

*Confidential Offering Memorandum*

# Lehigh Valley Health Network MOB *Bethlehem, PA*





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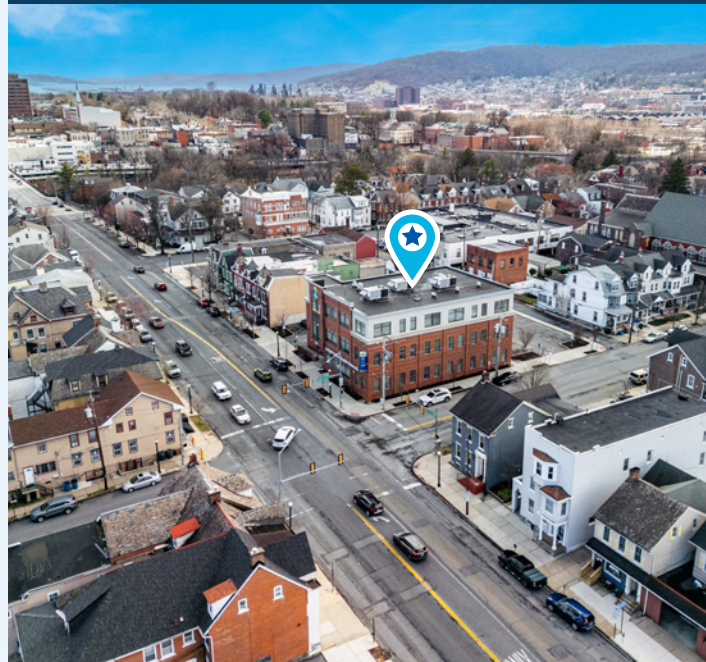
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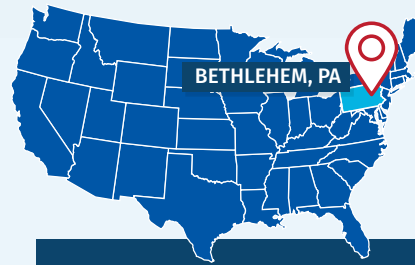
# Executive Summary

**321-325 West Broad Street** is a 17,130 RSF, single-tenant Medical Outpatient Building that is 100% leased to Lehigh Valley Health Network (LVHN), which carries an investment grade credit rating of "S&P: A", under NNN lease terms.

The MOB is located approximately 2.5 miles from Lehigh Valley Hospital – Muhlenberg, a 238-bed acute care hospital that is currently undergoing a \$95 million expansion. The project will add 153 beds and approximately 93,500 square feet and is scheduled for completion in Fall 2026. The proximity to this major hospital campus reinforces the Property's integration within LVHN's broader care network and supports ongoing referral patterns and patient demand.

The Property was redeveloped in 2013, with the original structure demolished and replaced with a purpose-built medical facility. LVHN funded the interior buildout, reinforcing long-term tenancy and operational commitment to the location. The asset provides a stable, credit-backed income stream supported by an investment-grade health system.

The Property operates as a multi-specialty outpatient facility within LVHN's network. The 1st floor houses women's health, primary care, and internal medicine. The 2nd floor is dedicated to pediatrics and is affiliated with Lehigh Valley Reilly Children's Hospital. The 3rd floor is fully occupied by OB/GYN services and has a procedure room to perform minor surgical procedures. The building's configuration supports a comprehensive care delivery model, driving consistent patient volumes and serving as a critical access point for outpatient services in the Bethlehem submarket.



**17,130 RSF**

PROPERTY SIZE (RSF)

**4.00%**  
(every 2 years)

ESCALATIONS

**2.5 Years**

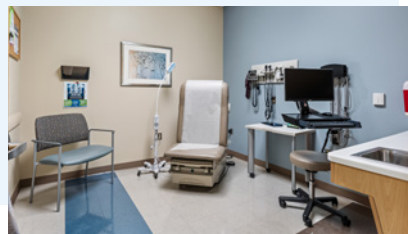
REMAINING LEASE TERM

**\$20.75/SF**

LEASE RATE

**\$355,448**

YEAR-1 NOI



In 2024, LVHN merged with Jefferson Health, forming one of the 15 largest nonprofit health systems in the United States and the second largest in Pennsylvania. The combined organization has expanded clinical capabilities, geographic reach, and operational scale, further strengthened the underlying credit profile and positioning the system for continued outpatient growth.

The Property is situated within a well-established healthcare corridor in Bethlehem, surrounded by a dense concentration of medical providers, including St. Luke's University Hospital – Bethlehem Campus. The surrounding area includes a mix of primary care practices, specialty clinics, and outpatient facilities, supported by strong residential density, access to regional transportation routes, and proximity to downtown Bethlehem.

## Property Highlights

### PROPERTY NAME

Lehigh Valley Health Network MOB

### PROPERTY TYPE

Medical Outpatient Building

### ADDRESSES

321-325 West Broad Street, Bethlehem, PA

### YEAR BUILT

2013

### TENANCY

Single-Tenant

### LESSEE

Lehigh Valley Hospital, Inc

### LEASE TYPE

NNN

### EXTENSION OPTIONS

Two (2) five-year options

### OCCUPANCY

100%



# Investment Highlights



## ■ Investment-Grade Credit Tenancy

100% leased to Lehigh Valley Hospital, Inc., a subsidiary of Lehigh Valley Health Network, which maintains an investment-grade credit rating of “S&P: A”.

## ■ Proximity to Major Affiliated Hospital

Located approximately 2.5 miles from Lehigh Valley Hospital – Muhlenberg, a 238-bed acute care hospital, reinforcing strong referral patterns and integration within the health system’s care delivery network.

## ■ Hospital Expansion Driving Demand

Lehigh Valley Hospital – Muhlenberg is currently undergoing a \$95 million expansion, adding 153 beds and approximately 93,500 square feet, with completion expected in Fall 2026, further increasing patient volume and outpatient demand.

## ■ Long-Term NNN Lease | Durable Cash Flow

Upon completion of construction in 2013, LVHN executed a 10-year NNN lease featuring 4.00% rent increases every two years, along with three (3) five-year extension options with the same escalation structure.

## ■ Long-Term Health System Commitment

LVHN funded the interior buildout of the facility following the 2013 redevelopment, demonstrating a significant capital investment and long-term operational commitment to the location.

## ■ Multi-Specialty Outpatient Facility

The Property functions as a comprehensive, multi-specialty outpatient center, including women’s health, primary care, minor procedures, pediatrics, and OB/GYN services, supporting consistent patient demand and diversified service offerings.

## ■ Dominant Regional Health System

LVHN is among the largest and most financially stable health systems in Pennsylvania, with 14 hospitals, 300+ outpatient locations, and over 20,000 employees, ensuring institutional backing and long-term viability.

## ■ Merger with Jefferson Health

In August 2024, LVHN merged with Jefferson Health, creating one of the 15 largest nonprofit health systems in the United States. The combined system now includes 32 hospitals, 700+ care sites, and approximately 65,000 employees.

## ■ Single-Tenant Health System Asset

The MOB is a single-tenant, health system–leased asset fully aligned with LVHN’s outpatient delivery model, providing direct exposure to one of the most dominant health systems in Pennsylvania.

## ■ Mission-Critical Outpatient Asset

The multi-specialty medical outpatient building is integral to LVHN’s outpatient care strategy, supporting system growth and reducing reliance on inpatient settings.

## ■ Strategic Lehigh Valley Location

The Allentown–Bethlehem–Easton MSA is the third- largest metro in Pennsylvania, strategically located between Philadelphia and New York City, with expanding healthcare infrastructure and strong employment growth.

## ■ Additional Parking Lot

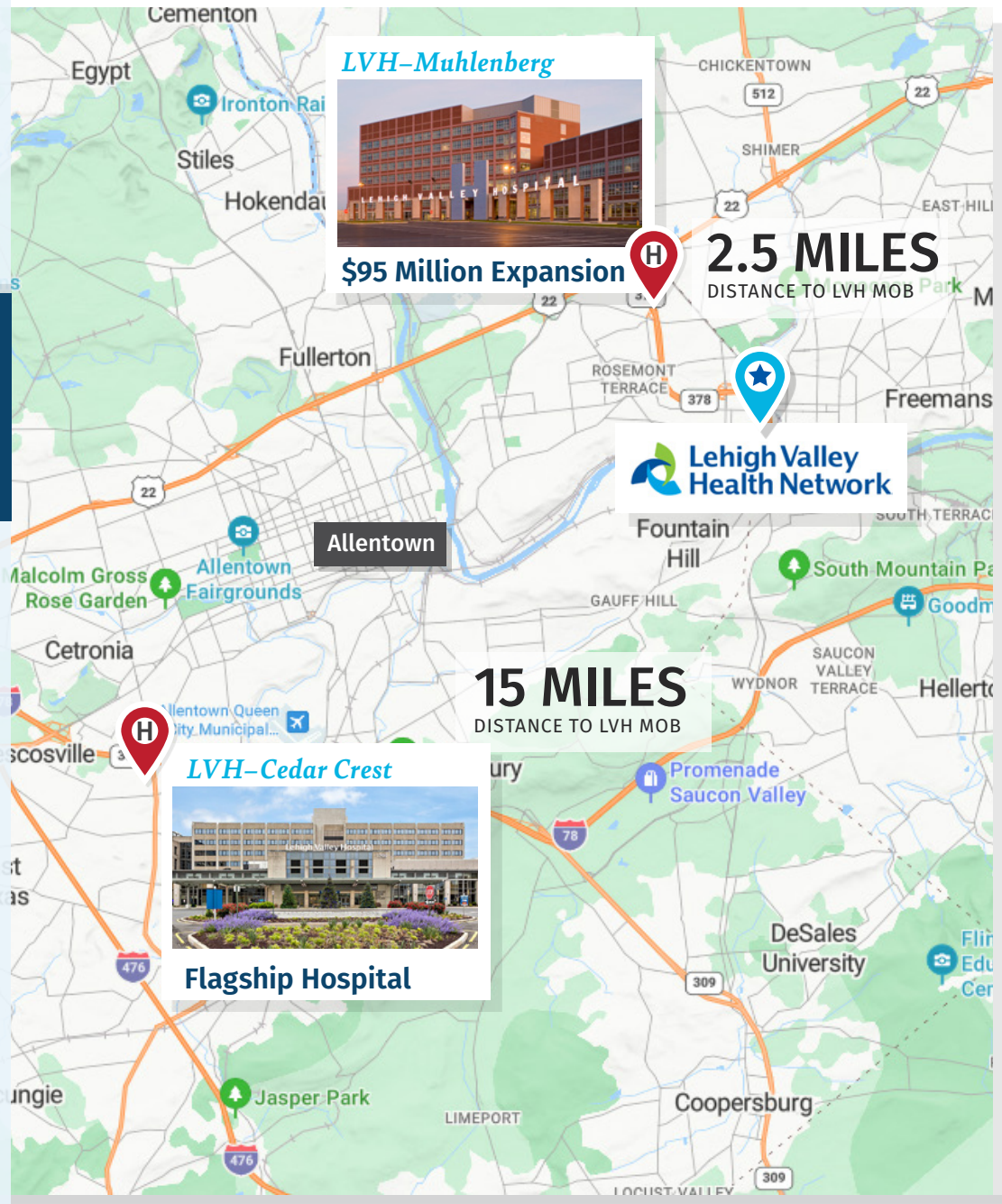
The offering includes an adjacent parking lot, which is utilized for staff parking and brings the parking ratio to 4.2 spaces / 1,000 SF.

# Location Overview

LVH–Muhlenberg, located approximately 2.5 miles from the subject property is currently undergoing a significant capital improvement initiative, highlighted by a \$95 million expansion project that will materially enhance the hospital’s capacity and clinical capabilities. This investment reflects the health system’s long-term commitment to the region and its response to increasing patient volumes and demand for emergency and trauma services.

This expansion will position LVH–Muhlenberg as a more advanced, high-capacity facility capable of delivering faster, more efficient care, while accommodating the region’s continued population growth and increasing healthcare demand.

- Approximately 93,500+ square feet of new construction, expanding the hospital’s clinical footprint.
- Addition of 100+ beds, increasing overall patient capacity and throughput.
- Expansion of the emergency department, nearly doubling its size to accommodate rising patient volumes.
- New emergency department to include 83 treatment beds, along with dedicated trauma and resuscitation bays .
- Enhanced trauma and critical care capabilities, supporting the hospital’s Level II Trauma Center designation.
- Inclusion of advanced diagnostic imaging, pediatric treatment areas, and specialized patient care rooms.
- Development of a trauma recovery unit (26 beds) and improved patient flow systems.
- Addition of a rooftop helipad to support emergency transport and regional connectivity.
- Projected completion in Fall 2026, with additional renovations extending into 2027.



# Location Overview



# Tenant Overview



**Lehigh Valley Health Network (LVHN)** is one of the largest and most financially stable health systems in Pennsylvania. Headquartered in Allentown, LVHN delivers a full continuum of care across hospitals, outpatient facilities, and specialty centers, with a strong reputation for clinical quality and academic medicine. In 2024, LVHN merged with Jefferson Health, creating one of the top 15 nonprofit health systems in the United States.

LVHN provides a comprehensive continuum of care, including primary care, specialty services, acute care hospitals, ambulatory facilities, and highly specialized clinical programs. The system has built a strong regional reputation for clinical excellence, highlighted by its flagship campus, Lehigh Valley Hospital–Cedar Crest, which is one of the largest hospitals in Pennsylvania and a Level I Trauma Center. As part of Jefferson Health, LVHN now contributes to a significantly expanded academic and clinical network, enhancing access, referral patterns, and long-term system stability.

## ■ Regional Scale and Financial Strength

Generated approximately \$4.1 billion in annual revenue prior to its merger with Jefferson Health

## ■ Strong Footprint and Revenue Base

Operates 9 Hospital Campuses and numerous outpatient, physician, and specialty care locations across eastern Pennsylvania.



**Jefferson Health** is a leading, nationally recognized not-for-profit academic health system headquartered in Philadelphia, Pennsylvania. The organization has rapidly expanded through strategic mergers and affiliations, most notably its 2024 combination with Lehigh Valley Health Network, creating one of the largest integrated healthcare systems in the United States. Today, Jefferson Health operates as a fully integrated clinical and academic enterprise alongside Thomas Jefferson University, combining patient care, medical education, and research.



## ■ Extensive Multi-State Care Network

Operates approximately 32 hospitals and more than 700 outpatient and care locations across Pennsylvania and New Jersey.

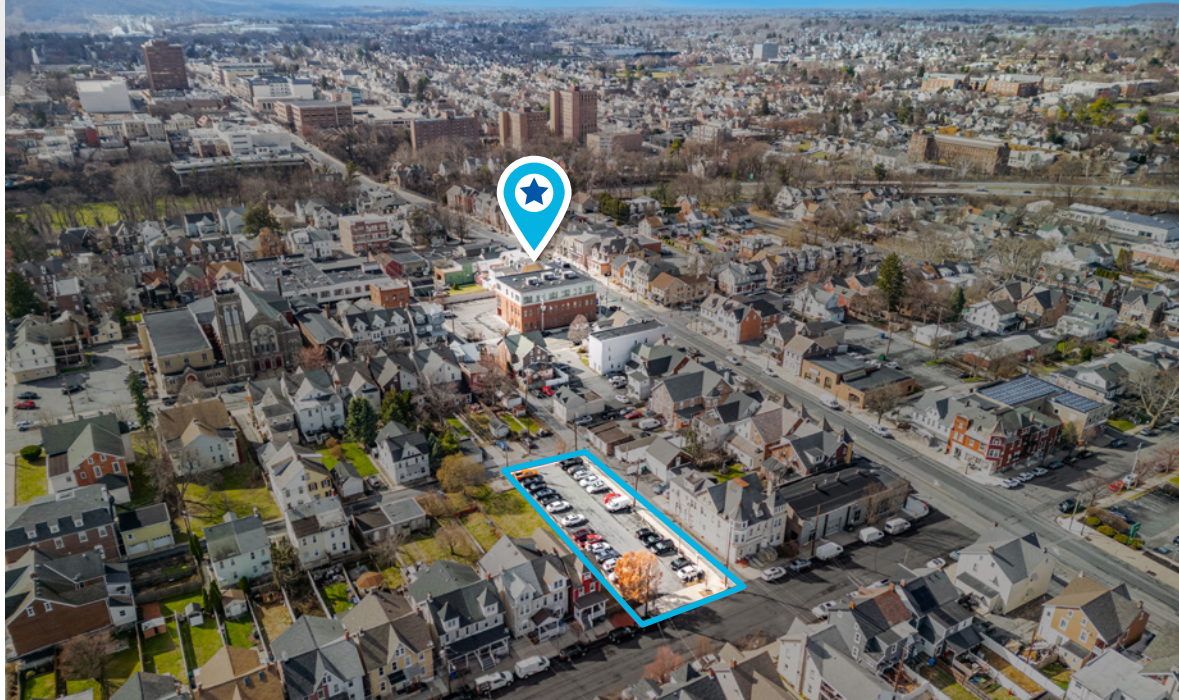
## ■ Strong Revenue and Financial Scale

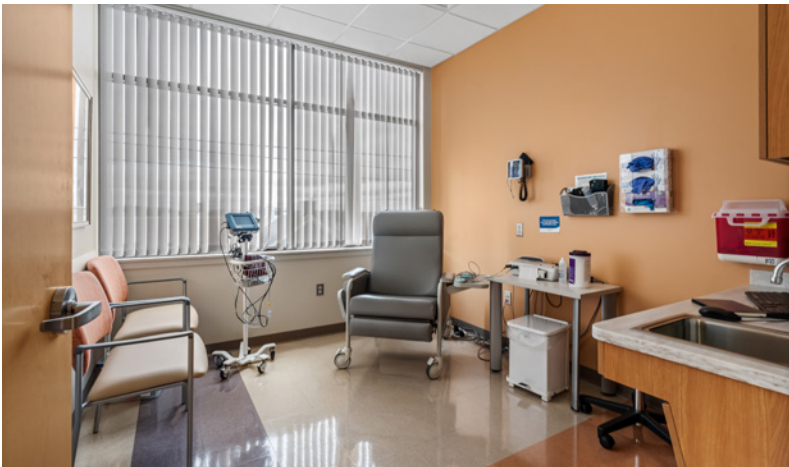
Generates approximately \$14–\$16 billion in annual revenue following its merger with Lehigh Valley Health Network.

## ■ Large and Diverse Workforce

Employs over 65,000 individuals, including physicians, advanced practice providers, and clinical staff.







# Site Plan

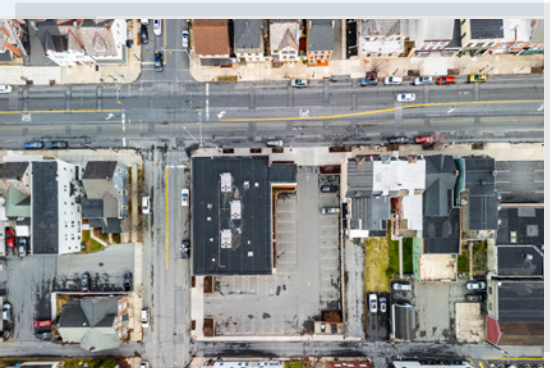
Three (3)  
Stories

BUILDING

17,130 SF  
SIZE

72  
PARKING SPACES

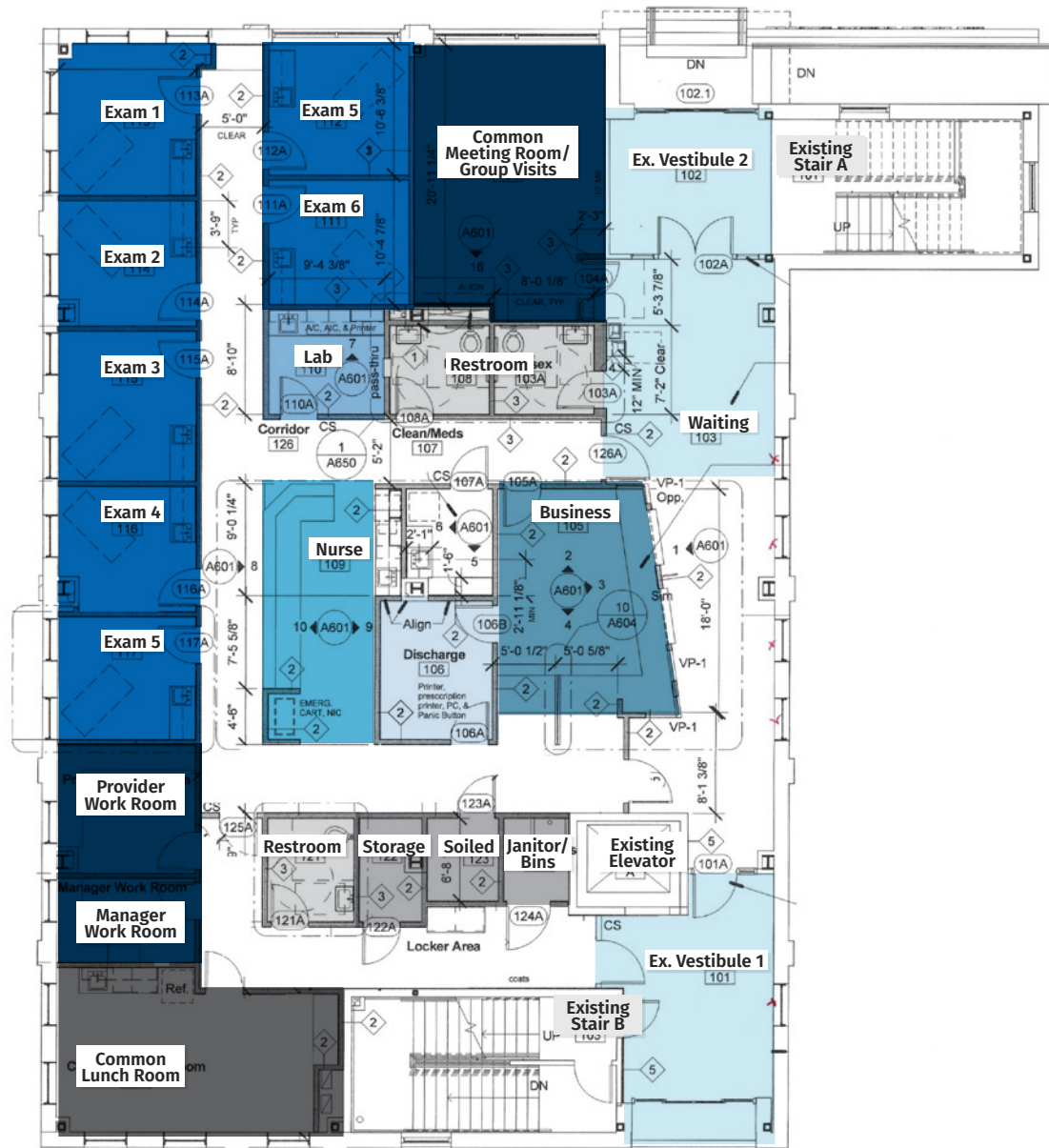
4.2/1,000 SF  
PARKING RATIO



# Floor Plans

## First Floor

- Exam
- Lab
- Nurse
- Waiting Room/Vestibule
- Business
- Provider/Manger Work Room
- Common Lunch Room
- Storage/Soiled/Janitor
- Restroom



# Floor Plans

## Second Floor

- Exam
- Lab
- Prep Room/Clean Storage
- Nurse
- Waiting Room/Vestibule
- Business
- Provider/Manger Work Room
- Locker Room Area
- Restroom



# Floor Plans

## Third Floor

- Exam
- Ultra Sound
- Procedure Room
- Nurse
- Waiting Room/Vestibule
- Business/IT
- Practice Manager/Common Work Room
- Clean/Soiled
- Restroom





# Area Overview

Allentown–Bethlehem–Easton, PA–NJ

## ECONOMIC COMPOSITION & GROWTH DRIVERS

### Advanced Manufacturing

Flagship producers (chemicals, medical devices, food & beverage) anchor the base and drove 2024 GDP gains; manufacturing’s 16% share exceeds the U.S. average (~12%), a diversified healthcare sector, and continued population growth trends.

### Healthcare & Education

Two academic health systems (LVHN and St. Luke’s) plus regional universities (Lehigh, Lafayette, Moravian, DeSales) sustain high-skill employment and research pipelines. (Context supported by regional health-system and LVEDC profiles.)

### Logistics/Distribution

The I-78/I-81 corridor remains a core node for e-commerce and mid-Atlantic distribution; 2024–25 reports show demand normalizing but Class-A continues to capture the majority of leasing as supply is absorbed.



**886,000**  
POPULATION (2024)

**30%**  
U.S. ACCESS

**\$86,883**  
MEDIAN HOUSEHOLD INCOME

**\$56B**  
REGIONAL GDP (2024)

**16%**  
MANUFACTURING

## Infrastructure & Market Access

### Highways

Direct connectivity via I-78/US-22 east-west and I-476 (PA Turnpike NE Extension) north-south; ~30% of U.S. consumers within a day’s drive.

### Air Cargo & Passenger

Lehigh Valley International (ABE) continues to scale as an air-cargo gateway; May–July 2025 monthly cargo tonnage rose 23–53% YoY, alongside steady passenger gains.

### Population

~886,000 (2024 estimate), up from ~862,000 in 2020 — steady net in-migration and organic growth.

### Regional GDP

~\$56B (2024), with manufacturing ~16% (~\$9B) of output, reflecting a diversified economy beyond logistics.

### National Recognition

Top performer for business attraction—#1 mid-sized market in 2023 and #3 in 2024 in Site Selection’s project-based rankings (Top-5 in the Northeast overall).

Demographics	5 MILE RADIUS	10 MILE RADIUS	15 MILE RADIUS
MOB Count	64	176	221
MOB SF	1,904,170	5,658,417	6,337,533
Avg SF	29,752	32,150	28,676
Median Income	\$71,253	\$83,515	\$89,963
Total Pop	225,243	501,227	735,437
Pop over 65	38,370	92,959	138,643
Insured Pop	204,277	463,145	686,564
# Doctors	1,685	4,052	4,498
# Providers	2,616	6,185	7,208

# Corporate Presence & Healthcare Investments

## ■ Air Products (Fortune 500 HQ)

New global HQ campus in the Valley (9-story office + R&D buildings) underscores long-term commitment and high-value R&D jobs.



## ■ Braun Medical (U.S. HQ)

\$200M, 310,000-SF expansion adding capacity and jobs to its Allentown campus—reinforces the med-device/life-sciences cluster.



## ■ Mack Trucks (Volvo Group)

2025 start of production for the new Mack Pioneer at Lehigh Valley Operations (Macungie) highlights ongoing manufacturing reinvestment.



## ■ Hospitality/Redevelopment

Wind Creek Bethlehem completed a \$160M North Tower expansion (meetings + rooms) on the Bethlehem Steel site—convention, tourism, and service growth on a major brownfield redevelopment. [LehighValleyNews.com](http://LehighValleyNews.com)



**New HQ + R&D campus adds high-value jobs**

**\$200M expansion grows Allentown med-device jobs**

**2025 Mack Pioneer production begins in Macungie**

**\$160M tower boosts tourism and conventions**

## Quality of Life & Talent

### ■ Household Incomes Rising

Median household income reached \$82,600 (2023), +5% YoY; cost of living remains favorable versus NYC/Philly while maintaining big-market access.

### ■ Growing, Affluent Catchment

886k residents with sustained in-migration support clinic volumes and specialty service lines.

### ■ System Expansion

Ongoing LVHN capital projects (acute, behavioral, micro-hospitals) and St. Luke's network growth indicate durable outpatient demand and strong referral ecosystems.

### ■ Balanced, Diverse Economy

A \$56B economy led by manufacturing, healthcare, and logistics provides resilience through cycles—supporting stable tenancy and long-duration cash flows.

## Development

### ■ Industrial

New deliveries moderated in 2024 (Lehigh Valley submarket deliveries down ~62% YoY), supporting a more balanced market as absorption returns.

### ■ Healthcare

LVHN continues multi-site expansion—e.g., Hecktown Oaks hospital/phased growth and behavioral health JV near LVH-Muhlenberg—driving outpatient demand and medical employment.

### ■ Airport-Area Investments

Cargo growth at ABE is spurring air-side and adjacent logistics improvements, reinforcing the inland-port dynamic for time-sensitive goods.

# Area Hospital Overview

## Lehigh Valley Hospital–Muhlenberg

**Lehigh Valley Hospital–Muhlenberg**, located 2.5 miles from the MOB, is a full-service 238-bed acute care hospital located in Bethlehem, Pennsylvania and operates as a key component of Lehigh Valley Health Network, now part of Jefferson Health. The hospital serves as a critical healthcare hub for the Lehigh Valley region, delivering a broad range of inpatient and outpatient services, including emergency medicine, cardiology, stroke care, surgical services, and specialty programs.

Strategically positioned within a densely populated and growing region of eastern Pennsylvania, LVH–Muhlenberg plays an integral role within the broader LVHN/Jefferson system, supporting

strong referral patterns and patient demand across multipleservice lines. The hospital is recognized for its Level II Trauma Center designation and its expanding capabilities in emergency and acute care, reinforcing its importance as a regional provider of high-acuity medical services.

The campus has undergone significant historical investment, including major renovations and expansions that have enhanced patient capacity, modernized clinical space, and improved overall patient experience. Today, LVH–Muhlenberg continues to evolve as a high-performing community hospital within a large, integrated academic health system.



### Projected completion in Fall 2026, with additional renovations extending into 2027

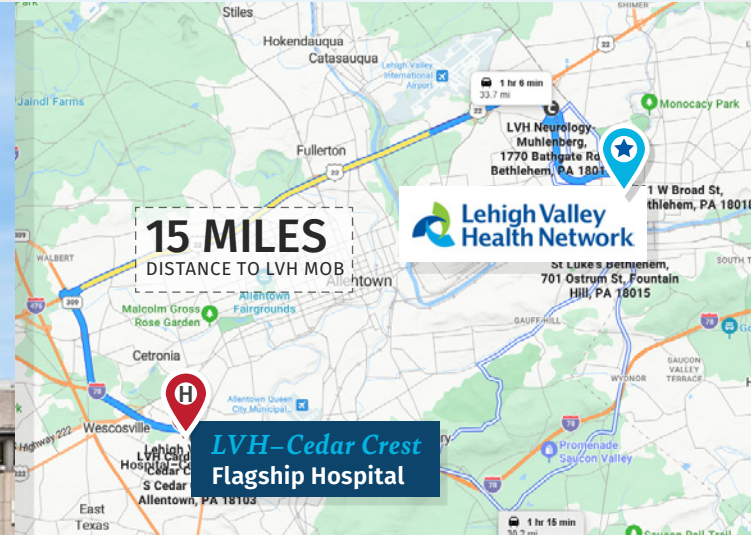
This expansion will position LVH–Muhlenberg as a more advanced, high-capacity facility capable of delivering faster, more efficient care, while accommodating the region’s continued population growth and increasing healthcare demand.

## Ongoing Expansion & Capital Investment

- Approximately 93,500+ square feet of new construction, expanding the hospital’s clinical footprint
- Addition of 100+ beds, increasing overall patient capacity and throughput
- Expansion of the emergency department, nearly doubling its size to accommodate rising patient volumes.



- New emergency department to include 83 treatment beds, along with dedicated trauma and resuscitation bays.
- Enhanced trauma and critical care capabilities, supporting the hospital’s Level II Trauma Center designation.
- Inclusion of advanced diagnostic imaging, pediatric treatment areas, and specialized patient care rooms.
- Development of a trauma recovery unit (26 beds) and improved patient flow systems.
- Addition of a rooftop helipad to support emergency transport and regional connectivity.



# Area Hospital Overview

## Lehigh Valley Hospital–Cedar Crest

Lehigh Valley Hospital–Cedar Crest is the flagship hospital of Lehigh Valley Health Network, located approximately 15 miles from the subject property and serves as the primary tertiary and quaternary care center for the region. Located in Allentown, Pennsylvania, the hospital is one of the largest and most advanced medical facilities in the state, functioning as a major referral hub for eastern Pennsylvania and surrounding markets.

As the system’s central campus, LVH–Cedar Crest anchors a highly integrated healthcare delivery platform, supporting a broad network of affiliated hospitals, outpatient centers, and physician practices. The facility offers a comprehensive range of services including advanced surgical care, cardiology, oncology, neuroscience, transplant services, and specialized pediatric care through the on-campus Lehigh Valley Reilly Children’s Hospital.

## Facility Overview & Clinical Capabilities

- Approximately 850–980+ licensed beds, making it one of the largest hospitals in Pennsylvania.
- One of the largest hospitals in the state and the flagship campus of LVHN.
- Level I Adult Trauma Center (first designated in Pennsylvania) and Level II Pediatric Trauma Center.
- Home to a regional burn center verified for both adult and pediatric care.
- Comprehensive Stroke Center, among the first designated in Pennsylvania.
- Houses Lehigh Valley Reilly Children’s Hospital, the region’s only dedicated children’s hospital.
- Includes over 40+ operating rooms and a full range of specialty institutes (heart & vascular, cancer, neuroscience, orthopedics, surgical excellence.)

# Financial Overview

PROPERTY NAME	LVHN Medical Outpatient Building
ADDRESS	325 West Broad Street, Bethlehem, PA
RENTABLE SQUARE FEET (RSF)	17,130
YEAR BUILT	2013
OWNERSHIP TYPE	Fee Simple

## Lease Summary

LESSEE	Lehigh Valley Hospital, Inc
CREDIT RATING	"S&P: A"
LEASE TYPE	NNN (Roof & Structure)
RENT INCREASES	4.00% every 2 years
LEASE TERM	10 years
LEASE COMMENCEMENT	10/1/2013
LEASE EXPIRATION	9/30/2023
EXTENSION OPTIONS	Three (3) Five Year Options
REMAINING LEASE TERM	2.5 years

## Current Rent Schedule

1st Extension Option	Annual Base Rent	Lease Rate	Rent Increase
10/01/2023 - 09/30/2024	\$341,744	\$19.95	
10/01/2024 - 09/30/2025	\$341,744	\$19.95	
<b>10/01/2025 - 09/30/2026</b>	<b>\$355,448</b>	<b>\$20.75</b>	<b>4.00%</b>
10/01/2026 - 09/30/2027	\$355,448	\$20.75	
10/01/2027 - 09/30/2028	\$369,665	\$21.58	4.00%
2nd Extension Option			
10/01/2028 - 09/30/2029	\$369,665	\$21.58	
10/01/2029 - 09/30/2030	\$384,397	\$22.44	4.00%
10/01/2030 - 09/30/2031	\$384,397	\$22.44	
10/01/2031 - 09/30/2032	\$399,814	\$23.34	4.00%
10/01/2032 - 09/30/2033	\$399,814	\$23.34	
3rd Extension Option			
10/01/2033 - 09/30/2034	\$415,916	\$24.28	4.00%
10/01/2034 - 09/30/2035	\$415,916	\$24.28	
10/01/2035 - 09/30/2036	\$432,533	\$25.25	4.00%
10/01/2036 - 09/30/2037	\$432,533	\$25.25	
10/01/2037 - 09/30/2038	\$449,834	\$26.26	4.00%



# Transaction Guidelines

The offering of Lehigh Valley Health Network MOB is being marketed on an exclusive basis. The seller will entertain purchase offers based on the acquisition of a 100% ownership interest in the Property.

The purchaser will be selected by the seller in its sole and absolute discretion based on a variety of factors including, but not limited to:

- Offer price
- Transaction structure
- Ability to perform and to close expeditiously
- Absence of contingencies
- Level of due diligence completed

Broker will respond to questions related to information contained in this Offering Memorandum, as well as the scheduling and coordinating of all property tours.

## All offers must be presented in writing and include:

- Source of purchaser's equity and debt capital
- The amount of proposed earnest money deposit
- Proposed due diligence period and subsequent closing period
- Description of major assumptions reflected in the offer price
- List of any committee or third-party approvals required to close the transaction

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The potential investor is urged to perform its own examination and inspection of the Property and information relating to same, and shall rely solely on such examination and investigation and not on this Brochure or any materials, statements or information contained herein or otherwise provided.

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