



HEN HOUSE

NET LEASED GROCERY STORE IN KANSAS CITY MSA | RECENT 12-YEAR EXTENSION

OLATHE, KS



CAPITAL PACIFIC

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Investment Overview



HEN HOUSE

13600 S BLACK BOB RD, OLATHE, KS 66062 

\$7,429,000
PRICE

7.00%
CAP RATE

LEASE TYPE:	NN (LL ROOF & STRUCTURE)*
LEASE TERM:	11.5 YEARS
LEASABLE SF:	61,229 SF
LAND AREA:	6.38 ACRES
YEAR BUILT:	1999 (UPCOMING RENOVATION)

*NEW ROOF PUT ON IN 2015

Long term lease to largest grocery chain in Kansas City (Ball's Food Stores)

Successful 20-year operating history at this location

Tenant recently extended its lease for an additional 12 years and plans to invest \$1 million on a major store refresh in the next year

Lease includes four 5-year extension options

Anchor tenant of Blackbob Marketplace and adjacent to Lowe's and Walmart

Densely populated, high income suburb - 206,000 people and average HH income of \$107,000 within 5 miles

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Investment Highlights



CAPITAL PACIFIC is pleased to present the opportunity to acquire Hen House Market in Olathe, KS, an affluent suburb of Kansas City. The subject property is a 61,229 SF grocery store and anchor tenant of Black Bob Marketplace, a busy shopping center which includes Petco and Starbucks. The tenant has occupied the space for more than 20 years, recently extended its lease for an additional 12 years, and agreed to a \$1 million renovation to update the store format.

THE LONG-TERM LEASE is with Hen House Market, which is based in Kansas City and has 9 locations across throughout the area. Hen House is one of the successful subsidiaries of Ball Food Stores, the largest and most dominant grocery operator in Kansas City for the past 97 years. The lease includes four 5-year options to extend after the expiration of the base term. The double net lease structure means that tenant pays its share of taxes and insurance, limiting Landlord's responsibility to roof & structure (see lease abstract).

THE SUBJECT PROPERTY is located at the corner of W. 135th Street and Black Bob Road. It is the anchor tenant of Black Bob Marketplace, a regionally-strong daily needs shopping center, and benefits from the numerous retailers in close proximity, including Lowe's (shadow anchor), Petco, Starbucks, Jiffy Lube, and Walmart (across the street). The property has excellent visibility and access from Black Bob Road and W. 135th, and ample parking for its shoppers. The property is located in a densely-populated area, with more than 206,000 people living within a 5-mile radius and boasting an average household income of \$107,000.

Income & Expense

		CURRENT
Price:		\$7,429,000
Capitalization Rate:		7.00%
Price Per Square Foot:		\$121.33
Total Rentable Area (SF):		61,229
Land Area (Acres):		6.38
INCOME		PSF
Scheduled Rent	\$8.49	\$520,000
EFFECTIVE GROSS INCOME		\$520,000
EXPENSE		
CAM		NNN (Reimbursed)
Insurance		NNN (Reimbursed)
Property Taxes		NNN (Reimbursed)
TOTAL OPERATING EXPENSES		\$0.00
NET OPERATING INCOME		\$520,000



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT	MONTHLY	YEARLY	MONTHLY	YEARLY
Hen House Market	61,229	11/6/1999	11/30/2031	\$520,000	\$43,333	\$520,000	\$0.71	\$8.49
	Option 1	12/1/2031	11/30/2036		\$43,333	\$520,000	\$0.71	\$8.49
	Option 2	12/1/2036	11/30/2041		\$43,333	\$520,000	\$0.71	\$8.49
	Option 3	12/1/2041	11/30/2046		\$43,333	\$520,000	\$0.71	\$8.49
	Option 4	12/1/2046	11/30/2051		\$43,333	\$520,000	\$0.71	\$8.49
TOTALS:				\$520,000	\$43,333	\$520,000	\$0.71	\$8.49

Lease was extended in Dec. 2019 for an additional 12 years. Hen House will be renovating the store in the next year.



Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
11/6/1999 - 11/30/2031	\$43,333	\$520,000

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 12/1/2031 - 11/30/2036	\$43,333	\$520,000
#2. 12/1/2036 - 11/30/2041	\$43,333	\$520,000
#3. 12/1/2041 - 11/30/2046	\$43,333	\$520,000
#4. 12/1/2046 - 11/30/2051	\$43,333	\$520,000

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISE & TERM

TENANT

Hen House Market

LEASE GUARANTEED BY

Four B Corp. (corporate lease signed by Hen House parent company)

LEASE TYPE

NN lease (LL responsible for roof & structure)*

TERM REMAINING

11.5 years remaining

RENT COMMENCEMENT

November 30, 2031

OPTIONS

Four 5-year options

YEAR RENOVATED

\$1 million renovation to occur within 2 years

PARKING SPACES

4:1,000

EXPENSES

ROOF & STRUCTURE

Landlord's Responsibility

PROPERTY TAXES

Tenant's Reimburses

INSURANCE

Tenant's Reimburses

COMMON AREA

Tenant's Reimburses

REPAIRS & MAINTENANCE

Tenant's Reimburses

HVAC

Tenant's Responsibility

UTILITIES

Tenant's Responsibility

*New roof put on in 2015

Tenant Overview



Hen House is a premier, full-service, value-priced, local, neighborhood supermarket with the best fresh perishables, excellent variety, and passionate teammates who engage in superior customer service.

Ball's Food stores started in 1923 when Sidney and Mollie Ball started a small neighborhood grocery store in Kansas City, Kansas. The business grew to become a corporation with 27 locations spread throughout the metropolitan area under the names of Hen House Market, Ball's Price Chopper, Payless Discount Foods, and SunFresh Market. With nearly 4,000 employees, Ball's Food stores is now run by Fred Ball, who is the third generation to lead the company.

The stores are committed to being the best run, friendliest supermarkets in town, where employees are passionate about providing excellent customer service and where customers love to shop.

The subject property's lease is guaranteed by the Hen House parent company, Four B Corp.

27

LOCATIONS



Site Plan

sf
61,229
RENTABLE SF

ac
6.38
ACRES


241
SPACES



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Surrounding Retail



Retail Aerial



Walmart
Supercenter



LOWE'S



PETCO



hen house



METCALF
DISCOUNT
LIQUOR



TIRES
PLUS



Zoomed-In Aerial



**KANSAS CITY
(24 MILES)**



KOHL'S

HEALTH GENESIS CLUBS

O'Reilly

golden corral

Grill & Chill

Green

Hallmark

Applebee's

CVS

Walmart

jiffylube

Starbucks

CASH

Firestone

W 135TH STREET

W 135TH STREET

**31,874
VPD**



PETCO

SuperCuts

Tazou's

Wendy's

TIRE PLUS

PrairieLife FITNESS

SCHOOL

HOBBY LOBBY

Academy

MENARDS

LOWE'S

SportClips

SONIX

Arbys

Advance Auto Parts

**Walmart
Supercenter**

SCHOOL

**26,213
VPD**

**ELEMENTARY
SCHOOL**

**ELEMENTARY
SCHOOL**

S BLACK BOB ROAD

S BLACK BOB ROAD



Zoomed-Out Aerial



**KANSAS CITY
(24 MILES)**



**127,000
VPD**

**64,200
VPD**

**148,000
VPD**

**83,100
VPD**

**26,220
VPD**

**31,874
VPD**

**78,200
VPD**

**113,000
VPD**




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Demographics

POPULATION

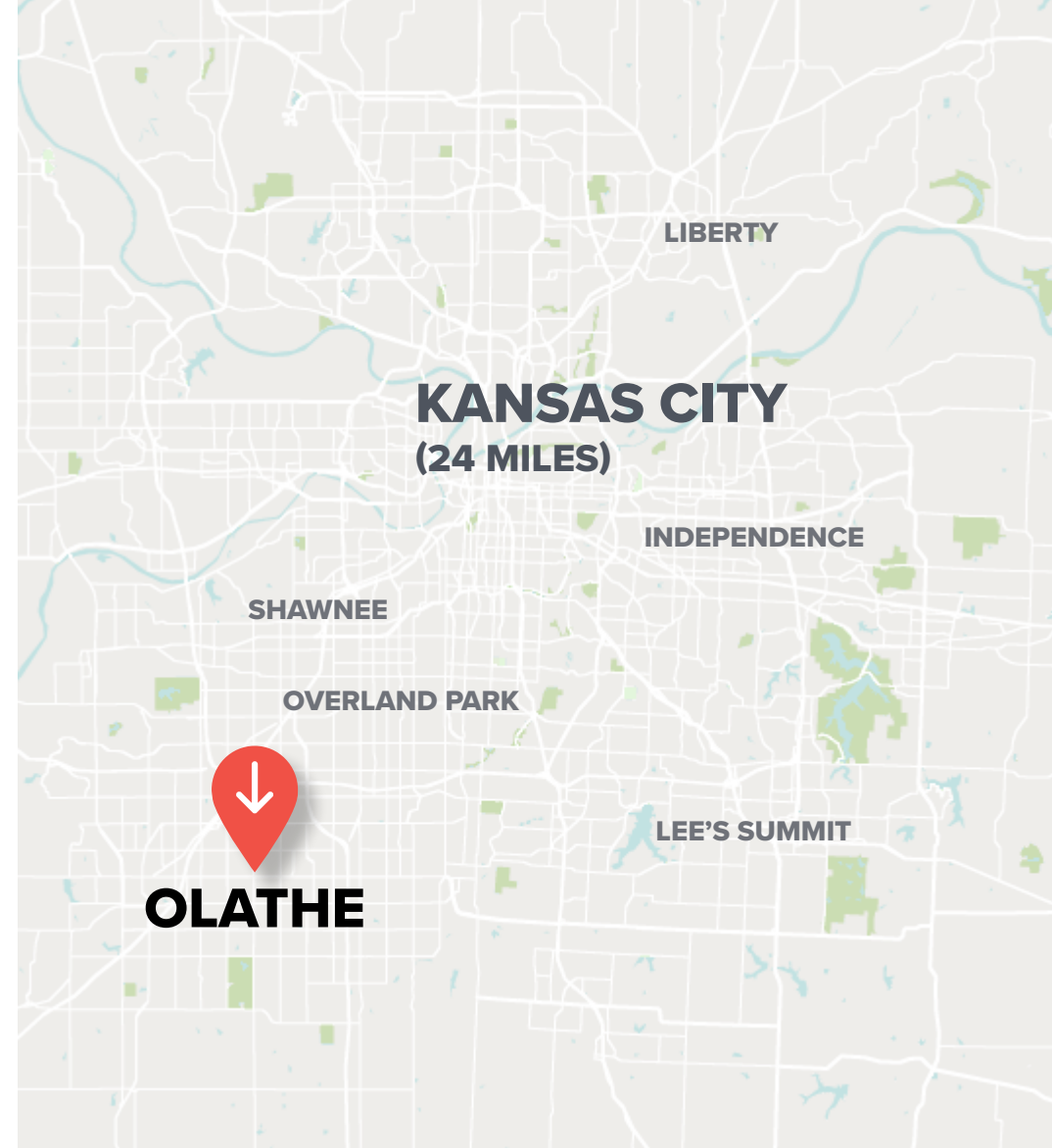
	1-MILE	3-MILES	5-MILES
2010	9,706	98,316	190,999
2019	10,132	106,119	214,119
2024	10,436	110,875	227,256

2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$107,107	\$108,106	\$114,362

KANSAS CITY MSA TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Federal Government	18,744
Cerner Corporation	13,964
Children's Mercy Hospitals & Clinics	8,123
Internal Revenue Service	4,600
City of Kansas City, MO	4,521



THE AVERAGE HOUSEHOLD INCOME WITHIN A 5-MILE RADIUS IS OVER \$114K

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OLATHE, KANSAS



OLATHE, the seat of Johnson County, is located in northeastern Kansas, approximately 24 miles southwest of downtown Kansas City. Olathe falls within the Kansas City MSA and is the fourth most populous city in Kansas with an estimated population of over 140,000.

Olathe's commercial and industrial parks are home to many major companies, including Honeywell and Farmers Insurance Group. The Federal Aviation Administration also administers and maintains an Air Route Traffic Control Center in Olathe. Olathe is home to several higher education schools: MidAmerican Nazarene University, Kansas State University – Olathe, and Johnson County Community College's Health Education Center.

EMPLOYMENT GROWTH

OLATHE, has an excellent workforce with access to over 1.25 million workers, 44% of the population over the age of 25 has a Bachelor's Degree or higher, and is located within one of the fastest growing job markets in the Midwest while maintaining lower business and lifestyle costs than most major metros. Olathe has seen the job market increase by 1.5% over the last year. Future job growth over the next ten years is predicted to be 34.7%, which is higher than the U.S. average of 33.5%.

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