

Marcus & Millichap  
BROWN RETAIL GROUP

PORTFOLIO AVAILABLE  
INDIVIDUALLY OR TOGETHER



819 1ST AVE.

# FAIRBANKS UROLOGY PORTFOLIO

*819 1st Ave, Fairbanks, AK 99701 | 1211 Cushman St, Fairbanks, AK 99701*

**TWO-PROPERTY NNN MEDICAL PORTFOLIO FEATURING 3% ANNUAL RENT INCREASES, STRONG  
TENANT GUARANTY, AND RECENT PROPERTY RENOVATIONS IN FAIRBANKS, ALASKA**

# THE OFFERING

*819 1st Ave, Fairbanks, AK 99701*  
*1211 Cushman St, Fairbanks, AK 99701*

Marcus & Millichap has been exclusively selected to market for sale a **two-property NNN medical portfolio in Fairbanks, AK**. Both properties have been renovated specifically to suit the needs of Fairbanks Urology, Northern Alaska's premier Urology/ Oncology provider. Both sites are 100% leased to the Fairbanks Urology practice, which is owned and backed by Integrated Oncology Network (ION), a leading national healthcare provider consisting of over 55 Oncology/Urology clinics across the U.S. The facilities are located just under a mile away from each other in Downtown Fairbanks. The 1211 Cushman St. property recently underwent an extensive \$3.85M+ renovation and signed a new ten-year NNN lease in 2022. The 819 1st Ave property recently underwent a \$300,000 renovation and signed a ten-year lease in 2020. Both properties feature rare, 3% annual rent increases resulting in an above 10% cap rate by 2029. Fairbanks Urology is the only standalone urology practice outside of the Anchorage MSA in all of Alaska; providing vital services to all of central and northern Alaska. The properties benefit from an affluent population with household incomes exceeding \$101,000 within a 5-mile radius.

819 1ST AVE.

**CAP RATE: 9.00%**  
**PORTFOLIO PRICE: \$8,040,000**  
**819 1ST PRICE: \$2,550,000**  
**1211 PRICE: \$5,490,000**

1211 CUSHMAN ST.

# 819 1ST AVE, FAIRBANKS, AK

Price	\$2,550,000
Cap Rate	9.00%
Price/SF	\$354
Gross Leasable Area	7,200 SF
Lot Size (Acres)	0.27 Acres
Type of Ownership	Fee Simple
Year Built / Renovated	1976 / 2020

## LEASE SUMMARY

Tenant	Denali United, LLC dba Fairbanks Urology
Rent Increases	3% Annual
Guarantor	Corporate Guarantee
Lease Type	Triple Net (NNN)
Lease Commencement	06/01/2020
Lease Expiration	06/30/2030
Renewal Options	One, Negotiable Option
Term Remaining on Lease	6 Years
Landlord Responsibility	Capital Expenditures only for: Roof, Foundation, Parking, Structure
Tenant Responsibility	Taxes, Insurance, Repair & Maintenance

## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/ SF	CAP RATE
Current - 6/30/2025	\$229,608	\$19,134	\$31.89	9.00%
7/1/2025 - 6/30/2026	\$236,496	\$19,708	\$32.85	9.27%
7/1/2026 - 6/30/2027	\$243,588	\$20,299	\$33.83	9.55%
7/1/2027 - 6/30/2028	\$250,896	\$20,908	\$34.85	9.84%
7/1/2028 - 6/30/2029	\$258,420	\$21,535	\$35.89	10.13%
7/1/2029 - 6/30/2030	\$266,172	\$22,181	\$36.97	10.44%

### OPTIONS

1 Option Negotiable

## 819 1ST AVE.

Fairbanks Urology operates out of two locations. 819 1st Ave. operates as support and for administrative purposes. The First Ave location employs 30+ individuals and is vital to the operation of the clinic.



Fairbanks Urology  
819 1ST AVE,  
FAIRBANKS, AK 99701

1ST AVE (3,150+ VPD)

BARNETTE ST. (7,900+ VPD)

CUSHMAN ST (8,200+ VPD)

Credit Union 1

# THE HIGHLIGHTS

## LONG-TERM NNN LEASES

Both Properties feature long-term NNN leases, providing an investor with long-term, passive cash flow. The 1211 Cushman Street property features 8 years of lease term remaining, plus an option to extend at a Landlord provided Renewal Rate. The 819 1st Avenue property features 6 years of lease term remaining, plus an option to extend at a Landlord provided Renewal Rate.

## 3% ANNUAL RENT INCREASES

Both leases feature rare 3% annual rent increases during their lease terms, providing an investor with compounded NOI growth and a strong hedge against inflation.

## HIGH-YIELD INVESTMENT

With available loan programs at up to 70% LTV and interest rate at 7.00%, the properties offer an investor a 10.21% cash-on-cash return in the first year of ownership and a 13.78% return on equity. With 3% annual rent increases, an investor's return will continue to grow throughout their ownership.

## MINIMAL LANDLORD RESPONSIBILITIES

Both Properties operate on NNN leases, featuring very minimal Landlord management or repair responsibilities. The Landlord is only responsible for Capital Expenditures for the roof, foundation, parking lot & structure.

## NO UROLOGY COMPETITION / LONG-TERM STABILITY

Fairbanks Urology is the only urology practice in Fairbanks and within 600 miles, providing vital services to all of central and northern Alaska, and ensuring long-term stability for an investor. In addition, 1211 Cushman St. was the only location large enough within Fairbanks for the practice to expand into when it had outgrown 819 1st Ave. Now, with patient facing operations at 1211 Cushman St. and administrative operations at 819 1st Ave, Fairbanks Urology has the ideal amount of space, ensuring both properties will stay leased for the long-term.



1211 CUSHMAN ST. INTERIOR

## STRONG TENANT - 60% INTEGRATED ONCOLOGY NETWORK / 40% FOUNDING PHYSICIAN OWNED

The Tenant is Denali United, LLC dba Fairbanks Urology which is owned 60% by Integrated Oncology Network and 40% by the founding physician of Fairbanks Urology, Dr. Tony Nimeh. Integrated Oncology Network is backed by private equity firm Silver Oak Service Partners, which manages \$1.1B in investments.

## 1211 CUSHMAN ST. \$3.85M+ PROPERTY RENOVATION IN 2022

In 2022, the 1211 Cushman Street property underwent a more than \$3.85M property renovation bringing the facility up to be a top-of-the-line medical clinic. The extensive renovation included plumbing and mechanical systems, electrical systems, exterior siding, exterior/interior paint, interior ceilings, exterior/interior signage, exam/procedure room upgrades, insulation, hardware throughout, and additional items.

## 819 1ST AVE PROPERTY RENOVATION IN 2020

In 2020, the 819 1st Ave. property underwent a \$300,000+ property renovation which included replacing all windows, full exterior/interior paint, new flooring, new door frames and baseboards, and staircase refinishing.

## STRONG RENT GROWTH (9.4%), LOW VACANCY (2.0%), AND HIGH BARRIER-TO-ENTRY MARKET

Fairbanks office market rents have increased 9.4% over the past three years, per CoStar. The Fairbanks office market vacancy rate is currently 2.0%, well below the national office vacancy rate of 13.7%. With less than 5.0% office footprint growth in the past decade, no new office building deliveries since 2019, and zero square feet of new office buildings currently under construction, the development lull creates a high barrier-to-entry and demand for space remains high.

## AFFLUENT DEMOGRAPHICS

The average household income within a 5-mile radius of the Property is in excess of \$101,000, well above the national average.

## INCOME TAX-FREE STATE

Alaska is an income tax-free state.



# 1211 CUSHMAN ST, FAIRBANKS, AK

<b>Price</b>	<b>\$5,490,000</b>
<b>Cap Rate</b>	<b>9.00%</b>
<b>Price/SF</b>	<b>\$453</b>
Gross Leasable Area	12,128 SF
Lot Size (Acres)	0.64 Acres
Type of Ownership	Fee Simple
Year Built / Renovated	1965 / 2022

## LEASE SUMMARY

Tenant	Denali United, LLC (subleased to Fairbanks Urology, LLC)
Rent Increases	3% Annual
Guarantor	Corporate Guarantee
Lease Type	Triple Net (NNN)
Lease Commencement	07/01/2022
Lease Expiration	06/30/2032
Renewal Options	One, Negotiable Option
Term Remaining on Lease	8 Years
Landlord Responsibility	Capital Expenditures only for: Roof, Foundation, Parking, Structure
Tenant Responsibility	Taxes, Insurance, Repair & Maintenance

## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/ SF	CAP RATE
Current - 6/30/2025	\$494,079	\$41,173	\$40.74	9.00%
7/1/2025 - 6/30/2026	\$508,901	\$42,408	\$41.96	9.27%
7/1/2026 - 6/30/2027	\$524,168	\$43,681	\$43.22	9.55%
7/1/2027 - 6/30/2028	\$539,893	\$44,991	\$44.52	9.83%
7/1/2028 - 6/30/2029	\$556,090	\$46,341	\$45.85	10.13%
7/1/2029 - 6/30/2030	\$572,773	\$47,731	\$47.23	10.43%
7/1/2030 - 6/30/2031	\$589,956	\$49,163	\$48.64	10.75%
7/1/2031 - 6/30/2032	\$607,654	\$50,638	\$50.10	11.07%
<b>OPTIONS</b>				
1 Option	Negotiable			

## 1211 CUSHMAN ST.

Fairbanks Urology operates out of two locations. 1211 Cushman St. is its primary patient facing facility. This location provides a wide range of medical care for their patients that cover care for: cancer, fertility, urinary health, kidney health, and more.





# Fairbanks Urology

Fairbanks Urology is the premier urology/oncology provider in northern Alaska. Fairbanks Urology is owned and backed by the larger medical consortium, Integrated Oncology Network (ION). Fairbanks Urology operates out of two locations, one is patient facing (1211 Cushman St.) and the other operates as support and for administrative purposes (819 1st Ave.) The First Ave location employs 30+ individuals and is vital to the operation of the clinic. Fairbanks Urology provides cutting-edge facilities and treatments to patients. They provide a wide range of medical care to their patients that cover care for: cancer, fertility, urinary health, kidney health, and more.

Fairbanks Urology Website

[fairbanksurology.com](http://fairbanksurology.com)

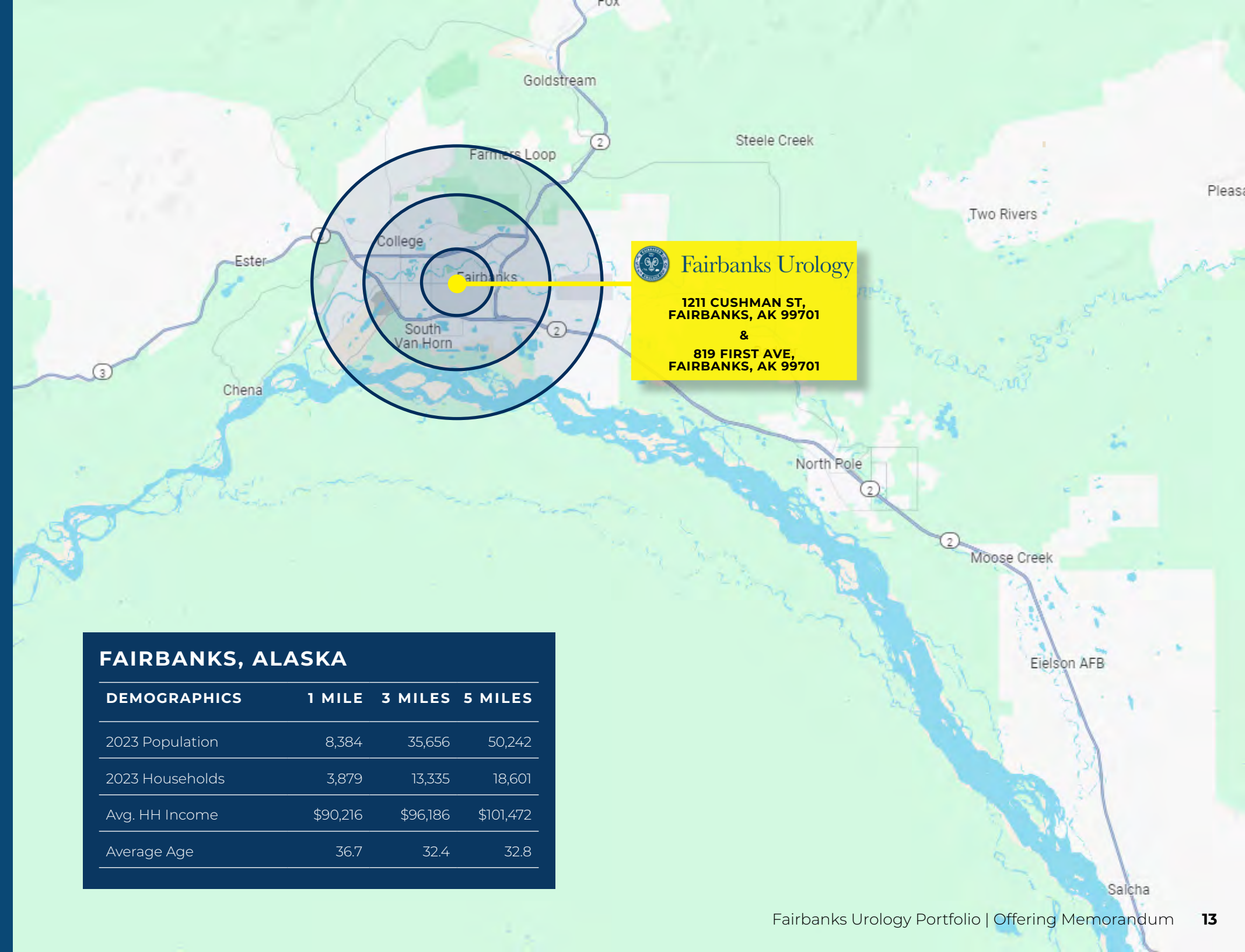
1211 CUSHMAN ST.



Integrated Oncology Network (ION) is a nationwide leader in oncology and urology programs currently operating in over 55 locations across 15 states. Founded in 2002, ION is a physician-led organization that prioritizes preserving independent practice where patients are cared for closer to home and surrounded by dedicated clinicians.

ION provides their centers expertise including strategic solutions, development, financing and management services including operations, revenue cycle management, compliance, HR, IT and accounting. The company also invests as a minority partner in outpatient cancer centers focused on radiation oncology. ION is backed by a private equity firm based out of Chicago, IL - Silver Oak Service Partners, Silver Oak managed \$1.1 billion in investments.

Company	<b>Integrated Oncology Network (ION)</b>
Locations	<b>55</b>
States	<b>15</b>
ION Website	<b>Integrated Oncology Network</b>
Silver Oaks Service Partners Website	<b>Silver Oak Service Partners</b>



FAIRBANKS, ALASKA			
DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2023 Population	8,384	35,656	50,242
2023 Households	3,879	13,335	18,601
Avg. HH Income	\$90,216	\$96,186	\$101,472
Average Age	36.7	32.4	32.8

# FAIRBANKS, ALASKA

Fairbanks is the largest city in the Interior region of Alaska and the second largest in the state. The 2020 Census put the population of the city proper at 32,515. Fairbanks is in the Tanana Valley, straddling the Chena River near its confluence with the Tanana River. The Tanana River marks the city's southern border, and the Tanana Flats, a large area of marsh and bog, is south of the river. Fairbanks is the coldest city in the United States with a population of at least 10,000 people.

Fairbanks is home to the University of Alaska Fairbanks, the founding campus of the University of Alaska system, established in 1917. Fairbanks International Airport is located three miles (5 km) southwest of the central business district of the city; Fairbanks is the smallest city in the United States with regularly scheduled non-stop international flights.

## ECONOMY

**Tourism:** The city of Fairbanks and the greater Fairbanks area is home to a number of attractions and events, which draw visitors from outside of Alaska throughout the year.

**Military:** Fort Wainwright and Eilson Air Force Base are both substantial influences in the region, employing more than one-third of the workforce in the area.

**Mining:** Today, the largest gold producer in Alaska is the Fort Knox Gold Mine, an open-pit mine 26 miles (42 km) north of Fairbanks in the Fairbanks mining district.

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## COOPERATIVE BROKERAGE COMMISSION

Marcus & Millichap is offering a cooperative brokerage commission by Seller to brokers who represent purchasers that were not directly contacted via phone or e-mail by the listing brokers and who successfully close on the property at terms acceptable to Seller.



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