

OFFERING MEMORANDUM



\$4,661,000 | 5.15% CAP RATE

- » New Rare 15-Year Net Lease to Strong and Rapidly Growing Corporate Tenant
- » Harbor Freight Tools is One of the Nation's Fastest Growing Retailers With Over 1,100 Stores Nationwide, Over 20,000 Employees, and More Than 40 million Customers
- » Located in an Affluent and Growing South Carolina Retail Corridor
- » High-Visibility Location Along State Route 170/Robert Smalls Parkway (20,800 AADT)
- » Average Annual Household Income of \$76,159 Within a Five-Mile Radius of the Location
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » Beaufort is a Gateway to Several Affluent Beaches/Resorts, Including Hilton Head Island
- » Beneficial Proximity to Marine Corps Air Station Beaufort (Population 4,700)
- » Four Miles from Beaufort Memorial Hospital (197 Beds, 1,800 Employees)
- » New 2021 Construction

ACTUAL SITE

TABLE OF CONTENTS



INVESTMENT SUMMARY

AERIALS

SITE PLAN

TENANT SUMMARY

PROPERTY OVERVIEW

AREA OVERVIEW

DEMOGRAPHIC PROFILE

Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

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

LEAD BROKERS

MICHAEL T. YURAS, CCIM

Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

JACK HINSON

Brokerage
704.572.9921
jack.hinson@cushwake.com
CA RE License #02059267

SCOTT CROWLE

Executive Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

VINCENT AICALE

Executive Director
415.690.5522
vince.aicale@cushwake.com
CA RE License #01728696

RYAN FORSYTH

Executive Director
415.413.3005
ryan.forsyth@cushwake.com
CA RE License #01716551

**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	142 Robert Smalls Parkway, Beaufort, SC 29906		
PRICE	\$4,661,000		
CAP RATE	5.15%		
NOI	\$240,000		
TERM	15 years		
RENT COMMENCEMENT	September 2021 (estimated)		
LEASE EXPIRATION	September 2036 (estimated)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$240,000	5.15%
	6-10	\$264,000	5.67%
	11-15	\$290,400	6.23%
	16-20 (Option 1)	\$319,440	6.85%
	21-25 (Option 2)	\$351,384	7.54%
	26-30 (Option 3)	\$386,522	8.29%
31-35 (Option 4)	\$425,175	9.12%	
36-40 (Option 5)	\$467,692	10.04%	
YEAR BUILT	2021		
BUILDING SF	16,000 SF		
PARCEL SIZE	1.5 acres (65,340 SF)		
LEASE TYPE	Net lease, with tenant responsible for all taxes, insurance, and maintenance, excluding roof, structure, and parking lot		

NEW RARE 15-YEAR NET LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New rare 15-year net lease with five (5) five (5) year options, creating a stable, long-term investment
- » 10% rental increases every five years in option periods, providing a hedge against inflation
- » Net lease requires minimal landlord management, ideal for an out-of-area investor
- » Harbor Freight Tools is one of the nation's fastest growing retailers with over 1,100 stores nationwide, over 20,000 employees, and more than 40 million customers
- » On July 28, 2020, Harbor Freight Tools launched its own credit card in partnership with Synchrony (NYSE: SYF), which offers its users substantial value and rewards on a wide variety of tools and equipment at all Harbor Freight locations nationwide

LOCATED IN AN AFFLUENT AND GROWING SOUTH CAROLINA RETAIL CORRIDOR

- » High-traffic location along State Route 170/Robert Smalls Parkway (20,800 AADT), significantly increasing traffic to the site
- » Population of 48,379 within a five-mile radius of the site, providing a large customer base for the property
- » Average annual household income of \$76,159 within five miles of the site
- » Projected 10 percent average annual household income increase within a five-mile radius of the site in the next five years, poising Harbor Freight and Beaufort for significant concurrent growth

LOCATED NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Surrounded by a strong mix of local and national retailers, including Walmart Supercenter, Lowe's Home Improvement, JCPenney, PetSmart, Longhorn Steakhouse, McDonald's, KFC, Domino's Pizza, Arby's, and many more
- » Beaufort is a gateway to several affluent beaches/resorts, including Hilton Head Island
- » Beneficial proximity to Marine Corps Air Station Beaufort (population 4,700), attracting significant additional traffic to the site
- » Four miles from Beaufort Memorial Hospital (197 beds, 1,800 employees)
- » Centrally located near single family housing developments and large apartment and townhouse complexes

NEW 2021 CONSTRUCTION

- » 2021 construction featuring latest store designs and concepts
- » New building, limiting near-term deferred maintenance or capital costs





Marine Corps Air Station Beaufort
(population 4,700)

21 / U.S. Route 21
(17,700 AADT)

DOLLAR GENERAL

Salt Creek

Beaufort Parks
Division

HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices

COMFORT SUITES
(70 rooms)

Stokes

BUTLER
CHRYSLER DODGE JEEP RAM

LONGHORN STEAKHOUSE

**Dominic's
Pizza**

Bojangles
FAMOUS
"chicken 'n biscuits"

Burton Hill
Road



170
SOUTH CAROLINA

/ Robert Smalls Parkway
(20,800 AADT)

DOLLAR TREE

DISCOUNT TIRE

BUFFALO WILD WINGS
GRILL & BAR

VADEN OF BEAUFORT



Salt Creek



U.S. Route 21
(17,700 AADT)



Robert Smalls Parkway
(20,800 AADT)





Beaufort Memorial
 (197 beds, 1,800 employees)

Deer Island

Rabbit Island

Pulte Home Company
 Development
 (under construction)

VADEN
 OF BEAUFORT

Bojangles'
 Famous
 "chicken 'n biscuits"

BUFFALO WILD WINGS
 GRILL & BAR

HARBOR FREIGHT TOOLS
 Quality Tools at Ridiculously Low Prices

DISCOUNT TIRE

DOLLAR TREE

LOWE'S

TACO BELL

170 / Robert Smalls Parkway
 (20,800 AADT)

Burton Hill
 Road

Domino's
 Pizza

KFC

COMFORT SUITES
 (70 rooms)

BUTLER
 CHRYSLER DODGE JEEP RAM

LONGHORN
 STEAKHOUSE



Shell Point

Harbersham
Creek



Battery Creek
High School
(750 students)



Battery Creek



Cross Creek Apartments
(144 units)



Burton Hill
Road

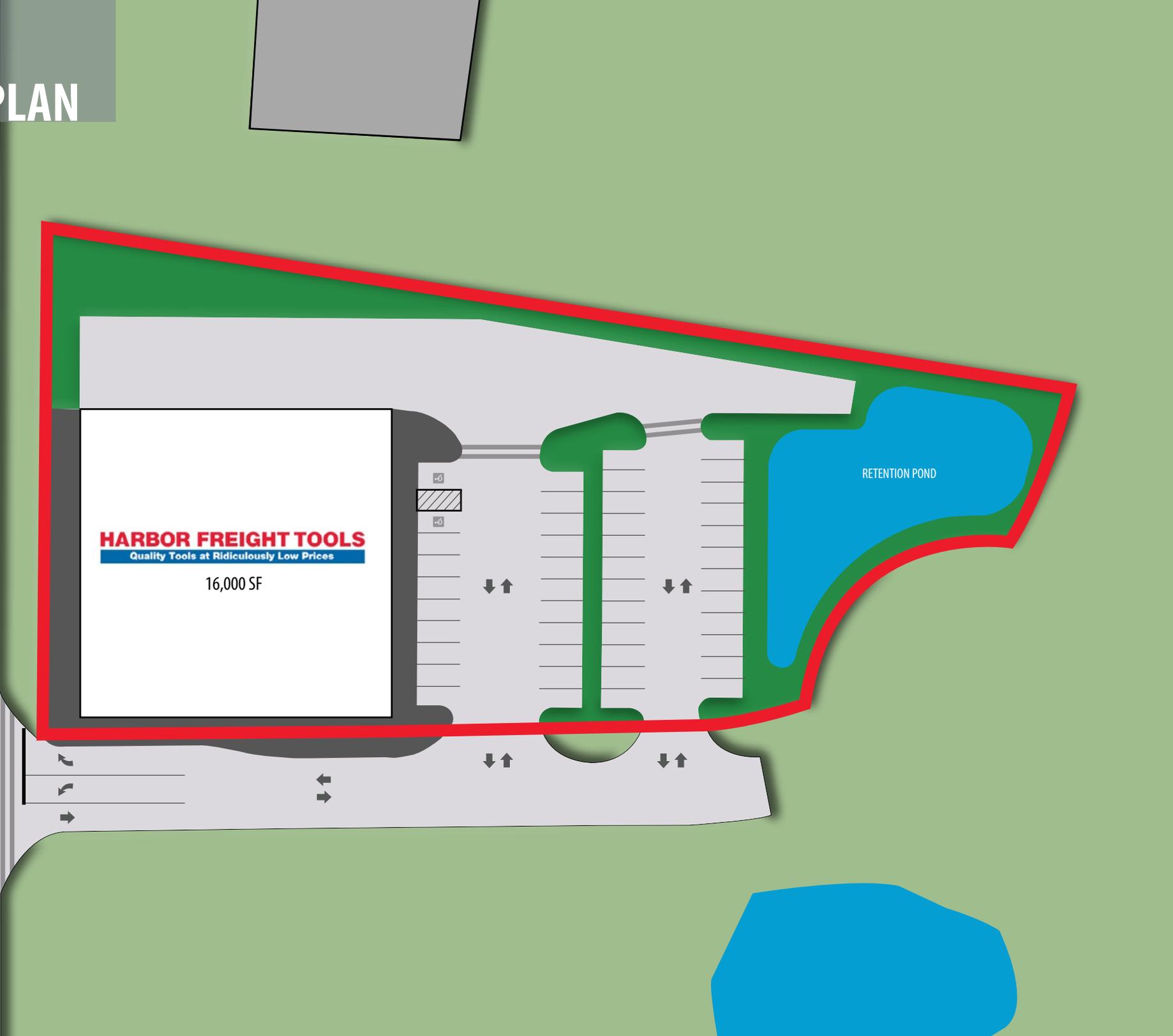


Robert Smalls Parkway
(20,800 ADDT)



SITE PLAN

STATE ROUTE 170 \ ROBERT SMALLS PARKWAY



TENANT SUMMARY



Harbor Freight Tools is a privately held discount tool and equipment retailer, headquartered in Calabasas, California, which operates a chain of retail stores, as well as a mail-order and e-commerce business. From hand tools and generators, to air and power tools, from shop equipment to automotive tools, Harbor Freight offers more than 7,000 tools and accessories at quality levels that match or exceed competing brands, but at prices that are up to 80 percent less. With 1,100+ stores and over 40 million satisfied customers, Harbor Freight Tools continues to grow, but they're still family owned and for over four decades their mission has remained the same: deliver an incredible assortment of great quality tools at the lowest prices.

For more information, please visit www.harborfreight.com

LOCATIONS	1,100+	HEADQUARTERS	Calabasas, CA
REVENUE	\$5B	OWNERSHIP	Private

LEASE ABSTRACT

TENANT	Harbor Freight Tools USA, Inc.		
ADDRESS	142 Robert Smalls Parkway, Beaufort, South Carolina 29906		
RENT COMMENCEMENT	September 2021 (estimated)		
LEASE EXPIRATION	September 2036 (estimated)		
RENEWAL OPTIONS	Five (5) options of five (5) years each		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$240,000	5.15%
	6-10	\$264,000	5.67%
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	31-35 (Option 4)	\$425,175	9.12%
	36-40 (Option 5)	\$467,692	10.04%
REAL ESTATE TAXES	Tenant is responsible for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant shall, at its sole expense, be responsible for routine non-structural repair and maintenance of the interior of the Building (including the exterior doors and glass), and for maintenance of all improvements installed by Tenant.		
MAINTENANCE BY LANDLORD	Landlord shall be responsible, at its sole expense, for repair, maintenance and replacement in a first class manner of the Building structural elements, concrete slab, exterior walls, roofs, roof coverings, foundations, unexposed electrical, utility lines, unexposed plumbing, and the fire/sprinkler system. Landlord shall also be responsible for maintaining, repairing and/or replacing, as necessary (or causing the same to be done) the Required Access.		
RIGHT OF FIRST REFUSAL	Tenant shall have fifteen (15) days after receipt of such notice ("Exercise Period") within which to exercise the Right of First Refusal.		

PROPERTY OVERVIEW

LOCATION

The property is conveniently located along State Route 170/Robert Smalls Parkway (20,800 AADT), drawing significant traffic to the site. 48,379 people live within a five-mile radius of the location, providing a large regular customer base for the business. The property is located in an affluent area as well, with an average annual household income of \$76,159 within five miles of the site. With a projected 10 percent average annual household income increase within a five-mile radius of the site in the next five years, Harbor Freight and Beaufort are poised for significant concurrent growth.

Visibility to the property is increased by the site's centralized location near large employers, retailers, and community hubs. The location is surrounded by many major national retailers, including Walmart Supercenter, Lowe's Home Improvement, JCPenney, PetSmart, Longhorn Steakhouse, McDonald's, KFC, Domino's Pizza, Arby's, and many others. The property serves as a common gateway to several affluent beaches/resorts, including Hilton Head Island. The site maintains a beneficial proximity four miles from Beaufort Memorial Hospital (197 beds, 1,800 employees), the largest medical facility between Savannah, Georgia, and Charleston, South Carolina and Beaufort County's second-largest employer. The property is also located near Marine Corps Air Station Beaufort (population 4,700), attracting significant additional traffic to the site.

ACCESS

Access from State Route 170/Robert Smalls Parkway

TRAFFIC COUNTS

State Route 170/Robert Smalls Parkway:	20,800 AADT
U.S. Route 21:	17,700 AADT

PARKING

45 parking stalls, including three (2) handicap stalls

YEAR BUILT

2021

NEAREST AIRPORT

Savannah Hilton Head International Airport (SAV | 41 miles)



45
PARKING
STALLS



2021
YEAR BUILT



**NEAREST
AIRPORT**
SAVANNAH HILTON
HEAD
INTERNATIONAL
AIRPORT

AREA OVERVIEW

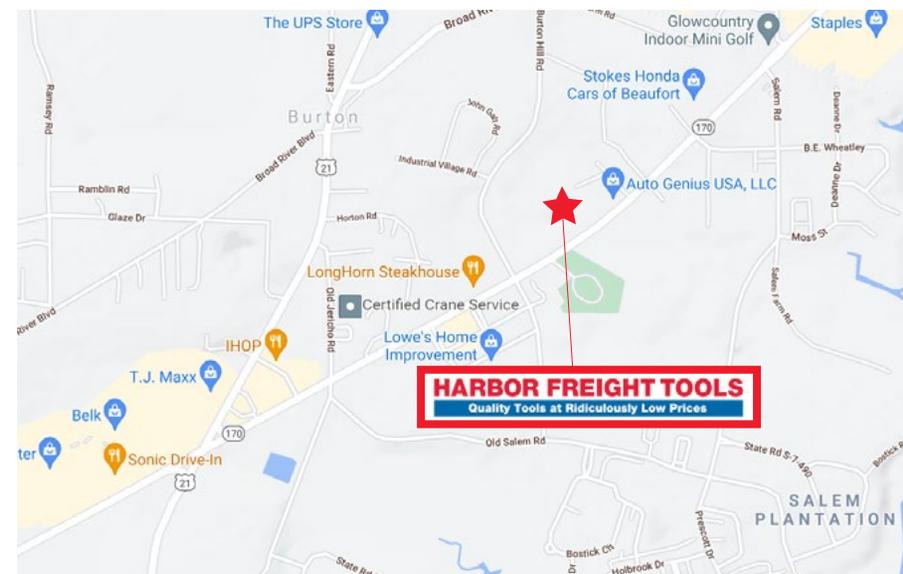
Beaufort is a city in and the county seat of Beaufort County. Beaufort is located on Port Royal Island, in the heart of the Sea Islands and South Carolina Lowcountry. The city is renowned for its scenic location and for maintaining a historic character by preservation of its antebellum architecture. The prominent role of Beaufort and the surrounding Sea Islands during the Reconstruction era after the U.S. Civil War is memorialized by the Reconstruction Era National Monument, established in 2017. The city is also known for its military establishments, being located in close proximity to Parris Island and a U.S. Naval hospital, in addition to being home of the Marine Corps Air Station Beaufort. The largest economic sector in Beaufort is the military presence in and around the community. Having supplanted agriculture and aquaculture in the last decades of the 20th century, Beaufort's military bases employ thousands of jobs directly and indirectly related to base operations and pump millions of dollars into the local economy. As a result, economic downturns do not hit the community as hard as in other similarly sized communities.

Beaufort County is part of the Hilton Head Island-Bluffton-Beaufort, SC Metropolitan Statistical Area. Beaufort County is one of the South's fastest-growing counties, primarily because of development south of the Broad River clustered along the U.S. Route 278 corridor. The county's northern portions have also grown steadily, due in part to the strong federal military presence around the city of Beaufort. The county's two portions are connected by the Broad River Bridge, which carries South Carolina Highway 170. The proximity of the county to other fast-growing areas including Hilton Head Island and Bluffton as well as good access to Savannah, Georgia, the Savannah/Hilton Head International Airport, and a container port on the Savannah River make the county a desirable choice for residential and business development opportunity.

- » Beaufort has been featured in the *New York Times* and named "Best Small Southern Town" by *Southern Living*, a "Top 25 Small City Arts Destination" by *American Style*, and a "Top 50 Adventure Town" by *National Geographic Adventure*.
- » Beaufort has several geographic areas of economic activity. The Downtown area is the historical center of commerce and is now primarily focused towards visitors and tourists.
- » Nearly two million visitors a year come to Beaufort and the Sea Islands of northern Beaufort County, with spring and fall seasons being peak times.

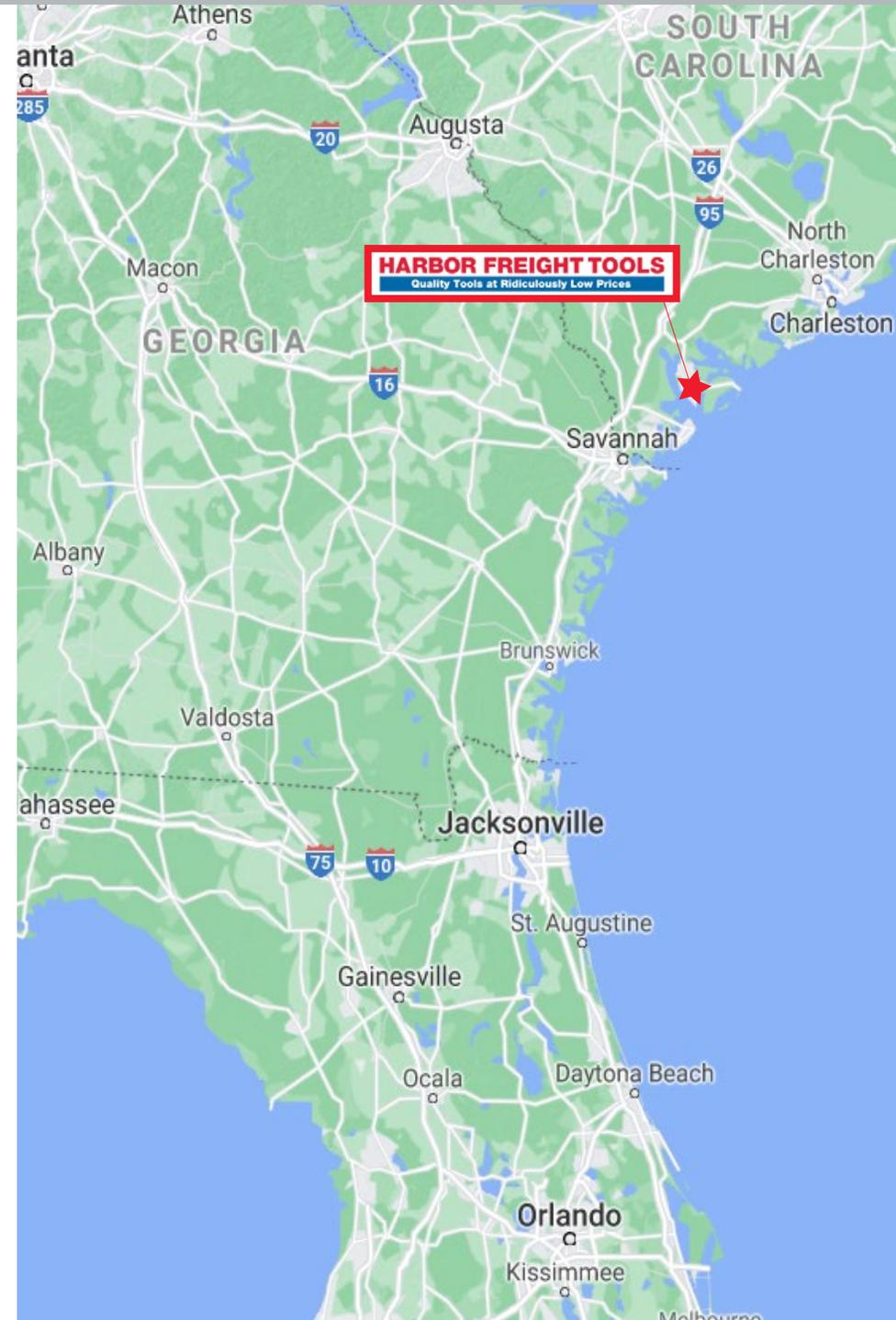
LARGEST EMPLOYERS IN BEAUFORT COUNTY, SC # OF EMPLOYEES

BEAUFORT COUNTY SCHOOL DISTRICT	3,500
BEAUFORT MEMORIAL HOSPITAL	1,800
PUBLIX SUPER MARKETS INC	1,250
SERG GROUP RESTAURANTS	1,193
SEA PINES RESORT LLC	770
CARECORE NATIONAL LLC (EVICORE)	557
CYPRESS CLUB INC	400
HARGRAY COMMUNICATIONS GROUP INC	396
TECHNICAL COLLEGE OF THE LOWCOUNTRY	350
MARINERS INN	200



DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
Population	1,942	19,879	48,379
Households	842	7,943	19,312
Families	503	4,863	12,720
Average Household Size	2.36	2.38	2.43
Owner Occupied Housing Units	453	4,920	12,192
Renter Occupied Housing Units	371	3,023	7,120
Median Age	33.8	35.5	34.8
Average Household Income	\$75,984	\$69,498	\$76,159
2025 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	2,062	21,397	52,283
Households	882	8,629	21,034
Families	533	5,246	13,769
Average Household Size	2.34	2.36	2.42
Owner Occupied Housing Units	476	5,253	13,109
Renter Occupied Housing Units	406	3,375	7,925
Median Age	32.6	36.4	35.7
Average Household Income	\$77,484	\$73,481	\$83,269



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LEAD BROKERS

MICHAEL T. YURAS, CCIM
Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

JACK HINSON
Brokerage
704.572.9921
jack.hinson@cushwake.com
CA RE License #02059267

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415.604.4288
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CA RE License #01318288

VINCENT AICALE
Executive Director
415.690.5522
vince.aicale@cushwake.com
CA RE License #01728696

RYAN FORSYTH
Executive Director
415.413.3005
ryan.forsyth@cushwake.com
CA RE License #01716551

www.YAFteam.com

Cushman and Wakefield Inc. LIC. # 00616335