



Sanderling Dialysis Center

963 LANE AVE | CHULA VISTA, CA 91914 (SAN DIEGO MSA)



CLASS A MEDICAL OFFICE | NNN LEASE | CORPORATE + PERSONAL GUARANTEE | 19 UNIT OPERATOR

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM

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REAL ESTATE INVESTMENT SERVICES





Sanderling Dialysis Center

963 LANE AVE, CHULA VISTA, CA 91914

EXCLUSIVELY LISTED BY

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



EXECUTIVE OVERVIEW

SECTION 1



OFFERING SUMMARY

Matthews Real Estate Investment Services™ is pleased to exclusively present the Sanderling Dialysis Center. Located at 963 Lane Ave in Chula Vista, California, this Class A free-standing condominium spans 9,500 square feet and was constructed in 2008. As part of the prestigious Doctors Park at East Lake condominium association, which includes four other free-standing medical condos, this property features appealing finishes and significant curb appeal. The property is located 17 miles east of downtown San Diego, in a market recognized in 2023 as one of the fastest-growing wealthy suburbs in the United States. Chula Vista, the second largest city in San Diego County, has a robust five-mile population of around 190,000 residents, coupled with an average household income of \$140,000, underscoring the area's strong economic foundation.

Located just off California 125 on Otay Lakes Road, the property benefits from excellent positioning within a major cluster of retail and office developments. This prime location enhances its visibility and accessibility, further attracting clientele in need of renal services. The property is leased to Sanderling Renal Services, a reputable dialysis operator with an informal referral relationship with University of California San Diego who operates 19 locations in six states. Sanderling has received investments from Pharos Capital, a private equity firm with over \$1 billion in assets under management, and Mitsui & Co., a wholly owned subsidiary of one of Japan's largest and oldest general trading companies.

This investment offers an NNN lease structure with expenses being reimbursed by the tenant, making it a mostly passive income opportunity ideal for both in-state and out-of-state investors. Furthermore, the lease incorporates annual rent escalators averaging roughly 3%, providing a hedge against inflation. Additionally, an investor will benefit from a credit-enhanced lease, featuring multiple personal guarantees including one from the founder of Sanderling Renal Services. The renal services industry, valued at \$33.7 billion in 2023, is projected to grow at a compound annual growth rate of 4% from 2024 to 2032.

THE OPPORTUNITY

 ADDRESS 963 Lane Ave, Chula Vista, CA 91914	 TOTAL TENANTS 1
 GLA ±9,500 SF	 OCCUPANCY 100%
 YEAR BUILT 2008	 PRICE \$5,980,000
 PROPERTY TYPE Medical Office	 CAP RATE 5.70%
 SERVICES Dialysis	 PPSF \$629.47



INVESTMENT HIGHLIGHTS

HIGH-CALIBER OPERATOR

The property is leased to Sanderling Renal Services – a renal services operator with 19 locations across six states. Sanderling has received investments from Pharos Capital, a private equity firm with over \$1 billion in assets under management, and Mitsui & Co., a wholly owned subsidiary of one of Japan’s largest and oldest general trading companies.

IDEAL MARKET

The property is located just 17 miles east of downtown San Diego in Chula Vista, California which in 2023 was named one of the fastest-growing wealthy suburbs in the United States. It is the second largest city in San Diego County. The property has a 5-mile population of approximately 190,000 and a 5-mile household income of \$140,000.

STRONG SUBMARKET POSITIONING

Sanderling Dialysis Center is located just off California 125 on Otay Lakes Road in the heart of a major cluster of retail and office developments. The property is part of a five-unit, free standing medical condo association.

CLASS “A” REAL ESTATE

This property, constructed in 2008, features appealing finishes and boasts significant curb appeal, making it an attractive investment opportunity.

SIGNIFICANT TENANT INVESTMENT

Tenant has invested over \$1MM in tenant improvements beyond landlord’s allowance thus demonstrating their commitment to the property.

PASSIVE NNN LEASE STRUCTURE

This property features a NNN lease structure with all expenses being fully reimbursed by the tenant for their pro-rata share of the medical center, making this an ideal investment opportunity for both local and out of state investors.

HEDGE AGAINST INFLATION

The tenant’s lease features annual rental bumps with an average escalator of 3%, serving as a great hedge against future inflation.

CREDIT-ENHANCED LEASE

Investors will benefit from a credit-enhanced lease which includes a corporate guarantee from Sanderling Renal Services-USA and multiple personal guarantees including one from the founder of Sanderling Renal Services.

GROWING RENAL SERVICES INDUSTRY

The property is operated by a dialysis services provider. As of 2023, the Dialysis Services Market was valued at \$33.7 billion and is expected to exhibit growth at a compound annual growth rate of 4% from 2024 – 2032.





FINANCIAL OVERVIEW

SECTION 2



INVESTMENT SUMMARY

List Price	\$5,980,000
NOI	\$340,860
Cap Rate	5.70%
Price PSF	\$629.47
Rent PSF	\$35.88

PROPERTY OVERVIEW

Property Name	Sanderling Dialysis Center
Address	963 Lane Ave, Chula Vista, CA
Property Size	±9,500 SF
Lot Size (AC)	±5.34 Acres (Condo)
Year Built	2008
Occupancy	100%
Property Type	Medical Office
Ownership Type	Fee Simple Condo

LEASE ABSTRACT

Tenant Name	Sanderling Renal Services
Ownership Type	Fee Simple
Lease Guarantor	Corporate & Personal
SF Leased	±9,500 SF
Occupancy	100%
Initial Term	14 Years
Rent Commencement	11/1/2018
Lease Expiration	10/31/2032
Lease Term Remaining	±7.99 Years
Base Rent	\$340,860
Rental Increases	~3%
Renewal Options	Two, 5-Year Options (FMV)
Expense Structure	NNN
Landlord Responsibilities	None
CAM	Tenant Responsibility
Insurance	Tenant Responsibility
Taxes	Tenant Responsibility
Roof and Structure	Tenant Reimburses Landlord
ROFR/ROFO	ROFR, 5 Business Days



ANNUALIZED OPERATING DATA

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	RENT PSF	CAP RATE
11/1/2024 - 10/31/2025	\$340,860	\$28,405	\$35.88	5.70%
11/1/2025 - 10/31/2026	\$349,980	\$29,165	\$36.84	5.85%
11/1/2026 - 10/31/2027	\$361,380	\$30,115	\$38.04	6.04%
11/1/2027 - 10/31/2028	\$371,640	\$30,970	\$39.12	6.21%
11/1/2028 - 10/31/2029	\$383,040	\$31,920	\$40.32	6.41%
11/1/2029 - 10/31/2030	\$394,440	\$32,870	\$41.52	6.60%
11/1/2030 - 10/31/2031	\$405,840	\$33,820	\$42.72	6.79%
11/1/2031 - 10/31/2032	\$418,380	\$34,865	\$44.04	7.00%





EASTLAKE VILLAGE CENTER

McDonald's **VONS** IHOP
 Mobil citi DUNKIN'
 Eastlake Village Veterinary Clinic CHIPOTLE MEXICAN GRILL

MARQUE
 URGENT CARE
 Jersey Mike's SUBS Little Caesars
 T-Mobile Krispy Kreme DOUGHNUTS

KOHL'S

TARGET

DENTAL EXPRESSIONS CAJULIS pediatric dentistry EASTLAKE Cosmetic Surgery

DENTISTRY Starbucks WELLS FARGO
 Luna Grill mediterranean kitchen

VILLAGE WALK AT EASTLAKE

NOTHING BUTT CAKES TJ-maxx
 VILLAGE WALK DENTAL ERIC BARAJAS, D.D.S. SPROUTS FARMERS MARKET
 TRADER JOE'S petco

BevMo!

± 106,000 VPD



LOWE'S

EASTLAKE HIGH SCHOOL
 2,851 STUDENTS

SUBJECT PROPERTY

LANE AVE

OATY LAKES RD



Hampton HOMEWOOD SUITES by Hilton™

Community Health Group

South Bay Pediatric Dental Group

THE DISTRICT AT EASTLAKE

amazon

SPRINGHILL SUITES BY MARRIOTT

Clay Labs Smiles DENTISTRY

CRUNCH FITNESS **EDGE CYCLE** **Play City**
SKY ZONE INDOOR TRAMPOLINE PARK **NINJA FACTORY** **K1 SPEED**

BAAR CHIROPRACTIC
an active approach to health

TruSmile DENTAL IMPLANT CENTER

SALT CREEK ELEMENTARY
940 STUDENTS

SUBJECT PROPERTY

Scripps

LANE AVE

South Bay Radiation Oncology

OATY LAKES RD



TENANT OVERVIEW

SECTION 3





ABOUT SANDERLING RENAL SERVICES

Sanderling Renal Services is a healthcare company dedicated to providing high-quality dialysis and nephrology services to rural communities and home dialysis patients across the United States. The company's primary focus is addressing the lack of convenient access to dialysis clinics and nephrologists for patients in remote areas. To achieve this, Sanderling employs Advanced Telemedicine technology, bringing specialist care directly to patients and reducing their need to travel for these essential services.

The company offers a comprehensive range of services, including conventional home dialysis options for hemodialysis and peritoneal dialysis. Sanderling's innovative Home Dialysis+ program allows trained caregivers to administer treatment in patients' homes, either on a short-term or long-term basis. This approach is supported by remote monitoring tools and telemedicine, making home dialysis a viable option for a broader range of patients. Additionally, Sanderling has pioneered the use of telemedicine to deliver renal services to acute care hospitals in rural communities, ensuring that board-certified nephrologists can remotely consult with patients upon their arrival at the hospital and supervise their care.

Sanderling Renal Services distinguishes itself through its commitment to advanced technology and quality patient care. The company utilizes the latest generation dialysis equipment and a sophisticated Electronic Medical Record system called PEARL™, which has been shown to improve patient outcomes. Sanderling's leadership team, comprised primarily of nephrologists, brings extensive experience in developing dialysis clinics and adopting cutting-edge technologies and clinical practices. This expertise, combined with their focus on rural and home-based care, positions Sanderling as a leader in providing comprehensive kidney care services to underserved communities.

6

NUMBER OF STATES

19

NUMBER OF LOCATIONS

2012

YEAR FOUNDED

SRS-USA.COM

WEBSITE



SURROUNDING HOSPITALS



ABOUT SCRIPPS MERCY HOSPITAL CHULA VISTA

Scripps Mercy Hospital in Chula Vista, CA is a full-service medical facility renowned for its compassionate care and commitment to advanced healthcare services. Part of the respected Scripps Health network, it offers a comprehensive range of medical services, including emergency care, surgical services, cardiovascular care, orthopedics, and maternity services. The hospital's skilled medical professionals and staff work collaboratively to ensure patients receive high-quality care in a safe and supportive environment.

Scripps Mercy Chula Vista takes a bilingual, multicultural approach, making it accessible and welcoming to the diverse population in the region. With a strong emphasis on quality patient care and innovative treatments, the hospital also supports various health programs and outreach services to enhance public health and wellness throughout the South Bay area.



ABOUT PARADISE VALLEY HOSPITAL CHULA VISTA

Paradise Valley Hospital in Chula Vista, CA, is a comprehensive medical center dedicated to providing accessible, high-quality healthcare to the South Bay community. Known for its patient-centered approach, the hospital offers a broad range of services, including emergency care, cardiovascular care, orthopedics, and mental health support. With a team of compassionate and highly skilled healthcare professionals, Paradise Valley Hospital is committed to meeting the unique needs of its diverse population by delivering personalized, culturally sensitive care in a welcoming environment.

In addition to its core medical services, Paradise Valley Hospital places a strong emphasis on preventative care and wellness programs designed to improve long-term health outcomes. The hospital's outreach initiatives and educational programs aim to empower individuals to take charge of their health, offering resources for managing chronic conditions, preventive screenings, and health education. By actively engaging with the community, Paradise Valley Hospital strives to be a trusted partner in fostering overall wellness and quality of life for residents of Chula Vista and surrounding areas.



AREA OVERVIEW

SECTION 4





CHULA VISTA, CALIFORNIA

Chula Vista, CA, is a rapidly growing city just south of San Diego and a short drive from the U.S.-Mexico border. Known for its scenic beauty, it boasts a picturesque landscape that includes the San Diego Bay and the nearby foothills, offering residents both coastal and inland charm. The city has rich recreational opportunities, with top attractions like the Living Coast Discovery Center, Aquatica San Diego Water Park, and multiple golf courses, parks, and hiking trails. Chula Vista's year-round mild climate and access to outdoor activities make it an ideal place for those who love an active, sunny lifestyle.

Demographics

	1 MI	3 MI	5 MI
2023 POPULATION	106,016	189,686	930,682
2023 HOUSEHOLDS	31,660	55,956	276,970
AVG HH INCOME	\$145,426	\$140,533	\$101,117

SAN DIEGO, CA MSA

San Diego, situated on the Southern California coast, is renowned for its year-round perfect climate, stunning beaches, and a lively cultural scene. Its picturesque coastline stretches for miles, offering an array of activities from surfing and sunbathing to sailing and whale-watching. The city's vibrant downtown area boasts a diverse array of dining options, from trendy gastropubs to upscale eateries, and is home to the historic Gaslamp Quarter, renowned for its bustling nightlife and live entertainment. Balboa Park, a cultural oasis, houses numerous museums, gardens, and the renowned San Diego Zoo, making it a hotspot for locals and tourists alike. Embracing its rich naval history, San Diego is home to the USS Midway Museum and the Maritime Museum of San Diego. With its laid-back atmosphere and a perfect blend of urban sophistication and beach-town charm, San Diego exudes an irresistible allure that captivates visitors from across the globe.

San Diego's economy is diverse and driven by several key industries, including defense, tourism, international trade, and research and innovation. As a hub for the U.S. Navy and defense contractors, the military presence plays a significant role in the city's economic base. Tourism is another cornerstone, with millions of visitors annually drawn to its beaches, attractions like the San Diego Zoo, and its mild climate. The city is also home to a thriving biotechnology sector, particularly around the University of California, San Diego (UCSD), contributing to its reputation as a center for research and development. Additionally, San Diego benefits from its proximity to the Mexican border, facilitating robust international trade. The city's tech industry has been growing steadily, particularly in telecommunications and wireless technology, further solidifying its reputation as a center for innovation.

MOST LIVABLE CITIES

- U.S. NEWS & WORLD REPORT, 2023

AMERICA'S SAFEST LARGE CITY

- FORBES, 2022

TOP U.S. DESTINATION

- TRAVEL + LEISURE, 2022



SAN DIEGO STATE UNIVERSITY (SDSU)



San Diego State University (SDSU) is a prominent public research university located in San Diego, California, established in 1897. It is the oldest institution of higher education in the San Diego area and is part of the California State University system. With a current enrollment of nearly 38,000 students, SDSU offers over 200 undergraduate and graduate degree programs across eight colleges, including business, engineering, and arts and letters. The university is recognized as a Doctoral/Research-Intensive institution and holds several designations as a Hispanic-Serving Institution (HSI) and an Asian American and Native American Pacific Islander-Serving Institution (AANAPISI). SDSU's commitment to diversity, research, and community engagement is reflected in its extensive range of academic programs and student support services.

SDSU's campus spans 560 acres and features a vibrant student life with over 300 clubs and organizations. The university emphasizes experiential learning through internships, study abroad programs, and research opportunities, positioning itself as a leader in federal research output among California State Universities. Additionally, SDSU is known for its competitive Division I athletics program and has received accolades for its initiatives supporting veterans and LGBTQIA+ students. With a strong focus on preparing students for global citizenship and professional success, SDSU continues to enhance its reputation as one of the top public universities in the nation.



37,500+

STUDENT POPULATION



\$5.67 B

ECONOMIC IMPACT



±6,800+

NUMBER OF EMPLOYEES



BALBOA PARK

Encompassing more than 1,200 lush acres, Balboa Park is one of the most popular destinations in San Diego and is the nation's largest urban cultural park. Located just minutes away from downtown, Balboa Park is home to 17 major museums, several performing arts venues, stunning gardens, and many cultural and recreational attractions, such as San Diego Zoo. With all its attractions, Balboa Park welcomes more than 12 million visitors per year.

SAN DIEGO ZOO

San Diego Zoo is home to more than 4,000 fascinating animals, such as koalas, tortoises, leopards, peacocks, and many more. Discover the wonders of wildlife at this family-friendly attraction within Balboa Park. San Diego Zoo welcomes over 4 million visitors each year.

SEAWORLD SAN DIEGO

Located in Mission Bay Park, SeaWorld San Diego showcases world-class animals shows, presentations, and exhibits. Encompassing more than 100 acres, SeaWorld is home to incredible animals exhibits including orcas, belugas, otters, walruses, sharks, sea turtles, bat rays, sea lions, pilot whales, penguins, dolphins, flamingos, eels, tropical birds, and many more. Overall, SeaWorld San Diego sees over 4 million visitors a year.

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 **963 Lane Ave, Chula Vista, CA 91914** (“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.

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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.

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