



PATERSON, NJ



FRESENIUS MEDICAL CARE & WALGREENS

HIGH BARRIERS TO ENTRY INFILL LOCATIONS HEALTHCARE PORTFOLIO

ROCHESTER, NY & PATERSON, NJ



CAPITAL PACIFIC

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FRESENIUS MEDICAL CARE & WALGREENS

\$17,850,000

PRICE

5.18%

CAP

NOI:

\$923,841

PRICE/SF:

\$713.09

LEASE TERM REMAINING:

**11 FRESENIUS
16 WALGREENS**

LEASABLE AREA:

**10,212 SF FRESENIUS
14,820 SF WALGREENS**

LAND AREA:

**2.14 AC FRESENIUS
1.18 AC WALGREENS**

YEAR BUILT:

**2017 FRESENIUS
2011 WALGREENS**

**LONG TERM STABILIZED PORTFOLIO
INVESTMENT IN HIGH DENSITY LOCATIONS**

Investment Highlights



THE OFFERING

This build-to-suit single tenant Fresenius Dialysis Center is located in Rochester, New York. The Rochester metropolitan area is home to numerous world renowned universities, Fortune 500 companies, and a stable population of over one million residents.

The subject property is located minutes away from a 566 bed healthcare facility, the Monroe Community Hospital and the Strong Memorial Hospital of the University of Rochester which is ranked #1 in the region by US News & Annual Report.

Fresenius is the nations leading provider of kidney care with over 3,928 clinics worldwide. The company ranks #313 on Fortune's Global 500 List of the world's most valuable companies.

HIGHLIGHTS

- **Build-to-suit Fresenius – largest provider of kidney care**
- **15-year Net Lease with 11.7 years remaining on initial term**
- **Standard & Poor's Investment Grade: BBB**
- **E-Commerce and COVID resistant investment grade tenant**
- **Corporate Guarantee on Lease**
- **Located 3-miles from the 566 bed Monroe Community Hospital**
- **36 Dialysis Stations - Well above national average of 14**
- **Highest amount of shifts to national average - Site is open 5am-9pm Monday-Saturday**

Investment Highlights



THE OFFERING

The subject property is a free standing, build-to-suit Walgreens with drive-thru located in the New York metropolitan area, just 22 miles west of New York City. Located in Paterson, New Jersey, the asset benefits from its position within the market, which features one of the highest residential densities in the U.S. There are 455,000 residents with an average household income of \$111,000 within a 5-mile radius of the subject property. The greater New York MSA has a population of over 20 million people.

Walgreens is the largest drug retailer in the U.S. with over 9,000 stores in the country and more than 21,000 stores in 11 countries. Walgreens ranks 19th on Fortune 500's List of most valuable companies in the United States.

HIGHLIGHTS

- **Build-to-suit Walgreens – largest drug retailer in the U.S.**
- **25-year Net Lease with 16 years remaining on initial term**
- **Standard & Poor's Investment Grade: BBB**
- **High Density location boasting 455,000 residents and Average Household Income over \$111,000 annually within a 5-mile radius**
- **1.8 mile from William Patterson University (16,000 Students Enrolled)**

Portfolio Income & Expense

CURRENT		
Price:		\$17,850,000
Capitalization Rate:		5.18%
Price Per Square Foot:		\$713.09
Down Payment	47%	\$8,400,210
Loan Amount	53%	\$9,449,790
Total Leased (SF):	100%	25,032
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	25,032
INCOME	P/SF	
Scheduled Rent	\$36.91	\$923,841
EFFECTIVE GROSS INCOME		\$923,841
ADJUSTED GROSS INCOME		\$923,841
EXPENSES (ESTIMATED)		
Insurance	Net	
Taxes	Net	
CAM	Net	
TOTAL OPERATING EXPENSES	\$0.00	\$0
NET OPERATING INCOME		\$923,841

PROPOSED FINANCING/CASH FLOW

Current Assumable Financing		
Loan Amount		\$9,449,790
Loan To Value		53%
Interest Rate		4.55%
Amortization		30 Year
Term (10 year term)		Int. only thru 9/6/2027
Net Operating Income		\$923,841
Debt Service		\$429,965
Pre-Tax Cash Flow		\$493,876
Debt Coverage Ratio		(2.15)
Cash-on-cash Return		5.88%



Portfolio Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY		
TENANT	SQ. FT.	% OF GLA	TERM		MONTHLY RENT	ANNUAL RENT	RENT/FT
Walgreens	14,820	59.20%	04/04/11	04/03/36	\$48,000.00	\$576,000.00	\$38.87
		Option 1	04/04/36	04/03/41	\$48,000.00	\$576,000.00	\$38.87
		Option 2	04/04/41	04/03/46	\$48,000.00	\$576,000.00	\$38.87
		Option 3	04/04/46	04/03/51	\$48,000.00	\$576,000.00	\$38.87
		Option 4	04/04/51	04/03/56	\$48,000.00	\$576,000.00	\$38.87
		Option 5	04/04/61	04/03/66	\$48,000.00	\$576,000.00	\$38.87
		Option 6	04/04/66	04/03/71	\$48,000.00	\$576,000.00	\$38.87
		Option 7	04/04/71	04/03/76	\$48,000.00	\$576,000.00	\$38.87
		Option 8	04/04/76	04/03/81	\$48,000.00	\$576,000.00	\$38.87
		Option 9	04/04/81	04/03/86	\$48,000.00	\$576,000.00	\$38.87
Fresenius	10,212	40.80%	05/26/17	05/31/32	\$28,986.75	\$347,841.00	\$34.06
		Increase	06/01/22	05/31/27	\$31,885.40	\$382,624.74	\$37.47
		Increase	06/01/27	05/31/32	\$35,073.10	\$420,877.22	\$41.21
		Option 1*	06/01/32	05/31/37			
		Option 2*	06/01/37	05/31/42			
		Option 3*	06/01/42	05/31/47			
OCCUPIED		25,032	100.00%		\$76,986.75	\$923,841.00	\$36.91
VACANT		0	0.00%				
CURRENT TOTALS		25,032	100.00%				

*Option Rent to be Fair Market Value by both parties

Portfolio 10-Year Cashflow

Price:	\$17,850,000	
Cap Rate	5.18%	
Down Payment:	\$8,400,000	47.06%
Loan Amount:	\$9,450,000	52.94%
Interest Rate:	4.55%	
Amortization:	30 year	

Lease Year	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028
Potential Gross Revenue										
Walgreens Patterson	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000
Fresenius Rochester	347,841	347,841	382,624	382,624	382,624	382,624	382,624	420,887	420,887	420,887
Expense Recovery	Net	Net	Net	Net	Net	Net	Net	Net	Net	Net
Effective Gross Rent	923,841	923,841	958,624	958,624	958,624	958,624	958,624	996,887	996,887	996,887
Net Operating Income	923,841	923,841	958,624	958,624	958,624	958,624	958,624	996,887	996,887	996,887
CAP Rate	5.18%	5.18%	5.37%	5.37%	5.37%	5.37%	5.37%	5.58%	5.58%	5.58%
Debt Service*	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)
Cash Flow After Debt Service	493,488	493,488	528,271	528,271	528,271	528,271	528,271	566,534	566,534	566,534
Cummulative Cash Flow After Debt Service		986,975	1,515,246	2,043,517	2,571,788	3,100,059	3,628,330	4,194,864	4,761,398	5,327,932
Cash on Cash (%)	5.87%	5.87%	6.29%	6.29%	6.29%	6.29%	6.29%	6.74%	6.74%	6.74%
Interest Expense	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)	(430,353)
Principal Paydown	207,742	217,403	227,513	238,093	249,165	260,751	272,877	285,567	298,846	312,743
Cummulative Principal Paydown	207,742	425,145	652,658	890,751	1,139,915	1,400,667	1,673,544	1,959,110	2,257,957	2,570,700
Total Return (Cash Flow + Principal)	701,230	710,891	755,784	766,364	777,436	789,022	801,148	852,101	865,380	879,277
Total Return (%)	8.35%	8.46%	9.00%	9.12%	9.26%	9.39%	9.54%	10.14%	10.30%	10.47%
Monthly Cash Flow	\$58,436	\$59,241	\$62,982	\$63,864	\$64,786	\$65,752	\$66,762	\$71,008	\$72,115	\$73,273
Annual Cash Flow	\$701,230	\$710,891	\$755,784	\$766,364	\$777,436	\$789,022	\$801,148	\$852,101	\$865,380	\$879,277



FRESENIUS - ROCHESTER, NY

1208 SCOTTSVILLE ROAD, ROCHESTER, NY 

Lease Abstract - Fresenius



FRESENIUS RENT ROLL

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
5/26/17-5/31/32	\$28,986	\$347,841

INCREASE

DATE RANGE	MONTHLY RENT	ANNUAL RENT
6/1/22-5/31/27	\$31,885	\$382,624
6/1/27-5/31/32	\$35,073	\$420,877

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 6/1/32-5/31/37	Option Rent to be Fair Market Value	
#2. 6/1/37-5/31/42		
#3. 6/1/42-5/31/47		

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).

PREMISE & TERM

TENANT

Fresenius Medical Care Holdings Inc

LEASE TYPE TERM

Net Lease
15 year initial term w/ 11.7 years remaining

RENT COMMENCEMENT RENT TERMINATION OPTIONS

May 26, 2017
May 31, 2032
Three 5-year options

EXPENSES

LANDLORD OBLIGATIONS

Roof and Structure
Landlord Reimbursed

HVAC

TAXES

Tenant pays directly

INSURANCE

Tenant pays directly

UTILITIES

Tenant pays directly

CAM

Tenant pays directly

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

Tenant must give
Landlord written notice

EARLY TERMINATION

N/A

ROFR/ROFO

None

ESTOPPEL

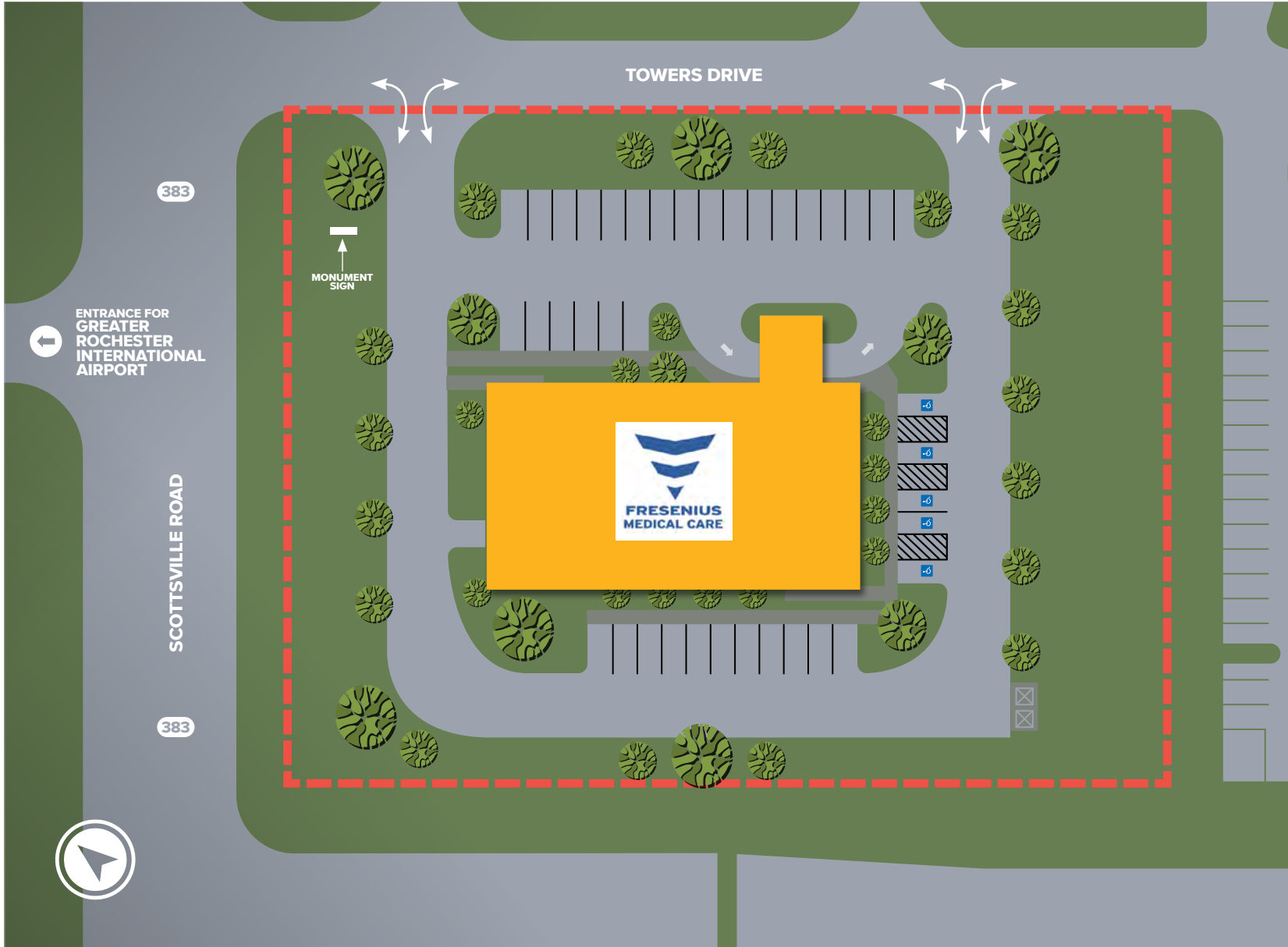
21 days

Site Plan - Fresenius

sf
10,212
RENTABLE SF

ac
2.14
ACRES

39
SPACES



Tenant Overview



ABOUT FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's leading provider of products and services for people with chronic kidney failure. Around 3.5 million patients worldwide with this disease regularly undergo dialysis treatment. Dialysis is a life-saving blood cleansing procedure that substitutes the function of the kidney in cases of kidney failure.

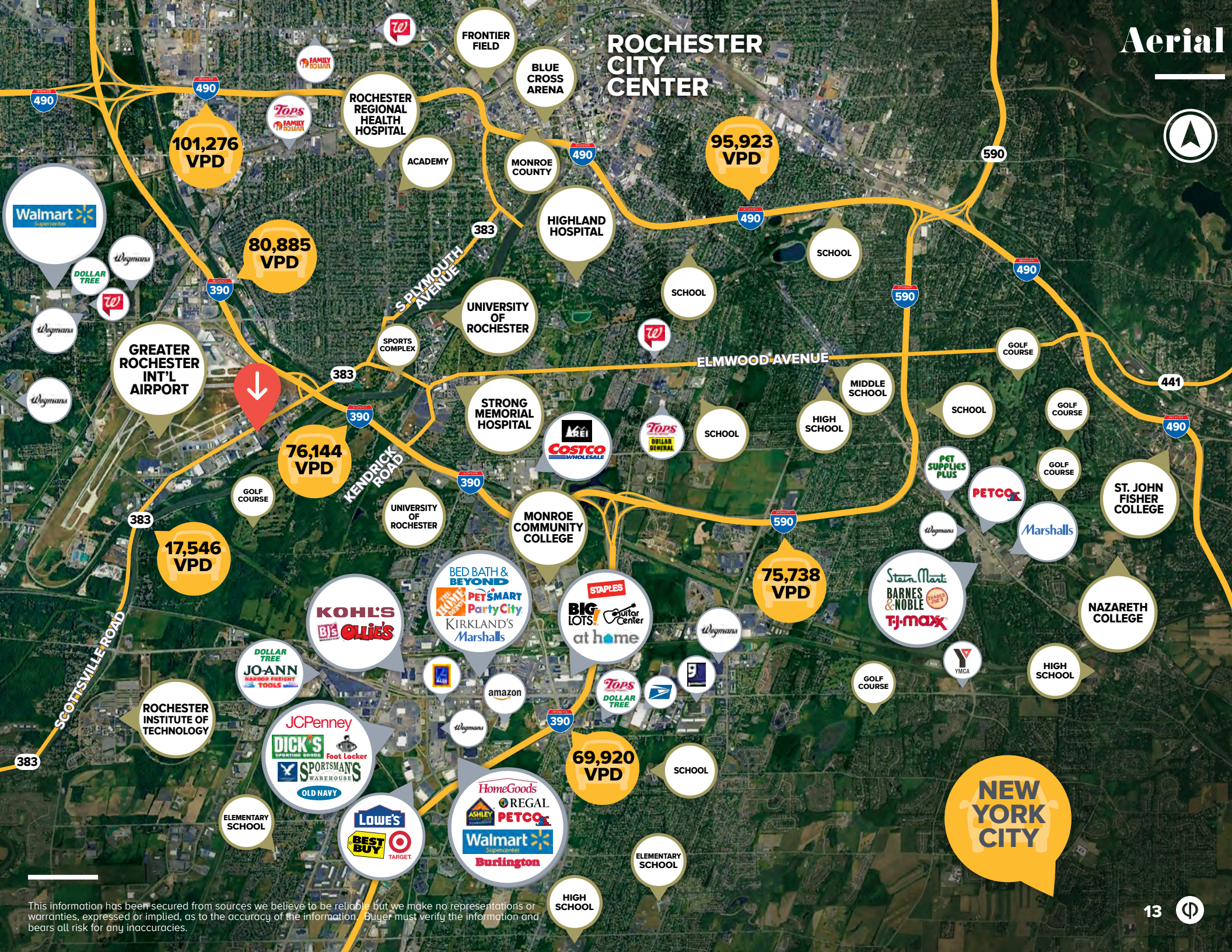
They care for more than 345,000 patients in a global network of around 4,000 dialysis clinics. At the same time, they operate 45 production sites in more than 20 countries, to provide dialysis products such as dialysis machines, dialyzers and related disposables.

345,000

**PATIENTS IN
NETWORK**

\$19.6 B

**2019 ANNUAL
REVENUE**



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WALGREENS - PATERSON, NJ

350 PREAKNESS AVENUE PATERSON, NJ ➡

Lease Abstract - Walgreens



WALGREENS RENT ROLL

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
4/4/11-4/3/36	\$48,000	\$576,000

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 4/4/36-4/3/41	\$48,000	\$576,000
#2. 4/4/41-4/3/46	\$48,000	\$576,000
#3. 4/4/46-4/3/51	\$48,000	\$576,000
#4. 4/4/51-4/3/56	\$48,000	\$576,000
#5. 4/4/61-4/3/66	\$48,000	\$576,000
#6. 4/4/66-4/3/71	\$48,000	\$576,000
#7. 4/4/71-4/3/76	\$48,000	\$576,000
#8. 4/4/76-4/3/81	\$48,000	\$576,000
#9. 4/4/81-4/3/86	\$48,000	\$576,000

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PREMISE & TERM

TENANT LEASE TYPE TERM

Walgreens
NNN
25 year initial term w/ 16
years remaining
April 4, 2011
April 3, 2036
Nine 5-year options

RENT COMMENCEMENT RENT TERMINATION OPTIONS

EXPENSES

LANDLORD'S OBLIGATIONS

None

TAXES

Tenant pays directly

INSURANCE

Tenant pays directly

UTILITIES

Tenant pays directly

CAM

Tenant pays directly

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

At Tenants distinction

EARLY TERMINATION

N/A

ROFR/ROFO

Tenant has 10 business days

ESTOPPEL TIMING

15 days

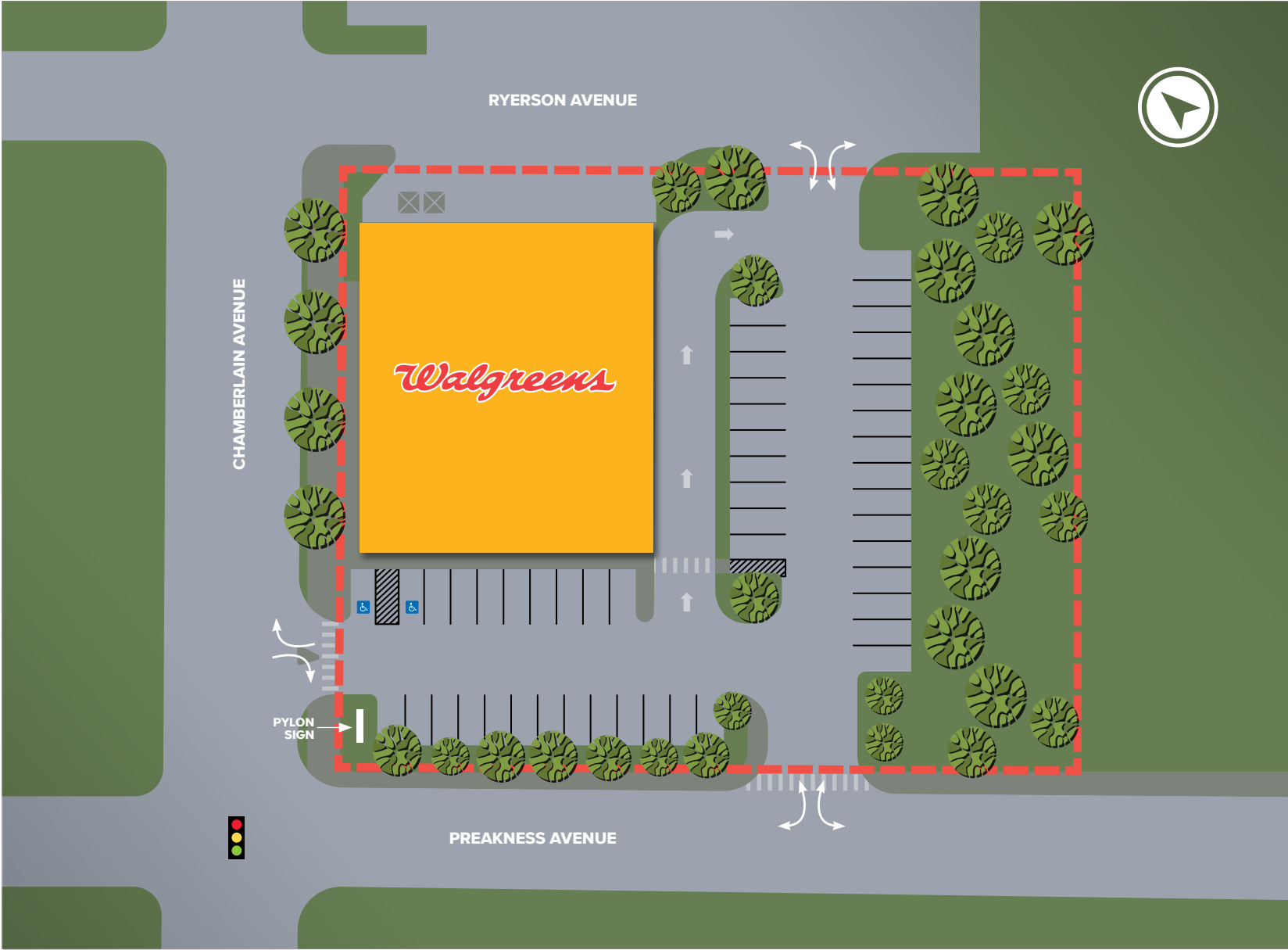
Tenant shall pay Landlord 2% of gross sales from food and prescription items if this amount exceeds total fixed rent for full lease year.

Site Plan - Walgreens

sf
14,820
RENTABLE SF

ac
1.18
ACRES

49
SPACES



Tenant Overview



ABOUT WALGREENS

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led health and well-being enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots of England in December 2014, bringing together two leading companies with iconic brands, a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care.

Walgreens provides about 80% of the revenue and profits of WBA. The parent company employs over 385,000 people and has a presence in more than 25 countries. It is the largest retail pharmacy, health and daily living destination in the USA and Europe.

Walgreens Boots Alliance has more than 14,300 stores, and the **largest global pharmaceutical wholesale and distribution network** with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in 20 countries. In addition, Walgreens Boots Alliance is the world's largest purchaser of prescription drugs and many other health and wellbeing products. Its portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare.

Walgreens is **the largest drugstore chain in the U.S. with fiscal 2020 sales of more than \$139.5 billion**. Founded with a single store in Chicago in 1901, Walgreens today has more than 9,000 drugstores.

9,021+

LOCATIONS IN ALL 50 STATES,
PUERTO RICO, AND THE U.S..
VIRGIN ISLANDS

Retail Aerial





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Demographics

POPULATION AND HOUSEHOLD INCOMES - ROCHESTER

 	1-MILE	3-MILES	5-MILES
2019 Population	3,085	78,253	218,220
Average household Income	\$61,382	\$56,036	\$60,978
Median household income	\$52,076	\$38,806	\$41,535

POPULATION AND HOUSEHOLD INCOMES - PATERSON

 	1-MILE	3-MILES	5-MILES
2019 Population	39,074	222,317	455,058
Average household Income	\$72,376	\$86,894	\$111,497
Median household income	\$51,484	\$59,605	\$78,671



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
OF THE PATERSON PROPERTY IS
OVER \$111K**

Location Overview

ROCHESTER



ROCHESTER, NY, is located in Monroe County. It straddles the Genesee River between the Erie Canal and Lake Ontario. Rochester offers a natural beauty that is easily accessible by a network of parks, trails, boat launches and scenic overlooks.

Rochester's economy benefits from many advantages, including an ample supply of fresh water from Lake Ontario and the pristine Finger Lakes, a central location among the population centers of the Northeastern U.S. and the innovative foundations laid by such firms as Kodak, Xerox and Bausch and Lomb. A host of colleges and universities, including the University of Rochester and the Rochester Institute of Technology, produce an educated workforce and generate cutting-edge research that drives the city's innovation and technology sectors.

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PATERSON



PATERSON, NJ, is located in Passaic County. It has a rich history as the nation's first planned industrial city, as well as being home to some of the country's oldest textile mills and businesses. The industries developed in Paterson were powered by the 77-foot high Great Falls of the Passaic, and a system of water raceways that harnessed the power of the falls. The district originally included dozens of mill buildings and other manufacturing structures associated with the textile industry and later, the firearms, silk, and railroad locomotive manufacturing industries.

The Great Falls of the Passaic River are the centerpiece of the Great Falls National Park. The falls and the surrounding park land were added to the National Park Service System in 2011. The 77-foot-high falls are the second largest, after Niagara Falls, in terms of volume and width east of the Mississippi River.

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