



# Lakeside Professional Center

MEDICAL 42 - RETAIL


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AN INVESTMENT OPPORTUNITY

8 FEBRUARY 2023



# INVESTMENT OVERVIEW



OrbVest is pleased to present the Lakeside Professional Center property. This well-maintained Class A medical office property is located in the Northeastern part of the rapidly growing Atlanta MSA. The property totals 23,555 SF and is 100% occupied by all medical tenants. OrbVest believes this is a great opportunity to acquire a core medical office asset in a top growing MSA in the US.

The property is situated at 2925 Premiere Parkway, Duluth, GA and is a well-maintained Class A medical office building. The property totals 23,555 SF with a current occupancy of 100%, which is made up of all medical tenants. The property was completed in 2006 and has had substantial tenant improvement packages completed during this time. The property sits on 3.52 acres of land and has a weighted average lease term (WALT) of 4.5 years, with all but one tenant featuring 2% to 3% annual rental escalations. The property also benefits from all leases having a triple net structure. This structure means that all property related operating expenses will be paid for or reimbursed by the tenants, with the exception of capital improvements. The strategy is to hold the property for a 5-year term and renew existing leases that expire during this time period. OrbVest is also planning on refinancing the debt on the property in year three of the hold. This is an opportunity to secure a lower interest rate and boost cash flow.

The property offers excellent access from Interstate 85 which has an average daily traffic count of 162,000. The property is also strategically located off of Sugarloaf Parkway which has a daily traffic count of roughly 20,000. Both of these heavily trafficked and accessible roads make the property appealing to the tenants as their patients will have easy access to their building. The property is also roughly 4 miles from Northside Hospital Duluth. This short-term acute care hospital has 122 beds and employs more than 1,000 healthcare workers at this location. Northside Hospital Duluth is a branch of the Atlanta Based Healthcare system Northside Hospitals. Northside Hospitals has a network of three full-service, acute-care not-for-profit hospitals with a total of 852 beds and more than 2,500 staff physicians. Northside also owns outpatient centers and medical office buildings

in the Atlanta metropolitan area and altogether serves nearly 2 million patients a year.

The property has a strong in-place cash flow as well as a healthy tenant mix of healthcare tenants that include Atlanta Oral & Facial Surgery, Georgia Periodontics, Anderson & Anderson DMD, Dan D. Dunwody, III, DDS, PC Twelve StoneHealth partners, Premier Dental Studio and The Georgia OBGyn Society. Five of the existing seven tenants at the Property have dental-related practices. We believe that these tenants have a strong symbiotic relationship due to the niche focus on dentistry.

Atlanta is the capital of Georgia as well as the largest city in the state. Atlanta also has the ninth largest MSA in the United States with over 5.9 million residents. The Atlanta MSA has the third highest concentration of Fortune 500 headquarters in the US. Twenty-nine of these companies are among the 2020 Fortune 1000, of which 16 companies ranked in the elite Fortune 500. The city's continuous growth is expected to continue with recently executed or announced corporate relocations such as UPS, Mercedes-Benz, NCR, Honeywell, and General Electric.

Duluth is an affluent city located in Gwinnett County, Georgia, approximately 30 miles northeast of downtown Atlanta. Nestled in between I-85 and Georgia 400 with two major state highways within the city limits, Duluth provides excellent access to the suburban community of more than 80,000 residents and is part of the Metro Atlanta area, the fastest growing metropolitan region in the US.

OrbVest will be the sponsor of this transaction. We will contract with Lincoln Harris to manage the property and the leasing.

The existing stable income stream secures the CORE nature of this property and underpins our first principle of capital preservation, while the synergistic relationships between the Dentists and the excellent location make this an exciting investment opportunity.

# KEY FACTS & FIGURES



## Location

The Lakewood Professional Center building is located approximately 22 miles Northeast of Downtown Atlanta, Georgia as well as approximately 4 miles East of Northside Hospital Duluth.



## Medical Office Building

The property has a total of 23,555 square feet and is currently 100% leased by all medical tenants.



## Returns

Forecast quarterly dividend between 7.0% - 8.0% annualized with a targeted IRR range of 11% to 12% (Before Tax).



## Purchase

The total acquisition cost is \$8,330,497 million of which \$680,497 thousand is a provision for transaction costs.



## Funding

The \$3.36 million equity includes a contribution investment from the sponsor OrbVest.



## Holding Period

The investment period is planned for 5 years although this period can be shortened or lengthened by the Manager depending on performance and market conditions.



# LOCATION OVERVIEW



## Atlanta MSA

Atlanta is the capital of Georgia as well as the largest city in the state. Atlanta also has the ninth largest MSA in the United States with over 6.14 million residents. The Atlanta MSA has the third highest concentration of Fortune 500 headquarters in the U.S. Twenty-nine of these companies are among the 2020 Fortune 1000, of which 16 companies ranked in the elite Fortune 500. The city's continuous growth is expected to continue with recently executed or announced corporate relocations such as UPS, Mercedes-Benz, NCR, Honeywell, and General Electric. Atlanta is also home to several of the top higher education institutions in the United States including, the Georgia Institute of Technology, Emory University, Georgia State University, Spelman College, Morehouse College, Oglethorpe University, Clark Atlanta University, and Kennesaw State University.

Attractions in Atlanta include the largest aquarium in the western hemisphere, the CNN Center, the Fox Theatre, the King Center and the \$1.5 billion home of the Atlanta Falcons football franchise, Mercedes-Benz Stadium. Hartsfield-Jackson Atlanta International Airport is the world's busiest, making the city a hub for business and tourism travelers alike.

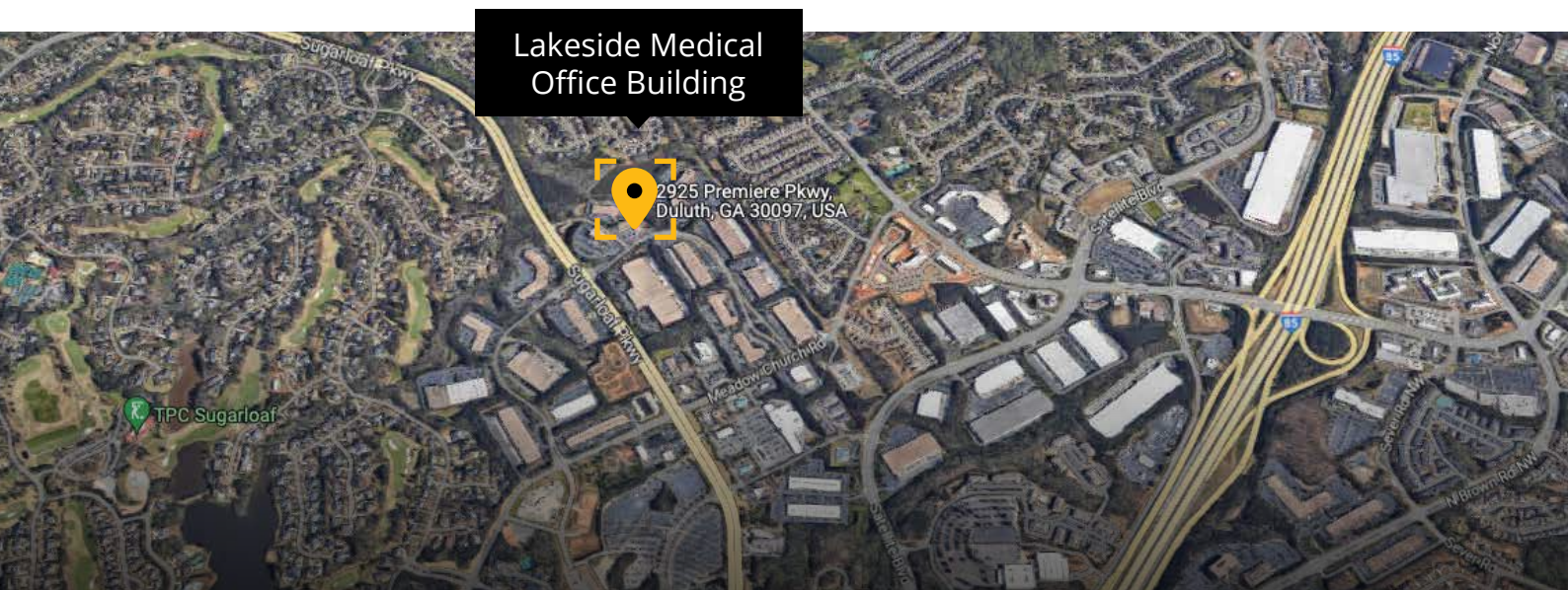
## Duluth-Suwanee-Buford Submarket

Duluth is an affluent city located in Gwinnett County, Georgia, approximately 30 miles northeast of downtown Atlanta. Nestled in between I-85 and Georgia 400 with two major state highways within the city limits, Duluth provides excellent access to the suburban community of more than 80,000 residents and is part of the Metro Atlanta area, the fastest growing metropolitan region in the US.

Gwinnett County (Where the property is located) is the second most populous county in the state of Georgia, with a population of more than 842,000 and is expected to reach one million residents by the year 2022. Gwinnett County is a leader in investment and job creation in Metro Atlanta. It is home to the Fortune 500 and global headquarters of AGCO Corporation, NCR, Primerica and RockTenn. More than 60 international companies have chosen Gwinnett for their US. or global headquarters operations, such as Mitsubishi Electric, Ricoh Electronics, Suniva, and WIKA Instruments.

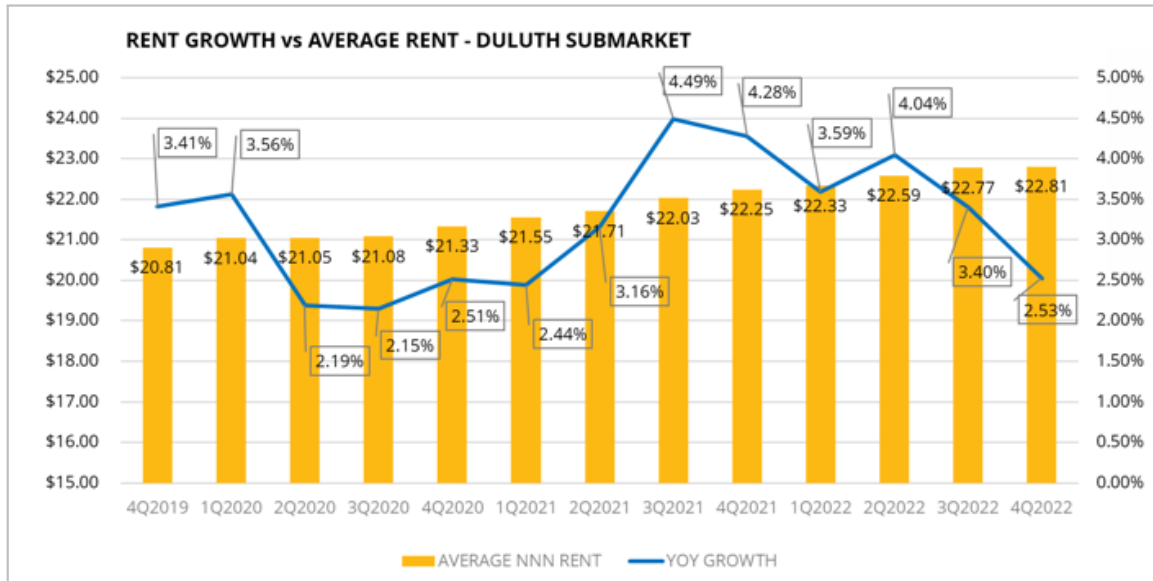
The county offers some of the highest-ranking public and private schools in the Southeast and the nation. More than 250,000 students are enrolled in fields of study ranging from biological sciences and engineering to business and health professions. Gwinnett has many advantages, beginning with its location and road system. The county is just 45 minutes from Hartsfield-Jackson Atlanta International Airport and 30 minutes from downtown Atlanta. Georgia Highway 316 has been extended to Athens, reducing travel time to the University of Georgia to 25 minutes. Gwinnett's infrastructure includes more than 2,750 miles of roadways to provide excellent mobility for their citizens.

Sources: CBRE Inc, Stan Johnson Co.



# MARKET STATISTICS

## Medical Office Buildings Rent Analysis ending Q4-2022 Duluth, Georgia (Submarket of Atlanta MSA)

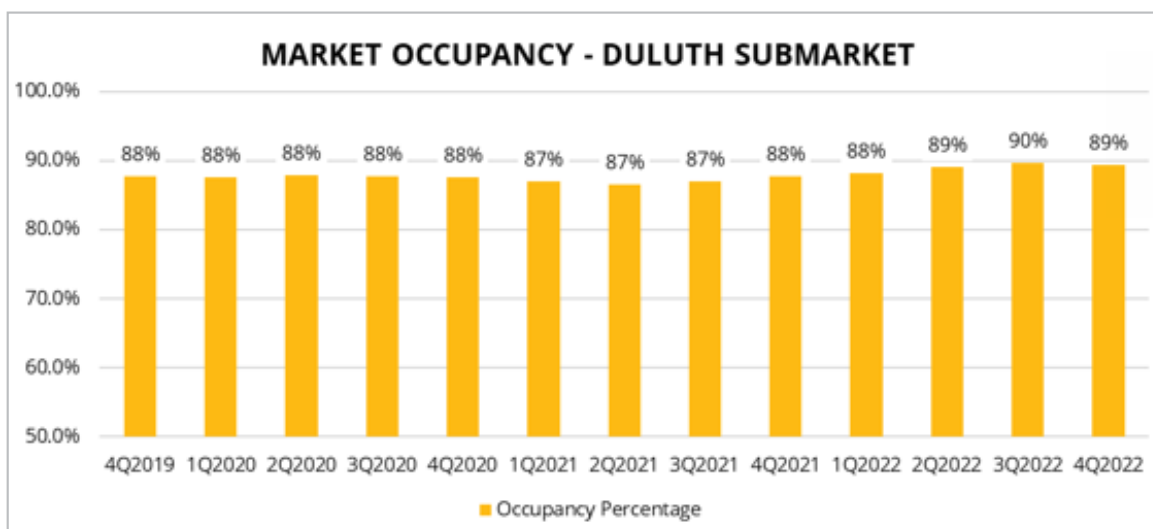


The Property's weighted average rent is \$23.45/SF which is slightly above market.

### Lakeside Professional Center - Market Comparisons

Num.	Property Location	Property Type	Year Built	Building SF	Sale Price	Price per SF	Sale Date	Occupancy at Sale
1	Dacula, GA	Medical Office	2008	34,000	\$ 10,732,999	\$ 316	12/9/2022	99%
2	Brookhaven, GA	Medical Office	1973	20,955	\$ 6,489,000	\$ 310	12/15/2021	100%
3	Suwanee, GA	Medical Office	2004	16,613	\$ 5,968,064	\$ 359	12/3/2021	100%
4	Roswell, GA	Medical Office	2000	45,832	\$ 14,750,000	\$ 322	11/9/2021	100%
5	Decatur, GA	Medical Office	2007	19,919	\$ 7,750,000	\$ 389	8/27/2021	89%
6	Lawrenceville, GA	Medical Office	1985	16,968	\$ 5,891,191	\$ 347	8/20/2021	100%
7	Snellville, GA	Medical Office	2017	25,000	\$ 6,800,000	\$ 272	8/17/2021	100%
8	Buford, GA	Medical Office	2007	20,455	\$ 6,400,000	\$ 313	8/17/2021	100%
9	Cumming, GA	Medical Office	2010	17,482	\$ 6,300,000	\$ 360	8/17/2021	100%
10	Lawrenceville, GA	Medical Office	2017	20,000	\$ 5,417,317	\$ 271	6/11/2021	100%
<b>Average</b>						<b>\$ 326</b>		

The Property was acquired at: \$324 per square foot.



The Property was acquired with an occupancy of 100%.

Source: CoStar



# SITE INFORMATION

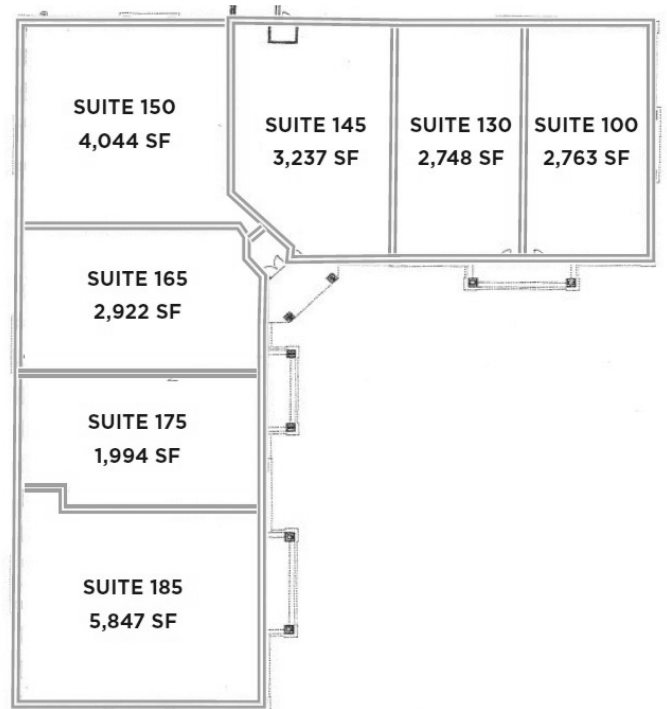


## General Description

### Lakeside Professional Center

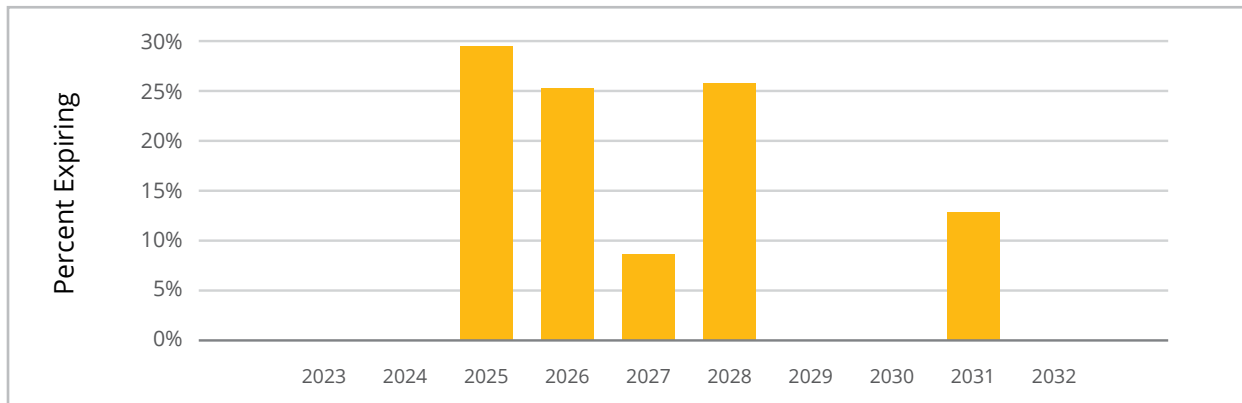
Address:	2925 Premiere Parkway, Duluth (Atlanta), GA 30097
Occupancy:	100%
Rentable Area:	23,555 SF
Year Built/Renovated:	2006
No. of Buildings:	One
Floors:	One
Parking:	113 Surface Spaces (4.7: 1,000 SF)

## Property Site Plan



# TENANT SUMMARY

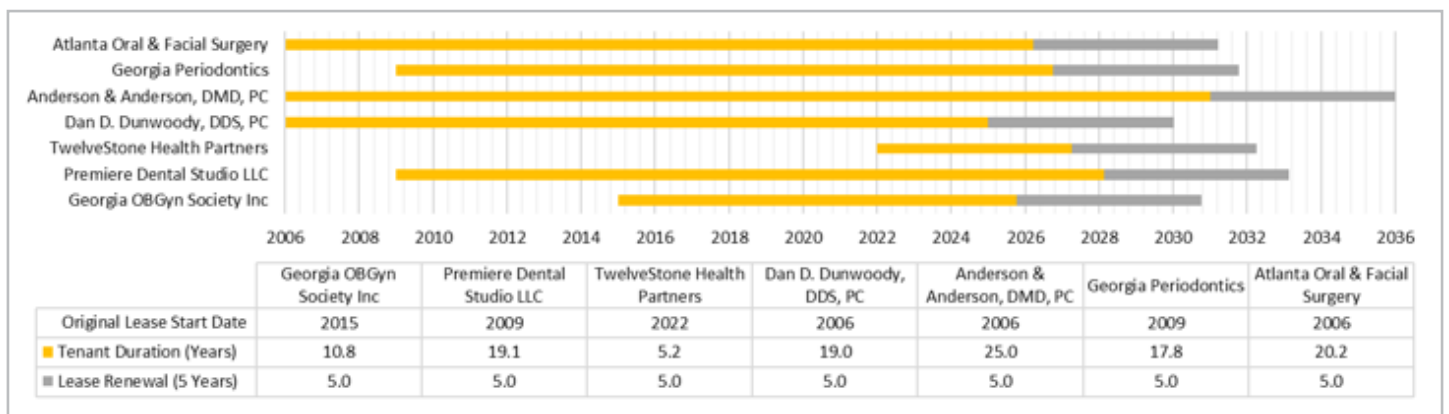
## Lease Rollover Schedule for Lakeside Professional Center



## Tenant Schedules

Tenant Name	Suite	Area	Rent / SF	% / GLA	Lease Start	Tenant Stop	Lease Type	Rental Increases
Atlanta Oral & Facial Surgery	185	5,847	\$ 26.66	25%	7/17/2006	9/30/2026	NNN	2.5%
Georgia Periodontics	175	1,994	\$ 21.50	8%	5/1/2009	1/31/2027	NNN	2.0%
Anderson & Anderson, DMD, PC	165	2,922	\$ 21.47	12%	10/1/2006	9/30/2031	NNN	2.25%
Dan D. Dunwoody, DDS, PC	150	4,044	\$ 22.04	17%	10/1/2006	9/30/2025	NNN	2.5%
TwelveStone Health Partners	145	3,237	\$ 22.75	14%	11/1/2022	1/30/2028	NNN	3.0%
Premiere Dental Studio LLC	130	2,748	\$ 27.03	12%	10/15/2009	11/30/2028	NNN	2.5%
Georgia OB/Gyn Society Inc	100	2,763	\$ 19.50	12%	4/1/2015	12/31/2025	NNN	N/A
		<b>23,555</b>		<b>100%</b>	<b>WALT</b>	<b>4.74</b>		

## Lakeside Professional Center Tenant Duration



### NOTES:

1. Tenant improvements as well as leasing commissions will be funded as needed from outside investors.
2. OrbVest plan to refinance the property in year three of our holding period. This will allow us to fix the deal at a lower interest rate than the market is currently offering as well as an opportunity to reset the "Interest only" period on the loan, resulting in improved cash flow.
3. Based on prior experience, OrbVest is confident the tenants will renew their lease as the majority of the tenants have a strong symbiotic relationship in the niche focus of dentistry.

# MAJOR TENANTS



## Atlanta Oral & Facial Surgery

Lease Expiring: 9/30/2026  
Rentable Area: 5,847 SF

At Atlanta Oral & Facial Surgery, their doctors and staff have been providing specialty surgical solutions throughout metro-Atlanta and beyond for four decades. An impeccable safety record backed by a full team of highly trained, board-certified surgical professionals, it is no wonder they are the region's premier choice for oral and maxillofacial services. Their core values are the driving force behind their commitment to patient safety and surgical excellence. Since their genesis in 1980, they have maintained the ambitious plan to provide their wide range of surgical services to as many patients as possible. They are the largest surgeon owned oral surgery practice in the US and look to deliver the solutions patients need to achieve optimal health and wellness.



## Georgia Periodontics

Lease Expiring: 1/31/2027  
Rentable Area: 1,994 SF

Periodontists Dr. Litterer and Dr. Scher practice a full range of periodontics with expertise ranging from dental implants to cosmetic periodontal surgery and gum grafting. They treat a wide variety of periodontal (gum) diseases. Even a subtle change in your smile helps patients to project an image of self-confidence and high personal esteem. When patients feel good about themselves, it shows in their appearance.



## Anderson Family Dentistry

Lease Expiring: 9/30/2031  
Rentable Area: 2,922 SF

Dr. Susan and Dr. David Anderson have a long history of providing their patients with the latest in proven dental practices, investing in the equipment and ongoing training required to keep mouths healthy. Now that their son Dr. Eric has joined the practice, that tradition will continue into the next generation. When patients visit their office they find a comfortable and calming environment. It's not simply the massaging chairs, wall colors, and decor, but rather how they interact with their patients that makes patients feel welcome and valued.



## Dan D. Dunwody DDS

Lease Expiring: 9/30/2031  
Rentable Area: 2,922 SF

Dunwody Orthodontics has two locations in Lawrenceville and Duluth, Georgia. The goal of Dr. Dan D. Dunwody and his team is to provide the highest quality orthodontic care in a family-based, high-technology practice. Using proven, state-of-the-art technology to enhance patient experience, they maintain the most advanced procedures and equipment available to ensure that every patient achieves a healthy, beautiful smile. They offer a unique orthodontic experience that is fun, affordable, interactive and effective.

SOURCE: Corresponding Company Website & Stan Johnson Co.



# FINANCIAL SUMMARY

## PROJECT CAPITAL STRUCTURE

Purchase Price				7,650,000
General Partner Fee				68,850
Due Diligence Fee				72,675
Capital Expenditure				25,000
3rd Party Placement Costs				87,975
Capitalized Annual Admin Costs				185,000
Closing Fees				180,997
Interest Reserve				60,000
<b>Total Investment</b>				<b>8,330,497</b>
Amount Financed	LTV: 59.69%	DCR: 1.78x		4,972,500
<b>Equity Contribution</b>				<b>3,357,997</b>
Investors Contribution			3,257,257	
Corporate Investors Contribution			-	
Sponsor & OrbVest Contribution			100,740	

## PROJECT PARAMETERS

Hurdle Rate		7.00%
Investment Holding Period (Years)		5
Minimum Investment Amount		\$ 5,000
<b>Equity Carry Profit Split</b>		
Investor		80%
OrbVest		20%

## INVESTOR RETURN FORECAST

USA ACCREDITED INVESTOR		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1) Investment	- \$ 10,000					
2) Cash Flow - Pre-Tax		\$ 702.47	\$ 717.01	\$ 810.20	\$ 851.10	\$ 920.30
Cash Flow % Return - Pre-Tax		7.0%	7.2%	8.1%	8.5%	9.2%
3) Capital Gains Flow - Pre-Tax						\$ 1,257
Capital Gains Flow % Return - Pre-Tax						12.6%
4) Return on Investment - Pre-Tax						\$ 15,258
Return on Investment % Return - Pre-Tax						52.6%
5) Equity Multiple - Pre-Tax						1.59x
<b>Investor Internal Rate of Return - Pre-Tax (Range)</b>						<b>11% - 12%</b>
INTERNATIONAL INVESTOR		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1) Investment	- \$ 10,000					
2) Cash Flow - After-Tax		\$ 702.47	\$ 717.01	\$ 810.20	\$ 851.10	\$ 920.30
Cash Flow % Return - After-Tax		7.0%	7.2%	8.1%	8.5%	9.2%
3) Capital Gains Flow - After-Tax						\$ 675
Capital Gains Flow % Return - After-Tax						6.8%
4) Return on Investment - After-Tax						\$ 14,676
Return on Investment % Return - After-Tax						46.8%
5) Equity Multiple - After-Tax						1.54x
<b>Investor Internal Rate of Return - Pre-Tax (Range)</b>						<b>10% - 11%</b>
<b>Investor Internal Rate of Return - After-Tax</b>						<b>10.16%</b>

*DISCLAIMER: These figures are forecast based on the best information available at the time of publication. The figures can change prior to closing and during the course of the investment. Past performance is not indicative of future results. This information is provided as general information and OrbVest disclaims any liability for any loss or damage which may be suffered as a result of, or which may be attributable to, the use of or reliance upon any information provided.*

# SPECIFIC RISKS

POTENTIAL RISKS	MITIGATIONS / EXPOSURE
ROLLOVER RISK	<ul style="list-style-type: none"><li>❗ Leases will expire during the investment term.</li><li>✅ Our team will engage tenants well before lease expiration to determine if tenants want to renew or not with appropriate incentive plans to encourage renewing of leases.</li></ul>
INTEREST RATE RISK	<ul style="list-style-type: none"><li>❗ Interest rates could move upwards in the USA and refinance options may not be favorable at the time when we intend to refinance.</li><li>✅ We will fix the interest rate on the loan once the deal closes.</li><li>✅ Interest rates are based on market data which can change, but all indications are that rates will drop off marginally within 2 years.</li></ul>
VALUATION RISK	<ul style="list-style-type: none"><li>❗ Market condition can influence the exit sale of the property.</li><li>✅ Our team believes that the Atlanta MSA is a strong market and the growth of the area will lift the value of the property upon exit.</li></ul>
PROPERTY MANAGEMENT	<ul style="list-style-type: none"><li>❗ The management team for a property is crucial to its performance.</li><li>✅ We will contract with Lincoln Harris, with whom we have partnered on previous deals, to manage the property and the leasing.</li></ul>
AGE OF THE BUILDING	<ul style="list-style-type: none"><li>❗ The property was originally developed in 2006.</li><li>✅ Our team will order a Property Condition Report ("PCA") during the due diligence phase of the acquisition to ensure that the property is up to code and no excess capital expenditures are required. The building is a simple single-story structure with no heavy equipment, lifts, escalators, large foyers or centralized HVAC systems.</li></ul>
REFINANCE	<ul style="list-style-type: none"><li>❗ Why would the property be refinanced during the hold.</li><li>✅ Our team believes that interest rates in the US will fall over the next few years. The business plan is to refinance the property during the third year of our hold and secure an interest rate that's more appealing and will boost cash flow.</li></ul>

## ✅ OBJECTIVE - TO REDUCE CAPITAL CALL RISK FOR INVESTORS

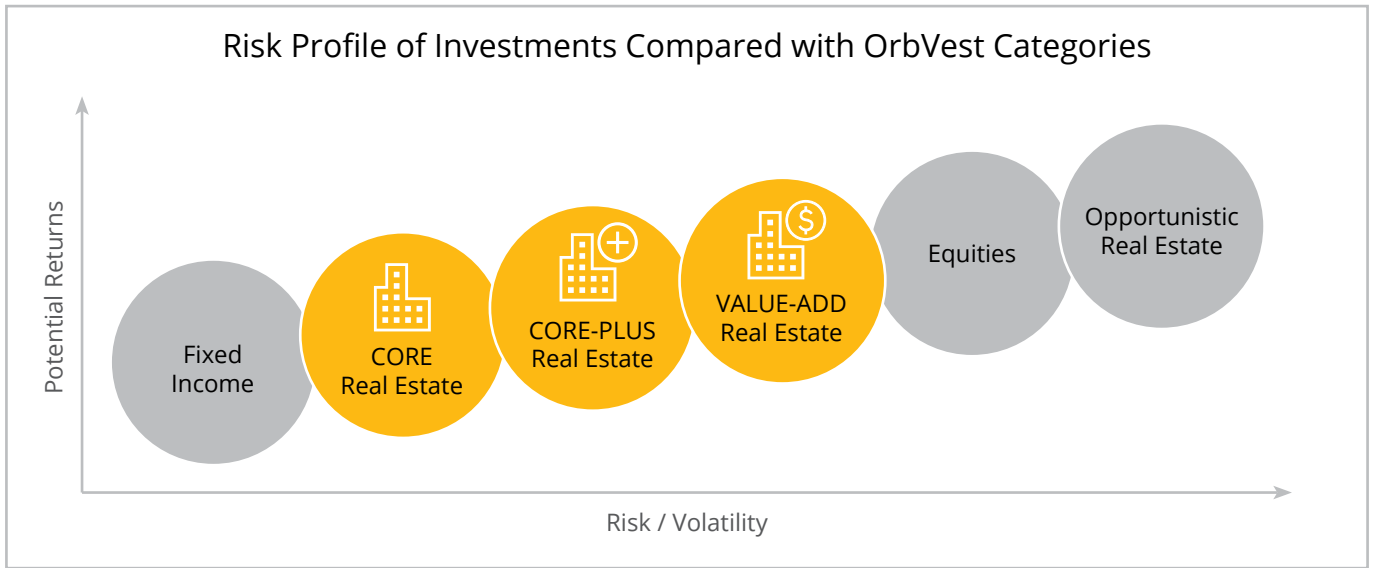
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Returns are taxable and will be taxed as ordinary income or capital gains unless the investment is held in a tax-deferred arrangement. Investments through tax-deferred arrangements may become taxable upon withdrawal from such arrangements. OrbVest is not a tax, accounting, legal or financial advisor. Any interested person should consult with their financial or tax advisor or attorney before investing. For members investing via the secure site, the particulars of the investment are outlined in the property supplement which should be read in its entirety by the proposed investor prior to investing. Any subsequent investment will be the acquisition of a listed share, it is not an investment in a REIT or a fund, nor is it a Collective Investment Scheme.



# RISK PROFILE



OrbVest's Independent Investment Committee has endorsed a three-tier risk categorization model to help investors understand the level of risk in any single offering. Our first principle is capital preservation, which mandates us to find more stable assets with reliable income streams and controlled costs. These properties are categorized as CORE and will have high occupancy, any dominant tenant is required to be a strong credit tenants, who have long-term NNN leases in place. For investors who are prepared to take some additional risk, the categories Value-Add or Core-Plus are still available and should produce higher returns. In most cases the Value-Add and Core Plus have higher vacancies and rollover risk.

Medical 42 – Lakeside Professional Center has been categorized as a **CORE** Investment





# Invest in medical real estate. Feel right at home.

Medical real estate in the USA is a resilient, growing sector. We make it simple for you to invest in it, so you can protect and grow your wealth.



## INVEST

Invest in selected buildings for 3-5 years, or in a risk-adjusted portfolio.



## EARN

Earn 7% to 9% cash on cash dividends per year, paid quarterly in US Dollars.



## GROW

Grow your wealth with a targeted IRR of 10% to 17%.



### FOCUS

We are a growing global real estate company with a hyper-focus on the US health care sector. We co-invest with you in stable, income-producing medical office buildings to generate strong cash dividends.



### SKILLED TEAM

Your investment is managed by seasoned entrepreneurs and property specialists, who invest alongside you. We jump hurdles for our clients, and only profit when our investors win.



### SOLID TRACK RECORD

Over the past eight years, we have built up our portfolio and our investor base through careful selection of opportunities and close attention to client service.



### TRANSPARENCY

We provide regular information about the buildings you can invest in, from tenant mix to maintenance. You can monitor your portfolio and transact from our secure online platform, any time, any where.



### COMPLIANCE

Offerings in the USA are registered with the SEC under Regulation 506(c) and OrbVest SA is an authorised FSP (licence no 50483).

## 8 YEAR TRACK RECORD



> 40

Buildings Acquired



10

Buildings Exited



> 1,000,000

sf of GLA REUM



> \$400 million

Value of Acquisitions



> 7% p.a.

Quarterly Dividends



> 11%

Historic IRR on Exits

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