

Morgantown Commons Morgantown, West Virginia



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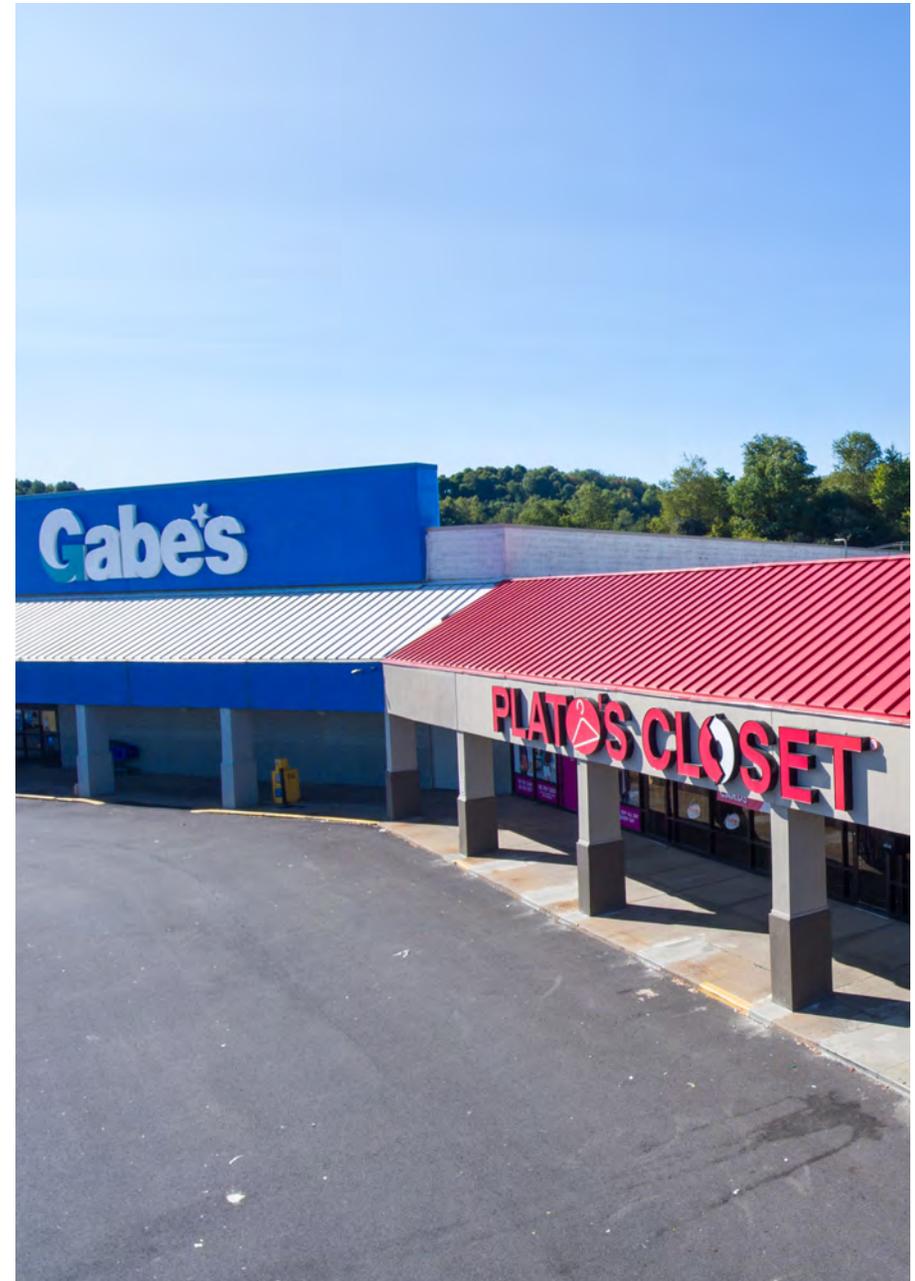


Morgantown Commons

Morgantown, West Virginia

The Property - Investment Summary

Property	Morgantown Commons
Type	Regional Shopping Center
Property Address	6500 - 6530 Mall Road Morgantown, West Virginia 26508
Major Market	Morgantown, WV Population 138,176
Major Tenants	Gabe's Goodwill Plato's Closet Rural King (shadow anchor)
Gross Leasable Area	140,917 SF
Percent Leased	100%
Average Rent	\$5.76 PSF
Lot Size	18 acres (new lot split being created)
Investment Type	Stabilized
Net Operating Income	\$737,354
CAP Rate	8.2%
Price	\$8,992,132
Price Per Square Foot	\$63.81
Proposed Loan Terms	10 Year Term, 25 Year Amortization 4% Fixed Rate 75% LTV
	Down Payment: \$2,248,033 Annual Payment: \$427,164 Cash Flow After Debt Service: \$310,190 Cash on Cash Return: 13.8% Total Return Including Principal Reduction: 20.19%



Morgantown Commons

Morgantown, West Virginia

The Property - Property Description

Investment Highlights

- 100% Leased Retail Near West Virginia University
- Safe Haven Asset - 94% of Tenants have Base Lease Terms Remaining of Between 7 and 12 Years
- Dominant Location - Situated Just West of Downtown Morgantown and the WVU Campus with Over 28,000 Local Students
- Nationally Anchored - Recently Renewed Flagship Gabe's Near Corporate Headquarters and New Goodwill with 12 Year Lease
- High Traffic Shadow Anchor - Newly Opened 94,000 SF Rural King sits Adjacent to the Property and Draws Thousands of Customers
- Low In-Place Rents Averaging Only \$5.76 Per Square Foot
- Many New Upgrades - New Roof 2020 and Newly Built Out 44,620 SF Goodwill Anchor Space

Property Description

For sale is the fee-simple interest in Morgantown Commons, a 100% leased, nationally anchored and shadow anchored strip center, in one of the best college towns in North America, Morgantown, West Virginia. The property is primed for a new long-term investor to acquire and enjoy many years of double-digit leveraged returns. 94% of the property's tenants have remaining lease terms of 7-12 years, which includes a newly built out Goodwill retail store and distribution center with a new 12 year term. The second anchor is Gabe's, who just signed a 7 year lease extension for this flagship Morgantown location. The shopping center is shadow anchored by a 94,000 square foot Rural King that caters to clientele within a 20 mile radius and brings thousands of shoppers to the property on a weekly basis. In addition to the long-term leases and anchors, the current owner installed a new roof on the entire property in 2020, further stabilizing the property for years to come. Upside also exists in leasing the prominent outparcel situated at the entrance to the property. The shopping center is located on Mall Road just west of downtown Morgantown and the entrance to West Virginia University. This is a thriving university and cultural area that is home to over 28,000 students and 8,200 faculty, and the restaurants, housing, retail, and other amenities that support them.

Morgantown, West Virginia

Morgantown is a city and the county seat of Monongalia County, West Virginia, situated along the Monongahela River and close to the Pennsylvania border in the north-central part of West Virginia. Morgantown is part of the Morgantown-Fairmont CSA with a current estimated population of 194,918. The city is best known as the home of West Virginia University and the Morgantown Personal Rapid Transit system. West Virginia University is a public land-grant university that was founded in 1867, comprises 913 acres of the city, with total enrollment of 31,500 students. WVU is the driving economic force behind Morgantown and has an operating budget of approximately \$980 million with \$150 million annually in sponsored contracts and research grants. The downtown area is connected to the university by the



Morgantown Personal Rapid Transit (WVU PRT). From 1975 to present, the PRT operates continuously with 98.5% reliability. Morgantown has shown continued population growth for the last 20 years and has consistently seen some of the lowest unemployment rates in the state.

Morgantown Commons

Morgantown, West Virginia

The Property - Property Photos



Morgantown Commons

Morgantown, West Virginia

The Property - Property Photos



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Morgantown, West Virginia

The Property - Property Photos



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Morgantown, West Virginia

The Property - Site Plan



Key			Unit	Tenant	Size (Sq. Ft.)	Unit	Tenant	Size (Sq. Ft.)
■	Available		1	Gabe's	65,520	8	Available	1,600
□	Leased		2	Plato's Closet	7,770	9	Rent-A-Center	4,657
■	Not Part		3	StoneBridge Baptist Church	8,000	10	Goodwill (Coming Soon)	44,620
			4	StoneBridge Baptist Church	2,000	11	Rural King	90,000
			5	StoneBridge Activity Center	2,750	12	Available	1.0AC
			6	KidsBridge	2,400	SITE SUMMARY		
			7	Lendmark Financial Services	1,600	230,917 SQ. FT.		

Morgantown Commons

Morgantown, West Virginia

Performance & Tenancy - 2021 NOI Budget

Base Rental Income

#	Tenant	Size (SF)	Current Annual Rent	2021 Annual Rent	Rent PSF
1	Gabe's	65,520	\$278,460.00	\$278,460.00	\$4.25
2	LendMark Financial	1,600	\$23,520.00	\$23,520.00	\$14.70
3	Plato's Closet	7,770	\$74,902.80	\$74,902.80	\$9.64
4	Rent A Center	4,657	\$61,705.25	\$61,705.25	\$13.25
5	Stonebridge Church	15,150	\$92,415.00	\$98,929.50	\$6.53
6	Victoria's Secret Storage	1,600	\$3,300.00	\$3,300.00	NA
7	Goodwill	44,620		\$271,289.60	\$6.08
Total		140,917	\$534,303.05	\$812,107.15	\$9.08

Reimbursed Expenses

	Current	2021 Projection
Property Taxes	\$55,682.80	\$90,513.23
Insurance	\$16,730.48	\$25,654.48
Common Area Maintenance Management	\$71,844.00	\$92,133.77
		\$12,924.10
Total	\$144,257.28	\$221,225.58

Effective Gross Income \$1,033,332.73

OPERATING EXPENSES

	2019 Actual	2020/21 Projection
CAM		
	\$3,750.00	\$14,000.00
	\$17,442.00	\$17,442.00
*	\$4,233.99	\$2,582.73
	\$16,950.00	\$7,500.00
	\$50,051.00	\$15,000.00
*	\$3,295.83	\$2,010.46
*	\$1,759.30	\$0.00
		\$1,500.00
*	\$2,529.68	\$1,543.10
		\$2,500.00
Insurance (proj. \$0.20 psf)	\$5,215.00	\$28,183.40
Property Tax	\$77,915.00	\$110,000.00
Management (4% EGI)		\$40,816.35
Reserves (\$0.10 PSF)		\$14,091.70
Total	\$183,141.80	\$257,169.74

GLA with new lot split is 61% of existing. Expenses with (*) in the 2020 column have been reduced to this amount to show the future expenses in relation to new GLA.

Operating Income \$776,162.99
Less 5% Vacancy \$38,808.15
Net Operating Income \$737,354.84
Property Value | 8.2% Cap Rate \$8,992,132.24

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Morgantown, West Virginia

Performance & Tenancy - Rent Roll

Tenant Name	Square		Lease Term		Rental Rates			Recovery	
	Feet	Pro-rata	Begin	End	Begin	Annually	PSF	Type	Comments/Options
Gabriel Brothers	65,520	46.5%	7-6-2006	7-31-2027	Current	\$278,460	\$4.25	NNN	Tenant pays fixed CAM in 2020 of \$0.79 psf, increasing annually by 5%. Pro rata share real estate taxes and insurance. Options: Three 5-year options. Tenant must provide 180 days written notice.
					2-1-2022	\$294,840	\$4.50		
					<u>Options</u>				
					8-1-2027	\$311,220	\$4.75		
					8-1-2032	\$327,600	\$5.00		
8-1-2037	\$343,980	\$5.25							
LendMark Financial	1,600	1.14%	2-26-2007	4-30-2023	Current	\$23,520	\$14.70	NNN	Pro rata share CAM, real estate taxes and insurance. Options: None
Plato's Closet	7,770	5.51%	10-15-2015	7-30-2029	Current	\$74,902.80	\$9.64	Gross	Gross lease. Tenant added 3,020 SF in 2019 and signed a 10 year lease extension. Rent increases annually by 1.5% throughout the current term and option. Options: One 5-year option with 1.5% annual increases.
Rent A Center	4,657	3.3%	2-19-2008	4-30-2021	Current	\$61,705.25	\$13.25	NNN	Tenant pays fixed CAM of \$3.42 psf, real estate taxes of \$0.7062 psf, and insurance of \$0.71 psf. Options: None
Stonebridge Church	15,150	10.75%	10-1-2016	7-31-2030	Current	\$85,869.50	\$6.10	Gross	Gross lease. Tenant added 2,000 SF in 2020 and signed a 10 year lease extension. Options: None
					2-1-2021	\$98,929.50	\$6.53		
					8-1-2023	\$104,865.27	\$6.92		
					8-1-2024	\$111,157.19	\$7.34		
					8-1-2025	\$117,826.62	\$7.78		
					8-1-2026	\$124,896.21	\$8.25		
					8-1-2027	\$132,389.99	\$8.74		
					8-1-2028	\$140,333.39	\$9.26		
					8-1-2029	\$148,753.39	\$9.81		
Goodwill	44,620	31.66%	TBD	12-31-2032	1-1-21	Abated Rent		NNN	Pro rata share CAM, real estate taxes and insurance. Rent Commencement Date: The earlier to occur of the date Tenant opens for business or 60 days after Landlord's delivery of the premises. Tenant has 6 months of abated rent after the rent commencement date, which is estimated to be January 1, 2020 or thereabout. Options: Three 5-year options.
					7-1-2021	\$271,289.60	\$6.08		
					7-1-2026	\$305,200.80	\$6.84		
					7-1-2031	\$343,127.80	\$7.69		
					<u>Options</u>				
					7-1-2033	\$384,303.14	\$8.61		
7-1-2038	\$430,419.52	\$9.65							
7-1-2043	\$482,069.86	\$10.80							
Victoria's Secret Storage	1,600	1.14%	MTM			\$3,300.00			Tenant leases the space for storage on a month to month basis.



Founded in 1961 in Morgantown, West Virginia, Gabe's is a retail chain of 108 stores with locations in Delaware, Georgia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia. Brothers James and Arthur Gabriel co-founded the company and later, through the 1980s and 1990s, the brothers led Gabe's through an expansion into states including Maryland, Ohio, and Virginia. In 2005, new ownership rebranded the stores as "Gabe's." The stores sell designer brands and fashions for up to 70% off department and specialty store prices. They carry designer brand name ladies, juniors, lingerie, men's and children's apparel, along with footwear, accessories, handbags, bath and beauty products, home décor, soft home, electronics. As of 2020, the company has approximately 6,300 employees with annual revenues approaching \$1 billion.



Goodwill is a non-profit organization funded through donations and a network of over 2,800 retail stores in the US, Canada, and abroad. The organization works to enhance people's dignity and quality of life by strengthening their communities, eliminating their barriers to opportunity, and helping them reach their full potential through learning and the power of work. They currently have 105,000 employees internationally. On an annual basis, Goodwill serves more than 35 million individuals worldwide and helps more than 242,000 people train for careers in industries such as banking, IT and health care, to name a few, and get the supportive services they needed to be successful, such as English language training, additional education, and access to transportation and child care. The founder, Reverend Edgar Helms, created the Goodwill philosophy of "not charity, but a chance" when he collected used household goods and clothing in wealthier areas of the city and trained and hired people in poorer areas to mend and repair them. More than 115 years later, Goodwill remains a household name and leading nonprofit provider of educational and workforce-related services.



Rent-A-Center offers name-brand furniture, electronics, appliances, and computers through flexible rental purchase agreements that allow the customer to obtain ownership of the merchandise at the conclusion of an agreed upon rental period. The rent-to-own company was founded in 1986, operating more than 4,285 locations in all 50 states, Canada, Mexico, and Puerto Rico, employing over 20,100 people. Rent-A-Center's operations include Get It Now, Rent-A-Centre and Better Living (Canada), and Acceptance Now kiosks. Its subsidiary, Rent-A-Center Franchising International Inc., is America's first franchisor of independently owned-and-operated rent-to-own stores. Its franchisees operate 162 rent-to-own stores in 31 states.



The Cato Corporation is an American retailer of women's fashions and accessories operating over 1,000 stores in 31 US states. The company is headquartered in Charlotte, North Carolina. Stores are operated under the names Cato, Cato Plus, It's Fashion, It's Fashion Metro and Versona. Cato retail stores sell the latest fashion styles for all occasions, both for the workplace and home, dressy or casual in junior/misses and plus sizes. Stores also sell jewelry, shoes and accessories. The company is publicly traded on the New York Stock Exchange under the ticker CATO.



StoneBridge Church is a Baptist church founded in Morgantown in 2003. In 2020 they added additional space within the shopping center and extended their lease for 10 years. They are committed to working within their community and beyond by impacting the culture through the gospel of Jesus Christ through deeds and words. They reach out to the community in many ways including All Day Sports Camp for grades k-5 for athletes of all levels. Through KidsBridge, the church has a children's experience that places a high value on safety, care, and purposeful fun. Their volunteers have designed a relevant encounter around biblical curriculum to challenge and inspire kids. The church also partners with many local, national, and international organizations to enrich and strengthen the lives of children and adults alike.



Lendmark Financial Services is a consumer finance company specializing in providing a variety of personal loans, automobile loans, and retail merchant sales finance services. Since its inception in 1996, Lendmark has experienced significant growth by following its original mission of meeting the personal lending needs of clients who cannot be served by traditional banks and their respective products. Today, with 319 branches in 19 states from coast to coast, Lendmark continues to expand as the financial services organization of choice for its customers and retail business partners by providing superior, consistent, and reliable services with every transaction.

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Morgantown, West Virginia

Market Overview - Regional Highlights



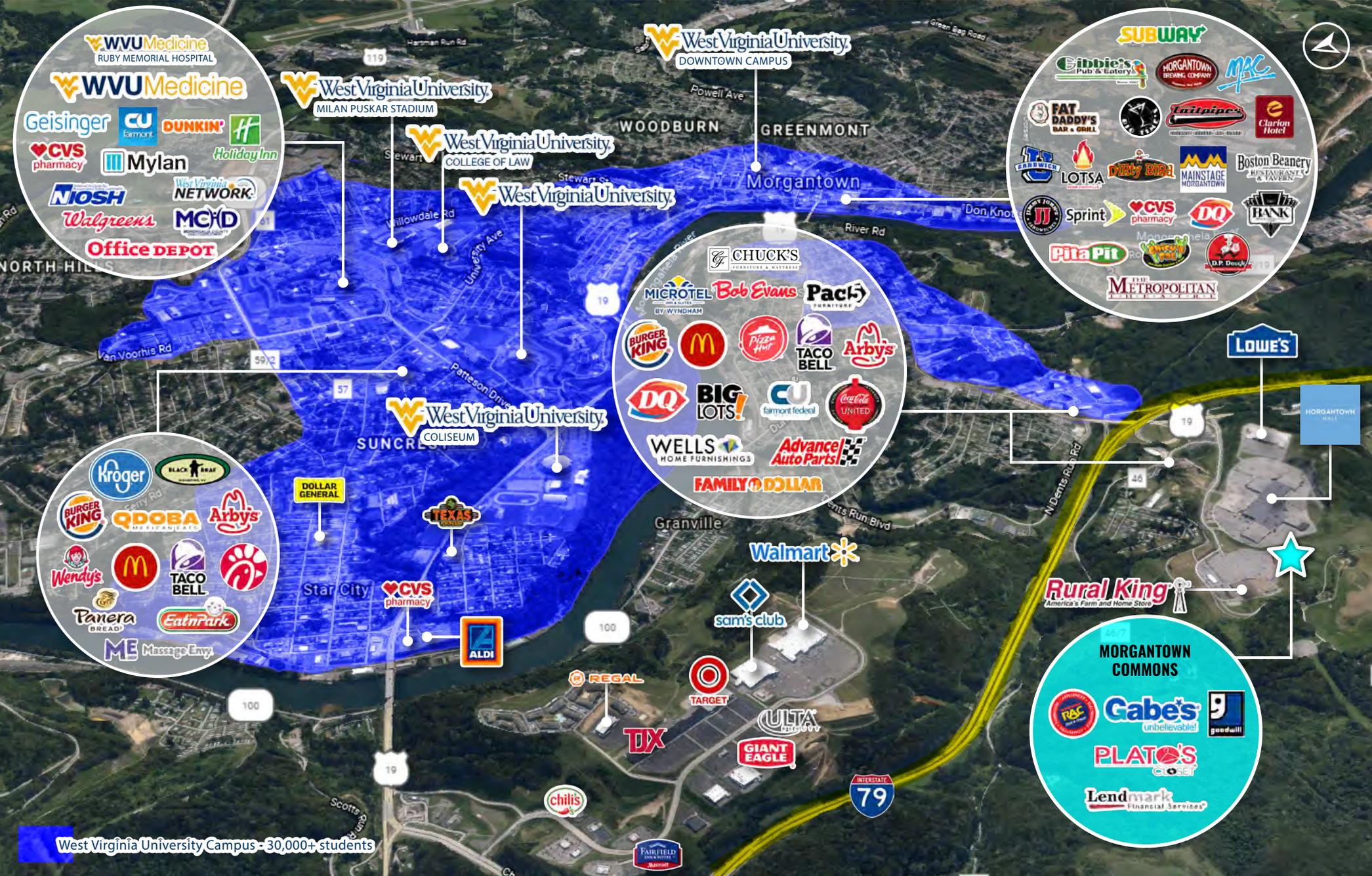
West Virginia University

- 31,287 total university enrollment with 28,488 on the Morgantown Campus
- Students on the Morgantown campus come from 107 nations, all 50 US states, and all 55 West Virginia Counties
- The entire WVU system has 518 buildings on 15,880 acres throughout the state, including 10 experimental farms and four forests in West Virginia
- *Bizjournals.com* recently ranked Morgantown the "No. 1 Small City in America"
- According to *Forbes* Morgantown is the second ranking "Best College Town for Jobs"
- As of 2019, WVU has over 8,200 faculty, researchers, and staff
- WVU is a member of the Big 12 Conference and competes in 17 intercollegiate Division 1-A sports
- 14 Morgantown colleges offer 341 majors in agriculture, natural resources, and design; arts and sciences; business and economics; creative arts; dentistry; education and human services; engineering and mineral resources; journalism; law; medicine; nursing; pharmacy; physical activity and sport sciences; and public health
- The WVU downtown campus is located less than one mile from the university offices at 105 Clay Street and on the same road
- West Virginia University is the largest school in the state and Morgantown is the 3rd largest MSA in the state
- Due to WVU and other economic and recreational offerings in the area, *Kiplinger's* recently included Morgantown in their "10 Great Places to Live" list

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Morgantown, West Virginia

Market Overview - Market Aerial



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Morgantown, West Virginia

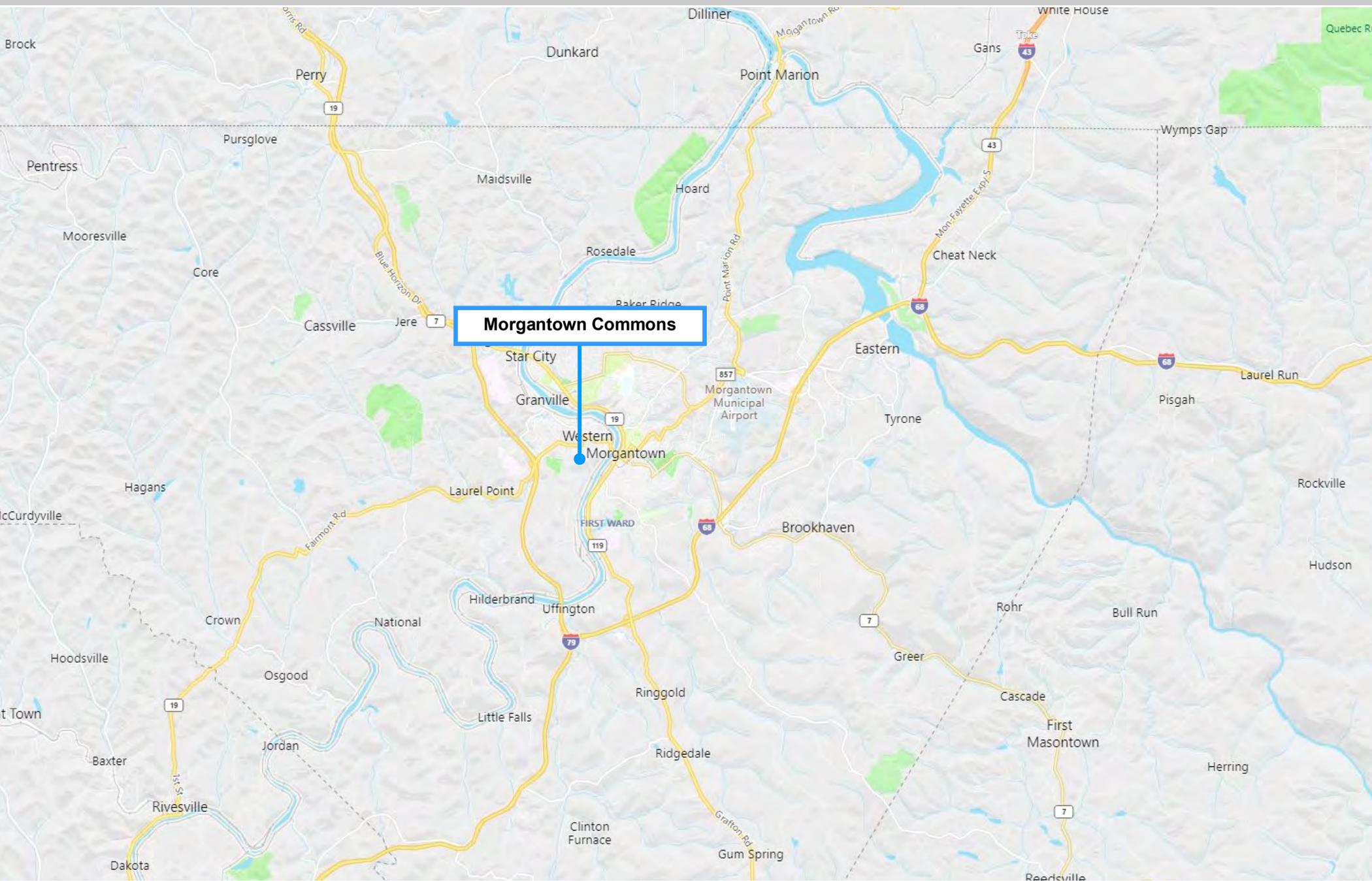
Market Overview - Property Aerial



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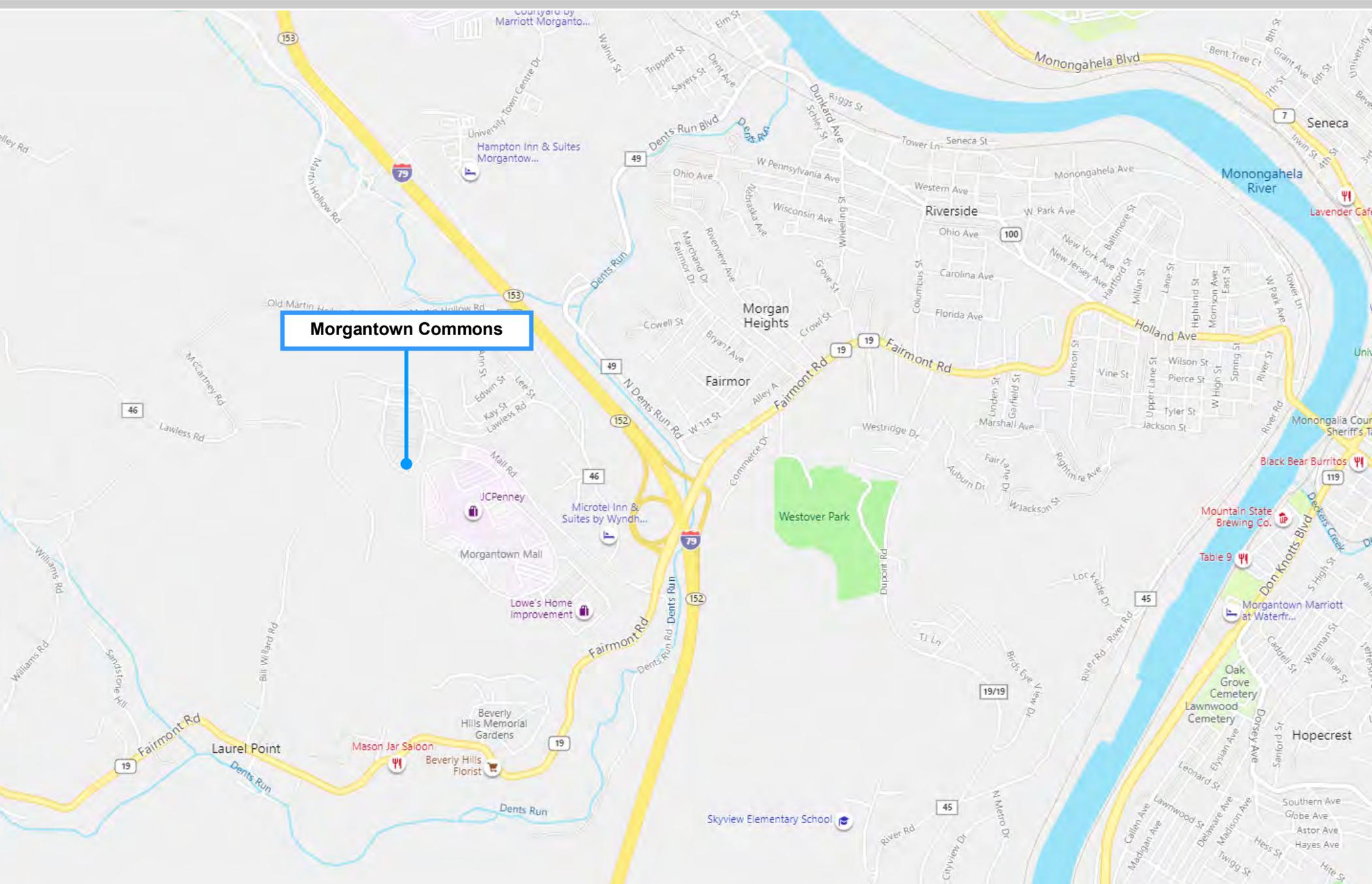
Market Overview - Regional Map



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Morgantown, West Virginia

Market Overview - Local Map



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Morgantown, West Virginia

Market Overview - Demographics

	3 mi	5 mi	10 mi	15 mi
Population				
Current Year Estimated Population	36,191	69,992	112,177	162,837
5 Year Projected Population	37,945	74,243	120,159	171,506
2010 Census Population	33,822	62,932	100,000	150,605
2000 Census Population	31,261	51,898	85,921	136,851
Median Age	26	30	33	35
Households				
Current Year Estimated Households	14,767	29,890	46,849	68,000
5 Year Projected Households	15,613	31,893	50,343	71,771
2010 Census Households	13,600	26,541	41,448	62,591
2000 Census Households	12,677	22,344	35,289	56,131
Race and Ethnicity				
Est. White	87.8%	86.3%	89.5%	90.7%
Est. Black	3.9%	4.7%	3.5%	3.4%
Est. Asian	3.5%	4.1%	3.1%	2.3%
Est. Other	2.3%	2.6%	2.1%	2.0%
Est. Hispanic	2.5%	2.3%	1.9%	1.6%
Income				
Est. Average Household Income	\$ 65,477	\$ 70,408	\$ 77,910	\$ 73,180
Est. Median Household Income	\$ 44,432	\$ 48,840	\$ 55,950	\$ 53,041
Est. Per Capita Income	\$ 26,717	\$ 30,067	\$ 32,538	\$ 30,559
Education - Age 25+				
Less than 9th grade	1.9%	2.0%	2.1%	2.3%
Some High School, no diploma	5.4%	5.2%	6.1%	6.8%
High School Graduate (or GED)	25.5%	26.2%	29.0%	34.2%
Some College, no degree	18.2%	17.5%	17.3%	17.0%
Associate Degree	4.8%	5.3%	5.8%	6.4%
Bachelor's Degree	22.1%	21.9%	20.8%	18.2%
Graduate Degree	22.0%	21.8%	18.9%	15.2%
Businesses and Employees				
Est. Total Businesses	1,340	2,064	2,692	3,788
Est. Total Employees	36,363	49,240	57,124	71,383
Est. Employee Population per Business	27.1	23.9	21.2	18.8
Est. Residential Population per Business	27.0	33.9	41.7	43.0