

OFFERING MEMORANDUM

PERANICH HUFFMAN

DAVITA DIALYSIS | KANNAPOLIS, NC

614 South Cannon Boulevard, Kannapolis, NC 28083



Investment Overview

DaVita Dialysis | Kannapolis, NC



Overview

Peranich Huffman Net Lease Group is pleased to exclusively present for sale, the DaVita Dialysis located in Kannapolis, NC. Priced at a 6.50% capitalization rate, this offering provides investors with the opportunity to acquire a property leased to a nationally recognized medical provider with an established track record of operational performance and kidney care excellence. Constructed in 2020, the 8,998 square-foot DaVita Dialysis facility is located at 614 S Cannon Blvd in Kannapolis on a 1.12-acre site, offering excellent visibility and accessibility. The property benefits from its positioning within the emerging North Carolina Research Campus medical corridor in Kannapolis, home to 100+ biotechnology companies and research facilities operated by major universities including UNC Chapel Hill, Duke University, and NC State University. The facility serves a population of 72,000+ within a 3-mile radius and is situated along the S Cannon Boulevard retail corridor. As North Carolina is a Certificate of Need (CON) state, dialysis facilities operate under regulatory protections that limit market entry and expansion, providing additional operational security for existing providers.

Lease

Executing a 15-year lease that commenced in August of 2020, DaVita Dialysis has 10+ years of primary lease term remaining with (3) 5-year renewal options. The current annual base rent of \$215,098 is scheduled to increase to \$236,608 in September 2025, representing one of multiple 10% escalations that occur every five years in the current term and renewal options. The lease is structured on a net basis, whereby the tenant bears financial responsibility for expenses including roof replacement, roof repair (up to \$1,000/year), replacement and repair of the parking lot and HVAC, landscaping, interior/non-structural, insurance premiums, property taxes, utilities, and waste management. Replacements are reimbursed on amortized basis over useful life of the item based on GAAP. The landlord is responsible for expenses related to the structure, and roof repairs exceeding \$1,000.

Tenant

DaVita Inc. (S&P: "BB"), a Fortune 500® company, serves as the corporate guarantor for DaVita Kidney Care, the nation's premier provider of kidney care services. DaVita Kidney Care operates and provides administrative services to over 3,100 outpatient dialysis centers throughout worldwide, delivering life-sustaining treatments to approximately 281,000 patients with chronic kidney failure and end-stage renal disease (ESRD). DaVita's substantial network reach, clinical expertise, and commitment to quality patient care has solidified the company's position as a leader in the kidney care sector amongst expanding demand for ESRD treatment.









614 S Cannon Blvd, Kannapolis, NC 28083

Single Tenant

Double Net

8,998 Square Feet | 1.12 Acres

2020

10+ Years

08/31/2035

\$236,608 (September 2025)

DaVita, Inc.

\$26.30/PSF

10% Every 5 Years

(3) 5-Year Options

10% In Each Option

Offering Price

DaVita Dialysis | Kannapolis, NC





Investment Highlights

DaVita Dialysis | Kannapolis, NC



10% Rent Escalations

The current annual base rent of \$215,098 is scheduled to increase to \$236,608 in September 2025. In 2030, rent is scheduled to increase from \$236,608 to \$260,269. Additionally, each of DaVita's (3) 5-year renewal options contain 10% rent escalations upon commencement.



Certificate of Need (CON) State

There are 12 "Certificate of Need" states that impose regulations which govern the treatment of End Stage Renal Disease (ESRD). As a major benefit to the landlord, each of these 12 states, including North Carolina, place limitations on the development of new dialysis facilities creating a high barrier of entry for competition.



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.



Strong Population Density

The subject property is positioned in a densely populated area of North Carolina, with 72,000+ residents within a 3-mile radius, providing a robust customer base for DaVita.



Minimal Landlord Responsibilities

The tenant is responsible for operating expenses including the HVAC, parking lot, landscaping, insurance, taxes, and utilities, limiting landlord exposure to structural and roof repairs—creating predictable cash flows and minimal landlord capital requirements.



Recent Construction

Built in 2020, the property features modern infrastructure that significantly reduces near-term capital expenditure risk and maintenance costs.



Demographics

	1 Mile	3 Miles	5 Miles
Population (2023)			
Population	24,969	72,475	127,381
Employed	19,965	57,521	101,008
Housing (2023)			
Homeowners	5,459	17,586	31,414
Renters	3,997	9,964	16,747
Income (2024)			
Average Household Income (2024)	\$58,603	\$72,407	\$75,264
Est. Income Growth (2024 - 2029)	9.8%	11.3%	10.9%

Percentages projected into 2029 are estimated. Source: Crexi & OpenAI



Net Lease Structure

DaVita Dialysis | Kannapolis, NC



Expense Category	Tenant's Responsibility	Landlord's Responsibility
Structural	-	\checkmark
Roof Repair	Up to \$1,000/annually	Exceeding \$1,000/annually
Roof Replacement*	\checkmark	-
Parking Lot Repair	\checkmark	-
Parking Lot Replacement*	\checkmark	-
HVAC Repair	\checkmark	-
HVAC Replacement*	\checkmark	-
Interior/Non-Structural	\checkmark	-
Property Taxes	\checkmark	-
Insurance Premiums	\checkmark	-
Landscaping	\checkmark	-
Utilities	\checkmark	-
Waste Management	\checkmark	-

Term Period	Annual Base Rent	Rent Increase (%)
September 2024 - August 2025	\$215,098	-
September 2025 - August 2026	\$236,608*	10%
September 2026 - August 2027	\$236,608	-
September 2027 - August 2028	\$236,608	-
September 2028 - August 2029	\$236,608	-
September 2029 - August 2030	\$236,608	-
September 2030 - August 2031	\$260,269	10%
September 2031 - August 2032	\$260,269	-
September 2032 - August 2033	\$260,269	-
September 2033 - August 2034	\$260,269	-
September 2034 - August 2035	\$260,269	-
Option Period 1 September 2035 - August 2040	\$286,295	10%
Option Period 2 September 2040 - August 2045	\$314,925	10%
Option Period 3 September 2045 - August 2050	\$346,417	10%

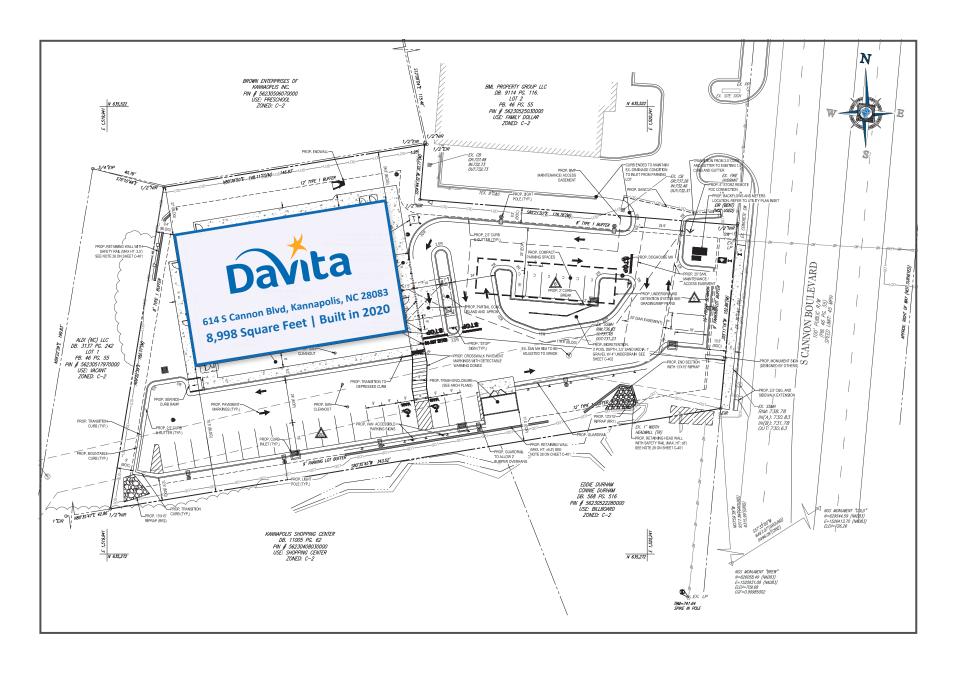


^{*}Replacements are reimbursed on amortized basis over useful life of item based on GAAP.

^{*}Seller to credit rent differential from close to September 2025 escalation.







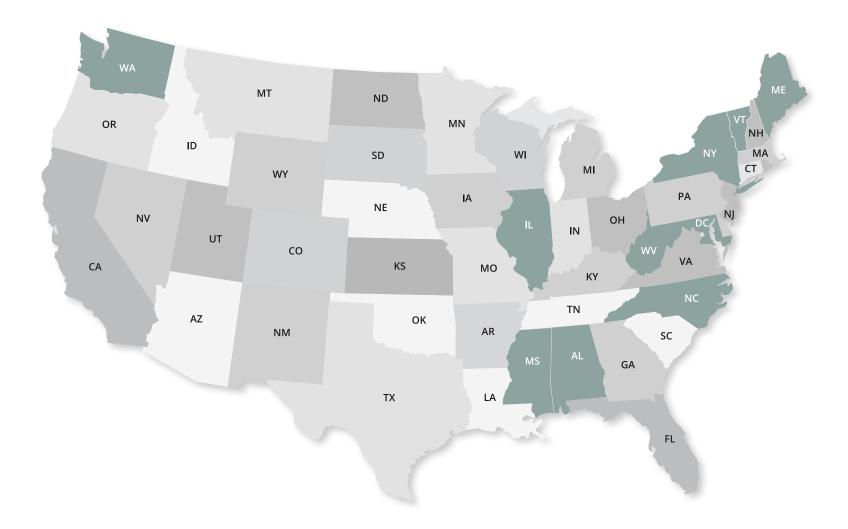
Certificate of Need (CON) States

DaVita Dialysis | Kannapolis, NC



Currently, there are only 12 "Certificate of Need" (CON) 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 over-building) 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

DaVita Dialysis

DaVita Inc. (S&P: "BB"), a Fortune 500° company, serves as the corporate guarantor for DaVita Kidney Care, the nation's premier provider of kidney care services. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and endstage renal disease. DaVita Kidney Care supports numerous programs dedicated to creating positive, sustainable change in communities around the world.

DaVita Kidney Care operates and provides administrative services to 3,166 outpatient dialysis centers worldwide, with 2,657 centers located in the United States serving approximately 200,800 patients and 509 centers located in 13 countries outside the United States serving approximately 80,300 patients.

DaVita's patient care services include in-center hemodialysis, in-center nocturnal dialysis, peritoneal dialysis, home hemodialysis, vascular access management, chronic kidney disease education, and renal diet assistance. Through strategic partnerships and ongoing research initiatives, DaVita maintains a strong focus on innovation in kidney care delivery and treatment outcomes. The company invests significantly in clinical research, technological advancement, and care model optimization, collaborating with leading academic institutions and healthcare organizations. This commitment to advancing nephrology care has helped establish DaVita as a pioneer in developing comprehensive, patient-centered treatment approaches that extend beyond traditional dialysis services.

DaVita Kidney Care provides acute in-patient dialysis services averaging over 1.3 million annual procedures in approximately 900 hospitals and related laboratory services in the U.S. The company was formerly known as DaVita HealthCare Partners Inc., and changed its name to DaVita Inc. in September 2016. Founded in 1994 and headquartered in Denver, CO, DaVita Inc. has been assigned a credit rating of "BB" with a stable outlook by Standard & Poor's . For FY 2024, the company reported \$12.8 billion in revenue and \$936.3 million in net income attributable to DaVita Inc., with an additional \$314.4 million in net income from non-controlling interests.



Offers should be submitted electronically to:

JONATHAN PERANICH

at **jonathan@phnlg.com** and include the following information:

Purchase Price

Earnest Money

Closing Period

Other Terms

Sources of Debt & Equity

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,

Dental Offices, Plasma Centers, Surgery Centers, Vet Clinics and Hospices.

Broker of Record | Brian Brockman | Bang Realty-North Carolina Inc | NC License #: 298998





CONFIDENTIAL MEMORANDUM & DISCLAIMER

Peranich Huffman Net Lease Group ("Agent") has been engaged as the exclusive agent for the sale of the DaVita Dialysis | Kannapolis, NC (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.