

INTERACTIVE OFFERING MEMORANDUM



ZINNIA
— HEALTH —

THREE-PROPERTY PORTFOLIO IN ANCHORAGE, AK



NEW 15-YEAR ABSOLUTE NNN LEASE | CORPORATE LEASE | 3% ANNUAL ESCALATORS

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

*REPRESENTATIVE RENDERING

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HEALTH

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MATTHEWS
REAL ESTATE INVESTMENT SERVICES

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101 BUNNEL ST

5000 TAKU DR

4950 TAKU DR





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Click here to explore each property!



ZINNIA
— HEALTH —



ANCHORAGE
RECOVERY CENTER | a Zinnia Health Company

PORTFOLIO OVERVIEW

SECTION 1



OFFERING SUMMARY

Matthews Real Estate Investment Services™ Healthcare Division is pleased to present the sale of the **Alaska Recovery Center** a recently redeveloped substance abuse and behavioral health portfolio, corporately leased to Zinnia Health on 15-year absolute triple-net leases with 3% escalators. The fee simple portfolio consists of three properties located in a campus setting in Anchorage, Alaska with a five-mile population of 140k and a five-mile average household income of \$91k. Zinnia Health currently operates in 10 inpatient programs and 10 outpatient programs in 6 states across the United States. 5000 Taku Dr will be open as of March 15th 2025 and 4950 Taku Dr and 101 Bunnell St will open in Q3 2025. It is worth noting that Zinnia is currently discussing with the owner of an adjacent piece of land to potentially acquire this lot in the event that Zinnia would like to expand its campus. This potential expansion opportunity is highlighted on page 8.

PORTFOLIO FINANCIAL SUMMARY

List Price	\$21,380,571
NOI	\$1,870,800
Cap Rate	8.75%
Price PSF	497.44

ANNUALIZED OPERATING DATA

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	RENT PSF	CAP RATE
Current Year	\$1,870,800	\$155,900.00	\$43.51	8.75%
Year 2	\$1,926,924	\$160,577.00	\$44.81	9.01%
Year 3	\$1,984,732	\$165,394.31	\$46.16	9.28%
Year 4	\$2,044,274	\$170,356.14	\$47.54	9.56%
Year 5	\$2,105,602	\$175,466.82	\$48.97	9.84%
Year 6	\$2,168,770	\$180,730.83	\$50.44	10.14%
Year 7	\$2,233,833	\$186,152.75	\$51.95	10.44%
Year 8	\$2,300,848	\$191,737.34	\$53.51	10.76%
Year 9	\$2,369,873	\$197,489.46	\$55.11	11.08%
Year 10	\$2,440,970	\$203,414.14	\$56.77	11.41%
Year 11	\$2,514,199	\$209,516.56	\$58.47	11.75%
Year 12	\$2,589,625	\$215,802.06	\$60.22	12.11%
Year 13	\$2,667,313	\$222,276.12	\$62.03	12.47%
Year 14	\$2,747,333	\$228,944.41	\$63.89	12.84%
Year 15	\$2,829,753	\$235,812.74	\$65.81	13.23%

THE OPPORTUNITY



ADDRESSES

101 Bunnell St, Anchorage, AK 99508
 4950 Taku Dr, Anchorage, AK 99508
 5000 Taku Dr, Anchorage, AK 99508



PROPERTY NAME

Zinnia Health



TOTAL GLA

±43,000 SF



TOTAL BEDS

160



TOTAL LOT SIZE

±1.22 AC



PROPERTY TYPE

Behavioral Health



OCCUPANCY

100%



OWNERSHIP TYPE

Fee Simple

INVESTMENT HIGHLIGHTS



LONG-TERM LEASE

The portfolio features fresh 15-year leases with two, five-year renewal options which ensure a long-term stream of cash flow for prospective investors.



ABSOLUTE TRIPLE NET LEASE

Each property in the portfolio is leased on an absolute triple net basis with Zinnia Health directly assuming all responsibilities at each property thus ensuring zero landlord obligations and no operating or capital expense risk.



3% ANNUAL ESCALATOR

The portfolio leases include attractive 3% annual escalators which ensures investors have increasing cash flow over the course of the lease term and ultimately serves as a fantastic hedge against inflation.



MAJOR METRO LOCATION

The portfolio is strategically located in a major metro. The Anchorage portfolio features a five-mile population of nearly 140k people.



FAVORABLE INCOME PROFILE

Within a five-mile radius of the Anchorage portfolio, the average household income is \$91k.



HIGH-CALIBER OPERATOR

Zinnia Health currently operates in 10 inpatient programs and 10 outpatient programs in 6 states across the United States. Zinnia Health will be expanding into Alaska with this portfolio and after opening will officially be operating in 7 states.



NEW REDEVELOPMENTS

The portfolio is comprised of new redevelopment which provides investors the opportunity to acquire recently renovated facilities with the Anchorage portfolio having underwent \$3.4MM in improvements. 5000 Taku Dr will be open as of March 15th 2025 and 4950 Taku Dr and 101 Bunnell St will open in Q3 2025.



GROWING INDUSTRY

The U.S. substance abuse treatment market size was valued at \$3.2B in 2023 and is estimated to reach around \$9.5 billion by 2034, growing at a compound annual growth rate of 10.25% from 2024 – 2034. The U.S. behavioral health market size was valued at \$90B in 2023 and is estimated to reach around \$141.2B by 2032, growing at a compound annual growth rate of 5.2% from 2024 – 2032.



IMMEDIATE SCALE

The offering provides investors with the opportunity to achieve immediate scale through the acquisition of three properties totaling approximately 43,000 square feet.



ZINNIA
HEALTH



ANCHORAGE
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PROPERTY OVERVIEWS

SECTION 2

GLEN HWY ±52,967 VPD

101 BUNNELL ST

4950 TAKU DR

5000 TAKU DR

*Potential Expansion Opportunity

*Ownership is in discussions with the adjacent land owner to potentially acquire the vacant land for the purpose of possibly expanding Zinnia's campus.

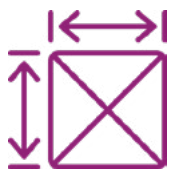
PROPERTY HIGHLIGHTS

5000 TAKU DR | ANCHORAGE, AK 99508

5000 Taku Dr., Anchorage, Alaska, consists of 19,700 square feet and will be an 80-bed inpatient behavioral health facility treating patients suffering from substance abuse and co-occurring disorders. Patients will reside on-site in this residential treatment facility for an average of 21–30 days. This sub-acute medical detoxification and residential treatment center is equipped with an on-site pharmacy, 24/7 nursing care, and clinical therapeutic programming. Healthcare services include but are not limited to, medical and psychiatric care, intensive therapy and programming, educational programming, recreational programming, and aftercare planning. Once deemed appropriate by medical and clinical staff, patients are discharged from the facility or transitioned to a lower level of care to continue their treatment.



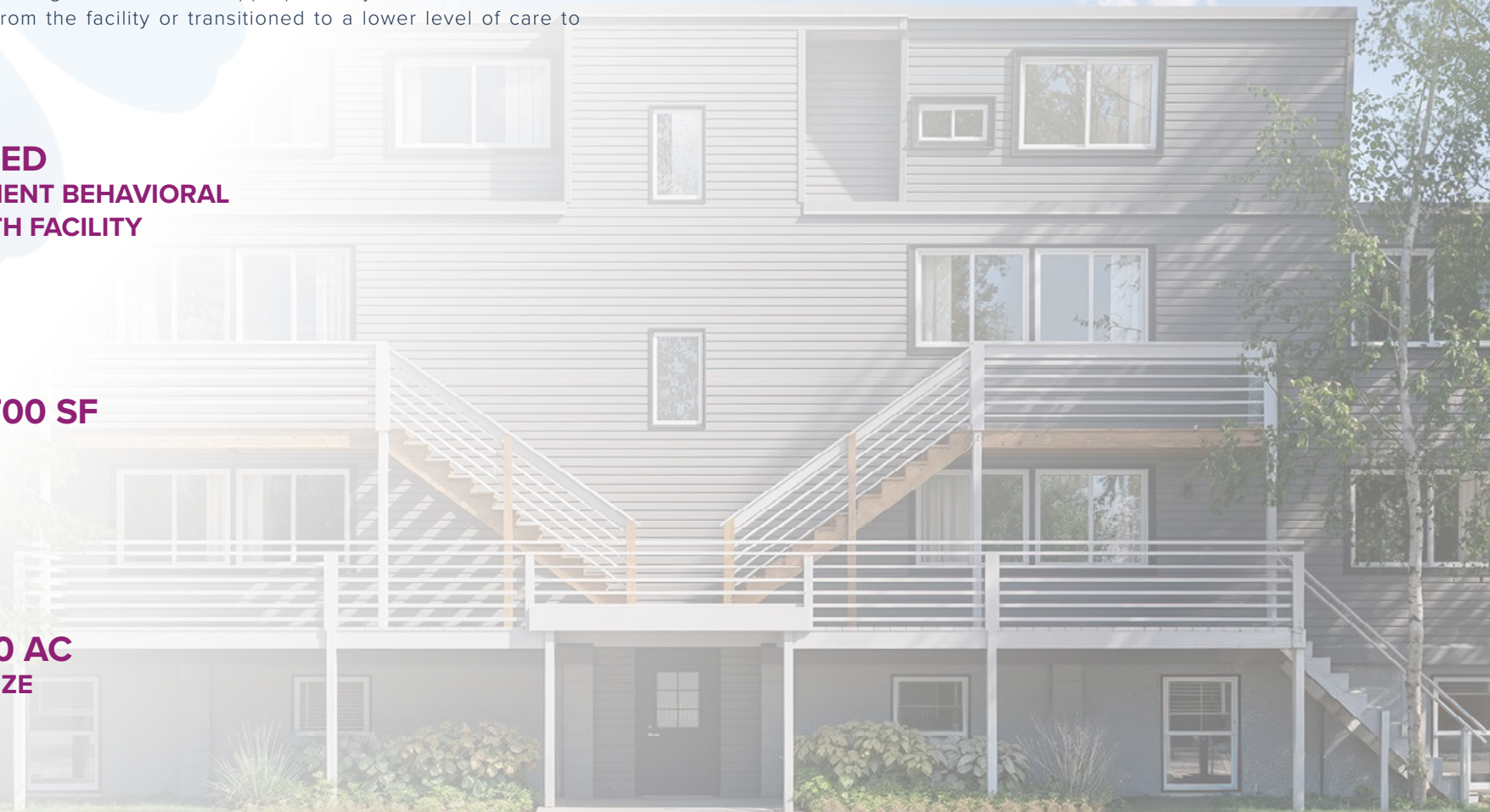
**80-BED
INPATIENT BEHAVIORAL
HEALTH FACILITY**



**±19,700 SF
GLA**



**±0.60 AC
LOT SIZE**



REPRESENTATIVE RENDERING

5000 TAKU DRIVE

INVESTMENT SUMMARY

NOI	\$988,800
Rent PSF	\$50.19
Address	5000 Taku Dr, Anchorage, AK
Year Built/ Renovated	1965/2024
GLA of Building	±19,700 SF
Beds	80
APN	006-293-17-000
Lot Size	±0.60 AC



*REPRESENTATIVE RENDERING

LEASE ABSTRACT

Tenant Name	Zinnia Health
Type of Ownership	Fee Simple
Lease Guarantor	Corporate Lease
Lease Type	Absolute NNN
Original Lease Term	15 Years
Lease Commencement Date	3/1/2025
Lease Expiration Date	2/28/2040
Term Remaining on Lease	15 Years
Delivery Date	Delivered and opening March 1st, 2025
Rental Increases	3% Annual
Option Periods	Two, 5-Year Options
Roof and Structure	Tenant Responsible
Management	Tenant Responsible
Maintenance	Tenant Responsible
HVAC	Tenant Responsible
ROFO/ROFR	No

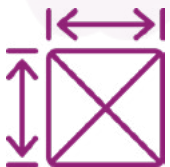
PROPERTY HIGHLIGHTS

4950 TAKU DR | ANCHORAGE, AK 99508

4950 Taku Dr., Anchorage, Alaska, is comprised of 3,300 square feet and will provide outpatient therapeutic services for individuals who have completed inpatient residential programming. This site will feature approximately six group rooms for clinical programming, four case management offices, three therapy offices, and common areas for patients to focus on their continued rehabilitation. This facility is designed to support patients suffering from substance abuse or co-occurring disorders without requiring overnight stays. The outpatient program offers flexibility for individuals who need to work, attend school, or manage family obligations while continuing their treatment.



**6 GROUP ROOMS
DESIGNED FOR OUTPATIENT
THERAPEUTIC SERVICES**



**±3,300 SF
GLA**



**±0.22 AC
LOT SIZE**



4950 TAKU DRIVE

INVESTMENT SUMMARY

NOI	\$222,000
Rent PSF	\$67.27
Address	4950 Taku Dr, Anchorage, AK
Year Built/ Renovated	1955/2025
GLA of Building	±3,300 SF
Beds	N/A
APN	006-292-20-000
Lot Size	±0.22 AC



*REPRESENTATIVE RENDERING

LEASE ABSTRACT

Tenant Name	Zinnia Health
Type of Ownership	Fee Simple
Lease Guarantor	Corporate Lease
Lease Type	Absolute NNN
Original Lease Term	15 Years
Lease Commencement Date	3/1/2025
Lease Expiration Date	2/28/2040
Term Remaining on Lease	15 Years
Delivery Date	Q3 2025
Rental Increases	3% Annual
Option Periods	Two, 5-Year Options
Roof and Structure	Tenant Responsible
Management	Tenant Responsible
Maintenance	Tenant Responsible
HVAC	Tenant Responsible
ROFO/ROFR	No

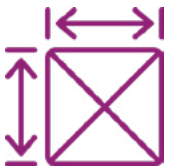
PROPERTY HIGHLIGHTS

101 BUNNELL ST | ANCHORAGE, AK 99508

101 Bunnell St., Anchorage, Alaska, totals 20,000 square feet and will provide transitional housing for patients who have completed the inpatient residential treatment program, need housing assistance or a sober living environment, and wish to continue receiving outpatient therapy programming. This supportive living environment is designed to help patients during the transition period in their recovery and provides a structured setting. While in transitional housing, patients develop life skills and build support systems necessary for long-term sobriety. The outpatient clinic also offers complementary resources to those in transitional housing, including but not limited to support services, employee assistance, peer support groups, continued care, and a safe living environment.



**80-BED TRANSITIONAL HOUSING
FOR PATIENTS CONTINUING
OUTPATIENT THERAPY**



**±20,000 SF
GLA**



**±0.40 AC
LOT SIZE**



101 BUNNELL ST

INVESTMENT SUMMARY

NOI	\$660,000
Rent PSF	\$33.00
Address	101 Bunnell St, Anchorage, AK
Year Built/ Renovated	1957/1965/2025
GLA of Building	±20,000 SF
Beds	80
APN	006-292-39-000
Lot Size	±0.40 AC



*REPRESENTATIVE RENDERING

LEASE ABSTRACT

Tenant Name	Zinnia Health
Type of Ownership	Fee Simple
Lease Guarantor	Corporate Lease
Lease Type	Absolute NNN
Original Lease Term	15 Years
Lease Commencement Date	3/1/2025
Lease Expiration Date	2/28/2040
Term Remaining on Lease	15 Years
Delivery Date	Q3 2025
Rental Increases	3% Annual
Option Periods	Two, 5-Year Options
Roof and Structure	Tenant Responsible
Management	Tenant Responsible
Maintenance	Tenant Responsible
HVAC	Tenant Responsible
ROFO/ROFR	No

ELMENDORF AIR FORCE BASE

+ ANCHORAGE VA MEDICAL CENTER
50 BEDS



+ JOINT BASE ELMENDORF-RICHARDSON
HOSPITAL
60 BEDS

CLARK MIDDLE SCHOOL
835 STUDENTS

4950 TAKU DR

101 BUNNEL ST

5000 TAKU DR



GLENN HWY ± 53,000 VPD

WILLIWAW ELEMENTARY
349 STUDENTS



MERRILL FIELD AIRPORT



BONIFACE PKWY ± 26,000 VPD



+ ALASKA REGIONAL HOSPITAL
250 BEDS



DAVIS EAST ANCHORAGE HIGH
1,758 STUDENTS





ZINNIA
HEALTH



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TENANT OVERVIEW

SECTION 3





ZINNIA

—HEALTH—

Zinnia Health is a national healthcare provider dedicated to offering comprehensive treatment for substance use and mental health disorders. Their mission is to deliver personalized care that addresses each individual's unique needs, fostering sustainable, long-term recovery. They provide a wide range of services, including substance use treatment programs for dependencies such as alcohol, opioids, and prescription drugs. These programs encompass medical detox, inpatient and outpatient rehabilitation, medication-assisted treatment, and holistic approaches like yoga and art therapy. For mental health care, Zinnia Health offers therapies such as EMDR, dialectical behavioral therapy, and mindfulness-based cognitive therapy to support individuals in achieving mental wellness.

Zinnia Health also specializes in trauma-based treatment, with programs designed to address the unique challenges faced by veterans and active-duty military personnel, including

addiction, PTSD, and other behavioral health disorders. With facilities located across the United States, including California, Colorado, Florida, Indiana, and Rhode Island, Zinnia Health ensures accessible care tailored to diverse patient needs. They accept most major insurance providers and work closely with patients to verify coverage and explore payment options, making treatment accessible and affordable.

Committed to a people-first vision of healthcare, Zinnia Health combines accessible care with compassion and emphasizes high-quality treatment. This dedication is reflected in their accreditation and the positive outcomes reported by clients.

Zinnia Health currently operates in 10 inpatient programs and 10 outpatient programs in 6 states across the United States. This site serves as an expansion site and after these properties open Zinnia will operate in 7 states.



HEADQUARTERS
Newport Beach, CA



OF STATES
7

**With expansion sites.*



YEAR FOUNDED
2012

OFFERED SERVICES

SUBSTANCE USE TREATMENT

Zinnia Health offers programs for various substance dependencies, including alcohol, opioids, and prescription drugs. Their services encompass medical detox, inpatient and outpatient rehabilitation, and specialized therapies such as medication-assisted treatment and holistic approaches like yoga and art therapy.

MENTAL HEALTH SERVICES

They provide comprehensive mental health care, including therapies like EMDR, dialectical behavioral therapy, and mindfulness-based cognitive therapy, tailored to support individuals in achieving mental wellness.

TRAUMA-BASED TREATMENT

Recognizing the unique challenges faced by veterans and active-duty military personnel, Zinnia Health offers specialized programs addressing addiction, PTSD, and other behavioral health disorders specific to this group.





ZINNIA
HEALTH



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MARKET OVERVIEW

SECTION 4



ANCHORAGE ALASKA

Anchorage, Alaska, is the *largest city in the state* and serves as a hub of *culture, commerce, and outdoor adventure*. Located between the Cook Inlet and the towering Chugach Mountains, the city offers stunning natural beauty and a gateway to Alaska's wilderness. Anchorage boasts a rich blend of Native Alaskan heritage and modern urban amenities, reflected in its museums, art galleries, and cultural festivals. Outdoor enthusiasts can enjoy activities like *hiking, fishing, and skiing*, while the city's diverse wildlife, including moose and bald eagles, adds to its unique charm. Anchorage is a unique, cosmopolitan city with a strong connection to nature.



261,645
TOTAL POPULATION



\$119,100
AVG HH INCOME



\$95,300
MED HH INCOME



99,219
HOUSEHOLDS



236,930
DAYTIME POPULATION



41,061
BACHELOR'S DEGREES



37.0
MEDIAN AGE



\$412,800
AVG HOME VALUE

ECONOMY

Anchorage, Alaska, serves as the economic hub of the state, with a diverse economy driven by industries such as transportation, tourism, and natural resource extraction. The healthcare sector is a significant contributor to the city's economy, employing a substantial portion of the population. Anchorage is home to major healthcare facilities, including Providence Alaska Medical Center and the Alaska Native Medical Center, which not only provide essential services but also attract patients from across the state. This sector benefits from the city's role as a logistical and administrative center, enabling efficient delivery of healthcare services in Alaska's challenging and remote environment. Additionally, the healthcare industry plays a vital role in supporting the city's growing population and addressing the unique medical needs of Alaska's diverse communities.

MAJOR EMPLOYERS

Alaska[®]
AIRLINES


arctic slope
regional corporation

Trident[®]
SEAFOODS


GCI

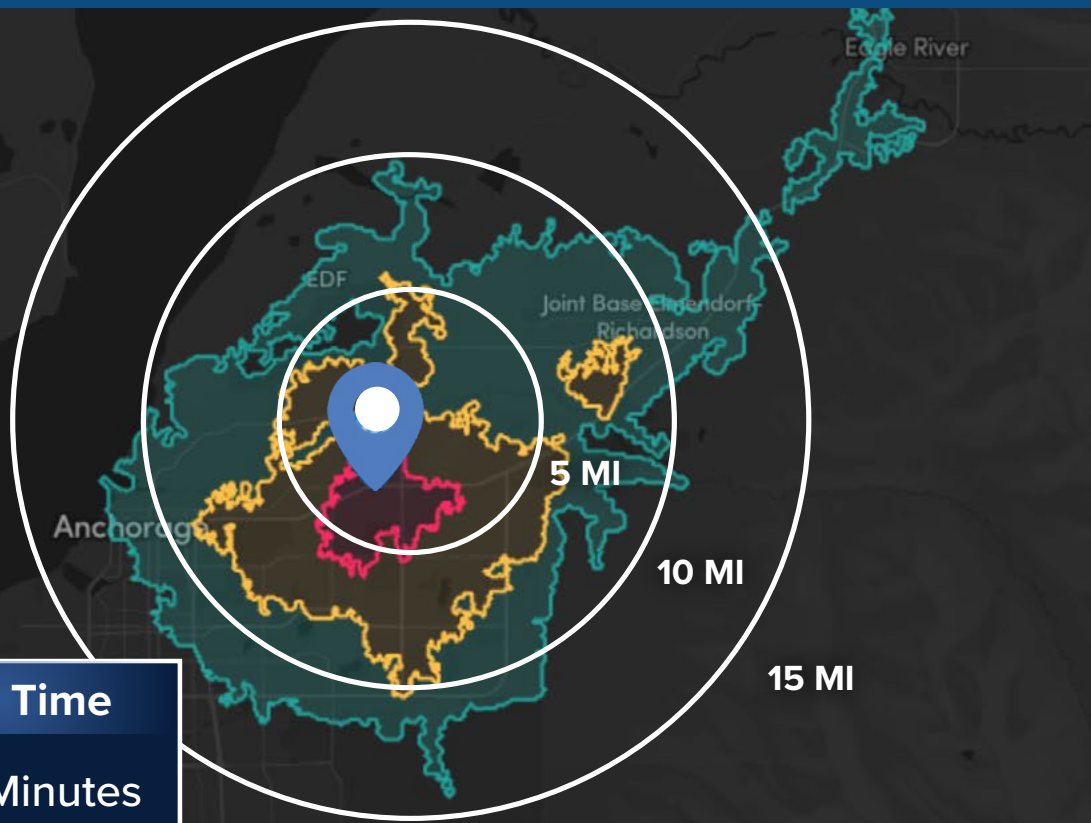
 Providence

GLOBAL[▲]
CREDIT UNION

Fred Meyer[®]



TRADE AREA



Drive Time

- 5 Minutes
- 10 Minutes
- 15 Minutes

5 MINUTE DRIVE

0.2 SQUARE MILES

13,308

TOTAL POPULATION

\$75.4K

AVG. HH INCOME

4,482

HOUSEHOLDS

\$245.9M

CONSUMER SPEND

10 MINUTE DRIVE

14.2 SQUARE MILES

54,218

TOTAL POPULATION

\$85.8K

AVG. HH INCOME

19,379

HOUSEHOLDS

\$1.1B

CONSUMER SPEND

15 MINUTE DRIVE

43.8 SQUARE MILES

109,703

TOTAL POPULATION

\$93.7K

AVG. HH INCOME

40,467

HOUSEHOLDS

\$2.1B

CONSUMER SPEND

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **5000 Taku Dr., Anchorage, AK 99508; 4950 Taku Dr., Anchorage, AK 99508; 101 Bunnell St., Anchorage, AK 99508** (“Properties”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer: There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

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