Transwestern
HEALTHCARE CAPITAL MARKETS GROUP

Confidential Offering Memorandum

The Hills Austin Medical Buildings

4613 & 4701 Bee Caves Rd, Austin, Texas

Disclaimer

Transwestern ("Agent") have been engaged as an agent for the sale of the The Hills Austin Medical Buildings ("Properties"), by the owner of the Properties ("Seller"). The Properties is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.

The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Transwestern as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein.

Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Properties. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Properties from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Properties and/ or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Properties unless and until a binding written agreement for the purchase of the Properties has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived. By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Properties directly or indirectly regarding any aspect of the enclosed materials or the Properties without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Transwestern.

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CLICK HERE TO ACCESS PROPERTY INFORMATION

The Offering

Transwestern Healthcare Capital Markets ("Transwestern") is pleased to offer for sale the fee simple interest in The Hills Medical Buildings, composed of two medical outpatient buildings totaling 55,520 square feet located at 4613 and 4701 Bee Caves Road, Austin, Texas 78746 (individually the "Property' or collectively the Properties"). The two-story Properties are adjacent with adjoining parking lots situated along one of Austin's most heavily traveled and commercially vibrant corridors. They are positioned at a rare, lighted intersection in the heart of the Westlake community, one of the most affluent submarkets in all of Texas.

The Properties are 92% occupied by a diversified tenant roster of 13 tenants that benefit from the surrounding strong demographic residential housing in Southwest Austin. The Properties are anchored by the Westlake Hills Surgery Center and their affiliated practice while also including high acuity clinical users, including a dermatology practice and a breast center. The Properties operate under net lease structures with a weighted average lease term remaining of over 4 years with the average rent in-place 11% below current market rental rates within the vibrant Westlake community.

The Hills Medical Buildings offer scale with a year one net operating income projected at $1,430,679 to be invested within the Austin MSA that now exceeds 2.3 million people and remains one of the nation's fastest-growing cities. The properties feature fee-simple ownership and are available free and clear of debt.

4613 Bee Caves Road

4701 Bee Caves Road

Investment Highlights

Premier Westlake Location in Austin's Most Affluent Submarket

- Situated along Bee Caves Road at a rare, signalized intersection providing exceptional access for physicians and patients alike, and visibility along one of Austin's most heavily traveled corridors with average vehicle count of 40,000 vehicles per day.
- Austin is now the 25th largest metro with a population of approximately 2.3 million and continued net in-migration reinforces sustained demand for outpatient healthcare services in the region.
- Major health systems are actively expanding in Austin: St. David's HealthCare is executing a $180 million expansion at South Austin Medical Center; UT Health Austin with MD Anderson is developing a $2.5 billion medical center; and Texas Children's Hospital recently completed a new 365,000 SF facility in North Austin.
- Two adjacent off-campus medical buildings located in Westlake, one of the most affluent neighborhoods in Austin, with a median household income of $203,000 within a one-mile radius
- Extremely difficult to replace with fee-simple ownership on infill sites that offer ample parking at a ratio of over 4.7 spaces per 1,000 square feet.

Diversified Tenant Roster

- The buildings are home to 13 unique tenants across both buildings, spanning a range of high-acuity medical specialties, including: ambulatory surgery, plastic surgery, dermatology, optometry, physical therapy, cardiology, and facial plastic surgery.
- All-net lease structure across the buildings reduces tax reassessment and expense inflation risk to investors, providing predictable cash flow with built-in annual rent escalators.
- 82% of the rent roll is occupied by clinical medical tenants whose extensive infrastructure investments, including surgical suites, procedure rooms, and specialized plumbing and electrical, create high switching costs and an above-average likelihood of renewal.
- The only non-clinical user is the Fusion Academy Bee Caves that is part of the Fusion Education Group (80 locations) that benefits from the area demographics that often compliment medical specialists within the Properties.

Strong Medical Building Fundamentals

- The two buildings total 55,520 SF, a unique offering in a supply-constrained Westlake Submarket
- The combined WALT is approximately 4 years, offering reliable cash flow and passive ownership to investors while offering market-to-market opportunity for many in-place rents below market.
- The parking ratio of the two properties is 4.7 spaces per 1,000 square feet that meets or exceeds the market standard for medical outpatient assets within the Westlake area.
- Ease of management and leasing with the assets being adjacent, reducing costs for new ownership groups
- Ownership has invested over $390,000 in capital expenditures since 2020, addressing major building systems and reducing near-term capex risk for incoming ownership.

4613 Bee Caves Road & 4701 Bee Caves Road

Value-Add Pathway Through Leasing and Rent Growth

- 3,175 SF of first-floor clinical space at 4613 Bee Caves Road will become available upon St. David's Rehabilitation's lease expiration in October 2026, providing new ownership meaningful lead time to execute a long-term re-lease to a clinical user.
- The building's in-place rents are approximately 11% below current market rates, providing a clear path to NOI growth through lease renewals and new leasing at market.
- The weighted average lease term of four years provides investors with a near-term opportunity to reset rents to market across the rent roll as leases roll, driving meaningful NOI growth over a five-to-seven-year hold period.

Premier Class A Properties on Bee Caves Road

4613 Bee Caves Road was built in 2007 as the first phase of a medical outpatient development intended to capitalize on an ideal location in the Westlake corridor. 4701 Bee Caves Road was subsequently built in 2014 to meet the high growth in Austin, Texas. Each of the buildings was designed with subterranean parking in addition to ample surface parking. Patients and staff would enter the site from a lighted intersection greeted by a large monument sign. Both buildings feature contemporary design elements with modern architectural features including awnings, window sunshades and stone accents to provide an inviting look. The Properties are two-stories offering 55,520 square feet with central lobbies and efficient rectilinear floor plans.

High Quality Tenancy Mix

The Properties are currently 92% occupied with existing tenancy having been in place for an average of 8 years. The WALT is approximately 4 years for the Properties, providing new ownership the opportunity to capitalize on rising rental rates in the market due to demographic growth. The average in-place rent of the Properties is $29.81 PSF, which is approximately 11% below current market rates. Each of the leases are net that include annual rental increases, typical at 2.75% throughout the rent roll. The tenants at the property include a high quality mix of specialties including cardiology, dermatology, optometry, breast center, and plastic surgery.

Westlake Hills

The Hills Medical Buildings are located 6 miles Southwest of downtown Austin in a suburban submarket known as Westlake, one of the most affluent and supply-constrained submarkets in the Austin metropolitan area. Within a one-mile radius of the Properties, the median household income exceeds $203,000, nearly three times the Texas state median. Housing prices within the Westlake area are consistently over $1 million with highly sought-after school districts that continue to attract high demographic residents to the area. Affluent residents surrouding the Properties are a direct feeder to the tenants that will seek medical care in close proximity to their residence.

Austin Market

As of early 2026, the Austin-Round Rock-San Marcos metropolitan area population is estimated to be over 2.5 million residents. It is one of the fastest-growing metro regions in the U.S., adding over 260,000 people since 2020 and currently ranking as the 25th most populous metro in the country. Healthcare has emerged as one of Austin's fastest-growing sectors of the economy with over 50 hospitals, including specialized facilities like Dell Children's Medical Center and a leading medical school at The University of Texas at Austin. Economically, Austin stands out as one of the fastest growing large metros in the nation, with low unemployment and a GDP of approximately $248 billion having grown nearly 40% since 2018, one of the highest growth rates nationally.

55,520
square feet

92% occupancy
to 13 tenants

High median income
over $200,000

High growth
Austin MSA

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Transwestern

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PROCESS & OFFER INSTRUCTIONS

Offer Guidelines: Offers should be submitted electronically to Steve Leathers at steve.leathers@ transwestern.com.

Include the following information:

- The price and closing costs
- The source of purchaser's equity and debt capital
- The amount of proposed earnest money deposit
- Proposed due diligence period and subsequent closing period
- A description of major assumptions reflected in the price being offered
- A list of any committee approvals required to close the transaction

Timing: Buyers will be notified by Transwestern of the call for offers date.

Property Tours:

All site visits will be made by appointment only. Inquiries for tours as well as requests for additional information should be made through the Transwestern Office, by contacting Seth Gilford at seth. gilford@transwestern.com, Steve Leathers at steve.leathers@transwestern.com, and Bill Boyd at bill.boyd@transwestern.com. Transwestern will assist prospective purchasers to arrange property inspections and will answer questions regarding the Offering Memorandum