

# OFFERING MEMORANDUM

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# FRESENIUS GREENSBURG



NET LEASE GROUP







# OFFERING MEMORANDUM

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## FRESENIUS GREENSBURG

1003 N GREENGATE ROAD | GREENSBURG, PA

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NET LEASE GROUP

 CUSHMAN &  
WAKEFIELD

REPRESENTATIVE PHOTO



An aerial photograph of a commercial property featuring a large, single-story building with a flat roof and a spacious parking lot filled with various vehicles. The property is bordered by lush green trees on the left and right sides. In the background, there are more industrial buildings and a railway track. A semi-transparent blue rectangle with a white dotted border is superimposed over the center of the image, containing the text '01 INVESTMENT OVERVIEW'.

01

# INVESTMENT OVERVIEW

# INVESTMENT SUMMARY

The Greensburg 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 8,353 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 Walmart Supercenter, Target, Sam's Club, The Home Depot and LA Fitness. The clinic is located just 30 minutes east of Downtown Pittsburgh and is located less than one mile from Seton Hill University. In addition to the clinic's excellent location, the facility is located is within close proximity to the 373-bed Excelsior Health Westmoreland Hospital. Furthermore, the population within a 5-mile radius of the facility exceeds 73,000 residents and average household income exceeds \$74K within a 5-mile radius. The Pittsburgh Metro area is the 2nd largest in the Pennsylvania and the 27th largest metropolitan area in the United States. Pittsburgh was recently listed among the eleven most livable cities in the world and recently placed as the most livable city in the United States.



# LEASE SUMMARY

**\$3,948,722.18**

PURCHASE PRICE



**5.50%**

CAP RATE



**\$217,179.72**

NOI



**8,353 SF**

RENTABLE BUILDING AREA



**NNN** (roof & structure)

LEASE TYPE



**15 YEARS**

LEASE TERM



Tenant | FRESenius KIDNEY CARE

Ownership Type | FEE SIMPLE

Year Built | 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   | \$217,179.72     | \$18,098.31       | -               |
| Years 6 - 10  | \$238,897.69     | \$19,908.14       | 10%             |
| Years 11 - 15 | \$262,787.46     | \$21,898.96       | 10%             |

REPRESENTATIVE PHOTO



# INVESTMENT HIGHLIGHTS

## NEW 15 YEAR LEASE

### 2019 BUILD-TO-SUIT FOR FRESENIUS KIDNEY CARE

Brand new, state-of-the-art dialysis clinic. The clinic features 24 patient stations, 1 private station in a separate room and 5 home therapy rooms.

### 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 less than a mile from the 373-bed Excelsior Health Westmoreland Hospital.

### HEDGE AGAINST E-COMMERCE

Given the nature of the product, healthcare related real estate have been the least 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.

### STRONG LOCATION

Surrounded by national retailers (Home Depot, Wal-Mart, Target, Sam Club, LA Fitness) and only a mile from Downtown Greensburg. The clinic is also only 30 minutes from downtown Pittsburgh.

### EXCELLENT DEMOGRAPHICS

Over 73,000 residents within a 5-mile radius. Average household Income exceeds \$74k within a 5-mile radius. The Pittsburgh Metro Area 2nd largest in the state of Pennsylvania and 27th largest in the United States.

### VIBRANT ECONOMY

Aside from the steel-related businesses, the city is home to over 1600 technology firms (Google, Apple, Facebook, Uber, Microsoft & IBM) and has served as the long-time federal agency headquarters for cyber defense, software engineering, robotics, energy research and the nuclear navy. The area is home to 68 colleges and universities including research and development leaders Carnegie Mellon and the University of Pittsburgh. Eight fortune 500 companies and six of the top 300 US Law firms make their global headquarters in the area.







LA FITNESS



Arby's

Chick-fil-A



Walmart  
Supercenter

LOWE'S

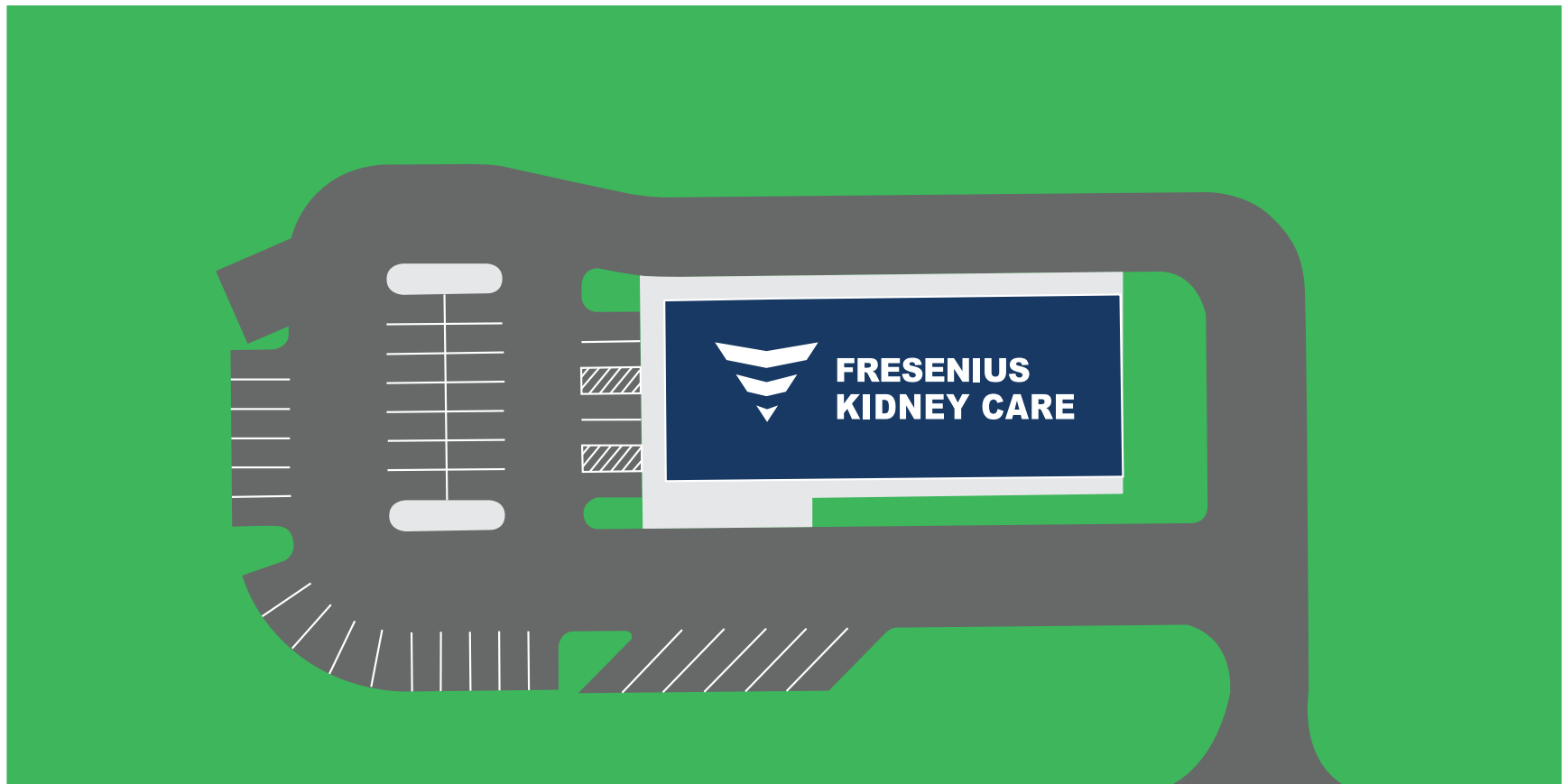
five  
BELOW

THE PAIN TREATMENT  
& WELLNESS CENTER

 **FRESENIUS  
KIDNEY CARE**

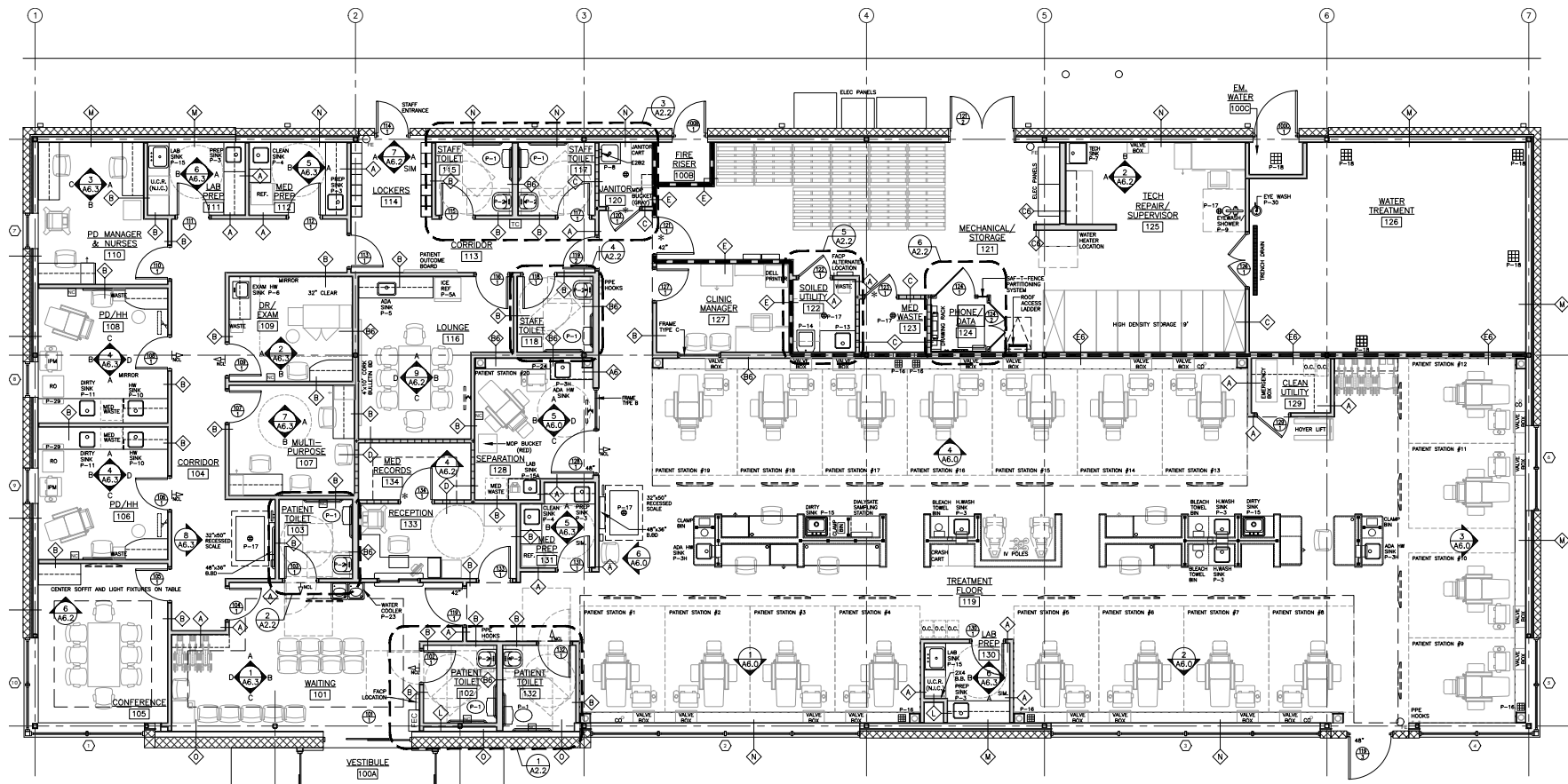


# SITE PLAN





# FLOOR PLAN





An aerial photograph of a commercial property featuring a large, single-story building with a flat roof and a spacious parking lot filled with various vehicles. The property is bordered by lush green trees on the left and right, and a road with passing cars is visible on the right side. A semi-transparent blue rectangle with a white dotted border is superimposed over the center of the image, containing the text '02 TENANT OVERVIEW'.

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.



A photograph of a city skyline at dusk, featuring various skyscrapers and a bridge over a body of water. A semi-transparent blue rectangle with a white dotted border is centered over the image. Inside this rectangle, the text '03' is at the top, and 'MARKET OVERVIEW' is below it in a larger font.

03

# MARKET OVERVIEW



# PITTSBURGH

## MARKET OVERVIEW

Pittsburgh-New Castle-Weirton, PA-OH-WV MSA is the District's largest metropolitan area. The region is composed of Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties. Pittsburgh, PA is the principal city of the area, and is known both as "the Steel City" for its more than 300 steel-related businesses and as the "City of Bridges" for its 446 bridges. With an estimated population of 2,373,138 in 2018, Pittsburgh is a highly sought-after location. The area's total population grew 0.7% since 2010. By 2023, the population is expected to grow to 2,375,944, or by 0.11%.

### POPULATION

The Pittsburgh-New Castle-Weirton, PA-OH-WV MSA has 1,120,466 housing units with 61.9% of houses being occupied by owners and 28.5% being occupied by renters. The median home value in 2018 was \$144,525. Over the course of the next five years, median home value in Pittsburgh is expected to increase by 14.1%. The average household income is \$55,529 with 12.5% of the community making \$75,000 or higher per year. By 2023, Pittsburgh household income is expected to grow by 12.8% to \$62,642, with 13.3% of the community making \$75,000 or higher per year. These numbers indicate that Pittsburgh incomes will not only increase over the next five years, but the share of the population making a large salary will also grow substantially.

### TRANSPORTATION

Pittsburgh offers multiple forms of transportation, consisting of rail, port, expressways/highways, two airports and public transit. The average amount of time people spend commuting with public transit in Pittsburgh, for example to and from work, on a weekday is 73 minutes. 23% of public transit riders ride for more than 2 hours every day. The average amount of time people wait at a stop or station for public transit is 17 minutes, while 33% of riders wait for over 20 minutes on average every day.

### ECONOMY

Pittsburgh's economy is largely focused on steel, but aside from steel, it has led in manufacturing of aluminum, glass, shipbuilding, petroleum, foods, sports, transportation, computing, autos, and electronics. Today, Google, Apple Inc., Bosch, Facebook, Uber, Nokia, Autodesk, Microsoft and IBM are among 1,600 technology firms generating \$20.7 billion in annual Pittsburgh payrolls. The area has served as the long-time federal agency headquarters for cyber defense, software engineering, robotics, energy research and the nuclear navy. In 2015, Pittsburgh was listed among the "eleven most livable cities in the world." The region is a hub for Leadership in Energy and Environmental Design and energy extraction.

### EDUCATION

Pittsburgh is home to many colleges, universities and research facilities. The most well-known are Carnegie Mellon University, the University of Pittsburgh, and Duquesne University. The city also has an extensive library system, both public and university. Most notable are the Carnegie Library of Pittsburgh and the University of Pittsburgh's University Library System, which rank 9th largest (public) and 18th largest (academic) in the nation, respectively. Of residents 25 and older, 93.7% have a high school diploma and 34.9% have a bachelor's degree or higher.



THE PITTSBURGH METRO AREA 2ND LARGEST IN THE STATE OF PENNSYLVANIA  
AND 27TH LARGEST IN THE UNITED STATES







★ macy's jcpenny  
DICK'S SPORTING GOODS REGAL CINEMAS



PARK VIEW

PITTSBURGH ZOO & PPG AQUARIUM

PENN HILLS

WATERWORKS  
Walmart SUPERCENTER BARNES & NOBLE Marshalls HomeGoods  
GIANT EAGLE petco BED BATH & BEYOND

UPMC  
Childrens

UPMC  
Shadyside

Carnegie Mellon University

UPMC  
MAGEE-WOMENS

PITTSBURGH

KENMAWR

EAST LIBERTY

MONROEVILLE

MURRYSVILLE

MONROEVILLE MALL  
★ macy's jcpenny  
DICK'S SPORTING GOODS CINEMARK

EAST PITTSBURGH



THE WATERFRONT  
TARGET BARNES & NOBLE Marshalls HomeGoods  
GIANT EAGLE petco DICK'S SPORTING GOODS

McKEESPORT

PLEASANT HILLS

IRWIN

Seton Hill UNIVERSITY

SITE

WESTMORELAND MALL  
★ macy's jcpenny  
DICK'S SPORTING GOODS H&M Live! CASINO

Excelsior Health Hospital

GREENSBURG



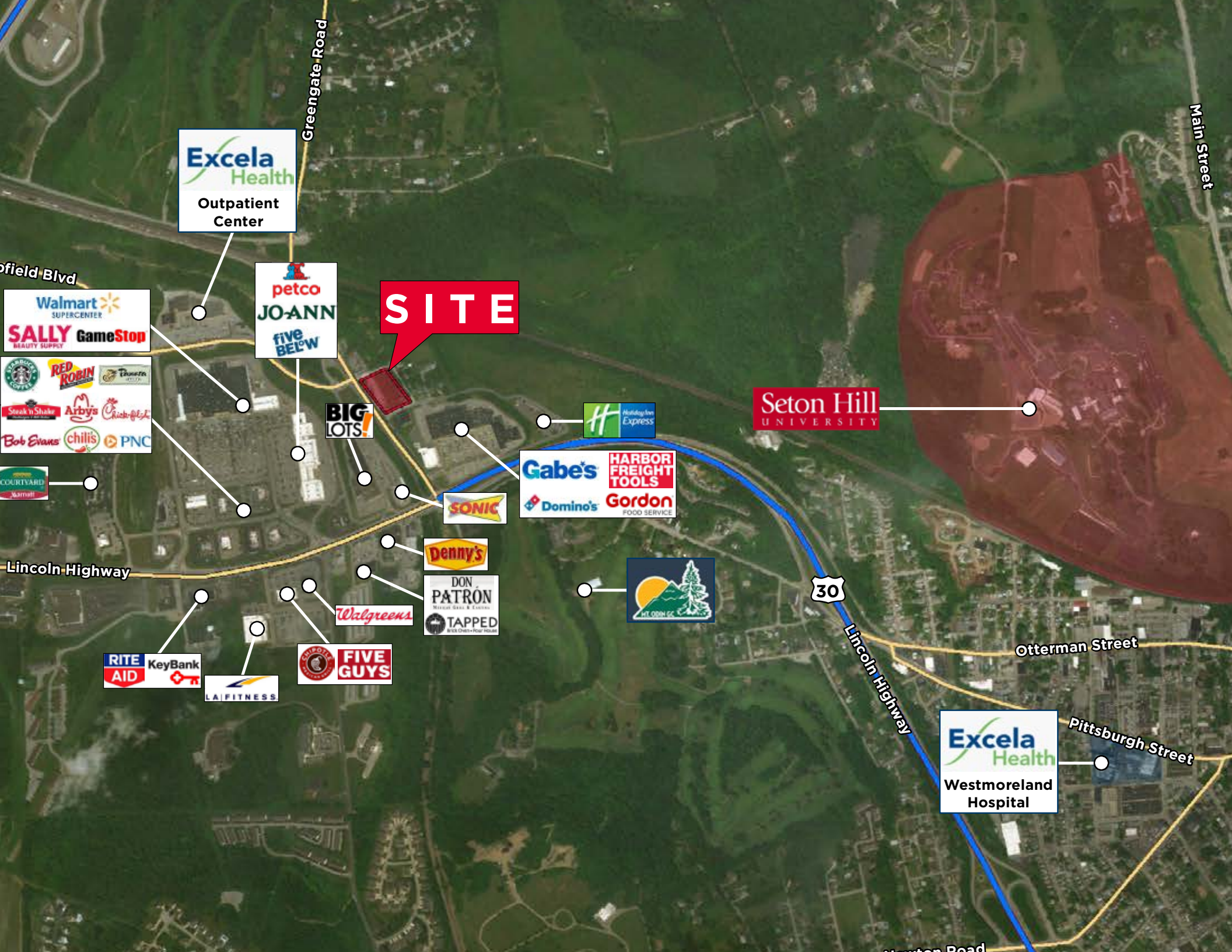
# GREENSBURG

## LOCAL AERIAL

OVER 73,000 RESIDENTS AND AN AVERAGE HOUSEHOLD INCOME EXCEEDING \$74K WITHIN A FIVE-MILE RADIUS







Excelsa Health  
Outpatient Center

Walmart  
SALLY Beauty Supply  
GameStop

petco  
JO-ANN  
five BELOW

SITE

BIG LOTS!

H Holiday Inn Express

Seton Hill UNIVERSITY

Starbucks  
RED ROBIN  
McDonald's  
Arby's  
Chick-fil-A  
Bob Evans  
chili's  
PNC

Gabe's  
Domino's  
HARBOR FREIGHT TOOLS  
Gordon FOOD SERVICE

SONIC

COURTYARD  
Marriott

Denny's

LOT 1000

Lincoln Highway

DON PATRON  
TAPPED

30

Lincoln Highway

Otterman Street

RITE AID  
KeyBank

Walgreens

FIVE GUYS

LA FITNESS

Excelsa Health  
Westmoreland Hospital

Pittsburgh Street

Main Street

Newton Road



# GREENSBURG

## DEMOGRAPHICS



### POPULATION

|                  | 1 Mile | 3 Miles | 5 Miles |
|------------------|--------|---------|---------|
| Total Population | 2,009  | 47,336  | 73,537  |
| Median Age       | 44.1   | 44.6    | 45.7    |



### HOUSING

|                        | 1 Mile | 3 Miles | 5 Miles |
|------------------------|--------|---------|---------|
| Total Housing Units    | 903    | 23,425  | 34,835  |
| Occupied Housing Units | 88.5%  | 89.9%   | 90.5%   |
| Vacant Housing Units   | 11.5%  | 10.1%   | 9.5%    |



### INCOME

|                          | 1 Mile   | 3 Miles  | 5 Miles  |
|--------------------------|----------|----------|----------|
| Average Household Income | \$72,458 | \$68,557 | \$74,256 |

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



**\$74,256**

AVERAGE INCOME



**73,537**

POPULATION

2018





### POPULATION

|                  | 1 Mile | 3 Miles | 5 Miles |
|------------------|--------|---------|---------|
| Total Population | 2,051  | 47,428  | 74,148  |
| Median Age       | 44.1   | 44.8    | 46.1    |



### HOUSING

|                        | 1 Mile | 3 Miles | 5 Miles |
|------------------------|--------|---------|---------|
| Total Housing Units    | 943    | 23,819  | 35,647  |
| Occupied Housing Units | 88.3%  | 89.7%   | 90.3%   |
| Vacant Housing Units   | 11.7%  | 10.4%   | 9.8%    |



### INCOME

|                          | 1 Mile   | 3 Miles  | 5 Miles  |
|--------------------------|----------|----------|----------|
| Average Household Income | \$81,398 | \$77,697 | \$83,882 |

## WITHIN A 5-MILE RADIUS OF THE PROPERTY



**\$83,882**

AVERAGE INCOME



**74,148**

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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