



RECESSION PROOF HEALTHCARE FACILITY

DAVITA RED BUD DIALYSIS

ESSENTIAL BUSINESS IN RED BUD, IL



10% RENT INCREASES
EVERY FIVE YEARS



15-YR. NNN LEASE,
EXPIRING JANUARY 2029



STATE OF THE ART CLINIC
BUILT IN 2014




1500 EAST MARKET STREET
RED BUD, IL

\$1,752,170

7.00% CAP RATE



RENTABLE BLDG AREA

5,638 SF



LOT SIZE

1.64 ACRES



NEW CLINIC | BUILT

2014



NOI

\$122,652

LEASE SUMMARY

LEASE TYPE	NNN (Parking, Roof, HVAC subject to lessee reimbursement)
OWNERSHIP TYPE	Fee Simple
TENANT	DaVita
LEASE TERM	15 years
REMAINING LEASE TERM	8.25 years
RENT COMMENCEMENT	January 27, 2014
RENT EXPIRATION	January 26, 2029
INCREASES	10% every five years
OPTIONS	Two, five-year options

RENT SUMMARY

TERM	ANNUAL	MONTHLY
JAN 27, 2014 - JAN 26, 2019	\$111,501.75	\$9,291.81
JAN 27, 2019 - JAN 26, 2024	\$122,651.93	\$10,220.99
JAN 27, 2024 - JAN 26, 2029	\$134,917.12	\$11,243.09





The DaVita Red Bud is a 2014 build-to-suit, state-of-the-art medical facility that is 100% leased to DaVita via new 15-year lease term, with 8.25 years remaining on the lease. The lease is corporately guaranteed by DaVita and includes 10% rent increases every five years.

This location provides kidney dialysis services and consists of 5,638 square feet housing 7 patient stations, 1 private station located in a separate room, and 2 nurse stations. The clinic is located on E Market Street, just under one-mile walking distance to Red Bud Regional Hospital, which provides 140 patient beds.

Illinois is a Certificate of Need (CON) state for dialysis, which creates barriers to entry in this market for any competing dialysis services. CON laws are designed to contain healthcare facility costs and allow coordinated planning of new services and construction of health care facilities and are one mechanism by which state governments reduce overall health and medical costs.

SECURE INCOME STREAM

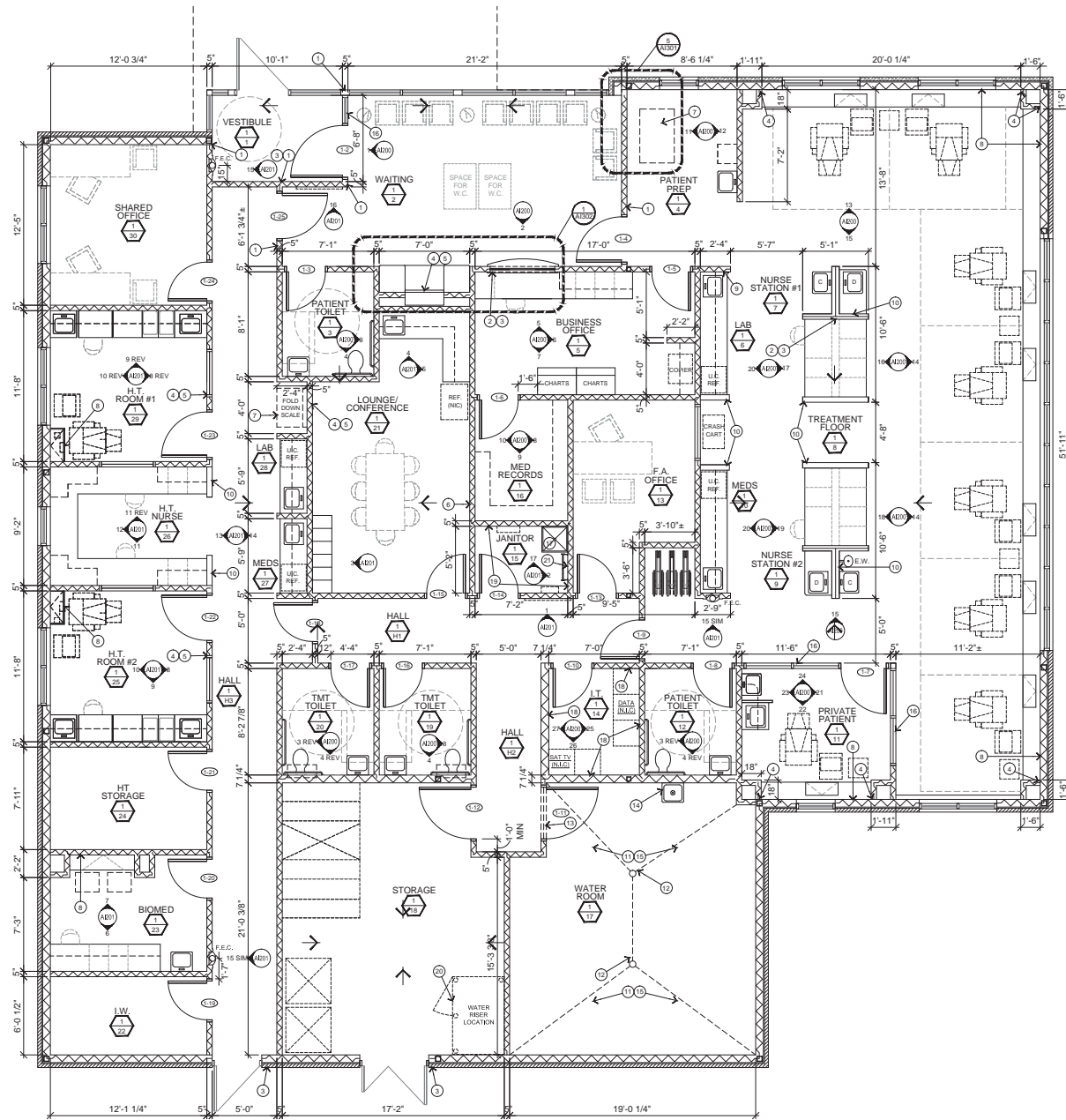
- **8.25 years remaining** on a 15-year lease term
- Scheduled **10% annual rent increases every five years plus two, 5-year options** provide attractive rent growth during the lease term
- **2014 Built-to-suit construction for DaVita, Inc.**, a state-of-the art dialysis clinic

ESSENTIAL, RECESSION-RESISTANT TENANT

- Given the nature of the product, **healthcare related real estate has been the least affected by economic recession** and demand of e-commerce
- **Lease Guarantee** by Fortune 200 / Publicly Traded Company; DaVita, Inc.
- DaVita is the fastest growing corporation on the Fortune 200 list, with **2016 revenues exceeding \$14 Billion and net income of \$880 million. DaVita Inc. has a net worth of \$4.6 Billion** and holds a Ba2 credit rating from Moody's
- Illinois is a CON state which creates high barriers to entry

PROXIMITY

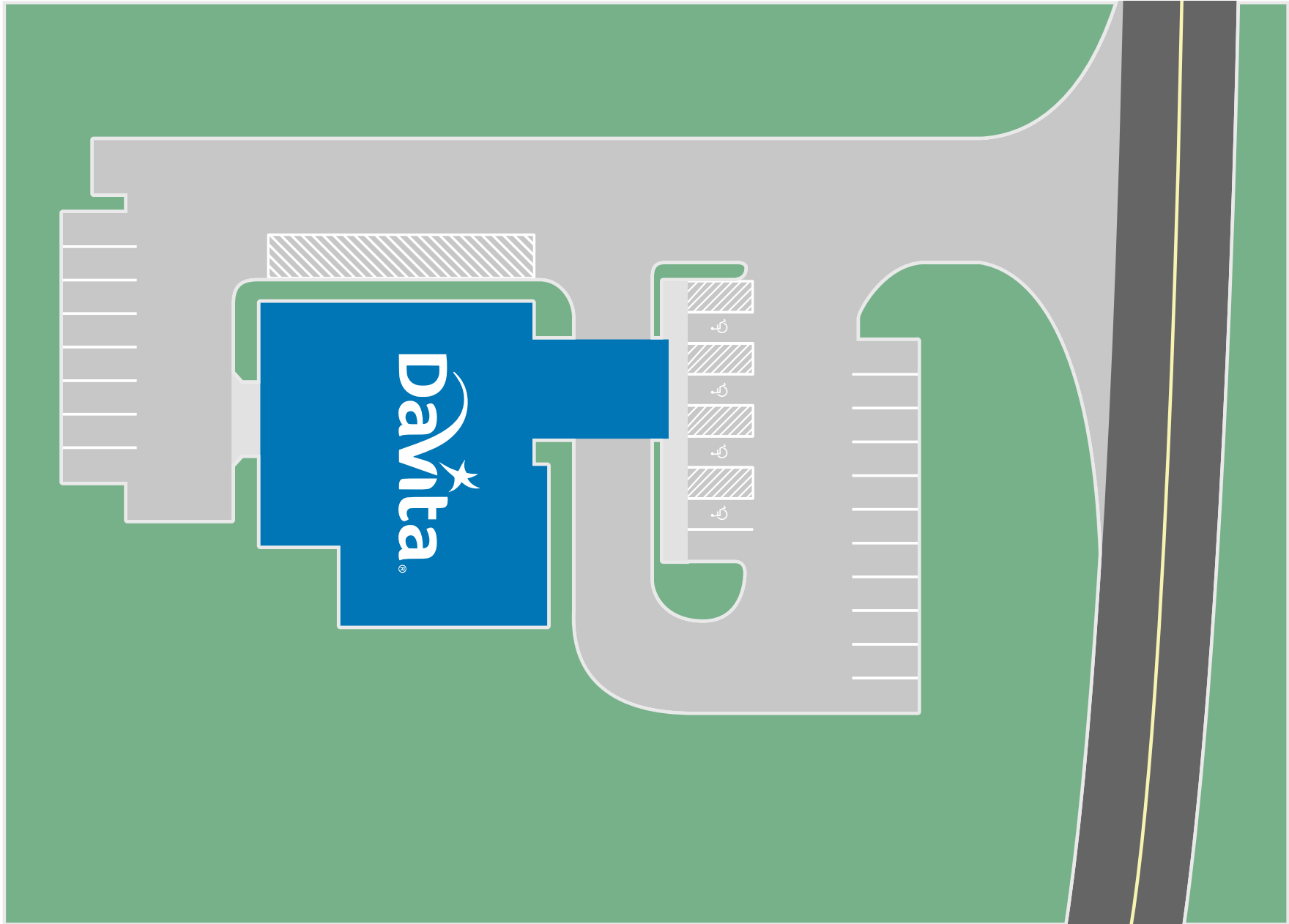
- **Located under one mile from major hospital**, Red Bud Regional, which provides 140 patient beds
- **The facility is located 35 miles from St. Louis**



FLOOR PLAN

SCALE: 1/4" = 1'-0"







DaVita, Inc. provides kidney dialysis services for patients suffering from chronic kidney failure or end stage renal disease (ESRD). The company operates in two divisions, Kidney Care and HealthCare Partners. It operates kidney dialysis centers and provides related lab services primarily in outpatient dialysis centers and in contracted hospitals. The company offers outpatient, hospital inpatient, and home-based hemodialysis services; owns clinical laboratories that provide routine laboratory tests for dialysis and other physician-prescribed laboratory tests for ESRD patients; and management and administrative services to outpatient dialysis centers, as well as patient and physician focused integrated health care delivery and management services. In addition, the company operates DaVita Rx, a pharmacy that provides oral medications to patients with ESRD; disease management services; vascular access services; clinical research programs; physician services; and direct primary care services.

As of December 31, 2016, the company provided dialysis and administrative services in the United States through a network of 2,350 outpatient dialysis centers in 46 states and the District of Columbia serving approximately 188,000 patients; operated or provided administrative services to a total of 124 outpatient dialysis centers located in 10 countries outside of the United States and integrated care management services for approximately 837,300 members under its care in southern California, central and south Florida, southern Nevada, central New Mexico, and central Arizona.

It also provides acute inpatient dialysis services in approximately 1,000 hospitals and related laboratory services in the United States. The company was formerly known as DaVita Inc. and changed its name to DaVita HealthCare Partners Inc. in November 2012. DaVita HealthCare Partners Inc. was founded in 1994 and is headquartered in Denver, Colorado.

More information available at www.davita.com.



CLINICS
2,382

PATIENTS SERVED
189,400

REVENUES
\$14.7 B

AMENITIES AERIAL

EAST MARKET STREET

SUBWAY

Davita



RED BUD
REGIONAL HOSPITAL

NAPA

SOUTH MAIN STREET

IGA

O'Reilly
AUTO PARTS
PROFESSIONAL PARTS PEOPLE

ACE
Hardware

DQ

McDonald's

GMC
BUICK CHEVROLET

verizon

Ford

DOLLAR
GENERAL

OVERVIEW

Red Bud is located in the northwest part of Randolph County. It is within easy commuter distance of metropolitan St. Louis. It is about 7 miles west of the Kaskaskia River that provides a 36-mile long navigable artery for industry and recreation.

Its history dates back to 1820 when Preston Brickey constructed a little log cabin in the northern part of the city. The first school was held in an abandoned pole cabin in 1824, and the first teacher was Samuel Crozier, the father of one of the founders of Red Bud. A store was opened in 1841, and soon other businesses began to operate as more settlers came to the area.

The city owns and operates a municipal power plant. In 1904, the original generating plant from electricity was build, and this plant has been continuously improved and expanded to meet the needs of the residents. The city is interconnected with Southern Illinois Power Cooperative, so it can either produce or purchase its own power. The most recent addition is the installation of two engines that can produce up to 5600 KW. Red Bud's first sewerage system was installed between 1934 and 1936. Natural gas was installed in 1972. Its water source is from two deep wells near the Kaskaskia River.

DEMOGRAPHICS

Red Bud is located in Randolph County, Illinois. As of 2020, the estimated population of Red Bud stood at 3,618 residents in an overall county population of 32,493. The population of Rud Bud is similar as compared to Randolph County with the median ages of 42.0 and 42.4 years, respectively.

The 2020 median household incomes of Red Bud and Randolph County stand at \$63,578 and \$51,365, respectively, while household incomes of each area are expected to increase by 1.56% and 1.02% by 2025.



	1 MILE	3 MILES	5 MILES
2020	POPULATION		
	Total	2,070	4,382
	HOUSING UNITS		
	Total	971	1,998
	Occupied	91.3%	92.4%
	Vacant	8.7%	7.6%
	INCOME		
2025	Average Household Income	\$72,659	\$77,357
	AGE		
	Median Age	43.6	42.1
	POPULATION		
	Total	2,022	4,290
	HOUSING UNITS		
	Total	975	2,009
	Occupied	89.3%	90.3%
	Vacant	10.7%	9.7%
	HOUSING UNITS		
	Average Household Income	\$79,994	\$86,284
	AGE		
	Median Age	44.6	42.5

Currently, there are 12 “Certificate of Need” states that impose regulations which govern the treatment of End Stage Renal Disease. A CON law regulates the construction and operations of new dialysis facilities. The basic premise underlying this CON regulation is that excess capacity (in the form of facility over-building) directly result in health care price inflation.

ALABAMA

ALASKA

HAWAII

ILLINOIS

MAINE

MISSISSIPPI

NEW YORK

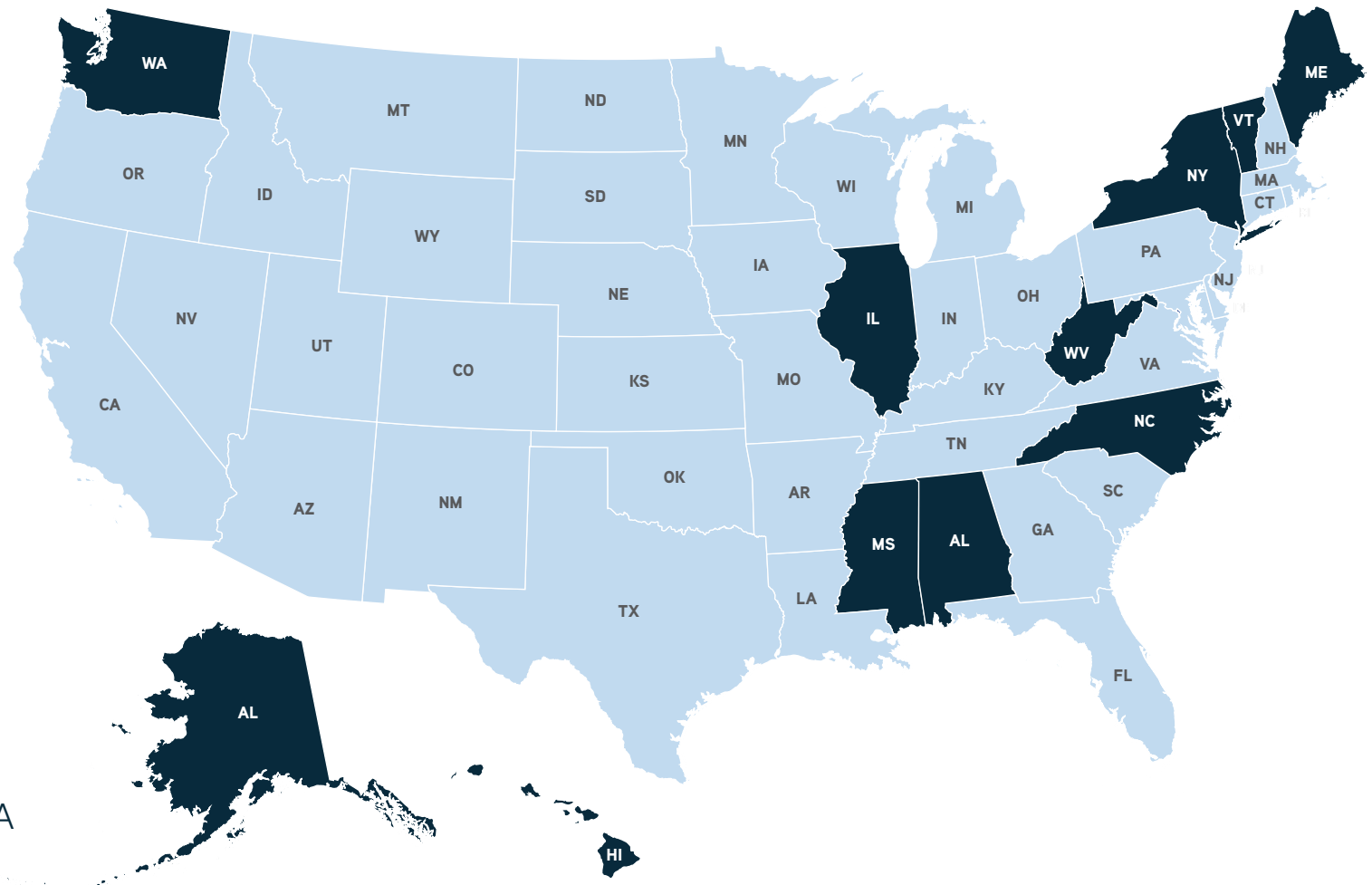
NORTH CAROLINA

VERMONT

WASHINGTON

WEST VIRGINIA

DISTRICT OF COLUMBIA

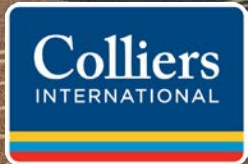


Each of these states place limitations on the development of new facilities, which prevents competition with the subject property and creates a high barrier of entry for competition; benefiting healthcare real estate landlords.

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