

ABSOLUTE NNN INVESTMENT GRADE (S&P: A)

Home Depot Distribution Center Investment Opportunity | 1.6M+ SF



22671 Pemberville Road | Luckey, Ohio

TOLEDO MSA

ACTUAL SITE



SRS

NATIONAL
NET LEASE
GROUP

EXCLUSIVELY MARKETING BY



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PROPERTY PHOTO



INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the unique opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased Home Depot Distribution Facility (Direct Fulfillment Center) in Luckey, OH (Toledo MSA). The asset is corporate guaranteed by investment grade Home Depot Inc. (S&P: A) and currently has approximately 19 years remaining with 4 (5-year) options to extend. The lease is absolute NNN in nature with zero landlord responsibilities, providing an ideal, management-free investment opportunity for a passive investor. This offering also allows for a new investor to take advantage of low interest rates and attractive potential financing to create increased returns on their investment.

The Home Depot Distribution facility is located along US Highway 23, an arterial commuter thoroughfare traveling throughout northern Ohio. US Highway 23 connects to a number of Interstates, including Interstates 280 (13,100 VPD), 90 (44,900 VPD), and 475 (66,800 VPD), providing an easy, direct route of transportation and distribution for the center. The site is positioned within the Toledo MSA, largely known as a hotspot for transportation with convenient access to markets throughout the Midwest and clear to the East Coast. The subject property was built in 2013 and has since serviced Home Depot online orders from throughout the East Coast and through to Missouri. Specifically dedicated to online orders as a Direct Fulfillment Center, the site has capabilities of processing and shipping upwards of 30,000 pieces of merchandise every day, including virtually all Home Depot products (excepting bulk materials). At the time of opening, the facility was the largest and most complicated distribution center in the Home Depot supply chain, and continues to be a mission critical facility, allowing Home Depot to deliver products to 90% of Americans within two days. The site reportedly created more than 700 jobs and is a cornerstone of the immediate trade area. Seeing the success of Home Depot, Peloton recently broke ground on their first US factory immediately adjacent to the subject property. The Peloton Output Park will provide more than 2,000 jobs to residents of Wood County - the \$400M, 1M square foot, 200+ acre project is scheduled to open in 2023. Total cost for Peloton Output Park is estimated at \$400/SF.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$132,864,000
Price/SF	\$81
Net Operating Income	\$5,996,742
Cap Rate	4.51%
Guaranty (Credit Rating)	Home Depot, Inc. (S&P: A)
Tenant	Home Depot U.S.A., Inc.
Lease Type	Absolute NNN
Landlord Responsibilities	None

PROPERTY SPECIFICATIONS

Rentable Area	1,642,584 SF
Land Area	150.87 Acres
Property Address	22671 Pemberville Road Luckey, Ohio 43443
Year Built	2013
Parcel Number	U69-612-5460-00-002.500 & U69-612-1500-00-001.500
Ownership	Fee Simple (Land & Building Ownership)

INVESTMENT HIGHLIGHTS



Investment Grade Tenant | Long Term Lease Remaining | Major Distribution Facility Supporting the East Coast & Midwest | Mission Critical Facility | Below Replacement Cost

- Home Depot Inc. guaranteed lease - S&P: A
- The lease currently has approximately 19 years remaining and 4 (5-year) options to extend
- This site serves as a Direct Fulfillment Center, handling online orders of virtually all Home Depot products (excepting bulk materials)
- Capabilities of processing and shipping upwards of 30,000 pieces of merchandise every day
- Handles deliveries throughout the East Coast and Midwest to Missouri
- At time of opening was the most largest and most complicated facility in the Home Depot supply chain system
- Largely contributed to Home Depot being able to deliver to 90% of Americans within 2 days
- Site created over 700 jobs in total
- Priced at \$81 PSF, well below replacement cost

Absolute NNN Leased | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for taxes, insurance, and maintains all aspects of premises
- Zero landlord responsibilities
- Ideal, management-free investment for a passive investor

Convenient Access to Major Thoroughfares

- Site is positioned along US Highway 23 (17,500 VPD), which connects to a number of Interstates
- Interstate 280 (13,100 VPD)
- Interstate 90 (44,900 VPD)
- Interstate 475 (66,800 VPD)

Relationship with Surrounding Trade Area & Wood County | Tax Incentives for New Development

- Home Depot negotiated tax abatements to develop the site in Wood County, which included attractive incentives for surrounding schools and the County Career Center
- Total of \$10.125M given to local schools via annual stipends through 2028
- Total of \$900K given to the Penta Career Center via annual stipends through 2028
- Long-standing, established relationship between the tenant and the surrounding communities

Toledo MSA | Transportation Hub | Peloton Output Park | Major Corporate Industrial Facilities Nearby

- Toledo has been known as a hub for industrial sectors for more than 100 years
- Market has the lowest tax burden on new investment in the Midwest, and lowest taxes in the Midwest for Capital-Intensive Manufacturing
- Top 3 business climate in the Midwest
- \$4.7B has been invested toward advanced manufacturing in Toledo in the last 5 years
- Brand new Peloton Output Park broke ground in August - \$400M, 200+ acre development will open in 2023 as the first US factory for the brand
- Estimated cost for Peloton Output Park is \$400/SF
- Other major players with industrial facilities in the area include Amazon, Walgreens, Chrysler, FedEx, Cintas, and more

Demographics In 15-mile Trade Area | Technical Education

- More than 352,000 residents and 208,000 employees support the trade area
- Employment base is supported by dozens of higher education institutions offering high-tech degrees and customized training programs

PROPERTY OVERVIEW



Location



Luckey, Ohio
Wood County
Toledo MSA

Parking



Trailer Parking Spaces: 374
Employee Parking Spaces: 460
Total Parking Spaces: 834
Parking Ratio: 0.51 Spaces per 1,000 SF of GLA

Access



Pemberville Road: 1 Access Point
Eastwood Dr: 1 Access Point

Parcel



Parcel Numbers (2): U69-612-5460-00-002.500 &
U69-612-1500-00-001.500
Acres: 150.87
Square Feet: 6,571,898 SF
Land to Building Area Ratio: 4.00 to 1

Traffic Counts



U.S. Highway 20 & 23: 17,500 VPD
Interstate 90: 44,900 VPD

Construction



Year Built: 2013

Improvements



There is approximately 1,642,584 SF of existing building area.

Zoning



Industrial



NEW PELOTON OUTPUT PARK
\$400M PROJECT | 200 ACRES
1M SQUARE FEET
FIRST DEDICATED PELOTON
FACILITY IN THE U.S.



13,100
VEHICLES PER DAY

17,500
VEHICLES PER DAY

INTERSTATE 280

U.S. HIGHWAY 23



EUGENE F. KRANZ
TOLEDO EXPRESS AIRPORT
CURRENTLY SUPPORTING
AMZN CARGO FLIGHTS

66,800
VEHICLES PER DAY

INTERSTATE 475

amazon

Cintas
READY FOR THE WORKDAY
CHRYSLER

First Solar

PRECISION STRIP
a CVS health company

goodwill

GRAINGER

FedEx

RRP

Calphalon

FedEx

ADIENT

Omnicare
a CVS health company

Walgreens

TOLEDO
EXECUTIVE AIRPORT

17,500
VEHICLES PER DAY

U.S. HIGHWAY 23

THE HOME
DEPOT
DISTRIBUTION
CENTER

NEW PELOTON OUTPUT PARK
\$400M PROJECT | 200 ACRES
1M SQUARE FEET
FIRST DEDICATED PELOTON
FACILITY IN THE U.S.

PELOTON

13,100
VEHICLES PER DAY

INTERSTATE 280

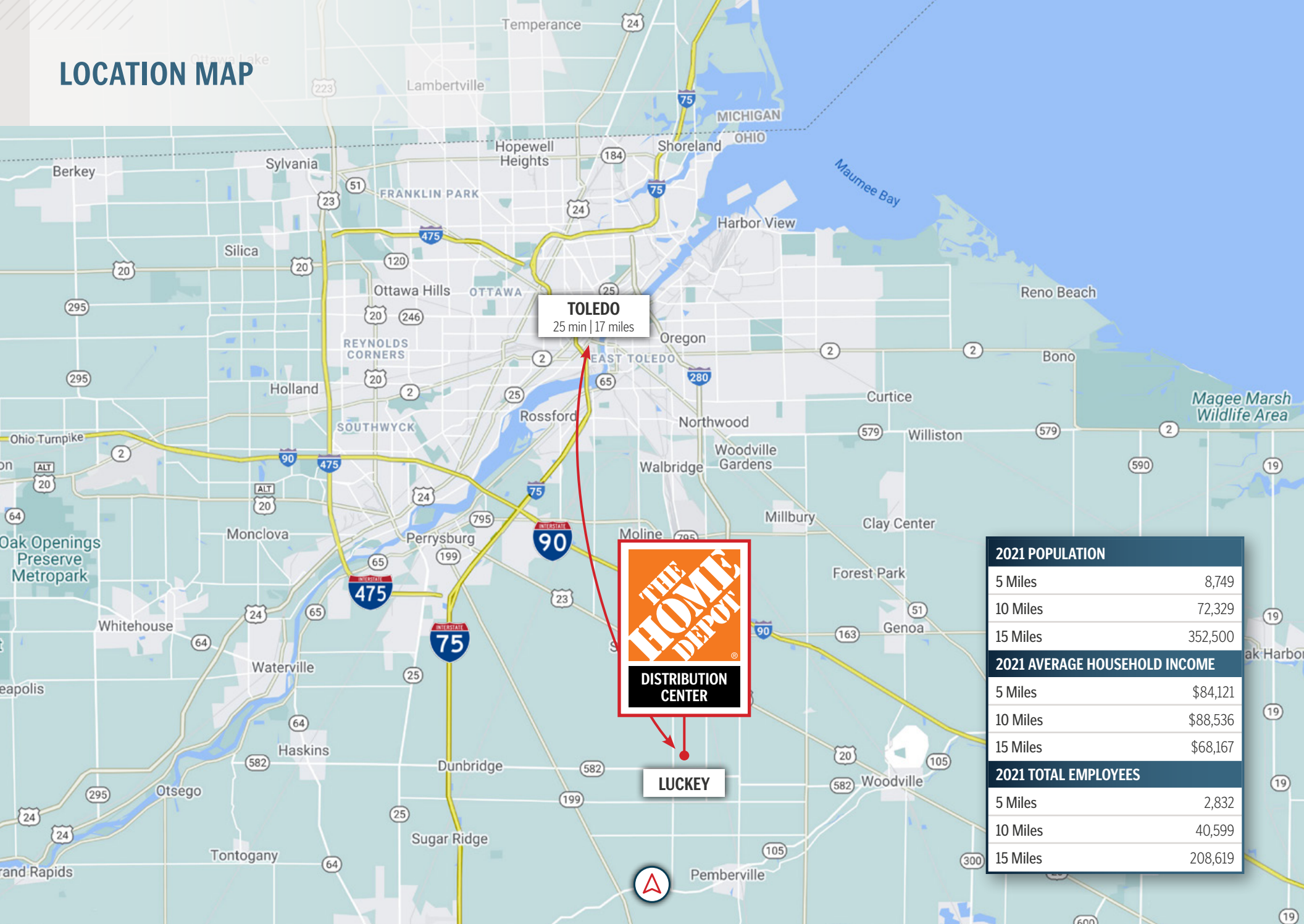
INTERSTATE 90

44,900
VEHICLES PER DAY





LOCATION MAP



2021 POPULATION	
5 Miles	8,749
10 Miles	72,329
15 Miles	352,500
2021 AVERAGE HOUSEHOLD INCOME	
5 Miles	\$84,121
10 Miles	\$88,536
15 Miles	\$68,167
2021 TOTAL EMPLOYEES	
5 Miles	2,832
10 Miles	40,599
15 Miles	208,619

AREA OVERVIEW



LUCKEY, OHIO

Luckey, Ohio is a quiet community located in the County of Wood, in Northwest Ohio. Luckey was founded in 1881. The Village of Luckey had a population of 1,081 as of July 1, 2021.

Among the amenities one will find in Luckey are approximately 20 acres of parks. The parks offer 3 baseball diamonds, shelter houses, playground equipment and tennis courts. Luckey is also the home of the Luckey Fall Festival, which is held on the last weekend of September, at Basic Park.

The largest industries in Luckey, OH are Manufacturing, Health Care & Social Assistance, and Educational Services, and the highest paying industries are Transportation & Warehousing, Public Administration, and Finance & Insurance.

Wood County, formed on April 1, 1820, is located in northwestern Ohio, almost directly south of Toledo, and covers an area of 620 square miles. Wood County was named for Colonel Eleazer D. Wood, an engineer and officer at Fort Meigs during the War of 1812. The County is comprised of 5 cities, 21 villages, and 19 townships; the County seat is Bowling Green. According to current estimates, the population of Wood County is 130,817. Bowling Green is the largest subdivision with a population of 31,578. Most of the County's industry is located in the northern section, the remainder being largely in the various cities and villages.

The largest employers in the county are Bowling Green State University, Magna, First Solar, Inc, Owens Community College, Waltrust/Walgreen Company, Wood County Hospital, Wood County, FedEx Ground, Fiat Chrysler Automobiles, Home Depot.

Colleges and Universities in the county are Bowling Green State University, Owens Community College. The closest major airport to Wood County, Ohio is Toledo Express Airport.

AREA DEMOGRAPHICS



	5 MILES	10 MILES	15 MILES
POPULATION			
2021 Estimated Population	8,749	72,329	352,500
2026 Projected Population	8,852	73,160	351,628
2010 Census Population	8,498	69,995	354,690
HOUSEHOLDS & GROWTH			
2021 Estimated Households	3,466	29,570	142,539
2026 Projected Households	3,513	29,966	142,614
2010 Census Households	3,353	28,434	141,448
Projected Annual Growth 2021 to 2026	0.27%	0.27%	0.01%
Historical Annual Growth 2010 to 2021	0.30%	0.35%	0.07%
RACE & ETHNICITY			
2021 Estimated White	95.2%	92.9%	71.6%
2021 Estimated Black or African American	0.4%	1.3%	20.0%
2021 Estimated Asian or Pacific Islander	0.6%	1.6%	1.5%
2021 Estimated American Indian or Native Alaskan	0.2%	0.3%	0.3%
2021 Estimated Other Races	1.7%	1.8%	2.8%
2021 Estimated Hispanic	4.9%	6.5%	8.4%
INCOME			
2021 Estimated Average Household Income	\$84,121	\$88,536	\$68,167
2021 Estimated Median Household Income	\$67,593	\$68,252	\$48,589
2021 Estimated Per Capita Income	\$33,056	\$35,783	\$31,087
DAYTIME POPULATION			
2021 Estimated Total Businesses	214	2,298	11,148
2021 Estimated Total Employees	2,832	40,599	208,619



RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Home Depot USA	1,642,584	Nov. 2014	Nov. 2040	Current	-	\$499,729	\$0.30	\$5,996,742 ⁽¹⁾	\$3.65	Absolute NNN	4 (5-Year) ⁽²⁾
(Corporate Guaranty)										Opt 1: \$5,996,742 Opt. 2: \$6,596,416 (110%)	
										Opt. 3: FMV Opt. 4: FMV	

FINANCIAL INFORMATION

Price	\$132,864,000
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Cap Rate	4.51%

PROPERTY SPECIFICATIONS

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Address	22671 Pemberville Road Lucky, Ohio 43443

NOTES

1. Tenant has a rent holiday where they do not pay any base rent for the last six years of the initial term of the lease.
2. Tenant shall deliver written notice to Landlord not less than 12 months prior to expiration of current Term, provided, however, if Tenant fails to give notice, the right to exercise its option shall continue until 30 days after Landlord shall have given Tenant notice of Landlord's election to terminate.
3. Tenant has a purchase option at the end of the 20th lease year (Nov 2034) equal to fair market value plus unpaid rent. Please reach out to Agent for details.



BRAND PROFILE



Home Depot Stock Price (NYSE: HD) March 2020 - Oct. 2021*



March 12, 2020 Open (WHO Declares Pandemic): \$195.41 | Oct. 12, 2021 Close: \$337.80

HOME DEPOT

[homedepot.com](https://www.homedepot.com)

Company Type: Public (NYSE: HD)

Locations: 2,285+

2020 Employees: 415,700

2020 Revenue: \$110.225 Billion

2020 Net Income: \$11.24 Billion

2020 Assets: \$51.24 Billion

Feb. 2020 Market Cap: \$297.97 Billion

Credit Rating: S&P: A

The Home Depot is the world's largest home improvement specialty retailer, with 2,291 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. The Home Depot's stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones industrial average and Standard & Poor's 500 index.

The Home Depot was classified as an essential business when the Covid-19 pandemic began, and as such has been able to perform exceptionally well throughout 2020 and into 2021. In fact, The company's stock price has increased 73% since markets opened the day the WHO declared Covid-19 a pandemic (through Oct. 12, 2021). Home Depot has continued to expand its market share as well, most recently with the acquisition of HD Supply Company in November of 2020. HD Supply has been a leading national distributor of maintenance, repair, and operations products in the multi-family and hospitality end markets, and was acquired by Home Depot for approximately \$8B.

Source: Yahoo! Finance; HomeDepot.com



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