



NEWS

Oaks Development Group acquires medical office building in Punta Gorda, Florida

(PUNTA GORDA, FL, April 21, 2008) -- North Carolina-based Oaks Development Group announced today the company closed on Cypress Professional Center, 25097 Olympia Avenue, in Punta Gorda, Florida. The 29,927-square-foot Class A medical office building is located near Charlotte Regional Medical Center and currently includes an established cardiology practice. The building is being converted to Oaks' unique tenant-ownership model.

The Oaks' Model property is set up as a single purpose limited liability company (L.L.C.). Tenant partners split 50 percent ownership interest based on how much space they occupy. While there is no capital outlay required for pro rata ownerships, tenant partners have first right of refusal on an additional 25 percent ownership through equity investment. Oaks retains only 25 percent ownership and is responsible for professionally managing the asset over the long term. Tenant partners receive distributions of operations profits as well as refinancing profits.

RJ King & Associates' principal Bob King, CCIM, is exclusive broker for the Oaks' project in Punta Gorda. King can be reached at 813.874.1515 or rjking@rjkingassociates.com. "Oaks brings almost 30 years of medical office development success to Florida. Its model aligns the interests of landlords and their physician tenants to the benefit of both, providing tenants ownership in the properties without capital investment," says King.

As a testament to Oaks' long-range vision, the company has built and acquired 42 assets and retained them all in its portfolio. Over the years, Oaks has carefully structured its model to minimize costs and maximize returns on the assets it owns for its partners.

Such refinements include:

- limiting partner risk by starting to build only after 50 percent of the building is pre-leased;
- requiring a minimum of five parking spaces for every 1,000 square feet of building;
- focusing on properties without restrictions or other limiting covenants that would prevent the provision of ancillary services by tenants
- multi-tiered exit strategies;
- nesting of complimentary professions to create synergy, increased patient flow and
- natural referrals within the project; and

- designing buildings and practice combinations that enhance patient care.

The company has found the model works equally well for new construction as well as in the acquisition of existing facilities.

“This concept relieves doctors of having to take time away from their practices to manage property, while still offering tax benefits and investment income,” says Charlie Barker, developer in Oaks’ Florida office. “We believe when doctors focus on what they do best, they create value in the asset. Shouldn’t they be the ones to benefit?” Barker says.

Birmingham, AL-based Red Mountain Bank provided financing for the Punta Gorda project.

About Oaks

Oaks Development Group, www.oaksdevelopment.net, is a private equity funded real estate investment group specializing in the acquisition, construction, conversion, restructuring and management of medical/professional properties to achieve a consistent long term and stable return for private investments. The Oaks model involves strategically sharing equity in transactions with individual tenants. Oaks Development Group is headquartered in Cary, North Carolina; with offices in Boston; Chicago; Miami, FL; Austin, TX; Savannah, GA; Tampa, FL; and Wilmington, NC.

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