managed by Dr. Melvin S. Kohan, a doctor-tenant in the complex. KeyBank provided a $22.33 million mortgage to the buyer.

The facilities, 90 percent occupied at the time of the sale, will continue to be managed by Coral Springs-based Syndicon Properties Inc. Anchor tenants include Digestive Care Physician Group, a regional gastroenterology practice, and a hospital-owned, outpatient ambulatory surgery center.

In the other transactions, CNL acquired two MOBs on the campus of Scripps Mercy Hospital in Chula Vista, Calif., just outside of San Diego.

In one of those deals, CNL paid $10.7 million for Bay Medical Plaza, a 36,000 square foot MOB that was 97 percent occupied at the time of the sale. Built in 1985 and renovated in 1999, the four-story MOB is at 450 4th Ave. The cap rate for the deal was 6.8 percent, according John Smelter of Marcus & Millichap, who represented seller.

"Bay Medical Plaza is prime on-campus medical office real estate located near a hospital that receives hundreds of thousands of visits every year," says Mr. Smelter. "The AA-credit-rated Scripps Health, which is San Diego County's second-largest healthcare system, is one of the building's major tenants and one of the city's largest employers."

Also in Chula Vista, CNL purchased the 62,449 square foot Scripps Medical Office Building for $17.9 million, or $287 PSF. The seller was Chicago-based Centrum Properties. According to CNL, many of the tenants in the two Chula Vista buildings maintain "investment-grade" credit, including Scripps Health System, Quest Diagnostics and San Diego State University Research Foundation.

With the acquisitions, CNL Healthcare Properties has invested more than $300 million in 26 non-senior living healthcare facilities since making its first acquisition in January 2013.

"All four of these properties are terrific additions to our portfolio of healthcare facilities, helping us to both grow our holdings and enhance our geographic diversification and overall asset quality," said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties, in a statement.

"Coral Springs and Chula Vista are both dynamic and growing markets where, as in much of the country, demand for both medical services and well-located physical space for healthcare providers are expected to increase in the coming years."

Harrison Street closes on first two tranches of massive D.C. area portfolio

GREATER WASHINGTON, D.C. – The fourth quarter's national MOB sales volume certainly got a boost from an previously announced deal in which Chicago-based Harrison Street Real Estate Capital LLC agreed to buy the entire portfolio of MOBs owned by Rockville, Md.-based Washington Real Estate Investment Trust (NYSE: WRE).

Quite a portfolio it is, as Harrison Street is acquiring 21 properties – 18 of which are MOBs – with a total of 1.5 million square feet of space. The deal also includes an undeveloped property. By the time the overall transaction closes in late January, Harrison Street will have paid $500.75 million for the portfolio, which according to WRIT officials comprises about 20 percent of the institutional grade medical office assets in the D.C. metro area.

The two transactions that closed in November were for a total price of $307.29 million. They involved 15 properties with 877,000 square feet of medical office space as well as 216,000 square feet of general office space, much of which is occupied by medical tenants. The aggregate price for the two transactions was $281 PSF.

The closings were part of a well-publicized agreement struck earlier in the year, several months after news outlets learned that WRIT intended to sell its entire portfolio of MOBs, which it had been accumulating since 1998.

(For more on the deal and for a listing of the properties involved, please see "Deal takes Washington by storm" in the September edition of Healthcare Real Estate **Insights**™).

Earlier in 2013, officials with WRIT confirmed that the REIT planned to vacate HRE to focus on the general office, multi-family residential and retail sectors instead. It retained a local brokerage firm, Cassidy Turley, with J.P. Morgan as co-agent, to market the properties.

"As planned, the structure of this large transaction has provided WRIT the flexibility to redeploy the sales proceeds into assets that are aligned with our current strategy," said Paul T. McDermott, WRIT's president and CEO, in a prepared statement following the sale of the first two tranches. "We look forward to executing the two remaining medical office sales transactions in the next few months."

The next two tranches were originally scheduled to close at the end of January. The total price for those remaining properties is expected to be about $193 million.

Tenet-managed hospital outside of Miami buys MOB for $48M

HIALEAH, Fla. – Palmetto General Hospital in Hialeah, which is part of Dallas-based Tenet Healthcare Corp. (NYSE: THC), recently acquired an MOB on its campus from a private, third-party owner, North Miami Beach, Fla.-based Pal Med Holdings.

The 360-bed hospital, which is part of Lifemark Hospitals of Florida, paid $48 million for the 164,000 square foot building, or about $293 PSF. The facility is at 7150 W. 20th Ave. in Hialeah, just outside of Miami.

According to a local news report, Tenet had a ground lease on the property before acquiring the building, which last traded ownership for $37 million in 2008. ❑