



NET LEASE INVESTMENT OFFERING

HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices

HARBOR FREIGHT TOOLS
408 PERRY AVENUE | BIG RAPIDS, MICHIGAN

THE
Boulder
GROUP

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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single tenant Harbor Freight Tools property located in Big Rapids, Michigan. The property was newly renovated for Harbor Freight Tools in 2019. The property features a new 10-year lease with 10% rental escalations every five years. The property exhibits a low rent per square of \$6, while the market is commanding \$10.55 PSF according to CoStar.

The 24,034 square foot property is located along Perry Ave (22,600 VPD), a primary east-west thoroughfare, and just off of Highway 131. Retailers in the immediate area include Walmart Supercenter, Meijer, ALDI, Lowe's, Menards, Walgreens and AMC Theatres. Additionally, the property is in close proximity to Ferris State University (14,707 students), which drives continual traffic to the trade corridor.

Harbor Freight Tools USA, Inc. is a private retailer of discounted tools in the United States. It offers automotive tools; air and power tools; shop equipment; tool storage solutions; generators; welders; lawn and garden tools; and hand tools. Harbor Freight Tools USA, Inc. was founded in 1977 and currently has over 900 locations. Harbor Freight Tools is rated Ba3 by Moody's. Harbor Freight Tools has only closed one store in the last five years.



INVESTMENT HIGHLIGHTS

- New ten-year lease
- 10% rental escalations every five years
- Newly renovated property for tenant
- Low rent per square of \$6
- Well located along Perry Ave (22,600 VPD), a primary east-west thoroughfare, and just off of Highway 131
- Retailers in the immediate area include Walmart Supercenter, Meijer, ALDI, Lowe's, Menards, Walgreens and AMC Theatres
- In close proximity to Ferris State University (14,707 students) which drives continual traffic to the trade corridor
- Harbor Freight Tools is rated Ba3 by Moody's
- Harbor Freight Tools has only closed one store in the last five years



PROPERTY OVERVIEW

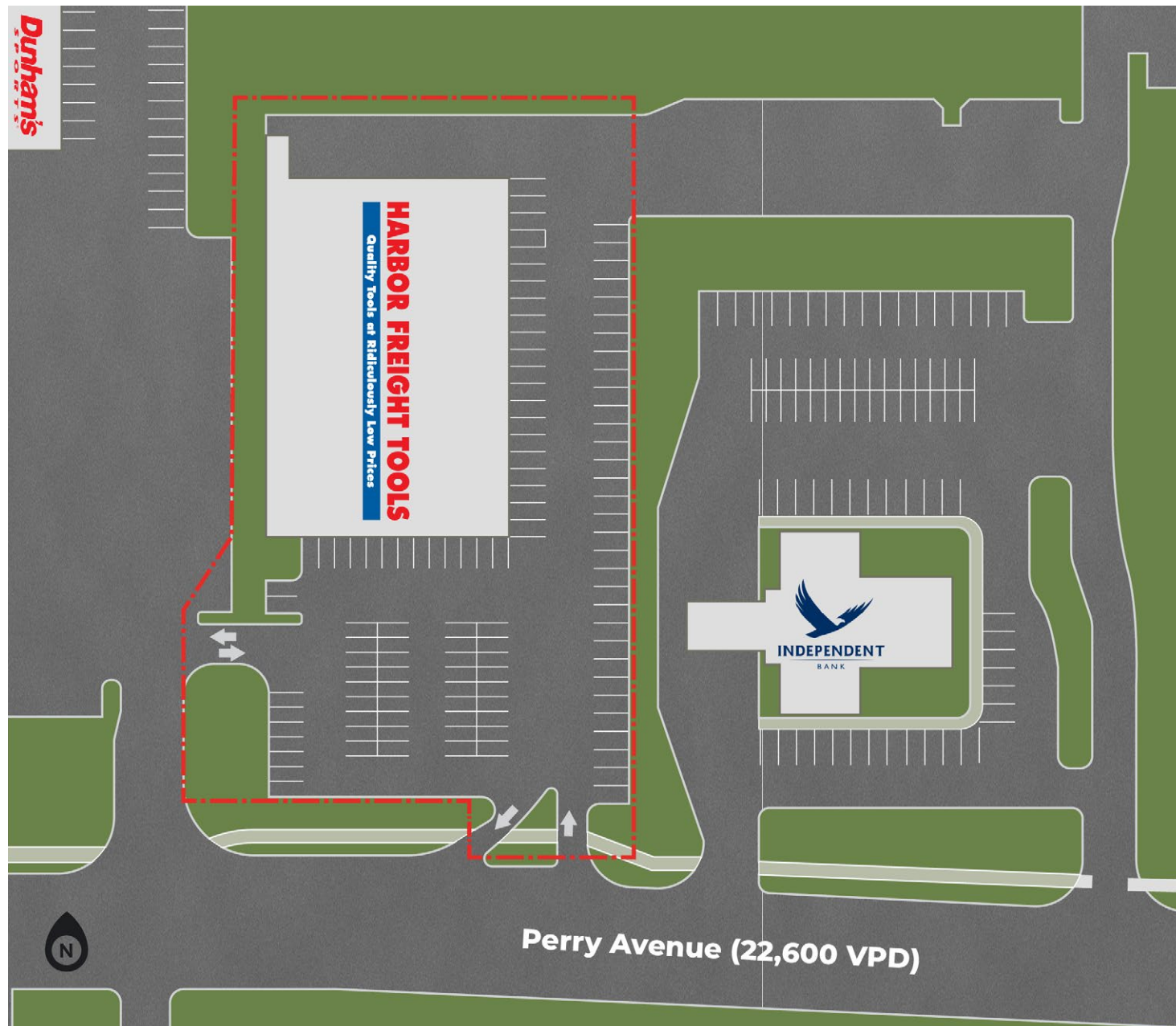
Price:	\$1,922,720
Cap Rate:	7.50%
Net Operating Income:	\$144,204 ¹
Rental Escalations:	10% Every 5 Years
Lease Expiration Date:	April 30, 2029 ²
Renewal Options:	Four 5-Year
Tenant:	Harbor Freight Tools USA, Inc.
Year Built/Renovated:	1999/2019
Lease Type:	NN (Roof & Structure)
Building Size:	24,034 SF
Land Size:	2.63 AC (Confirm)

- 1) Rent does not commencement until March 2020. Sell to credit the buyer if closing occurs prior to rent commencement.
- 2) If Tenant's gross sales do not exceed \$3,250,000 between 49th month and 60th month, tenant shall have the right to terminate the lease. If tenant terminates lease, tenant shall reimburse landlord for i) 50% of the brokerage commission to the extent the same was paid by landlord to broker, and ii) \$17,500.
- 3) Harbor Freight Tools has only closed one store in the last five years.











DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	7,883	15,223	19,629
Total Households:	2,141	5,115	6,907

INCOME

	1-Mile	3-Mile	5-Mile
Average Household Income:	\$44,168	\$47,819	\$52,440
Median Household Income:	\$27,358	\$31,768	\$36,863



CITY OF BIG RAPIDS, MICHIGAN

Big Rapids is a city in the U.S. state of Michigan. The population was 10,601 at the 2010 census. It is the county seat of Mecosta County. The city is located within Big Rapids Township, but is politically independent. Big Rapids is home of the main campus of Ferris State University, a four-year public university, well known for its College of Pharmacy and the Michigan College of Optometry, as well as its NCAA Division I hockey team, the Bulldogs.





HARBOR FREIGHT TOOLS

Harbor Freight Tools USA, Inc. retails discounted tools in the United States. It offers automotive tools; air and power tools; shop equipment; tool storage solutions; generators; welders; lawn and garden tools; and hand tools. The company offers its products through retail stores and online. It serves automotive and truck repair shops; government agencies; schools; manufacturers; contractors; and tool enthusiasts. Harbor Freight Tools USA, Inc. was founded in 1977 and is based in Calabasas, California.

Website:	www.harborfreight.com
Type:	Private
Headquarters:	Calabasas, California
Number of Locations:	900+
Credit Rating:	Ba3 (Moody's)
Number of Employees:	17,000

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CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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