

# OFFERING MEMORANDUM

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# DAVITA HILLSBORO



NET LEASE GROUP





OFFERING MEMORANDUM

# DAVITA HILLSBORO

1822 SENATOR MILLER DR. | HILLSBORO, IL

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Listed in conjunction with Illinois Broker of Record:

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License #: 475.135588



NET LEASE GROUP



The background image shows a modern building with a light blue or grey facade and large glass windows. A dark blue rectangular overlay with a white dotted border is positioned in the center of the image. The text '01' is located at the top of this overlay, and 'INVESTMENT OVERVIEW' is centered below it.

01

# INVESTMENT OVERVIEW

# INVESTMENT SUMMARY

The subject property is a condominium investment opportunity leased to DaVita on a new 15-year lease term commencing in August 2016. This clinic is designed to provide state-of-the-art kidney dialysis care and consists of 5,207 square feet, housing 8 patient stations, DaVita PD offices and their home training unit. The lease provides for scheduled rent increases of 10% every 5 years and is guaranteed by DaVita.

Illinois is a Certificate of Need (CON) state for dialysis, which creates barriers to entry in this market for any competing dialysis services. CON laws are designed to contain healthcare facility costs and allow coordinated planning of new services and construction of health care facilities and are one mechanism by which state governments reduce overall health and medical costs.

# LEASE SUMMARY

**\$1,124,256**

PURCHASE PRICE



**9.00%**

CAP RATE



**5,207 SF**

RENTABLE BUILDING AREA



**CONDOMINIUM**

LOT SIZE



**NNN (roof & structure)**

LEASE TYPE



**15 YEARS**

LEASE TERM



Tenant | **DAVITA**

Ownership Type | **CONDOMINIUM**

Year Built | **2017**

Lease Commencement | **AUGUST 1, 2016**

Lease Expiration | **JULY 31, 2031**

Term Remaining | **13 YEARS**

Renewal Options | **THREE 5-YEAR OPTIONS**

Rent Increases | **10% EVERY 5 YEARS**

DaVita, Inc. (NYSE: DVA), a Fortune 500 company, is a leading provider of kidney care in the United States, delivering dialysis services and education to patients with chronic kidney disease and end stage renal disease.

As of December 31, 2017, DaVita Kidney Care operated or provided administrative services at 2,510 outpatient dialysis centers located in the United States.

DaVita Inc. was founded in 1994 and is headquartered in Denver. For the fiscal year ended December 31, 2016, revenues were \$14.7 billion and net income was \$880 million. DaVita is rated Ba2 by Moody's Investor Services.



# BASE RENT

## SCHEDULE

PERIOD	ANNUAL BASE RENT	MONTHLY BASE RENT	YIELD
August 2016 - July 2021	\$101,183.00	\$8,431.92	9.00%
August 2021 - July 2026	\$111,076.00	\$9,256.33	9.88%
August 2026 - July 2031	\$121,961.00	\$10,163.42	10.85%

# INVESTMENT HIGHLIGHTS

## **LEASE GUARANTEE BY FORTUNE 500 / PUBLICLY TRADED COMPANY**

DaVita is the fastest growing corporation on the Fortune 500 list, with 2016 revenues exceeding \$14.7 Billion.

## **CERTIFICATE OF NEED STATE**

Illinois is a Certificate of Need (CON) state, creating significant barriers to entry in this marketplace for any competition.

## **BRAND NEW 15 YEAR LEASE WITH 13 YEARS REMAINING**

## **SCHEDULED RENT INCREASES**

Lease provides for 10% rent increases every 5 years.

## **CLOSE TO HOSPITAL**

The clinic is located just 1 mile southwest from the Hillsboro Hospital, the Springfield Clinic and the Hillsboro Health and Rehabilitation facility.



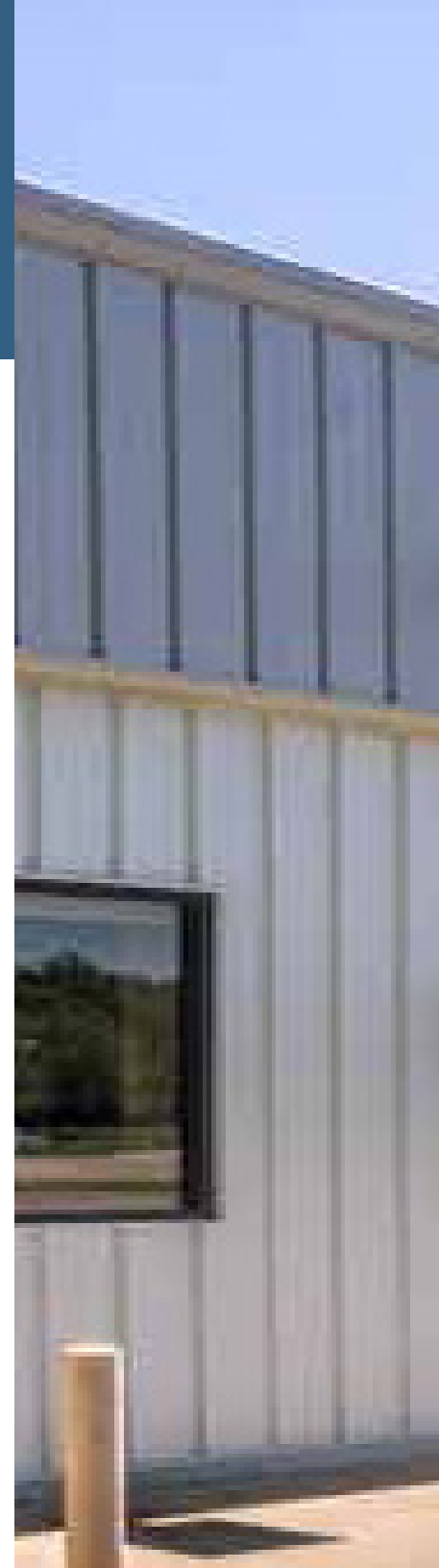
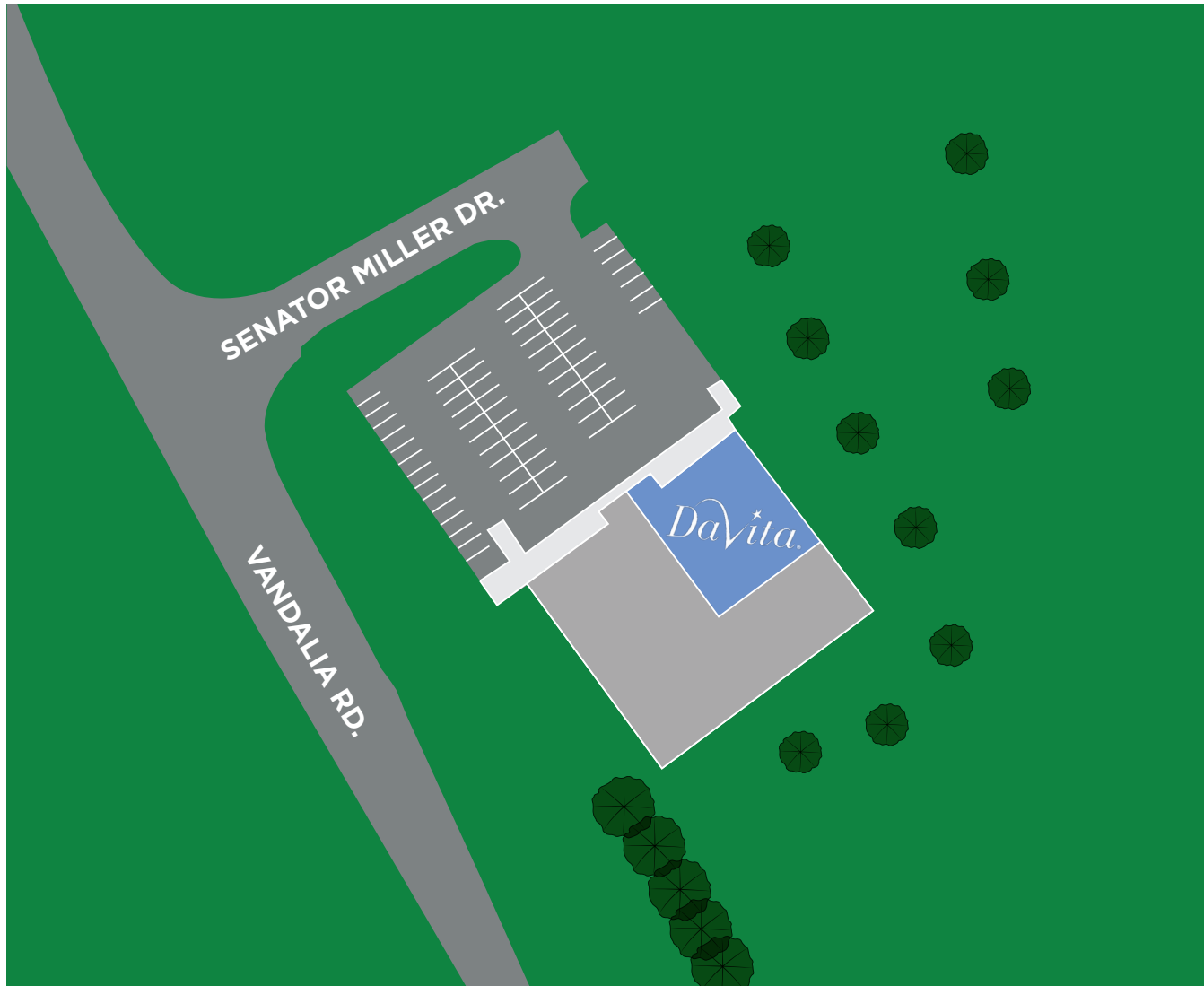
*Davita* Dialysis



DAVITA  
DIALYSIS  
CLINIC  
1000 1000



# SITE PLAN







A photograph of a modern glass skyscraper at dusk. The building's windows are illuminated from within, reflecting the city lights. A blue semi-transparent overlay with a white dotted border covers the central portion of the image. The number '02' is displayed in white, bold, sans-serif font within this overlay.

02

# TENANT OVERVIEW



DaVita, Inc. provides kidney dialysis services for patients suffering from chronic kidney failure or end stage renal disease (ESRD).



**198,000**  
PATIENTS  
SERVED



**70,800**  
EMPLOYEES



**2,510**  
CLINICS



**12**  
COUNTRIES

The company operates in two divisions, Kidney Care and HealthCare Partners. It operates kidney dialysis centers and provides related lab services primarily in outpatient dialysis centers and in contracted hospitals. The company offers 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, as well as patient and physician focused integrated health care delivery and management services.

In addition, the company operates DaVita Rx, a pharmacy that provides oral medications to patients with ESRD; disease management services; vascular access services; clinical research programs; physician services; and direct primary care services.

As of December 31, 2017, DaVita Kidney Care operated or provided administrative services at 2,510 outpatient dialysis centers located in the United States serving approximately 198,000 patients. The company also operated 237 outpatient dialysis centers located in 11 countries outside the United States. DaVita Kidney Care supports numerous programs dedicated to creating positive, sustainable change in communities around the world. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu.

It also provides acute inpatient dialysis services in approximately 1,000 hospitals and related laboratory services in the United States. The company was formerly known as DaVita Inc. and changed its name to DaVita HealthCare Partners Inc. in November 2012. DaVita HealthCare Partners Inc. was founded in 1994 and is headquartered in Denver, Colorado.

More information available at [www.davita.com](http://www.davita.com).

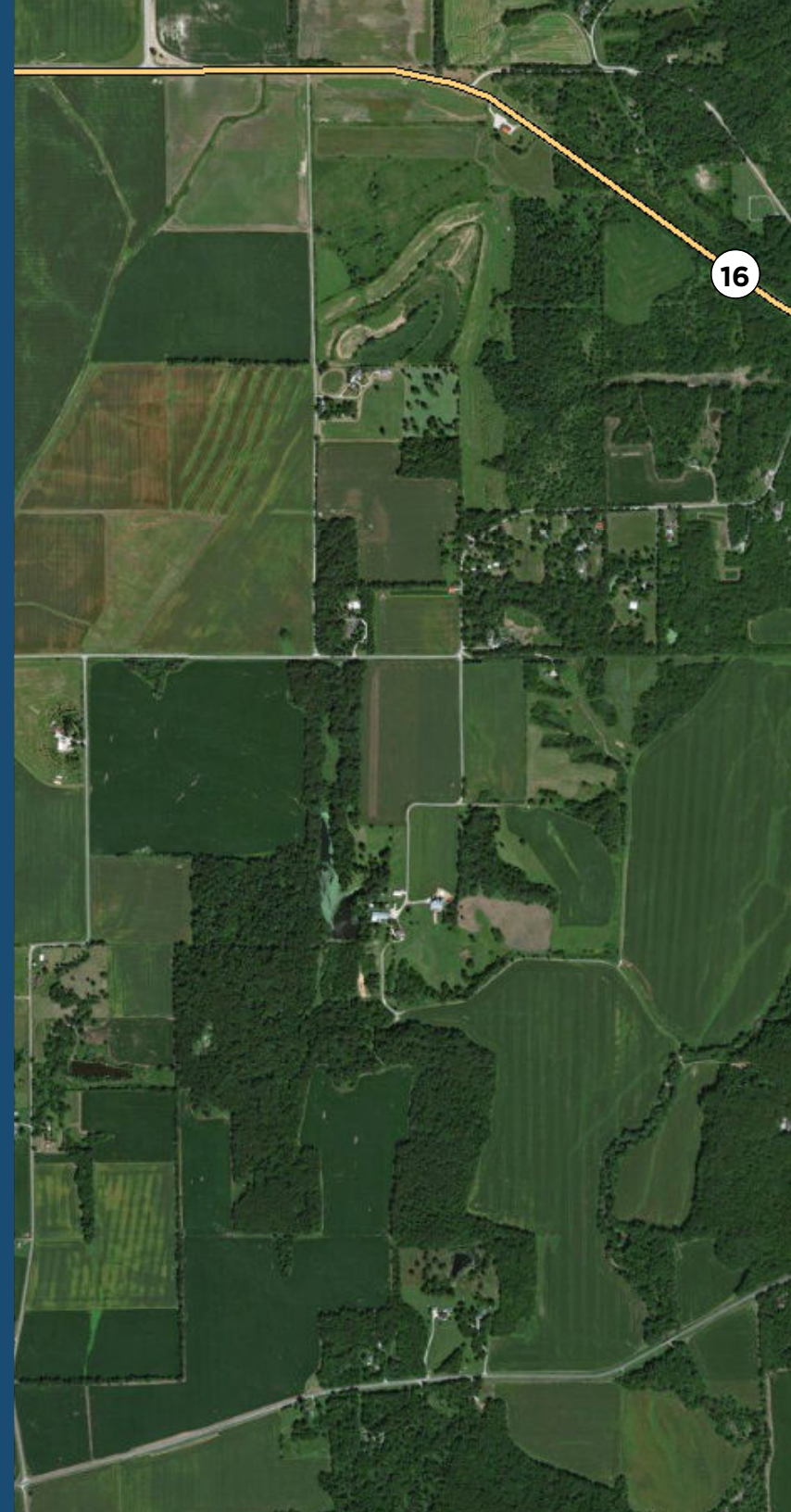
COMPANY	DaVita, Inc.
OWNERSHIP	Public
TICKER SYMBOL	NYSE: DVA
HEADQUARTERS	Denver, Colorado
WEBSITE	<a href="http://www.davita.com">www.davita.com</a>
REVENUE	\$14.73 Billion
NET INCOME	\$880 Million
NET WORTH	\$4.65 Billion
LOCATIONS	2,350
CREDIT RATING	Ba2 (Moody's)



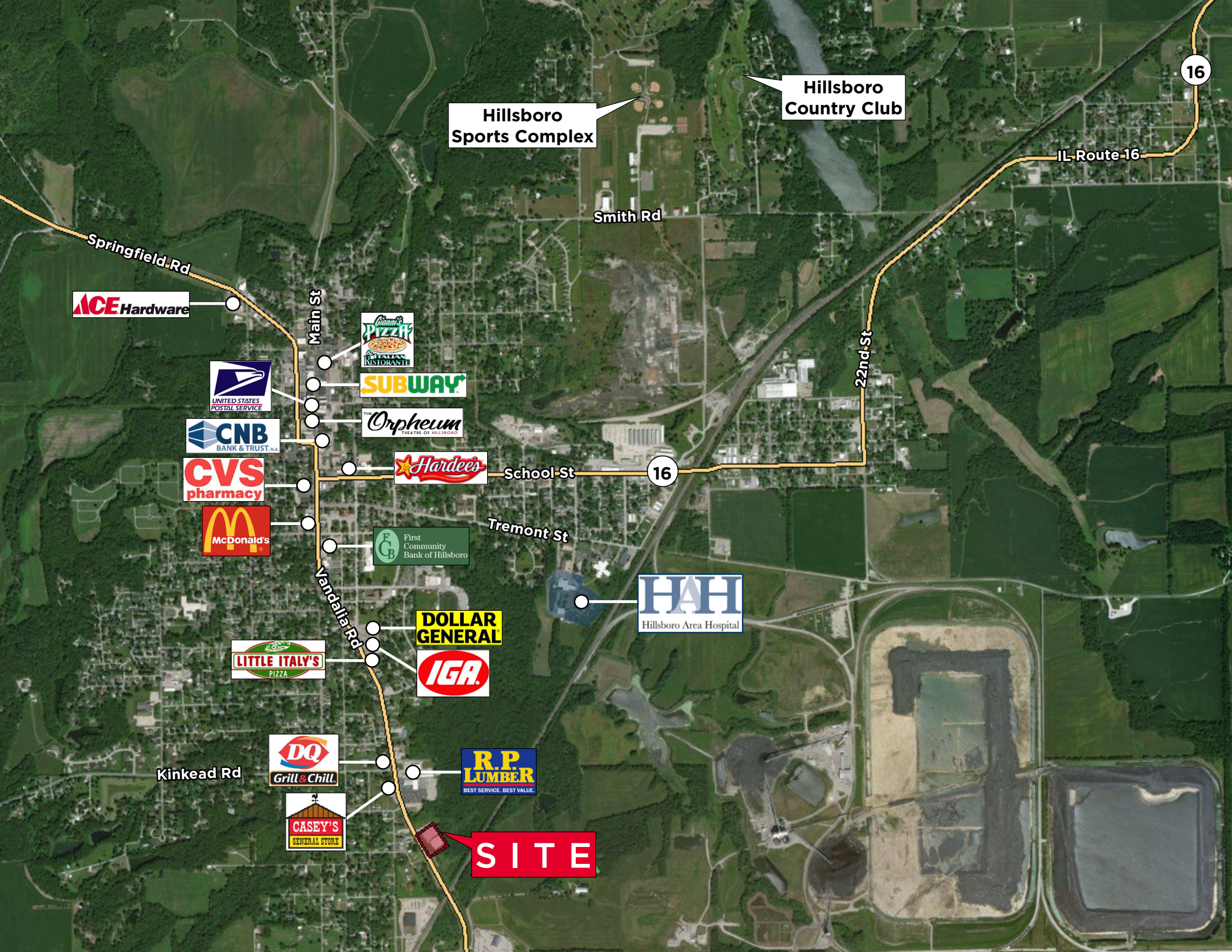
# HILLSBORO

## LOCAL AERIAL

OVER 8,000 RESIDENTS AND AN AVERAGE HOUSEHOLD INCOME  
EXCEEDING \$63K WITHIN A FIVE-MILE RADIUS







Hillsboro  
Sports Complex

Hillsboro  
Country Club

16

IL Route 16

Smith Rd

Springfield Rd

ACE Hardware

Main St

UNITED STATES  
POSTAL SERVICE

CNB  
BANK & TRUST, N.A.

CVS  
pharmacy

McDonald's

Pizza  
RESTORANTE

SUBWAY

THE  
Orpheum  
THEATRE OF HILLSBORO

Hardee's

School St

16

First  
Community  
Bank of Hillsboro

Tremont St

HAH  
Hillsboro Area Hospital

Vandalia Rd

DOLLAR  
GENERAL

IGA

LITTLE ITALY'S  
PIZZA

Kinkead Rd

DQ  
Grill & Chill

R.P.  
LUMBER  
BEST SERVICE. BEST VALUE.

CASEY'S  
GENERAL STORE

SITE

22nd St



# HILLSBORO

## DEMOGRAPHICS



### POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	2,672	7,441	8,552
Median Age	44.4	40.9	41.4



### HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	1,221	2,715	3,244
Occupied Housing Units	88.9%	87.6%	87.3%
Vacant Housing Units	11.1%	12.5%	12.7%



### INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$66,905	\$62,509	\$63,781

### WITHIN A 5-MILE RADIUS OF THE PROPERTY



**\$63,781**

AVERAGE INCOME



**8,552**

POPULATION

2017



### POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	2,720	7,472	8,600
Median Age	45.0	41.2	41.7



### HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	1,257	2,774	3,324
Occupied Housing Units	88.4%	87.0%	86.7%
Vacant Housing Units	11.6%	13.0%	13.3%



### INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$76,102	\$71,549	\$72,952

## WITHIN A 5-MILE RADIUS OF THE PROPERTY



**\$72,952**

AVERAGE INCOME



**8,600**

POPULATION

2022

*Davita* Di





# STATEMENT OF CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum is confidential and is furnished to prospective purchasers of the Property described herein subject to the terms of the Confidentiality Agreement previously provided to and executed by such prospective purchasers. This Memorandum is intended solely to assist prospective purchasers in their evaluation of the Property and their consideration of whether to purchase the Property. It is not to be used for any other purpose or made available to any other person without the prior written consent of the Seller of the Property.

This Memorandum was prepared on the basis of information available to the Seller and to Cushman & Wakefield, Inc., the Seller's exclusive agent in connection with the sale of the Property. It contains pertinent information about the Property and the surrounding area but it does not contain all the information necessary for a complete evaluation of the Property. The projected cash flow and other financial information contained herein are for reference only.

Although the information contained in this Memorandum is believed to be accurate and reliable, neither the Seller nor its exclusive agent guarantees its accuracy or completeness. Because of the foregoing and because the Property will be sold on an "as is" basis, prospective purchasers should make their own independent assessments, investigations, and projections regarding the Property. Although additional material, which may include engineering, environmental, or other reports, may be provided to certain prospective purchasers as appropriate, such parties should confer with their own engineering and environmental experts, counsel, accountants and other advisors.

The Seller expressly reserves the right, in its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time, with or without notice. The Seller shall have no legal commitment or obligation to any prospective purchaser unless and until a written Purchase and Sale Agreement has been fully executed and delivered and any and all conditions to the Seller's obligations thereunder have been fully satisfied or waived.

The Owner is responsible for any commission due its agent in connection with a sale of the Property. The Seller shall not be responsible for any commission claimed by any other agent or broker in connection with a sale of the Property. No other party, including the Seller's exclusive agent, is authorized to make any representation agreement on behalf of the Seller. This Memorandum remains the property of the Seller and its exclusive agent and may be used only by parties approved by the Seller and its exclusive agent. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as provided herein and as permitted by the express terms of the Confidentiality Agreement.

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