

AT A GLANCE

Challenges

- Sell Property With Existing Lease
- Negotiate Favorable Lease Terms
- Ensure Continuity of Care
- Plan for Future Expansion

Solutions

- Assume Lease
- Generate Capital
- Support Expansion



"Our recent work with Scioto Properties to acquire our properties and negotiate an extensive long-term NNN lease was both professionally and personally reassuring. Scioto, a sophisticated buyer acquiring our properties, afforded us the opportunity to pursue our long term goals of continuing to develop and provide much needed services in the mental health field. We look forward to a long and profitable partnership with Scioto Properties."

Owner

SPA

CHALLENGES

Service Provider A (SPA) is a well-established provider of residential services and lifestyle guidance for individuals with mental illness in Georgia. SPA has been at 100% occupancy for years and faced a growing demand for its services.

SPA previously executed a sale-leaseback with an unsophisticated buyer and wanted to sell the 41-bed facility situated across 3.5 acres of land, while still having 17 years left on the lease.

To achieve their long-term goals and keep up with the increasing demand for their services, SPA sought a real estate partner who understood their needs and could help them expand.

SOLUTIONS

Scioto Properties acquired the property from both SPA and the previous real estate owner and assumed the existing lease with SPA.

A 25-year, NNN lease term was negotiated, with an annual 2% escalation with 10 five-year renewal options. In addition, SPA was given a significant amount of working capital.



**10 FIVE-YEAR
RENEWAL OPTIONS**



**25 YEAR
NNN LEASE**



**ANNUAL 2%
ESCALATION**

BENEFITS

Support Expansion

The modified lease allows SPA to retain control of the property while generating working capital for continued improvement and expansion. This ensures SPA will have the resources and support they need to achieve their long-term goals.

Diversify Investment Portfolio

Scioto Properties expanded its presence in the behavioral health field to meet growing demand. The property's exceptional condition coupled with the tenant's investment of over \$350,000 in renovations made the investment attractive.

Win-Win Partnership

This mutually beneficial outcome highlights the successful partnership between SPA and Scioto Properties and serves as a testament to the value of strategic and well-executed real estate investments.



SPA's 41-bed residential facility in Georgia, spread across 3.5 acres providing high-quality services for individuals in a peaceful and spacious environment

ABOUT SCIOTO PROPERTIES

We are a healthcare real estate firm that provides real estate solutions through the acquisition and monetization of portfolios to help mid-market healthcare organizations grow across the U.S.

When you need experience,
financial strength, and proven results,
we're the team you trust
to solve your real estate needs.



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inquiry@scioto.com



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