



# DAVITA DIALYSIS OF OWENSBORO, KY

3250 KIDRON VALLEY WAY, OWENSBORO, KENTUCKY 42303



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**PERANICH** **HUFFMAN**  
NET LEASE GROUP



# DAVITA DIALYSIS OF OWENSBORO, KENTUCKY PROPERTY OVERVIEW

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# INVESTMENT OVERVIEW

## DAVITA OF OWENSBORO, KY



**OVERVIEW:** Peranich Huffman Net Lease Group is pleased to offer for sale on an exclusive basis, the DaVita Dialysis Facility of Owensboro, KY. The 4,200 square foot Peritoneal Dialysis Home Therapy Facility operates 5 days a week, servicing 40 patients within a 50 mile radius. The unit also serves as the home therapy training facility, lab and clinic for five hemodialysis DaVita clinics in the region.

**LEASE TERM:** The building was built-to-suit for DaVita in 2013 and is leased on a double-net basis to Total Renal Care Inc, DaVita's largest wholly owned subsidiary. The lease is corporately guaranteed by DaVita's parent company, DaVita, Inc. With an approximate 8.5 years remaining, the lease provides for 10% annual rent escalation every 5 years, and three 5-Year renewal options at FMRV.

**HOME THERAPY:** There are two kinds of dialysis. In hemodialysis, blood is pumped out of your body to an artificial kidney machine, and returned to your body by tubes that connect you to the machine. This treatment takes place in a traditional dialysis clinic and at home. In peritoneal dialysis, the inside lining of your own belly acts as a natural filter. Wastes are taken out by means of a cleansing fluid called dialysate, which is washed in and out of your belly in cycles. This treatment takes place at home coupled with monthly in-center consultations.

**GOVERNMENT LEGISLATION:** In August 2019 President Trump signed an executive order proposing change to how kidney disease is treated in the United States. A key focus of the executive order is an effort to encourage in-home dialysis. This form of treatment is less expensive for the federal government and is a more profitable means of treatment for the dialysis company.

### LEASE ABSTRACT

Lease Entity	Total Renal Care, Inc.
Corporate Guarantee	DaVita Parent Company
Lot Area	0.88 Acres
Rentable Area	4,200 SF
Lease Expiration Date	5/26/2028
Term Remaining	8.5 Years
Rent/SF	\$24.21
Initial Term Escalations	10% Every 5 Years
Renewal Options	(3) 5-Year
Option Period Escalations	FMRV

### PRICING & RETURNS


Purchase Price	\$1,600,000
Cap Rate	6.35%
Net Operating Income	\$101,686



# INVESTMENT HIGHLIGHTS

## DAVITA OF OWENSBORO, KY



 Corporately Guaranteed by DaVita Parent Company

 (3) 5-Year Renewal Options

 Rent Escalations of 10% Every 5 Years

 Services Patients Within 50-Mile Radius

 8.5 Years of Primary Lease Term Remaining

 Building Constructed in 2013



# PRICING & FINANCIALS

## DAVITA OF OWENSBORO, KY



**PURCHASE PRICE**  
**\$1,600,000**



**CAP RATE**  
**6.35%**



**NOI**  
**\$101,686**



**PRICE PSF**  
**\$381**



# NET LEASE STRUCTURE

## DAVITA OF OWENSBORO, KY

Expense Category	Tenant's Responsibility	Landlord's Responsibility
Exterior Structure		✓
Roof	✓*	
HVAC	✓*	
Parking Lot	✓*	
Janitorial	✓	
Landscaping	✓	
Taxes	✓	
Insurance	✓	
Utilities	✓	

The graph shown above represents the financial responsibility of the expense categories

### LANDLORD'S RESPONSIBILITIES

Landlord sole cost and expense, maintain and keep in good order and repair and make any necessary replacements to the following building structures and systems: concrete slab, footings, foundation, structural components, exterior walls (excluding painting), sidewalks, driveways, loading areas, flooring system (excluding floor covering), exterior plumbing, and electrical systems of the building.

### TENANT'S RESPONSIBILITIES

\*Tenant shall reimburse Landlord for the reasonable and actual cost thereof on an amortized basis of the roof (20 Year "Useful Life"), HVAC (15 Year "Useful Life") and parking areas. With respects to roof repair and maintenance, the Tenant shall reimburse Landlord for actual and reasonable costs not to exceed \$1,000 per Lease Year.

Tenant is finanically and solely responsible for all costs associated with janitorial, landscaping, property and liablility insurance, taxes and utilites as described in the lease.





# LOCATION OVERVIEW

## DAVITA OF OWENSBORO, KY

KOHL'S PartyCity

usbank

PIZZA  
PAPA JOHN'S

SUPERCUTS

Pizza  
Hut

GM

HYUNDAI

TSC TRACTOR  
SUPPLY CO

BB&T Arby's

German American  
Banking | Insurance | Investments

Independence  
Bank

KFC

CHASE

SUBWAY

Advance  
Auto Parts

SOUTH CENTRAL BANK

TACO  
BELL

McDonald's

Walgreens

CVS  
pharmacy

FIVE GUYS  
BURGERS and FRIES

verizon

OLD NATIONAL BANK

Sprint State Farm

Wendy's

GATEWAY MEDICAL  
URGENT CARE

GameStop

BR  
Baskin  
Robbins

FARM  
BUREAU  
INSURANCE

Bob Evans  
RESTAURANT

ALDI

Walmart

Davita



# LOCATION OVERVIEW

## DAVITA OF OWENSBORO, KY

Owensboro is a home rule-class city in and the county seat of Daviess County, Kentucky, United States. It is the fourth-largest city in the state by population. Owensboro is located on U.S. Route 60 and Interstate 165 about 107 miles (172 km) southwest of Louisville, and is the principal city of the Owensboro metropolitan area. The 2018 population was 59,809. The metropolitan population was estimated at 120,702. The metropolitan area is the sixth largest in the state as of 2018, and the seventh largest population center in the state when including micropolitan areas.

Unlike some cities where white-collar or blue-collar occupations dominate the local economy, Owensboro is neither predominantly one nor the other. Instead, it has a mixed workforce of both white- and blue-collar jobs. Overall, Owensboro is a city of sales and office workers, service providers, and professionals. There are especially a lot of people living in Owensboro who work in office and administrative support (13.77%), sales jobs (11.53%), and food service (7.37%).

94.3% of the population of Owensboro, KY has health coverage, with 48% on employee plans, 20% on Medicaid, 12.8% on Medicare, 12.6% on non-group plans, and 0.926% on military or VA plans. Per capita personal health care spending in the msa of Owensboro, KY was \$8,004 in 2014. This is a 6.11% increase from the previous year (\$7,543). Primary care physicians in Owensboro, KY see 1507 patients per year on average, which represents a 0.803% increase from the previous year (1495 patients).

DEMOGRAPHICS	3-MILES	5-MILES	10-MILES
Population (2019 Est.)	33,278	68,341	95,165
Households (2019 Est.)	13,482	28,470	39,044
Household Growth (2010-2024 Est.)	12.3%	9.0%	9.5%
Average Household Income (2019 Est.)	\$76,838	\$73,000	\$72,259
Average Household Income Growth (2019-2024 Est.)	4.2%	2.7%	3.0%



# TENANT OVERVIEW | DAVITA DIALYSIS



DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners, a DaVita Medical Group. 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 operated or provided administrative services at 2,510 outpatient dialysis centers located in the United States serving approximately 198,000 patients. The company also operated 154 outpatient dialysis centers located in 12 countries outside the United States.

Further, the company provides acute inpatient dialysis services in approximately 900 hospitals and related laboratory services in the United States. The company was formerly known as DaVita HealthCare Partners Inc. and changed its name to DaVita Inc. in September 2016. DaVita Inc. was founded in 1994 and is headquartered in Denver, Colorado.



\$10 Billion in  
Market Cap



198,000+  
Patients



2,500+ US  
Clinics



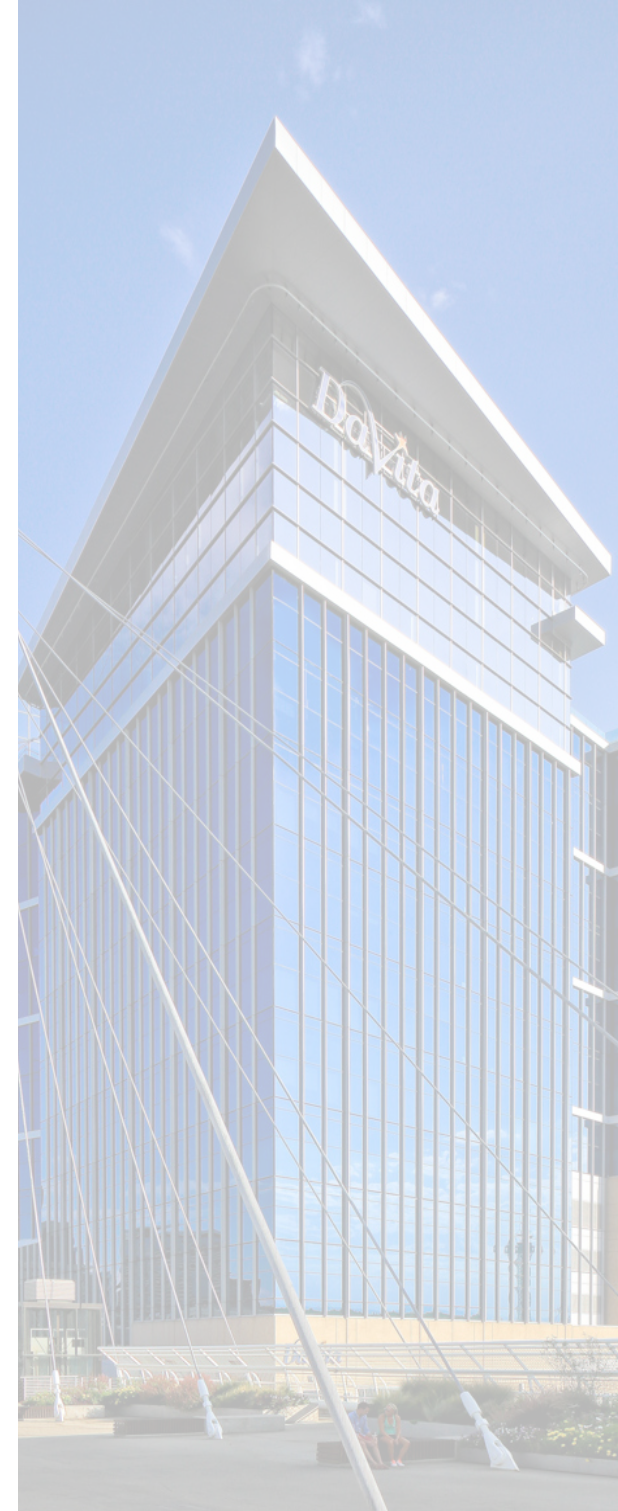
\$11 Billion in  
Annual Revenues



13 Countries  
Served



70,800+  
Employees





# OUR TEAM



**Jonathan Peranich** | (832) 602-3383 | [jonathan@phnlg.com](mailto:jonathan@phnlg.com)

Jonathan Peranich is co-founder and managing partner of Peranich Huffman Net Lease Group. He is responsible for the leadership and day to day operations of the Company's investment sales platform. In addition to managing the group's marketing division, Jonathan oversees the trends analysis & capital markets underwriting of each transaction.

Inclusive of the evaluation of tax liabilities, debt structures, and arbitrage opportunities, Jonathan provides a distinct, consultative approach to PHNLG's brokerage services based upon his client's situational needs.



**Nathan Huffman** | (972) 865-7991 | [nathan@phnlg.com](mailto:nathan@phnlg.com)

Nathan Huffman is co-founder and managing partner of Peranich Huffman Net Lease Group. Having served 10 years as a Director of Real Estate and Tenant Rep Broker for DaVita Healthcare Partner's Inc., Nathan oversees PHNLG's brokerage division.

Responsible for the company's new business development, Nathan manages the development, acquisition, and disposition of net leased medical assets for both private and institutional principals.



**Steven Pelitere** | (817) 869-0933 | [steven@phnlg.com](mailto:steven@phnlg.com)

Mr. Pelitere is a Senior VP responsible for the acquisition & disposition of Pharmacies & Dental Offices. He leads the brokerage unit representing private clients & Diversified Statutory Trusts involved in these specific asset classes.

His real estate experience lends to his ability to procure and develop leads by targeting specific product types that are in-line with PHNLG's previous transactions.



Offers should be submitted electronically to:

**NATHAN HUFFMAN**

at [nathan@phnlg.com](mailto:nathan@phnlg.com) and include the following information:

- Purchase Price
- Closing Period
- Sources of Debt & Equity
- Earnest Money
- Other Terms

## ABOUT US

Peranich Huffman Net Lease Group is a privately held real estate brokerage firm specializing in single tenant net leased medical office investment sales throughout the nation.

Our firm facilitates the purchase & sale of commercial real estate tenanted by Dialysis Operators, Freestanding Emergency Departments, and Surgery Centers.

**PERANICH** HUFFMAN  
NET LEASE GROUP





## CONFIDENTIAL MEMORANDUM & DISCLAIMER

*Peranich Huffman Net Lease Group ("Agent") has been engaged as the exclusive agent for the sale of the DaVita Dialysis of Owensboro, Kentucky (the "Property"), by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.*

*The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Peranich Huffman Net Lease Group as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.*

*Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.*

*Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived.*

*By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Peranich Huffman Net Lease Group.*

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