

OFFERING MEMORANDUM



DAVITA DIALYSIS CENTER

64 Victor Street
Highland Park, Michigan 48203

Marcus & Millichap

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PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.***

Marcus & Millichap

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www.marcusmillichap.com

64 VICTOR STREET
Highland Park, MI
ACT ID ZAA0290742

NET-LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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64 VICTOR STREET
Highland Park, MI
ACT ID ZAA0290742

EXECUTIVE SUMMARY

OFFERING SUMMARY

| | |
|-------------------------------|--------------|
| Price | \$3,338,500 |
| Net Operating Income | \$217,000 |
| Capitalization Rate – Current | 6.50% |
| Price / SF | \$215.39 |
| Rent / SF | \$14.00 |
| Lease Type | NNN |
| Gross Leasable Area | 15,500 SF |
| Year Built / Renovated | 1963 / 1998 |
| Lot Size | 0.75 acre(s) |

FINANCING

| | |
|----------------------------------|---------------------|
| Loan Amount | \$2,503,875 |
| Loan Type | Financed - New Loan |
| Loan to Value | 75.00% |
| Down Payment | 25%/\$834,625 |
| Interest Rate / Amortization | 4%/25 Years |
| Annual Loan Payment | \$158,596 |
| Net Cash Flow After Debt Service | 7.00%/58,403 |
| Cash on Cash Return | 7.00% |
| Total Return | 14.13%/\$117,928 |



INVESTMENT OVERVIEW

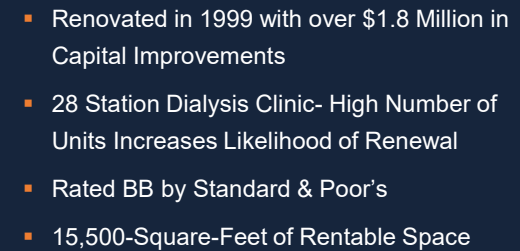
Marcus & Millichap is pleased to present the approximately 15,500-square-foot net leased DaVita Dialysis facility located in Highland Park, Michigan. This facility is a single-story building located on Victor Street in the heart of Highland Park, which is a city surrounded entirely by the City of Detroit; Michigan's largest city. The facility is just off Woodward Avenue, Detroit's main thoroughfare and is in one of Michigan's most densely populated neighborhoods, which allows it to draw from an excellent base of patients

DaVita is a Fortune 500 health care provider focused on transforming care delivery to improve quality of life for patients around the globe. The company is the largest provider of kidney care services in the U.S. and has been a leader in clinical quality and innovation for 20 years. Through DaVita Kidney Care, the company treats patients with chronic kidney failure and end stage renal disease. DaVita is committed to bold, patient-centric care models, implementing the latest technologies and moving toward integrated care offerings for all. As of March 31, 2019, DaVita served 203,000 patients at 2,664 outpatient dialysis centers in the United States. The company also operated 241 outpatient dialysis centers in nine countries across the world. DaVita has reduced hospitalizations, improved mortality, and worked collaboratively to propel the kidney care industry to adopt an equitable and high-quality standard of care for all patients.

INVESTMENT HIGHLIGHTS

- Renovated in 1999 with over \$1.8 Million in Capital Improvements
- 28 Station Dialysis Clinic- High Number of Units Increases Likelihood of Renewal
- Rated BB by Standard & Poor's
- 15,500-Square-Feet of Rentable Space
- Current Ownership is Investing \$750,000 in Capital Improvements this Year



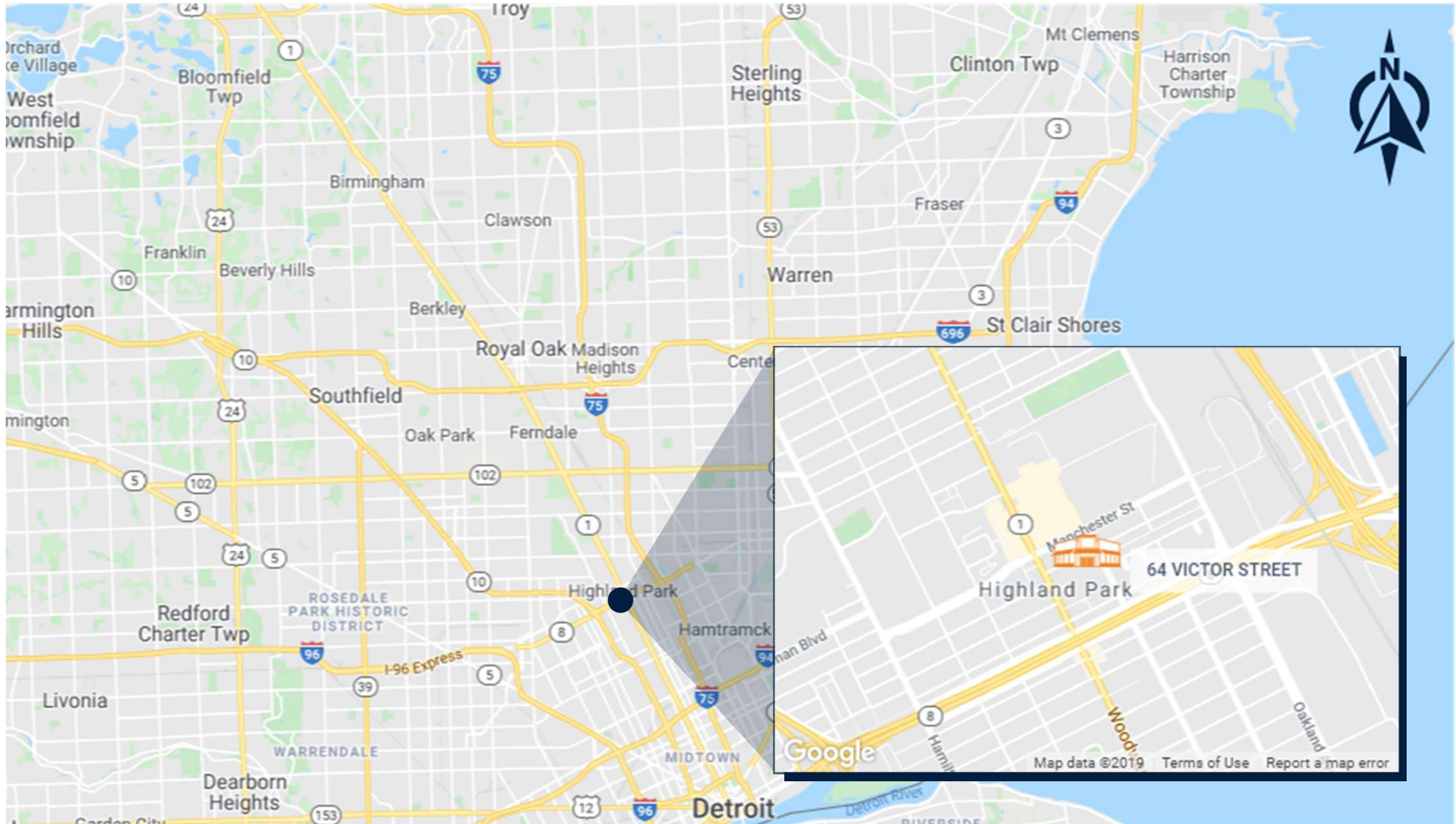


Marcus & Millichap is pleased to present the 15,500 Square foot net leased DaVita Dialysis facility located in Highland Park, MI.

CLOSE PROXIMITY TO:



Highland Park, MI 48203







THE OFFERING

| | |
|---------------------|---|
| Property | DaVita Dialysis Center |
| Property Address | 64 Victor Street Highland Park, Michigan 48203 |
| Price | \$3,338,500 |
| Capitalization Rate | 6.50% |
| Price/SF | \$215.39 |

PROPERTY DESCRIPTION

| | |
|------------------------|------------------|
| Year Built / Renovated | 1963/ 1998/ 2019 |
| Gross Leasable Area | 15,500 SF |
| Zoning | N/A |
| Type of Ownership | Fee Simple |
| Lot Size | 0.75 Acres |

LEASE SUMMARY

| | |
|---------------------------------|------------------------------|
| Property Subtype | Single Tenant Office Medical |
| Tenant | DaVita Dialysis Center |
| Rent Increases | N/A |
| Guarantor | Corporate Guarantee |
| Lease Type | NNN |
| Lease Commencement | 5/1/1998 |
| Lease Expiration | 12/31/2029 |
| Term Remaining on Lease (Years) | 10.2 |
| Landlord Responsibility | NNN |
| Tenant Responsibility | NNN |

ANNUALIZED OPERATING INFORMATION

INCOME

| | |
|----------------------|-----------|
| Net Operating Income | \$217,000 |
|----------------------|-----------|

RENT SCHEDULE

| YEAR | ANNUAL RENT | MONTHLY RENT | RENT/SF | CAP RATE |
|---------|-------------|--------------|---------|----------|
| Current | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2020 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2121 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2022 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2023 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2024 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2025 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2026 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2027 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2028 | \$217,000 | \$18,083 | \$14.00 | 6.50% |
| 2029 | \$217,000 | \$18,083 | \$14.00 | 6.50% |

NOTES

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



Closed 1,678
debt and equity
financings
in 2018



National platform
operating
within the firm's
brokerage offices



\$6.24 billion
total national
volume in 2018



Access to more
capital sources
than any other
firm in the
industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

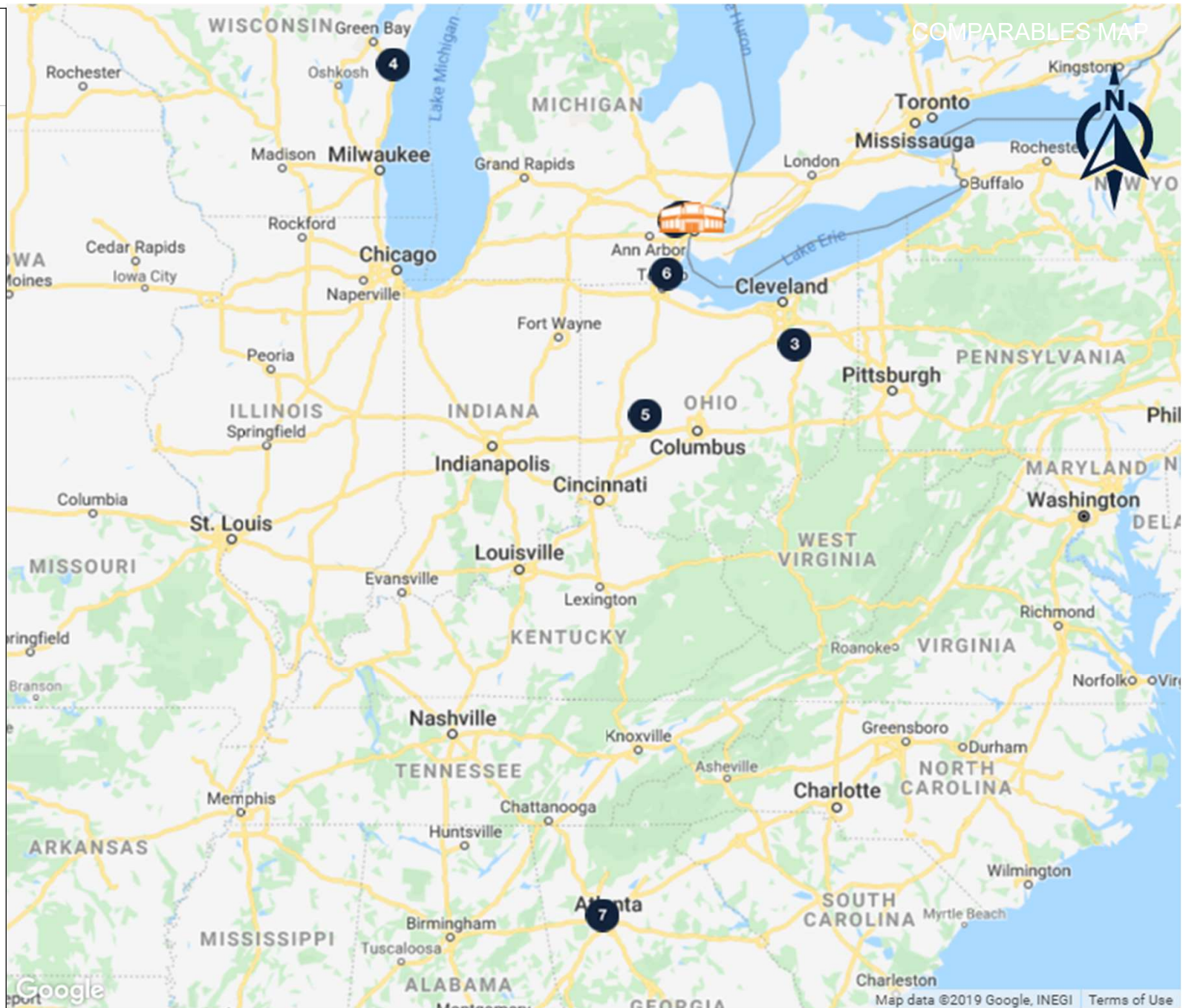
- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file



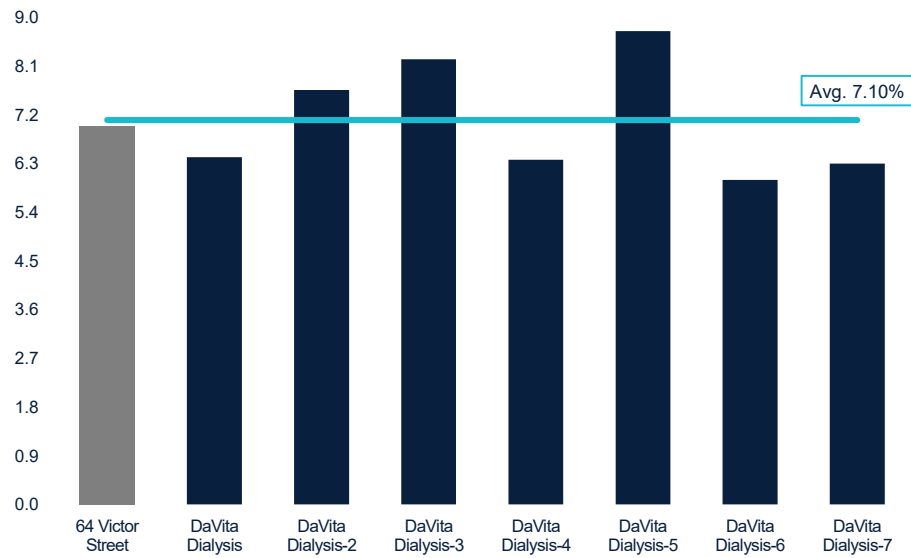
64 VICTOR STREET
(SUBJECT)

- 1 DaVita Dialysis
- 2 DaVita Dialysis
- 3 DaVita Dialysis
- 4 DaVita Dialysis
- 5 DaVita Dialysis
- 6 DaVita Dialysis
- 7 DaVita Dialysis

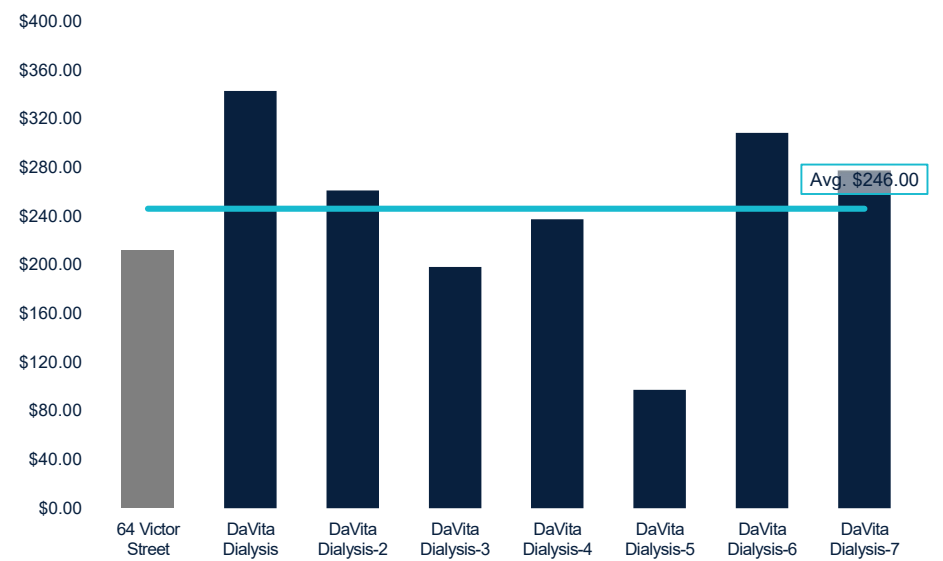
● SALES COMPARABLES



Average Cap Rate



Average Price Per Square Foot



SALES COMPARABLES

DAVITA DIALYSIS

64 Victor Street, Highland Park, MI, 48203



SUBJECT PROPERTY

| | |
|----------------------|--------------|
| Asking Price | \$3,338,500 |
| Price/SF | \$215.39 |
| CAP Rate | 6.50% |
| GLA | 15,500 SF |
| Lot Size | 0.75 acre(s) |
| Year Built | 1963 |
| Lease Term Remaining | 10.2 Years |

DAVITA DIALYSIS

31470 Ecorse Rd., Romulus, MI, 48174



| | |
|-----------------|--------------|
| Close Of Escrow | 12/27/2018 |
| Sales Price | \$2,400,000 |
| Price/SF | \$342.86 |
| CAP Rate | 6.42% |
| GLA | 7,000 SF |
| Lot Size | 0.97 acre(s) |
| Year Built | 1998 |

DAVITA DIALYSIS

1185 Monroe St. , Dearborn , MI, 48124



| | |
|-----------------|-------------|
| Close Of Escrow | 5/31/2018 |
| Sales Price | \$2,675,000 |
| Price/SF | \$260.98 |
| CAP Rate | 7.66% |
| GLA | 10,250 SF |
| Lot Size | 0.8 acre(s) |
| Year Built | 1951 |

SALES COMPARABLES

DAVITA DIALYSIS

2112 E Lincoln Way, Massillon, MI, 44646



| | |
|-----------------|--------------|
| Close Of Escrow | 10/11/2018 |
| Sales Price | \$1,325,000 |
| Price/SF | \$198.23 |
| CAP Rate | 8.23% |
| GLA | 6,684 SF |
| Lot Size | 1.25 acre(s) |
| Year Built | 1976 |

DAVITA DIALYSIS

3303 Dewey St., Manitowoc, MI, 54220



| | |
|-----------------|--------------|
| Close Of Escrow | 3/14/2019 |
| Sales Price | \$1,780,000 |
| Price/SF | \$237.33 |
| CAP Rate | 6.37% |
| GLA | 7,500 SF |
| Lot Size | 0.64 acre(s) |
| Year Built | 2008 |

DAVITA DIALYSIS

2200 N Limestone St., Springfield, MI, 45503



| | |
|-----------------|--------------|
| Close Of Escrow | 12/19/2019 |
| Sales Price | \$3,270,000 |
| Price/SF | \$97.26 |
| CAP Rate | 8.75% |
| GLA | 33,620 SF |
| Lot Size | 3.92 acre(s) |
| Year Built | 1999 |

DAVITA DIALYSIS

3310 Dustin Rd., 3310 Dustin Rd., MI, 43616

6



| | |
|-------------|--------------|
| Sales Price | \$2,590,000 |
| Price/SF | \$308.33 |
| CAP Rate | 6% |
| GLA | 8,400 SF |
| Lot Size | 2.31 acre(s) |
| Year Built | 1994 |

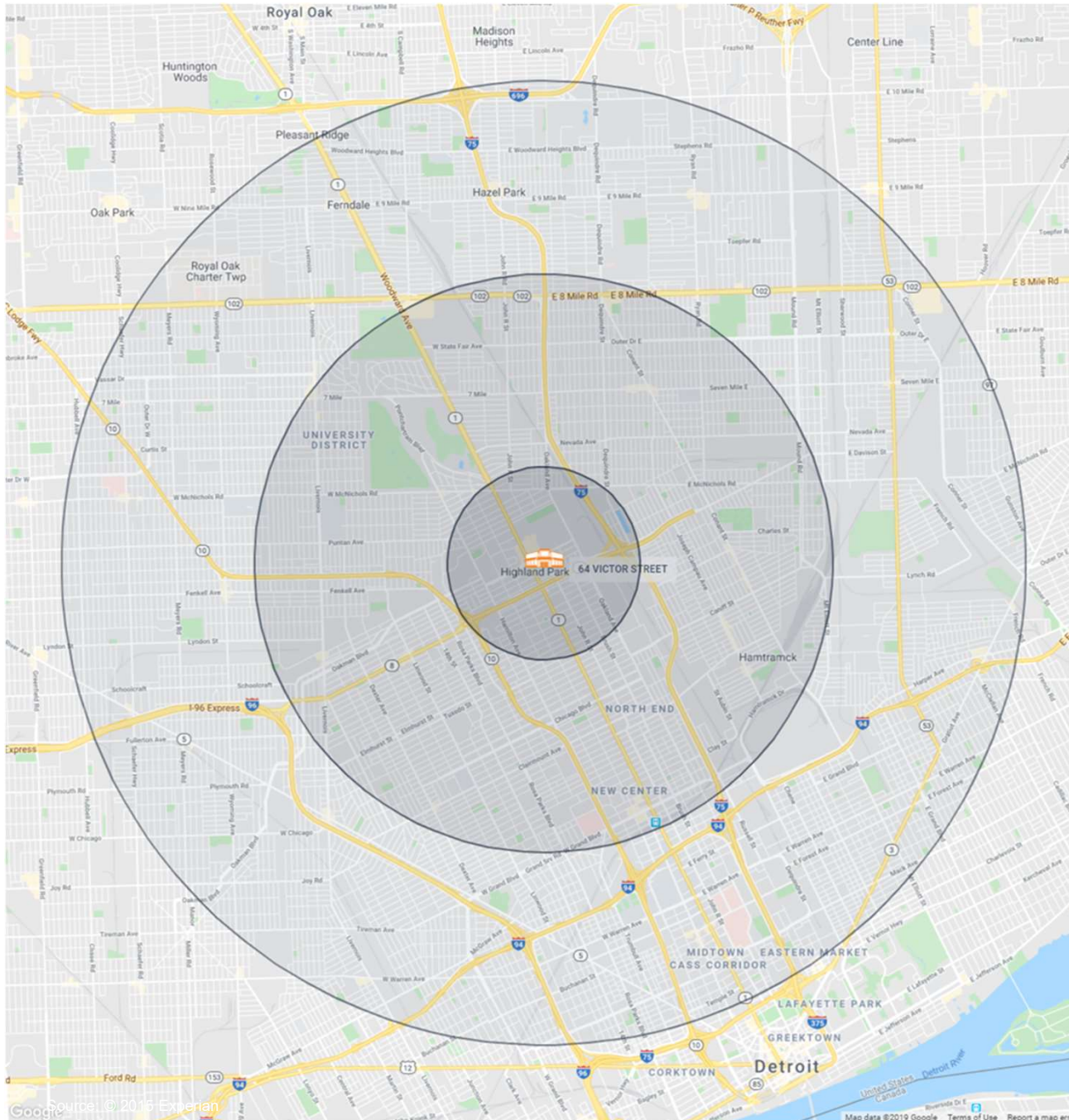
DAVITA DIALYSIS

2540 Flat Shoals Rd., Atlanta, MI, 30349

7



| | |
|-----------------|--------------|
| Close Of Escrow | 3/5/2019 |
| Sales Price | \$1,883,450 |
| Price/SF | \$276.98 |
| CAP Rate | 6.3% |
| GLA | 6,800 SF |
| Lot Size | 1.22 acre(s) |
| Year Built | 2013 |



CREATED ON DECEMBER 3, 2019

| | 1 Miles | 3 Miles | 5 Miles |
|-----------------------------|----------|----------|----------|
| POPULATION | | | |
| 2023 Projection | 9,072 | 140,220 | 361,829 |
| 2018 Estimate | 9,888 | 150,689 | 384,725 |
| 2010 Census | 10,314 | 157,045 | 394,909 |
| 2000 Census | 14,667 | 212,524 | 518,851 |
| INCOME | | | |
| Average | \$31,381 | \$40,237 | \$42,390 |
| Median | \$19,894 | \$25,766 | \$28,811 |
| Per Capita | \$13,354 | \$15,345 | \$16,721 |
| HOUSEHOLDS | | | |
| 2023 Projection | 3,681 | 52,961 | 143,021 |
| 2018 Estimate | 3,891 | 55,665 | 148,823 |
| 2010 Census | 4,121 | 58,675 | 153,787 |
| 2000 Census | 5,584 | 75,823 | 190,218 |
| HOUSING | | | |
| 2018 | \$54,680 | \$59,661 | \$63,279 |
| EMPLOYMENT | | | |
| 2018 Daytime Population | 11,091 | 129,566 | 359,148 |
| 2018 Unemployment | 14.06% | 10.70% | 9.86% |
| 2018 Median Time Traveled | 28 | 28 | 28 |
| RACE & ETHNICITY | | | |
| White | 5.59% | 14.02% | 19.89% |
| Native American | 0.02% | 0.01% | 0.02% |
| African American | 90.87% | 75.08% | 72.15% |
| Asian/Pacific Islander | 0.44% | 7.25% | 4.02% |