



# FRESENIUS MEDICAL CARE

Zeeland, MI | 15-Year Absolute NNN Lease | Corporate Guarantee  
(Grand Rapids-Wyoming MSA)

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## FRESENIUS MEDICAL CARE

2 ROYAL PARK DRIVE, ZEELAND, MICHIGAN 49464  
(GRAND RAPIDS-WYOMING MSA)

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# \$18.5 B

FRESENIUS MEDICAL CARE  
GENERATED \$18.5 BILLION IN  
REVENUE FOR 2018<sup>(1)</sup>

# BBB-

FRESENIUS MEDICAL CARE HOLDINGS,  
INC. (GUARANTOR) HAS AN INVESTMENT  
GRADE CREDIT RATING FROM S&P

# TENANT OVERVIEW

FRESENIUS MEDICAL CARE  
ZEELAND, MI | GRAND RAPIDS-WYOMING MSA

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(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

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## FRESENIUS MEDICAL CARE<sup>(1)</sup>

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3.4 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,928 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 333,331 patients around the globe. Fresenius Medical Care has over 112,658 employees in more than 50 countries. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS).

- ▶ \$18.5 BILLION IN REVENUE / \$11.5 BILLION NET WORTH (2018)
- ▶ AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- ▶ INVESTMENT GRADE TENANT - S&P RATED BBB- / MOODY'S RATED BAA3<sup>(2)</sup>
- ▶ FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 112,658 PEOPLE, INCLUDING OVER 60,000 IN NORTH AMERICA
- ▶ FRESENIUS MEDICAL CARE SERVES 333,331 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 3,928 CLINICS
- ▶ EVERY 0.6 SECONDS A DIALYSIS TREATMENT IS PERFORMED BY FRESENIUS MEDICAL CARE

## FRESENIUS MEDICAL CARE AT A GLANCE



**333,331**  
PATIENTS  
SERVED



**50 M**  
TREATMENTS



**3,928**  
CLINICS  
WORLDWIDE



**42**  
PRODUCTION  
SITES



**112,658**  
EMPLOYEES

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor's, Moody's.

(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc., the Lease Guarantor

Source: www.freseniusmedicalcare.com

# NEW 15-YEAR ABSOLUTE NNN LEASE

NO LANDLORD MAINTENANCE  
RESPONSIBILITIES

# ANNUAL CPI INCREASES

CPI INCREASES  
CAPPED AT 2%

# INVESTMENT OVERVIEW

FRESENIUS MEDICAL CARE  
ZEELAND, MI | GRAND RAPIDS-WYOMING MSA

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# INVESTMENT OVERVIEW

## NEW 15-YEAR LEASE WITH ANNUAL CPI INCREASES

New 15-year Absolute NNN lease with annual CPI rent increases (Capped at 2%). There are an additional three, 5-Year Renewal Option Periods.

## ABSOLUTE NNN LEASE

Unlike the standard dialysis center leases with significant Landlord responsibilities (such as roof, structure, parking lot and HVAC replacement), the Subject Property has an absolute NNN lease structure that provides an investor with a long-term, passive income stream with no landlord maintenance responsibilities whatsoever.

## WELL-ESTABLISHED LOCATION IN A REGIONAL MEDICAL HUB<sup>(1)</sup>

The Subject Property has an 18-year operational history at this location and is situated near Interstate 196 (27,673 VPD) and Business Loop 196 (27,566 VPD), the main arteries connecting all the way from the shores of Lake Michigan to Downtown Grand Rapids. Located in a regional medical hub, Fresenius Medical Care is in very close proximity to Holland Hospital (named one of America's Top 50 Hospitals) and Spectrum Health Medical Group (31,000 employees and 4,200 physicians). National retailers in the immediate trade area include Advance Auto Parts, Burger King, Pizza Hut, Mobil Gas Station, ALDI, Denny's, Wendy's, and many more. There are strong demographics in the area with average household incomes of \$79,533 within a 1-mile radius of the Subject Property.

## INVESTMENT GRADE TENANT

Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, carries an Investment Grade Credit Rating of "BBB-" from S&P and "Baa3" from Moody's. Unlike many other dialysis center leases, the Guarantee does not expire at the end of the primary term. The lease is guaranteed by Fresenius Medical Care Holdings, Inc.

## FRESENIUS MEDICAL CARE<sup>(2)</sup>

- Fresenius Medical Care reported \$18.5 Billion in revenue and a net worth of \$11.5 Billion (2018)
- Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which approximately 3.4 million patients worldwide regularly undergo dialysis treatment
- Revenue in North America, approximately 72% of Fresenius Medical Care's total revenue, increased 8% from the previous year
- Fresenius Medical Care serves 333,331 patients in more than 50 countries across 3,928 clinics
- Fresenius Medical Care employs more than 112,658 people in more than 50 countries around the world, which includes over 60,000 in North America

(1) Source: www.ci.zeeland.mi.us (2) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc., which carries an investment grade credit rating of "BBB-" from S&P and "Baa3" from Moody's. Sources: www.freseniusmedicalcare.com, www.ci.zeeland.mi.us, Yahoo Finance, Standard & Poor's, Moody's



## OFFERING HIGHLIGHTS

# FRESENIUS MEDICAL CARE

ZEELAND, MI  
(GRAND RAPIDS -  
WYOMING MSA)

2 ROYAL PARK DRIVE, ZEELAND, MICHIGAN 49464

OFFERING PRICE

# \$1,632,383

CAP RATE

# 5.75%

Net Operating Income	\$93,862
Lease Type	Absolute NNN
Lease Commencement	12/21/2018
Lease Expiration Date	12/31/2033
Year Built	2001 <sup>(1)</sup>
Rentable Area	4,460 SF <sup>(1)</sup>
Lot Size	1.536 Acres <sup>(1)</sup>
Increases	Annual CPI Increases (Capped at 2%)
Options	(3) Five-Year Options
Guarantor	Fresenius Medical Care Holdings, Inc. <sup>(1)</sup>
S&P Rating	BBB- / Stable (Investment Grade) <sup>(1)</sup>

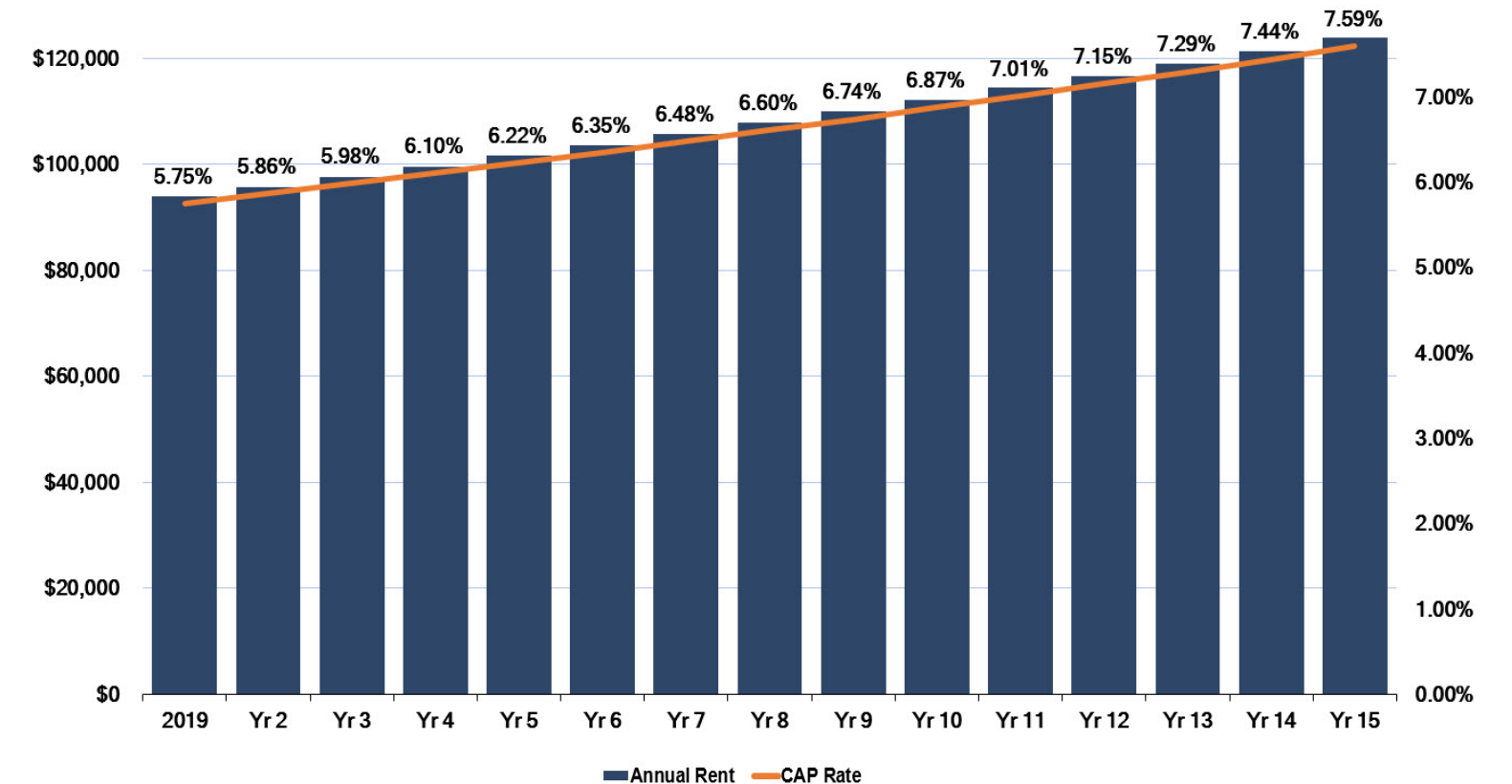
## RENT ROLL

TENANT INFO		LEASE TERMS		CURRENT	RENT INCREASES		LEASE	
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	ANNUAL BASE RENT	YEARS 1-15	OPTIONS	NEXT ESCALATION	TYPE
FRESENIUS MEDICAL CARE HOLDINGS, INC.	4,460 SF <sup>(1)</sup>	12/21/2018	12/31/2033	\$93,862	CPI INCREASES (CAPPED AT 2%)	3, 5-YEAR RENEWAL OPTIONS	1/2020	ABSOLUTE NNN

## RENT SCHEDULE<sup>(2)</sup>

Lease Years	Possible Increases	Annual Rent
2019	CPI Capped at 2%	\$93,862
Year 2	CPI Capped at 2%	\$95,739
Year 3	CPI Capped at 2%	\$97,654
Year 4	CPI Capped at 2%	\$99,607
Year 5	CPI Capped at 2%	\$101,599
Year 6	CPI Capped at 2%	\$103,631
Year 7	CPI Capped at 2%	\$105,704
Year 8	CPI Capped at 2%	\$107,818
Year 9	CPI Capped at 2%	\$109,974
Year 10	CPI Capped at 2%	\$112,174
Year 11	CPI Capped at 2%	\$114,417
Year 12	CPI Capped at 2%	\$116,706
Year 13	CPI Capped at 2%	\$119,040
Year 14	CPI Capped at 2%	\$121,421
Year 15	CPI Capped at 2%	\$123,849

## CAP RATE GROWTH CHART<sup>(2)</sup>



(1) Rentable Area, Lot Size, Year Built, Guarantor, and S&P Rating are estimates. Buyer is responsible for verifying during the Due Diligence process.

(2) Lease increases annually by CPI (Capped at 2%). Chart assumes 2% annual increases. Pro forma returns shown above are not guaranteed and does not take into consideration any unforeseen expenses. Buyer must conduct their own due diligence to confirm these estimates.

# 18-YEAR OCCUPATIONAL HISTORY

ESTABLISHED DIALYSIS CENTER WITH EXCLUSIVE LOCAL MARKET SHARE AS THE ONLY RENAL CARE PROVIDER IN ZEELAND<sup>(1)</sup>

## REGIONAL MEDICAL HUB

DIRECT ACCESS TO SPECTRUM HEALTH MEDICAL GROUP (31,000 EMPLOYEES & 4,200 PHYSICIANS) AND ONE OF "AMERICA'S 50 BEST HOSPITALS", HOLLAND HOSPITAL<sup>(1)</sup>

# LOCATION & MARKET OVERVIEW

FRESENIUS MEDICAL CARE  
ZEELAND, MI | GRAND RAPIDS-WYOMING MSA

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(1) Source: www.ci.zeeland.mi.us

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# LOCATION OVERVIEW



REGIONAL MEDICAL HUB:  
LOCATED NEAR SPECTRUM  
HEALTH MEDICAL GROUP  
(31,000 EMPLOYEES & 4,200  
PHYSICIANS) AND HOLLAND  
HOSPITAL, RANKED AS ONE OF  
"AMERICA'S TOP 50 HOSPITALS"

WELL-ESTABLISHED DIALYSIS  
CENTER WITH AN 18-YEAR  
OPERATIONAL HISTORY

LOCATED MINUTES FROM  
SPECTRUM HEALTH MEDICAL  
GROUP, WEST MICHIGAN'S  
LARGEST EMPLOYER,  
HEADQUARTERED IN  
GRAND RAPIDS

## REGIONAL MEDICAL HUB

Situated near Business Loop 196 (27,566 VPD) and Interstate 196 (27,673 VPD), Fresenius Medical Care is a well-established dialysis center with an 18-year operational history at this location. Only minutes away is one of "America's Top 50 Hospitals", Holland Hospital, and Spectrum Health Medical Group, a \$6.5 Billion enterprise, boasting 31,000 employees and 4,200 physicians and providers, spanning across 14 hospitals and 13 counties. Both medical networks are two of the largest employers in the Grand Rapids-Wyoming metro area.

## DIRECT ACCESS TO DOWNTOWN GRAND RAPIDS

Fresenius Medical Care is located near several national retailers including Burger King, 7-Eleven, McDonald's, Hertz, Walgreens, a Toyota Dealership, Advance Auto Parts and many regional retailers. Just west of the Subject Property is a Walmart Supercenter, Lowe's, Sam's Club, Goodwill, Gap Outlet, ALDI, Hobby Lobby, Staples and many more. The Subject Property is situated near Interstate 196 (27,673 VPD) and Business Loop 196 (27,566 VPD) providing direct access to Downtown Grand Rapids from the shores of Lake Michigan.

## EXCLUSIVE MARKET CONTROL IN ZEELAND

Fresenius Medical Care has limited competition in the region as the only renal care provider in the city of Zeeland. According to estimates, the number of people requiring dialysis treatment is rising at a relatively constant rate of 6% annually and by year 2025, 4.9 million patients will receive dialysis. At the end of 2017, 3.2 million patients received treatments and 3.4 million patients in 2018. Fresenius Medical Care is dedicated to meeting this demand in the future.



Sources: www.medc.app.box.com, www.kidney.org, www.craigslist.com, www.ci.zeeland.mi.us



## GRAND RAPIDS-WYOMING MSA

As the state's second-largest city, Greater Grand Rapids metro area is the jewel of West Michigan. The region's economy is the fastest-growing economy across the U.S. With half of the 1.5 million residents under the age of 35, area employers draw from a highly motivated, creative and tech-savvy regional workforce. Boasting more than 99,000 health care and social services professionals, over 800,000 individuals between the ages of 20-54 and more than 158,000 advanced manufacturing professionals, West Michigan is the home and headquarters of Spectrum Health Medical System (31,000 employees and 4,200 physicians & providers), Meijer Supermarket Retail & Distribution, Amway Corp., SpartanNash, Haworth, BISSELL, Gordon Food Service, Gentex Corporation, Perrigo Company, Herman Miller Inc., Steelcase Inc., Priority Health and many others. The Wall Street Journal recognized Grand Rapids as the 2nd Best Place to Live in the country and Forbes named Grand Rapids as the "Best City for Raising a Family" due to low cost of living and having a school system that ranks in the top third of the nation. Only minutes away from Fresenius Medical Care is one of "America's Top 50 Hospitals", Holland Hospital, and Spectrum Health Medical Group, a \$6.5 Billion enterprise, spanning across 14 hospitals and 13 counties. Both medical networks are two of the largest employers in the Grand Rapids-Wyoming metro area.

Aside from top notch talent, Grand Rapids has more LEED-certified buildings per capita than any other city in the country. Featuring hybrid buses and the first "green roof" installed on a transit facility in the United States, the City obtains 20% of its power from renewable sources, with a goal of 100% by 2020. Four seasons and abundant recreational opportunities galore, Lake Michigan and its pristine shores are a premier travel destination for visitors and locals alike.





# FRESENIUS MEDICAL CARE

| Zeeland, MI

| 15-Year Absolute NNN Lease

(Grand Rapids-Wyoming MSA)

Corporate Guarantee

EXCLUSIVELY LISTED BY

JOHN GLASS

Executive Managing Director

(415) 625-2114

John.Glass@marcusmillichap.com

JASON HERNANDEZ

First Vice President

(415) 963-3031

Jason.Hernandez@marcusmillichap.com

STEVEN CHABEN

MI BROKER OF RECORD

(248) 415-2600

LICENSE: MI 6502387903