

Absolute NNN Albertsons

High-performing location

Offering
Memorandum

7800 Enchanted Hills Blvd. NE | Rio Rancho (Albuquerque MSA), NM 87144



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 **INVESTMENT**
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Investment Highlights

Investment Property Advisors is pleased to offer for sale an Absolute Net-Leased Albertsons located in the fastest growing region of the Albuquerque MSA, Rio Rancho. This submarket has experienced the largest amount of new construction in the state due mainly in part to Plaza at Enchanted Hills which has recently added 106,000 square feet of big box space and another 77,000 square feet is in progress. The supermarket is positioned with access on the major thoroughfare of Highway 528 with over 60,000 cars per day at the nearby intersection of Highway 528 and Highway 550. The trade area services over 128,000 people and is continuing to grow at a rapid pace. Neighboring tenants include Wal-Mart Supercenter, Bed Bath & Beyond, Michael's, Ross, TJ Maxx, and Petsmart to name a few.

Albertsons occupies an approximately 55,439 square foot building on a parcel of approximately 5.28 acres. Albertsons has just under 5 years remaining on the initial 20 year term with 5, 5 year renewal options. This is one of the top performing Albertsons locations in the state.

This investment is validated by the tenant's commitment through the recent remodel as well as the strong store sales which provides long-term stability for an investor. It is also positioned well for the future given the large amount of current and future growth in this trade area.

Albertsons

- Top performing Albertsons location with very strong sales
- Absolute NNN lease with zero landlord responsibilities
- Tenant recently completed remodel with a total cost around \$500,000
- Just under 5 years of base lease term remaining through October 31, 2021, with five 5-year renewal options
- Strong national tenant
- Located in the fastest growing region of the Albuquerque MSA
- Services trade area of +/-128,000 and growing, including Rio Rancho, Bernalillo, Algodones, and Corrales
- More than 60,000 Vehicles Per Day at the nearby intersection of Highway 528 & Hwy 550



Offering Summary

Purchase Price	\$7,900,000
Net Operating Income	\$550,000*
Cap Rate	7.0%
Lease Types	Absolute NNN

* \$450,000 in base rent; \$100,000 in percentage rent
-exceeds maximum percentage rent threshold by \$7 million

Tenant Highlights



Albertsons is an American grocery company founded and based in Boise, Idaho. Albertsons is the second largest grocery chain in North America with 2,200 stores and more than 250,000 employees. In 2015, revenues exceeded \$57.5 billion.

Albertsons was founded in 1939 by Joe Albertson in Boise, Idaho. From its small roots, Albertsons has risen to a nationally-recognized brand located in 33 states and the District of Columbia. Today, Albertsons is owned by Cerberus Capital Management, who also acquired the grocery chain Safeway in 2014. Albertsons operates under 18 well-known banners which include Safeway, Vons, Jewel-Osco, United Supermarkets, and Tom Thumb, to name a few.

Tenant Profile	
Tenant	Albertsons
Year Founded	1939
Headquarters	Boise, ID
Website	www.albertsons.com

Lease Summary



Location	7800 Enchanted Hills Blvd. NE Rio Rancho, NM 87144
Tenant	Albertsons
Building size	±55,439 SF
Land size	±5.28 Acres
Remaining Base Lease Term	Just under 5 years through October 31, 2021
Net Operating Income	\$550,000*
Renewal options	Five (5), Five (5) Year Options
Lease type	Absolute NNN
Landlord responsibilities	Zero landlord responsibilities

** \$450,000 in base rent; \$100,000 in percentage rent
—exceeds maximum percentage rent threshold by \$7 million*

Regional Retail Center



Property Aerial



Demographics

1, 3 & 5 Miles



	1 Mile	3 Mile	5 Mile			
Summary	2016	2016	2016			
Population	4,800	25,532	25,532			
Households	1,886	9,087	9,087			
Families	1,358	6,735	6,735			
Average Household Size	2.37	2.75	2.75			
Owner Occupied Housing Units	1,536	7,068	7,068			
Renter Occupied Housing Units	349	2,019	2,019			
Median Age	44.5	39.3	39.3			
Trends: 2016 - 2021 Annual Rate	State	State	State			
Population	0.44%	0.44%	0.44%			
Households	0.41%	0.41%	0.41%			
Families	0.25%	0.25%	0.25%			
Owner HHs	0.43%	0.43%	0.43%			
Median Household Income	1.43%	1.43%	1.43%			
	2016	2016	2016			
Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	100	5.3%	898	9.9%	898	9.9%
\$15,000 - \$24,999	108	5.7%	790	8.7%	790	8.7%
\$25,000 - \$34,999	114	6.0%	553	6.1%	553	6.1%
\$35,000 - \$49,999	235	12.5%	1,310	14.4%	1,310	14.4%
\$50,000 - \$74,999	369	19.6%	1,864	20.5%	1,864	20.5%
\$75,000 - \$99,999	354	18.8%	1,293	14.2%	1,293	14.2%
\$100,000 - \$149,999	323	17.1%	1,318	14.5%	1,318	14.5%
\$150,000 - \$199,999	179	9.5%	627	6.9%	627	6.9%
\$200,000+	105	5.6%	434	4.8%	434	4.8%
Median Household Income	\$75,868		\$60,774		\$60,774	
Average Household Income	\$92,543		\$79,768		\$79,768	
Per Capita Income	\$36,485		\$29,076		\$29,076	
	2016	2016	2016			
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	237	4.9%	1,588	6.2%	1,588	6.2%
5 - 9	258	5.4%	1,656	6.5%	1,656	6.5%
10 - 14	278	5.8%	1,822	7.1%	1,822	7.1%
15 - 19	248	5.2%	1,750	6.9%	1,750	6.9%
20 - 24	259	5.4%	1,566	6.1%	1,566	6.1%
25 - 34	589	12.3%	3,077	12.1%	3,077	12.1%
35 - 44	558	11.6%	3,176	12.4%	3,176	12.4%
45 - 54	666	13.9%	3,693	14.5%	3,693	14.5%
55 - 64	713	14.9%	3,557	13.9%	3,557	13.9%
65 - 74	660	13.8%	2,371	9.3%	2,371	9.3%
75 - 84	268	5.6%	983	3.8%	983	3.8%
85+	66	1.4%	295	1.2%	295	1.2%

City Overview

Albuquerque, New Mexico

Centrally-located at the intersection of I-25 and I-40, Albuquerque is the most populace city in New Mexico with an estimated metropolitan population of 908,252 in 2016. The city serves as a southwestern commercial hub, with BNSF Railroads rail service, air cargo shipped from the Albuquerque International Sunport, as well as the commuter train, the Rail Runner, spanning from Belen to Santa Fe.

Albuquerque's economic environment is experiencing growth due in part to the city being the center of the New Mexico Technology Corridor. The largest employers located in Albuquerque include Kirtland Air Force Base, the University of New Mexico and Sandia National Laboratories. Recent economic news includes Comcast selecting Albuquerque for a 500-employee bilingual customer support center; Bendix/King a Honeywell aerospace company, also located its headquarters in Albuquerque, with 140 quality jobs; General Mills finished a \$100 million expansion of its plant with more than 100 new employees; Lowes Home Improvement opened a \$15 million customer support center in 2012. Because of these business developments and Albuquerque's great quality of life, Forbes Magazine named the city #1 in its survey of the best places in the USA for Business and Careers. For more information, visit www.abq.org.

Demographics

Albuquerque metro population

908,252

Households

232,768

Median household income

\$48,792

Total expenditures & retail goods

\$5,109,676,173

Median sales \$ of single-family homes (2016Q2)

\$179,200

Employed civilian population

257,643

Total businesses

31,066

ABQ retail vacancy

6.3%

City Overview

Rio Rancho, New Mexico

The City of Rio Rancho is part of the Albuquerque Metropolitan Statistical Area (MSA Population: 914,190). Rio Rancho is the third largest city in the State, surpassing Santa Fe. Only 31-years-old, Rio Rancho is considered the fastest-growing city in New Mexico (80.6% growth from 2000-2014), and has an estimated 2014 population of 93,276. The city is strategically located in the northwest quadrant of the MSA and comprises over 100 square miles of land. The city is just 30 minutes from the Albuquerque International Sunport and 45 minutes from Santa Fe, the cultural center of the Southwest.

Rio Rancho's adjacency to Albuquerque allows it to draw from the largest labor pool in New Mexico. The metro area offers a capable and quality workforce to prospective employers.

The city has a strong existing business climate anchored by Intel Corporation and complemented by the back-office and manufacturing operations of Hewlett-Packard Company, Bank of America, U.S. Cotton, Lectrosionics, Alliance Data, Sprint PCS, Insight Lighting, Stainless Motors, and ClingZ, Inc. The RREDC and the city work together to aggressively attract new business and industry to the community.

Demographics

Population

92,997

Households

33,944

Median household income

\$58,650

2015 total business sales

\$5,878,154

Total expenditures & retail goods

\$858,580,614

2015 total businesses

2,660

Employed civilian population

40,646