

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY



NORTH LYNNWOOD — SHOPPING CENTER —

17511 Highway 99 · Lynnwood, WA 98037

Paul Sleeth
Executive Vice President
+1 206 223 1266
paul.sleeth@colliers.com

Billy Sleeth
Executive Vice President
+1 206 654 0522
billy.sleeth@colliers.com

Colliers
INTERNATIONAL

NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY



ALDERWOOD
MALL



SEATTLE



47,000 VPD

NORTH LYNNWOOD
SHOPPING CENTER

PACIFIC HIGHWAY

176TH STREET SW



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY



■ QFC (KROGER) ANCHORED

■ IMMEDIATE NOI GROWTH

■ STRONG RETAIL TRADE AREA

■ EXCELLENT HWY 99 LOCATION

■ STRONG QFC SALES

■ NO DEBT

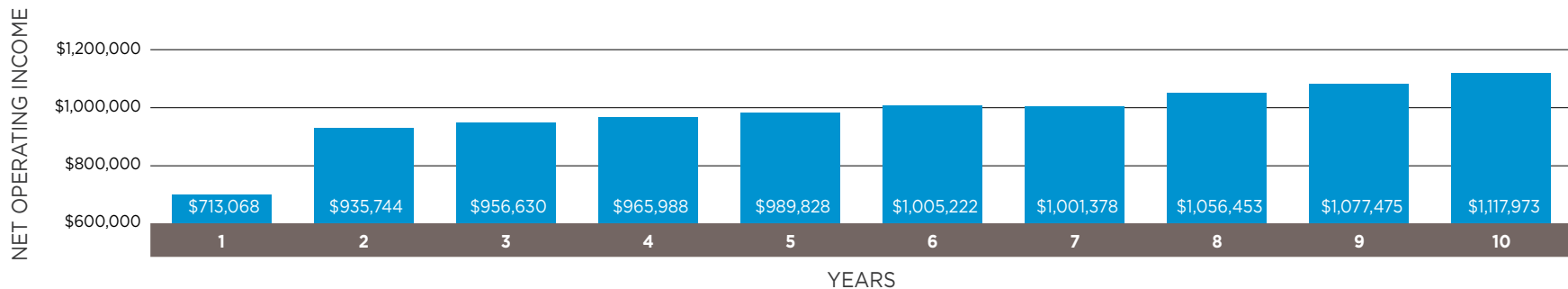
■ SUSTAINABLE/LOW QFC RENT

■ LEASING UPSIDE

■ SOLID DEMOGRAPHICS

INVESTMENT HIGHLIGHTS

- » **QFC (Kroger) Anchor** - The offering is anchored by a high performing QFC providing credit, draw, and stability to the investment.
- » **Strong QFC Sales** - QFC reports strong sales at this location and reflects a positive sales trend since 2013.
- » **QFC Fuel Station** - In 2003, QFC added an eight pump fuel station at North Lynnwood Shopping Center demonstrating their success and commitment to this location. Sales reports for the Fuel Station are strong.
- » **Below Market QFC Rent/Low Occupancy Cost** - QFC's rent of \$7.23/SF/YR and QFC's Fuel Station rent of \$11.35/SF/YR and strong sales create an overall occupancy cost of 1.71%.
- » **Immediate NOI Growth** -
 - The NOI is projected to increase approximately 57% over the 10 year hold (31% by year 2 and 48% by year 8).
 - All of the shop tenant leases contain annual rental increases, combined with the leasing upside of the current vacancy and the current below market QFC fuel station rent creates a significant opportunity for increased income.
 - The QFC fuel station rolls to market in 2017.
- » **Excellent Highway 99 Location** - North Lynnwood Shopping Center is located approximately 18 miles north of downtown Seattle at the intersection of Highway 99 and 176th St SW with excellent access and visibility to both thoroughfares. Average daily traffic counts are over 47,000 VPD at the intersection.
- » **QFC and Chase represent 49% of Income Stream** - 49% of the income stream is represented by these two national credit tenants.
- » **Leasing Upside** - There are two vacant spaces totaling 7,778 SF providing immediate leasing upside. Both vacancies are well located within the center with the 5,512 SF space located in the main QFC building adjacent to Chase, and the 2,266 SF space located in the multi-tenant pad building.
- » **Lynnwood Retail Trade Area** - North Lynnwood Shopping Center benefits from a solid, captive location within a regional retail trade area located 1.5 miles from the 575,704 SF Alderwood Mall. Neighboring retailers located along Highway 99 include Wal-Mart Neighborhood Market, Walgreens, Bartell Drugs, Safeway, Trader Joes, Albertsons, and LA Fitness.
- » **No Debt** - The investment is being offered without an obligation to assume debt allowing investors the ability to take advantage of today's aggressive lending environment.
- » **Low Price/SF** - Due to the low anchor rent and leasing upside the asset will trade at a relatively low price per square foot.
- » **Sustainable Rents** - Current in-place rents are sustainable and backed up by the most recent new and renewed leases.
- » **Solid Demographics** - The current demographic base within a 3-mile radius of the property has a population over 118,000 and an average household income in excess of \$83,000.



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY

SITE PLAN

SUITE	TENANT	SF
17525-F	QFC Grocery Store	27,785
17525-A	Cliffhanger	10,002
17525-C	Available	5,512
17,429	QFC Fuel Station	4,731
17525-D	Chase	4,500
17425-B	Peak Dental	3,534
17425-D	Available	2,266
17425-A	Sam Oh Jung	2,254
17425-F	Ruby Cleaners	1,554
17425-G	Dominos Pizza	1,508
TOTAL		63,646



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

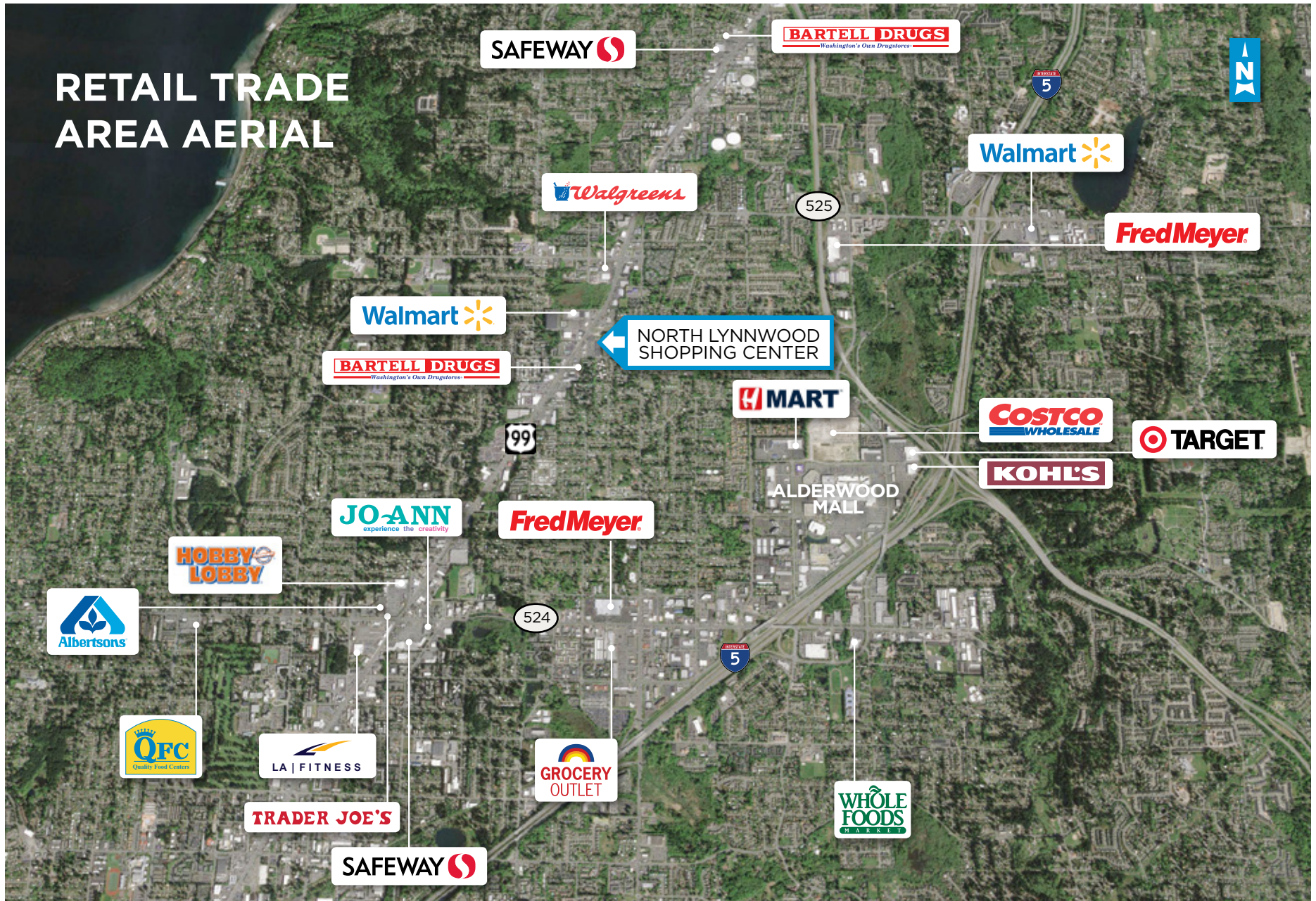
QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY

DEMOGRAPHICS

	1 mile	3 miles	5 miles
Population			
2000 Population	17,063	98,186	229,858
2010 Population	18,475	113,379	263,264
2015 Population	18,818	118,353	277,329
2020 Population	19,543	125,208	295,213
2000-2010 Annual Rate	0.80%	1.45%	1.37%
2010-2015 Annual Rate	0.35%	0.82%	1.00%
2015-2020 Annual Rate	0.76%	1.13%	1.26%
2015 Male Population	48.7%	49.4%	49.2%
2015 Female Population	51.3%	50.6%	50.8%
2015 Median Age	38.6	37.1	38.1
Median Household Income			
2015 Median Household Income	\$56,645	\$63,779	\$67,849
2020 Median Household Income	\$65,030	\$75,738	\$78,598
2015-2020 Annual Rate	2.80%	3.50%	2.98%
Average Household Income			
2015 Average Household Income	\$69,043	\$82,982	\$86,057
2020 Average Household Income	\$77,485	\$94,223	\$97,395
2015-2020 Annual Rate	2.33%	2.57%	2.51%
Per Capita Income			
2015 Per Capita Income	\$27,556	\$32,250	\$34,413
2020 Per Capita Income	\$30,961	\$36,631	\$38,994
2015-2020 Annual Rate	2.36%	2.58%	2.53%



NORTH LYNNWOOD SHOPPING CENTER

17511 Highway 99 · Lynnwood, WA 98037

QFC (KROGER) ANCHORED RETAIL INVESTMENT OPPORTUNITY

FINANCIALS

Year-1 As-Is Net Operating Income:	\$713,068
Price:	Best Offer
Total Leasable SF:	63,646 SF
Total Land Size:	5.7 Acres
Financing:	Free & Clear

NORTH LYNNWOOD SHOPPING CENTER



CHASE



PACIFIC HIGHWAY

176TH STREET SW

47,000 VPD