

FOR SALE
\$3,150,000

- 5.2% Current Cap
- 10 Years Remaining
- Fee Simple NN

DA VITA ANCHORED RETAIL CENTER

OFFERING MEMORANDUM

711 79th St. Newport News, VA 23605

Da Vita 13,756 SQFT

A LITTLE UNDER \$2,000,000
TI IMPROVEMENTS IN LIFE OF
LEASE

+ 10 Years Remaining on Lease

+ 10 % Increase in 2020 and
every 5 years

Located in Shopping Center

FRONT RETAIL 5,500 SQFT

TENANT: VACANT

+ VALUE ADD OPPORTUNITY

DIVISIBLE IN 5 SEPARATE UNITS
1,000 units

+ FACING SHOPPING CENTER

SIGNAGE RIGHTS

VACANT LOT : 12,944 SQFT

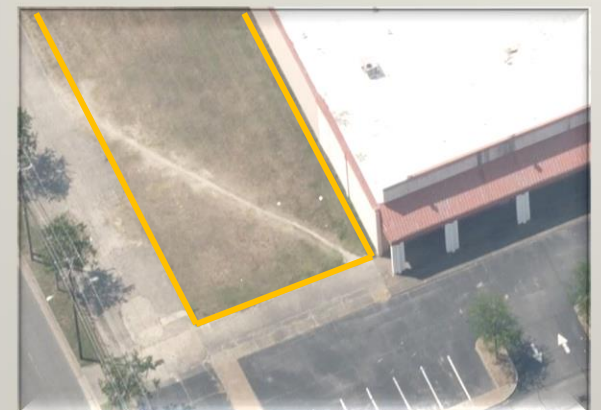
TENANT VACANT

+ VALUE ADD OPPORTUNITY

BUILT TO SUIT, LAND LEASE, STORAGE

SIGNAGE RIGHTS

POSSIBLE LOT SPLIT- CHECK WITH CITY



Investment Contact | Shaw Monfared | Delta
Equity Advisors

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In Conjunction | Christopher R. Gentry, SIOR
Gentry Commercial Real Estate Inc.

Lic No VA 0225033997



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For Sale - NN Davita Building & Retail Center



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13,756 SF + 5,000 SF of Additional Retail & + 12,944 Vacant Land For Value Add Opportunity

- 8.1% Cap Rate Pro Forma
- +11 Years Lease Remaining
- Fee Simple
- Over \$1,700,000 In TI Improvements in life of lease
- Incredible Value Add Opportunity
- Amazing Location And Growth Area
- Possible Lot Split



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INVESTMENT OVERVIEW



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Investment Overview

The property includes a 13,756 SF DaVita Dialysis Facility and 5,500 SF of shell retail space plus a vacant land. The property is located at 7907 Marshall Avenue, Newport News, VA. The alternate address is 711 79th Street, Newport News, VA. The property has convenient access to Mercury Boulevard, Jefferson Avenue and I-64.

The Newport News MSA is home to numerous publicly traded companies, the world's largest naval base, a major East Coast port and many nationally known tourist attractions such as Yorktown, Colonial Williamsburg and Busch Gardens. The Newport News MSA is approximately 90 miles southeast of Richmond, 200 miles southeast of Washington, D.C. and 100 miles northeast of Raleigh, NC.

Investment Highlights

- National Tenant with over 2,000 locations nationwide – DaVita Inc., NYSE: DVA, and S&P rating of BB, with 13.5 years remaining on existing NN lease
- Substantial and recent (2016) capital improvements by DaVita Dialysis of over \$500,000 for interior improvements. Exterior improvements by Landlord of over \$50,000 for exterior paint, fencing and repaving of parking lot
- 5,500 SF of shell retail space for immediate buyer upside. Shell retail can be divided into five (5) units
- 2.12 acre site with 8,000 SF of site available for build-to-suit potential
- The Newport News MSA has over 1.7 Million people and is the largest MSA in the state of Virginia





INVESTMENT SUMMARY

NOI	\$164,017.95
Cap Rate	5.2%
Type of Ownership	Fee Simple
DaVita Square Feet	13,756
Total Rentable Square Feet	19,256 + 12,944 Land
Offering Price per Square Foot	\$163.60

PROPERTY DESCRIPTION

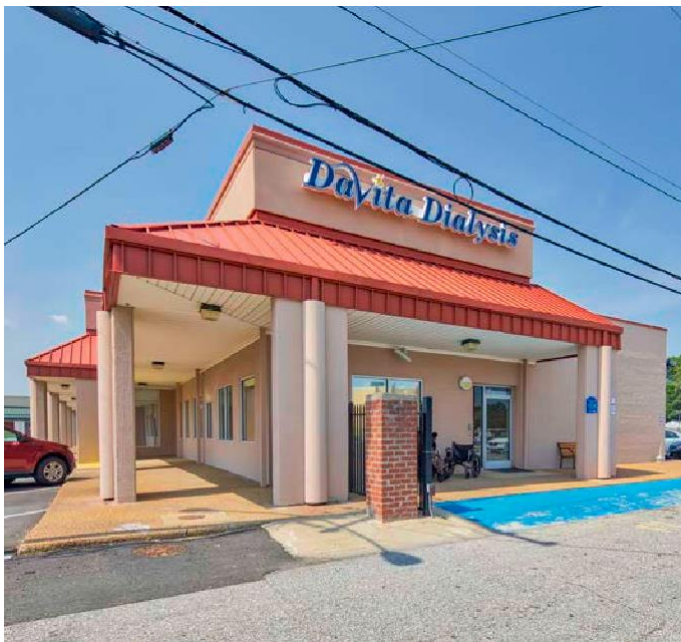
Address	7907 Marshall Avenue, Newport News, VA 23605
Alternate Address	711 79th Street, Newport News, VA 23605
Ingress/Egress	Provided via Newmarket Square Marshall Ave. and 79th St. Reciprocal easement provides ingress and egress to the Out-parcel
Parking	86 spaces plus a cross easement providing additional parking
Building Area	Approximately 19,256 SF
Land Area	2.13 Acres
Zoning	C-1, Retail Commercial
Structure	Concrete, steel frame, brick veneer and glass
HVAC	4 new rooftop units installed in 2011





DaVita Incorporated

DaVita Incorporated, a Fortune 500 company, is the parent company of DaVita Kidney Care and Healthcare Partners, a DaVita Medical Group. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care consistently



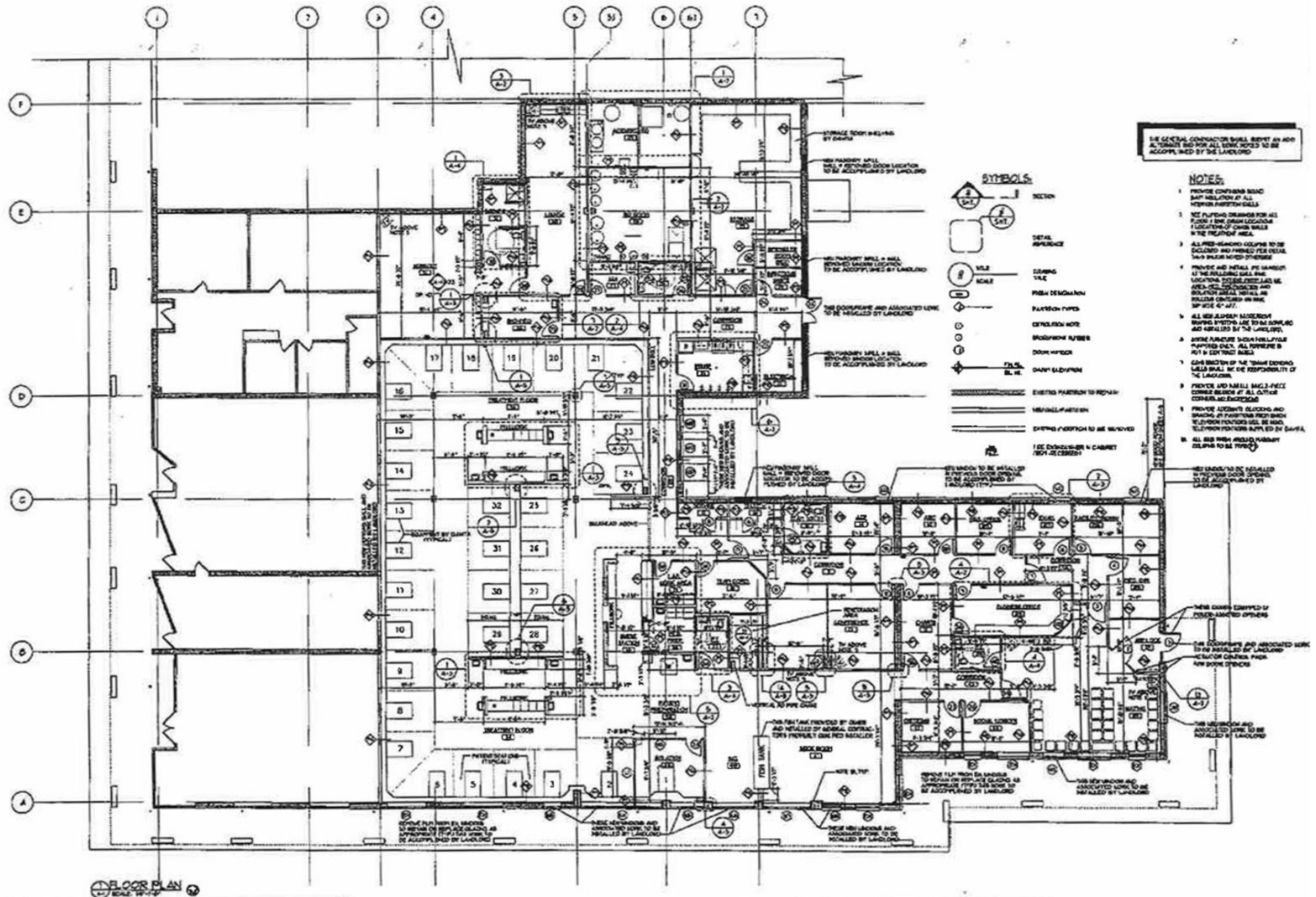
differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. The company's clinical outcomes for dialysis have improved for the past decade, and in many areas measuring quality dialysis care, we lead the nation. As of December 31, 2016, DaVita Kidney Care operated or provided administrative services at 2,350 outpatient dialysis centers, located in the United States serving approximately 188,000 patients. The company also operated 154 outpatient dialysis centers located in 11 countries outside the United States.

- DaVita—which is Italian for “giving life”—is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. The company's clinical outcomes for dialysis have improved for the past decade, and in many key areas measuring quality dialysis care, DaVita leads the nation.
- As of June 30, 2016, DaVita Kidney Care operated or provided administrative services at 2,293 outpatient dialysis centers located in the United States serving approximately 185,000 patients (average of 81 patients per facility). DaVita is located in 46 states and the District of Columbia.
- The DaVita Dialysis Facility located at the subject property serves over 130 patients per week

Floorplan



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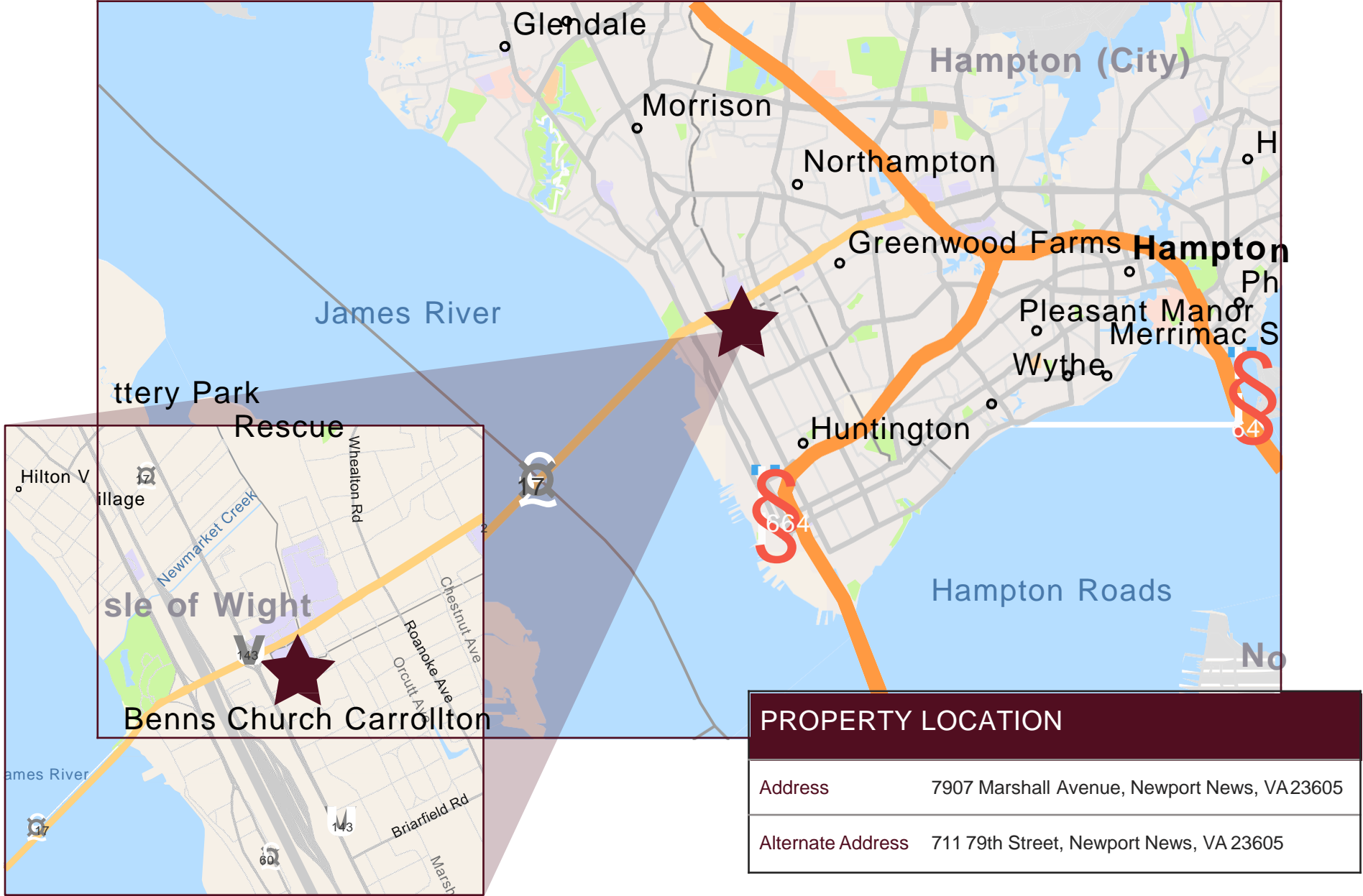
LOCATION OVERVIEW



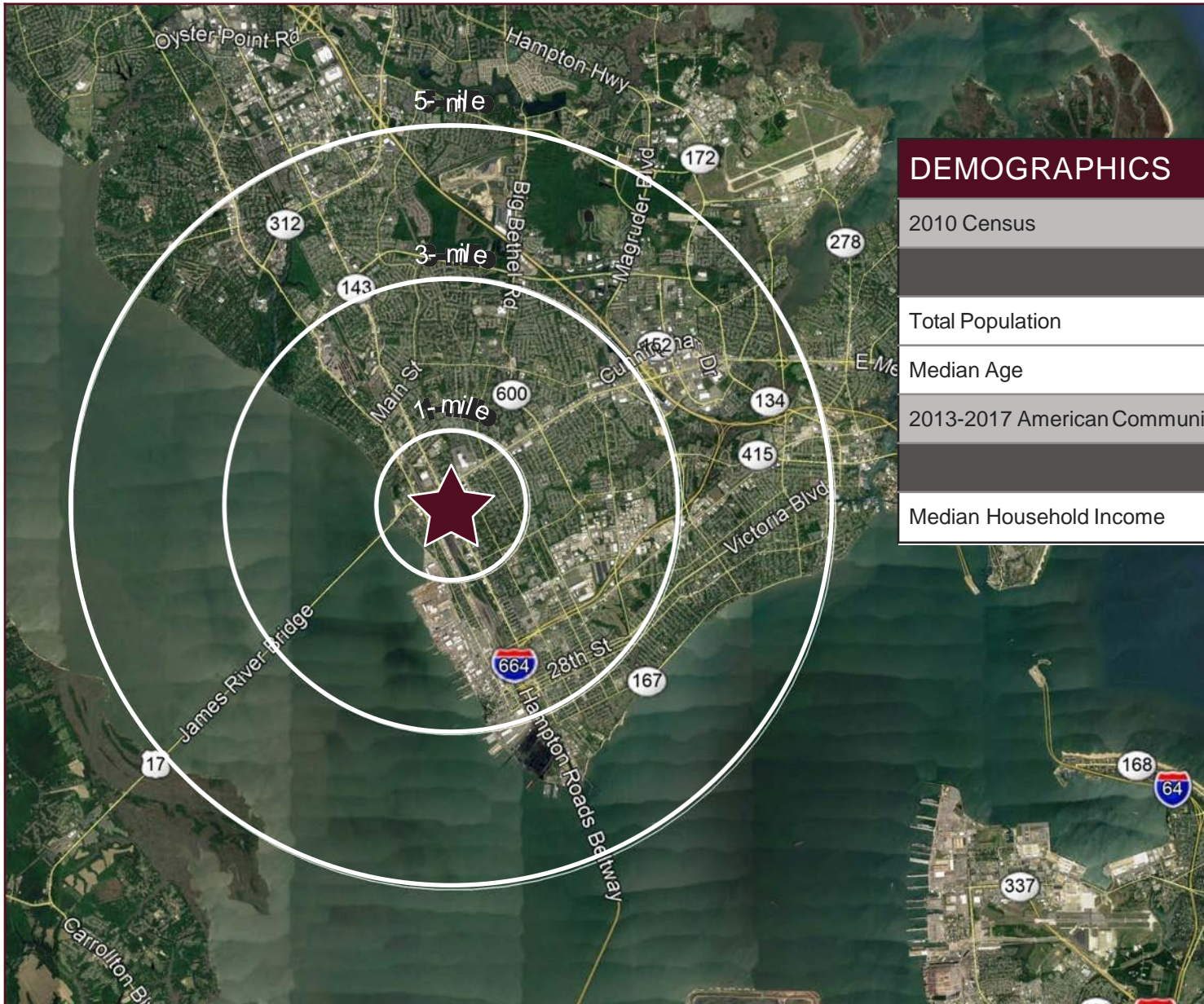
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Location Map



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DEMOGRAPHICS

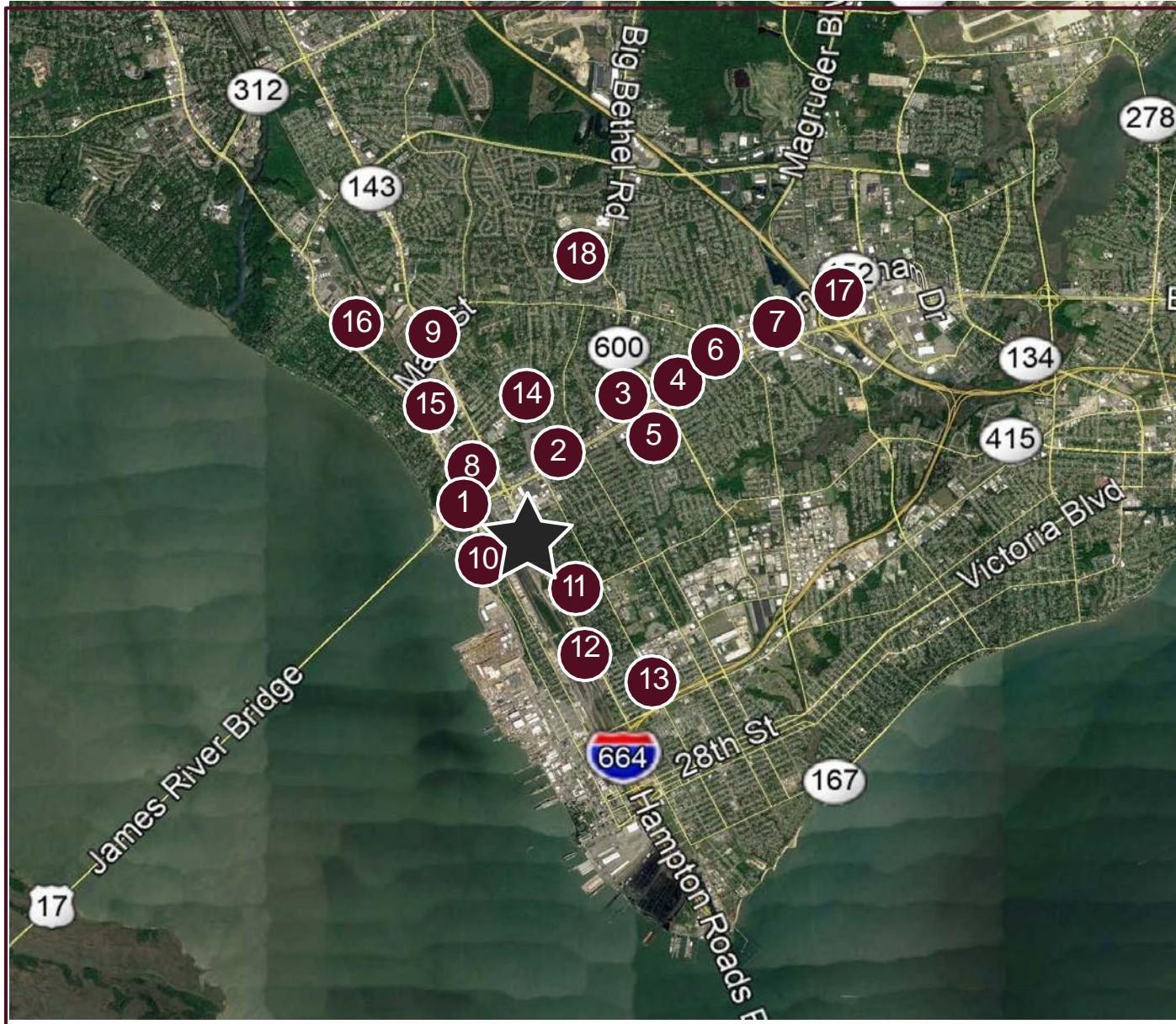
2010 Census			
	1-MILE	3-MILE	5-MILE
Total Population	10,927	72,500	144,966
Median Age	38.47	37.78	36.32
2013-2017 American Community Survey 5-Year Estimates			
	23605 ZIP CODE		
Median Household Income	\$42,333		

Source: United States Census Bureau

Nearby Amenities



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AMENITIES

- 1 Wal-Mart Super Center
- 2 Wawa
- 3 Krispy Kreme
- 4 Walgreens
- 5 Burger King
- 6 Arby's
- 7 Pizza Hut
- 8 What-a-Burger
- 9 Walgreens
- 10 YMCA
- 11 Dollar General
- 12 Cottage Grove Apartments
- 13 Meadow View Townhomes
- 14 Cambridge Apartments
- 15 Hilton Village Townhomes
- 16 United States Postal Service
- 17 Mercury West Apartments
- 18 Westwood Apartments



FINANCIAL OVERVIEW



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Annual Financials and Pro Forma



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INCOME

	Annual Income	Annual Pro Forma
DaVita (13,756 SQFT) 71.44% @ \$13,333.33/Month	\$175,999.92	\$159,999.96
DaVita Expense Reimbursement Taxes, Insurance (71.44%)	\$27,715.52	\$27,715.52
CAM (71.44%) [Landscaping, City of Newport, Maintenance]	\$2,254.00	\$3,018.34
Vacant Retail Front (5,500 SQFT) [Market Rent @ \$.70/SQFT]	0	\$46,200
Vacant Land (12,944 SQFT) [Market Rent Land Lease @ .15/SQFT]	0	\$23,299.20
Vacant Retail Expense Reimbursement Pro Forma (28.56%)	\$0.00	\$11,080.00
CAM (28.56%) Pro Forma [For Vacant Units]	\$0.00	\$1,206.66
Total Income	\$205,969.44	\$272,519.68

EXPENSES

	Annual Expenses	Annual Pro Forma
Taxes	\$32,601.74	\$43,680
Flood Insurance	\$3,630.79	\$3,630.79
Insurance	\$2,563	\$2,563
Landscaping Aube Maintenance	\$2,400	\$2,400
Fire Code Fee - City of Newport	\$125	\$125
Maintenance	\$631	\$2,700
Total Expense	\$41,951.53	\$55,098.79
Net Operating Income	\$164,017.91	\$217,420.89



Rent Roll and Schedule



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RENT ROLL

Tenant	Rentable Square Feet	Lease commence	Lease Renewal	Lease Expire	Current Rent (per month)	Current Rent (per SF)	Lease Type	Annual Escalations
DaVita Dialysis	13,756	Jul-05	Feb. 2016	Jul-30	\$14,666.66	\$12.79	NN	10% Every 5 Years
Vacant	1,500							
Vacant	1,000							
Vacant	1,000							
Vacant	1,000							
Vacant	1,000							

DaVita RENT SCHEDULE

Start Date	Ending Date	Monthly Total	Annual Total	Per Square Foot
7/13/2015	7/12/2020	\$13,333.33	\$160,000	\$11.63
7/13/2020	7/12/2025	\$14,666.66	\$176,000	\$12.79
7/13/2025	7/12/2030	\$16,133.33	\$193,600	\$14.07
Option Period Start Date	Option Period Ending Date	Monthly Total	Annual Total	Per Square Foot
7/13/2030	7/12/2035	\$17,746.66	\$212,960	\$15.48
7/13/2035	7/12/2040	\$19,521.33	\$234,256	\$17.03





LEASE ABSTRACT

TENANT	Renal Treatment Centers Mid-Atlantic, Inc. (dba DaVita Dialysis)
LEASABLE SQ. FEET	13,756
LEASE COMMENCEMENT	July 13, 2005
LEASE EXTENSION	February 2, 2016
LEASE EXPIRATION	July 12, 2030
OPERATION EXPENSE PASS-THROUGHS	Tenant pays their proportionate share of real estate taxes, CAM and insurance. Tenant also pays all utilities.
RENEWAL OPTIONS	<p>Lessee shall have the right and option to renew this lease for two (2) additional periods of five (5) years each by notifying Lessor in writing not less than one-hundred eighty (180) days before the expiration of the immediately preceding term of the Lease. Lessee shall have no option to extend the Lease beyond two (2) renewal periods of five (5) years each after the initial term.</p> <p>The amount of the rent for each additional 5-year term shall be adjusted at the beginning of each 5-year extension, equal to 110% of the rent of the preceding term.</p>
TERMINATION OPTIONS	None
OTHER	Lessor agrees that it will not lease or permit the leasing of any premises owned or controlled by Lessor for operation of a renal dialysis facility within a radius of five (5) miles of the premises. Lessor also agrees that Lessor is in no way affiliated with Renal Treatment Centers Mid-Atlantic, Inc. or DaVita Dialysis as an investor, partner, patient, doctor or referral agent.

MONTHLY INCOME

DaVita \$13,333.33

5,500 SF Empty

Land Empty

ANNUAL EXPENSES

Taxes \$32,601.74

Flood Insurance \$3,630.79

Insurance \$2,563

Joe Auby Maintenance \$2,400

City of Newport \$125

Shopping Center
Maintenance \$375





FOR MORE INFORMATION:

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