

# Lowe's Market

CASTROVILLE, TX

## OFFERING MEMORANDUM



Marcus & Millichap

# Lowe's Market

CASTROVILLE, TX

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**PROPERTY DESCRIPTION**

**Lowe's Market**

CASTROVILLE, TX

## INVESTMENT OVERVIEW

### Investment Highlights

- Investor Return Will Exceed 9 Percent
- Four Years Remaining on Corporate Guarantee Lease
- Stable Cash Flow and Potential Redevelopment Opportunity
- Signalized Main and Main Location
- Growing Community in San Antonio MSA
- Excellent Highway Visibility and Access
- Traffic Count Exceeds 24,000+ Vehicles per Day



Marcus & Millichap is pleased to present Lowe's Market located on US Highway 90 in Castroville, Texas (San Antonio MSA). The property consists of a 20,000 square foot building on approximately 1.45 acres. There are approximately 4.5 years remaining in the final five year option of a NN lease. And there annual CPI rent increases.

Lowe's Market has been in business for over 50 years and operates 146 location across Texas, New Mexico, Arizona, and Colorado. Currently operate under the banners of Lowe's, Lowe's Market, Lowe's MERCado, Lowe's Big 8, and they have a couple of Ace Hardware stores as well. The lease is guaranteed by Lowe's and Industry sources say that corporate annual sales should exceed \$1 billion

## TENANT SUMMARY

Lowe's has a rich family history that can be traced back to the late 1940's when E.M. 'Bud' Lowe started his career by selling candy and sundries with only one truck distributing throughout the town of Littlefield.

The Lowe's grocery career began in 1964 with the purchase of their first store in Olton, Texas. Bud and his son, Roger, founded the company on the principle of taking care of the community, their teammates and their family. It is this philosophy that has allowed the company to grow to 146 stores in West Texas, New Mexico, Arizona and Colorado.

Lowe's Corporate Headquarters



Through various and strategic acquisitions over the years, Lowe's now operates under a variety of names including Super S Foods, SuperSave, Lowe's, Big 8 Food Stores, Shop n' Save, Lowe's Pay N Save, Avanza Supermarket, Family Center, Fiesta Foods, Mercado, La Feria, Food Jet and Fiero. Store sizes range between 2,000 and 65,000 square feet.

Following the acquisition of San Antonio based Super S Foods in April of 2011, industry sources estimated that annual sales for the Lowe's company exceeded \$950 million. Most of the markets in which Lowe's stores operate have limited or no competitive grocery stores.

## Lowe's Family of Grocery Stores



TENANT SUMMARY MAP



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**PROPERTY SUMMARY**

**The Offering**

Property	Lowe's Market
Property Address	408 US Highway 90 West Castroville, TX 78009
Zoning	Commercial

**Site Description**

Number of Stories	One
Year Built	1940
Rentable Square Feet	20,000
Lot Size	1.17 Acres
Type of Ownership	Fee Simple
Parking	72 Spaces
Landscaping	Xeroscape
Topography	Level

**Construction**

Foundation	Concrete Slab
Exterior	Concrete Block
Parking Surface	Asphalt
Roof	Metal & Built Up Bituminous

**Mechanical**

Fire Protection	Sprinkler
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**Interior Detail**

Rest Rooms	ADA
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### PROPERTY PHOTOS



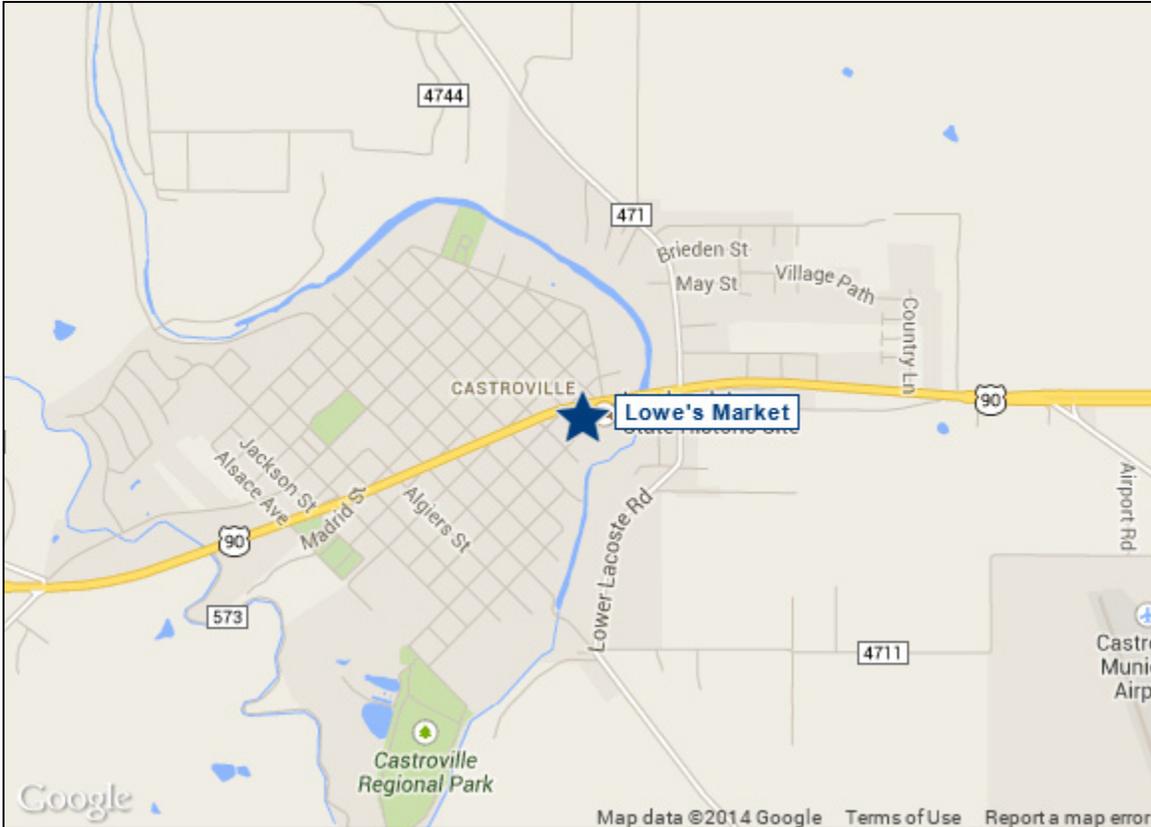
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PICTURE PAGE 4



US Hwy 90 Frontage

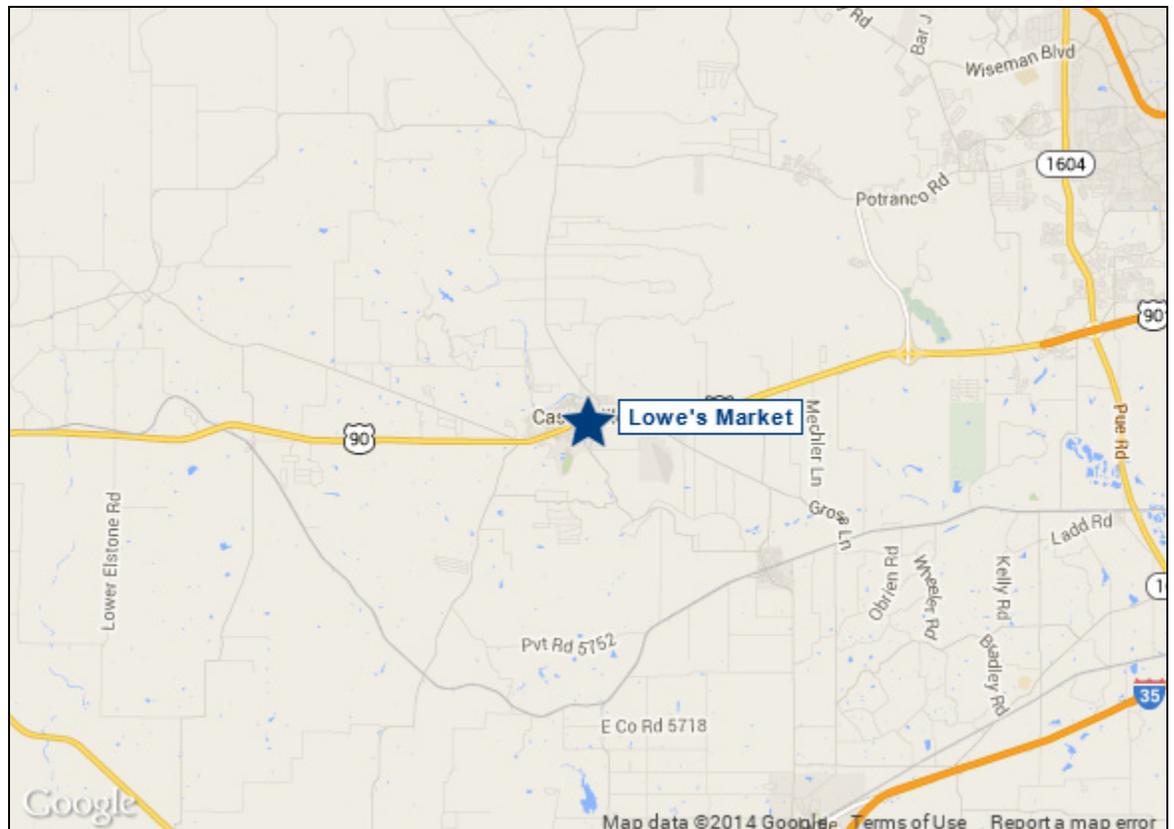




Local Map

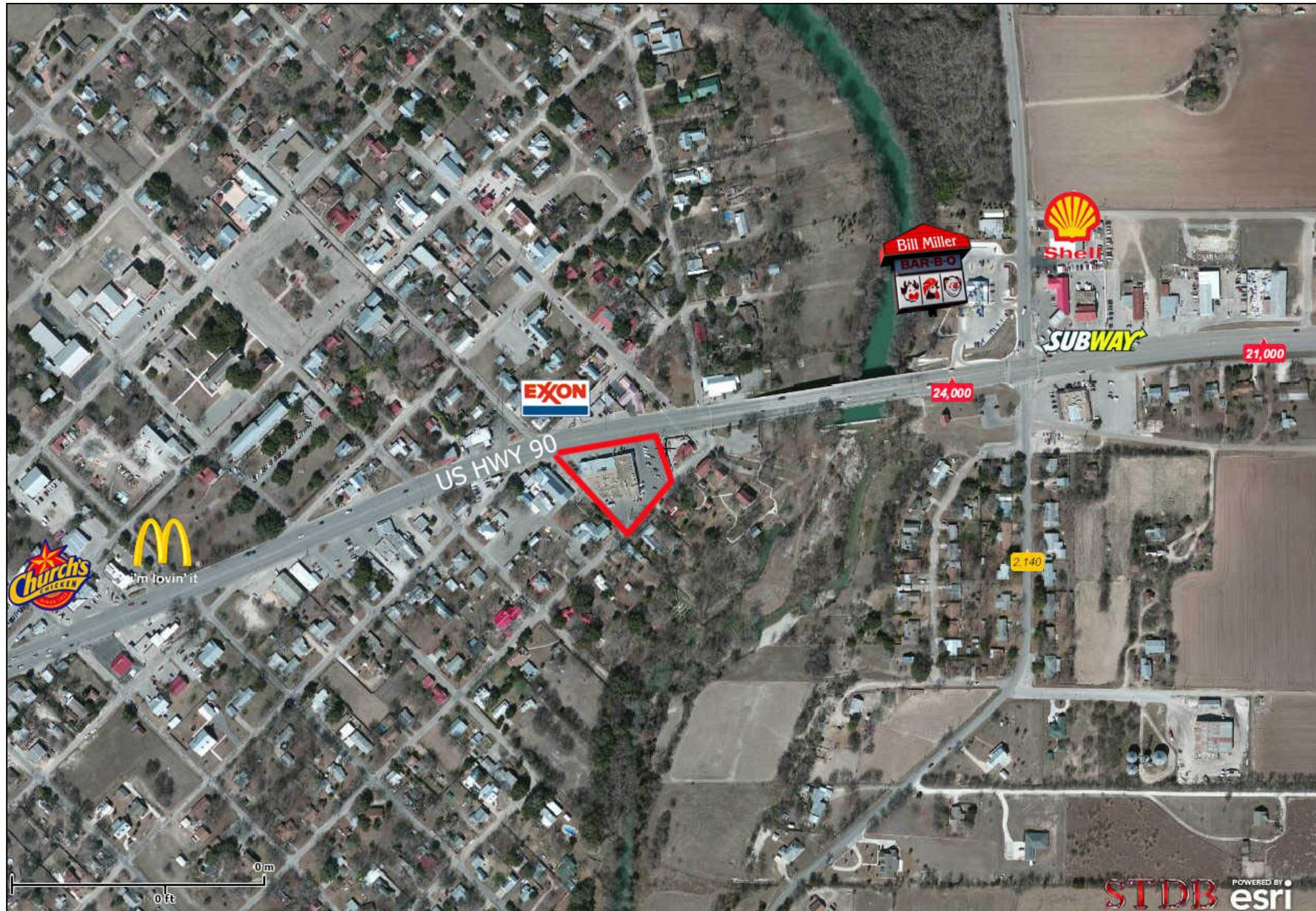


Regional Map



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AERIAL PHOTO



PRICING AND FINANCIAL ANALYSIS

# Lowe's Market

CASTROVILLE, TX

**TENANT SUMMARY**



<b>The Offering</b>	
Property	Lowe's Market
Property Address	408 US Highway 90 West Castroville,, Medina County, Texas 76009

<b>Site Description</b>	
Gross Leasable Area (GLA)	20,000 SF
Lot Size	1.17 Acres
Type of Ownership	Fee Simple

**TENANT OVERVIEW**

Property Name	Lowe's Market
Property Address	408 US Highway 90 West Castroville, TX 78009
Property Type	Net Leased Grocery Store
Rentable Square Feet	20,000

Tenant Trade Name	Lowe's Market
Ownership	Private
Tenant	Corporate Store
Sales Volume	
Net Worth	Pay & Save, Inc. (Lowe's Market)
Lease Guarantor	Corporate Guarantee

Lease Commencement Date	9/12/1988
Rent Commencement Date	10/1/1989
Lease Expiration Date	10/1/2018
Term Remaining on Lease	4.5 Years
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	5 years
Increases	Annual CPI

Options to Renew	N/a
Options to Terminate	N/A
First Right of Refusal	Yes

No. of Locations	146
Headquartered	Littlefield, Texas
Web Site	www.lowesmarket.com
<b>Years in the Business</b>	50
Other Concepts Owned	Super S, Big 8, Shop N Save, Fiesta Foods, Mercado, La Feria, Family Center, Avanza

**FINANCIAL OVERVIEW**

**Location**

408 US Highway 90 West  
Castroville, TX 78009

Price	\$1,064,000
Down Payment	100% / \$1,064,000
Rentable Square Feet	20,000
Price/SF	\$53.20
CAP Rate	9.00%
Year Built	1940
Lot Size	1.17 Acres
Type of Ownership	Fee Simple

**Tenant Summary**

Tenant Trade Name	Lowe's Market
Ownership	Private
Tenant	Corporate Store
Lease Guarantor	Corporate Guarantee
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	5 years
Lease Commencement Date	9/12/1988
Rent Commencement Date	10/1/1989
Lease Expiration Date	10/1/2018
Term Remaining on Lease	4.5 Years
Increases	Annual CPI
Options	N/a

**Annualized Operating Data**

Rent Increases	Annual Rent	Monthly Rent
Base Rent	\$104,650.00	\$8,720.83
Base Rent (\$5.23/SF)		\$104,650
Base Rent Growth Rate Year 1		0.00%
Landlord's 1995 Insurance Expense (\$0.07/SF)		\$1,361
Landlord's 1995 Property Tax Expense		\$7,506
<b>Net Operating Income</b>		<b>\$95,783</b>
<b>Total Return</b>		<b>9.00% / \$95,783</b>

**MARKET OVERVIEW**

**Lowe's Market**

CASTROVILLE, TX

## Castroville, TX

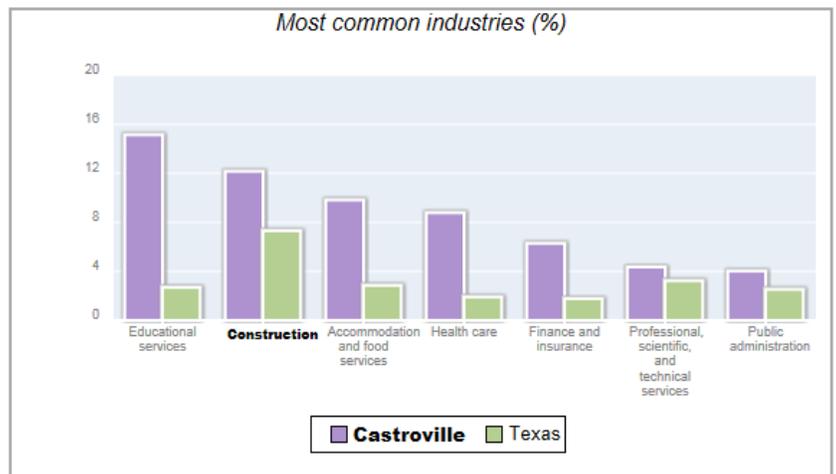
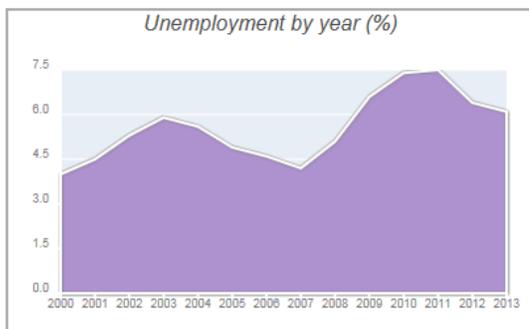


Safely nestled within the elbow of the meandering, emerald-green Medina River, the quaint village of Castroville boasts a history as rich and wide as Texas itself. Founded in 1844 by the famous empresario, Henri Castro, Castroville rests peacefully off stage of San Antonio just 15 miles toward the sunset. Affectionately known as “The Little Alsace of Texas” this truly Texas town has comingled its Alsatian heritage of yesteryear with the flare of the American rural west. Always welcoming to visitors, it is a perfect getaway for anyone looking for either a day trip or a multi-night excursion. Castroville offers cozy accommodations, fine dining, unique shops, museums, recreational spaces and beautiful parks encouraging visitors to feel right at home.

The "Little Alsace of Texas" has much to offer including plenty of history, cozy accommodations, mouth-watering dining, shopping, antique stores, vineyard & winery, and the great outdoors. Visit the Castroville Regional Park located on 126 pecan and cypress tree shaded acres and outlined by the pristine Medina River. It's a great place for a picnic or hike. It's also a great place to fish or just relax and enjoy nature.

Celebrations and festivals are what Castroville is famous for so you don't want to miss the annual St. Louis Day Celebration in August, Volksmarch in October and Year Round, Old Fashion Christmas in December, Market Trail Days in March, June & September, Fiorella Friday/ a Nite in Old Castroville and Friday Night Fever held monthly throughout the year.

Unemployment in July 2013:  
 Here: ■ 6.1%  
 Texas: ■ 6.7%



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**DEMOGRAPHIC REPORT**

	1 Mile	5 Miles	10 Miles
2000 Population	2,322	6,815	23,985
2010 Population	2,560	8,075	38,685
2013 Population	2,556	8,167	41,835
2018 Population	2,710	8,879	49,015
2000 Households	835	2,273	7,426
2010 Households	999	2,924	12,296
2013 Households	997	2,955	13,337
2018 Households	1,075	3,258	15,885
2013 Average Household Size	2.60	2.80	2.94
2013 Daytime Population	855	1,670	5,204
2000 Median Housing Value	\$95,161	\$94,886	\$89,168
2000 Owner Occupied Housing Units	70.35%	76.03%	73.18%
2000 Renter Occupied Housing Units	20.83%	16.47%	17.24%
2000 Vacant	9.36%	11.98%	10.40%
2013 Owner Occupied Housing Units	79.50%	81.52%	79.90%
2013 Renter Occupied Housing Units	20.50%	18.48%	20.10%
2013 Vacant	8.54%	7.94%	5.94%
2018 Owner Occupied Housing Units	79.42%	81.27%	79.76%
2018 Renter Occupied Housing Units	20.58%	18.73%	20.24%
2018 Vacant	8.28%	7.45%	5.27%
\$ 0 - \$14,999	9.9%	8.0%	9.2%
\$ 15,000 - \$24,999	11.9%	11.8%	10.7%
\$ 25,000 - \$34,999	8.9%	7.8%	8.7%
\$ 35,000 - \$49,999	12.1%	12.5%	13.0%
\$ 50,000 - \$74,999	23.3%	23.9%	22.0%
\$ 75,000 - \$99,999	15.0%	18.1%	16.4%
\$100,000 - \$124,999	8.0%	7.2%	10.1%
\$125,000 - \$149,999	6.4%	5.3%	4.7%
\$150,000 - \$199,999	3.1%	3.5%	3.2%
\$200,000 - \$249,999	0.6%	0.9%	0.7%
\$250,000 +	1.0%	1.1%	1.3%
2013 Median Household Income	\$57,045	\$59,271	\$58,944
2013 Per Capita Income	\$26,466	\$25,092	\$23,004
2013 Average Household Income	\$66,901	\$68,936	\$70,287

Demographic data © 2012 by Experian.

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## SUMMARY REPORT

### Geography: 10 Miles

#### Population

In 2013, the population in your selected geography was 41,835. The population has changed by 74.42% since 2000. It is estimated that the population in your area will be 49,015 five years from now, which represents a change of 17.16% from the current year. The current population is 51.8% male and 48.1% female. The median age of the population in your area is 34.8, compare this to the U.S. average which is 37. The population density in your area is 127.95 people per square mile.

#### Households

There are currently 13,337 households in your selected geography. The number of households has changed by 79.58% since 2000. It is estimated that the number of households in your area will be 15,885 five years from now, which represents a change of 19.10% from the current year. The average household size in your area is 2.94 persons.

#### Income

In 2013, the median household income for your selected geography is \$58,944, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 43.81% since 2000. It is estimated that the median household income in your area will be \$64,749 five years from now, which represents a change of 9.84% from the current year.

The current year per capita income in your area is \$23,004, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$70,287, compare this to the U.S. average which is \$75,373.

#### Race & Ethnicity

The current year racial makeup of your selected area is as follows: 80.04% White, 4.92% African American, 0.91% Native American and 1.56% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 52.22% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

#### Housing

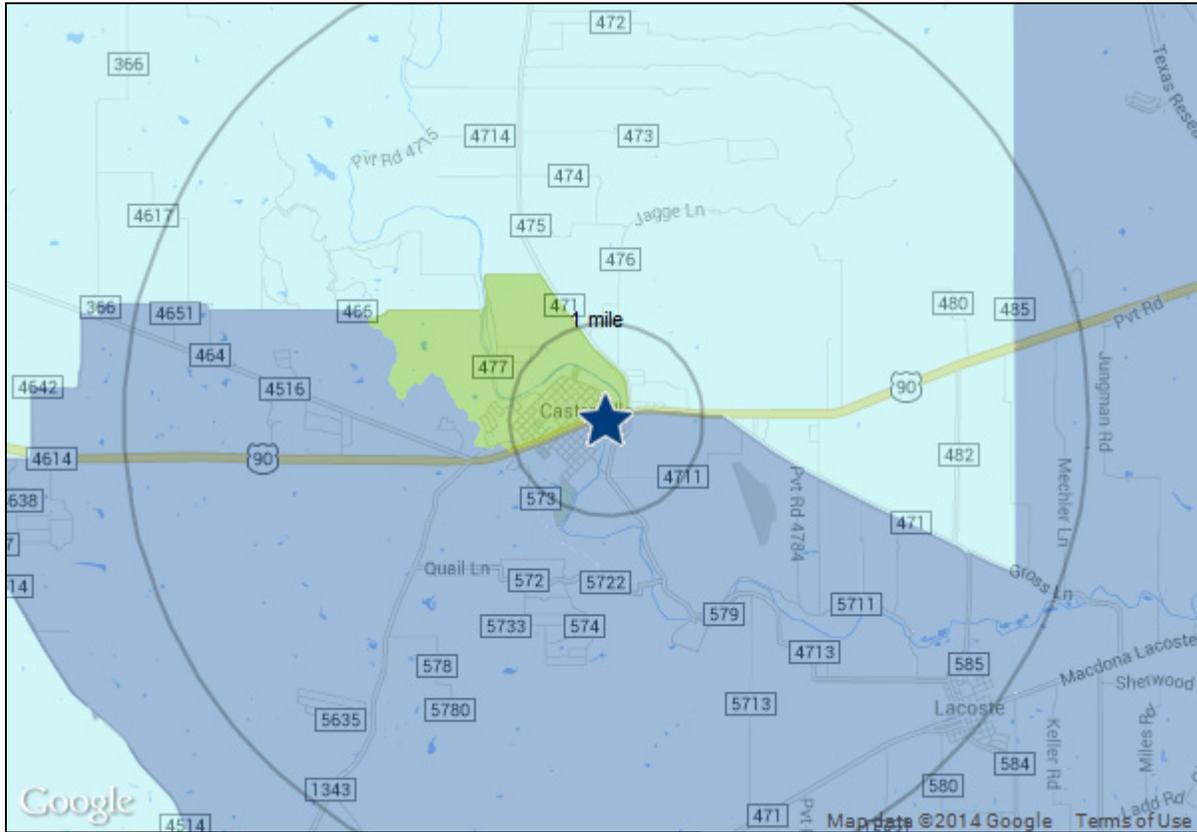
The median housing value in your area was \$89,168 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 6,055 owner occupied housing units in your area and there were 1,426 renter occupied housing units in your area. The median rent at the time was \$428.

#### Employment

In 2013, there are 5,204 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 56.5% of employees are employed in white-collar occupations in this geography, and 43.4% are employed in blue-collar occupations. In 2013, unemployment in this area is 2.66%. In 2000, the median time traveled to work was 31.8 minutes.

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POPULATION DENSITY



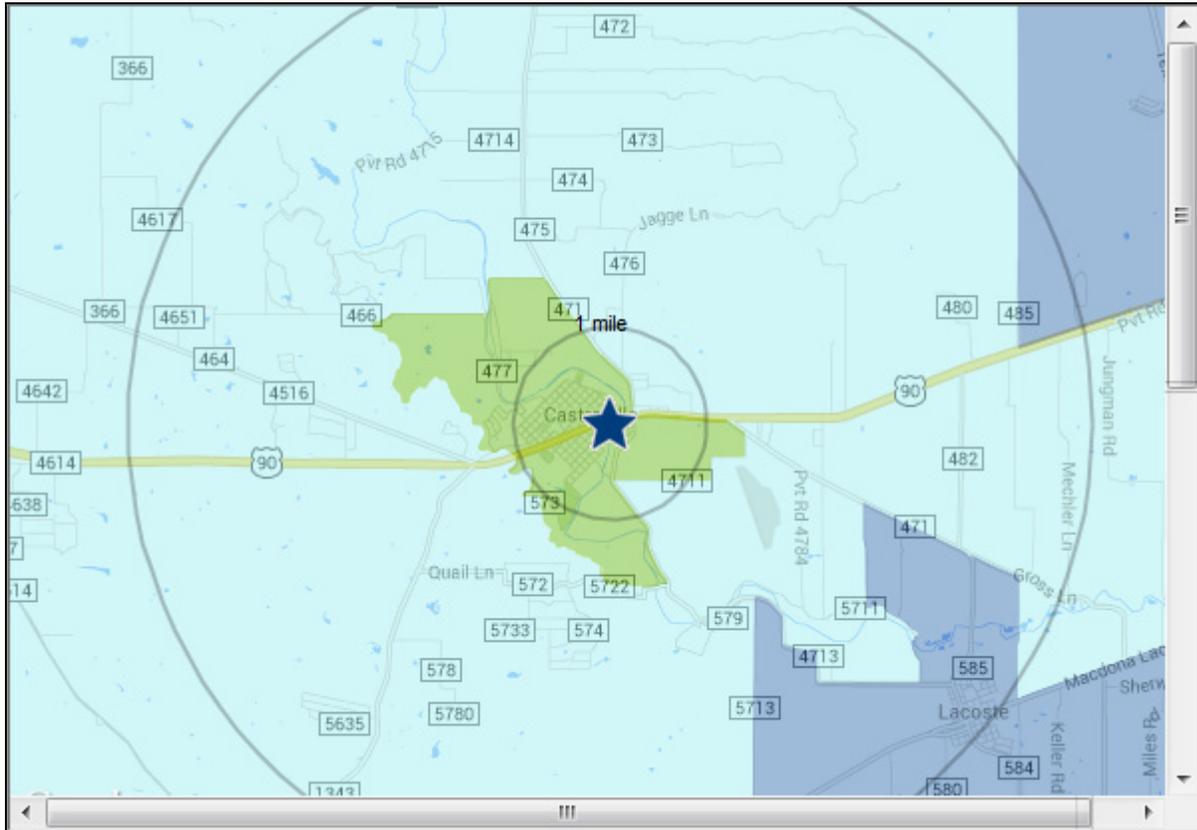
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Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



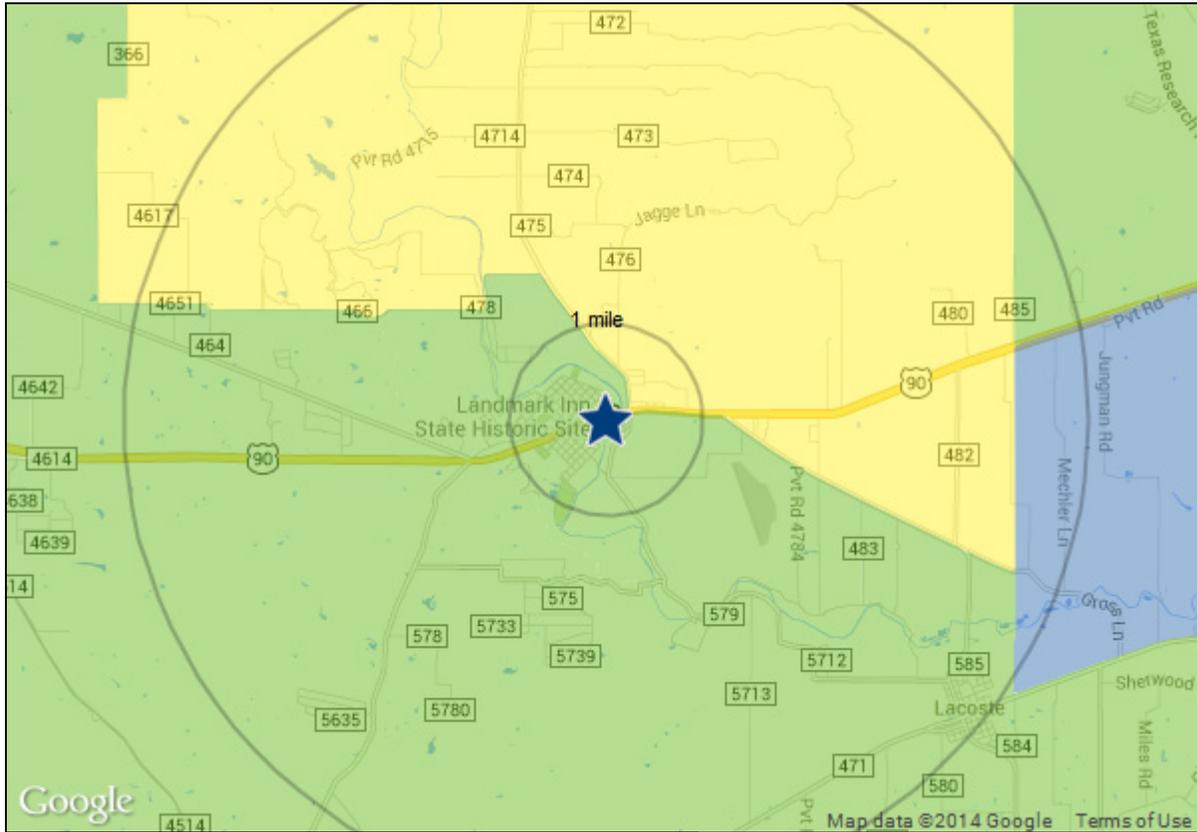
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Employment Density

Theme	Low	High
Low	less than	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



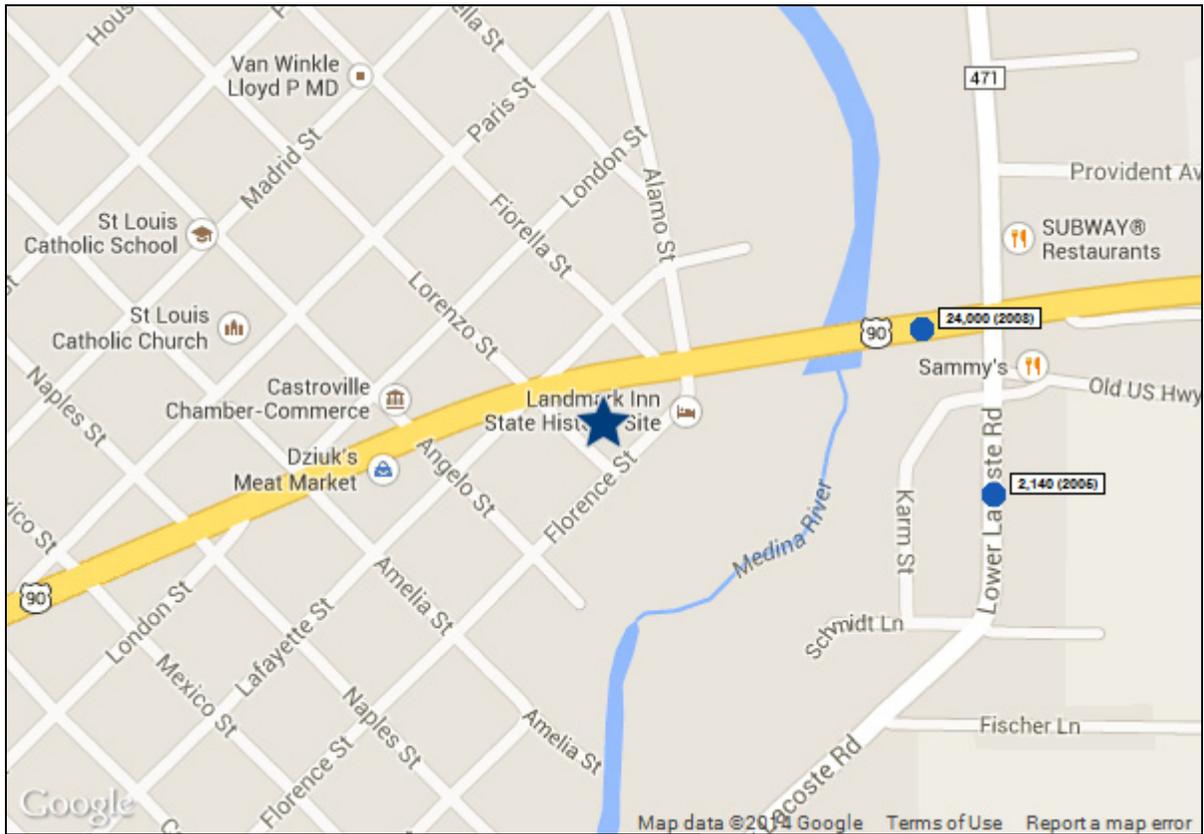
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Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

### TRAFFIC COUNTS



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Two-way, average daily traffic volumes.

\* Traffic Count Estimate



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