

D4C DENTAL BRANDS INC

BRAND NEW 10 - YEAR TRIPLE - NET LEASE



D4C
DENTAL BRANDS, INC.

OFFERING MEMORANDUM

Marcus & Millichap

1570 Hudson Bridge Road
Stockbridge, GA 30281

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PROPERTY DESCRIPTION

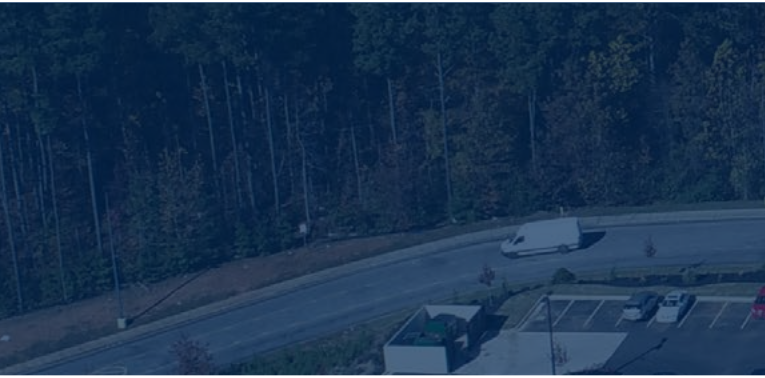
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Stockbridge GA



EXECUTIVE SUMMARY



FINANCIAL ANALYSIS

THE OFFERING

Purchase Price	\$2,842,857
Cap Rate	7.00%
Annual Rent	\$200,000



PROPERTY DESCRIPTION

Property	D4C Dental Brands Inc
Property Address	1570 Hudson Bridge Road
City, State Zip	Stockbridge, GA 30281
Building Size (SF)	8,000 SF
Lot Size (Acres)	1.75
Type of Ownership	Fee Simple
Year Built	2018

PROPERTY DESCRIPTION

Property Type	Single Tenant Office Medical
Ownership	Private
Tenant / Guarantor	D4C Dental Brands Inc
Lease Term	10 Years
Lease Commencement	Jun 05 2018
Lease Expiration	Jun 04 2028
Lease Term Remaining	9.5 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Landlord Responsible
Option to Renew	Two - Five Year Option
Rent Increase	10% Every Five Years

RENT SHEDULE

LEASE YEAR	Monthly Rent	Annual Rent
1 - 5	\$16,666.67	\$200,000
6 - 10	\$18,333.33	\$220,000
Options		
11 - 15	\$20,166.67	\$242,000
16 - 20	\$22,186.67	\$266,240

INVESTMENT OVERVIEW

Thirty plus unit strong D4C Dental Brands, has signed 10-Year lease on Jun 2018 with 10 percent rent increase every five years including the two 5-yr options. Roof and Structure only are Landlord responsibility. D4C Dental Brands, “DentISTRY FOR ChildRen, family ORTHODONTICS and ORAL Surgery 4 Georgia”, relocated from inline space to a brand new stand-alone 8,000 square-foot building in a Walmart out parcel right adjacent to Smash Burger strip center in Stockbridge (Atlanta MSA). With over \$1M invested in the building improvements by tenant, D4C Dental Brands has high probability of staying at that location for very long term. Average cap rate is 7.39% during initial lease term and 8.16% including option periods.

The busy Walmart anchored shopping center also includes 67,000 SF inline retail space with Dollar Tree and several out parcels. The property is located along major retail and medical corridor with great visibility and access via nearby I-75 with a traffic count of 140,000 vehicles per day. The site is in-close proximity to Piedmont Henry Hospital, a 236-Bed Hospital. More than 450 Physicians, and 1,600 Staff Members, provide a wide range of services at Stockbridge campus and at medical offices and clinics in Henry County. Stockbridge is located just over 15 miles from outside of downtown Atlanta and is 10 miles from Hartsfield-Jackson Atlanta International Airport, the busiest airport of the world.

The subject property is surrounded by many major national and local tenants. National brands in the area include Walmart, Lowe’s, Kroger, Aldi, CVS, Office Depot, Kohl’s, Dollar Tree, Big Lots, McDonald’s, Autozone, Arby’s, Mellow Mushroom,

Bank of America, Discount Tire and many more. Henry County has experienced strong economic and population growth, doubling in population between the 1990 and 2000 census, and a 71% growth between the 2000 and 2010 census. The county added 5,800 new residents in the past year, bringing its total population to 234,800. The regional commission projected the county will grow by 60 percent more residents over 25 years to arrive at a total population of 352,000 residents and an estimated 75,400 new jobs.

The Dental industry has benefited from favorable demographic trends, technological advances and mounting awareness of the importance of oral hygiene over the past five years. The industry, as a whole, is currently receiving more health insurer reimbursements than it has historically, partially driven by patients having greater access to insurance coverage as a result of healthcare reform. As a result, profitability for clinics improved over the past five years as more patients visited the dentist. Industry revenue had grown at an annualized rate of 2.5% to \$133.8 billion, including a 2.7% increase in 2018 alone.

INVESTMENT HIGHLIGHTS

- Well Established Dental Practice Relocation to Brand New Building With 10 Year NNN Lease From June 2018-May 2028 With Only Roof & Structure Landlord Responsibility
- 10% Rent Increases in 2023 and During Two 5-Year Options
- Over \$1M invested In the Building by D4C Dental Brands (30+ Unit Strong Tenant)
- D4C Dental Brands, “DenTiSTRY FOR ChiLDren’S, family ORTHODONTICS & ORAL Surgery 4 Georgia”, are Under one Roof
- Along Major Retail and Medical Corridor With Great Visibility And Access Via Nearby I-75 (140,000 Average Daily Count)
- Close to Piedmont Henry Hospital, a 236-bed hospital With More Than 450 Physicians and 1,600 Staff Members
- Over 90,000 People Live Within 5 Miles With an Average Household Income of \$85,000 Within Three Miles
- Stockbridge, GA, Approximately 20 Miles South of Downtown Atlanta and 10 Miles South of Atlanta’s Hartsfield Jackson International Airport



140,000 VEHICLES PER DAY
ALONG I-75



ANNUAL HOUSEHOLD INCOME
OF \$85K IN 3- MILE RADIUS



94K RESIDENTS
IN 5 - MILE RADIUS

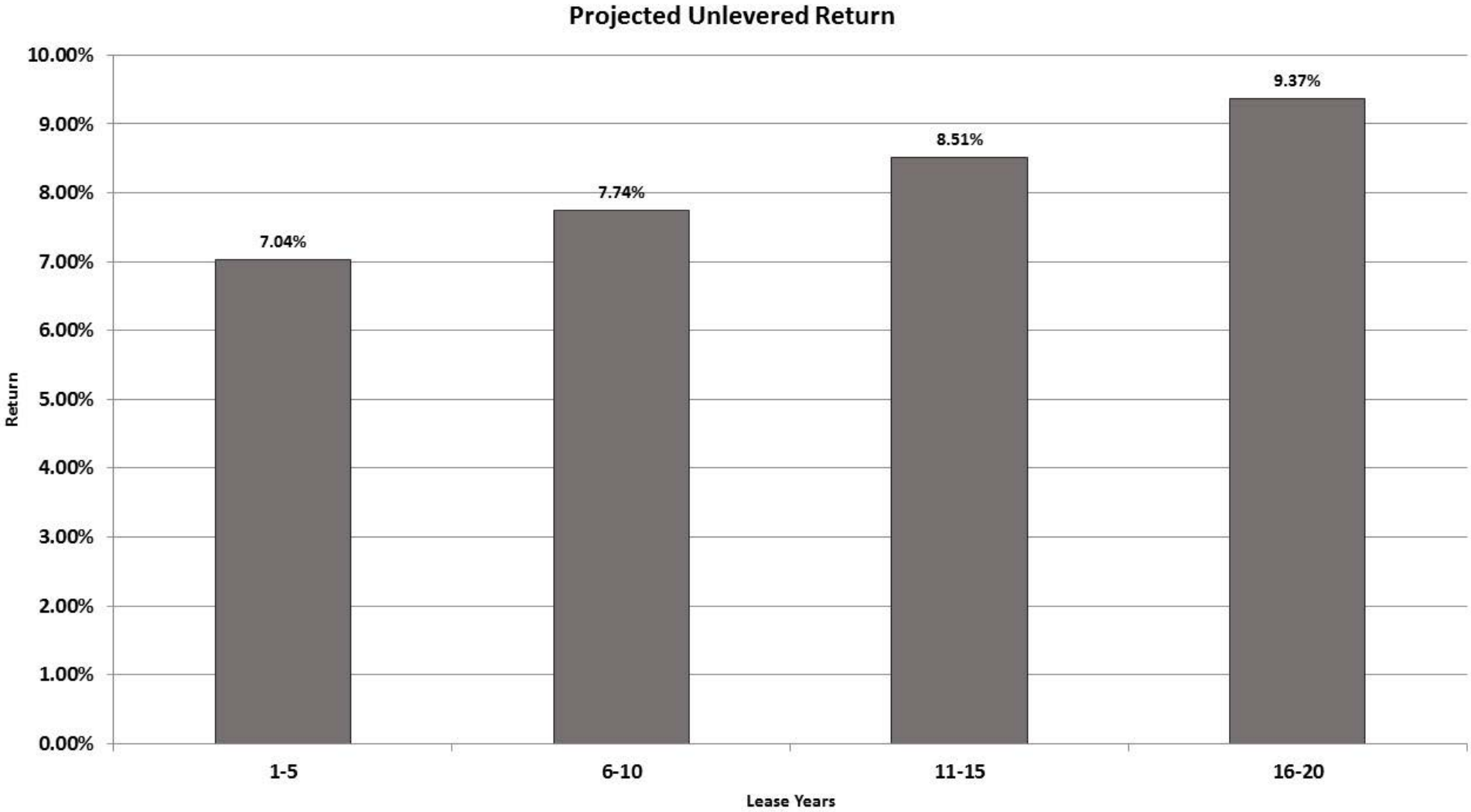


47% POPULATION
INCREASE SINCE 2000 IN 5 MILES



OUT PARCLE TO WALMART

PROJECTED RETURN GROWTH



TENANT OVERVIEW



D4C Dental Brands, Inc. provides business management and administrative operations support services that enable doctors to focus on their patients and clinical operations. The company supports pediatric dental and orthodontic practices; offers services in the areas of business development, marketing, purchasing, real estate, information technology, and human resource; and provides billing/collection, call center, operation, and compliance services. The company was founded in 2010 and is headquartered in Atlanta, Georgia with locations in Georgia, South Carolina, Virginia, Maryland, and the District of Columbia.

Dentistry for Children has been providing the highest quality dental care for over 30 years with 37 Locations across four states (20 located in the Metro Atlanta Area). It Specialize in the treatment of Infants, Children, Teens, and those with Special Needs in the field of Pediatric Dentistry. Dentistry for Children assists in every patient's unique dental needs while providing a relaxing and kid-friendly environment. Comprehensive Dental Specialists complete an additional 2-3 years of training after obtaining their traditonal Dental Degree to ensure that patients are recieving the highest level of skilled care.

Family Orthodontics is about quality care performed by experts in orthodontics and Invisalign. Their reputation has been forged on their dedication to excellent service, highly trained staff, and the compassion they show to each and every patient. All of their doctors are certified orthodontists, which means they went to school an extra 2-3 years beyond dental school to train specifically in orthodontics. They also provide a professional and caring environment outfitted with the latest innovations in orthodontics, permitting them to offer the highest quality of care to patients.

Oral Surgery for Georga provides the highest quality in patient centered care. Their Board Certified Oral Surgeons treat each patient as they would a family member.



DENTAL OVERVIEW

Executive Summary

The retailization of healthcare services in the US is an important secular trend and dental services are no exception. In addition to this theme, dental healthcare in the US is undergoing rapid change as the result of a confluence of factors that make the sector attractive to investors.

Among the factors driving dental services transactions are a relatively favorable regulatory environment compared to the broader healthcare landscape, demographic tailwind, high fragmentation and favorable reimbursement dynamics. As a result, several well capitalized dental platforms have emerged and the M&A environment continues to be active.

Key Tailwinds

Favorable Payor & Reimbursement Landscape

- Out of pocket payments constitute ~40 percent of dental expenditures, resulting in significantly reduced reimbursement risks compared to other healthcare services operators

Rising Disposable Incomes

- Cosmetic dentistry is witnessing growing demand as a result of rising disposable personal incomes

Demographics

- The US population continues to age, and people aged 65+ spend 18 percent more per year on dental care than other age groups

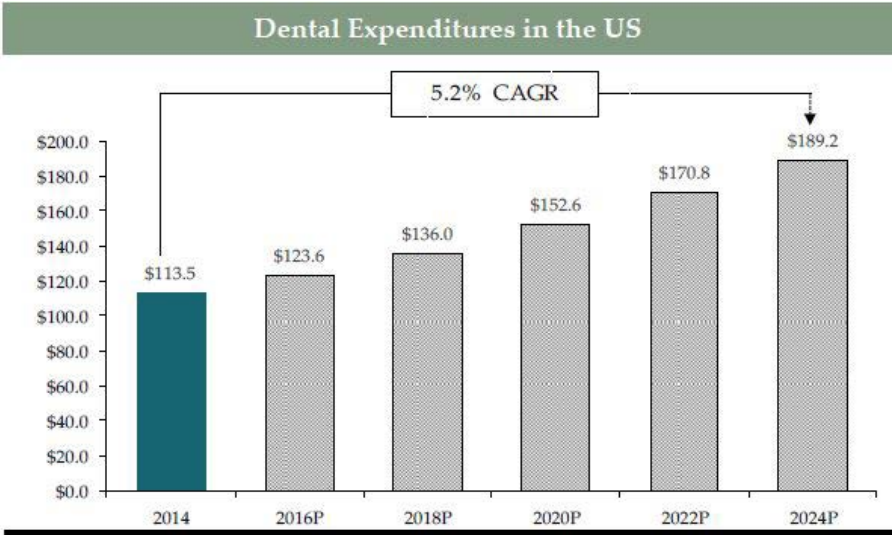
Sources: S&P Capital IQ, IBIS World, AMB research

Favorable Regulatory Environment

- Dental legislation and regulation largely takes place at the state level
- Recent legislative attempts in Washington, Wisconsin, Texas and North Carolina seeking to limit the presence or scope of Dental Service Organizations (“DSOs”) have been defeated

Sector Outlook

Overall, the dental market is expected to grow well above GDP at 5.2 percent per year through 2024. The combined impact of sector tailwinds, a stable dentist supply and ongoing DSO consolidation point to a market that will continue to experience heightened M&A activity and investor interest. Despite the emergence of several large dental platforms, 69 percent of practices remain under the ownership of solo practitioners.



PROPERTY PHOTOS









Walmart

Arby's

DISCOUNT
TIRE

mellow
MUSHROOM

ZAXBY'S

McDonald's

AutoZone

DOLLAR TREE

Bank of America

Dentistry
for Children

ORAL
Surgery
Georgia

family
ORTHODONTICS

smashburger
smash. sizzle. save.

DOLLAR TREE **SALLY BEAUTY** **GameStop**

Walmart

Bank of America

GNC
LIVE WELL

DENTISTRY FOR CHILDREN
ORAL SURGERY Georgia
family ORTHODONTICS





SHOE DEPT.

SALLY BEAUTY



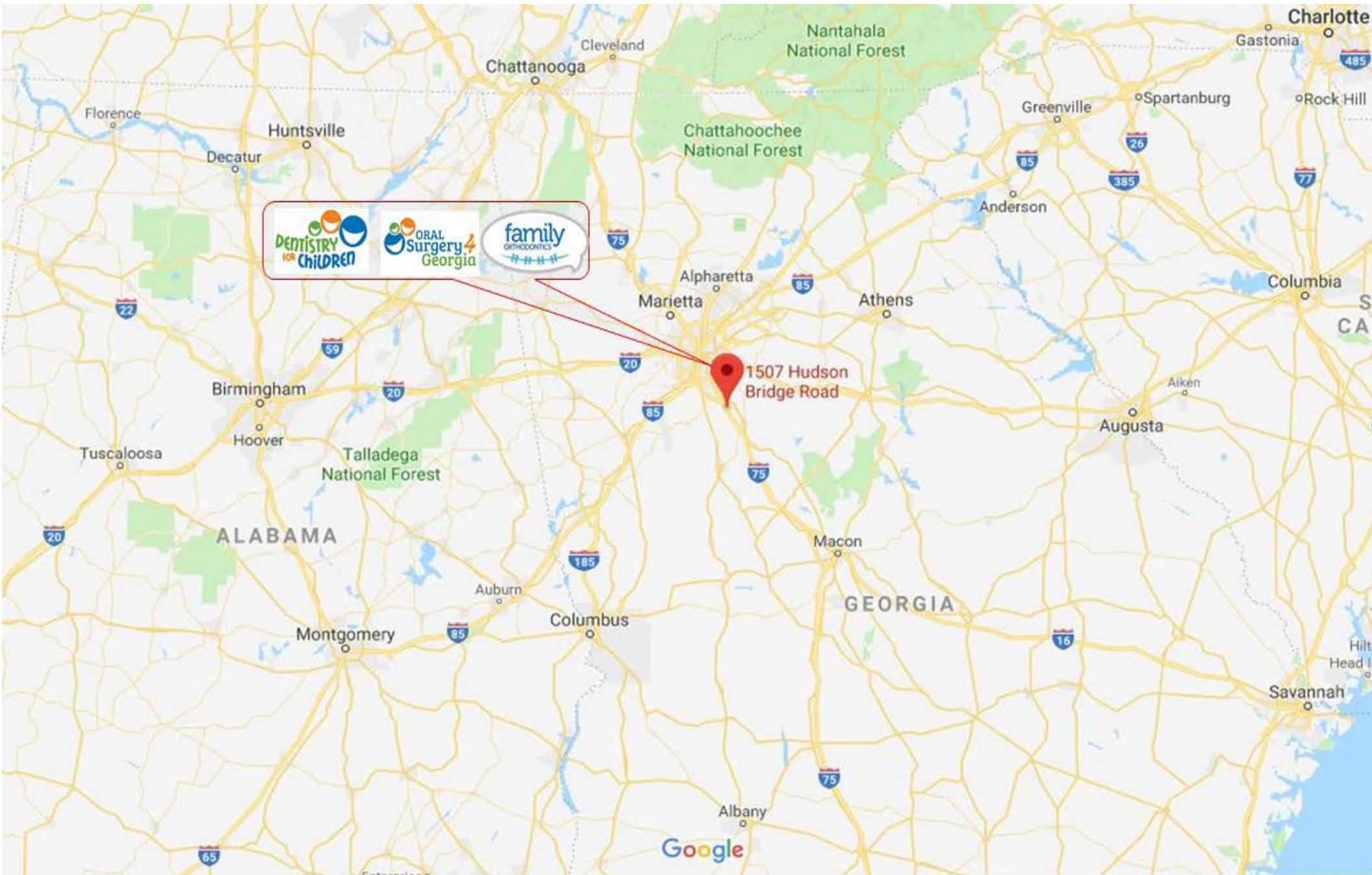
AERIAL VIEW

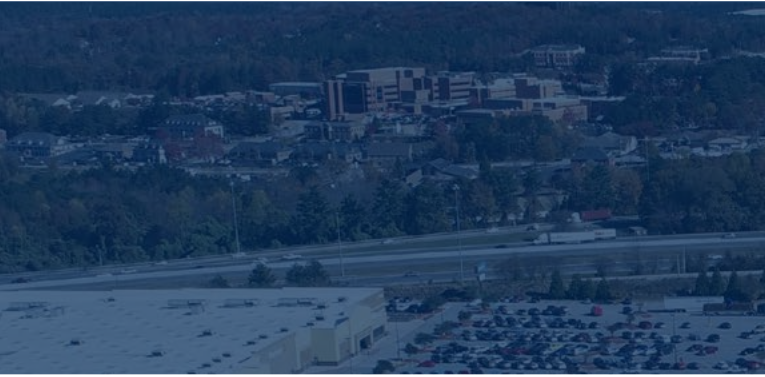


AREA OVERVIEW



REGIONAL MAP



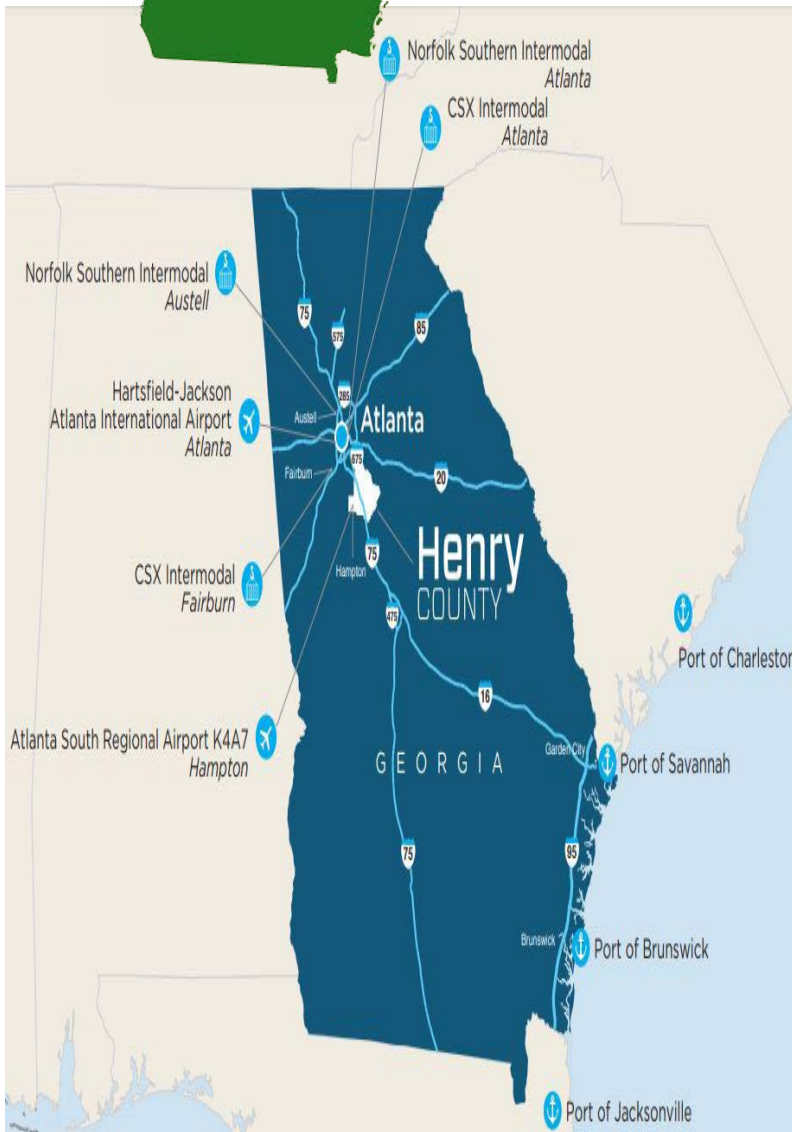


MARKET OVERVIEW





HENRY COUNTY



Henry County, Georgia is located just 20 miles Southeast of downtown Atlanta and minutes from the world's busiest airport, Hartsfield-Jackson Atlanta International Airport. With an average age of 36.5 years, Henry County is a young and vibrant community. A high quality of life, low cost of living, easy access to downtown Atlanta, historical and cultural amenities, outdoor and recreational opportunities and highly ranked educational institutions.

Henry County?

Henry County has gained a solid reputation as one of the top sites for business locations and expansions in Georgia and the Southeast.

In the southeast of the ninth largest metro region in the nation, Henry County boasts unique access to global transportation options for every business. Henry County, Georgia is located only 20 miles southeast of Atlanta's business core. Positioned to serve as Metro Atlanta's connector to global transportation and distribution with direct rail service from Norfolk Southern Railroad, and the metro's best access to the Port of Savannah – less than two hours away by air and two days by truck to 80% of the United States.





STRATEGIC ADVANTAGES

Employer	# of Employees
Henry County Schools	4950
Henry County Government	1566
Piedmont Henry Hospital	1453
Federal Aviation	800
PVH	813
Georgia Power Customer Care Center	544
Southern States LLC	420
Home Depot	350
Ken's Foods Inc	343

Cost of Living

With the cost of living in the U.S. averaged at 100 on the Cost of Living Index. Henry County's lower than average 94.3 index is also below Atlanta and other prominent Southeastern U.S. cities index scores.

Tourism

In addition to Henry County's stellar corporate and workforce offerings, the county is home to a vibrant tourism industry. It is only 20 miles from the attractions of downtown Atlanta and less than an hour from Macon. Henry is home to a mixture of historic Southern charm and bustling modern activities.

Climate & Location

Henry enjoys an annual average temperature of 62.1°F and easy access to Atlanta, the International Airport, beaches and mountains.

Higher Education & Workforce

Henry County supply an area labor force of more than 776,000 skilled workers. Several of the nation's most renowned universities and technical schools located less than an hour driving distance.

K-12 Education

Henry County Schools are committed to providing a quality educational system and prepare students to join the workforce. With a population of approximately 42,000 students for the 2017-18 school year, Henry County Schools rank as the 8th largest school system in Georgia. The district includes 50 schools: 28 elementary, 11 middle and 11 high. With more than 5,000 employees on the payroll, the school system is also considered the largest business in Henry.

Healthcare

A catalyst for the rapid expansion of healthcare services and industry in Henry County, Piedmont Henry Hospital and its facilities offers the finest care for residents and visitor's healthcare needs.

DEMOGRAPHIC REPORT



LOCAL POPULATION GROWTH | **+12.0%**

In 2017, the population in your selected geography is 89,100. The population has changed by 48% since 2010. It is estimated that the population in the immediate 5- Mile radius will be 99,757 people five years from now, which represents a 12% change from the current year.



MEDIAN HOUSEHOLDS INCOME
\$61,807

The median household income in your selected area is \$61,807. Expected growth is predicted to increase by 17% within a five year time period. There are currently 31,604 estimated households in this selected geography. It is projected the number of households in this area will be 36,290 in 2022, representing a change of 14.8% from the current year.

Population	1 Mile	3 Mile	5 Mile
2018 Total Population	5,643	37,796	94,108
2023 Population	6,054	40,681	101,746
Pop Growth 2018-20223	7.28%	7.63%	8.12%
Median Age:	37.50	36.90	36.80

Households	1 Mile	3 Mile	5 Mile
2018 Total Households	2,114	13,741	33,836
HH Growth 2018-23	6.86%	7.36%	7.89%
Average Household Size	2.60	2.70	2.80

Work Place & Worker	1 Mile	3 Mile	5 Mile
No of Businesses	888	2,085	3,774
No of Employees	7,321	16,591	30,486

Income	1 Mile	3 Mile	5 Mile
2018 Per Capita Income	\$25,213	\$29,168	\$28,129
2018 Average Household Income	\$82,374	\$85,087	\$80,191
2018 Median Household Income	\$74,756	\$67,272	\$63,743

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