

OFFERING MEMORANDUM

2000 E Aztec Avenue | Gallup, NM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



SHERWIN-WILLIAMS[®]

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EXECUTIVE OVERVIEW

- **EARLY EXTENSION** – Sherwin Williams just renewed their lease early for an additional 10 years. The tenant has also added two more 5-year options to extend the lease with 10% increases occurring in each option period.
- **LOW PRICE POINT** – Rare opportunity to acquire an investment grade tenant at a low price point.
- **MINIMAL LANDLORD RESPONSIBILITIES** – Landlord only responsible for the roof and structure with the tenant taking care of taxes, insurance, parking lot maintenance, etc.
- **E-COMMERCE PROOF TENANT** – Paint is an e-commerce proof product and will continue to thrive through the rise of E-Commerce. Sherwin Williams has also been deemed an essential business and all their operations have remained open through the pandemic.
- **LEADER IN THE INDUSTRY** – Sherwin-Williams is the leader in the paint store industry with ~4,900 stores across the nation and a market cap \$61B
- **BELOW MARKET RENT** – Rent of \$6.30 per sq. ft is below the national average for Sherwin-Williams and the market of Gallup.
- **STRONG CREDIT** – This lease is corporately guaranteed by Sherwin-Williams which has an investment-grade S&P credit rating of BBB.



\$719,000

LIST PRICE



\$44,969

NOI



6.25%

CAP RATE

BUILDING INFO

Address	2000 E Aztec Avenue Gallup, NM
GLA (SF)	±7,136 SF
Lot Size (Acres)	±23,261 SF
Year Built	1999
APN	2-104-088-196-189
Parking Spaces	±2,400 SF

TENANT SUMMARY

Type of Ownership	NN
Lease Guarantor	Corporate
Original Lease Term (Years)	10 Years
Rent Commencement Date	1/1/21
Lease Expiration Date	12/31/30
Lease Term Remaining (Years)	±10.19 Years
Options	3-5yr Options
Increases	10% Each Option

ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Rent PSF	CAP
01/01/2021 - 12/31/2030	\$3,747.44	\$44,969.28	\$6.30	6.25%
Option 1: 01/01/2031 - 12/31/2035	\$4,122.20	\$49,466.40	\$6.93	6.88%
Option2: 1/1/2036 - 12/31/2040	\$4,534.40	\$54,412.80	\$7.63	7.57%
Option 3: 1/1/2041 - 12/31/2045	\$4,987.83	\$59,853.96	\$8.39	8.32%



THE OFFERING

PROPERTY NAME	Sherwin Williams
Property Address	2000 E Aztec Ave Gallup, NM 87301

SITE DESCRIPTION

Number of Stories	One
Year Built	1999
GLA	±7,136 SF
Lot Size	±23,261 SF
Type of Ownership	Fee Simple
Roof and Structure	Professional

TENANT OVERVIEW

» Company Name Sherwin Williams	» Year Founded 1866	» Headquarters Cleveland, OH	» S&P Credit Rating BBB
» Ownership Public	» Industry Paint Stores	» No. of Employees ±52,700	

Sherwin-Williams Company is an American Fortune 500 company in the general building materials industry. The company, with headquarters in Cleveland, Ohio, primarily engages in the manufacture, distribution, and sale of paints, coatings and related products to professional, industrial, commercial, and retail customers primarily in North and South America and Europe. The company is mostly known through its Sherwin-Williams Paints line. Sherwin-Williams' major competitors are PPG, RPM International Inc., Axalta Coating Systems, BASF, Behr, Kelly-Moore Paints, and Benjamin Moore.

\$61.48 B

Market Cap

\$17.9 B

2019 Net Income

4,900 +

Locations Worldwide



± 23,000 VPD

HISTORIC US HWY
± 13,000 VPD

JEFFERSON
ELEMENTARY SCHOOL



E. AZTEC AVE





± 23,000 VPD



GALLUP
MAGISTRATE COURT

MCKINLEY
COUNTY METRO



HISTORIC US HWY
± 13,000 VPD



E. AZTEC AVE





GALLUP, NM

Gallup, NM, is located in McKinley County, off the Historic Route 66. With a rapidly growing market, the city is strategically located on the Interstate 40, a major highway making the area easily accessible to the nation's fastest-growing states including: Arizona, Colorado, Nevada, and Texas. Given its strategic location, Gallup is an ideal staging location for servicing major markets in the U.S. Southwest.

A town known for some of the best trails in the Southwest, Gallup is the perfect destination for outdoor adventure seekers. World-class hiking and biking trails, and countless opportunities of rock climbing amongst the breathtaking red rocks in the area are just a few of the most popular and thrilling outdoor recreational activities. Visitors can also enjoy motorsports at the Gallup Motocross Park, or shooting rifles and pistols at the local trap and skeet facilities. Amongst these thrilling activities the thousands of recreational acres in the state are open for horseback riding, hunting, fishing, and camping.

Immersed in Native American culture, Gallup serves as a major tourist destination for visitors seeking a unique, American Southwest cultural experience and often referred to as the Indian jewelry capital of the world. Offering authentic, one of kind, turquoise and silver jewelry that can be purchased amongst one of the thousands of Native American Artisans trading posts in the area. These local artisans create some of the most beautiful Native American art in the world including pottery, basket weaving, rugs, sculptures, unique textiles and paintings.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	3,695	20,056	23,575
2020 Estimate	3,695	20,345	23,943
2010 Census	3,387	20,166	23,883
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	1,269	6,981	8,066
2020 Estimate	1,270	7,083	8,192
2010 Census	1,168	7,035	8,182
INCOME	1-MILE	3-MILE	5-MILE
Average HH Income	\$54,986	\$62,881	\$63,128



UNIVERSITY OF NEW MEXICO - GALLUP

Chartered as a community college more than four decades ago, this college operates under the aegis of the University of New Mexico as Gallup's branch campus. Although their priority has always been to serve the community as a two-year college, their association with UNM has allowed them to be flexible and stretch as the need arrives. In addition to their two-year programs, the school also has a few entities operating on their campus or under their leadership: Adult Education Center on the North Side of Gallup, Middle College High School, Community Education and the Center for Career and Technical Education (CCTE). All these programs help to meet the needs of this very diverse community.

UNM-Gallup offers open enrollment, with opportunities to obtain a certificate in a vocational program, or an associate's degree in either a vocational program or an academic discipline. Many of the students concentrate on obtaining the basics at UNMG's affordable tuition rates before students transfer to four-year institutions. The college specializes in helping under-served students get the help they need to succeed in college. UNM-Gallup offers several concentrated remedial programs that have shown great success in helping students make the transition to non-remedial course work.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sherwin Williams** located at **2000 E Aztec Ave, Gallup, NM 87301** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



**SHERWIN
WILLIAMS**

SHERWIN-WILLIAMS PAINTS

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