

Verizon

ST. AUGUSTINE, FL

OFFERING MEMORANDUM



Marcus & Millichap

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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.

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ANALYSIS

Financial Analysis

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Investment Overview

Marcus & Millichap is pleased to market this single tenant net leased Verizon Wireless property located in Saint Augustine, Florida. The 4,500 square foot retail building sits on 1.33 acres of commercial land in a dense retail corridor just one parcel west of W Dixie Highway(US1). Verizon Wireless recently extended their lease for an additional seven years to create a new base term of just under nine years remaining on the lease. The tenant has occupied this location since 2010. The base rent is flat with no increases until the lease expiration, however there is a huge 40 percent increase in base rent upon renewal of the one remaining option.

The immediate Saint Augustine area has strong density with over 54,478 people living within 3 miles of the subject property. The daily traffic counts on Old Moultrie Road are over 28,000 and the W. Dixie Hwy(US1) intersection has over 39,500 cars driving past the corner daily making this one of the busiest corridors in Saint Augustine.

The Property is adjacent to Seabridge Square Shopping Center which includes multiple national tenants such as Aldi Supermarket, Marshalls, Ross Dress for Less, Staples, Ulta Beauty and many more. Other retailers in the immediate area include Lowe's Home Improvement, Hobby Lobby, The Home Depot, Bealls Outlet, Bed Bath and Beyond and a Publix Supermarket directly across the street from the subject property. Verizon Wireless provides wireless services to over 130 million subscribers making it the largest wireless telecommunications provider in the United States. Verizon Wireless is a wholly owned subsidiary of Verizon Communications, a publicly traded company on the New York Stock Exchange using the symbol "VZ".



- Newly Extended Base Term on Corporate Verizon lease Shows the Tenant's Commitment to the Site
- Saint Augustine Submarket Has Strong Density with Over 54,478 People Living Within 3 Miles of the Subject Property.
- Intersection of W. Dixie Hwy and Old Moultrie Road Averages over 65,000 Vehicles Per Day
- The Property is adjacent to Seabridge Square Shopping Center which includes tenants such as Aldi, Marshalls, Ross Dress for Less, Staples, Ulta Beauty and many more.
- Other retailers in the immediate area include Lowe's Home Improvement, Hobby Lobby, The Home Depot, Bealls Outlet, Publix Supermarket and Bed Bath & Beyond

Financial Overview

PRICING SUMMARY	
Offering Price	\$2,686,000
CAP Rate	6.59%
Price / SF	\$596.89
Base Rent	\$180,000
Landlord CAM Expense	-\$3,000.00
Net Operating Income	\$177,000
Building Size	4,500 SF
Lot Size	1.33 Acres
Year Built	2010

TENANT LEASE SUMMARY	
Tenant Trade Name	Verizon
Lease Guarantor	Corporate
Lease Type	NN
Roof & Structure	Landlord
Original Lease Term	10 Years
Remaining Lease Term	8 years, 7 Months
Lease Commencement Date	9/1/2010
Lease Expiration Date	9/30/2027
Options	One Option for 5 Yrs.



Tenant and Lease Summary



Verizon Wireless is an American telecommunications company which offers wireless products and services. It is a wholly owned subsidiary of Verizon Communications. Verizon Wireless is the largest wireless telecommunications provider in the United States.

The company is headquartered in Kansas City, Missouri. It was founded in 2000 as a joint venture of American telecommunications firm Bell Atlantic, which would soon become Verizon Communications, and British multinational telecommunications company Vodafone. Verizon Communications became the sole owner in 2014 after buying Vodafone’s 45-percent stake in the company.

It operates a national 4G LTE network covering about 98 percent of the U.S. population, which in December 2015 won or tied for top honors in each category of the RootMetrics RootScore Reports. Verizon Wireless offers mobile phone services through a variety of devices. Its LTE in Rural America Program, with 21 rural wireless carriers participating, covers 2.7 million potential users in 169 rural counties. Verizon Wireless announced in 2015 that it was developing a 5G, or fifth generation, network.

Property Address	1860 Old Moultrie Road St. Augustine, FL 32084
Tenant	Verizon
Rent Commencement	9/1/2010
Lease Expiration	9/30/2027
Gross Leasable Area	4,500 SF
Remaining Lease Term	8 years, 7 months
Option Term	1 Option for 5 Yrs.
Headquartered	New York City, NY
Website	www.verizon.com

BASE RENT

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT/SF
09/30/2019 - 09/30/2027	\$180,000	\$15,000	\$40.00

OPTION RENT

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT/SF
10/01/2027 - 09/30/2032	\$251,235	\$20,936	\$55.83

DESCRIPTION

Property Description

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Property Summary

THE OFFERING	
Property	Verizon St. Augustine
Property Address	1860 Old Moultrie Rd Saint Augustine, FL 32084

SITE DESCRIPTION	
Number of Stories	1
Year Built	2010
Gross Leasable Area (GLA)	4,500 SF
Lot Size	1.33 Acres
Type of Ownership	Fee Simple
Parking	78 Spaces
Parking Ratio	1.7 / 1,000 RSF



Area Overview - St. Johns County



St. Johns County, in northeast Florida, is a highly-desirable, amenity-rich location of choice for starting, relocating, or expanding your business. Bordered by the scenic Atlantic Ocean and St. Johns River, St. Johns County embraces its historic heritage and uniquely diverse communities such as the City of St. Augustine — the Nation’s Oldest City; St. Augustine Beach, Ponte Vedra, and Hastings — the Potato Capital of Florida; which have attracted visitors for centuries. Capitalizing on its global appeal, St. Johns

County is poised for economic growth through its strategic location, favorable climate, local economic development incentives, and outstanding community services.

Economic development is the number one priority of our Board of County Commissioners. The Board shares a unified commitment to attract new business development, to expand and diversify the tax base, and to create jobs for our local residents.

St. Johns County Economic Development Office is the designated primary partner with Enterprise Florida, the state’s economic development organization. Our office provides assistance to businesses interested in locating and expanding into the County including site selection, incentive negotiation and other due-diligence requests. We are here to help with any questions that you might have for starting, relocating, or expanding your business.

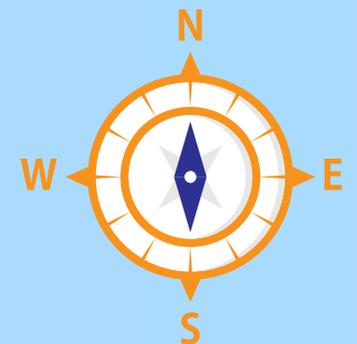
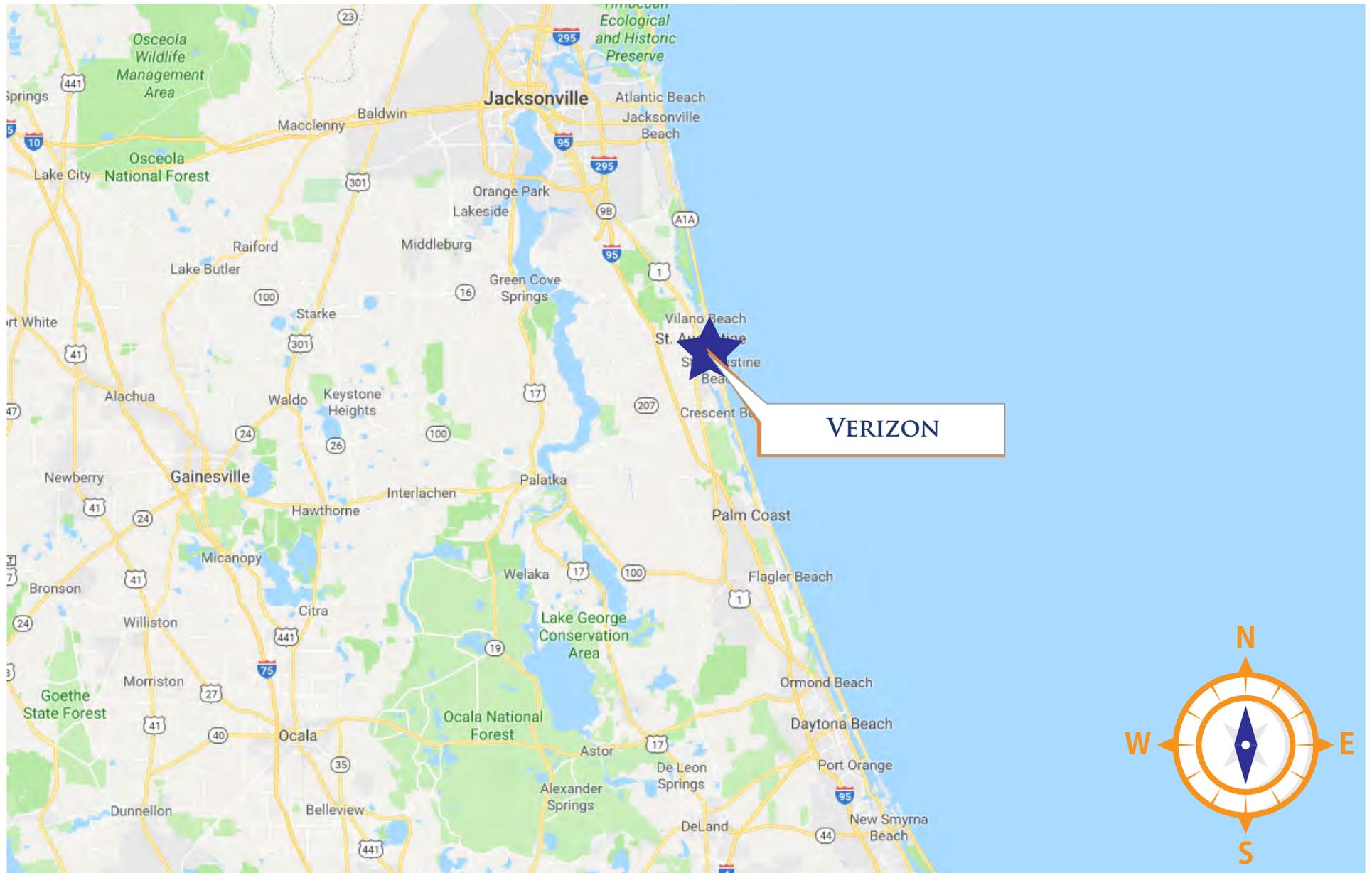
Coordinated efforts through the County, the St. Johns County Chamber of Commerce, Industrial Development Authority (IDA) and other resource partners bring a team approach to positioning St. Johns County as a highly-desirable location of choice for business expansion and relocation.



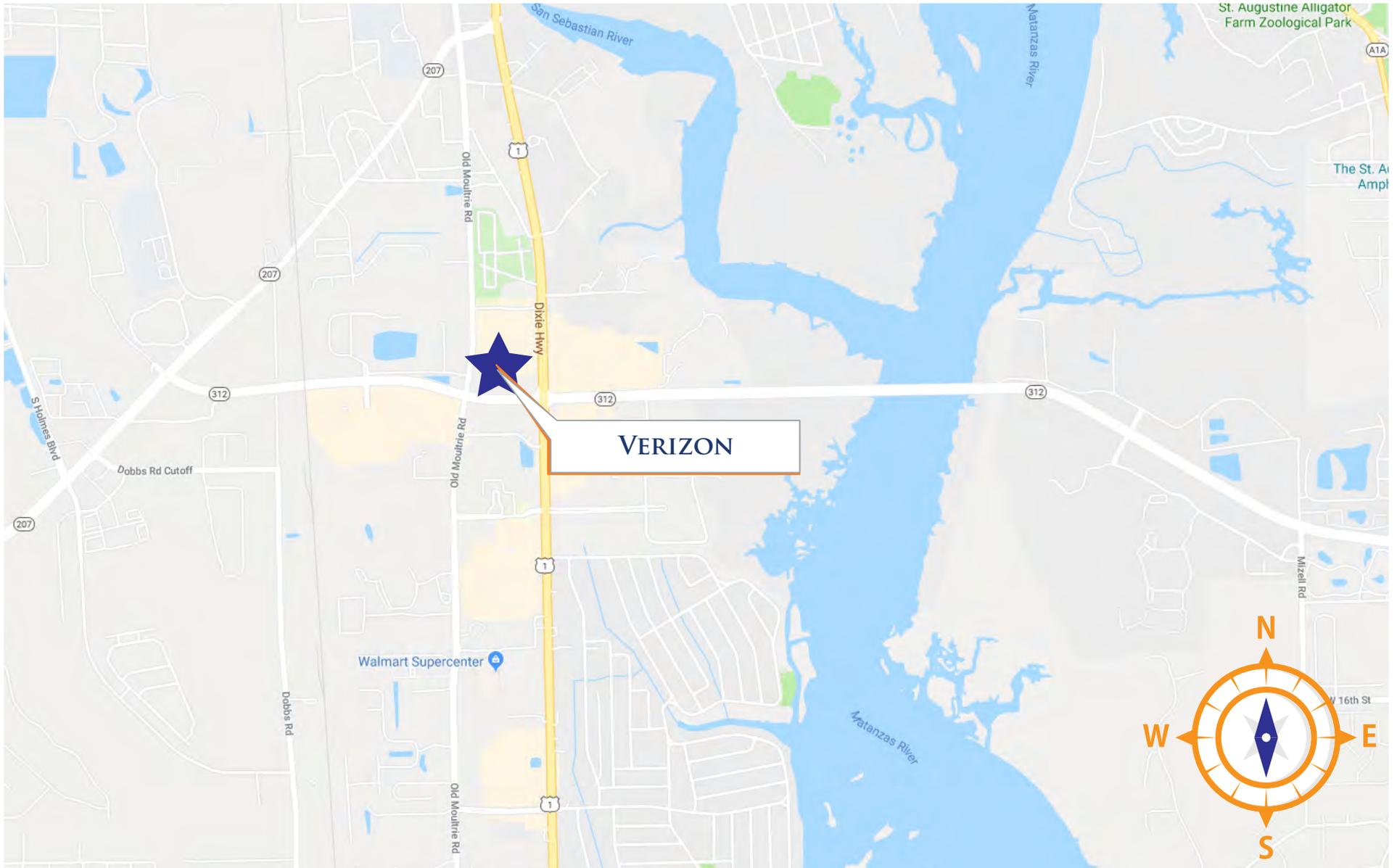
AREA HIGHLIGHTS

- Top-ranked Florida Public School System
- Lowest Overall Tax Structure in Northeast Florida
- Florida’s Healthiest County
- Comprehensive Transportation Network
- Highly Educated Workforce
- Growing Population
- Expanding Regional Airport
- Beautiful Natural Amenities
- Partnership with the Business Community
- Progressive Government with a commitment to Economic Development

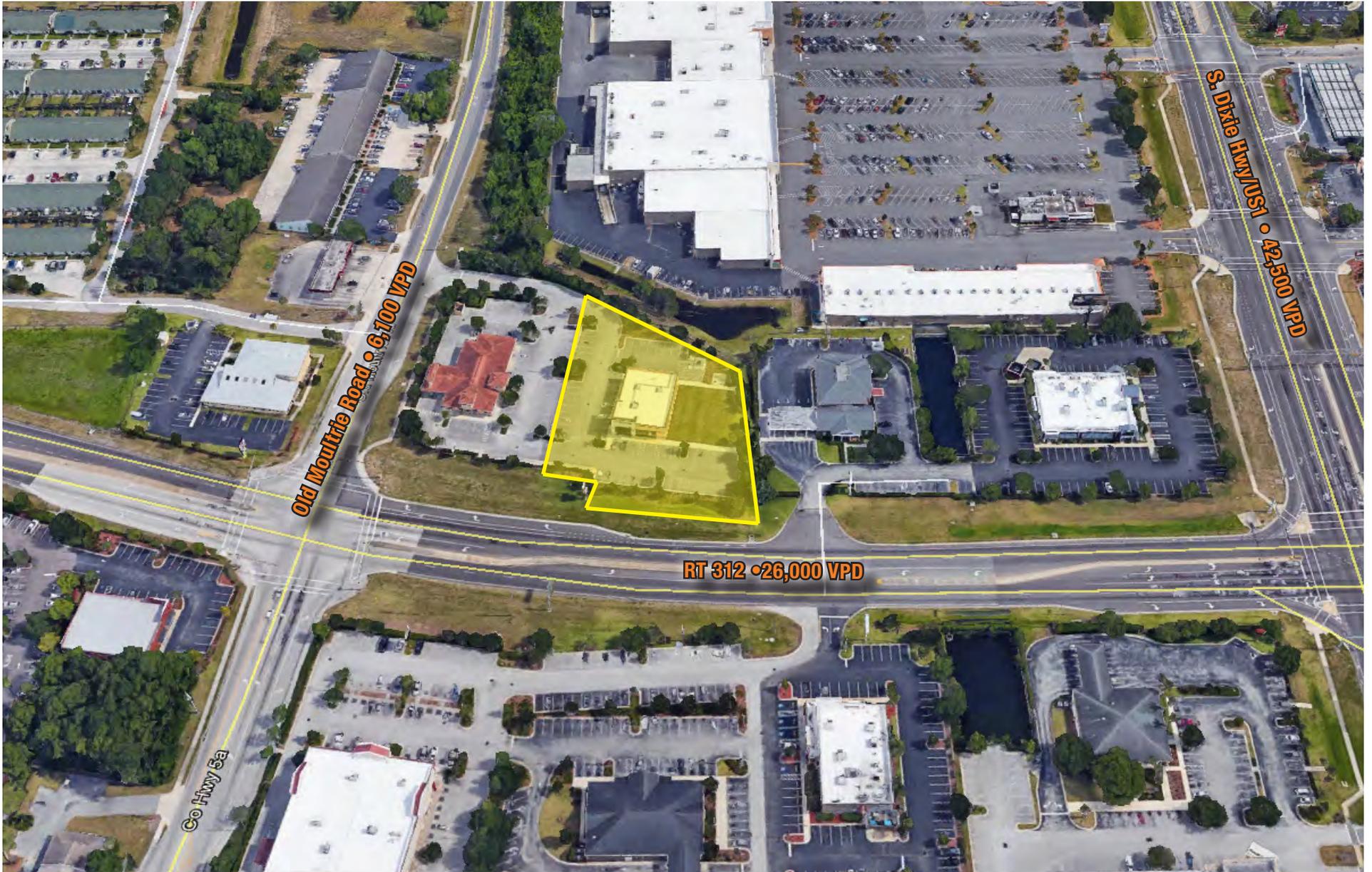
Regional Map



Local Map



Aerial Photo



Surrounding Retail Map



Property Photos



COMPETITIVE

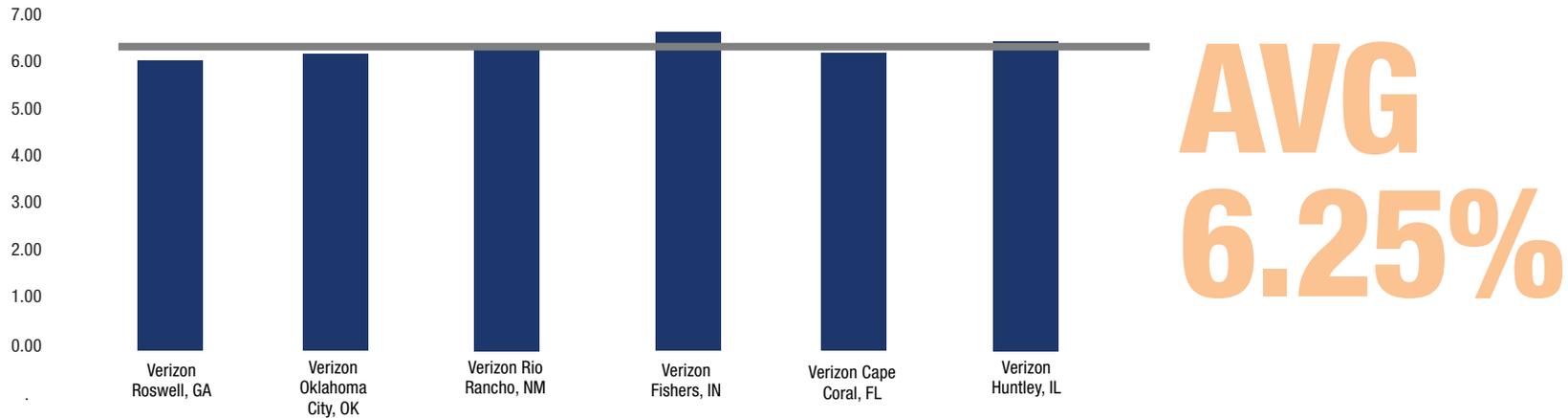
Competitive Property Set

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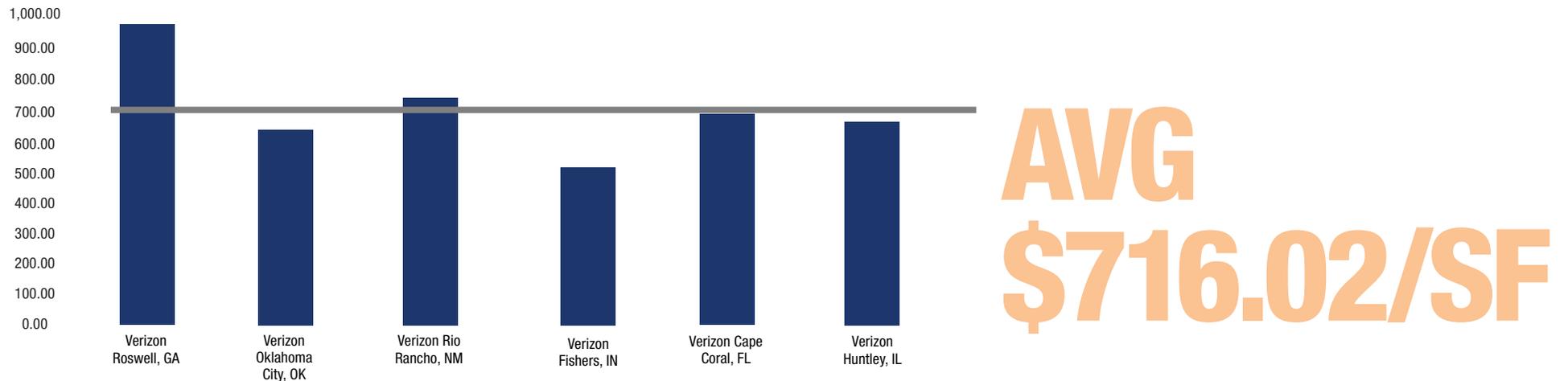
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CAP Rate and Price per SF

Average Cap Rate



Average Price per Square Foot



Recent Sales

1 Verizon Wireless 680 Holcomb Bridge Road, Roswell, GA



Close of Escrow	3/5/2018
Sales Price	\$2,280,992
Cap Rate	6.05%
Price/SF	\$950.41
Gross Leaseable Area	2,400 SF
Year Built	2017
Lot Size	0.36 Acres
Comments:	8 lease years remaining

2 Verizon Wireless 10420 South Interstate 44, Oklahoma City, OK



Close of Escrow	10/19/2018
Sales Price	\$1,681,000
Cap Rate	6.25%
Price/SF	\$682.22
Gross Leaseable Area	2,464 SF
Year Built	2018
Lot Size	.52 Acres
Comments:	9 years and 6 months lease years remaining

3 Verizon Wireless SWC Sabana Grande Rd & State Hwy 528, Rio Rancho, NM



Close of Escrow	4/20/2018
Sales Price	\$2,203,226
Cap Rate	6.29%
Price/SF	\$734.41
Gross Leaseable Area	3,000 SF
Year Built	2017
Lot Size	.39 Acres
Comments:	8 years and 9 months lease years remaining

Recent Sales

4 Verizon Wireless 13638 Bent Grass Ln, Fishers, IN



Close of Escrow	03/37/2018
Sales Price	\$1,339,000
Cap Rate	6.50%
Price/SF	\$543.43
Gross Leaseable Area	2,464 SF
Year Built	2017
Lot Size	.82 Acres
Comments:	9 years and 1 month lease years remaining

5 Verizon Wireless 605 Cape Coral Pkwy E, Cape Coral, FL



Close of Escrow	8/22/2018
Sales Price	\$1,790,000
Cap Rate	6.15%
Price/SF	\$716.00
Gross Leaseable Area	2,500 SF
Year Built	2017
Lot Size	.52 Acres
Comments:	9 years and 4 months lease years remaining

6 Verizon Wireless 12320 IL-47, Huntley, IL



Close of Escrow	10/19/2018
Sales Price	\$1,650,000
Cap Rate	6.27%
Price/SF	\$669.64
Gross Leaseable Area	2,464 SF
Year Built	2018
Lot Size	0.75 Acres
Comments:	9 years and 5 months lease years remaining

DEMOGRAPHIC

Demographic Analysis

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Demographic Summary

POPULATION	1-MILE	3-MILES	5-MILES
2023 Projection			
Total Population	3,546	39,739	73,140
2018 Estimate			
Total Population	3,414	38,228	69,794
2010 Census			
Total Population	2,896	33,003	59,452
2000 Census			
Total Population	2,513	28,196	48,444
Current Daytime Population			
2018 Estimate	9,433	59,478	92,389

HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2023 Projection			
Total Projections	1,599	17,382	32,859
2018 Estimate			
Total Households	1,497	16,449	30,916
Average (Mean) Household Size	2.25	2.22	2.21
2010 Census			
Total Households	1,242	13,933	25,868
2000 Census			
Total Households	989	11,351	20,158

HOUSEHOLDS BY INCOME	1-MILE	3-MILES	5-MILES
2018 Estimate			
\$150,000 or More	9.41%	10.32%	10.13%
\$100,000 - \$149,000	10.29%	11.48%	11.20%
\$75,000 - \$99,999	9.13%	11.24%	12.17%
\$50,000 - \$74,999	18.60%	16.75%	17.70%
\$35,000 - \$49,999	13.46%	14.14%	14.32%
Under \$35,000	39.10%	36.04%	34.51%
Average Household Income	\$69,264	\$77,267	\$77,516
Median Household Income	\$47,694	\$49,784	\$51,394
Per Capita Income	\$30,917	\$33,814	\$34,694

POPULATION PROFILE	1-MILE	3-MILES	5-MILES
Population By Age			
0 to 4 Years	6.17%	4.94%	5.07%
5 to 14 Years	9.47%	8.80%	8.80%
15 to 17 Years	2.67%	2.70%	2.67%
18 to 19 Years	1.95%	3.53%	2.62%
20 to 24 Years	6.46%	7.13%	6.13%
25 to 29 Years	8.00%	6.84%	6.67%
30 to 34 Years	7.13%	6.20%	6.26%
35 to 39 Years	5.61%	5.51%	5.61%
40 to 49 Years	11.65%	10.67%	10.88%
50 to 59 Years	15.17%	14.84%	14.63%
60 to 64 Years	6.64%	7.26%	7.49%
65 to 69 Years	5.85%	6.94%	7.61%
70 to 74 Years	4.34%	5.33%	5.78%
75 to 79 Years	3.26%	3.60%	3.87%
80 to 84 Years	2.25%	2.47%	2.66%
Age 85+	3.35%	3.24%	3.26%
Median Age	42.38	44.43	46.00
Population 25+ by Education Level			
2017 Estimate Population Age 25+	2,501	27,870	52,144
Elementary (0-8)	2.42%	1.48%	1.26%
Some High School (9-11)	7.28%	6.11%	5.50%
High School Graduate (12)	27.23%	27.83%	27.39%
Some College (13-15)	19.45%	21.59%	22.60%
Associate Degree Only	11.70%	10.08%	9.71%
Bachelors Degree Only	23.52%	21.06%	21.26%
Graduate Degree	7.84%	11.04%	11.64%

Demographic Analysis

Population

In 2018, the population in your selected geography is 3,414. The population has changed by 35.85% since 2000. It is estimated that the population in your area will be 3,546.00 five years from now, which represents a change of 3.87% from the current year. The current population is 46.62% male and 53.38% female. The median age of the population in your area is 42.38, compare this to the US average which is 37.95. The population density in your area is 1,087.47 people per square mile.

Households

There are currently 1,497 households in your selected geography. The number of households has changed by 51.37% since 2000. It is estimated that the number of households in your area will be 1,599 five years from now, which represents a change of 6.81% from the current year. The average household size in your area is 2.25 persons.

Income

In 2018, the median household income for your selected geography is \$47,694, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 39.81% since 2000. It is estimated that the median household income in your area will be \$52,485 five years from now, which represents a change of 10.05% from the current year.

The current year per capita income in your area is \$30,917, compare this to the US average, which is \$32,356. The current year average household income in your area is \$69,264, compare this to the US average which is \$84,609.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 81.58% White, 10.58% Black, 0.44% Native American and 2.37% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 9.55% of the current year population in your selected area. Compare this to the US average of 18.01%.

Housing

The median housing value in your area was \$214,341 in 2018, compare this to the US average of \$201,842. In 2000, there were 699 owner occupied housing units in your area and there were 290 renter occupied housing units in your area. The median rent at the time was \$463.

Employment

In 2018, there are 5,656 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 53.18% of employees are employed in white-collar occupations in this geography, and 44.36% are employed in blue-collar occupations. In 2018, unemployment in this area is 5.53%. In 2000, the average time traveled to work was 23.00 minutes.

Geography: 1 Mile

Demographic data © 2010 by Experian/Applied Geographic Solutions and CoStar Group®

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