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WA: CBA 22895

PRICE: \$6,300,000

Net Leased Investment / Income Opportunity / 10-Year Lease

## I. EXECUTIVE SUMMARY

PRICE	\$6,300,000
ANNUAL NOI (First and Second 5 Years)	\$325,680 / \$358,200
MONTHLY NET RENT	\$27,140 / \$29,850
AVERAGE CAP RATE DURING THE LEASE TERM	5.45%
BUILDING SIZE / LOT SIZE	12,096 SF / 2.39 Acres

### EXECUTIVE SUMMARY:

As reported by Statista, the pet store industry in the U.S. has grown from sales of \$21.3 Billion in 2017 to \$23 Billion in 2020, and \$23.7 billion in 2023. Ibis World estimates sales of \$25 Billion by 2028. This growth is boosted by continued humanization of animal companions, increases in pet ownership and premiumization of food and services.

Petco's revenues have increased from \$4.9 Billion in fiscal 2020 (per 10K filing with SEC) to an expected \$6.2 Billion, as reported by Kiplinger, for fiscal 2023. Petco's share of the national pet store market, at 26% in 2023, up from 21% in 2020, constitutes an increase of 24% in market share over these three years.

## 189 E BAKERVIEW ROAD



### SUMMARY OF KEY PROPERTY HIGHLIGHTS

- New 10-Year Corporate Lease
- 2024 Property Update Underway
- 97.4% Retail Occupancy in Bellingham
- Petco Market Share up 24% since 2020
- Tax-Free State
- Freestanding Store

## II. INVESTMENT HIGHLIGHTS

### The Pet Industry

The pet industry continues to expand as the number of individuals and families who own pets continues to increase. Pet parents have increasingly lavished their pets with premium food products, designer pet accessories, day care, luxury grooming and other services.

### Petco

Petco appears to be capturing an increasing share of the market in that store sales as a percentage of the overall market at 26% in 2023, are up from 21% in 2020. The Bellingham store is ranked in the top 10 of all stores in the State of Washington. Factors contributory to this impressive increase in market share include an expansion of Petco's roster of services with pet hospitals, veterinary services, pet training classes, grooming, mobile grooming, etc. Its strategic partnership with Freshpet announced in 2022 will further increase revenues and growth through fresh, customized subscription meal plans crafted for optimal nutrition by veterinary nutritionists.

## 189 E BAKERVIEW ROAD

### Canadian Customer Base

Bellingham benefits from a substantial Canadian, as well as local customer base due to its location 20 miles south of Vancouver. Canadians travel to Bellingham to benefit from lower prices, lower gas cost, and lower sales taxes.

### Freestanding Store

Bellingham is one of the few 'freestanding' Petco stores (most are in malls and shopping centers) and shares parking and access with the adjacent Walgreens providing convenience of access that stores in malls and shopping centers do not have.





### PROPERTY OVERVIEW

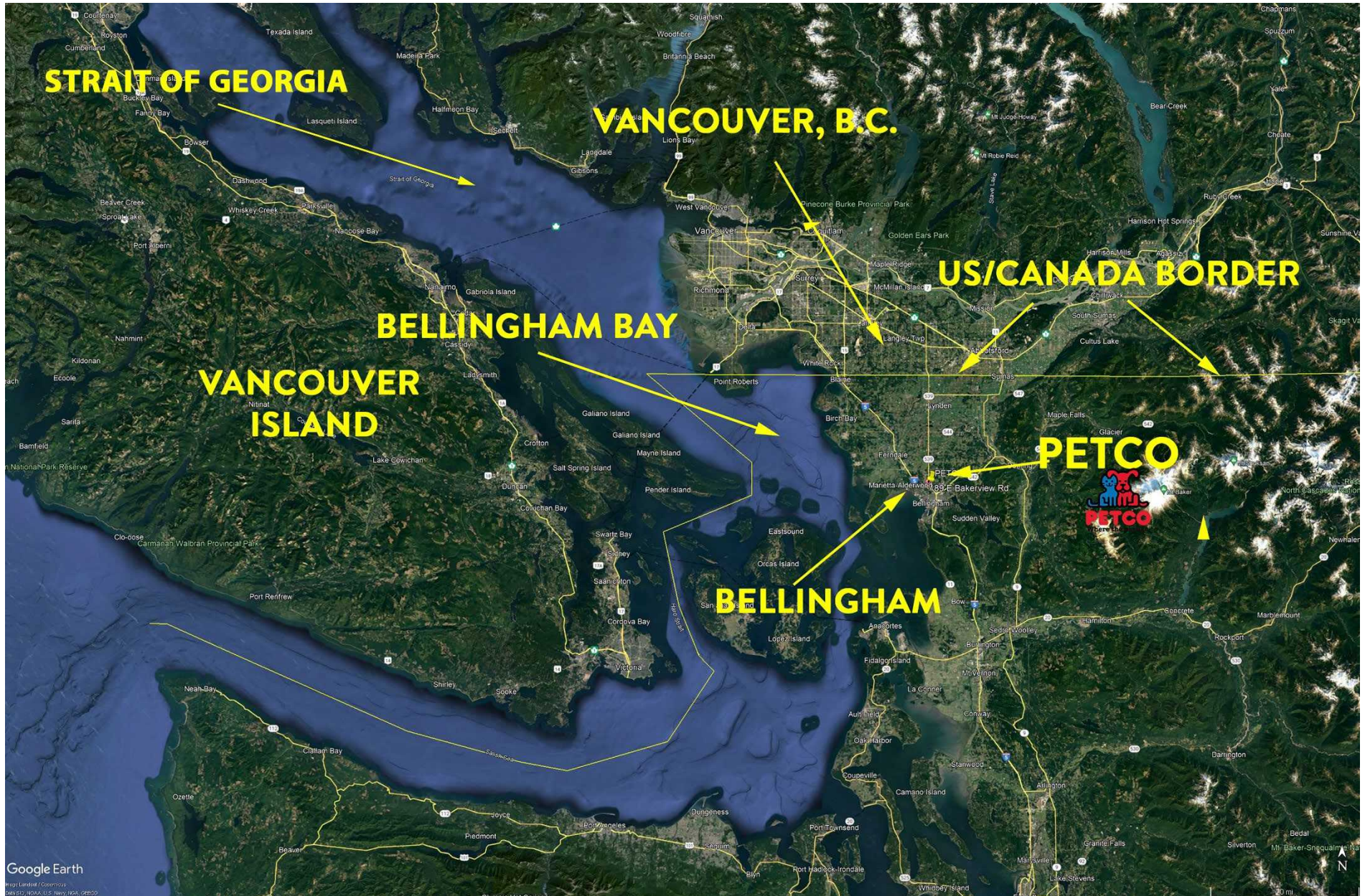
The property is a 12,096 sq. ft. freestanding store on a 2.39-acre site. The building was constructed in 2003 and is currently being updated in 2024.

### LOCATION OVERVIEW

The property is located at the intersection of Bakerview Road and Meridian Street. Meridian is a major north-south artery and is also State Highway 539. The intersection has a daily vehicle count of 42,678. Walgreens is on the corner and the Petco is adjacent to the Walgreens. There is a large pylon sign on the corner naming Petco. The traffic count of more than 42,000 per day at the intersection of Bakerview Road and Meridian offers visibility, accessibility and the convenience of entry from either of these two highly trafficked arteries.



Bellingham is 20 miles south of the US/Canada border at Vancouver.



Google Earth  
High Latitude Coordinates  
SAGS/NOAA/US Navy/ESA/GEBCO



The Bellingham Metro area, encompassing Whatcom County, is flanked by Canada to the north, the Cascade Mountains to the east, Skagit County to the south, and the Strait of Georgia to the west. Its strategic location offers convenient access by land, air, sea, and rail, facilitating trade with Canadian markets and fostering a diverse economy. The region's natural beauty, including majestic mountains, scenic coastlines, and abundant waterways, attracts visitors and provides ample recreational opportunities.

Bellingham serves as the county seat and is the most populous city in Whatcom County, boasting a population of over 88,000 residents. Renowned as a haven for outdoor enthusiasts, it serves as the gateway to North Cascades National Park and offers easy access to the San Juan Islands via a short boat ride. The city's prime location supports various tourist attractions such as whale watching, fishing, snow sports, and signature local events like the Ski to Sea relay race, spanning from the mountains to the coast. Moreover, the local community thrives with farm-to-table restaurants, craft breweries, talented artists, and picturesque landscapes.



**LEASE SUMMARY:**

ADDRESS	189 E Bakerview Road
CITY, STATE, ZIP	Bellingham, WA 98226
CROSS STREETS	Bakerview Road and Meridian St. (Hwy 539) (42,000+ vehicles per day)
LEASE EXPIRATION	10-year lease ending January 31, 2034
OPTIONS:	None
ROFR	None

**TENANT & LANDLORD RESPONSIBILITIES:**

Tenant responsibility includes (other than roof and structure, for which Landlord is responsible), ALL operating expenses, store repairs and maintenance, outdoor lighting and landscaping, signage, parking lot repair and maintenance (including stripping, paving, etc), as well as Property Taxes and Insurance.

**NOTE:**

Petco signed a new 10-year lease after being at the site for 20 years, showing their commitment to the location





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