

Best Buy Outlet - Single Tenant NNN  
9537 W Colonial Dr | Orlando, FL 34761



**BEST BUY®**  
**Outlet**

- Absolute NNN lease with no landlord responsibilities.
- Property Adjacent to New West Oaks Mall - which is a 1.1mil square foot regional super mall
- 6.19% Actual Capitalization Rate
- Best Buy lease is 100% Guaranteed by Best Buy Co. Inc. (NYSE: BBY) (corporate guarantee).
- Fee simple transaction Real property included. Strong Credit Tenant.

JOHN DEMARCO, ACP, CCIM  
954-678-8733  
JohnDeMarco@Remax.net

RE/MAX 5 STAR REALTY  
4151 Hollywood Blvd  
Hollywood, FL 33020  
(954) 361-0000  
www.DeMarcoGroup.com

Each office independently owned and operated

## INVESTMENT DETAILS

9537 W Colonial Dr | Orlando, FL 34761

### ANALYSIS

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Analysis Date                      June 2019

### PROPERTY

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Property                              Best Buy Outlet - Single Tenant NNN  
Property Address                      9537 W Colonial Dr  
    Orlando, FL 34761  
Year Built                                2000

### PURCHASE INFORMATION

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Property Type                        Commercial  
Purchase Price                        \$10,500,000  
Tenants                                 1  
Total Rentable Sq. Ft.                44,988

### FINANCIAL INFORMATION

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All Cash

### LOANS

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Type	Debt	Term	Amortization	Rate	Payment	LO Costs
All Cash						

### INCOME & EXPENSES

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Gross Operating Income                \$650,391  
Monthly GOI                              \$54,199  
Total Annual Expenses                    \$0

**INVESTMENT OVERVIEW**

9537 W Colonial Dr | Orlando, FL 34761

<b>Investment Overview</b>	
<b>Tenant</b>	<b>Best Buy Co., Inc.</b>
<b>Year Built</b>	<b>2000</b>
<b>Building Size</b>	<b>44,988 Sq.Ft.</b>
<b>Land Area</b>	<b>4.03 Acres</b>
<b>Parking</b>	<b>191 Spaces</b>
<b>Lease Type</b>	<b>Absolute NNN</b>
<b>Landlords Responsibilities</b>	<b>None</b>
<b>Lease Commencement</b>	<b>October 12, 2000</b>
<b>Lease Expiration</b>	<b>October 11, 2020</b>
<b>Base Lease Term</b>	<b>20 (Twenty) years</b>
<b>Annual Base Rent</b>	<b>\$650,391.00</b>
<b>Renewal Options</b>	<b>3 5-Year</b>

<b>Renewal Options</b>	
<b>10/2020 - 10/2025</b>	<b>\$669,903.00</b>
<b>10/2025 - 10/2030</b>	<b>\$690,000.00</b>
<b>10/2030 - 10/2035</b>	<b>\$710,700.00</b>

Renewal Notice: 180 Days Prior to Expiration of Term

## PROPERTY DESCRIPTION

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Alena Gridasova and John DeMarco with Re/Max 5 Star Realty are proud to present the sale of a Best Buy single tenanted NNN property. This property is leased by the Best Buy corporation with a Corporate Guarantee. Best Buy remains a strong credit tenant with consistent year over year increases in earnings. This is a true absolute triple net leased property with no Landlord maintenance/property responsibilities. This is a fee simple real estate transaction with no master lease or title encumbrances.



The physical property consists of over 45,000 square feet built in 2000. The building is comfortably situated on 4.03 acres with ample parking. Full engineering reports and building plans on file. This property is in excellent condition. The absolute triple net NNN lease requires the Best Buy corporation to maintain the entire property including roof, building exterior, parking lot, all interior components. The overall property is in excellent condition and extremely well maintained.

The Best Buy Corporation currently has a 20-year lease with 3, 5-year options to renew (16 total years remaining). This lease was originated on October 12<sup>th</sup> 2000; the next option to renew is on October 11<sup>th</sup> 2020. This location has been successfully operating since lease commencement. The tenant is doing full renovation and rebranding the store to Best Buy Outlet. There is an indication that Best Buy will be renewing their lease. Landlord and Broker fully anticipate Best Buy to exercise all lease options and remain at this location for the balance of their 16-year lease any beyond. Best Buy is currently paying \$650,391 per year in base (net) rent. All CAM charges are paid in addition of base rent. CAM charges include Landlord's real property taxes and insurance costs. CAM will cover the new owner's real property tax increase in the event the property tax assessment increases after closing on this acquisition. The current Net operating income of \$650,391 provides an investor with a very strong 6.2% capitalization rate at the full acquisition price of \$10,500,000. This Cap rate is in line with market Cap rates for properties that retain credit tenant on NNN leases. Please reference comparable Best Buy sales included in this offering. There are 3% rent increases with each option renewal so NOI will continue to increase throughout the duration of this lease.

Best Buy (BBY) has continued to surpass earnings projections 14 of the last 15 quarters. Their current investor S&P credit rating is strong with a BB+ rating and a stable/positive outlook. Stock is up more than 300% since 2012, and operating income has increased to \$1.85 billion on a healthy \$40 billion in gross revenue. Ranked #60 on Fortune 500's 2014 list of America's Largest Companies, Best Buy is the world's largest consumer electronics retailer with over 1,400 stores worldwide.

## PROPERTY DESCRIPTION

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Strategically located in Ocoee Florida, a small suburb in the Orlando–Kissimmee–Sanford, Metropolitan area. This Best Buy is only 1 of 2 located in West Orlando. Positioned Directly on West Colonial Drive (S.R. 50) in close proximity to the East-West Expressway SR 408 (0.08 mi), and within minutes of the Florida Turnpike and SR 429 makes this location very accessible from surrounding areas. The West Orlando area has shown significant increases in total retail revenue and population growth over the last 5 years and trending upwards. Included in this offering are detailed retail reports and demographics in the Orlando marketplace.



This property sits directly adjacent to the West Oaks Mall, joining destination retail stores such as Michael's, PetSmart, Vitamin Shoppe, Dillard's, AMC theaters, JCPenney, Men's Warehouse, Victoria's Secret, KAY Jewelers and many more. West Oaks Mall is a 1.1mil square foot super-regional mall. Click link to review additional information on West Oaks Mall <http://www.westoaksmall.com/>.



Within this same mall complex is a new development project called West Oaks Town Center. This project has already broken ground and construction is in progress. Completion is slated for the second quarter of 2018. West Oaks Town Center will transform this shopping center into a mixed-use urban utopia, complete with retail, multi-family residences, a 200-room hotel, conference center, restaurants, freestanding shops, offices, and single family residential homes. The existing shopping mall will also be significantly renovated and improved. This new project is expected to increase Best-Buy's overall sales and location desirability. West Oak Town Center will increase retailers price points both in leasing rates, income earnings, and overall real estate commercial market values. Best Buy is the main shadow anchor in this area.

This is a rare opportunity to purchase a proven asset, fully leased on an absolute NNN basis to one of the nation's largest companies, providing attractive returns and benefitting from a rapidly improving area. For additional information please contact listing broker directly.

## Best Buy Co., Inc.

Best Buy Co., Inc. (NYSE: BBY) is an American public company that is a specialty retailer of consumer electronics in the United States, accounting for 19 percent of the market. Best Buy is the largest multichannel electronics retailer in the world, selling both products and services through three primary channels: retail stores, online, and call centers. Its branded store banners include Best Buy, Best Buy Mobile, The Phone House, Five Star, Future Shop, Geek Squad, Magnolia Audio Video, and Pacific Sales. Its stores sell a variety of electronic gadgets, movies, music, computers, mobile phones, and appliances.

In 2012 Best Buy implemented their “Renew Blue” strategic plan. “Renew Blue” has led to an increase in net earnings from \$532 million in 2014, to \$1.23 billion in 2017. Best Buy offers a broad selection of brand-name products for consumers. Major suppliers include Apple, Samsung, Hewlett-Packard, Sony, and Toshiba, which together account for 40% of total merchandise purchased by Best Buy. Best Buy is focused on delivering its customer promise to provide: a low-price guarantee, the latest and greatest devices and services in one place, impartial and knowledgeable advice, the ability for customers to shop when and where they want and have support for the life of the product.

In April 2013, Best Buy and Samsung announced a unique partnership between the leading electronics retailer and the world’s largest producer of smartphones and began installing Samsung Experience Shops in Best Buys across the US.

Company:	Best Buy
Stock Symbol	BBY
Exchange:	NYSE
S&P Credit Rating	BB
US. Locations:	1,050
Florida Locations:	65
Total Revenue FY2016	\$39.5 billion
Market Capitalization:	\$13.6 billion
Concensus Analyst Rating	Outperform
Founded:	1966
Headquarters:	Richfield, MN

# MAPS AND AERIALS

9537 W Colonial Dr | Orlando, FL 34761



# MAPS AND AERIALS

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# DEMOGRAPHICS

9537 W Colonial Dr | Orlando, FL 34761



Population	1 Mile	3 Mile	5 Mile
Male	5,143 (50.93 %)	39,672 (49.73 %)	104,214 (49.25 %)
Female	4,955 (49.07 %)	40,099 (50.27 %)	107,370 (50.75 %)
Total Population	10,098	79,771	211,584
Age Breakdown	1 Mile	3 Mile	5 Mile
Ages 0-4	629 (6.23 %)	4,872 (6.11 %)	14,098 (6.66 %)
Ages 5-9	775 (7.67 %)	6,106 (7.65 %)	17,337 (8.19 %)
Ages 10-14	726 (7.19 %)	5,880 (7.37 %)	16,227 (8.19 %)
Ages 15-19	722 (7.15 %)	5,798 (7.27 %)	15,689 (7.42 %)
Ages 20-24	751 (7.44 %)	5,689 (7.13 %)	15,106 (7.14 %)
Ages 25-29	708 (7.01 %)	5,263 (6.60 %)	14,273 (6.75 %)
Ages 30-34	652 (6.46 %)	4,840 (6.07 %)	13,612 (6.43 %)
Ages 35-39	630 (6.24 %)	4,772 (5.98 %)	13,681 (6.47 %)
Ages 40-44	679 (6.72 %)	5,119 (6.42 %)	14,273 (6.75 %)
Ages 45-49	751 (7.44 %)	5,639 (7.07 %)	14,844 (7.02 %)
Ages 50-54	759 (7.52 %)	5,825 (7.30 %)	14,459 (6.83 %)
Ages 55-59	666 (6.60 %)	5,372 (6.73 %)	12,944 (6.12 %)
Ages 60-64	529 (5.24 %)	4,482 (5.62 %)	10,668 (5.04 %)
Ages 65-69	403 (3.99 %)	3,448 (4.32 %)	8,174 (3.86 %)
Ages 70-74	287 (2.84 %)	2,512 (3.15 %)	5,879 (2.78 %)
Ages 75-79	198 (1.96 %)	1,681 (2.11 %)	3,990 (1.89 %)
Ages 80-84	103 (1.02 %)	1,023 (1.28 %)	2,509 (1.19 %)
Ages 85+	130 (1.29 %)	1,450 (1.82 %)	3,821 (1.81 %)



## DEMOGRAPHICS

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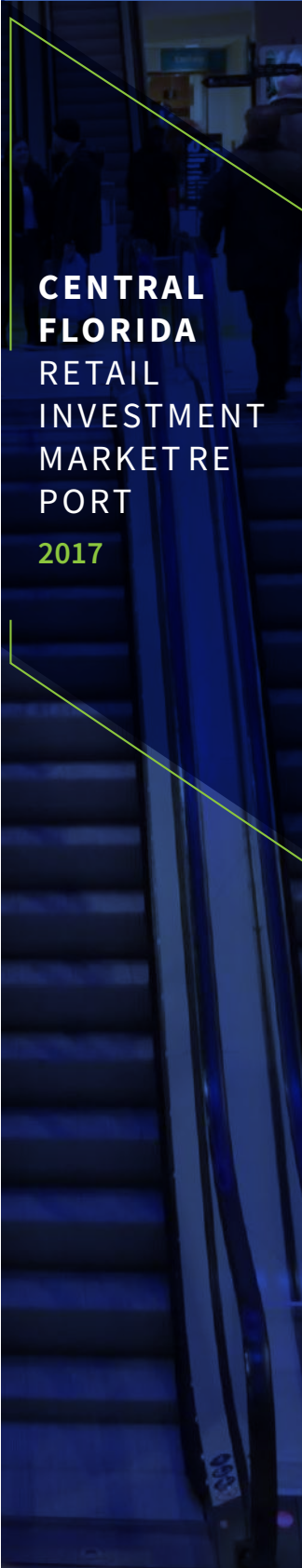
<b>Household Income</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
Median Income	\$49,535	\$50,557	\$40,022
Less than \$10,000	157	1,095	3,996
\$10,000 - \$14,999	190	809	3,770
\$15,000 - \$19,999	121	1,040	3,725
\$20,000 - \$24,999	124	1,464	4,016
\$25,000 - \$29,999	241	1,607	4,522
\$30,000 - \$34,999	170	1,359	4,304
\$35,000 - \$39,999	156	1,651	4,927
\$40,000 - \$44,999	276	1,289	4,100
\$45,000 - \$49,999	211	1,380	3,489
\$50,000 - \$59,999	428	2,881	6,986
\$60,000 - \$74,999	436	2,942	8,217
\$75,000 - \$99,999	496	3,848	8,543
\$100,000 - \$124,999	304	2,309	5,114
\$125,000 - \$149,999	152	1,524	2,635
\$150,000 - \$199,999	89	1,311	2,795
Greater than \$200,000	45	1,176	2,518

<b>Housing</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
Housing Units	4,025	31,244	85,465
Occupied Units	3,564	28,507	74,682
Owner Occupied Units	2,085	19,470	45,012
Renter Occupied Units	1,479	9,037	29,670
Vacant Units	461	2,737	10,783

<b>Race Demographics</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
Population Non Hispanic White	4,959	44,769	102,624
Population Black	4,198	24,434	80,698
Population Am In/Ak Nat	4	64	203



**CENTRAL  
FLORIDA  
RETAIL  
INVESTMENT  
MARKET RE  
PORT  
2017**

**RETAIL MARKET**

**National Retail Outlook**

With 2016 well behind us and 2017 fully underway, it's almost disheartening to continue the discussions surrounding President Trump. However, Trump's presidency will have a direct impact on commercial real estate. President Trump is placing a significant focus on making changes to fiscal, trade, regulatory, and diplomatic policy with his economic plan; however, the details are still unknown. It will take a long time before we fully understand how the Trump Administration's policies will impact the economy and the real estate market. As we have seen in past elections, it will be extremely difficult for Trump to realize any significant progress in his first year in office.

Although there is uncertainty surrounding 1031 exchanges, among other topics, we believe that we can breathe easy, at least for the immediate future. To rewrite or change the 1031 regulations would have a substantially greater impact than just those using it as a tax shelter. There are countless jobs that have been formed and rely on the 1031 exchange—exchange specific attorneys, accountants, intermediaries, brokers, countless other professionals, REITs, and real estate investment companies—it has become its own industry. Substantial changes would cause a tsunami-like ripple in the economy. There are bigger, more pressing worldly matters that need immediate attention.

The Federal Reserve will continue to be a major influence on commercial real estate throughout the remainder of 2017 and into 2018. The Fed must concentrate on the fine balance of sustaining growth without letting inflation escalate too rapidly. Rising inflation will signal strong economic development, however, and will enhance the attractiveness of commercial real estate due to its hedge against inflation. The Fed, for the remainder of 2017, has indicated at least two more rate increases. However, strong confidence with escalating fiscal stimulus and tax cuts could trigger accelerated economic expansion. The Fed, in an effort to sustain balanced growth, could get more aggressive with rate hikes.

Recently, rising interest rates are reinforcing investor caution and slowing investment real estate transaction activity. Additionally, the depth of the buyer pool has become smaller in recent years. Still, given the potential for robust cash flows and rent appreciation, foreign investors continue to gravitate toward the safety and security of investing in a relatively healthy US economy.

The overall, the market has had an intense run-up in sales activity and values over the last five years, and that type of velocity is hard to maintain. Although pricing has begun to recede from all-time highs, real estate fundamentals are very healthy and there is no distress in the market. Sellers have been reluctant to discount assets even with increased urgency to sell, as retail rents have begun to plateau in an environment of gradually rising interest rates. Buyers are looking for lower prices to accommodate higher perceived risk, but they have also indicated their willingness to pay premium prices for quality properties.

Over the next few months buyers and sellers will recalibrate expectations, especially if there is clarity on tax reform and infrastructure spending. We are now in year seven of the expansion phase. Since 1950, the average expansion has lasted five and a half years. By that measure, we are overdue for a recession. Nevertheless, U.S. real estate transaction activity should remain relatively healthy in 2017.

**Orlando Retail Outlook**

Although there is economic uncertainty, which has caused a bit of a pause in the commercial real estate market, Florida has never looked brighter.

Orlando's standing as a hotspot for domestic and international travelers is influencing retail activity in Central Florida. New attractions to the tourist corridors, like Margaritaville (W-192) or the SkyPlex (I-Drive), as well as new attractions and additions to theme parks, will continue to entice visitors—Orlando saw a record breaking 68 million visitors in 2016. The city's worldwide notoriety and economic growth will continue to attract interest from domestic and international buyers alike. Competitive but stabilized cap rates will offer buyers the opportunity to find higher yielding investments and portfolio diversity. The long-term fundamentals of Greater Orlando's retail market are strong and while income appreciation has been less than exciting, the flow of capital should help keep the market active.

This far-reaching, extensive market of Central Florida has observed a rapid decline in vacancies, and has experienced steady but increasing lease rates. Lease rates in sought after locations, such as the major tourist corridor of I-Drive and W-192, and Winter Park's 17-92 corridor, are seeing record growth. Growth of national and international restaurant brands has also occurred in recent years, a trend that we don't expect to end soon. Additionally, the Orlando MSA unemployment rate dropped to 4.5% largely driven by: tourism, real estate, retail, technology and health industries. Orlando has continued to lead the nation in job growth, as it has ranked in the top three amongst the nations largest metro areas for job growth over the past three years. As new jobs were created, growing income levels gave way to an increase in demand for more space and thus a rise in rental rates.

E-commerce has slowed the development and expansion of brick and mortar retail, but grocery-anchored developments have remained active, as niche grocers and investor-favored tenants are taking advantage of Greater Orlando's population boom. Together, tenants like Wawa and Racetrac, along with Quick Service Restaurants ("QSRs") and casual dining concepts continue to

continued on Page 4

**1Q 2017  
Retail  
Market Statistics**

**73,019,857**  
TOTAL SF

**6.69%**  
VACANCY

**518,553**  
SF ABSORPTION

**554,280**  
SF UNDER  
CONSTRUCTION

**\$25.19**  
AVG. ASKING  
BASE RENT/SF

**\$273,771,736**  
BUILDING SALES  
VOLUME

**\$87.02**  
AVG. SALE PRICE/SF

## 2017 Central Florida Retail Stats

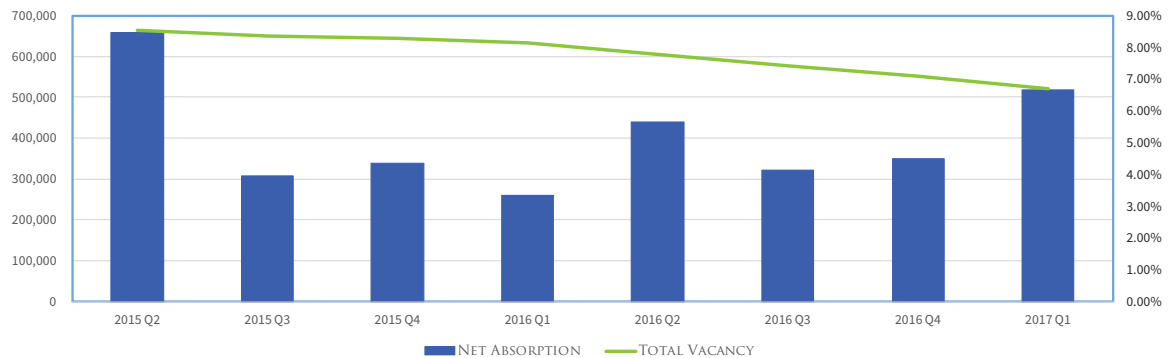
	# of Bldgs	Total SF	Total Vacancy	Avg Asking Base Rent	Net Absorption	YTD Absorption	# U/C	Under Construction
2017 Q1	5,265	73,019,857	6.7%	\$25.19	518,553	1,189,484	31	554,280
2016 Q4	5,226	72,533,075	7.1%	\$24.76	348,499	1,109,117	30	539,370
2016 Q3	5,196	72,031,125	7.4%	\$21.76	322,432	1,020,471	28	454,185
2016 Q2	5,167	71,737,466	7.8%	\$20.96	438,186	1,036,832	23	372,170
2016 Q1	5,149	71,581,440	8.1%	\$18.79	259,853	906,335	14	219,939
2015 Q4	5,101	70,815,790	8.3%	\$18.43	338,793	1,304,220	16	205,785
2015 Q3	5,045	70,278,504	8.3%	\$17.70	307,689	966,187	22	301,706
2015 Q2	5,001	70,006,674	8.5%	\$17.13	657,738	658,498	34	408,376
2015 Q1	3,403	61,275,298	9.4%	\$15.29	760	760	27	394,585

## 2017 Central Florida Retail Breakdown

	# of Bldgs	Total SF	Total Vacancy	Rental Rate	Net Absorption	YTD Absorption	# U/C	Under Construction
<b>Multi-Tenant</b>								
Orange County	695	23,528,864	6.9%	\$24.68	110,699	159,051	10	198,797
Osceola County	221	6,792,770	5.0%	\$18.65	29,027	43,941	1	75,000
Seminole County	260	8,687,609	11.2%	\$14.19	143,590	161,138	5	142,837
Lake County	152	4,929,458	9.9%	\$12.07	(47,090)	36,108	0	0
Brevard County	1,460	8,200,058	2.5%	\$46.27	13,970	24,090	2	17,237
<b>Single Tenant*</b>								
Orange County	329	1,878,977	1.1%	\$22.11	8,290	10,284	4	12,894
Osceola County	536	2,859,536	5.1%	\$42.86	20,973	26,509	4	14,526
Seminole County	492	2,685,637	3.0%	\$8.43	6,746	33,357	2	8,634
Lake County	312	9,078,070	9.9%	\$13.13	224,616	327,196	2	80,855
Brevard County	808	4,378,878	2.5%	\$49.50	7,732	45,378	1	3,500

\*Many properties under 5,000 SF were omitted

## Absorption vs. Vacancy Previous 2 Years



2017 Retail Notable Lease Transactions					
Property Address	City	County	Tenant	Landlord	Lease Size
1790 Lee Road	Orlando	Orange	Arteek Supply & Design	Baha Properties LLC	14,672
1312 EVine Street	Kissimmee	Osceola	Hecho en Puerto Rico Latin Market	Mill Creek LLP	14,356
911 N Central Avenue	Umatilla	Lake	Save-A-Lot	Nationwide Umatilla Center Inc.	11,528
902 Lee Road	Orlando	Orange	Dollar Tree	Lee Road Partners LP	10,750
3162 E Colonial Drive	Orlando	Orange	Specialty Grocer	City of Orlando / GOAA	36,340

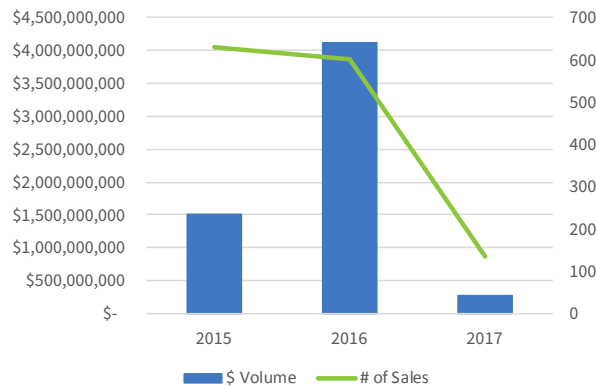
  

1Q 2017 Retail Notable Sale Transactions								
Property Address	City	County	Buyer	Seller	Sale Price	Sale Date	Bldg Size	Price Per SF
1700 W International Speedway	Daytona Beach	Volusia	CBL & Associates Properties Inc.		\$72,500,000	1/31/2017	906,481	\$79.98
167 E Mitchell Hammock Rd	Oviedo	Seminole	Oviedo Town Center LLC	Gemini Town Center H LLC	\$16,085,000	3/9/2017	51,642	\$311.47
1700 Oviedo Mall	Oviedo	Seminole	Oviedo Mall Holdings LLC	Oviedo Fund LLC	\$15,350,000	2/7/2017	952,000	\$16.12
3770 N Goldenrod Rd	Winter Park	Orange	Winter Park Covenant Group LLC		\$1,550,000	3/24/2017	124,373	\$12.46
400 State Road 436	Casselberry	Seminole	MMI Development	Greater Properties Inc.	\$2,995,000	1/26/2017	52,855	\$56.66

### 2017 Retail Building Sale Stats

	# of Sales	YTD # of Sales	\$ Volume	YTD Volume	Square Feet	Avg \$ / SF
2017 1Q	134	134	\$273,771,736	\$273,771,736	3,146,119	\$87.02
2016 4Q	167	603	\$406,136,743	\$4,116,684,393	2,055,134	\$197.62
2016 3Q	134	436	\$427,496,232	\$3,710,547,650	3,278,981	\$130.37
2016 2Q	158	302	\$357,336,718	\$3,283,051,418	3,477,655	\$102.75
2016 1Q	144	144	\$2,925,714,700	\$2,925,714,700	2,067,380	\$1,415.18
2015 4Q	176	630	\$499,935,788	\$1,517,401,624	4,808,593	\$103.97
2015 3Q	158	454	\$392,513,650	\$1,017,465,836	3,019,969	\$129.97
2015 2Q	156	296	\$317,821,175	\$624,952,186	3,405,113	\$93.34
2015 1Q	140	140	\$307,131,011	\$307,131,011	2,562,010	\$119.88

**BUILDING SALES**  
\$ Volume vs. # of Sales



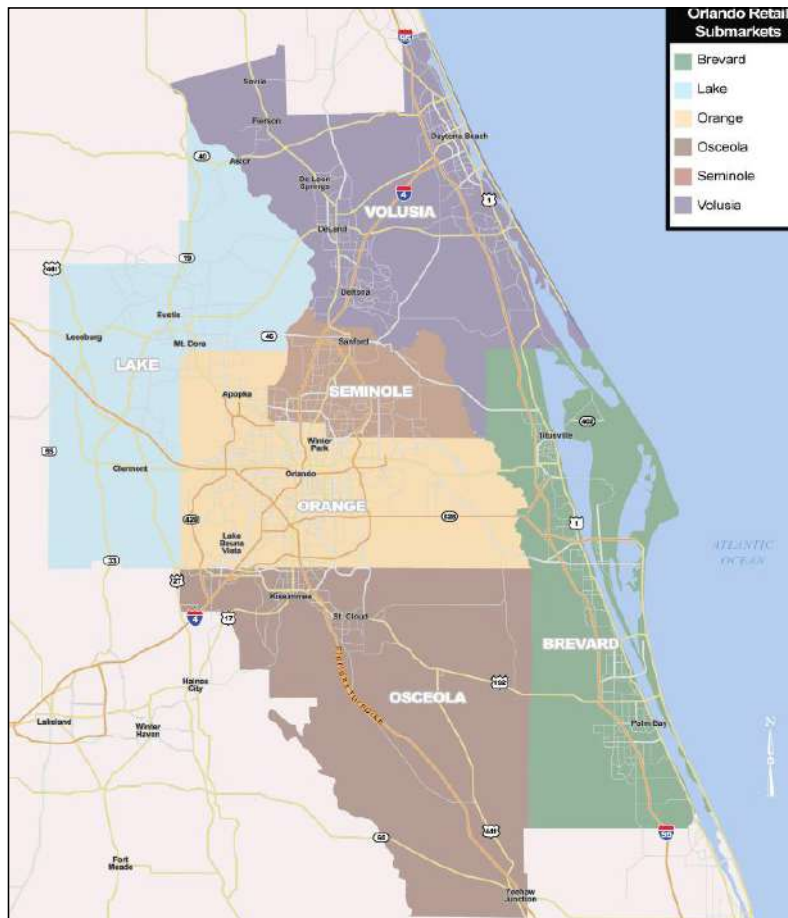
## 2017 Retail Market Report

grow their market footprints. Sellers must be careful not to price these assets out of the market. Although many fuel stations, QSRs, and the like are still fetching aggressive cap rates, we have seen some market pushback. For example, six to nine months ago Wawa's were trading at 4.50% to 4.70% cap rates or better. Although Wawa has a cult-like following from the Northeast, it is NOT a national credit tenant. Sellers pushed the market and brought some assets out in the low 4% cap rate range (as low as 4.10% in some instances) with little to no activity. These assets were recently re-priced at mid- to high-4% cap rates. Furthermore, while there are many retail projects under construction throughout Central Florida, the area is paralleling national trends, with most growth seen in the grocery and restaurant areas.

Although commercial real estate is still seeing big money deals in South Florida, many domestic and international buyers are migrating from investment opportunities in Miami to similar alternatives in Orlando, where cap rates are generally less aggressive. As cap rates in Central Florida have stabilized, (excluding anomaly areas like I-Drive, West 192 and 17-92), we have begun to see transaction times get longer. The main cause of such is lenders caution, as the Federal Reserve continues their increases of interest rates. Nevertheless, buyers are still looking for quality inventory located in Central Florida. As we start to see signs that the retail investment market has reached one of its highest peaks in history, property owners need to re-evaluate their portfolios to decide which properties to keep and which ones to sell. Investors are moving away from properties located in major markets and MSAs (New York, Chicago, L.A.) and are beginning to enter secondary markets, like Orlando, in search of better yields. In other words, they are prioritizing credit tenancy over location.

Given the current state of the commercial real estate markets, especially in Central Florida where we have seen property values peak, cap rate compression plateau, lending conditions tighten, and buyer pools shrink, we urge our clients to revisit their investment portfolios. Before an under-performing investment runs into another seven-to-ten year hold, today is the bet time to consider exiting or exchanging your property. Closely reevaluate assets that do not impact your bottom line, you find difficult to manage or expensive to maintain. If you've thought about or even considered exiting a property, 2017 is the year to take action.

We encourage investors to use additional caution when acquiring stabilized core assets that have been fully priced to the market. Rather, we advise our clients to focus on value creation opportunities, with an emphasis on markets experiencing job and population growth, like Orlando. If an economic correction occurs in cities like Orlando, they are likely to outperform the broader market. Additionally, properties with core characteristics, below-market rents (with near-term rollover), and upside potential, such as the ability to harvest additional development capabilities in the future, are ideal investments. Value-added retail assets continue to be in highest demand. Because there is a lack of this quality inventory on the market, a lot of investors are opting for different product types that offer higher yields or geographic markets.



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# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

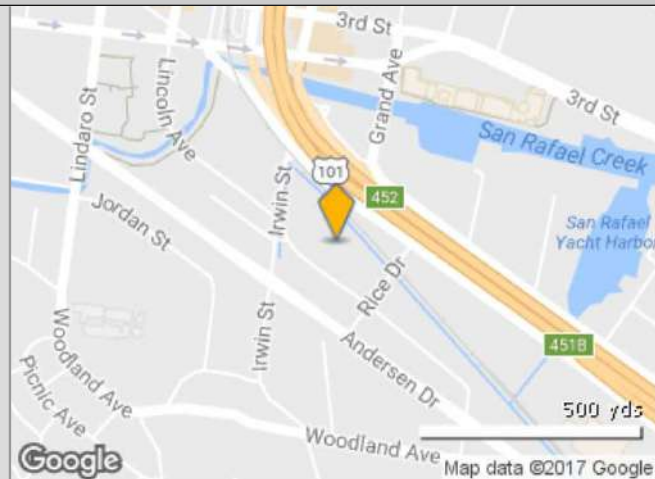
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## 700 Du Bois St - Best Buy

**SOLD**

San Rafael, CA 94901

Sale on 3/1/2016 for \$21,200,000 (\$601.74/SF) - Research Complete  
35,231 SF Retail Freestanding Building Built in Dec 2007



### Buyer & Seller Contact Info

Recorded Buyer: **J. Brad Lampley**

Recorded Seller: **Rudolph L. Tulipani & Donna E. Tulipani**

True Buyer: **J. Brad Lampley**  
**Brad Lampley**  
7600 Cypress Ln Rancho  
Mirage, CA 92270

True Seller: **The Tulipani Family Trust**  
663 Mount Laurel  
Aspen, CO 81611

Buyer Type: **Individual**  
Buyer Broker: **No Buyer Broker on Deal**

Seller Type: **Trust**  
Listing Broker: **Cushman & Wakefield**  
**Stephen Easley**

### Transaction Details

ID: 3549049

Sale Date: **03/01/2016 (183 days on market)**  
Escrow Length: **60 days**  
Sale Price: **\$21,200,000-Confirmed**  
Asking Price: **\$23,000,000**  
Price/SF: **\$601.74**  
Price/AC Land Gross: **\$7,090,301.00**

Sale Type: **Investment**  
Bldg Type: **Retail - Freestanding**  
Year Built/Age: **Built in Dec 2007 Age: 8**  
GLA: **35,231 SF**  
Land Area: **2.99 AC (130,244 SF)**

Percent Leased: **100.0%**  
Tenancy: **Single**  
Actual Cap Rate: **5.75%**  
Sale Conditions: **1031 Exchange, Investment Triple Net**

Percent Improved: **66.6%**  
Total Value Assessed: **\$10,038,472**  
Improved Value Assessed: **\$6,688,440**

Transfer Tax: **\$23,320**

Land Value Assessed: **\$3,350,032**  
Land Assessed/AC: **\$1,120,412**

No. of Tenants: **1**  
Tenants at time of sale: **Best Buy**  
Financing: **Down payment of \$21,200,000.00 (100.0%)**  
Legal Desc: **Lot 2 PG 21**

# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

## 700 Du Bois St - Best Buy

**SOLD**

35,231 SF Retail Freestanding Building Built in Dec 2007 (con't)

Parcel No: **013-041-64**  
Document No: **009012**

### Transaction Notes

Private investor J.Brad Lampley acquired the Best Buy at 700 Du Bois St in San Rafael from The Tulipani Family Trust for \$21.2 million, roughly \$601 per square foot. The leasehold and leased fee interest were acquired in one transfer.

The transaction was in escrow for roughly 60 days and Mr. Lampley acquired in all cash at a 5.75% CAP which equates to a yearly NOI of \$1,218,560. Mr Lampley acquired with the intentions of renegotiating Best Buy's lease which was expected to increase by 34% next year.

Their lease was renegotiated just weeks after the closing of the transaction. Their term was scheduled to expire in 2021 but was extended an additional 10 years with 12% escalations every five years (See Lease Comp ID 122913471).

The buyer also executed a 1031 exchange on this acquisition.

### Current Retail Information

ID: 5344164

Property Type:	<b>Retail - Freestanding</b>	GLA:	<b>35,231 SF</b>
Center:	<b>Best Buy</b>	Total Avail:	<b>0 SF</b>
Bldg Status:	<b>Built in Dec 2007</b>	% Leased:	<b>100.0%</b>
Owner Type:	<b>Individual</b>	Bldg Vacant:	<b>0 SF</b>
Zoning:	<b>GC</b>	Land Area:	<b>2.99 AC</b>
Owner Occupied:	-	Lot Dimensions:	-
		Building FAR:	<b>0.27</b>
Rent/SF/Yr:	-	No. of Stores:	-
CAM:	-		
Street Frontage:	<b>527 feet on Du Bois</b>		
Expenses:	<b>2007 Tax @ \$0.92/sf</b>		
Parking:	<b>158 Surface Spaces are available</b>		
Features:	<b>Freeway Visibility, Pylon Sign</b>		

### Location Information

Second Address: **700 Du Bois**  
Metro Market: **North Bay/Santa Rosa**  
Submarket: **San Rafael Ret/San Rafael/Larkspur Ret**  
County: **Marin**  
CBSA: **San Rafael, CA**  
CSA: **San Jose-San Francisco-Oakland, CA**  
DMA: **San Francisco-Oakland-San Jose, CA**



# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

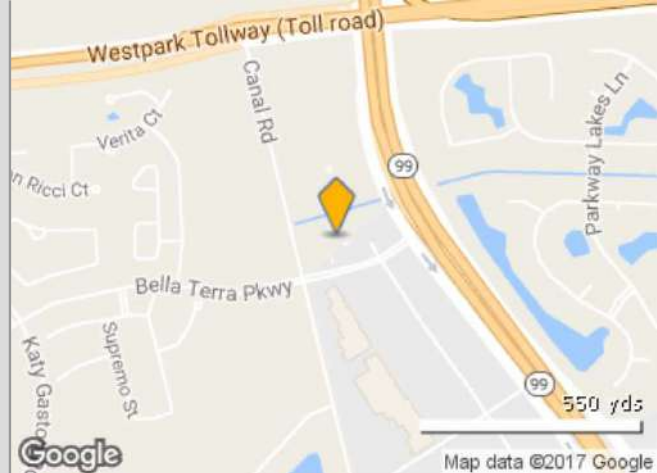
2

## 5340 Grand Pky - Best Buy - Shops at Bella Terra

**SOLD**

Richmond, TX 77406

Sale on 11/24/2015 for \$9,551,018 (\$317.23/SF) - Research Complete (Part of Multi-Property)  
30,108 SF Retail Freestanding Building Built in Dec 2009



### Buyer & Seller Contact Info

Recorded Buyer: -  
True Buyer: **Invesco Advisors, Inc.**  
2001 Ross Ave Dallas,  
TX 75201

Buyer Type: **Investment Manager**  
Buyer Broker: **No Buyer Broker on Deal**

Recorded Seller: **Bella Terra Dunhill Llc**  
True Seller: **Dunhill Partners, Inc.**  
**Bill Hutchinson**  
3100 Monticello Ave  
Dallas, TX 75205

Seller Type: **Developer/Owner-RGNL**  
Listing Broker: **JLL**  
**George Cushing**

### Transaction Details

ID: 3454158

Sale Date:	<b>11/24/2015 (4 days on market)</b>	Sale Type:	<b>Investment</b>
Escrow Length:	-	Bldg Type:	<b>Retail - Freestanding</b>
Sale Price:	<b>\$9,551,018-Allocated</b>	Year Built/Age:	<b>Built in Dec 2009 Age: 5</b>
Asking Price:	-	GLA:	<b>30,108 SF</b>
Price/SF:	<b>\$317.23</b>	Land Area:	<b>3.13 AC (136,256 SF)</b>
Price/AC Land Gross:	<b>\$3,053,394.50</b>		
Percent Leased:	<b>100.0%</b>		
Tenancy:	<b>Single</b>		
Sale Conditions:	<b>Debt Assumption</b>		
No. of Tenants:	<b>1</b>		
Tenants at time of sale:	<b>Best Buy</b>		
Document No:	<b>133132</b>		

**5340 Grand Pky - Best Buy - Shops at Bella Terra**

**SOLD**

30,108 SF Retail Freestanding Building Built in Dec 2009 (cont)

**Transaction Notes**

This transaction represents the sale of a 282,706 SF retail shopping center known as the Shops At Bella Terra located in Richmond, TX, 77406 which sold on approximately November 24, 2015 for a confirmed \$96,400,000. It was reported that the footage is 282,706 SF which would equate to a Price Per SF of \$341.

This was 100% occupied at the time of the sale. The Pro Forma Net Operating Income is reported to be \$5,870,041. The would equate to a Pro Forma Capitalization Rate of 6.09%.

There was existing debt on this property and the amount is not known.

This property sits on a reported 47 acres with the following information:

This is a Flagship asset in Houston, Texas. There is durable cash flow and NOI appreciation. There is exceptional population and income growth and there is premier national tenancy & a super regional draw. The strength of Cinco Ranch master-planned community. Offering includes 13 outparcels (5 ground leases).

See the attached Site Plan for the square footages which mention the five ground leases.

As of March 1, 2016, there are no documents that have recorded and it is possible that the LLC, Bella Terra Dunhill, LLC was acquired by the new owner, Invesco. The seller is Dunhill Partners.

While the square footage of 302,821 has been checked against the site plan, the confirmed SF is the 282,706 SF.

The ground lease property ID's are:

- 8164312
- 8164307
- 9705146
- 9963625
- 8164310

The Total Taxes for all of the properties are \$1,212,534 as per the most recent county records available.

**Income Expense Data**

<b>Expenses</b>	- Taxes	<b>\$1,212,534</b>
	- Operating Expenses	
	Total Expenses	<b>\$1,212,534</b>
<b>Net Income</b>	Net Operating Income	<b>\$5,591,200</b>
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

**Current Retail Information**

ID: 7036623

Property Type:	<b>Retail - Freestanding</b>	GLA:	<b>30,108 SF</b>
Center:	<b>Shops at Bella Terra</b>	Total Avail:	<b>0 SF</b>
Bldg Status:	<b>Built in Dec 2009</b>	% Leased:	<b>100.0%</b>
Owner Type:	<b>Developer/Owner-NTL</b>	Bldg Vacant:	<b>0 SF</b>
Zoning:	<b>-</b>	Land Area:	<b>3.13 AC</b>
Owner Occupied:	<b>No</b>	Lot Dimensions:	<b>-</b>
		Building FAR:	<b>0.22</b>
Rent/SF/Yr:	<b>-</b>	No. of Stores:	<b>-</b>
CAM:	<b>-</b>		
Expenses:	<b>2016 Tax @ \$2.79/sf</b>		
Parking:	<b>190 Surface Spaces are available</b>		

**Location Information**

**COMPARABLE SALES**

9537 W Colonial Dr | Orlando, FL 34761

**5340 Grand Pky - Best Buy - Shops at Bella Terra**

**SOLD**

30,108 SF Retail Freestanding Building Built in Dec 2009 (con't)

Park Name: **Shops at Bella Terra**  
Metro Market: **Houston**  
Submarket: **Southwest Ret/Far Southwest Ret**  
County: **Fort Bend**  
CBSA: **Houston-The Woodlands-Sugar Land, TX**  
CSA: **Houston-The Woodlands, TX**  
DMA: **Houston, TX**

**Property Notes**

In 2011, this building was awarded LEED certification by the U.S. Green Building Council.

# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

3

## 1300 Nixon Dr - Best Buy - East Gate Square Phase 3

**SOLD**

Mount Laurel, NJ 08054

Sale on 11/10/2015 for \$15,109,807 (\$251.83/SF) - Research Complete (Part of Portfolio)  
60,000 SF Retail Freestanding (Neighborhood Center) Building Built in 1997



### Buyer & Seller Contact Info

True Buyer: **M & J Wilkow Ltd.**  
20 S Clark St  
Chicago, IL 60603

True Seller: **Equus Capital Partners, Ltd**  
1500 Market St  
Philadelphia, PA 19102

Buyer Type: **Developer/Owner-NTL  
Investment Manager**

Seller Type: **Investment Manager**

Buyer Broker: **No Buyer Broker on Deal**

Listing Broker: **CBRE  
Robert Fahey**

### Transaction Details

ID: 3441048

Sale Date: **11/10/2015**  
Escrow Length: -

Sale Type: **Investment**  
Bldg Type: **Retail - Freestanding (Neighborhood Center)**

Sale Price: **\$15,109,807-Allocated**  
Asking Price: -

Year Built/Age: **Built in 1997 Age: 18**

Price/SF: **\$251.83**

GLA: **60,000 SF**

Price/AC Land Gross: **\$1,727,427.35**

Land Area: **8.75 AC (381,019 SF)**

# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

## 1300 Nixon Dr - Best Buy - East Gate Square Phase 3

**SOLD**

60,000 SF Retail Freestanding (Neighborhood Center) Building Built in 1997 (con't)

Percent Leased: **100.0%**  
Tenancy: **Single**  
Sale Conditions: **Bulk/Portfolio Sale**

No. of Tenants: **3**  
Tenants at time of sale: **At&t; Best Buy; Leisure Fitnes**  
Document No: **13202-4630**

### Transaction Notes

On November 10, 2015, the East Gate Square, a 771,856 SF shopping center that was developed in 6 phases, was sold for \$188,000,000, or about \$244 per SF. The center was about 88% occupied at the time of the sale.

The cap rate was stated to be 5.9%, which equates to a NOI of \$11,100,000.

The buyer was attracted to the asset because of the strong mix of anchor tenants as well as the value-add opportunity presented with a 12% vacancy rate. The center is anchored by ShopRite, Dick's Sporting Goods, PetSmart, ULTA, Best Buy, Staples, Party City and is shadow anchored by Home Depot and the Moorestown Mall. 89% of the gross revenue comes from national or credit and chain tenants.

A third party news source reported, "the first phase of the property, which consists of 230,723 sf anchored by Shop Rite, had served as collateral for a \$35.7 million loan that was securitized through Bear Stearns Commercial Mortgage Securities Inc., 2005-PWR9. The remaining five phases of the property, which consists of a 541,100-sf power center, had served as collateral for a \$130 million mortgage that was securitized through Wachovia Bank Commercial Mortgage Trust, 2007-C31. Equus used proceeds from the sale of the property to retire the \$130 million loan. The Yardley, Pa., company had paid off the \$35.7 million mortgage when it matured in September." They also reported a price of \$190 million but a contact with the buyer confirmed the \$188 million sale price.

Information in this report has been confirmed.

### Current Retail Information

ID: 5607288

Property Type:	<b>Retail - Freestanding (Neighborhood Center)</b>	GLA:	<b>60,000 SF</b>
Center:	<b>East Gate Square Phase 3</b>	Total Avail:	<b>0 SF</b>
Bldg Status:	<b>Built in 1997</b>	% Leased:	<b>100.0%</b>
Owner Type:	<b>Developer/Owner-NTL</b>	Bldg Vacant:	<b>0 SF</b>
Zoning:	<b>-</b>	Land Area:	<b>8.75 AC</b>
Owner Occupied:	<b>No</b>	Lot Dimensions:	<b>-</b>
		Building FAR:	<b>0.16</b>
Rent/SF/Yr:	<b>-</b>	No. of Stores:	<b>-</b>
CAM:	<b>-</b>		
Street Frontage:	<b>254 feet on Nixon Dr (with 1 curb cut)</b>		
Expenses:	<b>2011 Tax @ \$3.55/sf</b>		
Parking:	<b>5,000 Surface Spaces are available</b>		

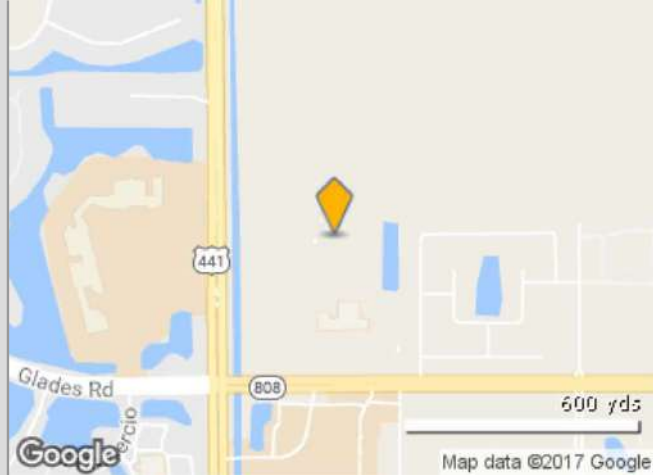
### Location Information

Park Name: **East Gate Square Phase 3**  
Metro Market: **Philadelphia**  
Submarket: **Southern New Jersey/North Burlington County**  
County: **Burlington**  
CBSA: **Philadelphia-Camden-Wilmington, PA-NJ-DE-MD**  
CSA: **Philadelphia-Reading-Camden, PA-NJ-DE-MD**  
DMA: **Philadelphia, PA-NJ-DE**

# COMPARABLE SALES

9537 W Colonial Dr | Orlando, FL 34761

<b>4</b>	<b>20540 US Highway 441 - Best Buy</b> <b>Boca Raton, FL 33498</b> Sale on 10/9/2015 for \$14,000,000 (\$235.29/SF) - Research Complete 59,500 SF Retail Freestanding Building Built in 1995, Renov 2015	<b>SOLD</b>
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**Buyer & Seller Contact Info**

Recorded Buyer: <b>Rafael Peri, LLC</b> True Buyer: <b>Surrey Realty Management Co, Inc</b> 860 E 18th St Brooklyn, NY 11230  Buyer Type: <b>Developer/Owner-RGNL</b> Buyer Broker: <b>Forte Capital Management, LLC</b> <b>Chaim Cahane</b>	Recorded Seller: <b>Magi Henderson, LLC</b> True Seller: <b>Pacific Star Capital, LLC</b> 11111 Santa Monica Blvd Los Angeles, CA 90025  Seller Type: <b>Developer/Owner-NTL</b> Listing Broker: <b>Forte Capital Management, LLC</b> <b>Chaim Cahane</b>
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**Transaction Details**

ID: 3408083

Sale Date: <b>10/09/2015</b> Escrow Length: <b>-</b> Sale Price: <b>\$14,000,000-Confirmed</b> Asking Price: <b>-</b> Price/SF: <b>\$235.29</b> Price/AC Land Gross: <b>\$2,959,830.87</b>  Percent Leased: <b>100.0%</b> Tenancy: <b>Single</b> Sale Conditions: <b>Investment Triple Net</b> Transfer Tax: <b>\$98,000</b>  No. of Tenants: <b>1</b> Tenants at time of sale: <b>Best Buy</b>  Legal Desc: <b>SHADOWWOOD SQUARE NLY 288.78 FT OF WLY 889.02 FT OF COMMERCIAL TR (LESS N 170 FT OF W 195 FT &amp; SLY 208.88 FT OF E 72 FT)</b> Parcel No: <b>00-42-47-18-14-003-0070</b> Document No: <b>27858-0513</b>	Sale Type: <b>Investment</b> Bldg Type: <b>Retail - Freestanding</b> Year Built/Age: <b>Built in 1995, Renov 2015 Age: 20</b> GLA: <b>59,500 SF</b> Land Area: <b>4.73 AC (206,039 SF)</b>  Percent Improved: <b>50.9%</b> Total Value Assessed: <b>\$4,500,729 in 2014</b> Improved Value Assessed: <b>\$2,292,509</b> Land Value Assessed: <b>\$2,208,220</b> Land Assessed/AC: <b>\$466,854</b>
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**COMPARABLE SALES**

9537 W Colonial Dr | Orlando, FL 34761

**20540 US Highway 441 - Best Buy****SOLD**

59,500 SF Retail Freestanding Building Built in 1995, Renov 2015 (con't)

Sale History: **Sold for \$14,000,000 (\$235.29/SF) on 10/9/2015**  
**Sold for \$11,500,000 (\$193.28/SF) on 4/3/2015**

**Transaction Notes**

The information for this report has been verified with the broker.

On October 9, 2015 Pacific Star Capital, LLC sold the 59,500 square foot retail property located at 20540 US Highway 441 in Boca Raton, FL to Surrey Realty Management Co, Inc for \$14 million, or approximately \$235 per square foot.

At the time of publication the subject property was fully leased to Best Buy on a triple net basis. The property is adjacent the Shadowood Square Shopping Center. Notable tenants include Bed Bath & Beyond, Stein Mart, Walgreens and Regal Cinemas.

Calls were made to the seller and the buyer but they were unavailable for comment at the time of publication.

**Income Expense Data**

<b>Expenses</b>	- Taxes	<b>\$112,115</b>
	- Operating Expenses	
	Total Expenses	<b>\$112,115</b>

**Current Retail Information**

ID: 6943039

Property Type:	<b>Retail - Freestanding</b>	GLA:	<b>59,500 SF</b>
Center:	<b>Best Buy</b>	Total Avail:	<b>0 SF</b>
Bldg Status:	<b>Built in 1995, Renov 2015</b>	% Leased:	<b>100.0%</b>
Owner Type:	<b>Developer/Owner-RGNL</b>	Bldg Vacant:	<b>0 SF</b>
Zoning:	<b>CG</b>	Land Area:	<b>4.73 AC</b>
Owner Occupied:	<b>No</b>	Lot Dimensions:	<b>-</b>
		Building FAR:	<b>0.29</b>
Rent/SF/Yr:	<b>-</b>	No. of Stores:	<b>-</b>
CAM:	<b>-</b>		

Street Frontage: **268 feet on US Highway 441 (with 2 curb cuts)**  
 Property Mix: **General Retail (100.0%)**  
 Expenses: **2016 Tax @ \$2.21/sf**  
 Parking: **320 free Surface Spaces are available**  
 Features: **Dedicated Turn Lane, Pylon Sign, Signage**

**Location Information**

Cross Street: **State Road 7**  
 Second Address: **20540 State Road 7**  
 Metro Market: **South Florida**  
 Submarket: **Boca Raton/Boca Raton West**  
 County: **Palm Beach**  
 CBSA: **West Palm Beach-Boca Raton-Delray Beach, FL**  
 CSA: **Miami-Fort Lauderdale-Port St. Lucie, FL**  
 DMA: **West Palm Beach-Ft Pierce, FL**

