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The Future Starts Now

# Retail Real Estate Market & Feasibility Analysis

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#RECon15

# RECon

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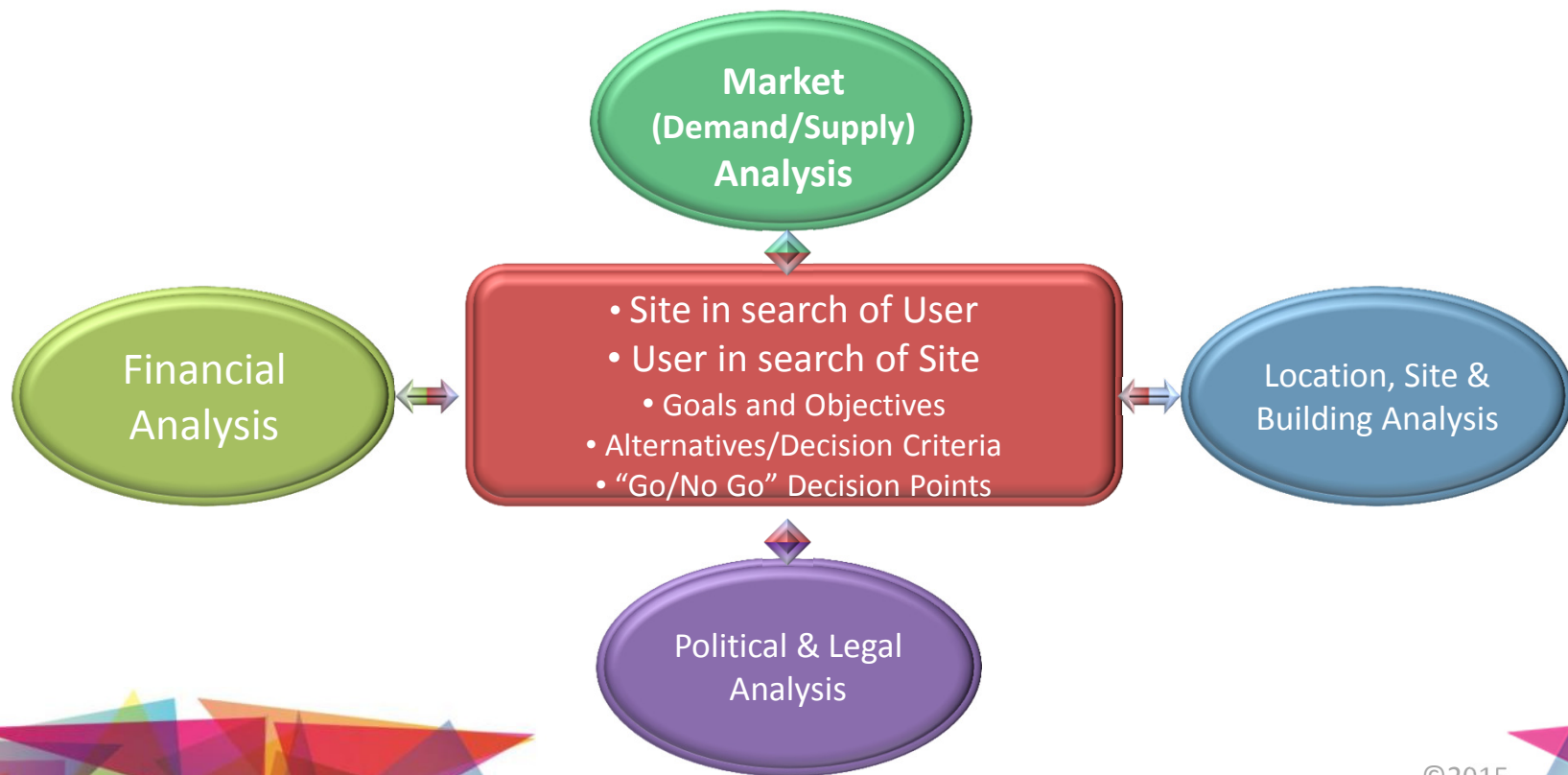
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# CCIM Real Estate Feasibility Model



# Real Estate is space for people to .....

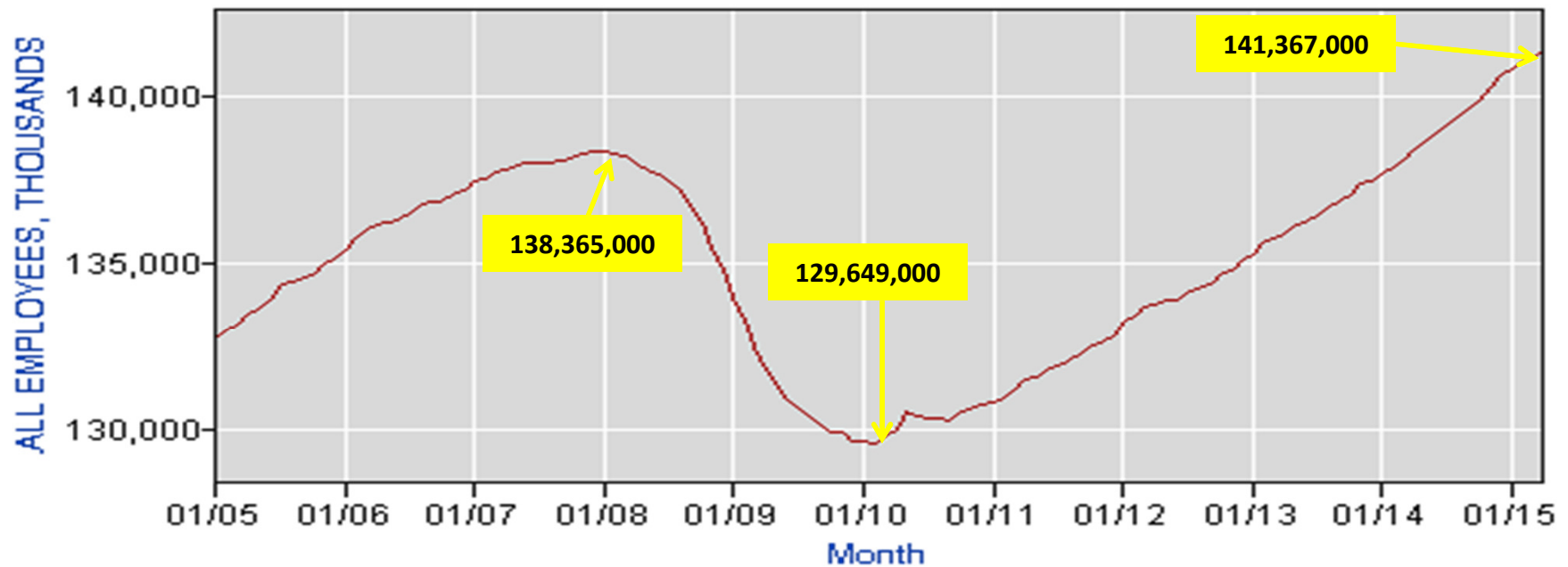
- Live in
- Work in
- Shop in
- Store things in

# The 10 Most Populous States

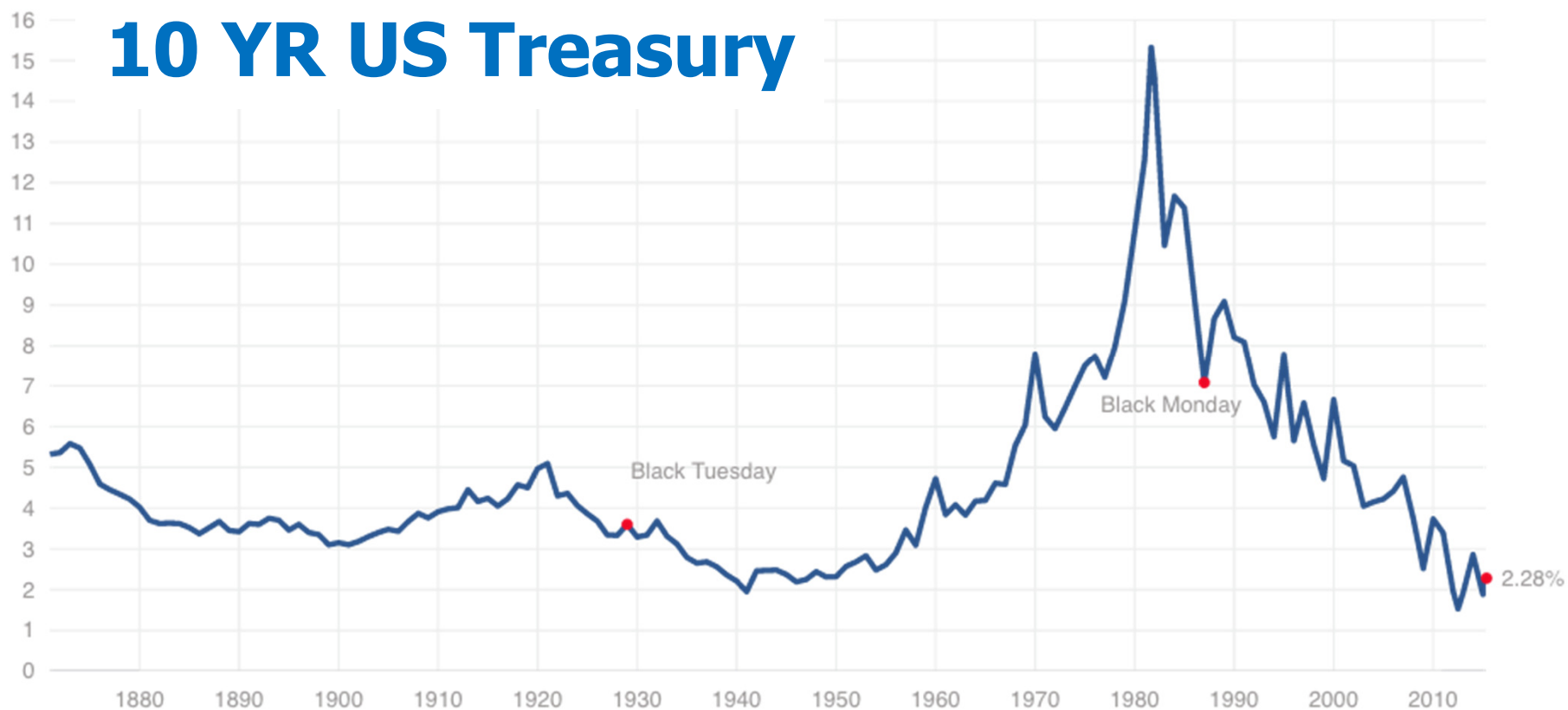
Geographic Area		Population Estimate (as of July 1)						% Growth
		2010	2011	2012	2013	2014	2013 - 2014	
	United States	309,347,057	311,721,632	314,112,078	316,497,531	318,857,056	2,359,525	0.75%
1	California	37,336,011	37,701,901	38,062,780	38,431,393	38,802,500	371,107	0.97%
2	Texas	25,245,717	25,657,477	26,094,422	26,505,637	26,956,958	451,321	1.70%
3	Florida	18,852,220	19,107,900	19,355,257	19,600,311	19,893,297	292,986	1.49%
4	New York	19,400,867	19,521,745	19,607,140	19,695,680	19,746,227	50,547	0.26%
5	Illinois	12,840,097	12,858,725	12,873,763	12,890,552	12,880,580	(9,972)	-0.08%
6	Pennsylvania	12,711,077	12,743,995	12,770,043	12,781,296	12,787,209	5,913	0.05%
7	Ohio	11,540,070	11,544,757	11,550,901	11,572,005	11,594,163	22,158	0.19%
8	Georgia	9,714,464	9,813,201	9,919,000	9,994,759	10,097,343	102,584	1.03%
9	North Carolina	9,559,488	9,651,502	9,748,181	9,848,917	9,943,964	95,047	0.97%
10	Michigan	9,876,498	9,875,736	9,884,781	9,898,193	9,909,877	11,684	0.12%

- CA, TX & FL are 26.9% of US population but accounted for 47.3% of growth
- FL is growing
  - Double the rate of the US
  - 803 people per day
- More people means more demand for real estate

# Total Nonfarm Employment



# 10 YR US Treasury

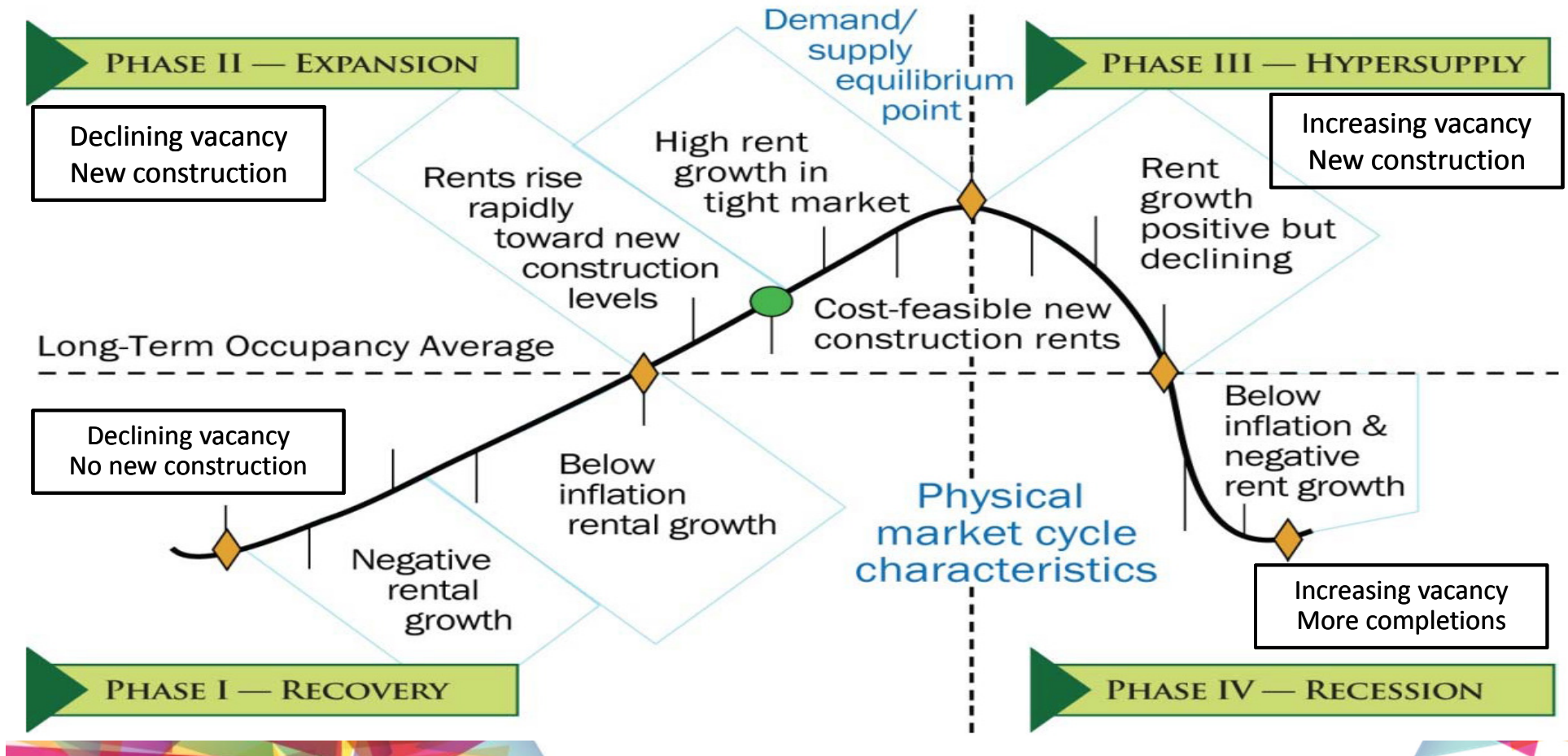


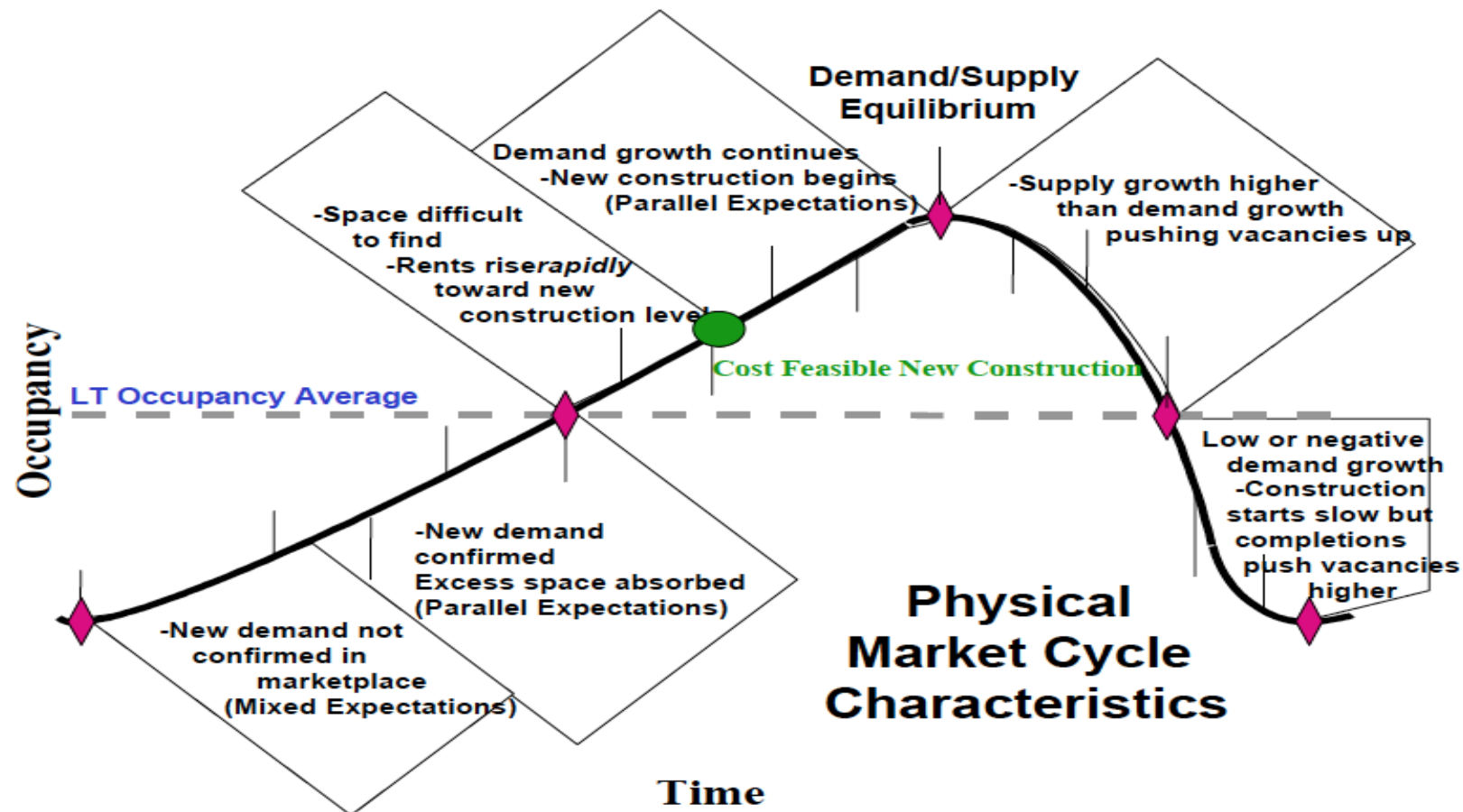
Mean: 4.62%  
Median: 3.90%  
Min: 1.53% (Jul 2012)  
Max: 15.32% (Sep 1981)

<http://www.multip.com/>

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# Real Estate Market Cycle





Source: Mueller, Real Estate Finance, 1995

## MARKET CYCLE ANALYSIS — Explanation

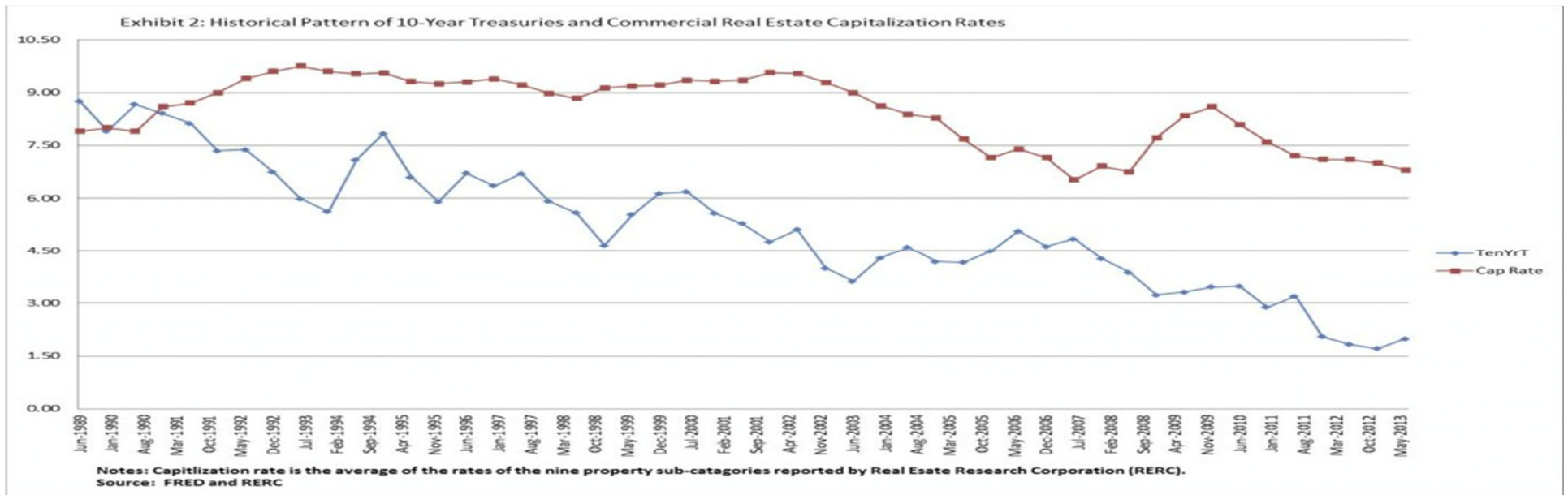
**Supply and demand interaction is important to understand. Starting in Recovery Phase I at the bottom of a cycle** (see chart below), the marketplace is in a state of oversupply from previous new construction or negative demand growth. At this bottom point, occupancy is at its trough. Typically, the market bottom occurs when the excess construction from the previous cycle stops. As the cycle bottom is passed, demand growth begins to slowly absorb the existing oversupply and supply growth is nonexistent or very low. As excess space is absorbed, vacancy rates fall allowing rental rates in the market to stabilize and even begin to increase. As this recovery phase continues, positive expectations about the market allow landlords to increase rents at a slow pace (typically at or below inflation). Eventually, each local market reaches its *long-term occupancy average* whereby *rental growth is equal to inflation*.

**In Expansion Phase II, demand growth continues at increasing levels, creating a need for additional space.** As vacancy rates fall below the *long-term occupancy average*, signaling that supply is tightening in the marketplace, rents begin to rise rapidly until they reach a cost-feasible level that allows new construction to commence. In this period of tight supply, rapid rental growth can be experienced, which some observers call “rent spikes.” (Some developers may also begin speculative construction in anticipation of cost-feasible rents if they are able to obtain financing.) Once cost-feasible rents are achieved in the marketplace, demand growth is still ahead of supply growth — a lag in providing new space due to the time to construct. Long expansionary periods are possible and many historical real estate cycles show that the overall up-cycle is a slow, long-term uphill climb. As long as demand growth rates are higher than supply growth rates, vacancy rates will continue to fall. The cycle peak point is where demand and supply are growing at the same rate *or equilibrium*. Before equilibrium, demand grows faster than supply; after equilibrium, supply grows faster than demand.

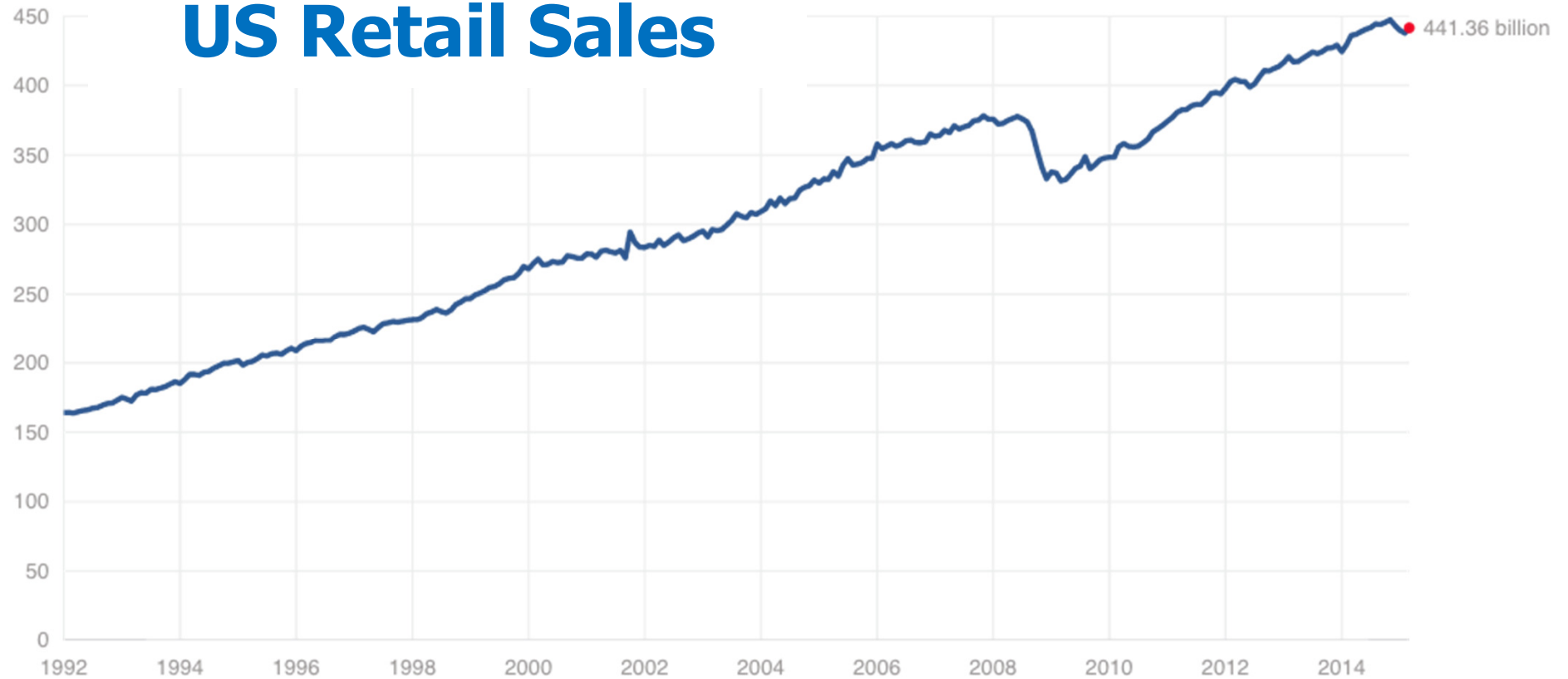
**Hypersupply Phase III of the real estate cycle commences after the peak/equilibrium point #11 — where demand growth equals supply growth.** Most real estate participants do not recognize this peak/equilibrium’s passing, as occupancy rates are at their highest and well above long-term averages, a strong and tight market. During Phase III, supply growth is higher than demand growth (hypersupply), causing vacancy rates to rise back toward the long-term occupancy average. While there is no painful oversupply during this period, new supply completions compete for tenants in the marketplace. As more space is delivered to the market, rental growth slows. Eventually, market participants realize that the market has turned down and commitments to new construction should slow or stop. If new supply grows faster than demand once the long-term occupancy average is passed, the market falls into Phase IV.

**Recession Phase IV begins as the market moves past the long-term occupancy average with high supply growth and low or negative demand growth.** The extent of the market down-cycle will be determined by the difference (excess) between the market supply growth and demand growth. Massive oversupply, coupled with negative demand growth (that started when the market passed through long-term occupancy average in 1984), sent most U.S. office markets into the largest down-cycle ever experienced. During Phase IV, landlords realize that they will quickly lose market share if their rental rates are not competitive; they then lower rents to capture tenants, even if only to cover their buildings’ fixed expenses. Market liquidity is also low or nonexistent in this phase, as the bid-ask spread in property prices is too wide. The cycle eventually reaches bottom as new construction and completions cease, or as demand growth turns up and begins to grow at rates higher than that of new supply added to the marketplace.

# 10 YR UST and CRE Cap Rates



# US Retail Sales



Mean: 303.01 billion  
Median: 304.86 billion  
Min: 163.75 billion (Mar 1992)  
Max: 447.14 billion (Nov 2014)

<http://www.multip.com/>

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## Retail “Interesting Facts”

- **WMT is almost 10% of US non-automotive retail sales (44, 45, less 4411)**
- **Top 100 retailers**
  - **266,580 stores**
  - **Less than 15% of total number of stores**
  - **Almost 50% of total US non-automotive retail sales**

# 2013 Top 100 US Retailers [www.stores.org](http://www.stores.org)

<u>Rank</u>	<u>Company</u>	<u>Headquarters</u>	<u>2013 Sales</u>	<u>Growth</u>	<u># of Stores</u>	<u>Sales p/Store</u>
1	Wal-Mart	Bentonville, ARK	\$334,302,000,000	1.70%	4,779	69,952,291
2	Kroger	Cincinnati, Ohio	\$93,598,000,000	1.60%	3,519	26,597,897
3	Costco	Issaquah, Wash.	\$74,740,000,000	5.20%	447	167,203,579
4	Target	Minneapolis	\$71,279,000,000	-0.90%	1,793	39,754,044
5	The Home Depot	Atlanta	\$69,951,000,000	6.60%	1,965	35,598,473
6	Walgreen	Deerfield, Ill.	\$68,068,000,000	1.30%	7,998	8,510,628
7	CVS Caremark	Woonsocket, R.I.	\$65,618,000,000	3.10%	7,621	8,610,156
8	Lowe's	Mooresville, N.C.	\$52,210,000,000	3.60%	1,717	30,407,688
9	Amazon.com	Seattle	\$43,962,000,000	27.20%	N/A	
10	Safeway	Pleasanton, Calif.	\$37,534,000,000	-3.70%	1,335	28,115,356
11	McDonald's	Oak Brook, Ill.	\$35,856,000,000	0.70%	14,267	2,513,212
12	Best Buy	Richfield, Minn.	\$35,766,000,000	-1.20%	1,492	23,971,850
13	Publix	Lakeland, Fla.	\$28,917,000,000	5.20%	1,273	22,715,632
14	Macy's	Cincinnati, Ohio	\$27,868,000,000	0.90%	837	33,295,102
15	Apple Stores / iTunes	Cupertino, Calif.	\$26,648,000,000	11.00%	254	104,913,386
16	Sears Holdings	Hoffman Estates, IL	\$26,614,000,000	-13.40%	1,905	13,970,604
17	Ahold USA / Royal Ahold	Carlisle, Pa.	\$26,118,000,000	1.10%	767	34,052,151
18	Rite Aid	Camp Hill, Pa.	\$25,526,000,000	0.50%	4,587	5,564,857
19	TJX	Framingham, Mass.	\$20,923,000,000	7.70%	2,454	8,526,080
20	H-E-B	San Antonio	\$19,683,000,000	8.10%	311	63,289,389
21	Albertsons	Boise, Idaho	\$19,452,000,000	N/A	1,024	18,996,094
22	Kohl's	Menomonee Falls, WI	\$19,031,000,000	-1.30%	1,158	16,434,370
23	Delhaize America	Salisbury, N.C.	\$18,817,000,000	0.10%	1,514	12,428,666
24	YUM! Brands	Louisville, Ky.	\$18,144,000,000	1.00%	18,106	1,002,099
25	Dollar General	Goodlettsville, Tenn.	\$17,504,000,000	9.20%	11,132	1,572,404

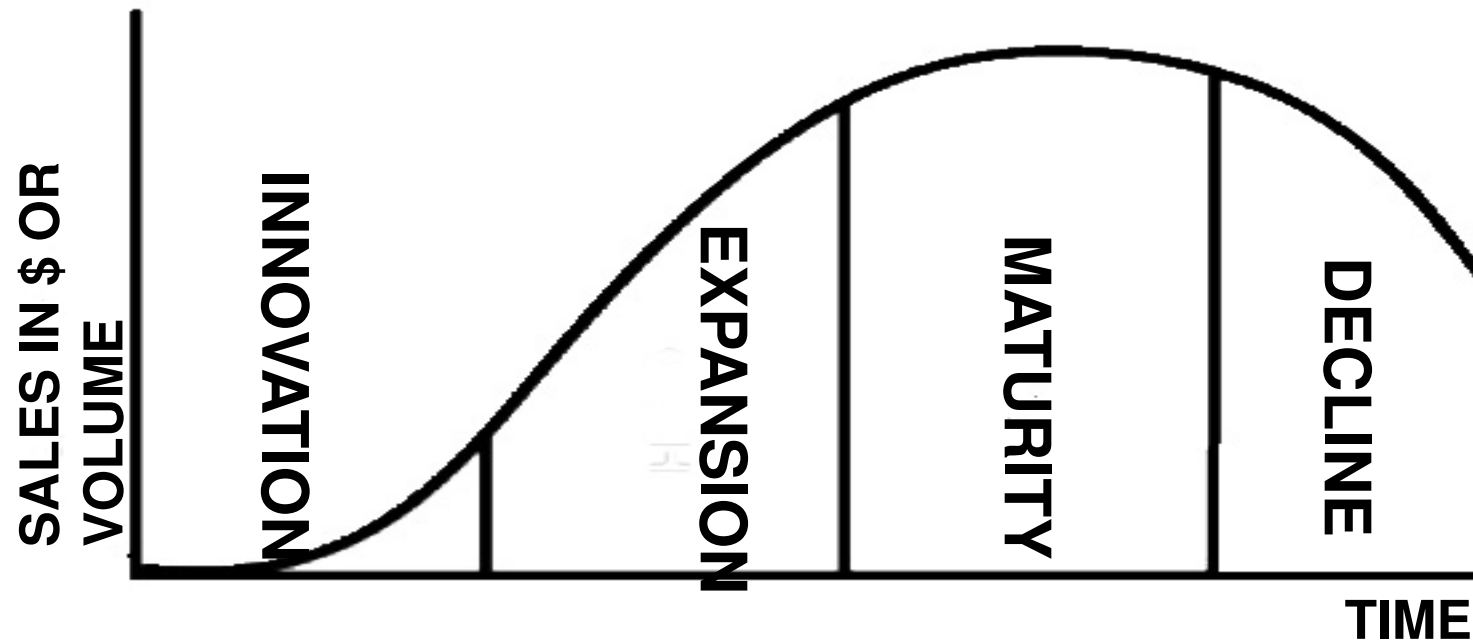
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<u>Rank</u>	<u>Company</u>	<u>Headquarters</u>	<u>2013 Sales</u>	<u>Growth</u>	<u># of Stores</u>	<u>Sales p/Store</u>
26	Meijer	Grand Rapids, Mich.	\$16,620,000,000	5.30%	202	82,277,228
27	True Value	Chicago	\$16,330,000,000	-1.60%	4,494	3,633,734
28	Wakefern / Shoprite	Keasbey, N.J.	\$14,100,000,000	3.70%	313	45,047,923
29	BJ's Wholesale Club	Westborough, Mass.	\$12,965,000,000	4.90%	201	64,502,488
30	Gap	San Francisco	\$12,872,000,000	4.30%	2,432	5,292,763
31	Subway	Milford, Conn.	\$12,861,000,000	5.10%	26,644	482,698
32	Whole Foods Market	Austin, Texas	\$12,491,000,000	10.30%	347	35,997,118
33	Nordstrom	Seattle	\$12,366,000,000	3.70%	260	47,561,538
34	J.C. Penney	Plano, Texas	\$11,789,000,000	-8.70%	1,087	10,845,446
35	7-Eleven	Dallas	\$11,625,000,000	8.70%	7,974	1,457,863
36	Bed Bath & Beyond	Union, N.J.	\$11,319,000,000	5.50%	1,453	7,790,089
37	SUPERVALU	Eden Prairie, Minn.	\$10,967,000,000	-61.10%	1,544	7,102,979
38	Aldi	Batavia, Ill.	\$10,898,000,000	8.50%	1,328	8,206,325
39	Ace Hardware	Oak Brook, Ill.	\$10,605,000,000	4.10%	4,171	2,542,556
40	Family Dollar Stores	Matthews, N.C.	\$10,391,000,000	11.40%	7,916	1,312,658
41	Ross Stores	Pleasanton, Calif.	\$10,221,000,000	5.60%	1,276	8,010,188
42	Starbucks	Seattle	\$9,631,000,000	9.40%	11,513	836,533
43	L Brands	Columbus, Ohio	\$9,349,000,000	1.80%	2,648	3,530,589
44	Bi-Lo	Jacksonville, Fla.	\$9,087,000,000	1.50%	684	13,285,088
45	Wendy's	Dublin, Ohio	\$9,083,000,000	0.50%	5,791	1,568,468
46	Menard	Eau Claire, Wis.	\$8,892,000,000	5.30%	284	31,309,859
47	Staples	Framingham, Mass.	\$8,883,000,000	-6.10%	1,515	5,863,366
48	Army Air Force Exchange	Dallas	\$8,640,000,000	0.30%	530	16,301,887
49	Burger King	Miami	\$8,509,000,000	-1.20%	7,155	1,189,238
50	Trader Joe's	Monrovia, Calif.	\$8,350,000,000	6.40%	410	20,365,854

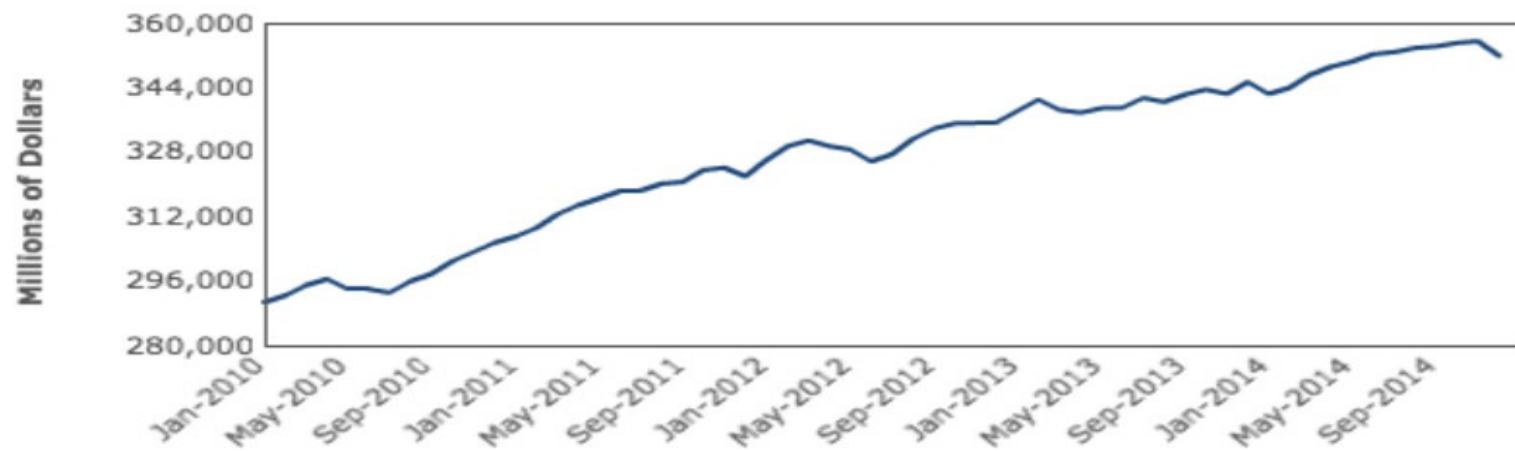
<u>Rank</u>	<u>Company</u>	<u>Headquarters</u>	<u>2013 Sales</u>	<u>Growth</u>	<u># of Stores</u>	<u>Sales p/Store</u>
51	AT&T Wireless	Dallas	\$8,347,000,000	10.20%	2,179	3,830,656
52	Verizon Wireless	Basking Ridge, N.J.	\$8,096,000,000	1.10%	1,920	4,216,667
53	Darden Restaurants	Orlando	\$7,967,000,000	-3.00%	2,157	3,693,556
54	Dollar Tree	Chesapeake, Va.	\$7,670,000,000	5.60%	4,812	1,593,932
55	Hy-Vee	W. Des Moines, Iowa	\$7,629,000,000	3.60%	235	32,463,830
56	AutoZone	Memphis	\$7,584,000,000	6.70%	4,802	1,579,342
57	Toys "R" Us	Wayne, N.J.	\$7,525,000,000	-6.50%	868	8,669,355
58	Health Mart Systems	Omaha, Neb.	\$7,430,000,000	2.90%	3,199	2,322,601
59	Good Neighbor Pharmacy	Chesterbrook, Pa.	\$7,271,000,000	-13.00%	3,155	2,304,596
60	Dunkin' Brands	Canton, Mass.	\$7,256,000,000	8.50%	10,144	715,300
61	Office Depot	Boca Raton, Fla.	\$7,022,000,000	0.00%	1,070	6,562,617
62	Wegmans Food Markets	Rochester, N.Y.	\$6,999,000,000	6.10%	83	84,325,301
63	DineEquity	Glendale, Calif.	\$6,974,000,000	7.00%	3,425	2,036,204
64	Giant Eagle	O'Hara Township, Pa.	\$6,940,000,000	2.60%	420	16,523,810
65	O'Reilly Automotive	Springfield, Mo.	\$6,649,000,000	7.60%	4,166	1,596,015
66	Advance Auto Parts	Roanoke, Va.	\$6,443,000,000	4.70%	4,023	1,601,541
67	Dillard's	Little Rock, Ark.	\$6,439,000,000	-0.80%	296	21,753,378
68	Sherwin Williams	Cleveland, Ohio	\$6,223,000,000	18.10%	3,685	1,688,738
69	Dick's Sporting Goods	Coraopolis, Pa.	\$6,212,000,000	6.50%	644	9,645,963
70	GameStop	Grapevine, Texas	\$6,108,000,000	-0.60%	4,272	1,429,775
71	Barnes & Noble	New York	\$6,082,000,000	-4.00%	1,366	4,452,416
72	PetSmart	Phoenix	\$5,298,000,000	2.20%	1,247	4,248,597
73	QVC	West Chester, Pa.	\$5,844,000,000	4.60%	N/A	
74	A&P	Montvale, N.J.	\$5,831,000,000	-6.80%	277	21,050,542
75	WinCo Foods	Boise, Idaho	\$5,212,000,000	5.70%	91	57,274,725

<b><u>Rank</u></b>	<b><u>Company</u></b>	<b><u>Headquarters</u></b>	<b><u>2013 Sales</u></b>	<b><u>Growth</u></b>	<b><u># of Stores</u></b>	<b><u>Sales p/Store</u></b>
76	Chik-fil-A	Atlanta	\$5,191,000,000	12.40%	1,775	2,924,507
77	Tractor Supply Co.	Brentwood, Tenn.	\$5,165,000,000	10.70%	1,276	4,047,806
78	Big Lots	Columbus, Ohio	\$5,107,000,000	-1.70%	1,493	3,420,630
79	Defense Commissary	Fort Lee, Va.	\$5,015,000,000	-3.50%	179	28,016,760
80	Save Mart	Modesto, Calif.	\$4,889,000,000	0.70%	226	21,632,743
81	Foot Locker	New York	\$4,769,000,000	6.80%	2,360	2,020,763
82	Alimentation Couche-Tard	Tempe, Ariz.	\$4,755,000,000	4.50%	3,826	1,242,812
83	Harris Teeter Supermks.	Matthews, N.C.	\$4,710,000,000	3.80%	216	21,805,556
84	Ascena Retail Group	Suffern, N.Y.	\$4,665,000,000	49.10%	3,854	1,210,431
85	OfficeMax	Naperville, Ill.	\$4,652,000,000	-3.70%	823	5,652,491
86	Neiman Marcus	Dallas	\$4,648,000,000	7.00%	85	54,682,353
87	Burlington Coat Factory	Burlington, N.J.	\$4,402,000,000	7.30%	509	8,648,330
88	IKEA North America	Conshohocken, Pa.	\$4,370,000,000	6.80%	51	85,686,275
89	Williams-Sonoma	San Francisco	\$4,163,000,000	6.20%	553	7,528,029
90	Michaels Stores	Irving, Texas	\$4,132,000,000	3.60%	1,147	3,602,441
91	Dell	Round Rock, Texas	\$4,106,000,000	-6.00%	N/A	
92	Bloomin' Brands	Tampa, Fla.	\$4,084,000,000	3.90%	1,288	3,170,807
93	Belk	Charlotte, N.C.	\$4,038,000,000	2.10%	299	13,505,017
94	Roundy's Supermarkets	Milwaukee, Wis.	\$3,946,000,000	1.50%	163	24,208,589
95	Sonic	Oklahoma City, Okla.	\$3,882,000,000	2.40%	3,522	1,102,215
96	Stater Bros. Holdings	San Bernadino, Calif.	\$3,860,000,000	-0.30%	166	23,253,012
97	Price Chopper Supermrkts.	Schenectady, N.Y.	\$3,784,000,000	2.50%	132	28,666,667
98	Brinker International	Dallas	\$3,746,000,000	-1.30%	1,309	2,861,727
99	Signet Jewelers	Akron, Ohio	\$3,647,000,000	9.50%	1,471	2,479,266
100	Ingles Markets	Black Mountain, N.C.	\$3,600,000,000	0.60%	203	17,733,990

# Retail Business Life Cycle



## Monthly Sales - Retail Trade & Food Services ex Auto



[www.census.gov](http://www.census.gov)

<b><u>NAICS</u></b>	<b><u>Kind of Business</u></b>	<b><u>2014 (,000,000)</u></b>
	Retail and food services sales, total	5,271,913
	Retail sales and food services excl motor vehicle and parts	4,214,375
	Retail sales, total	4,700,701
	Retail sales, total (excl. motor vehicle and parts dealers)	3,643,163
	GAFO	1,250,543
441	Motor vehicle and parts dealers	1,057,538
442	Furniture and home furnishings stores	101,158
443	Electronics and appliance stores	107,281
444	Building mat. and garden equip. and supplies dealers	328,517
445	Food and beverage stores	668,723
446	Health and personal care stores	298,548
447	Gasoline stations	533,375
448	Clothing and clothing access. stores	253,691
451	Sporting goods, hobby, book, and music stores	87,717
452	General merchandise stores	663,091
453	Miscellaneous store retailers	120,385
454	Nonstore retailers	480,677
722	Food services and drinking places	571,212
7221	Full service restaurants	245,588
7222	Limited service eating places	256,450
7224	Drinking places	22,042

# Retail Business Trends

- Consumer is “trading down” / recession retail
  - Wal-Mart
  - Dollar stores
  - Warehouse clubs

## Priority: Leveraging through EDLC-EDLP



# Retail Business Trends

- Consumer is “trading down” / recession retail
  - Wal-Mart
  - Dollar stores
  - Warehouse clubs
- Convenience & Value
- Efficiency
- Who took Circuit City’s business?
- The internet??

# Retail Trade Sales--Total and E-Commerce

(Estimates are based on data from the Monthly Retail Trade Survey and administrative records.)

Quarter	Retail Sales (millions of dollars)		E-commerce as a Percent of Total	Percent Change From Prior Quarter		Percent Change From Same Quarter A Year Ago	
	Total	E-commerce		Total	E-commerce	Total	E-commerce
<b>Adjusted</b>							
4th quarter 2013(p)	1,147,679	69,208	6.0	0.6	3.4	3.8	16.0
3rd quarter 2013(r)	1,141,077	66,930	5.9	1.3	3.5	4.7	17.4
2nd quarter 2013	1,126,486	64,653	5.7	0.7	4.8	4.7	18.2
1st quarter 2013	1,118,329	61,720	5.5	1.2	3.5	4.1	16.4
4th quarter 2012(r)	1,105,348	59,642	5.4	1.4	4.6	4.5	15.7
<b>Not Adjusted</b>							
4th quarter 2013(p)	1,201,460	83,569	7.0	5.7	36.0	3.9	16.0
3rd quarter 2013(r)	1,136,625	61,453	5.4	-0.2	2.1	5.4	17.3
2nd quarter 2013	1,138,866	60,176	5.3	7.9	3.5	4.5	18.3
1st quarter 2013	1,055,907	58,132	5.5	-8.7	-19.3	3.0	16.3
4th quarter 2012	1,156,432	72,073	6.2	7.2	37.6	4.5	15.7

Retail + 722 ex Auto  
Ecommerce

4,089,750,000,000  
262,511,000,000

Ecommerce/Ret Sales

6.4%  
<http://www.census.gov/retail/>



# Amazon.com

Year Ended December 31,			
	2013	2012	2011
Net Sales:			
North America	\$ 44,517	\$ 34,813	\$ 26,705
International	29,935	26,280	21,372
Consolidated	<u>\$ 74,452</u>	<u>\$ 61,093</u>	<u>\$ 48,077</u>

	2013	2012	2011
North America			
Media	10,809	\$ 9,189	\$ 7,959
Electronics and other general merchandise	29,985	23,273	17,315
Other (1)	3,723	2,351	1,431
Total North America	<u>44,517</u>	<u>\$ 34,813</u>	<u>\$ 26,705</u>

# Gross Margin

	2013	2012	2011
Gross profit (in millions)	\$ 20,271	\$ 15,122	\$ 10,789
Gross margin	27.2%	24.8%	22.4%

Sales	74,452	
COGS	54,181	
Gross Margin	20,271	27.2%

Gross margin increased in 2013, compared to the comparable prior year periods, primarily due to services sales increasing as a percentage of total sales. Services sales represent third-party seller fees earned (including commissions) and related shipping fees, and non-retail activities such as AWS, advertising services, and our co-branded credit card agreements.

# Walmart (,000,000)

## FY 2014

WMT US	279,406	59.1%
Sams	57,157	12.1%
US	336,563	71.1%
International	136,513	28.9%
Total	473,076	
Gross Margin	24.3%	
SG&A	19.3%	

# Walmart Stores

	# of Stores	SF
Supercenters	3,290	
Discount Stores	508	
Neighborhood Markets	346	
Small formats	61	
Subtotal	4,205	659,000,000
Sam's Clubs	633	84,000,000
	4,838	743,000,000



### Average Sales Per Warehouse\* (Sales In Millions)

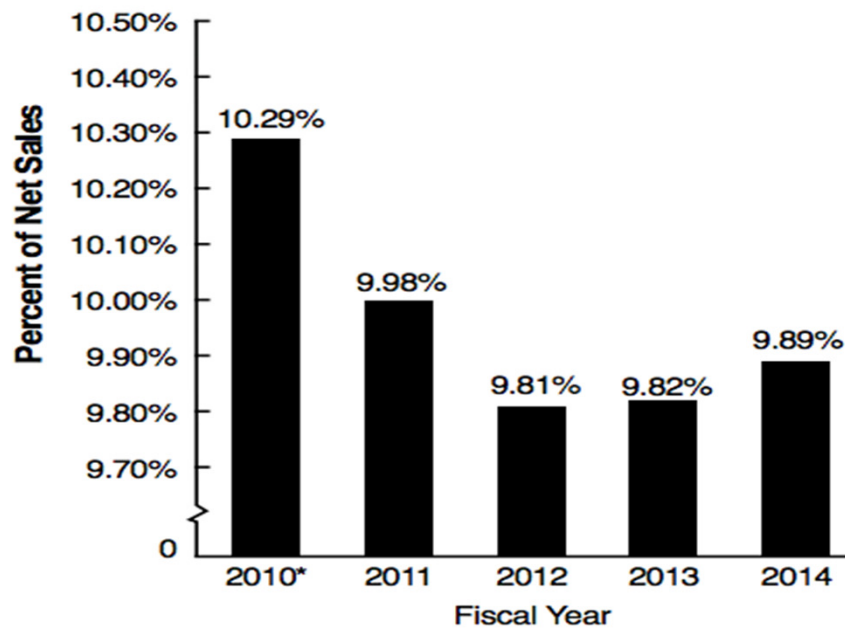
Year Opened	# of Whses										
2014	30										\$108
2013	26								\$99		109
2012	15							\$105		115	124
2011	21						\$103		120	130	136
2010	13					\$94		106	122	135	144
2009	20				\$100		107	130	146	155	157
2008	26			\$86		83	99	116	128	136	144
2007	31			\$76	88	92	103	116	127	136	143
2006	27		\$92	101	118	114	122	127	136	145	152
2005 & Before	454	\$120	129	135	144	139	148	155	164	172	178
Totals	663	\$120	\$127	\$130	\$137	\$131	\$139	\$146	\$155	\$160	\$164
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

\*First year sales annualized  
2011 – 2014 Include Mexico  
2006 and 2012 were 53-week years





### Selling, General and Administrative Expenses



\*2010 excludes Mexico



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# Amazon Tax

- Amazon sales fall by 9.5% after implementation of an “Amazon Tax” (state sales tax on purchases)
- The percentage is substantially higher .... 24%, for sales exceeding \$300
- Research based on five states – CA, NJ, PA, TX & VA

“The Amazon Tax”: Empirical Evidence from Amazon and Main Street Retailers

Brian Baugh, Itzhak Ben-David and Hoonsuk Park

Fisher College of Business

Ohio State University

NBER Working Paper No. 20052, April 2014

- Smokers use the internet to purchase tax-free cigarettes



– Goolsbee, Lovenheim and Slemrod (2010)

©2015



# Retail Real Estate Trends

- **Internet means an informed consumer**
  - Retail margins are under pressure
  - equals lower rent
- **Technology creates more efficient use of inventory & space**
  - equals more sales in less space
  - equals smaller stores
- **Supermarket business is increasingly focused on dominant players and larger stores**
- **Retail industry is increasing dominated by stronger, national anchors over their smaller regional/local peers**
  - This is not necessarily the case with in-line space
- **Large spaces are hard to re-tenant**



# Retail Real Estate Trends

- Exclusive use provisions will impact 2<sup>nd</sup> generation space
- Landlords are making greater use of service tenants to maintain occupancy
  - One study – service was less than 15% ten years ago vs. 24% today
- “Start ups” companies retail, service, etc. will be new “mom & pops”
- “watch out for Walmart”



## Case Study

**Organization**  
Gary M. Ralston

**Location**  
Florida

**Industry**  
Real Estate

### Matching Location to the Right Customer

Armed with the up-to-date population, expenditure, and market potential data available through BAO, Ralston approached Manny's Original Chophouse with a site he envisioned as being a potential new restaurant location. The site he had in mind looked like a losing proposition on paper—three restaurants previously located there had failed. Using comparison analysis in BAO, Ralston determined that there were challenges due to site characteristics. The proposed plan included a reconfigured site and building redesign.



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35496 HWY 27	Haines City
210 SR 60 W	Lake Wales
1100 3rd ST SW	Winter Haven
5125 S Florida	Lakeland



# Demographic and Restaurant Demand Comparison

	5125 S Florida Ave, Lakeland		35496 Hwy 27 Haines City		1100 3rd ST SW, Winter Haven		210 SR 60 W Lake Wales	
Drive Time:	10 minutes	15 minutes	10 minutes	15 minutes	10 minutes	15 minutes	10 minutes	15 minutes
2010 Population	83,686	167,743	39,164	60,891	74,238	125,988	21,294	35,874
2010 Households	33,828	65,481	15,059	23,496	29,352	50,417	8,582	14,330
2010 Median Disposable Income	\$44,501	\$38,067	\$31,919	\$32,086	\$36,064	\$35,999	\$29,375	\$31,723
2010 Per Capita Income	\$28,341	\$23,590	\$19,371	\$19,197	\$21,633	\$21,721	\$19,666	\$20,111
Food Services & Drinking Places (NAICS 722)	\$129,783,049	\$213,811,975	\$38,931,466	\$61,463,497	\$87,238,531	\$147,096,316	\$22,030,744	\$38,191,079
Full-Service Restaurants (NAICS 7221)	\$54,374,016	\$89,467,014	\$16,210,394	\$25,530,227	\$36,487,567	\$61,407,601	\$9,152,547	\$15,840,403
Limited-Service Eating Places (NAICS 7222)	\$68,857,263	\$113,356,510	\$20,794,135	\$32,888,797	\$46,312,862	\$78,273,063	\$11,774,122	\$20,455,634
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$2,162,114	\$3,564,362	\$602,572	\$947,692	\$2,958,299	\$2,420,088	\$352,045	\$589,870
2011 reconciled to 2010 Census					1,479,803			
Drive Time:	10 minutes	15 minutes	10 minutes	15 minutes	10 minutes	15 minutes	10 minutes	15 minutes
Population	92,603	176,210	46,425	101,790	75,089	142,680	24,247	72,291
Households	36,865	66,847	17,778	39,870	28,721	55,080	9,541	28,032
Medial HH Income	\$52,282	\$43,464	\$36,390	\$38,463	\$38,266	\$38,980	\$31,274	\$38,217
Traffic Count (FDOT - AADT)	39,500		43,000		26,000		19,600	

Lakeland location has market potential – people and restaurant sales demand, to exceed performance of other locations!



# High Profile LEGOLAND Corridor Retail

6930 Cypress Gardens Boulevard, Winter Haven, FL 33884

- 11,100 SF
- Tuffy Auto Service Center
- 6,000 SF local space
- Community Southern Bank (shadow anchor)
- Key intersection
  - CVS
  - McDonalds
  - 7-Eleven
- Almost 40,000 people within 10 minutes



*"on the way to LEGOLAND Florida"*

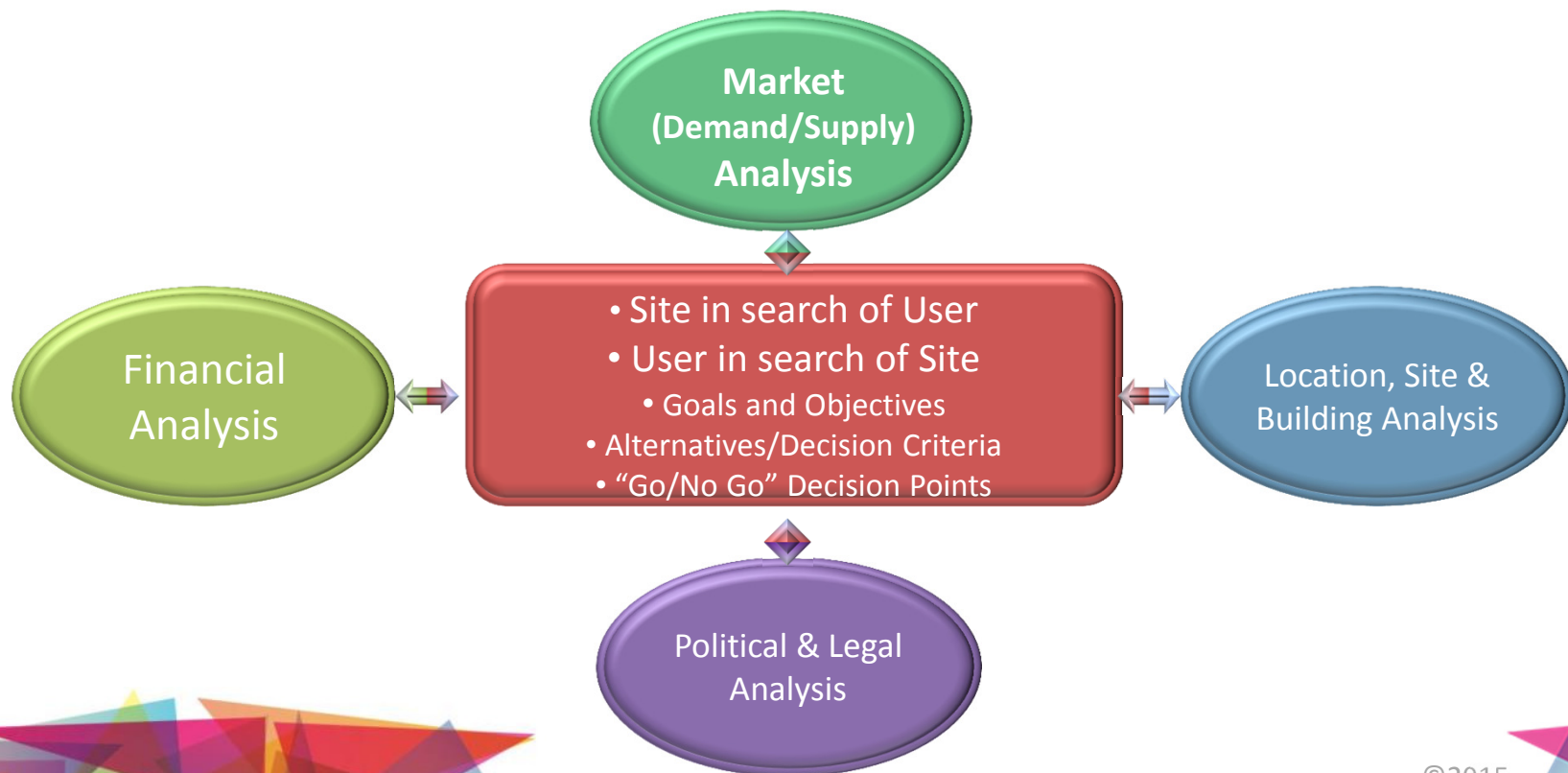


**COLDWELL  
BANKER  
COMMERCIAL**  
SAUNDERS RALSTON DANTZLER

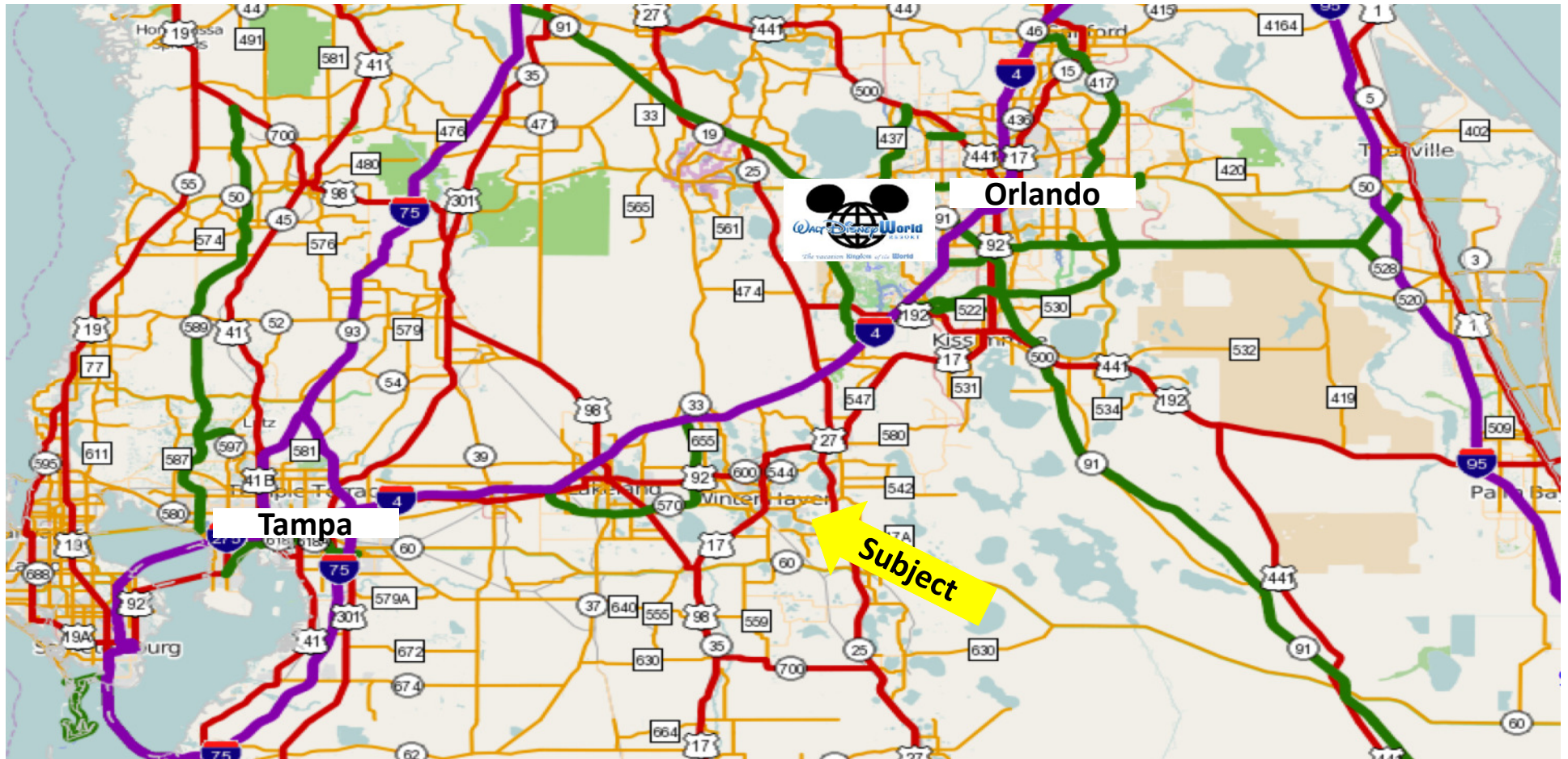
David Goffe  
863-648-1528  
DGoffe@SRDcommercial.com

Gary Ralston, CCIM  
863-877-2828  
Gary@SRDcommercial.com

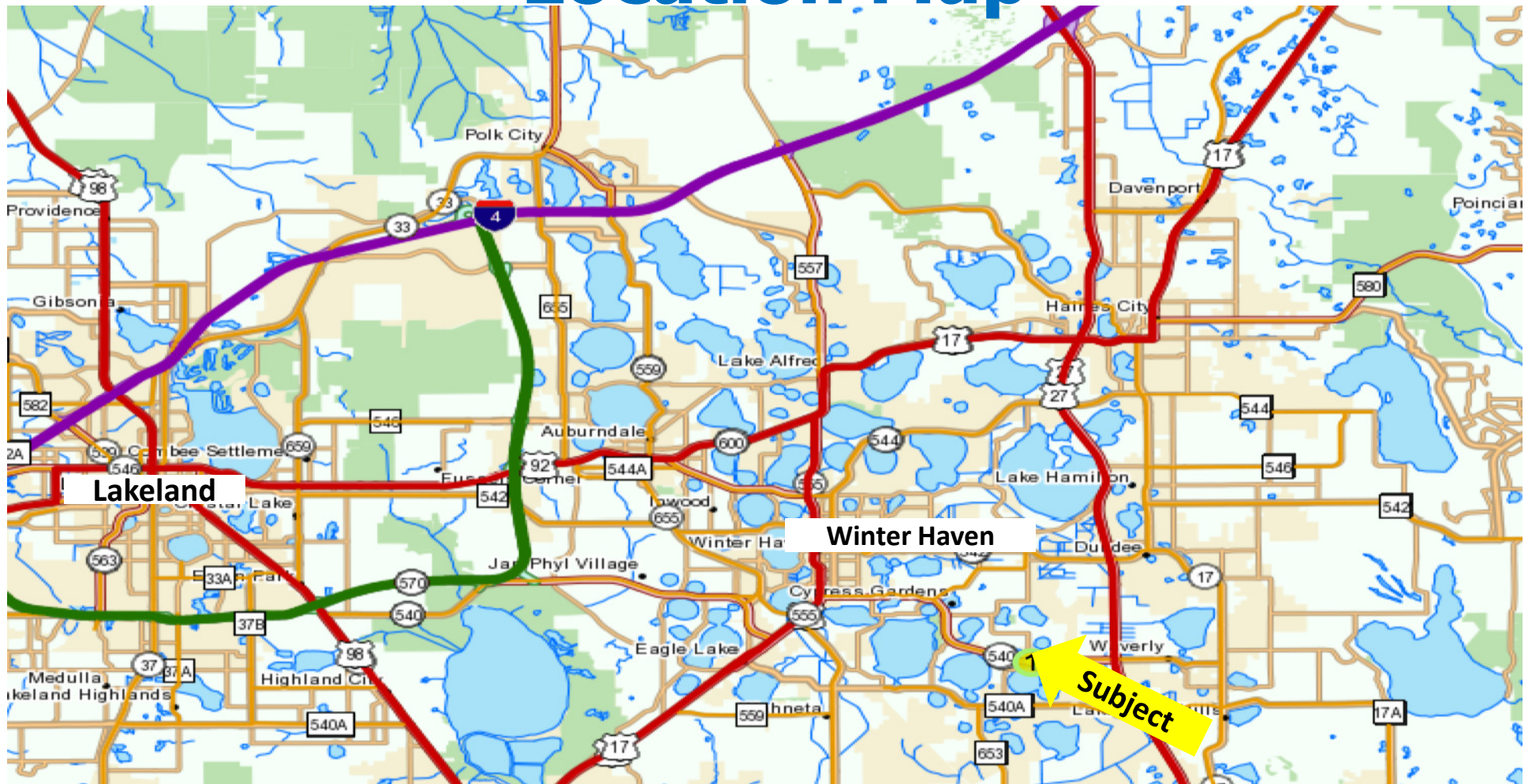
# Market Analysis - Location



# Regional Location Map



# Location Map



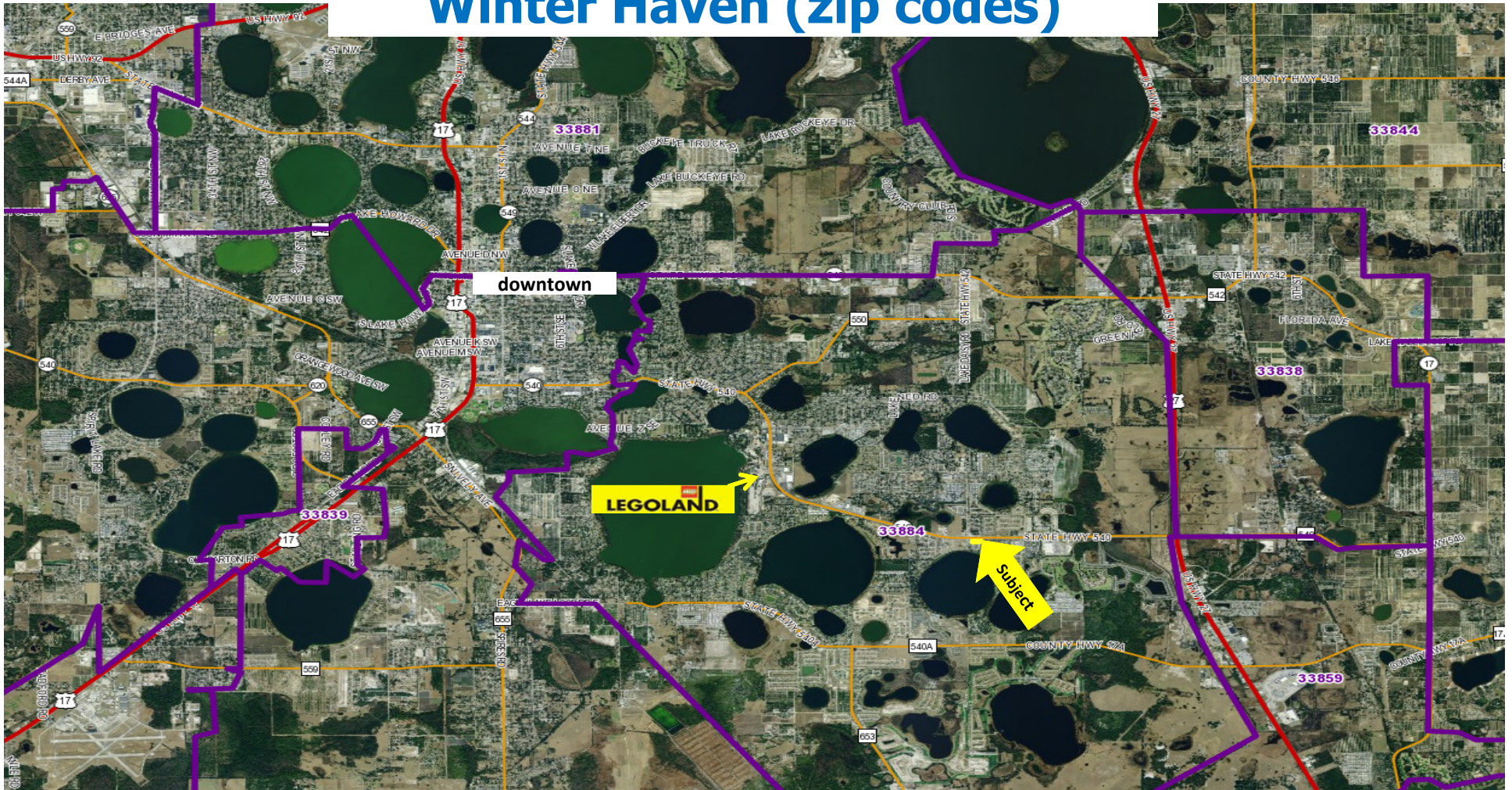
# Polk County, Demographic and Income Profile Report

Summary		Census 2010	2014	2019			
Population		602,095	618,957	648,985			
Households		227,485	232,196	242,668			
Families		159,323	161,505	167,890			
Average Household Size		2.59	2.61	2.62			
Owner Occupied Housing Units		160,442	155,295	161,338			
Renter Occupied Housing Units		67,043	76,901	81,330			
Median Age		39.8	40.7	41.4			
Trends: 2014 - 2019 Annual Rate		Area	State	National			
Population		0.95%	1.06%	0.73%			
Households		0.89%	1.06%	0.75%			
Families		0.78%	0.95%	0.66%			
Owner HHs		0.77%	0.93%	0.69%			
Median Household Income		3.55%	3.16%	2.74%			
Households by Income		2014		2019			
		Number	Percent	Number	Percent		
<\$15,000		33,764	14.5%	32,544	13.4%		
\$15,000 - \$24,999		31,273	13.5%	23,307	9.6%		
\$25,000 - \$34,999		29,088	12.5%	24,292	10.0%		
\$35,000 - \$49,999		39,851	17.2%	41,242	17.0%		
\$50,000 - \$74,999		46,683	20.1%	54,653	22.5%		
\$75,000 - \$99,999		25,662	11.1%	34,090	14.0%		
\$100,000 - \$149,999		16,985	7.3%	20,670	8.5%		
\$150,000 - \$199,999		4,420	1.9%	6,038	2.5%		
\$200,000+		4,469	1.9%	5,831	2.4%		
Median Household Income		\$41,967		\$49,974			
Average Household Income		\$55,827		\$62,962			
Per Capita Income		\$21,123		\$23,650			
Population by Age		Census 2010		2014		2019	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		38,839	6.5%	38,488	6.2%	40,699	6.3%
5 - 9		39,316	6.5%	38,409	6.2%	38,933	6.0%
10 - 14		39,282	6.5%	39,025	6.3%	39,513	6.1%
15 - 19		40,847	6.8%	38,337	6.2%	39,180	6.0%
20 - 24		36,499	6.1%	39,658	6.4%	36,731	5.7%
25 - 34		71,248	11.8%	75,396	12.2%	81,139	12.5%
35 - 44		73,447	12.2%	72,182	11.7%	73,805	11.4%
45 - 54		80,077	13.3%	77,884	12.6%	76,027	11.7%
55 - 64		74,244	12.3%	79,452	12.8%	85,374	13.2%
65 - 74		60,758	10.1%	68,551	11.1%	78,160	12.0%
75 - 84		35,544	5.9%	37,691	6.1%	43,964	6.8%
85+		11,994	2.0%	13,884	2.2%	15,460	2.4%
Race and Ethnicity		Census 2010		2014		2019	
		Number	Percent	Number	Percent	Number	Percent
White Alone		452,854	75.2%	453,829	73.3%	461,831	71.2%
Black Alone		88,833	14.8%	95,173	15.4%	103,138	15.9%
American Indian Alone		2,706	0.4%	2,858	0.5%	3,124	0.5%
Asian Alone		9,760	1.6%	10,858	1.8%	12,737	2.0%
Pacific Islander Alone		360	0.1%	391	0.1%	441	0.1%
Some Other Race Alone		32,847	5.5%	38,731	6.3%	47,127	7.3%
Two or More Races		14,735	2.4%	17,117	2.8%	20,587	3.2%
Hispanic Origin (Any Race)		106,532	17.7%	124,777	20.2%	154,583	23.8%



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## Winter Haven (zip codes)



## Market Area/Traffic Counts

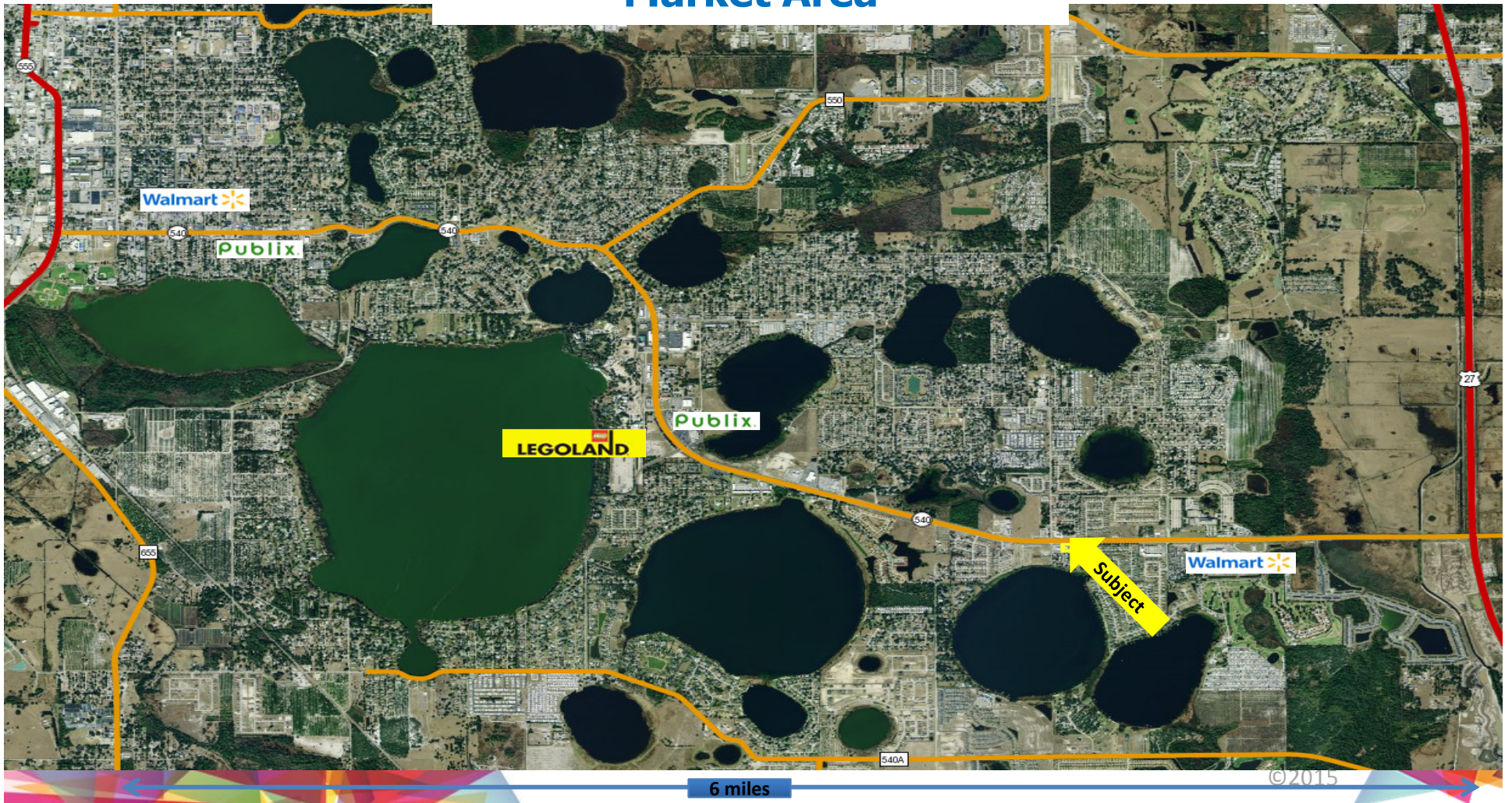




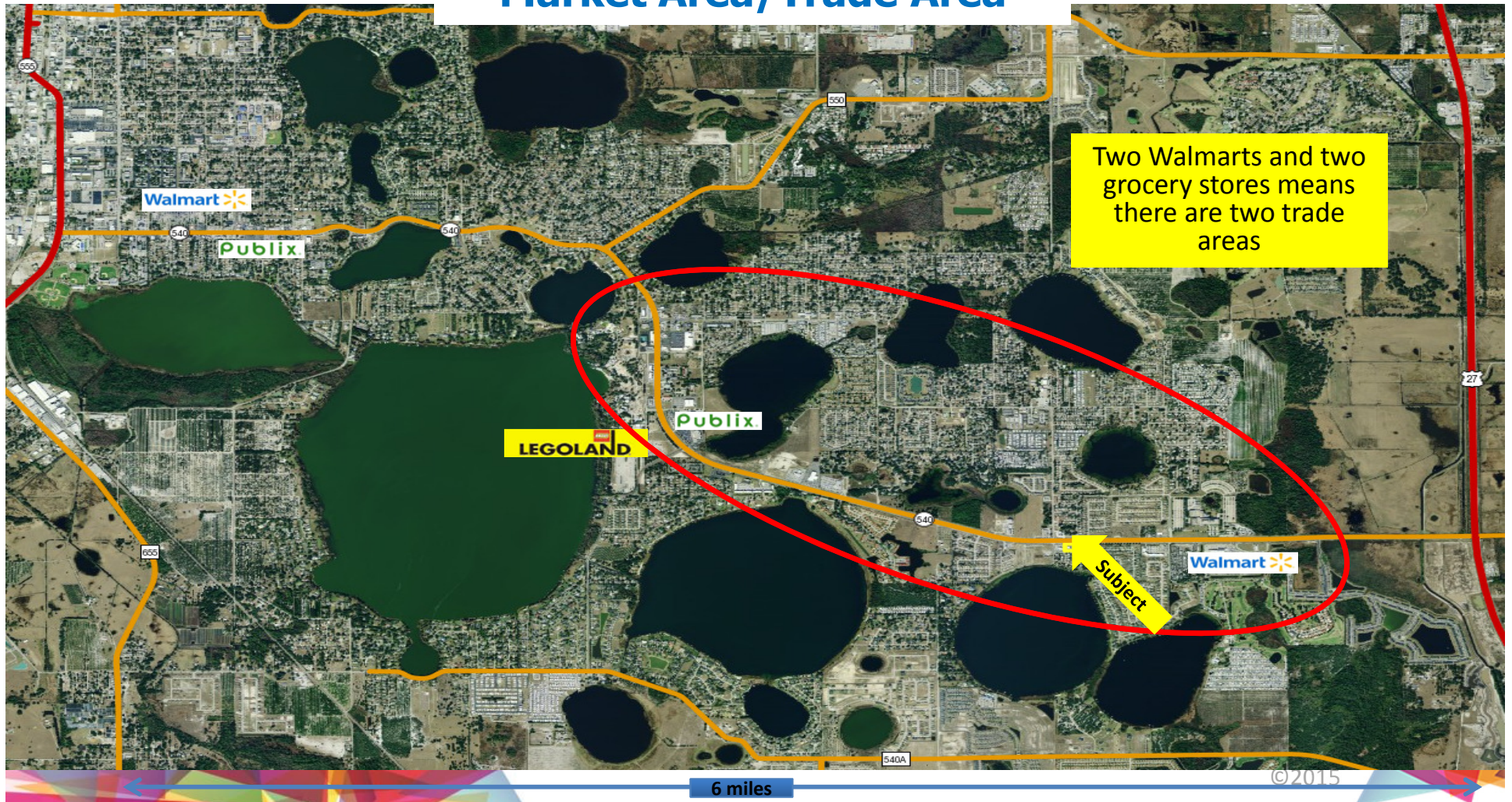
LEGOLAND® Florida, the largest LEGOLAND Park in the world, is a 150-acre interactive theme park with more than 50 rides, shows and attractions, restaurants, shopping, a breathtaking botanical garden and the LEGOLAND Water Park all geared to families with children ages 2 to 12. <http://florida.legoland.com/en/>

©2015

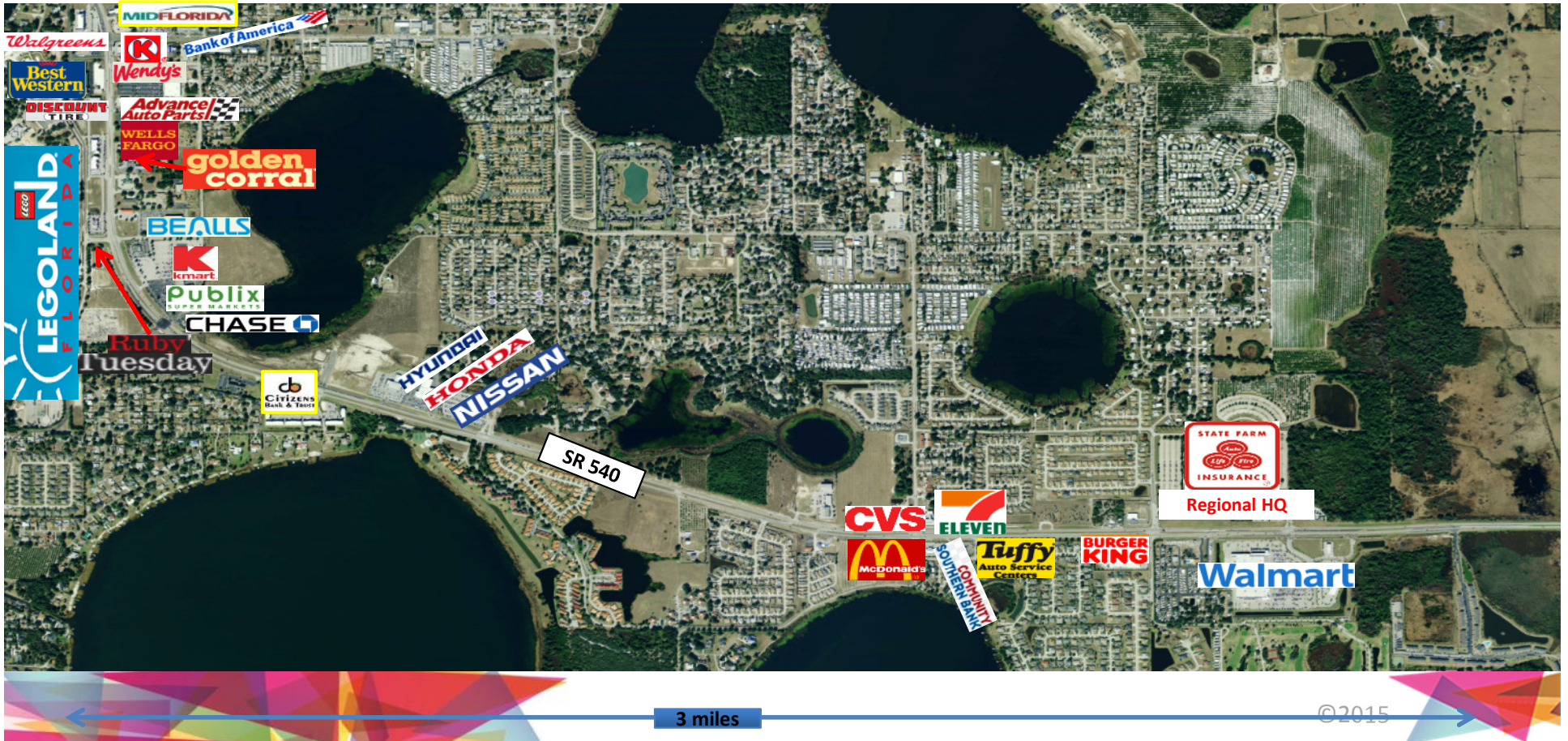
## Market Area



## Market Area/Trade Area



# LEGOLAND/Cypress Gardens Blvd Trade Area

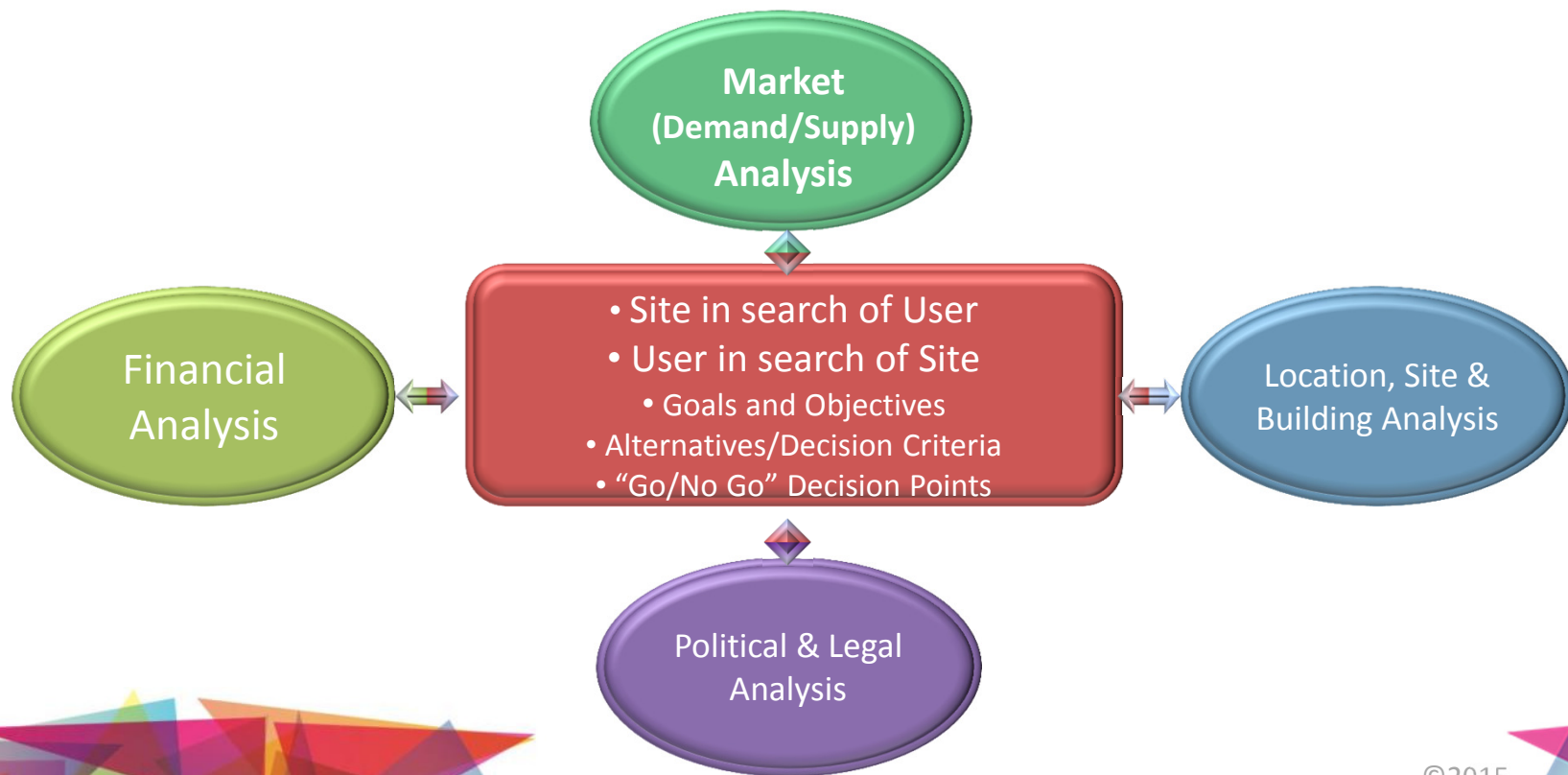


## LEGOLAND Florida/Cypress Gardens Blvd Trade Area

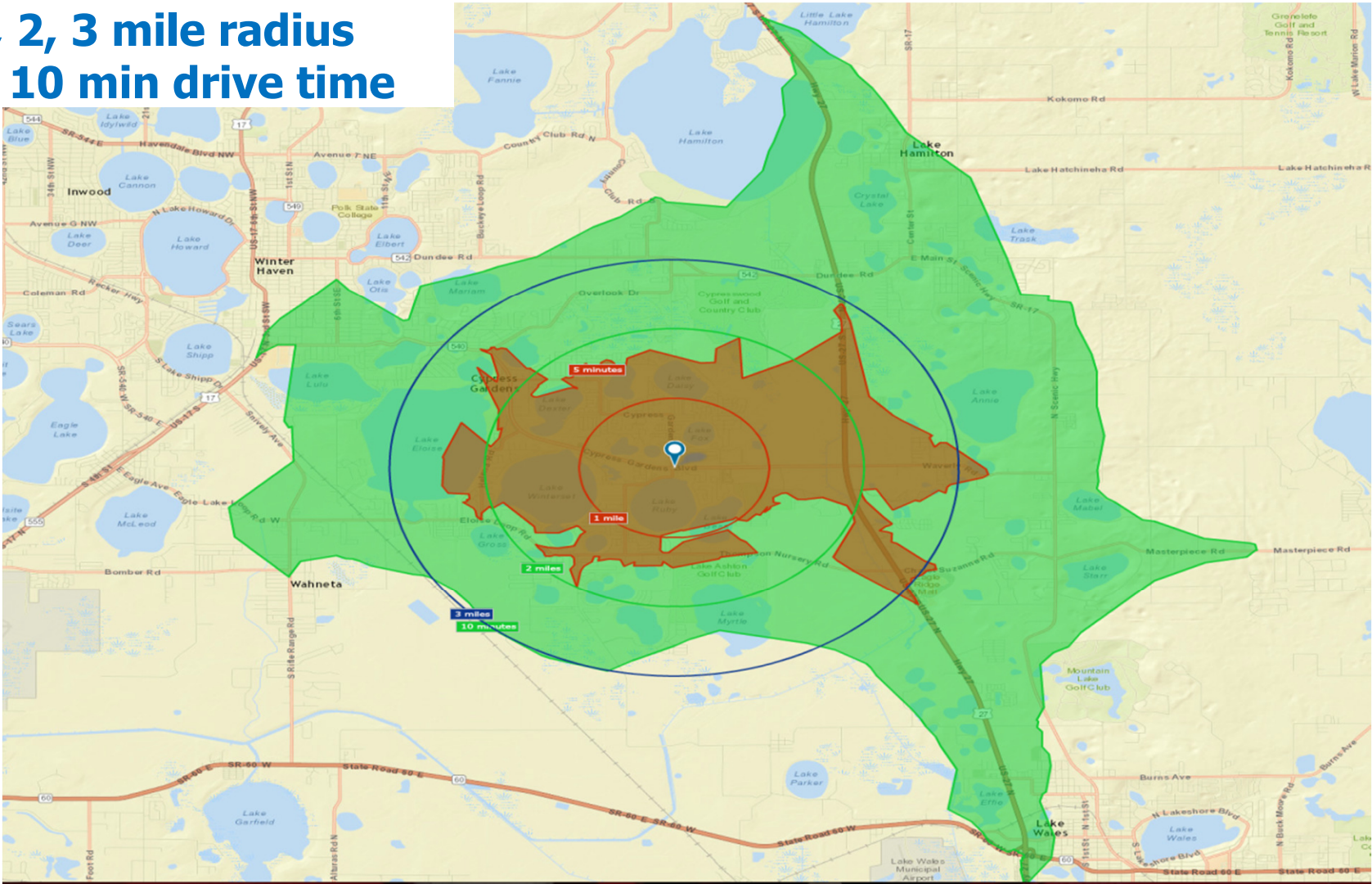
### Location of subject property

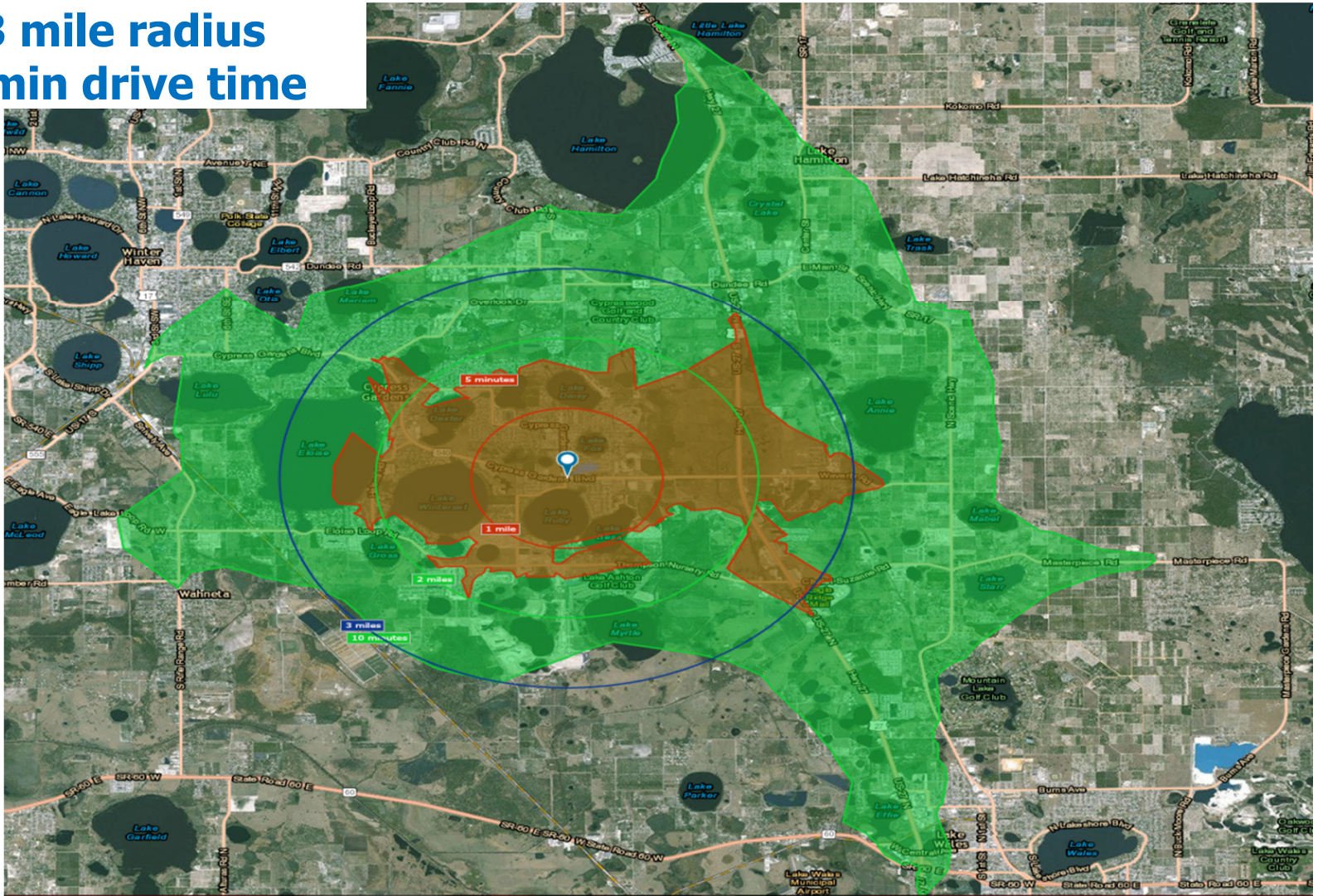


# Market Analysis - Demand



**2, 3 mile radius  
10 min drive time**



[illegible]

	<u>1 mile</u>	<u>2 miles</u>	<u>3 miles</u>	<u>5 min</u>	<u>10 min</u>	<u>Polk</u>	<u>FL</u>	<u>USA</u>
Population	6,587	18,381	29,025	13,685	47,473	618,957	19,383,475	327,981,317
Households	2,658	7,849	12,338	5,711	19,337	232,196	7,636,053	124,446,535
Families	1,872	5,432	8,545	3,903	13,306	161,505	4,939,383	81,763,262
Average Household Size	2.47	2.33	2.33	2.39	2.43	2.61	2.48	2.57
Owner Occupied Housing Units	1,763	5,465	8,910	3,955	13,400	155,295	4,857,688	78,522,941
Renter Occupied Housing Units	895	2,384	3,428	1,756	5,937	76,901	2,778,365	45,923,594
Median Age	43.8	47.7	47.6	45.6	45.6	40.7	41.7	38.2

**Trends: 2014 - 2019 Annual Rate**

Population	0.28%	6.80%	0.76%	0.59%	0.84%	0.95%	1.06%	0.73%
Households	0.22%	6.10%	0.71%	0.53%	0.75%	0.89%	1.06%	0.75%
Families	0.13%	5.10%	0.61%	0.43%	0.65%	0.78%	0.95%	0.66%
Owner HHs	0.43%	8.00%	0.82%	0.62%	0.86%	0.77%	0.93%	0.69%
Median Household Income	3.00%	30.80%	2.85%	2.83%	3.14%	3.55%	3.16%	2.74%

**Households by Income**

<\$15,000	9.00%	8.40%	9.20%	9.40%	12.20%	14.50%	14.20%	13.20%
\$15,000 - \$24,999	11.60%	9.90%	10.20%	10.90%	11.40%	13.50%	12.60%	10.60%
\$25,000 - \$34,999	11.30%	12.10%	11.90%	11.40%	12.70%	12.50%	11.80%	10.30%
\$35,000 - \$49,999	15.90%	17.40%	18.60%	17.20%	18.40%	17.20%	14.80%	13.70%
\$50,000 - \$74,999	20.00%	19.20%	19.40%	20.10%	18.40%	20.10%	19.00%	18.20%
\$75,000 - \$99,999	16.40%	16.00%	15.10%	15.30%	13.50%	11.10%	10.80%	12.20%
\$100,000 - \$149,999	9.70%	10.40%	9.70%	9.60%	8.20%	7.30%	9.50%	12.30%
\$150,000 - \$199,999	3.20%	3.50%	2.90%	3.00%	2.30%	1.90%	3.60%	4.90%
\$200,000+	3.00%	3.00%	3.20%	3.10%	2.90%	1.90%	3.70%	4.60%

Median Household Income	\$51,872	\$51,888	\$50,165	\$50,908	\$45,160	\$41,967	\$45,645	\$52,076
Average Household Income	\$68,171	\$69,458	\$67,866	\$67,780	\$62,376	\$55,827	\$65,254	\$72,809
Per Capita Income	\$27,825	\$29,521	\$28,533	\$28,372	\$25,401	\$21,123	\$25,916	\$27,871

**Population by Age**

0 - 4	5.20%	4.70%	4.80%	4.90%	5.40%	6.20%	5.50%	6.30%
5 - 9	5.50%	5.00%	5.10%	5.30%	5.50%	6.20%	5.60%	6.40%
10 - 14	6.10%	5.50%	5.80%	6.00%	5.90%	6.30%	5.70%	6.50%
15 - 19	5.30%	5.30%	5.30%	5.40%	5.50%	6.20%	5.90%	6.60%
20 - 24	4.70%	4.50%	4.60%	4.70%	5.20%	6.40%	6.80%	7.30%
25 - 34	13.20%	11.40%	10.70%	11.90%	11.10%	12.20%	12.70%	13.50%
35 - 44	11.20%	10.60%	10.70%	11.10%	10.60%	11.70%	12.00%	12.70%
45 - 54	11.90%	11.80%	12.00%	12.70%	11.70%	12.60%	13.80%	13.70%
55 - 64	13.50%	15.10%	14.90%	14.20%	14.30%	12.80%	13.20%	12.70%
65 - 74	13.70%	15.80%	15.20%	13.80%	14.00%	11.10%	10.40%	8.20%
75 - 84	7.10%	7.70%	7.90%	7.40%	7.70%	6.10%	5.90%	4.20%
85+	2.40%	2.60%	2.90%	2.70%	2.90%	2.20%	2.50%	1.90%

**Race and Ethnicity**

White Alone	78.70%	81.20%	81.40%	80.50%	76.70%	73.30%	73.80%	71.20%
Black Alone	11.20%	9.20%	9.40%	10.10%	12.90%	15.40%	16.30%	12.70%
American Indian Alone	0.20%	0.30%	0.30%	0.30%	0.40%	0.50%	0.40%	1.00%
Asian Alone	3.70%	3.70%	3.50%	3.60%	2.80%	1.80%	2.60%	5.10%
Pacific Islander Alone	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.20%
Some Other Race Alone	3.00%	2.60%	3.00%	2.60%	4.80%	6.30%	4.00%	6.60%
Two or More Races	3.00%	2.80%	2.40%	2.80%	2.40%	2.80%	2.80%	3.20%
Hispanic Origin (Any Race)	12.30%	11.30%	11.90%	11.00%	14.90%	20.20%	24.10%	17.50%

	<b>1 mile</b>	<b>2 miles</b>	<b>3 miles</b>	<b>5 min</b>	<b>10 min</b>	<b>Polk</b>	<b>FL</b>	<b>USA</b>
Population	20,000 pop in 2 miles	18,381	29,025	13,685	47,473	618,957	19,383,475	327,981,317
Households		7,849	12,338	5,711	19,337	232,196	7,636,053	124,446,535
Families	1,872	5,432	8,545	3,903	13,306	161,505	4,939,383	81,763,262
Average Household Size	2.47	2.33	2.33	2.39	2.43	2.61	2.48	2.57
Owner Occupied Housing Units	1,763	5,465	8,910	3,955	13,400	155,295	4,857,688	78,522,941
Renter Occupied Housing Units	895	2,384	3,428	1,756	5,937	76,901	2,778,365	45,923,594
Median Age	43.8	47.7	47.6	45.6	45.6	40.7	41.7	38.2
<b>Trends: 2014 - 2019 Annual Rate</b>								
Population	0.28%	6.80%	0.76%	0.59%	0.84%	0.95%	1.06%	0.73%
Households	0.22%	6.10%	0.71%	0.53%	0.75%	0.89%	1.06%	0.75%
Families	0.13%	5.10%	0.61%	0.43%	0.65%	0.78%	0.95%	0.66%
Owner HHs	0.43%	8.00%	0.82%	0.62%	0.86%	0.77%	0.93%	0.69%
Median Household Income	3.00%	30.80%	2.85%	2.83%	3.14%	3.55%	3.16%	2.74%
<b>Households by Income</b>								
<\$15,000	9.00%	8.40%	9.20%	9.40%	12.20%	14.50%	14.20%	13.20%
\$15,000 - \$24,999	11.60%	9.90%	10.20%	10.90%	11.40%	13.50%	11.60%	10.60%
\$25,000 - \$34,999	11.30%	12.10%	11.90%	11.40%	12.70%	12.50%	11.80%	10.30%
\$35,000 - \$49,999	15.90%	17.40%	18.60%	17.20%	18.40%	17.20%	14.80%	13.70%
\$50,000 - \$74,999	20.00%	19.20%	19.40%	20.10%	18.40%	20.10%	19.00%	18.20%
\$75,000 - \$99,999	16.40%	16.00%	15.10%	15.30%	13.50%	11.10%	10.80%	12.20%
\$100,000 - \$149,999	9.70%	10.40%	9.70%	9.60%	8.20%	7.30%	9.50%	12.30%
\$150,000 - \$199,999	3.20%	3.50%	2.90%	3.00%	2.30%	1.90%	3.60%	4.90%
\$200,000+	3.00%	3.00%	3.20%	3.10%	2.90%	1.90%	3.70%	4.60%
Median Household Income	\$51,872	\$51,888	\$50,165	\$50,908	\$45,160	\$41,967	\$45,645	\$52,076
Average Household Income	\$68,171	\$69,458	\$67,866	\$67,780	\$62,376	\$55,827	\$65,254	\$72,809
Per Capita Income	\$27,825	\$29,521	\$28,533	\$28,372	\$25,401	\$21,123	\$25,916	\$27,871
<b>Population by Age</b>								
0 - 4	5.20%	4.70%	4.80%	4.90%	5.40%	6.20%	5.50%	6.30%
5 - 9	5.50%	5.00%	5.10%	5.30%	5.50%	6.20%	5.60%	6.40%
10 - 14	6.10%	5.50%	5.80%	6.00%	5.90%	6.30%	5.70%	6.50%
15 - 19	5.30%	5.30%	5.30%	5.40%	5.50%	6.20%	5.90%	6.60%
20 - 24	4.70%	4.50%	4.60%	4.70%	5.20%	6.40%	6.80%	7.30%
25 - 34	13.20%	11.40%	10.70%	11.90%	11.10%	12.20%	12.70%	13.50%
35 - 44	11.20%	10.60%	10.70%	11.10%	10.60%	11.70%	12.00%	12.70%
45 - 54	11.90%	11.80%	12.00%	12.70%	11.70%	12.60%	13.80%	13.70%
55 - 64	13.50%	15.10%	14.90%	14.20%	14.30%	12.80%	13.20%	12.70%
65 - 74	13.70%	15.80%	15.20%	13.80%	14.00%	11.10%	10.40%	8.20%
75 - 84	7.10%	7.70%	7.90%	7.40%	7.70%	6.10%	5.90%	4.20%
85+	2.40%	2.60%	2.90%	2.70%	2.90%	2.20%	2.50%	1.90%
<b>Race and Ethnicity</b>								
White Alone	78.70%	81.20%	81.40%	80.50%	76.70%	73.30%	73.80%	71.20%
Black Alone	11.20%	9.20%	9.40%	10.10%	12.90%	15.40%	16.30%	12.70%
American Indian Alone	0.20%	0.30%	0.30%	0.30%	0.40%	0.50%	0.40%	1.00%
Asian Alone	3.70%	3.70%	3.50%	3.60%	2.80%	1.80%	2.60%	5.10%
Pacific Islander Alone	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.20%
Some Other Race Alone	3.00%	2.60%	3.00%	2.60%	4.80%	6.30%	4.00%	6.60%
Two or More Races	3.00%	2.80%	2.40%	2.80%	2.40%	2.80%	2.80%	3.20%
Hispanic Origin (Any Race)	12.30%	11.30%	11.90%	11.00%	14.90%	20.20%	24.10%	17.50%

# Adjustments for Housing Data

- Use ACS Housing Summary report
  - Examine housing unit/household ratio

	<u>USA</u>	<u>1 mile</u>	<u>2 mile</u>	<u>3 mile</u>
housing units	132,057,804	8,918	14,508	14,508
households	115,610,216	7,208	11,817	11,817
ratio	1.14	1.24	1.23	1.23

- Explanation of excess
  - Vacancy, households with more than one home and “not in census” [foreign nationals, etc.]
- Should there be an adjustment to estimates for subject trade area? Is there more demand than indicated by census data based reports?
- What else should be considered? Hotels, RV parks, etc.

# Trade Area – Displaced Sales





LEGOLAND® Florida, the largest LEGOLAND Park in the world, is a 150-acre interactive theme park with more than 50 rides, shows and attractions, restaurants, shopping, a breathtaking botanical garden and the LEGOLAND Water Park all geared to families with children ages 2 to 12. <http://florida.legoland.com/en/>

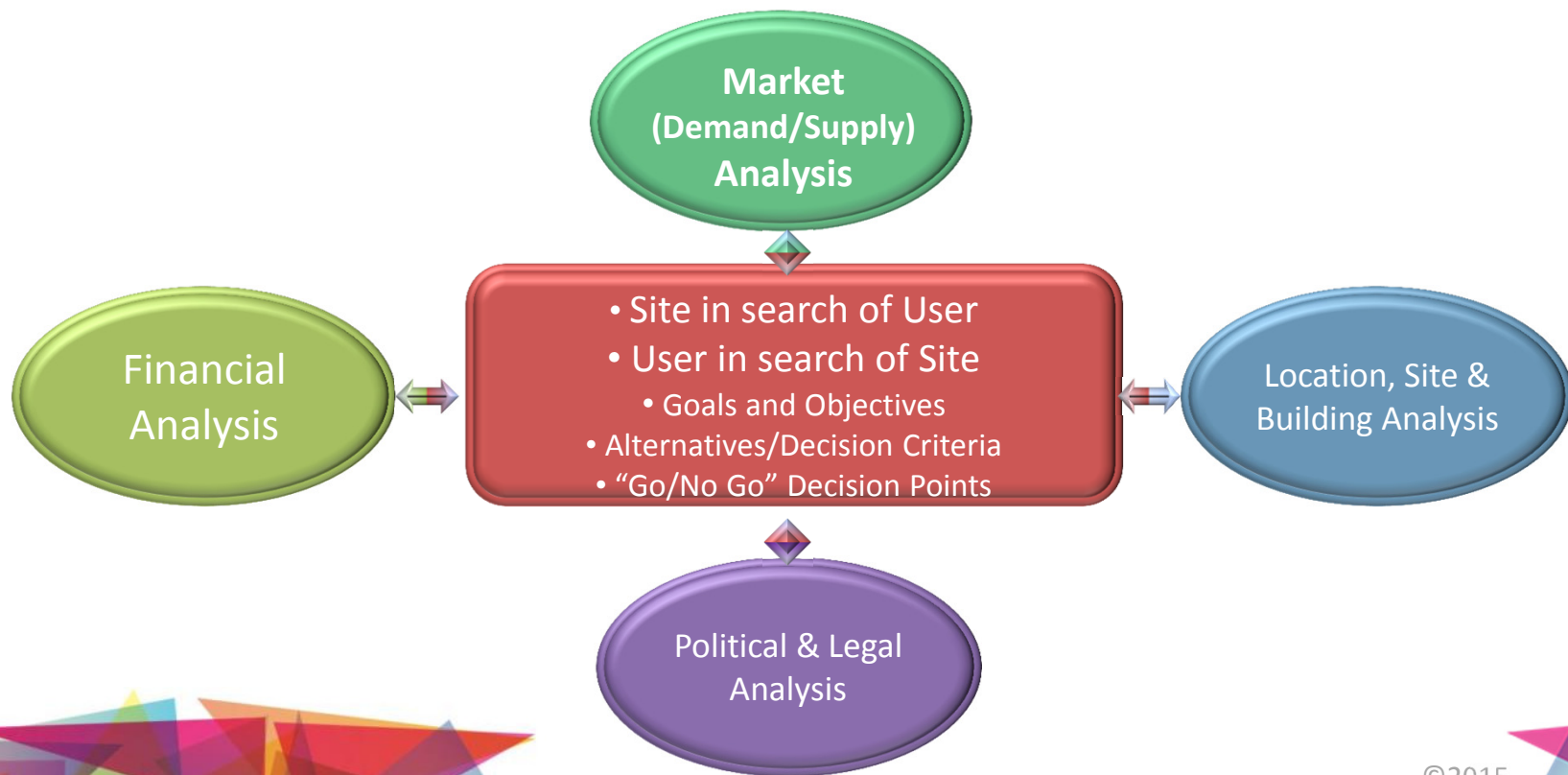


ICSC

Estimated 2 million annual visitors .... 152 room 4 story hotel opens May 2015

©2015

# Site & Building



# Neighborhood Aerial

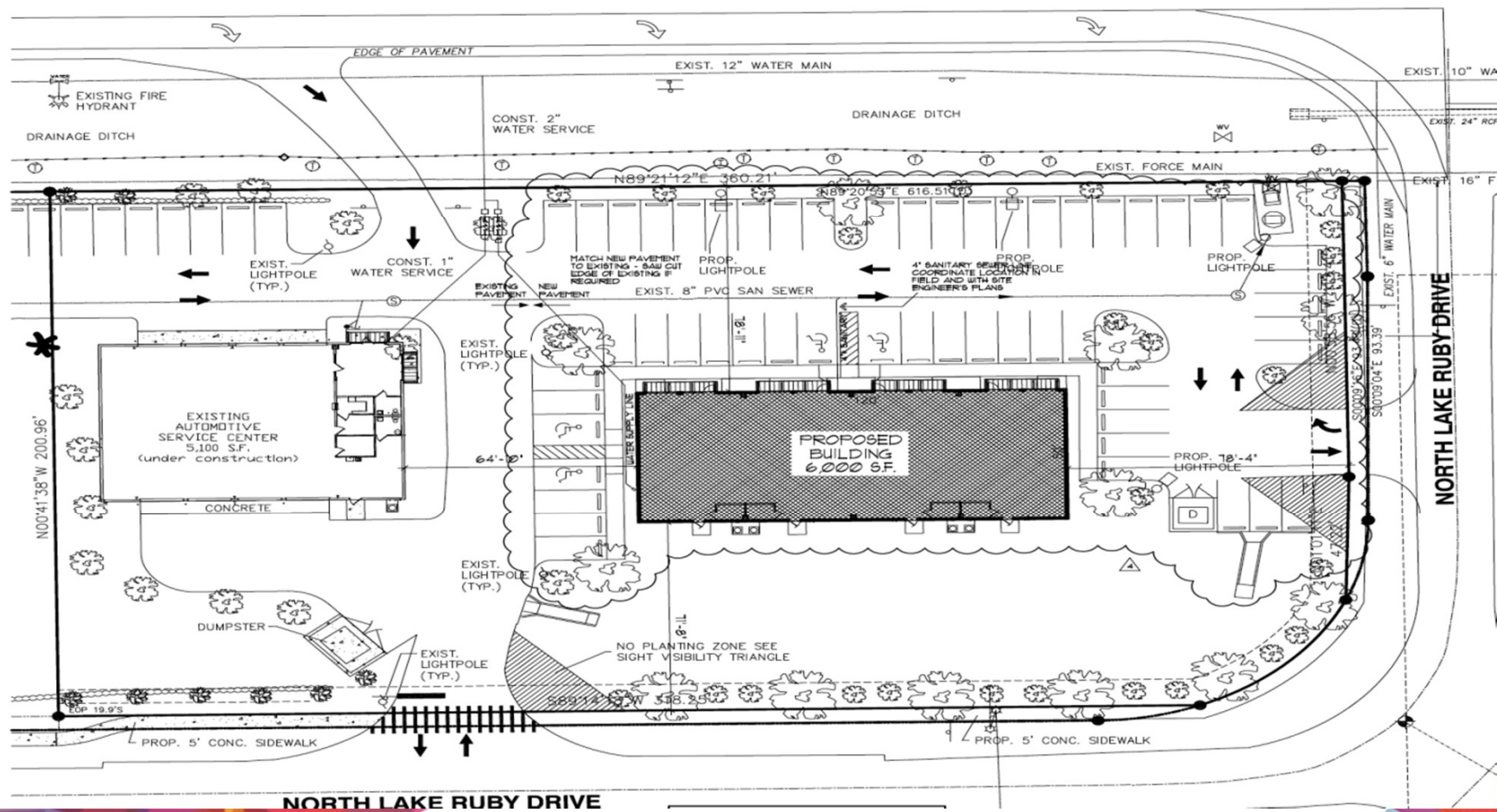


# Site Characteristics -- Access

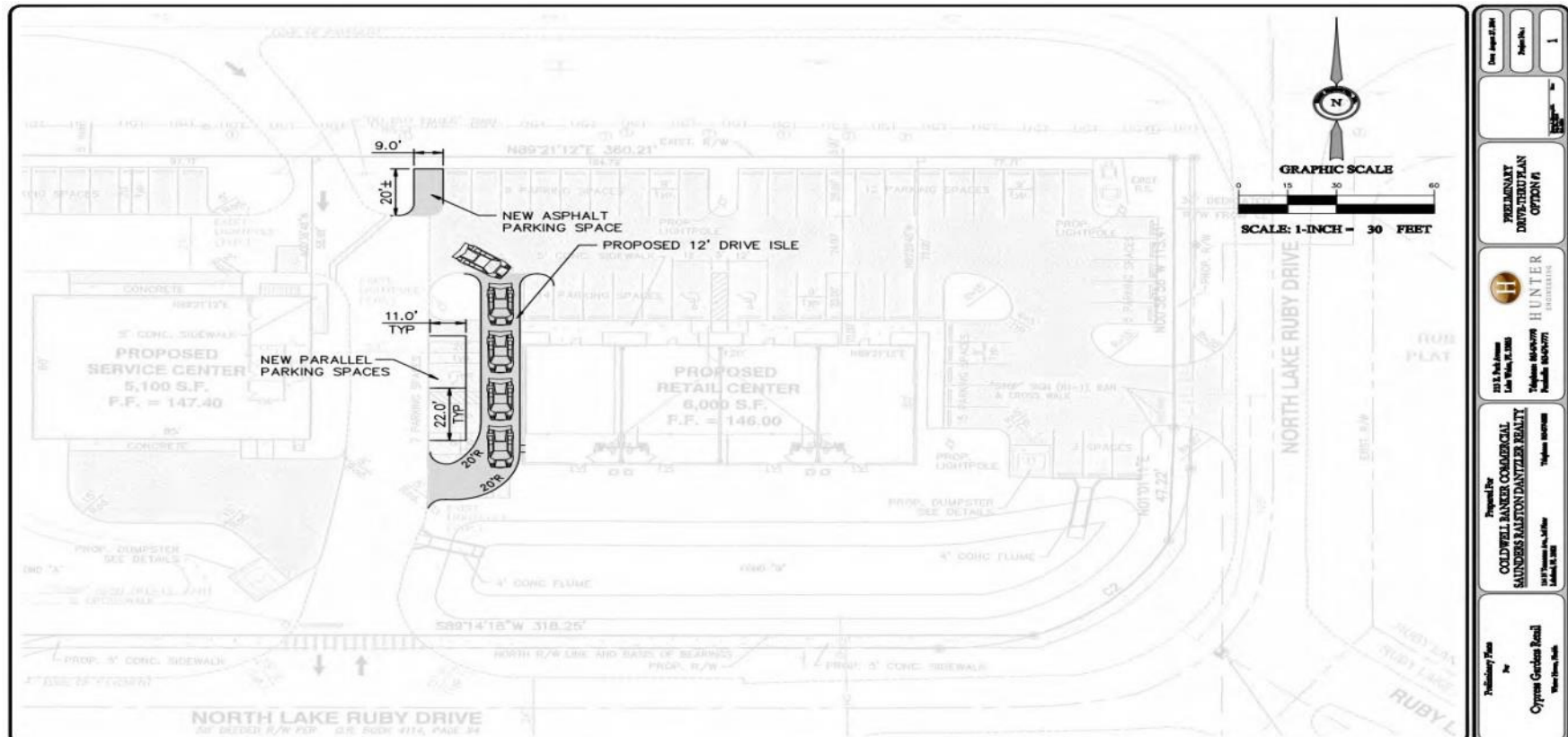


SEE SITE ENGINEER'S  
PLANS FOR LOCATION  
AND DETAILS

**MODUSS** - Unlimited Solutions, Superior Risk  
1445 EAST MAIN STREET  
BARTOW, FLORIDA 33830  
(863) 534-9414 F. (863) 534-9422



# Proposed Drive Thru



# Parcel Data



<u>pin</u>	<u>s_address</u>	<u>acres_ais</u>	<u>sqN_htd</u>	<u>mrkt_lnd</u>	<u>bldg</u>	<u>mrkt_tot</u>	<u>sale1_date</u>	<u>sale1_am</u>	<u>o_name1</u>
2729070000000343706906	CYPRESS GARDENS BLVD	1.65	11,100	733,176	550,947	1,284,123	2/22/08	1,150,000	XXXXXXXX

# Building Details

30 FT x 50 FT bays are very flexible ... and offer excellent frontage exposure  
No building characteristics deficiency

## BUILDING 1 (SHOPPING CENTER - NEIGHBORHOOD)

### Building Characteristics

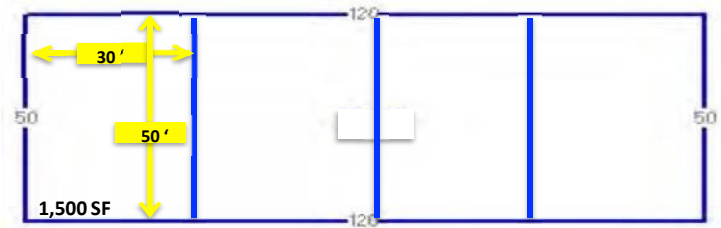
Total Under Roof: 6,000 sqft

Living Area (as originally constructed): 6,000 sqft

Actual Year Built: 2008

Effective Year: 2008

Wall Structure: CONCRETE



## BUILDING 2 (AUTOMOTIVE SERVICE CENTER)

### Building Characteristics

Total Under Roof: 5,164 sqft

Living Area (as originally constructed): 5,100 sqft

Actual Year Built: 2008

Effective Year: 2008

Wall Structure: CONCRETE





# COMMUNITY SOUTHERN BANK



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## Lake Ruby Shoppes – Retail Space



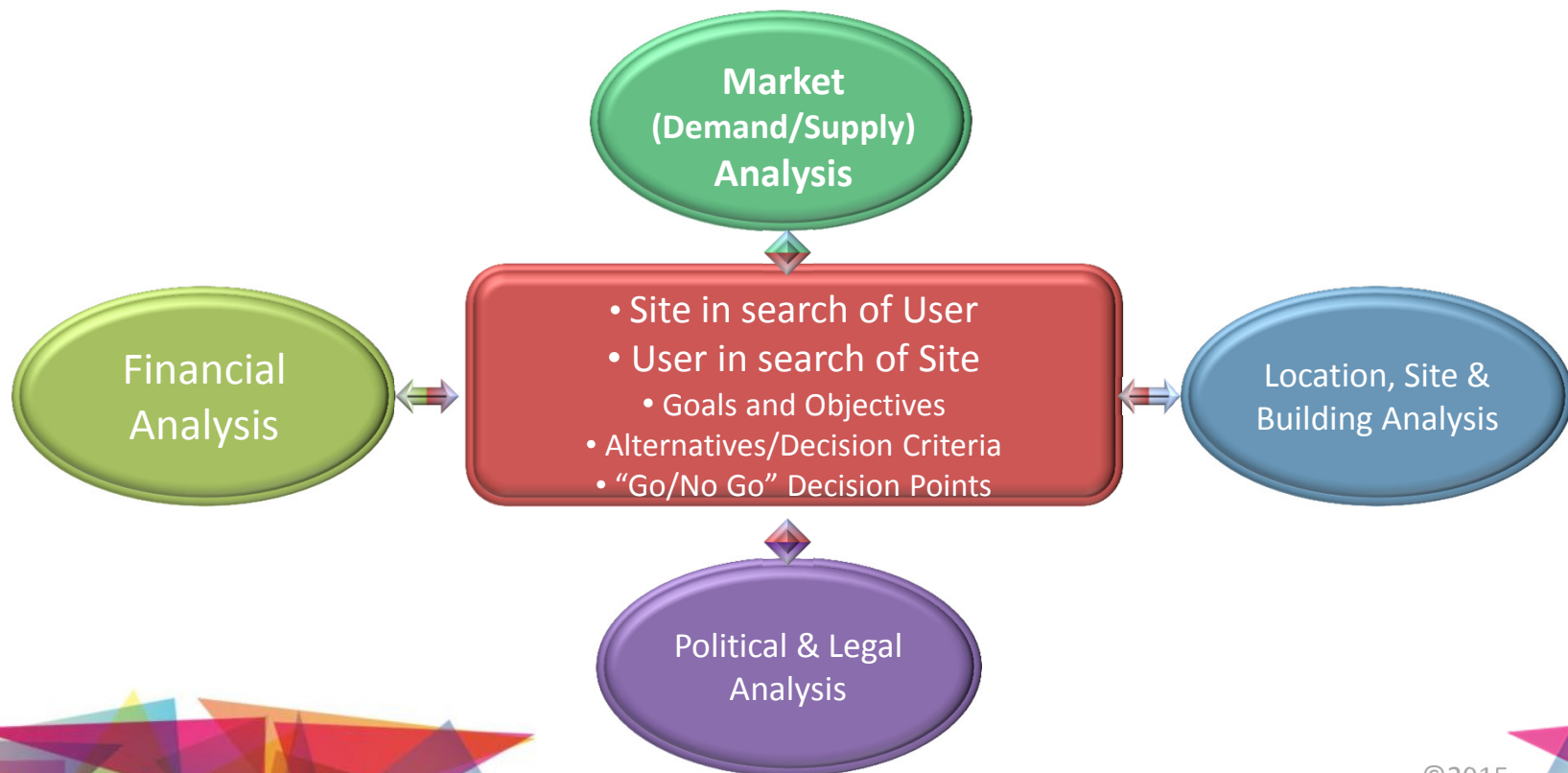
## Lake Ruby Shoppes – Retail Space



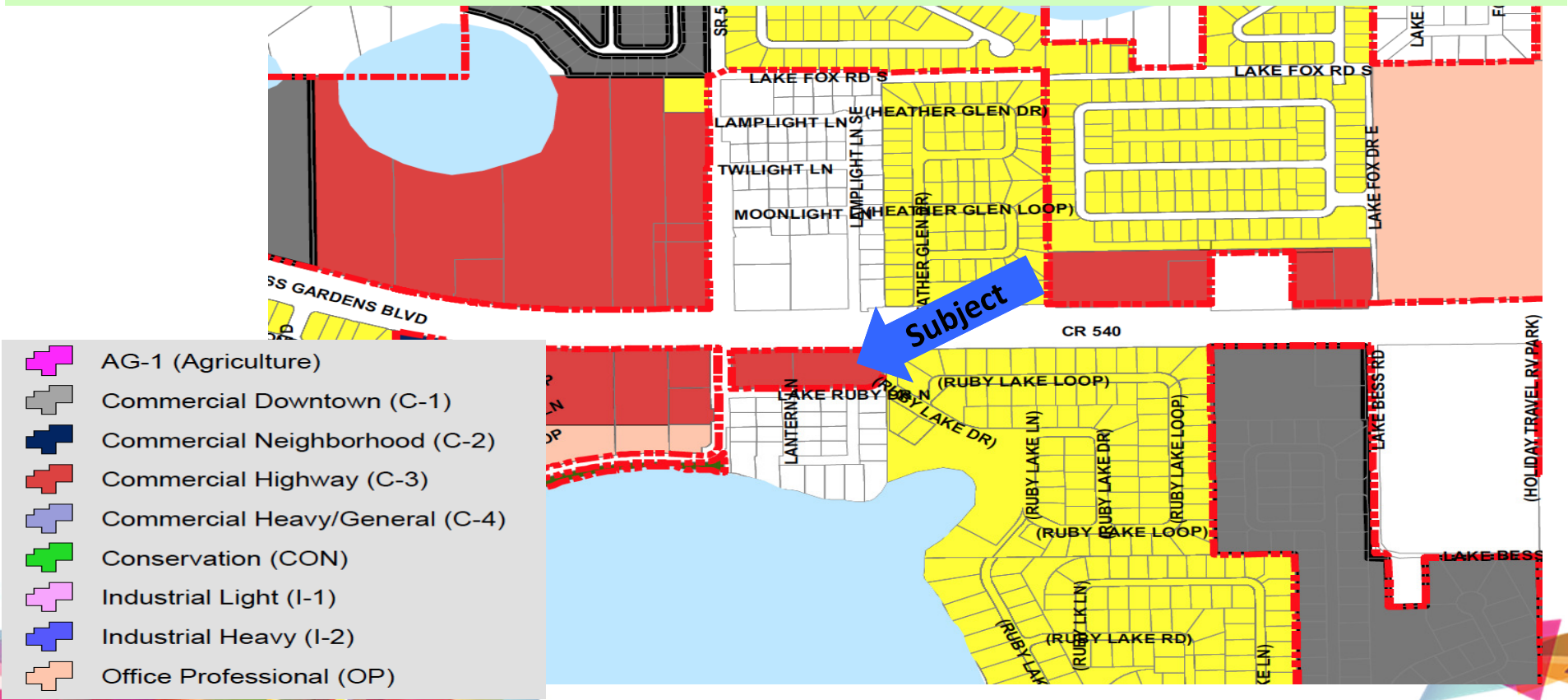
## Lake Ruby Shoppes – Retail Space



# Political & Legal



# ZONING MAP FOR THE CITY OF WINTER HAVEN



**Sec. 21-45. - C-3 Highway commercial.**

(a) Future land use classification: Commercial—Retail.

(b) The C-3 highway business district is intended to apply to arterial streets and trafficways where business establishments primarily not of a neighborhood or community service type may properly be located to serve large sections of the City. Such businesses generally require considerable ground area, do not cater directly to pedestrians and need a conspicuous and accessible location convenient for motorists.

(c) Additional development standards:

- (1) Development site shall be large enough to accommodate all required parking, stormwater management and other standards and facilities.

(Ord. No. O-00-09, Art. 2 (2.02.03.12), 4-24-00; Ord. No. O-08-42, § 5, 5-12-08)

Prepared by and return to:  
Melanie A. McGahee Attorney at Law  
417 West Sugarland Hwy.  
Clewiston, FL 33440  
863-983-1677  
File Number: 06.7040.90

INSTR # 2008037448  
BK 07569 PGS 0613-0615 PG(s)3  
RECORDED 03/05/2008 09:17:58 AM  
RICHARD M WEISS, CLERK OF COURT  
POLK COUNTY  
DEED DOC 8,050.00  
RECORDING FEES 27.00  
RECORDED BY S Caudill

INSTR # 2008074691  
BK 07618 PGS 1858-1860 PG(s)3  
RECORDED 05/01/2008 10:49:05 AM  
RICHARD M WEISS, CLERK OF COURT  
POLK COUNTY  
DEED DOC 0.70  
RECORDING FEES 27.00  
RECORDED BY V Nace

[Space Above This Line For Recording Data]

## Warranty Deed

This Warranty Deed made this 22<sup>nd</sup> day of February, 2008 between Olde Cypress Community Bank, a Florida banking corporation whose post office address is P.O. Box 1779, Clewiston, FL 33440, grantor, and Meteor, L.L.C., an Indiana limited liability company whose post office address is c/o Allardt Enterprises, 211 S. Walnut Street, Muncie, IN 47305, grantee:

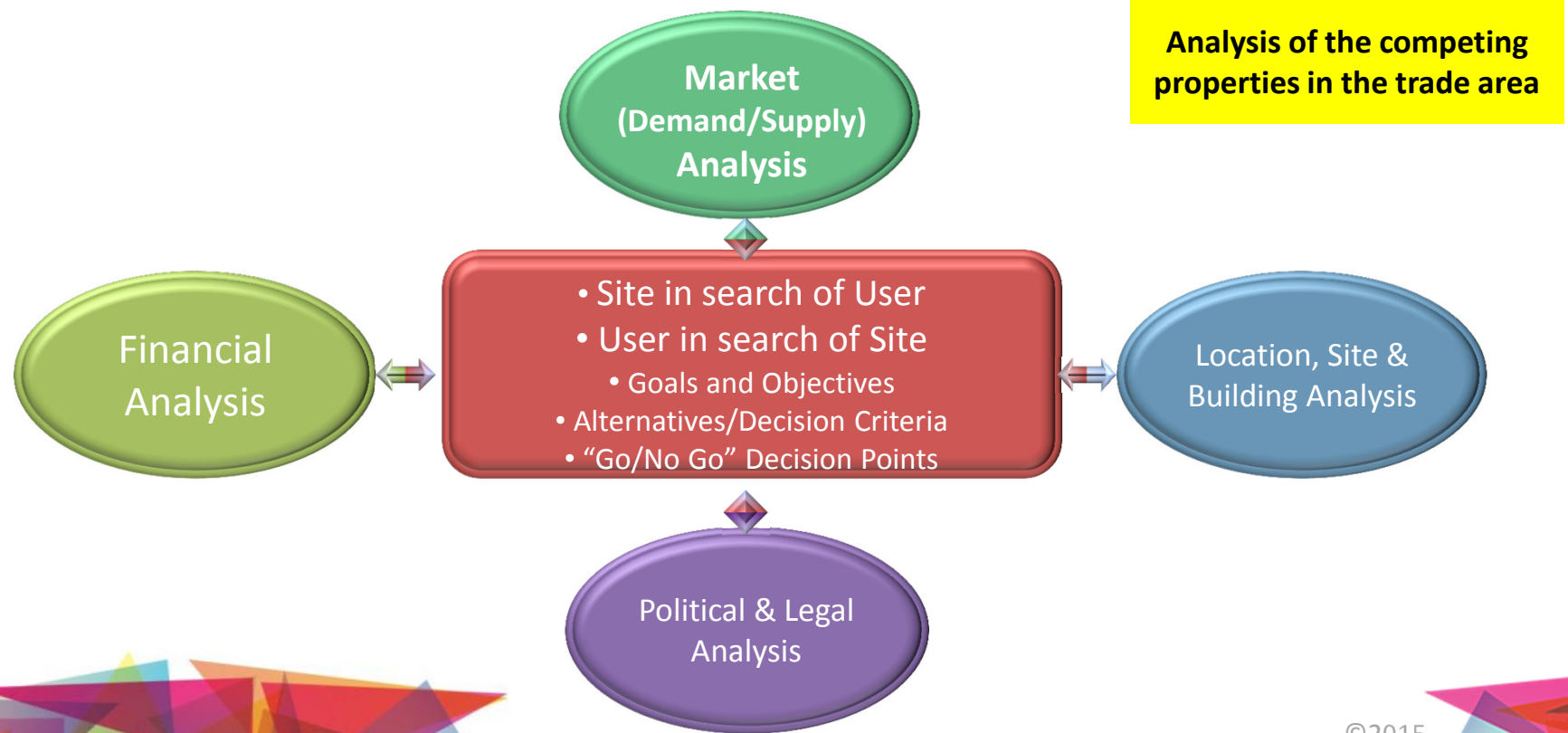
Parcel Identification Number: 072927-000000-034370

The grantees by the acceptance of this deed, agree for themselves, their assigns and successors in title that the lands herein conveyed shall not be used as a strip club or other so called "adult entertainment facility," or as a business which provides financial services such as but not limited to, those provided by a bank, mortgage brokerage, mortgage lender, credit union, savings institution, financial or estate planner, stock broker, asset manager, check cashing business and pawn broker.

## Legal Restrictions Contained in Lease

5. Exclusive Rights. During the term of this Lease and any renewals thereof, Landlord warrants that he will not use, or permit any other tenant or party to use, any other portion of the property, ~~or any property owned by Landlord adjacent or contiguous to the property, for the purpose of providing the following automotive services and/or repairing, replacing and installing the following automotive parts: mufflers, brakes, struts, shocks, oil, air-conditioning, alignments, and tires.~~ In the event Landlord sells any adjacent or contiguous property owned by Landlord, ~~the deed conveying such property from Landlord shall contain a restriction which prohibits the adjacent or contiguous property from being used for the provision of any automobile repair, servicing or maintenance described in this paragraph for as long as Tenant or any licensee of Tenant leases or subleases the leased premises, and such restriction shall run with the land.~~ In the event that Landlord fails to convey any adjacent or contiguous property with such a deed restriction, Landlord shall be deemed in breach of this Lease and shall be liable for any resulting damages to Tenant or its licensee, and Tenant shall have the right to terminate this Lease.

# Market Analysis - Supply



# Tuffy Locations in Polk County



**FOR LEASE: Lake Ruby Shoppes**  
**6930 Cypress Gardens Blvd. Winter Haven, FL 33884**



***High Profile Legoland  
Corridor Retail!***

Structure Net Leasable SF:	1,500 +/- SF - 4,500 +/- SF
Lease Rate:	\$13.50/SF plus \$4.50 for CAM
Size of Available Units:	30' x 50'
Parking:	60 spaces
Traffic Count:	28,500 AADT on Cypress Gardens Blvd.

For More Information Contact

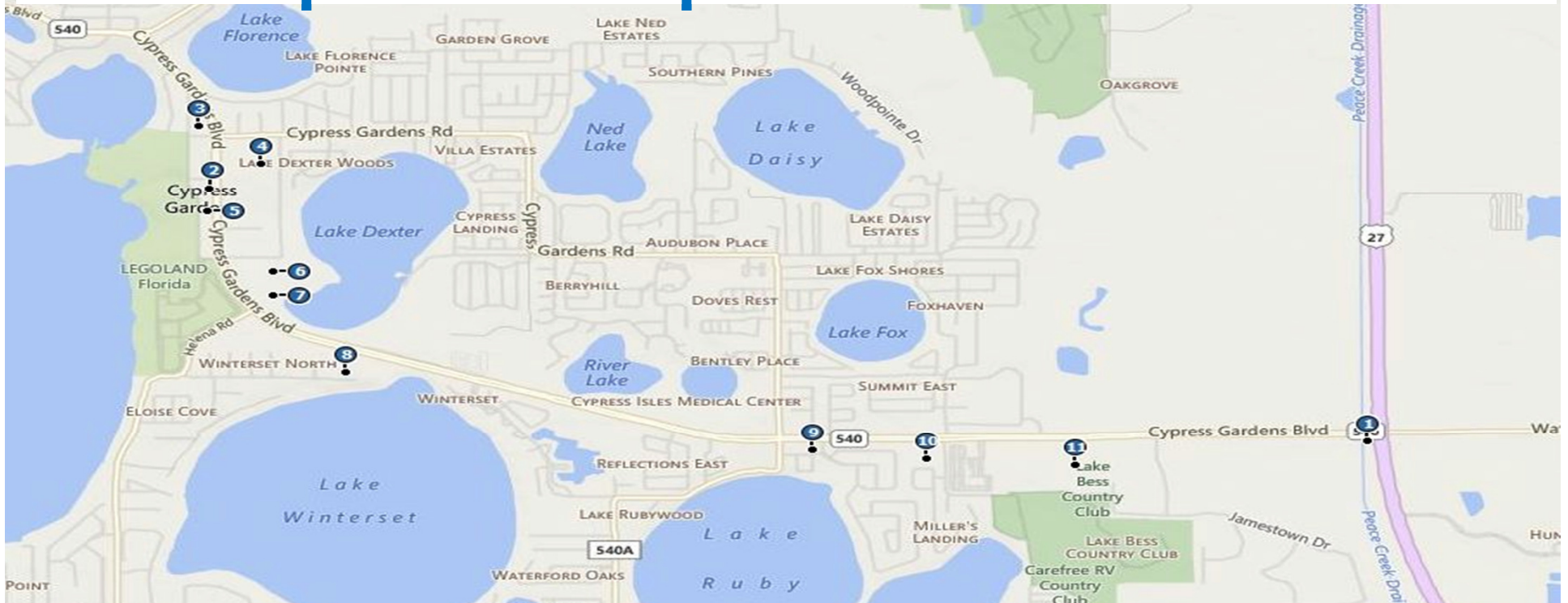
Gary Ralston, CCIM  
863.877.2828 Direct  
Gary@SRDcommercial.com

David Goffe  
863.272.7169 Direct  
DGoffe@SRDcommercial.com



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# Comparable Properties for Market Rent



<u>Map</u>	<u>Property Name</u>	<u>Parcel Number</u>	<u>Number</u>	<u>Street Name</u>	<u>Suffix 1</u>	<u>Construction Status</u>	<u>GLA</u>	<u>Vacant</u>	<u>Proposed</u>
1	Shoppes of Cypress Landing	272908000000012080		CGB/US Hwy 27		Proposed			288,798
2	SW of Roosevelt Dr SE and Cypress Gardens Blvd	262902663640001741	0	Cypress Gardens	Blvd	Proposed			12,950
3	Cypress Station	26-28-35-662934-000010	5535	Cypress Gardens	Blvd	Existing	28,298	18,000	
4	Cypress Grove Plaza	2629020000000031120	5622	Cypress Gardens	Blvd	Existing	84,146	20,256	
5	Towne Center at Cypress Gardens	262902663640001730	5937	Cypress Gardens	Blvd	Existing	11,720	1,300	
6	Winter Haven Square	262902663640002992	6015	Cypress Gardens	Blvd	Existing	187,449	134,864	
7	Winter Haven Square	262902663630000281	6017	Cypress Gardens	Blvd	Existing	47,814	3,200	
8	High Pointe	2629020000000024080	6294	Cypress Gardens	Blvd	Existing	10,000		
9	Lake Ruby Shoppes	2729070000000034370	6912	Cypress Gardens	Blvd	Existing	11,100	6,000	
10	The Shoppes at Miller's Landing	2729070000000032060	7060	Cypress Gardens	Blvd	Existing	18,640	2,200	
11	Medical Villages at Winter Haven	272907855612000050	7476	Cypress Gardens	Blvd	Existing	37,408	35,000	

## Property Details

☒ Select Property◀ Viewing #1 of 9 Properties ▶ [View Results](#)**Shoppes of Cypress Landing**

SW of Cypress Gardens Blvd and US Highway 27, Lake Wales, FL 33859  
 Prop ID: 2043722

**288,798 SF**  
 Neighborhood Ctr

[Update Property](#) [Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	<b>288,798 SF</b>	Listing Use		<b>Retail</b>			Total Expenses		
Min Div	<b>24,000 SF</b>	Direct/Sublease		<b>Direct</b>			Op Expenses/SF		
Max Contig	<b>136,455 SF</b>	Status		<b>Active</b>			Taxes/SF		
Vacant	<b>288,798 SF</b>	Website		<a href="http://www.retailsolutionsad...">www.retailsolutionsad...</a>			Tax Year		
Lease Rate	<b>Negotiable per Yr</b>								
Listing Company	<b>Retail Solutions Advisors</b>								
Listing Contact	<a href="#">Lynda Nagv</a> (561) 961-9958								
Listing Notes	Shoppes of Cypress Gardens is a proposed 288,000+/- square foot retail development located at the highly visible and signalized intersection of Cypress Gardens Boulevard (SR 540) and US Highway 27 in Lake Wales. This new development will feature a number of anchor tenants, exciting smaller retail concepts and popular eating destinations. It also has room for a hotel as well as entertainment and office users. The development is just 3.5 miles east of Legoland Florida, a 150-acre interactive theme park, and just 8 miles east of the new CSX intermodal terminal known as the Central Florida Interm								

Suites that Match Criteria

**All Suites**[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	A	25,000	25,000	Negotiable	Yes	Completion	Shop (end)
<a href="#">View</a>	B	74,863	74,863	Negotiable	Yes	Completion	Anchor (in-line)
<a href="#">View</a>	C	28,480	28,480	Negotiable	Yes	Completion	Shop (in-line)
<a href="#">View</a>	D	24,000	24,000	Negotiable	Yes	Completion	Shop (end)
<a href="#">View</a>	E	136,455	136,455	Negotiable	Yes	Completion	Anchor (f/s)

**Proposed**

©2015

## Shoppes of Cypress Landing

SW of Cypress Gardens Blvd and US Highway 27, Lake Wales, FL 33859

Prop ID: 2043722

288,798 SF

Neighborhood Center

Proposed Project ... rents are quoted  
at \$18 to \$24/NNN



## Property Details

☒ Select Property◀ Viewing #2 of 9 Properties ▶ [View Results](#)**SW of Roosevelt Dr SE and Cypress Gardens Blvd**

SW of Roosevelt Dr SE and Cypress Gardens Blvd, Winter Haven, FL 33884

Prop ID: 1623261

**12,950 SF**  
Conv/Strip Ctr[Update Property](#)[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	12,950 SF		Listing Use	Retail			Total Expenses		
Min Div	12,950 SF		Direct/Sublease	Direct			Op Expenses/SF		
Max Contig	12,950 SF		Status	Active			Taxes/SF		
Vacant	12,950 SF		Website	<a href="http://www.theshoppingcenter...">www.theshoppingcenter...</a>			Tax Year		
Lease Rate	Negotiable per Yr								
Listing Company	The Shopping Center Group								
Listing Contact	<a href="#">Stacy Miller</a> (407) 949-5755, <a href="#">David Gabbai</a> (407) 949-5097								
Listing Notes	New multi-tenant retail development near the entrance of Legoland Florida. Estimated 3 million visitors annually, expanded park twice since 2011. Legoland hotel opens in 2015, 152 rooms and four story. Strong daytime and full time demographics.								

Suites that Match Criteria

**All Suites**[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>		12,950	12,950	Negotiable	Yes	Completion	
				\$35/SF		<b>Proposed</b>	







### Cypress Station

5535 Cypress Gardens Blvd, Winter Haven, FL 33884  
Prop ID: 1619552

**28,298 SF**  
Conv/Strip Ctr

[Update Property](#)

[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	5,000 SF		Listing Use	Retail			Total Expenses		
Min Div	1,200 SF		Direct/Sublease	Direct			Op Expenses/SF		
Max Contig	3,800 SF		Status	Active			Taxes/SF		
Vacant	5,000 SF		Website	<a href="http://www.fcpg.com">www.fcpg.com</a>			Tax Year		
Lease Rate	\$20.00 per Yr NNN								
Listing Company	First Capital Property Group, Inc.								
Listing Contact	<a href="#">Jean-Paul Beaulieu</a> (407) 872-0209								
Listing Notes	Class "A" mixed-use space available. First floor 1,200-4,000 SF lease rate is \$20.00/SF, NNN Lease. Second Floor 1,200-13,800 SF lease rate is 16.00/SF, NNN Lease. Parking ratio 4.7/1,000 SF. Adjacent to Legoland in the fastest growing commercial corridor in Winter Haven. High visibility at lighted intersection.								

Suites that Match Criteria		All Suites							<a href="#">Filter</a>
Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type		
<a href="#">View</a>	100	3,800	3,800	\$20.00 NNN	Yes	Now	Shop (end)		
<a href="#">View</a>	160	1,200	1,200	\$20.00 NNN	Yes	Now	Shop (in-line)		

[More Information](#)

Other Listings On This Property – Click the View link in the grid below to access the other listings on this property.

[Filter](#)

Details	Listing Type	Listing Use	Avail SF	Rate/Price	Listing Agent	Status
<a href="#">View</a>	Lease	Office	1,200 – 13,800	\$16.00 per Yr NNN	First Capital Property Group, Inc. – Jean-Paul Beaulieu – (407) 872-0209	Active



## Cypress Station

5535 Cypress Gardens Blvd, Winter Haven, FL 33884  
Prop ID: 1619552

**28,298 SF**  
Conv/Strip Ctr

[Update Property](#)

[Print Report](#)

Availability

Property

Contacts

Attachments

**Tenant**

Comps

History

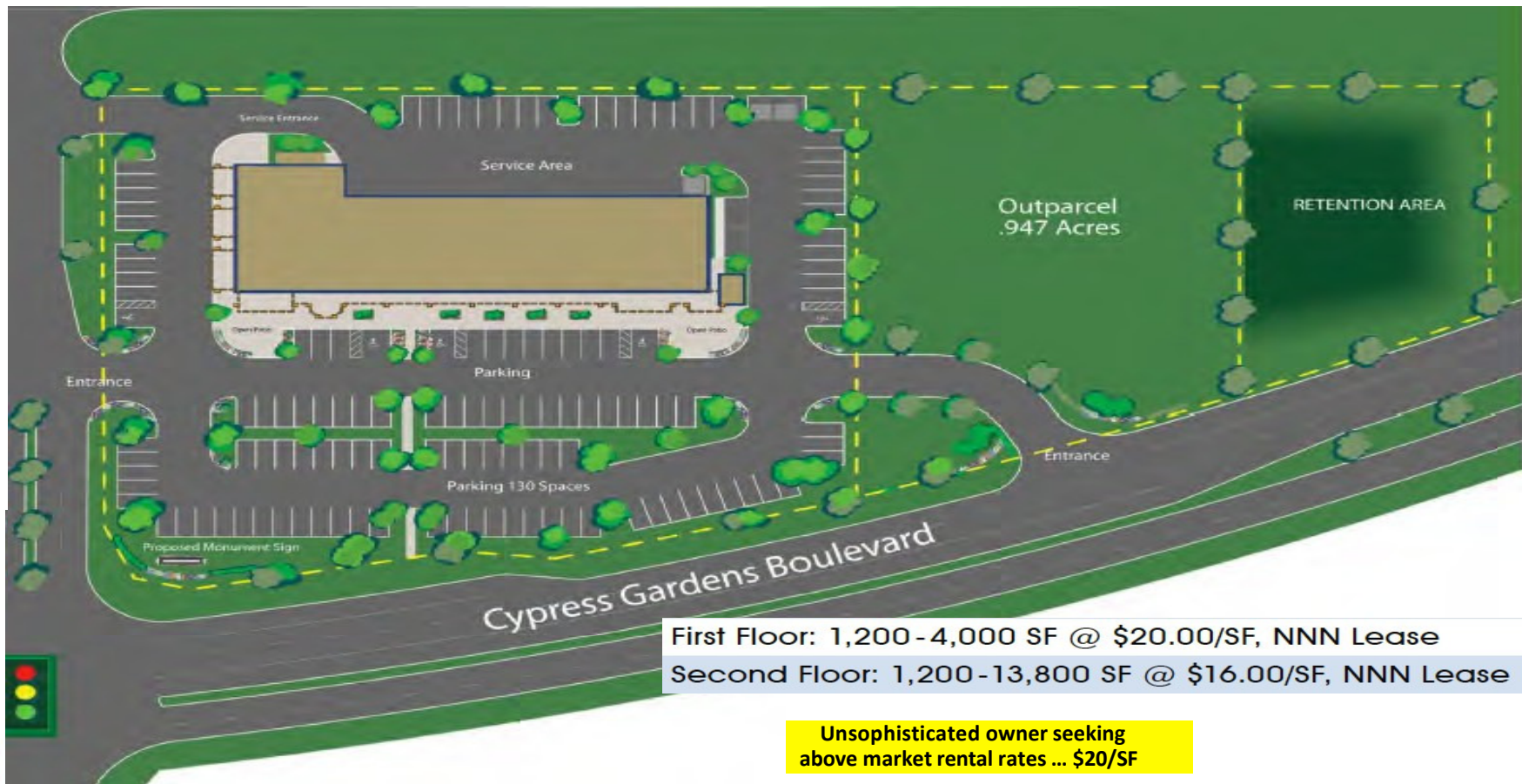
Demographics

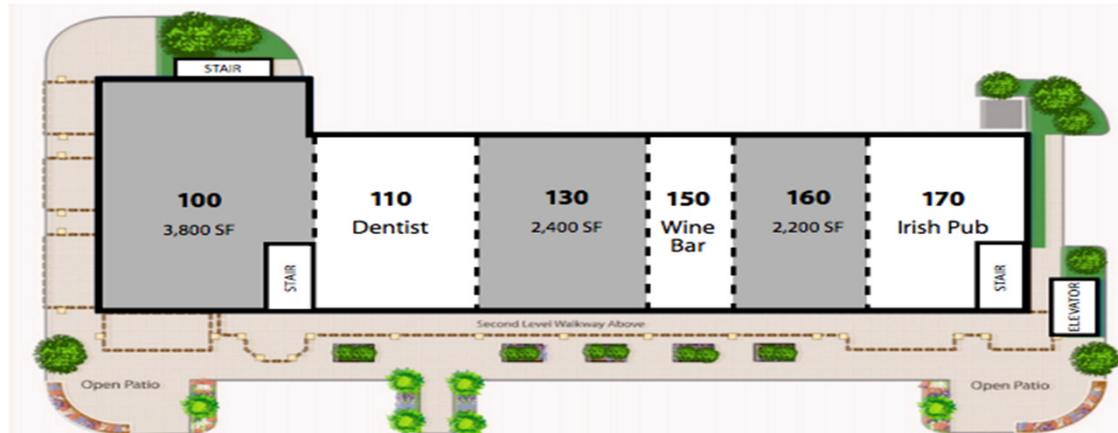
Map

Public Record

Tenant Name	Suite	SF Occ	# Emp	Phone
✓ Palm Dental ★★★★★	120	2,400 SF	5	(863) 326-1600
✓ Grape Expectations Fine Wine ★★★★★	150	1,500 SF	7	(863) 318-8800
✓ Paddy Wagon Irish Pub ★★★★★	170	2,800 SF	3	(863) 875-5708







**First Floor Retail/Office**



**Second Floor Office**

Concept  
Not to scale





### Cypress Grove Plaza

5622-5692 Cypress Gardens Blvd, Winter Haven, FL 33884  
Prop ID: 1622302

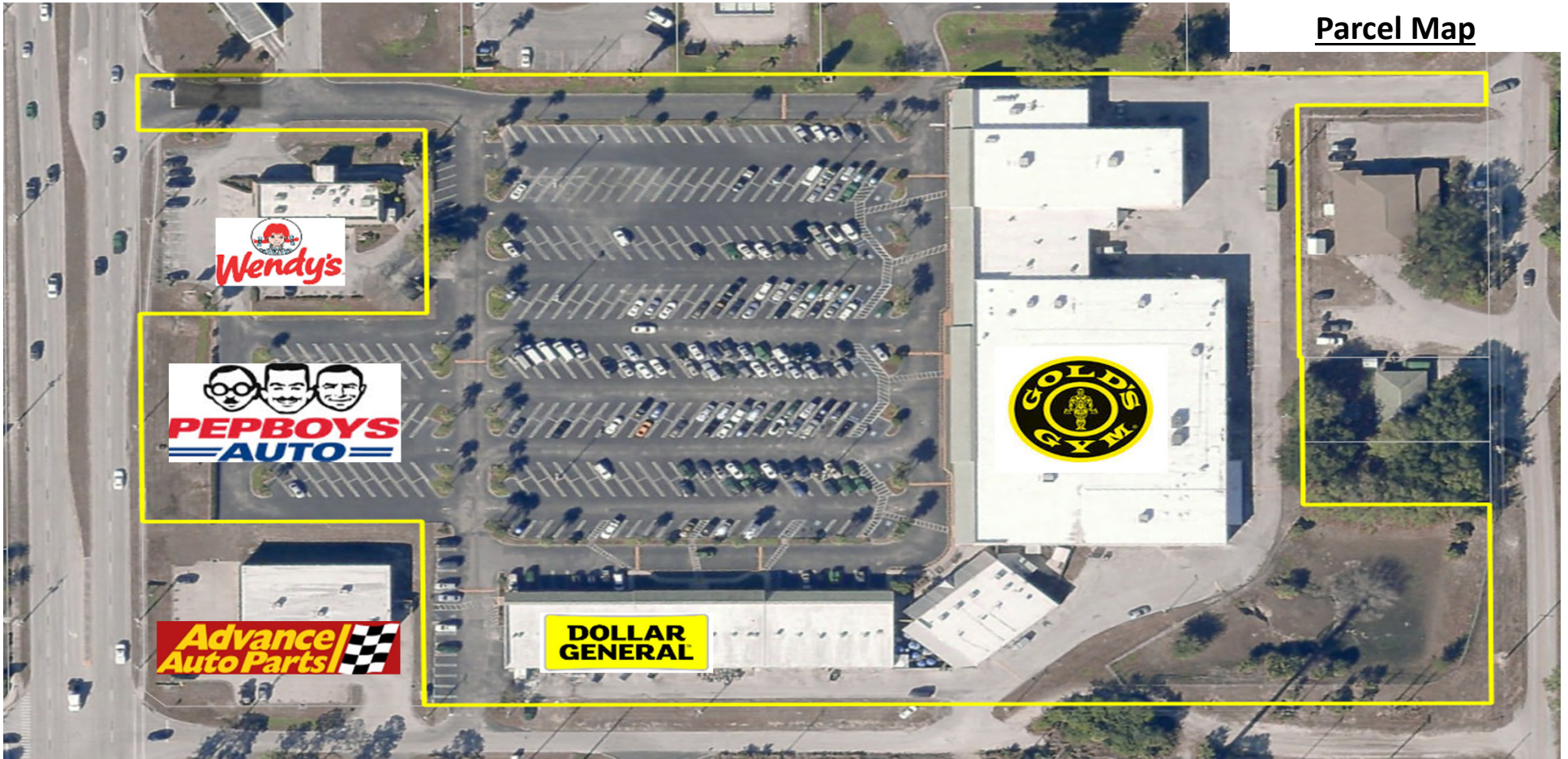
**84,146 SF**  
Neighborhood Ctr

[Update Property](#)
[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	20,256 SF		Listing Use	Retail			Total Expenses		\$3.60
Min Div	900 SF		Direct/Sublease	Direct			Op Expenses/SF		\$3.60
Max Contig	10,356 SF		Status	Active			Taxes/SF		
Vacant	20,256 SF		Website	<a href="http://www.brucestrumpf.com">www.brucestrumpf.com</a>			Tax Year		
Lease Rate	\$9.00 - \$15.00 per Yr NNN								
Listing Company	Bruce Strumpf, Inc.								
Listing Contact	<a href="#">John F Stoner, CCIM</a> (727) 449-2020								
Listing Notes	Across the street from Legoland, which reports over 2 million visitors annually. Anchored by Gold's Gym and Dollar General. Average Household Income of \$65,651 within 1 mile.								

Suites that Match Criteria		All Suites							<a href="#">Filter</a>
Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type		
<a href="#">View</a>	5624	10,356	10,356	\$9.00 NNN	Yes	Now	Shop (in-line)		
<a href="#">View</a>	5630	2,400	2,400	\$15.00 NNN	Yes	Now	Shop (in-line)		
<a href="#">View</a>	5654	4,800	4,800	\$9.41 NNN	Yes	Now	Shop (f/s)		
<a href="#">View</a>	5658	900	900	\$15.00 NNN	Yes	Now	Shop (in-line)		
<a href="#">View</a>	5664	900	900	\$15.00 NNN	Yes	Now			
<a href="#">View</a>	5666	900	900	\$15.00 NNN	Yes	Now	Shop (in-line)		

## Parcel Map



pin

s address

acres gis

sqft tot

mrkt tot

o\_name1

' 262902000000031120 5636 SE CYPRESS GARDENS BLVD

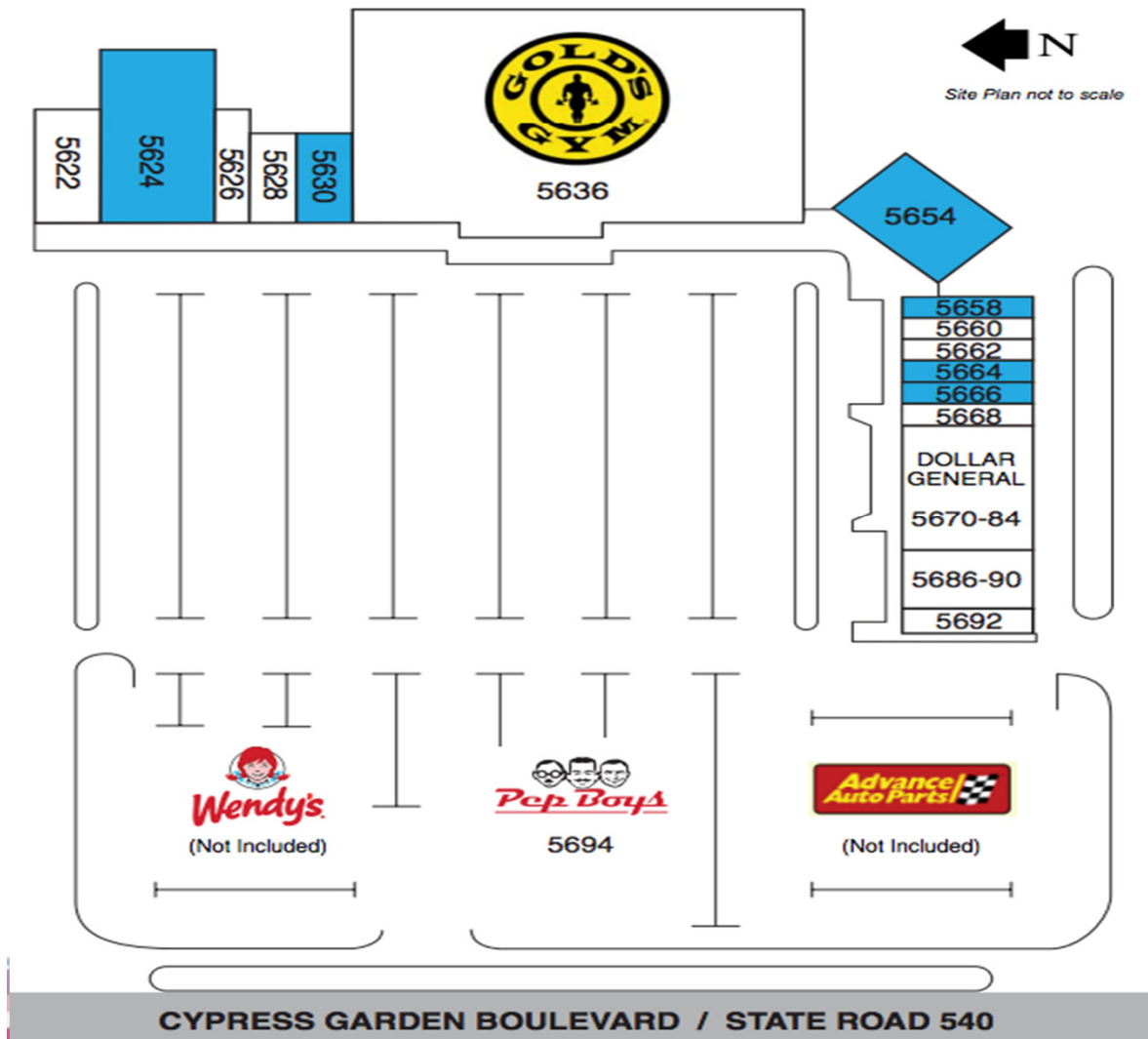
10.21

91,291

3,892,308

WINTERHAVEN ASSOCIATES LP

©2015



## Tenants

5622	Domino's Pizza
5624	AVAILABLE – 10,356 SF
5626	Same Day Cleaners and Shirt
5628	Le Nails
5630	AVAILABLE – 2,400 SF
5636	Gold's Gym
5654	AVAILABLE – 4,800 SF
5658	AVAILABLE – 900 SF
5660	A & S Gifts
5662	H & R Block #9531
5664	AVAILABLE – 900 SF
5666	AVAILABLE – 900 SF
5668	Trendsetters
5670-84	Dollar General #7487
5686-90	Somewhere Sports Café
5692	Metro PCS
5694	Pep Boys

## SPACE AVAILABLE

UNIT #	SQ. FT.	\$/SQ. FT.
5624	10,356	\$9.00
5630	2,400	\$15.00
5654	4,800	\$9.77
5658	900	\$15.00
5664	900	\$15.00
5666	900	\$15.00

Property Details ☐ Select PropertyViewing #1 of 1 Properties [View Results](#)**Towne Center at Cypress Gardens**

5937 Cypress Gardens Blvd, Winter Haven, FL 33884

Prop ID: 2000132

**11,720 SF**

Conv/Strip Ctr

[Update Property](#)
[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	<b>1,300 SF</b>		Listing Use	<b>Retail</b>			Total Expenses		
Min Div	<b>1,300 SF</b>		Direct/Sublease	<b>Direct</b>			Op Expenses/SF		
Max Contig	<b>1,300 SF</b>		Status	<b>Active</b>			Taxes/SF		
Vacant	<b>1,300 SF</b>		Website	<a href="http://www.centuryretail.com">www.centuryretail.com</a>			Tax Year		
Lease Rate	<b>Negotiable per Yr NNN</b>								
Listing Company	<b>Century Retail</b>								
Listing Contact	<a href="#">Donna Kendall</a> (800) 778-6867								

## Suites that Match Criteria

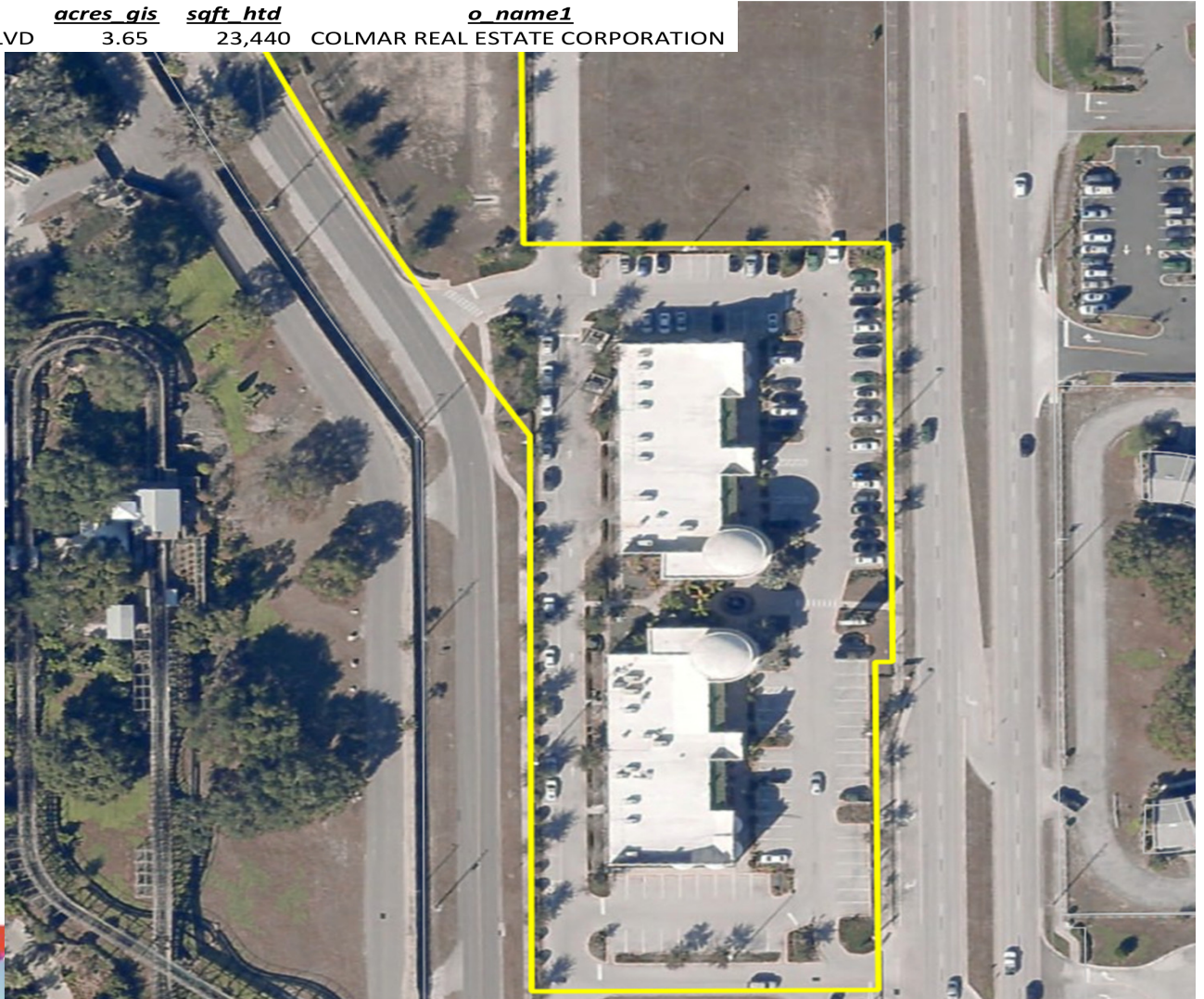
All Suites

[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	B5	1,300	1,300	Negotiable NNN	Yes	Now	Restaurant (in-line)

<u>pin</u>	<u>s_address</u>	<u>acres_gis</u>	<u>sqft_htd</u>	<u>o_name1</u>
' 262902663640001730	5935 CYPRESS GARDENS BLVD	3.65	23,440	COLMAR REAL ESTATE CORPORATION

## Parcel Map





**Towne Center at Cypress Gardens**  
 5937 Cypress Gardens Blvd, Winter Haven, FL 33884  
 Prop ID: 2000132

**11,720 SF**  
 Conv/Strip Ctr

[Update Property](#)

[Print Report](#)

[Availability](#)

[Property](#)

[Contacts](#)

[Attachments](#)

[Tenant](#)

[Comps](#)

[History](#)

[Demographics](#)

[Map](#)

[Public Record](#)

Tenant Name	Suite	SF Occ	# Emp	Phone
✓ Mattress 1 One ★★		0 SF	2	(863) 875-5696
✓ Tijuana Flats ★★		SF		(863) 324-3262
✓ Tsunami Sushi ★★		SF		(863) 293-2395
✓ Saigon Garden Vietnamese Cuisine ★★		SF		(863) 875-6975
✓ Marble Slab Creamery ★★		SF		(863) 324-3585
✓ Party Source ★★		SF		(863) 875-5556
✓ Tips & Toes Nail Spa ★★		SF		(863) 325-8477
✓ ChiroWorks ★★		SF		(863) 324-5200
✓ All About Time Clock Shoppe ★		SF		(863) 324-4709
✓ Verizon Wireless Premium Retailer ★★		SF		(866) 487-1222



ICSC

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## Winter Haven Square

6015 Cypress Gardens Blvd, Winter Haven, FL 33884  
Prop ID: 1621122

**187,449 SF**  
Community Ctr

[Update Property](#)
[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	263,328 SF		Listing Use	<b>Retail</b>			Total Expenses		
Min Div	131,664 SF		Direct/Sublease	<b>Direct</b>			Op Expenses/SF		
Max Contig	131,664 SF		Status	<b>Active</b>			Taxes/SF		
Vacant	263,328 SF		Website	<a href="http://www.theshoppingcenter...">www.theshoppingcenter...</a>			Tax Year		
Lease Rate	<b>Negotiable per Yr</b>								
Listing Company	<b>The Shopping Center Group</b>								
Listing Contact	<a href="#">Richard Fava</a> (407) 949-5098, <a href="#">Stacy Miller</a> (407) 949-5755								
Listing Notes	<b>Anchor redevelopment opportunity in Publix center across from Legoland Florida. Estimated 3 million visitors annually, expanded park twice since 2011.</b>								

### Suites that Match Criteria

[All Suites](#)
[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	10	131,664	131,664	Negotiable	Yes	Now	Anchor (in-line)
<a href="#">View</a>	11	131,664	131,664	Negotiable	Yes	Now	Shop (end)

Tenant Name	Suite	SF Occ	# Emp	Phone
Kmart		15,444 SF	85	(863) 326-1223
Little Caesars		8,814 SF	113	(863) 326-1807



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NIC 1 Bealls	45,000 SF	2 UPS Store	1,600 SF	8 Jade Nails	1,600 SF
OP 1 Chase Bank	5,020 SF	3-4 BayCare Health System	3,200 SF	9 Rainbow	6,430 SF
OP 2 Perkins Restaurant	6,510 SF	5 Publix Liquor Store	1,600 SF	10 Available	131,664 SF
OP 3 Available	5,000 SF	6 Publix Supermarket	47,814 SF	11 Available	3,200 SF
1 Cleaners	1,600 SF	7 China Garden	1,526 SF	12 Subway	1,800 SF



## Winter Haven Square

6017-6041 Cypress Gardens Blvd , Winter Haven, FL 33884

Prop ID: 1620341

**47,814 SF**  
Neighborhood Ctr

**7**

[Update Property](#)

[Print Report](#)

Project is immediately South of former K mart .. i.e., Phase II of Winter Haven Square

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	3,200 SF		Listing Use	<b>Retail</b>			Total Expenses		
Min Div	3,200 SF		Direct/Sublease	<b>Direct</b>			Op Expenses/SF		
Max Contig	3,200 SF		Status	<b>Active</b>			Taxes/SF		
Vacant	3,200 SF		Website				Tax Year		
Lease Rate	<b>Negotiable per Yr</b>								
Listing Company	<b>Swain Realty Corporation</b>								
Listing Contact	<a href="#">Drew Swain</a> (863) 299-9019x223								

Suites that Match Criteria

**All Suites**

[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	6033	3,200	3,200	Negotiable	Yes	Now	

Tenant Name	Suite	SF Occ	# Emp	Phone
✓ Bfs Solutions Inc ★★		1,678 SF	1	(863) 877-0046
✓ Finest Process Service, Inc. ★		2,160 SF	1	(863) 207-1382
✓ Jade Nails & Spa ★		3,926 SF	5	(863) 324-6950
✓ Blount Utilities Inc ★		0 SF	0	(863) 324-3330
✓ Publix Super Markets, Inc. ★★		65,214 SF	150	(863) 324-1182
✓ Publix Pharmacy 0448		30,859 SF	151	(863) 324-1557
✓ Its My Party Llc ★		2,128 SF	1	(863) 875-5556
✓ Tijuana Flats Burrito Co ★		0 SF	0	(863) 324-3262
✓ The Ups Store ★		2,956 SF	3	(863) 325-8254
✓ Absolute Disaster Services Llc ★		2,128 SF	1	(863) 551-5004
✓ Barry Marbutt Investigations ★		2,184 SF	2	(863) 223-2378

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## Attachments from Xceligent





**Parcel Map**

<i>Map</i>	<i>pin</i>	<i>s_address</i>	<i>acres_gis</i>	<i>sqft_htd</i>	<i>mrkt_ind</i>	<i>imp</i>	<i>mrkt_tot</i>	<i>o_name1</i>
1	' 262902663640002992	6015 CYPRESS GARDENS BLVD SE	5.72	113,963	1,432,262	3,456,324	4,888,586	KM WHS LLC
2	' 262902663630000141	6007 CYPRESS GARDENS BLVD SE	2.57		644,224	-	644,224	KM WHS LLC
			8.29	113,963	2,076,486	3,456,324	5,532,810	
3	' 262902663630000281	6031 CYPRESS GARDENS BLVD	9.05	65,214	-	3,959,677	3,959,677	PUB WHS LLC



Property Details ☐ Select Property

☐ Select Property

◀ Viewing #7 of 8 Properties ▶ [View Results](#)



## High Pointe

6358-6370 Cypress Gardens Blvd , Winter Haven, FL 33884  
Prop ID: 1623161

55,000 SF

Conv/Strip Ctr

[Update Property](#) [Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
General Use	<b>Retail</b>		Bldg Size		55,000 SF		Lot Size (Ac.)	9.8	
Specific Use	<b>Convenience/Strip Center</b>		# Floors		<b>1</b>		Zoning		
Bldg Status	<b>Existing</b>		# of Anchors				Sprinkler		<b>Unknown Type</b>
Construction Type	<b>Masonry</b>		Anchor SF				Dock Doors		<b>0</b>
Year Built/Renovated	<b>2005</b>		Major Tenant 1		<b>Hurricane Grill &amp; Wings</b>		Drive-in Doors		<b>0</b>
Tenancy	<b>Multi-Tenant</b>		Major Tenant 2		<b>Cammeo's Salon &amp; Spa</b>		ADA Accessible		<b>Yes</b>
Parking Spaces	<b>24</b>		Major Tenant 3		<b>Printer's Palette T-Shirt Central</b>		Owner Occupied		<b>No</b>
Parking Ratio	<b>4.00</b>		Major Tenant 4				HVAC		<b>Unknown</b>

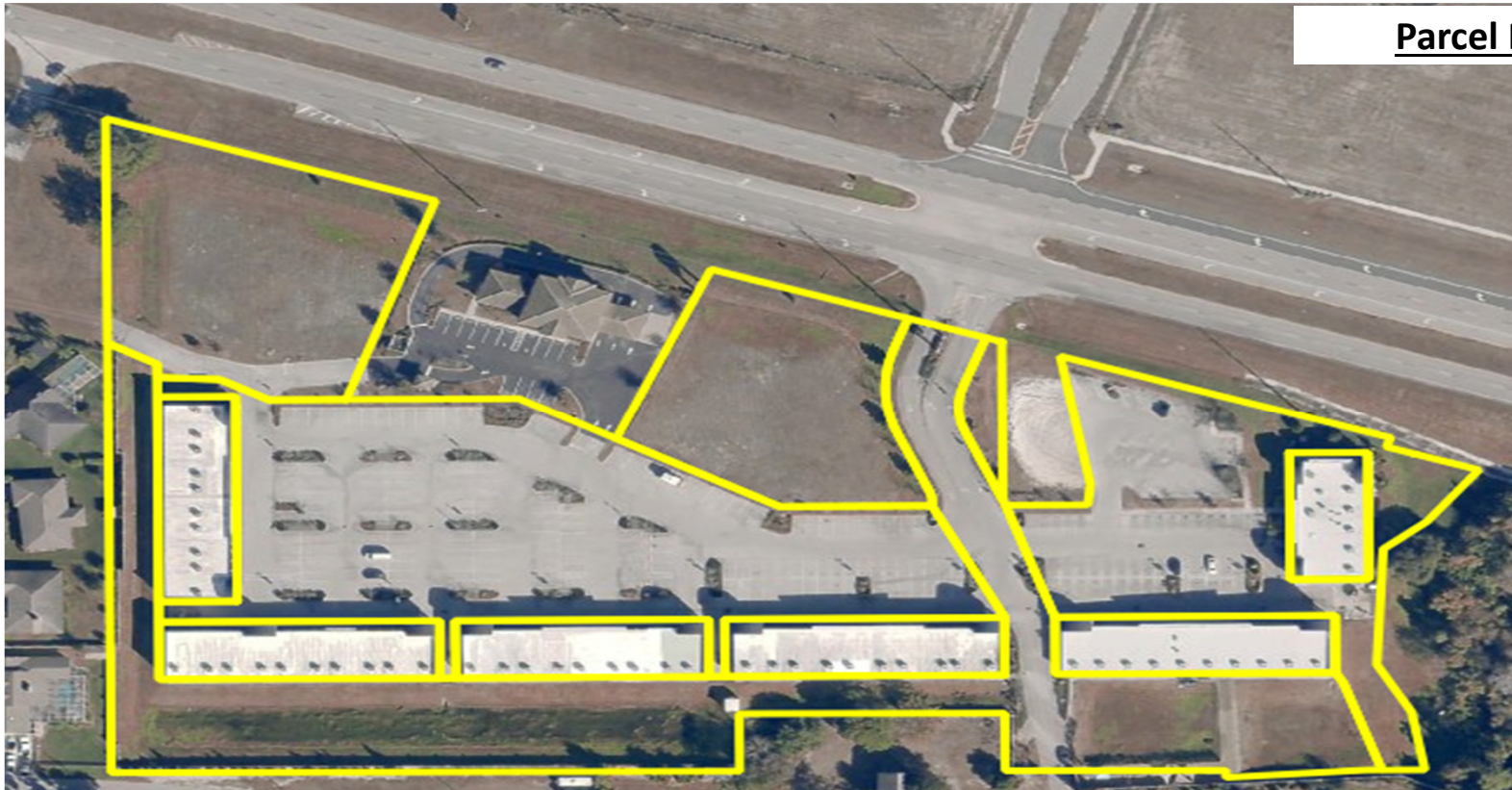
### Location Details

Market	<b>Polk</b>	Park/Complex Name	<b>High Pointe</b>
Submarket	<b>Polk County</b>	Parcel Information	<b>262902000000022040 - 7,405 SF</b>
County	<b>POLK</b>		
Primary Street	<b>Cypress Gardens Blvd</b>	Secondary Street	<b>Helena Rd SE</b>
Primary Traffic Count		Sec. Traffic Count	

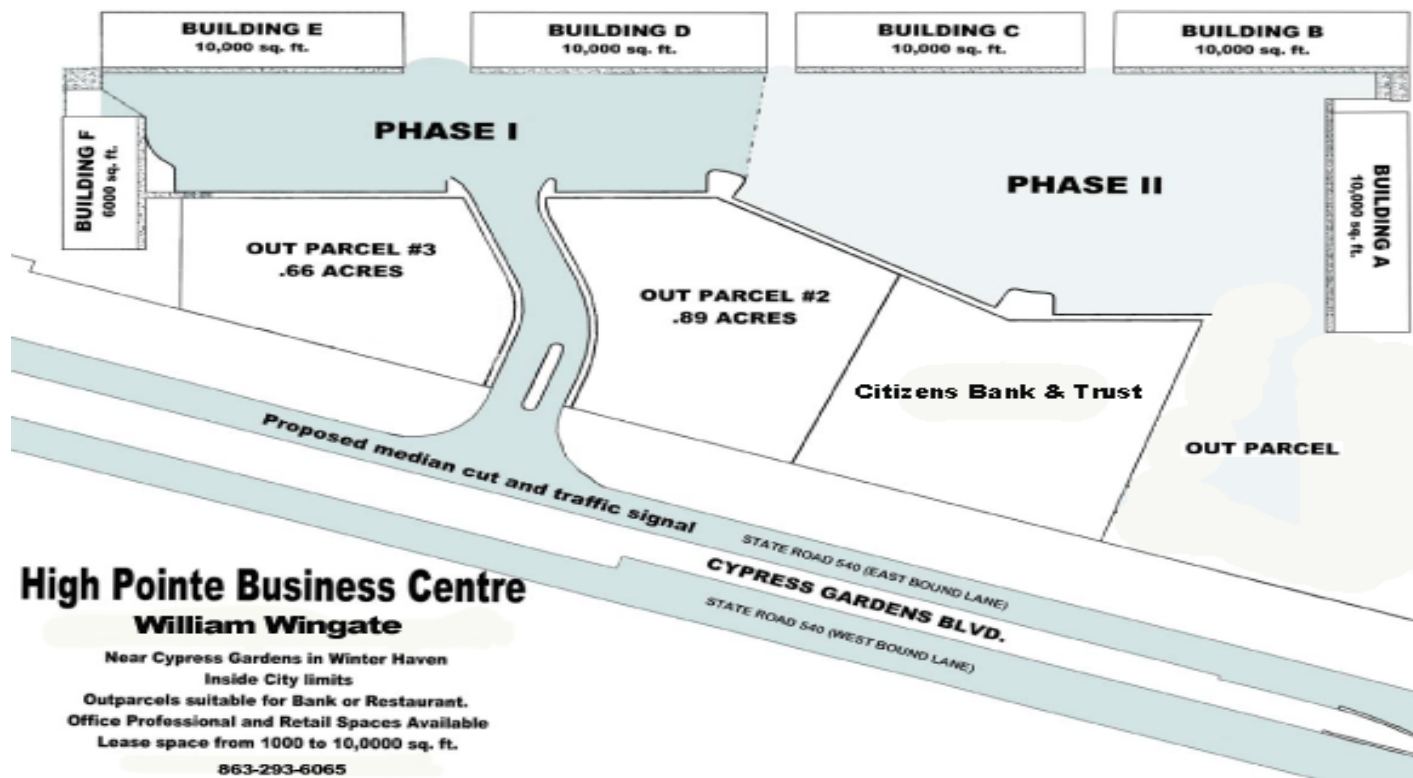
**Subject property is commercial condo ... as a result information is not clearly presented. Property operation and management is fragmented.**



## Parcel Map



<u>pin</u>	<u>s address</u>	<u>acres gis</u>	<u>sqft htd</u>	<u>mrkt lnd</u>	<u>imp</u>	<u>mrkt tot</u>	<u>o name1</u>
262902000000024060	6254 CYPRESS GARDENS BLVD	0.28	10,000	123,869	435,491	559,360	BOOYAH ENTERPRISES LLC
262902000000024070	6278 CYPRESS GARDENS BLVD	0.28	10,000	123,706	435,491	559,197	BOOYAH ENTERPRISES LLC
262902000000024080	6290 CYPRESS GARDENS BLVD	0.25	9,000	111,568	378,442	490,010	BOOYAH ENTERPRISES LLC
262902000000024090	6314 CYPRESS GARDENS BLVD	0.28	10,000	122,900	420,047	542,947	BOOYAH ENTERPRISES LLC
262902000000024010	6254 CYPRESS GARDENS BLVD	2.08		922,121	-	922,121	BOOYAH ENTERPRISES LLC
262902000000022040	6358 CYPRESS GARDENS BLVD SE	0.17	6,000	76,245	292,874	369,119	CAMERON HOLDINGS COMMERCIAL LLC
262902000000022090	0 CYPRESS GARDENS BLVD SE	0.28	10,000	122,951	483,431	606,382	CAMERON HOLDINGS COMMERCIAL LLC
262902000000022060	0 CYPRESS GARDENS BLVD SE	2.47		-	-	-	HIGH POINTE CENTER PROPERTY OWNERS ASSOCIATION INC
262902000000022070	0 CYPRESS GARDENS BLVD SE	1.29		-	-	-	HIGH POINTE CENTER PROPERTY OWNERS ASSOCIATION INC
262902000000024050	6272 CYPRESS GARDENS BLVD	2.29		-	-	-	HIGH POINTE CENTER PROPERTY OWNERS ASSOCIATION INC
		9.67	55,000	1,603,360	2,445,776	4,049,136	



## High Pointe Business Centre William Wingate

Near Cypress Gardens in Winter Haven  
Inside City limits  
Outparcels suitable for Bank or Restaurant.  
Office Professional and Retail Spaces Available  
Lease space from 1000 to 10,000 sq. ft.  
863-293-6065

Unsophisticated owner ... project has been  
condominiumized ... access and exposure issues ... can't  
see shops from street  
Asking rent \$12 to \$15/SF



## Lake Ruby Shoppes

6912-6930 Cypress Gardens Blvd, Winter Haven, FL 33884

Prop ID: 1621066

**6,000 SF**  
Conv/Strip Ctr

9

[Update Property](#)

[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	4,500 SF		Listing Use	Retail			Total Expenses		\$4.50
Min Div	1,500 SF		Direct/Sublease	Direct			Op Expenses/SF		\$4.50
Max Contig	1,500 SF		Status	Active			Taxes/SF		
Vacant	4,500 SF		Website	<a href="http://www.srdcommercial.com">www.srdcommercial.com</a>			Tax Year		
Lease Rate	\$13.50 per Yr Other								
Listing Company	SRD Commercial								
Listing Contact	<a href="#">Gary Ralston</a> (863) 877-2828, <a href="#">David Goffe</a> (407) 509-5296								
Listing Notes	High Profile LEGOLAND Corridor Retail!								

### Suites that Match Criteria

All Suites

[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	6912	1,500	1,500		Yes	Now	Shop (end)
<a href="#">View</a>	6918	1,500	1,500		Yes	Now	Shop (in-line)
<a href="#">View</a>	6924	1,500	1,500		Yes	Now	Shop (end)

This is the subject property of the case study



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## 6906 Cypress Gardens Blvd – Parcel Map



<u>pin</u>	<u>s_address</u>	<u>acres_ais</u>	<u>sqN_htd</u>	<u>mrkt_lnd</u>	<u>bldg</u>	<u>mrkt_tot</u>	<u>sale1_date</u>	<u>sale1_amt</u>	<u>o_name1</u>
272907000000034370	6906 CYPRESS GARDENS BLVD	1.65	11,100	733,176	550,947	1,284,123	2/22/08	1,150,000	METEOR LLC

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## The Shoppes at Miller's Landing

7060-7220 Cypress Gardens Blvd, Winter Haven, FL 33884

Prop ID: 1621069

**18,640 SF**  
Conv/Strip Ctr

[Update Property](#)

[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	2,200 SF		Listing Use	<b>Retail</b>			Total Expenses		
Min Div	1,000 SF		Direct/Sublease	<b>Direct</b>			Op Expenses/SF		
Max Contig	1,200 SF		Status	<b>Active</b>			Taxes/SF		
Vacant	2,200 SF		Website	<a href="http://www.centuryretail.com">www.centuryretail.com</a>			Tax Year		
Lease Rate	<b>Negotiable per Yr</b>								
Listing Company	<b>Century Retail</b>								
Listing Contact	<a href="#">Donna Kendall</a> (800) 778-6867								

Suites that Match Criteria

All Suites

[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>	7060	1,200	1,200	Negotiable	Yes	Now	Shop (in-line)
<a href="#">View</a>	7090	1,000	1,000	Negotiable NNN	Yes	Now	Shop (in-line)

\$15/SF



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## Parcel Map



<u>pin</u>	<u>s address</u>	<u>acres_gis</u>	<u>sqft_htd</u>	<u>mrkt_lnd</u>	<u>imp</u>	<u>mrkt_tot</u>	<u>o_name1</u>
' 272907000000032060	6980 CYPRESS GARDENS BLVD	4.68	29,440	1,477,369	983,138	2,460,507	MILLERS LANDING LLC

Property Details ☐ Select PropertyViewing #1 of 1 Properties [View Results](#)**Medical Villages at Winter Haven**

7476-7554 Cypress Gardens Blvd, Winter Haven, FL 33884

Prop ID: 1623090

**37,408 SF**

Ofc Property

[Update Property](#)[Print Report](#)

Availability	Property	Contacts	Attachments	Tenant	Comps	History	Demographics	Map	Public Record
Available	<b>37,408 SF</b>		Listing Use	<b>Retail</b>			Total Expenses		
Min Div	<b>37,408 SF</b>		Direct/Sublease	<b>Direct</b>			Op Expenses/SF		
Max Contig	<b>37,408 SF</b>		Status	<b>Active</b>			Taxes/SF		
Vacant	<b>37,408 SF</b>		Website				Tax Year		
Lease Rate	<b>Negotiable per Yr Gross</b>								
Listing Company	<b>Xceligent, Inc</b>								
Listing Contact	<a href="#">Research Pending</a> (877) 628-5300								

Suites that Match Criteria

All Suites

[Filter](#)

Details	Suite	Avail SF	Max Contig	Lease Rate	Vacant	Availability	Space Type
<a href="#">View</a>		37,408	37,408	Negotiable Gross	Yes		



Parcel Map






<u>pin</u>	<u>s_address</u>	<u>acres_gis</u>	<u>sqft_htd</u>	<u>mrkt_lnd</u>	<u>imp</u>	<u>mrkt_tot</u>	<u>o_name1</u>
' 272907855612000050	7450 CYPRESS GARDENS BLVD	4.23	37,408	1,105,668	706,039	1,811,707	WINTER HAVEN MEDICAL PROPERTIES LP

## TENANT ROSTER

SUITE	TENANT	SIZE
7450	Trustco Bank	2,250
7482	AVAILABLE (21 X 73)	1,480
7488	AVAILABLE (37 X 73)	2,664
7500	AVAILABLE (211 X 73)	15,359
7512	AVAILABLE (18 X 73)	1,258
7518	AVAILABLE (67 X 73)	4,853
7524	Nails So Happy	1,291
7536	AVAILABLE (61 X 73)	4,440
7548	AVAILABLE (21 X 73)	1,480
7554	AVAILABLE (21 X 73)	1,480
<b>TOTAL</b>		<b>36,555</b>

Project not visible from street ...  
fronts on Walmart parking lot ... has  
been foreclosed  
Out of town owner/manager  
Asking \$15/SF

 CURRENT TENANT  
 TO BE LEASED  
 NOT OWNED

## Forum Shops at Winter Haven

7450 Cypress Gardens Boulevard  
Winter Haven, FL 33884

CYPRESS GARDENS BOULEVARD  
(20,400 CPD)

GAS STATION

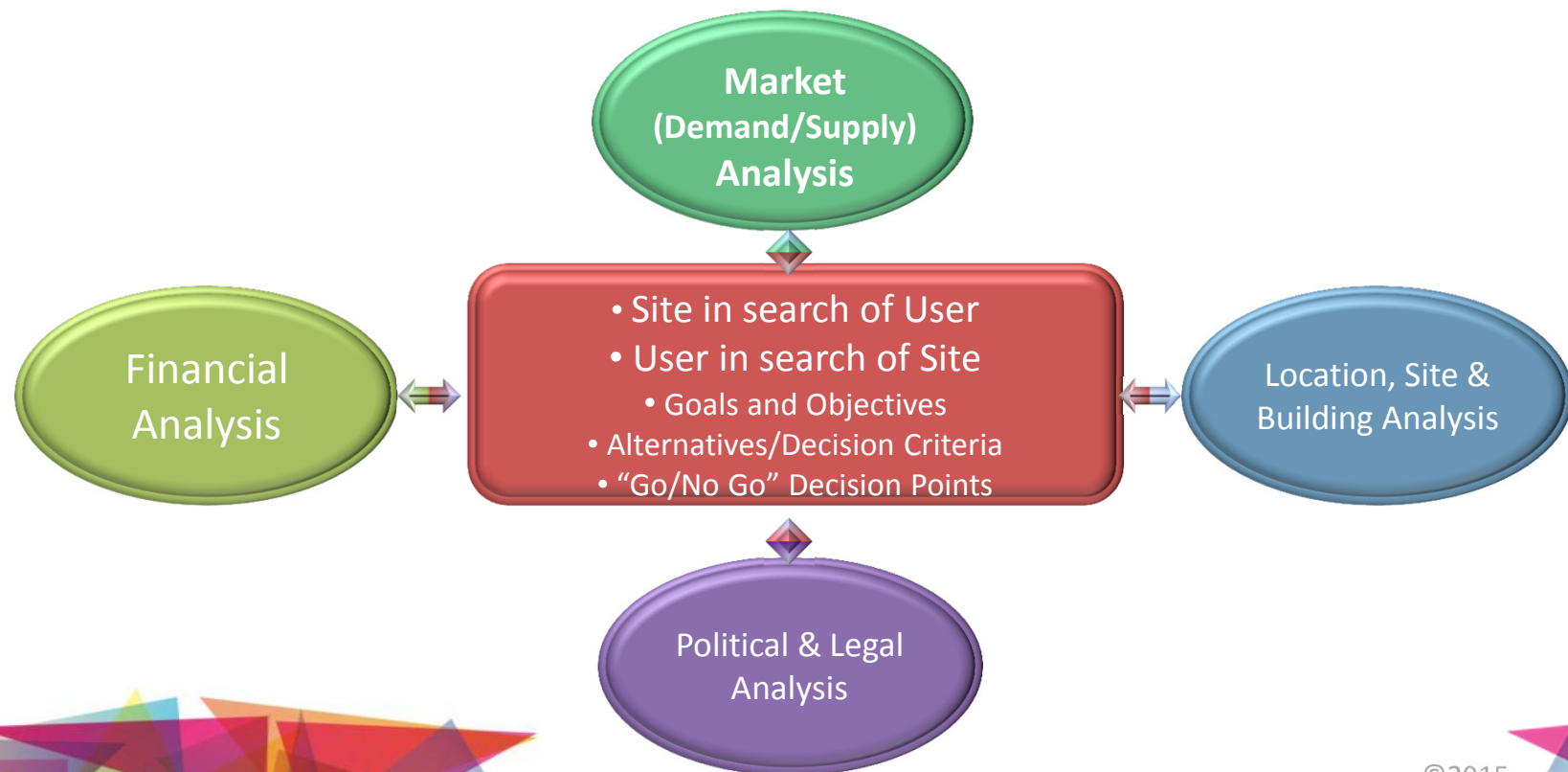
PYLON

TRUSTCO  
BANK

# Comparable Rent Conclusions

- Existing vacant space with comparable building characteristics “small bay” (less than 70 FT bay depth)
  - \$15 to \$20/SF
- Conclusion -> asking price for Lake Ruby Shoppes
  - \$15/SF end cap w/drive thru
  - \$12.50/SF interior units
  - \$13.50/SF end cap
- “You can outperform the market as to occupancy ...  
you cannot outperform the market as to rent”

# Financial Analysis



# Tuffy Lease Info

<u>Address</u>	<u>Tenant</u>	<u>SF</u>	<u>Ann Rent</u>	<u>Rent/SF</u>	<u>Monthly</u>	<u>Years</u>	<u>From</u>	<u>To</u>	
6906 Cypress Gardens Blvd	Tuffy Associates Corp.	5,100	138,780	\$27.21	11,565.00	1 -- 5	9/1/08	8/31/13	
			151,272	\$29.66	12,606.00	6 -- 10	9/1/13	8/31/18	
			164,880	\$32.33	13,740.00	11 -- 15	9/1/18	8/31/23	
			179,724	\$35.24	14,977.00	16 -- 20	9/1/23	8/31/28	
			179,724	\$35.24	14,977.00	21 -- 25	9/1/28	8/31/33	Option
			179,724	\$35.24	14,977.00	26--30	9/1/33	8/31/38	2nd Option

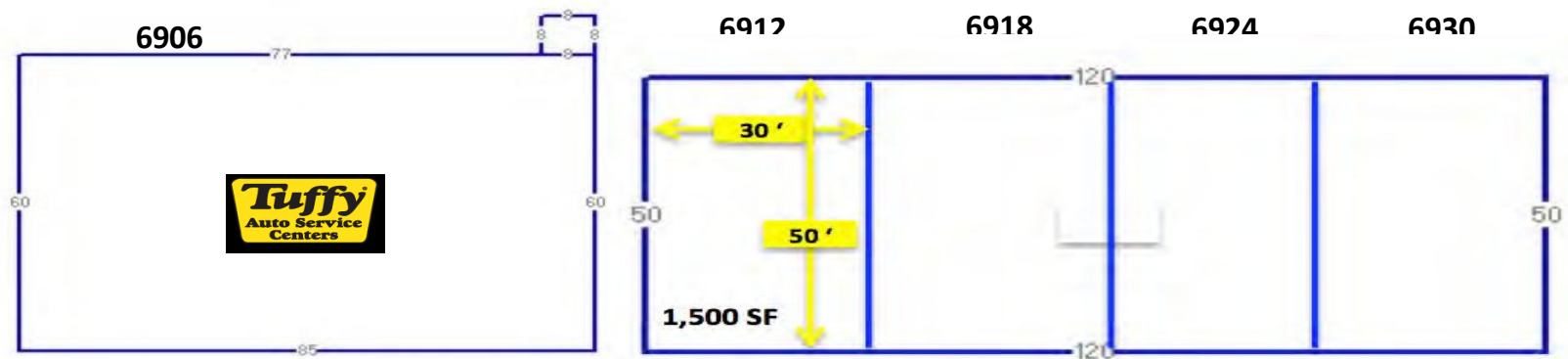
# Tuffy Associates Corp.

- Tuffy Associates Corp. and Subsidiary (the "Company") is a franchisor of automotive repair facilities that perform complete automotive repair, including brakes, exhaust, front end, steering, suspension, alignment, tires, air conditioning, engine diagnostics, batteries, and other automotive products and services. The Company offers franchises under two brands: Tuffy Auto Service Centers and Car-X Auto Service. During the year ended December 31, 2012, the Company's retail outlets had combined revenue of \$245,397,000, serving 352 stores in 20 states located primarily in the midwestern and southeastern United States, of which 322 are franchised and 30 are Company-owned and operated.
- During the year ended December 31, 2011, the Company's retail outlets had combined revenue of approximately \$264,800,000, serving 379 stores in 20 states located primarily in the midwestern and southeastern United States, of which 337 were franchised and 42 were Company-owned and operated.
- Lease is with franchisor ... Tuffy Associates Corp.

# Owner APOD

<u>Tenant</u>	<u>Address</u>	<u>BLDG SF</u>	<u>\$/GLA</u>	<u>Rent</u>
Tuffy Associates	6906 Cypress Gardens Blvd	5,100	\$29.66	151,272
	6912 Cypress Gardens Blvd	1,500		
Gold's Gym	6918 Cypress Gardens Blvd	1,500	\$5.80	8,700
Best Dry Clean	6924 Cypress Gardens Blvd	1,500	\$14.95	22,430
	6930 Cypress Gardens Blvd	1,500		
<b>Effective Rental Income</b>		11,100		182,402
Other Income / CAM/Reimbursements - Tuffy				22,500
<b>Gross Operating Income</b>				<b>204,902</b>
<b><u>OPERATING EXPENSES</u></b>				
<b><u>Fixed Expenses</u></b>				
Real Estate Taxes			\$2.38	26,434
Insurance			\$0.27	3,000
Subtotal			\$2.65	29,434
Irrigation/Water			\$0.59	6,600
Lawn care			\$0.43	4,800
Electricity			\$0.05	600
Stormwater			\$0.03	350
Management @	5.00%		\$0.92	10,245
Maintenance & Repairs			\$0.16	1,800
Utilities & Other			\$0.15	1,671
<b>Total Operating Expenses</b>			\$5.00	<b>55,500</b>
<b>NET OPERATING INCOME</b>			\$13.46	<b>149,402</b>

# Leasing Plan



<u>Tenant</u>	<u>Address</u>	<u>BLDG SF</u>	<u>\$/GLA</u>	<u>Rent</u>
Tuffy Associates	6906 Cypress Gardens Blvd	5,100	\$29.66	151,272
	6912 Cypress Gardens Blvd	1,500	\$15.00	22,500
	6918 Cypress Gardens Blvd	1,500	\$12.50	18,750
	6924 Cypress Gardens Blvd	1,500	\$12.50	18,750
	6930 Cypress Gardens Blvd	1,500	\$13.50	20,250
subtotal		6,000		80,250
<b>Gross Potential Revenue</b>		11,100		231,522

# APOD – Income Statement Pro forma

- Assumptions:

- Tuffy rent as per rent roll info
- Local space
  - \$15/SF for end cap with drive thru
  - \$13.50 to \$12.50/SF for 3 other units
- Vacancy & Collection
  - 1 local space will be vacant for 6 months each year
- CAM
  - Tuffy @ \$5.50/SF
  - Local @ \$4.50/SF
- Operating Expenses
  - Fixed Expenses
    - Taxes @ \$26,434
    - Insurance @ \$5,500
  - Expenses monthly
    - Utilities – water/sewer, dumpster @ \$450
    - Lawn @ \$400
    - Electricity @ \$50
    - Stormwater @ \$30
    - Maintenance/repairs @ \$100
    - Property management @ 5%

# APOD – Income Statement Pro forma

## GROSS INCOME

<u>Tenant</u>	<u>Address</u>	<u>BLDG SF</u>	<u>\$/GLA</u>	<u>Rent</u>
Tuffy Associates	6906 Cypress Gardens Blvd	5,100	\$29.66	151,272
	6912 Cypress Gardens Blvd	1,500	\$15.00	22,500
	6918 Cypress Gardens Blvd	1,500	\$12.50	18,750
	6924 Cypress Gardens Blvd	1,500	\$12.50	18,750
	6930 Cypress Gardens Blvd	1,500	\$13.50	20,250
subtotal		6,000		80,250
<b>Gross Potential Revenue</b>		11,100		231,522
Collection Loss/Add'tl Vacancy	(1 space for 6 months)	4.86%		11,250
<b>Effective Rental Income</b>			<b>\$19.84</b>	<b>220,272</b>
Other Income / CAM/Reimbursements - Tuffy			\$5.49	28,000
other tenants			\$4.67	28,000
<b>Gross Operating Income</b>			<b>\$24.89</b>	<b>276,272</b>

Projected Rent is  
below market rate

## OPERATING EXPENSES

### *Fixed Expenses*

Real Estate Taxes		\$2.38	26,434
Insurance		\$0.50	5,500
Subtotal		\$2.88	31,934
Utilities - Water/Sewer, Dumpster		\$0.49	5,400
Lawn care		\$0.43	4,800
Electricity		\$0.05	600
Stormwater		\$0.03	360
Management @	5.00%	\$1.24	13,814
Maintenance & Repairs		\$0.11	1,200
Utilities & Other		\$0.05	596

**Total Operating Expenses**

**NET OPERATING INCOME**

**\$5.29**      **58,704**  
**\$19.60**      **217,568**

Increase NOI 45%

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## Loan Underwriting

		<u>\$</u>
Loan Amount		1,650,000
Interest Rate	4.50%	
365/360	4.56%	
Term	15	
PMT	\$12,675.16	
ADS		152,102
NOI (stabilized)		217,568
Debt Coverage Ratio	1.43	
<i>Just Tuffy DCR</i>	<i>0.99</i>	
Value @	8.50%	2,560,000
Loan-to-Value	64.5%	
K	9.22%	

## SOURCES AND USES OF FUNDS

### SOURCES:

Equity

New Mortgage Loan

**TOTAL SOURCES OF FUNDS:**

\$

\$ Amount

600,000

\$ 1,650,000

**\$ 2,250,000**

### USES:

#### Acquisition Costs:

Purchase of Property

2,150,000

Acquisition Costs

ALTA Survey (update)

2,500

Environmental Phase I

1,800

Prop Condition Assessment

2,300

Legal

1,500

Misc

250

Subtotal

8,350

8,350

Leasing Costs

Leasing Commissions

24,075

Legal

3,000

Tenant Improvements

\$6.00 p/SF

36,000

Subtotal

63,075

63,075

Loan Costs

Stamps

35.0%

\$100

5,775

Tax

0.2%

3,300

Title Ins

2,500

Origination

0.50%

8,250

Appraisal

2,200

Legal, recording and other costs

2,500

Subtotal

24,525

24,525

Subtotal

2,245,950

Working Capital Reserve

4,050

**TOTAL INVESTMENT / ACQUISITION & RESERVES**

**2,250,000**



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## Cap Rate Analysis

Acquisition		2,150,000
Owner NOI	149,402	
ACQ Cap Rate	6.95%	

Stabilized NOI	217,568
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Acquisition	2,150,000
ACQ and lease up costs	100,000
Total Acquisition Investment	<hr/> 2,250,000

Cap Rate @ Stabilization	9.67%
--------------------------	-------

# Income Statement/Cash Flow

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>REVENUES</b>											
<b>Rental Income</b>											
Tuffy	151,272	151,272	151,272	155,808	164,880	164,880	164,880	164,880	169,828	179,724	179,724
6912 Cypress Gardens Blvd	22,500	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950	22,950
6918 Cypress Gardens Blvd	18,750	19,125	19,508	19,898	20,296	20,702	21,116	21,538	21,969	22,408	22,856
6924 Cypress Gardens Blvd	18,750	19,125	19,508	19,898	20,296	20,702	21,116	21,538	21,969	22,408	22,856
6930 Cypress Gardens Blvd	20,250	20,655	21,068	21,489	21,919	22,358	22,805	23,261	23,726	24,201	24,685
<b>Total Rental Income</b>	<b>231,522</b>	<b>233,127</b>	<b>234,305</b>	<b>240,043</b>	<b>250,340</b>	<b>251,591</b>	<b>252,866</b>	<b>254,167</b>	<b>260,441</b>	<b>271,691</b>	<b>273,071</b>
<b>CAM Income</b>											
Tuffy	28,000	28,560	29,131	29,714	30,308	30,914	31,533	32,163	32,806	33,463	34,132
other tenants	28,000	28,560	29,131	29,714	30,308	30,914	31,533	32,163	32,806	33,463	34,132
<b>Total CAM Income</b>	<b>56,000</b>	<b>57,120</b>	<b>58,262</b>	<b>59,428</b>	<b>60,616</b>	<b>61,829</b>	<b>63,065</b>	<b>64,326</b>	<b>65,613</b>	<b>66,925</b>	<b>68,264</b>
<b>Gross Potential Revenue</b>	<b>287,522</b>	<b>290,247</b>	<b>292,568</b>	<b>299,470</b>	<b>310,957</b>	<b>313,419</b>	<b>315,931</b>	<b>318,493</b>	<b>326,054</b>	<b>338,616</b>	<b>341,335</b>
Collection Loss/Add'tl Vacancy	4.86%										
<b>EFFECTIVE GROSS REVENUE</b>	<b>276,272</b>	<b>278,919</b>	<b>281,182</b>	<b>287,806</b>	<b>298,792</b>	<b>301,194</b>	<b>303,644</b>	<b>306,143</b>	<b>313,399</b>	<b>325,414</b>	<b>328,066</b>
<b>OPERATING EXPENSES</b>											
<b>Fixed Expenses</b>											
Real Estate Taxes	26,434	26,963	27,502	28,052	28,613	29,185	29,769	30,364	30,972	31,591	32,223
Insurance	5,500	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	6,704
Subtotal	31,934	32,573	33,224	33,889	34,566	35,258	35,963	36,682	37,416	38,164	38,927
Utilities - Water/Sewer, Dumpster	5,400	5,508	5,618	5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583
Lawn care	4,800	4,896	4,994	5,094	5,196	5,300	5,406	5,514	5,624	5,736	5,851
Electricity	600	612	624	637	649	662	676	689	703	717	731
Stormwater	360	367	375	382	390	397	405	414	422	430	439
Management @	5.00%										
Maintenance & Repairs	13,814	13,946	14,059	14,390	14,940	15,060	15,182	15,307	15,670	16,271	16,403
Miscellaneous	1,200	1,224	1,248	1,273	1,299	1,325	1,351	1,378	1,406	1,434	1,463
	596	608	620	632	645	658	671	685	698	712	727
<b>Total Operating Expenses</b>	<b>58,704</b>	<b>59,734</b>	<b>60,763</b>	<b>62,028</b>	<b>63,530</b>	<b>64,622</b>	<b>65,736</b>	<b>66,872</b>	<b>68,266</b>	<b>69,918</b>	<b>71,124</b>
<b>NET OPERATING INCOME</b>	<b>217,568</b>	<b>219,185</b>	<b>220,420</b>	<b>225,778</b>	<b>235,262</b>	<b>236,572</b>	<b>237,908</b>	<b>239,271</b>	<b>245,133</b>	<b>255,496</b>	<b>256,942</b>
<b>Reserves for Replacement</b>	<b>12,000</b>	<b>12,240</b>	<b>12,485</b>	<b>12,734</b>	<b>12,989</b>	<b>13,249</b>	<b>13,514</b>	<b>13,784</b>	<b>14,060</b>	<b>14,341</b>	
<b>Annual Debt Service</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	<b>152,102</b>	
<b>Cash Flow before Taxes</b>	<b>53,467</b>	<b>54,843</b>	<b>55,833</b>	<b>60,942</b>	<b>70,171</b>	<b>71,221</b>	<b>72,292</b>	<b>73,385</b>	<b>78,971</b>	<b>89,053</b>	
Cash Investment/Cash-on-Cash return	8.9%	9.1%	9.3%	10.2%	11.7%	11.9%	12.0%	12.2%	13.2%	14.8%	
Assumed income growth rate [ig]	2.00%										
Assumed expense growth [eg]	2.00%										

# Disposition Assumptions

Assumed Cap Rate for Sale  
Sales Comm @  
Sales & Closing Costs @

9.00%  
5.00%  
1.50%



## Sale Proceeds

Assumed sale at end of year 10

year 11 NOI		\$256,942	
Assumed Cap Rate for Sale	9.00%		2,854,908
Sales Comm @	5.00%		142,745
Sales & Closing Costs @	1.50%		42,824
Subtotal			2,669,339
Less loan balance			678,852
Net Sale Proceeds			<u>1,990,487</u>

## IRR before Tax 19.6%

0	(600,000)
1	53,467
2	54,843
3	55,833
4	60,942
5	70,171
6	71,221
7	72,292
8	73,385
9	78,971
10	2,079,540

# Inflation Forecast Tool

- Interest rates table Fed H.15
  - <http://www.federalreserve.gov/releases/h15/update/>
- How to determine rental increase to match inflation?
  - Difference between UST and TIPS
- US Daily Treasury Yield Curve Rates
  - <http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>
- US Daily Treasury Real Yield Curve Rates (TIPS)
  - <http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield>

# Sample Retail Development Proforma

Land	1.15 Acres @	\$10.00	p/SF	500,000	50.00
<b>Entitlement Costs</b>					
Impact Fees (Transportation, Fire, Water, Sewer, etc.)				100,000	10.00
Planning/Permit Fees				20,000	2.00
Subtotal -- Entitlement Costs				120,000	12.00
<b>Design Costs</b>					
Architectural	\$4.00	p/SF - BLDG		40,000	4.00
Civil Engineering	\$1.00	p/SF - Land		50,000	5.00
Environmental				2,500	0.25
Geotechnical				2,500	0.25
Surveys (Boundary, Topo, Tree)				10,000	1.00
Traffic Studies				7,500	0.75
Subtotal -- Design Costs				112,500	11.25
<b>Construction Costs</b>					
Building	10,000 SF-GLA @	\$55.00	p/SF	550,000	55.00
Tenant Improvement Allowance @		\$10.00	p/SF	100,000	10.00
Site	\$7.00	SF-Land w/o BLDG		280,000	28.00
Subtotal -- Construction Costs				930,000	93.00
<b>Finance Costs</b>					
Construction Loan Amount	1,710,000 (90% of Project Costs)				
Construction Loan Fees	1.0%			17,100	1.71
Construction Period Interest	6.00% 6 Months @ 75.0%			38,475	3.85
Legal & Other Costs @	0.75% of construction loan			12,825	1.28
Stamps/Tax on Mortgage	\$0.35 /\$100 & 2 mills			9,405	0.94
Title Insurance	(Based on standard schedule)			6,850	0.69
Subtotal -- Finance Costs				84,655	8.47
<b>Other Soft Costs</b>					
Construction Period Taxes & Ins	based on Millage Rate of	\$20.00		5,000	0.50
Developer Fee				50,000	5.00
Contingency @	5% of construction costs			46,500	4.65
Leasing Commission @	\$4.00 p/SF-GLA			40,000	4.00
Misc. Other Soft Costs				11,345	1.13
Subtotal -- Other Soft Costs				141,500	14.15
<b>Total Project Costs</b>				<b>1,900,000</b>	<b>190.00</b>

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