

1233 Highway 60

Faribault, MN

Offering Memorandum

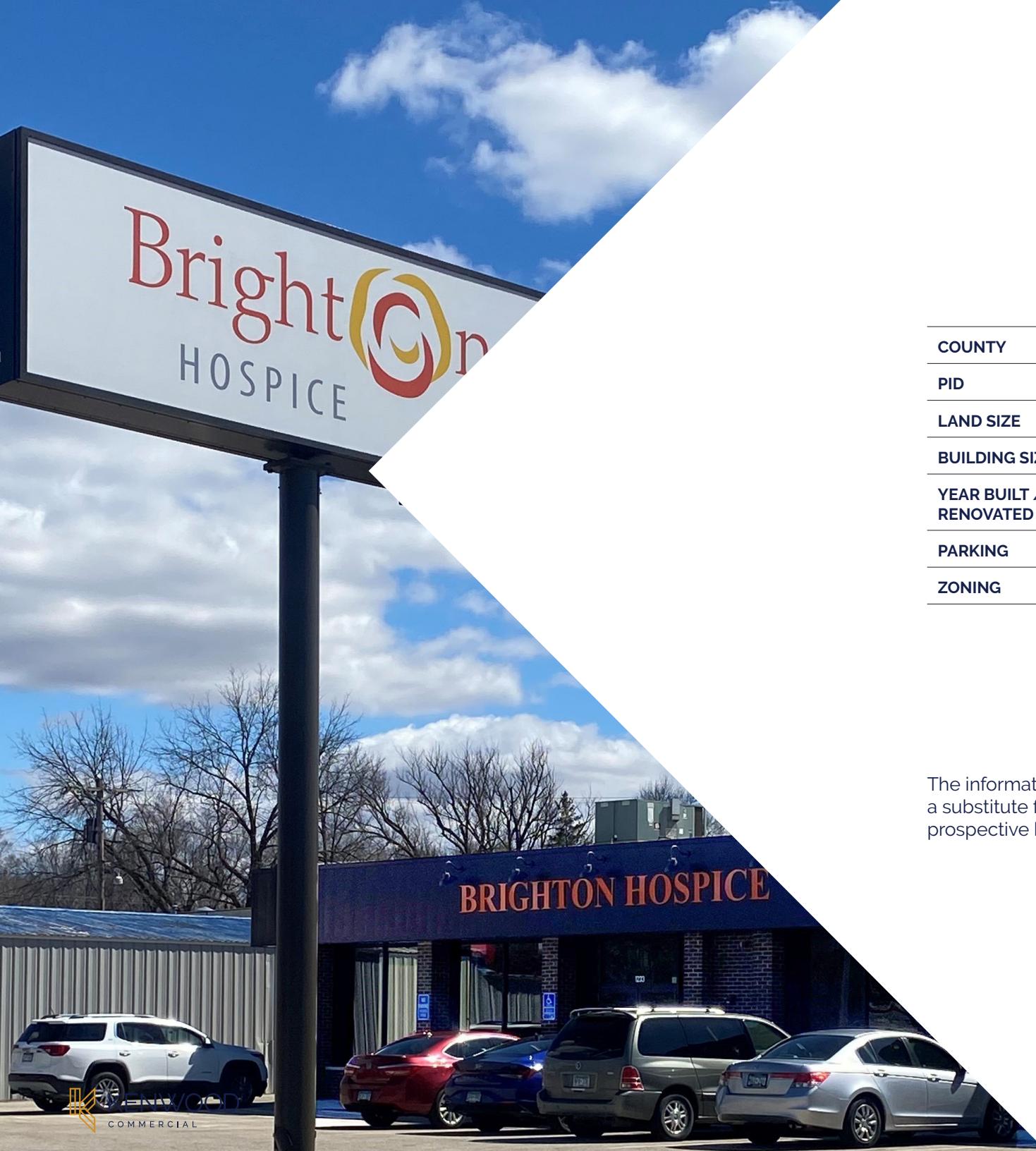


Property Details

1233 Highway 60
Faribault, MN

COUNTY	Rice
PID	18-36-1-50-001
LAND SIZE	.7096 Acres / 30,912 SF
BUILDING SIZE	5,625 SF
YEAR BUILT / RENOVATED	1970 2023
PARKING	surface lot
ZONING	C-2: Highway Commercial

The information contained in this table is estimated, and is not a substitute for a thorough due diligence investigation by the prospective buyer.



City Highlights



Faribault is regarded as one of the most historic communities in Minnesota, with settlement and commercial activity predating Minnesota's establishment as a U.S. Territory.

Faribault is a dynamic, growing community of 23,352 residents situated at the confluence of the Cannon and Straight Rivers in Southern Minnesota. Located along Interstate 35, just 25 minutes south of the Twin Cities metropolitan area, the Faribault community enjoys the advantages and conveniences of being near a major metropolitan center while providing the livability of small town Minnesota. Faribault offers an atmosphere of planned, well-managed growth against a rich historical backdrop. Faribault has more buildings on the National Historic Register than any other city its size in Minnesota, in fact, the city is second only to the capital city of St. Paul, Minnesota for that distinction.

Faribault was also the centre for the Sioux and Ojibwa missions of Henry B. Whipple, first Episcopal bishop of Minnesota, who organized several schools (since moved or merged into the current Shattuck-St. Mary's School). State schools for the deaf (1863) and blind (1866) are in the city.

The city boasts a vibrant business community, excellent educational opportunities, and a wide variety of recreational and cultural offerings, combining to make the community a great place to visit, work, and live.

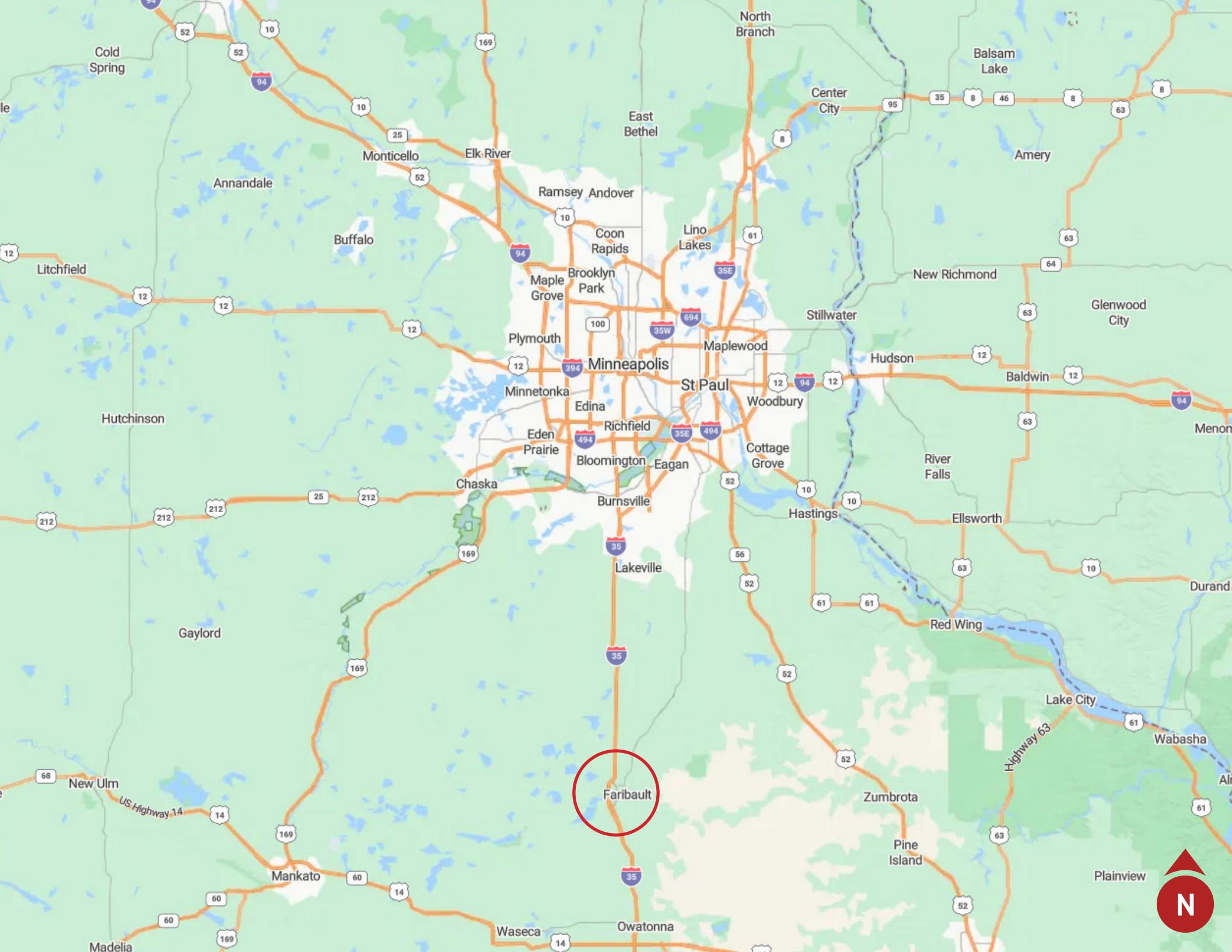


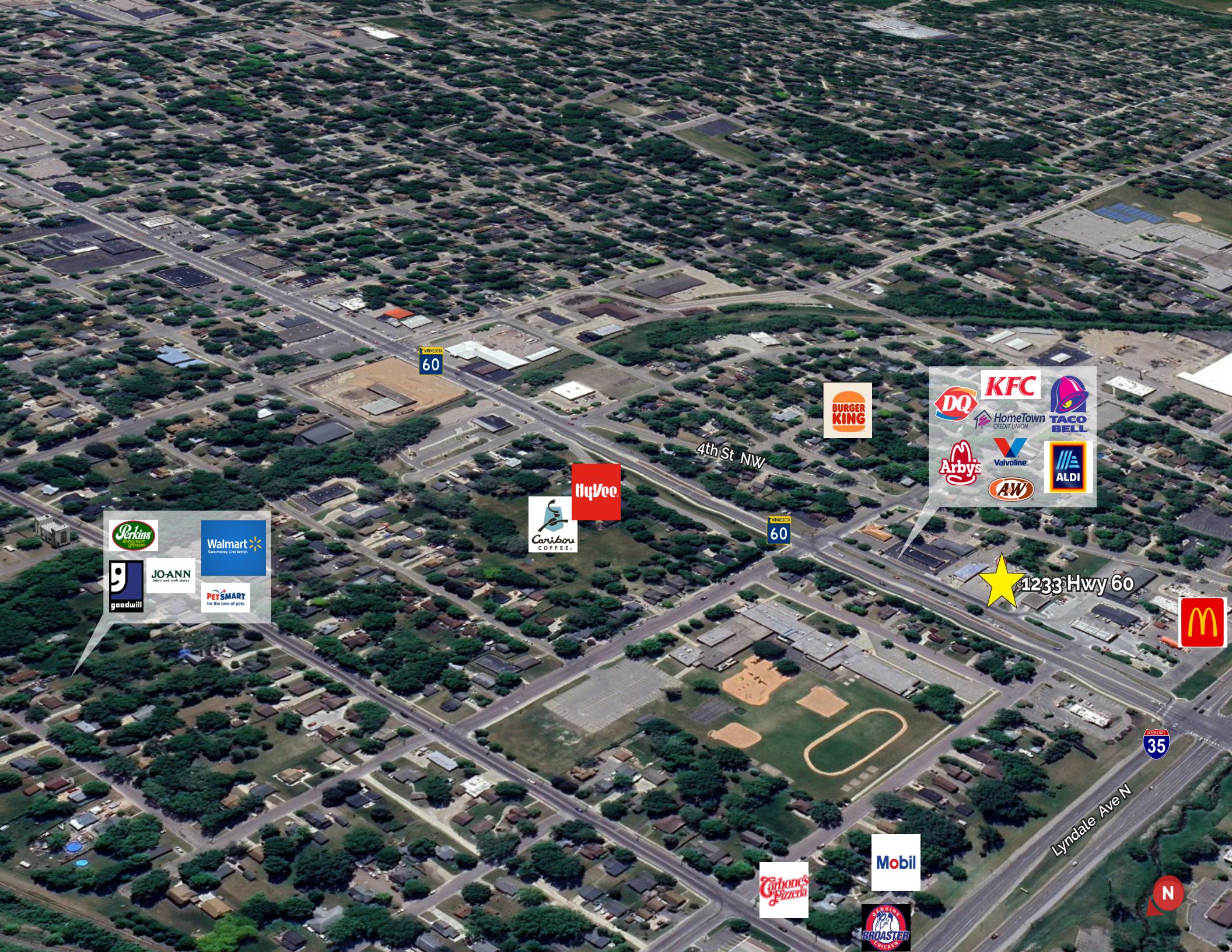


Market Summary

- **Market Stability:** Vacancy at just 1.0%, essentially unchanged from last year (+0.1%).
- **Supply/Demand Balance:** No new deliveries; 3,100 SF negative absorption indicates steady tenant turnover but limited new supply.
- **Availability:** Extremely tight at 1.5%, including sublease space.
- **Asset Composition:** General Retail dominates with 2.9M SF of inventory.
- **Rent Growth:** Strong cumulative +7.8% over three years, with no projects under construction to pressure rates.
- **Sales Activity:**
 - 28 transactions in the past 12 months
 - 91 sales in three years, totaling ~\$40.7M.
- **Capital Markets:**
 - Current cap rate: 8.5%, marginally above the three-year average (8.4%).
 - Trend suggests slight upward pressure on yields.

Faribault remains a landlord's market with strong pricing power and limited development risk.





JO-ANN
Fabric and craft stores



MINNESOTA
60



MINNESOTA
60



1233 Hwy 60



INTERSTATE
35

Lyndale Ave N

N



About the Tenant



Brighton Hospice was founded in 2011 by Erin Bennett and Thomas Godfrey. When their paths converged in 2008, they had both already acquired vast amounts of healthcare experience working for large and small hospice companies. Both founders had an entrepreneurial spirit, knew they could raise the standard of patient care, and create a rewarding work environment to attract the best caregivers in the industry.

Excellence

We understand that our reputation is based on doing everything to the best of our ability and always taking the time to provide the best care.

Compassion

We provide the best patient care by being skilled, thoughtful, understanding, and kind.

Collaboration

Our team works closely across multiple disciplines to create and deliver the best patient care.

Integrity

We do the right things for patients and strictly follow Medicare regulations.

Loyalty

We are true to our patients, families, team, and company.

Tenant	Brighton Hospice Minnesota LLP
Trade Name	Brighton Hospice
# of Locations	18 locations in 11 states
Year Founded	2011
Website	https://brightonhospice.com/

Rent Roll

Brighton Home Hospice needed a new home, and found that the Faribault market had little to no available quality space. They bought this former retail property in 2022, and in 2023 went through a complete gut of the property. They have found this location to be the perfect long term home, and plan to re-utilize any proceeds back into the business for continued growth.

The Faribault location helps service the entire Southern Metro of Minnesota along the I-35 corridor. Brighton currently has two other locations in Minnesota.

Commencement	September 1, 2023
Lease Termination	August 31, 2038

Period (Months)	\$ per Rentable SF	Monthly Base Rent	Annual Base Rent
9/1/2023-8/31/2024	\$17.00	\$7,933.33	\$95,200.00
9/1/2024-8/31/2025	\$17.35	\$8,096.67	\$97,160.00
9/1/2025-8/31/2026	\$17.70	\$8,260.00	\$99,120.00
9/1/2026-8/31/2027	\$18.05	\$8,423.33	\$101,080.00
9/1/2027-8/31/2028	\$18.40	\$8,586.67	\$103,040.00
9/1/2028-8/31/2029	\$18.75	\$8,750.00	\$105,000.00
9/1/2029-8/31/2030	\$19.10	\$8,913.33	\$106,960.00
9/1/2030-8/31/2031	\$19.45	\$9,076.67	\$108,920.00
9/1/2031-8/31/2032	\$19.80	\$9,240.00	\$110,880.00
9/1/2032-8/31/2033	\$20.15	\$9,403.33	\$112,840.00
9/1/2033-8/31/2034	\$20.50	\$9,566.67	\$114,800.00
9/1/2034-8/31/2035	\$20.85	\$9,730.00	\$116,760.00
9/1/2035-8/31/2036	\$21.20	\$9,893.33	\$118,720.00
9/1/2036-8/31/2037	\$21.55	\$10,056.67	\$120,680.00
9/1/2037-8/31/2038	\$21.90	\$10,220.00	\$122,640.00

Lease Terms

Lease Term	15 years
Premises	5,600 RSF
Commencement	September 1, 2023
Expiration	August 31, 2038
Renewal Term	2-5 years at the current lease rate, with \$0.35 annual increases and \$25.00 per rentable square foot Tenant Allowance
Base Rent	\$17.00 per RSF
Annual Increases	\$0.35 per square foot per year
Operating Costs	Tenant is responsible for all day to day operating expenses and shall self perform all such work
Capital Obligation	Landlord is responsible for structure, parking lot, roof, and HVAC replacement

Additional Documentation

Phase I - 2022

Phase II - 2022

Survey - 2022

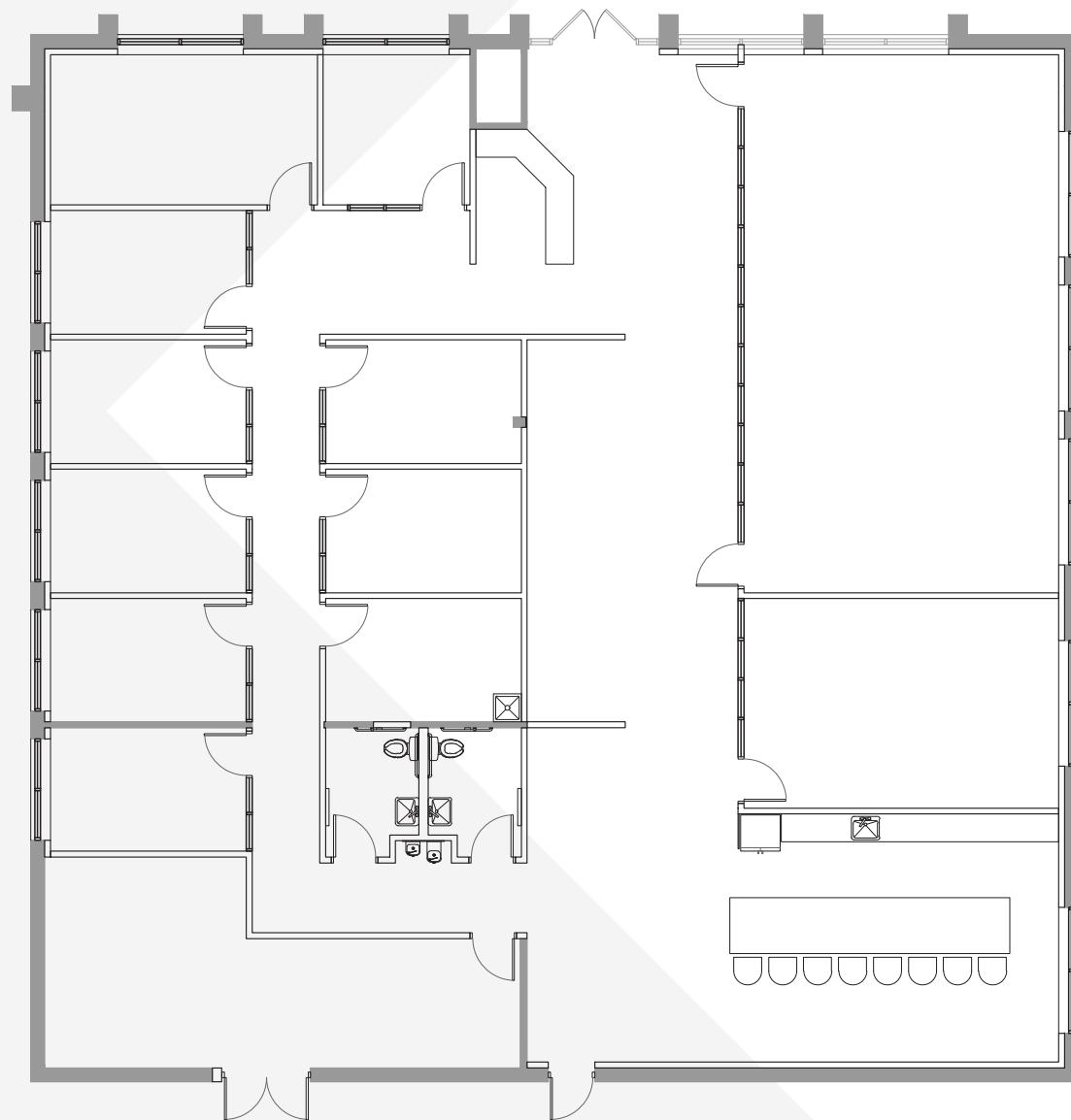
Operation & Maintenance

Vapor Mitigation

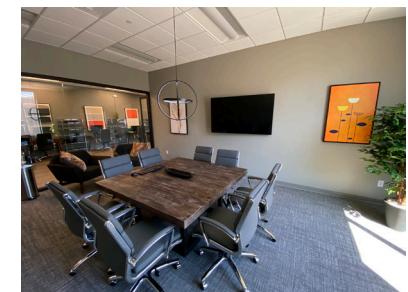
Construction Drawings

Tenant's Lease

Floor Plan



Property Photos



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BRIGHTON HOSPICE

