



ACTUAL PHOTO

 **1114 W 1ST N STREET, MORRISTOWN, TN 37814**

Marcus & Millichap

INVESTMENT OVERVIEW

Marcus & Millichap is please to present for sale this AdaptHealth single tenant net leased medical property located at 1114 W. First St, Morristown, Tennessee. The subject property consists of 8,012 square feet of gross leasable area on a 1.39 acre parcel of land. The tenant, AdaptHealth (NASDAQ: AHCO) has recently signed a 5-year lease extension with a corporate guarantee.

AdaptHealth is a full-service home medical equipment company that uses tailored products and services to empower patients to live their fullest lives – out of the hospital and in their homes. Morristown Hamblen Healthcare System, a regional hospital and medical complex is two blocks away from the property, providing a highly reliable and consistent source of business for the tenant. On a corporate level AdaptHealth has experienced a significant increase in revenue since the COVID-19 pandemic hit, providing valuable support throughout the public health crisis.

The double net lease has minimal landlord responsibilities, limited to roof and structure. The tenant has been occupying the property since 2019. In November 2021, the initiated and early lease extension for an additional 5-years (ending 12/31/2026), with one 5-year renewal option. The current rent less than \$9 per square foot is well below market pricing.

Strategically located on Route 11 (Andrew Johnson Hwy) gateway to the regional medical center and primary retail corridor, the property benefits from street frontage visible to average daily traffic counts of 13,026. National tenants in the immediate trade area include Home Depot, Chick-fil-A, Lowes, CVS, Ford, and many more. The population is over 46,000 within a 5-mile radius, with positive growth forecasted over the next 5-years. Strong population growth of 4.25 percent is projected within a 3-mile radius of the subject property within the next 5-years. The landlords have recently had the driveway resealed and the building power washed, to further elevate future responsibilities.

Morristown is a city in Tennessee at the midpoint between Knoxville and the Tri- Cities region. Nearby on Main Street in Morristown is the Skymart, a major redevelopment project turning downtown into a social and commercial hub. Tennessee is an income tax free state.

INVESTMENT HIGHLIGHTS

- AdaptHealth Corporate Guarantee (NASDAQ: AHCO)
- AdaptHealth is a Leading Provider of Health Equipment and Medical Supplies Operating in 41 States with \$1.4 Billion Annual Revenue
- Morristown Hamblen Healthcare System (Hospital & Medical Complex) is Two Blocks Away
- Double Net Lease - Minimal Landlord Responsibilities
- Below Market Rents for Corporate Tenant (Current Rent is 50% Below Market Price)
- Strong Upside on Short Term Leases
- Strong Demographics with 46K Population and \$61K+ Avg Household Income in a 5-Mile Radius
- Visible to 13,026 Vehicles Per Day
- Adjacent to Pharmacy & Bank
- National Tenants in Immediate Trade Area Include Home Depot, Lowe's, DaVita, Chick-fil-A, & More
- Situated on W Andrew Johnson Highway a Dense Retail Corridor with 50K+ VPD within 1-Mile
- High 5-Year Population Growth Forecast of 4.25% within a 3-Mile Radius
- Declining Market Vacancy Rate (Currently 4%)
- Driveway Resealed & Building Power Washed
- Tennessee is an Income Tax Free State

THE OFFERING



PROPERTY DETAILS

Lot Size	60,548 SF (1.39 Acres)
Rentable Square Feet	8,012 SF
Price/SF	\$143.78
Year Built / Renovated	1981 / 1991

FINANCIAL OVERVIEW

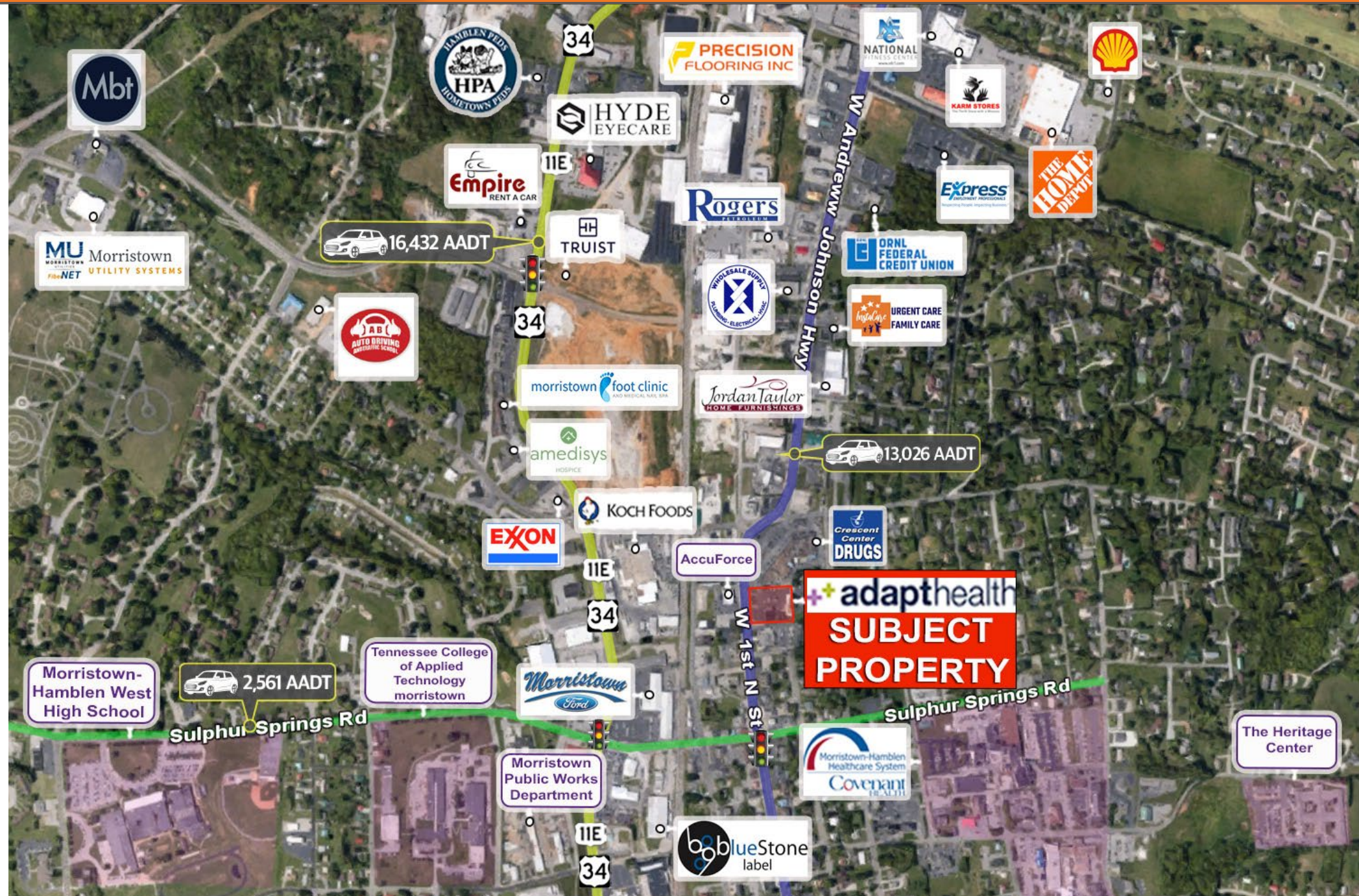
List Price	\$1,152,000
Down Payment	100% / \$1,152,000
Cap Rate	6.25%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
10/01/2019 - 12/31/2026 (Current)	\$6,000	\$72,000
01/01/2027 - 12/31/2029 (Option 1)	\$6,000	\$72,000
Base Rent (\$8.99 / SF)		\$72,000
Net Operating Income		\$72,000.00
TOTAL ANNUAL RETURN	CAP 6.25%	\$72,000

LEASE ABSTRACT

Tenant Trade Name	AdaptHealth
Tenant	Corporate
Ownership	Public
Guarantor	Corporate Guarantee
Lease Type	Double Net
Lease Term	7 Years
Lease Commencement Date	10/01/2019
Rent Commencement Date	10/01/2019
Expiration Date of Base Term	12/31/2026
Term Remaining on Lease	5 Years
Increases	Flat
Options	One 3-Year Option
Property Type	Net Leased Single Tenant Medical Office
Landlord Responsibility	Roof & Structure
Tenant Responsibility	All other Items
Right of First Refusal	No



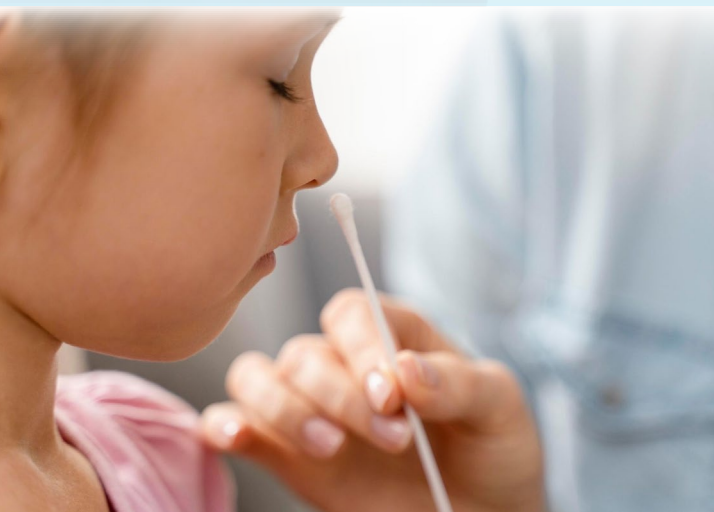






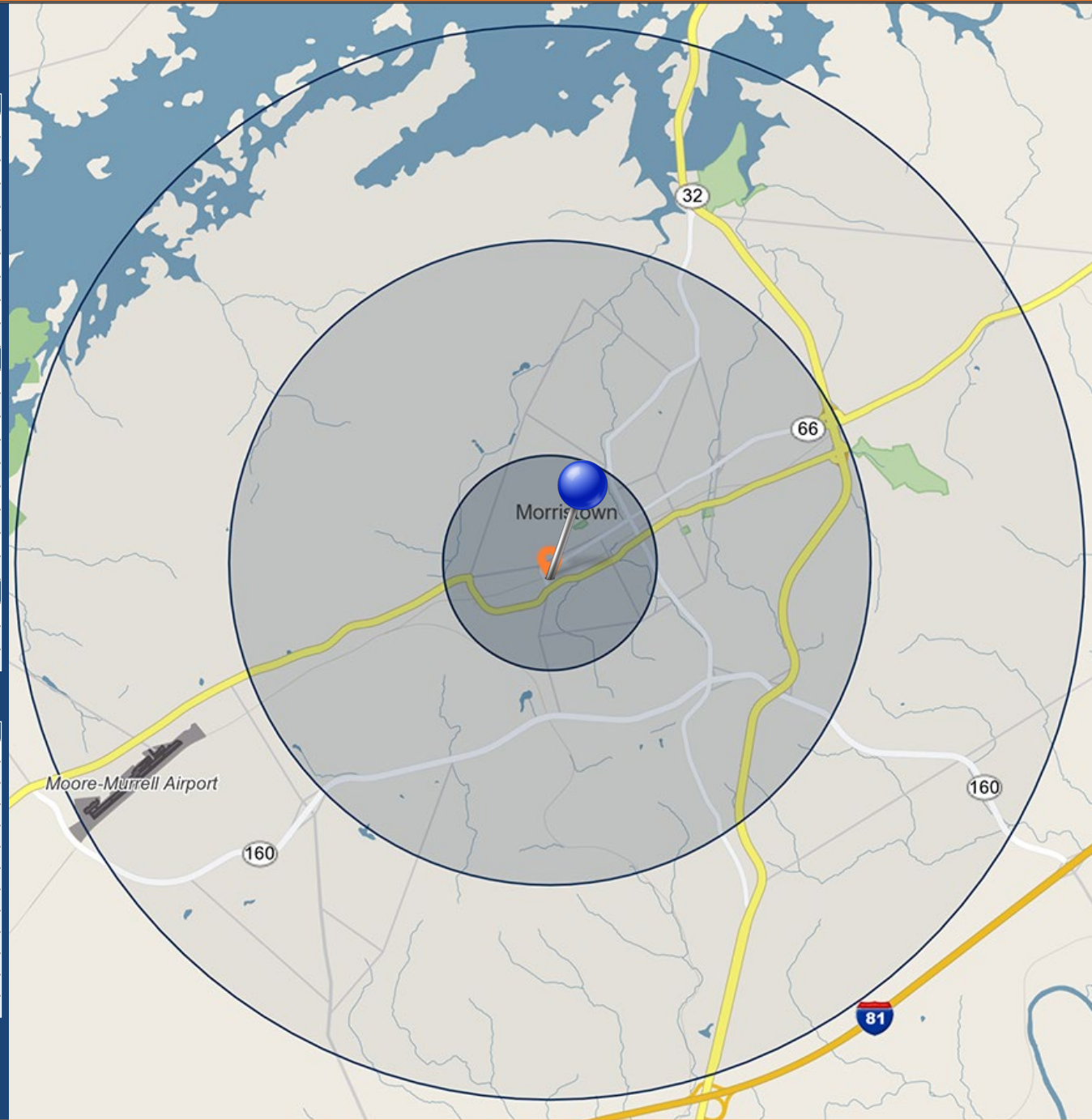
They are a network of full-service medical equipment companies that use tailored products and services to empower patients to live their best lives — out of the hospital and in their homes.

With operations in 47 states, they are able to offer a breadth of clinically driven products and services designed to help patients adapt to life in the home including: sleep and respiratory therapy, diabetes management supplies, mobility products, wound care, non-invasive ventilation, and nutrition.



POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	6,917	30,642	47,482
2021 Estimate			
Total Population	6,739	30,070	46,788
2010 Census			
Total Population	6,276	28,365	44,486
2000 Census			
Total Population	5,665	26,590	41,789
Daytime Population			
2021 Estimate	14,055	40,797	55,333
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	2,560	12,029	18,688
2021 Estimate			
Total Households	2,487	11,748	18,327
Average (Mean) Household Size	2.5	2.5	2.5
2010 Census			
Total Households	2,352	11,177	17,533
2000 Census			
Total Households	2,279	10,924	16,928
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2026 Projection	2,823	13,236	20,579
2021 Estimate	2,744	12,904	20,132

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	2.3%	2.0%	2.2%
\$150,000-\$199,999	2.1%	1.6%	2.5%
\$100,000-\$149,999	7.7%	7.5%	8.7%
\$75,000-\$99,999	8.6%	9.8%	11.4%
\$50,000-\$74,999	11.2%	17.7%	19.1%
\$35,000-\$49,999	12.1%	14.0%	14.9%
\$25,000-\$34,999	14.7%	13.0%	12.2%
\$15,000-\$24,999	19.4%	16.5%	14.1%
Under \$15,000	22.0%	17.8%	14.9%
Average Household Income	\$51,941	\$54,878	\$60,051
Median Household Income	\$31,101	\$37,746	\$43,369
Per Capita Income	\$20,120	\$21,814	\$23,765



GEOGRAPHY: 5 MILE



POPULATION

In 2021, the population in your selected geography is 46,788. The population has changed by 12.0 percent since 2000. It is estimated that the population in your area will be 47,482 five years from now, which represents a change of 1.5 percent from the current year. The current population is 48.9 percent male and 51.1 percent female. The median age of the population in your area is 39.6, compared with the U.S. average, which is 38.4. The population density in your area is 595 people per square mile.



HOUSEHOLDS

There are currently 18,327 households in your selected geography. The number of households has changed by 8.3 percent since 2000. It is estimated that the number of households in your area will be 18,688 five years from now, which represents a change of 2.0 percent from the current year. The average household size in your area is 2.5 people.



INCOME

In 2021, the median household income for your selected geography is \$43,369, compared with the U.S. average, which is currently \$65,694. The median household income for your area has changed by 42.9 percent since 2000. It is estimated that the median household income in your area will be \$43,655 five years from now, which represents a change of 0.7 percent from the current year.

The current year per capita income in your area is \$23,765, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$60,051, compared with the U.S. average, which is \$94,822.



EMPLOYMENT

In 2021, 20,137 people in your selected area were employed. The 2000 Census revealed that 44.9 percent of employees are in white-collar occupations in this geography, and 55.1 percent are in blue-collar occupations. In 2021, unemployment in this area was 6.0 percent. In 2000, the average time traveled to work was 16.7 minutes.



HOUSING

The median housing value in your area was \$138,215 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 11,595 owner-occupied housing units and 5,333 renter-occupied housing units in your area. The median rent at the time was \$328.



EDUCATION

The selected area in 2021 had a lower level of educational attainment when compared with the U.S. averages. Only 6.3 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.0 percent, and 10.7 percent completed a bachelor's degree, compared with the national average of 19.5 percent.

The number of area residents with an associate degree was lower than the nation's at 6.6 percent vs. 8.3 percent, respectively.

The area had more high-school graduates, 37.7 percent vs. 27.2 percent for the nation, but the percentage of residents who completed some college is lower than the average for the nation, at 19.4 percent in the selected area compared with the 20.5 percent in the U.S.

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ISSENBERG & BRITTI

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