

# DAVITA

LOS ANGELES, CALIFORNIA

*DaVita Dialysis*

OFFERING MEMORANDUM | NET LEASE GROUP



**CUSHMAN &  
WAKEFIELD**

# DAVITA

3901 S. WESTERN AVE | LOS ANGELES, CA

*DaVita Di*

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analysis

Complimentary  
VALET  
PARKING

NET LEASE GROUP



CUSHMAN &  
WAKEFIELD



Davita Dialysis

NO SMOKING

Davita  
Los Angeles  
Dialysis Center

Valet

Designated  
VALET  
PARKING

# INVESTMENT SUMMARY

**The Los Angeles DaVita clinic is a 2010 build-to-suit, state-of-the-art medical facility that is 100% leased to DaVita. DaVita recently extended their lease an additional 10 years beginning in April 2020. The lease is corporately guaranteed by DaVita Inc. and includes 10% rent increases every 5 years.**

This location provides kidney dialysis services, and consists of 9,500 square feet housing 28 patient stations, plus 1 private station located in a separate room. The clinic features an infill location and is ideally located with excellent access and visibility on Western Avenue and just north of MLK Blvd. The facility is walking distance to the Expo/Western transit stations. The facility has excellent access to major highways including the 110 highway and I-10 interstate. The facility is surrounded by dense residential neighborhoods, national retail tenants and is just a short distance from some of the regions primary demand generators (University of Southern California, Downtown Los Angeles, LA Memorial Coliseum, Natural History Museum, the new Banc of California Stadium & The Shrine Auditorium). The population within a 5-mile radius of the facility exceeds 1.2 Million residents and average household income exceeds \$64K. The Greater Los Angeles Area contains over 18.5 million residents. It is the 2nd most populous area in the United States and 18th Largest metropolitan area in the World.

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# INVESTMENT HIGHLIGHTS

## NEW 10 YEAR LEASE TERM

Long term net lease structure with minimal landlord responsibilities.

## COMMITTED TENANT

The tenant recently renewed the lease for an additional 10 years.

## LEASE GUARANTEE BY FORTUNE 200 / PUBLICLY TRADED COMPANY

DaVita is the fastest growing corporation on the Fortune 200 list, with 2016 revenues exceeding \$14 Billion and net income of \$880 million. DaVita Inc has a net worth of \$4.6 Billion and holds a Ba2 credit rating from Moody's.

## SCHEDULE RENT INCREASES

10% rent increases every 5 years which provides for attractive rent growth during the lease term.

## SUPERIOR LOCATION, NEAR SEVERAL HOSPITALS

Surrounded by dense residential neighborhoods and national retailers. The facility is only one mile from Exposition Park (Coliseum, Natural History Museum, Science Center, Space Shuttle Endeavor, the new Banc of California Stadium), The University of Southern California and Downtown Los Angeles.

## EXCELLENT ACCESS AND VISIBILITY

Strategically positioned with excellent access and visibility on Western Ave (Traffic Count: 33,093 VPD). The property is also walking distance the Expo/Western Transit center.

## 18<sup>th</sup> LARGEST METROPOLITAN AREA IN THE WORLD & 2<sup>nd</sup> LARGEST IN THE UNITED STATES

commonly known as the Greater Los Angeles Area, with an estimated population of over 18.5 million residents.

## EXCEPTIONAL DEMOGRAPHICS

Over 1.2 million residents and an average household income exceeding \$64K within a five-mile radius.



LOS ANGELES

USC

EXPOSITION PARK

*Davita.*



# LEASE SUMMARY



**\$7,125,000**

PURCHASE PRICE



**5.40%**

CAP RATE



**9,500 SF**

RENTABLE BUILDING AREA



**NNN (roof & structure)**

LEASE TYPE

**Tenant** | DAVITA

**Ownership Type** | FEE SIMPLE

**Year Built** | 2010

**Original Lease Commencement** | April 1, 2010

**Lease Extension** | APRIL 1, 2020

**Lease Expiration** | MARCH 31, 2030

**Remaining Lease Term** | 11 YEARS

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

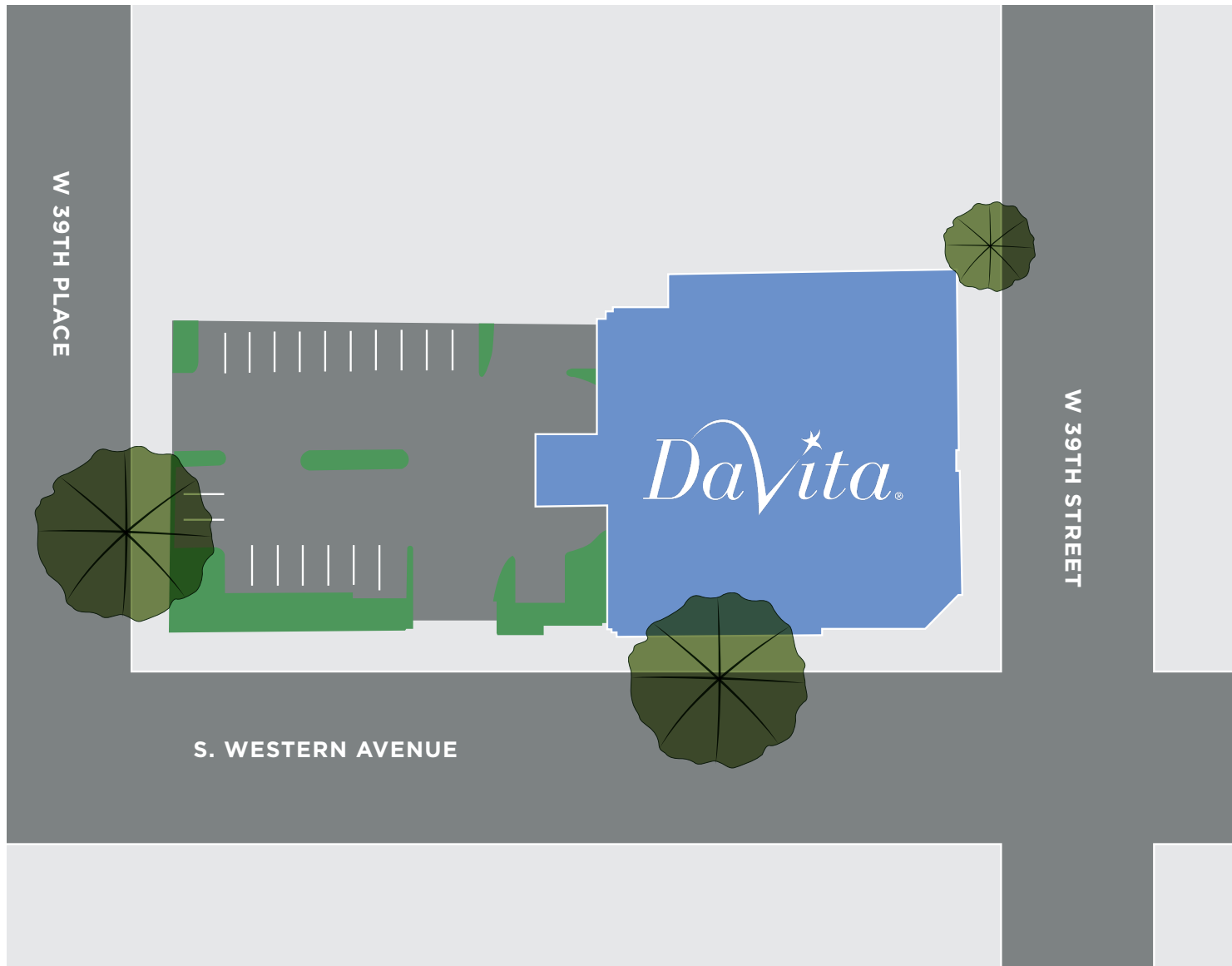
**Rent Increases** | 10% EVERY 5 YEARS



# BASE RENT SCHEDULE

PERIOD	ANNUAL BASE RENT	MONTHLY BASE RENT
Current - March 31, 2020	\$401,909.63	\$33,492.47
April 1, 2020 - March 31, 2025	\$384,750.00	\$32,062.50
April 1, 2025 - March 31, 2030	\$423,225.00	\$35,268.75

# SITE PLAN



BRENTWOOD

WESTWOOD  
UCLA





OD/

CENTURY  
CITY

WILSHIRE

BEVERLY  
HILLS

WEST HOLLYWOOD

THE GROVE

HOLLYWOOD

MARKET

A photograph of a DaVita Dialysis building. The building is a light tan color with a prominent entrance featuring two large, fluted columns. Above the entrance, the words "DaVita Dialysis" are mounted in large, blue, three-dimensional letters. A small yellow star is positioned above the letter 'i' in "Vita". The sky is blue with some clouds, and power lines are visible in the upper right. A dark blue vertical bar is on the right side of the image.

DaVita Dialysis

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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 OWNERSHIP	DaVita, Inc. 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)



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# LOS ANGELES COUNTY

## MARKET OVERVIEW

Los Angeles is the most populated county in the U.S. and the dominant economic center of Southern California. Though it once concentrated heavily on aerospace, entertainment and tourism, the economy of Los Angeles County is now among the most diversified in the world. Building upon the county's thriving technological research capabilities, the expanding economic base now includes industries such as bio-med, digital information and advanced transportation technology.

### POPULATION

Los Angeles County boasts one of the most affluent populations in the world, its position along the California coast combined with its diverse economy and temperate weather make it home to many of the nation's most upscale communities. The people, educational facilities, appealing climate and infrastructure have enabled Southern California and Los Angeles County to emerge as a leading business, trade and cultural center.

The estimated population of Los Angeles County is 10.28 million, with an average household income of \$90,439 per year. Los Angeles County's population grew by 4.7% since 2010, but the rate is increasing and the county is expected to see a further population growth of 3.20% over the next five years.

### ECONOMY

The unemployment rate in Los Angeles is 4.4% as of August 2013, compared to the California state-wide rate of 4.7%.

Between May 2016 and May 2017, Los Angeles County total nonfarm employment grew by 55,700 jobs, or 1.3 percent. Employment growth was led by the Educational and health services industries, which had increases of 25,500 jobs in the past 12 months. The Professional & Business Services and Leisure and Hospitality also had strong growth, adding 15,900 and 9,000 jobs respectively. Information and were the only Industries that had significant job losses this year, each losing 7,700 and 5,600 jobs respectively.

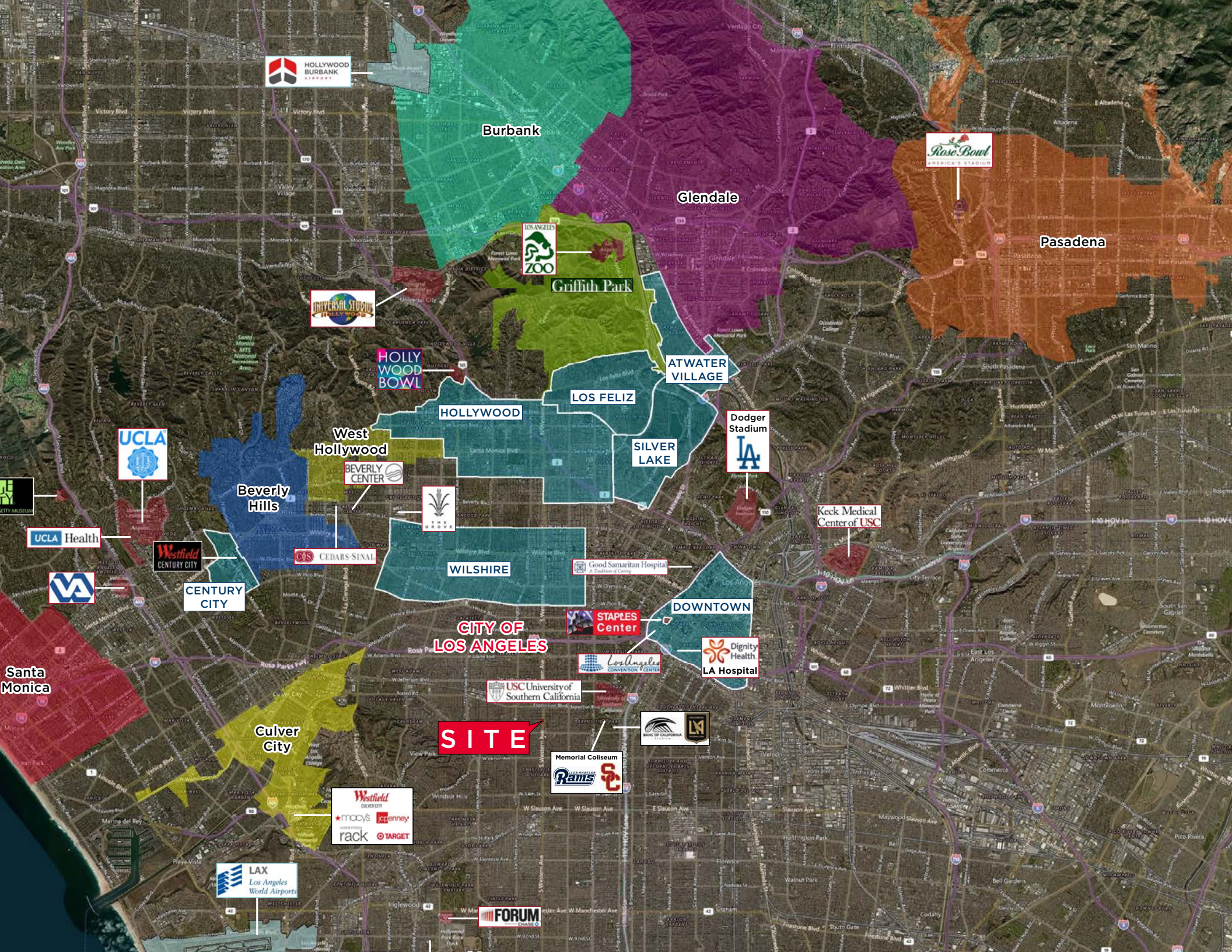
# LOS ANGELES

## MARKET AERIAL



GREATER LOS ANGELES AREA IS THE 18<sup>TH</sup> LARGEST  
METROPOLITAN AREA IN THE WORLD AND 2<sup>ND</sup>  
LARGEST IN THE UNITED STATES





Burbank

Glendale

Pasadena



Griffith Park



HOLLYWOOD BOWL

ATWATER VILLAGE

HOLLYWOOD

LOS FELIZ

SILVER LAKE

West Hollywood



Beverly Hills



UCLA Health



CENTURY CITY



WILSHIRE

Good Samaritan Hospital



Keck Medical Center of USC



DOWNTOWN



CITY OF LOS ANGELES



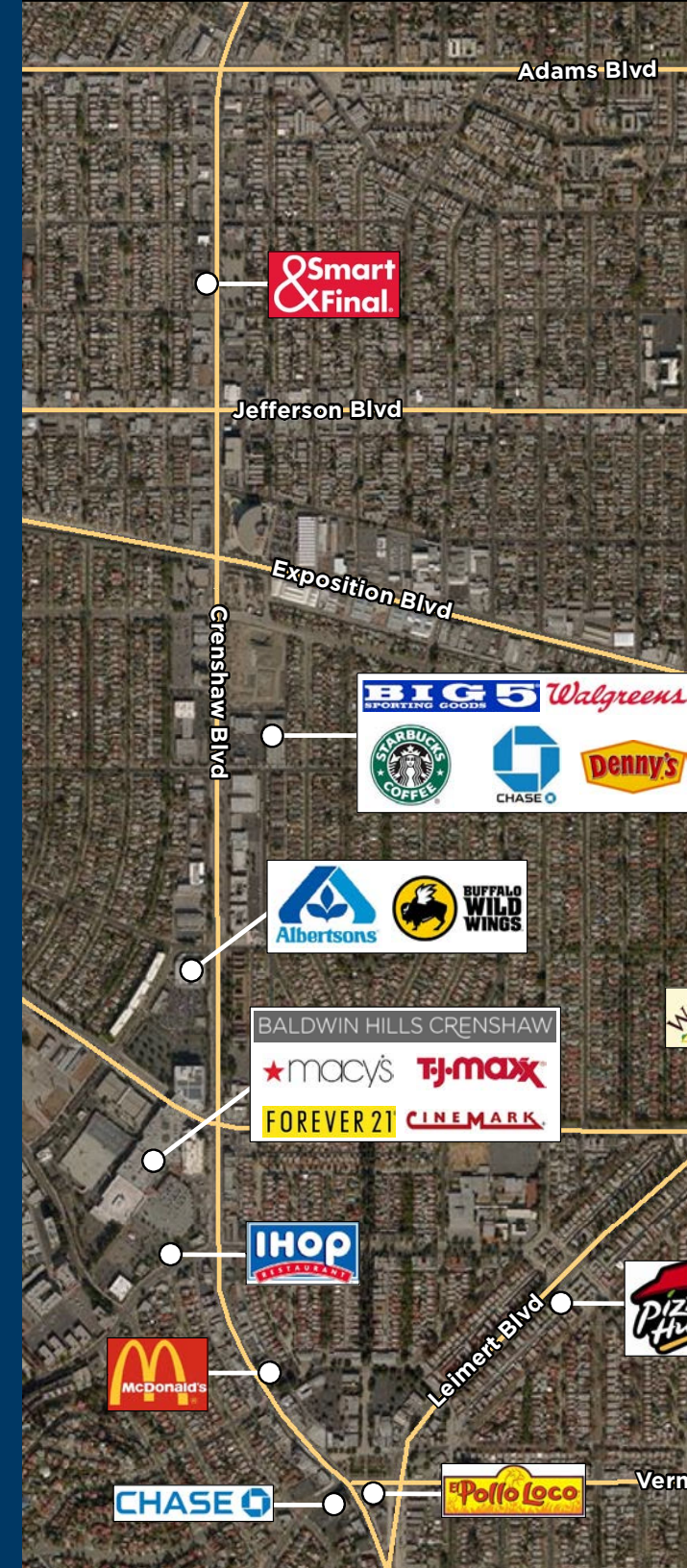
SITE



# LOS ANGELES

## LOCAL AERIAL

OVER 1,200,000 RESIDENTS AND AN AVERAGE HOUSEHOLD  
INCOME EXCEEDING \$64K WITHIN A FIVE-MILE RADIUS





Adams Blvd



Vermont Ave



110

Jefferson Blvd

Normandie Ave

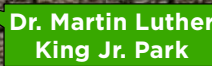
Jefferson Blvd



Exposition Blvd



39th Street



Dr. Martin Luther King Jr Blvd



Broadway

110

Figueroa St

Broadway



Vernon Ave

Arlington Ave

Western Ave

Arlington Ave

on Ave

# LOS ANGELES

## DEMOGRAPHICS

3901 S. WESTERN AVE | LOS ANGELES, CA



### POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	59,234	508,521	1,282,516
Median Age	32.9	32.1	33.4



### HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	18,007	160,471	454,101
Occupied Housing Units	96.5%	95.8%	95.5%
Vacant Housing Units	3.5%	4.2%	4.5%



### INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$54,546	\$53,386	\$64,448

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



**\$64,448**

AVERAGE INCOME



**1,282,516**

POPULATION

2018



### POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	59,074	503,876	1,288,243
Median Age	33.8	33.0	34.4



### HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	18,212	161,496	466,724
Occupied Housing Units	97.0%	96.1%	95.6%
Vacant Housing Units	3.0%	3.9%	4.4%



### INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$63,526	\$62,511	\$75,387

## WITHIN A 5-MILE RADIUS OF THE PROPERTY



**\$75,387**

AVERAGE INCOME



**1,288,243**

POPULATION

2023





# 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.

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