

# OFFERING MEMORANDUM

Absolute NNN | 6.87%+ Cash on Cash Return | Signalized Hard Corner

**Office DEPOT®**



ACTUAL PHOTO

405 W GRANADA BLVD, ORMOND BEACH, FL 32174

Marcus & Millichap

### INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Absolute Net Leased Office Depot located at 405 West Granada Boulevard in Ormond Beach, Florida. The subject property consists of a free-standing building comprised of 29,958 square feet of retail space and is situated on a large 3.38-acre parcel of land just minutes from world-renowned Daytona Beach.

Strategically located on the hard signalized intersection of West Granada Boulevard and North Orchard Street, the property is highly visible to more than 33,646 vehicles per day. It also features excellent access and is within close proximity to US-1, a major North-South thoroughfare. The property sits across a free-standing Winn-Dixie and is surrounded by numerous National Retailers including Wawa, Arby's, KFC, Pep Boys, CVS, and many others.

Office Depot signed their original 20-year lease in 1998 when the property was constructed. In 2015, Office Depot extended its lease term showing a strong commitment to the site. Currently there are just under four years remaining on the initial term with two 5-year options to extend. The lease is an absolute NNN lease with zero landlord responsibility and offers attractive rental increases every five years.

Office Depot, Inc. (NYSE: ODP), one of the world's largest resellers of office products with annual sales of nearly \$13 billion, was founded in 1986. The company conducts business in over 50 countries and has more than 1,140 retail stores in North America. Office Depot is your store for office supplies, equipment and furniture.

*\*\*A second Office Depot located in Tallahassee is also available for purchase. Please contact listing agent for more information.*

### INVESTMENT HIGHLIGHTS

- Dominant Retail Location | High Traffic Counts & Concentration of National Retailers
- Absolute NNN Lease | No Landlord Responsibility
- Strong Corporate Guarantee (NASDAQ: ODP) | 1,378 Locations / 38,000+ Employees
- Hard Signalized Intersection
- Strong Demographics | Population Exceeds 95,500 in Immediate Trade Area
- Large 3+ Acre Parcel
- Fee Simple Ownership Allowing for Depreciation
- Attractive Returns
- Florida is a No Income Tax Free State

## THE OFFERING

 **Office Depot**  
**405 Granada Boulevard**  
**Ormond Beach, Florida 32174**

**Office DEPOT®**

## PROPERTY DETAILS

Lot Size	147,233 SF (3.38 Acres)
Rentable Square Feet	29,951 SF
Price/SF	\$134.88
Year Built	1998

## FINANCIAL OVERVIEW

List Price	<b>\$4,039,812</b>
Down Payment	100% / \$4,039,812
Cap Rate	7.97%
Type of Ownership	Fee Simple

## PROPERTY RENT DATA

RENT ROLL	MONTHLY RENT	ANNUAL RENT
07/01/2020 - 06/30/2025 (Current)	<b>\$26,831</b>	<b>\$321,973</b>
07/01/2025 - 06/30/2030 (Option 1)	<b>\$29,502</b>	<b>\$354,020</b>
07/01/2030 - 06/30/2035 (Option 2)	<b>\$32,489</b>	<b>\$389,863</b>
Base Rent (\$10.75 / SF)		<b>\$321,973</b>
Net Operating Income		<b>\$321,973.00</b>
<b>TOTAL ANNUAL RETURN</b>	<b>CAP 7.97%</b>	<b>\$321,973</b>

## LEASE ABSTRACT

Tenant Trade Name	Office Depot
Tenant	Corporate Store
Ownership	Public
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Term	20 Years
Lease Commencement Date	12/20/1996
Rent Commencement Date	12/20/1996
Expiration Date of Base Term	06/30/2025
Increases	See Rent Roll
Options	Two 5-Year Options
Term Remaining on Lease	4 Years
Property Type	Net Leased Office Supply
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal	N/A

## LOAN INFORMATION (Must be Assumed)

Asking Price	<b>\$4,039,812</b>
Cap	<b>7.97%</b>
NOI	<b>\$321,973</b>
Loan Balance (07/2021)	<b>\$1,770,000</b>
Interest Rate	<b>4.95%</b>
Debt Service	<b>\$149,841</b>
Debt Service + Fees	<b>\$165,972</b>
Cash Flow After Debt	<b>\$156,001</b>
Required Equity (%)	<b>\$2,269,812</b>
Cash on Cash Return	<b>6.87%</b>









## About Office Depot - The ODP Corporation

The ODP Corporation is an American office supply retailing company headquartered in Boca Raton, Florida. The company has combined annual sales of approximately \$11 billion, and employs about 38,000 associates with businesses in the United States. The company operates 1,400 retail stores, e-commerce sites and a business-to-business sales organization.

The company's portfolio of brands includes Office Depot, OfficeMax, Grand & Toy, Ativa, TUL, Foray, Realspace, and DiVOGA.

Name	<b>The ODP Corporation Office Depot</b>
Ownership	<b>Public</b>
Credit Rating	<b>S&amp;P 600 component</b>
Sales Volume	<b>\$10.240 Billion (2017)</b>
Founded	<b>1986</b>
Founder	<b>F. Patrick Sher</b>
HQ	<b>Boca Raton, Florida</b>
Number of Locations	<b>1,378+</b>
Number of Employees	<b>38,000+</b>
Subsidiaries	<b>OfficeMax, Grand &amp; Toy, Office Depot France SNC, MORE</b>
Web Site	<b><a href="http://www.officedepot.com">www.officedepot.com</a></b>



**POPULATION**      **3 MILES**      **3 MILES**      **5 MILES**

**2025 Projection**

Total Population      7,205      51,754      96,833

**2020 Estimate**

Total Population      7,122      51,253      95,561

**2010 Census**

Total Population      6,544      46,946      87,050

**2000 Census**

Total Population      6,890      47,435      86,368

**Daytime Population**

2020 Estimate      9,768      54,981      104,252

**HOUSEHOLDS**      **1 MILE**      **3 MILES**      **5 MILES**

**2025 Projection**

Total Households      3,285      24,411      44,214

**2020 Estimate**

Total Households      3,215      23,919      43,292

Average (Mean) Household Size      2.1      2.1      2.2

**2010 Census**

Total Households      2,932      21,768      39,298

**2000 Census**

Total Households      2,986      21,159      38,254

**Occupied Units**

2025 Projection      3,510      27,611      50,936

2020 Estimate      3,441      27,052      49,835

**HOUSEHOLDS BY INCOME**      **1 MILE**      **3 MILES**      **5 MILES**

**2020 Estimate**

\$150,000 or More      7.0%      6.9%      6.9%

\$100,000-\$149,999      6.1%      9.6%      9.2%

\$75,000-\$99,999      10.3%      11.2%      10.3%

\$50,000-\$74,999      18.0%      19.1%      18.9%

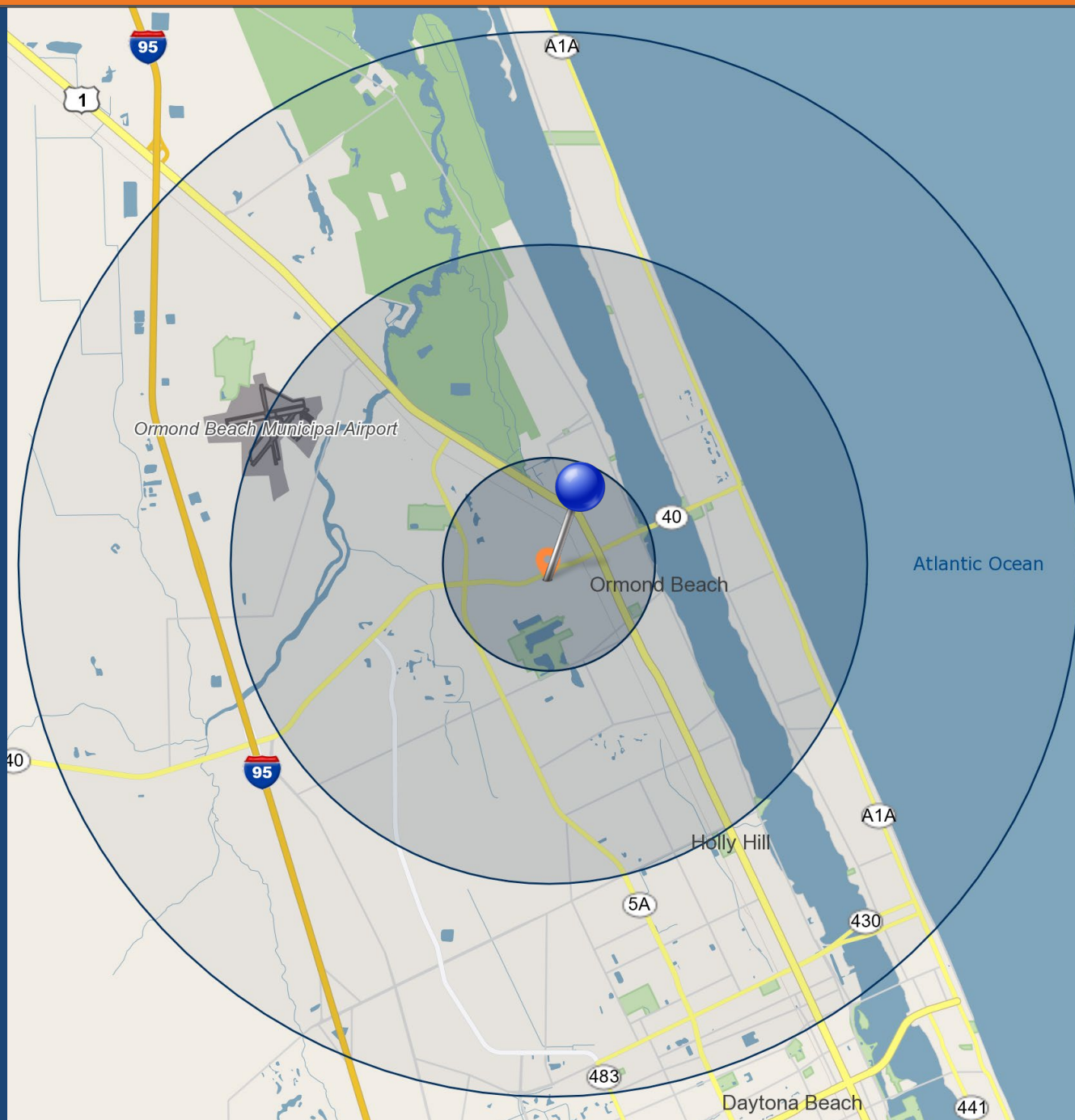
\$35,000-\$49,999      12.9%      14.6%      14.9%

Under \$35,000      45.8%      38.6%      39.9%

Average Household Income      \$61,431      \$67,982      \$66,417

Median Household Income      \$38,867      \$46,644      \$45,114

Per Capita Income      \$28,235      \$31,877      \$30,335



## GEOGRAPHY: 5 MILE



### POPULATION

In 2020, the population in your selected geography is 95,561. The population has changed by 10.6 percent since 2000. It is estimated that the population in your area will be 96,833 five years from now, which represents a change of 1.3 percent from the current year. The current population is 48.3 percent male and 51.7 percent female. The median age of the population in your area is 49.5, compared with the U.S. average, which is 38.2. The population density in your area is 1,218 people per square mile.



### HOUSEHOLDS

There are currently 43,292 households in your selected geography. The number of households has changed by 13.2 percent since 2000. It is estimated that the number of households in your area will be 44,214 five years from now, which represents a change of 2.1 percent from the current year. The average household size in your area is 2.1 people.



### INCOME

In 2020, the median household income for your selected geography is \$45,114, compared with the U.S. average, which is currently \$62,990. The median household income for your area has changed by 37.1 percent since 2000. It is estimated that the median household income in your area will be \$49,794 five years from now, which represents a change of 10.4 percent from the current year.

The current year per capita income in your area is \$30,335, compared with the U.S. average, which is \$34,935. The current year's average household income in your area is \$66,417, compared with the U.S. average, which is \$90,941.



### EMPLOYMENT

In 2020, 47,475 people in your selected area were employed. The 2000 Census revealed that 60.3 percent of employees are in white-collar occupations in this geography, and 39.7 percent are in blue-collar occupations. In 2020, unemployment in this area was 3.0 percent. In 2000, the average time traveled to work was 17.6 minutes.



### HOUSING

The median housing value in your area was \$175,481 in 2020, compared with the U.S. median of \$221,068. In 2000, there were 27,067 owner-occupied housing units and 11,187 renter-occupied housing units in your area. The median rent at the time was \$490.



### EDUCATION

The selected area in 2020 had a higher level of educational attainment when compared with the U.S. averages. Only 9.6 percent of the selected area's residents had earned a graduate degree compared with the national average of 11.8 percent, and 15.3 percent completed a bachelor's degree, compared with the national average of 19.2 percent.

The number of area residents with an associate degree was higher than the nation's at 10.2 percent vs. 8.3 percent, respectively.

The area had more high-school graduates, 31.0 percent vs. 27.4 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 23.0 percent in the selected area compared with the 20.7 percent in the U.S.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

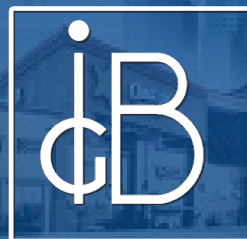
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**Marcus & Millichap**  
OFFICES NATIONWIDE  
[www.marcusmillichap.com](http://www.marcusmillichap.com)

**RONNIE ISSENBERG**  
Senior Managing Director  
Senior Director, National Retail Division  
MIAMI OFFICE  
Office: (786) 522-7013  
[Rissenberg@marcusmillichap.com](mailto:Rissenberg@marcusmillichap.com)

**GABRIEL BRITTI**  
Senior Managing Director  
Senior Director, National Retail Division  
MIAMI OFFICE  
Office: (786) 522-7017  
[Gbritti@marcusmillichap.com](mailto:Gbritti@marcusmillichap.com)

**RICARDO ESTEVES**  
Senior Associate Investments  
Associate Director, National Retail Division  
MIAMI OFFICE  
Office: (786) 522-7054  
[Ricardo.Esteves@marcusmillichap.com](mailto:Ricardo.Esteves@marcusmillichap.com)