

FIVE SIXTY SEVEN NORTH AVENUE

17,908-SF Office Property on .94-Acre Land Parcel



PRESENTED BY:

Alan Bullock
404.502.1730
abullock@bmpatl.com



BULLOCK MANNELLY PARTNERS, INC.
beyond real estate

Dick Myrick
404.240.2112
dmyrick@bmpatl.com

Table of Contents

- I. Executive Summary
- II. The Property
- III. Tenant Info and Lease Summary
- IV. Area Sales Comps with Map



Every effort has been made to provide accurate information, but no liability is assumed for errors or omissions.

Executive Summary

Land and Building for Sale

Property: .91 acres Zoned C1 Commercial

Improvements: 17,908-SF Medical Office Building

Current Tenant: DVA Renal Healthcare
Current Term Expires 12/18/2028

2024 Net Rent: \$340,000
Escalates 2.5% Annually
Corporate Guarantee
Two 5-year Renewal Options

Highlights: Potential Redevelopment Site with Cash Flow near Ponce City Market

Changes in Tenant's Business Model (from Clinic Care to Home Care) may offer the opportunity for early negotiated termination of lease

Frontage on both North Avenue and Arnold Street

Seller will consider a joint venture with a qualified Investor/Developer

Outstanding 1031 Property Opportunity

567 North Avenue

The Property

567 North Avenue is located at the intersection of North Avenue (approximately 158 feet of frontage) and Arnold St. (250 feet of frontage) in the vibrant Old Fourth Ward (“O4W”) of Atlanta’s Midtown. The property consists of approximately .91 acres with a 17,908-square-foot medical office building; is zoned C-1 Commercial and contains no easements or encroachments other than utility easements.

Ownership

The property is owned by 567 North Avenue Properties, LLC (567 NAP), a single-asset entity owned by the principals of General Paper Goods Company, an 80-year-old wholesale paper and packaging distributor. The building has been owned since 1971 when it was designed, constructed for, and leased to Bell South Corporation. In May 2008 DVA Renal Healthcare, Inc (a subsidiary of DaVita Healthcare Partners, Inc., the lease guarantor) leased the property for a dialysis clinic and continues to occupy the Property today.

Current Tenant Lease Term and Renewal Options

DVA’s current lease term expires December 18, 2028 and the company has two five year renewal options remaining. The current annual rent is \$340,591.75 and it escalates mid-December each year by 2.5%.

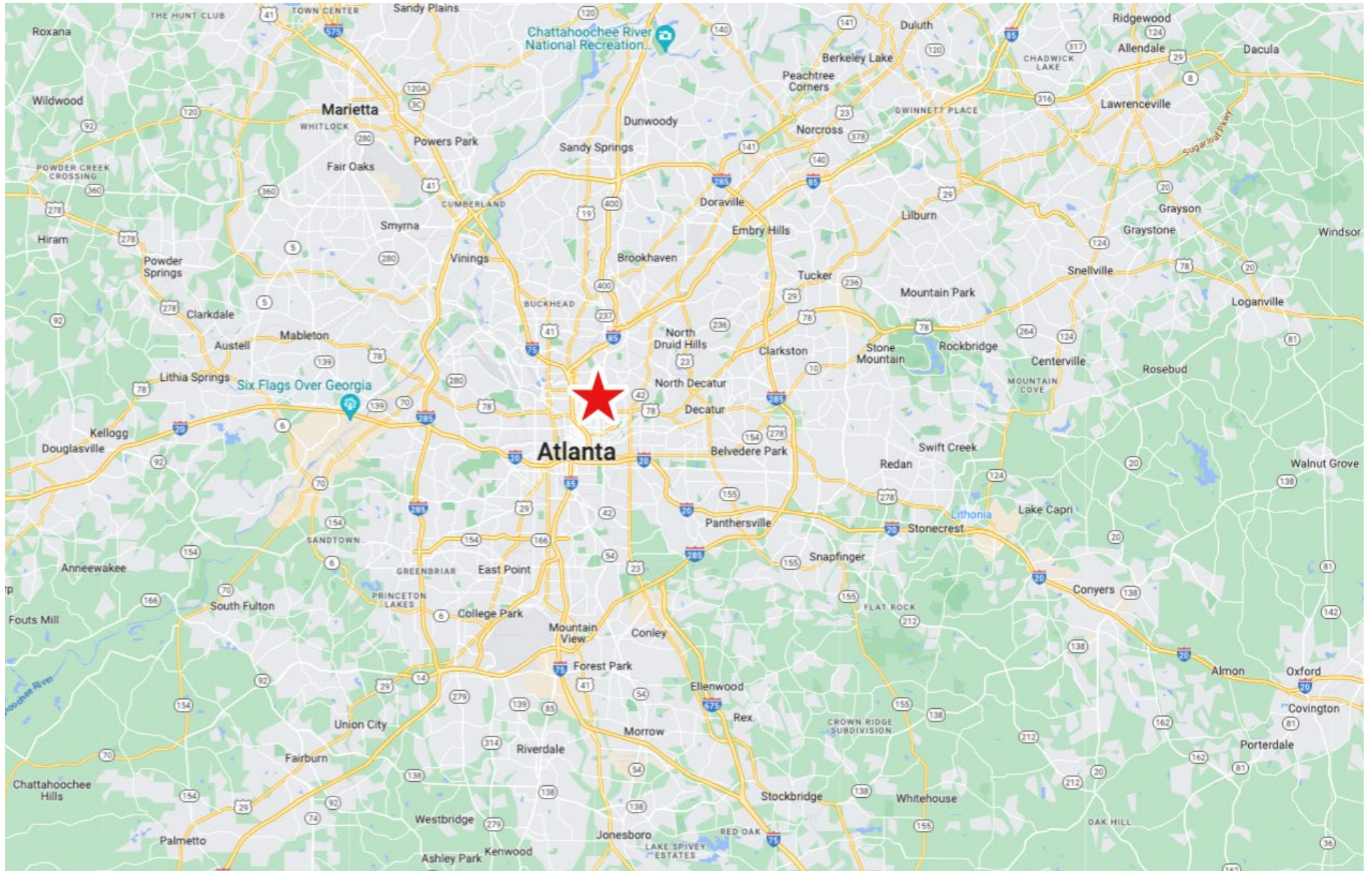
Location

The property is located just east of Downtown in the area known as the OLD Fourth Ward. The 17-acre Old Fourth Ward Park and Atlanta Beltline are a short walk from the property, which is virtually adjacent to Ponce City Market, Jamestown’s 2.1-million-square-foot project.

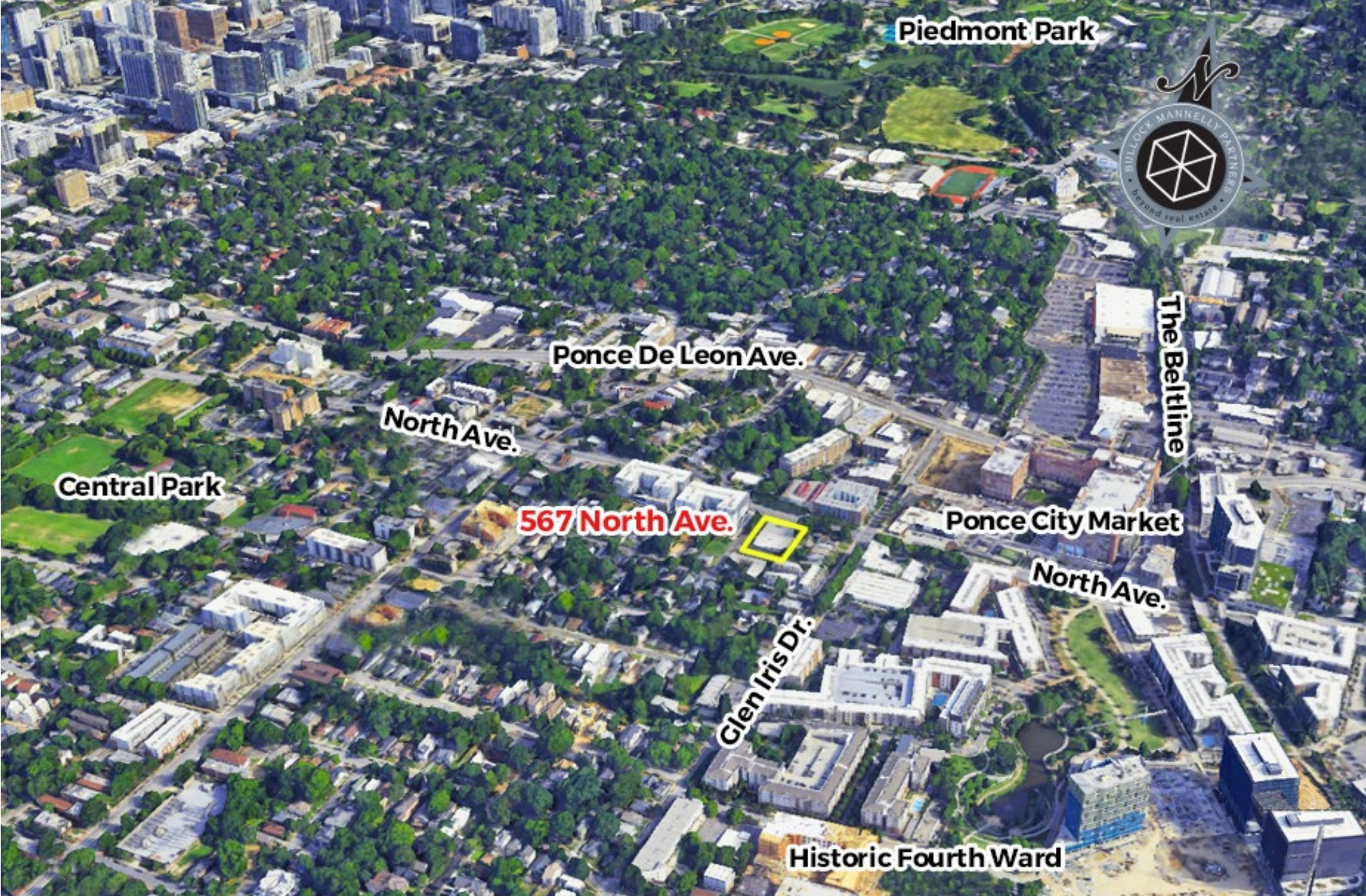
Opportunity

Bullock Mannelly Partners is pleased to offer this well-located investment property for sale. DaVita is an outstanding corporate tenant, and the site is in one of Atlanta’s most active development markets. While an outright sale is preferred, the owner will consider a partial sale or joint venture with an experienced and financially secure developer/investor.

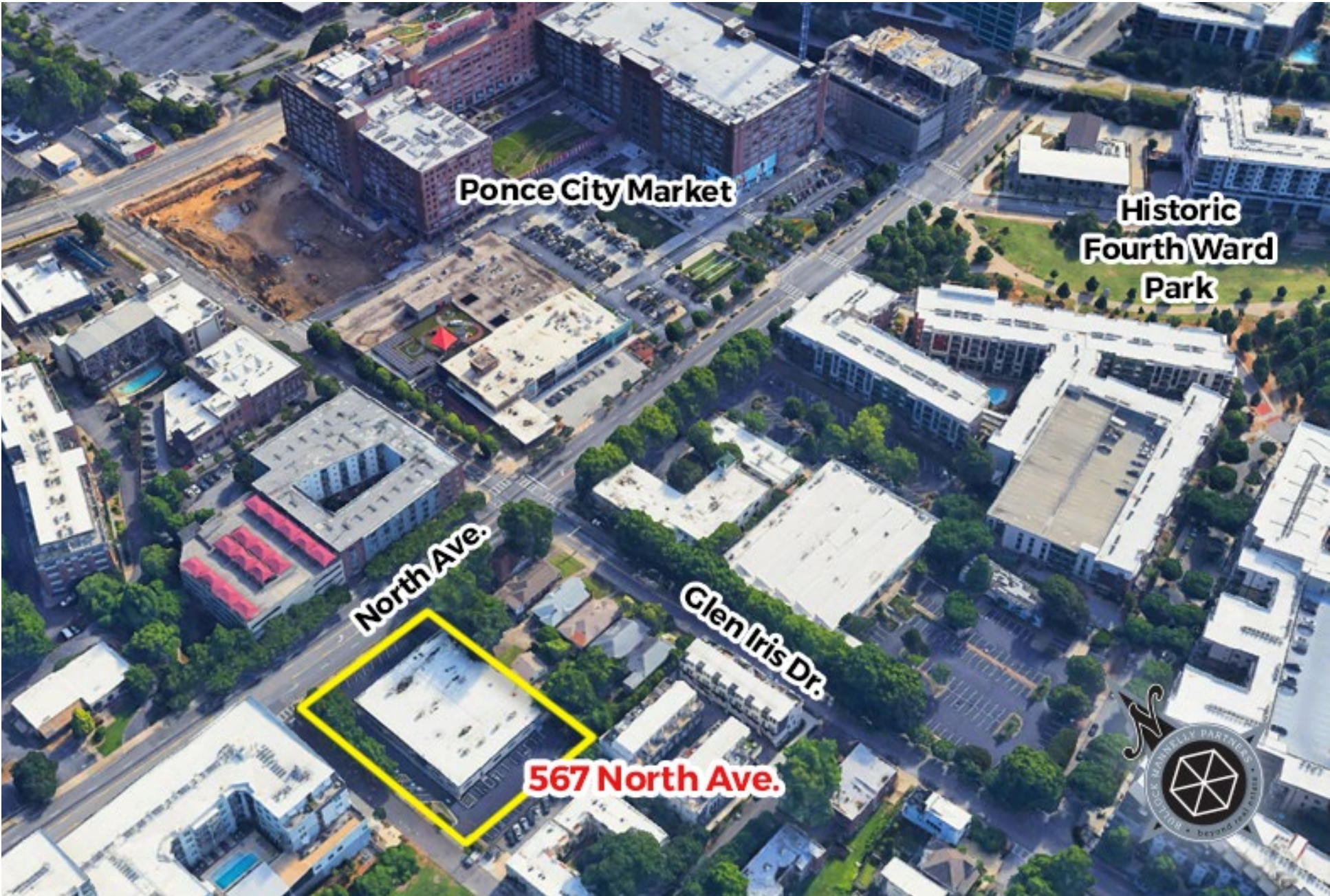
Map



Aerial 1



Aerial 2



Parcel Map



0 0 0 0 mi

Date: 8/8/2023

Fulton County GIS

Fulton County provides the data on this map for your personal use "as is". The data are not guaranteed to be accurate, correct, or complete. The feature locations depicted in these maps are approximate and are not necessarily accurate to surveying or engineering standards. Fulton County assumes no responsibility for losses resulting from the use these data, even if Fulton County is advised of the possibility of such loss.



Survey

I HAVE THIS DATE, EXAMINED THE "FIA OFFICIAL FLOOD HAZARD MAP" AND FOUND IN MY OPINION REFERENCED PARCEL (00) (IS NOT) IN AN AREA HAVING SPECIAL FLOOD HAZARDS, WITHOUT AN ELEVATION CERTIFICATION SURVEYOR IS NOT RESPONSIBLE FOR ANY DAMAGE DUE TO ITS OPINION FOR SAID PARCEL.
 MAP ID 13121C0265 E EFFECTIVE DATE : 06/22/1998

EQUIPMENT USED :

A TOPCON GTS-303 WAS USED FOR OBTAINING ANGULAR MEASUREMENTS AND DISTANCE MEASUREMENTS.

CLOSURE STATEMENT

THIS PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 100,000+ FEET.

THE FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE OF ONE FOOT IN 67,134' FEET AND AN ANGULAR ERROR OF 00"PER ANGLE POINT, AND WAS ADJUSTED USING THE COMPASS RULE.

DATE OF FIELD SURVEY 09/23/1999

ALL IRON PINS ARE 1/2" REBAR UNLESS OTHERWISE NOTED.

REFERENCE

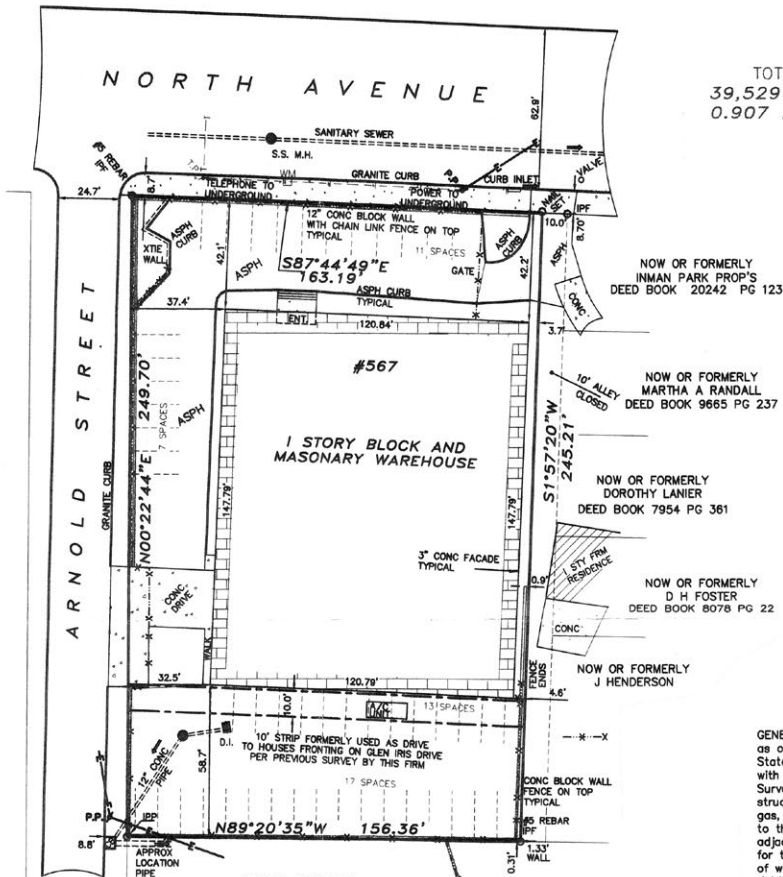
ALTA COMMITMENT FOR TITLE INSURANCE COMMITMENT NO. 2-10740
 DATE OF COMMITMENT 12/17/1998
 PREPARED FOR MICHAEL P KORNHEISER, ESQ

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 47 OF THE 14th DISTRICT OF FULTON COUNTY GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST INTERSECTION OF THE RIGHT OF WAY OF NORTH AVENUE AND ARNOLD STREET; THENCE THENCE S87°44'49"E 163.19' ALONG THE SOUTHERLY RIGHT OF WAY OF NORTH AVENUE TO A NAIL; THENCE S01°57'20"W 245.21' TO A #5 REBAR; THENCE N89°20'35"W 156.36' TO AN IRON PIN ON THE EASTERLY RIGHT OF WAY OF ARNOLD STREET; THENCE ALONG SAID EASTERLY RIGHT OF WAY N00°22'44"E 249.70' TO THE POINT OF BEGINNING.

- ** LEGEND ****
- IPS IRON PIN SET
 - X-X- FENCE
 - RBR REINFORCING BAR
 - CL CHAIN LINK FENCE
 - R/W RIGHT-OF-WAY
 - PP POWER POLE
 - TP TELEPHONE POLE
 - MH MAN HOLE
 - SS SANITARY SEWER
 - DI DROP INLET
 - RCP REINFORCED CONC. PIPE
 - WV WATER VALVE
 - WM WATER METER



TOTAL
 39,529 sq. ft.
 0.907 ACRES

NOW OR FORMERLY
 INMAN PARK PROP'S
 DEED BOOK 20242 PG 123

NOW OR FORMERLY
 MARTHA A RANDALL
 DEED BOOK 9665 PG 237

NOW OR FORMERLY
 DOROTHY LANIER
 DEED BOOK 7954 PG 361

NOW OR FORMERLY
 D H FOSTER
 DEED BOOK 8078 PG 22

NOW OR FORMERLY
 J HENDERSON

SURVEY FOR
SOUTHTRUST BANK, N.A.
GENERAL BONDED WAREHOUSE, INC
CHICAGO TITLE COMPANY
 LAND LOT 47 14th DISTRICT
 FULTON COUNTY, GEORGIA
 SCALE 1" = 30' 04-26-1999



SURVEY CERTIFICATION

The undersigned hereby CERTIFIES to SOUTHTRUST BANK, N.A., GENERAL BONDED WAREHOUSE, INC, and CHICAGO TITLE COMPANY, as of 04/26/1999, that he is a duly registered land surveyor of the State of Georgia; that the attached print of survey is made in accordance with the minimum standards established by the State of Georgia for Land Surveyors; that said survey correctly shows the location of all buildings, structures and other improvements situated on the premises; that water, gas, electric, telephone, storm sewer and sanitary sewer services are available to the premises either over, under or upon public rights of way directly adjacent to the premises or over, under or upon a perpetual easement for the benefits of the premises that connects to public public rights of way; and that, except as shown, there are no visible easements or rights of way across said premises or any other easements or rights of way of which the undersigned has been advised, no party walls, no encroachments on adjoining premises, streets or alleys by any of said buildings, structures, or other improvements, and no encroachments on said premises by buildings, structures or other improvements situated on adjoining premises.



Walter K. Maupin, Jr.
 WALTER K MAUPIN, JR
 RLS 2399

JOB # 163115
 DRAWING NO F 191

GEORGIA LAND SURVEYING CO, INC
 155 CLIFTWOOD DRIVE
 ATRLANTA, GEORGIA 30328
 PHONE 404-255-4671

Davita®

TENANT



Updated: January 10, 2023

DaVita Tenant Overview



Pros

- Corporate guaranty
- NNN leases
- Proximity to hospitals and medical offices

Cons

- Layout specific to medical sector
- Expensive to re-lease should the tenant leave

Earnings Highlights

Earnings Summary

- Consolidated Q2 2021 revenues were \$2.917 billion
- Q2 2021 Operating income was \$490 million
- Repurchased 2,069,854 shares of their common stock at an average cost of \$116.38 per share in Q2 2021

Tenant Description

DaVita is the leading provider of kidney care in the US, delivering dialysis services to patients.

Investors like DaVita's small price point and the fact that kidney dialysis is a growth industry. Investors take security from the tenant's

investment in the build out of the property along with the installation of specialty trade fixtures that make it less likely for the tenant to leave at lease expiration. The very nature of DaVita's business, kidney dialysis, requires clients to visit routinely and consistently, which in turn produces a reliable income stream for that location. The medical industry as a whole is poised for future growth and net lease investors are recognizing the stability this lends.

As the population in the United States ages, the prevalence of chronic kidney disease will rise according to a report published in the American Journal of Kidney Disease. Adults, ages 30 and older, who have CKD is projected to increase from the current 13.2% to 14.4% in 2020, and 16.7% in 2030. These projections continue to support the demand for dialysis centers and the growth in this industry.

As of March 31, 2019, DaVita Kidney Care operated or provided administrative services at 2,664 outpatient dialysis centers located in the United States serving approximately 203,000 patients. The company also operated 241 outpatient dialysis centers located in 9 countries outside the United States.

www.davita.com (<http://www.davita.com>)



DVA stock chart (<https://www.tradingview.com/symbols/DVA/>) by TradingView



Updated: January 10, 2023

Average Cap Rate

4.89%

12 mo avg with 10+ yr lease term

Average Property & Lease

Average Sale Price	\$3,793,100
NOI	\$206,400
\$/Square Foot	\$300 - \$630
Building SF	6,000 - 12,500
Lot Size	1 - 2.5 Acres
Lease Term	15 Years
Escalations	2-3% Annually or 10% Every 5 Years
Stock Symbol	DVA

Credit Rating

**S&P
Moody's**

**BB
Ba3**

Average Cap Rate Trend

5.70%
2021



5.65%
2022

Rates reflect last 12 mos, short and long-term

Recent Sales Comps

Oceanside, CA	4.48%
Rockford, IL	4.53%
Whitehall, PA	5.67%
Tucker, GA	6.60%

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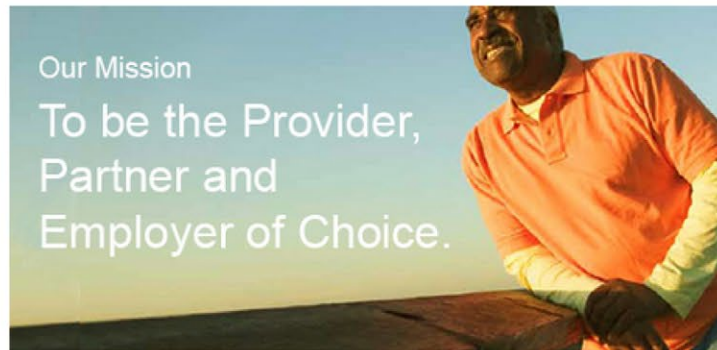
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About DaVita	>
Overview	
Mission and Values	
Code of Conduct and Compliance Contact	
International	
Global Citizenship	
Sustainability at DaVita	
Awards	
Partnerships	
Vendor Information	
Privacy Practices Notice	
Help Center	
Contact Us	
Corporate Governance	>
Media Room	>
Investors	
Careers	
Physician Jobs	

About DaVita Inc.



DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. The company's clinical outcomes for dialysis have improved for the past decade, and in many key areas measuring quality dialysis care, we lead the nation. As of December 31, 2016, DaVita Kidney Care operated or provided administrative services at 2,350 outpatient dialysis centers located in the United States serving approximately 188,000 patients. The company also operated 154 outpatient dialysis centers located in 11 countries outside the United States.

HealthCare Partners, a DaVita Medical Group, manages and operates medical groups and affiliated physician networks in California, Nevada, New Mexico, Florida, Colorado and Washington in its pursuit to deliver excellent-quality health care in a dignified and compassionate manner. As of December 31, 2016 HealthCare Partners provided integrated care management for approximately 749,000 patients. The company's leadership development initiatives and social responsibility efforts have been recognized by Fortune, Modern Healthcare, Newsweek and WorldBlu.

DaVita—which is Italian for "giving life"—has more than 70,000 teammates (employees) working to provide superior patient care and exemplify the company's Core Values:

- **Service Excellence:** Serving others — our reason for existing.
- **Integrity:** We say what we believe, and we do what we say. We are trusted because we are trustworthy.
- **Team:** One for All, and All for One! We work together, sharing a common purpose, a common culture and common goals.
- **Continuous Improvement:** We never stand still; we are never satisfied.
- **Accountability:** We don't say, "It's not my fault," or "It's not my job." We take responsibility for meeting our commitments — our personal ones as well as those of the entire organization. We take ownership of the results.
- **Fulfillment:** We make a difference. We feel rewarded — personally and as a team — because what we do in our jobs is consistent with our goals and dreams.
- **Fun:** We enjoy what we do. We know healthcare is hard work; but even hard work can be fun.

Get to Know DaVita Kidney Care

Discover how we strive to improve the lives of people with kidney disease and those on dialysis.

[Learn More](#)

See How We're Innovating Healthcare

HealthCare Partners, a DaVita Medical Group, is finding ways to transform healthcare models to help improve patients' quality of life.



[Learn More](#)

Download a Cookbook

Get a free recipe collection from the DaVita® kitchen.

[Get the Cookbooks](#)

283,082 Enjoyed So Far!

Meet Your Local Kidney Expert

Register for a no-cost, 90-minute training session taught by a certified instructor in your neighborhood.

[Find a Class Near Me](#)



Since DaVita began in 1999, we have developed programs to enrich lives—and in creating programs for our patients and teammates, we realized that the goodwill they've generated has also spread to our families, into more than 2,000 local communities and around the world. Community Care—the annual report outlining the DaVita vision for social responsibility—defines our organization's "declaration of interdependence" and philosophy on the role corporations should play in America. DaVita is a community first, and a company second. We are a community that just happens to be organized in the form of a company.

DaVita's Community Care is comprised of four essential components:

1. Building a Community
2. To Build the Greatest Healthcare Community the World Has Ever Seen
3. Being a Role Model for American Health Care
4. Sending Forth Ripples of Citizen Leadership

About our website

DaVita.com is the premier online resource for information on dialysis and chronic kidney disease. Our website was created to answer questions and provide education for people with chronic kidney disease or on dialysis, their caregivers, family members and friends. DaVita.com is a trusted, easy-to-understand source featuring a user-friendly design that includes large-size type that can be increased or decreased for the best viewing.

From informative articles and animated learning modules to recipes for the dialysis diet and other useful tools, DaVita.com is always adding to the wealth of information it offers website visitors. We invite you to discover [how kidneys work](#) and [how dialysis works](#), plus take advantage of special features, including our [discussion forum](#), [Find a Dialysis Center tool](#), [DaVita GFR Calculator](#) and more. Thank you for visiting DaVita.com.

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[Dialysis Patient Citizens](#)
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About DaVita	>
Overview	
Mission and Values	
Code of Conduct and Compliance Contact	
International	
Global Citizenship	
Sustainability at DaVita	
Awards	
Partnerships	
Vendor Information	
Privacy Practices Notice	
Help Center	
Contact Us	
Corporate Governance	>
Media Room	>
Investors	
Careers	
Physician Jobs	



Mission and Core Values

The name DaVita is an adaptation of an Italian phrase meaning, "giving life." Every day, in all of our clinics, we believe our name reflects our purpose.

Our Core Values — all seven of them — provide us with the set of guidelines to help us fulfill our Mission.

Our Mission

To be the Provider, Partner and Employer of Choice

We are building the greatest healthcare community the world has ever seen through our commitment to upholding our Mission and Core Values every day, in everything we do.

Our Core Values

Service Excellence

Serving others — our reason for existing. We continually seek to understand the needs of those who depend on us (our patients, doctors, and our fellow team members) and then to exceed their expectations.

Integrity

We say what we believe, and we do what we say. We are trusted because we are trustworthy. In our personal, team, and organizational values, we strive for alignment in what we say and do.

Team

One for All, and All for One! We work together, sharing a common purpose, a common culture and common goals. We genuinely care for and support, not only those to whom we provide care, but also those with whom we work shoulder-to-shoulder. We work together to pursue achieving our Mission.

Continuous Improvement

We never stand still; we are never satisfied. Individually, and as teams, we constantly look at what we do, and ask, "How can we do this better?" Then, we use a systematic approach to take action.

Accountability

We don't say, "It's not my fault," or "It's not my job." We take responsibility for meeting our commitments — our personal ones as well as those of the entire organization. We take ownership of the results.

Download a Cookbook

Get a free recipe collection from the DaVita® kitchen.

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283,082 Enjoyed So Far!

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Register for a no-cost, 90-minute training session taught by a certified instructor in your neighborhood.

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Find a Dialysis Center

ZIP Code

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Call **1-800-424-6589** now to talk to one of our placement specialists.

New to Dialysis?

Learn which DaVita service may best fit your lifestyle.

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Fulfillment

We make a difference. We feel rewarded — personally and as a team — because what we do in our jobs is consistent with our goals and dreams. We believe “You must be the change you wish to see in the world.” (Mahatma Gandhi). And, when you *are* the change, that’s fulfilling!

Fun

We enjoy what we do. We know healthcare is hard work; but even hard work can be fun. We take our jobs seriously, but we feel a fun environment delivers better care to our patients while creating a better work environment for our teammates. We strive for excellence and we have fun.

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Lease Summary

DVA's current lease term expires December 18, 2028, and the company has two five year renewal options remaining. The current annual rent is \$340,591.75 and it escalates mid-December each year by 2.5%.

Net Rent Schedule (Remaining Term)

Current

Dates	Rate		Annual Rent	Lease Commission	Net Rent
12/18/22 - 12/17/23	\$19.02	17908	\$340,591.75	\$8,514.79	\$332,076.96
12/18/23 - 12/17/24	\$19.49	17908	\$349,106.55	\$8,727.66	\$340,378.89
12/18/24 - 12/17/25	\$19.98	17908	\$357,834.21	\$8,945.86	\$348,888.35
12/18/25 - 12/17/26	\$20.48	17908	\$366,780.06	\$9,169.50	\$357,610.56
12/18/26 - 12/17/27	\$20.99	17908	\$375,949.57	\$9,398.74	\$366,550.83
12/18/27 - 12/17/28	\$21.52	17908	\$385,348.31	\$9,633.71	\$375,714.60

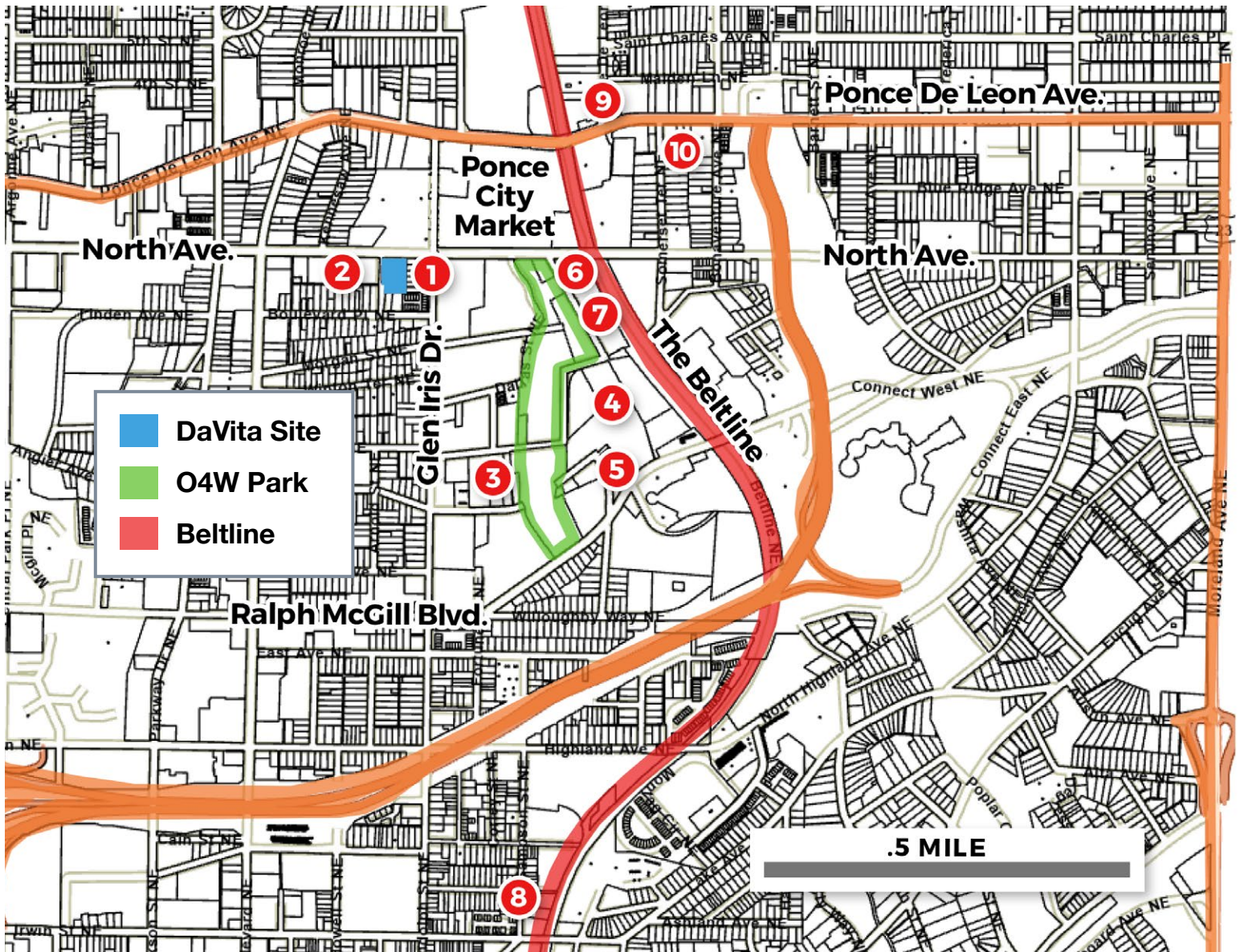
1st Renewal Option

12/18/22 - 12/17/29	\$22.06	17908	\$394,982.01	\$9,874.55	\$385,107.46
12/18/29 - 12/17/30	\$22.61	17908	\$404,856.56	\$10,121.41	\$394,735.15
12/18/30 - 12/17/31	\$23.17	17908	\$414,977.98	\$10,374.45	\$404,603.53
12/18/31 - 12/17/32	\$23.75	17908	\$452,352.43	\$10,633.81	\$414,718.62
12/18/32 - 12/17/33	\$24.35	17908	\$435,986.24	\$10,899.66	\$425,086.58

2nd Renewal Option

12/18/33 - 12/17/34	\$24.95	17908	\$446,885.89	\$11,172.15	\$435,713.74
12/18/34 - 12/17/35	\$25.58	17908	\$458,058.04	\$11,451.45	\$446,606.59
12/18/35 - 12/17/36	\$26.22	17908	\$469,509.49	\$11,737.74	\$457,771.75
12/18/36 - 12/17/37	\$26.87	17908	\$481,247.23	\$12,031.18	\$469,216.05
12/18/37 - 12/17/38	\$27.55	17908	\$493,278.41	\$12,331.96	\$480,946.45

Land Comps



Map ID	Name	Date	Price	Acres	\$/Acre
1	Glen Iris	2020	\$700,000	0.15	\$4,666,667
2	Novel O4W (Apartments)	2017	\$7,500,000	2.2	\$3,409,091
3	Alexan O4W (Apartments)	2021	\$18,400,000	2.74	\$6,715,328
4	GA Power Site	2017	\$34,000,000	10.2	\$3,333,333
5	New City Additional Parcel	2023	\$11,800,000	0.75	\$15,733,333
6	Masquerade	2015	\$2,800,000	1.32	\$2,121,212
7	North & Line (Apartments)	2015	\$2,500,000	2.0	\$1,250,000
8	Portman - Junction Krog	2023	\$12,000,000	1.3	\$9,230,769
9	Portman - Ponce & Ponce				
10	Chick-Fil-A	2023	\$6,700,000	0.91	\$7,362,637

***Full Lease Agreement Available Upon Request**
