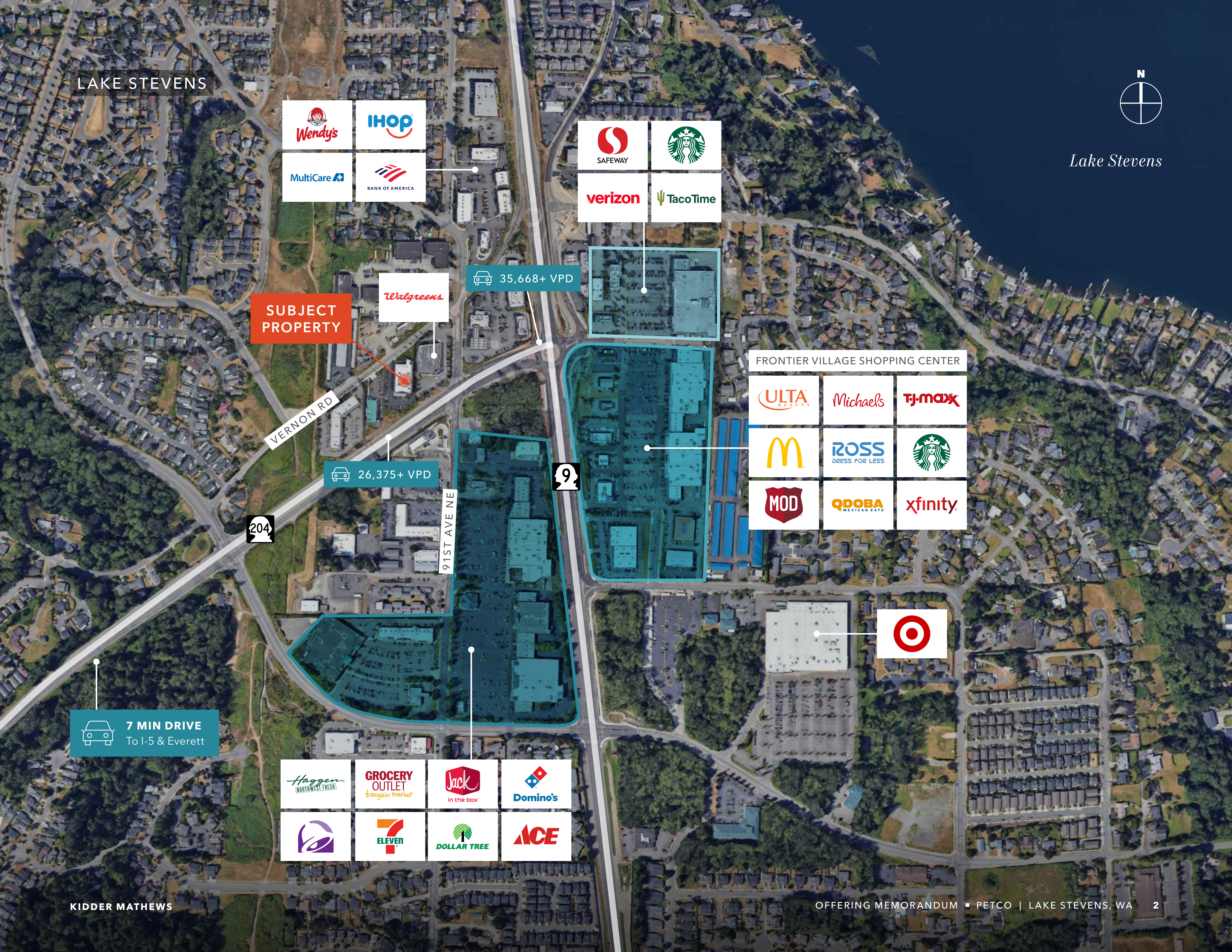
OFFERING MEMORANDUM

petco

Corporate Signed, NNN Investment with New 10-Year Extension

9004 VERNON RD, LAKE STEVENS, WA 98258

km Kidder Mathews


LAKE STEVENS
Wendy's
IHOP
MultiCare
BANK OF AMERICA
SAFEWAY
verizon
TacoTime
Walgreens
SUBJECT PROPERTY
35,668+ VPD
26,375+ VPD
VERNON RD
91ST AVE NE
9
204
FRONTIER VILLAGE SHOPPING CENTER
ULTA BEAUTY
Michaels
TJ·maxx
ROSS DRESS FOR LESS
MOD
QDOBA MEXICAN EATS
xfinity
7 MIN DRIVE
To I-5 & Everett
Haggen NORTHWEST FRESH
GROCERY OUTLET bargain market
Jack in the box
Domino's
7 ELEVEN
DOLLAR TREE
ACE
N
Lake Stevens

PETCO
LAKE STEVENS, WA

The Verger Team is pleased to present the opportunity to acquire a Single Tenant - NNN, Petco located in Lake Stevens, Washington, with a newly executed 10-Year Lease Extension. The 11,550 SQFT property is leased directly to Petco Animal Supplies Stores, Inc., the Corporate Operating entity with over 1,500 Locations Nationwide. The lease includes Scheduled Rent Increases every 5-Years, offering predictable income growth with minimal landlord expense exposure.

Strategically positioned within a high-barrier-to-entry retail corridor, the property offers excellent visibility and access along State Route 204, the primary east-west arterial connecting Lake Stevens to Everett and the I-5 corridor, with close proximity to State Route 9, the area's dominant north-south highway. The site is surrounded by strong national retailers including Safeway, Target, and Ace Hardware, reinforcing its position within a proven retail trade area.

Strong demographics, historically low retail vacancy, and the continued growth of the Snohomish County economy, supported by major employers such as Boeing and the U.S. Navy, further underpin the long-term performance of the investment.

$4.75M
PRICE

6%
CAP RATE

10+YRS
LEASE TERM

PROPERTY DETAILS

PRICE	$4,750,000
CAP RATE	6.00%
NOI	$284,708
LEASE TYPE	NNN
REMAINING TERM	10+ Years
RENT INCREASES	$11,550 rent escalation every 5-Years through options
RENEWAL OPTIONS	(4), 5-Year Options
RENTABLE SF	11,550 SF
LAND AREA	43,996 SF | 1.01 Acre
YEAR BUILT/RENOVATED	2015
PARCEL #	00518000002100
OWNERSHIP	Fee Simple

INVESTMENT HIGHLIGHTS

Recent 10-Year Lease Extension

Petco has exercised its Renewal Option early, securing an additional 10-Years of Firm Term and reinforcing its long-term commitment to the location.

NNN Lease Structure

Petco operates under a NNN lease structure, providing the landlord with minimal management and expense responsibility.

Corporate Signature

Petco Animal Supplies Stores, Inc., the corporate operating entity, operates more than 1,500 locations nationwide, providing added assurance of lease performance.

Growing Industry

Over the past decade, the U.S. pet care industry has expanded from approximately $99 billion in 2015 to over $145 billion today, driven by rising pet ownership and sustained consumer spending.

Sub-Market Vacancy

According to CoStar, the Lake Stevens retail submarket exhibits historically low vacancy, currently estimated at 2.5%.

Strong Retail Trade Area with High Barriers to Entry

Surrounded by national retailers including Safeway, Target, Walgreens, Ace Hardware, and others, the property sits within a well-established retail corridor with limited new supply.

petco

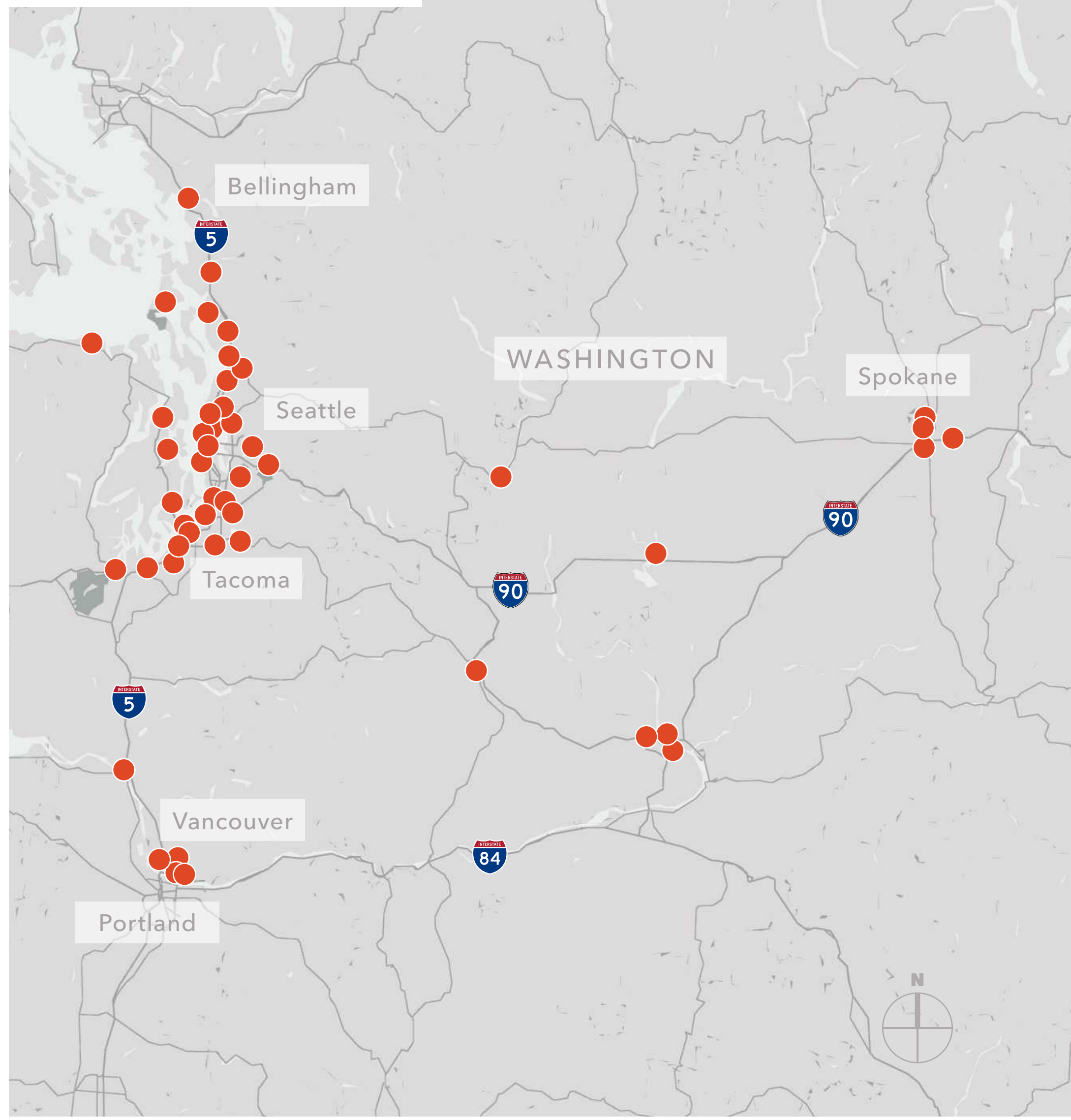
Petco, founded in 1965, has over 1,500 locations across the United States, Mexico, and Puerto Rico, establishing itself as a leader in the national pet specialty retail industry.

The company's strategic growth includes significant expansion and innovation, notably the introduction of in-store veterinary hospitals and comprehensive pet health and wellness services. With revenues surpassing $6 billion, Petco demonstrates robust financial performance and a strong foothold in the pet care sector.

COMPANY OVERVIEW

OWNERSHIP	Public
YEAR FOUNDED	1965
EMPLOYEES	27,000-29,000
# OF LOCATIONS	~1,500 across the U.S., Mexico, and Puerto Rico
REVENUE (2024 EST.)	$6.1B +
HQ LOCATION	San Diego, California

Washington Locations



VALUATION

$4,750,000	6.00%
PRICE	CAP RATE

Analysis period: 03/01/2026 - 02/28/2027

CASH FLOW SUMMARY

Scheduled Revenue	Annual	Price/SF
Scheduled Base Rent	$284,708	$24.65
Total Effective Gross Revenue (EGR)	**$284,708**	**$24.65**

Operating Expenses

Property Taxes	NNN
Insurance	NNN
CAM	NNN
Total Operating Expenses	NNN
Net Operating Income	**$284,708**

RENT ROLL

LEASE TERM	1/1/2016 - 1/31/2036
BUILDING SIZE	11,550 SF

RENT SUMMARY

Date	Monthly Base Rent	Annual Base Rent	Increase	Rent/SF/Yr	Cap Rate
2/1/2026	$23,726	$284,708		$24.65	6.00%
2/1/2031	$24,688	$296,258	4%	$25.65	6.24%
Renewal Options	**4, 5-YEAR RENEWAL OPTIONS AVAILABLE, 180-DAY NOTICE**				
2/1/2036	$25,651	$307,808	3.9%	$26.65	6.48%
2/1/2041	$26,614	$319,368	3.8%	$27.65	6.72%
2/1/2046	$27,576	$330,908	3.6%	$28.65	6.97%
2/1/2051	$28,538	$342,458	3.6%	$29.65	7.21%
Current Base Rent	**$23,726**	**$284,708**		**$24.65**	**6.00%**

LEASE ABSTRACT

TENANT	Petco
GUARANTOR	Petco Animal Supplies Stores, Inc. a Delaware Corporation
COMMENCEMENT DATE	1/17/2016
CURRENT EXPIRATION DATE	1/31/2036
LEASE TYPE	NNN
INITIAL TERM	10 Years
OPTIONS	(4) 5-Year Options
PERCENTAGE RENT	No
RIGHT OF FIRST REFUSAL	No
DOES TENANT REPORT SALES?	No
ADMINISTRATION FEE	No
CAM CAP	No

LANDLORD OBLIGATION

LANDLORD RESPONSIBILITIES	Landlord is responsible for Foundation, Exterior Walls and Roof Repair/Replacement.

TENANT OBLIGATIONS

COMMON AREA MAINTENANCE	Tenant is responsible for all Common Area Maintenance, including HVAC Repair/Replacement, Parking Lot, Landscaping, and Exterior Lighting.
INSURANCE	Tenant must maintain, at Tenant's expense a General Liability Insurance, including Casualty/Special Cause of Loss Insurance.
PROPERTY TAXES	Tenant is responsible for Property Taxes.
UTILITIES	Tenant is responsible for Utilities.


ULTA BEAUTY
Michaels
TJ.maxx
ROSS DRESS FOR LESS
MOD
QDOBA MEXICAN EATS
xfinity
FRONTIER VILLAGE SHOPPING CENTER
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LAKE STEVENS
Lake Stevens
SUBJECT PROPERTY
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9
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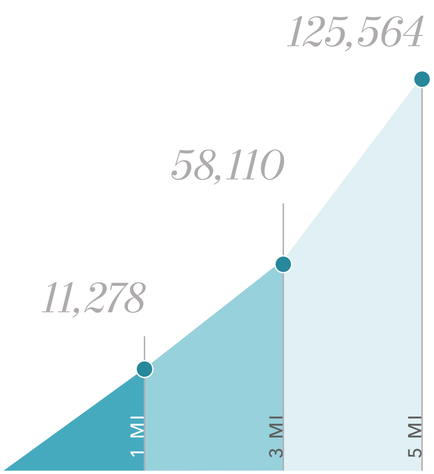
To I-5 & Everett

DEMOGRAPHICS

Data Source: ©2023, Sites USA

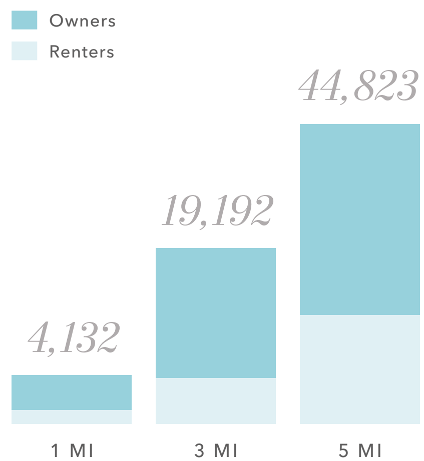
2025 POPULATION



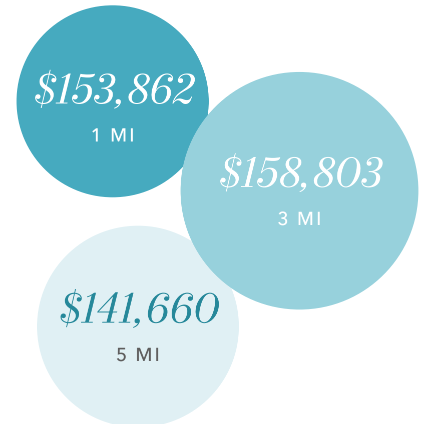
2024-2029 POP. GROWTH

1.1%	870	1 MI
1.1%	4,149	3 MI
1.0%	5,642	5 MI

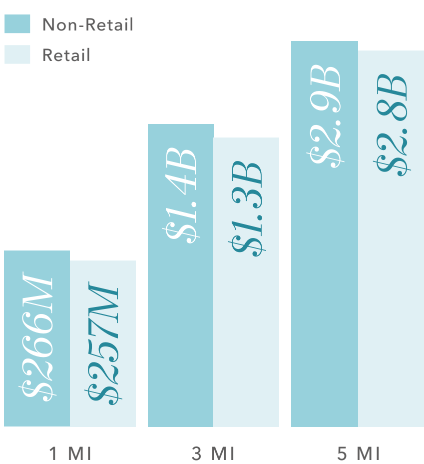
HOUSEHOLDS



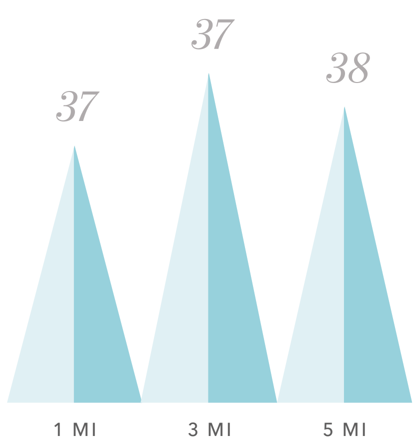
AVERAGE HH INCOME



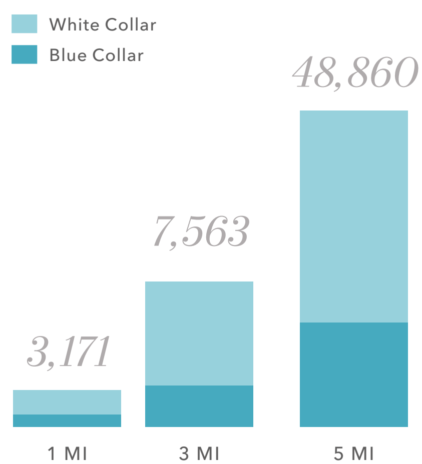
2025 CONSUMER SPENDING



MEDIAN AGE



EMPLOYMENT



EDUCATION OVERVIEW

Exclusively listed by the Verger Team

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