

NEW ORLEANS

112,351
VPD

WESTBANK EXPRESSWAY

amc
THEATRES

LOWE'S

Walmart
Supercenter

46,200
VPD

PETSMART

MANHATTAN BOULEVARD

Sam's
CLUB

PETSMART

RARE ABSOLUTE NNN LEASE PETSMART ANCHORED BY WALMART/SAM'S CLUB/LOWE'S

HARVEY, LA (NEW ORLEANS MSA)



CAPITAL PACIFIC

Retail Aerial



DOLLAR GENERAL

Walmart
Supercenter

LOWE'S

Sam's
CLUB

TARGET

ROSS
DRESS FOR LESS

NAVAL AIR
STATION
JOINT
RESERVE
BASE

ups
GNC

REGIONS

at&t

theVitamin
Shoppe

FIVE GUYS
BURGERS and FRIES

GameStop

ihop

Walgreens

Starbucks

McDonald's

MATTRESSFIRM

Sprint

PETSMART

EMG
EAGLE MOUNTAIN GROUP

SEMI-TRAIL REPAIR

STATE FARM
INSURANCE

MANHATTAN BOULEVARD

46,200
VPD

FRIDAYS



PETSMART

1321 MANHATTAN BLVD, HARVEY, LA 70058

\$3,628,000
PRICE

8.75%
CAP

BLDG SF
19,377 SF

LEASABLE AREA
1.74 Acres

LEASE TYPE
Corporate NNN

YEAR BUILT
2003

LEASE TERM
5 Years

RENTAL INCREASES
8% every 5 years

Rare Absolute NNN leased PetSmart located in New Orleans

Proven Location – 16 year operating history and tenant just exercised their first of four 5-year options at higher rent

Excellent Inflation Hedge – 8% rent bumps at each option period

Highly visible outparcel to Lowe's, Walmart and Sam's Club

Primary retail trade area among top national retail brands

Recent IPO of PetSmart's online retailer Chewy created \$1 billion windfall

Investment Highlights

CAPITAL PACIFIC is pleased to present an opportunity to acquire a PetSmart, a well-located, corporate NNN leased investment in one of the most recognizable cities in the U.S. The subject property is leased to PetSmart, the world's largest specialty retailer for pet supplies. The company recently debuted its online retailer, Chewy, on the New York Stock Exchange and saw an astounding 86% rise in its price, valuing their online business at \$9 billion (PetSmart owns 70% of the stock, see page 13 for more information).

PETSMART has occupied this site since 2003 and recently extended their lease for an additional 5 years, speaking to the strength of this location. They have three remaining 5-year options to extend the lease, with an 8% rental increase during each of those options. The property is an absolute NNN lease, meaning that the tenant is responsible for all operating expenses, repairs, maintenance, insurance, and taxes, with Landlord having zero maintenance or expense responsibilities.

THE PROPERTY is located in the highly-desirable New Orleans market. It is well-positioned within a dense retail corridor, and occupies arguably the best corner within the corridor, benefiting from its high profile anchor tenants – Walmart, Lowe's, and Sam's Club, as well as neighboring pad sites Starbucks and McDonald's, which further drive traffic to the center. The trade area features a dense population of nearly 320,000 residents within 5 miles, and strong average household incomes of \$69,000.



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Aerial



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Surrounding Retail Site Plan



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Surrounding Retail



Income & Expense

PRICE	\$3,628,000
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Capitalization Rate:	8.75%
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Total Rentable Area (SF):	19,377
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Lot Size (AC):	1.74
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STABILIZED INCOME	PER SF	
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Scheduled Rent	\$16.38	\$317,408
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Effective Gross Income	\$16.38	\$317,408
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EXPENSES	PER SF	
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Taxes	NNN	\$0.00
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Insurance	NNN	\$0.00
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Total Operating Expenses	NNN	\$0.00
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NET OPERATING INCOME		\$317,408
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Rent Roll

Tenant Info		Lease Terms		Rent Summary				
Tenant Name	Sq. Ft.			Current Rent	Monthly Rent	Yearly Rent	Monthly Rent/Ft	Yearly Rent/Ft
PetSmart	19,377	06/09/03	01/31/24	\$317,408	\$26,451	\$317,408	\$1.37	\$16.38
	2nd Option	02/01/24	01/31/29		\$28,567	\$342,800	\$1.47	\$17.69
	3rd Option	02/01/29	01/31/34		\$30,852	\$370,224	\$1.59	\$19.11
	4th Option	02/01/34	01/31/39		\$33,320	\$399,842	\$1.72	\$20.63
TOTALS:	19,377			\$317,408	\$26,451	\$317,408	\$1.37	\$16.38

**PetSmart took occupancy on June 9, 2003. On February 1, 2019 PetSmart exercised their 1st of 4 extensions options at higher rent.*

Lease Abstract

TENANT	PetSmart
LEASE SIGNED BY	PetSmart, Inc.
LEASABLE SF	19,377 SF
LEASE TYPE	Absolute NNN
LEASE TERM	5 Years (First Option)
OPTIONS	Three 5-year options remaining

RENT

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 06/09/03 - 01/31/24*	\$26,451	\$317,408
#2. 02/01/24 - 01/31/29	\$28,567	\$342,800
#3. 02/01/29 - 01/31/34	\$30,852	\$370,224
#4. 02/01/34 - 01/31/39	\$33,320	\$399,84

**PetSmart recently exercised their first 5-year option where base rent increased by 8%*

**PetSmart has three 5-year options remaining, each with scheduled base rental increases of 8%*

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

EXPENSES

TAXES

Tenant pays directly to local taxing authorities.

INSURANCE

Tenant pay for and maintain the following insurance policies: (i) Fire and All Risk for no less than the full insurable value, (ii) General Commercial for no less than \$1,000,000 per occurrence and an annual aggregate limit of \$5,000,000, (iii) Business Interruption for no less than twelve months of rent and property operating expenses, (iiii) Flood if property is located in a designated floodplain according to most current Federal Emergency Management Agency map.

UTILITIES

Tenant pays all utilities servicing the premises directly to the appropriate authority.

TENANT'S OBLIGATIONS

Tenant is responsible, at its sole cost and expense, for all necessary maintenance, repair and replacement to the entire premises (building and parcel). This includes (but not limited to) the maintenance, repair, and replacement of all structural or load-bearing elements, roofs, walls, foundations, HVAC, electrical systems, resurfacing and striping of walkways, driveways, parking areas and adjacent public sidewalks, maintenance of utility lines and exterior lighting.

LANDLORD'S OBLIGATIONS

None.

Site Plan

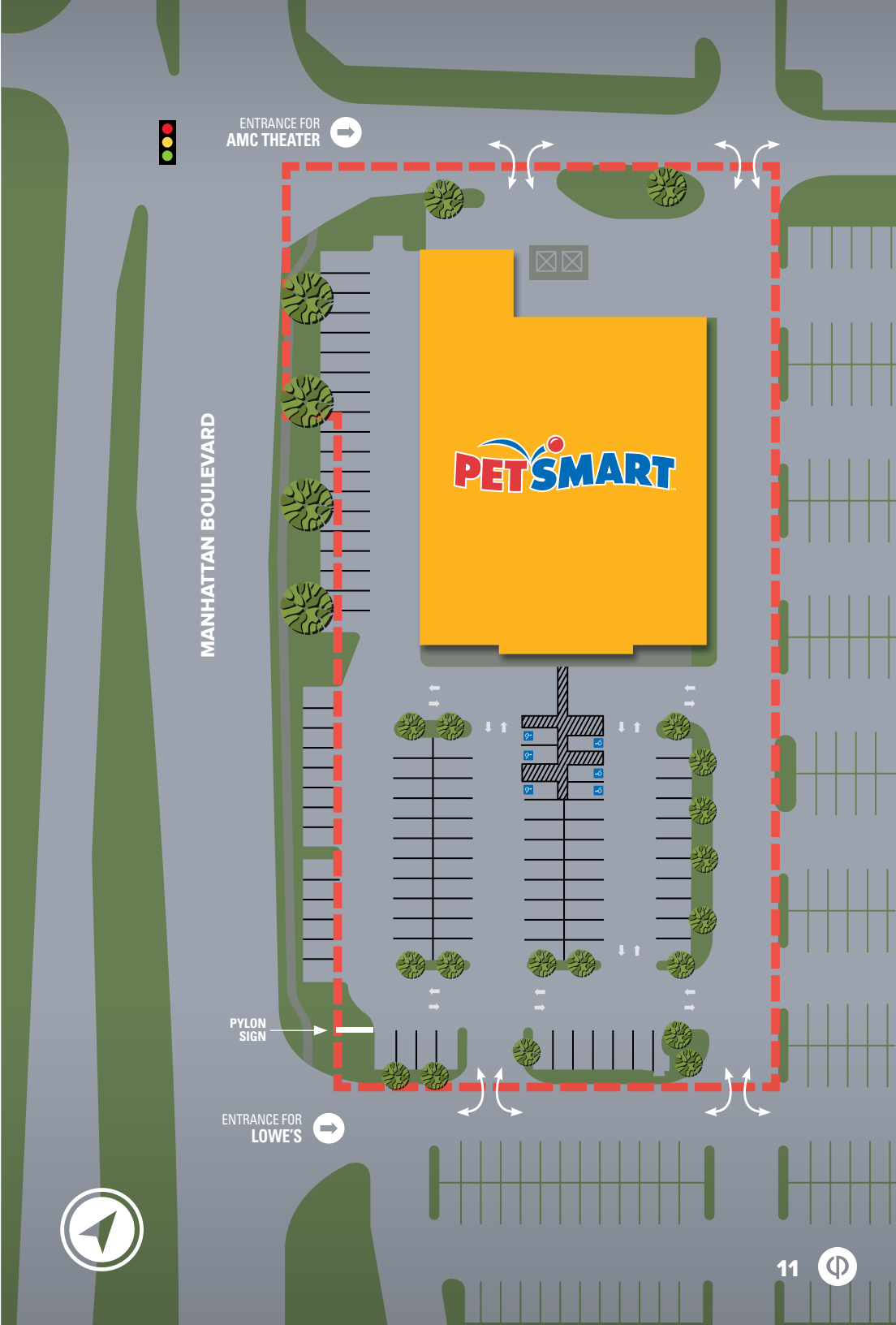
sf
19,377
RENTABLE SF

ac
1.74
ACRES

98
SPACES



This site plan is a rendering that has been created based on sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Tenant Overview



PetSmart, Inc. is the largest specialty pet retailer of services and solutions for the lifetime needs of pets. In March 2015, a group of private equity firms led by BC Partners took the company private in a deal worth \$8.7 billion. PetSmart employs approximately 56,000 associates and operates more than 16,500 pet stores in the United States, Canada and Puerto Rico, as well as more than 200 in-store PetSmart PetsHotel dog and cat boarding facilities.

PetSmart provides a broad range of competitively priced pet food and products, as well as pet-focused services such as dog training, pet grooming, pet boarding, PetSmart Doggie Day Camp, and pet adoption. PetSmart, together with nonprofits PetSmart Charities and PetSmart Charities of Canada, invite more than 3,500 animal welfare organizations to bring adoptable pets into stores so they have the best chance possible of finding a forever home. Through this instore adoption program and other signature events, PetSmart has facilitated more than 8 million adoptions – more than any other brick and mortar organization.

1,650+

LOCATIONS IN THE
U.S., CANADA AND
PUERTO RICO

\$5.32 Billion

2018 REVENUE

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CHEWY, PETSMART'S ONLINE BUSINESS, SOARS AS MUCH 86% AFTER IPO PRICING AT \$22 PER SHARE

June, 14 2019 (CNBC) Shares of Chewy, the online pet product retailer owned by PetSmart, soared as much as 86% Friday after the company made its public debut.

The retailer's stock opened Friday at \$36, giving the company a market capitalization of \$14.3 billion. Chewy closed its first trading day at \$34.99 per share, trading 59% above its IPO price.

On Thursday night, Chewy priced 46 million shares at \$22 apiece, above the indicative range of \$19 to \$21 that it had given. The amount of stock offered in the deal was 5 million more than expected, and raised \$1 billion.

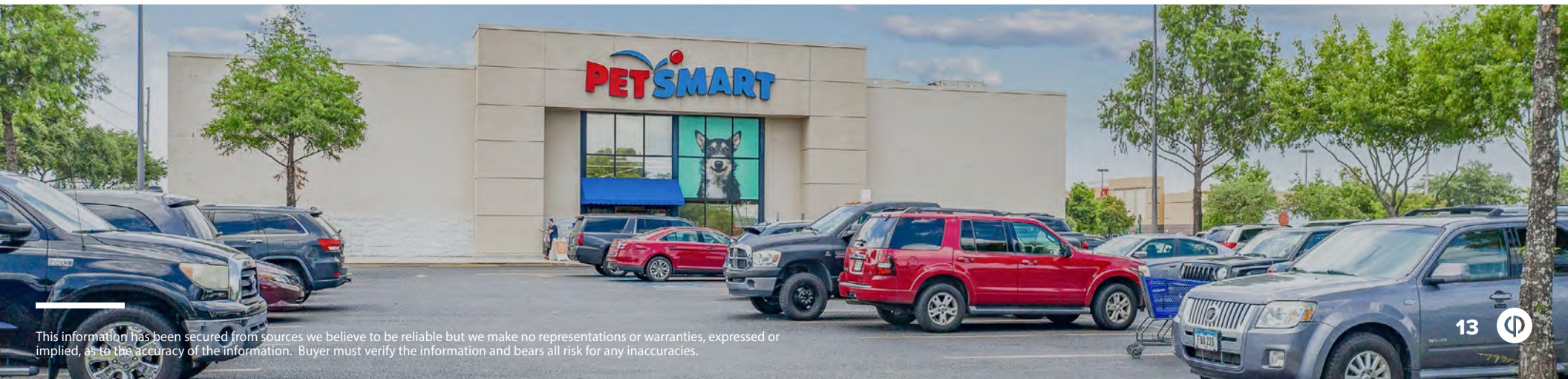
Chewy, founded in 2011 by Ryan Cohen and Michael Day, calls itself the "largest pure-play pet e-tailer in the United States." It has distinguished itself from many of its competitors with customer service that includes 24/7 access and two-day shipping of online orders.

Its loyal customer base, 60% growth rate and \$3.5 billion in sales, helped it to attract investors in its IPO, said Kathleen Smith, principal at Renaissance Capital, which manages IPO-focused exchange traded funds.

"Today, in the United States, we're only about 14% penetrated from an online point of view," Chewy CEO Sumit Singh said on CNBC's "Squawk on the Street" before the company began trading. "Chewy, if you look at it — it's a \$70 billion industry — we're penetrated in about roughly 10% of the households."


Still, the company is not all positives. The high cost of shipping has eaten into its margins. From fiscal 2017 to 2018, it reported a net loss of \$268 million, narrowing from a net loss of \$338 million.

[READ THE FULL ARTICLE](#)



Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	13,577	123,075	303,251
2018	14,098	126,788	318,692
2023	14,377	128,709	324,184

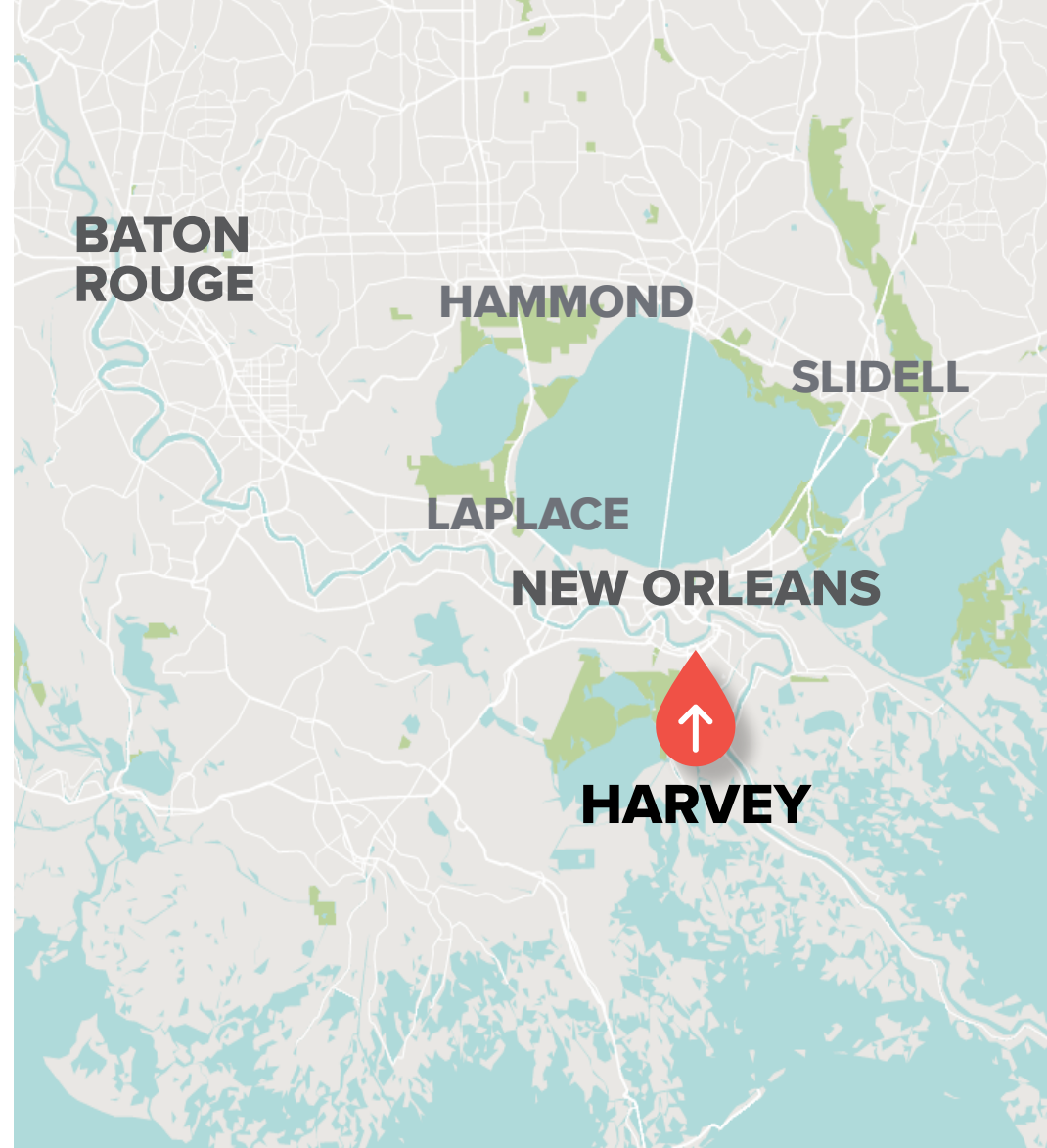
2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$45,188	\$66,495	\$69,168

LARGEST EMPLOYERS IN NEW ORLEANS MSA

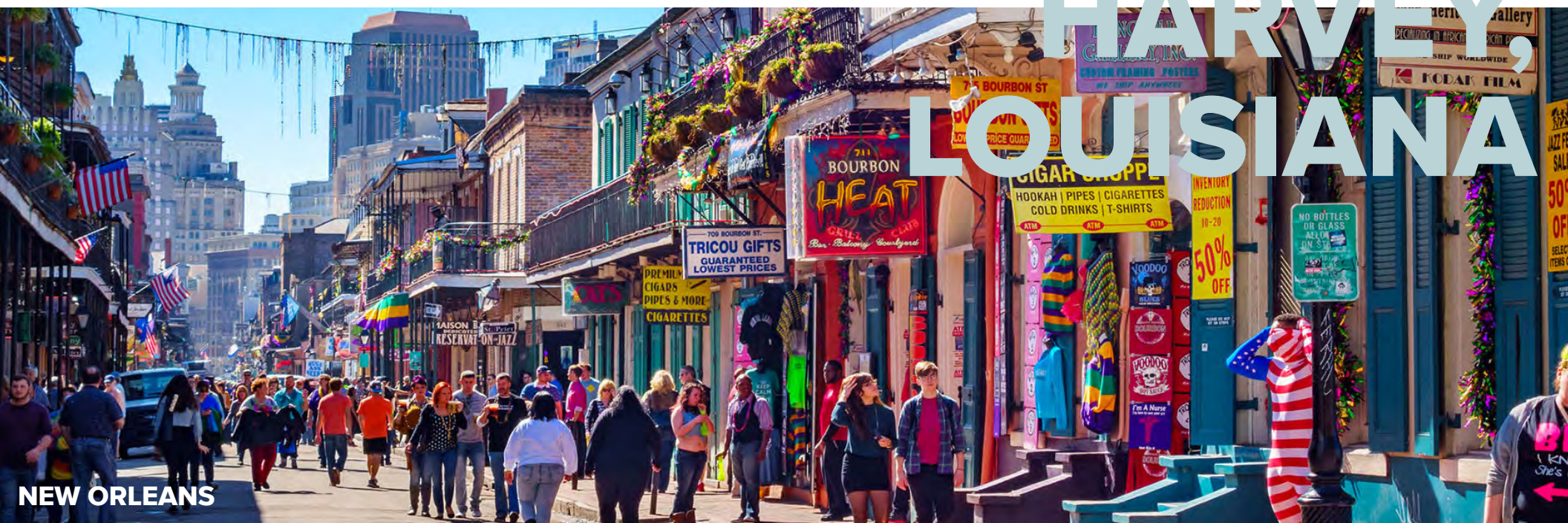
EMPLOYER	# OF EMPLOYEES
Ochsner Health System	16,000
Ochsner Medical Center	7,832
University of New Orleans	3,425
Harrah's Casino	2,200
Children's Hospital	2,139

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**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$69K**

Location Overview



HARVEY is a city located within Jefferson Parish within the New Orleans–Metairie–Kenner MSA. Located on the west bank of the Mississippi River and the Harvey Canal, which is a vital shipping route to the Gulf of Mexico. A short 15-minute drive from downtown New Orleans, Harvey is home to a number of hotels, restaurants, shopping, and a casino.

Jefferson Parish is the state's most populous parish and is home to two of its largest employers - Ochsner Health System and the Jefferson School Board. The economy is bolstered by major industries including medical, oil, gas, marine, and white-collar services.

NEW ORLEANS is the largest city in Louisiana with an estimated population of 393,292 residents. Located on the Mississippi River, the city has a moderate climate. New Orleans has a solid economic base, one of the country's most important ports, a major tourist destination, and a medical, industrial, and educational center. It is home to the well-known celebration of Mardi Gras, a two-week long annual event that includes vibrant costumes, parades, food, and music. With over 1 million visitors to the event each year, the total contribution to the local economy amounts to over \$300 million.

1.16 MILLION



**NEW ORLEANS
MSA POPULATION
(ESTIMATED)**

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