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# Kayne Anderson Real Estate, Remedy Medical Properties and MedProperties form a \$350 million-plus joint venture for an 11-state, 23-asset MOB portfolio

The more than 1 million-square-foot MedProperties Medical Office Portfolio is 94 percent occupied and 71 percent leased by leading hospitals, health systems and other investment grade tenants

**CHICAGO and DALLAS, Feb. 10, 2022** – Kayne Anderson Real Estate, Remedy Medical Properties and MedProperties Realty Advisors LLC are pleased to announce that the firms have formed a \$350 million-plus joint venture to recapitalize an 11-state, 23-asset healthcare real estate (HRE) portfolio owned by MedProperties.

The portfolio, which includes primarily medical office buildings (MOBs), totals more than 1 million square feet. The transaction closed Jan. 14.

For Boca Raton-based Kayne Anderson Real Estate and Chicago-based Remedy, the nation's largest owners of medical properties, the joint venture enables the firm to acquire a majority interest in another high-quality portfolio that complements its already extensive holdings.

For Dallas-based MedProperties, an HRE private equity firm with assets in 23 states, the transaction enabled the



**Top: Two of the properties include the Founders Square Medical Office Building in Naples, Fla. (top) and the OPS North building in Fort Wayne, Ind.**

Please click on the images to link to high-resolution versions.

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firm to monetize some of its real estate holdings for its investors while the firm retains an ownership interest in the new venture, and continues to serve as asset manager.

Darryl E. Freling, Managing Principal of MedProperties, said his company has aggregated a large number of HRE assets over the years through its various funds and investment partnerships. In the fall 2020, the firm's leadership decided to offer a portfolio of about two-dozen of those properties as a recapitalization investment opportunity rather than an outright sale. The offering was taken to market in early 2021, and Remedy emerged as the chosen joint venture partner in the summer of that year.

"Aside from pricing, one of the primary reasons we elected to transact with Kayne Anderson and Remedy," Mr. Freling explains, "was the positive, long-term working relationship we had with the firms and its principals. It was that relationship, and the mutual trust, that proved instrumental in navigating the complexities of a transaction of this size to a successful conclusion."

Joe Magliochetti, Chief Investment Officer for Remedy, agreed that the positive working relationship between the firms was what made the joint venture possible.

"We love the make-up of the portfolio – good quality MOBs," Mr. Magliochetti says. "The portfolio also has lots of common ground with our existing assets in terms of geography and tenancy, making it a logical addition to our holdings. But MedProperties is also a great fit. We had done some smaller deals with them, but this was a great opportunity."

A transaction involving almost two-dozen properties owned by six different selling entities had its complexities, Mr. Magliochetti notes, "But we worked through them together, and it couldn't have been better. Hopefully this joint venture will lead to more opportunities together in the future."

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“You learn a lot about people when you’re in the foxhole together,” Mr. Freling adds. “The Kayne Anderson and Remedy teams were great, pragmatic and we worked through the inevitable issues that arise in a large, complex transaction. We couldn’t have asked for more.”

The properties are located in some of the top metropolitan markets in the country, as well as in strategic secondary markets. In aggregate, the properties are 94 percent occupied and 71 percent leased by high-caliber, leading hospitals, health systems and other investment grade tenants.

The portfolio consists primarily of MOBs, but also includes some post-acute facilities such as a rehabilitation hospital and ambulatory surgery center in Texas, and a rehabilitation hospital in Ohio. Some of its well-known, investment grade healthcare tenants include Baylor Scott & White, Children’s Hospital of Los Angeles, CommonSpirit, Rady Children’s Hospital, U.S. Department of Veterans Affairs, University of Southern California, UF (University of Florida) Health and WVU (West Virginia University) Medicine.

The properties are located in the following states: Texas (eight facilities), Pennsylvania (two), Florida (two), Ohio (two), Kentucky (two), California (one), Indiana (one), West Virginia (one), Tennessee (one), New York (one), North Carolina (one) and Missouri (one).

Capital One provided senior debt for the transaction, and the CBRE Healthcare & Life Sciences Capital Markets team marketed the portfolio.

### About Kayne Anderson Real Estate

Kayne Anderson Real Estate (“KA Real Estate”) is a leading real estate private equity investor in medical office, seniors housing, off-campus student housing, multifamily housing and self-storage. KA Real Estate manages \$13 billion of real estate AUM (as of 12/31/21) across opportunistic equity, core equity and real estate debt. KA Real Estate is part of Kayne Anderson Capital Advisors, L.P., a \$30 billion alternative investment management firm (AUM as of 12/31/21) with more than 37 years of successful experience in the

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real estate, renewable and energy infrastructure, energy, credit, and growth capital sectors. For more information, visit <https://kaynecapital.com/real-estate/>.

### About Remedy Medical Properties

Remedy Medical Properties is a full-service healthcare real estate company and the largest owner of healthcare properties in the country, with more than 26 million square feet and 24 offices spanning 42 states. For healthcare decision-makers who want to maximize the value of their real estate while enhancing their ability to adapt, our national presence enables us to offer the right solutions in the right locations for your organization. Remedy offers unmatched flexibility in every client engagement, and our adaptability enables us to provide more options in ownership, development, leasing, management, and strategy. Our willingness to commit capital, share more risk, and offer greater foresight results in greater resilience, profitability, and peace of mind for our clients. For more information visit [www.RemedyMed.com](http://www.RemedyMed.com).

### About MedProperties Realty Advisors LLC

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](http://www.MedPropertiesLP.com).

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