

Medical Office Building For Sale



4555 NORTH SHALLOWFORD RD
DUNWOODY, GEORGIA 30338
22,000 SF



Offering Memorandum
Investment Opportunity

Executive Summary

Colliers International (“Colliers”) has been retained on an exclusive basis by The City of Dunwoody (“Owner”) to market for sale of 4555 North Shallowford Road (the “Property”), a suburban medical office building located in the upscale community of Dunwoody, Georgia (DeKalb County). The Property, built in 1972 and fully renovated in 2014, is a two-story, 22,000 square foot Class B medical office building with 102 parking spaces and with easy access to I-285 and surface streets in North Atlanta. It is located less than five miles from Emory Saint Joseph’s Hospital, a premier 410-bed acute care hospital serving the North Atlanta submarkets. In December 2018, Emory Saint Joseph’s Hospital filed plans for a \$6 million dollar expansion. The Property is located in the heart of Dunwoody, which is a flourishing market with a strong payer mix. Emory Saint Joseph’s Hospital was voted number one hospital in Georgia for the seventh year in a row by *U.S. News & World Report*. The Property is currently 100% occupied by one tenant: Emory Healthcare. Emory’s lease extends through April 30, 2024.

Property Specifications

ADDRESS:	4555 North Shallowford Rd
CITY:	Dunwoody
SUBMARKET:	Central Perimeter
COUNTY:	DeKalb
SIZE:	22,000 SF
OCCUPANCY:	100%
ACREAGE:	1.99 acres
YEAR BUILT:	1972, Renovated in 2014
PARKING:	102 spaces
PARKING RATIO:	4.6 spaces / 1,000 SF
CONSTRUCTION TYPE:	Structural steel/brick veneer

100% LEASED



Investment Highlights

LOCATION:

The Property is located less than five miles from Emory Saint Joseph's Hospital with easy signalized access to both I-285 and major surface streets. Pill Hill's two hospitals (Emory Saint Joseph's and Northside) are significant drivers for medical tenants in Dunwoody. As these two hospitals grow, so will the medical office community. The Property is in the heart of the affluent Dunwoody community with a strong payer mix and significant commercial projects such as Perimeter Mall and Ravinia Office Park, representing the largest office submarket (30.2 million SF) in the Southeastern United States.

STABILITY AND CREDIT:

4555 North Shallowford is currently 100% occupied and offers an investor in-place stable cash flow with institutional credit. Emory Healthcare (Tenant) anchors the building, occupying 100% with a lease extending through April 30, 2024.

QUALITY ASSET:

The Property was built in 1972. In 2014, Emory completed a full building rehab converting the space into doctor exam rooms, lab space and a physical therapy area. It has been professionally maintained.

MINIMAL LANDLORD EXPENSES:

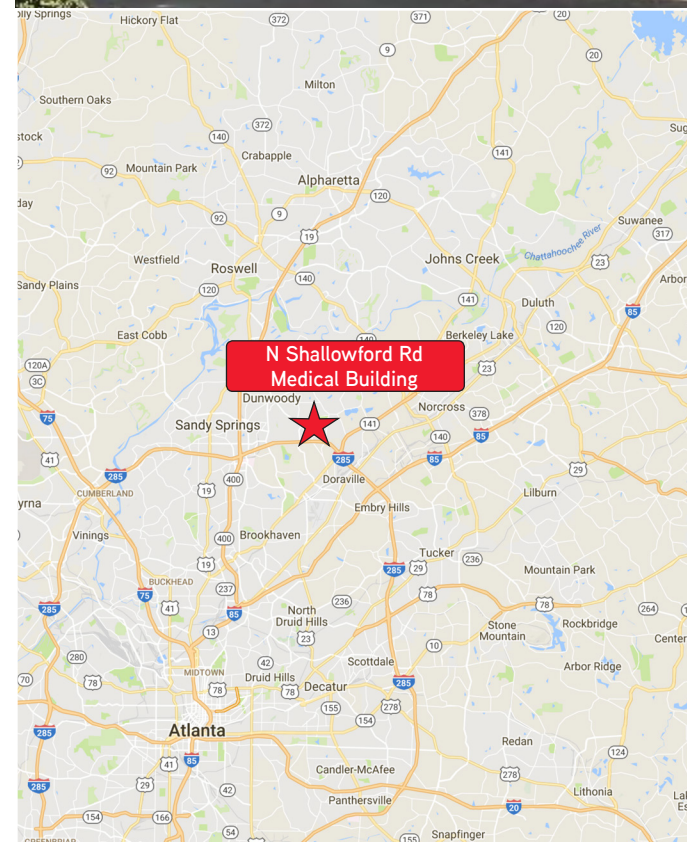
Emory's lease is triple-net, with the Tenant responsible for the operating expenses and taxes for the Property. The Landlord expenses are extremely limited and all operating expenditures and building costs are reimbursed by the Tenant. As the building was renovated in 2014, it will require minimal capital expenditures, most of which are reimbursable, over the likely hold period.

EFFICIENT FLOORPLATES:

The Property is efficiently designed to offer a wide range of medical services. The Property is handicap-accessible, serviced by one elevator and could accommodate medical users of varying sizes. Although the Property was designed as a single tenant building, the floor configuration allows for flexibility for tenants and ownership to manage growth.

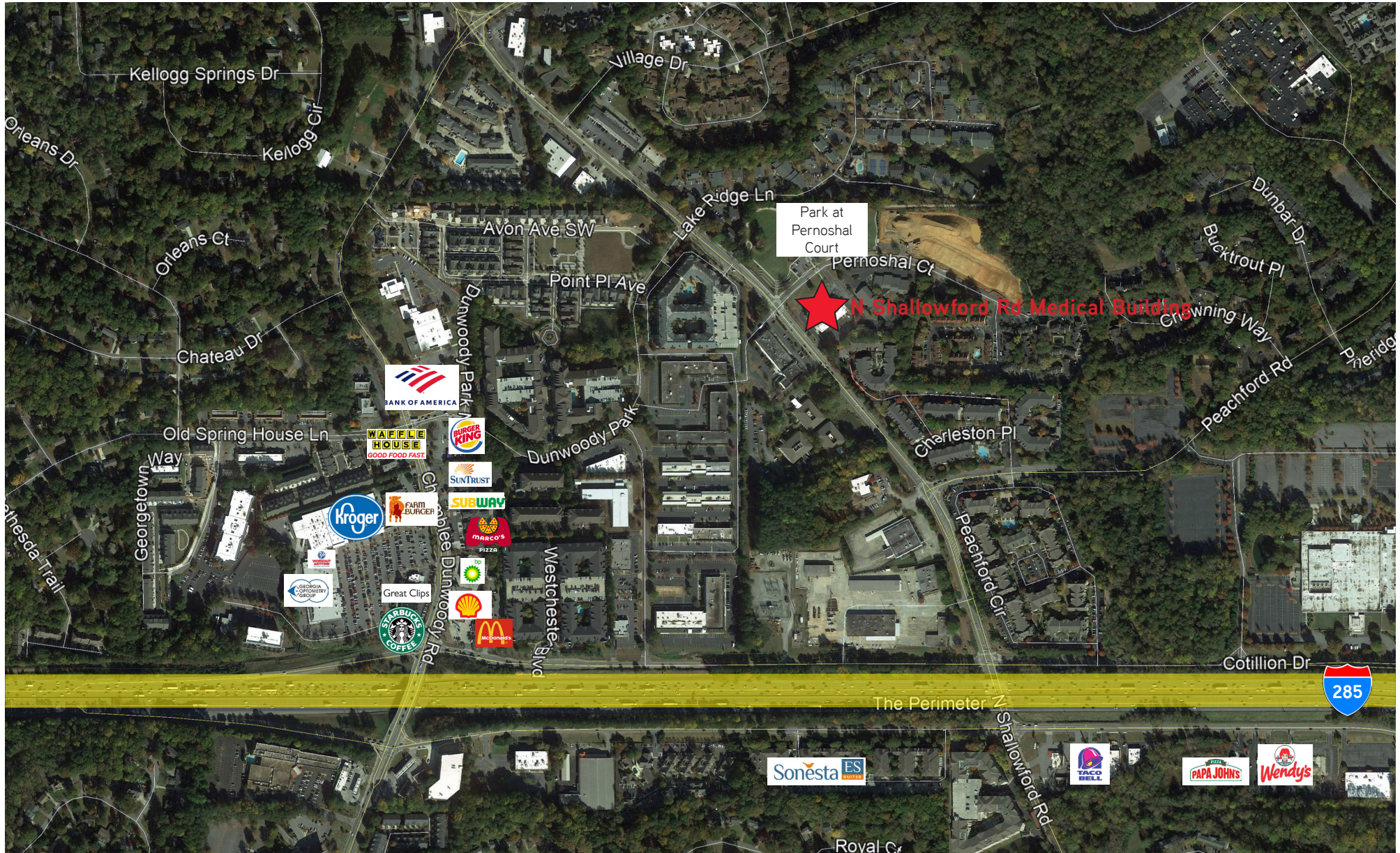
ABUNDANT PARKING:

With a parking ratio of 4.6 spaces / 1,000 SF, there is ample parking to allow for flexibility in tenancy. The Property is adequately landscaped and is inviting for patients, with easy drive-up parking.





Aerial



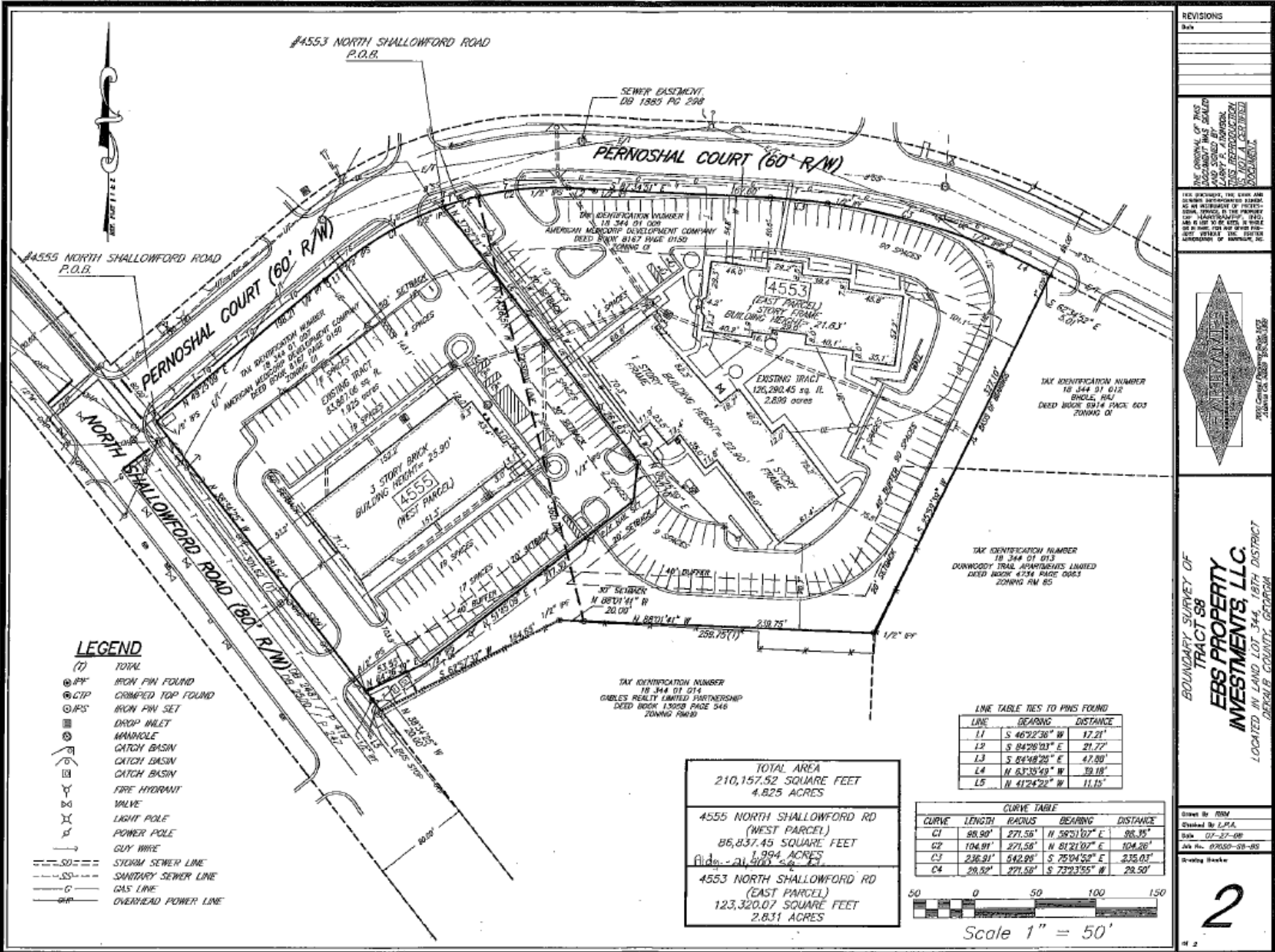
Photos



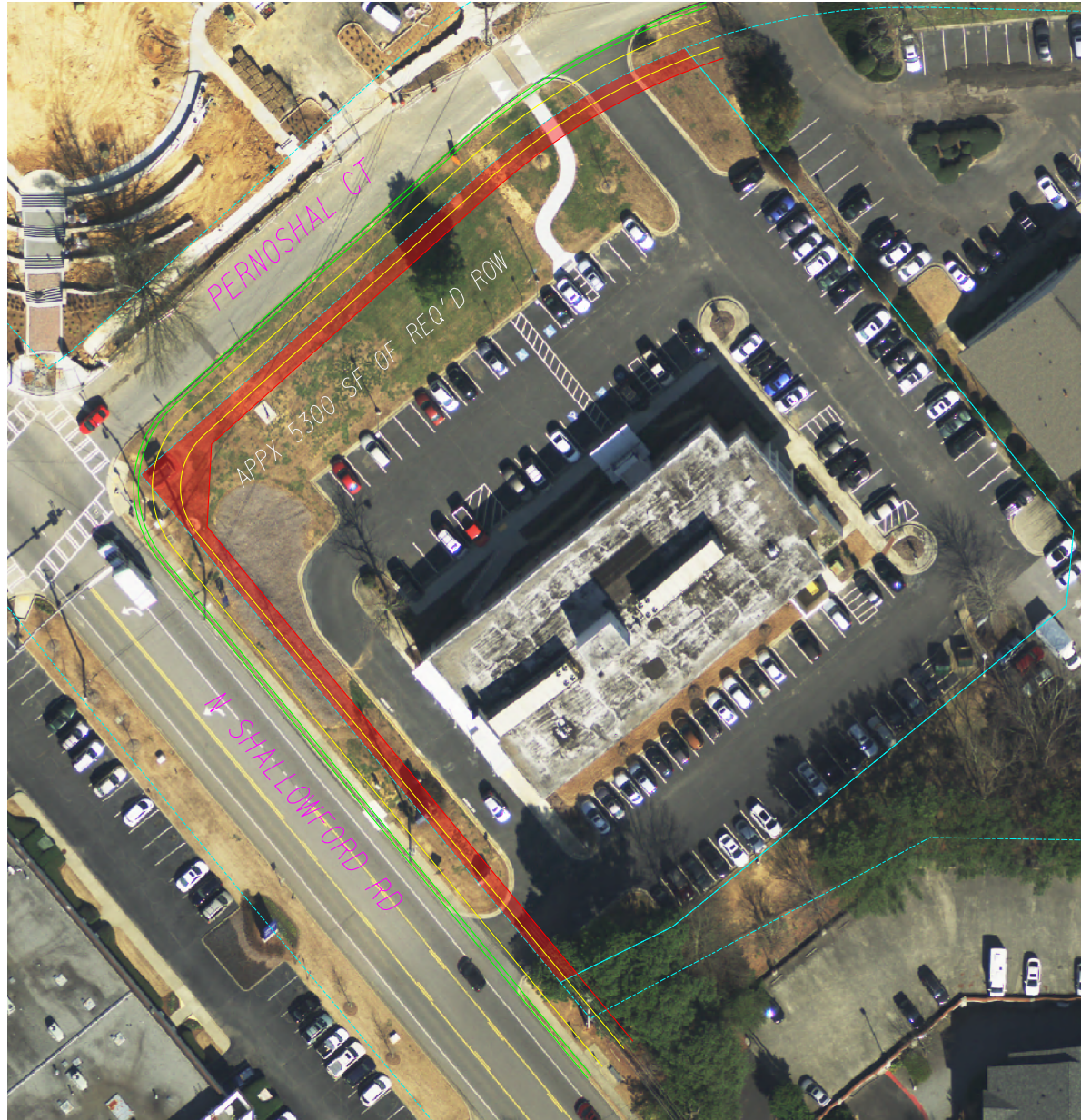
Photos



Site Plan

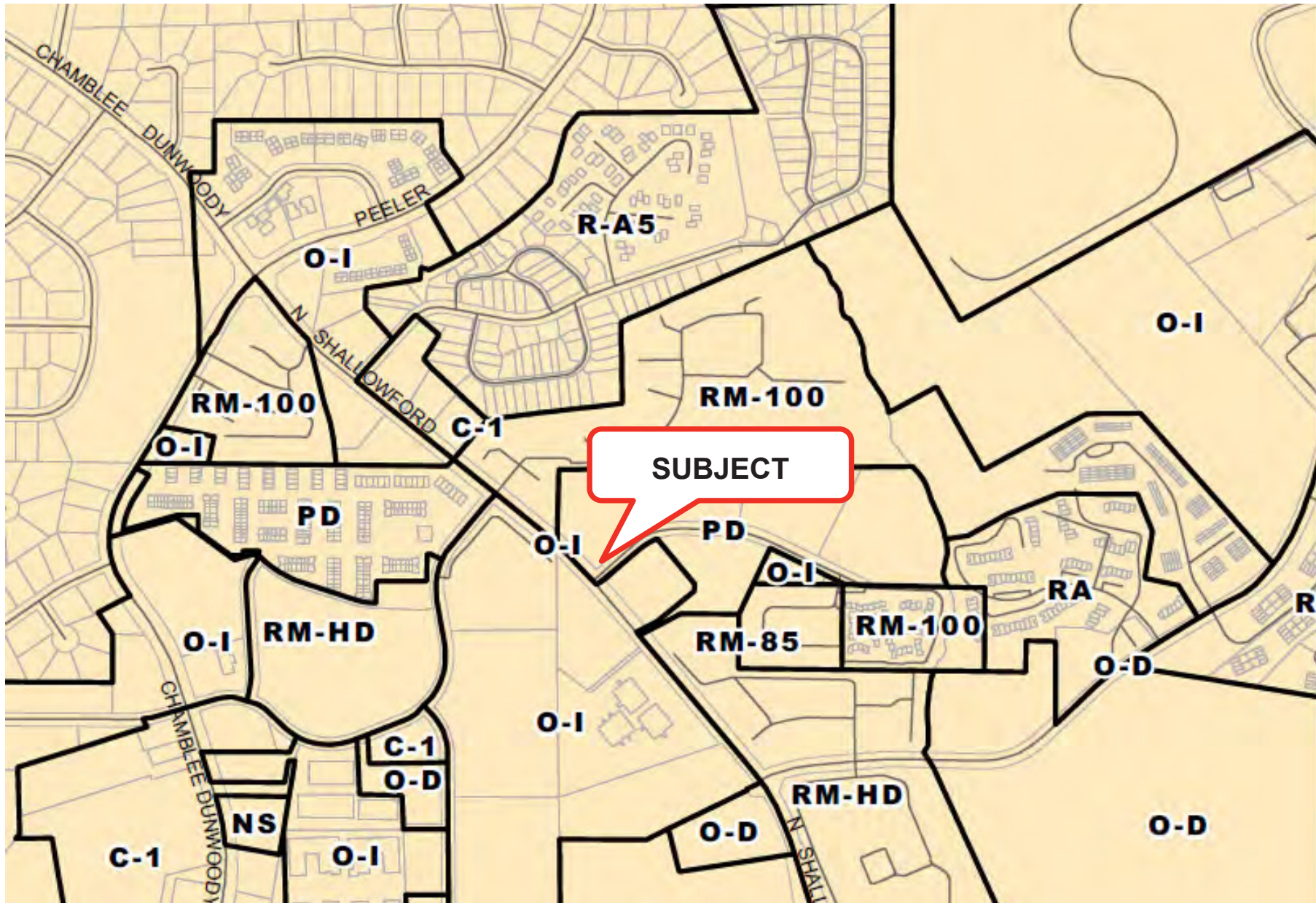


Parcel Map



The City of Dunwoody's long-term plan is to install sidewalks in front of the building along North Shallowford Road and Pernoshal Court which will not negatively impact the parking.

Zoning Map



Rent Roll

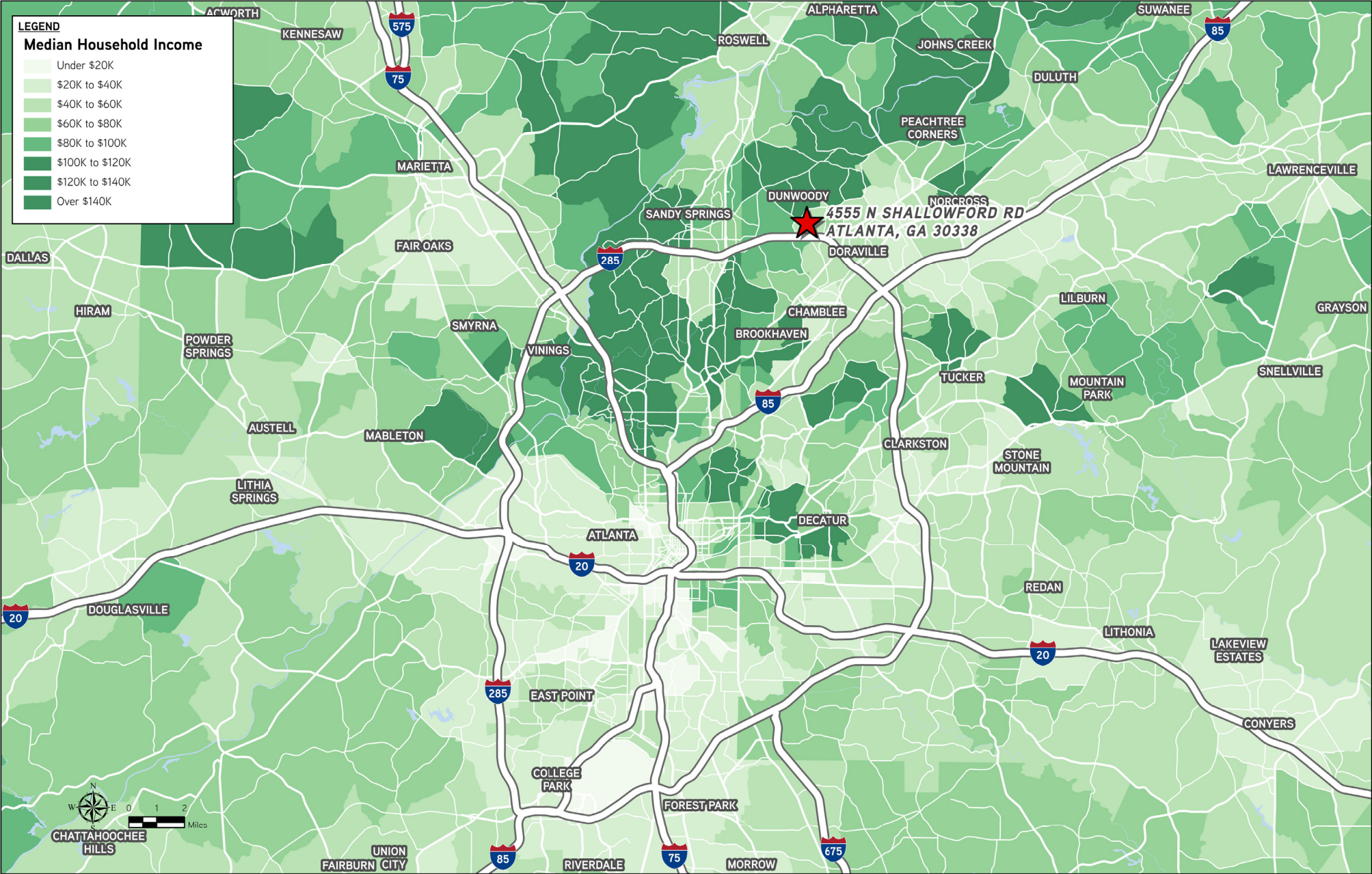
Tenant Information				Rent Information		Reimbursable Operating Expenses / Taxes	
Tenant	Unit	Area	Current Rent (NNN)	Current Monthly Rent	Annual Escalation	Current Period	Current Operating Expenses and Taxes
THE EMORY CLINIC		22,000	\$6.11	\$11,201.67	2.5%	5/1/2014-4/30/24*	\$9.70/SF (Estimate)

*Tenant has (5) one year renewal rights subject to the landlord's sole discretion and with 180 days prior written notice. Renewal rental rates will be based on market conditions at the time of the lease renewal including a market-based annual escalation.

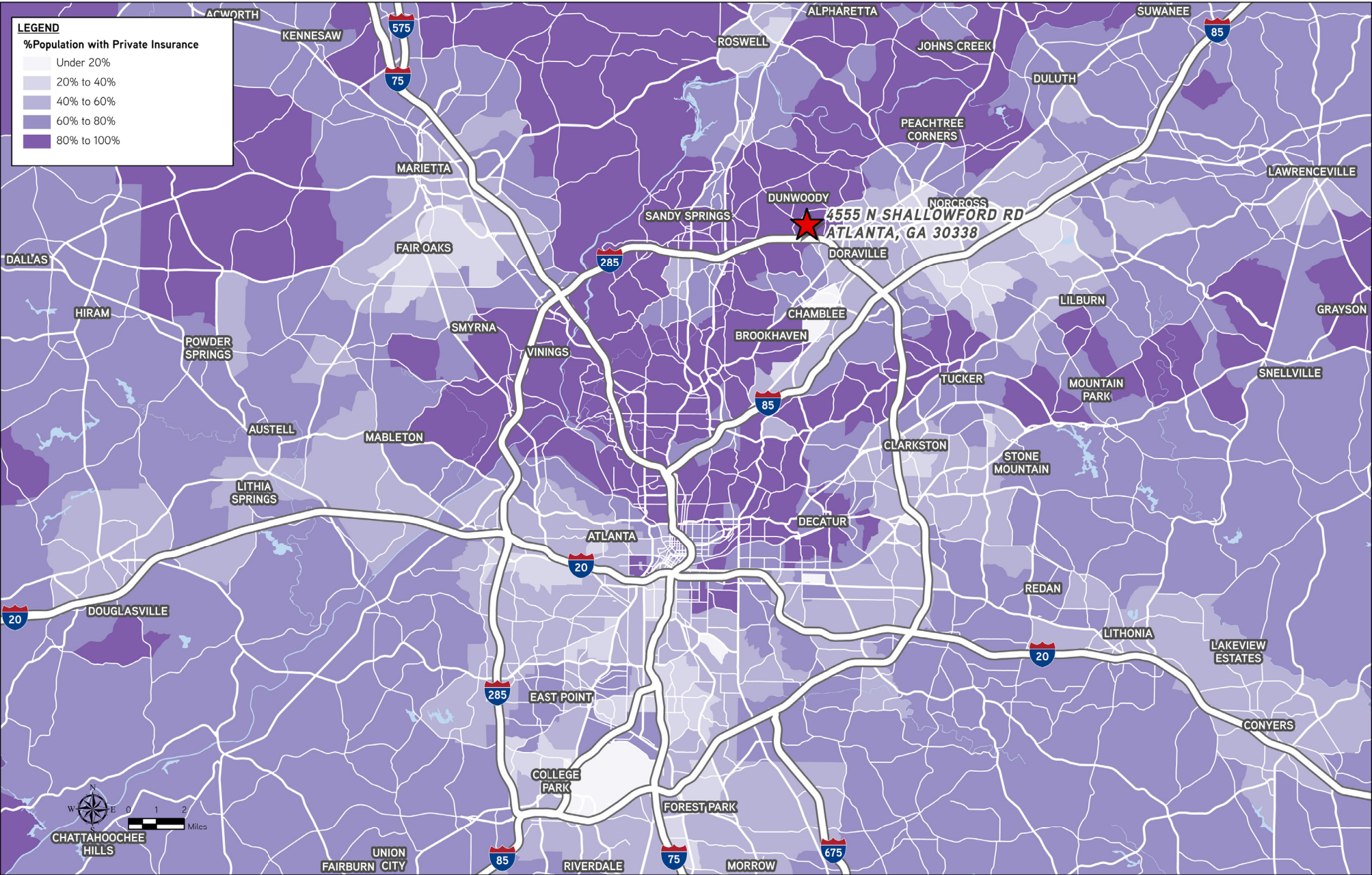
Reimbursable Operating Expenses / Taxes

Expenses	2017 Actual/SF
Cleaning	\$0.35
HVAC Repairs and Maintenance	\$0.26
Other Repairs / Maintenance	\$1.56
Landscaping	\$0.50
Security	\$0.12
Utilities	\$2.65
Management Fees	\$1.37
Taxes	\$2.34
Insurance	\$0.54
Total Expenses	\$9.70

Median Household Income



Percent Population with Private Health Insurance



Demographics

PROPERTY & ASSIGNMENT OVERVIEW

CONTINUED

ATL190110

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	9,827	75,851	226,387	2018	\$94,701	\$110,869	\$103,397
2010 Population	11,864	85,195	241,297	2023	\$110,606	\$126,742	\$119,238
2018 Population	13,140	94,355	268,117	Change 2018-2023	16.79%	14.32%	15.32%
2023 Population	13,842	100,473	285,247	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	20.73%	12.32%	6.59%	2018	\$62,026	\$73,439	\$65,578
Change 2010-2018	10.76%	10.75%	11.11%	2023	\$75,444	\$87,854	\$78,149
Change 2018-2023	5.34%	6.48%	6.39%	Change 2018-2023	21.63%	19.63%	19.17%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,296	9,631	22,715	2018	\$44,504	\$44,597	\$41,767
2018 Population	1,591	11,755	28,827	2023	\$50,261	\$49,756	\$46,992
2023 Population	1,913	14,419	35,237	Change 2018-2023	12.94%	11.57%	12.51%
Change 2010-2018	22.76%	22.05%	26.91%	2018 HOUSEHOLDS BY INCOME			
Change 2018-2023	20.24%	22.66%	22.24%	<\$15,000	7.9%	7.1%	8.1%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	5.9%	6.6%	8.0%
2000 Households	4,474	30,302	94,550	\$25,000-\$34,999	7.7%	7.6%	9.2%
2010 Households	6,019	35,766	101,391	\$35,000-\$49,999	15.8%	12.0%	13.3%
2018 Households	6,206	37,964	107,826	\$50,000-\$74,999	23.0%	17.8%	17.8%
2023 Households	6,330	39,482	111,999	\$75,000-\$99,999	9.9%	11.4%	10.7%
Change 2000-2010	34.53%	18.03%	7.24%	\$100,000-\$149,999	13.7%	16.9%	13.9%
Change 2010-2018	3.11%	6.15%	6.35%	\$150,000-\$199,999	7.3%	7.1%	6.4%
Change 2018-2023	2.00%	4.00%	3.87%	\$200,000 or greater	9.0%	13.6%	12.6%
HOUSING UNITS (2018)				MEDIAN HOME VALUE			
Owner Occupied	2,795	19,458	50,752	2018	\$299,184	\$350,380	\$335,236
Renter Occupied	3,395	18,447	57,001	2023	\$321,080	\$375,384	\$387,387
HOUSING UNITS BY YEAR BUILT				HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2010 or later	158	749	2,316	1, detached	1,975	17,240	42,749
Built 2000 to 2009	1,766	7,634	15,493	1, attached	508	2,390	8,386
Built 1990 to 1999	954	6,038	17,961	2	29	319	1,135
Built 1980 to 1989	1,095	6,320	25,427	3 or 4	204	837	4,802
Built 1970 to 1979	974	8,054	21,638	5 to 9	401	2,811	12,557
Built 1960 to 1969	1,059	6,370	15,882	10 to 19	508	4,172	15,993
Built 1950 to 1959	162	2,205	7,211	20 to 49	792	3,218	8,598
Built 1940 to 1949	19	420	1,168	50 or more	1,772	6,872	13,042
Built 1939 or earlier	18	173	730	Mobile home	0	41	486
				Boat, RV, van, etc.	0	5	6

Source: Pitney Bowes/Gadberry Group - GroundView®

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Interstate 285	east-west	Outerbelt	This is within a mile of the subject property.
State Route 141	northeast-southwest	Local Highway	This is within 3 miles of the subject property.
US Highway 19/GA-400	north-south	Local Highway	This is within 3 miles of the subject property.
Interstate 85	north-south	Interstate Highway	This is within 5 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
North Shallowford Road	southeast-northwest	Primary Arterial	The subject property fronts this street.
Peachford Road	northeast-southwest	Commercial Corridor	This is just down the street from the subject property.
Chamblee Dunwoody Road	southeast-northwest	Primary Arterial	This is within a mile of the subject property.
Mount Vernon Road	northeast-southwest	Primary Arterial	This is within 3 miles of the subject property.
Abernathy Road	east-west	Primary Arterial	This is within 5 miles of the subject property.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages).

Market Stats

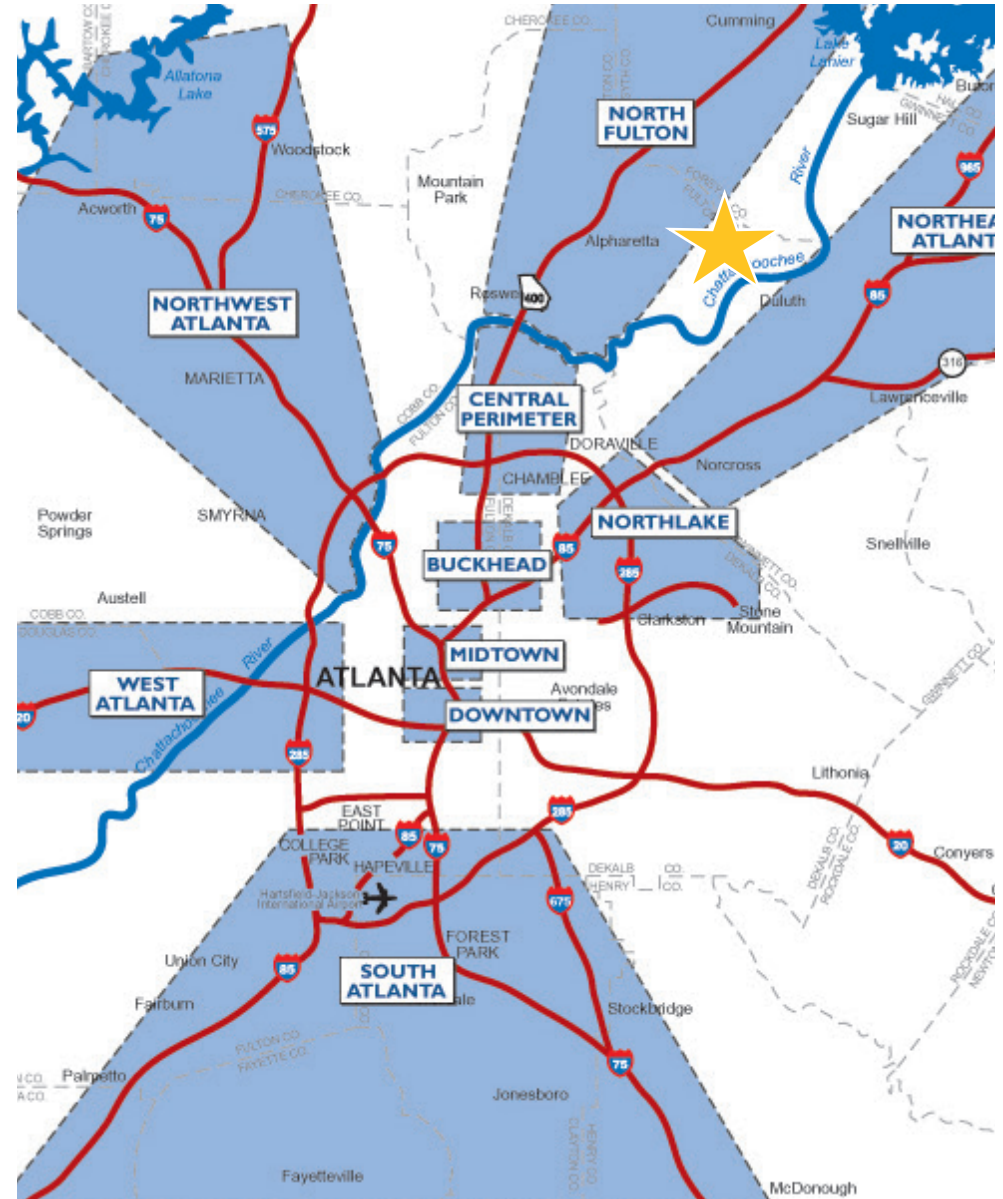
TOTAL ATLANTA OFFICE TRENDS

	Year End 2016	Year End 2017	Year End 2018	2019 YTD
Number of Buildings	3,419	3,439	3,458	3,466
Existing Square Feet	220,910,953	222,951,088	225,351,077	226,491,884
New Space (YTD)	1,266,969	2,040,135	2,399,989	1,140,807
Space Under Const.	4,524,333	4,900,415	5,196,585	7,122,066
Net Absorption (YTD)	1,753,657	952,465	1,733,899	569,404
Vacant Space	27,764,280	28,851,950	29,518,040	30,089,443
Vacancy Rate	12.6%	12.9%	13.1%	13.3%

CENTRAL PERIMETER MARKET TRENDS

	Year End 2016	Year End 2017	Year End 2018	2019 YTD
Number of Buildings	282	284	286	286
Existing Square Feet	29,184,739	29,220,857	29,801,107	29,801,107
New Space (YTD)	607,763	36,118	580,250	0
Space Under Const.	616,368	1,676,450	1,434,200	1,434,200
Net Absorption (YTD)	195,779	(113,336)	462,910	(360,734)
Vacant Space	4,010,222	4,159,676	4,277,016	4,637,750
Vacancy Rate	13.7%	14.2%	14.4%	15.6%

Data Source: CoStar



Bid Process

The City of Dunwoody will utilize an Invitation to Bid form, a sample of which is included below, to conduct the sale of 4555 North Shallowford Road. The Bid Form will include the following:

- An Invitation to Bid number.
- Instructions regarding how to respond to the Invitation, including time and date.
- The City reserves the right to reject any and all bids at its sole discretion.
- Provides a Non-Collusion statement concerning other bidders.
- With prior written notice to the bidders, the City reserves the right to adjust this process.
- Qualifying bidders should submit their offers no later than November 1, 2019.
- Closing will occur on or before December 31, 2019.

Invitation to Bid form

CITY OF DUNWOODY

Invitation to Bid ITB 19-04

The City of Dunwoody is soliciting competitive sealed bids from firms for the sale of property at 4553 N Shallowford Road for the Dunwoody City Council. Bids should be typed or submitted in ink and returned in a sealed container marked on the outside with the ITB 19-04 and Company Name. Bids will be received until 2:00 P.M. local time on Friday, November 1, 2019 at the City of Dunwoody, 4800 Ashford Dunwoody Rd, Dunwoody, Georgia 30338. Any bid received after this date and time will not be accepted. Bids will be publicly opened and read at 2:05 P.M. Apparent bid results will be available the following business day on our website www.dunwoodyga.gov.

Award will be made to the firm submitting the highest responsive and responsible bid. The City reserves the right to reject any or all bids to waive technicalities, and to make an award deemed in its best interest. The City reserves the option to negotiate terms, conditions and pricing with the highest responsive, responsible bidder(s) at its discretion.

The City reserves the right to reject any bid if the evidence submitted by, or investigation of such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract.

. NON-COLLUSION:

Bidder declares that the bid is not made in connection with any other bidder submitting a bid for the same commodity or commodities, and that the bid is bona fide and is in all respects fair and without collusion or fraud. An affidavit of non-collusion shall be executed by each bidder. Collusion and fraud in bid preparation shall be reported to the State of Georgia Attorney General and the United States Justice Department.

Certification of Non-Collusion in Bid Preparation _____
Signature Date

Legal Business Name _____

Federal Tax ID _____

Address _____

Does your company currently have a location within the City of Dunwoody? Yes = No

Representative Signature _____

Printed Name _____

Telephone Number _____

Fax Number _____

Email Address _____

Process & Limiting Conditions

The Property is being offered for sale on an “as-is” all cash basis, subject to the Limiting Conditions described in this Offering Memorandum and the Confidentiality Agreement.

Prospective purchasers should recognize the following:

- **Property Tours:** Property tours will be available to prospective purchasers at specified times throughout the marketing process, and will only be available with a Colliers or Owner representative present. Unannounced and/or unescorted tours will not be permitted, and potential investors shall not be allowed to contact the owners of the Property, whether directly or indirectly. To arrange a property tour, please contact:

Primary Contact:

Fred B. Sheats, III

fred.sheats@colliers.com

direct +1 404 877 9241



- **Initial Bids:** During the marketing process, Colliers will deliver instructions to prospective purchasers at the appropriate time identifying the invitation to bid and outlining information to be incorporated into purchase offers, which may include the following:
 - Purchase price, earnest money deposit, due diligence contingencies and closing date
 - Details regarding capital sources (both debt and equity)
 - Investment approval process
- **Due Diligence Materials:** With Seller’s approval, Colliers will make available to prospective purchasers relevant due diligence materials as applicable and available.
- **Disclaimer:** The Owner reserves the right, in its sole discretion, to reject any and all offers to acquire the Property and/or to terminate discussions with any prospective purchaser, at any time, with or without notice. The Owner shall not be bound to any agreement until a mutually agreeable purchase and sale agreement is executed by and delivered to all parties.

This Offering Memorandum was prepared by Colliers International-Atlanta, Inc. and has been reviewed by the Seller. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. All financial information is provided for general reference purposes only. An opportunity to inspect the Property will be made available to prospective purchasers. In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form and do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering Memorandum does not constitute a recommendation, endorsement, or advice as to the value of the Property by Colliers International-Atlanta, Inc. or the Seller. Each prospective purchaser is to rely upon its own investigation, evaluation, and judgment as to the advisability of purchasing the Property described herein. Seller, and Colliers International-Atlanta, Inc. (CIA) expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller, and any conditions to Seller’s obligations thereunder have been satisfied or waived. Colliers International-Atlanta Inc. is not authorized to make any representations or agreements on behalf of the Seller.

The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it to CIA and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without prior written authorization of CIA and the Seller. The terms and conditions set forth above apply to this Offering Memorandum in its entirety.

FRED B. SHEATS, III
fred.sheats@colliers.com / +1 404 877 9241

4555 North Shallowford Rd Medical Building

Offering Memorandum
Investment Opportunity

FRED B. SHEATS, III
+ 1 404 877 9241 DIRECT
fred.sheats@colliers.com



Promenade, Suite 800
1230 Peachtree Street, NE
Atlanta, GA 30309-3574
Phone: +1 404 888 9000
Fax: +1 404 870 2845
www.colliers.com