

Marcus & Millichap
BROWN RETAIL GROUP

Albertsons®

FUTURE PAD DEVELOPMENT
(INCLUDED IN PURCHASE)

ALBERTSONS (FEE SIMPLE)

600 N Fee St, Helena, MT 59601

RARE VALUE-ADD SINGLE-TENANT GROCERY INVESTMENT FEATURING WELL BELOW MARKET RENT (\$1.96/SF NNN) LOCATED IN RAPIDLY GROWING HELENA, MT



THE OFFERING

600 N Fee St, Helena, MT 59601

Marcus & Millichap's Brown Retail Group has been exclusively selected to market for sale fee simple interest in the **Albertsons in Helena, MT, a rare value-add single-tenant grocery opportunity featuring well below market rent and significant upside in the future.** The lease is with Albertson's LLC and features an absolute NNN structure with no landlord maintenance or repair responsibilities. Albertsons is currently operating on a fee simple lease that was signed back in 1978 that comes due in December of 2033 where they have no additional options to extend. Albertsons is currently paying just \$1.96/SF NNN in annual rent with market rents achievable in the \$17-\$20/SF + NNN range, providing a low operating cost for Albertsons and significant upside for the new owner upon expiration of the current lease. In addition, the Property features a roughly 20,000 SF pad site adjacent to McDonald's that could be redeveloped in the future into fast food, coffee, strip retail, or various other tenant uses. The Property is located directly on Hwy 12 and 11th Ave, receiving a combined 29,000+ VPD and is adjacent to I-15 which receives an additional 24,800+ VPD. The Property benefits from its proximity to multiple brand name hotels, including LaQuinta, Days Inn and Hampton Suites. McDonald's is located as an out-parcel to Albertsons (NAP), and various other national tenants surround the Property including Walmart, Starbucks, Wendy's, Taco Bell and Walgreens. Within a 5-mile radius, the population has grown nearly 17% since 2011 and is projected to increase by another 4.7% in the next 5 years, with average household incomes of nearly \$86,000. Within a 1-mile radius of the subject property, the population has grown nearly 12% since 2010.

PRICE: \$2,995,000
PRICE/SF: \$106



THE PROPERTY

Price	\$2,995,000
Price/SF	\$106/SF
Gross Leasable Area	28,300 SF
Lot Size (Acres)	2.39 Acres
Type of Ownership	Fee Simple
Year Built/Renovated	1978

LEASE SUMMARY

Tenant	Albertsons
Rent Increases	None
Lessee	Albertson's LLC (Corporate)
Lease Type	Absolute Net
Lease Commencement	10/19/1978
Lease Expiration	12/31/2028^[1]
Renewal Options	1, 5-Year Option
Lease Term Remaining	4.9 Years
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal	No

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current - 12/31/2028	\$55,560	\$4,630	\$1.96
Options			
6th Option 1/1/2029 - 12/31/2033	\$55,560	\$4,630	\$1.96

ESTIMATED RE-LEASED VALUE

	ANNUAL RENT	RENT/SF
Additional Pad Development	\$102,000 ^[2]	\$3.60/SF + NNN ^[2]
Proforma Net Income	\$566,000	\$20.00/SF + NNN
Total Proforma Net Income	\$668,000	\$23.60/SF + NNN
Exit Cap Rate	6.00%	
Exit Sales Value	\$11,133,333	\$393/SF + NNN

[1] The current lease with Albertsons was signed back in October, 1978 and featured a 25 year lease with six, 5-year options to extend. Albertsons just exercised their 5th option to extend with the current lease now expiring on December 31st, 2028. Albertsons has one, additional option to extend (6th option), that if exercised, will expire December 31st, 2033.

[2] Assumes pad site is redeveloped into fast food, coffee, or strip retail at market rents.



2,271

RETAIL
STORES

\$79.2B

IN SALES
(2023)

REPRESENTATIVE INTERIOR PHOTO



As one of the largest food and drug retailers in the United States, Albertsons Companies operates stores to be locally great while being nationally strong. The Company's omnichannel approach and commitment to innovation are making it easier and more convenient for customers to shop, paving the way for profitable, sustainable growth. The company's product portfolio includes dairy products, deli products, frozen foods, groceries, meat, seafood, snacks, wine, beer and spirits, bakery products, health and beauty care, baby care and pharmaceutical products. It markets products under Signature Select, Signature Care, O Organics, Open Nature, Signature Cafe, Lucerne Dairy Farms, Waterfront Bistro, Signature Reserve, Primo Taglio and Value Corner brand names. The company also provides storage tips, free home delivery, mobile applications, discount coupons, gift cards, and pharmacy services. It operates retail stores and pharmacies across the US under various banners such as Albertsons, Acme, Jewel-Osco, Shaw's and Star Market, and United Supermarkets.

Headquarters	Boise, ID
Locations	2,271
Website	https://www.albertsonscorporation.com/home/default.aspx

THE HIGHLIGHTS

SIGNIFICANTLY BELOW MARKET RENT

Albertsons is currently paying just \$1.96/SF + NNN in annual rent with market rents achievable in the \$17-\$20/SF + NNN range, providing a low operating cost for Albertsons and significant upside upon expiration of the current lease in 2032.

RARE SINGLE-TENANT GROCERY RE-DEVELOPMENT OPPORTUNITY

Albertsons just exercised their second to last 5-year option which commenced in December, 2023. The new owner will have a significant opportunity to increase rents to market in 2032 upon expiration of the lease with an estimated stabilized value in excess of \$11,000,000.

FUTURE PAD DEVELOPMENT

The Property features a roughly 20,000 SF pad site adjacent to McDonalds that could be re-developed in the future into fast food, coffee, strip retail, or various other tenant uses.

STRONG CORPORATE ALBERTSON'S LEASE

The lease is with Albertson's LLC, which reported over \$79.2 billion in revenue in 2023. Albertsons Companies boasts a total of 2,271 stores in 32 states and territories.

ABSOLUTE NET LEASE & FEE SIMPLE OWNERSHIP

The Property features an Absolute Net lease with zero Landlord management or repair responsibilities. The Property features fee simple ownership, with the new owner having the ability to depreciate the value of the real estate improvements to boost after tax returns.



LARGE 2.39 ACRE LOT WITH AMPLE PARKING

The Property features a large, 2.39 acre lot providing for ample parking and future re-development potential.

SURROUNDED BY NEW DEVELOPMENT

The Property is surrounded by new development including a Starbucks, Taco Bell, Panera Bread and Health System of Helena (3 story clinic) in the middle of construction and are projected to open operations later this year.

DOMINANT RETAIL LOCATION WITH EXCELLENT VISIBILITY

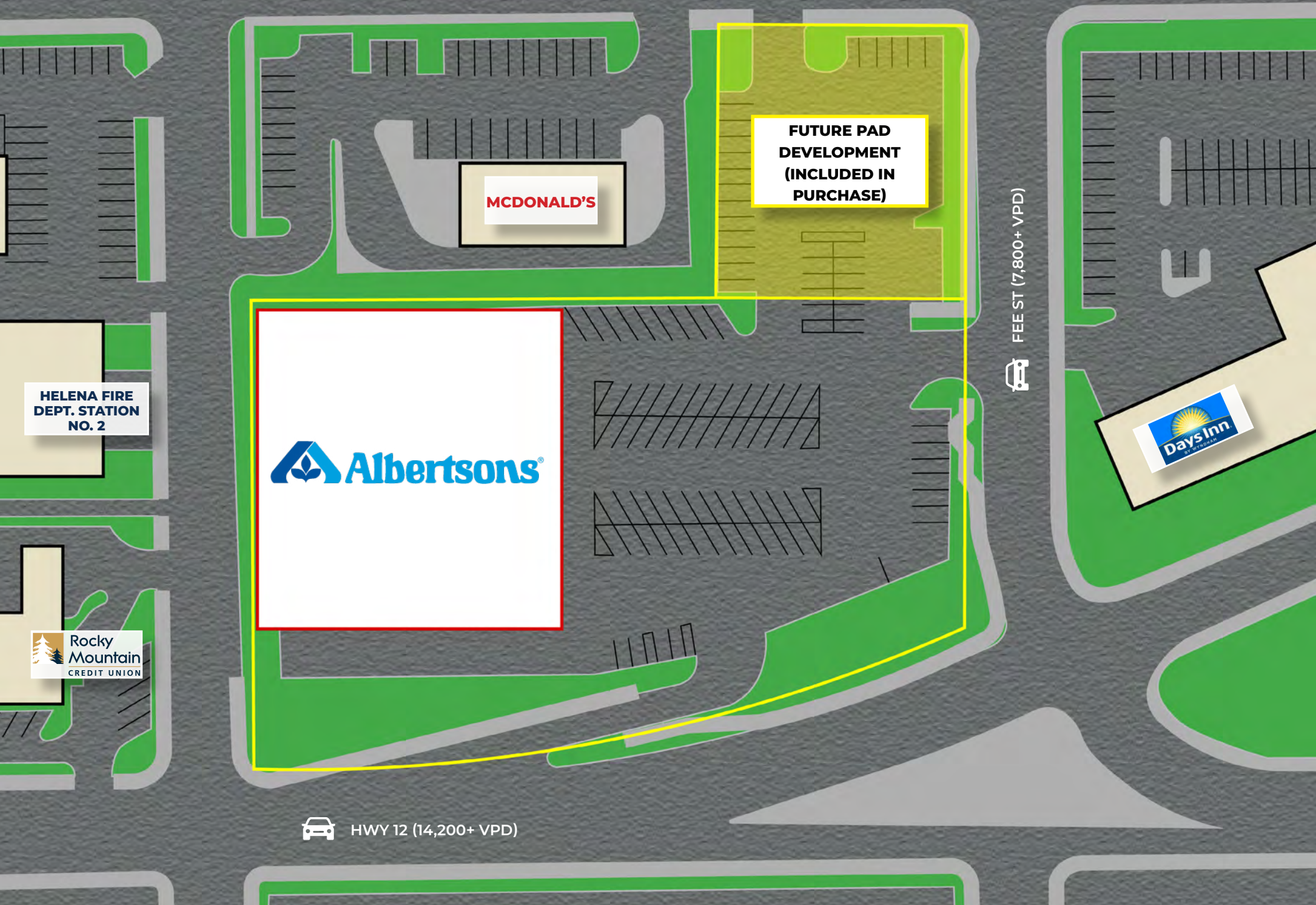
The Property is located directly on Hwy 12 and 11th Ave, receiving a combined 29,000+ VPD and is adjacent to I-15 which receives 24,800+ VPD. The Property benefits from its proximity to multiple brand name hotels, including LaQuinta, Days Inn and Hampton Suites. McDonald's is located as an out-parcel to Albertsons (NAP), and various other national tenants surround the Property including Walmart, Starbucks, Wendy's, Taco Bell and Walgreens.

AFFLUENT, HIGH POPULATION GROWTH MARKET

Within a 5-mile radius, the population has grown nearly 17% since 2011 and is projected to increase by another 4.7% in the next 5 years, with average household incomes of nearly \$87,000. Within a 1-mile radius, the population has grown nearly 12% since 2010.

**FUTURE PAD DEVELOPMENT
(INCLUDED IN PURCHASE)**

PROSPECT AVE (14,900+ VPD)



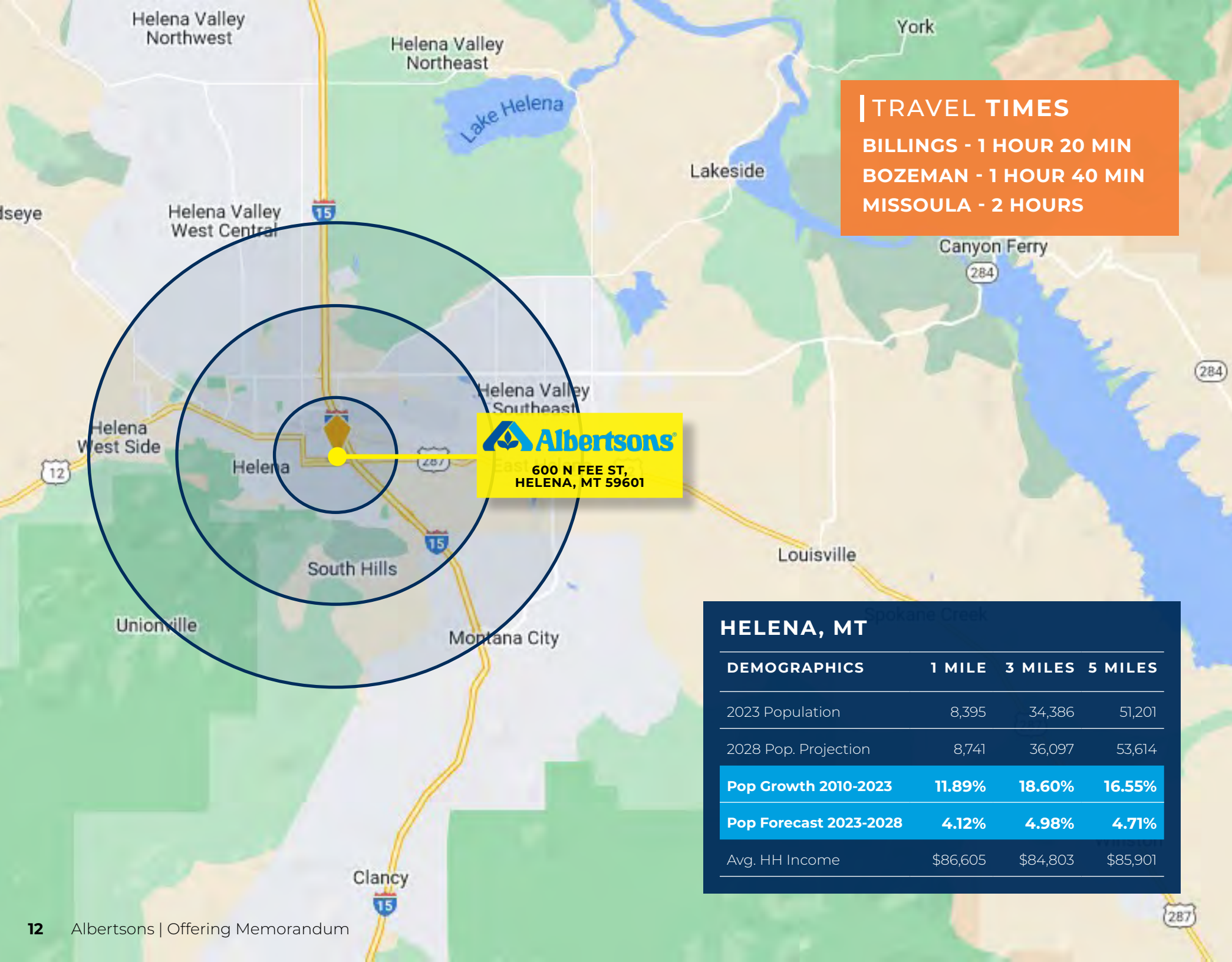
LOCATION OVERVIEW

HELENA, MONTANA

Helena is the capital city of Montana and the 5th largest in the state by population. Helena was founded as a gold camp during the Montana gold rush, and established on October 30, 1864. Due to the gold rush, Helena became a wealthy city, with approximately 50 millionaires inhabiting the area by 1888. The concentration of wealth contributed to the city's prominent, elaborate Victorian architecture. Many working Helenans (approx. 18%) work for agencies of the state government. Education is a major employer, with two high schools and accompanying elementary and middle schools for K-12 students as well as Helena College. Major private employers within the city of Helena include Carroll College and the medical community.

A popular tourist destination is the local walking mall. It was completed in the early 1980s after Urban Renewal and the Model Cities Program in the early 1970s had removed many historic buildings from the downtown district. During the next decade, a three-block shopping district was renovated that followed the original Last Chance Gulch. A small artificial stream runs along most of the walking mall to represent the underground springs that originally flowed above ground in parts of the Gulch.





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ACTUAL PROPERTY PHOTO

