



## OFFERING MEMORANDUM







3000 DIXWELL AVE, HAMDEN, CT

PROPERTY SUMMARY		DEMOGRAPHICS	
TENANT	Total Renal Care, Inc.	1-MILE POPULATION	10,502
GUARANTOR	DaVita Inc.	1-MILE AHI	\$94,804
BUILDING SIZE (SF)	9,006 (DaVita) + 2,199 (Quest) + 1,135 (Vacant) = 12,340	3-MILE POPULATION	55,486
PARCEL SIZE (ACRES)	0.59 acres	3-MILE AHI	\$98,714
YEAR BUILT	1970	5-MILE POPULATION	149,177
LEASE TYPE	NN	5-MILE AHI	\$81,881
LEASE COMMENCEMENT	6/6/2011	SUB-LEASE SUMMARY	
LEASE EXPIRATION	6/30/2026	TENANT	Quest Diagnostics
TERM REMAINING (YEARS)	±7.75	LEASE COMMENCEMENT	9/21/2011
PARKING REVENUE	\$31,500	LEASE EXPIRATION	10/31/2021
RENT INCREASES	2.5% per year	TERM REMAINING (YEARS)	3.00
OPTIONS & INCREASES	Three 5-year options; *see below	LEASE TYPE	NN
TENANCY	Multi	CURRENT RENT	\$48,378
VACANT SPACE	1,135 SF (Included in Building Size)	OPTIONS	Four 5-year options
PRICING			
		NOI	\$326,095
		CAP RATE	7.50%
		PRICE	\$4,347,933

UNDERWRITING CONSIDERATIONS

- Multi-tenant building with the following proportionate shares: DaVita (68.20%), Quest Diagnostics (16.65%), and vacant (15.15%).
- Quest Diagnostics’ 2,199 SF lease was recently extended through 10/31/2021 with flat rent of \$48,378 per year.
- Offering includes a parking lot parcel that is separately leased to DaVita for an additional \$31,500/year.
- Landlord Responsibilities:
  - Maintain public liability and property damage insurance and fire legal liability (reimbursed by Tenant).
  - Maintain, repair and replace as necessary, the roof, paved parking lot, and structural portions of the premises and the building in good order and repair.
- DaVita Option Rent Increases: The greater of: (a) 95% FMRV, or (b) 90% of Basic Rent during the last Lease Year in the Initial Term.
- 10-mile restriction on owning a building with a competing use (DaVita lease only).

LOCATION OVERVIEW

- DaVita is situated on Dixwell Avenue (Traffic Count: 17,300 VPD), a major artery that spans south into New Haven, and just north of Wilbur Cross Parkway (Traffic Count: 60,600 VPD) which provides access to New Haven (6 miles south) and Hartford (32 miles north).
- The property is strategically positioned approximately 1.2 miles from Yale New Haven Hospital North Haven Medical Center which offers a range of outpatient services from walk-in care to treatment of chronic conditions such as lupus, rheumatoid arthritis and other auto-immune diseases. It also features outpatient cancer care with the reassurance of the Smilow Cancer Hospital name. In addition, the property is approximately 1.2 miles from Yale New Haven Hospital of Saint Raphael, a 511-bed community teaching hospital.
- A variety of local shops and national retail chains and restaurants are located within walking distance of the property, including those lining Whitney Avenue. In addition, approximately 1.3 miles south of the property is the Market Place of Hamden which is occupied by Walmart, Marshalls, Planet Fitness, Chipotle Mexican Grill, T.J. Maxx, Old Navy, Staples, Bed Bath & Beyond and Panera Bread.
- The city of Hamden was ranked 38th in Money Magazine’s 2016 “Best Places to Live” list in 2016 and sits approximately five miles north of New Haven and the Yale University campus (Enrollment: 12,385 students).







TENANT OVERVIEW

DaVita, Inc. (NYSE: DVA, S&P: BB) is the world’s second-largest dialysis provider. Founded in 1994 and headquartered in Denver, Colorado, DaVita consists of two major divisions, DaVita Kidney Care and DaVita Medical Group (DMG). DaVita Kidney Care is comprised of the U.S. dialysis and related lab services, ancillary services and strategic initiatives, including international operations and corporate administrative support. The U.S. dialysis and related lab services business is the company’s largest segment and provides kidney dialysis services to patients suffering from chronic kidney failure, also known as end stage renal disease (ESRD). Under the U.S. dialysis and lab services umbrella, the company operates 2,420 outpatient dialysis centers in 46 states and the District of Columbia which serve approximately 189,400 people each year. Additionally, the company provides acute inpatient dialysis services in approximately 900 hospitals and related laboratory services throughout the U.S. The company’s other division—DMG—is a patient- and physician-focused integrated healthcare delivery and management company with experience providing coordinated, outcome-based medical care in a cost-effective manner.

Approximately 88% of the company’s dialysis patients are covered under some form of government-based programs, with approximately 75% of the dialysis patients covered under Medicare and Medicare-assigned plans.

DaVita employs 70,800 people across the U.S. and boast an ever-expanding store count. As of September 30, 2017, the company reported TTM net revenue of \$15.2B, TTM net income of \$517M and had a net worth of approximately \$5.2B.



2,420 DIALYSIS CLINICS



189,400 PATIENTS SERVED ANNUALLY



\$14.86 BILLION IN TTM REVENUE



70,800 EMPLOYEES



FORTUNE 500: #181



FORTUNE: WORLD’S MOST ADMIRRED COMPANIES - 10 YEARS IN A ROW

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