



**FRESENIUS
MEDICAL CARE**

FRESENIUS OF FAYETTEVILLE, WV

185 Laurel Creek Rd, Fayetteville, WV 25840



West Virginia Broker of Record:

Jim Lively | Century 21 | License #: WV0009633

PERANICH HUFFMAN
NET LEASE GROUP

LISTED BY

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INVESTMENT OVERVIEW

OVERVIEW

Peranich Huffman Net Lease Group is pleased to offer for sale, on an exclusive basis, the single-tenant Fresenius Medical Care located in Fayetteville, West Virginia. Constructed on a built-to-suit basis Fresenius in 2007, the 6,671 square foot facility resides on a 1.5 acre parcel. Offered at a 6.57% capitalization rate, the offering provides an investor with the opportunity to acquire a property with a strong operation within a Certificate of Need state.

NET LEASE STRUCTURE

The double net lease structure provides for the tenant's direct responsibility for the expenses associated with the parking lot, interior/non-structural elements of the building, HVAC (up to \$2,200), landscaping, insurance, property taxes, utilities, and waste management.

LEASE TERM

Demonstrating a commitment to the location, Fresenius exercised an early lease extension in 2017, resulting in 5.9 years of current term remaining. The lease contains 1.5% annual escalations in base rent that continue throughout the remainder of the term. Additionally, the lease provides for (2) 5-year option periods, with escalations set to the lesser of fair market value or 110% of base rent from the prior year.

INVESTMENT GRADE TENANT

Fresenius Medical Care is the largest provider of renal care in both the United States and across the world. Fresenius has a net worth exceeding \$22.5 billion and holds S&P's Investment Grade credit rating of "BBB Stable".



PROPERTY OVERVIEW

FRESENIUS MEDICAL CARE OF FAYETTEVILLE, WV



**FRESENIUS
MEDICAL CARE**

185 Laurel Creek Road

STREET ADDRESS

6,671 SF

RENTABLE AREA

1.5 Acres

LOT SIZE

2007

YEAR BUILT

FMC Holdings, Inc.

CORPORATE GUARANTEE

01/31/2027

CURRENT TERM EXPIRATION

5.9 Years

CURRENT TERM REMAINING

\$118,243

ANNUAL BASE RENT

1.5% Annually

ESCALATIONS

(2) 5-Year

RENEWAL OPTIONS

Lesser of FMV or 110% from Prior Year

OPTION ESCALATIONS

\$1,800,000

PURCHASE PRICE

6.57%

CAP RATE

FINANCIALS & PRICING

FRESENIUS MEDICAL CARE OF FAYETTEVILLE, WV

PERANICH NET LEASE GROUP HUFFMAN

PURCHASE PRICE
\$1,800,000

CAP RATE
6.57%

NET OPERATING INCOME
\$118,243



INVESTMENT HIGHLIGHTS

FRESENIUS MEDICAL CARE OF FAYETTEVILLE, WV



"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 - Offering as a generous hedge against inflation, the Fresenius Medical Care lease provides for base rental rate escalations of 1.5% annually throughout the remainder of the term.



MINIMAL LANDLORD RESPONSIBILITIES - The tenant is responsible for all expenses relating to the parking lot, interior/non-structural elements of the building, HVAC (up to \$2,200) landscaping, insurance, property taxes, utilities, and waste management.



CERTIFICATE OF NEED STATE - As a participant in the certificate of need program, the state of West Virginia regulates the construction and operations of new dialysis facilities. This creates a high barrier of entry for competition that benefits landlords.



CORPORATELY GUARANTEED - The lease is backed by a corporate guarantee from Fresenius' parent company Fresenius Medical Care Holdings, Inc.



DEMOGRAPHICS

	3 Miles	5 Miles	10 Miles
POPULATION			
Total Population (2020)	4,583	13,917	29,364
Population Median Age	43.7	43.3	44.1
HOUSING			
Total Households (2020)	1,925	5,869	12,375
Average Household Size	2.37	2.35	2.35
INCOME			
Average Household Income	\$61,843	\$56,723	\$54,481
Avg. Growth (%) 2000 - 2010	25.66%	32.28%	34.91%
Est. Growth (%) 2020 - 2025	13.04%	13.78%	14.77%

Percentages projected into 2025 are estimated. Source: Gale Business.

LEASE ABSTRACT

FRESENIUS MEDICAL CARE OF FAYETTEVILLE, WV



**FRESENIUS
MEDICAL CARE**

Expense Category	Tenant's Responsibility	Landlord's Responsibility
Structural Components		√
Roof Replacement/Repair		√
HVAC Replacement/Repair	√*	√*
Parking Lot	√	
Interior / Non-Structural	√	
Landscaping	√	
Insurance	√	
Property Taxes	√	
Utilities	√	
Waste Management	√	
The table shown above represents the financial responsibility of the expense categories.		



* Tenant is responsible for up to \$2,200 of HVAC repairs/replacement costs. Costs exceeding \$2,200 are the responsibility of the landlord.

RENT ROLL

FRESENIUS MEDICAL CARE OF FAYETTEVILLE, WV



Term Period	Rent/SF	Annual Base Rent	Rental Rate Escalations
Feb 2021 - Jan 2022	\$17.72	\$118,243	-
Feb 2022 - Jan 2023	\$17.99	\$120,016	1.5%
Feb 2023 - Jan 2024	\$18.26	\$121,817	1.5%
Feb 2024 - Jan 2025	\$18.53	\$123,644	1.5%
Feb 2025 - Jan 2026	\$18.81	\$125,499	1.5%
Feb 2026 - Jan 2027	\$19.09	\$127,381	1.5%
Option Period 1	Lesser of FMV or 110% of Base Rent from Prior Year (Rent Cannot Decrease)		
Option Period 2	Lesser of FMV or 110% of Base Rent from Prior Year (Rent Cannot Decrease)		

LOCATION OVERVIEW

OVERVIEW

The city of Fayetteville, WV is located southeast of Charleston and north of Beckley, WV. At the city's center is the historic Fayette County Courthouse, which is surrounded by public art, shops, music venues, a yoga studio, pubs, breweries, and restaurants. Fayette County has a tradition of coal mining, however, the economy has shifted significantly in recent years with outdoor recreation as a new focus.

ECONOMY

The majority of Fayetteville's economy services the tourism industry. Located less than a mile away from Fayetteville is the New River Gorge, which attracts outdoor recreation enthusiasts. The New River Gorge includes: scenic cliffs that line the gorge which are popular for rock climbing, class I-IV whitewater rafting and kayaking, and hiking and biking trails. The New River Gorge National Park and Preserve, managed by the U.S. National Park Service, operates a visitors center and offers many educational programs in the area.

HEALTH

Local health care is provided by the Plateau Medical Center, a 25-staffed bed facility that offers medical and surgical care, 92.9% of the population of Fayette County, WV has health coverage, with 36.1% on employee plans, 26.6% on Medicaid, 15.9% on Medicare, 11.9% on non-group plans, and 2.42% on military or VA plans. Fayette County residents prevalence to diabetes was 15.8% in 2018. Since 2014, there has been an average of 0.7% increase per year in Fayette County residents prevalence to diabetes. Among the US population overall, prevalence to diabetes estimates for 2018 were as follow: 34.2 million people of all ages—or 10.5% of the US population—had diabetes. 34.1 million adults aged 18 years or older—or 13.0% of all US adults—had diabetes.

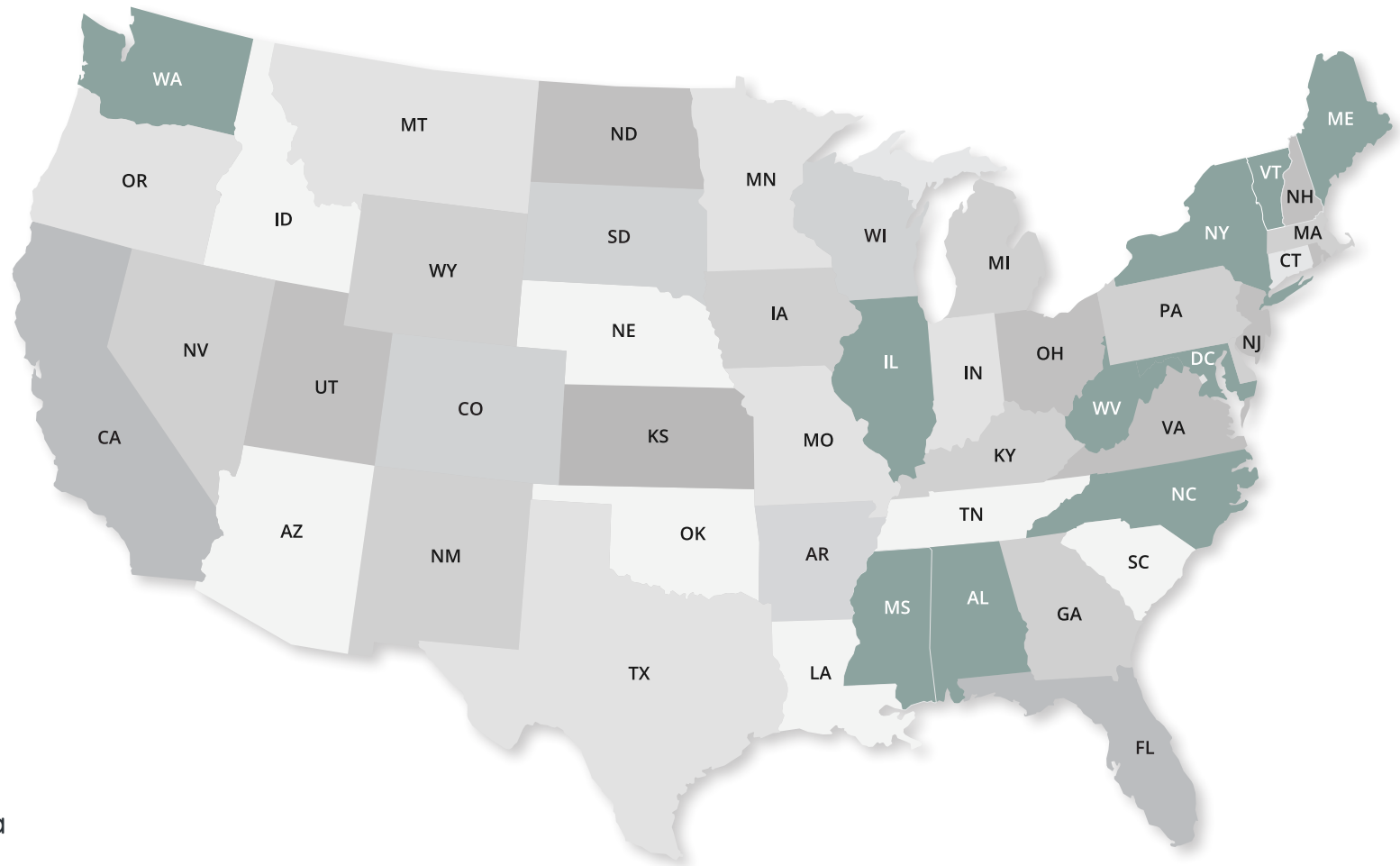


FAYETTEVILLE
WEST VIRGINIA

CERTIFICATE OF NEED STATES

Currently, there are only 12 “Certificate of Need” states that impose regulations which govern the treatment of End Stage Renal Disease. A CON law regulates the construction and operations of new dialysis facilities. The basic premise underlying this CON regulation is that excess capacity (in the form of facility overbuilding) directly results in health care price inflation.

- Alabama
- Alaska
- Hawaii
- Illinois
- Maine
- Mississippi
- New York
- North Carolina
- Vermont
- Washington
- West Virginia
- District of Columbia



Each of these states place limitations on the development of new facilities, which prevents competition with the subject property and creates a high barrier of entry for competition; therefore, benefiting healthcare real estate landlords.

TENANT OVERVIEW

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3 million patients worldwide regularly undergo dialysis treatment. Fresenius Kidney Care dialysis centers are part of Fresenius Medical Care North America.

Centers may be known as Fresenius Kidney Care or Fresenius Medical Care, as well as other names. Through its network of 4,000+ dialysis clinics, Fresenius Medical Care provides dialysis treatments for 348,000 patients around the globe. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination.

Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS). The company was founded in 1912 and is headquartered in Bad Homburg, Germany.



FRESENIUS MEDICAL CARE

COMPANY TYPE	2020 EMPLOYEES	2019 REVENUE
PUBLIC (FMS)	290,000+	\$40.18B
2019 NET INCOME	2019 ASSETS	CREDIT RATING
\$1.92B	\$67.01B	BBB Stable

CONFIDENTIAL MEMORANDUM & DISCLAIMER

Peranich Huffman Net Lease Group ("Agent") has been engaged as the exclusive agent for the sale of the Fresenius of Fayetteville, WV (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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