

In every race, there comes a moment when the course stretches longer than we had ever imagined, when an unexpected hill suddenly appears, and the finish line seems further away. This is my daughter's first year on her school's cross country team and each week, I am continually impressed as I see her becoming stronger and faster. Even those times when she feels she has no more to give, she digs deep, taps into her reserves, and finds a way to finish the race - exceeding all expectations in the process. It is the true extent of our strength and resilience.

during these challenging moments that we discover I find myself thinking about this analogy more and more often as it relates to the healthcare real estate industry. Our journey, much like a race, has its share of twists and turns, unexpected peaks and valleys, obstacles and opportunities. reserves of determination, creativity, and teamwork that propel us forward.

Over the past few months, we've faced unforeseen challenges that have tested our mettle - difficult capital markets, permitting and supply chain delays, among others. Yet, it is precisely during these times that we must dig deep to find the As you'll see in the projects and engagements included in this edition of our newsletter, we continue to operate with an "entrepreneurial hustle" mindset while

delivering an institutional quality level of execution. Our commitment to excellence remains unwavering; the Anchor team continues to find innovative solutions to challenges, foster collaboration, and nurture a spirit of perseverance. We may not control the course, but we control how we navigate it and together, we will chart a path forward that leads us successfully to the finish line.

Yours truly, Ben Ochs

IN THIS ISSUE

Investment Development

Management

TGH | REHABILITATION

Company News

Stronger Together: Fostering Team Culture and Knowledge Sharing By Katie Jacoby, Executive Vice President, Strategy & Development In the dynamic and ever-changing healthcare real estate landscape, we often find ourselves caught in the whirlwind of day-to-day tasks and projects, and at Anchor, we believe that it is important to pause and reflect on our collective achievements from the past year, learn from one another, and set our sights on the path forward. We recently wrapped up a two day summit in San Antonio, Texas where the development team gathered together to engage in open conversations and

knowledge sharing - appreciating the unique perspective, skillset, and background each of us brings to the table. One key theme wound its way through each session - and that is teamwork. While our diverse group of professionals is spread across the country, we are intentional in breaking down silos and ensuring no one person is left on an island. We communicate with each other often, openly and honestly to overcome obstacles and achieve remarkable milestones together.

We also looked back over the past year and took stock of the lessons we learned, the challenges we overcame and the goals we achieved. Reflecting on the past helps us to identify what worked well and what didn't, while collectively strengthening our team to deliver our purpose of pursuing better healthcare through real estate solutions in the future. Our team is aligned in our commitment to deliver best in class healthcare real estate for the communities we serve, and I believe it's this unified passion that allows us to remain energized and active amidst the challenging market environment. With the knowledge gained from our reflections and a solid foundation, we

set clear and ambitious goals for 2024. We are ready to nimbly and effectively deliver the highest quality service to our clients and adapt to new circumstances

and challenges for a lasting, positive impact for our clients, patients, and their families through healthcare real estate. RECENT DEVELOPMENT NEWS

Grand Opening HonorHealth Complete Care Freestanding Emergency Department and **Urgent Care Clinic** 21,215 SF | Paradise Valley, AZ

Multi-Specialty Medical Office Building 53,000 SF | Hudson, OH [Read More]

OU Health FSED and Urgent Care Center Freestanding Emergency Department and **Urgent Care Center** 10,900 SF | Oklahoma City, OK

Grand Opening

Groundbreaking Tampa General Behavioral Health Hospital Inpatient Behavioral Health Hospital 83,000 SF | Tampa, FL

[Read More]

Grand Opening Western Reserve Health Center

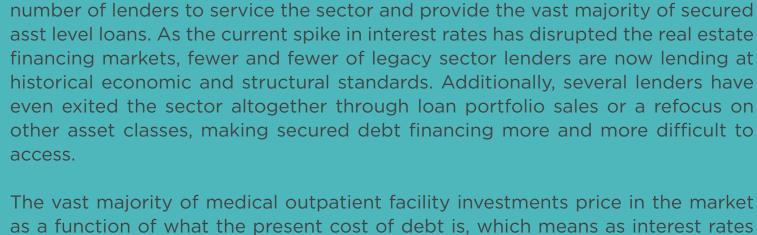
ESTME

Construction Commencement Outpatient Diagnostic Imaging Facility

Multi-Specialty Medical Outpatient Building 8,250 SF | Westminster, CO

[Read More]

They will also generally agree that most years have their own difficulties, and it is typically the impetus that changes - supply and demand, consolidation, government regulations, among others. This year, profitability and the availability of both equity and debt capital are affecting the current market environment. For much of its initial existence, the US medical outpatient sector featured ownership by health systems or public REITs through the exit from the Great Financial Crisis (GFC) a little over a decade ago. As more and more private investment buyers made investments in the sector, secured real estate debt financing at the asset level became more common. Initially, GE Healthcare, (eventually acquired and re-branded as Capital One Healthcare), provided the vast majority of secured debt capital to the sector. Other regional and international banks, such as BMO Financial Group, Synovus Bank, First Horizon Bank, Fifth Third Bank, as well as specialty healthcare lenders such as Siemens Bank and CIT also provided



raised from institutional capital to help fill this void, and are offering secured debt financing alternatives, albeit ones at much higher rates and stricter terms than

Prior to the significant market movements of the past 18 months, Anchor locked in longer term asset level debt financing and interest rate hedges for nearly all of the company's owned asset portfolio, resulting in successful origination of nearly \$1b since the start of 2022. Anchor also continues to actively monitor its existing debt holdings, interest rate hedges, and debt compliance metrics, along with

A Look at the State of the Healthcare Real Estate Lending Market

As most healthcare real estate industry experts will agree, the US commercial real estate sector is in the middle of a challenging time within the capital markets.

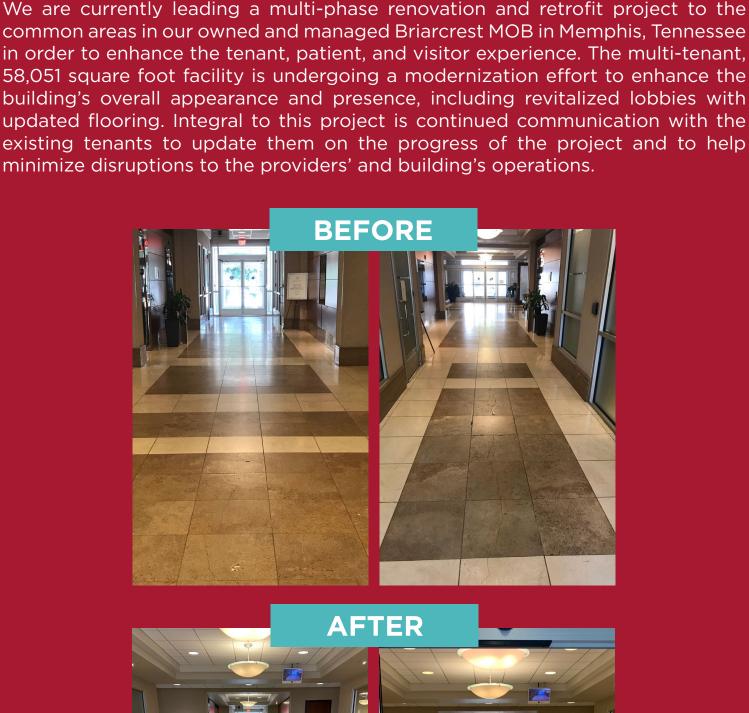
By James Schmid, Chief Investment Officer & Managing Partner

take creativity and persistence to access it, along with appropriate secured debt financing. RECENT INVESTMENT TRANSACTIONS Georgia

Cumming **Medical Office Building** 91,940 SF Class A Outpatient MOB

[Read More]

Atlanta, Georgia Off-Market Transaction



BEFORE AFTER

We had multiple renewals coming up at the same time totaling approximately 75% of our owned and managed Medlock MOB in Johns Creek, Georgia. Some of these providers were exploring alternate space options, including vacating their current suite. At the time, we were working with interior designers and general contractors to renovate the interior common areas with updated flooring, wall coverings, and lighting, making the space more welcoming and upscale. To help retain our tenants, we presented these plans and concepts for a bright and modern design and worked closely alongside the providers to ensure they felt comfortable and well-cared for in their space - which ultimately led to their decision to stay



OUR SCAVENGER HUNT ADVENTURE

Our nationwide bond-building adventure was a success - uniting 9 teams, 26 people, across 11 states! As the photos poured in, we witnessed the fun of our combined creativity, friendship, and teamwork. Below we have shared some of our favorite shots and moments collected as we enjoy laughter, camaraderie, and

some pretty unique finds.

healthcare real estate industry.

Grace Cotton

Assistant

Controller

ANCHO

Sarah Juday **Rob Rumer Drew Sandler Andrew Antognoli** Investment Investment Investment Portfolio Manager Associate Manager _。 Controlle

RJ Hill

Operations

Manager

Grayson Lester

Operations

Associate

Continuing to embrace the entrepreneurial spirit, we encourage our professionals to actively find and pursue innovative, and holistic solutions. Guided by a mindset of challenging assumptions and collaborative, creative problem solving, we value the talents and ideas of everyone on our team, especially our new hires.

Hannah Bowers

Portfolio

Accountant

Aiyah Smart **Amal Wassie Rich Klinger Kevin Martin Assistant Property Assistant Property** Senior Property **Assistant Property** Manager Manager Manager Manager

Ryan Markward **Amy Morris Chris Pirkey** Senior Property Assistant Property Controller Manager Manager I joined

Pursuing Better Healthcare through Real Estate Solutions

meaningful secured debt capital. The healthcare real estate investors who required secured mortgage debt to make core plus and value add acquisitions became particularly reliant on a small rise, so do cap rates for most sector assets. And so today, debt capital - both for stabilized acquisitions and for new construction of MOBs - is much harder to come by and often non-existent for "value add" acquisition transactions that come with leasing, WALT, or other significant risks. Secured debt funds have been

Let's look at how we got here.

What can we expect for the rest of this year? We will see deals close - even though they may take longer to do so, as capital is out there and available - though it will

what has been provided by traditional sector lenders.

expanding lender relationships within the US and internationally.

Building Trust: How Strong Tenant Relationships & A Welcoming

In the competitive landscape of healthcare real estate, establishing and maintaining close, personal relationships with tenants and ensuring a clean and welcoming patient care environment can significantly impact leasing outcomes for medical outpatient facilities. Anchor Health Properties' personal and responsive approach to asset and property management plays a pivotal role in creating thriving, longterm partnerships with our tenants. While leasing strategies may vary market to market, the Anchor team focuses on the little things that are meaningful to each

Patient Care Environment Enhances Leasing Efforts

tenant and this comfort translates to the patients and visitors.

Streamlining Maintenance with a Commitment to Patient Care

By Hugh Stephens, Asset Manager

Building Trust & Tenant Comfort

within the building.

care.



The unique benefits of fostering personal connections with our tenants and the importance of ensuring an attractive and functional workplace with a calming patient care environment are significant drivers in leasing in medical outpatient spaces. They create a foundation of trust and communication and contribute to the long-term viability of the facility. By prioritizing these important daily elements, Anchor's team creates spaces where healthcare providers can thrive, and in doing so, are supported in their mission and operations to deliver high quality patient

RECENT TENANT APPRECIATION EVENTS

Saxon Woods Medical Center

Colony Grill Thin-Crust Pizza Truck Harrison, NY

8100 Southwest 10th Street

HipPOP Ice Cream Truck Plantation, FL

COLONY & GRILL

Famous Thin-Crust Pizza Since 1935 colonygrill.com



Congratulations on Your Promotions!

With a strong sense of our core values, these team members collaborate "outside the medical office box" with our internal team, vendors, and clients to make a difference across all of the communities we serve. As they step into their new roles, we are excited to see them grow and continue to positively impact the

Please join us in congratulating them on their well-deserved promotions.

Please join us in welcoming our newest team members nationwide.

the Anchor team! #WeAreAHP