



BIG LOTS

3550 Northwest Federal Highway, Jensen Beach, FL 34957




Actual Location

INVESTMENT OVERVIEW

OFFERING PRICE	\$7,828,000
NOI	\$461,830
CAP RATE	5.90%
TERM REMAINING	±12.5 Years
RENT INCREASES	\$0.50/SF after year 7
BUILDING SIZE	46,183 SF
LAND AREA	4.80 Acres
PARKING SPACES	236 Spaces
TRAFFIC COUNTS	NW Federal Highway: 51,500 VPD

INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 46,183-square-foot freestanding Big Lots situated on 4.80 acres in Jensen Beach, Florida—a component of the St. Lucie Metropolitan Area (MSA Population: 482,040). Big Lots' net lease commenced in August 2019 and features ±12.5 years of primary term and three 5-year renewal options. The parcel includes excess land that can be redeveloped in order to create additional upside. Big Lots consented to the development in the lease which will significantly streamline the process. The property is positioned with excellent access and visibility on Northwest Federal Highway (Traffic Count: 51,500 VPD), which is the main north-south thoroughfare providing direct access to Jupiter, FL (28 miles to the south). Big Lots is strategically located just one block north from the 876,257-square-foot Treasure Coast Square Mall, which includes 115 stores and is anchored by Dillard's, JCPenney, Macy's, and a 16-screen Regal Movie theater. Across the street from the site are the shops at Square One which include Home Depot, JOANN Fabrics, Smoothie King, Jensen Ale House, various local retailers, and medical offices. Marketplace Square is also just 0.3 miles south of the site and is occupied by Hobby Lobby, Dollar Tree, Plato's Closet, Rush Trampoline Park, Buffalo Wild Wings, and Jersey Mike's, among many others. Big Lots benefits from its location within Jensen Beach's primary retail and commercial corridor with 5.2 MSF of retail, 1.1 MSF of office, and 1,792 multifamily units within a 3-mile radius. Major retailers within the immediate area include Publix, Target, Lowe's, Dick's Sporting Goods, Bed Bath & Beyond, Marshalls, Kohl's, Bealls Outlet, Barnes & Noble, Pier 1, Rooms To Go Furniture, Best Buy, Party City, PetSmart, CVS, Bank of America, Chase Bank, Chipotle, Panera Bread, Olive Garden, Red Lobster, Chili's Grille & Bar, Longhorn Steakhouse, Taco Bell, and McDonald's, among others. Furthermore, Big Lots enjoys dynamic demographics with a population of 42,579 and an average household income of \$81,309 within a 3-mile radius.

Demographics	1-Mile	3-Mile	5-Mile
 Population	3,683	42,579	107,631
 AHI	\$85,256	\$81,309	\$79,561

Actual Location



INVESTMENT HIGHLIGHTS

Premier Tenant

Headquartered in Columbus, Ohio, Big Lots, Inc. (NYSE: BIG, S&P: BBB-) is a discount retailer that offers competitive pricing on a large range of merchandise, including furniture, seasonal items, home goods, food, consumables, electronics, toys, and accessories. Originally founded in 1967, Big Lots currently operates a total of 1,401 stores with approximately 35,600 employees. For the fiscal year ended February 2, 2019, Big Lots, Inc. reported net sales of \$5.3 billion and net income of \$156.9 million.

Net Lease

Big Lots' net lease commenced in August 2019 and features ± 12.5 years of primary term and 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. Big Lots consented to the development in the lease which will significantly streamline the process.

Excellent Access & Visibility

The property is positioned with excellent access and visibility on Northwest Federal Highway (Traffic Count: 51,500 VPD), which is the main north-south thoroughfare providing direct access to Jupiter, FL (28 miles to the south).

Strategic Location

Big Lots' is strategically located just one block north from the 876,257-square-foot Treasure Coast Square Mall, which includes 115 stores and is anchored by Dillard's, JCPenney, Macy's, and a 16-screen Regal Movie theater. Across the street from the site are the shops at Square One which include Home Depot, JOANN Fabrics, Smoothie King, Jensen Ale House, various local retailers and medical offices. Marketplace Square is also just 0.3 miles south of the site and is occupied by Hobby Lobby, Dollar Tree, Plato's Closet, Rush Trampoline Park, Buffalo Wild Wings, and Jersey Mike's, among many others.

Dominant Retail & Commercial Corridor

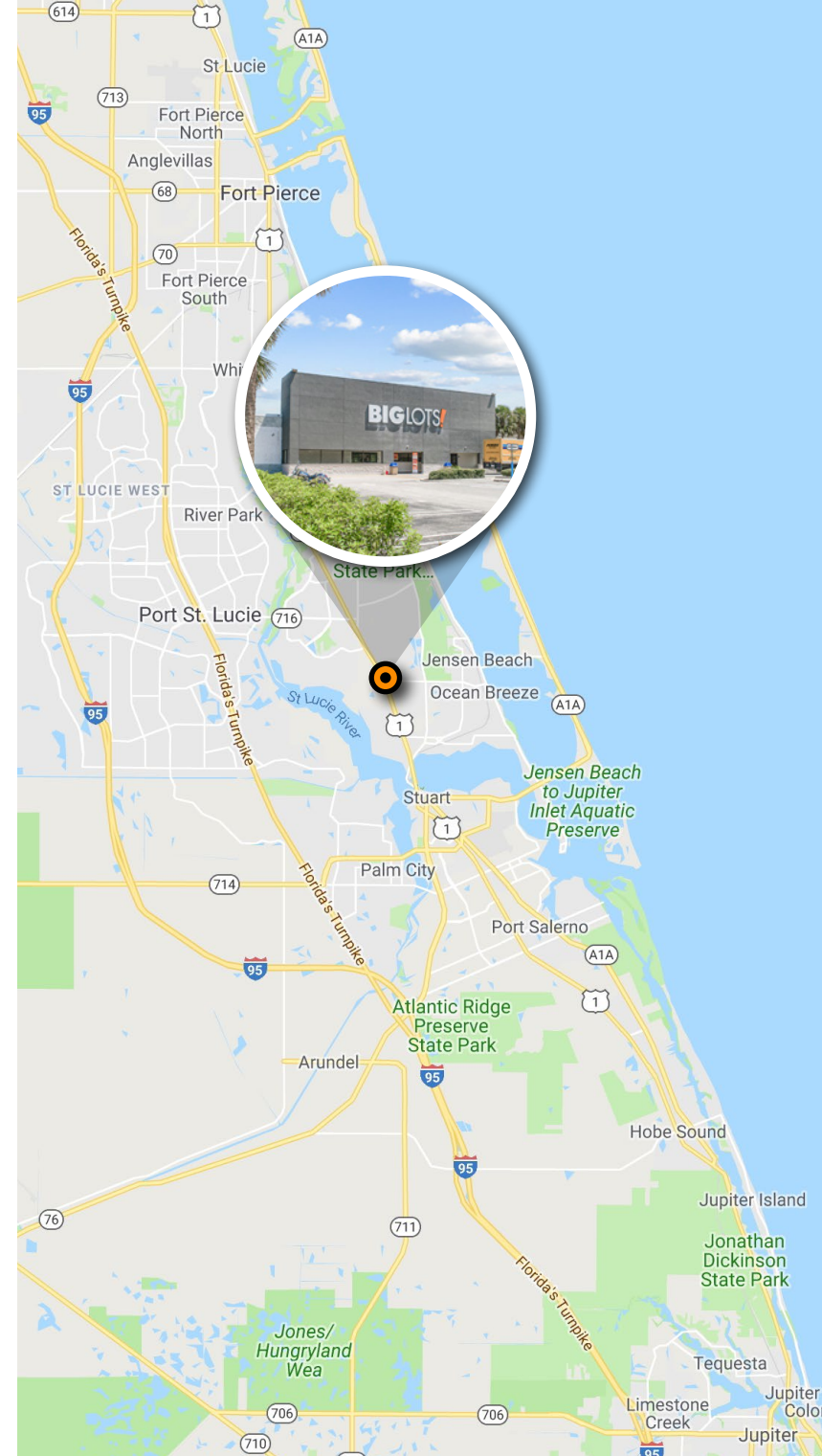
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Dynamic Demographics

Big Lots enjoys dynamic demographics with a population of 42,579 and an average household income of \$81,309 within a 3-mile radius.

St. Lucie MSA Advantage

Located 50 miles north of West Palm Beach, approximately halfway between Miami (115 miles to the south) and Orlando (120 miles to the north), the Port St. Lucie market (MSA Population: 482,040) is a popular tourist destination due to its favorable climate, diverse economy, top-rated golf courses, state-of-the-art park system, low crime rate and strong school system. Port St. Lucie is a premier golfing destination and is Home to the Professional Golf Association (PGA) Learning Center, PGA Historical Center, the PGA Golf Professional Hall of Fame and the Probst Library (one of the world's prominent collections of golf archives and collectibles).



AERIAL



PROPERTY DESCRIPTION



Location

3550 Northwest Federal Highway
Jensen Beach, FL 34957



Commercial Base

5.2 MSF of retail, 1.1 MSF of office, and
1,792 multifamily units within a
3-mile radius.



Land Area

4.80 Acres
APN: 19-37-41-005-003-0001.0-3-0000



Building Area

46,183 SF



Frontage & Access

Frontage along NW Federal Highway.
2 access points from NW Federal
Highway and NW Treasure Coast Drive.



Parking

236 Spaces



Traffic Counts

NW Federal Highway: 51,500 VPD



Year Built

1988



Zoning

Martin County, FL
PUD-C / Planned Unit
Development Community



TENANT PROFILE



Headquartered in Columbus, Ohio, Big Lots, Inc. (S&P: BBB-) is a discount retailer that offers competitive pricing on a large range of merchandise, including furniture, seasonal items, home goods, food, consumables, electronics, toys, and accessories. Originally founded in 1967, Big Lots currently operates a total of 1,401 stores with approximately 35,600 employees. Big Lots traces its roots back to the formation of Consolidated Stores Corporation which operated through stores called "Odd Lots." All stores were eventually rebranded as Big Lots upon running into a naming conflict with the New Jersey-based Odd Lot Trading Co.

Consolidated Stores Corp. became publicly traded on the American Stock Exchange during 1985. It later switched to the New York Stock Exchange under the symbol "CNS" in 1986. During 2001, the company decided to shift its focus solely on the Big Lots brand and changed its name to "Big Lots, Inc." and its ticker to "BLI." Big Lots is currently traded under the ticker symbol "BIG." For the fiscal year ended February 2, 2019, Big Lots, Inc. reported net sales of \$5.3 billion and net income of \$156.9 million.

NUMBER OF STORES	1,401
HEADQUARTERS	Columbus, OH
NUMBER OF EMPLOYEES	35,600
TICKER	NYSE: BIG
CREDIT RATING	S&P: BBB-
WEBSITE	www.biglots.com



LEASE ABSTRACT

TENANT	Big Lots Stores, Inc.	
LEASE TERM	±12.5 Years	
LEASE COMMENCEMENT	August 8, 2019	
LEASE EXPIRATION	January 31, 2032	
TERM REMAINING	±12.5 Years	
LEASE TYPE	NN	
CURRENT TERM RENT	Years 1 - 7:	\$461,830*
	Year 8 - January 31, 2032:	\$484,922
RENT ESCALATIONS	\$0.50/SF increase after Year 7	
REMAINING OPTIONS	Three 5-year options	
OPTION RENT	Option 1:	\$508,013
	Option 2:	\$531,105
	Option 3:	\$554,196
TAXES	Tenant shall pay Tenant's pro-rata share of all real property taxes and assessments, which may be levied or assessed by any lawful authority against the land and improvements in the Shopping Center or against Landlord in respect of the land and improvements in the Shopping Center.	
INSURANCE	<p>Landlord shall carry (subject to the below reimbursement for Tenant) the following policies of insurance: (i) a policy covering all improvements located in the Shopping Center, including the Demised Premises, (except for Tenant's trade fixtures, furnishings, and inventory against perils normally covered under special form all risk insurance) for the perils of earthquake and flood, in an amount not less than the full replacement value of all the improvements located in the Shopping Center, including the Demised Premises; and (ii) commercial general liability insurance covering the Common Areas with minimum limits of the following: \$1,000,000 each event combined single limit with a \$2,000,000 general total combined single limit.</p> <p>Tenant agrees to carry at its own expense the following policies of insurance: (i) commercial general liability insurance covering the Demised Premises and Tenant's use with minimums of the following: \$1,000,000 each event combined single limit with a \$2,000,000 general total combined single limit; (ii) all risk property insurance coverage, including but not limited to damage due to fire, wind, hail, smoke, explosion, structural collapse, lightning, water, flood, and earthquake coverage for Tenant's trade fixtures and personal property in an amount equal to at least 90% of the replacement cost thereof. Tenant shall have the option to self-insure for all plate glass.</p> <p>Tenant's pro-rata share of the estimated cost and expense of Landlord's insurance premiums, plus Tenant's pro-rata share of any deductible or self-insured retention actually paid in connection with Landlord's insurance; provided, however, in no event shall Tenant's pro-rata share of the deductibles or self-insured retention costs exceed \$25,000.</p>	
REPAIRS & MAINTENANCE	<p>Landlord agrees, at Landlord's sole cost and expense, to make all maintenance, repairs, and replacements, necessary to keep the exterior and structural portions of the Demised Premises in good order, repair, and operation. The exterior and structural portions of the Demised Premises include (without limitation) each of the following: (i) exterior walls of the Demised Premises and exterior faces thereof, (ii) the roof, (iii) gutters, downspouts, and roof drainage system; (iv) foundations and floor slabs; (v) all structural members of the building of which the Demised Premises is a part; (vi) marquee lights or rear or side floodlights, and (vii) electrical, plumbing, sprinkler, and other mechanical systems and equipment located outside the interior surface of the exterior.</p> <p>Tenant agrees to make all repairs necessary to keep the interior portions of the Demises Premises and the exterior portions of the Demised Premises in good order, repair, and operation, except those which the Landlord is required to make. Tenant's Repair Obligations shall include (without limitation) each of the following: (i) interior faces of the exterior walls, (ii) ceilings, (iii) floor coverings, (iv) non-structural portions of the exterior storefront of the Demised Premises, (v) heating, ventilating and air conditioning system exclusively serving the Demised Premises, (vi) the electrical, plumbing, sprinkler and other mechanical systems and equipment exclusively serving the Demised Premises, and (vii) exterior improvements to or for the benefit of the Demised Premises that are installed by Tenant.</p>	
COMMON AREA MAINTENANCE	<p>Subject to the below CAM Cap, Tenant agrees to pay to Landlord its pro-rata share of the Common Area Charges. Capital expenditures shall be included in the reimbursement on an amortized basis over their useful life.</p> <p>Tenant's pro-rata share of Common Area Charges shall be capped at \$1.00 per square foot of the Demised Premises for the first Lease Year during the Original Term, as well as the Partial Lease Year, if any. Thereafter, throughout the Term of this Lease, including any renewals or extensions, the CAM Cap shall be increased by 5% each Lease Year.</p> <p>Landlord shall be responsible for the following with respect to the Common Areas: (i) operating, maintaining, refurbishing, repairing, replacing, improving, and lighting the Common Areas; (ii) operating, maintaining, refurbishing, repairing, replacing, improving and lighting the service areas, garbage and refuse disposal facilities, Shopping Center maintenance and storage room, loading area and all other areas and facilities located in the Shopping Center which are used in the maintenance and operation of the Shopping Center; (iii) operating, maintaining, refurbishing, repairing, replacing, improving and lighting appropriate parking area entrances, exit and directional markers, Shopping Center signs, and other traffic control signs as are reasonably required to effect the site plan; (iv) providing security, lighting and policing if necessary, and on-site and off-site traffic control; (v) maintaining all paved surfaces in a level and smooth condition, free of potholes; re-striping and repainting as required to keep same clearly visible and appropriately marked; and (vi) cleaning, sweeping, and snow and ice removal as needed.</p>	

*There is a reduced rent period for the first two lease years. Seller will provide a rent credit at closing equal to the difference between the normalized Year 3 rent and the reduced rent.

AREA OVERVIEW

JENSEN BEACH, FL MSA

Situated just 10 miles east of Port St. Lucie (MSA Population: 482,040), Jensen Beach is a city of nearly 13,000 residents on the Treasure Coast of Florida. Consistently voted as one of America's best small towns to visit, locals and tourists alike enjoy the iconic historic district, picturesque beaches, and world-renowned outdoor recreation. The city's economy is driven largely by tourism, with visitors flocking to Jensen Beach both for the ample shopping and dining and for the annual pineapple festival which fills the town every year. Jensen Beach is known as the Pineapple Capital of the World for this event that traces back to the city's start as a pineapple producing town. Jensen's small-town feel has been meticulously maintained in the face of consistent population and job growth.

PORT ST. LUCIE MSA

Located 50 miles north of West Palm Beach, approximately halfway between Miami (115 miles south) and Orlando (120 miles north), the Port St. Lucie market (MSA Population: 482,040) is a top tourist and living destination due to its gorgeous climate, diverse economy, top-rated golf courses, state-of-the-art park system, low crime rate, and strong school system. Home to the Professional Golf Association (PGA) Learning Center, PGA Historical Center, the PGA Golf Professional Hall of Fame and the Probst Library (one of the world's prominent collections of golf archives and collectibles), Port St. Lucie attracts a vast golfing community.

Economy

The local economy is based on retail, construction, and healthcare. Top employers include the Martin Memorial Health System, Walmart Stores Inc., and Lawnwood (HCA Medical). Due to the strong migration of retirees, the market's healthcare sector is expanding at a rapid pace. This will continue to fuel greater demand for consumer services and housing which will generate income growth well above the U.S. and state averages. The low living costs and affordable housing options will continue to attract retirees.

Culture & Recreation

With 21 miles of uncrowded and unspoiled beaches, over 10,000 acres of parks and preserves, world record sport fishing, horseback riding on the beach, NY Mets Spring Training baseball, championship golf at PGA Village and other top-notch golf courses, the one and only museum dedicated to the U.S. Navy SEALs, a charming and award-winning waterfront downtown, and year-round cultural activities, Port St. Lucie has something to offer for everyone. In addition, the Indian River Lagoon is home to over 4,000 species of plants and animals and a breeding ground for game fish attracting a significant outdoor population and providing some of the best seafood in Florida.

PORT ST. LUCIE MSA TOP EMPLOYERS

ST. LUCIE SCHOOL BOARD	5,564
WALMART RETAIL & DISTRIBUTION	2,472
LAWNWOOD / HCA MEDICAL	2,465
INDIAN RIVER STATE COLLEGE	2,338
TELEPERFORMANCE	1,600
PUBLIX	1,500
CITY OF PORT ST. LUCIE	1,085
MARTIN HEALTH SYSTEM	850
FLORIDA POWER & LIGHT COMPANY	772



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CBRE

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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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