



**FRESENIUS
MEDICAL CARE**

STURGIS, MICHIGAN

1276 KITSON AVENUE, STURGIS, MI 49041



INVESTMENT OVERVIEW

FRESENIUS OF STURGIS, MICHIGAN



OVERVIEW

Built in 2008, the 6,500 square foot, freestanding facility consists of 12-patient stations with 33 patients and operates 3 days a week (3 shifts - Monday, Wednesday, Friday).

LEASE TERM

The tenant exercised an early 5-Year extension in 2019, resulting in a new lease expiration date of 8/31/2026, or 6 years of lease term remaining. Beginning in 2022, the lease provides for 2% annual rent escalations for the remainder of the term.

NET LEASE STRUCTURE

The lease is structured on a net basis, whereby the Tenant is responsible for all expenses relating to common area maintenance, HVAC, landscaping, snow removal, insurance, taxes and utilities. The landlord is responsible for the roof and structure as well as the parking areas of the facility.

INVESTMENT GRADE TENANT

Fresenius Medical Care is the largest provider of renal care in both the United States and across the world. Fresenius delivers services to patients with chronic kidney failure and end stage renal disease. Fresenius has a net worth exceeding \$22.50 billion and holds S&P's Investment Grade credit rating of "BBB Stable".

CORPORATE GUARANTEE

The lease is backed by a corporate guarantee from Fresenius' corporate parent, Fresenius Medical Care Holdings, Inc.

PROPERTY OVERVIEW

FRESENIUS OF STURGIS, MICHIGAN



**FRESENIUS
MEDICAL CARE**

1276 Kitson Ave, Sturgis, MI

ADDRESS

6,500 SF

RENTABLE AREA

1.23 Acres

LOT SIZE

FMC Holdings, Inc.

CORPORATE GUARANTEE

08/31/2026

CURRENT TERM EXPIRATION

6 Years

CURRENT TERM REMAINING

\$82,849

ANNUAL BASE RENT

2% Annually (Beginning in 2022)

ESCALATIONS

(3) 5-Year

RENEWAL OPTIONS

Fair Market Value (FMV)

OPTION ESCALATIONS

Michigan Broker of Record: John E. De Wald | PA Commercial | License #: 6502370672

PRICING

FRESENIUS OF STURGIS, MICHIGAN

PURCHASE PRICE

\$1,120,000

CAP RATE

7.40%

NET OPERATING INCOME

\$82,849



INVESTMENT HIGHLIGHTS

FRESENIUS OF STURGIS, MICHIGAN



INVESTMENT GRADE TENANT - Fresenius Medical Care is the largest provider of renal care in both the United States and across the world. Fresenius has a net worth exceeding \$22.50 billion and holds S&P's Investment Grade credit rating of "BBB Stable".



FACILITY LOCATION - The 12-patient station, 33-patient dialysis facility has been operational since 2008 and is the only dialysis facility in a 20-mile radius.



ANNUAL ESCALATIONS - Beginning in 2022, base rental rate escalations of 2% annually throughout the remainder of the term offer as a generous hedge against inflation.



"ESSENTIAL BUSINESS" INVESTMENT - Given the current market conditions, the significance of "essential businesses", which represents tenants who provide landlords guaranteed rental income, has become of utmost importance.



CORPORATELY GUARANTEED - The lease is backed by a corporate guarantee from Fresenius' parent company Fresenius Medical Care Holdings, Inc.



NET LEASE STRUCTURE

FRESENIUS OF STURGIS, MICHIGAN



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

The tables shown above represent the financial responsibility of the expense categories.

RENT SCHEDULE

FRESENIUS OF STURGIS, MICHIGAN

Effective Date	Base Rent/SF	Monthly Base Rent	Net Operating Income	Escalations
Sep-2019	\$12.50	\$6,769	\$79,632	-
Sep-2020	\$12.75	\$6,904	\$82,848	2%
Sep-2021	\$12.75	\$6,904	\$82,848	-
Sep-2022	\$13.01	\$7,074	\$84,888	2%
Sep-2023	\$13.27	\$7,188	\$86,256	2%
Sep-2024	\$13.54	\$7,334	\$88,008	2%
Sep-2025	\$13.81	\$7,480	\$89,760	2%
Option Period 1	Fair Market Value (FMV)			
Option Period 2	Fair Market Value (FMV)			
Option Period 3	Fair Market Value (FMV)			

NOTES

■ - Represents the Net Operating Income at which the property is marketed upon.

From the Sep-2020 effective date, a rent abatement is in place for the September base rent of each year for the remainder of the current term. The monthly rent abatement total (\$36,000) will be credited to the buyer upon close.

LOCATION OVERVIEW






ECONOMY

The economy of Sturgis, MI employs 27.6k people. The largest industries in Sturgis, MI are Manufacturing (10,395 people), Health Care & Social Assistance (2,826 people), and Retail Trade (2,453 people), and the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction (\$60,781), Utilities (\$57,368), and Public Administration (\$47,955). The highest paid jobs held by residents of Sturgis, MI, by median earnings, are Life, Physical, & Social Science Occupations (\$70,402), Law Enforcement Workers Including Supervisors (\$67,500), and Architecture & Engineering Occupations (\$63,938).

HEALTH

90.9% of the population of Sturgis, MI has health coverage, with 44.9% on employee plans, 19.7% on Medicaid, 13.1% on Medicare, 12.1% on non-group plans, and 1.06% on military or VA plans. Per capita personal health care spending in the MSA of Sturgis, MI was \$8,055 in 2014. This is a 4% increase from the previous year (\$7,745). Primary care physicians in Sturgis, MI see 1,254 patients per year on average, which represents a 0.804% increase from the previous year (1,244 patients). Compare this to dentists who see 1,385 patients per year, and mental health providers who see 431 patients per year.

DEMOGRAPHICS

	3 Miles	5 Miles	10 Miles
 Population	15,099	17,887	34,309
 Population Growth (%) 2019-2024	0.2%	-0.1%	0.2%
 Households	5,714	6,711	12,456
 Average Household Income	\$59,068	\$60,356	\$64,425
 Avg. Income Growth Est. (%) 2019-2014	14.35%	14.21%	14.52%

STURGIS MICHIGAN

TENANT OVERVIEW

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3 million patients worldwide regularly undergo dialysis treatment. Fresenius Kidney Care dialysis centers are part of Fresenius Medical Care North America.

Centers may be known as Fresenius Kidney Care or Fresenius Medical Care, as well as other names. Through its network of 4,000+ dialysis clinics, Fresenius Medical Care provides dialysis treatments for 348,000 patients around the globe. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination.

Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS). The company was founded in 1912 and is headquartered in Bad Homburg, Germany.



FRESENIUS MEDICAL CARE

COMPANY TYPE
PUBLIC (FMS)

2020 EMPLOYEES
290,000+

2019 REVENUE
\$40.18B

2019 NET INCOME
\$1.92B

2019 ASSETS
\$67.01B

CREDIT RATING
BBB Stable

Offers should be submitted electronically to:

NATHAN HUFFMAN

at 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, Surgery Centers, Dental Offices and Hospices.

Michigan Broker of Record:

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PERANICH HUFFMAN
NET LEASE GROUP



CONFIDENTIAL MEMORANDUM & DISCLAIMER

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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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