

DAVITA DIALYSIS | U.S. DEPARTMENT OF VETERANS AFFAIRS

930-932 FURMAN DRIVE, WAUPACA, WI 54981



EXCLUSIVELY LISTED BY

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EXECUTIVE SUMMARY



\$1,688,816
PRICE



7.35%
CAP RATE



NN
LEASE TYPE



Corporate
LEASE GUARANTORS

INVESTMENT OFFERING

Sage Capital Partners is pleased to present this DaVita Dialysis and General Services Administration asset, a ±6,171 SF multi-tenant property located in Waupaca, Wisconsin (the “Property”). Situated on a ±1.50 acre parcel, the Property is 100% leased to two strong tenants: DaVita Dialysis & the General Services Administration - Veterans Affairs. DaVita is operating under its original 15-year lease with over 6 years of term remaining. The lease features 2.0% annual rent increases and limited landlord responsibilities. The General Services Administration occupied the building in 2015, spending \$120,000 to build out their 1,111 SF prior to occupancy. GSA’s lease has 4+ years of base term remaining and includes one, 5-year extension option, allowing the tenant to occupy through January 2031.

INVESTMENT SUMMARY

List Price:	\$1,688,816
Current NOI:	\$124,128
Initial Cap Rate:	7.35%
Land Acreage:	1.5 Acres
Year Built	2000 2015
Building Size:	6,171 SF
Lease Type:	NN
Davita Remaining Lease Term:	6.5+ Years
GSA Remaining Lease Term:	4+ Years

INVESTMENT HIGHLIGHTS

- Investment grade tenants
- Long operating history & significant buildout
- Close Proximity to Thedacare Medical Center
- DaVita is a best in class operator with significant market share
- High growth renal care industry
- Insulated from macroeconomic changes since 90% of DaVita patients are covered under government based programs
- Veteran’s Affairs carries an Aa2 Moody’s rating



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MARKET AERIAL



SITE PLAN



INTERIOR PHOTOS



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LEASE SUMMARY | DAVITA DIALYSIS

 **\$94,875**
ANNUAL RENT

 **±5,060 SF**
DAVITA OCCUPIED SPACE

 **NN**
LEASE TYPE



LEASE SUMMARY

Tenant:	Total Renal Care, Inc.
Guarantor:	DaVita HealthCare Partners, Inc.
Annual Rent:	\$94,875
Rent Commencement:	June 1, 2013
Lease Rent Expiration:	May 31, 2028
Lease Term Remaining:	6.5+ Years
Rent Increases:	2.0% annually
Renewal Options:	3 x 5-year options
Option Increases:	2.0% annually
Renewal Notice:	Written notice 9 months prior to term expiration
Lease Type:	NN (Roof & Structure)
Landlord Responsibilities:	Roof, Building Structure, sprinkler, HVAC and electrical systems
Tenant's Pro Rata Share of Expenses:	83.00%
Taxes CAM Insurance:	Tenant reimburses Pro Rata Share of Expenses as additional rent (not to increase more than 7% of the preceding year)
Utilities:	Tenant pays directly
Estoppel:	15 business days after written request

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RENT SCHEDULE | DAVITA DIALYSIS



6.5+ Years

LEASE YEARS REMAINING



2.00%

ANNUAL RENT INCREASES



2000 | 2015

YEAR BUILT | YEAR RENOVATED

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	RENT PSF	INCREASE
6/1/2021-5/31/2022	\$94,875.00	\$7,906.25	\$18.75	2.00%
6/1/2022-5/31/2023	\$96,797.80	\$8,066.48	\$19.13	2.00%
6/1/2023-5/31/2024	\$98,720.60	\$8,226.72	\$19.51	2.00%
6/1/2024-5/31/2025	\$100,694.00	\$8,391.17	\$19.90	2.00%
6/1/2025-5/31/2026	\$102,718.00	\$8,559.83	\$20.30	2.00%
6/1/2026-5/31/2027	\$104,792.60	\$8,732.72	\$20.71	2.00%
6/1/2027-5/31/2028	\$106,867.20	\$8,905.60	\$21.13	2.00%
6/1/2028-5/31/2033 (Option 1)	\$108,992.40	\$9,082.70	\$21.54	2.00% annually
6/1/2033-5/31/2038 (Option 2)	\$120,377.40	\$10,031.45	\$23.79	2.00% annually
6/1/2038-5/31/2043 (Option 3)	\$133,027.40	\$11,085.62	\$26.29	2.00% annually

PROPERTY SUMMARY	
Year Built:	2000 2015
Lot Size:	±1.50 Acres
Building Size:	±6,171 SF
Leased Area:	±5,060 SF
Ownership Interest:	Fee simple
Parking Lot:	±24 surface spaces
Encumbrances:	None; Delivered free and clear



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LEASE SUMMARY | U.S. DEPT OF VETERANS AFFAIRS

 **\$38,641**
ANNUAL RENT

 **±1,111 SF**
VETERANS AFFAIRS
OCCUPIED SPACE

 **Gross**
LEASE TYPE



LEASE SUMMARY

Tenant:	The United State of America U.S. Department of Veterans Affairs
Annual Rent:	\$38,641
Rent Commencement:	January 1, 2016
Lease Rent Expiration:	January 28, 2026
Lease Term Remaining:	4+ years
Rent Increases:	\$43,962.57 annually at option period
Renewal Options:	1 x 5-year option
Lease Type:	Gross
Landlord Responsibilities:	The landlord shall maintain the entire property at its sole cost and expense
Tenant's Pro Rata Share of Expenses:	17.00%
Taxes CAM Insurance:	Landlord's responsibility

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RENT SCHEDULE | U.S. DEPT OF VETERANS AFFAIRS



±6,171 SF
GLA



±1.50 Acres
LOT SIZE



2000 | 2015

YEAR BUILT | YEAR RENOVATED

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	RENT PSF	INCREASE
1/1/2021-1/28/2026	\$38,641	\$3,220	\$34.78	-
1/29/2026-1/28/2031 (Option 1)	\$43,962	\$3,664	\$39.57	13.78%

PROPERTY SUMMARY	
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Lot Size:	±1.50 Acres
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RENT ROLL AND FINANCIAL SUMMARY

TENANT	SF LEASED	RENT PER SF	% OF GLA	ANNUAL RENT	CAM	TAXES	TOTAL INCOME	LEASE EXPIRATION
DaVita Dialysis	5,060 SF	\$18.75	83.00%	\$94,875	\$21,134	\$24,696	\$140,705	5/31/2028
GSA/VA	1,111 SF	\$34.78	17.00%	\$38,641	\$0	\$0	\$38,641	1/28/2026
TOTAL	6,171 SF		100.00%	\$133,516	\$ 21,134	\$24,696	\$179,346	



Gross Income		\$179,346
Expense Summary	SF Totals	Totals
Insurance	\$0.47	\$2,883
Janitorial	\$0.88	\$5,400
Lawn Care	\$0.23	\$1,439
Electric	\$0.43	\$2,665
Maintenance	\$0.61	\$3,757
Property Management	\$0.83	\$5,100
Snow Removal	\$0.68	\$4,220
Real Estate Taxes	\$4.82	\$29,754
Total Expenses		\$55,218
Net Operating Income		\$124,128

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TENANT OVERVIEW

DaVita, Inc., a Fortune 200 company, is one of the largest kidney care companies in the world and is the leading provider of kidney dialysis services in the U.S. for patients suffering from chronic kidney failure, also known as end-stage renal disease (ESRD). As of December 31, 2020, DaVita served 204,200 patients at 2,816 outpatient dialysis centers in the United States. The company also operated 321 outpatient dialysis centers in ten countries worldwide. DaVita has reduced hospitalizations, improved mortality, and worked collaboratively to propel the kidney care industry to adopt an equitable and high-quality standard of care for all patients, everywhere.

The development of a typical outpatient dialysis center by DaVita, Inc. generally requires approximately \$2.1 million for leasehold improvements, equipment and first-year working capital. Based on its experience, a new outpatient dialysis center typically opens within a year after the property lease is signed, normally achieves operating profitability in the second year after Medicare certification and normally reaches maturity within three to five years. The two largest dialysis companies, Fresenius Medical Care and DaVita, Inc., account for approximately 79% of outpatient dialysis patients in the U.S. with DaVita, Inc. serving approximately 39% of the total outpatient dialysis patients. Approximately 44% of the centers not owned by DaVita, Inc. or FMC are owned or controlled by hospitals or non-profit organizations.



TENANT SUMMARY

Company:	Davita, Inc.
Ownership:	Public
Ticker Symbol:	NYSE: DVA
Headquarters:	Denver, Colorado
Website:	www.davita.com
Revenue:	\$11.56 billion
Stockholder Equity:	2.1 billion
Locations:	±3,137
Credit Rating:	Moody's: Ba2 S&P: BB

*Financials & location count as of September 30, 2020

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GSA OVERVIEW



The General Services Administration (GSA) provides centralized procurement for the federal government, offering billions of dollars worth of products, services, and facilities that federal agencies need to serve the public. In addition to acting as the government's landlord in obtaining office space for the federal workforce, the GSA also manages properties, and supplies equipment, telecommunications, and information technology products to its customer agencies. It oversees some \$24 billion in federal assets, including 8,600

buildings, and over 20,000 vehicles. It also manages USA.gov, the government's official website.

GSA's acquisition solutions supply federal purchasers with cost-effective high-quality products and services from commercial vendors. The GSA helps federal agencies build and acquire office space, products and other workspace services, and oversees the preservation of historic federal properties. Its policies covering travel, property, and management practices promote efficient government operations.

GSA was established by President Harry Truman on July 1, 1949, to streamline the administrative work of the federal government. GSA consolidated the National Archives Establishment, the Federal Works Agency, and the Public Buildings Administration; the Bureau of Federal Supply and the Office of Contract Settlement; and the War Assets Administration into one federal agency tasked with administering supplies and providing workplaces for federal employees.

Today, through its two largest offices – the Public Buildings Service and the Federal Acquisition Service – and various staff offices, GSA provides workspace to more than 1 million federal civilian workers, oversees the preservation of more than 480 historic buildings, and facilitates the federal government's purchase of high-quality, low-cost goods and services from quality commercial vendors.

The landlord for the civilian federal government, Public Buildings Service (PBS) acquires space on behalf of the federal government through new construction and leasing, and acts as a caretaker for federal properties across the country. PBS owns or leases 8,700 assets, maintains an inventory of more than 370 million square feet of workspace for 1.1 million federal employees, and preserves more than 481 historic properties.

PBS is funded primarily through the Federal Buildings Fund, which is supported by rent from federal customer agencies.

As an integral part of GSA, the Federal Acquisition Service (FAS) possesses unrivaled capability to deliver comprehensive products and services across government at the best value possible. FAS offers a continuum of innovative solutions and services in the areas of: Products and Services, Technology, Motor Vehicle Management, Transportation, Travel, and Procurement and Online Acquisition Tools.



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VA OVERVIEW

VA



U.S. Department
of Veterans Affairs

Established in 1989, the Department of Veterans Affairs (VA) provides federal benefits to United States military veterans and their families. The agency is the second-largest of the 15 cabinet departments

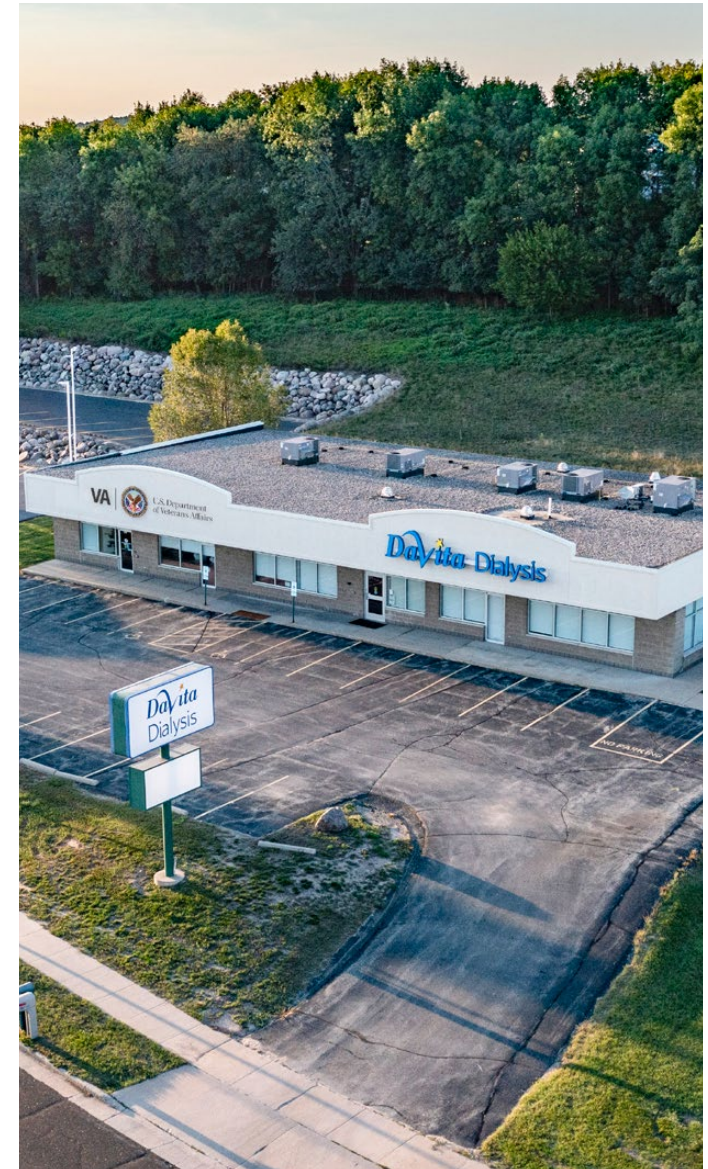
and offers healthcare, financial assistance, and burial benefits programs. The VA employs nearly 345,000 people at hundreds of Veterans Affairs medical facilities, clinics, and benefits offices and is responsible for administering programs of veterans' benefits for veterans, their families, and survivors. More than 60 million people—veterans, their family members, and survivors of veterans—are eligible for the VA's benefits.

Each year the VA's annual budget is around \$125 billion, which typically includes about \$40 billion going toward its medical programs and the rest for disability and pensions. Other benefits include education assistance, home loans, life insurance, and vocational rehabilitation.

The Department has three main subdivisions, known as Administrations, each headed by an Undersecretary:

- **Veterans Health Administration (VHA):** responsible for providing health care in all its forms, as well as for biomedical research,
- **Community Based Outpatient Clinics (CBOCs), and Regional Medical Centers**
- **Veterans Benefits Administration (VBA):** responsible for initial veteran registration, eligibility determination, and five key lines of business: Home Loan Guarantee, Insurance, Vocational Rehabilitation and Employment, Education (GI Bill), and Compensation & Pension
- **National Cemetery Administration:** responsible for providing burial and memorial benefits, as well as for maintenance of VA cemeteries

The most visible of the VA's services is its medical care system. The agency operates some 150 hospitals and 1,000 clinics and care facilities across the country. The VA also maintains some 130 national cemeteries and that number is growing. It puts aside around \$250 million each year for maintenance and operations for its cemeteries.



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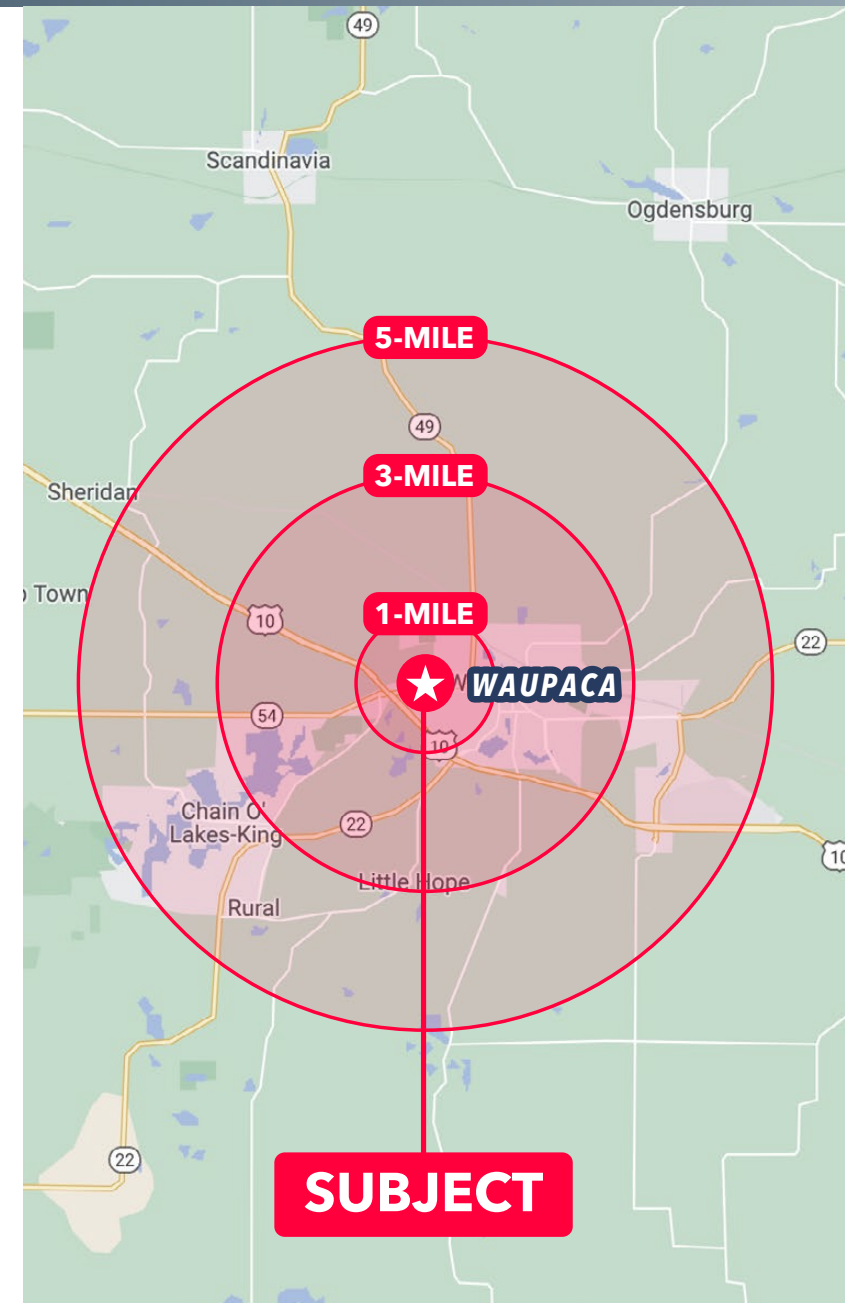
WAUPACA LOCATION OVERVIEW

Waupaca, the county seat of Waupaca County, is a city in central Wisconsin. It is less than 45 miles from three regional hubs including Oshkosh, Appleton, and Stevens Point. The city also enjoys close access to major metropolitan amenities as it is less than 60 miles from Green Bay and less than a 2-hour drive from Milwaukee.

Waupaca is a vibrant community that embodies small-town charm without sacrificing world-class industries and diverse employment opportunities. The County's economy is fueled primarily by the manufacturing industry with sectors including agriculture, healthcare, finance, and government. Projections estimate that between 2012 and 2022, Waupaca County will have added 23,064 jobs across all industries, which is an 8% overall growth in the county labor market. Waupaca is located in the Chain O' Lakes area, where 22 lakes are fed by natural springs and are connected by various rivers and creeks. Visitors come from all over to take advantage of the numerous recreational activities the region has to offer. Residents and guests also enjoy the multiple golf courses, museums, shopping opportunities, hiking trails, and numerous annual events.

Appleton is a city in Outagamie, Calumet, and Winnebago counties in the state of Wisconsin. Situated on the Fox River, it is 30 miles southwest of Green Bay and 100 miles north of Milwaukee. The city is accessible via Highways 41 and 441 and is home to the Appleton International Airport. Appleton is the largest of all of the "Fox Cities," which also include Kaukauna, Menasha, and Neenah as well as smaller towns and communities. Appleton is a hub for entertainment, shopping, festivals, and education. The Fox Cities Performing Arts Center is a 2,100-seat theater that is fueling the ongoing transformation of downtown Appleton. According to recent economic studies, the theater attributes over \$18 million in annual activity. The city is home to the Fox River Mall regional shopping hub, which is the second-largest in Wisconsin with over 140 stores and more than 17 million shoppers per year. Every August, Appleton welcomes 15,000– 20,000 fans to Mile of Music, a four-day festival featuring 200+ performers and 600+ performances.

DEMOGRAPHICS	1-Mile	3-Mile	5-Mile
Population	2,708	9,594	13,019
Households	1,211	3,981	5,427
Avg. HH Income	\$79,175	\$76,291	\$78,976



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