

Walgreens

LOCATED AT HEAVILY-TRAFFICKED,
SIGNALIZED INTERSECTION AT ENTRY
TO HWY-64 | COMBINED ADTC:
53,000+



OFFERING MEMORANDUM

1016 N Arendell Avenue, Zebulon, NC 27597

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

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased 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.

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Investment Highlights

Walgreens

PRICE: \$4,636,908 | CAP: 9.25% | RENT: \$428,914

About the Investment

- ✓ Value-Add Investment
- ✓ 5 Years of Cash Flow Remaining
- ✓ Significant Upside
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Strong Retail Corridor | Sheetz, Food Lion, McDonalds, BB&T, Bojangles', Taco Bell, Arby's, Walmart, FastMed, Autozone, Burger King, Dollar General, Family Dollar, etc
- ✓ Strong Traffic Counts | Hwy 64 & N Arendell Ave | 36,586 & 16,786 Average Daily Vehicles Respectively
- ✓ Positive Real Estate Fundamentals | Signalized Intersection | Great Visibility as Out-Parcel To Food Lion-Anchored Shopping Center
- ✓ Compelling Location Fundamentals | Within 25 Minutes of Downtown Raleigh & Research Triangle Park

About Wake County | By the Numbers

- ✓ Highest Number of New Residents in the State
- ✓ Almost \$8.5 Billion of Commercial Development Over Last 10 Years
- ✓ Wake County's Density has Increased Nearly 31% in the Last Ten Years
- ✓ Wake County Gains an Average of 63 New Residents Each Day
- ✓ Median Household Income in Wake County Climbed Steadily Over the Past Four Years at an Average Rate of 4%
- ✓ Growth in the Number of Residential Building Permits Remains Well Above the Ten Year Rolling Average (Approx. 12,440 Permits)





Investment Analysis

Walgreens

PRICE: \$4,636,908 | CAP: 9.25% | RENT: \$428,914

PROPERTY DESCRIPTION

Property	Walgreens (Dark)
Property Address	1016 N Arendell Ave
City, State, ZIP	Zebulon, NC 27597
Year Built / Renovated	2004
Building Size	12,932 SF
Lot Size	+/- 1.54 Acres
Type of Ownership	Fee Simple

THE OFFERING

Annual Rent	\$428,914
CAP Rate	9.25%
Purchase Price	\$4,636,908
Price / SF	\$358.56
Rent / SF	\$33.16

LEASE SUMMARY

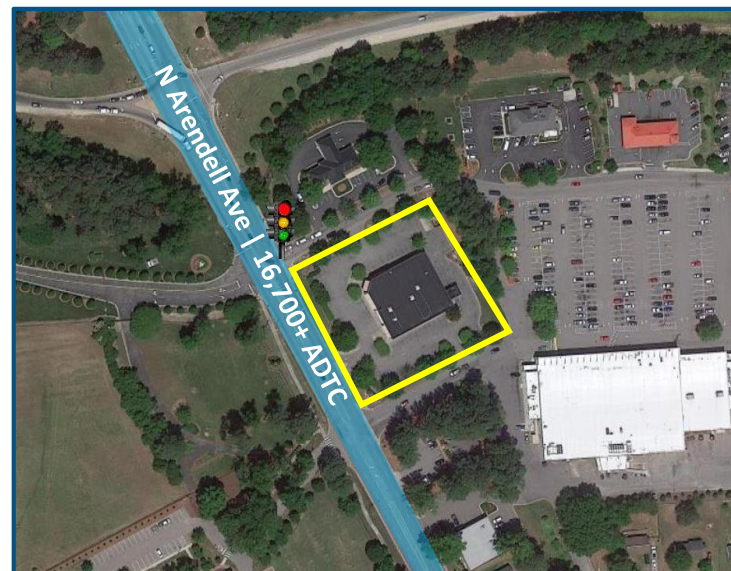
Property Type	Net-Leased Drug Store
Ownership Type	Public
Tenant / Guarantor	Kerr Drug , Inc
Original Lease Term	20.0 Years
Lease Commencement	July 1, 2005
Lease Expiration	June 30, 2025
Lease Term Remaining	5.7 Years
Lease Type	NNN
Roof & Structure	Tenant Responsible
Rental Increases	5% Increase July 1, 2020
Options to Renew	N/A - Dark

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Years 11-15	\$408,489	\$34,040.79	-
Years 16-20	\$428,914	\$35,742.83	5.00%

ZONING SUMMARY

Zoning	Heavy Business
Land Use	Retail
Front Setback Requirement	30"
Side Setback Requirements	0"
Rear Setback Requirement	25"
Vertical Height	Maximum 100"
	1" Added to Setbacks for Every 2" over 50" Height
Parking Requirement	1 Space for Every 200 SF





Location Overview

Walgreens

TRIANGLE BUSINESS JOURNAL

New Census data show Wake County population grew by 20K in one year - highest in the state

"Overall, Wake County grew by 20,419 residents in the year between July 1, 2017, and the same date in 2018 – the highest number of new residents in the state, according to the latest estimates from the U.S. Census Bureau released April 11th, 2019. That number equates to 393 new people per week and 56 each day. The county has a total population of 1,092,305, according to the latest data.

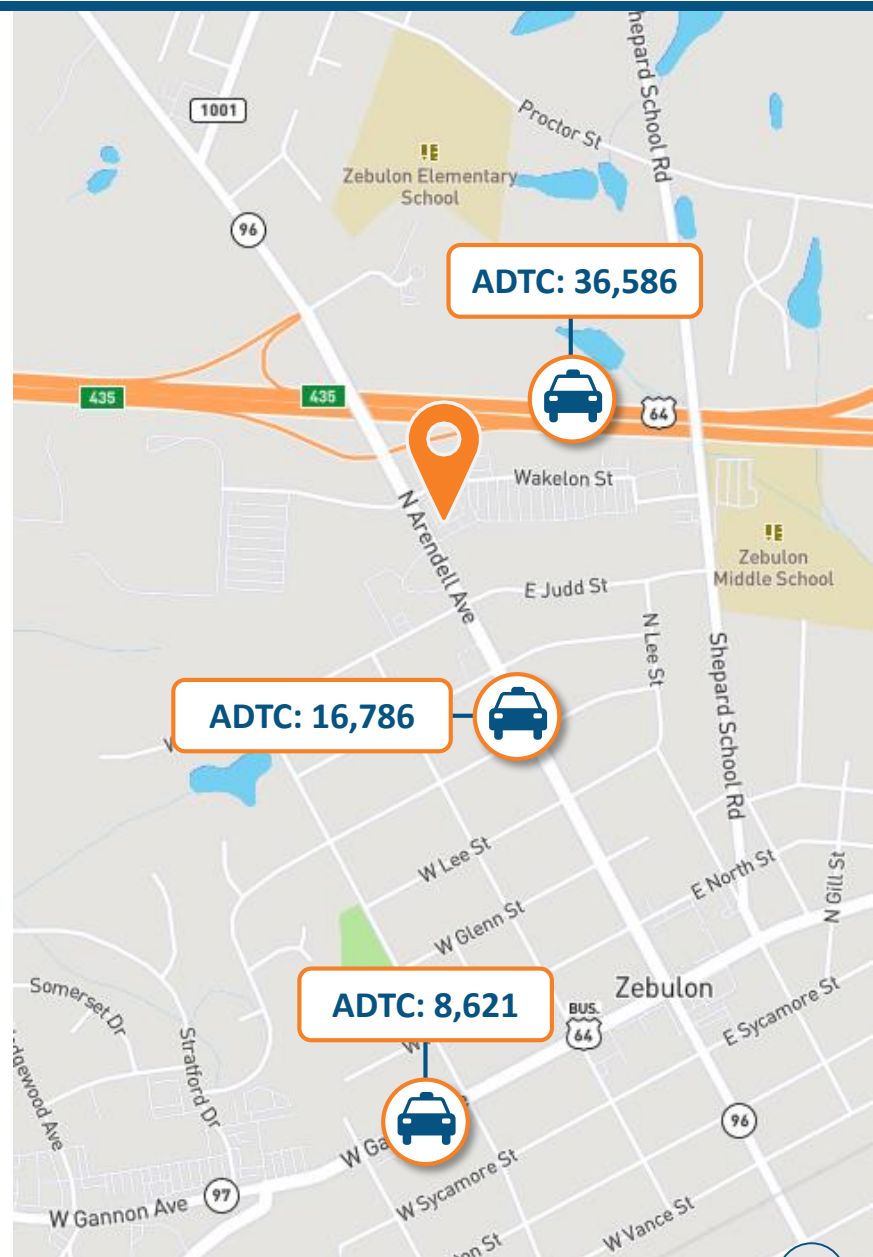
Other than Wake County, the biggest growth in number of new residents in the 16-county Triangle area was in Johnston County. Its total population of 202,675 in July was an increase of 6,252 residents versus the same month a year ago. That's a 3.2 percent jump and the largest percentage increase in the 16-county Triangle."

SURROUNDING RETAIL

The subject property is well-positioned as a boulevard-facing outparcel to a Food Lion-anchored shopping center. Traveling south from Highway 264, this is the most visible and accessible commercial property first encountered. Additionally, the subject property is on the corner of N Arendell Ave & Wakelon St, the highest trafficked entry to Triangle East Center. Major national retailers in the surrounding area include: Roses, Food Lion, Smithfield's, McDonald's, Pizza Hut, Taco Bell, Arby's, Aaron's, Sheetz, Bojangles' and more. GlaxoSmithKline, a British Multinational pharmaceutical company and the area's largest employer, has a significant packing and manufacturing plant directly across the street from.

TRAFFIC COUNTS & DEMOGRAPHICS

The subject property has approximately 12,000 individuals residing within a three-mile radius of the property and 27,000 within a five-mile radius. North Arendell Avenue experiences traffic counts that exceed 16,700 vehicles per day. The property also directly benefits from traffic from Highway 264 which provides direct access to Raleigh and other major cities in the Triangle. Highway 264 brings approximately 36,500 vehicles per day through the immediate area.



Walgreens

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Market Overview

City: Zebulon | County: Wake | State: North Carolina

Walgreens

POPULATION

	1 Miles	3 Miles	5 Miles
2023 Projection	3,228	12,539	28,392
2018 Estimate	2,970	11,883	26,891
2010 Census	2,423	9,620	22,003
2000 Census	2,081	8,104	18,582

INCOME

Average	\$74,929	\$72,873	\$67,970
Median	\$57,085	\$55,870	\$53,163
Per Capita	\$28,697	\$27,047	\$25,671

HOUSEHOLDS

2023 Projection	1,246	4,662	10,778
2018 Estimate	1,135	4,392	10,118
2010 Census	917	3,519	8,211
2000 Census	799	3,025	7,037

HOUSING

2018	\$172,328	\$173,906	\$164,008
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EMPLOYMENT

2018 Daytime Population	4,108	13,592	23,276
2018 Unemployment	6.94%	6.63%	6.16%
2018 Median Time Traveled	29	29	30

RACE & ETHNICITY

White	56.27%	56.30%	58.69%
Native American	0.03%	0.02%	0.02%
African American	30.44%	31.24%	28.69%
Asian/Pacific Islander	1.29%	1.01%	0.95%

ZEBULON, just 25 minutes from downtown Raleigh, is a vibrant, welcoming community packed with tons of activities ranging from sporting events to art galleries. Baseball lovers can root for the home team and catch a classic minor-league baseball game with the Single-A Carolina Mudcats throughout the spring and summer at Five County Stadium. Located atop the stadium is Cattails Restaurant, where fans can wind down (or up!) while enjoying a delicious dining experience and hometown camaraderie.

Zebulon's core business district is surrounded by historic residential neighborhoods that consist of homes built in the Victorian, Craftsman and Colonial Revival styles. The historic downtown is a must-see, with tours available of the gorgeous Zebulon Town Hall, a 100-year-old building hosting the work of local artists, and the family-owned Whitley Furniture Galleries, a furniture gallery that draws shoppers from all over the state. Debnam Ace Hardware, an old-time downtown hardware store, is a favorite of both locals and visitors.

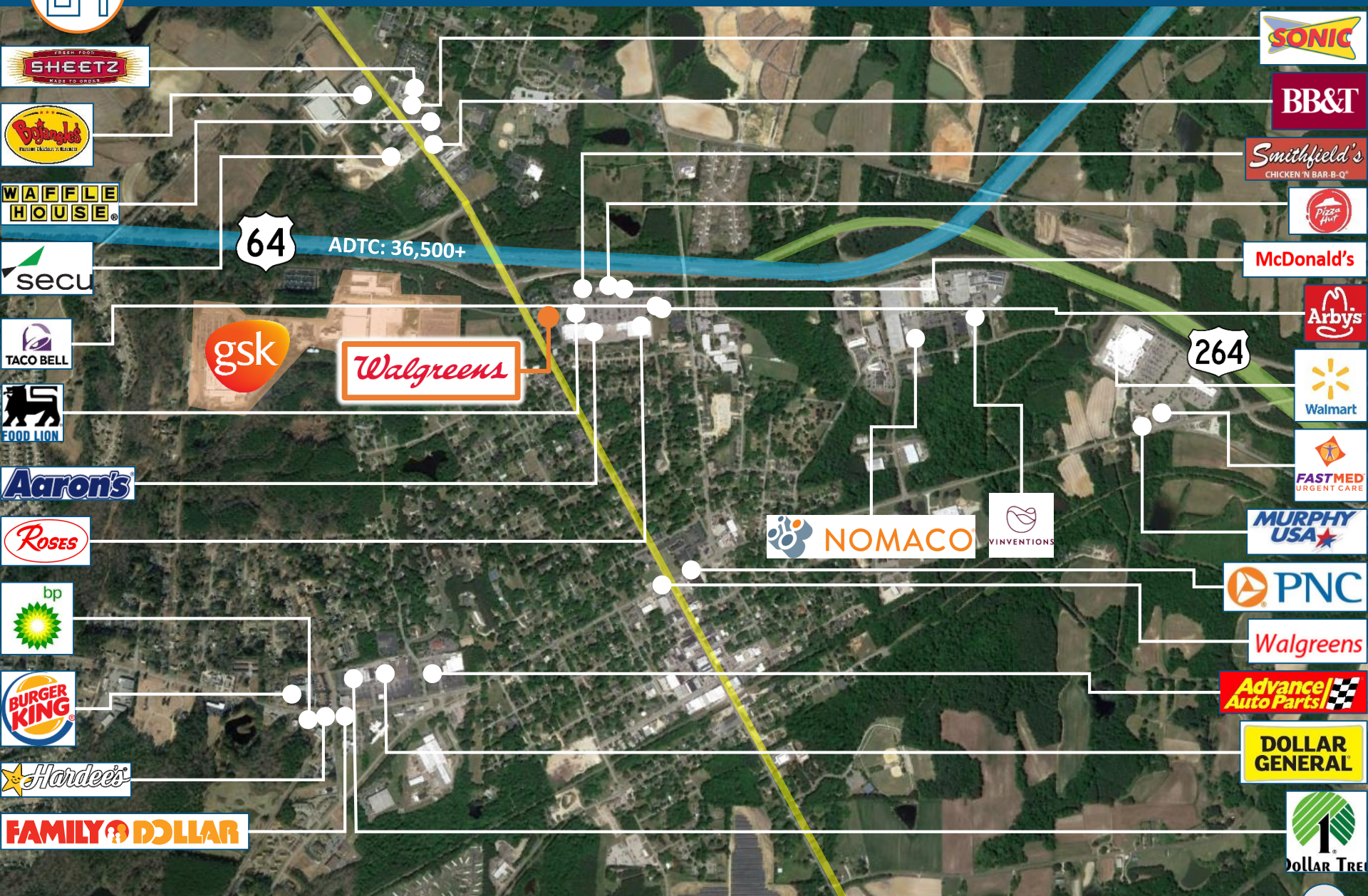
MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
GlaxoSmithKline	1,500
US Foods Inc	472
Walmart	350
Nomaco Inc	308
R J Reynolds Tobacco Company	226
Siemens Energy Inc	219
Wakelon Elementary School	194
Eagle USA	150
Siemens Industry Inc	150
Zebulon Middle School	125
Wendell Elementary School	120
Zebulon Elementary School	110



Surrounding Area

Walgreens



Walgreens

SUBJECT PROPERTY

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Surrounding Area

Walgreens



Walgreens

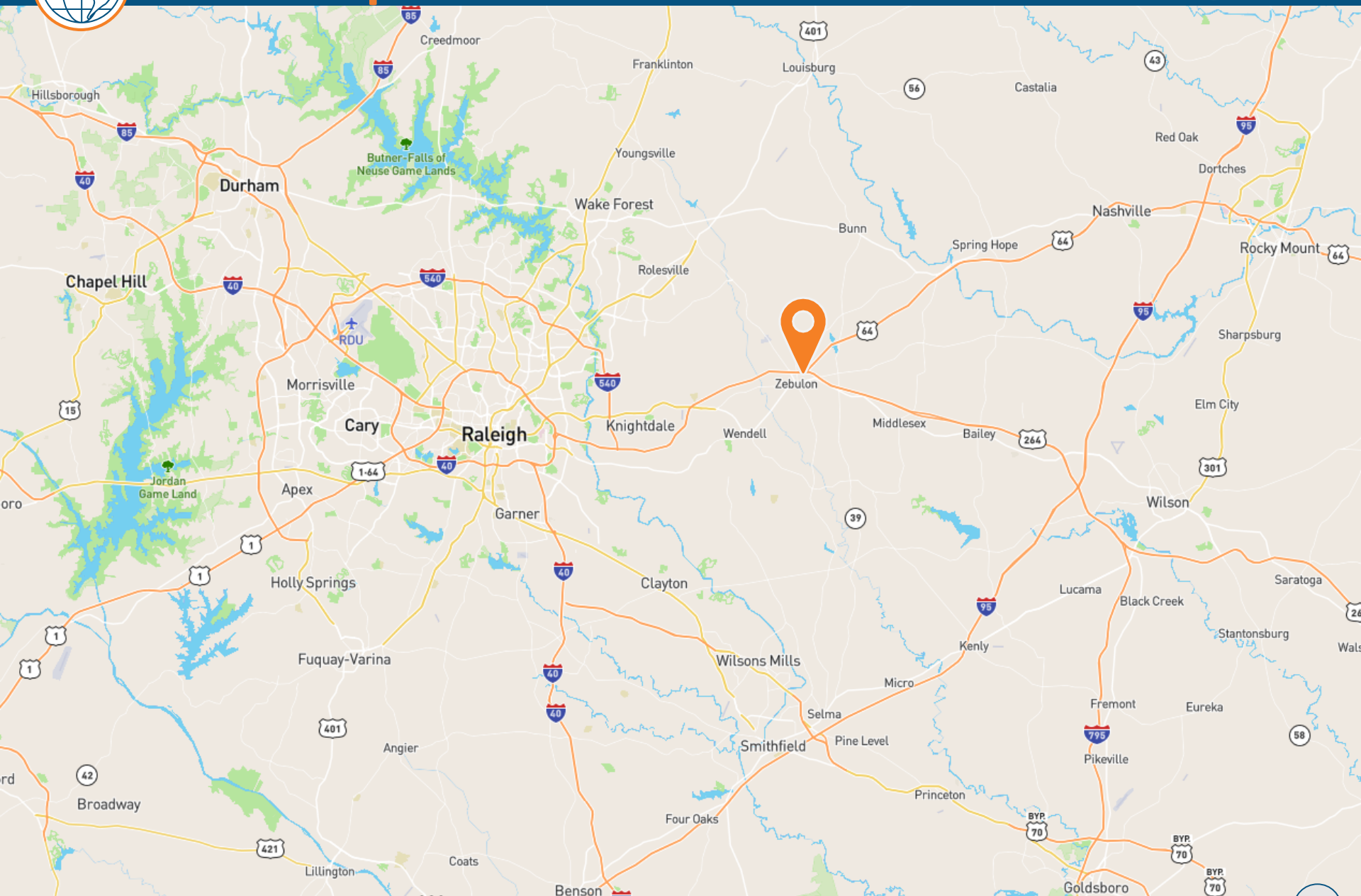
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Local Map

Walgreens



Walgreens



SUBJECT PROPERTY

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Exclusive Net-Leased Listing



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