

7-ELEVEN & RAISE THE ROOST

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



782 Tinkling Spring Road
Fishersville, VA 22939

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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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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Investment Highlights

PRICE: \$8,462,215 | CAP: 4.65% | RENT: \$393,493



About the Investment

- ✓ Brand New 15-Year Absolute Triple-Net (NNN) Lease
- ✓ 10% Rental Increases Every Five (5) Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years
- ✓ Investment Grade Credit Guarantee: 7-Eleven Corporate (S&P: AA-)
- ✓ Oversized Lot – 2.30 Acres
- ✓ Fee Simple – Eligible for Bonus Depreciation
- ✓ Brand New 2022 Construction – Includes Raise the Roost Chicken Concept

About the Location

- ✓ Retail Corridor Off Major Interstate | Wendy's, Sheetz, McDonald's, Sidelines Sports Bar & Grill, Shell, Dominion Outdoors, ABC Roofing Supply, and Many More
- ✓ Strategic Positioning | Directly Off Interstate-64 Which Provides Direct Access to Richmond | Over 42,000 Vehicles Per Day
- ✓ **Proximity to Amazon Distribution Facility** | Being Constructed Directly Across the Street | Over 1 Million Square Feet of Fulfillment Center | 500+ New Jobs | Expected to Open Spring 2023
- ✓ Medical Presence | Augusta Health Medical Center | 230-Acre, 255 Bed Medical Campus | Less Than Two-Miles Away
- ✓ Features High Visibility and Ease of Access | Multiple Points of Ingress & Egress
- ✓ Academic Presence | Six Local Schools Within Four-Miles | Servicing Over 2,400 Students
- ✓ Logistics & Trucking Hub | Brite Transit Services, FedEx Freight, Averitt Express, Old Dominion Freight | All Located Less Than One-Half Mile Away
- ✓ Growing Demographics | Over 31,000 Individuals Within Five-Miles | Projected to Grow 5% by 2027

About the Tenant / Brand

- ✓ 7-Eleven is the Largest Convenience Store Chain in the World | 60,000 Stores in 18 Countries
- ✓ 10,700 Stores in North America
- ✓ Committed to Meeting the Needs of All Guests by Providing a Broad Selection of Fresh, High-Quality Products and Services at Everyday Fair Prices
- ✓ Essential Business – Rent Paid in Full at Every Location Throughout Covid-19 Pandemic





Financial Analysis

PRICE: \$8,462,215 | CAP: 4.65% | RENT: \$393,493



Property Description

Property	7-Eleven
Property Address	782 Tinkling Spring Road
City, State, ZIP	Fishersville, VA 22939
Estimated Building Size	+/- 4,730 SF
Lot Size	+/- 2.30 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$8,462,215
CAP Rate	4.65%
Annual Rent	\$393,493

Lease Summary

Property Type	Net-Leased Convenience Store / Gas Station
Tenant	7-Eleven
Guarantor	7-Eleven Corporate
Original Lease Term	15 Years
Lease Commencement	February 1 st , 2022
Lease Expiration	January 31 st , 2037
Lease Term Remaining	15 Years
Lease Type	Absolute Triple-Net (NNN)
Rental Increases	10% Every Five (5)-Years
Options to Renew	Four (4), Five (5) Year Option Periods

Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
2/1/2022 - 1/31/2023	\$393,493	\$32,791	-
2/1/2023 - 1/31/2024	\$393,493	\$32,791	-
2/1/2024 - 1/31/2025	\$393,493	\$32,791	-
2/1/2025 - 1/31/2026	\$393,493	\$32,791	-
2/1/2026 - 1/31/2027	\$393,493	\$32,791	-
2/1/2027 - 1/31/2028	\$432,842	\$36,070	10.00%
2/1/2028 - 1/31/2029	\$432,842	\$36,070	-
2/1/2029 - 1/31/2030	\$432,842	\$36,070	-
2/1/2030 - 1/31/2031	\$432,842	\$36,070	-
2/1/2031 - 1/31/2032	\$432,842	\$36,070	-
2/1/2032 - 1/31/2033	\$476,126	\$39,677	10.00%
2/1/2033 - 1/31/2034	\$476,126	\$39,677	-
2/1/2034 - 1/31/2035	\$476,126	\$39,677	-
2/1/2035 - 1/31/2036	\$476,126	\$39,677	-
2/1/2036 - 1/31/2037	\$476,126	\$39,677	-
5-Year Option 1	\$523,739	\$43,645	10.00%
5-Year Option 2	\$576,112	\$48,009	10.00%
5-Year Option 3	\$633,724	\$52,810	10.00%
5-Year Option 4	\$697,096	\$58,091	10.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a 7-Eleven located at 782 Tinkling Spring Road located in Fishersville, Virginia. The property consists of roughly 4,730 rentable square feet of building space on an estimated 2.30 parcel of land.

7-Eleven is subject to a brand new 15-Year Absolute Triple-Net (NNN) lease. The initial rent is \$393,493 annually with 10% increases every 5 years. There are four (4), five (5)-year tenant renewal options, extending the total possible lease term to 35 years.



Bonus Depreciation

****The below content is meant to provide general information.
Please contact your accountant/tax advisor for more information.**

Depreciation	Accelerated Depreciation	Bonus Depreciation
A reduction in the value of an asset with the passage of time, due in particular to wear and tear. 39 Year Schedule	<i>Modified Accelerated Cost Recovery System</i> (Service Stations, Car Washes, & Oil Changing Facilities) 15 Year Schedule	Eligible for properties with a useful life of under 20 years. New Law: 100% Of The Property in Year One. 1 Year Schedule Phase Out Beginning on January 1, 2023

\$8,462,215 7-ELEVEN WITH BONUS DEPRECIATION - 4.65% CAP RATE ACQUISITION

FOR EXAMPLE PURPOSES ONLY

Purchase Price:	\$8,462,215
Loan Amount:	\$5,500,440
Equity:	\$2,961,775
LTV:	65.00%
Interest Rate:	4.00%
Amortization (Years):	30
Cap Rate:	4.65%
Rent:	\$393,493
Debt Service (Annual):	\$315,119
Annual NOI After Debt Service:	\$78,373
Principal Reduction Year 1:	\$105,112
Total Return Year 1:	\$149,826
Total Interest Deduction Year 1:	\$236,266
*Total Depreciation Year 1 (After 20% Land Allocation):	\$6,769,772
Total Tax Deductions Year 1 (Depreciation + Interest):	\$7,006,038



Compare To: 39 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$173,583
Total Tax Deductions Year 1 (Depreciation + Interest):	\$409,850

15 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$451,318
Total Tax Deductions Year 1 (Depreciation + Interest):	\$687,584





Tenant Overview



7-Eleven focuses on meeting the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local guests. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. Well known for the Big Gulp® fountain soft drink, Big Bite® grill items, the Slurpee® beverage and its fresh-brewed coffee, 7-Eleven's food service offerings bring guests a proprietary line of prepared-fresh-daily and daily delivered deli sandwiches, wraps, breakfast sandwiches and a wide assortment fruits, salads and baked goods.

Company Profile

7-Eleven is the world's largest convenience store chain operating, franchising and licensing more than 60,000 stores in 18 countries, of which nearly 10,700 are in North America. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999. Founded in 1927 in Dallas, Texas, 7-Eleven pioneered the convenience store concept during its first years of operation as an ice company when its retail outlets began selling milk, bread and eggs as a convenience to guests. The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business.





Surrounding Area

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939





Location Overview

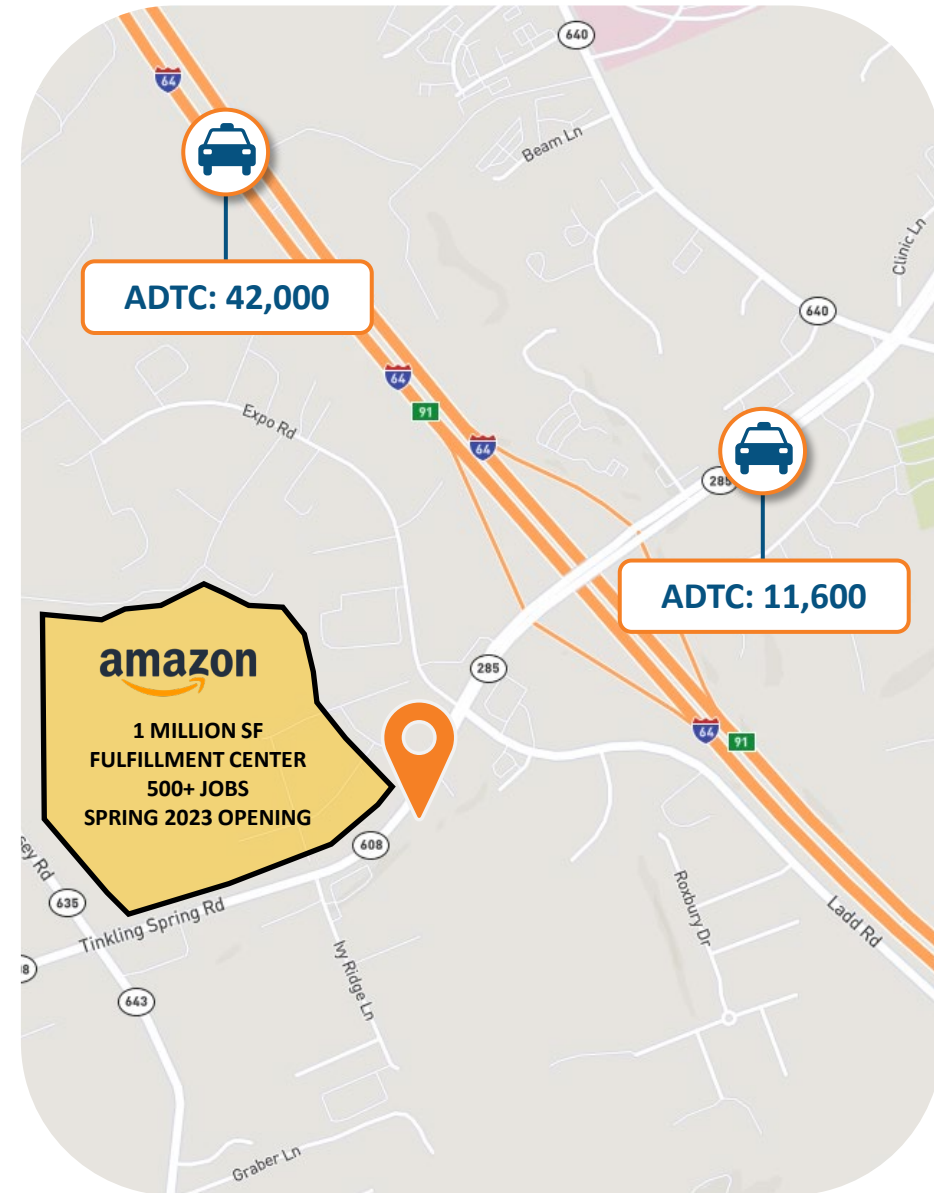
Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939



This 7-Eleven investment property is located at 782 Tinkling Spring Road just off Interstate-64. Tinkling Spring Road experiences average daily traffic counts exceeding 11,600 vehicles and Interstate-64 brings an additional 42,000 vehicles into the immediate area daily. There are more than 31,000 individuals within a five-mile radius of the subject property and over 97,000 individuals within ten-miles.

The subject property benefits from being well positioned in a commercial corridor featuring shipping and logistics properties due to the excellent access to Interstate-64. Tenants in the immediate area include, Wendy's, Sheetz, McDonald's, Dominion Outdoors, ABC Supply, FedEx Freight, Brite Transportation, Averitt International, John Deere, Bobcat, and many others. Additionally, Amazon announced the construction of a 1 Million SF fulfillment center directly across the street from the subject property. The new fulfillment center will bring 500 new jobs to the immediate area and is expected to be open in Spring 2023. Less than two-miles from the subject property is Augusta Health Medical campus a 230-acre, 255-bed, state-of-the-art medical campus.

Fishersville is a census-designated place in Augusta County, Virginia located directly between Staunton and Waynesboro and West of Richmond. Fishersville had a population around 9,164 as of 2020 which is expected to grow around 1% annually. The diverse economy of Fishersville offers a mix of industries: medical, manufacturing, shipping & logistics, and retail. The robust infrastructure has attracted many shipping and logistics companies such as Amazon to open facilities in Fishersville. Interstate-64 provides Fishersville direct access with Richmond, Virginia all the way through Virginia Beach.





Property Photo

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939



Subject Property



Property Photo

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939



Subject Property



Property Photo

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939

amazon
fulfillment

1 MILLION SF | 500 NEW JOBS | OPENING 2023

Subject Property



Surrounding Area Photos

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939

AUGUSTA HEALTH HOSPITAL



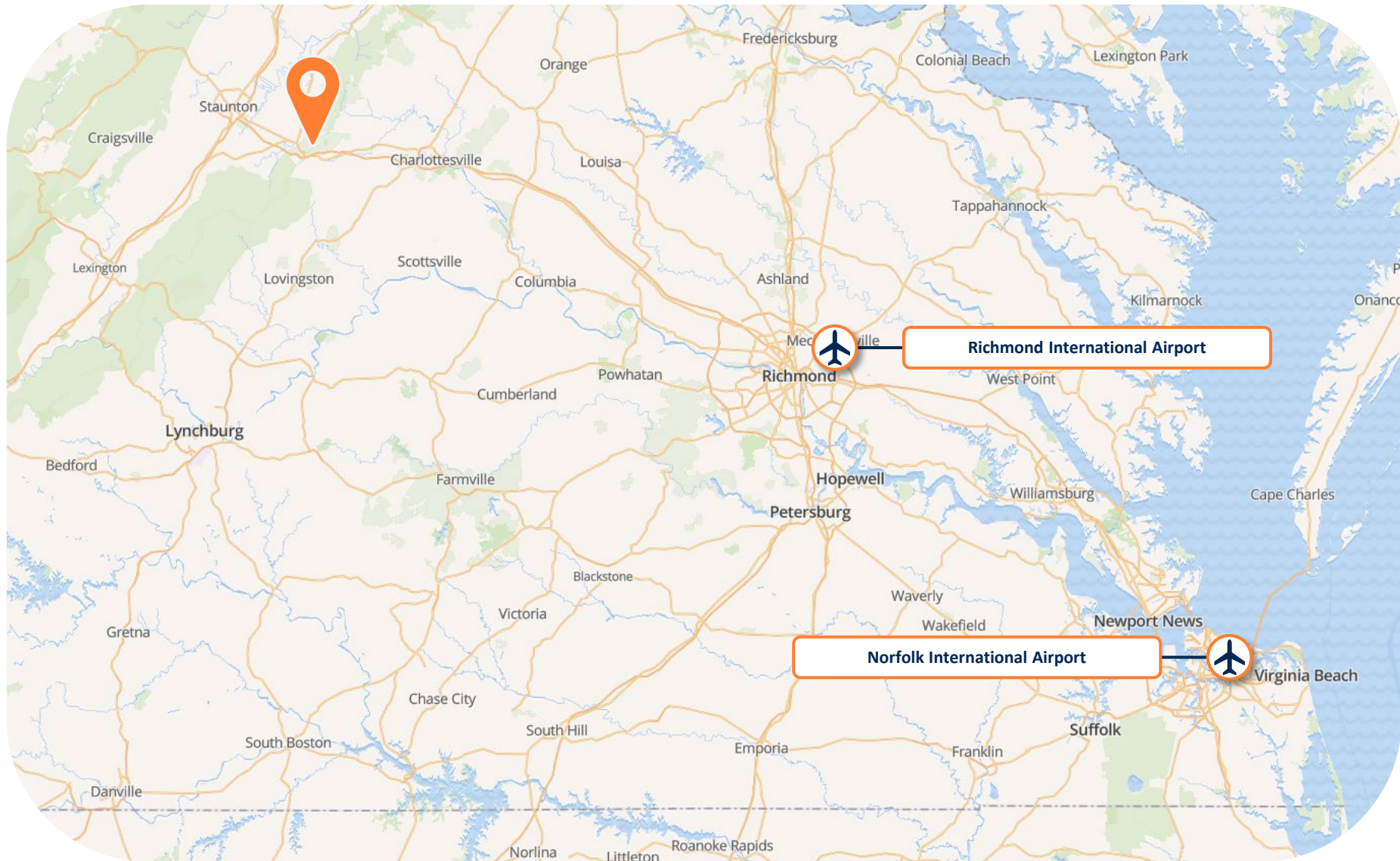
MURPHY DEMING COLLEGE OF HEALTH SCIENCES





Local Map

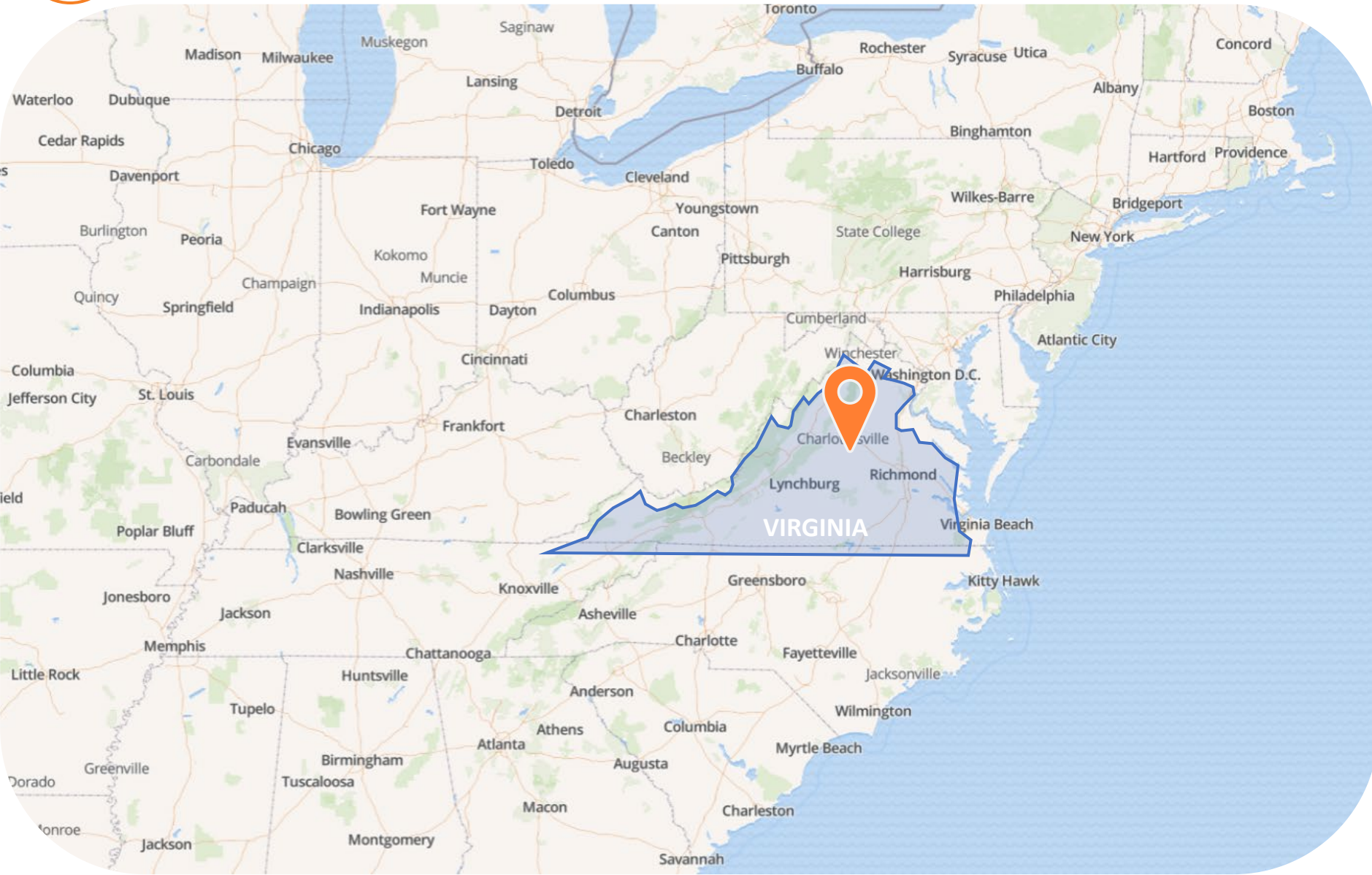
Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939





Regional Map

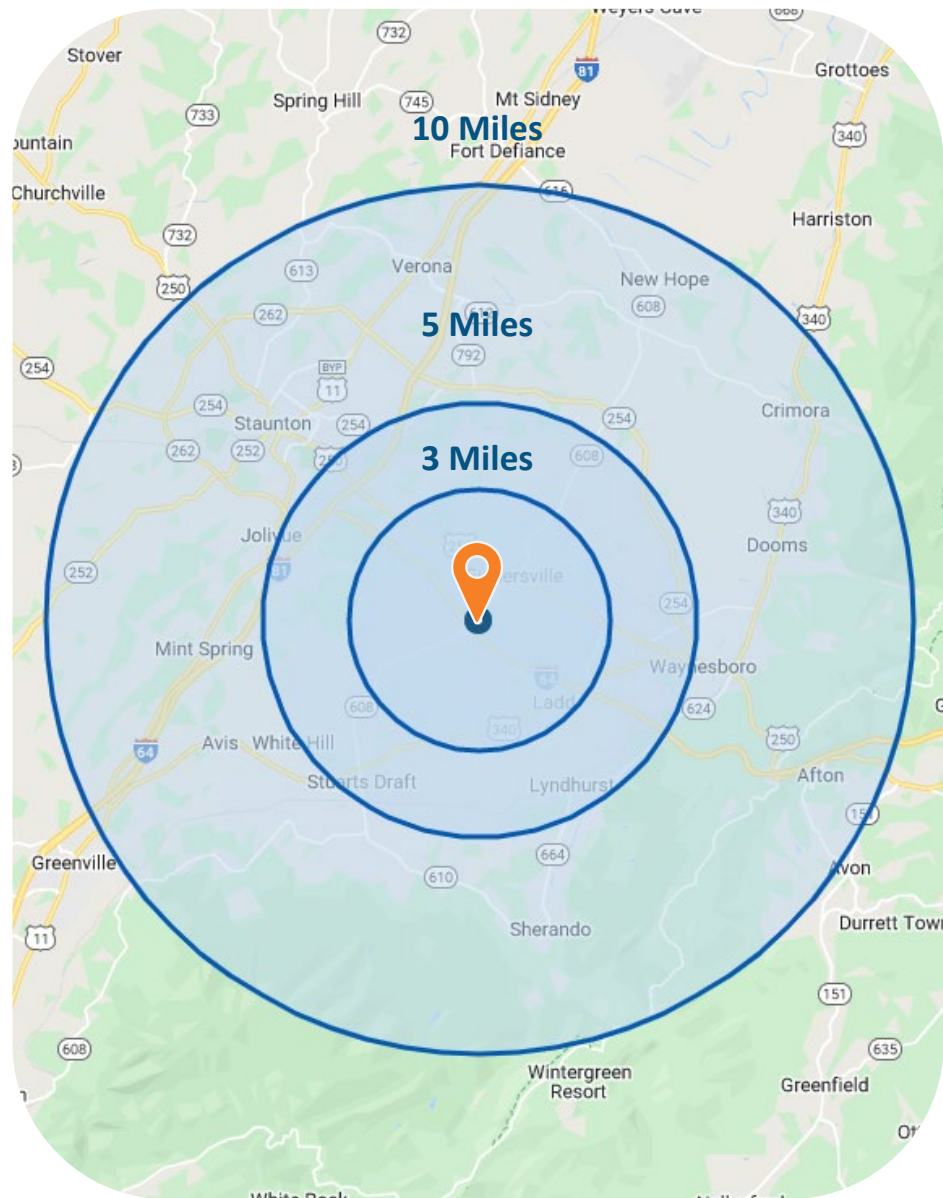
Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939





Demographics

Property Address: 782 Tinkling Spring Road - Fishersville, VA 22939



3 Mile 5 Miles 10 Miles

POPULATION TRENDS

2010 Population	11,878	28,255	90,940
2022 Population	13,009	31,791	97,487
2027 Population Projection	13,577	33,434	102,588
Annual Growth 2010-2022	0.80%	1.00%	0.60%
Annual Growth 2022-2027	0.90%	1.00%	1.00%

HOUSEHOLD TRENDS

2010 Households	4,668	11,597	37,631
2022 Households	5,147	13,084	40,538
2027 Household Projection	5,388	13,787	42,779
Annual Growth 2010-2022	1.00%	1.00%	0.50%
Annual Growth 2022-2027	0.90%	1.10%	1.10%

Avg Household Income \$74,897 \$77,190 \$72,639

Median Household Income \$56,236 \$60,719 \$56,334

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

< \$25,000	712	2,034	7,345
\$25,000 - 50,000	1,509	3,169	10,638
\$50,000 - 75,000	1,089	2,680	7,451
\$75,000 - 100,000	676	1,952	5,547
\$100,000 - 125,000	377	1,198	3,995
\$125,000 - 150,000	369	862	2,546
\$150,000 - 200,000	238	730	1,830
\$200,000+	178	458	1,186



Market Overview



Richmond, VA



Richmond is the capital city of the Commonwealth of Virginia in the United States. It is the center of the Richmond Metropolitan Statistical Area (MSA) and the Greater Richmond Region. Richmond was incorporated in 1742 and has been an independent city since 1871. Richmond is the fourth-most populous city in Virginia. Richmond is at the fall line of the James River, 44 miles west of Williamsburg, 66 miles east of Charlottesville, 91 miles east of Lynchburg and 92 miles south of Washington, D.C. Surrounded by Henrico and Chesterfield counties, the city is at the intersections of Interstate 95 and Interstate 64 and encircled by Interstate 295, Virginia State Route 150 and Virginia State Route 288. Major suburbs include Midlothian to the southwest, Chesterfield to the south, Varina to the southeast, Sandston to the east, Glen Allen to the north and west, Short Pump to the west and Mechanicsville to the northeast.

Richmond's economy is primarily driven by law, finance, and government, with federal, state, and local governmental agencies, as well as notable legal and banking firms in the downtown area. The city is home to both a U.S. Court of Appeals, one of 13 such courts, and a Federal Reserve Bank, one of 12 such banks. The Greater Richmond area was named the third-best city for business by MarketWatch in September 2007, ranking behind only the Minneapolis and Denver areas and just above Boston. The area is home to six Fortune 500 companies: electric utility Dominion Resources; CarMax; Owens & Minor; Genworth Financial, MeadWestvaco/ WestRock, and Altria Group. Since the 1960s Richmond has been a prominent hub for advertising agencies and advertising related businesses. One of the most notable Richmond-based agencies is The Martin Agency, founded in 1965 and currently employing 500 people.

The city operates one of the oldest municipal park systems in the country. The park system began when the city council voted in 1851 to acquire 7.5 acres, now known as Monroe Park. Today, Monroe Park sits adjacent to the Virginia Commonwealth University campus and is one of more than 40 parks comprising a total of more than 1,500 acres. Several parks are located along the James River, and the James River Parks System offers bike trails, hiking and nature trails, and many scenic overlooks along the river's route through the city. The trails are used as part of the Xterra East Championship course for both the running and mountain biking portions of the off-road triathlon.



Marcus & Millichap

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