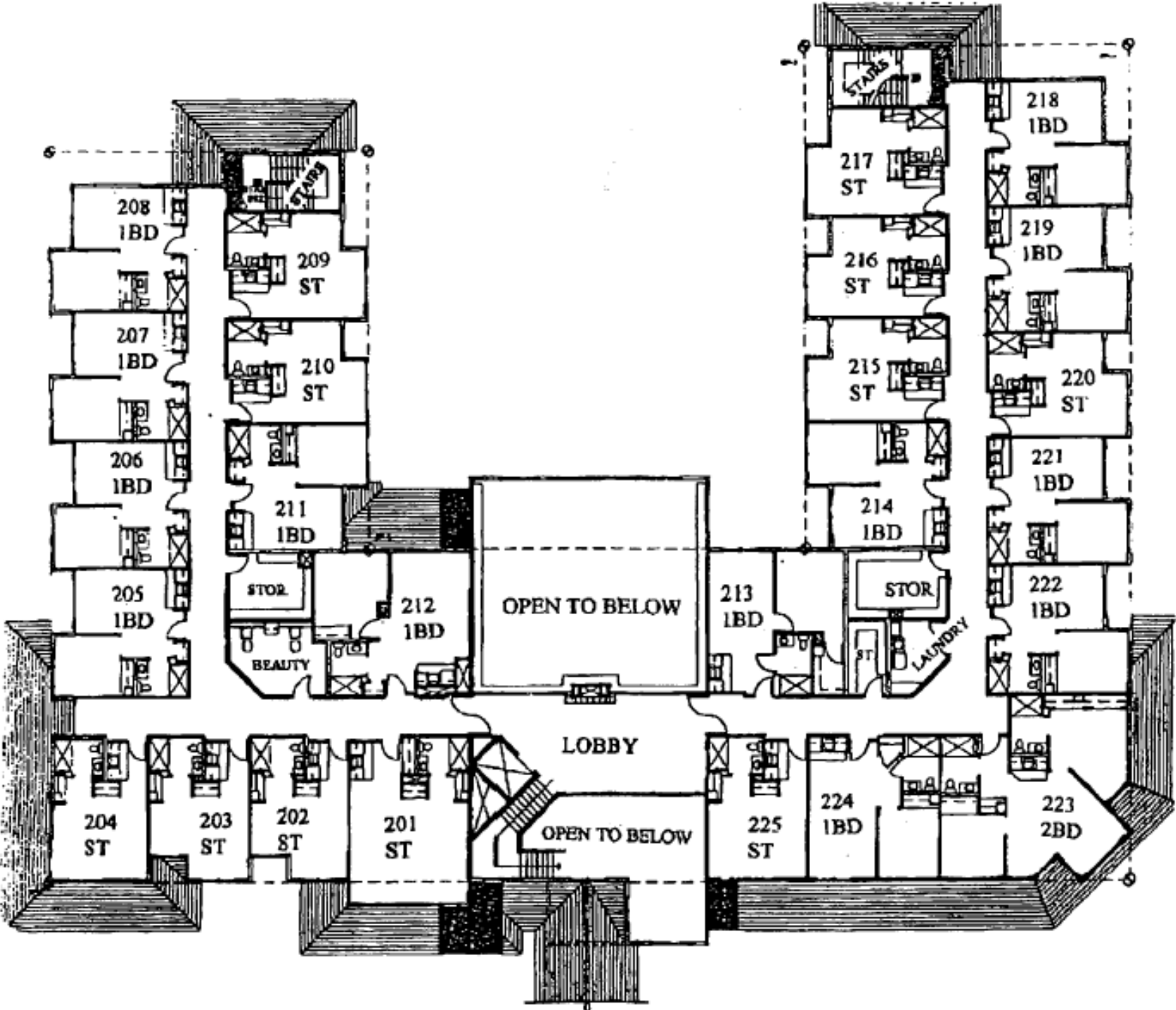


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FIRST FLOOR



SECOND FLOOR

SECTION 6

PENDLETON HIGHLIGHTS



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PENDLETON, OREGON

MARKET HIGHLIGHTS

Pendleton is the county seat of Umatilla County and the principal city of a regional trade area spanning eastern Oregon. Anchored by a diversified economy — healthcare, tribal enterprise, advanced aerospace testing, manufacturing, corrections, and agriculture — the city is the dominant senior-services hub for a multi-county draw across Eastern Oregon.

DEMOGRAPHICS & SENIOR GROWTH

~17,000 PENDLETON POPULATION City of Pendleton (2024 est.)	~16.7% POPULATION AGE 65+ Umatilla County (ACS 2018-2022)	\$66,563 MEDIAN HH INCOME Pendleton (2024)
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- Pendleton is the largest city and service hub of Umatilla County (county population ~80,000), drawing senior demand from a multi-county trade area across Eastern Oregon and southeast Washington.
- Umatilla County's 65+ population is ~12,800 — a cohort that expands materially as boomers continue to age in place in rural Oregon. The county senior population percentage has increased from approximately 12% since 2010.
- Tertiary market with meaningful barriers to new supply: state residential-care licensing, limited developable infill, and a thin construction-lending market insulate existing operators from overbuild risk present in larger MSAs.

ECONOMY & MAJOR EMPLOYERS

CTUIR / Wildhorse Resort & Casino Confederated Tribes of the Umatilla Indian Reservation operate Wildhorse Resort & Casino, Cayuse Technologies, and a portfolio of tribal enterprises east of town — among the largest employers in the region (Wildhorse ~800 employees; CTUIR ~1,700+ across all enterprises).	CHI St. Anthony Hospital Acute-care hospital serving Pendleton and the surrounding region since 1901. Licensed for 49 beds; Level IV trauma center. Primary healthcare anchor and referral source for post-acute care.
Regional Data-Center & Logistics Corridor Neighboring Hermiston and Boardman (Umatilla & Morrow counties) host one of the Pacific Northwest's largest data-center clusters (Amazon AWS, others) plus Walmart, FedEx, and UPS distribution — spillover demand for Pendleton housing and services.	Pendleton Woolen Mills Iconic American textile manufacturer founded in Pendleton in 1909 — one of the region's longest-tenured private employers and a core piece of the city's brand identity.
	Pendleton UAS Test Range One of the FAA's designated Unmanned Aircraft Systems (UAS) test sites with ~14,000 sq mi of approved airspace. ~150+ aerospace jobs created; 100-acre airport industrial park with fiber infrastructure.

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REPRESENTED BY

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