

STEIN MART – METAIRIE, LA

OFFERING MEMORANDUM

2840 Veterans Memorial Blvd | Metairie, LA 70002 | New Orleans MSA



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MAESTRI·MURRELL^{INC.}
REAL ESTATE

STEIN MART – METAIRIE, LA

EXECUTIVE SUMMARY



THE OFFERING

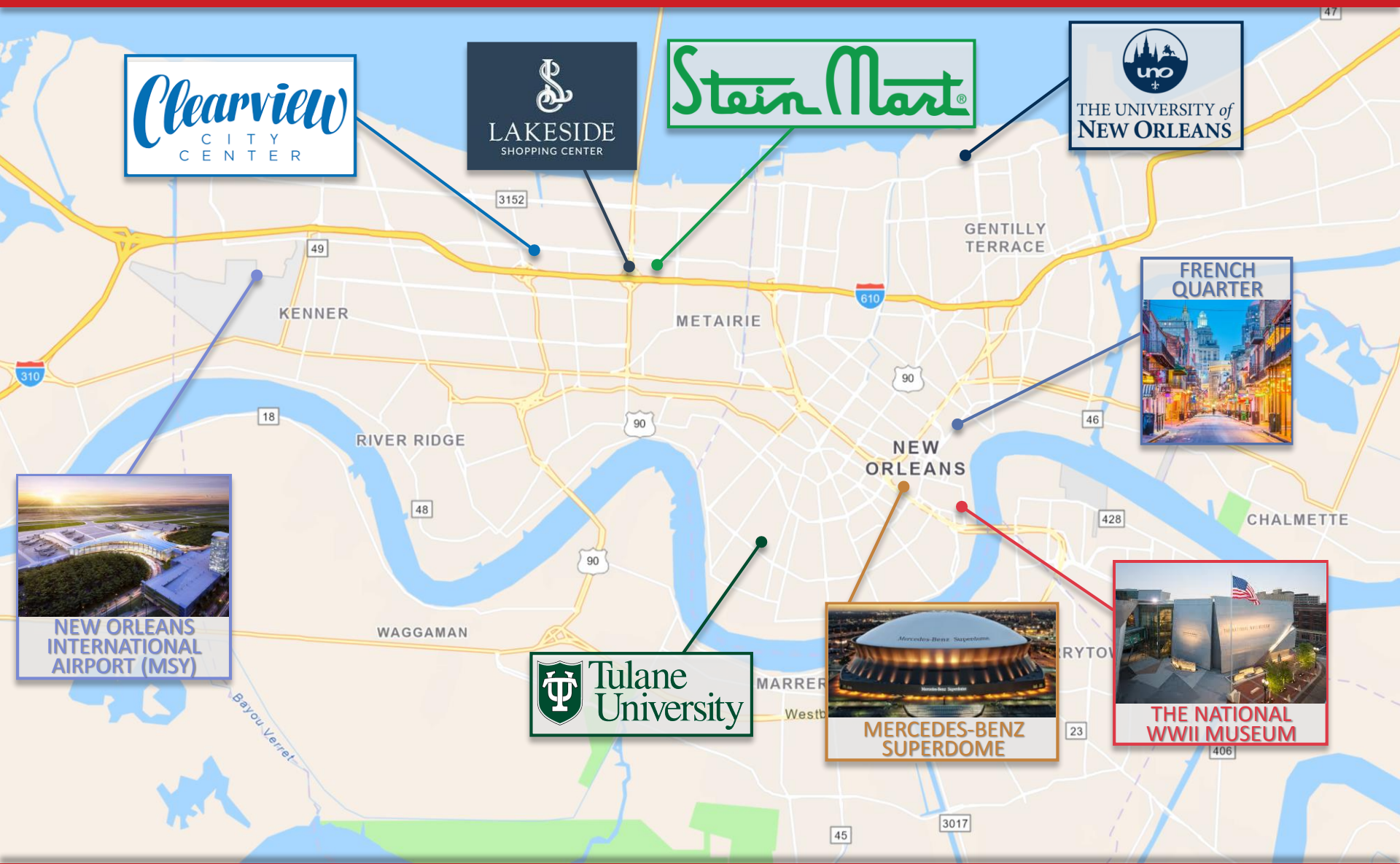
Maestri-Murrell is proud to exclusively offer the opportunity to acquire the fee-simple interest in a Stein Mart net lease asset located in Metairie, LA (New Orleans MSA). The building was originally built for Stein Mart in 1990 and recently exercised an early extension through June 2033 leaving 13 years remaining on the lease. This Stein Mart is ranked #1 out of six locations in Louisiana based on Placer visit counts and reports above average store sales. Stein Mart plans to remodel this store in Summer 2021.

Stein Mart is located on Veterans Memorial Blvd, New Orleans' highest trafficked surface street, boasting high traffic counts of 100k vehicles per day. Co-tenancy with Rouses Market and a former K-Mart allows for cross parking/access. The center has multiple points of access including Whitney Place (east), Ridgelake Drive (west), and Veterans Blvd (north) which has three curb cuts and a traffic signal. The property is supported by a strong and stable retail and business presence along Veterans including two malls (Lakeside and Clearview) and other high-end retailers such as Whole Foods, Trader Joes, Total Wine, etc.

Stein Mart, founded in 1908, is an American discount men and women's department store chain based in Jacksonville, Florida. The company has 283 stores in 29 states primarily in the Southeast, Texas and California.



REGIONAL MAP



FINANCIAL OVERVIEW

| | | | |
|----------------------|--|-------------|----------|
| OFFERING PRICE | \$18,370,000 | | |
| CAP RATE | 6.50% | | |
| ANNUAL RENT | \$1,194,000 | | |
| LEASE TERM REMAINING | 13 Years | | |
| LEASE STRUCTURE | NNN | | |
| LEASE COMMENCEMENT | September 26, 1990 | | |
| BUILDING SIZE | 39,800 Square Feet | | |
| PARCEL SIZE | ±2.483 Acres | | |
| LEASE EXPIRATION | June 30, 2033 | | |
| RENTAL INCREASES | 10% Increases every five (5) years | | |
| | YEAR | RENT | CAP RATE |
| | Current – 6/30/2023 | \$1,194,000 | 6.50% |
| | 7/1/2023 – 6/30/2028 | \$1,313,400 | 7.15% |
| | 7/1/2028 – 6/30/2033 | \$1,444,740 | 7.87% |
| | Option 1 (6/30/3038) | \$1,589,214 | 8.65% |
| PARKING | 160 Spaces (4.1/1,000 SF of GLA) | | |
| TENANT / GUARANTY | Stein Mart, Inc. | | |
| AVERAGE STORE SALES | Average store does \$4.4M. This store did over \$9M in 2019. | | |

| | |
|---------------------------|-----------------------------------|
| TENANT RESPONSIBILITIES | Parking Lot, Pylon, CAM, Tax, Ins |
| LANDLORD RESPONSIBILITIES | Roof and Structure |
| CAM CAP | 3% Annually |



AERIAL VIEW WEST



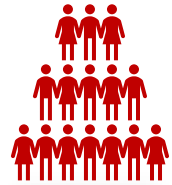
RETAIL MAP – TRADE AREA



INVESTMENT HIGHLIGHTS



Strong Trade Area: Stein Mart is located amongst a dense retailer corridor with high barriers to entry. For this reason, Veterans is known to fetch land prices in excess of \$50-\$60 per square foot. This stretch of Veterans Boulevard boast strong retailers such as Whole Foods, Trader Joes, The Fresh Market, Total Wine, Lowe's, Target, Bed Bath & Beyond, Rooms To Go, Best Buy, Home Goods, Two Malls, and many more.



High Visitor Count: Placer's annual customer visits of more than 250,000 ranks this store #1 of six Stein Marts in Louisiana. This location creates a large customer draw from the largest city in Louisiana (New Orleans) and the Northshore (Covington, Mandeville, Slidell)



Long Term Commitment: Stein Mart has been a tenant at this location since 1990 when the building was originally constructed. Since an early renewal in 2020, the lease term has 13 years remaining with plans for a store remodel in 2021 showing a strong commitment to this location and trade area.



Excellent Visibility & High Traffic Counts:

Stein Mart is highly visible with no impeding outparcels. Cross Access, Pylon sign. Traffic counts boast 100,000 vehicles daily. Stein Mart is only 1/4th of a mile from Causeway Blvd which is an additional 80,000 vehicles per day which allows easy access to and around the area. Causeway is the primary artery for commuters who live on the north shore of Lake Pontchartrain.



Trade Area Demographics: The property serves a trade area with 20,000 residents within a five minute drive time. When expanded to a 15 minute drive time, the population jumps to nearly 400,000 people. The average HH incomes are \$80,400 and \$71,000 respectively.



New Orleans MSA: The New Orleans MSA is Louisiana's largest in the state and is composed of eight parishes: Plaquemines, Jefferson, St. Charles, St. John the Baptist, St. Tammany, St. James, and St. Bernard. Employment in this MSA is at about 650,000. A population base upwards of 1,275,000 residents.

STEIN MART – METAIRIE, LA

PROPERTY OVERVIEW



TENANT PROFILE

Headquartered in Jacksonville, Florida, Stein Mart is a national retailer offering the fashion merchandise, service and presentation of a better department or specialty store. Stein Mart focuses on an assortment of merchandise featuring current season, moderate to better fashion apparel for women and men, as well as accessories, shoes and home fashions, all offered at prices competitive with off-price retail chains. Stein Mart's shopping experience is more upscale than other off-price retailers, with a focus on ease-of-shopping, service and presentation of merchandise by category, brand, style and size. Stein Mart stores are located in convenient regional, community and neighborhood shopping centers serving a more affluent customer. Begun in the early 1900's as a single store in Greenville, Mississippi, Stein Mart currently operates nearly 300 stores in 29 states.



9,500
EMPLOYEES



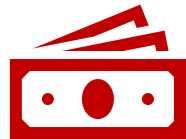
283
STORES



LOCATED IN
29 STATES



NASDAQ
Symbol: SMRT



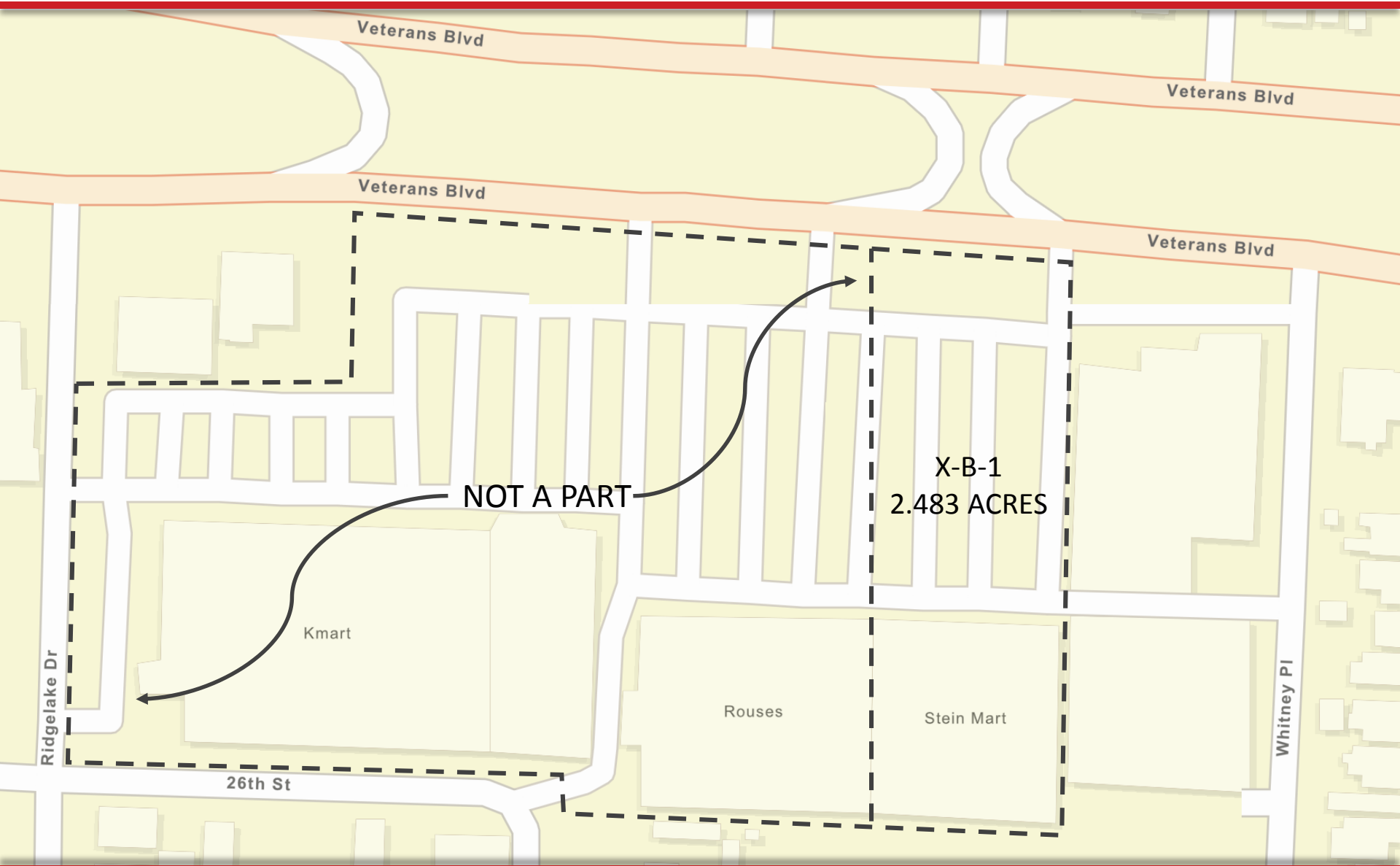
\$1.22B
2019 Net SALES

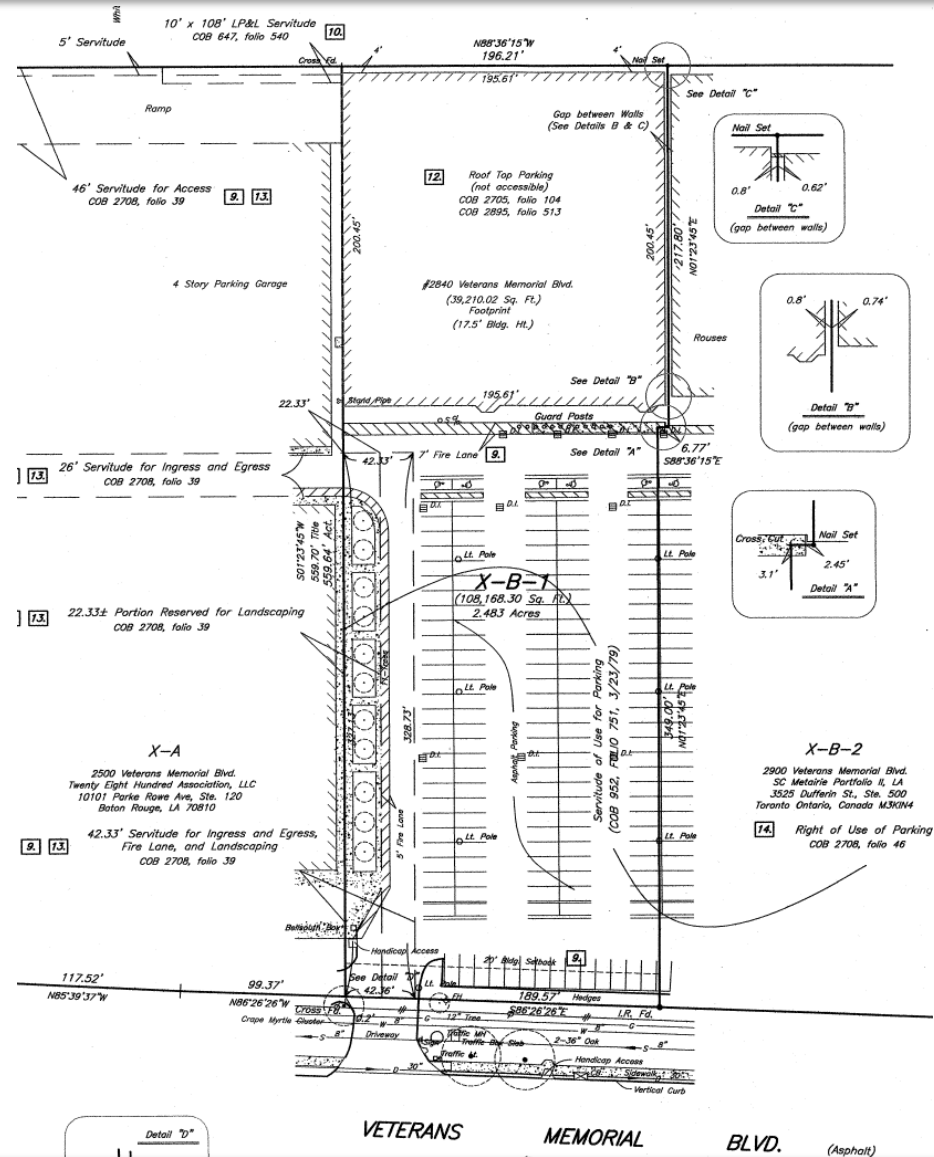


E-COMMERCE:
↑60% in 2018



SITE PLAN





STEIN MART – METAIRIE, LA (New Orleans MSA)

MARKET OVERVIEW



MARKET OVERVIEW

ECONOMY

With a population near 1.3M, New Orleans is the largest MSA in Louisiana. The economy of the New Orleans MSA, LA employs 650,000 people. The largest industries in New Orleans-Metairie, LA are Health Care & Social Assistance (80,770 people), Accommodation & Food Services (62,386 people), and Retail Trade (59,409 people), and the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction (\$76,886), Utilities (\$65,111), and Finance & Insurance. Greater New Orleans' single Fortune 500 company is Entergy. Other companies headquartered in the area include, Globalstar, Textron, Receivables Exchange, Tidewater Marine, and Intralox. Other companies with large operations in the New Orleans MSA include DXC Technology, Folgers, and GE Capital to name a few.

PORT OF NEW ORLEANS

Greater New Orleans is home to one of the busiest ports in the world. The Port of New Orleans is the 3rd-largest port in the United States, as measured by total bulk tonnage exported. According to the same source, the adjoining Port of South Louisiana is the largest port in the United States when measured by the same factor.



AIRPORT & TRANSPORTATION

The newly expanded ground-up terminal at Louis Armstrong New Orleans International Airport opened in November of 2019. The \$1.3 billion project host 15 airlines, 54 nonstop flights, and connects to all U.S. hubs.

INDUSTRIAL SECTOR – Growth is expected to continue over the coming years in southeast Louisiana with more than six expansion projects over \$250M in different stages of development. Those include Formosa Petrochemicals' \$9.4 billion complex in St. James Parish, Delta's \$8.5 billion liquefied natural gas export facility at the Port of Plaquemines, IGP Methanol's \$3.6 billion project, Pointe LNG -\$3.2 billion project, and many others.



MARKET OVERVIEW - CONTINUED

TOURISM

New Orleans continues to see steady growth in tourism numbers. In 2018, New Orleans welcomed 18.51 million visitors, a 4.29 percent increase in visitors compared to the previous year. The city also saw a 3.91 percent increase in total visitor spending of \$9.1 billion.

EMPLOYMENT/JOB

The theme of 2019 in Greater New Orleans was clearly “jobs.” Ernst & Young established a N.E.A.T. (National Executive Assistance Team) Center on Poydras Street, employing **200**. Ampirical announced **400** engineering jobs at its new headquarters in St. Tammany Parish. Bernhard determined that its national headquarters will be in Jefferson Parish, with **250** employees. London-based Testronic is bringing **150** video game jobs to New Orleans - totaling over **1,650** direct jobs and **\$2.3 Billion** in Capital Investment for 2019.



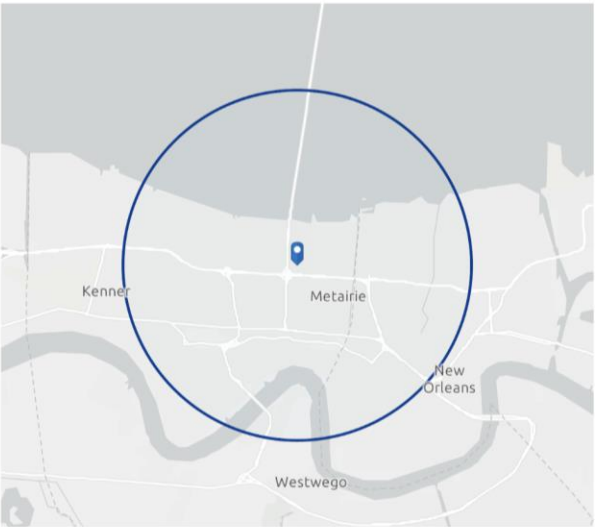
MEDICAL SECTOR

New Orleans MSA has been a benefactor of a surge in healthcare construction and operations, beginning with the \$1.1 billion University Medical Center which opened in 2015 and employs more than 2,000 full-time employees and over 1.3 million square feet for healthcare services. Ochsner Health System, the state's biggest nonprofit health care company, which added more than 4,400 jobs over the past five years announced a \$360 million expansion to The Ochsner Health Systems campus, to be completed in early 2020. The LCMC Health System's new campus Children's Hospital, which is a \$300 million expansion project scheduled to open in 2021.

EDUCATION

65,000 students enrolled in the region's nine universities and eight community/technical colleges as well as thriving film, technology and healthcare industries. The New Orleans MSA boasts multiple higher education campuses including: Tulane University, Loyola University, The University of New Orleans, Xavier University of the South, Delgado Community College, Dillard University, Southern University, Southeastern Louisiana University, University of Holy Cross, and LSU Health Sciences Center.





POPULATION TRENDS AND KEY INDICATORS

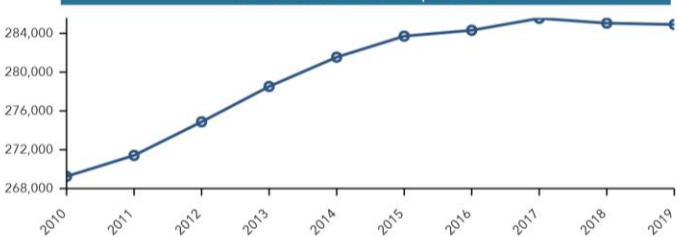
Stein Mart

| | | | | | | | | |
|------------|------------|--------------------|------------|-------------------------|-------------------|--------------|-----------------------|-----------------|
| 284,916 | 121,377 | 2.27 | 39.3 | \$52,575 | \$253,701 | 87 | 106 | 61 |
| Population | Households | Avg Size Household | Median Age | Median Household Income | Median Home Value | Wealth Index | Housing Affordability | Diversity Index |

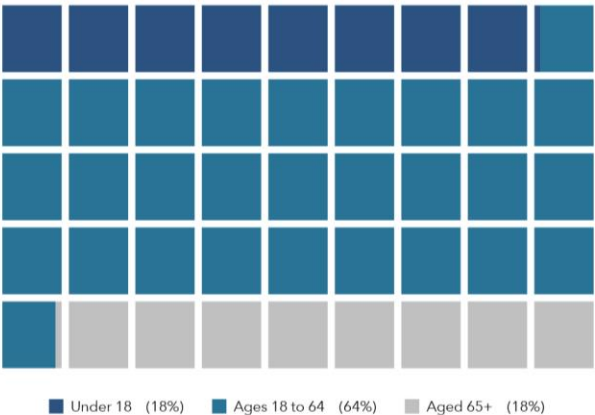
MORTGAGE INDICATORS



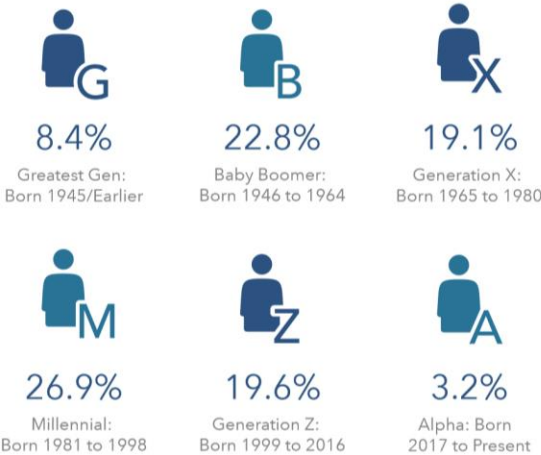
Historical Trends: Population



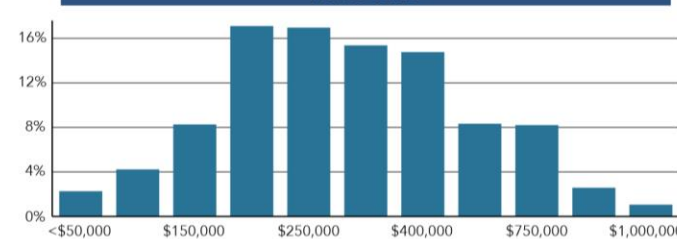
POPULATION BY AGE



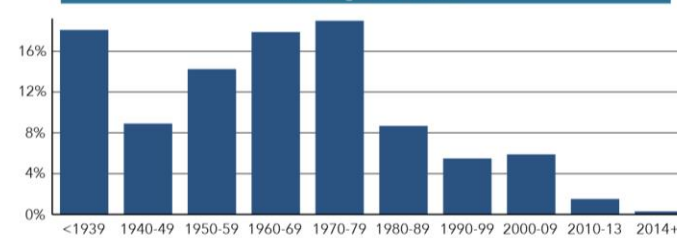
POPULATION BY GENERATION



Home Value



Housing: Year Built



U.S. Census Bureau, Esri forecasts for 2019 and 2024, Esri Vintage 2019 Time Series

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