



Newnan, Georgia (Atlanta MSA)

A photograph of a Lowe's store exterior at dusk. The large, illuminated "LOWE'S" sign is the central focus, set against a dark blue background with a red border. The building has a beige facade with a stepped roofline. In the foreground, there are various outdoor products on display, including grills and patio furniture. A "Pickup" sign is visible on the left side of the entrance.

LOWE'S

CONFIDENTIAL OFFERING MEMORANDUM

A Newmark Knight Frank / Retail Investment Opportunity



Newmark
Knight Frank

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Newmark Knight Frank (“Advisor”) serves as the exclusive advisor in connection with the solicitation of offers for the purchase of Lowe’s - Newnan, GA (the “Property”). The solicitation and potential sale is to be governed by this Confidential Offering Memorandum, as it may be modified or supplemented (“Offering Memorandum”), and the Purchase Agreement governing the sale of the Property. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Prospective purchasers are further advised that the Seller expressly reserves the right, in its sole and absolute discretion, to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in the Offering Memorandum is confidential, furnished solely for the purpose of a review by a prospective purchaser of the Property, and is not to be used for any other purpose or made available to any other person without the express written consent of the Seller or Advisor. Prospective purchasers should also conduct their own due diligence, including, but not limited to, engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property or used in the construction or maintenance of the building(s) at the Property.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Advisor or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees or agents, for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of the Offering Memorandum or any prior or subsequent communications from Seller or Advisor or their affiliates or any of their respective officers, directors, shareholders, owners, employees or agents as legal, tax or other advice. Prior to submitting an offer, prospective purchasers should consult with their own business advisors, legal counsel and tax professionals to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



ATLANTA OFFICE
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FINANCIAL OVERVIEW

Purchase Price	\$16,720,000
NOI	\$1,065,835 / \$8.17 PSF
Cap Rate	6.375%

EXECUTIVE SUMMARY

Address	955 Bullsboro Drive, Newnan, GA 30265
Tenant/Guarantor	Lowe's Home Centers, Inc.
RBA / Acreage	130,497 SF / 19.25 Acres
Expense Structure	NN – Roof & Structure
Roof Notes	New with 20-year transferrable warranty
Rent Increases	10% every 5 years via option periods
Lease Commencement Date	November 1, 1995
Current Term Expiration	October 31, 2025 [1]
Ownership Interest	Fee Simple
Year Built	1995

[1] Due to Lowe's lease tenure and exceptionally strong sales history at this location, ownership believes it is highly probable that Lowe's will exercise their next option (notification date 5/4/2020). Seller will therefore accept the renewal as a contingency to closing.

INVESTMENT HIGHLIGHTS



FORTRESS LOCATION ADJACENT TO INTERSTATE-85 & WALMART SUPERCENTER

Shadow anchored by a Walmart Supercenter, the subject property sits adjacent to Interstate-85 along Bullsboro Road just 30 minutes southwest of Atlanta. Bullsboro Road is Newnan's long established retail corridor that includes Ashley Park – a 565,000 square foot lifestyle center – and other nearby tenants such as the Home Depot, Hobby Lobby, Academy Sports, Publix, Ross, PetSmart and Aldi.



CORPORATE LEASE FROM INVESTMENT GRADE TENANT (NYSE: LOW; S&P: BBB+)

Lowe's Company Inc. is publicly traded on the New York Stock Exchange (NYSE: LOW) and is consistently considered investment grade credit. Currently, Lowe's is rated "BBB+ stable" by Standard and Poor's and "Baa1" by Moody's. Lowe's is ranked #40 on the Fortune 500 list with annual revenues approaching \$70B. Today, Lowe's is the second largest hardware chain globally, operating more than 2,015 home improvement and hardware stores employing 310,000+ people.



FRESH LEASE RENEWAL WITH 10% ESCALATIONS EVERY 5 YEARS

A seasoned tenant at this location for nearly 25 years, Lowe's sales volume demonstrates a strong performing store. Lowe's is already in their first option period with a lease that includes rare, 10% rental rate escalations in its 5-year options. The next option is set to be renewed on or before May 4, 2020, extending the lease through October 31, 2025; ownership will allow this highly probable renewal as a contingency to closing.



STRONG SALES VOLUME WITH POSITIVE TRAJECTORY

Impressive Lowe's sales have steadily increased year to year at the subject property:

<div>  SALES HISTORY </div>			
Lease Year Ending	Sales	PSF	% Change
2019	\$49,375,224	\$378	+4.41%
2018	\$47,290,536	\$362	+4.95%
2017	\$45,060,240	\$345	+9.61%
2016	\$41,109,912	\$315	

INVESTMENT HIGHLIGHTS (Continued)



STRONG PROPERTY FUNDAMENTALS

- **New Roof:** GAF 60 MIL TPO Roof installed in Q1 2020 includes 20-year warranty
- **Robust Traffic Count:** Exceeds 52,500 ADT on Georgia Highway 34 / Bullsboro Road
- **Healthy Retail Corridor:** Over 4.2 Million SF of retail within a 2-mile radius includes a strong contingent of national big box tenants with a very healthy occupancy rate near 97%
- **Signalized Access:** The property benefits from a signalized entry point, shared with the Walmart Supercenter along Bullsboro Road



HIGH-GROWTH, ATLANTA MSA DEMOGRAPHICS

Impressive Average Household Income level approaching \$93,000 within 7-mile radius; 5-mile residential population of 73,823; 13% growth since 2010 – with another 11% growth projected through 2024

DEMOGRAPHICS			
	3-MILE	5-MILE	7-MILE
2019 Estimated Average Household Income	\$86,887	\$88,259	\$92,771
2019 Estimated Total Population	39,606	73,823	103,058
2024 Forecasted Total Population	43,849	80,388	111,811
Forecasted Population Growth 2019-2024	10.73%	8.90%	8.47%
Daytime Population (Employees)	18,633	29,400	32,785



THE ATLANTA ADVANTAGE – CAPITAL OF THE SOUTHEAST

The most recent U.S. Census report shows that the Atlanta MSA is the 2nd fastest growing metro area in the nation. Over the next five years, the population is expected to increase nearly 7% to more than 6.1 million residents. Moreover, Atlanta's year over year job growth was ranked #3 for Major U.S. metros in 2019.





63,500 VPD



Bullsboro Dr. 52,500 VPD



Newnan Crossing Blvd.





LEASE ABSTRACT

Tenant/Guarantor	Lowe's Home Centers, Inc.			
Square Footage/Acreage	130,497 SF / 19.25 Acres			
Ownership Type	Fee Simple			
Lease Type	NN - Roof, Structure			
Original Commencement Date	11/1/1995			
Current Term Expiration	10/31/2025 <small>*Due to Lowe's lease tenure and exceptionally strong sales history at this location, ownership believes it is highly probable that Lowe's will exercise their next option (notification date 5/4/2020). Seller will therefore accept the renewal as a contingency to closing.</small>			
Options-to-Renew	5-Year Options with 10% Rent Escalations			
Base Rent	Lease Year	Annual Rent	Monthly Rent	PSF
	11/1/2015 - 10/31/2020	\$968,941	\$80,745	\$7.43
Option 1	11/1/2020 - 10/31/2025	\$1,065,835	\$88,820	\$8.17
Option 2	11/1/2025 - 10/31/2030	\$1,172,419	\$97,702	\$8.98
Option 3	11/1/2030 - 10/31/2035	\$1,289,661	\$107,472	\$9.88
Option 4	11/1/2035 - 10/31/2040	\$1,418,627	\$118,219	\$10.87
Option 5	11/1/2040 - 10/31/2045	\$1,560,490	\$130,041	\$11.96
Percentage Rent	One percent (1%) over the natural breakpoint			
Taxes	Tenant Responsibility			
Insurance	Tenant Responsibility			
Parking Lot / Driveways	Tenant Responsibility; includes 25% of annual detention pond maintenance, as defined in REA, not to exceed \$1,500/year			
Roof / Structure	Landlord Responsibility; new roof as of Q1 2020 includes 20-year transferrable warranty			
Tenant Sales Reporting	Annually, within 60 days following the end of each lease year			
Estoppels	Tenant shall provide within 10 days of Landlord request			

LOWE'S

Size: 130,497 SF
Lease Expiration: 10/31/2025*
% of Building: 100%

*Due to Lowe's lease tenure and exceptionally strong sales history at this location, ownership believes it is highly probable that Lowe's will exercise their next option (notification date 5/4/2020). Seller will therefore accept the renewal as a contingency to closing.

LOWE'S COMPANIES, INC., together with its subsidiaries, operates as a home improvement retailer in the United States, Canada, and Mexico. The company offers a line of products for construction, maintenance, repair, remodeling, and decorating. It provides home improvement products in various categories, such as lumber and building materials, appliances, seasonal and outdoor living, tools and hardware, fashion fixtures, rough plumbing and electrical, paint, millwork, lawn and garden, flooring, and kitchens. It also offers installation services through independent contractors in various product categories; extended protection plans; and in-warranty and out-of-warranty repair services. The company sells its national brand-name merchandise and private branded products to homeowners, renters, and professional customers. As of February 1, 2019, it operated 2,015 home improvement and hardware stores. The company also sells its products through online sites comprising Lowe.com and Lowe'sforpros.com; and through mobile applications. Lowe's Companies, Inc. was founded in 1946 and is based in Mooresville, North Carolina.



STOCK SYMBOL:
LOW (NYSE)



EMPLOYEES:
300,000



YEAR FOUNDED:
1946



HEADQUARTERS:
Mooresville, North Carolina



LOCATIONS:
2,015



TTM REVENUE:
\$71.77 Billion

TTM NET INCOME:
\$2.94 Billion

NET WORTH:
\$93.44 Billion

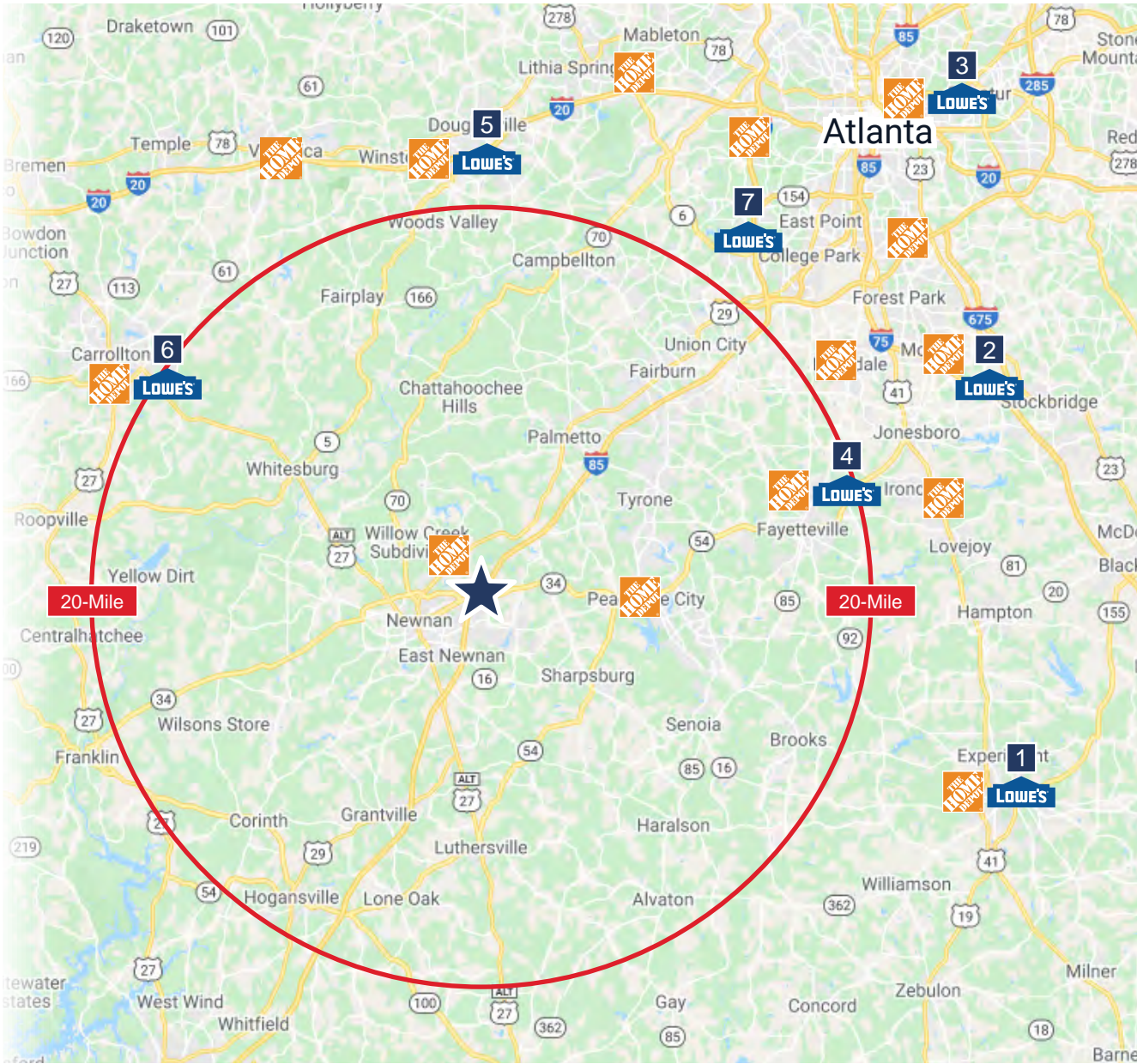
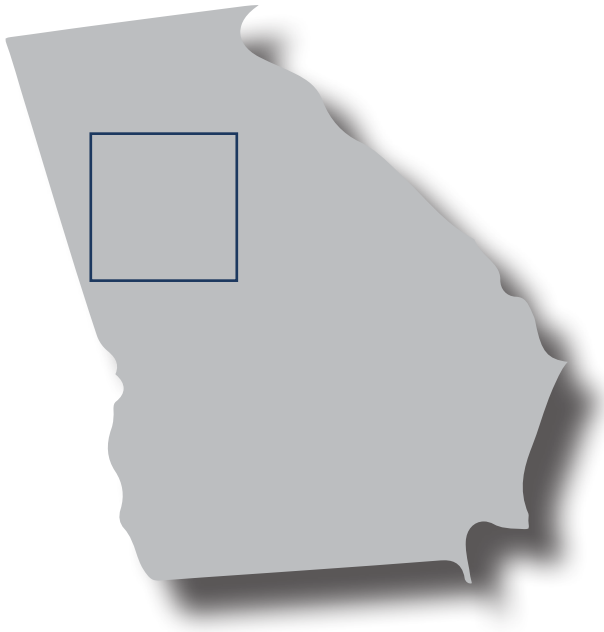


WEBSITE:
www.lowes.com

COMPETITIVE SNAPSHOT

	LOWE'S			
	Address	City	State	
1	1520 GA-16	Griffin	GA	
2	3505 Mt Zion Rd	Stockbridge	GA	
3	1280 Caroline St	Atlanta	GA	
4	1030 Glynn St	Fayetteville	GA	
5	7001 Douglas Blvd	Douglasville	GA	
6	1665 S US 27	Carrollton	GA	
7	3625 N Commerce Dr	Atlanta	GA	

★ SUBJECT PROPERTY



METRO ATLANTA: CAPITAL OF SOUTHEAST REGION

ATLANTA, THE ECONOMIC CAPITAL OF THE SOUTHEAST AND A GLOBAL BUSINESS HUB, IS THE BASE OF ONE OF THE FASTEST GROWING METROS IN THE COUNTRY AND THE 10TH LARGEST GDP IN THE U.S.



Thrust into the international spotlight two decades ago as host of the 1996 Summer Olympic Games, Atlanta's highly-charged critical mass of business development was ignited. As of 2019, Atlanta's year over year job growth was ranked #3 for major U.S. metros. The region is expected to add 2.5 million residents and 1.5 million jobs by 2040. The most recent U.S. Census report shows the metro region as the 2nd fastest growing MSA in the nation.

GAME-CHANGING ECONOMIC GROWTH

Atlanta is advancing toward a new cycle of economic prosperity and position thanks to a multitude of major corporate commitments by firms such as State Farm, Mercedes-Benz, Porsche, Kaiser Permanente, KPMG, Google, WorldPay, GE, NCR, Honeywell, and Anthem.

Dramatic developments are underway in healthcare and technology sectors. Film making has become big business in Georgia and Atlanta. Emerging technologies and the infrastructure to support start-up companies are another bright spot. Atlanta is now a leader in mobile technology, supply chain management, internet security, healthcare IT, and payments processing, all growth industries. Technical and professional services will continue to be key employment generators, and the rebound in these high-wage industries is driving above-average income growth.

DIVERSE CORPORATE ANCHORS

Atlanta's legendary, diverse, and inherently resilient economic base is its ongoing hallmark, and it ranks among the country's Top 5 cities in Fortune 500 HQ. Twenty-five metro Atlanta headquartered firms are among America's largest corporations qualifying as the FORTUNE 1000, of which 16 rank among the FORTUNE 500: The Home Depot, UPS, The Coca-Cola Company, Delta Air Lines, The Southern Company, Genuine Parts Company, First Data, HD Supply Holdings, Inc., Veritiv, SunTrust Banks, AGCO Corporation, Asbury Automotive, Coca-Cola European Partners, NCR Corporation, PulteGroup, and Newell Brands.

NOTABLE NEW ECONOMIC GROWTH



MERCEDES BENZ



NCR



STATE FARM



THIRD RAIL STUDIOS

- **STATE FARM** is centerpiece of Central Perimeter's new 17-acre 2.2M SF mixed-use campus, representing one of Atlanta's largest corporate developments ever. State Farm will add 3,000 jobs there over the next 10 years, eventually housing about 8,000.
- **KAISER PERMANENTE's** 150,000 SF, \$20M "information technology campus" in Midtown created 900+ jobs, bringing firm's total GA presence to 4,000+ employees and physicians.
- **PORSCHE CARS NORTH AMERICA, INC.** opened new 28-acre, \$100M U.S. HQ in 2015 adjacent to Hartsfield-Jackson Airport, where it employs 400 (100 new to GA).
- **MERCEDES-BENZ USA** created 1,000 jobs with its HQ move to Atlanta from NJ. Their new 250,000 SF, Sandy Springs campus opened in 2017.
- **WORLDPAY**, a leading global provider of payment technology and services, launched its new \$10M Atlantic Station office in 2015, where 1,200 are employed.
- **NCR** will expand its 1.5M SF Midtown HQ at Centergy North at Technology Square. The expansion will involve a \$145M second tower and 1,800 new tech jobs over five years, on top of 3,600 jobs NCR is bringing to Midtown.
- **HONEYWELL** announced plans to add an 800-job, \$20M software development center and division HQ in Midtown's 715 Peachtree.
- **ANTHEM INC.** relocated its technology center to Midtown's Bank of America Plaza, creating more than 1,000 jobs. Anthem will soon occupy the entirety of 740 West Peachtree, expected to open in 2020 and about 85% of 712 West Peachtree, scheduled to open the following year. It will employ 3,000 people and create 1,800 new jobs.
- **GE** has picked Buckhead for their first new \$3M global digital operations center that will create 400 jobs. The center is part of firm's Industrial Internet initiative and will support GE's Global Infrastructure operations.
- **GOOGLE's** new 1.2M SF data center repair facility in south metro Atlanta opened in 2015 at Fairburn Logistics Center, a 1.2M SF cross-dock facility launched in 2014 by TPA Group.
- **KEURIG GREEN MOUNTAIN, INC.'s** new \$337M, 585,000 SF Douglas County plant created 550 new jobs.
- **SHIRE PHARMACEUTICALS** (acquired by Takeda Pharmaceutical Company Limited in January 2019) opened a new \$1.2B manufacturing plant in Stanton Springs in Newton County in October 2019, with a goal of hiring 1,600 workers.
- **THE INTEGRAL GROUP** is developing the 165-acre "Assembly" mini-city (fka GM Doraville plant), where 10M SF of mixed-use space is planned. Capstone South Properties new "Third Rail Studios" is the first development.
- **JACOBY**, along with MBS3, the operator of a large production campus near LA, is planning redevelopment of 100-acre OFS/Atlanta Media Campus site in Gwinnett County. Plans for the 1.2M SF mixed-use complex include production facilities with seven sound stages.
- **ALCON LABORATORIES** invested \$97M and created 300+ jobs at its Johns Creek campus. Atlanta beat out Singapore and Germany for the expansion.
- **UNITED PARCEL SERVICE INC.** (UPS) invested \$400M and created 1,250 jobs at a new 1.3M SF logistics hub, the firm's 3rd largest such facility in the country, near Charlie-Brown Airport on the city's west side.

ATLANTA OVERVIEW

LOWE'S
Newnan, Georgia (Atlanta MSA)

RAPID POPULATION GROWTH CONTINUES

Long reputed for its rapid growth, the 10-county Atlanta regional population reached 4,628,400 in 2019, up from 4,555,900 in 2018. The Atlanta region's 2019 population is larger than that of 24 states.

The region added 72,500 new residents between 2018 and 2019. Fulton County led the growth with 16,700 new residents. The City of Atlanta, too, has experienced impressive growth. Fueled by a boom in multifamily housing, the city added 10,900 new residents between 2018 and 2019, the largest single-year estimated population increase since the Great Recession.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY (MARTA)

Atlanta's rapid economic and population growth has generated investments in infrastructure. Three proposed MARTA expansion projects — Clifton Corridor, I-20 East, and GA 400 — could infuse \$5.2B into the region's overall economy. The transit expansions may also equate to 45,000 new jobs and \$116M in additional annual wages by 2040.

HARTSFIELD-JACKSON INTERNATIONAL AIRPORT (ATL)

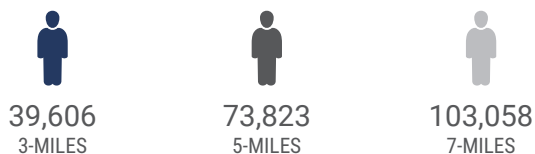
ATL is a dominant economic engine for the region and one of the state's most critical assets. As the largest job base in Georgia with 63,300+ direct and 450,000+ indirect jobs, ATL boasts a regional economic impact of \$64.2B and \$70.9B in Georgia. In 2016, ATL launched a \$6 billion, 20-year renovation that included terminal and concourse upgrades, new parking, more concourses, and a sixth runway. For the 21st year in a row, ATL was the world's busiest airport in 2019, with close to 107 million passengers passing through, according to travel data by Airports Council International.

The airport is the base of a growing "Aerotropolis" economic district catalyzed by the new Porsche North American HQ, the automaker's largest investment outside Germany. The Aerotropolis Atlanta Alliance's new blueprint lays out a vision to transform the entire South Atlanta region into an expanded Aerotropolis with a corporate crescent, airport city, and green corridor of trails surrounding the airport.

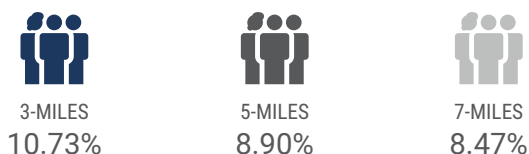


DEMOGRAPHIC SUMMARY

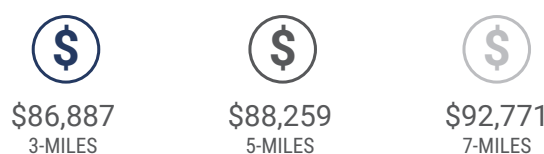
ESTIMATED TOTAL POPULATION



5-YEAR PROJECTED POPULATION GROWTH



ESTIMATED AVERAGE HOUSEHOLD INCOME



	3-MILE	5-MILE	7-MILE
SUMMARY			
2019 Estimated Total Population	39,606	73,823	103,058
Daytime Population (Total Employees + Total Residential Population)	58,239	73,823	135,843
2019 Estimated Average Household Income	\$86,887	\$88,259	\$92,771
POPULATION			
2019 Estimated Total Population	39,606	73,823	103,058
2024 Forecasted Total Population	43,849	80,388	111,811
2010 Census Total Population	31,817	62,338	88,178
Population Growth 2010 to 2019	12.59%	9.54%	8.79%
Forecasted Population Growth 2019-2024	10.73%	8.90%	8.47%
Female Population %	51.9%	51.7%	51.5%
Male Population %	48.1%	48.3%	48.5%
HOUSEHOLDS			
2019 Estimated Total Households	14,928	27,309	37,398
2024 Forecast Total Households	16,532	29,774	40,626
2010 Census Total Households	11,940	22,994	31,888
Forecasted Household Growth 2019-2024	10.73%	9.01%	8.63%
INCOME			
2019 Estimated Average Household Income	\$86,887	\$88,259	\$92,771
AGE			
2019 Estimated Median Age	35.0	35.9	37.0
RACE			
White	63.9%	64.7%	69.5%
Black or African American	22.8%	24.4%	21.2%
American Indian & Alaska Native	0.3%	0.3%	0.3%
Asian	4.8%	3.2%	2.7%
Native Hawaiian/Other Pacific Islander	0.2%	0.1%	0.1%
Some Other Race	5.1%	4.5%	3.6%
Two or More Races	3.0%	2.7%	2.5%

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