



FOR IMMEDIATE RELEASE

News Media Contact: Darryl E. Freling, Managing Principal, MedProperties Holdings, 214.661.1000

#

MedProperties and Anchor Health Properties acquire two-building Shady Grove MOB portfolio

Partners say the Rockville, Md., medical office buildings' revitalized tenancy, strategic location and affluent patient base will make the complex a market leader for medical space

ROCKVILLE, Md.; DALLAS; and CHARLOTTESVILLE, Va., June 6, 2018 – MedProperties' newest investment – the Shady Grove Medical Office Building (MOB) portfolio in Rockville – is the company's first acquisition in its newly launched MedProperties Fund III LP and its first joint venture (JV) with Virginia-based Anchor Health Properties. MedProperties officials say that the transaction is an ideal way to kick off both their new fund and their new JV relationship, as the outpatient portfolio has plenty of upside, including its location and tenancy, which should result in long-term growth and success.

MedProperties Realty Advisors LLC, a national healthcare real estate private equity firm headquartered in Dallas, and Anchor Health Properties, a national developer, operator and manager of healthcare facilities headquartered in Charlottesville, formed the JV and closed on the acquisition of the two adjacent MOBs at 15001 and 15005 Shady Oak Grove Road on May 18. The anchor tenant and original sponsor of the transaction, Capital Digestive Care (CDC), is a leading regional physician group and the buildings' anchor tenant. The total acquisition price for the nearly identical 52,167 and 51,689 square foot buildings was approximately \$31 million.



MedProperties Holdings, Anchor Health Properties and Capital Digestive Care recently partnered to acquire the Shady Grove Medical Office Building (MOB) portfolio, which includes two buildings totaling 103,856 square feet in Rockville, MD. It was the first joint acquisition by the two firms.

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

MedProperties recently launched its 3rd discretionary fund, MedProperties Fund III, LP, and the Shady Grove MOBs are the first investment by that new fund. MedProperties Managing Principal Darryl Freling says this attractive investment has the potential to become the local market leader for medical office space.

"The acquisition opportunity was brought to us by Anchor, a group that we know well, and had been looking for opportunities in which to partner. The Shady Grove medical office buildings are located in one of the premier medical and health sciences corridors in the area and are close to some of the nation's largest biotech and health sciences companies and the 321-bed Adventist HealthCare Shady Grove Medical Center," says Mr. Freling. "The complex also benefits from immediate access to U.S. Interstate Highway 270, which is one of the highest traffic volume corridors in the Washington, DC Metropolitan region. The area also has excellent demographics, including a highly affluent patient base and a large senior citizen population."

Mervyn Alphonso, Senior Vice President with Anchor Health Properties noted, "We were fortunate to identify an opportunity to cement alignment of interest with committed investors, operators and healthcare providers. Capital Digestive Care (CDC), one of the largest and most well-respected gastroenterology groups in the Mid-Atlantic Region is consolidating space in the market and will significantly expand its presence in this location. With a new long-term lease,

CDC and its' affiliates will anchor over 50 percent of the complex. In addition to sourcing the opportunity and selecting Anchor as an operating and investment partner, CDC made a substantial investment in the buildings."

MedProperties executives are also excited about their first joint venture with Anchor Health Properties.

"Anchor has an excellent national reputation and many years of experience managing and operating healthcare real estate," Mr. Freling says. "We believe they're a great fit with our company and we look forward to working with them in a successful partnership."

Mr. Alphonso echoes those sentiments.

"We are committed to working with experienced, dedicated capital partners," Mr. Alphonso says, "and that is exactly what we found with Darryl, Roman and the rest of the MedProperties team. We have watched with interest over the years as MedProperties has become a national private equity investor in the healthcare real estate space, and we are excited to have closed our first investment with them."

About MedProperties

MedProperties is a Dallas, Texas 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 Anchor Health Properties

Anchor Health Properties is a national, full-service healthcare real estate development, management and investment company focused exclusively on medical facilities. Anchor takes a strategic approach to navigating the extremely competitive healthcare marketplace, considering multiple angles, such as retail drivers, customer experience, branding and efficiency of the project. We develop and manage projects across the United States that respond to the new landscape of employed physicians, team-based care, the need to optimize assets and reduce duplication, and the integration of care and technology. Healthcare today calls not only for new and more efficient ways of delivering outpatient services, but also a different kind of healthcare development and management company. For more information, please visit: www.anchorhealthproperties.com.

- 30 -