

**HOBBY
LOBBY**

HOBBY LOBBY

1425 Shaw Avenue, Clovis, CA 93611



Representative Photo

INVESTMENT OVERVIEW



OFFERING PRICE	\$7,291,000
NOI	\$411,939
CAP RATE	5.65%
PRICE/SF	\$159/SF
REPLACEMENT COST/SF	\$257/SF
TERM REMAINING	±10 Years
RENT INCREASES	\$0.50/SF every 5 years
BUILDING SIZE	45,771 SF
LAND AREA	4.43 Acres
TRAFFIC COUNTS	Shaw Avenue: 31,000 VPD

INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 45,771-square-foot Hobby Lobby situated on 4.43 acres in Clovis, CA—a component of the Fresno-Madera, CA CSA (CSA Population: 1.2 Million). Hobby Lobby's net 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 at the signalized corner of Shaw Avenue (Traffic Count: 31,000 VPD) and Sunnyside Avenue (Traffic Count: 12,900 VPD). Hobby Lobby is strategically positioned as one of the anchors of Clovis' Market Place shopping center which is occupied by OfficeMax, W Patio Furniture, Pool Tables R Us, and Yosemite Falls Cafe. The property is diagonally across from the 690,487-square-foot Sierra Vista Mall that is anchored by Target, Kohl's, Sears, Sierra Vista Cinemas 16 Theater. The mall is further tenanted by No Surrender Adventure Park, GameStop Prestige, AT&T, Victoria's Secret, Bath & Body Works, Chipotle, Famous Footwear, GNC, Starbucks, and Panera Bread, to name a few. Hobby Lobby is also 1 mile from The Center for Advanced Research and Technology—a high tech high school that offers classes in professional sciences, engineering, advanced communications, and global economics—and 3 miles from California State University-Fresno (Enrollment: 25,168), providing a substantial built-in customer base. The site benefits from its location within Clovis's primary retail and commercial corridor with 7.1 MSF of retail, 2.4 MSF of office, 9.4 MSF of industrial, and 10,480 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include FoodMaxx, Party City, Big Lots, Lowe's Home Improvement, Walmart Supercenter, Costco Wholesale, Pier 1 Imports, Marshalls, PetSmart, Grocery Outlet Bargain Market, Burlington, Ross Dress for Less, and Harbor Freight Tools, among others. Hobby Lobby also benefits from dynamic demographics with a population of 177,159 and an average household income of \$82,758.

Representative Photo



Demographics	1-Mile	3-Mile	5-Mile
 Population	16,022	177,159	267,458
 AHI	\$72,683	\$82,758	\$84,112

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 net lease is expected to commence in January 2020 and will feature ± 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 of \$257/SF.

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 at the signalized corner of Shaw Avenue (Traffic Count: 31,000 VPD) and Sunnyside Avenue (Traffic Count: 12,900 VPD).

Strategic Location

Hobby Lobby is strategically positioned as one of the anchors of Clovis' Market Place shopping center which is occupied by OfficeMax, W Patio Furniture, Pool Tables R Us, and Yosemite Falls Cafe. The property is diagonally across from the 690,487-square-foot Sierra Vista Mall that is anchored by Target, Kohl's, Sears, Sierra Vista Cinemas 16 Theater. The mall is further tenanted by No Surrender Adventure Park, GameStop Prestige, AT&T, Victoria's Secret, Bath & Body Works, Chipotle, Famous Footwear, GNC, Starbucks, and Panera Bread, to name a few.

Dominant Retail & Commercial Corridor

The site benefits from its location within Clovis's primary retail and commercial corridor with 7.1 MSF of retail, 2.4 MSF of office, 9.4 MSF of industrial, and 10,480 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include FoodMaxx, Party City, Big Lots, Lowe's Home Improvement, Walmart Supercenter, Costco Wholesale, Pier 1 Imports, Marshalls, PetSmart, Grocery Outlet Bargain Market, Burlington, Ross Dress for Less, and Harbor Freight Tools, among others.

Built-In Customer Base

Hobby Lobby is 1 mile from The Center for Advanced Research and Technology—a high tech high school that offers classes in professional sciences, engineering, advanced communications, and global economics—and 3 miles from California State University-Fresno (Enrollment: 25,168), providing a substantial built-in customer base.

Dynamic Demographics

Hobby Lobby benefits from dynamic demographics with a population of 177,159 and an average household income of \$82,758.

Clovis, CA Market

The second most populated city in Fresno County, Clovis is situated midway between Los Angeles and San Francisco in the San Joaquin Valley, one of the richest agricultural areas in the world. The city has doubled in population since 1990 and is forecasted to continue its growth because of its reputation as a great place to live. According to a recent MetroStudy, there are over 3,700 homes planned for development within Clovis, which is a nearly 10% increase in total homes. The population growth in Clovis can be attributed in part to the availability and affordability of housing in the city, as the median home value is \$342,800, over \$200,000 less than the California average.



AERIAL



PROPERTY DESCRIPTION



Location

1425 Shaw Avenue
Clovis, CA 93611



Site

Co-anchors Clovis' Market Place with
OfficeMax.



Land Area

4.43 Acres
APN: 498-033-14



Building Area

45,771 SF



Frontage & Access

Located at the signalized corner of
Shaw Avenue and Sunnyside Avenue.



Commercial Base

7.1 MSF of retail, 2.4 MSF of office, 9.4
MSF of industrial, and 10,480 multifamily
units within a 3-mile radius.



Traffic Counts

Shaw Avenue: 31,000 VPD
Sunnyside Avenue: 12,900 VPD



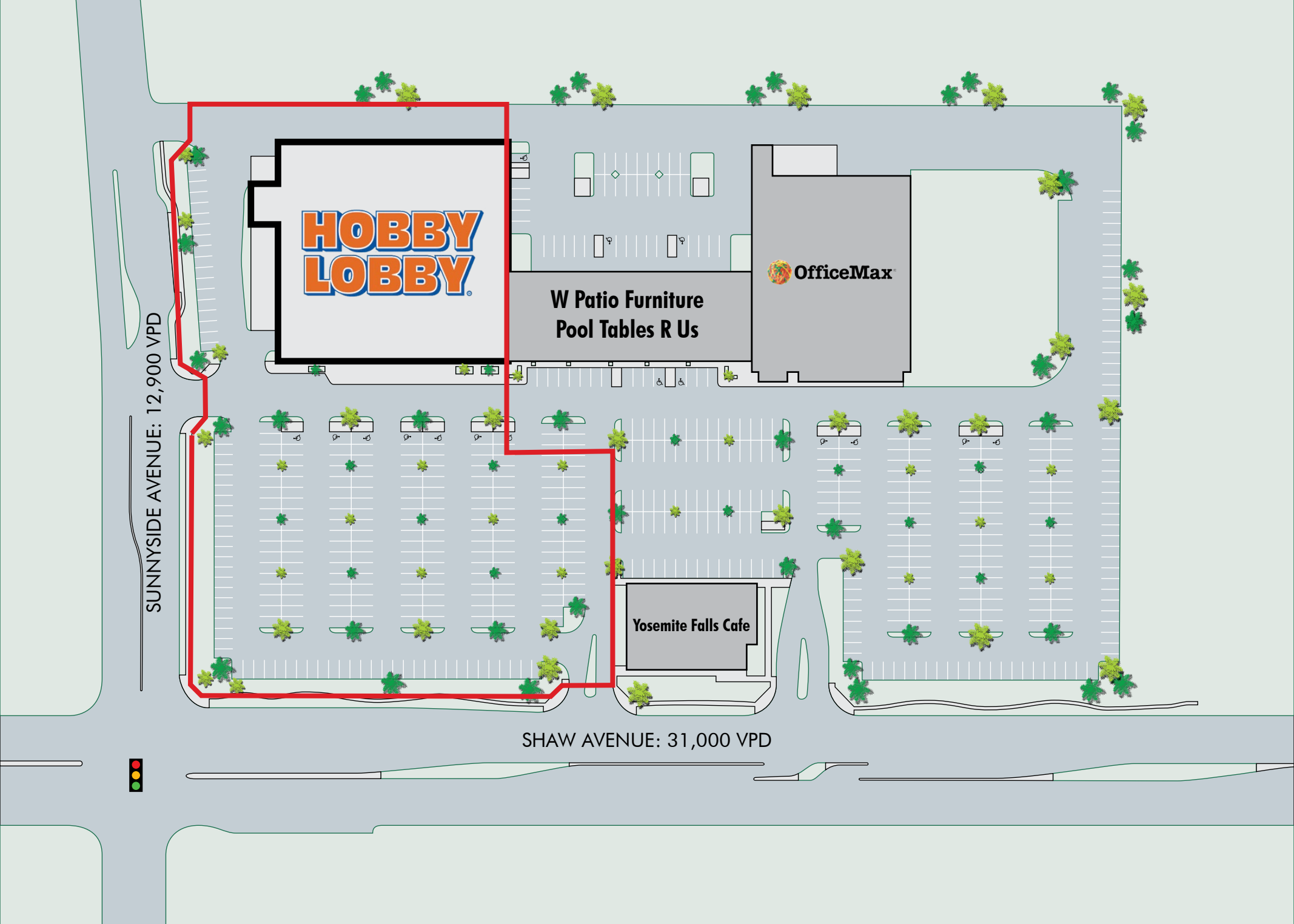
Year Built

1995



Zoning

Fresno County, CA
CBBS / 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 and 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	www.hobbylobby.com



Hobby Lobby is transitioning from a former Toys R Us site.



LEASE ABSTRACT

TENANT	Hobby Lobby Stores, Inc.
LEASE TERM	±10 Years
LEASE COMMENCEMENT	January 31, 2020 (Estimate)
LEASE EXPIRATION	January 31, 2030 (Estimate)
LEASE TYPE	NN
CURRENT TERM RENT	Years 1 - 5: \$411,939 Years 6 - 10: \$434,825
RENT ESCALATIONS	\$0.50/SF increase every 5 years
REMAINING OPTIONS	Three 5-year options
OPTION RENT	Option 1: \$457,710 Option 2: \$480,596 Option 3: \$503,481
TAXES	Tenant shall directly pay to the taxing authority, on or before the date such payment is due and payable without delinquency, 100% of the Taxes attributable to the land, building and other improvements included as part of the Tax Parcel during the Term of this Lease. Taxes shall not include; (i) any increases in Taxes resulting from two or more changes in the ownership or title of any property within the Tax Parcel within any 5-year period under the provisions of any applicable Law that requires reassessment at fair market value.
INSURANCE	Tenant, at Tenant's sole expense, shall maintain on the Premises the following policies of insurance: (i) commercial general liability insurance against claims for bodily injury and property damage, with a combined single limit of not less than \$3,000,000 (Tenant's Liability Insurance); (ii) property insurance covering Tenant's Personal Property; and (iii) workers' compensation insurance in an amount required by Law. 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. Landlord shall maintain on the Landlord's parcel: (i) all-risk commercial property insurance on a primary and non-contributory basis with limits sufficient to replace 100% of the Landlord's Parcel improvements (Landlord's Property Insurance); (ii) commercial general liability insurance against claims for bodily injury and property damage with a single limit per occurrence not less than \$3,000,000 (Landlord's Liability Insurance); and (iii) worker's compensation insurance in an amount required by Law. Tenant shall pay their pro-rata portion of insurance premiums incurred and paid by Landlord for Landlord's Property Insurance and Landlord's Liability Insurance.
REPAIRS & MAINTENANCE	Tenant, at Tenant's Sole cost and expense, shall maintain the Common Area located on the Landlord's parcel. Such maintenance shall be limited to maintenance reasonably necessary and consistent with good shopping center business practice including lighting, cleaning, snow and ice removal, repairing, landscaping, periodic parking lot re-striping, and those specific maintenance requirements set forth in the Perpetual Maintenance agreement. Tenant shall have no obligation to provide or pay for the security for the Leased Premises, Landlord's Parcel or the Shopping Center Tenant shall maintain and repair, at Tenant's sole expense the following: (i) the interior of the Leased Premises, including floor coverings, drop ceilings and interior non-load bearing walls; (ii) the heating and air conditioning equipment serving 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 Premises; and (v) the water, sewer and other utility lines serving the Leased Premises that are located in the interior of the Premises (vi) the doors, windows and plate glass of the Premises. Landlord shall maintain and repair at Landlord's sole expense the following: (i) the exterior of the Leased Premises, including, but not limited to, the guttering, downspouts, and exterior paint; (ii) the structural components of the Landlord's Parcel; (iii) the roof system of the Leased Premises (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 out lots or other undeveloped portions of the Landlords Parcel.

AREA OVERVIEW

CLOVIS, CA

The second most populated city in Fresno County, Clovis is situated midway between Los Angeles and San Francisco in the San Joaquin Valley, one of the richest agricultural areas in the world. The city has doubled in population since 1990 and is forecasted to continue its growth because of its reputation as a great place to live. According to a recent MetroStudy, there are over 3,700 homes planned for development within Clovis, which is a nearly 10% increase in total homes. The population growth in Clovis can be attributed in part to the availability and affordability of housing in the city, as the median home value is \$342,800, over \$200,000 less than the California average.

Despite its growth, the city of Clovis retains its historic small-town feel and unique western atmosphere. The historic town core, known as “Old Town Clovis,” is known for its restaurants, cafes, museums, antique shops, and Friday night farmer’s markets. Every year, the city celebrates the “BIG Hat Days,” an event which fills the Old Town with 140,000 visitors shopping at more than 250 craft booths. Other yearly celebrations which draw in thousands of visitors each year include the ClovisFest and Clovis Rodeo. These events help to stimulate the city’s thriving retail industry, which employs over 10% of the city’s workforce.

Because Clovis sits at the base of the Sierra Nevada Mountain Range, it is known as the “Gateway to the Sierras,” and attracts outdoor enthusiasts looking to explore Yosemite National Park, Kings Canyon National Park and Sequoia National Park.

FRESNO, CA MSA

FRESNO AREA IN THE NEWS

- #84 Best College in the West (Forbes)
- #57 Most Prosperous City in US 2018 (Prosperity Now)

FRESNO COUNTY WEATHER

- 271 Days of Sun
- 77 Avg High/51 Avg Low

FRESNO COUNTY HOUSING MARKET

- Median Home Value: \$342,800
- Median List Price: \$373,245
- Median Sale Price: \$314,600

FRESNO COUNTY MAJOR EMPLOYERS



CLOVIS INDUSTRY STATISTICS

INDUSTRY	EMPLOYMENT	PERCENTAGE
Business and Finance	15,876	28.80%
Manufacturing, Trade and Transportation	10,307	18.60%
Educational and Health Services	10,229	18.60%
Mining Agriculture and Construction	7,202	13.10%
Food and Entertainment	5,816	10.50%
Public Administration and Utilities	5,669	10.30%



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CBRE

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Confidentiality Agreement

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.

Disclaimer

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. **ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.**

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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