

# DAVITA

101 DAVITA LANE, ELIZABETH CITY, NORTH CAROLINA



OFFERING MEMORANDUM

Marcus & Millichap





**Walmart**  
**TJ-maxx**  
**ZAXBY'S**  
**HOBBY LOBBY**  
**ALDI**  
**verizon**  
**rack ROOM SHOES**  
**ROSS STORES, INC.**  
**AT&T**  
**DISCOUNT TIRE**  
**GameStop**  
**MCDONALD'S**  
**HIBBETT SPORTS**

**FOOD LION**  
**the Y**  
**Wendy's**  
**DOLLAR GENERAL**  
**MCDONALD'S**  
**CAPTAIN D'S**

**Davita**

**COLLEGE OF THE ALBEMARLE**  
3,350 STUDENTS

**SENTARA**  
SENTARA ALBEMARLE MEDICAL CENTER

DOWNTOWN  
ELIZABETH CITY

**HARBOR FREIGHT TOOLS**  
**OLLIE'S OUTLET**  
**CITITRENDS**  
**belk**  
**LOWE'S**  
**OfficeMax**  
**planet fitness**  
**BIG LOTS!**  
**Chick-fil-A**  
**Hardee's**  
**POPEYES**  
**DUNKIN' DONUTS**  
**FOOD LION**  
**Panera**  
**Wendy's**  
**DOLLAR TREE**

**ELIZABETH CITY STATE UNIVERSITY**  
1,770 STUDENTS

**ELIZABETH CITY REGIONAL AIRPORT**



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# Executive Summary

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$4,162,000</b>
Down Payment	100% \$4,162,000
Cap Rate	5.85%
Building SF	9,993 SF
Net Cash Flow	5.85% \$243,472.80 <sup>(1)</sup>
Year Built	2016
Lot Size	2.79 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	DaVita
Guarantor	Corporate / DaVita Healthcare Partners Inc.
Roof & Structure	Landlord Responsible
Lease Commencement Date	July 2, 2016
Lease Expiration Date	July 1, 2031
Lease Term Remaining	11.5 Years
Rental Increases	10% Every 5 Years
Renewal Options	2, 5 Year Options

(1) The current annual rent is \$221,338.91. The rent increases to \$243,472.80 as of August 2021. The Seller will agree to credit the Buyer at closing the difference between current rent and future scheduled rent.

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
6 - 10	\$243,472.80	5.85%
11 - 15	\$267,820.08	6.43%
Options	Annual Rent	Cap Rate
Option 1	\$294,602.09	7.08%
Option 2	\$324,062.30	7.79%

<b>Base Rent</b>	<b>\$243,472.80</b>
<b>Net Operating Income</b>	<b>\$243,472.80</b>
<b>Total Return</b>	<b>5.85% \$243,472.80</b>







 **Hall**  
MileOne Autogroup

 **the Y**  
YWCA

 **COLLEGE OF THE ALBEMARLE**  
3,350 STUDENTS

 **SENTARA®**  
SENTARA ALBEMARLE MEDICAL CENTER

 **Wendy's**

 **CAPTAIN D'S**  
SEAFOOD KITCHEN

 **MCDONALD'S**

 **CITGO**

 **FOOD LION**

 **Davita®**

**23,000 CPD**  
N ROAD STREET

 **VIDANT HEALTH™**







23,000 CPD  
N ROAD STREET

DOLLAR GENERAL

Barley  
Pizza



MCDONALD'S





# Property Description



## INVESTMENT HIGHLIGHTS

- » **11.5 Years Remaining on Corporate Lease with DaVita**
- » 10% Rental Increases Every 5 Years
- » **30,476 Residents within a 5-Mile Radius**
- » Households Projected to Increase Nearly 11% in Immediate Area by 2023
- » **Certificate of Need State**
- » This Location Houses 19 Patients Stations, of which 6 are Used for Home Training
- » **Located Less Than 1 Mile from the 182-Bed Sentara Albemarle Medical Center and College of the Albemarle (3,350+ Students)**
- » Surrounded by Major National Retailers - Food Lion, McDonald's, Wendy's, Captain D, YMCA, and More
- » **Visible to 23,000+ Cars/Day Along Road Street**
- » Average Household Income Exceeds \$64K within a 1-Mile Radius
- » **Strong Daytime Population - 33,193 Employees in Surrounding Area**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2023 Projection	1,881	18,950	31,784
2018 Estimate	1,711	18,473	30,476
Growth 2018 – 2023	9.96%	2.59%	4.29%

### Households

2023 Projection	811	7,948	12,307
2018 Estimate	728	7,614	11,578
Growth 2018 – 2023	11.44%	4.38%	6.29%

### Income

2018 Est. Average Household Income	\$64,427	\$50,163	\$56,228
2018 Est. Median Household Income	\$53,548	\$37,243	\$43,173
2018 Est. Per Capita Income	\$27,563	\$21,131	\$22,196









# Tenant Overview



**DaVita Inc.**

Company

**NYSE: DVA**

Stock Symbol

**Denver, Colorado**

Headquarters

**2,510+**

Dialysis Centers

**[www.davita.com](http://www.davita.com)**

Website

DaVita Inc. 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.

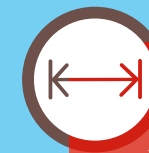
As of March 31, 2019, DaVita served 203,000 patients at 2,664 outpatient dialysis centers in the United States. The company also operated 241 outpatient dialysis centers in nine countries across the world. DaVita has reduced

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, everywhere. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu.

The company's 2018 revenue totaled \$11.4 billion, up nearly 5% from its 2017 revenue. In 2019, Javier Rodriguez became CEO of DaVita and shortly after was ranked among the most influential people in U.S. health care by Modern Healthcare.



# Location Overview



**1 Mile**  
to Sentara Albemarle  
Medical Center

**30 Miles**  
to Outer Banks, North  
Carolina

**58 Miles**  
to Virginia Beach,  
Virginia

**94 Miles**  
to East Carolina  
University

Elizabeth City is a city in Pasquotank County, North Carolina with an estimated population of 18,683. It is the cultural, economic, and educational hub of the sixteen-county Historic Albemarle region of northeastern North Carolina. Elizabeth City is the center of the Elizabeth City Micropolitan Statistical Area and is part of the larger Virginia Beach-Norfolk, VA-NC Combined Statistical Area. The city has been named one of the "100 Best Small Towns in America" and is ranked by Money Magazine as "one of the best places to live on the East Coast."

Once a major seaport where sailing ships carried goods to and from the new world, the city is marketed today as the "Harbor of Hospitality." Elizabeth City has a long history of shipping due to its location at a narrowed bend of the Pasquotank River, and prospered in the late 1700s as a mercantile city, later shifting its focus to industrial and commercial. While Elizabeth City still retains

its extensive waterfront property, it is linked to neighboring counties and cities by highways and bridges and serves as the site of the largest US Coast Guard base in the nation.

The city boasts three institutions of higher learning - two colleges and a constituent university of the University of North Carolina. The city is also home to six major commands of the US Coast Guard and Sentara Albemarle Medical Center, a 182-bed regional medical center and part of the Sentara Healthcare System.

North Carolina is a Certificate of Need (CON) state, which creates significant barriers to entry in this market for any potential competitors of DaVita. CON laws are designed to restrain health care facility costs and allow coordinated planning of new services and construction.



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