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HARBOR FREIGHT
Tools • Hardware • Equipment

SUBJECT PROPERTY

SECURE
NET LEASE

EXCLUSIVE OFFERING | \$6,219,000 – 5.65% CAP
HARBOR FREIGHT TOOLS— CORPORATE NET LEASE

18128 E VALLEY HWY, KENT, WA (SEATTLE MSA)

214.915.8888

MATTHEW SCOW
mscow@securenetlease.com

JOE CAPUTO
joe@securenetlease.com

A photograph of a retail store aisle, likely a hardware or home improvement store. The shelves are stocked with various products, including boxes of Central Performance paint and a large red and black lawnmower in the foreground. A sign in the background reads "LOW".

REPRESENTATIVE PHOTO

18128 E VALLEY HWY, KENT, WA (SEATTLE MSA)

PRICE CAP RATE:	\$6,219,000 5.65%
NET OPERATING INCOME:	\$351,336
BUILDING AREA:	15,600± Square Feet
LAND AREA:	1.72± Acres
YEAR BUILT:	2004
LANDLORD RESPONSIBILITY:	Roof & Structure
OWNERSHIP:	Fee Simple Interest
OCCUPANCY:	100%

LEASE OVERVIEW

Lease Term:	15 Years, Plus Four, 5-Year Options to Extend
Lease Expiration:	December 2034
Lease Type:	Corporate – Net Lease

BASE RENT INCREASES:

Annual Base Rent Yrs 1-5:	\$351,336.00
Annual Base Rent Yrs 6-10:	\$386,469.60 (10% ↑)
Annual Base Rent Yrs 11-15:	\$425,116.56 (10% ↑)
Option 1 Yrs 12-16:	\$467,628.22 (10% ↑)
Option 2 Yrs 17-21:	\$514,391.04 (10% ↑)
Option 3 Yrs 22-26:	\$565,830.14 (10% ↑)
Option 4 Yrs 27-31:	\$622,413.15 (10% ↑)

TENANT OVERVIEW

LESSEE: Harbor Freight Tools USA, Inc.



HARBOR FREIGHT TOOLS | www.harborfreight.com | Moody's Ba3

Harbor Freight Tools (HFT) is a privately held discount tool and equipment retailer headquartered in Calabasas, California. Started as a small family business in 1977, the company currently sells its products in 1,000+ retail stores in 48 states and on its website, and employs approximately 20,000 people. Vertical integration is HFT's key competitive advantage as house brands sourced directly from manufacturers represent the vast majority of its sales. From hand tools and generators to air and power tools, from shop equipment to automotive tools, HFT offers more than 5,000 tools and accessories at quality levels that match or exceed competing brands, but at prices that are as much as 80% less.

Currently, HFT holds a credit rating of Ba3/stable from Moody's. HFT has revenues in excess of \$4.75 billion and serves 40+ million customers. HFT is expanding at a rate of over 85 stores per year, funded through operations, and supplies its stores through two strategically located distribution centers in California and South Carolina totaling nearly 5 million square feet of space.

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HARBOR FREIGHT TOOLS®

Quality Tools at Ridiculously Low Prices

Tenant Highlights:

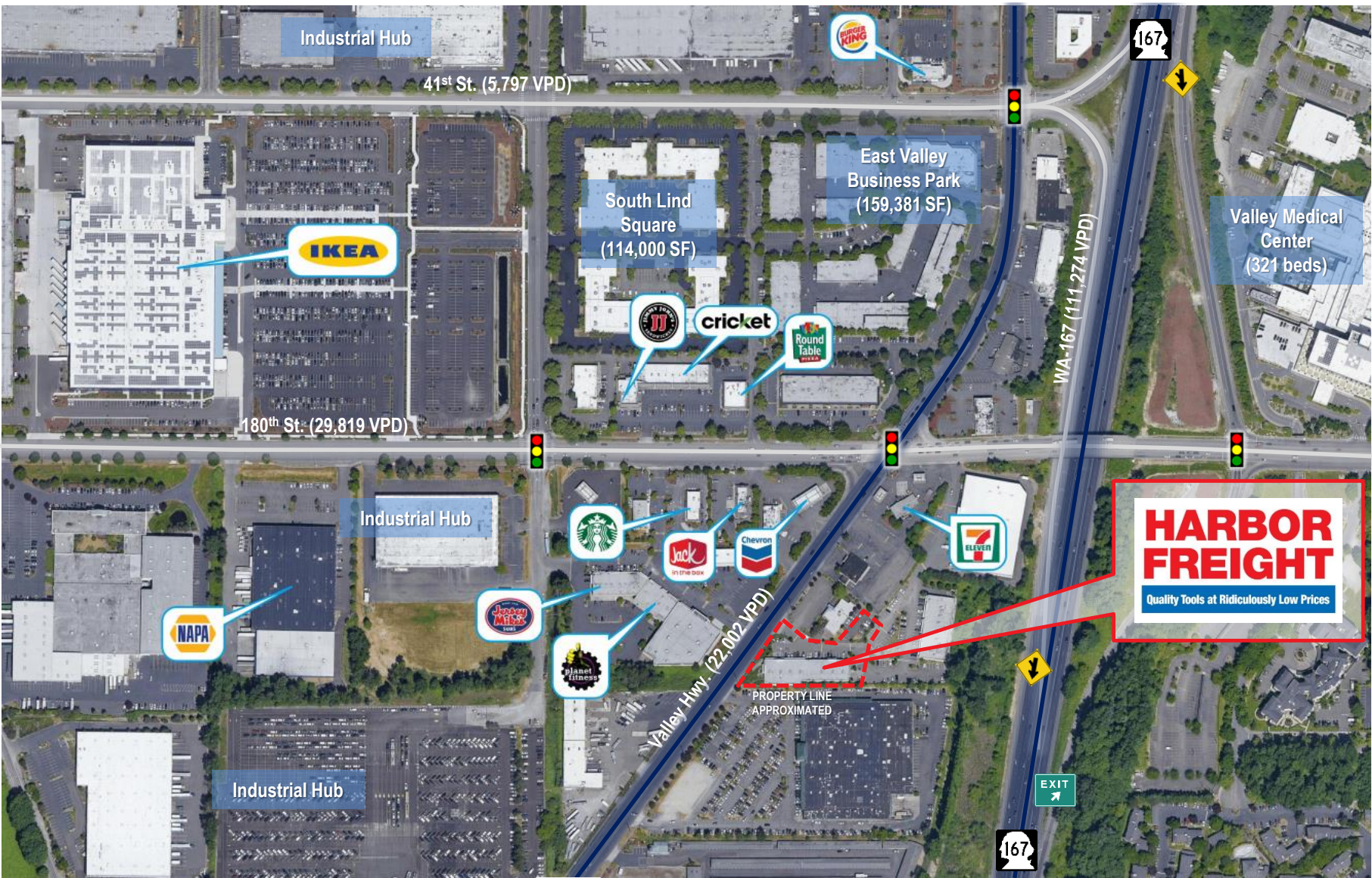
- Largest Discount Tool Retailer in the USA
- 40+ Year Operating History
- 1,000+ Stores and Growing
- National Credit Tenant: Moody's (Ba3/Stable)
- Annual Revenues: \$4.75 Billion +
- Retail Presence in 48 states
- Over 40+ Million Customers Served
- Employs Approximately 20,000 People



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NORDSTROM rack ★ macy's KOHL'S WORLD MARKET
ROSS BevyMo! OLD NAVY Ashley DICK'S
BEST BUY JOANN Michaels petco Pier 1 Imports
Bath & Body Works PETS MARY Durlington Party City
MEN'S WEARHOUSE Applebees IHOP
Chick-fil-A Starbucks Five Guys Cold Stone

Southcenter
Retail Cluster
(\$2.5 Bil sales)

IKEA

Round Table
BURGER KING
cricket

South Lind
Square
(114,000 SF)

CARMAX
HARLEY-DAVIDSON
NISSAN
HONDA

East Valley
Business Park
(159,381 SF)

NAPA
Jack
Chevron

180th St. (29,819 VPD)

Valley Hwy. (22,002 VPD)

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FREIGHT**
Quality Tools at Ridiculously Low Prices

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167

167

**HARBOR
FREIGHT**
Quality Tools at Ridiculously Low Prices

99 Ranch Market

Valley Hwy. (22,002 VPD)

WA-167 (111,274 VPD)

Mount Rainer

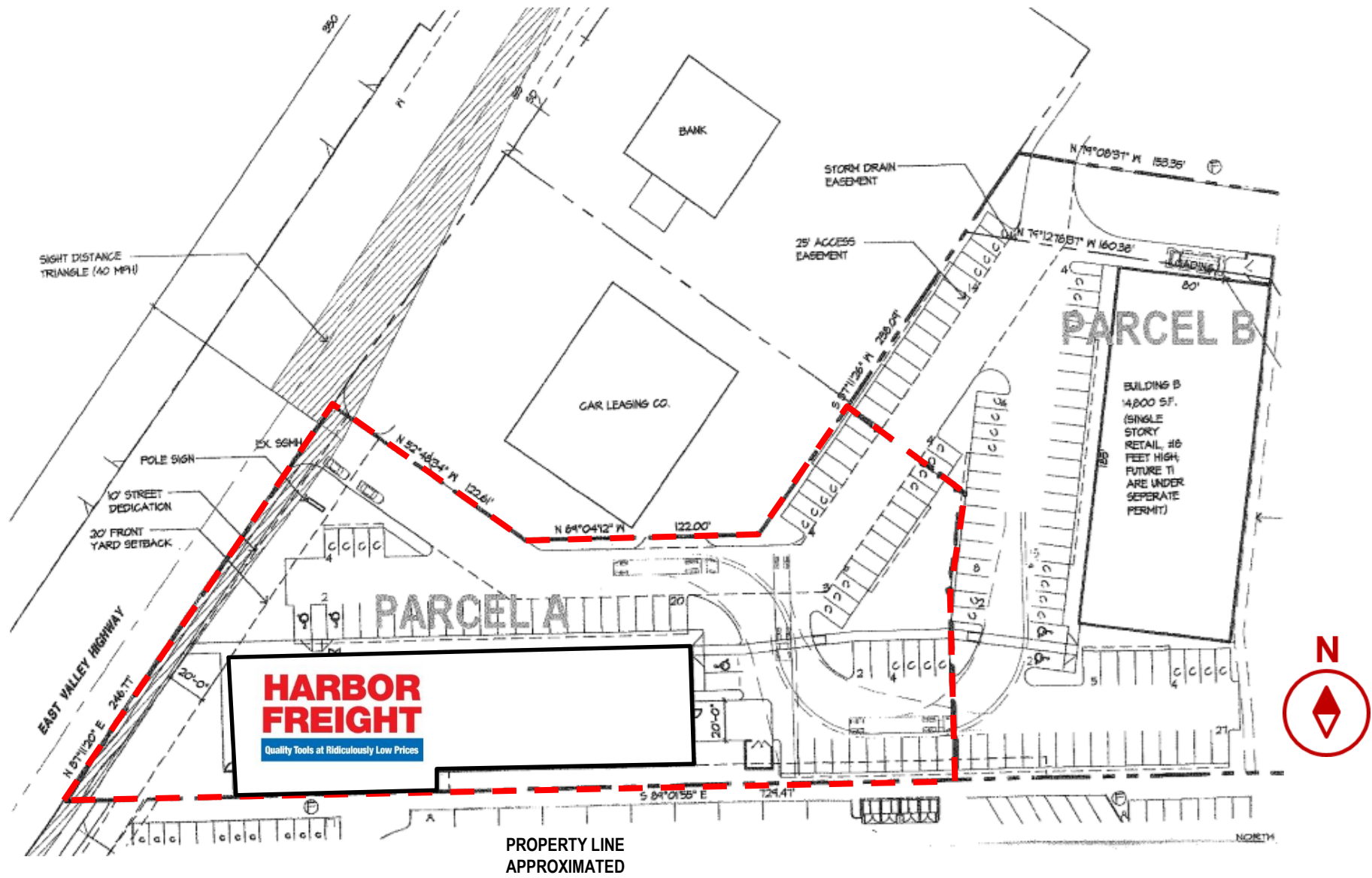
Borgata Apartments
& Townhomes
(80 units)

Ashburn
Condominiums

Camden Springs
Condos

Chateau Valley Center
(assisted living facility)

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IMMEDIATE TRADE AREA

Harbor Freight Tools is strategically situated along Valley Hwy. (22,002 VPD) in Kent, WA, in an excellent location near multiple traffic-dense highways, including WA-167 (111,274 VPD), I-405 (164,352 VPD) and I-5 (217,001 VPD). The subject property is located within a dense office, industrial, and flex development market with approximately 82,268 employees within a 3-mile radius, and 158,350 employees within a 5-mile radius. The immediate trade area features above average household income of \$97,446 as well as high population demographics, with over 79,374 people residing within a 3-mile radius. The subject property is located approximately 15 miles southeast of downtown Seattle, WA, and 6 miles east of Seattle-Tacoma International Airport (49 million annual passengers).

Within close proximity of the subject property is Southcenter, a retail centric area of the Seattle metropolitan area that is home to Westfield Southcenter (1.7 mil SF), the largest retail mall in the Pacific Northwest. Notable tenants in the area include Costco, Ikea, Home Depot, Nordstrom Rack, Macy's, Ross, Old Navy, Best Buy, Pet Smart, NAPA, Jiffy Lube, 7-Eleven, Applebee's, WingStop, Chick-fil-A, Starbucks, Chipotle, McDonald's, Panda Express, Taco Bell, Jack in the Box, and many more.

KENT, WA

Downtown Kent is located 19 miles south of Seattle, 19 miles northeast of Tacoma, and 8 miles southeast of Seattle-Tacoma International Airport in King County, WA. It is the 6th largest city in the state and 3rd largest in the county and is in the heart of the Seattle-Tacoma MSA. The city's population has doubled since 1990 incorporating tens of thousands of new households and businesses while retaining the historic character of its downtown and oldest neighborhoods. According to the 2010 census, Kent's population was 92,411 and grew to an estimated 128,458 as of 2019. Kent is home to 73 park and recreation facilities. Kent Station is a large open-air urban village located at the heart of downtown offering residents extensive options in retail, dining and events, making Kent a great place to live for individuals and families.

Kent has experienced significant growth and is a top employer in the region with high employment and a densely populated and expanding market. Several of the area's largest companies are located in Kent including Amazon (fulfillment center), REI (corporate headquarters), the Seattle area headquarters of Sysco (food distribution company), Boeing (space and defense), and Starbucks (roasting plant). The Kent community directly benefits from these large employers and from the overall rapid growth in the Puget Sound Region. Transportation to Seattle is easily accessed through several major highway systems located in the immediate area. A major rail line is being developed along I-5 through the City of Kent with the nearest stops at 240th Street near Highline College and 272nd Street. The new connection points are anticipated to increase the overall commercial traffic providing more demand and appeal for the 208th Street Station. Construction is scheduled to begin this year with service starting in 2024.

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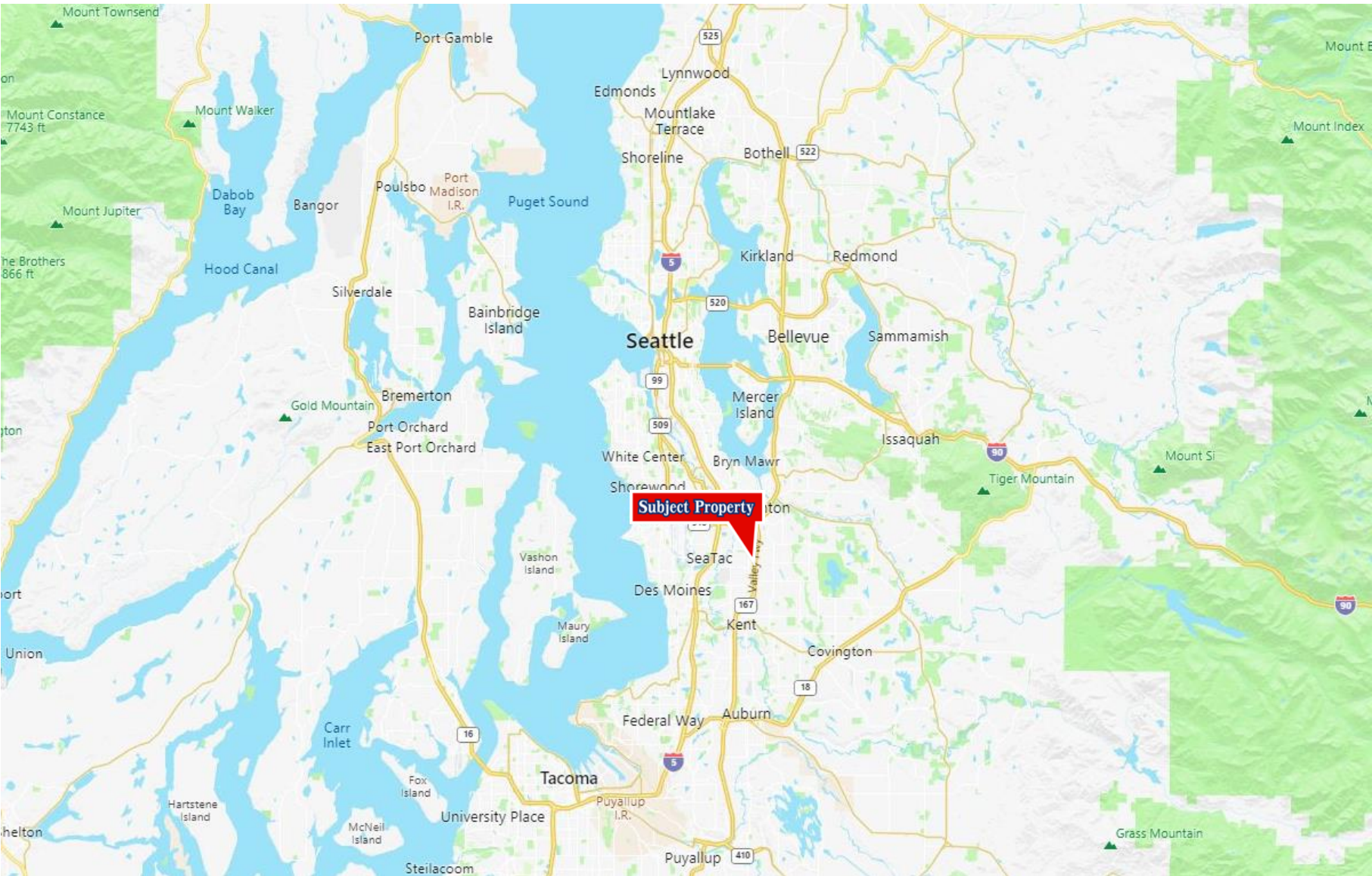


SEATTLE MSA

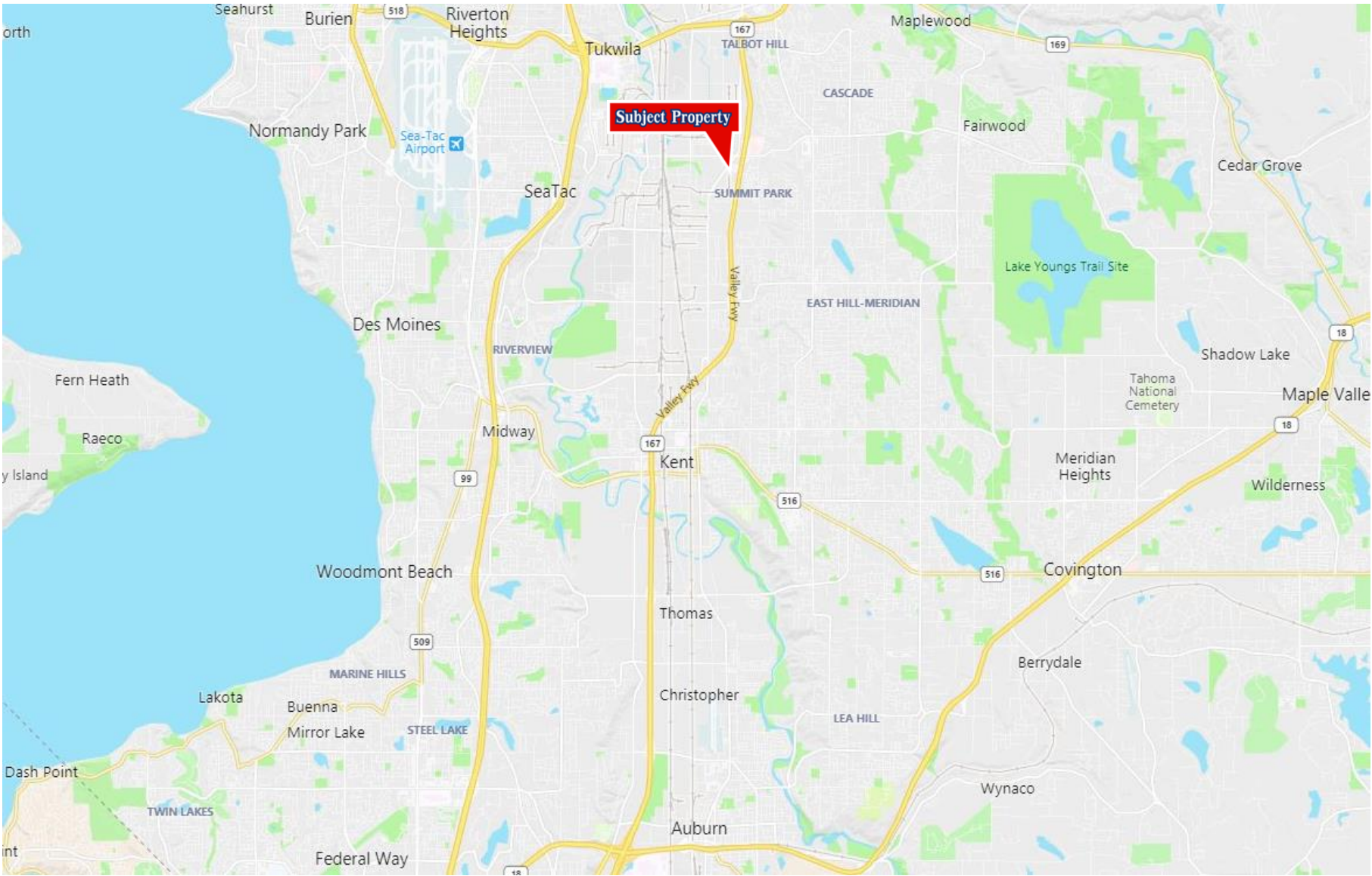
The Seattle Metropolitan Area includes the three most populous counties in the state of Washington - King, Snohomish and Pierce. The estimated population of the area is approximately 3.7 million. While ecommerce growth is dynamic in a region that is home to Amazon's headquarters, brick-and-mortar retail remains relatively strong in the area. Delivery of commercial space over the past few years was relatively light, especially in the urban core, and vacancies are at their lowest level in more than 10 years. Deliveries in the near term are relatively high, adding supply pressures, but vacancy should remain well below the historical average. Strong cumulative rent growth has resulted in record high rents, and year-over-year rent gains are higher than the historical average. Cap rates are lower than the national index, as investors are attracted to sound fundamentals in the region. Investors are drawn to the above-average share of the population in its prime spending years and rapid population growth, as demonstrated by high sales volume this cycle. Sales volume in 2018 was strong, thanks to several large deals spread across the metro.

The largest super-sector in the Seattle area remains trade, transportation, and utilities, and this sector has grown exponentially in recent years. Trade has benefited from strong connections to emerging Asian markets, as have leisure and hospitality, bolstered by increasing international business travel and tourism. Amid a well-diversified job base, tech is clearly the toast of the town. As a result, the information super-sector has exhibited impressive growth this cycle. The presence of companies like Microsoft and Amazon contribute to making Seattle an international center of technology despite Amazon's current focus on its second headquarters (HQ2) on the east coast. The e-commerce giant continues to expand rapidly in the Seattle region with high-paying jobs in the tech industry. The company employs 45,000 people in the metro and could realistically add tens of thousands more over the next several years. Other tech companies have been expanding, too, including well-known Bay Area firms. Facebook is on pace to more than double its Puget Sound regional headcount to 4,000 employees. The company has signed several leases in the urban core and Eastside recently. Google is expanding rapidly in South Lake Union and could easily double its headcount to 6,000 employees in the metro. Such expansions continue to add high-paid workers to the region—the metro's population growth far outpaces the national average. Finally, Microsoft, the Eastside's major tech employer, is in the midst of expanding its Redmond campus, which will likely have room for 8,000 additional employees when completed.

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18128 E Valley Hwy				
Kent, WA 98032				
		1 mi radius	3 mi radius	5 mi radius
POPULATION	2019 Estimated Population	5,320	79,374	276,776
	2024 Projected Population	5,626	84,333	294,893
	2010 Census Population	4,740	72,832	253,256
	2000 Census Population	3,121	65,101	220,904
	Projected Annual Growth 2019 to 2024	1.2%	1.2%	1.3%
	Historical Annual Growth 2000 to 2019	3.7%	1.2%	1.3%
HOUSEHOLDS	2019 Estimated Households	2,275	30,253	105,039
	2024 Projected Households	2,428	32,570	113,167
	2010 Census Households	2,031	27,583	95,451
	2000 Census Households	1,294	25,460	87,290
	Projected Annual Growth 2019 to 2024	1.3%	1.5%	1.5%
	Historical Annual Growth 2000 to 2019	4.0%	1.0%	1.1%
AGE	2019 Est. Population Under 10 Years	12.9%	12.5%	12.9%
	2019 Est. Population 10 to 19 Years	9.7%	12.0%	12.1%
	2019 Est. Population 20 to 29 Years	15.9%	13.7%	14.3%
	2019 Est. Population 30 to 44 Years	25.1%	22.4%	23.1%
	2019 Est. Population 45 to 59 Years	17.9%	19.7%	19.2%
	2019 Est. Population 60 to 74 Years	11.9%	14.2%	13.4%
	2019 Est. Population 75 Years or Over	6.6%	5.5%	5.0%
	2019 Est. Median Age	35.2	36.9	36.0
MARITAL STATUS & GENDER	2019 Est. Male Population	48.8%	49.7%	50.1%
	2019 Est. Female Population	51.2%	50.3%	49.9%
	2019 Est. Never Married	27.9%	33.1%	35.8%
	2019 Est. Now Married	49.0%	45.2%	42.7%
	2019 Est. Separated or Divorced	15.6%	15.6%	16.4%
	2019 Est. Widowed	7.4%	6.0%	5.1%
INCOME	2019 Est. HH Income \$200,000 or More	11.6%	6.6%	6.0%
	2019 Est. HH Income \$150,000 to \$199,999	8.9%	9.1%	8.7%
	2019 Est. HH Income \$100,000 to \$149,999	16.1%	19.0%	17.8%
	2019 Est. HH Income \$75,000 to \$99,999	16.9%	17.3%	15.5%
	2019 Est. HH Income \$50,000 to \$74,999	19.5%	18.7%	18.7%
	2019 Est. HH Income \$35,000 to \$49,999	12.2%	11.5%	12.4%
	2019 Est. HH Income \$25,000 to \$34,999	5.1%	5.7%	7.2%
	2019 Est. HH Income \$15,000 to \$24,999	4.6%	5.8%	6.5%
	2019 Est. HH Income Under \$15,000	5.1%	6.3%	7.2%
	2019 Est. Average Household Income	\$87,006	\$97,446	\$90,518
	2019 Est. Median Household Income	\$80,579	\$79,321	\$75,067
	2019 Est. Per Capita Income	\$37,339	\$37,239	\$34,595
	2019 Est. Total Businesses	931	5,606	10,887
	2019 Est. Total Employees	14,770	82,268	158,350

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Kent, WA 98032				
		1 mi radius	3 mi radius	5 mi radius
LABOR FORCE	2019 Est. Labor Population Age 16 Years or Over	4,308	63,581	220,442
	2019 Est. Civilian Employed	67.0%	67.0%	66.6%
	2019 Est. Civilian Unemployed	1.3%	2.3%	2.5%
	2019 Est. in Armed Forces	0.3%	-	-
	2019 Est. not in Labor Force	31.3%	30.6%	30.7%
	2019 Labor Force Males	48.1%	49.1%	49.7%
	2019 Labor Force Females	51.9%	50.9%	50.3%
	2019 Occupation: Population Age 16 Years or Over	2,888	42,599	146,889
OCCUPATION	2019 Mgmt, Business, & Financial Operations	20.0%	15.4%	14.2%
	2019 Professional, Related	34.3%	21.4%	19.8%
	2019 Service	13.7%	18.5%	20.4%
	2019 Sales, Office	19.8%	22.9%	22.4%
	2019 Farming, Fishing, Forestry	-	0.2%	0.3%
	2019 Construction, Extraction, Maintenance	5.7%	8.0%	8.2%
	2019 Production, Transport, Material Moving	6.5%	13.5%	14.7%
	2019 White Collar Workers	74.1%	59.7%	56.5%
	2019 Blue Collar Workers	25.9%	40.3%	43.5%
	2019 Drive to Work Alone	65.6%	69.7%	69.0%
TRANSPORTATION TO WORK	2019 Drive to Work in Carpool	9.0%	13.3%	12.8%
	2019 Travel to Work by Public Transportation	15.9%	9.5%	10.4%
	2019 Drive to Work on Motorcycle	-	0.2%	0.2%
	2019 Walk or Bicycle to Work	1.9%	2.2%	2.5%
	2019 Other Means	0.3%	0.5%	0.6%
	2019 Work at Home	7.3%	4.6%	4.5%
TRAVEL TIME	2019 Travel to Work in 14 Minutes or Less	16.0%	15.1%	14.2%
	2019 Travel to Work in 15 to 29 Minutes	33.3%	34.2%	33.9%
	2019 Travel to Work in 30 to 59 Minutes	29.3%	36.8%	37.8%
	2019 Travel to Work in 60 Minutes or More	20.1%	14.9%	13.7%
	2019 Average Travel Time to Work	28.4	28.9	29.1
CONSUMER EXPENDITURE	2019 Est. Total Household Expenditure	\$146.3 M	\$2.09 B	\$6.87 B
	2019 Est. Apparel	\$5.22 M	\$74.27 M	\$243.65 M
	2019 Est. Contributions, Gifts	\$8.59 M	\$118.89 M	\$387.39 M
	2019 Est. Education, Reading	\$4.89 M	\$67.38 M	\$220.16 M
	2019 Est. Entertainment	\$8.3 M	\$118.8 M	\$388.27 M
	2019 Est. Food, Beverages, Tobacco	\$22.31 M	\$321.27 M	\$1.06 B
	2019 Est. Furnishings, Equipment	\$5.16 M	\$73.89 M	\$241.38 M
	2019 Est. Health Care, Insurance	\$13.12 M	\$190.26 M	\$623.55 M
	2019 Est. Household Operations, Shelter, Utilities	\$47.39 M	\$676.9 M	\$2.23 B
	2019 Est. Miscellaneous Expenses	\$2.77 M	\$39.52 M	\$129.54 M
	2019 Est. Personal Care	\$1.96 M	\$28.15 M	\$92.27 M
	2019 Est. Transportation	\$26.59 M	\$383.69 M	\$1.26 B

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HARBOR FREIGHT TOOLS.
Quality Tools at Ridiculously Low Prices

DISCLAIMER

Secure Net Lease ("Agent") has been engaged as an agent for the sale of the property located at 18128 E. Valley Hwy., Kent, WA ("Property") by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein. Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason or no reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller (it being expressly understood and agreed that any such commitment and obligation of Seller shall in any and all events be limited to that which is expressly set forth in any such fully executed, delivered, approved and binding written agreement, executed by Seller and all other parties thereto, for the purchase of the Property) and any conditions to Seller's obligations hereunder, and thereunder have been satisfied or waived. By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller and Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller and Agent. By accepting this Offering Memorandum and/or otherwise engaging in the receipt, review and/or use of the Offering Memorandum and the contents hereof, and/or contents not contained therein, you hereby release Agent and Seller, and their respective agents, employees, contractors, affiliates, shareholders, partners, members and/or successors and assigns (collectively, the "Released and Indemnified Parties") from any and all loss, cost, expense, or liability of any kind or nature whatsoever; and you hereby further agree to hold harmless and defend the Released Parties from any and all loss, cost, expense, or liability of any kind or nature whatsoever, arising out of and/or in connection with, your receipt, review and/or other use of this Offering Memorandum.

Washington Broker of Record:
Carl Guenzel
Kiemle Hagood | License # 34667

