



3924 Summerville Way - Chester, NY 10918

- Essential Business Has Been Open for the Entirety of the Pandemic
- Investment Grade Tenant | BBB+ Credit Rating
- 30% Q2 Revenue Increase
- Revenue: \$27.3 Billion vs. \$24.27 Billion Expected
- Q2 Same-Store Sales Growth of 35.1% in U.S.
- Q2 Website Sales Soared 135%

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Aerial Video

Subject Property



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Subject Property



Investment Highlights

PRICE: \$9,500,000 | CAP: 5.00% | RENT: \$475,000



About the Investment

- ✓ Original 25-Year Absolute Triple-Net (NNN) Ground Lease with Over 13 Years Remaining | Zero Landlord Responsibilities
- ✓ Investment Grade Credit | Lowe's Companies, Inc Guaranty (S&P: BBB+)
- ✓ 10.00% Rental Escalations at the Start of Each Option Period
- ✓ Eight (8), Five (5) Year Tenant Renewal Options, Bringing the Potential Lease Term to Over 50 Years Remaining

About the Location

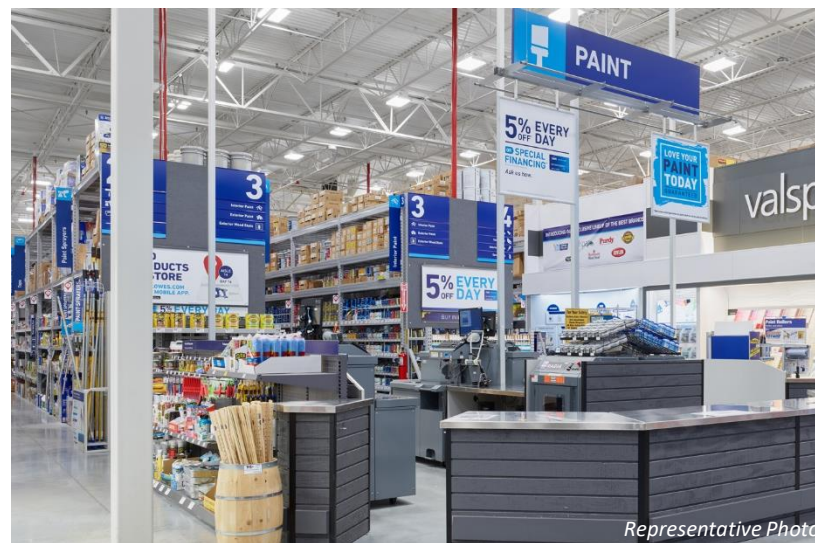
- ✓ Essential Business | Has Remained Open Through the Entirety of the Pandemic
- ✓ Dense Retail Corridor | Tractor Supply Company, ShopRite, Holiday Inn Express and Suites, CVS Pharmacy, Walgreens, McDonald's, Burger King, Wendy's, Taco Bell, TD Bank, Key Bank, and Many More
- ✓ Affluent Community | Average Income Within a Five-Mile Radius Exceeds \$124,000
- ✓ Strong Traffic Counts | 55,000 Vehicles Per Day on U.S. Route-6
- ✓ Immediate Access to HealthCare | Less Than Ten Miles From Orange Regional Medical Center | 450 beds, Over 2,400 Healthcare Professionals and More Than 550 Physicians
- ✓ Less Than 17 Miles From New York Stewart International Airport
- ✓ Less Than 55 Miles From Manhattan
- ✓ Nearest Competition is Located More Than Ten Miles Away
- ✓ Less Than Ten Miles From Woodbury Common Premium Outlets, the Largest Collection of Designer Outlets in the United States

About the Tenant / Brand

- ✓ Lowe's is the Second-Largest Hardware Chain in the Country and Operates Over 2,000 Home Improvement and Hardware Stores Throughout North America
- ✓ Lowe's Recently Reported a 30% Q2 Revenue Increase
- ✓ Revenue: \$27.3 Billion vs. \$24.27 Billion Expected
- ✓ Lowe's Q2 Same-Store Sales Grew 35.1% in U.S.
- ✓ As of 2019, Lowe's Generated Over \$71 Billion of Revenue
- ✓ The Company was Founded in 1946 and is Headquartered in Mooresville, North Carolina



Subject Property



Representative Photo



Financial Analysis



PRICE: \$9,500,000 | CAP: 5.00% | RENT: \$475,000

PROPERTY DESCRIPTION

Property	Lowe's
Property Address	3924 Summerville Way
City, State, ZIP	Chester, NY 10918
Building Size (Square Feet)	121,048
Lot Size	+/- 18.77 Acres
Type of Ownership	Ground Lease

THE OFFERING

Purchase Price	\$9,500,000
CAP Rate	5.00%
Annual Rent	\$475,000

LEASE SUMMARY

Property Type	Net-Lease Hardware Store
Tenant	Lowe's Home Centers, Inc.
Ownership Type	Corporate
Original Lease Term	25 Years
Lease Commencement	August 30, 2007
Lease Expiration	August 31, 2033
Lease Term Remaining	13.2 Years
Lease Type	Ground Lease
Roof & Structure	Tenant Responsible
Rental Increases	10% Each Option
Options to Renew	Eight (8), Five (5)-Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current - 8/31/2033	\$475,000	\$39,583	-
Option 1	\$522,500	\$43,542	10.00%
Option 2	\$574,750	\$47,896	10.00%
Option 3	\$632,225	\$52,685	10.00%
Option 4	\$695,448	\$57,954	10.00%
Option 5	\$764,992	\$63,749	10.00%
Option 6	\$841,491	\$70,124	10.00%
Option 7	\$925,641	\$77,137	10.00%
Option 8	\$1,018,205	\$84,850	10.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Lowe's Home Improvement located 2924 Summerville Way in Chester, New York. Built in 2008 the site consists of approximately 121,048 rentable square feet of building space on an estimated 18.77-acre parcel of land.

The Lowe's Home Improvement property is subject to an original 25-year absolute triple-net (NNN) ground lease, which expires August 31st, 2033 and has over 13 years of lease term remaining. The current rent is \$475,000 and will increase by ten percent (10%) at the beginning of each option period. There are Eight (8) Five (5)-year tenant renewal options extending the potential lease term to over 50 years remaining. This investment grade credit (S&P: BBB+) Lowe's Home Improvement benefits from being an essential business and has remained open during the entirety of the pandemic.



Concept Overview



About Lowe's

Lowe's Companies, Inc. (NYSE: LOW) is a FORTUNE® 50 home improvement company serving approximately 18 million customers a week in the United States and Canada. With fiscal year 2019 sales of \$72.1 billion, Lowe's and its related businesses operate or service more than 2,200 home improvement and hardware stores and employ approximately 300,000 associates. Founded in 1946 and based in Mooresville, N.C., Lowe's supports the communities it serves through programs focused on creating safe, affordable housing and helping to develop the next generation of skilled trade experts. Lowe's has grown to become the nation's second largest home improvement retailer and 8th largest retailer in the United States.

In 2010, Lowe's opened locations in both Canada and Mexico, giving Lowe's its first international presence. Globally, Lowe's is the second-largest hardware chain and ahead of the European stores B&Q and OBI. Although Lowe's has changed over the years, its commitment to offer quality products at the lowest prices with exceptional customer service – remains the same. Lowe's continued success depends upon maintaining these traditions, Lowe's is an active participant in the communities it serves and offers employees an engaging workplace and competitive benefits.

The Company offers a range of products for maintenance, repair, remodeling and decorating. Lowe's offers home improvement products in categories, including Lumber and Building Materials; Tools and Hardware; Appliances; Fashion Fixtures; Rough Plumbing and Electrical; Lawn and Garden; Seasonal Living; Paint; Flooring; Millwork; Kitchens; Outdoor Power Equipment, and Home Fashions. Lowe's stocks approximately 36,000 items, with a range of additional items available through its Special Order Sales system, Lowes.com, Lowes.ca and ATGstores.com.

COMPANY NAME

Lowe's Home Improvement

EMPLOYEES

310,000+

OWNERSHIP

Public; NYSE: LOW

CREDIT RATING

BBB+

FOUNDED

1946

NUMBER OF LOCATIONS

2002

FISCAL YEAR 2019 SALES

\$72.1B

2020 NET INCOME

\$4.5B

HEADQUARTERS

Mooresville, NC





Concept Overview: Tenant In Recent News

Lowe's Reports Blowout Quarter With 30% Surge In Revenue

KEY POINTS

- **Lowe's said its second-quarter revenue surged 30% as consumers shifted their spending to home improvement projects.**
- **Revenue: \$27.3 billion vs. \$24.27 billion expected**
- **Same-store sales growth: 35.1% vs. 16.3% expected, according to StreetAccount survey**
- **Lowe's website sales soared 135% as the pandemic pushed more customers to shop online**
- **The company said it spent \$460 million during the quarter on higher pay for hourly workers, store safety and supporting communities**

Lowe's said customers bought supplies for DIY projects, kicked off renovations and stepped up their landscaping as they skipped dining out and scaled back summer trips during the coronavirus pandemic.

That translated to huge gains for the home improvement retailer, allowing it to blow past Wall Street forecasts with a 30% surge in revenue and 68.7% jump in profit during the fiscal second quarter.

Shares of the company were up less than 1% Wednesday afternoon. They reached a 52-week high of \$162.89 earlier in the day.

Lowe's CEO Marvin Ellison said the retailer benefited from "a wallet share shift away from vacations, away from dining out, away from apparel purchases."

"People are taking those dollars and they're investing in their home," he said in an interview with CNBC. "We've got tons of anecdotal information where someone was planning to take a vacation and now they've decided to remodel the kitchen, where they were planning to take a vacation and they decided to remodel their entire backyard to make it a place where they could spend more time.

He said that trend was prevalent in the company's customer data, "and it's a shift in where consumers are deciding to spend their discretionary dollars."

Target CEO Brian Cornell attributed the company's strong second quarter to that too, saying the dollars people would have spent on plane tickets, hotels and other typical summer expenses "have been redirected into retail." He said people also discovered the convenience of its e-commerce services, such as curbside pickup, that the retailer invested in prior to the pandemic.

Ellison said its prior investments benefited the company, too. Lowe's is in the midst of a turnaround effort aimed at driving sales, revamping its website and brand and attracting more home professionals as customers.

"We just happened to walk right into this pandemic when those improvements were just starting to kick in," he said. "So this is a little bit about timing for us also."

Here's what the company reported for the quarter ended July 31 compared with what Wall Street was expecting, based on a survey of analysts by Refinitiv:

- Adjusted EPS: \$3.75 vs. \$2.95 expected
- Revenue: \$27.3 billion vs. \$24.27 billion expected
- Same-store sales growth: 35.1% vs. 16.3% expected, according to StreetAccount survey

Lowe's profits soared 68.7% to \$2.83 billion, or \$3.74 per share, up from \$1.68 billion, or \$2.14 per share, a year earlier even as it spent more money to keep employees at work and safe during the pandemic. The company said it spent \$460 million during the quarter on higher pay for hourly workers, store safety and supporting communities. It also will pay out a record quarterly bonus of \$107 million to employees at all of its locations for surpassing its targets.

Excluding the impact of restructuring its Canadian business, the retailer earned \$3.75 per share, beating the \$2.95 per share expected by analysts surveyed by Refinitiv.

Net sales rose 30% to \$27.3 billion, topping expectations of \$24.27 billion. The company reported same-store sales growth of 35.1% for its U.S. home improvement business, and Lowe's website sales soared 135% as the pandemic pushed more customers to shop online.

All of Lowe's merchandising divisions saw same-store sales growth of more than 20%, and all regions in the United States reported same-store sales growth exceeding 30%.

Lowe's did not provide an update on its 2020 forecast, which was withdrawn in May, saying there are too many unpredictable factors as the pandemic continues.

Yet the company's leaders said its sales momentum is continuing into August, even as its busy spring and summer seasons wind down.

Ellison said it's remodeling stores to make them easier and more appealing for professional contractors who frequently visit. For example, he said, it's grouping like-minded supplies together so pros can get all of the items they need for the same project without running around to different parts of the big-box store.

Lowe's was able to stay open as an essential retailer during the shelter-in-place orders that closed other stores across the U.S. As some competitors reopen, Ellison said he thinks Lowe's left a lasting impression.

He said customers "tend to migrate back to the location where they had a good experience, they had great service — but more importantly, in this environment, where they feel safe."

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<https://www.cnbc.com/2020/08/19/lowes-low-q2-2020-earnings-top-estimates.html>



Location Overview

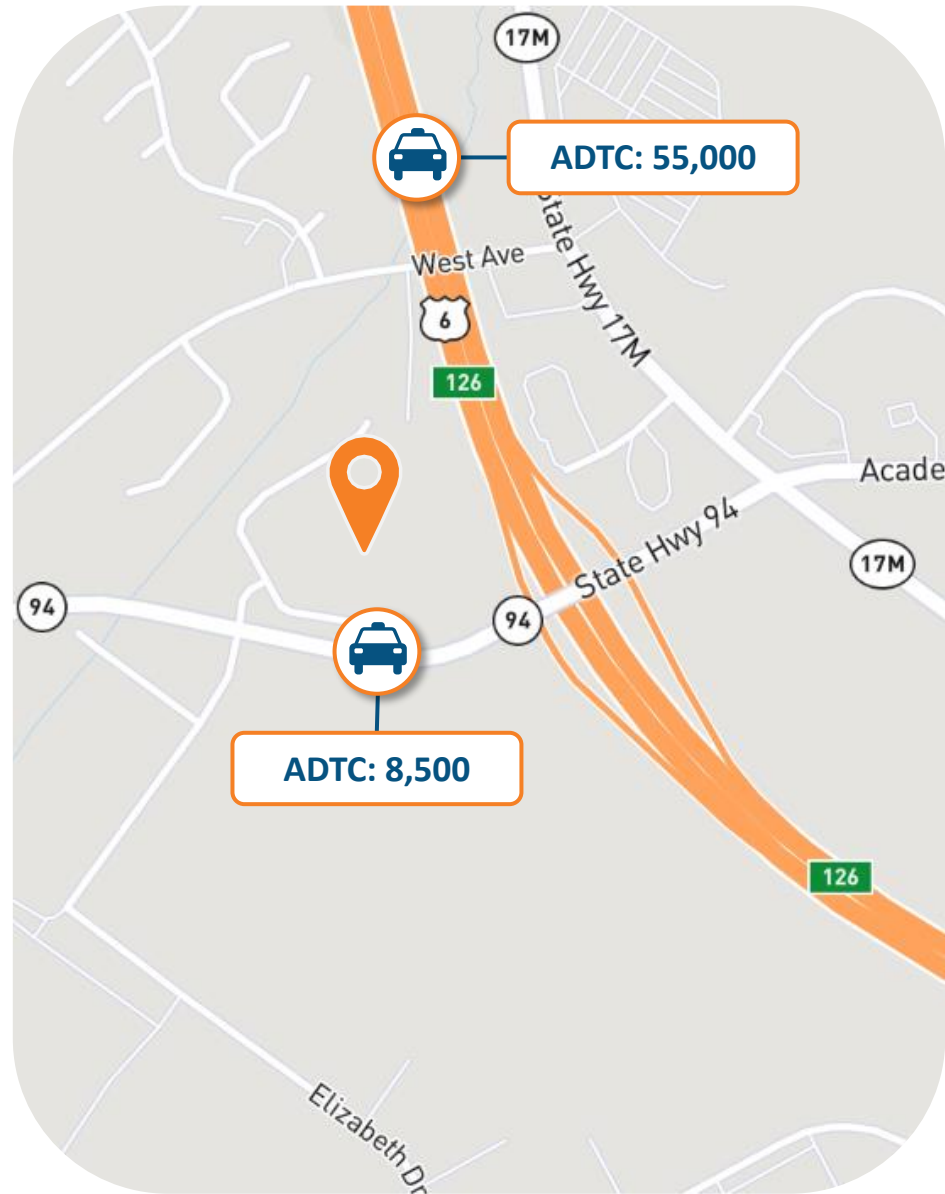
Property Address: 3924 Summerville Way, Chester, NY 10918



This Lowe's investment property benefits from being an essential business and has remained open during the entirety of the pandemic. The subject investment property is situated on Summerville Way, which boasts an average daily traffic count exceeding 8,500 vehicles. Summerville Way serves as an access road to U.S. Route-6, which brings an additional 55,000 vehicles into the immediate area daily. The subject property benefits from its strong demographics and growing population. There are more than 35,000 individuals residing within a five-mile radius of the property and more than 189,000 individuals within a ten-mile radius. Additionally, the property is situated in an affluent community. The average income within a five-mile radius is greater than \$124,000.

This Lowe's benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, shopping centers, academic institutions, industrial facilities, and hospitality accommodations that are all within a close proximity of this property. National tenants within immediate proximity include: Tractor Supply Company, ShopRite, Holiday Inn Express and Suites, CVS Pharmacy, Walgreens, McDonald's, Burger King, Wendy's, Taco Bell, TD Bank, Key Bank, and many more. The Lowe's investment property benefits from being located less than three miles from Chester Elementary, Middle and High Schools. The three schools have a combined enrollment greater than 1,000 students. Additionally, the property benefits from its immediate access to healthcare. The Orange Regional Medical Center is located less than ten miles away. The massive facility has 450 beds, over 2,400 healthcare professionals and more than 550 outstanding physicians and a complete range of acute inpatient services in nearly every medical specialty. Furthermore, the subject property is located less than ten miles from Woodbury Common Premium Outlets, the largest collection of designer outlets in the U.S. Woodbury Common Premium Outlets features 250 of the most sought after, high-end fashion and designer retail brands in the world. The outlets attract are large number of customers due to their close proximity to New York City.

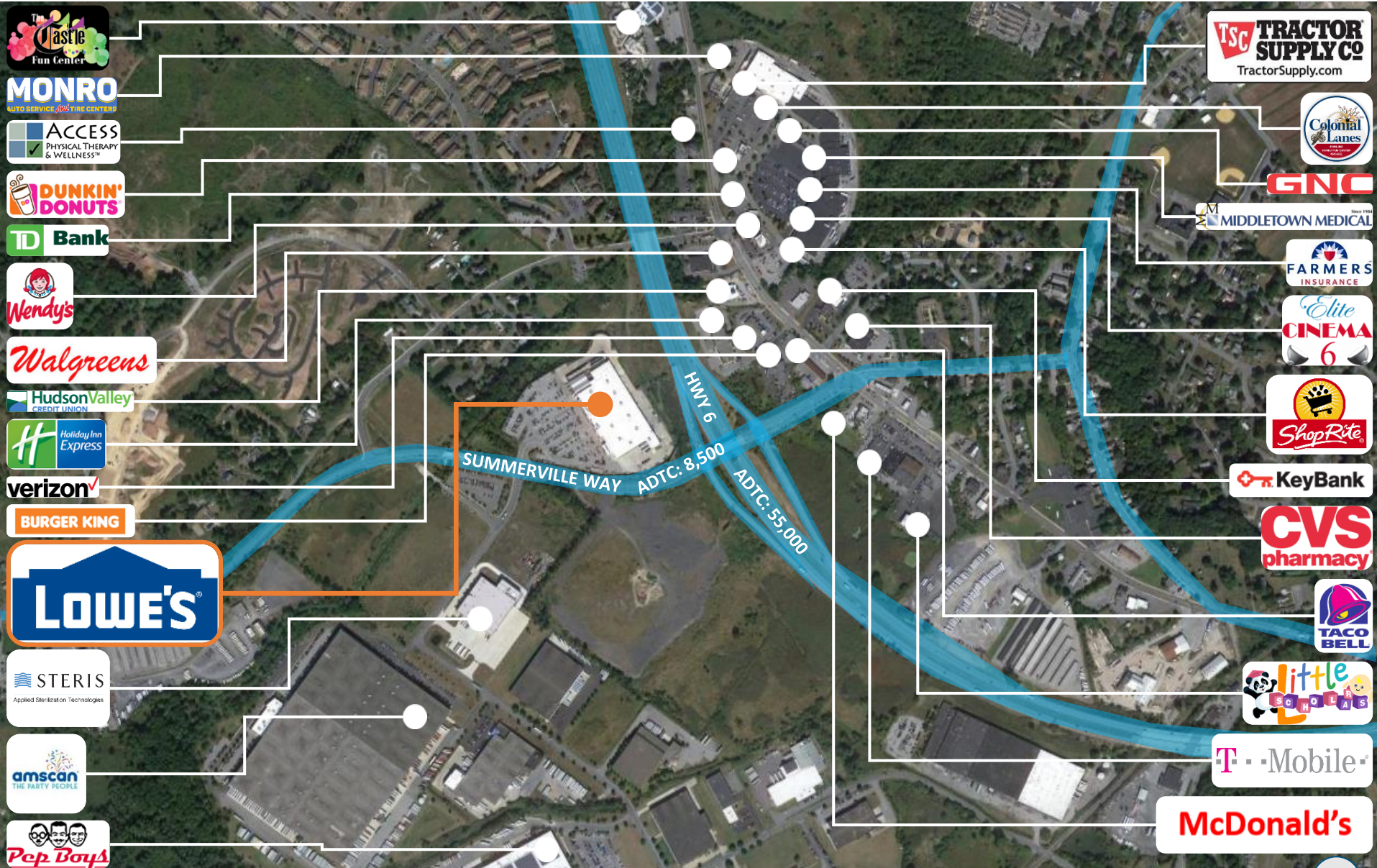
Chester is a town in southeast New York with a population greater than 12,000 individuals. The town is located in Orange County. Some of New York State's biggest attractions are located in Orange County, including West Point, Storm King Art Center, and Woodbury Common Premium Outlets. Orange County is just 50 miles from New York City, and a great place to dine on the Hudson River, visit wineries, raft the Delaware River, hike the Appalachian Trail, and spend the night with a view of the beautiful mountains. Orange County's outdoor recreation offers a wide-array of options from amusements and bicycling to walking trails and a zoo.





Surrounding Area

Property Address: 3924 Summerville Way, Chester, NY 10918





Property Photos





Surrounding Area Photos

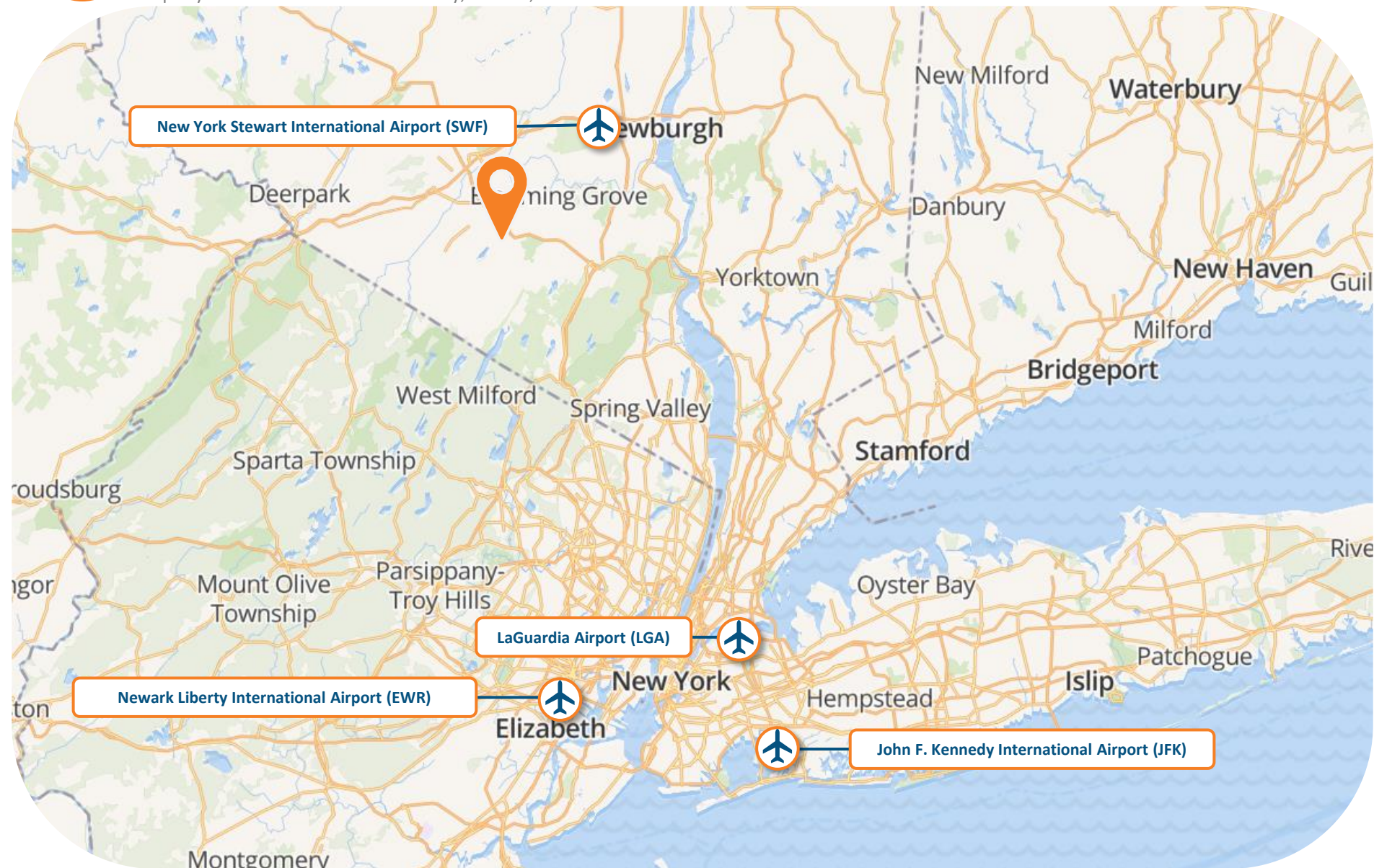




Local Map



Property Address: 3924 Summerville Way, Chester, NY 10918

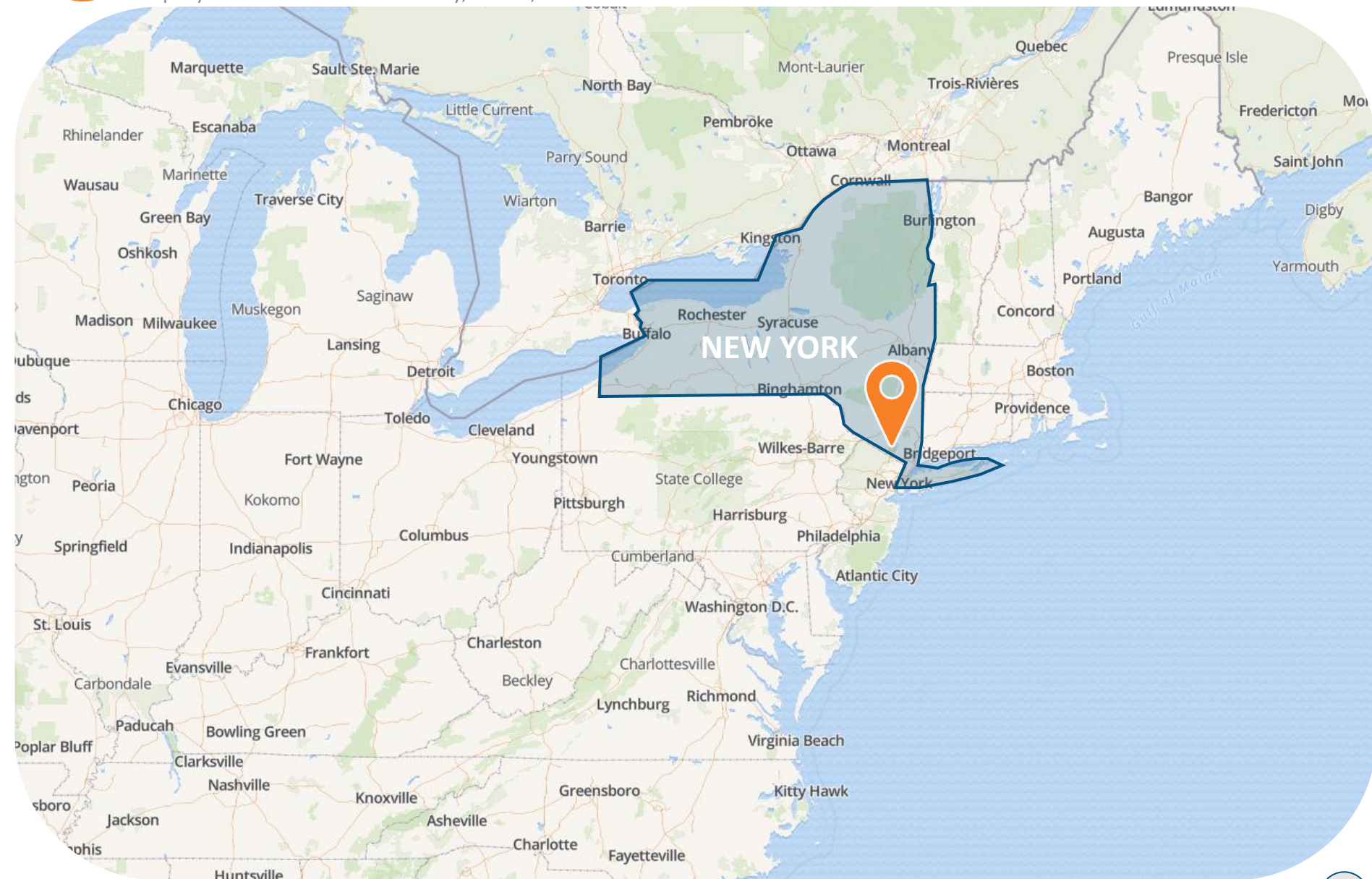




Regional Map



Property Address: 3924 Summerville Way, Chester, NY 10918





Demographics

Property Address: 3924 Summerville Way, Chester, NY 10918



POPULATION

	3 Miles	5 Miles	10 Miles
2024 Projection	11,314	35,723	196,769
2019 Estimate	11,097	35,001	189,489
2010 Census	10,777	34,027	179,461
2000 Census	11,109	32,934	160,750

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$119,850	\$124,245	\$106,440
Median	\$96,487	\$99,451	\$81,542
Per Capita	\$42,999	\$43,694	\$35,313

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2024 Projection	4,072	12,509	64,914
2019 Estimate	3,966	12,183	62,461
2010 Census	3,847	11,815	59,545
2000 Census	3,616	10,793	53,071

HOUSING

	3 Miles	5 Miles	10 Miles
2019	\$316,553	\$324,756	\$307,162

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2019 Daytime Population	13,385	34,476	172,802
2019 Unemployment	5.61%	3.74%	3.54%
2019 Median Time Traveled	39 Mins	38 Mins	38 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	75.38%	80.24%	75.95%
Native American	0.01%	0.05%	0.03%
African American	9.56%	7.78%	9.99%
Asian/Pacific Islander	4.43%	3.35%	3.05%



Market Overview

City: Chester | County: Orange | State: New York



Manhattan, New York

Chester is located less than 55 miles outside of Manhattan, New York. With an estimated 2017 population of 8,622,698 distributed over a land area of about 302.6 square miles, New York City is the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the State of New York. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2017. Several sources have ranked New York the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University and Rockefeller University, which have been ranked among the top universities in the world.





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