



**MOMENTUM**  
BEHAVIOR SERVICES

221 2ND AVE SW | BYRON, MN 55920



**ABSOLUTE NNN LEASE | ±11 YEARS REMAINING | 2.0% ANNUAL RENTAL INCREASES | 8.00% CAP RATE**

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES  
OFFERING MEMORANDUM

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REAL ESTATE INVESTMENT SERVICES





221 2ND AVE SW | BYRON, MN 55920

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# EXECUTIVE OVERVIEW

SECTION 1

## OFFERING SUMMARY

Matthews Real Estate Investment Services™ is pleased to present the opportunity to acquire a single-tenant behavioral health facility at 221 2nd Ave SW, Byron, Minnesota 55920. Located just outside Rochester, Minnesota's third-largest city, this ±18,030 SF property is fully leased to Great Lakes Behavioral Partners, LLC, operating as Momentum Behavior Services. The facility offers essential services such as applied behavior analysis (ABA), caregiver training, and social skills groups.

The property is secured by a long-term absolute NNN lease with 11 years remaining and 2% annual rental increases, providing a stable investment opportunity.

The tenant operates five locations in Minnesota and two in California, providing Applied Behavior Analysis (ABA) to children with Autism. Autism spectrum disorders affect 1 in 42 Minnesota children (according to the Amherst H Wilder Foundation), this is higher than the national average of 1 in 59. The growing need for ABA Therapy in Minnesota combined with this site's passive long-term lease make this property a great opportunity for an investor seeking passive income and a well-positioned healthcare real estate asset.

## THE OPPORTUNITY

**ADDRESS**

221 2nd Ave SW, Byron, MN 55920

**GLA**

±18,030 SF

**OWNERSHIP TYPE**

Fee Simple

**PROPERTY TYPE**

Medical Office Building

**YEAR BUILT/REMODELED**

1996/2008

**TOTAL TENANTS**

1

**OCCUPANCY**

100%

**PRICE**

\$2,697,888

**CAP RATE**

8.00%

**PPSF**

\$150



# INVESTMENT HIGHLIGHTS

## **ABSOLUTE NNN LEASE**

The site features an absolute NNN lease with no landlord responsibilities. This provides investors with stable cash flow without intensive management responsibilities or the risks of high capital expenditure costs during the life of the lease.

## **LONG-TERM LEASE**

This property features a secure long-term lease with  $\pm 11$  years remaining, providing a reliable stream of rental income for the future landlord. It's being offered at an attractive cap rate with annual rental increases, making it a great option for long-term investment. The length of the lease not only adds stability but also enhances the property's appeal to lenders, facilitating easier access to financing for potential buyers.

## **ANNUAL RENT INCREASES**

The lease features 2% annual rent increases, providing investors with a hedge against inflation and consistent rent growth.

## **BILLION DOLLAR MARKET FOR AUTISM THERAPY**

The global autism spectrum disorder therapeutics market size is estimated to be valued at USD 2.4 billion in 2025. The market is projected to grow at a CAGR of 7.6% to \$3.8 Billion by 2032, according to Statista.

## **MINNESOTA'S STATE MANDATED AUTISM COVERAGE**

Minnesota, known for its comprehensive autism resources, is one of the few states mandating private insurers to cover ABA and related therapies. With a strong focus on early intervention programs and advanced treatments, it's a standout market for autism care investments.

## **SUPPORTIVE REGULATORY ENVIRONMENT**

Minnesota's supportive regulatory environment and healthy Medicaid reimbursement structure for Autism Therapy facilities and services provides a stable foundation for medical office operations.

## **UNIQUE BUILD-OUT**

The tenant has specifically built out this property to provide specialized ABA for children with Autism. This means the site has several unique features, such as a mock dental office, to simulate real life situations for children and help them better develop their social skills. This unique build-out makes the location even stickier and harder to replace for the tenant.

## **MEDICAL OFFICE - HEDGE AGAINST ECONOMIC DOWNTURNS**

Healthcare real estate has emerged as a highly sought after investment due to its unique ability to thrive in challenging economic conditions. Its strong demand, stable tenant base, and resistance to economic downturns make it an attractive option for investors seeking a more reliable investment.

## **CONVENIENT HIGHWAY ACCESS IN ROCHESTER MSA**

The site sits directly off of Highway 14 W, which features vehicle counts of over 18,000 vehicles per day. With easy access to Rochester and a prime location in the Rochester MSA, the property is well positioned to serve not only the local community, but many neighboring cities and towns as well.





# FINANCIAL OVERVIEW

SECTION 2

## INVESTMENT SUMMARY

List Price	\$2,697,888
NOI	\$215,831
Cap Rate	8.00%
Rent PSF	\$11.97
Price PSF	\$150

## PROPERTY OVERVIEW

Address	221 2nd Ave SW, Bryon, MN 55920
Property Size	±18,030 SF
Lot Size	±1.36 AC
Year Built/Remodeled	1996/2008
Occupancy	100%
Property Type	Medical Office Building
Ownership Type	Fee Simple

### FOR FINANCING INQUIRIES PLEASE CONTACT

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## LEASE ABSTRACT

Tenant Name	Momentum Behavior Services
Ownership Type	Fee Simple
Tenant Entity	Great Lakes Behavioral Partners, LLC
SF Leased	±18,030 SF
Occupancy	100%
Initial Term	11 Years
Rent Commencement	3/10/2023
Lease Expiration	3/9/2036
Lease Term Remaining	±10.8 Years
Base Rent	\$215,831
Rental Increases	2% Annually
Renewal Options	None
Expense Structure	Absolute NNN
Landlord Responsibilities	None
Tenant Responsibilities	All
Insurance	Tenant
Taxes	Tenant
Roof and Structure	Tenant
ROFR	No



## ANNUALIZED OPERATING DATA

TERM	YEARS	ANNUAL RENT	MONTHLY RENT	% INCREASE	CAP RATE
Primary	1	\$207,450	\$17,288	2.00%	7.69%
Primary	2	\$211,599	\$17,633	2.00%	7.84%
<b>Primary</b>	<b>3</b>	<b>\$215,831</b>	<b>\$17,986</b>	<b>2.00%</b>	<b>8.00%</b>
Primary	4	\$220,148	\$18,346	2.00%	8.16%
Primary	5	\$224,551	\$18,713	2.00%	8.32%
Primary	6	\$229,042	\$19,087	2.00%	8.49%
Primary	7	\$233,622	\$19,469	2.00%	8.66%
Primary	8	\$238,295	\$19,858	2.00%	8.83%
Primary	9	\$243,061	\$20,255	2.00%	9.01%
Primary	10	\$247,922	\$20,660	2.00%	9.19%
Primary	11	\$252,880	\$21,073	2.00%	9.37%
Primary	12	\$257,938	\$21,495	2.00%	9.56%
Primary	13	\$263,097	\$21,925	2.00%	9.75%



VALLEY VIEW ESTATES  
43 UNITS



BYRON PRIMARY SCHOOL  
535 STUDENTS



BYRON INTERMEDIATE SCHOOL  
543 STUDENTS

STONE HAVEN APARTMENTS | 52 UNITS



FRANK 'N STEIN RESTAURANT & LOUNGE  
BAR & GRILL



14

± 20,000 VPD



SUBJECT PROPERTY

ROCHESTER  
± 10.4 MILES AWAY

BYRON GYMNASTICS CENTER  
GYM

COUNTY RD 5 SW



**PLANNED COMMUNITY**  
13 SINGLE-FAMILY HOMES | 108 TOWNHOMES

**TAYLOR**  
Culligan Water you love.

**THE PROM SHOP**  
**FLX**  
PROFESSIONAL FITNESS TRAINING

**OTTO'S BAKERY & COFFEE SHOP**  
BAKERY

**BYRON MIDDLE SCHOOL**  
526 STUDENTS

**THE COMPADRES**  
MEXICAN RESTAURANT

**BYRON FAMILY**  
**Chiropractic**  
Dean W. Ferber D.C.

**14**

**± 20,000 VPD**

**BYRON GYMNASTICS CENTER**  
GYM

**MOMENTUM**  
BEHAVIOR SERVICES  
SUBJECT PROPERTY

**ROCHESTER**  
±10.4 MILES AWAY

**COUNTY RD 5 SW**



# TENANT OVERVIEW

SECTION 2



## ABOUT MOMENTUM BEHAVIOR SERVICES

Momentum Behavior Services, located at 221 2nd Ave SW, Byron, MN 55920, is a dedicated provider of Applied Behavior Analysis (ABA) therapy services. Their mission is to utilize the science of ABA to help individuals, families, and communities thrive by teaching new skills and reducing non-adaptive behaviors.

Established with a commitment to evidence-based practices, Momentum Behavior Services offers a comprehensive range of services, including:

- Direct ABA Therapy: One-on-one sessions focusing on individualized needs, skills, and goals.
- Caregiver Training: Providing parents and caregivers with the tools and knowledge to support their loved ones effectively.
- Social Skills Groups: Facilitating peer interactions to enhance socialization and community readiness.

These services are available across various settings, such as in-clinic, in-home, hybrid, and telehealth, ensuring flexibility to meet diverse needs.

Momentum Behavior Services operates multiple locations to serve the community better:

- Rochester, MN (x2)
- Byron, MN
- Faribault, MN
- Austin, MN
- Petaluma, CA
- Hermosa Beach, CA

These locations reflect the organization's growth and dedication to accessibility. While the exact founding year isn't specified in the available sources, Momentum Behavior Services has established itself as a reputable provider in the field, consistently expanding its reach and services to cater to the evolving needs of individuals with autism and related conditions.

7

NUMBER OF LOCATIONS

MBSABA.COM

WEBSITE

2018

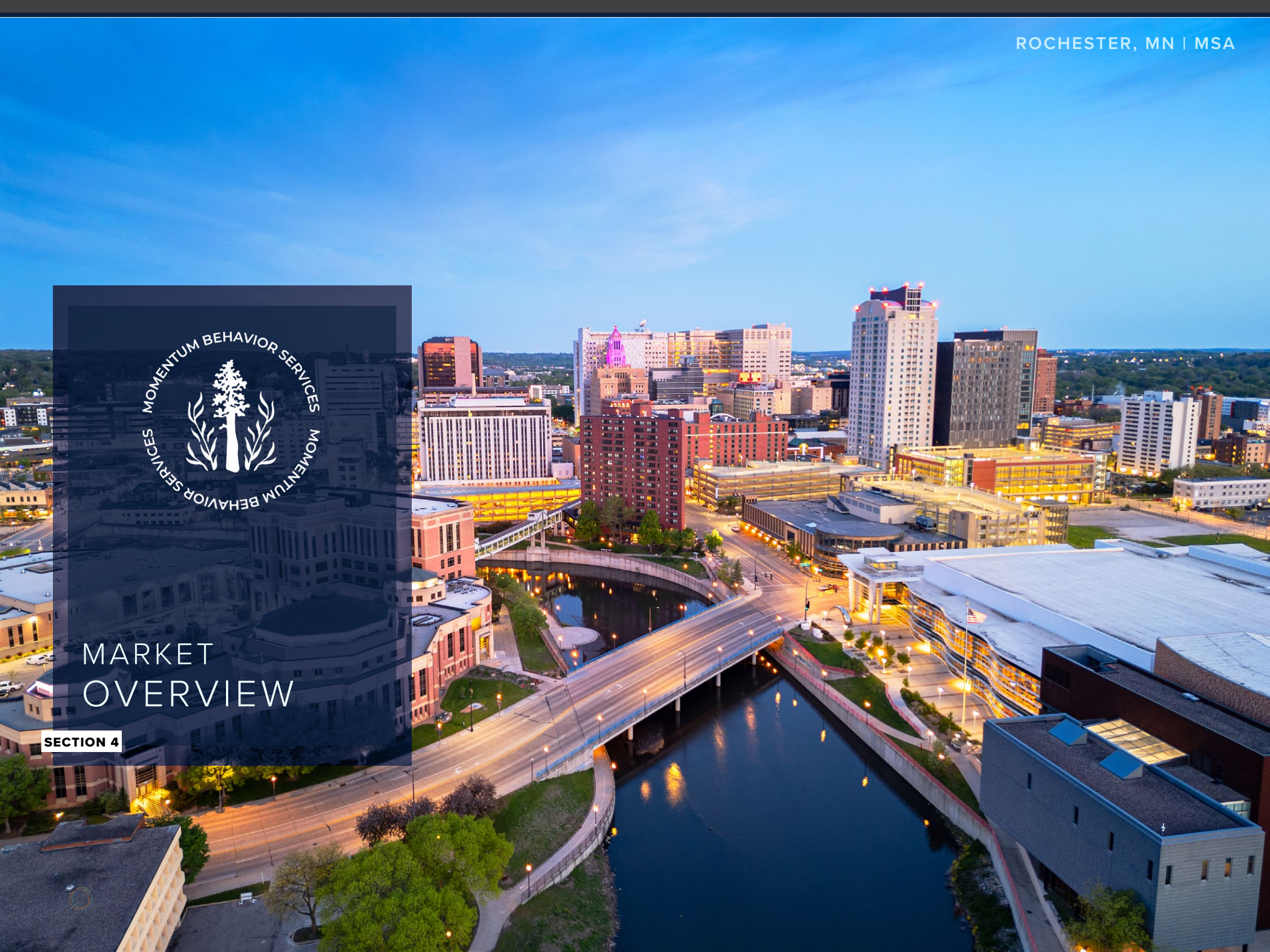
YEAR FOUNDED





# MARKET OVERVIEW

**SECTION 4**



# BYRON, MINNESOTA

Byron is a growing community located just 10 miles west of Rochester, home to the world-renowned Mayo Clinic. This proximity provides significant economic and healthcare-related advantages, making Byron an attractive location for medical and therapy-based businesses. As part of the Rochester metropolitan area, Byron benefits from a steady population influx driven by healthcare professionals, patients, and support industries tied to Mayo Clinic's presence.

## POPULATION GROWTH

Byron has experienced consistent population growth over the years, driven by its proximity to Rochester and the expanding healthcare sector. Families and professionals are increasingly choosing Byron for its high quality of life, excellent schools, and strong local economy. This growth has led to increased demand for housing, businesses, and healthcare services, making it a prime area for investment and development.

## ECONOMY AND RECREATION

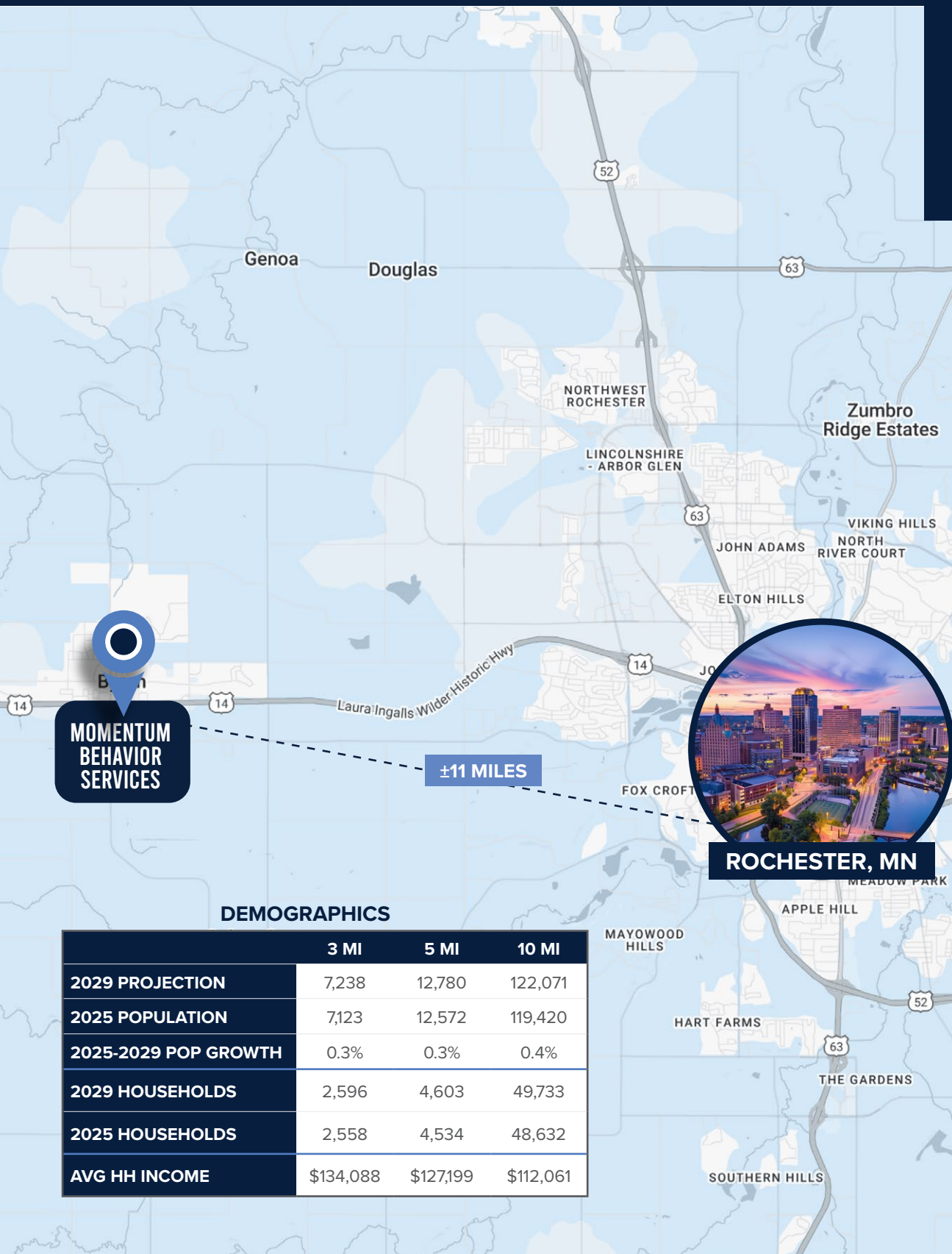
The town has a strong local economy with small businesses, healthcare services, and manufacturing. Many residents work in Rochester's healthcare sector, benefiting from major employers like Mayo Clinic, IBM Rochester, and Olmsted Medical Center. The city also offers recreational amenities such as local parks, the Byron Sports Complex, and Oxbow Park & Zollman Zoo. With direct access to U.S. Highway 14, Byron remains well-connected to Rochester, making it an attractive location for medical-focused businesses.

## REAL ESTATE TRENDS

The demand for residential and commercial properties in Byron has been robust, driven by its strategic location near Rochester. This trend indicates a favorable environment for real estate investments, including healthcare facilities, to serve the growing population.

## CONNECTIVITY AND INFRASTRUCTURE

The connectivity from Byron to Rochester is excellent via U.S. Highway 14, facilitating easy commutes and access to amenities. The city's infrastructure supports its growth, making it an attractive location for new developments.



## DEMOGRAPHICS

	3 MI	5 MI	10 MI
2029 PROJECTION	7,238	12,780	122,071
2025 POPULATION	7,123	12,572	119,420
2025-2029 POP GROWTH	0.3%	0.3%	0.4%
2029 HOUSEHOLDS	2,596	4,603	49,733
2025 HOUSEHOLDS	2,558	4,534	48,632
AVG HH INCOME	\$134,088	\$127,199	\$112,061

# ROCHESTER, MN | MSA

Rochester, Minnesota, is a thriving economic and healthcare hub, best known as the headquarters of the Mayo Clinic, one of the world's leading medical institutions. As the third-largest city in Minnesota, with a population of approximately 120,000, Rochester serves as the economic engine of southeastern Minnesota. The city benefits from a highly educated workforce, a strong healthcare-driven economy, and continuous investment in infrastructure and innovation.

While known globally for the Mayo Clinic, Rochester also offers a diverse economy, excellent schools, and a high quality of life. The city contains a variety of attractions, including the Rochester Art Center, Quarry Hill Nature Center, and Soldiers Field Veterans Memorial. The extensive trail system along the Zumbro River and Silver Lake Park provides ample outdoor recreation. Downtown Rochester features a vibrant dining scene, boutique shopping, and year-round events at Peace Plaza. Additionally, the city hosts concerts and performances at the Mayo Civic Center.

With a growing population, low unemployment, and increasing demand for medical office and outpatient facilities, Rochester presents a compelling opportunity for real estate investors, particularly in the healthcare sector. Its strategic location and booming infrastructure make it a key market in the Midwest.

## **#1 WORLD'S BEST HOSPITALS**

-Mayo Clinic ranked by NewsWeek for the 7th Consecutive Year

## **"BEST PLACE TO LIVE IN THE MIDWEST"**

-2023, Livability

## **7 MOST BEAUTIFUL CITIES IN MINNESOTA**

-2022, WorldAtlas



# HEALTHCARE INDUSTRY DOMINANCE IN THE REGION

## MAYO CLINIC'S INFLUENCE

The Mayo Clinic, headquartered in Rochester, is a global leader in medical care, research, and education. As the largest private employer in Minnesota, it significantly influences the local economy and labor market. The clinic's presence attracts a substantial number of healthcare professionals and patients worldwide, bolstering the region's economic stability.

## SUPPORTING HEALTHCARE INSTITUTIONS

Beyond the Mayo Clinic, the Rochester MSA hosts various healthcare facilities, including the Olmsted Medical Center and numerous specialty clinics. These institutions collectively contribute to the region's reputation as a healthcare hub, providing comprehensive services and supporting a wide range of medical specialties.

## ECONOMIC IMPACT

The dominance of the healthcare sector ensures economic resilience. During economic downturns, regions with strong healthcare industries often experience more stability due to the consistent demand for medical services.

## NATIONAL TRENDS

The demand for healthcare real estate, particularly Medical Outpatient Buildings (MOBs), has been on the rise. In 2024, the national vacancy rate for MOBs decreased to 9.57%, with expectations to drop further to 9.46% by the end of 2025. Correspondingly, asking rents are projected to increase by up to 1.8% annually over the next two years.

## LOCAL MARKET DYNAMICS

While specific data on healthcare real estate vacancy rates in the Rochester MSA is limited, the region's strong healthcare industry suggests a high demand for medical facilities. The presence of major institutions like the Mayo Clinic likely contributes to low vacancy rates and competitive lease terms for healthcare properties.

## INVESTMENT OUTLOOK

The growing demand for healthcare services, driven by an aging population and advancements in medical technology, presents lucrative opportunities for investors in healthcare real estate.



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **221 2nd Ave SW, Byron, MN 55920** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

**Net Lease Disclaimer:** There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

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