



DAVITA

BRAND NEW LEASE EXTENSION WITH RARE ANNUAL INCREASES

CHICO, CA



Contact the team

BRYAN WEBB

bwebb@capitalpacific.com

PH: 415.274.2717

CA DRE# 01826546



**11,527
VPD**

Davita
Kidney Care

BAR TRIANGLE STREET

FOREST AVENUE

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Investment Summary



DAVITA

2345 FOREST AVE, CHICO, CA 95928

\$3,140,000
PRICE

5.50%
CAP

NOI: **\$172,800**

LEASE TYPE: **NN**

LEASABLE AREA: **7,200 SF**

LAND AREA: **1.02 AC**

YEAR BUILT: **1995**

PARKING: **36 SPACES**

**THE SUBJECT SERVES AS THE ONLY
IN-CENTER DIALYSIS OUTPATIENT TREATMENT
CENTER IN SOUTH CHICO**

Investment Highlights



THE OFFERING

The offering is a 7,200 SF fully-leased single tenant asset located in dense, suburban Chico, CA. The investment benefits from a brand new 5-year lease extension featuring annual rent increases, which is an excellent hedge against inflation. The tenant is a wholly owned subsidiary of DaVita Healthcare Partners Inc, which is currently rated BBB+ by Standard and Poor's. DaVita selected this site in 2003, which expanded DaVita's footprint in the Chico market to serve the southern community and bolster its presence in a then under served market. This site has 18 dialysis stations which is well above the national average. DaVita has been open and paying rent throughout the covid pandemic and did not ask for any rent credits at this location. As part of the renewal deal, the current landlord agreed to provide DaVita with two months of free rent. The seller will credit the buyer the two months of rent at the close of escrow depending on when the close of escrow is scheduled to occur.

The subject property is located in the southern portion of Chico, CA, with access to both HWY 99 and I-32, and sits near the California State University Chico Campus.

HIGHLIGHTS

- **Brand new lease extension for five years starting 8/15/21**
- **Above average dialysis station count of 18**
- **Strong medical retail location with numerous national credit tenants surrounding the subject property**
- **Located just off of Highway 99 and only DaVita in the southern portion of Chico, CA**
- **Annual increases, which is a good hedge against inflation**
- **Current rent is deemed Fair Market Value by the tenant**
- **Tenant has been at this location since 2003**

Income & Expense

PRICE		\$3,140,000
Price Per Square Foot:		\$436.11
Capitalization Rate:		5.50%
Total Rentable Area (SF):		7,200
Lot Size (AC):		1.02
STABILIZED INCOME	PER SQUARE FOOT	\$436
Scheduled Rent	\$24.00	\$172,800
Effective Gross Income	\$24.00	\$172,800
LESS	PER SQUARE FOOT	
Taxes	NNN	Tenant Pays Directly
Insurance	NNN	Tenant Pays Directly
Utilities	NNN	Tenant Pays Directly
Interior Repairs and Maintenance	NNN	Tenant Pays Directly
HVAC	NNN	Tenant Pays Directly
Parking Lot		Landlord's Responsible
Roof Replacement		Landlord's Responsible
Structural Components**		Landlord's Responsible
EQUALS NET OPERATING		\$172,800

** Concrete slab, footings, foundation, structural components, exterior walls (excluding painting), paving, flooring system (excluding floor covering), exterior plumbing, and electrical systems of the building.

Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEAR RENT/FT
Renal Treatment Centers – California, Inc.	7,200	8/16/2021	8/14/2026	\$14,400	\$14,400	\$172,800	\$2.00	\$24.00
Tenant has been in the building since 2003	Rent Increase	8/15/2022	8/14/2023	\$14,688	\$14,688	\$176,256	\$2.04	\$24.48
	Rent Increase	8/15/2023	8/14/2024	\$14,982	\$14,982	\$179,781	\$2.08	\$24.97
	Rent Increase	8/15/2024	8/14/2025	\$15,281	\$15,281	\$183,372	\$2.12	\$25.47
	Rent Increase	8/15/2025	8/14/2026	\$15,587	\$15,587	\$187,044	\$2.16	\$25.98
	Option 1	8/15/26	8/14/31	\$15,899	\$15,899	\$190,788	\$2.21	\$26.50
	Option 2	8/15/31	8/14/33	\$16,375	\$16,375	\$196,500	\$2.27	\$27.29
Averages:				\$15,316	\$15,316	\$183,792	\$2.08	\$24.98

Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
8/16/21-8/14/26	\$14,400	\$172,800

RENT INCREASES

DATE RANGE	MONTHLY RENT	ANNUAL RENT
8/15/22-8/14/23	\$14,688	\$176,256
8/15/23-8/14/24	\$14,982	\$179,781
8/15/24-8/14/25	\$15,281	\$183,372
8/15/25-8/14/26	\$15,587	\$187,044

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 8/15/26-8/14/31	\$15,899	\$190,788
#2. 8/15/31-8/14/33	\$16,375	\$196,500

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISES & TERM

TENANT

Renal Treatment Centers - California, Inc. a Wholly Owned Subsidiary of DaVita Health Care Partners, Inc

LEASE EXPIRATION

8/14/2026

RENT COMMENCEMENT

5/30/2003

OPTIONS

One 5-Year Option

RENT INCREASES

2% Annual Increases

EXPENSES

TAXES

Tenant (Pays Direct)

INSURANCE

Tenant (Pays Direct)

UTILITIES

Tenant (Pays Direct)

PROPERTY TAXES

Tenant (Reimburses Landlord)

HVAC

Tenant (Pays Direct)

LANDLORD'S OBLIGATIONS

Roof, foundation, structural components, flooring, paving, exterior walls of the building, exterior doors and windows (except broken glass)

ADDITIONAL LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

None without Landlord's consent

ESTOPPELS

Yes

ROFR

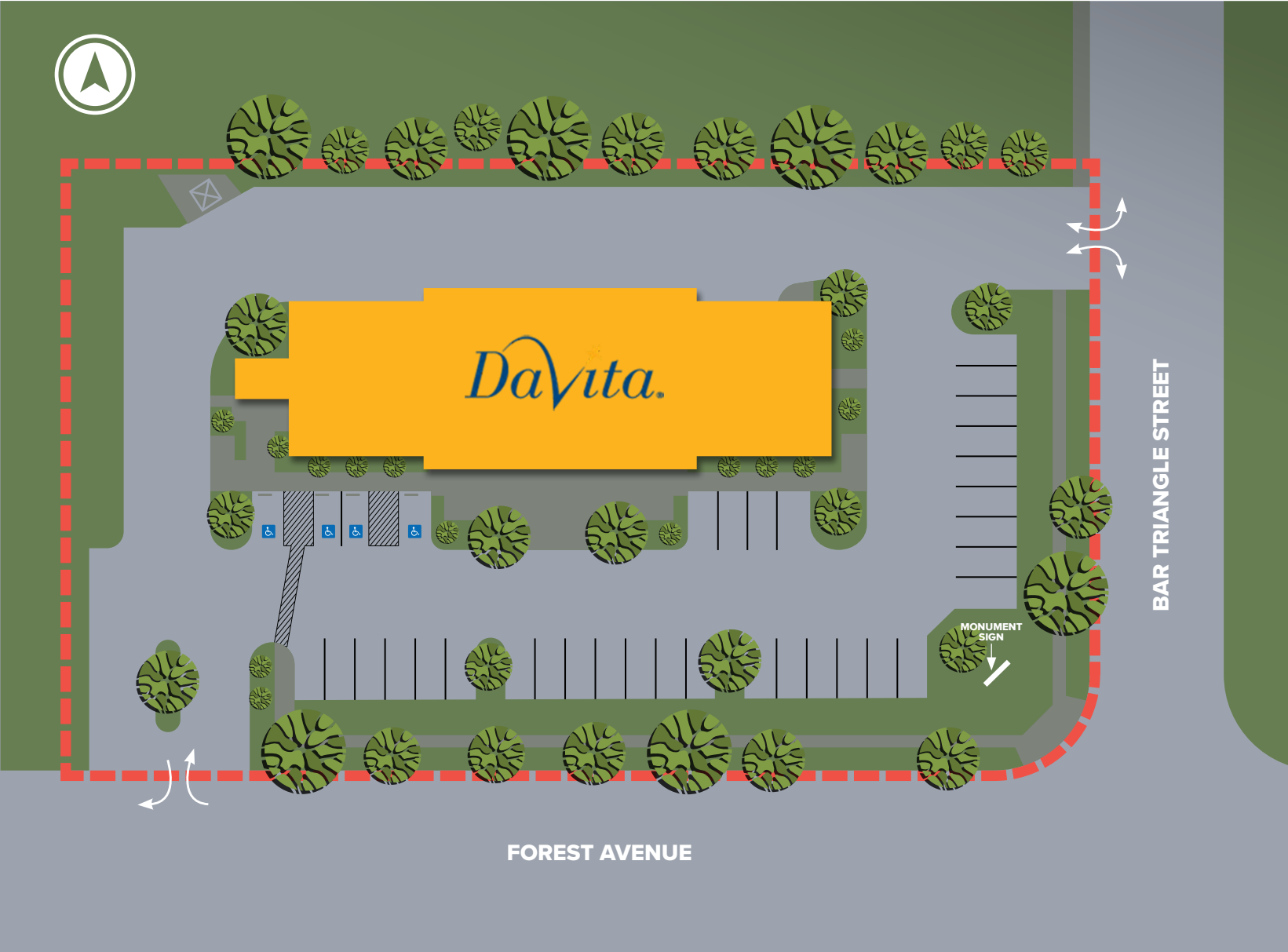
None

Site Plan

sf
7,200
RENTABLE SF

ac
1.02
ACRES

36
SPACES



This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Tenant Overview



ABOUT DAVITA DIALYSIS

DaVita HealthCare Partners INC. (NYSE: DVA), 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 disease and end stage renal disease. The company is the largest provider of kidney care services in the U.S. and has been a leader in clinical quality and innovation for 20 years.

As of June 30, 2020, DaVita served 205,000 patients at 2,795 outpatient dialysis centers in the United States. The company also operated 287 outpatient dialysis centers in ten countries across the world. DaVita controls more than 37% of the U.S. dialysis market.

200,000+

DIALYSIS
PATIENTS


For the fiscal year ending in December 31, 2020, total annual revenues were \$11.5 billion, a 1.42% increase from 2019. DaVita is rated "Ba2 Stable" by Moody's.

TOTAL 2020
REVENUE


\$11.5 Billion

Demographics

POPULATION

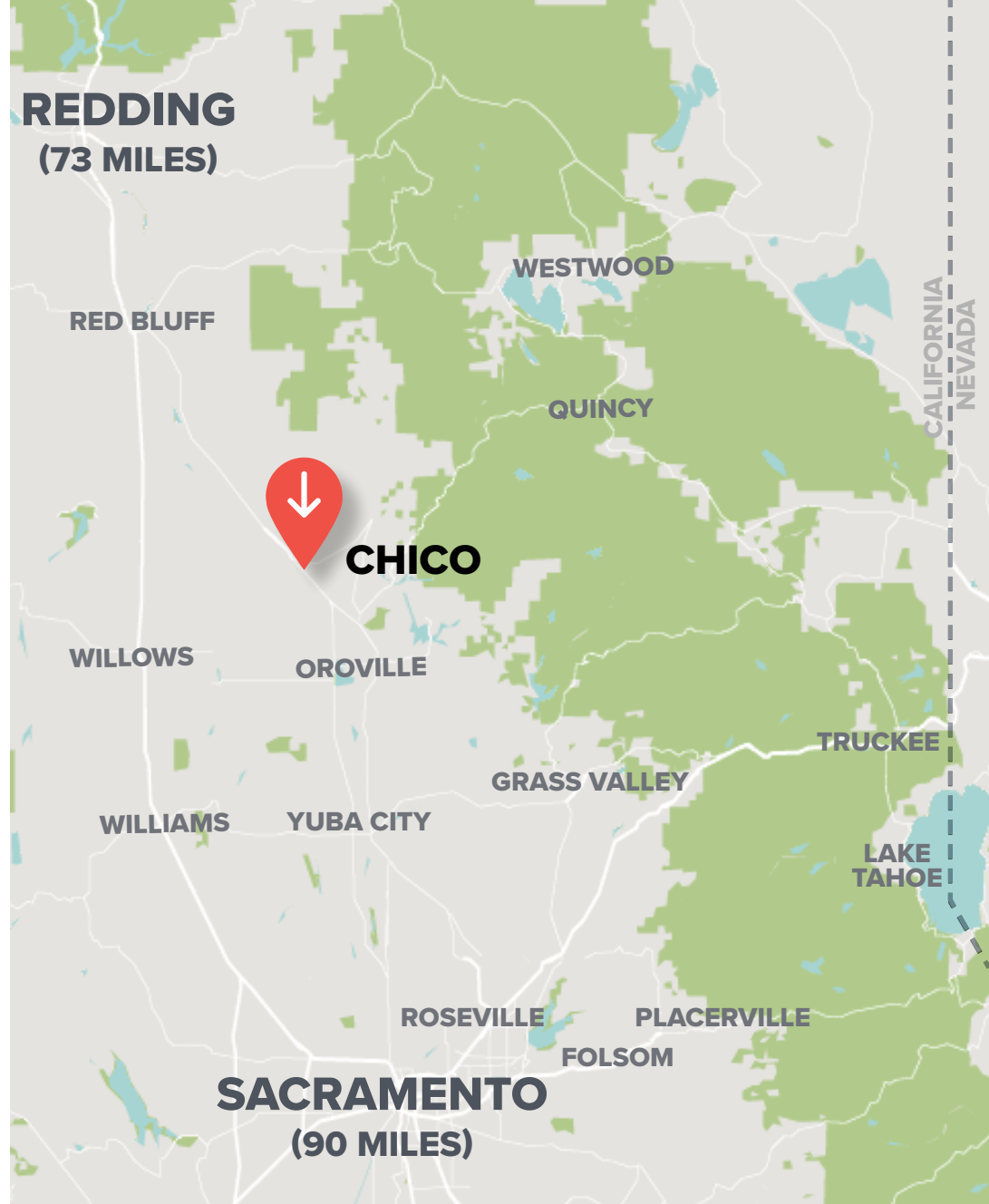
	1-MILE	3-MILES	5-MILES
2010	4,618	44,915	92,977
2020	5,336	48,621	100,060
2025	5,425	48,815	101,491

2020 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$76,454	\$76,671	\$75,522

TOP EMPLOYERS IN LEHIGH COUNTY

EMPLOYER	
California State University, Chico	4,300
Enloe Medical Center	2,275
Chico Unified School District	1,400
Walmart	400
City of Chico	393



THE POPULATION WITHIN A 5-MILE RADIUS IS OVER 100K

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Location Overview

CHICO, CALIFORNIA



CALIFORNIA STATE UNIVERSITY, CHICO

CHICO, located in the Northern Sacramento Valley, is home to over 121,000 residents. It is located 90 miles north of Sacramento on Highway 99 in Butte County, just east of Interstate 5. The city is bisected by Bidwell Park, which runs five miles (8 km) from the city center to the crest of the Sierra Nevada range.

Chico is the economic center of the Northern Sacramento Valley with much of Chico's economy powered by California State University, Chico. Agriculture is also a significant part of the economy with almonds, rice, olives, peaches and plums as the major crops. Chico's downtown is a thriving area featuring unique, independent retail shops and restaurants. Farmers markets attract crowds and the City Plaza in downtown Chico hosts free concerts regularly throughout the summer.

CALIFORNIA STATE UNIVERSITY, CHICO is a public university in the California State University system. As of 2020, it had a total enrollment of 16,630 students and offered 126 bachelor's degree programs and 35 master's degree programs in seven colleges and four schools. In 2020, Chico State had an economic impact of \$320.2 million on the surrounding area.

196,880



**BUTTE COUNTY
POPULATION
(ESTIMATED)**

Contact us.

BRYAN WEBB

bwebb@capitalpacific.com

PH: 415.274.2717

CA DRE# 01826546

Copyright © 2021 Capital Pacific Partners

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

[CAPITALPACIFIC.COM/CPSF](https://capitalpacific.com/cpsf)

CPSF COLLABORATES.

CLICK [HERE](#) TO MEET OUR TEAM.

