



## NEWS RELEASE

### **Oaks Development Group Closes on Third San Antonio Project**

(SAN ANTONIO, TX, December 8, 2008) – The Texas office of Oaks Development Group announced today the company closed on Shavano Oaks II, a 35,000 square-foot medical office building at 3603 Paesanos Parkway in north central San Antonio. The site, located just east of the intersection of Loop 1604 and Northwest Military Highway, will feature the company's unique tenant-ownership model that divides ownership of the building among the tenants, equity investors and the developer.

This is Oaks' third project in San Antonio. The building is ready for occupancy, and the company has received commitments for about 85 percent of the building with signed leases and letters of intent. Tenant owners include the Neurology Institute of San Antonio with Dr. Suzanne Gazda and Dr. R. Braden Neiman and the Spine & Pain Center of San Antonio with Dr. Dennis Karasek and Dr. Sergio Alvarado. There are also plans for a physical therapy, a sleep clinic and imaging on site, according to Sarah Teel of MSL Investments, broker/ real estate agent for Oaks Development Group in Texas. "The building is in a convenient location with an easy flow to hospitals in both the medical center and Stone Oak," said Teel. "With its beautiful 'lifestyle' environment and strong tenant owner mix, only a small amount of space remains available."

The Oaks model is unique in that tenants acquire their ownership without an outlay of capital. "Oaks' structure provides tenant owners 50 percent of the building's ownership based on the size of their space," said Eric Perardi, developer in Oaks' Texas office. Tenant partners receive pro-rata distributions from operations and refinancing as the value of the investment increases over time. "As a partner in the deal, we remain involved long-term, professionally managing the asset," he added.

As a testament to the company's long-range vision, Oaks Development Group has built, acquired and retained in its portfolio more than 40 assets with approximately 1.55 million square feet, valued in excess of \$245 million. "The model has been structured and refined to minimize costs and maximize returns in a tax efficient manner for its partners over the long term," added Perardi.

Such refinements include:

- Maintaining a project risk profile lower than similar commercial real estate;
- Maximizing available exit strategies;
- Providing equal or better than market rates of return; and
- Providing complete separation between the operations of the tenant's practice and the ownership in the building.

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

“Our approach relieves doctors of having to take time away from their practices to manage property, while still offering tax benefits and investment income,” said Kerry Angus, partner in Oaks’ Texas 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?” he adds. “Getting Shavano Oaks II financed on attractive terms in the toughest credit market in decades is a testament to the strength of our ownership structure and our track record” said Angus.

Oaks also holds property in The Medical Center and Westover Hills. Both have space available for physicians and other business professionals who want to own their own building but be able to focus on their practice, rather than facility management.

### **About Oaks**

Oaks Development Group, [www.oaksdevelopment.net](http://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; San Antonio, TX; Austin, TX; Savannah, GA; Tampa, FL; and Wilmington, NC.

###

For more media information or to request a digital rendering of the building, please contact:

(Oaks) Ann Close, [aclose@oaksdevelopment.net](mailto:aclose@oaksdevelopment.net), 919-460-6779

(Agency) Debi Pfitzenmaier, [debi@pfitzpr.com](mailto:debi@pfitzpr.com), 210-669-6911