

URBAN RETAIL CONDO NET-LEASED TO SMOOTHIE KING.



Offering Memorandum | 1450 P Street, NW, Washington DC, 20005

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OFFERING SUMMARY.

SMOOTHIE KING RETAIL CONDOMINIUM

1450 P Street, NW
Washington, DC 20005

LIST PRICE: \$3,940,000 | CAP RATE: 4.25%

The offering is a rare opportunity to acquire generational real estate, net-leased to a strong credit tenant, in the highly coveted Logan Circle/14th Street submarket of Washington, DC. Offered for sale is a 2,500 square foot net-leased ground floor urban retail condominium, adjacent to the region's top performing Whole Foods. Smoothie King recently executed a brand new, corporately guaranteed 12-year net-lease, with two six-year options; inclusive of a 10% rental increase at the start of year six and 2% rental increases annually thereafter.



**LONG-TERM
NET-LEASED
URBAN RETAIL**

**MOST SOUGHT-AFTER
SUB-MARKET
IN DC**

**RARE
CORPORATE
STORE**

**ADJACENT TO TOP
PERFORMING
WHOLE FOODS**

INVESTMENT HIGHLIGHTS.

Rare Long-Term Net-Leased Urban Retail with Increases

- Ground floor retail condominium (1,250 SF first floor & 1,250 SF basement)
- Net-leased, Smoothie King is responsible for real estate taxes, insurance and CAM
- 12-years of primary term; two, six-year options
- 10% rental increase year six; 2% rental increases annually thereafter

Corporately Guaranteed by Credit Tenant

- The lease is corporately guaranteed by Smoothie King Co., Inc
- Smoothie King has more than 1,000 units worldwide
- Smoothie King recently completed a brand-new build out; opened for business December 30, 2018

Extremely High Barriers-to-Entry Market

- Logan Circle/14th Street is one of the most sought-after submarkets in Washington, DC
- Lack of quality retail assets backed by strong credit tenants on-market in Washington, DC
- Located within 5 miles of the recently announced Amazon HQ2

Stability of Urban Retail

- Core urban location - adjacent to top performing Whole Foods
- Extremely low vacancy sub-market

Unparalleled Demographics

- Population of 108,000 within a one-mile radius
- Median household income of \$138,000 within a one-mile radius

Desirable 1031 Exchange Property

- Ideal for buyer in a 1031 exchange seeking a low management intensive asset that offers true passive income
- Attractive sub \$4M price point; low equity requirement

PROPERTY OVERVIEW.

SUBMARKET	Logan Circle / 14 th Street
ADDRESS	1450 P Street, NW, Washington, DC 20005
PROPERTY TYPE	Retail Condominium
YEAR BUILT / RENOVATED	1885 / 2018
RENTABLE SF	2,500
LAND AREA (AC)	0.04
FRONTAGE	18 Feet
PARKING SPACES	1 Gated Space at Rear of Property
ZONING	ARTS-3
OCCUPANCY	100% (Single-Tenant)

LEASE ABSTRACT.

TENANT	Smoothie King
GUARANTOR	Corporate (Smoothie King Co., Inc)
LEASE TYPE	NNN
LEASE COMMENCEMENT	May 11, 2018
RENT COMMENCEMENT	November 11, 2018
LEASE EXPIRATION	November 30, 2030
LEASE TERM	12-Years
TERM REMAINING	12-Years
INCREASES	10% Year Six; 2% Annually Thereafter
OPTIONS	Two, Six-Year



RENT SCHEDULE.

PRIMARY TERM

LEASE YEAR	START DATE	END DATE	RENT PSF	MONTHLY	ANNUAL
Year 1-5	November 11, 2018	November 30, 2023	\$67.00	\$13,958.33	\$167,500.00
Year 6	December 1, 2023	November 30, 2024	\$73.70	\$15,354.17	\$184,250.00
Year 7	December 1, 2024	November 30, 2025	\$75.17	\$15,661.25	\$187,935.00
Year 8	December 1, 2025	November 30, 2026	\$76.68	\$15,974.48	\$191,693.70
Year 9	December 1, 2026	November 30, 2027	\$78.21	\$16,293.96	\$195,527.57
Year 10	December 1, 2027	November 30, 2028	\$79.78	\$16,619.84	\$199,438.13
Year 11	December 1, 2028	November 30, 2029	\$81.37	\$16,952.24	\$203,426.89
Year 12	December 1, 2029	November 30, 2030	\$83.00	\$17,291.29	\$207,495.43

OPTIONS

LEASE YEAR	START DATE	END DATE	RENT PSF	MONTHLY	ANNUAL
Year 13	December 1, 2030	November 30, 2031	\$84.66	\$17,637.11	\$211,645.33
Year 14	December 1, 2031	November 30, 2032	\$86.35	\$17,989.85	\$215,878.24
Year 15	December 1, 2032	November 30, 2033	\$88.08	\$18,349.65	\$220,195.81
Year 16	December 1, 2033	November 30, 2034	\$89.84	\$18,716.64	\$224,599.72
Year 17	December 1, 2034	November 30, 2035	\$91.64	\$19,090.98	\$229,091.72
Year 18	December 1, 2035	November 30, 2036	\$93.47	\$19,472.80	\$233,673.55
Year 19	December 1, 2036	November 30, 2037	\$95.34	\$19,862.25	\$238,347.02
Year 20	December 1, 2037	November 30, 2038	\$97.25	\$20,259.50	\$243,113.96
Year 21	December 1, 2038	November 30, 2039	\$99.19	\$20,664.69	\$247,976.24
Year 22	December 1, 2039	November 30, 2040	\$101.17	\$21,077.98	\$252,935.77
Year 23	December 1, 2040	November 30, 2041	\$103.20	\$21,499.54	\$257,994.48
Year 24	December 1, 2041	November 30, 2042	\$105.26	\$21,929.53	\$263,154.37

TENANT SUMMARY.

Smoothie King is a privately held Dallas, Texas based smoothie company with 1,000+ units worldwide; with a select number of corporate units. The company offers a variety of health-centric smoothie options categorized as fitness blends, slim blends, wellness blends, take a break blends and kid blends with numerous enhancers, supplements and snack options. With a current emphasis on “cleaner blending,” Smoothie King has made a conscientious effort to blend cleaner; that is, more whole fruits and vegetables that offer all the flavors their customers want with no added sugar, artificial colors or preservatives. The company also offers retail products that include sports beverages, energy bars, vitamins, supplements and more. Their mission is to inspire people to live a healthy and active lifestyle. “No sacrifices. No compromises. No kidding.”



TENANT NAME	Smoothie King Co., Inc
DBA	Smoothie King
BUSINESS TYPE	Beverage Company - Health Oriented Smoothies
ENTITY TYPE	Private
NUMBER OF LOCATIONS	1,000+
FOUNDED	1973
HEADQUARTERED	Dallas, Texas
WEBSITE	www.SmoothieKing.com

HIGHLIGHTS

#1 in *Nation's Restaurant News'* 2016 consumer pick in the limited service restaurants beverage category

#35 on *Entrepreneur Magazine's* 2017 fastest growing franchises list

#27 on *Franchise Gator's* 2017 fastest growing franchises list

Same store sales increase: 2011 = 5.16%, 2012 = 10.88%, 2013 = 5.64%, 2014 = 9.20%, 2015 = 9.56%

MARKET OVERVIEW.

SubMarket | Logan Circle/14th Street

Prominently located at 1450 P Street NW, the Smoothie King retail condominium is well positioned in one of DC's most desirable submarkets, Logan Circle/14th Street. Situated between 14th and 15th Street NW, the property is located directly next to a top performing Whole Foods on a dual access east-west road, P Street NW. Vast development along the 14th Street corridor has spurred a flood of national retail tenants to the market, including Starbucks, Chipotle, sweetgreen, Shake Shack, Lululemon, TD Bank, PNC Bank, Chase Bank, CVS and Walgreens; making the corridor one of DC's most coveted dining and retail destinations. Located on one of DC's busiest blocks, the property benefits from exceptional daily exposure with a current population of 108,000 (and projected 12% growth within the next five-years) within a one-mile radius and a walk score of 97.



97
WALK SCORE



95
BIKE SCORE



90
TRANSIT SCORE



Market | Washington, DC

Widely considered one of nations most stable markets, Washington, DC boasts a strong economy, growing population and exceptional growth in average household income, all contributing factors to retail demand and growth. Since the 2000 census, the population of Washington, DC has increased by roughly 170,000 people. Daytime population within the District exceeds 1,000,000 and the city welcomes over 20,000,000 annual visitors for tourism and business. The District of Columbia Office of Planning forecasts the District's population to grow over the next 20 years to over 894,000 people by 2035 for a net increase of 222,000 or just over 11,000 per year. The Office of Planning also projects the District will add 180,000 jobs for a total of 978,000 jobs by 2035, for an average annual increase of around 8,995 jobs per year. In addition to population growth, in an increasingly dense fashion, household income has increased 32% in the past ten years in Washington, DC.



DEMOGRAPHICS & MARKET STATS.



**108,000
RESIDENTS**

**Within One Mile.*



**121,000
DAYTIME
EMPLOYEES**

**Within One Mile.*



**12%
POPULATION
GROWTH
THROUGH
2022**

**Within 1/4 Mile.*



**\$138,000
AVERAGE
HOUSEHOLD
INCOME**

**Within One Mile.*



**14.3M SF
RESIDENTIAL
DEVELOPMENT
UNDER CONSTRUCTION**

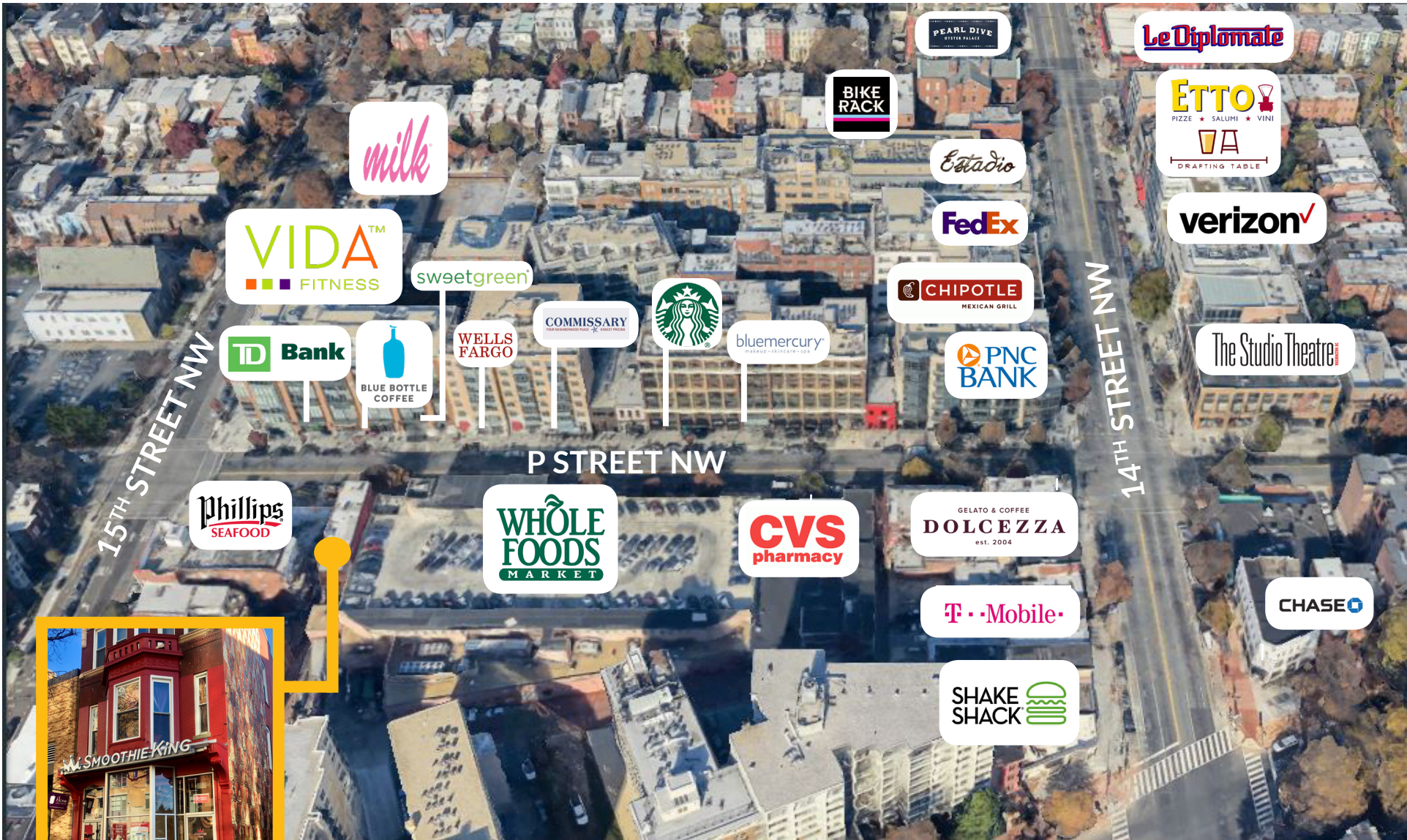
**Within Washington, DC.*



**5M+ SF
RETAIL**

**Within One Mile.*

AERIAL RETAIL MAP.



PROPERTY PHOTOS.



Offered Exclusively By:

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