

RECESSION PROOF HEALTHCARE FACILITY

# DAVITA WALKER COUNTY DIALYSIS

ESSENTIAL BUSINESS IN JASPER, AL



10% ANNUAL RENT INCREASES  
EVERY FIVE YEARS



15-YR. NNN LEASE,  
EXPIRING MAY 2029



STATE OF THE ART CLINIC  
BUILT IN 2014





# Davita

260 6TH AVENUE N.  
JASPER, AL

**\$1,955,964**  
**7.0% CAP RATE**



RENTABLE BLDG AREA

**6,155 SF**



LOT SIZE

**1.9 ACRES**



NEW CLINIC | BUILT

**2014**



NOI

**\$136,889**

## 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	8.5 years
RENT COMMENCEMENT	May 20, 2014
RENT EXPIRATION	May 19, 2029
INCREASES	10% every five years
OPTIONS	Two, five-year options

## RENT SUMMARY

TERM	ANNUAL	MONTHLY
MAY 20, 2014 - MAY 19, 2019	\$124,444.95	\$10,370.41
MAY 20, 2019 - MAY 19, 2024	<b>\$136,889.45</b>	<b>\$11,407.45</b>
MAY 20, 2024 - MAY 19, 2029	\$150,578.39	\$12,548.20







The DaVita Jasper 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 8.5 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 6,155 square feet housing 11 patient stations plus 1 private station located in a separate room. The clinic is located on 6th Avenue N., featuring an outstanding location off Route 78 and is surrounded by national retailers and the Jasper Mall. Retailers include Wal-Mart, Home Depot, Chick-Fil-A, McDonalds, Regions Bank, Petco, & Taco Bell.

The clinic is near the Walker Baptist Medical Center, a major hospital that provides 267 patient beds which is also located on Highway 78, just east of the clinic. Jasper is located 40 miles east of Birmingham via Interstate 22 and 54 miles north of Tuscaloosa. Average household income exceeds \$73K within a 1-mile radius.

Alabama 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

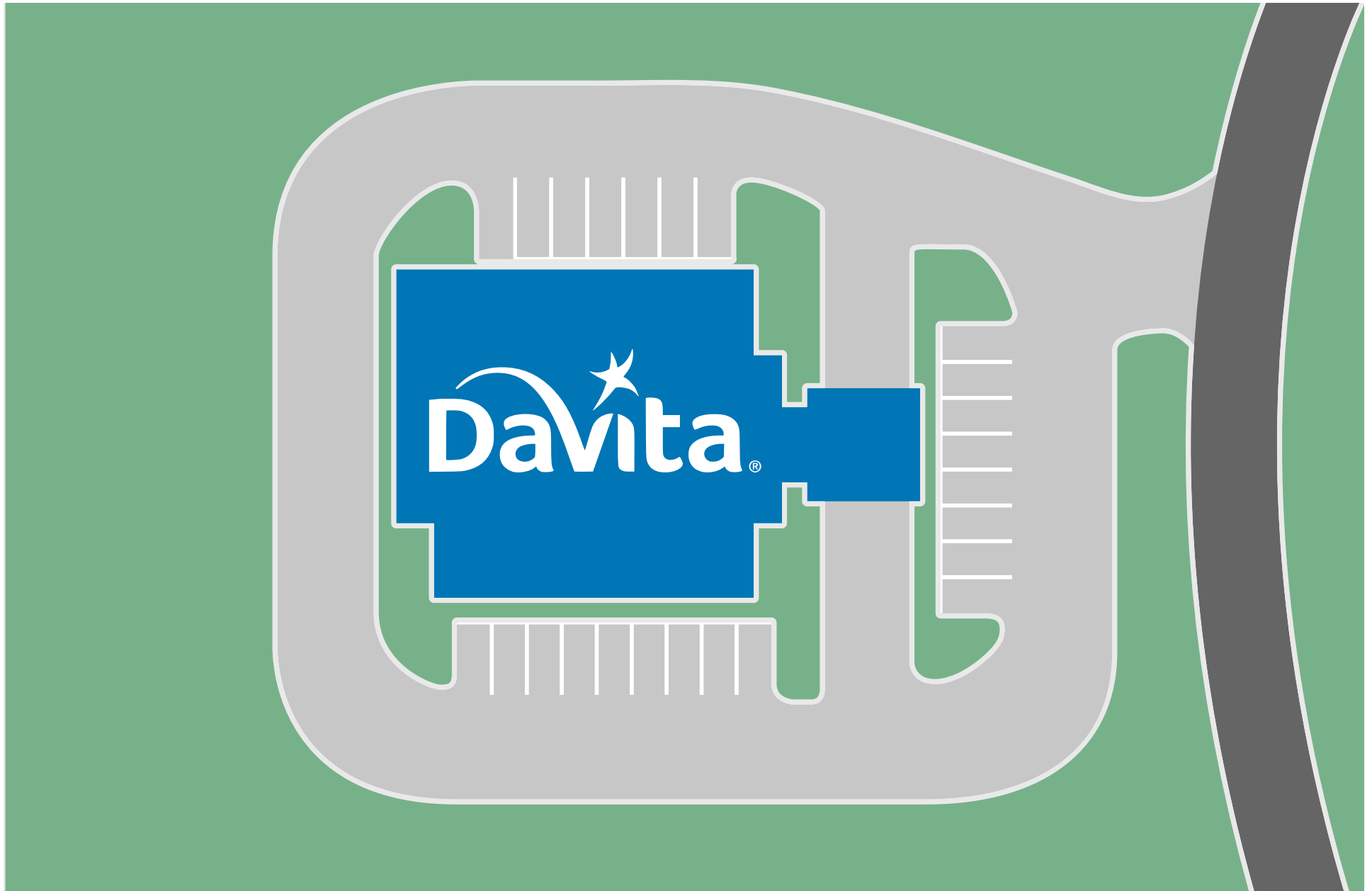
- **8.5 years remaining** on a 15-year lease term
- Scheduled **10% annual rent increases every five years** plus **two, 5-year options** provide attractive rent growth during the lease term
- **2014 Built-to-suit construction for DaVita, Inc.**, a state-of-the-art dialysis clinic

## 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
- DaVita is the fastest growing corporation on the Fortune 200 list, with **2016 revenues exceeding \$14 Billion and net income of \$880 million**
- **Alabama is a CON State** which creates significant barriers of entry

## PROXIMITY

- **Direct access and excellent visibility from Hwy 78**
- **Located just three miles from major hospital**, Walker Baptist Medical Center, providing 267 patient beds
- **Surrounded by national retailers** such as Walmart Supercenter, Dairy Queen, KFC, Taco Bell, ALDI, Home Depot, and McDonald's
- Davita Walker Dialysis is located **3.2 miles east of Fresenius Kidney Care Walker**
- **Located just 40 miles east of Birmingham**





# LOCATION AERIAL

PARKLANDS  
SHOPPING CENTER

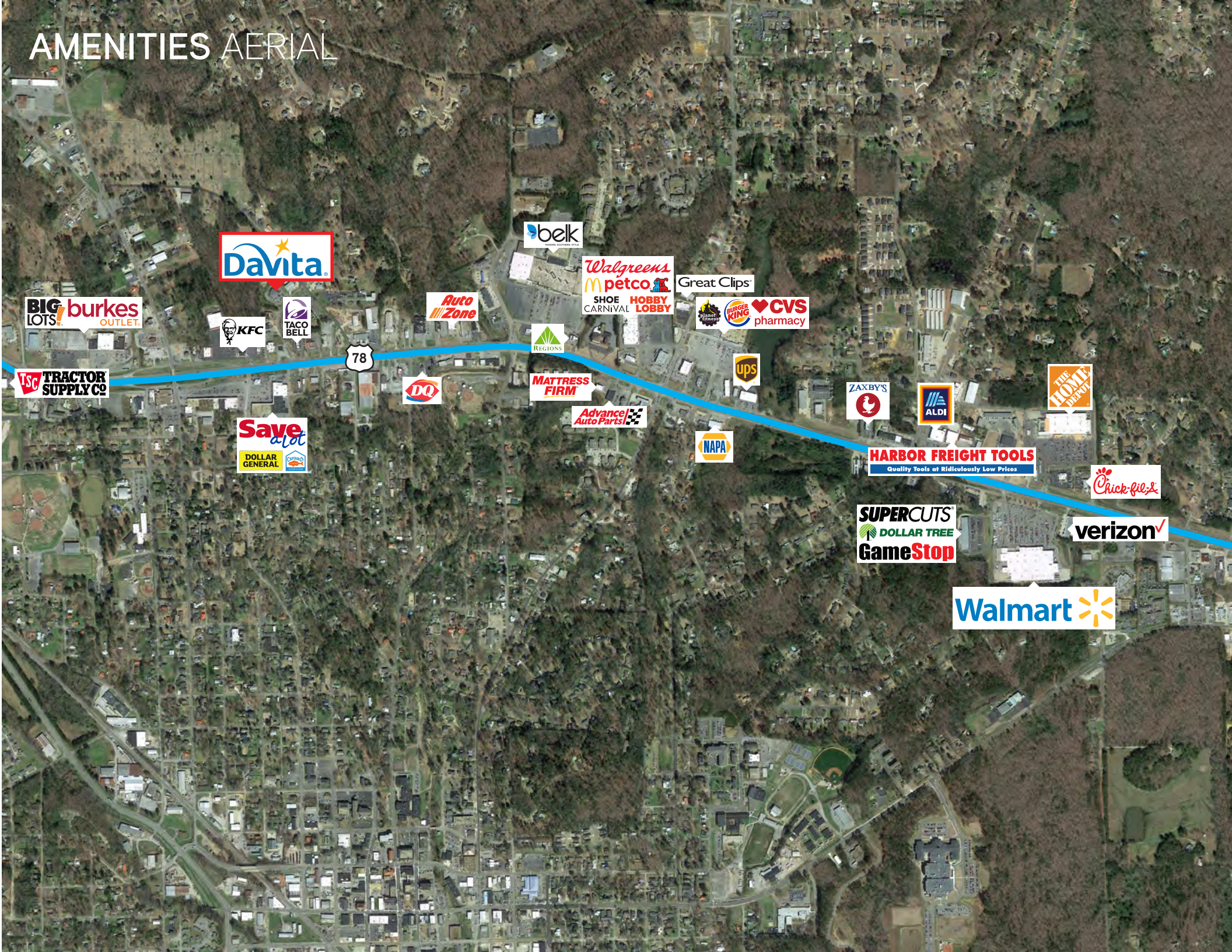


HIGHWAY 78: 23,470 CPD



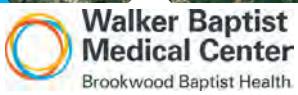


# AMENITIES AERIAL





# MARKET AERIAL







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



CLINICS  
**2,382**

PATIENTS SERVED  
**189,400**

REVENUES  
**\$14.7 B**



## OVERVIEW

Jasper is a city in Alabama and serves as the county seat of Walker County, located in the north-central part of the state. Jasper is situated in the middle of the Warrior Coal Fields, the second largest in the nation and was once a top producer of coal in the world.

Lorenzo Dow established the first trading post in the area now containing the City of Jasper in the early 1800's. In 1822, Dr. Gordon Musgrove donated the land for the town and built a log cabin that served as the courthouse, school and church. The town was named by Hugh Lollar in memory of the Revolutionary War hero Sgt. William Jasper who distinguished himself at the Battle of Fort Moultrie, South Carolina. The City of Jasper was incorporated in 1887 with G. H. "Jake" Guttery serving as its first Mayor. Jasper has been home to many famous families such as the Bankheads which include United States Congressmen, United States Senators, and a Speaker of the House of Representatives during the administration of Franklin Roosevelt. Jasper was once the home of Alabama Central Railroad known for the transportation for lumber and coal during the years of the steam engine train.

## DEMOGRAPHICS

Jasper is located in Walker County, Alabama. As of 2020, the estimated population of Jasper stood at 13,979 residents in an overall county population of 65,939. The populations of Jasper and Walker County are expected to decrease by 2.3% and 1.9%, respectively, by 2025.

The area maintains a median household income of \$48,129 which is expected to increase at an annual rate of 1.47% to \$51,779 by 2025, while the median age of 43.3 is expected to increase 1.4% to 44.7. The average household size is projected to remain unchanged at 2.38.

According to Costar, Jasper has 2.9 million SF of retail space. The overall vacancy stands at a relatively low 3.4%.



	1 MILE	3 MILES	5 MILES
2020	POPULATION		
	Total	3,077	13,202
	HOUSING UNITS		
	Total	1,518	6,123
	Occupied	86.2%	87.3%
	Vacant	13.8%	12.7%
	INCOME		
2025	Average Household Income	\$73,068	\$66,619
	AGE		
	Median Age	40.2	43.1
	POPULATION		
	Total	3,003	12,884
	HOUSING UNITS		
	Total	1,491	6,038
2025	Occupied	85.4%	86.4%
	Vacant	14.6%	13.6%
	HOUSING UNITS		
	Average Household Income	\$77,631	\$73,297
	AGE		
	Median Age	41.0	44.5
			44.8



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

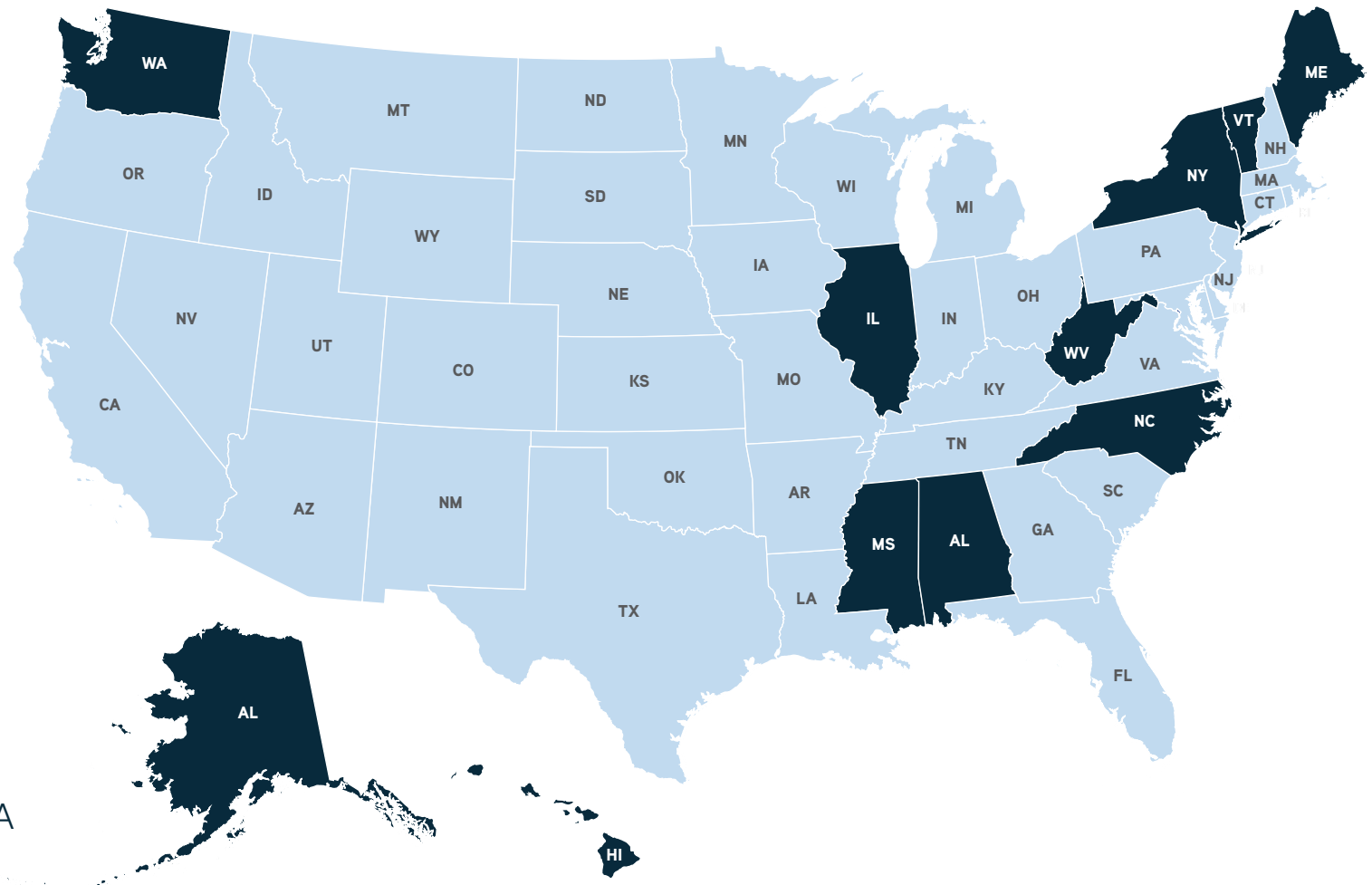
NORTH CAROLINA

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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