



219 E. Lehigh Avenue



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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 \$426,837.12. Asking Price- \$5,500,000. This property is also available as part of a Three (3) Property Portfolio. Please call for additional portfolio information.



Information shown is purported to be from reliable sources. No representation is made to the accuracy thereof, and is submitted subject to errors, omissions, change in price, prior sale, withdrawal without notice, or other conditions.

Portfolio Overview



Property Specs

LOT SF	46,149	USE	Social Services
PARCEL #'S	883379118	PARKING	46 Spaces (approx.)
ASSESSMENT	\$2,878,000	ZONING	ICMX
TAXES (2026)	\$40,288	BUILDING SF	29,100
DESCRIPTION	Office Building		

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



ALLEGHENY Save a lot food stores
Advance! Auto Parts
The Laundry Corp
DOLLAR BUCKETY DEALS
Santander
BADA BOUTIQUE
LITTLE COMPANY
LITTLE COMPANY
LITTLE COMPANY

SEPTA
Market Frankford Line
Somerset Station

ORINOKA CIVIC HOUSE
51 apartment units

Temple University Health System

SEPTA
Market Frankford Line
Huntingdon Station

WOODS SQUARE
178-unit mixed-use development

KC KENSINGTON COURTS
60 single-family homes, 24 duplex units & 71 condos

2201 E. SOMERSET ST.
Proposed Mixed-Use Multi-Family Residential Development

AXES
Philadelphia Rewards Co.

AVENUE 30
30 townhomes under construction

Streets shown: Allegheny Ave, Somerset St, Lehigh Ave, N 5th St, N American St, N 7th St, N 9th St, Fioiga St, E 1st St, E 2nd St, E 3rd St, E 4th St, E 5th St, E 6th St, E 7th St, E 8th St, E 9th St, E 10th St, E 11th St, E 12th St, E 13th St, E 14th St, E 15th St, E 16th St, E 17th St, E 18th St, E 19th St, E 20th St, E 21st St, E 22nd St, E 23rd St, E 24th St, E 25th St, E 26th St, E 27th St, E 28th St, E 29th St, E 30th St, E 31st St, E 32nd St, E 33rd St, E 34th St, E 35th St, E 36th St, E 37th St, E 38th St, E 39th St, E 40th St, E 41st St, E 42nd St, E 43rd St, E 44th St, E 45th St, E 46th St, E 47th St, E 48th St, E 49th St, E 50th St, E 51st St, E 52nd St, E 53rd St, E 54th St, E 55th St, E 56th St, E 57th St, E 58th St, E 59th St, E 60th St, E 61st St, E 62nd St, E 63rd St, E 64th St, E 65th St, E 66th St, E 67th St, E 68th St, E 69th St, E 70th St, E 71st St, E 72nd St, E 73rd St, E 74th St, E 75th St, E 76th St, E 77th St, E 78th St, E 79th St, E 80th St, E 81st St, E 82nd St, E 83rd St, E 84th St, E 85th St, E 86th St, E 87th St, E 88th St, E 89th St, E 90th St, E 91st St, E 92nd St, E 93rd St, E 94th St, E 95th St, E 96th St, E 97th St, E 98th St, E 99th St, E 100th St

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



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

Acquisition Assumptions

Acquisition Price:		5,500,000
Acquisition Costs:	2.20 %	121,000
Loan Amount:	65.00 %	3,575,000
Interest Rate %:		6.50 %
Amortization (Years):		25
Interest Only (Months):		0
Term (Years):		5
Loan Costs:	1.00 %	35,750
Annual Debt Service:		289,664
Down Payment:		1,925,000

Initial Investment

Acquisition Price:	5,500,000
+ Acquisition Costs:	121,000
+ Loan Costs:	35,750
- Loan Amount:	3,575,000
= Initial Investment:	2,081,750

Disposition Assumptions

Hold Period (Years):	10
Disposition Cap Rate %:	6.50 %
Sales Cost %:	5.00 %
Sales Price:	8,405,961
- Loan Payoff:	2,771,031
- Sales Cost:	420,298
+ Total Proceeds:	5,214,632

Decision Criteria

Discount Rate:	5.00 %
Acquisition Cap Rate:	7.76 %
Cash-On-Cash (Year 1):	6.59 %
ROI (Year 1):	9.42 %
DSCR (Year 1):	1.47
IRR (Yield) :	15.60 %
NPV :	2,538,974

The Deal



Asking Price:	5,500,000
NOI:	426,837
Cap Rate %:	7.80 %
Occupancy %:	100.00 %
Year Built or Renovated:	1990

Sq Ft:	26,117
Price/SF:	211
# of Units:	1
Price/Unit:	5,500,000

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

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	622,675 \$	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	195,838 \$	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

Potential Rental Income	622,675	638,242	654,198	670,553	687,317	704,500	722,112	740,165	758,669	777,636	797,077
- Loss	0	0	0	0	0	0	0	0	0	0	0
= Effective Rental Income	622,675	638,242	654,198	670,553	687,317	704,500	722,112	740,165	758,669	777,636	797,077
+ 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	622,675	638,242	654,198	670,553	687,317	704,500	722,112	740,165	758,669	777,636	797,077
- Operating Expenses	195,838	200,734	205,752	210,896	216,169	221,573	227,112	232,790	238,610	244,575	250,689
= Net Operating Income (NOI)	426,837	437,508	448,446	459,657	471,148	482,927	495,000	507,375	520,059	533,061	546,387
- CapEx / Reserves	0	0	0	0	0	0	0	0	0	0	0
- Total Debt Service	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664
= Net Cash Flow Before Tax	137,173	147,844	158,782	169,993	181,484	193,263	205,336	217,711	230,396	243,397	256,703
ROI (Cash Flow + Principal Reduction)	196,200	210,824	225,980	241,691	257,984	274,886	292,426	310,633	329,541	349,182	369,486
Mortgage Interest	230,637	226,684	222,466	217,966	213,164	208,041	202,574	196,742	190,518	183,878	176,703
Principal Reduction	59,027	62,980	67,198	71,698	76,500	81,623	87,090	92,922	99,145	105,785	112,783
Total Debt Service	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664	289,664
Debt Service Ratio	1.47	1.51	1.55	1.59	1.63	1.67	1.71	1.75	1.80	1.84	1.88
Operating Expense Percentage	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %	31.5 %
Cap Rate	7.76 %	7.95 %	8.15 %	8.36 %	8.57 %	8.78 %	9.00 %	9.23 %	9.46 %	9.69 %	9.92 %
Cash-On-Cash Return	6.59 %	7.10 %	7.63 %	8.17 %	8.72 %	9.28 %	9.86 %	10.46 %	11.07 %	11.69 %	12.32 %
ROI %	9.42 %	10.13 %	10.86 %	11.61 %	12.39 %	13.20 %	14.05 %	14.92 %	15.83 %	16.77 %	17.70 %

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	-2,081,750	137,173	147,844	158,782	169,993	181,484	193,263	205,336	217,711	230,396	5,458,029

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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