

Stone House Square



Executive Summary

The Offering

Jones Lang LaSalle (“JLL”) has been retained on an exclusive basis to offer qualified investors the opportunity to acquire Stone House Square, a 112,274 square foot grocery-anchored center located on Leitersburg Pike, northeast of downtown Hagerstown, Maryland. The Property is anchored by Weis Markets, a preferred grocer of suburban Pennsylvania, Maryland and the Mid-Atlantic. The grocer has anchored the center since 2008 and has 8 years of lease term remaining with four renewal options. Lowe’s Home Improvement shadow-anchors the neighborhood center, driving traffic and significantly expanding the center’s trade area. At 93% leased, the Property offers stable cash flow with over 77% of the GLA occupied by tenants with at least 10 years of tenure and a diverse tenant mix that relies on an internet-resistant line up of service, fitness, and food tenants (Edward Jones, Fajita Grande, Friendly’s, Great Clips, The Greene Turtle, Ameriserv Bank and Tiger Rock Martial Arts). The Property is uniquely positioned to drive NOI growth and increase cash-on-cash yields. With 7,653 square feet of available space, the Property stands to generate substantial top line revenue growth in the near term and has multiple pad site disposition opportunities that provide investors the option to reduce their basis and increase returns.

Hagerstown is a high growth market space for substantial rent growth. Due to its strategic location equidistant from Baltimore, MD and Washington DC and at the intersection of I-70 and I-81, Hagerstown has evolved into a growing distribution hub for the Mid-Atlantic region.

Stone House Square offers the rare opportunity to acquire a grocery-anchored asset with stable cash flow, a diverse tenant mix, an accretive shadow anchor, pad site disposition opportunities, and a high rent growth potential.

Property Overview

Address	19329 Leitersburg Pike Hagerstown, MD 21742		
Rent Roll Summary	Component	GLA	% of GLA
	Weis	60,505	54%
	The Greene Turtle	7,511	7%
	Advance Auto Parts	7,482	7%
	Friendly's	3,692	3%
	Capital One (subleased to Ameriserve)	3,650	3%
	Massage Envy	3,606	3%
	Other	18,068	16%
	Available	7,653	7%
	Static Vacancy	107	0%
	Total	112,274	100%
Year Built / Renovated	2008 (the original historical home was also renovated in 2008)		
Site Size	14.99 Acres		
Parking Spaces	762 Spaces		
Parking Ratio	6.8 per 1,000 SF		
Traffic Counts	16,219 VPD on Lietersburg Pike		
In-Place NOI	\$1,735,517		



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Tenured Grocery Anchor with Substantial Lease Term

Weis has anchored Stone House Square since its construction in 2008 and has lease term through 2028 with four, 5-year options to extend the lease. Aligned with Weis' preferred design to drive profit margins, the store includes a Weis Pharmacy and Weis Gas N Go Station. Weis indicated its commitment to the center when it implemented its online shopping option with in-store pick up and partnered with Shipt in 2018 to provide a delivery option from their Hagerstown store. Weis cutting edge, omni-channel experience is designed to grow market share and complement its in-store offerings.



205 LOCATIONS

3rd MARKET SHARE
IN WASHINGTON
COUNTY

\$3.5 BILLION IN
SALES IN 2018

CONSTRUCTED IN
2008

8 years
OF TERM

4.5-year
OPTIONS

WEIS PHARMACY AND
GAS N GO STATION

Summary Rent Roll

Tenant	Suite	GLA	% of GLA	Rent PSF	Annual Rent	% of Rent	Lease Start	Lease End	Options	Assump
Weis Markets	1 - 1	60,505	54%	\$13.25	\$801,691	45%	Apr-08	Apr-28	4x5	Option
Stone House Cleaners	1 - 4	1,350	1%	\$20.75	\$28,008	2%	Oct-08	Dec-22	-	Market
AVAILABLE	1 - 5	1,406	1%	\$0.00	\$0	0%	-	-	-	-
AVAILABLE	1 - 5B	856	1%	\$0.00	\$0	0%	-	-	-	-
Subway	1 - 6	1,632	1%	\$31.00	\$50,585	3%	Nov-08	Nov-23	1x5	Option
AVAILABLE	1 - 7	1,635	1%	\$0.00	\$0	0%	-	-	-	-
Wasabi	1 - 8	1,650	1%	\$18.40	\$30,362	2%	Feb-16	Feb-26	2x5	Option
AVAILABLE	1 - 8D	1,859	2%	\$0.00	\$0	0%	-	-	-	-
Stone House Urban Winery	2-2	2,440	2%	\$16.32	\$39,821	2%	Feb-16	Aug-23	1x5	Option
Friendly's	3 - 15	3,692	3%	\$20.00	\$73,840	4%	Nov-08	Nov-23	2x5	Option
Massage Envy	3 - 16	3,606	3%	\$19.00	\$68,514	4%	Sep-15	Jan-26	2x5	Option
Edward B. Jones	3 - 17	1,500	1%	\$20.10	\$30,143	2%	Jun-14	Jan-21	-	Renew
R. Bruce Carson Jewelers	3 - 18	2,407	2%	\$20.00	\$48,140	3%	Aug-08	Aug-23	-	Market
Tiger Rock Martial Arts	3 - 19	2,690	2%	\$16.32	\$43,901	2%	Jul-18	Jan-26	2x5	Option
AVAILABLE	3 - 19A	1,897	2%	\$0.00	\$0	0%	-	-	-	-
Great Clips	3 - 20	1,660	1%	\$18.58	\$30,843	2%	Apr-15	Aug-20	2x5	Option
Fajita Grande	4 - 9	2,739	2%	\$21.85	\$59,860	3%	Aug-14	Nov-24	-	Market
Advance Auto Parts (Dark)	4 - 10	7,482	7%	\$16.00	\$119,712	7%	Oct-14	Oct-24	4x5	Vacate
The Greene Turtle	4 - 12	7,511	7%	\$22.50	\$168,998	10%	Sep-08	Feb-29	-	Market
Capital One (subleased to Ameriserve)	5 - 3	3,650	3%	\$49.73	\$181,500	10%	Jun-08	Jun-33	2x10, 1x5	Vacate
Leased		104,514	93%	\$16.98	\$1,775,056	100%				
Available		7,653	7%							
Static Vacancy		107	0%							
TOTAL		112,274	100%		\$1,775,056	100.0%				

Executive Summary



Shadow Anchor Lowe's Drives Traffic and Improves the Merchandising Mix

Since 2007, Lowe's Home Improvement has shadow-anchored the center in a 140,000 square foot standalone building owned by the retailer. The banner brand of the Lowe's Companies (BBB+, NYSE: LOW), the home improvement store is a destination retailer with a proven resistance to e-commerce competition. As the dominant home improvement retailer on the high-growth north side of Hagerstown, Lowe's provides substantial traffic to the Property and contributes to the diversity of the tenant mix.



Executive Summary

Immediate Revenue Growth Opportunity Through Lease Up

While the existing tenancy provides stable cash flow, 5,756 square feet of available space adjacent to Weis can be leased to drive top line revenue. An additional 1,897 square foot space in one of the outparcel strips brings the total potential NOI growth through lease up to \$175,000 annually. Further, Advance Auto Parts (BBB-) recently went dark in a 7,482 square foot space that boasts some of the center's best frontage and visibility on Leitersburg Pike. An investor may continue to collect rental income from the credit-worthy tenant through October 2024 while backfill options are negotiated.

Demographics	1 Mile	3 Mile	5 Mile
2019 Population Estimate	6,666	50,065	81,981
Population Growth: 2019 to 2024	2.96%	2.31%	2.53%
Average Household Income	\$83,669	\$65,035	\$67,671

7,653 SQUARE FEET OF AVAILABLE SPACE



\$175,000 POTENTIAL NOI GROWTH

Excellent Regional Connectivity and Retail Fundamentals

The Property is ideally located on Leitersburg Pike with 3 points of ingress and egress, a signalized intersection at the main entrance, and excellent, above-grade visibility (over 1,000 feet of frontage on Leisterberg Pike). Less than one mile from Route 11 (15,578 VPD) and about two miles from I-81 (57,714 VPD), consumers have superior access to regional transportation thoroughways.

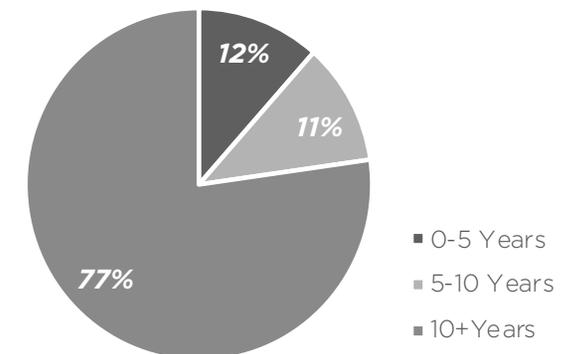


Tenured, Internet-Resistant Tenancy with Diverse Tenant Mix

The Property has a synergistic mix of local, regional and national food tenants. A variety of food tenants including Fajita Grande, The Greene Turtle, Friendly's and Subway span a wide spectrum of price points and convenience. Internet-resistant service and fitness tenants such as Tiger Rock Martial Arts, Great Clips, and Chevy Chase Bank provide a diverse mix of uses that drive continuous traffic to the center.



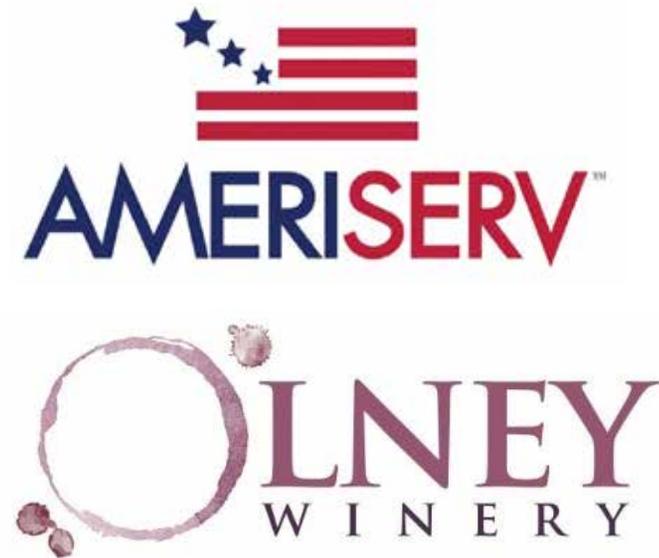
Tenant Tenure By Years
(% of GLA)



Executive Summary

Accretive Pad Site Disposition Opportunities

The Property has two, single-tenant pad sites that can be separately parceled and sold off individually to reduce an investor's basis and push yields. Capital One, with lease term through 2033, is currently subleasing the pad site to AmeriServe Bank and boasts a highly sought after drive-thru. Stone House Urban Winery, a popular community retailer that hosts events such as wine tastings and painting, has term through 2023 and possesses a 5-year option. Both pad sites are ideally located along the signalized main entrance of the Property and have unique, historical facades.

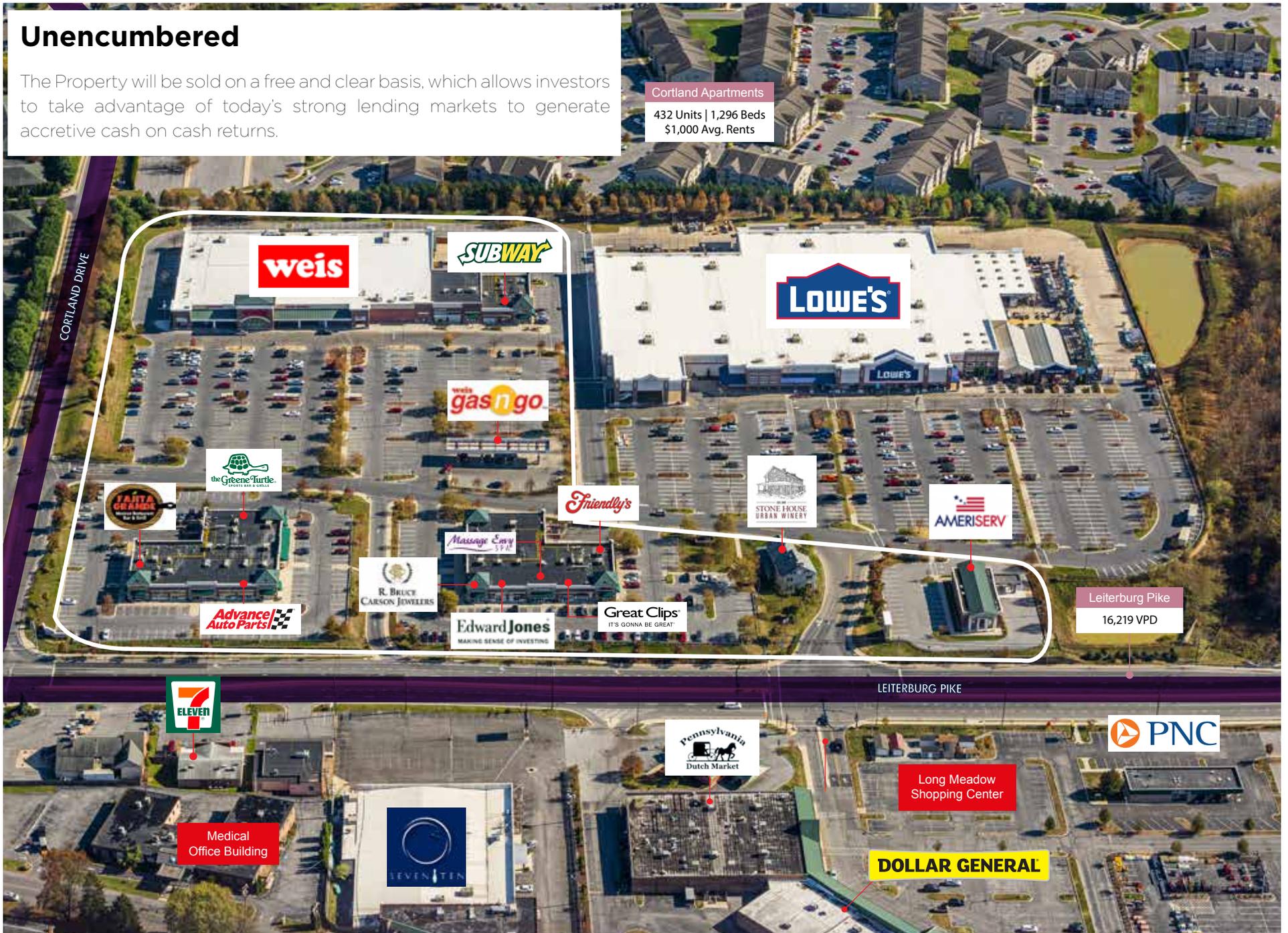


Unencumbered

The Property will be sold on a free and clear basis, which allows investors to take advantage of today's strong lending markets to generate accretive cash on cash returns.

Cortland Apartments

432 Units | 1,296 Beds
\$1,000 Avg. Rents



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BILL MOYLAN
Managing Director
202.719.5651
Bill.Moylan@am.jll.com

CHRIS MUNLEY
Managing Director
484.532.4207
Christopher.Munley@am.jll.com

JORDAN LEX
Senior Director
202.533.2517
Jordan.Lex@am.jll.com

DANIEL NAUGHTON
Director
202.777.2316
Daniel.Naughton@am.jll.com

REMY MOONEY
Analyst
202.777.2312
Remy.Mooney@am.jll.com

FINANCING

CHRIS HEW
Senior Director
202.746.2452
Chris.Hew@am.jll.com

