



HOBBY LOBBY

2270 Bridgepointe Parkway, San Mateo, CA 94404

BRAND NEW 10-YEAR NET LEASE



Representative Photo

INVESTMENT OVERVIEW



OFFERING PRICE	\$22,657,000
NOI	\$1,189,475
CAP RATE	5.25%
TERM REMAINING	±10 Years
RENT INCREASES	\$1.00/SF every 5 years
BUILDING SIZE	47,579 SF
LAND AREA	1.38 Acres
TRAFFIC COUNTS	Bridgepointe Parkway: 34,414 VPD

INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a 47,579-square-foot Hobby Lobby situated on 1.38 acres in San Mateo, CA—a component of the San Francisco, CA MSA (MSA Population: 4.7 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. This site has excellent access and visibility along both Bridgepointe Parkway (Traffic Count: 34,414 VPD) and CA-92 (Traffic Count: 134,400 VPD)—a major east-west state highway in the San Francisco Bay Area—and is less than 1 mile from US-101 (Traffic Count: 282,100 VPD). The property is strategically located within the 450,000-square-foot Bridgepointe Center that is occupied by Target, Home Depot, Bed Bath & Beyond, Total Wine, Marshalls, ULTA, Petco, Ethan Allen, Cost Plus World Market, Ice Chalet Skating Rink, and Pier 1 Imports, among others. Hobby Lobby is centrally located within a corporate hub and is within walking distance from the offices of Sony Interactive Entertainment, IXL Learning, IBM Corporation, QuinStreet, Visa Global Headquarters, CyberSource, Serena Software, Marketo, Jaunt, Employee Stock Option Fund, and Gilead Sciences. Hobby Lobby benefits from its location within one of San Mateo's primary retail and commercial corridors with 5.6 MSF of retail, 17.6 MSF of office, 2.1 MSF of industrial, and 17,615 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include Costco Wholesale, Safeway, Office Depot, Pet Club, Smart & Final Extra!, TownePlace Suites, Crowne Plaza, Chipotle, Panera Bread, BJ's Restaurant & Brewhouse, and Red Robin. Hobby Lobby further benefits from upscale demographics with a population of 143,711 and an average household income of \$171,639 within a 3-mile radius.

Representative Photo



Demographics	1-Mile	3-Mile	5-Mile
 Population	19,723	143,711	228,144
 AHI	\$162,489	\$171,639	\$183,766

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.

Excellent Access & Visibility

This site has excellent access and visibility along both Bridgepointe Parkway (Traffic Count: 34,414 VPD) and CA-92 (Traffic Count: 134,400 VPD)—a major east-west state highway in the San Francisco Bay Area—and is less than 1 mile from US-101 (Traffic Count: 282,100 VPD).

Strategic Location

The property is strategically located within the 450,000-square-foot Bridgepointe Center that is occupied by Target, Home Depot, Bed Bath & Beyond, Total Wine, Marshalls, ULTA, Petco, Ethan Allen, Cost Plus World Market, Ice Chalet Skating Rink, and Pier 1 Imports, among others.

Dominant Retail & Commercial Corridor

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Corporate Hub

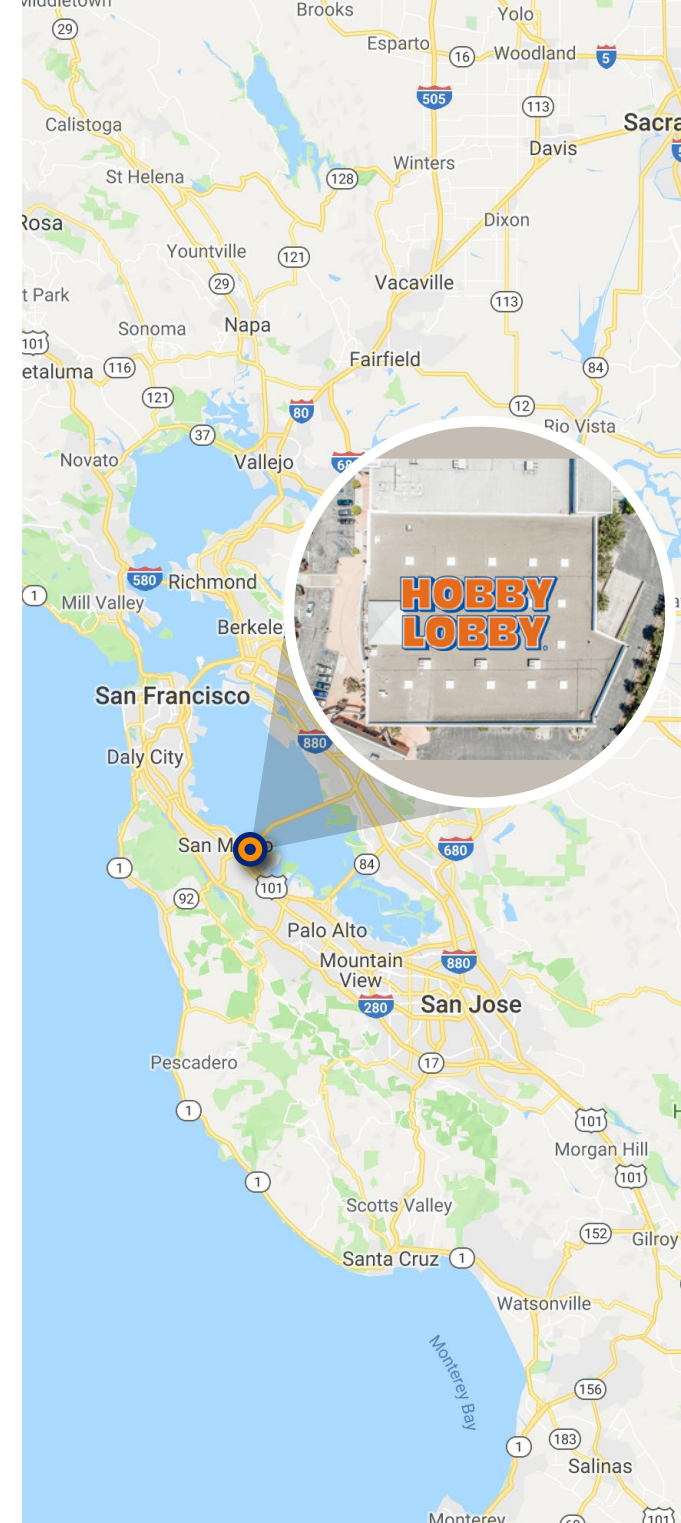
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Dynamic Demographics

Hobby Lobby benefits from upscale demographics with a population of 143,711 and an average household income of \$171,639 within a 3-mile radius.

San Mateo Area

Acting as a gateway to San Francisco, San Mateo sits just north of the burgeoning Silicon Valley. This Bay Area suburb has one of the most developed downtown cores with a multitude of historic buildings hosting over 800 shops and restaurants. Residents are able to enjoy a variety of options from street foods to Michelin-starred dining. They are not locked into the city either. The city sits equidistant from Silicon Valley and San Francisco, two of the most prominent commercial areas in the world. This proximity allows the residents of San Mateo to work for Fortune 500 companies like Wells Fargo, Salesforce, Deloitte, NVIDIA, Alphabet, and many others. With this strong job market, the residences have an average income exceeding \$150,000, which they bring back to the city. San Mateo is an affluent suburb placed among some of the most influential areas in the world.



AERIAL



PROPERTY DESCRIPTION



Location

2270 Bridgepointe Parkway
San Mateo, CA 94404



Site

Located within the 450,000-square-foot Bridgepointe Center.



Land Area

1.38 Acres
APN: 035-466-080



Building Area

47,579 SF



Frontage & Access

Access and visibility along both Bridgepointe Parkway and CA-92.



Commercial Base

5.6 MSF of retail, 17.6 MSF of office, 2.1 MSF of industrial, and 17,615 multifamily units within a 3-mile radius.



Traffic Counts

Bridgepointe Parkway: 34,414 VPD
CA-92: 134,400 VPD



Zoning

San Mateo County, CA
C / 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

Actual Site Photos



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: \$1,189,475 Years 6 - 10: \$1,237,054
RENT ESCALATIONS	\$1.00/SF increase every 5 years
REMAINING OPTIONS	Three 5-year options
OPTION RENT	Option 1: \$1,284,633 Option 2: \$1,332,212 Option 3: \$1,379,791
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 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; (v) the water, sewer and other utility lines serving the Leased Premises that are located in the interior of the Premises; and (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.
COMMON AREA MAINTENANCE	Landlord shall cause the balance of the Common Area in the Shopping Center located outside the Landlord's Parcel to be maintained in good, commercially reasonable manner and condition in accordance with applicable law and the REA. Tenant shall pay to Landlord their pro-rata CAM Expenses.

AREA OVERVIEW

SAN MATEO, CA

Acting as a gateway to San Francisco, San Mateo sits just north of the burgeoning Silicon Valley. This Bay Area suburb has one of the most developed downtown cores with a multitude of historic buildings hosting over 800 shops and restaurants. Residents are able to enjoy a variety of options from street foods to Michelin-starred dining. They are not locked into the city either. The city sits equidistant from Silicon Valley and San Francisco, two of the most prominent commercial areas in the world. This proximity allows the residents of San Mateo to work for Fortune 500 companies like Wells Fargo, Salesforce, Deloitte, NVIDIA, Alphabet, and many others. With this strong job market, the residences have an average income exceeding \$150,000, which they bring back to the city. San Mateo is an affluent suburb placed among some of the most influential areas in the world.

SAN MATEO AREA

SAN MATEO WEATHER

- 265 Days of Sun
- 64° Avg High / 51° Avg Low

SAN MATEO HOUSING MARKET

- Median List Price: \$1,398,500
- Median Home Value: \$1,385,300
- Median Sale Price: \$1,195,500

SAN MATEO INDUSTRY STATISTICS

INDUSTRY	EMPLOYMENT	PERCENTAGE
Business and Finance	21,611	36.30%
Manufacturing, Trade and Transportation	9,558	15.90%
Mining Agriculture and Construction	8,429	14.00%
Food and Entertainment	8,322	13.90%
Educational and Health Services	7,623	12.80%
Public Administration and Utilities	4,260	7.20%

GREATER SAN FRANCISCO

SAN FRANCISCO METRO FACT FILE

- 7th Best Place to Live in the US (US News 2019)
- 51st Best Place to Retire in the US (US News 2019)
- 57.8M Passengers Annually @ SFO (2018)
- 32 Min Avg Commute Time
- 39 Median Age

SAN FRANCISCO METRO MAJOR EMPLOYERS





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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

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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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