

Burlington

BURLINGTON

103 Marketplace Drive, Hampton, VA 23666



Actual Location

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INVESTMENT OVERVIEW

OFFERING PRICE	\$7,742,000
NOI	\$600,000
CAP RATE	7.75%
TERM REMAINING	±4.4 Years
RENT INCREASES	\$0.50 PSF every 5 years
BUILDING SIZE	80,000 SF
LAND AREA	6.60 Acres
TRAFFIC COUNTS	West Mercury Boulevard: 73,000 VPD Interstate 64: 180,000 VPD Power Plant Parkway: 25,000 VPD

ACCRETIVE ASSUMABLE DEBT SUMMARY

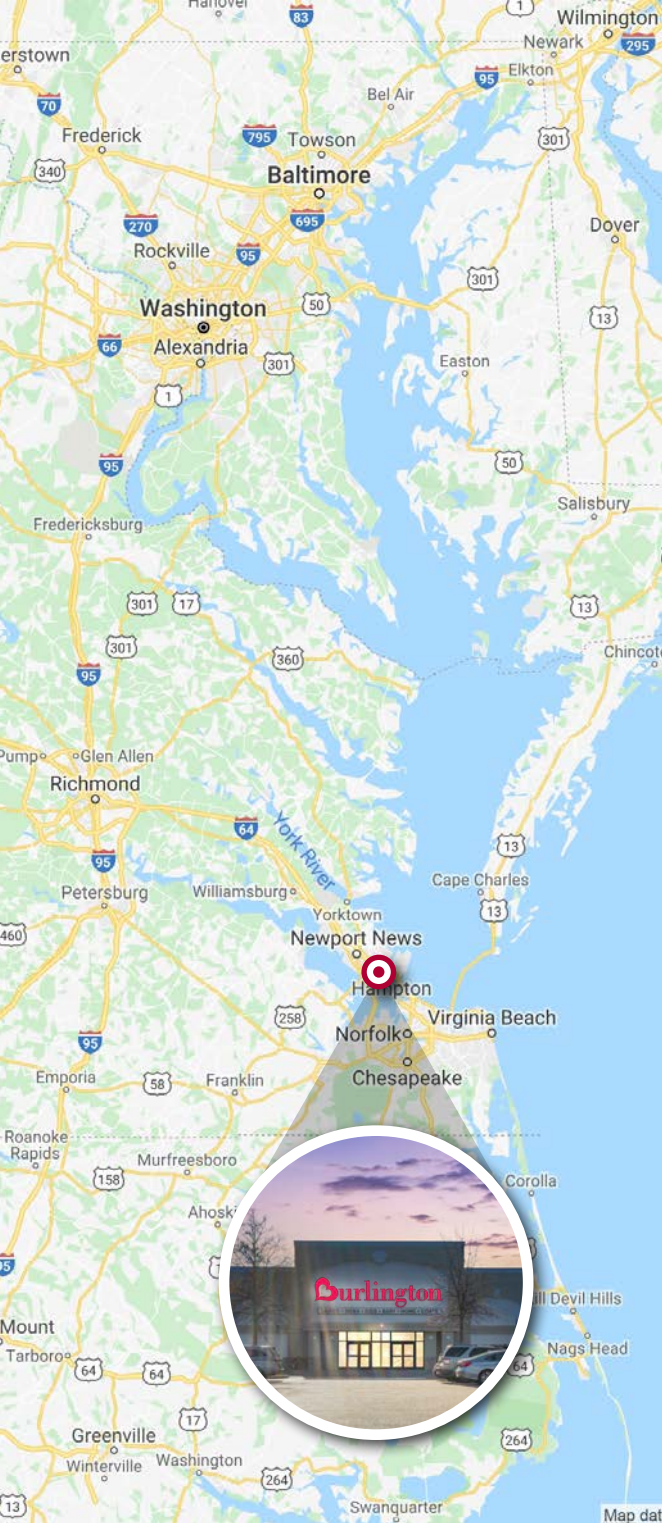
PRICE	\$7,741,935
CAP RATE	7.75%
INITIAL LOAN BALANCE	\$5,340,492
DOWN PMT/EQUITY	\$2,401,444
LOAN BALANCE AT EOT	\$4,742,954
LTV	68.98%
INTEREST RATE	4.10%
AMORTIZATION PERIOD	30 Years
MATURITY	4/1/2025
AVERAGE CASH-ON-CASH*	11.00%

*see page 7 for full analysis

INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer an 80,000-square-foot Burlington situated on 6.60 acres in Hampton, VA—a component of the Virginia Beach-Norfolk-Newport News Metropolitan Area (MSA Population: 1.7 Million). Burlington's net lease features ±4.4 years of primary term remaining with \$0.50 PSF rental escalations every 5 years. Additionally, the lease provides for the three 5-year renewal options. The site is strategically positioned in Mercury Plaza which is accessible from Power Plant Parkway (25,000 VPD), and boasts excellent frontage on West Mercury Boulevard (73,000 VPD), which intersects with Interstate 64 (180,000 VPD) just 0.4 miles east of the site. The 178,066-square-foot Mercury Plaza is also home to Walmart Neighborhood Market, Marshalls, Wells Fargo, a newly-constructed AutoZone, Cracker Barrel, LongHorn Steakhouse, Chick-fil-A and Firestone Complete Auto Care. Burlington further benefits from its location in The Coliseum Central Business Improvement District (CCBID), which is a special service-taxing district authorized under Virginia Commonwealth Law and is Hampton's primary retail and commercial corridor, encompassing 7.9 MSF of retail, 3.3 MSF of office, 8.1 MSF of industrial and 13,469 multifamily units within a 3-mile radius. Hampton's critical mass of retailers are anchored by the 1.1 MSF Peninsula Town Center—an open-air mixed-use development—featuring over 70 stores and restaurants, top retailers such as Target and JC Penney, luxury apartments, two public parks, and Bryant & Stratton College Hampton campus. Additional retailers in the immediate area include Walmart Supercenter, BJ's Wholesale Club, Kroger, ALDI, Food Lion, Lowe's, Big Lots, Northern Tool + Equipment, Bass Pro Shops, At Home, JOANN Fabrics, Petco, Office Depot, Party City, Ross Dress for Less, David's Bridal, Planet Fitness, CVS, Walgreens, SunTrust, BB&T, Dollar General, Dollar Tree, Goodwill, Aaron's, Pep Boys Auto, Advance Auto Parts, Cold Stone Creamery, Panera Bread, Starbucks, Jason's Deli, Olive Garden, Chili's, Outback Steakhouse, Applebee's, Red Lobster, Moe's Southwest Grill, Cook Out, Wawa, Zaxby's, Waffle House, Denny's, IHOP, Pizza Hut, Domino's, Arby's, Little Caesars Pizza, Sonic, Taco Bell, Wendy's, Burger King and McDonald's. The property also benefits from its proximity to the Hampton Coliseum, a multi-purpose arena which hosts concerts and sporting events, and the 344,000-square-foot Hampton Roads Convention Center—a regional attraction for events, shows and conferences. Furthermore, the city of Hampton and its surrounding county enjoy an influx of tourists during the summer months which has a direct effect on businesses and local retailers. In 2018 alone, domestic travel expenditures in Hampton Roads reached about \$5.1 billion. As a result, numerous hotels are located in the immediate area, including Hilton Garden Inn (149 Rooms), SpringHill Suites by Marriott (124 Rooms), InTown Suites Extended Stay (124 Rooms) and the Element Hampton Peninsula Town Center (100 rooms), among others. In total, Burlington enjoys dynamic demographics with a population of 189,627 and an average household income of \$65,137 within a 5-mile radius.

Demographics	1-Mile	3-Mile	5-Mile
 Population	8,702	85,907	189,627
 AHI	\$58,991	\$63,440	\$65,137



INVESTMENT HIGHLIGHTS

Premier Retailer

Burlington Stores, Inc., headquartered in New Jersey, is a nationally recognized off-price retailer that was founded in 1972. The Company is a Fortune 500 company and its common stock is traded on the New York Stock Exchange under the ticker symbol "BURL." The Company's stores offer an extensive selection of in-season, fashion-focused merchandise, including: women's ready-to-wear apparel, accessories, footwear, menswear, youth apparel, baby, home, coats, beauty and gifts. As of February 1, 2020, Burlington operated 727 stores (inclusive of an internet store) in 45 States and Puerto Rico. As of August 1, 2020, Burlington reported TTM total revenues of \$5.8 billion and total assets of \$6.4 billion. The lease is guaranteed by Burlington Coat Factory Warehouse Corporation, which has an S&P rating of BB. Since the company returned to the public markets in 2013, its stock has risen at an annualized rate of 51%. Much of this can be attributed to its recent expansion into several new product categories, including beauty and home goods. Aimed at slightly higher-income buyers in the discount retail space, Burlington sits at the sweet spot of retail and the furthest out of reach of Amazon.com.

Net Lease with Rent Increases

Burlington's net lease features ± 4.4 years of primary term remaining with \$0.50 PSF rental escalations every 5 years. Additionally, the lease provides for the three 5-year renewal options.

Seasoned Profitable Store

Burlington has been at this location 13+ years enjoying good sales and a profitable location for the chain.

Irreplaceable Assumable Debt

The property is encumbered by irreplaceable debt with the following terms: 70% LTV at ask price, 4.10% interest rate, 30-year amortization, and a 4/1/2025 maturity. In addition, the debt provides an average cash-on-cash return of 11% over the remaining initial lease term.

Excellent Access & Visibility

The site is strategically positioned in Mercury Plaza which is accessible from Power Plant Parkway (25,000 VPD) and boasts excellent frontage on West Mercury Boulevard (73,000 VPD), which intersects with Interstate 64 (180,000 VPD) just 0.4 miles east of the site.

Strategic Location

Burlington is located in the 178,066-square-foot Mercury Plaza, which is home to Walmart Neighborhood Market, Marshalls, Wells Fargo, a newly-constructed AutoZone, Cracker Barrel, LongHorn Steakhouse, Chick-fil-A and Firestone Complete Auto Care. Burlington benefits from its location in The Coliseum Central Business Improvement District (CCBID), which is a special service-taxing district authorized under Virginia Commonwealth Law and is Hampton's primary retail and commercial corridor, encompassing 7.9 MSF of retail, 3.3 MSF of office, 8.1 MSF of industrial and 13,469 multifamily units within a 3-mile radius. Hampton's critical mass of retailers are anchored by the 1.1 MSF Peninsula Town Center—an open-air mixed-use development—featuring over 70 stores and restaurants, top retailers such as Target and JC Penney, luxury apartments, two public parks, and Bryant & Stratton College Hampton campus.

Dominant Retail & Commercial Corridor

Additional retailers in the immediate area include Walmart Supercenter, BJ's Wholesale Club, Kroger, ALDI, Food Lion, Lowe's, Big Lots, Northern Tool + Equipment, Bass Pro Shops, At Home, JOANN Fabrics, Petco, Office Depot, Party City, Ross Dress for Less, David's Bridal, Planet Fitness, CVS, Walgreens, SunTrust, BB&T, Dollar General, Dollar Tree, Goodwill, Aaron's, Pep Boys Auto, Advance Auto Parts, Cold Stone Creamery, Panera Bread, Starbucks, Jason's Deli, Olive Garden, Chili's, Outback Steakhouse, Applebee's, Red Lobster, Moe's Southwest Grill, Cook Out, Wawa, Zaxby's, Waffle House, Denny's, IHOP, Pizza Hut, Domino's, Arby's, Little Caesars Pizza, Sonic, Taco Bell, Wendy's, Burger King and McDonald's.

Surrounding Traffic Drivers

The property benefits from its proximity to the Hampton Coliseum, a multi-purpose arena which hosts concerts and sporting events, and the 344,000-square-foot Hampton Roads Convention Center—a regional attraction for events, shows and conferences. Furthermore, the city of Hampton and its surrounding county enjoy an influx of tourists during the summer months which has a direct effect on businesses and local retailers. In 2018 alone, domestic travel expenditures in Hampton Roads reached about \$5.1 billion. As a result, numerous hotels are located in the immediate area, including Hilton Garden Inn (149 Rooms), SpringHill Suites by Marriott (124 Rooms), InTown Suites Extended Stay (124 Rooms) and the Element Hampton Peninsula Town Center (100 rooms), among others.

Dynamic Demographics

Burlington enjoys dynamic demographics with a population of 189,627 and an average household income of \$65,137 within a 5-mile radius.

Hampton Roads MSA

Located in southeastern Virginia and part of northeastern North Carolina, the Virginia Beach-Norfolk-Newport News metropolitan area (Population: 1.7M) is the 33rd largest MSA in the U.S. and the second largest in Virginia. Receiving its name from the harbor that it surrounds, Hampton Roads has a strong military presence, established shipbuilding industry, and one of the busiest ports in the U.S.

LEASE ABSTRACT

GUARANTOR	Burlington Coat Factory Warehouse Corporation, a Delaware corporation
TENANT	Burlington Coat Factory of Virginia, LLC
LEASE TERM	4.4 Years
RENT COMMENCEMENT	June 22, 2007
LEASE EXPIRATION	February 28, 2025
LEASE TYPE	NNN (excluding structure)
CURRENT TERM RENT	6/30/2018 - 6/30/2023: \$600,000 7/1/2023 - 2/28/2025: \$640,000
RENT ESCALATIONS	\$0.50 PSF in 2023
REMAINING OPTIONS	Option 1 & 2 are 5 years, Option 3 is 4 years
OPTION RENT	1st Option: 3/1/2025-6/30/2028: \$640,000 7/1/2028-2/28/2030: \$680,000 2nd Option: 3/1/2030-6/30/2033: \$680,000 7/1/2033-2/28/2035: \$720,000 3rd Option: 3/1/2035-6/30/2038: \$720,000 7/1/2038-2/28/2039: \$760,000
OPTION RENT INCREASES	\$0.50 PSF every 5 years
TAXES	Tenant agrees to pay to Landlord, as Additional Rent, its pro rata share of Taxes assessed against the Landlord's Property for such Lease Year.
INSURANCE	Tenant agrees that it will keep insured against loss or damage by fire or other casualty, the Building under a casualty insurance policy, with extended coverage, to the full replacement cost thereof and in compliance with REA. Tenant, for the mutual benefit of Tenant and Landlord, its mortgagee and the Developer under the REA and its mortgagee shall keep and maintain policies of commercial general liability insurance with broad form coverage providing coverage on a special perils basis and with a contractual liability endorsement protecting against any and all claims for damages or injury to person or property or for loss of life or property occurring upon, in, or about the Landlord's Property. The minimum coverage for combined single limit bodily injury and property damage coverage shall not be less than \$5,000,000 per occurrence.
REPAIRS & MAINTENANCE	Tenant agrees to make and pay for all roof repairs and nonstructural repairs to the Demised Premises which are reasonably necessary to keep the same in a good state of repair, including maintenance and repair of the HVAC system serving the Demised Premises, except such repairs as are provided above to be made by Landlord. Landlord, at its sole cost and expense, shall pay for structural repairs (but not roof).
COMMON AREA MAINTENANCE	Continuing through the twenty fifth anniversary of "Burlington's Opening Date" as defined in the REA (2032), Tenant agrees to pay to the Declarant a Common Facilities Maintenance charge equal to \$1.00 PSF. Following the twenty fifth anniversary of "Burlington's Opening Date," Tenant agrees to maintain and operate the Common Facilities as required under the REA. Common Area Maintenance shall, among other things, include: i) maintenance, repair, and replacement of sidewalks, walkways, roadways, and parking surfaces and ii) removal of snow and ice.

IN-PLACE DEBT SUMMARY & 5-YEAR CASH FLOW STATEMENT

SUMMARY CHART

Price	\$7,741,935
Cap Rate	7.75%
Initial Loan Balance ¹	\$5,340,492
Down Pmt/Equity	\$2,401,444
Loan Balance at EOT	\$4,742,954
LTV	68.98%
Interest Rate	4.10%
Amortization Period	30 YEARS
Maturity	4/1/2025



PRIMARY TERM	PURCHASE	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Calendar Year End		12/31/2021	12/31/2022	12/31/2023	12/31/2024
Guaranteed-Term NOI		\$600,000	\$600,000	\$620,000	\$640,000
Debt Service		\$(347,903)	\$(347,903)	\$(347,903)	\$(347,903)
Net Cash	\$(2,401,444)	\$252,097	\$252,097	\$272,097	\$292,097
Loan Balance		\$5,209,098	\$5,072,215	\$4,929,613	\$4,781,053
Cash-on-Cash		10.50%	10.50%	11.33%	12.16%

¹ INITIAL LOAN BALANCE IS CALCULATED AS OF 1/1/2021.



PROPERTY DESCRIPTION



Location

103 Marketplace Drive
Hampton, VA 23666



Site

Situated within the
178,066-square-foot Mercury Plaza



Land Area

6.60 Acres



Building Area

80,000 SF



Frontage & Access

Mercury Plaza has frontage along
West Mercury Boulevard.
Immediate access via Power Plant
Parkway.



Commercial Base

7.9 MSF of retail, 3.3 MSF of office,
8.1 MSF of industrial, and 13,469
multifamily units within a 3-mile
radius.



Traffic Counts

West Mercury Boulevard: 73,000 VPD
Power Plant Parkway: 25,000 VPD
Interstate 64: 180,000 VPD



Year Built

2007



Zoning

Independent city in the Commonwealth
of Virginia
C2 / High Intensity Commercial District



SURROUNDING USES



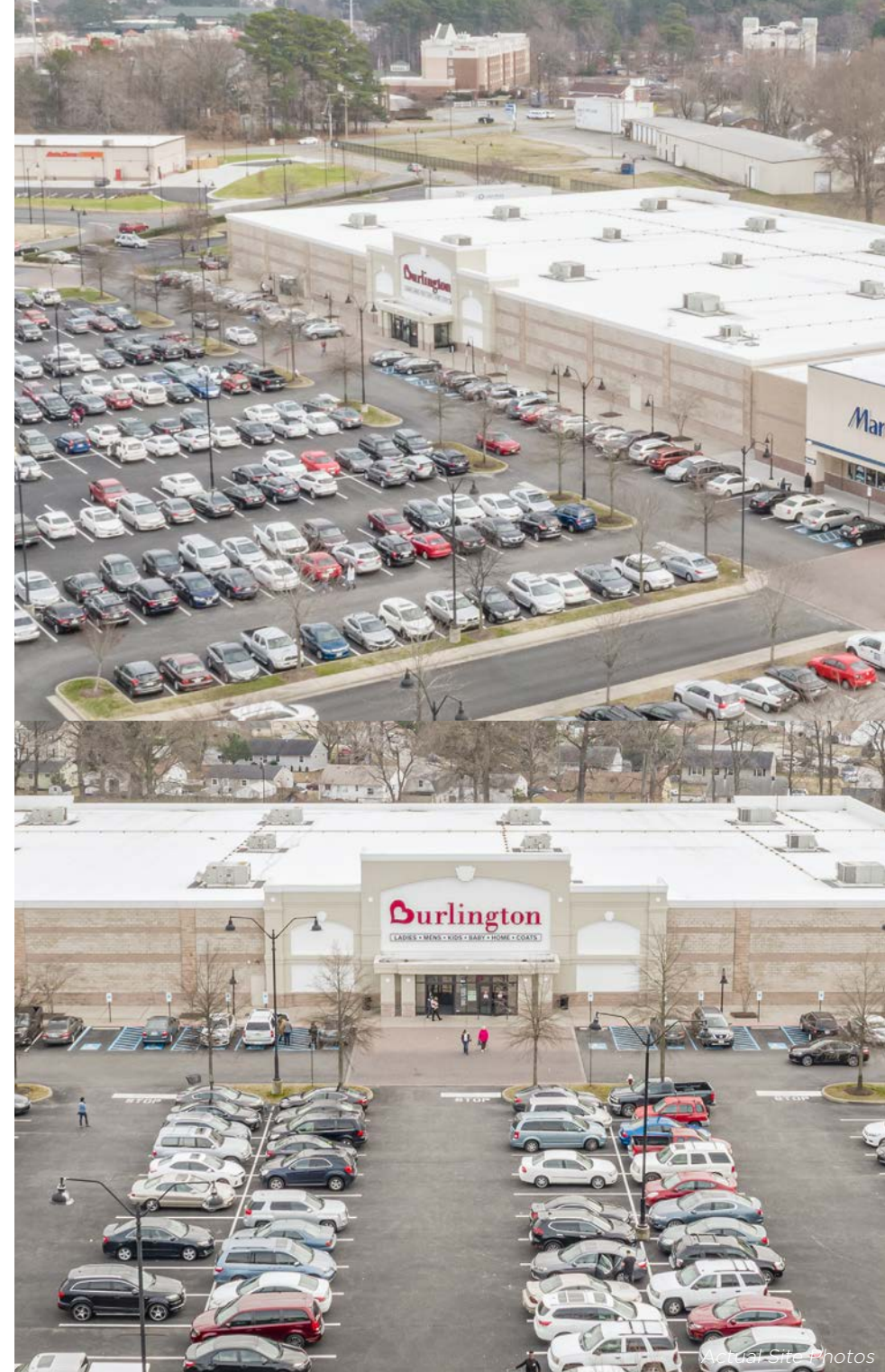
TENANT PROFILE



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The Company is listed on the Fortune 500 (#451) and its common stock is traded on the New York Stock Exchange under the ticker symbol "BURL." As of August 1, 2020, Burlington reported TTM total revenues of \$5.8 billion and total assets of \$6.4 billion. The lease is guaranteed by Burlington Coat Factory Warehouse Corporation, which has an S&P rating of BB.

NUMBER OF STORES	727
HEADQUARTERS	Burlington, NJ
NUMBER OF EMPLOYEES	40,000+
TICKER	NYSE: BURL
WEBSITE	www.burlington.com



AREA OVERVIEW

HAMPTON, VA

Hampton, Virginia is home to a population of 134,581 and welcomes vacationers and meeting attendees alike with charming hospitality and multifaceted attractions and activities. Hampton has a unique and diversified mix of growing and established business clusters strategically located for success. Anchored by aerospace and defense facilities, major medical centers and higher education institutions, Hampton offers access to a highly educated workforce. The city offers attractive incentives for businesses, start-ups and entrepreneurs to relocate due to its central east coast location, favorable climate, competitive incentives, state-of-the-art business parks and easy access to an integrated transportation network. Destination retail and entertainment is multi-million-dollar industry in Hampton. The unique entertainment offerings and diversity of retailers that have chosen to locate in Hampton solidify the city's reputation as a regional retail hub and visitor destination. Hampton's retail market is growing in large part because of the city's economic development initiatives supporting the development of new mixed-use, retail, entertainment, high-density higher-value housing and tourism projects. Rich in history with small-town charm, Hampton has been recognized by Money magazine as one of the best places to live. Hampton recently ranked #8 on a national list of most affordable waterfront communities.



HAMPTON ROADS (VIRGINIA BEACH-NORFOLK-NEWPORT NEWS) MSA

Located in southeastern Virginia and part of northeastern North Carolina, the Virginia Beach-Norfolk-Newport News metropolitan area (Population: 1.7M) is the 33rd largest in the U.S. and the second largest in Virginia. Receiving its name from the harbor that it surrounds, Hampton Roads has a strong military presence, established shipbuilding industry, and one of the busiest ports in the U.S.

MILITARY PRESENCE

There are 17 U.S. military facilities currently operating in the region, and the total Department of Defense population of Hampton Roads is approximately 150,000, about 83,000 of which are active duty military personnel. An additional 40,000 civilians are employed in the industry, and DoD spending accounts for 45.6% of all regional economic activity. The Norfolk Naval Shipyard, the largest industrial facility operated by the U.S. Navy, employs over 9,000 at the 1,275-acre facility in Portsmouth, Virginia.



THE PORT OF VIRGINIA

The Port of Virginia was the 7th busiest port in FY18, handling 2.8 million containers of cargo. It is the deepest port on the East Coast, with berths up to 50 feet deep, and the first to be able to handle Post-Panamax class ships. Construction is expected to commence in early 2020 to deepen the channel to 55 feet. Almost 7 miles of on-dock rail track connect to two Class I railroads, CSX and Norfolk Southern, and 35% of cargo arrives and departs the port by rail – the largest percentage of any East Coast port. In June 2019, the expansion of the rail yard was completed, signaling the end of work on the \$320 million expansion of Virginia International Gateway. In 2018, the port was instrumental in helping to generate 3,100 new jobs and the development of 1.9 million square feet of space that had a total investment value of \$984 million.

EDUCATION

Hampton Roads is home to eight universities and four community colleges with a total enrollment of over 103,000 students. Among those is the College of William & Mary, the second-oldest university in the nation, which employs 2,050 faculty and staff in Williamsburg. Other local educational institutions include Christopher Newport University, Old Dominion University, Tidewater Community College (which operates 4 campuses in the region), and Norfolk State University.

TOURISM

Virginia Beach-Norfolk-Newport News is also a major tourist center, with an annual economic impact of \$5.1 billion on the region. This is largely a result of the sand and surf of Virginia Beach, which hosts the annual East Coast Surfing Championships, and the Historic Triangle of Virginia, which includes the three historic communities of Colonial Williamsburg, Jamestown, and Yorktown. Colonial Williamsburg alone draws approximately 1.7 million visitors per year to its collection of living-history museums and meticulously restored structures.

TRANSPORTATION

Major highways in the Hampton Roads area include I-64, I-264, I-464, I-564 and I-664. The Hampton Roads area is served by two major airports: Newport News/Williamsburg International Airport and Norfolk International Airport. Amtrak stations in Norfolk, Williamsburg, and Newport News are served by the Northeast Regional line with trains to Richmond, Washington D.C. and points as far north as Boston.





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CBRE

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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