

OFFERING MEMORANDUM



Single Tenant NNN Lease Investment
1470 Gail Gardner Way | Prescott, AZ 86305

\$4,995,000



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DEAL SUMMARY



Address

1470 Gail Gardner Way
Prescott, AZ 86305

Purchase Price

\$4,995,000

Cap Rate

6.22%

Annual Rent*

\$310,826

Lease Type

Absolute NNN

Lease Term Remaining

+/- 6 Years



*Annual Rent inclusive of a 2% rent bump as of 9/1/22



LEASE SUMMARY

Trade Name	Natural Grocers
Tenant	Vitamin Cottage Natural Food Markets, Inc.
Address	1470 Gail Gardner Way Prescott, AZ 86305
Rent Commencement Date	August 13, 2012
Lease Expiration	August 31, 2027
Renewal Options	Three 5-Year Options
Building Size	12,848 SF
Lot Size - AC (SF)	1.48 (86,458 SF)
Right of First Refusal (ROFR)	Yes, 15 Days
Parcel Number	115-05-166T
Year Built	2013
Zoning	BG
County	Yavapai

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent
8/13/12 - 9/1/22	\$304,731
9/1/22 - 8/13/27	\$310,826

Options	Annual Rent
Option 1	\$317,042.16
Option 2	\$323,382.96
Option 3	\$329,850.60



INVESTMENT HIGHLIGHTS

▶ **Corporate Guarantee**

Offering comes with a corporate guarantee from Natural Grocers (NYSE: NGVC), a leader in the organic grocery space with 160+ locations in 20 states and growing

▶ **Limited Competition**

Natural Grocers is one of two specialty grocers located in Prescott and Prescott Valley serving nearly 100,000 residents in both adjacent communities

▶ **Passive Investment**

Absolute NNN lease structure with zero landlord responsibilities

▶ **Strong Sales**

At this location, Natural Grocers has improved YOY including a 22.5% increase in sales from 2017-YE 2020 (please inquire with broker on unit level information)

▶ **Dense Retail Corridor**

Property is conveniently located within Prescott's primary retail node with Wal-Mart Supercenter, Safeway, Fry's, and Yavapai Regional Hospital (183 beds)

▶ **Consistency**

According to Placer.ai, this is consistently ranked as the #2 store in Arizona out of 11 and a top 3rd store for Natural Grocers nationwide

▶ **Highly Visible**

Building sits on Gail Gardner Way, one of Prescott's busiest arterials seeing 13,700 vehicles daily



Operating Results – Fiscal 2021 Compared to Fiscal 2020

- Net sales increased 1.8% to \$1.1 billion;
- 18th consecutive year of positive comparable sales growth;
- \$4.2 million increase in comparable store sales and a \$14.5 million increase in new store sales;
- Daily average comparable store sales increased 0.7% and 12.7% on a two-year stacked basis;
- Adjusted EBITDA was \$60.3 million in 2021, up from \$45.7 million in 2019, a 24% increase over a 2-year period





TENANT OVERVIEW



Year Founded:
1955

NYSE:
NGVC

Headquarters:
Lakewood, CO

Locations:
162 stores in 20 states

In 1955, Margaret and Philip Isley started something amazing – Natural Grocers. Natural Grocers grew organically from their visionary beliefs and has been nurtured by the children and grandchildren’s dedication to the same ideals and values. The products in Natural Grocers have a purpose: to support the health and wellbeing of communities. The grocery products sold may not contain artificial flavors, preservatives, sweeteners, or hydrogenated oils. The flexible small format allows it to offer affordable prices in a shopper-friendly retail environment. During the first quarter of fiscal 2022, net sales increased \$12.2 million or 3.6% to \$277.3 million, compared to the first quarter of fiscal 2021, due to a \$10.1 million increase in comparable store sales and a \$2.1 million increase in new store sales. The company has signed leases or acquired property for an additional six new stores planned to open in fiscal years 2022 and beyond.





DEMOGRAPHICS



Population
5-Mile Radius
52,071



Growth 2010-2021
5-Mile Radius
14.74%



Average Household Income
5-Mile Radius
\$80,527



Employment Rate
5-Mile Radius
41.10%



Average Age
5-Mile Radius
51.40



Households (2021 estimate)
5-Mile Radius
24,018



PROPERTY PHOTOS





PROPERTY AERIAL





ECHOWEST

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