

FERGUSON[®]

MISSION-CRITICAL LOCATION

Marcus & Millichap
DUONG INVESTMENT GROUP



2275 E. GINTER ROAD, TUCSON, AZ 85706

OFFERING MEMORANDUM

FERGUSON

MISSION-CRITICAL LOCATION



FERGUSON
WATERWORKS

Exclusively Listed By

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INVESTMENT OVERVIEW

Investment Highlights



Ferguson (NYSE: FERG): A Highly Reputable, BBB+ Rated Industrial Tenant With Over 1,750 Locations Across the U.S. and Canada



Mission-Critical Location: Ferguson Has Operated at This Site for Over 30 Years and Recently Committed to a 10-Year Lease Extension, Underscoring the Site's Importance



Capital Improvements: Ferguson's Recent \$250,000 Paving Upgrade Demonstrates Their Strong Commitment to This Location



High Credit Tenant

- ▶ **Strong Corporate Guarantee:** Backed by a Tenant with **Over \$29 Billion** in Annual Revenue
- ▶ **Market Leadership:** Ferguson Is the **Largest U.S. Distributor of Plumbing Supplies, PVF, Waterworks, and Fire and Fabrication Products**
- ▶ **Publicly Traded:** The Tenant Is Listed on the NYSE (FERG) With a **Market Capitalization of \$40.65 Billion**
- ▶ **E-Commerce & Recession-Resilient:** Ferguson's Business Model Is Well-Suited to Thrive in Various Economic Condition

Strong Real Estate Fundamentals

- ▶ **Highly Desirable IOS Site:** The Property Boasts a Large ± 3 -Acre Lot, a Key Feature in Today's Market
- ▶ **Long-Term Occupancy:** Ferguson Has **Consistently Renewed Its Lease and Operated Successfully at This Location Since 1991**
- ▶ **Prime Location:** Strategically Positioned Between the I-10 and I-19 Freeways, Offering Easy Access to the Tucson Metro Area | **Located 1 Mile from Tucson International Airport (TUS)**, Which Boasts ± 3.75 Million Passengers and ± 61 Million Pounds of Freight Annually
- ▶ **Excellent Condition:** Both Tenant and Landlord Have Invested in **Significant Capital Improvements, Maintaining the Property in Top Condition**
- ▶ **Investor-Friendly:** This NN Industrial Property Offers **Minimal Landlord Responsibilities**, Ideal for Investors Who Are Not Local to the Market
- ▶ **Located in a Dense Industrial Area** with other National Brands such as **Pepsi Bottling Group, FedEx Ground, Amazon, Old Dominion Freight, Thermo King, H&E Equipment Services, ABF Freight, Motion Industries, Epiroc, Culligan, and Many More** within Close Proximity to the Subject Property

INVESTMENT OVERVIEW

Tenant Spotlight

Ferguson

Ferguson is a leading value-added distributor in North America providing expertise, solutions and products from infrastructure, plumbing and appliances to HVAC, fire, fabrication and more. Their products are delivered through a common network of distribution centers, branches and specialist sales associates, counter service, showroom consultants and e-commerce.



Founded in 1953, Ferguson is headquartered in the U.K., with its operations and associates solely focused on North America and managed from Newport News, VA.

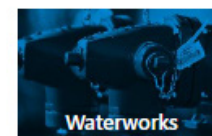
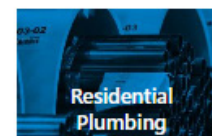
Ferguson is an integral part of repair, maintenance, and improvement (RMI) and new construction projects - for both residential and non-residential markets. They bridge the gap between the large 37,000+ supplier base and geographically dispersed customers.

They boast a large footprint with over 1,700 locations across North America, including 11 distribution centers and a 5,600 vehicle fleet. This extensive network places them within 60 miles of 95 percent of customers in North America. In 2021, Ferguson began trading on the New York Stock Exchange (NYSE), with the ticker symbol FERG. Ferguson's success is testament to a diverse and distinguished history of making their customers' complex projects simple, successful and sustainable.

The Ferguson Waterworks division serves a variety of Geo and Stormwater professionals throughout the country—from civil engineers and residential contractors to landscapers, architects, and homeowners. Ferguson's services are available regionally and include value-engineered capabilities for lake embankments, flood mitigation, road leveling, soil stability, and more. Put simply: Ferguson provides geosynthetic products and tools to help experts everywhere design more efficient, more secure stormwater solutions.

Website	www.ferguson.com
Symbol	NYSE: FERG
Market Cap	\$38.841 Billion (as of September, 2024)
Revenue (TTM)	\$29.527 Billion (as of September, 2024)
# of Locations	1,700+, Serving All 50 States
# of Employees	32,000+

Ferguson - Services Offered



At Ferguson, we have a very distinctive culture anchored in customer service. We are a relationship business. Together we help build more than homes and office buildings. We help build relationships, trust, confidence and community.” - From Ferguson’s “About Us” page

INVESTMENT OVERVIEW

Aerial Photo



FINANCIAL ANALYSIS

Offering Summary

Property Name	Ferguson
Property Address	2275 E. Ginter Road Tucson, AZ 85706
Assessor's Parcel Number	140-28-018B
Year Built	1998
Gross Leasable Area (GLA)	±14,412 Square Feet
Lot Size	±3.00 AC (±130,678 Square Feet)

Pricing

Price	\$2,120,000
Cap Rate	6.00%
Price/SF (Building)	\$147.10
Price/SF (Land)	\$16.22

Annualized Operating Data

Net Operating Income	\$127,200
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Lease Information

Lease Commencement Date	01/15/1997
Lease Expiration Date	12/31/2031
Tenancy	±35 Years
Lease Term Remaining	±7 Years
Increases	10% Increase on January 1, 2027
Options	Ten, Five-Year @ 10%
Lease Type	NNN
Lease Type Details	Landlord responsible for roof & structure.



FERGUSON[®]

MARKET OVERVIEW

Regional Map



±31,000

CARS PER DAY
ON NEARBY E. VALENCIA ROAD



±1 MILE

FROM TUCSON
INTERNATIONAL AIRPORT (TUS)



±7 MILES

TO DOWNTOWN
TUCSON, AZ



±3 MILES

TO INTERSTATE 10
(ROUTE TO DOWNTOWN TUCSON)

MARKET OVERVIEW

The City Of Tucson, AZ

Tucson is a city in and the county seat of Pima County, Arizona, United States, and is home to the University of Arizona. It is the second-largest city in Arizona behind Phoenix, with a population of 542,629 in the 2020 United States census, while the population of the entire Tucson metropolitan statistical area (MSA) is 1,043,433. The Tucson MSA forms part of the larger Tucson-Nogales combined statistical area. Both Tucson and Phoenix anchor the Arizona Sun Corridor. The city is 108 miles southeast of Phoenix and 60 miles north of the United States–Mexico border.

Much of Tucson's economic development has centered on the development of the University of Arizona, which is the city's largest employer. Davis-Monthan Air Force Base, on the city's southeastern edge, also provides many jobs for Tucson residents. Its presence, as well as the presence of the US Army Intelligence Center (Fort Huachuca, the region's largest employer, in nearby Sierra Vista), has led to the development of many high-technology industries, including government contractors. The city of Tucson is also a major hub for the Union Pacific Railroad's Sunset Route that links the Los Angeles ports with the South/Southeast regions of the country.

In addition to vacationers, many winter residents, or "snowbirds", are attracted to Tucson's mild winters and live here on a seasonal basis. They also contribute to the local economy. Snowbirds often purchase second homes in Tucson and nearby areas, contributing significantly to the property tax base.

Popular Nearby Attractions

- ▶ **Parks & Recreation** - The city has more than 120 parks, from small and local to larger parks with ballfields, natural areas, lakes, 5 public golf courses, and Reid Park Zoo.
- ▶ **Saguaro National Park** - These stately giants are an icon of the American West, and a symbol of Tucson, which is home to Saguaro National Park.
- ▶ **The University of Arizona** - Arizona's first public university, The University of Arizona, is one of the major employers in the Tucson area. U of A's population exceeds 20,000 students.



Downtown Tucson, AZ



Saguaro National Park



The University of Arizona



MARKET OVERVIEW

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2028 Population	10,726	81,296	162,205
2023 Population	10,251	78,805	156,690
2020 Population	9,852	73,806	149,717
2010 Population	10,334	75,843	153,026

Households	1-Mile	3-Miles	5-Miles
2028 Households	3,399	26,562	54,398
2023 Households	3,172	25,294	52,176
2020 Households	3,077	24,592	50,963
2010 Households	3,012	22,835	47,713

Income & Economics	1-Mile	3-Miles	5-Miles
Average Household Income	\$51,258	\$53,464	\$53,880
Median Household Income	\$38,975	\$41,907	\$42,039
Median Age	27.2	30.1	30.7
2023 Daytime Population	16,771	76,654	154,116



156,690

2023 Population
(5-Mile Radius)



52,176

2023 Number of Households
(5-Mile Radius)



DAVIS-MONTHAN AIR FORCE BASE

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