



OMEGA
MEDICAL
CENTER

15204 OMEGA DRIVE
ROCKVILLE, MD 20850

EXECUTIVE SUMMARY



INVESTMENT HIGHLIGHTS



77,511 RSF, NEWLY REPOSITIONED CLASS A MEDICAL OFFICE ADJACENT TO THE MARKET LEADING ADVENTIST HEALTHCARE SHADY GROVE MEDICAL CENTER



76% LEASED TO 9 TENANTS WITH OVER 6 YEARS OF WEIGHTED AVERAGE REMAINING LEASE TERM



STRONG MEDICAL TENANCY BACKED BY ATTRACTIVE DEMOGRAPHICS: 5-MILE AVERAGE HOUSEHOLD INCOMES ARE IN EXCESS OF \$150,000



GROWING TENANCY: 3 TENANTS EXPANDED OVER THE COURSE OF 2020 AND ANCHOR TENANT POTOMAC PEDIATRICS HAS EXPANDED 3 TIMES SINCE INITIAL OCCUPANCY IN 2012



NEWLY REPOSITIONED WITH \$1.9 MM IN RECENT CAPITAL IMPROVEMENTS



LOCATED AT THE EPICENTER OF THE MARYLAND LIFE SCIENCES MARKET → OUTSTANDING PHYSICAL ATTRIBUTES FOR LAB CONVERSION



OUTSTANDING BUSINESS PLAN OPTIONALITY VIA CONTINUED GROWTH OF MEDICAL TENANCY AND/OR LAB CONVERSION



FREE & CLEAR OF EXISTING DEBT





PROPERTY SUMMARY

Address	15204 Omega Drive Rockville, MD 20850
Built / Renovated	1987 / 2017
Rentable Area	77,511 RSF
% Leased	76%
# Tenants	9
WALT	6.1 Years
Stories	3
Typical Floor Plate	25,837 SF
Slab-to-Slab	13'7" - 14'0"
Tenancy	1) Potomac Pediatrics, P.C. 13,202 RSF 17% of RBA Aug-24 LED 2) The Centers For Advanced ENT Care, LLC 11,039 RSF 14% of RBA Jan-31 LED 3) Renal Treatment Centers- Mid-Atlantic, Inc. (d/b/a DaVita, formerly DaVita Healthcare Partners Inc.) 10,605 RSF 14% of RBA Jul-26 LED



77,511 RSF, NEWLY REPOSITIONED CLASS A MEDICAL OFFICE ADJACENT TO MARKET LEADING ADVENTIST HEALTHCARE SHADY GROVE HOSPITAL

- Institutional quality, Class A Medical Office Building with \$1.9 MM in recent capital improvements
- Growing in-place medical tenancy offers expeditious path to addressing remaining vacancy
- Attractive physical bones for lab conversion offers lab conversion optionality and ability to deliver space into white hot life science leasing market
- Adventist's 60% outpatient market share & the Property's strategic campus-adjacent location creates an ideal referral and patient base within one of the largest healthcare nodes in Montgomery County



76% LEASED TO 9 TENANTS WITH OVER 6 YEARS OF WEIGHTED AVERAGE REMAINING LEASE TERM

- Anchor tenant Potomac Pediatrics (17% of RBA, Aug-24) has expanded 3 times since initial occupancy in 2012 and has additional expansion potential
- DaVita (14% of RBA, Jul-26) is a publicly traded, \$12 BN market cap company (NYSE: DVA)
- 80% of tenancy is medical with the opportunity to create value via conversion to purely medical office
- Sought after and complimentary specialties include otorhinolaryngology, OB/GYN, endocrinology, pediatrics, nephrology, and dentistry



STRONG MEDICAL TENANCY BACKED BY ONE OF THE MOST SOUGHT-AFTER SUBMARKETS WITHIN THE WASHINGTON, DC METRO

- Well positioned location within the 17th wealthiest county in the nation - average household income is \$154,000 within a 5-mile radius
- Over the course of 2020, Shady Grove's multi-family vacancy declined to 5.0%, compared to a 300 basis point increase (to 8.0%) for the DC Metro, speaking to the vitality of the submarket and the economic strength of the population of target patients
- There are over 45,000 people employed by the 200+ technology companies located within minutes of the Property, many of which are in essential life science industries that have seen tailwinds as a by product of COVID-19
- Shady Grove is projected to continue to be an area of high Generation Z (born 2000 to 2017) population growth fueling pediatric and broader medical tenancy growth in the area





GROWING TENANCY: 3 TENANTS EXPANDED OVER THE COURSE OF 2020 AND ANCHOR TENANT POTOMAC PEDIATRICS HAS EXPANDED 3 TIMES SINCE ITS INITIAL OCCUPANCY IN 2012

- Amidst the pandemic, 3 tenants – Potomac Pediatrics, The Centers For Advanced ENT Care, and Rockville Gynecology – expanded over the course of 2020, reflecting the underlying strength and growth of their practices
- Anchor tenant Potomac Pediatrics (17% of RBA) has expanded 3 times since initial occupancy in 2012, and has additional potential growth needs



NEWLY REPOSITIONED WITH \$1.9 MM IN RECENT CAPITAL IMPROVEMENTS

- Ownership has recently completed a significant repositioning that invested \$1.9 MM (\$25/sf) in the Property, ensuring a competitive leasing advantage for the foreseeable future
- A lobby and common area refresh, new entrances, addition of an on-site food amenity, a new roof and select HVAC unit replacement, amongst other improvements, were included in the scope of recently completed work
- In addition, 14% of RBA has recently been addressed from a leasing perspective and has best-in-class build outs – some of which the tenants invested in significantly – mitigating go forward tenant improvement allowance costs



LOCATED AT THE EPICENTER OF THE MARYLAND LIFE SCIENCES MARKET → OUTSTANDING PHYSICAL ATTRIBUTES FOR LAB CONVERSION & BUSINESS PLAN OPTIONALITY

- Shady Grove is the undisputed epicenter of the Maryland life science market and home to 45% of Montgomery County's overall life sciences supply
- The Maryland lab market ended 2020 with 3% vacancy, with much of that vacancy being either in inferior locations or inferior quality to Omega Medical Center
- There is over 1 MM SF of tenant demand for life science occupancy in 2021-2023, with limited existing vacancy to accommodate that, little new supply being constructed, and few feasible lab conversion properties remaining
- Omega Medical Center offers attractive physical bones for immediate conversion of existing vacancy to lab, as well as go-forward conversion to lab as tenants' leases expire

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**The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.

