



SUBJECT PROPERTY



OFFERING MEMORANDUM

LOWE'S

Rockingham, NC

Marcus & Millichap

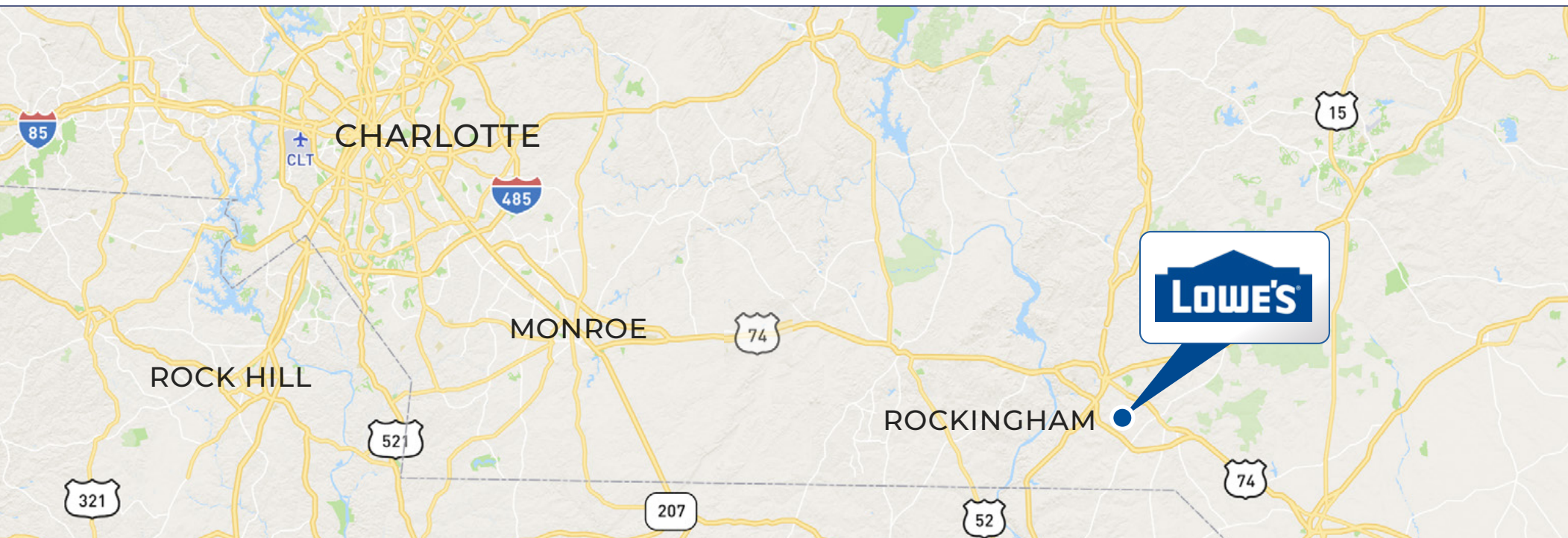
OFFERING SUMMARY



1300-A E Broad Ave., Rockingham, NC 28379

PRICE	\$7,728,000
CAP RATE	5.50%
NOI	\$425,000
RENTABLE SQUARE FEET	129,529
YEAR BUILT	2000
LOT SIZE	8.42 Acres
TENANT TRADE NAME	Lowe's
LEASE GUARANTOR	Corporate
LEASE TYPE	NNN Ground Lease
ROOF & STRUCTURE	Tenant

RENT COMMENCEMENT DATE		January 2021	
LEASE EXPIRATION DATE		December 2031	
TERM REMAINING ON LEASE		10+ Years	
INCREASES		5% Increases on Options	
OPTIONS		Eight, 5-Year Options	
BASE RENT	Years 1-10	\$425,000	
	Years 11-15 (Option 1)	\$446,250	
	Years 16-20 (Option 2)	\$468,563	
	Years 21-25 (Option 3)	\$491,991	
	Years 26-30 (Option 4)	\$516,590	
	Years 31-35 (Option 5)	\$542,420	
	Years 36-40 (Option 6)	\$569,541	
	Years 41-45 (Option 7)	\$598,018	
	Years 46-50 (Option 8)	\$627,919	
OPTION RENT			
TENANT RESPONSIBILITIES		Taxes, Insurance, CAM Roof, Parking Lot & Structure	
LANDLORD RESPONSIBILITIES		None	



INVESTMENT HIGHLIGHTS

INVESTMENT GRADE ESSENTIAL TENANT

- Lowe's is a publicly traded (NYSE: LOW) Fortune 500 company with an S&P rating of BBB+.
- Lowe's is the nation's second-largest hardware chain, with over 2,200 stores and over \$72 billion in annual revenue.
- Lowe's has been in business for 99 years and is ranked 44th on the Fortune 500.
- Lowe's is an essential tenant and its sales are up 30% from last year during COVID.

NEWLY EXTENDED 10-YEAR CORPORATE NNN GROUND LEASE

- Lowe's has operated at this location since 2000 (20-years) and recently extended the lease 10 more years demonstrating their commitment to the location.
- There are currently over 10 years remaining on the lease with eight, 5-year option periods each with 5% rent increases.
- Strong Investment grade corporate guarantee with national tenant with over 2,200 locations.
- Lease is NNN and tenant is responsible for Taxes, Insurance, CAM, Roof & Structure.

ATTRACTIVE PRIMARY RETAIL CORRIDOR LOCATION

- This Lowe's is well located on E Broad Ave (19,500 VPD) which is the primary retail corridor in Rockingham.
- Surrounded by 2.5 M SF of retail within a 1 mile radius including Walmart, Tractor Supply, Food Lion, Walgreens, and more.
- Located less than 1 mile from FirstHealth Moore Regional Hospital, a 610 Bed hospital with 3,700 employees.
- Positioned 2 Miles from Richmond County Airport that sees an average of 28 aircraft operations per day
- The 5-Mile Population of the location is 31,879.

ROCKINGHAM, NC

- Rockingham is located approximately 70 miles East of Charlotte and is the county seat of Richmond County.
- Home to Rockingham Speedway and Entertainment Complex, which has a capacity of over 34,500 and holds multiple events per year. This track has also been used to film multiple notable movies.
- Mackall Army Airfield, a primary training ground for the U.S. Army Special Forces, is located in Rockingham, NC. 270,811 military personnel are assigned to Mackall Army Airfield and Fort Bragg.
- Downtown Rockingham is currently being revitalized as part of a ten-year plan named "Shaping Our Future: 2023".


SUBJECT PROPERTY

BBB+
INVESTMENT
GRADE TENANT

2,200+
LOCATIONS
NATIONWIDE

\$72.1 B
2019 FISCAL YEAR
SALES

LOW
PUBLICALLY
TRADED ON NYSE

MOORESVILLE, NC
CORPORATE
HEADQUARTERS

#44
FORTUNE
500

Lowe's was founded by military veteran Carl Buchan and is the nation's second largest home improvement chain in the United States, with about 2,200 home improvement and hardware locations, and the second largest home improvement chain in the world. Its stores offer approximately 35,000 products for repair and improvement projects (such as lumber, paint, plumbing and electrical supplies, and tools), gardening and outdoor living, and home furnishing and decorating. Lowe's is also one of the country's leading retailers of home appliances. It targets both the professional and consumer markets with national brand-name merchandise as well as its own private labels (Kobalt, Harbor Breeze, Sta-Green). The company only operates in North America, with the vast majority of sales generated in the US.

Lowe's has witnessed solid sales growth over the last five years, with revenue up 22% since 2015. Net sales for fiscal 2019 increased 1.2% over fiscal year 2018 to \$72.1 billion. The increase in total sales was driven by an increase in comparable sales, offset by a decrease in sales due to closed stores and the exit of the Mexico and Orchard Supply Hardware (Orchard) businesses. Net earnings for fiscal 2019 increased 85.0% to \$4.3 billion. During 2018 and 2019, the Company initiated a strategic reassessment of its business which has resulted in the exit of Orchard Supply Hardware and its operations in Mexico, as well as the closure of under-performing stores across the U.S. and Canada. The company's strategy focuses on responsible sourcing, offering safe and eco-friendly products, maintaining a skilled workforce & supporting local communities.



BURGER KING



AMERICA'S STORAGE SPACE



TACO LOKO



MCDONALD'S



AspenDental



WALGREENS

7,600 VPD
Biltmore Dr

LA RAZA RESTAURANT



19,500 VPD
US-74 BUS

RICHMOND PLAZA



DEMOGRAPHIC SUMMARY

5-MILE

POPULATION

31,875

AVG. HOUSEHOLD INCOME

\$49,777

Walmart

HARBOR FREIGHT TOOLS
OLLIE'S Bargain OUTLET
FARMERS home FURNITURE

Dunham's

Bojangles

Sub Station II

WALGREENS

KAY
DUNKIN' DONUTS

KFC

MCDONALD'S

LOWE'S

AspenDental

FAST MED URGENT CARE

Pizza Hut

Little Caesars pizza

LUCKY STOP

TACO BELL

FIRST BANK

DG

CHIBA JAPANESE RESTAURANT

TACO LOKO

RICHMOND PLAZA

belk Save a lot HIBBETT SPORTS
ROSES Rainbow verizon
Firestone COMPLETE AUTO CARE planet fitness

AMERICA'S STORAGE SPACE

15,000 VPD
Rockingham Rd

19,500 VPD
US-74 BUS

ROCKINGHAM

NORTH CAROLINA

 RICHMOND COUNTY AIRPORT

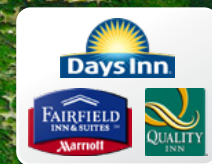
74

 21,000

 18,000

1

 Cascades Tissue Mill




BUS 74

220

1966

 K & S Machine LLC



Rockingham MS 689 students 

1966




 7,600

 19,500

 15,000

1646



 FirstHealth Moore Regional Hospital - Richmond



 19,500



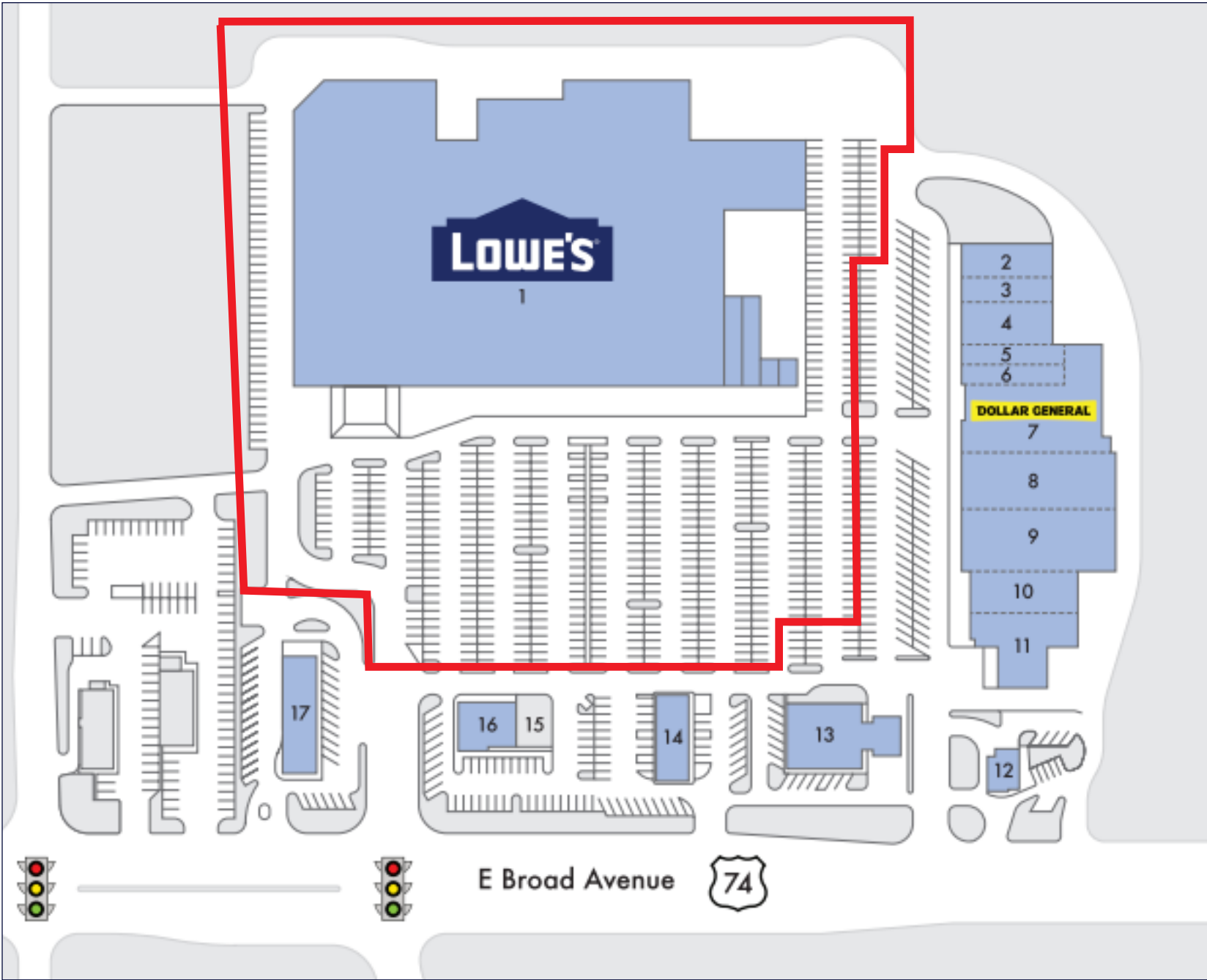
RICHMOND PLAZA



DEMOGRAPHIC SUMMARY		5-MILE
 POPULATION		31,875
 AVG. HOUSEHOLD INCOME		\$49,777

1624

SITE PLAN





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SUBJECT PROPERTY

Marcus & Millichap
TAYLOR MCMINN
RETAIL GROUP

Dated:

Don McMinn
Marcus & Millichap
1100 Abernathy Road, NE, Suite 600
Atlanta, GA 30328

Phone: (678) 808-2762
Fax: (815) 550-1286
don.mcminn@marcusmillichap.com

Re: 1300-A E Broad Ave – Rockingham, NC 28379 (Lowe's)

Dear:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser _____

**Purchaser's
Address** _____

**Purchaser's
Phone/Fax** _____

**Purchaser's
Email Address** _____

Offer Price _____

Earnest Money \$100,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract with an additional \$100,000 deposited at the expiration of the Inspection Period (\$200,000 Total). The Earnest Money shall become non-refundable barring any other listed contingencies at the expiration of the Inspection Period.

Inspection Period 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials _____ Seller's Initials _____

Financing Period
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$_____ on terms which are acceptable to Purchaser.

Closing Date
(Please Check One)

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

☐ **Existing Property** Within 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

Closing Costs

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

Property Condition

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

Contract within 10 days:

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

Broker Commission

Purchaser acknowledges that Purchaser has employed _____, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

1031 Exchange

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$_____ in an exchange account from a transaction which closed escrow on _____. Purchaser will provide Seller, upon request, proof of such funds.

Confidentiality

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's

Purchaser's Initials _____ Seller's Initials _____

accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted | Purchaser

By: _____

Printed: _____

Dated: _____

Agreed and Accepted | Seller

By: _____

Printed: _____

Dated: _____

Purchaser's Initials _____ Seller's Initials _____