

OFFICE DEPOT

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



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Office DEPOT®

1824 Highway 192 West - London, KY 40741

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**Office
DEPOT®**





Investment Highlights

PRICE: \$2,745,707 | CAP: 8.20% | RENT: \$225,148

**Office
DEPOT**

About the Investment

- ✓ Original Long-Term, 15-Year Double-Net (NN) Lease
- ✓ Approximately 7.3 Years Remaining
- ✓ Ten Percent (10%) Rental Increases Occurring Every Five (5) Years | Next Rental Increase will be Effective October 2021!
- ✓ Two (2), Five (5)-Year Tenant Renewal Options
- ✓ Office Depot Executed Two (2) Renewal Options Early and Extended the Term of the Lease by Ten (10) Years

About the Location

- ✓ Dense Retail Corridor | Walmart, Lowe's, Walgreens, Kroger, Tractor Supply Company, Goody's, Dollar Tree, Hibbett Sports, Steak & Shake, Starbucks and Many More
- ✓ Several Hotel Accommodations | Holiday Inn Express, Country Inn & Suites, Comfort Suites, Baymont by Wyndham, and Microtel Inn & Suites
- ✓ Strong Traffic Counts | Over 45,100 and 27,500 Vehicles Per Day Along Interstate-75 and Highway 192 West
- ✓ KentuckyOne Health Saint Joseph London | Less Than One Mile Away | 150-Bed Hospital
- ✓ South Laurel High School | Less Than Two Miles Away | Over 1,200 Students Enrolled
- ✓ Features High Visibility and Ease of Access along Highway 192 West

About the Tenant / Brand

- ✓ Office Depot is a leader and global provider of products and services for every workplace and individual
- ✓ Publicly Traded Company | NASDAQ: ODP
- ✓ Over \$11 Billion of sales in 2018
- ✓ Over 1,350 locations and 38,000 Employees
- ✓ Headquartered in Boca Raton, Florida



Subject Property



Representative Photo



Financial Analysis

PRICE: \$2,745,707 | CAP: 8.20% | RENT: \$225,148

**Office
DEPOT**

PROPERTY DESCRIPTION

Property	Office Depot
Property Address	1824 Highway 192 West
City, State, ZIP	London, KY, 40741
Year Built	2003
Building Size	20,468
Estimated Lot Size	+/- 2.08 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,745,707
CAP Rate	8.20%
Annual Rent	\$225,148
Rent Per Square Foot	\$11.00

LEASE SUMMARY

Property Type	Net-Leased Office Supply
Tenant / Guarantor	Office Depot, Inc.
Original Lease Term	15 Years
Lease Commencement	September 21, 2001
Lease Expiration	September 30, 2026
Lease Term Remaining	7.3 Years
Lease Type	Double-Net(NN)
Roof & Structure	Landlord Responsible
Rental Increases	10% Every 5 Years
Options to Renew	Two (2), Five (5)-Year Option Periods

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current	\$225,148	\$18,762	-
10/1/2019 - 9/30/2020	\$225,148	\$18,762	-
10/1/2020 - 9/30/2021	\$225,148	\$18,762	-
10/1/2021 - 9/30/2022	\$247,663	\$20,639	10.00%
10/1/2022 - 9/30/2023	\$247,663	\$20,639	-
10/1/2023 - 9/30/2024	\$247,663	\$20,639	-
10/1/2024 - 9/30/2025	\$247,663	\$20,639	-
10/1/2025 - 9/30/2026	\$247,663	\$20,639	-
Option 1:	\$272,429	\$22,702	10.00%
Option 2:	\$299,652	\$24,971	10.00%



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an Office Depot located at 1824 Highway 192 West in London, Kentucky. The site consists of 20,468 rentable square feet of building space on estimated 2.08-acre parcel of land. This Office Depot was subject to a 15-year double-net (NN) lease, which commenced September 21, 2001. The tenant exercised two (2), five (5) year options in 2016, to extend the lease term a total of ten (10) years, making the expiration date September 30, 2026. The current annual rent is \$225,148 and is scheduled to increase by ten percent (10%) every five (5) years throughout the remaining term and in each of the remaining two (2), five (5)-year renewal options. The next rental increase of ten percent (10%) will take place on October 1, 2021.



Concept Overview

**Office
DEPOT**

About Office Depot:

Office Depot, Inc. (NASDAQ:ODP) is a leading B2B integrated distribution company providing business services and supplies, products and technology solutions through its fully integrated omni-channel platform of approximately 1,350 stores, online presence, and dedicated sales professionals and technicians to small, medium and enterprise businesses. Through its banner brands Office Depot®, OfficeMax®, CompuCom® and Grand&Toy®, the company offers its customers the tools and resources they need to focus on their passion of starting, growing and running their business.

Office Depot Story:

Back in 1986, Office Depot OfficeMax consisted of a single store located in Ft. Lauderdale, Florida. The vision: a place where customers could purchase office supplies in bulk for very low prices. Fast forward 31 years, and now stands a multi-billion-dollar business leader. From one store, Office Depot has grown to 1,350 retail stores in North America. The company has now grown to over 38,000 associates across Retail, Sales and Supply Chain serving millions of valued customers. Looking to the future, Office Depot is focused on remaining the world leader in office supplies, services and solutions. Their goal: to find new and exciting ways to help their customers take care of business.

"Our customers, whether they're business owners or back-to-school shoppers, all have one thing in common: they're people with big plans and ambitious dreams. What sets us apart is that we have the ability to make their dreams a reality."

General Information

Headquarters	Boca Raton, Florida
Website	www.officedepot.com
Number of Locations	~1,350
Publicly Traded: NASDAQ	ODP



Representative Photo

Office DEPOT OfficeMax



Surrounding Area

Property Address: 1824 Highway 192 West - London, KY 40741

**Office
DEPOT**





Location Overview

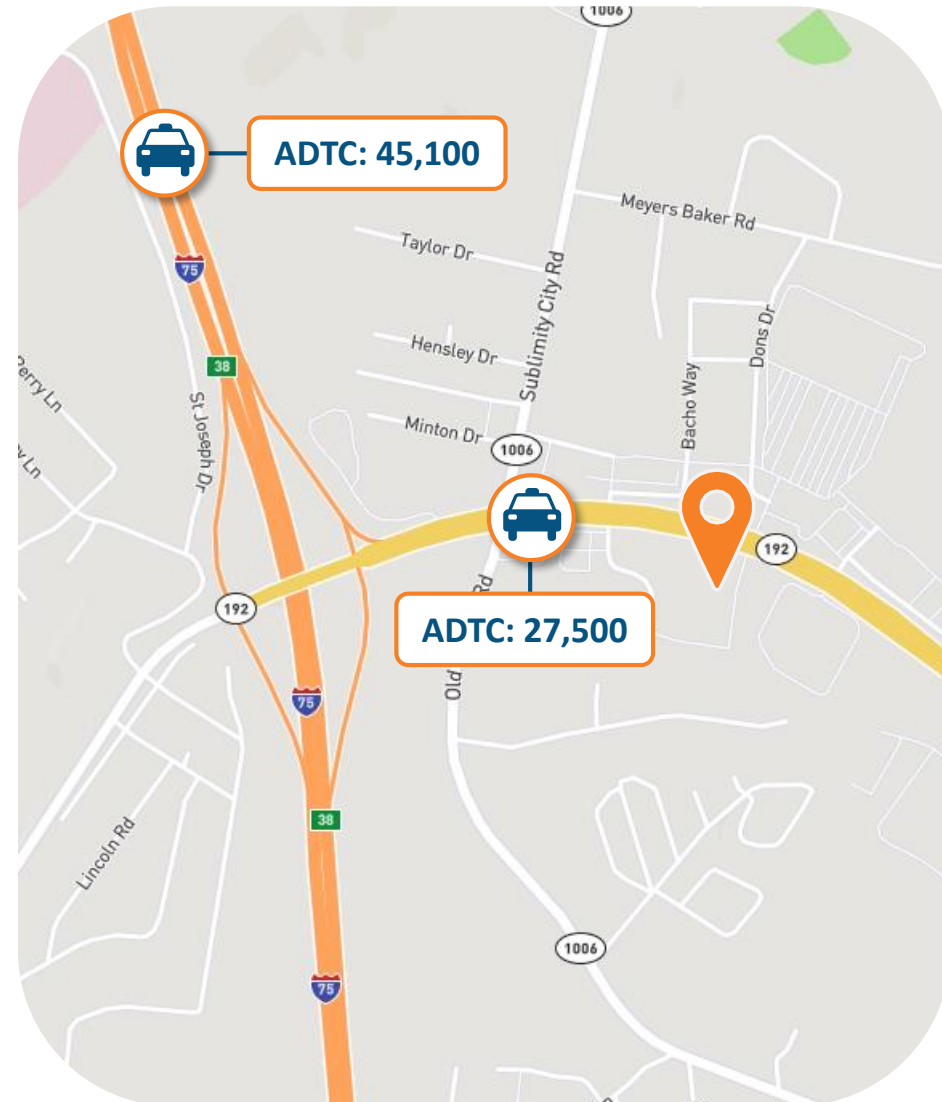
Property Address: 1824 Highway 192 West - London, KY 40741

**Office
DEPOT**

The Office Depot property is situated on Highway 192 West, which boasts average daily traffic counts of 27,500 vehicles respectively. Highway 192 West directly intersects with Interstate-75, which bring an additional 45,100 vehicles into the immediate area on average daily. There are more than 27,000 individuals residing within a five-mile radius of the property and more than 55,800 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a very dense retail corridor consisting of national and local tenants, hotel accommodations, shopping centers, academic institutions, and a hospital all within close proximity of this property. Major national tenants in the area include: Walmart, Lowe's, Walgreens, Kroger, Tractor Supply Company, Goody's, Dollar Tree, Hibbett Sports, Steak & Shake, Starbucks, as well as many others. There are also several hotels in the immediate area such as, Holiday Inn Express, Country Inn & Suites, Comfort Suites, Baymont by Wyndham, and Microtel Inn & Suites. KentuckyOne Health Saint Joseph London Hospital is located just down the road from the subject property, and is a \$152 million facility with 150-beds. Additionally, this Office Depot also benefits from its close proximity to several academic institutions. Most notable being South Laurel High School, which enrolls over 1,200 students. London-Corbin Airport is also located less than two miles from the subject property.

London is city in and the county seat of Laurel County, Kentucky. London is the second-largest city named London in the United States and the fourth-largest in the world. It is part of the London, Kentucky micropolitan area. Of the seventeen micropolitan areas in Kentucky, London is the largest. London is also home to the annual World Chicken Festival that celebrates the life of Colonel Sanders and features the world's largest skillet. London is a center for business, shopping, entertainment, education and health-care. London also enjoys a sound base of industrial and retail business. The city's close proximity to huge forests, beautiful lakes, tourist attractions and the metropolitan areas of Lexington and Knoxville combine to make London a very special place for visitors, new residents, and business opportunities.





Property Photo

**Office
DEPOT**





Surrounding Area Photos

**Office
DEPOT**

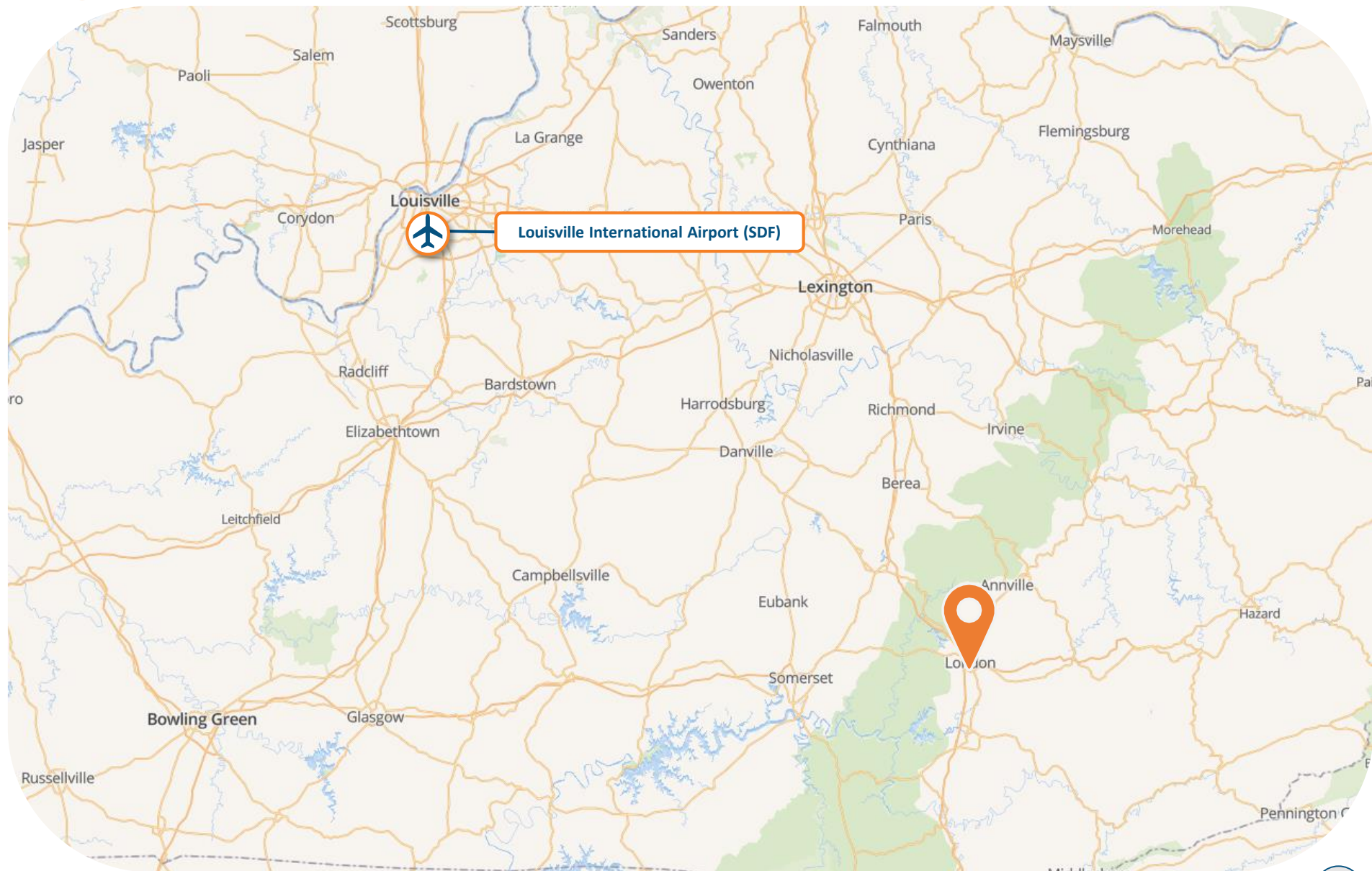




Local Map

**Office
DEPOT**

Property Address: 1824 Highway 192 West - London, KY 40741

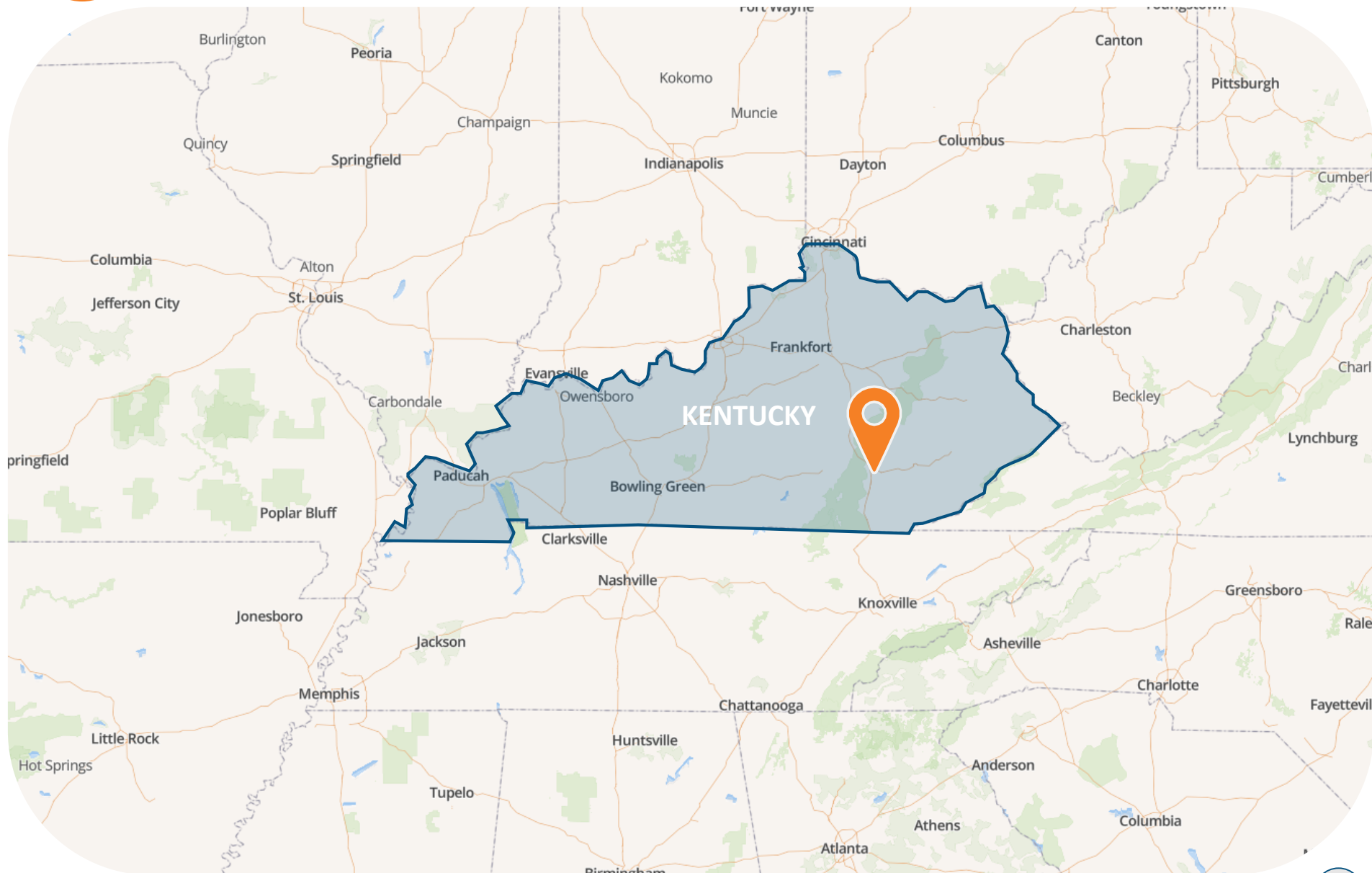




Regional Map

**Office
DEPOT**

Property Address: 1824 Highway 192 West - London, KY 40741

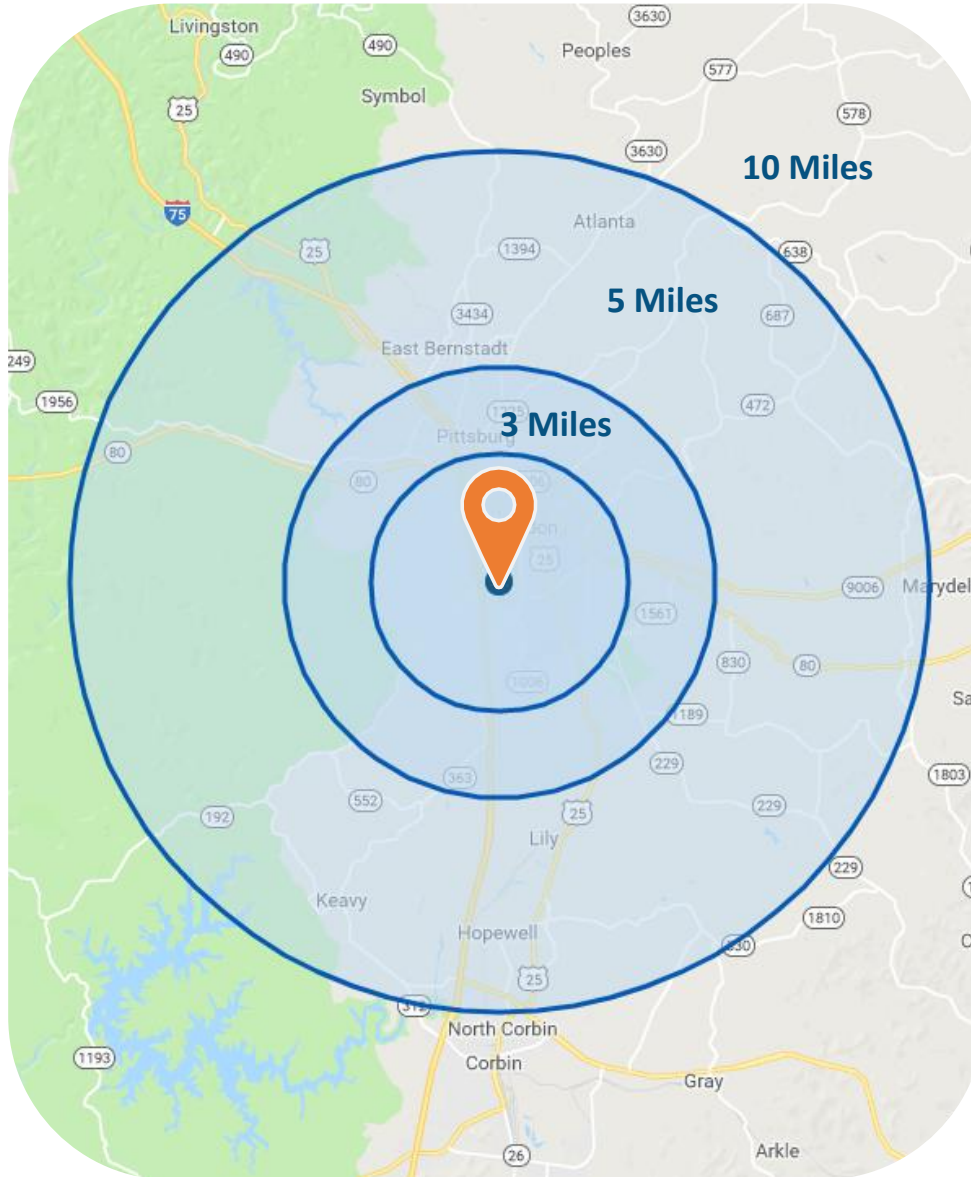




Demographics

Property Address: 1824 Highway 192 West - London, KY 40741

**Office
DEPOT**



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	17,603	28,358	58,296
2018 Estimate	16,830	27,012	55,891
2010 Census	16,260	26,253	54,384
2000 Census	14,331	22,814	48,504

INCOME

Average	\$57,400	\$58,513	\$55,730
Median	\$41,914	\$42,565	\$40,241
Per Capita	\$23,783	\$23,341	\$21,748

HOUSEHOLDS

2023 Projection	7,285	11,359	22,926
2018 Estimate	6,873	10,676	21,674
2010 Census	6,691	10,445	21,222
2000 Census	5,831	8,977	18,707

HOUSING

2018	\$125,881	\$119,462	\$110,284
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EMPLOYMENT

2018 Daytime Population	27,618	36,314	55,345
2018 Unemployment	7.18%	7.29%	7.92%
2018 Median Time Traveled	21 Mins	23 Mins	23 Mins

RACE & ETHNICITY

White	95.39%	95.77%	96.42%
Native American	0.04%	0.03%	0.02%
African American	1.12%	0.94%	0.73%
Asian/Pacific Islander	0.83%	0.81%	0.64%



Market Overview

City: London | County: Laurel | State: Kentucky

Lexington, Kentucky

Lexington is the second-largest city in Kentucky, the 60th-largest city in the United States, and by land area, the 28th-largest city in the United States. Known as the "Horse Capital of the World," it is the heart of the state's Bluegrass region. Lexington ranks 10th among US cities in college education rate, with 39.5% of residents having at least a bachelor's degree. It is the location of the Kentucky Horse Park, The Red Mile and Keeneland race courses, Rupp Arena, Transylvania University, the University of Kentucky, and Bluegrass Community and Technical College. Lexington has one of the nation's most stable economies. Lexington describes itself as having "a fortified economy, strong in manufacturing, technology, and entrepreneurial support, benefiting from a diverse, balanced business base". The Lexington Metro Area had an unemployment rate of 3.7% in August 2015, lower than many cities of similar size. In 2011 Lexington was ranked as the 4th-best city for "Businesses and Careers" by Forbes magazine, the 5th-best city for Young Professionals in 2008, and 6th-Best "Value Cities" in 2011 by Kiplinger.

The city is home to several large corporations. Sizable employment is generated by four Fortune 500 companies: Xerox, Lexmark International, Lockheed-Martin, and IBM. United Parcel Service, Trane, and Amazon.com, Inc. have large operations in the city, and Toyota Motor Manufacturing Kentucky is within the Lexington MSA. A Jif peanut butter plant located there produces more peanut butter than any other factory in the world. Notable corporate headquarters include: Lexmark International, a manufacturer of printers and enterprise software; Link-Belt Construction Equipment, a designer and manufacturer of telescopic and lattice boom cranes; A&W Restaurants, a restaurant chain known for root beer; Fazoli's, a fast-food Italian-style chain that has expanded to more than 20 states; Tempur Sealy International, a manufacturer of mattresses; Florida Tile, a manufacturer of porcelain and ceramic tile; and the Forcht Group of Kentucky, a holding company that employs more than 2,100 people across Kentucky.

Major Employers

Employer	Estimated # of Employees
Walmart	1,300
Aisin Automotive Casting LLC	730
Laurel Grocery Company LLC	450
South Laurel High School	355
Senture LLC	340
Kerns Bakery	300
Lowes	300
United State Air Force	256
Highlands Diversified Services Inc	250
Storm Security Ltd	250
Kroger	220



Marcus & Millichap



EXCLUSIVE NET-LEASE OFFERING

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