

7 CLASS A MEDICAL OFFICE PROPERTIES

ANCHORED BY DENTAL CARE ALLIANCE

Hampton Roads, Virginia

de **DIVARIS**
REAL ESTATE, INC.



EXECUTIVE SUMMARY

Divaris Real Estate, Inc., as exclusive representative to the owner, is pleased to offer for sale the fee simple interest in seven best-in-class medical office buildings, located in the cities of Virginia Beach, Chesapeake, and Suffolk, Virginia. These investment properties are available for purchase individually.

The primary tenant, Dental Care Alliance (d/b/a Konikoff Dentistry and Klar Holmes Orthodontics), comprises 64.8% of the portfolio. Formed in 1991, Dental Care Alliance is one of the largest multi-branded dental support organizations in the country, with over 400 allied practices and nearly 900 dentists across 24 states.

High Credit Tenancy

The anchor tenant of the portfolio, Dental Care Alliance, accounts for 64.8% of its gross leasable area. Harvest Partners, LP, an established private equity fund with a 40-year history and more than \$10 billion in aggregate capital commitments, acquired Dental Care Alliance in July 2015. In May 2022, Harvest sold a 50% stake in Dental Care Alliance to Mubadala Investment Company, a \$284 billion sovereign investor spanning six continents. The deal valued Dental Care Alliance at approximately \$2 billion.

Other best-in-class tenants in the portfolio include Sentara Healthcare, Bayview Medical Center, and Chesapeake Regional Healthcare.

Stabilized Rent Roll

Each tenant in the portfolio is under long term lease at market rates. The weighted average lease term (WALT) remaining averages approximately 6 years across the portfolio. 2.5 to 3.0% annual escalations across the portfolio ensure strong NOI growth.

Strong, Stable Medical Office Market

With its diverse economy powered by the defense industry, tourism and the Port of Virginia, Hampton Roads has long been known as a safe, stable market for investment. While many markets have languished following the pandemic, Hampton Roads has maintained strong occupancy and rental rates.

Medical office product in the area has consistently been in high demand, with low vacancies and rising rental rates. Property trades have averaged north of \$400 per square foot, with cap rates in the low 5% range.

Irreplaceable Locations

Each building in the portfolio is strategically positioned in a high traffic location within its respective submarket with distinctive, modern build outs reflective of Konikoff Dentistry's reputation as the top dental provider in the Hampton Roads MSA.

No Existing Debt

The properties are offered free and clear of any existing debt obligation.

OVERLAP



