



693 COMMONWEALTH DRIVE • NORTON, VA 24273

OFFERING MEMORANDUM

TSG THE SULO GROUP  
at Marcus & Millichap



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# STNL DISCLAIMER

**Marcus & Millichap hereby advises all prospective purchasers of Single Tenant Net Leased property as follows:**

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a single tenant property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any single tenant property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.**





Subject Property



AT&T



# THE OFFERING



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## OFFERING TERMS

PRICE  
**\$1,031,000**

CAP  
**8.00%**

NET OPERATING INCOME  
**\$82,500**

### FINANCIAL SUMMARY

Building Sq Ft	3,000 Sq Ft
Year Built	2007
Lot Size	+/- 0.57 Acres

### LEASE SUMMARY

Lease Type	Double Net
Tenant	AT&T
Guarantor	Corporate
Roof and Structure	Landlord Responsible
Primary Term	3 Years
Rent Commencement Date	12/1/2017
Lease Expiration Date	11/30/2020
Term Remaining	1+ Years
Rental Increases	No
Renewal Options	Two, Three-Year



# LEASE SUMMARY

GLA	LEASE TERM		LEASE YEARS	PAYMENT DATES		ANNUAL	MINIMUM RENT		CAP RATE	OPTIONS
	START	END		START	END		MONTHLY	PSF		
3,000	12/1/2017	11/30/2020	11-13	12/1/2017	11/30/2020	\$82,500	\$6,875	\$27.50	8.00%	Two, Three-Year
			14-16	12/1/2020	11/30/2023	\$93,000	\$7,750	\$31.00	9.01%	Option 1
			17-19	12/1/2023	11/30/2026	\$98,250	\$8,188	\$32.75	9.52%	Option 2

Lease Comments:

# LEASE ABSTRACT

## **Maintenance and Repairs:**

Landlord shall maintain the structural portions of the premises including roof, foundation, exterior walls, and loadbearing interior walls and columns, as well as the common areas including, without limitation, the parking areas, sidewalks, landscaping, snow removal from common areas including but not limited to parking lots and sidewalks, electrical and plumbing. Landlord shall be responsible for cleaning, repairing and remediating all portions of the premises which may be contaminated or damaged by mold, mildew, fungus or other biohazardous materials. Except for the repairs and maintenance landlord is specifically obligated to make under this section, tenant shall maintain the balance of the premises with the except of damages caused by landlord. Notwithstanding anything contained herein to the contrary, tenants annual expense for HVAC maintenance shall be capped at one thousand five hundred and 00/100 dollars (\$1,500). Tenant shall have no obligation to replace HVAC equipment, unless such equipment is damaged, destroyed, or rendered inoperable by tenant misuse, negligence, etcetera.

## **Common Area Maintenance:**

Landlord shall repair and maintain the shopping center. Beginning on the rent commencement date, tenant agrees to reimburse landlord for tenant's pro-rata share of the actual administrative and operating expenses incurred by landlord in maintaining the common area. "Common area operating costs" shall mean all actual reasonable and out-of-pocket costs incurred by landlord in connection with the operation maintenance and repair of the common area, including those costs incurred for lighting, painting, water, sewage and other utilities, landscaping, resurfacing, striping, bumpers, exterminating, cleaning and policing of the common area. In addition, although the roof of the building in the shopping center is not literally part of the common area, landlord and tenant agree the roof maintenance and repair shall be included as a common area operating cost to the extent not specifically allocated to tenant under this lease, nor to another tenant pursuant to its lease. Roof replacements and other capital improvements to the shopping center will not be included common area costs. Each month during the term of this lease, tenant shall pay the landlord one-twelfth (1/12/) of the estimated common area operating costs for the current year. Each such payment shall be due and payable at the same time in the same manner as the payment of the base rent paid hereunder. Within 60 days after the end of each calendar year, landlord shall notify tenant in writing of the exact amount of the common area operating costs for the shopping center for the prior calendar year and confirm tenant's pro-rata share thereof. If the tenant's total common area operating cost payments are less than tenant's actual pro-rata share of the common area operating costs relating to the shopping center, tenant shall pay to landlord within thirty (30) days after demand, the difference; if the total common area operating cost payments of tenant are more than tenant's actual pro-rata share of such costs, landlord shall refund to tenant such overpayments. Landlord covenants that tenant's pro-rata share of the common area operating costs shall not increase more than five percent non-cumulative in any calendar year over the immediately prior calendar year. At the request of tenant, landlord shall provide tenant with a written, verified and detailed statement of all common area operating cost due from tenant. If tenant shall reasonably object to the inclusion of any charge or the amount of any charge as a common area operating cost, tenant may withhold these sums from the amounts tendered to landlord.

## **Taxes:**

Beginning on the rent commencement date, tenant shall be responsible for the payment of all taxes assessed on premises during the initial term and any renewal term and shall be responsible for the payment of taxes assessed upon any of the tenant's personal property located on the premises. Each month during the term of this lease, tenant shall pay landlord one-twelfth (1/12) of tenant's pro-rata share of the estimated real estate taxes for the calendar year based on the previous year. Each such payment shall be due and payable at the same time in the same manner as the payment of the base rent paid hereunder.

## **Insurance:**

Beginning on the rent commencement date, tenant shall pay its pro-rata share of landlord's actual, reasonable and out-of-pocket costs of premiums for fire insurance, extended coverage insurance, liability insurance, "other perils" insurance, and other insurance carried by landlord on or with respect to the premises. Each such payment shall be due and payable at the same time in the same manner as the payment of base rent paid hereunder. If the premiums should increase or decrease at any time, tenant's pro-rata share and tenant's payments shall be appropriately adjusted.

## **Utilities:**

Tenant shall pay for all sewer, water, gas, electric current, telephone and other utilities used or consumed in or on the premises.

## **Early Termination:**

Upon tenant giving the landlord at least 120 days prior written notice, tenant may terminate this lease on, or at any given time after, the last day of the eighty-fourth full calendar month after the start date. If the tenant exercises such termination option, tenant shall pay to landlord the sum of \$75,000 upon such termination.



# INVESTMENT HIGHLIGHTS



**Low Rent per Square Foot: \$27.50/SF  
in Rent, Which is Well Below the  
National Average for the Tenant**



**Only Free Standing Single Tenant  
Cell Phone Provider in the Submarket**

**Walmart**   
**Supercenter**

**Outparcel to  
Walmart Supercenter**



**Located in the Heart of the only  
Major Commercial Corridor  
for 50 Miles**



**AT&T is the #1 Telecom Co.  
Worldwide - \$144 Billion in  
Revenue in 2018**



**Corporately Backed Lease**



# TENANT OVERVIEW



A world leader in communications and technology and redefining how you engage with media and entertainment. AT&T Communications builds human-first technology that puts their consumer and business customers first. They deliver, and continue to invent new ways to deliver, captivating entertainment that creates emotional connections and brings us all closer. AT&T Communications is made up of AT&T business, mobility and entertainment, and technology and operations.

They work with companies in all major industries: financial services, manufacturing, education, healthcare, retail, hospitality and government. Their global IP network is one of the world's most advanced and powerful global backbone networks. Their services connect businesses in more than 200 countries and territories. Together these businesses represent 99 percent of the world's economy.

They continue to develop solutions to help create a better, more environmentally sustainable world. They're making measurable progress on their goal to enable carbon savings 10 times the footprint of their operations by 2025. They're doing this by making their network more efficient and delivering services through Smart Cities and Internet of Things (IoT) programs that help their customers reduce their carbon emissions. In 2018, they became one of the largest corporate purchasers of renewable energy in the United States. Their investments will deliver up to 820 megawatts of clean wind energy to the American power grid.

As of April 25, 2018, they're the largest U.S.-based provider of fiber for business services. They provide high-speed fiber connections to more than 400,000 U.S. business buildings – and are adding thousands more buildings each month. This covers more than 1.8 million U.S. business customer locations nationwide.

Source: [https://about.att.com/pages/company\\_profile\\_communications](https://about.att.com/pages/company_profile_communications)



**16,000+**  
LOCATIONS

Year Founded  
**1983**

Total Revenue  
**\$163.8 Billion**

Headquarters  
**Dallas, TX**

WEBSITE:  
**www.att.com**



# LOCATION OVERVIEW

## NORTON, VIRGINIA

Centrally located in the historic coal region of Southwest Virginia, the City of Norton is the perfect place to relax and immerse yourself in our cultural mountain music and outdoor recreation offerings. Norton is located at the intersection of two main highways - U.S. 23 and U.S. Route 58 Alternate - and near the crossroads of three states, we offer an abundance of natural, cultural, and historic landmarks. There are ample opportunities to dine, shop, and stay awhile in our charming mountain community nestled beneath High Knob, the highest point in the Cumberland Mountains.

Norton's Flag Rock Recreation Area offers outlets to mountain bike, trail run, hike, fish, kayak, and rock climb. The city is also a short drive, hike, run, or bike ride from other outdoor recreation destinations, including the Jefferson National Forest and the 4,230-foot High Knob summit that has an observation tower offering a 360-degree view of distant peaks as far away as the Great Smoky Mountains National Park and West Virginia.

If you enjoy traditional mountain music no visit is complete without a visit to The Country Cabin. The Country Cabin is one of the eight major venues on The Crooked Road, Virginia's Heritage Music Trail. The Country Cabin offers traditional mountain music shows every Saturday nights and is also home to the annual Dock Boggs Memorial Festival.

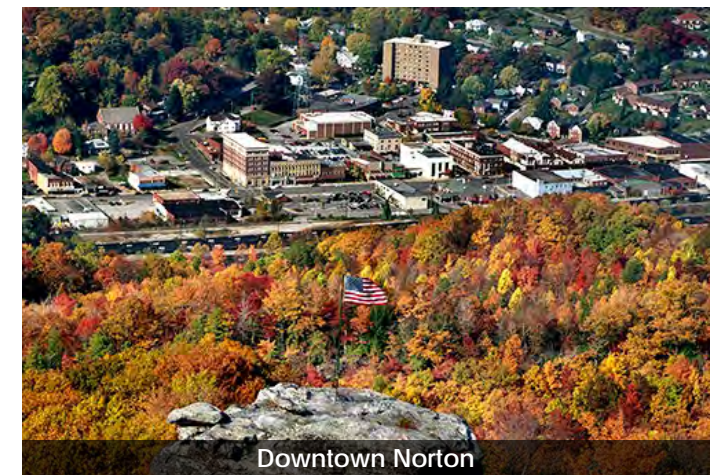
Source: <https://www.virginia.org/cities/Norton>



Jefferson National Forest



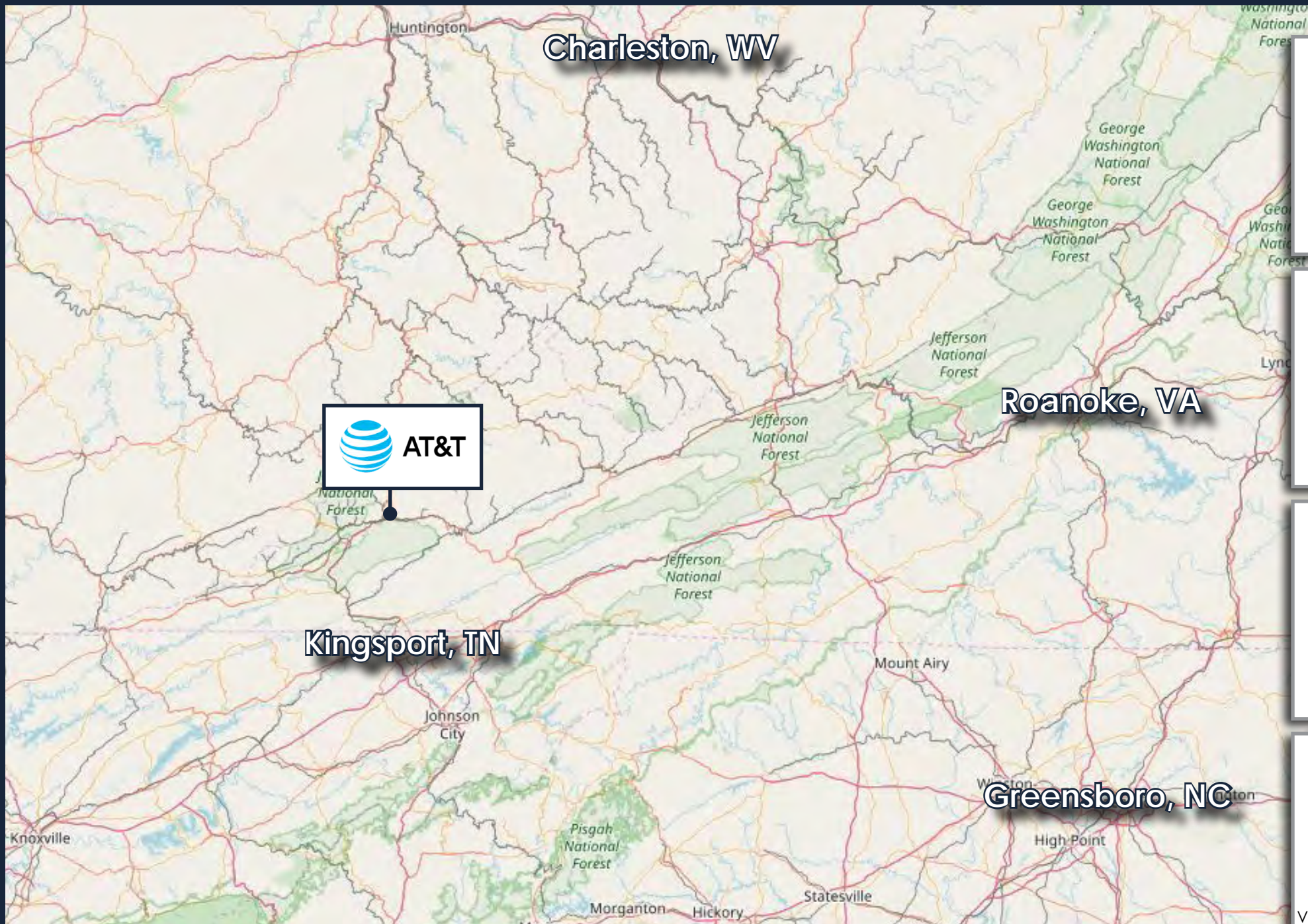
Mountain Rose Vineyard



Downtown Norton



# AREA MAP



**48.8 MILES**  
NORTH OF  
KINGSPORT, TN



**65.9 MILES**  
TRI-CITIES  
AIRPORT



**131 MILES**  
DANIEL BOONE  
NATIONAL FOREST



**3.6 MILES**  
THE UNIVERSITY OF  
VIRGINIA'S COLLEGE AT WISE



# PROPERTY PHOTOS





# AERIAL - SOUTHEAST



WISE COMMUNITY  
CENTRAL HIGH SCHOOL  
748 Students

Walmart  
Supercenter

verizon  
authorized  
retailer

SALLY  
BEAUTY SUPPLY

HIBBETT  
SPORTS

maurices

OneMain  
Lending Made Personal

Hallmark

Hawthorne Dr NE

Applebee's  
GRILL + BAR

Commonwealth Dr

Pa's  
SUNNY SERVICE

SONIC

Subject Property

AT&T



# AERIAL - NORTHEAST





# AERIAL





# SITE PLAN





# DEMOGRAPHICS

## 2018 Population



1-MILE	3-MILE	5-MILE
847	10,375	15,518

## 2018 Households



1-MILE	3-MILE	5-MILE
351	4,226	6,260

## Average Household Income



1-MILE	3-MILE	5-MILE
\$55,026	\$57,186	\$56,377

## POPULATION

	1-MILE	3-MILE	5-MILE
2010 Population	879	10,672	15,998
2018 Population	847	10,375	15,518
2023 Population	847	10,388	15,475

## HOUSEHOLDS

	1-MILE	3-MILE	5-MILE
2010 Households	367	4,373	6,483
2018 Households	351	4,226	6,260
2023 Households	354	4,268	6,305

## INCOME

	1-MILE	3-MILE	5-MILE
Median Household Income	\$39,995	\$42,332	\$42,166
Per Capita Income	\$23,007	\$23,676	\$23,328
Average Household Income	\$55,026	\$57,186	\$56,377