

Exclusive Net Lease Offering

267 Shrewsbury Street, Worcester, MA 01604



Actual Property

OFFERING MEMORANDUM



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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,

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267 Shrewsbury Street,
Worcester, MA 01604



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Investment Highlights

PRICE: \$5,444,242 | CAP: 5.35% | RENT: \$291,267

About the Investment

- ✓ Long-Term, 15-Year Lease With Approximately 11 Years Remaining
- ✓ Located Less Than One Hour From Boston | Population Exceeds 242,000 Individuals & Average Household Income Exceeding \$86,000 Within a Five-Mile Radius
- ✓ Corporate Guarantee From DaVita Inc, \$17BN in Assets, S&P Rating "BB"
- ✓ Ten Percent (10%) Rental Increases Occurring Every Five (5) Years With Two (2), Five (5)-Year Tenant Renewal Options

About the Location

- ✓ Dense Retail Corridor | Starbucks, Subway, Little Caesars, Dunkin' Donuts, 7-Eleven, Anytime Fitness and Many More
- ✓ Worcester Is The Second Most Populated City In New England After Boston
- ✓ Strong Traffic Counts | Over 20,900 and 23,300 Vehicles Per Day Along Shrewsbury Street and Belmont Street
- ✓ Worcester Regional Airport | Located Approximately Seven-Miles Away
- ✓ Worcester Polytechnic Institute | Located Approximately Two-Miles Away | Over 6,800 Students Enrolled

About the Tenant / Brand

- ✓ 2020 Consolidated Revenue of \$11.551 Billion
- ✓ DaVita Has Been Successfully Operating for 42 Years
- ✓ Total Renal Care Holdings Went Public in 1995, Name Changed to DaVita in 2000
- ✓ 2,828 Outpatient Dialysis Centers in The U.S. | 331 Outpatient Dialysis Centers In 10 Countries Around The World
- ✓ Over 67,000 Employees
- ✓ DaVita Has Served 204,300 Patients, As of June 30, 2021

Representative Photo



Representative Photo





Financial Analysis

PRICE: \$5,444,242 | CAP: 5.35% | RENT: \$291,267

PROPERTY DESCRIPTION

Property	DaVita Dialysis
Property Address	267 Shrewsbury Street
City, State ZIP	Worcester, MA 01604
Year Built / Renovated	1940 / 2017
Estimated Building Size (SF)	11,080
Lot Size (Acres)	+/- 0.46
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$5,444,242
CAP Rate	5.35%
Annual Rent	\$291,267

LEASE SUMMARY

Property Type	Single Tenant Medical Office
Tenant / Guarantor	DaVita Incorporated
Original Lease Term	15 Years
Lease Commencement	September 16, 2017
Lease Expiration	September 15, 2032
Lease Term Remaining	11 Years
Lease Type	Double-Net (NN)
Roof & Structure	Landlord Responsible – 20 Year Roof Warranty In Place From 2017
Rental Increases	10% Every 5 Years
Options to Renew	Two (2), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$264,789	\$22,066	-
Year 2	\$264,789	\$22,066	-
Year 3	\$264,789	\$22,066	-
Year 4	\$264,789	\$22,066	-
Year 5	\$264,789	\$22,066	-
Year 6*	\$291,267	\$24,272	10.00%
Year 7	\$291,267	\$24,272	-
Year 8	\$291,267	\$24,272	-
Year 9	\$291,267	\$24,272	-
Year 10	\$291,267	\$24,272	-
Year 11	\$320,394	\$26,699	10.00%
Year 12	\$320,394	\$26,699	-
Year 13	\$320,394	\$26,699	-
Year 14	\$320,394	\$26,699	-
Year 15	\$320,394	\$26,699	-
Option 1	\$352,434	\$29,370	10.00%
Option 2	\$387,677	\$32,306	10.00%

*Current Rent is \$264,789. Rent Increases to \$291,267 on 09/15/22; Seller Will Credit Difference In Rent At Closing

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a DaVita Dialysis located at 267 Shrewsbury Street in Worcester, Massachusetts. The site consists of roughly 11,080 rentable square feet of building space on estimated .46-acre parcel of land. This DaVita Dialysis is subject to a 15-year lease, which commenced September 16th, 2017.



Concept Overview

About DaVita Incorporated

DaVita has its roots in the founding of Medical Ambulatory Care, Inc. a subsidiary of National Medical Enterprises, Inc. (Now Tenet Healthcare). In 1994, the company was acquired by DLJ Merchant Banking Partners and changed its name to Total Renal Care Holdings, Inc which went public via an initial public offering in October of 1995. In 2000, following a series of restructuring moves, the company changed its name to DaVita Inc. The name “DaVita” was derived from the Italian language phrase “Dare Vita” which means “giving life”. Since this time, DaVita has grown significantly and made several acquisitions including those of Gambro Healthcare, HealthCare Partners, and Colorado Springs Health Partners. DaVita is committed to elevating the health and quality of life for its patients around the world. They continue to expand their operations to improve access to health care in nine countries in addition to the United States through its four primary businesses: DaVita Integrated Kidney Care, DaVita Venture Group, DaVita Clinical Research, and DaVita Physician Solutions.

About DaVita Integrated Kidney Care

As an operating division of DaVita Incorporated, DaVita Kidney Care focuses on setting worldwide standards for clinical, social, and operational practices in kidney care. DaVita Kidney Care is a leading provider of dialysis services in the United States providing comprehensive care and complex chronic condition management to patients nationwide, whether they are in the early stages of kidney disease, transitioning to dialysis, seeking a kidney transplant or receiving life-sustaining dialysis. DaVita Kidney Care strives to improve patients’ quality of life by providing innovative clinical care, and by offering integrated treatment plans, personalized care teams, and convenient health-management services. DaVita Integrated Kidney Care1 (DaVita IKC) is the country’s largest kidney care provider accredited by the National Committee for Quality Assurance (NCQA).

Company Financials/ Overview

- ✓ DaVita (NYSE: DVA) is a fortune 500 (ranked 230th) health care provider and is the largest provider of kidney care services in the United States.
- ✓ The 52-week high for DVA as of September 14, 2021, is \$136.48.
- ✓ Total revenues for year end December 31, 2020, were \$11.55 Billion.
- ✓ \$773 million in net income with \$16.98 billion in total assets.
- ✓ The company carries a ‘BB’ rating from Standard & Poor’s.
- ✓ Insulated from Macroeconomic changes with close to 90% of DaVita patients being covered under some form of government-based program, proving Pandemic and Recession proof.
- ✓ 204,300 Patients served as of July 30, 2021
- ✓ 2,828 outpatient dialysis centers in the United States





Surrounding Area





Property Photos



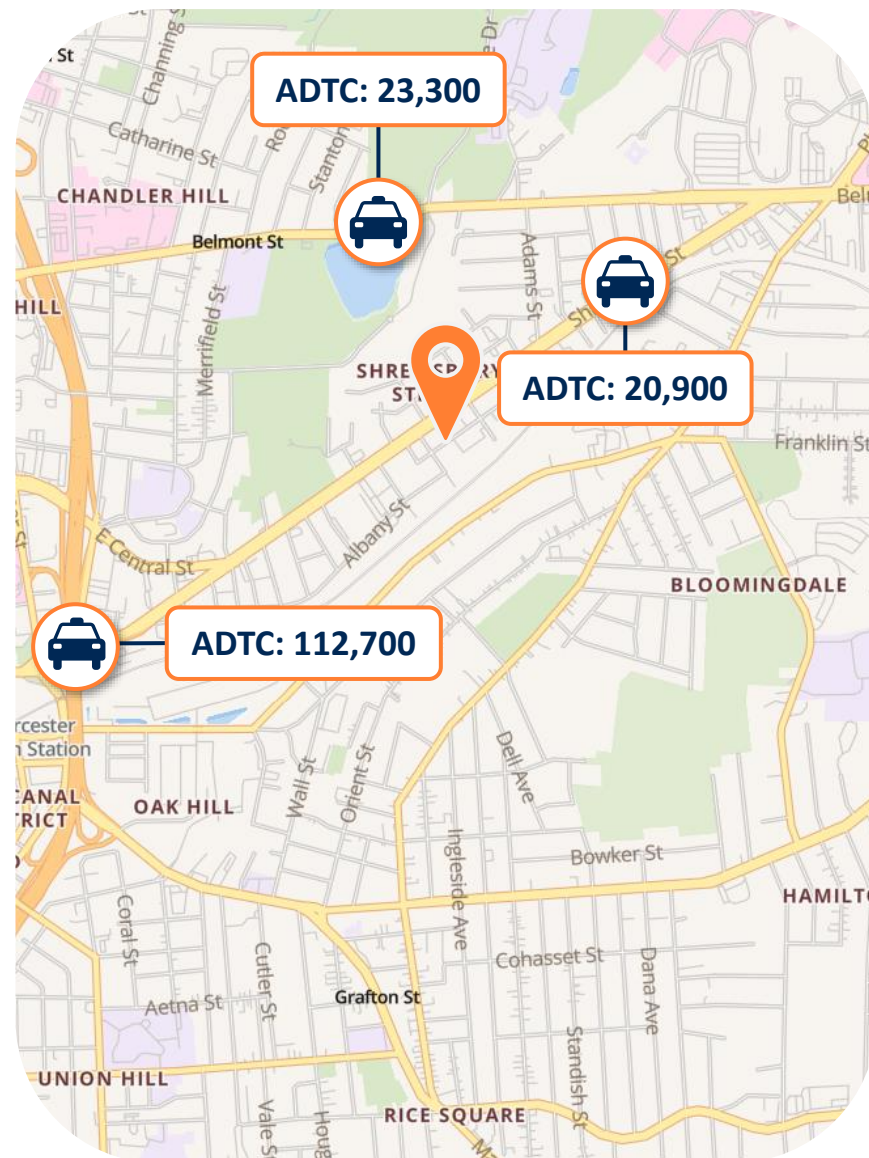


Location Overview

The DaVita Dialysis property is situated on Shrewsbury Street, which boasts an average daily traffic counts of 20,900 vehicles. Belmont Street intersects with Shrewsbury Street and brings in an additional 23,300 vehicles into the immediate area on average daily. Both Belmont Street and Shrewsbury Street connect nearby with Interstate 290 which sees an average daily traffic count in excess of 112,700 vehicles. There are more than 151,000 individuals residing within a three-mile radius of the property and more than 242,000 individuals within a five-mile radius.

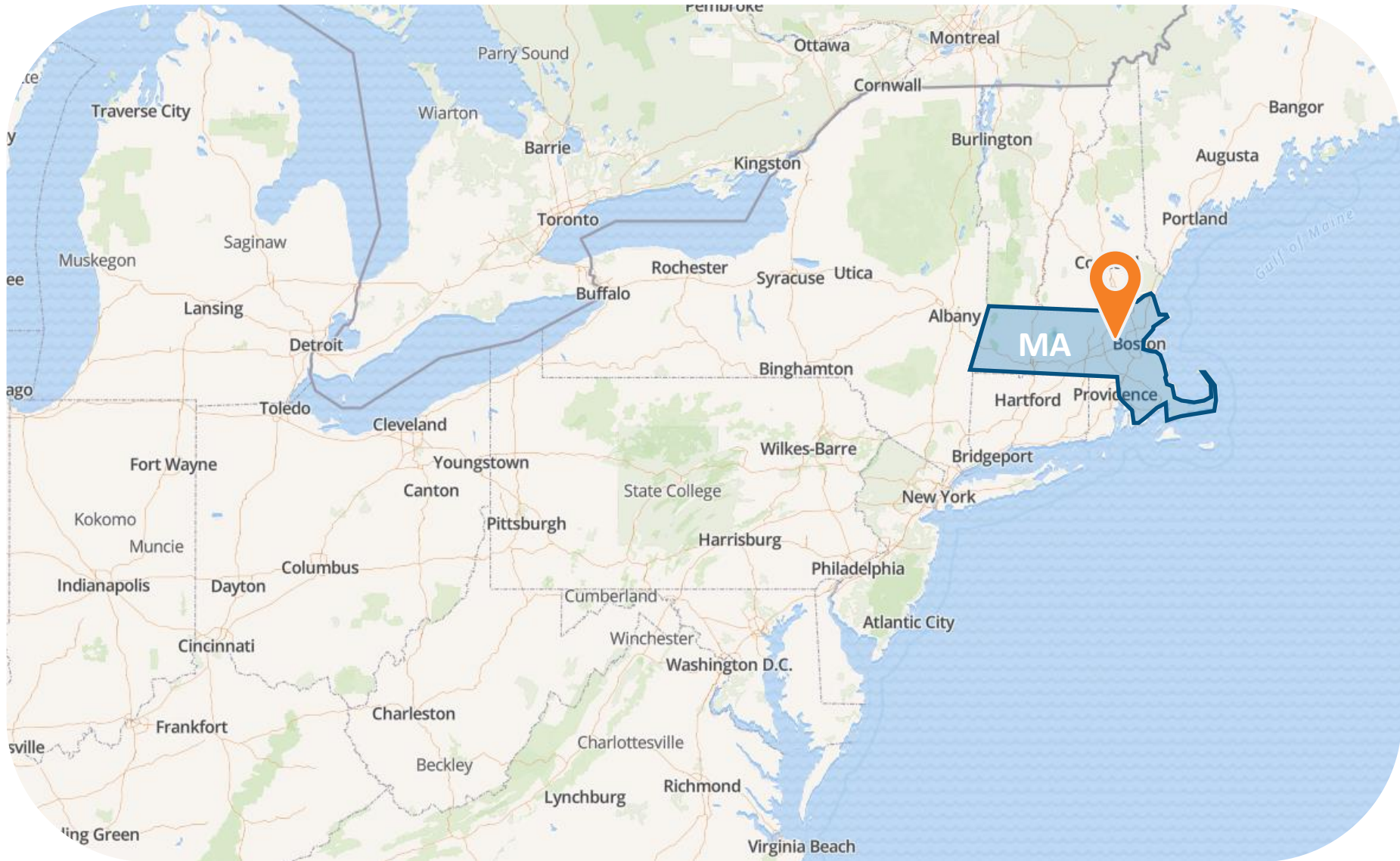
The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, and shopping centers all within close proximity of a densely populated residential area. Major national tenants in the area include: Starbucks, Subway, Little Caesars, Dunkin' Donuts, 7-Eleven, Anytime Fitness as well as many others. This DaVita Dialysis Furniture also benefits from its close proximity to several academic institutions. Most notable is Worcester Polytechnic Institute, which has a total enrollment exceeding 6,800 students and is located within a two-mile radius of the subject property. There are also several shopping centers within close proximity of the subject property, including the White City Shopping Center which features 38 stores. Additionally, Worcester Regional Airport is located approximately seven miles from the subject property.

Worcester is a city in, and the county seat of, Worcester County, Massachusetts, United States. It is named after Worcester, Worcestershire, England as is the second-most populous city in New England after Boston. Worcester is approximately 40 miles west of Boston and 40 miles north-northwest of Providence. Due to its location near the geographic center of Massachusetts, Worcester is known as the "Heart of the Commonwealth;" a heart is the official symbol of the city. Worcester developed as an industrial city in the 19th century due to the Blackstone Canal and rail transport, producing machinery, textiles and wire. Large numbers of European immigrants made up the city's growing population. However, the city's manufacturing base waned following World War II. Long-term economic and population decline was not reversed until the 1990s, when higher education, medicine, biotechnology, and new immigrants started to make their mark. The city's population has grown by 28% since 1980, reaching a new all-time high in the 2020 census and experiencing urban renewal.



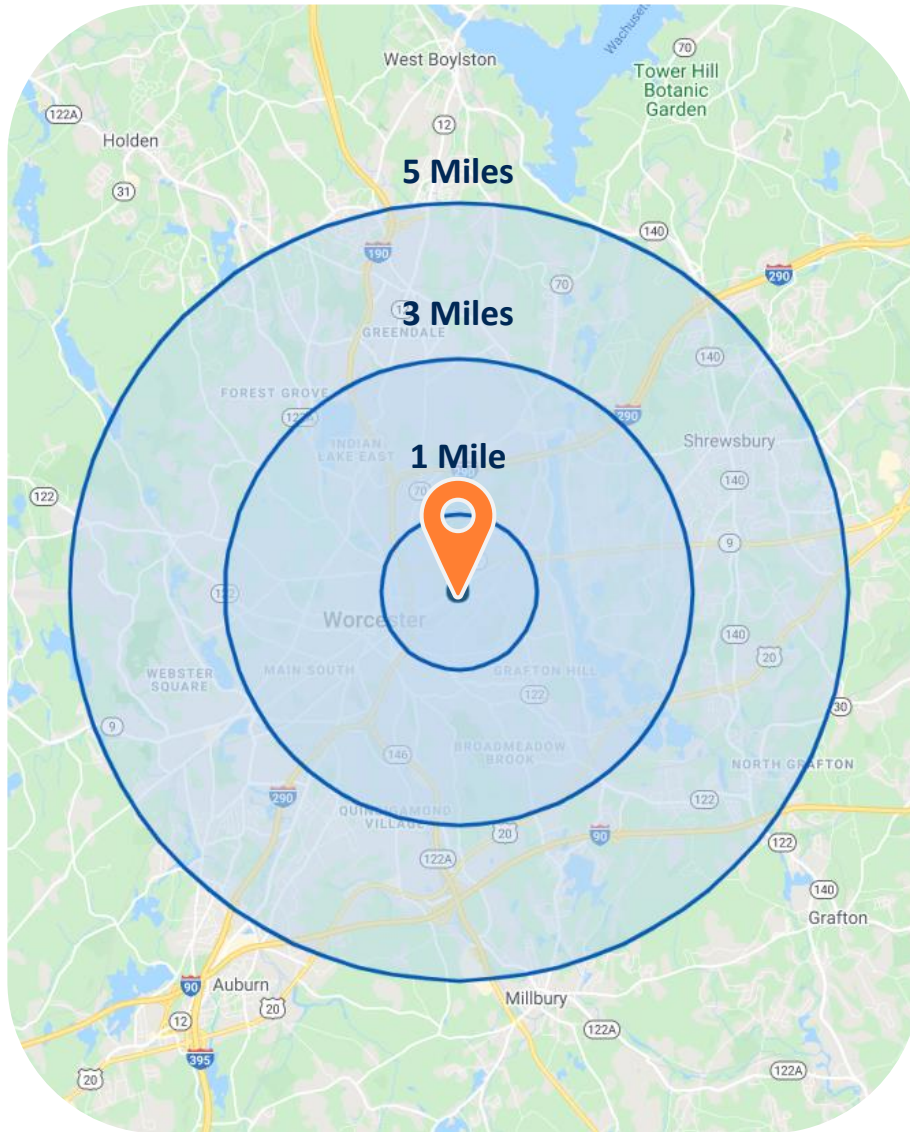


Regional Map





Demographics



1 Mile 3 Miles 5 Miles

Population Trends:

2010 Population	21,089	146,247	232,692
2021 Population	21,222	151,530	242,785
2026 Population Projection	21,450	153,934	246,956
Growth 2010 – 2021	0.10%	0.30%	0.40%
Growth 2021 – 2026	0.20%	0.30%	0.30%

Population by Race (2021):

White	14,597	106,999	180,377
Black	3,958	24,458	31,917
American Indian/Alaskan Native	222	1,216	1,545
Asian	1,477	13,117	21,104
Hawaiian & Pacific Islander	38	239	291
Two or More Races	930	5,501	7,551
Hispanic Origin	7,320	43,281	51,473

Household Trends:

2010 Households	8,411	56,053	89,148
2021 Households	8,435	57,978	92,978
2026 Household Projection	8,523	58,915	94,619
Growth 2010 – 2021	0.00%	0.20%	0.30%
Growth 2021 – 2026	0.20%	0.30%	0.40%

Average Household Income (2021):

\$54,890	\$72,343	\$86,102
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Median Household Income (2021):

\$39,616	\$50,356	\$62,380
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Households by Household Income (2021):

<\$25,000	3,062	16,150	20,745
\$25,000 - \$50,000	1,962	12,701	18,431
\$50,000 - \$75,000	1,225	9,177	14,137
\$75,000 - \$100,000	791	6,103	10,904
\$100,000 - \$125,000	688	5,031	9,075
\$125,000 - \$150,000	316	2,687	5,380
\$150,000 - \$200,000	262	3,161	7,222
\$200,000+	127	2,966	7,084



Market Overview



Boston officially the City of Boston, is the capital and most populous city of the Commonwealth of Massachusetts in the United States and 24th-most populous city in the country. The city proper covers 48.4 square miles with a population of 675,647 in 2020, also making it the most populous city in New England. The city is the economic and cultural anchor of a substantially larger metropolitan area known as Greater Boston, a metropolitan statistical area home to a census-estimated 4.8 million people in 2016 and ranking as the tenth-largest MSA in the country. A broader combined statistical area, generally corresponding to the commuting area and including Providence, Rhode Island, is home to some 8.2 million people, making it the sixth most populous in the United States.

Boston is one of the oldest municipalities in the United States, founded on the Shawmut Peninsula in 1630 by Puritan settlers from the English town of the same name. It was the scene of several key events of the American Revolution, such as the Boston Tea Party, the Battle of Bunker Hill and the siege of Boston. Upon American independence from Great Britain, the city continued to be an important port and manufacturing hub as well as a center for education and culture. The city has expanded beyond the original peninsula through land reclamation and municipal annexation. Its rich history attracts many tourists, with Faneuil Hall alone drawing more than 20 million visitors per year. Boston's many firsts include the United States' first public park, first public or state school, and first subway system.

Today, Boston is a thriving center of scientific research. The Boston area's many colleges and universities make it a world leader in higher education, including law, medicine, engineering and business, and the city is considered to be a global pioneer in innovation and entrepreneurship, with nearly 5,000 startups. Boston's economic base also includes finance, professional and business services, biotechnology, information technology and government activities. Households in the city claim the highest average rate of philanthropy in the United States; businesses and institutions rank among the top in the country for environmental sustainability and investment. The city has one of the highest costs of living in the United States as it has undergone gentrification, though it remains high on world livability rankings.

Marcus & Millichap

EXCLUSIVE NET-LEASE OFFERING



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