



OFFERING MEMORANDUM



HOBBY LOBBY
GULFPORT, MS

Marcus & Millichap
THE SULO GROUP

Subject Property

**HOBBY
LOBBY**



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HOBBY LOBBY

11240 Hwy 49
Gulfport, MS 39503

FINANCIAL SUMMARY

Price	\$5,417,000
Cap Rate	6.85%
Net Operating Income	\$371,000
Building Sq Ft	52,514 Sq Ft
Year Built Renovated	1985 2011
Lot Size	+/- 3.70 Acres

LEASE SUMMARY

Lease Type	Double Net
Tenant	Hobby Lobby Stores, Inc.
Guarantor	Corporate
Roof and Structure	Landlord Responsible
Primary Term	15 Year
Lease Commencement Date	9/9/2011
Rent Commencement Date	2/1/2012
Lease Expiration Date	2/28/2027
Term Remaining	6+ Years
Rental Increases	No
Renewal Options	Three, Five-Year

OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1-15	\$371,000	6.85%
Options	Annual Rent	Cap Rate
16-20 (Option 1)	\$397,500	7.34%
21-25 (Option 2)	\$424,000	7.83%
26-30 (Option 3)	\$450,500	8.32%

Base Rent	\$371,000
Net Operating Income	\$371,000
Total Return	6.85% \$371,000

TENANT OBLIGATIONS

Tenant shall maintain, at tenant's sole cost and expense, in good condition the (i) interior of the leased premises; (ii) heating and air conditioning equipment serving the leased premises; (iii) plumbing components located in the interior of the leased premises; (iv) electrical components located in the interior of the leased premises; and (v) the doors, windows and plate glass located in the leased premises. Landlord and tenant agree that if any part of the leased premises for which tenant is responsible for maintaining under this section is destroyed, damaged, or rendered inoperable by a casualty (defined below), the replacement, restoration, remediation, or repair of such shall not be deemed to be part of tenant's maintenance obligations under this section, but shall be deemed to be part of landlord's replacement, restoration, remediation, or repair obligations under this lease. Tenant shall keep the leased premises in a clean, sanitary, and safe condition in accordance with applicable law. At the termination of this lease, tenant shall surrender the leased premises broom clean in as similar order and repair as of the date of store's grand opening, casualty and reasonable wear and tear excepted.

LANDLORD OBLIGATIONS

In addition to landlord's obligation to maintain the common area, landlord shall, at landlord's sole cost and expense, maintain in good condition the (i) exterior of the leased premises, including but not limited to guttering, downspouts and exterior paint (landlord's painting scheme shall be subject to tenant's approval, not to be unreasonably withheld); (ii) the structural components of the shopping center (including the leased premises); (iii) the roofing system of the Leased Premises (including, but not limited to the roof structure, roof membrane and roof access); (iv) the load bearing walls and foundation of the leased premises; and (v) water, sewer and other utility lines, ducts and conduits serving the shopping center and leased premises that are outside the leased premises, all in accordance with good shopping center business practices. Anything under the slab, within the exterior walls, or within the plenum of the leased premises shall be deemed to be part of the exterior of the leased premises and shall be part of landlord's maintenance under this section, provided, tenant shall have the right to oversee such maintenance by landlord to ensure it is performed promptly and in a manner to minimize disruption to tenant's business.

TAXES

Tenant shall pay all real estate taxes assessed or levied on lot two.

ADDITIONAL RENT

Tenant shall also pay to landlord during the term of this lease the (i) pro rata taxes, (ii) pro rata insurance, and (iii) pro rata CAM expenses actually incurred and paid by landlord (collectively, the "additional rent"). Except as otherwise provided in this lease, such payments of additional rent shall be made in equal monthly installments at the time of and in addition to each payment of minimum rent by tenant.

TENANT OVERVIEW



No. of Locations:	No. of States:	Year Founded:	Headquarters:	Website:
900+	46	1972	Oklahoma City, OK	https://www.hobbylobby.com/

In 1970, David and Barbara Green took out a \$600 loan to begin making miniature picture frames out of their home. Two years later, the fledgling enterprise opened a 300-square foot store in Oklahoma City, and Hobby Lobby was born. Today, with more than 900 stores, Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world with over 43,000 employees and operating in 46 states.

Hobby Lobby is primarily an arts-and-crafts store but also includes hobbies, picture framing, jewelry making, fabrics, floral and wedding supplies, cards and party ware, baskets, wearable art, home accents and holiday merchandise.

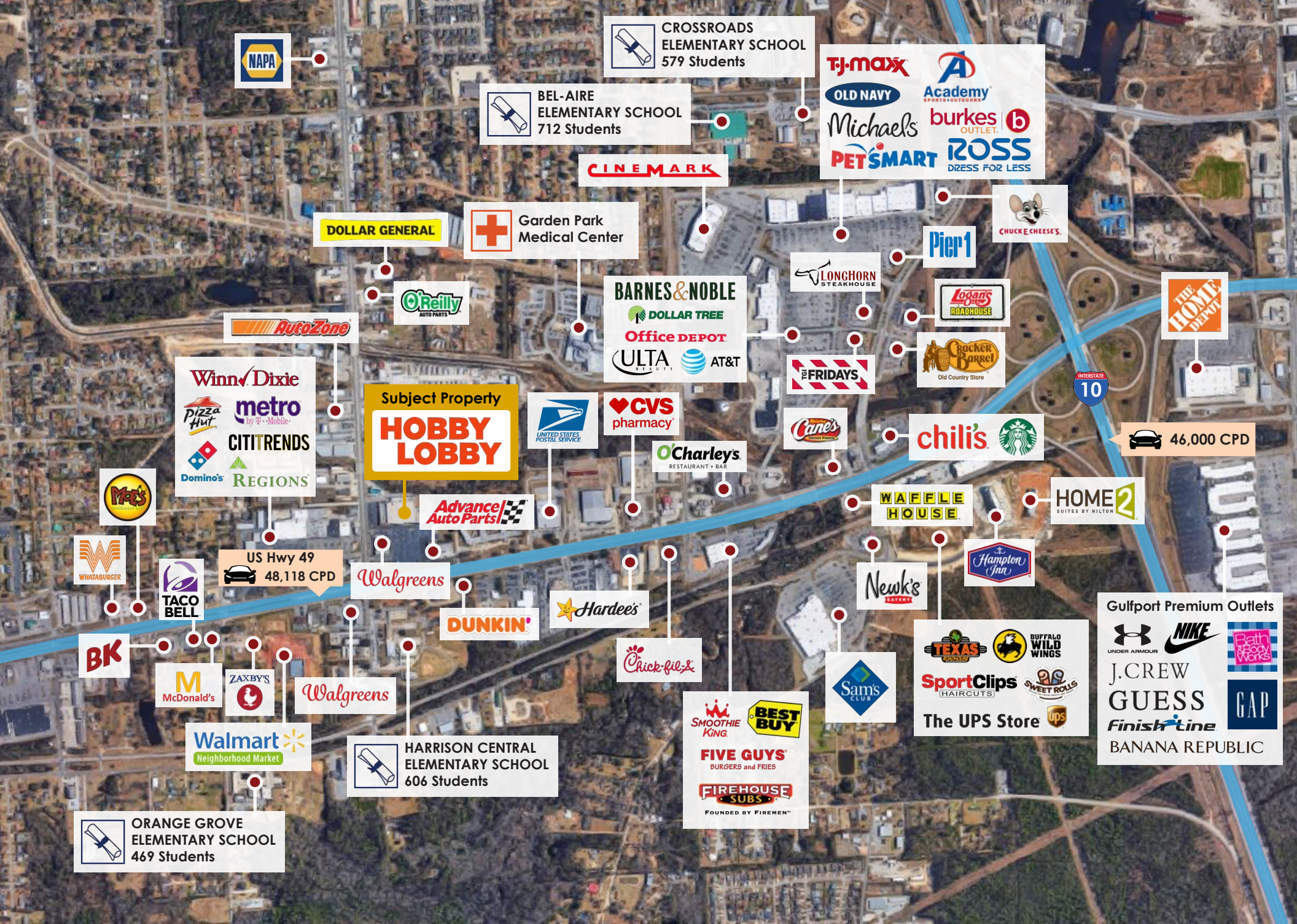
Corporate headquarters include over 10 million-square feet of manufacturing, distribution, and an office complex in Oklahoma City.

Mardel Christian and Education Supply, an affiliate company, offers books, Bibles, gifts, church and education supplies, as well as homeschooling curriculum. Hobby Lobby also maintains offices in Hong Kong, Shenzhen, and Yiwu, China.

What began as a \$600 start-up, continues to grow and expand, enabling customers across the nation to live a creative life®.







SITE PLAN



SITE PLAN KEY

Parcel Outline



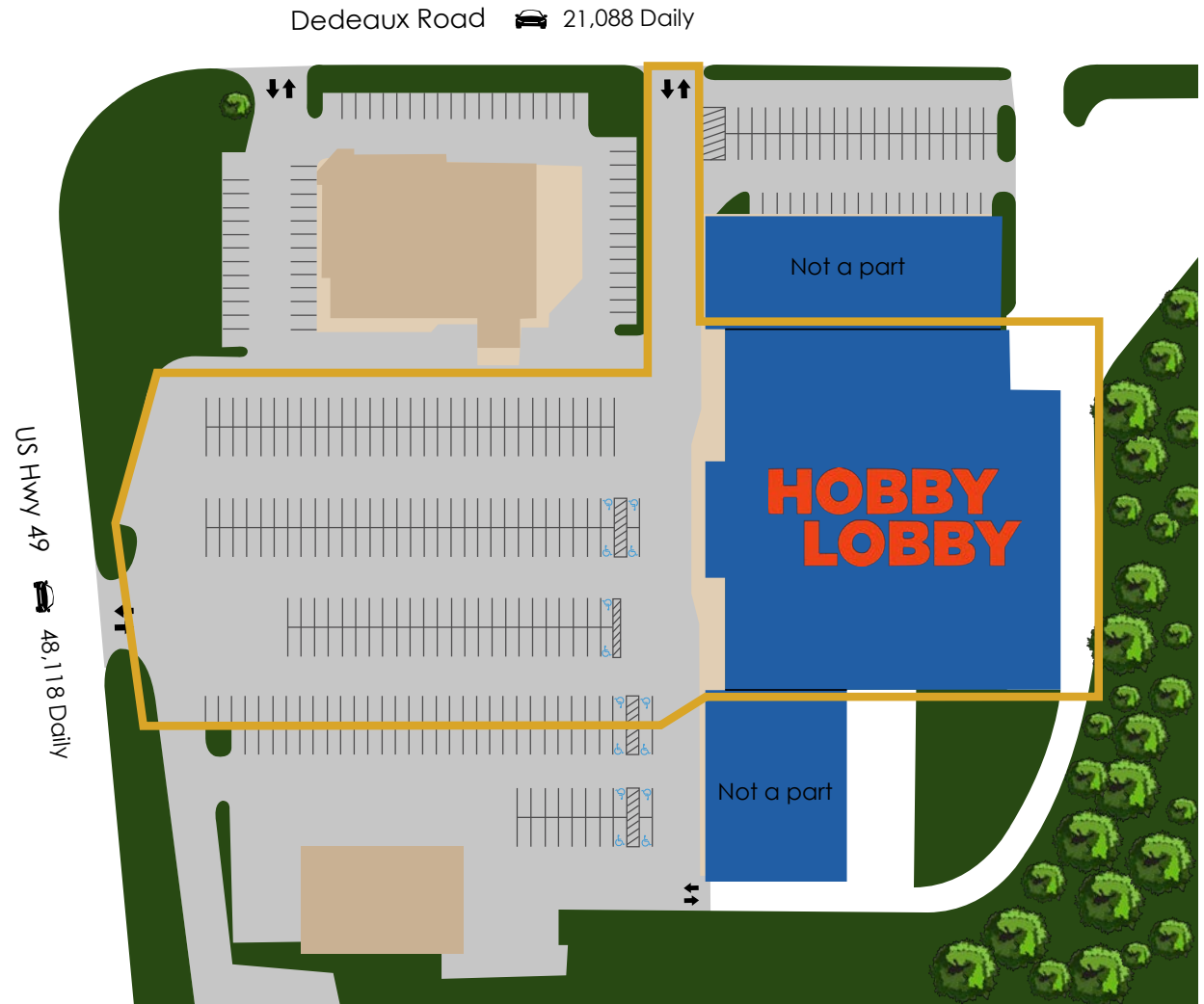
Lot Size

+/- 3.70 Acres

Building Sq Ft

52,514 Sq Ft

Ingress/Egress



LOCATION OVERVIEW



Gulfport is the second largest city in Mississippi after the state capital of Jackson and spans the entirety of coastal Mississippi, a length of 75 miles. Originally acquired by the United States as part of The Louisiana Purchase in 1803. Gulfport was founded in 1898. The Port of Gulfport has been in operation since 1902 and is still one of the largest economic drivers in the state.

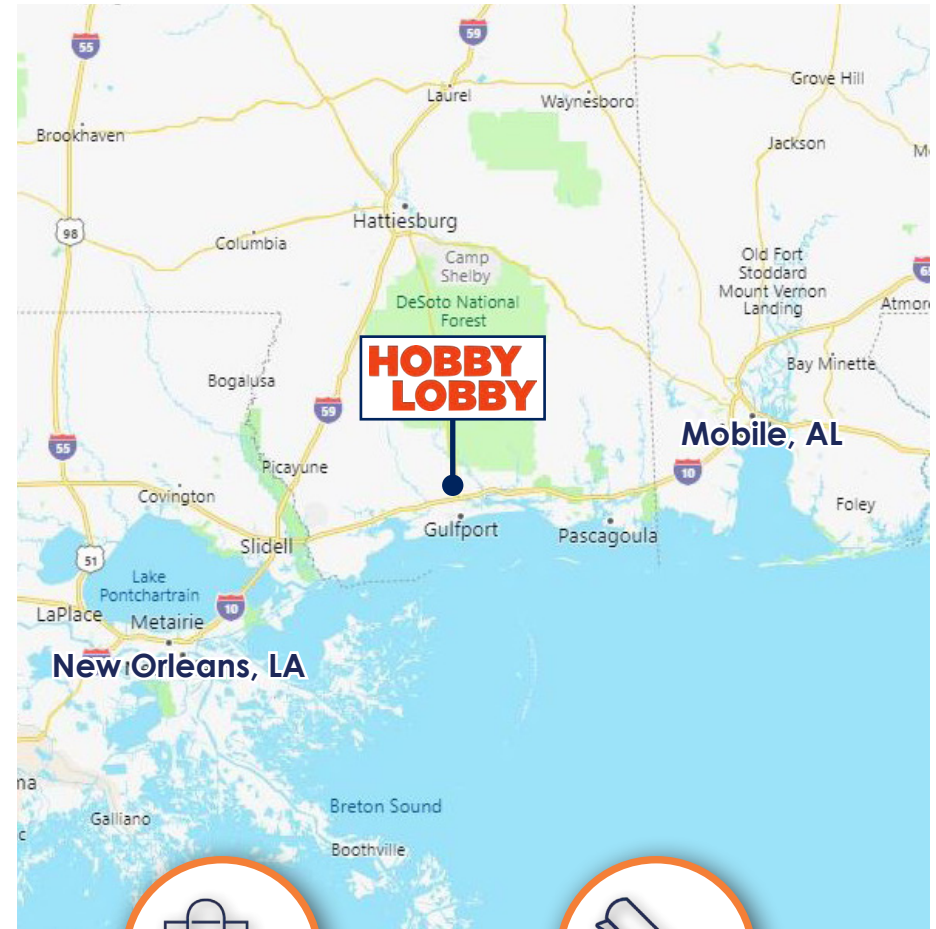
From its beginnings as a lumber port, Gulfport has grown into a diverse city driven by coastal tourism with over six miles of white sandy beaches, manufacturing (notably the Naval Construction Battalion Center which is the largest employer at 5,500), and hospitality including the Island View Casino.

Offering a plethora of parks and water recreation areas throughout the city, up-close-and-personal adventures with marine life, zip-lining tours through the coastal canopies, and an array of dining and entertainment options, Gulfport has something for everyone.

Take a boat excursion out to Ship Island, a fishing charter to some of the best spots, or simply stroll around Gulfport's beautiful harbor and eclectic downtown area, featuring an ever-evolving public art scene in an old fishmonger's alley.

Gulfport's entertainment district, where patrons may leave a restaurant or bar with a purchased drink in a go-cup, covers the waterfront from just east of 18th Avenue to 36th Avenue, including the harbor, and runs north to the CSX railroad tracks in the downtown area.

Gulfport has seen steady population growth over the years due to its coastal location and subtropical year-round climate.



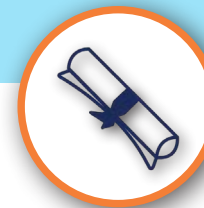
5.9 MILES
NORTH OF
GULFPORT, MS



4.2 MILES
GULFPORT-BILOXI
INTERNATIONAL AIRPORT



2.3 MILES
GULFPORT PREMIUM
OUTLETS



9.2 MILES
UNIVERSITY-SOUTHERN
MS GULF

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	4,562	27,900	56,928
2018 Population	4,973	31,194	63,533
2023 Population	5,094	33,070	67,270

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Households	1,782	10,115	21,434
2018 Households	1,961	11,457	24,185
2023 Households	2,031	12,279	25,870

INCOME	1-MILE	3-MILE	5-MILE
Median Household Income	\$46,474	\$46,773	\$43,765
Per Capita Income	\$22,603	\$21,628	\$22,654
Average Household Income	\$57,096	\$58,437	\$59,062



POPULATION

In 2018, the population in your selected geography is 63,533. The population has changed by 21.35 percent since 2000. It is estimated that the population in your area will be 67,270 five years from now, which represents a change of 5.88 percent from the current year. The current population is 48.33 percent male and 51.67 percent female. The median age of the population in your area is 34.7, compare this to the Entire US average which is 38.1. The population density in your area is 809.42 people per square mile.

HOUSEHOLDS

There are currently 24,185 households in your selected geography. The number of households has changed by 27.44 percent since 2000. It is estimated that the number of households in your area will be 25,870 five years from now, which represents a change of 6.96 percent from the current year. The average household size in your area is 2.58 persons.

INCOME

In 2018, the median household income for your selected geography is \$43,765, compare this to the Entire US average which is currently \$60,811. The median household income for your area has changed by 22.81 percent since 2000. It is estimated that the median household income in your area will be \$50,177 five years from now, which represents a change of 14.65 percent from the current year.

The current year per capita income in your area is \$22,654, compare this to the Entire US average, which is \$33,623. The current year average household income in your area is \$59,062, compare this to the Entire US average which is \$87,636.

RACE & ETHNICITY

The current year racial makeup of your selected area is as follows: 55.00 percent White, 37.39 percent Black, 0.08 percent Native American and 1.95 percent Asian/Pacific Islander. Compare these to Entire US averages which are: 70.07 percent White, 12.87 percent Black, 0.19% Native American and 5.66 percent Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 4.69 percent of the current year population in your selected area. Compare this to the Entire US average of 18.17 percent.

HOUSING

In 2000, there were 12,588 owner occupied housing units in your area and there were 6,390 renter occupied housing units in your area. The median rent at the time was \$454.

EMPLOYMENT

In 2018, there are 24,989 employees in your selected area, this is also known as the day-time population. The 2000 Census revealed that 54.23 percent of employees are employed in white-collar occupations in this geography, and 46.05 percent are employed in blue-collar occupations. In 2018, unemployment in this area is 5.13 percent. In 2000, the average time traveled to work was 24.5 minutes.