

# Harbor Freight Tools

FORT WORTH, TEXAS



OFFERING MEMORANDUM



Offered Exclusively By

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# CONFIDENTIALITY AGREEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 3569 NW Centre Dr, Lake Worth, TX 76135 (the "Property"). It has been prepared by Colliers. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Colliers from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers, you agree:

The Offering Memorandum and its contents are confidential; You will hold it and treat it in the strictest of confidence; and You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 3569 NW Centre Dr, Lake Worth, TX 76135 or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum. A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



# TABLE OF CONTENTS

## 01 SECTION

### Investment Overview

OFFERING SUMMARY

## 02 SECTION

### Tenant Overview

TENANT OVERVIEW  
RECENT TENANT GROWTH

## 03 SECTION

### LEASE STRUCTURE

LEASE ABSTRACT  
RENT SCHEDULE

## 04 SECTION

### Property Overview

PROPERTY DETAILS  
SITE PLAN  
AREA MAP  
RETAIL AREA MAP

## 05 SECTION

### Location Overview

MARKET OVERVIEW  
DALLAS-FT WORTH  
LAKE WORTH  
TEXAS TAX ADVANTAGE  
DEMOGRAPHICS



# 01

SECTION

# Investment Overview



# OFFERING SUMMARY

Colliers is pleased to offer to qualified investors a retail investment opportunity in Forth Worth, Texas. The Property totals 16,000 SF on 1.62 acres built in 2020. The Property is located at 3569 NW Centre Dr, Lake Worth (Fort Worth), Texas 76135 and 100% leased to Harbor Freight Tools USA, Inc..

Harbor Freight Tools has over 10 years remaining on an NN lease offering 10% increases every 5 years.

Harbor Freight Tools has an S&P credit rating of BB-/Stable and consistently reports revenues above \$5 billion. The company employs over 20,000 people and operates over 1,000 locations in 48 states in 2020 Harbor Freight plans on opening 2 stores per week. The essential retailer sells many necessary home/automotive products, including generators, and all of their locations are currently open and operating.

<b>Property Address</b>	3569 NW Centre Dr, Lake Worth (Fort Worth), Texas 76135
<b>Tenant</b>	Harbor Freight Tools USA, Inc.
<b>Building Size</b>	± 16,000 SF
<b>Land Area</b>	± 1.62 AC
<b>Price</b>	\$6,434,665
<b>Cap Rate</b>	6.00
<b>NOI</b>	\$386,080 (Based on 2025 Rent)
<b>Rent/SF</b>	\$21.94
<b>Expenses</b>	NN



PRICE:

**\$6,434,665**

6.00 CAP

## Corporate Guarantee

HARBOR FREIGHT TOOLS USA, INC.

## Long-Term Net Lease

±10 YEARS REMAINING

## Minimal Landlord Responsibilities

ROOF, STRUCTURE, FOUNDATION & PARKING

## Growing Fort Worth Suburb

OVER 165K IN THE 5 MILE POPULATION

## Strong Retail Corridor

ACHORED BY TARGET, WALMART & LOWE'S

02

SECTION

# Tenant Overview



# TENANT OVERVIEW

Harbor Freight Tools is a privately held discount tool and equipment retailer, headquartered in Calabasas, California. The company operates a chain of retail stores as well as a catalog mail-order and e-commerce business. Harbor Freight started in 1977 as a small family-owned business and has now been in business for over 40 years. The company currently operates over 1,400 retail locations across 48 states and employs 25,000 people. The company's products include hand tools, generators, air and power tools, shop equipment, and automotive tools, along with more than 7,000 tools and accessories at quality levels that match or exceed competing brands. However, their prices are up to 80% less. Harbor Freight sells in-house store brands sourced directly from manufacturers which include US General, Central Pneumatic, Pittsburgh Pro, Predator, and Chicago Electric. They manufacture many of their own products directly which cuts out the middle man and allows them to pass the savings directly through to their customers. Harbor Freight currently has distribution centers in California and South Carolina. The company holds a credit rating of "BB-/stable" from Standard & Poor's and consistently reports annual revenues of over \$6.5 billion with over 30 million loyal customers and growing.

<b>Entity Type</b>	Private
<b>Industry</b>	Tools & Equipment
<b>Credit Rating</b>	BB-/Stable (S&P); Ba3 (Moody's)
<b>Annual Revenue</b>	± \$6.5B reported annually
<b>Website</b>	<a href="http://www.harborfreight.com">www.harborfreight.com</a>

## HARBOR FREIGHT



**Family Owned**

ERIC SMIDT



**BB-/Stable**

S&P CREDIT RATING



**\$6.5B+**

ANNUAL REVENUE



**1,400+**

STORES



**± 25,000**

ASSOCIATES



**45 Years**

IN BUSINESS

# RECENT TENANT GROWTH

# HARBOR FREIGHT

In 1980, Harbor Freight Tools opened its first retail store in Lexington, Kentucky, to sell returned merchandise from its mail order business. The venture proved successful, and Harbor Freight Tools began to open stores across the United States. As of 2023, Harbor Freight Tools operates over 1,400 retail stores in 48 states. Over the past decade Harbor Freight Tools has been on an upward trajectory of growth within their corporate affairs:

2013  
**\$75M**

Distribution Center  
DILLON, SC



2017  
**1,000,000 SF**

Distribution Center  
Expansion  
DILLON, SC



2019  
**New HQ**

Corporate  
Center Calabasas  
CALABASAS, CA



2022  
**1,600,000 SF**

Distribution Center  
JOLIET, IL





03

SECTION

# Lease Structure





# LEASE ABSTRACT

<b>Address</b>	3569 NW Centre Dr, Lake Worth (Fort Worth), Texas 76135
<b>Tenant</b>	Harbor Freight Tools USA, Inc.
<b>Guarantee</b>	Harbor Freight Tools USA, Inc.
<b>Lease Term</b>	15 years
<b>Lease Commencement</b>	July 30, 2020
<b>Lease Expiration</b>	July 30, 2035
<b>Lease Term Remaining</b>	± 10 years
<b>Net Operating Income</b>	\$386,080 (Based on June 2025)
<b>Rent Increases</b>	10% every 5 years
<b>Renewal Options</b>	5, 5 year options
<b>Option Increases</b>	10% in each option
<b>Lease Type</b>	NN
<b>Landlord Responsibilities</b>	Roof, structure, foundation, and parking lot*
<b>Tenant Responsibilities</b>	100% of CAM, Taxes, & Insurance
<b>ROFR</b>	30 days

\*Landlord is responsible for capital parking lot repairs for the first 7 years. After the initial 7 year period, Tenant is required to reimburse Landlord for out of pocket costs.



# RENT SCHEDULE

Term	Years	Annual Rent	Monthly	RPSF	Rent Increase
	1-5*	\$351,040	\$29,253	\$21.94	-
Base	<b>6-10</b>	<b>\$386,080</b>	<b>\$32,173</b>	<b>\$24.13</b>	<b>10%</b>
	11-15	\$424,800	\$35,400	\$26.55	10%
Option 1	16-20	\$467,200	\$38,933	\$29.20	10%
Option 2	21-25	\$513,920	\$42,827	\$32.12	10%
Option 3	26-30	\$565,280	\$47,107	\$35.33	10%
Option 4	31-35	\$621,920	\$51,827	\$38.87	10%
Option 5	36-40	\$684,000	\$57,000	\$42.75	10%

\*Landlord is responsible for capital parking lot repairs for the first 7 years. After the initial 7 year period, Tenant is required to reimburse Landlord for out of pocket costs.

04

SECTION

# Property Overview

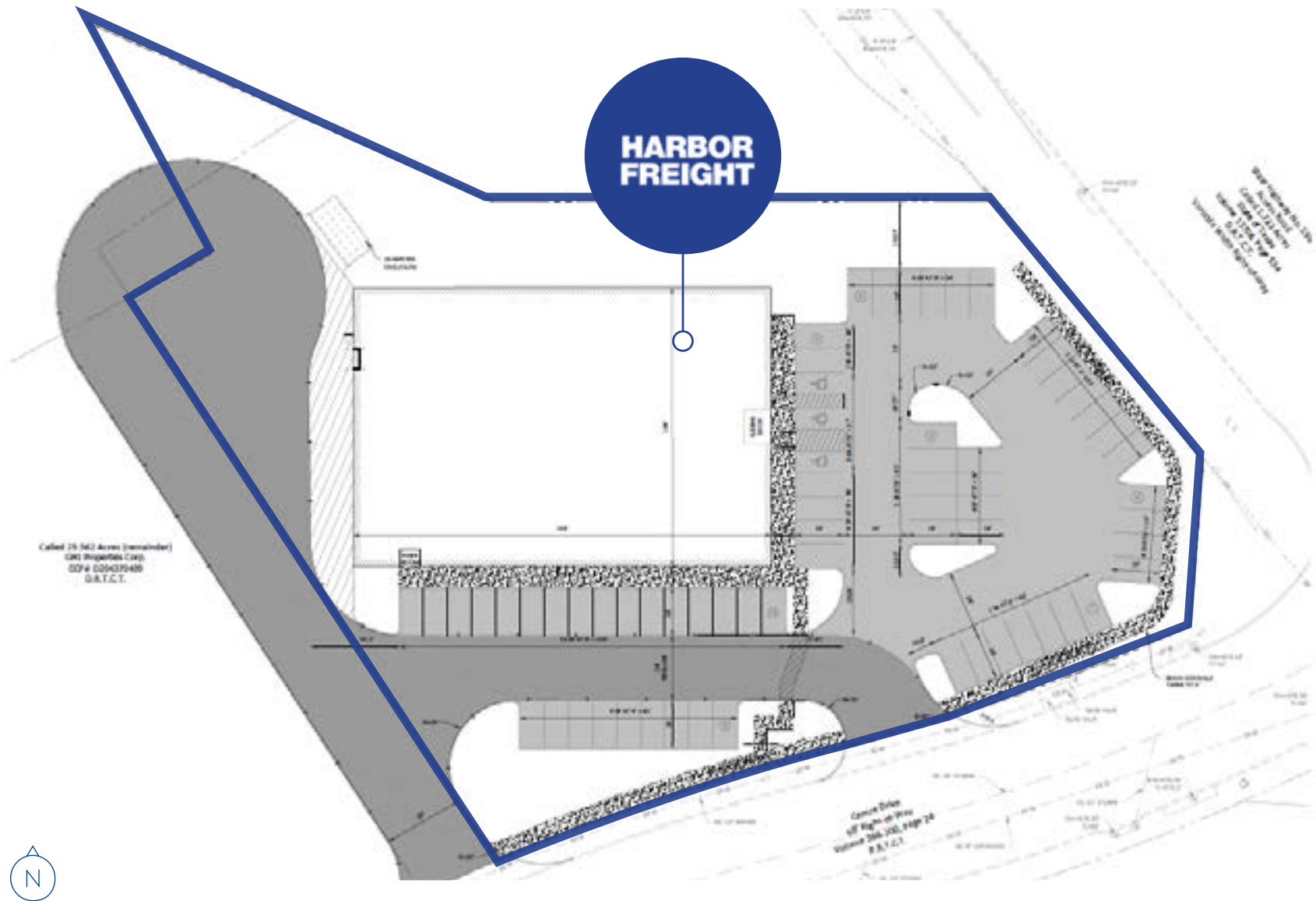




# PROPERTY DETAILS

<b>Address</b>	3569 NW Centre Dr, Lake Worth (Fort Worth), Texas 76135
<b>Market</b>	Dallas-Fort Worth
<b>Year Built</b>	2020
<b>Parcel</b>	42636106
<b>Zoning</b>	F1
<b>Tenancy</b>	Single
<b>Property Type</b>	Retail
<b>Use</b>	Hardware store
<b>Total SF</b>	16,000 SF
<b>Land Area</b>	1.62 acres
<b>Parking</b>	43 spaces
<b>Construction</b>	Masonry
<b>Roof</b>	2020
<b>Ownership Type</b>	Fee simple

# SITE PLAN



# AREA MAP



HARBOR  
FREIGHT

Ft Worth

Dallas



# RETAIL AREA MAP





05

SECTION

# Location Overview



# MARKET OVERVIEW

## White Settlement Retail Submarket

<b>\$21.48 ↑</b> Market Rent/SF	<b>3.4M ↑</b> Inventory SF	<b>2.8 ↑</b> Vacancy Rate	<b>5.8% ↑</b> Annual Rent Growth
<b>\$298 ↑</b> Market Sale Price/SF	<b>7.9K ↑</b> Under Constr SF	<b>(28.2K) ↓</b> 12 Mo Net Absorp SF	<b>\$1.5M ↓</b> 12 Mo Sales Vol

Dallas-Fort Worth's retail market has benefited from enduring, resurgent demand over the past two years, allowing for availability rates to compress to record lows. The share of available space for lease is at the lowest point thanks to consistent demand and constrained supply.

Steady leasing activity is eclipsing retailers giving back space. From 2021 through the first quarter of 2023, the market has reported gross absorption of 37 million SF, while tenants have given back 21 million SF.

The supply side remains tempered in terms of construction. The market is reporting 4.2 million SF underway with 74% of space is pre-leased, further insulating vacancy rates. Most new space is concentrated in fast-growing suburban areas and is tied directly with robust demographic and economic anchors found in Collin and Denton counties. Developers have not over-extended themselves with new projects as they have during previous building cycles, further insulating vacancy rates.

Looking forward, the combination of minimal supply, record low availabilities, and long-run structural advantages including economic and population growth, places the D-FW retail market in a position of strength if economic conditions deteriorate.

**“ Dallas-Fort Worth's retail market has benefited from enduring, resurgent demand over the past 2 years. ”** - CoStar

## Dallas-Fort Worth Retail Overview

Availability	Submarket	Market
Market Rent/SF	\$21.48	\$22.24
Vacancy Rate	2.8%	4.6%
Vacant SF	95.2K	21M
Availability Rate	3.8%	5.2%
Available SF	127K	24M

### Inventory

Existing Buildings	260	35,239
Inventory SF	3.4M	459M
Average Building SF	13K	13K
Under Construction SF	7.9K	4.2M
12 Mo Delivered SF	22.6K	4.4M

### Sales

12 Mo Transactions	10	1,691
Market Sale Price/SF	\$298	\$265
Average Market Sale Price	\$3.9M	\$3.5M
12 Mo Sales Volume	\$1.5M	\$814M
Market Cap Rate	6.2%	6.3%

### Demand

12 Mo Net Absorption SF	(28.2K)	3.6M
6 Mo Leasing Probability	26.8%	30.1%

# DALLAS-FORT WORTH

## Dallas-Fort Worth

Dallas-Fort Worth is one of the top regions in the nation for business thanks to a low cost of living, business-friendly environment, strong base of well-educated and skilled employees, and robust access to both U.S. and international markets through its transportation network.

Year after year, the region's selling points are lauded by business experts at respected publications, including Bloomberg Businessweek, Forbes, Fortune, and Site Selection Magazine. Key metrics tracked by the Federal Reserve Bank of Dallas, which covers an area that includes Texas, northern Louisiana, and southern New Mexico, show the region to be among the strongest in the country.

Additionally, the communities comprising the Dallas-Fort Worth region are consistently ranked among the top places to work, the best places to live, and the best places for investment.



**#1**

**Best State for Business**

- *Cheif Executive Magazine*



**#1**

**3-Year Job Growth**

- *BLS, Dec. 2022 (354,000 jobs)*



**#1**

**Pandemic Job Recovery**

- *BLS, Dec. 2022 (4,234,600 jobs)*

Source: [www.dallasecodev.org](http://www.dallasecodev.org)

## Demographic

	City of Dallas	DFWA MSA
<b>Population</b>	1,300,239	459M
<b>Total Households</b>	515,138	2,693,107
<b>Bachelors Degree or Higher</b>	35.6%	36.8%
<b>Median Age</b>	33.1	35.2
<b>Median Household Income</b>	\$58,231	\$76,916
<b>Labor Force</b>	735,868	4,345,551

## Lake Worth

Lake Worth is located entirely inside the city limits of Fort Worth, Texas and is 10 miles west of downtown Fort Worth covering a total of 2.5 square miles.

Lake Worth is known for its family friendly community feel, to the centralized location and outstanding city services. Lake Worth continues to be a quiet community with multiple amenities that include Lake Worth recreational lake, eight community parks, Lake Worth Independent School District, Library, Senior Center & more.

The businesses that call Lake Worth home have the benefit of being centrally located within an economic corridor connected by Highway 820 and Highway 199. This provides plenty of traffic past storefronts and easy access to the shops and restaurants that abound in Lake Worth.

# TEXAS TAX ADVANTAGE

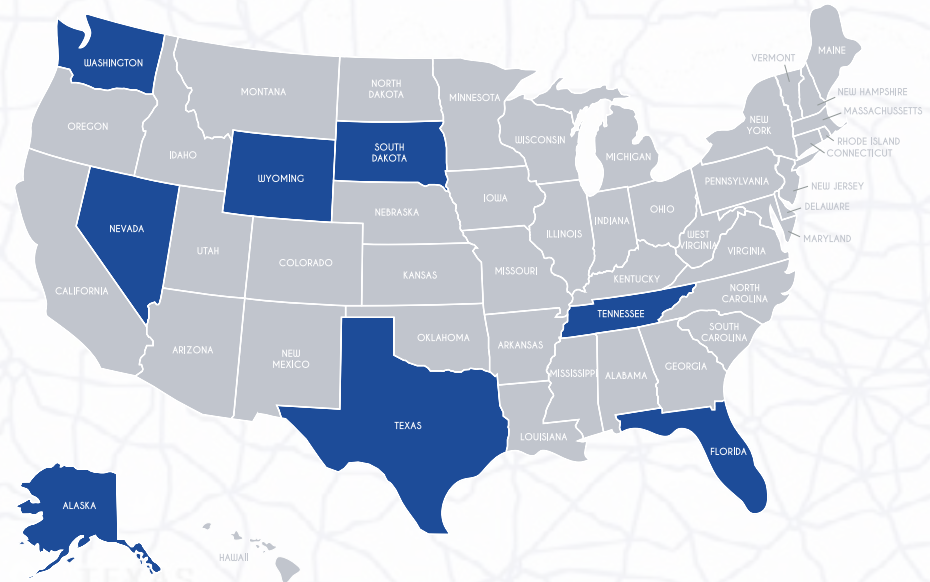
## No State Income Tax

Property tax in Texas is a locally assessed and locally administered tax. There is no state property tax. Property tax brings in the most money of all taxes available to local governments to pay for schools, roads, police and firemen, emergency response services, libraries, parks and other services provided by local governments.

Texas offers a variety of partial or total, sometimes referred to as absolute, exemptions from appraised property values used to determine local property taxes. A partial exemption removes a percentage or a fixed dollar amount of a property's appraised value from taxation. A total exemption excludes the entire property's appraised value from taxation. Taxing units are required by the state to offer certain mandatory exemptions and have the option to decide locally on whether or not to offer others (local option).

Exemptions from property tax require applications in most circumstances. Applications for property tax exemptions are filed with the appraisal district in which the property is located. The general deadline for filing an exemption application is before May 1. Appraisal district chief appraisers are solely responsible for determining whether or not property qualifies for an exemption.

Tax Code exemption requirements are extensive. Property owners should read applicable statutes carefully. The Comptroller's publication Property Tax Exemptions (PDF) offers a short summary of the exemption provisions.



## Advantages

INVESTMENT SECURITY  
NO DOUBLE TAXATION

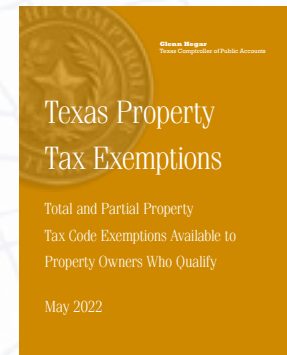


## Disadvantages

MORE COMPETITION  
OTHER STATE TAXES HIGHER

NO STATE  
INCOME TAX

PROPERTY TAX  
EXEMPTIONS (PDF)

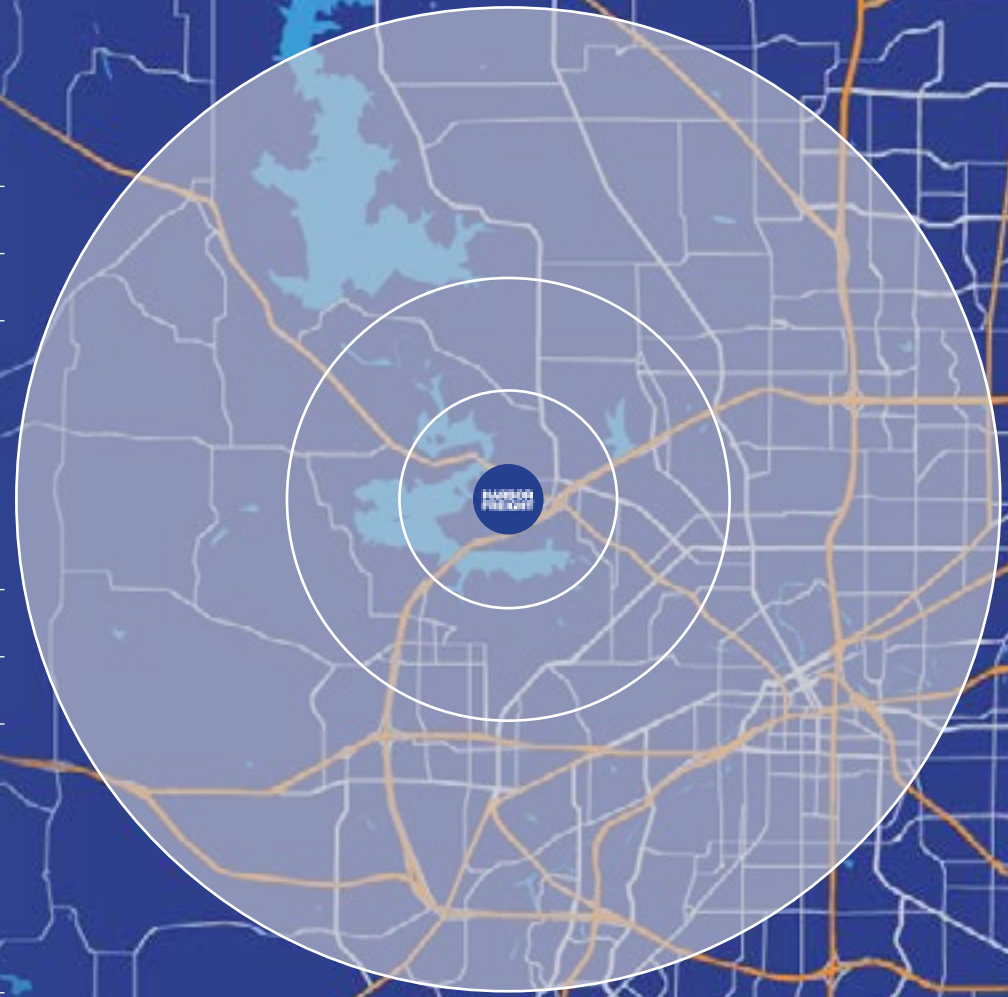


# DEMOGRAPHICS

Population	3 Mile	5 Miles	10 Miles
2024 Population	31,267	106,424	425,181
2029 Population	51,711	164,507	672,280
2020-2023 Annual Rate	0.22%	0.78%	1.68%
2023-2028 Annual Rate	1.31%	0.93%	1.75%

Household	3 Mile	5 Miles	10 Miles
2024 Households	17,314	56,351	245,550
2029 Households	18,663	59,604	269,554
2020-2023 Annual Change (CAGR)	0.62%	1.04%	1.79%
2023-2028 Annual Change (CAGR)	1.51%	1.13%	1.88%

Household	3 Mile	5 Miles	10 Miles
2024 Average Household Income	\$94,434	\$99,490	\$105,848
2029 Average Household Income	\$111,039	\$115,745	\$122,297
2023-2028 Annual Change (CAGR)	3.29%	3.07%	2.93%



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# Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date