



DAVITA DIALYSIS

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EXCLUSIVELY LISTED BY:

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INVESTMENT SUMMARY

List Price:	\$2,927,953
Current NOI:	\$190,317.00
Initial Cap Rate:	6.50%
Land Acreage:	0.99
Year Built	2012
Building Size:	9,520 SF
Price PSF:	\$307.55
Lease Type:	NN
Lease Term:	15 Years
Average CAP Rate:	7.05%

INVESTMENT OFFERING

Fortis Net Lease is proud to present this single tenant investment property offering, for a free-standing DaVita Dialysis property located in Houston, TX. This property is a new building with construction being completed in 2012. The lease is a new 15 year lease term, which commenced on March 1st, 2012. The lease features two (2) percent annual rental increases beginning on the 1st anniversary of the commencement date. Upon expiration of the primary term the tenant will have the option to extend the lease term through execution of three (3), five (5) year options. The lease itself is corporately guaranteed by DaVita Inc.. The nature of the lease is NN+ leaving the landlord with minimal responsibilities of only repair and replacement of roof, structure & parking lot.

The subject property is located just north of downtown Houston just a few blocks east of I-45 and west of State Route 548. Interstate 45 (I-45) is an intrastate Interstate Highway located entirely within Texas. It connects the cities of Dallas and Houston, continuing southeast from Houston to Galveston over the Galveston Causeway to the Gulf of Mexico. Houston is the largest city in the state of Texas and the 4th largest city in the United State with a 2010 population of 2.1 million people. Only New York City is home to more Fortune 500 companies with 22 headquarters.



PRICE \$2,927,953



CAP RATE 6.50%



LEASE TYPE NN



TERM 15 Years

INVESTMENT HIGHLIGHTS

- NN+ Lease with Minimal Landlord Responsibilities
- Two (2.0%) Annual Increases During Initial Lease Term
- 15 Year Initial Lease Term | Internet Resistant Tenant
- Brand New Building Construction Completed in 2012
- Subject Property is Currently Running 24 Dialysis Stations
- Location is Open 9 A.M.-6 P.M. Monday– Saturday



PROPERTY SUMMARY

Year Built:	2012
Lot Size:	0.99 Acres
Building Size:	9,520 SF
Zoning:	Commercial
Construction Style:	Brick

LEASE SUMMARY

Tenant:	DaVita Dialysis
Lease Type:	NN
Primary Lease Term:	15 Years
Annual Rent:	\$190,317
Landlord Responsibilities:	Roof, Structure and Parking Lot
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Landlord Responsibility
Lease Start Date:	March 1st, 2012
Lease Expiration Date:	February 28th, 2027
Lease Term Remaining:	9.5 Years
Rent Increases:	2% Annual Increases
Renewal Options:	Three, Five-Year Options
Lease Guarantor:	Corporate (DaVita Inc.)
Lease Guarantor Strength:	Fortune 200 Co. S&P "BB" Rated
Tenant Website:	www.DaVita.com



GROSS SALES:
415,97 BILLION



STORE COUNT:
2,470+ U.S.



GUARANTOR:
CORPORATE



S&P:
"BB"



OVERVIEW

Company:	DaVita Dialysis
Founded:	1999
Total Revenue:	\$15.97 Billion (2017)
Net Worth:	\$4.6 Billion (2017)
S & P Credit Rating:	"BB"
Headquarters:	Denver, CO
Website:	www.DaVita.com

DIALYSIS HIGHLIGHTS

- Dialysis Products and Services Expected to Reach Over \$118B by 2023 which is Over a 25% Increase in 5 Years
- More than One in Seven (15% of Us Population)
- Medicare Represents Almost 90% of All Dialysis Patients

DaVita Inc., 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 failure and end stage renal disease. As of December 31, 2017, DaVita operated or provided administrative services 2,470 dialysis facilities, serving approximately 125,000 patients. DaVita develops, participates in and donates to numerous programs dedicated to transforming communities and creating positive, sustainable change for children, families and our environment. The company's leadership development initiatives and corporate social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek, and WorldBlu, among others.

DaVita consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. The company's clinical outcomes for dialysis have improved for the past decade, and in many key areas measuring quality dialysis care, they lead the nation. Since DaVita began in 1999, the company has developed programs to enrich the lives of our community's members — and in creating programs for patients and teammates, they realized that goodwill has also spread to families and local communities and around the world. Community Care — the annual report outlining the DaVita vision for social responsibility — defines the company's "declaration of interdependence" and philosophy on the role corporations should play in America. The 2009 report says, "DaVita is a community first, and a company second. We are a community that just happens to be organized in the form of a company."

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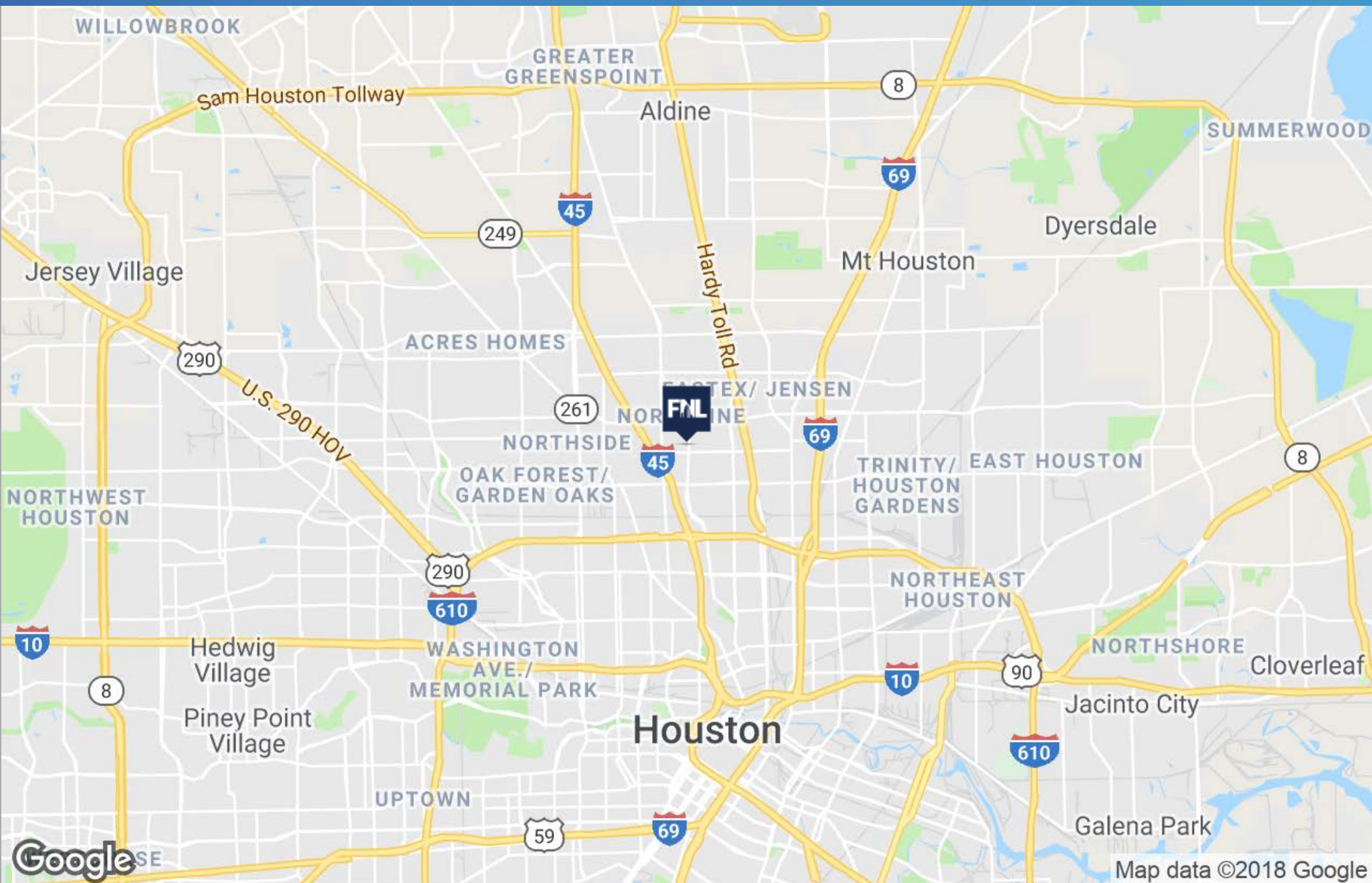
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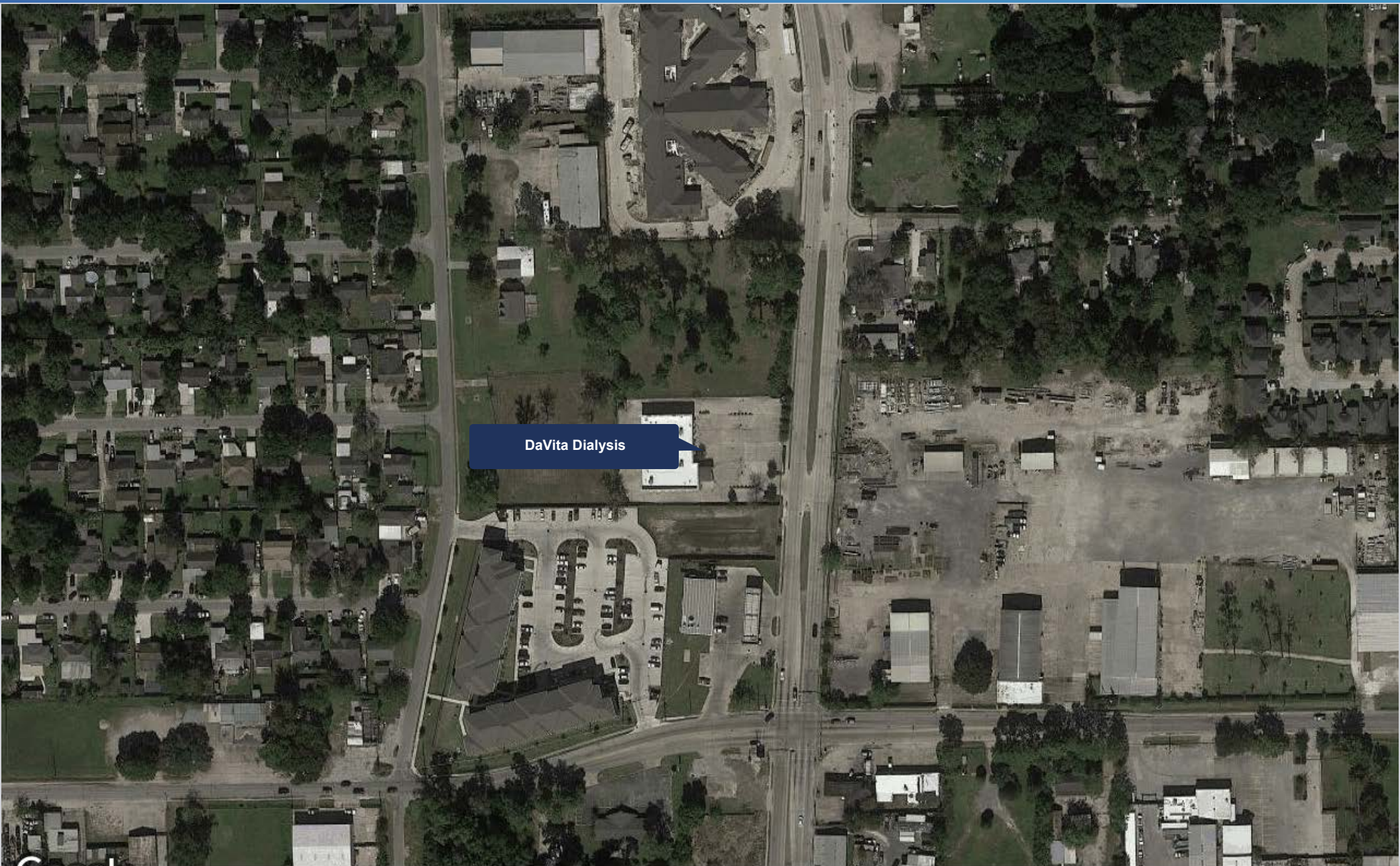
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DaVita Dialysis

Google
Western Area Council, Texas General Land Office, Texas Orthoimagery Program, U.S. Geological Survey, USDA Farm Service Agency

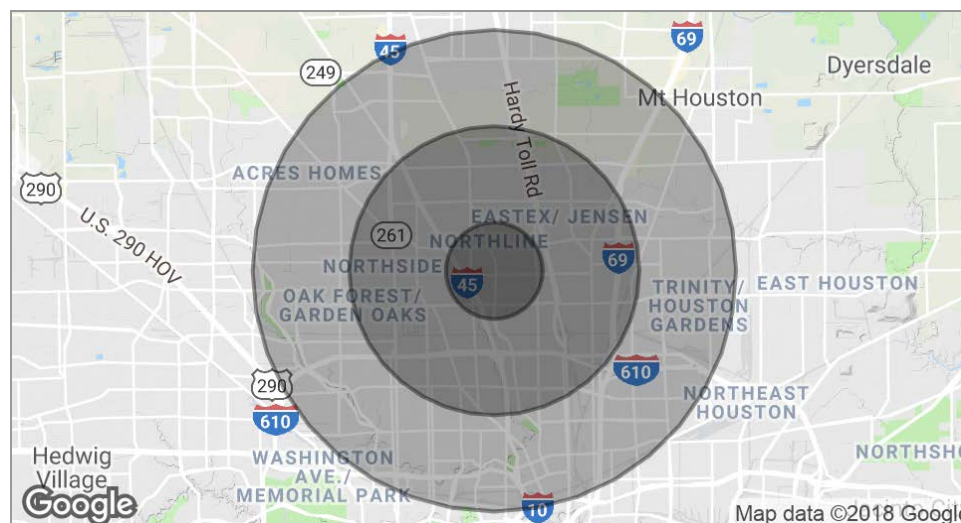
Houston is the most populous city in the U.S. state of Texas and the fourth-most populous city in the United States, with a census-estimated 2016 population of 2.303 million within a land area of 599.59 square miles. It is the largest city in the Southern United States, and the seat of Harris County. Located in Southeast Texas near the Gulf of Mexico, it is the principal city of the Greater Houston metro area, which is the fifth-most populated MSA in the United States.

Northeast Houston

The Northeast Near submarket has experienced strong growth, thanks to the completion of Beltway 8 in 2011 and the ongoing construction of the Grand Parkway. Perhaps the biggest driver in this submarket, however, is Generation Park. The 4,000-acre mixed-use development is in the far northeast region of the submarket and began construction in 2013. The first phase, consisting of 555,000 SF for FMC Technologies, delivered in 2016, and the second is expected to begin in the first half of 2018.

Vacancies compressed to a cyclical low in 2017, but dwindling demand and new supply in the second half of the year resulted in another vacancy spike. An additional one million SF is proposed in the submarket, all in Generation Park. While these buildings would place significant pressure on fundamentals, a tenant commitment is likely to be necessary before groundbreaking, given the current fundamentals of the office market in Houston. Rent growth in the Northeast Near Submarket followed the metro as a whole over the past three calendar years as the submarket has been unable to escape losses. Sales activity also slipped, and less than 3% of the submarket's inventory traded in 2017.

POPULATION	1 MILE	3 MILES	5 MILES
Total Population 2018	18,191	139,301	342,370
Total Population 2023	19,454	150,137	370,280
Population Growth Rate	6.94%	7.78%	8.15%
Median Age	29.8	30.2	32.1
# Of Persons Per HH	3.4	3.2	3.0
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	5,642	44,188	116,182
Average HH Income	\$40,278	\$54,047	\$61,254
Average House Value	\$77,894	\$120,619	\$145,500





TOTAL SALES VOLUME

\$5.0B

PROPERTIES SOLD

2,200

BROKER & BUYER REACH

150K

STATES SOLD IN

40

The FNL Team

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