

KINDRED HOSPITAL

1550 First Colony Blvd, Sugar Land, TX 77479



Offered Exclusively by

Points of Contact

Walker Pennington

M +1 832 978 4271

walker.pennington@jll.com

Michael Schwartz

M +1 713 425 5847

michael.schwartz@jll.com



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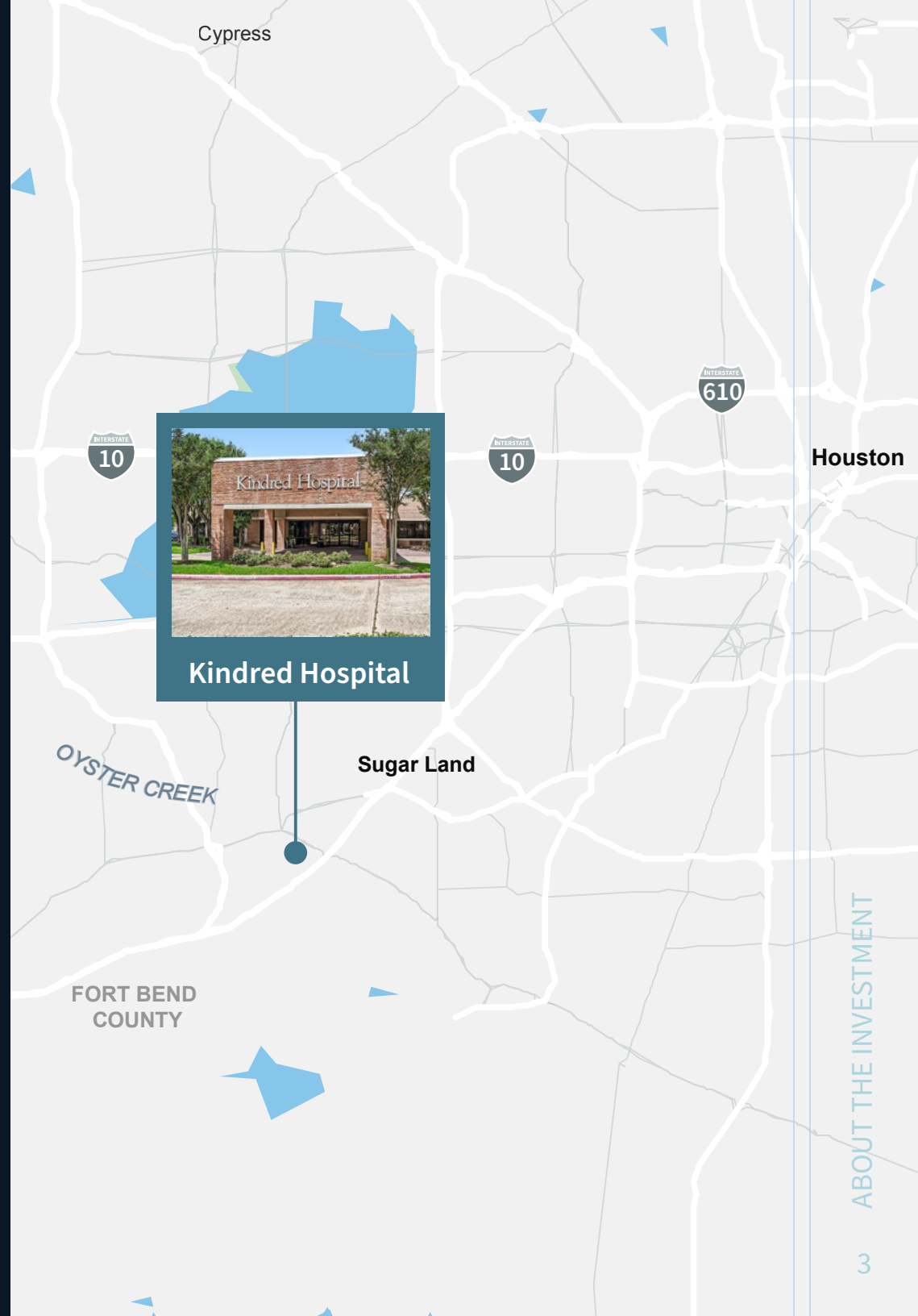
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Property Overview

PRICE: UNPRICED

| | |
|------------------------------------|--|
| LOCATION | 1550 First Colony Blvd, Sugar Land, TX 77479 |
| PROPERTY USE | Long Term Acute Care Hospital |
| TENANCY | Single |
| OWNERSHIP INTEREST | Fee Simple |
| YEAR BUILT | 1989 |
| RBA (SF) | 67,500 SF |
| BED COUNT | 91 beds |
| OCCUPANCY | 100% |
| INITIAL LEASE COMMENCEMENT | October 1, 2002 |
| CURRENT LEASE COMMENCEMENT | March 1, 2024 |
| CURRENT LEASE EXPIRATION | February 28, 2029 |
| CURRENT RENT | \$2,014,200 |
| RENTAL INCREASE | 3.0% annually |
| EXPENSE STRUCTURE | Absolute NNN |
| LANDLORD OBLIGATIONS | None |
| TENANT OBLIGATIONS/ REIMBURSEMENTS | Roof, structure, parking, Pro rata share of taxes, utilities, CAM, insurance, and HVAC |



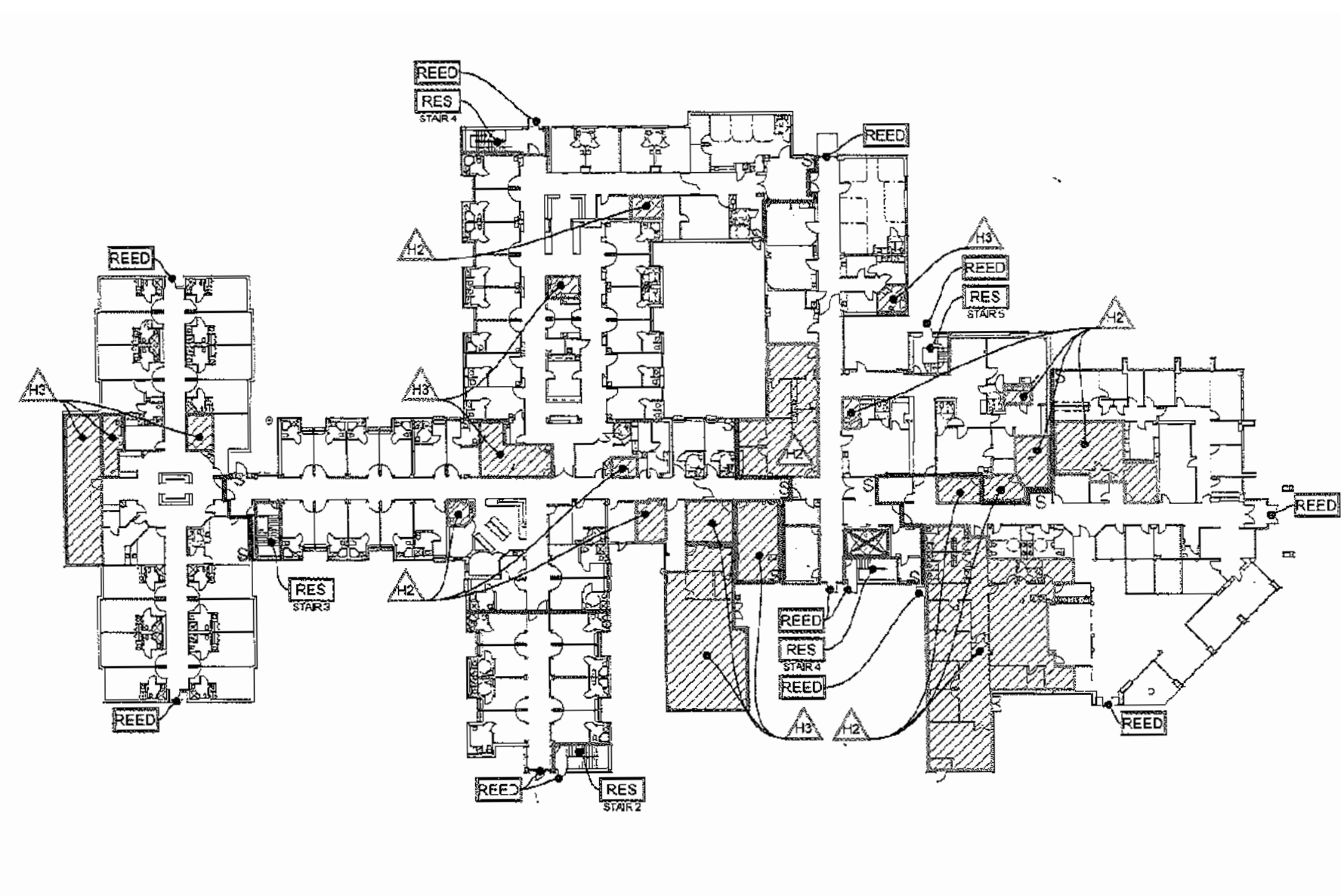
Subject Property Exteriors Photos



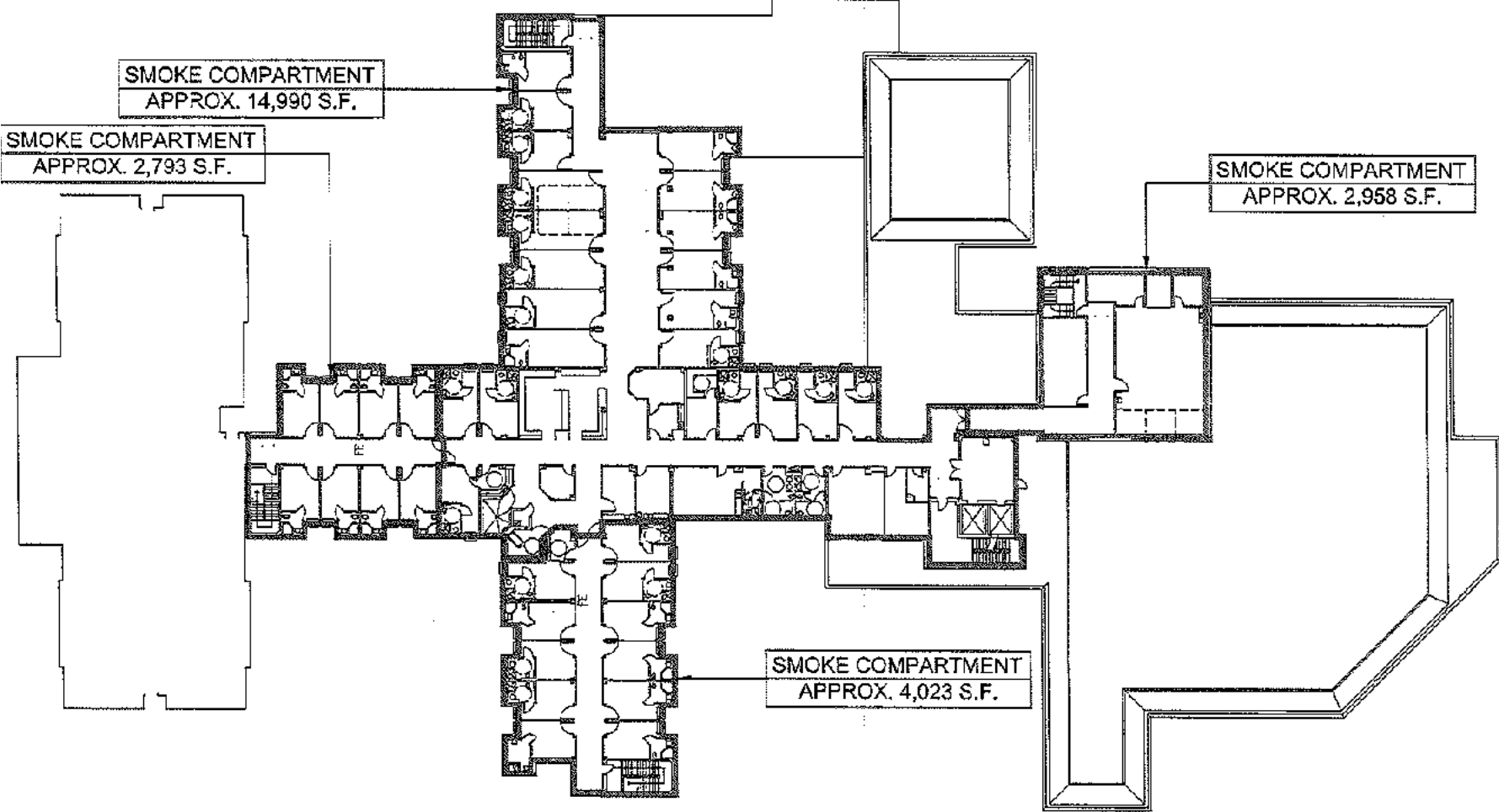


ABOUT THE PROPERTY

Floor 1 Plan



Floor 2 Plan



Tenant Overview



Kindred Healthcare, Inc. is a healthcare services company that has been operating this long-term acute care (“LTAC”) hospital since 2002.

Kindred LTAC hospitals cater to medically complex patients, often suffering from multiple organ system failures such as cardiovascular, pulmonary, kidney, gastrointestinal, and skin conditions. The company’s core competency lies in treating conditions like cardio-pulmonary disorders, skin and wound conditions, and life-threatening infections. Admitting patients who have undergone major surgical procedures or experienced neurological disorders, Kindred Healthcare offers comprehensive and coordinated medical interventions across all affected organ systems while maintaining a patient centered care plan.

Their LTAC hospitals offer the same in-depth care you would receive in a traditional hospital or intensive care unit, but for an extended recovery period. They partner with your physician and offer 24-hour clinical care seven days a week so you can start your journey to wellness.

Research shows that Kindred hospitals, which are certified by Medicare as long-term acute care hospitals, provide clear clinical benefits in supporting recovery and wellness. Additionally, their clinical experts are specifically trained to treat a wide range of intensive and medically complex needs.

With a comprehensive program of care, Kindred Healthcare’s LTAC hospitals employ interdisciplinary teams, including physician specialists, to evaluate and treat patients upon admission. These LTAC hospitals offer a range of services required for the care of medically complex patients who require a high level of monitoring and specialized care while not needing the services of a traditional intensive care unit. By providing high-quality and cost-effective care, Kindred Healthcare ensures that patients with severe medical conditions that are periodically or chronically unstable receive the necessary treatment in a suitable post-acute setting. These LTAC hospitals utilize an interdisciplinary approach to treatment, involving disciplines such as pulmonary medicine, infectious disease, and physical medicine, to deliver superior outcomes and a higher level of care to their patients.

In addition to their LTAC hospitals, Kindred Healthcare also operates inpatient rehabilitation hospitals (IRFs) that offer intensive rehabilitative care to patients with significant physical disabilities. These IRFs aim to help patients regain functionality and independence through nursing and therapy services. The interdisciplinary treatment provided by Kindred Healthcare’s IRFs follows local, state, and federal regulations, as well as accreditation standards, ensuring compliance and quality of care. While their LTAC hospitals are the primary focus of Kindred Healthcare, their IRFs extend their commitment to patient-centered care and superior outcomes through personalized treatment plans and interdisciplinary support.

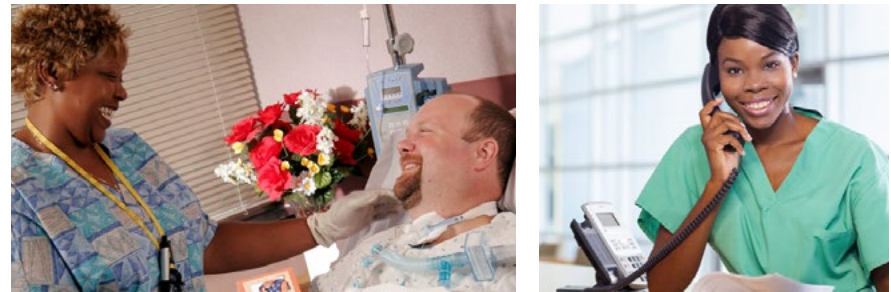
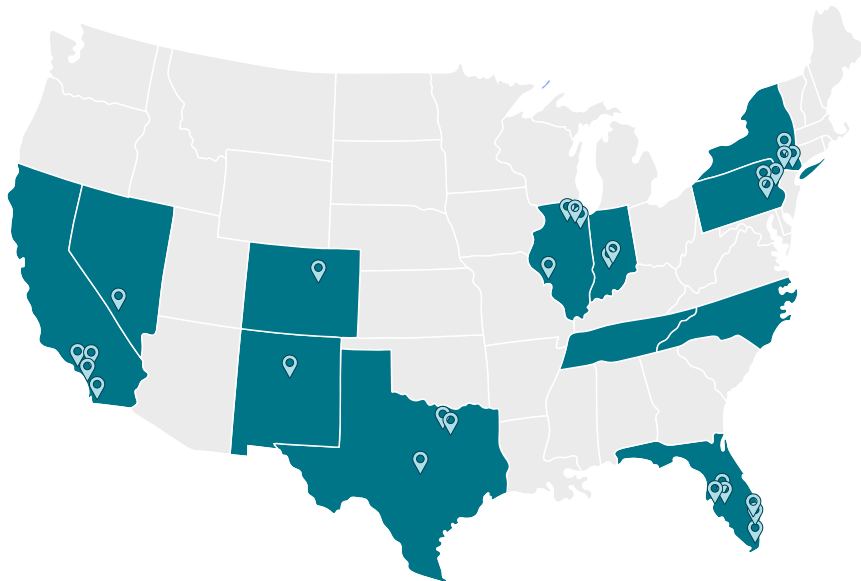
Corporate Structure



SCIONHEALTH SUMMARY:

ScionHealth emerged from a strategic restructuring in December 2021, when Lifepoint Health, following its acquisition of Kindred Healthcare, realigned some of its existing hospitals and those acquired from Kindred into a new entity. This move was aimed at optimizing healthcare delivery by leveraging the strengths of both Lifepoint and Kindred's assets, creating a new healthcare system with a focus on long-term and specialty care. ScionHealth, now operating with a portfolio of approximately 76 specialty hospitals, 18 community hospitals and 7 senior living communities across various states, represents a significant development in the healthcare landscape, offering specialized services to meet diverse patient needs. The formation of ScionHealth reflects a forward-thinking approach to healthcare management, emphasizing the importance of adaptability and strategic growth in delivering quality care.

In December 2021, Lifepoint Health completed a strategic acquisition of Kindred Healthcare, marking a pivotal moment in the healthcare industry. This acquisition was part of a broader initiative to enhance healthcare delivery by combining Kindred's expertise in long-term care with Lifepoint's extensive hospital network. Despite facing challenges common in the healthcare sector, including regulatory scrutiny and the need for continuous improvement in patient care standards, Kindred Healthcare has remained committed to providing high-quality care to patients with complex medical conditions. The company's integration into Lifepoint and subsequent involvement in the creation of ScionHealth underscores its ongoing role in addressing the evolving needs of the healthcare community.



Submarket Overview

Sugar Land has appeared atop or near the top on multiple “best of” lists over the years, currently ranked as No. 5 on Livability’s list of best places to live in the country, and 17th in Fortune’s inaugural “25 Best Places to Live for Families” list. Sugar Land was also ranked as the number 9 safest city in Texas by SafeHome. com and was named one of America’s best small markets for business by Global Trade magazine. Sugar Land has the most master-planned communities in Fort Bend County, which in turn has the most master-planned communities in the nation, meaning 1550 First Colony has incredible access to one of the most populous and sought after workforces.

SUGAR LAND OVERVIEW

The City of Sugar Land is a full-service municipality providing award-winning police and fire protection, crime rates significantly lower than national averages, outstanding services with state-of-the-art facilities and utilities, an award-winning airport, and top-rated parks and recreation facilities. Sugar Land has continued to be one of the best places to live and work in the Houston MSA. Due to Sugar Land’s multiple top-ranked master-planned communities, the town has been on the list of numerous best places to live surveys, an achievement further validated by a population growth rate of 24% from 2010 to 2024. 1550 First Colony is surrounded by unmatched demographics evidenced by \$141K average household income within a five-mile radius and 40% of the population with a bachelor’s.

One of
America’s
best places
to live



Submarket Overview



HOUSTON METHODIST SUGAR LAND

Houston Methodist Sugar Land campus, the leading health system in the submarket, is experiencing growth with 19,277 discharges and a \$206 million expansion project set to add 466,565 s.f. of space and 324 operating beds by 2025.

\$679.6

Net Patient Revenue
(millions)

337

Staffed Beds



HOUSTON MEMORIAL HERMANN

Houston Memorial Hermann Sugar Land is undergoing a \$231 million expansion with a third medical plaza underway, adding 135,000 s.f. of medical office space, alongside a 150,000 s.f. hospital expansion. This project will enhance capabilities to serve the facility's 12,353 discharges.

\$298.3

Net Patient Revenue
(millions)

205

Staffed Beds



CHI ST LUKES HEALTH

Chi St. Luke's Health in Sugar Land is a trusted healthcare provider, offering comprehensive medical services and expert care. Located on Lake Pointe Parkway, the UT MD Anderson Sugar Land location also operates within the renowned St. Luke's Sugar Land hospital campus.

\$84.9

Net Patient Revenue
(millions)

100

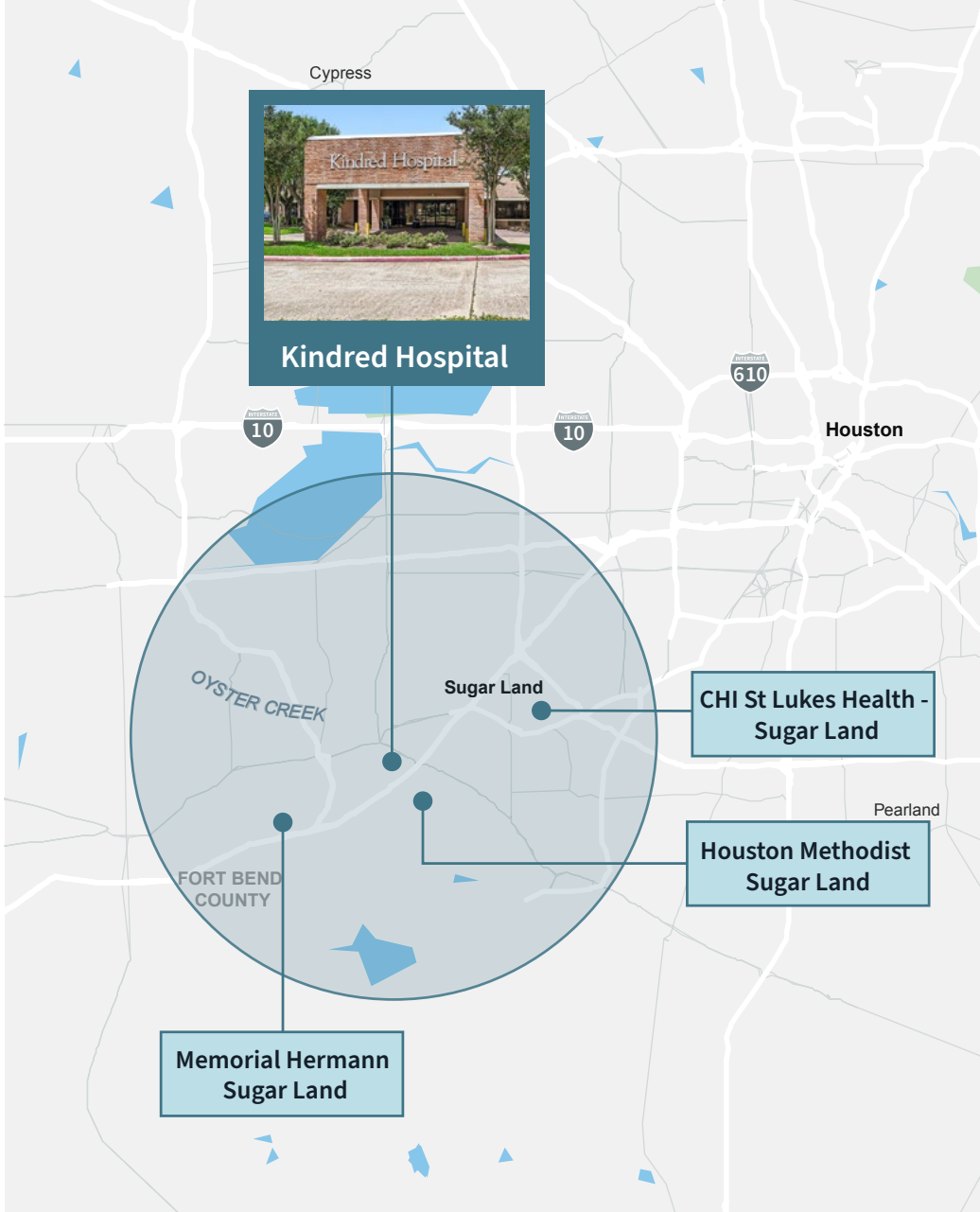
Staffed Beds

Demographics

| 5-MILE RADIUS POPULATION (2023) | |
|---------------------------------|-----------|
| Total Population | 221,212 |
| 2023-2028 Population Growth | 0.74% |
| Households | 74,393 |
| Total Housing Units | 78,365 |
| Median Age | 38.5 |
| Average Household Income: | \$141,384 |

| 5-MILE RADIUS INDUSTRY SUMMARY (2023) | |
|--|---------|
| Total Businesses | 10,275 |
| Total Employees | 101,072 |
| Employee/Residential population Ratio | 46 |
| Retail Trade business summary | 18.9% |
| Services Business summary | 42.3% |
| Finance, Insurance, Real Estate business summary | 10.2% |

| TRAFFIC COUNTS (2023) | |
|---------------------------------------|--------|
| First Colony Blvd & Meadow Lakes Dr | 14,622 |
| First Colony Blvd & Soldiers Field Dr | 15,903 |
| First Colony Blvd & Hw6 | 16,377 |
| Soldier Field Dr & First Colony Blvd | 2,140 |



5-mile radius health care averages (2023)

\$6,136

Annual Health Insurance Expenditure

\$3,010

Annual Health Medical Care Expenditure



THANK YOU

WALKER PENNINGTON

+1 832 978 4271

walker.pennington@jll.com

MICHAEL SCHWARTZ

+1 713 425 5847

michael.schwartz@jll.com

[jll.com](https://www.jll.com)

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