



DAVITA

LONG TERM CORPORATE LEASE WITH DAVITA HEALTHCARE PARTNERS

WHITEHALL, PA



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DAVITA

1220 3RD ST, WHITEHALL, PA 18052

\$2,525,000
PRICE

5.60%
CAP

LEASE TYPE:	NN
LEASE TERM:	10 YEARS
LEASABLE AREA:	7,791 SF
LAND AREA:	.90 AC
PARKING:	42 SPACES
YEAR BUILT/RENOVATED:	1972/2016

THE SUBJECT SERVES AS ST. LUKE’S/DAVITA’S
MAIN ADULT IN-CENTER DIALYSIS OUTPATIENT
TREATMENT CENTER FOR THE AREA

Investment Highlights



THE OFFERING

The offering is a 7,791 SF fully leased single tenant asset located in dense, suburban Whitehall, PA. The investment benefits from a 15-year lease (9.9 years remaining) which includes a 10% rent increases every 5 years with BBB+ rated DaVita Healthcare Partners Inc. DaVita selected this site in 2016, which is located just down the street from a St. Luke's Outpatient Primary Care facility, and spent approximately \$1,400,000 in tenant improvements.

The subject property is located near the center of Whitehall, PA, with access to both I-22 and I-435, and sits near the Allentown Lehigh Valley International Airport, Pennsylvania's 4th largest airport. The property is used as the submarket's hemodialysis treatment center for chronic adult patients and has 13 dialysis stations. The convenient location provides additional access and availability for this service as the other nearby St Luke's DaVita locations mainly serve as in-home training centers, Pediatric Dialysis centers, and Peritoneal Dialysis centers. The nearby Allentown locations have a lower station count which makes the subject site attractive for DaVita and its patients.

HIGHLIGHTS

- **9.9 years of lease term remaining**
- **Regional partner of the award winning St. Luke's University Health Network**
- **Corporately guaranteed lease**
- **Walking distance to Lehigh Valley Mall (about a mile) a super regional Simon Mall with 135 stores**
- **Close proximity to Lehigh Valley International Airport, Pennsylvania's 4th largest airport, serving more than 645K passengers annually**
- **Property benefits from over 118,000 residents within a 3-mile radius**

Income & Expense

PRICE		\$2,525,000
Price Per Square Foot:		\$351.13
Capitalization Rate:		5.60%
Total Rentable Area (SF):		7,791
Lot Size (AC):		0.90
STABILIZED INCOME		PER SQUARE FOOT
		\$351
Scheduled Rent	\$19.66	\$141,407
Effective Gross Income	\$19.66	\$141,407
LESS		PER SQUARE FOOT
Taxes	NNN	Tenant Pays Directly
Insurance	NNN	Tenant Pays Directly
Utilities	NNN	Tenant Pays Directly
Repairs and Maintenance/Parking Lot	NNN	Tenant Reimburses Landlord
HVAC	NNN	Tenant Reimburses Landlord
Roof	NNN	Tenant Reimburses Landlord
Structural Components**		Landlord is Responsible
EQUALS NET OPERATING INCOME		\$141,407

** Concrete slab, footings, foundation, structural components, exterior walls (excluding painting), flooring system (excluding floor covering), exterior plumbing, and electrical systems of the building

Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEAR RENT/FT
DaVita HealthCare	7,791	3/24/2021	3/25/2026	\$11,784	\$11,784	\$141,407	\$1.48	\$17.74
	Rent Increase	3/24/2026	3/25/2031	\$12,966	\$12,966	\$155,586	\$1.63	\$19.52
	Option 1	3/24/2031	3/25/3036	\$14,257	\$14,257	\$171,090	\$1.79	\$21.46
	Option 2	3/24/2036	3/25/2041	\$15,679	\$15,679	\$188,148	\$1.97	\$23.60
TOTALS:	7,791			\$11,784	\$11,784	\$141,407	\$1.48	\$17.74

Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
3/24/2021-3/25/2026	\$11,784	\$141,407

RENT INCREASE

DATE RANGE	MONTHLY RENT	ANNUAL RENT
3/24/2026-3/25/2031	\$12,966	\$155,586

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 3/24/2031-3/25/3036	\$14,257	\$171,090
#2. 3.24/2036-3/25/2041	\$15,679	\$188,148

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISES & TERM

TENANT

Total Renal Care, Inc. a California Liability Company

LEASE GUARANTOR

DaVita Healthcare Partners, Inc.

LEASE TERM

10 Years Remaining

RENT COMMENCEMENT

3/23/2016

OPTIONS

Two 5-year options

EXPENSES

TAXES

Tenant (Pays Direct)

INSURANCE

Tenant (Pays Direct)

UTILITIES

Tenant (Pays Direct)

CAM

Tenant Reimburses Landlord

PARKING LOT/HVAC

Tenant Reimburses Landlord

LANDLORD'S OBLIGATIONS

Structural components: concrete slab, footings, foundation, exterior walls (excluding painting), flooring system (excluding floor covering), exterior plumbing, and electrical systems of the building

ADDITIONAL LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

None without Landlord's consent

ESTOPPELS

Yes

ROFR

None

Site Plan

sf
7,791
RENTABLE SF

ac
0.90
ACRES

42
SPACES



Tenant Overview



ABOUT DAVITA DIALYSIS

DaVita HealthCare Partners INC. (NYSE: DVA), a Fortune 500 company, is a leading provider of kidney care in the United States, delivering dialysis services and education to patients with chronic kidney disease and end stage renal disease. The company is the largest provider of kidney care services in the U.S. and has been a leader in clinical quality and innovation for 20 years.

As of June 30, 2020, DaVita served 205,000 patients at 2,795 outpatient dialysis centers in the United States. The company also operated 287 outpatient dialysis centers in ten countries across the world. DaVita controls more than 37% of the U.S. dialysis market.

200,000+

DIALYSIS
PATIENTS

For the fiscal year ending in December 31, 2019, total revenues were \$11.3 billion. DaVita is rated "Ba2 Stable" by Moody's.

TOTAL 2019
REVENUE

\$11.3 Billion

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Partnership Overview



ABOUT ST. LUKE'S

St. Luke's University Health Network (SLUHN) is a non-profit, regional, fully integrated, nationally recognized network providing services at twelve hospitals and more than 300 sites in Lehigh, Northampton, Carbon, Schuylkill, Bucks, Montgomery, Berks, Monroe and Luzerne counties in Pennsylvania and Warren and Hunterdon counties in New Jersey.

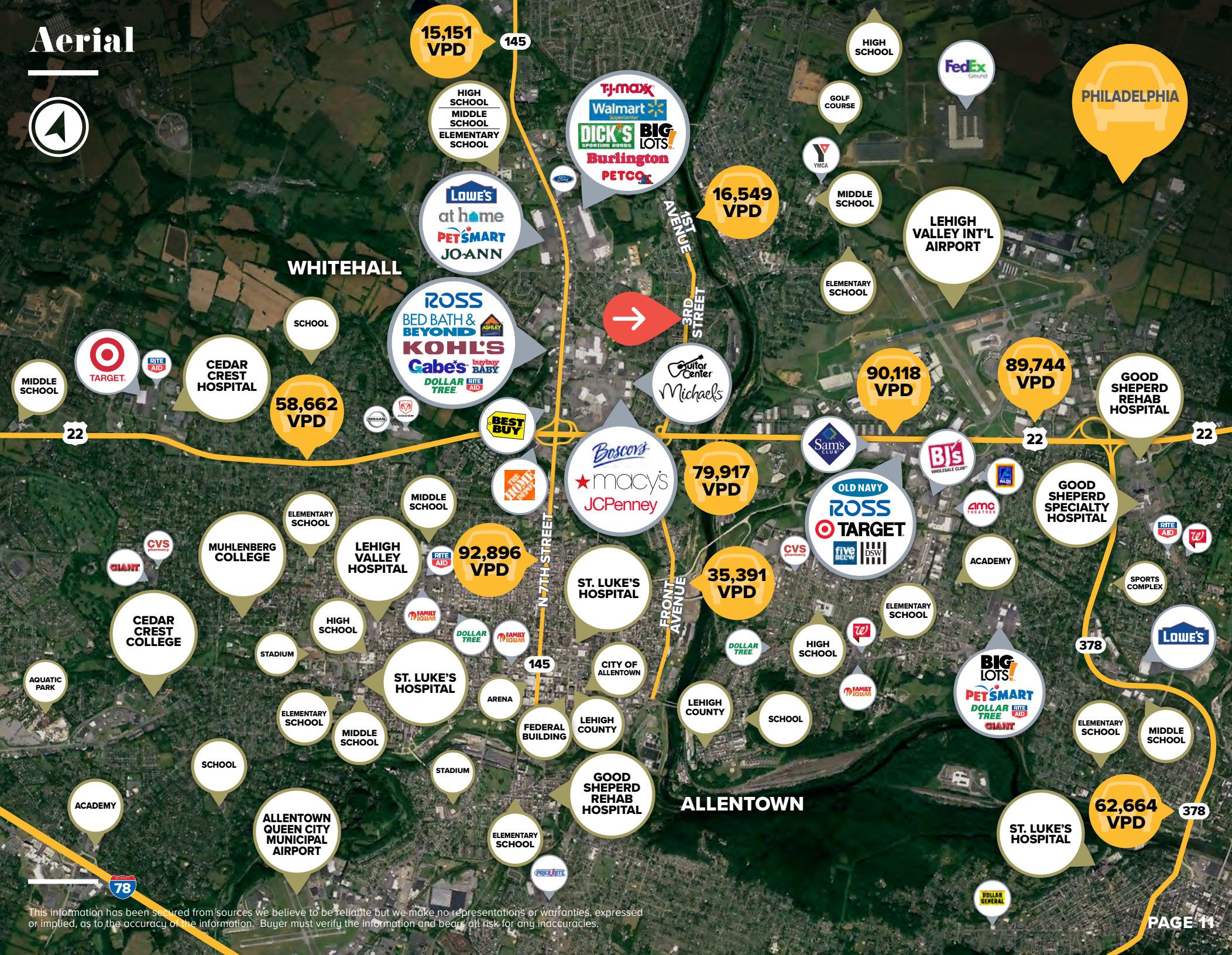
St. Luke's Allentown Campus in Lehigh County features advanced inpatient and outpatient services with full access to the latest treatments and technologies. Patients benefit from quality inpatient care, emergency room services, surgical services, radiology services and more.

ABOUT THE DAVITA PARTNERSHIP

St. Luke's University Health Network, through a joint venture with DaVita Healthcare Partners, Inc., provides patients with end-stage kidney disease specialized dialysis care at 9 convenient locations. St. Luke's DaVita Outpatient Dialysis Centers provide a wide variety of dialysis and related services to meet the needs of their patients, including hemodialysis, peritoneal dialysis, pre-renal programs, epogen programs, and patient support groups.


ST. LUKES ALLENTOWN

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Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	9,793	112,115	208,116
2019	10,067	118,291	236,917
2024	10,156	122,175	242,888

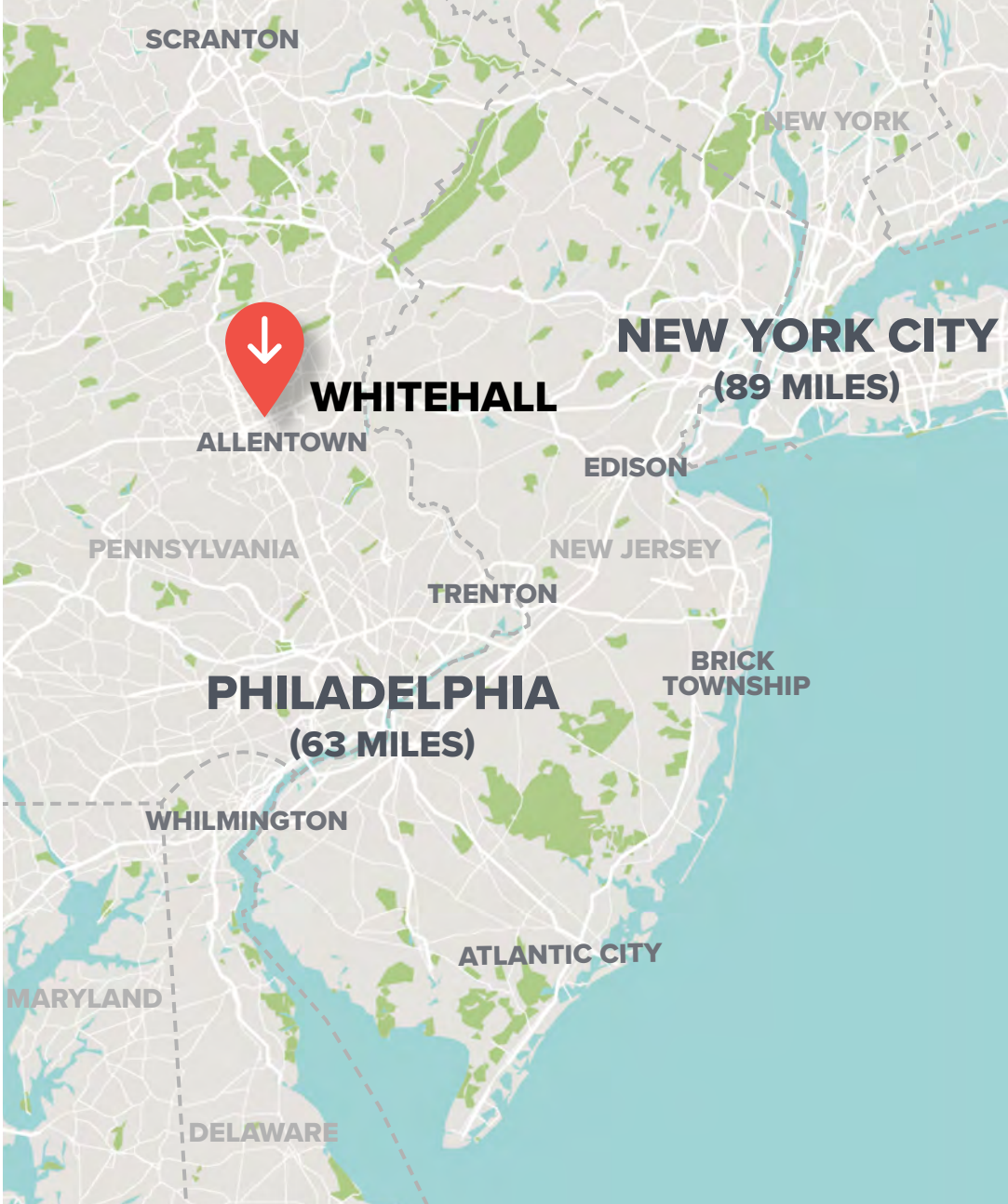
2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$57,647	\$60,849	\$71,893

TOP EMPLOYERS IN LEHIGH COUNTY

EMPLOYER
Lehigh Valley Hospital Center
St. Luke’s Hospital
Amazon.com
Lehigh Valley Physician Group
Mack Trucks

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THE POPULATION WITHIN A 5-MILE
RADIUS IS OVER 236K

WHITEHALL, PENNSYLVANIA



WHITEHALL is located in the center of the Lehigh Valley and is home to approximately 27,838 residents. The township is a suburb of nearby Allentown, residing one hour north of Philadelphia and an hour and half from New York City. Whitehall has a long and rich history dating back to the early 1700's when it was first settled by Germans.

ALLENTOWN is Pennsylvania's third most populous and fastest growing city with an estimated population of 121,442 people as of 2019. Located alongside the Lehigh River, it is the county seat of Lehigh County and the largest city in the Lehigh Valley MSA. Historically a manufacturing-based city, Allentown has made the turn towards a service oriented economy in recent years.

THE LEHIGH VALLEY MSA is the third largest MSA in Pennsylvania. The MSA contains three Pennsylvania counties and one from New Jersey. It has one of the largest and fastest growing economies in Pennsylvania, the dominate industries including manufacturing, health care, finance, and professional services. In 2019, Lehigh Valley's GDP rose to over \$43.3 Billion. The MSA is home to 7 universities, many ski resorts, and the famous Pocono Raceway. Lehigh Regional airport is one of only eleven airports used by Amazon for their prime air shipping service.

369,318



**LEHIGH COUNTY
POPULATION**
(ESTIMATED)



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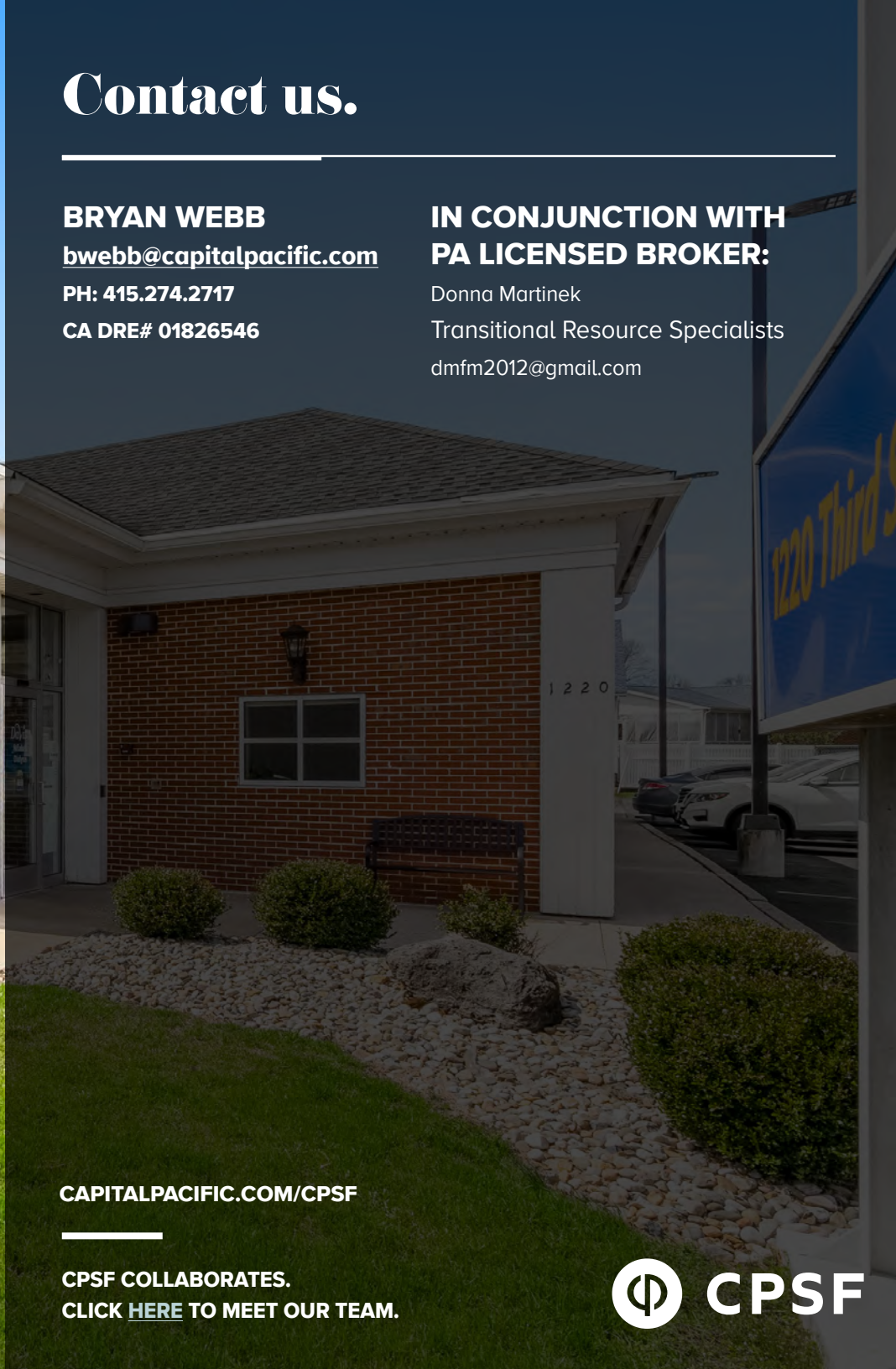
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