



INVESTMENT OFFERING MEMORANDUM

**NVA SUMMIT VETERINARY REFERRAL CENTER**

2505 SOUTH 80TH STREET, TACOMA, WA 98409

Marcus & Millichap  
THE VARA GROUP

PLEASE CONTACT THE  
EXCLUSIVE REPRESENTATIVES

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**THE VARA GROUP**



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# 01.

## EXECUTIVE OVERVIEW

**The Vara Group** at Marcus & Millichap is pleased to present the sale offering for the NVA Summit Veterinary Referral Center located in Tacoma, WA. Built in 1999, this 27,199 SF facility features the most extensive animal related emergency services in Pierce County. This single tenant medical office is fully leased to NVA Summit Veterinary Management LLC and is backed by the largest private owner of freestanding veterinary hospitals in the United States, National Veterinary Associates Inc. This newly renewed 10-year, triple-net lease features strong annual rental increases of 3.5%, providing an appealing return, a hedge against inflation, and minimal landlord responsibilities. NVA has invested heavily in the medical buildout of the hospital, demonstrating their long-term commitment to the site.

NVA Summit sits on a generous 1.57-acre lot and includes an ancillary parking lot that provides an additional 58 stalls. The property is located just off I-5, providing great access for employees and customers alike. Tacoma's growing population rate, combined with over 60% of Washington households owning a pet, positions NVA Summit well for a continuation of strong profit growth within the veterinary services industry.





**List Price** **\$14,500,000**

Address	2505 S 80th Street, Tacoma, WA 98409
Year 1 NOI	\$979,644
Year 1 Cap Rate	6.76%
Avg. Cap Rate Over Term	7.74%
Rentable Building Area	27,199 SF
Land Area	98,445 SF
Lease Expiration	8/31/2033
Rental Increases	3.5% Annually
Lease Structure	NNN



# INVESTMENT HIGHLIGHTS



## BRAND NEW 10-YEAR LEASE RENEWAL

The tenant has shown a long-term commitment to this location by recently executing a 10-year renewal at market rate medical rent.



## MISSION CRITICAL FACILITY

The Referral Center is utilized for services outside of the scope of typical veterinary clients. All veterinary clients in Pierce county refer their patients to this location for specialized care and surgical operations.



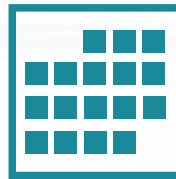
## HEDGE AGAINST INFLATION

The Lease features annual rental increases of 3.5% and a NNN structure that protects an investor from increases in operating expenses.



*MINIMAL  
LANDLORD  
RESPONSIBILITIES*

The NNN lease structure allows an investor to enjoy passive ownership while the tenant maintains responsibility over regular operating expenses.



*SIGNIFICANT  
TENANT  
IMPROVEMENTS*

The tenant has invested significantly in the state of the art medical and surgical build-out of the facility.



*STRONG  
HISTORICAL  
OCCUPANCY*

This property has been occupied by a Veterinary Hospital since its inception and occupied by NVA for over 10 Years due to its strategic location and vast tenant improvements.

# 02.

## PROPERTY OVERVIEW

### PROPERTY SUMMARY

Parcel Number(S)	03203041102
Year Built	1999
Construction	Wood Frame
Rentable Bldg. Area	27,199 SF
Stories	Two (2)
Parking	71 Stalls
Parking Ratio	3.07
Land Area	1.57 Acres (68,289 SF)
Zoning	M1

### ADDITIONAL PARKING

Parcel Number(S)	0320315022
Land Area	30,056 SF
Parking Stalls	58 Stalls







# TENANT SUMMARY



*“We’re a uniquely collaborative multispecialty and ER veterinary hospital. Summit was founded by a small team of dedicated local specialists, and we now offer the most extensive emergency and critical care services, as well as the largest team of board-certified veterinary specialists in the South Sound. But even as we’ve grown from a team of 40 to over 200 strong, we have never strayed from the mission that founded Summit in the first place: an uncompromising passion for helping animals lead happy and productive lives.”*

## - Summit Veterinary Referral Center

**Summit Veterinary Referral Center**, the leading choice for veterinarians in Pierce County and beyond, is set to solidify its position as the premier destination for pet health in the region. With strong existing relationships with veterinarians countywide, Summit Referral Center is well-positioned to capitalize on the projected growth in the US veterinary practice industry, forecasted at a compounded annual rate of 6.16% from 2022 to 2027. Over the past few years, pet owners have continued to prioritize veterinary care, accounting for 27% of total pet spending. The emergence of cutting-edge technology from ongoing clinical trials will further enhance the center’s ability to provide high-quality healthcare to pets and meet the growing demands of their owners.

NVA Revenue	\$2.4 Billion
Founded	1991
Headquarters	Agoura Hills, CA
Credit Rating	Baa1 (Moody’s)
Employees	8,000
Locations	1,400

### SUMMIT VETERINARY REFERRAL CENTER REVENUE

T12	\$35 Million
2023	\$33.6 Million
2022	\$30.2 Million
2021	\$28.9 Million



# 03.

## FINANCIAL SUMMARY





# 04.

## SUBMARKET OVERVIEW

The Puget Sound metro is home to global leaders in industries such as clean technology, manufacturing, maritime, life sciences, global health, and aerospace. According to the Bureau of Economic Analysis, Seattle's economy is ranked #10 in the nation by GPD. Seattle in recent years has become an innovation hub due to the acceleration in technology and manufacturing industries. A large factor to Seattle's recent economic successes is the tremendous population growth in 2020. Seattle was named #1 for population growth in 2020 according to the U.S. Census Bureau. Not to mention, The Northwest Seaport Alliance (NWSA) is the fourth largest container gateway in the United States. The NWSA supports 144,194 direct jobs and drives \$12.4 billion in economic activity in Washington State.

Millennials ranked Seattle as the "#1 most desirable city."

- Seattle Times, Gene Balk

#1

Best place for business and careers two years in a row.

- Forbes

#1

For 2020 population growth

- Seattle Times

#3

Best cities for young professionals

- Niche

#4

In North America for concentration of tech talent jobs.

- Biz Journals

#4

Largest container gateway in North America.

- Port of Seattle

TOP 10

Largest industrial markets.

- CoStar

**SEATTLE**

amazon	Google	Adobe
Meta	Microsoft	Apple
Dropbox	UNIVERSITY of WASHINGTON	Zillow
intel	Virginia Mason	Expedia
Starbucks	DocuSign	KAISER PERMANENTE

**SEATTLE**  
35 MINUTES

**BELLEVUE**  
38 MINUTES

**RENTON**  
32 MINUTES

**SEATAC AIRPORT**  
25 MINUTES

**BELLEVUE / EASTSIDE**

Microsoft	Google	SPACE X
Nintendo	T Mobile	Meta
COSTCO WHOLESALE	REI CO OP	SAMSUNG
Honeywell	PACCAR	SIEMENS

**KENT**  
24 MINUTES

**FEDERAL WAY**  
19 MINUTES

**AUBURN MUNICIPAL AIRPORT**  
25 MINUTES

**AUBURN**  
17 MINUTES

**PORT OF TACOMA**  
20 MINUTES

**TACOMA**

FOSS WATERWAY SEAPORT	NEWCOLD ADVANCED GOLD LOGISTICS	GLOBE
PEPSICO	UNIVERSITY of WASHINGTON TACOMA	St. Joseph Medical Center
trueblue THE PEOPLE COMPANY	CHI Franciscan Health	UNIVERSITY of WASHINGTON PUGET SOUND



**PUYALLUP**  
21 MINUTES

**SPANAWAY**  
20 MINUTES



# TACOMA AT A GLANCE

Tacoma is a city on the rise; their revitalized downtown and ideal location offer plenty of opportunities for growth and investment. Located 30 miles south of Seattle and 140 miles north of Portland, Tacoma is surrounded by Puget Sound to the west and the Cascade Mountains to the east. Tacoma's location offers access to an efficient supply chain, international trade, and the vast Pacific Northwest consumer market.

Furthermore, the Port of Tacoma is considered one of the region's economic engines. The city support-ed more than 42,100 jobs, generated \$3 billion in labor income, and produced more than \$100 million annually in state and local taxes. The Port of Tacoma submarket is one of the largest in Washington with 22 million SF of industrial space.

## TACOMA MAJOR EMPLOYERS



### POPULATION

	1 MILE	3 MILES	5 MILES
PROJECTED 2027	20,452	99,503	275,297
2022	19,470	95,696	265,392
DAYTIME	58,040	144,503	290,465

### HH INCOME

	1 MILE	3 MILES	5 MILES
AVERAGE	\$78,845	\$88,181	\$92,729
MEDIAN	\$47,482	\$68,109	\$73,146
PER CAPITA	\$37,957	\$37,259	\$37,451

### HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
PROJECTED 2027	9,038	41,087	110,194
2022	8,485	39,220	105,670



# TACOMA ECONOMIC DRIVERS

**Tacoma is one of the fastest-growing cities in the Pacific Northwest, with a thriving economy that supports a variety of industries. As a result, demand for industrial real estate in the area has been increasing, driven by both new and existing businesses.**

## **ACCESS TO TRANSPORTATION**

Tacoma is strategically located at the intersection of several major highways and railway systems, making it an ideal location for businesses that require easy access to transportation infrastructure. Additionally, The Port of Tacoma is one of the largest shipping ports in the US, providing easy access to international markets.

## **WORKFORCE AVAILABILITY**

The Tacoma area has a large and diverse workforce, with a wide range of skills and experience. This has been a major driver of demand for industrial real estate, as businesses look to locate in areas where they can easily access qualified workers.

## **INNOVATION & RESEARCH**

Tacoma has a thriving technology and research industry, with several leading companies and universities located in the area. This has been a major driver of demand for industrial real estate, as businesses look to locate in areas where they can access the latest research and development.

## **COST OF LIVING**

Compared to other major cities in the Pacific Northwest, Tacoma has a relatively low cost of living, making it an attractive location for businesses looking to reduce operating costs.

# NEARBY MAJOR DEVELOPMENTS



## CORNUS HOUSE APARTMENTS

Cornus House is a 199-unit Transit Oriented development in the heart of Tacoma's fastest growing district. Cornus House is in the best connected location in the state, steps away from commuter rail (Sounder), light rail, and bus rapid transit.



**5 MILES**  
FROM PROPERTY



**2024**  
COMPLETION DATE



## TACOMA TOWN CENTER PROJECT

The Tacoma Town Center Project has been underway for the past two decades. It is a 6.4-acre development that produces 530 market-rate units, 100 affordable-housing units, 200,000 SF of offices and 36,000 SF of retail space.



**7 MILES**  
FROM PROPERTY



**2025-2026**  
COMPLETION DATE



## MARKET SQUARE APARTMENTS

USG Realty Capital has announced the addition of a 176-unit multifamily development in Tacoma, Washington to its portfolio of Opportunity Zone projects. The Market Square Apartments will be located near the Greater Tacoma Convention Center and is scheduled for completion in the second quarter of 2024.



**6.5 MILES**  
FROM PROPERTY



**2024**  
COMPLETION DATE

# TACOMA UNIVERSITIES



**W**  
TACOMA

## UNIVERSITY OF WASHINGTON - TACOMA

The University of Washington Tacoma campus opened in 1997. The goal for opening this UW branch campus was to provide further education for the increasing numbers of community college transfers. UW Tacoma offers 35 undergraduate majors and 12 graduate programs. The 46-acre campus is located on the southern edge of downtown Tacoma overlooking the Port of Tacoma. Currently, over 5,000 students are enrolled.

 **6 MILES**  
FROM PROPERTY



**PLU**

## PACIFIC LUTHERAN UNIVERSITY

Pacific Lutheran University (PLU) is a private institution located on 121st Street S and Park Ave S. It was founded by Norwegian Lutheran immigrants in 1890 and currently has 3,100 enrolled students. According to Best Colleges in Regional Universities (West), PLU was ranked #14.

 **4 MILES**  
FROM PROPERTY



**UNIVERSITY of  
PUGET  
SOUND**

## UNIVERSITY OF PUGET SOUND

University of Puget Sound is a leading liberal arts university that was founded 1888. It is a private institution with a total of 2,600 undergraduates. It offers over 1,000 courses with more than 50 traditional and interdisciplinary areas of study.

 **6.5 MILES**  
FROM PROPERTY

# NEARBY FEATURES



## PORT OF TACOMA



 **9 MILES**  
FROM PROPERTY

Founded in 1918, The Port of Tacoma has been serving their community for 104 years. It has supplied more than 42,000 jobs, generated \$3 billion in economic activity for Pierce County and invested \$300 million in environmental programs. The Port of Tacoma is the economic backbone for not only the city of Tacoma, but Pierce County. In addition, the Port of Tacoma has a marine cargo operating partnership with the Seattle ports that enables them to provide goods all over the world.



## JOINT BASE LEWIS-McCHORD



 **8 MILES**  
FROM PROPERTY

The Joint Base Lewis-McCord (JBLM) is the largest military installation in the western United States. It also happens to be an economic powerhouse producing more than \$12.1 billion to the region's economy. Since 2003, an estimated 40,000 people have arrived at JBLM. There is approximately 210,000 military connects at JBLM.

# LINK LIGHT RAIL EXPANSION

Voters recently passed Sound Transit's ST3 bill approving expansion of Sound Transit's Link Light Rail system throughout the Puget Sound region, connecting employment centers of Seattle, the Eastside, Snohomish County, & Pierce County with reliable and fast mass transit options on 116 miles of track, more than five times the current length. Our region leads the nation in transit ridership growth; with 25 new light rail stations opening in the next four years, ridership is expected to grow dramatically. Anticipated daily ridership will reach 337,800 by 2025, an increase of 320% over 2019 ridership. Riders will enjoy reliable transit throughout the region with trains running every six-ten minutes during peak hours.







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