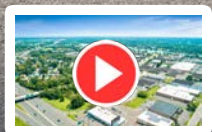




SINGLE TENANT
NET LEASE
OPPORTUNITY



VIEW VIDEO

PENNSAUKEN | NJ
(PHILADELPHIA MSA)

HORVATH & TREMBLAY



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LICENSE 9132520

DISCLAIMER

Horvath & Tremblay has been engaged by the owner of the property to market it for sale. Information concerning the property described herein has been obtained from sources other than Horvath & Tremblay and we make no representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all references to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a buyer. Buyers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change.



Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a DaVita Dialysis Center ("DaVita") investment property located at 7024 Kaighns Avenue (NJ Route 38) in Pennsauken, New Jersey (the "Property"). The 12,000 square building is located on a 1.32-acre parcel in the Cherry Hill, New Jersey submarket of Philadelphia between the interchanges of Routes 130, 30 and 70.

DaVita has been in occupancy at the Property since 2007 and has 3 years remaining on the corporate lease that includes two, 5-year renewal options. The Property also includes income from a Clear Channel billboard that is triple-net leased through August 2034.

- **LEASE TERM:** DaVita Dialysis has been in occupancy at the Property since 2007 and exercised their 1st renewal option in 2017. The current term has 3 years remaining with two additional, 5-year options.
- **ATTRACTIVE RENT INCREASES:** The DaVita lease features 3% annual rent increases throughout the current term and option periods, providing a steady increase in income and an attractive hedge against inflation for the investor
- **DAVITA CORPORATE GUARANTY:** DaVita Inc. is the leading provider of kidney care in the US with over 2,600 dialysis centers in 46 states. They are a Fortune 500 company traded on the NYSE (DVA) and reported 2018 gross revenue of \$11.4B and operating income of \$1.5B.
- **GROWTH INDUSTRY:** As the population of the country ages, the prevalence of chronic kidney disease will rise according to a report published in the American Journal of Kidney Disease. Adults, ages 30 and older, who have CKD is projected to increase from the current 13.2% to 14.4% in 2020, and 16.7% in 2030. These projections support the demand for dialysis centers and the growth of the dialysis industry.
- **RECESSION RESISTANT TENANT:** DaVita provides the investor with a high-quality, recession & e-commerce resistant, medical tenant in a strong-demographic location. The DaVita Pennsauken Dialysis Center currently supports 3 shifts, 6 days a week from 5:00 AM – 7:30 PM.
- **STRATEGIC LOCATION:** The Property is located on the heavily-travelled Kaighns Avenue (NJ Route 38) between Downtown Philadelphia (5 miles) and Cherry Hill, NJ (1 mile) and offers excellent traffic counts, highway visibility and ample parking.
- **IDEAL DIALYSIS DEMOGRAPHICS:** The local population includes more than 149,800 people within a 3-mile radius of the Property with an average household income of \$68,715.
- **EXCELLENT TRAFFIC COUNTS:** Over 104,000 vehicles per day pass the Property on Kaighns Avenue.
- **DESIRABLE BILLBOARD LOCATION:** Excellent traffic-counts and highway-visibility supports the strong demand for the triple-net leased billboard on the Property. The Clear Channel lease has 15 years of term remaining and includes rent escalations in 2024 and 2029.



7024 KAIGHNS AVENUE (ROUTE 38) | PENNSAUKEN, NJ 08109

NOI	\$304,946
OWNERSHIP TYPE:	Fee Simple
LESSEE:	Renal Treatment Centers - Northeast, Inc.
TRADE NAME/DBA:	Davita Dialysis
GUARANTOR:	Corporate
BUILDING AREA:	12,000 SF
YEAR BUILT:	1990
PARCEL SIZE:	1.32 Acres
LEASE TYPE:	Double Net
ROOF & STRUCTURE:	Landlord Responsibility
LEASE COMMENCEMENT DATE:	09/02/2007
LEASE EXPIRATION DATE:	09/01/2022
LEASE TERM REMAINING:	3+ Years
RENEWAL OPTIONS :	2, 5-Year Options



	LIST PRICE:	\$4,700,000
	CAP RATE:	6.49%
	NOI:	\$304,946

LEASE OVERVIEW	SQ FT	ANNUAL RENT	RENT INCREASE	EXPENSES	COMMENCE	EXPIRATION	TERM REMAINING	OPTIONS
DAVITA DIALYSIS	12,000	\$273,746	3% Annually	NN	09/02/2007	09/01/2022	3+ Years	2, 5-Year Options
CLEAR CHANNEL (BILLBOARD)	-	\$31,200	+\$2,400 Every 5 Years	NNN	09/22/2004	08/31/2034	15 Years	Year to Year Renewal Option
TOTAL	12,000	\$304,946						

TENANT INFO		LEASE TERM		CURRENT BASE RENT				REIMBURSEMENTS			
TENANT	SQ. FT.	BEGIN	END	BEGIN	END	BASE RENT	% INC	CAM	TAX	INS	OPTIONS/ NOTES
Davita Dialysis	12,000	09/02/2007	09/01/2022	09/02/2018	09/01/2019	\$265,773		Net	Net	Net	2, 5-Year Options
				09/02/2019	09/01/2020	\$273,746	3.0%				Landlord is responsible for Roof & Structure
				09/02/2020	09/01/2021	\$281,958	3.0%				
				09/02/2021	09/01/2022	\$290,417	3.0%				
				OPTION 2	09/02/2022	09/01/2023	\$299,130	3.0%			
				09/02/2023	09/01/2024	\$308,104	3.0%				
				09/02/2024	09/01/2025	\$317,347	3.0%				
				09/02/2025	09/01/2026	\$326,867	3.0%				
				09/02/2026	09/01/2027	\$336,673	3.0%				
				OPTION 3	09/02/2027	09/01/2028	\$346,773	3.0%			
				09/02/2028	09/01/2029	\$357,177	3.0%				
				09/02/2029	09/01/2030	\$367,892	3.0%				
				09/02/2030	09/01/2031	\$378,929	3.0%				
				09/02/2031	09/01/2032	\$390,296	3.0%				
Clear Channel (Billboard)		09/22/2004	08/31/2034	09/01/2014	08/31/2019	\$28,800		Net	Net	Net	Year to Year Renewal Option
				09/01/2019	08/31/2024	\$31,200	8.3%				Unless terminated on 120 days notice
				09/01/2024	08/31/2029	\$33,600	7.7%				
				09/01/2029	08/31/2034	\$36,000	7.1%				
TOTAL						\$304,946					



LESSEE:	Renal Treatment Centers, Northeast
CORPORATE PARENT & GUARANTOR:	DaVita Inc.
HEADQUARTERS:	Denver, CO
OWNERSHIP:	Public (NYSE: DVA)
US OUTPATIENT LOCATIONS:	2,664
COUNTRIES SERVED:	10
TEAM MEMBERS:	55,000+
2018 REVENUE:	\$11.4B
2018 NET INCOME:	\$1.5B
MARKET CAPITALIZATION (7/23/2019):	\$9.5B
CREDIT RATING:	BB (S&P) / Ba2 (Moody's)



ABOUT THE TENANT

DaVita Inc., a Fortune 500 company with a market cap of \$9.5 billion (as of 7/23/2019), is the parent company of DaVita Kidney Care. 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 consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes.

As of December 31, 2018, DaVita Kidney Care operated or provided administrative services at 2,664 outpatient dialysis centers in 46 states and DC serving approximately 203,000 patients, making it the largest provider of dialysis service in the United States. The company also operates 241 outpatient dialysis centers located in nine countries outside the United States. The company also operates in-hospital services at approximately 900 hospitals and operates two clinical laboratories that specialize in routine testing of dialysis patients and serves the company's network of clinics.

As the population in the United States ages, the prevalence of chronic kidney disease will rise according to a report published in the American Journal of Kidney Disease. Adults, ages 30 and older, who have CKD is projected to increase from the current 13.2% to 14.4% in 2020, and 16.7% in 2030. These projections continue to support the demand for dialysis centers and the growth in this industry.



PENNSAUKEN | NJ



597,500+
PEOPLE WITHIN 5 MILES



\$79,000+
AVERAGE HOUSEHOLD INCOME
WITHIN 5 MILES



104,246 VPD
KAIGHNS AVENUE (ROUTE 38)

OVERVIEW

Pennsauken, New Jersey is a large town in Camden County, New Jersey immediately across the Delaware River from Philadelphia. It is bordered to the east by Cherry Hill and to the south by the City of Camden, New Jersey. The town was incorporated in 1892 and is home 36,000 residents and 3,300 businesses. Pennsauken is part of the Philadelphia MSA with a population of over 6 million residents.

Pennsauken offers access to numerous major thoroughfares and highways. Major roads through the township include Route 130, the largest highway through the township, which intersects with Route 73 in the northern part of the township. Route 90 is a short highway leading to the Betsy Ross Bridge, which connects the township with the City of Philadelphia. NJ Routes 38 and 70 merge in the eastern part of the township near the Cherry Hill town line (and site of the Property) and also with US Route 30 at the border with Camden.

Pennsauken hosts three NJ Transit rail stops providing convenient service to Philadelphia, Camden, Trenton, Atlantic City and New York City. Daily NJ Transit bus service is also available on numerous routes providing service in and out of Philadelphia.

	3 MILES	5 MILES	10 MILES
POPULATION			
2019 Estimate	149,890	597,983	2,078,625
2024 Projection	152,746	601,869	2,102,871
2010 Census	152,898	571,356	2,022,695
BUSINESS			
2019 Est. Total Business	4,982	32,879	80,085
2019 Est. Total Employees	66,390	432,729	1,007,602
HOUSEHOLDS			
2019 Estimate	55,887	254,399	843,722
2024 Projection	57,782	258,916	863,998
2010 Census	54,127	229,824	782,095
INCOME			
Average Household Income	\$68,715	\$79,446	\$70,862
Median Household Income	\$56,925	\$59,905	\$54,961









PHILADELPHIA

BW
Best
Western.

Davita



38

KAICHNS AVE



PIZZA
PAPA JOHN'S



Walmart
Save money. Live better.

HARBOR FREIGHT TOOLS

Wawa

Wendy's

Bank of America

CVS

Davita

GARDEN STATE PAVILIONS

- ShopRite
- BOB'S FURNITURE
- Burlington
- JOANN
- MODELL'S
- petco
- STAPLES

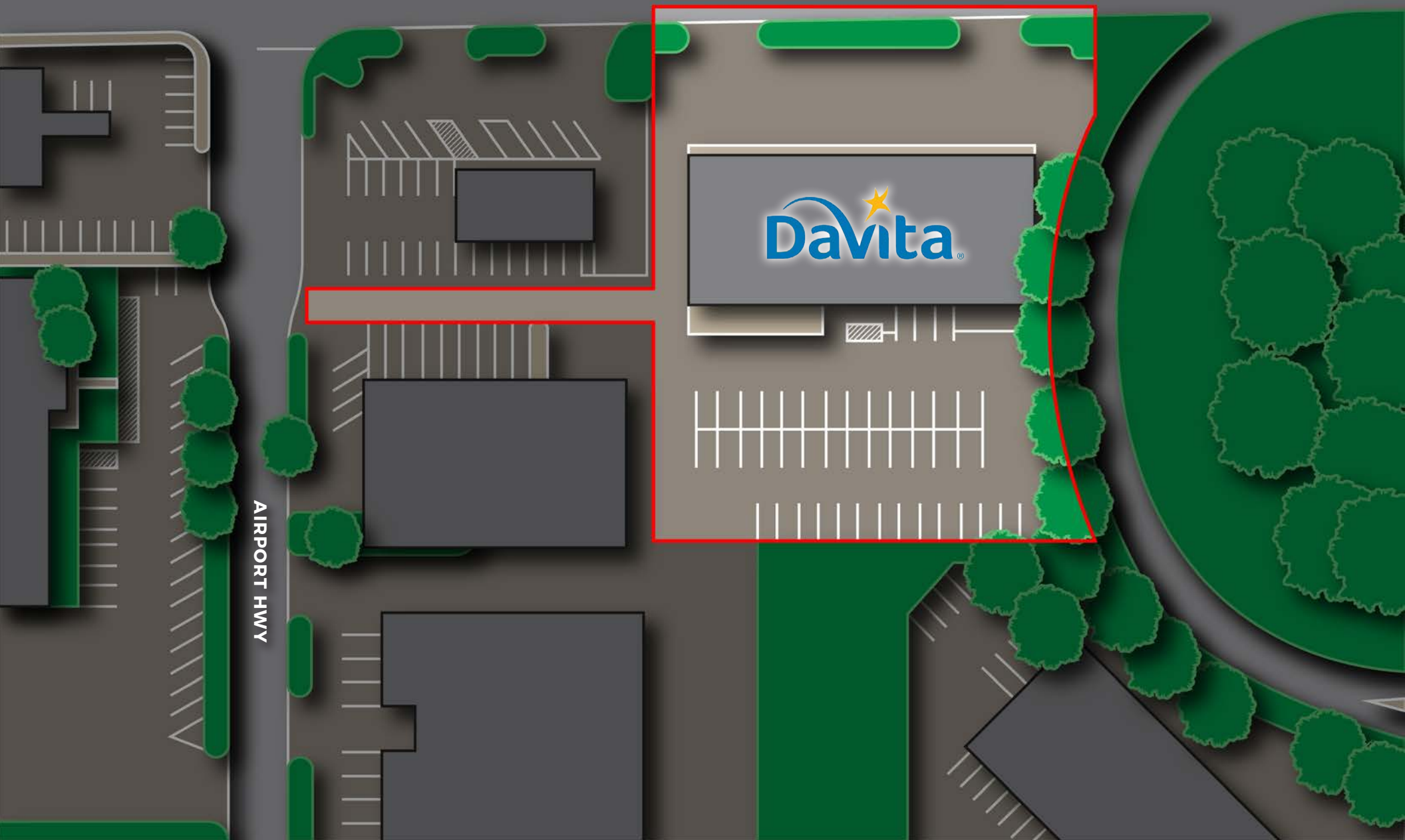
MARKET PLACE AT GARDEN STATE PARK

- THE HOME DEPOT
- Chick-fil-A
- Starbucks
- BEST BUY
- Panera Bread
- Wegmans
- DICK'S SPORTING GOODS
- BED BATH & BEYOND
- The Cheesecake Factory
- Christmas Tree Shops
- NORDSTROM rack
- YANKEE CANDLE
- BARNES & NOBLE
- DSW
- xfinity

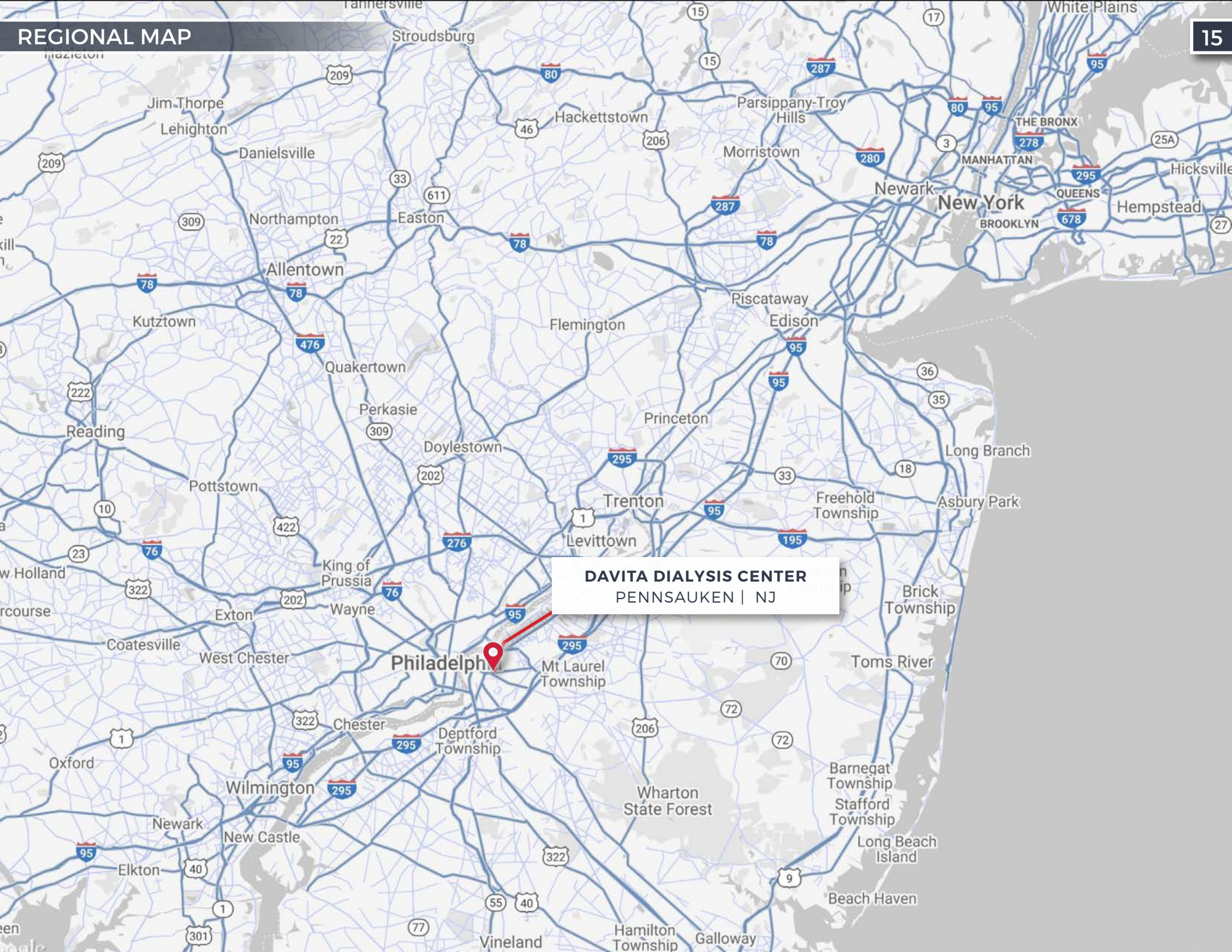
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KAIGHNS AVENUE

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