RIDGESIDE STATION

A TROPHY RETAIL STRIP CENTER

MADISON, AL (HUNTSVILLE MSA)

CAPITAL PACIFIC

HIGH-QUALITY, NEW CONSTRUCTION STRIP RETAIL CENTER IN AN AFFLUENT HUNTSVILLE SUBURB

Overview

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RIDGESIDE STATION

7626 US-72, MADISON, AL 35758

$5,665,000
PRICE

7.01%
CAP

NOI	RENTABLE SF	LAND AREA
$396,834	**13,846**	**1.90 AC**
LEASE TYPES	YEAR BUILT	PARKING
NNN	**2018**	**103 SPACES**

Subject property has excellent visibility from US-72 (51,000 VPD)

Average household incomes exceed $120,000 in a 3-mile radius

Dedicated left hand turn access from US-72

Three of the five tenants, accounting for 72% of the total rental income, are on new 10-year leases

Metro Diner, Sleep Number and Bama Fever are corporate tenants

MOD Pizza and UBreakIfix are high net worth and rapidly growing franchisees, respectively

Investment Highlights

THE OFFERING provides an opportunity to acquire a new construction, retail strip center in an affluent Huntsville suburb. The tenant roster offers a diversified mix of concepts, all of which are widely considered to be internet-resistant in today's retail environment. All tenants in the center are on new NNN leases with tenants reimbursing for all operating expenses. Metro Diner, Sleep Number, and Bama Fever Tiger Pride are corporate tenants. MOD Pizza is operated by a successful, high net worth franchisee and UBreakIfix, the newest tenant in the center, is a rapidly expanding regional smart phone repair shop.

MADISON, AL is an affluent Huntsville suburb with average household incomes of over $120,000 within a 3-mile radius. The area saw a 12.7% population increase within a 5-mile radius from 2010 to 2017. The subject property is located along Highway 72, a major thoroughfare connecting Madison to Huntsville, with over 51,000 VPD. The tenants in the subject property benefit from the draw of neighboring big-box tenants such as The Home Depot, T.J. Maxx, Kohl's, Academy Sports, Hobby Lobby, and Sprouts Farmers Market.

SUBJECT PROPERTY BENEFITS FROM THE DRAW OF HIGH-VOLUME BIG-BOX RETAILERS NEARBY

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Aerial

US-72 IS THE MOST DOMINANT RETAIL CORRIDOR IN THE HUNTSVILLE MSA

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Retail Aerial

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Submarket Overview

RETAILERS IN CLOSE PROXIMITY INCLUDE:

Academy Sports
Hobby Lobby
Kohl's
Home Depot
Publix
Lowe's

Target
Sprouts
Aldi
Staples
Marshalls
Planet Fitness

Petco
Walmart Express Pick-up
Dairy Queen
Aspen Dental
Starbucks
Jimmy John's

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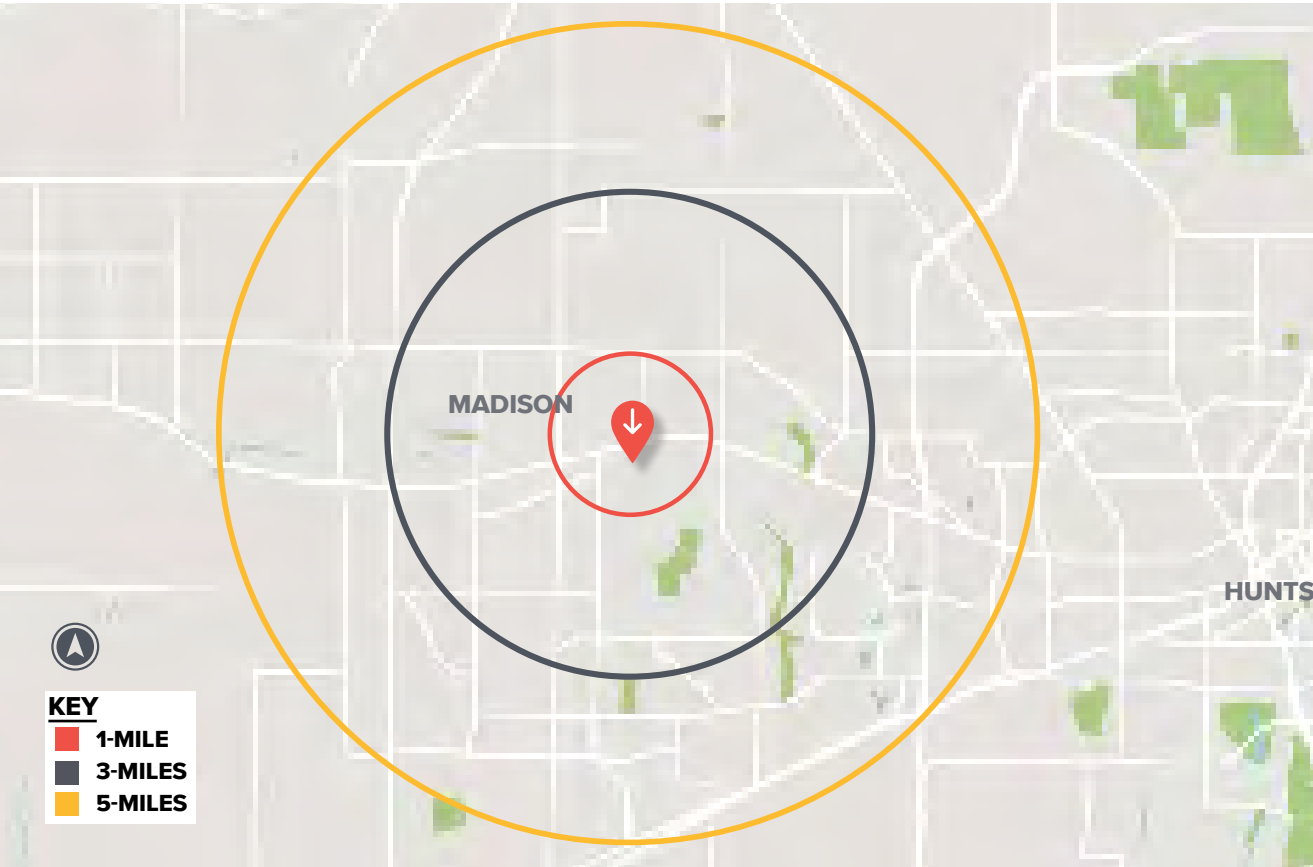

BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	299	1,185	3,425
Employees	2,939	13,351	58,954
Residential Population	3,465	43,198	97,893

Subject Property

Income & Expense

		CURRENT
Price:		**$5,665,000**
Capitalization Rate:		**7.01%**
Price Per Square Foot:		**$409.14**
Down Payment	30%	$1,699,500
Loan Amount	70%	$3,965,500
Total Leased (SF):	100.00%	13,846
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	13,846
INCOME	**P/SF**	
Scheduled Rent	$30.69	$424,996
Property Tax Recovery	$4.50	$62,315
Insurance Recovery	$0.50	$6,923
CAM Recovery	$1.50	$20,769
EFFECTIVE GROSS INCOME		**$515,003**
Vacancy Factor (3% of EGI)		($15,450)
ADJUSTED GROSS INCOME		**$499,553**
EXPENSE (2019 PROFORMA)	**P/SF**	
Property Taxes (1.1% of PP)	($4.50)	($62,315)
Insurance (estimated)	($0.50)	($6,923)
CAM (Estimated)	($1.50)	($20,769)
Management Fee	($0.92)	($12,712)
TOTAL OPERATING EXPENSES	**($7.42)**	**($102,719)**
NET OPERATING INCOME		**$396,834**

PROPOSED FINANCING/CASH FLOW

	PROPOSED
Proposed Loan Amount	**$3,965,500**
Loan To Value	**70%**
Interest Rate	**4.85%**
Amortization	30
Term	10 Year
Net Operating Income	$396,834
Debt Service	($251,107)
Pre-Tax Cash Flow	$145,726
Debt Coverage Ratio	1.58
Cash-on-cash Return	8.57%
Principal Pay down (Year 1)	$60,105
Total Return	$205,832
Yield	12.11%

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Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY		
TENANT	SQ. FT.	% OF GLA	TERM		MONTHLY RENT	ANNUAL RENT	RENT/FT
Metro Diner	**3,887**	**28.07%**	**03/01/18**	**02/28/28**	**$10,041.42**	**$120,497.00**	**$31.00**
Corporate Tenant		Increase	03/01/23	02/28/28	$10,689.25	$128,271.00	$33.00
		Option 1	03/01/28	02/28/33	$11,758.18	$141,098.10	$36.30
		Option 2	03/01/33	02/28/38	$12,933.99	$155,207.91	$39.93
		Option 3	03/01/38	02/28/43	$14,226.42	$170,717.04	$43.92
		Option 4	03/01/43	02/28/48	$15,651.65	$187,819.84	$48.32
Sweet Charlies	**1,214**	**8.77%**	**08/01/19**	**07/31/24**	**$2,584.00**	**$31,008.00**	**$25.54**
Franchisee		Option 1	08/01/24	07/31/29	$2,842.33	$34,108.00	$28.10
		Option 2	08/01/29	07/31/34	$3,126.50	$37,518.00	$30.90
Sleep Number*	**2,800**	**20.22%**	**03/04/18**	**03/31/28**	**$8,166.67**	**$98,000.00**	**$35.00**
Corporate Tenant		Increase	04/01/23	03/31/28	$8,866.67	$106,400.00	$38.00
		Option 1	04/01/28	03/31/33	$9,576.00	$114,912.00	$41.04
		Option 2	04/01/33	03/31/38	$10,342.08	$124,104.96	$44.32
MOD Pizza	**2,800**	**20.22%**	**05/01/18**	**04/30/28**	**$7,116.67**	**$85,400.00**	**$30.50**
High Net Worth Franchisee		Increase	05/01/23	04/30/28	$7,828.33	$93,940.00	$33.55
		Option 1	05/01/28	04/30/33	$8,611.17	$103,334.00	$36.91
		Option 2	05/01/33	04/30/38	$9,472.28	$113,667.40	$40.60
Bama Fever Tiger Pride	**2,455**	**17.73%**	**08/01/18**	**07/31/23**	**$6,127.58**	**$73,531.00**	**$29.95**
Corporate Tenant		Option 1	08/01/23	07/31/28	$6,666.67	$80,000.00	$32.59
		Option 2	08/01/28	07/31/33	$7,291.67	$87,500.00	$35.64
Ubreakifix	**690**	**4.98%**	**05/01/19**	**04/30/24**	**$1,380.00**	**$16,560.00**	**$24.00**
Franchisee		Option 1	05/01/24	04/30/29	$1,518.00	$18,216.00	$26.40
		Option 2	05/01/29	04/30/34	$1,669.80	$20,037.60	$29.04
OCCUPIED	**13,846**	**100.00%**	**TOTAL CURRENT:**		**$35,416.33**	**$424,996.00**	**$30.69**
VACANT	**0**	**0.00%**					
CURRENT TOTALS	**13,846**	**100.00%**					

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Surrounding Retail Site Plan

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Site Plan

13,846
RENTABLE SF

1.90
ACRES

103
SPACES

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Tenant Overview

METRO DINER

Corporate Tenant

Lease is signed by: MD Alabama, LLC

Metro Diner is a casual breakfast and lunch diner that was started in 1992 in Jacksonville, FL, and has grown to have over 70 locations throughout 11 states. All restaurant locations are corporately operated. Metro Diner was featured on the Food Network's Diners, Drive-Ins and Dives, hosted by Guy Fieri. Metro Diner was rated #1 for America's Best Diners by FourSquare and received a certificate of excellence from Trip Advisor for 2015, 2016 & 2017.

SLEEP NUMBER

Corporate Tenant

Lease signed by: Select Comfort Retail Corporation

As the leader in sleep innovation, Sleep Number Corporation (NASDAQ: SNBR) delivers the best quality sleep through effortless, adjustable comfort and biometric sleep tracking. Select Comfort products are sold through 551 company-owned stores located across the United States; direct marketing operations; and online at sleepnumber.com. The company's signature product is the Sleep Number bed, an adjustable air mattress. The "sleep number" is a setting that adjusts the firmness of the mattress, adjusted by air pressure, with higher numbers (up to 100) denoting higher pressure and more firmness.

551 | **LOCATIONS THROUGHOUT THE UNITED STATES**

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Tenant Overview

MOD PIZZA

High Net Worth Franchisee Tenant

Lease signed by: Southern Pie, LLC

MOD Pizza is a fast casual pizza restaurant chain based in the United States. Founded in Seattle, Washington in 2008, MOD has more than 330 locations in the United States and United Kingdom. Customers can build their own pizza or salad, which cost the same no matter how many toppings they choose. In 2013, the restaurant chain was named one of the United States' "Top 50 Breakout Brands" by Nation's Restaurant News. In June 2016, the company opened their first international location in Leeds, United Kingdom, and opened a second U.K. store shortly after in August 2016.

About Southern Pie, LLC: Southern Pie, LLC is led by Robbie Hill and Kimberly Hill, who opened their first MOD stores in 2017 in Alabama and Georgia. The father-daughter team are multi-industry entrepreneurs who have built and operated successful construction and healthcare companies, and also operate the Bojangles' business in the same region.

SWEET CHARLIE'S

Franchisee Tenant

Lease signed by: Personal Signator

Sweet Charlie's is Philadelphia's first hand rolled ice cream concept, founded in 2015, that has grown to 24+ locations today. Each ice cream or frozen yogurt is made to order on a super, cold surface that is below 20 degrees. Because the surface is so cold, very small ice crystals are formed quickly. The unique process eliminates the need to add stabilizers, emulsifiers, and preservatives.

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Tenant Overview

UBREAKIFIX

Franchisee Tenant

Lease signed by: Alabama Device Repair, LLC

UBreakiFix is a high quality iPhone repair shop founded in 2009 opening their first store in Orlando, FL. The company now has hundreds of stores across the United States, Canada and the Carribean. Their focus is on providing the best customer service in the tech repair industry. UBreakiFix offers cell phone, tablet, computer, game console, and iPod repairs. There are currently 502 locations across the U.S. and Canada. The company has a 66% YOY growth of locations, as well as $656,095 average second year total revenue for the top quartile and $108,315 average second year net income for top quartile.

502 | **LOCATIONS THROUGHOUT THE U.S. AND CANADA**

BAMA FEVER TIGER PRIDE

Corporate Tenant

Lease signed by: Dixie Pride, Inc., an Alabama corporation

Bama Fever sells a wide selection of University of Alabama Merchandise, including: Alabama T-Shirts, Alabama Polos, Alabama Gameday Apparel, Alabama Caps, Alabama Comfort Color Shirts, Iron Bowl Shirts, and National Champions Shirts. They also sell hard to find University of Alabama gifts like Alabama Home Decor, Alabama Tailgate & Yard Supplies, and Alabama Baby Gifts. Today there are 11 Bama Fever store locations in Birmingham, Montgomery, Mobile, Dothan, Hoover, Trussville, Prattville, Oxford, and Tuscaloosa.

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Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	2,811	39,387	87,161
2018	3,175	43,329	98,053
2023	3,368	46,084	105,054

2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	$127,252	$119,823	$106,255
Median	$96,959	$97,863	$83,946

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
U.S. Army/Redstone Arsenal	14,601
Huntsville Hospital System	5,126
Boeing Company	3,000
Huntsville City Schools	3,000
NASA	2,555

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THE AVERAGE HOUSEHOLD INCOME WITHIN A 3-MILE RADIUS IS OVER $119K

MADISON, ALABAMA

UNIVERSITY OF ALABAMA IN HUNTSVILLE

MADISON is a city located in Madison County, near the northern border of the State of Alabama. The city is included in the Huntsville Metropolitan Area, the second-largest MSA in Alabama. Madison's largest employer is Intergraph, a computer software company based in Madison. Thousands of Madison residents commute to jobs at Cummings Research Park and Redstone Arsenal in nearby Huntsville, about 12 miles away. The high-tech and academic positions in the area have attracted numerous highly educated residents. Within the city limits, most of Madison's businesses are retail, with stores and fast-food restaurants lining US-72 to the north and Madison Boulevard to the south.

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HUNTSVILLE

Huntsville's main economic influence is derived from aerospace and military technology. Huntsville has the second largest technology and research park in the nation, ranks among the top 25 most educated cities in the nation, is considered in the top of the nation's high-tech hotspots, and is the number one location for engineers with high average salary and low median gross rent. More than 25 biotechnology firms have developed in Huntsville due to the Huntsville Biotech Initiative. University of Alabama in Huntsville is a center for technology and engineering research in the area. Fifty-seven Fortune 500 companies have operations in Huntsville.

450,000+

HUNTSVILLE MSA POPULATION (ESTIMATED)

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We'd love to hear from you.

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