

NORTH GWINNETT MEDICAL PLAZA

| CASE STUDY



| PHYSICAL ASSET

Description	Two-story medical office building
Size	30,038 rentable square feet
Location	Sugar Hill (Northern Gwinnett County) along GA Hwy 20 two miles from I-985 between Peachtree Industrial Blvd and Buford Hwy
Land Area	3.28 acres
Year Built	1989; extensively renovated in 2008

| CAPITAL STRUCTURE

Total Investment	\$3,350,000	Includes acquisition costs, working capital and fees
Equity	\$1,150,000	APG internal equity
Debt	\$2,200,000	Intercompany note

| VALUE CREATION

	Purchase	Sale
Date	Aug 2008	May 2015
Purchase Price	\$3,150,000 (\$105/sf)	\$6,775,000 (\$226/sf)
Occupancy	37.0%	94.3%
Avg. Lease Term In-Place	2.0 years	5.2 years
Net Operating Income	\$40,426 (Yr 1 Proforma)	\$418,890 (CY 2015 Budget)

ATLANTA | PROPERTY | GROUP

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| EXCEPTIONAL RETURNS

IRR (7-year hold)	13%
Investment Return Multiple	2.3x
Distributions During Hold	None

| EXCELLENT REAL ESTATE

Strategically located in the heart of Sugar Hill, an affluent and high growth suburb of Atlanta

Location provides great access to Northside Hospital - Forsyth, Gwinnet Medical Center, and Emory Johns Creek Hospital

Excellent visibility (41,000 cars/day) along GA Hwy 20 with prominent monument and building signage

Highly efficient and functional for target tenant base including free and abundant parking of 4.5 spaces per 1,000 SF

| OPPORTUNISTIC PURCHASE

Seller was not a sophisticated office operator and the building was receiving little attention

Acquired the Property at a total cost of \$112/sf, a 50% discount to replacement cost

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| VALUE ADD OPERATING STRATEGY

Sold 1.4 acres of excess land for \$450,000 early in the hold period

Invested \$60,000 during the first four months of ownership in lobby renovations, monument signage and parking lot repairs to increase the aesthetic appeal of the building

Used extensive renovations as well as strong reputation in the brokerage community to reintroduce the Property to the marketplace and create strong leasing momentum

Successfully signed a long term lease with Northside Hospital (32% of the building), including signage rights, to be the lead tenant and anchor the Property

| OPPORTUNISTIC SALE

Sold to institutional medical office group for nearly \$226/sf, which equates to a 6.5% cap rate, after achieving 94% occupancy and an average remaining lease term of over 5 years. Leases for the majority of the building were with major hospital systems or multi-locational practices