

# PENNSYLVANIA

## Increasing the value of top-quarty veterinary properties while also diversifying their risk Terravet Real Estate Solutions launches private REIT with majority veterinarian ownership

**B**ALA CYNWYD, PA — **Terravet Real Estate Solutions**, a leading real estate group focused on veterinary practice real estate announced the launch of **Terravet REIT, Inc.**, the company's first private real estate investment trust ("REIT"). Terravet REIT, Inc. will provide owners of veterinary real estate an opportunity to diversify their real estate holdings by participating in a pool that is expected to scale to several hundred large general practice facilities and specialty/emergency veterinary hospital facilities nationwide.

The REIT comes at a time of growth in the veterinary sector. Total spending on veterinary care in 2021 reached record highs of \$32.3 billion with over 23 million Americans adopting pets in the last year. As a result of this growth, significant institutional capital has been invested in veterinary operations over the past decade, but most veterinary



real estate continues to be held by veterinarians.

"Our new REIT offers a differentiated opportunity for entrepreneurial veterinarians to increase the value of their real estate holdings while also diversifying their risk," said **Daniel Eisenstadt**, Founder and CEO of Terravet Real Estate Solutions, and a founder of the Terravet REIT. "Savvy veterinarians recognize the value of their real estate but may be hesitant to sell their property due to potential tax and other considerations. By using Terravet's UPRE-IT structure, we can offer a

tax-advantaged solution for single-property owners to contribute their facilities to a veterinary-focused REIT and in turn, reap diversification benefits and the possibility of enhanced value and liquidity down the road."

Terravet Real Estate Solutions founded the REIT that is majority owned by key players in the veterinary sector, with partners including **Randy Bimes**, DVM, Chair of the **Community Veterinary Partners Medical Advisory Board**, and **Samuel Geller**, VMD, **Lead Small Animal Veterinarian at Quaker-**

**town Veterinary Clinic** in Quakertown, PA; and **Hank Wright, DVM**, and **Jimmy Murphy, DVM**, of **The Pet Hospitals in Memphis, TN**. Together, Terravet and its partners have more than a century of combined experience in the veterinary sector.

Terravet REIT, Inc. will be overseen by a board of directors that will include **Neil Tauber**, a founder of **VCA Animal Hospitals**, and **Terry O'Neil**, partner at **Katz, Sapper & Miller's Veterinary Services Group**.

As a perpetual life vehicle, Terravet REIT, Inc. intends to focus on high-quality veterinary practice real estate with the average purchase price of a property expected to be approximately \$5 million at the outset. Upon completion of its initial acquisitions, the REIT expects to own approximately 20 facilities valued at around \$100 million and aims to grow significantly over the next 18 months. Two of Terravet's ex-

isting funds contributed to the capitalization of the REIT, and Terravet leveraged its lender relationships to secure a debt facility for the REIT.

"The Terravet REIT is a really good option for successful veterinarians who want to stay invested in veterinary real estate but also recognize the importance of portfolio diversification," said Dr. Randy Bimes, a partner in the Terravet REIT and a member of the REIT board of directors.

"Over the past decade, the veterinary sector has seen an increasing focus on purpose-built veterinary facilities. Terravet REIT's focus on the top quartile of strategically designed veterinary buildings ensures that investors will have a stake in real estate that is well-suited for the next generation of veterinarians and pet owners alike," said Neil Tauber, a co-founder of VCA Animal Hospitals and a member of the Terravet REIT BOD. **MAREJ**