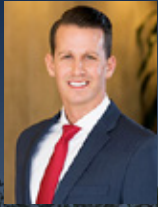




**FERGUSON**<sup>®</sup>

30065 State Highway 59  
Loxley, AL 36551  
OFFERING MEMORANDUM

# EXCLUSIVE LISTING AGENT:



**KARTER STONE**  
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# CONTENTS

EXECUTIVE OVERVIEW ..... 4

FINANCIAL OVERVIEW ..... 6

TENANT OVERVIEW ..... 8

AREA OVERVIEW ..... 11



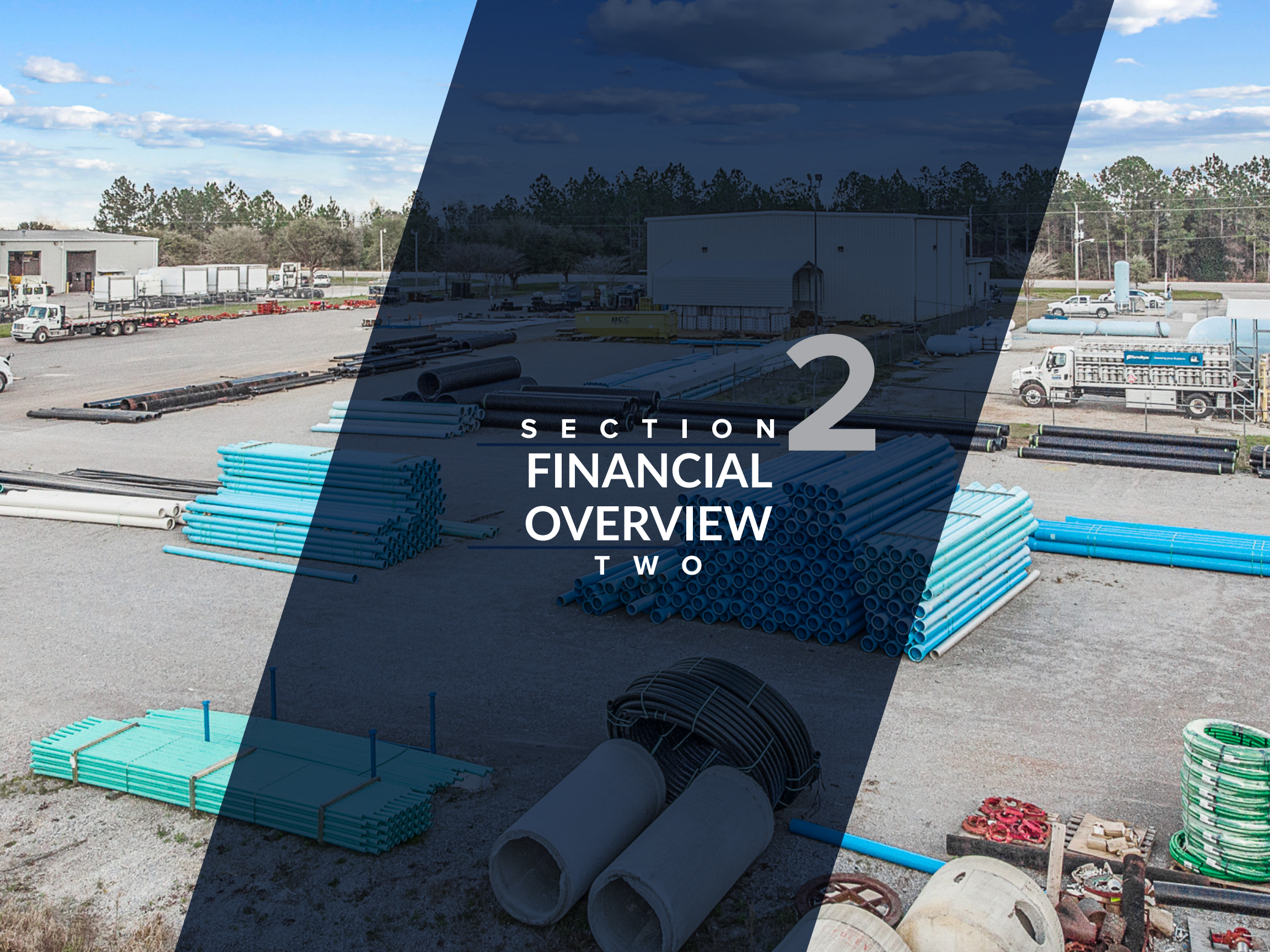
SECTION  
EXECUTIVE  
OVERVIEW  
ONE

1

The image is an aerial photograph of an industrial facility, likely a lumber or construction materials yard. A large, semi-transparent dark blue triangular overlay covers the center of the image. Within this overlay, the text 'SECTION EXECUTIVE OVERVIEW ONE' is written in white, all-caps, sans-serif font. To the right of the text is a large, light gray number '1'. The background shows various industrial buildings, parking lots filled with vehicles and trucks, and large stacks of materials (possibly lumber or pipes) in the foreground. The facility is bordered by a road and surrounded by trees and fields.

# INVESTMENT HIGHLIGHTS

- » **Ferguson is the Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire, and fabrication products** – With annual revenue of \$20.75B
- » **Investment Grade Credit** – Ferguson has a long-term investment grade credit rating of BBB+ from S&P Global outperforming similar industrial tenants – **HD Supply, Sunbelt Rentals, Watsco, and MRC Global**
- » **Brand New Lease** – Ferguson executed a new lease with options extending through the end of 2033 - **Further solidifying their commitment to this location**
- » **Passive Lease** – Minimal landlord responsibilities – **Modified NNN**
- » **Purpose Built for Ferguson** – The site was built to suit for Ferguson and has exceeded performance expectations for the last 12 years
- » **Strategic Logistic Location** – Less than a minute drive from the I-10, ideal for distribution throughout the southeast
- » **Room For Expansion** – Site is located on 3.5 Acres offering an investor upside in building/yard expansion to increase operations and revenue
- » **Industrial Components** – Drive Ins 1 tot./8'w x 15'h, 25' Clear height, ±90,000 SF paved yard



# SECTION 2 FINANCIAL OVERVIEW TWO

# TENANT SUMMARY

Tenant	Ferguson
Guarantor	Ferguson Enterprises, Inc
Guarantor Info	1,500+ Locations; +/- \$20.75B Revenue
Lease Expiration	12/31/2024
Term Remaining	(+/-) 6 Years
Renewal Options	3, 3-year option
Lease Type	NN
Landlord Responsibilities	Roof/Structure/HVC Replacement
Tenant Responsibilities	Utilities, Taxes, Insurance; Maintain the interior, non-structural portions, all other portions that are not responsibility of Landlord

<b>Price</b>	<b>\$1,617,617</b>
<b>Cap Rate</b>	<b>6.70%</b>

# RENT ROLL

Lease Year	Monthly	Base Rent (Per RSF)	Annual	Total NOI	Cap Rate
Current - 12/31/2019	\$9,010.00	\$15.48	\$108,120.00	\$108,102	6.70%
1/1/2020 - 12/31/2024	\$9,166.50	\$15.75	\$109,998.00	\$109,998	6.80%
First Extension : 1/1/2025-12/31/2027	\$9,625.00	\$16.54	\$115,498.00	\$115,498	7.14%
Second Extension : 1/1/2027-12/31/2030	\$9,913.75	\$17.03	\$118,965.00	\$118,965	7.35%
Third Extension : 1/1/2030-12/31/2033	\$10,211.00	\$17.54	\$122,534.00	\$122,534	7.57%



SECTION **3**  
TENANT  
OVERVIEW  
THREE



**Sales**  
± \$20.75 B



**Locations**  
± 1,500



**Employees**  
± 24,000

## TENANT OVERVIEW

Ferguson raises the bar for industry standards as the top-rated wholesale supplier of commercial and residential plumbing supplies. However, their expertise goes beyond plumbing. They are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. In the past 65 years, they've grown from a local distributor to a \$20.75 billion-dollar company with more than 1,500 locations and over 35,000 associates across three regions. Every step of the way, they serve communities and industries by connecting people with expertise and products to power success. Providing world-class customer service is a cultural belief that is demonstrated every day through their expansive product selection backed by knowledgeable associates.

### MARKET POSITION:

- Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire and fabrication products
- Third largest distributor of industrial and HVAC/R products

### COMPANY SIZE:

- \$20.75 billion in sales
- 35,000 associates
- 1,500 locations
- 10 strategically-located distribution centers throughout the US
- Serves customers in all 50 states, the Caribbean, Puerto Rico, and Mexico

### DISTRIBUTORS OF:

- Commercial and residential plumbing supplies
- Pipe, valves, and fittings (PVF)
- Heating and cooling equipment (HVAC)
- Waterworks
- Industrial and mechanical products
- Fireplaces and fire protection products
- Kitchen, bath, lighting, and appliances
- Tools and safety equipment
- Maintenance, repair and operations (MRO) products

# SURROUNDING TENANTS





SECTION

4

AREA

OVERVIEW

FIVE

# LOXLEY, AL

Loxley is the home of the county’s Strawberry Festival and gateway to the area’s other prime destinations. Every year, thousands of beach-goers travel through Loxley on their way to the lovely white sand beaches of Gulf Shores. Loxley also rests a few minutes east of the peaceful Eastern Shore of Mobile Bay and a short drive south of the county seat in Bay Minette. Our position next to I-10 provides easy access to Mobile and Pensacola, each less than an hour away. The Central Baldwin area has experienced a period of rapid growth over the course of the past two decades, and the number of visitors has increased as well.

Residents enjoy a relatively low cost of living and the slower pace small agricultural community has to offer. From the quiet, sleepy residential part of this small community to the fast-paced business and light industrial areas, we know that there will be something that will show all who visit that we are the “biggest little town in Baldwin County”

## POPULATION

	3-Mile	5-Mile	7-Mile
2010 Census	1,860	9,908	25,182
2019 Estimate	2,084	12,083	31,441
2024 Projection	2,191	12,952	33,759
Growth 2019-2024	5.13%	7.19%	7.37%

## HOUSEHOLDS

	3-Mile	5-Mile	7-Mile
2010 Census	710	3,628	9,369
2019 Estimate	801	4,456	11,689
2024 Projection	845	4,783	12,548
Growth 2019-2024	5.49%	7.34%	7.35%

## INCOME

	3-Mile	5-Mile	7-Mile
Average HH Income	\$79,676	\$88,930	\$94,714



# MOBILE, AL

Located on the southeastern coast of Alabama at the head of the Mobile Bay, the city of Mobile is the oldest city in the state and the birthplace of the celebration of Mardi Gras in the United States. It is the third most populous city in Alabama and the county seat of Mobile County.

As the largest municipality on the Gulf Coast between New Orleans, Louisiana, and St. Petersburg, Mobile houses the twelfth busiest port in the country. The Port of Mobile has always played a key role in the economic health of the city and has enabled Mobile to become the social, economic and creative hub of the entire Gulf Coast.

Downtown and midtown Mobile are made up of Eight National Register Historic Districts. The restoration of hundreds of historic downtown buildings and homes were initiated in addition to the construction of numerous new facilities and projects.

Many large businesses are headquartered in downtown Mobile alongside quaint, locally-owned art galleries, shops, restaurants and bars. In recent years, city and county leaders have made efforts to attract new business ventures to the area. The economy continues to enjoy the healthy growth of its traditional businesses, such as shipping, port facilities, shipbuilding and repair, and the seafood industry.

# MOBILE AEROPLEX AT BROOKLEY

Mobile is currently experiencing growth due to a low cost of doing business, diverse commerce base, transpiration options, and quality lifestyle. Businesses and corporations are expanding to Mobile and the surrounding area bringing an increased workforce and new economic opportunities. Brookley field is thriving in economic activity with a large amount of commercial real estate development expected within the next few years. More specifically, the recent expansion of Mobile Aeroplex at Brookley is now the largest industrial and transportation complex in the region with over 75 companies and about 3,600 employees housed at the complex. Companies include FedEx, Airbus U.S. Manufacturing Facility, Signature Air Support, among others with continued growth.

Late last year, Airbus announced its largest single deal to build aircraft for Indigo Partners, whose airline portfolio includes Frontier, JetSMART, Volaris, and Wizz Air. The contract includes 430 aircraft and is valued at \$49.5 billion. Airbus was also selected by Delta Air Lines to manufacture as many as 200 jetliners, with delivery of the first 100 beginning in 2020.

Airbus and Bombardier also announced an agreement to form a partnership to build Bombardier's C Series passenger jets. This deal could result in the addition of a second aircraft assembly line at Mobile Aeroplex, creating a proposed 400 to 500 more direct jobs in the area, and would represent an investment of hundreds of millions of dollars. Reports also estimate that establishing "the necessary C Series facilities" would create 1,900 direct jobs, 1,000 indirect jobs, and 3,000 induced jobs during construction.

## MOBILE'S BUSINESS ADVANTAGE

- Access to a market of 1.2 million people within 60 miles
- Extensive transportation options and high-quality infrastructure
- Strong foreign investment presence: There are more than 40 companies representing more than 20 countries
- Low cost and living and doing business
- AIDT: Mobile is a national leader in training and workforce development programs

## TOP EMPLOYERS



# CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the **Ferguson** located at **30065 State Hwy 59, Loxley, AL 36551** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

The Offering Memorandum and its contents are confidential;

You will hold it and treat it in the strictest of confidence; and

You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

## KYLE MATTHEWS

Broker of Record

LIC # 000109289-0 (AL)

