

# FOR SALE: \$6,800,000

## FRANCISCAN MEDICAL CLINIC - BELFAIR

21 ROMANCE HILL RD, BELFAIR, WA 98528 // OFFERING MEMORANDUM



Virginia Mason  
Franciscan Health™

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Established in 2010

**ORION**  
COMMERCIAL PARTNERS

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# INVESTMENT SUMMARY

## THE OFFERING

ORION Commercial Partners is excited to offer for sale the Franciscan Medical Clinic in Belfair, Washington. Originally built in 2008/2009 by the current owner, the property has been fully leased by the same tenants. The property is anchored by Virginia Mason Franciscan Health (<https://www.vmfh.org>) which is part of the CommonSpirit Health system. CommonSpirit Health has a Moody's rating of A3 stable, while both S&P and Fitch have maintained their A- stable outlook. This financial strength allows Virginia Mason Franciscan Health to focus on delivering Primary and Urgent Care to North Mason County and beyond. In a collaborative effort between the North Mason County Hospital District and Virginia Mason Franciscan Health, the property was developed specifically for Primary and Urgent Care over 15 years ago. Virginia Mason Franciscan Health has over 10 years remaining on its recent 15-year lease renewal. The balance of the medical clinic is leased to Peninsula Physical Therapy and Belfair Dental, each of which have also been tenants in the building since it was built and has deep-rooted and long-term clientele.

Conveniently located just off of Highway 3 in Belfair, WA, at the end of Hood Canal, the property has been impeccably maintained by the current ownership throughout the years since it was built. This rare investment opportunity will provide the passive investor with a stabilized and predictable return for many years to come.

	Address	21 ROMANCE HILL RD, BELFAIR, WA 98528
	Offering Price	\$6,800,000
	Cap Rate	5.46%
	Building Area	11,503 SF // BUILT: 2008/2009
	Price Per Square Foot Building	\$591.15
	Land Area	76,514 SF
	Price Per Square Foot Land	\$88.87
	Zoning	MU
	Parcel Number	12332-50-90041

# INVESTMENT SUMMARY



## INVESTMENT HIGHLIGHTS

### LONG-TERM TENANTS

Each of the three tenants (Peninsula Physical Therapy, Belfair Dental, and Virginia Mason Franciscan Health) have been occupying their respective suites since the building was built in 2008/2009. Two of the three tenants recently exercised their third and final 5-year extension options while Virginia Mason Franciscan Health has over 10 years remaining on their most recent 15-year extension.

### RECENT FAÇADE AND SIGNAGE UPDATES

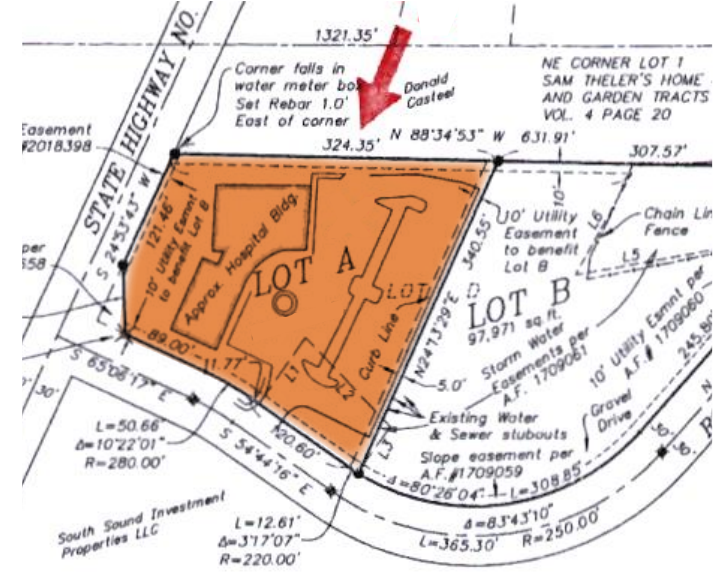
Franciscan Health Clinic has completed a recent façade facelift. The clinic's exterior now boasts a sophisticated blend of hues, seamlessly harmonizing with the surrounding landscape. The prominent Virginia Mason Franciscan Health's building signage completes the new look. In addition, the awnings above the entrances to each suite was replaced and the entire building was repainted in 2023.

### STRATEGIC LOCATION

Located conveniently off WA-3 and Romance Hill Road for high visibility and easy access, Franciscan Medical Clinic - Belfair is the only urgent care facility serving all of North Mason County. Its close proximity to the town center makes it a convenient option for residents.

# PROPERTY OVERVIEW

## PARCEL



# PROPERTY OVERVIEW

## FRANCISCAN MEDICAL CLINIC - BELFAIR



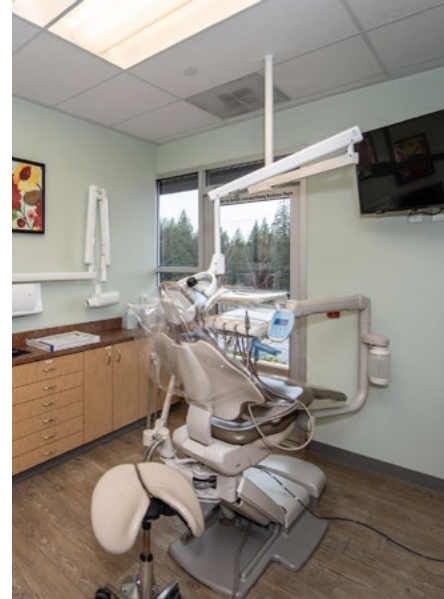
# PROPERTY OVERVIEW

RECENTLY UPDATED EXTERIOR FAÇADE AND SIGNAGE



# PROPERTY OVERVIEW

## BELFAIR DENTAL INTERIOR PHOTOS





# PROPERTY OVERVIEW

## AERIAL



OLYMPIC MOUNTAINS

HOOD CANAL

BELFAIR STATE PARK

LYNCH COVE

BELFAIR LICENSING

VEHICLES PER DAY: 19,500+

ROMANCE HILL ROAD



SUBJECT PROPERTY



# PROPERTY OVERVIEW

## AERIAL



# PROPERTY OVERVIEW

## TENANT PROFILES



Virginia Mason Franciscan Health (VMFH) brings together two award-winning health systems in Washington state - CHI Franciscan and Virginia Mason. The finalization of the merger deal makes Virginia Mason a part of CommonSpirit Health, one of the nation's largest health systems with a Moody's rating of A3 stable and an A- stable rating by both S&P and Fitch. CommonSpirit Health is the parent company of CHI Franciscan. As one integrated health system with the most patient access points in western Washington, their team includes 18,000 staff and nearly 5,000 employed physicians and affiliated providers.

At Virginia Mason Franciscan Health you will find the safest and highest quality of care provided by expert, compassionate medical care team at 11 hospitals and nearly 300 sites throughout the Puget Sound region.

Virginia Mason Franciscan Health has nearly 1,500 hospital beds and also includes Bailey-Boushay House, the first skilled-nursing and outpatient chronic care management program in the United States designed specifically to meet the needs of people with HIV/AIDS; Benaroya Research Institute, which is internationally recognized for autoimmune disease research; and Virginia Mason Institute, which trains health care professionals and others around the world in the Virginia Mason Production System, an innovative management method for improving quality and safety.

VMFH, in collaboration with the Belfair community, and Mason County Public Hospital District No. 2, founded Franciscan Medical Clinic - Belfair almost 15 years ago. VMFH provides high-quality care to the community, including radiology, lab services and urgent care.



Mark Dutton, PT opened his physical therapy practice in Belfair in 1999. The Belfair clinic was an independently owned facility that shared the name Kitsap Physical Therapy and Sports Clinics with a respected group of private practices on the Washington Peninsula. Mike Danford, PT started Kitsap Physical Therapy in 1979 and rapidly expanded through the area, over time bringing on new therapist as owners.

In 2009, Dutton changed the name of the clinic to Peninsula Physical Therapy. With advanced clinical and manual therapy skills combined with state of the art equipment, Peninsula Physical Therapy offers a level of therapeutic rehabilitation that you would expect from the finest therapy clinics in a major metropolis.



Belfair Dental strive to provide their patients with the best and most complete dental care. The doctors and staff frequently attend continuing education seminars to learn the latest dental techniques. The practice is owned and operated by a husband and wife team who both served in the US Army, deployment to Afghanistan, and is currently serving as Lieutenant Colonel ( LTC ) in US Army Reserves.

Belfair Dental provide quality general dentistry services for adults and children, including: implants, dentures, root canals, extractions, and crowns.

The clinic also provides emergency dental care for broken or cracked tooth/teeth, broken jaw, permanent repair for knocked out tooth/teeth, and severe tooth ache or swelling.

# MARKET OVERVIEW

## ABOUT MASON COUNTY



Mason County boasts stunning natural beauty with access to Hood Canal, forests, lakes, and beaches. You'll find opportunities for hiking, boating, fishing, kayaking, and crabbing right at your doorstep.

Hood Canal is a fjord forming the western lobe, and one of the four main basins of

Puget Sound. Whether you're headed north to explore Dewatto and Tahuya or plan to follow the Canal through Union, Potlatch and Hoodspout, the journey begins in Belfair.

### BELFAIR, WA

Belfair is situated on the southernmost point of the isthmus connecting the Kitsap and Olympic Peninsulas, Belfair is the gateway to Hood Canal. Whether you're a birder entranced by kingfishers and bald eagles, an explorer with a love of lush flora, or a naturalist with an eye for spotting fox, deer, and other woody fauna, the renowned Theler Wetlands Preserve offers something for everyone.

### ACCESS TO HEALTH CARE\*

Access to health care can be challenging in Mason County due to barriers such as geographical distances and provider shortages. In 2018, the ratio of Mason County's population to primary care physicians was 3,850:1, meaning there is only one primary care provider per every 3,850 residents in Mason County. In comparison, the ratio for Washington State was 1,180:1. Comparing provider rates per 100,000 population to other counties with similar populations and geographical barriers as Mason County further illustrates our community's access to healthcare needs. In Mason County, there are approximately 26 primary care physicians per 100,000 people; there are 34 in Grays Harbor County, 43 in Lewis County, and a statewide rate of 84 primary care physicians per 100,000 people. As a result, many residents are forced to leave the county to access primary care or utilize urgent cares and emergency departments. In 2019, the population to dentist ratio was 2,900:1, more than twice the state's ratio of 1,200:1.\*

#### Mason County Washington

<b>3,850</b>		<b>1,180</b>
People per 1 Primary Care Physician		People per 1 Primary Care Physician

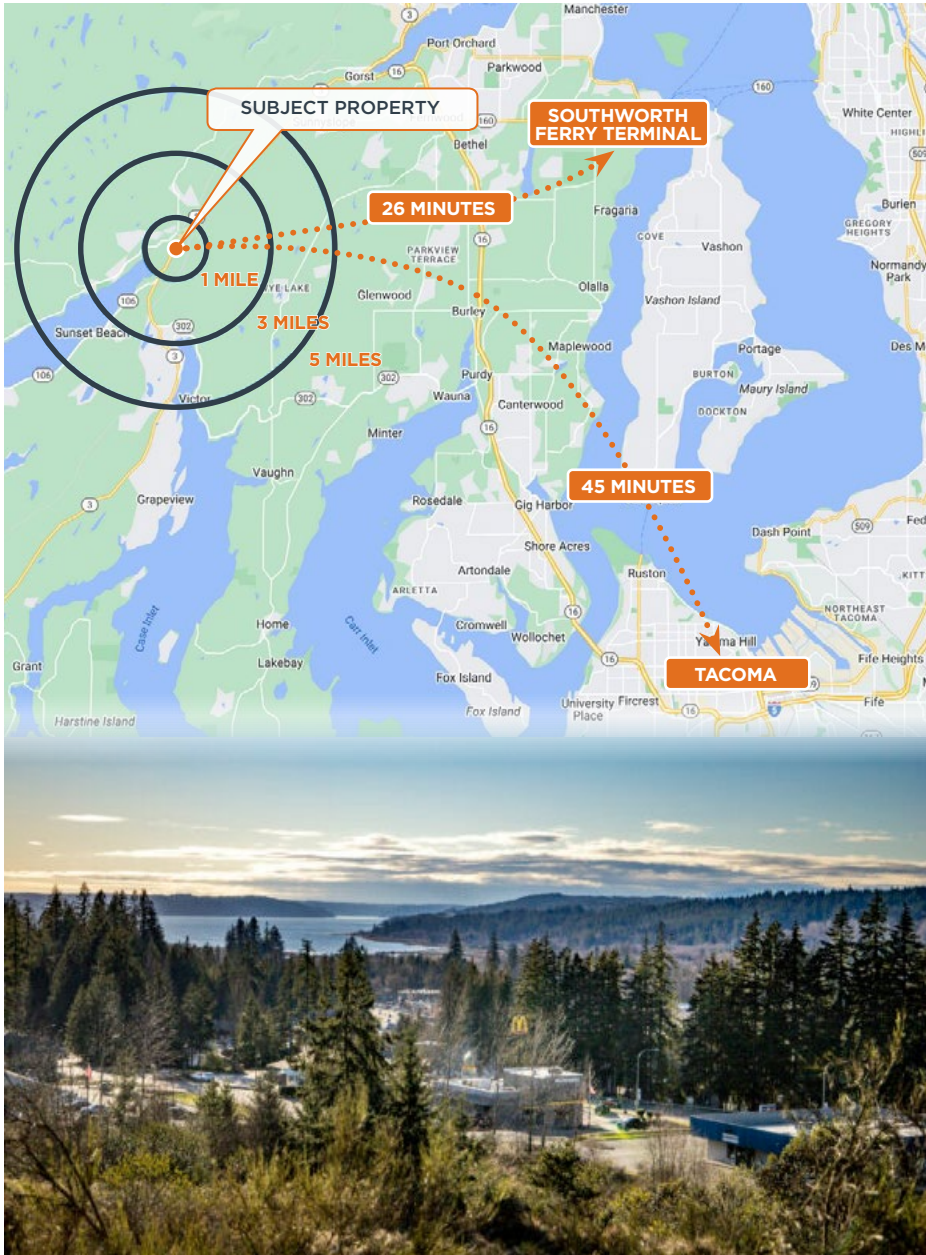
<b>2,900</b>		<b>1,200</b>
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*The next closest Urgent Care Facility from the subject property is more than 11 miles away. Mason County's shortage in primary care physicians, urgent care and dentists makes the subject property a vital necessity to the region.*

\*Source: 2021 Mason County Public Health Report

# MARKET OVERVIEW

## DEMOGRAPHICS: 1, 3 & 5 MILE RADIUS



RADIUS	1 MILE	3 MILES	5 MILES
<b>POPULATION:</b>			
2010 Population	1,031	5,354	11,539
2023 Population	946	5,242	11,882
2028 Population Projection	946	5,303	12,095
Annual Growth 2010-2023	-0.6%	-0.2%	0.2%
Annual Growth 2023-2028	0%	0.2%	0.4%
Median Age	38.9	39.7	43.3
<b>HOUSEHOLDS</b>			
2023 Households	333	1,881	4,466
2028 Household Projection	332	1,896	4,534
Annual Growth 2010-2023	0.1%	0.1%	0.1%
Annual Growth 2023-2028	-0.1%	0.2%	0.3%
Owner Occupied Households	234	1,454	3,716
Renter Occupied Households	98	442	818
Health Care Total Spending (\$)	\$3,175,303	\$8,229,435	\$8,229,435
<b>AVG HOUSEHOLD INCOME</b>	<b>\$79,716</b>	<b>\$87,206</b>	<b>\$96,251</b>
<b>MEDIAN HOUSEHOLD INCOME</b>	<b>\$59,743</b>	<b>\$63,716</b>	<b>\$72,703</b>
< \$25,000	24	189	438
\$25,000 - 50,000	67	442	875
\$50,000 - 75,000	164	563	1,007
\$75,000 - 100,000	19	130	377
\$100,000 - 125,000	16	183	683
\$125,000 - 150,000	9	82	338
\$150,000 - 200,000	12	170	434
\$200,000+	23	122	315



**ORION Commercial Partners maximizes real estate value through comprehensive project acquisition/disposition, property/asset management, and leasing services. We are a progressive real estate services and investment firm constantly seeking a perfect alignment of interests between us as the service provider and our clients. ORION delivers a**

**UNIFIED TEAM APPROACH**

**to fulfill our client's objectives. Creativity, accountability and focused attention are the hallmarks of our business.**

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