

OFFERING MEMORANDUM

SAUNDERS SQUARE RETAIL CENTER

*100% Occupied Retail Center with Future Upside
Kennewick, WA*

3600 W CLEARWATER AVE | KENNEWICK, WA

km Kidder
Mathews

EXECUTIVE SUMMARY

The Verger Team is pleased to present the opportunity to acquire a 100% occupied, 12,676 SF retail center located on W Clearwater Ave, one of Kennewick's primary retail corridors.

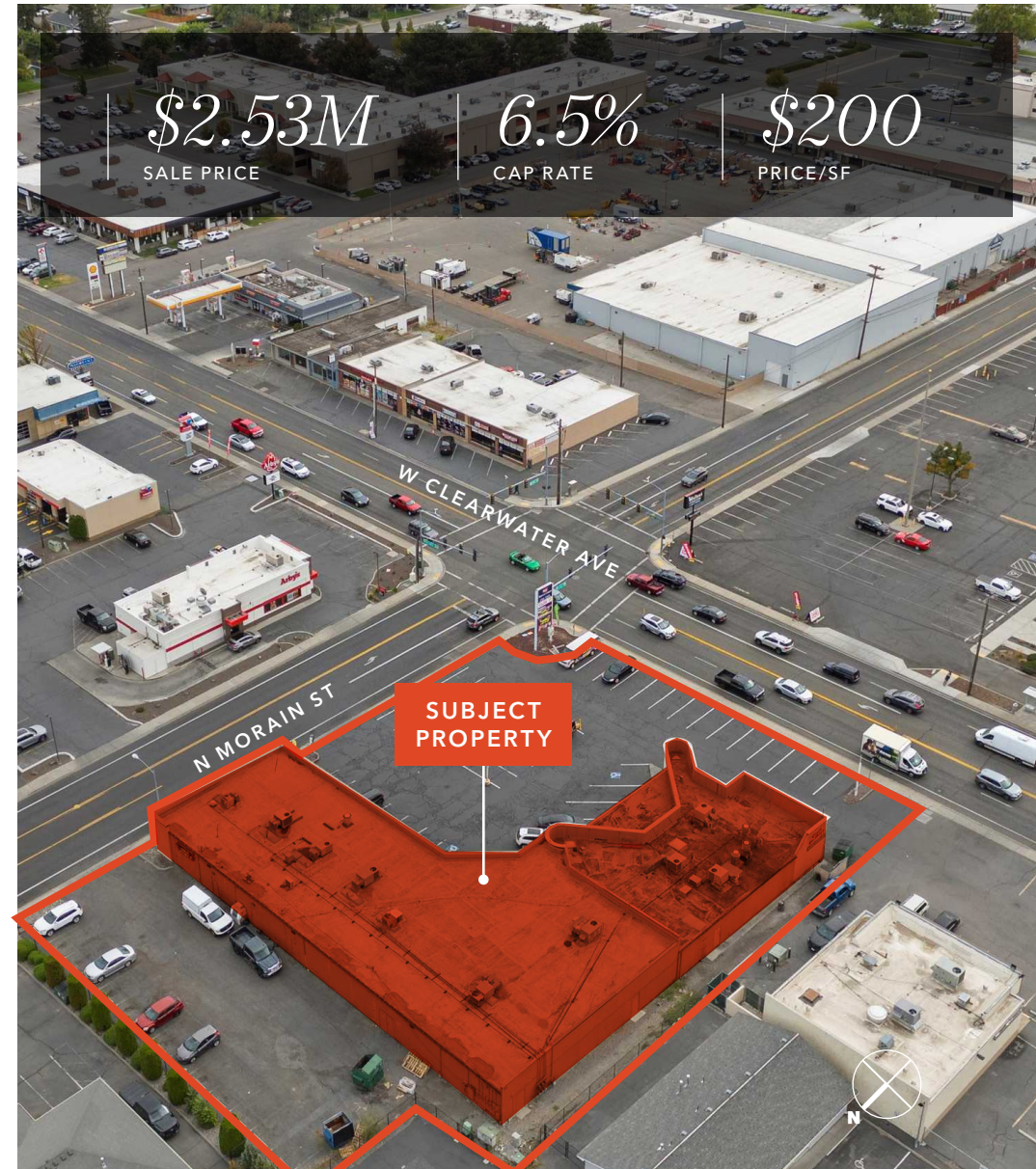
The property includes a balanced mix of national and local tenants, with multiple long-term occupants. Notably, Rent-A-Center has occupied 39% of the center for over 25 years, while Metro PCS and Smoke City together occupy 23% of the center and have been tenants for approximately 10 years each.

Currently, 78% of the Gross Leasable Area is leased at rates well below market, offering an investor the opportunity to acquire a fully stabilized center with future upside potential. At a competitive price of \$200 per square foot, the property is offered well below replacement cost, with similar retail centers being developed upwards of \$450 per square foot.

The center benefits from its proximity to major freeways and its location at a signalized intersection with an average daily traffic count of +26,500 VPD.

PROPERTY DETAILS

PRICE	\$2,530,000
CAP RATE	6.50%
OCCUPANCY	100%
PRICE/SF	\$200
SF	12,676 SF
LOT SIZE	38,869 SF
YEAR BUILT	1980
PARKING SPACES	±40 spaces (3.16/1,000 SF)



INVESTMENT HIGHLIGHTS



Long Term Stability

Anchor tenant, Rent-A-Center, has occupied 39% of the center for 25+ years, while Metro PCS and Smoke City together occupy 23% of the center for approximately 10 years each.



Minimal Landlord Responsibility

All Tenants operate on NNN lease structures providing minimal Landlord Responsibility.



Priced Below Replacement Cost

Valued at \$200 per square foot, the property is available well below replacement cost.



Future Upside

Tenants in Units D, E, F, & G are paying rates well below market rent, allowing for future upside upon lease renewal.



Signalized Intersection

Located at the hard corner of W Clearwater Ave and N Morain St with average daily traffic counts of +26,500 VPD.



Location

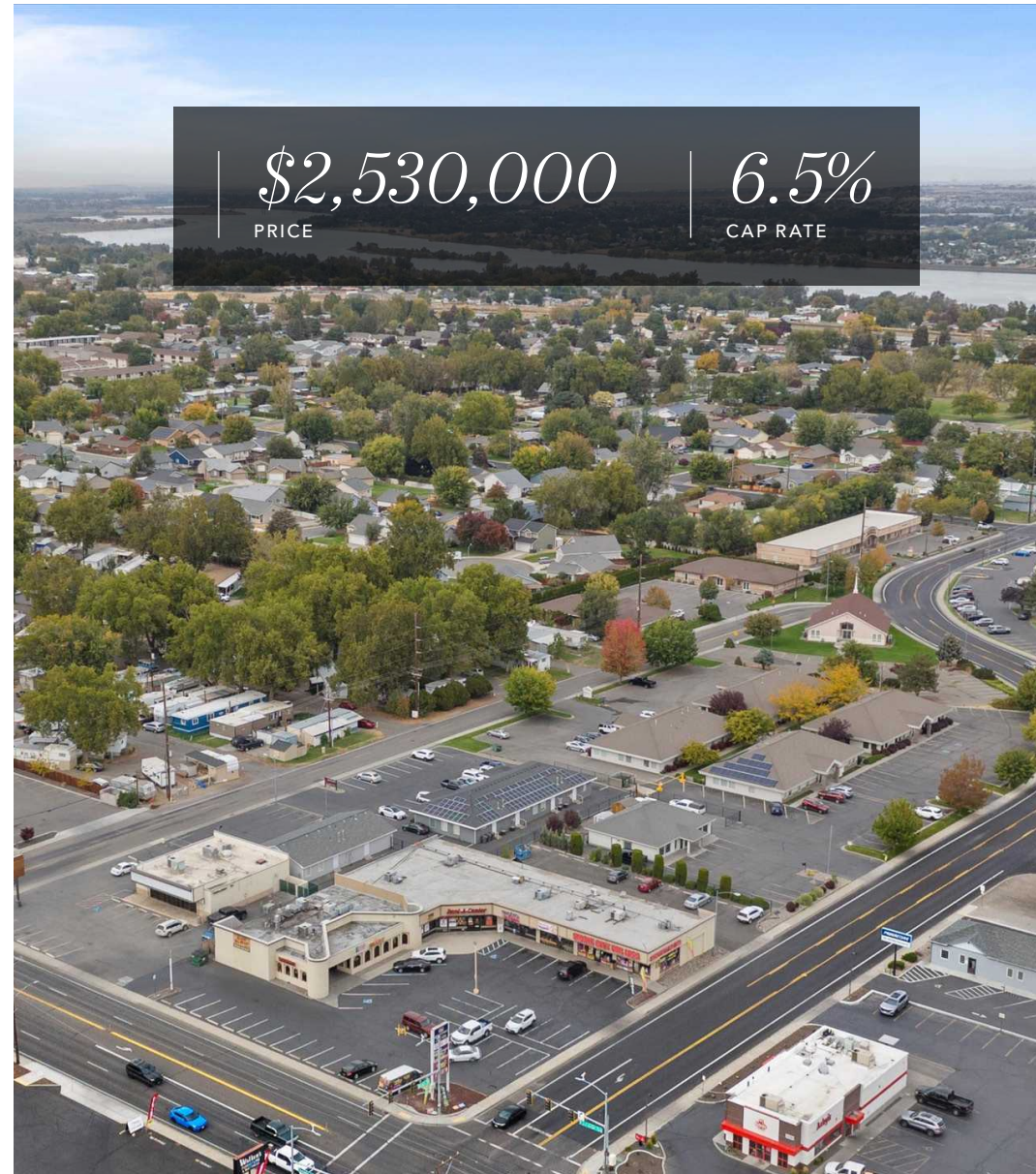
Ideally situated on W Clearwater Ave, one of Kennewick's main retail thoroughfares, with proximity to major freeways including Hwy 395 and Hwy 240

VALUATION

Analysis period: 01/01/2025 - 12/31/2025

CASH FLOW SUMMARY

Income		Annual
SCHEDULED BASE RENT		\$177,022
INCREASES OVER BASE RENT		\$254
OPERATING EXPENSE REIMBURSEMENT		\$45,569
SCHEDULED GROSS INCOME		\$222,844
VACANCY FACTOR	3%	(\$6,685)
Total Effective Gross Revenue (EGR)		\$117,051
Expenses		
CAMS		\$20,482
PROPERTY TAXES		\$13,208
INSURANCE		\$8,154
MANAGEMENT FEE	4% of EGI	\$8,646
RESERVES		\$1,268
Total Operating Expenses		\$51,757
NET OPERATING INCOME		\$164,402



RENT ROLL

TENANT INFORMATION							RENTAL DETAILS				
Tenant Name	Suite	Leased SF	% Occupied	Lease Start	Lease End	Lease Type	Base Rent (Monthly)	Rent PSF (Annual)	Rent Increase	Date	Options
Smoke City	A & B	1,713	14%	10/1/2015	9/30/2027	NNN	\$2,811	\$19.69	\$2,896	10/1/2025	
Tenant Notes: Tenant expanded into Suite B in 2019, and exercised a 5-year extension for both suites in 2022.									3% annually		
Delicias Raspados	C	1,037	8%	10/1/2022	9/30/2025	NNN	\$1,676	\$19.40			
Metro PCS	D	1,078	9%	9/1/2014	11/30/2025	NNN	\$1,287	\$14.33			
Tenant Notes: Rental rate becomes effective 12/01/2024. Tenant shall provide 180-day notice to either negotiate terms for another lease extension or provide notice of termination. Landlord may not lease space to night clubs, bar, gaming establishments, or sexually oriented businesses.											
Rent-A-Center	E & F	4,992	39%	7/1/1998	12/31/2025	NNN	\$4,347	\$10.45			2, 5-year fair market rent
Tenant Notes: Tenant required to provide 180-day notice to extend.											
Cinco De Mayo Restaurant	G	3,856	30%	10/1/2019	1/31/2027	NNN	\$4,630	\$14.41			2, 5-year 3% bumps annually
Totals		12,676	100%				\$14,752	\$13.97			

OPERATING EXPENSES

	ANNUAL OPERATING EXPENSES			REIMBURSEMENTS
	Total	PSF	Notes	In-Place
COMMON AREA MAINTENANCE (CAM5)	\$20,482	\$1.62	1	\$18,579
REAL ESTATE TAXES	\$13,208	\$1.04	2	\$13,208
INSURANCE	\$8,154	\$0.64	5	\$8,154
MANAGEMENT FEE	\$8,646	\$0.68	3	\$5,629
RESERVES	\$1,268	\$0.10	4	\$0
Total Operating Expenses	\$51,757	\$4.08		\$45,569

NOTES

- 1 Based on 2024 YTD P&L
- 2 Based on 2024 Benton County Tax Assessment
- 3 Based on 4% of EGI
- 4 Based on \$0.10/SF on gross leasable area
- 5 Based on 2023 P&L

REIMBURSEMENTS

Tenant Name	Pro Rata	CAMS	Real Estate Taxes	Insurance	Management	Reserves	Total	Notes
ANNUAL OPERATING EXPENSES		\$20,482	\$13,208	\$8,154	\$8,646	\$1,268	\$51,757	
SMOKE CITY	14%	\$2,768	\$1,785	\$1,102	\$1,168	\$0	\$6,823	
DELICIAS RASPADOS	8%	\$1,676	\$1,080	\$667	\$707	\$0	\$4,130	
METRO PCS	9%	\$1,742	\$1,123	\$693	\$735	\$0	\$4,294	
RENT-A-CENTER	39%	\$6,163	\$5,201	\$3,211	\$387	\$0	\$14,963	1, 2
CINCO DE MAYO MEXICAN RESTAURANT	30%	\$6,231	\$4,018	\$2,480	\$2,630	\$0	\$15,359	
Tenant's Reimbursement Total	100%	\$18,579	\$13,208	\$8,154	\$5,629	\$0	\$45,569	

NOTES

- 1 Management fee shall be limited to a maximum of 10% of the actual Common Area Maintenance cost excluding utilities, insurance, and taxes.
- 2 Tenant CAMs are not to exceed more than 3% per year. 2024 CAM Cap \$14,963.11.

LOT MAP



22,102+ VEHICLES
Average Daily Traffic



6,517+ VEHICLES
Average Daily Traffic

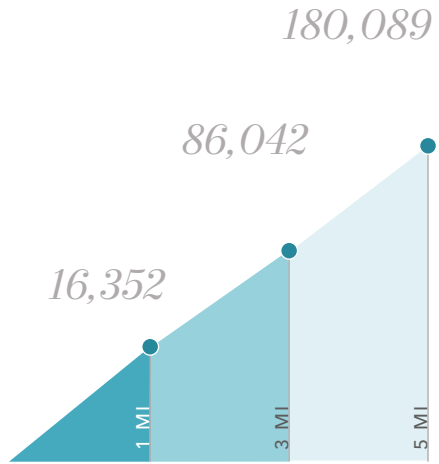
LOCATION OVERVIEW



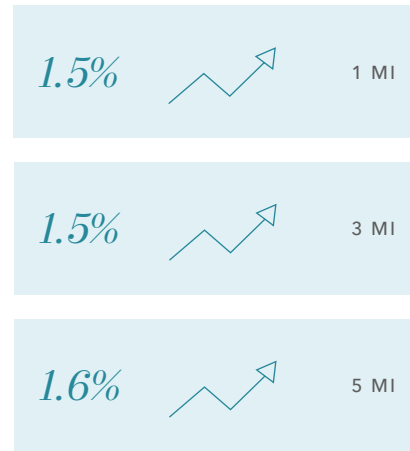
DEMOGRAPHICS

Data Source: ©2024, CoStar

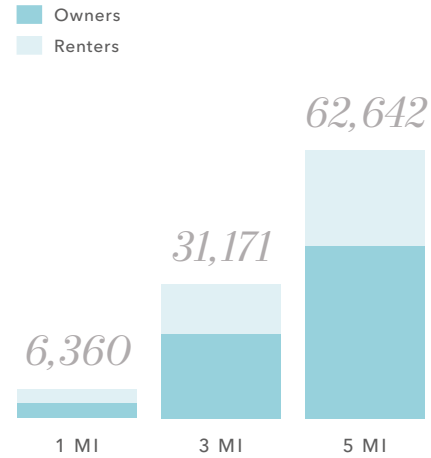
2024 POPULATION



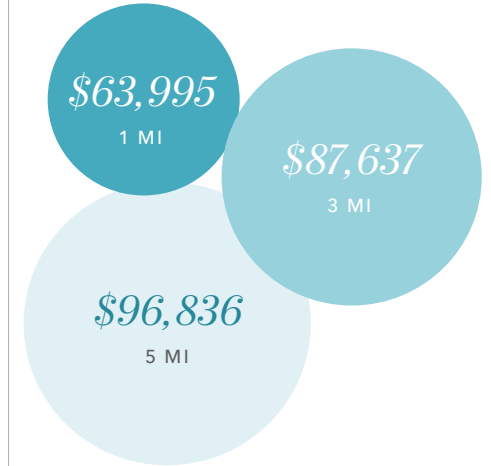
2024-2029 POP. GROWTH



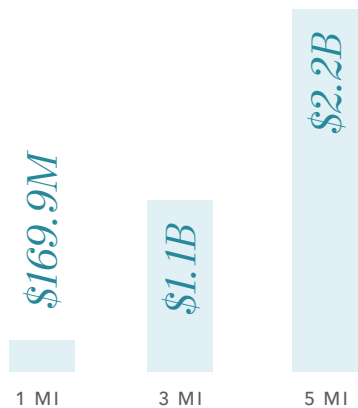
HOUSEHOLDS



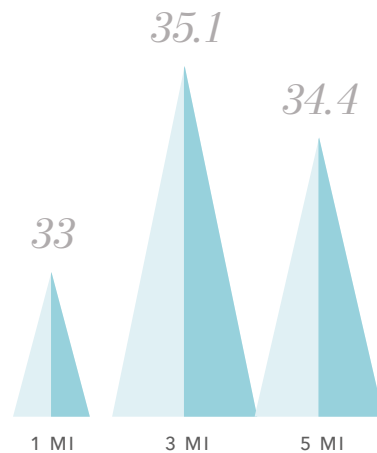
AVERAGE HH INCOME



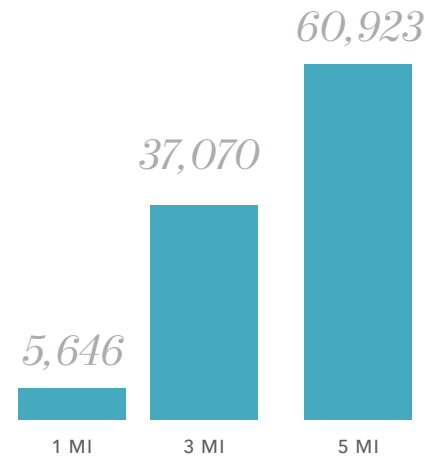
2024 CONSUMER SPENDING



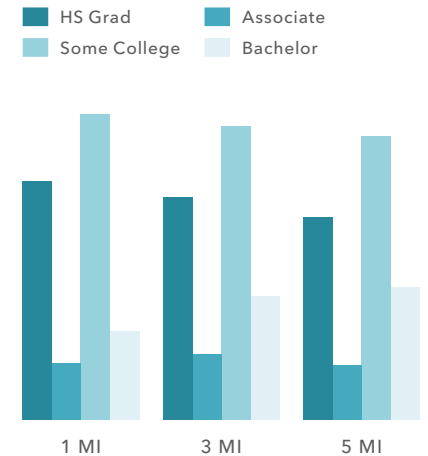
MEDIAN AGE



EMPLOYMENT



EDUCATION OVERVIEW



Exclusively listed by the Verger team

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