

Offering Memorandum



Summerfield, Florida  
(The Villages MSA)



**Brand New, 10-Year Lease  
With 10% Rent Increases  
Every 5 Years**



**Property is Currently  
Undergoing a Remodel,  
Opening Early January 2022**



**Outside the Main Entrance  
for The Villages, the Nation's  
Fastest Growing Community**



**Off U.S. Highway 27/441  
With a Traffic Count of More  
Than 37,500 Vehicles Daily**



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# Marcus & Millichap

## NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.





### Overview

17801 SE 109th Avenue, Summerfield, FL 34491

<b>Price:</b>	<b>\$3,180,000</b>
<b>Cap Rate:</b>	<b>5.00%</b>
<b>Rentable Square Feet:</b>	<b>4,676</b>
<b>Annual Rent:</b>	<b>\$158,984</b>
<b>Price PSF:</b>	<b>\$680.07</b>
<b>Land Area:</b>	<b>1.43 Acres</b>
<b>Year Built:</b>	<b>1995</b>

### Lease Summary

<b>Tenant:</b>	Heartland Dental
<b>Website:</b>	<a href="http://www.Heartland.com">www.Heartland.com</a>
<b>Lease Guarantor:</b>	Corporate
<b>Lease Type:</b>	NN
<b>Lease Term:</b>	10 Years
<b>Option Periods:</b>	3, 5-Year Options
<b>Rent Increases:</b>	10% Every 5 Years
<b>Roof &amp; Structure:</b>	Landlord
<b>Commencement:</b>	Earlier of store opening or Jan 5, 2022
<b>Lease Expiration:</b>	12/31/2031 est

### New Long-Term, Corporate Lease

- Brand New, 10-Year, Corporate Lease With Full Term Remaining
- Three, Five-Year Tenant Renewal Options
- 10 Percent Rent Increases Every Five Years Throughout Base Term and Option Periods
- Property is Currently Undergoing a Remodel, Estimated Opening is January 5, 2022
- Heartland Dental's Parent Company, KKR, is a Leading Investment Firm With Approx \$207 Billion in Assets Under Management
- Off U.S. Highway 27/441 With a Traffic Count of More Than 37,500 Vehicles Daily
- Located Outside the Main Entrance for The Villages, the Largest Single-Site Residential Real Estate Development in the United States

### Rent Schedule

Base Term	Annual	Rent PSF	Cap Rate
Lease Years 1-5:	\$158,984	\$34.00	5.00%
Lease Years 6-10:	\$174,882	\$37.40	5.50%

Option Periods	Annual	Rent PSF	Cap Rate
Option 1, Years 11-15:	\$192,370	\$41.14	6.05%
Option 2, Years 16-20:	\$211,589	\$45.25	6.65%
Option 3, Years 21-25:	\$232,771	\$49.78	7.32%

## Surrounding Area

- Off U.S. Highway 27/441 With a Traffic Count of More Than 37,500 Vehicles Daily
- Located Outside the Main Entrance for The Villages, the Largest Single-Site Residential Real Estate Development in the United States
- 1.5 Miles from UF Health The Villages Hospital, a 307-Bed Acute Care Hospital Serving Residents of The Villages and Lake, Sumter and Marion Counties 2002
- Surrounding National Retailers Include Walmart Supercenter, Lowes, Home Depot, Publix, Aldi, Winn Dixie, Staples, Ross, TJ Maxx, Beall's, Office Depot, Mattress Firm, Cracker Barrel, Chili's, Applebee's, Outback Steakhouse, Sonic, Pizza Hut, Denny's, Dunkin Donuts, McDonald's, Pizza Hut, Wawa, Walgreens, CVS, Wells Fargo, Chase Bank, AT&T, Verizon and Many More
- Directly Across the Street from the Stonecrest Golf Club
- 19 Miles South of Ocala
- 60 Miles Northwest of Orlando, and 87 Miles North of Tampa

## The Villages, 55+ Community

- Ranks as America's Top-Selling, Master Planned Community for Active Adults 55 and Over
- Population Grows by Approximately 4,500 Annually
- The U.S. Census Bureau Named The Villages the Fastest Growing Metropolitan Statistical Area for the Decade 2010-2019
- There Are 38+ Executive Golf Courses and 10+ Championship Golf Courses in the Surrounding Area
- More Holes of Golf Than Any Other Community/Facility in the World With Currently 693 Holes
- Home to One of the Highest Concentrations of Veterans of Any Community in the Nation – Between 19,000 and 20,000 Veterans Call The Villages Home





**H**earthland Dental was founded in 1997 by Rick Workman, DMD, who opened his first two dental offices in Effingham, IL. Today, Heartland Dental is the nation's largest dental support organization providing non-clinical, administrative support services to 1,400 supported dentists across 37 states. Heartland Dental partners with its supported dentists to deliver high-quality care across the full spectrum of dental services, and is majority owned by KKR, a leading global investment firm.

Heartland Dental partners with its supported dentists to deliver high-quality care across the full spectrum of dental services, and is majority owned by KKR, a leading global investment firm. With more than 1,400 supported dental offices, Heartland Dental is experiencing phenomenal growth nationwide and their success can be attributed to the focus on culture and a commitment to ongoing advancement.

PARENT COMPANY  
**KKR & Co,  
Inc.**

[www.KKR.com](http://www.KKR.com)

TENANT  
**Heartland  
Dental, LLC**

[www.Heartland.com](http://www.Heartland.com)

At Heartland Dental, they are committed to helping the modern dentist grow their skills, advance their professional career, and maintain a healthy work-life balance. Founded for dentists by a dentist, they have detailed knowledge of the needs of the modern dentist and work hard to provide comprehensive support, opportunities, and resources to their supported dentists. Heartland Dental prides itself on the highly collaborative atmosphere and the dynamic network of dental pioneers they've created across the dental industry.

To help all supported dentists and team members grow and develop, Heartland Dental offers:

- » Collaborative Knowledge: Their network encompasses a large number of supported offices across the nation, and they regularly encourage professional development through peer-to-peer knowledge sharing and a mindset focused on unity.
- » Professional Networking: They strive to create enduring professional relationships amongst supported dentists so they can share their successes and camaraderie while growing their professional network.
- » Scientific Innovation: They're committed to using only the latest technology in everything from dentistry to business support, and they help their supported dentists stay on top of all the latest technology.
- » Emerging Leadership: Heartland Dental supported dentists have the opportunity to grow their leadership skills through professional mentorship, giving them the motivation, skill sets, and strategies to become an effective leader.
- » Long-Lasting Success: Once the planning and hard work has paid off, they'll help you celebrate all the successes together as a team
- » Unparalleled Mastery: Through their 5-Year Doctor Mastery Program, the supported dentists gain an incomparable level of mastery over their craft.



# KKR

*KKR is a Leading Global Investment Firm that Manages Multiple Alternative Asset Classes, including Private Equity, Energy, Infrastructure, Real Estate and Credit, with Strategic Partners that Manage Hedge Funds.*

**H**earthland Dental's parent company, KKR (NYSE: KKR) is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. KKR has approximately \$207 billion in assets under management and more than 103 companies under their portfolio.



**\$429**  
BILLION

Assets under management as of June 30, 2021.



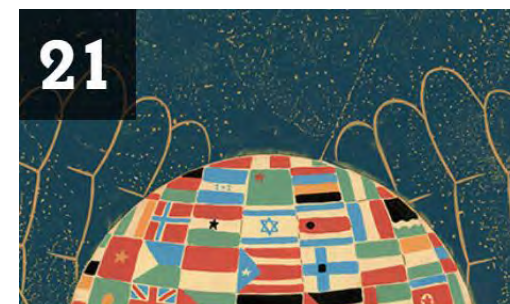
OVER  
**40**

Investment funds raised since our inception, including 22 private equity funds.



**818,000**  
PEOPLE

Employed worldwide as of December 31, 2019.



**21**

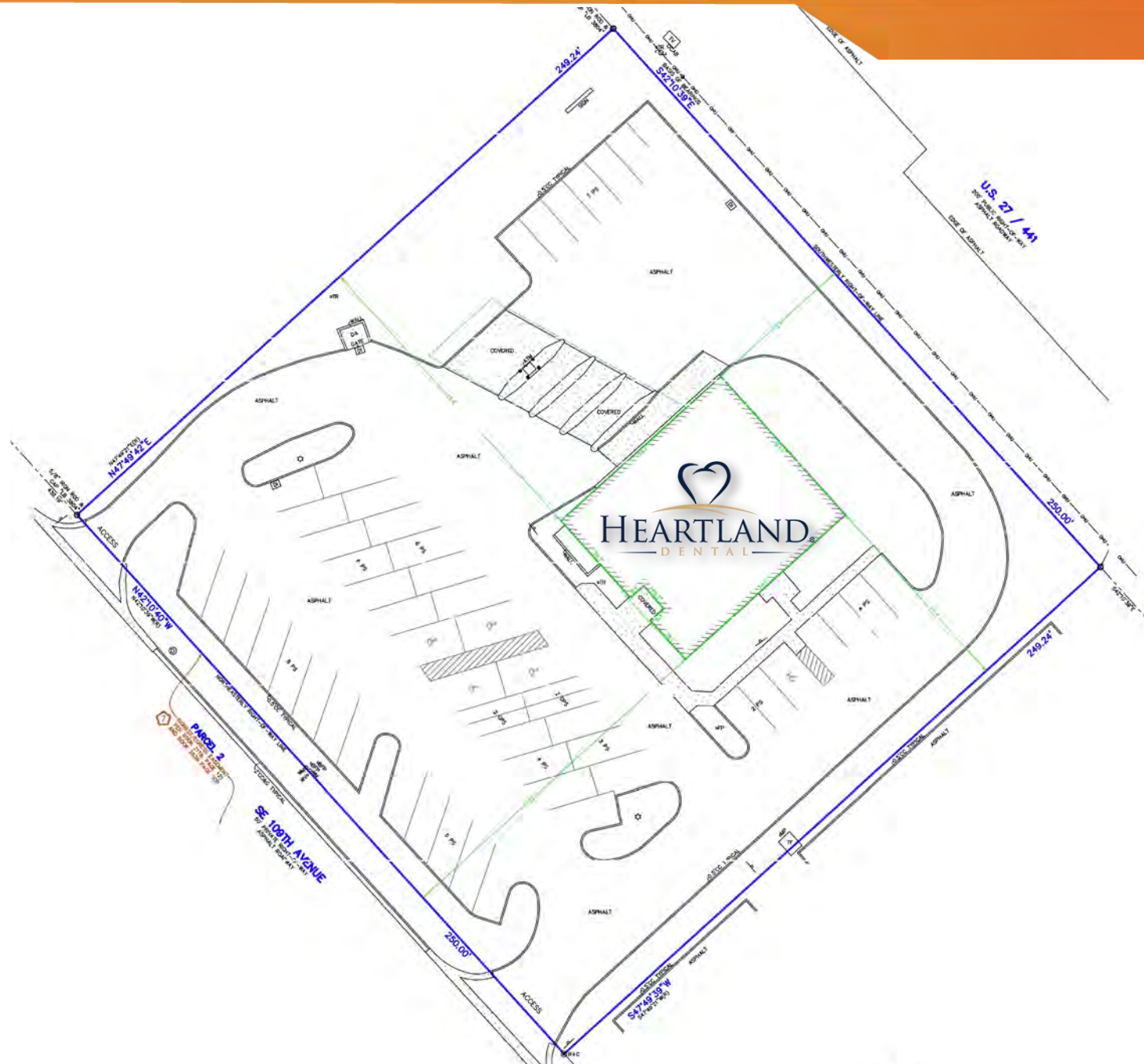
Cities across 4 continents where we deliver our local expertise with a global perspective.

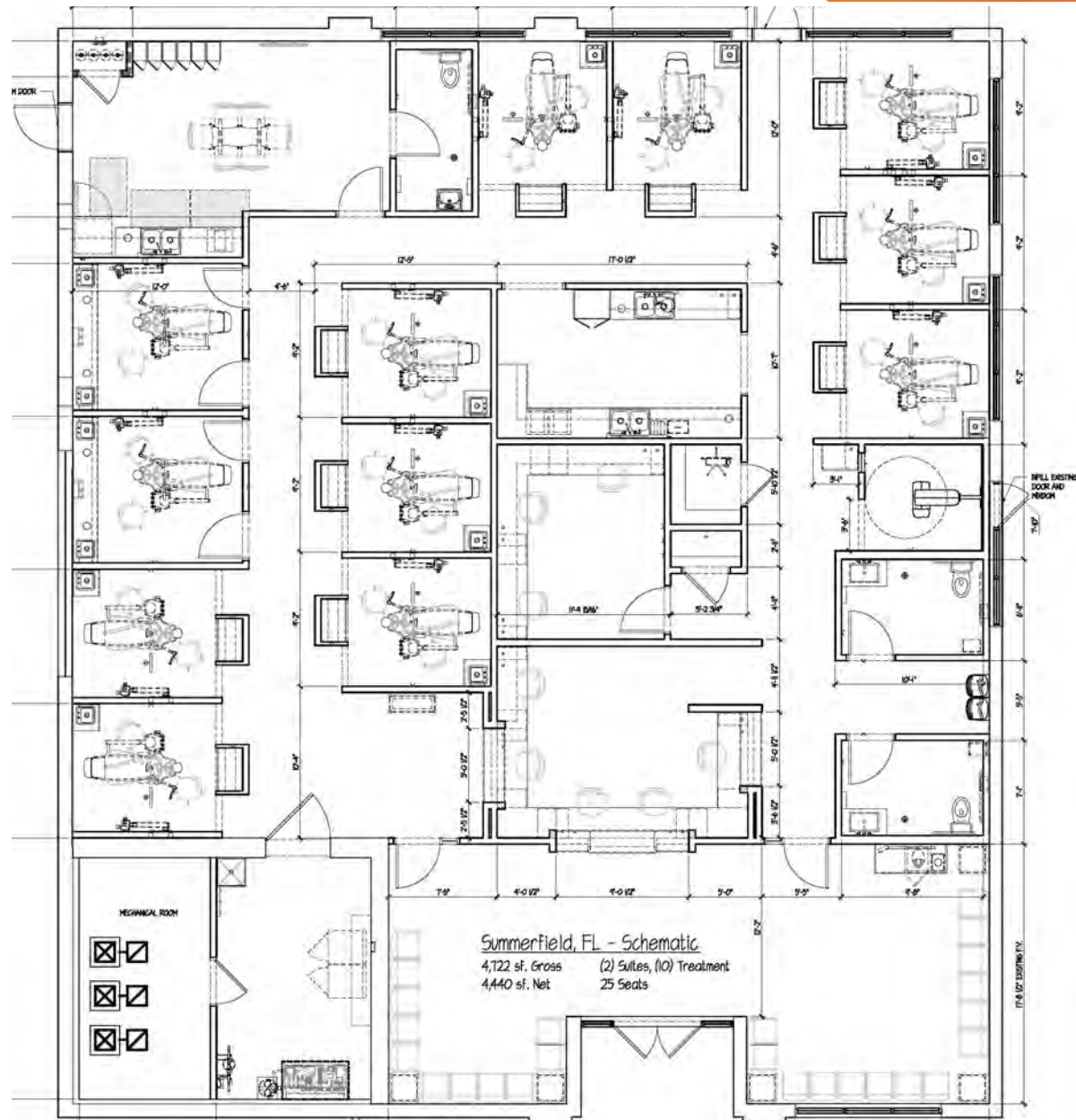


**109**

Portfolio companies in our private equity funds that generate ~\$244 billion in annual revenues as of March 31, 2021.

# SITE PLAN









CVS  
pharmacy



HEARTLAND

Munroe  
Regional  
Medical  
Center

US Highway 27 / 441

BEALLS  
FIREHOUSE  
SUBS  
AT&T  
WELLS  
FARGO

LOWE'S  
CHASE  
Rocker  
Barrel

Wawa

Publix  
DUNKIN'  
DONUTS  
Denny's  
FirstWatch  
The Daytime Cafe  
The UPS Store  
Walgreens

Pizza  
Hut  
McDonald's  
Jimmy John's

Office  
DEPOT

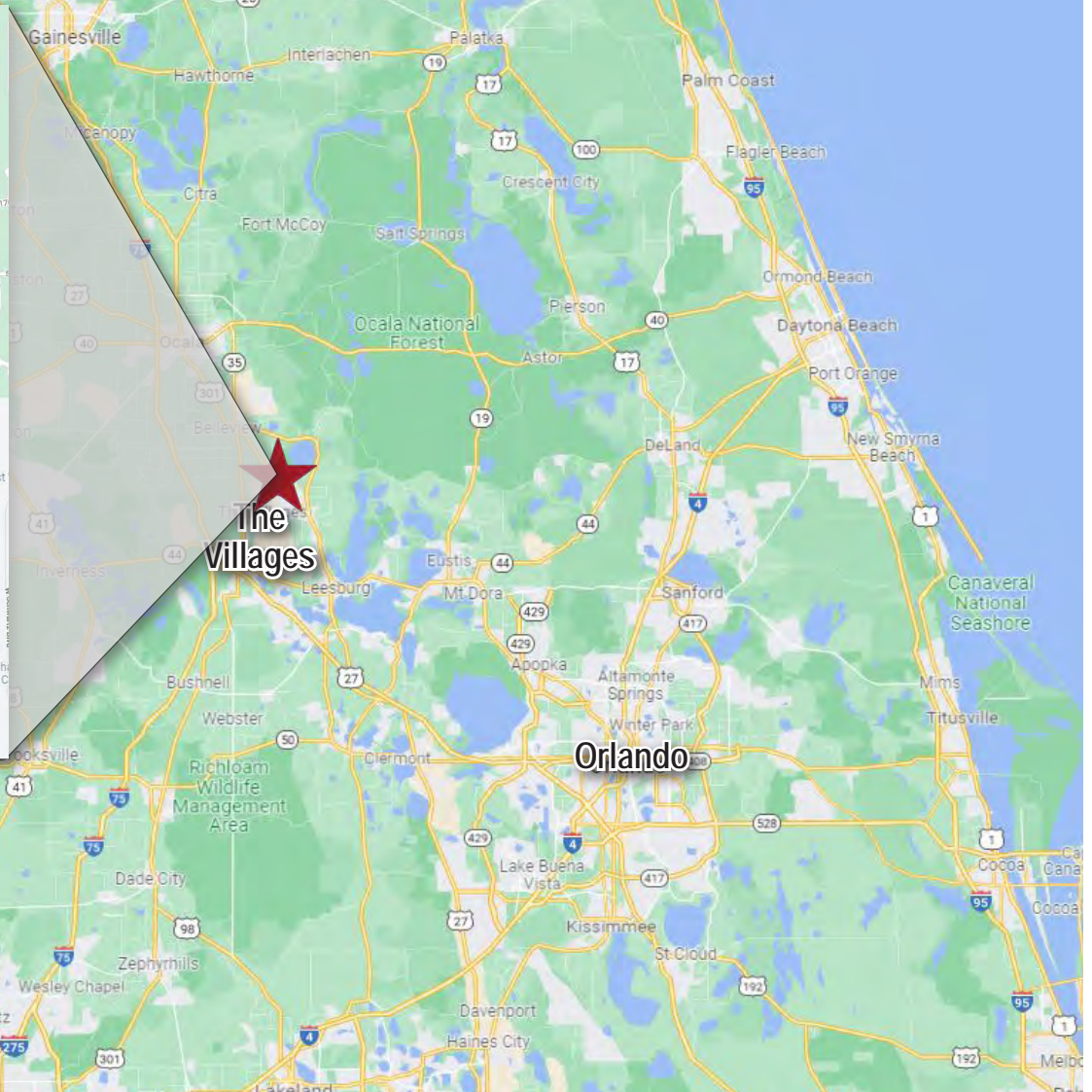
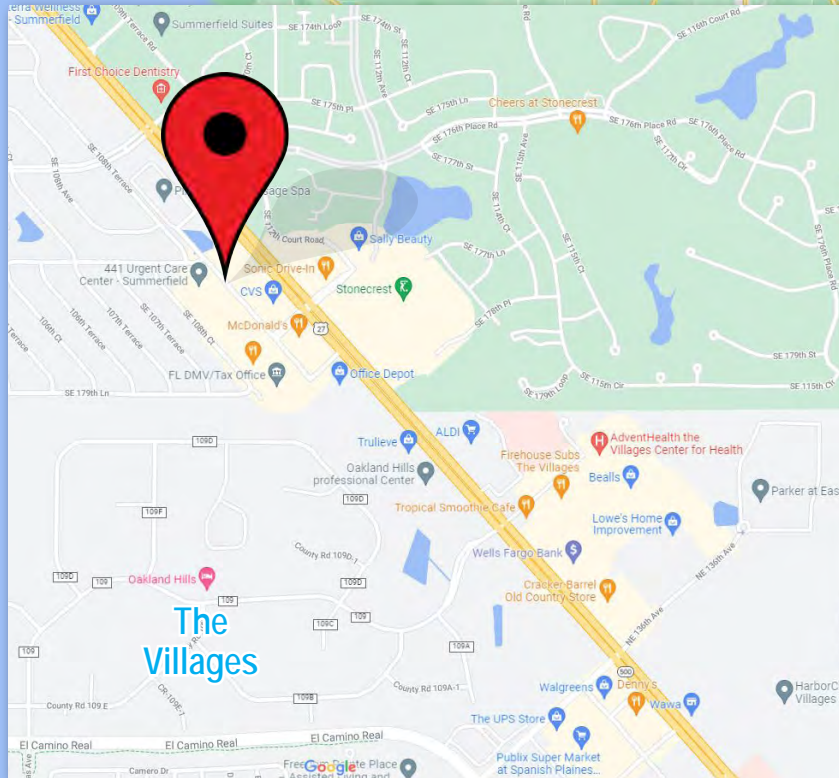
Walmart  
SONIC  
REGIONS  
GameStop

37,500  
Daily

UFHealth  
UNIVERSITY OF FLORIDA HEALTH



## LOCAL & REGIONAL MAPS





## The Villages, Florida

The Subject Property is located just outside the main entrance to The Villages, the largest single-site residential real estate development in the United States spanning over 33,000 acres in three adjoining counties in Central Florida. The Villages ranks as America's top-selling, master planned community for active adults who are 55 years old and over. In 2020, The Villages was recognized for the 11th consecutive year as the number one active, adult community in The United States.

The rapid growth of areas like this has helped Florida become the nation's third most populous state. In ten years, it grew from 93,000 people to nearly 130,000 residents, about 40 percent. The current total population of The Villages reached 157,000 people. There are 33 executive golf courses and 11 Country Club courses in The Villages.



Population  
has more  
than doubled  
since 2010



**33,000**  
acres in 3  
counties



**157,000**  
residents  
and counting



*NEW YORK*

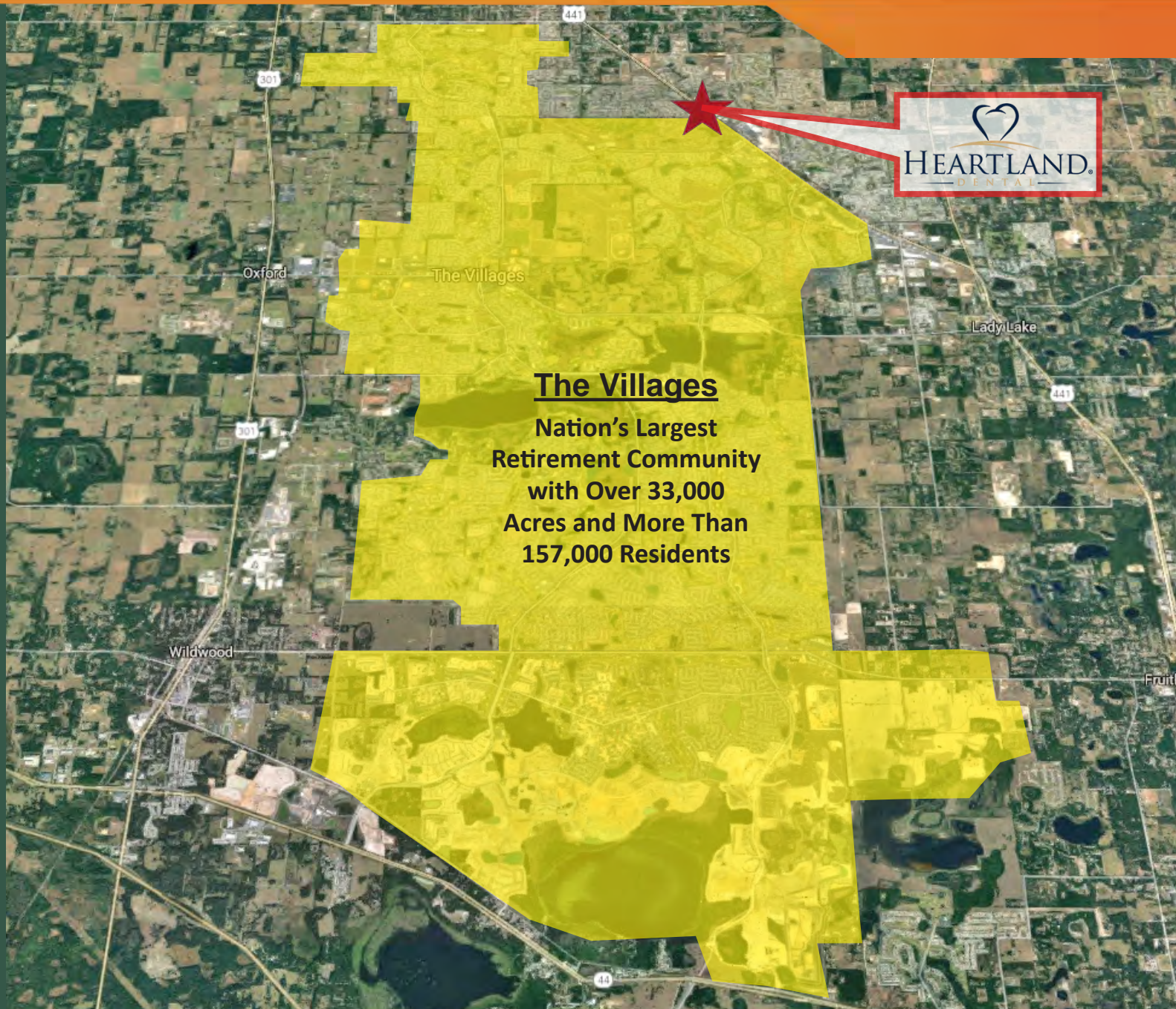
### There's One Thing We Can Learn From the Villages' Success

AUG. 20, 2021

For anyone who keeps an eye on Census data, last week's news that the fastest-growing metropolitan statistical area in the country is the Villages, the master-planned retirement community in Florida, was not surprising. In ten years, it grew from 93,000 people to nearly 130,000 residents, about 40 percent. Although all 20 of the largest cities in the U.S. grew over the past decade — some more than others — none of them are booming like the Villages, which covers 32 square miles, an area larger than Manhattan, and is still briskly expanding. Its unbridled growth over the last decade means that it's doing something right, and anyone considering how cities might better house their aging populations ought to take a long look at its ideas — both the bad ones and the good ones. ....

[Click Here for Full Article](#)



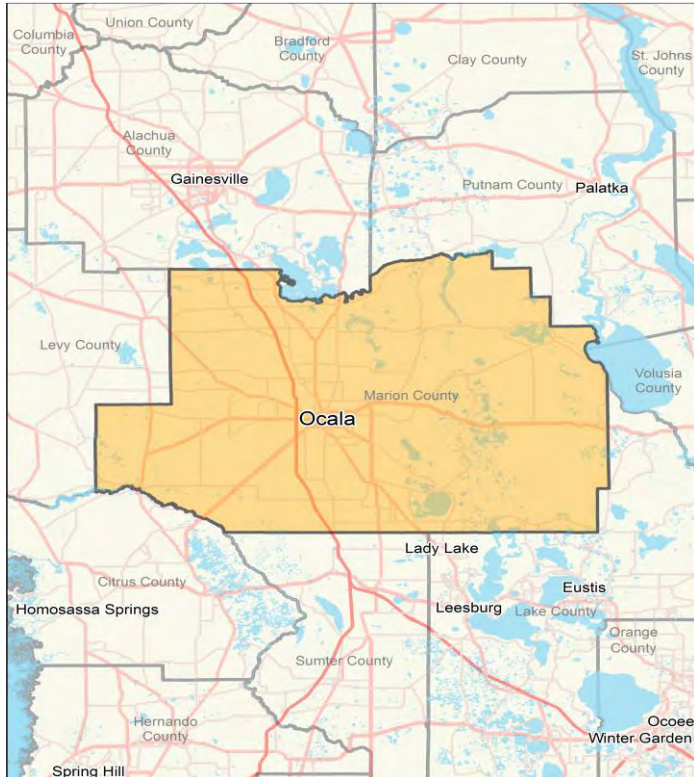


**The Villages**  
Nation's Largest  
Retirement Community  
with Over 33,000  
Acres and More Than  
157,000 Residents



## OCALA OVERVIEW

Known as a strong manufacturing base and for its equine industry, the Ocala metro is able to attract global companies. A lower cost of doing business and strategic location in central Florida are strong motivators for businesses that establish a footprint here. The metro comprises all of Marion County, and Jacksonville, Orlando and Tampa are all within a two-hour drive. Residents age 65 and older account for 29 percent of the population, contributing to a large healthcare sector.



## METRO HIGHLIGHTS



### HEALTHCARE

Munroe Regional Medical Center and Ocala Health are two of the largest employers, with thousands of workers locally.



### LOGISTICS & DISTRIBUTION

Ocala is centered among Jacksonville, Orlando and Tampa, leading companies to locate their distribution networks here.



### MANUFACTURING

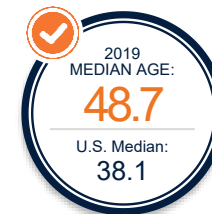
Lockheed Martin employs more than 1,000 workers in the county, assembling numerous products for defense and aerospace purposes.



## ECONOMY

- A skilled workforce, rich distribution advantages and a strong manufacturing base offer an attractive environment for major companies to establish or grow their business in the county. Large companies in the area include FedEx, Frito Lay, ClosetMaid and National Parts Depot.
- Retailers Walmart and Publix employ roughly 3,900 workers across several locations in the county, accounting for a substantial portion of the workforce. Walmart is among the metro's largest employers.
- The Ocala Metro is the Horse Capital of the World. The equine industry has a yearly economic impact of \$2.6 billion.

## DEMOGRAPHICS



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	5,211	37,753	71,142
2020 Population	5,838	44,088	85,406
2025 Population	6,081	46,840	92,201
2020 Male Population	2,726	20,589	40,167
2020 Female Population	3,112	23,498	45,239
2020 Median Age	71.2	72.0	69.9

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.2%	0.1%	0.2%
Asian	1.1%	1.0%	1.1%
Black	2.7%	1.4%	2.0%
Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
White	94.6%	96.4%	95.3%
Other	0.6%	0.5%	0.7%
Multi-Race	0.8%	0.6%	0.8%
Hispanic Ethnicity	3.2%	2.6%	3.5%
Not of Hispanic Ethnicity	96.8%	97.4%	96.5%

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Income	\$60,830	\$58,902	\$59,628
2020 Avg Household Income	\$71,810	\$69,988	\$71,686
2025 Avg Household Income	\$81,790	\$79,887	\$81,617
2010 Med. Household Income	\$45,930	\$45,293	\$46,455
2020 Med. Household Income	\$55,820	\$54,191	\$56,869
2025 Med. Household Income	\$63,262	\$61,656	\$65,095
2010 Per Capita Income	\$32,356	\$32,446	\$31,594
2020 Per Capita Income	\$38,135	\$38,791	\$38,265
2025 Per Capita Income	\$43,922	\$44,977	\$44,092

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	2,769	20,742	37,630
2020 Households	3,098	24,390	45,535
2025 Households	3,264	26,332	49,763



Click to View in  
Google Maps

Or in Google  
Street View





# Marcus & Millichap

## WOLFE-LIPSKY RETAIL GROUP

The Wolfe-Lipsky Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling 657 separate commercial properties with 339 in Florida, and a market value exceeding \$1.85 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe-Lipsky Retail Group or to view all of our available listings, visit [www.WolfeRetailGroup.com](http://www.WolfeRetailGroup.com)



### About Marcus & Millichap

*With nearly 2,000 investment professionals located throughout the U.S. and Canada, Marcus & Millichap (NYSE: MMI) is a leading specialist in commercial real estate investment sales, financing, research and advisory services. The firm closed more than 9,400 transactions in 2018 with a value of approximately \$46.3 billion.*

*Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.*

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*Marketing Coordinator*

# Marcus & Millichap

**SPECIAL COVID-19 NOTICE:** All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)