

# Bethlehem Portfolio

*The Properties are comprised of two properties,*

*a 15,100 SF single story retail building located on the NE corner of 3<sup>rd</sup> and New Street and a 8,000 SF single story retail property located at the NE corner of 3<sup>rd</sup> and Webster Street.*



# Bethlehem Portfolio



## NE Corner of 3<sup>rd</sup> and New Street

This property 15,100 SF and is currently leased to 8 tenants in which 2 have gross leases and the remaining 6 are NNN. The only vacancy in the location is a warehouse space in the rear with a dock totaling 990 SF in which there is currently interest from local brokers showing the unit.

The property is located at the main intersection connecting the city of Bethlehem to southern Bethlehem & Lehigh University per an upgraded bridge and new cross walk. A brand new state of the art office/medical building was constructed caddy corner to the Property including a new top floor high end food establishment as seen in the image below. More proposed planned development around this main intersection is in the works based on our discussions with local developers.

**Value Add:** Zoning would also allow for future vertical development to add additional office and/or residential above.



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## NE Corner of 3<sup>rd</sup> and Webster

This property is the smaller of the two buildings, approximately 8,000 SF in size and consists of two retail storefronts and one apartment in the rear.

### **Value Add:**

Immediate: Lease up the now vacant end-cap restaurant space (formally Shankara restaurant) and renovate and lease the rear apartment.

Future: Long term value add opportunity will be the future vertical mixed use development.



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## Market Information

### *Balanced, Diversified, & Growing*

The Lehigh Valley's gross domestic product (GDP) reached a record-high \$41.2 billion\* for 2018, growing by 2.7% from the previous year. *\*This figure excludes government spending, which adds 3.8 billion for a total of 45 billion.*

The private sector input of Lehigh Valley GDP of \$41.2 billion is higher than that of the entire states of Wyoming and Vermont, and if the Lehigh Valley were a country, it's economy would be the 90th largest in the world.

The Lehigh Valley ranks 64th out of the 384 largest metropolitan statistical areas in the United States. In addition to consistent overall growth, the Lehigh Valley's GDP grew in nearly every measurable sub-category from 2017 to 2018.

Manufacturing makes up \$7.3 billion – or 17.7 percent – of the Lehigh Valley's overall economic output. That's a much higher percentage than its share of the national economy. Manufacturing is 12.8% of the U.S. economy, according to the BEA.

The Lehigh Valley is particularly noteworthy for its unusually balanced and multi-faceted economy. Far from depending on a single industry, the top four sub-sectors of the regional GDP are all extremely close to one another, which ultimately means a healthier and more vibrant regional economy.

**The Lehigh Valley has the most balanced and diversified economy in the entire state of Pennsylvania.**



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## Lehigh Valley Cracks Top Five in U.S. for Economic Growth in 2018

By Colin McEvoy on March 5, 2019

Lehigh Valley, Pa., was one of the top five fastest-growing regions with under a million people in the United States last year, and the fastest-growing region of its size in the Northeast U.S. for a third consecutive year.

In the Northeastern U.S., only much larger metropolitan regions – New York City, Pittsburgh, Philadelphia, and Boston – had more development projects last year. Boston was just one ranking above the Lehigh Valley with only six more projects.



The principal cities in the region are Allentown, Bethlehem and Easton. It's located 80 miles from New York City and 60 miles from Philadelphia.

In the U.S. listing, the Lehigh Valley is fifth among metropolitan areas with a population between 200,000 and 1 million, finishing ahead of all but Omaha, Neb.; Des Moines, Iowa; Toledo, Ohio; and Lincoln, Neb., No other metropolitan area in the Northeast in the Lehigh Valley's category was in the national top 10 list.



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## Lehigh University

Lehigh University is a private research university in Bethlehem, Pennsylvania. It was established in 1865 by businessman Asa Packer. Its undergraduate programs have been coeducational since the 1971–72 academic year. The primary entrance to Lehigh University is located 2 blocks south of the 3rd and New St location.

Future Growth: Through knowledgeable developers in the area working with Lehigh, we were informed that Lehigh plans to double their enrollment within a 5 year period. Lehigh is outsourcing the residential development for the student housing to local developers and are spending their allocated capital for internal infrastructure to handle the increase in student enrollment. Below are just two of the new expansion efforts by Lehigh University.

### CONSTRUCTION AND DEVELOPMENT



**\$100 million**  
Project



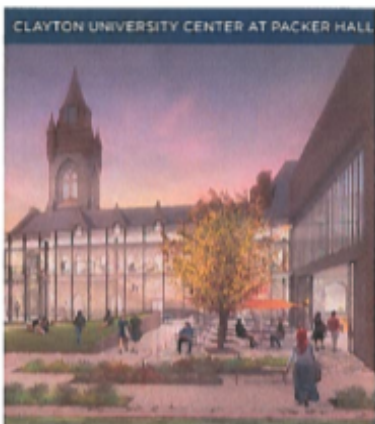
**700**  
College of Health  
Students



**192,000**  
SF Facility

In February 2019, Lehigh University officials released plans for the university's new state-of-the-art **Health, Science, and Technology** building. The **192,000-square-foot** facility will house Lehigh's new **College of Health** and provide space for an additional 60 faculty members, as well as 300 seats for research and study. Construction is expected to begin in the summer of 2019 with the completion slated for the spring of 2021. The university expects the new college to grow to about **700 undergraduate and graduate students**.

### CONSTRUCTION AND DEVELOPMENT



**\$70 million**  
Renovation



**2022**  
Completion Date

Lehigh University recently approved plans for the renovation and expansion of the iconic **University Center**. The **\$70 million** project will preserve the historic nature of the building while creating a dynamic, state-of-the-art environment for student life. Once completed, the newly renovated building will be known as the **Clayton University Center at Packer Hall**. Construction is expected to commence in 2019 with a target completion date of 2022.

