

Single Tenant Sale Leaseback

SONIC HEALTHCARE

99-193 AIEA HEIGHTS DRIVE | AIEA, HAWAII



CBRE

NET LEASE GROUP

Executive Summary

CBRE is pleased to present the opportunity to acquire a fee simple single tenant NNN sale and 15-year lease back from Sonic Healthcare Limited's (ASX: "SHL") Hawaii subsidiary, Clinical Laboratories of Hawaii ("CLH"). The property is an approximate 81,569 square foot (7,067 sqm) 4-story building that was completely refurbished in 2017 and situated on 2.755 acres which CLH calls their main hub and named "The Heights". It is the home to their core testing laboratory critical to their operations throughout the State of Hawaii. The lease will be guaranteed by SLH, the world's third largest pathology/laboratory medicine company with operations in eight countries and currently one of Australia's top 50 Companies.

INITIAL TERM	15 years
NNN LEASE	\$2,400,000/yr
INCREASES	Every 5-years
OPTIONS	Four 5-year Options
GUARANTOR	Sonic Healthcare Limited (ASX - "SHL")





Sonic Healthcare is one of the world's leading global providers of medical diagnostic services with more than 37,000 people globally and revenue of \$6.2B. The company was founded in 1971 with more than 850 employees and 50+ locations throughout the State of Hawaii.

The property is the hub of CLH and home to their core testing laboratory which receives specimens from all over the State each and every day. It's central location on the Island of Oahu is critical to their operations having proximity to Honolulu and the Honolulu International Airport being vital. CLH is the state's largest clinical and pathology testing laboratory and the majority of those functions are performed at the Heights. The Executive Team, the courier network, the Purchasing department as well as the state-wide Microbiology and Toxicology laboratories are all situated at the Heights.



Investment Highlights



Unique fee simple single tenant sale leaseback medical/laboratory facility in Honolulu, Hawaii



Rarely available large scale net lease opportunity in a high-barriers to entry market



High-credit investment grade tenant



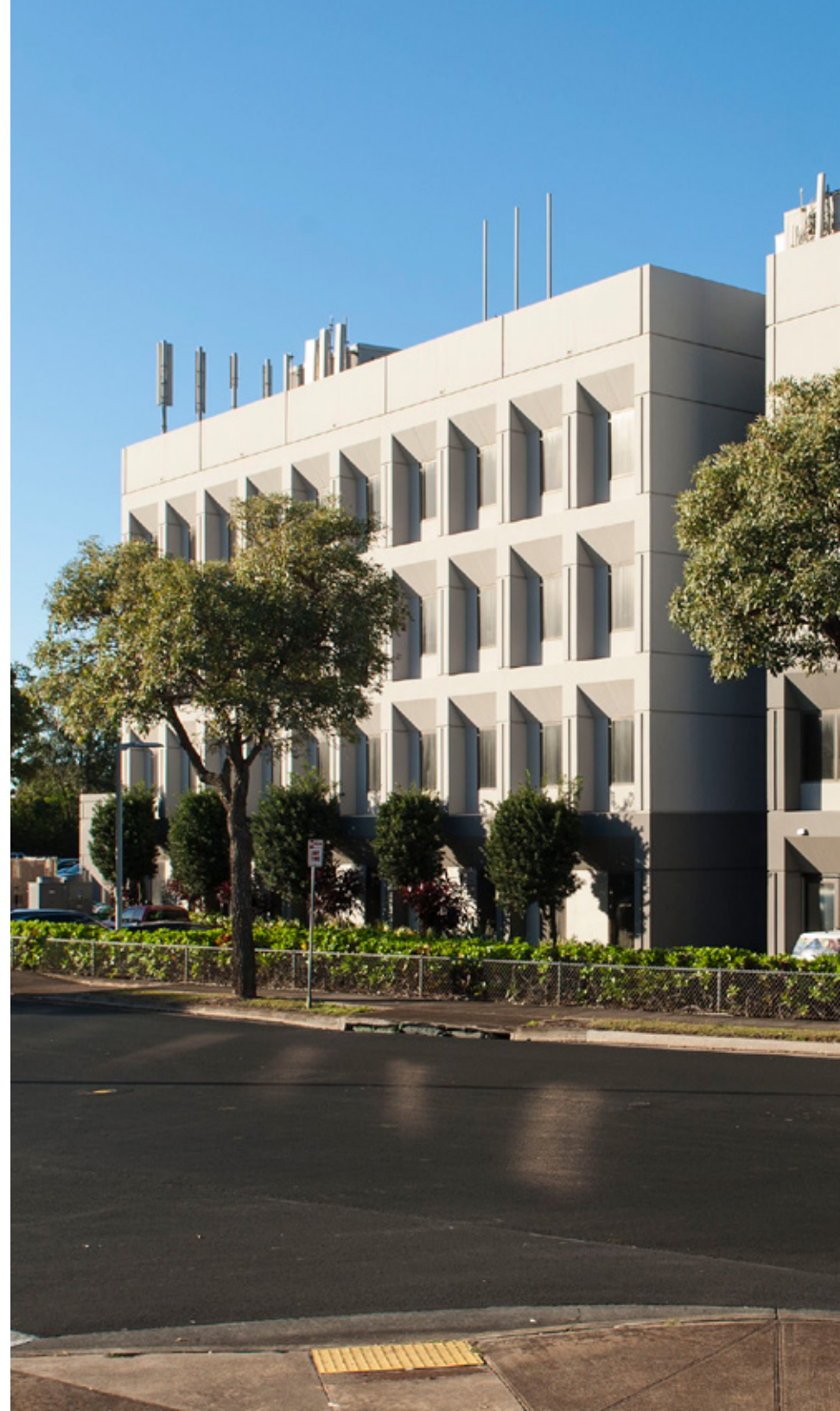
Triple net lease structure, bondable and absolute triple net



Diversified, mission critical asset with Hawaii's largest clinical and pathology testing laboratory



Stable, long-term lease structure with an initial 15-year term with rent increases every 5 years



Building Description



The building was acquired by Sonic Healthcare USA in July 2014. In March 2017, an approximate twenty-one million six-hundred and fifty thousand (\$21.65M) refurbishment of the building's interior and exterior commenced. The interior was stripped to the shell and core, and refitted throughout with new Mechanical, Electrical and Hydraulic services. The building's exterior surfaces were painted, windows upgraded, roof resealed, and car park areas resurfaced and lined.

ADDRESS	99-193 Aiea Heights Drive, Aiea, Hawaii
TAX MAP KEY	1-9-9-5-10
LAND AREA	2.755 acres
DESCRIPTION	The building was constructed in 1974 and was known locally as The Hawaiian Agricultural Research Centre (HARC). It was specifically designed and constructed for organisations that require wet and dry lab space. It was appropriate purchase for CLH to consolidate its 7 separate business operations on Oahu to an owner-occupied building.
GROSS LEASABLE AREA	Approximately 81,596 sqft
AVERAGE FLOOR AREA	Approximately 20,399 sqft
PARKING	Currently 198 parking spaces (7 ADA / 4 Compact / 165 Standard / 27 Tandem) and being expanded to approximately 218 on grade car spaces.
ZONING	Industrial (I-2) Intensive Industrial District –suitable for use by laboratories, business centres, finance institutions and schools
FLOOD ZONE	AEF—100 Year Flood, Flood Way Area with AE, X-Beyond 500 Year Flood Plain

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