

ABSOLUTE NNN
JCPENNEY

17610 E 39TH ST SOUTH
INDEPENDENCE, MO 64055



CBRE

Capital Markets | Net Lease Property Group - Midwest

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ALL PARCEL LINES ON SITE PLAN AND AERIAL ARE APPROXIMATE.

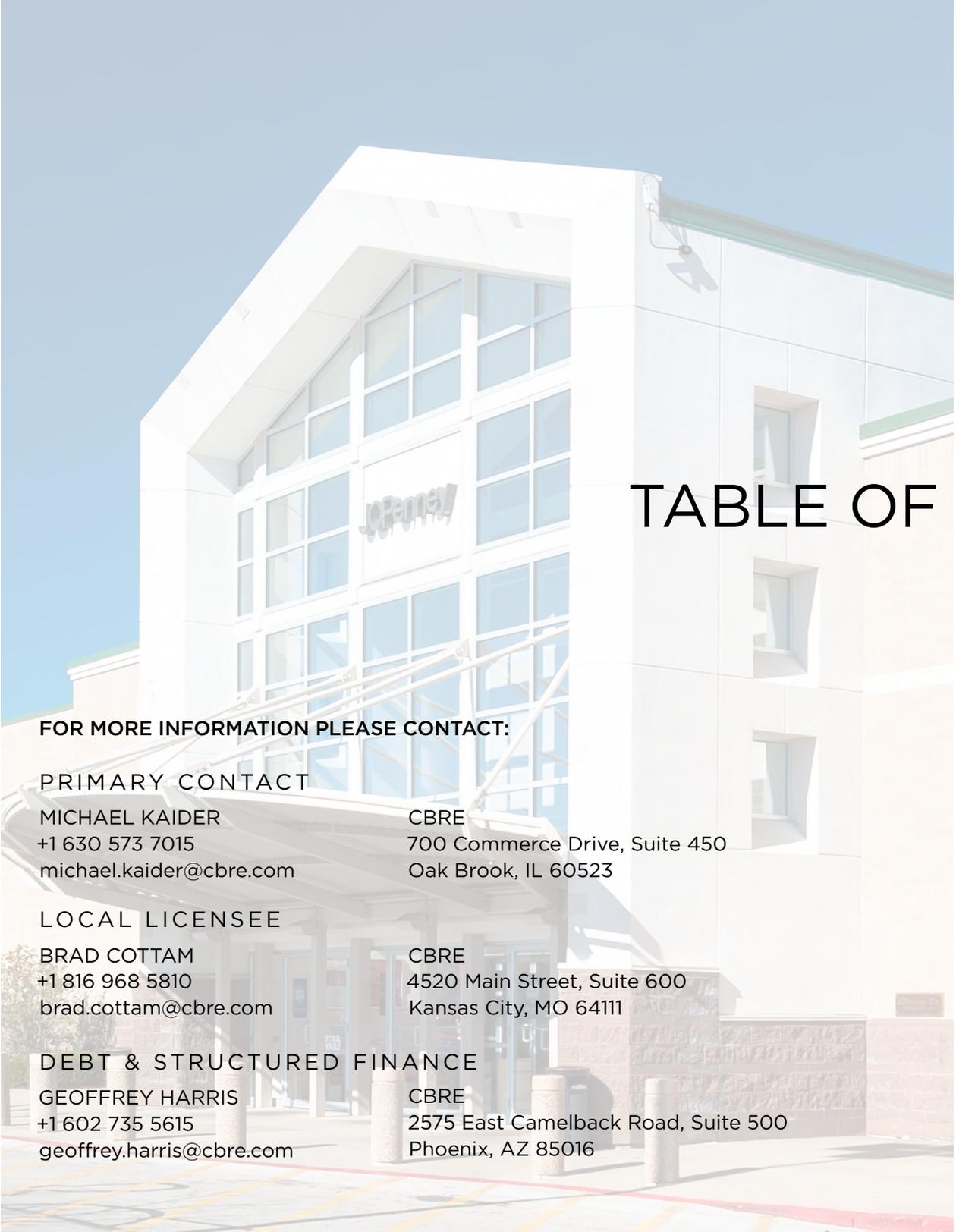


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THE OFFERING

CBRE's Net Lease Property Group is pleased to present for sale the fee interest in this absolute NNN JCPenney store located in Independence, Missouri. The lease, which commenced in April 2006, has a brand new 10 year lease term, a below market rent, very solid co-tenancy Target, and zero landlord responsibilities. The lease includes two, 10-year option to extend and four, 5-year options to extend.

The asset is located in the heart of one of metropolitan Kansas City's most established and successful retail corridors. Primary developments in the corridor collectively encompass approximately 4 million square feet of GLA in attractive, regional mall, power, community, and single tenant formats. The opportunity's exceptional location is highly visible along East 39th Street and located northwest of Interstate 70 and Interstate 470/Route 291, a heavily trafficked full access interchange that enjoys approximately 166,250 vehicles passing per day.

J.C. Penney Company, Inc. is one of the largest apparel and home furnishing retailers in the United States. JCPenney operates approximately 875 stores across the United States and Puerto Rico, with Sephora shops in 642 locations. The company also operates a strong e-commerce site, jcp.com. JCPenney stores offer a wide assortment of national, private, and exclusive brands for men, women and children. The company, headquartered in Plano, TX, is ranked #221 on the Fortune 500 list. Annual sales for fiscal year ending January 28, 2016 for JCPenney (NYSE: JCP) were \$12.5 billion.



FINANCIAL OVERVIEW

Offering Price	\$6,285,700
Cap Rate	8.75%
Rent	\$549,999.96
Rent PSF	\$4.87
Lease Structure	Absolute NNN
Building Size	123,289 SF
Year Built	1999
Parcel Size	6.0 acres +/-
Tenant	J.C. Penney Corporation, Inc.
Guarantee	Corporate Guarantee
New Rent Start Date*	January 1, 2019
Current Lease Expiration*	December 31, 2028
Renewal Options	6 Options Option 1 through 2 - 10 year options Option 3 through 6 - 5 year options
Rental Increases	5% in year 6 of option 1 4% in year 6 of option 2 4% in options 3 through 4
Landlord Responsibilities	None

Lease Year	Annual Rent	Monthly Rent
Current Term: 2/1/2017 - 12/31/2018	\$600,113.04	\$50,009.42
Current Term: 1/1/2019 - 1/31/2021	\$549,999.96	\$45,833.33
Extended Term: 2/1/2021 - 12/31/2023	\$549,999.96	\$45,833.33
Extended Term: 1/1/2024 - 12/31/2028	\$600,113.04	\$50,009.42
Option 1: First 5 Years	\$661,349.00	\$55,112.42
Option 1: Second 5 Years	\$691,967.00	\$57,663.92
Option 2: First 5 Years	\$722,585.00	\$60,215.42
Option 2: Second 5 Years	\$753,203.00	\$62,766.92
Option 3	\$783,821.00	\$65,318.42
Option 4	\$814,439.00	\$67,869.92
Option 5	\$845,057.00	\$70,421.42
Option 6	\$875,675.00	\$72,972.92



*JCPenney has agreed to execute a brand new 10 year lease extension upon sale.

INVESTMENT HIGHLIGHTS



Tremendous Opportunity:

The opportunity to acquire fee interest in an absolute NNN JCPenney store located west of Interstate 470/Route 291 off of the East 39th Street South exit in Independence, Missouri.



Long Term Commitment:

The original lease, which commenced in April 2006, has a brand new 10 year lease term, a below market rent, very solid co-tenancy with Target, and zero landlord responsibilities.



Strong Retail Hub:

Primary developments in the retail corridor collectively encompass nearly 4 million square feet of GLA in attractive, regional mall, power, community, and single tenant formats; all within a one-mile radius of the subject property.



Retail Center of Gravity:

The asset is located in the heart of one of metropolitan Kansas City's most established and successful retail corridors. The size and scope as well as the prominence of the surrounding retail developments give it a destination status. National retailers within the area include Kohl's, Best Buy, AMC Theatres, Marshalls, Jo-Ann Fabrics, Walmart Supercenter, and Sam's Club among many others.



Proximity to Dominant Regional Center:

Independence Center is a regional shopping center that features approximately 861,000 square feet and over 130 stores. It is situated less than one mile southeast of JCPenney, creating a significant draw to the area with notable tenants including Macy's, Sears, Dillard's, Dick's Sporting Goods, Sephora, Bath & Body Works, Victoria's Secret, and Coach.



High Traffic Counts:

The asset is located just northwest of Interstate 70 and Interstate 470/Route 291, a heavily trafficked full access interchange that enjoys approximately 166,250 vehicles passing per day.



Strong Trade Area Demographics:

JCPenney serves a primary trade area that includes 55,842 residents with an average household income of \$74,103 within a three-mile radius. Within a five-mile radius there are 145,216 residents with an average household income of \$71,391.

AREA RETAILERS



JCPenney

J.C. Penney Company, Inc. is one of the largest apparel and home furnishing retailers in the United States. JCPenney operates approximately 875 stores across the United States and Puerto Rico, with Sephora shops in 642 locations. The company also operates a strong e-commerce site, jcp.com. JCPenney stores offer a wide assortment of national, private, and exclusive brands for men, women and children. Women's apparel and accessories comprise 37% of

JCPenney's merchandise mix, followed by men's apparel and accessories (22%), home (13%), children's apparel (10%), family footwear (8%), fine jewelry (6%), services and other (4%). JCPenney operations are supported by a variety of U.S. and internationally based facilities including its headquarters in Plano, Texas, 12 supply chain facilities, a New York City design studio, 9 international buying offices, 9 quality assurance offices around the world and a global in-house center located in Bangalore, India. The company, headquartered in Plano, TX, is ranked #221 on the Fortune 500 list. Annual sales for fiscal year ending January 28, 2016 for JCPenney (NYSE: JCP) were \$12.5 billion.



49
States



875
Locations



Total Revenue
\$12.5 Billion



Stock Symbol
NYSE: JCP



Employees
106,000+



Founded in
1902

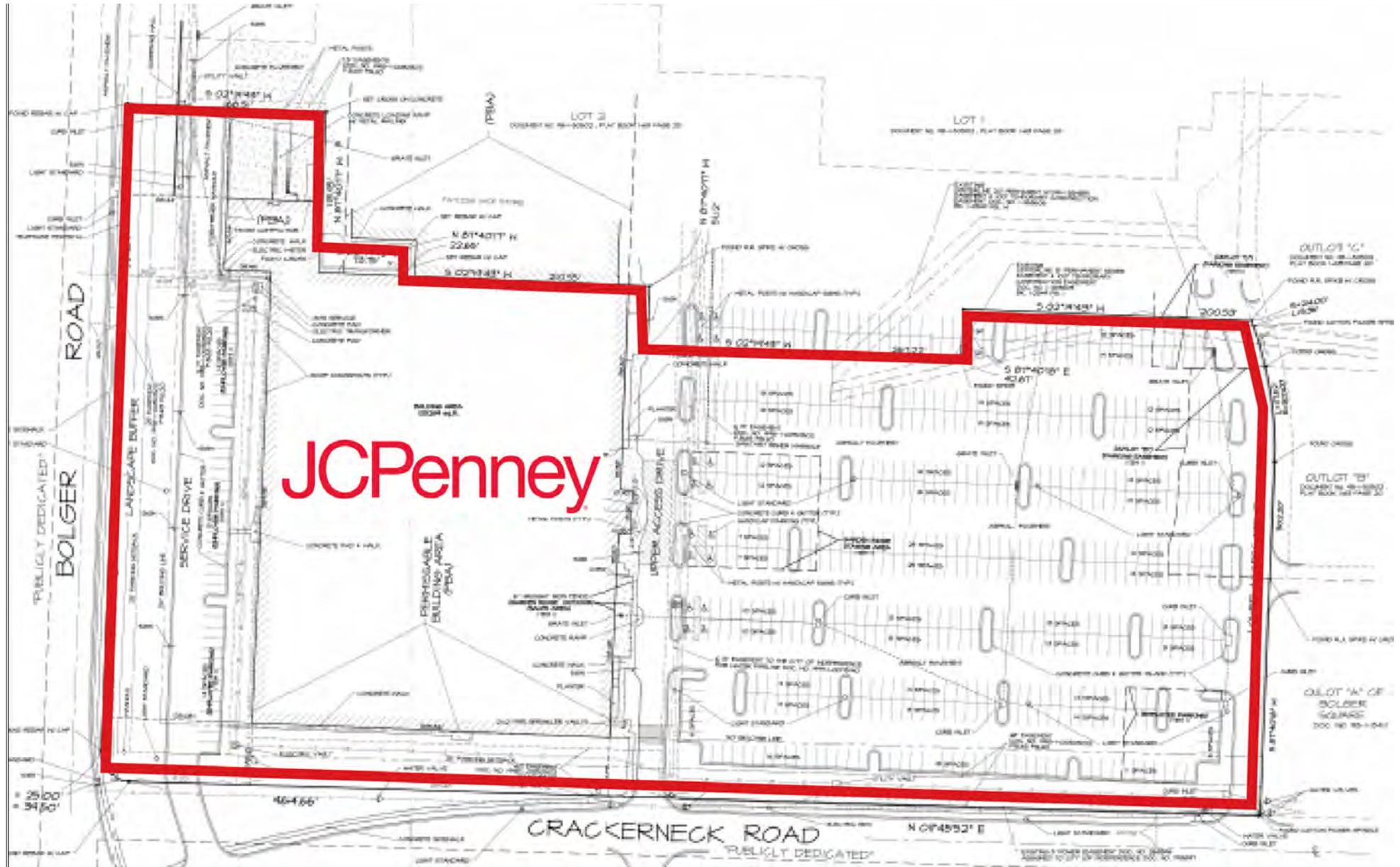


Headquarters
Plano, Texas



Website
www.jcp.com

SITE SURVEY



JCPenney Flood Zone Disclosure: According to flood hazard maps published by the FEMA the site is within Zone X as indicated on Community Map Panel No. 29095C0186F, dated September 29, 2006, an area determined to be outside the 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplain.

CLOSE IN AREA RETAILERS



MARKET OVERVIEW

The bi-state, 15-county Kansas City Metropolitan Statistical Area (MSA) is the most centrally located of any principal U.S. city. Kansas City MSA is situated within 250 miles of both the geographic and population centers of the United States. The 15 counties that comprise the MSA are Franklin, Johnson, Leavenworth, Linn, Miami, Wyandotte, Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Kansas.

Demographics

The Kansas City MSA is home to over 2.13 million residents, making it the 30th most populous MSA in the nation. The population is projected to grow 4.15% over the next five years to 2.22 million. Residents earn an average household income of \$81,769, which is slightly above the national average of \$80,675. Residents of Kansas City MSA are well educated, with 43% of residents aged 25+ having earned an Associate's Degree or higher and 13% having earned a Graduate or Professional Degree.



Transportation

The Kansas City metropolitan area is a major international transportation hub, with excellent access by highway, rail, and air. Kansas City has more freeway miles than any other metropolitan area in the nation, and is one of only five U.S. cities in which three interstates intersect. Interstates 29, 35 and 70 converge in Kansas City. Interstate 35 is the primary north/south artery and runs between Duluth, Minnesota and Laredo, Texas. Interstate 70 is the primary east/west artery and runs between Denver, Colorado and Baltimore, Maryland. Interstate 29 is a secondary north/south artery between Kansas City and the Canadian border. In addition, there are four interstate linkages (I-435, I-470, I-635, I-670) that loop throughout and around the metropolitan area. Kansas City International Airport (MCI) offers approximately non-stop service to 51 cities in U.S., Canada, and Mexico and is served by 10 major commercial airlines and their connection partners.



TOP EMPLOYERS

COMPANY	TOTAL EMPLOYEES
Cerner Corp.	12,890
HCA Midwest Health System	9,924
The University of Kansas Hospital	9,469
Saint Luke’s Health System.....	8,123
Ford Motor Co.....	7,220
Children’s Mercy Hospital & Clinics	6,969
Sprint Corp.....	6,000
DST Systems Inc.	3,631
General Motors Corp.....	3,400
Garmin International Inc.	3,329
Black & Veatch LLP	3,249
Home Depot	3,153
Truman Medical Center	3,126
Research Medical Center.....	2,876
United Parcel Service Inc.	2,852
Honeywell Inc.....	2,800
Hallmark Cards Inc.....	2,700
Burns & McDonnell.....	2,648
Olathe Health System Inc.	2,542
BNSF Railway Co.	2,500

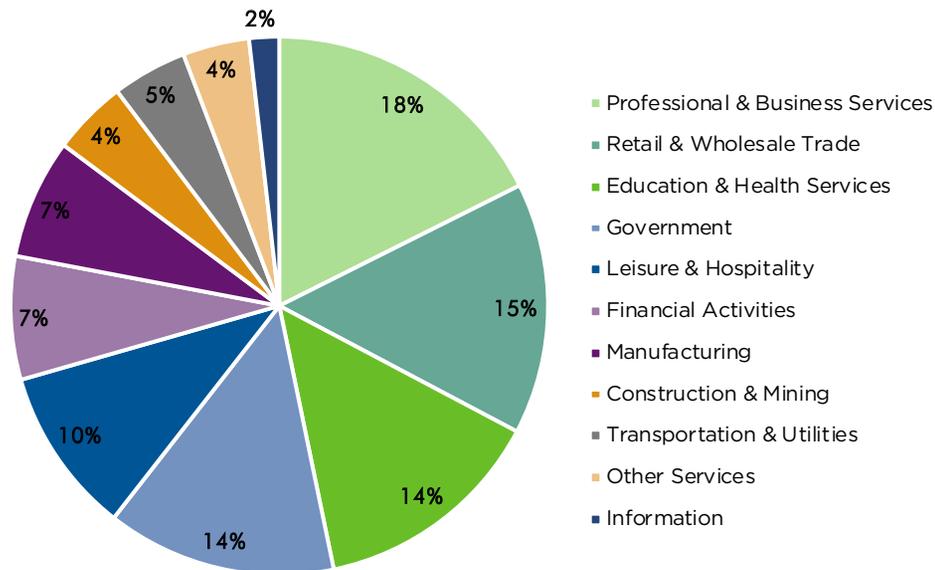
Source: Moody’s Analytics, Precis U.S. Metro, Kansas City MSA, October 2017

Economy

The Kansas City MSA benefits from a diversified economic base. The economy is strengthened by a low cost of doing business along with a highly educated workforce and above average per capita income. The Kansas City MSA has over 72,740 businesses that employ approximately 1.2 million people. The largest employers in Kansas City are Cerner Corp., HCA Midwest Health System, The University of Kansas Hospital, Saint Luke’s Health System, and Ford Motor Co.

MARKET OVERVIEW

OCT 2017 ESTIMATED EMPLOYED POPULATION BY OCCUPATION



Independence Overview

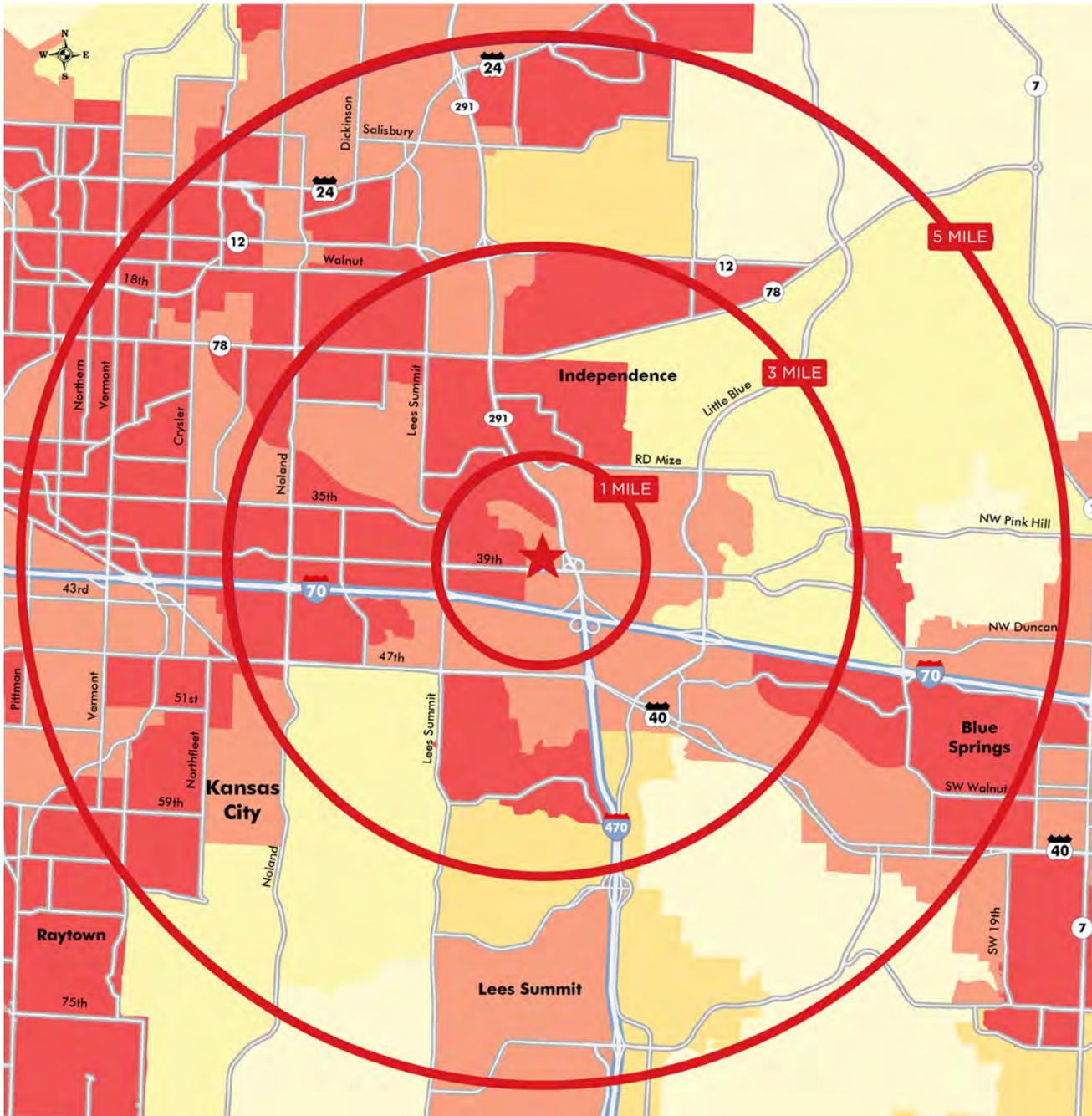
JCPenney is located in the city of Independence, Missouri, approximately 13 miles east of downtown Kansas City. Independence is the fifth largest city in the state of Missouri with a population of 120,865. The city encompasses over 78 square miles and is the county seat of Jackson County. Jackson County accounts for 33% of the metro area's population base of more than 2 million, and is the second most populous county in the state of Missouri, after St. Louis County.

Independence is adjacent to Kansas City's eastern border. Communities in proximity to Independence include Sugar Creek and Liberty to the north, Rayton and Lees Summit to the south, and Blue Springs to the southeast. Independence is easily accessible from all points in the Kansas City MSA. The city is served by Interstate 70 and 470 and Missouri Route 291.

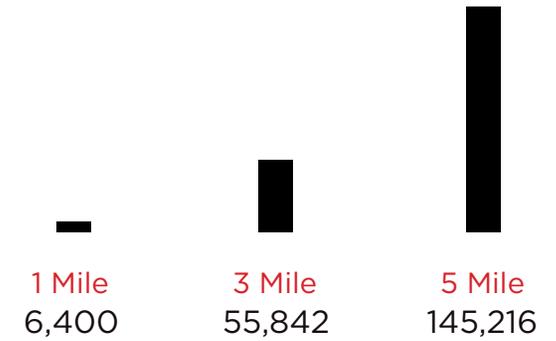


JCPenney is located in the retail corridor that surrounds the area where I-470 comes up from the south and joins with I-70. North of I-70, I-470 changes to Highway 291 that continues north as the primary artery. The retail developments serving the east side of Jackson County, including Independence, are concentrated around the intersection of I-70 and I-470/Route 291 where the subject property is located. The corridor is anchored by the 1.1 million square foot regional mall, Independence Center, which is located less than one mile east from the Property. The mall has been owned by Simon since 1994 and is anchored by Dillard's, Macy's, Sears, and Dick's Sporting Goods. Independence Center is a fortress regional mall and one of the Kansas City MSA's leading retail developments with a history of strong and high occupancy. In addition to Independence Center, there are several community/power centers within a one-mile radius of the property that include national tenants such as Sam's Club, Walmart, Target, Costco, Lowe's, Menards, Kohl's, AMC Theater, and Hobby Lobby.

POPULATION CONCENTRATION MAP



 2017 POPULATION



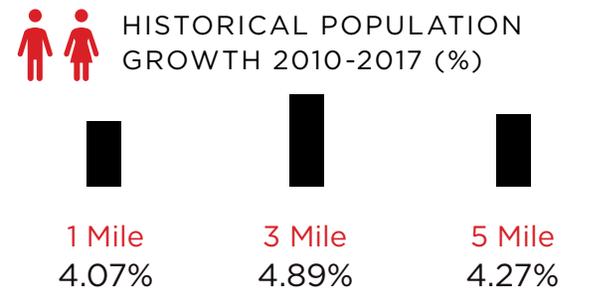
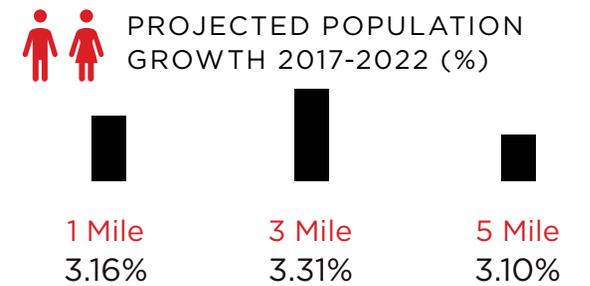
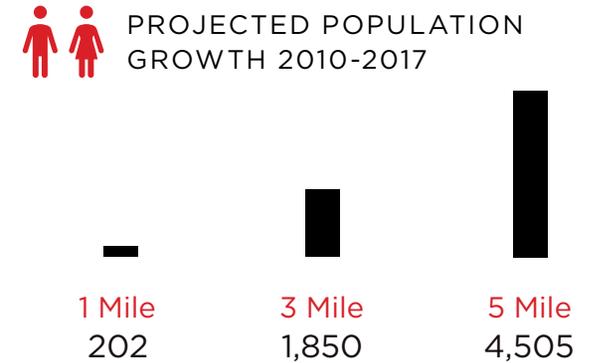
DAYTIME POPULATION



POPULATION PER SQUARE MILE—2017

-  Over 2,500
-  1,000 to 2,500
-  500 to 1,000
-  250 to 500
-  Less than 250

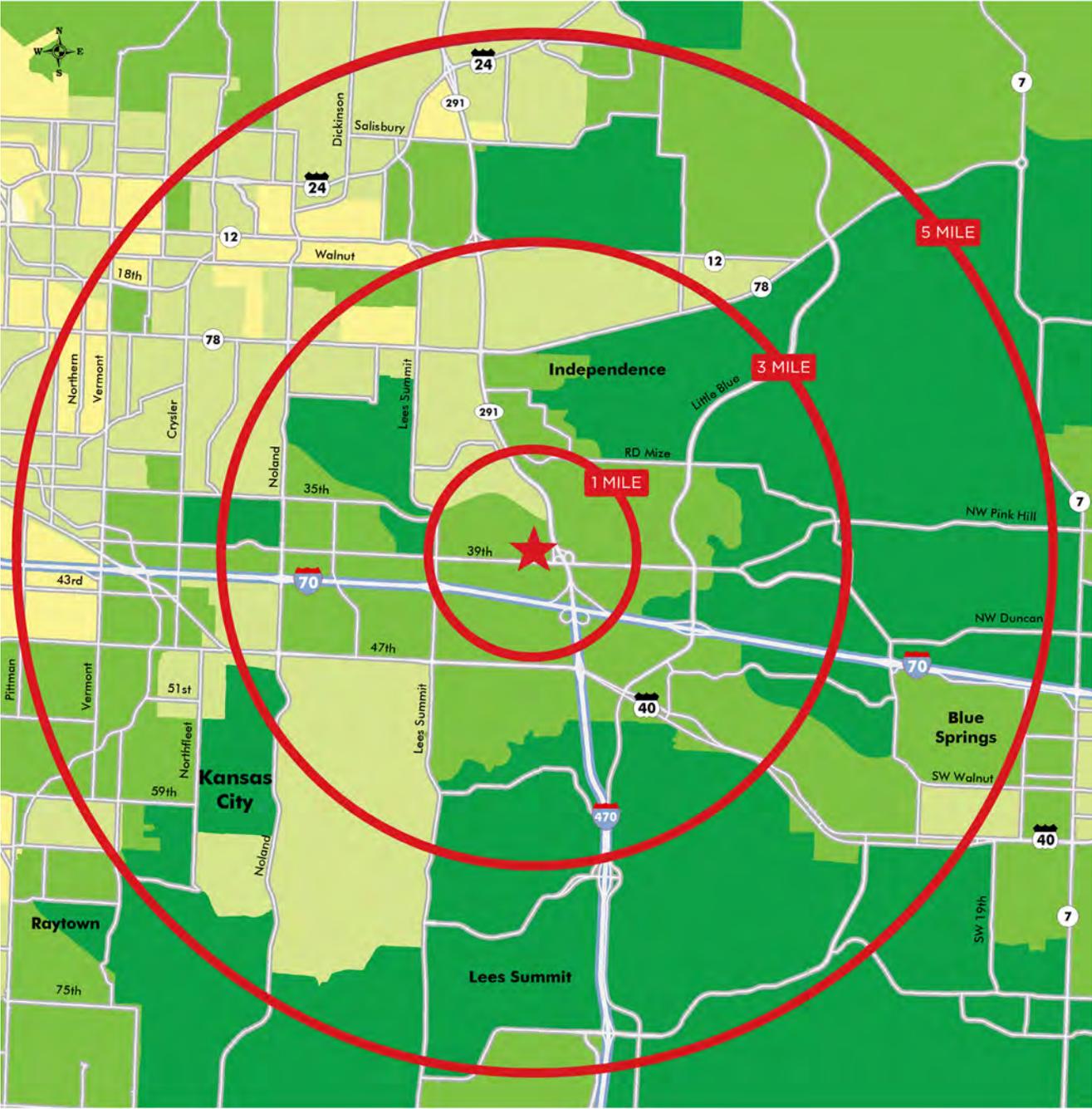
POPULATION GROWTH MAP



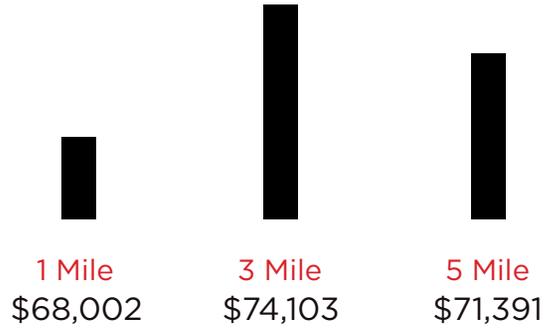
POPULATION GROWTH — 2010-2017

- Over 15%
- 10% to 15%
- 5% to 10%
- Up to 5%
- Loss or No Growth

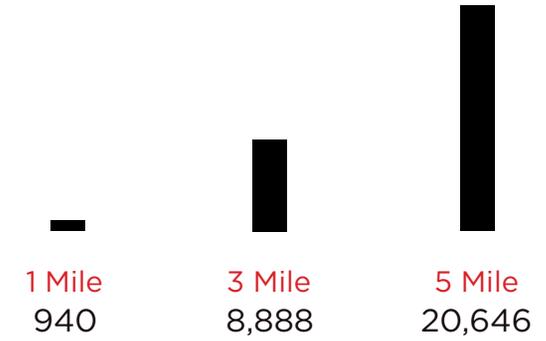
HOUSEHOLD INCOME MAP



AVERAGE HOUSEHOLD INCOME



HOUSEHOLDS EARNING OVER \$75,000 ANNUALLY



AVERAGE HOUSEHOLD INCOME—2017

- Over \$80,000
- \$60,000 to \$80,000
- \$45,000 to \$60,000
- \$30,000 to \$45,000
- Less than \$30,000

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