



# MARKET INSIGHTS

## PANAMA CITY, FLORIDA

The Panama City metropolitan statistical area (The “Panama City Metro”) is known for its tourism, with more than 7 million tourists visiting each year, given its favorable weather and sought after beaches. The Panama City Metro has been seeing significant growth with a current population of approximately 175,000 and continued population growth projected through 2026 and is expected to see an increase of average household income.<sup>1</sup>

### PANAMA CITY BEACH

- Panama City Beach is located approximately 10 miles northwest of Panama City. Panama City Beach has a strong economy anchored by tourism, healthcare, and defense.
- Panama City Beach is home to nearly 13,000 residents but sees 4.5 million tourists annually.
- Panama City Beach is the fastest growing city of Bay County. The tourism industry is critical for Panama City Beach and Bay County, with a \$2.7 billion dollar economic impact to the county.<sup>2</sup>

### PANAMA CITY METRO HIGHLIGHTS

- The Panama City Metro’s economy is forecasted to be 15% larger in 2025 than it was in 2019, outpacing the national economy by 1.4%.<sup>3</sup>
- The Panama City Metro’s total employment growth through 2025 of 5.3% is expected to outperform the national average.<sup>3</sup>
- The Panama City Metro sees more than seven million tourists a year.<sup>4</sup>

### PORT OF PANAMA CITY

- The Port of Panama City includes the core 138-acre Port of Panama City property on Dyers Point, just off US-98 at the southwestern boundary of Panama City, in Bay County, and the 250-acre Intermodal Distribution Center. The Port of Panama City’s cargo base consists of imported, exported, and domestic general cargo and bulk cargo.<sup>5</sup>
- According to the Port of Panama City’s 2015 economic impact study, nearly 9,000 jobs were created by the Port of Panama City, either directly or indirectly. The Port of Panama City supported more than \$400 million in personal income, which included over \$200 million of related users of the port. Port of Panama City also assisted in earning more than \$48 million in state and local taxes for Florida and Panama City. All of the Port of Panama City’s economic activity led to an economic impact of nearly \$1.24 billion in 2015.<sup>5</sup>



Port of Panama City

### HEALTHCARE

- The Panama City Metro is home to two major medical centers, Ascension Sacred Heart Bay and Gulf Coast Regional Medical Center. Gulf Coast Regional Medical Center is home to 223 beds while Ascension Sacred Heart Bay is home to 202 beds.
- Ascension Sacred Heart Bay provides a wide range of services including emergency services, heart surgery and interventional cardiology procedures, general surgery, and is home to the Panama City Metro’s only trauma center. Additionally, Ascension Sacred Heart Bay is home to the Struder Family Children’s Hospital, Northwest Florida’s only children’s hospital.<sup>6</sup>
- Gulf Coast Regional Medical Center is certified in Advanced Primary Stroke Care, accredited as a Comprehensive Breast Care Center, and is the Panama City Metro’s only Accredited Chest Pain Center with Primary PCI and Resuscitation. The Gulf Coast Regional Medical Center offers a variety of services including orthopedic care and joint replacement, robotic surgery, cardiac, vascular and interventional services.<sup>7</sup>
- Gulf Coast Regional Medical Center is rapidly expanding, recently announcing at the end of June 2021 a \$24 million expansion project to add over 13,000 square feet and add an additional 6,000 square feet to the Gulf Coast Regional Medical Center’s diagnostic and rehabilitation center. This latest investment brings the Gulf Coast Regional Medical Center’s three-year capital investment to nearly \$148 million, while also creating 180 new jobs in the community. In addition to this project, the hospital announced plans at the beginning of June 2021 to invest \$11 million into a free standing emergency department in Panama City Beach.<sup>8</sup>

Sources: 1) Appriasal; 2) Bay County Chamber of Commerce; 3) Oxford Economics; 4) Walker and Dunlop; 5) Port of Panama City; 6) Ascension Regional Medical Center; 7) Gulf Coast Regional Medical Center; 8) Gulf Coast Regional Medical Center.



**79 West Apartments**  
Panama City Beach, Florida

## RISK FACTORS

**The securities offered herein are highly speculative and involve substantial risks.** Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below, as well as the other information in the Memorandum before making a decision to purchase an Interest. Consult with your legal, tax and financial advisors about an investment in an Interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Property or the performance of your investment. The risks of purchasing an Interest include, but are not limited to, the following:

- the lack of liquidity of, or a public market for, the Interests;
- the holding of a beneficial interest in the Trust with no voting rights with respect to the management or operations of the Trust or in connection with the sale of the Property;
- risks associated with owning, financing, operating and leasing multifamily apartment complex and real estate generally in and around Panama City Metro;
- the impact of an epidemic in the areas in which the Property is located or a Pandemic, which could severely disrupt the global economy;
- economic risks with a fluctuating U.S. and world economy;
- performance of the Master Tenant under the Master Lease, including the potential for the Master Tenant to defer a portion of rent payable under the Master Lease;
- the Trust depends on the Master Tenant for revenue, and the Master Tenant will depend on the residents for revenue. Any default by the Master Tenant or the Subtenants will adversely affect the Trust's operations;
- reliance on the Master Tenant (and the Property Manager (defined below) engaged by the Master Tenant, and the Property Sub-Manager subcontracted by the Property Manager) to manage the Property;
- risks associated with Sponsor's affiliate funding the Demand Note that capitalizes the Master Tenant;
- risks relating to the terms of the financing for the Property, including the use of leverage;
- lack of diversity of investment;
- the existence of various conflicts of interest among the Sponsor, the Trusts, the Master Tenant, the Property Manager, and their affiliates;
- material tax risks, including treatment of the Interests for purposes of Code Section 1031 and the use of exchange funds to pay acquisition costs, which may result in taxable boot;
- the Interests not being registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions;
- the lack of a public market for the Interests;
- risks relating to the costs of compliance with laws, rules and regulations applicable to the Property;
- risks related to competition from properties similar to and near the Property;
- the Property is located in a "Hurricane Susceptible Region," which increases the risk of damage to the Property; and
- the possibility of environmental risks related to the Property.

Additional risks apply. See "Risk Factors" section of the Memorandum for a more detailed discussion of the risks associated with the Interests. All terms capitalized, but not defined herein, shall have the meaning given in the Memorandum. Interests are offered to "accredited investors" only pursuant to Rule 506 (b) of Regulation D of the Securities Act of 1933. Past performance is not an indicator of future results.

**For more Information, please contact your financial advisor or Bluerock Capital Markets LLC at 877.826.BLUE (2583)**