



DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT

Corporately Guaranteed | 12.5+ Years of Lease Term Remaining (Weighted Average) | 10% Rent Escalation in 2026

LISTED BY

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Bang Realty New England Inc

CT License #: REB.0792599

PERANICH HUFFMAN
NET LEASE GROUP

Davita Dialysis



INVESTMENT OVERVIEW



OVERVIEW

Peranich Huffman Net Lease Group is pleased to offer for sale, the DaVita Dialysis & Quest Diagnostics of Hamden, Connecticut. Renovated in 2011, the 12,337 SF, multi-tenant medical facility is offered at a 5.50% capitalization rate. The offering provides an investor with the opportunity to acquire a property that is home to two national medical tenants that exemplify a reputation of consistency for both patients and the real estate investment community.

NET LEASE STRUCTURE

The DaVita Dialysis & Quest Diagnostics leases are structured on a net basis whereby the tenant is financially responsible for all repairs & replacements associated with leased space excluding the structural components of the building and roof. Additionally, both tenants are responsible for the interior/non-structural elements of the building (CAM), landscaping, property taxes, utilities and waste management.

LEASE TERM

DaVita Dialysis & Quest Diagnostics have occupied the facility since its full renovation in 2011. The three-suite property is 73% leased by Total Renal Care, Inc. (DaVita Dialysis), 18% leased by Quest Diagnostics LLC (Quest Diagnostics), with the remaining 9% consisting of available space. The DaVita Dialysis and Quest Diagnostics leases have 14.4 & 4.7 years of lease term remaining, respectively. Additionally, both of the leases are backed & guaranteed by each tenant's corporate parent.

ABOUT THE TENANTS

DaVita Inc., a Fortune 500® company (NYSE: DVA | S&P: BB), is the parent company of DaVita Kidney Care and HealthCare Partners. With 2,800+ outpatient clinics, DaVita is a leading provider of kidney care in the United States. Quest Diagnostics, a Fortune 500® company (NYSE: DGX | S&P: BBB+), is an American clinical laboratory operating in 2,250+ locations with a market capitalization of \$15+ billion and revenue of \$10+ billion (2021).

PROPERTY OVERVIEW

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT

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3000 DIXWELL AVENUE HAMDEN, CONNECTICUT

12,337 SF	1970
Total Area (SF)	Year Built
91%	2011
(%) Occupied	Year Renovated

PROPERTY OVERVIEW

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT



DaVita Dialysis Tenant	06/30/2036 Lease Term Expiration	\$27.17 Annual Rent/SF
9,006 SF Area (SF)	14.4 Years Lease Term Remaining	10% Every 5 Years Rent Escalations
73% Pro-Rata Share	\$244,716 Annual Base Rent	(2) 5-Year Renewal Options
DaVita, Inc. Guarantor	82% (%) of Total Base Rent	Fair Market Value Option Escalations



Quest Diagnostics Tenant	10/31/2026 Lease Term Expiration	\$24.20 Annual Rent/SF
2,199 SF Area (SF)	4.7 Years Lease Term Remaining	10% Every 5 Years Rent Escalations
18% Pro-Rata Share	\$53,216 Annual Base Rent	(2) 5-Year Renewal Options
Quest Diagnostics, Inc. Guarantor	18% (%) of Total Base Rent	10% Every 5 Years Option Escalations

LOCATION OVERVIEW

HAMDEN & NEW HAVEN, CT

Davita
Quest Diagnostics
3000 Dixwell Avenue, Hamden, CT 06518

TD
Windsor
Lamog



H Yale HEALTH

Walmart **STAPLES** **BED BATH & BEYOND** **DSW** **TJ-maxx**
KOHL'S **Marshall's** **ALDI** **CVS pharmacy**
ULTA **Old Navy** **Planet Fitness** **OrangeTheory** **GNC** **AspenDental**
Rite Aid **Chase** **Bank of America** **Dollar Tree** **Ihop** **Popeyes** **Wendy's**
Burger King **Taco Bell** **Panera Bread** **Starbucks** **McDonald's** **Ford** **Tesla Charging**

HAMDEN CONNECTICUT

Yale University

BEST BUY **Target** **Cinemark** **DICK'S Sporting Goods** **Buffalo Wild Wings** **Lamog**
petco **PETSMART** **Michaels** **McDonald's** **Chick-fil-A** **Olive Garden**

NEW HAVEN CONNECTICUT

H Yale NewHaven Health

FINANCIALS & PRICING

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT

Purchase Price
\$5,235,000

CAP Rate
5.50%

Total Annual Base Rent
\$297,932
Less OPEX From Available Space
(\$10,027)

Net Operating Income
\$287,905

Broker of Record: Brian L Brockman
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INVESTMENT HIGHLIGHTS

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT

"ESSENTIAL BUSINESS" INVESTMENT - Given current market conditions, the importance of owning essential business assets have become paramount. Unlike tenants outside of the medical sector who are challenged to maintain cash flow, dialysis facilities have not been impacted by the ongoing disruptions.



RENTAL RATE ESCALATIONS - The DaVita Dialysis and Quest Diagnostics leases provide for base rental rate escalations of 10% in 2026. Additionally, each lease contains (2) 5-year options to renew the lease term.



VALUE ADD UPSIDE POTENTIAL - Should the buyer lease the remaining 1,132 SF of available space at \$23.63/PSF (average rate of the existing tenants), the Net Operating Income will increase to \$324,930. This results in a 6.32% Pro-Forma Capitalization Rate at full occupancy.



STRONG DEMOGRAPHICS - The property's location benefits from a strong demographic profile, in which the total population counts exceed 55,000 (3-mile radius) and 150,000 (5-mile). Furthermore, average household income is near \$110,000 (3-mile) and \$95,000 (5-mile).



CORPORATELY GUARANTEED - The DaVita Dialysis lease is backed by a corporate guarantee from DaVita, Inc., a Fortune 500® company and the leading provider of kidney care in the United States. Similarly, the Quest Diagnostics lease is backed by a corporate guarantee from Quest Diagnostics, Inc., a Fortune 500® company and the world's leading provider of diagnostic information services.



DEMOGRAPHICS

3 Miles 5 Miles 10 Miles

POPULATION			
Total Population (2021)	55,841	150,192	479,653
Est. Population Growth (2021 - 2026)	0.65%	1.23%	0.78%
HOUSING			
Total Households (2021)	22,406	57,891	184,483
Est. Household Growth (2021 - 2026)	1.45%	1.86%	1.34%
INCOME			
Average Household Income (2021)	\$109,579	\$95,059	\$98,106
Est. Income Growth (2021 - 2026)	2.87%	3.27%	3.29%

Percentages projected into 2026 are estimated. Source: Gale Business

NET LEASE STRUCTURE

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT



Expense Category	Tenant's Responsibility	Landlord's Responsibility
Structural Components		✓
Roof		✓
HVAC Replacement	✓	
HVAC Repair	✓	
Parking Lot	✓	
Non-Structural (CAM)	✓	
Landscaping	✓	
Insurance	✓	
Property Taxes	✓	
Utilities	✓	
Waste Management	✓	

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Landscaping	✓	
Insurance	✓	
Property Taxes	✓	
Utilities	✓	
Waste Management	✓	

The tables shown above represent the financial responsibility of each expense category.

RENT ROLL & YIELD

DAVITA DIALYSIS & QUEST DIAGNOSTICS OF HAMDEN, CT

	Suite A	Suite B	Suite C	Totals & Averages
Operator	DaVita Dialysis	Quest Diagnostics	Available Space	-
Expiration Date	06/30/2036	10/31/2026	-	-
Years Remaining	14.4 Years	4.7 Years	-	12.6 Years (Weighted)
Rentable Area (SF)	9,006 SF	2,199 SF	1,132 SF	12,337 SF
Pro-Rata Share	73%	18%	9%	-
Guarantor	DaVita, Inc.	Quest Diagnostics, Inc.	-	-
Current Base Rent	*\$244,716	\$53,216	-	\$297,932
% of Total Base Rent	82%	18%	-	100%
Escalations	10% Every 5 Years	10% Every 5 Years	-	-
Rent Per SF	*\$27.17	\$24.20	-	\$23.63
Option Periods	(2) 5-Year	(2) 5-Year	-	-
Option Escalations	Fair Market Value	10% Every 5 Years	-	-
OPEX	\$0	\$0	(\$10,027)	(\$10,027)
Net Operating Income	\$244,716	\$53,216	(\$10,027)	\$287,905

Current Pricing & Yield	
Net Operating Income	\$287,905
Current CAP Rate	5.50%
Purchase Price	\$5,235,000

Pro-Forma Yield	
**Net Operating Income	\$324,930
Pro-Forma CAP Rate	6.32%
Purchase Price	\$5,235,000

*DaVita pays \$33,075 annually for right to additional parking. This amount is included in DaVita's current base rent shown above.

** Upon leasing the remaining 1,132 SF of available space at \$23.63/PSF, the Net Operating Income will increase to \$324,930.

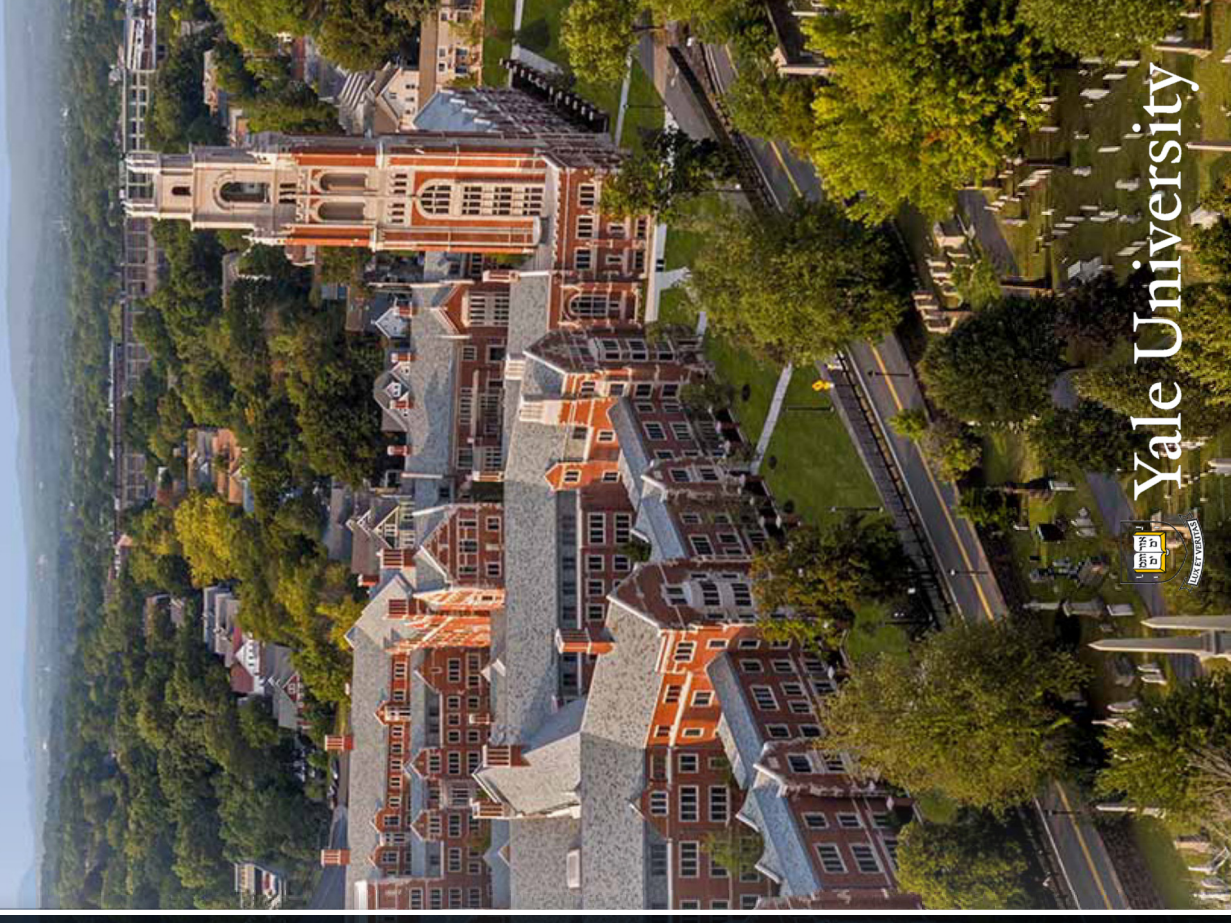
LOCATION OVERVIEW

HAMDEN, CT (NEW HAVEN MSA)

Hamden, CT, a city within New Haven County, is located in the south-central portion of Connecticut. Additionally, Hamden, CT is 5.4 miles northeast of New Haven, CT. As the third-most populous county in Connecticut, New Haven County comprises the New Haven-Milford, CT MSA (Population: 856,875), which is a component of the New York-Newark, NY-NJ-CT-PA Combined Statistical Area (Population: 23.7+ million).

The New Haven MSA features low business costs, relative to New York and Boston, and is home to several institutions of higher education including Yale University, University of Connecticut, and the University of New Haven, among many others. The greater New Haven region benefits from its large university concentration and being a major biotechnology research cluster. Furthermore, Yale's strong commitment to urban development will strengthen the area's economy in the long-term.

The city of Hamden, CT was ranked 38th in Money Magazine's 2016 "Best Places to Live" list and sits approximately five miles north of New Haven and the Yale University campus (enrollment: 12,385 students). The town of Hamden ranked #53 in the CNN Money list of "America's best small cities" in 2012. In 2008, Fortune Magazine and CNN Money picked Hamden as #33 on their "Best Place to Live and Launch" list, citing Hamden's great blend of urban and suburban lifestyles.



TENANT OVERVIEW

DAVITA DIALYSIS

DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners, a DaVita Medical Group. 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 (ESRD).

DaVita Kidney Care operated or provided administrative services at 2,510 outpatient dialysis centers located in the United States serving approximately 198,000 patients. The company also operated 154 outpatient dialysis centers located in 12 countries outside the United States.

Further, the company provides acute inpatient dialysis services in approximately 900 hospitals and related laboratory services in the United States. The company was formerly known as DaVita HealthCare Partners Inc. and changed its name to DaVita Inc. in September 2016. DaVita Inc. was founded in 1994 and is headquartered in Denver, Colorado.



COMPANY TYPE
PUBLIC (DVA)

2020 EMPLOYEES
65,000+

2020 REVENUE
\$11B

2020 NET INCOME
\$810M

2020 ASSETS
\$17B

CREDIT RATING
S&P: BB

TENANT OVERVIEW

QUEST DIAGNOSTICS

Quest Diagnostics is the world's leading provider of diagnostic information service. Derived from the world's largest database of clinical lab results, Quest's diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve health care management. Utilizing Quest's 50,000+ employees including medical and scientific staff of 600+ M.D.s and Ph.D.s, Quest annually serves one in three adult Americans and half the physicians and hospitals in the United States.

Quest offers more than 6,600 patient access points, the most extensive network in the U.S., including phlebotomists in physician offices and more than 2,250 stand-alone patient service centers.

The clinical lab company boasts a strong logistical network that involves approximately 3,700 courier vehicles and 23 aircraft that collectively make tens of thousands of stops daily.



COMPANY TYPE
PUBLIC (DGX)

2021 EMPLOYEES
50,000+

2021 REVENUE
\$10B

2021 MARKET CAP
\$15B

HEADQUARTERS
Secaucus, NJ

CREDIT RATING
S&P: BBB+

Offers should be submitted electronically to:

JONATHAN PERANICH

at jonathan@phnlg.com and include the

following information:

- Purchase Price
- Closing Period
- Sources of Debt & Equity
- Earnest Money
- Other Terms

ABOUT US

Peranich Huffman Net Lease Group is a privately held real estate brokerage firm specializing in single tenant net leased medical office investment sales throughout the nation.

Our firm facilitates the purchase & sale of commercial real estate tenanted by Dialysis Operators, Freestanding Emergency Departments, Surgery Centers, Dental Offices and Hospices.

Broker of Record: Brian L Brockman | Bang Realty New England Inc

CT License #: REB.0792599

PERANICH HUFFMAN
NET LEASE GROUP

CONFIDENTIAL MEMORANDUM & DISCLAIMER

Peranich Huffman Net Lease Group ("Agent") has been engaged as the exclusive agent for the sale of the DaVita Dialysis & Quest Diagnostics of Hamden, CT (the "Property"), by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.

The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Peranich Huffman Net Lease Group as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.

Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Peranich Huffman Net Lease Group.

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