

# DAVITA DIALYSIS OF BEAUMONT, TX

3050 LIBERTY AVENUE, BEAUMONT TEXAS 77702



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# DAVITA DIALYSIS BEAUMONT, TEXAS

## OFFERING MEMORANDUM

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# INVESTMENT OVERVIEW



FACILITY TYPE  
SINGLE TENANT

LOT SIZE  
1.79 ACRES

LEASE STRUCTURE  
DOUBLE NET

YEAR BUILT  
2012

RENTABLE AREA  
13,200 SF

PATIENT COUNT  
150+

OPTION PERIODS  
(2) 5-YEAR

ESCALATIONS  
5.3% in 2023

CURRENT RENT PER SF  
\$19.00

PRIMARY TERM EXPIRATION  
10/31/2027

Peranich Huffman Net Lease Group is pleased to offer for sale on an exclusive basis, the DaVita Dialysis facility of Beaumont, Texas. Constructed in 2012, the 13,200 square foot facility is leased on a double-net basis to Renal Ventures Management, LLC, a wholly owned company of DaVita Kidney Care. With practice volume exceeding 150 patients, the 24 station facility operates three shifts, six days per week.

With an approximate 8.5 years remaining, the lease provides for 5.3% rent escalation in 2023 & two 5-Year renewal options. Offered at a 6.80% capitalization rate, the offering provides an investor with the opportunity to acquire a property with a strong operation that is home to a national medical tenant that exemplifies a reputation of consistency for both patients and the real estate investment community.



# INVESTMENT HIGHLIGHTS



- Management Fee Paid by Tenant.
- 8.5 Years of Initial Term Remaining with Renewal Options.
- Low Base Rent Per Square Foot at \$19.00.
- Brand New Roof was Installed in Early 2019.
- Located Within Walking Distance to Christus Hospital of Beaumont.
- 2012 Build-to-Suit Construction.
- High Volume, 24 Station Facility (150+ Patients)
- Population Counts Exceed 110,000 within 5-Mile Radius.
- Texas is One of the Seven Non-Income Tax States.



# PRICING & FINANCIALS



**PURCHASE PRICE**  
**\$3,688,000**



**CAP RATE**  
**6.80%**



**NOI**  
**\$250,800**



**PRICE PSF**  
**\$279**



# TENANT OVERVIEW



DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners, a DaVita Medical Group. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease.

DaVita Kidney Care operated or provided administrative services at 2,510 outpatient dialysis centers located in the United States serving approximately 198,000 patients. The company also operated 154 outpatient dialysis centers located in 12 countries outside 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.



\$10 Billion in  
Market Cap



198,000+  
Patients



2,500+ US  
Clinics



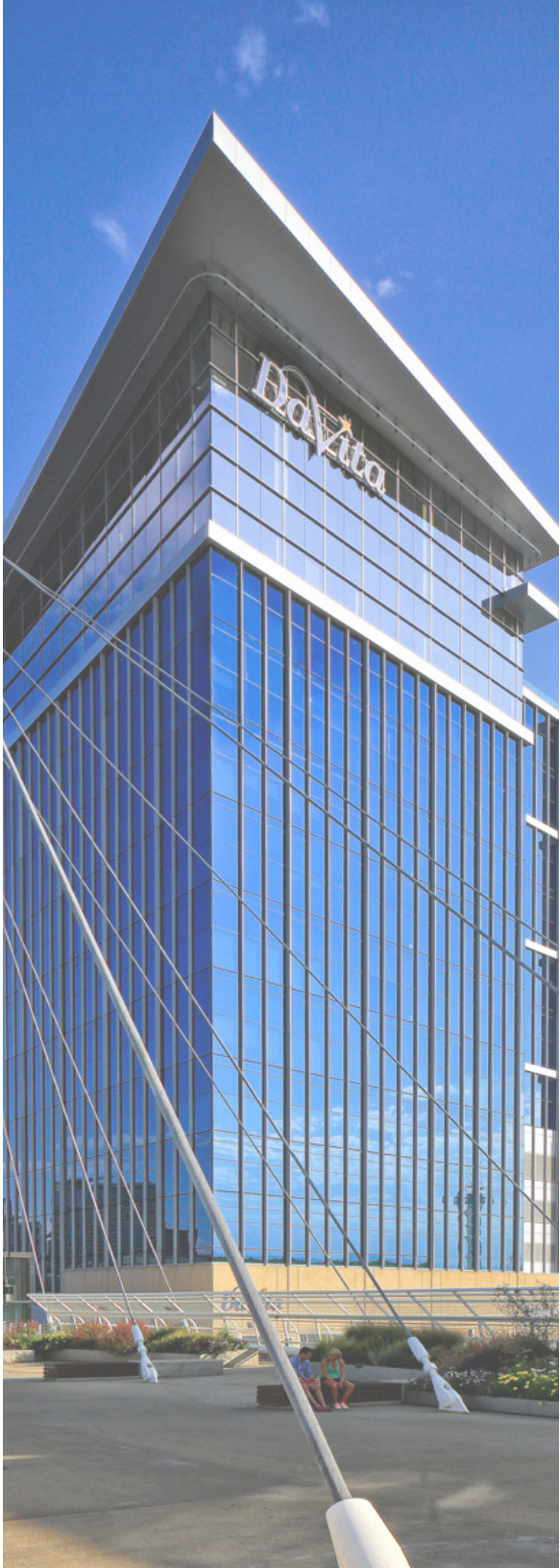
\$11 Billion in  
Annual Revenues



13 Countries  
Served



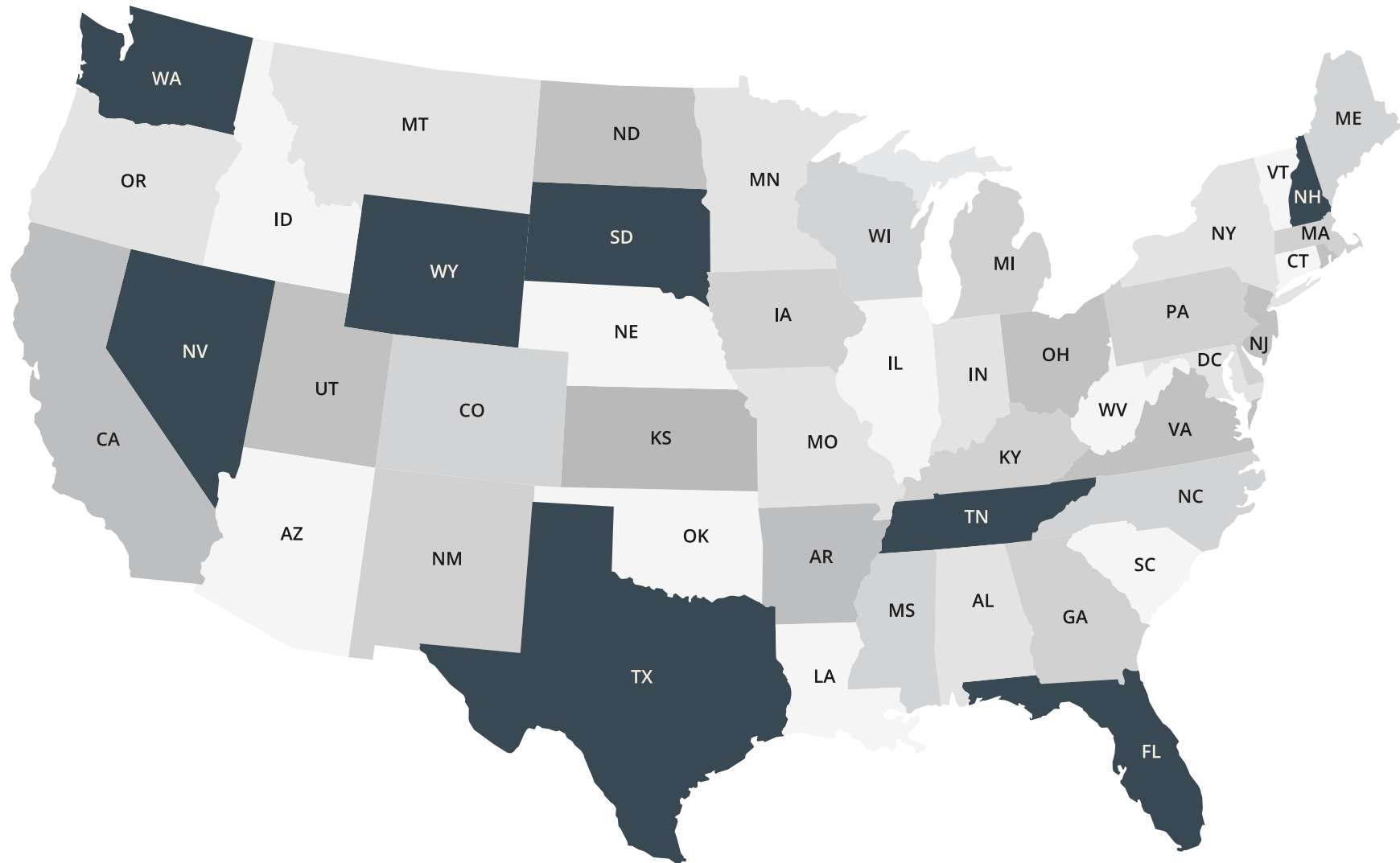
70,800+  
Employees



# NON-INCOME TAX STATES



Currently, there are seven states that do not have an individual state income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming. Two additional states -- New Hampshire and Tennessee -- only charge tax on interest earnings and dividends from owning stock, so essentially, they have no income tax.





# NET LEASE STRUCTURE



Expense Category	Tenant's Responsibility	Landlord's Responsibility
*Roof/Structure		✓
Landscaping & CAM	✓	
HVAC Repair/ Maintenance	✓	
HVAC Replacement		✓
Janitorial	✓	
Parking Lot		✓
Taxes	✓	
Insurance	✓	
Utilities	✓	

\*Brand New Roof was Installed in Early 2019.

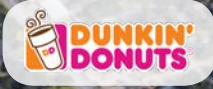
Per the double-net structure of the lease, the tenant shall, at its sole cost and expense maintain all non-structural portions of the building, and reimburse the landlord for all Taxes, Insurance, and Common Area Expenses. The landlord is solely responsible for the replacement of the HVAC, roof and exterior structural components of the building.

Tenant to pay a management fee equal to 5% of the base rent. Landlord is reimbursed \$1,905/mo for landscaping expenses. Tenant reimburses taxes on a one-time annual basis. Roof carries a 15-Year workmanship warranty.





# LOCATION OVERVIEW







CHRISTUS Southeast Texas, is a 431-bed acute care and trauma center, and is a regional leader in spine and orthopedics, cardiology, oncology, general surgery, critical care and trauma, birthing, neonatal care, and bariatrics.

The hospital is the recipient of the 2013 Consumer Choice #1 Award for the ninth consecutive year from the National Research Corporation. In addition, the hospital received The Joint Commission's (TJC) Gold Seal of Approval as a Primary Stroke Center and TJC's Gold Seal of Approval for Heart Failure Certification. St. Elizabeth utilizes cutting-edge technology to care for patient's needs, including advanced clinical documentation systems, electronic medical record document scanning and archival system, and picture archive computer system (PACS) in cardiology and radiology, all of which streamlines physician access to patient medical information. In addition, St. Elizabeth offers bedside medication verification bar-code scanning, wireless access for patients and guests, self-service patient kiosks, and mobile PDA devices for medical staff to perform dictation and e-prescribing as well as view clinical results.

The facility is the only Level III Trauma Center in the area. Nationally recognized physicians work at the forefront of research, clinical trials, treatment, and care. The team has the Stroke Honor Roll designation and the 'Get With The Guidelines' Gold Plus Performance Achievement Award for Heart Failure Treatment from the American Heart and Stroke Association.





# LOCATION OVERVIEW

## BEAUMONT, TX

Beaumont is located in southeast Texas along the Texas/Louisiana border and near the Gulf of Mexico. Locals commonly refer to this area as the Golden Triangle, referencing the larger cities in our region - Beaumont, Port Arthur and Orange. Smaller cities include Port Neches, Nederland, Groves, Vidor and Bridge City.

Beaumont is the birthplace of Spindletop, the largest oil discovery in Texas, that jump started Texas' transformation into a major petroleum producer and industrial power. Colleges and universities, such as Lamar University, are at our doorstep and the impact of these educational institutions ripples throughout the community.

## DEMOGRAPHICS

	3-MILES	5-MILES	10-MILES
Population	65,301	110,424	159,922
Households	26,086	43,228	57,459
Households Growth 2000 - 2010	-0.7%	1.9%	2.8%
Average Household Income	\$69,561	\$67,604	\$68,147
Average HH Income Growth 2000 - 2010	26.3%	26.6%	27.8%



Offers should be submitted electronically to:

**Nathan Huffman**

at [nathan@phnlg.com](mailto:nathan@phnlg.com) and include the following information:

- Purchase Price
- Closing Period
- Sources of Debt & Equity
- Earnest Money
- Other Terms

**ABOUT US**

Peranich Huffman Net Lease Group is a privately held real estate brokerage firm specializing in single tenant net leased medical office investment sales throughout the nation.

Our firm facilitates the purchase & sale of commercial real estate tenanted by Dialysis Operators, Freestanding Emergency Departments, and Surgery Centers.

**PERANICH** HUFFMAN  
NET LEASE GROUP





## CONFIDENTIAL MEMORANDUM & DISCLAIMER

*Peranich Huffman Net Lease Group ("Agent") has been engaged as the exclusive agent for the sale of the Davita Dialysis in Beaumont, TX (the "Property"), by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.*

*The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Peranich Huffman Net Lease Group as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.*

*Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.*

*Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived.*

*By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Peranich Huffman Net Lease Group.*