

BURLINGTON

DENTON, TEXAS



SINGLE-TENANT RETAIL INVESTMENT OFFERED BY

DUWEST
INVESTMENT SERVICES

INVESTMENT SALES

WILL WALTERS

Partner

Investment Services

☎ 214.675.3665

✉ willwalters@duwestrealty.com

W.P. HENDERSON

Senior Associate

Investment Services

☎ 409.767.0601

✉ willhenderson@duwestrealty.com

DUWEST

INVESTMENT SERVICES

4403 N. Central Expy, Suite 200

Dallas, Texas 75205

☎ 214.720.0004

STATEMENT OF CONFIDENTIALITY AND DISCLAIMER

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the retail building known as Burlington located at 2322 San Jacinto Blvd., Denton, Texas 76205, being approximately 62,682 square feet of improvements and situated on 5.317 acres of land ("the "Property"). It is not to be used for any other purpose or made available to any other person without the express written consent of Seller or DuWest Realty, LLC ("DW"). The material herein is based in part upon information supplied by the Seller and in part upon information obtained by DW from sources it deems reliable. No representation or warranty, expressed or implied, is made by the Seller, DW, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should conduct their own independent investigation, conduct their own due diligence, and form their own conclusions without reliance upon the material contained herein. 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 and Sale Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or DW or any of their affiliates or any of their respective officers, directors, owners, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from DW or Seller or their affiliates or any of their respective officers, directors, owners, or agents as legal, tax, or other advice. Prior to forming their acquisition value of the Property, prospective purchasers should consult with their own legal counsel and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

EXECUTIVE SUMMARY

The subject property is a 62,700 square foot single tenant Burlington on 5.3 acres, situated just off Interstate 35 and Highway 288 in Denton, Texas. The building was constructed in 1985 and Burlington has recently exercised the first of four 5-year renewal options. This property benefits from easy access and large traffic counts along I-35 (103,615 vehicles per day), strong visibility, a strong co-tenancy in the most dominate regional intersection in Denton. This site will see a continued boost in traffic counts as Denton grows, and the recent I-35 improvements underscores the expected growth in the area.

Burlington is located adjacent from Golden Triangle Mall that recently underwent major renovations by the Weitzman Group and MG Herring Group. The mall is anchored by Dillards, JC Penney, Barnes & Noble, and Conn's, and the tenant lineup includes over 75 other stores. Other area retailers include

Walmart Supercenter, Target, Lowe's, Home Depot, Kroger, Best Buy, Office Depot, Hobby Lobby and Harbor Freight Tools.

Burlington has been in this location since 2006 and has thrived in recent years as one of the three darlings in the large format discount retailer sector, including TJX and Ross Stores. Burlington is a Fortune 500 company that is traded on the New York Stock Exchange. Their stock has grown over 600% in the last 5 years, including up 33% compared to their pre-Covid level (February 2020). This is due in large part to their steady revenue growth, up over 9% in each of their last 3 years. This Offering presents a unique opportunity in the market to purchase a well-located newly renewed lease backed by an extremely strong guarantor.

**2322 SAN JACINTO BLVD.
DENTON, TX 76205**

ADDRESS

DENTON

CITY

DENTON

COUNTY

1985

CONSTRUCTION YR

2008

ROOF AGE

62,686 SF

BUILDING SIZE

322 + (6 HC) SPACES

PARKING SPACES

5.317 ACRES/ 231,609 SF

SITE SIZE ACRES / SF

\$476,414

NOI

\$7.60

RENT PSF

I-35: 103,615 VPD

LOOP 288: 42,815 VPD

SAN JACINTO BLVD: 6,102 VPD

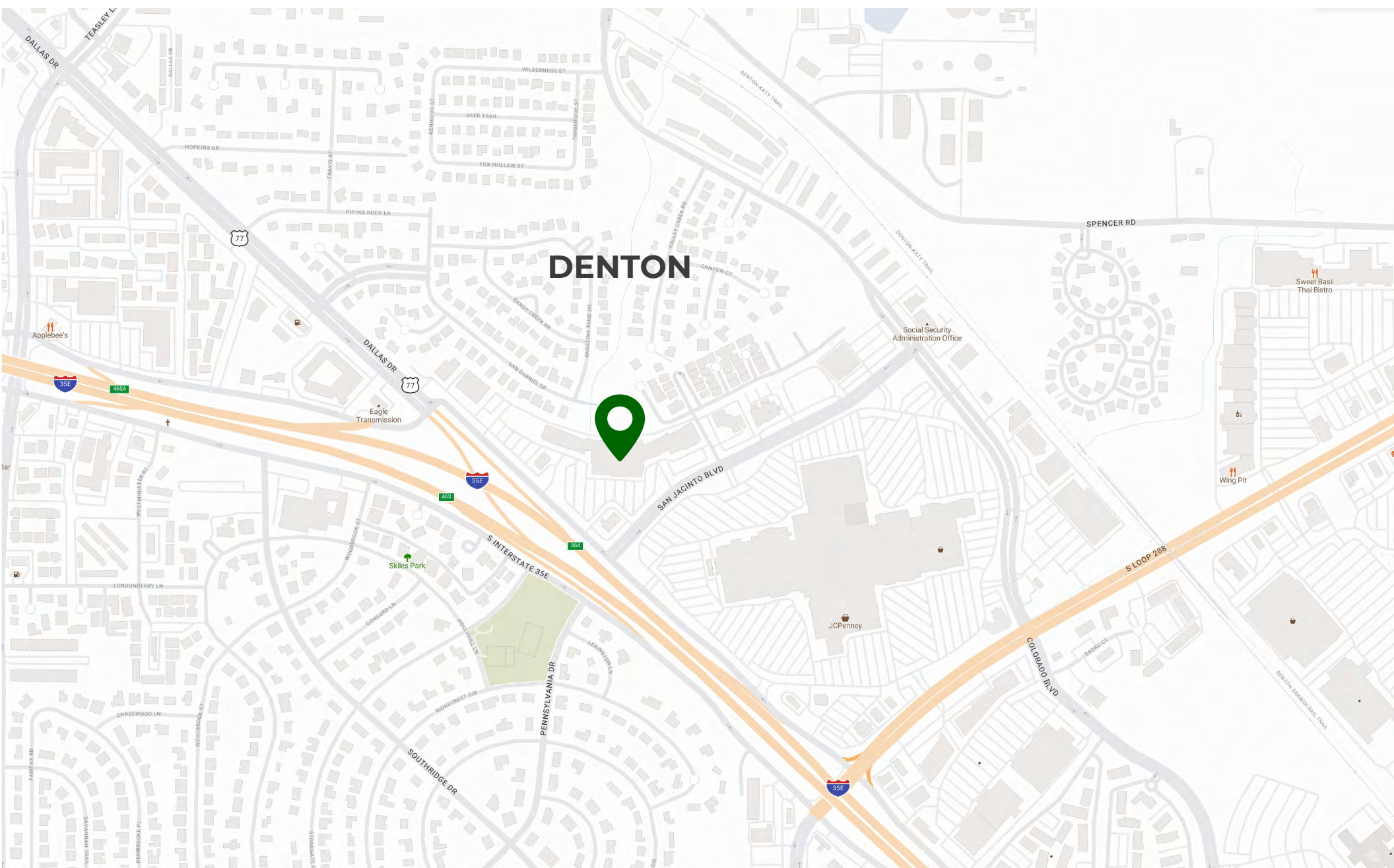
TRAFFIC COUNTS

109532

TAX PROPERTY ID

LOCATION MAP

2322 SAN JACINTO BLVD., DENTON, TX 76205



2322 SAN JACINTO BLVD., DENTON, TX 76205

AERIAL VIEW

LOOKING NORTH



Office
DEPOT

Bank of America



San Jacinto Blvd | 6,102 VPD

35E

103,615 VPD

AERIAL VIEW

LOOKING NORTHEAST



Office
DEPOT

Bank of America

San Jacinto Blvd | 6,102 VPD

35E

103,615 VPD

AERIAL VIEW

LOOKING NORTHWEST



San Jacinto Blvd | 6,102 VPD

LOOKING NORTHWEST



LOOKING SOUTHEAST





Budget

AVIS

RDA
Pro Mart

OGLE SCHOOL
HAIR • SKIN • NAILS

Burlington

Office DEPOT

AFFORDABLE
DENTURES &
IMPLANTS

BANK OF AMERICA

Drive Thru

SAN JACINTO BOULEVARD

S INTERSTATE 35



TENANT PROFILE



burlington.com

Since 1972, Burlington has grown from a single store in its hometown to a Fortune 500 company with over \$21B in market cap, \$5.8B in Revenue, and over 740 locations in the United States and Puerto Rico. Their stock has grown over 600% in the last 5 years, including up 33% compared to their pre-Covid level (February 2020). This is due in large part to their steady revenue growth, up over 9% in each of their last 3 years. Burlington is currently the third largest discount retailer behind TJ Max and Ross Stores. The company went public in 2013 and their stock has steadily grown since that time.

Burlington is typically known for its endless racks of clothing with small aisles. However, they are now making a push to appeal to a wide audience of price sensitive shoppers. This market segment has been largely internet resistant and will likely continue to benefit from designers that are looking to mitigate sluggish sales from other department stores.

Burlington has a specific opportunity to outpace the growth of their competitors to grab more market share and diversify their brand. In 2019, Burlington hired former Ross COO, Michael O'Sullivan, as CEO. Based on their recent stock performance, this move has been well received by Wall Street.

Type:	Public NYSE: BURL
Industry:	Discount Retailer
Market Cap:	\$21.4 Billion
Revenue:	\$5.76 Billion
Founded:	1972
Number of Locations:	720
Employees:	40,000





LEASE ABSTRACT

BURLINGTON

Demised Premises	The Improvements (62,686 square feet) and the Land (5.32 acres)				Common Area Maintenance	Tenant, at its own cost and expense, shall keep the Premises in a good state of repair. Tenant shall also be responsible for any reimbursement of costs Landlord incurs related to the REA.
Specific Use	Operation of a Burlington store, or for any legal use					
Documentation	Lease Agreement dated December 19, 2012 Renewal Letter dated July 19, 2019				Insurance	Tenant shall reimburse Landlord the property and casualty insurance.
Tenant	Burlington Coat Factory of Texas, L.P.				Tax Payments	Tenant is responsible for all real estate taxes, including general and special assessments
Guarantor	Burlington Coat Factory Warehouse Corporation, a Delaware Corporation				Roof Repair / Replacement	Landlord, at its sole cost and expense shall make and pay for all repairs to the building that are structural in nature, including repairs to the roof
Rent Commencement Date	December 19, 2012					
Lease Expiration Date	January 31, 2025				HVAC Repairs / Replacement	Tenant, at its sole cost and expense, shall keep the Premises (including the HVAC system) in a good state of repair
Security Deposit	None					
Base Rent	Period	Annually	Monthly	PSF	Financial Reporting:	Tenant shall provide sales reports from the Leased Premises within 30 days of request from Landlord. Tenant shall also provide income statements and balance sheets from the Tenant and Guarantor, however, not more than once in any 12-month period.
	Dec 19, 2012 to July 31, 2013	\$213,132	\$17,761.00	\$3.40		
	Aug 1, 2013 to Jan 31, 2020	\$451,339	\$37,611.58	\$7.20		
	Feb 1, 2020 to Jan 31, 2025	\$476,414	\$39,701.17	\$7.60	Estoppel	Tenant to provide estoppel within 30 days of written request from Landlord.
	* Tenant has been operating in the Premises since May 17, 2006				Assignment/Sublease	Except for a Permitted Transfer, Tenant shall not assign the lease or sublease any portion of the premises without prior written consent of the Landlord. A Permitted Transfer shall include any assignment or sublease to an affiliate or subsidiary, or an assignment or sublease to a national or regional tenant. Tenant shall remain liable for all performance obligations of the Lease
Renewal Option(s)	The Tenant is currently in their first option and has three remaining 5-year renewal options with 6 months prior written notice to Landlord: Option #2) \$8.00 PSF Option #3) \$8.40 PSF Option #4) \$8.80 PSF					

PRICING

\$6,270,000

PRICE

\$476,414

NOI

7.60%

CAP RATE

100%

OCCUPANCY

\$100

PRICE PSF (BUILDING)

\$7.60

RENT PSF

\$27.07

PRICE PSF (LAND)

NN

RECOVERY

FOR FINANCING OPTIONS, PLEASE CONTACT:

WILL HENDERSON

☎ 409.767.0601

✉ willhenderson@duwestrealty.com



SUBMARKET OVERVIEW

The subject property is located in Denton, Texas, a strong suburb within the DFW metroplex. Denton is approximately 35 miles northwest of Dallas and 40 miles northeast of Fort Worth. The city is currently under a new significant Interstate 35 redevelopment that will continue to boost the city's growth well into the future. Denton has a large vibrant college community as it is home to two major universities (North Texas and Texas Woman's University) and two local colleges. The total student population of the city is 61,000 across all campuses.

Denton is known for its unique local charm, historical district, town square, and numerous sporting venues. Because of its access to the metroplex and amenities offered to local residents, it has seen a significant population boom, being called one of the fastest growing cities in the United States. Denton's population has nearly doubled since the year 2000 to a total population of 140,000 as of 2019. Denton County experienced similar growth, going from approximately 400,000 residents to over 880,000 during the same time period.



DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
POPULATION			
2020 Population	25,502	111,846	230,253
2010 Population	22,653	92,295	188,627
% Proj Growth 2020 - 2025	1.98%	1.97%	2.09%
HOUSEHOLDS			
2020 Households	11,359	43,291	86,078
Family Households w Children	5,505	26,337	58,091
Persons Per Household	2.2	2.6	2.7
DAYTIME POPULATION			
Total Daytime Population	20,344	108,787	236,321
Workers	9,480	57,064	128,897
Residents	10,864	51,723	107,424
RACE			
% White	51.5%	56.7%	61.2%
% Black	24.0%	14.9%	11.5%
% Asian	10.1%	15.6%	18.5%
% Other	14.4%	12.8%	8.8%
White	13,134	63,417	140,915
Black	6,120	16,665	26,479
Asian	2,576	17,448	42,597
Other	3,672	14,316	20,262

DATA SOURCE: © 2020 ESRI. ALL RIGHTS RESERVED

	1 MILE	3 MILE	5 MILE
AGE			
Median Age	29.9	32.8	35.1
INCOME			
2020 Average Household Income	\$73,192	\$96,516	\$113,740
2020 Per Capita Income	\$32,660	\$37,301	\$42,458
HIGHEST EDUCATIONAL ATTAINMENT			
Education Base - Age 25+	16,112	72,533	153,472
Less than 9th Grade	4.6%	5.5%	4.0%
Some High School	3.2%	4.5%	5.1%
High School or GED	21.0%	18.9%	16.6%
Some College	23.2%	19.3%	19.3%
Associates Degree	9.7%	7.8%	7.3%
Bachelors Degree or Higher	37.3%	43.9%	49.3%
POPULATION BY EMPLOYMENT TYPE			
% White Collar	65.9%	68.8%	73.5%
% Blue Collar	16.0%	16.5%	13.7%
% Services	18.1%	14.7%	12.8%
HOUSING			
% Renter Occupied Housing Units	73.5%	53.7%	43.4%
% Owner Occupied Housing	21.7%	42.9%	53.8%
HOUSING VALUES (OWNER OCCUPIED)			
Median Home Value	\$228,474	\$250,449	\$283,065

BIOS

WILL WALTERS

PARTNER
INVESTMENT SERVICES

As head of the DuWest Investment Services Group, Mr. Walters assists his clients with the disposition and acquisition of their retail assets. Since launching the platform in the fall of 2015, Mr. Walters has leveraged his national broker and owner database to transact over \$385 million in retail assets. He began his career in real estate in 2006 as an investment sales analyst before moving to Associate Director with Cushman & Wakefield's retail investment sales team. In this role he assisted in the sale of over \$165 million in real estate assets, of which \$95 million were on behalf of special servicer clients. In 2010, Walters moved on to Westwood Financial Corp. to help the firm launch its retail value-add investment platform. In this role, he oversaw the acquisition of fourteen shopping centers across the country. At the time Mr. Walters left to join DuWest, thirteen of the shopping centers had been sold by Westwood yielding project level IRR's ranging from 25% to 85%.

Mr. Walters is married with two daughters and is a member and volunteer at Munger Place Church. He is a graduate of the University of Texas at Austin, where he earned his degree in 2004.

WILL HENDERSON

SENIOR ASSOCIATE
INVESTMENT SERVICES

Will Henderson is a Senior Associate with the Investment Services team at DuWest. Will is primarily focused on underwriting and performing due diligence properties with the goal of maximizing client's value during the acquisition or disposition of a retail asset. Prior to joining DuWest, Will spent five years as a commercial lending analyst for both Frost Bank and MapleMark Bank. He spent the majority of his time in banking focused on Commercial Real Estate underwriting and analysis across all asset types. Based on his experience in banking, Will also serves as a consultant on project financing for any clients who need assistance with their debt needs.

Mr. Henderson is married and lives in Fort Worth, TX. He is a graduate of the Neeley School of Business at TCU. In his spare time, he enjoys tennis, golf, and travel.

BURLINGTON

DENTON, TEXAS

WILL WALTERS

Partner
Investment Services

☎ 214.675.3665

✉ willwalters@duwestrealty.com

W.P. HENDERSON

Senior Associate
Investment Services

☎ 409-767-0601

✉ willhenderson@duwestrealty.com

DuWest
INVESTMENT SERVICES