



# HOBBY LOBBY

350 East Altamonte Drive, Altamonte Springs, FL 32701

BRAND NEW 10-YEAR NET LEASE



Representative Photo

## INVESTMENT OVERVIEW



OFFERING PRICE	\$10,385,000
NOI	\$612,738
CAP RATE	5.90%
TERM REMAINING	±10 Years
RENT INCREASES	\$0.50/SF every 5 years
BUILDING SIZE	43,767 SF
LAND AREA	5.97 Acres
TRAFFIC COUNTS	East Altamonte Drive: 56,000 VPD

## INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 43,767-square-foot Hobby Lobby situated on 5.97 acres in Altamonte Springs, FL—a component of the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA Population: 2.5 Million). Hobby Lobby's next lease is expected to commence in January 2020 and will feature ±10 years of primary term with three 5-year renewal options. The parcel includes excess land that can be redeveloped in order to create additional upside. Hobby Lobby consented to the development in the lease which will significantly streamline the process. This site has excellent access and visibility along East Altamonte Drive (Traffic Count: 56,000 VPD) and is just 0.6 miles west of Interstate 4 (Traffic Count: 169,500 VPD), which provides direct access to Downtown Orlando (10 miles to the south). The site is located directly across from Renaissance Centre—a premier neighborhood shopping destination—which is home to Whole Foods, DSW, PGA Tour Superstore, Pier 1, Petco, ULTA, Carter's, Massage Envy, Lane Bryant, Orange Theory, Fleet Feet Sports, Chili's, Jason's Deli, and Starbucks. Hobby Lobby also benefits from its position diagonal to the 1.2 MSF Altamonte Mall—the largest enclosed shopping mall in Seminole County—which is anchored by Dillard's, JCPenney, and Macy's. Other notable retailers are H&M, Abercrombie and Fitch, Forever 21, Banana Republic, Apple, and an 18 screen AMC Theatre. Hobby Lobby is strategically situated in Altamonte Spring's primary retail and commercial corridor with 10.3 MSF of retail, 13.3 MSF of office, 5.9 MSF of industrial, and 14,617 multifamily units within a 3-mile radius. Additional tenants in the immediate area include Embassy Suites by Hilton (277 Beds), Publix, Burlington, Ross Dress for Less, Marshalls, Chase Bank, UPS, Advanced Auto Parts, Walgreens, CVS, Seasons 52, Bahama Breeze, Steak 'n Shake, LongHorn Steakhouse, Planet Smoothie, Chick-fil-A, Chipotle, Panera Bread, Dunkin', Perkins, Cold Stone, Denny's, Panda Express, and Subway, among others. Just 0.7 miles east of the site is AdventHealth Altamonte Springs Hospital which provides state-of-the-art health care to the community and is a major traffic driver to the immediate area. In addition, Hobby Lobby will enjoy a substantial built-in customer base due to the high concentration of apartment complexes surrounding the site, including the Lofts at Uptown Altamonte (324 Units), Village Green Apartments (164 Units), Lakeshore at Altamonte Springs (224 Units), Springs Colony Apartments (188 Units), and the Wymore Apartments (200 Units), to name a few. Furthermore, Hobby Lobby enjoys dynamic demographics with a population of 97,359 and an average household income of \$79,657 within a 3-mile radius.

*Representative Photo*



Demographics	1-Mile	3-Mile	5-Mile
 <b>Population</b>	15,692	97,359	243,155
 <b>AHI</b>	\$70,698	\$79,657	\$83,699



# INVESTMENT HIGHLIGHTS

## Premier Tenant

Based in Oklahoma City, Oklahoma, Hobby Lobby Stores, Inc. is the largest privately-owned arts-and-crafts retailer in the world with more than 850 stores operating in 46 states. The company provides broad mix of products, including arts and crafts supplies, fashion fabrics, baskets, silk flowers, needlework, wearable art, picture framing, cards, party supplies and furniture. Its product portfolio covers more than 70,000 items under the store channel.

## Net Lease

Hobby Lobby's next lease is expected to commence in January 2020 and will feature  $\pm 10$  years of primary term with three 5-year renewal options.

## Below Replacement Cost

This offering is an excellent opportunity to acquire a highly-desirable retail box at a price that is significantly below the replacement cost.

## Developable Pad Upside Opportunity

The parcel includes excess land that can be redeveloped in order to create additional upside. Hobby Lobby consented to the development in the lease which will significantly streamline the process.

## Excellent Access & Visibility

This site has excellent access and visibility along East Altamonte Drive (Traffic Count: 56,000 VPD) and is just 0.6 miles west of Interstate 4 (Traffic Count: 169,500 VPD), which provides direct access to Downtown Orlando (10 miles to the south).

## Strategic Location

The site is located directly across from Renaissance Centre—a premier neighborhood shopping destination—which is home to Whole Foods, DSW, PGA Tour Superstore, Pier 1, Petco, ULTA, Carter's, Massage Envy, Lane Bryant, Orange Theory, Fleet Feet Sports, Chili's, Jason's Deli, and Starbucks. Hobby Lobby also benefits from its position diagonal to the 1.2 MSF Altamonte Mall—the largest enclosed shopping mall in Seminole County—which is anchored by Dillard's, JCPenney, and Macy's. Other notable retailers are H&M, Abercrombie and Fitch, Forever 21, Banana Republic, Apple, and an 18 screen AMC Theatre.

## Dominant Retail & Commercial Corridor

Hobby Lobby is strategically situated in Altamonte Spring's primary retail and commercial corridor with 10.3 MSF of retail, 13.3 MSF of office, 5.9 MSF of industrial, and 14,617 multifamily units within a 3-mile radius. Additional tenants in the immediate area include Embassy Suites by Hilton (277 Beds), Publix, Burlington, Ross Dress for Less, Marshalls, Chase Bank, UPS, Advanced Auto Parts, Walgreens, CVS, Seasons 52, Bahama Breeze, Steak 'n Shake, LongHorn Steakhouse, Planet Smoothie, Chick-fil-A, Chipotle, Panera Bread, Dunkin', Perkins, Cold Stone, Denny's, Panda Express, and Subway, among others.

## Built-In Customer Base

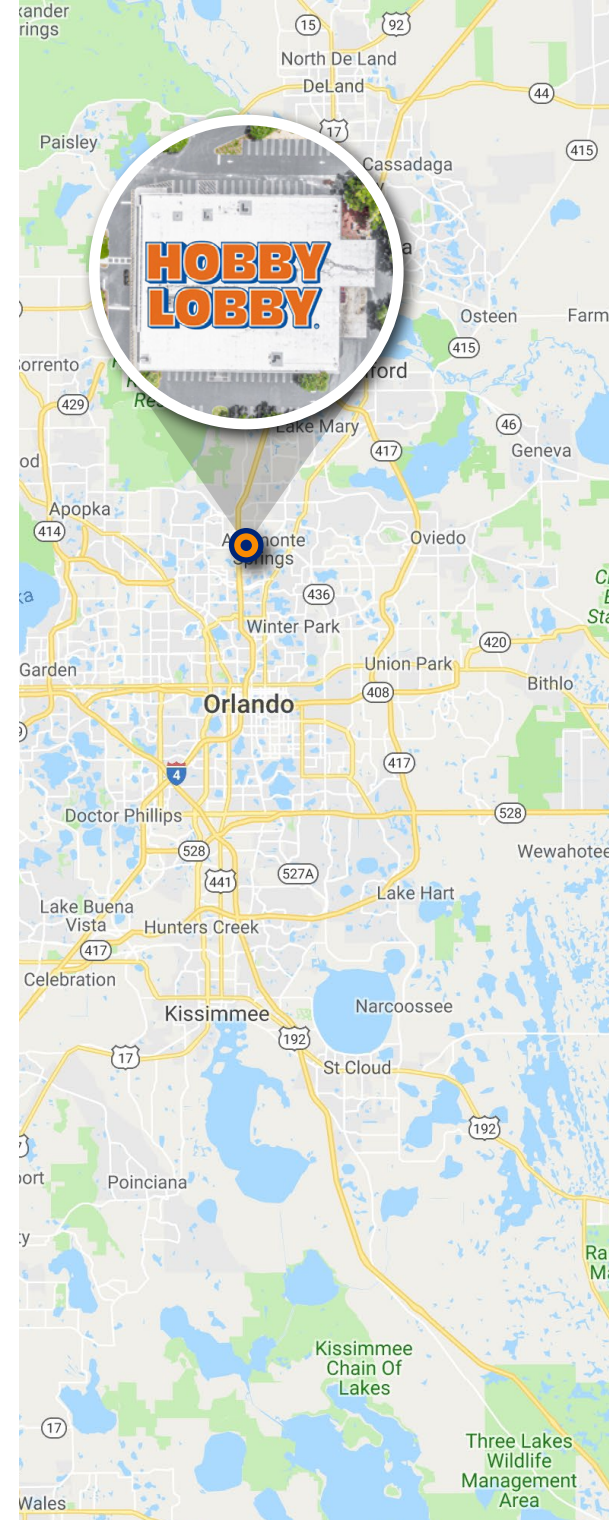
Hobby Lobby will enjoy a substantial built-in customer base due to the high concentration of apartment complexes surrounding the site, including the Lofts at Uptown Altamonte (324 Units), Village Green Apartments (164 Units), Lakeshore at Altamonte Springs (224 Units), Springs Colony Apartments (188 Units), and the Wymore Apartments (200 Units), to name a few.

## Dynamic Demographics

Hobby Lobby enjoys dynamic demographics with a population of 97,359 and an average household income of \$79,657 within a 3-mile radius.

## Orlando MSA Advantage

Central Florida—famous for its tropical climate, relaxed lifestyle and Walt Disney World Resort—is becoming increasingly popular with high-powered corporate executives. The market offers a young, well-educated workforce, world class universities, and a cost of living well below the national average. The Orlando-Kissimmee-Sanford MSA (Population: 2.5 million) is made up of metro Orlando and includes Orange, Seminole, Osceola and Lake counties. Orlando's population has grown 51 percent since 2000, which is nearly three times the national average.





## AERIAL





## PROPERTY DESCRIPTION



### Location

350 East Altamonte Drive  
Altamonte Springs, FL 32701



### Site

Standalone box off Altamonte Drive.



### Land Area

5.97 Acres  
APN: 14-21-29-300-0030-0000



### Building Area

43,767 SF



### Frontage & Access

2 access points via  
East Altamonte Drive.



### Commercial Base

10.3 MSF of retail, 13.3 MSF of office,  
5.9 MSF of industrial, and 14,617  
multifamily units within 3-miles.



### Traffic Counts

East Altamonte Drive: 56,000 VPD  
Interstate 4: 169,500 VPD



### Year Built

1982



### Zoning

Seminole County, FL  
CG / General Commercial



## TENANT PROFILE



# HOBBY LOBBY

Based in Oklahoma City, Oklahoma, Hobby Lobby Stores, Inc. (Hobby Lobby) is the largest privately-owned arts-and-crafts retailer in the world with more than 850 stores operating in 46 states. The company provides a broad mix of products, including arts and crafts supplies, fashion fabrics, baskets, silk flowers, needlework, wearable art, picture framing, cards, party supplies, and furniture. Its product portfolio covers more than 70,000 items under the store channel as well as a large department devoted to seasonal merchandise. Hobby Lobby offers classes in areas including cake decorating, drawing, jewelry making, painting, sewing, needlework, floral design, and knitting. The company also sells a diversified range of products including fixtures, candles, scented products, office supplies, and educational products through its affiliated companies, namely Hemispheres and Mardel Christian & Education Supply. Its wide product base enables the company to cater to the diverse needs of its consumers, thereby providing an edge over its competitors.

YEAR FOUNDED	1970
PRIVATE/PUBLIC	Private
NUMBER OF LOCATIONS	850+
NUMBER OF EMPLOYEES	37,500
HEADQUARTERS	Oklahoma City, OK
WEBSITE	<a href="http://www.hobbylobby.com">www.hobbylobby.com</a>



Actual Site Photos



# LEASE ABSTRACT

<b>TENANT</b>	Hobby Lobby Stores, Inc.
<b>LEASE TERM</b>	10 Years
<b>LEASE COMMENCEMENT</b>	January 31, 2020 (Estimate)
<b>LEASE EXPIRATION</b>	January 31, 2030 (Estimate)
<b>LEASE TYPE</b>	NN
<b>CURRENT TERM RENT</b>	Years 1 - 5: \$612,738 Years 6 - 10: \$634,622
<b>RENT ESCALATIONS</b>	\$0.50/SF increases every 5 years
<b>REMAINING OPTIONS</b>	Three 5-year options
<b>OPTION RENT</b>	Option 1: \$656,505 Option 2: \$678,389 Option 3: \$700,272
<b>TAXES</b>	Tenant shall pay all ad valorem real estate taxes levied by a taxing authority against the Tax Parcel on or before the last day that such taxes may be paid without penalty, commission, interest, or other charges.
<b>INSURANCE:</b>	<p><b>Landlord</b> shall maintain on the Landlord's Parcel, with reimbursement from Tenant: (i) all-risk (special form) commercial property insurance on a primary and non-contributory basis with limits sufficient to replace 100% of the improvements within the Permissible Building Area; however, if and only to the extent that Landlord exercises its right to construct a building; and (ii) commercial general liability insurance against claims for bodily injury and property damage with a combined single limit per occurrence of not less than \$3,000,000.</p> <p><b>Tenant</b>, at Tenant's sole expense, shall maintain on the Landlord's Parcel: (i) all-risk (special form) commercial property insurance on a primary and non-contributory basis with limits sufficient to replace 100% of any and all improvements within the Landlord's Parcel, including the Leased Premises' Utilities, Systems and Machinery; however, excluding the Permissible Building Area Improvements, if any; (ii) commercial general liability insurance against claims for bodily injury and property damage (by way of a combination of commercial general liability coverage and excess umbrella coverage), with a combined single limit of not less than \$3,000,000; and (iii) property insurance covering Tenant's Personal Property. Tenant shall have the right to satisfy its obligations regarding Tenant's Insurance by way of self-insurance provided Tenant maintains a net worth of at least \$75,000,000.</p>
<b>REPAIRS &amp; MAINTENANCE:</b>	<p><b>Landlord</b> shall maintain and repair, at Landlord's sole expense, in a good, commercially reasonable manner and condition in accordance with applicable law, the following: (i) the exterior of the Leased Premises, including, but not limited to, the guttering, downspouts, and exterior paint (Landlord's painting scheme shall be subject to Tenant's approval, not to be unreasonably withheld); (ii) the structural components of the Landlord's Parcel (including the Leased Premises); (iii) the roof system of the Leased Premises (including, but not limited to, the roof structure, roof membrane, and roof access); (iv) the load bearing walls, slab, and foundation system of the Leased Premises; (v) the water, sewer, and other utility lines, ducts, and conduits serving the Landlord's Parcel and Leased Premises that are outside the Leased Premises; and (vi) any undeveloped outlots or other undeveloped portions of the Landlord's Parcel.</p> <p><b>Tenant</b> shall maintain and repair, at Tenant's sole expense, in a good, commercially reasonable manner and condition in accordance with applicable law, the following: (i) the interior of the Leased Premises, including floor coverings, drop ceilings and interior non-load bearing walls and the "plenum" of the Leased Premises; (ii) the heating and air conditioning equipment serving the Leased Premises, whether located inside or outside the Leased Premises; (iii) the plumbing components serving the Leased Premises that are located in the interior of the Leased Premises; (iv) the electrical components serving the Leased Premises that are located in the interior of the Leased Premises; (v) the water, sewer and other utility lines serving the Leased Premises that are located in the interior of the Leased Premises; and (vi) the doors, windows, and plate glass of the Leased Premises.</p>
<b>COMMON AREA MAINTENANCE</b>	<p>Landlord shall maintain, repair and replace the Common Area in a good, commercially reasonable manner and condition. Such maintenance, repair, and replacement (excluding capital improvements) shall be limited to maintenance, repair, and replacement reasonably necessary and consistent with good shopping center business practices in the city or metropolitan area where the Landlord's Parcel is located, including (i) cleaning, (ii) snow and ice removal, (iii) repairing, (iv) landscaping, and (v) periodic parking lot re-striping.</p> <p>Tenant shall also during the Term of this Lease pay to Landlord the (i) Pro-rata Liability Insurance; (ii) Pro-rata Capped CAM Expenses; (iii) Pro-rata Non-Capped CAM Expenses; and (iv) Rent Tax.</p> <p>Pro-rata Capped CAM Expenses payable shall not increase more than 4% over the Pro-rata Capped CAM Expenses for the immediately preceding calendar year.</p>



## AREA OVERVIEW

### ALTAMONTE SPRINGS, FL

Situated just 11 miles north of Downtown Orlando, Altamonte Springs is an affluent community with a dynamic mix of upscale retail establishments, hotels, high-end commercial space, abundant restaurants, and a dense residential population. Altamonte Springs is considered one of the most desirable retail corridors in Central Florida.

Altamonte Springs has been a host city to several local special events in the Orlando area, including Red, Hot, & Boom, a major annual firework festival that takes place every July 3rd in celebration of Independence Day. The Red, Hot, & Boom event draws over 100,000 local residents and visitors annually and is Central Florida's largest Independence Day Celebration.

### ORLANDO-KISSIMMEE-SANFORD MSA

Central Florida—famous for its tropical climate, relaxed lifestyle and Walt Disney World Resort—is becoming increasingly popular with high-powered corporate executives. The market offers a young, well-educated workforce, world class universities, and a cost of living well below the national average. The Orlando-Kissimmee-Sanford MSA (Population: 2.5 Million) is made up of metro Orlando and includes Orange, Seminole, Osceola and Lake counties. Orlando's population has grown 51 percent since 2000, which is nearly three times the national average. This trend is expected to continue: The metro area ranks third in the Southeast U.S. for its five-year projected growth at 10.1 percent, according to CBRE Research's 2019 Southeast U.S. Real Estate Outlook report. High-tech employment has more than doubled since 1980, with a majority of total manufacturing growth in the region stemming from high-tech industry leaders such as Sanford-Burnham Institute, Lockheed Martin, Siemens Telecom Network, and Dixon Ticonderoga.

## ORLANDO MSA



**Population:**  
**2.5 MILLION**



**Population Growth Since 2000:**  
**51%**



**Driven by Financial Services,  
High-Tech, & Tourism**



**72 Million+ Annual Visitors**

## AREA OVERVIEW

### Economy

Although typically associated with the tourism industry, Orlando's economy is diverse and expanding. The growth of the high tech and healthcare industries has underpinned Orlando's economic development and attracts an influx of young professionals seeking careers in these expanding sectors. Tourism remains the largest single driver of the Orlando economy, as Walt Disney World Resort, Universal Orlando, Sea World and top-tier golf give tourists around the globe countless reasons to visit Orlando. In 2014 it became the first destination in the nation to surpass 62 million visitors. In July 2017, that number increased to 72 million visitors; once again setting a national record. Orlando is more than the seemingly ubiquitous theme park. Top employers in the area include Walt Disney World Resort, Universal Orlando, Adventist Health Systems, Publix, Orlando International Airport, and Orlando Health. Orlando has the nation's 7th largest research park (Central Florida Research Park) and is home to over 4,800 life sciences and healthcare companies and 2,600 tech companies. The MSA also has 35 colleges and universities that continue to feed an impressive pipeline of talent for the region. The world's second busiest cruise port, Port Canaveral, is a boon for the local economy as well and capital improvement projects are currently underway to support passenger and shipping growth.

### Education

The University of Central Florida, with over 66,000 students, is the largest university in the United States. The University is also home to one of the nation's top business incubation programs and receives more than \$122 million in annual research dollars, many of which are matched with company dollars in joint research projects. Additional post-secondary institutions in the area include Rollins College – ranked #1 regional university in the south and #1 MBA program in the state; and three of the state's best in the growing state/community college system – Valencia College (named the nation's top community college), Lake-Sumter Community College and Seminole State College; as well as Full Sail University, Embry Riddle Aeronautical University, the Florida A&M University School of Law, Barry University School of Law, and the first stateside campus of Puerto Rican-based Ana G. Mendez University.

### TOP EMPLOYERS IN ORLANDO

WALT DISNEY WORLD RESORT	74,000
UNIVERSAL ORLANDO (COMCAST)	21,000
ADVENTIST HEALTH SYSTEM/FLORIDA HOSPITAL	20,413
PUBLIX SUPER MARKETS INC.	19,783
ORLANDO INTERNATIONAL AIRPORT	18,000
ORLANDO HEALTH	16,828
UNIVERSITY OF CENTRAL FLORIDA	11,833
LOCKHEED MARTIN	7,000
DARDEN RESTAURANTS	6,149
SEAWORLD PARKS & ENTERTAINMENT	6,032





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Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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