

PetSmart

2076 Sam Rittenberg Blvd., Charleston, South Carolina

\$7,493,052 | 6.15% CAP

Corporate NNN Lease



NAICharleston

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Confidentiality Disclaimer

NAI Charleston (“Broker”) in its capacity as Exclusive Agent for the “Owner”, is presenting you with this Confidential Offering Memorandum in connection with the sale of “Owner’s” fee interest in the PetSmart located at 2076 Sam Rittenberg Blvd. in Charleston, South Carolina.

This Memorandum was prepared by “Broker” and has been reviewed by “Owner.” It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information which prospective investors may desire. All financial projections are provided for general reference purposes only in that they are based on assumptions relating to the general economy, competition and other factors beyond the control of the “Owner” and “Broker”. Additional information and an opportunity to inspect the Property will be made available upon request. Neither “Owner” nor “Broker”, nor any of their respective directors, officers, advisors or affiliates have made any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligations shall arise by reason of this Memorandum or its contents.

Any sketches, plats, or drawings included in the offering are included to assist the reader in visualizing the Property. “Broker” has made no survey of the Property and assumes no responsibility in connection with such matters.

“Broker” has had neither a legal review relating to title of the Property nor an engineering review with regard to the physical and mechanical integrity of the Property performed, and no representations with respect to either are made hereby. The Properties are being sold “as is,” subject to full inspection by the prospective purchaser but without representation and warranties with respect to the physical conditions of the Property.

“Owner” expressly reserves the right, at its discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any entity at any time with or without notice. “Owner” shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by “Owner” and any conditions to the “Owner’s” obligations thereunder have been satisfied or waived.

This Memorandum has been prepared for limited distribution on a confidential basis. To respect this desire for confidentiality, the recipient agrees that the Memorandum and its contents are of a proprietary nature, that the recipient will hold and treat it in the strictest confidence and that the recipient will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of “Owner” and “Broker”, nor will the recipient use the Memorandum or any of its contents in any fashion or manner detrimental to the interest of the “Owner”, its affiliates or “Broker”.

In the Memorandum, certain documents are described in summary form. The summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements involved. The purchaser is expected to review independently all such documents. All information concerning the Property furnished to the recipient will be used solely for the purpose of evaluating a possible purchase of the Property. Therefore, the recipient agrees to keep all information strictly confidential, provided however, that any of such information may be disclosed to directors, officers, employees and representatives of the recipient who require knowledge of such information for the purpose of evaluating a possible purchase of the Property (it being understood that such directors, officers, employees and representatives of the recipient shall be informed of the confidential nature of such information and shall be directed to treat such information as strictly confidential)



Property Overview

Property Highlights

Prime Retail

Property is conveniently located at located off I-526 and Sam Rittenberg Blvd. in Charleston, SC, adjacent to the Citadel Mall. The mall is home to stores such as Belk, Dillard's, Sears, Target & JCPenney, Bath and Body Works, Victoria's Secret, Palmetto Moon, Sesame Burgers, LOFT, NY & Co., VSKI Salon & the Citadel Mall Stadium 16 IMAX Theater. A Panera Bread, GameStop, Michael's, Best Buy, Mattress Firm, Firestone Tires and other national tenants are all located within close proximity of the subject property.

National Tenant

PetSmart is the largest specialty pet retailer of services and solutions for the lifetime needs of pets with 1,433 stores and 202 in-store PetSmart PetsHotels® dog and cat boarding facilities in the U.S., Canada & Puerto Rico.

Quality Investment

Minimal landlord obligations; rent increases throughout base term and options.

Large, Dense Workforce Trade Area

Over 108,900 people, with an average household income of over \$62K, within five miles of the property.



Investment & Lease Summary

Name:	PetSmart	Taxes, CAM & Insurance:	Tenant Responsibility
Address:	2076 Sam Rittenberg Blvd., Charleston, SC	Roof & Structure:	Landlord Responsibility
TMS #:	310-04-00-010	Guarantor:	PetSmart Corporation
Market:	West Ashley (Charleston County)	Lease Commencement:	February 4, 2008
Tenant:	PetSmart, Inc. a Delaware Corp.	Lease Expiration:	February 28, 2023
Website:	www.petsmart.com	Lease Term:	15 years
Credit Rating:	S&P: BB+	Option Periods:	Three (3), 5-Year Options
Building Size:	19,003 SF	Initial Term	
Site Size:	2.61 Acres	Rent Increase:	Years 11-15: \$479,825.75
Year Built:	2008	Renewal Options:	Years 16-20 \$498,828.75
Lease Type:	NNN		Years 21-25 \$517,831.75
			Years 26-30 \$536,834.75

Current NOI: \$460,822.75
Sale Price | CAP Rate: \$7,493,052 | 6.15%

Tenant Profile



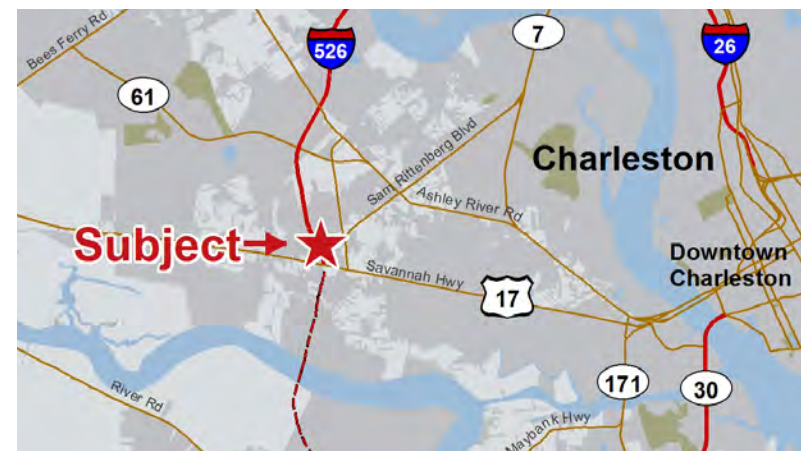
Overview

PetSmart is the top dog and the cat's meow in its industry. The #1 US specialty retailer of pet food and supplies operates more than 1,400 stores in the US, Canada, and Puerto Rico. The retailer offers 11,000 products, which range from scratching posts to iguana harnesses. Products, which are also sold through the PetSmart website, are marketed under national brands and its own private labels. Unique to PetSmart, its stores provide in-store PetsHotel boarding facilities, grooming services, and obedience training. The company's 20.5%-owned vet services firm Medical Management International (known as Banfield) offers its services in about 850 stores. Investment company BC Partners bought PetSmart in 2015.

Geographic Reach

PetSmart's stores are spread across the US, Puerto Rico, and Canada with concentrations in California, Texas, and Florida. Canada has a total of 85 locations.

Source: www.vault.com



Tenant Profile



Financial Performance

Fiscal year is Feb - Jan.	2015	2014	2013	2012	2011	2010
PetSmart Net Sales or Revenues	7.11B	6.92B	6.76B	6.11B	5.69B	5.34B
Cost Of Goods Sold (COGS)	4.96B	4.8B	4.7B	4.31B	4.04B	3.82B
PetSmart Gross Profit	2.15B	2.12B	2.06B	1.8B	1.65B	1.52B
Selling General & Admin Expense	1.45B	1.42B	1.41B	1.3B	1.23B	1.15B
Income Before Depreciation Depletion Amortization	708.79M	693.31M	651.21M	503.11M	428.72M	369.07M
Interest Expense	51.4M	51.77M	54.32M	56.84M	58.83M	59.74M
PetSmart Pretax Income	657.38M	641.53M	596.88M	446.27M	369.89M	309.33M
Provision for Income Taxes	252.22M	239.44M	223.32M	166.96M	140.39M	117.55M
Investment Gains Losses	20.97M	17.42M	15.97M	10.92M	10.37M	6.54M
Income Before Extraordinaries & Disc Operations	426.13M	419.52M	389.52M	290.24M	239.86M	198.32M
PetSmart Net Income (Profit/Loss)	426.13M	419.52M	389.52M	290.24M	239.86M	198.32M
Average Shares used to compute Diluted EPS	100.03M	104.32M	109.61M	113.99M	119.41M	124.7M
Average Shares used to compute Basic EPS	99.3M	103.2M	107.82M	111.91M	116.8M	122.36M
Income Before Nonrecurring Items	447.04M	419.52M	389.53M	290.24M	239.87M	198.33M
PetSmart Earnings Per Share Basic Net	4.29	4.06	3.61	2.59	2.05	1.62
PetSmart Earnings Per Share Diluted Net	4.26	4.02	3.55	2.55	2.01	1.59
EPS Diluted Before Nonrecurring Items	4.47	4.02	3.55	2.55	2.01	1.59
Dividend Per Share Common	0.59	0.72	0.64	0.55	0.48	0.33

Source: Amigobulls

Market Overview

Fast Facts

Charleston, South Carolina has over 300 years of remarkable history. Known for its Southern hospitality, elegant charm, cobblestone streets with well-preserved structures and unique culture. Charleston has been named one of the Top Ten places to visit in North America by Condé Nast Traveler Magazine for the past 5 years.

POPULATION



761,000



34

ON AVERAGE, THE AREA
SEES 34 NEWCOMERS
PER DAY

WORKFORCE

23.5%

INCREASE IN
EMPLOYMENT OVER
THE PAST DECADE

±26,000

JOBS FORECASTED TO BE
ADDED IN NEXT 5 YEARS



KEY ECONOMIC DRIVERS

TOURISM

±5.1 MILLION

VISITORS ATTRACTED



±3.7 BILLION

\$ GENERATED IN ECONOMIC
IMPACT

AVIATION



BOEING

**±13.9
BILLION**

\$ PUMPED INTO
CHARLESTON

AVIATION
MAKES UP

40%

OF LOCAL
ECONOMY

PORT OF CHARLESTON



HARBOR DEPTH OVER TIME

±53 BILLION

ANNUAL ECONOMIC ACTIVITY

±187,600

JOBS CREATED

AUTOMOTIVE

#2

HIGHEST EMPLOYMENT
CONCENTRATION FOR
TRANSPORTATION
EQUIPMENT
MANUFACTURING



Mercedes-Benz

VOLVO

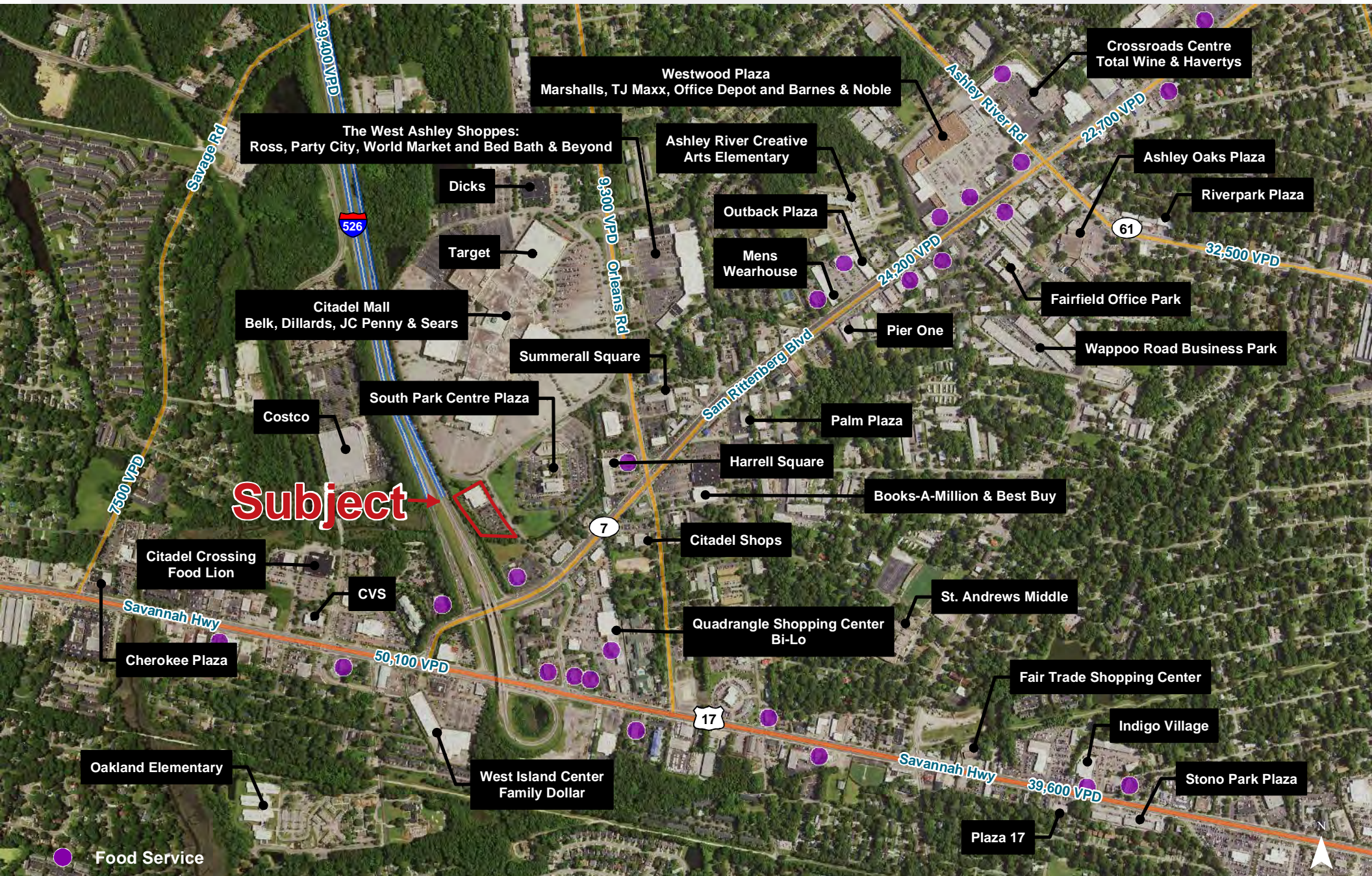
±500

MILLION

INVESTMENT FROM
BOTH VOLVO AND
MERCEDES

Aerial





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Demographic Profile



2076 Sam Rittenberg Blvd., Charleston, SC

	1 Mile	3 Miles	5 Miles		1 Mile	3 Miles	5 Miles		1 Mile	3 Miles	5 Miles
Population				2015 Age Distribution				Median Household Income			
2010 Census	7,007	48,037	108,932	0 - 4	6.6%	6.4%	6.3%	2015 Estimate	\$42,147	\$46,814	\$47,123
2015 Estimate	7,023	49,869	115,197	5 - 9	5.1%	5.1%	5.1%	2020 Projection	\$48,727	\$52,662	\$53,027
2020 Projection	7,351	53,649	124,018	10 - 14	4.3%	4.6%	4.6%				
% Chg. 2015-2020	4.7%	7.6%	7.7%	15 - 19	5.1%	4.8%	5.7%	Average Household Income			
				20 - 24	9.2%	8.6%	10.3%	2015 Estimate	\$53,210	\$59,818	\$62,042
Households				25 - 34	19.0%	18.8%	17.9%	2020 Projection	\$60,053	\$67,045	\$69,600
2010 Census	3,225	22,421	46,778	35 - 44	11.5%	12.2%	11.9%				
2015 Estimate	3,263	23,556	50,183	45 - 54	14.0%	13.5%	13.2%	Per Capita Household Income			
2020 Projection	3,422	25,475	54,405	55 - 64	12.3%	12.2%	11.8%	2015 Estimate	\$24,601	\$27,952	\$27,100
				65 - 74	7.4%	7.2%	6.9%	2020 Projection	\$27,839	\$31,457	\$30,571
Families				75 - 84	4.0%	4.6%	4.4%				
2010 Census	1,726	12,046	25,894	85+	1.4%	2.1%	1.9%	2015 Household Income Dist.			
2015 Estimate	1,724	12,444	27,415					Less than \$15,000	21.0%	13.7%	15.1%
2020 Projection	1,795	13,327	29,481	Median Age				\$15,000 - \$24,999	10.0%	11.0%	10.2%
				2010 Census	35.5	36.4	35.1	\$25,000 - \$34,999	9.6%	11.4%	11.3%
2015 Dist. by Race & Ethnicity				2015 Estimate	36.8	37.2	36.0	\$35,000 - \$49,999	16.8%	16.6%	15.6%
White Alone	59.8%	64.5%	61.6%	2020 Projection	38.2	38.0	37.0	\$50,000 - \$74,999	22.0%	20.7%	19.8%
Black Alone	35.3%	29.9%	32.8%					\$75,000 - \$99,999	9.2%	11.7%	11.8%
American Indian Alone	0.2%	0.3%	0.3%	Average Household Size				\$100,000 - \$149,999	7.3%	10.3%	10.4%
Asian Alone	1.7%	1.9%	1.8%	2010 Census	2.17	2.14	2.24	\$150,000 - \$199,999	2.7%	2.5%	3.0%
Pacific Islander Alone	0.2%	0.2%	0.1%	2015 Estimate	2.15	2.11	2.21	\$200,000 and Up	1.4%	2.0%	2.8%
Some Other Race Alone	1.1%	1.3%	1.7%	2020 Projection	2.15	2.10	2.20				
Two or More Races	1.7%	1.9%	1.7%					2015 Business Data			
Hispanic Origin (Any Race)	3.0%	3.2%	3.7%	2015 Housing Data				Total Businesses:	958	3,154	6,210
				Owner Occ. Housing Units	1,641	11,669	26,551	Total Employees:	9,706	30,486	81,383
				Renter Occ. Housing Units	1,622	11,886	23,633				



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