



# Fresenius Medical Care

Absolute NNN | 15 Year Lease | Strong Rental Increases

*Confidential Offering Memorandum*

3160 Webster Ave  
Bronx, NY 10467



**FRESENIUS  
MEDICAL CARE**



# The Offering

Jones Lang LaSalle (“JLL”) is pleased to offer for sale the fee simple interest in an absolute NNN single-tenant, medical office condo in *The Bedford* – a newly constructed 60-unit residential building in the Bronx, NY. The condo, located on the ground level, is leased to New York Dialysis Services, Inc. d/b/a Fresenius Medical Care (the “Property”, or “Asset”) on a brand-new 15 year lease with 2% annual increases starting in year 3. The Asset is located along Webster Avenue, one of the longest thoroughfares in the Bronx, stretching for 5.8 miles. This offering represents an exceptional opportunity to acquire a valuable property, with strong lease fundamentals, leased to an investment-grade tenant.



## INVESTMENT HIGHLIGHTS

- The tenant has 15 years of lease term remaining on a brand-new lease with 2% annual rent increases starting in year 3
- The tenant has a corporate guarantee from Fresenius Medical Care Inc., which holds an investment grade credit rating of ‘BBB-’ by Standard & Poor’s
- The building was completed in 2017 and includes 60 residential units and one ground floor medical office condo with Fresenius being the first tenant to occupy the space
- Located in a dense urban location with over 150,000 residents within a 1-mile radius and over 1 million residents within a 3-mile radius of the Asset
- Just 0.2 miles from the 205<sup>th</sup> Subway Station offering direct access through the Bronx, Harlem, Manhattan, and Brooklyn via the D line
- Located along Webster Avenue (15,000+ VPD) in close proximity to the Bronx River Parkway (104,000+ VPD)
- Located in the Norwood neighborhood of the Bronx with neighboring tenants including: Bedford Park Elementary School, Fordham University, James J. Peters VA Medical Center, Montefiore Medical Center and Manhattan College
- Minimal market competition with the nearest Fresenius located approximately 4.5 miles away
- The Property is located in close proximity to many national retailers that help to draw additional traffic to the area including Crunch Fitness, McDonald’s, Rodeway Inn – Bronx Zoo, Family Dollar and Papa John’s Pizza

## PRICING

<b>Pricing</b>	<b>\$8,100,000</b>
<b>Cap Rate</b>	<b>5.55%</b>
<b>NOI</b>	<b>\$450,000</b>

# Property

The Property is a 10,000 SF medical office condo leased on an absolute NNN basis with zero landlord responsibilities. The Asset is leased to New York Dialysis Services, Inc. guaranteed by Fresenius Medical Care Holdings, Inc. which holds investment grade credit rating of 'BBB-' by Standard & Poor's. The Property was built in 2017 with Fresenius being the first tenant to occupy the space.

## Expanded Property & Lease Summary



Address	3160 Webster Avenue, Bronx, NY 10486
Tenant	New York Dialysis Services, Inc.
Guarantor	Fresenius Medical Care Holdings, Inc.
Ownership	Fee Simple
Lease Type	Absolute NNN
Property Type	Medical Office/Retail Condo
Condo Size	10,000 SF
Year Built	2017
Lease Expiration	2034
Remaining Lease Term	15 years
Base Rent	\$350,000 + \$ TI Reimbursement \$100,000 = \$450,000
Rental Escalations	2% Annually Starting in Year 3
Renewal Options	Three, Five-Year Extension Periods

# Market

## Norwood, Bronx

Norwood is a residential neighborhood in the northwest Bronx, New York City. In the center of Norwood, Webster Avenue and E. 204th Street is a vibrant commercial intersection with a rich variety of shops, restaurants, and services. The growing E. 204th Street/Bainbridge Avenue Merchants Association includes national and regional chains, as well as locally-owned businesses, ranging from ethnically diverse markets to cafes and lounges. The area has seen significant development activity since the Webster Avenue rezoning plan in 2011, and multiple commercial projects have already taken place.



### Webster Avenue Rezoning Plan

In 2011, the Department of City Planning amended the Zoning Map in the Bedford Park and Norwood communities in the Bronx. The proposed actions of the rezoning are intended to achieve two primary objectives that are currently underway:

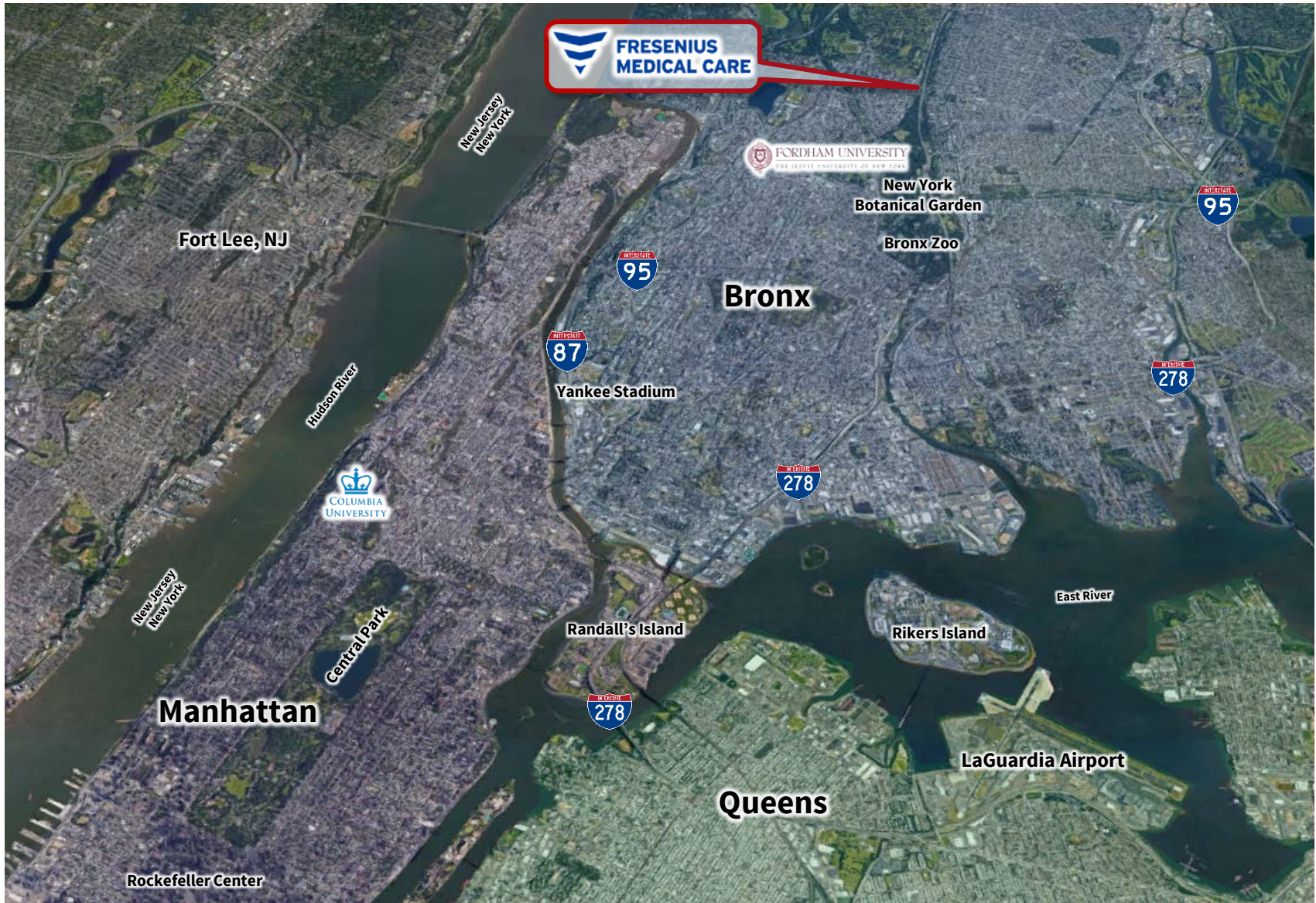
- To shape Webster Avenue into a vibrant, inviting, and walkable residential and commercial corridor
- To preserve existing low density character in the residential areas of Bedford Park and Norwood, and encourage new development to concentrate on Webster Avenue

## Bronx, NY

The Bronx is the northernmost of the five boroughs of New York City and is the third most densely populated county in the United States. The borough is divided into the West and East Bronx and contains 61 total neighborhoods. The Bronx is home to many attractions including the New York Yankees, Bronx Zoo, New York Botanical Garden, City Island, and Edgar Allen Poe’s Cottage. The Bronx is also the greenest borough in New York City, with the highest percentage of land dedicated to parks and recreation. The Bronx is served by seven New York City Subway services along six physical lines, with 70 total stations in the Bronx. The U.S. Census considers the Bronx to be the most diverse area in the country.

	Demographics		
	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
<b>POPULATION</b>			
2018 Estimate	150,440	1,043,411	1,931,788
2018 Number of Households	53,445	372,755	685,483
<b>2018 POPULATION BY AGE</b>			
Less than 14	21.5%	20.4%	20.4%
15 - 24	14.5%	14.1%	14.2%
25 - 44	29.6%	28.5%	28.4%
45 - 64	23.3%	23.8%	23.6%
65+	11.1%	13.1%	13.5%
Average Estimated HH Income	\$50,465	\$59,365	\$61,187





# The Tenant

## Fresenius Medical Care

- Fresenius Medical Care (the “Company”) is a leading provider of products and services for people with chronic kidney failure. Roughly 3 million patients with kidney failure worldwide regularly undergo dialysis treatment.
- As a vertically integrated company, Fresenius Medical Care offers products and services along the entire dialysis value chain from a single source. They care for more than 320,000 patients in their global network of over 3,700 dialysis clinics. Moreover, Fresenius Medical Care operates more than 41 production sites on all continents, making them the world’s leading provider of dialysis products, including dialysis machines, dialyzers and related disposable accessories.
- At the end of FY2017, Fresenius Medical Care AG & Co. (NYSE: FMS) reported total revenue of \$20.9 billion, net income of more than \$1.5 billion and total assets of \$26.9 billion. The Company boasts an investment grade credit rating of “BBB- / Positive” by S&P.



### COMPANY OVERVIEW

Company	Fresenius Medical Care
Parent	Fresenius Medical Care AG & Co. KGaA
Ownership Type	Public – NYSE: FMS
Founded	1996
Headquarters	Bad Homburg, Germany
Employees (2017)	113,000+
No. of Locations	3,600+
Revenue (FY2017)	\$20.9 Billion
Assets (FY2017)	\$28.2 Billion
Market Cap (2018)	\$31.1 Billion
S&P Rating	BBB- / Positive
Business Summary	Dialysis Centers
Website	<a href="http://www.freseniusmedicalcare.com">www.freseniusmedicalcare.com</a>

### Fresenius Medical Care – Financial Performance

	2017	2016	% Change
Revenue (\$MM)	\$20,957	\$19,526	7.33%
Net Income (\$MM)	\$1,508	\$1,348	11.87%
Earnings Per Share	\$4.91	\$4.41	11.34%

## Contact Information

### ADVISORS

#### Peter Furest

New York, NY

+1 212 812 5802

[peter.furest@am.jll.com](mailto:peter.furest@am.jll.com)

#### Alex Sands

New York, NY

+1 212 812 6563

[alex.sands@am.jll.com](mailto:alex.sands@am.jll.com)

#### Clint Olsen

New York, NY

+1 212 377 2132

[clint.olsen@am.jll.com](mailto:clint.olsen@am.jll.com)

#### Karl Brumback

New York, NY

+1 212 812 6490

[karl.brumbach@am.jll.com](mailto:karl.brumbach@am.jll.com)

#### Albert Mamiye

New York, NY

+1 212 377 2823

[albert.mamiye@am.jll.com](mailto:albert.mamiye@am.jll.com)

#### Joshua Gruber

New York, NY

+1 212 292 8041

[joshua.gruber@am.jll.com](mailto:joshua.gruber@am.jll.com)



330 Madison Avenue Floor 4 | New York, NY 10003

[www.us.jll.com/capitalmarkets](http://www.us.jll.com/capitalmarkets)

Copyright © Jones Lang LaSalle IP, Inc. 2018

This publication is the sole property of Jones Lang LaSalle and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of Jones Lang LaSalle. The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information.

We would like to be informed of any inaccuracies so that we may correct them. Jones Lang LaSalle does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication. Jones Lang LaSalle Americas, Inc., California license # 01223413. Jones Lang LaSalle Americas, Inc. License # 19262.