

TRADER JOE'S

TRADER JOE'S

CHATTANOOGA, TENNESSEE

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



ACTUAL SITE

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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.

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INVESTMENT SUMMARY

ADDRESS	2111 Gunbarrel Road, Chattanooga, Tennessee 37421
PRICE	\$10,800,000
CAP RATE	3.85%
TERM	10 years
RENT COMMENCEMENT	August 25, 2021
LEASE EXPIRATION	August 31, 2031
RENTAL INCREASES	10% rental increases every five (5) years
YEAR BUILT	2021
PARCEL SIZE	0.75 acres (32,670 SF)
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and maintenance, excluding roof and structure



RARE LONG-TERM LEASE TO TRADER JOE'S

- » Trader Joe's is an American chain of grocery stores with over 530 stores nationwide and \$13.3 billion in annual revenue
- » 10-year corporate guaranteed net lease with four (4) five (5) year option periods
- » Net lease provides an ideal passive investment for an out-of-area investor
- » Rental increases every five years, providing a hedge against inflation

HIGH-VISIBILITY LOCATION ON MAJOR TENNESSEE THOROUGHFARE

- » High-visibility corner parcel location in prominent Chattanooga corridor, with visibility to 30,000 vehicles per day directly in front of the site on Gunbarrel Road
- » Located immediately near Interstate 75 (112,843 AADT), U.S. Route 64 (28,154 AADT), State Route 153 (77,780 AADT) and State Route 320 (47,340 AADT), providing substantial traffic to the site
- » 107,018 residents live within a five-mile radius of the site providing a large customer base for the location
- » Average household income of \$83,442 within a three-mile radius of the site
- » Projected 12 percent average annual household income increase within five miles of the site in the next five years, poising Chattanooga and Trader Joe's for significant concurrent growth

CENTRAL LOCATION NEAR COMMUNITY HUBS, LARGE EMPLOYERS AND RETAILERS

- » Centrally located near several shopping malls featuring a strong mix of national and regional retailers including Walmart Supercenter, Hobby Lobby, Lowe's, Best Buy, Dillard's, DICK'S Sporting Goods, Bed Bath & Beyond, Target, and many more
- » Walking distance to The District at Hamilton Place Apartments (300 units), promoting traffic to the location
- » One mile from Erlanger East Hospital, a full-service community hospital and part of the Erlanger Health System, the top employer in Chattanooga

NEW 2021 CONSTRUCTION

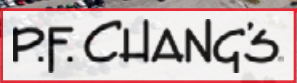
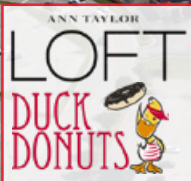
- » Only Trader Joe's location within 90 miles of the property
- » High-quality construction completed in 2021
- » Features latest Trader Joe's store design and concepts
- » 50 dedicated shared parking spaces



Interstate 75
(112,843 AADT)

Gunbarrel Road
(30,000 AADT)

50 Dedicated Shared
Parking Spaces





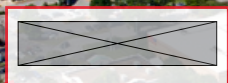
Amberleigh Ridge
Apartments
(315 units)

Evergreen at Hickory
Valley Apartments
(200 units)

Chattanooga Airport

Hampton Inn
(134 rooms)

75 / Interstate 75
(112,843 AADT)



Gunbarrel Road
(30,000 AADT)



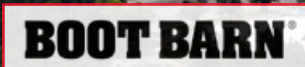
50 Dedicated Shared
Parking Spaces





East Brainerd
Elementary School
(1,136 students)

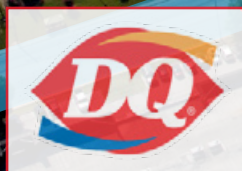
The District at Hamilton
Place Apartments
(300 units)



Hamilton Skate Place



Gunbarrel Road
(30,000 AADT)



50 Dedicated Shared
Parking Spaces





The Haven at Commons
Park Apartments
(319 units)

East Brainerd
Elementary School
(1,136 students)

The District at Hamilton
Place Apartments
(300 units)

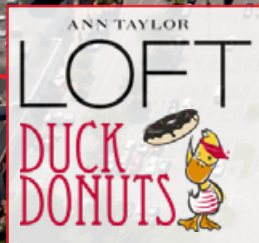
Hamilton Skate Place



BOOT BARN



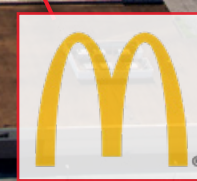
Gunbarrel Road
(30,000 AADT)



50 Dedicated Shared
Parking Spaces



TRADER JOE'S



TENANT SUMMARY

TRADER JOE'S

Trader Joe's is an American national chain of neighborhood grocery stores headquartered in Monrovia, California. The chain has over 530 stores nationwide. The first Trader Joe's store was opened in 1967 by founder Joe Coulombe in Pasadena, California.

Trader Joe's is committed to providing customers with outstanding value, best quality products at the best everyday prices. Through rewarding products and knowledgeable, friendly Crew Members, Trader Joe's has transformed grocery shopping into a welcoming journey full of discovery and fun since 1967.

For more information, please visit www.traderjoes.com.

HEADQUARTERS	Monrovia, CA	# OF LOCATIONS	530
REVENUE	\$13.3B	OWNERSHIP	Private

LEASE ABSTRACT

TENANT	Trader Joe's East Inc.
GUARANTOR	Trader Joe's Company
ADDRESS	2111 Gunbarrel Road, Chattanooga, Tennessee 37421
RENT COMMENCEMENT	August 25, 2021
LEASE EXPIRATION	August 31, 2031
RENEWAL OPTIONS	Four (4) option periods of five (5) years each
REAL ESTATE TAXES	Tenant shall pay pro rata share of real property taxes
INSURANCE	Tenant shall pay Landlord its pro rata share of the costs
REPAIR & MAINTENANCE	Tenant shall, at its own expense, maintain the Premises, excluding those portions of the Premises that Landlord is to maintain
MAINTENANCE BY LANDLORD	Landlord at its sole expense shall maintain (including replacements if necessary) and repair the exterior and structural elements of the Premises and Building
RIGHT OF FIRST REFUSAL	None

PROPERTY OVERVIEW

LOCATION

The newly-constructed property is a high-visibility location in Chattanooga's most prominent corridor. The site is strategically located on a corner parcel along Gunbarrel Road, with access to 30,000 vehicles per day directly in front of the location. The site is conveniently located near Interstate 75 (112,843 AADT), U.S. Route 64 (28,154 AADT), State Route 153 (77,780 AADT) and State Route 320 (47,340) providing substantial traffic to the site. More than 107,000 residents live within a five-mile radius of the site providing a large customer base for the location. The average household income is \$83,442 within a three-mile radius of the site, with a projected 12 percent income increase in the next five years, poising Chattanooga and Trader Joe's for significant concurrent growth.

Centrally located in Chattanooga, the property is close to several shopping malls and centers, community amenities, and large employers. The site is one mile from Erlanger East Hospital, a full-service community hospital and part of the Erlanger Health System, the top employer in Chattanooga. Located in Chattanooga's primary retail area, the property is surrounded by a strong mix of national and regional retailers including, Walmart Supercenter, Hobby Lobby, Lowe's, Best Buy, Dillard's, DICK'S Sporting Goods, Marshalls, Bed Bath & Beyond, Target, and many more. Additionally, the property is within walking distance to The District at Hamilton Place Apartments, a three-story multi-family building with more than 300 units, leading to potential high foot traffic to the location. It is also the only Trader Joe's store within 90 miles of the property.

ACCESS

Access from Gunbarrel Road

TRAFFIC COUNTS

Gunbarrel Road:	30,000 AADT
Interstate 75:	112,843 AADT
U.S. Route 64:	28,154 AADT
State Route 153:	77,780 AADT
State Route 320:	47,340 AADT

PARKING

19 parking stalls, including four (4) handicap stalls and 50 dedicated shared parking spaces

YEAR BUILT

2021

NEAREST AIRPORT

Chattanooga Airport (CHA | 4.4 miles)



19
PARKING
STALLS



50
DEDICATED
SHARED PARKING
SPACES



2021
YEAR
BUILT

20K
TRAFFIC
COUNT (AADT)



**NEAREST
AIRPORT**
CHATTANOOGA
AIRPORT

AREA OVERVIEW

Chattanooga is the 4th largest city in the state of Tennessee with a population of 181,099 as of the 2020 census. The city is set along the Tennessee River in the foothills of the Appalachian Mountains. Chattanooga resides in Hamilton County and is the county seat, located in Southeast Tennessee near the border of Georgia at the junction of four interstate highways. Hamilton County is one of 95 counties within Tennessee and is part of the Chattanooga, TN-GA Metropolitan Statistical Area. Hamilton County has a population of 366,207 as of the 2020 census, making it the fourth-most populous county in Tennessee. Chattanooga has received national recognition for the revival of its beautiful downtown and redevelopment of its riverfront. The city boasts the most productive affordable housing program in the nation and is notable for leveraging development funds through effective public/private partnerships, with significant civic involvement by private foundations. Chattanooga was one of the first US cities to effectively use a citizen visioning process to set specific long-range goals to enrich the lives of residents and visitors.

The Chattanooga Convention and Trade Center is constantly booked by groups who return to the city year after year for a good experience and a great facility that has recently been expanded. The city and county have developed an extensive greenway system which includes 5 miles of constructed Riverwalk beginning downtown and meandering through the historic art district and several parks. The city supports a downtown shuttle fleet of zero-emission electric buses manufactured in Chattanooga for commuters and visitors wishing to park-and-ride. Attractions such as the Tennessee Aquarium, Lookout Mountain, Civil War battlefield sites, the African American Museum, and the Appalachian Trail bring thousands of people to the area, as do events like the Riverbend Festival, Bessie Smith Strut, Fall Color Cruise, the Creative Discovery Museum for children, and the Southern Writers Conference. Chattanooga is the home of NCAA Division I-AA national football championships and hosts the national softball championships every year. With its scenic beauty, stable population and economy, civic vitality and cross-sector partnerships, fiscal integrity, and strategic location, Chattanooga is one of the most progressive and livable mid-size cities in the U.S.

- » The local economy includes a diversified mix of manufacturing and service industries, four colleges, and several preparatory schools known throughout the South.
- » Chattanooga has won 3 national awards for outstanding “livability”, and 9 Gunther Blue Ribbon Awards for excellence in housing and consolidated planning.
- » The Greater Chattanooga Economic Partnership (GCEP) is a public-private, regional economic development partnership representing a 16-county region in Northeast Alabama, Northwest Georgia, and Southeast Tennessee. GCEP focuses on building awareness of the region for business expansion and relocation. With generous support from investors, the Chattanooga region has successfully supported numerous small businesses and entrepreneurs – as well as global companies like Volkswagen, Amazon, and Google.

LARGEST EMPLOYERS IN CHATTANOOGA, TENNESSEE	# OF EMPLOYEES
ERLANGER HEALTH SYSTEM	5,580
BLUECROSS BLUESHIELD OF TENNESSEE	5,498
HAMILTON COUNTY SCHOOLS	4,857
TENNESSEE VALLEY AUTHORITY	3,402
UNUM	2,800
MCKEE FOODS CORPORATION	2,798
VOLKSWAGEN CHATTANOOGA	2,564
CHI MEMORIAL	2,474
CITY OF CHATTANOOGA	2,348
ROPER CORPORATION	1,900



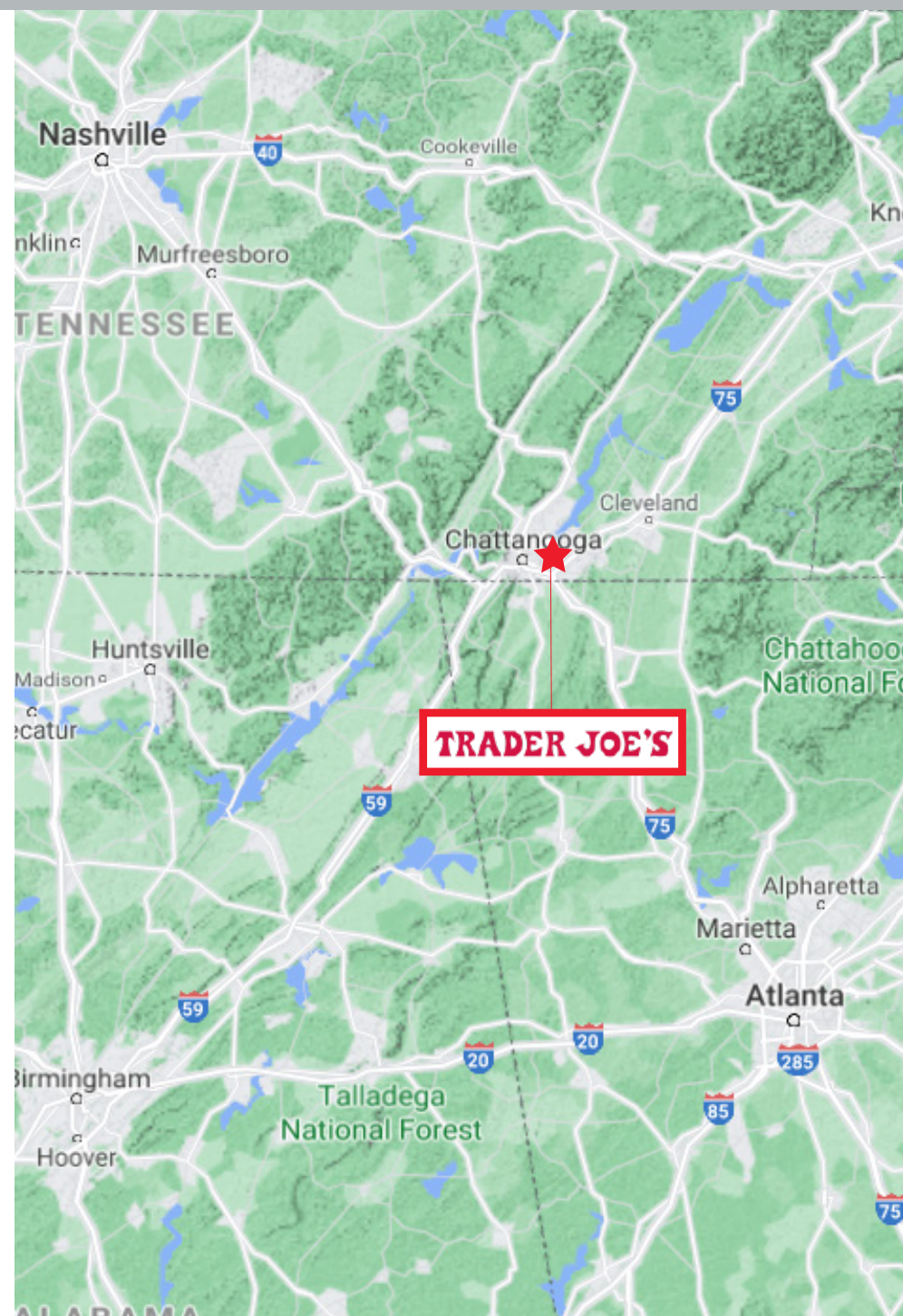
DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	6,022	45,772	107,018
Households	2,927	19,592	43,920
Families	1,510	11,389	27,666
Average Household Size	2.05	2.25	2.38
Owner Occupied Housing Units	1,318	10,814	26,965
Renter Occupied Housing Units	1,608	8,779	16,955
Median Age	43.6	41.7	41.5
Average Household Income	\$79,208	\$83,442	\$79,643

2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	6,290	48,095	112,519
Households	3,053	20,592	46,132
Families	1,564	11,908	28,930
Average Household Size	2.06	2.25	2.39
Owner Occupied Housing Units	1,414	11,548	28,825
Renter Occupied Housing Units	1,639	9,044	17,307
Median Age	44.6	42.5	42.4
Average Household Income	\$88,585	\$93,384	\$90,036



POPULATION OF 107,018
WITHIN FIVE MILES



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