

# TRIPLE-NET (NNN) PETSMART

Kentwood, MI

JAMESCAPITAL  
ADVISORS



Listed in Conjunction with MI Real Estate Broker

DZ Net Lease Realty, LLC, Lic. No. D9335W

PetSmart

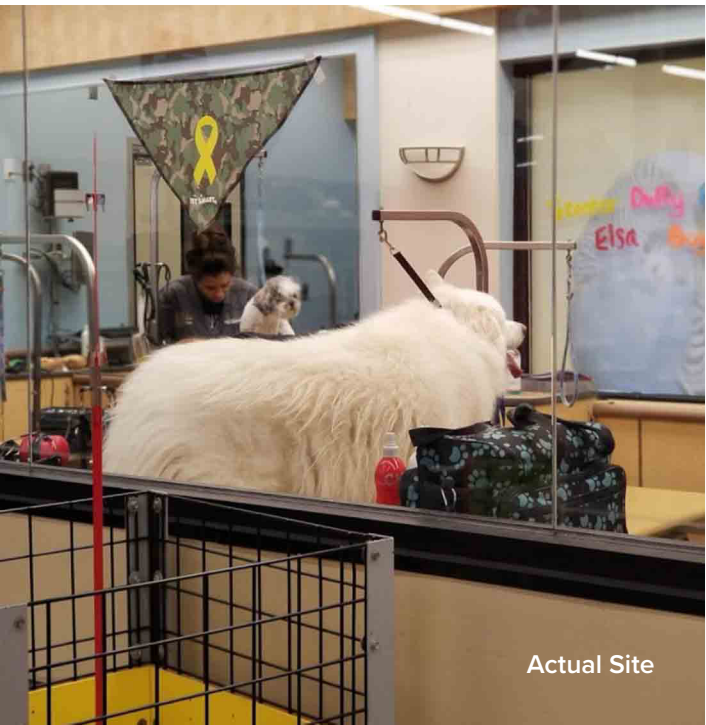
3950 28th St SE, Kentwood, MI 49512

# PROPERTY INFO

Tenant	PetSmart
Street Address	3950 28th Street SE
City	Kentwood
State	MI
Zip	49512
APN	41-18-14-227-030
GLA	25,993 SF
Lot Size	16.6 AC
Year Built	1996

# FINANCIAL SUMMARY

Purchase Price	\$4,711,000
Cap Rate	8.00%
Net Operating Income	\$376,899
Price / SF	\$181.24
Rent / SF	\$14.50
Listing Agent	Ryan Sobel
Phone Number	(424) 325-2613
Email	<a href="#">SUBMIT OFFER</a>



Actual Site

# INVESTMENT HIGHLIGHTS

## Extended 10-Year Lease

The tenant extended their original 20-year term for an additional 10 years. The tenant has also invested over \$1.5 million in remodeling the store, showing their commitment to the site.

## Attractive Rental Increases

This lease offers \$.50/SF increases in each of the three, five-year option periods, providing an investor with a strong hedge against inflation.

## Triple-Net (NNN) Lease

This tenant is operating under a Triple-Net (NNN) lease structure with the tenant responsible for real estate taxes, insurance and common area maintenance.

## Rising Pet Industry

Nearly 85 million households in the U.S have a pet and over \$14 billion is spent annually on pet supplies and medicine. In Michigan more than 55% of households have at least one pet.



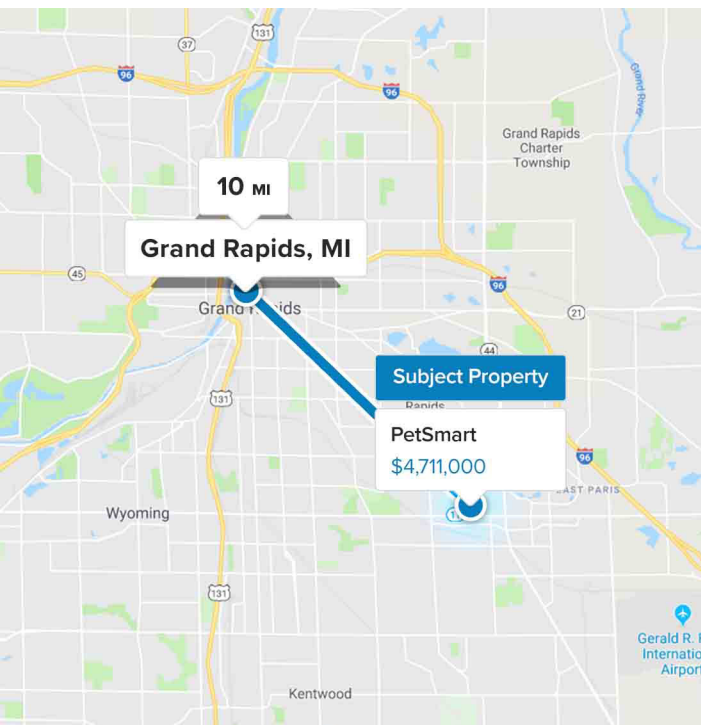




# LEASE SUMMARY

Lease Type	Triple-Net (NNN)
Type of Ownership	Fee Simple (Condominium)
Original Lease Term	20 Years
Commencement Date	February 25, 1997
Lease Expiration	May 31, 2028
Term Remaining	9.25 Years
Increases	Approx. 3% in Each Option
Options	Three, Five-Year
ROFR / ROFO	N/A

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
* Landlord responsible for Roof & Structure	
Lease Guarantor	Corporate
Company Name	PetSmart
Ownership	Private
Years in Business	32 Years
Number of Locations	1600+



## INVESTMENT HIGHLIGHTS

### Extremely Dense Retail Corridor

Ideally located in one of the top-ranked retail areas in the county. National retailers in the immediate area include Trader Joe's, Panera Bread, Starbucks, Chipotle and numerous others.

### Unique PetsHotel Site

Only 12.5% of PetSmart stores have the in-store PetsHotel as this location does. The extended offering of dog and cat boarding serves as an additional revenue source for the site.

### Brand New Roof

The roof was fully replaced in 2015 with a 20-year warranty.

### Excellent Site-Level Visibility

This property benefits from its prime location along 28th St SE, with traffic counts over 50,000 vehicles per day.

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Lease Summary

PetSmart

3950 28th St SE, Kentwood, MI 49512



## RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
02/01/2018 - 05/31/2023	1st Option	\$376,898.50	\$31,408.21	-	\$14.50	7.75%
06/01/2023 - 05/31/2028	2nd Option	\$376,898.50	\$31,408.21	-	\$14.50	7.75%
06/01/2028 - 05/31/2033	3rd Option	\$389,895.00	\$32,491.25	3.45%	\$15.00	8.02%
06/01/2033 - 05/31/2038	4th Option	\$402,891.50	\$33,574.29	3.33%	\$15.50	8.28%
06/01/2038 - 05/31/2043	5th Option	\$415,888.00	\$34,657.33	3.23%	\$16.00	8.55%

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Rent Schedule

PetSmart

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# ABOUT THE BRAND

PetSmart is the nation’s largest specialty pet retailer and provides best-in-class products and solutions for the lifetime needs of pets and pet parents. In addition to a wide range of competitively priced pet products and food, PetSmart also offers pet grooming, boarding, training and in-store pet adoptions.

The company is responsible for facilitating more pet adoptions than any other brick-and-mortar organization, with over eight million adoptions to date. This Fortune 500 company has continued to grow and remain competitive by acquiring Chewy.com in 2017, in the biggest e-commerce acquisition of all time.

Today, PetSmart employs approximately 55,000 associates and operates over 1,600 locations in the United States, Canada and Puerto Rico.

LOCATIONS	STATES	U.S. PET RETAILER RANKING
1,600+	50	#1



## RECENT NEWS

### Same-Day Delivery Expansion

The company announced the expansion of its same-day delivery to 14 new markets in September 2017.

### PetSmart Makes Biggest E-Commerce Acquisition of All Time

In 2017, PetSmart acquired a leading online retailer of pet products and food, Chewy.com, for \$3.35 billion.

### 1,600th Store Milestone

PetSmart celebrated a major company milestone in 2017 with the grand opening of its 1,600th store.

### PetSmart’s Presence in All 50 States

In October 2017, PetSmart opened a location in Casper, Wyoming, marking the company’s presence in all 50 U.S. states.



# KENTWOOD, MI

## #1 Hottest Zip Code in the Country

In Realtor.com's ranking of America's Hottest Zip Codes 2018, Kentwood was ranked first out of 32,000 zip codes.

## Redevelopment Ready Community®

Kentwood is in the process of gaining certification as a Redevelopment Ready Community®. The city is very focused on growth and attracting new businesses, investors and residents.

## Dense and Growing Population

There are over half a million people within 10 miles of the subject property and projected growth of 4.35% by 2023.

## Mass Renovations and Expansions

Kentwood is experiencing the highest rate of economic development in the last ten years, with Woodland Mall investing \$100 million in renovations and several new industrial developments.



## LOCATION OVERVIEW

### Grand Rapids MSA

This property is situated in Michigan's strongest MSA, Grand Rapids. Grand Rapids is known for its affordability and its growing food, art, music and beer scene.

### Near Michigan's Second Busiest Airport

Conveniently located near Michigan's second busiest airport, Gerald R. Ford International Airport, where over two million passengers were served in 2017, a six percent bump from 2016.

### Michigan Business Development Program

Michigan Strategic Fund and Michigan Economic Development Corporation work together to provide assistance for highly competitive projects that create jobs in the state.

### ArtPrize Attracts Half a Million Visitors

ArtPrize is an international art competition that takes place in Grand Rapids for 19 days and attracts over 500,000 visitors annually.

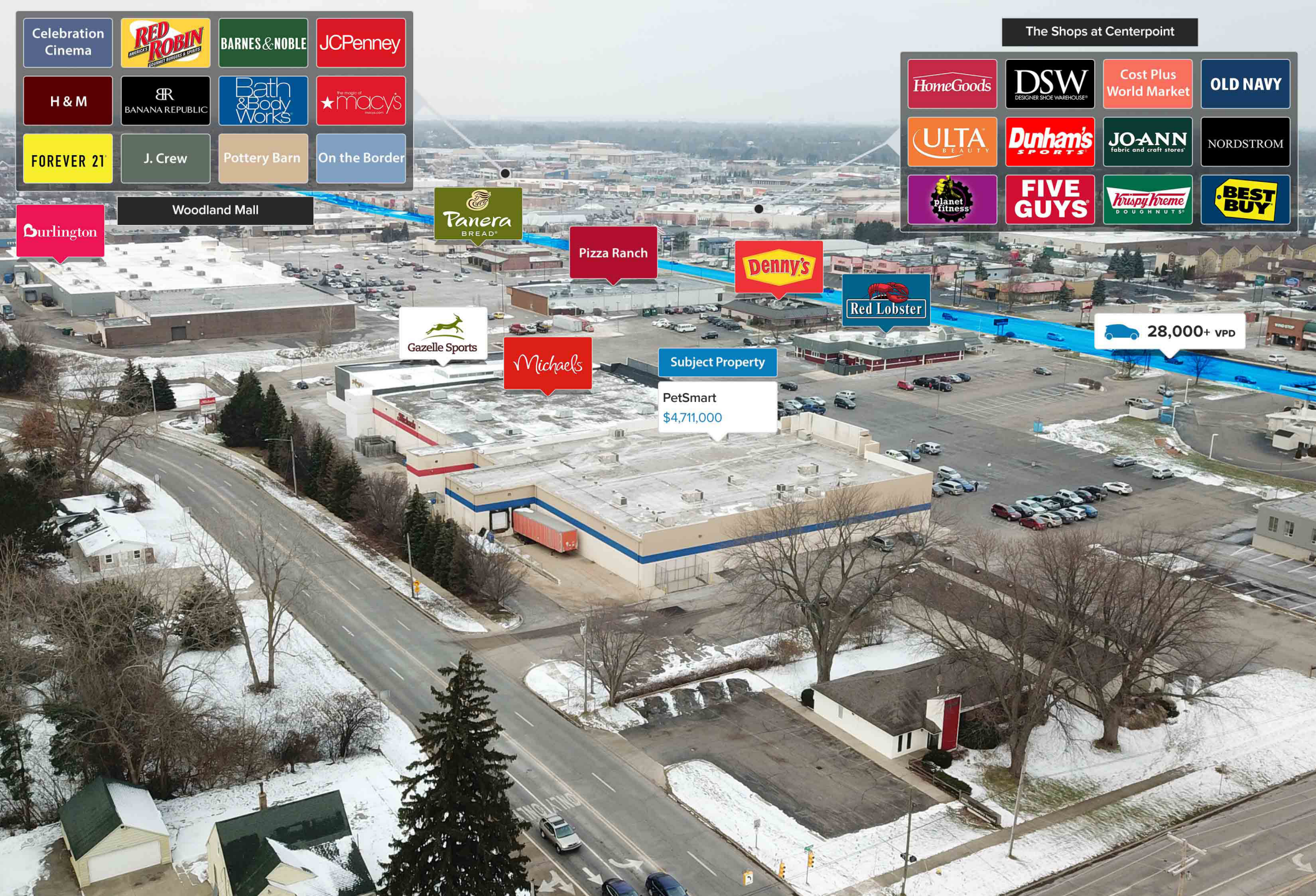
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Location Overview

PetSmart

3950 28th St SE, Kentwood, MI 49512









Woodland Mall

The Shops at Centerpoint

35,000+ VPD

28,000+ VPD

Subject Property

PetSmart  
\$4,711,000

Burger King

Speedway

CARmax

Steak 'n Shake

SHERWIN WILLIAMS





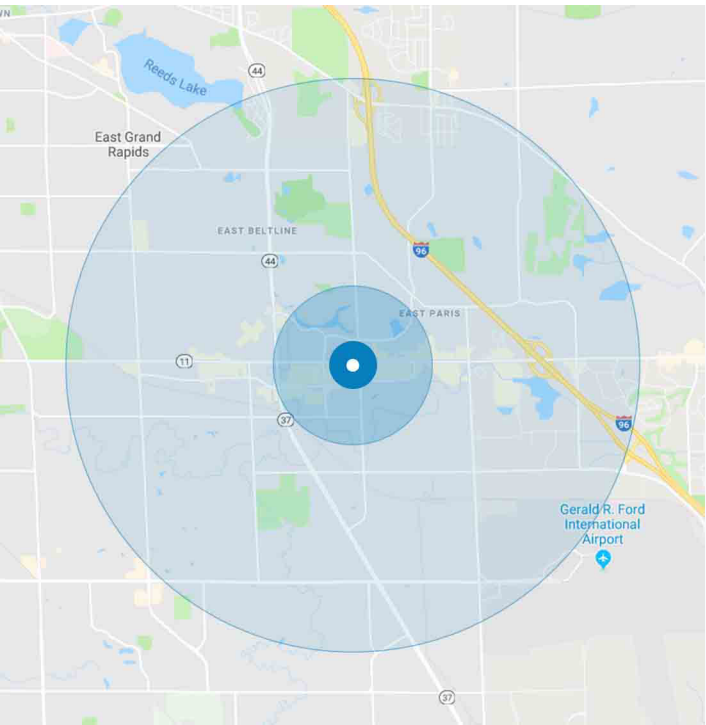


# DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE	10 MILE
2023 Projection	7,428	55,323	177,076	500,364
2018 Estimate	7,136	53,407	169,838	479,495
2010 Census	6,775	52,147	159,555	447,997
Growth 2018 - 2023	4.09%	3.59%	4.26%	4.35%
Growth 2010 - 2018	5.33%	2.42%	6.44%	7.03%

## Grand Rapids MSA

This property is situated in Michigan’s strongest MSA, Grand Rapids. Grand Rapids is known for its affordability and its growing food, art, music and beer scene.



HOUSEHOLDS	1 MILE	3 MILE	5 MILE	10 MILE
2023 Projection	3,685	22,665	66,801	190,465
2018 Estimate	3,534	21,885	64,079	182,437
2010 Census	3,321	21,442	60,373	170,374
Growth 2018 - 2023	4.27%	3.56%	4.25%	4.40%
Growth 2010 - 2018	6.41%	2.07%	6.14%	7.08%

HOUSEHOLDS				
Avg. HH Income	\$51,459	\$83,950	\$86,312	\$76,070
Med. HH Income	\$41,589	\$63,578	\$65,485	\$57,713



# DISCLAIMER

The information contained in this Marketing Brochure has been obtained from sources believed to be reliable. However, James Capital Advisors, Inc. & DZ Net Lease Realty, LLC (“Broker”) has not, and will not, verify any of this information, nor has Broker conducted, nor will it conduct, any investigation regarding these matters. Broker makes no representations, guarantees or warranties of any nature about the accuracy or completeness of any information provided. The information provided in this brochure is in no way a substitute for a thorough due diligence investigation by Buyer. Broker has made no investigation of, and has made no representations, guarantees, or warranties of any nature, with regard to income and expenses for this property nor the future financial performance of the property. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties as to the size and square footage of the property, the presence of any contaminating substances at the property, the physical condition of the property or compliance with any State, Local or Federal regulations. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties of any nature, with regard to the financial condition or future financial condition of any tenants, nor any future plans or intentions of tenants with regard to the continued occupancy of the property. All parties are aware that Broker has no affirmative obligation to conduct a due diligence examination of the property for any Buyer. Any and all projections or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property.

The value of the property to any Buyer depends on numerous factors that must be evaluated by Buyer and Buyer’s legal, tax, construction and financial advisors. Buyer and Buyer’s advisors should conduct a thorough, independent investigation of the property to determine its suitability for Buyer’s intended usage. This investment, as with all real estate investments, carries a substantial risk. As such, Buyer and Buyer’s legal and financial advisors are strongly advised to request and review all legal and financial documentations related to the property and tenants.

A tenant’s past performance is not a guarantee of future performance. The lease rate stated for some properties may be based on a tenant’s projected sales with little or no record of actual performance or comparable rents for the area in question. Returns are in no way guaranteed. Tenants may fail to pay the rent or property taxes or any other tenant obligations under the terms of the lease. Regardless of tenant’s history of performance, and/or any lease guarantors and/or guarantees, Buyer is responsible for conducting Buyer’s own investigation of all matters related to any and all tenants and lease agreements. Broker is not, in any way, responsible for the performance of any tenant or for any breach or default by any tenant of any terms of any lease agreement related to the property. Further, Buyer is responsible for conducting Buyer’s own independent investigation of all matters related to the value of the property, including, but not limited to, the value of any long term leases. Buyer must carefully evaluate the possibility of tenants vacating the property or breaching their leases and the likelihood and financial impact of being required to find a replacement tenant if the current tenant should default and/or abandon the property. Buyer must also evaluate Buyer’s legal ability to make alternate use of the property in the event of a tenant abandonment of the property.

## CONFIDENTIALITY

This Marketing Brochure and the information contained within, is propriety and strictly confidential. It is intended to be used only by the party receiving it from Broker. It should not be made available to any other person or entity without the express written consent of Broker.

## RELEASE

This Marketing Brochure has been prepared to provide basic, unverified information for prospective purchasers. By accepting this Marketing Brochure, the recipient agrees to release and hold harmless Broker. from any claim, demand, liability or loss arising out, or relating in any way, to the information contained in this Marketing Brochure and from Buyer’s investigation of the property.

## NON-ENDORSEMENT

Broker is not affiliated with, endorsed by or sponsored in any way by any tenant or lessee identified in this Marketing Brochure. The presence of any entity’s logo or name is not intended in any way to indicate affiliation, sponsorship or endorsement by said entity of Broker.

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Disclaimer

PetSmart

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# CONTACT INFORMATION

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CA RE Lic. 02005465

**DZ Net Lease Realty, LLC**

MI Real Estate Broker

MI RE Lic. D9335W

**SUBMIT OFFER**



James Capital Advisors

Contact Information

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[http://www.legislature.mi.gov/\(S\(jtcdzavqwqq4snnyy0t5x1tg\)\)/mileg.aspx?page=getObject&objectName=mcl-339-2517](http://www.legislature.mi.gov/(S(jtcdzavqwqq4snnyy0t5x1tg))/mileg.aspx?page=getObject&objectName=mcl-339-2517) this link 01.10.17 contained the below:

## **DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS**

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee. A real estate transaction is a transaction involving the sale or lease of any legal or equitable interest in real estate consisting of not less than 1 or not more than 4 residential dwelling units or consisting of a building site for a residential unit on either a lot as defined in section 102 of the land division act, 1967 PA 288, MCL 560.102, or a condominium unit as defined in section 4 of the condominium act, 1978 PA 59, MCL 559.104.

(1) An agent providing services under any service provision agreement owes, at a minimum, the following duties to the client:

- (a) The exercise of reasonable care and skill in representing the client and carrying out the responsibilities of the agency relationship.
- (b) The performance of the terms of the service provision agreement.
- (c) Loyalty to the interest of the client.
- (d) Compliance with the laws, rules, and regulations of this state and any applicable federal statutes or regulations.
- (e) Referral of the client to other licensed professionals for expert advice related to material matters that are not within the expertise of the licensed agent.
- (f) An accounting in a timely manner of all money and property received by the agent in which the client has or may have an interest.
- (g) Confidentiality of all information obtained within the course of the agency relationship, unless disclosed with the client's permission or as provided by law, including the duty not to disclose confidential information to any licensee who is not an agent of the client.

(2) A real estate broker or real estate salesperson acting pursuant to a service provision agreement shall provide the following services to his or her client:

- (a) When the real estate broker or real estate salesperson is representing a seller or lessor, the marketing of the client's property in the manner agreed upon in the service provision agreement.
- (b) Acceptance of delivery and presentation of offers and counteroffers to buy, sell, or lease the client's property or the property the client seeks to purchase or lease.
- (c) Assistance in developing, communicating, negotiating, and presenting offers, counteroffers, and related documents or notices until a purchase or lease agreement is executed by all parties and all contingencies are satisfied or waived.
- (d) After execution of a purchase agreement by all parties, assistance as necessary to complete the transaction under the terms specified in the purchase agreement.
- (e) For a broker or associate broker who is involved at the closing of a real estate or business opportunity transaction furnishing, or causing to be furnished, to the buyer and seller, a complete and detailed closing statement signed by the broker or associated broker showing each party all receipts and disbursements affecting that party.

Michigan law requires real estate licensees who are acting as agents of sellers or buyers of real property to advise the potential sellers or buyers with whom they work of the nature of their agency relationship.



### **Seller's Agents**

A seller's agent, under a listing agreement with the seller, acts solely on behalf of the seller. A seller can authorize a seller's agent to work with subagents, buyer's agents and/or transaction coordinators. A subagent is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and subagents will disclose to the seller known information about the buyer which may be used to the benefit of the seller. Individual services may be waived by the seller through execution of a limited service agreement. Only those services set forth in paragraph (2)(b), (c), and (d) above may be waived by the execution of a limited service agreement.

### **Buyer's Agents**

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. Buyer's agents and subagents will disclose to the buyer known information about the seller which may be used to benefit the buyer. Individual services may be waived by the buyer through execution of a limited service agreement. Only those services set forth in paragraph (2)(b), (c), or (d) above may be waived by execution of a limited service agreement.

### **Dual Agents**

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer. In such a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer. The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller, and the buyer.

#### **Licensee Disclosure (check one)**

I hereby disclose that the agency status of the licensee named below is:

☐ Seller's Agent

☐ Seller's Agent – limited service agreement

☐ Buyer's Agent

☐ Buyer's Agent – limited service agreement

☐ Dual Agent

☐ None of the above

#### **Affiliated Licensee Disclosure (check one)**

☐ Only the licensee's broker and a named supervisory broker have the same agency relationship as the licensee named below. If the other party in a transaction is represented by an affiliated licensee, then the licensee's broker and all named supervisory brokers shall be considered disclosed consensual dual agents.

☐ All affiliated licensees have the same agency relationship as the licensee named below.

Further, this form was provided to the buyer or seller before disclosure of any confidential information.



David B Zacharia of DZ Net Lease Realty, LLC 12/21/2018

Licensee

Date

### **Acknowledgment**

By signing below, the parties acknowledge that they have received and read the information in this agency disclosure statement and acknowledge that this form was provided to them before the disclosure of any confidential information.

\_\_\_\_\_  
Potential Buyer/Seller (circle one)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Potential Buyer/Seller (circle one)

\_\_\_\_\_  
Date

(4) On a separate form, the following information in the following format shall be provided to a client desiring to waive any of the services required under section 2512d (3) (b), (c), and (d) by execution of a limited service agreement:

#### LIMITED SERVICE AGREEMENT

Pursuant to Michigan law certain services provided by a real estate licensee may be waived. A real estate licensee is required to perform certain services for his or her client unless these service are waived by the client. By signing below, you agree that the real estate licensee will not be required to perform the service initialed (only initial the services waived). Initial if waived:

--Acceptance of delivery and presentation of offers and counteroffers to buy, sell, or lease your property or the property you seek to purchase or lease. \_\_\_\_\_

--Assistance in developing, communicating, negotiating, and presenting offers, counteroffers, and related documents or notices until a purchase or lease agreement is executed by all parties and all contingencies are satisfied or waived. \_\_\_\_\_

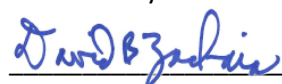
--After execution of a purchase agreement by all parties, assistance as necessary to complete the transaction under the terms specified in the purchase agreement. \_\_\_\_\_

#### Agreement to Waive

By signing below, I acknowledge that the duties owed to me pursuant to Michigan law have been explained to me and that I knowingly agree that the real estate licensee who represents me will not provide the services that are initialed above. I also understand that in any proposed real estate transaction, no other real estate licensee is required to provide the waived services unless I subsequently hire them to do so. I also acknowledge that in order to protect my interests I may need to retain other professionals, such as an attorney.

\_\_\_\_\_  
Seller or Buyer Date

\_\_\_\_\_  
Seller or Buyer Date

  
\_\_\_\_\_  
David B Zacharia Date

DZ Net Lease Realty, LLC  
Brokerage Name

(5) This article does not prevent a licensee from acting as a transaction coordinator upon proper notice to all parties to a real estate transaction.

(6) A broker and a client may enter into a designated agency agreement. In the absence of a written designated agency agreement, a client is considered to have an agency relationship with the broker and all affiliated licensees.

(7) A designated agency agreement shall contain the name of all associate brokers who are authorized to act as supervisory brokers. If designated agents who are affiliated licensees represent different parties in the same real estate transaction, the broker and all supervisory brokers are considered disclosed consensual dual agents for that real estate transaction. Designated agents who are affiliated licensees representing different parties in the same transaction shall notify their clients that their broker represents both buyer and seller before an offer to purchase is made or presented.



(8) Except as otherwise provided in subsection (7), a client with a designated agency agreement is not considered to have an agency relationship with any affiliated licensees of the designated agent. Two designated agents who are affiliated licensees may each represent a different party in the same transaction and shall not be considered dual agents. The designated agent's knowledge of confidential information of a client is not imputed to any affiliated licensee not having an agency relationship with that client.

(9) A designated agent shall not disclose confidential information of a client to any licensee, whether or not an affiliated licensee, except that a designated agent may disclose to any supervisory broker confidential information of a client for purposes of seeking advice or assistance for the benefit of the client. A licensee who represents a client in an agency capacity does not breach any duty or obligation owed to that client by failing to disclose to that client information obtained through a present or prior agency relationship.

(10) A listing agreement or a buyer's agency agreement may be amended to establish a designated agency relationship, to change a designated agent, or to change supervisory brokers at any time pursuant to a written addendum signed by the parties.

(11) As used in this section:

(a) "Affiliated licensees" means individuals licensed as salespersons or associate brokers who are employed by the same broker.

(b) "Buyer" means a purchaser, tenant, or lessee of any legal or equitable interest in real estate.

(c) "Buyer's agent" means a licensee acting on behalf of the buyer in a real estate transaction who undertakes to accept the responsibility of serving the buyer consistent with those fiduciary duties existing under common law.

(d) "Designated agent" means an individual salesperson or an associate broker who is designated by the broker as the client's legal agent pursuant to a designated agency agreement.

(e) "Designated agency agreement" means a written agreement between a broker and a client in which an individual salesperson or associate broker affiliated with that broker is named as that client's designated agent.

(f) "Dual agent" means a licensee who is acting as the agent of both the buyer and the seller and provides services to complete a real estate transaction without the full range of fiduciary duties owed by a buyer's agent and a seller's agent.

(g) "Real estate transaction" means the sale or lease of any legal or equitable interest in real estate where the interest in real estate consists of not less than 1 or not more than 4 residential dwelling units or consists of a building site for a residential unit on either a lot as defined in section 102 of the land division act, 1967 PA 288, MCL 560.102, or a condominium unit as defined in section 4 of the condominium act, 1978 PA 59, MCL 559.104.

(h) "Seller" means the equitable or legal owner of real estate.

(i) "Seller's agent" means a licensee acting on behalf of the seller in a real estate transaction who undertakes to accept the responsibility of serving the seller consistent with those fiduciary duties existing under common law.

(j) "Supervisory broker" means an associate broker designated in a written agency agreement to act in a supervisory role in an agency relationship.

(k) "Transaction coordinator" means a licensee who is not acting as the agent of either the buyer or the seller.