

Offering Memorandum
Ten-X Auction Property
Value-Add Investment Opportunity

980 Bethlehem Pike

MONTGOMERYVILLE, PENNSYLVANIA

Retail



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980 BETHLEHEM PIKE | DISCLAIMER

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41,179
SQUARE FEET

18'
CLEAR HEIGHT

0%
OCCUPANCY%

3
DOCK DOORS

2
SUITES

\$658,864
STABILIZED NOI

Ten-X
ONLINE AUCTION SITE



Overview

Colliers International, as the exclusive advisor to the Owner, is pleased to offer for sale through the Ten-X auction service, the 41,179 square foot retail building located at 980 Bethlehem Pike, Montgomeryville, Pennsylvania. This attractive two suite retail investment opportunity is expected be vacant at sale. A.C. Moore Arts & Crafts, Inc. is negotiating a consensual out-of-court liquidation rather than a bankruptcy liquidation. A.C. Moore is likely to remain open through the end of March 2020 which is prior to an anticipated property sale closing date. 980 Bethlehem Pike represents an investment opportunity of high-quality retail space well-suited and sized for the submarket with appealing value-add aspects.

The adjacent buildings were constructed at the same time and have a common access driveway. The adjacent tenancies include Ocean State Job Lot, La-Z-Boy, and The Tile Shop. The property is in front of the 256,951 SF Montgomery Square power center. Tenants in that center include Target, Bed Bath & Beyond, and a Giant supermarket.

980 Bethlehem Pike is a distinctive and well-constructed 18' clear height retail property. The building has separate rear loading dock access for each tenant.

The property is easily accessible from many major highways. It is located on Route 309 (Bethlehem Pike) which is a major north/south thoroughfare in Montgomery County. Bethlehem Pike at the property has an Average Daily Traffic count of 30,625. It is within quarter mile to Routes 202 a primary regional suburban highway. The Pennsylvania Turnpike is nine miles south on Route 309 providing convenient access to and

Offering Summary	
Auction Address	www.ten-x.com
Address	980 Bethlehem Pike Montgomeryville, Pennsylvania 18936
Square Feet	41,179 Square Feet
Suites	Two suites available: 15,682 SF and 25,497 SF
Years Built	2003
Percent Leased	0%
Stabilized NOI	\$658,864

from highly populated and commercial areas. The Property is just 15 minutes from Plymouth Meeting and King of Prussia, close to Philadelphia, and within a two-hour drive of New York, Baltimore and Washington D.C.

As an unoccupied property, 980 Bethlehem Pike offers the opportunity to acquire an asset with excellent value-add returns. This is due to the advantage of acquiring a quality retail asset in a tremendous location with a value-add component by lease-up of the current vacancy.

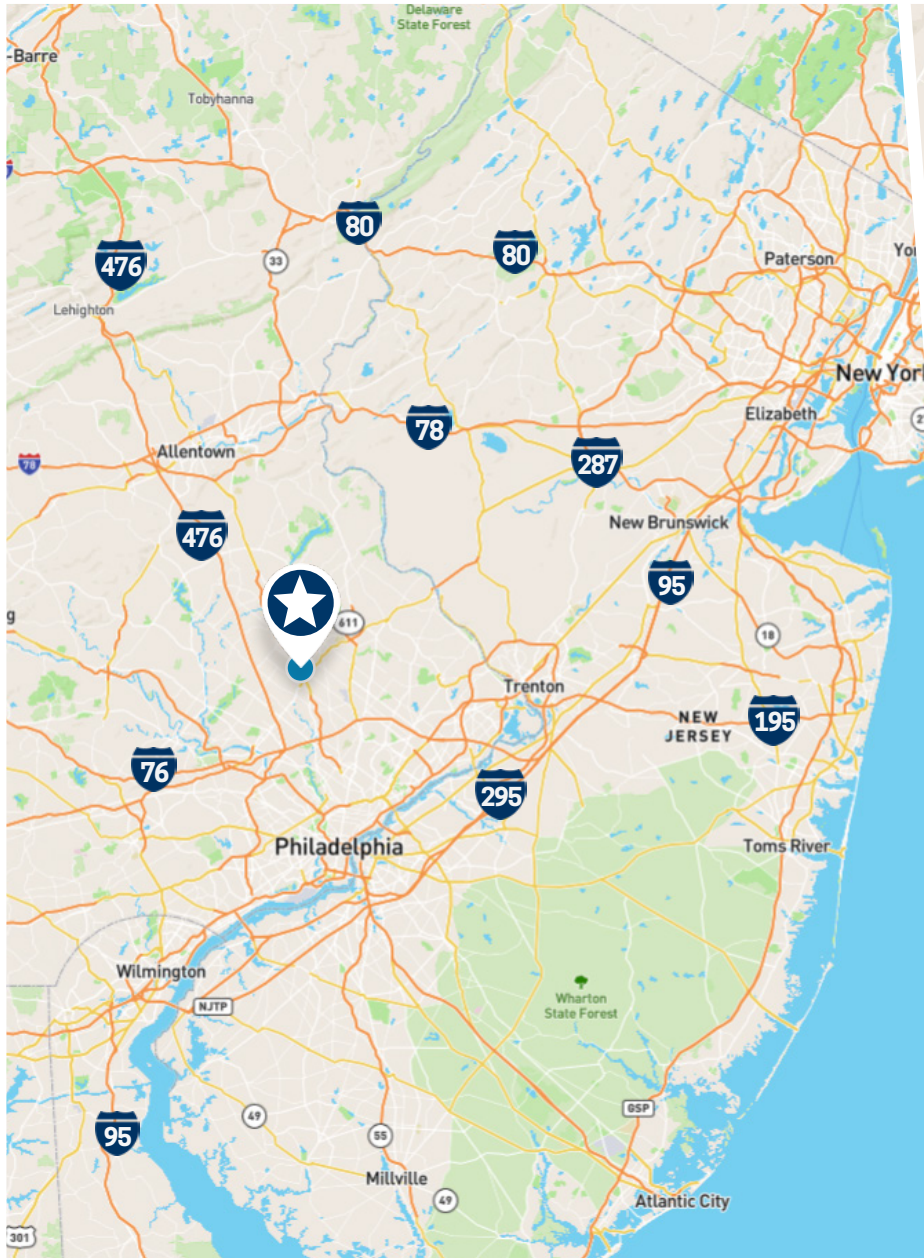
Offering Highlights

- Value-Add Retail Investment Opportunity
- High Visibility Location on Major Thoroughfare
- Nearby to Several Big Box Centers and Mall
- Rare Gem Facility in Dense Retail Market
- Value-Add through Vacancy Lease-up
- 307 Foot Frontage on 30,625 ADT Highway
- Roof in Excellent Condition
- Quality Property and Construction
- Strongly Improving Montgomeryville Submarket
- Established Location and Access
- Significant Discount to Replacement Cost
- Nearby to SEPTA Regional Rail Station & Bus Routes

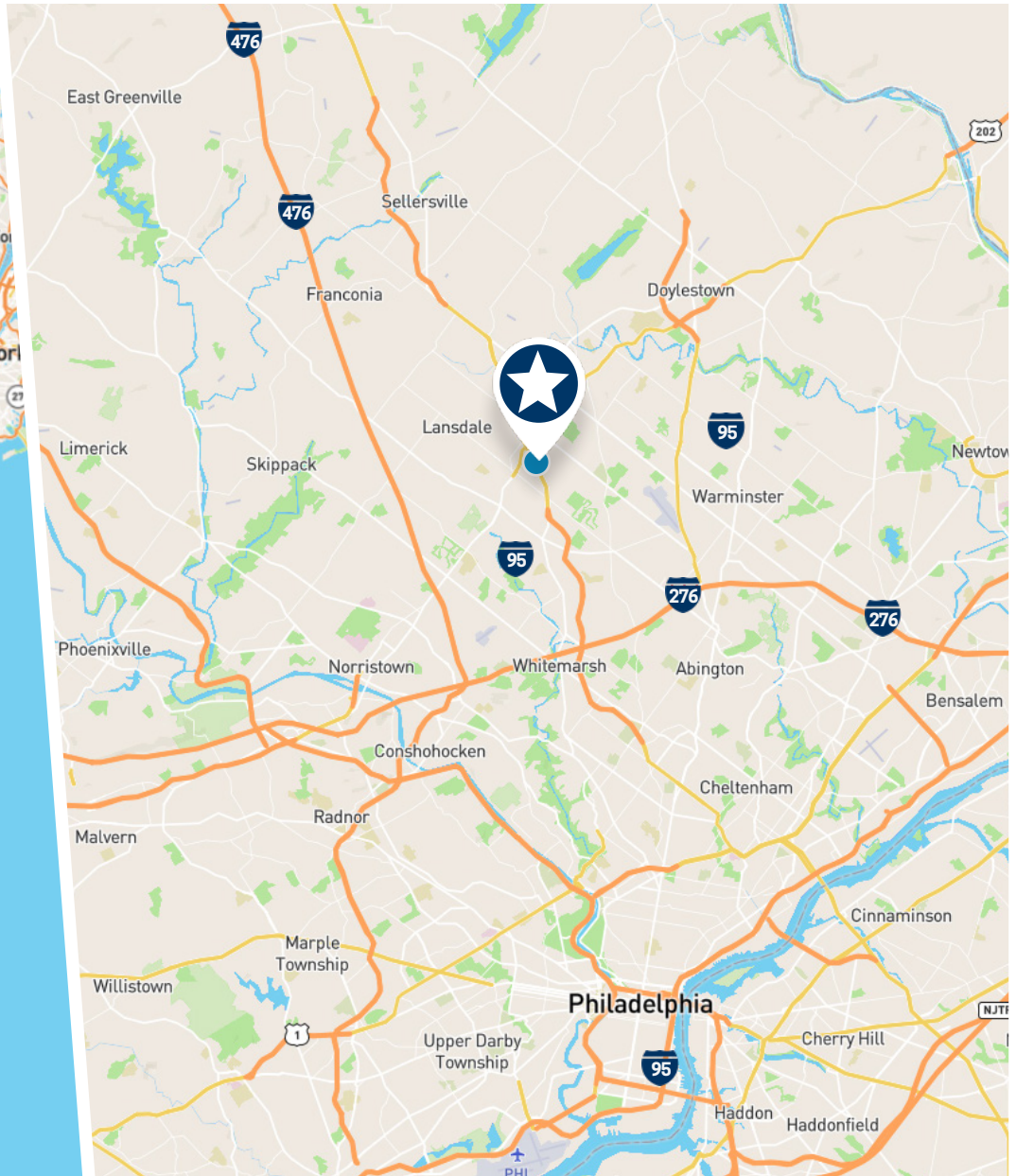
2020 Estimated CAM Expenses	
Landscaping/Snow	67,100
Electric	8,500
Water & Sewer	1,300
Insurance	12,000
Real Estate Taxes	130,498
TOTAL	\$219,398.01
PSF	\$5.33



Regional Map



Local Map



Building Description

ADDRESS	980 Bethlehem Pike Montgomeryville, PA 118936
PROPERTY SIZE	41,179 Square Feet
YEAR BUILT	2003
LAND AREA	Approx. 3.40 acres / 148,104 GSF
FRONTAGE	Approx. 307 feet along Bethlehem Pike
STRUCTURAL SYSTEM	Structural steel frame on reinforced concrete slab. The foundation is on cast-in-place spread footings. Floor is poured concrete slab.
EXTERIOR	The exterior walls are clad with colored masonry block and pop-out stucco and glass store entryways.
INTERIOR	The two suites have 18' clear heights and have varying ceiling finish levels
ROOF	The roof construction is a heat applied EPDM membrane system. Roof perimeter has a EPDM coated parapet and roof gutters at the edge. The roof membrane is over sloped set galvanized metal decking on web steel bar joists. Roof access is provided by exterior contractor's ladder.
WINDOWS/DOORS	<p>The entry glass windows throughout the building are fixed, blue and clear tinted, dual pane insulated, tempered glass in aluminum frames.</p> <p>The doors at the main entrance vestibules are glass framed in aluminum. The exterior service doors are metal doors set in metal frames.</p>
HVAC	The building has 7 gas-fired package RTUs. An additional roof mounted split system is over the A unit.
ELECTRICAL SERVICE	Transformer provides 75 KVA 480 Delta. Each tenant has a submetered 600 Amp service distributing 277/480 volts in a four-wire system. Subpanels provide stepdown service.
SERVICE ELEMENTS	Each unit has a set of Male & Female bathrooms with commercial fixtures and vinyl flooring. Domestic hot water is supplied by a gas-fired water heater located in the mechanical rooms.

LIFE SAFETY	100% sprinklered with a wet sprinkler head system.
PARKING	463 spaces are shared among the adjacent buildings yield a 4.09 per thousand ratio across the three buildings. Within that count there are handicapped spaces adjacent to each of the building's front entrance.
LANDSCAPING	Low maintenance shrubbery, mature tree berms and parking islands surround and decorate the property.
SECURITY	Tenant-controlled security.
PARCEL #	46-00-00313-00-1 - in Montgomery Township
ZONING	HLI II Overlay District (Highway Limited Industrial II) by Montgomery Township
UTILITIES	Electricity: PECO Energy/Exelon Natural Gas: PECO Energy/Exelon Water: Aqua Pennsylvania Sewer: Montgomery Township Municipal Sewer Authority Telephone: Verizon (Local Service) Fiber/Cable: Verizon or Comcast
FLOOD ZONE	According to FEMA Map number 42091C0276G, effective on 3/02/2016, the property is located in Flood Zone X, outside 500-year floodplain.

2020 Real Estate Tax Analysis

Tax	Millage	Tax Amount
Montgomery County	3.459	14,359.69
Montco Community College	0.390	1,619.05
Montgomery Township	1.490	6,185.59
North Penn School District	26.096	108,333.69
Total	31.4347	\$130,498.01
		\$3.17 PSF
Montgomery County Tax Equalization Ratio		49.3%
Implied Market Value		\$8,420,690
Assessed Value		\$4,151,400 or \$100.81 PSF

Site Plan







Unit B Storefront



Unit A Storefront



Aerial View of Site



Unit A Dock Door



Unit A Entry



Storefronts



Unit B Docks



Unit A Dock



Unit A Lobby



Looking Northwest



Rear of Building



Unit B Entryway

Montgomeryville Retail Market

The Montgomeryville retail market, as surveyed by Colliers International, totals 3.8 million square feet. The trade area extends along Route 309 from Welsh Road (Route 63) north to the “Five Points” intersection at the Route 463 and the split of Routes 309 and U.S. Route 202.

The market is a mix of strip, neighborhood, community, lifestyle and power centers as well as freestanding buildings. The Montgomery Mall complex represents approximately 1.1 million square feet, or 28% of the total inventory.

Major tenants include home improvement stores Lowe’s and Home Depot; mass merchandisers BJ’s, Costco, Target, TJMaxx-Homegoods; Macy’s and JCPenney department stores and Wegman’s, Giant, Aldi and Trader Joe’s supermarkets.

At the end of the fourth quarter 2019, the vacancy rate was 4.4% for existing inventory. The vacancy rate has been fluctuating due to retailer instability (Thomasville, Babies R Us, A.C. Moore), but also as a result of stores moving to more desirable location. Whole Foods moved from the Gwynedd Crossings Shopping Center to a newly developed center farther south on Bethlehem Pike. Aldi backfilled this space in 2018.

Regional Retail Market

SUBMARKET	INVENTORY	DIRECT VACANT	SUBLET VACANT	TOTAL VACANT	VACANCY RATE
Philadelphia County	18,170,564	1,040,289	101,620	1,141,909	6.3%
Suburban PA Counties	72,274,324	5,345,500	34,734	5,380,234	7.4%
Southern New Jersey	32,594,659	3,541,500	43,681	3,585,181	11.0%
Lehigh Valley, PA	15,734,056	1,255,890	0	1,255,890	8.0%
New Castle County, DE	16,655,427	1,402,576	7,725	1,410,301	8.5%
Central Pennsylvania	49,055,082	5,145,285	18,887	5,164,172	10.5%
TOTAL PA-NJ-DE	204,484,112	17,731,040	206,647	17,937,687	8.8%

Regional Market Indicators PA/NJ/DE (Relative to Prior Period)

	Q2 2019	Q2 2020*
Vacancy	↑	↑
New Construction/Renovation	↔	↑
Rental Rates	↔	↔

Arrows compare current quarter to the previous quarter and forecast the next quarter.

More recently, Ulta Beauty and Michael’s leased space at Airport Square, moving from the Target and Giant-anchored Montgomery Square. Ocean State job lot acquired the 40,872-square-foot former Babies R Us store at 988 Bethlehem Pike in 2018, but only recently received a zoning variance to allow for the parking necessary for this location to open.

There is new development under construction on the southbound lanes of Route 309, below Stump Road. A new Wawa, Citadel Federal Credit Union and Wendy’s are underway and an additional 6,000 square feet of retail space is planned.

The Montgomeryville Market will continue to benefit from its strong location at the crossroads of Routes 309 and 202. The residential base is expanding, and there is a large industrial and office presence that adds to the daytime population.

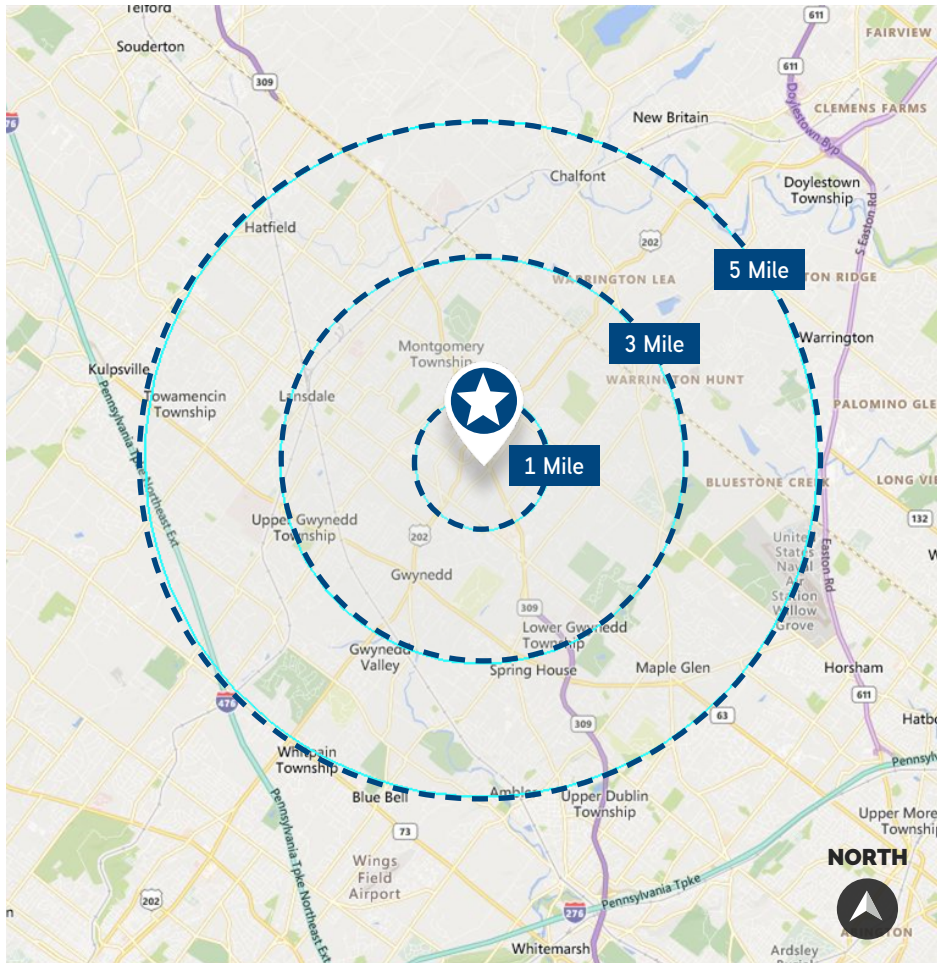
Toll Brothers is completing the final section of Meadows at Parkview, an active adult community at Route 309 and Enclave Boulevard. This is one of two larger active adult communities that have been developed in the last 12 years along the 309 corridor. Montgomery Walk is 230-unit 55+ condo development off Hartman Road.

Within a three-mile radius of the subject property, there is 12.3 million square feet of office and industrial space. Major employers include Merck, Johnson & Johnson, Icon, Cobham, FedEx and Safeguard Business Systems.

Retail Market Aerial



Area Demographics



Population 2024

Median Age 2019

	1 Mile	3 Miles	5 Miles
Population 2024	6,813	63,566	157,913
Median Age 2019	39.9	42.6	43.7
Race and Ethnicity 2019			
White	58.9%	73.8%	77.5%
Black	7.2%	5.7%	5.3%
Asian	31.1%	16.8%	13.8%
Am. Indian & Alaskan	0.1%	0.1%	0.1%
Hawaiian & Pacific Island	0%	0.1%	0.1%
Other	0.6%	1.1%	1.1%
Households and Income 2019			
Total Households	2,437	24,122	58,863
Average HH Size	2.65	2.54	2.59
Median HH Income	\$108,845	\$94,226	\$99,645
Avg HH Income	\$132,572	\$129,407	\$135,705
Housing 2019			
Total Housing Units	2,504	25,316	61,263
Owner Occupied	2,052	17,384	43,766
Renter Occupied	385	6,738	15,097



Race and Ethnicity 2019



Households and Income 2019



Housing 2019

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