

Institutional Property Advisors Closes 28-Property Fred Meyer Portfolio Sale

LOS ANGELES--(BUSINESS WIRE)-- [Institutional Property Advisors \(IPA\)](#), a division of [Marcus & Millichap \(NYSE: MMI\)](#), as exclusive advisor to Cincinnati-based The Kroger Co. and Portland-based Fred Meyer Stores Inc., announced today the successful sale to Florida-based Benderson Development and leaseback of a 4.5-million-square-foot, 28-property portfolio of absolute net-leased Fred Meyer superstores consisting of 380 acres across Washington, Oregon, Idaho, and Alaska.

“We want to congratulate and acknowledge the hardworking teams at Fred Meyer Stores Inc., The Kroger Co. and Benderson Development on the successful conclusion of this transaction that required long days and nights to complete on time,” said Tom J. Lagos, IPA executive director and transaction lead. “Benderson Development stood out on price and terms against a very competitive field of over 20 qualified bidders, and the company’s team worked diligently to complete the transaction in a seamless and timely manner.”

“This was a once-in-a-generation opportunity to acquire a portfolio of dominant essential retail stores,” added Patrick Toomey, IPA executive director. “Kroger will execute brand new, 25-year absolute net leases for each property with an initial portfolio-wide base rent totaling \$25 million per year.” Lagos, Toomey, and IPA’s Jose Carrazana, Jessica Baram and Ryan Garcia represented Fred Meyer Stores Inc. “The property provides new ownership with a stable income stream secured by Kroger’s corporate guarantee and enhanced by contractual rent increases of 5% every five years,” noted Carrazana.

“I’m impressed with the level of transactional support and financial analysis from the IPA and Marcus & Millichap Capital Corporation teams throughout the entire process,” said Yoshko Prebanda, senior director of asset management and corporate real estate for The Kroger Co. “We wouldn’t have been in a position to close on time had it not been for their 110% dedication to the transaction and around-the-clock availability ever since we signed the listing in late November 2020. This transaction will further enhance a 20+ year relationship between Fred Meyer/Kroger and Benderson.”

The Fred Meyer store chain is a wholly owned subsidiary of Kroger that began in 1931 in Portland, Oregon and merged with Kroger in 1998. Fred Meyer stores were among the nation’s first to offer single location superstore-style “one-stop shopping.” Cincinnati, Ohio-based Kroger was founded in 1883 and has a market capitalization of approximately \$26 billion and a BBB investment-grade credit rating from Standard and Poor’s.

“The Pacific Northwest has always been one of our top areas of interest to grow our national footprint,” said Randy Benderson of Benderson Development. “Fred Meyer is a leader in these markets, and we’re very pleased to strengthen and enhance our long-term partnership with them.” Benderson Development has been aggressively growing its portfolio over the last few years. The Fred Meyer portfolio represents the company’s sixth major acquisition in the past 18 months, with such purchases exceeding \$1.5 billion.

The Fred Meyer stores in Washington State are in Shoreline, Bellingham, Everett, Lynnwood, Longview, Vancouver, Puyallup, Richland, and Tacoma, which has two. Oregon has two stores in Eugene, three in Salem and the rest are in Albany, Beaverton, Corvallis, Portland, Medford, Oregon City, Roseburg, Springfield, The Dalles and Tualatin. In Idaho, the properties are in Nampa and Garden City. Alaska has one in Anchorage. Marcus & Millichap's brokers of record in Washington, Oregon, Idaho, and Alaska are, respectively, Joel Deis, Adam Lewis, Curtis Cluff, and Carlton Smith.

About Institutional Property Advisors (IPA)

Institutional Property Advisors (IPA) is a division of Marcus & Millichap (NYSE: MMI), a leading commercial real estate services firm in North America. IPA's combination of real estate investment and capital markets expertise, industry-leading technology, and acclaimed research offer customized solutions for the acquisition, disposition and financing of institutional properties and portfolios. For more information, please visit www.institutionalpropertyadvisors.com.

About Benderson Development

Founded in 1949, Benderson Development is one of the nation's largest privately held real estate companies. Its portfolio includes more than 800 properties totaling over 45 million square feet in 40 states. For more information, visit www.benderson.com

About Marcus & Millichap (NYSE: MMI)

With over 2,000 investment sales and financing professionals located throughout the United States and Canada, Marcus & Millichap is a leading specialist in commercial real estate investment sales, financing, research and advisory services. Founded in 1971, the firm closed 8,954 transactions in 2020 with a value of approximately \$43 billion. Marcus & Millichap has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. To learn more, please visit: www.MarcusMillichap.com.

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