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Prime Property Closes \$25M Healthcare Real Estate Fund

| By [Brian J. Rogal](#)

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Elite Care—

Lewisville, TX: a healthcare facility fully leased to Greater Houston Emergency Physicians for an initial 12-year term.

CHICAGO—**Prime Property Investors, Ltd.** yesterday announced it was launching **Prime Healthcare Investors**, a group of private equity funds specializing in the acquisition of triple-net-leased healthcare real estate. The group's initial \$25 million fund, **Prime Healthcare Investors Fund I LLC**, which closed in late 2015, recently acquired three healthcare properties in the Dallas and Denver areas for \$25 million. Prime

Healthcare Investors plans to invest a total of \$100 million in healthcare real estate by the end of 2016 through additional acquisitions across the US.

“There are no specific regions or cities we are targeting,” **Rachel Eisenberg**, director of marketing for the Northbrook, IL-based Prime, tells GlobeSt.com. “Nationally we are targeting larger MSA’s. We feel where there is the most population growth there will be the highest demand. In addition, it gives us flexibility for alternative tenants in the space.”

“Our country’s aging population – some 10,000 baby boomers turn 65 each day – as well as increased access to health insurance are generating unprecedented demand for healthcare services, and we’re seeing that reflected in real estate markets across the country,” adds **Barbara J. Gaffen**, co-chief executive officer of PPI.

“As the shift toward outpatient care continues, we see tremendous potential in neighborhood-level as well as on hospital campus facilities that offer a full spectrum of services much closer to the patient,” says **Michael H. Zaransky**, PPI’s other co-chief executive officer.

The company will target general acute care facilities including physician offices, urgent care clinics, ambulatory surgical centers, specialty hospitals and other medical office buildings.

The fund’s three initial investments are the following properties:

First Choice Emergency Room – Wylie, TX: the newly built emergency room fully occupied by **Adeptus Health Inc.** on a 20-year triple net lease, with seven five-year renewal options.

Elite Care– Lewisville, TX: a healthcare facility fully leased to **Greater Houston Emergency Physicians** for an initial 12-year term, with three five-year extension options.

UCHealth ER – Littleton, CO – the recently completed freestanding building fully leased to the **University of Colorado Health** on a 20-year triple net lease with seven 5-year renewal options.

“We are excited to introduce healthcare real estate properties within our investment Funds and we see great potential in building a portfolio in this asset class,” says Gaffen. “Growing demand for medical use real estate and our ability to obtain low cost debt creates a niche opportunity to build a stable, cash-flowing health care real estate portfolio for our investors,” adds Zaransky.