



1810 S FRESNO AVE | STOCKTON, CA 95206

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



OFFERING MEMORANDUM

DaVita®

1810 S FRESNO AVE | STOCKTON, CA 95206

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TENANT OVERVIEW



YEAR FOUNDED
1999

INDUSTRY
HEALTHCARE

HEADQUARTERS
DENVER, CO

2020 REVENUE
\$11.55B

CORAL DIALYSIS
DAVITA SUBSIDIARY

TENANT OVERVIEW

DaVita Inc., a Fortune 500[®] company, is the parent company of DaVita Kidney Care and HealthCare Partners. 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. Through its Kidney Care division, the firm is one of the US' largest providers of dialysis, providing administrative services to more than 2,624 outpatient centers across the US; it serves some 204,200 patients. The company also offers home-based dialysis services, as well as inpatient dialysis in about 251 clinics. It operates two clinical laboratories that specialize in routine testing of dialysis patients and serve the company's network of clinics. Subsidiary HealthCare Partners (HCP) operates primary care clinics and physician practices in several states.

STRATEGY

While DaVita has primarily grown through acquisitions over the years, it also expands its operations through joint ventures and partnerships. In 2015 DaVita merged two of its business units -- DaVita Clinical Research and HealthCare Partners Clinical Research -- to further expand its extensive clinical research and data analytics services, specifically in patients with chronic kidney disease and ESRD, as well as primary care and chronic disease patients treated in an integrated care organization. A long-term strategy to expand into overseas markets for growth is in play. Through acquisitions and partnerships, DaVita was able to enter the Chinese, Brazilian, and Saudi Arabian markets in 2015.

GEOGRAPHIC REACH

California, Florida, and Texas are home to about 30% of all DaVita dialysis centers, though the firm has locations in more than 45 US states and Washington, DC. Nearly all of the company's outpatient dialysis centers are either wholly-owned or majority-owned by DaVita. Currently, the company's international operations comprise a small fraction of its total business at 118 outpatient dialysis centers in 10 countries. The company has established a presence in select international markets, including Europe, Latin America, the Middle East, and the Asia/Pacific region. Colombia, Germany, India, and Malaysia together account for more than 70% of DaVita's outpatient dialysis centers outside of the US.

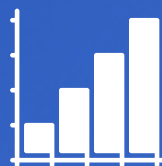
A photograph of a DaVita Dialysis building. The building features a light-colored brick base with several windows and a tan upper section with the 'DaVita Dialysis' logo. To the right, a taller section of the building has vertical blue-grey siding. A bare tree stands in front of the taller section, and a silver pickup truck is parked to the right. The sky is clear blue.

DaVita Dialysis

EXECUTIVE OVERVIEW



\$5,700,000
PRICE



5.20%
CAP RATE



\$296,731
NOI



±8,935 SF
GLA

FINANCING

Please contact a Matthews™ Capital Markets Agent for financing options:

Patrick Flanagan
patrick.flanagan@matthews.com



INVESTMENT HIGHLIGHTS

Strong Surrounding Attractions: Subject property is proximate to St. Joseph's Medical Center, San Joaquin General Hospital, Stockton Metropolitan Airport, University of the Pacific, and more.

Large Dialysis Clinic: The Subject has 23 equipped dialysis stations with one Hemodialysis treatment room.

Attractive Rental Increases: The Subject has 3% annual rental increases for their remaining seven year term followed by three, five-year options.

Expanding Demographics: The Subject benefits from rapid growth within the city with a population count of over 200,000 people in a 5-Mile Radius.







FINANCIAL OVERVIEW

LEASE ABSTRACT

Tenant Legal Name	Davita Dialysis
Lease Guarantor	Coral Dialysis, LLC, a Delaware limited liability company
Tenant Size (SF)	8,935
Lease Commencement Date	2014
Lease Expiration Date	2029
Original Lease Term	15 Years
Term Remaining	7 Years
Lease Type	NN
Options Periods	Three, 5-Year Options at 95% of FMV
Increases	3% Annual Increases
Current Annual Rent PSF	\$33.21
Roof and Structure	Landlord Responsibility
Operating Expenses	Tenant shall pay their pro rata share of taxes (defined as real property taxes, public charges and assessments imposed during the Term upon the Building or land on which the Building is located), CAM charges, and insurance premiums actually paid to a third party insurer for the Building. Tenant shall additionally pay the net cost of all utilities including but not limited to gas, fuel oil, electrical, telephone, and other charges. The Premises shall be separately metered for all utilities, including gas, water, and electricity.

FINANCIALS

Price	\$5,700,000
Price PSF (\$)	\$638
Year 1 Cap Rate	5.20%
Year 1 NOI	\$296,731
Gross Leasable Area	±8,935 SF
In Place Occupancy	100%





DOWNTOWN STOCKTON
± 1.4 MILES AWAY



ORT J. LOFTHUS FWY ± 18,000 VPD



± 120,000 VPD

**UNIVERSITY OF THE
PACIFIC**



4

± 15,000 VPD

S. FRESNO AVE ± 8,000 VPD

Davita

SEK
STOCKTON
METROPOLITAN
AIRPORT

SAN JOAQUIN
GENERAL
HOSPITAL | SAN JOAQUIN
COUNTY
Clinic

WESTON RANCH
HIGH SCHOOL
WVR

VAN BUSKIRK
COMMUNITY CENTER

5 ± 134,000 VPD

NEW DEVELOPMENT
MULTIFAMILY

Davita

Food4Less

SAN JOAQUIN
ELEMENTARY

Valero

S. FRESNO AVE ± 8,000 VPD

4 ± 15,000 VPD

AREA OVERVIEW

STOCKTON, CALIFORNIA

Stockton is the County seat for San Joaquin County. The City of Stockton is one of California's fastest growing communities. Stockton is currently the 13th largest city in California with a dynamic, multi-ethnic and multi-cultural population of about 300,000. It is situated along the San Joaquin Delta waterway which connects to the San Francisco Bay and the Sacramento and San Joaquin Rivers. Stockton is located 60 miles east of the San Francisco Bay Area, 83 miles east of San Francisco, and 45 miles south of Sacramento, the capital of California. While Stockton has an airport offering service to San Diego, Hawaii and Las Vegas, visitors usually fly into Sacramento, Oakland or San Francisco.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
Five Year Projection	13,343	106,917	228,823
Current Year Estimate	12,886	102,919	219,231
Growth Current Year-Five Year	3.55 %	3.89 %	4.38 %
Growth 2010-Current Year	5.45 %	7.46 %	8.34 %
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five Year Projection	3,188	30,619	67,371
Current Year Estimate	3,157	30,125	65,957
Growth Current Year-Five Year	1.01 %	1.64 %	2.15 %
Growth 2010-Current Year	3.6 %	5.35 %	6.77 %
INCOME (2021 EST)	1-MILE	3-MILE	5-MILE
Average Household Income	\$91,420	\$65,905	\$73,093

ECONOMY

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EXPLORING STOCKTON

Stockton also has outstanding recreational opportunities. Stockton is within close proximity to world famous scenic attractions including the California Coast, San Francisco, Lake Tahoe and Yosemite National Park. The community offers many local recreational opportunities such as professional sports teams, an olympic size ice rink, and the Delta, which provides thousands of miles of waterways for water skiing, sailing and other water activities. There are also many opportunities to enjoy music, theater, dance, literary events, and other cultural and entertainment activities throughout the year. The City has its own symphony and opera company.



SAN FRANCISCO, CA

San Francisco is the cultural, commercial and financial center of Northern California. The city is the 4th most populous city in California and the 13th most populous city in the United States. San Francisco is the fifth most densely populated U.S. county behind only four New York City boroughs. The city's recognizable features include the Golden Gate Bridge, Cable Cars, Fisherman's Wharf, and its Chinatown district. In 1945 San Francisco became the birthplace of the United Nations. After World War II and with growing opposition to the Vietnam War, the city developed its "hippie" culture and began several civil rights movements liberalizing the city into its current political environment.

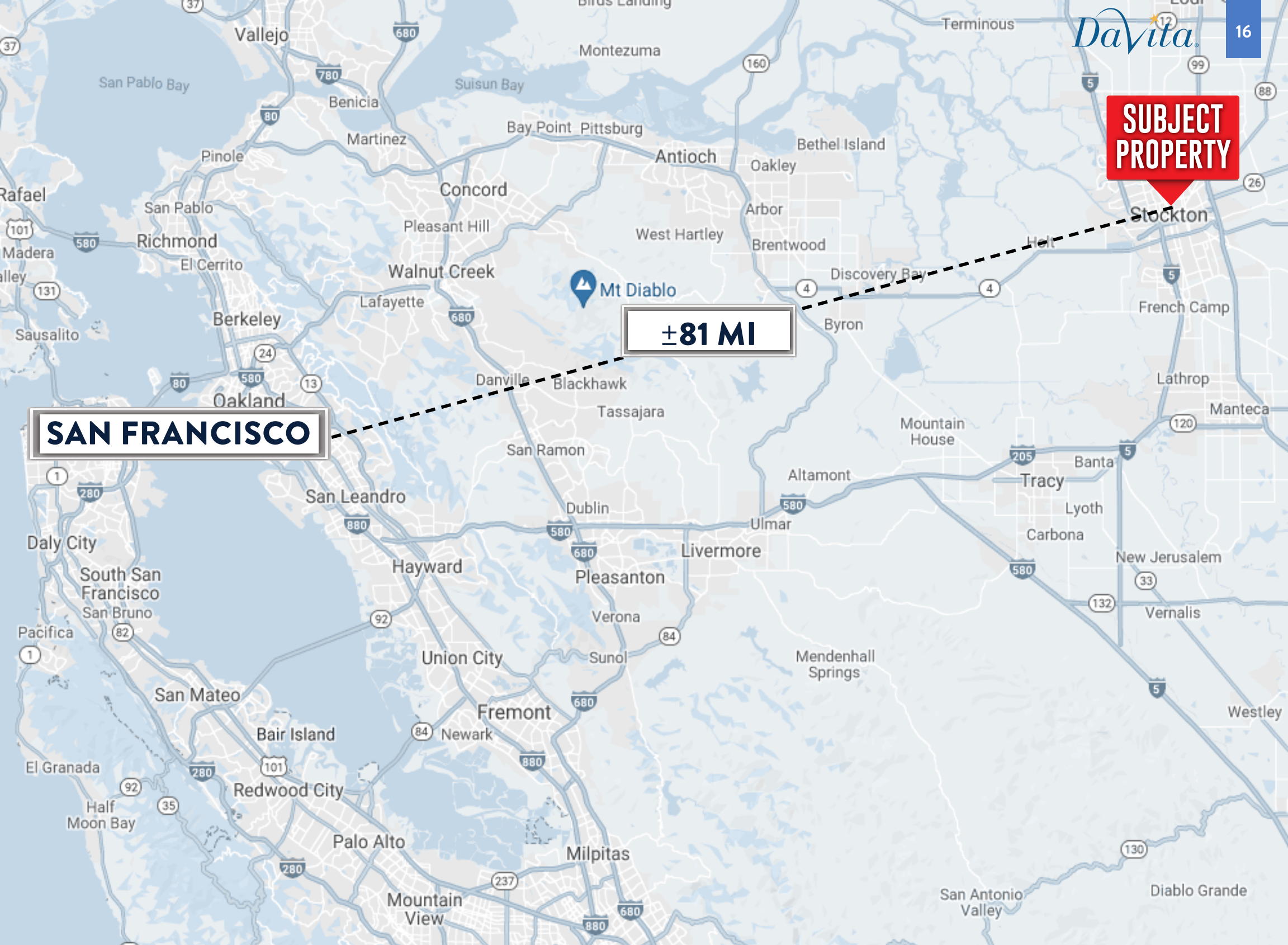
ECONOMY

San Francisco is a major banking and finance center being the headquarters of five major banking institutions and 30 international financial institutions. The City is also home to Levi Strauss & Co., Gap Inc., Fitbit, Salesforce.com, Dropbox, Reddit, Square, Inc., Dolby, Airbnb, Weebly, Pacific Gas, and Electric Company, Yelp, Pinterest, Twitter, Uber, Lyft, Mozilla, Wikimedia Foundation, and Craigslist. Higher Education has a home in San Francisco with the University of San Francisco, University of California, San Francisco, San Francisco State University, the De Young Museum, the San Francisco Museum of Modern Art, and the California Academy of Sciences. Tourism is another major influencer the San Francisco economy.

**SUBJECT
PROPERTY**

SAN FRANCISCO

±81 MI



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Davita** located at **1810 S Fresno Avenue, Stockton, CA 95206** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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