



PACIFIC
DENTAL SERVICES®

MATTRESSFIRM

INVESTMENT OPPORTUNITY

5131 Main Street | Santa Fe, NM



COVENANT
REAL ESTATE GROUP

CBRE

Capital Markets | Investment Properties

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Table of Contents

3

INVESTMENT SUMMARY

Synopsis
Investment Highlights

6

FINANCIALS

Cash Flow Projections
Rent Roll

8

PROPERTY OVERVIEW

Property Details
Tenant Profiles
Site Plan

12

AREA OVERVIEW

Area Overview
Demographics
Location Map

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Synopsis

CBRE Investment Properties is proud to offer this outstanding pride of ownership investment opportunity featuring Pacific Dental Services and Mattress Firm. This project by Covenant Development Group was completed in 2016 with best in class build quality and architectural design, and is 100% leased to these nationally recognized tenants. Ideally located at the corner of Highway 14 and Main Street, the property is prominently located at the entrance to Entrada Contenta a successful power center anchored by Super Walmart.

Investment Summary

OFFERING PRICE	\$3,954,212
NOI	\$237,253
CAP RATE (YEAR 1)	6.00%
OCCUPANCY	100%
TOTAL GLA	7,995
TOTAL LAND AREA	0.80 ACRES
OWNERSHIP	FEE SIMPLE



Investment Highlights

STRONG INVESTMENT FUNDAMENTALS

- 100% leased, high quality, two-tenant retail building
- Secure, credit tenant lease with Pacific Dental Services covers 60% of the property
- Stable “in-place” income based on conservative market rents
- Brand new 2016 construction – no deferred maintenance
- Net leases allow full expense pass through
- Favorable rent increases project Net Operating Income to grow nearly 25% (\$60,000) over a 10 year hold period
- Prime location – focal outparcel at entrance to Super Walmart anchored power center and hard corner location at major highway intersection

PRIME LOCATION IN ESTABLISHED TRADE AREA

- Focal location on major retail corridor – Highway 14 is the primary thoroughfare in trade area with more than 32,149 cars per day
- Shadow anchored by Super Walmart
- Strong Demographics, with over 71,189 people living within 5 miles

LOW MANAGEMENT HASSLE

- Two tenant building on net leases provides easy ownership oversight
- New construction and outstanding build quality leave no deferred maintenance obligations for new ownership
- Net leases allow all operating expensed to be passed to Tenants

TROPHY PROPERTY & IDEAL 1031 REPLACEMENT

- First rate architectural design and detail, combined with uncompromised construction quality create a standout property, only adding to the property’s prominence
- Improvements can be depreciated to enhance after tax cash flow – not a ground lease
- Offered free & clear of existing debt – take advantage of historically low interest rates





KOHL'S

HYATT PLACE

SANTA FE PLACE MALL

NEWMAN'S NURSERY

HONDA

MURPHY EXPRESS

LEXUS

DOLLAR TREE

SUBARU

WALMART SUPERCENTER

SUBWAY
NUTRISHOP
Great Clips
CASH ADVANCE
Aaron's

STATE EMPLOYEES

STARBUCKS

MAIN ST

CERRILLOS RD

McDonald's

TACO BELL

HERRERA DR

CROSSING AT CHAMISO

Mattress Firm
PACIFIC DENTAL SERVICES

CHRISTUS ST. VINCENT
(URGENT CARE/HEALTH CENTER)

Financials

SUMMARY

PRICING SUMMARY

Purchase Price	\$3,954,212
NOI (Year 1)	6.00%
Cap Rate (Year 1)	\$494.59

PROPERTY SPECIFICATIONS

Year Built	2016
Total Rentable Area (SF)	7,995
Occupancy	100.00%

POTENTIAL LOAN SCENARIO

Loan To Value (max 65%)	65.00%
Loan Amount	\$2,570,238
Down Payment	\$1,383,974
Rate	4.60%
Amortization/Term	30/10

*No assumable financing in place - buyer may pay all cash or secure new loan. Call broker for details.

OPERATING CASH FLOW

Year 1

Fiscal Year Commences August 1

2017

REVENUE

Base Rental Revenue ^[1]	240,506
Expense Reimbursement Revenue	39,315

Effective Gross Revenue 279,821

OPERATING EXPENSES

	PSF/YR	
CAM from REA	0.84	6,749
Insurance	0.26	2,100
Property Taxes ^[2]	1.88	15,000
Trash	0.38	3,000
Water	0.38	3,000
Electric	0.18	1,440
Sewer	0.36	2,880
Management (3.00%)	1.05	8,400
Total Operating Expenses	5.32	(42,569)

Net Operating Income \$237,253

All Cash Return 6.00%

FINANCING (Proposed)

Less Loan Payment (163,818)

Leveraged Cash Flow \$73,435

Leveraged Cash on Cash Return 5.31%

[1] Model includes scheduled rent increases.

[2] Property taxes should remain similar. Taxes reassessed annually based on market value and have already been reassessed.



Rent Roll

Tenant	Suite	Square Feet	Pro-rata	Lease Term		Base Rent				Recovery Type	Rental Increases / Options					
				Begin	End	Begin	Monthly	PSF	Annually			PSF				
Pacific Dental	101	3,026	37.85%	May-2016	Jun-2026	Current	\$7,012.76	\$2.32	\$84,153.06	\$27.81	NNN	Rent increases annually by 3%, including options. Tenant has two, 5-year options.				
						May-18	\$7,223.14	\$2.39	\$86,677.65	\$28.64						
						May-19	\$7,439.83	\$2.46	\$89,277.98	\$29.50						
						May-20	\$7,663.03	\$2.53	\$91,956.32	\$30.39						
						May-21	\$7,892.92	\$2.61	\$94,715.01	\$31.30						
						May-22	\$8,129.71	\$2.69	\$97,556.46	\$32.24						
						May-23	\$8,373.60	\$2.77	\$100,483.15	\$33.21						
						May-24	\$8,624.80	\$2.85	\$103,497.65	\$34.20						
						May-25	\$8,883.55	\$2.94	\$106,602.58	\$35.23						
						Options										
	May-2026	Jun-2031	Future	\$9,150.05	\$3.02	\$109,800.66	\$36.29									
	May-2031	Jun-2036	Future	\$10,298.47	\$3.40	\$123,581.64	\$40.84									
Mattress Firm	102	4,969	62.15%	Jun-2016	Jun-2026	Current	\$12,836.58	\$2.58	\$154,038.96	\$31.00	NNN	Rent increases 10% every 5 years, including options. Tenant has two 5-year options.				
						Jun-2021	\$14,120.24	\$2.84	\$169,442.86	\$34.10						
						Options										
						Apr-2026	Mar-2031	Future	\$15,532.26	\$3.13			\$186,387.14	\$37.51		
	Apr-2031	Mar-2036	Future	\$17,085.49	\$3.44	\$205,025.86	\$41.26									

Vacant	0	0.00%
Occupied	7,995	100.00%
TOTALS/AVG:	7,995	100.00%

Current In Place	\$19,849.34	\$2.48	\$238,192.02	\$29.79
Year 1 Beg. 4/1/2018	\$20,042.19	\$2.51	\$240,506.23	\$30.08





Property Description

ADDRESS	PARCEL	ACRES
5131 Main Street, Santa Fe, NM 87507	099304932	0.80

LOCATION DESCRIPTION

The property is located within the Walmart Supercenter- directly adjacent to State Road 14 (Cerrillos Road), and less than 1-mile north of Interstate 25, in the city of Santa Fe, state of New Mexico.

YEAR BUILT

2016

BUILDING AREA

Approximately 7,995 sq. ft. of rentable space.

PARCEL

This property consists of a single parcel containing approximately 0.83 acres or 36,285 square feet of land area.

LAND USE

The parcel is zoned C2 (General Commercial District) by the city of Santa Fe.

PARKING

The property has approximately 18 dedicated parking spaces, with an additional 65 spaces within the shared parking lot.

ACCESS

There is one direct point of access to the property via Herrera Drive Road.

TRAFFIC COUNTS

Cerrillos Rd (SR-14)	32,149 CPD (2015)
Canam Hwy (I-25)	35,780 CPD (2015)

Tenant Profiles



Pacific Dental Services is a fast growing business support services company that provides numerous business related services to dental practices throughout 17 states. PDS has been providing business support services to successful dental practices since 1989, and today is an industry leader and provider of choice in the markets it serves. Currently, PDS provides support services to over 600 dental practices across the United States, with plans to expand to 77 more stores this year. PDS' professional development and in-house construction team work together to provide its affiliated dental professionals with the best located and professionally designed dental facilities, enabling them to maximize their potential.

PRIVATE COMPANY	Pacific Dental Services
WEBSITE	www.pacificdentalservices.com
HEADQUARTERS	Irvine, CA
NO. OF LOCATIONS	±600



Tenant Profiles

MATTRESSFIRM[®]

Founded over 30 years ago, Mattress Firm has more than 3,500 company-operated and franchised stores across 49 states, making one of the largest geographic footprints in the United States among multi-brand mattress retailers. Founded in 1986, Houston-based Mattress Firm is the nation's leading specialty bedding retailer with over \$3.5 billion in pro forma sales in 2015. In September 2016, the company was acquired by Steinhoff International for \$3.8 billion, and Mattress Firm now operates as a subsidiary of Steinhoff. The company, through its brands including Mattress Firm, Sleepy's and Sleep Train, offers a broad selection of both traditional and specialty mattresses, bedding accessories and other related products from leading manufacturers, including Serta, Simmons and Hampton & Rhodes.

PUBLIC COMPANY	Mattress Firm, Inc.
WEBSITE	www.mattressfirm.com
HEADQUARTERS	Houston, TX
NO. OF LOCATIONS	±3,500
REVENUE (2016)	\$2.55 Billion
STOCK SYMBOL	NASDAQ: MFRM





Area Overview

CITY OF SANTA FE

Santa Fe is the capital of the state of New Mexico, the county seat of Santa Fe County, and the fourth largest city in the state with a current population of approximately 71,133.

ACCESS

Santa Fe is served by an extensive highway system that offers direct links to other metro areas with easy access from I-25, US Route 84 and US Route 285. It is also served by the Santa Fe Municipal Airport, and the New Mexico Rail Runner Express, a commuter rail line serving the areas of Albuquerque and Santa Fe, as well as freight lines including the Santa Fe Southern Railway.

BUSINESS DEVELOPMENT

Santa Fe has a unique combination of world-class art and cutting-edge science: Los Alamos National Lab is less than an hour away from the city, adding to the extensive pool of talented, educated people who live in the city. In addition to the high quality of life, the caliber of businesses is exceptional as well. Costs of business are comparatively low in the city, aided by significant incentives offered by both the local and state governments. The government of the City and County of Santa Fe are committed to growing strong, innovative

businesses. Officials are accessible, friendly and willing to work with businesses toward initiatives that benefit the community. Specifically, the Economic Development Division for the City of Santa Fe is focused on cultivating a strong, well-prepared workforce, helping companies locate or expand their operations in the area.

TOURISM

Tourism is a major element of the Santa Fe economy, with visitors attracted year-round by the climate and related outdoor activities, plus cultural activities of the city and the region. Most tourist activity takes place in the historic downtown, especially on and around the Plaza, a one-block square adjacent to the Palace of the Governors, the original seat of New Mexico's territorial government since the time of Spanish colonization. Other areas include "Museum Hill", the site of the major art museums of the city as well as the Santa Fe International Folk Art Market, which takes place each year during the second full weekend of July. Santa Fe has long been a center for arts and culture and ranks as the country's third largest art market. Santa Fe is home to nearly 300 galleries and has the 3rd largest State Museum system in the country featuring culture, history and traditions of this region and the world.



71,189
2017 ESTIMATED
POPULATION

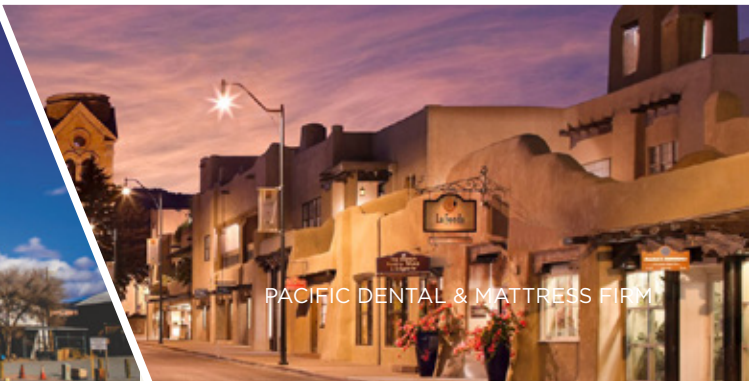


27,545
2017 ESTIMATED
HOUSEHOLDS



\$64,391
AVERAGE HOUSEHOLD
INCOME

*5 Mile Stats



Radius Demographics

POPULATION

	3 MILE	5 MILES	10 MILES
2017 Estimated Population	43,263	71,189	116,153
2022 Projected Population	46,296	75,020	120,737
2010 Census Population	39,295	66,770	110,461
Growth 2010-2017	1.34%	0.89%	0.70%
Growth 2017-2022	1.36%	1.05%	0.78%

HOUSEHOLDS

	3 MILE	5 MILES	10 MILES
2017 Estimated Households	15,995	27,545	50,267
2022 Projected Households	17,255	29,104	52,219
2010 Census Households	14,466	25,821	47,909
Growth 2010-2017	1.40%	0.90%	0.66%
Growth 2017-2022	1.53%	1.11%	0.76%

INCOME

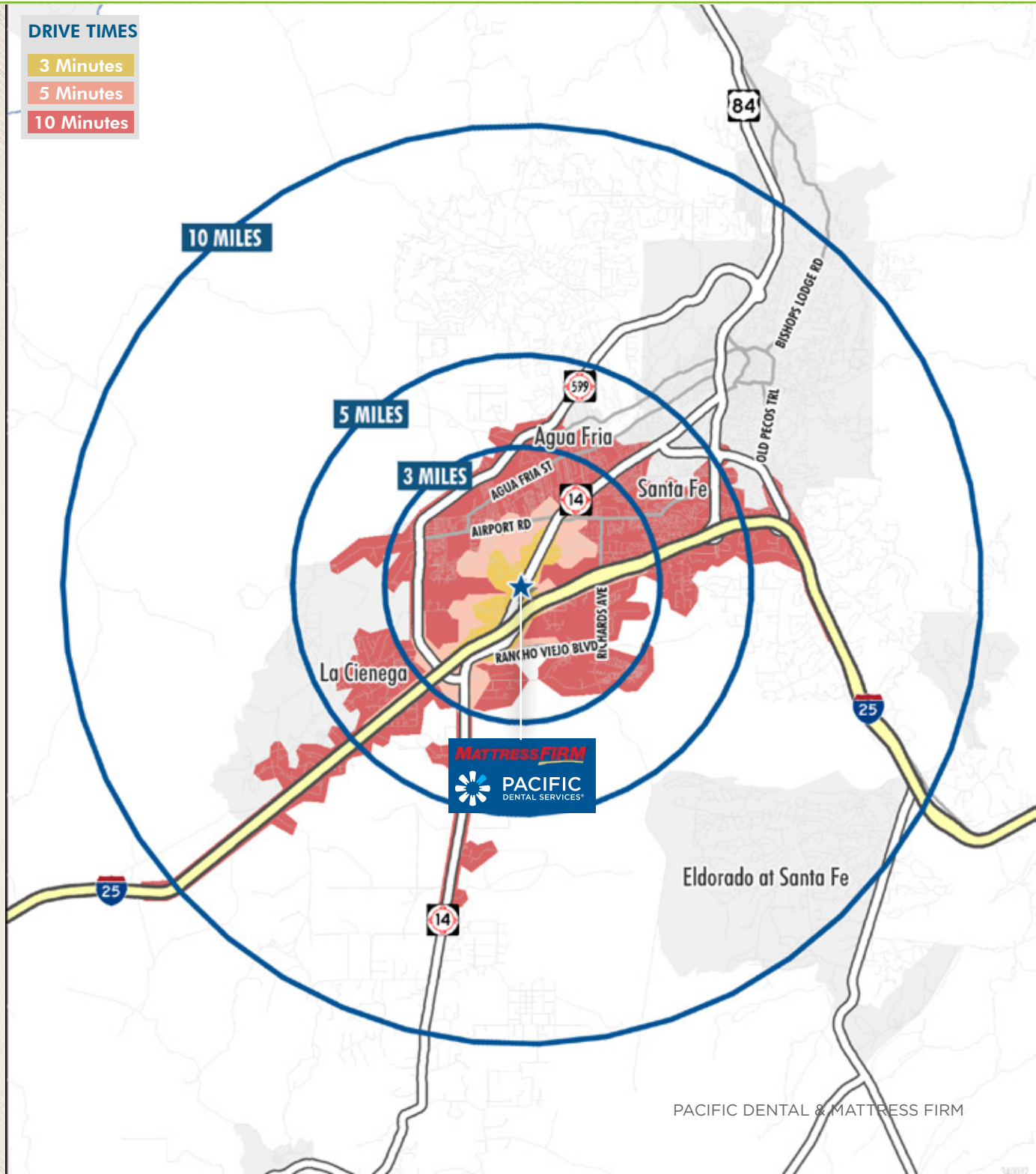
	3 MILE	5 MILES	10 MILES
2017 Estimated Households	15,995	27,545	50,267
- Income Less than \$15,000	2,157	3,651	6,406
- Income \$15,000 to \$24,999	2,406	3,789	5,927
- Income \$25,000 to \$34,999	1,573	2,727	4,652
- Income \$35,000 to \$49,999	2,221	3,833	6,293
- Income \$50,000 to \$74,999	3,040	5,397	9,132
- Income \$75,000 to \$99,999	1,830	3,123	5,843
- Income \$100,000 to \$149,999	1,935	3,273	6,596
- Income \$150,000 to \$199,999	459	955	2,485
- Income \$200,000 and over	373	798	2,934
2017 Est. Avg. Household Income	\$61,515	\$64,391	\$77,616

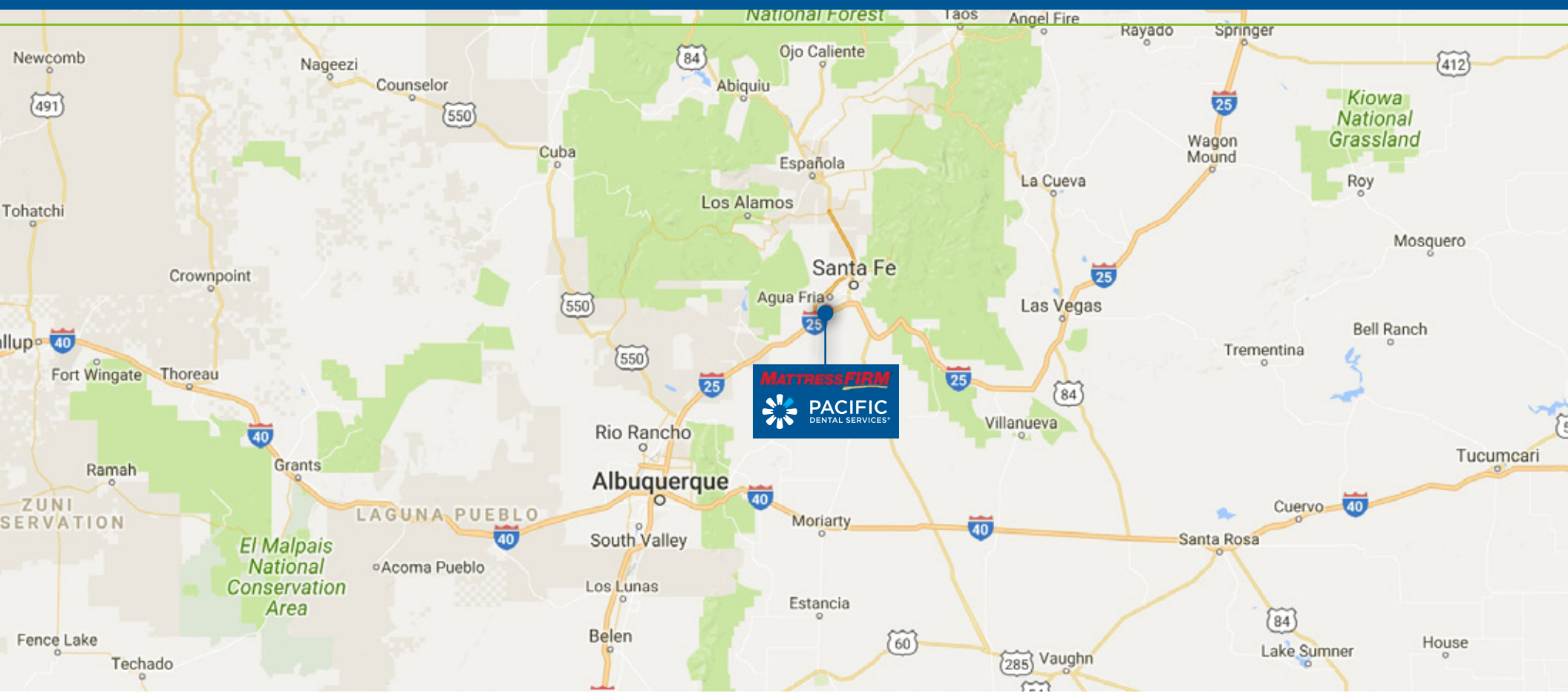
DRIVE TIMES

3 Minutes

5 Minutes

10 Minutes





Affiliated Business Disclosure & Confidentiality Agreement

AFFILIATED BUSINESS DISCLOSURE

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CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

Exclusively Marketed By

Capital Markets | Investment Properties

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