

Fresenius Medical Care Dialysis Clinic

5607 Normandy Blvd, Jacksonville, FL



Subject property in Jacksonville, Florida

Investment Overview

NN Lease with Investment Grade Tenant (BBB- S&P Rating) with attractive 1.7% annual rental increases

Investment Highlights

2013 finish-to-suit dialysis clinic for Fresenius Medical Care in Jacksonville, Florida.

The property can be purchased at a 6% Cap Rate and is expected to generate an average annual return of 6.43% over the remaining 9.5-year term.

The lease has a remaining term of 9.5 years as well as three 5-year options and is guaranteed by Fresenius' American holding company Fresenius Medical Care Holdings, Inc. (FMCH). The lease includes annual 1.7% rental increases both in the initial term and the option periods. The tenant has invested around \$640,000 in the interior finish-out of the property, demonstrating its long-term commitment to the location.

FMCH is a wholly-owned subsidiary of Bad Homburg based and listed Fresenius Medical Care AG & Co. KGaA, the world's largest provider of renal care services and products. Fresenius Medical Care is an Investment Grade tenant with a BBB- S&P rating.

The clinic is situated on a corner lot with frontage along both Normandy Boulevard and S. Ellis Road. Normandy Boulevard is an east/west commercial corridor and is improved with two lanes of traffic in each direction. The property is located 18 miles south of Jacksonville International Airport and is within a 10-minute drive of the area's major medical facilities including Baptist Medical Center, St. Vincent's Medical Center, Shands Jacksonville Medical Center, and Memorial Hospital. Highway access to the neighborhood is provided by I-295 and I-10, State Road 228 and US 90.

Purchase Price	\$ 3,200,000
Cap Rate Year 1	6.00%
Rent from 11/2019	\$192,190
Rental increase	1.7% annually every November 1
Cap Rate Average	6.43%
Lot Size	+/- 0.92 Acres
Rentable Area	6,437 SF
Year Built	1991 — 2013 redeveloped
Tenant	Fresenius Medical Care
Guarantor	Fresenius Medical Care Holdings, Inc.
Lease Term	15 years - until November 2028 Options: 3 x 5 years
Type of Lease	Double Net Lease—Limited costs for landlord (roof & structure).
Options	3 x 5 years
Rental Increases	1.7% annually in initial lease term and option periods

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