

OLLIE'S BARGAIN OUTLET

402 W LOOP 281 | LONGVIEW, TX 75605



EXCLUSIVELY LISTED BY:

BEN SNYDER

EVP & National Director

dir +1 (216) 503-3607

mob +1 (614) 975-8822

ben.snyder@matthews.com

License No. 2018002569 (OH)

ZACK BATES

AVP

dir +1 (216) 503-3608

mob +1 (440) 708-3416

zack.bates@matthews.com

License No. 2018002393 (OH)

KYLE MATTHEWS

Chairman & CEO

Broker of Record

+1 (310) 919-5757

kyle.matthews@matthews.com

License No. 9005919 (TX)



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AREA OVERVIEW

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES



INVESTMENT SUMMARY

ADDRESS	402 W. Loop 281 Longview, TX 75605
LIST PRICE	\$3,702,000
PRICE PSF	\$120
YEAR 1 CAP RATE	6.25%
YEAR 1 NOI	\$231,390
TERM REMAINING	±9.75 Years
RENT INCREASES	\$0.25/SF after year 5
BUILDING SIZE	±30,852 SF
SITE SIZE	±2.97 AC

DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
 POPULATION	5,824	43,842	81,143
 HOUSEHOLDS	3,005	19,613	33,050
 HH INCOME	\$69,825	\$77,082	\$71,555

OFFERING SUMMARY

Matthews™ is pleased to exclusively offer a 30,852-square-foot freestanding Ollie's Bargain Outlet situated on 2.97 acres in Longview, TX – located in the heart of the Longview trade area (Trade Area Population: 300,000). Ollie's net lease commenced in April 2020 featuring 10 years of primary term with three five year renewal options. The property has excellent access and visibility along West Loop 281 (Traffic Count: 29,400 VPD).

Ollie's is strategically positioned directly next door to the 645,871 square-foot Longview Mall, which includes more than 50 stores, and is anchored by Dillard's, JCPenney, Dick's Sporting Goods, L'Patricia and Stage. The site benefits from its location within Longview's retail district, that attracts shoppers from surrounding counties near and far with Longview Mall being the only regional shopping destination within a 60-mile radius. Major retailers within the immediate vicinity include Walmart, Target, Sam's Club, Lowe's, Home Depot, Kohl's, Albertsons, Kroger, Aldi, TJ Maxx, Burlington, Hobby Lobby, Ross Dress For Less, Academy Sports, Regal, and AMC, among many others. Furthermore, Ollie's enjoys strong demographics with a population of 43,842 and an average household income of \$77,082 within a 3-mile radius.

INVESTMENT HIGHLIGHTS

▶ NATIONAL TENANT

Headquartered in Harrisburg, Pennsylvania, Ollie's Bargain Outlet Holdings Inc. (NASDAQ: OLLI) is one of the largest retailers of closeout merchandise and excess inventory. Known for their assortment of "Good Stuff Cheap," they offer customers a broad selection of brand name products, including housewares, food, books and stationery, bed and bath, floor coverings, toys and hardware. Originally founded in 1982, Ollie's currently operates 345 stores in 25 states. For the fiscal year ended February 1, 2020, Ollie's reported net sales of \$1.4 billion, net income of \$141 million, and had net cash of \$90 million.

▶ NET LEASE WITH CONTRACTUAL RENT INCREASES

Ollie's net lease commenced in April 2020 featuring 10 years of primary term with three five year renewal options. Their net lease also contains contractual rent increases of \$0.25 per square foot every five years, including in the renewal options.

▶ BELOW REPLACEMENT COST

At \$120 per square foot, this offering is an excellent opportunity to acquire a highly-desirable retail box at a price that is significantly below the replacement cost.

INVESTMENT HIGHLIGHTS CONT.

▶ STRATEGIC LOCATION

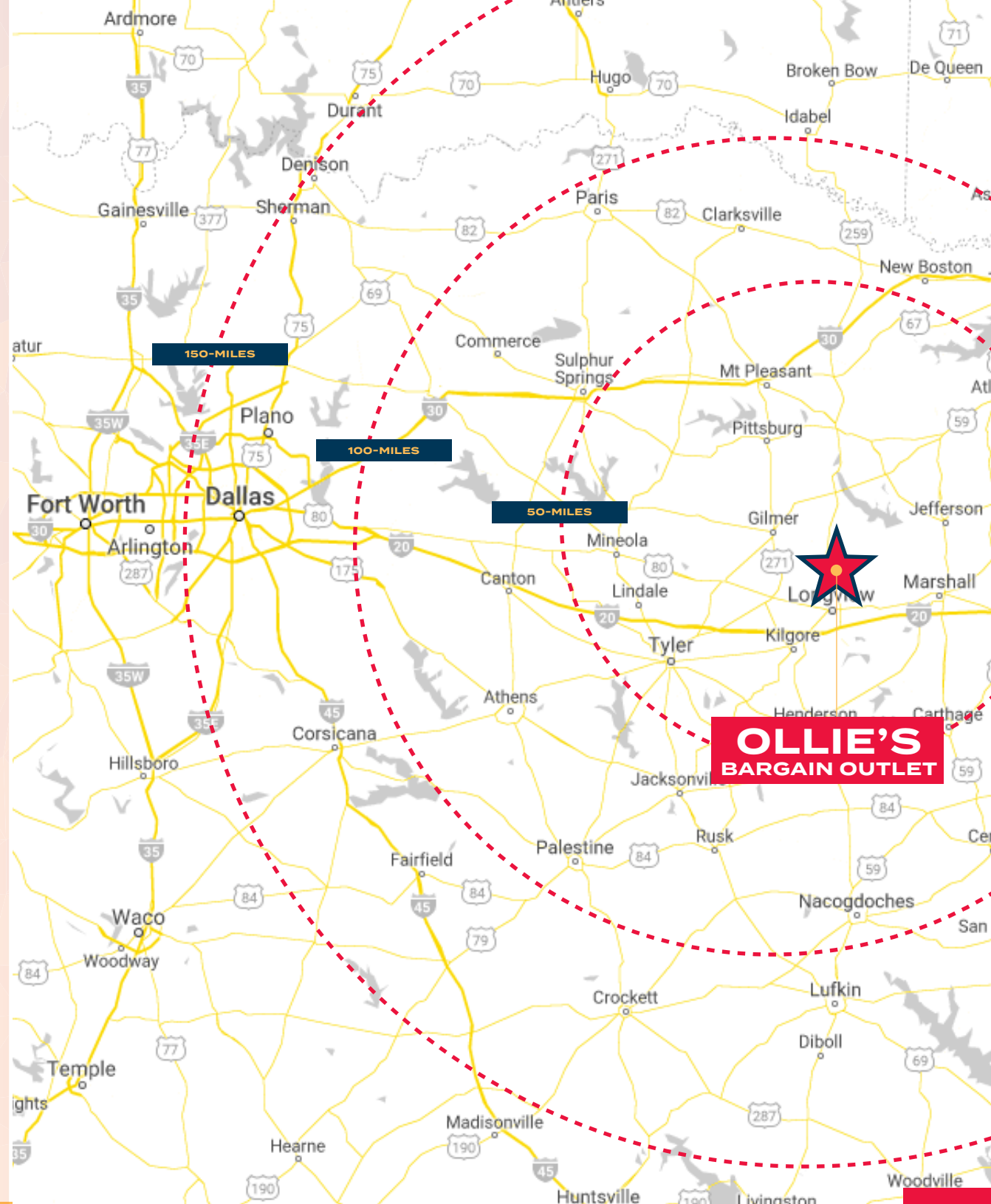
Ollie's is strategically located next to the Longview Mall, the only regional shopping destination within a 60-mile radius. Longview Mall totals 645,871 square feet in size, which includes over 50 stores featuring anchors of Dillard's, JCPenney, Dick's Sporting Goods, L'Patricia and Stage, in addition to other name brand retailers such as H&M, White Barn, The Buckle, Victoria's Secret, BJ's Brewhouse and On The Border Mexican Grill. The primary trade area serves nearly 300,000 people – being ideally located nearby I-20, sitting 35 miles northeast of Tyler, TX, and 60 miles west of Shreveport, LA. In 2014, Forbes magazine ranked Longview as the 6th fastest-growing small city in the U.S.

▶ DOMINANT RETAIL & COMMERCIAL CORRIDOR

The Property is located in the heart of the dominant retail and commercial corridor in the region. Within a 15-mile radius there are nearly 180,000 people, boasting average household incomes of nearly \$80,000, and total annual consumer expenditures of \$4.3B. Other retailers in the immediate surrounding area include Walmart, Target, Sam's Club, Lowe's, Home Depot, Kohl's, Albertsons, Kroger, Aldi, Natural Grocers, TJ Maxx, Burlington, Hobby Lobby, Ross Dress For Less, Academy Sports, Regal, AMC, Petco, Petsmart, Best Buy, Big Lots, Party City, Ashley HomeStore, Old Navy, Burke's Outlet, Cavender's and many more.

▶ EXCELLENT ACCESS & VISIBILITY

The Property benefits from being ideally located along West Loop 281, which sees nearly 29,400 VPD, as well as featuring convenient access points and excellent visibility.





PROPERTY OVERVIEW

*photo was taken prior to Ollie's RCD





PROPERTY DESCRIPTION

- ▶ **PROPERTY ADDRESS**
402 W Loop 281 | Longview TX
- ▶ **YEAR BUILT**
1994
- ▶ **BUILDING SIZE**
±30,852 SF
- ▶ **FRONTAGE & ACCESS**
W Loop 281
- ▶ **SITE SIZE**
±3.00 AC
- ▶ **TRAFFIC COUNTS**
W Loop 281 - ± 29,400 ADT
- ▶ **APN**
1702000001-002-00-02

SITE PLAN



LEGEND:

-  SUBJECT PROPERTY
-  NAP



W. LOOP 281

Red Lobster

NATURAL GROCERS

OLLIE'S OUTLET
Bargain
"GOOD STUFF CHEAP"

BURGER KING

MCCANN RD

TENANT PROFILE

OLLIE'S BARGAIN OUTLET

Ollie's Bargain Outlet is one of America's largest retailers of closeout merchandise and excess inventory. The 345 "semi-lovely" stores sell merchandise of all descriptions and some beyond description.

Real brands at real bargain prices in every department, from housewares to sporting goods to flooring and to food. Ollie's buyers scour the world looking for closeouts, overstocks, package changes, manufacturer refurbished goods, and irregulars.

Much of the merchandise comes direct from the finest manufacturers in the country and abroad. For example, if a manufacturer makes too much of an item, or changes their packaging, Ollie's will buy the overstocked or old packaged items. The customer will always find famous brand name products at Ollie's, but a lot of them could be last year's colors, patterns, or packaging that traditional retailers won't sell.

Ollie's has also liquidated major retail centers, working very closely with financial institutions. When companies liquidate, the banks will often dispose of remaining inventories and turn them into cash. Ollie's brings the goods back to their stores and passes the savings to the customer.



1982

Year
Founded



HARRISBURG, PA

Headquarters



OLLI

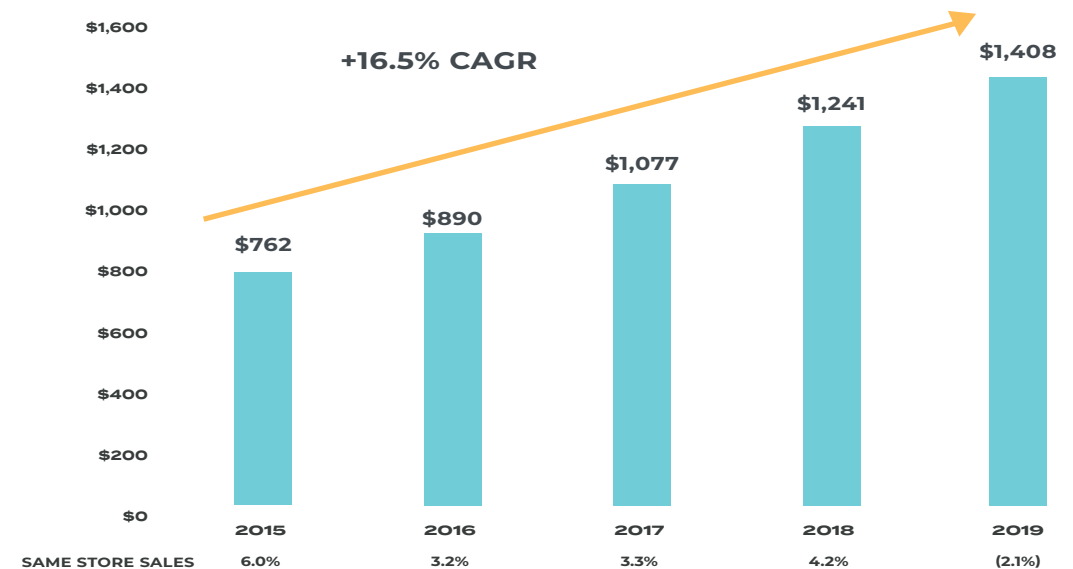
NASDAQ:
(S&P MidCap 400 Component)

TOTAL SHAREHOLDER RETURN SINCE OLLIE'S IPO

TENANT	
Ollie's Bargain Outlet	341%
Dollar General	150%
Dollar Tree	11%
Big Lots	-3%

*As of June 10, 2020

NET SALES AND SAME STORE SALES



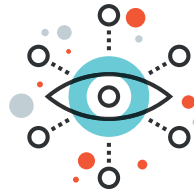
COMPANY OVERVIEW



Fast growing, extreme value retailer offering a broad selection of “good cheap stuff”



Total annual sales of over \$1.4 billion



Market cap of over \$6 billion (compared to Big Lots’ market cap of \$1.4 billion)



Share price has increased more than 300% since IPO in July 2015



345 stores in 25 states



Opportunity to expand to 950 stores nationally

CREDIT SNAPSHOT VS PEERS

TENANTS	S&P CREDIT RATING	COMP STORE SALES (8Q AVG)	EBIDTA MARGIN (TTM)	NET DEBT/(NET CASH)	DEBT TO EBITDA
Ollie’s Bargain Outlet	N/A	1.1%	14.0%	(\$89.2)	0.00
Big Lots	BB+	0.9%	5.7%	\$226.8	0.92x
Dollar General	BBB	3.5%	10.3%	\$2,671.7	1.02x
Dollar Tree	BBB-	1.8%	9.6%	\$3,233.0	1.67x

**As of February 1,2020; \$ in mil*

Higher Comp Store Sales + Higher Margins + ZERO Debt = Healthier Tenant

LEASE ABSTRACT



LEASE ABSTRACT

TENANT	Ollie's Bargain Outlet, Inc.
TENANT SIZE (SF)	± 30,852 SF
RENT COMMENCEMENT DATE	April 1, 2020
LEASE EXPIRATION DATE	April 30, 2030
LEASE TERM (YEARS)	10 Years
LEASE TERM (MONTHS)	120 Months
LEASE TYPE	NN
REMAINING OPTIONS	3x5 years
CONTRACT RENTAL RATE (YEAR 1-5)	\$231,390
CONTRACT RENT INCREASE (YEAR 6-10)	\$239,103
1ST OPTION (5 YEARS)	\$246,816
2ND OPTION (5 YEARS)	\$254,529
3RD OPTION (5 YEARS)	\$262,242

LEASE ABSTRACT CONT.

TAXES

Landlord shall pay all Taxes levied against the Entire Property before the same become delinquent and shall take advantage of any and all available discounts, abatement or credits for early payment of the same. Tenant shall be responsible for reimbursing the Landlord for all Taxes

INSURANCE

Landlord shall maintain and keep in effect through the term: (a) Special form cause of loss insurance insuring against loss or damage with respect to Premises and the Entire Property by fire and such other perils as may be included in the form of all risk insurance from time to time most commonly available for similar commercial properties, in an amount equal to (i) at least 90% of the full insurable replacement value thereof TRU 2005 RE I, LLC is the Landlord hereunder, and (ii) thereafter, at full insurable replacement value of the Premises and the Entire Property; and (b) Commercial general liability insurance against claims for bodily injury and property damage occurring on, in, or about the Entire Property and the Premises and all areas appurtenant thereto with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage and limits of not less than \$5,000,000 annual general aggregate. Tenant shall be responsible for reimbursing Landlord for all Insurance Costs.

Tenant, at Tenant's sole cost and expense, shall maintain and keep in effect throughout the term: (a) Special form cause of loss property insurance including extended coverage endorsements, insuring against loss or damage to Tenant's and any of its subtenants' inventory, personal property and trade fixtures contained on, in, or about the Premises by fire, theft and such other peril, in an amount equal to the full insurable actual cash value thereof, as same may exist from time to time; (b) Commercial general liability insurance against claims for bodily injury and property damage occurring on or in the Premises and Tenant's use thereof, together with contractual liability endorsements covering Tenant's obligations set forth in this Lease, with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage and limits of not less than \$5,000,000 annual general aggregate and (c) Worker's compensation insurance meeting the requirements of the workers' compensation laws of the State in which the Premises is located covering Tenant's employees at the Premises. (d) During the period of time in which Tenant is completing the Tenant's Work at the Premises and at any time during which any material Alterations are being completed by Tenant during the Term, Tenant shall maintain, or cause the applicable contractor to maintain builders' risk insurance insuring against "all risks" or an equivalent form in accordance with requirements of this Section 23

REPAIRS & MAINTENANCE

Landlord shall operate, manage and maintain the Common Areas and Entire Property in compliance in all material respects with all applicable Laws and in good condition and repair and otherwise in a condition similar to the condition of similar properties in the market area of the Entire Property and perform all necessary maintenance, repairs, and replacements thereto, except to the extent such obligation for compliance with applicable Laws, maintenance, repairs and replacements are the express of Tenant pursuant to this Lease.

COMMON AREA MAINTENANCE

Landlord shall be solely responsible for paying prior to delinquency all costs and expenses related in any manner to (i) the Common Area of the Entire Property, (ii) the portions of the Premises for which Landlord is responsible pursuant to the express terms of this Lease, and (iii) any other costs due and payable under any Permitted Exceptions or any other document or agreement affecting title to the Entire Property, or any portion thereof (collectively, "CAM Expenses").

Tenant shall pay to Landlord an annual fixed payment (the "CAM Payment"). Tenant's obligation to pay the CAM Payment shall commence on the Rent Commencement Date. The CAM Payment for the first Lease Year based on the Rentable Area of the Premises is \$0.95 PSF (\$29,309.40 per annum). Beginning on the 1st day of the second Lease Year and on the first day of each Lease Year thereafter, Tenant's then applicable CAM Payment shall be increased annually by an amount equal to 2% of the amount of Tenant's CAM Payment during the immediately preceding Lease Year



*photo was taken prior to Ollie's RCD



*photo was taken prior to Ollie's RCD

AREA OVERVIEW



LONGVIEW, TX

Sitting just west of the Texas-Louisiana state line, Longview is the seat of Gregg County. A small part of Longview extends into the western part of neighboring Harrison County. Located at the intersection of Interstate 20 and U.S. Highways 80 and 259, Longview is conveniently located adjacent to larger cities such as Shreveport, LA and Dallas, TX.

The Longview MSA is home to over 217,000 people as of the 2017 census. Established in the 1870s as part of the railroad route in East Texas, Longview is considered a major hub city for the region. In 2014, Forbes magazine ranked Longview as the sixth fastest-growing small city in the United States. Companies with significant presence in Longview are Eastman Chemical and Trinity Rail Group; communities stimulating the city and metro area are LeTourneau University, Kilgore College, and the University of Texas at Tyler's Longview University Center.



\$121,100
MEDIAN HOME PRICE



±216,934
POPULATION



\$48,359
AVG. ANNUAL SALARY

ECONOMY

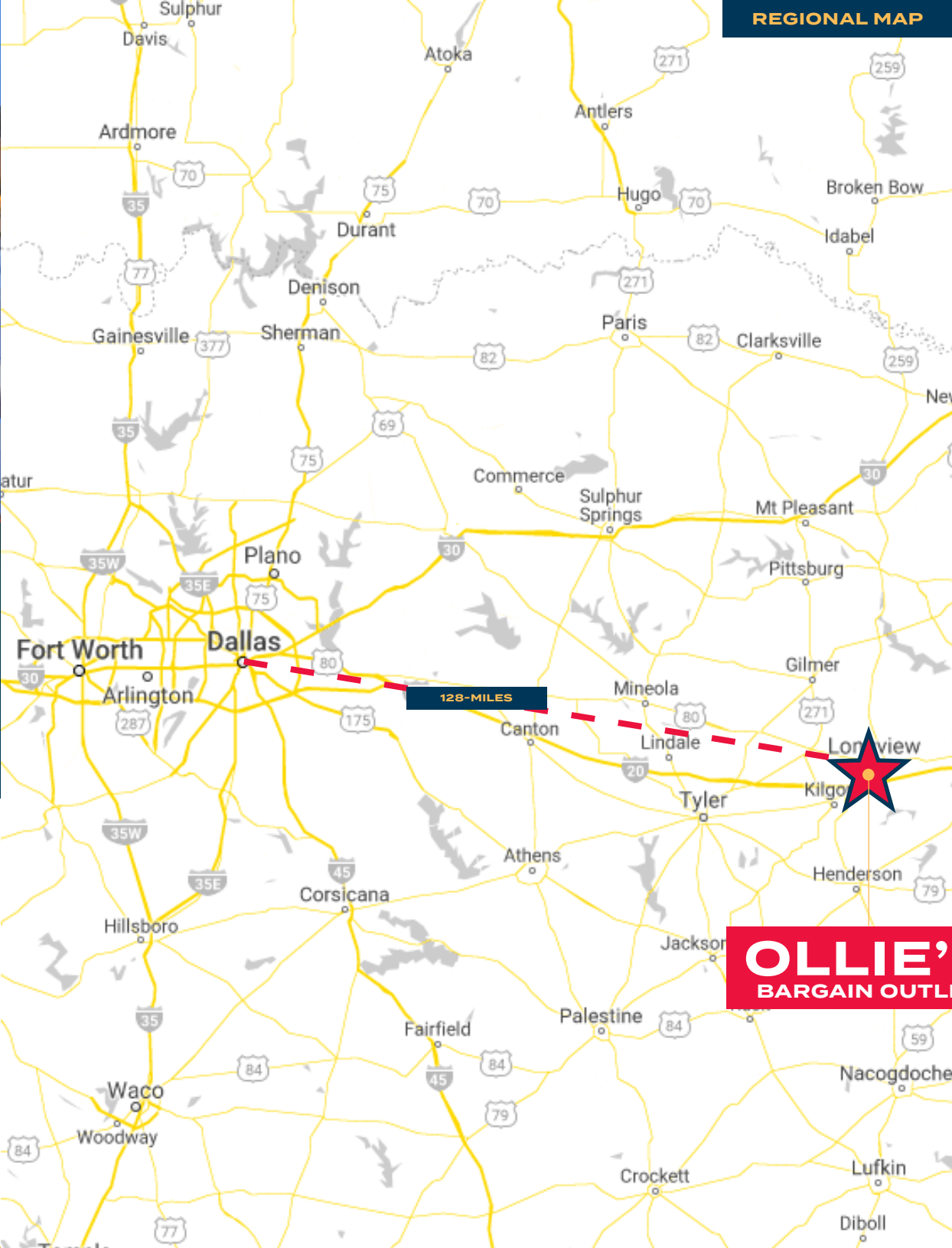
The economy in Longview is healthy. Despite a national downturn in the housing market, Longview has been growing, and home prices continue to rise. Some major sectors of the Longview economy include the East Texas Oil Field, services, technology, and manufacturing.

In 2007, Longview added some major chain stores to its north side. The addition of Kohl's, two Starbucks, a new Target, a third Walmart supercenter on the south side, and a handful of hotels means Longview

is becoming a regional hub for shopping. Keeping shoppers in Longview and away from Tyler, Dallas, and Shreveport has been an important strategy for the city.

The largest employers in Longview are CHRISTUS Good Shepherd Medical Center, with 3,200 employees, Eastern Chemical, with 1,492 employees, and Longview Independent School District with 1,205 employees.

REGIONAL MAP



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	5,680	43,160	80,164
2020 Estimate	5,824	43,842	81,143
2010 Census	5,809	42,025	79,778

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	3,023	19,897	33,703
2020 Estimate	3,005	19,613	33,050
2010 Census	2,874	17,843	30,821

INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$69,825	\$77,082	\$71,555

MAJOR EMPLOYERS:



**OLLIE'S
BARGAIN OUTLET**

CONFIDENTIALITY AGREEMENT & DISCLOSURE

This Offering Memorandum contains select information pertaining to the business and affairs of **Ollie's Bargain Outlet** located in **402 W. Loop 281, Longview, TX 75605** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
<small>Licensed Broker /Broker Firm Name or Primary Assumed Business Name</small>	<small>License No.</small>	<small>Email</small>	<small>Phone</small>
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
<small>Designated Broker of Firm</small>	<small>License No.</small>	<small>Email</small>	<small>Phone</small>
<small>Licensed Supervisor of Sales Agent/ Associate</small>	<small>License No.</small>	<small>Email</small>	<small>Phone</small>
<small>Sales Agent/Associate's Name</small>	<small>License No.</small>	<small>Email</small>	<small>Phone</small>

Buyer/Tenant/Seller/Landlord Initials

Date