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PETCO-NASHVILLE MSA

Affluent Suburb (\$148K+ HHI) | Across from new McEwen Northside development

298 Spring Creek Dr, Franklin, TN 37067



FranklinStreet
OFFERING MEMORANDUM



Franklin Street



COLLABORATION



INTEGRITY



HARD WORK



ACCOUNTABILITY

CONFIDENTIALITY AGREEMENT

PETCO

This is a confidential Offering Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest into the acquisition of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property and does not purport to be a representation of state of affairs of the Owner or the Property, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition, and other factors beyond the control of the Owner or Franklin Street Real Estate Services, LLC. Therefore, all projections, assumptions, and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to all interested and qualified prospective purchasers. Neither the Owner or Franklin Street Real Estate Services, LLC, nor any of their respective directors, officers, affiliates or representatives are making any representation or warranty, expressed or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Offering Memorandum or use of its contents; and you are to rely solely on your own investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered, and approved by the Owner and any obligations therein have been satisfied or waived.

By receipt of the Offering Memorandum, you agree that this Offering Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Offering Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or the Franklin Street Real Estate Services, LLC.

Furthermore, you agree not to use this Offering Memorandum or any of its contents in a manner detrimental to the interest of the Owner or Franklin Street Real Estate Services, LLC. In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are so advised and expected to review all such summaries and other documents of whatever nature independently and not to rely on the contents of this Offering Memorandum in any manner.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR FRANKLIN STREET REAL ESTATE SERVICES, LLC AGENT FOR MORE DETAILS.

Disclaimer: The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Franklin Street has not verified, and will not verify, any of the information contained herein. All potential buyers must take appropriate measures to verify all of the information set through the due diligence period.



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VISITS & OFFERS

Please do not contact on-site management and residents. To schedule a tour or to make an offer, please contact a Franklin Street team member.



Visit us at: [FranklinSt.com](https://www.FranklinSt.com)

TABLE OF CONTENTS

4 **PROPERTY INFORMATION**

9 **LOCATION INFORMATION**



4

PROPERTY INFORMATION

Petco | Franklin, TN



FranklinStreet
OFFERING MEMORANDUM



PETCO

298 Spring Creek Dr, Franklin, TN 37067



OFFERING SUMMARY

Sale Price:	\$3,928,800
Cap Rate:	6.00%
NOI:	\$235,730
Building Size:	10,903 SF
Price PSF:	\$360.34
Year Built:	2014
Lot Size:	0.45 Acres
Zoning:	RC12
Lease Type:	NN
Ownership:	Fee Simple
Tenancy:	Single
Lease Start:	7/7/2014
Lease End:	1/31/2025
Term Remaining:	3.5 Years
Parcel Number:	062-021.18



21,426 VPD

Travel daily along
Mallory Ln



\$148,471 AVG HHI

within 5 miles of the property



OFFERING SUMMARY

Sale Price:	\$3,928,800	Net Operating Income:	\$235,730	Year Built:	2014
Cap Rate:	6.00%	Leasable Area:	10,903 SF	Occupancy:	100.00%

INCOME	TOTAL	PER SF	PERCENT
Base Rent	\$226,782	\$20.80	84.89%
Petco CAM Reimbursement	\$16,761	\$1.54	6.27%
Tax Reimbursement	\$17,641	\$1.62	6.60%
Insurance Reimbursement	\$5,977	\$0.55	2.24%
GROSS POTENTIAL INCOME	\$267,161	\$24.50	
EFFECTIVE GROSS INCOME	\$267,161	\$24.50	
EXPENSES	TOTAL	PER SF	PERCENT
CAM to Kohls Parcel	\$7,812	\$0.72	24.86%
Taxes	\$17,641	\$1.62	56.13%
Insurance	\$5,977	\$0.55	19.02%
TOTAL EXPENSES	\$31,430	\$2.88	
NET OPERATING INCOME (NOI)	\$235,730	\$21.62	

Adjacent Kohls parcel owner maintains the CAM. Petco pays a fixed CAM (\$16,273 in 2021), which increases annually 3%. The Kohls parcel charges the Petco parcel owner a fixed CAM (\$7,812 in 2021) charge, which increases 3% annually.



INVESTMENT HIGHLIGHTS

- Single tenant Petco with 3.5 Years remaining on lease in the Nashville MSA
- Outstanding A++ real estate with Interstate visibility (127,168 VPD)
- Located across from the new development McEwen Northside: 745,000 SF of Class A office space, 113,000 SF of restaurants and specialty retail, a 310-room business-class hotel, and 770 luxury apartments
- Replaceable rent: Multiple recent leases signed for similar square footages at \$25 PSF in market
- Shared parking lot with Kohls at a lighted intersection
- Petco reported record results for 1Q 2021: 28% same store sales growth
- Surrounded by national retailers driving traffic to the area including: Walmart, Whole Foods, Sam's Club, Lowes, AMC, and many others
- Extremely tight market with only 2.5% vacancy and 5.8% annual market rent growth in 2020

INVESTMENT SUMMARY

Franklin Street is pleased to present this single tenant Petco location in Franklin, Tennessee. Franklin is part of the Nashville metropolitan which is home to over 1.96M residents. Franklin is an affluent suburb 14 miles south of downtown Nashville with some of the highest average household incomes in the entire MSA. Franklin is also one of the fastest growing areas in Nashville as well, with 33% population growth in the last 10 years. The Petco location is conveniently located off an I-65 exit with easy access to surrounding neighborhoods and the office submarket. The property shares a parking lot with a busy Kohls' location and is across from the newest large scale mixuse development in the area, McEwen Northside. Petco is the second largest pet supplies retailer in the nation. They have lowered their debt level by 52% in the last year and produced record revenue of \$1.4B in 1Q 2021. Since the beginning of the Pandemic there are more pets in peoples homes than ever before in history, increasing the potential clients for Petco, which has put the company in a better position financially than ever before.



Base Rent	Lease Years	Per SF	Annual
Primary Term	1-to-5	\$19.75	\$215,334
Primary Term	5-to-10	\$20.80	\$226,782

Option Rent	Lease Years	Per SF	Annual
Option 1	11-to-15	\$21.84	\$238,121
Option 2	16-to-20	\$22.93	\$250,028
Option 3	21-to-25	\$24.08	\$262,529

QUICK FACTS

# of Stores:	1,500+
# of Employees:	27,081
Guarantee:	Corporate
S&P Rating:	B-
Moody's Rating:	B2
Revenue:	\$4.1 Billion
Stock Symbol:	NASDAQ: WOOF
Website:	www.petco.com



GLA	Lease Term	Remaining Renewal Option(s)	Increases
10,903	10 Yrs/3.5 Remaining	3 Five-Year Options	5% Every 5 Yrs

ABOUT PETCO

Petco is a category-defining health and wellness company focused on improving the lives of pets, pet parents. Since their founding in 1965, they've been striving to set new standards in pet care, delivering comprehensive wellness solutions through their products and services, and creating communities that deepen the pet-pet parent bond. They operate more than 1,500 Petco locations across the U.S., Mexico and Puerto Rico, including a growing network of 137 in-store veterinary hospitals, and offer a complete online resource for pet health and wellness at petco.com and on the Petco app. In tandem with Petco Love (formerly the Petco Foundation), an independent nonprofit organization, they work with and support thousands of local animal welfare groups across the country and, through in-store adoption events, we've helped find homes for more than 6.5 million animals.



9

LOCATION INFORMATION

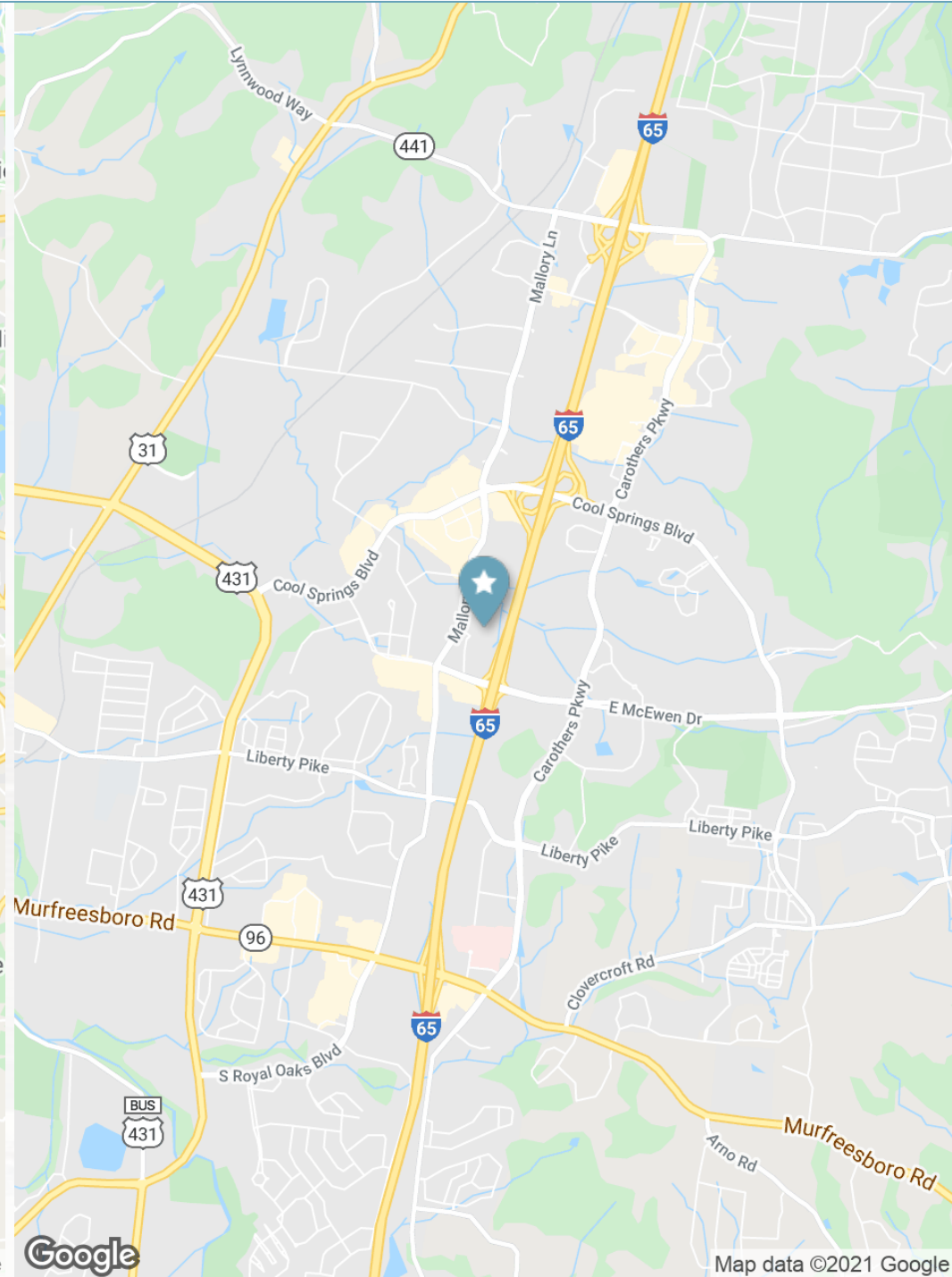
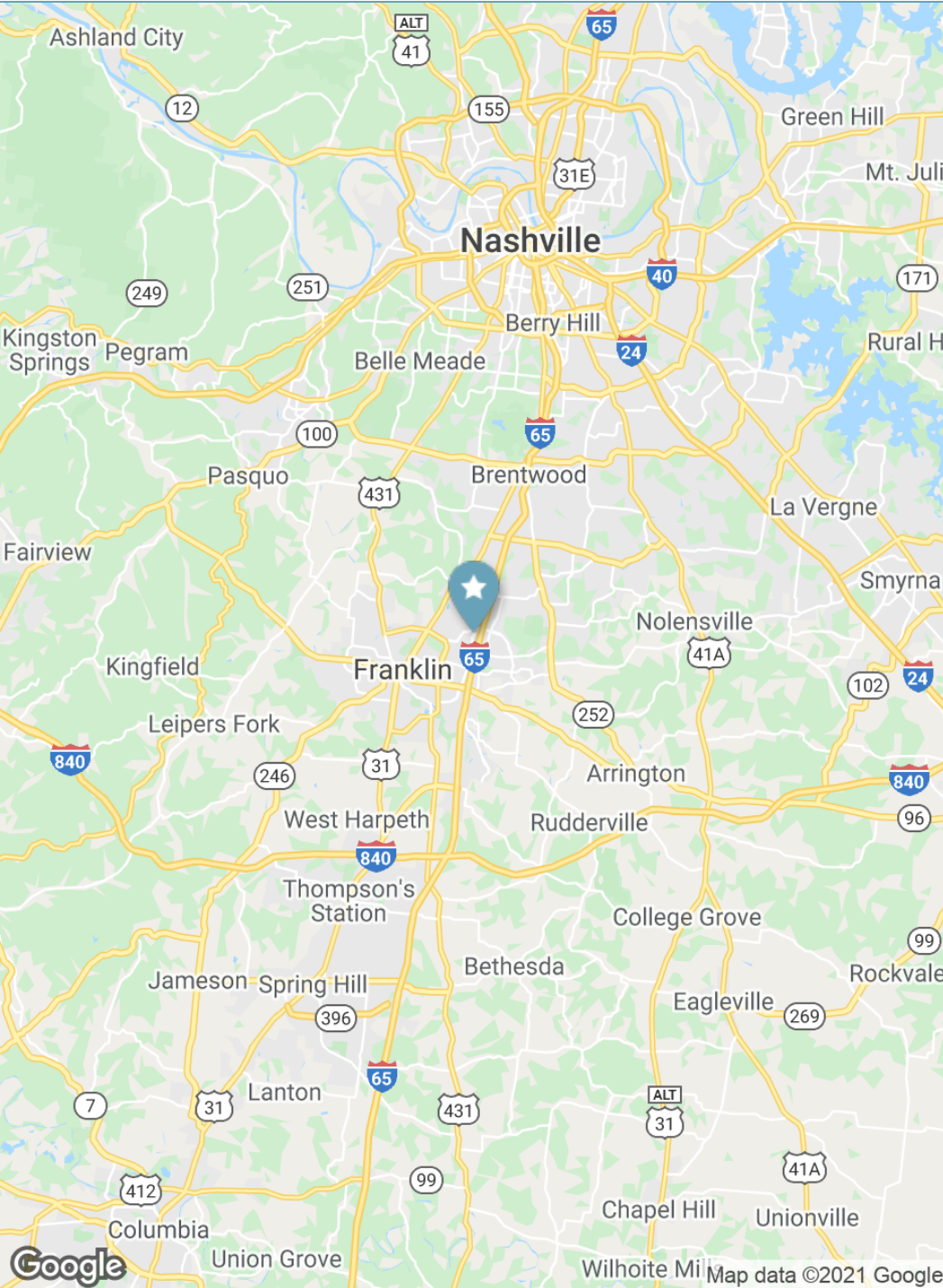
Petco | Franklin, TN



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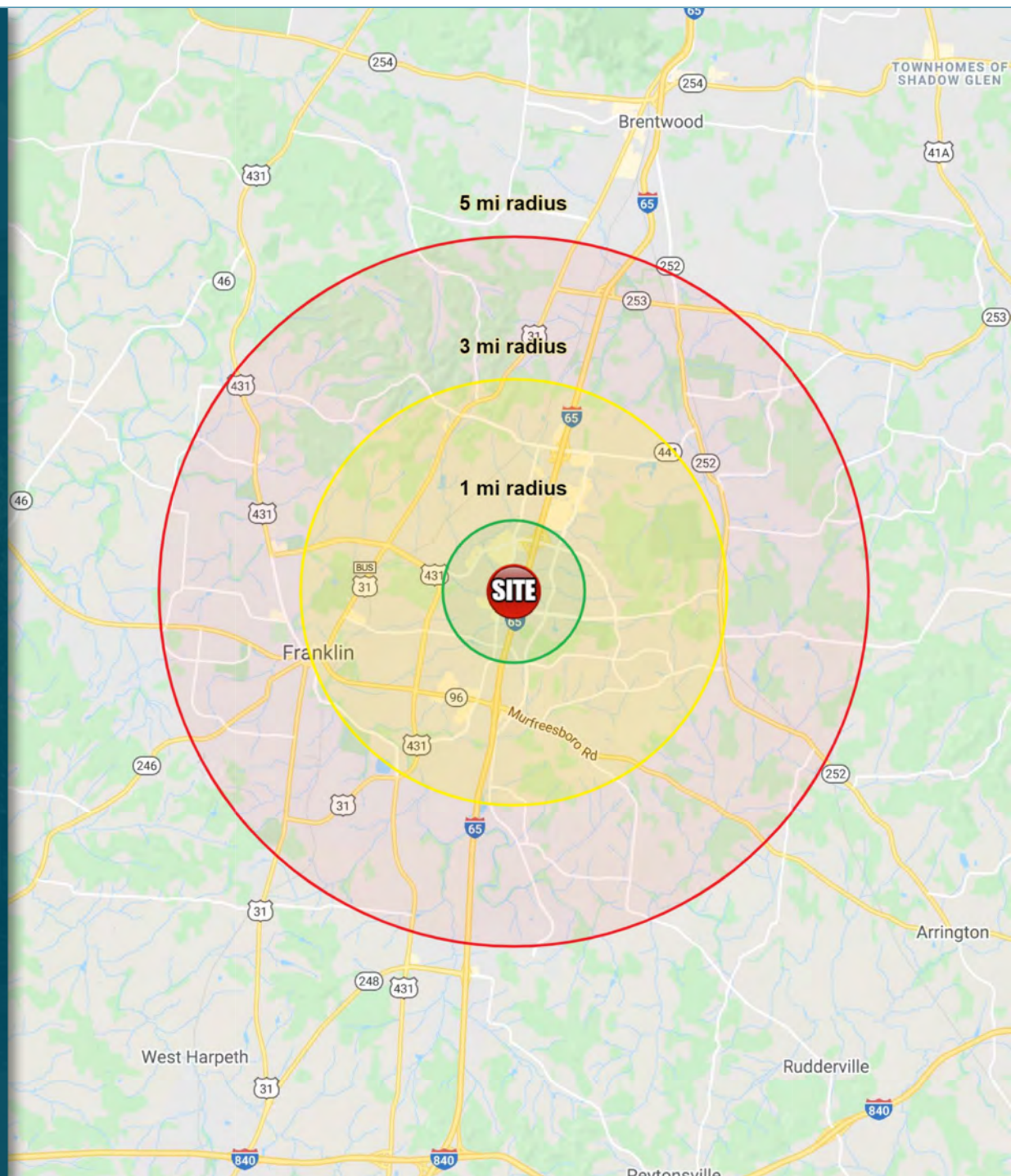
FRANKLIN, TN OVERVIEW

Franklin is a city and county seat of Williamson County, Tennessee, United States. About 21 miles south of Nashville, it is one of the principal cities of the Nashville metropolitan area and Middle Tennessee. As of 2019, its estimated population was 83,097. It is the seventh-largest city in Tennessee. The city developed on both sides of the Harpeth River, a tributary of the Cumberland River. In the 19th century, Franklin as the county seat was the trading and judicial center for primarily rural Williamson County and remained so well into the 20th century as the county remained rural and agricultural in nature. Since 1980, areas of northern Franklin have been developed for residential and related businesses, in addition to modern service industries. The population has increased rapidly as growth moved in all directions from the core. Despite recent growth and development, Franklin is noted for its many older buildings and neighborhoods, which are protected by city ordinances. Since the late 20th century, Franklin has rapidly developed as a suburb of Nashville, Tennessee. Franklin's population has increased more than fivefold since 1980, when its population was 12,407. In 2010, the city had a population of 62,487. As of 2017 Census estimates, it is the state's seventh-largest city. In 2017, the City of Franklin was ranked the 8th fastest-growing city in the nation by the U.S. Census Bureau, increasing 4.9 percent between July 1, 2016 and July 1, 2017. Many of its residents commute to businesses in Nashville, which is 20 miles to the North. The regional economy has also expanded, with considerable growth in businesses and jobs in Franklin and Williamson County. After the passage of the National Historic Preservation Act of 1966, some Franklin residents have worked to identify and preserve its most significant historic assets. Five historic districts are listed on the National Register of Historic Places, as are many individual non-historic but older structures. Franklin is home to health-care-related businesses such as Community Health Systems, Acadia Healthcare, Iasis Healthcare, Tivity Health, Home Instead Senior Care, MedSolutions Inc, and Renal Advantage Inc. In addition, Nissan and Mitsubishi Motors, Clarcor, CKE Restaurants, Jackson National Life, Triangle Tyre Company, Magazines.com, Provident Music Group, World Christian Broadcasting, Mars Petcare, Franklin American Mortgage, Lee Company, Ramsey Solutions, Video Gaming Technologies, and Atmos Energy also have corporate or regional headquarters in Franklin.

DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
POPULATION			
Est. Population (2021)	8,922	45,717	105,670
Projected Population (2026)	10,004	54,460	118,649
Census Population (2010)	4,060	36,197	82,451
HOUSEHOLDS & INCOME			
Est. Households (2021)	3,893	18,779	40,164
Projected Households (2026)	4,359	20,925	44,535
Median HHI (2021)	\$108,027	\$113,058	\$120,292
Avg. HHI (2021)	\$129,035	\$137,515	\$148,471
Avg. HH Net Worth (2021)	\$1.30M	\$1.12M	\$1.29M

* Demographic data derived from REGIS Online



DEMOGRAPHICS

POPULATION

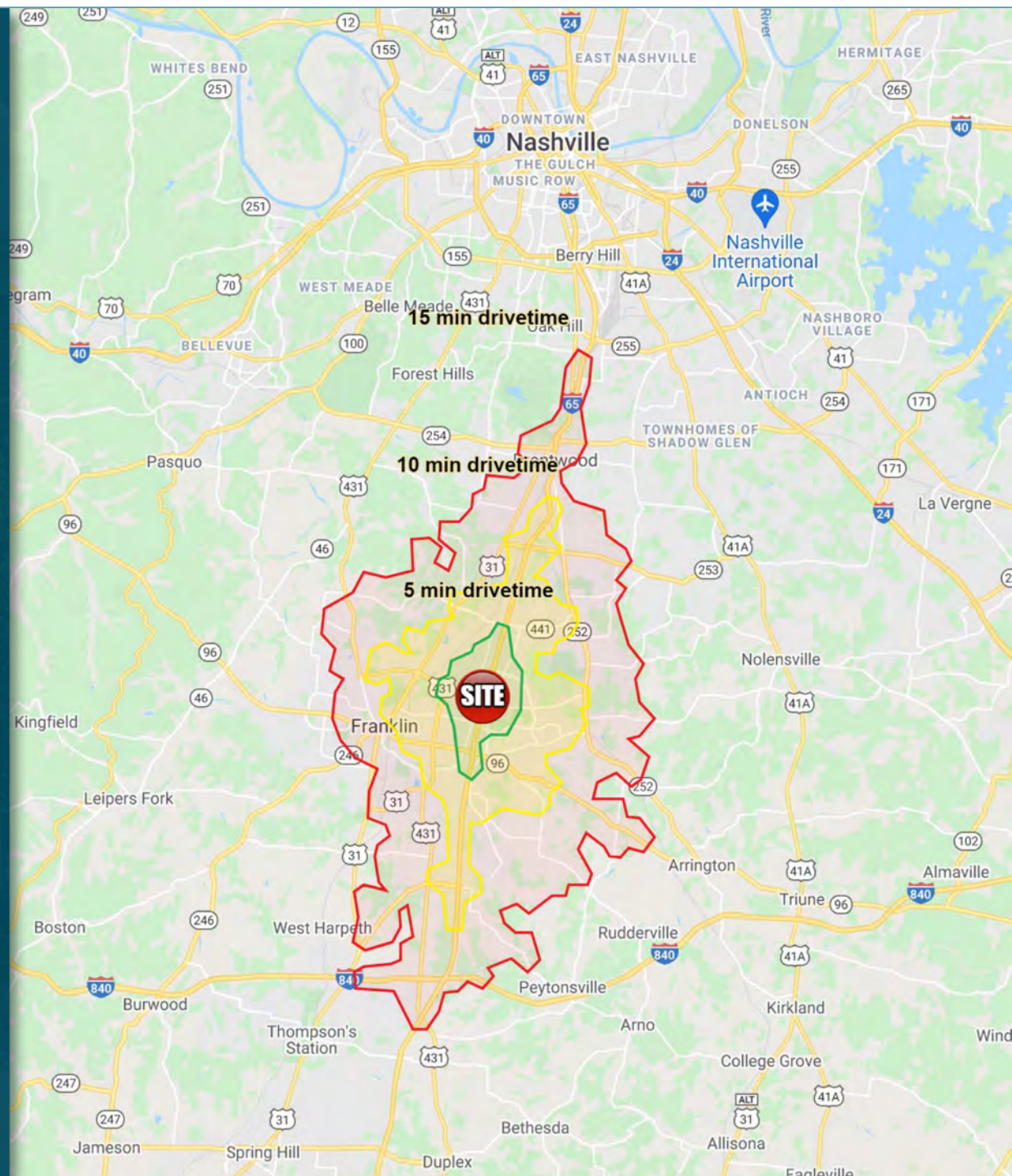
	5 MIN	10 MIN	15 MIN
Est. Population (2021)	11,666	52,718	107,482
Projected Population (2026)	13,021	59,349	120,634
Census Population (2010)	5,859	40,609	82,408

HOUSEHOLDS

	5 MIN	10 MIN	15 MIN
Est. Households (2021)	5,136	21,190	41,497
Projected Households (2026)	5,724	23,620	46,055
Census Households (2010)	2,470	16,012	31,373

HOUSEHOLD INCOMES

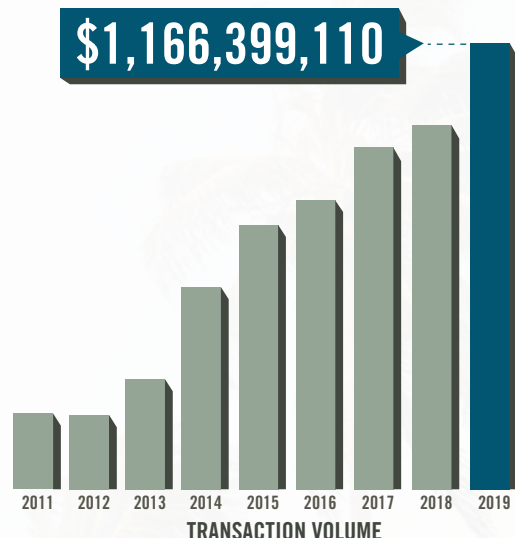
	5 MIN	10 MIN	15 MIN
Est. Avg. HHI (2021)	\$120,693	\$141,253	\$152,508
Est. Median HHI (2021)	\$101,024	\$115,441	\$121,105
Avg. HH Net Worth (2021)	\$924,064	\$1.17M	\$1.3M



OUR MISSION

Franklin Street and our family of full-service companies are committed to providing supreme advisory services through the collaboration of each member of our team of Real Estate professionals. We deliver precise and accurate information to our clients by embracing technology and the development and recruitment of top-level employees.

Nationwide, we are helping clients make the most successful decisions in Capital Advisory, Investment Sales, Insurance Services, Landlord Representation, Tenant Representation, Project Management, and Property and Facilities Management. Our southeast based firm is maximizing client success through our collaborative platform—an industry leader, creating tailored solutions for your Commercial Real Estate needs.



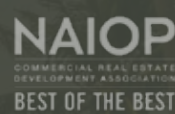
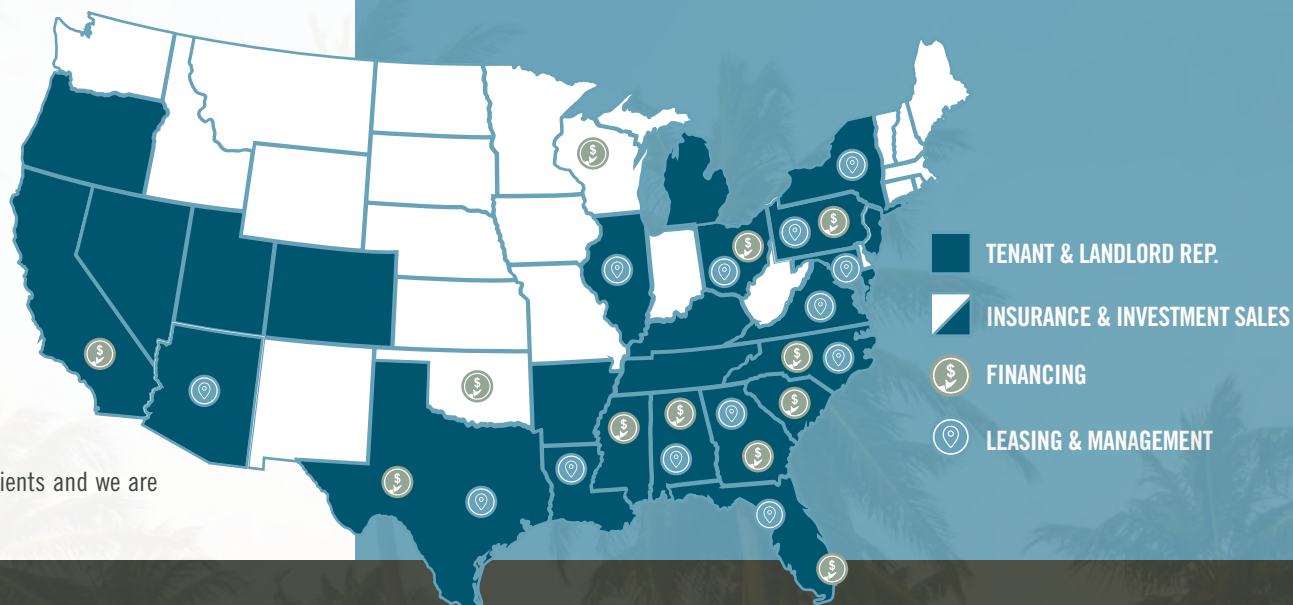
Our growth is based off of the successes we experience with our clients and we are proud to achieve year over year growth since 2006.



ANDREW WRIGHT
CEO & MANAGING PARTNER

“ Since founding Franklin Street in 2006, our family of real estate services have continually surpassed the goals and expectations set within our own firm, as well as those set by our diverse portfolio of clients. As one of the fastest-growing full-service commercial real estate firms in the Southeast, we work to have offices in the top metropolitan markets with the best professionals performing across all lines of business.

Our success comes from our clients' successes. It has been my personal goal to instill a “client-first” philosophy that resonates throughout our entire organization. This philosophy, coupled with our core values— Collaboration, Integrity, Hard Work & Accountability— is what makes Franklin Street the top choice for our clients' financial and real estate objectives.”





ATLANTA, GA

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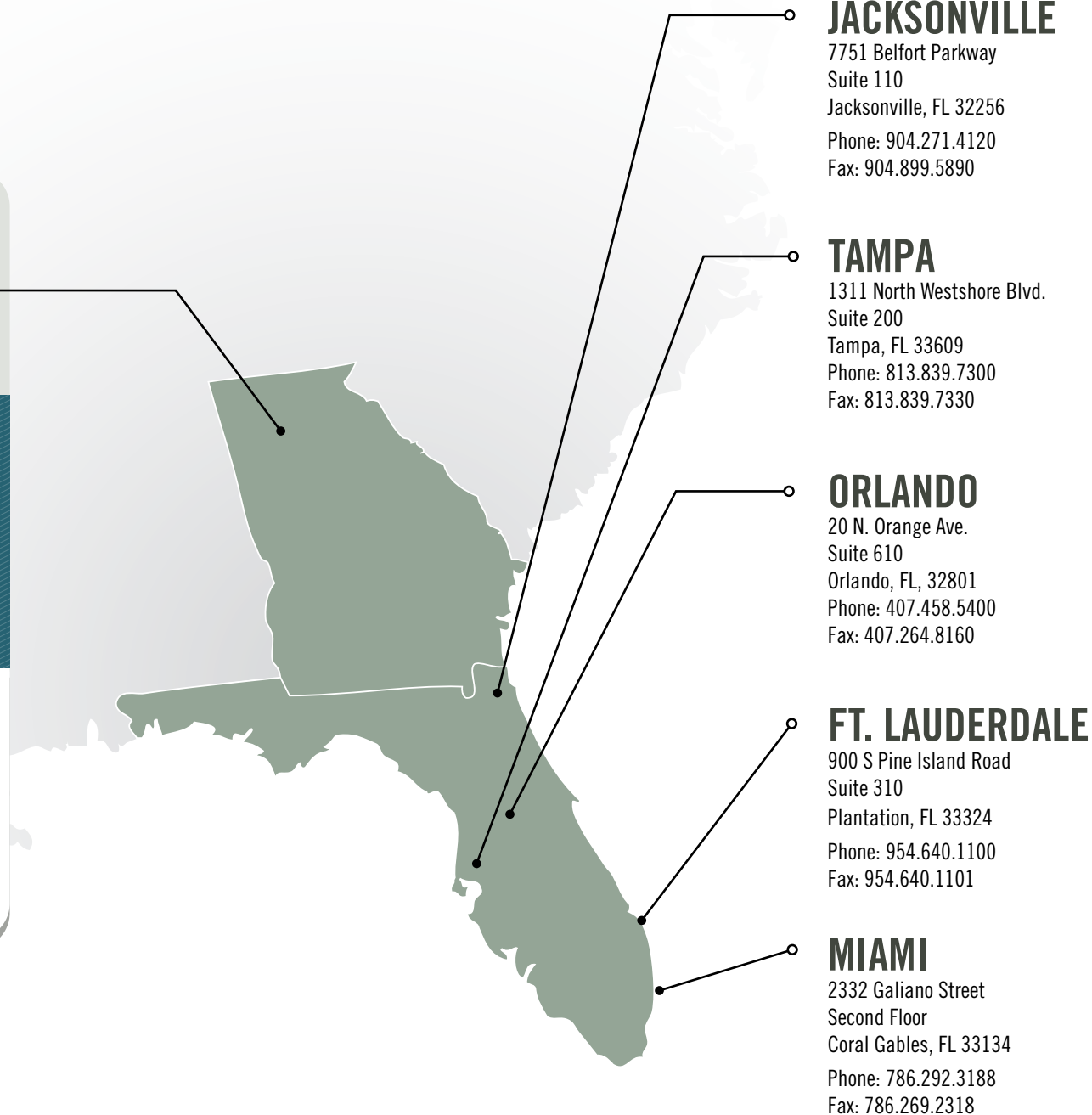


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PETCO

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