

# PATRIOT PLAZA



**57 US-46**

HACKETTSTOWN, NJ 07840

EXECUTIVE SUMMARY

FOR SALE

65,658 MEDICAL OFFICE BUILDING



# THE OFFERING

JLL has been exclusively engaged to offer the opportunity to purchase a 100 percent fee simple interest in Patriot Plaza (the “Property” or “Building”) located in Hackettstown, New Jersey. The Property is strategically located directly off Route 46, 2.8 miles south of Hackettstown Regional Medical Center and 45 miles east of Manhattan.

The Property is a 65,658 rentable square foot, multi-tenant medical office building with a small retail component constructed in 1976 and renovated in 2007. The Property is 94.0% percent occupied and is currently 80.9% medical and 13.1% retail with 8 unique tenants, including desirable Atlantic Health System tenancy. Atlantic Health System is an academic health system affiliated with the Sidney Kimmel Medical College at Thomas Jefferson University with \$2.5 billion in net patient service revenue in 2020. The Building also features a 2 operating room multi-specialty ambulatory surgery center in 12,864 square feet of space that is an affiliate of Surgical Care Affiliates (“SCA”), owned by a subsidiary of UnitedHealth Group, Inc. There is a synergistic tenant mix at the Property with orthopedics, radiology, physical therapy, oral & maxillofacial surgery, ophthalmology, podiatry, gastroenterology, and general surgery.

The offering is a desirable opportunity to acquire a well-located medical office building containing an ambulatory surgery center that is aligned with a leading academic health system. Investors will benefit from strong in-place cash flow and the opportunity to add value through the lease up of vacant space and converting space to fully medical uses as leases rollover. The Property is available fee simple and free and clear of any mortgage debt.

**94.0%**  
Occupancy

**80.9%**  
Medical Tenancy

**Aa3 RATED**  
Atlantic Health System (Moody's)

**2**  
Operating Room ASC

**1**  
MRI

**\$129,000**  
Average Household Income

# PATRIOT PLAZA

## INVESTMENT HIGHLIGHTS

### Stabilized asset with value creation opportunity

- 94% occupancy provides a rare lease up opportunity with limited rollover risk
- 22% health system occupancy from Atlantic Health System

### Desirable specialties and state-of-the-art infrastructure

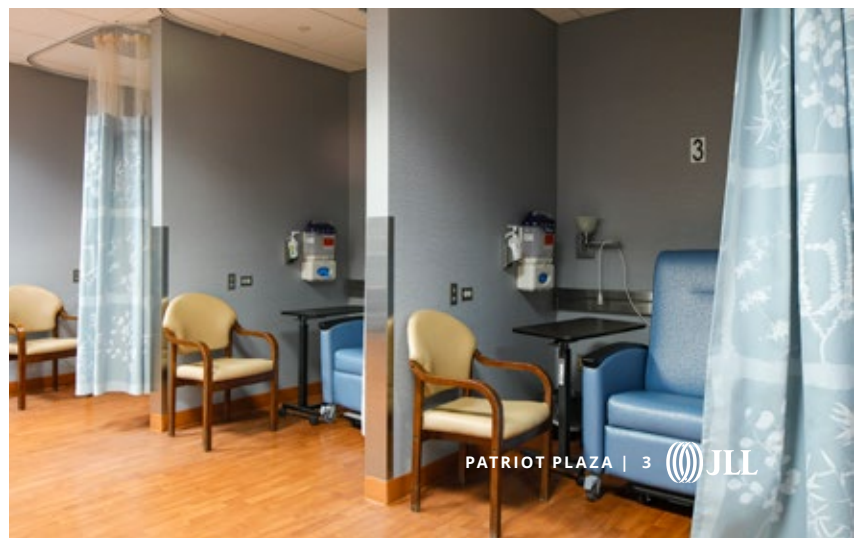
- 2 OR ASC on site protected from competition by New Jersey's Certificate of Need laws
- Synergistic specialties including orthopedics, radiology, physical therapy, oral & maxillofacial surgery, ophthalmology, podiatry, gastroenterology, and general surgery.
- Features state of the art imaging equipment including a 1.5-tesla wide short bore MRI

### Strong tenants

- Atlantic Health System is rated Aa3 by Moody's Investors Service with over \$2.5 billion in net patient service revenue in 2020. It serves 11 counties through its 5 general acute care hospitals and over 400 sites of care.
- Emmaus Surgical Center is affiliated with SCA, which was acquired by Optum, a UnitedHealth Group (Moody's A3) subsidiary. SCA serves over 1 million patients annually through its 250 surgical centers.
- ImageCare is one of New Jersey's largest imaging providers with over 34 radiologists and 22 locations

### Exceptional healthcare demand drivers in the local market

- Limited supply of high-quality medical office product within the submarket
- Average household income within 5 miles of the Property is \$129,494, over 40% more than the national average
- Over the next 5 years the share off the population over the age of 55 is expected to increase from 30.4% to 31.9%, a desirable shift for the healthcare industry
- Located 2.8 miles from Atlantic Health System affiliated Hackettstown Regional Medical Center, the only general acute care hospital in 15 miles







## **PATRIOT PLAZA**

### **PROPERTY OVERVIEW**

Patriots Plaza is a 65,658 rentable square foot medical office plaza constructed in 1976 and fully gut-renovated in 2007 with over \$8MM in capital improvements invested over the last 13 years. The total land area of the property is 6.8 acres, with 297 surface spaces for parking that was resurfaced and landscaped in 2007. The Property is located directly on U.S. Route 46, a busy east-west route traversing Northern New Jersey from the George Washington Bridge to the Delaware River and is adjacent to a Target, one of the largest retailers in the immediate area.

**65,658**  
**RENTABLE SQUARE FEET**

**\$8MM**  
**CAPITAL IMPROVEMENTS  
SINCE 2007**

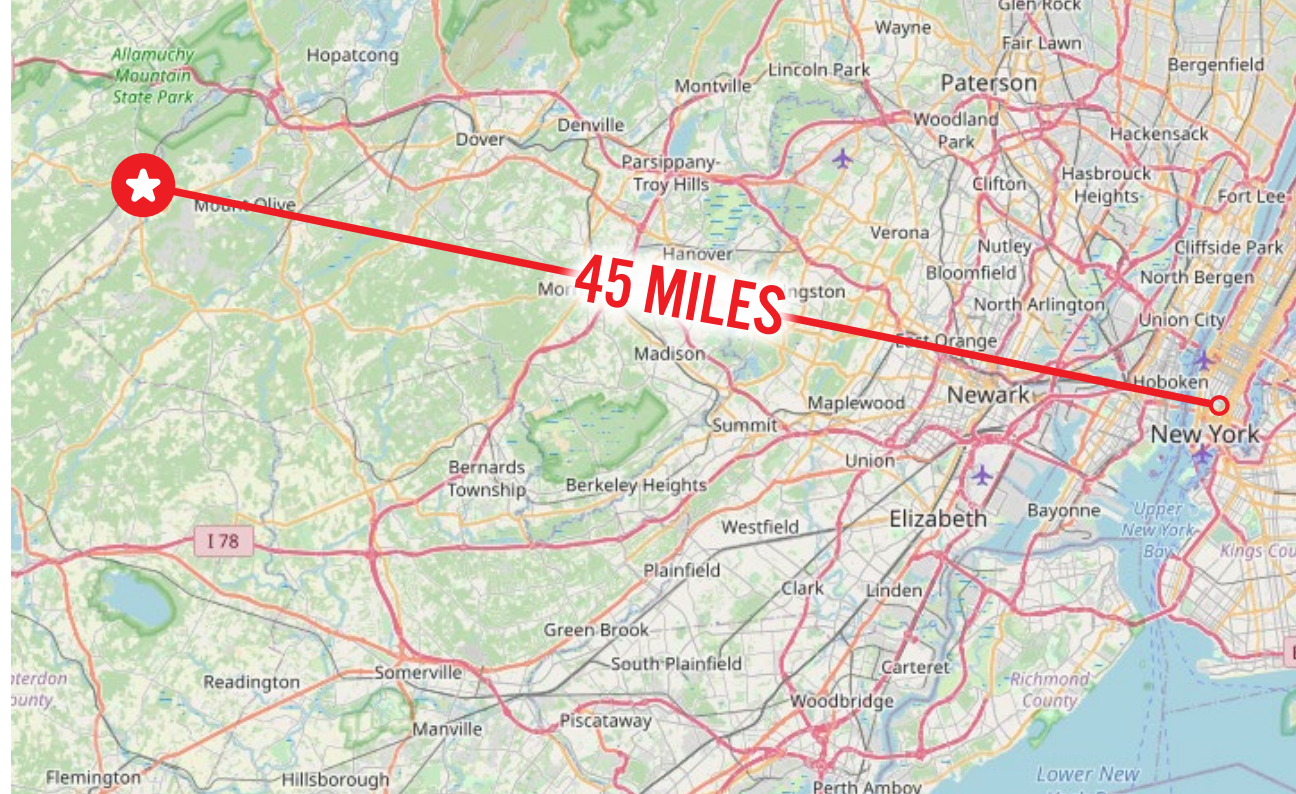


# PATRIOT PLAZA MARKET OVERVIEW

Located in Morris County, less than one hour from New York City, the Property is ideally situated in an area characterized by its access to top talent and world-renowned institutions of finance, healthcare and higher education. The New York – Newark – Jersey City (“New York”) MSA is home to 19.4 million people. With 54 headquarters of Fortune 500 companies, the nation’s deepest labor pool, and unparalleled access to funding, New York has revolutionized its technological, life sciences and medical industries while retaining its status as a global financial hub.

Morris County is situated in the center of Northern New Jersey with an estimated population of 502,091 people and an average household income of \$160,837, making it the 10th wealthiest County in the nation. Home to 28,000 businesses the County has benefited from its proximity to top talent at 11 local colleges and universities and its proximity to New York City. Its location at the intersection of Interstates 80 and 287 has enabled Morris County to become one of the most desirable commerce locations in Northeastern United States for pharmaceutical, biotech, healthcare, and education.

**10TH**  
**WEALTHIEST COUNTY IN**  
**THE NATION**



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**\*\*The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.**