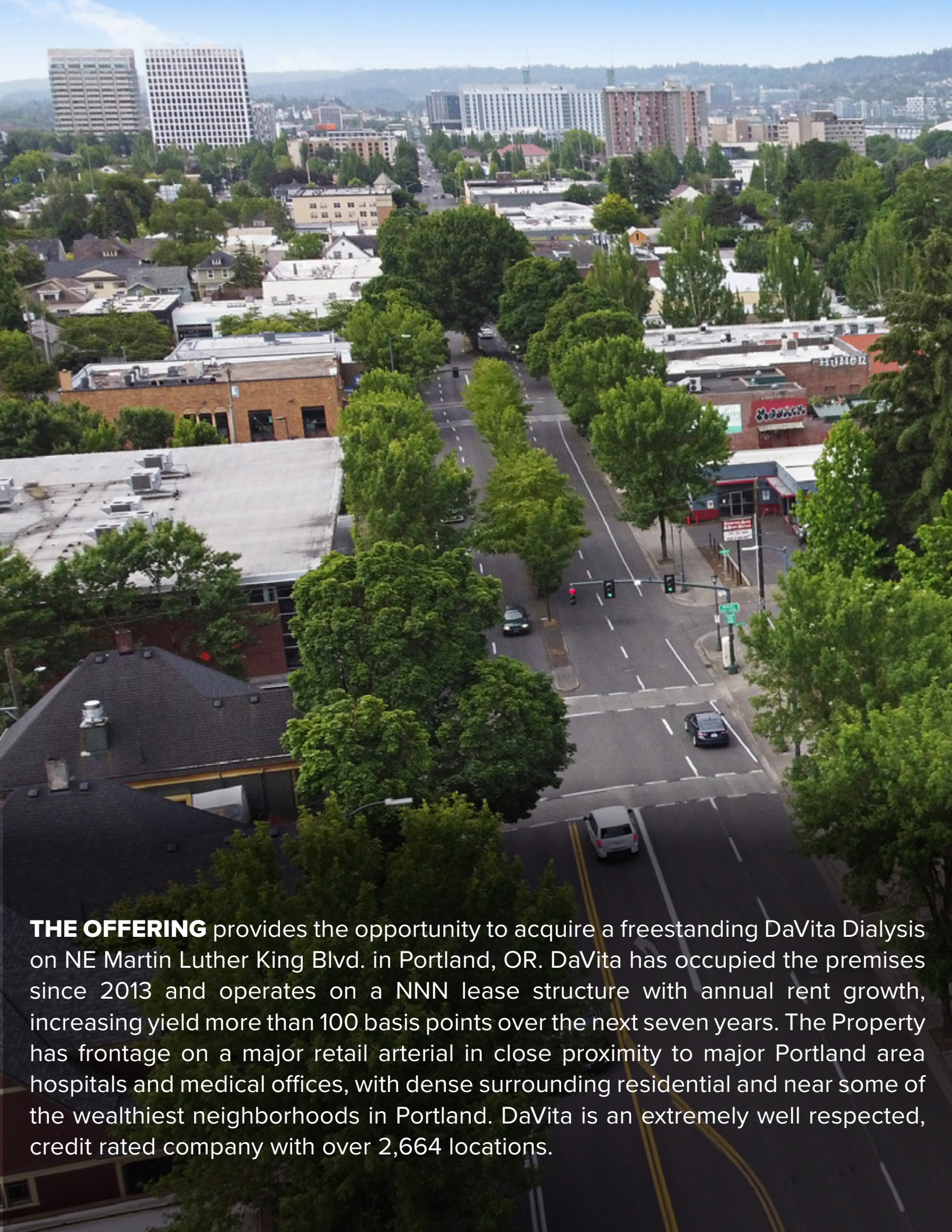


# DAVITA DIALYSIS

PORTLAND, OREGON

CAPITAL  PACIFIC





**THE OFFERING** provides the opportunity to acquire a freestanding DaVita Dialysis on NE Martin Luther King Blvd. in Portland, OR. DaVita has occupied the premises since 2013 and operates on a NNN lease structure with annual rent growth, increasing yield more than 100 basis points over the next seven years. The Property has frontage on a major retail arterial in close proximity to major Portland area hospitals and medical offices, with dense surrounding residential and near some of the wealthiest neighborhoods in Portland. DaVita is an extremely well respected, credit rated company with over 2,664 locations.







## Overview

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# DaVita Dialysis

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2737 NE MARTIN LUTHER KING JR BLVD, PORTLAND, OR 97212



**\$5,120,000**

**PRICE**

**5.35%**

**CAP**

# Investment Summary

LEASEABLE SF\*  
**11,194 SF**

LAND AREA  
**29,778 SF**

LEASE TYPE  
**NNN**

LEASE EXPIRATION  
**5/30/2027**

YEAR BUILT/REMODELED  
**1955/2015**

PARKING  
**±25 Spaces;  
2.2/1,000 SF**

*\*Excludes the ±6,284 SF basement utilized by the Tenant.*

- **DAVITA IS A CREDIT-RATED, STRONG NATIONAL COMPANY WITH 154 NEW LOCATIONS ADDED IN THE LAST YEAR.**
- **WELL-POSITIONED INNER NORTHEAST PORTLAND LOCATION NEAR MAJOR AREA HOSPITALS: LEGACY EMANUEL HOSPITAL, LEGACY RANDALL CHILDREN’S HOSPITAL, AND KAISER INTERSTATE.**
- **NNN LEASE STRUCTURE WITH ANNUAL 2.5% RENT INCREASES.**
- **APPROXIMATELY \$2M IN BUILDING UPGRADES INVESTED BY TENANT.**
- **CLOSEST DAVITA IS 2.5 MILES AWAY FOLLOWING THE CLOSURE OF THE NE HANCOCK LOCATION IN 2020.**
- **RENT IS ROUGHLY 15% BELOW MARKET RENT COMPARED TO NEWER CONSTRUCTION PNW MEDICAL CLINICS WITH AN AVERAGE RENT OF \$30/SF.**
- **FRONTAGE ON MLK BLVD. (99E), ONE OF THE MOST HIGHLY-TRAFFICKED NORTH-SOUTH ARTERIALS RUNNING THROUGH NORTH PORTLAND, AND CATTY-CORNER TO THE NIKE COMMUNITY STORE AND RENOWNED RESTAURANTS TORO BRAVO AND OX.**
- **KIDNEY DIALYSIS IS E-COMMERCE AND RECESSION RESISTANT.**



# About DaVita Dialysis

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## About DaVita Diaslysis

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**DAVITA** is the largest provider of kidney care services in the U.S. and has been a leader in clinical quality and innovation for over 20 years. The company treats patients with chronic kidney failure and end stage renal disease. DaVita has reduced hospitalizations, and improved mortality. DaVita is a Fortune 500® health care provider focused on transforming care delivery to improve quality of life for patients around the globe. DaVita has a reported 37% market share of U.S. dialysis market based upon the number of patients served. The total number of patients increased by approximately 2.5% in 2018 as compared to 2017.



## Quick Stats

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55,000

EMPLOYEES

203,000

PATIENTS

2,664

OUTPATIENT  
DIALYSIS CENTERS

154

NEW CENTERS  
IN 2018

Fortune's "World's Most Admired  
Companies" List for 12 Years

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DAVITA MEANS "TO GIVE LIFE"

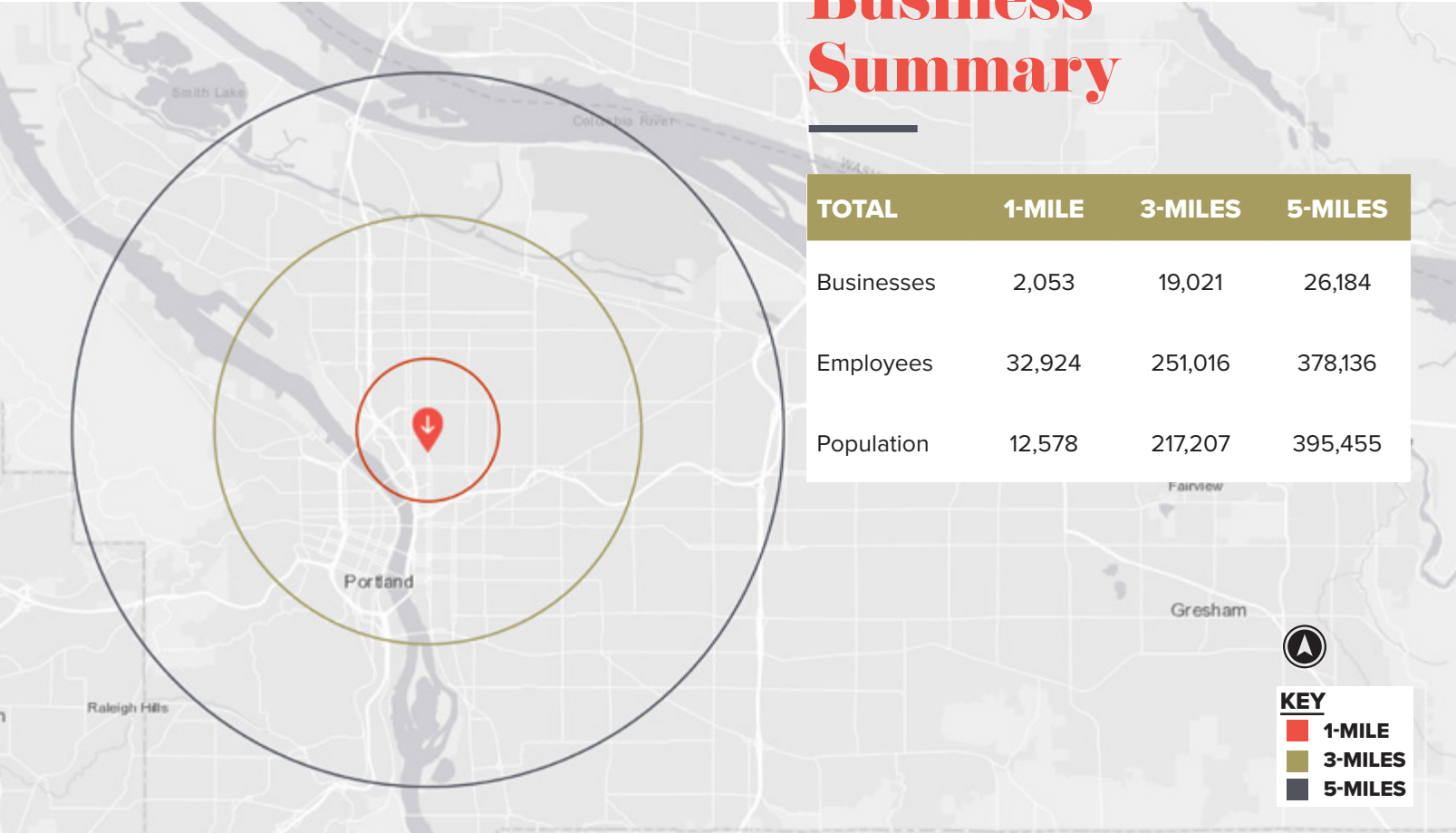
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About DaVita Dialysis



# Surrounding Retail

# Business Summary



## MAJOR RETAIL

Ace Hardware  
Barnes & Noble  
Dollar Tree  
Fred Meyer  
GAP  
Goodwill

H&M  
LA Fitness  
Macy's  
Marshalls  
New Seasons Market  
Nike Factory Store  
Office Depot

Old Navy  
Regal Lloyd Center & IMAX  
Ross Dress for Less  
Safeway  
ULTA Beauty  
Walgreens  
Whole Foods Market





LEGACY  
RANDALL  
CHILDREN'S  
HOSPITAL

LEGACY  
EMMANUEL  
MEDICAL  
CENTER

99E

ALBERTA ARTS  
DISTRICT  
1.5 MILES NORTH

\$103K

HH INCOME  
WITHIN A MILE  
RADIUS

DAVITA  
DIALYSIS

29,698  
VPD

KAISER  
PERMANENTE  
INTERSTATE  
MEDICAL OFFICE

5

30

FedEx Office  
Print & Ship Services  
Walgreens

DOLLAR TREE  
LA FITNESS  
SAFeway  
Bank of America

NE BROADWAY STREET

ACE  
The helpful place.

modacenter

164,260  
VPD

Fred Meyer

PEARL DISTRICT  
1.7 MILES VIA  
FREMONT &  
BROADWAY  
BRIDGES

OREGON  
CONVENTION  
CENTER

146,650  
VPD

NE MARTIN LUTHER KING JR BOULEVARD

NE GRAND AVE

99E

Marshalls  
OLD NAVY ★ macy's  
GAP ROSS ULTA  
DRESS FOR LESS  
FOREVER 21 H&M  
BARNES & NOBLE  
BOOKSELLERS

THE PEARL  
DISTRICT, ALBERTA  
ARTS DISTRICT,  
AND MODA  
CENTER ARE ALL  
WITHIN 1.5 MILES  
OF THE SUBJECT  
PROPERTY.



# Surrounding Retail











# Financial Summary

<b>PRICE</b>	<b>\$5,120,000</b>
<b>CAPITALIZATION RATE</b>	<b>5.35%</b>
<b>PRICE PER FOOT*</b>	<b>\$293</b>

## CASH FLOW SUMMARY

<b>SCHEDULED INCOME</b>	<b>PER SF</b>	
Base Rent for the Period of: 9/1/2020 - 8/31/2021	\$26.02	\$291,295
Rent Increases Over Base Rent	\$0.16	\$1,821
Operating Expense Reimbursement	\$4.38	\$49,030
<b>Total Effective Gross Income (EGI)</b>	<b>\$30.57</b>	<b>\$342,145</b>

<b>OPERATING EXPENSES</b>	<b>PER SF</b>	
CAMS	\$1.20	\$13,484
Property Taxes	\$3.48	\$39,011
Insurance	\$0.24	\$2,719
Management	\$1.07	\$11,975
Reserves	\$0.10	\$1,119
<b>Total Operating Expenses</b>	<b>\$6.10</b>	<b>\$68,308</b>

<b>NET OPERATING INCOME</b>	<b>\$273,837</b>
-----------------------------	------------------

1) Price PSF based on gross leaseable SF, including the basement utilized by the Tenant.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



# Rent Roll

## DaVita Dialysis

Lease Term: 5/31/2015 - 5/30/2027

Size (SF): 11,194

### RENT SUMMARY

DATE	MONTHLY BASE RENT	% INCREASE	ANNUAL RENT	PSF	CAP RATE
6/1/2020	\$24,275		\$291,295	\$26.02	5.35%
6/1/2021	\$24,881	2.5%	\$298,577	\$26.67	5.83%
6/1/2022	\$25,503	2.5%	\$306,041	\$27.34	5.98%
6/1/2023	\$26,141	2.5%	\$313,692	\$28.02	6.13%
6/1/2024	\$26,795	2.5%	\$321,535	\$28.72	6.28%
6/1/2025	\$27,464	2.5%	\$329,573	\$29.44	6.44%
6/1/2026	\$28,151	2.5%	\$337,812	\$30.18	6.60%

**OPTIONS** 3, 5-Year Options; Annual 2.5% Increases; 180 Day's Notice

**CURRENT \$24,275 \$291,295 \$26.02 5.35%**

### Lease Notes

Comments: NNN Lease - Tenant reimburses Landlord for taxes, insurance, common utilities and maintenance (excludes 3rd party management). Tenant has 3, 5-year options to be exercised with 180 day's notice. Controllable CAM is capped at a 3% increase annually (excludes taxes, insurance, utilities).



# Financial Summary

## Operating Expenses

	PROJECTED OPERATING EXPENSES			REIMBURSEMENTS
	TOTAL	PER SF	NOTES	IN-PLACE
CAMS	\$13,484	\$1.20	1	\$7,300
PROPERTY TAXES	\$39,011	\$3.48	2	\$39,011
INSURANCE	\$2,719	\$0.24	1	\$2,719
MANAGEMENT	\$11,975	\$1.07	3	\$0
RESERVES	\$1,119	\$0.10	4	\$0
TOTAL EXPENSES	\$68,308	\$6.10		\$49,030

**NOTES:**

- 1) Based on 2020 Budget.
- 2) Based on 2019 Multnomah County Tax Assessment.
- 3) Based on 3.5% of EGI.
- 4) Methodology: \$0.10/SF.







# Lease Abstract

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# Premise & Term

TENANT	Total Renal Care, Inc. (DaVita Dialysis)
BUILDING SF	11,194 SF
LEASE TYPE	NNN

# Maintenance & Repair

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## TENANT’S OBLIGATIONS

Tenant is responsible for all interior, and nonstructural portions of the Premises, including the maintenance, repair, and replacement of the HVAC unit.

## LANDLORD’S OBLIGATIONS

Landlord is responsible for the maintenance, repair, and replacement of the landscaped areas, roads, sidewalks, parking lot, and roof, foundation, exterior window, and building structure.



# Expenses

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## PROPERTY TAXES

Tenant reimburses 100% of property taxes to Landlord on a monthly basis.

## INSURANCE

Tenant reimburses their share of Landlord's property and general liability insurance premiums and maintains their own general liability policy.

## UTILITIES

Tenant pays all utilities directly.

## CAMS

Tenant is responsible for reimbursement of exterior maintenance and repair, capped at a 3% increase from the prior year (excludes taxes, insurance, and utilities). CAMs do not include 3rd party management nor parking area landscaping/maintenance.

# Lease Provisions

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## RADIUS RESTRICTION

Landlord will not lease or sell any property directly or indirectly controlled by Landlord to a business that derives more than 10% of its revenue from renal dialysis within a 5-mile radius.

# Contact Us

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**MEET THE ENTIRE TEAM [HERE.](#)**



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