



**HOBBY
LOBBY**

SIMPSONVILLE, SOUTH CAROLINA

GREENVILLE MSA

CONFIDENTIAL OFFERING MEMORANDUM

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EXCLUSIVELY LISTED BY



Peter Couchell, CCIM

Managing Director/Shareholder

couchell@furmancap.com

864 678 5923



Robert Schmidt

Director/Shareholder

rschmidt@furmancap.com

864 678 5995

FURMAN
CAPITAL ADVISORS

Furman Capital Advisors, LLC
101 E. Washington Street, Suite 400
Greenville, SC 29601 | 864.235.6855
 FurmanCapital.com

Investment Services Division of NAI Earle Furman

INVESTMENT OVERVIEW

Executive Summary



PROPERTY SUMMARY

Address	714 Fairview Road Simpsonville, SC 29680
Ownership	Leasehold Interest
Financing	Delivered Free & Clear
Class	A
Year Built	2017
Building Size	±55,000 SF
Parcel Size	±5.78 Acres
Parking Spaces	225
Traffic Count	±30,000 VPD (Fairview Rd)

INVESTMENT SUMMARY

NOI*	\$370,150
Cap Rate	6.25%
List Price	\$5,922,000
Lease Type	NNN
Term Remaining	15.5 Years

**See page 10 for NOI calculation*

CAP RATE GROWTH

			Option 1	Option 2
YEAR 1	YEAR 6	YEAR 11	YEAR 16	YEAR 21
8/1/22	8/1/27	8/1/32	8/1/37	8/1/42
6.25%	6.63%	7.01%	7.38%	7.75%

INVESTMENT HIGHLIGHTS

- **Desirable Tenant Lease Terms:** ±15.5 years remaining with (4) 5-year options and \$0.50 PSF increases every 5 years
- **Long Term Ground Lease:** Initial term matches the Tenant term with ±15.5 years remaining plus (11) 5-year options
- **Below Market Rent:** Ground lease rent is below market and less than 25% of Building Rent
- **Right of First Offer:** Buyer has a ROFO on the ground lease should it become available for sale during ownership
- **Tax Advantages:** Fully depreciable asset may allow for greater after tax returns (consult with your trusted tax advisor)
- **Desirable Tenant:** Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world with 950 locations in 47 states. Hobby Lobby ranked #64 on Forbes list of America's Largest Private Companies in 2021.
- **High Quality Retail Corridor:** Neighboring tenants include Publix, Target, Walmart, Lowes, Home Depot, Aldi, TJ Maxx, Ross, Petco, Panera, Chick-fil-A, Starbucks, and many more
- **Minimal Landlord Responsibilities:** NNN lease with landlord only responsible for roof, structure, and minor maintenance
- **Highly Desirable Submarket:** Simpsonville is one of Greenville's most desirable suburban submarkets and expected to grow 10% in the next 5 years
- **Booming Greater Market:** The Greenville MSA is one of the fastest growing MSA's and one of the most desirable investment markets in the U.S.

PROPERTY OVERVIEW

Regional Map

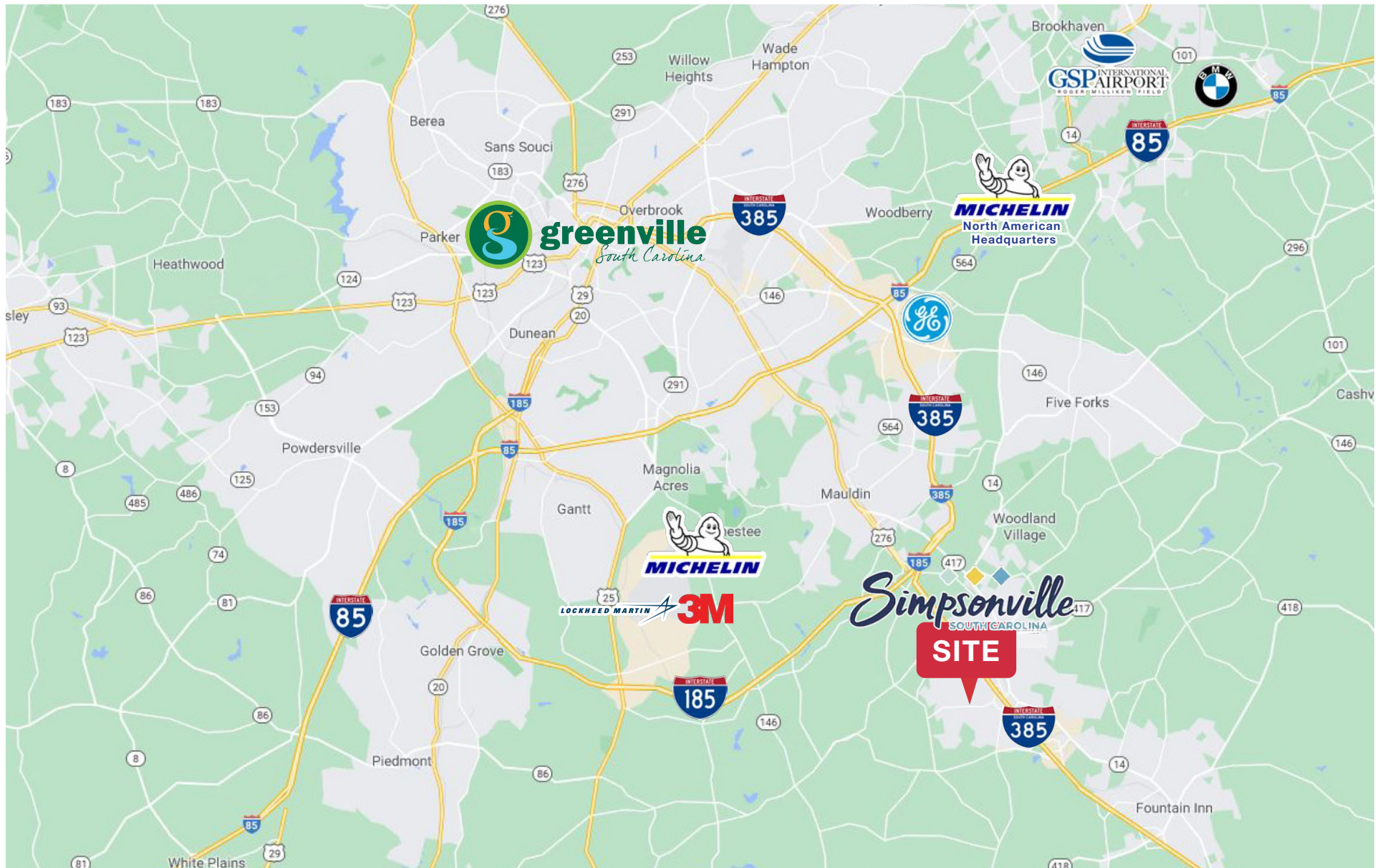
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PROPERTY OVERVIEW

Market Map

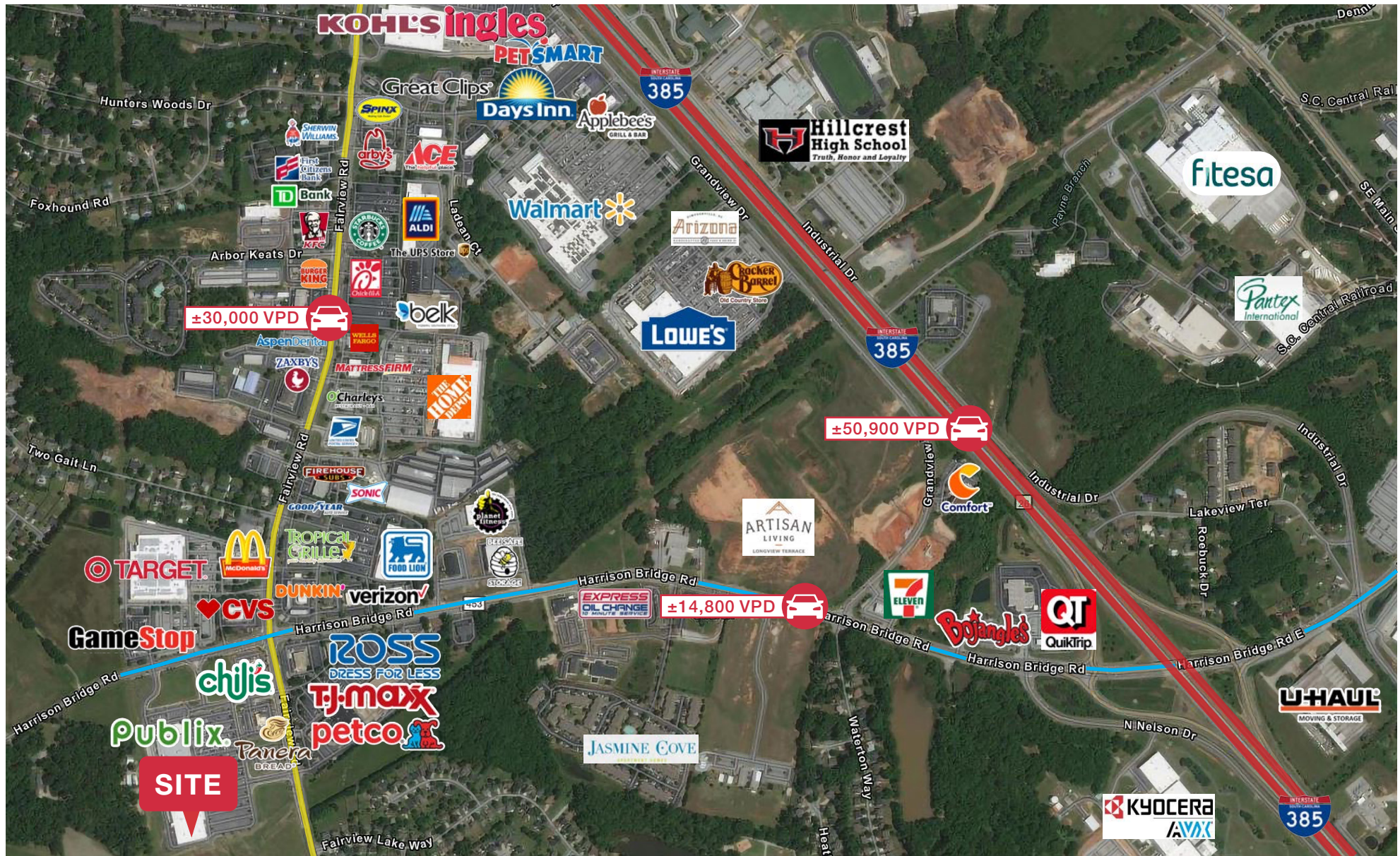
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PROPERTY OVERVIEW

Submarket Map

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PROPERTY OVERVIEW

Retail Map

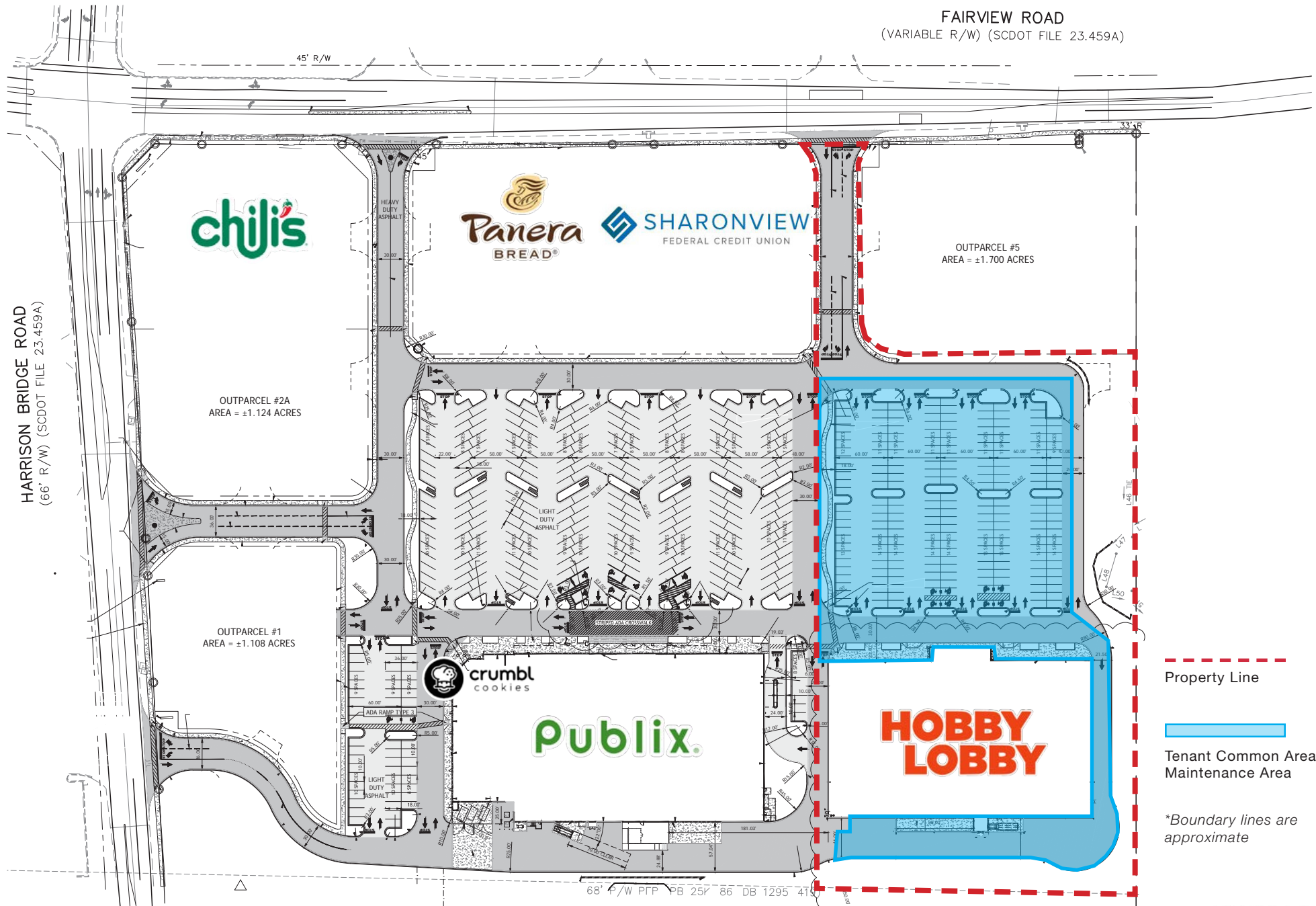
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PROPERTY OVERVIEW

Site Plan

HOBBY LOBBY



PROPERTY OVERVIEW

Property Photos

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TENANT OVERVIEW

Hobby Lobby - Lease Summary & Rent Schedule



HOBBY LOBBY - LEASE SUMMARY

Tenant	Hobby Lobby Stores, Inc.
Tenant Trade Name	Hobby Lobby
Tenant Classification	Private
Lease Type	NNN
Lease Term	20 Years
Rent Commencement Date	7/24/2017
Lease End Date	7/31/2037
Term Remaining on Lease	±15.5 Years
Options	4 - (5) Year Options
Increases	\$0.50 Every 5 Years
Property Taxes	Tenant is Responsible
Tenant's Insurance	Tenant is Responsible
Landlord's Insurance	Landlord is Responsible ¹
Tenant's Common Area Maintenance	Tenant is Responsible ²
Landlord's Common Area Maintenance	Landlord is Responsible ¹
Roof & Structure	Landlord is Responsible
Parking Lot	Tenant is Responsible to Maintain ²

(1) Landlord is responsible for liability insurance and CAM outside the Tenant's Common Area Maintenance Area highlighted in blue on page 8

(2) Tenant is responsible for Tenant's Common Area Maintenance Area highlighted in blue on page 8

NOI CALCULATION

Hobby Lobby - Base Rent (8/1/2022)	\$495,000
Hobby Lobby - Fixed CAM Contribution ³	\$3,150
Effective Gross Income	\$498,150
Real Estate Taxes/Insurance/CAM	Net
Ground Lease - Base Rent	\$120,000
Shopping Center CAM Contribution ³	\$3,000
Landlord's Insurance & CAM ¹	\$5,000
Operating Expenses	\$128,000
Net Operating Income	\$370,150

(3) Tenant (Hobby Lobby) is responsible to pay the Landlord a fixed CAM contribution. Landlord is responsible to pay a fixed CAM contribution to the owner of the Shopping Center parcel as defined in the declaration.

HOBBY LOBBY - RENT SCHEDULE

Initial Term	Annual Rent	Monthly Rent
7/24/2017 - 7/31/2022	\$467,500	\$38,958.33
8/1/2022 - 7/31/2027	\$495,000	\$41,250.00
8/1/2027 - 7/31/2032	\$522,500	\$43,541.67
8/1/2032 - 7/31/2037	\$550,000	\$45,833.33
Option 1		
8/1/2037 - 7/31/2042	\$577,500	\$48,125.00
Option 2		
8/1/2042 - 7/31/2047	\$605,000	\$50,416.67
Option 3		
8/1/2047 - 7/31/2052	\$632,500	\$52,708.33
Option 4		
8/1/2052 - 7/31/2057	\$660,000	\$55,000.00

TENANT OVERVIEW

Ground Lease - Lease Summary & Rent Schedule



GROUND LEASE - LEASE SUMMARY

Lease Type	Ground Lease
Lease Term	20 Years
Rent Commencement Date	7/24/2017
Lease End Date	7/31/2037
Term Remaining on Lease	±15.5 Years
Options	11 - (5) Year Options
Increases	\$5k Every 5 Years (Initial Terms); 4% Every 5 Years (Options)
Property Taxes	Tenant is Responsible*
Insurance	Tenant is Responsible*
Leased Property Maintenance	Tenant is Responsible*
Right of First Offer	Yes^

* Building Owner shall keep and maintain or cause Tenant (Hobby Lobby) to keep and maintain

^ If at anytime the Land Owner decides to sell, Land Owner must provide Building Owner with an Offer Notice and Building Owner shall have 30 days to accept the terms and conditions of the Offer Notice



GROUND LEASE - RENT SCHEDULE

Initial Term	Annual Rent	Monthly Rent
7/24/2017 - 7/31/2022	\$115,000	\$9,583.33
8/1/2022 - 7/31/2027	\$120,000	\$10,000.00
8/1/2027 - 7/31/2032	\$125,000	\$10,416.67
8/1/2032 - 7/31/2037	\$130,000	\$10,833.33
Option 1		
8/1/2037 - 7/31/2042	\$135,200	\$11,266.67
Option 2		
8/1/2042 - 7/31/2047	\$140,608	\$11,717.33
Option 3		
8/1/2047 - 7/31/2052	\$146,232	\$12,186.03
Option 4		
8/1/2052 - 7/31/2057	\$152,081	\$12,673.47
Option 5		
8/1/2057 - 7/31/2062	\$158,164	\$13,180.41
Option 6		
8/1/2062 - 7/31/2067	\$164,491	\$13,707.62
Option 7		
8/1/2067 - 7/31/2072	\$171,071	\$14,266.16
Option 8		
8/1/2072 - 7/31/2077	\$177,913	\$14,826.16
Option 9		
8/1/2077 - 7/31/2087	\$185,030	\$15,419.21
Option 10		
8/1/2082 - 7/31/2087	\$192,431	\$16,035.98
Option 11		
8/1/2087 - 7/31/2092	\$200,129	\$16,677.42

TENANT OVERVIEW

Hobby Lobby Stores, Inc.

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Today, with more than 950 stores, Hobby Lobby is the **largest privately owned arts-and-crafts retailer in the world** with over 43,000 employees operating in 47 states. Hobby Lobby ranked #64 on Fobes list of America's Largest Private Companies in 2021.

Hobby Lobby was founded in 1972 and operates retail stores stocked with over 80,000 arts, crafts, hobbies, home accent, seasonal, and custom framing products.

Hobby Lobby is primarily an arts-and-crafts store but also includes hobbies, picture framing, jewelry making, fabrics, floral and wedding supplies, cards and party ware, baskets, wearable art, home decor and holiday merchandise.

Located in Oklahoma City, OK, their corporate headquarters include over 10 million square feet of manufacturing and distribution space plus an office complex. Hobby Lobby also maintains offices in Hong Kong, Shenzhen, and Yiwu, China.

Mardel Christian and Education Supply, Hobby Lobby's affiliate company, offers books, Bibles, gifts, church and education supplies as well as homeschooling curriculum.

Founded	1972
Headquartered	Oklahoma City, OK
Type	Private
Revenue	est. \$6.4B (2021)
Number of Locations	±950
Number of Employees	43,000+

» Website: www.hobbylobby.com



MARKET OVERVIEW

Market Analysis



LOCATION

- The city of Greenville is the 4th among 15 of the fastest-growing large cities in the U.S. according to population estimates by the U.S. Census Bureau.
- Centrally located along the I-85 corridor directly between two of the largest cities in the Southeast - Atlanta, Georgia and Charlotte, North Carolina.
- Located 100 miles from the capital city of Columbia and only 200 miles from the Port of Charleston SC.



INFRASTRUCTURE

- Greenville-Spartanburg International Airport is the 2nd busiest airport in the state with 1.1 million passengers in 2020.
- 3 Interstate highways offer easy access to the North, South, Midwest, and all major markets on the Eastern Seaboard.
- Home to the Inland Port Greer connecting the Upstate to the Port of Charleston.



HIGHER EDUCATION

- Clemson University, Furman University, Bob Jones University, North Greenville University and Limestone College-Greenville among others are all located in or around Greenville.



COMMERCE

- Home to national and international corporations such as Fluor Corporation, Hubbell Lighting, BMW and Michelin North America.
- Other major businesses include Bausch and Lomb, the Perrigo Company of SC, Prisma Health System, Ernst and Young, IBM, Charter Communications, Dunlop Slazenger Group, Liberty Corporation Bank of America, GE Power & Water, Day & Zimmerman, Scan Source, Lockheed Martin Aircraft, Windstream, SYNEX Corporation and TD Bank.



ACCOLADES

- One of the South's Best 'Cities on the Rise' (*Southern Living*) March 2021
- #10 Coolest Cities with the Lowest Cost of Living in the U.S. (*Purewow*) February 2021
- #6 Best Small Cities in the US (*Condé Nast Traveler*) October 2020
- America's Best Small Cities (*BestCities.org*) March 2020
- The 50 Best U.S. Cities for Starting a Business in 2020 (*Inc.com*) December 2019
- US Travel: 25 Best Places to Visit in 2020 (*Forbes*) December 2019
- 10 Cities to Watch in 2020 (*Worth*) November 2019
- #36 Best Places to Live (*Money Magazine*) October 2019
- #22 Best Places to Live in the USA (*U.S News & World Report*) May 2019
- #10 2019 Top 100 Best Places to Live (*Livability*) March 2019
- #7 The South's Best Cities 2019 (*Southern Living*) March 2019
- Top 19 Must-See Destinations in 2019 (*Expedia*) January 2019
- America's 100 Best Places to Retire (*Where to Retire*) December 2018
- #35 Top Cities in the US with the Biggest Influx of People, The Most Work Opportunities, and the Hottest Business Growth (*Business Insider*) August 2018

1 MILE RADIUS

Summary	2010	2021	2026
Population	4,902	6,846	7,644
Households	1,794	2,519	2,812
Families	1,380	1,908	2,122
Average Household Size	2.73	2.72	2.72
Owner Occupied Housing Units	1,284	1,839	2,121
Renter Occupied Housing Units	510	680	692
Median Age	34.3	36.4	34.1
Average Household Income		\$93,157	\$105,649

3 MILE RADIUS

Summary	2010	2021	2026
Population	31,483	40,613	44,628
Households	11,657	15,080	16,563
Families	8,742	11,180	12,240
Average Household Size	2.69	2.68	2.69
Owner Occupied Housing Units	8,615	11,124	12,396
Renter Occupied Housing Units	3,042	3,956	4,167
Median Age	36.5	38.1	38.0
Average Household Income		\$95,765	\$107,692

5 MILE RADIUS

Summary	2010	2021	2026
Population	56,993	74,198	81,319
Households	21,192	27,647	30,307
Families	15,913	20,473	22,355
Average Household Size	2.67	2.67	2.67
Owner Occupied Housing Units	16,458	21,315	23,647
Renter Occupied Housing Units	4,734	6,332	6,660
Median Age	36.4	38.4	38.6
Average Household Income		\$94,047	\$105,559

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 714 Fairview Road, Simpsonville, SC 29680 ("Property"). It has been prepared by Furman Capital Advisors ("Agent"). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.



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CAPITAL ADVISORS

101 E. Washington Street, Suite 400 | Greenville, SC 29601 (864) 235-6855 FurmanCapital.com

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