



**RITE  
AID**  
Extended through  
2026 with well  
below market rent

**REI  
CO-OP**  
Brand new,  
early 10 year  
extension  
through 2031

**Advance  
Auto Parts**  
Extended  
through 2027

**GOLD'S  
GYM**  
Extended  
through 2025



**HIGHLANDS  
CENTER**

**OFFERING MEMORANDUM**

**151 NORTH ELY STREET  
KENNEWICK, WASHINGTON**

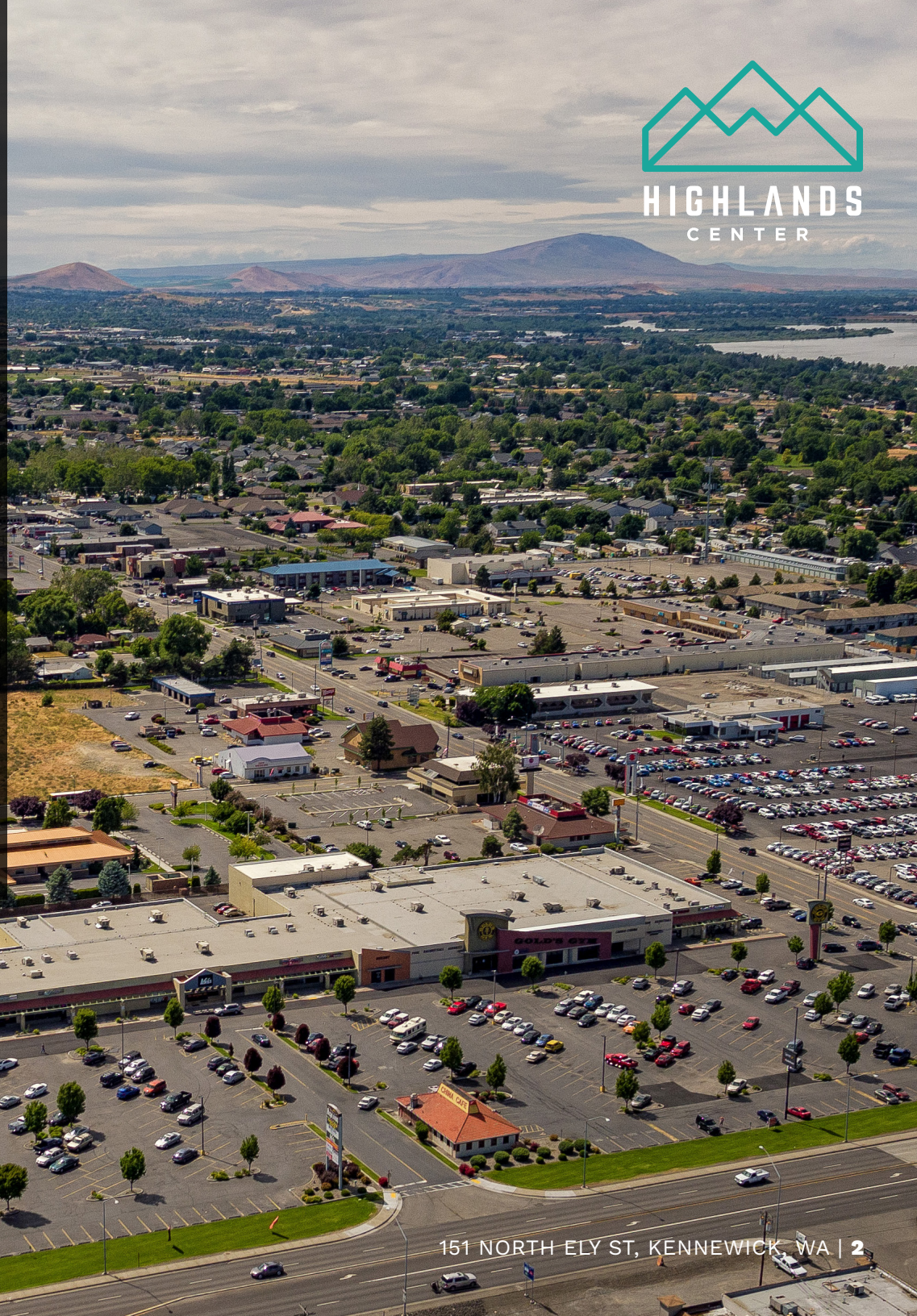
 **Newmark  
Knight Frank**

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**HIGHLANDS CENTER** is a premier community shopping center located in Kennewick, WA (Tri-Cities) anchored by strong national credit tenants, including REI, Rite Aid, Gold's Gym, and Advance Auto Parts, all of whom are successful at this location. Located on Highway 395, the asset benefits from excellent visibility, high consumer traffic, and excellent tenant synergy. Highlands Center presents investors with a rare opportunity to own a premier shopping center with strong credit drug and lifestyle anchor tenants, significant leasing upside, and attractive returns of 10.59% cash on cash and 14% return on equity Year 1. In addition there is over 10,000 SF of shop vacancy. Cash on cash and return on equity move to 14.8% and 18.24% upon lease up to proforma.

<b>PRICE</b>	\$19,000,000
<b>CAP RATE</b>	7.3%
<b>CASH ON CASH</b>	10.59% *
<b>IN PLACE, YEAR-1 NOI</b>	\$1,390,335
<b>FINANCING</b>	Free and Clear
<b>ADDRESS</b>	151 North Ely Street, Kennewick, WA 99336
<b>LAND AREA</b>	9.18 Acres
<b>RENTABLE AREA</b>	124,783 SF

\* proposed loan





**NATIONAL CREDIT ANCHORS** - Highlands Center provides a stable income stream backed by national anchor tenants including Rite Aid, REI, Advance Auto Parts and Gold's Gym.

**ADJACENT TO SAFEWAY** - The Safeway Towne Center, directly across from Highlands Center, provides additional convenience to consumers creating even more draw and customer traffic.

**TOP PERFORMING RITE AID** - According to their store manager, Highland's Rite Aid has the highest prescription volume in the entire chain. This, coupled with Rite Aid's low rent (market rent is double Rite Aid's current rent), provides stability and upside.

**DEVELOPMENT UPSIDE** - China Cafe has flexible Landlord termination rights and build-to-suit interest from national food users, creating the opportunity for future development upside.

**HISTORICAL OCCUPANCY / LEASING UPSIDE** - Historical occupancy is strong, with the majority of the tenants at the center for over 10 years, however, there is currently 10,000 SF of shop vacancy providing immediate upside.

# HIGHLIGHTS

**EXCELLENT LOCATION AND VISIBILITY** - Outstanding building orientation with superior visibility and exposure directly on Highway 395.

**ZERO LEAKAGE** - Highlands Center has zero operating expense slippage. 100%+ recapture.

**HUGE 10 YEAR GROWTH** - The vast majority of tenants have scheduled rental increases, providing 44% NOI growth for the initial 10 year hold.

**RECENT REMODELS** - Rite Aid, Gold's Gym, and REI all recently remodeled at their own expense, demonstrating their commitment to the center. Gold's completed a major remodel and new façade. REI expanded and completed a full interior remodel. Rite Aid constructed a drive-thru, new façade, and an interior remodel. Additionally, all of the anchor tenants purchased new HVAC units.

**BELOW REPLACEMENT COST** - Highlands Center will trade well below replacement cost, providing long term stability.

# SITE PLAN & TENANTS



**AVAILABLE**  
\*Site Plan Not To Scale

SUITE	TENANT	SQ FT	SUITE	TENANT	SQ FT	SUITE	TENANT	SQ FT
Main 1A	Rite Aid	27,148	A-02	Available	1,375	C-02	Available	2,689
Main 1B	Advance Auto Parts	10,329	A-03	Seattle Children's Bargain Boutique	4,400	D-01	Available	825
Main 2	REI	19,500	B-01	Available	3,600	D-02	Baskin Robbins	1,085
Main 3	Gold's Gym	43,411	B-02	Available	1,800	D-04	Hot Tip Nails	1,140
Pad 2	China Café	2,520	C-01	Reliance Pharmacy	1,811	D-05	U.S. Cellular	1,500
A-01	Coin Cradle	1,650				<b>TOTAL</b>		<b>124,783</b>



## SITE DESCRIPTION

<b>ADDRESS</b>	151 North Ely Street, Kennewick, WA 99336
<b>LAND AREA</b>	9.18 Acres
<b>RENTABLE AREA</b>	124,783 SF
<b>YEAR BUILT</b>	1976/2006
<b>BUILDINGS</b>	3
<b>PARKING STALLS</b>	602 (4.6/1,000 SF GLA)
<b>PARCEL NUMBERS</b>	103891030000005 (8.38 Acres) 103891030000002 (.46 Acres) 103891030000004 (.34 Acres)
<b>ZONING</b>	CC- Commercial Community (City of Kennewick)

### ACCESS

**HIGHLANDS CENTER  
BENEFITS FROM  
NEARLY 1000 FEET  
OF FRONTAGE** ↓

with its main entrance on Highway 395, a main arterial through the Tri-Cities. The center also contains two points of ingress/egress to the north on W Clearwater Avenue and two points of ingress/egress to the south on W Kennewick Avenue.



# AERIAL



W KENNEWICK AVE - ±11,500 ADT

HIGHWAY 395 - ±29,000 ADT

W CLEARWATER AVE - ±22,000 ADT



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