

DaVita Dialysis

2612 Avenue E
Birmingham, AL 35218

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM

AWNING TO BE REPAINTED 'DAVITA BLUE' COLOR



DaVita[®]

EXCLUSIVELY LISTED BY



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DaVita Dialysis

 **PRICE**
\$775,000

 **GLA**
±23,000 SF

 **LEASE TERM**
±2.3 YEARS

DaVita®

PROPERTY OVERVIEW

Property Name	DaVita Dialysis
Address	2612 Avenue E, Birmingham, AL 35218
Property Size	±23,000 SF
Lot Size	±2.16 AC
Year Built	1960
Occupancy	65% (Davita) + Vacant 8,000 SF Space
Property Type	Two-tenant retail/medical
Ownership Type	Fee Simple





INVESTMENT HIGHLIGHTS

Birmingham MSA

The greater Birmingham area boasts the largest population and economic region in Alabama. With the country's highest per capita concentration of healthcare jobs, this area is one of the state's most secure Healthcare Real Estate markets. The estimated population is north of 1,100,000.

Certificate of Need State

Alabama is a Certificate of Need (CON) state. This requires a lengthy approval process to break into the market. This state regulatory tool controls the number of health care resources in an area. Requires a health system to demonstrate community need before establishing a healthcare facility.

Strong Demographics

5-mile radius has a dense population of over 109,000 and average household income of \$63,000.

Pandemic and Recession Resilient

Healthcare real estate has shown resilience against recessions and the COVID-19 pandemic. The demand for medical services tends to remain relatively stable even during economic downturns.

Value Add

There is an additional $\pm 8,000$ SF that is currently occupied by "Beauty Masters" paying \$2,050 / month until August 31st 2024. Upon their vacancy, Landlord will have the ability to lease up this additional space for a significant increase in cash flow/overall return and pro forma cap rate. New Landlord will receive this extra rent if closed before August 2024 as well.

Double Net Lease With Increases

Provides for minimal landlord responsibilities and 2% annual increases.

Tenant History

DaVita has occupied the subject property since 2011 showing their long term commitment to this location and only paying \$5.20/sf in rent.

National Tenant

DaVita is a Fortune 500 company and one of the leading providers of kidney care in the United States with a near \$12 billion market cap.

Capital Expenditures

Half of the roof was redone in 2016 and has a 20-year transferable warranty. The front awning of the entire building will be repainted in the next 2 months in 'Davita Blue'.

INVESTMENT SUMMARY

List Price	\$775,000
As Is Cap Rate	8.74%
Proforma Cap Rate	13.87%
Price PSF	\$33.69

IN PLACE NOI

DaVita Rent	\$77,999
Expenses	
Real Estate Taxes	\$12,469.60
Insurance	\$9,752
Maintenance & Repair	\$2,500
Reimbursed Expenses	
Real Estate Taxes (DaVita portion)	\$8,105.24
Insurance (DaVita portion)	\$6,338.80
Total Operating Expenses	\$10,277.56
In Place NOI	\$67,721.44
As Is Cap Rate	8.74%

PROFORMA NOI

Income	
DaVita Rent	\$77,999
New Tenant (NN Lease)	\$32,000 (\$4/SF)
Total Rent	\$109,999
Expenses	
Real Estate Taxes	Reimbursed
Insurance	Reimbursed
Maintenance & Repair	\$2,500
Total Operating Expenses	\$2,500
Proforma NOI	\$107,499
Proforma Cap Rate	13.87%

LEASE ABSTRACT

Tenant Name	DaVita Dialysis
Ownership Type	Fee Simple
Lease Type	NN
SF Leased	±15,000 SF
Occupancy	100%
Initial Term	15 Years
Rent Commencement	05/01/2011
Lease Expiration	04/30/2026
Lease Term Remaining	±2.3 Years
Rental Increases	2% Annual Increases
Renewal Options	Three, 5-Year Options
Landlord Responsibilities	Roof and Structure

ANNUALIZED OPERATING DATA - DAVITA

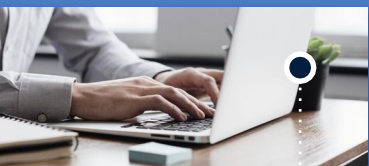
Lease Term	Annual Rent	Monthly Rent	Rent PSF
Current	\$76,469	\$6,372.45	\$5.10
5/1/24-4/30/25	\$77,999	\$6,499.90	\$5.20
5/1/25-4/30/26	\$79,599	\$6,629.90	\$5.30
Option 1 (5/1/26 - 4/30/31)	\$85,650	\$7,137.50	\$5.71
Option 2 (5/1/31-4/30/36)	\$92,100	\$7,675.00	\$6.14
Option 3 (5/1/36-4/30/41)	\$99,000	\$8,250.00	\$6.60



DAVITA DIALYSIS

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. The company also offers home-based dialysis services, as well as inpatient dialysis in about 251 clinics.



Website
www.davita.com



Locations
3,000+



Number of Employees
67,000+



Headquarters
Denver, CO





NE

CHAPEL STEEL

HISTORIC ENSLEY ENTERTAINMENT DISTRICT



FAMILY DOLLAR

IDEAL FURNITURE
EST 1943

CENTRAL CAMPER

FRANKIE'S AUTO PARKS

Marino's
MARKET

ALL J'S AUTOMOTIVE

GOLDEN EAGLE ENTERPRISES

U-HAUL

AVENUE C

26TH STREET ENSLEY

SUBJECT PROPERTY

AVENUE E

AVENUE D

27TH STREET ENSLEY

INLAND SEAFOOD

BIRMINGHAM, AL

The Birmingham, Alabama area is a vibrant city with a rich history and diverse culture. Nestled in the heart of the southern United States, Birmingham is known for its Civil Rights legacy, marked by key historic sites like the Birmingham Civil Rights Institute and the 16th Street Baptist Church. The city is *home to a growing population*, with a mix of urban and suburban neighborhoods offering a range of lifestyles. Residents enjoy a variety of cultural amenities, including museums, theaters, and parks. The city's culinary scene reflects its Southern roots, with a mix of traditional and innovative dining options.

Economically, Birmingham plays a pivotal role in the region. Historically rooted in the iron and steel industry, the city has diversified its economy over the years. Today, it boasts a *thriving healthcare sector, with major medical institutions* contributing significantly to the local economy. The financial and banking industry also has a notable presence, and the city serves as a hub for regional business activities. Additionally, Birmingham is *becoming increasingly recognized for its entrepreneurial spirit*, with a growing number of startups and tech ventures contributing to the economic landscape. Overall, the Birmingham area offers a dynamic blend of history, culture, and economic vitality.

DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
Current Year Estimate	6,643	49,077	109,824
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Current Year Estimate	2,765	19,443	45,301
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$48,409	\$59,983	\$63,088



TOURISM

CULTURE AND ARTS

- Birmingham is quickly becoming a leading center for the arts in the Southeast. The Birmingham-Jefferson Convention Center, located in the heart of downtown Birmingham, hosts more than 600 events a year, including ballets, operas, plays, concerts, shows, and lectures.
- Events and shows are also held at the historical Alabama Theatre, the Birmingham Children's Theatre, and the University of Alabama at Birmingham. The Birmingham Museum of Art is also a popular attraction.

MUSEUMS AND HISTORY

- Home to many of the most important events in the American Civil Rights Movement, Birmingham is home to an incredible amount of history. The Birmingham Civil Rights Institute, constructed across the street from the historic 16th Street Baptist Church, shares the history of the movement.
- Other notable museums in the city include the Alabama Sports Hall of Fame Museum, Alabama Museum of the Health Sciences, Southern Museum of Flight, and the McWane Science Center.

PARKS AND RECREATION

- Birmingham has parks and attractions scattered throughout the city, including Vulcan Park, Kelly Ingram Park, Railroad Park, Ruffner Mountain Nature Center, and more. Just outside of the city is Oak Mountain State Park, the largest state park in Alabama, which offers 10,000 acres of beautiful scenery.
- The Birmingham Zoo is one of the largest in the Southeast and sits across the street from the internationally known Birmingham Botanical Gardens.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2612 Avenue E, Birmingham, AL, 35218** (“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. Neither 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.

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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 Owner 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 of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

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