

# FURMAN

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CAPITAL ADVISORS



## MD 360 Convenient Care

Greer, South Carolina

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CONFIDENTIAL OFFERING MEMORANDUM

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Investment Services Division of NAI Earle Furman

# INVESTMENT OVERVIEW

## Executive Summary

### PROPERTY SUMMARY

|                 |                                      |
|-----------------|--------------------------------------|
| Address         | 1305 S Suber Road<br>Greer, SC 29650 |
| Lease Structure | See Note Below*                      |
| Class           | A                                    |
| Year Built      | 2012                                 |
| Building Size   | 12,996 SF                            |
| Parcel Size     | 1.74 Acres                           |
| Tenancy         | Single                               |
| Occupancy       | 100%                                 |
| Road Frontage   | 250 Feet                             |
| Parking         | 67 Spaces                            |
| Financing       | Free & Clear                         |

### INVESTMENT SUMMARY

|                      |              |
|----------------------|--------------|
| NOI                  | \$310,490    |
| Cap Rate             | 5.40%        |
| List Price           | \$5,750,000  |
| Lease Type           | Absolute Net |
| Remaining Lease Term | ±12 Years    |
| Remaining Options    | (5) 4-Year   |
| Rent Increases       | 2% Annual    |

*\*The property is subject to a fully prepaid 75-year Ground Lease with Prisma Health as Ground Lessor, whereas the land will automatically revert to the Ground Lessee (the Seller, or its assigns aka the buyer) as Fee Simple owner, at no cost, when one of the following occurs: i) the Prisma Lease has terminated or expired, or (ii) there has occurred a change in the tax laws applicable to the Property that renders it non-exempt from ad valorem taxes. This ownership structure benefits both Parties by allowing Prisma Health to take advantage of the 501(c)(3) non-profit property tax exemption (est. \$100K annual savings), while also allowing the Ground Lessee (Seller, or it's assigns (aka the buyer)) to depreciate 100% of the purchase price to help offset income taxes (ask Broker for Sellers Cost Segregation Study for more information).*





### INVESTMENT HIGHLIGHTS

- **Zero Landlord Responsibilities:** Absolute net lease structure making it an ideal management-free investment and generating true “mailbox money”
- **Healthy NOI Growth:** 2% annual rental increases throughout the primary term and option periods
- **100% Depreciable Asset:** This beneficial ownership structure gives the Landlord the ability to fully depreciate the asset and maximize tax deferral advantages
- **Very Desirable Investment Grade Tenant:** Prisma Health has a Moody’s A3 credit rating, \$4.3B in revenues, and 32K employees
- **High Quality Class “A” Construction:** Tenant constructed in 2012 and has taken meticulous care of the property providing a buyer with little risk of future deferred maintenance
- **Excellent Demographics & Population Density:** Population of 118,488 within 5-miles with an AHHI of \$119,114 within 1-mile of the subject property
- **Vibrant & Affluent Community of the Greenville MSA:** Greer has become one of the most desired submarkets due to its revitalized and energetic downtown, proximity between Spartanburg & Greenville, nearby major market employers (BMW, Michelin, etc), and ease of accessibility to I-85 & I-385
- **Booming Greater Market:** Greenville is one of America’s hottest emerging destinations and fastest growing cities. From a revitalized downtown ranked among “America’s Ten Best” to the influx of major employers such as BMW, Michelin, GE, and Lockheed Martin Aircraft, Greenville is quickly growing into one of the top places to live in the Southeast
- **Explosive Regional Growth:** Greenville/Greer is located on the I-385 and the I-85 “Boombelt,” a high growth corridor extending from Atlanta to Raleigh reporting a 40% higher growth rate than the rest of the U.S.



# INVESTMENT OVERVIEW

## Lease Summary

### LEASE SUMMARY

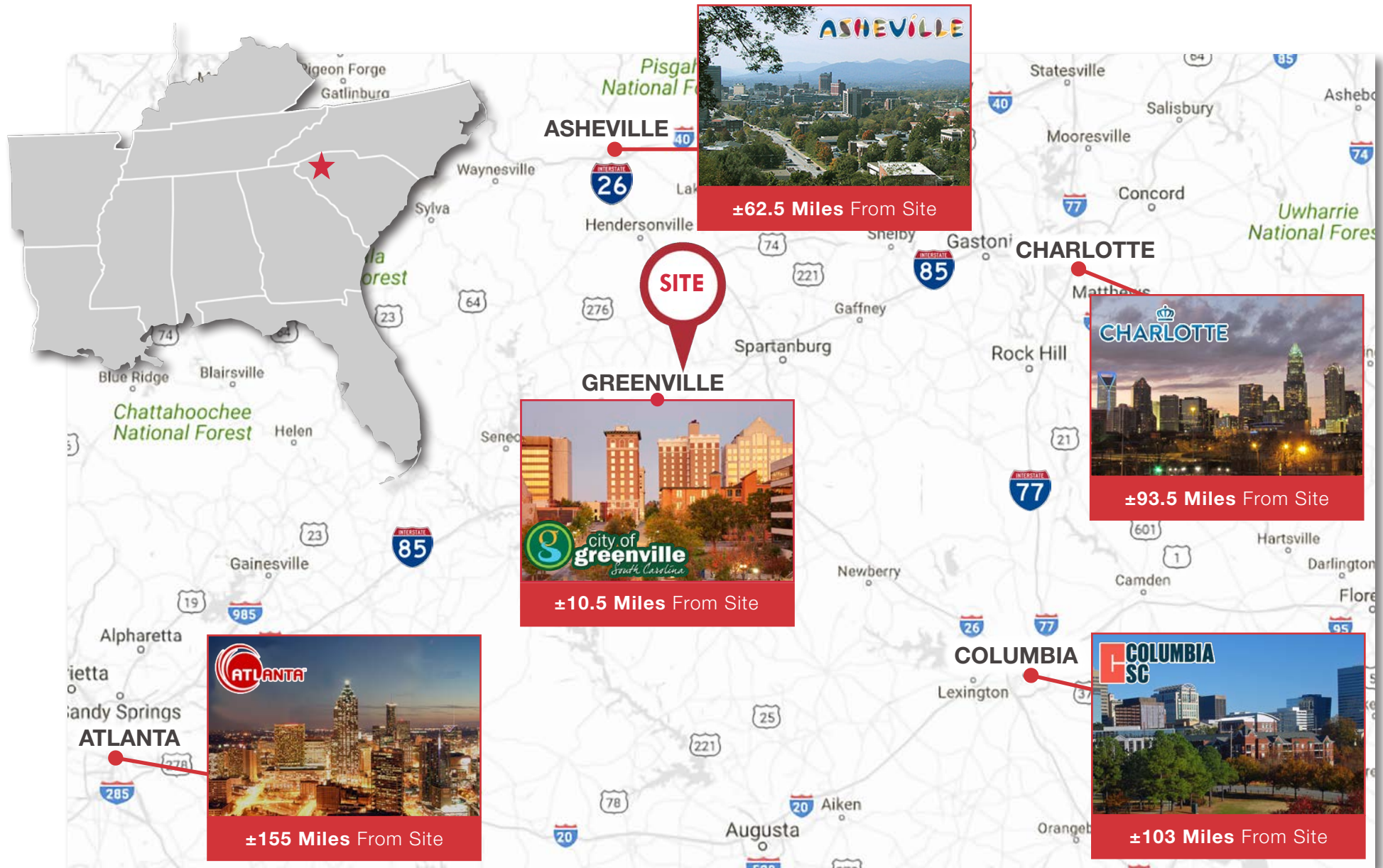
|                         |                              |
|-------------------------|------------------------------|
| Tenant                  | Prisma Health                |
| Tenant Classification   | Corporate                    |
| Lease Type              | Absolute Net                 |
| Original Lease Term     | 20 Years                     |
| Commencement Date       | September 28, 2012           |
| Expiration Date         | September 30, 2032           |
| Term Remaining          | ±12 Years                    |
| Options                 | 4 - (5) Year Options         |
| Increases               | 2% Annually                  |
| Property Taxes          | Tenant is Solely Responsible |
| Tenant's Insurance      | Tenant is Solely Responsible |
| Common Area Maintenance | Tenant is Solely Responsible |
| Roof                    | Tenant is Solely Responsible |
| Structure               | Tenant is Solely Responsible |
| Parking Lot             | Tenant is Solely Responsible |
| ROFR                    | None                         |
| Option to Terminate     | None                         |

### RENT SCHEDULE

| Initial Term          | Monthly     | Annually     | \$/SF   |
|-----------------------|-------------|--------------|---------|
| 10/1/2020 - 9/30/2021 | \$25,874.15 | \$310,489.74 | \$23.89 |
| 10/1/2021 - 9/30/2022 | \$26,391.63 | \$316,699.53 | \$24.37 |
| 10/1/2022 - 9/30/2023 | \$26,919.46 | \$323,033.53 | \$24.86 |
| 10/1/2023 - 9/30/2024 | \$27,457.85 | \$329,494.20 | \$25.35 |
| 10/1/2024 - 9/30/2025 | \$28,007.01 | \$336,084.08 | \$25.86 |
| 10/1/2025 - 9/30/2026 | \$28,567.15 | \$342,805.76 | \$26.38 |
| 10/1/2026 - 9/30/2027 | \$29,138.49 | \$349,661.88 | \$26.91 |
| 10/1/2027 - 9/30/2028 | \$29,721.26 | \$356,655.11 | \$27.44 |
| 10/1/2028 - 9/30/2029 | \$30,315.68 | \$363,788.22 | \$27.99 |
| 10/1/2029 - 9/30/2030 | \$30,922.00 | \$371,063.98 | \$28.55 |
| 10/1/2030 - 9/30/2031 | \$31,540.44 | \$378,485.26 | \$29.12 |
| 10/1/2031 - 9/30/2032 | \$32,171.25 | \$386,054.97 | \$29.71 |

# PROPERTY OVERVIEW

## Regional Map





# PROPERTY OVERVIEW

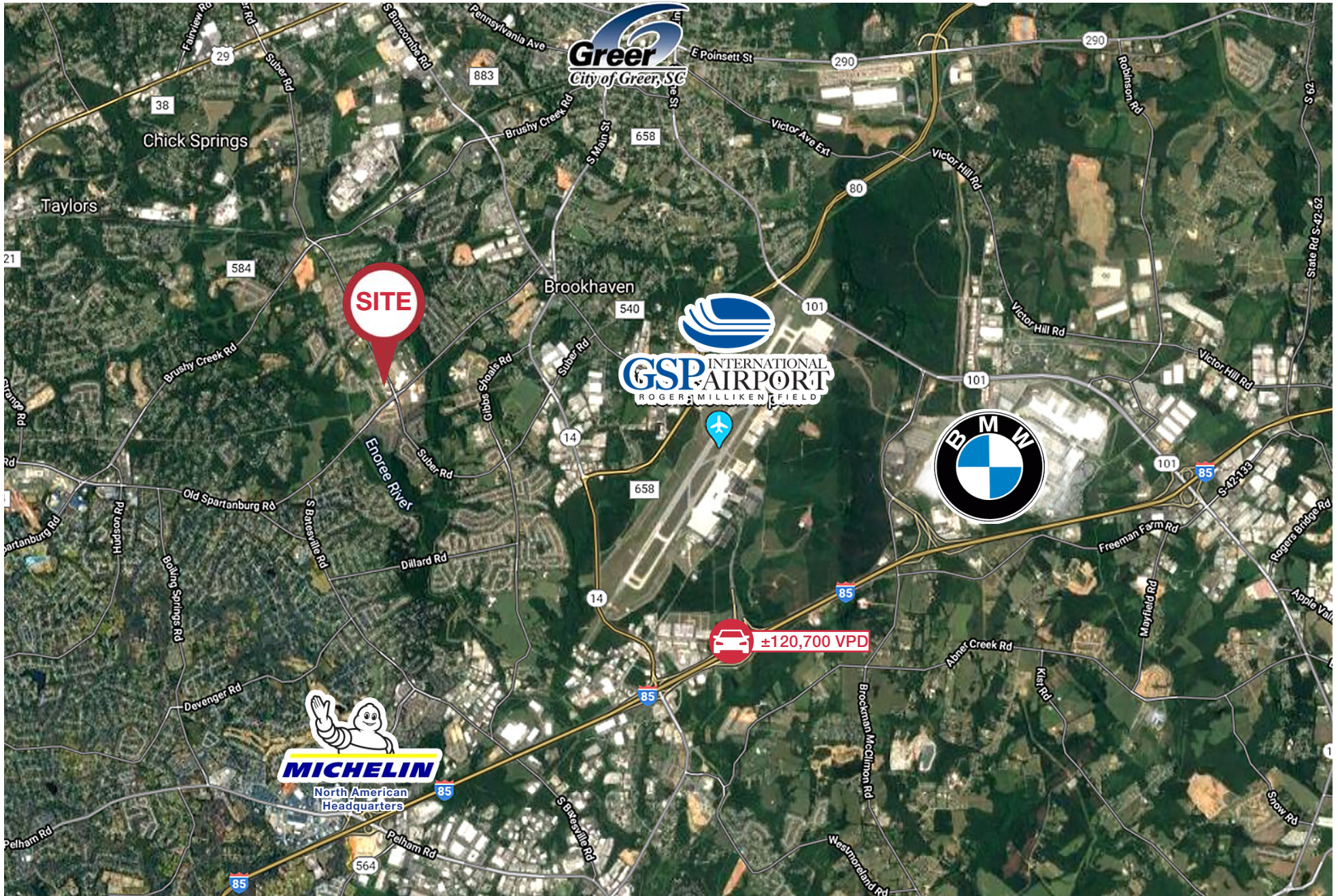
Market Map





# PROPERTY OVERVIEW

Submarket Map





# PROPERTY OVERVIEW

Site Map





# PROPERTY OVERVIEW

Property Photos - Exterior





# PROPERTY OVERVIEW

Property Photos - Interior



# TENANT OVERVIEW

## Tenant Summary

### TENANT SUMMARY

|                          |  |
|--------------------------|--|
| Parent Company           | Prisma Health, SC  |
| Year Founded             | 1912   |
| Headquartered            | Greenville, SC   |
| No. of Patients Served   | 1.2M+  |
| No. of Employees         | 32,000   |
| Ownership                | Private  |
| Credit Rating            | A3   |
| Credit Agency            | Moody's  |
| Annual Revenue (2019 FY) | \$4.32B  |
| Website                  | <a href="http://www.prismahealth.org">www.prismahealth.org</a> |



Prisma Health is a not-for-profit health company and South Carolina's largest private employer. With over 32,000 team members, 18 hospitals, 2,984 beds, and more than 300 physician practice sites, Prisma Health serves more than 1.2 million unique patients annually. Its goal is to improve the health of all South Carolinians by enhancing clinical quality, the patient experience and access to affordable care, as well as conducting clinical research and training the next generation of medical professionals. The organization was formed in late 2017 when Greenville Health System and Palmetto Health came together, officially becoming Prisma Health in January 2019. In March of 2020, Prisma Health and LifePoint Health® announced they signed an agreement for Prisma Health-Midlands to acquire KershawHealth in Camden, South Carolina, and Providence Health in Columbia, South Carolina.

#### UPSTATE

Prisma Health - Upstate  
Prisma Health Children's Hospital - Upstate  
Health Science Center  
Graduate Medical Education - Greenville

#### MIDLANDS

Prisma Health - Midlands  
Prisma Health Children's Hospital - Midlands  
Medical Group Physicians and Practices  
Graduate Medical Education - Columbia



# MARKET OVERVIEW

Market Analysis

## Greenville, South Carolina



### LOCATION

- The city of Greenville is the 4<sup>th</sup> among 15 of the fastest-growing large cities in the U.S. according to population estimates by the U.S. Census Bureau.
- Centrally located along the I-85 corridor directly between two of the largest cities in the Southeast - Atlanta, Georgia and Charlotte, North Carolina.
- Located 100 miles from the capital city of Columbia and only 200 miles from the Port of Charleston SC.



### INFRASTRUCTURE

- Greenville-Spartanburg International Airport is the 2<sup>nd</sup> busiest airport in the state with over 2.6 million passengers in 2019.
- 3 Interstate highways offer easy access to the North, South, Midwest, and all major markets on the Eastern Seaboard.
- Home to the Inland Port Greer connecting the Upstate to the Port of Charleston.



### HIGHER EDUCATION

- Clemson University, Furman University, Bob Jones University, North Greenville University and Limestone College-Greenville among others are all located in or around Greenville.



### COMMERCE

- Home to national and international corporations such as Fluor Corporation, Hubbell Lighting, BMW and Michelin North America.
- Other major businesses include Bausch and Lomb, the Perrigo Company of SC, Prisma Health System, Ernst and Young, IBM, Charter Communications, Dunlop Slazenger Group, Liberty Corporation Bank of America, GE Power & Water, Day & Zimmerman, Scan Source, Lockheed Martin Aircraft, Windstream, SYNEX Corporation and TD Bank.



### ACCOLADES

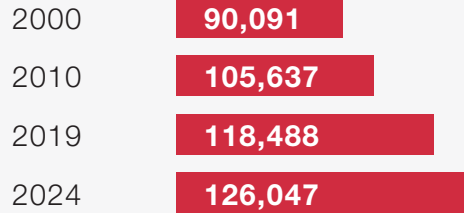
- America's Best Small Cities (*BestCities.org*) March 2020
- The 50 Best U.S. Cities for Starting a Business in 2020 (*Inc.com*) December 2019
- US Travel: 25 Best Places to Visit in 2020 (*Forbes*) December 2019
- 10 Cities to Watch in 2020 (*Worth*) November 2019
- #36 Best Places to Live (*Money Magazine*) October 2019
- #22 Best Places to Live in the USA (*U.S News & World Report*) May 2019
- #10 2019 Top 100 Best Places to Live (*Livability*) March 2019
- #7 The South's Best Cities 2019 (*Southern Living*) March 2019
- Top 19 Must-See Destinations in 2019 (*Expedia*) January 2019
- Where to Go 2019 (*The Boston Globe*) January 2019
- America's 100 Best Places to Retire (*Where to Retire*) December 2018
- #35 Top Cities in the US with the Biggest Influx of People, The Most Work Opportunities, and the Hottest Business Growth (*Business Insider*) August 2018
- #39 Top 100 Best Places to Live (*Livability*) 2018

# MARKET OVERVIEW

## Demographics

### POPULATION GROWTH

5-Mile

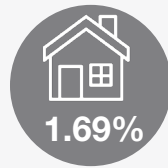
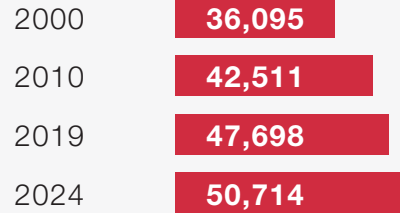


1.66%

Historical Growth Rate

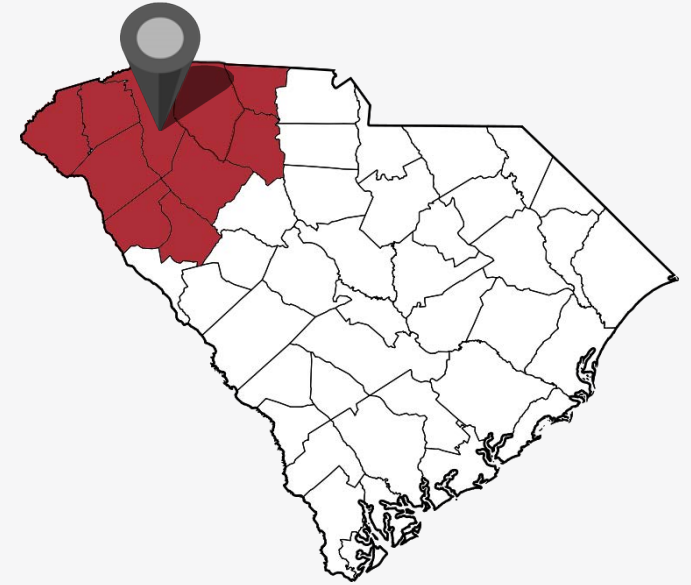
### HOUSEHOLD GROWTH

5-Mile



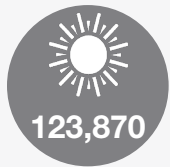
1.69%

Historical Growth Rate



### DAYTIME POPULATION

2019

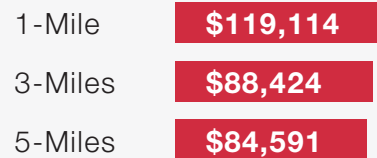


123,870

2019 (5-Miles)

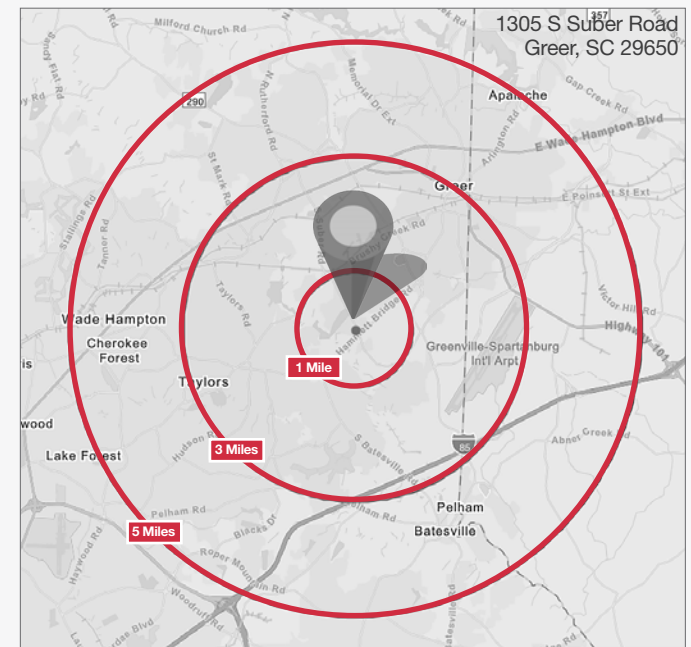
### AVG HOUSEHOLD INCOME

2019



\$119,114

2019 (1-Mile Avg)



2020 Esri



# DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 1305 S Suber Road, Greer, SC 29650 (“Property”). It has been prepared by Furman Capital Advisors (“Agent”). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.



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