



FRESENIUS

394 McDowell St • Welch, WV 24801

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FRESENIUS
Welch, WV
ACT ID Z0290394

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Marcus & Millichap

SECTION

INVESTMENT OVERVIEW**01**

Location Overview

Regional and Local Map

Aerial Photo

FINANCIAL ANALYSIS**02**

Offering Summary

MARKET OVERVIEW**03**

Demographic Analysis

INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

Property Name	Address	Building Size (SF)	Year Built	Asking Price	Asking Cap Rate	Price per SF	Annual Rental Rate	Rental Rate per SF	Lease Term Remaining
Fresenius	838 Ole Turnpike Dr. Bedford, VA 24523	7,000	2005	\$1,496,828	7.00%	\$213.83	\$115,500	\$16.50	8.7 Years
Fresenius	394 McDowell St. Welch, WV 24801	3,000	1979	\$316,200	8.00%	\$105.40	\$34,500	\$11.50	4.9 Years
Fresenius	300 Technology Dr. Rocky Mount, VA 24151	7,000	2006	\$1,349,128	7.00%	\$192.73	\$105,000	\$15.00	8.7 Years
	Total SF: 17,000		Total Price: \$ 3,162,156		Total Annual Rent: \$255,000				

Properties may be purchased individually or as a portfolio.

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$316,200
Net Operating Income	\$25,296
Capitalization Rate – Current	8.00%
Price / SF	\$105.40
Rent / SF	\$11.50
Lease Type	NN
Gross Leasable Area	3,000 SF
Year Built / Renovated	1979
Lot Size	0.16 acre(s)

FINANCING

Down Payment	All Cash
Net Cash Flow	8.00% / \$25,296
Cash on Cash Return	8.00%



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Mercer County Board Education	1,398
Tazewell County Board Educatn	1,100
Walmart	961
Princeton Cmnty Hosp Assn Inc	900
Wyoming County Board Education	847
Seneca North American Coal LLC	700
Lowes	600
Division of Highways	505
Norfolk Southern Corporation	499
US Post Office	465
McDonalds	463
Knox Creek Coal Corporation	450

DEMOGRAPHICS

	5-Miles	15-Miles	30-Miles
2017 Estimate Pop	4,346	25,396	187,572
2010 Census Pop	5,394	28,511	194,939
2017 Estimate HH	1,784	10,411	77,854
2010 Census HH	2,215	11,797	80,946
Median HH Income	\$27,985	\$27,294	\$34,546
Per Capita Income	\$17,189	\$16,402	\$20,322
Average HH Income	\$41,032	\$39,716	\$48,308

* # of Employees based on 30 mile radius

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the Fresenius Medical Center located at 394 McDowell Street in Welch, West Virginia. This building contains 3,000 square feet of total rentable building area. The tenant, Bio-Medical Applications of West Virginia, Inc. d/b/a BMA Welch Dialysis Center has nearly five years remaining on their modified NN lease. The lease features minimal landlord responsibility and two percent annual increases starting after the 5th year. Welch Dialysis contains 12 dialysis stations and services approximately 29 patients per day. This dialysis center pulls patients from a 20 mile radius. This property is part of a three property dialysis center portfolio located in Virginia and West Virginia. The properties may be purchased individually or as a portfolio.

This asset is strategically located immediately next to Welch Community Hospital, a 65-licensed bed full-service hospital that has an Emergency Room, a seven-bed ICU (Intensive Care Unit), diverse OB-GYN (Obstetrics and Gynecology) services (i.e., Family Planning services, Clinics, a Labor and Delivery unit), and also supports a 59-bed long term care unit.

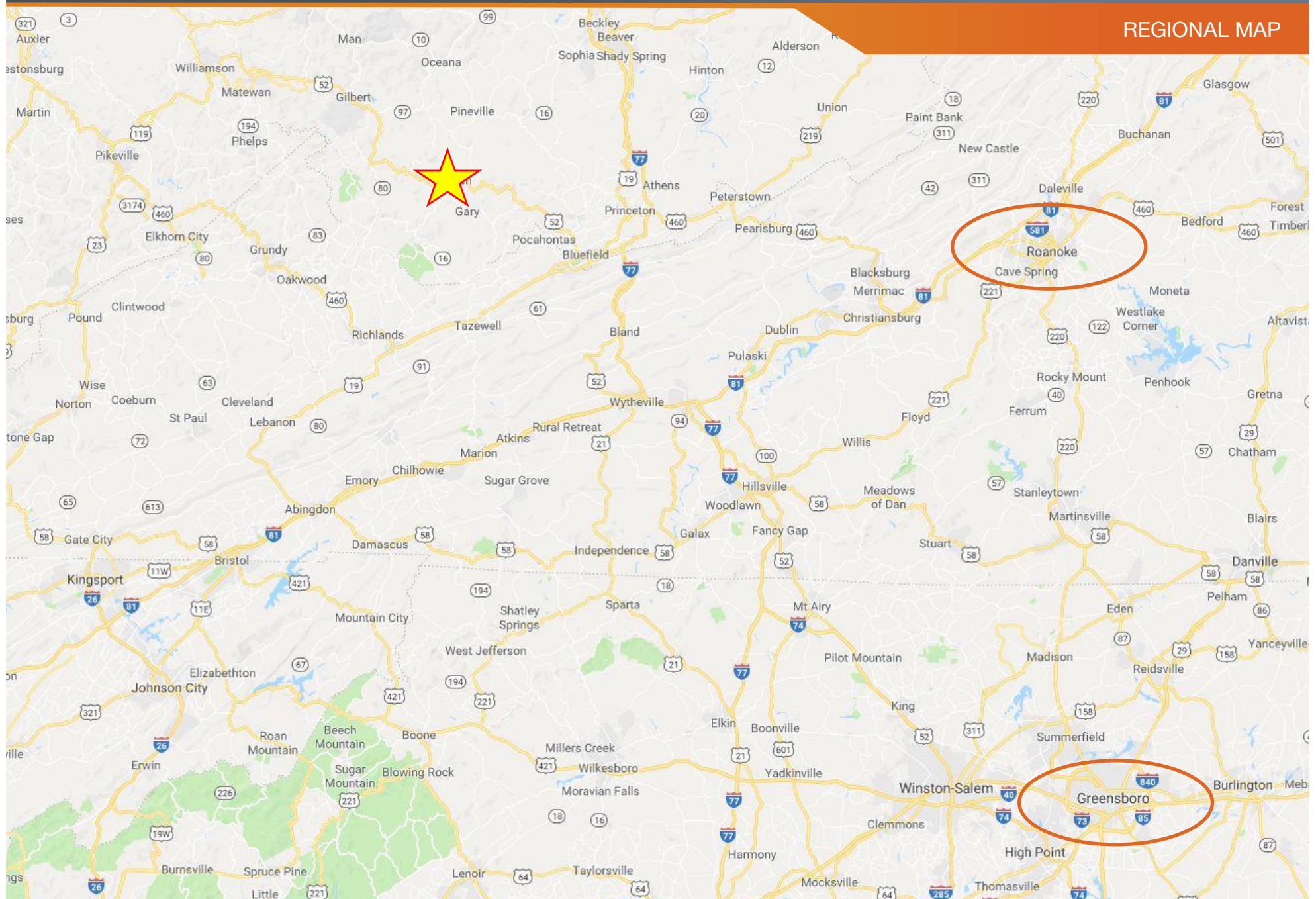
Fresenius Medical Center is in close proximity to US Highway 52 (Coal Heritage Road), providing ease of access for patients. Welch is the seat of McDowell County.

This property offers an investor an excellent opportunity to acquire a stable investment grade asset.

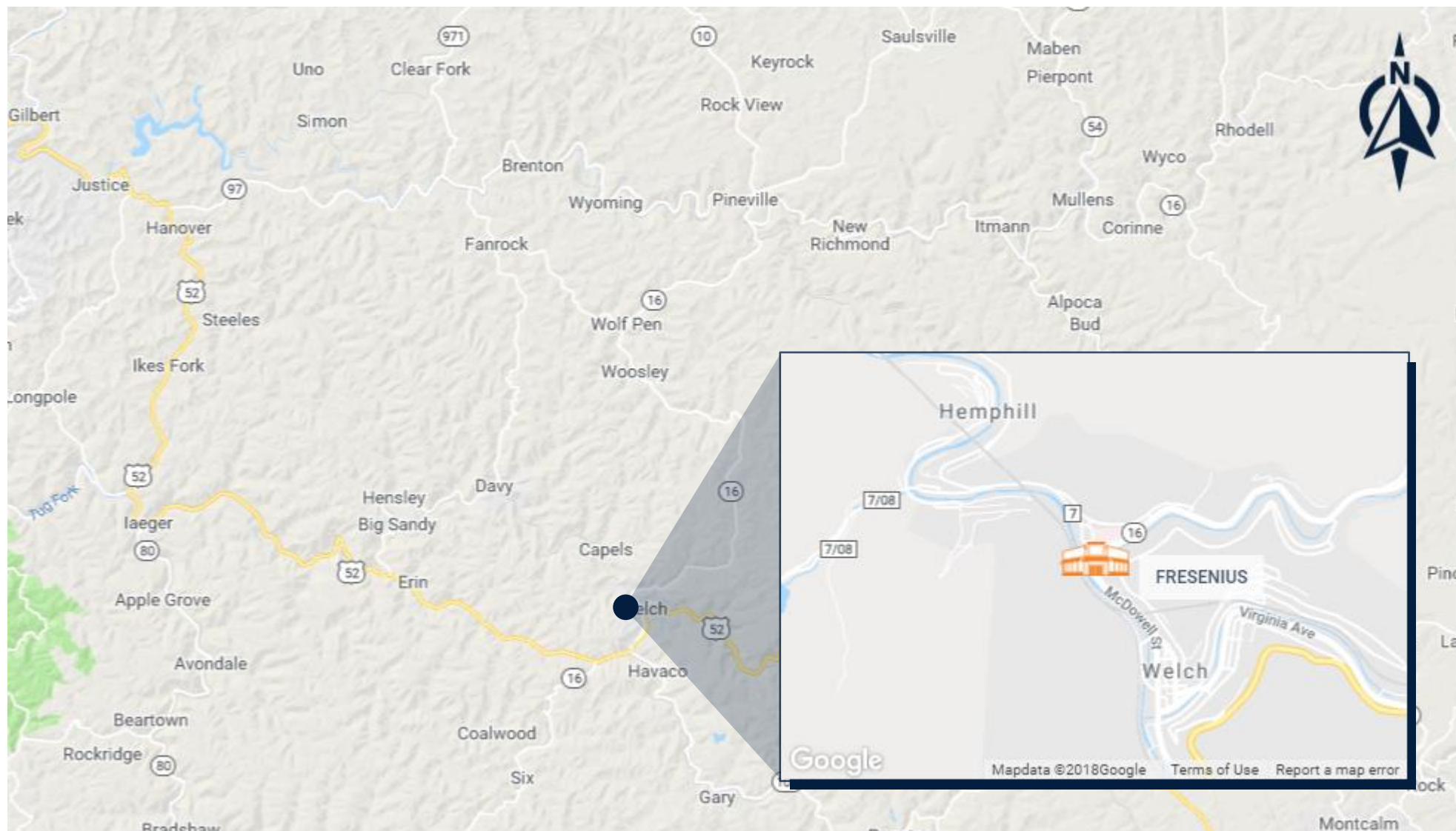
INVESTMENT HIGHLIGHTS

- Nearly Five Years Remaining on the Modified NN Lease
- Two Percent Annual Increases After Year Five
- Two, Five-Year Options with Increases
- Outstanding Location in Close Proximity to Welch Community Hospital
- Close Proximity to Major Thoroughfares
- Great Demographics – Over 4,000 People With and Average Household Income Exceeding \$41,000





394 McDowell St, Welch, WV 24801





Welch Community
Hospital

Subject Property

FINANCIAL ANALYSIS



PROPERTY SUMMARY

THE OFFERING	
Property	Fresenius
Property Address	394 McDowell St Welch, WV 24801
Price	\$316,200
Capitalization Rate	8.00%
Price/SF	\$105.40

PROPERTY DESCRIPTION	
Year Built / Renovated	1979
Gross Leasable Area	3,000 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.16 Acres

LEASE SUMMARY	
Property Subtype	Single Tenant Office Medical
Tenant	Fresenius Kidney Care Welch
Rent Increases	2% Annual Increases Last 2 Years
Guarantor	Subsidiary of a Corporation
Lease Type	NN
Lease Commencement	8/28/2008
Lease Expiration	3/31/2024
Lease Term	16
Term Remaining on Lease (Years)	4.9
Renewal Options	2, 5-Year
Landlord Responsibility	Taxes, Insurance, Roof & Structure
Tenant Responsibility	All Other
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Base Rental Income	\$34,500
Operating Expense Reimbursement	\$0
Gross Income	\$34,500
Operating Expenses	\$9,204
Net Operating Income	\$25,296

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE ¹
Current	\$34,500	\$2,875	\$11.50	8.00%
4/1/2020	\$34,500	\$2,875	\$11.50	8.00%
4/1/2021	\$34,500	\$2,875	\$11.50	8.00%
4/1/2022	\$35,190	\$2,933	\$11.73	8.22%
4/1/2023	\$35,894	\$2,991	\$11.96	8.44%

OPERATING EXPENSES	
Taxes & Insurance	\$9,204
Total Expenses	\$9,204
Total Expenses/SF	\$3.07

1: Assumes Total Expenses remain constant. Please see agent for details.

Fresenius Medical Care Holdings, Inc.

TENANT PROFILE

Fresenius Medical Care is the world's leading provider of products and services for people with chronic kidney failure. Worldwide, more than 2.5 million patients with this disease regularly undergo dialysis therapy, a vital blood cleansing procedure that substitutes the function of the kidney in the case of kidney failure. Fresenius Medical Care has been developing and producing dialysis products for more than four decades.

Fresenius Medical Care provides coordinated health care services at pivotal care points for hundreds of thousands of chronically ill customers throughout the continent. As the world's only vertically integrated renal company, they also offer specialty pharmacy and laboratory services, as well as manufacturing and distributing the most comprehensive line of dialysis equipment, disposable products and renal pharmaceuticals. This integrated approach helps to not only improve patients' health outcomes, but also reduce the cost of care.

In the United States, 640,000 people live their lives with end-stage renal disease. With innovative products, therapies and coordinated approaches to care giving, Fresenius Medical Care defines the highest standards for treating patients with kidney failure and other chronic diseases.

In August, 2017 signed an agreement to acquire NxStage Medical, Inc., (NxStage) (a U.S.-based medical technology and services company. This acquisition enables Fresenius Medical Care to further leverage its manufacturing, supply chain and marketing competencies across the dialysis products, services and care coordination businesses in a less labor- and capital- intensive care setting.



Lease Abstract

Tenant Name	Bio-Medical Applications of West Virginia, Inc. d/b/a BMA Welch Dialysis Center
Parent Company	Fresenius Medical Care Holdings, Inc.
Website	www.freseniusmedicalcare.com
Headquartered	Bad Homburg, Germany
Revenue (2016)	\$17.9 Billion
No. of Locations	2,200+
Rentable Square Feet	3,000 SF
Lease Commencement	8/28/2008
Lease Expiration	3/31/2024
Real Estate Taxes	Landlord is Responsible for Real Estate Taxes
Insurance	Landlord is Responsible for Insurance of the Property
HVAC	Tenant is responsible for routine maintenance of HVAC - Landlord shall be responsible for "major repairs" to and replacement of the system (\$1,000 or more)
Repairs/Maintenance	Landlord is responsible for repairs to foundation, structure, load bearing walls, roof, gutters, downspouts, elevators, water mains, gas & sewer lines, sidewalks, private roadways, parking areas, common areas, and loading docks.

MARKET OVERVIEW



Created on April 2019

POPULATION	5 Miles	15 Miles	30 Miles
■ 2022 Projection			
Total Population	3,854	23,236	182,955
■ 2017 Estimate			
Total Population	4,346	25,396	187,572
■ 2010 Census			
Total Population	5,394	28,511	194,939
■ 2000 Census			
Total Population	6,594	34,656	207,265
■ Current Daytime Population			
2017 Estimate	4,737	18,630	154,624
HOUSEHOLDS	5 Miles	15 Miles	30 Miles
■ 2022 Projection			
Total Households	1,594	9,600	76,580
■ 2017 Estimate			
Total Households	1,784	10,411	77,854
Average (Mean) Household Size	2.32	2.40	2.36
■ 2010 Census			
Total Households	2,215	11,797	80,946
■ 2000 Census			
Total Households	2,769	14,186	84,822
■ Occupied Units			
2022 Projection	1,594	9,600	76,580
2017 Estimate	2,343	13,361	91,289
HOUSEHOLDS BY INCOME	5 Miles	15 Miles	30 Miles
■ 2017 Estimate			
\$150,000 or More	2.20%	1.72%	2.70%
\$100,000 - \$149,000	3.79%	4.01%	6.47%
\$75,000 - \$99,999	4.92%	6.55%	8.57%
\$50,000 - \$74,999	14.36%	12.60%	15.80%
\$35,000 - \$49,999	14.39%	14.44%	15.90%
Under \$35,000	60.35%	60.69%	50.55%
Average Household Income	\$41,032	\$39,716	\$48,308
Median Household Income	\$27,985	\$27,294	\$34,546
Per Capita Income	\$17,189	\$16,402	\$20,322

HOUSEHOLDS BY EXPENDITURE	5 Miles	15 Miles	30 Miles
Total Average Household Retail Expenditure	\$46,643	\$45,120	\$50,471
■ Consumer Expenditure Top 10 Categories			
Housing	\$12,657	\$12,213	\$13,621
Transportation	\$8,502	\$8,312	\$9,043
Shelter	\$6,750	\$6,534	\$7,412
Food	\$4,938	\$4,832	\$5,374
Health Care	\$3,690	\$3,543	\$3,845
Personal Insurance and Pensions	\$3,394	\$3,171	\$3,822
Utilities	\$3,199	\$3,113	\$3,311
Entertainment	\$2,082	\$1,998	\$2,111
Cash Contributions	\$1,607	\$1,554	\$1,750
Household Furnishings and Equipment	\$1,371	\$1,272	\$1,431
POPULATION PROFILE	5 Miles	15 Miles	30 Miles
■ Population By Age			
2017 Estimate Total Population	4,346	25,396	187,572
Under 20	22.79%	22.79%	22.46%
20 to 34 Years	16.71%	15.66%	16.78%
35 to 39 Years	5.77%	6.12%	6.20%
40 to 49 Years	11.66%	12.35%	12.76%
50 to 64 Years	23.53%	23.80%	22.46%
Age 65+	19.53%	19.27%	19.33%
Median Age	43.87	44.23	43.51
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	3,122	18,257	134,982
Elementary (0-8)	9.71%	11.74%	9.21%
Some High School (9-11)	19.76%	19.18%	13.43%
High School Graduate (12)	42.44%	42.31%	39.58%
Some College (13-15)	14.77%	15.10%	18.28%
Associate Degree Only	2.78%	3.54%	5.98%
Bachelors Degree Only	6.82%	5.03%	8.39%
Graduate Degree	2.09%	2.27%	4.03%

Source: © 2017 Experian

PRESENTED BY

Seth Haron

Senior Associate
Member, National Office and Industrial
Properties Group
Detroit Office
Tel: (248) 415-2605
Fax: (248) 415-2610
seth.haron@marcusmillichap.com
License: MI 6501373006

Ashish Vakhariya

First Vice President Investments
Director, Net Leased Properties Group
Detroit Office
Tel: (248) 415-2636
Fax: (248) 415-2610
ashish.vakhariya@marcusmillichap.com
License: MI 6501322501

Katherine "Jane" Scott

Broker
Tel: (304) 645-3200
Fax: (304) 645-4499
License: WV WV0007004