

2-TENANT HARBOR FREIGHT ANCHORED

Value-Add Investment Opportunity

HARBOR FREIGHT

Quality Tools at Ridiculously Low Prices



1235 N. MAIN STREET
MADISONVILLE KENTUCKY

ACTUAL SITE

 **SRS**
NATIONAL NET LEASE GROUP

EXCLUSIVELY MARKETING BY

Principal Broker: Mark Sneed, SRS Real Estate Partners, LLC
KY License #184818

BRITT RAYMOND

**Vice President
SRS National Net Lease Group**

366 Madison Avenue, 5th Floor
New York, NY 10017
D 929.229.2614
M 704.517.4712
Britt.Raymond@srsre.com
NY License No. 10401234463

KYLE FANT

**First Vice President
SRS National Net Lease Group**

366 Madison Avenue, 5th Floor
New York, NY 10017
D 929.229.2613
M 973.632.1386
Kyle.Fant@srsre.com
NY License No. 10401281546

SARAH HUGHES CAFARO

**First Vice President
SRS National Net Lease Group**

366 Madison Avenue, 5th Floor
New York, NY 10017
D 212.710.5249
M 856.905.4645
Sarah.Cafaro@srsre.com
NY License No. 10401264759

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Rent Roll | Brand Profile







SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a 24,538 SF, recently renovated, value-add investment property located in Madisonville, KY. The building is built out for 2 tenants, and is currently 66% occupied by Harbor Freight Tools USA, Inc., who has approximately 9 years remaining in their corporate guaranteed lease. The lease features a 10% rental increase in 2023 and at the beginning of each of the 5 (5-year) options, growing NOI and hedging against inflation. This offering presents the unique opportunity to acquire a value-add investment with the potential to drastically increase returns through lease-up of the vacant space. The remaining 34% of the GLA is currently in vanilla shell condition, minimizing future development costs for a new owner.

The subject property is positioned along North Main Street, the primary retail and commuter thoroughfare traveling through Madisonville, averaging 22,100 vehicles passing by daily. The site benefits from easy access with multiple points of ingress/egress, and is complete with a large pylon sign, providing excellent visibility along Main Street. Moreover, the asset is strategically situated within a dense retail corridor serving Madisonville, with other nearby national/credit tenants including Kroger, Lowe's Home Improvement, McDonald's, CVS Pharmacy, and more, increasing consumer draw to the immediate trade area and promoting crossover store exposure. Additionally, the site is within close proximity to Baptist Health Madisonville, a 410-bed acute and skilled care facility serving the region, and just 3 miles east of the Madisonville GE Aviation Plant (~650 employees) providing a direct consumer base from which to draw. The 5-mile trade area is supported by more than 26,000 residents and 15,500 employees with an average household income of \$59,000.



OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$1,981,000
NET OPERATING INCOME	\$123,801
CAP RATE	6.25%
OCCUPANCY	66%
GUARANTY	Corporate
TENANT	Harbor Freight Tools USA, Inc.
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof, Structure and Foundation Replacement*

*See Rent Roll Notes for more Details

Property Specifications

RENTABLE AREA	24,538 SF
LAND AREA	4.57 Acres
PROPERTY ADDRESS	1235 N. Main Street Madisonville, KY 42431
YEAR RENOVATED	2018
PARCEL NUMBER	M-31-2-2
OWNERSHIP	Fee Simple (Land & Building)

INVESTMENT HIGHLIGHTS



Value-Add Investment Opportunity | 66% Occupied by Corporate Tenant | Vanilla Shell Condition

- Building was recently renovated in 2018 to be demised into 2 suites and accommodate Harbor Freight Tools
- Harbor Freight occupies 66% of the GLA under a corporate guaranteed NNN lease
- 9 years remaining with 5 (5-year) options
- Rental increase in 2023 and at the beginning of each option period
- Current 34% vacancy is in vanilla shell condition, minimizing future development costs for a new owner
- Unique opportunity to acquire a value-add investment with the potential to drastically increase returns through lease-up of vacancy

Major Thoroughfares | Excellent Visibility & Access

- Situated along N. Main St., the major retail and commuter thoroughfare traveling through Madisonville (22,100 VPD)
- Nearby access to Interstate 69 (26,800 VPD)
- Site benefits from easy access with multiple points of ingress/egress
- Large pylon sign provides excellent site visibility along N. Main St.

Dense Retail Corridor | Baptist Health Madisonville | GE Aviation Plant

- Nearby national/credit tenants include Kroger, Lowe's Home Improvement, McDonald's, CVS Pharmacy, and more
- Strong tenant synergy promotes crossover store exposure for the subject property
- Less than 1 mile north of Baptist Health Madisonville, a 410-bed acute and skilled care facility serving the region
- 3 miles east of the GE Aviation plant, which employs approximately 650 people
- Provides a direct consumer base to draw from

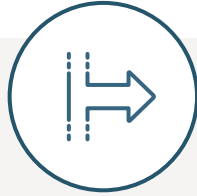
Local Demographics In 5-mile Trade Area

- More than 26,000 residents and 15,500 employees support the trade area
- \$59,000 average household income



Location

Located in
Madisonville, KY
Hopkins County



Access

N. Main Street/
U.S. Highway 41
2 Access Points

Briarwood Drive
1 Access Point



Traffic Counts

N. Main Street/
U.S. Highway 41
22,100 Cars Per Day

Nebo Road/
U.S. Highway 41 Alternate
9,900 Cars Per Day



Improvements

There is approximately 24,538 SF
of existing building area



Parking

There are approximately
87 parking spaces on the
owned parcel.

The parking ratio is
approximately 3.55 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number: M-31-2-2
Acres: 4.57
Square Feet: 199,069 SF



Year Renovated

2018



Zoning

GC: General Commercial



9,900
CARS PER DAY

U.S. HIGHWAY 41 ALTERNATE

mark's
mattress

HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

BRIARWOOD DR.

AHLSTROM
MUNKSJÖ

Brother's
BAR-B-QUE

Arby's

Mandarin
House

McDonald's

CAR WASH
EXPRESS

CHELSEA DR.

First Care

GOOD
NEIGHBOR
PHARMACY

EL BRACERO

IDEAL

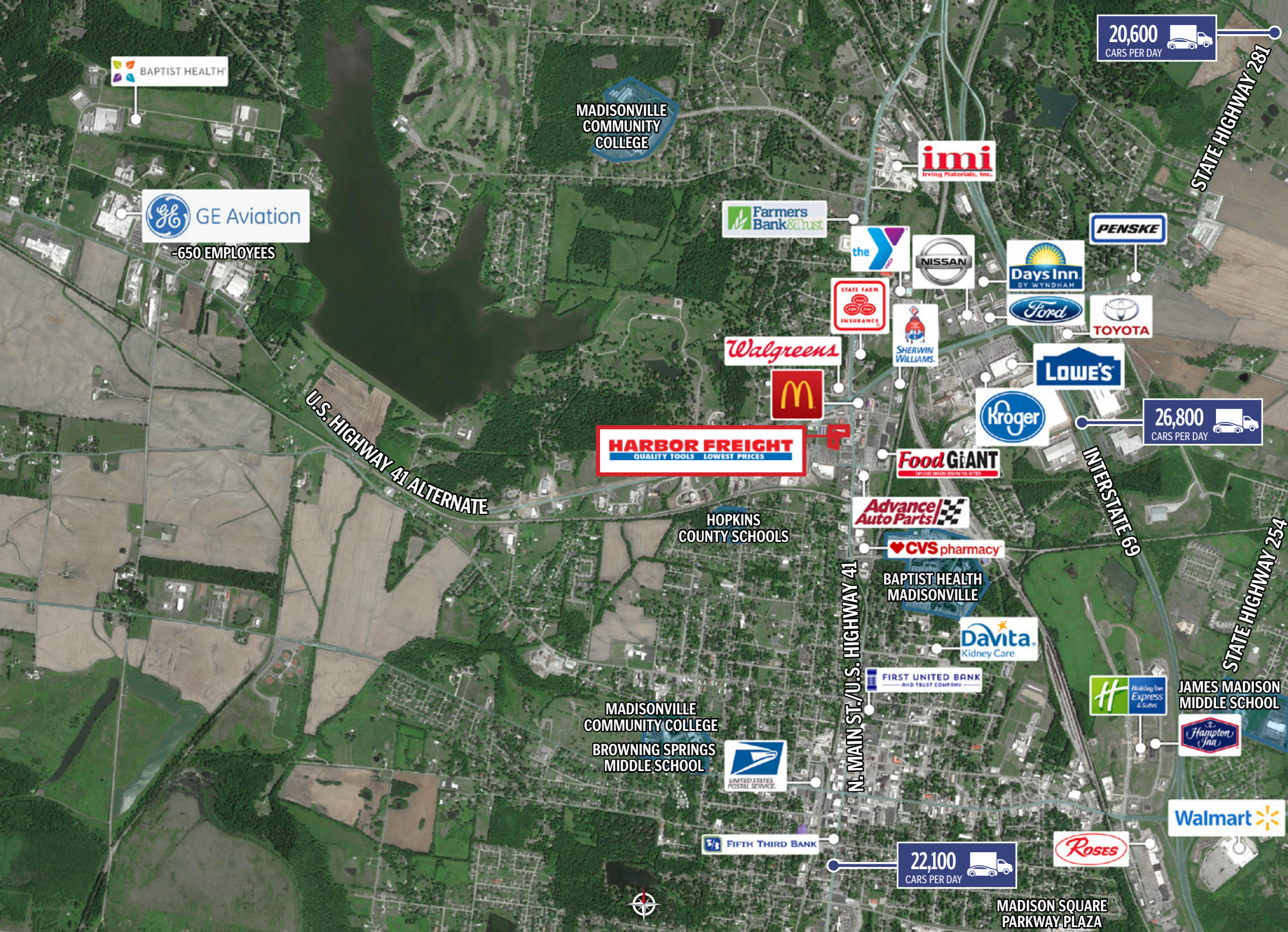
N. MAIN ST./U.S. HIGHWAY 41

COLDWELL
BANKER D
TERRY AND
ASSOCIATES

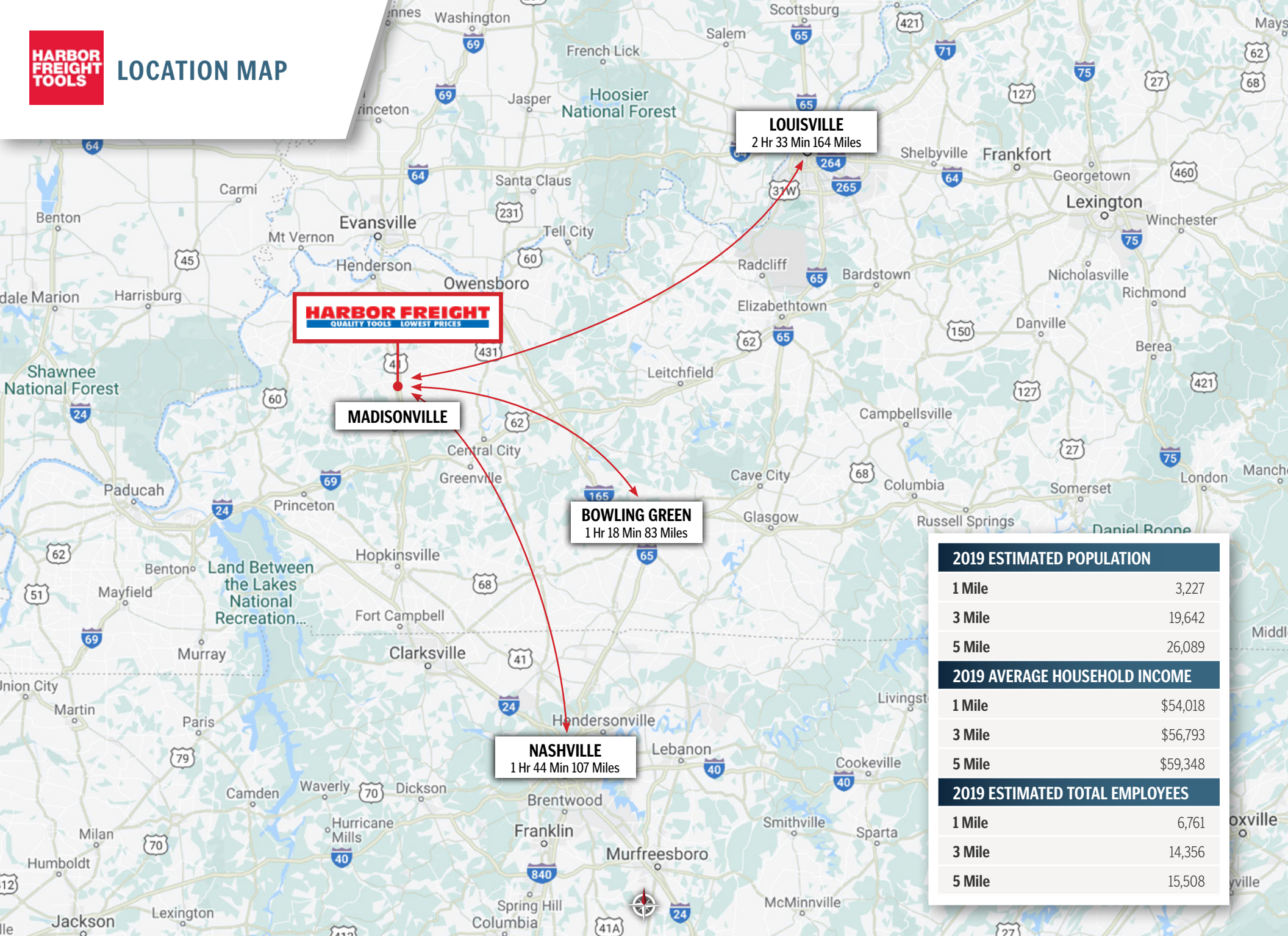
22,100
CARS PER DAY

CAPTAIN D'S
SEAFOOD KITCHEN

TACO JOHN'S







2019 ESTIMATED POPULATION

1 Mile	3,227
3 Mile	19,642
5 Mile	26,089

2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$54,018
3 Mile	\$56,793
5 Mile	\$59,348

2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	6,761
3 Mile	14,356
5 Mile	15,508



Madisonville, Kentucky

Madisonville is the seat of Hopkins County, located along Interstate 69 in the state's Western Coal Fields Region, serves as the commercial seat of the region. Madisonville is a prime location located within a few hours' drive of several metropolitan cities - 152 miles from Louisville, KY; 194 miles from Lexington, KY; 221 miles from St. Louis, Missouri; 105 miles from Nashville, TN; 47 miles from Owensboro, KY; 50 miles from Evansville, Indiana and 221 miles from Indianapolis, Indiana. Madison is a part of the Pennyryle Area Development District, which comprises a nine county area. The City of Madisonville had a population of 19,365 as of July 1, 2019.

Located within a day's driving distance from most of the significant economic and populated areas on the East Coast, Madisonville offers an attractive location for many businesses and residents to take advantage of a small-town atmosphere while still steeping in big-town strengths. Because of its location near important roadways, Madisonville is a leading manufacturing hub for western Kentucky. Long known as the Heart of the Coal Fields, Madisonville has a rich heritage, and in recent years has diversified and expanded its manufacturing and health care sectors to rival employment levels in coal and coal related industries. The city and surrounding areas provide ample rolling hills, endless acres of fertile farmland, unique landmarks, one-of-a-kind boutiques and specialty stores, mom-and-pop restaurants and available industrial and commercial lots for future growth opportunities.

Madisonville is home to Madisonville Community College which offers a variety of degrees in different specialties. Higher Studies can be pursued from Owensboro Community College, Kentucky Wesleyan College, and Hopkinsville Community College. Hopkins County Public Schools and Christ the King Catholic School oversee K-12 education in and around Madisonville. Madisonville is directly accessible via highway, rail, and air. Air transportation is available at Cincinnati/ Northern Kentucky International Airport.

The city is a major tourist spot in the state of Kentucky. Madisonville and Hopkins County are home to Kentucky's largest variety of outdoor recreation activities, including scenic trails, tranquil lakes, rolling grasslands and dense forests. Madisonville offers a variety of delectable dining, a state-of-the-art fine arts theatre and gallery, and a wide selection of comfortable and hospitable accommodations. Notable events include golf tournaments, car shows, festivals, races, and parades. Tourists can enjoy the wilderness of the forest in the Talladega National Forest. In the Henry Horton State Park, tourists can enjoy camping and fishing. In order to enjoy the antiquities of the past arts, tourists can visit the Owensboro Museum of Fine Art. The Jefferson Davis Monument State Historic Site and Pennyryle Forest State Resort Park are also popular as tourist destinations.

AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	3,227	19,642	26,089
2024 Projected Population	3,146	19,275	25,650
2010 Census Population	3,452	20,140	26,566
2019 Estimated Households	1,394	8,212	10,864
2024 Projected Households	1,360	8,076	10,710
2010 Census Households	1,483	8,370	10,983
2019 Estimated White	82.11%	83.77%	85.82%
2019 Estimated Black or African American	13.79%	11.65%	10%
2019 Estimated Asian or Pacific Islander	1.21%	1.08%	1.02%
2019 Estimated American Indian or Native Alaskan	0.31%	0.21%	0.21%
2019 Estimated Other Races	1.21%	1.37%	1.2%
2019 Estimated Hispanic	2.82%	3.11%	2.77%
2019 Estimated Average Household Income	\$54,018	\$56,793	\$59,348
2019 Estimated Median Household Income	\$35,727	\$40,457	\$43,658
2019 Estimated Per Capita Income	\$22,272	\$23,691	\$24,754
2019 Estimated Total Businesses	292	1,085	1,213
2019 Estimated Total Employees	6,761	14,356	15,508



			Pro					Pro	Rental Increases						Lease	Lease				
Suite #	Tenant Name	Size SF	Rata (SF)	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr	Rata (\$)	Increase Date	Inc.	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr	Start Date	End Date	Options Remaining			
A	Harbor Freight Tools USA, Inc.	16,078	66%	\$10,317	\$0.64	\$123,801	\$7.70	66%	Aug-23	10.0%	\$11,348	\$0.71	\$136,181	\$8.47	Aug-18	Nov-28	5 (5-Year) 10% Increases at Beg. of each Option			
B	Vacant	8,460	34%	\$5,288	\$0.63	\$63,450	\$7.50	34%	-	-	-	-	-	-	-	-	-			
Total Occupied		16,078	66%	\$10,317	\$0.64	\$123,801	\$7.70	66%												
Total Vacant		8,460	34%	\$5,288	\$0.63	\$63,450	\$7.50	34%												
Total / Wtd. Avg:		24,538	100%	\$15,604	\$0.64	\$187,251	\$7.63	100%												

FINANCIAL INFORMATION

Price	\$1,981,000
Net Operating Income	\$123,801
Cap Rate	6.25%

PROPERTY SPECIFICATIONS

Year Renovated	2018
Rentable Area	24,538 SF
Land Area	4.57 Acres
Address	1235 N. Main Street Madisonville, KY 42431

NOTES

- 1) Harbor Freight does not reimburse for increases in taxes as a result of a transfer of ownership.
- 2) Harbor Freight has a first year reimbursement cap equal to \$1.50/SF.
- 3) Seller is willing to credit 1 year of NNN reimbursements for the vacant space.



COMPANY TYPE

Private

WEBSITE

harborfreight.com

LOCATIONS

1,000+

Harbor Freight Tools

The company opened its first store in 1980, and today Harbor Freight Tools has more than 1,000 stores across the country, 20,000 employees and more than 40 million customers. The 15,000-square-foot store offers tools and accessories in categories including automotive, air and power tools, storage, outdoor power equipment, generators, welding supplies, shop equipment, hand tools and more. Harbor Freight's hand tools come with a lifetime warranty. It was founded in 1977 and headquartered in Calabasas, California.





NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

RETAIL
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

TRANSACTION
VALUE
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2018