



**BIG LOTS**

*142 Executive Drive, Danville, VA, 24541*

Actual Location





## INVESTMENT OVERVIEW

OFFERING PRICE	\$4,136,000
NOI	\$248,144
CAP RATE	6.00%
TERM REMAINING	±13.5 Years
RENT INCREASES	\$0.50/SF after year 7
BUILDING SIZE	31,018 SF
LAND AREA	5.01 Acres
TRAFFIC COUNTS	Piedmont Drive: 22,000 VPD U.S. Route 58: 35,000 VPD

## INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 31,018-square-foot freestanding Big Lots situated on 5.01 acres in Danville, VA—the principal city in the micropolitan statistical area (Population 104,000). Big Lot's new ±13.5-year net lease commenced in August 2019 and features 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 off Piedmont Drive (22,000 VPD) with access to U.S. Route 58 (35,000 VPD) and Business 29 (13,000 VPD). The site also provides excellent regional access, positioned within a day's drive of two-thirds of the nation's population. U.S. Route 29 also provides convenient access to I-40 and I-85, making the region an attractive location for businesses looking to be in close proximity to the Mid-Atlantic markets. The property benefits from its proximity to the 732K SF Danville Mall. The former Piedmont Mall underwent an extensive multi-million-dollar renovation in 2013. The Mall serves as the primary shopping destination for residents of South Central Virginia and North Central North Carolina. Anchored by Belk, Sears, JCPenney and Dunham's Sports, the Mall has a strong base of national retailers including Victoria's Secret, Bath & Body Works, American Eagle Outfitters and Aeropostale. Furthermore, Big Lots enjoys a dynamic demographic with a population of 30,964 and an average household income of \$48,310 within a 3-mile radius.

Demographics	1-Mile	3-Mile	5-Mile
Population	1,805	30,964	49,810
AHI	\$51,135	\$48,310	\$50,618

Actual Location



# INVESTMENT HIGHLIGHTS

**National Credit Tenant:** Big Lots, Inc. (S&P: BBB) is a community retailer operating more than 1,400 locations in 47 states. The company is dedicated to friendly service, trustworthy value, and affordable solutions in every season and category through an extensive assortment of brand-name items and quality products. The company is on S&P's Small Cap 600 list with revenues of \$5.24 billion and over 22,900 employees.

**Long-term Net Lease:** New ±13.5-year net lease through January 2032, \$0.50 PSF increases after year 7 and at the commencement of each of the three (3) five-year 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.

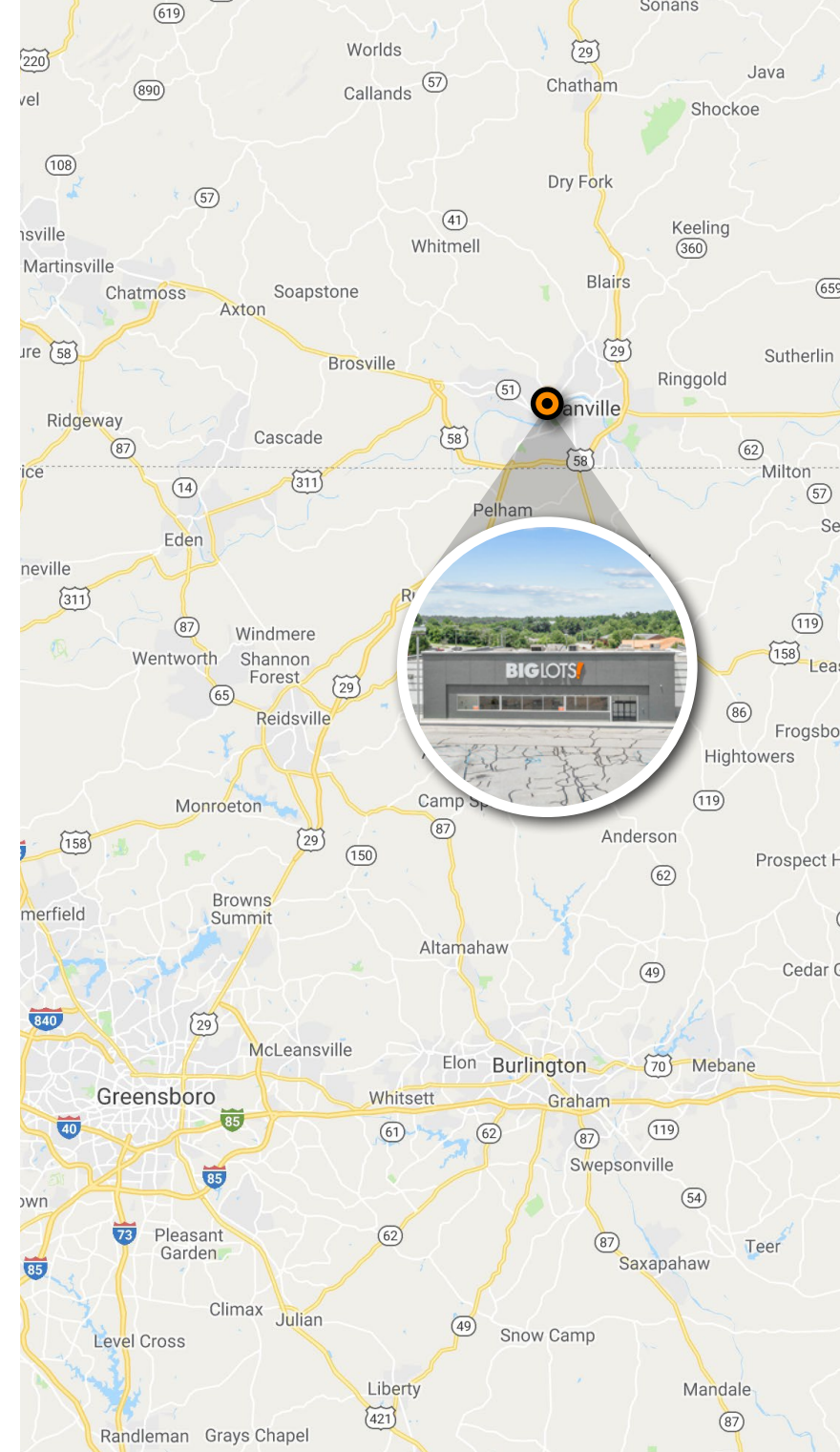
**Excellent Local & Regional Access:** Positioned off Piedmont Drive (22,000 VPD) with access to U.S. Route 58 (35,000 VPD) and Business 29 (13,000 VPD). The site also provides excellent regional access, positioned within a day's drive of two-thirds of the nation's population. U.S. Route 29 also provides convenient access to I-40 and I-85, making the region an attractive location for businesses looking to be in close proximity to the Mid-Atlantic markets.

**Affluent Infill Demographic Profile:** The trade area attracts consumers from a large regional market including the surrounding communities of Martinsville, South Boston, Chatham, Gretna, Eden and Yanceyville. This extensive trade area is home to approximately 73,000 people living within 10 miles and over 135,000 people within 20. The region is further enhanced by being home to the only Target in the expanded trade area, with the next closest over 46 miles away in Greensboro, NC, the only Home Depot in the area, with the next location over 37 miles away in Burlington, NC, as well as the only Lowe's in the trade area with the next closest location over 21 miles in Reidsville, NC.

**Proximity to Recently Renovated Danville Mall:** The property is located within immediate proximity to the 732K SF Danville Mall. The former Piedmont Mall underwent an extensive multi-million-dollar renovation in 2013. The Mall serves as the primary shopping destination for residents of South Central Virginia and North Central North Carolina. Anchored by Belk, Sears, JCPenney and Dunham's Sports, the Mall has a strong base of national retailers including Victoria's Secret, Bath & Body Works, American Eagle Outfitters and Aeropostale.

**Dominant Retail & Commercial Corridor:** Advantageously located in the heart of Danville's primary retail node and shadowed by some of the Nation's most powerful credit retailers including The Home Depot, Target, Lowes, Sam's Club, Harbor Freight Tools, Marshalls, Old Navy, and Ross Dress for Less. This diverse mix of the country's strongest retailers converging in one spot creates a convenient and high quality shopping destination providing Big Lots the ability to capitalize upon their market potential.

**Danville - The Heart of Southern Virginia:** Majestically sitting on the banks of the Dan River, Danville is the heart of Southern Virginia, easily accessible to residents as well as those visiting and traveling through the area. The site is located just 30 miles from Martinsville Motor Speedway, South Boston Speedway, and Virginia International Raceway, making up Virginia's preeminent racing region. Low operating costs, a business-friendly tax structure and a cooperative economic development authority has allowed Danville to retain its manufacturing heritage, while attracting a wide spectrum of new businesses to the area and building a diverse economic base.









## PROPERTY DESCRIPTION



### Location

142 Executive Drive  
Danville, VA, 24541



### Site

Located within immediate proximity to the  
732,000-square-foot Danville Mall.



### Land Area

5.01 Acres  
APN: 60129



### Building Area

31,018 SF



### Frontage & Access

Positioned off Piedmont Drive (22,000  
VPD) with access to U.S. Route 58 (35,000  
VPD) and Business 29 (13,000 VPD).



### Extensive Trade Area

This extensive trade area is home to  
approximately 73,000 people living within  
10 miles and over 135,000 people within 20  
miles.



### Traffic Counts

Piedmont Drive: 22,000 VPD  
U.S Route 58: 35,000 VPD  
Business 29: 13,000 VPD



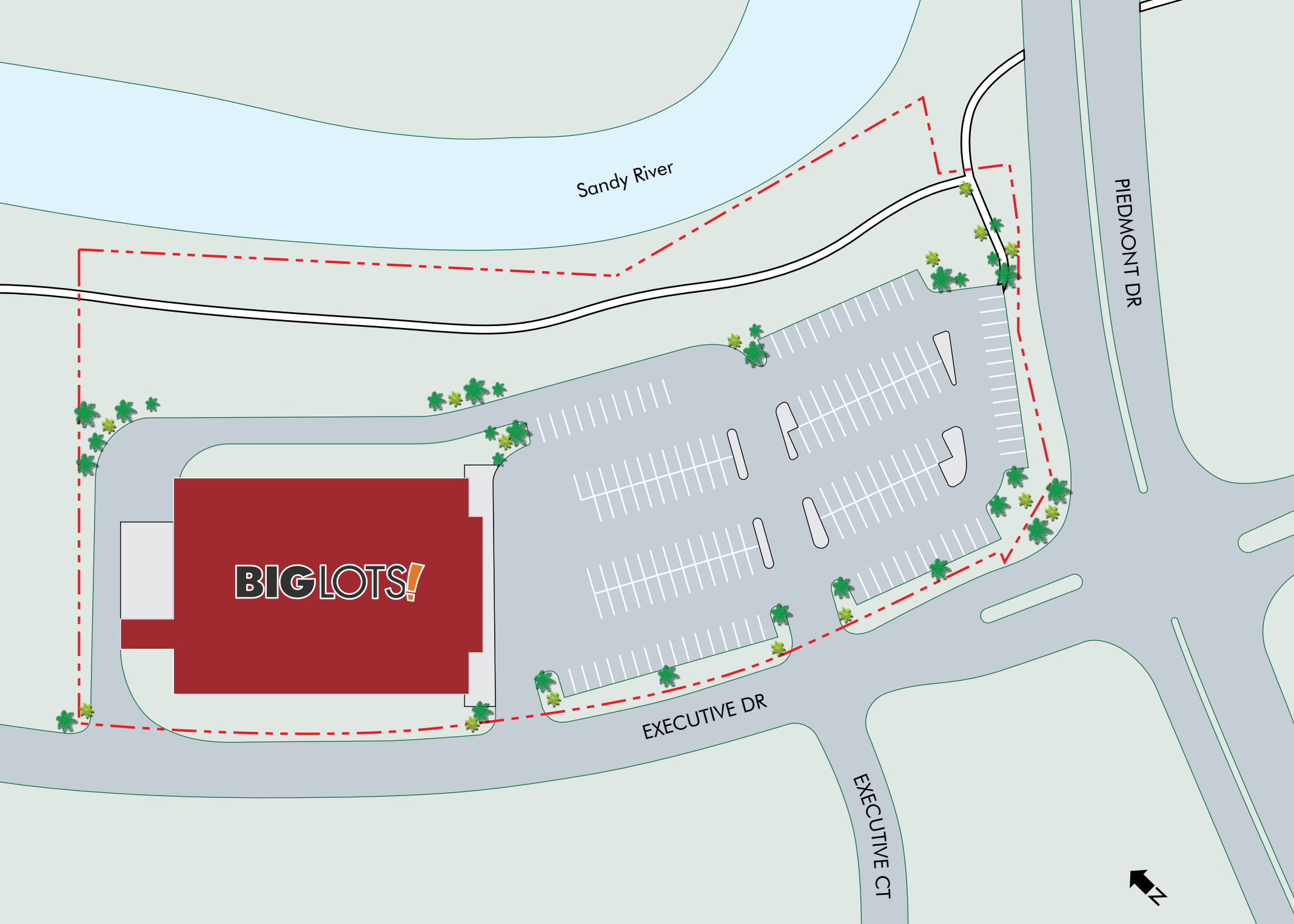
### Year Built

1996



### Zoning

Pittsylvania County, VA



## 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	<a href="http://www.biglots.com">www.biglots.com</a>



# LEASE ABSTRACT

<b>TENANT</b>	Big Lots Stores, Inc.
<b>LEASE TERM</b>	±13.5 Years
<b>LEASE COMMENCEMENT</b>	August 7, 2019
<b>LEASE EXPIRATION</b>	January 31, 2032
<b>TERM REMAINING</b>	±13.5 Years
<b>LEASE TYPE</b>	NN
<b>CURRENT TERM RENT</b>	Year 1 - 7: \$248,144* Year 8 - End of Term: \$263,653
<b>RENT ESCALATIONS</b>	\$0.50/SF increase after year 7
<b>REMAINING OPTIONS</b>	Three 5-year options
<b>OPTION RENT</b>	Option 1: \$279,162 Option 2: \$294,671 Option 3: \$310,180
<b>TAXES</b>	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. Landlord estimates that the Real Estate Taxes for 2019 will be approximately \$0.50/SF.
<b>INSURANCE:</b>	<p>Tenant: 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 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>Landlord: 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; (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'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. Landlord estimates Tenant's pro rata share of insurance shall be approximately \$0.25/SF in 2019.</p>
<b>REPAIRS &amp; MAINTENANCE:</b>	<p>Tenant agrees to make all repairs necessary to keep the interior portions of the Demised 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, (vii) exterior improvements to or for the benefit of the Demised Premises that are installed by Tenant.</p> <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, (viii) electrical, plumbing, sprinkler, and other mechanical systems and equipment located outside the interior surface of the exterior.</p>
<b>COMMON AREA MAINTENANCE</b>	<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; restriping 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

## Danville Market Overview

Danville is an independent city in the midst of an economic renaissance. The city is located in southern Virginia approximately 45 miles north of Greensboro, North Carolina and 160 miles south-west from the capital of Richmond. Once primarily focused on manufacturing, tobacco, and textiles, Danville has now become a city committed to creating a strong economy through a variety of industries including advanced manufacturing, research and development, information technology and data centers.

Excellent regional access affords Danville the ability to be within a day's drive of two-thirds of the nation's population. The area is provided by a superior highway system with convenient access to I-40 and I-85, making Danville an attractive location for businesses looking to be in close proximity to the mid-Atlantic markets. Low operating costs, a business-friendly tax structure and a cooperative economic development authority has allowed Danville to retain its manufacturing heritage, while attracting a wide spectrum of new businesses to the area and building a diverse economic base.

### A City Committed to Technology and Revitalization

Danville is home to a variety of major corporations including Goodyear Tire and Rubber Company, Nestle USA, and CIT Group, as well as a large number of smaller companies from a variety of sectors, both primarily due to the city's commitment to advancements in technology. The city-owned open-access fiber network has played an integral role in business attraction and retention. Danville was the first municipality to deploy a fully automated, Layer 3 open-access network. Now Danville has more than 135 miles of fiber, passing through more than 1,000 business locations, including every parcel in all five of its business parks. Current customers have access to 100 Mbps fiber connections capable of delivering a wide variety of services including 1 Gbps and 10 Gbps connections.

In addition to advancements in telecommunications infrastructure, city leaders also made a commitment to invest broadly and over a long period of time in technology education and workforce training and retraining. They also made a commitment to target downtown revitalization efforts; this became known as the River District Revitalization project. As a result of this project the city's downtown and tobacco warehouse district, a once important heart of the Danville economy is now being

transformed and rebranded. These redevelopments include apartments, restaurants, retail space, offices, an amphitheatre, an arts center, and miles of walking and bike paths along the river. The city's most recent projects include a new 42-suite boutique hospitality project, and the new Ballard Brewing, the district's first brewpub. In the coming months, the brewpub will be joined by a taco tequila bar, a specialty grocery store and a second brewpub.

Danville is also home to Averett University. Founded in 1859, Averitt is a four-year coeducational institution with over 3,000 students, faculty and staff located at the Danville Campus. In addition to Averett's main campus' location in Danville, the school also offers classes in 12 locations around Virginia including Richmond and the Virginia's Tidewater area. In August 2012, Averett University opened a new nursing program located within the newly revitalized River District. The school houses approximately 200 nursing students. In Spring, 2019 the University received approval from the Southern Association of Colleges and Schools Commission on Colleges to launch the MSN degree program with a Family Nurse Practitioner (FNP) specialization, and the Emergency Nurse Practitioner (ENP) Post-Masters Certificate. The first FNP students will begin their classes in January 2020, and the first ENP students will begin their classes in May 2020. These expanded offerings bring additional diversity and a significant economic boost to the region.





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# CBRE

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