

Representative Photo



# PNC

1 S Main St  
North East, MD 21901

**OFFERING MEMORANDUM**

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



# TABLE OF CONTENTS

Representative Photo

03

EXECUTIVE OVERVIEW

04

FINANCIAL OVERVIEW

05

TENANT OVERVIEW

07

AREA OVERVIEW

## LISTED BY

**CODY SCHOOLEY**

ASSOCIATE

DIRECT 214.692.2129

MOBILE 954.461.9767

[Cody.Schooley@matthews.com](mailto:Cody.Schooley@matthews.com)

LIC # 712657 (TX)

**ANDREW GROSS**

SENIOR ASSOCIATE

DIRECT 214.295.4511

MOBILE 435.659.1404

[Andrew.Gross@matthews.com](mailto:Andrew.Gross@matthews.com)

LIC # 01987860 (CA)

**BROKER OF RECORD**

KYLE MATTHEWS

LIC # 664913 (MD)

# Executive Overview

## Investment Highlights

### LEASE

- » **ZERO Landlord Responsibilities** – Absolute NNN ground lease attractive for out of state investors
- » **Growing Cash Flow**– The lease features attractive 2% annual increases helping hedge against inflation
- » **Cheap Rent Per SF** – PNC is only paying \$17.29 a Square Foot
- » The lease has **attractive Two (2) Five (5) year options** showing commitment to the site
- » This location has **served as a bank branch for nearly 25 years**

### TENANT

- » **Investment Grade Tenant** – PNC has an impressive “A” credit rating making it one of the strongest credit tenants on the S&P 500
- » **Top 10 Bank** – With ±2,500 locations, PNC is one of America’s top banks having \$380B in assets and a market cap of \$67B
- » PNC has been a **Fortune 500 company for 24 years now**

### LOCATION

- » **Phenomenal Deposits** – This branch has nearly \$110M in deposits showing strong branch viability
- » **Hard Corner** – The property is on a signalized corner off Main St that sees ± 13,600 VPD
- » **Attractive Demographics** – Household income within a 5-mile radius is over \$97,000
- » North East features a **1.15-million-square-foot Amazon Fulfillment center** that opened recently
- » Surrounding tenants within a mile include **Walmart Supercenter, Lowes Home Improvement, McDonald’s, Burger King, Walgreens, Food Line, Wendy’s, AutoZone, and more.**



# Financial Overview

## Financial Summary



LIST PRICE

\$731,980



CAP RATE

7.00%



TERM REMAINING

±1.50 Years

## Annualized Operating Data

	Annual Rent	Cap Rate
08/01/19 - 07/31/20	\$52,263	7.14%
Option 1	\$53,309	7.28%
08/01/21 - 07/31/22	\$54,375	7.43%
08/01/22 - 07/31/22	\$55,462	7.58%
08/01/23 - 07/31/24	\$56,572	7.73%
08/01/24 - 07/31/25	\$57,703	7.88%
Option 2	\$58,857	8.04%
08/01/26/ - 07/31/27	\$60,034	8.20%
08/01/27 - 07/31/28	\$61,235	8.37%
08/01/28 - 07/31/29	\$62,460	8.53%
08/01/29 - 07/31/30	\$63,709	8.70%

## Executive Summary

Property Name	PNC Bank
Address	1 S Main St North East, MD 21901
SqFt	±2,964 (0.34 AC)
Year Built	1976

## Tenant Summary

Tenant Trade Name	PNC Bank
Type of Ownership	Ground Lease
Lease Guarantor	Corporate
Lease Type	NNN
Roof & Structure	Tenant Responsibility
Lease Expiration Date	7/31/2020
Term Remaining	±1.50 Years
Increases	2% Annual
Options	Two, 5-Year Options

# Tenant Overview



Parent Company Trade Name

PNC Financial Services Group, Inc.



Headquartered

Pittsburgh, PA



No. of Locations

±2,481



Year Founded

1845

## TENANT OVERVIEW

PNC Financial Services Group, Inc. (stylized as PNC) is a bank holding company and financial services corporation based in Pittsburgh. Its bank operates in 19 states and the District of Columbia with 2,459 branches and 9,051 ATMs. The company also provides financial services such as asset management, wealth management, estate planning, loan servicing, and information processing.

PNC is ranked 9th on the list of largest banks in the United States by assets. It is the 5th largest bank by number of branches, 6th largest by deposits, and 4th largest in number of ATMs.

The name “PNC” is derived from the initials of both of the bank’s two predecessor companies: Pittsburgh National Corporation and Provident National Corporation, which merged in 1983.



PNC



## Surrounding Tenants





# Area Overview



## North East, MD

Located at the headwaters of the Chesapeake Bay, North East is less than an hour drive from Philadelphia and Baltimore.

Strolling down Main Street, visitors will find various shops full of artisanal goods and antiques, and several restaurants. The Upper Bay Museum located at the end of Walnut Street in the North East Community Park offers one of the largest collections of hunting and fishing memorabilia in this area.

Located a short distance outside of town is the Elk Neck State Park, Turkey Point Light House, and Elk Neck State Forest, which all offer hiking and recreational activities for visitors.

## Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	5,476	15,949	26,448
2018 Estimate	5,372	15,337	25,681
2010 Census	5,282	14,321	24,578
Growth 2018-2023	1.94%	7.09%	4.49%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	2,083	6,042	9,821
2018 Estimate	2,045	5,818	9,527
2010 Census	2,015	5,445	9,083
Growth 2018-2023	1.86%	3.85%	3.09%
INCOME	1 - MILE	3 - MILE	5 - MILE
Average Household Income	\$82,459	\$92,462	\$99,075





Beginning in 1979, Baltimore began urban renewal efforts that rank among the most ambitious in the United States. Downtown and many other neighborhoods have been revitalized, with special attention given to the city's greatest asset - the harbor. Additionally, state-of-the-art stadiums have been constructed for the Baltimore Orioles and Baltimore Ravens. A few miles away, billion-dollar biotechnology parks attract the world's leading scientists.



### Baltimore, MD

The city of Baltimore is the largest city in the state of Maryland and the largest independent city in the United States. Historically a working-class port town focused on steel processing, shipping, auto manufacturing, and transportation, Baltimore now has a modern service economy led by biotechnology, medicine, and tourism.



Baltimore is home to the headquarters of Under Armour. Under Armour has plans for a 50-Acre campus with a manmade urban lake and 3.0 million square feet of office. The first phase of the campus includes a landmark tower that is expected to be built by 2021. The campus will be built along the Port Covington waterfront and will have a stadium to seat 7,000 fans with plans to host local College sporting events. Neil Jurgens, Vice President for corporate real estate at UA said, "We see this as transformative for the city and transformative for Under Armour."



## Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **PNC Bank** located at **1 S Main St North East, MD** ("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.





**1 S Main St  
North East, MD 21901**

**LISTED BY**

**CODY SCHOOLEY**  
ASSOCIATE

DIRECT 214.692.2129  
MOBILE 954.461.9767  
[Cody.Schooley@matthews.com](mailto:Cody.Schooley@matthews.com)  
LIC # 712657 (TX)

**ANDREW GROSS**  
SENIOR ASSOCIATE

DIRECT 214.295.4511  
MOBILE 435.659.1404  
[Andrew.Gross@matthews.com](mailto:Andrew.Gross@matthews.com)  
LIC # 01987860 (CA)

**BROKER OF RECORD**

**KYLE MATTHEWS**  
LIC # 664913 (MD)