



OFFERING MEMORANDUM



# Academy Sports + Outdoors

## Wilmington, NC

This property is listed in conjunction with North Carolina-licensed real estate broker David Edmonds.

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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

### Putnam Daily

Partner  
415.445.5107  
putnam@preservewc.com  
CA RE License #01750064

### Vahe Nokhodian

Associate  
415.445.5122  
vahe@preservewc.com  
CA RE License #01963342

### Michael Maffia

Managing Partner  
415.445.5144  
mike@preservewc.com  
CA RE License #01340853



## PROPERTY HIGHLIGHTS



- Long Term Net Lease to Academy Sports & Outdoors with 13 Years Remaining
  - Sustainable Rent Per Square Foot at \$10.91 PSF
  - Scheduled \$0.50 PSF Rental Escalations
- Excellent Access and Visibility within Dense Retail Hub
  - Combined AADT of 89,874 at Major Intersection along Interstate 40/North College Road
- Robust Co-Tenancy in Costco-Anchored Shopping Center
  - Nearby Anchor Tenants Include Sam's Club, Walmart Supercenter, Target, CVS, Walgreens & More
- Growing Regional Economy with MSA GDP of \$15.2+ Billion
- Award-Winning Tourist Destination featuring Historic Wilmington Riverfront and Nearby Island Beaches
- Just Two Miles from University of North Carolina – Wilmington
  - Fastest-Growing University in UNC School System with over \$400 Million in Construction Projects Currently
  - Anticipate 20,000 Enrolled in Next Three to Five Years
  - City's 3rd Largest Employer with Staff of 2,154
- Approximately Four Miles from Cape Fear Community College
  - 6th-Largest Community College in State with Student Body of 23,000
- Robust Demographics within Five Mile Radius
  - Total Daytime Population of 175,478
  - Annual Growth Rate of 1.42%
  - Average Household Income of \$76,556



## PRICE

**\$9,836,000**  
7.00% CAP Rate

## Location

The property is located at 5309 Gingerwood Drive, Wilmington, North Carolina.

## Lot Size

Approximately 4.55 acres or 198,198 square feet.

## Improvements

A 63,109 square foot retail building for **Academy Sports + Outdoors**.

## Lease

Leased to **Academy Ltd.** for 15 years from a rent commencement date of November 13, 2017 through February 28, 2033 at an initial annual rent of \$688,519. There are three (3) five-year options to renew the lease. Rent is to increase by \$0.50 per square foot every five years in the primary term and at the start of each option period. The lease is net with tenant responsible for its proportionate share of taxes, insurance, and maintenance, including common area maintenance, but excluding roof and structural components.

## Parking

There is ample parking available on site.

## Net Annual Income

Year	Annual Rent	Annual Rent PSF	Return
1-5	\$688,519	\$10.91	7.00%
6-10	\$720,074	\$11.41	7.32%
11-15	\$751,628	\$11.91	7.64%
16-20 (Option 1)	\$783,183	\$12.41	7.96%
21-25 (Option 2)	\$814,737	\$12.91	8.28%
26-30 (Option 3)	\$846,292	\$13.41	8.60%

## Financing

This property will be delivered free and clear of permanent financing.





**Academy Sports + Outdoors** is a privately owned retailer of discount sporting goods. Their stores carry a wide variety of name-brand equipment, clothing, and shoes for competitive sports, physical fitness training, and outdoor recreational activities such as hunting, fishing, camping, and boating, and provide services including scope mounting, bore sighting, line winding/spooling, propane exchange, golf club trade-in, CO2 refills, racquet stringing, and the ability to purchase hunting and fishing licenses. The company operates more than 258 stores in 16 states throughout the South, Southeast, and Midwest, and has been operating for more than 40 years from its headquarters in Katy, Texas. Academy Sports + Outdoors experienced revenue of \$4.7 billion in 2016, and employs more than 23,000 at its locations nationwide. Though Moody's downgraded the company's credit rating from B3 to B2 in September of 2017, the company slowed their store expansion plans to focus on sales growth and moved away from a leveraged growth model, using cash flow to fuel growth instead. While recent balance sheets reflect a high proportion of goodwill and other intangible assets relative to current assets, the company's strong per-unit sales of nearly \$17.5 million per location annually and shift away from a debt-financed expansion strategy reflect the company's viability in the long term.

In 2011, the company was acquired by the global investment firm KKR (NYSE: KKR). For the 2018 fiscal year, KKR reported revenue of \$4.2 billion, net income of \$1.1 billion, and \$8.2 billion in total stockholder equity.

*Additional financial information will be provided to qualified buyers.*

Academy Sports + Outdoors benefits from average per-unit sales of nearly \$17.5 million. If this is a typical store, the rent to sale ratio will be 3.93%.

# SITE PLAN





## AERIAL

## SOUTH VIEW

## UNIVERSITY CENTRE

## UNIVERSITY COMMONS

**Walmart**  
Supercenter



University of North Carolina  
Wilmington  
(~17,500 Enrolled)

**KIRKLAND'S**  
Home Decor, Gifts & More

**GameStop**  
**DentalWorks**

**Lowes foods**  
good for you.

**TJ-maxx**

**HomeGoods**

**BEST BUY**

**CATO**  
Look, don't buy again!

**A.C. MOORE**  
ARTS & CRAFTS



**Lowes**  
Home Improvement Warehouse

**Sam's CLUB**

**ROSS**  
DRESS FOR LESS

**STAPLES**

**PETCO**  
Where the pets go.

**JOANN**  
Stores Inc.

**verizon** **GNC** **AT&T**

**COURTYARD**  
Marriott

**Holiday Inn Express**

**Comfort INN**

**OUTBACK**  
STEAKHOUSE

New Hanover County  
Buildings

117

College Rd (48,939 AADT)

**BUCKER**  
Old Country Store

**CARRABBA'S**  
ITALIAN GRILL

Market St (40,935 AADT)

**Barton's**  
HOME IMPROVEMENT

**Olive Garden**  
ITALIAN KITCHEN

Gingerwood Dr

Future  
Development

**EYEMART**  
**EXPRESS**

**jason's deli**

**MainStay**  
Suites

**SLEEP INN**

**WINGATE**  
BY WYNDHAM

extended  
**STAY**  
AMERICA

**AutoZone**

Hawthorne Centre North  
Apartment Community

**Academy**  
SPORTS+OUTDOORS



AERIAL

WEST VIEW

NEW CENTRE MARKET

WINGATE  
BY WYNDHAM

extended  
STAY  
AMERICA

AutoZone

Days Inn  
BY WYNDHAM

Arbys

Hooters

Holiday Inn

MMC  
MILLER-MOTTE COLLEGE

FOOD LION

AMC  
THEATRES

planet fitness

SONIC  
America's Drive-Ins

TACO BELL

Walgreens

McDonald's

RODEWAY INN

Wendy's

TARGET

SALLY BEAUTY

PET SMART

Chick-fil-A

OfficeMax

SHOE CARNIVAL

Dressbarn

Party City

Red Roof Inn

COUNTRY  
INN & SUITES  
BY REDROOF

DUNKIN'

BONEFISH GRILL

Once upon a child

SLEEP INN

MainStay Suites

Academy  
SPORTS+OUTDOORS

Hawthorne Centre North  
Apartment Community

Future  
Development

Market St (40,935 AADT)

Lemon Dr

Gingerwood Dr

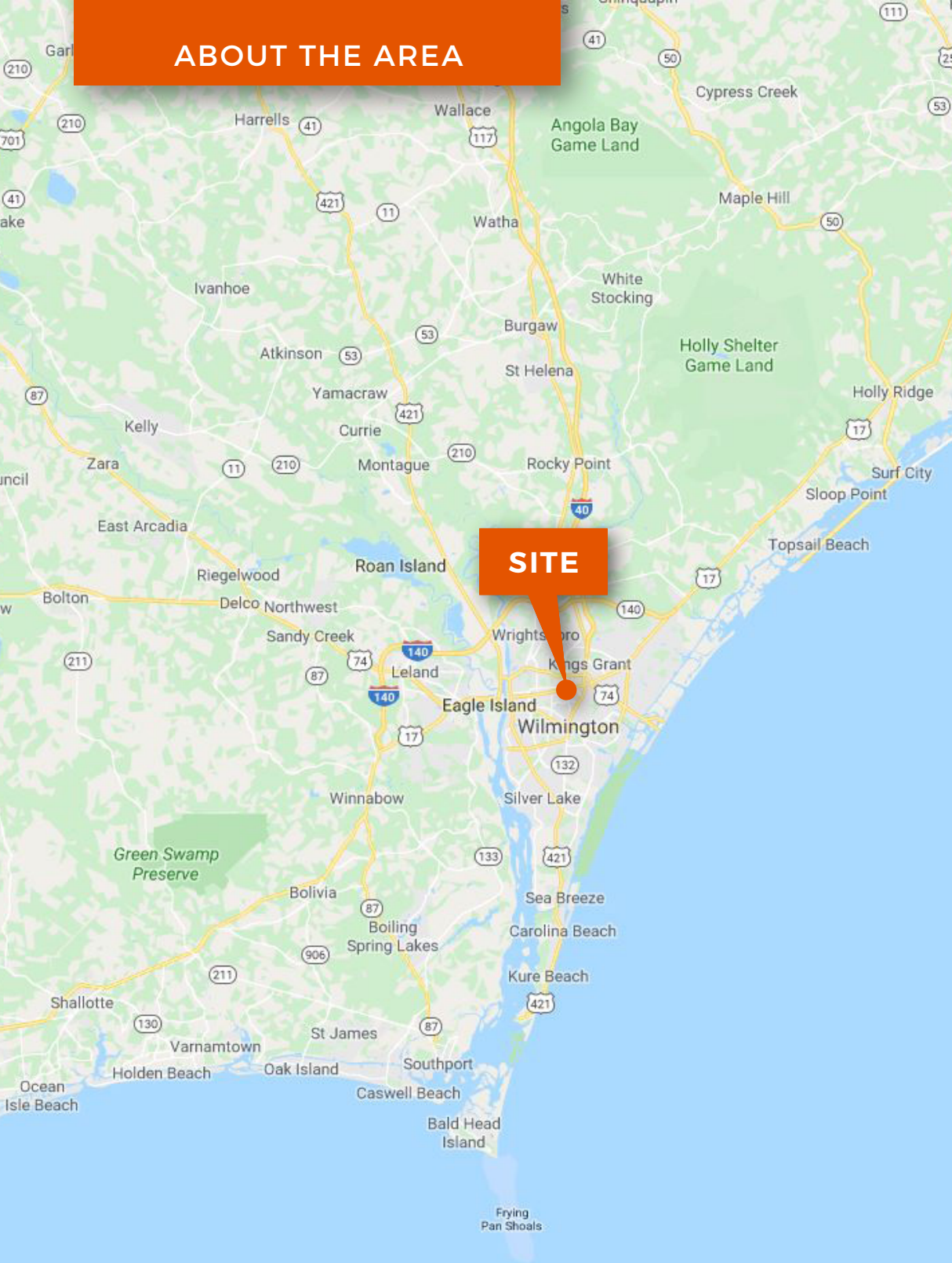
Jason's deli

EYEMART EXPRESS

Olive Garden  
ITALIAN KITCHEN



## ABOUT THE AREA



## General Overview

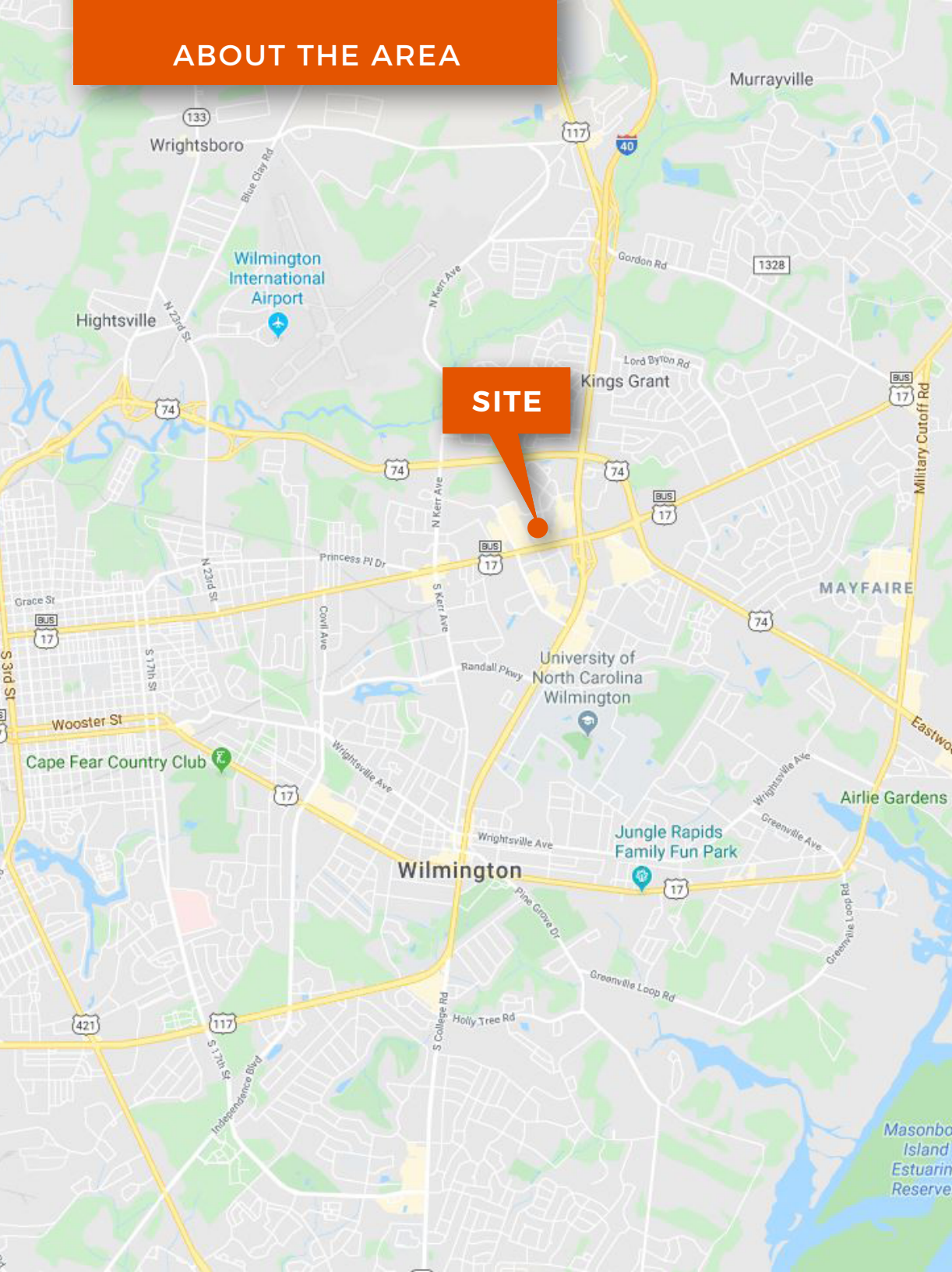
Wilmington (population 122,607) is the seat of New Hanover County and the principal city of the Wilmington Metropolitan Statistical Area, with a total population of 288,156. The city is a popular tourist destination due to the historic downtown riverfront and nearby beaches. Located along the Cape Fear River, the award-winning Wilmington Riverfront recently topped a USA Today 10Best ranking of the Best American Riverfronts for its vibrant array of shops, restaurants, attractions, and tours and cruises, all within a walkable district. Meanwhile, Wrightsville Beach has also been recognized nationally – and even internationally – as a top beach town destination for its wide beaches, sizeable vacation homes, family-friendly atmosphere, and energetic nightlife scene.

Wilmington is also the home of EUE Screen Gems Studio, the largest television and movie production facility outside of California nationwide.

The Wilmington area benefits from a broad economic base in research, manufacturing, tourism, finance, distribution and logistics, food processing, aviation, and more. Major companies operating in Wilmington include GE Aviation, GE-Hitachi Nuclear, Corning, Live Oak Bank, nCino, Apiture, Pharmaceutical Product Development, Alcam, Castle Branch, Fortron, Verizon Wireless, National Gypsum, and more. The region is part of North Carolina's "Research Coast," with the presence of the University of North Carolina Wilmington contributing to a robust contract-research sector. Overall GDP for the Wilmington MSA exceeds \$15.23 billion.



## ABOUT THE AREA



## Site Overview

The subject property is prominently situated with excellent access and visibility within a dense retail hub. It sits adjacent to the intersection where I-40 becomes North College Road/US-117 (40,935 AADT), the gateway to Wilmington from the north, and Highway 17 becomes Market Street (63,885 AADT), both primary arterials within the state and city, respectively.

The site benefits from robust demographics with a total daytime population of 175,478, average household income of \$76,556, and annual growth rate of 1.42% within a five mile radius. Educational attainment in the area is strong, with nearly 41% of the population holding a bachelor's degree or higher.

The site is ideally situated with excellent co-tenancy in a Costco-anchored shopping center neighboring numerous major shopping centers, retail tenants, schools, and employers. Major shopping centers in the surrounding area include New Centre Market, anchored by Target; University Centre, featuring Sam's Club, Lowe's, & Ross; University Commons, with tenants including HomeGoods, TJ Maxx, Best Buy, and Dollar Tree; Smith Creek Station, anchored by Home Depot & Kohl's; Mayfaire Town Center, with tenants including The Fresh Market, Pottery Barn, and Cost Plus World Market; and Hanover Center, anchored by Harris Teeter, Hobby Lobby, & Stein Mart. Other major retail tenants in the surrounding area include Walmart Supercenter, Food Lion, Trader Joe's, Walgreens, CVS, and more.

In addition, the property is located just two miles from the University of North Carolina - Wilmington, the city's third-largest employer with a staff of approximately 2,154 and 17,500 students enrolled. It is the fastest-growing university in the UNC school system with over \$400 million currently under construction to accommodate for growth in student enrollment as well as being elevated to a Doctoral Institution in 2019. The university ranks 92nd among Top Public National Universities according to U.S. News. The property is also approximately four miles from Cape Fear Community College, North Carolina's 6th-largest community college with more than 23,000 students and a staff of 1,328. The site is also located in close proximity to College Park Elementary School and Wilmington Preparatory Academy, drawing additional traffic from students, parents, and teachers to the site.





5309 Gingerwood Dr | Wilmington, NC 28405



2019 POPULATION  
**142,576**



AVERAGE HOME VALUE  
**\$329,847**



AVG. HOUSEHOLD INCOME  
**\$76,556**

Population Summary	1 Mile	3 Miles	5 Miles
2010 Total Population	7,231	56,964	125,031
2019 Total Population	8,071	64,223	142,576
2024 Total Population	8,563	68,753	152,995
2019-2024 Annual Rate	1.19%	1.37%	1.42%
2019 Total Daytime Population	16,667	77,857	175,478
Average Household Income			
2019	\$44,216	\$61,913	\$76,556
2024	\$50,468	\$71,175	\$87,382
Average Home Value			
2019	\$174,012	\$265,430	\$329,847
2024	\$182,349	\$285,472	\$349,796

## Major Employers in Wilmington

## # of Employees

New Hanover Health Network	6,880
New Hanover County Schools	3,831
University of North Carolina (Wilmington)	2,154
General Electric Nuclear Fuel/Aircraft	1,790
New Hanover County	1,756
Pharmaceutical Products Development	1,500
Cape Fear Community College	1,328
Verizon Wireless	1,278
Wal-mart	1,080
City of Wilmington	1,067





**Putnam Daily**

Partner  
415.445.5107  
putnam@preservewc.com  
CA RE License #01750064

**Vahe Nokhoudian**

Associate  
415.445.5122  
vahe@preservewc.com  
CA RE License #01963342

**Michael Maffia**

Managing Partner  
415.373.4060  
mike@preservewc.com  
CA RE License #01340853

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WEST  
CAPITAL

