WALMART SHADOW CENTER · 59,438 SF · 89% LEASED

FAMILY DOLLAR GAMESTOD CHASE SALLY CATO BEPT.

Walmart 🔀



OFFERING MEMORANDUM WALMART SHADOW CENTER NEW ORLEANS, LA

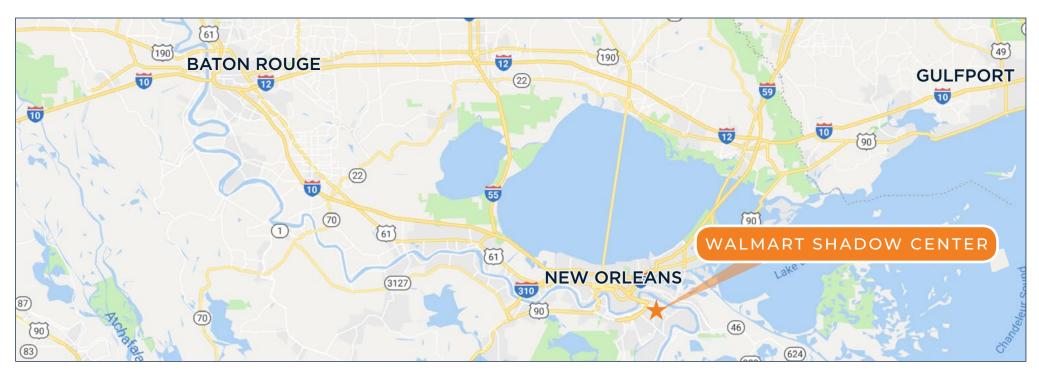
Marcus & Millichap



OFFERING SUMMARY

VALMART SHADOW CENTI 1021 Behrman Place, New Orlea		MAJOR TENANTS	GLA (%)	TERM REMAINING	OCCUPANCY HISTORY	
PRICE	\$6,870,0	Beauty Master	16.45%	10 Years	New Lease	
CAP RATE	8.7	75%				
NOI	\$601,	588 FAMILY® DOLLAR	13.54%	2 Years	15 Years	
CURRENT OCCUPANCY	8	9%				
CASH ON CASH RETURN	\$264,033 12.	SHOE	8.08%	2 Years	15 Years	
SQUARE FOOTAGE	59,438	SF DEPT.				
YEAR BUILT	2		7.57%	2 Years	16 Years	
LOT SIZE	7.49					
DEMOGRAPHIC SUMMARY	1-MILE 3-MILE 5-MIL	BEAUTY	2.52%	2 Years	15 Years	

DEMOGRAPHIC SUMMARY	1-MILE	3-MILE	5-MILE
POPULATION	15,205	111,017	264,332
AVG. HOUSEHOLD INCOME	\$61,209	\$59,264	\$62,858



GameStop

2.52%

3 Years

16 Years

\$ 20.00



INVESTMENT HIGHLIGHTS



STRATEGIC HIGH TRAFFIC LOCATION (27,000 VPD)

STABLE HISTORY | AVERAGE OCCUPANCY 10+ YEARS

LEASING MOMENTUM | 3 NEW LEASES & 2 RENEWALS IN 2019

\mathcal{P} STRONG NATIONAL TENANT LINEUP (63%)

SHADOW TO HIGH VOLUME WALMART SUPERCENTER

WALMART SUPERCENTER SHADOW CENTER

- The subject property is a 59,438 SF Walmart supercenter shadow anchored retail center located in New Orleans, LA.
- 63% of the center is leased to national brands including Family Dollar, CATO, Shoe Depot, GameStop, Chase Bank, and more.
- Strong Leasing Momentum: three (3) new leases & two (2) lease renewals all in 2019.
- The center has a long standing history | Average tenant occupancy of over 10+ years.
- Upside Opportunity with 11% (6,745 SF) Vacancy.

HIGH TRAFFIC | HYPER DENSE | IN-TOWN NEW ORLEANS

- The subject property is located in an incredibly dense in-town New Orleans location.
- Solid 5-Mile Demos | Pop: 264,332 | Avg HHI \$62,858.
- The subject is located in a high traffic corridor on Behrman Place (27,000 VPD).
- The center shows strong real estate fundamentals with Good Visibility, Signalized intersection, and multiple points of ingress/egress.

NEW ORLEANS, LA

- The subject property is located in the booming City of New Orleans, LA; famous for its Vibrant Culture and Tourism.
- The city had 17.74 million tourists in 2017, spending \$8.7 Billion.
- The city is experiencing massive real estate growth with 33.7 billion in Metro Area Industrial projects planned in the next 3 years (See Market Overview for details),
- Outside of Tourism New Orleans has a thriving and diverse economy driven by industrial, health care, and educational employers. This Includes Ochsner Health System (23,000 Employees), Tulane & New Orleans University (20,000 Total Students & 5,425 Employees), and Entergy (3,000 Employees). Health Care and industrial expansions are expected to add 12,200 jobs in 2019 alone.











1.

FINANCIAL SUMMARY

PRICING	CURRENT
PRICE	\$6,870,000
CAP RATE	8.75%
NET OPERATING INCOME (NOI)	\$601,388
CASH ON CASH RETURN	\$264,033 12.81%
CURRENT OCCUPANCY	89%

ANNUALIZED OPERATING DATA	CURRENT (89% LEASED)
BASE RENT	\$696,144
TOTAL REIMBURSEMENTS	\$218,122
TOTAL GROSS REVENUE	\$914,266
TOTAL EXPENSES	(\$312,878)
NET OPERATING INCOME	\$601,388
PROPOSED DEBT SERVICE	(\$337,355)
CASH FLOW AFTER DEBT SERVICE	\$264,033 12.8 1%

EXPENSES	
REAL ESTATE TAXES	(\$93,373)1
INSURANCE	(\$83,467) ²
САМ	(\$100,210) ³
MANAGEMENT	(\$27,428)4
NON-REIMBURSABLE EXPENSE	(\$8,400) ⁵

UNDERWRITING FOOTNOTES

BASED OFF 2018 TAX BILL (ASSESSED VALUE \$6,049,100)
2019 BUDGETED EXPENSE
2017 ACTUALS
3% OF TOTAL GROSS REVENUE (BUDGETED 2019 EXPENSE)
BUDGETED NR EXPENSES FOR 2019

PROPOSED FINANCING (Offered Free & Clear of Deb	t)
LOAN AMOUNT (LTV)	\$4,809,000 70%
DOWN PAYMENT	\$2,061,000 30%
INTEREST RATE	5.00%
AMORTIZATION	25 Years
TERM REMAINING	10 Years
MATURITY DATE	2029
ANNUAL DEBT SERVICE	\$337,355
DEBT COVERAGE RATIO	1.78





PAGE 1

RENT ROLL

UNIT	TENANT NAME	GLA	% OF GLA	BASE RENT	RENT/SF	LEASE COMMENCE	LEASE EXPIR.	OPTIONS/ RENT INCREASE DATE	INCREASE AMOUNT	REIMBURSEMENTS
1	Check Into Cash	1,260	2.12%	\$31,815	\$25.25	1/31/2004	4/30/2022	Option 1: May 2022 - Apr 2025 Option 2: May 2025 - Apr 2028	Fair Market Rent Fair Market Rent	Full Pro Rata C,T,I +15% Admin
2	GameStop	1,500	2.52%	\$30,000	\$20.00	2/12/2004	2/29/2020	Option 1: March 2020 - Feb 2023	\$33,000	Full Pro Rata C,T,I +15% Admin CAM CAP of 3%/yr non-cumulative (no Cap on snow & util)
3	Behrman Cajun Seafood	1,350	2.27%	\$27,000	\$20.00	10/1/2013	9/30/2023	Oct 2021 - Sep 2023 Option 1: Oct 2023 - Sep 2026 Option 1: Oct 2026 - Sep 2028	\$28,350 \$29,700 \$31,050	Full Pro Rata C,T,I & Mgmt +15% Admin
4	*Chase Bank	1,500	2.52%	\$22,500	\$15.00	5/28/2014	5/31/2024	Jun 2019 - May 2024 Option 1: Jun 2024 - May 2029 Option 2: Jun 2029 - May 2034 Option 3: Jun 2034 - May 2039 Option 4: Jun 2039 - May 2044 Option 5: Jun 2044 - May 2049 Option 6: Jun 2049 - May 2053	\$24,750 \$27,225 \$29,995 \$32,955 \$36,255 \$39,885 \$43,873	Full Pro Rata C,T,I & Mgmt
5	Sally Beauty	1,500	2.52%	\$25,875	\$17.25	5/13/2004	8/31/2021	N/A	N/A	Full Pro Rata C,T,I + 10% Ad- min on TICAM. TICAM increases capped 5%/ yr non-cumulative.
6	GoAuto	1,500	2.52%	\$34,097	\$22.73	5/13/2010	5/31/2020	Jun 2019 - May 2020	\$34,785	Full Pro Rata C,T,I & Mgmt +15% Admin
7	La Bella Nail Spa	1,875	3.15%	\$30,938	\$16.50	12/19/2013	3/31/2022	Apr 2019 - Mar 2020 Apr 2020 - Mar 2021 Apr 2021 - Mar 2022	\$31,875 \$33,150 \$34,481	Full Pro Rata C,T,I +15% Admin
8	Mama's Donuts	1,928	3.24%	\$ 26,992	\$ 14.00	6/1/2019	5/31/2024	June 2021 - May 2024	\$29,402	Full Pro Rata C,T,I & Mgmt
9	VACANT	1,849	3.11%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	VACANT	1,502	2.53%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Cricket Wireless	1,503	2.53%	\$29,414	\$19.57	12/18/2017	12/31/2022	Jan 2020 - Dec 2020 Jan 2021 - Dec 2021 Jan 2022 - Dec 2022 Option 1: Jan 2023 - Dec 2027 Option 2: Jan 2028 - Dec 2032	\$30,300 \$31,203 \$32,134 \$36,123 \$40,644	Full Pro Rata C,T,I & Mgmt Controllable CAM capped 5%/ yr non-cumulative

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RENT ROLL

UNIT	TENANT NAME	GLA	% OF GLA	BASE RENT	RENT/SF	LEASE COMMENCE	LEASE EXPIR.	OPTIONS/ RENT INCREASE DATE	INCREASE AMOUNT	REIMBURSEMENTS
12	Entergy New Orleans	3,000	5.05%	\$58,890	\$19.63	1/1/2005	12/31/2020	N/A	N/A	Full Pro Rata C,T,I +15% Admin
13	САТО	4,500	7.57%	\$69,750	\$15.50	4/1/2003	1/31/2021	Option 1: Feb 2021 Jan 2024	\$74,250	Full Pro Rata C,T,I CAM Cap 5%/yr non-cumu- lative
14	Shoe Dept	4,800	8.08%	\$49,200	\$10.25	3/19/2004	1/31/2021	N/A	N/A	Gross
15	**Star Physical Therapy	3,847	6.47%	\$42,317	\$11.00	12/20/2018	5/31/2024	Jan 2024 - Dec 2024 Jan 2025 - Dec 2025 Option 1: Jan 2026 - Dec 2030	\$43,587 \$44,856 \$45,740 & 2% Annual Increases	Full Pro Rata C,T,I +15% Admin
16	Sewerage & Water Board of New Or- leans	3,200	5.38%	\$61,792	\$19.31	10/23/2014	10/31/2020	Option 1: Nov 2020 - Oct 2023	\$63,648	Gross
17	VACANT	3,394	5.7 1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18	T-Mobile	1,600	2.69%	\$28,864	\$18.04	9/1/2012	8/31/2022	Option 1: Sep 2022 - Aug 2027	\$31,744	Full Pro Rata C,T,I & Mgmt
19	Family Dollar	8,050	13.54%	\$60,000	\$7.45	3/6/2004	6/30/2020	Option 1: Jul 2020 - Jun 2025 Option 2: Jul 2025 - Jun 2030	\$87,664 \$96,430	Full Pro Rata C,T,I CAM capped 5%/yr non-cumulative
20	***Beauty Master	9,780	16.45%	\$66,700	\$6.82	4/1/2019	3/31/2029	April 2024 - March 2029 Option 1: April 2029 - March 2024 Option 2: April 2024 - March 2029	\$73,370 \$80,685 \$88,802	Full Pro Rata C,T,I & Mgmt +15% Admin
	TOTAL OCCUPIED TOTAL VACANT TOTAL	52,693 6,745 59,438	89.00% 11.00% 100%							

Chase Bank has early termination right.
Star Physical Rent Commencement is estimated to be 5/15/2019
Beauty Master will have a one time right to terminate between months 88-90 with payment of \$100,000. Rent Commencement Date is estimated to be 9/1/2019.

SITE PLAN



MARKET OVERVIEW

NEW ORLEANS MSA A REGION REBORN

The last decade in New Orleans brought a rush of money, construction, tourists, expats returning home, young people flowing in, billions in real estate deals, a budding tech industry and booming restaurant scene - even a newly popular nickname: NOLA. The city has completely changed that trajectory and is one of the best performers in the South and the nation, \$33.7 billion in Metro Area industrial projects are planned in the next three years, including the first phase of Yuhuang Chemicals' \$1.85 billion complex in St. James Parish; Monsanto's \$975 million expansion in Luling; and Entergy's \$869 million power plant in Montz. New Orleans area's vibrant health care sector will also remain a source of job growth with Ochsner Health Systems' \$360 million expansion; Provision Healthcare's \$100 million proton therapy cancer treatment facility; and the new \$250 million Children's Hospital, a three-phase expansion on the LCMC Health System's new campus.



PEOPLE COMPRISE THE NEW ORLEANS-METARIE METROPOLITAN AREA

2.200 +

JOBS PROJECTED TO

BE ADDED TO THE

NEW ORLEANS METRO

ECONOMY BY 2019



IN INDUSTRIAL PROJECTS PROPOSED FOR THE NEW ORLEANS METRO AREA IN THE NEXT 3 YEARS



\$993.7 M

OUTLAYED FOR LOUIS ARMSTRONG INTERNATIONAL AIRPORT CAPITAL IMPROVEMENT

RHS 2023 DOWNTOWN NEW ORLEANS

DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile	7-Mile	10-Mile
POPULATION					
2022 Projection	14,956	108,334	260,035	440,237	628,372
2017 Estimate	15,205	111,017	264,332	447,169	638,681
2000 Census	16,124	114,220	301,428	519,279	749,447
2010 Census	14,606	104,868	240,617	405,577	580,759
DAYTIME POPULATION					
2017 Estimate	10,148	86,615	310,688	497,568	666,393
HOUSEHOLDS					
2022 Projections	5,820	40,891	107,803	178,357	254,591
2017A Estimate	5,853	41,115	107,035	177,362	253,716
2000 Census	6,350	41,850	116,756	197,603	288,880
2010 Census	5,639	39,310	97,778	161,551	232,448
2017 ESTIMATED POPULAT	ION BY RAC	E			
% White Population	41.28%	36.05%	44.38%	43.55%	44.46%
% Black Population	43.81%	52.30%	45.29%	47.20%	47.12%
% Asian	3.86%	3.62%	3.69%	3.26%	3.00%
% American Indian, Eski- mo, Aleut Population	0.30%	0.41%	0.48%	0.44%	0.42%
% Hawaiian or Pacific Islander Population	0.11%	0.06%	0.06%	0.05%	0.05%
% Multi-Race Population	3.18%	2.61%	2.56%	2.42%	2.21%
% Other Population	7.46%	4.96%	3.54%	3.08%	2.74%
2017 ESTIMATED HOUSEHO		E			
2017 Est. Average House- hold Income	\$61,209	\$59,264	\$62,858	\$64,459	\$65,819
2017 Est. Median House- hold Income	\$41,633	\$40,634	\$39,785	\$39,491	\$40,364
2017 Est. Per Capita Income	\$23,616	\$22,115	\$25,633	\$25,913	\$26,408

	1-Mile	3-Mile	5-Mile	7-Mile	10-Mile
2017 POPULATION 16+ BY	EMPLOYMEN	T STATUS			
Employed Civilians	94.92%	93.59%	93.42%	93.42%	93.58%
Unemployed	4.09%	4.90%	5.53%	5.76%	5.80%
Not in Labor Force	46.02%	45.79%	47.32%	48.07%	47.68%
2017A POPULATION 25 + B		N LEVEL			
Elementary (0-8)	5.64%	4.41%	4.61%	4.50%	4.26%
Some High School (9-11)	10.29%	10.49%	10.85%	11.16%	10.75%
High School Graduate (12)	31.96%	31.99%	29.89%	28.22%	28.28%
Some College (13-15)	21.75%	24.39%	22.12%	21.34%	21.57%
Associates Degree Only	4.65%	5.17%	4.89%	4.64%	4.82%
Bachelors Degree Only	17.47%	14.68%	16.74%	17.41%	17.54%
Graduate Degree	6.70%	6.72%	9.28%	11.30%	11.46%



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Marcus & Millichap

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Dated:

Zach Taylor Marcus & Millichap 1100 Abernathy Road, NE, Suite 600 Atlanta, GA 30328 Phone: (678) 808-2780 ztaylor@marcusmillichap.com

Re: 4021 Behrman Place, New Orleans, LA 70114 (Walmart Shadow Center)

Dear Zach:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser	
Purchaser's Address	
Purchaser's Phone	
Purchaser's Email Address	
Offer Price	
Earnest Money	\$50,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract. The Earnest Money shall be increased to \$100,000 at the expiration of the Inspection Period and shall become non-refundable barring any other listed contingencies.
Inspection Period	30 Calendar Days from Effective Date, which shall mean the date on which the latter of the parties executes a Contract for Sale and Purchase. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Financing Period (Please Check One)	□ All Cash (No Financing Period)
	\Box Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the expiration of the effective date of the contract to complete loan processing
Closing Date	30 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).
Closing Costs	Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.
Property Condition	Property is being sold "AS IS" with Seller making representations or warranties concerning the property.
Contract within 10 days:	Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.
Broker Commission	□ Purchaser acknowledges that Zach Taylor of Marcus & Millichap will represent them in this transaction. Any commissions due to the Purchaser's broker (if applicable) shall be paid by the Seller directly.
	Purchaser acknowledges that of
	will represent them in this transaction. Any commissions due to the Purchaser's broker (if applicable) shall be paid by the Seller directly.
1031 Exchange	Purchaser \Box is / \Box is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has $_$ in an exchange account from a transaction which closed escrow on Purchaser will provide Seller, upon request, proof of such funds.
Confidentiality	Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute

Purchaser's Initials _____ Seller's Initials _____

(i)any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted Purchaser	Agreed and Accepted Seller
By:	By:
Printed:	Printed:
Dated:	Dated: