

BANK OF AMERICA

OFFERING MEMORANDUM

910 East Tarpon Avenue, Tarpon Springs, FL 34689



Actual Site Photo - Planned Exterior Facade Upgrade in 2022

Marcus & Millichap
HURD NET LEASE GROUP

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY



LIST PRICE

\$3,575,000



CAP RATE

4.00%



TERM REMAINING

10 Years

OPERATIONAL

Lease Type	Absolute NNN
Guarantor	Bank of America, N.A.
Lease Expiration	4/30/2032
Year Built/Renovated	1972/2022
Building Size	12,540 Sq Ft
Lot Size	0.59 Acres

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TENANT OVERVIEW

About Bank of America

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 66 million consumer and small business clients with approximately 4,300 retail financial centers, including approximately 2,900 lending centers, 2,500 financial centers with a Consumer Investment Financial Solutions Advisor and approximately 2,300 business centers; approximately 17,000 ATMs; and award-winning digital banking with approximately 39 million active users, including approximately 31 million mobile users. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations across the United States, its territories and approximately 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.



TENANT NAME

Bank of America

FOUNDED

1998

DEPOSITS

\$1.2 Trillion

LOCATIONS

4,600+

COUNTRIES

35

HEADQUARTERS

**Charlotte,
North Carolina**

LOCATION OVERVIEW



Known for its sub-tropical climate and miles of white sand beaches that are ranked among the best in the United States, Pinellas is the most densely populated county in the state of Florida and home to more than 946,000 people. With an average 360 days of sunshine each year, Pinellas County is also the most popular tourist destination on the Gulf of Mexico, drawing approximately six million visitors annually.

Anchored by the Clearwater and St. Petersburg markets, Pinellas has the second largest base of manufacturing employment in Florida. The county is known for its industry diversification including aviation/aerospace; defense/national security; medical technologies; business and financial services; and information technology. It is also rapidly becoming Florida's hub for big data, as it is home to industry giants including Shopping Network (HSNi), Nielsen, ValPak and Catalina Marketing. Pinellas has become a center for research and development in marine science, electronic instruments, medical devices, sensors, nanotechnology and health care. Other notable employers in Pinellas include Raymond James Financial, Tech Data, Honeywell, Lockheed-Martin, Home Shopping Network, TransAmerica and more.

Pinellas lies at the center of the Tampa Bay market, which an expected population growth from 4 million to 6 million by 2030. The market's economic clout is verified by more than \$70 billion in consumer spending and a labor force of two million. The region is ranked 20 in the United States for job growth and hosts the country's 13th largest media market.

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MARKET OVERVIEW (TAMPA - ST. PETERSBURG)

TAMPA-ST. PETERSBURG

Tampa Bay refers both to a larger metropolitan area and to the bay that extends inland from the Gulf of Mexico. The Tampa-St. Petersburg metro contains almost 3.2 million residents and spans four counties along the west coast of central Florida: Hillsborough, Pasco, Hernando and Pinellas. Tampa, the county seat of Hillsborough County, is the most populous city with more than 372,400 people and is situated northeast of the bay. St. Petersburg follows with nearly 256,000 residents and is located on the peninsula near the mouth of the bay. Robust job growth is attracting new people to the metro, many of whom are living in higher-density redevelopment projects near city cores and large suburban master-planned communities.

METRO HIGHLIGHTS



FAVORABLE BUSINESS CLIMATE

A relatively low cost of living and economic development bring a thriving business landscape to the Tampa Bay-St. Petersburg metro.



PORT ACTIVITY

One of the largest seaports in the Southeast, the Port of Tampa services passenger cruise ships and commercial freighters. The Port of St. Petersburg is also in the metro.



DIVERSE ECONOMY

High-tech industries as well as the tourism, military, finance and seaborne commerce segments drive the region's economy.



MARKET OVERVIEW (TAMPA - ST. PETERSBURG)

TAMPA-ST. PETERSBURG

Strong Levels of In-Migration and Tourism Underpin Retail Spending, Boosting Investment to Record Levels

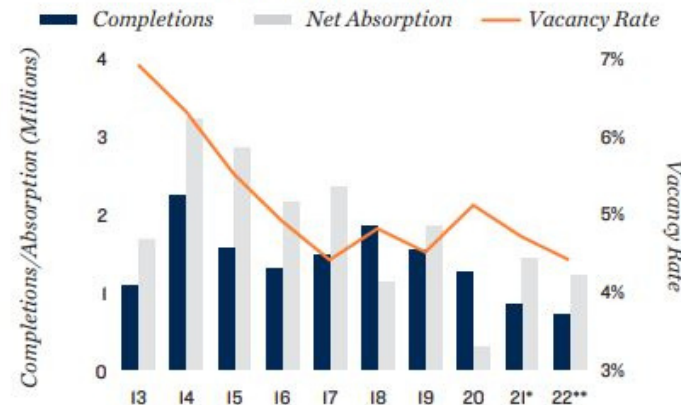
Retail demand bolstered by employment and population gains. Robust job growth and elevated levels of tourism boosted consumer spending over the past year, encouraging retailers to enter the region or expand their market presence. As a result, leasing activity returned in force, slicing availability within 20 basis points of the metro's pre-pandemic rate. Moving forward, the outlook for Tampa's retail sector is bright as fundamentals are poised for further improvement this year. The metro remains a top migration destination for residents moving from other markets, supporting a healthy rise in Tampa's population. Additionally, employment growth continues to outpace the national average, contributing to a rise in the median household income and further bolstering consumers' ability to spend. A larger consumer base and increased spending power will encourage additional retailer expansions at a time when construction activity is on pace to slow to a 15-year low. Of the 700,000 square feet of space scheduled to deliver, most was pre-leased at the onset of 2022. This diminished pipeline and strengthening demand for available space will promote further vacancy compression and rent growth throughout the year.

Local deal flow outpaces that of other Florida metros. Strong population and economic growth, coupled with tight market conditions, make Tampa an attractive option for retail investors. Over the past year, transaction velocity soared to a two-decade high, highlighting the confidence investors have in the metro's long-term outlook. Many buyers are active in Pinellas County, due to high levels of tourism and in-migration, coupled with rent growth that outpaces the metro average. Single-tenant, net-leased assets are highly sought after and trade at cap rates that average in the mid-5 percent range. Neighborhood and strip centers are also garnering buyer interest, due to the potential for higher first-year returns. Average cap rates for these assets can range from the low-5 percent to high-8 percent span, depending on the tenant roster.

Economic Trends



Supply and Demand



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

MARKET OVERVIEW (TAMPA - ST. PETERSBURG)

2022 MARKET FORECAST

- Employment**
up 4.5%

Employers will add 64,000 new positions in 2022, nearly matching last year's pace. In 2021, 66,000 jobs were added.
- Construction**
700,000 sq. ft.

Development activity moderates this year, following the addition of 830,000 square feet in 2021. Completions will increase the metro's retail inventory by 0.4 percent.
- Vacancy**
down 30 bps

Consistent demand allows vacancy to fall to 4.4 percent this year, the lowest year-end rate since 2017. In 2021, a 40-basis-point decrease was registered.
- Rent**
up 5.0%

Average asking rents will increase at the same rate as last year, as market conditions continue to tighten. The rate will reach \$18.74 per square foot by year-end.
- Investment**

The return of many firms to their offices and increased business travel will likely boost retail sales in Central Tampa over the next year, stimulating investor demand for urban assets.

Rent Trends



Sales Trends



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

PROPERTY OVERVIEW

The Hurd Net Lease Group with Marcus and Millichap is pleased to exclusively offer for sale the Bank of America located at 910 East Tarpon Avenue, Tarpon Springs, FL 34689.

The investment is being offered at \$3,575,000 which represents a 4% cap rate.

The subject property is a 12,540 square foot Bank of America with a fifty year operating history at this location.

There are currently 10 years remaining on the Absolute NNN lease that includes an 8% rental increase that takes effect May 1, 2027. There are three, five year options with 8% rental increases that would extend the lease to 2047. Tenant fully reimburses for real estate taxes. There is a reciprocal easement agreement in place with the Tarpon Mall which assigns a sum of \$25,000 annually, with 2% annual increases. Bank of America, N.A. holds a S&P "A+" Credit Rating. There are currently planned facility upgrades scheduled for 2022, which include an extensive exterior facade update as well as an interior renovation plan, further demonstrating tenant's commitment to this location.

The site is positioned at a major signalized intersection of Tarpon Avenue and US Highway 19, which see more than 90,000 vehicles per day respectively. US Highway 19 is the most heavily traveled artery in Pinellas County and part of the Florida Strategic Intermodal System, which is a statewide network of high-priority transportation facilities in which Route 19 has the highest ridership of all routes in the Pinellas Suncoast Transit Authority system.

Located on a pad site connected to the Publix anchored Tarpon Mall, the subject property is surrounded by countless credit tenants, businesses, storage facilities, apartments, mobile home parks and more. Tarpon Springs is also the Sponge Capital of the world which leads the tourism industry in the area and attracts more than one million visitors annually.

The property is approximately one mile from Lake Tarpon, which is the largest lake in Pinellas County, to the east and less than five miles from the Gulf of Mexico to the west. As of 2021, Bank of America closed down another local branch in a consolidation strategy which demonstrates their continued and strong commitment to this location.

As of 2021, the deposits for this branch were over \$180 Million.

INVESTMENT HIGHLIGHTS

- Absolute NNN Lease with 10 Years Remaining
- 8% Rental Increase That Takes Effect May 1, 2027
- Three, Five Year Options with 8% Rental Increases Remaining
 - 12,540 Square Foot Building
 - S&P "A+" Credit Rating
- Positioned on a Signalized Intersection With Over 90,000 Vehicles Passing the Site Daily
 - Planned Exterior Facade and Interior Improvements in 2022
- More Than 137,000 People Within Five Miles - Projected Population Increase Through 2026
 - Located in the Most Densely Populated County in Florida
 - Deposits of more than \$180 Million as of 2021
 - US Highway 19 is the Most Heavily Traveled Artery in Pinellas County
- Recent Branch Consolidation Demonstrating Continued Commitment to the Location
- Pad Site to Tarpon Mall Which Includes Tenants Such as Publix, PetCo, Panera Bread and TJ Maxx
 - Approximately One Mile from Lake Tarpon - The Largest Lake in Pinellas County
 - Less Than Five Miles From the Gulf of Mexico
- Home to the Sponge Docks Which Lead the Local Tourism Area (Over One Million Visitors Annually)
- More Than \$1.7 Billion in Total Specified Consumer Spending Within a Five Mile Radius

DEMOGRAPHICS

Population	1 Mile	3 Miles	5 Miles
2026 Projection	7,733	59,657	145,663
2021 Population	7,545	56,757	137,928
2010 Census	6,922	50,229	126,390
Household Income			
Average	\$59,222	\$81,478	\$81,723
Households			
2026 Projection	3,633	25,994	62,910
2021 Estimate	3,386	24,111	59,651
2010 Census	3,168	22,110	54,687
Housing			
Median Home Value	\$160,357	\$219,878	\$225,842

AERIAL OVERVIEW



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AERIAL OVERVIEW



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AERIAL OVERVIEW



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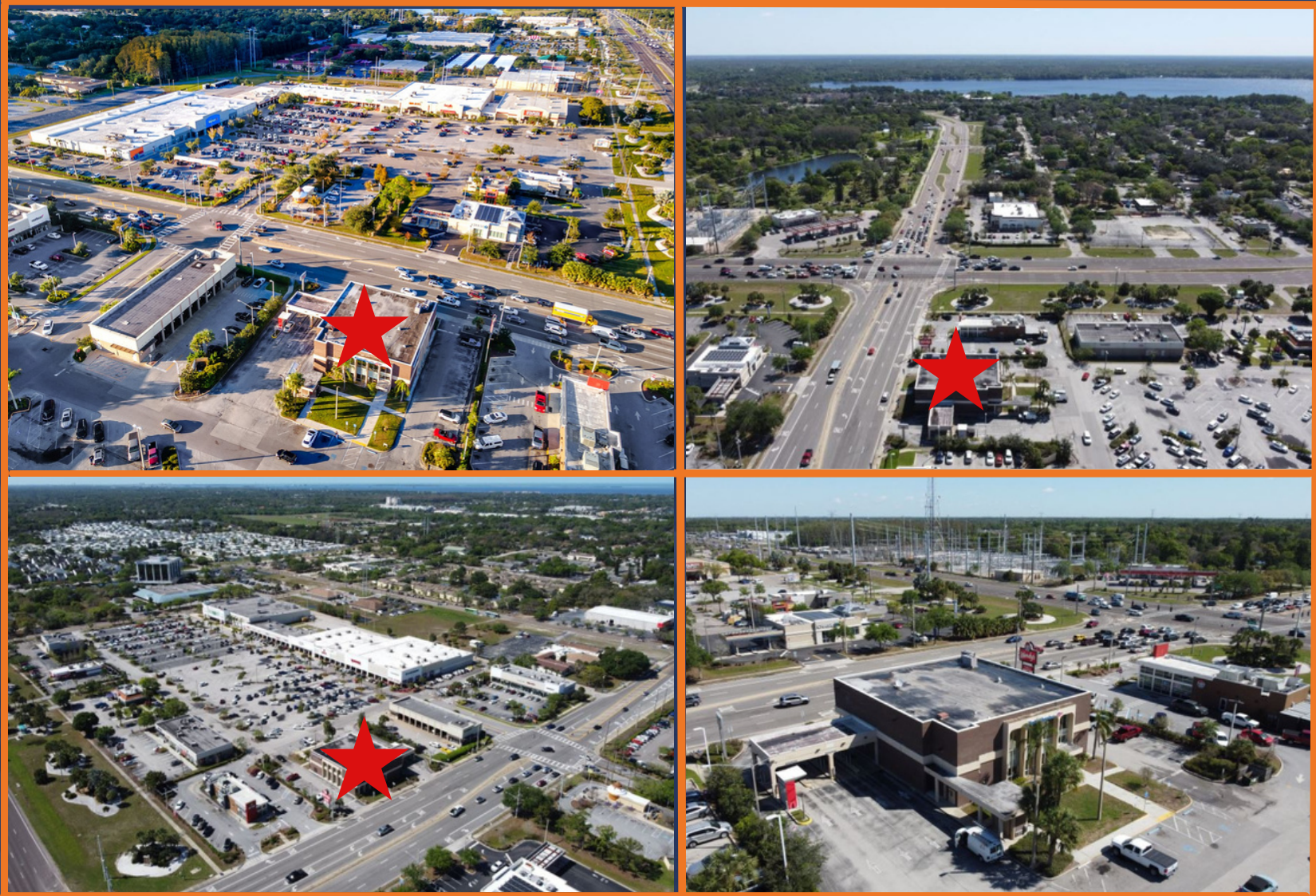
SITE PHOTOS



Current Site Photos – Planned Exterior Facade Upgrade in 2022

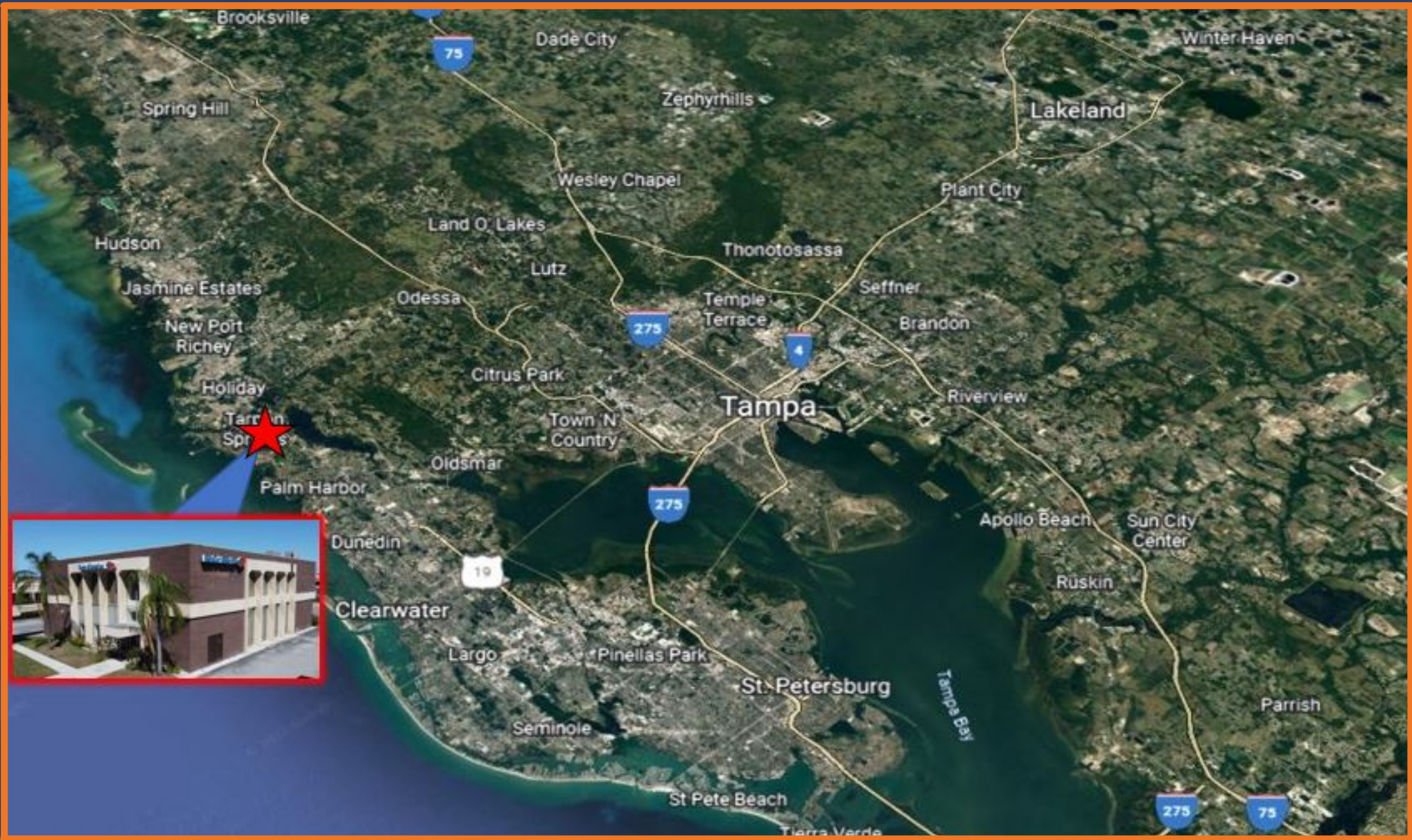
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SITE PHOTOS



Current Site Photos – Planned Exterior Facade Upgrade in 2022

REGIONAL MAP



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FINANCIAL ANALYSIS

THE OFFERING

Price	\$3,575,000
Capitalization Rate	4.00%
Price/SF	\$285.09

PROPERTY DESCRIPTION

Year Built / Renovated	1972/2022
Gross Leasable Area	12,540 Sq Ft
Type of Ownership	Fee Simple
Lot Size	0.59 Acres

LEASE SUMMARY

Tenant	Bank of America
Rent Increase	8% On 5/1/2027
Lease Guarantor	BOA, N.A.
Lease Type	Absolute NNN
Lease Commencement	7/14/1971
Lease Expiration	4/30/2032
Renewal Options	Three, Five-Year Options
Term Remaining on Lease	10 Years
Landlord Responsibility	None
Tenant Responsibility	CAM/Taxes/insurance

RENT SCHEDULE

Year	BASE RENT	REA	NOI
2022	\$168,000	\$25,000	\$143,000
2023	\$168,000	\$25,500	\$142,500
2024	\$168,000	\$26,010	\$141,990
2025	\$168,000	\$26,530	\$141,470
2026	\$168,000	\$27,060	\$140,940
2027	\$181,440	\$27,601	\$153,839
2028	\$181,440	\$28,153	\$153,287
2029	\$181,440	\$28,716	\$153,264
2030	\$181,440	\$28,290	\$152,150
2031	\$181,440	\$29,876	\$151,564
2032	\$181,440	\$30,473	\$150,967

OPTIONS

2032-2037	\$195,955
2037-2042	\$211,631
2042-2047	\$228,562

OPERATING EXPENSES

Taxes	Fully Reimbursed
Insurance	Handled by Tenant
CAM	Handled by Tenant

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