

OFFERING MEMORANDUM

Heights Plaza

1732-1862 FREEPORT RD., NATRONA HEIGHTS, PA 15065

Colliers

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HEIGHTS PLAZA

Executive Summary

Heights Plaza, a prominent 370,000 square foot shopping center, stands on approximately 28 acres in Harrison Township, Pennsylvania. Conveniently located just 25 minutes northeast of downtown Pittsburgh, this well-positioned property boasts several key features that make it an attractive investment opportunity. Heights Plaza can be purchased as a single property, or individual buildings may be sold separately depending upon a buyer's investment criteria.

Heights Plaza features a diverse mix of anchor tenants, including Community Market, UPMC, AHN, and Planet Fitness. These established brands contribute to the center's strong foot traffic and overall appeal. In addition to the large box retail shopping center, there is a smaller shop retail strip center at the front of the plaza. The GSA and USPS anchor this strip, providing exceptional credit and additional draw for shoppers. Wendy's and Dollar Bank occupy drive-thru parcels along the main road. Two development parcels are available for expansion. Approximately four acres in the northeast corner of the site offer significant development potential for senior housing, multi-family residential or medical and retail uses. A half acre outparcel is available at the main entrance.

Heights Plaza's anchor tenants include a Giant Eagle guaranteed grocery store and UPMC, Pennsylvania's largest employer. Their stability and customer base contribute to the property's value. The site falls within a federally recognized opportunity zone, providing exceptional tax advantages for investors. While the property currently has vacancies, these represent an opportunity for revenue growth. A strategic leasing approach can maximize returns. With the right vision, Heights Plaza offers long-term prospects for significant appreciation.

Heights Plaza is strategically positioned, drawing from both the immediate vicinity and the surrounding areas. Its strong anchor tenants, favorable tax advantages, and potential for long-term upside make it an attractive investment opportunity. Feel free to reach out for further details or to schedule a site visit!



SUBJECT PROPERTY

Existing & Nearby Tenants



TENANT SNAPSHOTS



Community Supermarket is a full scale supermarket with four locations in western PA. The lease for this location is guaranteed by Giant Eagle, the largest regional grocery chain with \$11.1 billion in revenue and 37,000 employees.



UPMC is the largest health care system in Pennsylvania and the largest employer in the commonwealth. With over 47,000 employees, UPMC is recognized as one of the nation's best hospital systems. A mainstay in southwestern PA, UPMC operates multiple units from Heights Plaza.



With roughly 2,400 clubs around the country, Planet Fitness is one of the largest fitness operators in the United States. Known for its ease of access and "judgement free zone", Planet Fitness markets itself to beginners and casual gym users. Planet Fitness is a strong anchor tenant for Heights Plaza and an excellent draw.



Allegheny Health Network is the region's second largest medical system with fourteen hospitals and \$4.7 billion in revenue. AHN has 22,000 employees and is a subsidiary sister company of Highmark Blue Cross, with \$18 billion dollar in revenue.



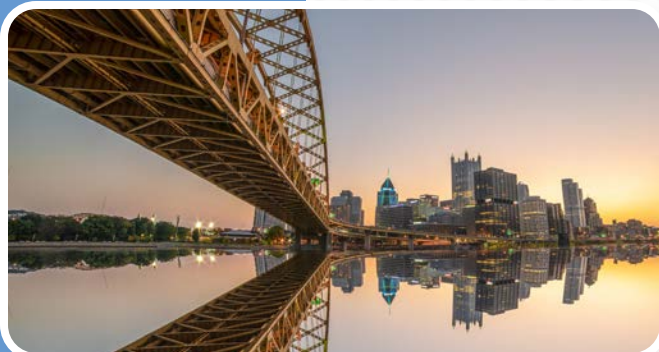
With over 67,000 employees, Davita Dialysis is one of the largest dialysis clinics in the United States. Listed on the NYSE, Davita is a member of the S&P 500. As of March 2024, they have over \$3 billion in revenue.

A photograph of the Pittsburgh skyline taken from a bridge. The bridge's yellow steel structure is prominent in the foreground. In the background, various city buildings are visible, including the PPG Place with its distinctive spire. A blue sky with scattered white clouds is at the top. A dark blue rectangular box is positioned below the main title.

Market Overview

PITTSBURGH, PA

WHY PITTSBURGH?



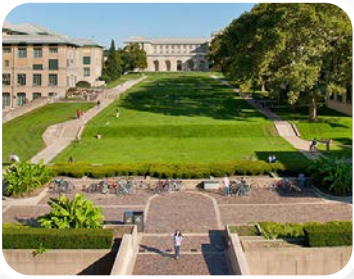
Pittsburgh consistently ranks *first* among the *best places* to *live, work*, and *visit* in the U.S. Here are some recent accolades:

- The city of Pittsburgh placed in the **top 25 “most livable U.S. cities”**
- Pittsburgh placed **#7** on a list of **15 best U.S. cities to “launch a career in”**
- Pittsburgh ranked **#14** out of 229 for **“best cities for young professionals”**
- Pittsburgh was named the **“9th best U.S. city for working parents”**
- Pittsburgh ranked as the **#1** city for young people to live based on **job opportunities, affordability, and livability**
- **PNC Park** ranked **MLB’s best ballpark** by USA Today
- Pittsburgh’s **East Liberty & Lawrenceville** ranked **#1 in the Top 10 Coolest Neighborhoods in America**



AN EMERGING TECHNOLOGY HUB

Pockets of Pittsburgh now resemble a small-scale *Silicon Valley* with fast-growing tech businesses that have attracted *billions of dollars* in private financing and talented young professionals. Much of the new activity springs directly from the artificial intelligence and machine learning technologies pioneered at Carnegie Mellon University and the University of Pittsburgh, premiere academic institutions that have helped transition the city from *industrial giant* to *technology titan*.



CARNEGIE MELLON UNIVERSITY

is a U.S. leader in computer science and artificial intelligence graduate degrees



OVER 12 REGIONAL ORGANIZATIONS

support the robotics ecosystem, including Pittsburgh Robotics Network and the Pittsburgh Tech Council



THE CITY OF PITTSBURGH

is emerging as one of the world's engineering hubs for self-driving car technology



Following the downturn of the steel industry, Pittsburgh made efforts to shift its economic base. The city pursued healthcare, education, technology, robotics, and financial services. This shift has enabled Pittsburgh to remain competitive through recent economic downturns.

Notable Pittsburgh Tech Companies

300K+

GOOGLE

208K

PHILIPS

160K

CENTURY LINK

109K

UBER

104K

AURORA

102K

META

70K

APTIV

26K

APPLE

Pittsburgh's Educational System and Economy



CARNEGIE MELLON UNIVERSITY
is the #1 artificial intelligence
graduate program in the U.S.



PITTSBURGH CLAIMS THE
5th largest share of college
educated millennials in America



234,000 STUDENTS
fuel a growing community of
young professionals



HOME TO 34
colleges and universities that are
located within the Pittsburgh
metropolitan area



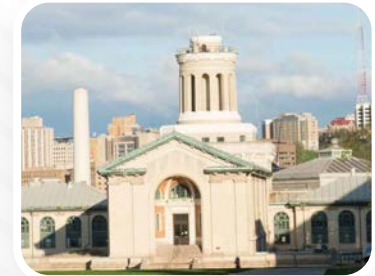
THE UNIVERSITY OF PITTSBURGH
is one of the largest non-govt.
employers within the region

Pittsburgh retains 50% of college graduates

EDUCATION SYSTEM

CARNEGIE MELLON UNIVERSITY
#25 on 2020 list of best national universities

U.S. News & World Report



UNIVERSITY OF PITTSBURGH
#1 on top 10 list of public colleges in the northeast

Wall Street Journal



DUQUESNE UNIVERSITY
#1 on 2020 list of best value schools

U.S. News & World Report



PROPERTY DEMOGRAPHICS

3 - MILE



Population
29,305



Avg. HH Income
\$80,010



Total Businesses
1,020

5 - MILE



Population
58,214



Avg. HH Income
\$80,020



Total Businesses
1,862

10 - MILE



Population
153,050



Avg. HH Income
\$95,156



Total Businesses
5,023

Neighborhood Overview Map



Wooden Door Winery



Burrell Lake Park



Tour-Ed Mine and Museum



Gunny's Restaurant



Property Information

HEIGHTS PLAZA

OPPORTUNITY ZONE

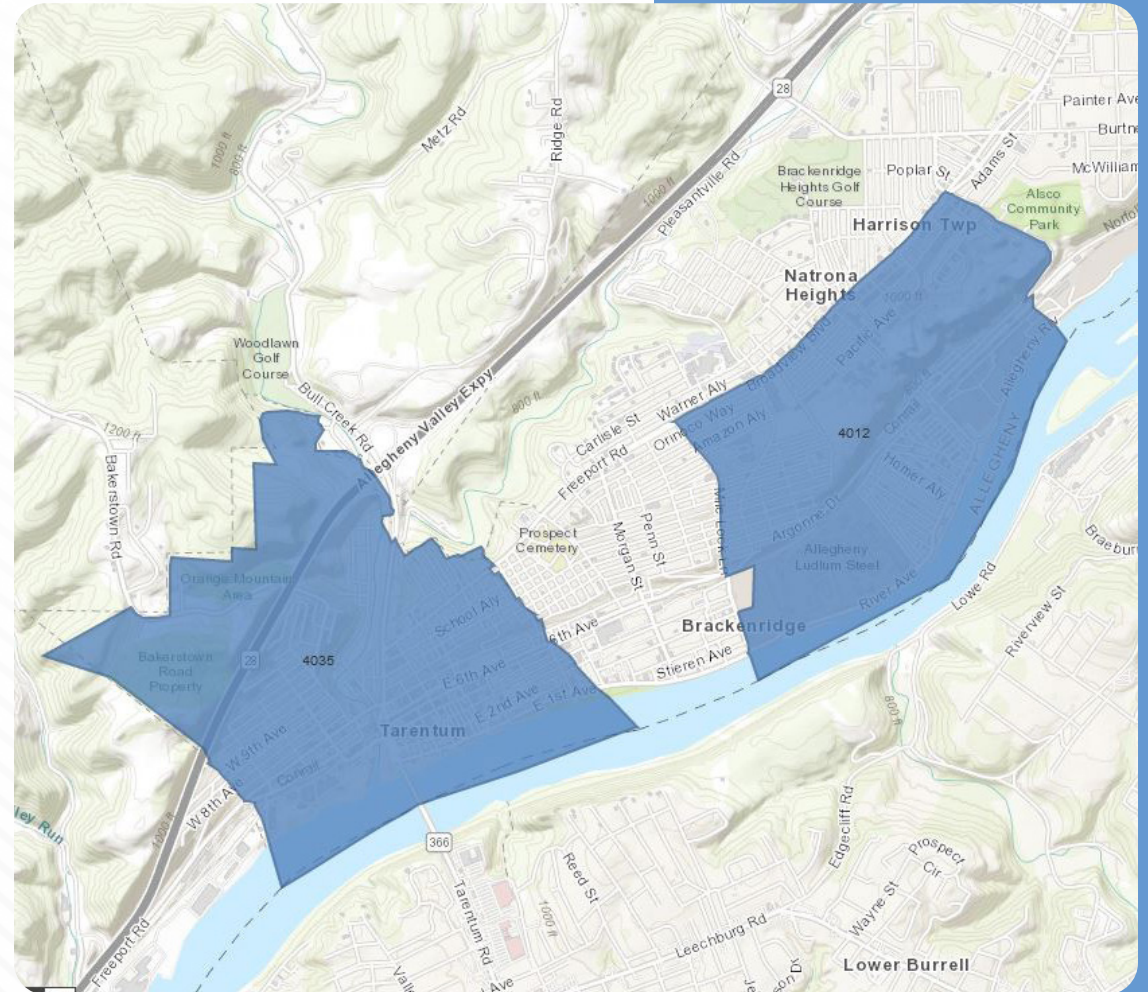
Heights Plaza sits in a state designated Opportunity Zone.

Opportunity Zones, established by the Tax Cuts and Jobs Act of 2017, serve as an economic development tool. Their purpose is to stimulate growth and job creation in communities facing economic challenges while offering tax benefits to investors. These zones are designated in areas that have historically experienced limited investment, certified by the U.S. Treasury, and allow taxpayers to invest through Qualified Opportunity Funds. With 8,764 Opportunity Zones across the United States, this initiative encourages private and public investment in underserved communities.

Investors in Opportunity Zones can enjoy several tax benefits:

1. **Deferral of Capital Gains Tax:** When an investor sells an asset and reinvests the capital gains in an Opportunity Zone within 180 days, they can defer paying capital gains tax until the earlier of the sale of the Opportunity Zone investment or December 31, 2026.
2. **Partial Reduction of Capital Gains Tax:** If the investor holds the Opportunity Zone investment for at least 5 years, they receive a 10% reduction in the deferred capital gains tax. If held for at least 7 years, the reduction increases to 15%.
3. **Exclusion of Gains on Opportunity Zone Investment:** If the investor holds the Opportunity Zone investment for at least 10 years, any additional gains realized from that investment are completely tax-free.

These tax incentives aim to encourage long-term investment, benefiting both investors and the communities involved.



1732-1862 FREEPORT RD.

Shopping Plaza

We are delighted to offer a premier investment opportunity in a thriving retail hub. This 370,825 square-foot shopping center features a strong mix of national and regional tenants, including AHN, Planet Fitness, Community Super Market, UPMC, Davita, Allegheny Valley Health System, Subway, and J & S Pizza, ensuring significant foot traffic and stable rental income. The presence of several empty spaces offers a unique value-add opportunity for investors to enhance income potential by attracting additional tenants. This dynamic property, with its established retailers, essential services, and dining options, is an outstanding investment opportunity.



1703-1721 UNION AVE.

Strip Center

We are excited to present a prime investment opportunity in Natrona Heights: a vibrant 39,545 square foot strip center anchored by a new GSA lease with the Social Security Administration. The United States Post Office has been a mainstay in the center for generations. This property also features a strong regional medical center in Allegheny Health Network (Natrona Heights OB/GYN), Plaza Laundry, and the beloved Harvest Moon Coffee & Chocolates. A separately owned FNB Bank branch bifurcates the center and enhances its appeal. The strip center offers stable rental income and significant growth potential, making it an ideal choice for investors seeking a high-performing asset in a thriving community.



The Social Security Administration is an independent government agency with a budget of \$1.3 trillion dollars. SSA administers retirement, disability, survivor, and family benefits, and enrolls individuals in Medicare.



The United State Postal Service is an independent government agency explicitly authorized by the constitution of the United States. With roughly 650,000 employees, the USPS has been a mainstay of government services.

1830 BROADVIEW BLVD. & 1726 UNION AVE.

Wendy's & Dollar Bank

Wendy's and Dollar Bank operate on separate out-parcels to the main center.

Wendy's (operated by Primary Aim, LLC) recently renewed their lease until September 30, 2042. The current annual base rent is \$69,999.96 NNN. The parcel would need to be subdivided in the event of an individual sale.

Dollar Bank's drive-thru sits at the main stop-light entrance to Heights Plaza on a .32 acre parcel. The current lease runs through May 31, 2028 and an annual rent of \$60,000 NNN.





Land Development

Heights Plaza offers the potential for two separate development parcels.



The larger parcel at the North-eastern portion of the property encompasses up to four acres. The B-1 zoning allows for a number of different uses include senior housing, multi-family, medical, retail or R&D. Located next to the Harrison Hi- Rise senior building, the site lends itself well to other senior-oriented uses.



At the main entrance to Heights Plaza an approximately half-acre parcel can be made available. This is an excellent location for fast food uses or other convenience retail that may require a drive-thru or prominent location.

PROPERTY OVERVIEW



**Land
Development**

Shopping Plaza

Strip Center

**Land
Development**

**Wendy's &
Dollar Bank**

MEET THE TEAM



Mark Anderson
Senior Vice President
Retail Brokerage

Mark Anderson has over 25 years of commercial real estate experience in Ohio, West Virginia, and Pennsylvania. He has represented over six million square feet of retail and office space.



Bryan McCann
Senior Vice President
Capital Markets

Bryan McCann spearheads the capital markets team, focusing on multifaceted sales across the Greater Pittsburgh region. With a wealth of experience in transactions ranging from small scale ventures to large institutional deals, Bryan brings a dynamic approach to the commercial real estate sector.



Willis Croker
Vice President
Capital Markets

Willis Croker specializes in Capital Markets Investment Sales, with a focus on Multifamily Properties. His responsibilities include developing client relations, transaction/due diligence management, and financial underwriting.



Jonathan Levinson
Senior Associate
Retail Brokerage

Jonathan Levinson specializes in retail leasing, sales, and tenant representation. He has represented over three million square feet of retail space.



Matt Reder
Associate
Capital Markets

Matt Reder specializes in Capital Markets Investment Sales, with a focus on Multifamily Properties. His responsibilities include developing client relations, transaction/due diligence management, and financial underwriting.

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