

## FOR IMMEDIATE RELEASE

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# MedProperties Holdings and Caddis form JV to develop behavioral health hospital near Phoenix

**The 90-bed, 67,566 square foot, 100 percent preleased Destiny Springs Behavioral Health Hospital will help meet the significant local demand for behavioral healthcare services**

**SURPRISE, Ariz., and DALLAS, June 21, 2017 –**

The behavioral healthcare industry has historically faced a major shortage of services and facilities. That's definitely the case in the Phoenix metropolitan area, and MedProperties and Caddis have teamed up to help solve this supply-demand challenge.

MedProperties Holdings LLC, a national healthcare real estate private equity firm headquartered in Dallas, and Caddis, also a national healthcare real estate firm based in Dallas, have formed a joint venture to develop the 90-bed, 67,566 square foot Destiny Springs Behavioral Health Hospital in Surprise, Ariz., about 20 miles northwest of Phoenix. This will be MedProperties' seventh joint venture with Caddis and the 16<sup>th</sup> investment by the MedProperties Investment Partners Fund.



**MedProperties Holdings and Caddis formed a joint venture to develop a 67,566 square foot, 90-bed hospital in Surprise, Ariz. to meet the growing demand for behavioral healthcare services for adolescents, adults and geriatric patients. Destiny Springs Healthcare LLC is preleasing 100 percent of the hospital.**

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The build-to-suit hospital, which will provide both inpatient and outpatient treatment for adolescents, adults and geriatric patients, will be located on a 6.03-acre site less than a mile from U.S. Highway 60. Destiny Springs Healthcare LLC, founded by a prominent, Phoenix based physician, Dr. Martin Newman, is preleasing 100 percent of the hospital on a favorable "absolute net" basis for an initial 20-year term, with three, five-year renewal options. The hospital is expected to be completed in fall 2018.

Michael Horowitz, MedProperties Managing Principal, noted "The behavioral health industry has been underserved in terms of facilities and services for quite some time. Current market studies for Surprise and the greater Phoenix area have found a substantial unmet demand and undersupply of beds for adolescents, adults and geriatric patients. This imbalance of supply and demand is driving substantial growth opportunities for behavioral health providers."

MedProperties Managing Principal Darryl Freling said the project is an attractive development opportunity because of the area's severe unmet demand for behavioral services, as well as Caddis' expertise as an experienced developer of healthcare facilities.

"MedProperties' has a long-standing relationship with Caddis, having transacted six previous highly successful investments with them," says Mr. Freling. "In addition, the tenant is partnering for the first time with Diamond Healthcare Corporation, which will operate the hospital. Diamond is an established national leader in planning, developing and operating high quality behavioral health and addiction treatment facilities throughout the United States."

Mr. Freling noted that the hospital is being developed in a convenient location that is easily accessible from U.S. Highway 60. "Surprise also has great demographics," he noted. "It's located in the growing Maricopa County, which has a population of 4.2 million and a median income of \$53,929, which is almost 8 percent higher than the median income of Arizona."

Mr. Horowitz said the new hospital will benefit from the design and development expertise of Dr. Martin Newman, the founder of Destiny Springs Healthcare. Dr. Newman served as the Chief Medical Officer for Aurora Behavioral Health Systems, the largest privately owned behavioral health company in Arizona, before leaving to develop the Destiny Springs Healthcare hospital system.

Siemens Financial Services Inc. is arranging debt financing, including a construction loan and a mini-perm loan, for the Destiny Springs Behavioral Health Hospital.

### **About MedProperties**

MedProperties Holdings LLC is a Dallas-based healthcare real estate private equity firm with offices in Greenville, South Carolina that provides qualified developers and owner/operators with a consistent source of equity investment for the development of new, or value-added acquisitions of existing, healthcare-related real estate projects, including both multitenant medical office buildings and single-tenant, specialty facilities, as well as selected senior housing communities. MedProperties invests through its discretionary funds: MedProperties Capital Partners LP, MedProperties Investment Partners LP and MedProperties Senior Housing Fund I LP, and is dedicated solely to healthcare real estate. For further information on MedProperties, please visit [www.medpropertieslp.com](http://www.medpropertieslp.com).

### **About Caddis**

Caddis LLC is a national real estate development, management and investment firm focused exclusively on healthcare real estate. The firm is comprised of experienced real estate professionals across various disciplines that provide clients with expertise in development, acquisition, financing, construction management, leasing, tenant representation, property management and accounting. Since its inception, Caddis has developed or acquired over three million square feet of medical assets valued in excess of \$800 million. In its annual Construction and Design Survey, *Modern Healthcare* magazine recognized Caddis as the 9<sup>th</sup> largest development company in the United States. For more information about Caddis, please visit [www.Caddis.com](http://www.Caddis.com).