



# SUN CITY PORTFOLIO

EL PASO &  
SAN ANTONIO  
METROPOLITAN  
AREAS

**FIVE BUILDINGS | 226,669 SQUARE FEET | 77% LEASED | 100% ON-CAMPUS/ADJACENT**

# THE OFFERING

Jones Lang LaSalle (“JLL”) is pleased to present the opportunity to purchase 100 percent ownership interests in five medical office buildings totaling 226,669 rentable square feet with an institutional tenant roster anchored by Texas' leading health systems.

The Sun City Portfolio (the “Portfolio” or, individually, the “Properties”) offers investors an exceptional opportunity to acquire five premier medical office buildings located 100% on/adjacent to well-performing hospitals and boasting total health system occupancy of 47%. Four of the assets are located in El Paso, Texas and with the remaining asset located in Jourdanton, Texas.

The institutionally owned and managed Portfolio offers 77% total occupancy with a weighted average remaining lease term of 3.4 years, which provides durable in-place cash flows with consistent annual growth and the opportunity for upside through additional leasing. The Portfolio is strategically aligned with two of Texas' leading health systems including Methodist Health System (HCA) and the Hospitals of Providence Health System (Tenet) along with local and regional physician groups providing key outpatient services. The Properties are a combination of leasehold interests with long-term ground leases and fee simple ownership. The Portfolio will be delivered free and clear of debt.



**77%**

OCCUPANCY

**226,669**

RSF

**31**

TENANTS

**100%**

ON/ADJACENT TO CAMPUS

**3.4**

YEAR WALT

**100%**

LOCATED WITHIN THE TOP 75 MSAS (16% MSA POPULATION GROWTH 2013-2023)

**47%**

HEALTH SYSTEM OCCUPANCY

**45,334 SF**

AVERAGE BUILDING SIZE





**SIERRA MEDICAL PLAZA**

**PROVIDENCE MEDICAL PLAZA**

**CLIFF MEDICAL PLAZA**

	1	2	3	4	5	TOTALS / AVERAGES
PROPERTY NAME	SIERRA MEDICAL PLAZA	PROVIDENCE MEDICAL PLAZA	CLIFF MEDICAL PLAZA	VA SLEEP CENTER	SOUTH TEXAS REGIONAL MEDICAL CENTER	
ADDRESS	1600 Medical Center Drive El Paso, TX	125 West Hague Road El Paso, TX	1250 E Cliff Drive El Paso, TX	1250-B E Cliff Drive El Paso, TX	1907 Hwy 97 East Jourdanton, TX	
RENTABLE AREA	52,369	69,897	50,447	5,400	48,556	226,669
SF % OF PORTFOLIO	23%	31%	22%	2%	22%	100%
OCCUPANCY	70%	95%	35%	100%	100%	77%
HS OCCUPANCY	28%	64%	0%	100%	100%	47%
# OF TENANTS	Nine	14	Six	One	One	31
WALT	2.9 Years	4.3 Years	5.1 Years	4.7 Years	1.6 Years	3.4 Years
YEAR BUILT	1972	1981	1977	1995	2014	1985
HOSPITAL CAMPUS	Hospitals of Providence Sierra Campus	Hospitals of Providence Memorial Campus	Hospitals of Providence Sierra Campus	Hospitals of Providence Sierra Campus	Methodist Hospital Atascosa	
GROUND LEASE / FEE SIMPLE	Ground Lease - 82 Years Remaining	Ground Lease - 82 Years Remaining	Fee Simple	Fee Simple	Ground Lease - 87 Years Remaining	



**VA SLEEP CENTER**



**SOUTH TEXAS REGIONAL MEDICAL CENTER**



# KEY INVESTMENT HIGHLIGHTS

## INSTITUTIONAL-QUALITY MEDICAL OFFICE PORTFOLIO

- » 77% leased featuring 47% direct health system tenancy from market leading health systems
- » 100% of Portfolio concentrated on/adjacent to campus
- » Portfolio comprised of two single-tenant and three multi-tenant buildings
- » Institutionally owned and managed by the largest holder of medical office real estate in the United States

## SCALE IN MEDICAL OFFICE

- » Exceptional opportunity to acquire a sizable, institutional-quality medical office portfolio comprised of 226,669 rentable square feet across five properties with meaningful health system alignment
- » Geographic concentration in Texas, a highly sought-after investment market with strong demographic tailwinds

## ALIGNMENT WITH LEADING HEALTH SYSTEMS

- » 47% direct health system occupancy across the Portfolio
- » Opportunity to partner and strengthen relationships with HCA and Tenet, two of the nation's largest health systems
- » All Portfolio hospital locations enjoy strong inpatient market share
- » Key locations for strategic outpatient strategies for each health system and third-party provider groups
- » Recent health system acquisitions of physician group tenants demonstrates commitment to growth within existing Portfolio locations





## ROBUST EL PASO MARKET

- » El Paso's strategic location on the US-Mexico border has contributed to its growing importance as a commercial hub and recently attracted major corporations to establish operations in the region
- » El Paso's healthcare sector has been a beneficiary of the metro's steadily growing population and the emergence of medical tourism
- » Fort Bliss, one of the largest military bases in the US, has a significant impact on the local economy generating strong demand for housing, hospitality, healthcare, and other support services

## HIGHLY STABLE INCOME STREAM WITH UPSIDE OPPORTUNITY

- » Recent tenant lease extensions evidence high probability of renewals due to strategic locations and critical infrastructure
- » Tangible value-add opportunity through lease up of existing portfolio vacancy, concentrated in just two of five buildings
- » El Paso market has realized attractive 4.3% year-over-year rent growth, well above the national average of 2.8%
- » Modest in-place rents allow for consistent NOI growth as tenants roll to market and a favorable basis for investors

## CRITICAL INFRASTRUCTURE HEALTHCARE FACILITIES

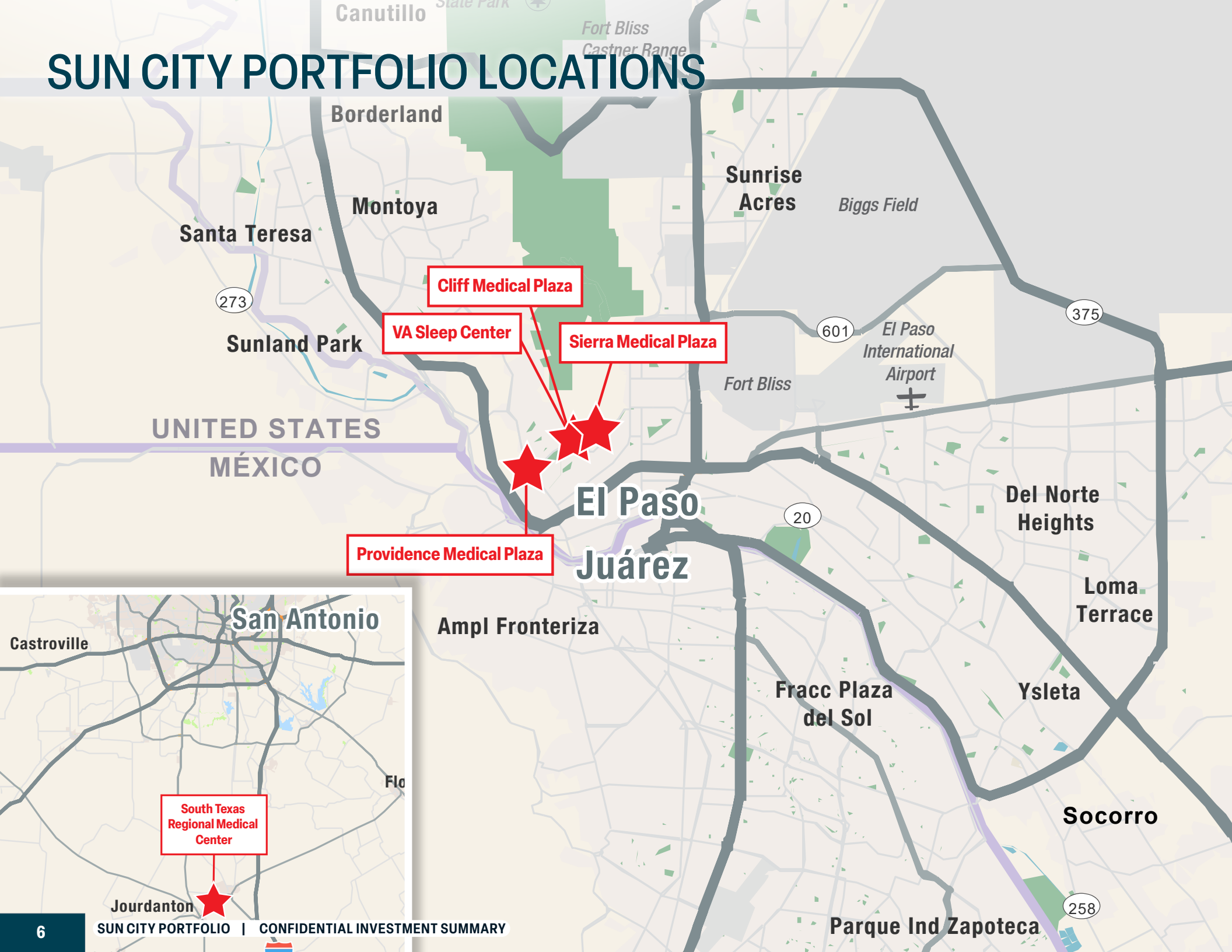
- » 100% of the Portfolio net operating income concentrated on/ adjacent to campuses
- » Strategically positioned outpatient hubs for well-performing hospitals
- » Exceptional mix of medical uses including neurology, women's health, pediatrics, gastroenterology, nephrology, ophthalmology, and ENT
- » Continued migration of healthcare services to outpatient settings

## MEDICAL OFFICE – DURABLE ASSET CLASS

- » Healthcare spending in the United States accounts for 19.7% of GDP and is growing at approximately 5.0% annually
- » The age 65 and older cohort, a leading demand driver of medical services, is forecasted to double to 88 million people by 2050
- » Recession resistant, non-cyclical asset class due to essential nature of healthcare
- » Medical office fundamentals remain strong with medical office space absorption at record levels and new deliveries at reduced levels due to the pandemic and rising development costs



# SUN CITY PORTFOLIO LOCATIONS



# HOSPITALS OF PROVIDENCE

The Hospitals of Providence Health System is a prominent healthcare system serving the El Paso, Texas area. It is part of Tenet Healthcare, (Moody's B1) a leading for-profit healthcare provider in the United States. The system comprises several hospitals and medical facilities, including The Hospitals of Providence Transmountain Campus, East Campus, Memorial Campus, Sierra Campus, and The Hospitals of Providence Children's Hospital.



The Hospitals of Providence in El Paso have a long-standing history of providing exceptional healthcare services since 1902. With a team of over 5,300 employees and collaboration with 900+ physicians, it is committed to advancing health for the entire community. The hospitals in El Paso are regional destinations for high-quality care, offering a wide range of specialties including surgery, heart care, orthopedics, neurology, pediatrics, and women's health.

The Hospitals of Providence Health System is well-regarded for its commitment to delivering exceptional healthcare services, state-of-the-art facilities, and being at the forefront of healthcare innovation for the El Paso region. It is recognized as a trusted healthcare provider, providing comprehensive medical care to meet the diverse needs of the community.

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HOSPITALS

5,300

EMPLOYEES

900+

PHYSICIANS

# METHODIST HEALTHCARE

Methodist Healthcare is a 50-50 co-ownership between Methodist Healthcare Ministries of South Texas, Inc., and HCA Healthcare (Moody's Baa3). This creates a unique partnership comprising of 84 care locations including hospitals, ambulatory surgery centers, imaging centers, and family health clinics. The system also collaborates with academic institutions, including the University of Texas Health Science Center at San Antonio, to drive research, education, and training for healthcare professionals.



As the South Texas region continues its rapid growth, Methodist Healthcare has continued to grow as well in order to meet the ever-expanding healthcare needs of the community. Since its doors opened in 1963, Methodist's commitment has never wavered: to continuously improve the health and wellness of our community by "Serving Humanity to Honor God."

10,000+

EMPLOYEES

2,100

BEDS

9

HOSPITALS



# EL PASO

The El Paso MSA is located in western Texas, bordering the state of New Mexico and the country of Mexico. It encompasses El Paso County and includes the city of El Paso, the sixth-largest city in Texas. With a diverse economy, the El Paso metro is a major hub for international trade, with the city's border location facilitating cross-border commerce. The region is also home to a strong military presence, with Fort Bliss Army Base being one of the largest military complexes in the United States. Additionally, El Paso has a vibrant cultural scene, rich history, and a growing population, making it an attractive place for businesses and residents alike.

The healthcare industry in El Paso plays a vital role in the region's economy and serves as a major employer. El Paso is home to several well-regarded healthcare systems, including The Hospitals of Providence, University Medical Center of El Paso, and Del Sol Medical Center, among others. These healthcare providers offer a wide range of medical services, including specialized care in areas such as cardiology, neurology, oncology, and pediatrics. With a growing population and proximity to the U.S.-Mexico border, the healthcare industry in El Paso also provides essential medical services to residents from both sides of the border, contributing to its unique healthcare landscape. Moreover, the presence of Texas Tech University Health Sciences Center and its School of Medicine further enhances the region's healthcare capabilities through education, research, and clinical training opportunities.



# SAN ANTONIO

The San Antonio MSA is a dynamic and diverse region located in south-central Texas. It encompasses Bexar County and includes the city of San Antonio, the seventh-largest city in the United States. Known for its rich history, vibrant culture, and strong military presence, San Antonio offers a wide range of opportunities for residents and businesses alike. The region's economy is diverse, with key industries including healthcare, tourism, technology, and military defense. San Antonio is home to several renowned healthcare institutions, such as the South Texas Medical Center, which is a hub for advanced medical research and services. Additionally, the city is a popular tourist destination, boasting attractions like the historic Alamo, the River Walk, and numerous cultural festivals. With its strategic location and thriving economy, the San Antonio region continues to attract businesses, professionals, and visitors seeking a high quality of life in a dynamic urban setting.

Jourdanton is a small city located in Atascosa County, Texas. Situated approximately 35 miles south of San Antonio, Jourdanton serves as the county seat and is part of the San Antonio MSA. With rich history and an economy largely driven by agriculture and oil and gas production, Jourdanton offers a small-town atmosphere with convenient access to the amenities and opportunities of a larger urban center.







# SUN CITY PORTFOLIO

EL PASO & SAN ANTONIO METROPOLITAN AREAS

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