



**FRESENIUS  
MEDICAL CARE**

1830 Broadway St.  
Pearland, TX 77581

PRICE  
**\$3,094,448**

NOI  
**\$193,402**

CAP RATE  
**6.25%**

SQ FT  
**6,025**

CURRENT LEASE  
**5/29/2017 – 5/28/2022**  
**One 5-Year Options**



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MEDICAL CARE**

#### LEASE TERMS

### Fresenius Dialysis Clinic

<b>Current Term</b>	<b>May 29, 2017</b>	<b>to</b>	<b>May 28, 2022</b>
1st Option	May 29, 2022	to	May 28, 2027

#### Rent Increases

##### Current Term

1st Option

#### Annual Rent

**\$193,402.50**

Fair Market Value

#### Monthly Rent

**\$16,116.88**

Fresenius pays its 100% of the taxes, insurance premiums and CAM charges in equal monthly installments along with its payment of Rent.

#### TENANT OVERVIEW

##### General Information

- World's leading provider of products & services for people with chronic kidney failure
- 104,033 employees
- Publicly Traded, BBB- Credit Tenant
- 3,500+ Clinics
- 16.7+ Billion in Net Revenue
- 26 Years of Consecutive Same-Store Sales Growth
- Net Revenue Increase of 6%
- Profit Increase of 2%



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PROPERTY HIGHLIGHTS

- Built in 2001
- Fresenius extended the lease term 5 years in February 2017

**Income**

Fresenius Rental Income 193,402.50

**Gross Effective Income**

\$193,402.50

**Operating Expenses**

Insurance REIMBURSED

Repairs and Maintenance REIMBURSED

Taxes REIMBURSED

**Total Operating Expenses**

\$0.00

**NET OPERATING INCOME**

\$193,402.50



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INVESTMENT ASSUMPTIONS	
Investment Price	\$3,094,448
NOI (Year 1)	193,402
Cap Rate	6.25%
Total Rentable Square Feet	6,025
Purchase Price per Rentable Square Foot	\$513.60

PRO-FORMA ASSUMPTIONS	
Vacancy Factor/Credit Loss	0%
Value/Rent Increases	0%
Cost Increases	0%
Selling Costs	0%
Capital Reserves	\$0.00

FINANCING TERMS	
Initial Outlay	\$773,612
Initial Loan Amount	\$2,320,836
Loan Amortization Term	25
Interest Rate on Loan	4.00%
Debt Service	\$147,003
Loan to Value	75%

TAX ASSUMPTIONS	
Allocated Land Cost	\$618,890
Beginning Tax Basis	\$2,475,558
Depreciation Years	39.0
Marginal Tax Bracket	30%

RETURN MEASURES			
Internal Rate of Return		(1031)	
	Before Tax		After Tax
Year 1	13.13%		11.65%
Year 5	12.08%		10.62%
Year 10	11.11%		9.64%

RETURN MEASURES			
Cash on Cash Return			
	Before Tax		After Tax
Year 1	6.00%		4.52%
Year 5	6.00%		4.15%
Year 7	6.00%		3.94%
Year 10	6.00%		3.60%

Income	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Fresenius Rental Income	193,402	193,402	193,402	193,402	193,402	193,402	193,402	193,402	193,402	193,402
Tax (Reimbursed)	0	0	0	0	0	0	0	0	0	0
CAM (Reimbursed)	0	0	0	0	0	0	0	0	0	0
Insurance (Reimbursed)	0	0	0	0	0	0	0	0	0	0
Percentage Rent	0	0	0	0	0	0	0	0	0	0
(-) Vacancy Factor	0	0	0	0	0	0	0	0	0	0
<b>Gross Effective Income</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>
Operating Expenses	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Taxes	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0	0	0	0	0	0
Capital Reserves	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET OPERATING INCOME</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>	<b>193,402</b>
<b>Debt Service</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>	<b>(147,003)</b>
<b>PRETAX CASH FLOW</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>	<b>46,399</b>



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