

Marcus & Millichap

NNN

PRO GROUP

Office DEPOT

OFFICE DEPOT

RECENTLY
REMODELED TO
THE STORE OF THE
FUTURE CONCEPT!

OFFERING MEMORANDUM



1600 MS15 – Laurel, Mississippi 39440

Office
DEPOT®

Confidentiality and Disclaimer

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1600 MS15 – Laurel, Mississippi 39440

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

A photograph of an Office Depot retail store building. The building is a single-story, light-colored structure with a large glass entrance in the center. The words "Office DEPOT" are displayed in large, dark, stylized letters above the entrance. The building is surrounded by a parking lot with some trees and light poles visible in the background.

Office DEPOT

INVESTMENT SUMMARY



Marcus & Millichap is pleased to exclusively market for sale the subject single-tenant net-leased Office Depot located at 1600 Highway 15 North in Laurel, Mississippi. Built in 2002, the subject property consists of roughly 20,515 square feet of building space. The lease was recently extended with a new expiration date of November 2027. The lease has a Corporate Guarantee by Office Depot, Incorporated, a leading global provider of products and services for every workplace with annual sales of over 14 Billion and 66,000 associates operating in over 59 countries. Additionally, the building underwent a \$750,000 remodel in Summer 2017. The current rent is \$200,021 and is subject to rental increases in each of the option periods.

The subject property is strategically positioned in a dense retail corridor benefiting from its proximity to major national and local tenants. Major national tenants located in the surrounding area include: Walmart, Lowe's, Kroger, Burger King, GameStop, McDonald's, Verizon, Regions Bank, Autozone, Walgreens, and O'Reilly Auto Parts as well as many other local retailers. Arizona State University is located less than four miles from the subject property. There are two schools, Laurel Christian School and Laurel High School, located within two miles of the subject property with a combined total enrollment of 2,353.

Office Depot is an American office supply retailing company headquartered in Boca Raton, Florida with annual sales of \$14 Billion. Founded in 1986, the company went on to merge with Office Max in 2013. Office Depot is publicly traded on the Nasdaq exchange under the ticker NASDAQ: ODP.

**Office
DEPOT**



Investment Highlights

PRICE: \$2,500,263 | CAP: 8.00% | RENT: \$200,021

**Office
DEPOT®**

About the Investment

- ✓ Tenant showing commitment to the site by recently extending the lease until November 2027 and completing a \$750,000 remodel in Summer 2017 to be a “Store of the Future” model with extended copy and print services, a business Pro section along with a service station for photo repair and IT support
- ✓ Corporate Location; Corporate Guarantee
- ✓ Attractive Rental Increase – 5% Every Five Years
- ✓ Three, Five-Year Tenant Renewal Options

About the Location

- ✓ Surrounded By National Retailers | Surrounding Retailers Include: Walmart, Lowe’s, GameStop, Regions Bank, Autozone, and Kroger
- ✓ Laurel Christian School and Laurel Highschool | Less Than Two Miles From Subject Property
- ✓ Strategically Situated on Highway 15 N | The Main North Bound Highway in the Area
- ✓ Located Two Miles from South Central Regional Medical Center | 268-Bed Medical Facility Specializing in Short Term Acute Care
- ✓ Strong Demographics | Over 20,000 People Residing Within Three Miles
- ✓ Located Two Miles from Lauren Rogers Museum of Art | Mississippi’s First Art Museum | Receives in Excess of 32,000 Visitors Per Year

About the Tenant / Brand

- ✓ Office Depot is a leader in global provider of products and services for every workplace with annual sales over \$14 billion
- ✓ Headquartered in Boca Raton, FL, Office Depot employs over 66,000 employees throughout 1,900 stores



Actual Site Photo



Financial Analysis

PRICE: \$2,500,263 | CAP: 8.00% | RENT: \$200,021



PROPERTY DESCRIPTION

Property	Office Depot
Property Address	1600 MS 15
City, State, ZIP	Laurel, MS 39440
Year Built	Remodeled 2017
Building Size	20,515
Lot Size	+/- 0.9 Acres
Type of Ownership	Fee Simple

THE OFFERING

Annual Rent	\$200,021
CAP Rate	8.00%
Purchase Price	\$2,500,263
Price / SF	\$121.87
Rent / SF	\$9.75

LEASE SUMMARY

Property Type	Net-Leased Office Supply Store
Tenant / Guarantor	Corporate
Original Lease Term	25.7 Years
Lease Commencement	March 1, 2002
Lease Expiration	October 31, 2027
Lease Term Remaining	9 Years
Lease Type	Double-Net (NN)
Roof & Structure	Landlord Responsible
Rental Increases	\$.50/SF Increase in Each Option Period
Options to Renew	Four (4), Five (5)-Year Option Periods

Annualized Operating Data

Annual Rent	\$200,021
Monthly Rent	\$16,668.42
Rent / SF	\$9.75

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 17	\$200,021	\$16,668	-
Year 18	\$200,021	\$16,668	0%
Year 19	\$200,021	\$16,668	0%
Year 20	\$200,021	\$16,668	0%
Year 21	\$200,021	\$16,668	0%
Year 22	\$200,021	\$16,668	0%
Year 23	\$200,021	\$16,668	0%
Year 24	\$200,021	\$16,668	0%
Year 25	\$200,021	\$16,668	0%
Option Periods			
Year 26-30	\$210,279	\$17,523	5%
Year 31-35	\$220,536	\$18,378	5%
Year 35-40	\$230,794	\$19,233	5%
Year 41-45	\$241,051	\$20,088	4%



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Surrounding Retail and Points of Interest

Traffic Counts and Demographics

Benton, AR

Hattiesburg is the major city that sits in close proximity to Laurel. It is home to The University of Southern Mississippi which has a total enrollment of 11,840. Founded in 1882 by civil engineer William H. Hardy, Hattiesburg was named in honor of Hardy's wife, Hattie. The town was incorporated two years later with a population of 400. Hattiesburg's population first expanded as a center of the lumber and railroad industries, from which was derived the nickname "The Hub City". It now attracts newcomers to the area because of the diversity of the economy, strong neighborhoods and the central location in South Mississippi. Hattiesburg hosts several national business branches that hold thousands of jobs across the Pine Belt. Some of the branches located in Hattiesburg include Coca-Cola bottling Co., Pepsi Cola Bottling Co., Budweiser Distribution Co., Sunbeam, and Kimberly Clark.



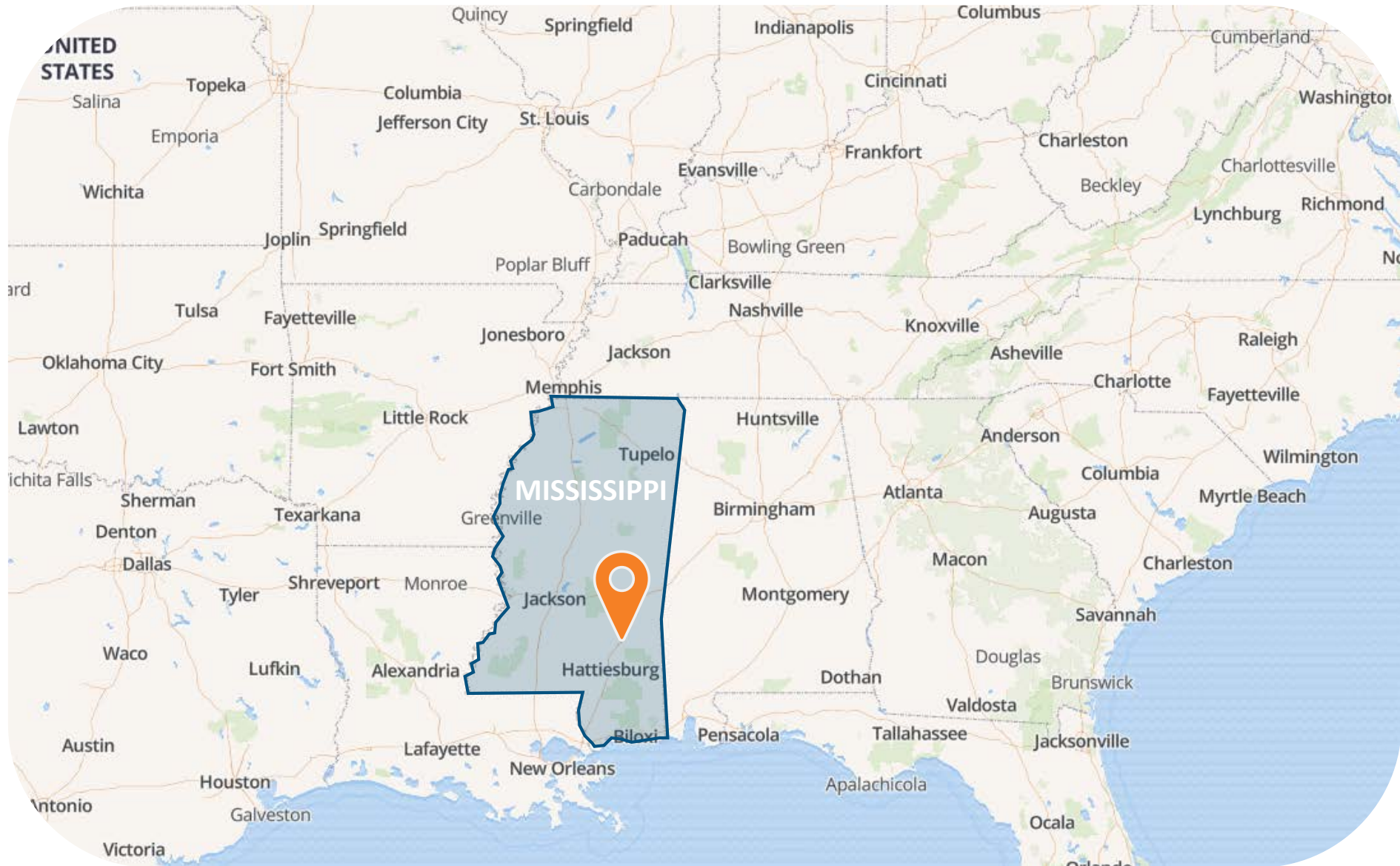
ADTC: 39,000



Regional Map

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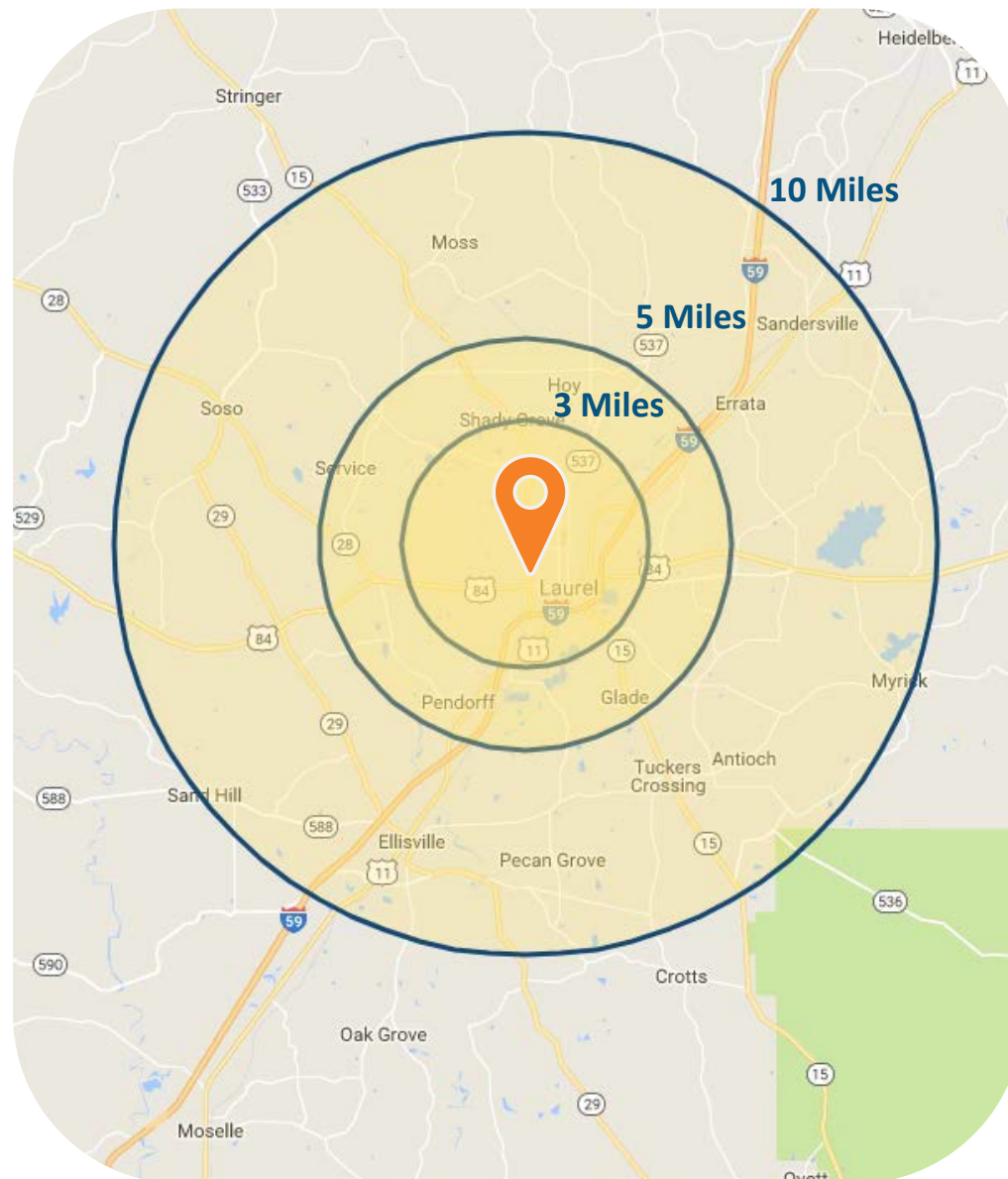




Demographics

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Office DEPOT®



3 Mile 5 Miles 10 Miles

Population Trends:

2022 Projection	21,245	30,745	53,378
2017 Estimate	21,258	30,737	53,450
2010 Census	20,918	30,105	52,863
Growth 2017 - 2022	-0.06%	0.03%	-0.13%
Growth 2010 - 2017	1.63%	2.10%	1.11%
2017 Population Hispanic Origin	1700	2126	2583

Population by Race (2017):

White	9,216	15,874	33,621
Black	11471	14166	18815
American Indian & Alaskan	64	107	213
Asian	253	268	326
Hawaiian & Pacific Island	21	22	27
Other	232	301	448

Household Trends:

2022 Projection	7,838	11,446	19,820
2017 Estimate	7,844	11,443	19,848
2010 Census	7,718	11,203	19,648
Growth 2017 - 2022	-0.08%	0.03%	-0.14%
Growth 2010 - 2017	1.63%	2.14%	1.02%
Owner Occupied	4437	7042	13784
Renter Occupied	3406	4400	6064

Average Household Income (2017):

\$50,669	\$49,718	\$50,873
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Households by Household Income (2017):

<\$25,000	3343	4837	7983
\$25,000 - \$50,000	2053	3025	5310
\$50,000 - \$75,000	922	1328	2519
\$75,000 - \$100,000	741	1057	1926
\$100,000 - \$125,000	173	341	696
\$125,000 - \$150,000	227	346	576
\$150,000 - \$200,000	75	154	228

Median Household Income (2017):

\$29,695	\$30,419	\$32,188
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EXCLUSIVE NET LEASE OFFERING

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