

FOR IMMEDIATE RELEASE

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MedProperties Realty Advisors and JV partner Aurum Property Partners acquire Chattanooga, Tenn.-area MOB

The medical office building is 95 percent leased by high quality tenants, including Tennova Healthcare Cleveland. The site can accommodate another MOB of up to 40,000 square feet.

CHATANOOGA and DALLAS, Jan. 16, 2019 – [MedProperties Realty Advisors, LLC](#) announced that it formed a joint venture (JV) partnership with Aurum Property Partners, LLC in a value-add acquisition of the 81,382 square foot, four-story Bradley Professional Building in Cleveland, TN, 30 miles northeast of Chattanooga.

The property is located at 2253 Chambliss Ave. N.W. on the campus of Tennova Healthcare - Cleveland, a subsidiary of Community Health Systems Inc. MedProperties, a national healthcare real estate private equity firm headquartered in Dallas, and Aurum Property Partners, a West Palm Beach based owner/operator of medical office buildings (MOBs), closed on the acquisition on December 21.

MedProperties' Managing Principal Darryl Freling indicated that Aurum has a close relationship with the Seller, and, after on and off discussions, the parties reached an agreement to acquire the property in an off-market transaction. Mr. Freling noted that "the MOB is 95 percent occupied with strong tenancy, including 30-plus percent occupancy by anchor tenant Tennova Healthcare – Cleveland. The remaining tenant base offers a wide range of high-quality healthcare specialties."

Mali Liberty, Aurum's CEO, noted that Aurum confirmed through discussions with the City of Cleveland that the current site can accommodate an additional medical office building of between 20,000 to 40,000 square feet. States Ms. Liberty, "Given the occupancy rate of the existing MOB, plus strong demand, we believe there is an excellent opportunity for additional development."



MedProperties Realty Advisors and joint venture partner Aurum Property Partners have acquired the four-story, 81,382 square foot Bradley Professional Building in Cleveland, Tenn., a suburb of Chattanooga. The facility is located on the campus of Tennova Healthcare - Cleveland and houses several hospital-affiliated tenants.

Please click on the image to link to a high-resolution version.

“This acquisition will provide our fund with immediate cash flow while enabling us to execute on a value-add strategy,” says MedProperties’ Director of Acquisitions Jon Foulger. “This includes working with Tennova Healthcare-Cleveland, which has committed to expanding its presence in the facility. We also will be adding value by enhancing the building common areas and tenant spaces to reposition the MOB.”

Mr. Freling said an additional benefit of the acquisition is that the MOB is located within 250 yards of the hospital and is, thus, compliant with the Centers for Medicare and Medicaid Services’ site neutrality payment rules. This means that certain hospital-affiliated services can be billed at the same Medicare rates as the adjacent hospital.

This is the fourth acquisition in MedProperties’ 3rd discretionary fund, MedProperties Fund III LP. The firm launched the fund last April with the acquisition of a two-building MOB portfolio in Rockville, Md, followed by the acquisition of a MOB in Phoenix, and another in Oaks, Pa.

Senior debt for the acquisition was provided by Capital One, with additional debt available for future tenant improvements, leasing commissions and capital improvements.

About MedProperties Realty Advisors

MedProperties Realty Advisors LLC is a Dallas-based healthcare real estate private equity firm that invests on a direct and an indirect basis (through joint venture relationships) in the development of new, value-add, and stabilized healthcare real estate, including multitenant medical office buildings and single-tenant, specialty healthcare facilities throughout the U.S. MedProperties invests through its discretionary funds, and through stand-alone investment vehicles. MedProperties is dedicated solely to investments in healthcare real estate. For further information on MedProperties, please visit www.medpropertieslp.com.

About Aurum Property Partners

Aurum Property Partners is a comprehensive commercial real estate company specializing in acquiring and managing medical office buildings throughout the United States. Aurum’s vertically integrated full-service structure includes property management, construction services, leasing, marketing, due diligence, financial modeling, financial reporting, accounting and advisory services. For further information, please visit www.aurumpropertypartners.com.