

LOWE'S AT PARK WEST PLACE

Single-Tenant • Leased Fee Interest • Stockton, California



**CUSHMAN &
WAKEFIELD**

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Offering Memorandum Disclaimer

This Cushman & Wakefield (“Agent”) has been engaged as the exclusive agent for the sale of the **Lowe’s at Park West Place Shopping Center - Stockton, CA 95219** (the “Property” or “Properties”), by the owner of the Property (“Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Cushman & Wakefield as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor.” The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, expressed or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market at any time and for any reason. Seller and Agent each expressly reserves the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller.

Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller’s obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Cushman & Wakefield.

December 2020

[Click Here = To View Site Specific COVID-19 Prevention Plan](#)


Investment Opportunity

Cushman & Wakefield, as exclusive advisor, is pleased to present the opportunity to acquire a **Lowe's Home Improvement** store (the "Property") in the Park West Place regional retail center of Stockton, CA. This offering provides a rare opportunity to acquire the fee interest of a retail investment property ground leased to a Fortune 500 tenant within a high performing, super-regional drawing power center.

Located off the intersection of Trinity Parkway and Consumnes Drive, the Lowe's Home Improvement Store anchors Park West Place and is proximate to a Walmart Supercenter, Pavilions Condominiums, Trinity Urgent Care and the A.G. Spanos office building. The ground lease has five years left on the initial term, with four 5-year options to extend the lease with rental increases. Built in 2006, the Lowe's building comprises 154,794 SF of gross leasable area with 777 parking stalls.



Financial Summary

Property	Lease Type	PRICE	Projected Year-1 NOI	Cap Rate	Current Lease Term Expiration Date	Options	Rent Increases	Building Size (Sq. Ft.)	Lot Size (Sq. Ft.)
	NNN Ground Lease with tenant responsible for taxes, insurance, and maintenance, including roof and structure. Reimburses Landlord for any additional CAM expenses	\$15,120,000	\$756,000	5.00%	1/31/2026 (5.3 Years)	Four 5-Year Options	10% Increase First Option 5% Increase Remaining Options	154,794*	592,416

* Improvements owned by tenants and not for sale

Investment Highlights

- Fortune 500 tenant with BBB+ credit and 68.7% Q2 profit increase
- NNN Ground Lease with 5 years of term and four 5-year options
- 30% increase in same store sales in Q3- 2020
- Offered free and clear of in-place financing
- Excellent 1031 Exchange opportunity or addition to a portfolio

Property Highlights

- Located in a high-performing, super-regional shopping center
- Customer traffic in the 87th percentile nation-wide among home improvement stores
- Easy access, excellent visibility, and ample parking
- Strong real estate fundamentals with a low \$4.88 annual rent per square foot
- Essential business designation provides resilience during pandemic

Location / Market Highlights

- Attractive trade-area income and demographics
- Freeway visible and accessible
- Increasing customer traffic trends due to thriving home improvement sector
- Adjacent to regional medical center
- New trade-area residential developments





PRICE: **\$15,120,000**
Cap Rate: **5.00%**
Year-1 NOI: **\$756,000**

Property Type: NNN Ground Lease
Tenant: Lowe's HIW, Inc.
Address: 10342 Trinity Parkway | Stockton, CA 95219
Building Size (GLA): ±154,794 Square Feet
Lot Size: ±592,416 Square Feet (±13.6 Acres)
Year Built: 2006
Parking Spaces: ±777 Ground level stalls

INVESTMENT HIGHLIGHTS

- Lowe's is ranked 44 on the Fortune 500 with revenues of \$72 billion and maintains a BBB+ investment grade credit rating by S&P
- Home improvement sector is thriving due to quarantine increasing time spent at home
- Lowe's experienced a 30% revenue surge, 68.7% profit jump in Q2 2020 (CNBC)
- Lowe's Traffic Index up 33.4% (Locate AI)
 - US Retail Traffic Index down 23.8%
 - Home Depot up 5.4%
- Strong real estate fundamentals with \$4.88 annual rent per square foot as applied to the building
- NNN lease with tenant responsible for taxes, insurance and maintenance/repair including roof and structure

LEASE SUMMARY

Leased to **LOWE'S HIW, INC.** for over 5 years expiring January 31, 2026. There are four 5-year options to extend the lease. The rent increases by 10% in the first option period and 5% for the remaining options. The lease is triple net with the tenant responsible for taxes, insurance, and maintenance, including roof and structure. Lowe's reimburses Landlord for its pro-rata share of any additional CAM expenses + an 8% Admin Fee.

RENT SCHEDULE

Term	Start	End	Annual Rent	\$/ SF/ Yr
Initial	1/25/2006	1/31/2026	\$756,000	\$4.88
Option 1	2/1/2026	1/31/2031	\$831,600	\$5.37
Option 2	2/1/2031	1/31/2036	\$873,180	\$5.64
Option 3	2/1/2036	1/31/2041	\$916,839	\$5.92
Option 4	2/1/2041	1/31/2046	\$962,681	\$6.22



Tenant Profile

In-Place Annual Rent: \$756,000
Lease Expiration: 1/31/26
(w/Four, 5-Year Options)

DESCRIPTION:

Lowe's is an American omni-channel retail company that specializes in home improvement. The company was founded as a single store in North Carolina in 1921. Today, with over 1,700 stores around the country, it is the second-largest hardware chain in the world, behind Home Depot. Lowe's employs nearly 300,000 associates across North America and services around 18 million customers per week.

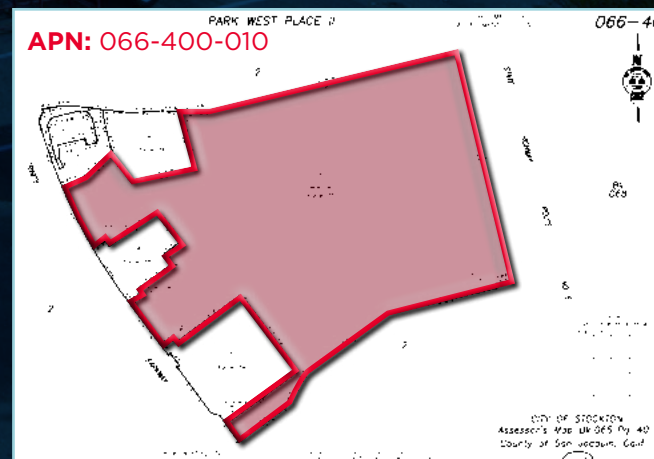
The company is focused on executing against their four strategic initiatives: supply chain transformation, customer engagement, operational efficiency, and merchandising excellence. Lowe's also assists in the home improvement process with their network of professional installers. They help install windows, floors, roofing, appliances, and more. In January 2019, Lowe's became the official Sponsor of the National Football League.

Lowe's is a strong consumer brand with solid cash flows and a healthy balance sheet. The company is well positioned in a \$900 billion home improvement sector that continues to grow.

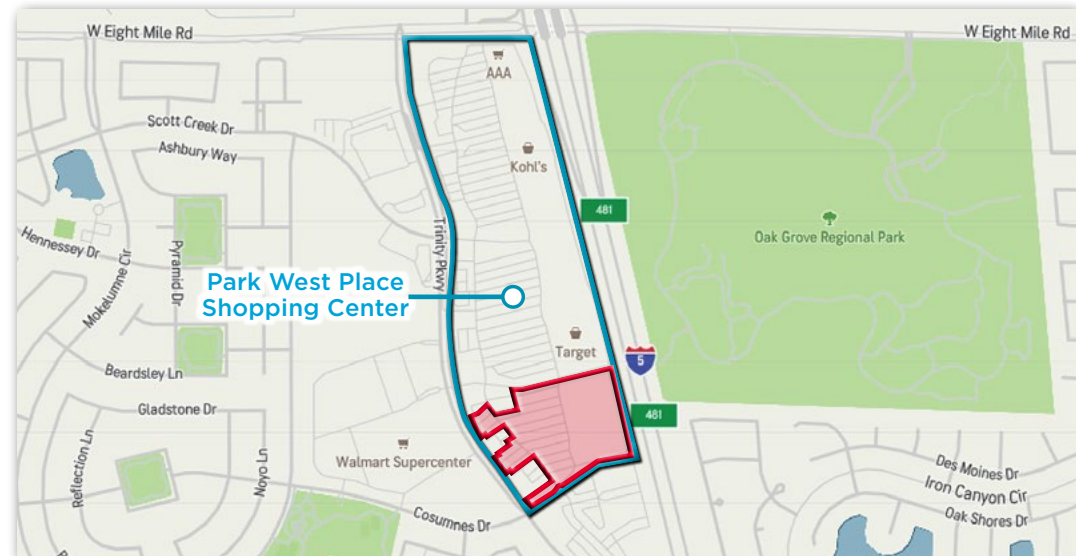
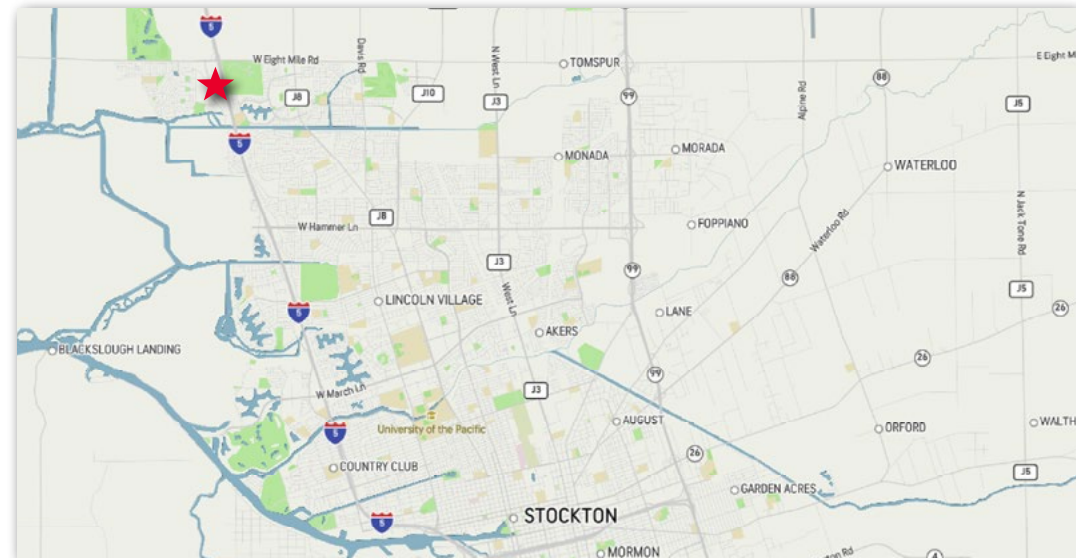
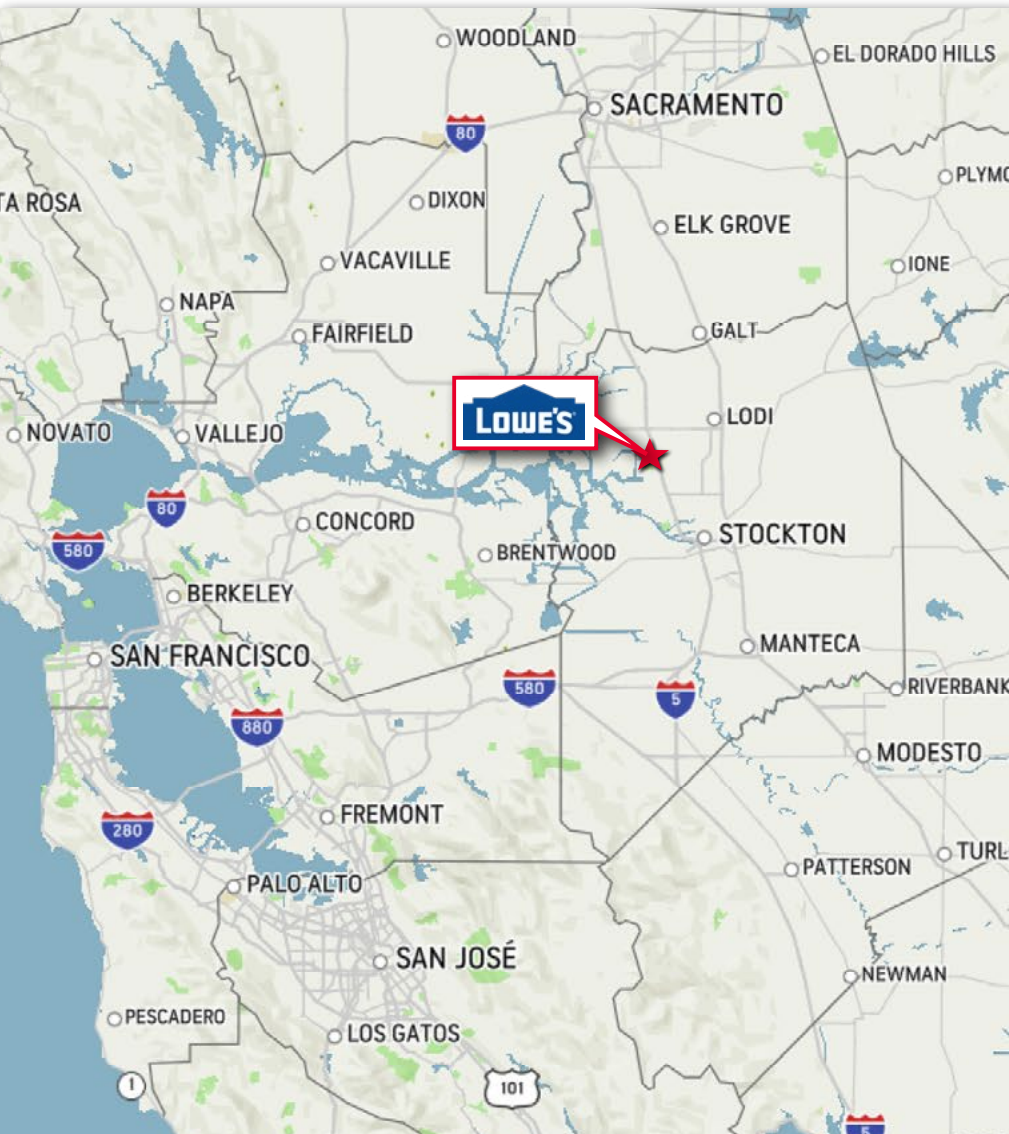
Corporate Name: Lowe's Companies, Inc.
Lessee: Lowe's HIW, Inc.
Ticker Symbol: LOW
S&P Credit Rating: BBB+ Stable, Baa1
Number of Stores: 1,727
Sales: \$72.1B
Market Capitalization: \$119.73B



Site Plan and Assessor's Parcel Map



Regional and Local Area Maps



San Joaquin County Overview

San Joaquin County occupies a central location in California's vast agricultural heartland, the San Joaquin Valley. The County encompasses nearly 920,000 acres (or about 1,440 square miles) of relatively level, agriculturally productive lands. The foothills of the Diablo Range define the southwest corner of the County, and the foothills of the Sierra Nevada lie along the County's eastern boundary.

Today, the County is a leading agricultural producer, but is undergoing a transformation to become a more industrial- and service-based economy. The County's population is concentrated largely in its seven cities: Stockton, Tracy, Manteca, Lodi, Escalon, Ripon, and Lathrop.



State Route 99 and Interstate 5, two of the State's major north-south roadways, pass through San Joaquin County, offering the County excellent access in both these directions. Interstates 205 and 580 provide direct connections to the San Francisco Bay Area to the west. Combined with three transcontinental railroads, with Amtrak Service, ACE Train service, an intercity bus line, a metropolitan airport, and a port connecting to the Pacific Ocean, the County is strategically located to continue its major role in intra- and interstate trade. This regional transportation network in conjunction with relatively low land costs has attracted non-agriculturally related industrial development. Historically, food processing has been one of the area's largest manufacturing activities. Now, a greater emphasis on durable goods including electronics manufacturing is being witnessed.

City of Stockton

Stockton is a city and the county seat of San Joaquin County in California's Central Valley. Stockton is currently the 13th largest city in California with

a dynamic, multi-ethnic and multi-cultural population of about 310,000. It is situated along the San Joaquin Delta waterway which connects to the San Francisco Bay and the Sacramento and San Joaquin Rivers. Stockton is located 60 miles east of the San Francisco Bay Area, 83 miles east of San Francisco, and 45 miles south of Sacramento, the capital of California.

In the mid-2000's Stockton underwent a tremendous economic expansion and continues to aggressively revitalize its downtown. Projects in the downtown area along the waterfront include an indoor arena, baseball stadium and waterfront hotel. A 16-screen downtown City Centre Cinemas was completed in December 2003. The Bob Hope (Fox) California Theatre, listed on the National List of Historic Landmarks recently completed a total renovation and hosts live performances regularly. The arena hosts the Stockton Kings (NBA G-League) basketball team, the Stockton Heat (AHL) Hockey team, as well as year-round family and cultural events and concerts. Adjacent to the Stockton Arena is the Stockton Ballpark, home of the Stockton Ports Single A Baseball Team (Oakland A's affiliate).

Stockton offers an excellent quality of life for its residents. The City boasts a number of beautiful residential communities along waterways, with single-family homes costing about one-third the price of homes in the Bay Area. With over 100,000 trees, Stockton has been recognized by Sunset Magazine as the "Best Tree City" in the western United States. In 1999, 2004, 2015, 2017, and 2018, Stockton was designated an All-America City by the National Civic League.



Downtown Stockton

SHERWOOD MALL



WEBERSTOWN MALL



STONE CREEK VILLAGE



HAMMER RANCH CENTER



LINCOLN CENTER



BEAR CREEK HIGH SCHOOL

AG SPANOS BUILDING
(150K CLASS-A OFFICE)

LODI MEMORIAL

PARK WEST PLACE SHOPPING CENTER



Walmart

COSUMNES DRIVE



Trade Area | Description and Demographics

- Park West Place is a super-regional power center with a primary trade area assumed to be a ten-mile radius in all directions of the Property. As illustrated on the aerial to the right, the Park West Place Portfolio is uniquely positioned to draw from the affluent surrounding population due to a scarcity of competing tenants and superior accessibility. The Property features direct access from Interstate 5 and is convenient for east-west travelers through Stockton from Highway 99 via Highway 12, W. 8 Mile Road, W. Hammer Lane, and Highway 4.
- The population for the primary trade area totals 395,905 with projected growth of 4.43% over the next five years. The populations within a one-mile and five-mile radius of the Property are 7,705 and 120,068, respectively.
- The average household income for the primary trade area is \$79,814. Incomes significantly increase closer to the Property, as the northern sector of Stockton contains some of the area's most affluent communities. Average household incomes within a one-mile and five-mile radius of the property are \$133,125 and \$91,162, respectively.
- There is substantial room for growth in the immediate trade area due to the abundant amount of nearby land available for development. The City of Stockton recently amended its general plan to support the development of over 20,000 new rooftops within the city limit. Two projects, Westlake Villages and Delta Cove, are already under construction and scheduled to add 4,500 rooftops immediately adjacent to the Property. Westlake Village and Delta Cove are scheduled for completion within the next few years.



DEMOGRAPHICS			
2020	RADIUS		
	1-Mile	5-Miles	10-Miles
Total Population	7,705	120,068	395,905
Households	2,373	30,394	128,358
Owner Occupied Housing Units	1,646	21,123	63,910
Renter Occupied Housing Units	727	19,271	64,447
Population 2025	8,061	124,804	413,458
Population Growth 2020-2025	4.62%	3.94%	4.43%
Average Household Income	\$133,125	\$91,162	\$79,814
Median Household Income	\$115,926	\$68,457	\$56,242

Cushman & Wakefield's Equity, Debt & Structured Finance Group

Your Financing Solution

Cushman & Wakefield has established its **Equity, Debt & Structured Finance Group** ("EDSF") to assist our clients with debt placement. We have a national network of mortgage brokers with many of the top professionals in their respective regions. They use their global outreach in the debt markets to procure the very best quotes available for your particular needs.

The EDSF Team sources debt from a variety of lending sources, including Life Insurance companies, Domestic Banks, European and Asian Banks, CMBS, as well as a number of Debt Funds. We have specific expertise in Retail, Office, Hotel, Multi-Family, Industrial and unique NNN Leased properties. If you already have direct lending relationships, we can enhance them. We can create a competitive environment and urgency to deliver the best quotes from the market.

Specific inquiries regarding potential acquisition financing should be directed to **Kurt Scheidt**, of Cushman & Wakefield's San Francisco-based EDSF Group at **415-677-0479**.



Marketing Process

Cushman & Wakefield has been authorized to prepare and distribute the descriptive materials for the purpose of soliciting offers to purchase the Lowe's at Park West Place Shopping Center.

Interested and qualified parties are invited to review this opportunity and make an offers to purchase based their analysis.

Review Period & Deadline for Offers

After an initial review period, we will solicit for offers and expressions of interest. Thereafter, the Owner may selectively distribute additional data to interested parties who have submitted compelling, qualified proposals.

Buyer Negotiation & Selection

If your offer results in the owner choosing to open negotiations with you, you may be asked to provide financial references. The eventual Buyer will be chosen based on an assessment of price, terms, and a demonstrated ability to close the transaction.

Due Diligence Period

With an executed purchase and sale agreement, combined with an initial deposit, the selected Buyer will be afforded a fixed period of time to perform its due diligence on the Property. A significant additional deposit will be required with the Buyer's removal of contingencies upon the end of the due diligence period.

Acquisition Financing

The Properties are being offered free and clear of debt. Buyers anticipating the use of acquisition financing are encouraged to exclude a finance contingency in their offers.





Contact Information

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