



FRESENIUS MEDICAL CARE  
605 NW HICKORY ST | ALBANY, OR 97321



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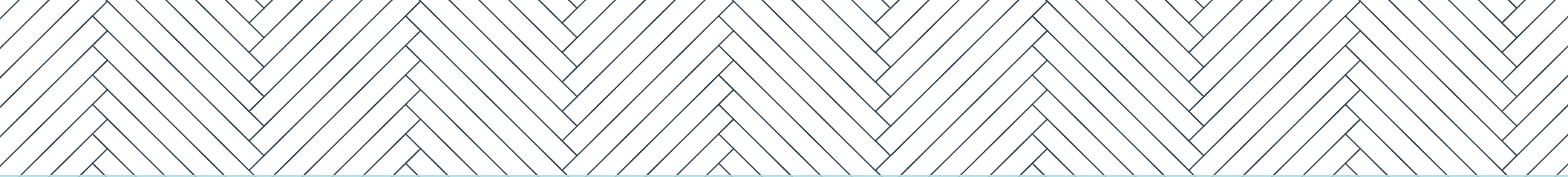
## **AUSTIN CAIN**

Broker of Record  
License #: 200305153

**CBRE**

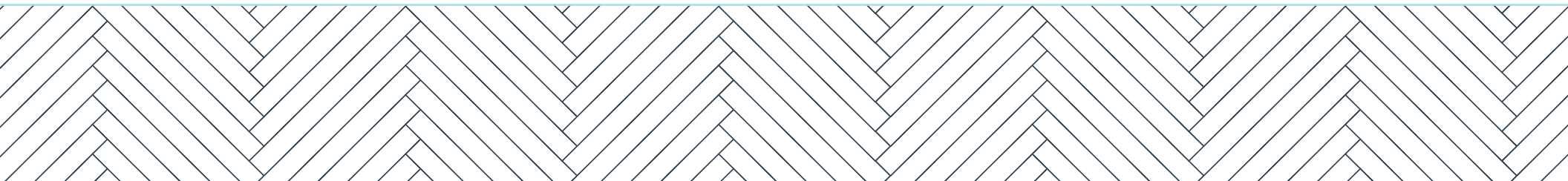
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01

THE OPPORTUNITY



# THE OFFERING

As the exclusive representative of the owner, CBRE Capital Markets is proud to offer for sale Fresenius Dialysis Clinic North Albany. This 12,986 SF (GLA) single tenant medical building houses 24 patient stations, 1 private station located in a separate room, and 2 home therapy rooms.

Built-to-suit in 2016, the Tenant relocated from its smaller downtown Albany location into this new, state-of-the-art facility in North Albany Village, a master planned lifestyle and medical center. Ideally situated inside the main commercial area of North Albany Village, Fresenius' building exterior incorporates colored masonry, stucco, wood, and stone to match the upscale look and feel of the shopping center. Fresenius's retail neighbors include IGA Supermarket, Ace Hardware, Starbucks, Oregon State Credit Union, and several other restaurants and service providers. Designed to blend retail and medical uses, North Albany Village adjoins with a specialty medical park, home of Rebound Physical Therapy & Sports Medicine (36,233 SF), Samaritan Heartspring Sleep and Wellness Center (20,407 SF) and Corvallis Clinic North Albany (18,600 SF) among others.

Oregon is a Certificate of Need (CON) State, which creates significant barriers to entry in this market for any potential new competitors of Fresenius. CON laws are designed to restrain healthcare facility costs and allow coordinated planning of new services and construction.

Fresenius Dialysis North Albany is a corporate, investment grade net lease with 11 years remaining on the initial term, minimal landlord responsibilities (roof & structure) and attractive 1.70% annual rental escalations. CBRE offers the property free and clear of debt, allowing investors to take advantage of the attractive interest rate environment.

## INVESTMENT SUMMARY

PRICE:	\$9,247,000
CAP RATE:	5.50%
NET OPERATING INCOME (NOI):	\$508,583
LEASE TYPE:	Net Lease (Roof & Structure)
LEASE TERM:	15 Years (11 Remaining)
INCREASES:	1.70% Annually
OPTIONS:	Three (3), five year options

## PROPERTY SUMMARY

Address	605 NW Hickory Street, Albany, OR
Building Size	12,986 SF
Parcel Size	.94 Acres
Tenant	Qualicenters Albany, LTD., a Colorado LLC d/b/a Fresenius Medical Care Albany - Oregon
Guarantor	Fresenius Medical Care Holdings, Inc.
Year Built	2016

# INVESTMENT HIGHLIGHTS

## INVESTMENT GRADE TENANT

Fresenius Medical Care (S&P: BBB; Moody's Baa3; Fitch BBB-) is rated investment grade by all three leading rating agencies.

## LONG TERM LEASE WITH ATTRACTIVE ESCALATIONS

Initial Term has 11 years remaining (through March 31, 2031) and includes 1.70% annual rental increases.

## WORLD'S LARGEST RENAL CARE SERVICES PROVIDER

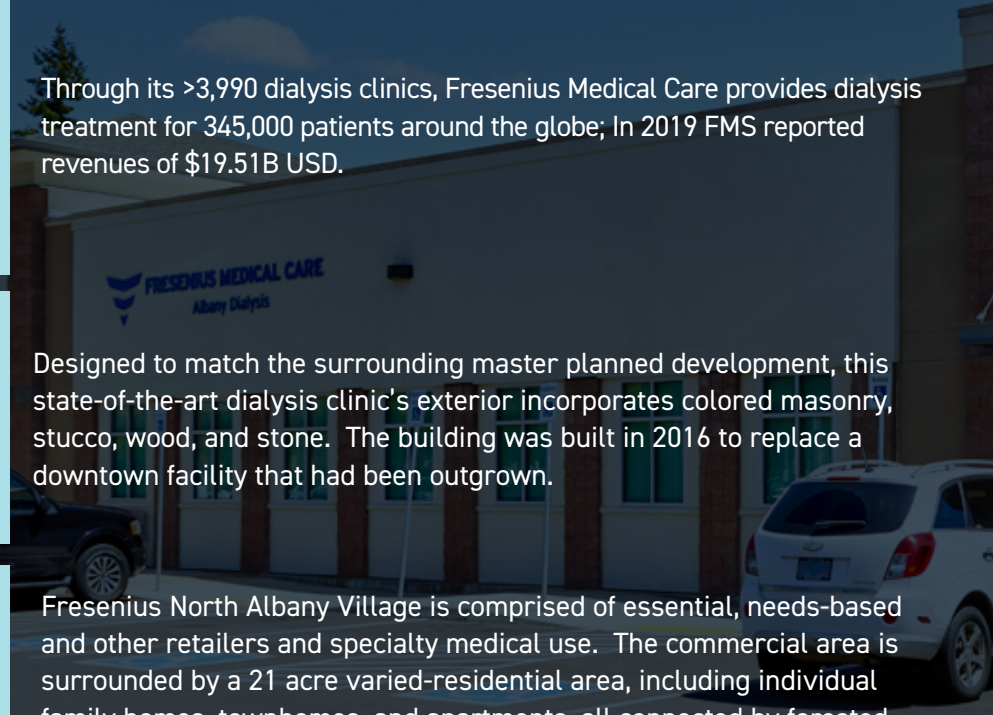
Through its >3,990 dialysis clinics, Fresenius Medical Care provides dialysis treatment for 345,000 patients around the globe; In 2019 FMS reported revenues of \$19.51B USD.

## BEAUTIFUL BUILD-TO-SUIT; RELOCATED CLINIC

Designed to match the surrounding master planned development, this state-of-the-art dialysis clinic's exterior incorporates colored masonry, stucco, wood, and stone. The building was built in 2016 to replace a downtown facility that had been outgrown.

## ROBUST, UP- SCALE LIFESTYLE & MEDICAL CENTER

Fresenius North Albany Village is comprised of essential, needs-based and other retailers and specialty medical use. The commercial area is surrounded by a 21 acre varied-residential area, including individual family homes, townhomes, and apartments, all connected by forested area and walkable/bikeable paths. Surrounding tenants include IGA Supermarket, Ace Hardware, Oregon State Credit Union, & Starbucks.



# SECTOR STABILITY HIGHLIGHTS

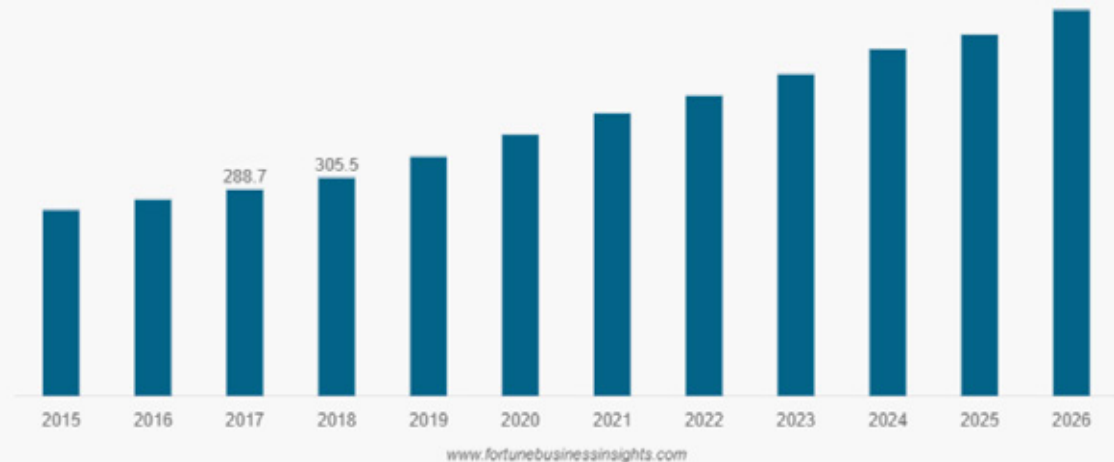


## ESSENTIAL-CRITICAL MEDICAL USE

Because dialysis treatment is considered critical, no U.S. dialysis clinics were forced to close by state or federal decree during the COVID-19 pandemic, as was the case with medical providers considered “elective” (dental, eye care, etc.) In fact, due to a connection between mechanically ventilated patients and Acute Kidney Injury (AKI) (40% of ventilated patients will have problems with their kidneys)\*\*, the COVID-19 crisis has led to an increased number of patients needing renal care.

\*\*MedPage Today, 2020

North America Continuous Renal Replacement Therapy (CRRT) Market Size, 2015-2026 (USD Million)



## MARKET GROWTH: INCREASING NEED OF CONTINUOUS RENAL REPLACEMENT THERAPY (CRRT)

An increase in diabetes, hypertension, and an aging population are the primary drivers for the global CRRT market

**From 2019 to 2030, diabetes cases eventually requiring CRRT are expected to rise from 463 million to 578 million\***

\*Fortune Business Insights, 2020



**GOVERNMENT FUNDING**

The federal government has provided healthcare coverage for end stage renal disease (ESRD) since 1972 under the Medicare ESRD Program.



**CERTIFICATE OF NEED STATE (CON)**

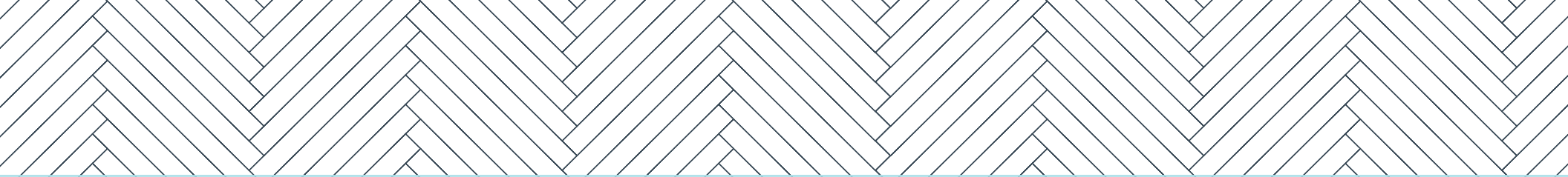
Oregon is a Certificate of Needs state, which creates significant barriers to entry in this market for any potential new competitors of Fresenius. CON laws are designed to restrain healthcare facility costs and allow coordinated planning of new services and construction.



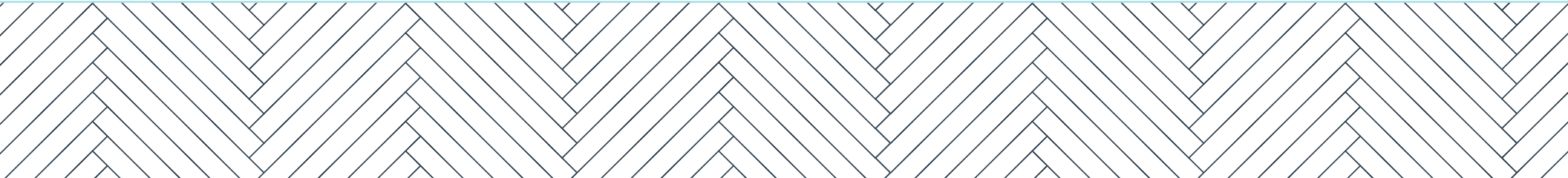
**E-COMMERCE & E-MEDICAL (TELEHEALTH)  
RESISTANT**

Given the nature of the service, healthcare related real estate has been the least affected by the emergence of E-commerce. Primary Care and Family Practice have also seen some movement to virtual, video chat-based model. In contrast, Renal Replacement Therapy is an involved process, and though at-home dialysis is a growing part of Fresenius's business, the service requires robust support of renal clinics, as well as dialysis stations available for at-home patients needing emergency treatment.





02 RENT SCHEDULE & LEASE SUMMARY





# RENT SCHEDULE

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT/SF	YIELD AT \$9.235M
Year 1	\$475,421.00	\$39,618.42	\$36.61	--
Year 2	\$483,503.16	\$40,291.93	\$37.23	--
Year 3	\$491,722.71	\$40,976.89	\$37.87	--
Year 4	\$500,082.00	\$41,673.50	\$38.51	--
<b>CURRENT</b> Year 5	\$508,583.39	\$42,381.95	\$39.16	5.50%
Year 6	\$517,229.31	\$43,102.44	\$39.83	5.59%
Year 7	\$526,022.21	\$43,835.18	\$40.51	5.69%
Year 8	\$534,964.58	\$44,580.38	\$41.20	5.78%
Year 9	\$544,058.98	\$45,338.25	\$41.90	5.88%
Year 10	\$553,307.98	\$46,109.00	\$42.61	5.98%
Year 11	\$562,714.22	\$46,892.85	\$43.33	6.08%
Year 12	\$572,280.36	\$47,690.03	\$44.07	6.19%
Year 13	\$582,009.13	\$48,500.76	\$44.82	6.29%
Year 14	\$591,903.28	\$49,325.27	\$45.58	6.40%
Year 15	\$601,965.64	\$50,163.80	\$46.35	6.51%

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK'

## LEASE SUMMARY

<b>Lease Commencement</b>	April 1, 2016
<b>Lease Expiration</b>	March 31, 2031
<b>Lease Term</b>	15 Years (11 Years Remaining)
<b>Landlord Responsibilities</b>	Roof & Structure
<b>Renewal Options</b>	Three (3), five year options
<b>Increases</b>	1.70% Annually





# Fresenius

Fresenius Medical Care is the world's leading provider of products and services for people with chronic kidney failure. Around 3.5 million patients worldwide with this disease regularly undergo dialysis treatment. Dialysis is a life-saving blood cleansing procedure that substitutes the function of the kidney in case of kidney failure.

Fresenius cares for more than 345,000 patients in their global network of nearly 4,000 dialysis clinics. Simultaneously, Fresenius operates 45 production sites in more than 20 countries, to provide dialysis products such as dialysis machines, dialyzers and related disposables.



Company Type  
Public (NYSE: FMS)



Employees 2019  
120,659



Credit Rating  
S&P: BBB-



Patients 2019  
345,096



Revenue 2019  
\$19.54 BN



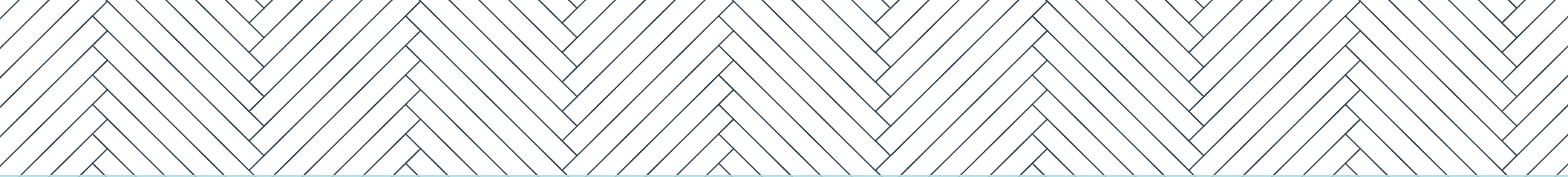
Global Need for Dialysis  
3.5 Million People



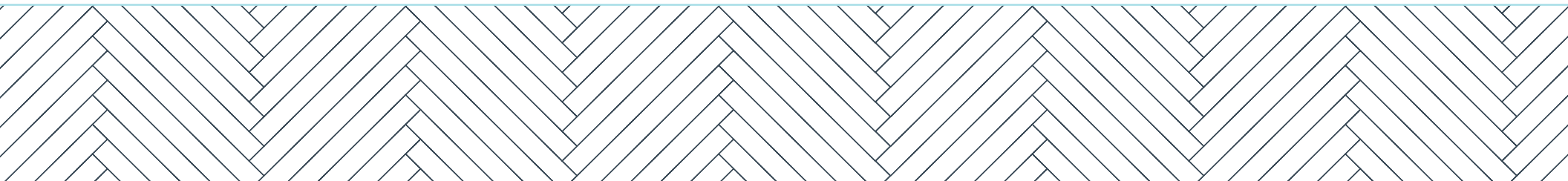
Net Income  
\$1.53 BN



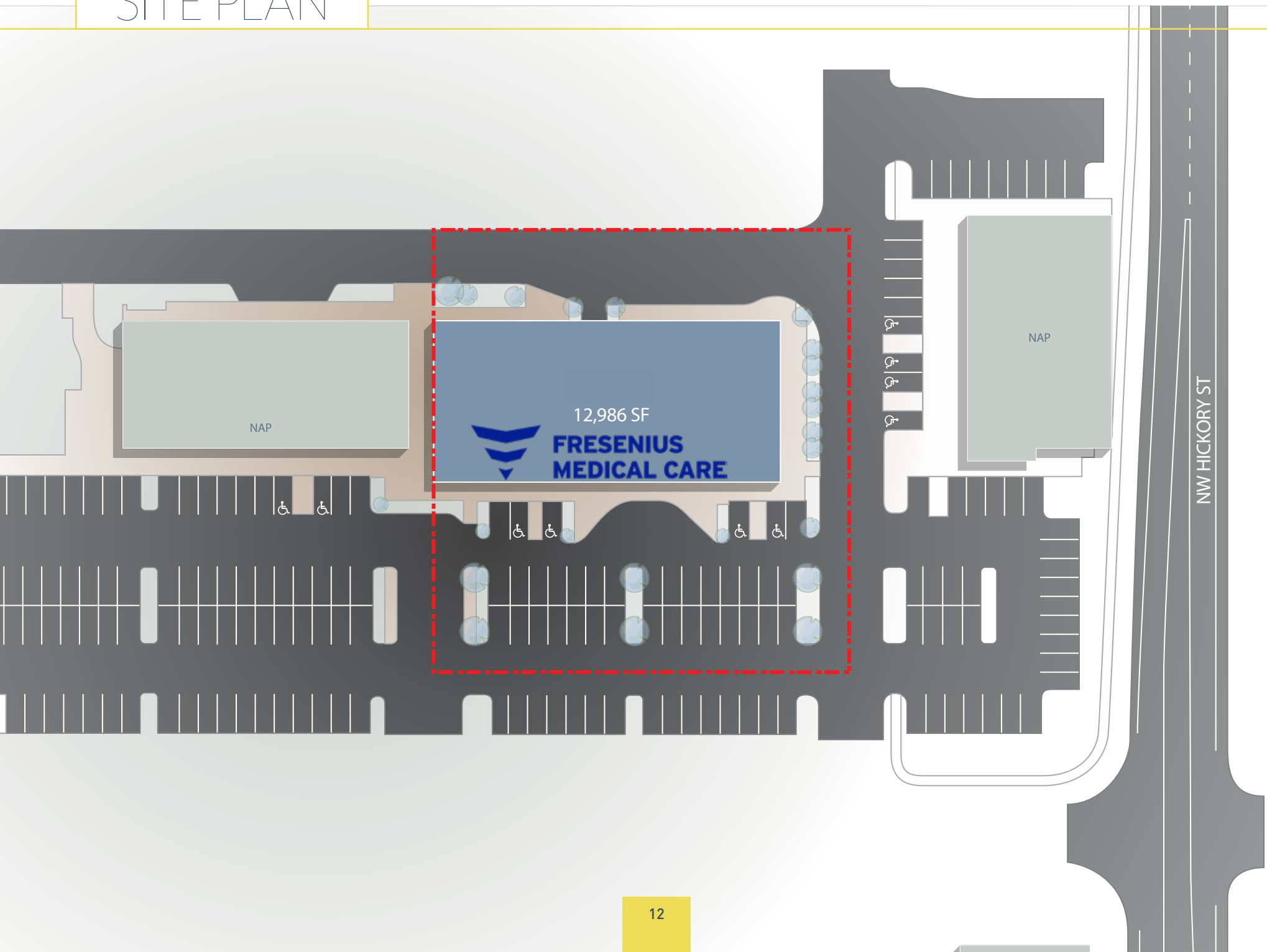
Dialysis Centers  
3,994 Centers Worldwide



03 PROPERTY & LOCATION OVERVIEW



# SITE PLAN



DOWNTOWN  
ALBANY  
1 MILE

ALBANY GOLF  
CLUB

NORTH POINTE  
NEIGHBORHOOD  
AVG HOME PRICE:  
\$354,165



Samaritan  
Heartspring  
Wellness Center



ALBANY  
SPORT & SPINE  
PHYSICAL THERAPY


H&R  
BLOCK  
Edward Jones  
MAKING SENSE OF INVESTING

The  
Corvallis Clinic



Willamette River

HOME PRICES IN AREA  
CODE 97321 HAVE  
INCREASED 6% IN  
LAST 12 MONTHS



**Bonaventure**  
Senior Living

143 UNITS

AVG HOME PRICE:  
\$300,000



Oregon State  
Credit Union



**ACE**  
The helpful place.



**COLDWELL  
BANKER**

VALLEY BROKERS



**IGA**



Chevron

NW North Albany Road (13,020 VPD)

Mexico Lindo

Starbucks



State Farm

NW Hickory Street (2,000 VPD)


Frankie's



**FRESENIUS  
MEDICAL CARE**



The Corvallis Clinic



ALBANY  
SPORT & SPINE  
PHYSICAL THERAPY

Downtown  
Albany  
1 MILE

Samaritan Albany  
General Hospital  
1.7 MILES

Bryant Park



Albany Corvallis HWY (21,200 VPD)



NW North Albany Road (13,020 VPD)

NW Hickory Street (2,000 VPD)



Samaritan  
Heartspring  
Wellness Center



3 MILES



SUBJECT SITE

The Corvallis Clinic at North Albany  
River's Edge Pet Medical Center  
IGR  
ACE

21,735 VPD 18

16,396 VPD 18  
81,044 VPD 18

HERITAGE MALL  
Target  
sears  
OLD NAVY  
HOBBY LOBBY  
ROSS  
DRESS FOR LESS

West Albany HS  
Students: 1,346  
Midvalley Family Clinic

18,682 VPD 18

99E

Linn Benton Community College  
Students: 5,830

Fred Meyer  
BI-MART  
JO-ANN

Staples

LOWE'S

9th Ave

18,805 VPD 18

ALBANY PLAZA  
DOLLAR TREE  
Country Furnishings  
RITE AID

Geary St

44,114 VPD 18

Walmart  
Coastal Farm & Ranch

THE HOME DEPOT

HERITAGE PLAZA  
GROCERY OUTLET  
SAFEMAY  
Marshalls  
BIG LOTS

Waverly Dr

5

43,960 VPD 18

5

99E

18,805 VPD 18

44,114 VPD 18

5

5

Old Salem

5

Murder Creek Rd

WinCo FOODS  
COSTCO WHOLESALE  
KOHLS

Scraven Hill Rd

Kennel Rd

Grand Prairie Rd

Valley View Dr

Scenic Dr

Crocker Ln

Gibson Hill Rd

Springhill Dr

Springhill Dr

Golf Club Of Oregon

Albany Golf Club

1st Ave

Queen Ave

Marion St

34th Ave

Riverside Dr

Oakville Rd

Scraven Hill Rd

Kamph Dr



# ALBANY, OR



The city of Albany sits in the heart of Oregon's Willamette Valley, on the banks of the Willamette and its tributary, the Calapooia River. Home to 53,145 (2018 PSU Certified Estimate), Albany is the 11th largest city in Oregon, the county seat of and largest city in Linn County (2018 population: 127,335), and the second largest city in Benton County (2018 population: 92,101).

Albany has grown south and east and across the Willamette into the farms and wooded hillsides of North Albany earning it the nickname of Oregon's "Hub City."

Rare metals manufacturing, agriculture, and secondary wood products comprise the backbone of the local economy.

Albany's economic center is located in one of the 10 most productive agricultural areas of the world. The production, processing, and packaging of locally grown grass seeds, vegetable seeds, beans, corn, peas, strawberries, and many other crops contribute significantly to the strength of the area's economy.

**10 MILES FROM OREGON STATE UNIVERSITY (28,886+ Students)**



## #3

**Best Green Cities (2007)**

## #5

**Most Secure Place to Live (2011)**

The Corvallis area includes the cities of Corvallis and Albany, 12 miles apart in the central part of the Willamette Valley. Corvallis is the home of Oregon State University, and while the university is a strong factor in the makeup and economy of the town, it isn't the whole story. A large research facility makes Hewlett-Packard the largest private employer. Educational attainment and resources are notably strong.



## TRADE AREA DEMOGRAPHICS

### AVG ANNUAL HOUSEHOLD INCOME

\$71,331

### GROCERY STORE SPENDING

\$100M

### DAYTIME POPULATION

59,364

### AVG ANNUAL RETAIL GOODS SPENDING PER HOUSEHOLD

\$18,155

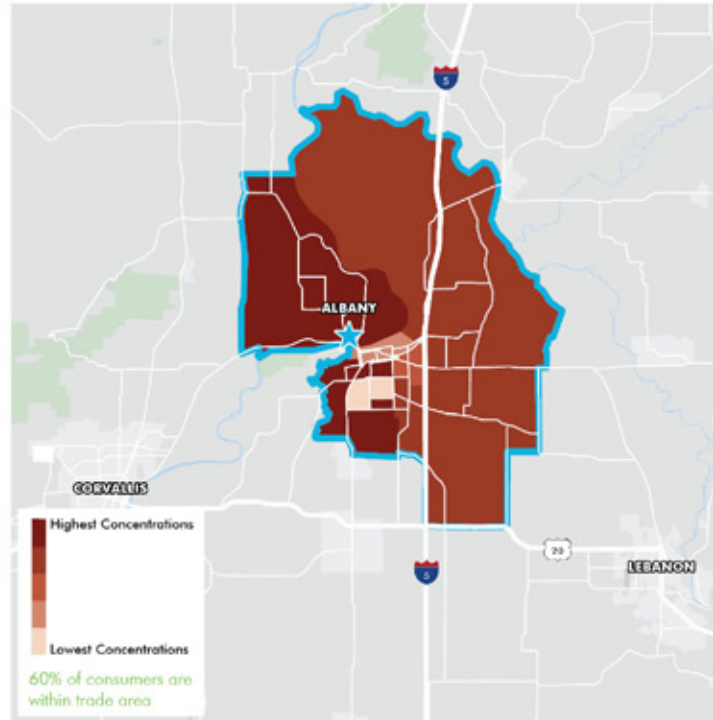
### EDUCATIONAL ATTAINMENT

10% Associates  
19% Bachelors  
10% Graduate

### TOTAL POPULATION

61,001

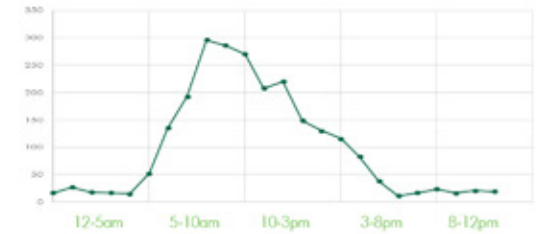
## TRADE AREA



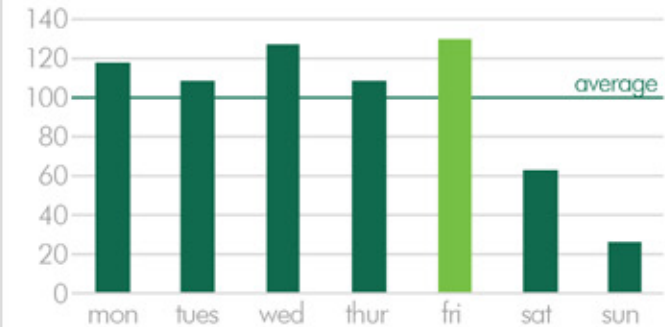
## MASSIVE MOBILE DATA

Data sourced from a wide range of varied mobile apps (SDKs) providing a location analysis solution for location decisions that is dramatically changing the way retailers consider their market strategy. By analyzing sophisticated mobile data, we are creating an accurate picture of customers. Whether used for retail, site selection, trade area analysis, marketing, or visitor profiling, mobile data is the most trusted solution for strategic marketplace analysis.

## WEEKDAY AVERAGE TRAFFIC



## TRAFFIC BY DAY



## FREQUENT VISITORS

**87%**  
two or more visits

## VISITOR BY ORIGIN

**88%** Local within 15 miles  
**12%** Regional outside of 15 miles

## POPULAR DAYS

Friday  
Wednesday

## TOP TAPESTRY SEGMENTS

**6A** Green Acres **11%** **4C** Middleburg **9%**  
**8F** Old and Newcomers **7%** **5C** Parks and Rec **7%**

## DISTANCE DECAY

% of Customers distance of residence

<b>80%</b>	<b>70%</b>	<b>60%</b>
24 miles	16 miles	6 miles

# DEMOGRAPHICS

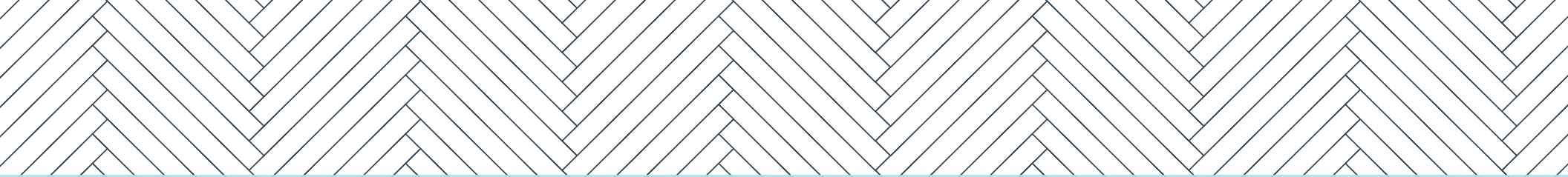
<b>POPULATION</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
2019 Population - Current Year Estimate	4,677	44,623	62,853
2024 Population - Five Year Projection	4,855	46,834	66,030
2010 Population - Census	4,390	40,727	57,081
2000 Population - Census	3,907	34,527	47,347
2010-2019 Annual Population Growth Rate	0.69%	0.99%	1.05%
2019-2024 Annual Population Growth Rate	0.75%	0.97%	0.99%

<b>HOUSEHOLDS</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
2019 Households - Current Year Estimate	1,867	17,385	24,261
2024 Households - Five Year Projection	1,934	18,210	25,438
2010 Households - Census	1,768	16,058	22,295
2000 Households - Census	1,555	13,573	18,486
2010-2019 Annual Household Growth Rate	0.59%	0.86%	0.92%
2019-2024 Annual Household Growth Rate	0.71%	0.93%	0.95%

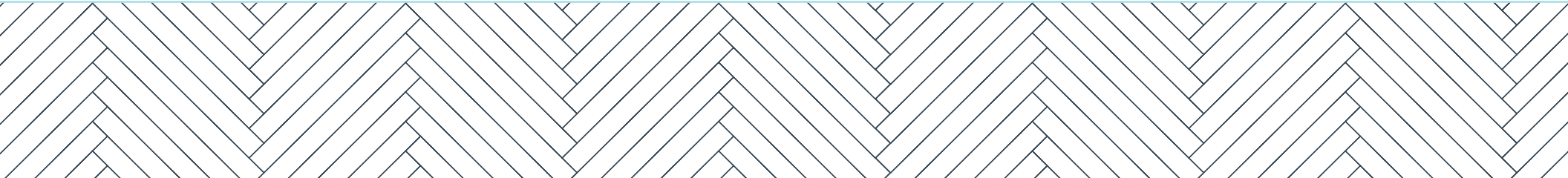
<b>HOUSEHOLD INCOME</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
2019 Average Household Income	\$88,846	\$69,622	\$71,514
2024 Average Household Income	\$105,727	\$80,489	\$82,313
2019 Median Household Income	\$66,475	\$52,606	\$55,786
2024 Median Household Income	\$78,306	\$58,892	\$62,694
2019 Per Capita Income	\$34,516	\$26,871	\$27,641
2024 Per Capita Income	\$40,946	\$31,000	\$31,751

<b>EDUCATION</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
2019 Population 25 and Over	3,357	30,243	43,263
HS and Associates Degrees	1,748	18,581	27,229
Bachelor's Degree or Higher	1,408	9,217	12,866

<b>PLACE OF WORK</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
2019 Businesses	550	1,813	2,183
2019 Employees	5,270	19,414	25,882



04 SURROUNDING MEDICAL





Formed over the course of five years beginning in 1997, Samaritan is a not-for-profit regional health system that brings together community hospitals, physician clinics and health insurance plans to serve more than 265,000 residents of Oregon’s Benton, Lincoln and Linn counties. Samaritan is governed by a board, which includes community members, physicians and hospital leaders.

As one of the region’s major employers, Samaritan actively participates in efforts to strengthen and grow the local economy, as well as to improve quality of life through high-achieving schools, a strong network of social services, and a commitment to preserving and protecting the environment.

Together with our 6,000 employees, Samaritan is committed to “building healthier communities together.”

Employees (Albany)  
1,030

Samaritan Albany General Hospital  
76 beds, Level III Trauma Center

Headquarters  
Corvallis, OR



Founded in 1947, The Corvallis Clinic is a physician-led medical clinic dedicated to quality patient care and exceptional service. The Clinic is the largest multi-specialty medical group in the mid-Willamette Valley. Our mission, vision, and values ensure that The Clinic will continue to meet high standards and provide trusted care for our patients.

Our more than 600 medical professionals and support staff take great pride in serving more than a quarter-million people in our communities of Linn, Benton, and Lincoln counties in Oregon. The Clinic has been recognized for superior performance by the American Medical Group Association, the National Committee of Quality Assurance, the Medical Group Management Association, and the Corvallis Area Chamber of Commerce.

Our offices can be found in Albany, Corvallis, Philomath, and Lebanon.

Employees (Albany)  
600+

**NEW BUILDING ALLOWS  
THE CORVALLIS CLINIC TO  
EXPAND PRIMARY CARE IN  
NORTH ALBANY**



The two-story building increases the size of The Clinic’s North Albany presence to 15,000 square feet and offers roomier waiting areas and larger exam rooms. The previous one-story North Albany Village site was 7,200 square feet

# Fresenius

## **AFFILIATED BUSINESS DISCLOSURE**

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the "Property"), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

## **CONFIDENTIALITY AGREEMENT**

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

## **DISCLAIMER**

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner. PMStudio\_June2020



# Fresenius

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