



HPA Exchange Fully Subscribes \$15.4 Million DST Offering of Dignity Health Micro-Hospital in Phoenix

PHOENIX (Feb. 25, 2025) – [HPA Exchange LLC](#), a healthcare real estate investment sponsor created by the executive team of Healthcare Property Advisors, a vertically integrated healthcare real estate owner and operator, announced today that its offering, HPA Dignity Health Arizona DST, has been fully subscribed. Comprised of a full-service micro-hospital in Phoenix that is 100% leased to Dignity Health, the Delaware statutory trust offering raised \$15.4 million in equity from accredited investors.

“HPA Exchange is committed to bringing institutional-quality healthcare real estate investment opportunities to broker-dealers, registered investment advisory firms, financial advisors and their accredited investor clients,” said Robert Lee, co-president and chief investment officer of HPA Exchange. “We are confident in the long-term investment fundamentals of healthcare real estate, driven by its essential, needs-based care structure, and we are very pleased to have fully subscribed this healthcare DST offering. HPA Exchange is excited to be the first pure-play medical-focused sponsor in the 1031 space and looks forward to leveraging its institutional relationships and track record to bring more of this type of investment to main street investors who can leverage HPA Exchange’s offerings to help diversify their real estate portfolios.”

Located at 7171 S. 51st Drive, the 3.92-acre property was built-to-suit and completed in 2014 for Arizona General, a wholly owned subsidiary of Dignity Health. The micro-hospital is located in Phoenix’s submarket of Laveen Village, approximately eight miles southwest of downtown. Including 38,900 rentable square feet, the hospital includes: a 24/7 emergency department; 16 patient beds; 10 emergency room beds; 2 advanced operating suites for surgical procedures; a full onsite laboratory; a full radiology suite with 64-slide CT scan, X-ray and ultrasound capabilities; a pharmacy; and a cafeteria. The hospital’s lease is guaranteed by Dignity Health, whose parent company is CommonSpirit Health.

Phoenix itself is the fifth-largest city in the U.S., with a population of 1.65 million as of July 2023, and was the nation’s fastest-growing city from 2016 to 2020.¹ Laveen Village experienced a 65% spike in population between 2010 and 2023, which has contributed to new residential and retail development within one-half mile from the micro-hospital.¹

A multi-state nonprofit network, Dignity Health is a part of CommonSpirit Health, a nonprofit health system with more than 2,200 care sites in 24 states, 35,000 providers and 45,000 nurses. The health system was upgraded to a Moody’s credit rating of A3 in February 2024 and reported revenues of \$37

billion for its fiscal year 2024, an increase of 8.2% over the prior year. Dignity Health has more than 10,000 physicians, 400 care centers, and a reported \$10.8 billion 2023 annual revenue.² As a part of CommonSpirit Health, Dignity Health is the largest Catholic health system in the nation, according to rankings from Becker's Hospital Review.

"The HPA Exchange team is thrilled to have completed its first DST offering, launched in early October 2024, of a mission-critical healthcare real estate property located within a growth market that exhibits strong fundamentals, a stable health system environment and a growing aging population," said Thù Turner, co-president and chief operating officer of HPA Exchange. "It's a prime example of our investment criteria, as well as the strong industry relationships of our managing broker-dealer, American Alternative Capital, and wholesaler, Peak Capital Solutions. We look forward to what 2025 will bring our firm and its investment clients."

According to Jones Lang LaSalle's report, *Medical Outpatient Building Perspective*, released in April 2024, medical outpatient buildings have seen relentless demand and remain one of the most resilient commercial real estate property types.

HPA Exchange engaged American Alternative Capital, LLC as its managing broker-dealer for HPA Dignity Health Arizona DST. The healthcare real estate investment sponsor is expected to launch its next DST offering this spring, continuing its relationship with American Alternative Capital.

About HPA Exchange LLC

Headquartered in Brea, California and led by a seasoned management team with an average of more than 20 years each of experience in healthcare real estate, HPA Exchange, LLC is a real estate investment sponsor that seeks to provide institutional-grade core and core-plus institutional-quality properties operated by best-in-class healthcare systems for accredited investors via the broker-dealer and registered investment advisory firm market. HPA Exchange was created in 2024 by the executive team of Healthcare Property Advisors, a vertically integrated institutional real estate fund manager, owner, operator and developer. The vertical integration of the firm allows HPA to leverage the relationships with a large network of healthcare systems, and provide active asset management, investment and development of medical office buildings and outpatient facilities. Healthcare Property Advisors' executive team has acquired or advised on the investment of more than \$1 billion in healthcare-related properties since 2014. For more information, visit www.hpaxchange.com.

¹ U.S. Census Bureau. ² commonspirit.org, dignityhealth.org

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