

OFFERING MEMORANDUM

FRESENIUS WILMINGTON



NET LEASE GROUP





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FRESENIUS WILMINGTON

164 HOLIDAY DRIVE | WILMINGTON, OH

JAY PATEL

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License #: 01512624

Listed in conjunction with Broker of Records:

HANK DAVIS

LICENSE #: 2007004313



NET LEASE GROUP

 CUSHMAN &
WAKEFIELD

REPRESENTATIVE PHOTO



01

INVESTMENT OVERVIEW

INVESTMENT SUMMARY

The Wilmington Fresenius Kidney Care clinic is a 2019 build-to-suit, state-of-the-art medical facility that is 100% leased to Fresenius via a new 15-year lease term, with rent commencement in July 2019. The lease is corporately guaranteed by Fresenius Medical Care Holdings which reported a 2016 net worth of 10.144 Billion and includes scheduled rent increases of 10% every 5-years during the primary term and option periods. This location provides kidney dialysis services and consists of 7,558 square feet housing 20 patient stations, 1 private station located in a separate room and 2 home therapy rooms.

The clinic is surrounded by national retailers, including Aldi, Dollar General, Tractor Supply, Kroger and Lowes. The clinic has excellent access and visibility from Rombach Avenue (US Highway 22) which is the major east west corridor through Wilmington and provides direct access to Cincinnati to the West and Columbus to the East. The facility is also located within close proximity to the 165-bed Clinton Memorial Hospital. located south of the Emory Decatur Hospital.

LEASE SUMMARY

\$2,682,295

PURCHASE PRICE



5.75%

CAP RATE



7,558 SF

RENTABLE BUILDING AREA



NNN (roof & structure)

LEASE TYPE



15 YEARS

LEASE TERM



Tenant | **FRESENIUS KIDNEY CARE**

Ownership Type | **FEE SIMPLE**

Year Renovated | **2019**

Lease Commencement | **JULY 1, 2019**

Lease Expiration | **JUNE 30, 2034**

Term Remaining | **15 YEARS**

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

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

BASE RENT SCHEDULE

PERIOD	ANNUAL BASE RENT	MONTHLY BASE RENT	ANNUAL INCREASE
Years 1 - 5	\$154,232.29	\$12,852.69	-
Years 6 - 10	\$169,655.51	\$14,137.96	10%
Years 11 - 15	\$186,621.06	\$15,551.76	10%

INVESTMENT HIGHLIGHTS

NEW 15 YEAR LEASE

2019 BUILD-TO-SUIT FOR FRESENIUS KIDNEY CARE

Brand-new, state-of-the art dialysis clinic.

INVESTMENT GRADE TENANT

Fresenius Kidney Care has an S&P investment grade rating of BBB- and has a net worth of \$10.144 Billion.

NEAR HOSPITAL

The facility is located a near the 165-bed Clinton Memorial Hospital.

HEDGE AGAINST E-COMMERCE

Given the nature of the product, healthcare related real estate have been the lease affected by the emergence of E-commerce.

GOVERNMENT FUNDING

The government has provided healthcare coverage for end stage renal disease (ESRD) since 1972 under the Medicare ESRD Program.

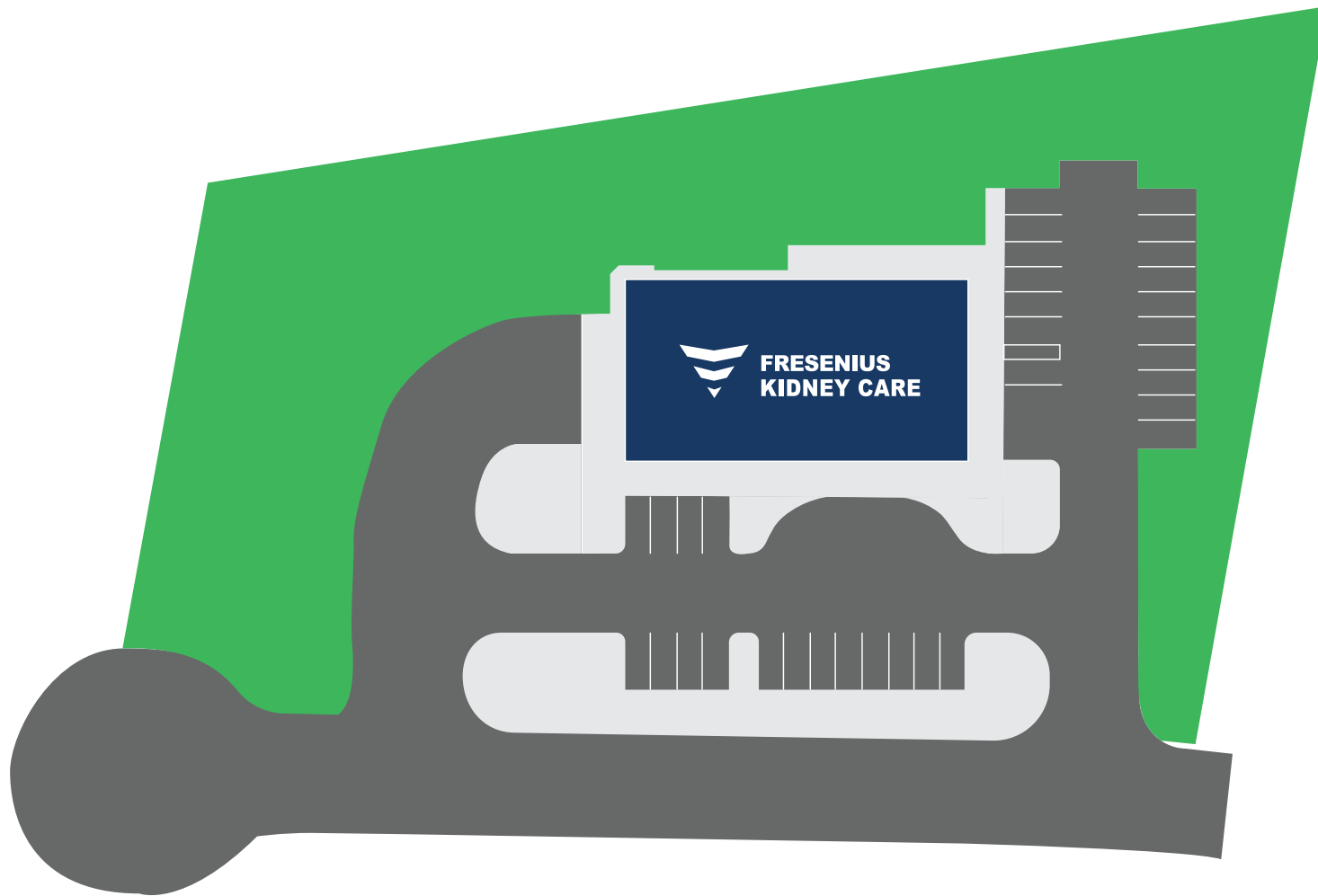
SCHEDULED RENT INCREASES

10% increases every 5 Years providing attractive rent growth during the lease term.





SITE PLAN



[illegible]



02

TENANT OVERVIEW



\$18B

2016 Annual Revenues

/ \$25B

Market Cap



306,366
PATIENTS
SERVED



108,851
EMPLOYEES



3,579
CLINICS



45M
TREATMENTS



37
PRODUCTION
SITES

Fresenius Medical Care AG & Co. KGaA, a kidney dialysis company, provides dialysis care services related to the dialysis treatment a patient receives with end stage renal disease (ESRD); and other health care services. It offers dialysis treatment, and related laboratory and diagnostic services through a network of 3,579 outpatient dialysis clinics in approximately 45 countries worldwide; materials, training, and patient support services comprising clinical monitoring, follow-up assistance, and arranging for delivery of the supplies to the patient's residence; and dialysis services under contract to hospitals in the United States for the hospitalized ESRD patients and for patients suffering from acute kidney failure.

The company also provides pharmacy services, such as delivery and supply of renal medications to patients at homes or to dialysis clinics directly; vascular, cardiovascular, and endovascular specialty services; and offers products for the treatment of ESRD.

In addition, it offers laboratory services that include blood, urine, and other bodily fluid testing services; and hemodialysis (HD) machines, modular components for dialysis machines, polysulfone dialyzers, bloodlines, HD solutions and concentrates, needles, connectors, machines for water treatment, data administration systems, dialysis chairs, phosphate binders, iron products, and other renal drug products.

Further, the company provides peritoneal dialysis systems and solutions for continuous ambulatory peritoneal dialysis and automated peritoneal dialysis; and adsorbers, which are filters used in other extracorporeal therapies; and distributes specific instruments for vascular access, as well as other supplies, such as bandages, clamps, and injections.

The company sells its products to clinics, hospitals, and specialized treatment clinics through local sales forces, independent distributors, dealers, and sales agents. The company was founded in 1996 and is headquartered in Bad Homburg, Germany.



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MARKET OVERVIEW

CINCINNATI

MARKET OVERVIEW

The Cincinnati, OH-KY-IN MSA is the largest metropolitan area in Ohio, followed by Cleveland and Columbus, and the 29th most populous metropolitan area in the United States. The metropolitan area's largest cities based on population include Cincinnati, Hamilton, Middletown, Fairfield, Covington and Mason, OH. With an estimated population of 2,210,953 in 2018, Cincinnati is a highly sought-after location. The areas total population grew 4.56% since the 2010 census. By 2023, the population is expected to grow to 2,271,674, or by 2.75%.

The Cincinnati, OH-KY-IN MSA has 943,858 housing units with 58.6% of houses occupied by owners and 32.6% being occupied by renters. The median home value in 2018 was \$179,166. Over the course of the next five years, median home value in Cincinnati is expected to increase by 17.5%. The average household income is \$81,850 with 13.1% of the community earning \$75,000 or higher per year. By 2023, Cincinnati household income is expected to grow by 14% to \$93,327, with 14% of the population earning \$75,000 or higher per year. These numbers indicate that Cincinnati incomes will increase steadily over the next five years.

The Cincinnati metropolitan area is the fastest growing economic power in the Midwestern United States based on increase of economic output, and it is the 28th-largest metropolitan area in the U.S. Cincinnati is also within a day's drive of nearly half of the United States populace. Additionally, numerous Fortune 500 companies are headquartered in Cincinnati, such as Procter & Gamble, The Kroger Company, and Macy's Inc. General Electric has headquartered their Global Operations center in Cincinnati. Cincinnati also has many gourmet restaurants. The Maisonette was Mobil Travel Guide's longest-running five-star restaurant in the United States, holding that distinction for 41 consecutive years until it closed in 2005. One of

the United States' oldest and most celebrated bars, Arnold's Bar and Grill in downtown Cincinnati has won awards from Esquire magazine's "Best Bars in America", Thrillist's "Most Iconic Bar in Ohio", The Daily Meal's "150 Best Bars in America".

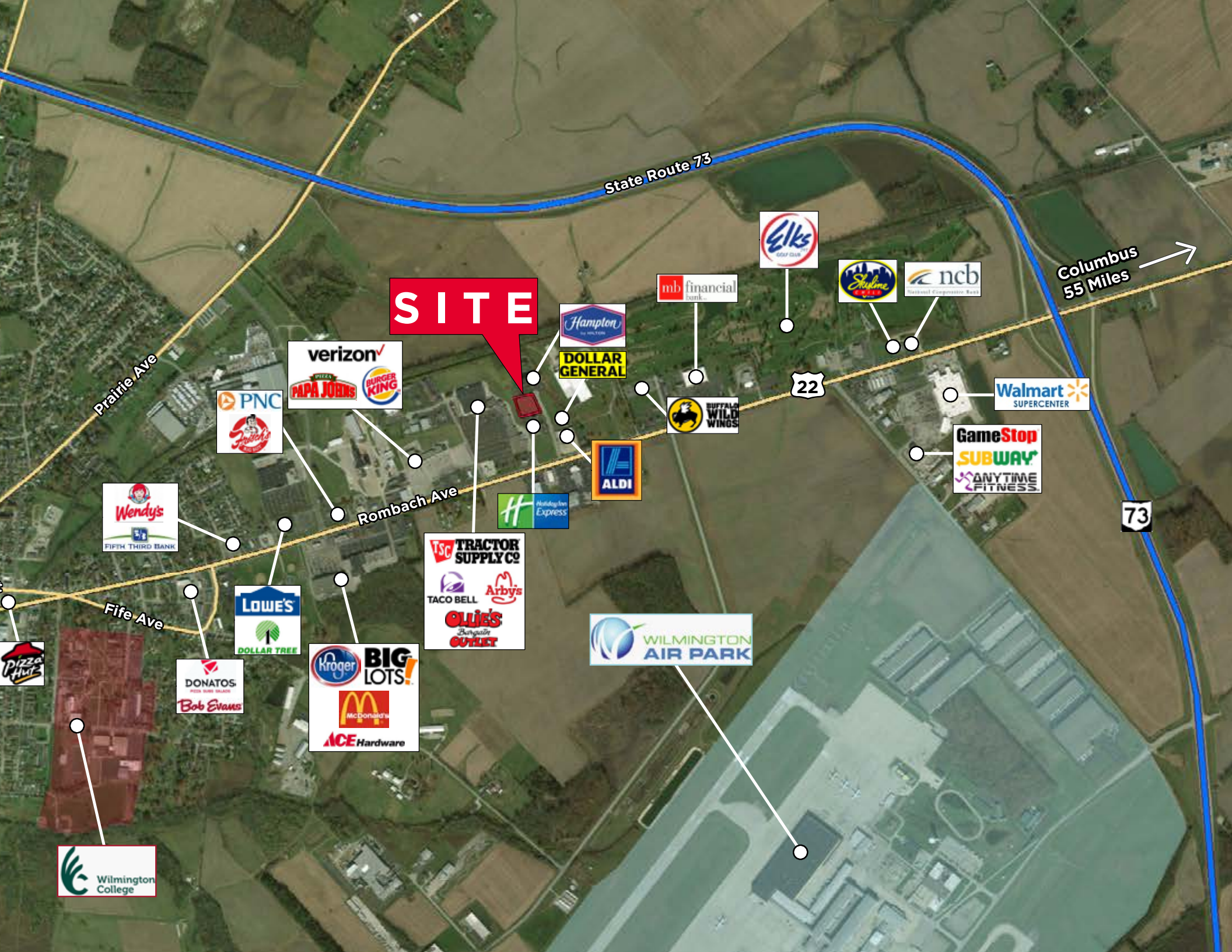
Cincinnati offers multiple forms of transportation, consisting of roads/highways, public transit, railway, and airports. The city is served by Cincinnati/Northern Kentucky International Airport. The airport is a focus city for Delta Air Lines as well as low-cost carriers Allegiant Air and Frontier Airlines. In addition, the airport is the largest global hub for both Amazon Air and DHL Aviation. Bus traffic is heavy in Cincinnati. Megabus and Greyhound as well as many other, smaller motor coach companies operate out of Cincinnati, making trips within the Midwest or beyond. The city has an outer-belt, Interstate 275, which is the longest circle highway in the country at 85 miles. The city of Cincinnati has a higher than average percentage of households without a car. In 2015, 19.3% of households lacked a car, and increased slightly to 21.2% in 2016. To put it in perspective, the national average was 8.7% in 2016.

The city of Cincinnati has an extensive library system, both the city's public one and the university facilities. The Public Library of Cincinnati and Hamilton County was the third-largest public library nationally in the late 90's. The University of Cincinnati is a public institution of learning. It is renowned in architecture and engineering, liberal arts, music, nursing, and social science. The University of Cincinnati Medical Center is the leading institute for community health in Ohio. The Cincinnati public schools include sixteen high schools all with citywide acceptance. Of residents 25 and older, 91.1% have a high school diploma and 33.2% have a bachelor's degree or higher.

WILMINGTON

LOCAL AERIAL





SITE

State Route 73

Columbus
55 Miles

22

73

WILMINGTON
AIR PARK

Wilmington
College

WILMINGTON

DEMOGRAPHICS



POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	546	12,292	16,158
Median Age	38.3	34.9	36.8



HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	257	5,541	7,264
Occupied Housing Units	89.7%	86.8%	88.0%
Vacant Housing Units	10.3%	13.2%	12.0%



INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$56,528	\$56,988	\$61,763

WITHIN A 5-MILE RADIUS OF THE PROPERTY



\$61,763

AVERAGE INCOME



16,158

POPULATION

2018



POPULATION

	1 Mile	3 Miles	5 Miles
Total Population	545	12,519	16,603
Median Age	38.6	35.4	37.4



HOUSING

	1 Mile	3 Miles	5 Miles
Total Housing Units	257	5,716	7,561
Occupied Housing Units	89.4%	86.3%	87.6%
Vacant Housing Units	10.6%	13.7%	12.4%



INCOME

	1 Mile	3 Miles	5 Miles
Average Household Income	\$65,865	\$65,929	\$70,960

WITHIN A 5-MILE RADIUS OF THE PROPERTY



\$70,960

AVERAGE INCOME



16,603

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.

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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