



**DELRAY SALON SUITE**  
140 NE 2nd Avenue • Delray Beach, FL 33444

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DELRAY SALON SUITE  
Delray Beach, FL  
ACT ID Y0240532

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# INVESTMENT OVERVIEW





**EXECUTIVE SUMMARY**

VITAL DATA				
			CURRENT	PRO FORMA
Price	\$6,400,000	CAP Rate	7.85%	8.35%
Loan Amount	\$4,480,000	Net Operating Income	\$502,341	\$534,675
Loan Type	Proposed New	Net Cash Flow After Debt Service	9.97% / \$195,846	11.61% / \$228,180
Interest Rate / Amortization	4.75% / 25 Years	Total Return	14.84% / \$291,608	16.72% / \$328,591
Rentable SF	7,700			
Price/SF	\$831.17			
Current Occupancy	100.0%			
Year Built	2004			
Lot Size	0.35 acre(s)			

EXPENSES					
	CURRENT	\$/SF	PRO FORMA	\$/SF	
Cleaning	\$7,546	\$0.98	\$7,772	\$1.01	
Landscaping	\$745	\$0.10	\$767	\$0.10	
Supplies	\$4,225	\$0.55	\$4,352	\$0.57	
Professional Fees	\$770	\$0.10	\$793	\$0.10	
Advertising	\$4,304	\$0.56	\$1,680	\$0.22	
Repairs & Maintenance	\$7,854	\$1.02	\$8,090	\$1.05	
Pest Control	\$706	\$0.09	\$727	\$0.09	
Utilities	\$31,095	\$4.04	\$32,025	\$4.16	
Contract Services	\$3,600	\$0.47	\$3,708	\$0.48	
Insurance	\$8,471	\$1.10	\$8,471	\$1.10	
Real Estate Taxes	\$57,513	\$7.47	\$96,000	\$12.47	
Management Fee	\$19,459	\$2.53	\$21,620	\$2.81	
<b>Total Expenses</b>	<b>\$146,288</b>	<b>\$19.00</b>	<b>\$186,005</b>	<b>\$24.16</b>	



**DEMOGRAPHICS**

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	14,387	72,363	170,142
2017 Census Pop	13,052	66,002	155,802
2017 Estimate HH	5,989	32,136	82,680
2017 Census HH	5,493	29,625	76,174
Median HH Income	\$53,511	\$50,246	\$47,781
Per Capita Income	\$39,292	\$36,821	\$38,409
Average HH Income	\$94,013	\$82,329	\$78,669

## INVESTMENT OVERVIEW

Marcus & Millichap has been appointed as exclusive advisor for the sale of the 100 percent interest in Delray Salon Suite (the Property) a 7,734 square foot, two story commercial building located at 140 northeast 2nd Avenue in the Central Business District of Delray Beach, Florida. The Property also includes an adjacent 30 space parking lot. The building was constructed in 1981 and underwent major renovations in 2014/2015. The Property sits on 0.35 acres with 117 feet of frontage on 2nd Avenue. Internally the Property is configured as 37 suites which are individually leased on an annual basis to health and beauty professionals. The Property is currently 100% percent occupied with a waiting list. The parking lot is operated as a pay-to-park operation during the hours of 5:00PM to 7:00AM daily.

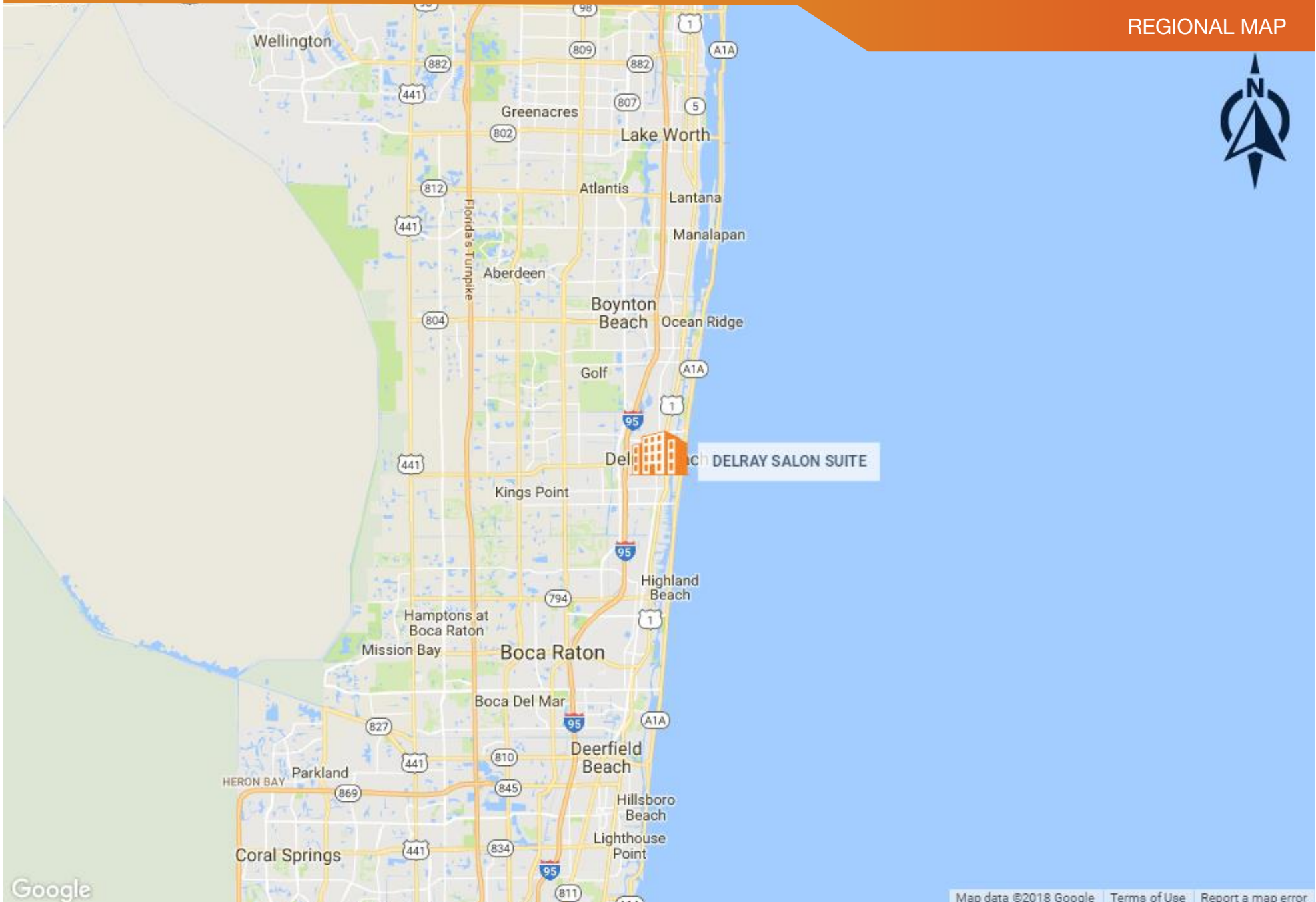
The Property represents an ideal opportunity for an investor to acquire an existing, stabilized stream of rental income, and potentially capitalize on an opportunity to add an incremental 1,500 square feet of rentable space and further monetization of the parking lot during the hours not subject to the aforementioned time period.

The Property is located within the desirable Pineapple Grove area and is less than two blocks from Atlantic Avenue, the main commercial artery for Delray Beach, and one of the hottest retail corridors in South Florida. In addition to the existing vibrant restaurant and shopping scene, the Property will benefit from the planned development of 1,330 residential units, 277,000 square feet of Class A office space, 125,000 square feet of retail space and 341 hotel rooms, all within a one-mile radius. The Property also enjoys close proximity to I-95, U.S.-1 (Federal Highway) and the pristine beaches of the Atlantic Ocean and upscale beach area neighborhoods.

## INVESTMENT HIGHLIGHTS

- Excellent Location Two Blocks from Atlantic Avenue and Close to I-95
- Benefits From High Walkability
- Rare On-site Parking For Downtown Delray Beach
- Attractive And Recently Renovated With Little-to-No Deferred Maintenance
- High Occupancy Boutique Building
- Value-Add Potential Thru Raising Rents and Potential to Add Additional Square Footage

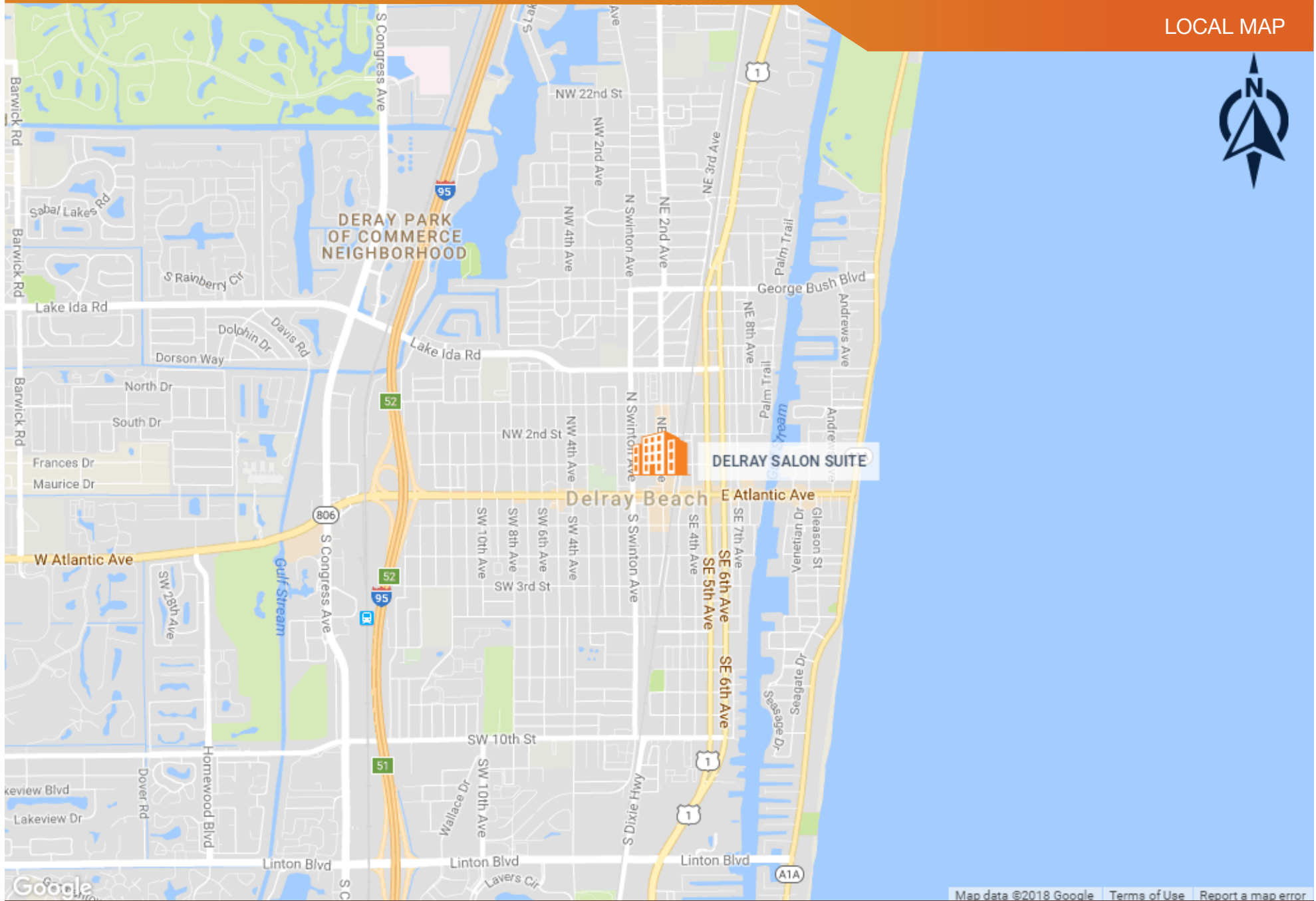




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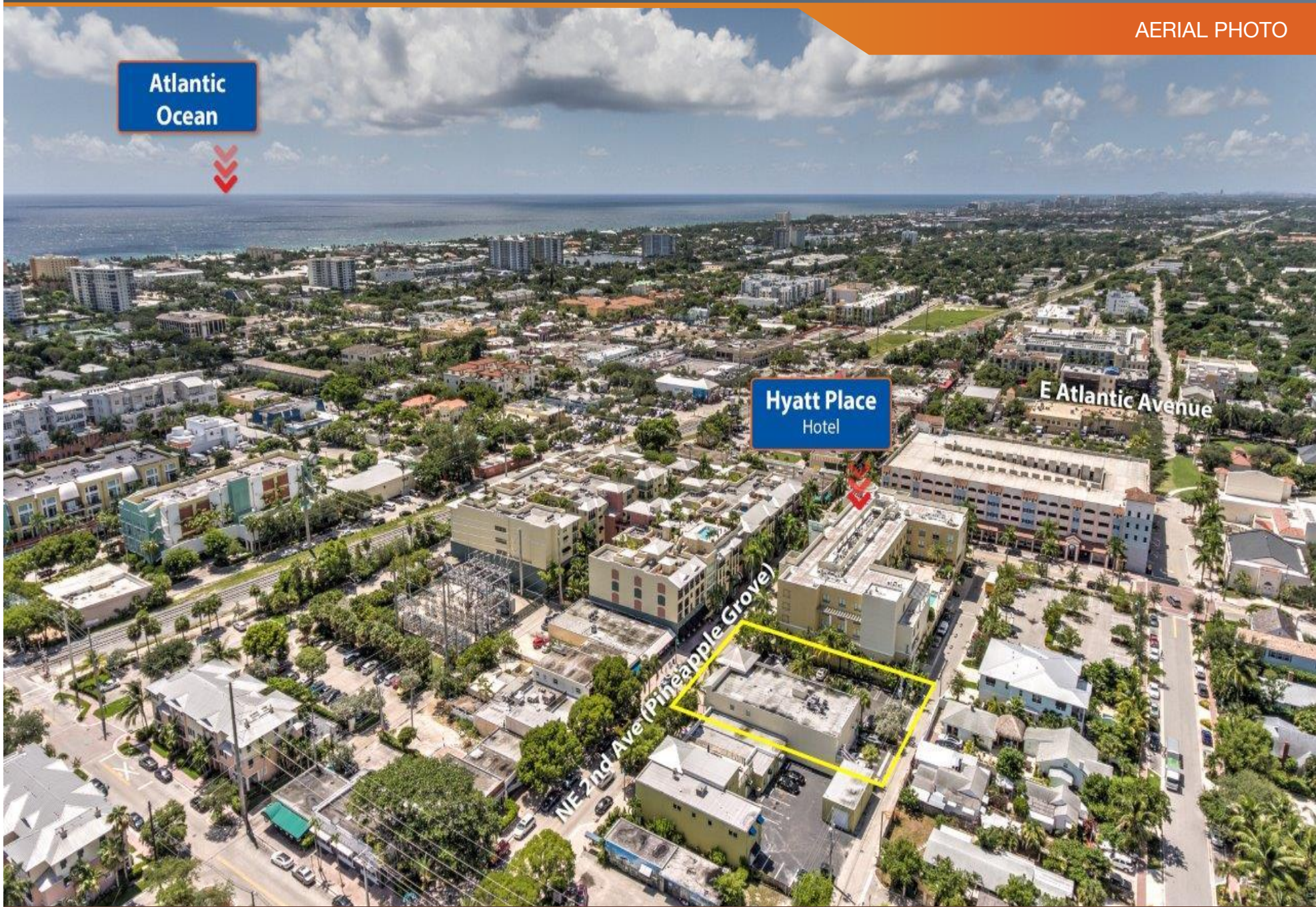
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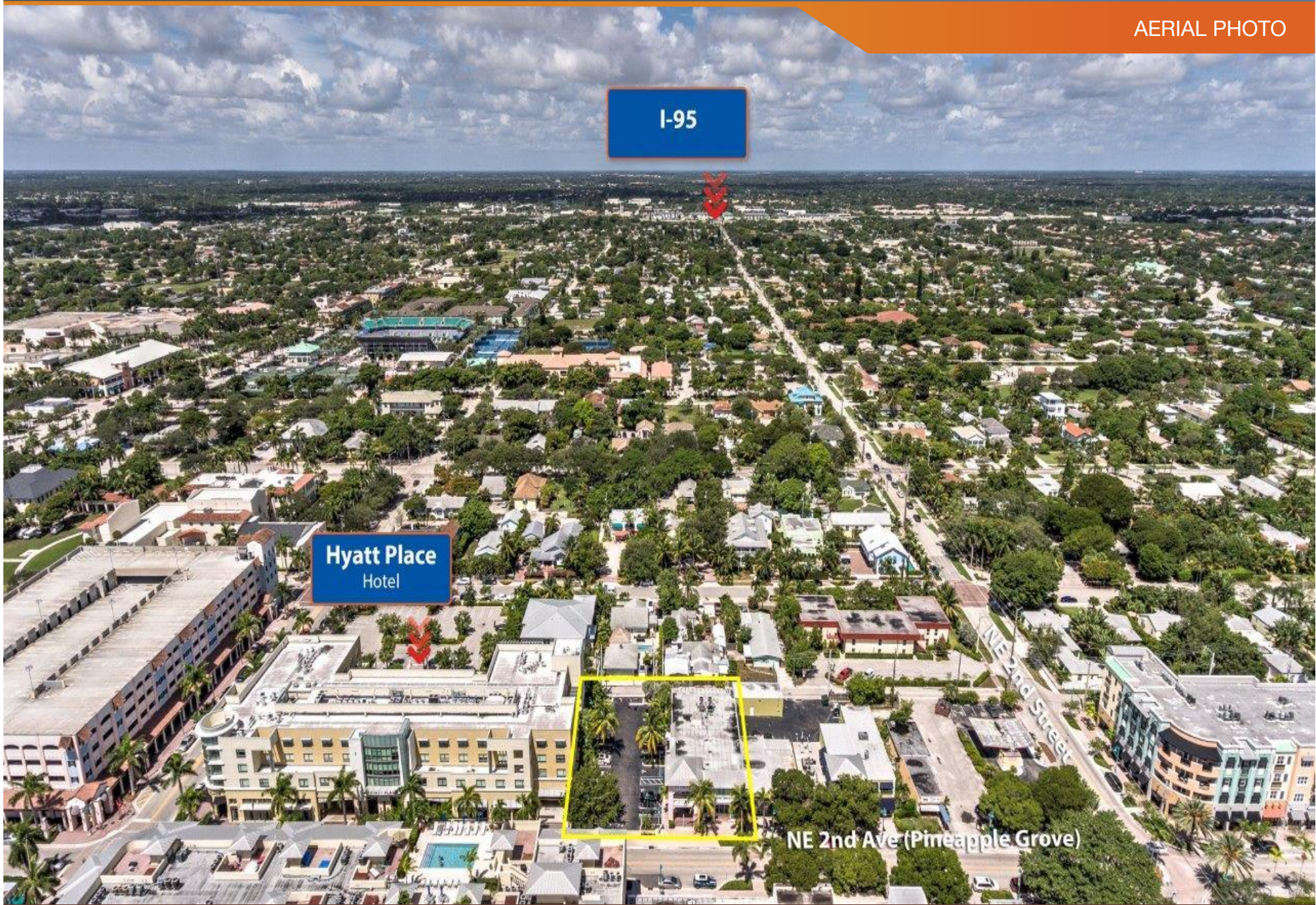


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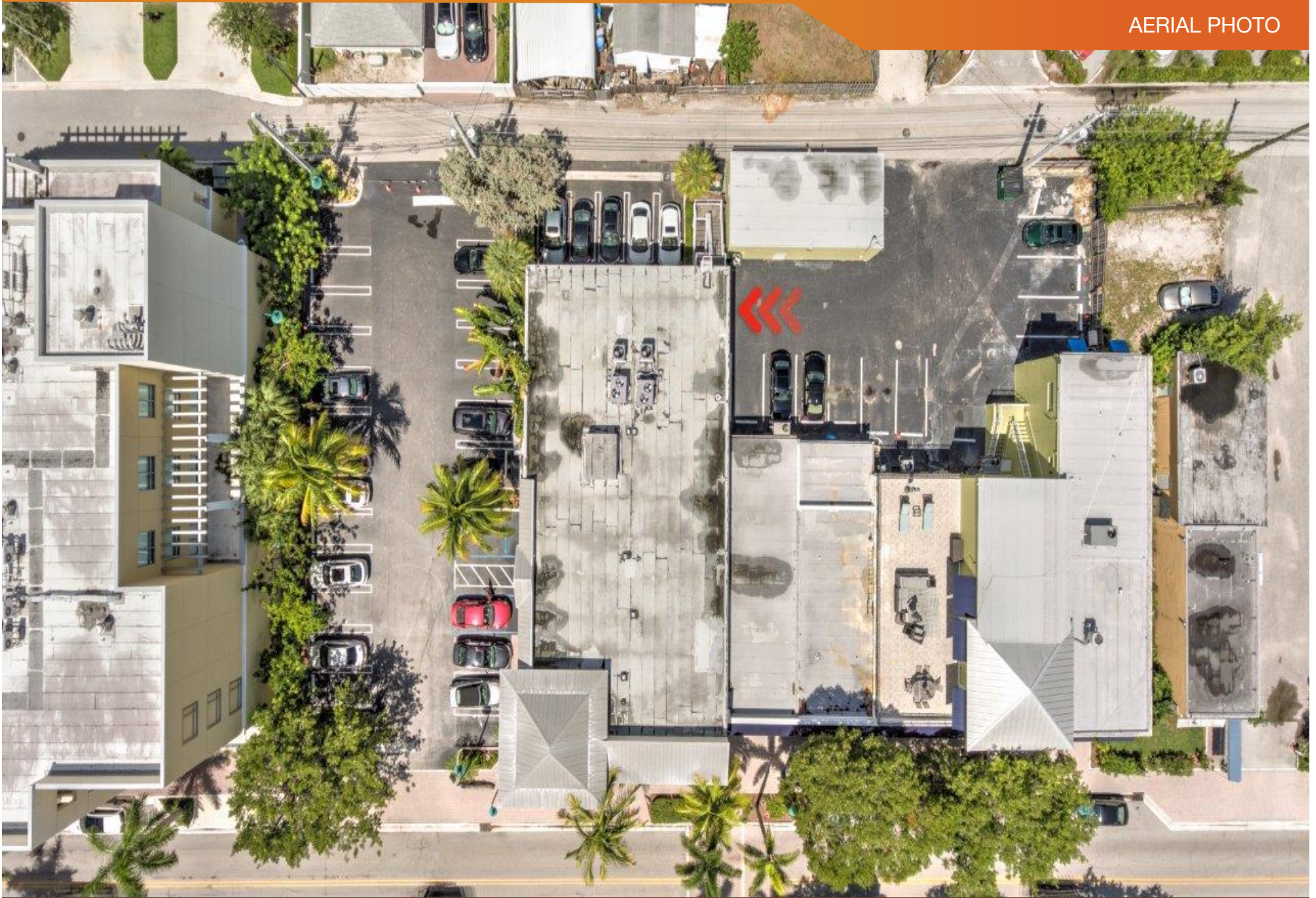


















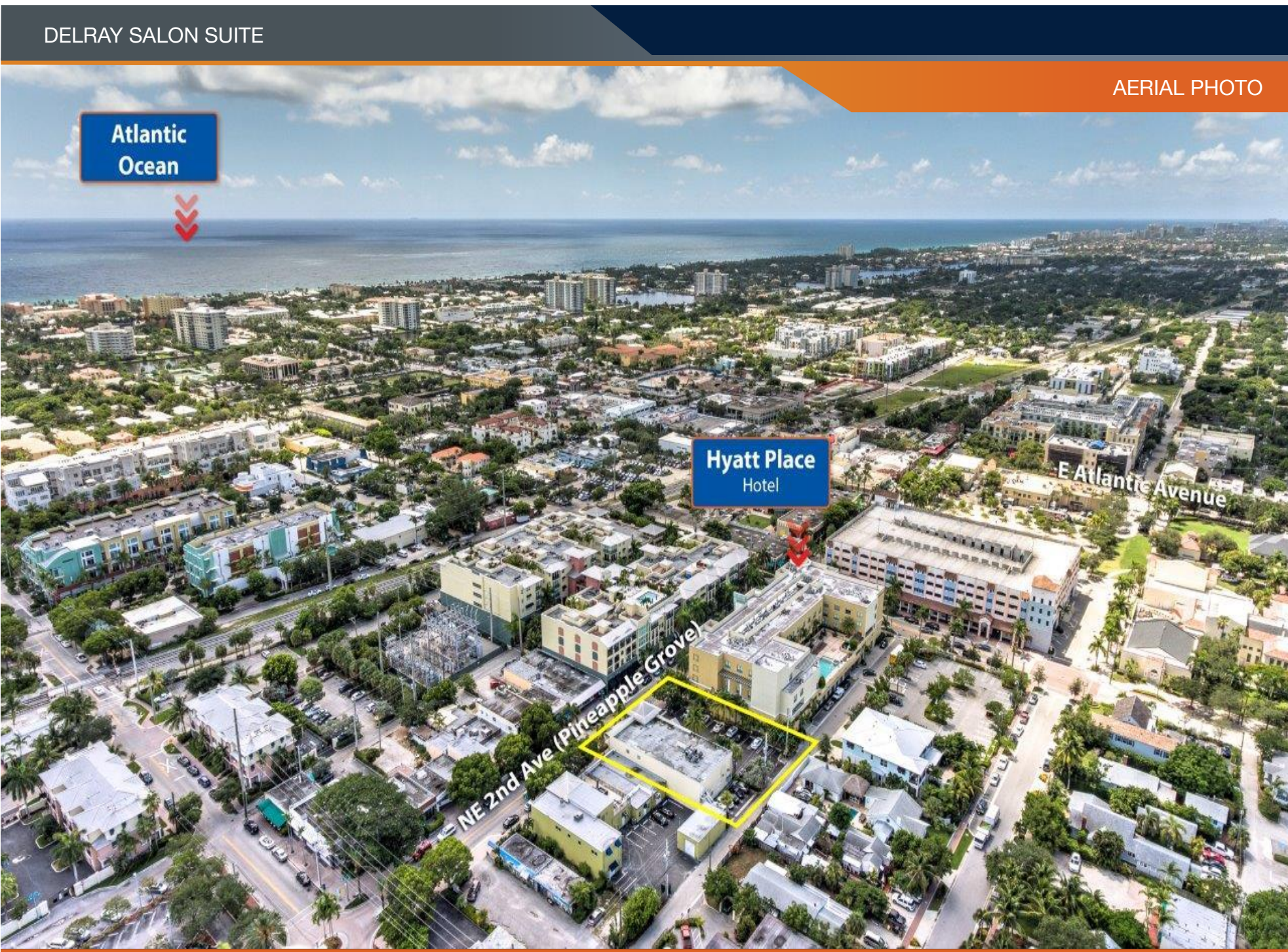
Atlantic  
Ocean



Hyatt Place  
Hotel

E Atlantic Avenue

NE 2nd Ave (Pineapple Grove)



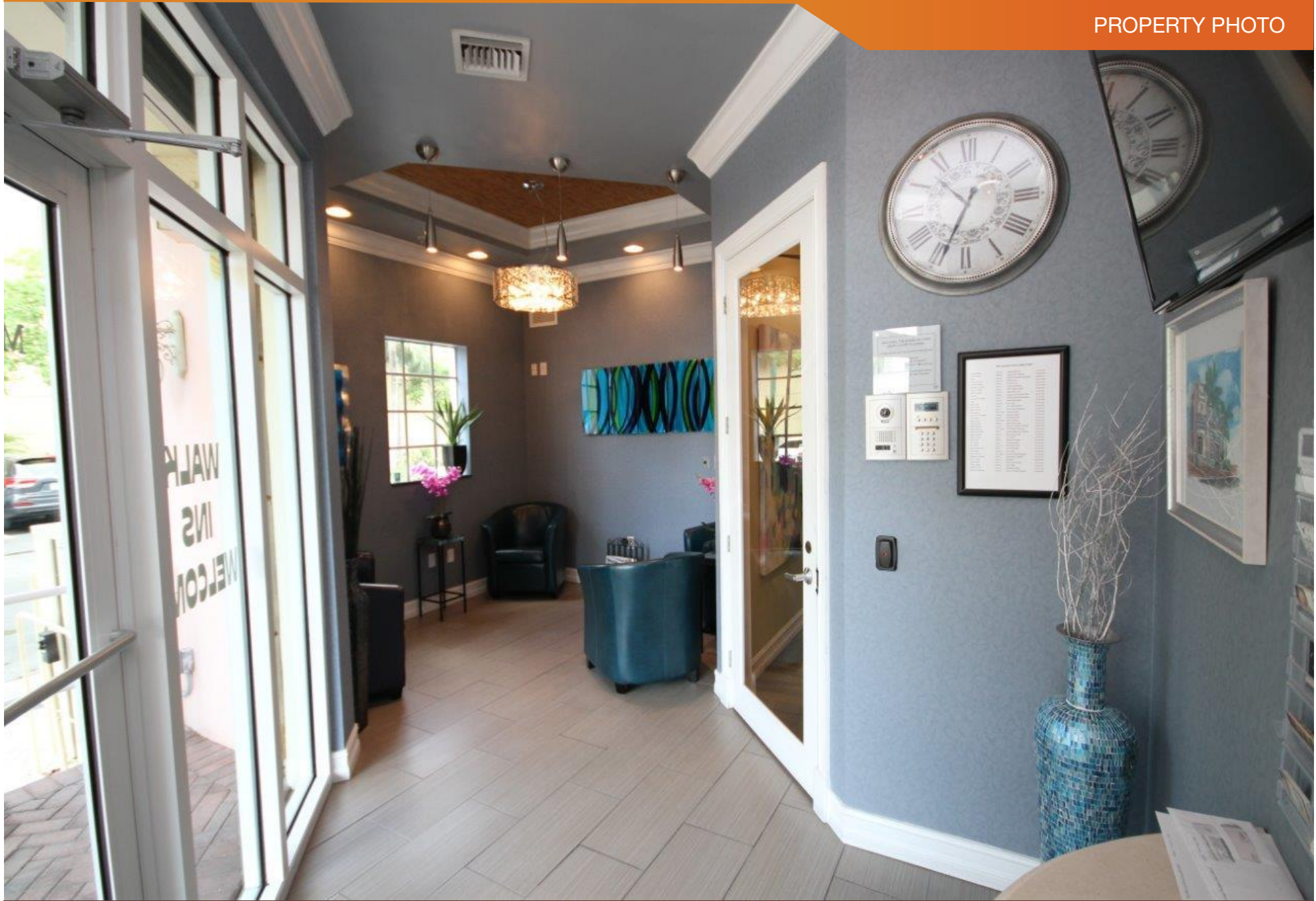
















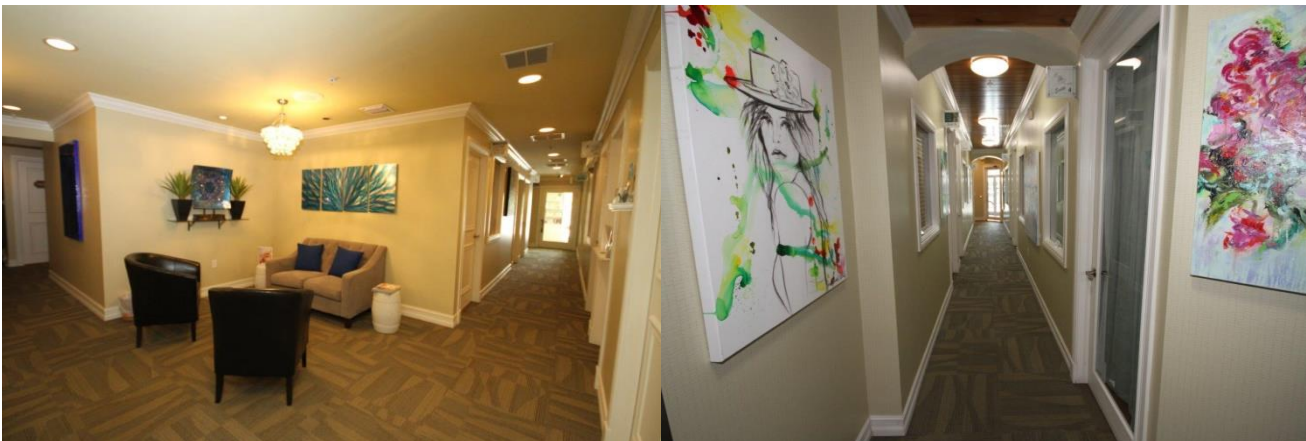
Premier location two blocks  
from thriving Atlantic Avenue  
with rare on-site parking







Highly improved interior finishes catering to high demand niche users in the beauty, style and wellness space.





# FINANCIAL ANALYSIS



TENANT SUMMARY

As of July, 2018

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	% Increase	Lease Type	Renewal Options and Option Year Rental Information
				Comm.	Exp.							
Tammy Benz	5	214	2.8%	7/1/14	6/30/19	\$102.53	\$1,827	\$21,929	Jul-2019	4.00%	Gross	
Tom Frisch	12	214	2.8%	7/1/14	6/30/19	\$85.32	\$1,521	\$18,249	Jul-2019	4.00%	Gross	
Nia Baron	13	214	2.8%	7/1/14	4/30/19	\$63.21	\$1,127	\$13,520	May-2019	4.00%	Gross	
Tiffany Lifton	14	214	2.8%	7/1/14	7/1/19	\$72.69	\$1,296	\$15,548	Jul-2019	4.00%	Gross	
Susan Tobin	15	214	2.8%	7/1/14	6/30/19	\$65.74	\$1,172	\$14,061	Jul-2019	4.00%	Gross	
Dianna Sellers	23	214	2.8%	3/8/15	3/8/19	\$95.71	\$1,706	\$20,472	Mar-2019	4.00%	Gross	
Maria Oliveria	25,26	214	2.8%	7/1/14	6/30/19	\$113.77	\$2,028	\$24,333	Jul-2019	4.00%	Gross	
Leonardo Antunano	32	214	2.8%	7/1/14	6/30/19	\$85.45	\$1,523	\$18,276	Jul-2019	4.00%	Gross	
Paula Ives	34	214	2.8%	7/1/14	6/30/19	\$75.85	\$1,352	\$16,224	Jul-2019	4.00%	Gross	
Rafaela Patton	18	214	2.8%	1/8/18	12/31/18	\$66.86	\$1,192	\$14,300	Jan-2019	4.00%	Gross	
Doris Robie	37	214	2.8%	2/1/15	1/31/19	\$47.79	\$852	\$10,221	Feb-2019	4.00%	Gross	
Engel & Farley	21	214	2.8%	11/13/17	11/30/18	\$133.71	\$2,383	\$28,600	Dec-2018	4.00%	Gross	
Marci Jones	35,36	214	2.8%	3/7/15	3/8/19	\$47.79	\$852	\$10,221	Mar-2019	4.00%	Gross	
Linda Blount	35,36	214	2.8%	3/7/15	3/8/19	\$47.80	\$852	\$10,224	Mar-2019	4.00%	Gross	
Demetra Hansen	28	214	2.8%	6/30/15	6/30/19	\$82.17	\$1,465	\$17,576	Jul-2019	4.00%	Gross	
Kayla Keisler	2	214	2.8%	11/14/17	11/13/19	\$72.94	\$1,300	\$15,600	Dec-2018	4.00%	Gross	
Briana Barndollar	3	214	2.8%	11/14/17	11/13/19	\$72.94	\$1,300	\$15,600	Dec-2018	4.00%	Gross	
Diolaser	33	214	2.8%	7/30/15	3/31/19	\$97.25	\$1,733	\$20,800	Aug-2018	4.00%	Gross	
Maria Arroyo	16	214	2.8%	8/9/15	8/8/18	\$72.31	\$1,289	\$15,467	Aug-2018	4.00%	Gross	
Netie Saludo	6	214	2.8%	8/25/15	8/24/18	\$78.77	\$1,404	\$16,848	Sep-2018	4.00%	Gross	
Jully Ortega	9	214	2.8%	11/12/17	11/11/18	\$85.09	\$1,517	\$18,200	Dec-2018	4.00%	Gross	
Dianne Adams	8	214	2.8%	7/1/14	6/30/19	\$78.70	\$1,403	\$16,833	Jul-2019	4.00%	Gross	
Stephanie Moreno	19	214	2.8%	2/15/16	2/14/19	\$131.48	\$2,343	\$28,122	Feb-2019	4.00%	Gross	

TENANT SUMMARY

As of July, 2018

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	% Increase	Lease Type	Renewal Options and Option Year Rental Information
				Comm.	Exp.							
Victoria Anderson	24	214	2.8%	2/20/16	8/31/18	\$75.85	\$1,352	\$16,224	Aug-2018	4.00%	Gross	
Rosalie Rapuano	4	214	2.8%	7/1/14	7/11/18	\$81.91	\$1,460	\$17,520	Jul-2019	4.04%	Gross	
Renee Sloan	7	214	2.8%	8/1/17	8/13/18	\$72.94	\$1,300	\$15,600	Sep-2018	4.00%	Gross	
Georgio Fernandez	27	214	2.8%	9/1/16	8/31/18	\$75.85	\$1,352	\$16,224	Sep-2018	4.00%	Gross	
Lucy Sousa	29	214	2.8%	12/18/16	12/17/18	\$60.78	\$1,083	\$13,000	Dec-2018	4.00%	Gross	
Denise Gezek	20	214	2.8%	6/26/17	6/30/19	\$101.14	\$1,803	\$21,632	Jul-2019	4.00%	Gross	
Stacy Norman	31	214	2.8%	1/1/17	12/31/18	\$36.47	\$650	\$7,800	Jan-2019	4.00%	Gross	
Jaclyn Cirillo	30	214	2.8%	1/1/17	12/31/19	\$66.86	\$1,192	\$14,300	Jan-2019	4.00%	Gross	
Karolina Majewska	22	214	2.8%	10/1/17	9/30/19	\$48.62	\$867	\$10,400	Oct-2018	4.00%	Gross	
Ibelize Frost	10	214	2.8%	12/4/17	12/3/18	\$72.94	\$1,300	\$15,600	Jan-2019	4.00%	Gross	
Raul Ponce	1	214	2.8%	4/1/17	4/30/19	\$75.85	\$1,352	\$16,224	May-2019	4.00%	Gross	
Jesse Lugo	11	214	2.8%	7/1/15	10/31/18	\$66.84	\$1,192	\$14,304	Nov-2018	3.94%	Gross	
Amanda Mayor	17	214	2.8%	6/5/17	10/13/20	\$139.79	\$2,492	\$29,900	Oct-2018	4.00%	Gross	
Vacant	0	0	0.0%			\$0.00	\$0	\$0	n/a	N/A		
<b>Total</b>		<b>7,700</b>				<b>\$79.21</b>	<b>\$50,829</b>	<b>\$609,951</b>				

Notes:

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF	Notes
Scheduled Base Rental Income	619,038	80.39	645,070	83.77	
Expense Reimbursement Income					
Net Lease Reimbursement					
<b>Total Reimbursement Income</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Net Parking Revenue	48,000	6.23	95,000	12.34	
<b>Potential Gross Revenue</b>	<b>667,038</b>	<b>86.63</b>	<b>740,070</b>	<b>96.11</b>	
General Vacancy	(18,410)	2.8%	(19,390)	2.6%	(2.52)
<b>Effective Gross Revenue</b>	<b>\$648,629</b>	<b>\$84.24</b>	<b>\$720,680</b>	<b>\$93.59</b>	
<b>Operating Expenses</b>	<b>Current</b>	<b>Per SF</b>	<b>Pro Forma</b>	<b>Per SF</b>	
Cleaning	7,546	0.98	7,772	1.01	
Professional Fees	770	0.10	793	0.10	
Advertising	4,304	0.56	1,680	0.22	
Incremental Property Tax	0	0.00	0	0.00	
Pest Control	706	0.09	727	0.09	
Utilities	31,095	4.04	32,025	4.16	
Contract Services	3,600	0.47	3,708	0.48	
Insurance	8,471	1.10	8,471	1.10	
Real Estate Taxes	57,513	7.47	96,000	12.47	
Management Fee	19,459	3.0%	21,620	3.0%	
<b>Total Expenses</b>	<b>\$146,288</b>	<b>\$19.00</b>	<b>\$186,005</b>	<b>\$24.16</b>	
<b>Expenses as % of EGR</b>	<b>22.6%</b>		<b>25.8%</b>		
<b>Net Operating Income</b>	<b>\$502,341</b>	<b>\$65.24</b>	<b>\$534,675</b>	<b>\$69.44</b>	

Notes and assumptions to the above analysis are on the following page.



NOTES

Notes to Operating Statement

- [1] General Vacancy is based on 3% of revenue net of parking revenue
- [2] Proforma Parking Revenue includes daytime monetization and is very conservative based on our parking models
- [3] Net Parking Revenue is Based on +/- 85% Margin with Parking Expenses +/- 15%
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PRICING DETAIL

Summary		
Price	\$6,400,000	
Down Payment	\$1,964,800	31%
Number of Suites	37	
Price Per SqFt	\$831.16	
Rentable Built Area (RBA)	7,700 SF	
Lot Size	0.35 Acres	
Year Built/Renovated	2004/2013	
Occupancy	100.00%	

Returns	Current	Pro Forma
CAP Rate	7.85%	8.35%
Cash-on-Cash	9.97%	11.61%
Debt Coverage Ratio	1.64	1.74

Financing	1st Loan
Loan Amount	\$4,480,000
Loan Type	New
Interest Rate	4.75%
Amortization	25 Years
Year Due	2023

Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

Operating Data				
Income		Current		Pro Forma
<b>Scheduled Base Rental Income</b>		<b>\$619,038</b>		<b>\$645,070</b>
Total Reimbursement Income	0.0%	\$0	0.0%	\$0
Other Income		\$48,000		\$95,000
Potential Gross Revenue		\$667,038		\$740,070
Effective Gross Revenue		\$648,629		\$720,680
Less: Operating Expenses	22.6%	(\$146,288)	25.8%	(\$186,005)
<b>Net Operating Income</b>		<b>\$502,341</b>		<b>\$534,675</b>
Tenant Improvements		\$0		\$0
Leasing Commissions		\$0		\$0
Capital Expenditures		\$0		\$0
Cash Flow		\$502,341		\$534,675
Debt Service		(\$306,495)		(\$306,495)
Net Cash Flow After Debt Service	9.97%	\$195,846	11.61%	\$228,180
Principal Reduction		\$95,762		\$100,411
<b>Total Return</b>	<b>14.84%</b>	<b>\$291,608</b>	<b>16.72%</b>	<b>\$328,591</b>
Operating Expenses		Current		Pro Forma
CAM		\$60,845		\$59,914
Insurance		\$8,471		\$8,471
Real Estate Taxes		\$57,513		\$96,000
Management Fee		\$19,459		\$21,620
<b>Total Expenses</b>		<b>\$146,288</b>		<b>\$186,005</b>
<b>Expenses/Suite</b>		<b>\$3,954</b>		<b>\$5,027</b>
<b>Expenses/SF</b>		<b>\$19.00</b>		<b>\$24.16</b>



## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

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**Closed 1,651 debt and equity financings in 2016**



**National platform operating within the firm's brokerage offices**



**\$5.1 billion total national volume in 2016**



**Access to more capital sources than any other firm in the industry**

## WHY MMCC?

**Optimum financing solutions to enhance value**

**Our ability to enhance buyer pool by expanding finance options**

**Our ability to enhance seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

# MARKET COMPARABLES

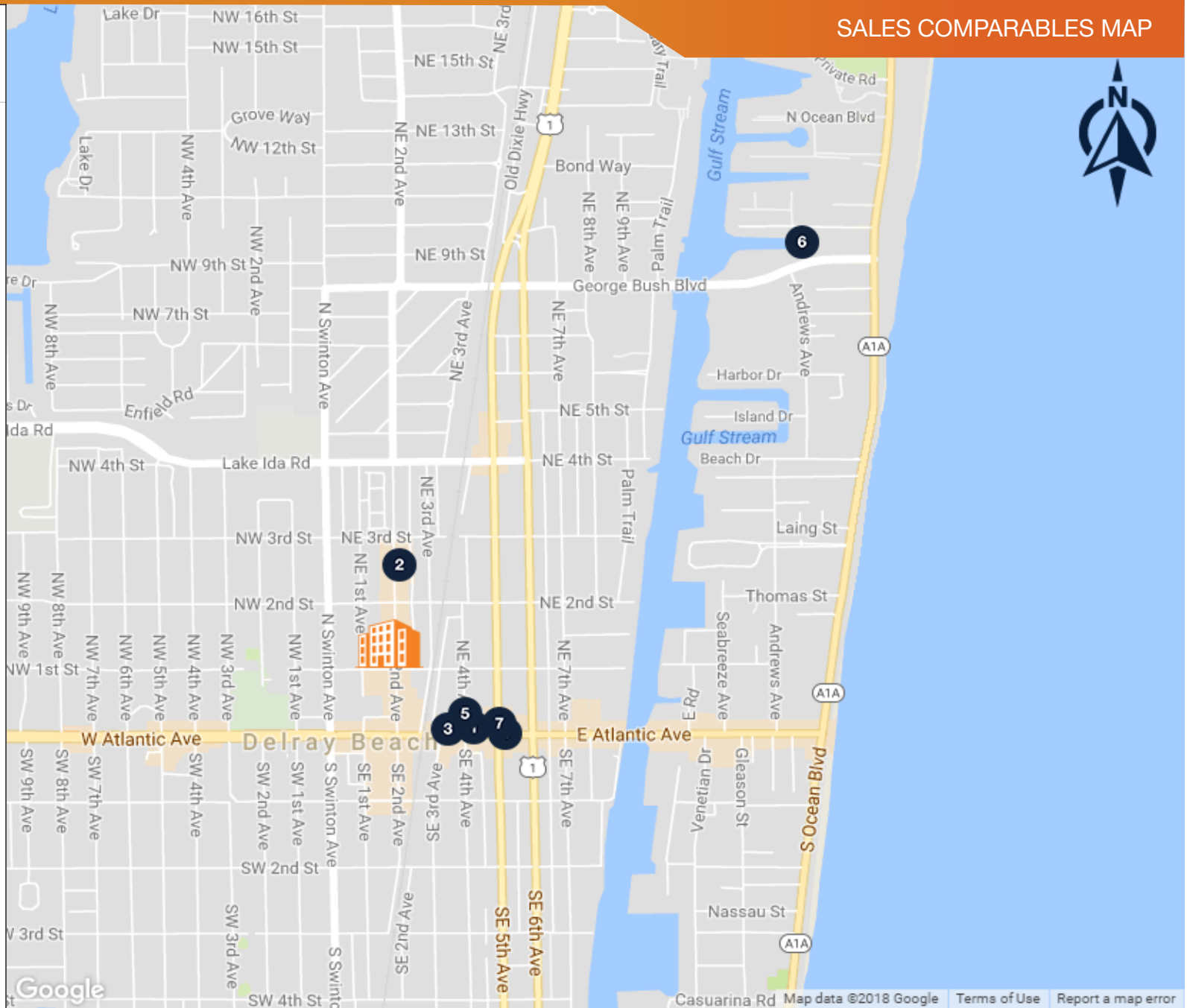






**DELRAY SALON SUITE  
(SUBJECT)**

- 1 The George Buildings
- 2 Esplanade in the Grove
- 3 Urban Outfitters Bldg
- 4 504 East Atlantic
- 5 Former Mercer Wenzel Bldg
- 6 810 Andrews
- 7 502 East Atlantic



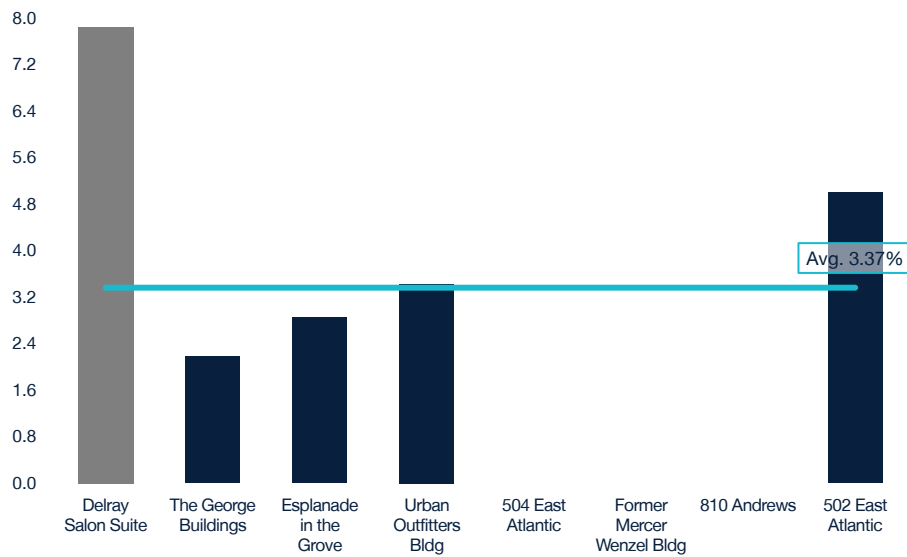
● SALES COMPARABLES

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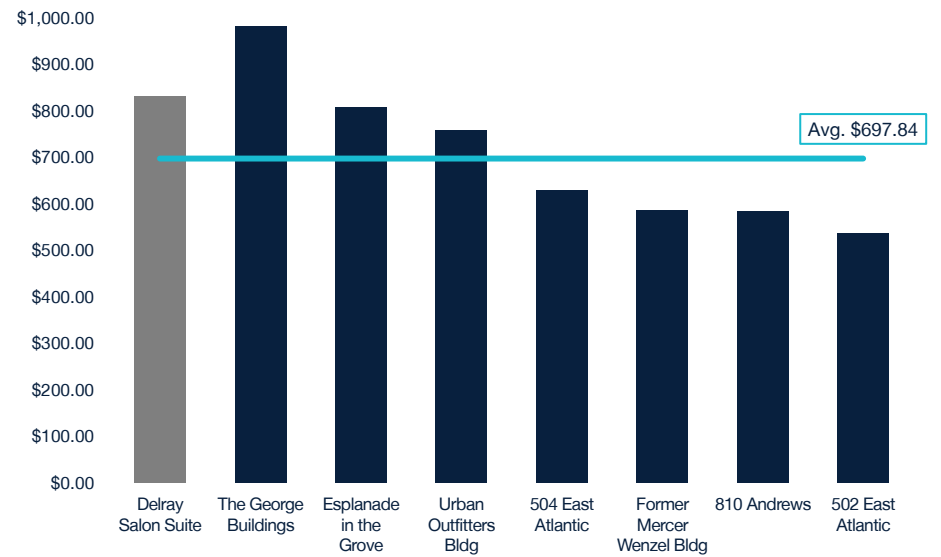
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SALES COMPARABLES SALES COMPS AVG

Average Cap Rate



Average Price Per Square Foot





SALES COMPARABLES

**DELRAY SALON SUITE**

140 NE 2nd Avenue, Delray Beach, FL, 33444



Asking Price	\$6,400,000
Price/SF	\$831.17
CAP Rate	7.85%
Year Built	2004
Occupancy	100%
Parking Ratio	3.89/1000

**THE GEORGE BUILDINGS**

400 E Atlantic Ave, Delray Beach, FL, 33483



	Tenants	Lease Type
Close Of Escrow:	4/1/2015	
Sales Price:	\$19,500,000	
Price/SF:	\$982.12	
CAP Rate:	2.18%	
Year Built:	1960	

**ESPLANADE IN THE GROVE**

233 NE 2nd Ave, Delray Beach, FL, 33444



	Tenants	Lease Type
Close Of Escrow:	6/16/2016	
Sales Price:	\$25,600,000	
Price/SF:	\$807.57	
CAP Rate:	2.85%	
Year Built:	1954	

SALES COMPARABLES

**URBAN OUTFITTERS BLDG**  
306 E Atlantic Ave, Delray Beach, FL, 33483



	Tenants	Lease Type
Close Of Escrow:	6/29/2016	
Sales Price:	\$8,300,000	
Price/SF:	\$757.71	
CAP Rate:	3.43%	
Year Built:	1936	

**504 EAST ATLANTIC**  
504 E Atlantic Avenue, Delray Beach, FL, 33483



Close Of Escrow	2/24/2017		
Sales Price	\$1,827,000		
Price/SF	\$629.57		
Year Built	2000		

**FORMER MERCER WENZEL BLDG**  
401 E Atlantic Ave, Delray Beach, FL, 33483



Close Of Escrow	11/10/2014		
Sales Price	\$7,250,000		
Price/SF	\$587.52		
Year Built	1930		

NOTES

Property delivered vacant and completely renovated and re-tenanted



SALES COMPARABLES

**810 ANDREWS**

810 Andrews Ave, Delray Beach, FL, 33483



Close of Escrow	2/13/2017
Sales Price	\$1,750,000
Rentable SF	3,000
Price/SF	\$583.33
Year Built	1963
Parking Ratio	2.60

**502 EAST ATLANTIC**

502-506 E Atlantic Avenue, Delray Beach, FL, 33483



Close of Escrow	4/24/2015
Sales Price	\$6,250,000
Rentable SF	11,638
Price/SF	\$537.03
CAP Rate	5.00%
Year Built	1935

NOTES

Owner/User Sale

# MARKET OVERVIEW





**PALM BEACH COUNTY**

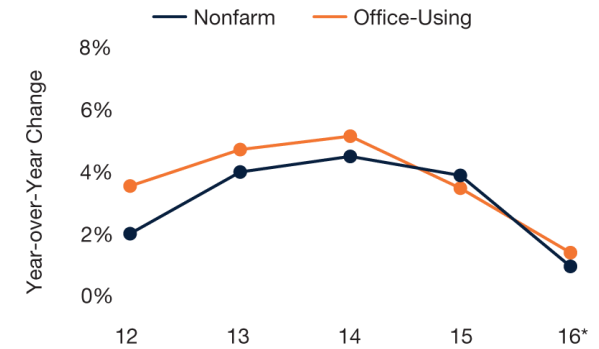
**Economy**

- Metro employers added 8,700 positions during the last 12 months ending in the second quarter, increasing total employment 1.5 percent. This volume of job creation was down from 21,400 positions generated during the previous 12-month span.
- Office-using employment aided overall job growth, with the financial activities and professional and business services sectors accounting for a combined third of all hires. The education and health services industry was the primary driver of employment with nearly 2,700 positions created.
- At midyear, the market’s unemployment rate of 4.7 percent was the lowest since mid-2007 and is down 20 basis points from the prior year.
- Outlook: Marketwide employment growth will total 5,700 in 2016, a decline from the 22,300 positions created in 2015. Nearly half of all new jobs will be business services, government, and education or health services related.

**Construction**

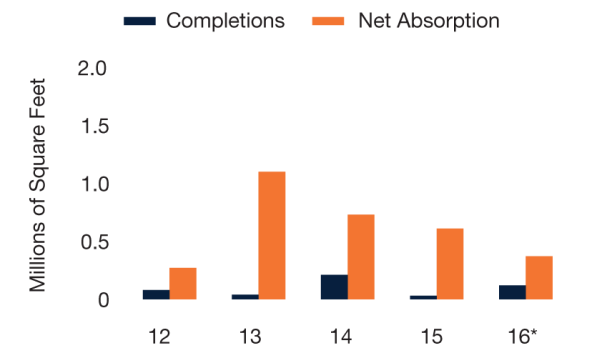
- During the second quarter, 62,300 square feet of office space was completed, largely contributing to the 87,500 square feet delivered in the last 12 months. The majority of new space was Class B properties. During the previous year, 160,000 square feet was delivered.
- A 62,300-square-foot project completed in the Palm Springs/Lake Worth submarket accounted for most of the recently delivered space.
- A property in Delray Beach, the market’s most affordable in regard to average asking rent, and a development in Royal Palm Beach/Wellington represented the other recent deliveries. Overall, the market has been void of new Class A product since late 2014.
- Outlook: This year’s construction volume will outpace 2015 as developers bring more than 122,000 square feet of office space into service. Last year, about 26,200 square feet was finalized.

**Employment Trends**



\* Forecast  
Sources: Marcus & Millichap Research Services; Bureau of Labor Statistics; Economy.com

**Office Construction Trends**



\* Forecast  
Sources: Marcus & Millichap Research Services; CoStar Group Inc.

**PALM BEACH COUNTY**

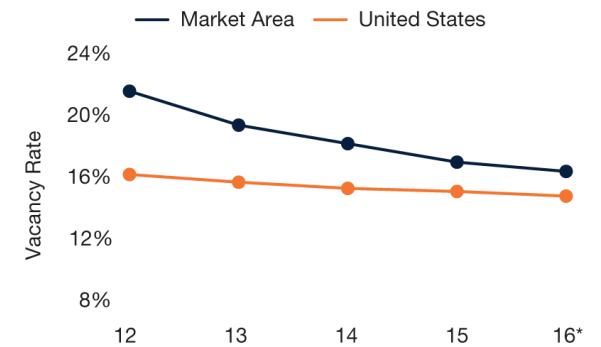
**Vacancy**

- During the past 12 months, vacancy tightened 120 basis points to 16.5 percent in June as 662,000 square feet of space was absorbed. In the prior year, vacancy fell 100 basis points.
- Vacancy in North Palm Beach plummeted 220 basis points to 10.9 percent during the last four quarters as there were no new completions and absorption was positive. Additionally, the city of West Palm Beach’s rate compressed 210 basis points to 17.1 percent as 244,000 square feet was absorbed.
- Demand for Class B/C space drove availability down to 15.7 percent at midyear, the subsector’s lowest rate since early 2008. A lack of Class A deliveries benefited luxury properties, with vacancy down 130 basis points year over year to 18.3 percent. In the prior year, Class A rates plunged 150 basis points.
- Outlook: Market vacancy will decline 60 basis points over the year to end 2016 at 16.3 percent as 371,000 square feet of office space is absorbed. In the prior annual period, the average vacancy rate fell 120 basis points.

**Rents**

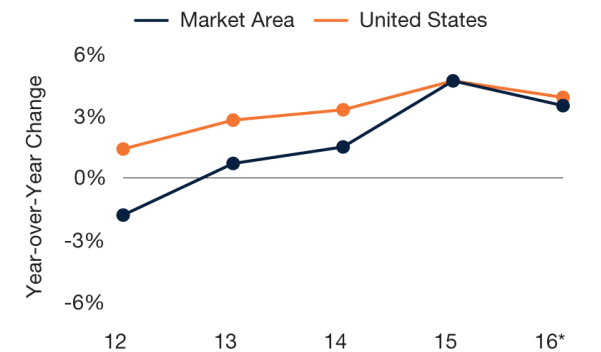
- As vacancy tightened metrowide during the year ending in June, the average asking rent registered a 3.5 percent increase to \$27.83 per square foot. Average payments rose 2.8 percent during the previous 12-month span.
- In Boca Raton, home to the largest percentage of the area’s inventory, rents rose 2.5 percent during the last 12 months to \$28.30 per square foot at midyear. The city of West Palm Beach City posted a 4.2 percent bump in rents to \$26.46 per square foot during this period.
- Asking rents in Class B/C assets reached the highest level since late 2009, ending the first half at \$25.51 per square foot, up 4.5 percent year over year. Class A rents also neared a seven-year-high, entering the second half up 2.4 percent at \$32.21 per square foot.
- Outlook: Asking rent will reach \$28.44 per square foot at year’s end, a 3.5 percent year-over-year rise. In 2015, asking rent climbed 4.7 percent.

**Vacancy Rate Trends**



\* Forecast  
Sources: Marcus & Millichap Research Services; CoStar Group Inc.

**Rent Trends**



\* Forecast  
Sources: Sources: Marcus & Millichap Research Services; CoStar Group Inc.



**PALM BEACH COUNTY**

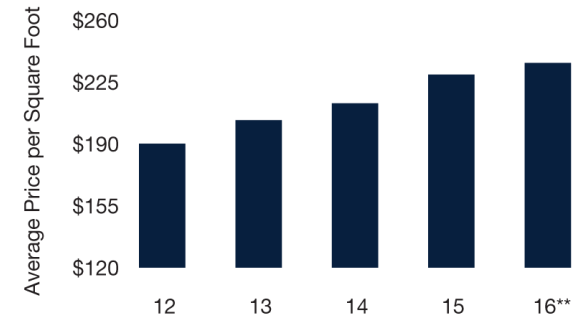
**Sales Trends\*\***

- Transaction activity was up 2 percent during the last 12 months, with investors primarily active in Boca Raton and the city of West Palm Beach. Sub-\$10 million deals accounted for approximately 40 percent of all trades.
- Sales prices spiked by nearly 9.4 percent during the last four quarters with buyers spending an average of \$236 per square foot. During the previous year, asking prices rose about 7.0 percent.
- The market’s average cap rate compressed 30 basis points over the year ending at 7.5 percent in June. Well-located properties traded up to 100 basis points lower than average.
- Outlook: Positive rent growth and relatively lower prices compared with the previous peak drive investors to West Palm Beach. Both private and institutional buyers will target the area’s assets, heating up the bidding environment.

**Medical Office\*\*\***

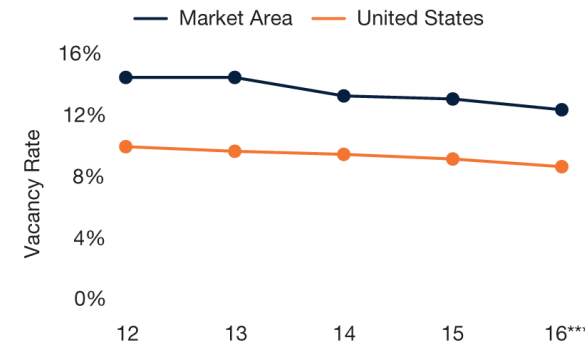
- A lack of construction has proved beneficial for medical office vacancy as demand for existing space compressed the rate by 70 basis points during the year to 12.3 percent in the second quarter. The average asking rent sits at \$26.65 per square foot, down 1.2 percent from the same time last year.
- Investors focused on the submarkets of North Palm Beach, Boca Raton and the city of West Palm Beach during the last 12 months. Here, properties traded at an average of \$255 per square foot. The volume of multi-tenant trades has driven consistent sales activity in the past two years.
- The majority of transactions during the previous 12-month period were in Class B/C properties, a number of which were built during the 1980s. The average first-year return for Class B medical office space traded between the low- to mid-6 percent range, while Class C assets traded with cap rates in the high-6 to 8 percent span.
- Outlook: Activity in medical office facilities is picking up, with several deliveries planned for the year and rents primed to rise beyond \$27 per square foot. Early second half sales activity suggests interest in Class B assets will be strong through the remainder of the year.

**Sales Trends**



\*\* Trailing 12-month period through 2Q16  
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Real Capital Analytics

**Medical Office Vacancy**



\*\*\* 2Q16  
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Real Capital Analytics

Created on March 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	14,523	72,993	173,850
■ 2017 Estimate			
Total Population	14,387	72,363	170,142
■ 2010 Census			
Total Population	13,052	66,002	155,802
■ 2000 Census			
Total Population	13,490	64,388	150,290
■ Current Daytime Population			
2017 Estimate	18,961	82,343	222,309
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	6,278	33,279	86,322
■ 2017 Estimate			
Total Households	5,989	32,136	82,680
Average (Mean) Household Size	2.33	2.18	2.02
■ 2010 Census			
Total Households	5,493	29,625	76,174
■ 2000 Census			
Total Households	5,313	28,515	72,507
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$200,000 or More	10.30%	6.43%	6.00%
\$150,000 - \$199,999	5.73%	5.28%	4.53%
\$100,000 - \$149,000	10.57%	11.63%	11.12%
\$75,000 - \$99,999	10.64%	10.25%	9.85%
\$50,000 - \$74,999	14.99%	16.60%	16.76%
\$35,000 - \$49,999	12.42%	14.43%	14.20%
\$25,000 - \$34,999	10.64%	11.31%	12.26%
\$15,000 - \$24,999	10.70%	11.28%	12.15%
Under \$15,000	14.35%	13.09%	13.19%
Average Household Income	\$94,013	\$82,329	\$78,669
Median Household Income	\$53,511	\$50,246	\$47,781
Per Capita Income	\$39,292	\$36,821	\$38,409

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	14,387	72,363	170,142
Under 20	18.49%	16.85%	13.86%
20 to 34 Years	21.32%	18.33%	14.60%
35 to 39 Years	6.51%	5.91%	4.74%
40 to 49 Years	13.64%	11.99%	10.09%
50 to 64 Years	23.22%	20.89%	19.95%
Age 65+	16.82%	26.01%	36.75%
Median Age	42.83	47.55	55.28
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	10,778	56,239	139,355
Elementary (0-8)	8.62%	6.12%	4.00%
Some High School (9-11)	7.49%	5.98%	5.48%
High School Graduate (12)	18.47%	21.86%	25.31%
Some College (13-15)	19.30%	21.21%	21.47%
Associate Degree Only	5.66%	8.00%	7.80%
Bachelors Degree Only	25.51%	23.29%	21.79%
Graduate Degree	11.85%	11.62%	12.71%



Source: © 2017 Experian



Created on March 2018

POPULATION BY TRANSPORTATION TO WORK	1 Miles	3 Miles	5 Miles
■ 2017 Estimate Total Population			
Bicycle	1.85%	1.57%	1.04%
Bus or Trolley Bus	3.71%	2.06%	1.49%
Carpooled	8.03%	6.72%	7.13%
Drove Alone	77.08%	80.13%	80.11%
Ferryboat	0.00%	0.00%	0.00%
Motorcycle	0.12%	0.38%	0.35%
Other Means	0.88%	1.38%	1.55%
Railroad	0.53%	0.30%	0.21%
Streetcar or Trolley Car	0.01%	0.02%	0.01%
Subway or Elevated	0.06%	0.03%	0.05%
Taxicab	0.00%	0.00%	0.00%
Walked	2.82%	1.66%	1.37%
Worked at Home	4.90%	5.75%	6.70%
POPULATION BY TRAVEL TIME TO WORK	1 Miles	3 Miles	5 Miles
■ 2017 Estimate Total Population			
Under 15 Minutes	28.25%	26.88%	26.74%
15 - 29 Minutes	39.77%	42.40%	41.62%
30 - 59 Minutes	19.83%	18.78%	18.85%
60 - 89 Minutes	4.16%	2.71%	2.91%
90 or More Minutes	1.03%	1.77%	1.44%
Worked at Home	4.90%	5.75%	6.70%
Average Travel Time in Minutes	24	24	24



Source: © 2017 Experian



**Population**

In 2017, the population in your selected geography is 14,387. The population has changed by 6.65% since 2000. It is estimated that the population in your area will be 14,523.00 five years from now, which represents a change of 0.95% from the current year. The current population is 50.64% male and 49.36% female. The median age of the population in your area is 42.83, compare this to the US average which is 37.83. The population density in your area is 4,585.86 people per square mile.



**Households**

There are currently 5,989 households in your selected geography. The number of households has changed by 12.72% since 2000. It is estimated that the number of households in your area will be 6,278 five years from now, which represents a change of 4.83% from the current year. The average household size in your area is 2.33 persons.



**Income**

In 2017, the median household income for your selected geography is \$53,511, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 29.41% since 2000. It is estimated that the median household income in your area will be \$63,900 five years from now, which represents a change of 19.41% from the current year.

The current year per capita income in your area is \$39,292, compare this to the US average, which is \$30,982. The current year average household income in your area is \$94,013, compare this to the US average which is \$81,217.



**Race and Ethnicity**

The current year racial makeup of your selected area is as follows: 50.48% White, 45.02% Black, 0.07% Native American and 0.76% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 7.98% of the current year population in your selected area. Compare this to the US average of 17.88%.



**Housing**

The median housing value in your area was \$363,366 in 2017, compare this to the US average of \$193,953. In 2000, there were 3,416 owner occupied housing units in your area and there were 1,897 renter occupied housing units in your area. The median rent at the time was \$577.

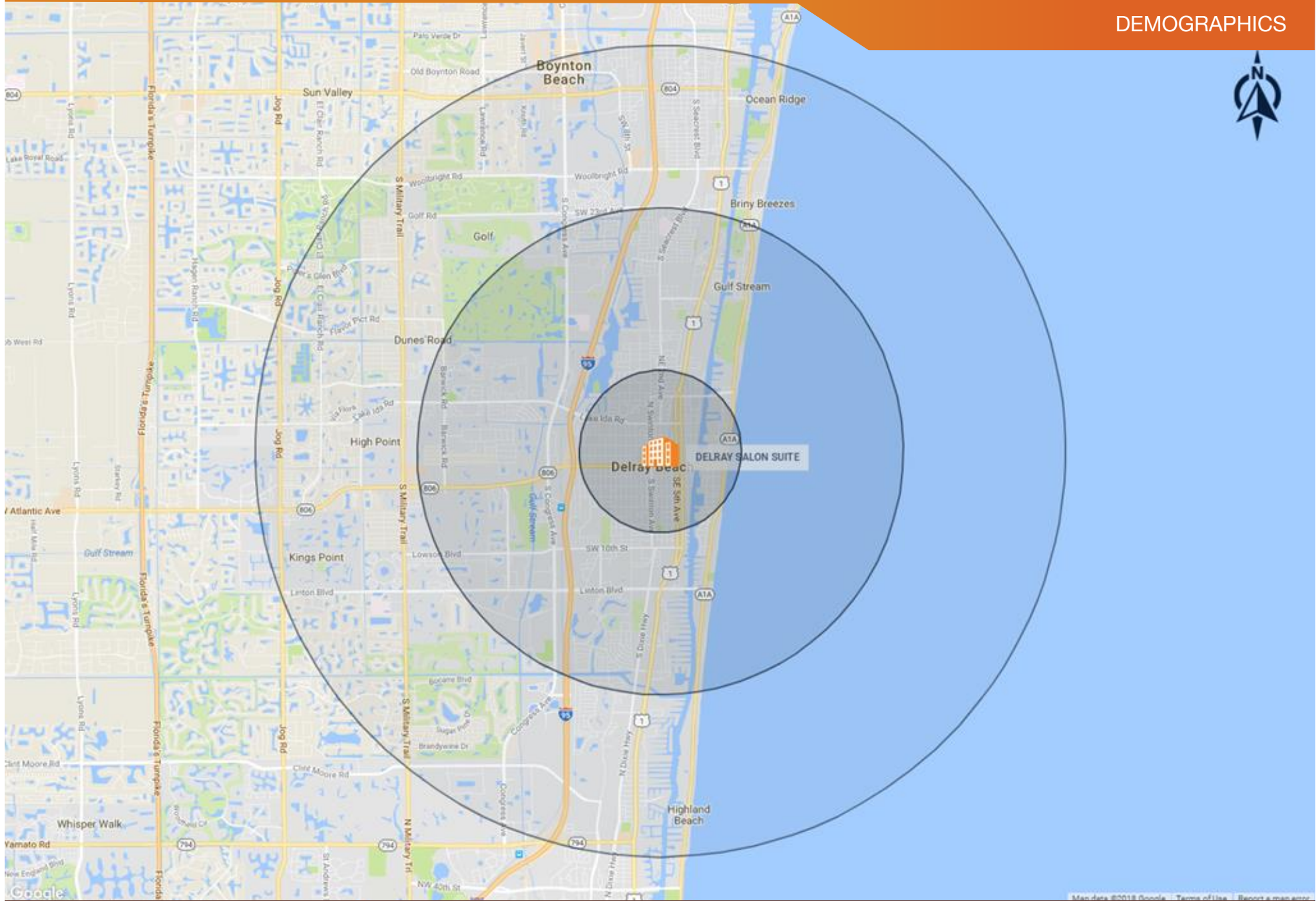


**Employment**

In 2017, there are 11,893 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 52.40% of employees are employed in white-collar occupations in this geography, and 47.57% are employed in blue-collar occupations. In 2017, unemployment in this area is 6.85%. In 2000, the average time traveled to work was 24.00 minutes.

Source: © 2017 Experian





## PRESENTED BY

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