219 E. Lehigh Avenue

For More Information

KW COMMECIAL
980 HARVEST DRIVE
SUITE 200
BLUE BELL PA 19422
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KW COMMERCIAL
PA #RS.356012

For More Information

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Investment Information

KW Commercial offer for sale:

Philadelphia Property-

219 E. Lehigh Avenue

Located in the City of Philadelphia, investors have an opportunity to purchase this site in rapidly redeveloping area with Federal Opportunity Zone advantages and current financial stability.

Opportunity Zone Investments

Property is located within Federal Opportunity Zone. Key advantages for qualifying investor includes;

*Referral of capital gains taxes until 2027

*Reduction of capital gains taxes, (up to 15% after seven years of investment or 10% after five years of investment)

*Zero tax gains earned from appreciation of an Opportunity Fund after 10 years.

Locations of Development

Site is located in a well-established and rapidly growing neighborhood with pivotal developments within the City. Kensington's low rents have led to a profusion of hip bars, as well as a flourishing brewery scene. The neighborhood's first craft brewer, Philadelphia Brewing Company, is set in a restored 19th-century brewery site. Frankford Avenue is a thriving hub of art galleries and performance spaces. Showcasing quirky parade floats, the Kensington Kinetic Sculpture Derby and Arts Festival is a popular spring event. This site is adjacent to vital redevelopments giving the investor, real estate with current and future upside in a remarkable location.

Opportunity Upside

Tenant is a national governmental agency who has occupied the build-to-suit site for 43 years. Tenant provides current, stable and future income, with continuous government standard 5 Year option terms. Investor's current NOI is $416,569.
Asking Price- $5,249,000.
This property is also available as part of a Three (3) Property Portfolio. Please call for additional portfolio information.

Portfolio Overview

Property Specs

LOT SF	46,149
PARCEL #'S	883379118
ASSESSMENT	$2,878,000
TAXES (2026)	$40,288
DESCRIPTION	Office Building

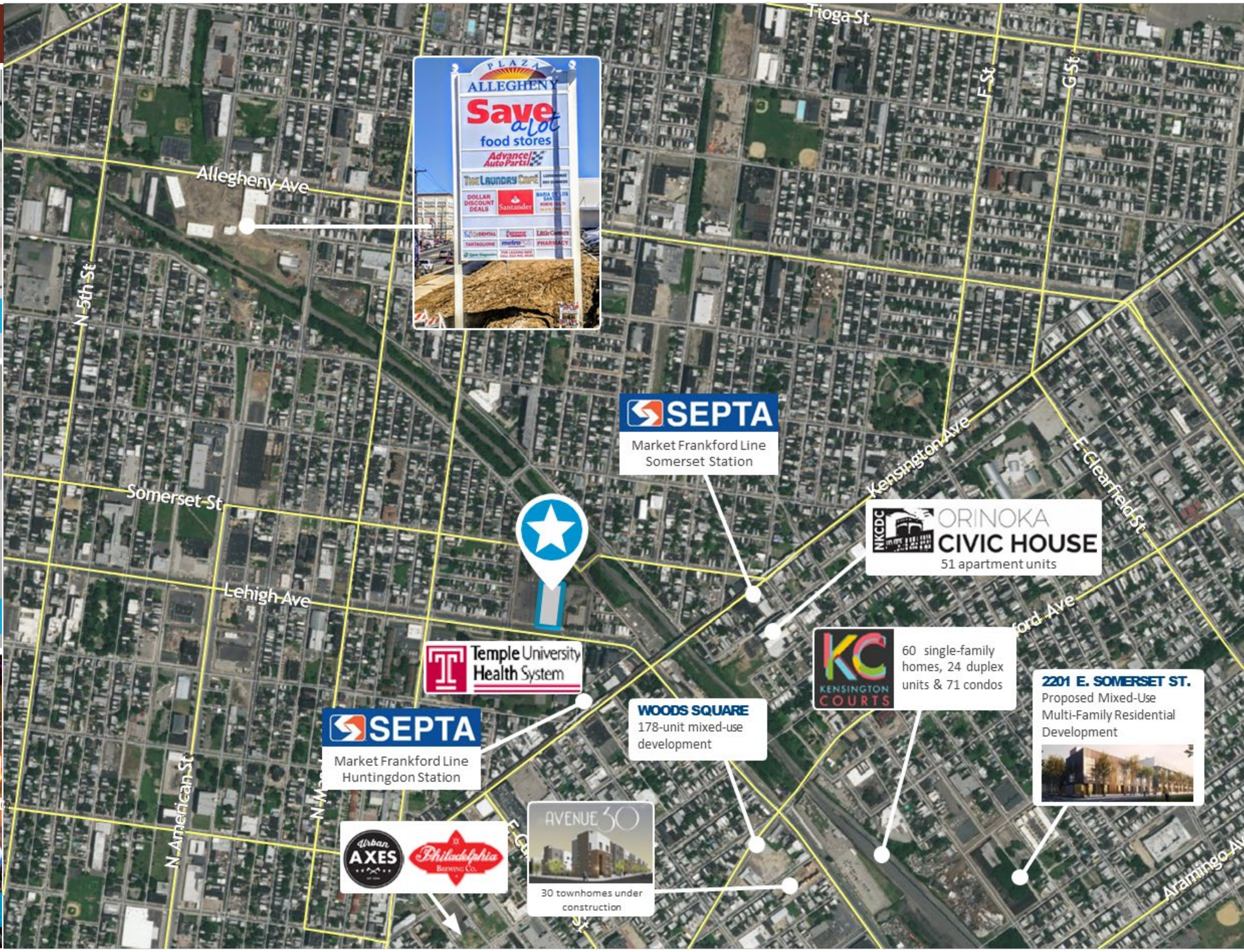
USE	Social Services
PARKING	46 Spaces (approx.)
ZONING	ICMX
BUILDING SF	29,100

Investment Highlights

- Commonwealth of Pennsylvania, Department of Public Welfare, 43 Year continuous occupancy. Build-to-suit. Standard ongoing Government Lease.
- Located in an Opportunity Zone, across from Temple University
- Stable income producing property

219 East Lehigh Avenue

Area Highlights



219 East Lehigh Avenue

PA Department of Public Welfare

The Pennsylvania Department of Human Services is a cabinet-level state agency in Pennsylvania.[2] The Pennsylvania Department of Human Services's seven program offices administer services that provide care and support to Pennsylvania's most vulnerable citizens.

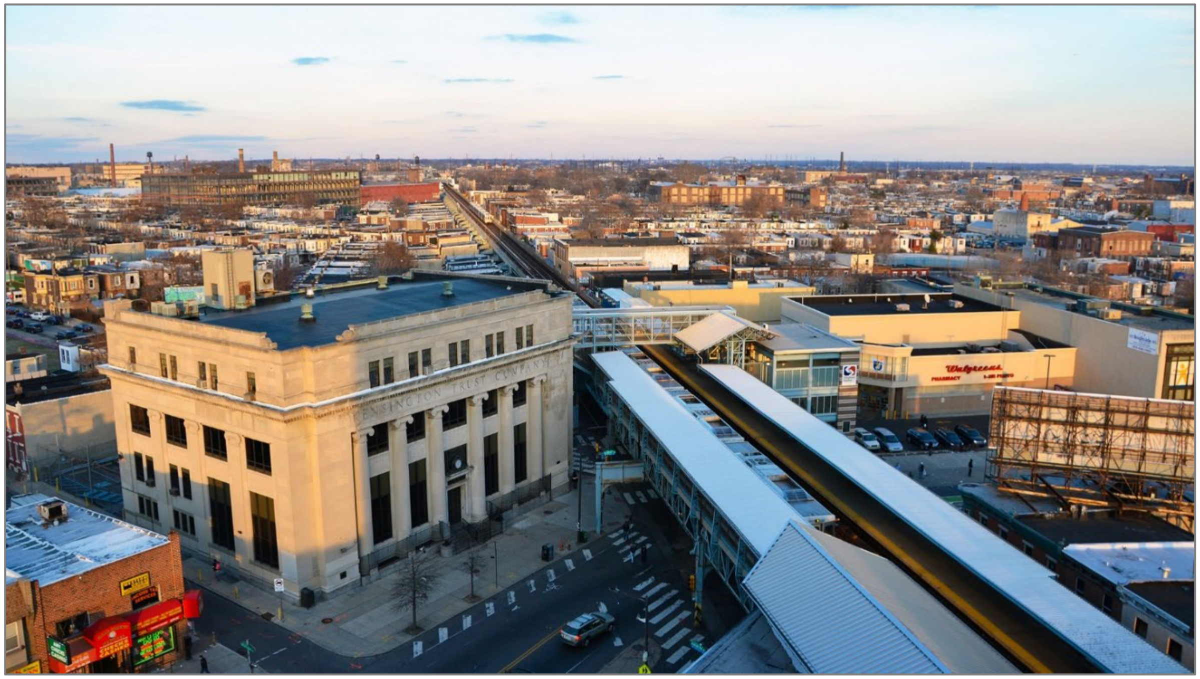
These services include eligibility and benefits determination, foster care, juvenile justice, early childhood development, services for persons with developmental disabilities, autism services, long-term living programs, management of state psychiatric hospitals, and management of the Medical Assistance physical and behavioral health care programs.

For more information, visit: www.dhs.pa.gov

pennsylvania
DEPARTMENT OF HUMAN SERVICES

Neighborhoods of Lehigh Avenue

Kensington



2023-2024 Financial Overview and Analysis

Department of Public Welfare - Kensington

Prepared by: Wes Deming | wdeming@all-commercial.com | (267) 640-2472

Pre-Tax Analysis - Sale Analysis

Acquistion Assumptions		
Acquisition Price:		5,249,000
Acquisition Costs:	2.20 %	115,478
Loan Amount:	70.00 %	3,674,300
Interest Rate %:		6.50 %
Amortization (Years):		25
Interest Only (Months):		0
Term (Years):		5
Loan Costs:	1.00 %	36,743
Annual Debt Service:		297,710
Down Payment:		1,574,700

Initial Investment	
Acquisition Price:	5,249,000
+ Acquisition Costs:	115,478
+ Loan Costs:	36,743
- Loan Amount:	3,674,300
= Initial Investment:	1,726,921
Disposition Assumptions	
Hold Period (Years):	10
Disposition Cap Rate %:	6.50 %
Sales Cost %:	5.00 %
Sales Price:	8,203,747
- Loan Payoff:	2,848,000
- Sales Cost:	410,187
= Total Proceeds:	4,945,560

Decision Criteria	
Discount Rate:	5.00 %
	Result
Acquisition Cap Rate:	7.94 %
Cash-On-Cash (Year 1):	6.88 %
ROI (Year 1):	10.40 %
DSCR (Year 1):	1.40
IRR (Yield) :	17.20 %
NPV :	2,578,538

The Deal

Asking Price:	5,249,000
NOI:	416,569
Cap Rate %:	7.90 %
Occupancy %:	100.00 %
Year Built or Renovated:	1990

Sq Ft:	26,117
Price/SF:	201
# of Units:	1
Price/Unit:	5,249,000

Address:	219 E. Lehigh Ave, Philadelphia, PA 19125
Property Type:	Office
Lease Type:	Modified Gross
Parking:	46
Lot Size:	1.06 AC

2023-2024 Financial Overview and Analysis

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Operating Assumptions

End Of Year (EOY)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Potential Rental Income	627,074 $	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %
Loss	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Other Income	0 $	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Expense Recovery	0 $	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Operating Expenses	210,505 $	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %	3 %
CapEx & Leasing	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Cash Flow Details

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Potential Rental Income	627,074	642,751	658,820	675,290	692,172	709,477	727,214	745,394	764,029	783,130	802,708
- Loss	0	0	0	0	0	0	0	0	0	0	0
= Effective Rental Income	627,074	642,751	658,820	675,290	692,172	709,477	727,214	745,394	764,029	783,130	802,708
+ Other Income	0	0	0	0	0	0	0	0	0	0	0
+ Expense Recovery Income	0	0	0	0	0	0	0	0	0	0	0
= Gross Operating Income	627,074	642,751	658,820	675,290	692,172	709,477	727,214	745,394	764,029	783,130	802,708
- Operating Expenses	210,505	215,768	221,162	226,691	232,358	238,167	244,121	250,224	256,480	262,892	269,464
= Net Operating Income (NOI)	416,569	426,983	437,658	448,599	459,814	471,310	483,092	495,170	507,549	520,238	533,244
- CapEx / Reserves	0	0	0	0	0	0	0	0	0	0	
- Total Debt Service	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	
= Net Cash Flow Before Tax	118,859	129,274	139,948	150,890	162,105	173,600	185,383	197,460	209,839	222,528	
ROI (Cash Flow + Principal Reduction)	179,526	194,003	209,012	224,579	240,729	257,490	274,891	292,963	311,739	331,252	
Mortgage Interest	237,043	232,980	228,645	224,020	219,085	213,819	208,201	202,206	195,810	188,986	
Principal Reduction	60,666	64,729	69,064	73,690	78,625	83,890	89,509	95,503	101,899	108,724	
Total Debt Service	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	297,710	
Debt Service Ratio	1.40	1.43	1.47	1.51	1.54	1.58	1.62	1.66	1.70	1.75	
Operating Expense Percentage	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	33.6 %	
Cap Rate	7.94 %	8.13 %	8.34 %	8.55 %	8.76 %	8.98 %	9.20 %	9.43 %	9.67 %	9.91 %	
Cash-On-Cash Return	6.88 %	7.49 %	8.10 %	8.74 %	9.39 %	10.05 %	10.73 %	11.43 %	12.15 %	12.89 %	
ROI %	10.40 %	11.23 %	12.10 %	13.00 %	13.94 %	14.91 %	15.92 %	16.96 %	18.05 %	19.18 %	

End Of Year (EOY)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flows	-1,726,921	118,859	129,274	139,948	150,890	162,105	173,600	185,383	197,460	209,839	5,168,087

Greater Philadelphia Overview

Pennsylvania's largest metropolitan area serves as one of the oldest cities in the United States. In recent years, the city has experienced a swell of development and repurposing projects, attracting investors and potential tenants alike. Philadelphia is the largest city in Pennsylvania with a population of over 1.6 million people and over 6.2 million residents in the greater metropolitan area.

Philadelphia is a major center for education and research, with numerous colleges and universities located within its boundaries. The city is also a major transportation hub, with an extensive network of highways, railroads, ports and airports.

The metropolitan area is good for commercial real estate investing because of the strong economy and the city's location. The economy is driven by the healthcare, education, and technology industries. The Greater Philadelphia region is home to three major interstates, the New Jersey and Pennsylvania Turnpikes, the Port of Philadelphia, six international airports, and the second-largest shipping hub for UPS. Sixty percent of the U.S and Canadian population is within a two-hour flight of Philly, while nearly 40% of the U.S. population is within a one-day drive.

- **Philadelphia is home to over 1.6 million in the city and more than 6.2mil in the greater metropolitan area.**
- **Population of Philadelphia has grown for more than 10 years in a row and has increased by 5% over the last decade.**
- **Philadelphia is the largest city in the Commonwealth of Pennsylvania and the 2nd most populous in the Northeast, just behind New York**
- **Median age in Philadelphia is 38.9 years, a little less than the figure for the state.**
- **About 39% of the population is between the ages of 20 and 49.**
- **Per capita income in Philadelphia is $40,420 while median household income is $74,825.**
- **4 million employees in Philadelphia, growing 1.17% year over year.**
- **GDP of the Philadelphia-Camden-Wilmington MSA is over $439 billion, according to the Federal Reserve Bank of St. Louis, and has grown by more than 27% over the last ten years.**
- **Forbes ranks Philadelphia #88 as the best place for business and careers.**
- **Philadelphia is a key location located midway between New York City and Washington, D.C.**
- **About 40% of the U.S. population is located within a one-day drive of Philly, and 60% of the population of the U.S. and Canada is within a two-hour flight.**
- **Philadelphia is one of the few U.S. cities to have all four major league sports teams.**
- **Philadelphia joined the Organization of World Heritage Cities in November 2015, thereby becoming the first "World Heritage City" in the United States. The city achieved this designation because of the rich array of historic buildings and cultural sites located throughout the city, including 67 National Historic Landmarks. The World Heritage City designation elevates Philadelphia, giving it a new status among international cities.**
- **U.S. News & World Report ranks the Philadelphia metro area as one of the best places to live in Pennsylvania, the 19th best place to retire in the U.S .**

219 E. Lehigh Avenue

Confidentiality Memorandum

For More Information

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KW COMMERCIAL
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