

DAVITA DIALYSIS

8630 HALSEY STREET
LENEXA, KANSAS

OFFERING MEMORANDUM

PRESENTED BY:

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NEW 10 - YEAR LEASE RENEWAL

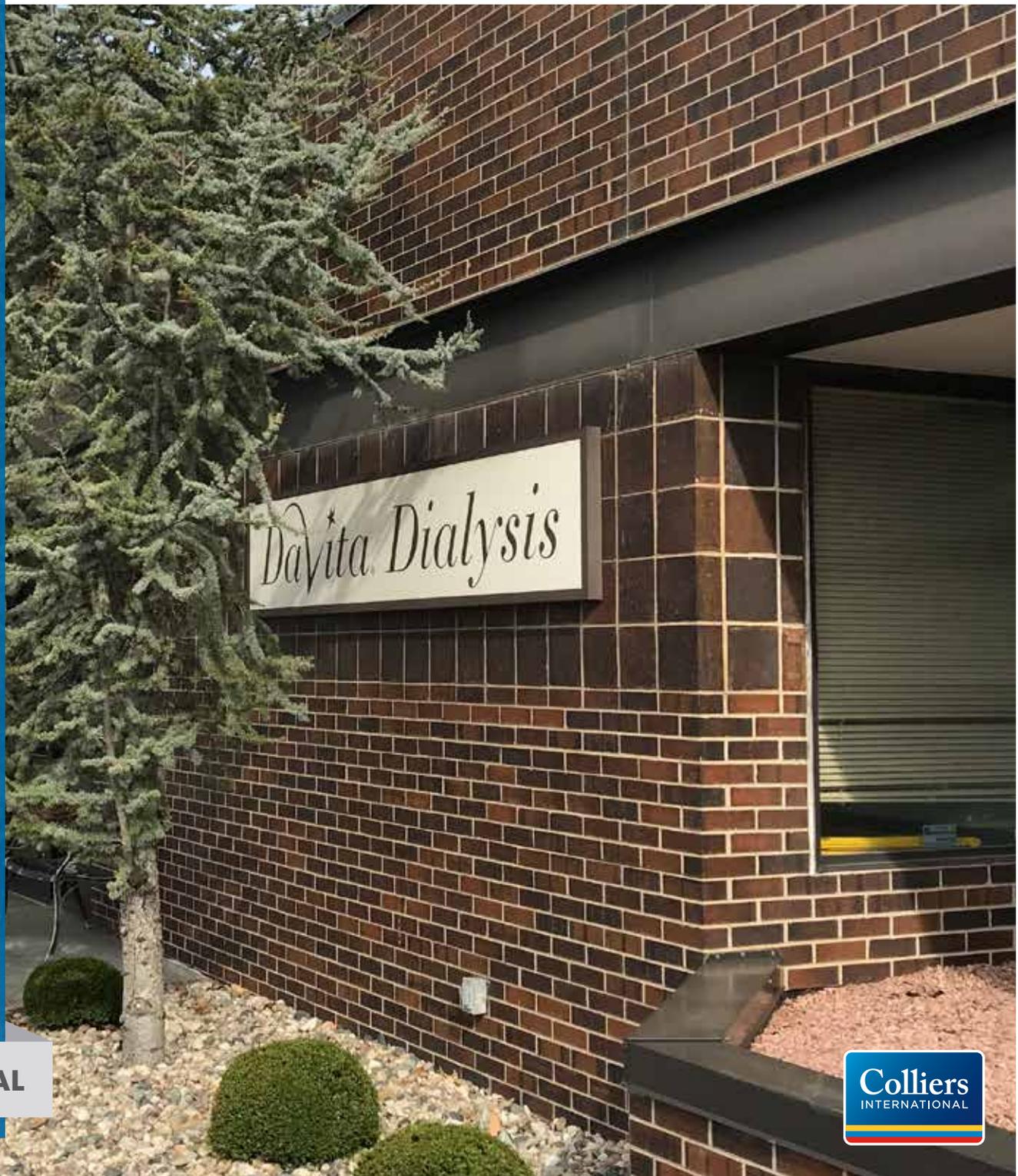


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EXECUTIVE SUMMARY

SALE PRICE: \$1,938,000

CAP RATE: 6.75%

OFFERING SUMMARY

TENANT	DVA Healthcare Renal Care, Inc
LOCATION	8630 Halsey Street, Lenexa, Kansas
SQUARE FEET	8,439
YEAR BUILT	2000
LEASE TERM	(9/30/2029 expiration)
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof, foundations, floor slabs, columns, exterior walls, imbedded utility lines, gutters, downspouts and subfloors, and all other exterior and structural elements

RENT SCHEDULE

RENT SCHEDULE	MONTHLY	ANNUAL	PSF	INCREASE
CURRENT	\$9,227	\$110,720	\$13.12	
10/1/2019	\$10,900	\$130,805	\$15.50	18.14%
10/1/2020	\$11,173	\$134,075	\$15.89	2.50%
10/1/2021	\$11,452	\$137,426	\$16.28	2.50%
10/1/2022	\$11,739	\$140,862	\$16.69	2.50%
10/1/2023	\$12,032	\$144,384	\$17.11	2.50%
10/1/2024	\$12,333	\$147,993	\$17.54	2.50%
10/1/2025	\$12,641	\$151,693	\$17.98	2.50%
10/1/2026	\$12,957	\$155,485	\$18.42	2.50%
10/1/2027	\$13,281	\$159,373	\$18.89	2.50%
10/1/2028	\$13,613	\$163,357	\$19.36	2.50%

INVESTMENT HIGHLIGHTS

- New 10-year lease extension (through 9/30/2029)
- 2.50% annual rent increases
- Two, five-year extension options
- New roof in December 2016 with 15-year warranty (through December 2031)
- New parking lot overlay in 2017
- New HVAC and controls being installed by tenant
- Corporate lease
- DaVita has operated at the property since 2004
- Located in North Johnson County submarket, one of the strongest submarkets in Kansas City

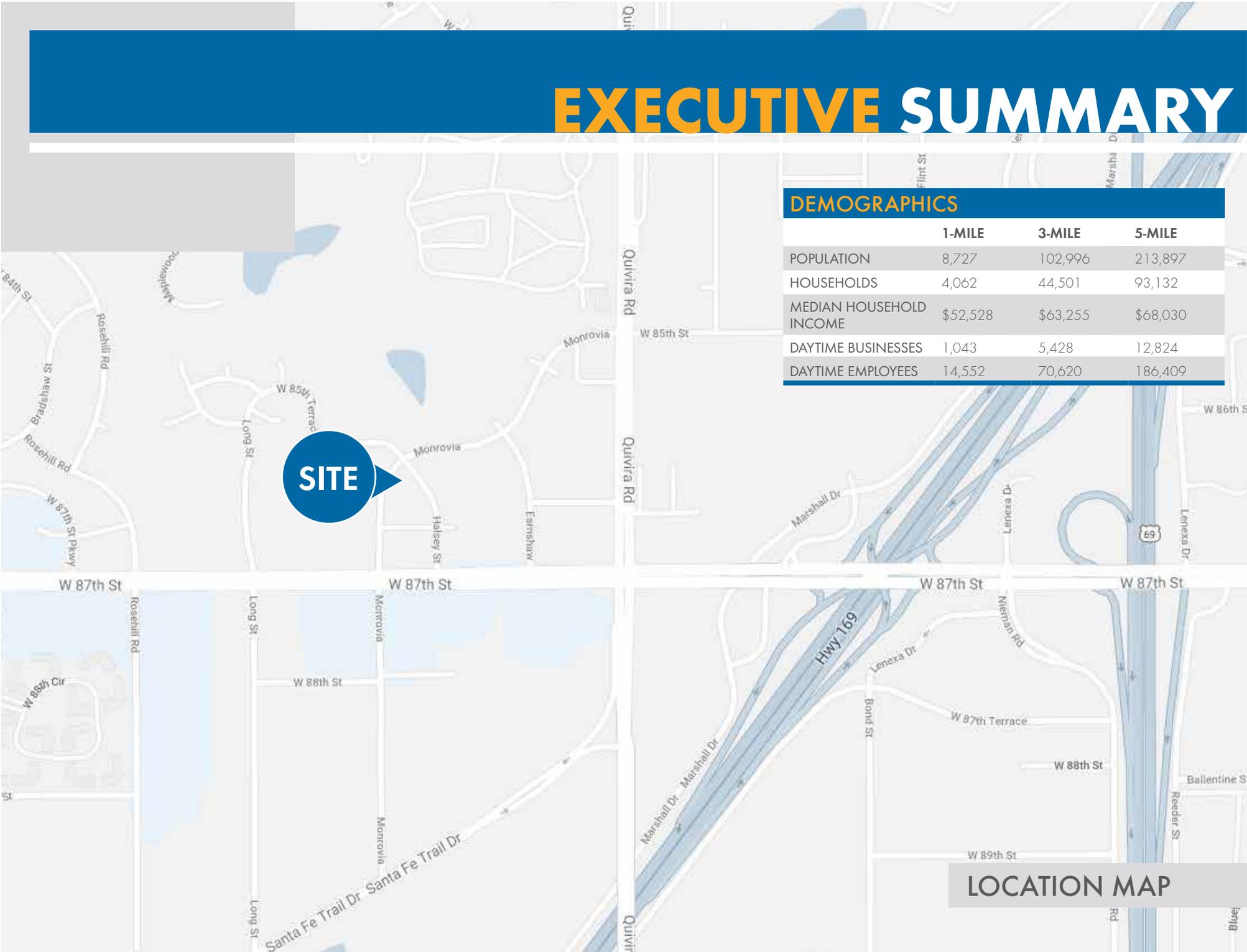
EXECUTIVE SUMMARY

DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
POPULATION	8,727	102,996	213,897
HOUSEHOLDS	4,062	44,501	93,132
MEDIAN HOUSEHOLD INCOME	\$52,528	\$63,255	\$68,030
DAYTIME BUSINESSES	1,043	5,428	12,824
DAYTIME EMPLOYEES	14,552	70,620	186,409



SITE



LOCATION MAP

EXECUTIVE SUMMARY



LOCATION AERIAL

TENANT OVERVIEW

DAVITA DIALYSIS

www.davita.com

DaVita Inc. provides kidney dialysis services for patients suffering from chronic kidney failure or end stage renal disease (ESRD). The company operates kidney dialysis centers and provides related lab services in outpatient dialysis centers. It also provides outpatient, hospital inpatient, and home-based hemodialysis services; owns clinical laboratories that provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients; and management and administrative services to outpatient dialysis centers. In addition, the company provides disease management services; vascular access services; clinical research programs; physician services; and comprehensive care services. DaVita has been listed on the Fortune 500 list for 12 years and is publicly traded on the New York Stock Exchange under ticker symbol "DVA".

- Headquartered in Denver, CO
- 2,905 outpatient dialysis centers
- 227,700 patients
- Operating in 10 countries
- 70,800 employees
- \$10.8 billion in revenues in 2017
- #179 on 2018 Fortune 500



FINANCIAL ANALYSIS

LEASE SUMMARY

LEASE COMMENCEMENT DATE	10/1/2004
LEASE EXPIRATION DATE	9/30/2029
TERM REMAINING	10 years
LEASE TYPE	NNN
RENTAL INCREASES	2.50% annually
OPTIONS	Two, five years each

PRICING SUMMARY

PURCHASE PRICE	\$1,938,000
NET OPERATING INCOME (EFFECTIVE 10/1/2019)	\$130,805
CAP RATE (EFFECTIVE 10/1/2019)	6.75%
PRICE PER SQUARE FOOT	\$230

RENT SCHEDULE

RENT SCHEDULE	ANNUAL	CAP RATE
CURRENT	\$110,720	5.71%
10/1/2019	\$130,805	6.75%
10/1/2020	\$134,075	6.92%
10/1/2021	\$137,426	7.09%
10/1/2022	\$140,862	7.27%
10/1/2023	\$144,384	7.45%
10/1/2024	\$147,993	7.64%
10/1/2025	\$151,693	7.83%
10/1/2026	\$155,485	8.02%
10/1/2027	\$159,373	8.22%
10/1/2028	\$163,357	8.43%

MARKET OVERVIEW

LENEXA OVERVIEW

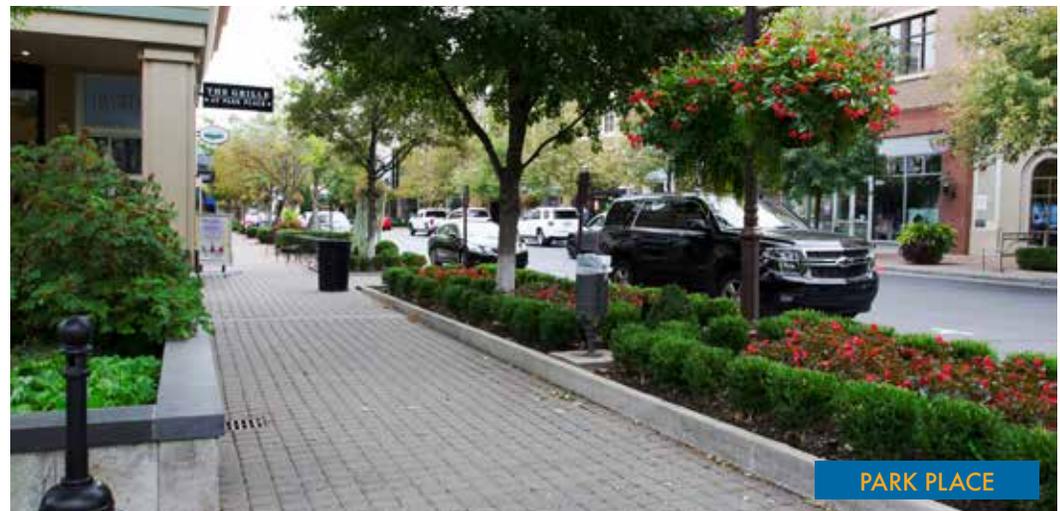
Lenexa, Kansas is located just 15 minutes southwest of downtown Kansas City, in Johnson County, Kansas. Lenexa's location offers tremendous access to I-435 and I-35 for an easy commute to all points within the metro. The community offers an excellent education system with award-winning schools served across three districts, Shawnee Mission, Olathe and De Soto, alongside top-rated city services, including abundant parks and recreation choices and safe neighborhoods. The easy access to nearby metropolitan-style shopping and nightlife, world-class sporting events, international conventions, universities, and the arts are all found within a 30-minute drive.

As of 2018, the total population for Lenexa was 55,373. The population has increased 37.7% between 2000 and 2018, with more expected growth in the coming years. The population is expected to grow by another 8.2% between 2018 and 2023. The median income of Lenexa has steadily risen over the past 18 years. In 2000, it was reported that the median income was \$62,560. By 2018, the median income had increased to \$84,645, which is a 35.3% growth rate from 2000 to 2018. The median home value was reported at \$236,278 in 2018, while the average home value was \$268,461. Currently, 63.0% of the housing units in Lenexa are owner-occupied, while the remaining 37.0% rent.

JOHNSON COUNTY OVERVIEW

Johnson County, Kansas is the most populated county within the state, and is home to four of Kansas' ten largest cities. Johnson County currently has 597,630 residents, which is a 32.5% increase from 2000. Nearly 61.7% of working residents hold a bachelor's degree or higher, making Johnson County the most educated county in the Kansas City metro. As a result, the county boasts a wide array of office developments, major employers, high-end restaurants, and shops that cater to the strong demographics. There is a highly-concentrated amount of Class A office parks, retail centers and entertainment venues are located in the county, which are a draw to resident's metro-wide. In addition to the commercial developments, many well-established neighborhoods and award-winning schools are located in the area.

In 2018, Johnson County had a household median income of \$84,228, which is well above the metro average of \$58,919. The 2018 median home value was \$224,429, which is higher than both the metro and national average. Currently, nearly 71% of households in Johnson County are owner-occupied.



MARKET OVERVIEW

LIVING IN LENEXA

Lenexa residents enjoy 30 local parks throughout the city limits. Lenexa is served by three award winning school districts, Shawnee Mission, Olathe, and De Soto, which all consistently receive national accolades. Two Catholic schools, Holy Trinity, and St. James Academy, are also located in Lenexa. Lenexa is home to four public pools, a recently completed 100,000 SF Lenexa Recreation Center, and an explosion of recent commercial development near Lenexa City Center.

EMPLOYMENT IN LENEXA

The city of Lenexa boasts a highly-educated and skilled workforce, which draws from Johnson County that ranks among the highest educated workforce in national reports. Lenexa is home to a very diverse workforce across all industry sectors ranging from manufacturing and distribution, several prominent office users, especially along the Renner Boulevard Corridor. Adjacent is a table of some of the larger companies located in Lenexa:

LENEXA MAJOR EMPLOYERS

COMPANY	TYPE	EMPLOYEES
Quest Diagnostics	Diagnostic testing laboratory	2,000
Kiewit Power Engineers	Engineering services	1,500
JCPenney Catalog Logistics	Distribution	1,000
Alliance Data Systems	Data processing	890
Another Day Inc.	Accounting services	725
Gear For Sports, Inc.	Custom sportswear	650
United Parcel Service	Overnight delivery services	629
Lakeview Village Retirement Community	Nursing care facilities	596
PRA International	Pharmaceutical	562
Lexmark Enterprise Software	Custom computer programming	538
Thermo-Fisher Scientific	Analytical laboratory instrument manufacturing	534
CEVA Biomune	Biological product manufacturing	520
Deluxe Corp.	Financial services	502
Clinical Reference Laboratory	Medical laboratories	500
Henderson Engineers, Inc.	Engineering services	499
P1 Group	Plumbing & HVAC	497
U.S. EPA	Admin. of public health programs	475
Coca-Cola Bottling Co.	Soft drink manufacturing	430
Gill Studios	Commercial printing	405
Grantham University	Education	400
Rockwell Collins	Aviation & I.T. systems	352
Modern Maintenance	Janitorial services	350
WaterOne	Water supply & irrigation systems	350
Long Motor Corp.	Motor vehicle equipment	330
CommunityAmerica Credit Union	Credit unions	315
Platform Advertising	Advertising	314
SAFC Biosciences	R&D in biotechnology	260
Amazon	Fulfillment center	250
IBM	Computer & software	250



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