

DaVita Kidney Care

OFFERING MEMORANDUM

Greer, South Carolina (Greenville-Spartanburg MSA)



Subject Property



Net Lease Group

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DaVita Kidney Care

Greer, SC

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Listed in Conjunction with South Carolina Broker of Record:
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THE OFFERING

- Completed in 2006, a 10,180± sq. ft. medical office building located in Greer, South Carolina leased to **TOTAL RENAL CARE, INC.** and guaranteed by **DAVITA, INC.** for 10 years
- **Price: \$3,940,000 – 6.25% Cap Rate**

LEASE / TENANT

- New 10 year net lease with 10% rent increases every 5 years with the next increase in 2022 (3 Years) and another in 2027 (8 Years)
- Established location for DaVita with a newly exercised 10 year extension showing the tenant's commitment to the facility
- DaVita, Inc. (NYSE:DVA) is one of the fastest growing companies on the Fortune 200 with a total stockholder's equity of \$3.70 billion and 2018 revenues of \$11.41 billion
- DaVita treats 42% of all dialysis patients in the United States
- Warren Buffett's Berkshire Hathaway owns a 23% stake in DaVita, it's third largest holding by ownership percentage

REAL ESTATE/AREA STRENGTHS

- The 135-acre Greer Medical Campus is located less than five minutes away
- Located adjacent to the Mitsubishi Polyester Film manufacturing plant, the largest polyester film plant in the United States
- Strong demographics with over 112,700 residents within five miles and an average household income of \$90,143 within one mile
- Greer ranked 3rd among the most enterprise-friendly cities in South Carolina according to a survey by Palmetto Promise Institute
- Located in the center of Greenville and Spartanburg, the two major cities in Upstate South Carolina, with easy access to Greenville-Spartanburg International Airport, the second largest airport in South Carolina
- Greer is home to BMW's largest manufacturing plant in the world – a 5.5 million square foot facility representing a \$7.8 billion investment from the company
- Greer's central location on I-85, Inland port and progressive economic philosophy have attracted a world-class business community



INVESTMENT OVERVIEW

LOCATION

3254 Brushy Creek Road, Greer, SC 29650

LOT SIZE

Approximately 2.08 acres – 90,604± square feet

IMPROVEMENTS

Completed in 2006, a 10,180± sq. ft. medical office building with ample on-site parking

LEASE

Leased to **TOTAL RENAL CARE, Inc.**, and guaranteed by **DAVITA, INC.** for 10 years until August 15th, 2029 with an annual rent of \$246,260 which increases 10% every 5 years (see rent schedule) throughout the primary term and one five-year option period.

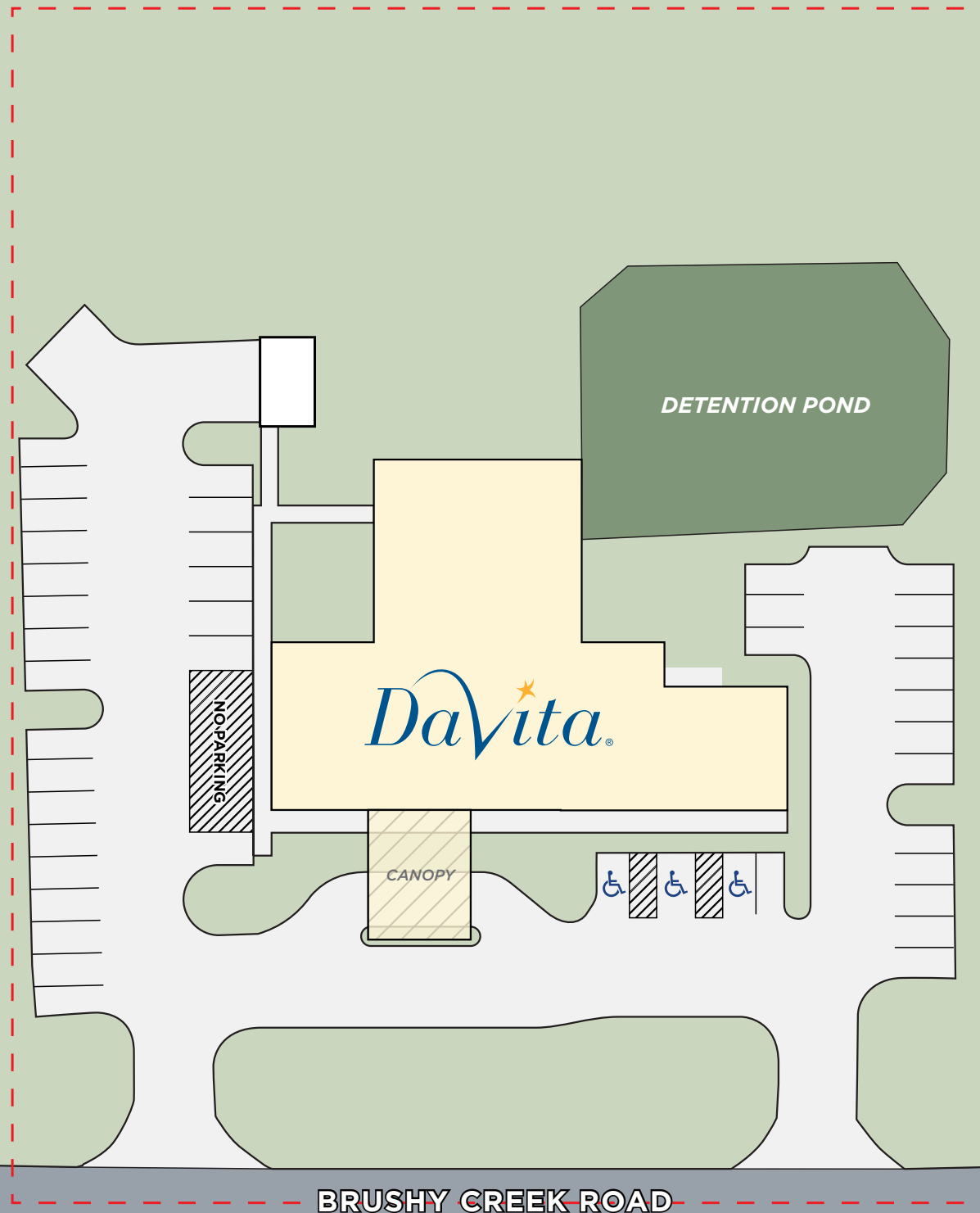
The lease is net with the tenant responsible for taxes, insurance and maintenance of the premises, including HVAC and minor repair and patching of the parking area. The landlord is responsible for repairs and replacements to the exterior and structural portions of the premises, including the roof, structure, parking area and HVAC (replacement only).

RENT SCHEDULE

Investment Period	Annual Rent	Cap Rate
Current-7/30/2022	\$246,260	6.25%
8/1/2022-7/30/2027	\$270,886	6.88%
8/1/2027-8/15/2029	\$297,975	7.56%
8/1/2032-8/15/2034 (Option)	\$327,772	8.32%

PRICE: \$3,940,000 – 6.25% Cap Rate

SITE PLAN



BRUSHY CREEK ROAD

ABOUT THE GUARANTOR

DAVITA INC. (“DaVita”), a Fortune 200 Company, is a leading provider of kidney dialysis services for patients with 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. As of December 31, 2018, it provided dialysis and administrative services in the United States through a network of 2,664 outpatient dialysis centers; and operated 241 outpatient dialysis centers located in 9 countries outside of the United States. Further, the company provides acute inpatient dialysis services in approximately 900 hospitals and related laboratory services in the United States. The company was formerly known as DaVita HealthCare Partners Inc. and changed its name to DaVita Inc. in September 2016. DaVita Inc. was founded in 1994 and is headquartered in Denver, Colorado.

DaVita controls more than 33% of the U.S. dialysis market and Fresenius Medical Center controls a similar portion. The rest of the market is fragmented, served by hospitals and much smaller chains. DaVita is treating 42.2% of all dialysis patients in the United States. They have cornered a serious share of the market, and as the greater portion of the American population continues to age, the demand for DaVita’s services will only increase.


For the fiscal year ended December 31, 2018, total revenues were \$11.41 billion and total stockholder’s equity was \$3.70 billion. DaVita is rated “BB” by Standard and Poor’s.

More information can be obtained at www.davita.com





 **MITSUBISHI POLYESTER FILM**



BRUSHY CREEK ROAD



**INLAND
PORT GREER**



**BMW MANUFACTURING
PLANT**



**GREENVILLE-SPARTANBURG
INTERNATIONAL AIRPORT**

**GREER
MEMORIAL
HOSPITAL**

Davita

BRUSHY CREEK ROAD

OVERVIEW



MITSUBISHI POLYESTER FILM

**GREER
MEMORIAL
HOSPITAL**



**INLAND
PORT GREER**



**BMW
MANUFACTURING
PLANT**



**GREENVILLE-SPARTANBURG
INTERNATIONAL AIRPORT**



W. WADE HAMPTON BLVD.

BRUSHY CREEK ROAD

S. MAIN ST.

J. VERNE SMITH PKWY.

NEW WOODRUFF RD.

SITE LOCATION

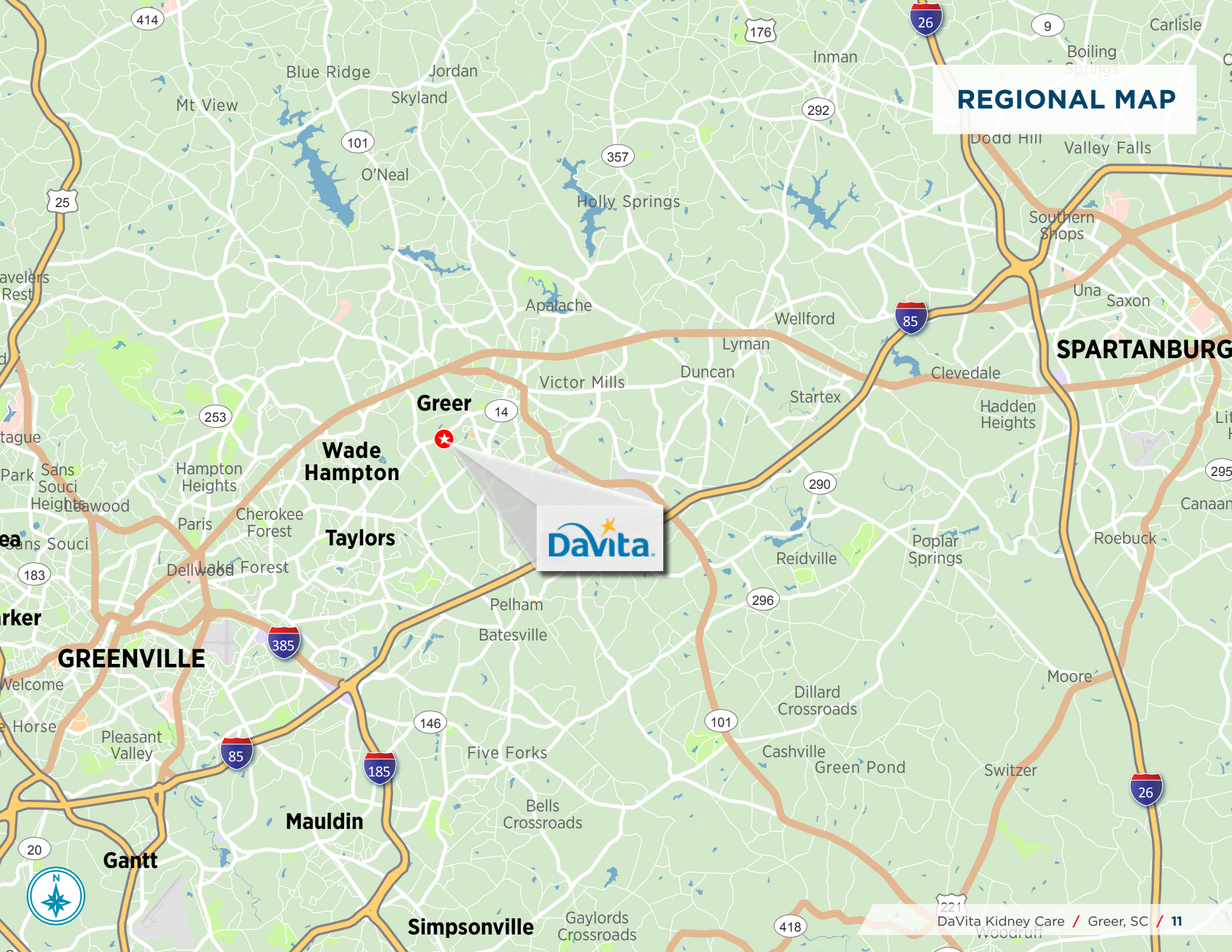
The DaVita property is located on Brushy Creek Rd (8,000 VPD), a primary east-west arterial that connects to downtown Greer. The property is directly across the street from the Mitsubishi Polyester Film Manufacturing Plant, the largest polyester film plant in the United States. It employs more than 500 workers engaged in the development, manufacturing and sales of a wide variety of specialty films used in industrial, packaging and electronics applications. Mitsubishi Polyester Film recently invested \$100 million in the facility to expand production capacity. The DaVita property is also located one mile away from the Greer Medical Campus, a 135-acre property housing the Greer Memorial Hospital, Greer Memorial office buildings and Prisma Health Cancer Institute.

The Greenville-Spartanburg International Airport (GSP) is located just south of Greer, just 5 miles from the subject location. GSP is the second-busiest airport in South Carolina, after Charleston International Airport, with about 2.31 million passengers in 2018. The airport is serviced by six passenger airlines: United, Southwest, American, Frontier, Delta and Allegiant Air.

The property is located six miles from the largest BMW manufacturing plant in the world. The plant, which employs 23,000 people, is part of the company's global five-plant production network and is a huge economic driver for the city. Due to the plant's extensive supply chain, BMW has attracted a network of over 40 suppliers to the region. BMW also relies heavily on the nearby inland port, which handles the plant's need for receiving cargo and shipping finished vehicles.



REGIONAL MAP



LOCAL MAP



GREER

THE GREENVILLE-SPARTANBURG METROPOLITAN area anchors the ten-county area known as the “Upstate” Region of South Carolina, the largest and fastest growing region in the state with a current population of 1.4 million residents. Conveniently located halfway between Atlanta and Charlotte, Greenville-Spartanburg attracts many national and international companies to the area. Overall, the region features a top-ranked business climate, a talented labor force, a high quality of life, and an affordable cost of living.

Highly regarded for its business-friendly local and state governments, and aggressive economic development initiatives, Greenville-Spartanburg has been the beneficiary of mega investments from numerous national and international companies. Ranking as one of the largest economic centers in the Southeast, the region is spotted by multiple Fortune 500 companies, including BMW, Michelin North America, Walmart, Rite Aid, Amazon, Duke Energy, UPS, Lockheed Martin, Caterpillar, Owens Corning, and Kemet Industries. Over the past five years, Upstate Region businesses have announced over \$10.7 billion in investments with over 37% of those investments coming from international companies that have been attracted to the region.

GREENVILLE-SPARTANBURG ECONOMY

Comprised of high-growth industries such as biotechnology, automotive, textiles & advanced materials, aviation/aerospace, and logistics, the Greenville-Spartanburg region boasts a diverse and continuously growing economy. Since the start of 2014—the first full year after the completion of the Greer Inland Port—Upstate SC firms have announced \$8.6 billion of new capital investment in the region, creating over 18,000 jobs. Over the past two decades, large investments from numerous multi-national companies have transformed the region into the highest foreign investment per capita of any US metropolitan area. Collectively, Greenville-Spartanburg boasts more than 430 international firms that have offices in the area.

As of March 2017, the unemployment rate for Greenville-Spartanburg is at 2.9%, which is lower than the national average and the South Carolina rate of 3.4%. Further job creation is expected with recent expansion announcements from BMW, Michelin, and Tower International. Additionally,

the Port of Charleston and the Greer Inland Port are experiencing over \$2.0 billion in capital improvements, which will continue to make South Carolina one of the most prolific logistics hub of the Southeast.

BMW MANUFACTURING

One of the most significant economic contributors to the Greenville-Spartanburg region is the 1,150-acre, 5.5 million square foot BMW manufacturing plant, which is now the company’s biggest factory in world. Since opening in 1994, BMW has invested \$7.8 billion in order to expand the plant’s operations to record-setting production volumes. In 2016 the Greer factory set a new vehicle production record totaling 411,171, marking a 2.6 percent increase over 2015 and the third consecutive year the plant has increased its output. Furthermore, BMW has driven a 13% year-over-year increase in finished vehicle volume for the Port of Charleston, making South Carolina the highest ranked state for passenger automobile exports. Requiring an extensive supply chain for the production of its vehicles, BMW has attracted a network of over 40 suppliers to the region, which has been an integral driver of the area’s impressive leasing and development momentum.

THE GREER INLAND PORT

Following its completion in Q3 of 2013, the Greer Inland port instantaneously extended the Port of Charleston’s reach 212 miles inland and gave shippers and distribution centers access to more than 95 million consumers within a one-day drive. Norfolk Southern serves the inland port through its main line which, within one day, provides the most cost-effective and eco-friendly means of transportation to and from the Port of Charleston. Additionally, regional shippers enjoy the unique advantage of having access to the Greer Inland Port’s supply of empty containers needed in order to move goods.

With a thirty 30-acre, \$25 million expansion slated to commence in 2019, the port already handles over \$1.2 billion in exports annually and generated a \$26.8 billion impact on South Carolina’s economy in 2014. Additionally, the inland port stands to benefit from increased cargo volume as a \$350 million rail line will be extended to the new North Charleston Naval Base Terminal. Greer Inland Port’s customer base includes users such as BMW, Michelin, Adidas, Dollar Tree and continues to grow.

AREA DEMOGRAPHICS

2018 Summary	1 mile	3 miles	5 miles
Population	5,144	52,917	112,713
Households	1,885	20,544	44,577
Families	1,309	14,182	30,495
Average Household Size	2.73	2.57	2.52
Owner Occupied Housing Units	1,293	13,842	29,505
Renter Occupied Housing Units	592	6,702	15,072
Median Age	35.5	38.1	39.0
Median Household Income	\$67,871	\$58,784	\$59,338
Average Household Income	\$90,143	\$79,377	\$80,556

Projected 2023 Summary	1 mile	3 miles	5 miles
Population	5,717	56,821	120,711
Households	2,093	22,022	47,681
Families	1,446	15,131	32,440
Average Household Size	2.73	2.57	2.52
Owner Occupied Housing Units	1,440	14,957	31,658
Renter Occupied Housing Units	653	7,065	16,023
Median Age	36.6	38.9	39.7
Median Household Income	\$79,255	\$66,937	\$67,814
Average Household Income	\$104,269	\$89,811	\$90,926





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