



2019 Construction | 2.00% Annual Increases | Corporate Guaranty (100+ Locations)

Subject Property

 **DISCOVERY**
Mood & Anxiety Program
Mental Health Treatment
12 Bed Residential Inpatient

Subject Property

 **Center for DISCOVERY**
Eating Disorder Treatment
12 Bed Residential Inpatient

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Exclusively Listed by:

Dominic Sulo

Senior Managing Director
CHICAGO OAKBROOK
Tel: (630) 570-2171
DSulo@marcusmillichap.com
License: IL 475.134920

Co-Listed With:

Ben Bach

Advisor
Tel: (630) 903-9630
ben@bachcre.com
License: IL 475.183424

Broker of Record:

Colby Haugness
License: 00241410

Marcus & Millichap

Oakbrook, IL
1 Mid America Plaza #200
Oakbrook Terrace, IL 60181
P: +1 630-570-2200

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY

PROPERTY ADDRESS

Discovery Behavioral Health

7150-7170 Silverheel Street

Shawnee, KS 66227

OFFERING SUMMARY

Price: \$4,922,000

Cap Rate: 7.50%

Net Operating Income: \$369,114

Building Square Footage: 13,156 Sq Ft

Year Built: 2019

Lot Size: +/- 1.60 Acres

LEASE SUMMARY

Tenant: Discovery Practice Management

Guaranty: Corporate

Rent Commencement: 9/15/2022

Lease Expiration: 9/14/2032

Lease Term: 10 Years

Lease Type: Double Net

Roof and Structure: Landlord Responsible

Rental Increases: 2.00% Annually

Renewal Options: Two, Five-Year

Right of First Refusal: None

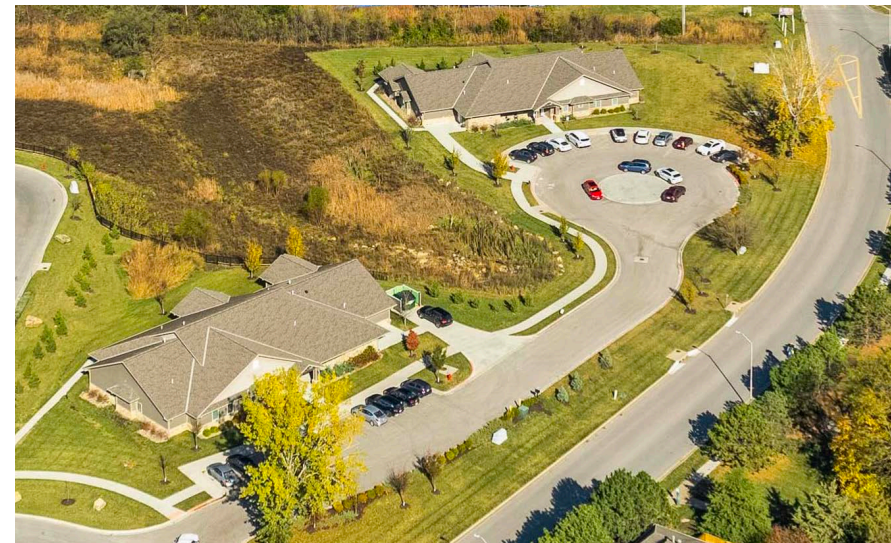
OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
3	9/15/2024	9/14/2025	\$369,114	7.50%
4	9/15/2025	9/14/2026	\$376,496	7.65%
5	9/15/2026	9/14/2027	\$384,026	7.80%
6	9/15/2027	9/14/2028	\$391,707	7.96%
7	9/15/2028	9/14/2029	\$399,541	8.12%
8	9/15/2029	9/14/2030	\$407,532	8.28%
9	9/15/2030	9/14/2031	\$415,682	8.45%
10	9/15/2031	9/14/2032	\$423,996	8.61%
11-15 (Option 1)	9/15/2032	9/14/2037	\$432,476	8.79%
16-20 (Option 2)	9/15/2037	9/14/2042	\$477,488	9.70%

Lease Comments: Annual increases in options

INVESTMENT HIGHLIGHTS

- **24 Bed- Residential Treatment Center**
 - Subject property has 2 separate 12 bed facilities that are open 24/7, providing inpatient residential services for mental health issues and eating disorders for adults (18+).
 - Sticky tenant- Licensing and zoning for inpatient behavioral health facilities is nuanced, paired with extreme demand for mental health services, making this investment an attractive alternative to other STNL medical or retail available.
 - This center offers residential treatment for those in need of a higher level of care. Conveniently located to support those in the greater Kansas City area, and close to the Kansas City (MCI) Airport to accommodate patients and families coming from out of state.
- **2019 Construction STNL Medical Property**
 - New 10-Year Lease Signed in 2022 with limited landlord responsibilities
 - 2% Annual Increases
 - \$27.5 rent/ ft with 2019 construction is below market for STNL Medical nationwide
 - The tenant has two five-year options to renew at the expiration of the 10-Year initial term
- **Discovery Behavioral Health- Corporate Guaranty (100+ Locations)**
 - Discovery has 100+ locations from California to New England, providing residential (RTC), partial hospitalization (PHP), intensive outpatient (IOP), and Detox services for substance abuse, mental health, and eating disorders.
 - SAMSHA in 2022 reported that 1 in 4 adults have a mental illness, or 48.7 million people
 - Behavioral Health market size was valued at \$83.78 Billion in 2023 (Fortune Business)
 - Discovery Behavioral Health services are preferred providers with most major insurance companies.
- **Kansas City- Top Midwest Growth Market**
 - 115,000+ Population in a 5 Mile Radius
 - \$150,000+ Average Household Income in 3 Mile Radius
 - 20 Minutes SW of downtown Kansas City and 30 Minutes SW of Arrowhead Stadium, home to the Kansas City Chiefs
 - Kansas City MSA has 2.3 million people and boasts U.S. News and World Report's #1 housing market as of June 2024 based on housing demand, supply, and financial health.



SITE PLAN



AERIAL OVERVIEW



TENANT PROFILE

Since 1997, Center for Discovery has provided compassionate and evidence-based eating disorder treatment to thousands of patients. We are proud to now have a location in the beautiful Sunflower State with our newest eating disorder facility in the Kansas City suburb of Shawnee that serves adults 18 and over of all genders. This center offers residential treatment for those in need of a higher level of care. We are conveniently located to support those in the greater Kansas City area, and close to the Kansas City (MCI) Airport to accommodate patients and families coming from out of state.

The 12-bed facility is large enough to help those in need in the Kansas City area, but small enough to make it feel homelike and give patients the focused support they need to recover from an eating disorder. Soon, we will offer step-down levels of care such as partial hospitalization (PHP) and intensive outpatient (IOP) programming.

Patients will receive evidence-based, trauma-informed treatment such as cognitive behavioral therapy (CBT) and dialectical behavior therapy (DBT). Patients will also learn exposure & response prevention (ERP) techniques, which are commonly used to help individuals overcome anxiety. ERP therapy slowly helps patients heal their relationship with food by re-integrating their foods and food situations that have been avoided; this can help patients finally "make peace" with these foods as well as their relationships overall. Getting to the root cause of the eating disorder through such therapies will help the patient move to the next level of care, continuing them on the path to a lifetime of recovery. Many of our staff members follow the non-diet method of Health at Every Size® (HAES) in their approach to treatment.

Company Type: Private
Location: Irvine, California (100+ Locations)
Website: <https://centerfordiscovery.com/>

25+

Years of Eating
Disorder Treatment
Experience

15+

State
Locations

130

Residential &
Outpatient
Treatment Programs



TENANT PROFILE

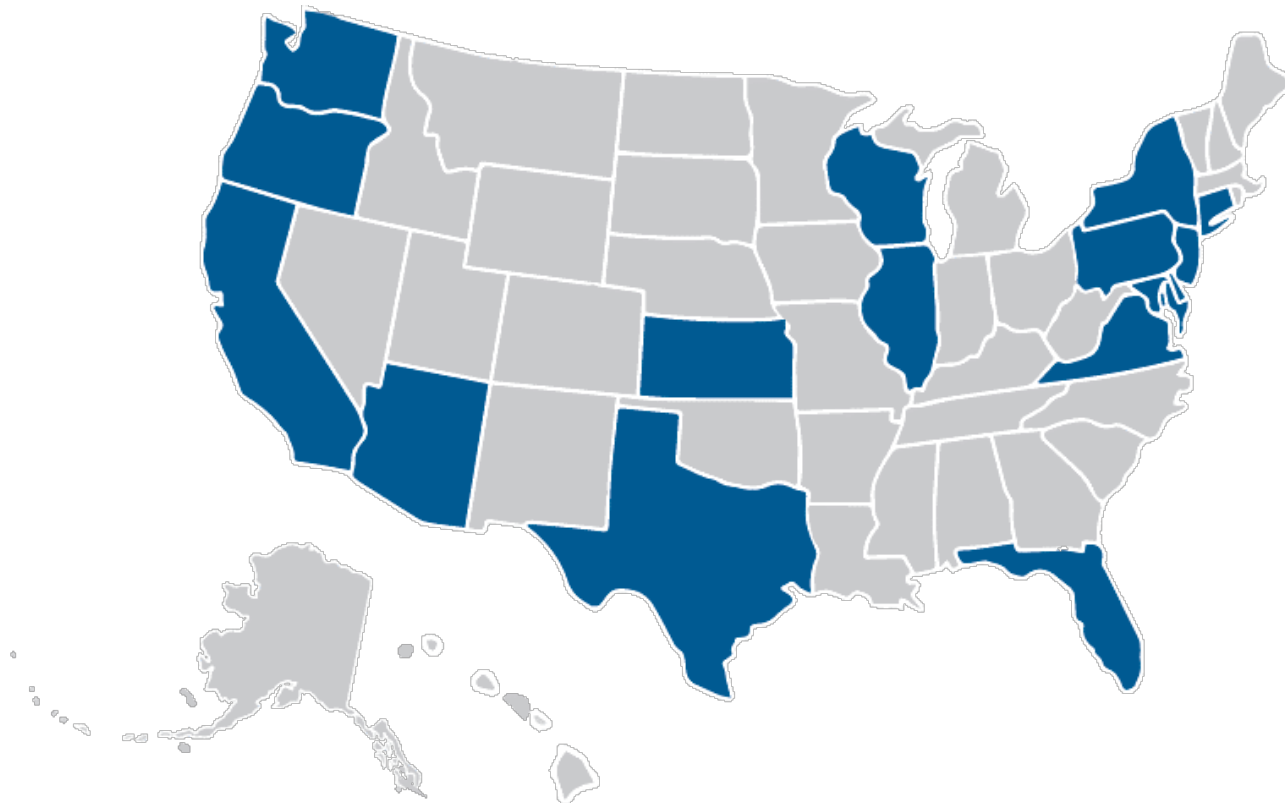
Understanding Levels of Care

Residential Treatment (RTC)

- 24/7 supervision and support in a highly structured therapeutic setting that includes therapy sessions, family sessions, psychiatrist visits & more
- RTC lasts approximately 40 days or more, depending on the clinical recommendation and insurance coverage
- Round-the-clock treatment is done in a homelike environment, making it more suitable to practice coping skills and is best for severe symptoms

LEARN MORE ABOUT RTC

100+ residential and outpatient centers nationwide



PROPERTY PHOTOS

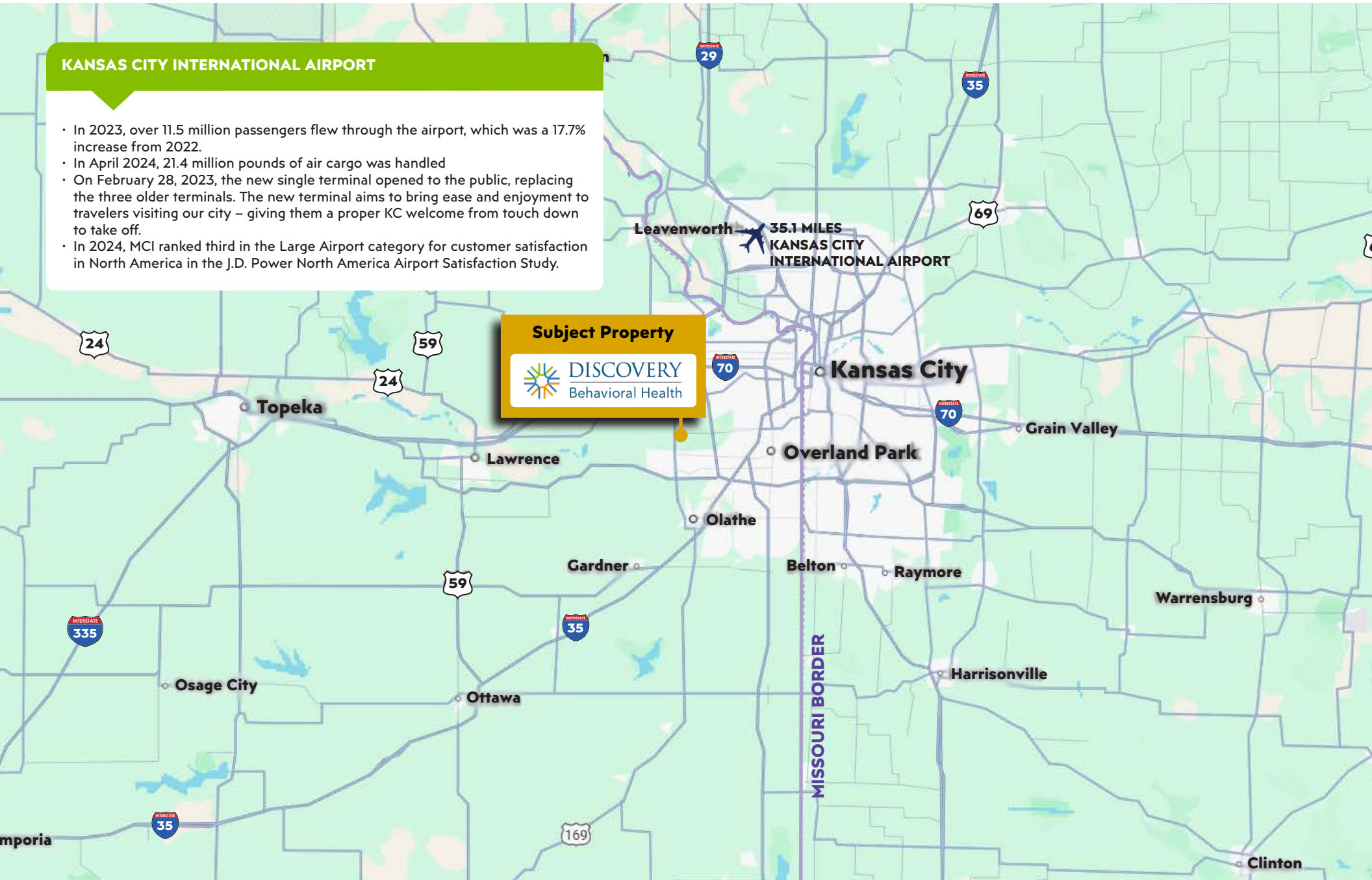


REGIONAL MAP

KANSAS CITY INTERNATIONAL AIRPORT

- In 2023, over 11.5 million passengers flew through the airport, which was a 17.7% increase from 2022.
- In April 2024, 21.4 million pounds of air cargo was handled
- On February 28, 2023, the new single terminal opened to the public, replacing the three older terminals. The new terminal aims to bring ease and enjoyment to travelers visiting our city – giving them a proper KC welcome from touch down to take off.
- In 2024, MCI ranked third in the Large Airport category for customer satisfaction in North America in the J.D. Power North America Airport Satisfaction Study.

Subject Property



AREA OVERVIEW

SHAWNEE

- Only 20 minutes from downtown Kansas City and Lawrence, KS, Shawnee offers great access with three major highways (I-435, Shawnee Mission Parkway and K-7) running through it and 2 major highways (I-70 and I-35) just minutes outside of its borders.
- Shawnee boasts a friendly community atmosphere with well-maintained neighborhoods and abundant green spaces.
- The city's vibrant downtown area features a variety of locally owned shops, breweries, and eateries, providing opportunities for relaxation and meeting friends.
- With top-rated schools and a strong sense of community spirit, Shawnee offers a comfortable and fulfilling lifestyle for families and individuals alike.
- History enthusiasts can venture into the past at Shawnee Town 1929, a living history museum where visitors can experience what life was like in 1920s Shawnee.
- Nature lovers can bask in the beauty of Shawnee's parks, such as Shawnee Mission Park, renowned for its trails, serene lake, beach, disc golf, and newly renovated marina.
- Boasting a skilled workforce, modern infrastructure, and a supportive local government, Shawnee provides an ideal setting for businesses of all sizes to thrive. From startups to established enterprises, the city's diverse economic sectors – from manufacturing to technology – offer ample opportunities for innovation and collaboration.

KANSAS CITY


- The Kansas City metro sits close to both the geographic and population centers of the United States and serves as a major regional commercial, industrial and cultural hub.
- Kansas City, Missouri is the largest city, with 511,200 citizens, followed by Overland Park, Kansas, with 201,500 people.
- Its central location, extensive transportation network and intermodal facilities make the metro an important logistics and distribution hub.
- Kansas City is also home to the Federal Reserve Bank of Kansas City, one of the 12 Federal Reserve System.
- The metro has three major professional sports franchises: the Kansas City Chiefs of the NFL, MLB's Kansas City Royals and Sporting KC of MLS.
- Kansas City also features a downtown entertainment district that combines restaurants and retail, including the T-Mobile Center.
- Cultural venues include the Kemper Museum of Contemporary Art, Nelson-Atkins Museum of Art, the Lyric Opera of Kansas City and the Starlight Theatre.
- The metro maintains an exceptional education system, with nationally-ranked school districts, colleges, universities and institutions of advanced learning and research, including the University of Missouri-Kansas City.



DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	2,888	23,417	55,606
2020 Population	3,648	29,485	69,500
2023 Population	3,731	30,206	71,420
2028 Population	4,222	32,534	75,034
HOUSEHOLDS			
2010 Households	1,112	7,768	20,269
2020 Households	1,364	9,894	26,068
2023 Households	1,497	10,433	26,896
2028 Households	1,709	11,319	28,322
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	87.0%	84.5%	68.9%
2020 Owner Occupied Housing Units	86.9%	83.8%	65.6%
2023 Owner Occupied Housing Units	86.6%	85.0%	68.8%
2028 Owner Occupied Housing Units	86.4%	85.1%	69.6%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	9.0%	10.7%	24.4%
2020 Renter Occupied Housing Units	9.7%	13.2%	30.0%
2023 Renter Occupied Housing Units	9.9%	12.0%	26.9%
2028 Renter Occupied Housing Units	10.3%	12.1%	26.5%
AVERAGE HOUSEHOLD INCOME	\$136,407	\$154,881	\$144,666

AREA SNAPSHOT




71,420

POPULATION (5-MILE)




54,795

DAYTIME POPULATION (5-MILE)



26,896

HOUSEHOLDS (5-MILE)



\$136,407

AVERAGE HOUSEHOLD INCOME (1-MILE)