



OFFERING MEMORANDUM

WASHINGTON STATE INPATIENT PSYCHIATRIC HOSPITAL



PROPERTY VIDEO

 **Kidder
Mathews**

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EXECUTIVE SUMMARY

PREMIER OFFERING IN THE STATE OF WASHINGTON

Kidder Mathews is pleased to present a state-of-the-art 12,000 SF 16-bed inpatient psychiatric hospital located in Olympia, WA. Following a multi-year approval process with the municipality and state to secure approvals for the project, the facility was completed as a build-to-suit development for a national inpatient psychiatric hospital operator that. The hospital was designed to operate as an inpatient psychiatric hospital building, which will be transferred with an "Approval to Use" from the Washington Department of Health ("DOH") and the Certificate of Need ("CON") will be assigned to the acquirer, allowing for any "behavioral health" use. The offering represents a rare opportunity for an acquirer to enter a highly-restrictive healthcare market exhibiting pent-up demand.

ADDRESS	3432 South Bay Road NE, Olympia, WA
GROSS LAND SIZE	±1.09 Acres
PARCEL NO.	11806111800
ZONING	RCC
BEDS	16
PARKING	70 spaces (5.83 spaces per 1,000 SF) 36 spaces on the parcel



INVESTMENT HIGHLIGHTS



Modern Facility

The newly completed facility will allow a provider to take immediate occupancy with little-to-no build-out expenditures.



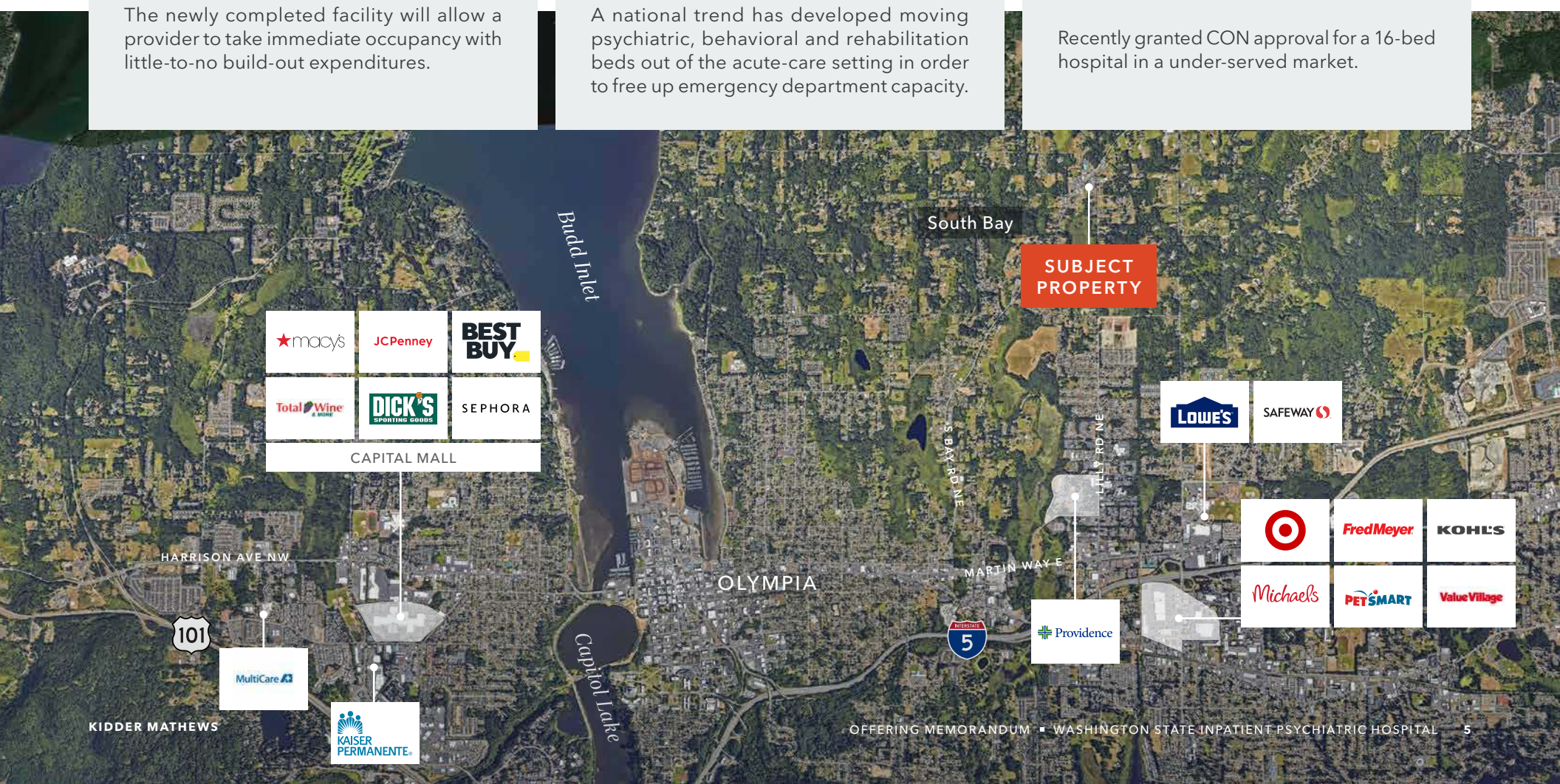
High-User Demand

A national trend has developed moving psychiatric, behavioral and rehabilitation beds out of the acute-care setting in order to free up emergency department capacity.



Certificate of Need

Recently granted CON approval for a 16-bed hospital in a under-served market.



THE BUILDING UNDERWENT AN *EXPANSIVE \$6M+* *RENOVATION* IN 2023



DEMAND FOR PSYCHIATRIC FACILITIES IN WA

The mental health and substance abuse issues that have plagued the United States, specifically Washington, are expected to grow as we start to see the fallouts of the COVID-19 pandemic. The Seattle Times reported that Washington had the nation's third highest rate of mental health problems at 24% while placing 49th in available psychiatric beds.

MARKET GROWTH & STRONG DEMOGRAPHICS

The behavioral health market in North America is set to expand significantly, with an estimated value of around USD 293 billion by 2032, marking a considerable increase from USD 152 billion in 2022. The growth is driven by factors like increasing awareness, technological innovations, and a rising prevalence of conditions like depression and substance abuse.

Behavioral Health Market Growth Predictions

2023	\$162.31 Billion
2024	\$173.32 Billion
2025	\$185.05 Billion
2026	\$197.63 Billion
2027	\$211.04 Billion
2028	\$225.35 Billion
2029	\$240.64 Billion
2030	\$256.96 Billion
2031	\$274.39 Billion
2032	\$293 Billion

DATA FROM PRECEDENCE RESEARCH



PROPERTY OVERVIEW

INVESTMENT HIGHLIGHTS

Rare licenser attained in highly-restrictive state

Washington "Approval to Use" with Department of Health will be transferred as part of sale.

Although developed as inpatient psychiatric hospital, can be licensed to allow for any behavioral health use.

Washington has the sixth-highest prevalence of mental illness among U.S. states.

Granted CON-exemption for 16-bed hospital in 2023 with rare no-limit on length of stay.

Fixtures, finishes and kitchen equipment, along with additional FF&E included as part of the transaction.

Washington State has one of the most comprehensive Certificate of Need programs in the Nation. Possession of a CON effectively creates an economic barrier to entry that provides value as an intangible asset to its holder.



PROPERTY INFORMATION

Tailored for behavioral health services, this facility offers a specialized environment to address mental health needs.

PROPERTY OVERVIEW

ADDRESS	3432 South Bay Road NE, Olympia, WA
PARCEL NUMBERS	11806111800
COUNTY	Thurston County

BUILDING INFORMATION

YEAR BUILT / REMODELED	1999/2023
TOTAL BUILDING SF	12,000 SF
STORIES	1

SITE INFORMATION


LAND AREA	1.09 AC
ZONING	RCC
PARKING	70 spaces (5.83 spaces per 1,000 SF) 36 spaces on the parcel

USE INFORMATION

TOTAL BEDS	16
LENGTH OF STAY	Short-term or long-term
TOTAL CONSTRUCTION COSTS	\$6M+
CON	Issued

PROPERTY OVERVIEW



 **7,006+ VEHICLES**
Average Daily Traffic

PROPERTY OVERVIEW

PATIENT ROOM



EXAM ROOM



CONFERENCE ROOM



PROPERTY OVERVIEW



ENCLOSED PATIO

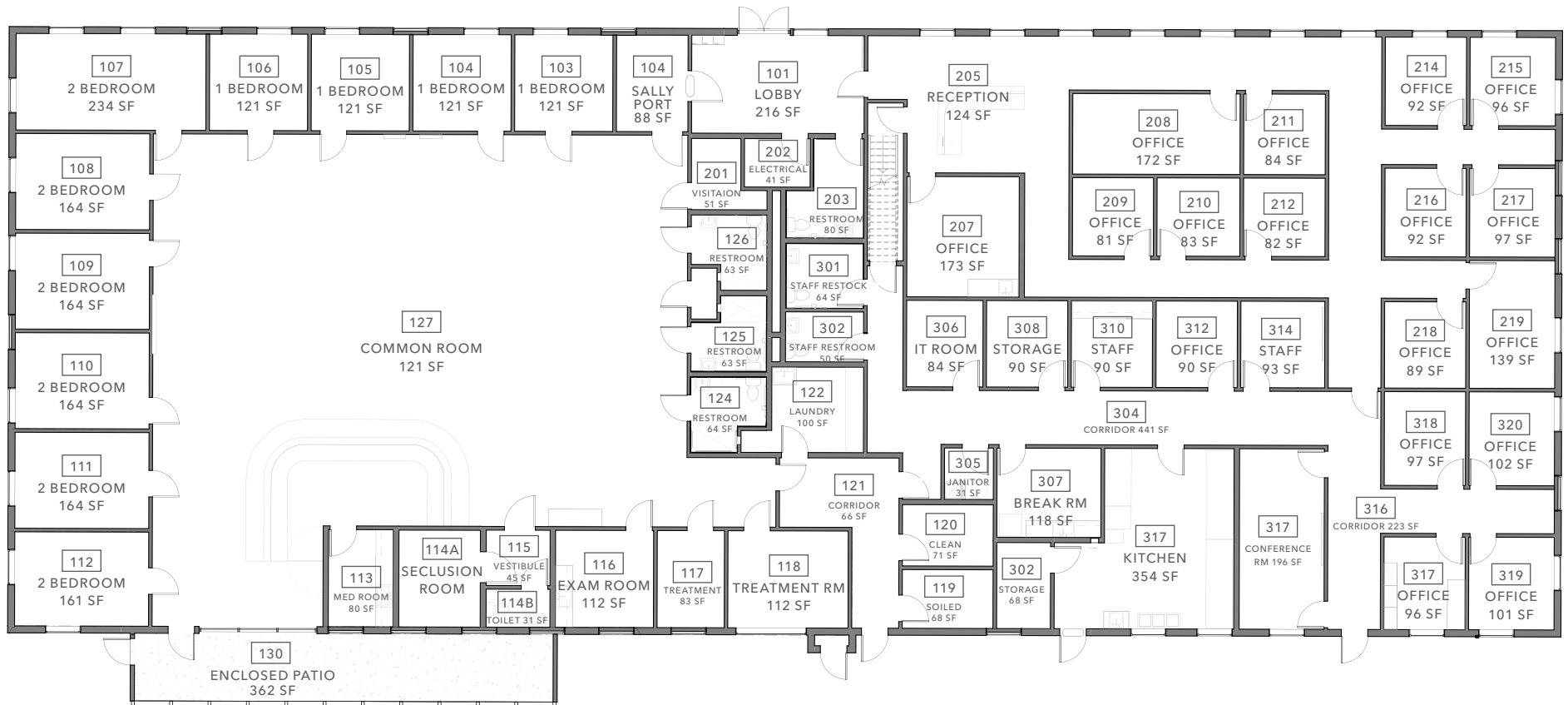


KITCHEN



COMMON ROOM

PROPERTY OVERVIEW





LOCATION OVERVIEW



SURGING DEMAND FOR HEALTHCARE

Washington has the sixth-highest prevalence of mental illness" — Seattle Times

Washington state has a robust healthcare system that aims to deliver comprehensive care to its residents through a combination of public and private providers. This includes hospitals, medical centers, clinics, and specialty care facilities. Prominent healthcare providers in Washington include the University of Washington Medical Center, Virginia Mason Medical Center, Providence Regional Medical Center, and Swedish Medical Center, offering a wide array of services from emergency care to specialized treatments.

The state prioritizes health promotion and disease prevention, actively implementing programs that encourage healthy lifestyles and provide access to recreational facilities and parks. Washington also emphasizes health education, community wellness, and disease prevention initiatives to improve the overall well-being of its population.

Washington State has implemented various government initiatives, such as the Healthier Washington initiative, to improve healthcare access and outcomes. These initiatives aim to enhance population health, improve care coordination, and reduce healthcare costs. The state also emphasizes the integration of behavioral health and physical health services to provide holistic care for its residents.

MENTAL HEALTHCARE SYSTEM

The mental healthcare system in Olympia, Washington, aims to offer a comprehensive range of services to individuals experiencing mental health issues, including diagnosis, treatment, and support. These services are provided through a combination of public and private providers, community organizations, and government-funded programs.

Residents of Olympia and surrounding areas can access mental health services through Thurston County's Public Health and Social Services Department. These services cover mental health assessments, counseling, therapy, crisis intervention, and case management. The department also assists with referrals to specialized care or treatment facilities.

In cases of immediate mental health emergencies, crisis intervention services are available in Olympia. The Thurston County Crisis Triage Center operates 24/7 and provides crisis stabilization, evaluation, and

short-term treatment for individuals in acute distress. Additionally, crisis hotlines and mobile outreach teams offer support and assistance during critical situations.

Olympia has a variety of private mental health professionals such as psychologists, psychiatrists, counselors, and therapists who offer individual therapy, medication management, group therapy, and specialized treatments for specific mental health conditions. These providers may accept insurance or offer sliding scale fees based on income.

Support groups and nonprofit organizations in Olympia play a crucial role in mental health advocacy, education, and support. They offer resources, peer support, community programs, workshops, training sessions, and awareness campaigns for individuals and families affected by mental health issues.

Access to mental health care in Olympia can vary depending on factors such as insurance coverage, income level, and provider availability. Some individuals may face challenges in finding affordable care or experiencing long wait times for appointments. However, ongoing efforts are being made to enhance access and reduce barriers to mental health services.

Washington state has implemented government initiatives to improve accessibility to mental health care. Programs like the Mental Health Services Act and the Behavioral Health Innovation and Integration Campus focus on improving service delivery, expanding capacity, and promoting collaboration among healthcare providers. These initiatives aim to address gaps in the mental health care system and improve outcomes for individuals with mental health conditions.



LOCATION OVERVIEW



SUBJECT PROPERTY

 **7 MIN DRIVE**
To I-5

 **9 MIN DRIVE**
To I-5

KAISER PERMANENTE OLYMPIA MEDICAL CENTER

PROVIDENCE ST PETER HOSPITAL
372 BEDS

SEAMAR OLYMPIA MEDICAL CLINIC

MULTICARE CAPITAL MEDICAL CENTER
107 BEDS

OLYMPIA

LACEY

Capitol Lake

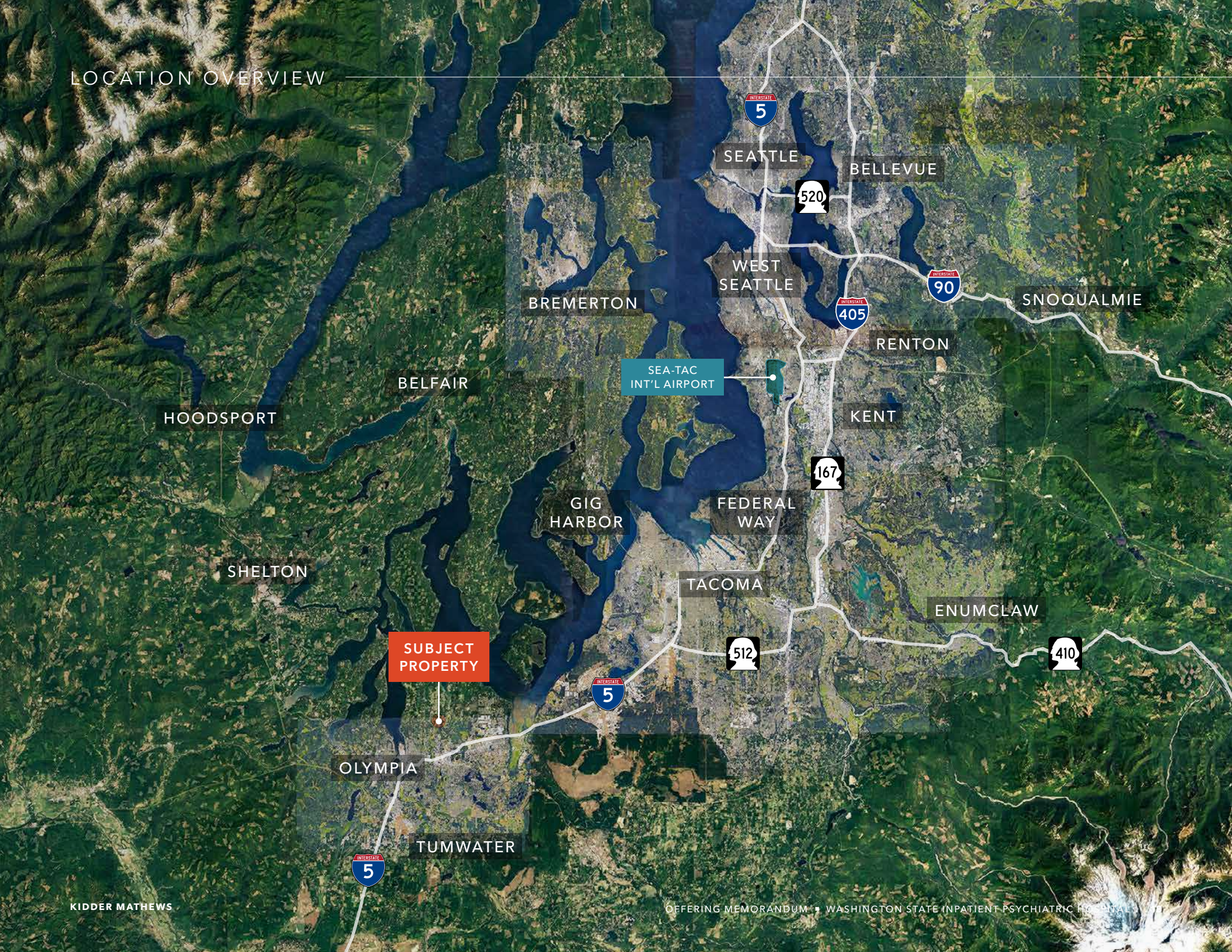
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INTERSTATE

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TUMWATER

SEAMAR TUMWATER BEHAVIORAL HEALTH

LOCATION OVERVIEW



DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
2023 TOTAL	1,825	29,094	116,254
2028 PROJECTION	2,001	30,542	123,177
2020 CENSUS	1,706	28,533	113,228
PROJECTED GROWTH 2023 - 2028	176	1,448	6,923
AVERAGE AGE	000	000	000

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
2023 AVERAGE HH INCOME	\$135,945	\$111,526	\$112,242
TOTAL BUSINESSES	74	1,672	5,638
TOTAL EMPLOYEES	381	15,320	57,082

EDUCATION

	1 Mile	3 Miles	5 Miles
SOME HIGH SCHOOL	2.7%	3.9%	3.0%
HIGH SCHOOL DIPLOMA	18.1%	19.2%	19.3%
SOME COLLEGE	25%	21.7%	22.8%
ASSOCIATE	9.1%	9.9%	10.5%
BACHELOR'S	25.7%	25.0%	24.4%
GRADUATE	16.8%	18.2%	17.9%

HOUSEHOLDS

678
1 MILE

12,136
3 MILES

48,350
5 MILES

2027 PROJECTED GROWTH

775
1 MILE

13,258
3 MILES

53,203
5 MILES

TOTAL ANNUAL CONSUMER EXPENDITURE

	1 Mile	3 Miles	5 Miles
TOTAL RETAIL EXPENDITURE	\$28.26M	\$487.59M	\$3.68B
APPAREL	\$2.16M	\$32.69M	\$130.85M
EDUCATION	\$2.04M	\$29.15M	\$116.4M
ENTERTAINMENT	\$3.52M	\$52.64M	\$210.7M
FOOD AND BEVERAGES	\$8.69M	\$134.64M	\$538.31M
HEALTH CARE	\$4.91M	\$76.87M	\$306.35M
HOUSEHOLD OPERATIONS	\$2.41M	\$36.51M	\$145.68M
MISCELLANEOUS EXPENSES	\$808.6K	\$12.38M	\$49.52M

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