



# VETERANS AFFAIRS OUTPATIENT CENTER IN FRANKLIN, PA



**125 HOME DEPOT DRIVE, FRANKLIN, PA 16323**

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U.S. Department  
of Veterans Affairs



**PASSOV GROUP**  
COMMERCIAL BROKERAGE

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## PROPERTY HIGHLIGHTS

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**Lease Commencement Date:** April 1, 2023

**Lease Term:** Ten (10) Years Firm; Ten (10) Years Soft

**Building Square Feet:** 15,000 SF

**Acreage:** 2.8 AC

**Veterans Affairs Contribution to Interior Tenant Improvements:** \$2,433,047

**Rental Increases:**

- Years 1-5 : \$495,685.02
- Years 6-10: \$483,120.55
- Years 11-20: \$513,141.85 (soft term)



### PRICING

\$4,138,000 | **Year 1 Cap Rate:** 8.44%  
| **Blended Cap Rate:** 8.0%

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## 15 YEAR CASH FLOW

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
15,000		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
INCOME:	PSF															
BASE RENT		\$503,468	\$503,468	\$503,468	\$503,468	\$503,468	\$490,904	\$490,904	\$490,904	\$490,904	\$490,904	\$513,142	\$513,142	\$513,142	\$513,142	\$513,142
OPERATING EXPENSES:																
REAL ESTATE TAXES	\$3.03	\$45,430	\$45,884	\$46,343	\$46,807	\$47,275	\$47,747	\$48,225	\$48,707	\$49,194	\$49,686	\$50,183	\$50,685	\$51,192	\$51,704	\$52,221
INSURANCE	\$0.29	\$4,371	\$4,415	\$4,459	\$4,503	\$4,548	\$4,594	\$4,640	\$4,686	\$4,733	\$4,780	\$4,828	\$4,877	\$4,925	\$4,975	\$5,024
CAM																
HVAC MAINT	\$0.14	\$2,137	\$2,180	\$2,223	\$2,268	\$2,313	\$2,359	\$2,407	\$2,455	\$2,504	\$2,554	\$2,605	\$2,657	\$2,710	\$2,764	\$2,820
ELECTRIC + BULB RE-PLACEMENTS	\$4.04	\$60,539	\$61,750	\$62,985	\$64,244	\$65,529	\$66,840	\$68,177	\$69,540	\$70,931	\$72,350	\$73,797	\$75,273	\$76,778	\$78,314	\$79,880
GAS	\$0.07	\$1,110	\$1,132	\$1,155	\$1,178	\$1,201	\$1,226	\$1,250	\$1,275	\$1,301	\$1,327	\$1,353	\$1,380	\$1,408	\$1,436	\$1,465
CABLE AND TRASH	\$0.25	\$3,800	\$3,876	\$3,954	\$4,033	\$4,113	\$4,196	\$4,279	\$4,365	\$4,452	\$4,541	\$4,632	\$4,725	\$4,819	\$4,916	\$5,014
HOA-HOME DEPOT	\$0.13	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
WATER/SEWER	\$0.14	\$2,105	\$2,147	\$2,190	\$2,234	\$2,279	\$2,324	\$2,371	\$2,418	\$2,466	\$2,516	\$2,566	\$2,617	\$2,670	\$2,723	\$2,778
FIRE/LIFE SAFETY AND BF TESTING	\$0.08	\$1,187	\$1,211	\$1,235	\$1,260	\$1,285	\$1,311	\$1,337	\$1,363	\$1,391	\$1,419	\$1,447	\$1,476	\$1,505	\$1,536	\$1,566
JANITORIAL INCLUDING SUPPLIES	\$1.92	\$28,800	\$29,376	\$29,964	\$30,563	\$31,174	\$31,798	\$32,433	\$33,082	\$33,744	\$34,419	\$35,107	\$35,809	\$36,525	\$37,256	\$38,001
PARKING LOT/LAND-SCAPING (INCLUDES SNOW REMOVAL)	\$0.15	\$2,300	\$2,346	\$2,393	\$2,441	\$2,490	\$2,539	\$2,590	\$2,642	\$2,695	\$2,749	\$2,804	\$2,860	\$2,917	\$2,975	\$3,035
ALARM MONITORING	\$0.02	\$312	\$318	\$325	\$331	\$338	\$344	\$351	\$358	\$366	\$373	\$380	\$388	\$396	\$404	\$412
TOTAL CAM	\$6.95	\$104,290	\$106,336	\$108,423	\$110,551	\$112,722	\$114,936	\$117,195	\$119,499	\$121,849	\$124,246	\$126,691	\$129,185	\$131,728	\$134,323	\$136,969
TOTAL OPERATING EXPENSES		\$154,091	\$156,635	\$159,225	\$161,861	\$164,545	\$167,278	\$170,060	\$172,892	\$175,776	\$178,713	\$181,702	\$184,746	\$187,845	\$191,001	\$194,214
NET OPERATING INCOME		\$349,377	\$346,833	\$344,243	\$341,607	\$338,923	\$323,626	\$320,844	\$318,012	\$315,128	\$312,191	\$331,440	\$328,396	\$325,296	\$322,141	\$318,927

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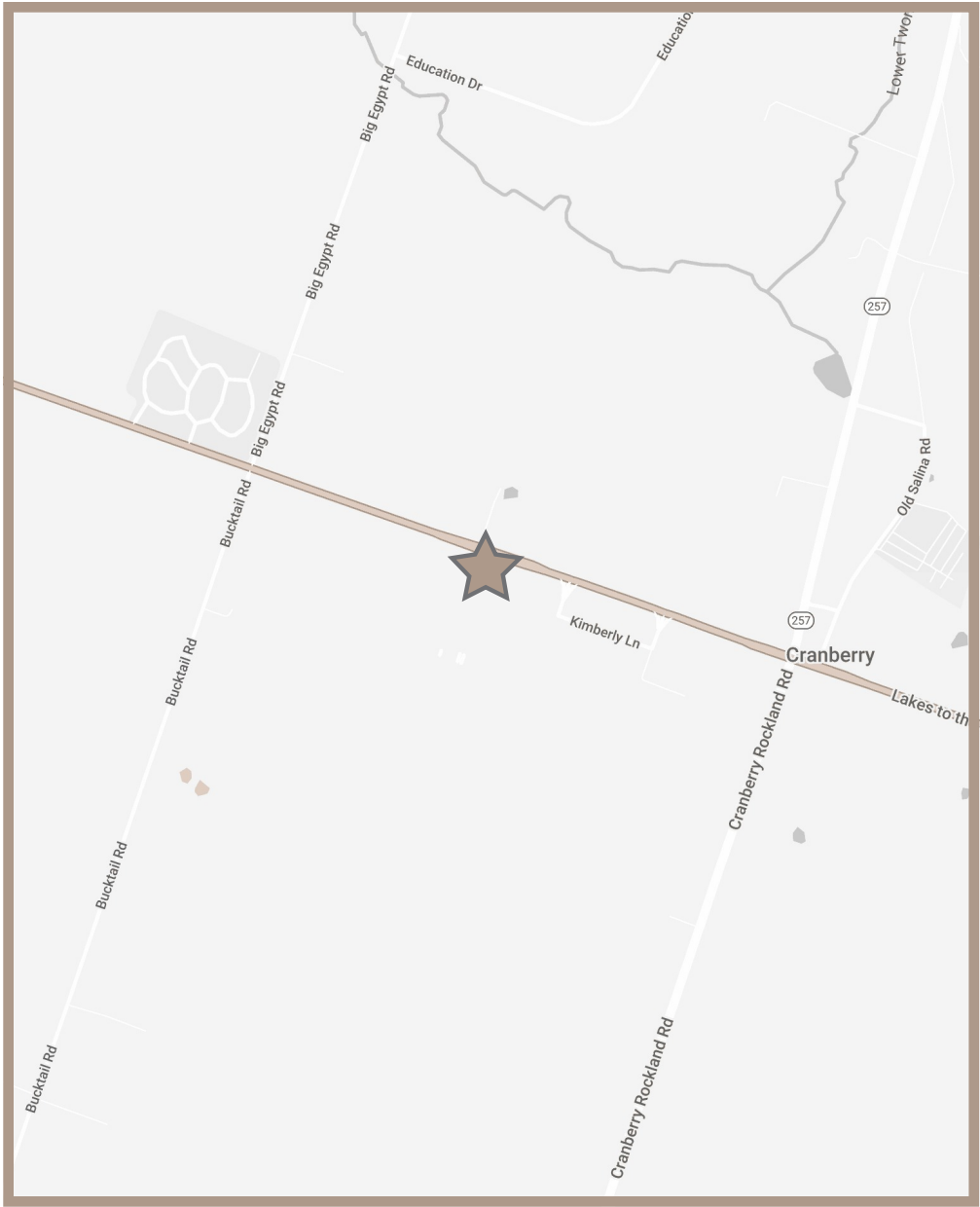
## LOCATION OVERVIEW

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Franklin, Pennsylvania, located in Venango County, is a historic city known for its charming downtown and strong sense of community. Positioned near major routes like U.S. 322 and Route 8, Franklin offers convenient access to nearby markets, making it attractive for business and commercial development. The local economy includes healthcare, manufacturing, and tourism, providing a stable base for growth. Opportunities for commercial real estate are available in retail, office, and mixed-use spaces, particularly in the revitalized downtown area. With affordable property, supportive local leadership, and ongoing development efforts, Franklin presents a solid opportunity for commercial real estate investment.

### DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2024 Estimate	115	2,286	8,581
2029 Projection	111	2,062	8,036
BUSINESS	1 MILE	3 MILE	5 MILE
2024 Estimated Total Businesses	62	193	305
2024 Estimated Total Employees	866	2,112	3,256
INCOME	1 MILE	3 MILE	5 MILE
2024 Estimated Average Household Income	\$95,257	\$79,442	\$77,395
2024 Estimated Median Household Income	\$83,141	\$62,574	\$62,962

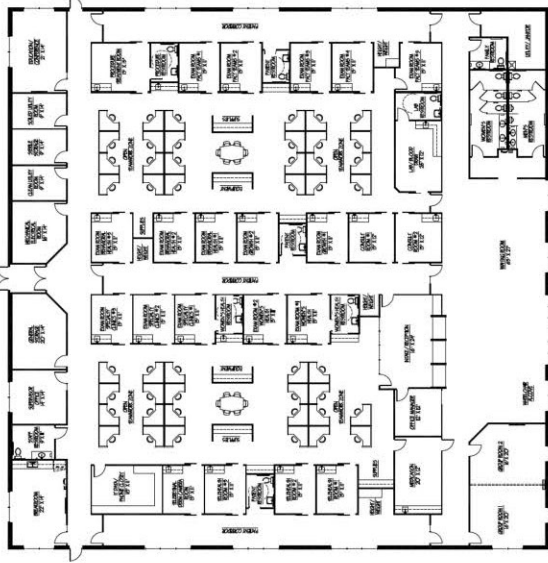




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PROPERTY AERIAL

## FLOOR PLAN





# VETERANS AFFAIRS OUTPATIENT CENTER IN FRANKLIN, PA

TRADE AERIAL



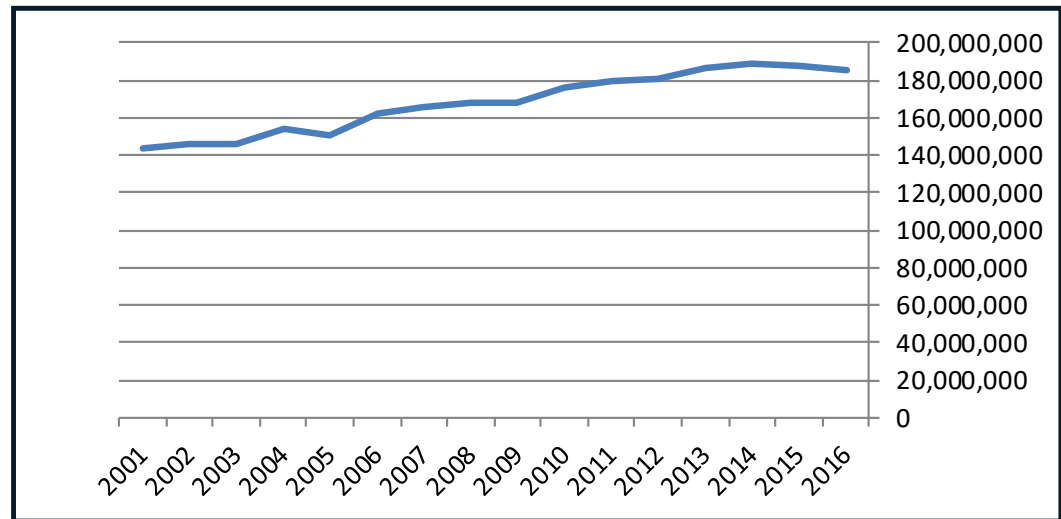


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## GSA LEASE RENEWAL PROBABILITY

LEASES REMAINING/ REPLACED IN SAME BLDG DURING FY	LEASED SF	% OF TOTAL SF	COUNT	% OF TOTAL COUNT
Same/Replacement Leases Continued Past FY 2016	184,716,779	95%	7,932	95%
Same/Replacement Leases Continued Past FY 2015	188,007,503	95%	8,061	94%
Same/Replacement Leases Continued Past FY 2014	188,724,055	95%	8,184	94%
Same/Replacement Leases Continued Past FY 2013	186,285,890	94%	8,224	92%
Same/Replacement Leases Continued Past FY 2012	180,779,940	93%	8,143	91%
Same/Replacement Leases Continued Past FY 2011 <sup>(1)</sup>	179,266,602	94%	8,154	88%
Same/Replacement Leases Continued Past FY 2010	176,572,073	97%	8,313	94%
Same/Replacement Leases Continued Past FY 2009	167,794,969	95%	7,821	92%
Same/Replacement Leases Continued Past FY 2008	168,124,040	96%	7,920	94%
Same/Replacement Leases Continued Past FY 2007	165,687,794	97%	8,077	95%
Same/Replacement Leases Continued Past FY 2006	161,747,370	97%	7,968	94%
Same/Replacement Leases Continued Past FY 2005	150,427,838	96%	7,652	94%
Same/Replacement Leases Continued Past FY 2004	153,991,904	96%	7,612	94%
Same/Replacement Leases Continued Past FY 2003	146,231,211	95%	6,882	94%
Same/Replacement Leases Continued Past FY 2002	145,838,299	97%	6,699	94%
Same/Replacement Leases Continued Past FY 2001 <sup>(2)</sup>	143,633,516	95%	6,677	89%
<b>Average</b>	<b>167,989,361</b>	<b>95%</b>	<b>7,770</b>	<b>93%</b>

ACCORDING TO THE GENERAL SERVICES ADMINISTRATION'S ANNUAL LEASE TURNOVER ANALYSIS WHICH HAS BEEN ANALYZED SINCE 2001, THE UNITED STATES FEDERAL GOVERNMENT HAS RENEWED 95% OF ITS LEASES IMMEDIATELY AFTER THE FIRM TERM EXPIRES AND REMAINS AT ITS INITIAL LOCATION AN AVERAGE OF 29.5 YEARS.



(1) THE LOWER AVERAGE RATE FOR FY 2011 WAS CAUSED BY THE EXPIRATION OF SMALL TEMPORARY LEASES USED DURING THE 2010 CENSUS

(2) THE LOWER AVERAGE RATE FOR FY 2001 WAS CAUSED BY THE EXPIRATION OF SMALL TEMPORARY LEASES USED DURING THE 2000 CENSUS

INFORMATION PROVIDED BY THE UNITED STATES GENERAL SERVICES ADMINISTRATION.

# DISCLAIMER

Passov Real Estate Group ("PREG") has been retained as the exclusive Broker regarding the sale of this property. PREG advises all prospective Buyer's as follows:

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature.

By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the

Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of PREG, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of PREG.

The Offering Memorandum has been prepared by PREG and does not purport to provide an accurate summary of the property, nor does it purport to be all-inclusive or to contain all of the information which the Buyer may need or desire.

The Offering Memorandum is not a substitute for Buyer's thorough due diligence investigation of this property. Verification and Analysis of the information contained in the Offering Memorandum are solely the responsibility of the Buyer. Although the information contained herein is believed to be accurate, PREG and its employees disclaim any responsibility for inaccuracies and expect Buyer to exercise independent due diligence in verifying all such information. PREG has not verified any of this information, nor has PREG conducted any investigation regarding these matters. PREG makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information contained herein or otherwise provided to Buyer by PREG. Further, PREG and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the property or its Tenant(s) since the date of preparation of the Offering Memorandum.

All projections, opinions, assumptions or estimates used in this Offering Memorandum are for example only and do not represent the current or future performance of this property and nothing contained herein or otherwise provided to Buyer by PREG shall be relied on as a promise or representation as to the future performance of the property. While tenant(s) past performance is an important consideration, it is not a guarantee of future success. Similarly, lease rates may be set based on a tenant's projected sales with little or no record of actual performance or comparable rents for the area. Returns are not guaranteed; the tenant(s) and any guarantor(s) may fail to pay the lease rent, property taxes, or may fail to comply with other material terms of the lease. Cash flow may be

interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant(s) history and lease guarantee(s), Buyer is responsible for conducting their own investigation of all matters affecting the intrinsic value of the property, including the likelihood of locating a replacement tenant(s) if the current tenant(s) should default or abandon the property, the lease terms that Buyer may be able to negotiate with a potential replacement tenant(s), and Buyer's legal ability to make alternate use of the property.

Like all real estate investments, this property investment carries significant risk and it is the sole responsibility of the Buyer to independently confirm the accuracy and completeness of all material information before completing any purchase. PREG expressly denies any obligation to conduct a due diligence examination of this Property for the Buyer. Buyer and Buyer's tax, financial, legal, and construction advisors must conduct a careful, independent investigation of this property to determine if the property is suitable for the Buyer's needs.

Buyer agrees to indemnify, defend, protect and hold PREG and any affiliate of PREG harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney fees) arising, directly or indirectly from any actions or omissions of PREG, its employees, officers, directors or agents.

Buyer agrees to indemnify and hold PREG harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker fees or finder fees in relation to or in connection with the Property to the extent claimed.

The Owner expressly reserves the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any Buyer at any time with or without notice. The Owner shall have no legal commitment or obligations to any Buyer reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Owner and its legal counsel, and any conditions to the Owner obligation thereunder have been satisfied or waived.

No employee of the Owner is to be contacted without the written approval of PREG and doing so would be a violation of this confidentiality agreement. Buyer agrees not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Owner.

By accepting this Offering Memorandum, Buyer agrees to release and hold Broker harmless from any claim, cost, expense, or liability arising out of Buyer's investigation and/or purchase of this property.

# CONTACT



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