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Marcus & Millichap

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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INVESTMENT OVERVIEW



Marcus & Millichap is pleased to present a net-leased essential medical office investment opportunity in Jackson, Mississippi. The property is one hundred percent occupied by DaVita Dialysis (NYSE:DVA), the leading provider of renal care in the United States. The location has been, and continues to be, synonymous with providing life sustaining health services to the community for over two decades. United States Renal data shows End Stage Renal Disease (ESRD) in the state of Mississippi continuing to rise, further highlighting the importance of this treatment center in the years ahead.

DaVita Jackson Southwest Dialysis is a high-volume clinic containing 18 dialysis stations and operating 6 days per week. The lease features a low rent per square foot, making it difficult to replace, and attractive ten percent rent escalations in each option period as a hedge against inflation. As evidence to their commitment to this location, DaVita extended their lease for an additional ten years. In addition to the extension, there are three five-year options to renew with a set rent schedule. Per the lease, the rent will remain below \$15/ft. through the year of 2045. The low rent/sf combined with the Certificate of Need regulations in Mississippi provide excellent stability and security to this location.

The clinic sits on a large parcel of land, over 3 acres, with direct exposure on Raymond Road (4,800+ vehicles per day). The property is located to the Southwest of Downtown Jackson with proximity to Merit Health a regional hospital system. There are also multiple assisted living facilities within 1 mile of this clinic (see pg. 12).

INVESTMENT HIGHLIGHTS

- ✓ Recent Ten-Year Lease Extension
- ✓ Low Rent/SF at \$11.00/ft.
- ✓ 10% Rental Increases Scheduled in Each Option Term
- ✓ 18 Chair Clinic Operating 6 Days per Week
- ✓ Proximity to Regional Hospital & Assisted Living Facilities
- ✓ Certificate of Need State | Significant Barrier to Entry



The Offering

Address	1828 Raymond Rd. Jackson, MS.
Price	\$1,200,000
Capitalization Rate	5.96%
Price/SF	\$184.62

Property Description

Year Built	1995
Gross Leasable Area	6,500
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	3.30 Acres

Lease Summary

Rental Increases	10% in each option period
Lease Type	NN
Lease Commencement	2/22/2006
Lease Expiration	8/31/2030
Lease Term	10
Term Remaining on Lease (Years)	9.25
Renewal Options	(Three) Five Year Options
LL Responsibility	Roof, Structure, Parking Lot
Tenant Responsibility	Taxes, Insurance, CAM

Financial Overview

Annualized Operating Information

Net Operating Income	\$71,500
Rent Per Square Foot	\$11.00

Rent Schedule

Year	Annual Rent	Monthly Rent	Cap Rate
9/1/2021 - 8/31/2022	\$71,500	\$5,958	5.96%
9/1/2022 - 8/31/2023	\$71,500	\$5,958	5.96%
9/1/2023 - 8/31/2024	\$71,500	\$5,958	5.96%
9/1/2024 - 8/31/2025	\$71,500	\$5,958	5.96%
9/1/2025 - 8/31/2026	\$71,500	\$5,958	5.96%
9/1/2026 - 8/31/2027	\$71,500	\$5,958	5.96%
9/1/2027 - 8/31/2028	\$71,500	\$5,958	5.96%
9/1/2028 - 8/31/2029	\$71,500	\$5,958	5.96%
9/1/2029 - 8/31/2030	\$71,500	\$5,958	5.96%



Offering Summary

Price	\$1,200,000
Net Operating Income	\$71,500
Capitalization Rate – Current	5.96%
Price / SF	\$184.62
Rent / SF	\$11.00
Lease Type	NN
Gross Leasable Area	6,500 SF
Year Built / Renovated	1995
Lot Size	3.30 acre(s)

Marcus & Millichap Financing Quote

New Acquisition Financing	\$780,000
Down Payment	\$420,000
Loan To Value	65%
Interest Rate	3.80%
Amortization Period	25
Year 1 Debt Service Coverage	1.48
Annual Debt Service Payment	\$48,378
Net Cash Flow After Debt Service	\$23,122
Cash on Cash Return	5.51%
Principal Reduction - Year 1	\$19,068
Total Return	10.05% \$42,190

Offering Summary

POPULATION	1 Miles	3 Miles	5 Miles
2025 Projection			
Total Population	5,838	45,332	96,480
2020 Estimate			
Total Population	5,813	45,701	97,776
2010 Census			
Total Population	6,000	47,812	101,664
2000 Census			
Total Population	4,045	47,003	108,640
Current Daytime Population			
2020 Estimate	5,910	36,777	104,808
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	5,813	45,701	97,776
Under 20	35.31%	34.24%	31.35%
20 to 34 Years	24.28%	23.24%	23.81%
35 to 39 Years	6.77%	6.81%	6.38%
40 to 49 Years	10.90%	11.63%	11.40%
50 to 64 Years	13.72%	15.72%	16.98%
Age 65+	9.00%	8.34%	10.07%
Median Age	28.92	29.79	31.09

For additional financing details and to get a customized quote please contact:

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DaVita is a Fortune 500® health care provider focused on transforming care delivery to improve quality of life for patients around the globe. 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. Through DaVita Kidney Care, the company treats patients with chronic kidney failure and end stage renal disease. DaVita is committed to bold, patient-centric care models, implementing the latest technologies and moving toward integrated care offerings for all. As of March 31, 2019, DaVita served 203,000 patients at 2,664 outpatient dialysis centers in the United States. The company also operated 241 outpatient dialysis centers in nine countries across the world.

Tenant Profile

Entity	DaVita Inc.
Ticker	NYSE: DVA
Headquarters	Denver, Colorado
Revenue	\$11.54 Billion
EBITDA	\$2.45 Billion
Operating Income	\$2.83 Billion
Net Income	\$832 Million
Credit Rating	S&P BB Moody's Ba2
Dialysis Patients	210,000
Dialysis Clinics	2,901

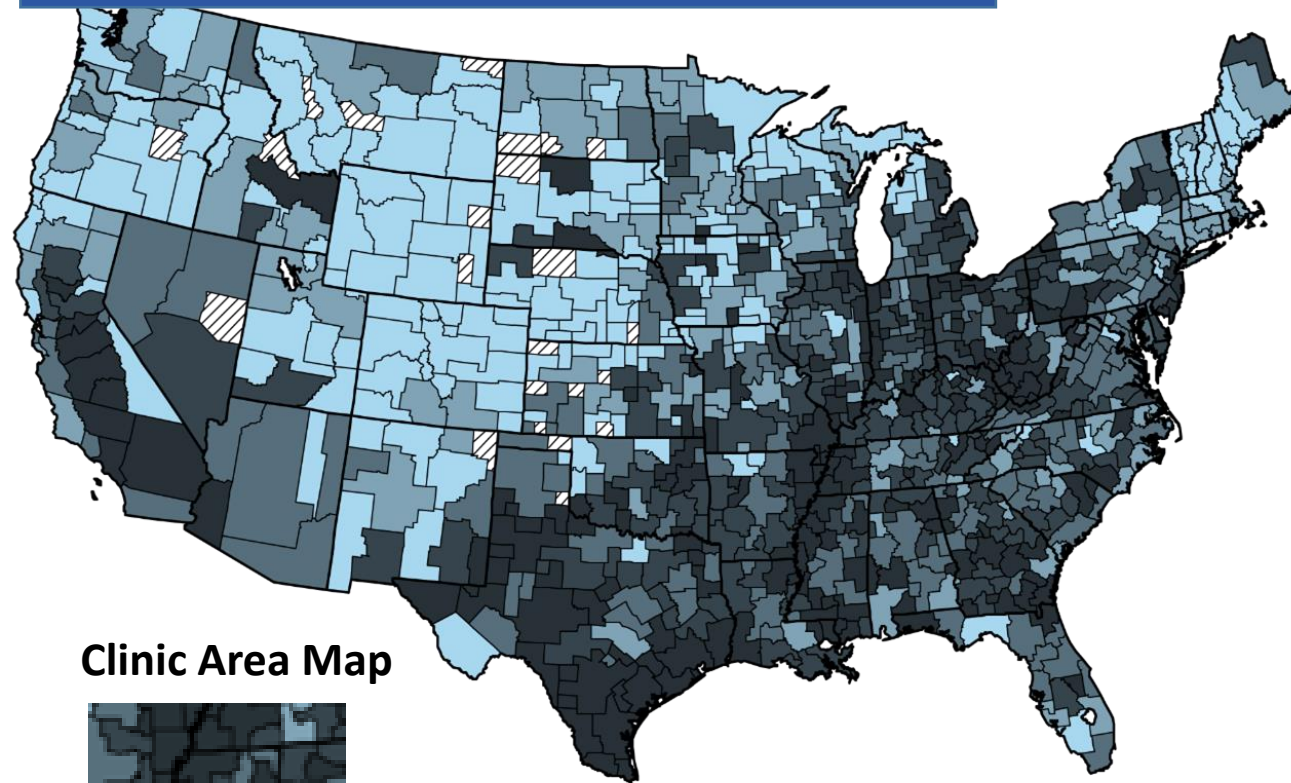
MISSION

We aim to Build the Greatest Health Care Community the World Has Ever Seen through our commitment to upholding our Mission and Core Values for our patients, partners and teammates.

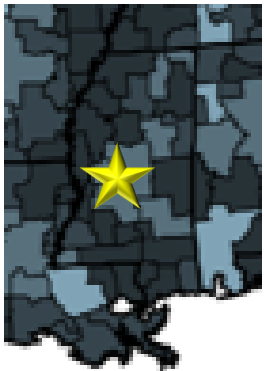
VISION

"Giving life." The name DaVita is an adaptation of this Italian phrase. This is what teammates strive to do for DaVita patients every day, whether they work in a clinic or give support in an office.

Incidence of ESRD, by Health Service Area (2011-2015) per USRDS report



Clinic Area Map



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1 out of every 5 Medicare dollars was for patients with kidney failure. That's \$84 Billion for people with chronic kidney disease (CKD) and end-stage renal disease (ESRD).

According to the United States Renal Data System, there were approximately 746,500 ESRD dialysis patients in the U.S. in 2017 which represents a 2.6% increase from the previous year. There are approximately 125,000 new cases each year. The growth rate is attributable to the aging of the U.S. population, increased incidence rates for diseases that cause kidney failure such as diabetes and hypertension, lower mortality rates for dialysis patients and growth rates of minority populations with higher than average incidence rates of ESRD. The expansion of the outpatient dialysis clinic real estate footprint has also grown at an exponential rate over this same time period.

In 2017, CMS reported that healthcare accounted for 17.7% of the U.S. gross domestic product and that healthcare spending increased 4.6% to reach \$3.6 trillion. Medicare spending grew 6.4% to \$597.4 billion in 2018 or 16% of National Health Expenditures, according to CMS. Medicare's share of the federal budget was 14% in 2019 according to the Congressional Budget Office. Medicare is frequently the focus of discussions on how to moderate the growth of both federal spending and healthcare spending in the U.S.

Growth in Medicare spending is expected to continue due to population demographics. According to the U.S. Census Bureau, the U.S. population aged 65+ is expected to be 83.7 million in 2050 — almost double its estimated population of 54 million in 2019. The Medicare program was established in 1965 and became effective in 1967 as a federally funded U.S. health insurance program for persons aged 65 and older, and it was later expanded to include individuals with ESRD and certain disabled persons, regardless of income or age.

LOCATION OVERVIEW



Chadwick

Nursing and Rehabilitation Center, LLC



4,800 + VPD

Assisted Living Facilities

1. North Grove Personal Care Home
2. Faith & Hope Independent Living
3. 809 State Street Assisted Living
4. Senior Wyze
5. Pleasant Hills Community
6. Utopia Assisted Living
7. Chadwick Nursing & Rehab Center





With more than 10,000 full- and part-time employees, UMMC is one of the largest employers in Mississippi. The Medical Center's \$1.6 billion annual budget - approximately one-tenth from state appropriations - represents 10 percent of the Jackson metro area economy and two percent of the state economy. UMMC continues to grow in all its mission areas.

<https://www.umm.edu/>



St. Dominic-Jackson Memorial Hospital (St. Dominic Hospital), a 571-bed acute care facility in Jackson, Miss., traces its history to 1946, when the Dominican Sisters of Springfield, Ill., purchased the Jackson Infirmary in the center of the city. The infirmary was the foundation for a health system that today includes the acute care hospital, a continuing care community, and a full range of outpatient and community services.

<https://www.stdom.com/>



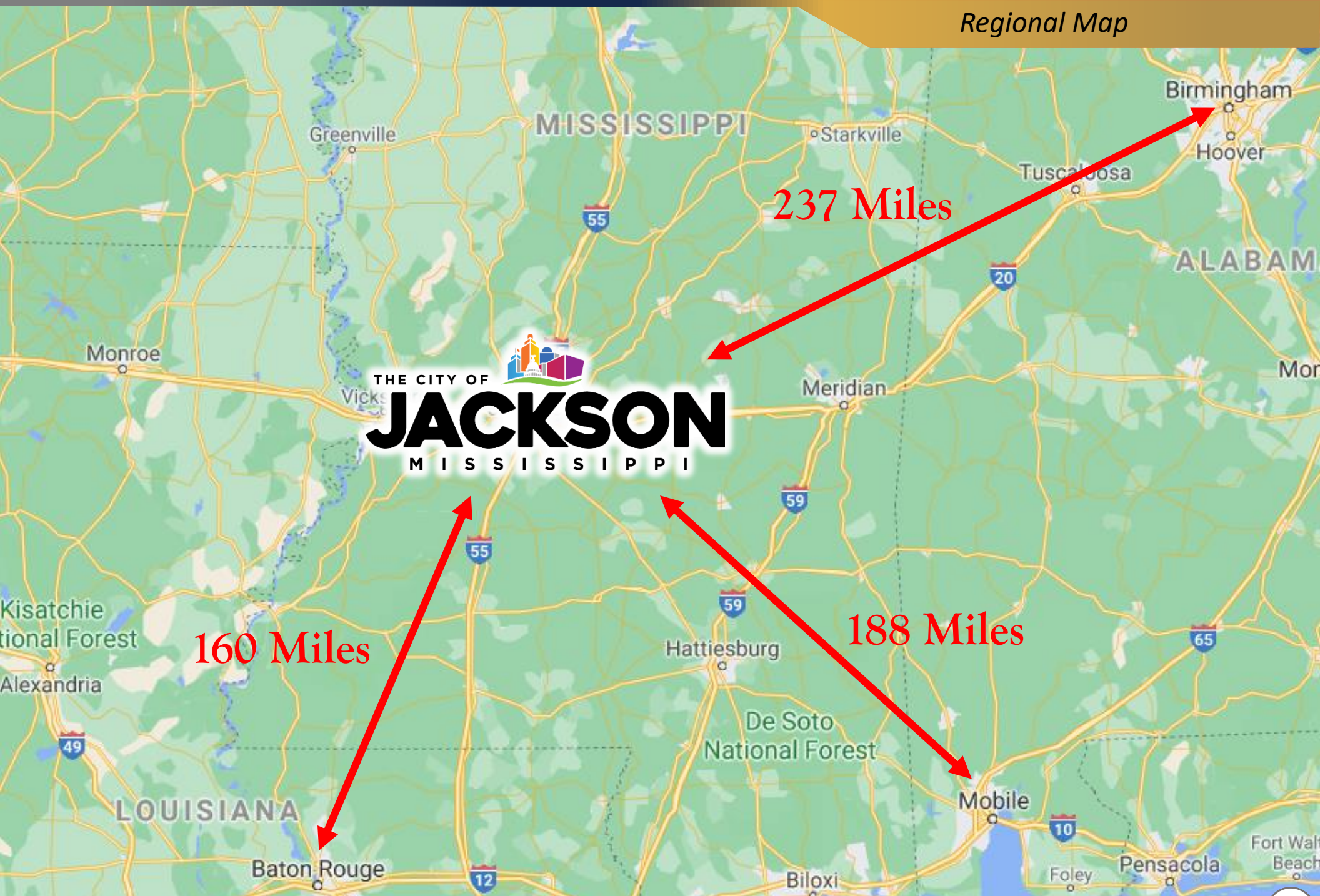
Merit Health Central is a 319-bed health care facility offering a wide range of services provided in a safe, caring, environment. Core services include diagnostic and surgical cardiac services, obstetrics and women's health, cancer care, emergency department with FastTrack, orthopedics, inpatient adult behavioral health services, neurosurgery and general surgical services. Merit Health Central is home to Mississippi's first non-invasive stereotactic radiosurgery and only designated burn center and is one of the first hospitals in the nation to add a PET/CT.

<https://www.merithealthcentral.com/>



The G.V. Montgomery VA Medical Center is an 86-bed Community Living Center (including a palliative care unit), community nursing homes, three 150-bed state veterans nursing homes, VA community clinics, and a variety of outpatient programs are utilized to support the needs of aging veterans.

<https://www.jackson.va.gov/>



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Our ability to enhance seller control

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- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file



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