

Marcus & Millichap



LANE BRYANT

AVALON FLOORING



TARGET

Bank of America



Marketplace at Oxford Valley (Target Shadow Anchored)

2339 Lincoln Highway | Langhorne, PA

2339 LINCOLN HWY LANGHORNE PENNSYLVANIA

PRESENTED BY

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Marcus & Millichap



LANE BRYANT



INVESTMENT HIGHLIGHTS

- Anchored by a New, Just Opened ALDI on a Brand New Ten-Year NNN Lease
- New 15-Year NNN Ground Lease with Bank of America (Under Construction)
- All Leases NNN with 100% Pass Throughs on CAM, Real Estate Taxes and Insurance
- Rent Increases Every Five Years in ALDI, Avalon Flooring, Lane Bryant, and Bank of America Leases
- 100% Leased, with Two New Leases – Bank of America and ALDI
- Shadow Anchored by Target with a Reciprocal Easement Agreement on Parking and Access
- Excellent Location with Over 26,000 VPD, and 85,000 People Averaging \$103,000 in Household Income Within a Three-Mile Radius
- High Traffic Retail Corridor, Across from Oxford Valley Mall



PRICE

\$20,450,000

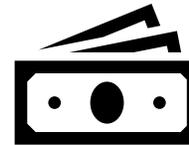
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CAP RATE

6.90%

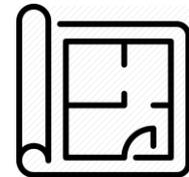
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NOI

\$1,410,840

.....



PRICE/SF

\$288.71

.....



1999
Year Built



344
Spaces



26,741 ADT
Lincoln Hwy.

The Offering

Property Address	2339 Lincoln Hwy. Langhorne, PA 19047
Type of Ownership	Fee Simple
Lease Types	NNN and Ground Lease

Property Description

Rentable Square Feet	70,833 SF
Parcel Size	16.29 AC
Block	N/A
Lots	2 (6.68 AC) & 5 (9.61 AC)
Year Built	1999
Number of Tenants	5
Parking	344 Spaces
Parking Ratio	5.15/1,000 SF
Traffic Count	26,741 Vehicles/Day



Lincoln Hwy
27,000 ADT





LOCATION OVERVIEW



The Marketplace at Oxford Valley has a premier location on Lincoln Highway (Business Route 1, also known locally as Old Route 1) in Langhorne, PA. Lincoln Highway is THE main retail corridor in densely populated Lower Bucks County just north of the border of Philadelphia and it's also densely populated "Great Northeast" section. Over 85,000 people reside in a three mile radius of the property, with a daytime population of 78,000 given several nearby corporate and industrial parks and the vast array of businesses along Route 1. The average household income within the three mile radius is a very strong \$102,000. The property is within 2 miles of the entrance to the Pennsylvania Turnpike (I-276), and near U.S. Route 1, and I-95. In addition to its proximity to Philadelphia, the property serves the nearby communities of Langhorne, Langhorne Manor, Fairless Hills, Levittown and Bristol,

Lincoln Highway has been a long established retail corridor in the area, since the late 1950's. The property is directly across the street from the Oxford Valley Mall, anchored by Macys's and JC Penney. The property itself is shadow anchored by Target and is close to a number of retail neighbors including Dick's, Nordstrom Rack, the Home Depot, Lowes, Marshalls, TJ Maxx, and Sam's Club. Many casual dining and fast food restaurants dot the area in close proximity, including Olive Garden, Ruby Tuesday's, Miller's Ale House, Bertucci's, McDonalds, Chick-Fil-A, Smokey Joe's, Chilis, Bonefish Grill, and Margaritas, and Taco Bell.

This part of Lincoln Highway is also known as "Auto Row" with several large dealerships very near including Reedman/Toll Auto World, and the Piazza and Peruzzi dealerships. Last, the tourist attraction Sesame Place, is less than a quarter mile away on the other side of the Oxford Valley Mall. All of the retail businesses along this stretch of Business Route 1 produce a high traffic count of almost 27,000 vehicles per day by the site.









ALDI — short for Albrecht Discount — was first opened in Essen, Germany, by Anna Albrecht in 1913, before being taken over and expanded by her sons Theo and Karl in 1948. Since then, the chain has grown to include thousands of locations around the world, including more than 1,600 in the United States. ALDI is known for its low prices and no-frills store design. One reason its prices are so low is that a majority of the groceries it carries are private-label. It also limits store sizes and hours, enforces a cart-rental system, and focuses on efficiency to lower labor costs.



1961
Year Founded



1,900+
U.S. Locations

Tenant Summary

Tenant Trade Name	ALDI, Inc.
Ticker Symbol	Privately owned (German)
Global locations	10,000+
U.S Sales (2017)	\$13 Billion
Headquarters	Batavia, IL
Website	www.aldi.us

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 66 million consumer and small business clients with approximately 4,400 retail financial centers, including approximately 1,800 lending centers, 2,200 financial centers with a Consumer Investment Financial Solutions Advisor, and 1,500 business centers; approximately 16,400 ATMs; and award-winning digital banking with more than 37 million active users, including over 27 million mobile users. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations across the United States, its territories and approximately 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.



1998

Year Founded



4,400

Locations

Tenant Summary

Tenant Trade Name	Bank of America
Ticker Symbol	NYSE: BAC
Long-term senior (S&P)	BBB+
Revenue (2018)	\$91.2 Billion
Headquarters	Charlotte, NC
Website	www.bankofamerica.com

The first store was opened in 1958 in Avalon, New Jersey by John Millar, who led by example with his strong work ethic, a dedication to employee growth and retention, and an understanding that even small details can make large impact. His commitment to the vitality of his employees fostered a devoted team, and created a tight knit Avalon Flooring 'family'. This legacy of culture and local community bond still continues to be a part of the organization. To that end, the company first became partially employee-owned in 2003 and then transitioned to be 100% employee-owned in 2018 so that Mr. Millar's legacy could live on by giving back to the team while also strengthening the ties of Avalon Flooring within our growing showroom communities. With 15 showrooms across New Jersey, Pennsylvania and Delaware, the company has remained dedicated to being an active member of our local communities, and staying connected to the people.



1958

Year Founded



15

Locations

Tenant Summary

Tenant Trade Name	Avalon Flooring
Ticker Symbol	Private Company
Revenue Estimated	\$50 to 100 million
Headquarters	Cherry Hill, NJ
Website	Avalonflooring.com

LANE BRYANT

Lane Bryant has challenged norms for over 110 years, since its start earning a reputation for the clothing Lena Bryant made for pregnant women. She had created the first known commercially sold maternity dress. Today as the nation's leading women's plus-size apparel retailer, Lane Bryant and Cacique, our sexy and comfortable intimates' collection, champion body equality with a focus on fashion and fit.



Ascena Retail Group, Inc. is an American retailer of women's clothing. Ascena also owns Justice, Lane Bryant, and Catherine's clothing store brands, and is the parent company of Ann Inc., operator of Ann Taylor and Loft stores. Chairman Elliot Jaffe and his wife and co-founder, Roslyn own about 25% of Ascena.



1904
Year Founded



749
Locations

Tenant Summary

Tenant Trade Name	Lan Bryant
Parent Company	Ascena Retail Group, Inc.
Ticker Symbol	NASDAQ: ASNA
Ascena Retail Group Net Sales (2018)	\$6.57 Billion
Headquarters	New York, NY
Website	www.lanebryant.com

Guitar Center is the world's largest retailer of guitars, amplifiers, drums, keyboards, recording, live sound, DJ, and lighting equipment, with more than 300 stores across the U.S. 2014 marks the milestone 50th anniversary of the Guitar Center Brand as we continue to help people make music from coast to coast. In addition, the Music & Arts division operates more than 200 stores specializing in band & orchestral instruments for sale and rental, serving teachers, band directors, college professors, and students since 1952. With an unrivaled in-store experience and passionate commitment to making gear easy-to-buy, Guitar Center is all about enabling musicians and non-musicians alike to experience the almost indescribable joy that comes from playing an instrument.



1964
Year Founded



300+
Locations

Tenant Summary

Tenant Trade Name	Guitar Center Holdings, Inc.
Ticker Symbol	Private Company
Revenue (2017)	\$2.2 Billion
Headquarters	Westlake Village, CA
Website	www.guitarcenter.com

RENT ROLL



5
Total Tenants



70,833
Gross Leasable Area



\$1,461,772
Total Annual Rent

Tenant Name	GLA (SF)	Pro-Rata	Lease Start	Lease Exp.	BASE RENT		RENT STEPS			EXTENSION OPTIONS				Recoveries	Lease Type
					Annual	Rent/SF	Increase Dates	Increases To	Rent/SF	Term	Increases On	Increases To Rent/SF			
ALDI	24,185	34.16%	10/19/18	10/18/28	\$399,052	\$16.50	10/19/23	\$438,957	\$18.15	4 – 5 Yr.	10/19/28 10/19/33 10/19/38 10/19/43	\$482,732 \$531,103 \$584,068 \$642,592	\$19.96 \$21.96 \$24.15 \$26.57	*\$126,021	NNN
Bank of America (PAD)	4,043	5.65%	10/3/18	10/2/33	\$225,000	\$55.65	10/3/23 10/3/28	\$247,500 \$272,250	\$61.22 \$67.34	3 – 5 Yr.	10/3/33 10/3/28	\$299,475 \$329,422 \$362,365	\$74.07 \$81.48 \$89.63	\$18,200	Ground Lease
Guitar Center	15,217	21.43%	2/1/09	1/31/26	\$289,123	\$19	-	-	-	1 – 5 Yr.	2/2/24	\$304,340	\$20	\$69,032	NNN
Lane Bryant	4,992	7.04%	10/26/12	10/25/22	\$129,792	\$26	-	-	-	2 – 5 Yr.	10/26/22 10/26/27	\$149,760 \$159,744	\$30 \$32	**\$22,678	NNN
Avalon	22,396	31.59%	3/18/13	3/17/23	\$418,805	\$18.70	-	-	-	2 – 5 Yr.	3/18/28 3/18/33	\$450,685 \$506,921	\$20.57 \$22.63	\$101,762	NNN
TOTAL	70,833	100%			\$1,461,772									\$337,693	

*ALDI reimburses 5% of their Annual Rent as part of a management fee.

**4% of gross sales exceeding \$3,744,000 will be paid as additional rent by tenant starting with next option period, all tenants but ALDI reimburse for a 10% admin fee

THE OFFERING

Price	\$20,450,000
Cap Rate	6.90%
Price/SF	\$288.71
NOI	\$1,410,840



OPERATING EXPENSES

Taxes	\$201,796
Insurance	\$22,110
Repairs & Maintenance	\$24,130
Water & Sewer	\$10,368
Other On-Site Exp.	\$8,030
Utilities/Electric	\$5,000
Parking Lot Sweeping	\$36,248
Alarm	\$2,822
General & Admin	\$11,627
Management Fee	*\$37,103
TOTAL EXPENSES	\$359,234

INCOME

Potential Base Rent	\$1,461,772
Expense Reimbursements	\$337,693
TOTAL Potential Income	\$1,799,465
Less: Vacancy Factor	**\$25,131
Less: Reserves	***\$4,260
Less: Total Expenses	\$359,234
NET OPERATING INCOME	\$1,410,840

*3% management fee excluding Bank of America

**3% vacancy excluding Bank of America and ALDI

***\$0.10/SF reserve excluding Bank of America

Marcus & Millichap Capital Corporation

The Marketplace at Oxford Valley is free and clear of debt. However, for purposed of our Financial Analysis, we have obtained a loan quote from Marcus & Millichap Capital Corporation with the following terms:

<u>Loan to Value Ratio:</u>	70% (\$14,700,000)
<u>Interest Rate:</u>	3.65%
<u>Term:</u>	10 Years
<u>Amortization:</u>	30 Years
<u>Equity:</u>	\$6,300,000 (Not Inclusive of Closing Costs)
<u>Return on Equity:</u>	9.59% Year One of Holding Period
<u>Term of Analysis:</u>	10 Years from 01/01/2020

Beyond Financing.

CASH FLOW ANALYSIS

	Forecast	Forecast	Forecast									
For the Years Ending	Year 1 Aug-2020	Year 2 Aug-2021	Year 3 Aug-2022	Year 4 Aug-2023	Year 5 Aug-2024	Year 6 Aug-2025	Year 7 Aug-2026	Year 8 Aug-2027	Year 9 Aug-2028	Year 10 Aug-2029	Year 11 Aug-2030	Total
Rental Revenue												
Potential Base Rent	1,461,773	1,461,773	1,461,773	1,497,761	1,585,263	1,598,623	1,598,623	1,598,623	1,628,064	1,760,304	1,800,558	17,453,139
Scheduled Base Rent	1,461,773	1,461,773	1,461,773	1,497,761	1,585,263	1,598,623	1,598,623	1,598,623	1,628,064	1,760,304	1,800,558	17,453,139
Total Miscellaneous Rent	19,953	19,953	19,953	19,953	21,685	21,948	21,948	21,948	21,948	23,848	24,137	237,272
Total Rental Revenue	1,481,725	1,481,725	1,481,725	1,517,714	1,606,948	1,620,571	1,620,571	1,620,571	1,650,012	1,784,152	1,824,695	17,690,411
Other Tenant Revenue												
Total Expense Recoveries	349,841	356,838	363,974	371,254	378,679	386,252	393,977	401,857	409,894	418,092	426,454	4,257,112
Total Other Tenant Revenue	349,841	356,838	363,974	371,254	378,679	386,252	393,977	401,857	409,894	418,092	426,454	4,257,112
Total Tenant Revenue	1,831,566	1,838,563	1,845,700	1,888,968	1,985,627	2,006,824	2,014,549	2,022,428	2,059,906	2,202,244	2,251,149	21,947,523
Potential Gross Revenue	1,831,566	1,838,563	1,845,700	1,888,968	1,985,627	2,006,824	2,014,549	2,022,428	2,059,906	2,202,244	2,251,149	21,947,523
Vacancy & Credit Loss												
Vacancy Allowance	-25,132	-25,132	-25,132	-26,211	-27,253	-27,444	-27,444	-27,444	-28,327	-30,484	-31,454	-301,455
Total Vacancy & Credit Loss	-25,132	-25,132	-25,132	-26,211	-27,253	-27,444	-27,444	-27,444	-28,327	-30,484	-31,454	-301,455
Effective Gross Revenue	1,806,434	1,813,431	1,820,568	1,862,756	1,958,374	1,979,380	1,987,105	1,994,985	2,031,579	2,171,760	2,219,695	21,646,068
Operating Expenses												
Taxes	201,796	205,832	209,949	214,148	218,430	222,799	227,255	231,800	236,436	241,165	245,988	2,455,598
Insurance	22,110	22,552	23,003	23,463	23,933	24,411	24,899	25,397	25,905	26,423	26,952	269,050
Repairs & Maintenance	24,130	24,613	25,105	25,607	26,119	26,641	27,174	27,718	28,272	28,838	29,414	293,631
Water & Sewer	10,368	10,575	10,787	11,003	11,223	11,447	11,676	11,910	12,148	12,391	12,639	126,165
Utilities (Electric)	36,682	37,416	38,164	38,927	39,706	40,500	41,310	42,136	42,979	43,838	44,715	446,373
Parking Lot (Sweeping)	36,248	36,973	37,712	38,467	39,236	40,021	40,821	41,638	42,470	43,320	44,186	441,092
Alarm	2,822	2,878	2,936	2,995	3,055	3,116	3,178	3,242	3,306	3,373	3,440	34,340
General & Admin	11,627	11,860	12,097	12,339	12,585	12,837	13,094	13,356	13,623	13,895	14,173	141,486
Management Fee	37,103	37,103	37,103	38,183	40,264	40,612	40,612	40,612	41,496	44,793	45,936	443,819
On-Site Misc. Expenses	8,030	8,191	8,354	8,522	8,692	8,866	9,043	9,224	9,408	9,597	9,789	97,715
Total Operating Expenses	390,916	397,992	405,210	413,652	423,243	431,250	439,063	447,032	456,044	467,633	477,232	4,749,268
Net Operating Income	1,415,518	1,415,439	1,415,358	1,449,104	1,535,131	1,548,130	1,548,042	1,547,953	1,575,535	1,704,127	1,742,463	16,896,799

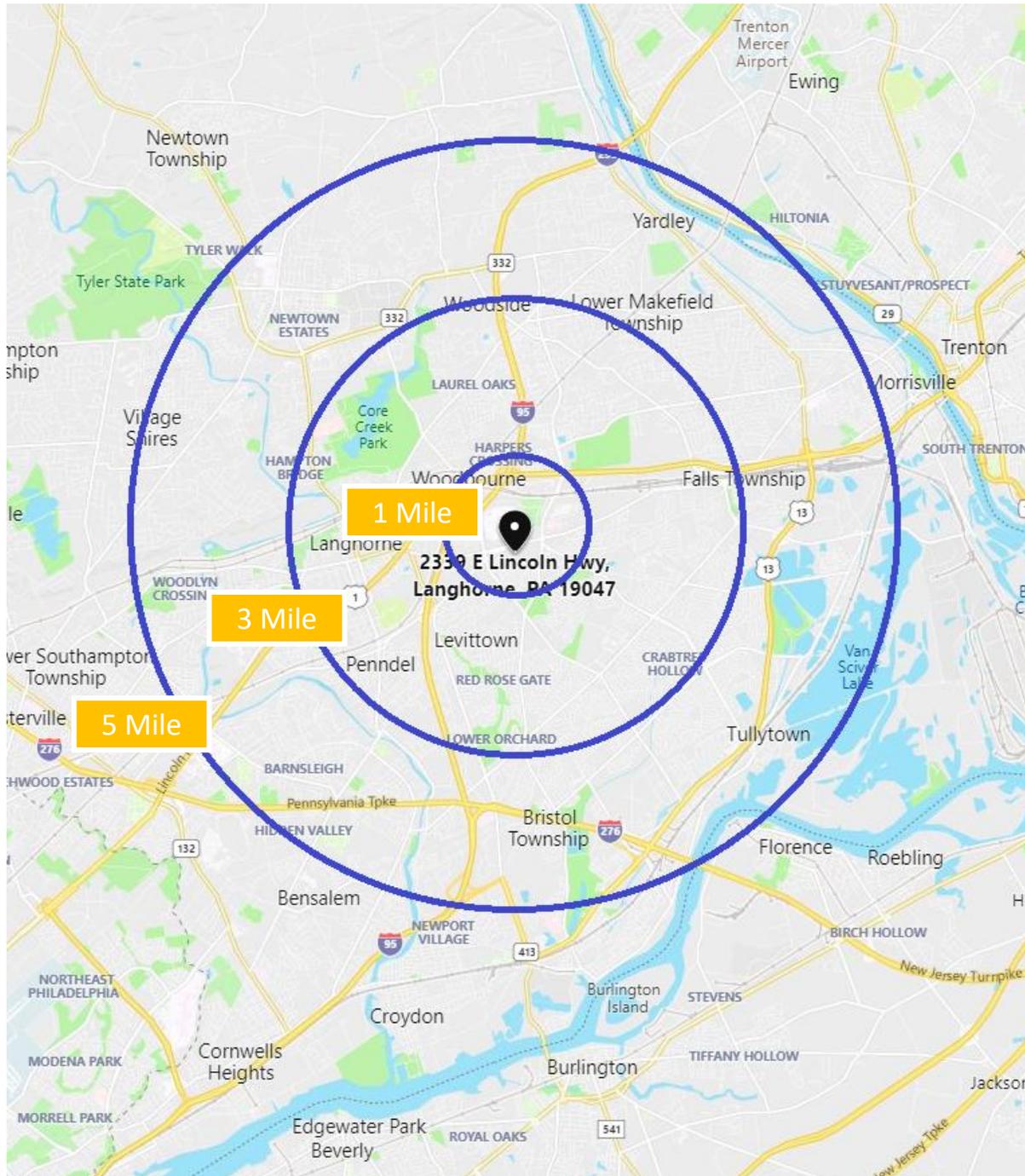
CASH FLOW ANALYSIS (cont.)

	Forecast	Forecast	Forecast									
For the Years Ending	Year 1 <u>Aug-2020</u>	Year 2 <u>Aug-2021</u>	Year 3 <u>Aug-2022</u>	Year 4 <u>Aug-2023</u>	Year 5 <u>Aug-2024</u>	Year 6 <u>Aug-2025</u>	Year 7 <u>Aug-2026</u>	Year 8 <u>Aug-2027</u>	Year 9 <u>Aug-2028</u>	Year 10 <u>Aug-2029</u>	Year 11 <u>Aug-2030</u>	Total
Leasing Costs												
Tenant Improvements	0	0	0	0	0	0	0	0	0	228,255	0	228,255
Leasing Commissions	0	0	0	0	0	0	0	0	0	76,380	0	76,380
Total Leasing Costs	0	0	0	0	0	0	0	0	0	304,635	0	304,635
Capital Expenditures												
Reserves	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	46,866
Total Capital Expenditures	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	46,866
Total Leasing & Capital Costs	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	4,261	308,896	4,261	351,501
Cash Flow Before Debt Service	1,411,258	1,411,178	1,411,097	1,444,844	1,530,870	1,543,869	1,543,782	1,543,692	1,571,275	1,395,231	1,738,202	16,545,299
Debt Service												
Interest												
Commercial Loan	531,980	521,774	511,188	500,211	488,825	477,017	464,770	452,070	438,897	425,236	0	4,811,968
Total Interest	531,980	521,774	511,188	500,211	488,825	477,017	464,770	452,070	438,897	425,236	0	4,811,968
Principal												
Commercial Loan	274,979	285,184	295,771	306,748	318,133	329,942	342,189	354,888	368,062	381,723	0	3,257,619
Total Principal	274,979	285,184	295,771	306,748	318,133	329,942	342,189	354,888	368,062	381,723	0	3,257,619
Total Debt Service	806,959	806,958	806,959	806,959	806,958	806,959	806,959	806,958	806,959	806,959	0	8,069,587
Cash Flow After Debt Service	604,299	604,220	604,138	637,885	723,912	736,910	736,823	736,734	764,316	588,272	1,738,202	8,475,712
Cash Flow Available for Distribution	604,299	604,220	604,138	637,885	723,912	736,910	736,823	736,734	764,316	588,272	1,738,202	8,475,712

Oxford Valley Mall

Lincoln Hwy
27,000 ADT





Daytime Population

78,079

3 Mile Radius



Average HH Income

\$102,415

3 Mile Radius

POPULATION		
1 Mile	3 Miles	5 Miles
5,964	85,561	207,449
HOUSEHOLD		
1 Mile	3 Miles	5 Miles
2,297	31,713	77,933
AVERAGE HH INCOME		
1 Mile	3 Miles	5 Miles
\$82,164	\$102,415	\$109,228

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