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Aerial Video

# The Home Depot

EXCLUSIVE TRIPLE-NET (NNN) OFFERING



# OFFERING MEMORANDUM



1919 Wells Road, Orange Park, FL 32073

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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# Investment Highlights

PRICE: \$13,984,317 | CAP Rate: 6.00% | RENT: \$839,059



## About the Investment

- ✓ Long-Term, 25-Year Absolute Triple Net (NNN)
- ✓ Corporate Guaranty
- ✓ Fee Simple Ownership
- ✓ Long-Standing Operational History
- ✓ Recent 10-Year Extension | Demonstrating Tenant Commitment
- ✓ Ten (10), Five (5)-Year Tenant Renewal Options | 5% Increases At Each Commencement

## About the Location

- ✓ Dense Retail Corridor | Walmart, Costco, At Home, Belk, AMC Theatres, PetSmart, Dick's Sporting Goods, Best Buy, Sam's Club, Etc
- ✓ Compelling Location Fundamentals | Anchor Tenant Within Prominent Shopping Center | Located Off Highly-Trafficked Corner | Across From 953,000 SF Mall
- ✓ Positive Real Estate Fundamentals | Seventeen Miles of Downtown Jacksonville | Florida's Most Populous City
- ✓ Strong Traffic Counts | Over 23,000 and 89,000 Vehicles Per Day on Wells Rd & Blanding Boulevard
- ✓ Jax Accolades | No. 5 "Most Popular Cities to Which Millennials are Moving" | "The 10 Best Big Cities to Live in Right Now" | No. 2 "Most Up-&-Coming Cities in America" | Among "The 15 Best Cities in The U.S. To Find Tech Talent"

## About the Tenant / Brand

- ✓ S&P Credit Rating "A" | Investment Grade Tenant
- ✓ Home Depot is the World's Largest Home Improvement Specialty Retailer
- ✓ Traded on the New York Stock Exchange (NYSE:HD) and is Included in The Dow Jones Industrial Average and Standard & Poor's 500 Index
- ✓ Fifth Largest Private Employer in the United States
- ✓ 2018 Year in Review | Highest Sales & Earnings in Company History, Online Sales +24.1% from Fiscal 2017 | \$108.2B Total Sales | +7.2% Sales Growth







# Financial Analysis

PRICE: \$13,984,317 | CAP Rate: 6.00% | RENT: \$839,059



## PROPERTY DESCRIPTION

Property	Home Depot
Property Address	1919 Wells Road
City, State, ZIP	Orange Park, FL 32037
Year Built / Renovated	1992
Building Size	108,578
Lot Size	+/- 11.37 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$13,984,317
CAP Rate	6.00%
Annual Rent	\$839,059
Price / SF	\$128.80
Rent / SF	\$7.73

## LEASE SUMMARY

Property Type	Net-Leased Hardware Store
Ownership Type	Pubic
Tenant/Guarantor	Home Depot USA, Inc
Original Lease Term	25.0 Years
Lease Commencement	September 1, 1992
Lease Expiration	August 31, 2027
Lease Term Remaining	8.5 Years
Lease Type	NNN
Roof & Structure	Tenant Responsible
Rental Increases	5% In Options
Options to Renew	Ten, Five-Year Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
9/1/2017-8/31/2018	\$839,059	\$69,922	-
9/1/2018-8/31/2019	\$839,059	\$69,922	0.00%
9/1/2019-8/31/2020	\$839,059	\$69,922	0.00%
9/1/2020-8/31/2021	\$839,059	\$69,922	0.00%
9/1/2021-8/31/2022	\$839,059	\$69,922	0.00%
9/1/2022-8/31/2023	\$839,059	\$69,922	0.00%
9/1/2023-8/31/2024	\$839,059	\$69,922	0.00%
9/1/2024-8/31/2025	\$839,059	\$69,922	0.00%
9/1/2025-8/31/2026	\$839,059	\$69,922	0.00%
9/1/2026-8/31/2027	\$839,059	\$69,922	0.00%

## Option Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
9/1/2027-8/31/2032	\$881,011.00	\$73,418	5.00%
9/1/2032-8/31/2037	\$925,063.00	\$77,089	5.00%
9/1/2037-8/31/2042	\$971,315.00	\$80,943	5.00%
9/1/2042-8/31/2047	\$1,019,880.75	\$84,990	5.00%
9/1/2047-8/31/2052	\$1,070,874.79	\$89,240	5.00%
9/1/2052-8/31/2057	\$1,124,418.53	\$93,702	5.00%
9/1/2057-8/31/2062	\$1,180,639.45	\$98,387	5.00%
9/1/2062-8/31/2067	\$1,239,671.43	\$103,306	5.00%
9/1/2067-8/31/2072	\$1,301,655.00	\$108,471	5.00%
9/1/2072-8/31/2077	\$1,366,737.75	\$113,895	5.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive net-leased offering for a Home Depot located at 1919 Wells Road in Orange Park, FL. The property consists of 108,578 square feet of building space and is situated on roughly 11.37 acres of land. The Home Depot is subject to a 25-year absolute triple-net lease, which has been extended for an additional 10-years. The annual rent is \$839,059 and is set to increase by 5% at the commencement of each option.



# Tenant Overview



The Home Depot is the world's largest home improvement specialty retailer, with 2,286 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. In fiscal 2017, The Home Depot had sales of \$100.9 billion and earnings of \$8.6 billion. The Company employs more than 400,000 associates. The Home Depot's stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones industrial average and Standard & Poor's 500 index.

In terms of overall revenue reported to the U.S. Securities and Exchange Commission, the company is the largest home improvement retailer in the United States, ahead of rival Lowe's. The store operates out of large warehouse-style buildings averaging 105,000 square feet with megastores operating in larger facilities (the company's largest store, located in Union, New Jersey is 225,000 square feet). The Home Depot was founded in 1978 by Bernard Marcus, Arthur Blank, Ron Brill, and Pat Farrah. The Home Depot's proposition was to build home-improvement superstores, larger than any of their competitors' facilities. Investment banker Ken Langone helped Marcus and Blank to secure the necessary capital.



HEADQUARTERS  
**Atlanta, GA**

DATE FOUNDED  
**1978**

WEBSITE  
**[www.homedepot.com](http://www.homedepot.com)**





# Surrounding Area

Property Address: 1919 Wells Rd, Orange Park, FL 32073



WELLS ROAD ADTC: 23,000

BLANDING BOULEVARD ADTC: 89,000

ORANGE PARK MALL







# Surrounding Area

Property Address: 1919 Wells Rd, Orange Park, FL 32073

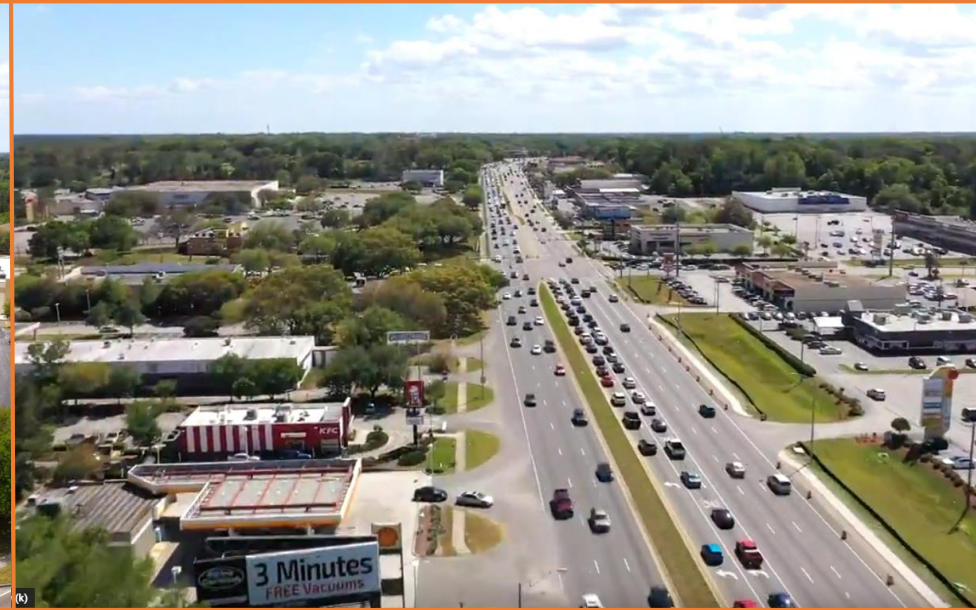






# Surrounding Area

Property Address: 1919 Wells Rd, Orange Park, FL 32073







# Location Overview

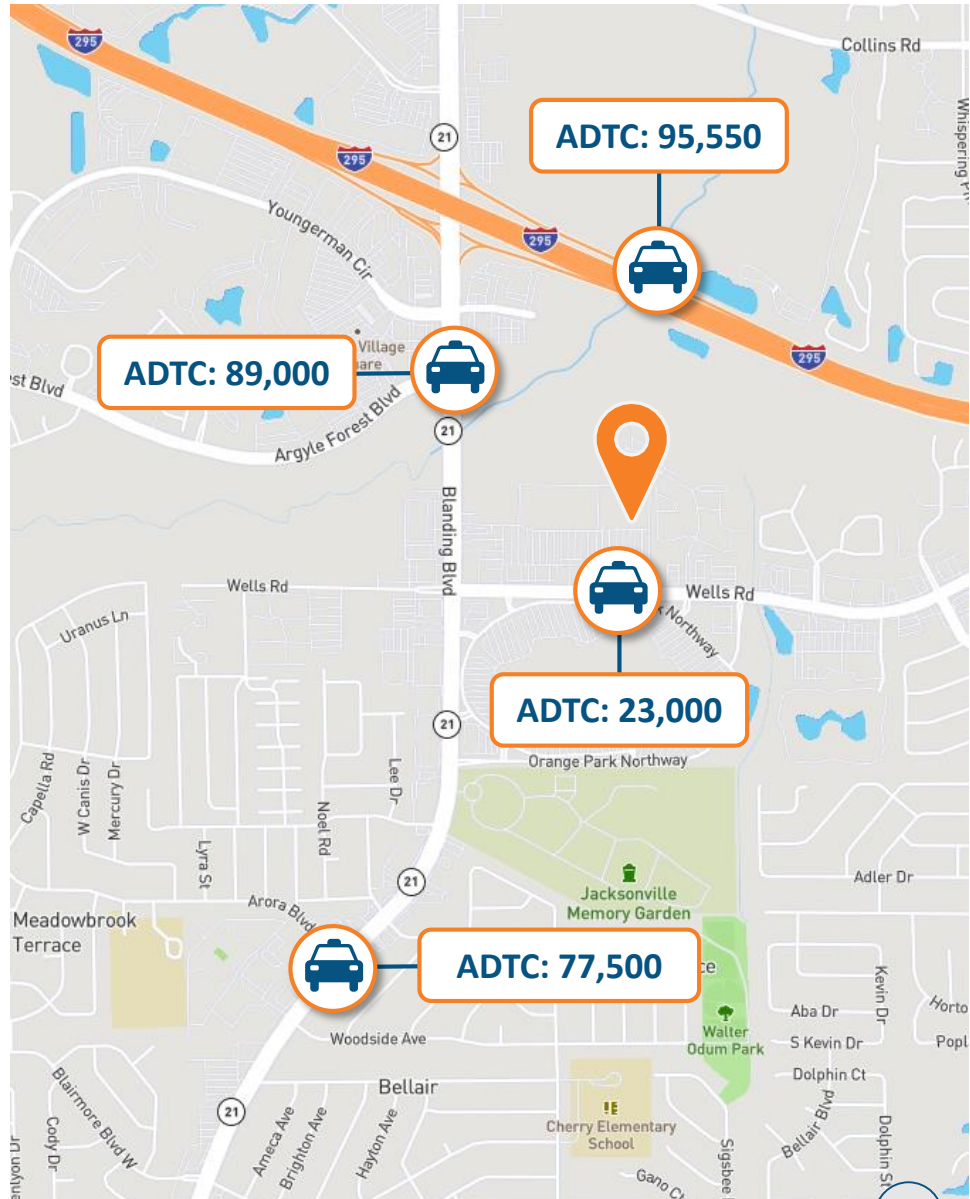
Property Address: 1919 Wells Rd, Orange Park, FL 32073



The subject investment property is situated on Wells Road, just east of its intersection with Blanding Boulevard. On a daily average, Wells Road services over 23,000 vehicles, while Blanding Boulevard boasts traffic counts of 89,000 vehicles per day. One block north of the property I-295, which is the main connector of suburban areas to Jacksonville's Urban Core. Because of this, I-295 brings an additional 95,550 vehicles to the immediate trade area. There are more than 62,347 individuals residing within a three-mile radius of the property and more than 142,294 individuals within a five-mile radius. The 3-mile population from the subject property is expected to increase by almost 6% through 2022. Likewise, the 5-mile population will increase by an estimated 8%.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local retailers and services all within close proximity of this property, including those within the 953,000 square-foot Orange Park Mall across the street from the subject property. Major national tenants include: JCPenney, Dillard's, Belk, AMC Theatres, Dicks Sporting Goods, At Home, PetSmart, Chick-Fil-A, Buffalo Wild Wings, Red Lobster, Panda Express, and numerous others. This Home Depot property also benefits from being situated 5.5 miles from Jacksonville Naval Air Station (NAS Jax). NAS Jax is one of the Navy's finest and fastest growing installations and is the recipient of the Presidential Excellence Award and the Navy Installations Command Excellence Award. It is the largest Navy base in the Southeast Region and third in the nation, as well as one of the largest economic drivers in Duval County. Additionally, located 2.8 miles from the subject property is Orange Park Medical Center, a 365-bed hospital with a recent \$126 million expansion planned for its campus to meet demand.

Home to Fortune 500 headquarters, thriving business and startups, Jacksonville, FL (JAX) is growing twice as fast as the rest of the nation and is ranked #7 Best City for Job Seekers by *Money*. Jacksonville's authentic attitude of possibility and opportunity inspires residents to innovate and makes JAX a place where ideas can become reality. The seven-county greater Jacksonville area can realistically aspire to become the "highest performing economy in the country" over the next five years, according to an Elevate Northeast Florida report that gives insights into how the region can use its water resources to brand itself nationally and what can be done to convince residents they can flourish here for their careers.

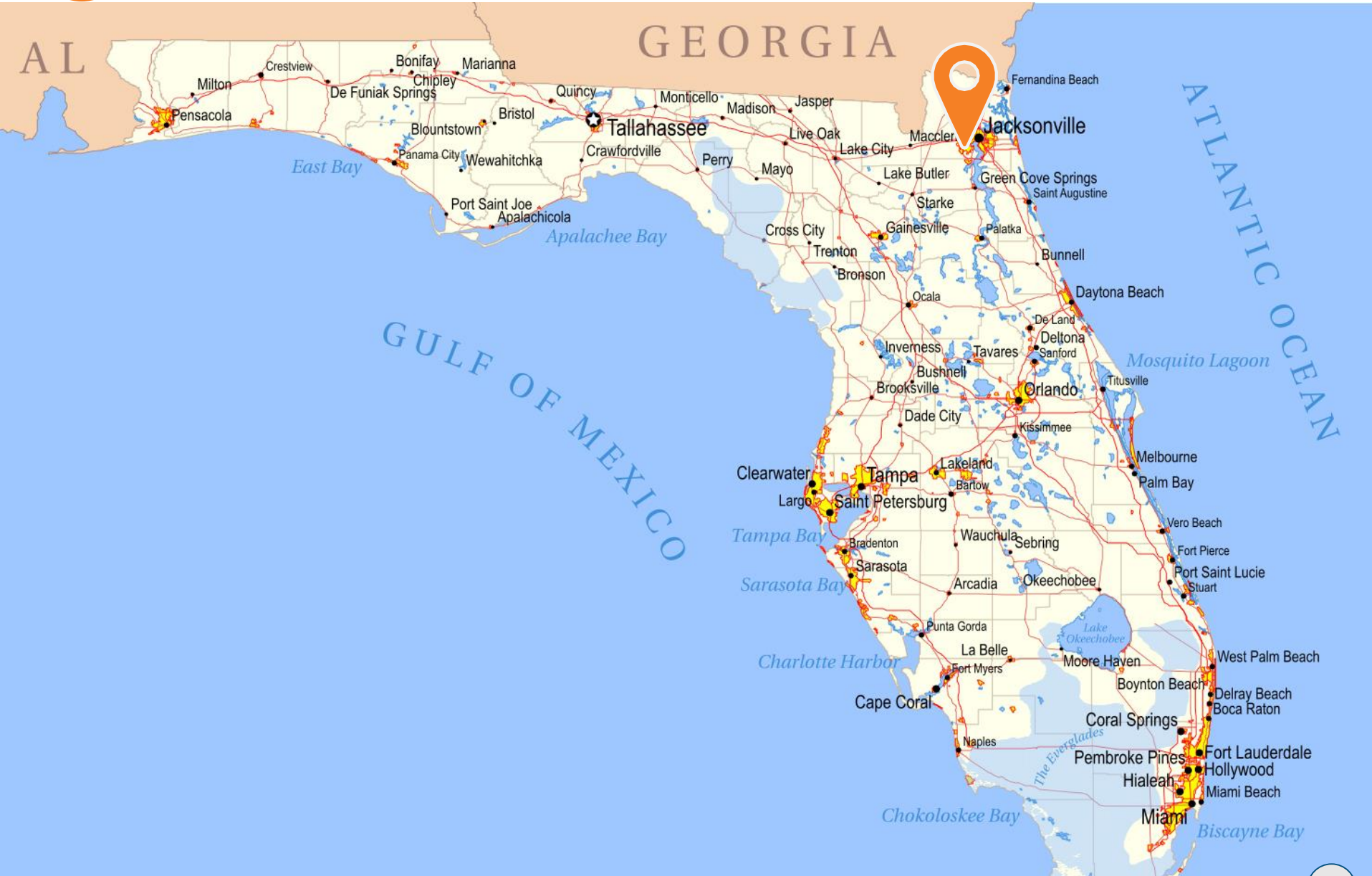






# Regional Map

Property Address: 1919 Wells Rd, Orange Park, FL 32073

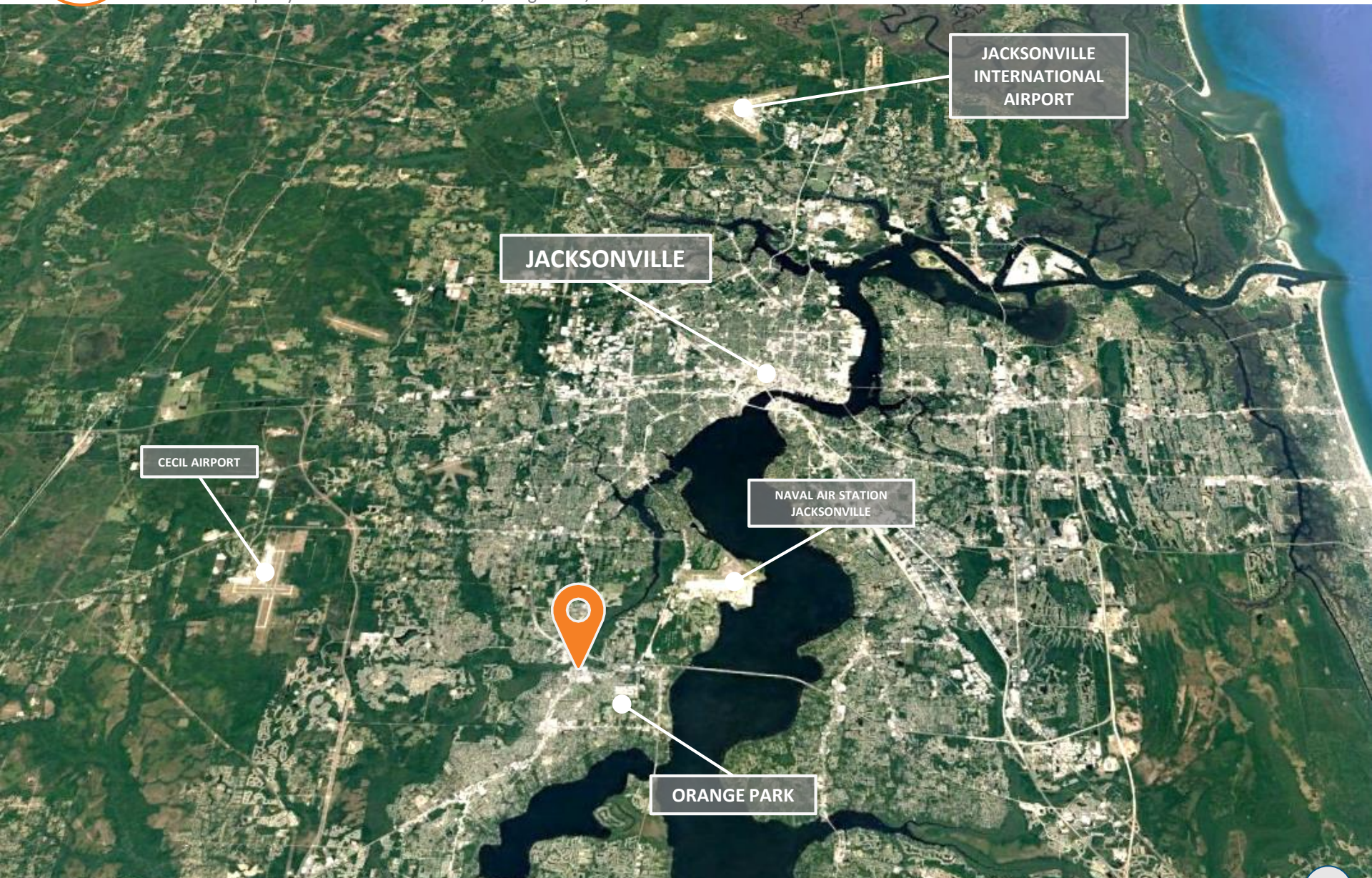






# Regional Map

Property Address: 1919 Wells Rd, Orange Park, FL 32073

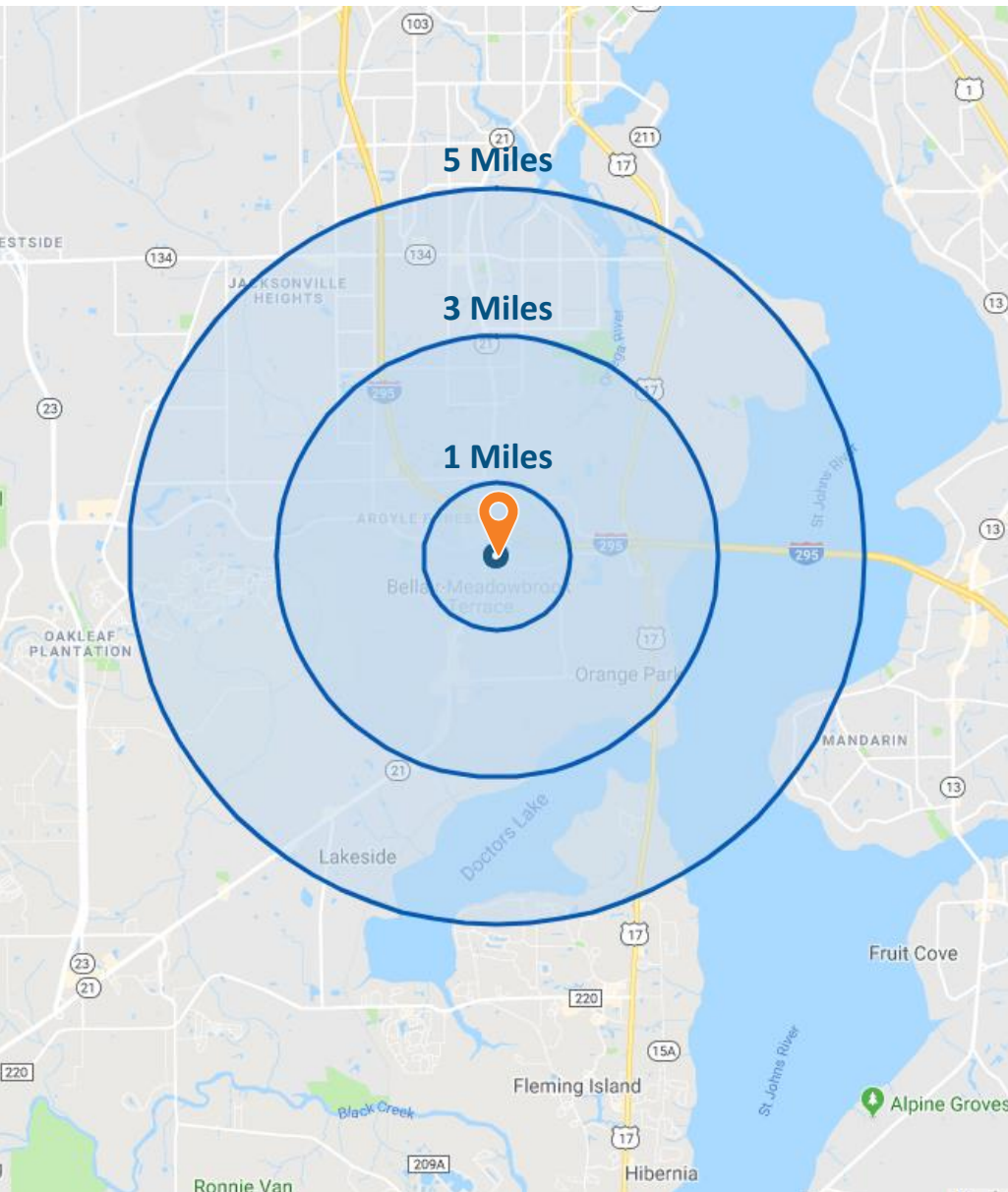






# Demographics

Property Address: 1919 Wells Rd, Orange Park, FL 32073



## POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	10,815	65,998	153,796
2018 Estimate	10,542	62,347	142,294
2010 Census	9,981	58,219	132,322
2000 Census	10,125	51,159	112,500

## INCOME

Average	\$61,560	\$68,788	\$71,689
Median	\$46,080	\$53,135	\$56,668
Per Capita	\$26,222	\$27,366	\$26,693

## HOUSEHOLDS

2023 Projection	4,675	26,395	57,312
2018 Estimate	4,479	24,553	52,579
2010 Census	4,264	22,987	49,176
2000 Census	4,266	19,460	41,258

## HOUSING

2018	\$128,381	\$150,271	\$158,650
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## EMPLOYMENT

2018 Daytime Population	10,156	68,801	131,279
2018 Unemployment	4.79%	4.68%	4.73%
2018 Median Time Traveled	28	29	30

## RACE & ETHNICITY

White	56.97%	60.90%	61.26%
Native American	0.21%	0.19%	0.17%
African American	29.46%	25.13%	24.99%
Asian/Pacific Islander	3.18%	4.67%	5.05%





# Market Overview

City: Orange Park | County: Clay | State: Florida

## Jacksonville, Florida

**Jacksonville**, the largest city in area in the continental United States, is a rapidly growing metropolitan city in Northeast Florida, with approximately 850,000 residents. Due to its convenient location, mild climate, reasonable cost of living, high quality of life and a business-friendly government, Jacksonville is a popular location for corporate expansions and relocations. Its status as an intermodal transportation hub is another incentive, and the city is also a leading distribution center, with a transportation network embracing port and air cargo facilities, rail and trucking routes. Millions of tons of raw materials and manufactured goods move through the city annually. This momentum continues to boost Jacksonville's stature in the national and international marketplace. In fact, Jacksonville is consistently rated one of the 'Hottest Cities in America' for business expansions and relocations in an annual poll featured in Expansion Management magazine. The U.S. Chamber of Commerce released a study ranking Florida's Workforce and Training programs number one in the country (Enterprising States Report- 2011), and Jacksonville was named the nation's third least expensive city to launch a corporate headquarters (BizCosts.com - 2011). Jacksonville has garnered an impressive list of top rankings. As a rapidly growing municipality, Jacksonville is recognized as a national leader in managing development. A growth management task force in 2005 formed a vision for the next 25 years: The overall strategy involves balancing commercial and residential development with transit and infrastructure capacity and the preservation of green space. One of Jacksonville's many natural assets is one of the largest urban park systems in the country. The active and passive parks and preservation lands are a key part of Jacksonville's quality of life. So are the miles of beaches and waterways, a major symphony orchestra, a sports and entertainment complex downtown and a myriad of special events that this sports-loving city hosts each year. The home of the NFL's Jacksonville Jaguars, the city welcomed its first Super Bowl in 2005. With a growing population, a strong economy, diverse cultural and recreational opportunities and abundant natural resources, Jacksonville continues to distinguish itself as one of the nation's most dynamic and progressive cities.

## Major Employers

EMPLOYER	# OF EMPLOYEES *
Naval Air Depot	4,000
Fleet Readiness Ctr Southeast	2,500
Dermatology Clinic The	924
Fleming Island Imaging Center	903
United States Dept of Navy	875
HCA Inc	800
Orange Park Medical Center Inc	800
St Vincents Health System Inc	725
Walmart	665
St Vincent Primary Care	653
Clay County Sheriff Ofc	575
Vystar Credit Union	559

Marcus & Millichap

## EXCLUSIVE NET-LEASE OFFERING



1919 Wells Road, Orange Park, FL 32067