RIVERVIEW DIVESTMENT

32,744 SFT TOTAL

DESCRIPTION OF SITUATION AND HOW IT RELATES TO HEALTHCARE

Riverview Health approached Innovcare | Innovative Healthcare Real Estate to assist in assessing its existing real estate portfolio, owned and leased assets. Riverview's portfolio included a couple of owned properties not part of its long-term strategy and growth in the Noblesville market. With no short-term plans to vacate the buildings, Riverview engaged Innovcare to divest the properties in a sale-leaseback scenario to monetize the assets. Innovcare went to the marketplace and generated multiple offers for the building portfolio, giving Riverview the leverage to aggressively negotiate with the potential buyers to maximize their value. Innovcare navigated Riverview through the process including negotiating the purchase agreement and leases, assisting the buyer during due diligence period and ultimately working to meet both parties goal of closing before yearend.

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865 WESTFIELD SITE PLAN

205 NOBLE CREEK SITE PLAN

CHALLENGES PRESENTED AND OUR SOLUTIONS

Zoning Concerns | During the Buyer's Due Diligence it was determined that one of the properties had been reassessed into a flood plain but was "grandfathered" into a previous zoning delineation. There was concern from both parties about the future zoning standards and it nearly ended the acquisition. Innovcare tirelessly worked with the city, buyer and Riverview to find a sense of comfort and compromises to ensure the deal was not delayed and still closed on time at the same value.

Hospital Shifting Resources | Riverview made the decision to reallocate its capital deployment from hard assets to operations as well as a new GI surgery center in its Westfield Hospital. The new ASC was approved to move forward at the completion of the divestment of the 2 properties. Innovcare moved quickly to ensure the sale was completed before yearend ensuring the ASC groundbreaking would not be hindered.

Rising Cap Rates | Initial offers came in well below market values due to the unknown variables on the tenant and their long-term strategy. Innovcare worked with Riverview on the lease structure and term to attract a larger buyer pool and maximize the values. While identifying the ultimate buyer for the assets at a competitive market cap rate and purchase price, NIMA was still able to achieve below market rents to minimize long-term operating costs.