

Healthcare Realty Trust Spends \$121M on Medical Office Buys in Virginia, Indiana and Georgia

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NASHVILLE—Locally-based Healthcare Realty Trust Inc. reports it has acquired four medical office buildings in three transactions for an aggregate price of \$121 million.

The REIT states that it primarily funded the purchases with the net proceeds of \$115.9 million from the company's equity offering completed on March 19.

Healthcare Realty Trust closed on two transactions on March 28. The firm purchased a multi-tenant medical office building on the campus of Indiana University Health's Methodist Hospital in Indianapolis for \$47 million. The 143,499-square-foot building is 100% leased.

The same day the company acquired two multi-tenant medical office buildings on the campus of Inova Health System's Fair Oaks Hospital, in the Washington, D.C. area for \$46 million. These buildings total 158,338 square feet and were 72.8% leased in the aggregate.

On April 2, Healthcare Realty acquired a multi-tenant medical office building adjacent to Piedmont Hospital in the Buckhead area of Atlanta for \$28 million. The 47,936-square-foot building is 100% leased.

In the aggregate, the four buildings are 87.7% leased and were acquired at an average capitalization rate of 5.3%. The properties expand Healthcare Realty's presence in three of its top markets and extend its relationships with three market leading, investment-grade health systems.

The newly acquired properties in Fairfax, VA were sold to Healthcare Realty by **Seavest Healthcare Properties** of White Plains, NY. Commercial brokerage firm Avison Young's Jim Kornick, Chip Ryan and Michael Yavinsky, principals, and Georgiana Condoiu, VP, in Avison Young's Washington office; as well as Mike Wilson and Erik Foster, principals, and Mark Johnson, EVP President, in the firm's Chicago office, represented Seavest in the transaction.

Jonathan Winer, chief investment officer of Seavest, says that after the firm acquired the buildings at 3650 and 3700 Joseph Siewick Drive in separate transactions in 2016 and 2013, it invested more than \$1.7 million in renovations. Capital improvements included



Seavest Healthcare Properties of White Plains, NY sold the two-building medical office complex in Fairfax, VA to Healthcare Realty Trust for \$46 million.

upgrading the buildings' lobbies, restrooms and common areas, updating the mechanical systems, and completing a newly renovated clinical timeshare suite.

Seavest VP Malika Basheer adds that the company also rebranded the two adjacent properties as a single outpatient healthcare destination: The Patient Care Centers at Inova Fair Oaks.

"Our renovations, the buildings' strategic location in the center of Fairfax County, plus the medical office buildings' location on the campus of the highly regarded 182-bed hospital, create an ideal destination for doctors and patients alike," says Basheer. "We expect that all of this will position the new owner for long-term success."

The two buildings flank the 182-bed Inova Fair Oaks Hospital, an acute-care hospital offering a wide range of services including 24-hour emergency care, technologically advanced radiology and laboratory services. The hospital is well known for its state-of-the-art cancer care and the Inova Birthing Center. Spine, weight loss, joint replacement and minimally invasive surgery are among the surgical specialties supported by advanced diagnostic imaging.

John Jordan is a veteran journalist with 36 years of print and digital media experience.