



EMBREE
CAPITAL MARKETS

Petco

3108 N US 281 Marble Falls, TX 78654

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EXCLUSIVELY OFFERED BY:



KLINTON LEWIS
DIRECTOR OF BROKERAGE
O 512.819.4729
M 512.630.9758
KLewis@EmbreeGroup.com



JOSIAH BYRNES
PRESIDENT

PROPERTY & LEASE DETAILS

THE OFFERING

Address	3108 N US 281 Marble Falls, TX 78654
Tenant	Petco Animal Supplies Stores, Inc.
Guarantor	Petco Animal Supplies Stores, Inc.

SITE DESCRIPTION

Year Built	2024
Building SF	Approx. 10,900 Sq. Ft.
Lot Size	Approx. 2.95 Acres

INVESTMENT SUMMARY

Asset Class	Single-Tenant Retail
Ownership Interest	Fee Simple
Monthly Rent	\$27,098
Rent Commencement**	04.17.2024
Lease Expiration	04.30.2039
Lease Term	15-Years
Renewal Options	Five, 5-Year
Lease Escalations	8.5% Every 5-Years
ROFR	None
ESTOPPEL	30-Day Turnaround

petco



PURCHASE PRICE

\$5,655,000



ANNUAL RENT*

\$325,170



CAP RATE

5.75%



LEASE TYPE

ABSOLUTE NNN

*Rent Subject to Reconciliation Upon Construction Completion

**Substantial Completion Scheduled to take place on 3/25/2024, Store Opening is Scheduled to Take Place 4/17/2024, Dates are Subject to Change. Rent Commencement to Take Place the Earlier of 1.) Store Opening Date or 2.) 30-Days After Substantial Completion

AREA OVERVIEW

Marble Falls, Texas, is a vibrant city located in the picturesque Texas Hill Country, approximately 50 miles northwest of Austin and 85 miles north of San Antonio. The city is located in Burnet County Texas with a population of 55,346 that's growing at an annual rate of 2.64%. The population of Marble Falls, Texas, in 2024 is 7,757. The city is currently growing at a rate of 2.2% annually, and its population has increased by 9.48% since the most recent census, which recorded a population of 7,085 in 2020.

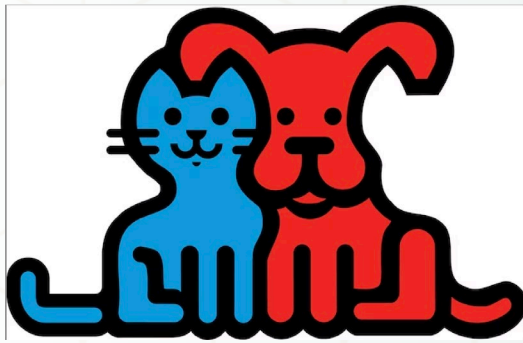
The city's infrastructure supports business operations and growth, with major highways providing easy access to Austin, San Antonio, and other key markets. The local airport and proximity to international airports in Austin and San Antonio further enhance Marble Falls' connectivity, making it a convenient location for business travelers and logistics operations. This strategic location offers the perfect blend of small-town charm and accessibility to major urban centers, making Marble Falls an ideal spot for businesses looking to capitalize on regional growth while maintaining a quality lifestyle.

The city serves as a commercial hub for the Highland Lakes area, with a diverse economic base that includes tourism, manufacturing, health care, and retail. The city has experienced consistent growth, driven by both its natural beauty and a proactive economic development strategy that encourages investment and expansion. The presence of major retailers, a regional hospital, and numerous small businesses reflects a robust local economy with opportunities for new ventures and expansions.

With a population that exhibits a mix of young professionals, families, and retirees, Marble Falls presents a dynamic market for businesses. The city's demographic profile is characterized by a higher-than-average household income and a growing population, indicative of a strong and stable consumer base. The area's scenic beauty, coupled with its community-oriented lifestyle, continues to attract new residents, further bolstering the local economy.

COMPANY OVERVIEW

petco



Company Summary



Company Type **(NYSE: WOOF)**

2021 Revenue **\$5.8+ Billion**

YoY Revenue Growth **\$18%**

2021 Adjusted EBITDA **\$591 Million**

YoY Adjusted EBITDA **22%**

Store Count **1,500+**

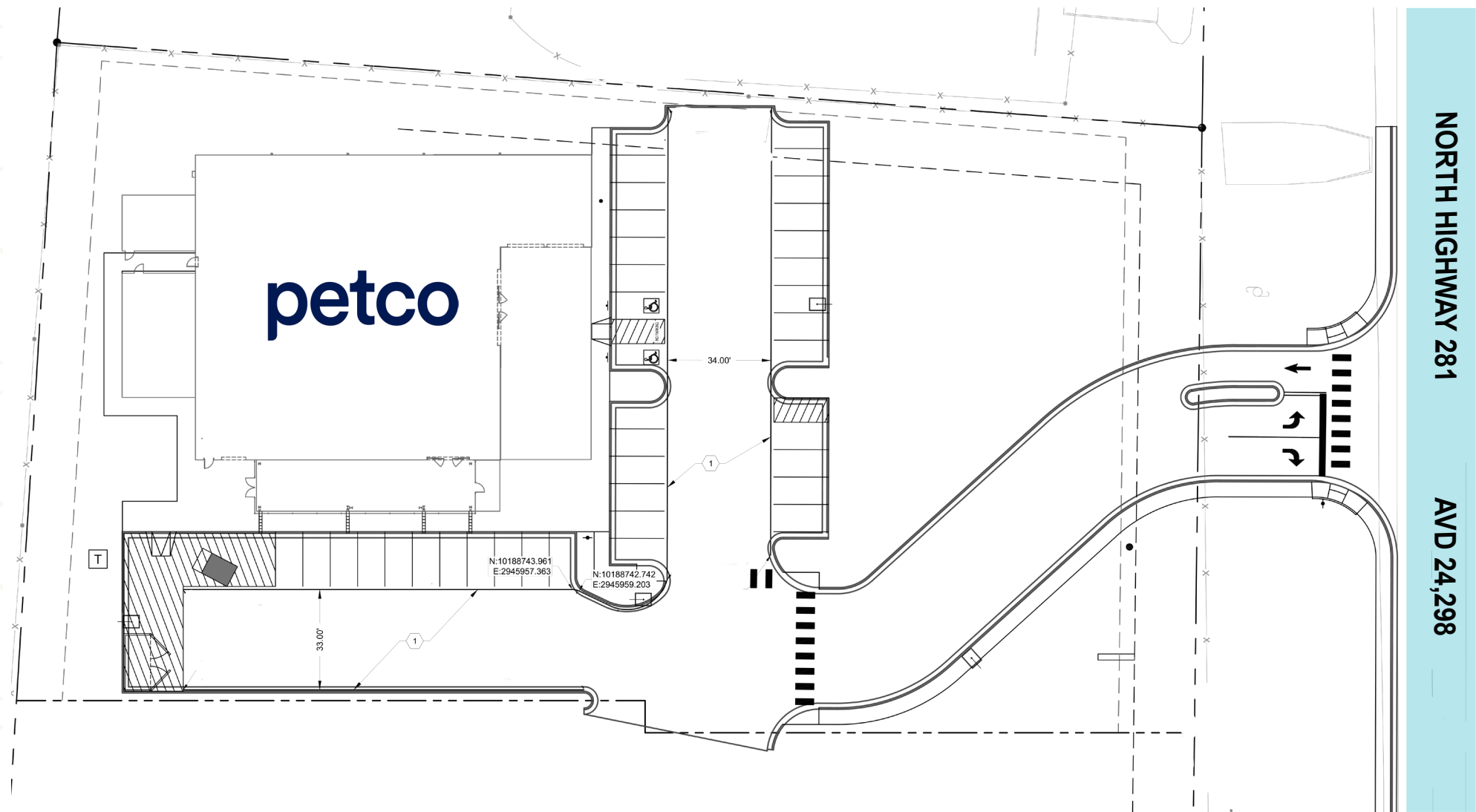
Employees **28,000+**

Total Active Customers **24.1+ Million**

Website **www.Petco.com**



- The significant work Petco has done over the last four years to retool Petco positioned us well in 2021, delivering 18% revenue growth for the year with overall share gains in food, in digital and in veterinary services.
- The total pet merchandise category is \$72 billion, projected to grow at a 7% CAGR to 2025.
- In 2021, Petco added millions of net new customers, bringing their total active customer count to 24.1 million at the end of fiscal 2021. 2021 revenue grew 18% to \$5.8 billion, the highest in company history. For the fourth quarter of 2021, revenue grew 13% with comparable sales up 14%, or 30% on a 2-year stack with strength in transactions and average basket trends. Adjusted EBITDA outpaced revenue growth for the year, up 22% to \$591 million.
- More than 1,500 pet care centers in the U.S., Mexico and Puerto Rico, their digital channel, and their flexible fulfillment options.
- As of January 29, 2022, Petco operated 197 full service veterinary hospitals with planned expansion to approximately 900 hospitals over time.
- **The U.S. pet care industry is large and growing, serving millions of households with pets, and represented a total addressable market of \$119 billion in 2021.**
- Comparing fiscal 2021 and fiscal 2020, Petco achieved the following results: (1) an increase in net sales from \$4.92 billion to \$5.81 billion, representing period-over-period growth of 18.0%; (2) comparable sales growth of 18.9%; (3) an increase in operating income from \$194.4 million to \$266.1 million, representing period-over-period growth of 36.9%; (4) an improvement in net cash flows provided by operating activities from \$268.6 million in fiscal 2020 to \$358.2 million in fiscal 2021.
- Net sales increased \$886.9 million, or 18.0%, to \$5.81 billion in fiscal 2021 compared to net sales of \$4.92 billion in fiscal 2020, driven by a 18.9% increase in their comparable sales.
- In fiscal 2021, pet care center merchandise delivered growth of 15.4% with higher retail traffic and strong growth in all major categories, including consumables, supplies, and companion animals. Their e-commerce and digital sales increased 21.1% from fiscal 2020 to fiscal 2021, reflecting their expanded brand assortment, enhanced personalization and extended fulfillment options.
- Petco Health and Wellness Company, Inc. (together with its consolidated subsidiaries, the "Company") is a category-defining health and wellness company focused on improving the lives of pets, pet parents, and its own partners with 1,433 pet care centers in 50 states, the District of Columbia and Puerto Rico as of January 29, 2022.

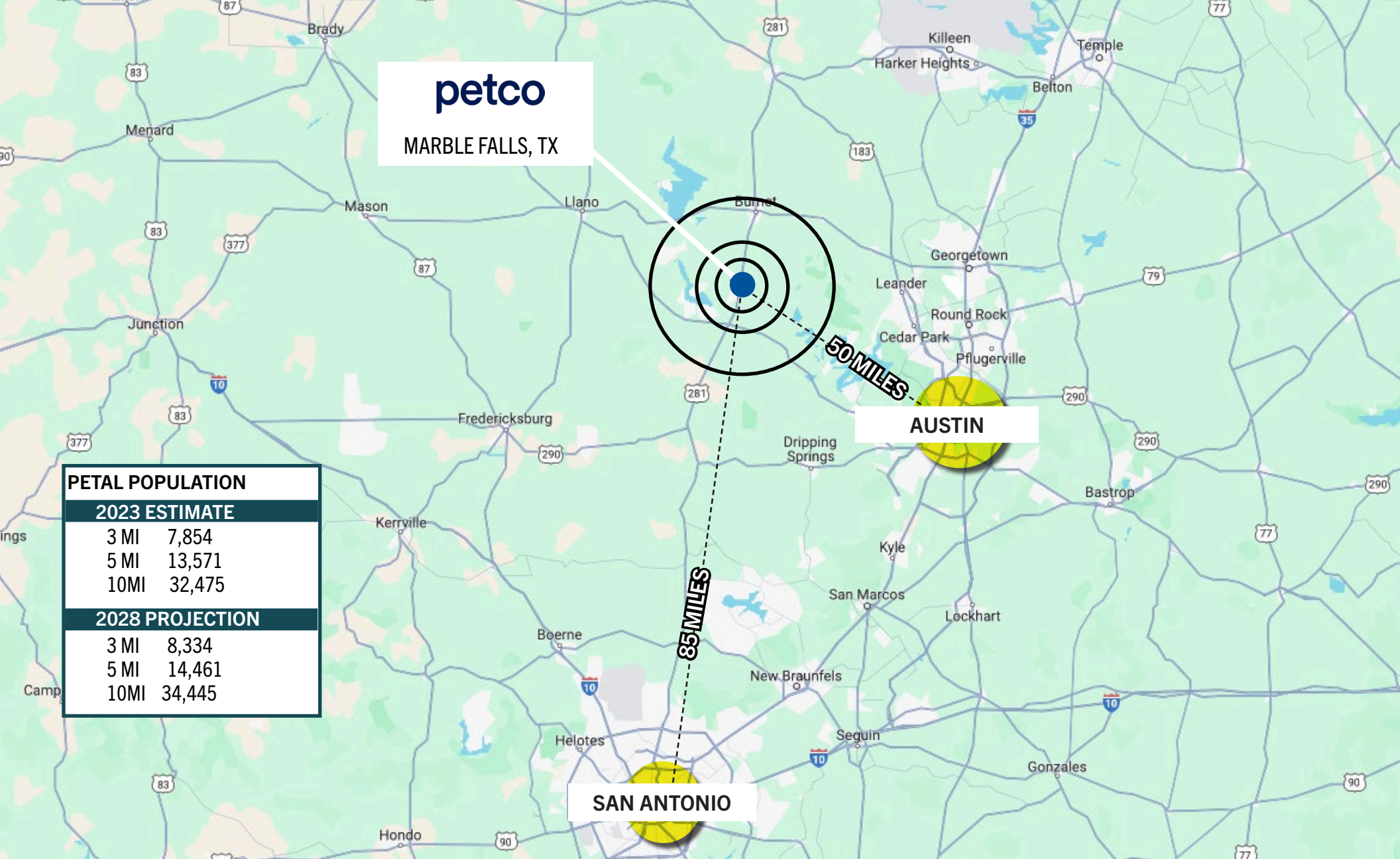


NORTH HIGHWAY 281

AVD 24,298







DEMOGRAPHIC ANALYSIS



POPULATION

	3 MILE	5 MILES	10 MILES
2028 Projection	8,334	14,461	34,445
2023 Estimate	7,854	13,571	32,475
2010 Census	6,873	11,487	27,060
2023 - 2028 Growth	6.11%	6.56%	6.07%
2010-2023 Growth	14.27%	18.14%	20.01%



HOUSEHOLDS

	3 MILE	5 MILES	10 MILES
2028 Projection	3,334	5,771	14,031
2023 Estimate	3,152	5,432	13,277
2023-2028 Growth	5.77%	6.24%	5.68%



AVG. HOUSEHOLD INCOME

	3 MILE	5 MILES	10 MILES
Avg Household Income	\$61,806	\$69,562	\$85,839
Less than \$25,000	732	1,125	2,281
\$25,000 - \$50,000	852	1,252	2,832
\$50,000 - \$75,000	629	1,088	2,578
\$75,000 - \$100,000	477	906	1,769
\$100,000 - \$125,000	238	528	1,554
\$125,000 - \$150,000	78	191	591
\$150,000 - \$200,000	77	181	635
More than \$200,000	68	164	1,035



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