

MATTHEWS™



8+ Years Remaining | Annual Rental Increases | Tenant Recently Exercised an Early Lease Extension



**FRESENIUS
KIDNEY CARE**

5316 Hoag Dr
Sheffield Village, OH 44035

**Medical
Investment Opportunity**
Offering Memorandum

EXCLUSIVELY LISTED BY



Alexander Machado

Associate Vice President

(305) 905-3215

alexander.machado@matthews.com

License No. SL3507121 (FL)

Matthew Wallace

Broker of Record

Broker Lic. No.: BRKP.2024002419 (OH)

Firm Lic. No.: REC.2022007141 (OH)

MATTHEWS™





Table of Contents

- 04 | Property Overview
- 11 | Financial Overview
- 12 | Tenant Overview
- 13 | Market Overview

PROPERTY OVERVIEW

 **5316 Hoag Dr**
Sheffield Village, OH 44035



PROPERTY HIGHLIGHTS

Property Highlights

- **Long Lease Term** – There is approximately 8.7 years remaining on the current term of the lease.
- **Nearly 30-Year Operating Tenure at This Location** - Tenant has been operating at this location for ~30 years. Over that span, the tenant has executed four successive lease renewals, showing their commitment to the site.
- **Tenant recently exercised an early lease extension** – In 2023, Fresenius executed a new 10-year lease running through February 28, 2035, again showing their commitment to this site.
- **Sticky Tenant - ESRD patients require dialysis three times per week for life** – missing sessions can be fatal. Relocating a center means transferring ~80 active patients who medically cannot tolerate disruption, decommissioning a commercial-grade reverse osmosis water treatment system hardwired into the building's infrastructure, rebuilding 20 dedicated plumbing stations, and re-certifying with CMS at a new address before billing Medicare again, making it unlikely and unconventional for a dialysis tenant to relocate their facility.
- **Above Average Dialysis Stations Location** – With 20 in-center dialysis stations, this facility exceeds the national average — peer-reviewed NIH research found that even multi-clinic markets average just 19 stations per facility. At approximately 4 patients per station, this center serves roughly 80 active patients weekly. A facility of this size represents significant capital deployment by Fresenius and is managed as a primary market location, not a satellite clinic.
- **Long-Standing CMS Medicare Certification** — This facility holds active CMS Medicare certification — a designation required by federal law to bill for any dialysis services. Maintaining certification requires ongoing compliance with strict Conditions for Coverage and routine state agency surveys. That certification is address-specific and would need to be re-established from scratch at any new location, creating another powerful economic disincentive to ever leave this site.



PROPERTY HIGHLIGHTS

Property Highlights

- **Full-Service Dialysis Hub (All Four Treatment Modalities)** – This facility offers all four dialysis treatment types — in-center hemodialysis, nocturnal in-center hemodialysis, at-home hemodialysis, and at-home peritoneal dialysis. According to a peer-reviewed study published in the Journal of the American Society of Nephrology (2020), 45% of Medicare-certified dialysis facilities in the U.S. were not licensed to offer any home dialysis modality as of 2019. This location's comprehensive service offering places it among the minority of truly full-service kidney care facilities in the country.
- **Two 55+ Communities Within One Mile Reinforce Sustained Patient Demand** — Two senior communities sit within one mile of the subject property: Wesleyan Meadows, an established 55+ independent living campus located directly behind the property, and Magnolia Meadows, a 55+ active adult community delivered in March 2024 less than one mile away on Detroit Road. The concentration of age-qualified residents in the immediate trade area directly expands the facility's addressable patient base, as adults 65+ represent the highest-incidence demographic for chronic kidney disease and end-stage renal disease.
- **Large Parcel Size** – Situated on ±1.25 acres, the property offers strong residual land value and future redevelopment potential.
- **Strong Medical & Retail Synergy** – Our subject property is surrounded by a significant number of medical offices and national retailers such as Chipotle, Starbucks, Aldi, Burlington, Harbor Freight, Sam's Club, Panera Bread, and others.





± 55,800 VPD



N Abbe Rd ± 29,200 VPD

Subject Property



Hoag Dr

Delivered March 2024



5316 Hoag Dr
Sheffield Village, OH 44035

±8,156 SF
GLA

1996
Year Built

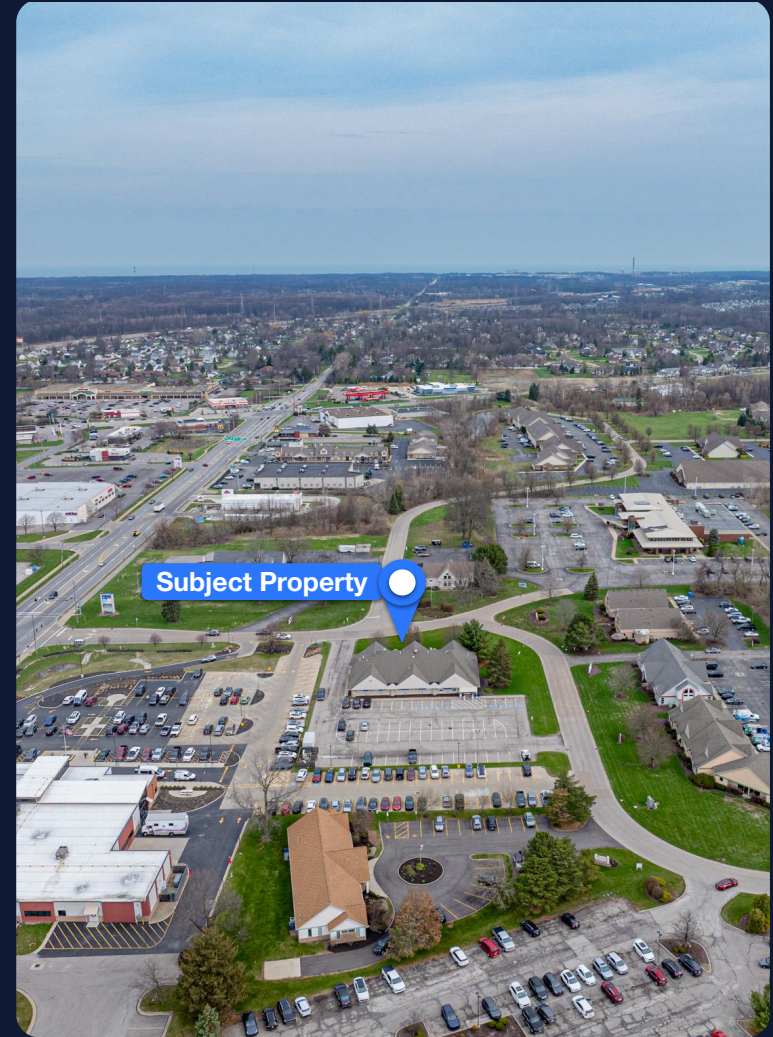
±29,200
Vehicles Per Day

±1.25 AC
Lot Size

NN
Lease Type



PROPERTY PHOTOS



FINANCIAL OVERVIEW

 **5316 Hoag Dr**
Sheffield Village, OH 44035



FINANCIAL SUMMARY

\$2,073,954

List Price

7.00%

Cap Rate

\$145,176.80

NOI

Fee Simple

Ownership Type

Lease Summary

Tenant Trade Name	Fresenius Kidney Care
Type of Ownership	Fee Simple
Lease Guaranty	Corporate Subsidiary (Elyria Renal Care LLC)
Lease Type	NN
Original Lease Date	10/15/1996
Lease Expiration Date	02/28/2035
Term Remaining on Lease	±8.7 Years
Roof & Structure	Landlord Responsibility
HVAC & Parking Lot	Tenant Responsibility
Increase	±1.7% annually
Options	Two, 5-Years at FMV

Annualized Operating Data

Lease Years	Monthly Rent	Annual Rent	Rental Increase	Cap Rate
3/1/2026 - 2/28/2027	\$12,098.07	\$145,176.80	1.71%	7.00%
3/1/2027 - 2/28/2028	\$12,301.97	\$147,623.60	1.69%	7.12%
3/1/2028 - 2/28/2029	\$12,512.66	\$150,151.96	1.71%	7.24%
3/1/2029 - 2/28/2030	\$12,723.36	\$152,680.32	1.68%	7.36%
3/1/2030 - 2/28/2031	\$12,940.85	\$155,290.24	1.71%	7.49%
3/1/2031 - 2/28/2032	\$13,158.35	\$157,900.16	1.68%	7.61%
3/1/2032 - 2/28/2033	\$13,382.64	\$160,591.68	1.70%	7.74%
3/1/2033 - 2/28/2034	\$13,606.93	\$163,283.12	1.68%	7.87%
3/1/2034 - 2/28/2035	\$13,838.01	\$166,056.16	1.70%	8.01%

TENANT OVERVIEW

Year Founded
1996

Headquarters
Bad Homburg vor der Höhe, Germany

**Dialysis Division of
Fresenius Medical Care**

Employees
120,000+

Locations
2,600+

Website
[freseniuskidneycare.com](https://www.freseniuskidneycare.com)

Annual Revenue
\$20.8B



Tenant Overview

Fresenius Kidney Care is the U.S. dialysis division of Fresenius Medical Care (NYSE: FMS), a global leader in renal care services and products. As one of the largest providers of dialysis treatment in the United States, Fresenius Kidney Care operates a nationally recognized platform delivering life-sustaining care to patients with chronic kidney disease and end-stage renal disease. Backed by a vertically integrated global healthcare enterprise, the brand benefits from substantial operational scale, clinical expertise, and long-standing relationships with payers and healthcare systems, positioning it as a mission-critical healthcare tenant with durable demand drivers.

Why Invest in Fresenius Kidney Care?

Mission-Critical Healthcare Services

- Nation's leading provider of dialysis services — vital, recurring, non-discretionary treatments
- Delivers life-sustaining care to hundreds of thousands of U.S. patients; high regulatory barriers to entry

National Operational Scale

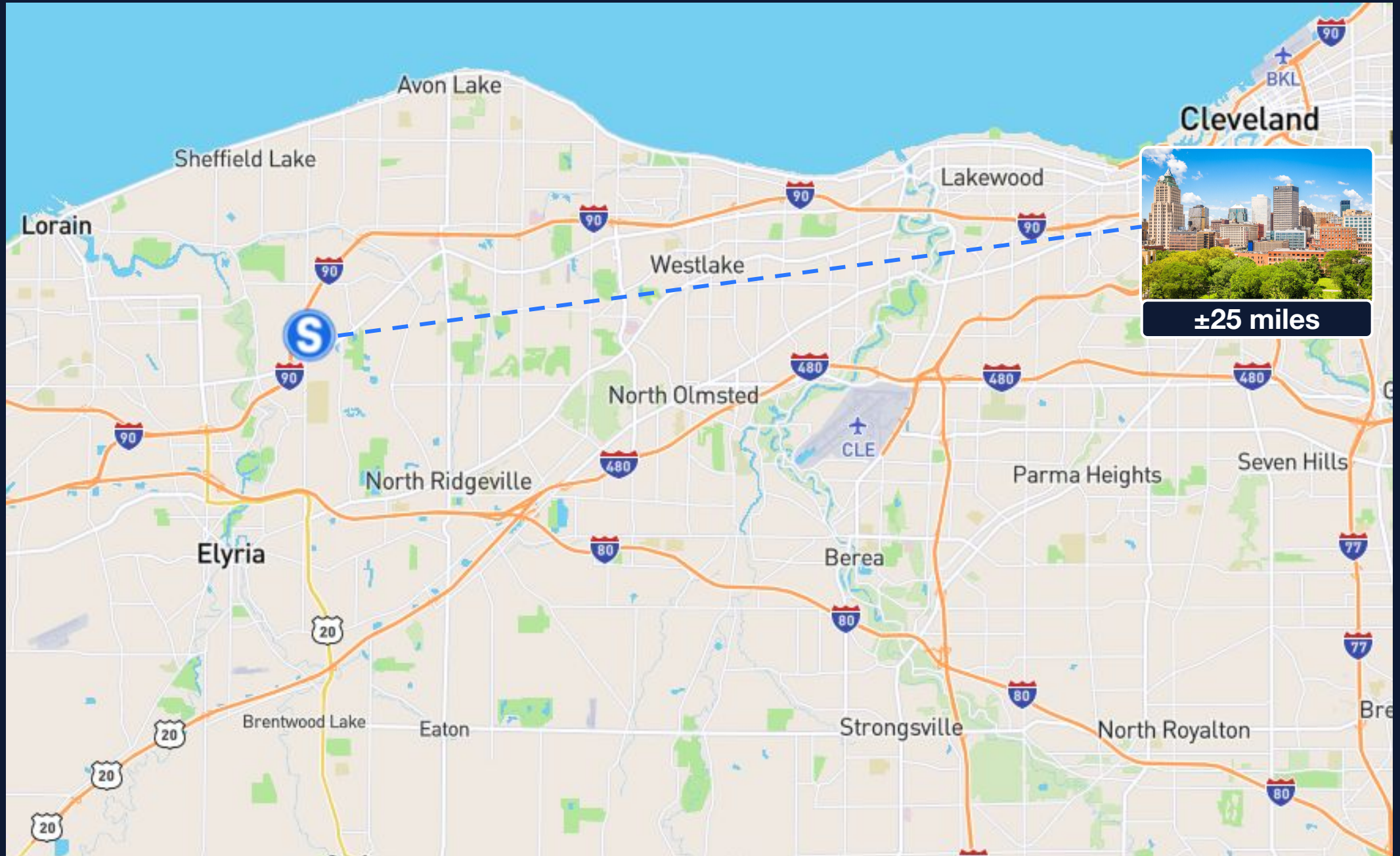
- Operates approximately 2,600 dialysis clinics across the United States
- Extensive market penetration and established referral networks enhance stability and long-term performance

Non-Cyclical Demand Drivers

- Rising incidence of chronic kidney disease and aging demographics support sustained patient volumes
- Essential healthcare services demonstrate resilience across economic cycles

MARKET OVERVIEW

 **5316 Hoag Dr**
Sheffield Village, OH 44035



SHEFFIELD VILLAGE , OH

Local Market Overview

Sheffield Village, located in Lorain County within the Cleveland metropolitan area, benefits from steady regional population stability and access to a diverse economic base. The broader Cleveland-Elyria MSA supports a population of over 2 million residents, providing a deep labor pool and consistent demand drivers for residential and commercial assets. Median household incomes in the area are competitive for the Midwest, supported by employment across healthcare, manufacturing, and logistics sectors. The village itself offers a suburban setting with convenient access to Interstate 90, positioning it as an attractive location for commuters seeking affordability without sacrificing connectivity.

The area continues to experience measured development activity, particularly in retail corridors and residential subdivisions that cater to working professionals and families. Proximity to Lake Erie enhances lifestyle appeal, while access to regional employment hubs such as downtown Cleveland and Elyria strengthens long-term demand fundamentals. Sheffield Village's combination of accessibility, stable demographics, and proximity to institutional employers supports a reliable investment environment across multiple asset types.



Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	3,770	46,346	134,793
Current Year Estimate	3,681	44,635	132,060
2020 Census	3,592	42,258	128,106
Growth Current Year-Five-Year	2.43%	3.83%	2.07%
Growth 2020-Current Year	2.47%	5.62%	3.09%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	1,661	18,948	56,143
Current Year Estimate	1,601	18,066	54,444
2020 Census	1,518	16,989	51,887
Growth Current Year-Five-Year	3.72%	4.88%	3.12%
Growth 2020-Current Year	5.49%	6.34%	4.93%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$111,987	\$119,386	\$103,616

CLEVELAND, OHIO MSA



Local Market Overview

Cleveland, Ohio, has experienced notable revitalization in recent years, fueled by population stabilization, infrastructure investment, and urban redevelopment. The city's strategic location along Lake Erie and its historical significance as a manufacturing hub have given way to a more diversified economy centered on healthcare, education, and advanced manufacturing. Population growth in select neighborhoods has been supported by affordable housing options and an increasing number of residents returning to the urban core.

Median household incomes have seen gradual increases, supported by job opportunities in healthcare, logistics, and technology. Major thoroughfares and arterial roads provide strong commuter access throughout the city and surrounding suburbs, ensuring high visibility and traffic counts in both commercial and residential corridors. This blend of accessibility and ongoing investment continues to support demand for multifamily housing and retail developments in the Cleveland metro area, positioning it as a stable and evolving market.

MARKET DEMOGRAPHICS

367,500

Total Population

\$ 39,187

Median HH Income

168,652

of Households

41.2%

Homeownership Rate

48.3%

Employed Population

21.3%

% Bachelor's Degree

\$ 94,100

Median Property Value

36.3

Median Age



Economy & Lifestyle

Cleveland delivers an exceptional quality of life through a mix of cultural institutions, outdoor recreation, and vibrant neighborhoods. The city is home to iconic attractions like the Rock & Roll Hall of Fame, a major draw for tourists and music enthusiasts worldwide. Art and history lovers can explore the Cleveland Museum of Art, one of the nation's most distinguished cultural institutions with an impressive global collection.

Theatergoers enjoy Broadway-caliber performances at Playhouse Square, the second-largest performing arts center in the United States. The city's lakefront location offers access to boating, kayaking, and beaches, while the award-winning Cleveland Metroparks—often called the “Emerald Necklace”—features over 24,000 acres of nature preserves and trails encircling the city. Trendy districts like Ohio City, Tremont, and the Flats are known for their thriving food scenes, craft breweries, and artsy ambiance, offering a unique urban lifestyle that blends historic charm with modern energy.

MATTHEWS™

EXCLUSIVELY LISTED BY



Alexander Machado

Associate Vice President

(305) 905-3215

alexander.machado@matthews.com

License No. SL3507121 (FL)

Matthew Wallace | Broker of Record | Broker Lic. No. BRKP.2024002419 (OH) | Firm Lic. No. REC.2022007141 (OH)

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 5316 Hoag Dr, Sheffield Village, OH, 44035 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.