



**Office
DEPOT**

5300 US-90 WEST | MOBILE, ALABAMA



NEWMARK



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AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

Newmark's Net Lease Practice Group (the "Agent") has been engaged as the exclusive sales representative for the sale of (the "Property") by 'Ownership' (the "Seller"). The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

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Rep Photo



| PRICE/CAP RATE | |
|----------------|-------------|
| Purchase Price | \$2,157,000 |
| Cap Rate | 7.75% |

| EXECUTIVE SUMMARY | |
|--------------------|---|
| Address | 5300 US-90 West, Mobile, AL 36619 |
| Tenant/Guarantor | Office Depot, Inc. |
| Year Built | 2008 |
| Building Size | +/-20,898 SF |
| Acreage | +/- 2.37 AC |
| Expense Structure | NN - Roof, Structure, Parking and Utility Lines |
| Rent Increases | See Rent Schedule |
| Lease Commencement | January 15, 2009 |
| Termination Option | January 31, 2024 |
| Lease Expiration | January 31, 2026 |
| Interest | Fee Simple - Land & Building |

| RENT SCHEDULE | |
|-------------------------------------|-------------|
| February 1, 2026 - January 31, 2031 | \$12.50 PSF |
| February 1, 2031 - January 31, 2036 | \$13.00 PSF |
| February 1, 2036 - January 31, 2041 | \$13.50 PSF |
| February 1, 2041 - January 31, 2046 | \$14.00 PSF |
| February 1, 2046 - January 31, 2051 | \$14.50 PSF |



INVESTMENT HIGHLIGHTS



2008 BUILD-TO-SUIT WITH A RECENTLY EXTENDED LEASE

The Property was a build-to-suit for Office Depot in late 2008 and the Tenant signed a 12-year lease at the time. In 2020, the Tenant exercised a 5-year option extending the lease January 31, 2026. There are five (5), five (5) year options remaining with rental increases.



PRIME CORNER IN A THRIVING AND GROWING CORRIDOR

The Property is located on a corner with 38,000 vehicles per day and a quarter mile from Interstate 10, which has 72,000 vehicles a day. In the immediate vicinity is a new VA Hospital and a new master-planned retail development that includes: Aldi, Whataburger, Starbucks, Sherwin Williams, Ascension medical clinic and several others.



GREAT REAL ESTATE FUNDAMENTALS

Office Depot is occupying a generic 21,000 SF rectangular box on a large +/- 2.4 Acre parcel. The Tenant is paying under \$8.00 PSF in annual rent on a corner with great visibility and access. There is new development in the area which highlights the desire to be in this south Mobile submarket.



MOBILE, AL: A STABLE AND DIVERSE ECONOMY

Mobile is a city of 200,000 with an MSA of nearly 600,000. The main employers in metro are shipbuilding companies, airplane building companies and healthcare companies. The population grows year-over-year and the economic development team is active with recruiting large business to the area. Airbus located their US Manufacturing facility in Mobile in 2015 and recently opened a \$300 facility to build A220's for commercial airliners.



Mobile

McGowin Park Shopping Center



HomeGoods



HOBBY LOBBY



Heron Lakes Country Club



Office DEPOT



Southview Shopping Center



W C GRIGGS ELEMENTARY SCHOOL



UNIVERSITY OF SOUTH ALABAMA

Mobile Downtown Airport



PILLANS MIDDLE SCHOOL



Cypress Creek Country Club



GILLIARD ELEMENTARY SCHOOL



B C RAIN HIGH SCHOOL



Grant Plaza



Cloverleaf Plaza



LEASE ABSTRACT

PROPERTY DETAILS

| | |
|---------------------------|---|
| Address | 5300 US-90 West, Mobile, AL 36619 |
| Tenant/Guarantor | Office Depot, Inc. |
| Lease Commencement | January 15, 2009 |
| Termination Option | January 31, 2024 |
| Lease Expiration | January 31, 2026 |
| Termination Notice | 120 days |
| Option Periods | Five (5), Five (5) Year Options |
| Annual Rent | \$167,184 |
| Expenses | NN - Roof, Structure, Parking and Utility Lines |
| Interest | Fee Simple - Land & Building |
| Utilities | Tenant |
| Taxes | Tenant |
| Insurance | Landlord Pays and Is Reimbursed By Tenant |
| Building Size | +/- 20,898 SF |
| Acreage | +/- 2.37 AC |
| Estoppel | Not less than 15 days |

TENANT OVERVIEW



Office Depot is a global supplier of office products such as business machines, computers, computer software and office furniture, while its business services include copying, printing, document reproduction, shipping, and computer setup and repair.

Office Depot was founded in 1986 and is headquartered in Boca Raton, Florida. In 1988, the company launched their IPO and began to be traded on the Nasdaq Exchange. In 2013, Office Depot and OfficeMax combined in an all-stock deal, creating the largest U.S. office-supplies chain, and became The ODP Corporation. Today, the company operates 1,154 locations, employs approximately 37,000, and occupies 71 distribution centers across the United States Canada. Because of the vast network of retail locations and distribution centers, the company can deliver products to customers within one-day to 98.5% of consumers in the United States.

As of December 31, 2020, The ODP Corporation had total revenues of \$9.71 billion, a gross profit of \$2.13 billion and stockholder's equity of \$1.88 billion.

Office DEPOT®



STOCK SYMBOL: ODP
NASDAQ Exchange



YEAR FOUNDED
1986



HEADQUARTERS
Boca Raton, FL

Employees
37,000

#312 on Fortune 500



AS OF DECEMBER 31, 2020:
REVENUE
\$9.71 Billion

GROSS PROFIT
\$2.13 Million

STOCKHOLDERS' EQUITY
\$1.88 Billion

MARKET CAP
\$2.42 Billion



WEBSITE
www.officedepot.com

Mobile, Alabama

Mobile, Alabama, known as Azalea City, is the third largest city in Alabama with a population of nearly 200,000 and a metropolitan population of 600,000. Mobile is a port city located on the southern coast of Alabama and was founded in 1702. Over the last decade, Mobile's economic development efforts garnered \$8.47 billion in capital investment and 15,771 jobs at new and existing area companies. In 2015, Airbus located their US manufacturing plant in Mobile and this location is the only US location that manufactures the A320. With this move, Airbus attracted many vendors and suppliers creating a large economic impact to the region.

Mobile is also known as a strong transportation hub by land, air and ocean. The city is largest gulf coast city between New Orleans and Tampa. There are two airports, a large port (9th largest in the US by volume), two major interstates (1-10 and I-65), 15,000 miles of inland waterways and five class 1 railroads.

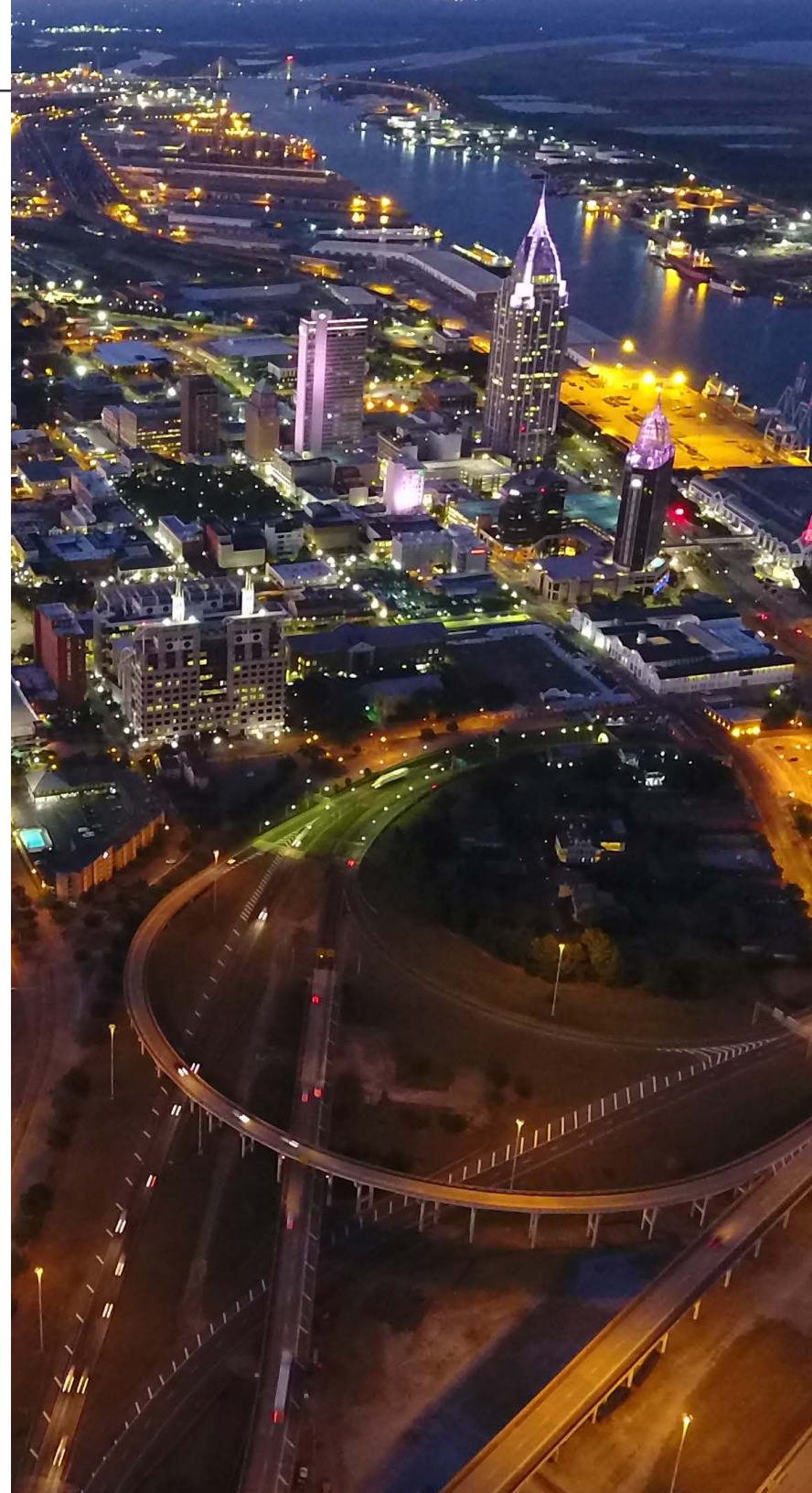
MOBILE TOP EMPLOYERS

4,000+ Employees

| | |
|------------------------------------|--------------|
| Austal | Shipbuilding |
| Infirmity Health System | Healthcare |
| Ingalls Shipbuilding | Shipbuilding |
| Mobile Public Schools | Education |
| University of South Alabama Health | Healthcare |

1,000 - 3,999 Employees

| | |
|---------------------|-------------|
| Airbus | Aerospace |
| Alorica | Call Center |
| AltaPointe | Healthcare |
| AM/NS Calvert | Steel |
| CPSI | Software |
| City of Mobile | Government |
| Providence Hospital | Healthcare |





DEMOGRAPHICS

| | 3 Mile | 5 Mile | 10 Mile |
|---|-----------|-----------|-----------|
| POPULATION SUMMARY: | | | |
| 2010 Total Population | 29,140 | 95,295 | 274,753 |
| 2021 Total Population | 30,583 | 97,809 | 279,493 |
| 2026 Total Population | 31,341 | 99,343 | 283,209 |
| 2021-2026 Annual Rate | 0.49% | 0.31% | 0.26% |
| 2021 Total Daytime Population | 30,862 | 95,616 | 300,624 |
| HOUSEHOLD SUMMARY: | | | |
| 2000 Households | 11,484 | 35,195 | 103,262 |
| 2010 Households | 11,632 | 38,388 | 108,046 |
| 2021 Households | 12,367 | 39,678 | 110,527 |
| 2026 Households | 12,715 | 40,377 | 112,231 |
| MEDIAN HOUSEHOLD INCOME: | | | |
| 2021 | \$55,019 | \$53,520 | \$48,994 |
| 2026 | \$58,188 | \$56,794 | \$52,567 |
| MEDIAN HOME VALUE: | | | |
| 2021 | \$149,429 | \$164,296 | \$156,125 |
| 2026 | \$175,523 | \$190,934 | \$184,156 |
| MEDIAN AGE: | | | |
| 2021 | 43.3 | 39.6 | 38.4 |
| 2026 | 43.8 | 40.6 | 39.5 |
| 2021 POPULATION BY RACE/ETHNICITY: | | | |
| White Alone | 74.5% | 63.5% | 52.7% |
| Black Alone | 19.3% | 29.5% | 41.1% |
| American Indian Alone | 0.5% | 0.5% | 0.4% |
| Asian Alone | 1.8% | 2.9% | 2.5% |
| Pacific Islander Alone | 0.1% | 0.1% | 0.0% |
| Some Other Race Alone | 1.5% | 1.3% | 1.2% |
| Two or More Races | 2.1% | 2.3% | 2.0% |
| Hispanic Origin | 4.1% | 3.7% | 3.5% |



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