

STARBUCKS



762 J Clyde Morris Blvd | Newport News, VA
OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



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EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

LEASE & PROPERTY DETAILS:

- **Ultra-Rare Absolute NNN lease**, a truly passive investment with zero landlord responsibilities
- Recent **5-Year Extension** by the tenant shows long term commitment to the site
- **Corporate Guaranty** from Starbucks, National Investment Grade Tenant BBB+ (S&P)
- Subject Property features **4, 5-Year Options with 10% rental increases** throughout option periods provide investors hedges against inflation

LOCATION HIGHLIGHTS

- Newport News is the **5th Largest City** in the Commonwealth
- Located **Directly off I-64**, which sees 135k VPD
- **Impeccable Retail Synergy** on the I-17 Corridor with surrounding tenants such as McDonald's, KFC, Wendy's Dunkin, Burger King
- Less than 10 minutes from **Williamsburg International Airport**
- Less than 10 miles from **Langley Air Force Base**, which Merged with Fort Eustis in October of 2010.

MARKET CONDITIONS

- Quick Service Restaurants have proven to be an **ideal Net Lease asset** in the post pandemic world
- Starbucks is the **Largest Coffee Chain** in the World with over 29,000 locations globally
- Equipped with a **Drive-thru**, allowing the tenant to continue to operate during Covid-19 lockdowns
- Starbucks has a **Market Cap of +107B** and reported **FY 2021 revenues of \$29.1B; Net income of \$4.87B**



FINANCIAL OVERVIEW



\$2,027,580

LIST PRICE



\$101,379

NOI



5.00%

CAP RATE

BUILDING INFO

Address	762 J Clyde Morris Blvd Newport News, VA, 23601
List Price	\$2,027,580
GLA	±2,086 SF
Cap Rate	5.00%
Year Built	1973
Lot Size	±0.57 AC

TENANT SUMMARY

Tenant Trade Name	Starbucks
Type of Ownership	Fee-Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Term	10 Years
Rent Commencement Date	8/1/2016
Lease Expiration Date	7/31/2026
Term Remaining on Lease	±4.5 Years
Increase	10% at beginning of each option
Options	4, 5-Year Options

ANNUALIZED OPERATING DATA

Date	Monthly Rent	Annual Rent	Increases	Cap Rate
08/01/2021-07/31/2026	\$8,448.25	\$101,379.00		5.00%
08/01/2026-07/31/2031	\$9,293.08	\$111,516.90	10% at beginning of option	5.50%
8/1/2031-07/31/2036	\$10,222.38	\$122,668.59	10% at beginning of option	6.05%
08/01/2036-07/31/2041	\$11,244.62	\$134,935.45	10% at beginning of option	6.66%
08/01/2041-07/31/2046	\$12,369.08	\$148,428.99	10% at beginning of option	7.32%

Rental Increase: 10% at beginning of Every Option

TENANT OVERVIEW



The Offering

PROPERTY NAME		Starbucks
Property Address	762 J Clyde Morris Blvd Newport News, VA 23601	
SITE DESCRIPTION		
List Price	\$2,134,294	
GLA	±2,086 SF	
Cap Rate	4.75%	
Year Built	1973	
Lot Size	±0.57 AC	

Tenant Overview

» Company Name	» Year Founded	» Headquarters	» S&P Credit Rating
Starbucks	1971	Seattle, WA	BBB+
» Ownership	» Industry	» No. of Employees	
Public	Coffee Shops	±300,000	

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, juices, and bottled water. The company's stores also provide fresh food and snack offerings; and various food products, such as pastries, and breakfast sandwiches and lunch items, as well as serve ware, beverage making equipment, and accessories.

\$26.5 B
2018 Sales

\$4.52 B
2018 Net Income

34,000 +
Locations Worldwide





SUBJECT
PROPERTY



Vinny's
Pizza and Pasta

Angelo's
Steak and Pancake House



J CLYDE MORRIS BLVD
± 21,000 VPD

SAN JOSE DR



SUBJECT
PROPERTY

J CLYDE MORRIS BLVD
± 21,000 VPD



SAN JOSE DR



AREA OVERVIEW

NEWPORT NEWS, VA

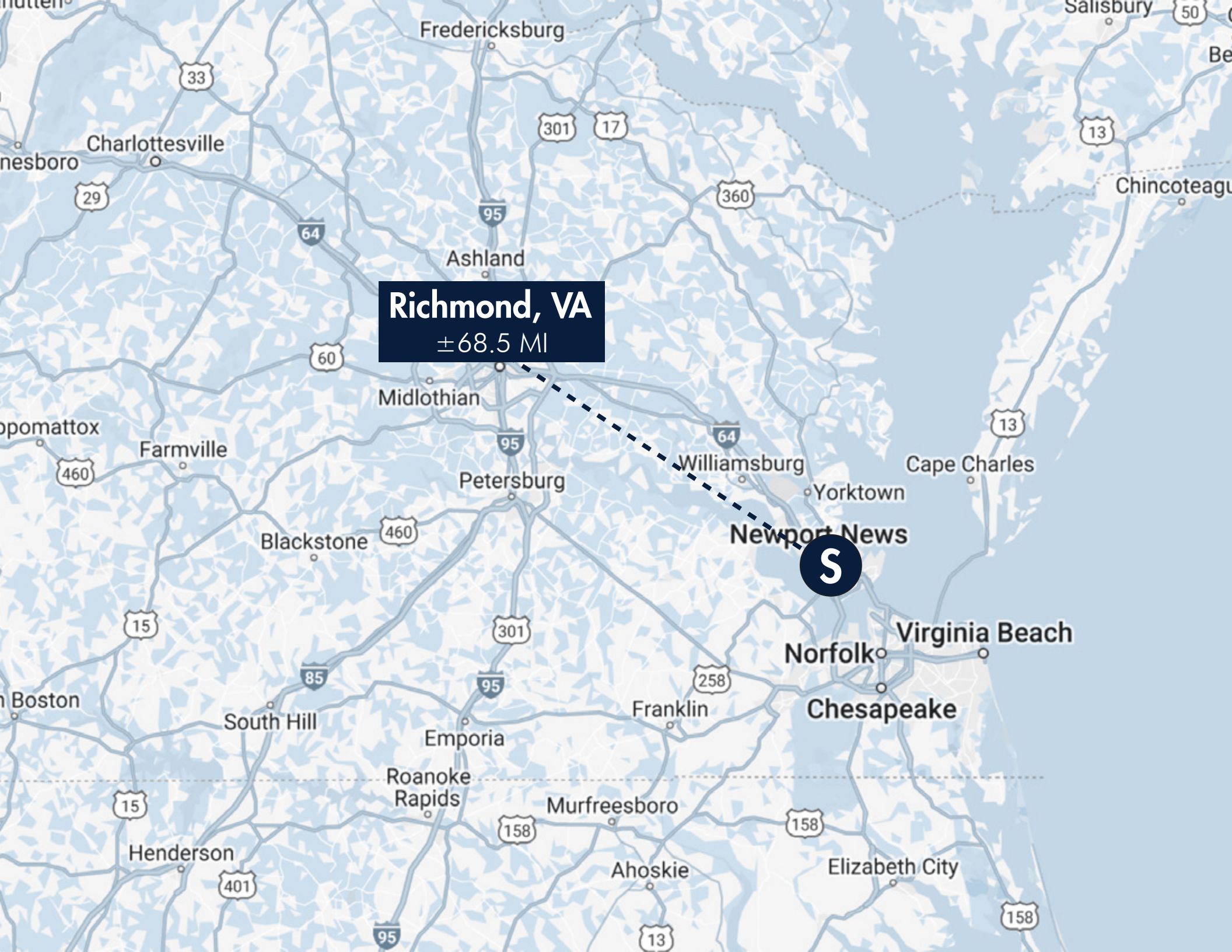
Situated on the northern banks of the James River, across the Hampton Roads Harbor from Norfolk, Newport News has been shaped by the water that surrounds it. Some of the major attractions in Newport News include access to beaches, ships, and one of the largest maritime museums in the world.

Located on the southwestern portion of the Virginia Peninsula, Newport News reveres outdoor recreation. The popular Noland Trail offers scenic views of Lake Maury and Newport News Park is the second largest city park in the United States. Swimming is a popular pastime at Huntington Park Beach as well as golfing at the Newport News Golf Club at Deer Run and the Kiln Creek Golf Club and Resort. Locals also delight in close proximity to Busch Gardens Williamsburg.

Artistic amenities abound in Newport News. Peninsula Fine Arts Center displays rotating exhibits in addition to offering an assortment of art classes to the public. Sculptures are strewn throughout the city and museums are plentiful. The Mariners' Museum, Virginia Living Museum, U.S. Army Transportation Museum, and Virginia War Museum all provide unique educational experiences in Newport News.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	11,527	90,385	185,358
2021 Estimate	11,236	87,860	181,479
2010 Census	9,402	84,004	174,113
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	5,063	36,044	75,763
2021 Estimate	5,150	35,834	75,821
2010 Census	4,203	33,203	70,249
INCOME	1-MILE	3-MILE	5-MILE
2021 Avg Household Income	\$65,454	\$83,498	\$83,290



Richmond, VA
±68.5 MI

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CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Starbucks** located at **762 J Clyde Morris Blvd, Newport News, VA 23601** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this 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 Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes 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 Seller.

Owner and Matthews Real Estate Investment Services 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 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 this 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 Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes 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 date this Offering Memorandum.

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