

SINGLE TENANT ABSOLUTE NNN

Ground Lease Investment Opportunity



(S&P: BBB+ | NYSE: LOW)



3500 W. Airport Freeway, Irving, Texas

DALLAS MSA

ACTUAL SITE



NATIONAL
NET LEASE
GROUP

EXCLUSIVELY MARKETING BY



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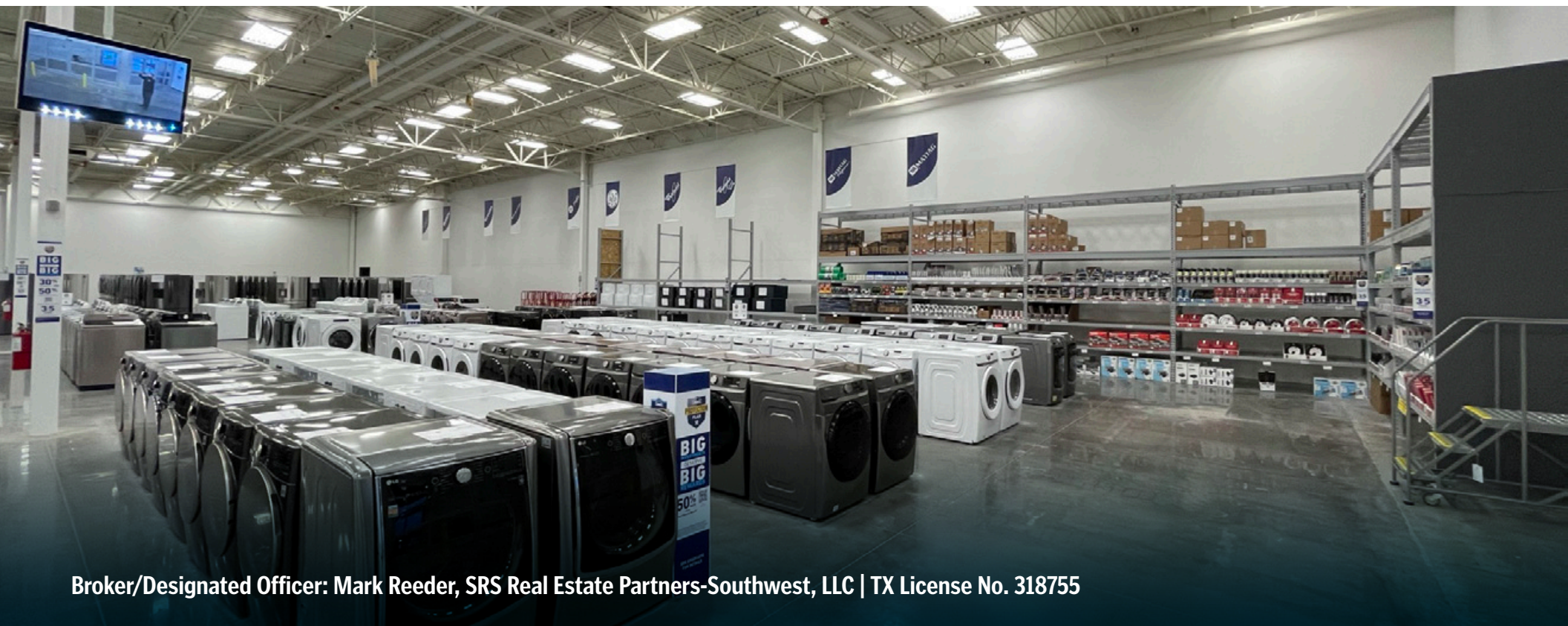
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PROPERTY PHOTO



PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Asking Price	\$29,856,000
Cap Rate	6.00%
Net Operating Income	\$1,791,359

PROPERTY SPECIFICATIONS

Property Address	3500 W. Airport Freeway Irving, Texas 75062
Rentable Area	Building: 135,152 SF Garden Center: 28,206 SF Total: 163,358 SF
Land Area	17.676 AC
Year Built	2005
Tenant	Lowe's Home Centers, Inc.
Guaranty	Corporate (Lowe's Companies, Inc.)
Credit Rating	Investment Grade (S&P: BBB+)
Lease Type	Absolute NNN (Ground Lease)
Landlord Responsibilities	None
Lease Term Remaining	9+ Years
Increases	10% Beg. of Each Option to Extend
Options	10 (5-Year)
Rent Commencement	January 1, 2017
Lease Expiration	December 31, 2031
Right of First Refusal	60 Days

RENT ROLL



Lease Term				Rental Rates				
TENANT NAME	SF	LEASE START	LEASE END	MONTHLY	PSF	ANNUALLY	PSF	OPTIONS
Lowe's (Corporate Guaranty)	163,358	January 2017	December 2031	\$149,280	\$0.91	\$1,791,359	\$10.97	10 (5-Year) 10% Increase Beg. of Each Option



9+ Years Remaining | Corporate Guaranteed Lease | Investment Grade Tenant | Scheduled Rental Increases

- Lowe's has more than 9 years remaining on their 15-year lease extension with 10 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease is guaranteed by Lowe's Companies, Inc., the second-largest hardware chain in the world with more than 2,200 locations
- Lowe's is an investment grade tenant (S&P: BBB+)
- The lease includes 10% rental increases at the beginning of each option to extend, increasing NOI and hedging against inflation

Previously Full-Size Lowe's | First Lowe's Outlet In TX

- This location was previously a full-size Lowe's store that closed in 2019 until a recent rebranding to become the first "Lowe's Outlet" in Texas
- Lowe's Outlet offers discounted merchandise that has minor cosmetic damage and priced 25% to 70% off
- This store carries more than 1,000 new, carefully inspected scratch-and-dent appliances as well as small selection of appliance accessories, such as dryer vents and refrigerator filters

Absolute NNN Ground Lease | Land Ownership | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Investor benefits from fee-simple ownership of the land
- Ideal management-free investment in a state with no state income tax

Directly off Texas 183 TEXpress/Airport Fwy | DFW Intl Airport | Excellent Visibility & Access

- Lowe's is directly off Texas 183 TEXpress/Airport Fwy, a state highway serving the Dallas–Fort Worth MSA (188,000 VPD)
- Airport Freeway is the most heavily used section serving the southern entrance of Dallas–Fort Worth International Airport
- Subject property is located less than 7 miles South of DFW International Airport, the fourth-busiest airport by passenger traffic in the world and second-busiest in the United States (62M+ annual passengers)
- The asset benefits from multiple points of access and visibility along Texas 183 and N. Belt Line Road (47,600 VPD)

Close Proximity to Irving Mall (401,311 SF) | Dense Retail Corridor | Direct Residential Consumer Base

- Within walking distance to Irving Mall, a 401,311 SF enclosed shopping mall with over 80 stores
- Other nearby national/credit tenants include Target, Aldi, Best Buy, Walmart Supercenter, Kroger, Dollar Tree, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site
- Numerous 150+ unit apartment complexes nearby, providing a direct residential consumer base from which to draw

Strong Demographics in 5-Mile Trade Area | High Density

- More than 241,000 residents and 159,000 employees support the trade area
- Features an average household income of \$78,668

LOWE'S TO OPEN FIRST TEXAS OUTLET STORE WITH DISCOUNT APPLIANCES IN IRVING

By Teresa Gubbins | Jan 7, 2021

Home goods chain Lowe's Home Improvement is opening a new kind of store in Dallas-Fort Worth: Called Lowe's Outlet of Irving, it will be a discounted version of a regular Lowe's, with new merchandise that has minor cosmetic damage.

A spokesperson confirms that the store will be located in Irving, at 3500 West Airport Fwy., and will open sometime in 2021.

"Lowe's is returning to Irving in a new form," the spokesperson says. "While we are still finalizing details, we can share that the new Lowe's Outlet of Irving will carry more than 1,000 new, carefully inspected scratch-and-dent appliances. Customers purchasing appliances will enjoy a full manufacturer's warranty at discounted prices up to 70 percent."

The spokesperson says that, in addition to the discounted appliances, the outlet store will also carry a small selection of add-on items, including appliance accessories such as dryer vents and fridge filters.

Lowe's opened their first outlet store in Monrovia, California, in October 2019. It's a 31,000-square-foot store selling appliances with minor cosmetic damage at 25 to 70 percent off regular price.

The merchandise consists of appliances and parts that have been slightly scratched or dented at or in transit to regular Lowe's stores.

A regular Lowe's store averages 112,000 square feet with an additional 32,000 square feet outdoors.

The company opened its second outlet store in Connecticut in September 2020.

"We know Lowe's Outlet of Irving will be a great resource for neighbors, whether residents or small business, who need quality appliances on a budget," the spokesperson says.

[Source: CultureMap.com](https://www.culturemap.com)



PROPERTY PHOTOS



PROPERTY OVERVIEW



Location



Irving, Texas
Dallas County
Dallas-Fort Worth-Arlington MSA

Parking



There are approximately 1,245 parking spaces on the owned parcel.
The parking ratio is approximately 7.62 stalls per 1,000 SF of leasable area.

Access



W. Airport Freeway: 1 Access Point
N. Belt Line Road: 1 Access Point
Willow Creek Drive: 1 Access Point
Aubrey Hawkins Lane: 1 Access Point

Parcel



Parcel Number: 322284900A0010000
Acres: 17.676
Square Feet: 769,879

Traffic Counts



President George Bush Turnpike:
102,000 Vehicles Per Day
Texas 183 TEXpress / Airport Fwy:
188,000 Vehicles Per Day
W. Airport Freeway: 10,500 Vehicles Per Day
N. Belt Line Road: 47,600 Vehicles Per Day

Construction



Year Built: 2005

Improvements



There is approximately 163,358 SF of existing building area

Zoning



Commercial

AERIAL VIEW



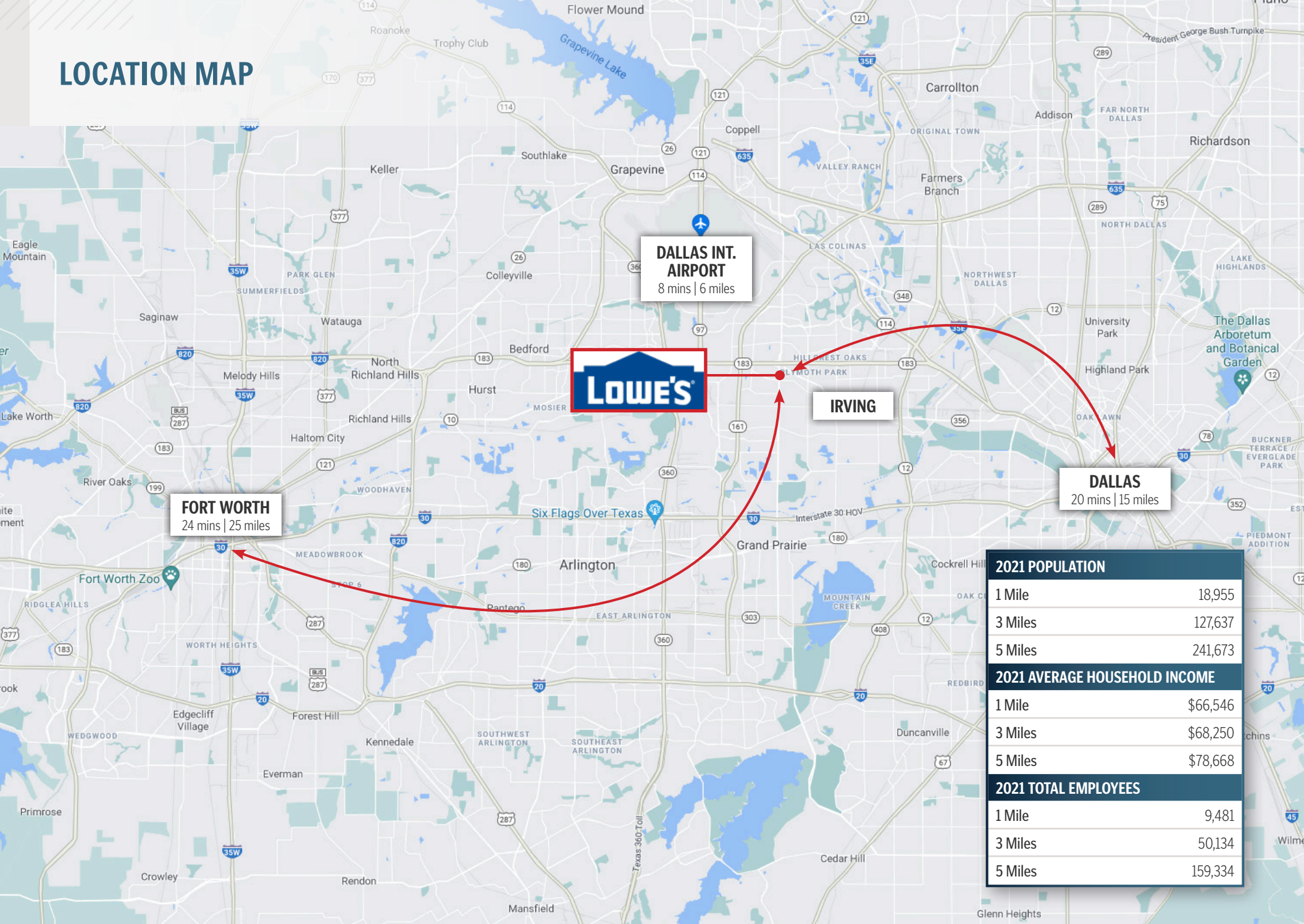








LOCATION MAP



AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	18,955	127,637	241,673
2026 Projected Population	19,574	132,067	255,776
2021-2026 Annual Rate	0.64%	0.68%	1.14%
2021 Median Age	33.3	32.5	32.8
HOUSEHOLDS & GROWTH			
2021 Estimated Households	6,631	44,538	92,224
2026 Projected Households	6,776	45,727	97,532
Projected Annual Growth 2021 to 2026	0.43%	0.53%	1.13%
INCOME			
2021 Estimated Average Household Income	\$66,546	\$68,250	\$78,668
2021 Estimated Median Household Income	\$49,940	\$53,482	\$59,928
DAYTIME POPULATION			
2021 Estimated Total Businesses	856	4,133	9,362
2021 Estimated Total Employees	9,481	50,134	159,334





IRVING, TEXAS

Irving is a principal city located in Dallas County in the U.S. state of Texas. Located on Texas State Highway 183 and easily accessible to Interstate Highways I-30 and I-35, the city houses a portion of Dallas/Fort Worth International Airport. The City of Irving had a population of 247,669 as of July 1, 2021.

Irving's location in between Dallas and Fort Worth and proximity to almost every major freeway in the Dallas/Fort Worth area makes it one of the easiest cities to navigate and visit in the US. several highways wind their way through the city, making travel a breeze in the Dallas/Fort Worth area.

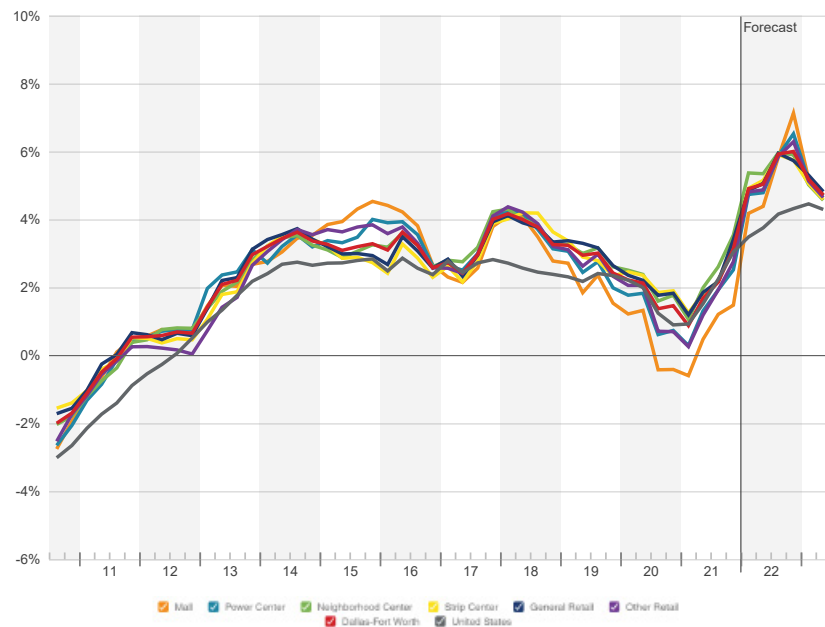
City's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the development of outstanding multi modal transportation systems that include an extensive highway system, commuter and freight rail lines, and DFW International Airport, one of the world's busiest airports located at the city's western boundary. Irving covers 67.6 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived locations in Irving include Las Colinas, DFW Freeport and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and healthcare facilities. The major employers of the city are Citigroup, Inc, Verizon, Irving Mall, Allstate Insurance, YRC Freight, DFW International Airport, Nokia, Quest Diagnostics, Michaels Stores, Microsoft.

MARKET OVERVIEW

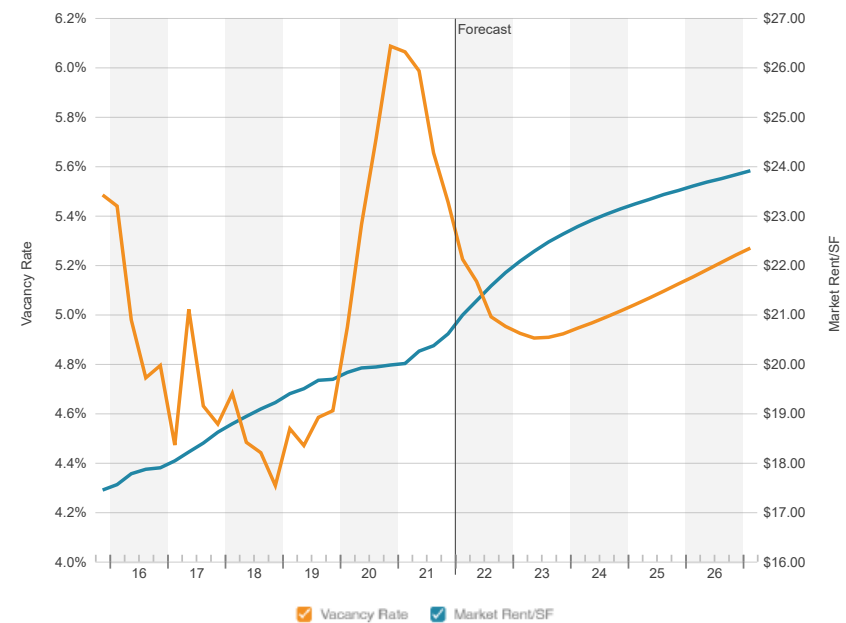
Dallas-Fort Worth has cemented itself as a retail destination with its plethora of shopping, dining and entertainment options. Developers have brought dynamic lifestyle centers, walkable mixed-use, and reimagined outdated and inefficient industrial spaces into some of the nation's trendiest restaurants and boutique shops. While there are concerns about the retail performance given recent events, the Dallas-Fort Worth economy has proven durable in other economic downturns. The metro is typically among the first to show signs of recovery, and the long-term structural advantages, both in terms of economic development and demographics, in north Texas remain intact.

While Dallas-Fort Worth's retail segment felt an outsized impact from the pandemic and recession, the retail segment was marked by resurgent demand in 2021. By many measures, foot traffic and in-person spending picked up closer to pre-pandemic levels. And retailers, more confident, committed to more space. Even so, the virus remains an immediate threat, and current and future variants could disrupt positive momentum in the market. While the labor market is steadily improving, the economic disruption disproportionately impacts workers in the leisure and hospitality segment. Based on the latest employment data through December, this segment is still below pre-pandemic levels by 6%.

MARKET RENT GROWTH (YOY)



MARKET RENT/SF & VACANCY RATE (YOY)



Market Overview and Data were Provided by Costar Markets.

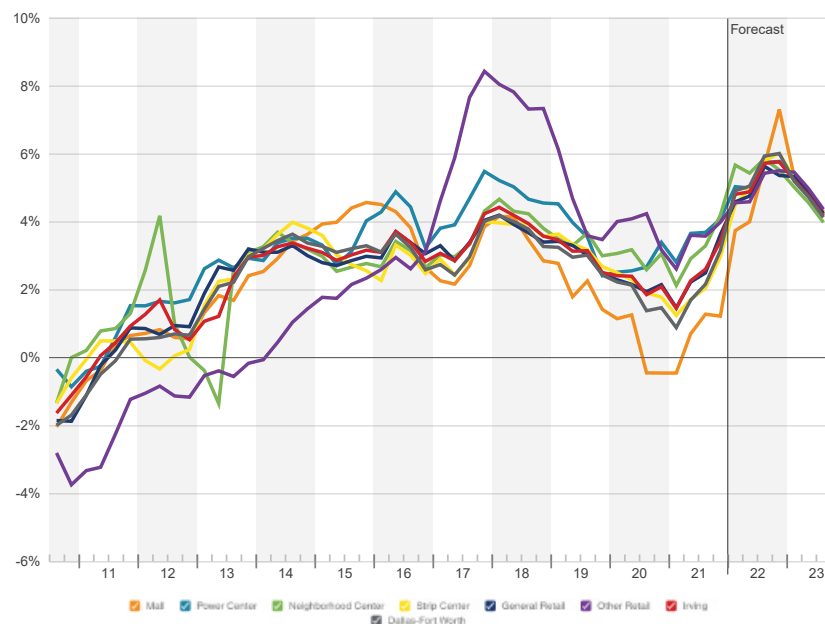
MARKET OVERVIEW

Retail vacancies in Irving were slightly elevated relative to the five-year average during the first quarter, but they were essentially unchanged from this time last year. The rate also comes in below the region's average. Meanwhile, retail rents have risen by 3.4% in the past 12 months. As for the pipeline, development has been relatively steady over the past few years in Irving, and that trend has continued in the first quarter. Irving is a very liquid investment market, characterized by heavy trading, and those trends have largely held in the past 12 months. At \$190/SF, market pricing is considerably lower than the region's average pricing.

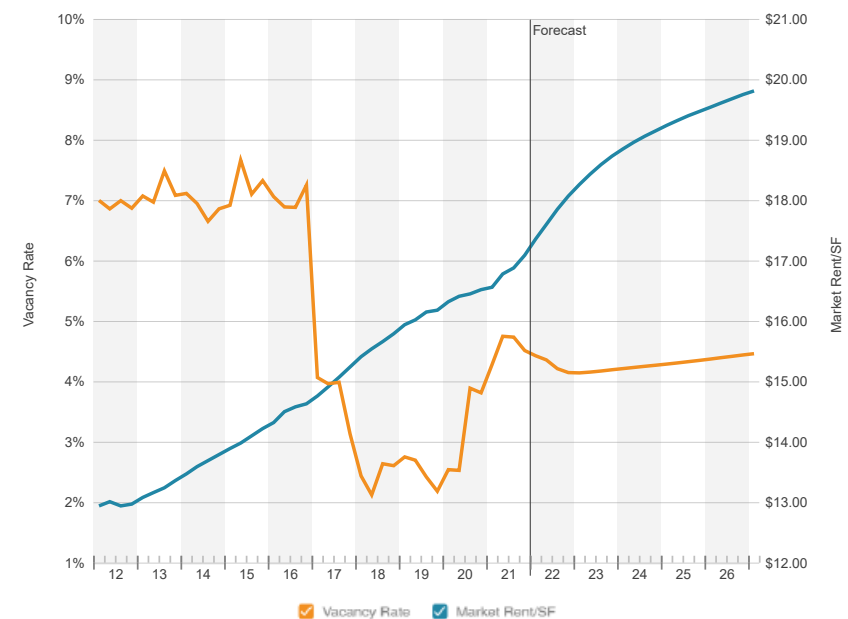
Retail tenants should be able to find space in the Irving Submarket at somewhat of a discount to other parts of the Dallas-Fort Worth metro. Retail space commands \$17.10/SF triple net on average in the submarket, moderately below the \$21.00/SF metro-wide average.

Rents grew by a rate of 3.4% over the past year, within half a percentage point of the strongest rate observed over the past three years. Over a longer window, retail rent growth in both the Irving Submarket and the Dallas-Fort Worth metro at large has been convincingly strong, if not as transformational as the rent gains in a few parts of the country. Retail rents in the submarket are 32.4% higher than they were a decade ago, essentially matching the 10-year metro-wide performance.

MARKET RENT GROWTH (YOY)



MARKET RENT/SF & VACANCY RENT (YOY)



Market Overview and Data were Provided by Costar Markets.



LOWE'S

lowes.com

Company Type: Public (NYSE: LOW)

Locations: 2,200+

2021 Employees: 300,000

2021 Revenue: \$89.60 Billion

2021 Net Income: \$5.81 Billion

2021 Assets: \$46.74 Billion

2021 Equity: \$1.44 Billion

Credit Rating: S&P: BBB+

Lowe's Companies, Inc. is an American company that operates a chain of retail home improvement and appliance stores in the United States, Canada, and Mexico. Lowe's Companies, Inc. was founded in 1946 and is headquartered in Mooresville, North Carolina. With fiscal year 2020 sales of nearly \$90 billion, Lowe's and its related businesses operate or service more than 2,200 home improvement and hardware stores and employ over 300,000 associates. Lowe's is the second-largest hardware chain in the United States behind The Home Depot and ahead of Menards. Its stores sell roughly 400,000+ products for do-it-yourselfers and professionals for home improvement and repair projects, such as lumber, paint, plumbing and electrical supplies, tools, and gardening products, as well as appliances, lighting, and furniture.



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275+

RETAIL
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27

OFFICES

#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

3K+

RETAIL
TRANSACTIONS
company-wide
in 2021

840+

NET LEASE
TRANSACTIONS SOLD
in 2021

\$3.1B

NET LEASE
TRANSACTION VALUE
in 2021

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