

# PINNACLE

DERMATOLOGY





# PINNACLE

## DERMATOLOGY

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# PINNACLE

DERMATOLOGY

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# Property Overview





# EXECUTIVE SUMMARY

Cushman & Wakefield’s Healthcare Capital Markets Team is pleased to present 4040 Medical Park Drive, a premier medical office investment opportunity in Odessa, Texas. This 9,305 SF outpatient facility is 100% leased to Pinnacle Dermatology, part of the QualDerm Partners family of practices with over 150 locations nationwide. Pinnacle’s triple-net lease runs through September 2031 with unlimited CPI annual escalations supported by a 2.00% floor.

## Strategic Location within the Permian Basin

Odessa is considered part of the larger Midland-Odessa-Andrews Combined Statistical Area (CSA) with a burgeoning population of 378,000 that has grown an estimated 7.2% since the 2020 Census. The property is surrounded by complementary healthcare providers and is located within minutes of area hospitals including Medical Center Hospital (402 beds) and Odessa Regional Medical Center (225 beds).

## Modern, Purpose-Built Facility

Constructed in 2016, the building features contemporary design and clinical improvements tailored for dermatology and outpatient services, minimizing future capital expenditure risk. Efficient layout and modern infrastructure support a wide range of medical uses.

## Strong Demographics & Market Fundamentals

Within a five-mile radius, the property serves nearly 50,000 residents with an average household income of \$111,374 and annual healthcare spending exceeding \$143 million. Odessa is the primary healthcare hub for West Texas and the Permian Basin, benefiting from population growth, high healthcare utilization, and limited supply of modern medical office space. According to CoStar, the CSA’s 1.2M sq. ft. of medical office inventory is currently 95.3% leased and has never dipped below 92.5%. With no new construction in progress, the limited supply and growing demand of space suggests a high likelihood of renewal.

## Investment Highlights

- **Stable Cash Flow:** Year 1 NOI of \$301,358 with unlimited CPI escalations (2.00% floor).
- **Long-Term Tenancy:** Original owner/occupant since 2016 with over 5 years remaining on current lease term
- **NNN Lease Structure:** Minimal landlord responsibilities and predictable income.
- **Healthcare Demand Drivers:** Regional medical gravity, strong demographics, and growing outpatient care trends.



9,305 SF

Property



2016

Year Built



100%

Occupancy



\$301,358

Year 1 Net  
Operating  
Income



\$4,650,000

Asking Price



6.5%

Cap Rate



# PROPERTY DETAILS



Address	4040 Medical Park Drive, Odessa, TX 79765
Building Size	9,305 SF
Year Built	2016
Stories	One (1)
Site Area	1.50 AC   65,340 SF
Parking	3.65 per 1,000 SF   34 Spaces
Parcel	R000210086
Building Type	Medical Outpatient Building
Ownership	Fee Simple
Occupancy	100%
NOI	\$301,358
Asking Price	\$4,650,000
Cap Rate	6.5%





# INVESTMENT HIGHLIGHTS



## Stable, Long-Term Tenancy

Pinnacle Dermatology leases the entire building under a triple-net structure, minimizing landlord responsibilities and ensuring predictable income. Original owner/occupant since 2016 with over 5 years remaining on current lease term plus renewal options.



## Modern Medical Facility

Built in 2016, the property features contemporary design and clinical improvements tailored for dermatology and outpatient medical services, reducing future capital expenditure risk.



## Attractive Financial Profile

Unlimited CPI escalations with a 2.00% floor provides predictable NOI growth with a strong hedge against inflation. The property demonstrates consistent cash flow and expense recoveries, with no projected vacancy due to its single-tenant nature.



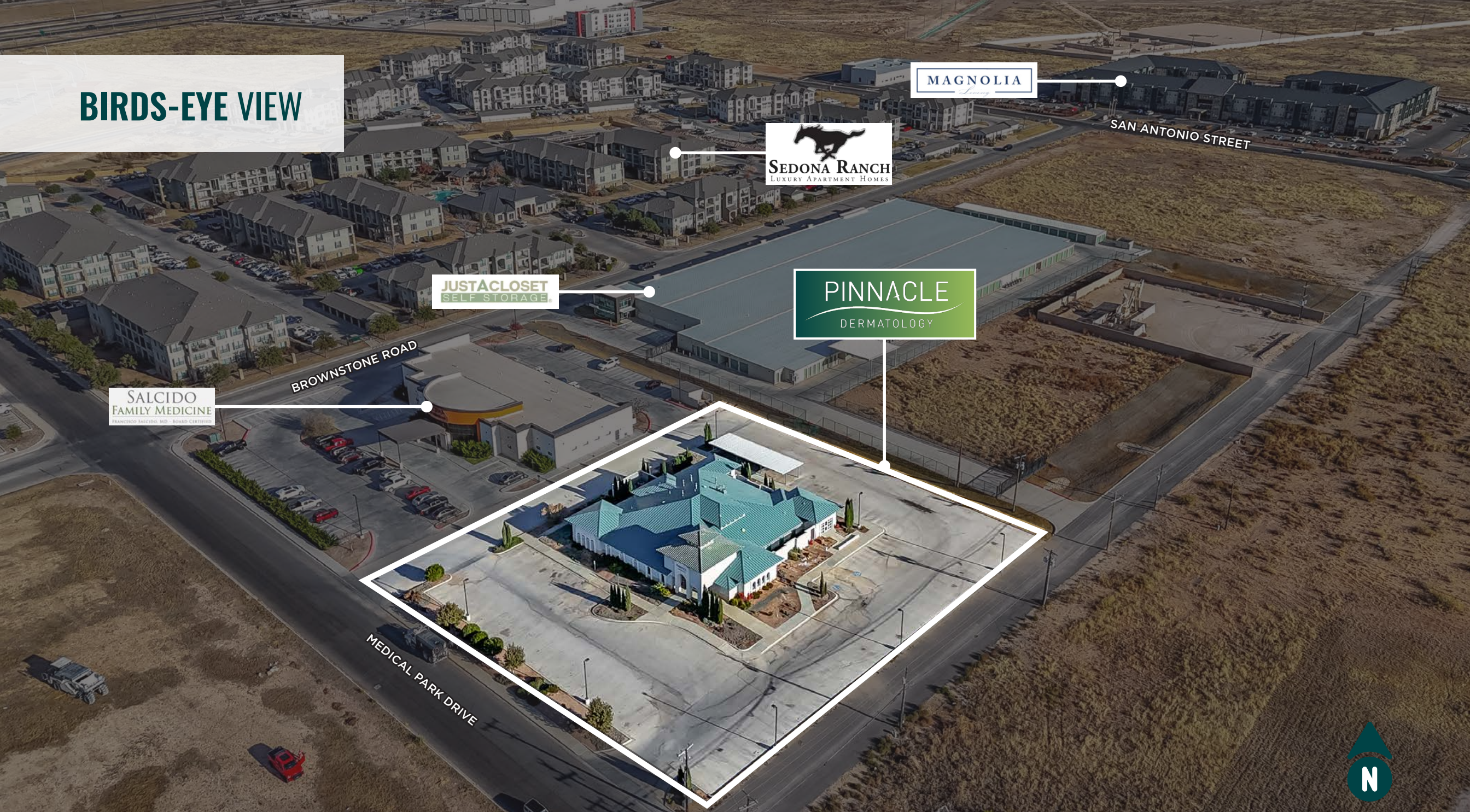
## Demographic Strength

The Odessa market features robust healthcare spending, a growing population, and above-average household incomes within a five-mile radius, supporting ongoing demand for medical services.





# BIRDS-EYE VIEW



MAGNOLIA  
*Living*

  
**SEDONA RANCH**  
LUXURY APARTMENT HOMES

SAN ANTONIO STREET

JUST A CLOSET  
SELF STORAGE

PINNACLE  
DERMATOLOGY

SALCIDO  
FAMILY MEDICINE  
FRANCISCO SALCIDO, MD - BOARD CERTIFIED

BROWNSTONE ROAD

MEDICAL PARK DRIVE





# BIRDS-EYE VIEW

Permian Micro Mart

LATIGO

West Star Dentistry

BIG SMILES RANCH

PERMIAN BASIN ORAL SURGERY & DENTAL IMPLANT CENTER

PINNACLE DERMATOLOGY

WEST TEXAS SPEECH & Myofunctional Therapy

JUSTACLOSET SELF STORAGE

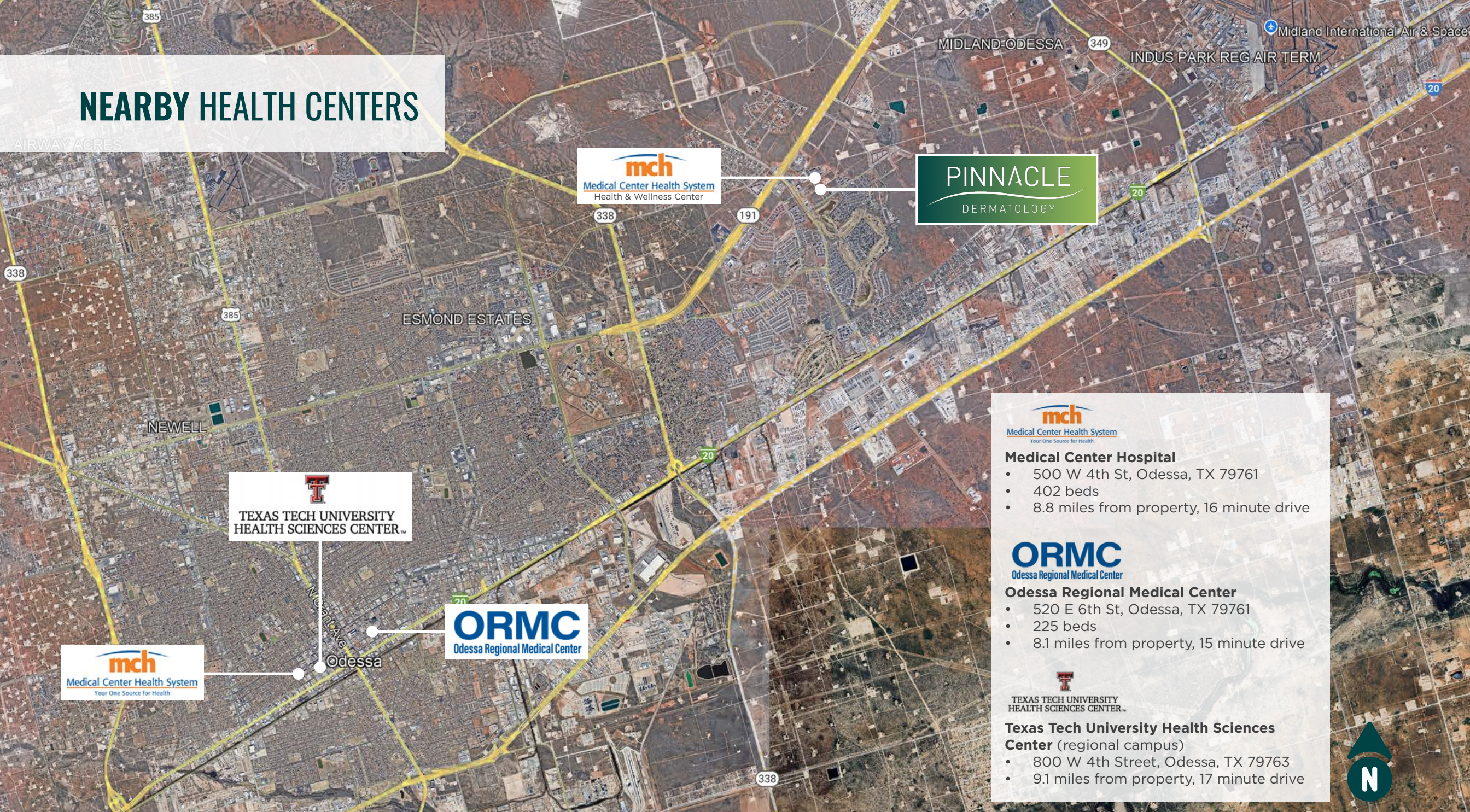
MEDICAL PARK DRIVE

SALCIDO FAMILY MEDICINE





# NEARBY HEALTH CENTERS



**mch**  
Medical Center Health System  
Health & Wellness Center

**PINNACLE**  
DERMATOLOGY

**TEXAS TECH UNIVERSITY**  
HEALTH SCIENCES CENTER™

**mch**  
Medical Center Health System  
Your One Source for Health

**ORMC**  
Odessa Regional Medical Center

**mch**  
Medical Center Health System  
Your One Source for Health

**Medical Center Hospital**

- 500 W 4th St, Odessa, TX 79761
- 402 beds
- 8.8 miles from property, 16 minute drive

**ORMC**  
Odessa Regional Medical Center

**Odessa Regional Medical Center**

- 520 E 6th St, Odessa, TX 79761
- 225 beds
- 8.1 miles from property, 15 minute drive

**TEXAS TECH UNIVERSITY**  
HEALTH SCIENCES CENTER™

**Texas Tech University Health Sciences Center** (regional campus)

- 800 W 4th Street, Odessa, TX 79763
- 9.1 miles from property, 17 minute drive





# SITE PLAN



# FLOOR PLAN





# PROPERTY PHOTOS

## EXTERIOR





# PROPERTY PHOTOS

## INTERIOR





02

# Tenant Overview





# TENANT OVERVIEW



**PINNACLE DERMATOLOGY**  
www.pinnacleskin.com



**Ownership:** QualDerm Partners is a BayPine backed, national dermatology and skin care platform formed through the merger of Pinnacle Dermatology and QualDerm.”

- Major 2022–2024 transactions:
  - » Oct 2021: BayPine LP acquires Pinnacle Dermatology (from CPF).
  - » Nov 2022: BayPine acquires QualDerm Partners in a secondary buyout from Cressey & Co.
  - » 2022 - 2024: Pinnacle and QualDerm are merged into a single operating platform branded as QualDerm Partners – A Skin & Aesthetics Wellness Family
  - » 2025: QualDerm backer recapitalization—sale advised by Harris Williams.

With 90+ locations in 11 states, Pinnacle Dermatology is the largest multi-state female-founded and owned dermatology network in the US. Pinnacle Dermatology’s founder, Dr. Lapinski, worked to improve Pinnacle Dermatology’s care by standardizing access to surgical dermatology and general medical dermatology for their patients and remains an active leader and provider at Pinnacle.

**This location was originally operated as Chappell Rosso Dermatology and Laser & Aesthetic Center, which was acquired by Pinnacle Dermatology in 2021. The founding physician stayed on with Pinnacle and still practices at this location.**

## Services Provided at Odessa Location

Mohs (Skin Cancer) Surgery

Psoriasis

Thermage

Cool Sculpting

Moles

Skin Cancer

Laser Dermatology & Light Based Therapy

Eczema

Acne

Injectable Fillers



# LEASE ABSTRACT

Lease Details	
Tenant Entity	Pinnacle Dermatology Management, LLC
Credit Rating	N/A
Guarantors	N/A
Size (SF)	9,305
Lease Type	NNN
Tenant Responsibility	Real Estate Taxes, Insurance, Utilities, Routine Repairs/Maintenance, Janitorial, Landscaping, Security, General/ Administrative, Management
Landlord Responsibility	Landlord Repairs as Required By Lease (See Below)
Lease Expiration	9/7/2031
Remaining Term as of 05/1/2026	5.33 Years
Renewal Options	(2) 3-Year Renewal Options @ 100% FMV; 6-Month Notice
Assignment/Sublease	Yes; Not Without Landlord's Consent
Purchase Option	None
Right of First Refusal	None
Use Restrictions	Medical office use and other uses incidental or related thereto

Rent Schedule					
Period Beginning	Period Ending	Annual Base Rent	Monthly Base Rent	Annual Base Rent Per SF	
September 8, 2021	September 30, 2022	\$251,235	\$20,936	\$27.00	
October 1, 2022	September 30, 2023	\$272,992	\$22,749	\$29.34	
October 1, 2023	September 30, 2024	\$282,280	\$23,523	\$30.34	
October 1, 2024	September 30, 2025	\$288,916	\$24,076	\$31.05	
October 1, 2025	September 30, 2026	\$297,028	\$24,752	\$31.92	
October 1, 2026	September 30, 2027	\$304,454	\$25,371	\$32.72	
October 1, 2027	September 30, 2028	\$311,304	\$25,942	\$33.46	
October 1, 2028	September 30, 2029	\$318,308	\$26,526	\$34.21	
October 1, 2029	September 30, 2030	\$325,470	\$27,123	\$34.98	
October 1, 2030	September 30, 2031	\$332,793	\$27,733	\$35.76	
OPTION 1	October 1, 2031	September 30, 2032	\$340,281	\$28,357	\$36.57
	October 1, 2032	September 30, 2033	\$347,937	\$28,995	\$37.39
	October 1, 2033	September 30, 2034	\$355,766	\$29,647	\$38.23
OPTION 1	October 1, 2034	September 30, 2035	\$363,771	\$30,314	\$39.09
	October 1, 2035	September 30, 2036	\$371,956	\$30,996	\$39.97
	October 1, 2036	September 30, 2037	\$380,325	\$31,694	\$40.87

**Note**  
Cash flow assumes tenant exercises all available renewal options. Annual escalations are based on CPI with a 2.00% floor; CPI is underwritten at 2.25% to reflect expectations that inflation will hover modestly above the floor (roughly ~2.2%-2.3%), consistent with CBO’s inflation outlook (CBO, The Budget and Economic Outlook: 2025 to 2035, Jan. 2025), which indicates CPI inflation around 2.2% in 2025 and approximately 2.3% on average over the subsequent decade.



# CASH FLOW

For the Years Ending	PSF	Year 1 Apr-2027	Year 2 Apr-2028	Year 3 Apr-2029	Year 4 Apr-2030	Year 5 Apr-2031	Year 6 Apr-2032	Year 7 Apr-2033	Year 8 Apr-2034	Year 9 Apr-2035	Year 10 Apr-2036
<b>Rental Revenue</b>											
Potential Base Rent	\$32.39	\$301,360	\$308,450	\$315,390	\$322,486	\$329,742	\$337,161	\$344,747	\$352,504	\$360,436	\$368,545
Absorption & Turnover Vacancy	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Rental Revenue</b>	<b>\$32.39</b>	<b>\$301,360</b>	<b>\$308,450</b>	<b>\$315,390</b>	<b>\$322,486</b>	<b>\$329,742</b>	<b>\$337,161</b>	<b>\$344,747</b>	<b>\$352,504</b>	<b>\$360,436</b>	<b>\$368,545</b>
<b>Other Tenant Revenue</b>											
Tenant Expense Recoveries	\$18.63	\$173,395	\$178,539	\$183,824	\$189,265	\$194,868	\$200,638	\$206,579	\$212,696	\$218,995	\$225,481
<b>Total Other Tenant Revenue</b>	<b>\$18.63</b>	<b>\$173,395</b>	<b>\$178,539</b>	<b>\$183,824</b>	<b>\$189,265</b>	<b>\$194,868</b>	<b>\$200,638</b>	<b>\$206,579</b>	<b>\$212,696</b>	<b>\$218,995</b>	<b>\$225,481</b>
<b>Vacancy &amp; Credit Loss</b>											
Vacancy Allowance	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Vacancy &amp; Credit Loss</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Effective Gross Revenue</b>	<b>\$51.02</b>	<b>\$474,755</b>	<b>\$486,989</b>	<b>\$499,213</b>	<b>\$511,751</b>	<b>\$524,610</b>	<b>\$537,799</b>	<b>\$551,326</b>	<b>\$565,200</b>	<b>\$579,431</b>	<b>\$594,027</b>
<b>Operating Expenses</b>											
Real Estate Taxes	\$1.98	\$18,412	\$18,965	\$19,534	\$20,120	\$20,723	\$21,345	\$21,985	\$22,645	\$23,324	\$24,024
Insurance	\$0.51	\$4,699	\$4,840	\$4,985	\$5,135	\$5,289	\$5,447	\$5,611	\$5,779	\$5,953	\$6,131
Utilities	\$4.37	\$40,653	\$41,873	\$43,129	\$44,423	\$45,756	\$47,128	\$48,542	\$49,998	\$51,498	\$53,043
Repairs/Maintenance	\$1.26	\$11,748	\$12,101	\$12,464	\$12,838	\$13,223	\$13,620	\$14,028	\$14,449	\$14,882	\$15,329
Janitorial	\$7.24	\$67,403	\$69,425	\$71,508	\$73,653	\$75,863	\$78,139	\$80,483	\$82,898	\$85,385	\$87,946
Landscaping	\$1.54	\$14,331	\$14,761	\$15,204	\$15,660	\$16,130	\$16,614	\$17,112	\$17,626	\$18,154	\$18,699
Security	\$0.20	\$1,907	\$1,964	\$2,023	\$2,084	\$2,146	\$2,211	\$2,277	\$2,345	\$2,416	\$2,488
Management Fee	\$1.53	\$14,243	\$14,610	\$14,976	\$15,353	\$15,738	\$16,134	\$16,540	\$16,956	\$17,383	\$17,821
<b>Total Operating Expenses</b>	<b>\$18.63</b>	<b>\$173,397</b>	<b>\$178,539</b>	<b>\$183,823</b>	<b>\$189,265</b>	<b>\$194,868</b>	<b>\$200,637</b>	<b>\$206,578</b>	<b>\$212,696</b>	<b>\$218,995</b>	<b>\$225,481</b>
<b>Net Operating Income</b>	<b>\$32.39</b>	<b>\$301,358</b>	<b>\$308,450</b>	<b>\$315,390</b>	<b>\$322,486</b>	<b>\$329,742</b>	<b>\$337,161</b>	<b>\$344,748</b>	<b>\$352,504</b>	<b>\$360,436</b>	<b>\$368,546</b>
<b>NOI Growth YOY</b>	-	-	2.35%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
<b>NOI Growth Cumulative</b>	-	-	2.35%	4.66%	7.01%	9.42%	11.88%	14.40%	16.97%	19.60%	22.29%

<b>Cash Flow Before Debt Service</b>	<b>\$32.39</b>	<b>\$301,358</b>	<b>\$308,450</b>	<b>\$315,390</b>	<b>\$322,486</b>	<b>\$329,742</b>	<b>\$337,161</b>	<b>\$344,748</b>	<b>\$352,504</b>	<b>\$360,436</b>	<b>\$368,546</b>
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- Notes:**
- General Vacancy Factor includes losses attributable to projected lease-up or rollover downtime. Due to the single-tenant nature of the asset, we do not project a vacancy factor.
  - Real Estate Taxes in this analysis have not been reassessed and are equal to the most recent available tax bills (plus estimated inflation). It is the responsibility of the investor to reassess taxes.
  - Cash flow assumes tenant exercises all available renewal options. Annual escalations are based on CPI with a 2.00% floor; CPI is underwritten at 2.25% to reflect expectations that inflation will hover modestly above the floor (roughly ~2.2%-2.3%), consistent with CBO's inflation outlook (CBO, The Budget and Economic Outlook: 2025 to 2035, Jan. 2025), which indicates CPI inflation around 2.2% in 2025 and approximately 2.3% on average over the subsequent decade.



03

# Market Overview





# ODESSA, TX

Odessa, TX is a leading healthcare hub for West Texas, supporting nearly 50,000 residents within a five-mile radius of the property. The area boasts above-average household incomes (\$111,374 average; \$84,622 median) and annual healthcare spending exceeding \$143 million. Medical office demand is driven by population growth, a concentration of providers in established medical corridors, and limited supply of modern facilities. Pinnacle Dermatology Odessa benefits from high occupancy rates, stable cash flow, and favorable triple-net lease structures. The market outlook remains positive, reflecting national trends toward outpatient care and increased healthcare utilization.

Odessa serves as a primary medical center for West Texas and the Permian Basin, drawing patients from a wide geographic area. Healthcare and social assistance is one of the top employment sectors in Odessa, with thousands of jobs supported by hospitals, clinics, and outpatient facilities.

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## Major Hospitals:

- **Medical Center Hospital (402 beds)**
  - » 500 W 4th Street, Odessa, TX 79761 | 8.8 miles from property, 16 minute drive
- **Odessa Regional Medical Center (225 beds)**
  - » 520 E 6th Street, Odessa, TX 79761 | 8.1 miles from property, 15 minute drive
- **Texas Tech University Health Sciences Center (regional campus)**
  - » 800 W 4th Street, Odessa, TX 79763 | 9.1 miles from property, 17 minute drive
- **Midland Memorial Hospital (468 beds)**
  - » 400 Rosalind Redfern Grover Parkway, Midland, TX 79701 | 14.1 miles from property, 21 minute drive





# MIDLAND-ODESSA-ANDREWS COMBINED STATISTICAL AREA (CSA)

## 2025 STATS

### Population Summary

Total Population	378,166
Households	135,590
Average Household Size	2.76
Families	93,921
Median Age	34.1
Graduate/Professional Degree	8.0%
Health Care: Total \$	\$1,008,534,890
Average Spent	\$7,438.12

### 2025 HOUSEHOLDS BY INCOME

Household Income Base	135,590
<\$15,000	6.9%
\$15,000 – \$24,999	4.8%
\$25,000 – \$34,999	5.2%
\$35,000 – \$49,999	13.2%
\$50,000 – \$74,999	15.9%
\$75,000 – \$99,999	11.6%
\$100,000 – \$149,999	20.9%
\$150,000 – \$199,999	9.8%
\$200,000+	11.6%
Average Household Income	\$111,479
Median Household Income	\$81,945
Median Home Value	\$278,830

## DEMOGRAPHIC HIGHLIGHTS

 **Population**  
**378,166**

 **Households**  
**135,590**

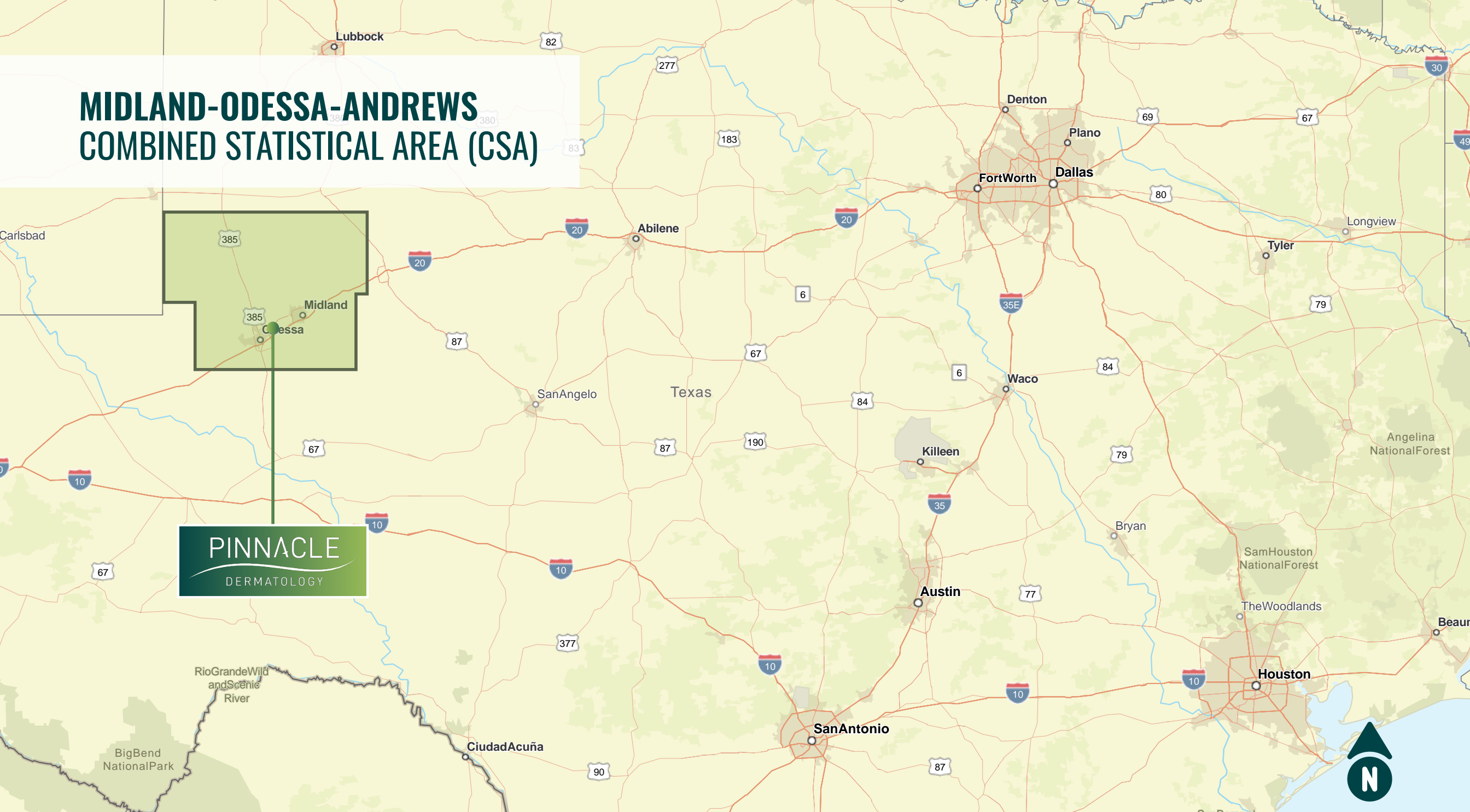
 **Median Age**  
**34.1**

 **Average Household Income**  
**\$111,479**

 **Consumer Healthcare Spending**  
**\$1B**



# MIDLAND-ODESSA-ANDREWS COMBINED STATISTICAL AREA (CSA)



**PINNACLE**  
DERMATOLOGY



# OFFERING INSTRUCTIONS



**PROPERTY TOURS: BY APPOINTMENT ONLY**

**PURCHASE PRICE: \$4,650,000**

**NOW ACCEPTING OFFERS**

[Texas Disclosure Information](#)

Offers should be submitted via email to [travis.ives@cushwake.com](mailto:travis.ives@cushwake.com) and include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing time frames
5. Detailed list of contingencies including investment committee, appraisal and/or lender approvals that may be required



# PINNACLE

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