



# DAVITA EDENTON NC

312 MEDICAL ARTS DR  
EDENTON, NC 279328607

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# 1 PROPERTY INFORMATION

312 Medical Arts Dr  
Edenton, NC 279328607

# Property Summary



## OFFERING SUMMARY

Sale Price:	\$2,395,000
Cap Rate:	6.0%
NOI:	\$143,760
Lot Size:	1.37 Acres
Year Built:	2014
Building Size:	7,887 SF
Market:	Edenton
Price / SF:	\$303.66

## PROPERTY OVERVIEW

SVN is pleased to present 312 Medical Arts Drive in Edenton, North Carolina. The property is a triple-net investment opportunity, which includes a 7,887 square-foot medical office property currently leased to Davita Dialysis. Over 11.5 years remain on the lease. This property was built to suit in 2015 for Davita's purposes. There are ten percent rent increases every five years. This continues through two, five-year options. The lease is corporately guaranteed by Davita Healthcare Partners, Inc. It is a strong operator with seventeen chairs, operating six days a week. North Carolina is a Certificate of Need (CON) state, creating significant barriers to entry in this marketplace for any potential competing dialysis providers. This is the only dialysis clinic in a twenty-mile radius. The property benefits from its location across the street from Vidant Chowan Hospital, as well as excellent access to Highway 17, and is surrounded by major national retail tenants. Edenton is a popular retirement destination, and was voted one of the top ten prettiest towns by Forbes.

## PROPERTY HIGHLIGHTS

- 11.5 Years Remain on NNN Lease | Limited Landlord Responsibilities
- 10% Rent Increases Every 5 years | Good Hedge Against Inflation
- Built-to-Suit Clinic Constructed in 2015
- Adjacent to Vidant Chowan Hospital
- Certificate Of Need State | Zero Competition in 20 mile radius

# DaVita Tenant Profile



Traded As:	NYSE: DVA [an S&P 500 Component]
Founded:	1999
Net Income:	\$269.7 million
Total Assets:	\$18.5 billion
Total Equity:	\$4.87 billion
Headquarters:	Denver, CO
Website:	<a href="http://www.davita.com">www.davita.com</a>

- Fortune 500 company
- Over 2,445 dialysis clinics
- Serves 194,600 patients
- Operates in 11 countries outside of the United States

DaVita, Inc. [NYSE: DVA] – In Italian “DaVita” literally means to “Give Life”, DaVita Kidney Care is a division of DaVita HealthCare Partners Inc., a Fortune 500 company that is one of the largest kidney care companies in the United States, with corporate headquarters located in Denver, Colorado. A leading provider of dialysis services in the United States, DaVita Kidney Care treats patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care strives to improve patients' quality of life by innovating clinical care, and by offering integrated treatment plans, personalized care teams and convenient health-management services.

Over 2,000,000 patients worldwide need regular dialysis treatment. Due to the aging baby boomer population and “captive audience” client base, the demand for DaVita services looks favorable.

Standard and Poor's Ratings Services is affirming its 'BB' corporate credit rating on DaVita Inc., in light of its plan to acquire Torrance, California based HealthCare Partners LLC, a provider of managed health care, for approximately \$4.4 billion.

# City Information



## LOCATION DESCRIPTION

Edenton is a town in and the county seat of Chowan County, North Carolina. Edenton is located in North Carolina's Inner Banks region. In recent years, Edenton has become a popular retirement location and a destination for heritage tourism. One of the oldest towns in America, Edenton was carved from the charter granted by King Charles II that formed the Carolina Colony in 1663. Its setting within the shores of a sheltering bay and the nearby mouth of the Chowan River made Edenton a logical place to set the capital of the new Carolina colony. Edenton loves sharing with visitors its rich history, scenic beauty, and exceptional architecture.

Edenton is home to three National Historic Landmarks, one of which is the state's oldest courthouse, built in 1767 and still in use. Recognized by Forbes.com as one of America's Prettiest Towns, and one of the "20 Best Small Towns" in the U.S., according to Smithsonian magazine. Edenton has a vibrant downtown with unique shops, eateries, and a variety of other businesses.

A prime pro-business location, Edenton and Chowan County offer a rich industrial diversity, which provide for its economic well-being. Edenton is an economic center in the region with a historic waterfront and a cultural hub complete with all the small town conveniences.

In less than an hour's drive east, you can find yourself at the Outer Banks (OBX), which is a 200-mile-long (320 km) string of narrow peninsulas and barrier islands off the coast of North Carolina. Or in a 75 minute drive north to Virginia, Norfolk is a historic international port city. Heading west, Raleigh is less than 2 hours away by car.

Manufacturing ranges from peanut roasting for national brands and distributors to world-class boatbuilding to steel manufacturing. Agriculture and associated businesses continue to be a large employer. Corn, peanuts, cotton, tobacco, soybeans and wood are among the many crops grown in this rich agricultural area.

# Additional Photos



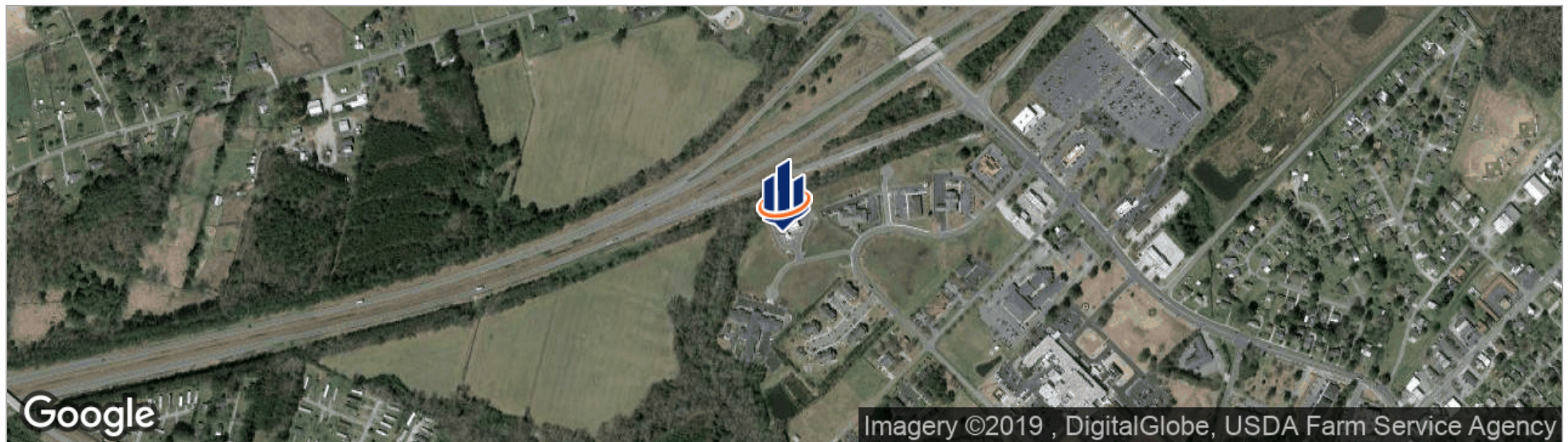
## 2 LOCATION INFORMATION

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# Regional Map



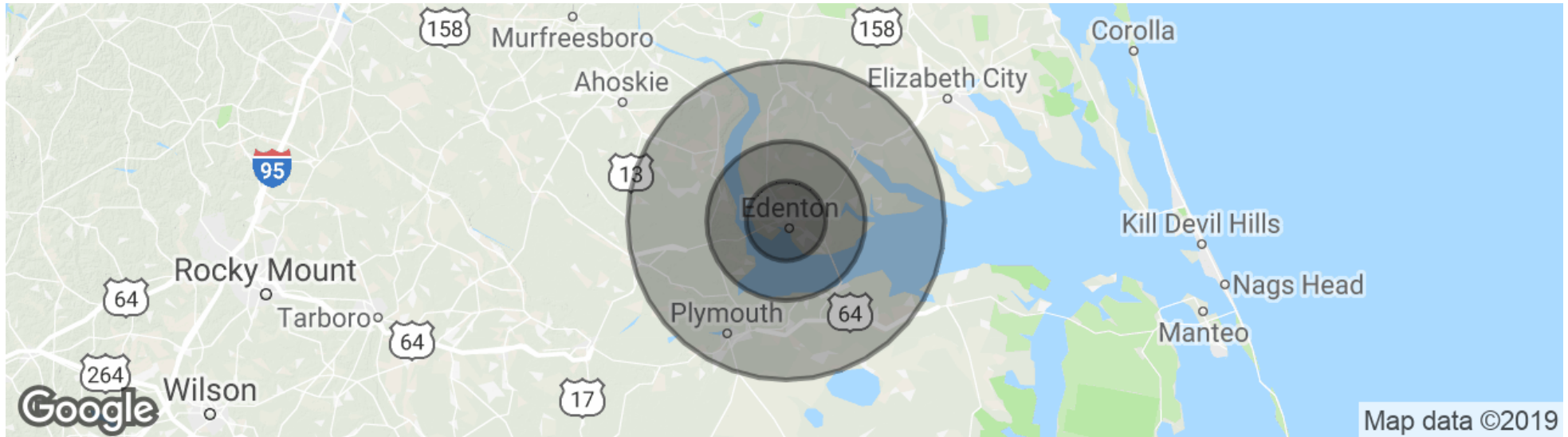
# Location Maps



# Retailer Map



# Demographics Map & Report



## POPULATION

	5 MILES	10 MILES	20 MILES
Total population	6,364	13,093	42,791
Median age	41.7	42.5	43.7
Median age (Male)	33.5	38.0	40.9
Median age (Female)	46.6	45.5	45.4

## HOUSEHOLDS & INCOME

	5 MILES	10 MILES	20 MILES
Total households	2,642	5,250	16,621
# of persons per HH	2.4	2.5	2.6
Average HH income	\$45,602	\$48,158	\$48,318
Average house value		\$90,640	\$97,395

\* Demographic data derived from 2010 US Census

# 3 FINANCIAL ANALYSIS

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# Financial Summary

## INVESTMENT OVERVIEW

Price	\$2,395,000
Price per SF	\$303.66
CAP Rate	6.0%
Cash-on-Cash Return (yr 1)	5.23 %
Total Return (yr 1)	\$77,425
Debt Coverage Ratio	1.35

## OPERATING DATA

Gross Scheduled Income	\$143,760
Other Income	\$0
Total Scheduled Income	\$143,760
Vacancy Cost	\$0
Gross Income	\$143,760
Operating Expenses	\$0
Net Operating Income	\$143,760
Pre-Tax Cash Flow	\$37,570

## FINANCING DATA

Interest Rate	4.0%
Loan Term	10-Year Term / 25-Year Amortization
Loan Amount	\$1,676,500
Debt Service	\$106,190
Debt Service Monthly	\$8,849
Principal Reduction (yr 1)	\$39,855

# Rent Roll

TENANT NAME	UNIT NUMBER	UNIT SIZE [SF]	LEASE START	LEASE END	LEASE START	MARKET RENT	ANNUAL RENT	% OF BUILDING	PRICE PER SF/YR	RECOVERY TYPE	COMMENTS
Davita		7,887	1/1/2015	12/30/2030	Current		\$130,692	100.0	\$16.57	NNN	Two, Five-Year Options at
					1/1/2020		\$143,760		\$18.23		95% of FMV
					1/1/2025		\$158,134		\$20.05		
Totals/ Averages		7,887				\$0	\$130,692		\$16.57	\$0	\$0

Pricing is based on future rent increase in January 2020. Owner will reimburse for rent difference at closing



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