

CBRE

OFFERING MEMORANDUM



ALDI

275 DWORMAN WAY | NEW CASTLE, PA 16101

VIEW PROPERTY VIDEO



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ALDI is the common brand of two German family-owned discount supermarket chains with over 10,000 stores in 20 countries. The chain was founded by brothers Karl and Theo Albrecht in 1946 when they took over their mother's store in Essen.

In 1962, they introduced the name Aldi (a syllabic abbreviation for Albrecht Diskont), Internationally, Aldi Nord operates in Denmark, France, the Benelux countries, Portugal, Spain and Poland, while Aldi Süd operates in Ireland, the United Kingdom, Hungary, Switzerland, Australia, China, Italy, Austria and Slovenia. Both Aldi Nord (as Trader Joe's) and Aldi Süd (as Aldi) also operate in the United States with 1,600 stores between them as of 2017, and the U.S. is the only country to have both Aldi companies operating outside of Germany. In 2020, it was reported that Aldi Nord and Aldi Süd have been planning since 2018 to merge the two branches by 2022 in a bid to reduce redundancies and raise efficiency.

ALDI CORPORATE OVERVIEW

TENANT TRADE NAME:	ALDI
TENANT OWNERSHIP STATUS:	Private
TENANT:	Corporate Location
LOCATIONS:	-/+ 11,235
REVENUE:	\$91.9 Billion (2018)
CORPORATE HEADQUARTERS:	Essen, Germany
WEBSITE	www.aldi.us

The Aldi logo, featuring a stylized blue and white 'A' inside a yellow square with a blue border.



Financial Overview

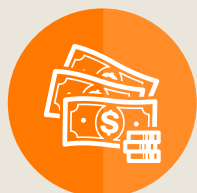




LIST PRICE
\$2,812,000



CAP RATE
4.25%



TOTAL NOI
\$119,500

PROPERTY HIGHLIGHTS

INVESTMENT GRADE CREDIT

The absolute-net ground lease is corporately guaranteed by ALDI Inc. (Pennsylvania), a wholly owned subsidiary of ALDI Inc., a dominant international player in the discount grocery industry, with over 10,000 stores in 20 countries and over \$90B in annual revenue

RELOCATION STORE - MAJOR TENANT COMMITMENT/INVESTMENT

ALDI made major commitments to this location by relocated their existing store, paying for the construction of the improvements and by executing a long-term 20yr lease (16yrs. remain) with rental increases throughout the base term and options

COMPLETELY PASSIVE OWNERSHIP

The absolute-net ground lease ensures there are no landlord responsibilities and zero expenses, making this an ideal 1031 exchange acquisition that can be owned from anywhere

EXCEPTIONAL REAL ESTATE FUNDAMENTALS

The subject's strong fundamentals stem from ALDI's replaceable rent of \$6.27 per s/f, the small price point for a grocer and the large 2.44 AC parcel allows for numerous redevelopment possibilities in the future if necessary

RETAIL HUB LOCATION

Ideally located as a pad site in front of Union Plaza shopping center which is shadow-anchored by Lowe's and includes prominent tenants such as Tractor Supply Co., Sheetz, Wendy's, Popeye's, Dunham's Sports, Gabe's and Bob Evans. Additionally, Walmart Super Center anchors Union Square shopping center directly across W. State St (224) and includes tenants such as McDonald's, PALCB, Advance Auto Parts, Famous Footwear, PetSmart, Harbor Freight Tools, Dollar Tree, Aspen Dental, Planet Fitness, Ruby Tuesday, Kings and Arby's to name a few

EXCELLENT VISIBILITY

Subject property has excellent visibility and is easily accessible from W. State Street (224) and is directly adjacent to an interchange for I-376 with combined traffic counts in excess of 25,000+ VPD. I-376 offers an easy connection to I-76 (PA Turnpike) and to downtown Pittsburgh, PA

STRATEGIC LOCATION

Located in close proximity to numerous complimentary uses such as BC3 (Butler County Community College) LIFE senior living facility, Hampton Inn, Holiday Inn Express and the New Castle Municipal Airport. New Castle's local demographics are an ideal customer base for a discount supermarket such as ALDI



FINANCIAL OVERVIEW



PROPERTY ADDRESS:

275 DWORMAN WAY
NEW CASTLE, PA 16101

PRICE: **\$2,812,000**

CAP RATE: **4.25%**

YEAR BUILT: 2018

BUILDING SQUARE FOOTAGE: 19,054

LOT SIZE: 2.44 Acres

TYPE OF OWNERSHIP: Fee Simple

TENANT: Aldi PA

GUARANTEE: Corporate Guarantee

LEASE TYPE: Absolute-Net Ground Lease

ROOF AND STRUCTURE: Tenant Responsible

LEASE COMMENCEMENT: 12/22/2017

LEASE EXPIRATION: 12/31/2037

INITIAL LEASE TERM: 20 Years

TERM REMAINING ON LEASE: 16 Years

OPTIONS: 4x5 Years; 180 days prior notice

INCREASES: 6.69% in year 11, 5.88% in year 16, 5.56% in option 1, 5.26% in Option 2, and 5% in Options 3 and 4

ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL	MONTHLY
Years 1-10	\$119,500	\$9,958.33
Years 11-15	\$127,500	\$10,625
Years 16-20	\$135,000	\$11,250
Option 1	\$142,500	\$11,875
Option 2	\$150,000	\$12,500
Option 3	\$157,500	\$13,125
Option 4	\$165,375	\$13,781.25

NET OPERATING INCOME: \$119,500

Investment Overview

CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE this ALDI property located at 275 Dworman Way in New Castle, Pennsylvania. The property operates on an absolute-net ground lease, corporately guaranteed by ALDI Inc. (Pennsylvania), a wholly owned subsidiary of ALDI Inc., a dominant international player in the discount grocery industry, with over 10,000 stores in 20 countries and over \$90B in annual revenue. The absolute-net ground lease ensures there are no landlord responsibilities and zero expenses, making this an ideal 1031 exchange acquisition that can be owned from anywhere. ALDI made major commitments to this location by paying for the construction of the improvements and by executing a long-term 20 year lease (16 years remain) with rental increases throughout the base term and options. The subject's strong real estate fundamentals stem from Aldi's replaceable rent of \$6.70 per s/f, the small price point for a grocer and the large 2.44 AC parcel allows for numerous redevelopment possibilities in the future if necessary.

The subject property has excellent visibility, easily accessible from State Street (Route 224) and directly adjacent to an interchange for I-376 with combined traffic counts in excess of 25,000+ VPD. I-376 offers an easy connection to I-76 (PA Turnpike) and to downtown Pittsburgh, PA. The property is ideally located as a pad site in front of Union Plaza shopping center, which is shadow-anchored by Lowe's and includes prominent tenants such as Tractor Supply Co., Sheetz, Wendy's, Popeye's, Dunham's Sports, Gabe's and Bob Evans. Additionally, Walmart Super Center anchors Union Square shopping center directly across W State St (224) and includes tenants such as Famous Footwear, McDonald's, PALCB, Advance Auto Parts, PetSmart, Harbor Freight Tools, Dollar Tree, Aspen Dental, Planet Fitness, Ruby Tuesday, Kings and Arby's to name a few. Other nearby national and local uses are just one mile away on W. State Street past the I-376 interchange and include Dollar General, Los Amigos Family Restaurant, Westgate Theaters, Sparkle Market, GetGo, and an under construction Dairy Queen.

ALDI is an established tenant in this market, relocating from their previous site 3 miles away that originally opened in 1994. New Castle's demographics are an ideal customer base for a discount supermarket such as ALDI and this strategic location places ALDI in close proximity to numerous complimentary uses such as BC3 (Butler County Community College) LIFE senior living facility, Hampton Inn, Holiday Inn Express and the New Castle Municipal Airport.



Property Summary



Tenant Overview



TENANT OVERVIEW

FINANCIAL OVERVIEW

PROPERTY SUMMARY

Tenant Overview





TSC TRACTOR
SUPPLY CO

Gabes

Dunham's
SPORTS

LOWE'S

SPIRIT

376

BOB EVANS

Bob Evans

ALDI

SHEETZ

**LOUISIANA
KITCHEN**

W STATE ST. - 11,398 V.P.D.

224



W STATE ST. - 11,398 V.P.D.



Walmart



Kings

FAMILY RESTAURANT

Ruby Tuesday

AspenDental



Bob Evans

224



DWORMAN WAY

LOCATION OVERVIEW

ALDI is situated in the Union Plaza shopping center along W. State Street (224), which sees traffic counts exceeding 11,000 vehicles per day. The site is immediately adjacent to an interchange for I-376 (15,586 VPD). The supermarket is surrounded by additional national retailers including Walmart, Lowe's, Gabe's, Planet Fitness, Ruby Tuesdays, Wendy's, Popeye's, McDonald's, Sheetz and more. There are 1,423 people within 1 mile of the site, 17,394 people within 3 miles and 43,976 people within 5 miles. The surrounding market has average household incomes is of \$60,500 within 1 mile of the site, over \$66,637 within 3 miles and over \$65,166 within 5 miles, making this an ideal customer base for a discount grocer.

New Castle is the county seat of Lawrence County, Pennsylvania, United States. It is 50 miles northwest of Pittsburgh, and near the Pennsylvania–Ohio border, just 18 miles southeast of Youngstown, Ohio.

WITHIN 5 MILES OF SUBJECT PROPERTY

TOTAL POPULATION



43,976

HOUSEHOLD INCOME



\$65,166

Average

DAYTIME POPULATION



44,827

TOTAL HOUSEHOLDS



18,785



SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	1,501	17,821	45,762
2021 POPULATION	1,423	17,394	43,976
PROJECTED POPULATION (2026)	1,380	17,038	42,903
HISTORICAL ANNUAL GROWTH			
2010-2021	-0.47%	-0.22%	-0.35%
PROJECTED ANNUAL GROWTH			
2021-2026	-0.61%	-0.41%	-0.49%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	690	7,695	19,216
2021 HOUSEHOLDS	665	7,620	18,785
PROJECTED HOUSEHOLDS (2026)	649	7,493	18,402
HISTORICAL ANNUAL GROWTH			
2010-2021	-0.33%	-0.09%	-0.20%
PROJECTED ANNUAL GROWTH			
2020-2026	-0.49%	-0.34%	-0.41%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2021 AVERAGE	\$60,500	\$66,637	\$65,166
2021 MEDIAN	\$38,454	\$48,702	\$46,036

POPULATION BY RACE	1 MILE	3 MILES	5 MILES
WHITE POPULATION	92.3%	84.6%	87.2%
AFRICAN AMERICAN POPULATION	4.4%	10.7%	8.1%
ASIAN POPULATION	0.4%	0.7%	0.6%
PACIFIC ISLANDER POPULATION	0.0%	0.2%	0.2%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	1.1%	0.6%	0.5%
TWO OR MORE RACES POPULATION	1.8%	3.4%	3.5%

HISPANIC OR LATINO POPULATION BY ORIGIN	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	2.0%	2.6%	2.2%
WHITE NON-HISPANIC	91.1%	83.1%	85.9%

2021 AGE BY GENDER	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	50.7/56.7	45.0/48.5	43.9/48.0

TRAFFIC COUNTS

W. STATE ST AND DWORMAN LN	I-376
11,398	15,586

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