



PLAZA MEDICAL CENTER
HOUSTON, TX

Key Statistics

Location: Houston/ El Paso, Texas

Buildings: 7

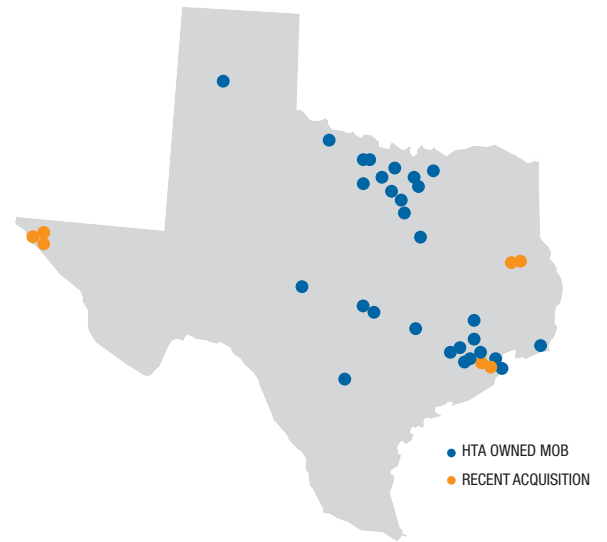
Total Investment: \$82 million

GLA: 483 thousand square feet

Occupancy: 86%

Closed: February 2016

Health System Affiliation: Tenet Healthcare System



Strategic Rationale

Houston is the fifth largest MSA in the U.S., and the largest city in the state of Texas. Houston ranks second in employment growth rate among the 10 most populous metro areas in the country. Houston’s economy has a broad industrial base in the energy, manufacturing, aeronautics, and transportation sectors, and only New York City is home to more Fortune 500 companies. With its business friendly climate, Houston has continued to attract jobs, resulting in an unemployment rate that is considerably below the national average.

HTA’s Houston portfolio includes almost 700,000 square feet of healthcare real estate. It is highlighted by the 7900 Fannin Professional Building, located adjacent to the Woman’s Hospital of Texas, which is 176,000 square feet and was built in 2005. HTA acquired this building in 2010 from a group of physician sellers. To close this transaction, HTA structured part of the transaction consideration as an “UPREIT,” in which the sellers received shares in HTA in lieu of cash. This enabled HTA to provide some of the sellers with favorable tax treatment and a continued interest in medical real estate, an important consideration to some members of the selling group. The building is located in the Texas Medical Center, which is the largest life-science center in the world with more than 20 hospitals and over 100,000 employees.