



Accelerating success.

Offering Memorandum | Medical Office Condo
77 Thomas Johnson Drive
Frederick, MD 21702

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Investment Highlights

77 Thomas Johnson is well located in the heart of the medical community of Frederick within steps of the Frederick Memorial Hospital campus; and has been fully occupied by its current occupants, Simmonds/Advantia for the past approximately ten (10) years. Simmonds/Advantia is known as the preeminent OBGYN practice serving the Frederick community. With established affiliations throughout the suburban Maryland marketplace; Simmonds has recently invested significant capital in renovating and expanding the property and intends on continuing to serve its community for the long term from this primary location. Advantia has over five years remaining on its lease, and the Frederick location is currently the most active for the practice; with significant growth anticipated as the Frederick marketplace continues to thrive and prosper. The Thomas Johnson medical community located to the north of Frederick proper continues to be one of the most active medical markets in suburban Maryland. 77 Thomas Johnson has been fully improved and continues to serve the practice's needs for the foreseeable future.

Total Space Area:

3,750 SF

Year Renovated:

2016

Lease Expiration Date:

June 30, 2026

July 1, 2021 NNN Income:

\$146,449

Rental Rate:

\$39.05 PSF

Asking price:

\$2.2M



77 Thomas Johnson Drive's strategic positioning offers the following advantages to its occupants:



Close proximity to Route 15, I-70 and I-270



Hood College and Downtown Frederick within 3 miles



Abundant restaurants and retailers in close proximity



Mature and established marketplace



Simmonds, Martin & Helmbrecht

Meet the Team



About

Our practice was founded in the Washington Metropolitan area by Dr. Brockett Muir Jr. in 1970. A tradition of great medical care was established by emphasizing strong personal relationships between patients and physicians. As time would tell, we understood that this relationship combined with a constant effort to update our skills and services was the source of our practice's success. In the 40+ years since, the changes in healthcare have been quite a challenge, but we have negotiated these difficult waters with additions to our group in both personnel and skills which have expanded our traditions and our success.

Our practice is dedicated to continuing medical education and training, and we offer many onsite services including high definition ultrasound, minimally invasive surgery, operative hysteroscopy, and comprehensive antepartum testing. To better serve all of our patients, we were the first OB-GYN practice in the area to begin using an Electronic Health Record (EHR). This has allowed us to improve both the timeliness and completeness of our care for all of our patients. In order to better understand our patients' needs and our performance, we have contracted with a professional survey company for many years in order to obtain your opinions of us.

We believe that it is our constant effort to improve which distinguishes our practice from the rest. And the work of improvement is never finished.

Services

- In-office lab services (provided by LabCorp)
- High Risk Obstetrics
- Ultrasonography
- Vaginal Birth After Cesarean (VBAC)
- Midwifery Care Services
- Minimally Invasive Surgery
- Genetic Screening
- Laparoscopic and Vaginal Hysterectomies
- Urinary Incontinence Treatment
- Vaginal Rejuvenation
- Menopause Counseling and Care
- Office Endometrial Ablation
- Office Tubal Sterilizations
- Contraceptive Management
- Basic Infertility
- Menstrual Irregularities
- Fibroid Treatments
- Teen Counseling
- STD Screening and Treatment
- Abnormal Pap Smear Care
- Well Woman Care
- Mental Health Counseling

Advantia Health

About

We're building a better way of delivering healthcare that supports the needs of you and your loved ones by integrating other key services into our OB-GYN practices. This means that instead of sending you off to another office across town, most of the time we can refer you to another Advantia doctor located just down the hall. It's like having your own personal team of doctors, all in one place.



www.advantiahealth.com



Services

OB-GYN

When you find a really good OB-GYN, it's a doctor-patient relationship that you just don't find anywhere else. This is why OB-GYN practices are at the heart of Advantia, supported by a team of talented, trusted professionals across a wide range of disciplines to serve your every need.

Primary Care

We're not just here for when you're feeling under the weather. Our primary care physicians take a more active role in your health and well-being, helping you to make lifestyle changes and preventive steps to nip small issues in the bud before they become long term problems.

Mental Wellness

We take an active role in your entire well-being, such as simple ways to manage stress and keep you centered. For more complex problems, our physicians are trained to spot the early warning signs and refer patients to our mental health professionals.

Specialist Care

We are continually expanding our team to include first-class women's health specialists including Gynecological Oncology, and Urogynecologists. Not only that, we will soon be introducing pediatrics into our care, making it even easier to get the help you need simply and conveniently.

Leadership Team

Vincent Bradley
Chief Executive Officer

Jim Spellmire
Interim Chief Financial Officer

Brandie Kalinowski
SVP, Human Resources

Dr. Meera Garcia
Chief Medical Officer

Ben Lundin
Chief Strategy Officer

Matt Pencek
SVP, Corporate Development

Hypothetical Pro Forma Investment Summary

Hold Period	5 Years
Estimated Cap on Income	6.70%
Estimated Purchase Price	\$2,185,806
Debt	70% \$1,530,064
Equity	30% \$655,742
Estimated Debt Constant	6.00%
Year 1 Commencement	July 1, 2021

	Inception	2021	2022	2023	2024	2025	2026	2027
Advantia**		\$146,449	\$150,842	\$155,368	\$160,029	\$164,830	\$169,775	\$174,868
Total NNN Income		\$146,449	\$150,842	\$155,368	\$160,029	\$164,830	\$169,775	\$174,868
Sale Value							\$2,914,463	
Debt		\$(91,804)	\$(91,804)	\$(91,804)	\$(91,804)	\$(91,804)	\$(91,804)	
Capex Reserve		\$(1,875)	\$(1,931)	\$(1,989)	\$(2,049)	\$(2,110)	\$(2,174)	
Debt Payoff (IO)*							\$(1,530,064)	
Total Cash Flow	\$(655,742)	\$52,770	\$57,107	\$61,575	\$66,176	\$70,915	\$1,460,196	

*Debt simply assumes IO for 5 years

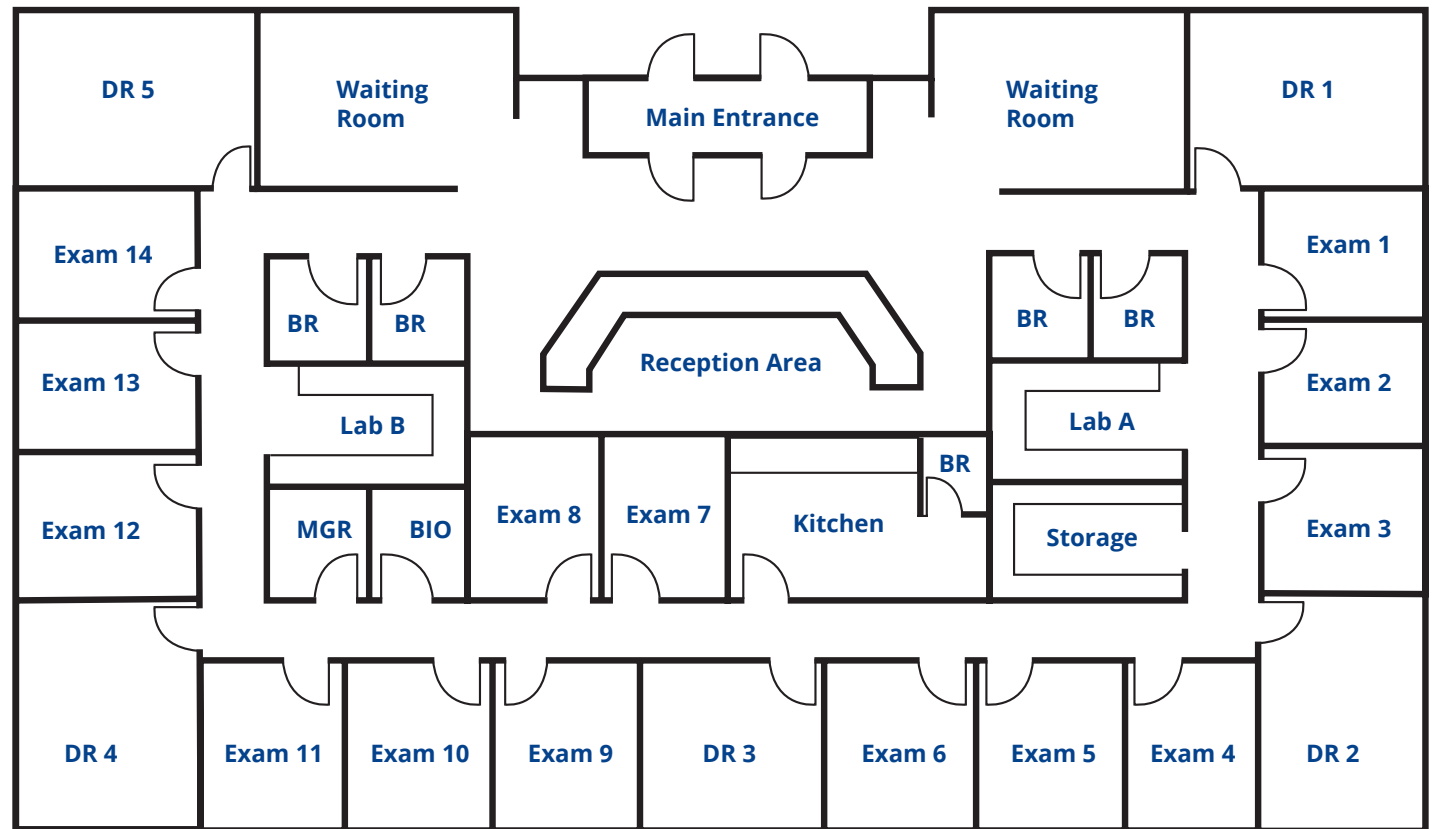
**Assumes Advantia renews at the end of the current lease

IRR 20.46%

Rental Rate \$39.05



Floor Plan



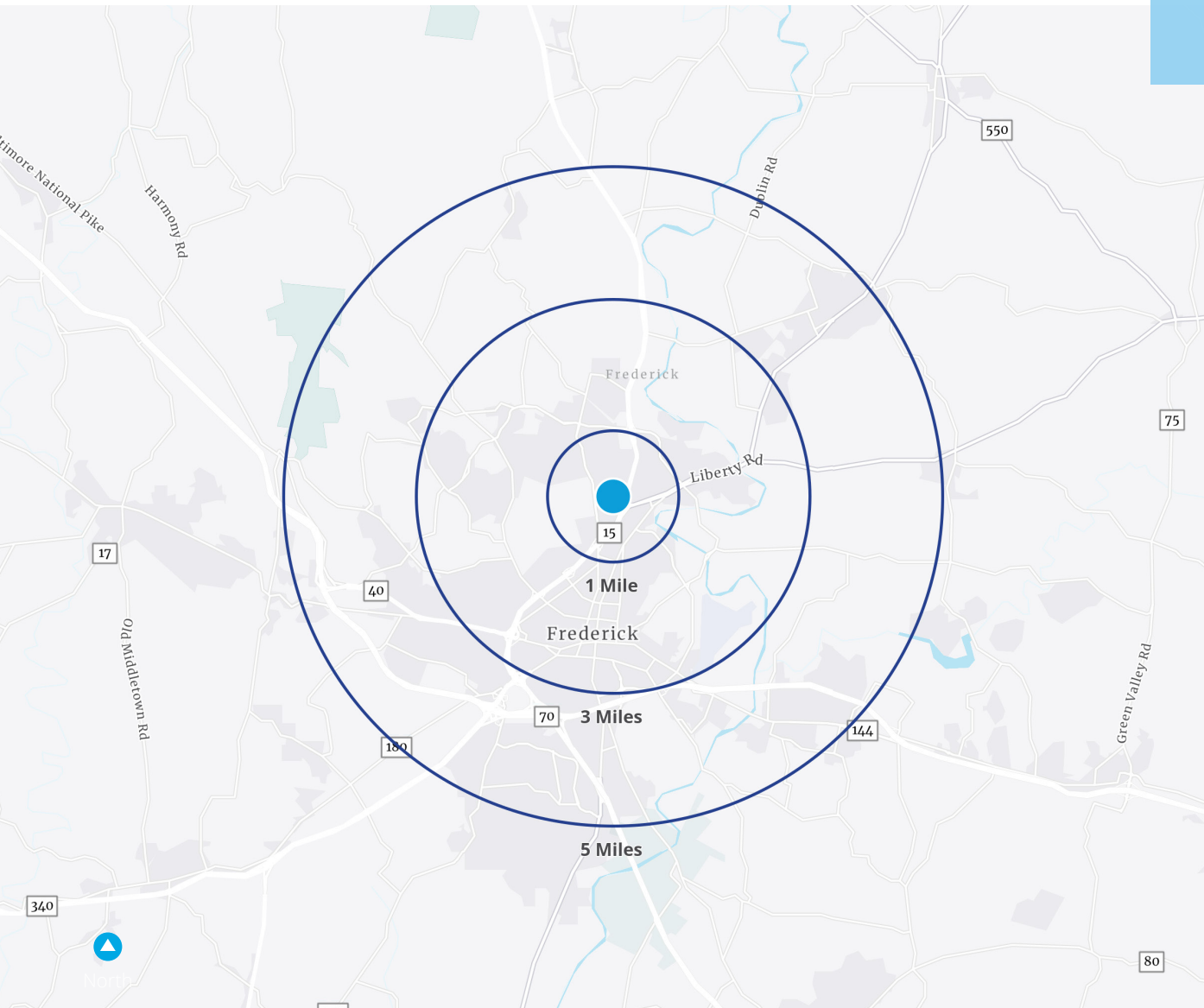
Property Photos

Clockwise from top:

- Office
- Medical Examination Room
- Kitchen
- Office



Area Map








Demographics

1,3,5 Miles

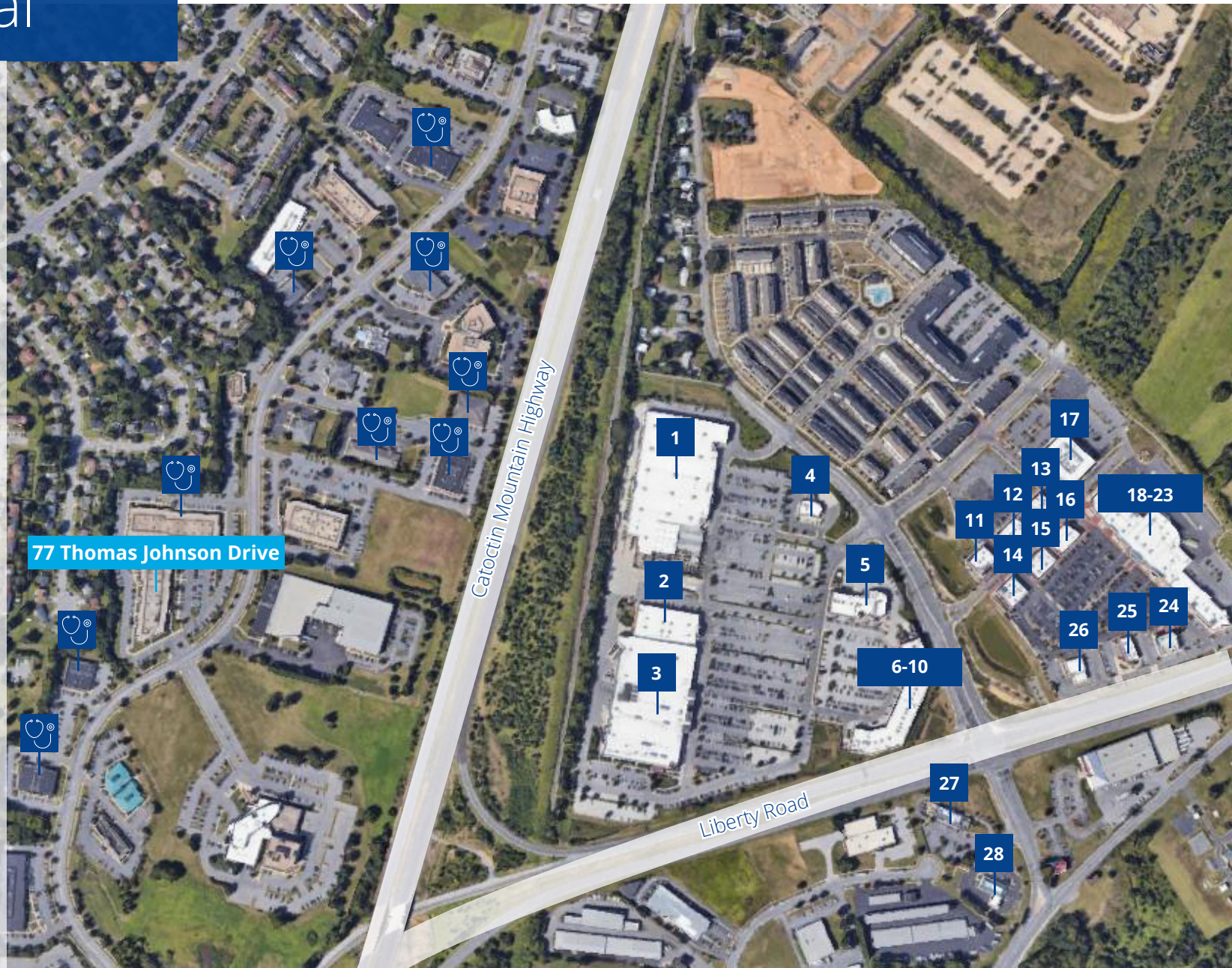
	1 Mile	3 Miles	5 Miles
Total Population	6,504	63,880	119,994
Median Age	37.9	39.2	38.5
Average Household Income	\$92,615	\$106,191	\$106,941
Daytime Population	9,088	73,004	127,141

5 Mile Highlights

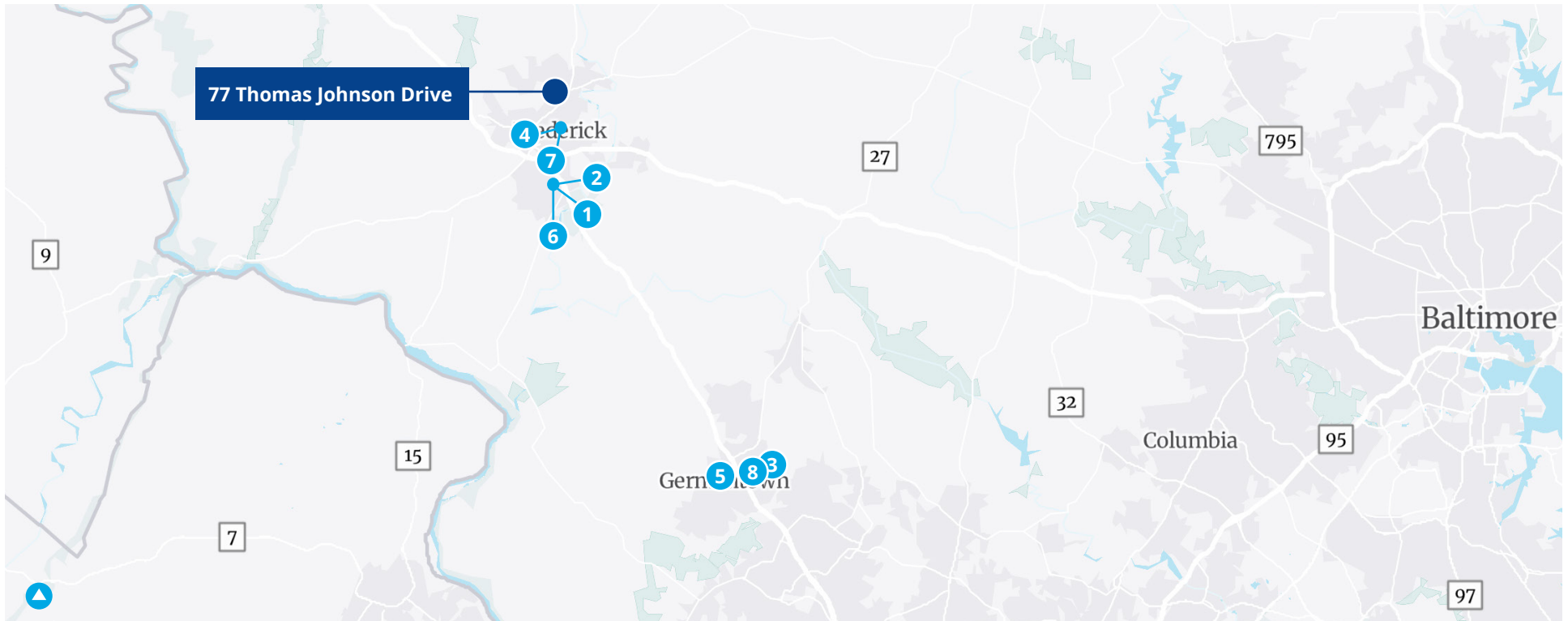
 Current Total Households 46,366	 Total Employees 74,322	 Median Home Value \$297,241
 Owner Occupied Housing Units 64.1%	 Annual Household Spending \$90,725	

Retail Aerial

1	Lowe's
2	Marshalls
3	Wegmans
4	Wells Fargo
5	Madrones
6	Coal Fire Pizza
7	UPS Store
8	Sport Clips
9	Navy Federal
10	Chipotle
11	Quickway Hibachi
12	Tropical Smoothie Cafe
13	Black Hog BBQ & Bar
14	Noodles & Company
15	Buffalo Wild Wings
16	Shoe Fly Frederick
17	Onelife Fitness
18	Pro Martial Arts
19	Candle Day Spa
20	HomeGoods
21	PetSmart
22	Advance Auto Parts
23	Mattress Firm
24	IHOP
25	McDonald's
26	Bank of America
27	Burger King
28	M&T Bank



Lease Comparables



#	Property Location	Tenant Name	SF	Term	Base Rent	Lease Type	Rent Schedule	Sign Date
1	5285 Westview Drive	Caliber Home Loans Inc.	2,719 SF	5y 3m	\$24.00 (Annual)	New Lease	2.75%	2020 Q3
2	5275 Westview Drive	Prodebtco	5,757 SF	5y 5m	\$23.25 (Annual)	New Lease	3.00%	2020 Q1
3	20410 Observation Drive	Little Leaves Early Learning	10,075 SF	10y	\$22.75 (Annual)	New Lease	3.00%	2019 Q4
4	5285 Westview Drive	Centric Business Systems	3,400 SF	5y	\$24.00 (Annual)	New Lease	3.00%	2019 Q3
5	20251 Century Boulevard	Tetra Tech	6,191 SF	3y 3m	\$25.00 (Annual)	Extension	-	2019 Q3
6	5202 Presidents Court	Rockdove Solutions	2,126 SF	5y 7m	\$22.00 (Annual)	New Lease	3.00%	2019 Q2
7	12 West Church Street	McShea Properties	910 SF	3y	\$29.67 (Annual)	New Lease	3.00%	2019 Q2
8	20300 Seneca Meadows Parkway	Nextar Broadcasting	1,203 SF	2y	\$26.00 (Annual)	Renewal	3.00%	2019 Q2

Sale Comparables



#	Property Location	Sale Price	Buyer	Seller	Building Size	Lot Size	Price/SF	Sale Date
1	20629 Boland Farm Rd, Germantown, MD	\$1,400,000	Way Station Foundation	Farsa Asghar & S li	11,300 SF	.56 AC	\$123.89	9/28/2020
2	2901 Olney Sandy Spring Road, Olney, MD	\$1,375,000	T.D. Olney LLC	Mima Associates	4,000 SF	.21 AC	\$343.75	7/15/2019
3	45 Thomas Johnson Drive, Frederick, MD	\$12,479,000	Welltower Inc	CNL Healthcare Properties	57,407 SF	4.12 AC	\$217.38	5/15/2019
4	194 Thomas Johnson Drive, Frederick, MD	\$5,889,000	Welltower Inc	CNL Healthcare	25,000 SF	2.16 AC	\$235.56	5/15/2019
5	5291 Corporate Drive, Frederick, MD	\$4,500,000	THMED	Wormald Westview LLC	26,624 SF	2.19 AC	\$169.02	7/16/2018
6	15001 Shady Grove Road, Rockville, MD	\$17,459,289	MedProperties Realty Advisors	Harrison Street Capital	55,060 SF	2.79 AC	\$317.10	5/23/2018
7	15005 Shady Grove Road, Rockville, MD	\$15,290,711	MedProperties Realty Advisors	Harrison Street Capital	52,167 SF	2.78 AC	\$293.11	5/23/2018
8	187 Thomas Johnson Drive, Frederick, MD	\$2,750,000	Robinwood Orthopaedic	Dr. Charles Kim	17,636 SF	1.05 AC	\$155.93	9/26/2017

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