



OFFICE DEPOT

2406 WESTGATE DRIVE, ALBANY, GA 31707

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EXCLUSIVELY LISTED BY:

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STATE BROKER OF RECORD:

STEVE MILLER

MILLER REALTY SERVICES, INC.,

GA #11102

INVESTMENT SUMMARY

| | |
|-------------------|--------------|
| List Price: | \$4,069,345 |
| Current NOI: | \$335,721.00 |
| Initial Cap Rate: | 8.25% |
| Land Acreage: | 3.13 |
| Year Built | 1997 |
| Building Size: | 29,977 SF |
| Price PSF: | \$135.75 |
| Lease Type: | NN |
| Lease Term: | 10 Years |

INVESTMENT OFFERING

Fortis Net Lease is pleased to present this 19,181 square foot Office Depot store located at 2406 Westgate Drive in Albany, GA. There is an additional 10,796 square feet of available space in the same building under a two year master lease at \$8 PSF, which gives a new owner upside with the rent being well under market. Office Depot recently extended for ten years and has been in this space since 1997. There are two, five year options to renew and approximately seven percent rent bumps at each option to hedge against inflation. The lease also has a corporate guarantee with a S&P Rating of "B".

Albany is the regional center for industry, business, retail, education, cultural activities, healthcare and media for southwest Georgia. The subject property is strategically located at the intersection of Westgate Drive (8,000 VPD) and Dawson Road (26,000 VPD) just off Highway 82 (20,000 VPD). Surrounding retail includes Lowe's, Home Depot, Walmart, TJ Maxx, Hobby Lobby, Ulta, Family Dollar, Publix, Tractor Supply Company, Kohl's and Sam's Club. It is situated in a major retail corridor and is 1.5 miles from the Albany Mall which is anchored by Belk, Dillard's and JCP. Albany is home to Albany State University, Darton College and Albany Technical College.



PRICE \$4,069,345



CAP RATE 8.25%



LEASE TYPE NN



TERM 10 Years

INVESTMENT HIGHLIGHTS

- 19,181 SF Office Depot Store on 3.13 Acres | 10,796 SF of Adjacent Space Available in the Same Building with a 2 Year Master Lease at Under Market Rent
- Office Depot Recently Extended for 10 Years | Tenant since 1997
- Two, Five Year Options | Variable (~7.0%) Rent Bumps at Each Option
- Corporate Guaranteed Lease | S&P Rating "B"
- 1.5 Miles From the Albany Mall | Major Retail Corridor Drawing Traffic From Southwest Georgia
- 10 Mile Population Exceeds 105,000 Residents
- 3 Mile Median Home Value Exceeds \$139,000
- 3 Mile Average Household Income Exceeds \$68,000

FINANCIAL SUMMARY

| INCOME | | PER SF |
|--|------------------|----------------|
| Office Depot | \$249,353 | \$8.32 |
| Vacancy - 2 Year Master Lease - 10,796 @ \$8 PSF NNN | \$86,368 | \$2.88 |
| Expense Reimbursements | \$42,123 | \$1.41 |
| Gross Income | \$377,844 | \$12.60 |
| EXPENSE | | PER SF |
| Taxes | \$36,879 | \$1.23 |
| Insurance | \$5,244 | \$0.17 |
| Gross Expenses | \$42,123 | \$1.41 |
| NET OPERATING INCOME | \$335,721 | \$11.20 |

PROPERTY SUMMARY

| | |
|-----------------|---------------------------|
| Year Built: | 1997 |
| Lot Size: | 3.13 Acres |
| Building Size: | 29,977 SF |
| Construction: | Masonry |
| Zoning: | C7 |
| Frontage: | 300' on Westgate Dr. |
| Docks: | 1 Exterior |
| Ceiling Height: | 22' |
| Traffic Counts: | 8,000 VPD on Westgate Dr. |

LEASE SUMMARY

| | |
|----------------------------|--|
| Tenant: | Office Depot |
| Lease Type: | NN |
| Primary Lease Term: | 10 Years |
| Annual Rent: | \$335,721 |
| Rent PSF: | \$11.20 |
| Landlord Responsibilities: | Roof, Structure, Parking & Common Areas |
| Taxes, Insurance & CAM: | Tenant Responsibility OD Pays CAM Directly |
| Roof, Structure & Parking: | Landlord Responsibility |
| Lease Start Date: | June 25, 2018 |
| Lease Expiration Date: | June 30, 2028 |
| Lease Term Remaining: | 9+ Years |
| Rent Bumps: | Variable (~7.0%) at Each Option |
| Renewal Options: | Two, Five Year Options |
| Lease Guarantor: | Corporate |
| Lease Guarantor Strength: | S&P Rating "B" |
| Tenant Website: | www.officedepot.com |



GROSS SALES:
\$11 BILLION



STORE COUNT:
1,400

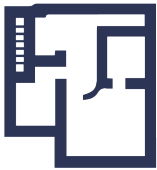


GUARANTOR:
CORPORATE



S&P:
B

| TENANT NAME | UNIT SIZE (SF) | LEASE START | LEASE END | ANNUAL RENT | % OF GLA | RENT PER SF/YR |
|-----------------|----------------|----------------|------------------|-------------|----------|----------------|
| Office Depot | 19,181 | June 25, 2018 | June 30, 2028 | \$249,353 | 63.99 | \$13.00 |
| Master Lease | 10,796 | Close of Esrow | 2 Years from COE | \$86,368 | 36.01 | \$8.00 |
| Totals/Averages | 29,977 | | | \$335,721 | | \$11.20 |



TOTAL SF
29,977



TOTAL ANNUAL RENT
\$335,721



OCCUPANCY RATE
64%



AVERAGE RENT/SF
\$11.20



NUMBER OF TENANTS
1

**OVERVIEW**

| | |
|---------------------------------|---------------------|
| Company: | Office Depot |
| Founded: | 1986 |
| Ownership: | Public Company |
| CEO: | Gerry Smith |
| 2018 Adjusted Operating Income: | \$360 Million |
| 2018 Sales: | \$11 Billion |
| Headquarters: | Boca Raton, FL |
| Website: | www.officedepot.com |

TENANT HIGHLIGHTS

- 2018 Sales of \$11.0 billion which is up 8% versus fiscal year 2017
- In 2018 business to business sales was driving approximately 60% of revenues
- Over 9 million square feet of space in over 50 distribution centers
- Delivered supplies to 98.5% of the US population with next day service

RENT SCHEDULE

| LEASE YEARS | ANNUAL RENT | MONTHLY RENT | \$ INCREASE | % INCREASE |
|-------------|--------------|--------------|-------------|------------|
| 1-10 | \$249,353.00 | \$20,779.42 | | |
| Option 1 | \$268,534.00 | \$22,377.83 | \$19,181 | 7.69% |
| Option 2 | \$287,715.00 | \$23,976.25 | \$19,181 | 7.14% |

COMPANY BACKGROUND

Office Depot® OfficeMax® is a leading provider of office products and services for people like you that are taking care of business. So, whatever the day brings, we've got your back.

Office Depot® OfficeMax® is a resource and a catalyst to help customers work better. We are a single source for everything customers need to be more productive, including the latest technology, core office supplies, print and document services, business services, facilities products, furniture, and school essentials.

The company had 2018 annual sales of approximately \$11 billion, employed approximately 38,000 associates, and served consumers and businesses in North America and abroad with approximately 1,400 retail stores, award-winning e-commerce sites and a dedicated business-to-business sales organization – with a global network of wholly owned operations, franchisees, licensees and alliance partners. The company operates under several banner brands including Office Depot®, OfficeMax® and Grand & Toy. The company's portfolio of exclusive product brands include TUL, Foray, Brenton Studio, Ativa, WorkPro, Realspace and Highmark.



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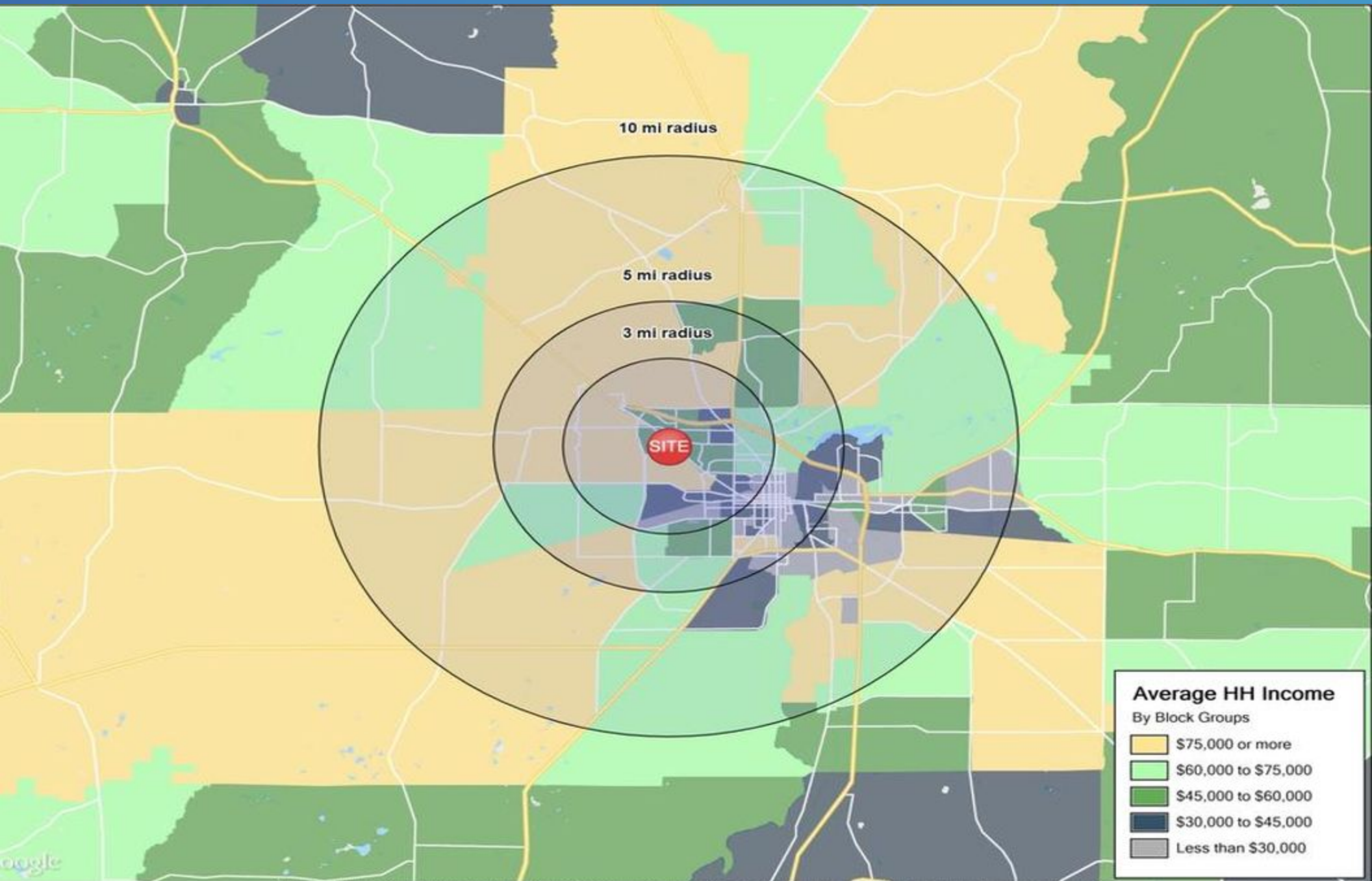
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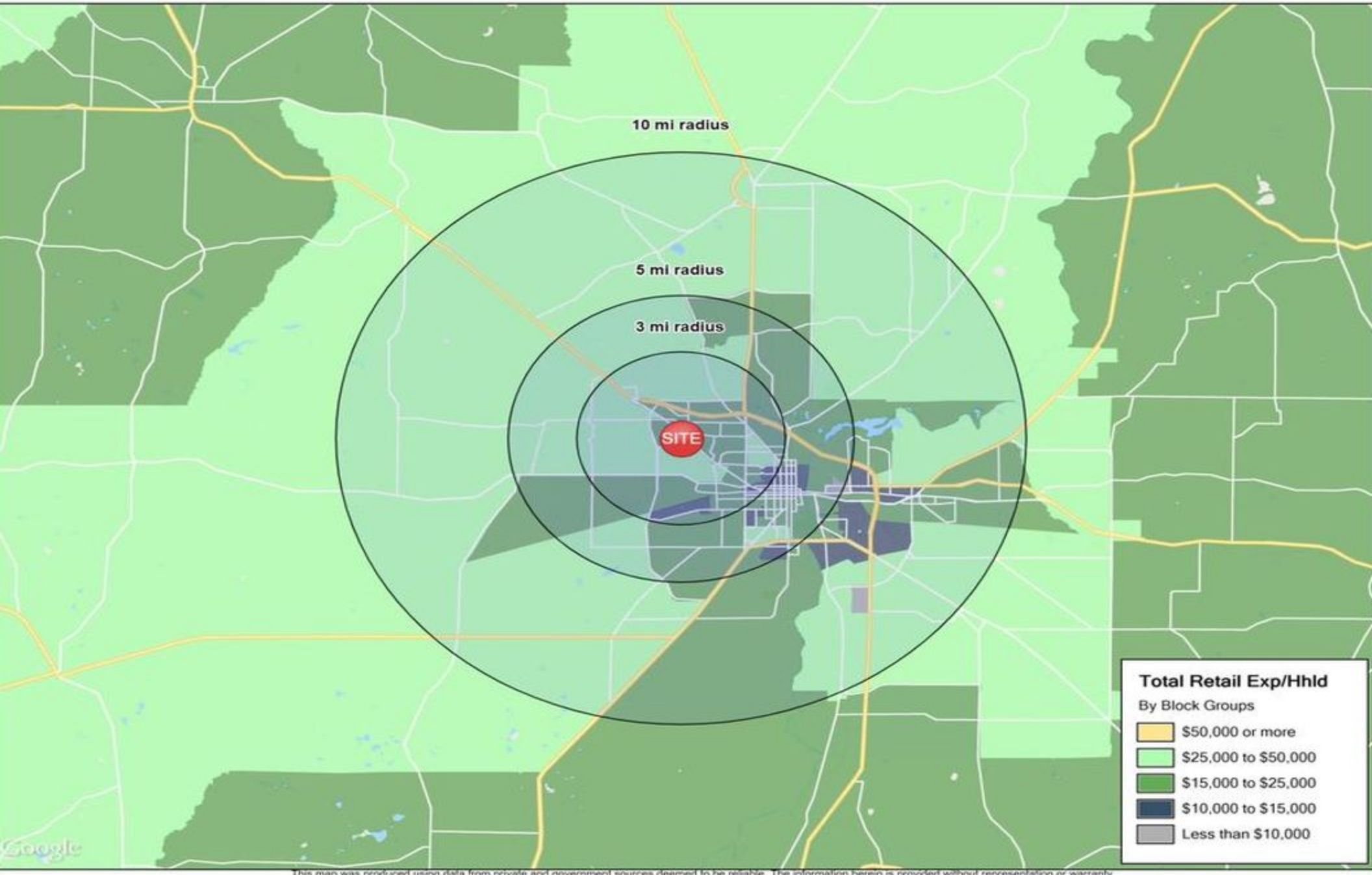
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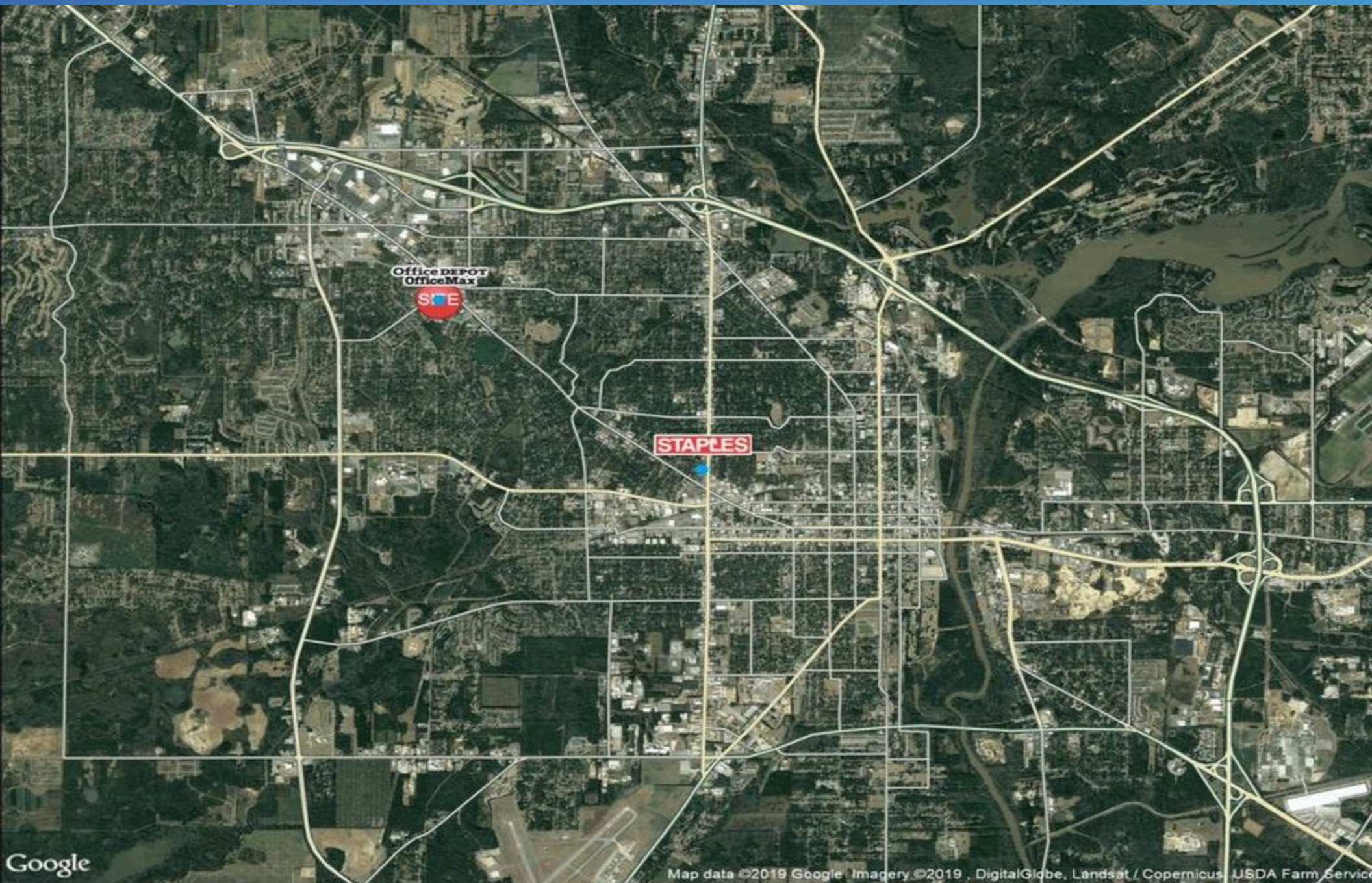




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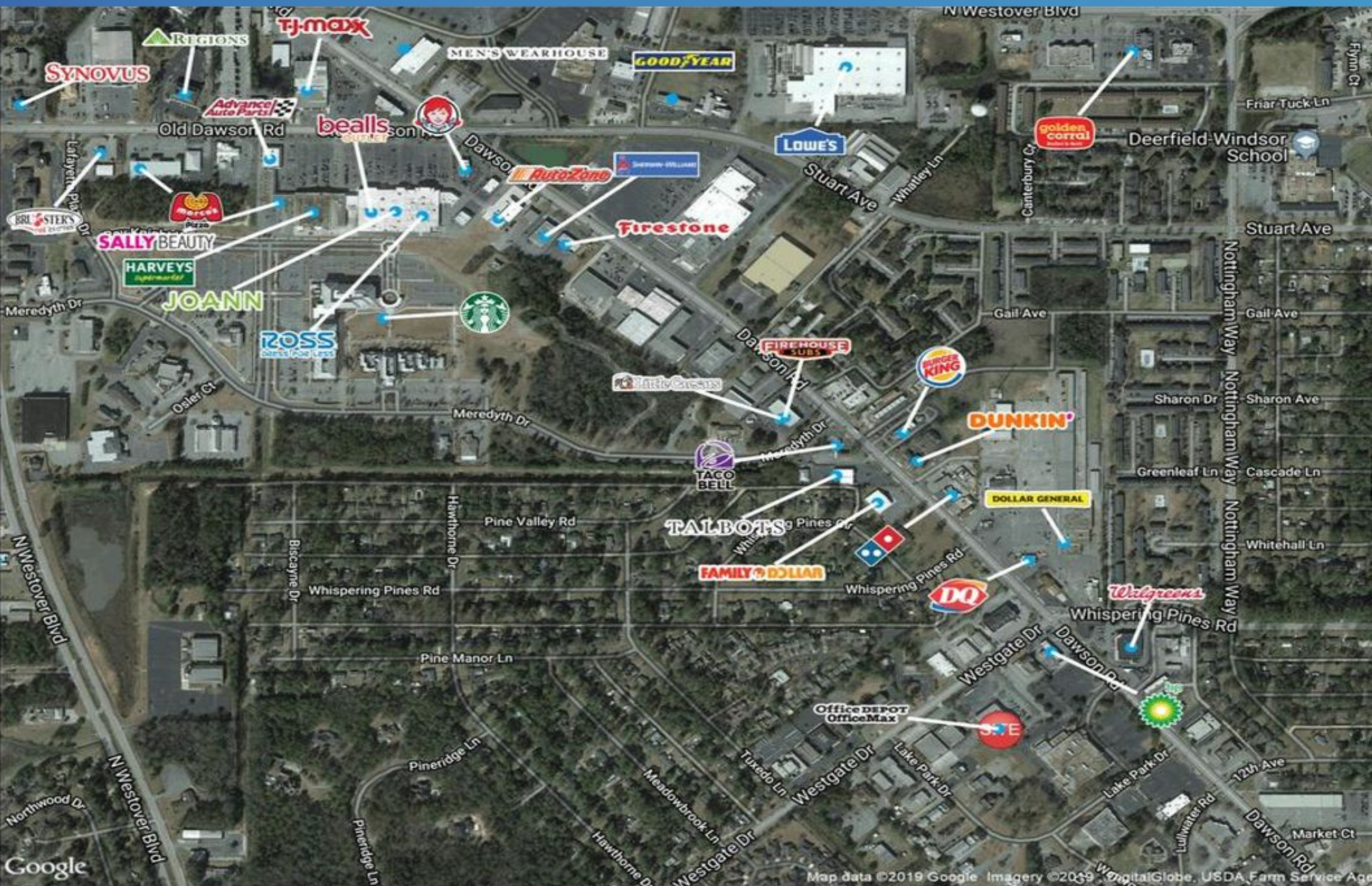
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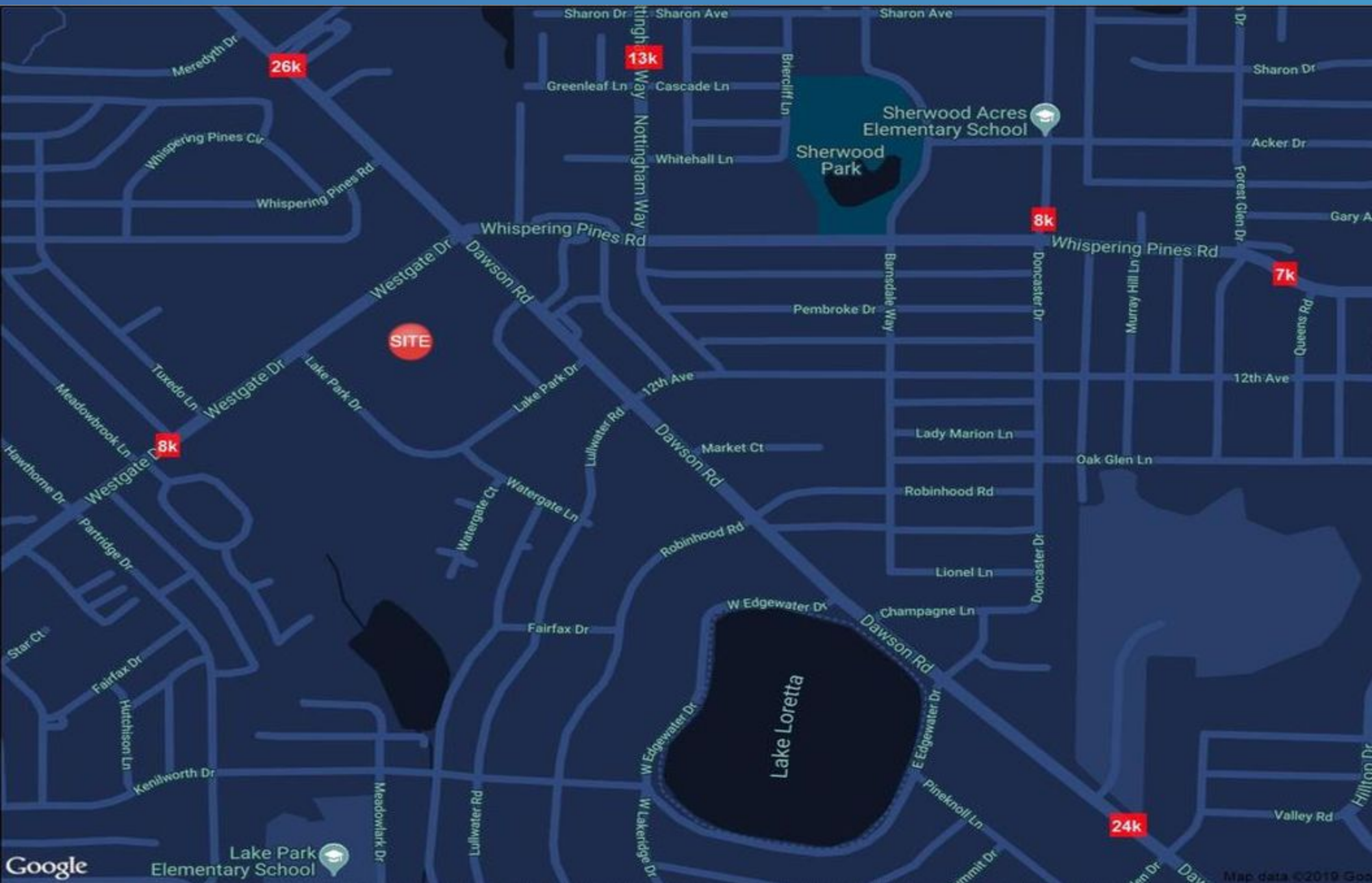


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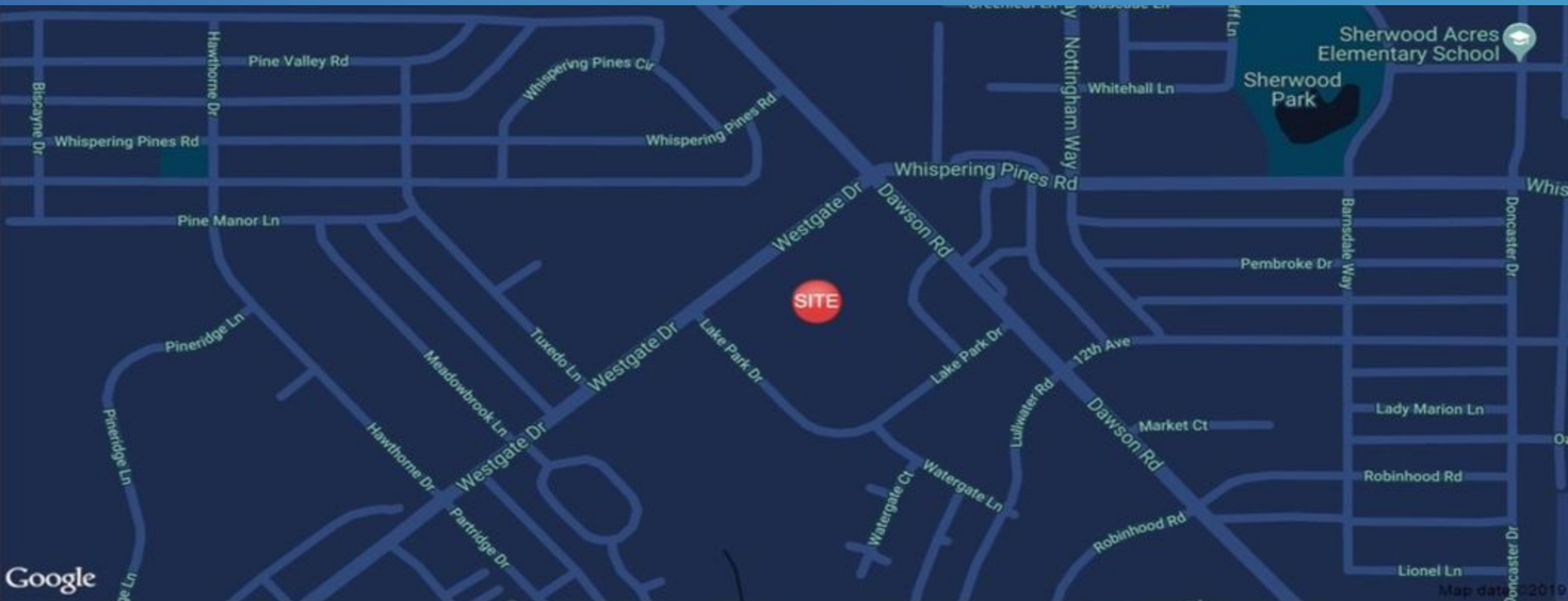
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Aerial View



Demographics

| | 1 mi radius | 3 mi radius | 5 mi radius |
|--------------------------|-------------|-------------|-------------|
| Population | 6,734 | 38,008 | 67,787 |
| Households | 3,413 | 17,660 | 29,688 |
| Population Median Age | 37.2 | 36.7 | 36.7 |
| 5 Yr Pop Growth (Total%) | -6.5% | -5.1% | -3.4% |

5 Mile Information



Photo

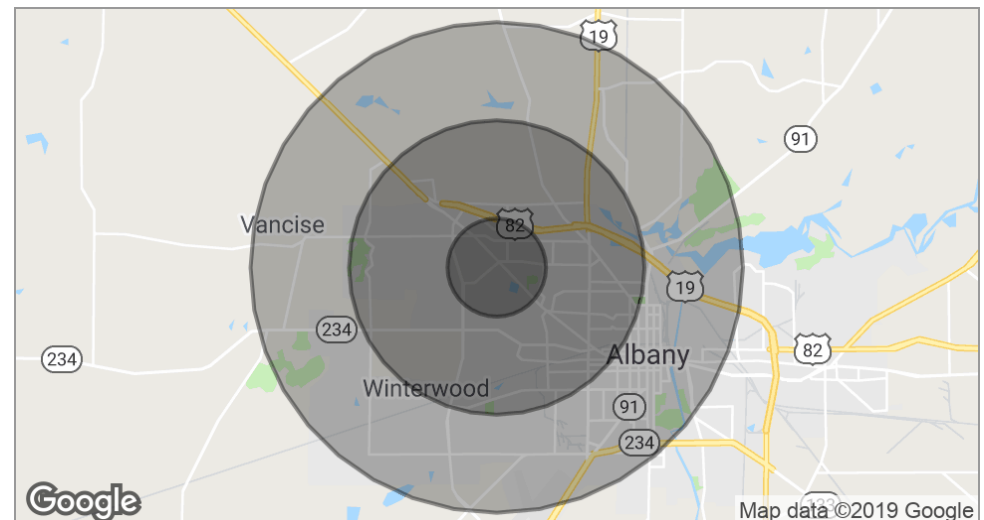




Albany is a city in Georgia, located on the Flint River and is the seat of Dougherty County. Located in southwest Georgia, it is the principal city of the Albany, Georgia metropolitan area. The population was 77,434 at the 2010 U.S. Census, making it the eighth-largest city in the state. It became prominent in the nineteenth century as a shipping and market center, first served by riverboats and then by railroads. Seven lines met in Albany, and it was a center of trade in the Southeast. From the mid-20th century, it received military investment during World War II and after, that helped develop the region.

Today, although the city is surrounded by pecan groves, pine trees, farms and plantations, almost none of the population is employed in agriculture. It has become heavily mechanized and most is conducted on an industrial scale. The city developed on both sides of the Flint River. Health care, education and the Marine Corps Logistics Base Albany are the largest employers. Manufacturing, transportation, and retail trade are also important foundations of Albany's economy, and the city acts as a hub for commerce in southwest Georgia.

| POPULATION | 3 MILES | 5 MILES | 10 MILES |
|------------------------|-----------|-----------|-----------|
| Total Population 2018 | 36,052 | 67,521 | 105,908 |
| Average Age | 39.60 | 38.40 | 37.70 |
| Average Household Size | 2.30 | 2.40 | 2.50 |
| HOUSEHOLDS & INCOME | 3 MILES | 5 MILES | 10 MILES |
| Total Households | 15,425 | 26,978 | 40,657 |
| Average HH Income | \$68,485 | \$62,597 | \$61,882 |
| Median House Value | \$139,512 | \$131,605 | \$123,366 |





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

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