



BEST BUY RELOCATION SITE

LUBBOCK, TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$9,360,000 | 6.25% CAP RATE

- » Long-Term Corporate Net Lease to Investment Grade Tenant
- » Relocation Site with High-Performing Sales
- » Best Buy (NYSE: "BBY") is Rated "BBB" by S&P
- » High-Traffic Location with Immediate Freeway Access
- » 67,315 Vehicles Per Day Along West Loop 289
- » Prominent Location in 500,000-SF West End Shopping Center
- » Surrounded by Several National Retailers, Including Costco, Cabela's, Duluth Trading Company, and Many More
- » Strong Customer Base
- » Near Large Colleges and Dense Residential Neighborhoods
- » 196,144 Residents Within Five Miles
- » New 2018 Construction

ACTUAL SITE

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	2420 West Loop 289, Lubbock, Texas 79407		
PRICE	\$9,360,000		
CAP RATE	6.25%		
NOI	\$585,000		
TERM	10 years, with 9 years remaining		
RENT COMMENCEMENT	September 18, 2018		
LEASE EXPIRATION	March 31, 2029		
RENTAL INCREASES	\$0.50 PSF increase in each option		
	YEAR	RENT	RETURN
	1-10	\$585,000	6.25%
	11-15 (Option 1)	\$607,500	6.49%
	16-20 (Option 2)	\$630,000	6.73%
	21-25 (Option 3)	\$652,500	6.97%
	26-30 (Option 4)	\$675,000	7.21%
	31-35 (Option 5)	\$697,500	7.45%
	36-40 (Option 6)	\$720,000	7.69%
YEAR BUILT	2018		
BUILDING SF	45,000 SF		
PARCEL SIZE	4.11 acres (179,031 SF)		
LEASE TYPE	Net, with tenant responsible for taxes, insurance, and maintenance, excluding roof, structure, and parking lot		



ACTUAL SITE

LONG-TERM NET LEASE TO INVESTMENT GRADE TENANT

- » Leased to Best Buy (NYSE: "BBY")
- » Corporate lease to investment grade tenant, rated "BBB" by Standard & Poor's
- » In its most recent fiscal year, Best Buy's total revenue climbed to \$42.8 billion with over 1,200 locations nationwide
- » Best Buy's stock price has increased more than 200% over the past five years

FREEWAY-VISIBLE RELOCATION SITE IN 500,000-SF COMMERCIAL DEVELOPMENT

- » Conveniently located along West Loop 289, with excellent visibility and access to 67,254 vehicles per day
- » The property has been relocated to a freeway-visible spot with immediate access to on- and off-ramps for West Loop 289, which serves as Lubbock's beltway and is a major corridor for tourist, commuter, and commercial traffic
- » Centrally located between 19th Street (36,570 AADT) and 34th Street (20,317 AADT), greatly increasing traffic to the property
- » Prominent location in West End Center, Lubbock's premiere outlet and lifestyle shopping destination, featuring notable retailers like Cabela's, Duluth Trading Company, Chick-fil-A, Marshalls, Nike Factory, P.F. Chang's, and many more
- » Future plans for West End include two hotels with business and conference amenities with ALOft Hotel to open fall of 2020

STRONG CUSTOMER BASE

- » Minutes from Texas Tech University (38,209 students and 11,848 employees), a large public research school known for its varsity sports, which serves as a major economic engine for the region
- » Less than a mile from private college Lubbock Christian University (1,805 students)
- » Surrounded by densely populated residential neighborhoods, with 196,144 people living within a five-mile radius
- » Dense trade area that draws from over 650,000 people
- » The only Best Buy in Lubbock

NEW 2018 CONSTRUCTION

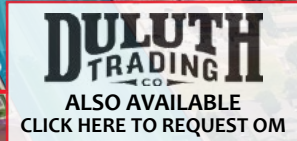
- » High-quality construction completed in 2018
- » New building, limiting near-term deferred maintenance or capital costs
- » Ample on-site and cross-access parking



Proposed Sheraton



Future Retail



34th Street (20,317 AADT)

LOOP 289 / West Loop 289 (67,254 AADT)



U-HAUL

FIRST BANK
AND TRUST

PHILLIPS
66 stripes

CVS
pharmacy

Dr. Armando
Duran Park

aloft
HOTELS
UNDER CONSTRUCTION
(136 rooms)

COSTCO
WHOLESALE

34th Street (20,317 AADT)

TRU
FIT
ATHLETIC CLUBS

SONIC
America's
Drive-In

Church's
CHICKEN

BUFFALO WILD WINGS
GRILL & BAR

Freddy's
STEAKBURGERS

TOYOTA

Firestone
COMPLETE AUTO CARE

KIA
Ford



KFC

West End
GAP
OUTLET
DXL
NIKE
CONVERSE
BANANA REPUBLIC
J.CREW
MOTHERHOOD
SKECHERS
RACK ROOM SHOES

BEST
BUY

BED BATH &
BEYOND
WORLD MARKET
DAVIDS BRIDAL

BURGER
KING

FAZOLI'S

NORTHERN
TOOL + EQUIPMENT

Proposed
Sheraton

Future Retail

DULUTH
TRADING
CO
ALSO AVAILABLE
CLICK HERE TO REQUEST OM

Cabela's
Marshalls
HomeGoods

P.F. CHANG'S
ALSO AVAILABLE
CLICK HERE TO REQUEST OM

TAT
WALK-ONS

MORCHY'S
TACOS

Chick-fil-&

COSTCO
GASOLINE

ASPEN CREEK

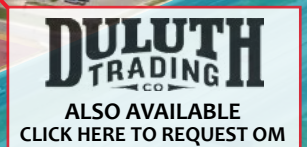
Starbucks

Panera
BREAD

CHIPOTLE
MEXICAN GRILL
pie five
PIZZA CO.

West Loop 289
(67,254 AADT)

LOOP
289



/ West Loop 289
(67,254 AADT)

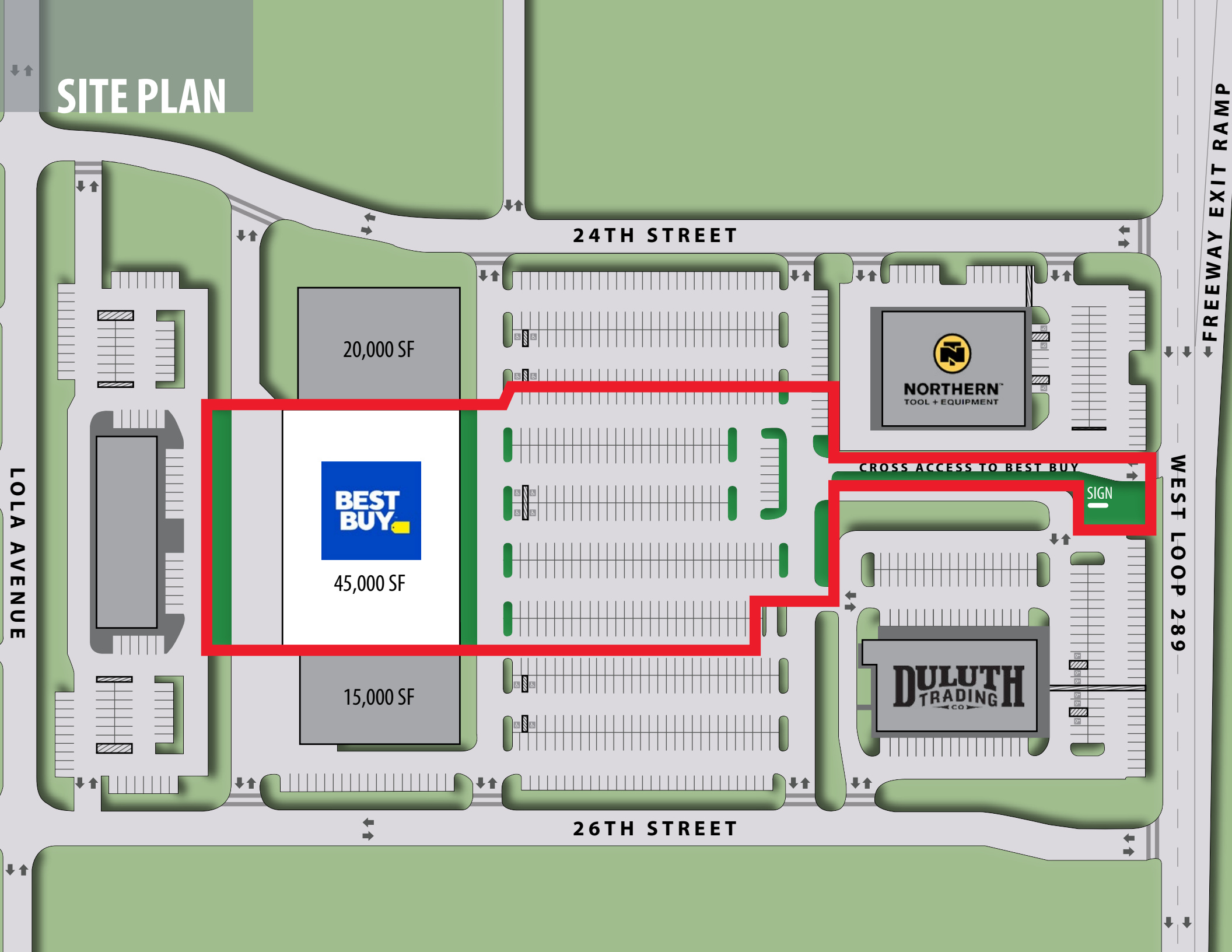
Future Retail

West End

WORLD OF BEER
FOZ & ALI
TORRID

aloft
HOTELS
UNDER CONSTRUCTION
(136 rooms)

SITE PLAN



24TH STREET

20,000 SF



45,000 SF

15,000 SF



NORTHERN
TOOL + EQUIPMENT

CROSS ACCESS TO BEST BUY

SIGN

DULUTH
TRADING
CO.

26TH STREET

WEST LOOP 289

FREEWAY EXIT RAMP

LOLA AVENUE

Open Space

Future Office

4 Story Office Complex

Proposed Condominiums

Existing Residential

AVENUE IOLA AVENUE EXTENSION

Garden Office

Cabela's

Marshall's HomeGoods

aloft

CONVERSE NikeFactoryStore

WORLD MARKET BED BATH & BEYOND

PROPOSED Sheraton

TOZ & ALI

TONIGUY

CRANE

WOB

DXL

SHIRAZ

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HILAND

HILAND

HILAND

HILAND

NORTHERN

NORTHERN

NORTHERN

NORTHERN

WEST

ACCESS ROAD ONE-WAY SOUTH BOUND

LOOP

(VIA 376 PG. 204)

289

244th STREET

ACCESS ROAD ONE-WAY SOUTH BOUND

TENANT SUMMARY



Best Buy (NYSE: “BBY”) is an American multinational consumer electronics retailer headquartered in Richfield, Minnesota. Best Buy is the largest specialty retailer in the United States consumer electronics retail industry. Best Buy sells consumer electronics and a variety of related merchandise, including software, video games, music, mobile phones, digital cameras, car stereos, and video cameras, in addition to home appliances (washing machines, dryers, and refrigerators), in a non-commissioned sales environment. Under the Geek Squad brand, Best Buy offers computer repair, warranty service, and accidental service plans. Best Buy offers expert service at an unbeatable price more than 1.5 billion times a year to the consumers, small business owners, and educators who visit our stores, engage with Geek Squad agents, or use BestBuy.com or the Best Buy app. The company has operations in the U.S and Canada, where more than 70% of the population lives within 15 minutes of a Best Buy store, as well as in Mexico where Best Buy has a physical and online presence.

On August 15, 2018, Best Buy announced that it had signed a definitive agreement to acquire GreatCall, Inc. for \$800 million in cash. GreatCall is a leading provider of connected health and personal emergency response services to the aging population, with more than 900,000 paying subscribers and annual revenue in excess of \$300 million. The acquisition is a manifestation of the Best Buy 2020 strategy to enrich lives through technology by addressing key human needs. Best Buy currently has a growing business selling health- and wellness-related products. The acquisition of GreatCall will augment Best Buy’s existing efforts in the health space, help bring compelling solutions to more customers, and help fuel Best Buy’s further growth in the consumer and commercial markets. Best Buy also recently piloted its new and expanded Geek Squad service, which provides 24/7 support—in store, in home, by phone, or online—for all of a customer’s technology, no matter where or when they bought it.

For the fiscal year 2019, Best Buy’s total revenue climbed to \$42.8 billion. On March 9, 2018, Standard & Poor’s upgraded Best Buy’s credit rating to “BBB” with a stable outlook.

For more information, please visit www.bestbuy.com.

LOCATIONS	1,231	HEADQUARTERS	Richmond, MN
REVENUE	\$42.8B	TICKER	NYSE: “BBY”

LEASE ABSTRACT

TENANT	Best Buy Stores, L.P.		
ADDRESS	2420 West Loop 289, Lubbock, Texas 79407		
RENT COMMENCEMENT	September 18, 2018		
LEASE EXPIRATION	March 31, 2029		
RENEWAL OPTIONS	Six (6) option periods of five (5) years each		
RENTAL INCREASES	YEAR 1-10 11-15 (Option 1) 16-20 (Option 2) 21-25 (Option 3) 26-30 (Option 4) 31-35 (Option 5) 36-40 (Option 6)	RENT \$585,000 \$607,500 \$630,000 \$652,500 \$675,000 \$697,500 \$720,000	RETURN 6.25% 6.49% 6.73% 6.97% 7.21% 7.45% 7.69%
REAL ESTATE TAXES	Tenant responsible for all real estate taxes		
INSURANCE	Tenant responsible for all insurance costs		
REPAIR & MAINTENANCE	Tenant responsible for all repair and maintenance, excluding roof, structure, and parking lot		
MAINTENANCE BY LANDLORD	Landlord shall maintain roof, structure, and parking lot		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located along West Loop 289, with excellent visibility and access to 67,254 vehicles per day. The property is in a freeway-visible spot with immediate access to on- and off-ramps for West Loop 289, which serves as Lubbock's beltway and is a major corridor for tourist, commuter, and commercial traffic. The site benefits from being centrally located between 19th Street (36,570 AADT) and 34th Street (20,317 AADT), greatly increasing traffic to the property. The property has a prominent location in the West End Shopping Center, Lubbock's premiere outlet and lifestyle shopping destination, featuring notable retailers like Cabela's, Duluth Trading Company, Chick-fil-A, Marshalls, Nike Factory, Converse Factory, P.F. Chang's, and many more. Future plans for the project include two hotels with business and conference amenities.

The property supported by a strong customer base. The property is less than one mile from Lubbock Christian University, a private college with 1,805 students, and is just minutes from Texas Tech University, a large public research school known for its varsity sports, which serves as a major economic engine for the region. Other schools located in the nearby area include Westwind Elementary School (679 students), Bowie Elementary School (262 students), and Coronado High School (2,041 students). The property is also surrounded by densely populated residential neighborhoods, with 186,467 people living within a five-mile radius. The location resides in a dense trade area that draws from over 650,000 people, and the site serves as the only Best Buy in Lubbock.

ACCESS

Interparcel access from West Loop 289, 19th Street, and 34th Street

TRAFFIC COUNTS

West Loop 289:	67,254 AADT
34th Street:	20,317 AADT
19th Street:	36,570 AADT
U.S. Route 62:	32,569 AADT

PARKING

259 parking stalls in parcel, including four (4) handicap stalls, plus additional parking throughout shopping center

YEAR BUILT

2018

NEAREST AIRPORT

Lubbock Preston Smith International Airport (LBB | 12 miles)



ACTUAL SITE

P
259
PARKING
STALLS

2018
YEAR BUILT

67K
TRAFFIC
COUNT (AADT)

**NEAREST
AIRPORT**
LUBBOCK
PRESTON SMITH
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Lubbock, population 258,562, is the 11th most populous city in Texas and the county seat of Lubbock County. The city is in the northwestern part of the state, a region known historically and geographically as the Llano Estacado, and ecologically is part of the southern end of the High Plains, lying at the economic center of the Lubbock Metropolitan Statistical Area (MSA). Lubbock has a stable economy with historically consistent and steady growth. Over the past forty years, Lubbock's agriculturally based economy has diversified. The city has strong manufacturing, wholesale and retail trade, healthcare, education, and government sectors. Lubbock's central location and access to transportation contributes to the city's development as a regional warehousing and distribution center. Also due to its location, Lubbock serves as the major retail trade center for a 26-county retail trade area of more than half a million people. Lubbock is home to three universities and one community college: Texas Tech University, Lubbock Christian University, Wayland Baptist University – Lubbock Center, and South Plains College. Lubbock's largest school, Texas Tech, expects to reach enrollment of 40,000 students by 2020. The healthcare and social assistance sector is also a vital component of the Lubbock economy, with 24,624 employees and payroll exceeding \$1 billion. Lubbock is home to several medical facilities, including University Medical Center, Covenant Medical Center, The Lubbock Heart Hospital, and Grace Medical Center. The Texas Tech University Health Sciences Center also provides healthcare, as well as training and research opportunities for healthcare professionals.

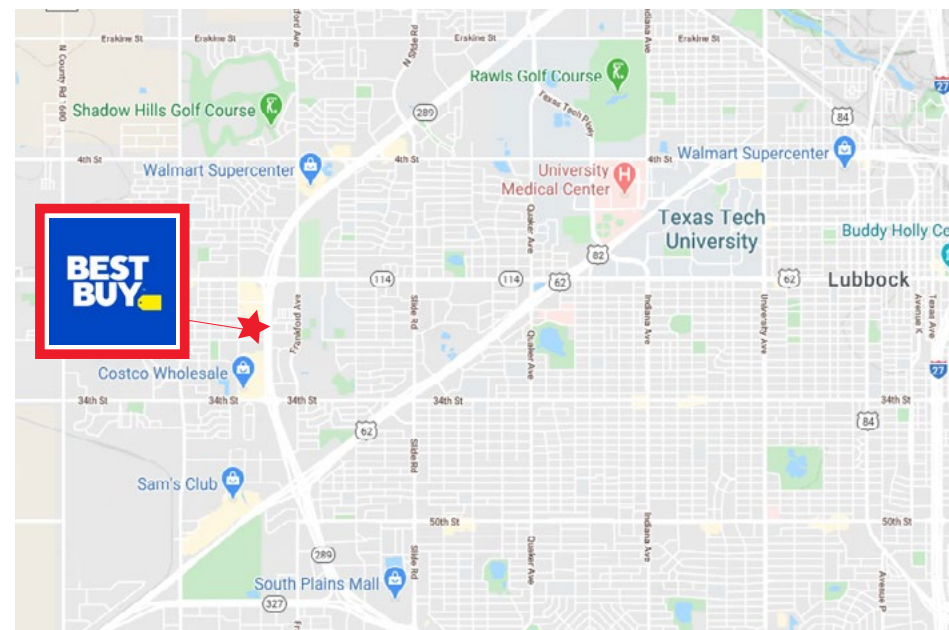
Lubbock is considered to be the center of the South Plains, a region in northwest Texas consisting of 24 counties. While prominent in the area of petroleum production, the South Plains is mainly an agricultural region, producing a great percentage of the nation's cotton and possessing numerous large cattle ranches. The South Plains is also home to several colleges and universities, the largest being Texas Tech University in Lubbock.

- » Lubbock's economy has been in a cycle of continual expansion for seven years. The Lubbock Economic Index has grown by 29 percent over that time, averaging 4.3 percent growth per year.
- » The unemployment rate for the Lubbock Metropolitan Statistical Area (MSA) is 3.0 percent. Historically, Lubbock has had a low rate of unemployment that is well below the national and state unemployment rates.
- » A study conducted by a professor at the Rawls College of Business determined Texas Tech students, faculty, and staff contribute about \$1.5 billion to the economy, with about \$297.5 million from student shopping alone.

MAJOR EMPLOYERS IN LUBBOCK MSA

OF EMPLOYEES

TEXAS TECH UNIVERSITY	11,848
TEXAS TECH HEALTH SCIENCES CENTER	7,627
COVENANT HEALTH	6,931
UMC HEALTH SYSTEMS	4,500
UNITED SUPERMARKETS	4,199
LUBBOCK INDEPENDENT SCHOOL DISTRICT	3,527
CITY OF LUBBOCK	2,700
WALMART SUPERCENTER	1,810
FRENSHIP INDEPENDENT SCHOOL DISTRICT	1,180
LUBBOCK COUNTY	1,171



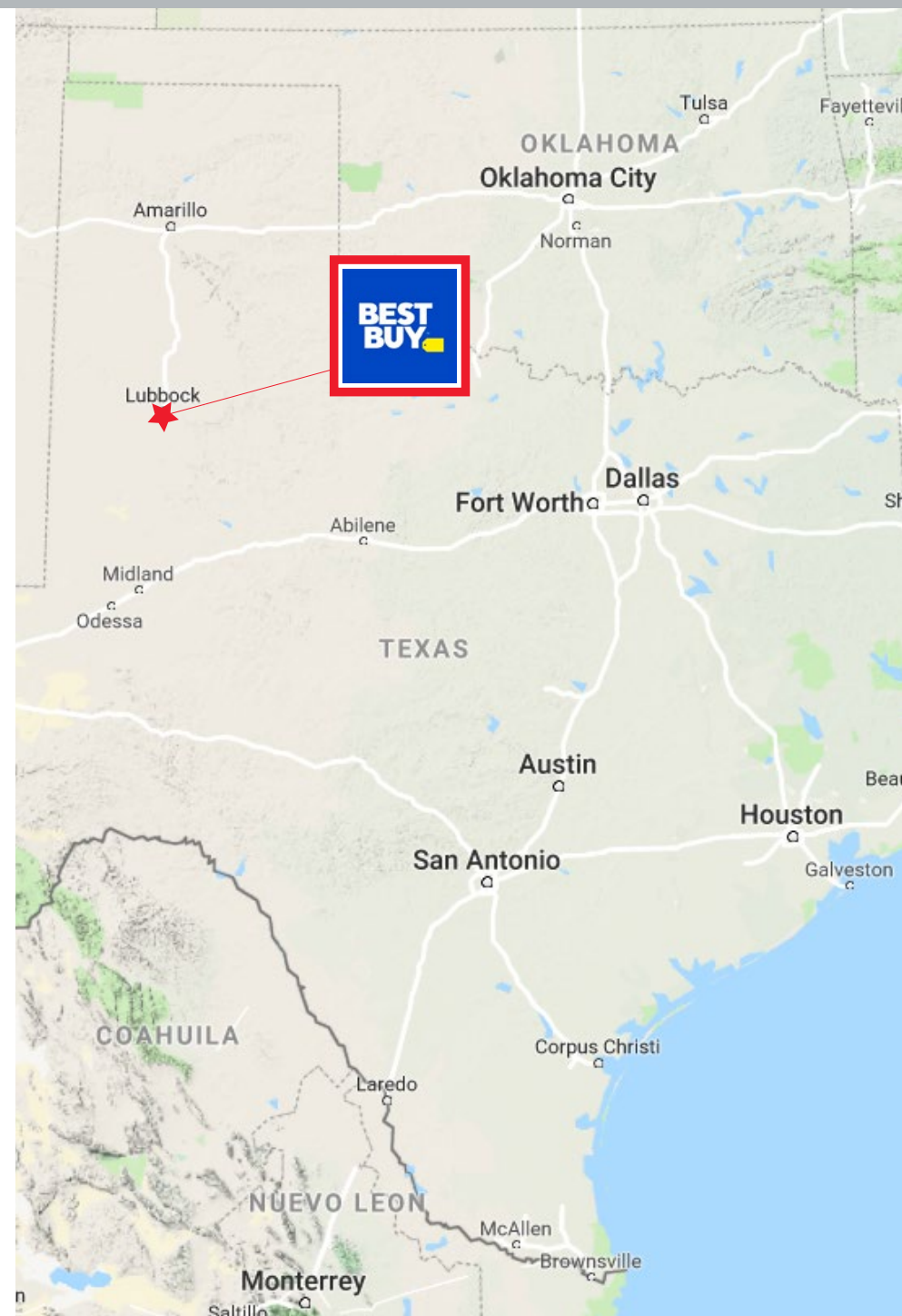
DEMOGRAPHIC PROFILE

2019 SUMMARY	1 Mile	3 Miles	5 Miles
Population	13,611	77,975	186,467
Households	5,783	32,821	73,067
Families	3,022	17,431	41,367
Average Household Size	2.32	2.33	2.43
Owner Occupied Housing Units	1,748	12,026	32,873
Renter Occupied Housing Units	4,036	20,796	40,194
Median Age	29.1	30.1	30.5
Average Household Income	\$50,767	\$60,758	\$68,951

2024 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	15,028	83,710	199,227
Households	6,411	35,219	77,973
Families	3,321	18,576	44,016
Average Household Size	2.31	2.34	2.44
Owner Occupied Housing Units	1,899	12,676	34,885
Renter Occupied Housing Units	4,513	22,543	43,088
Median Age	29.2	30.6	31.2
Average Household Income	\$58,955	\$69,329	\$78,365



**POPULATION OF 186,467
WITHIN FIVE MILES**



INFORMATION ABOUT BROKERAGE SERVICES



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone
Buyer/Tenant/Seller/Landlord Initials		Date	

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