



STARBUCKS

WILMINGTON, NORTH CAROLINA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

ACTUAL SITE

\$2,790,000 | 5.00% CAP RATE

- » 10-Year Corporate Net Lease with 10% Increases Every Five Years
- » Starbucks is Rated "BBB+" by S&P
- » No Early Termination
- » High-Traffic Location in Dense Retail Corridor
- » 61,000 AADT at Signalized Intersection
- » Outparcel to Home Depot-Anchored Shopping Center
- » Excellent Location in Rapidly Growing Submarket
- » Multiple Development Projects Nearby
- » New 2019 Construction Featuring Dedicated Drive-Thru



COMING
SOON

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DEMOGRAPHIC PROFILE

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Leased Investment Team

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INVESTMENT SUMMARY

ADDRESS	5521 Carolina Beach Road, Wilmington, North Carolina		
PRICE	\$2,790,000		
CAP RATE	5.00% return		
NOI	\$139,500		
TERM	10 years		
RENT COMMENCEMENT	May 10, 2019 (estimated)		
LEASE EXPIRATION	June 30, 2029 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$139,500	5.00%
	6-10	\$153,450	5.50%
	11-15 (Option 1)	\$168,795	6.05%
	16-20 (Option 2)	\$185,675	6.66%
	21-25 (Option 3)	\$204,242	7.32%
	26-30 (Option 4)	\$224,666	8.05%
YEAR BUILT	2019		
BUILDING SF	2,510 SF		
PARCEL SIZE	0.63 acres (27,471 SF)		
LEASE TYPE	Net, with tenant responsible for taxes, insurance, and maintenance, excluding roof, structure, and parking lot		



HIGH-QUALITY, INVESTMENT GRADE SINGLE-TENANT ASSET

- » Leased to Starbucks Corporation for ten years plus four five-year options
- » 10% fixed rent increases every five years in initial term and option periods
- » Starbucks is an investment grade tenant, rated "BBB+" by Standard & Poor's

HIGH-TRAFFIC LOCATION IN DENSE RETAIL CORRIDOR

- » Excellent visibility and access to 43,000 vehicles per day directly in front of the property on Carolina Beach Road
- » Located just off of the signalized intersection of Carolina Beach Road and Piner Road, with a high traffic volume of 61,000 vehicles per day at the intersection
- » Outparcel to large shopping center anchored by Home Depot
- » Prominent location in dense retail corridor

RAPIDLY GROWING SUBMARKET

- » Prime location in the rapidly growing Monkey Junction submarket
- » Multiple development projects planned and underway near the property
- » Submarket benefits from close proximity to Carolina Beach and the Cape Fear River, as well as everyday leisure, major shopping, dining, golf courses, and healthcare facilities

NEW 2019 CONSTRUCTION

- » High-quality construction scheduled to be completed in early 2019
- » Features dedicated drive-thru
- » New building, limiting near-term deferred maintenance or capital costs



Walmart
Supercenter

LOWE'S

Wendy's

Arby's

Chick-fil-A



Ruby Tuesday

PET SMART

AutoZone

SUBWAY

O'Reilly AUTO PARTS
PROFESSIONAL PARTS PEOPLE



Lowes FOODS
ASHLEY FURNITURE HomeStore
DOLLAR TREE

MIDAS

verizon



THE HOME DEPOT
STAPLES



Carolina Beach Road
(43,000 AADT)

Piner Road (18,000 AADT)



Massage Envy



NORTH CAROLINA PORTS
PORT OF WILMINGTON
(state's busiest port)

Barclay
(300-acre mixed-use development)

Walmart
Supercenter

LOWE'S


New Hanover
Regional Medical Center
(855 beds and
6,123 employees)

PETSMART


Chick-fil-A

Advance
Auto Parts

O'Reilly AUTO PARTS
PROFESSIONAL PAINT PEOPLE

verizon

MIDAS

Piner Road (18,000 AADT)

Lowes FOODS
ASHLEY FURNITURE
HomeStore
DOLLAR TREE

BURGER KING

Ruby Tuesday


McDonald's

AutoZone

WELLS FARGO

SUBWAY

Carolina Beach Road
(43,000 AADT)

FAMOUS BOJANGLES
chicken 'n biscuits


BUFFALO WILD WINGS
GRILL & BAR


Starbucks



ATLANTIC OCEAN

Future Residential

Coastal Christian High School
(193 students)



STAPLES



Carolina Beach Road
(43,000 AADT)



ATLANTIC OCEAN

Freeman Park

Carolina Beach State Park

CAPE FEAR RIVER

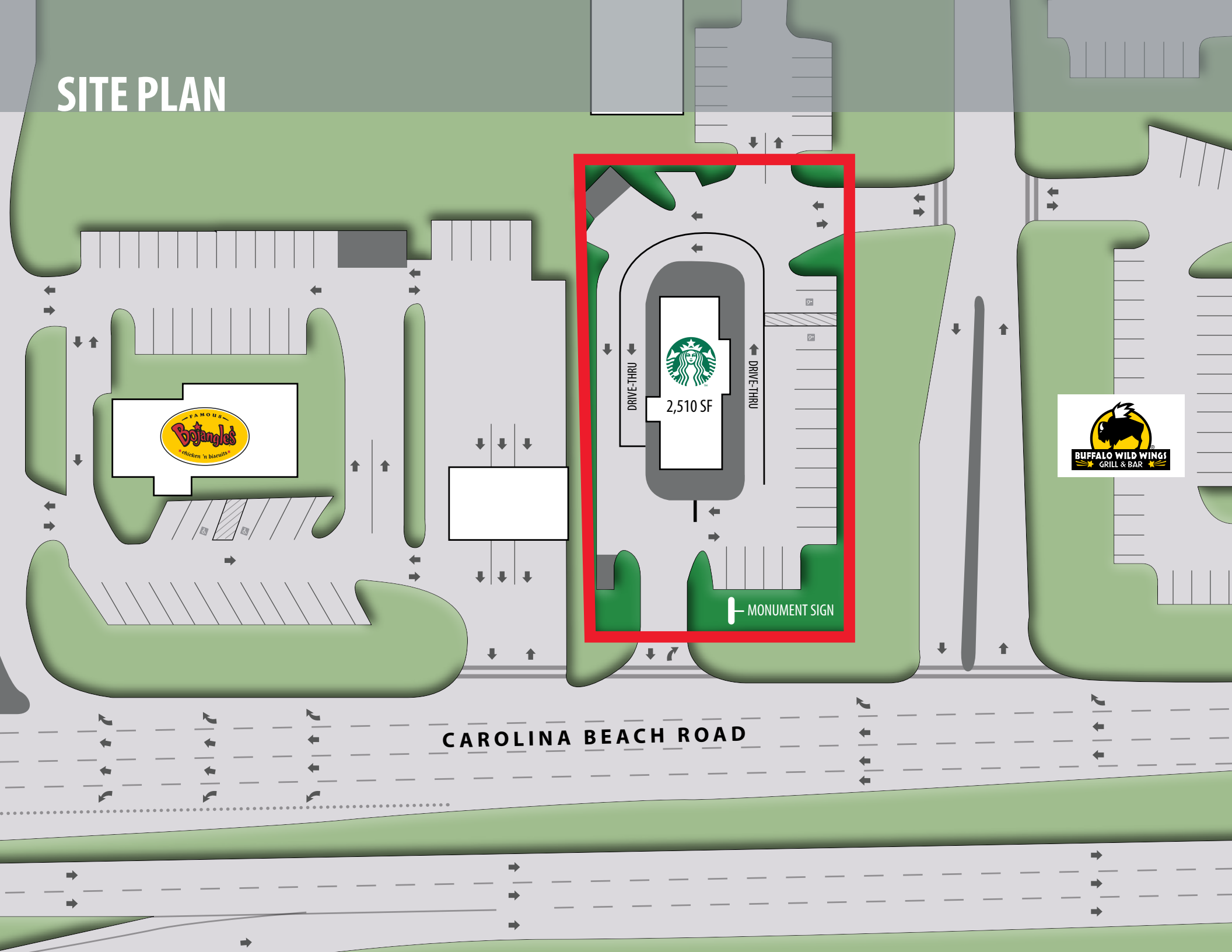
Future Residential

Future Residential



Carolina Beach Road
(43,000 AADT)

SITE PLAN



2,510 SF



MONUMENT SIGN

CAROLINA BEACH ROAD

TENANT SUMMARY



Starbucks Corporation (NASDAQ: "SBUX") is the premier roaster, marketer, and retailer of specialty coffee in the world, operating more than 29,000 locations in 76 countries. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to the flagship Starbucks Coffee brand, Starbucks also sells goods and services under the Teavana, Tazo, Seattle's Best Coffee, Evolution Fresh, La Boulange, and Ethos brand names.

On August 27, 2018, Starbucks and Nestlé closed a \$7.15 billion licensing deal, giving Nestlé the rights to market, sell, and distribute Starbucks' packaged coffee and tea around the world. The licensing arrangement includes the rights to market everything from whole bean coffee to portioned coffee pods for each brand owned by Starbucks. The agreement significantly strengthens Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also unlocks global expansion in grocery and foodservice for the Starbucks brand, utilizing the global reach of Nestlé. Starbucks CEO Kevin Johnson said the Nestle deal opens the door for the restaurant chain to reach a global scale in the retail sector as well. "This global coffee alliance with Nestlé is a significant strategic milestone for the growth of Starbucks," Johnson said in a statement. "Bringing together the world's leading coffee retailer, the world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders."

For the fiscal year ended September 30, 2018, Starbucks Corporation reported net revenues of \$24.7 billion, representing a 10% increase from 2017. As of 2018, Forbes ranked Starbucks as the world's second largest restaurant company and the world's 370th largest company overall. Starbucks is rated "BBB+" by Standard & Poor's.

For more information, please visit www.starbucks.com.

TICKER	NASDAQ: "SBUX"	# OF LOCATIONS	29,000+
REVENUE	\$24.7B	HEADQUARTERS	Seattle, WA

LEASE ABSTRACT

TENANT	Starbucks Corporation		
ADDRESS	5521 Carolina Beach Road, Wilmington, North Carolina		
RENT COMMENCEMENT	May 10, 2019 (estimated)		
LEASE EXPIRATION	June 30, 2029 (estimated)		
RENEWAL OPTIONS	Four (4) five (5) year options		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 (Option 1) 16-20 (Option 2) 21-25 (Option 3) 26-30 (Option 4)	RENT \$139,500 \$153,450 \$168,795 \$185,675 \$204,242 \$224,666	RETURN 5.00% 5.50% 6.05% 6.66% 7.32% 8.05%
COMMON AREA COSTS	Tenant will pay its share of CAM Costs, which shall not increase by more than 5% per year.		
REAL ESTATE TAXES	Tenant is responsible for its share of real estate taxes.		
INSURANCE	Tenant and Landlord shall both maintain liability and property insurance.		
REPAIR & MAINTENANCE	Tenant is responsible for maintaining the interior portion of the Premises and the HVAC system.		
MAINTENANCE BY LANDLORD	Landlord is responsible for maintaining the roof, structure, and foundation of the Premises and the parking areas on the Property.		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property is located just off of the signalized intersection of Piner Road and Carolina Beach Road, with excellent visibility and access to 61,000 vehicles per day. Located in a dense retail corridor, the property is outparcel to a large shopping center anchored by Home Depot and tenanted by well-known brands like Buffalo Wild Wings, Fantastic Sams, Massage Envy, Wells Fargo, Staples, Hallmark, and many others. The property is also within walking distance of a number of retail centers featuring notable retailers like Walmart, Lowe's, Dollar Tree, Lowes Foods, PetSmart, and GameStop. Other important tenants near the property include AutoZone, MetroPCS, Burger King, Midas, and McDonald's.

The property is centrally approximately five miles from downtown Wilmington. A number of schools are located in the area, including Eugene Ashley High School (1,979 students), Myrtle Grove Middle School (754 students), and Myrtle Grove Christian School (371 students). The property is also surrounded by residential neighborhoods and is close to a number of recreational areas, including several golf courses and public beaches.

ACCESS

Access from Carolina Beach Road/U.S. Highway 421

TRAFFIC COUNTS

Carolina Beach Road/U.S. Highway 421:	43,000 AADT
Piner Road:	18,000 AADT

YEAR BUILT

2019

NEAREST AIRPORT

Wilmington International Airport (ILM)

FILE PHOTO



2019

YEAR BUILT



61K

TRAFFIC
COUNT (AADT)



NEAREST
AIRPORT

WILMINGTON
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Wilmington is a port city and the county seat of New Hanover County in coastal southeastern North Carolina. With a population of 119,045 in 2017, it is the eighth most populous city in the state. Wilmington is the principal city of the Wilmington Metropolitan Statistical Area (MSA), which includes New Hanover and Pender counties and has a population of 288,156. Located on the Cape Fear River, which flows into the Atlantic Ocean, Wilmington is a sizable seaport; the region is home to the Port of Wilmington, the busiest port in North Carolina, operated by the North Carolina State Ports Authority. It is also the location of Military Ocean Terminal Sunny Point, the largest ammunition port in the nation and the U.S. Army's primary East Coast deep-water port. Also a major center of American film and television production, Wilmington is the home of EUE Screen Gems Studios, the largest domestic television and movie production facility outside California. Wilmington's industrial base includes electrical, medical, electronic, and telecommunications equipment; clothing and apparel; food processing; paper products; nuclear fuel; and pharmaceuticals. Wilmington is part of North Carolina's Research coast, adjacent to the Research Triangle Park in Durham. Also important to Wilmington's economy is tourism due to its close proximity to the ocean and vibrant nightlife.

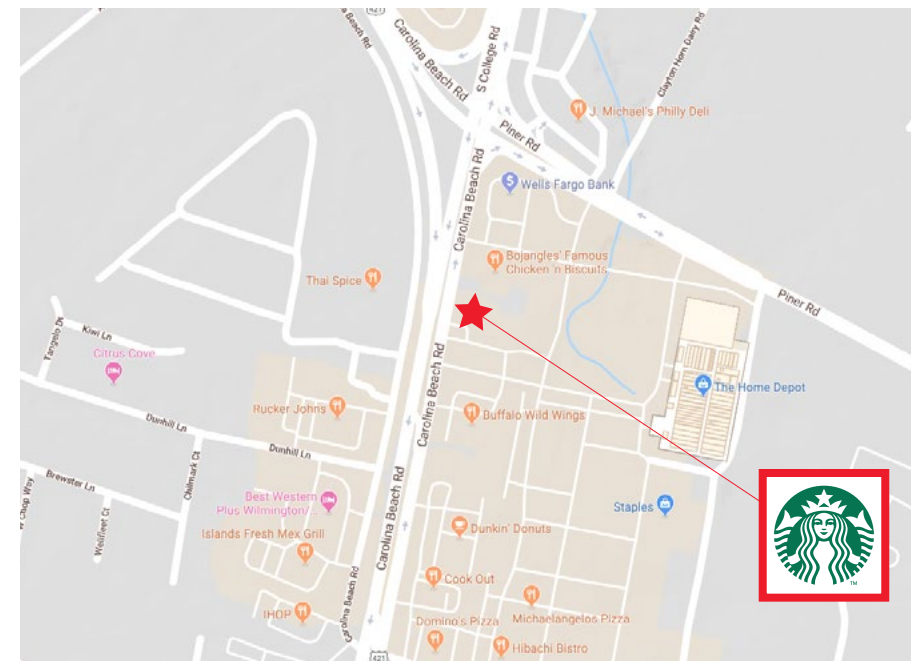
Cape Fear is a coastal plain and Tidewater region of North Carolina centered about the city of Wilmington. The region takes its name from the adjacent Cape Fear headland, as does the Cape Fear River which flows through the region and empties into the Atlantic Ocean near the cape. Much of the region's populated areas are found along the Atlantic beaches and the Atlantic Intracoastal Waterway, while the rural areas are dominated by farms and swampland like that of the Green Swamp. Three counties form the core of the Cape Fear region: Brunswick County (since 2009 part of the Myrtle Beach metropolitan area), New Hanover County, and Pender County. As of 2017, the three counties had a combined population of 419,053. The coastal communities boast a large, seasonal tourism industry leading to much higher populations in the summer months and lower populations in the winter months.

- » EUE Screen Gems Studios in Wilmington features "Dream Stage 10," the facility's newest sound stage, which is the third largest in the U.S. It houses the largest special effects water tank in North America.
- » Wilmington boasts a large historic district encompassing nearly 300 blocks. Abandoned warehouses on downtown's northern end have been recently demolished, making room for multi-million dollar projects, such as the World Headquarters of Pharmaceutical Product Development (PPD) and a state-of-the-art convention center.
- » The University of North Carolina Wilmington (UNCW) is a public university that enrolls 16,886 undergraduate, graduate, and doctoral students each year as part of the 17-campus University of North Carolina System.

MAJOR EMPLOYERS IN WILMINGTON MSA

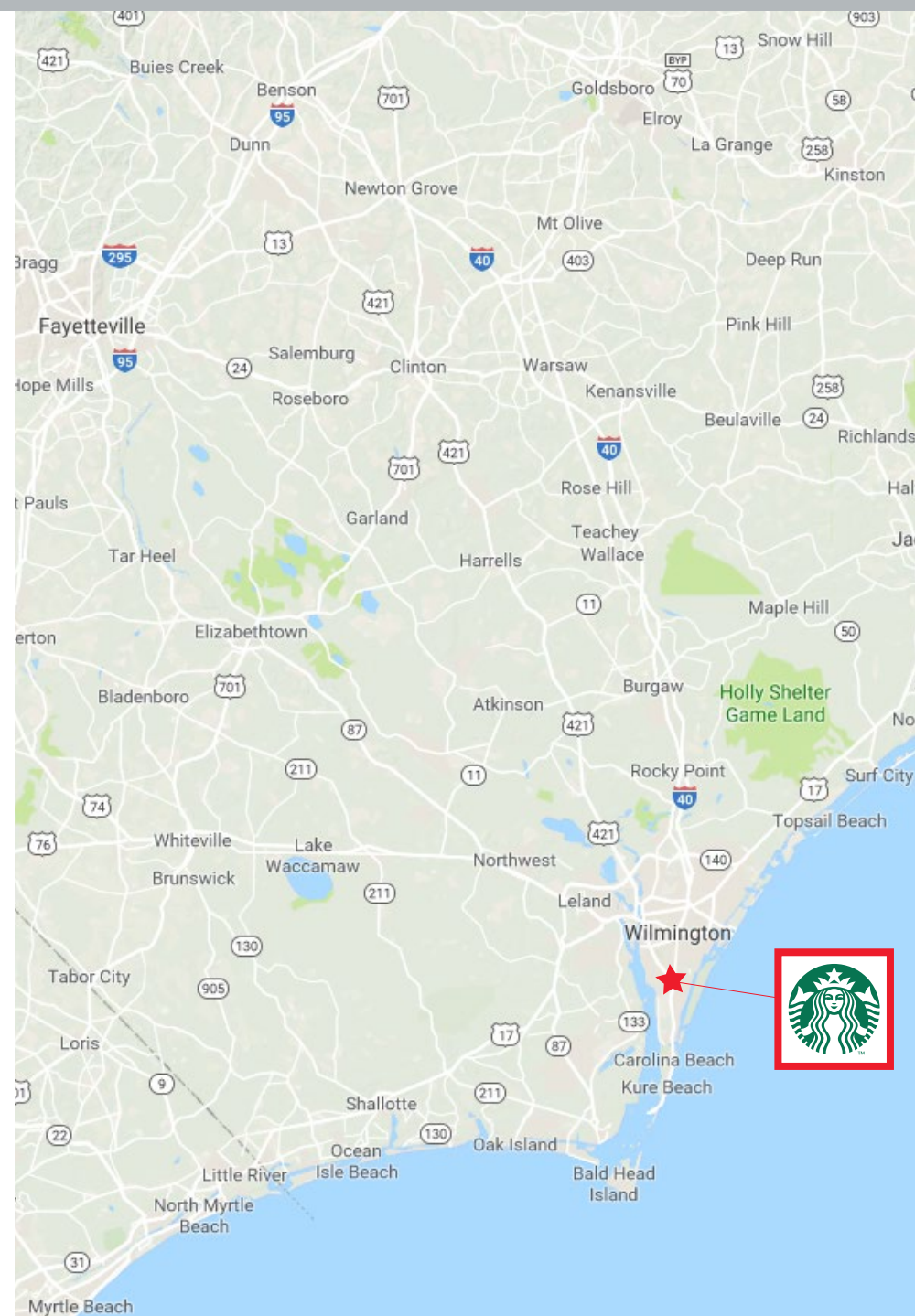
OF EMPLOYEES

NEW HANOVER REGIONAL MEDICAL CENTER	6,123
NEW HANOVER COUNTY SCHOOLS	4,443
WALMART	2,592
GE WILMINGTON	2,175
UNIVERSITY OF NORTH CAROLINA WILMINGTON	1,860
NEW HANOVER COUNTY	1,611
PPD, INC.	1,500
VERIZON	1,411
DUKE ENERGY	1,109
CORNING, INC.	1,000



DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	8,211	46,020	76,752
Households	3,226	19,392	32,329
Families	2,242	12,337	20,354
Average Household Size	2.52	2.37	2.35
Owner Occupied Housing Units	2,343	12,569	20,656
Renter Occupied Housing Units	884	6,823	11,673
Median Age	40.3	41.2	42.4
Average Household Income	\$76,605	\$84,421	\$85,091
2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	9,008	50,280	82,889
Households	3,534	21,147	34,881
Families	2,442	13,357	21,809
Average Household Size	2.53	2.37	2.36
Owner Occupied Housing Units	2,594	13,922	22,677
Renter Occupied Housing Units	940	7,225	12,203
Median Age	41.3	42.2	43.3
Average Household Income	\$86,029	\$95,265	\$94,998



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