

HABIT BURGER & SLEEP NUMBER

PAD TO SUPER TARGET WITH CORPORATE BACKED LEASES





INFILL LOCATION ADJACENT TO INTERSTATE 4
IN PREMIER RETAIL NODE OF ORLANDO MSA

Overview



HABIT BURGER & SLEEP NUMBER

4702 MILLENIA PLAZA WAY SUITE A & B, ORLANDO, FL 32839 🔀



\$4,900,000

PRICE

5.50%

CAP

LEASABLE SE

I AND ARFA

LEASE TYPE

5,900 SF

0.95 AC

Corporate

YEAR BUILT

NOI

2016

\$269,672

New construction build-to-suit pad featuring national tenants

Desirable rental escalations during initial term and option periods

High barrier to entry location with outstanding demographics

Adjacent pads and Target anchor provide synergistic tenant mix

Mall at Millenia: Top 10 mall in the U.S. with a sales volume of \$1,360 PSF

Orlando is the 3rd largest MSA in Florida and the largest tourism destination in the U.S.

Investment Highlights

THE OFFERING provides the rare opportunity to acquire a Habit Burger & Sleep Number retail pad located at the entrance of the heavily trafficked Millenia Plaza power center in Orlando, FL. Habit Burger & Sleep Number both operate on long-term and corporate backed net leases that include 10% rental escalations every five years during the primary term and option periods. Habit Burger is a growing fast casual concept with over 260 stores nationwide, and Sleep Number is a leading mattress manufacturer with over 560 stores across the country. Millenia Plaza is easily accessible from Interstate 4, a main highway in Orlando that boasts traffic counts of 161,000 VPD at the Conroy Road exit.

THE RETAIL MARKET - The subject property is at the heart of a robust retail node which offers a dynamic mix of national and regional retailers. Surrounding retailers include Costco, Marshalls, The Home Depot, Ross, and Dick's Sporting Goods. Millenia Plaza is located just six miles from downtown Orlando, and is minutes away from tourist destinations including Universal Studios Florida, which attracts over 10 million visitors annually. Just up the road from the subject property is the Mall at Millenia, which is a luxury shopping mall anchored by Bloomingdale's and is considered one of the premier indoor malls in the U.S.



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Submarket Overview

RETAILERS IN CLOSE PROXIMITY INCLUDE:

Target Costco The Home Depot

Academy Sports + Outdoor

 ${\sf HomeGoods}$

Marshalls

Dick's Sporting Goods

David's Bridal

Ross Dress for Less

Hobby Lobby

BJ's Bakery

Total Wine & More

Petco

Kirkland's

IKEA

Best Buy

The Container Store

Pier 1

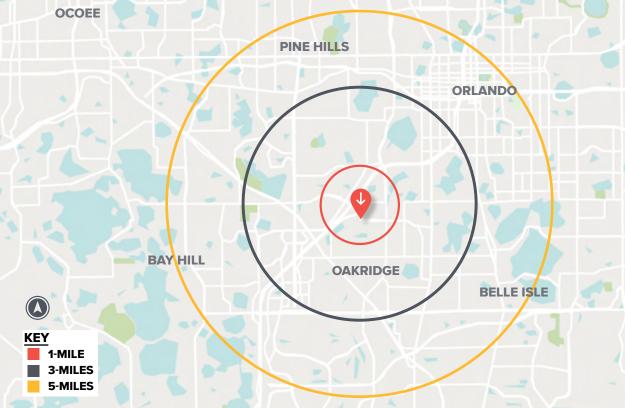
Macy's

Bloomingdale's

Old Navy



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BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	935	4,610	15,791
Employees	15,419	70,478	257,538
Residential Population	11,325	124,749	255,961

About The Mall at Millenia

Opened: 2002

REGIONAL DRAW

The Mall at Millenia is the centerpiece of a 450-acre masterplanned development that includes 2.2 million SF of premier office space, 1,100 hotel rooms and other commercial venues.

With 150 of the finest stores, services and eateries, including 40 market exclusive stores. The Mall at Millenia provides an unparalleled shopping experience with an array of luxury boutiques and in-demand brands. The Mall at Millenia is conveniently located just minutes from the theme parks and Orlando International Airport.

RETAIL

GLA (sq. ft.) 522,000; 150+ stores

SELECT TENANTS

Apple, Ann Taylor, Banana Republic, **Bloomingdale's**, **Brooks Brothers**, Burberry, Chanel, Coach, Express, Finish Line, Forever 21, Gap, Gucci, H&M, Hollister Co., Hugo Boss, J. Crew, Louis Vuitton, Lululemon, M.A.C., **Macy's**, Michael Kors, Microsoft, **Neiman Marcus**, P.F. Chang's, Pottery Barn, Prada, Sephora, The Cheesecake Factory, Tiffany & Co, Under Armour, Urban Outfitters, Victoria's Secret, Williams-Sonoma



Market Insights

U.S. MALLS ARE FAR FROM DEAD

EXCERPTED FROM RCA 2018 US CAPITAL TRENDS REPORT

The mall segment of the retail sector is where the action was in 2018 - deal volume was up 846%. The leading buyers of mall properties in 2018 were in no way ill-informed. Companies like Unibail-Rodamco and Brookfield have a long history of operating in the U.S. and they were buying publicly-traded companies where coverage by Wall Street analysts was extensive.

Looking at the distribution of mall pricing in 2018, there were three distinct pricing stories for the year. We include all sales: Portfolios, entity-level acquisitions and single asset sales.

Single asset sales are skewing towards the low end on pricing: 58% of these deals transacted at \$40 per square foot and lower. These are malls built in the 1960's and 1970's, and are on their last legs with empty anchor pads and deferred maintenance.

In between these extremes are many of the malls sold in the entity-level transactions of 2018. We estimate that half of these malls involved in the entity-level transactions in 2018 would be priced between \$240 to \$380 per square foot.

The story here is that the mall sector is not dead and there is a great disparity in pricing. The closing of stores is equated with the pricing of some of the worst-of-the-worst assets and used to paint a negative story about the sector overall. The market is more diverse with the best-of-the-best assets rarely trading.

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Surrounding Retail









Subject Property









Income & Expense

		CURRENT
Price:		\$4,900,000
Capitalization Rate:		5.50%
Price Per Square Foot:		\$830.51
Total Leased (SF):	100.00%	5,900
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	5,900
INCOME	P/SF	
Scheduled Rent	\$46.95	\$277,000
Expense Reimbursement		\$102,840
EFFECTIVE GROSS INCOME		\$379,840

EXPENSE	P/SF	
CAM	(\$5.94)	(\$35,039.00)
Insurance	(\$1.09)	(\$6,401.88)
Property Taxes	(\$10.90)	(\$64,338.84)
Management Fee (1%)	(\$0.64)	(\$3,798.40)
CapEx Reserves	(\$0.10)	(\$590.00)
TOTAL OPERATING EXPENSES	(\$18.67)	(\$110,168)

NET OPERATING INCOME	\$269,672
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Rent Roll

TENANT II	NFO		LEASE	TERMS	REN	IT SUMMARY	
TENANT	SQ. FT.	% OF GLA	TE	RM	MONTHLY RENT	ANNUAL RENT	RENT/FT
Habit Burger	2,800	47.46%	8/15/2016	12/31/2021	\$11,200	\$134,400	\$48.00
			1/1/2022	12/31/2026	\$12,320	\$147,840	\$52.80
		Option 1	1/1/2027	12/31/2031	\$13,552	\$162,624	\$58.08
		Option 2	1/1/2032	12/31/2036	\$14,908	\$178,892	\$63.89
		Option 3	1/1/2037	12/31/2041	\$16,399	\$196,784	\$70.28
Sleep Number	3,100	52.54%	1/13/2017	1/31/2022	\$11,883	\$142,600	\$46.00
			2/1/2022	1/31/2027	\$13,072	\$156,860	\$50.60
		Option 1	2/1/2027	1/31/2032	\$14,379	\$172,546	\$55.66
		Option 2	2/1/2032	1/31/2037	\$15,815	\$189,782	\$61.22
OCCUPIED	5,900	100.00%	TOTAL	CURRENT	\$23,083.33	\$277,000.00	\$46.95
VACANT	0	0.00%					
CURRENT TOTALS	5,900	100.00%					

Lease Abstract

PREMISE & TERM

TENANT
BUILDING SF
LEASE TYPE
RENT COMMENCEMENT
TERM
OPTIONS

Habit Burger
2,800 SF
Corporate NN
August 15, 2016
10 Years
Three 5-year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
08/15/2016 - 12/21/2021	\$11,200	\$134,400
01/01/2022 - 12/31/2026	\$12,320	\$147,840

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 01/01/2027 - 12/31/203	31 \$13,552	\$162,624
#2. 01/01/2032 - 12/31/20	36 \$14,908	\$178,892
#3. 01/01/2037 - 12/31/204	41 \$16,399	\$196,784

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EXPENSES

TAXES

Tenant shall reimburse landlord for its pro rata share of property taxes.

TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair to the non-structural portions of the Premises, including the HVAC unit.

LANDLORD'S OBLIGATIONS

Landlord is responsible for the maintenance and repair of the common areas, as well as the roof and structure.

COMMON AREAS

Landlord shall operate and maintain the common area, and tenant shall reimburse for its pro rata share of CAM expenses. Tenant's CAM expenses shall not increase by more than 5% over the prior lease year (excluding taxes, insurance, utilities, snow/ice removal, and trash services).

INSURANCE

Tenant shall maintain: (i) Commercial general liability insurance with limits of no less than \$2 million per occurrence, naming landlord as additional insured; (ii) Workers' comp and employers' liability insurance; and (iii) Business interruption insurance covering at least 12 months of rent and other charges.

Landlord shall maintain: (i) "All-Risk" insurance covering 100% of the full replacement value of the premises; (ii) Commercial general liability insurance with limits no less than \$2 million per occurrence.

UTILITIES

Tenant is responsible for direct payment of all separately metered utilities fees.

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

Tenant may not assign or sublease without landlord's consent unless it is to a parent, subsidiary, or affiliate of the tenant. Tenant shall remain fully liable upon such transfer.

Lease Abstract

PREMISE & TERM

TENANT
BUILDING SF
LEASE TYPE
RENT COMMENCEMENT
TERM
OPTIONS

Sleep Number 3,100 SF Corporate NN January 13, 2017 10 Years

Two 5-Year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
01/13/2017 - 01/31/2022	\$11,883	\$142,600
02/01/2022 - 1/31/2027	\$13,072	\$156,860

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 02/01/2027 - 1/31/2032	2 \$14,379	\$172,546
#2. 02/01/2032 - 1/31/203	7 \$15,815	\$189,782

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EXPENSES

TAXES

Tenant shall reimburse landlord for its pro rata share of property taxes

TENANT'S OBLIGATIONS

Tenant is responsible for all maintenance and repair to the non-structural portions of the Premises, including the HVAC unit.

LANDLORD'S OBLIGATIONS

Landlord is responsible for the maintenance and repair of the common areas, as well as the roof and structure.

COMMON AREAS

Landlord shall operate and maintain the common area, and tenant shall reimburse for its pro rata share of CAM expenses including a management fee not to exceed 10% of CAM expenses, insurance, and taxes. Tenant's CAM expenses shall not increase by more than 5% over the prior year.

INSURANCE

Tenant shall maintain: (i) Commercial general liability insurance with limits of no less than \$1 million per occurrence and \$2 million in aggregate; (ii) "Special Causes of Loss" insurance covering full replacement value of building improvements. Landlord shall be named as additional insured on all insurance carried.

Landlord shall maintain: (i) Fire and extended coverage insurance covering 100% of insurable value of the improvements. Tenant shall reimburse for its pro rata share of landlord's insurance

UTILITIES

Tenant is responsible for direct payment of all separately metered utilities fees.

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

Tenant may not assign or sublease without landlord's consent unless it is an affiliate of the tenant or is in connection with the merger, acquisition or reorganization of tenant or affiliate. Tenant 15 (p) shall remain fully liable upon such transfer.



Tenant Mix ormation has been secured from sources we be eliable but we make no representations or warranties sed or implied, as to the accuracy of the information er must verify the information and bears all risk for any

ABOUT HABIT BURGER

The Habit Burger Grill is a burger-centric, fast casual restaurant concept that specializes in preparing fresh, made-to-order chargrilled burgers and sandwiches featuring USDA choice tri-tip steak, grilled chicken and sushi-grade albacore tuna cooked over an open flame. Since opening the first location in 1969, Habit has grown to over 190 restaurants in 10 states throughout California, Arizona, Utah, New Jersey, Florida, Idaho, Virginia, Nevada, Washington and Maryland as well as two international locations. The company had a total revenue of approximately \$402.1 million fiscal year 2018, an increase from \$331.4 million in fiscal year 2017.

\$402.1 M+

TOTAL REVENUE IN FISCAL YEAR 2018

ABOUT SLEEP NUMBER

Sleep Number Corporation, together with its subsidiaries, provides sleep solutions and services in the United States. It designs, manufactures, markets, retails, and services beds, bases, and bedding accessories under the Sleep Number name. Sleep Number products are sold throughout the approximately 579 company-owned stores located across all U.S. states; select bedding retailers and direct marketing operations.

The company has experienced continued growth. In 2018, Sleep Number saw net sales increased by 6% to \$1.53 billion, operating income increasing by 20% to \$92 million, and earnings per diluted share increasing 24% to \$1.92.

\$1.53B

BURGER GRIL

2018 NET SALES

Demographics

POPULATION

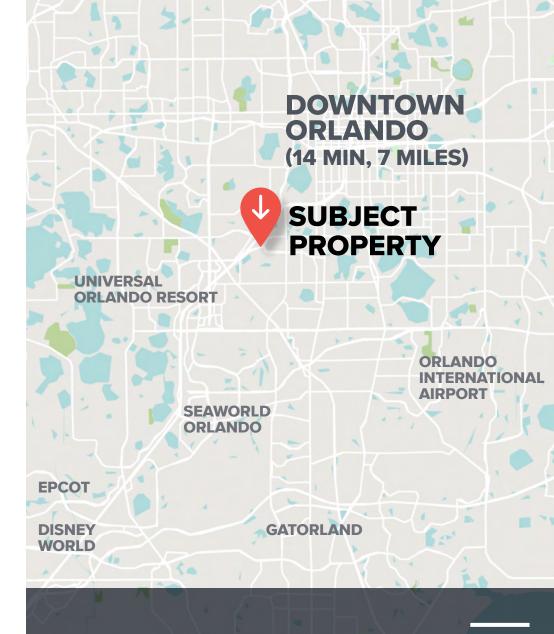
223	1-MILE	3-MILES	5-MILES
2010	8,683	110,860	229,771
2018	11,325	124,749	255,961
2023	12,748	135,758	276,805

2018 HH INCOME

\$	1-MILE	3-MILES	5-MILES
Average	\$52,612	\$49,095	\$63,707

ORLANDO'S TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Walt Disney World	53,500
Orange County Public Schools	53,500
State of Florida Government	17,200
Adventis Health System	17,059
Florida Hospital	14,225
Walmart Stores	13,139



THERE ARE OVER 255,000 RESIDENTS LOCATED WITHIN 5 MILES OF THE SUBJECT PROPERTY

Location Overview



ORLANDO, located in central Florida, is the state's third largest city and home to more than 1.5 million residents. The Orlando-Kissimmee-Sanford MSA ranked as the 8th Largest Gaining MSA with the addition of 56,498 new residents in 2017.

Florida is a right-to-work state with no personal income tax and a business-friendly environment, complete with competitive incentives, making Orlando an ideal place to do business. Orlando offers a talent pipeline of over 87,000 students from more than 30 post-secondary schools, including the University of Central Florida, the nation's 2nd largest university. The city has year-round moderate weather, easy access to major roadways, 3 international airports, and Port Canaveral - which services cruise and cargo ships.

Orlando continues to grow, and recent projects include the development of the 650-acre health and life sciences park known as Lake Nona Medical City which will create an estimated 30,000 jobs and have a \$7.6 billion impact within the next decade. The city is also home to the 1,027-acre Central Florida Research Park, which has an annual economic impact of \$3.5 billion. Additionally, All Aboard Florida is a 235-mile long high-speed passenger rail system being developed to connect Miami to Orlando.

2.5 MILLION



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Location Overview



GENERAL STATS

- **#1 MOST VISITED U.S. DESTINATION**
- **#1** TRAFFICKED FLORIDA AIRPORT
- **#1** FASTEST GROWING U.S. METRO AREA IN 2017 (POPULATION)
- 7TH U.S. METRO AREA FOR ECONOMIC GROWTH (MILKEN INSTITUTE)
- **2.9% UNEMPLOYMENT RATE**
- **100+ LAKES WITHIN THE CITY**

ORLANDO is home to numerous tourist destinations including: Disney World, Universal Orlando Resort, SeaWorld Orlando, Fun Spot America, The Holy Land Experience, the Orlando Science Center, Crayola Experience, Discovery Cove, Gatorland, and many others. Disney World is an entertainment complex consisting of four theme parks, two water parks, twenty-seven resort hotels, several golf courses, and other entertainment and shopping venues.

In 2017, Orlando saw a record 72 million visitors (+5.2%) and another year as America's most visited destination. The Orlando tourism industry generated \$70 billion in economic impact, \$5.5 billion in local and state tax revenue, and supported 449,000 jobs (2 in 5 workers).



Orlando in the News

ORLANDO CONTINUES LONG-STANDING LEAD IN JOB GROWTH

The industries with the highest growth over the year in the Orlando area in March were professional and business services with 19,100 new jobs and leisure and hospitality with 10,100 new jobs.

April 22, 2019 (GlobeSt.com) While still eight away from Joe DiMaggio's record-setting 56-consecutive game hit streak, the City of Orlando has now reached 48 straight months as the state's top location for job growth.

Gov. Ron DeSantis announced on Friday that during the month of March Orlando added 45,700 new private-sector jobs in the past year. The unemployment rate in the Orlando area was 3.0%, down 0.3 percentage point from one year ago. The city has now earned the monthly top spot for job growth for four straight years.

The industries with the highest growth over the year in the Orlando area in March were professional and business services with 19,100 new jobs and leisure and hospitality with 10,100 new jobs.

In March, the Orlando area was second among state metro areas in job demand with 49,474 job openings. Orlando also remained the second-highest metro area in demand for high-skill, high-wage STEM occupations with 15,212 openings.

Overall, Florida's private-sector businesses created 208,100 jobs over the past year and 12,600 jobs in March. The unemployment rate remained at a low 3.5%. The labor force continued to grow with 158,000 people entering the labor force at an annual growth rate of 1.6%, state officials note.

"Florida's economy continues to thrive, but we will not rest," said Gov. DeSantis. "Our state is focused on creating a resilient business-friendly environment, with low taxes, decreased regulation and support for career and technical education to provide opportunities for all Floridians to succeed."

READ THE FULL ARTICLE





We'd love to hear from you.

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