



OFFERING
MEMORANDUM

Big Lots Bellingham

Long Term Single Tenant Investment in Bellingham, WA





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Representative photo

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01

Investment Summary

- Investment Highlights
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- Site Plan
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OFFERING PRICE

\$4,300,000

CAP RATE

6.24%

INITIAL LEASE TERM

10 Years

OCCUPANCY

100%

Investment Summary

Kidder Mathews is pleased to offer for sale a single tenant net leased Big Lots in Bellingham, Washington. Bellingham is 90 miles north of Seattle and 16 miles from the Canadian Border.

Big Lots is completing their tenant improvements and is slated to open in July 2019. They have signed a new 10-year NNN lease that includes three, 5-year options. Big Lots has been a tenant in the Park Manor neighborhood center since 2004. Strong store sales drove relocation to the larger, 41,261 SF space that was formerly occupied by an Albertsons grocery.

The Park Manor Shopping Center is situated at the Corner of Northwest Avenue and Birchwood Avenue in a vibrant retail trade area less than a mile from Interstate 5 and Bellis Fair Mall, a 775,000 square foot regional mall.

This is an excellent passive investment that is well suited for a 1031 exchange or passive investor. A new build out and minimal landlord responsibilities will limit any near-term maintenance on the building.



OFFERING PRICE

\$4,300,000

CAP RATE

6.24%

PRICE PER SF

\$104

NET OPERATING INCOME

\$310,000

OCCUPANCY

100%

TOTAL BUILDING AREA

±41,261 SF

Investment Highlights

CREDIT TENANT

Headquartered in Columbus, Ohio, Big Lots, Inc. (NYSE: BIG) is a community retailer operating 1,415 Big Lots stores in 47 states.

PROVEN SUCCESSFUL LOCATION

Strong sales have enabled Big Lots to expand and relocate from a smaller space in this shopping center where they have been a tenant since 2004.

NEW LONG TERM NNN LEASE

A new 10-year lease will commence upon occupancy and includes three 5 year options with rent increases throughout both the initial term and options to extend.

INTERNET RESISTANT RETAILER

Big Lots is focused on merchandise categories of furniture, seasonal, soft home, food, and consumables.

EXCELLENT EXPOSURE

Easy access via both Northwest Avenue and Birchwood Avenue with exposure to a signalized intersection.

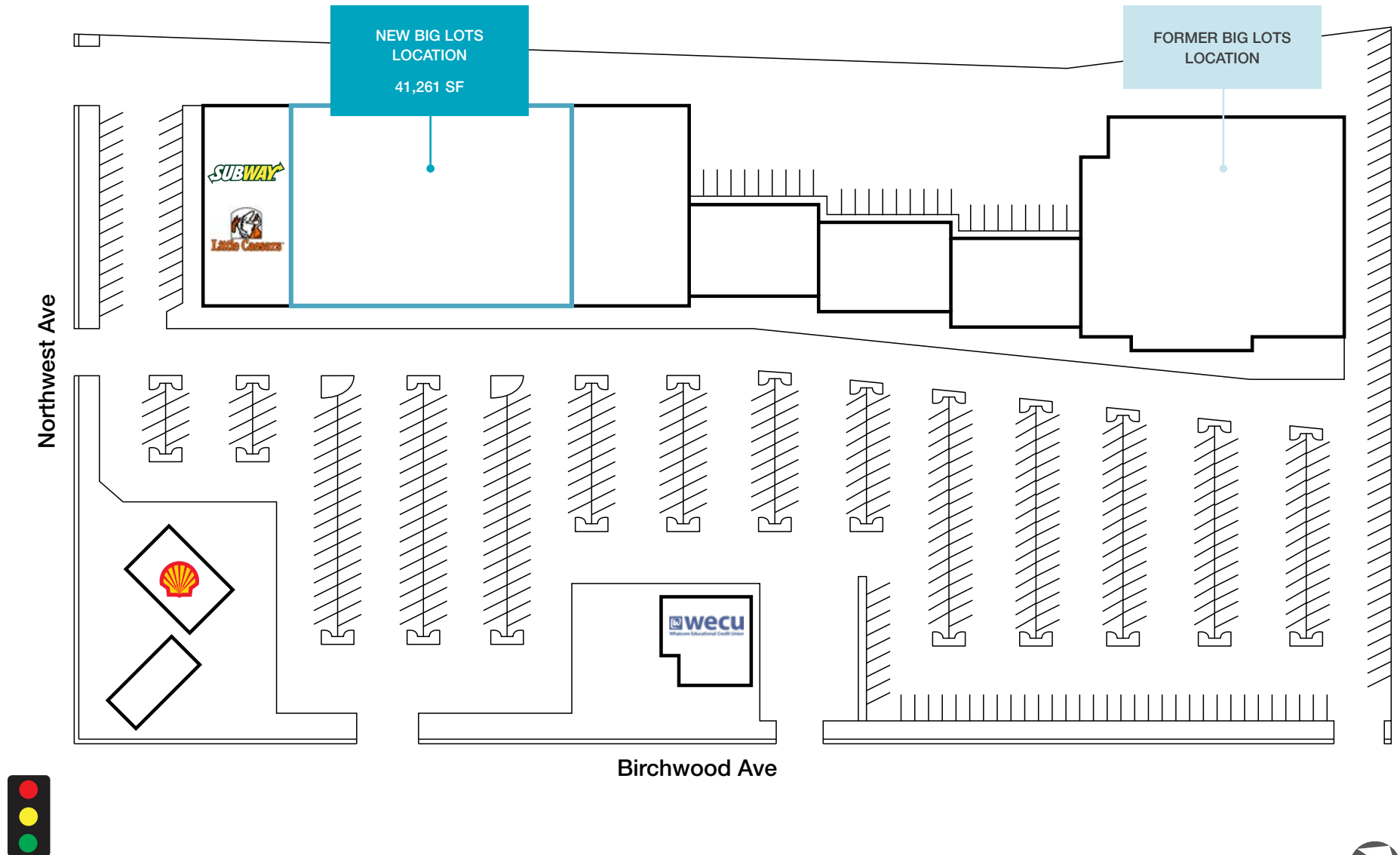
Representative photo

Property Overview

ADDRESS	1650 Birchwood Avenue, Bellingham, WA 98225
GROSS LEASABLE AREA	±41,261 SF
STORIES	1
COUNTY	Whatcom
MUNICIPALITY	City of Bellingham
YEAR BUILT	1959
PARKING STALLS	±186 spaces
PARKING RATIO	4.5 per 1,000 SF
SIGNAGE	Illuminated pylon & building signage
LOT SIZE	±108,029 SF (±2.48 Acres)
PARCEL NUMBER	380213-328008-0000



Site Plan



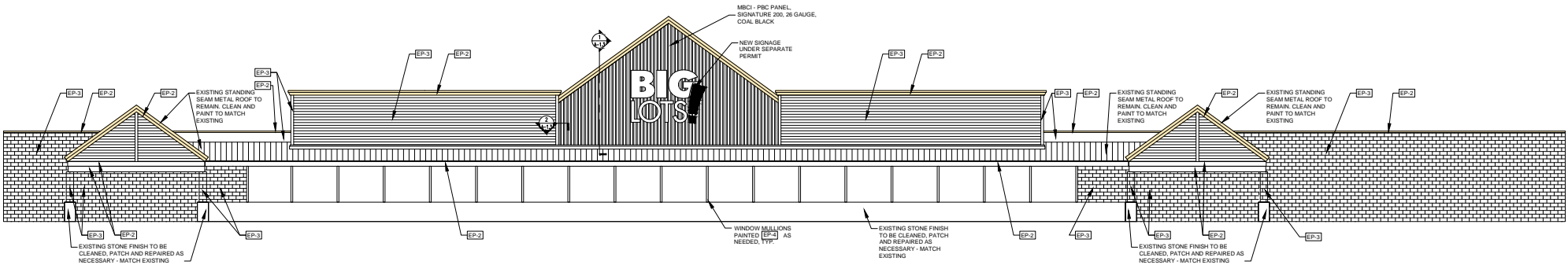
Site Aerial



Location Aerial



Proposed Elevation



PROPOSED ELEVATION
SCALE: 3/32" = 1'-0"

02

Financial Analysis

Lease Abstract



Financial Analysis

Lease Abstract

TENANT	SQUARE FEET	MONTHLY RENT	ANNUAL RENT	ANNUAL RENT / SF	START	END	% INCREASE	COMMENTS
Big Lots	41,261	\$22,349.71	\$268,196.50	\$6.50	03/01/19	02/28/24		Primary Lease Term Year 1-5
		\$24,068.92	\$288,827.00	\$7.00	03/01/24	02/28/29	7.69%	Primary Lease Term Year 6-10
		\$25,066.06	\$300,792.69	\$7.29	03/01/29	02/28/34	4.14%	First 5 Year Option
		\$27,060.34	\$324,724.07	\$7.87	03/01/34	02/28/39	7.96%	Second 5 Year Option
		\$29,226.54	\$350,718.50	\$8.50	03/01/39	02/28/44	8.01%	Third 5 Year Option

TENANT	Big Lots	INSURANCE	Landlord shall pay. Tenant shall reimburse within 30 days.
GUARANTOR	ADVC, Inc., doing business as Big Lots	CAMS	Tenant responsibility. Capped at \$0.80/SF within the first lease year and shall not increase by more than 5% per lease year.
LEASE TYPE	NNN	LANDLORD MAINTENANCE	Roof & Structure
SECURITY DEPOSIT	N/A	TENANT MAINTENANCE	All repairs to keep the interior of the premises in good order.
RENEWAL OPTIONS	Three - Five Year Options	EXCLUSIVES	No exclusive uses granted to existing tenants or restrictions or covenants of records in the Shopping Center affect Tenants.
UTILITIES	Tenant shall be solely responsible and promptly pay all utilities furnished directly to the premises.		
PROPERTY TAXES	Landlord shall pay. Tenant shall reimburse within 30 days.		

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to review the original lease to verify all information contained herein.

OFFERING PRICE

\$4,300,000

CAP RATE

6.24%

INITIAL LEASE TERM

10 Years

Pricing

ACTUAL NET OPERATING INCOME		
		PER SF
Scheduled Rent	268,197	6.50
+ Expense Recapture	NNN	
= Scheduled Gross Income	268,197	6.50
- Operating Expenses	NNN	
NET OPERATING INCOME	\$268,197	\$6.50
Offering Price	\$4,300,000	
Cap Rate	6.24%	
Building Price / SF	\$104	

Financial Analysis

Lease Abstract

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03

PARK MANOR

Tenant Profile

5 BANNES	NAILS	peopleready Connecting People and Work
Cheerful HEALTHY MASSAGE	Aaron's SUBWAY	BEER & WINE JACKSON HEWITT 99¢ MAX



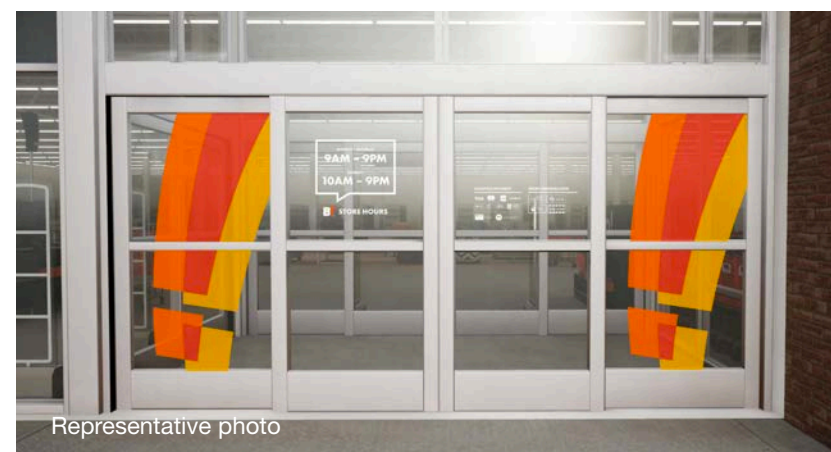
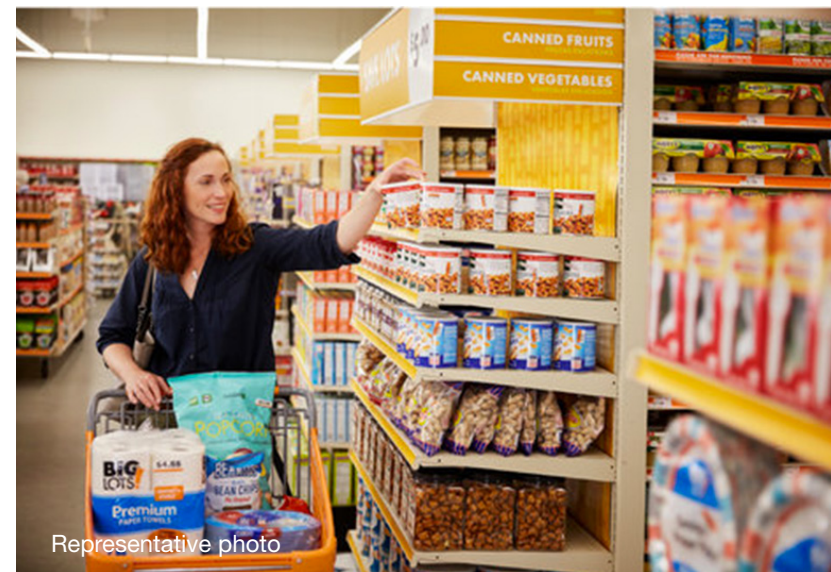
Tenant Profile

Big Lots

Headquartered in Columbus, Ohio, Big Lots, Inc. (NYSE: BIG) is a community retailer operating 1,415 Big Lots stores in 47 states, dedicated to friendly service, trustworthy value, and affordable solutions in every season and category – furniture, food, décor, and more. We exist to serve everyone like family, providing a better shopping experience for our customers, valuing and developing our associates, and creating growth for our shareholders. Big Lots supports the communities it serves through the Big Lots Foundation, a charitable organization focused on four areas of need: hunger, housing, healthcare, and education. For more information about the Company, visit www.biglots.com.



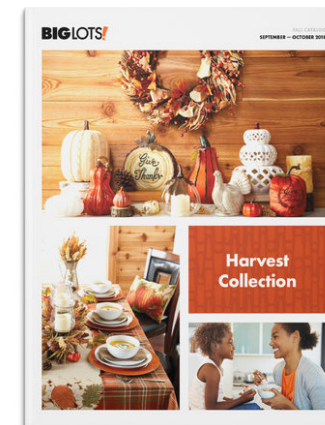
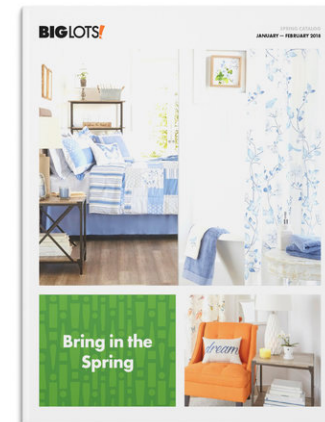
Locations	1,415 Stores in 47 States
Ownership	Public (NYSE: SFS)
Employees	11,000+
2017 Revenue	\$5.2 Billion
Market Cap	\$1.66 Billion
Founded	1967
Headquarters	Columbus, OH
Ticker Symbol	NYSE: BIG



Tenant Profile

Big Lots “Store of the Future”

The new Bellingham Big Lots will be built out with the new Big Lots “Store of the Future” layout. The layout of the store is dramatically different from the traditional Big Lots by featuring Furniture front and center in the store with Seasonal and Home also at the front on either side. Pantry—which includes Food and Consumables—is located in the back of the store, but is clearly visible from the front of the store given the low-profile of our Furniture assortment. The store entryway is clean and free of product and advertising messages giving customers plenty of room to enter the store and focus on their shopping plan. Customers will feel welcomed with our friendly atmosphere, greeted by our “Hello” wall and signage with a softer, more friendly tone. The featured colors are warm and inviting throughout the store.



04

Market Overview

Bellingham Location Summary
Demographics



Market Overview

Bellingham Location Summary

Big Lots is located in Bellingham, Washington, the principal city of Whatcom County and the Bellingham SMSA. The County has a current population of approximately 220,000 with nearly 100,000 located within the City of Bellingham.

Bellingham benefits from its close proximity to the Canada and the population density of nearly 2.76 million people in Lower Mainland of British Columbia. Canadians shoppers are attracted to U.S. retail for a variety of reasons. First, gas prices are substantially cheaper in the U.S. Second, groceries at stores like Costco and Fred Meyer are also considerably cheaper due to US Dairy subsidies. Third, goods purchased within the U.S. also avoid many tariffs the Canadian government may impose. Finally, Washington is a sales tax free state.

Bellingham Benefits from

- Strong Employment and Growth Rates – top quintile in both categories
- Low Costs – slightly above US Average for Living – well below average for Business
- Modest Investment Risk – 122nd out of 401 surveyed

Bellingham is forecast to remain an 'above-average performer' buoyed by a strong Western Washington (Seattle-Bellevue) economy and improving Canadian economy.

The Big Lots at Park Manor is situated one mile south of Interstate 5 (I-5) and Bellis Fair Mall which is the retail core of Bellingham.

Bellis Fair Mall is the largest retail center in Whatcom at over 770,000 square feet and includes Kohls, Target, Macy's. Other nearby retailers include Home Depot, Ross, Value Village, Winco and Petco.

DRIVE TIMES

CITY	DISTANCE
Seattle, WA	81 minutes
Bellevue, WA	82 minutes
Vancouver, BC	45 minutes

Demographics



POPULATION

	1 MILE	3 MILES	5 MILES
2017	11,709	59,993	103,700
2022	12,702	64,667	111,954



HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2017	5,226	25,665	44,001
2022	5,511	26,999	46,324



AVERAGE HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
2017	\$66,603	\$58,355	\$67,199
2022	\$95,934	\$77,212	\$87,201





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This information has been secured from sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.

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