

PINNACLE

DERMATOLOGY



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01

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 \$304,454 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



\$304,454
Year 1 Net
Operating
Income



\$4,300,000
Asking Price



7.1%
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	\$304,454
Asking Price	\$4,300,000
Cap Rate	7.1%



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

JUSTACLOSET
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
BIGSMILES RANCH.COM

PERMIAN BASIN
ORAL SURGERY &
DENTAL IMPLANT CENTER

PINNACLE
DERMATOLOGY

WEST TEXAS SPEECH
& Myofunctional Therapy

JUSTACLOSET
SELF STORAGE

SALCIDO
FAMILY MEDICINE
FRANCISCO SALCIDO, MD - BOARD CERTIFIED

DORADO DRIVE

MEDICAL PARK DRIVE



NEARBY HEALTH CENTERS



PINNACLE
DERMATOLOGY

mch
Medical Center Health System
Health & Wellness Center

T
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

T
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 09/1/2026:	5.00 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	August 31, 2022	\$251,235	\$20,936	\$27.00	
September 1, 2022	August 31, 2023	\$272,992	\$22,749	\$29.34	
September 1, 2023	August 31, 2024	\$282,280	\$23,523	\$30.34	
September 1, 2024	August 31, 2025	\$288,916	\$24,076	\$31.05	
September 1, 2025	August 31, 2026	\$297,028	\$24,752	\$31.92	
September 1, 2026	August 31, 2027	\$304,454	\$25,371	\$32.72	
September 1, 2027	August 31, 2028	\$311,304	\$25,942	\$33.46	
September 1, 2028	August 31, 2029	\$318,308	\$26,526	\$34.21	
September 1, 2029	August 31, 2030	\$325,470	\$27,123	\$34.98	
September 1, 2030	August 31, 2031	\$332,793	\$27,733	\$35.76	
RENEWAL OPTION 1	September 1, 2031	August 31, 2032	\$340,281	\$28,357	\$36.57
RENEWAL OPTION 1	September 1, 2032	August 31, 2033	\$347,937	\$28,995	\$37.39
RENEWAL OPTION 1	September 1, 2033	August 31, 2034	\$355,766	\$29,647	\$38.23
RENEWAL OPTION 1	September 1, 2034	August 31, 2035	\$363,771	\$30,314	\$39.09
RENEWAL OPTION 1	September 1, 2035	August 31, 2036	\$371,956	\$30,996	\$39.97
RENEWAL OPTION 1	September 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

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
For the Years Ending	PSF	Aug-2027	Aug-2028	Aug-2029	Aug-2030	Aug-2031	Aug-2032	Aug-2033	Aug-2034	Aug-2035	Aug-2036
Rental Revenue											
Potential Base Rent	\$32.72	\$304,454	\$311,304	\$318,308	\$325,470	\$332,793	\$340,281	\$347,937	\$355,766	\$363,771	\$371,956
Absorption & Turnover Vacancy	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Rental Revenue	\$32.72	\$304,454	\$311,304	\$318,308	\$325,470	\$332,793	\$340,281	\$347,937	\$355,766	\$363,771	\$371,956
Other Tenant Revenue											
Tenant Expense Recoveries	\$18.47	\$171,868	\$176,954	\$182,190	\$187,582	\$193,134	\$198,851	\$204,737	\$210,799	\$217,040	\$223,467
Total Other Tenant Revenue	\$18.47	\$171,868	\$176,954	\$182,190	\$187,582	\$193,134	\$198,851	\$204,737	\$210,799	\$217,040	\$223,467
Vacancy & Credit Loss											
Vacancy Allowance	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Vacancy & Credit Loss	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Revenue	\$51.19	\$476,322	\$488,258	\$500,498	\$513,052	\$525,927	\$539,132	\$552,675	\$566,565	\$580,811	\$595,423
Operating Expenses											
Real Estate Taxes	\$1.96	\$18,230	\$18,777	\$19,340	\$19,920	\$20,518	\$21,134	\$21,768	\$22,421	\$23,093	\$23,786
Insurance	\$0.50	\$4,653	\$4,792	\$4,936	\$5,084	\$5,236	\$5,394	\$5,555	\$5,722	\$5,894	\$6,070
Utilities	\$4.33	\$40,251	\$41,458	\$42,702	\$43,983	\$45,302	\$46,662	\$48,061	\$49,503	\$50,988	\$52,518
Repairs/Maintenance	\$1.25	\$11,632	\$11,981	\$12,340	\$12,711	\$13,092	\$13,485	\$13,889	\$14,306	\$14,735	\$15,177
Janitorial	\$7.17	\$66,736	\$68,738	\$70,800	\$72,924	\$75,112	\$77,365	\$79,686	\$82,077	\$84,539	\$87,075
Landscaping	\$1.52	\$14,189	\$14,615	\$15,053	\$15,505	\$15,970	\$16,449	\$16,943	\$17,451	\$17,975	\$18,514
Security	\$0.20	\$1,888	\$1,945	\$2,003	\$2,063	\$2,125	\$2,189	\$2,254	\$2,322	\$2,392	\$2,463
Management Fee	\$1.54	\$14,290	\$14,648	\$15,015	\$15,392	\$15,778	\$16,174	\$16,580	\$16,997	\$17,424	\$17,863
Total Operating Expenses	\$18.47	\$171,868	\$176,954	\$182,190	\$187,582	\$193,134	\$198,851	\$204,737	\$210,799	\$217,040	\$223,467
Net Operating Income	\$32.72	\$304,454	\$311,304	\$318,308	\$325,470	\$332,793	\$340,281	\$347,937	\$355,766	\$363,771	\$371,956
NOI Growth YOY	-	-	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
NOI Growth Cumulative	-	-	2.25%	4.55%	6.90%	9.31%	11.77%	14.28%	16.85%	19.48%	22.17%
Cash Flow Before Debt Service	\$32.72	\$304,454	\$311,304	\$318,308	\$325,470	\$332,793	\$340,281	\$347,937	\$355,766	\$363,771	\$371,956

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.

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

OFFERING INSTRUCTIONS



PROPERTY TOURS: BY APPOINTMENT ONLY

PURCHASE PRICE: \$4,300,000

NOW ACCEPTING OFFERS

[Texas Disclosure Information](#)

Offers should be submitted via email to 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

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