

Medical Office Building

Shelbyville, KY 40065

Healthcare
Investment Opportunity

Offering Memorandum

Anchored by Baptist Health (Fitch A+) | 100% Leased | Strong Lease Structure | Annual Increases | Favorable Depreciation



MATTHEWS™

Exclusively Listed By

Point of Contact



Kyle Mackulak

Vice President & Associate Director

(310) 919-5835

kyle.mackulak@matthews.com

License No. SAL.2022004129 (OH)



Tyler Swade

Vice President & Director

(818) 479-7607

tyler.swade@matthews.com

License No. 02238285 (CA)



Rahul Chhajer

SVP & Senior Director

(818) 434-1106

rahul.chhajed@matthews.com

License No. 01986299 (CA)



Michael Moreno

SVP & Senior Director

(818) 522-4497

michael.moreno@matthews.com

License No. 01982943 (CA)

Kyle Matthews

Broker of Record

License No. 239410 (KY)



MATTHEWS™



Table of Contents

- 04** Property Overview
- 08** Financial Overview
- 12** Market Overview

Property Overview

Medical Office Building

140 Stonecrest Rd | Shelbyville, KY 40065



Executive Summary

140 Stonecrest Rd
Shelbyville, KY 40065

100%
Occupancy

±11,338 SF
GLA

±0.94 AC
Lot Size

The Opportunity

Matthews™ is pleased to present the opportunity to acquire a fully occupied medical office building located at 140 Stonecrest Road in Shelbyville, Kentucky. The property totals approximately 11,338 square feet and is 100% leased to a mix of regional and system-affiliated healthcare providers including Baptist Health Medical Group, SENTA, and Pulmonary Care Service. The tenancy reflects a balanced cross-section of medical specialties including primary care, ENT, allergy, and pulmonary medicine that serve the growing Shelby County and eastern Louisville markets.

Strategically positioned within the Louisville MSA, the property benefits from direct access to Interstate 64, providing connectivity to both Louisville and Lexington patient bases. The surrounding area includes several Baptist Health outpatient facilities, nearby retail such as Walmart, Lowe's, Harbor Freight Tools, Arby's, Wendy's, and Save A Lot, and strong local demographics supported by nearby schools such as Shelby County High School and Martha Layne Collins High School.

With full occupancy, reliable credit tenancy, and proximity to one of Kentucky's fastest growing healthcare corridors, this property offers a stable, income-producing medical investment with long-term growth potential.



Investment Highlights

Property Highlights

- **Anchored by Baptist Health** – A Leading Regional Healthcare System - Baptist Health Medical Group occupies two suites totaling about 60 percent of the building. The tenant is a wholly owned subsidiary of Baptist Health (Fitch A+), Kentucky's largest nonprofit healthcare system. The group has a long operating history at this address with renewals in place and continuing occupancy across both suites, including one term that extends to 2030.
- **100% Leased Multi-Specialty Medical Tenancy** - The building is fully occupied by a complementary mix of specialties including primary care, ENT and allergy, pulmonary care, and general medical users. This balanced lineup keeps referral activity on site and supports stable long-term occupancy and income.
- **Established Medical Corridor Location** - Situated along Stonecrest Road in Shelbyville, the property benefits from proximity to multiple Baptist Health outpatient sites, including urgent care, primary care, occupational medicine, and other complementary medical practices. The corridor draws patients from the broader Shelby and Oldham County submarkets, providing excellent long-term positioning for healthcare tenancy.
- **Excellent Market Fundamentals** - Shelbyville offers stable suburban growth with expanding households, a rising service and healthcare employer base, and comparatively lower occupancy costs than core Louisville. Limited medical office supply in the immediate submarket supports sustained demand and tenant retention.
- **Attractive Basis Relative to Replacement Cost** – At a price of approximately \$148 per square foot, the property offers an appealing basis well below current replacement cost for comparable medical office construction. Given rising land, material, and labor costs, acquiring a fully leased, stabilized asset at this pricing provides a compelling value compared to new development.
- **Strategic Shelbyville Location Within the Louisville MSA** - Positioned just off I-64 with direct connectivity to Louisville and Lexington, the property sits along an active medical corridor on Stonecrest Road near other Baptist Health outpatient sites. The location provides convenient regional access for patients and staff and proximity to everyday retail and neighborhood amenities.
- **Staggered Lease Maturities and Extension Options** - All tenants have active leases extending through 2025 to 2030, with multiple renewal options in place. This staggered rollover structure supports continuity of income and reduces re-leasing risk.
- **High Tenant Retention and Barriers to Relocation** - Medical users typically remain long-term due to specialized space requirements and established patient bases. The property's build-outs are purpose-configured for medical use, creating a high likelihood of renewal upon lease expiration.
- **Located in Retail Trade Area** - The property is minutes away from national brands that serve staff and patients including Walmart Supercenter, Lowe's, Arby's, Wendy's, Harbor Freight Tools, Dairy Queen, US Bank, The UPS Store, and Save A Lot.





TAYLOR
ORTHODONTICS

CVS
pharmacy

Hardee's
planet fitness

PS
EAST COAST
SUBS

First
Choice
Ankle & Foot Care Center, PLLC

AT&T
Jersey Mike's
tropical CAFE
SMOOTHIE

ANDREWS
PHARMACY

Walmart
Supercenter
Wendy's
LOWE'S

Taylorville Rd ± 21,600 VPD

W

Integrity Dentistry
PLLC

THORNTONS

MORTENSON
Family Dental

HARBOR FREIGHT
Quality Tools at Remarkably Low Prices

DOLLAR GENERAL

DUNKIN'
LONG JOHN SILVER
bp

Subject Property

MATALCO

PAPA JOHN'S
usbank

DQ
save a lot

UofL Health- Shelbyville
±42 Beds

BW Best Western
EconoLodge
Red Roof
Waffle House
McDonald's
Arby's
VALERO

Logan's
Healthcare Linen Services

Financial Overview

Medical Office Building
140 Stonecrest Rd | Shelbyville, KY 40065



Financial Summary

\$1,673,775

List Price

8.00%

Cap Rate

\$157.51

Price Per SF

±0.94 AC

Lot Size

Property Details

Address	140 Stonecrest Rd. Shelbyville, KY
Property Size	±11,338
Lot Size (AC)	±0.94 AC
Year Built	2001
Occupancy	100%
Property Type	MOB
Ownership Type	Fee Simple
Floors	Two
Foundation	Landlord
Roof	Landlord
Structure	Landlord

Financial Overview

Income	Total
Rental Income	\$180,606.00
Reimbursement Revenue	\$9,673.00
Vacancy Factor (5%)	(\$9,514.00)
Effective Gross Income	\$180,765.00
Expenses	
Real Estate Taxes	\$23,441.00
Insurance	\$3,503.00
Management Fees	\$7,231.00
Non-Reimbursable Expenses	\$1,168.00
CAM	\$11,520.00
Total Operating Expenses	\$46,863.00
Net Operating Income	\$133,902.00

Financial Summary

Suite #	Tenant Name	Lease Start	Lease End	Size (SF)	% of NRA	Contract Rental Rate		Rent PSF	Rental Increases	Options Remaining	Next Rent Increase	Lease Structure
						Annual	Monthly					
101	Baptist Health Medical Group	10/10/19	10/09/27	±3,288	29%	\$52,608	\$4,384	\$16.00	None	2 - 3 Year	N/A	Modified Gross
102	SENTA	12/31/30	12/31/35	±2,400	21%	\$36,000	\$3,000	\$15.00	None	None	N/A	NNN
201	Baptist Health Medical Group	02/01/17	01/31/30	±3,500	31%	\$57,750	\$4,813	\$16.50	1% Annual	2 - 5 Year	February 2026	Modified Gross
202	JMF	01/01/24	MTM	±1,150	10%	\$18,000	\$1,500	\$16	None	None	N/A	Full Service Gross
203	Pulmonary Care Service	01/31/26	01/31/31	±1,000	9%	\$16,000	\$1,333	\$16.00	None	1 - 5 Year	N/A	Modified Gross
Occupied Totals				±11,338	100.00%	\$180,358	\$15,030	\$15.91				
Vacant Totals				±0	0.00%	\$0	\$0	\$0				
Total				±11,338	100.00%	\$180,358	\$15,030	\$15.91				
WALT				3.2 Years								

Financial Summary

Lease Abstract	
Tenant Name	Baptist Health Medical Group
Lease Type	Modified Gross
SF Leased	±3,288
Rent Commencement	10/10/2019
Lease Expiration	10/9/2027
Lease Term Remaining	±1.98
Base Rent	\$52,608
Rental Increases	None
Renewal Options	2 - 3 Year

Lease Abstract	
Tenant Name	Baptist Health Medical Group (2)
Lease Type	Modified Gross
SF Leased	±3,500
Rent Commencement	2/1/2017
Lease Expiration	1/31/2030
Lease Term Remaining	±4.30
Base Rent	\$57,750
Rental Increases	1% Annual
Renewal Options	2 - 5 Year

Lease Abstract	
Tenant Name	SENTA
Lease Type	NNN
SF Leased	±2,400
Rent Commencement	1/1/2021
Lease Expiration	12/31/2030
Lease Term Remaining	±4.97
Base Rent	\$36,000
Rental Increases	None
Renewal Options	None

Lease Abstract	
Tenant Name	Pulmonary Care Service
Lease Type	Modified Gross
SF Leased	±1,000
Rent Commencement	2/1/2023
Lease Expiration	1/31/2031
Lease Term Remaining	±0.29
Base Rent	\$16,000
Rental Increases	None
Renewal Options	1 - 5 Year

Lease Abstract	
Tenant Name	JMF
Lease Type	Full Service Gross
SF Leased	±1,150
Rent Commencement	1/1/2024
Lease Expiration	Month to Month
Base Rent	\$18,000
Rental Increases	None
Renewal Options	None

Cost Segregation Analysis

Straight-Line	
NOI	\$133,902
Purchase Price	\$1,673,775
Cap Rate	8.00%
Depreciable Basis for Improvements	100%
Depreciable Basis (\$)	\$1,673,775
Useful Life (Years)	39
Bonus Depreciation Rate	N/A
Federal Tax Rate	37%
Year 1 Depreciation	\$42,917
Potential Tax Savings	\$15,879

Cost Segregation	
NOI	\$133,902
Purchase Price	\$1,673,775
Cap Rate	8.00%
Depreciable Basis for Improvements	100%
Depreciable Basis (\$)	\$1,673,775
Useful Life (Years)	39
Bonus Depreciation Rate	35%
Federal Tax Rate	37%
Year 1 Depreciation	\$585,821
Potential Tax Savings	\$216,754

*Investors to confirm with
their own CPA

Market Overview

Medical Office Building
140 Stonecrest Rd | Shelbyville, KY 40065



Shelbyville, KY

Market Demographics

17,215

Total Population

\$68,400

Median HH Income

6,745

of Households

63.8%

Homeownership Rate

8,912

Employed Population

26.5%

% Bachelor's Degree

37.4

Median Age

\$245,000

Median Property Value

Local Market Overview

Shelbyville, located in Shelby County, combines small-town character with access to major metropolitan amenities. The city's proximity to Louisville, about 30 miles west, provides strong employment opportunities and convenient commuting options. With a steady population and balanced age distribution, Shelbyville supports a solid labor force across manufacturing, logistics, healthcare, and retail.

Housing demand remains consistent, supported by new residential development and the area's relative affordability compared to nearby markets. The median home value of about \$245,000 reflects stable growth and accessibility for first-time buyers. Most residents own their homes, contributing to neighborhood stability and ongoing property value gains.

Educational attainment continues to improve, with over a quarter of adults holding a bachelor's degree or higher. Combined with a median household income near \$70,000, Shelbyville is well-positioned for continued economic and residential growth. Recent investments in infrastructure, retail, and schools strengthen its appeal as a family-oriented community with long-term potential.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	6,895	23,122	30,555
Current Year Estimate	6,658	22,293	29,734
2020 Census	6,505	20,856	28,280
Growth Current Year-Five-Year	3.57%	3.72%	2.76%
Growth 2020-Current Year	2.34%	6.89%	5.14%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	2,757	9,168	12,152
Current Year Estimate	2,611	8,698	11,642
2020 Census	2,337	7,761	10,565
Growth Current Year-Five-Year	5.58%	5.40%	4.38%
Growth 2020-Current Year	11.73%	12.07%	10.19%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$62,919	\$93,454	\$96,924

Louisville, KY MSA

Greater Louisville stands as a major economic and cultural center in the Upper South, with a 2024 metro population of roughly 1.36 million. The city's diverse economy is powered by logistics, manufacturing, healthcare, and its world-famous bourbon and hospitality industries. Louisville's strategic location, affordability, and strong infrastructure continue to attract businesses and residents seeking both opportunity and quality of life.

The metro's economy remains resilient, supported by major employers and consistent growth in tourism, which generated an estimated \$4.4 billion in 2024 from more than 19 million visitors. With a GDP nearing \$98 billion and a median household income exceeding \$70,000, Louisville demonstrates steady expansion and strong consumer spending. Its balance of affordability, innovation, and cultural vibrancy positions it as a leading destination for long-term investment and sustainable development.

Total Population

1,364,742

Annual Visitors

19 Million

Tourism Economic Impact

\$4.4 Billion

GDP

\$97.75 Billion



MATTHEWS™

Exclusively Listed By

Point of Contact

Kyle Mackulak

Vice President & Associate Director

(310) 919-5835**kyle.mackulak@matthews.com**

License No. SAL.2022004129 (OH)

Tyler Swade

Vice President & Director

(818) 479-7607**tyler.swade@matthews.com**

License No. 02238285 (CA)

Rahul Chhajer

SVP & Senior Director

(818) 434-1106**rahul.chhajer@matthews.com**

License No. 01986299 (CA)

Michael Moreno

SVP & Senior Director

(818) 522-4497**michael.moreno@matthews.com**

License No. 01982943 (CA)

Kyle Matthews | Broker of Record | Lic. No. 239410 (KY)

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 140 Stonecrest Rd | Shelbyville, KY 40065, Shelbyville, KY, 40065 ("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 Service™. 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.