



Single-Tenant Investment ★ Fortune 200 Company ★ Internet Resistant



OFFERING MEMORANDUM
HEMET, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

HEMET, CALIFORNIA

TABLE OF CONTENTS:

Offering Summary	3
Investment Highlights	4
Lease Summary	5
Site Plan / Parcel Map	6
Aerial Overview	8
Regional Map	9
Tenant Profile	10
Area Overview	11
Demographics	13

EXCLUSIVELY LISTED BY:

Matt Burnett

Executive Vice President
mburnett@hanleyinvestment.com
949.585.7623 | BRE #01384566



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

OFFERING SUMMARY

DAVITA DIALYSIS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

LOCATION

Davita Dialysis
3050 W. Florida Ave
Hemet, CA 92543

OFFERING SUMMARY

Price:	\$5,565,000
Current Net Operating Income (NOI):	\$284,170
Current Capitalization Rate:	5.11%
Price per Square Foot:	\$480
Net Rentable Area:	11,596
Lot Size (Acres):	0.92

FINANCING SUMMARY

All Cash or Cash to New Financing
(Contact Hanley Investment Group for Further Details)





- **Strong Investment Fundamentals:**
 - *Corporate, Credit Tenant Lease* - Davita is a Fortune 200 company operating over 2,200 locations across the U.S.
 - *Proven Location* - Davita recently expanded to take the entire building
 - *E-Commerce and Recession Resistant Tenant* - Medical services are widely regarded as the most stable product type in the face of growing online sales and economic instability
- **High Identity Location in Established Trade Area:**
 - Prime location on Florida Ave., the trade areas dominant thoroughfare
 - *Strong Retail Synergy* - Neighboring retailers include Stater Bros, Target, Home Depot, LA Fitness, Panera, Del Taco, and others
- **Low Management Hassle & Ideal 1031 Replacement:**
 - Premier national credit tenant requires minimal oversight
 - *Single-tenant net (NN) lease* - Tenant required for maintaining the Premises



LEASE SUMMARY (1)

Tenant:	Davita	Rental Increases:	15% Every 5 Years
Lease Commencement:	December 1, 2008	Renewal Options:	Three 5-Year @ 10% Increases
Lease Expiration:	November 30, 2028	Property Taxes:	Tenant Responsibility
Lease Type:	NN	Insurance:	Tenant Responsibility
Net Operating Income:	\$284,170	Common Area Maintenance:	Tenant Responsibility
Net Rentable Area:	11,596	Repairs & Maintenance:	Tenant Responsibility
Monthly Rent Per Square Foot:	\$2.04	Roof & Structure:	Landlord Responsibility

NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.

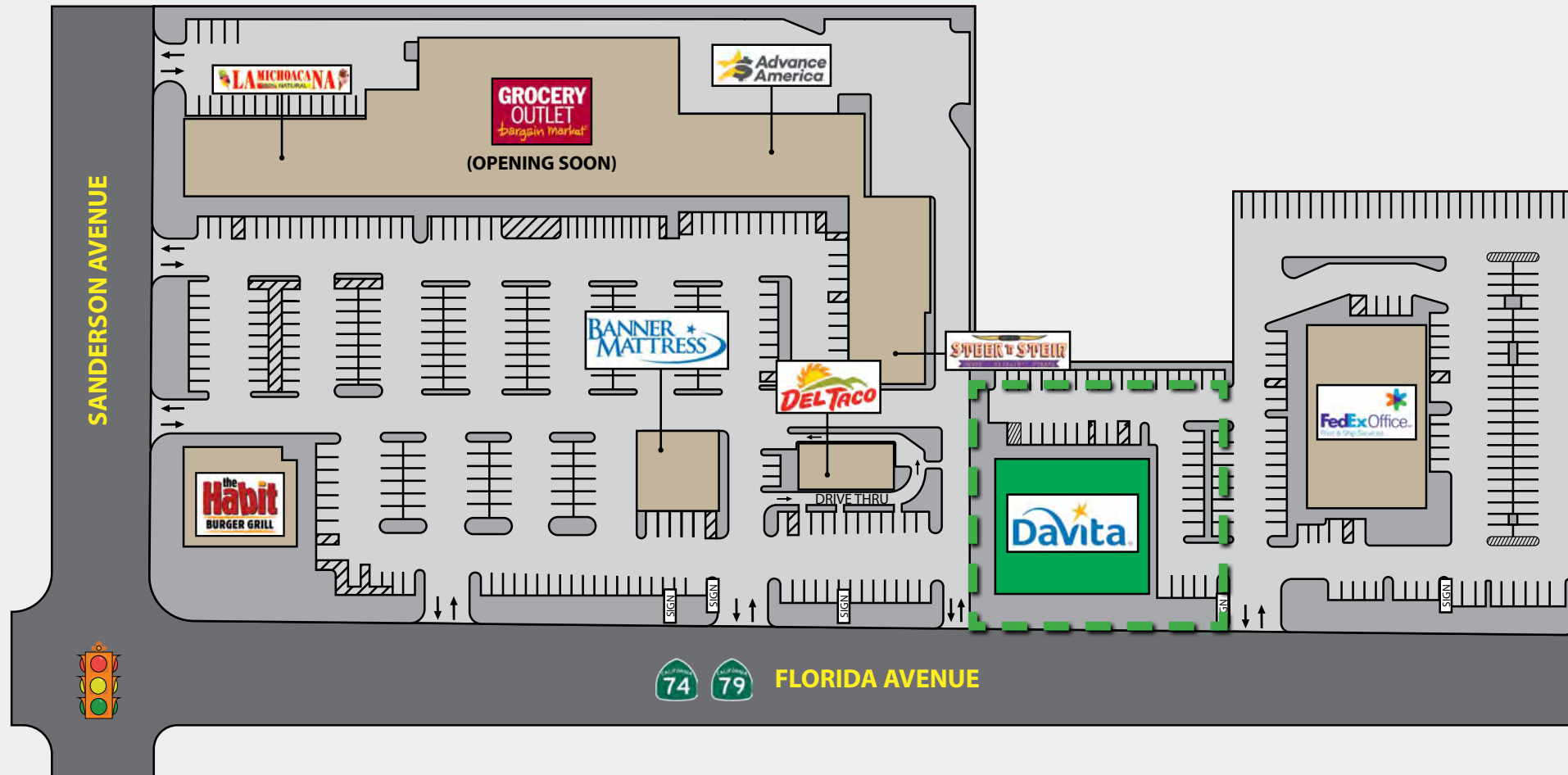


SITE PLAN / PARCEL MAP

DAVITA DIALYSIS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



SUBJECT PROPERTY



NOT A PART



PROPERTY PARCEL

APN: 448-310-014



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.



Surrounding
Tenants
NOT A PART





DEMOGRAPHICS

	Population	AHHI
1-Mile Radius	90,410	\$52,731
3-Mile Radius	154,952	\$57,656
5-Mile Radius	221,697	\$62,549



REGIONAL MAP

DAVITA DIALYSIS



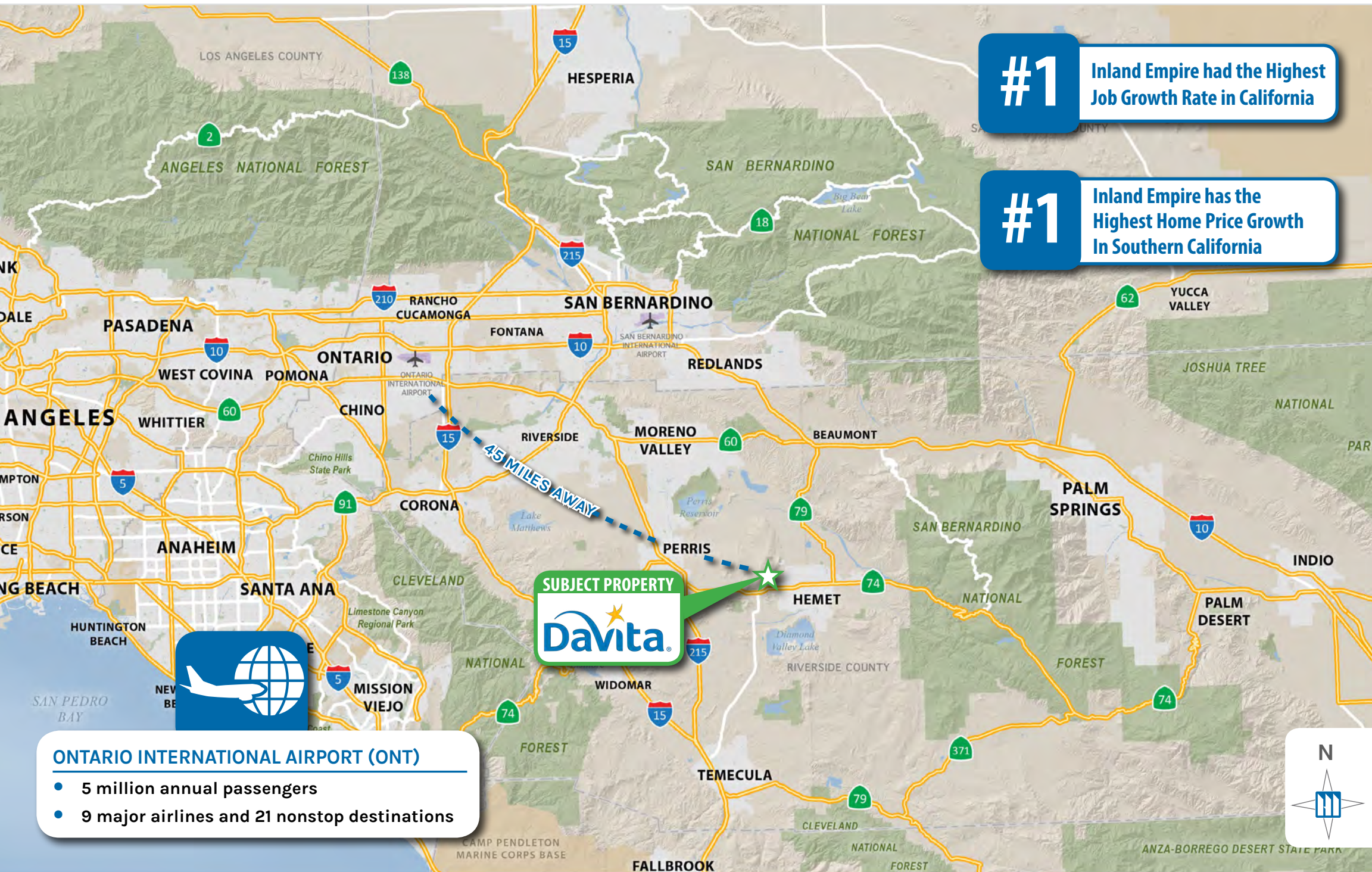
HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

#1

**Inland Empire had the Highest
Job Growth Rate in California**

#1

**Inland Empire has the
Highest Home Price Growth
In Southern California**



TENANT PROFILE

DAVITA DIALYSIS



DaVita HealthCare Partners Inc. is a Fortune 500 company that, through its operating divisions, provides a variety of health care services to patient populations throughout the U.S. and abroad.

The company consists of two divisions, Kidney Care and HealthCare Partners. Kidney Care is a provider of dialysis services in the United States, treating patients with chronic kidney failure and end stage renal disease. HealthCare Partners division is a patient- and physician-focused integrated health care delivery and management company.

The company provides dialysis and administrative services in the U.S. through a network of 2,210 outpatient dialysis centers located in the United States performing nearly 25 million dialysis treatments each year. DaVita's acute inpatient dialysis services are present in approximately 1,000 hospitals and related laboratory services throughout the U.S.

DaVita's overall network of outpatient dialysis centers in the U.S. net increased by 105 centers over the last year. In addition, the total number of patients served by DaVita increased by roughly 6%. These increases in domestic operations were coupled with a strengthening of the company's position in emerging and developing markets around the world.

DaVita operates 96 outpatient dialysis centers located in 10 countries outside the U.S. DaVita Kidney Care supports numerous programs dedicated to creating positive, sustainable change in communities around the world. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek, and WorldBlu.

The company's Q4 financials reported consolidated revenues of \$2.8 million for 2018.

Company Type:	Public (NYSE: DVA; S&P: BB-)
Locations:	2,200+
Website:	www.davita.com

REPRESENTATIVE PHOTOS

Hemet, California

- A suburb of Temecula, located in Riverside County's San Jacinto Valley; 28 miles south of Riverside and 45 miles west of Palm Springs
- 86,000+ people in the city; 4.5 million people in the metropolitan statistical area
- Home to Diamond Valley Lake, the largest fresh-water reservoir in southern California

ECONOMY

- Largest industries are retail trade, health services, educational services, and construction
- Population projected to increase 7.1% between 2017-2022
 - Hemet's affordability, entry level housing, and proximity to Corona, Riverside, and San Bernardino County is helping attract young professionals
- 7.6 increase of median home value over the past year (2017)
- 35.1% job growth over the next ten years

DEVELOPMENT

- **Hemet Valley Mall** - \$5 million, newly remodeled 30-plus-store shopping mall completed in May 2017
 - Plans to develop 11 acres of land behind the mall including restaurants, bars, Hemet's first theater with stadium seating, and a 120 apartment units
- **Downtown Hemet** - Revitalizing 360 acres to stimulate infill development and preserve and enhance single-family neighborhoods (completion 2020)

- **Rancho Diamante** - Housing project that calls for an assortment of neighborhoods of approximately 3,000 homes with various lots and uses
- **Hemet Valley Medical Center** - \$30 million three-part capital improvement project; remodeling, upgrades and new additions; completed 2019
- **San Manuel Casino** - \$550 million expansion that will include a new parking structure, entertainment venue, and hotel and resort; 2021 completion

TRANSPORTATION

- **San Bernardino International Airport** - 37 miles away; operates as a general aviation and cargo airport with substantial growth in airport maintenance, general and corporate aviation, and air cargo
- **Palm Springs International Airport** - 45 miles away; 2.3 million annual passengers
- **Ontario International Airport** - 55 miles away; 4.3 million annual passengers

City of Hemet *at a Glance*

40

**AVERAGE AGE
IN HEMET**

#14

**MOST DIVERSE SUBURBS
IN RIVERSIDE COUNTY**



**35.1% PROJECTED
JOB GROWTH**



Inland Empire

- Comprised of Riverside and San Bernardino Counties, its borders span from the Orange and Los Angeles County lines on the west, and more than 100 miles east to the communities of Palm Desert
- Home to more than 4.6 M people; region is larger than 24 of the 50 U.S. states; \$195.3 billion gross metropolitan product
- \$7.7 billion total construction building permit valuation (combined residential and commercial) projected in 2019 (versus \$4.1 in 2010)

ECONOMY

- #3 "Job Growth in the U.S." - Forbes (2018)
- 2nd fastest growing nonfarm employment rate among California's MSAs with job gains occurring in every sector
 - 3.3% annual job growth vs. in Orange County
- Projected to add 44,000 company payroll jobs in 2019, boosting its corporate employment to 1.54 million
- Transportation and warehousing have grown the fastest in the area, more than doubling from 60,000 to 128,000 between 2010-2017
- Healthcare is the 2nd largest employment industry; 22% employment growth in the last 6 years
- Total personal income for Inland Empire residents will hit a record \$200 billion in 2019
- Arrowhead Regional Medical Center, Stater Bros. Markets, County of San Bernardino, and Ontario International Airport
- \$260+ billion worth of cargo passes through the Port of Los Angeles each year; 80% of those goods pass through the Inland Empire, either on trucks or on trains

- Robust housing market with both rent and home prices increasing; region's affordability advantage, relative to higher-cost markets in Los Angeles and Orange County, has made the area an attractive destination for new residents
- Annual new-home permits projected to hit 14,100 in 2019 (up from 10,100 in 2014)
- Consumer spending continues to pump up demand for retail space with a 9.4% retail vacancy rate (as of Q3 2018)
- 300,000 square feet of retail space opened in the last year; \$23 per square foot average asking rate for retail space, a 1.7% increase from the year prior

LOGISTICS

- One of the nation's most important players in the logistics industry
- Amazon has 16,000 employees and 10 e-commerce centers in the Inland Empire with another opening in Beaumont
- Has more industrial space leased than Dallas and Atlanta combined, the 2nd and 3rd largest, busiest cities in the U.S.



TRADE AREA HIGHLIGHTS

22%
EMPLOYMENT GROWTH
IN THE PAST 6 YEARS

4.6M
PEOPLE LOCATED
IN THE REGION

\$200B
PERSONAL INCOME
RECORD INCOME FOR THE AREA



DOWNTOWN RIVERSIDE



PALM SPRINGS



RIVERSIDE COMMUNITY HOSPITAL



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2023 Projection	99,370	168,706	241,811
2018 Estimate	90,410	154,952	221,697
2010 Census	82,774	142,117	201,377
2000 Census	58,191	102,025	142,043
Growth 2000-2010	42.25%	39.30%	41.77%
Growth 2010-2018	9.23%	9.03%	10.09%
Growth 2018-2023	9.91%	8.88%	9.07%
Households			
2023 Projection	36,152	58,652	83,015
2018 Estimate	33,081	53,579	75,203
2010 Census	30,228	49,029	68,329
2000 Census	24,985	39,814	54,744
Growth 2000-2010	20.98%	23.15%	24.82%
Growth 2010-2018	9.44%	9.28%	10.06%
Growth 2018-2023	9.28%	9.47%	10.39%
2018 Est. Population by Single-Classification Race			
White Alone	55,919	95,915	139,248
Black or African American Alone	6,356	9,700	12,193
American Indian and Alaska Native Alone	1,392	2,603	3,902
Asian Alone	3,083	4,556	7,028
Native Hawaiian and Other Pacific Islander Alone	325	496	687
Some Other Race Alone	18,001	32,617	45,825
Two or More Races	4,884	8,314	11,640
2018 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	39,850	71,554	100,813
Not Hispanic or Latino	50,560	83,398	120,884
2018 Est. Average Household Income	\$52,731	\$57,656	\$62,549

CONFIDENTIALITY AGREEMENT

DAVITA DIALYSIS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

EXCLUSIVELY LISTED BY:

Matt Burnett

Executive Vice President

mburnett@hanleyinvestment.com

949.585.7623 | BRE #01384566



\$6+ BILLION

retail sales nationwide



SHARED DATABASE

collaborative proprietary database



TOP BROKERAGE GLOBALLY

in investment sales



COSTAR POWER BROKER

top sales brokers & firm in OC



NATIONWIDE REACH

retail & investors across the U.S.