



Offering Memorandum



Broker of Record

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401-419 Prosperity Drive
Henderson, NC 27536

Marcus & Millichap

Aerial photo

Aaron's Center, Henderson, NC



Offering Summary

Aaron's Center, Henderson, NC

Summary

List Price	\$1,920,423
Current CAP	8.25%
Square Feet	9,800
Price Per Square Foot	\$170.63
Year Built	2004

Operating Information

Scheduled Gross Income	\$158,435
Expense Reimbursement	\$43,452
Total Income	\$201,887
Vacancy Factor	0%
Operating Expenses	\$43,452
Net Operating Income	\$158,435

Expenses

Taxes	\$23,750
Insurance	\$1,963
Electricity	\$1,747
Lawn Care	\$4,541
Waste/Trash Disposal	\$3,989
Repairs & Maintenance	\$1,917
Management Fees	\$5,545
Total	\$43,452

Proposed Financing

First Loan Amount	\$1,344,296	
Terms:	<i>Interest Rate</i>	4.75%
	<i>Amortization</i>	25 Years
	<i>Term</i>	5 Years
Annual Debt Service	\$91,969	
Cash Flow	\$66,467	
Cash on Cash	11.54%	

Investment Overview

Aaron's Center, Henderson, NC

Tenant	Square Feet	Lease Start	Lease End	Annual Rent	Annual Rent/Ft.	New Rent Date	New Rent/Ft.	Lease Types	Options
Aaron's (Corporate)	6,000	1/1/2019	12/31/2025	\$81,600	\$13.60	1/1/2026	*Fair Market Value	NN	One, Five Year Option to Renew
US Cellular (Corporate)	2,400	8/24/2004	10/31/2020	\$51,600	\$21.50	11/1/2020	\$56,760	NN	Two, Three Year Options to Renew
Nails 'n More	1,400	8/3/2005	5/31/2025	\$25,235	\$18.06	6/1/2020	\$25,992	NN	One, Ten Year Option to Renew
Total	9,800			\$158,435					

Investment Summary

The subject offering affords an incoming investor the opportunity to acquire a 9,800 square foot shopping center, anchored by Aaron's Corporate. This building was built in 2004, and has been occupied by the tenants for close to 15 years. The previous operator of the Aaron's business strategically chose to acquire the real estate in 2016 as this was one of the highest performing locations for their operations, and it has since become a virtually management-free asset. Following a 2018 acquisition of operations, Aaron's corporate executed a seven-year lease in January of 2019, which further demonstrates their commitment to the site. Additionally, the two additional tenants have been in place since the property was built, and have regularly renewed their leases over the course of the last 15 Years.

This asset has minimal landlord responsibility, as the tenants are responsible for regular maintenance to the interior, servicing of the HVAC systems up to \$2,000 per year, and all utilities associated with the building. The leases require the tenants to reimburse the landlord for their proportionate share of Taxes, Insurance, and CAM, paid as additional rent monthly. In the event that the actual cost TICAM is greater than the additional rent set forth, tenants and landlord will reconcile at year end to cover their proportionate share of the additional expenses.

Operating Statement

Aaron's Center, Henderson, NC

INCOME	YEAR 1	PER SF	YEAR 2	PER SF
Scheduled Base Rental Income	\$158,435	\$16.17	\$159,737	\$16.30
Expense Reimbursement Income				
CAM	\$37,907	\$3.87	\$37,907	\$3.87
Management Fees	\$5,545	\$0.57	\$5,545	\$0.57
Total Reimbursement Income	\$43,452	100%	\$43,452	100%
Effective Gross Revenue	\$201,887	\$20.60	\$203,189	\$20.73
OPERATING EXPENSES				
	YEAR 1	PER SF	YEAR 2	PER SF
Common Area Maintenance (CAM)				
Electricity	\$1,747	\$0.18	\$1,747	\$0.18
Lawn Care	\$4,541	\$0.46	\$4,541	\$0.46
Trash	\$3,989	\$0.41	\$3,989	\$0.41
Roofing	\$698	\$0.07	\$698	\$0.07
Repairs & Maintenance	\$1,219	\$0.12	\$1,219	\$0.12
Insurance	\$1,963	\$0.20	\$1,963	\$0.20
Real Estate Taxes	\$23,750	\$2.42	\$23,750	\$2.42
Management Fees	\$5,545	2.7%	\$5,545	2.7%
Total Expenses	\$43,452	\$4.43	\$43,452	\$4.3
Expenses as % of EGR	21.5%		21.4%	
Net Operating Income	\$158,435	\$16.17	\$159,347	\$16.30

Tenant Overviews



A leader in the rent-to-own space, Aaron's, Inc. (NYSE: AAN) was founded in 1955 and has been publicly traded since 1982. Headquartered in Atlanta, Aaron's owns the Aaron's & Progressive Leasing brands. Aaron's engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its more than 1,600 company-operated and franchised stores in 47 U.S. states and Canada as well as its e-commerce platform Aarons.com.



U.S. Cellular is the fifth-largest full-service wireless carrier in the United States, providing national network coverage and industry-leading innovations designed to elevate the customer experience. The Chicago-based carrier offers coverage where the other carriers don't and a wide range of communication services that enhance consumers' lives, increase the competitiveness of local businesses and improve the efficiency of government operations.

Market Overview

Raleigh, NC

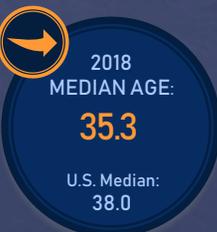
Overview

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina where the North American Piedmont and Atlantic Coastal Plain regions join. The area is approximately two hours west of the Atlantic Ocean and four hours east of the Appalachian Mountains. The metro is composed of 11 counties: Wake, Durham, Johnston, Chatham, Orange, Franklin, Harnett, Vance, Granville, Lee and Person.

The market has a population of nearly 2.2 million people, almost half of whom live in Wake County. Raleigh, home to the state capitol, is the most populous city in the metro with approximately 464,000 citizens. Durham is the second largest with 269,000 residents.



DEMOGRAPHICS



METRO HIGHLIGHTS



HIGHLY SKILLED WORKFORCE

Numerous world-renowned colleges and universities are located in the metro and contribute to an educated labor pool.



AFFORDABLE COST OF LIVING

A metro median home price of roughly \$290,000 is lower than many other East Coast communities and the annual median household income of \$65,100 is well above that of the U.S.



HIGH-TECH EMPLOYMENT

The Research Triangle Park attracts and fosters high-tech and biotechnology firms.



ECONOMY

- Primary to the Raleigh-Durham-Chapel Hill economy is the Research Triangle Park (RTP), spanning 7,000 acres and home to more than 200 global companies that employ roughly 50,000 workers.
- In addition to a thriving life-sciences sector, the metro is home to one of the fastest-growing CleanTech clusters, with a host of companies focused on smart grid technologies, electric vehicles and renewable energy.
- The metro ranks high in tech jobs, partially attributed to three Tier 1 universities; Duke University, North Carolina State University and University of North Carolina at Chapel Hill.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

Market Overview

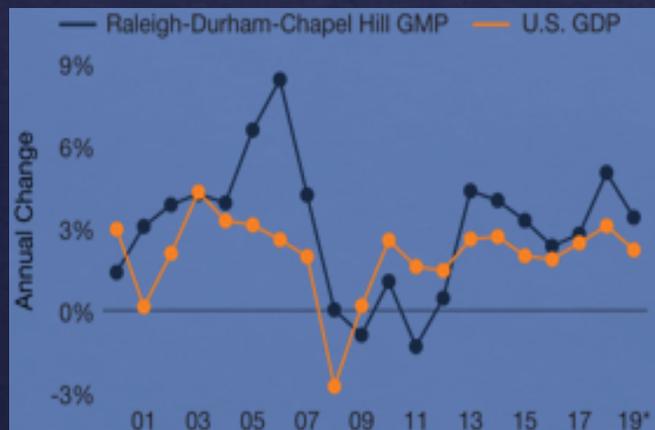
Quality of Life

Situated on rolling hills between the Atlantic coast beaches and the Appalachian Mountains, the Raleigh-Durham-Chapel Hill region provides a wide variety of outdoor activities. Sports enthusiasts follow the Atlantic Coast Conference rivalry among the University of North Carolina, Chapel Hill, North Carolina State and Duke. Also, the NHL's Carolina Hurricanes play in Raleigh and minor league baseball is represented by the Durham Bulls and the Carolina Mudcats. The region also provides many cultural opportunities, such as the Carolina Theater, Carolina Ballet, North Carolina Symphony and NC Opera. Venues include the Durham Performing Arts Center, the Time Warner Cable Music Pavilion at Walnut Creek and the Raleigh Amphitheatre and Festival Site.

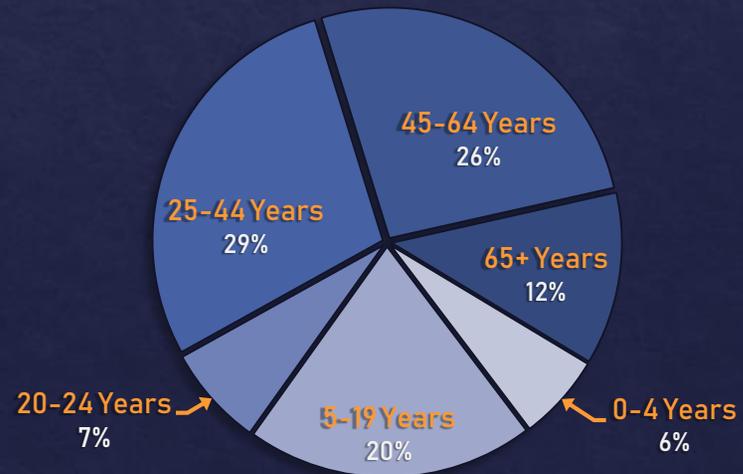
Demographics

- The metro is projected to add nearly 210,000 people over the next five years, which will result in the formation of 88,000 households.
- A median home price of \$287,000 allows 64 percent of households to own their homes, on par with the national level.
- Roughly 41 percent of people age 25 and older hold a bachelor's degree; among these residents, 15 percent have also earned a graduate or professional degree.

Economic Growth

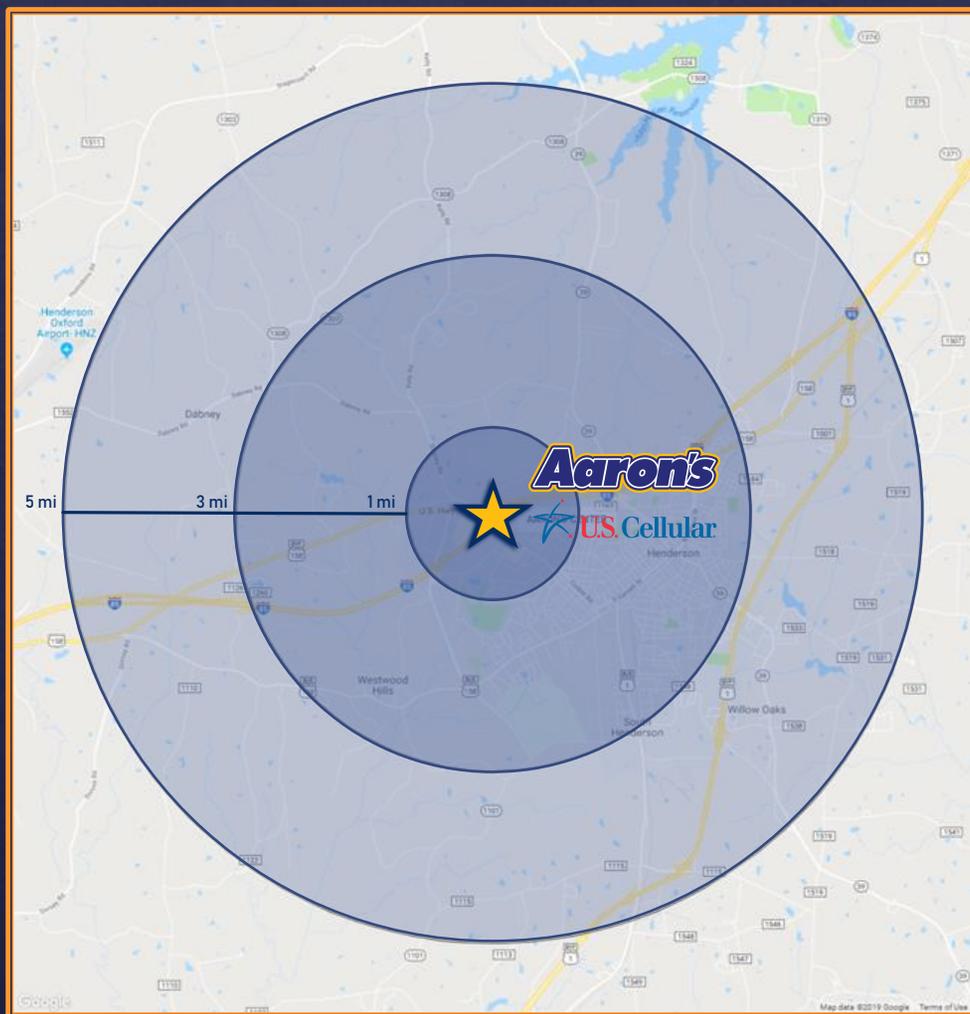


2017 Population by Age



Demographics

Henderson, NC



	1 Mile	3 Miles	5 Miles
POPULATION			
2023 Projection	2,439	18,498	26,206
2018 Estimate	2,393	18,584	26,192
2010 Census	2,418	18,801	26,482
2000 Census	2,311	19,462	26,745
INCOME			
Average	\$49,265	\$47,290	\$46,975
Median	\$32,149	\$29,684	\$30,692
Per Capita	\$24,436	\$19,016	\$18,460
HOUSEHOLDS			
2023 Projection	1,213	7,467	10,335
2018 Estimate	1,176	7,366	10,167
2010 Census	1,210	7,554	10,408
2000 Census	1,161	7,661	10,335
HOUSING			
2018	\$150,355	\$112,912	\$104,371
EMPLOYMENT			
2018 Daytime Population	2,477	19,475	27,059
2018 Unemployment	3.55%	6.26%	5.98%
2018 Median Time Traveled	20	21	23
RACE & ETHNICITY			
White	41.54%	33.36%	36.76%
Native American	0.02%	0.06%	0.06%
African American	53.21%	60.52%	55.46%
Asian/Pacific Islander	2.34%	0.82%	0.68%

Prepared May 28, 2019

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Exclusive Listing

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