HEALTH WEALTH CAPITAL

The 10-Point Buy Box

The checklist our acquisitions team runs on every medical building before we make an offer. The building is not the investment. The rent check is.

1	**An essential medical tenant** Dental, dermatology, veterinary and other care that cannot move online, with high costs to relocate.	**Internet-proof**
2	**The right size building** Single-tenant medical or dental buildings of 2,500 to 15,000 sq ft that another practice could use.	**2,500 to 15,000 sq ft**
3	**Bought at the right price** Purchase cap rate of 7.5% or better, with a projected cash-on-cash return of 8% or better.	**7.5%+ cap**
4	**A triple net lease with time on it** The tenant pays taxes, insurance and maintenance. At least 5 years remaining; 10 or more is ideal.	**5+ years, NNN**
5	**Rent that grows** Contract rent increases of 2% a year or more.	**2%+ a year**
6	**Someone standing behind the lease** Corporate, practice and personal guarantees.	**Guaranteed**
7	**Rent the tenant can easily afford** Year-one rent below 10% of the practice's revenue.	**Under 10%**
8	**A profitable practice** Tenant profit margin (EBITDA) of 12% or better.	**12%+ margin**
9	**Patients who stay** Google rating of 4.5 or better, with at least 25 reviews.	**4.5+ stars**
10	**A market with enough people** 50,000 or more people within 10 miles and growing. We prefer 5,000+ cars a day and household income of $65,000+.	**50,000+ people**

Health Wealth Capital investment criteria. Few buildings pass every test; we look for strong offsetting fundamentals where an exception applies. For education only. Not investment advice and not an offer to sell or a solicitation to buy any security. Offerings are made only to verified accredited investors under Rule 506(c) through definitive offering documents. healthwealth.capital

HEALTH WEALTH CAPITAL

Score your own deal

Use this on any medical building a broker, friend or sponsor shows you. One point per test passed.

#	Test	Target	This deal	Pass
1	**An essential medical tenant**	Internet-proof		☐
2	**The right size building**	2,500 to 15,000 sq ft		☐
3	**Bought at the right price**	7.5%+ cap		☐
4	**A triple net lease with time on it**	5+ years, NNN		☐
5	**Rent that grows**	2%+ a year		☐
6	**Someone standing behind the lease**	Guaranteed		☐
7	**Rent the tenant can easily afford**	Under 10%		☐
8	**A profitable practice**	12%+ margin		☐
9	**Patients who stay**	4.5+ stars		☐
10	**A market with enough people**	50,000+ people		☐

8 to 10
Worth serious diligence. Now verify every number with documents.

6 or 7
Possible, if the misses are offset by a very strong tenant.

5 or fewer
Pass. A high yield will not fix it.

Six red flags

- A yield far above everything else on the market
- Fewer than 5 years left on the lease
- A solo provider close to retirement with no successor
- Rent above 10% of the practice's revenue
- A gross lease, where the owner pays rising costs
- A shrinking town with one practice in it

See the buildings that passed
Series 3 is open to accredited investors.

healthwealth.capital/invest

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