



502 S 2nd St | St Clair, PA 17970



Healthcare
Investment Opportunity

Offering Memorandum

Jefferson Health (S&P: A) | 9+ Years Remaining | Absolute NNN | 2.5% Annual Escalators | Favorable Depreciation



MATTHEWS™

Exclusively Listed By

Points of Contact



Tyler Swade
VP & Director

(630) 854-9717
tyler.swade@matthews.com
License No. 02238285 (CA)



Michael Moreno
EVP & Senior Director

(949) 432-4511
michael.moreno@matthews.com
License No. 01982943 (CA)



Rahul Chhajed
EVP & Senior Director

(949) 432-4513
rahul.chhajed@matthews.com
License No. 01986299 (CA)

Kyle Matthews

Broker of Record
License No. RM423998 (PA)
Firm No. RB068831 (PA)

MATTHEWS™



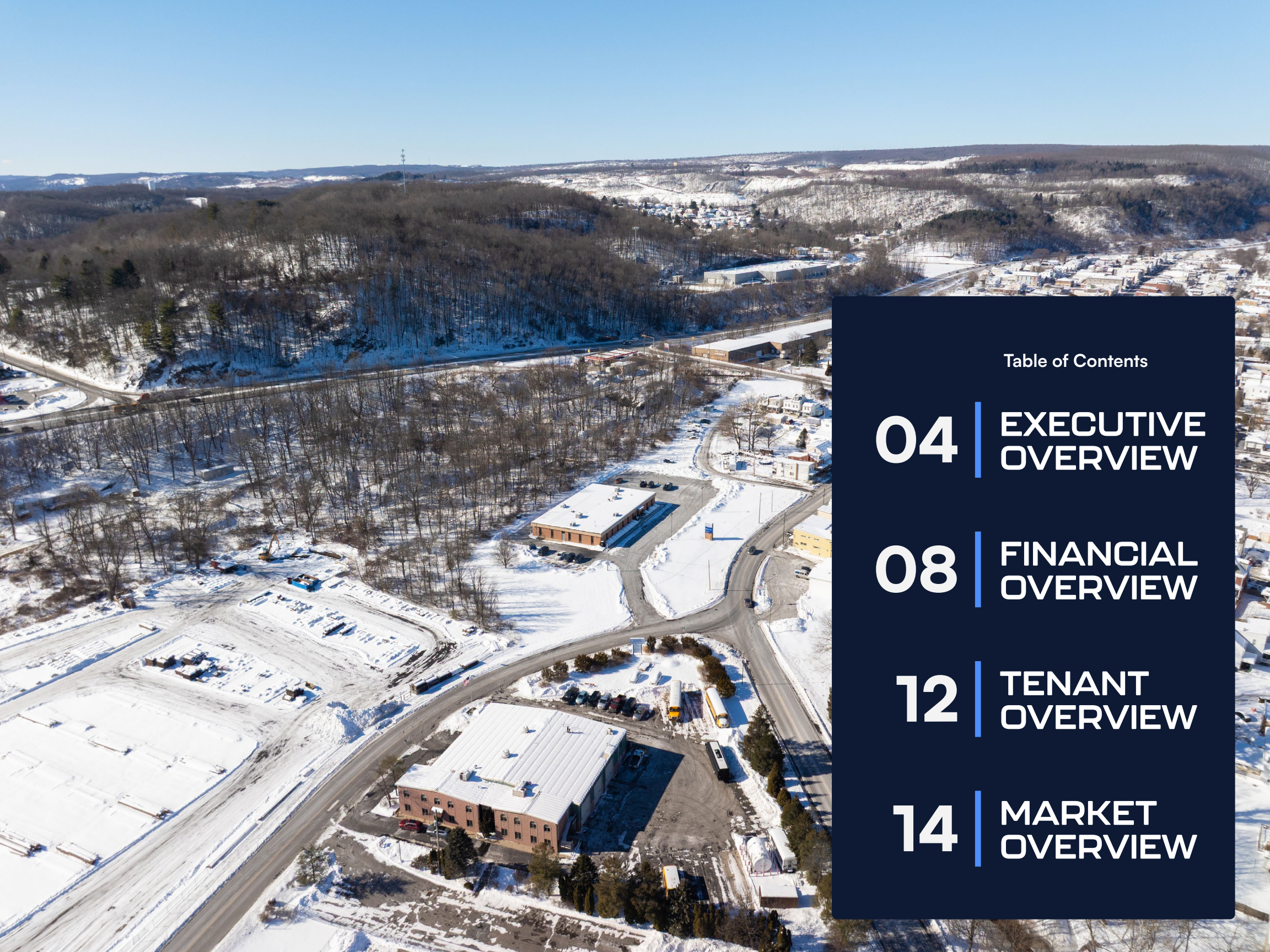


Table of Contents

04 | **EXECUTIVE
OVERVIEW**

08 | **FINANCIAL
OVERVIEW**

12 | **TENANT
OVERVIEW**

14 | **MARKET
OVERVIEW**

EXECUTIVE OVERVIEW

Lehigh Valley Health Network
502 South 2nd Street, Saint Clair, PA 17970



Executive Summary

Offering Summary

Matthews™ Healthcare Division is pleased to offer the opportunity to acquire a 11,200 square foot single-tenant outpatient medical property leased to Lehigh Valley Physician Group. The lease is backed by a full corporate guarantee from Lehigh Valley Health Network, Inc., a premier health system with over 125 years of operating history. On August 1st, 2024, Lehigh Valley Health Network completed its merger with Jefferson Health, forming a major regional academic health system serving Pennsylvania and New Jersey, creating a system with 32 hospitals, over 700 care sites, and approximately 62,000 employees. Lehigh Valley Health Network now operates as part of the larger Jefferson Health system, whose credit ratings are “A” from S&P Global.

The property is occupied under an absolute net lease that provides for 2.5% annual rental escalators. Under the lease terms, the tenant is responsible for paying all operating costs directly, including taxes, utilities, and insurance. While the landlord may fund certain capital expenditures, the tenant is required to reimburse these costs via amortized “Capital Replacement Payments” as additional rent for the duration of the term. The facility serves as an outpatient facility offering counseling services and home health.

The property is situated on a 3.51-acre site at 502 S 2nd Street, Saint Clair, PA 17970. It is located just outside the larger Allentown-Bethlehem-Easton MSA, which encompasses a population of 886,000 people, with roughly 20% of the population being aged 65 years or older.



The Opportunity

Name

Lehigh Valley Health Network

Property Address

502 S 2nd Street
Saint Clair, PA 17970

GLA (SF)

±11,200

Land Area (AC)

±3.51

Total Tenants

1

Term Remaining

±9.29 Years

Price

\$1,836,800

Cap Rate

6.25%

PPSF

\$164

Investment Highlights

- **High Caliber Operator:** On August 1st, 2024, Lehigh Valley Health Network completed its merger with Jefferson Health, forming a major regional academic health system serving Pennsylvania and New Jersey, creating a system with 32 hospitals, over 700 care sites, and approximately 62,000 employees.
- **Strong Corporate Guarantee:** The lease is backed by a full corporate guarantee from Lehigh Valley Health Network, Inc., a Pennsylvania non-profit corporation.
- **Absolute Net Lease Structure:** The agreement is an absolute net lease where the Tenant is responsible for all Monetary Obligations without set-off, counterclaim, or deduction.
- **Long-Term Commitment:** The property features a ten (10) year initial term with over nine (9) years remaining, providing long-term stability and cash flow.
- **Attractive Rent Growth:** The lease includes 2.5% annual rental escalations throughout the lease term, offering investors consistent rent growth and a great hedge against inflation.
- **Direct Expense Management:** The Tenant manages and pays for all operating expenses directly, including real estate taxes, insurance, and utilities.
- **Capital Expenditure Reimbursement:** While Landlord funds or reimburses Capital Replacements, the Tenant is required to pay back the amortized cost at SOFR plus 250 basis points as Additional Rent.
- **Favorable Depreciation:** This opportunity offers investors the ability to capture more favorable depreciation and tax savings advantages through a cost segregation study. *Investors to confirm with their own CPA.



Property Photos



FINANCIAL OVERVIEW

Lehigh Valley Health Network
502 South 2nd Street, Saint Clair, PA 17970



Financial Summary

Investment Summary

List Price	\$1,836,800**
NOI	\$114,800**
Cap Rate	6.25%
Price PSF	\$164
Rent PSF	\$10.25

Property Overview

Property Name	Lehigh Valley Health Network
Address	502 South 2nd Street, Saint Clair, PA
Property Size (SF)	±11,200 SF
Lot Size (AC)	±3.51 AC
Occupancy	100%
Property Type	MOB
Ownership Type	Fee Simple

Lease Abstract

Tenant Name	Lehigh Valley Hospital - Schuylkill
Ownership Type	Fee Simple
Lease Guarantor	Jefferson Health Corporation (Successor by merger to Lehigh Valley Health Network, Inc.)
SF Leased	11,200
Occupancy	100%
Initial Term	10 Years
Rent Commencement	5/21/2025
Lease Expiration	5/31/2035
Lease Term Remaining	±9.29 Years
Base Rent	\$114,800
Rental Increases	2.50%
Renewal Options	None
Expense Structure	Absolute NNN
Landlord Responsibilities	None*
ROFR	Yes, 30 Days to Respond

*Tenant reimburses amortized capex costs as part of additional rent

**Based on rent increase taking place 5/21/2026

Annualized Operating Data

Lease Year	Annual Rent	Monthly Rent	Rent PSF	Cap Rate
Current Year*	\$114,800	\$9,566.67	\$10.25	6.25%
Year 2	\$117,670	\$9,805.83	\$10.51	6.41%
Year 3	\$120,612	\$10,050.98	\$10.77	6.57%
Year 4	\$123,627	\$10,302.25	\$11.04	6.73%
Year 5	\$126,718	\$10,559.81	\$11.31	6.90%
Year 6	\$129,886	\$10,823.81	\$11.60	7.07%
Year 7	\$133,133	\$11,094.40	\$11.89	7.25%
Year 8	\$136,461	\$11,371.76	\$12.18	7.43%
Year 9	\$139,873	\$11,656.05	\$12.49	7.62%

*Based on rent increase taking place 5/21/2026

Cost Segregation Analysis

2026 Accelerated Depreciation Benefits

	Conservative	High End
2026 Depreciation — Accelerated	\$495,485	\$720,706
2026 Tax Savings	\$183,330	\$266,661

*These are all estimates provided by a company that specializes in cost segregations. All information should be verified by your CPA.

Why this is Important for Investors

Straight line depreciation allows investors to deduct the cost of a commercial property evenly over a 39 year period, creating a consistent annual tax shelter that reduces taxable income without affecting cash flow.

A cost segregation analysis enhances this benefit by identifying portions of the property such as mechanical systems, electrical, plumbing, and site improvements that can be depreciated over shorter lives, typically 5 or 15 years.

By accelerating depreciation into the early years of ownership, cost segregation can materially increase near term tax deductions and tax savings, improving after tax cash flow and overall investment returns. For many investors, especially those with significant taxable income, cost segregation can meaningfully enhance the economics of an acquisition compared to straight line depreciation alone.



Tenant Overview



Lehigh Valley Health Network

Tenant Overview

Lehigh Valley Physician Group (LVPG) is a leading, physician-led multispecialty medical group and one of the largest physician practice organizations in the United States. As a pivotal clinical arm of Lehigh Valley Health Network (LVHN), LVPG has established a substantial regional footprint across eastern Pennsylvania, delivering comprehensive outpatient and specialty care through an extensive network of practitioners and practice locations. Its scale, breadth of specialties, and integration with one of the region's largest healthcare systems underscore its significance in the healthcare market and community service provision.

Founded in 1993 in Allentown, Pennsylvania, LVPG began as the faculty practice plan for LVHN and has since expanded dramatically. Today, approximately 1,300 physicians and 1,000 advanced practice clinicians span 50+ medical specialties and serve patients through over 300 practice locations across the Lehigh Valley, Hazleton, Schuylkill, and Pocono regions. LVPG practitioners annually perform close to 2 million patient visits across their practices and affiliated settings, demonstrating robust operational scale and market penetration.

Year Founded
1993

Headquarters
Allentown, PA

Hospitals
32+

Employees
62,000+

Care Sites
700+

Annual Patient Visits
2M+

Tenant Overview



Jefferson

HOME OF SIDNEY KIMMEL MEDICAL COLLEGE

Tenant Overview

Jefferson Health is a prominent multi-state non-profit academic health system headquartered in Philadelphia, Pennsylvania, known for its extensive network of hospitals, outpatient facilities, and specialized care centers serving communities across the Mid-Atlantic, particularly in Pennsylvania and southern New Jersey. Established in 1995 as an integrated health enterprise anchored by Thomas Jefferson University Hospital in Center City Philadelphia, the system has grown to include more than 30 hospital campuses, thousands of licensed beds, and hundreds of care sites, offering primary, secondary, and tertiary medical services. Its clinical operations are closely connected with Thomas Jefferson University, making it a leading teaching health system that integrates patient care, medical education, and research. Jefferson Health also houses the NCI-designated Sidney Kimmel Comprehensive Cancer Center, one of only a few such centers nationwide, emphasizing its role in advanced cancer care and research.

Today, Jefferson Health stands among the top 15 non-profit academic health systems in the U.S., employing more than 65,000 people, including thousands of physicians, nurses, and advanced practice clinicians, and logging millions of outpatient and inpatient visits annually. The organization also includes Jefferson Health Plans, which provides insurance coverage to hundreds of thousands of members across PA and NJ, reflecting a broad commitment to accessible care and community health. Known for nationally ranked specialty programs—such as neurosciences, orthopedics, gastroenterology, and rehabilitation—and its emphasis on reimagining health and advancing medical discovery, Jefferson continues to expand its clinical footprint, education programs, and research initiatives to improve health outcomes across the region.

Year Founded
1825

Headquarters
Philadelphia, PA

Hospitals
32+

Employees
42,000+

Care Sites
700+

Annual Patient Visits
8.8M+

MARKET OVERVIEW

Lehigh Valley Health Network
502 South 2nd Street, Saint Clair, PA 17970





Subject Property



Geisinger

Fairlane Village Mall



61
±14,509 VPD



D.H.H. Lengel Middle School
±682 Students

Advanced Dermatology Associates, Ltd
Dermatologist

John S Clarke Elementary School
±845 Students



Schuylkill Medical Center
East Norwegian Street
±186 Beds

Geisinger St. Luke's Health Center - Pottsville
±60 Beds

Pottsville Area High School
±951 Students

Hazleton, Stroudsburg, Pottsville, Nanticoke & Bangor Eye Specialists

209
±16,292 VPD

St. Clair, PA



Local Market Overview

Situated in east-central Pennsylvania within Schuylkill County, St. Clair benefits from proximity to regional transportation corridors and established population centers. The borough lies near Routes 61 and 54, providing efficient access to Pottsville and broader connections to Interstate 81, which links the area to the Lehigh Valley, Harrisburg, and northeastern Pennsylvania. Historically rooted in the Coal Region, St. Clair has evolved into a stable residential community supported by affordable housing, a manageable cost of living, and access to essential services. Its compact layout and surrounding residential neighborhoods create an environment well suited for community-oriented uses, including outpatient medical and healthcare services.

St. Clair's local economy is supported by a mix of healthcare, public services, manufacturing, and retail employment, with healthcare and social assistance representing one of the county's largest employment sectors. Regional hospital systems, outpatient providers, and behavioral health organizations serve as key anchors, drawing patients from throughout the immediate trade area. An aging population and increased focus on accessible care continue to support demand for medical office and treatment facilities. Combined with limited new healthcare development and strong community reliance on existing providers, the area offers a stable setting for long-term healthcare operations and investment.

Property Demographics

POPULATION	3-MILE	5-MILE	10-MILE
2020 Population	20,158	33,219	88,827
2025 Population	21,308	34,551	93,021
2030 Population Projection	22,074	35,652	96,109
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2020 Households	8,749	14,270	36,474
2025 Households	29,476	51,863	80,584
2030 Households Projection	9,310	14,902	38,320
INCOME	3-MILE	5-MILE	10-MILE
Avg Household Income	\$63,920	\$68,261	\$75,549

| Disclaimer & Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **502 South 2nd Street, Saint Clair, PA 17970** ("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™. The material and information in the Offering Memorandum is unverified. Matthews™ 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™ 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™, the property, or the seller by such entity.

Owner and Matthews™ 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™ 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.



MATTHEWS™

502 South 2nd Street, Saint Clair, PA 17970



Exclusively Listed By

Points of Contact



Tyler Swade
VP & Director

(630) 854-9717

tyler.swade@matthews.com
License No. 02238285 (CA)



Michael Moreno
EVP & Senior Director

(949) 432-4511

michael.moreno@matthews.com
License No. 01982943 (CA)



Rahul Chhajed
EVP & Senior Director

(949) 432-4513

rahul.chhajed@matthews.com
License No. 01986299 (CA)