

Oak Hill Medical Office Building



INVESTMENT SUMMARY

407, 409 & 425 East Avenue | Pawtucket, Rhode Island

46,645 Square Feet



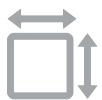
»» The Offering

JLL is pleased to offer for sale the fee simple interest in Oak Hill Medical Building in Pawtucket, Rhode Island (the “Property” or “Buildings”). The Property is located in the Providence metropolitan statistical area (“MSA”), the third largest MSA in New England, and has benefited from the rapid growth of the city of Boston less than an hour away.

Ideally situated along East Avenue, just off the heavily trafficked Route 1, the Property consists of two buildings that total 46,645 rentable square feet. 407 and 409 East Avenue were fully renovated in 1998 and share a wall, totaling 37,020 rentable square feet (the “MOB”). 425 East Avenue is a standalone CVS built in 1997 with 9,625 rentable square feet (the “CVS”). The buyer will have the opportunity to subdivide the parcel between the MOB and the CVS to potentially execute an arbitrage sale of one of the two buildings.

The Property offers stable income with 96 percent occupancy and 5.0 years of WALT remaining at below market in-place rents.. Lifespan, the dominant health system in the state of Rhode Island, directly occupies or is affiliated with tenants that occupy 87 percent of the MOB. The MOB features a synergistic mix of specialties including cardiology, neurology, OB/GYN, rheumatology, geriatrics, psychology and primary care. Other tenants at the Property provide essential services and have proven to be resilient through the COVID-19 pandemic such as a laboratory, CVS and Citizens Bank.

The offering provides investors stabilized medical office product with desirable health system tenancy and a unique value creation opportunity. The Property is available fee simple and free and clear of any mortgage debt.



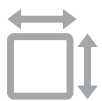
34,970
Rentable SF MOB



96%
Occupancy



5.0
Years WALT



9,625
Rentable SF CVS



44%
Health System Occupancy in MOB

Oak Hill MOB

Pawtucket



PROVIDENCE

Seekonk

146

15

44

95

1

1A

44

1A

6

1

10

95

195

» Investment Highlights



Desireable Lifespan and Essential Service Tenancy

- » 87 percent of MOB tenants at the Property have a strong affiliation with Lifespan, the dominant health system in Rhode Island with 59.1 percent inpatient market share
- » Sought-after and complimentary specialties including cardiology, neurology, OB/GYN, primary care, rheumatology, geriatrics and psychology
- » Lifespan had net patient service revenues of \$2.1 billion in FY 2019 and is affiliated with the Warren Alpert Medical School of Brown University
- » CVS Health (NYSE: CVS) is the largest pharmacy health care provider in the United States by total prescription revenue and maintains an investment grade credit rating of 'Baa2' from Moody's Investors Service
- » CVS provides essential services and has seen strong demand for prescriptions and products throughout the COVID-19 pandemic
- » East Side Clinical Laboratory is owned by Sonic Healthcare Limited (ASX: SHL), the world's third largest pathology/laboratory medicine company whose testing expertise has been vital during the COVID-19 pandemic
- » Citizens Bank is the 13th largest retail bank in the US and holds an investment grade Baa1 credit rating on its long-term debt from Moody's Investors Service

Durable Income with Unique Value Creation Opportunity

- » 95.6 percent occupancy provides stable income with 5.0 years of WALT remaining
- » Value creation opportunity through subdividing the parcel between the CVS and the MOB to achieve terminal cap rate compression
- » Opportunity to add value through the lease up of vacant space and the mark-to-market of rents upon rollover

Exceptional Healthcare Demand Drivers in the Local Market

- » Growing healthcare and education focused economy representing 30.8 percent of overall employment
- » \$229.5 million in NIH funding in the Providence region in 2020 alone
- » The share of the population 55 years and older is expected to grow from 26.7 percent to 28.0 percent, a desirable demographic shift for the healthcare industry

»» Property Overview

Oak Hill Medical Building is well-located along East Avenue, a major thoroughfare from the East side of Providence to the North and South with exceptional access to Interstate-95, which sees 103,710 vehicles per day. The location is 1.5 miles from the Miriam Hospital and 5.7 miles from Rhode Island Hospital, both Lifespan facilities. The medical office building (“MOB”) and CVS collectively are 46,645 net rentable square feet and occupy a 3.59-acre parcel. The parcel provides 198 parking spaces, including 8 ADA accessible resulting in a parking ratio of 4.24 spaces per 1,000 rentable square feet. The two-story MOB was constructed in 1964 and fully renovated in 1998. The single-story CVS was constructed in 1997 and features a steel frame structure and brick veneer exterior walls.

6 miles from
two Lifespan Hospitals

46,645 RSF RSF

Arbitrage Opportunity through
parcel subdivision

»» Market Overview

The Property is located in Pawtucket, Rhode Island, approximately 10 minutes from downtown Providence and less than an hour from Boston. Nearly 350,000 people live within 5 miles of Oak Hill Medical Building and the population is growing by 0.3 percent annually. The average household income is over \$73,000 with 23.1 percent of the population making over \$100,000 a year. The regional economy is characterized by its robust healthcare and education sectors that make up 30.8 percent of overall employment. U.S. News ranked Rhode Island as the fifth best healthcare market in the country based on healthcare access, quality of care and public health. Within approximately 5 miles of the property there are six general acute care hospitals and ninety-six medical office buildings. Notably, 55 percent of those general acute care beds are affiliated with Lifespan. Oak Hill Medical Building’s alignment with Lifespan and location in a growing and robust medical market make the success of the asset difficult to replicate.

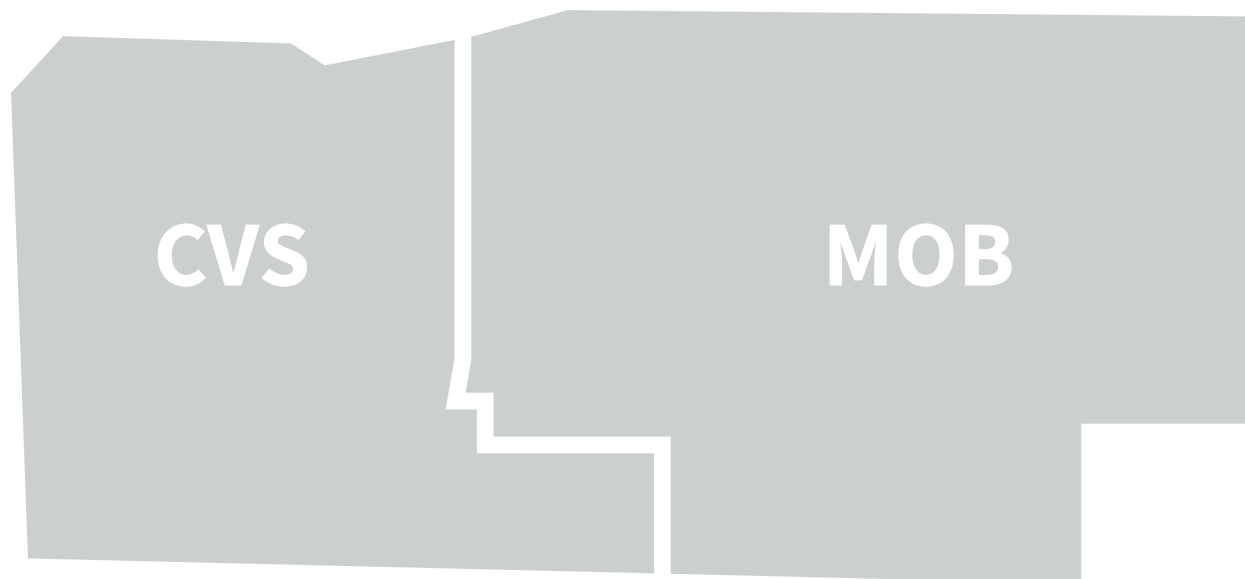
No. 5 Healthcare
Market by U.S. News

\$73,000 Average
HH Income

31% of Economy is
Meds and Eds

» Subdivision Value Creation Opportunity

The buyer will have the opportunity to subdivide the 3.59-acre parcel. Subdividing the parcel between the MOB and CVS will benefit the buyer by allowing them to resell the MOB and CVS separately. The composition of the MOB should appeal to a healthcare focused buyer while the CVS will appeal to a net lease focused buyer, which will allow the Property to attain peak pricing in the capital markets.





Thank you

Please contact any of the following JLL representatives with questions:

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