

SINGLE TENANT NNN

Ground Lease Investment Opportunity

KOHL'S

(NYSE: KSS)

Co-Anchor to Spanish Fort Town Center (461K+ SF) | Scheduled Rental Increases | Priced Below Replacement Cost



21000 Town Center Avenue | Spanish Fort, Alabama

MOBILE MSA

ACTUAL SITE



EXCLUSIVELY MARKETED BY

KOHL'S

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NATIONAL NET LEASE

Qualifying Broker: Martin Smith, SRS Real Estate Partners | AL License No. 000070431



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PROPERTY PHOTO





SRS National Net Lease is pleased to offer the opportunity to acquire the leased fee interest (land ownership) in a NNN leased, freestanding, Kohl's investment property located in Spanish Fort, AL (Mobile MSA). The tenant, Kohl's, Inc., has over 4 years of firm term remaining with an additional 6 (5-year) option periods left to extend. The lease features 5% rental increases at the beginning of each option period, growing NOI and hedging against inflation. The lease is signed by the corporate entity and is NNN with limited landlord responsibilities, making this an ideal, low-management investment opportunity for a passive investor. Founded in 1927, Kohl's is a leading American department store retail chain with over 1,100 operating stores throughout 49 states.

Kohl's is strategically located along Town Center Avenue with direct access to US Highway 98 (41,700 VPD) and US Highway 31 (23,700 VPD). The site benefits from nearby access onto Interstate 10 (59,400 VPD), providing direct access into Mobile, AL and connecting the MSA. Kohl's is ideally situated as a co-anchor to Spanish Fort Town Center, a 461K+ SF Lifestyle Center also anchored by Bass Pro Shops. The property is also within direct proximity to Jubilee Square (511K+ SF), Eastern Shore Park (385K+ SF), and Eastern Shore Plaza (267K+ SF). The surrounding national/credit tenants include The Home Depot, AMC Theaters, ALDI, Walmart Supercenter, Publix, Lowe's, and Sam's Club, among many others. The strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. Furthermore, the property is near numerous single-family communities and multi-family complexes including The Kensley (104 units), The Vinings at Spanish Fort (240 units), The Arlington at Eastern Shore (300 units), and others, providing a direct residential consumer base. The 5-mile trade area is supported by over 43,100 residents and 19,700 daytime employees, with residents boasting an affluent average household income of \$106,757.

PROPERTY PHOTOS





OFFERING

Price	\$4,232,000
PSF	\$48.66
Net Operating Income	\$317,422
Cap Rate	7.50%
Lease Signature	Corporate (NYSE: KSS)
Tenant	Kohl's, Inc.
Lease Type	NNN - Ground Lease
Landlord Responsibilities	CAM for Shopping Center Land*

Note: Tenant is responsible for their tract while landlord is responsible for the shopping center CAM in accordance with the REA. Tenant pays landlord a fixed \$6,000 annually for the shopping center CAM, which has been factored into the NOI.

PROPERTY SPECIFICATIONS

Rentable Area	86,970 SF
Land Area	7.20 Acres
Property Address	21000 Town Center Avenue Spanish Fort, Alabama 36527
Year Built	2008
Parcel Number	32-09-31-0-000-001.002 & 32-09-30-4-000-007.002
Ownership	Leased Fee (Land Ownership)

4 Years Remaining | Scheduled Rental Increases | Corporate Signature | Established Brand | Promising Future

- The tenant has over 4 years of firm term remaining with an additional 6 (5-year) option periods left to extend
- The lease features 5% rental increases at the beginning of each option period, growing NOI and hedging against inflation
- The asset is priced well below replacement cost at \$48.66 PSF
- The lease is signed by the corporate entity - Kohl's, Inc. (NYSE: KSS)
- Founded in 1927, Kohl's is a leading American department store retail chain with over 1,100 operating stores throughout 49 states
- Per Bloomberg, Kohl's has **increased their full-year profit outlook**
- Kohl's predicts an adjusted EPS as high as \$2.25, up from as much as \$1.85 previously reported - please refer to page 20 for details

Direct Residential Consumer Base | Affluent Community | Demographics in 5-Mile Trade Area

- The property is near numerous single-family communities and multi-family complexes, providing a direct residential consumer base
- The surrounding multi-family complexes include The Kensley (104 units), The Vinings at Spanish Fort (240 units), The Arlington at Eastern Shore (300 units), and others
- More than 43,100 residents and 19,700 employees support the trade area
- Residents within 1-, 3-, and 5-miles of the site boast a healthy average household income of \$87,390, \$102,270, and \$106,757, respectively

NNN Leased | Leased Fee Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- Landlord is responsible for the shopping center CAM in accordance with the REA. Tenant pays landlord a fixed \$6,000 annually for the shopping center CAM, which has been factored into the NOI
- Ideal, low-management investment for a passive investor

Co-Anchor to Spanish Fort Town Center (461K+ SF) | Major Nearby Shopping Centers | Strong National Tenant Presence

- Kohl's is ideally situated as a co-anchor to Spanish Fort Town Center, a 461K+ SF Lifestyle Center also anchored by Bass Pro Shops
- The property is also within direct proximity to Jubilee Square (511K+ SF), Eastern Shore Park (385K+ SF), and Eastern Shore Plaza (267K+ SF)
- The surrounding national/credit tenants include The Home Depot, AMC Theaters, ALDI, Walmart Supercenter, Publix, Lowe's, Sam's Club, and others
- The strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site

Located Along Town Center Avenue | Centralized Location | Mobile MSA | Excellent Visibility & Access

- Strategically located along Town Center Avenue with direct access to US Highway 98 (41,700 VPD) and US Highway 31 (23,700 VPD)
- The site benefits from nearby access onto Interstate 10 (59,400 VPD), providing direct access into Mobile, AL and connecting the MSA
- The property is a quick 12-minute drive into Downtown Mobile and a 47-minute drive into Downtown Pensacola
- The asset has excellent visibility and multiple points of ingress/egress

PROPERTY OVERVIEW

KOHL'S

LOCATION



Spanish Fort, Alabama
Baldwin County
Mobile MSA

ACCESS



Town Center Avenue: 4 Access Points
Bass Pro Drive: 2 Access Points

TRAFFIC COUNTS



US Highway 98: 41,700 VPD
US Highway 31: 23,700 VPD
Interstate 10: 59,400 VPD

IMPROVEMENTS



There is approximately 86,970 SF
of existing building area

PARKING



There are approximately 479 parking spaces on the
owned parcel.
The parking ratio is approximately 5.51 stalls per
1,000 SF of leasable area.

PARCEL



Parcel Number: 32-09-31-0-000-001.002 & 32-09-
30-4-000-007.002
Acres: 7.20
Square Feet: 313,632

CONSTRUCTION



Year Built: 2008

ZONING



B-3: General Business

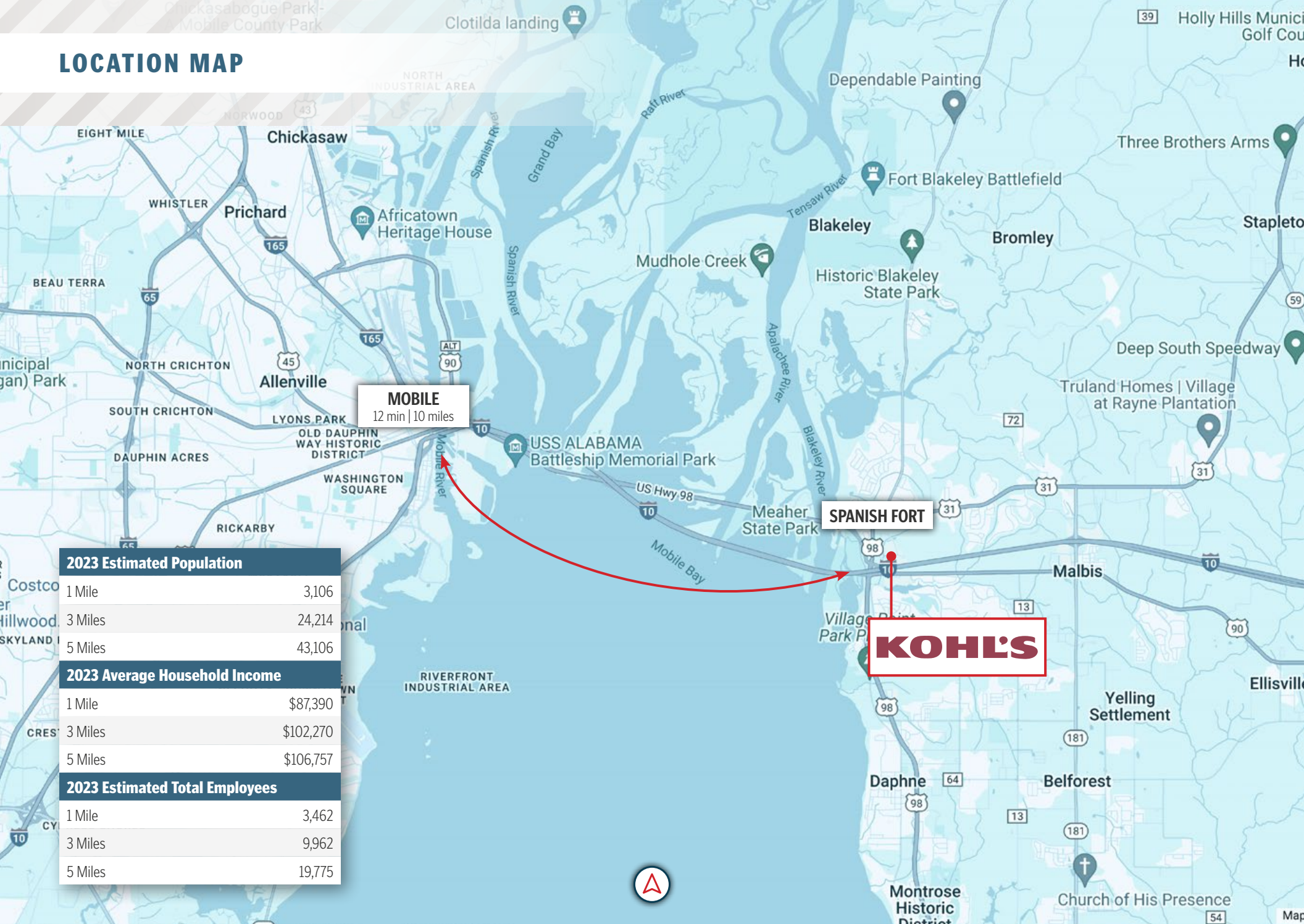








LOCATION MAP





SPANISH FORT, ALABAMA

Spanish Fort is located in Baldwin County in southwest Alabama along the northeast edge of Mobile Bay. It was the site of military action during the American Revolution and the American Civil War. The city of Spanish Fort was incorporated on July 19, 1993. Spanish Fort is a somewhat small coastal city (i.e. on the ocean, a bay, or inlet) located in the state of Alabama. The city of Spanish Fort has a population of 10,788 as of July 1, 2023.

The largest industries in Spanish Fort, AL are Health Care & Social Assistance, Manufacturing, and Educational Services, and the highest paying industries are Professional, Scientific & Technical Services, Management & Administrative, Waste Management Services, and Manufacturing. There are especially a lot of people living in Spanish Fort who work in management occupations, sales jobs, and healthcare.

Spanish Fort, "A City of Spirit", is a vibrant, progressive and friendly community in which to live and raise a family and to establish and grow a business. Located on the Eastern Shore of Mobile Bay, people won't have to go far to find countless opportunities for taking in the beauty of the area while fishing, boating, hunting, enjoying the parks and recreational facilities, catching a spectacular sunset of the bay, dining out on fresh local seafood, or enjoying an extraordinary shopping experience.

Major Universities in Spanish Fort, AL are United States Sports Academy, Fortis College, Auburn University, University of South Alabama Baldwin County, Genesis Career College, Alabama State University Mobile Center, Huntingdon College, Faulkner State Community College, University of South Alabama, and Coastal Alabama Community College. Major Hospitals nearby are Thomas Hospital, University of South Alabama Hospitals, Springhill Medical Center, Rx Advantage, Mercy Medical, Mobile Infirmary Medical Center, and Infirmary Long Term Acute Care Hospital.



MOBILE, ALABAMA

Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, 31 miles from the Gulf of Mexico. The city covers an area of 179 square miles. The city of Mobile has a population of 196,019 as of July 1, 2021.

Manufacturing, higher education and medical services continue to be driving factors for the economy of Mobile. Major industry clusters are Aviation/Aerospace, Chemical, Healthcare, IT/High-Tech, Logistics/ Distribution, Maritime, Oil & Gas, and Steel.

Mobile Aeroplex at Brookley is Mobile's expanding aerospace industry hub. It is home to Airbus U.S. Manufacturing Facility, Airbus Engineering, SAFRAN, Continental Motors, VT MAE, MAAS Aviation, and many other global companies. Mobile offers aviation leaders the right combination of low business costs, skilled labor force in a right-to-work state, airport capabilities, and intermodal access to national and international markets. Chemicals have long been a leader in Mobile's manufacturing profile.

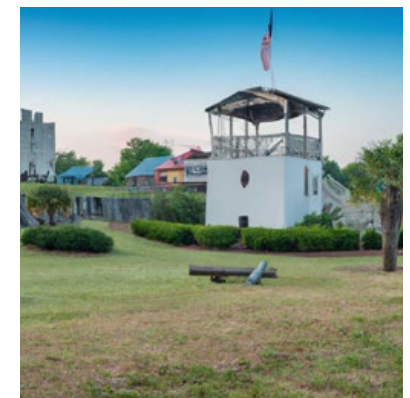
Mobile is a regional center for medical care, research and education. Nearly 12 percent of Mobile's workforce is employed in the healthcare sector. The University of South Alabama (USA) College of Medicine and its affiliated research facilities help keep Mobile on the cutting edge of patient care. Steel manufacturing is a growing player in Mobile's economy.

Mobile's extensive transportation infrastructure keeps business on the move. Major rail, waterway and highway systems converge at the Port of Mobile to link businesses with the nation and the world. Mobile area companies benefit greatly from the multi-modal transportation infrastructure and the commitment by local and state authorities for ongoing investment.

AREA DEMOGRAPHICS

KOHL'S

	1 Mile	3 Miles	5 Miles
Population			
2023 Estimated Population	3,106	24,214	43,106
2028 Projected Population	3,193	25,010	45,652
2010 Census Population	2,618	20,885	32,766
Projected Annual Growth 2023 to 2028	0.55%	0.65%	1.15%
Historical Annual Growth 2010 to 2020	1.53%	1.29%	2.16%
Households & Growth			
2023 Estimated Households	1,346	9,764	17,313
2028 Projected Households	1,393	10,148	18,444
2010 Census Households	1,256	8,575	13,344
Projected Annual Growth 2023 to 2028	0.69%	0.77%	1.27%
Historical Annual Growth 2010 to 2020	0.44%	1.06%	1.99%
Race & Ethnicity			
2023 Estimated White	85.74%	84.43%	82.64%
2023 Estimated Black or African American	6.44%	8.00%	9.45%
2023 Estimated Asian or Pacific Islander	1.51%	1.26%	1.59%
2023 Estimated American Indian or Native Alaskan	0.61%	0.53%	0.47%
2023 Estimated Other Races	2.16%	1.54%	1.51%
2023 Estimated Hispanic	6.31%	4.85%	4.83%
Income			
2023 Estimated Average Household Income	\$87,390	\$102,270	\$106,757
2023 Estimated Median Household Income	\$74,858	\$80,970	\$83,043
2023 Estimated Per Capita Income	\$36,560	\$41,516	\$42,195
Businesses & Employees			
2023 Estimated Total Businesses	272	896	1,796
2023 Estimated Total Employees	3,462	9,962	19,775



RENT ROLL



LEASE TERM						RENTAL RATES					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Kohl's, Inc.	86,970	10/2/2008	10/31/2028	Current	-	\$26,250	\$0.30	\$315,000	\$3.62	NNN Ground Lease	6 (5-Year)
(Corporate Signature)		(est.)									5% Increase at Beg. of Each Option

Note 1: Tenant has a 15-Day Right of First Refusal (ROFR).

Note 2: Landlord is responsible for the shopping center CAM in accordance with the REA. Tenant pays landlord a fixed \$6,000 annually for the shopping center CAM, which has been factored into the NOI.

Pricing Summary

Asking Price	\$4,232,000
PSF	\$48.66
Net Operating Income	\$317,422
Cap Rate	7.50%
Lease Type	NNN - Ground Lease

Property Specifications

Year Built	2008
Rentable Area	86,970 SF
Land Area	7.20 Acres
Address	21000 Town Center Avenue Spanish Fort, Alabama 36527

Operating Cash Flow

	In-Place
Rental Revenue	\$315,000
Reimbursement Revenue	\$6,000
Effective Gross Revenue	\$321,000
Less Landlord's Expenses	(\$3,578)
Net Operating Income	\$317,422

Operating Expenses

	In-Place	PSF/Yr
Taxes	\$0	\$0
Insurance	\$0	\$0
Marketing	\$0	\$0
Shopping Center CAM	\$3,578	\$0.04
Total	\$3,578	\$0.04



KOHL'S

kohls.com

Company Type: Public: NYSE (KSS)

Locations: 1,100+

2024 Employees: 96,000

2024 Revenue: \$17.48 Billion

2024 Net Income: \$317.00 Million

2024 Assets: \$14.01 Billion

2024 Equity: \$3.89 Billion

Credit Rating: S&P: BB

Kohl's (NYSE: KSS) is a leading omnichannel retailer with more than 1,100 stores in 49 states. With a commitment to inspiring and empowering families to lead fulfilled lives, Kohl's offers amazing national and exclusive brands, incredible savings and an easy shopping experience in our stores, online at Kohls.com and on Kohl's mobile app. Since its founding, Kohl's has given more than \$750 million to support communities nationwide, with a focus on family health and wellness. Kohl's Corporate Headquarters is located in Menomonee Falls, Wisconsin

Source: corporate.kohls.com, finance.yahoo.com



KOHL'S SHARES RISE AS IT LIFTS FULL YEAR

(Bloomberg) -- Kohl's Corp. raised its full-year profit outlook as the retailer trims expenses and reduces inventory levels amid a pullback from consumers.

The company now sees adjusted earnings per share of as much as \$2.25, up from as much as \$1.85 previously and well above Wall Street's expectations. The company says its guidance no longer includes the potential negative impact from regulatory changes to credit card late fees by the Consumer Financial Protection Bureau.

To help drive traffic and spur sales, Kohl's introduced tie-ups with brands like Sephora and Babies"R"Us, which it began integrating this quarter, with plans to bring the baby products seller to about 200 of its locations in the fall. Executives said that Sephora's shop-in-shops have attracted new customers about a third of its shoppers include another product from Kohl's in their basket.

While the Menomonee Falls, Wisconsin-based company has seen some success with Sephora, something it seeks to replicate with Babies"R"Us, "ultimately, salvation does not lie in relying on the strength of other brands," Saunders said.

The stock rose 6.2% at 10:15 a.m. in New York trading.

Source: Bloomberg, Lily Meier Wed, Aug 28, 2024



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of SRS Real Estate Partners

300+

TEAM
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25+

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TRANSACTIONS

company-wide
in 2023

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SOLD
in 2023

\$2.2B+

CAPITAL MARKETS
TRANSACTION

VALUE
in 2023

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