

OFFERING MEMORANDUM

# Siteone Landscape Supply

9605 26th Avenue South  
Tacoma, WA 98444





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# Executive Summary

## THE OPPORTUNITY

The SiteOne Landscape Supply investment opportunity is a single tenant industrial building that consists of 7,200 square feet of warehouse space on approximately 50,000 square feet of land. The warehouse was completed in 2001, with steel frame construction and is fully sprinklered. The site consists of additional land which is both paved and fenced for security and is currently used for outdoor storage. The entire site consists of an additional 30,000 square feet of land, which is not included in the lease agreement or this offering. The closing date shall occur upon the completion of a short plat with Pierce County by the property owner. The property is visible from I-5 and has excellent access to multiple freeways. The Tenant's initial lease term runs through February 28, 2021 with annual escalations and an option to extend at fair market rent. This investment offers a low management opportunity with a strong tenant in place.

### Strong Credit Tenant

SiteOne Landscape Supply ([www.siteone.com](http://www.siteone.com)) has an annual revenue of \$1 Billion and is listed on the New York Stock Exchange. The company is the largest and only national wholesale distributor of landscape supplies in the United States and has a growing presence in Canada. Their customers are primarily residential and commercial landscape professionals who specialize in the design, installation and maintenance of lawns, gardens, golf courses and other outdoor spaces.

INVESTMENT SUMMARY	
Offering Price	\$1,100,000
Cap Rate	6.4%
Occupancy	100%
NOI	\$70,110



Through their expansive North American network of 477 store locations in 44 states and five provinces, they offer a comprehensive selection of more than 100,000 stock keeping units, or SKUs, including irrigation supplies, fertilizer and control products (e.g., herbicides), landscape accessories, nursery goods, hardscapes (including pavers, natural stones and blocks), outdoor lighting and ice melt products. They also provide complementary, value-added consultative services to support their product offering and to help their customers operate and grow their businesses.

### Stable Cash Flow with Rent Escalators

The asset provides steady cash flow to ownership with 2.5% annual rent escalations.

### Ease of Management - NNN Investment

The lease is a triple net (NNN) with minimal landlord responsibilities. The tenant is responsible for all of their own expenses including property taxes, utilities, landscaping, common repairs and maintenance.

### Construction

- Built in 2001
- Steel frame construction
- Office area
- Two restrooms
- Fully sprinklered
- Metal roof
- Concrete floor
- 2 grade level doors
- Fully fenced

### Location

- Visibility from I-5
- Multiple access points to freeways

## PROPERTY DETAIL



### PROPERTY SUMMARY

<b>Parcel Number</b>	0319061096	<b>Land Area</b>	±50,000 SF/±1.15 acres
<b>Price</b>	\$1,100,000	<b>Yard</b>	Fenced, asphalted
<b>Building SF</b>	7,200 SF	<b>Building SF</b>	\$152.78
<b>Year Constructed</b>	1999/2001	<b>Jurisdiction</b>	Pierce County
<b>Roof</b>	Metal	<b>Zoning</b>	Community Employment (CE)
<b>Construction Type</b>	Steel	<b>Cap Rate</b>	6.4%

PROPERTY AERIAL



# Financial Analysis

## RENT ROLL

### SITEONE LANDSCAPE SUPPLY

Monthly Rent	SF	Rent Per SF	Lease Start Date	Lease Exp Date	Rent Escalations	Option to Renew
\$6,150	7,200	\$0.85/SF	03/01/16	02/28/21	2.5% Annually	One (1) five year period at fair market rent

### REVENUE

<b>Gross Scheduled Revenue</b>	
Base Rental	\$73,800.00
Vacancy & Reserves (5%)	(\$3,690.00)
<b>Scheduled Base Rental Revenue</b>	<u>\$70,110</u>
R.E. Taxes	\$8,081.03
Sprinkler / Fire System	\$1,560.00
<b>Total Reimbursement Revenue</b>	<u>\$9,641.03</u>
<b>Effective Gross Revenue</b>	<u>\$79,751.03</u>

### Operating Expenses

Taxes	\$8,081.03
Sprinkler / Fire System	\$1,560.00
Utilities	Paid By Tenant
Repairs / Maintenance	Paid By Tenant
<b>Total Operating Expenses Paid By Landlord</b>	<u>\$9,641.03</u>
<b>Net Operating Income</b>	<u>\$70,110.00</u>
<b>Cash Flow Before Debt Service &amp; Taxes</b>	\$70,110.00
<b>Capatalized At</b>	6.4%
<b>Value by Income Approach</b>	\$1,100,000.00

# Financial Analysis

## FINANCIAL ASSUMPTIONS

PROPOSED FINANCING	
Price:	\$1,100,000
Down Payment:	\$330,000
LTV:	70%
New Loan Amount:	\$770,000
Interest Rate:	4.50%
Amortization:	25 years
NOI:	\$70,110
Annual Debt Service:	\$51,359
Cash Flow After Debt Service:	\$18,751
Cash on Cash Return:	5.7%

\*Terms provided by Kidder Mathews



LOCATION MAP







# Contact

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