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MedProperties Realty Advisors-Principal joint venture acquires Austin, Texas, MOB with ASC

The 41,997-square-foot Medical Towers at Bee Cave II has a hospital-affiliated anchor tenant and is located in one of the most desirable, growing investment markets in the country

AUSTIN and DALLAS, Texas, July 27, 2022 – MedProperties Realty Advisors and Principal Real Estate Investors have formed a joint venture (JV) and acquired the 41,997-square-foot Medical Towers at Bee Cave II in a growing, popular and sought-after submarket of Austin.

[MedProperties](#), a Dallas-based healthcare real estate private equity firm, and Principal Real Estate Investors, a dedicated commercial real estate investment management group of Principal Global Investors, closed on the acquisition of the multi-tenant medical office building (MOB) on June 15.



The 41,997-square-foot Medical Towers at Bee Cave II is 90 percent leased by a diverse tenant mix with specialties that include primary care, OB/GYN, vein and vascular and wellness.

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

Darryl Freling, MedProperties Managing Principal, says the Medical Towers at Bee Cave II is an excellent investment for his firm.

Located at 3944 Ranch Road 620 S., Mr. Freling explains, “The asset is strategically located in a high barrier to entry submarket of Austin where it’s challenging to acquire medical buildings and there are limited development opportunities. It’s one of the fastest growing areas of the country, more and more high-tech companies have been relocating there, and it has very attractive demographics.”

He adds, “The facility is also conveniently located at the highly visible, prominent intersection of Highways 71 and 620 on the west side of Austin.”

MedProperties Managing Principal Roman Kupchynsky says his company also was attracted to the investment because of the tenant base.

“The Medical Towers at Bee Cave II is 90 percent occupied and is anchored by Austin GI Surgicenter, which is a joint venture between the local Hospital Corporation of America (HCA) affiliate and Austin Gastroenterology, the largest physician group in Central Texas specializing in gastrointestinal care,” Mr. Kupchynsky says. “In addition, the facility is occupied by a diverse mix of tenants with excellent weighted average lease terms. The wide array of specialties includes OB/GYN, primary care, vein and vascular, and wellness.”

Mr. Kupchynsky notes that this was the first acquisition of its recently launched MedProperties Fund IV, which has allocated capital for both value-add and core/core-plus investments.

Mr. Kupchynsky adds that this core investment was MedProperties' first joint venture with Principal.

"We are very pleased to collaborate for the first time with Principal, a highly respected commercial real estate firm. We expect this will be a mutually beneficial joint venture for our companies."

Debt for the acquisition was provided by Capital One NA.

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 Principal Real Estate Investors

Principal Real Estate Investors is the dedicated real estate investment group within Principal Global Investors, a diversified asset management organization and a member of the Principal Financial Group®. As a top 10 global real estate manager¹ Principal Real Estate Investors has more than 60 years of real estate investment experience². The firm's capabilities span the spectrum of public and private equity and debt investments, and it manages or sub-advises \$106 billion in commercial real estate assets (as of March 31, 2022).

¹ Managers ranked by total worldwide assets (net of leverage, including contributions committed or received, but not yet invested, REIT securities are excluded), as of 30 June 2021. "The Largest Real Estate Investment Managers," Pensions & Investments, 4 October 2021.

² Principal Real Estate Investors became registered with the SEC in November 1999. Activities noted prior to this date were conducted beginning with the real estate investment management area of Principal Life Insurance Company and later Principal Capital Real Estate Investors, LLC, the predecessor firm to Principal Real Estate Investors.