

1123 JERUSALEM AVENUE, UNIONDALE, NY



IN-PLACE NNN LEASE INVESTMENT

CONFIDENTIAL OFFERING MEMORANDUM





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Walmart

THE  
ASSET







## EXECUTIVE SUMMARY

CBRE is pleased to present the rare opportunity to purchase the fee simple interest in the Walmart property located at 1123 Jerusalem Avenue in the town of Uniondale in Nassau County, New York. The property, which sits on a 6.09± acre lot, consists of a 112,267± SF building, which includes 20,086± SF of mezzanine space, a large parking lot for customers and dedicated parking for employees. The property is strategically located in the Uniondale Shopping Center on Jerusalem Avenue right off of the Southern State Parkway and the Meadowbrook Parkway.

The tenant is operating under a triple net lease with a corporate guarantee, paying \$800,000 annually. The tenant has four more years on its current five-year option. After this expires, the lease provides for 23 additional years of options broken down between four (4) five (5) year options, and one (1) three (3) year option.

The purchase of this asset presents a phenomenal opportunity for a new owner to acquire an extremely safe investment with the world's largest retailer. Substantial capital improvements paid for by the tenant signal a long-term commitment to this specific location.

## OFFERING HIGHLIGHTS

**EXCELLENT TENANCY** - Walmart is the largest retailer and largest employer in the world

**NNN LEASE** - The property offers a buyer 23 additional years of option term

**EXTREMELY SAFE INVESTMENT** - International credit tenant offering a steady income stream for the long term

**LONG-TERM COMMITMENT** - As one of the first Walmart locations on Long Island, the current tenant has been at this location for over 20 years. Recent substantial capital improvements paid for by the tenant signal a long-term commitment to this specific location.

**AA CREDIT RATING** - Walmart is one of the highest rated companies with a Moody's "Aa2" rating and an S&P "AA" rating

**VALUE ADD POTENTIAL** - A new owner can attract significantly higher rent should the tenant leave



## TENANT OVERVIEW

Walmart (NYSE: WMT) is the world's largest brick-and-mortar multinational retailer corporation headquartered in Bentonville, Arkansas. With over 1.5 million US employees alone, Walmart has opened thousands of stores in the U.S. and expanded internationally. Through innovation, they have created a seamless experience to let customers shop anytime and anywhere in stores, online and through mobile devices. With a total net income in 2018 of \$9.86 billion, the company was founded by Sam Walton in 1962 and incorporated on October 31, 1969. It also owns and operates Sam's Club retail warehouses. As of October 31, 2018, Walmart has 11,277 stores and clubs in 27 countries, operating under 55 different names. It has wholly owned operations in Argentina, Chile, Canada, and South Africa.

Walmart is the world's largest company by revenue - over \$500 billion, according to Fortune Global 500 list in 2018 - as well as the largest private employer in the world with 2.3 million employees. It is a publicly traded family-owned business, as the company is controlled by the Walton family. Sam Walton's heirs own over 50 percent of Walmart through their holding company, Walton Enterprises, and through their individual holdings. Walmart was the largest U.S. grocery retailer in 2016, and 62.3 percent of Walmart's \$478.61 billion sales came from U.S. operations.

The company was listed on the New York Stock Exchange in 1972. By 1988, Walmart was the most profitable retailer in the U.S., and by October 1989 it had become the largest in terms of revenue. Originally geographically limited to the South and lower Midwest, by the early 1990s the company had stores from coast to coast: Sam's Club opened in New Jersey in November 1989 and the first California outlet opened in Lancaster in July 1990. Walmart has been deemed as one of the world's most recognizable companies.

### Operations

Walmart's operations are organized into four divisions: Walmart U.S., Walmart International, Sam's Club and Global eCommerce. The company offers various retail formats throughout these divisions, including supercenters, supermarkets, hypermarkets, warehouse clubs, cash-and-carry stores, home improvement, specialty electronics, restaurants, apparel stores, drugstores, convenience stores, and digital retail.

### Private Labels

About 40% of products sold in Walmart are private label store brands, which are produced for the company through contracts with manufacturers. Walmart began offering private label brands in 1991, with the launch of Sam's Choice, a line of drinks produced by Cott Beverages for Walmart. Sam's Choice quickly became popular and by 1993, was the third-most-popular beverage brand in the United States. Other U.S. Walmart brands include Great Value and Equate.

### Distribution & E-Commerce

Walmart operates over 150 distribution centers, which are the hubs of activity for their business. The distribution operation is one of the largest in the world servicing stores, clubs and direct delivery to customers. Walmart transportation has a fleet of 6,100 tractors, 61,000 trailers and more than 7,800 drivers. Walmart.com sees up to 100 million unique visitors a month, providing customers with ways to save time and money while reimagining how digital and physical shopping work together.

### Departments

Electronics, movies, music, furniture, home improvement, clothing, footwear, jewelry, toys, health and beauty products, pet supplies, sporting goods and fitness, auto, photo finishing, craft supplies, party supplies, grocery



## LEASE ABSTRACT

### WALMART

<b>TENANT</b>	Walmart
<b>ADDRESS</b>	1123 Jerusalem Avenue, Uniondale, NY 11553
<b>RENTABLE SQUARE FOOTAGE (SF)</b>	112,267± SF
<b>LOT SIZE (ACRES)</b>	6.09±
<b>PARKING</b>	450± Spaces
<b>YEAR BUILT</b>	1996
<b>LEASE TERM</b>	Four (4) years remaining on current five (5) year option term
<b>OPTIONS PERIODS</b>	Yes, four (4), five (5) year options, and one (1), three (3) year option; total of 23 years
<b>ANNUAL RENT</b>	\$800,000
<b>RENT PER SQUARE FOOT</b>	\$7.13
<b>RENTAL INCREASES</b>	None
<b>LEASE STRUCTURE</b>	Triple Net
<b>LANDLORD RESPONSIBILITIES</b>	Landlord performs maintenance on common areas only and receives reimbursement from tenant
<b>TENANT RESPONSIBILITIES</b>	All maintenance and repairs to the tenant structure including roof and façade

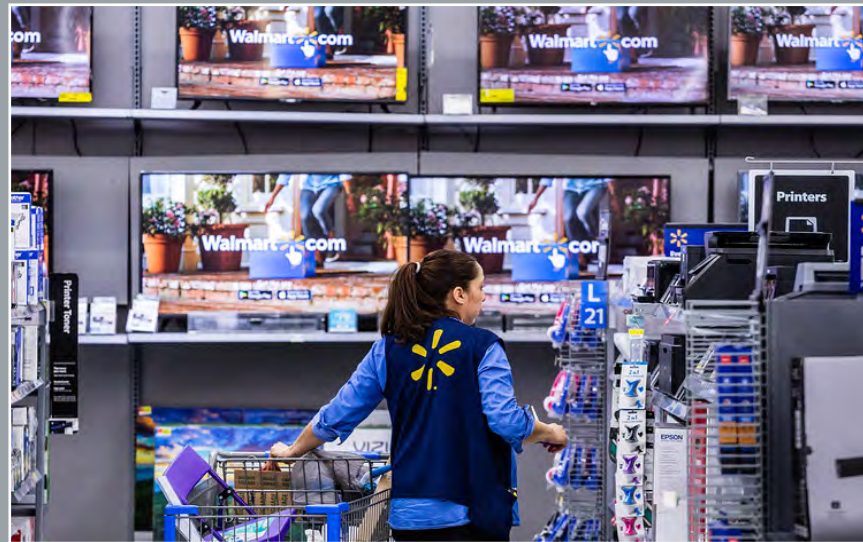


# PROPERTY SPECIFICS

## GENERAL PROPERTY INFORMATION

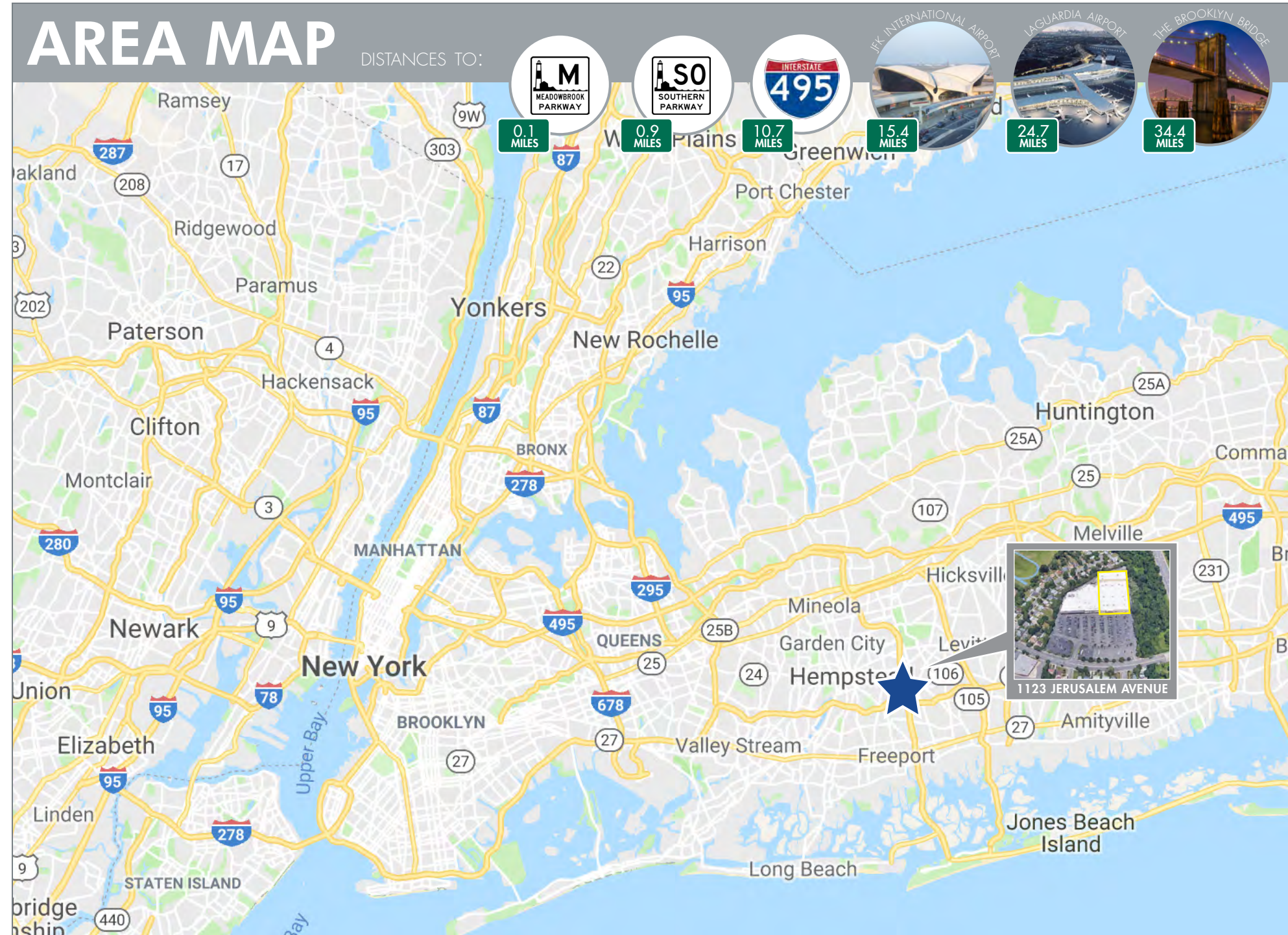
ADDRESS:	1123 Jerusalem Avenue, Uniondale, NY 11553
COUNTY:	Nassau County
BUILDING USE:	Single-Tenant NNN Retail
TENANT:	Walmart
TOTAL BUILDING SIZE:	112,267 ± SF
PROPERTY SIZE:	6.09 ± acres or 265,193 ± SF
BLOCK / LOT:	G / 0270 & 0271
# STORIES:	Single story
PARKING:	Large dedicated parking lot with 450 ± spaces
YEAR BUILT:	c. 1996

PROPERTY NOTES: Specific property information sourced from RealQuest and Ownership.



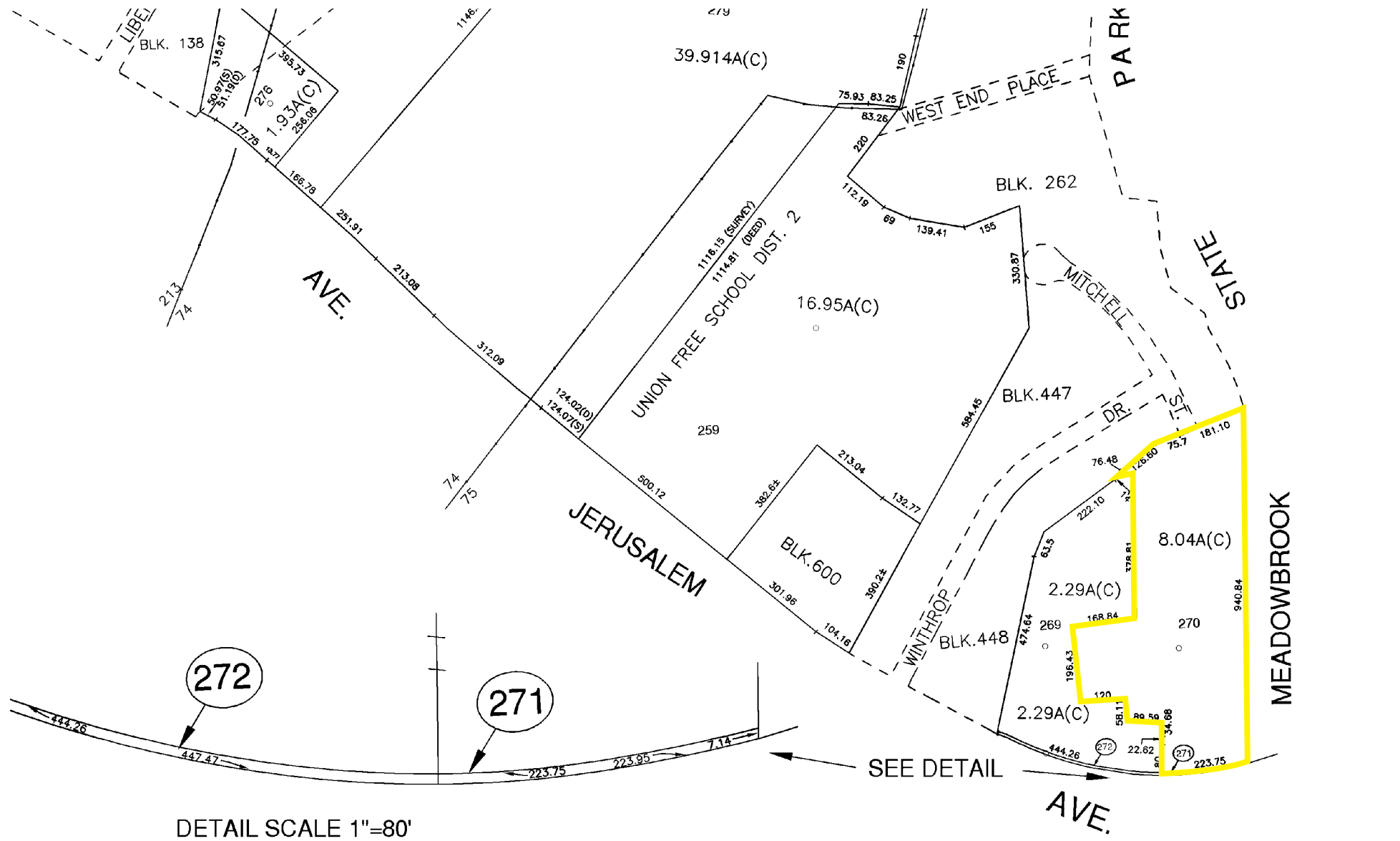
# AREA MAP

DISTANCES TO:

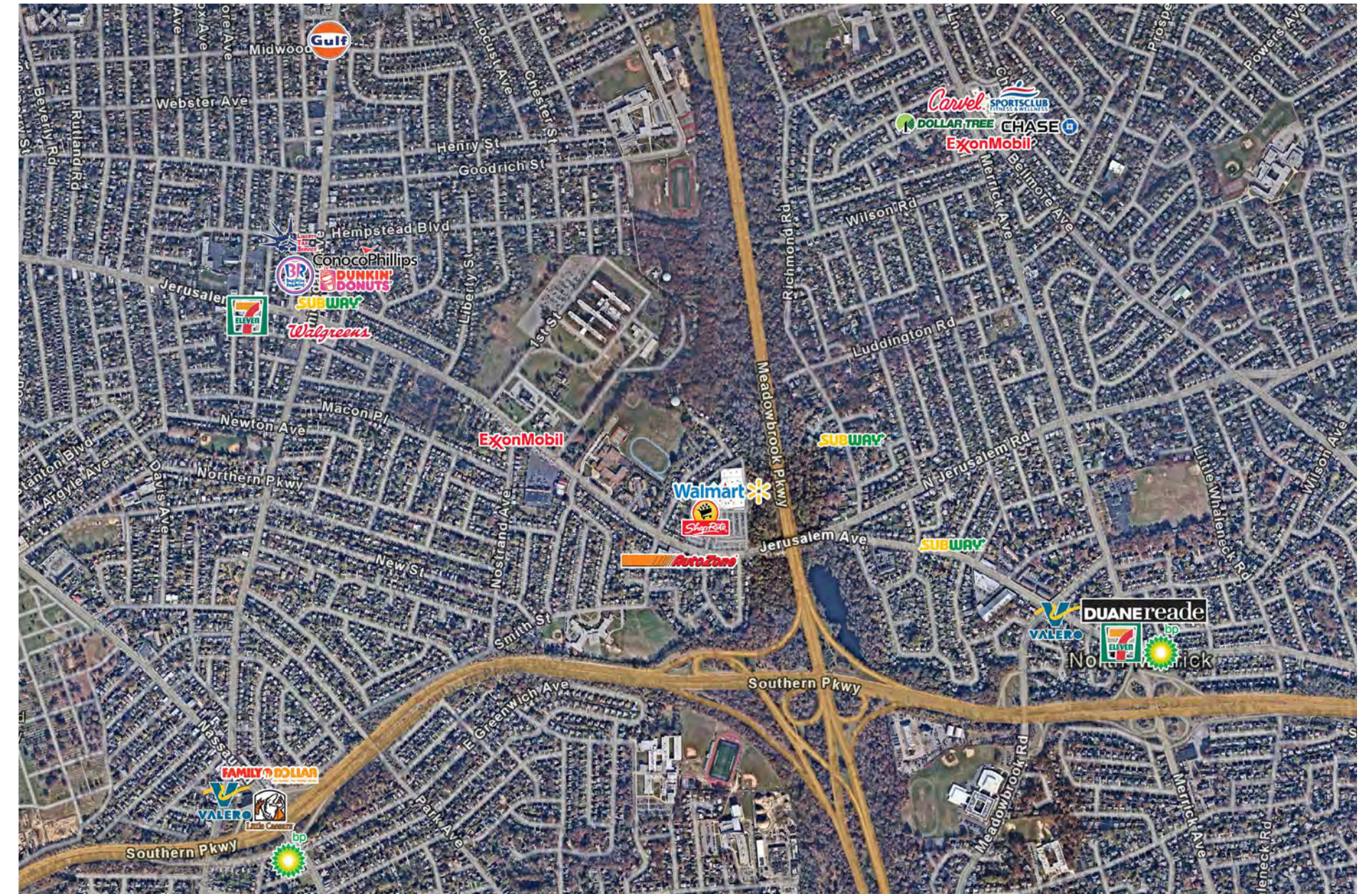




# TAX MAP



# LOCAL RETAIL MAP



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WAL-MART

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WAL-MART

walmart.com

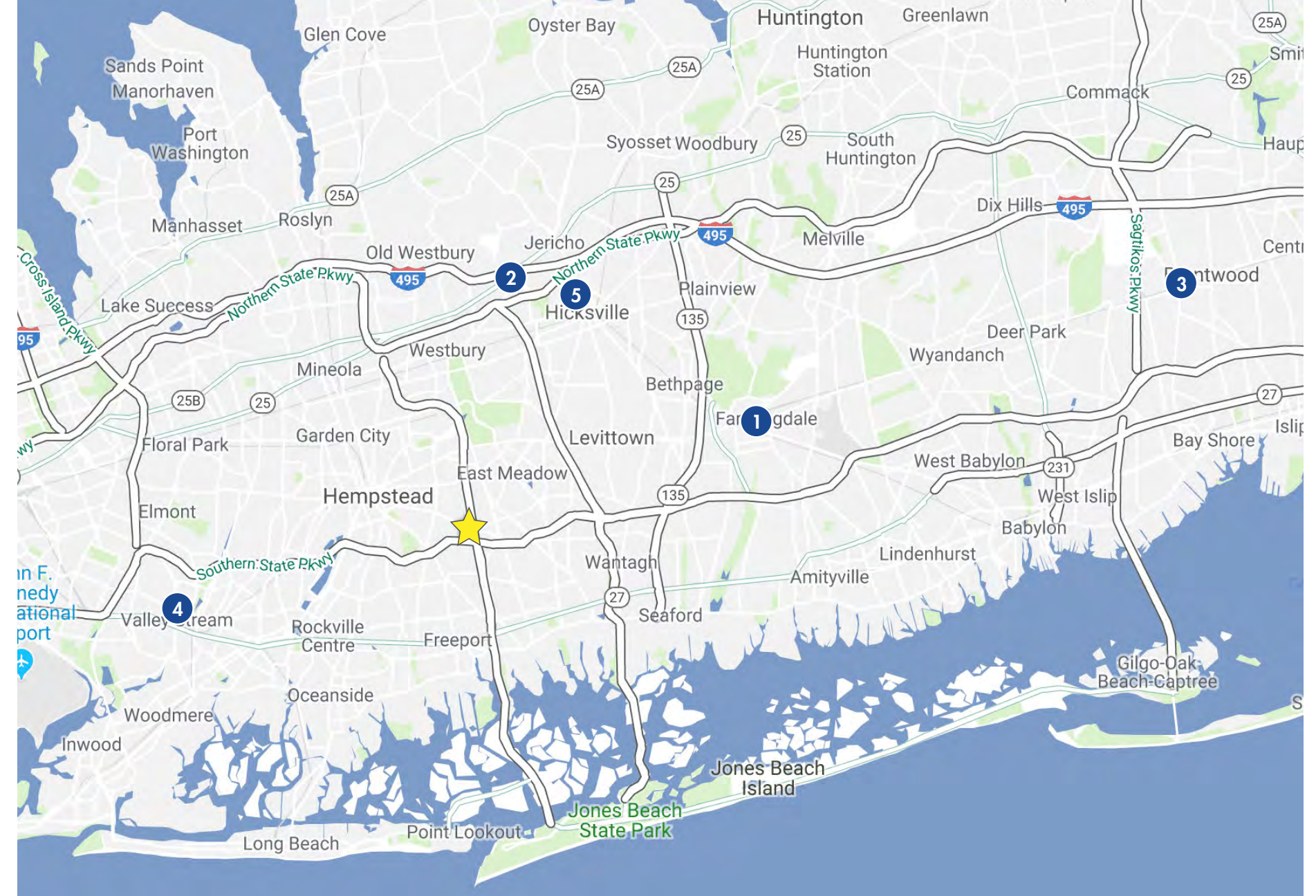
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COMPARABLES



## SOLD COMPARABLES - LONG ISLAND RETAIL

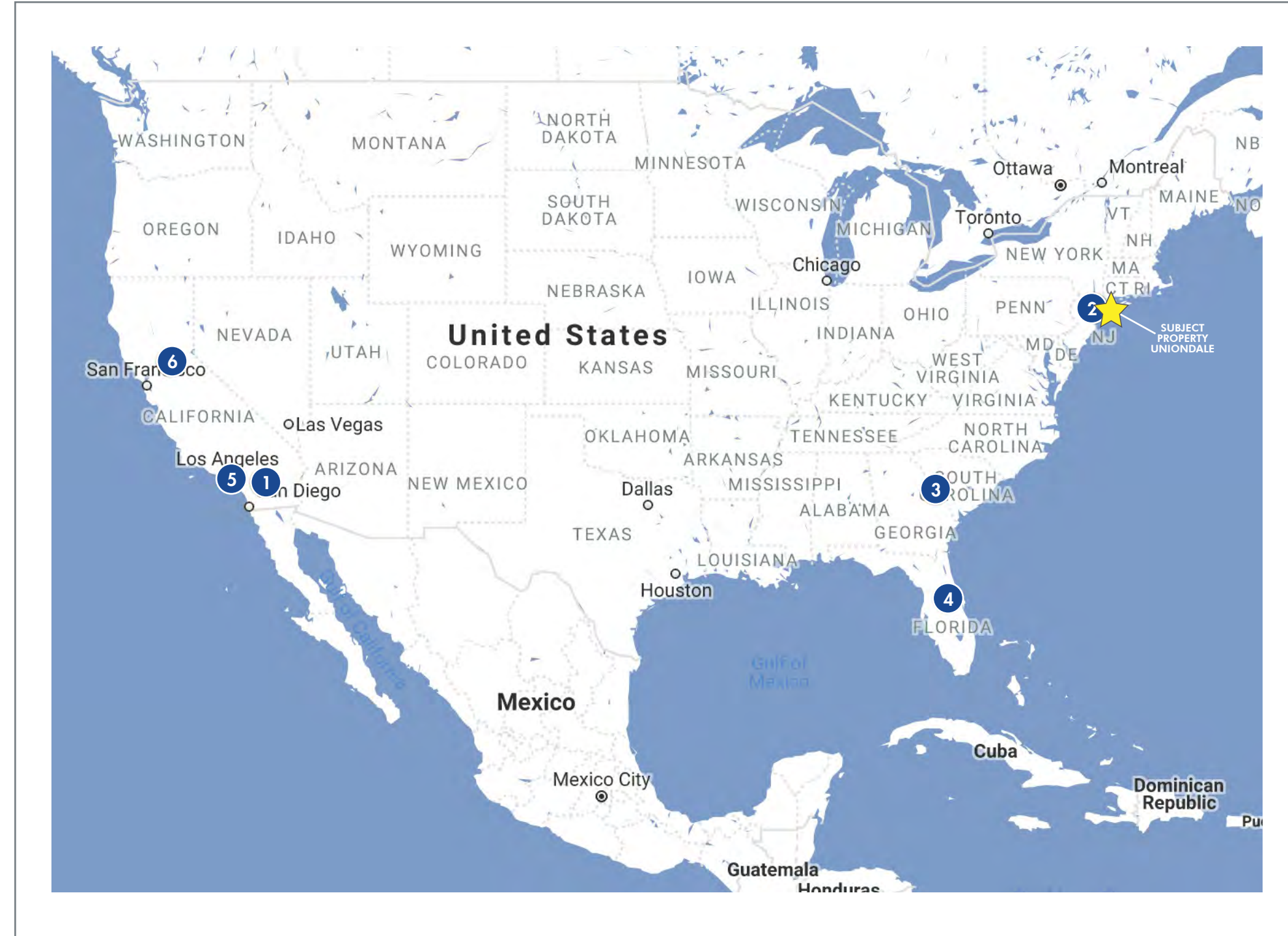
PROPERTY	TENANT	SF	SALE DATE	SALE \$	\$/SF	CAP RATE
1 250 Conklin Street Farmingdale, NY	Citibank	4,640	06/15/18	\$2,888,000	\$622	4.75%
2 8001 Brush Hollow Road Jericho, NY	Citibank	3,499	06/12/18	\$3,870,000	\$1,106	4.50%
3 26 Wicks Road Brentwood, NY	Walgreens	14,393	06/28/17	\$12,731,660	\$885	5.00%
4 300 W Merrick Road Valley Stream, NY	Walgreens	13,235	05/26/17	\$13,962,264	\$1,055	5.30%
5 1401 Broadway Mall Hicksville, NY	Chick-Fil-A	4,999	03/09/17	\$6,238,348	\$1,248	4.00%
<b>AVERAGES</b>					<b>\$983</b>	<b>4.71%</b>





## SOLD COMPARABLES - WALMART NATIONAL

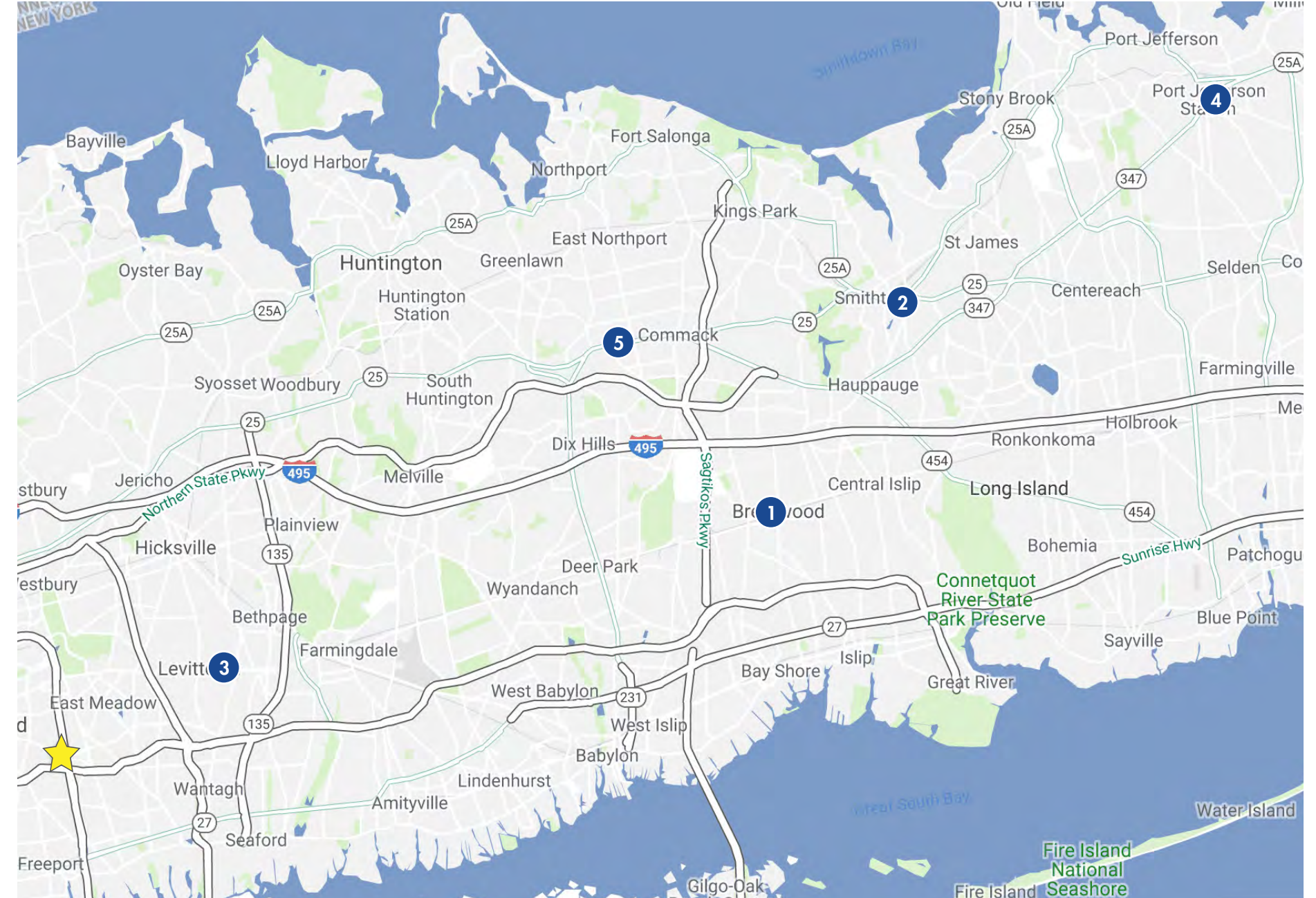
PROPERTY	TENANT	BUILT	SF	SALE DATE	SALE \$	\$/SF	CAP RATE
1 72314 CA-111 Palm Desert, CA	Walmart Neighborhood Market	2014	45,648	11/19/18	\$13,500,000	\$296	5.00%
2 1 Teterboro Landing Drive Teterboro, NJ	Walmart Supercenter	2015	159,542	07/13/18	\$37,481,551	\$235	4.90%
3 3932 Windsor Spring Road Augusta, GA	Walmart Neighborhood Market	2016	46,000	05/10/18	\$6,550,000	\$142	5.20%
4 820 Balmy Beach Drive Forest City, Apoka, FL	Walmart Neighborhood Market	2018	44,000	03/29/18	\$8,975,000	\$204	4.50%
5 11729 Imperial Highway Norwalk, CA	Walmart Supercenter	1998	111,830	05/02/17	\$20,200,000	\$181	5.45%
6 8961 Greenback Lane Orangevale, CA	Walmart Supercenter	2008	98,000	02/17/17	\$13,500,000	\$138	5.21%
<b>AVERAGES</b>						<b>\$199</b>	<b>5.04%</b>





## LEASE COMPARABLES - LONG ISLAND BIG BOX RETAIL

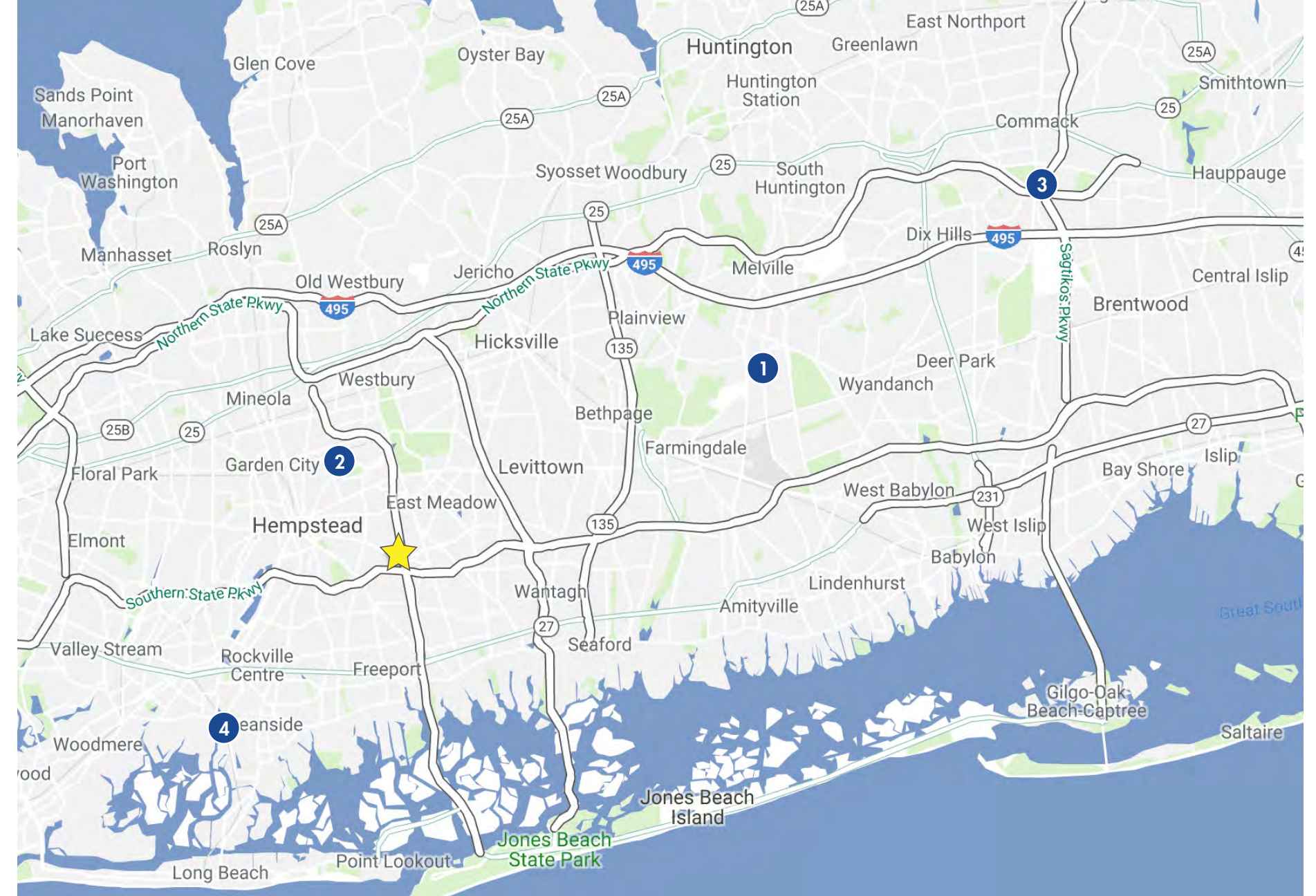
PROPERTY	TENANT	SF	DATE	RENT/SF	TYPE	TERM	COMMENTS
1 700 Suffolk Avenue Brentwood, NY	Gold Mango	21,500	04/01/16	\$24.00	NNN	10 Years	Full build-out
2 126 E Main Street Smithtown, NY	Fresh Market	21,314	08/14/14	\$24.00	NNN	10 years 6 months	6 months free rent for construction, \$25.00 psf work
3 3575-3675 Hempstead Tpk Levittown, NY	Best Buy	46,617	01/01/16	\$22.00	NNN	5 Years	Renewal
4 5145 Nesconset Highway Port Jefferson Station, NY	ShopRite	68,428	07/18/18	\$15.75	NNN	20 years 6 months	-
5 3083-3087 Jericho Tpk East Northport, NY	Bob's Stores	35,450	05/01/16	\$13.69	NNN	10 Years	Full build-out
<b>AVERAGES</b>				<b>\$19.89</b>			





## LEASE COMPARABLES - LONG ISLAND INDUSTRIAL

PROPERTY	TENANT	SF	DATE	RENT/SF	TYPE	TERM
1 55 Marcus Drive Melville, NY	Mitsubishi Electric Power Products	52,051	Aug-18	\$10.62	NNN	5 years
2 55 Charles Lindbergh Blvd Uniondale, NY	Frequency Electronics	91,027	Jun-18	\$11.50	NNN	10 years 7 months
3 500 Commack Road Commack, NY	Country Life Vitamins	24,000	Jun-18	\$13.50	-	5 years
4 1800 Access Road Oceanside, NY	Airline Container Leasing, d/b/a ACL Airshop	17,000	Dec-17	\$14.12	NNN	7 years 3 months
<b>AVERAGES</b>				<b>\$ 12.44</b>		







Rite

BAKERY

Pickup

Walmart



Pharm

THE  
MARKET



## NASSAU COUNTY

Nassau County covers 285 land square miles in the western section of Long Island and it is bordered by Suffolk County to the east and Queens County to the west. The county also borders Connecticut across the Long Island Sound.

Nassau County is consistently considered one of the wealthiest and in the top 25 of most affluent counties in the United States. With a median household income of \$98,401, the county remains a premier place for residences who both live and work on Long Island and for those who commute to New York City. The population within Nassau County has grown steadily over the years with currently 1,361,350 people calling the county home.

### Recreational and Cultural Facilities

Nassau County has hosted globally recognized events at its world-class facilities. Belmont Park located in Elmont, a five-minute drive from Centennial Hall, plays host to the final leg in the Triple Crown race every year. Nassau Veterans Memorial Coliseum is a 416,000 square-foot arena built in 1972 with 16,170 seats for hockey, 18,100 seats for concerts and 17,700 for boxing. This multi-purpose center will undergo a \$260-million renovation from Forest City developers which will include new restaurants, hotels, parking garages, a movie theater and other entertainment facilities. In 1998, The Aquatic Center at Eisenhower Park in East Meadow, was constructed for the International Goodwill Games and remains a top choice for local and national events. Additionally, Bethpage State Park Golf Course has hosted both the 2002 and 2009 U.S. Open and the 2012 Barclays Tournament. The course will also host the Barclays Tournament in 2021 and 2027, the Ryder Cup in 2024, and the PGA Championship in 2019. A short drive away, Woodmere is close to a number of Long Island beaches including Long Beach, Atlantic Beach and Rockaway Beach. Millions of people, both locals and tourists, visit Long Island beaches throughout the year to take in the sea shore and attend events.

### Healthcare Facilities

Long Island's aging population has led the healthcare industry to expand exponentially in Nassau County. There has been significant growth in hospitals, senior living and nursing homes. In Nassau County, there are a total of 11 hospitals, supporting nearly 4,800 beds. The single largest employer on Long Island is Northwell Health (formerly North Shore-LIJ) with 31,153 employees. In addition, there are a total of 16 senior living facilities with over 2,500 beds and 10 nursing homes with over 3,600 beds.

### Educational Facilities

Home to a number of award winning and top ranked universities and colleges, Nassau County continues to draw students from all over the country of varying academic aspirations. Counted among the educational facilities include Adelphi University, Molloy College, New York Institute of Technology, SUNY Old Westbury, Hofstra University and C.W. Post Campus of Long Island University.



## UNIONDALE, NY

Uniondale is a diverse, middle-income area of single-family homes in the town of Hempstead in central Nassau County. The hamlet has a highly active real estate market characterized by low inventory, and bidding wars on home sales.

Eisenhower Park, a 930-acre Nassau County park, is less than 10 minutes away. It has three golf courses, an Olympic-sized swimming pool, all manner of sports fields and courts, a theater for concerts and acres of picnic grounds. Roosevelt Park, another county park, which is on 29 acres near Meadowbrook Parkway, has handball, basketball and tennis courts, a ball field, a playground, a picnic area and a three-mile nature trail.

Roosevelt Field, Long Island's largest regional shopping mall, is just to the north, past the Nassau Coliseum, a multipurpose arena that opened in 1972. The Coliseum is used for sporting events, concerts, large exhibitions and shows as well as trade shows—44,000 square feet at the main arena, 60,000 at the Expo Center. It is right across Hempstead Turnpike, generally regarded as Uniondale's northern border.

Uniondale is home to Hofstra University, a private coeducational institution whose total enrollment of more than 13,000 includes 8,000 undergraduates, and Nassau Community College, which with 20,000 students is the largest two-year community college in the state, are neighbors. Some Hofstra students rent in Uniondale.

The Uniondale School District is one of the largest districts in Nassau County. It has an enrollment of 6,000 students in eight schools: five for kindergarten through fifth grade, two middle schools and Uniondale High School. The district also includes parts of Baldwin, Hempstead and Garden City.

Uniondale is also home to some of Long Island's largest and most prominent office buildings. RexCorp Plaza in Uniondale remains the most recognizable structure on the Island. First built in 1985, the 15-story, two-building complex is as impressive inside as out. The 1.1 million-square-foot Plaza features a 20,000-square-foot granite lobby and amenities such as a concierge, fitness center, a full-service café and plenty of parking. 333 Earle Ovington Blvd., otherwise known as the Omni is a 10-story, 578,000-square-foot granite and glass office tower. The formally designed lobby has enough original artwork to qualify as a gallery. It also provides an impressive space for employees to gather. The Omni has a 27,500-square-foot health club and an indoor swimming pool.

With Meadowbrook Parkway and Southern State Parkway at its borders, Uniondale is well situated for road travel.







## Transportation

The MTA buses, subways and LIRR trains play vital roles for both commuters to New York City and residents of Long Island. LIRR services both Suffolk and Nassau counties on Long Island, as well as Queens, Brooklyn and Manhattan, with over 275,000 daily riders. The City of Uniondale is serviced by the Hempstead Branch of the Long Island Rail Road (LIRR), providing public transportation for the residents and visitors. Total Annual Ridership on the Hempstead Branch line was over 500,000 riders in 2018. There are also buses provided by the city of Hempstead and the Nassau Inter-County Express (NICE) system.

## AREA DEMOGRAPHICS



### POPULATION

POPULATION	1 MILE	3 MILE	5 MILE
2018 Estimated Population	24,448	238,176	553,281
2023 Estimated Population	24,751	241,912	561,608
Median Age	38.60	38.20	40.40



### INCOME

HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
2018 Average HH Income	\$115,145	\$114,500	\$128,162
2023 Average HH Income	\$133,168	\$131,584	\$146,800



### BUSINESS

BUSINESSES	1 MILE	3 MILE	5 MILE
2018 Businesses	334	6,844	19,816
2018 Employees	4,619	84,849	232,596





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Walmart

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