

STARBUCKS & WELLS FARGO ATM

1617 EMMET STREET NORTH | CHARLOTTESVILLE, VA



TROPHY ASSET | INVESTMENT GRADE OPPORTUNITY ALONG CHARLOTTESVILLE, VA'S DOMINANT RETAIL CORRIDOR

CONFIDENTIALITY + CONDITIONS

This Offering was prepared by Cushman & Wakefield | Thalhimer and has been reviewed by the Owner. It contains select information pertaining to the Project and does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect the Project will be made available to qualified prospective purchasers.

In this Offering, certain documents, including the leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

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The terms and conditions set forth above apply to this Offering in its entirety.

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SECTION N°

01

EXECUTIVE

SUMMARY



EXECUTIVE SUMMARY

Cushman & Wakefield | Thalhimer is pleased to exclusively offer the fee simple interest in a brand new two tenant, trophy retail opportunity in affluent Charlottesville, Virginia. Credit tenants Starbucks (S&P: BBB+) and Wells Fargo (S&P: A2) have recently executed ten and five year leases respectively at the site. Both leases benefit from net lease structures with minimal landlord obligations, escalations within the term and multiple renewal options. Wells Fargo has operated an ATM at this location for 40 years and the subject will represent one of only three drive-thru locations for Starbucks in Charlottesville.

The Property is located in the most established and highly sought-after retail trade area in region at the signalized, hard corner of Emmet Street North (Virginia Route 29) and Angus Road just off the Virginia 250 interchange. With a central, infill location less than 1.0 mile from the University of Virginia (22,000 students), the property benefits from multiple points of ingress and egress with exposure to over a combined 120,000 vehicles per day. This trophy asset represents an opportunity for an investor to acquire a corporately guaranteed income stream at a highly desirable intersection in the area's strongest retail market. Dense surrounding retail and high barriers to entry in the City of Charlottesville contribute to the long-term sustainability of the site.

DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2020 Population	11,492	76,706	106,105
Average HHI	\$89,586	\$88,463	\$95,759
Average Home Value	\$485,483	\$414,611	\$417,945
Median Age	32.9	29.9	31.7
% W/ Bachelor Degree	50.9%	57.1%	57.3%

ADDRESS

1617 Emmet St N Charlottesville, VA

RENTABLE SF

2,317 SF

OCCUPANCY

100%

SITE SIZE

±0.5 acres

YEAR BUILT

2020

TENANTS

Starbucks & Wells Fargo ATM

ANNUAL RENTS

Starbucks \$182,000

Wells Fargo ATM \$18,000

LEASE STRUCTURE

NN+

LEASE TERMS

Starbucks 10 years

Wells Fargo ATM 5 years

WEIGHTED AVG. LEASE TERM

10 years

YEAR 1 NOI

\$200,000

PRICE

\$4,040,000

CAP RATE

4.95%



SURROUNDING HIGH END RETAILERS INCLUDE:

ANTHROPOLOGIE

Harris Teeter

BANANA REPUBLIC

ATHLETA Zinburger
Wine & Burger Bar

Lilly Pulitzer OLD NAVY

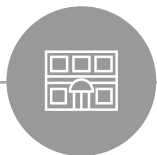


INVESTMENT HIGHLIGHTS



DOMINANT CORNER LOCATION IN CHARLOTTESVILLE

- High-traffic location along Emmet St N which sees over 65,000 vehicles per day pass directly by the Property
- Virginia Route 250 is a main Charlottesville artery and along with Emmet Street N, sees over 100,000 combined vehicles per day
- Signalized intersection with significant frontage along Charlottesville's most vibrant commercial corridor
- Located within larger Cost Plus World Market and Best Buy development generating consumer traffic and providing multiple points of ingress and egress
- Additional demand drivers in the immediate area include Whole Foods, Kroger, Harris Teeter, Trader Joes, UVA School of Law, numerous hotels and ±1,700 apartment units



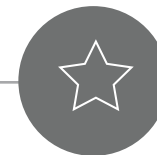
CREDIT TENANCY

- 100% leased to credit rated users Starbucks (NYSE: SBX | S&P: BBB+) and Wells Fargo (NYSE: WFC | S&P: A2)
- Weighted average lease term of 10 years
- Both tenants have multiple, 5-year renewal options with rental escalations
- This Starbucks location is one of only three drive-thru locations for Starbucks in the Charlottesville market
- Wells Fargo has a proven operating history at the site.



IDEAL NN+ LEASE STRUCTURES

- Net lease structures provide for passive income and limited landlord obligations
- Rental increases in primary terms and extension options of both leases
- Brand new ten and five year in-place lease terms



EXCEPTIONAL MARKET FUNDAMENTALS

- Charlottesville retail rents have increased 4.98% Y-O-Y as of Q2 2020
- 2019 YE vacancy was 3.0% and historical occupancy for the past decade is 97%
- Every year this decade has seen positive net absorption with an average of 142,000 SF per year
- Limited supply of 55,000 SF has been added to the retail landscape the past three years which will continue to drive rental rate increases and vacancy rate decreases
- Redevelopment in dense infill location reduces potential for competition in the immediate trade area.



TRANSACTION GUIDELINES

Cushman & Wakefield | Thalhimer has been chosen to exclusively market the subject Starbucks & Wells Fargo located at 1617 Emmet Street North Charlottesville, VA to qualified investors. The prospective purchaser will be chosen by the Seller under the advisement of Cushman & Wakefield | Thalhimer. Factors considered in the selection include but are not limited to i) price, ii) security of closing, iii) buyer financials, and iv) industry reputation.

OFFERING MEMORANDUM DISTRIBUTED

Following the distribution of marketing materials, Cushman & Wakefield | Thalhimer will be available to answer questions regarding the offering information.

SECTION N°

02. **PROPERTY** PROFILE



PROPERTY PROFILE



BUILDING INFORMATION

ADDRESS	1617 Emmet Street N Charlottesville, VA
RENTABLE SF	2,317 SF
SITE SIZE	±0.50 acres
OCCUPANCY	100%
YEAR BUILT / RENO	1979 / 2020
NO. TENANTS	Two (2)
ZONING	HW
PARKING	24 total spaces (10.4 spaces per 1,000 SF)
ACCESS	Access shall be from Angus Road and from an access easement through the Best Buy entrance on Emmet Street

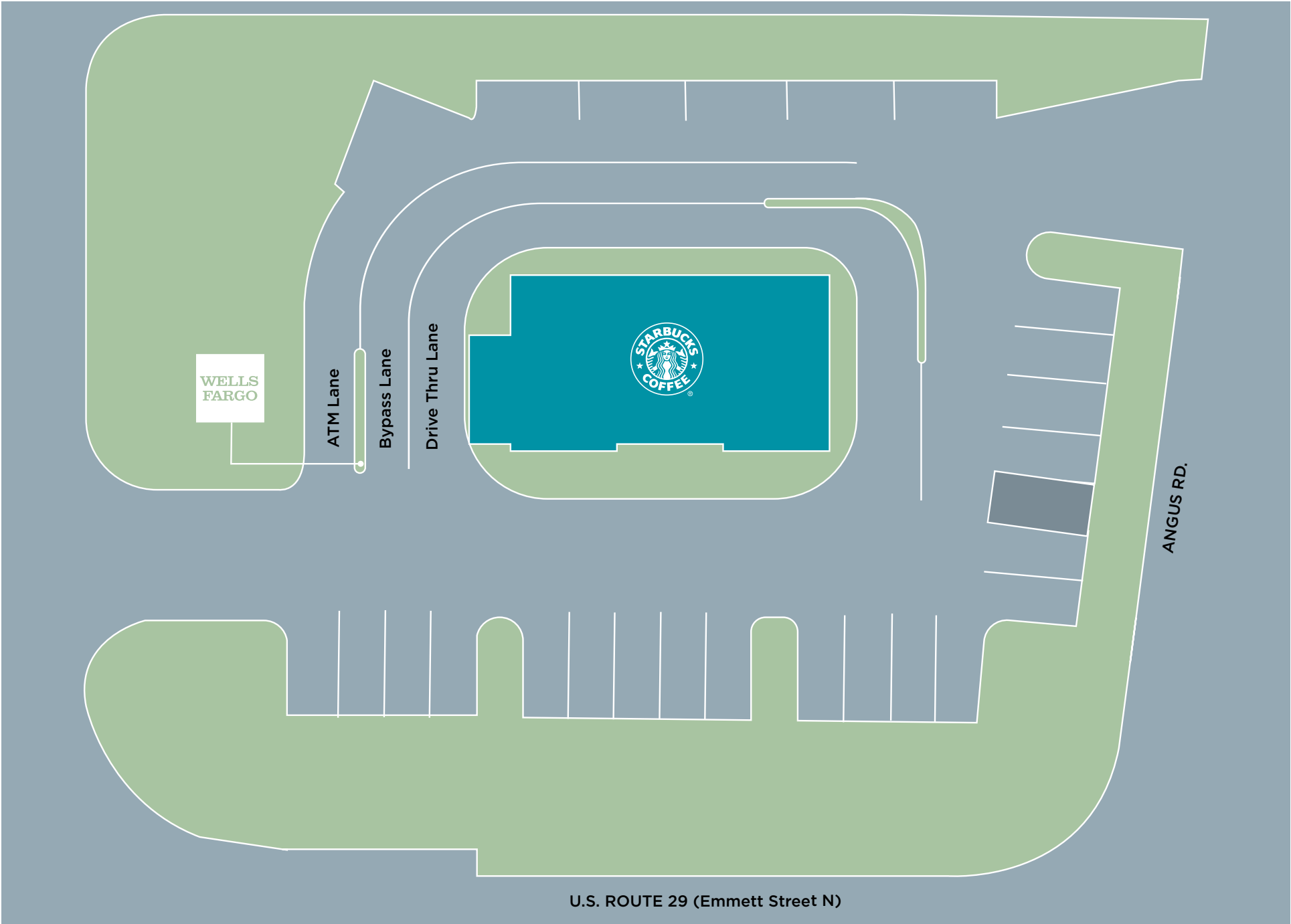
BUILDING SYSTEMS

HVAC	Brand new HVAC split systems
ELECTRICAL	Integral LED lighting; Transformer outlet box for power. Minimum of 400 amps, 120/208 volt 3 phase 4 wire power service connected to main electrical panel
UTILITIES	All public utilities are provided to the property

CONSTRUCTION

CONSTRUCTION	Masonry (V-B Construction Type)
EXTERIOR WALLS	Brick walls
EXTERIOR DOORS	Metal frame
WINDOWS	Aluminum
INTERIOR SEATING	Seating for 78 occupants
OUTDOOR SEATING	Seating for 8 occupants
RESTROOMS	Two (2)
DRIVE THRU LANES	One (1) drive thru lane, one (1) pass through lane and one (1) ATM lane
ROOF	New musket gray standing seam metal roof; installed in 2020

SITE PLAN





SECTION N°

03. **TENANT** OVERVIEWS





\$26.5 BILLION IN 2019 REVENUE

\$3.6 BILLION IN 2019 PROFIT

\$2.92 EPS IN 2019

TENANT OVERVIEWS

	2,317 SF
	EXP: 2/28/2031 (ESTIMATED)

STARBUCKS

Starbucks (NASDAQ: SBUX | S&P: BBB+) is an American coffee company and coffeehouse chain that was founded in 1971 in Seattle, Washington. As of 2019, the company operates over 32,500 locations in 80+ countries across the nation and is known for their various coffee options, teas and baked goods. Currently trading around \$95/share, Starbucks has a market cap of \$112 billion and had net revenues of \$26.5 billion in 2019. This corporate location will be one of just three Starbucks drive-thrus in the market at completion.

TENANT SUMMARY

TENANT TRADE NAME	Starbucks
S&P CREDIT RATING	BBB
NASDAQ STOCK SYMBOL	SBUX
FORTUNE 500 RANK	121
2019 NET REVENUE	\$26.5 Billion
CURRENT MARKET CAP	\$89.6 Billion
NO. OF LOCATIONS	31,000+
HEADQUARTERED	Seattle, WA
WEBSITE	www.starbucks.com

LEASE SUMMARY

STARBUCKS

TENANT	Starbucks Corporation	
DBA	Starbucks	
SQUARE FOOTAGE	2,317 SF	
LEASE TYPE	NN+	
REPAIRS & MAINTENANCE	Landlord - Repairs and replacement of roof, structure, parking areas (these are reimbursable costs) Tenant - HVAC & Interiors	
CAM	Net	
CAM CAP	\$6.16 PSF for first lease year	
CONTROLLABLE CAP	5.0% noncumulative after first lease year	
REAL ESTATE TAXES	Net	
REAL ESTATE TAXES CAP	\$8.81 PSF for first lease year	
INSURANCE	Net	
INSURANCE CAP	\$1.06 PSF for first lease year	
MANAGEMENT FEE	Net (2.5% allowable by lease)	
PRO RATA SHARE	100.00%	
CURRENT LEASE TERM	10 years	
ANNUAL BASE RENT	\$182,000	
PSF BASE RENT	\$78.55	
RENT ESCALATIONS	Years 6-10: \$200,200 (\$86.40 PSF)	
EST. RENT COMMENCEMENT DATE	3/1/2021	
RENT COMMENCEMENT	The earlier to occur of (a) the date Tenant opens for business in the Premises and (b) one hundred twenty (120) days after the later to occur of: (i) the Commencement Date and (ii) the date of Tenant's receipt of all Government Approvals required for Tenant	
EST. LEASE EXPIRATION	2/28/2031	
RENEWAL OPTIONS	Six (6), 5-year renewal options with 6 months' notice	
RENEWAL RENTS	<div>Option 1: \$220,220</div> <div>Option 2: \$242,242</div> <div>Option 3: \$266,466</div> <div>Option 4: \$293,113</div> <div>Option 5: \$322,424</div> <div>Option 6: \$354,667</div>	
ALTERNATIVE BASE RENT	In the event of a Force Majeure event, act by Landlord or governmental authority that restricts or otherwise limits Tenant business operations and i.) reduces gross sales for any month of the Term by 25% or more then Tenant shall pay 50% of the Monthly Base Rent in lieu of Base Rent each month until such restrictions or limitations are lifted or ii.) Tenant ceases operations in Premises, then Tenant shall pay no Base Rent, but shall continue to pay Annual Additional Rent and CAM charges.	
PARKING	At no expense to Tenant and/or its employees or customers, Landlord shall provide all parking for Tenant's employees and customers (and Landlord shall apply for and obtain all variances in connection therewith), as needed to meet all code and permitting requirements for Tenant's anticipated use throughout the Term. Tenant shall be permitted 2 parking spaces for mobile orders closest to the Premises	
DRIVE THRU	One (1) drive thru lane and one (1) pass thru lane	
EXCLUSIVE	Landlord shall not use or allow any other person or entity (except Tenant) to use any portion of the Property for the sale of: (a) whole or ground coffee beans, (b) espresso, espresso-based drinks or coffee-based drinks, (c) tea or tea-based drinks, (d) brewed coffee, or (e) blended beverages (the "Exclusive Use"). In the event of a violation of Tenant's exclusive use, all rent due under the Lease shall be reduced by fifty percent (50%) until the violation has been cured and the competing tenant(s) at the Property cease the sale of any of the products protected by Tenant's exclusive use described above.	
NEW CONSTRUCTION CONTINGENCY	Tenant shall not be obligated to pay Base Rent or Addition Rent, nor required to open for business until the construction of the Common Areas, including all parking areas, is substantially complete. However, Tenant may elect to open for business before the foregoing conditions have been satisfied, in which event the Initial Term shall commence and Base Rent and Additional Rent shall be reduced by 50%. If the new construction contingency is not satisfied within 180 days of the Schedule Delivery Date, Tenant shall be entitled to terminate the lease.	



\$101.1 BILLION IN 2019 REVENUE

3.4% YOY REVENUE GROWTH

\$4.28 EPS IN 2019

**WELLS
FARGO**

ATM

EXP: 4/30/2024

WELLS FARGO

Wells Fargo & Company (NYSE: WFC | S&P: A2) is a diversified, community-based financial services company with \$1.95 trillion in assets and is the fourth-largest bank in the United States. Founded in 1852, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial financial services through more than 8,200 locations, 13,000 ATMs, online (wellsfargo.com), and mobile devices.

Headquartered in San Francisco, Wells Fargo does business with more than 70 million customers and one in three U.S. households. Wells Fargo has approximately 263,000 team members in 42 countries and territories across more than 90 businesses.

TENANT SUMMARY

TENANT TRADE NAME	Wells Fargo
S&P CREDIT RATING	A-
NASDAQ STOCK SYMBOL	WFC
FORTUNE 500 RANK	29
NET REVENUE	\$101.1 Billion
MARKET CAP	\$115.6 Billion
NO. OF LOCATIONS	259,000+
HEADQUARTERED	San Francisco, CA
WEBSITE	www.wellsfargo.com

LEASE SUMMARY

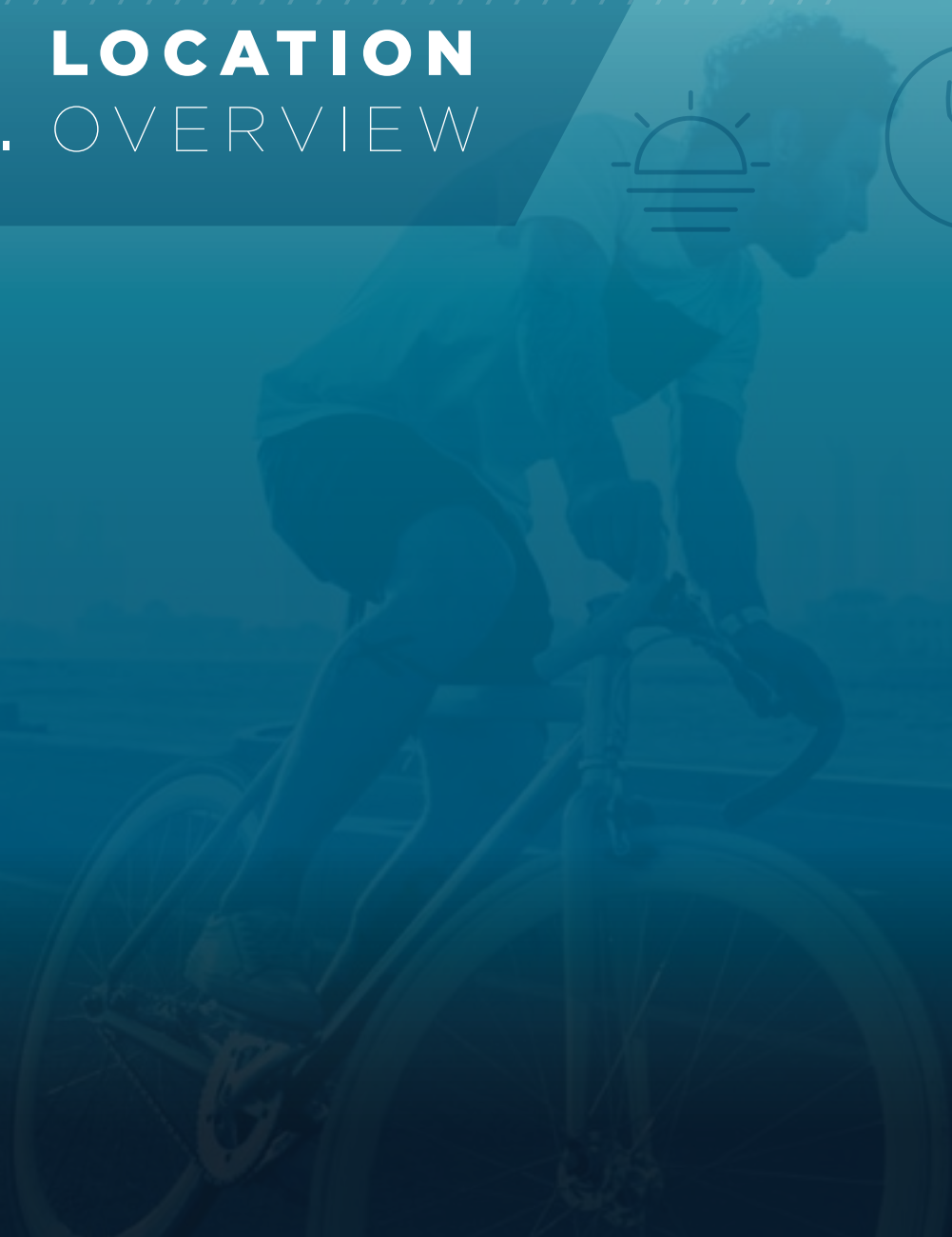
WELLS FARGO

TENANT	Wells Fargo Bank, N.A.
DBA	Wells Fargo Bank
LEASE TYPE	ATM Lease
CAM	Tenant reimburses for snow removal only
CURRENT LEASE TERM	5 years
ANNUAL BASE RENT	\$18,000
RENT ESCALATIONS	None
RENT COMMENCEMENT	4/30/2019
LEASE EXPIRATION	4/30/2024
RENEWAL OPTIONS	Three (3), 5-year renewal options with 3 months' notice
RENEWAL RENTS	Option 1: \$19,800 Option 2: \$21,780 Option 3: \$23,958
ACCESS	Tenants, its agents, employees, contractors, and invitees are granted access to the Premises 24 hour a day and 7 days per week
REMOVAL	At expiration of lease, Tenant must remove ATM facility and related equipment.
EXCLUSIVE	Landlord shall not, without prior written consent of Tenant (which consent may be granted or withheld in Tenant's sole discretion without considering the interests of Landlord or any third-party) permit the installation or operation of any ATM or similar mechanism for effecting financial transactions within any part of the Development.
COMMON AREA	Wells Fargo agents, employees, representatives, and customers shall not interfere with the rights of Starbucks or assigns to use the Common Areas as permitted in the Third Party Lease, including access to the Building, Starbucks signage or the drive thru lane located closest to the building, which shall be for the exclusive use of Starbucks. Wells Fargo Persons are prohibited from using the drive thru lane closest to building unless using it for Starbucks. The foregoing does not restrict the use of the drive aisle adjacent to the drive thru lane located closest to Building by Wells Fargo Persons

SECTION N°

04. LOCATION

OVERVIEW



CHARLOTTESVILLE OVERVIEW

POPULATION

With a current population of 230,000, according to estimates released by the Weldon Cooper Center at the University of Virginia, the Charlottesville MSA has grown at a rate of 6.3% since the 2010 Census. The City of Charlottesville has outpaced the region with a 12.9% growth rate over the same time frame, making it the third fastest growing city in Virginia.

ECONOMIC DEVELOPMENT

Consistently ranked among the best cities in the U.S. for both business and quality of life, Charlottesville boasts a strong economy, excellent job growth and a thriving, well-cultured community predominately fueled by the University of Virginia and its quality medical facilities. This area offers an appealing quality of life and a highly skilled work force to complement its excellent interstate, rail and air transportation networks.

The city of Charlottesville is one of few in the state with a triple-A Bond rating from both Moody's and Standard & Poor's national reporting agencies. The University of Virginia, located in the heart of the City, is the area's number one employer strengthening the city's growing workforce. Additionally, a recent economic impact study has determined that the University has generated over \$5.9 billion in annual economic activity statewide. With the area's strategic location, quality transportation and healthy economy, Charlottesville has attracted several strong businesses and organizations.

HIGHER EDUCATION INSTITUTIONS & ENROLLMENT

INSTITUTION	ENROLLMENT
University of Virginia (Undergraduate)	15,891
University of Virginia (Graduate)	6,500
Germanna Community College	9,849
Piedmont Virginia Community College	5,684
REGION TOTAL	37,924

ECONOMIC STRENGTH

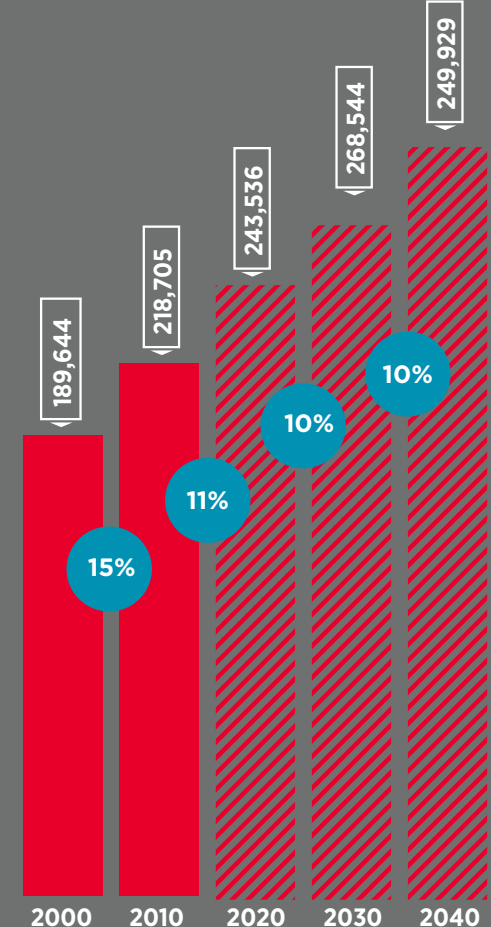
2.7% **13,000**

PRE-COVID
UNEMPLOYMENT RATE

NEW JOBS
(2016 - 2019)

CHARLOTTESVILLE POPULATION GROWTH

CORPORATE PRESENCE



HISTORY

History permeates Charlottesville, most profoundly in Thomas Jefferson, the 3rd president of the United States and the founder of the University of Virginia. Jefferson's home, Monticello and the Rotunda at UVA have been designated as World Heritage Sites by the United Nations. Visitors can also experience Montpelier, the home of James Madison, as well as Highland which is the home of James Monroe.

FOOD & BEVERAGE

Charlottesville has consistently been voted as a Top 10 wine destination in the world with more than 30 local vineyards located along the Monticello Wine Trail. The local food scene is also bustling with Forbes recently citing the area as a top spot for locavores and USA Today naming Charlottesville runner-up in the Best for Food category in their "Best of the Road" competition.

OUTDOOR RECREATION

Albemarle County is nestled within a spectacular natural landscape and the opportunities for sports and recreation abound. Preserved areas—Saunders, Monticello, Rivanna, Ivy Creek, and Ragged Mountain—showcase Virginia's native beauty. Nearby, Shenandoah National Park features 500 miles of hiking trails through some of the nation's most beautiful wilderness. The Skyline Drive, which runs along the crest of the Blue Ridge Mountains, is dotted with breathtaking vistas and scenic overlooks. The region is also a popular destination for kayaking, canoeing, rock climbing, camping, skydiving, skiing and horseback riding.

ENTERTAINMENT

Home to a handful of accomplished musicians, authors, and actors, Charlottesville has developed a vibrant arts and entertainment scene, especially when it comes to live music. The John Paul Jones Arena hosts top talent— Lady Gaga, Jay-Z, Sir Paul McCartney, and hometown hero Dave Matthews have all played there recently. A unique mix of smaller venues features up-and-coming artists: the 3,500-seat outdoor amphitheater Sprint Pavilion, the intimate Jefferson Theatre, and Southern Music Hall.

The historic Paramount Theatre, the auditoriums at UVA., and Piedmont Virginia Community College host nationally touring dance, music, theatre, and comedy acts. Top-flight local companies flourish including Charlottesville Opera, the Heritage Theatre Festival, the Charlottesville & University Symphony Orchestra, Live Arts, Oratorio Society of Virginia, and Charlottesville Chamber Music Festival.



CHARLOTTESVILLE ACCOLADES

BEST CITY FOR ENTREPRENEURS

ENTREPRENEUR MAGAZINE & LIVABILITY.COM

TOP
5

TOP



CITY FOR FASTEST GROWING VENTURE CAPITAL INVESTMENT DOLLARS

NATIONAL VENTURE CAPITAL ASSOCIATION

BEST



PLACE TO LIVE IN 2018

LIVABILITY

TOP
15

BEST SMALL PLACES FOR BUSINESS & CAREERS

FORBES

TOP
10

BEST COLLEGE TOWN

LIVABILITY.COM

BEST



SMALL CITIES IN THE U.S

NATIONAL GEOGRAPHIC TRAVEL

TOP
5

MOST GORGEOUS COLLEGE TOWNS IN AMERICA

MAKE IT BETTER





ROTUNDA AT UVA



Fast Facts & Accolades

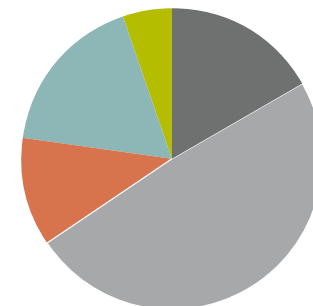
UNIVERSITY of VIRGINIA

\$8.9 BILLION
NET FINANCIAL POSITION

\$2.9 BILLION
OPERATING REVENUE

\$197 MILLION
PHILANTHROPIC SUPPORT

BOATWRIGHT TOWER AT UVA



Budget

- 48.2% | PATIENT SERVICES
- 21.8% | TUITION & FEES
- 11.3% | GRANTS/OTHER REVENUE
- 18.7% | OTHER OPERATING REVENUES

#1

HOSPITAL IN VIRGINIA

U.S. NEWS & WORLD REPORT, 2020

#2

BEST PUBLIC COLLEGE VALUE

U.S. NEWS & WORLD REPORT, 2020

#3

BEST PUBLIC COLLEGE VALUE

PRINCETON REVIEW, 2019

#4

BEST PUBLIC NATIONAL UNIVERSITY

U.S. NEWS & WORLD REPORT, 2020

#8

BEST LAW SCHOOL

U.S. NEWS & WORLD REPORT, 2020

CHARLOTTESVILLE OVERVIEW

Charlottesville is the economic anchor for the Central Virginia region and powered by the strength of top-ranked University of Virginia. Bordered by the Blue Ridge Mountains to the west, Charlottesville is home to an exceptionally skilled and educated workforce, due to the presence of two community colleges and the University of Virginia. Nearly 40% of the Charlottesville MSA's population has at least a Bachelor's degree and the quality of the workforce has attracted both startups and major businesses to the region, creating a vibrant and diverse economy. A city deep in historic value, Charlottesville has raised three Presidents and is the home of the University of Virginia, founded by Thomas Jefferson in 1825 and consistently listed as one of the top five public universities in the country. Economic growth has been strong in the area over the last 20 years and with continued expansion of the University and the area's larger healthcare facilities, further commercial and residential growth has continued to expand outward from the core of the city.

16,000
UNDERGRADUATE STUDENTS
(ON GROUNDS)

7,800
GRADUATE & PROFESSIONAL STUDENTS
(ON GROUNDS)

16,000
TOTAL STAFF

SECTION N°

05. MARKET OVERVIEW



EXECUTIVE
SUMMARY

PROPERTY
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OVERVIEWS

LOCATION
OVERVIEW

MARKET
OVERVIEW

FINANCIAL
ANALYSIS

MARKET OVERVIEW

Charlottesville's retail market has witnessed several new tenants enter the market over the past few years. The addition of the Shops at Stonefield and Fifth Street Station, as well as renovations in the Barracks Road Shopping Center, has attracted numerous national retailers to enter the market and access the area's strong economic fundamentals. The median household income increased \$911 from the prior year to \$69,201 and retail sales saw year-over-year growth of 2.7%, while disposable income increased 2.7% in the Charlottesville MSA. Total retail inventory has increased 6.3% in the past three years and has been quickly absorbed. Vacancy rates stood at 3.4% in the second quarter of 2020 and have only exceeded 4.0% in a quarter one time in the past ten years. Charlottesville's retail market is buoyed by demand from University of Virginia students and employees, but remains a retail destination for shoppers in surrounding markets.

CHARLOTTESVILLE IS HOME TO ONE OF THE STRONGEST RETAIL MARKETS IN THE STATE AS EVIDENCED BY ITS HISTORICAL OCCUPANCY OF 94% AND STRONG YEAR OVER YEAR RENTAL RATE GROWTH.

CHARLOTTESVILLE MSA RETAIL MARKET

INVENTORY **82.35** MSF



VACANCY **3.4%**



ASKING RATES HAVE INCREASED **19.9%**
SINCE 2016

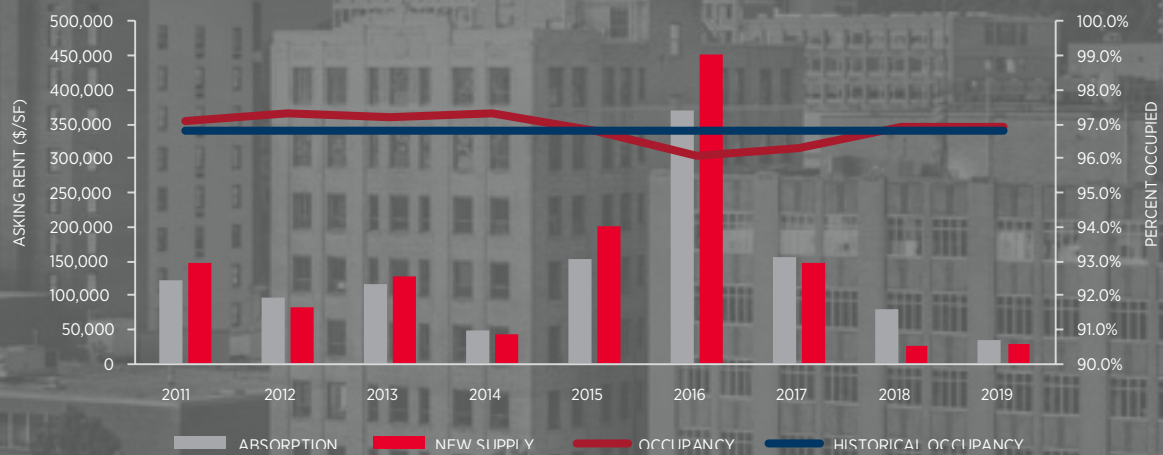


HISTORICAL OCCUPANCY OF **94%**



2.52 MSF *OF NEW SUPPLY SINCE 2016*

CHARLOTTESVILLE MSA RETAIL ABSORPTION & NEW SUPPLY



SECTION N°

06. FINANCIAL ANALYSIS



CASH FLOW

FISCAL YEAR ENDING	FEB-22	FEB-23	FEB-24	FEB-25	FEB-26	FEB-27	FEB-28	FEB-29	FEB-30	FEB-31	FEB-32
MINIMUM RENT											
Potential Base Rent	\$200,000	\$200,000	\$200,000	\$201,500	\$201,800	\$220,000	\$220,000	\$220,000	\$221,650	\$221,980	\$242,000
Subtotal: Minimum Rent	\$200,000	\$200,000	\$200,000	\$201,500	\$201,800	\$220,000	\$220,000	\$220,000	\$221,650	\$221,980	\$242,000
<i>Per Square Foot</i>	\$86.32	\$86.32	\$86.32	\$86.97	\$87.10	\$94.95	\$94.95	\$94.95	\$95.66	\$95.80	\$104.45
OTHER TENANT REVENUE											
Total Expense Recoveries	\$32,631	\$33,182	\$33,743	\$34,353	\$34,945	\$36,007	\$36,614	\$37,234	\$37,908	\$38,561	\$39,732
Subtotal: Other Revenue	\$32,631	\$33,182	\$33,743	\$34,353	\$34,945	\$36,007	\$36,614	\$37,234	\$37,908	\$38,561	\$39,732
EFFECTIVE GROSS REVENUE	\$232,631	\$233,182	\$233,743	\$235,853	\$236,745	\$256,007	\$256,614	\$257,234	\$259,558	\$260,541	\$281,732
<i>Per Square Foot</i>	\$100.40	\$100.64	\$100.88	\$101.79	\$102.18	\$110.49	\$110.75	\$111.02	\$112.02	\$112.45	\$121.59
OPERATING EXPENSES											
CAM	\$8,437	\$8,606	\$8,778	\$8,954	\$9,133	\$9,315	\$9,502	\$9,692	\$9,885	\$10,083	\$10,285
Management Fees	\$5,816	\$5,829	\$5,843	\$5,896	\$5,919	\$6,400	\$6,415	\$6,431	\$6,489	\$6,513	\$7,043
Real Estate Taxes	\$15,968	\$16,287	\$16,613	\$16,945	\$17,284	\$17,630	\$17,983	\$18,342	\$18,709	\$19,083	\$19,465
Insurance	\$2,411	\$2,459	\$2,508	\$2,558	\$2,609	\$2,662	\$2,715	\$2,769	\$2,824	\$2,881	\$2,939
Subtotal: Expenses	\$32,631	\$33,182	\$33,743	\$34,353	\$34,945	\$36,007	\$36,614	\$37,234	\$37,908	\$38,561	\$39,732
NET OPERATING INCOME	\$200,000	\$200,000	\$200,000	\$201,500	\$201,800	\$220,000	\$220,000	\$220,000	\$221,650	\$221,980	\$242,000
<i>Per Square Foot</i>	\$86.32	\$86.32	\$86.32	\$86.97	\$87.10	\$94.95	\$94.95	\$94.95	\$95.66	\$95.80	\$104.45
NET CASH FLOW	\$200,000	\$200,000	\$200,000	\$201,500	\$201,800	\$220,000	\$220,000	\$220,000	\$221,650	\$221,980	\$242,000
<i>Per Square Foot</i>	\$86.32	\$86.32	\$86.32	\$86.97	\$87.10	\$94.95	\$94.95	\$94.95	\$95.66	\$95.80	\$104.45

UNDERWRITING ASSUMPTIONS

TERM	11 years commencing March 1, 2021	
RENTABLE AREA	2,317 SF	
MARKET RENTS		
Starbucks	Renewed per the lease	
Wells Fargo ATM	Renewed per the lease	
ANNUAL GROWTH RATES		
General Inflation	2.0%	
Market Rent Growth	0.0% in 2021; 3.0% annually thereafter	
Operating Expense Growth	2.0%	
Real Estate Tax Growth	2.0%	
GENERAL VACANCY	0.00%	
LEASE TERMS		
Starbucks	60 months	
Wells Fargo ATM	60 months	
RENEWAL PROBABILITY	100%	
DOWNTIME		
Starbucks	None	
Wells Fargo ATM	None	
FREE RENT		
Starbucks	None	
Wells Fargo ATM	None	
CAPITAL EXPENDITURES		
TI ALLOWANCE	<i>New</i>	<i>Renewal</i>
Starbucks	\$0.00	\$0.00
Wells Fargo ATM	\$0.00	\$0.00
LEASING COMMISSIONS	<i>New</i>	<i>Renewal</i>
Starbucks	0.0%	0.0%
Wells Fargo ATM	0.0%	0.0%

NOTES TO CASH FLOW

METHODOLOGY

This cash flow projection has been developed on a tenant-by-tenant basis using the ARGUS Enterprise 11.8 software program. The projection implements a probability weighted analysis at the expiration of tenant leases to estimate future income and expense levels.

PROJECTION PERIOD

This analysis begins March 1, 2021 and projects future income on a fiscal year basis for eleven (11) years. Market leasing assumptions escalate in March of each year and operating expense reimbursements and inflation are calculated on a calendar year basis.

RENEWALS & LEASING NOTES

Starbucks is modeled to execute 5-year renewal options per the terms of their lease throughout the analysis period.

Wells Fargo is modeled to execute 5-year renewal options per the terms of their lease throughout the analysis period.

OPERATING EXPENSES

CAM expenses have been estimated to be \$3.50 PSF. Management Fees have been modeled to be 2.50% of Effective Gross Revenues. Insurance has been modeled to be \$1.00 PSF. These expenses are based off of comparable retail properties in the area.

Real estate taxes were modeled based off of the 2020 actual assessment.

CAM & REAL ESTATE TAX REIMBURSEMENTS

Starbucks is an NN+ lease with a 100% pro rata share.

REAL ESTATE TAXES

Property taxes in the City of Charlottesville are collected on a semi-annual basis with the first half payment due June 5th and the second half payment due December 5th. Real Estate Assessments are required by the Codes of Virginia and the City of Charlottesville to be at 100% of fair market value. Assessments are made each year by the City Assessor's Office and are effective January 1. The millage rate in the city of Charlottesville is currently \$0.95 per \$100 of value. Please refer to the table on the next page for more information.

REAL ESTATE TAX CHART

TAX YEAR	PROPERTY	PARCEL	ACRES	LAND VALUE	IMPROVEMENT VALUE	TOTAL ASSESSED VALUE	TAX RATE	TOTAL RE TAXES
2020	1617 Emmet St N	40-C-002-000	± 0.50 acres	\$1,027,800	\$587,800	\$1,615,600	0.95	\$15,348
2019	1617 Emmet St N	40-C-002-000	± 0.50 acres	\$862,500	\$583,000	\$1,445,500	0.95	\$13,732
2018	1617 Emmet St N	40-C-002-000	± 0.50 acres	\$766,700	\$548,900	\$1,315,600	0.95	\$12,498
2017	1617 Emmet St N	40-C-002-000	± 0.50 acres	\$718,700	\$575,393	\$1,294,093	0.95	\$12,294
2016	1617 Emmet St N	40-C-002-000	± 0.50 acres	\$622,700	\$518,800	\$1,141,500	0.95	\$10,844

RENT ROLL

TENANT NAME	SF	OPTIONS	BASE RENT CHANGES ON	BASE RENT	RECOVERY STRUCTURE	PRO RATA	COMMENTS
STARBUCKS Suite: 100 3/1/2021 to 2/28/2031	2,317	Six (6), 5-year renewal options with 6 months' notice	Current Year 6-10 Option 1 Option 2 Option 3 Option 4 Option 5 Option 6	\$78.55 \$86.40 \$95.05 \$104.55 \$115.00 \$126.51 \$139.16 \$153.07	Operating Expenses: Net (1st Year Cap of \$6.16 PSF) RE Taxes: Net (1st Year Cap of \$8.81 PSF) Insurance: Net (1st Year Cap of \$1.06 PSF) Controllable Cap: 5.0% noncumulative	100.00%	None
Wells Fargo ATM Suite: ATM 5/1/2019 to 4/30/2024	0	Three (3), 5-year renewal options with 3 months' notice	Current Option 1 Option 2 Option 3	\$18,000 / year \$19,800 / year \$21,780 / year \$23,958 / year	Operating Expenses: Responsible for snow removal only RE Taxes: None Insurance: Nonet	0.00%	None
TOTAL OCCUPIED	2,317	100.00%					
TOTAL VACANT	0	0.00%					
TOTAL SF	2,317	100.00%					

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FOR MORE INFORMATION



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