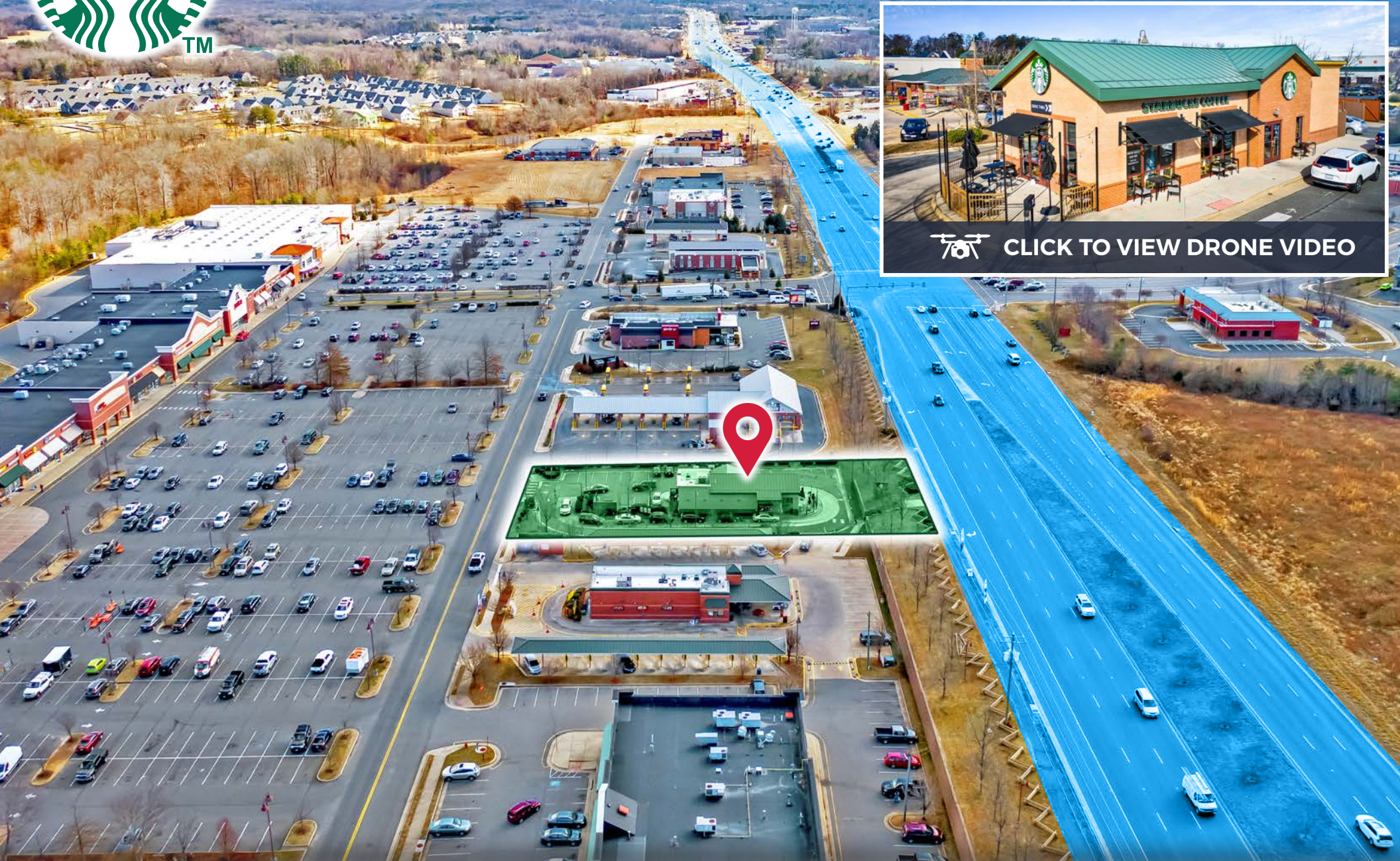




FREDERICKSBURG | VA  
(WASHINGTON, DC MSA)

HORVATH  
& TREMBLAY



RARE ABSOLUTE NNN GROUND LEASE OPPORTUNITY



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## DISCLAIMER

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## INVESTMENT HIGHLIGHTS

Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a Starbucks ground lease located at 5811 Plank Road in Fredericksburg, Virginia (the "Property"). The retail branch was constructed in 2007 and consists of a 1,863 square foot building with a dedicated drive through lane and an outdoor patio area on a 0.67-acre parcel. Starbucks originally signed a 20-year ground lease with four (4), five-year renewal options with rent increases of 10% every five years throughout the base term and option periods. The next rent increase is scheduled for 11/1/2022.

Starbucks is situated on a pad site within Harrison Crossing, a Home Depot and Giant Foods anchored Shopping Center. Harrison Crossing is situated at the signalized intersection of Plank Road (VA Route 3) and Harrison Road. The location is part of an exceptional trade area centered around the Plank Road (VA Route 3) junction with Interstate 95. Plank Road is home to numerous national tenants and retail centers, including Central Park, one of the largest unenclosed malls on the East Coast with more than 255 stores and services and the Spotsylvania Towne Centre mall, which has more than 150 stores. This shopping destination draws significant traffic to the area.

- **LONG-TERM LEASE:** Starbucks has seven (7) years remaining on their 20-Year Ground Lease with four (4), 5-year renewal options.
- **ATTRACTIVE RENT INCREASES:** The lease calls for 10% rental increases every five years through the current term and all four (4) option periods, providing the investor with an attractive increase in revenue and a hedge against inflation. **The next 10% Rent increase will be on 11/1/2022.**
- **BEST-IN-CLASS CREDIT TENANT:** Starbucks is the world's largest coffeehouse chain with more than 30,000 retail stores in 80 markets. Starbucks is a publicly traded company (NASDAQ: SBUX) and had an annual revenue of \$23.51 Billion in 2020. Starbucks is one of the most recognizable companies in the world and has an investment-grade long-term credit rating of BBB+ (S&P) and Baa1 (Moody's).
- **RARE GROUND LEASE:** The Starbucks lease is a Ground Lease (Absolute NNN) with the tenant responsible for all operating expenses, repairs, maintenance and replacements to the entire property (building and grounds).
- **OUTSTANDING LOCATION:** Starbucks is located inside Harrison Crossing which is located at a signalized intersection with outstanding frontage and visibility along Plank Road (VA Route 3), a densely populated, heavily travelled retail corridor. Additionally, Riverbend High School and Chancellor Elementary School are located just ½-mile away.
- **HARRISON CROSSING:** The Property is a pad-site to Harrison Crossing, a +/- 300,000 square foot shopping center anchored by Home Depot and Giant Foods, the area's premier grocery store. Harrison Crossing is also home to Petco, GameStop, Harry's Alehouse, NextCare Urgent Care, Sonic, Wendy's, Navy Federal Credit Union, Giant Gas Station, WingStop, O'Reilly Auto Parts, Popeyes, Taco Bell, and Firestone.
- **STRONG DEMOGRAPHICS:** Over 88,800 people live within a 5-mile radius of the Property with an average household income of over \$104,890.
- **HIGH TRAFFIC COUNTS:** More than 46,900 vehicles per day pass by the property along Plank Road (VA Route 3).







**\$1,821,505**  
LIST PRICE



**4.65%**  
CAP RATE



**\$84,700**  
NET OPERATING INCOME

5811 PLANK ROAD | FREDERICKSBURG, VA 22407

LEASE TYPE:	Ground Lease
BUILDING AREA:	1,836 SF
YEAR BUILT:	2007
LAND AREA:	0.63 Acres
GUARANTOR:	Corporate
ROOF & STRUCTURE:	Tenant Responsibility
RENT COMMENCEMENT DATE:	06/11/2007
LEASE EXPIRATION DATE:	02/29/2028
LEASE TERM REMAINING:	7+ Years
RENEWAL OPTIONS:	4, 5-Year Options

#### CAP RATE IN 2022 INCREASES TO A 5.12 CAP

#### ANNUALIZED OPERATING DATA

YEAR	START	END	TERM	RENT	% INC
11 - 15	11/01/2017	10/31/2022	CURRENT:	\$84,700	10.0%
16 - 20	11/01/2022	02/29/2028		\$93,170	10.0%
21 - 25	03/01/2028	02/28/2033	OPTION 1:	\$102,487	10.0%
26 - 30	03/01/2033	02/28/2038	OPTION 2:	\$112,736	10.0%
31 - 35	03/01/2038	02/28/2043	OPTION 3:	\$124,009	10.0%
36 - 40	03/01/2043	02/28/2048	OPTION 4:	\$136,410	10.0%



## TENANT OVERVIEW

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## ABOUT THE TENANT

Starbucks is an American global coffee company based in Seattle, WA, and is the largest coffeehouse company in the world with over 30,000 locations across nearly 80 countries. Starbucks was founded in 1971 at a single store in Seattle's historic Pike Place Market and has grown into a global public company that ranks #114 on the Fortune 500 list. Starbucks has 8,791 company-operated stores and 6,250 licensed stores across the U.S.

Starbucks' objective is to be the leading retailer and brand of coffee and tea in each of their target markets by selling the finest quality coffee, tea and related products, as well as complementary food offerings, and by providing each customer with a unique Starbucks Experience. The Starbucks Experience is built upon superior customer service and a seamless digital experience as well as clean and well-maintained stores that reflect the personalities of the communities in which they operate, thereby building a high degree of customer loyalty.

Starbucks concept and success are driven as much by real estate as it is by coffee and the Starbucks experience. As a result, Starbucks has not only become the premier retailer of specialty coffee, but Starbucks' retail locations have also become popular net lease investments. With over 14,600 locations in the US, Starbucks locations take advantage of other traffic generators in attractive retail and demographic locations. The desired store model offers a drive-thru window and a configuration that is adaptable to a variety of alternative uses. The combination of a strong brand, stable financials, and premier locations makes Starbucks an appealing option for net lease investors.







OVERVIEW

Fredericksburg is an independent city in the Commonwealth of Virginia. Located 45 miles south of Washington D.C. and 58 miles north of Richmond, Fredericksburg is part of the Northern Virginia region. The 40-block Fredericksburg Historic District, which is on the National Register of Historic Places, embraces the city's downtown area and contains more than 350 buildings dating to the 18th and 19th centuries. Tourism is a major part of the economy, with approximately 1.5 million people visiting the Fredericksburg area annually, for attractions such as the battlefield park and the downtown visitor center, and for events, museums, and historic sites.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and universities all within close proximity of this property. Major national tenants include: Home Depot, Giant, Petco, Target, Costco, BJ's Wholesale Club, Macy's, Dick's Sporting Goods, Lowe's, Cinemark, McDonald's, Wendy's, Sonic, Wingstop, Taco Bell, Chick-Fil-A, and Burger King. Located just 3.5-miles from the subject Starbucks property is Central Park, the largest unenclosed mall on the East Coast, with over 255 stores and services. Additionally, the subject property is close to the Spotsylvania Towne Centre. The Spotsylvania Towne Centre is a mall that features more than 150 stores and services, including a movie theatre and bowling alley. Fredericksburg is home to the University of Mary Washington, a public liberal arts university, that has an enrollment exceeding 4,800 students. Mary Washington Hospital, a 437-bed, highly respected hospital is also located in Fredericksburg. The Fredericksburg and Spotsylvania National Military Park, which is a unit of the National Park Service, that commemorates four major battles in the American Civil War is also located in Fredericksburg.

	3 MILES	5 MILES	10 MILES
POPULATION			
2020 Estimate	40,234	88,892	206,100
2025 Projection	43,325	94,387	221,515
2010 Census	37,694	75,557	175,662
BUSINESS			
2020 Est. Total Businesses	1,242	3,879	8,503
2020 Est. Total Employees	8,766	33,174	80,105
HOUSEHOLDS			
2020 Estimate	14,060	32,170	73,462
2025 Projection	14,926	34,354	79,132
2010 Census	12,805	26,726	61,441
INCOME			
Average Household Income	\$105,370	\$104,890	\$108,279
Median Household Income	\$91,084	\$93,345	\$95,364



40,000+  
PEOPLE WITHIN 3 MILES



46,900+  
VEHICLES PER DAY  
PLANK ROAD (VA ROUTE 3).



\$105,000+  
AVERAGE HOUSEHOLD INCOME



















HARRISON CROSSING

  
Giant

  
petco

  
SUBWAY

  
THE HOME DEPOT

  
GameStop

  
Little Caesars

  
Great Clips





HARRISON CROSSING

  
Giant

  
petco

  
Little Caesars

  
SUBWAY

  
GameStop

  
Great Clips

  
THE HOME DEPOT



Walgreens

Bank of America

46,900+ VPD



PLANK ROAD





PLANK ROAD



46,900+ VPD





PLANK ROAD



46,900+ VPD



AREA LOCATION MAP



centralpark

**CHANCELOR CENTER**


**SPOTSLYVANIA TOWN CENTRE**


**HARRISON CROSSING**


MOTTS RUN  
RESERVOIR  
RECREATION AREA

CHANCELLOR  
ELEMENTARY  
SCHOOL

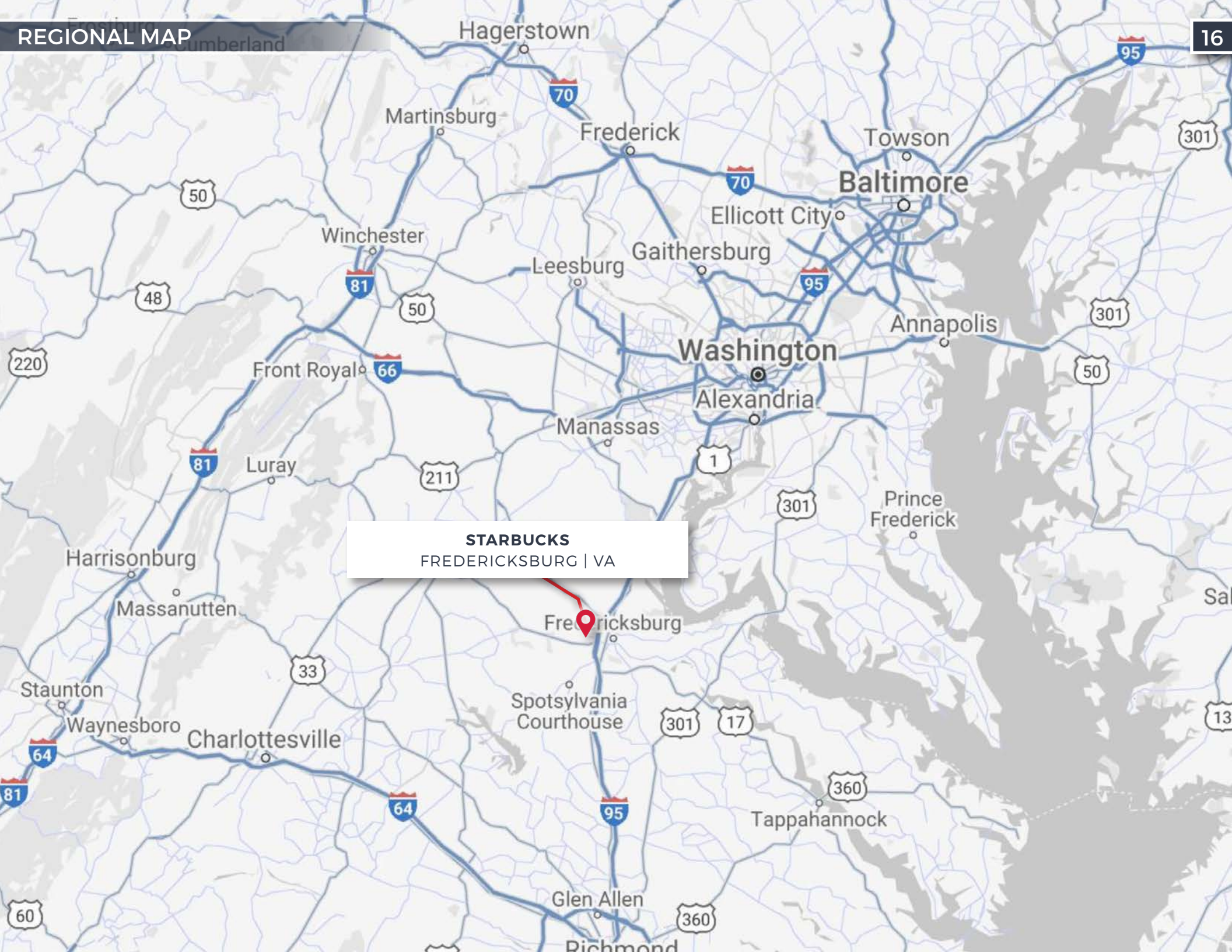
RIVERBEND  
HIGH SCHOOL

HARRISON ROAD  
ELEMENTARY

CHANCELLOR  
MIDDLE  
SCHOOL CHANCELLOR  
HIGH SCHOOL







**STARBUCKS**  
FREDERICKSBURG | VA



