

# ALDI Ground Lease

HILLSBOROUGH (RALEIGH MSA), NC



**BERKELEY**  
CAPITAL ADVISORS

DEVELOPED BY  
 **GEMCAP**  
DEVELOPMENT

FILE PHOTO



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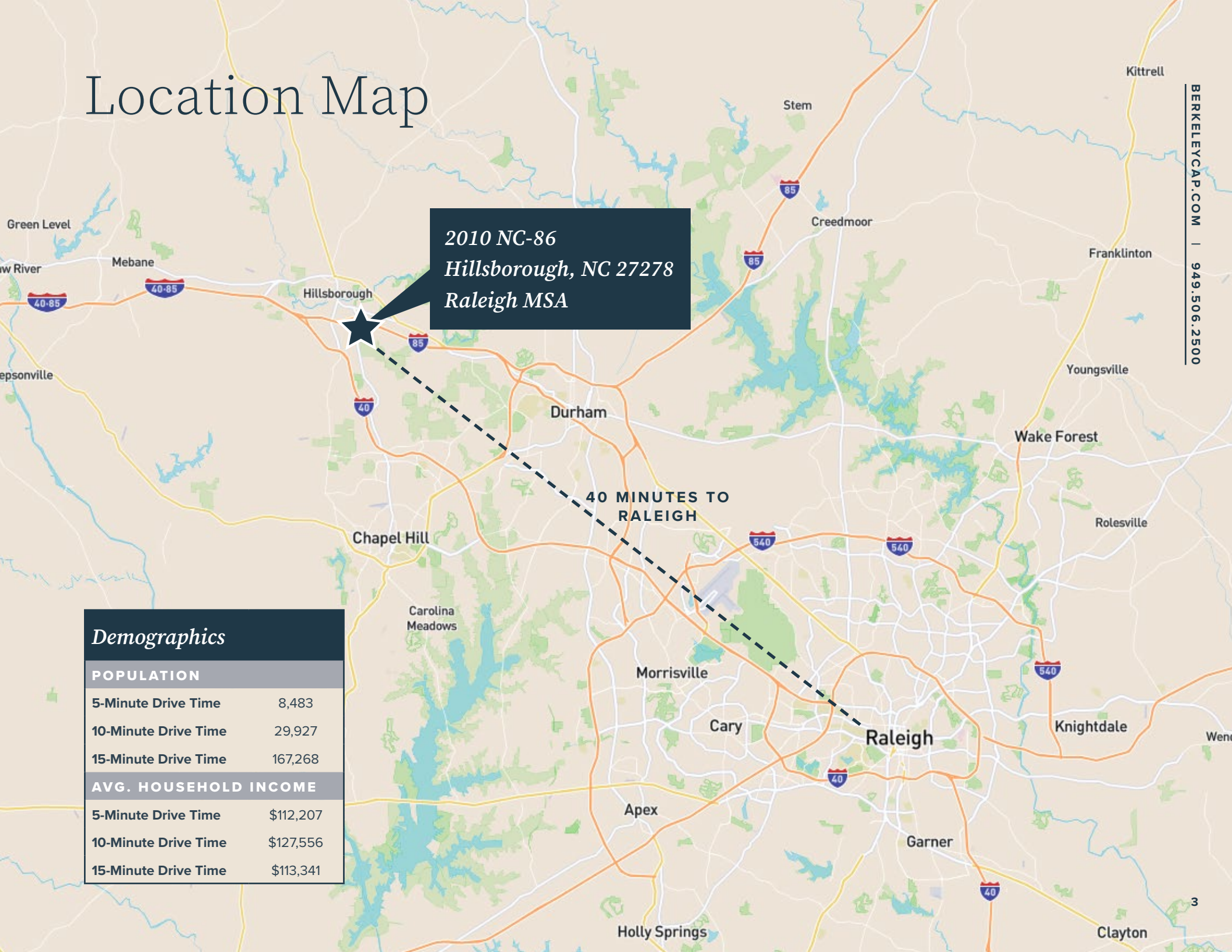
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**BCA FIRM NORTH CAROLINA**

**RE LICENSE NO.: C9467**

# Location Map



*2010 NC-86  
Hillsborough, NC 27278  
Raleigh MSA*

40 MINUTES TO  
RALEIGH

## Demographics

### POPULATION

5-Minute Drive Time	8,483
10-Minute Drive Time	29,927
15-Minute Drive Time	167,268

### AVG. HOUSEHOLD INCOME

5-Minute Drive Time	\$112,207
10-Minute Drive Time	\$127,556
15-Minute Drive Time	\$113,341

# Investment Overview

## PROPERTY

*ALDI Ground Lease*

## ADDRESS

*2010 NC-86  
Hillsborough, NC 27278  
Raleigh MSA*

## GUARANTOR

Corporate

## RENT COMMENCEMENT

Projected December 2023

## LEASE EXPIRATION

20 Years from Rent Commencement

## ORIGINAL LEASE TERM

20 Years

## OPTIONS REMAINING

Six, 5-Year

## LEASE TYPE

Ground Lease

## LANDLORD RESPONSIBILITIES

None

## NOI

\$129,000

## RENT INCREASES

8% Every 5 Years, Beginning Year 11

## RIGHT OF FIRST REFUSAL

None

## PROPERTY DETAILS

±19,209

*Square Feet*

±2.66

*Acre*

2023

*Year Built*

96

*Parking Spaces*

*Note: All lease provisions to be independently verified by Buyer during the Due Diligence Period.  
The information contained herein has been obtained from sources we deem reliable.*

\$3,225,000

*Asking Price (4.00% Cap Rate)*

## RENT SCHEDULE

LEASE YEAR	MONTHLY RENT	ANNUAL RENT	RENT INCREASES	CAP RATE
Years 1-10	\$10,750.00	\$129,000	-	4.00%
Years 11-15	\$11,610.00	\$139,320	8%	4.32%
Years 16-20	\$12,538.75	\$150,465	8%	4.67%
Option 1	\$13,541.85	\$162,502	8%	5.04%
Option 2	\$14,625.20	\$175,502	8%	5.44%
Option 3	\$15,795.21	\$189,543	8%	5.88%
Option 4	\$17,058.83	\$204,706	8%	6.35%
Option 5	\$18,423.54	\$221,082	8%	6.86%
Option 6	\$19,897.42	\$238,769	8%	7.40%



CONSTRUCTION PROGRESS AS OF 8/19/2023



# Property Highlights

## PROPERTY HIGHLIGHTS

- Brand-new, state-of-the-art 2023 construction
- Corporately guaranteed by ALDI, Inc.
  - The nation's 3rd largest grocer and the world's 5th largest grocer with an estimated market cap of \$38B
  - Rated A2 by CreditIntell which has an implied credit rating of AA
  - One of America's fastest growing retailers with over 2,300 stores in 39 states and over 14,300 stores worldwide | Expected to open around 120 new stores in the U.S. in 2023
  - Projected to grow at an annual rate of 4.9% between 2022 and 2026
  - Recently announced to purchase about 400 Winn-Dixie and Harveys Supermarket stores across the Southeast | Click [HERE](#) for more info
- New, 20-year ground lease with 8% rent increases every 5 years, beginning in Year 11
- Passive investment | Zero Landlord responsibilities
- Ideal retail corridor, anchored by Walmart and Home Depot | Other tenants include Sheetz, Burger King, Advance Auto Parts, Batteries Plus, Mavis Tires & Brakes, Hwy 55, Dollar Tree, Goodwill, among others
- Excellent access and visibility from I-85 which boasts 53,000 VPD
- Adjacent to a future Chrysler/Dodge/Jeep/Ram car dealership
- Proximity to several new developments, including:
  - Collins Ridge | Will encompass approximately 1,038 total dwelling units across houses, townhomes, apartments, and affordable rental units | Currently in Phase I (100 acres)
  - East Village at Meadowlands | 10.90 acres development that will include 76 three and four-bedroom townhouses | Unanimously approved for annexation, zoning, and special use permit
  - A potential 15-acre, mixed-use development | Unanimously approved to rezone for commercial use | Initial concept plan calls for four commercial buildings and a 5-story hotel with 142 rooms | Click [HERE](#) for more info
- Affluent area | Average household income exceeds \$125,000 within a 1-mile radius
- About 1.5 miles from UNC Hospitals Hillsborough Campus | 163 beds

## DEMOGRAPHIC SNAPSHOT

167,268

2023 POPULATION WITHIN  
FIFTEEN MINUTES

\$127,556

2023 AVERAGE HOUSEHOLD  
INCOME WITHIN TEN MINUTES

42.76%

2010-2023 POPULATION GROWTH  
WITHIN FIVE MINUTES







COLLINS RIDGE  
DEVELOPMENT  
1,038 total dwelling  
units across 138 acres

POTENTIAL MIXED-USE  
DEVELOPMENT  
4 buildings with 142  
room hotel across  
15 acres



I-85 - 53,000 VPD

NC-86 - 12,000 VPD







COLLINS RIDGE  
DEVELOPMENT  
1,038 total dwelling  
units across 138 acres

Orange Middle &  
High Schools  
1,819 students  
combined

POTENTIAL MIXED-USE  
DEVELOPMENT  
4 buildings with 142  
room hotel across  
15 acres

Orange County  
SportsPlex



85 I-85 - 53,000 VPD

NC-86 - 12,000 VPD





Orange High School  
1,302 students

Orange Middle School  
517 students

12 Miles  
to Durham



RESEARCH TRIANGLE PARK  
60K+ employees with over  
300 companies  
19 miles from site

Central  
Elementary  
298 students

DOWNTOWN  
HILLSBOROUGH

POTENTIAL MIXED-USE  
DEVELOPMENT  
4 buildings with 142  
room hotel across  
15 acres

EAST VILLAGE AT  
MEADOWLANDS  
DEVELOPMENT  
76 townhomes across  
10.9 acres



Cedar Ridge  
High School  
1,020 students

COLLINS RIDGE  
DEVELOPMENT  
1,038 total dwelling  
units across 138 acres



Durham Technical  
Community College  
18,000 students

UNC Hospitals  
Hillsborough  
163 beds

I-40 - 95,000 VPD

I-85 - 46,000 VPD



# Property Photos

CONSTRUCTION PROGRESS AS OF 8/19/2023





# Property Photos

CONSTRUCTION PROGRESS AS OF 8/19/2023





# Tenant Overview



Founded by the Albrecht family, the first ALDI store opened in 1961 in Germany, making ALDI the first discount retailer in the world. Headquartered in Batavia, Illinois, ALDI now has more than 2,300 stores across 39 states, employs over 25,000 people and has been steadily growing since opening its first US store in Iowa in 1976. The no-frills grocery shopping experience focuses on customers first -delivering high quality food they're proud to serve their family, responsive customer service, everyday low prices and a quick-and-easy shopping experience with only four to five aisles and all the essentials. We carry the weekly must-haves and display them in their designed shipping boxes to help save time and resources to restock shelves. Shoppers will find more than 90 percent of the groceries we offer are under our ALDI exclusive brands, handselected by ALDI to ensure that our products meet or exceed the national brands on taste, quality, and price.

2,300+  
*Total US Locations*

25K+  
*Total Locations*

14,300+  
*Total Worldwide Locations*

1961  
*Year Founded*





# Research Triangle Park



#1

*Largest Research Park  
in U.S. – Founded  
in 1959*

\$14.6B

TECHNOLOGY SECTOR GDP WITHIN THE  
RTP AREA

\$9.8B

LIFE SCIENCES SECTOR GDP WITHIN THE  
RTP AREA

60K+

EMPLOYEES AND 300+ COMPANIES AT  
RESEARCH TRIANGLE PARK

61.4%

PROJECTED POPULATION GROWTH  
2016-2046

2.7M

*Raleigh-Durham-  
Chapel Hill 2022 Metro  
Population*

84K+

*Students Attend 3 Area  
Tier 1 Universities:  
Duke, UNC & NC State*

#2

*Among the South's Best  
Cities on the Rise*



# Market Overview | Raleigh, NC



#2

*Best Place to Live in the  
United States*  
- U.S. News & World Report

#5

*Best Performing Economy  
in the United States*  
- Milken Institute

40+

ACTIVE RELOCATION OR EXPANSION  
PROJECTS HAPPENING IN THE RALEIGH  
AREA AT ANY ONE TIME

\$15.1B

CONTRIBUTED TO THE LOCAL ECONOMY  
BY RALEIGH-DURHAM INTERNATIONAL  
AIRPORT, SUPPORTING OVER 100K JOBS

\$3.7B

ECONOMIC DEVELOPMENT INVESTMENT,  
THE LARGEST IN WAKE COUNTY'S  
HISTORY WITH 5,815 NEW JOBS ADDED  
IN 2020/2021

#2

*Best Places for Businesses  
& Careers*  
- Forbes

#2

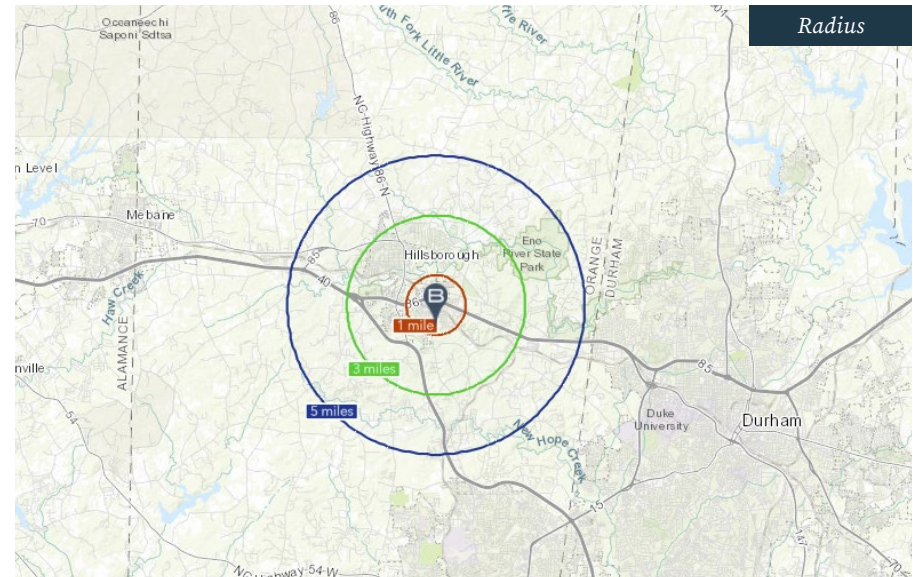
*10 Best Big Cities to  
Live in Right Now*  
- Money



# Demographics

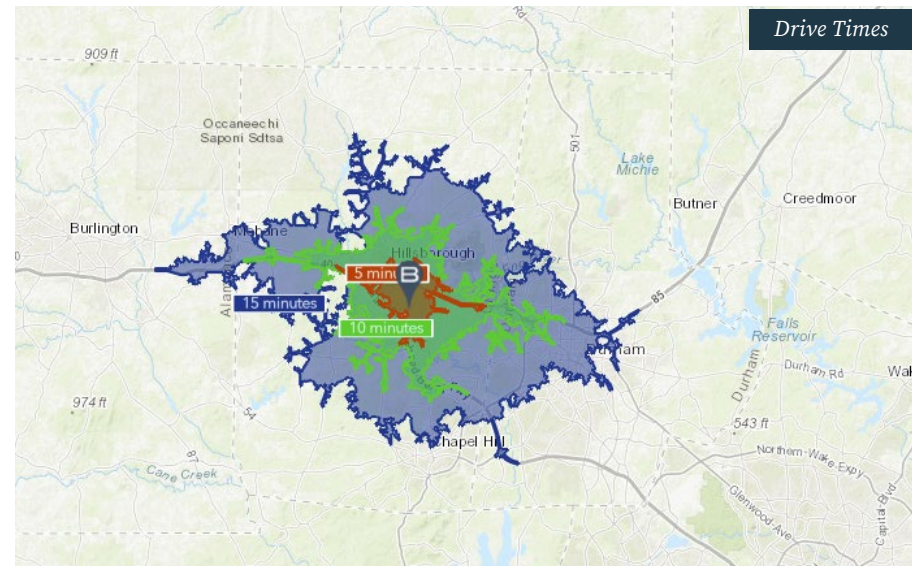
## Radius

POPULATION	1-MILE	3-MILE	5-MILE
2028 Projection	3,501	19,784	29,155
2023 Population	3,342	19,285	28,627
2020 Census	3,119	18,511	27,834
2010 Census	1,989	14,734	23,080
2023-2028 Annual Rate	0.93%	0.51%	0.37%
2020-2023 Annual Rate	2.15%	1.27%	0.87%
2010-2020 Annual Rate	4.60%	2.31%	1.89%
HOUSEHOLDS			
2028 Total Households	1,351	7,966	11,566
2023 Total Households	1,277	7,692	11,258
2020 Households	1,171	7,383	10,950
2010 Households	666	5,750	9,067
2023-2028 Annual Rate	1.13%	0.70%	0.54%
2020-2023 Annual Rate	2.70%	1.27%	0.86%
2010-2020 Annual Rate	5.81%	2.53%	1.90%
<b>2023 AVG. HH INCOME</b>	<b>\$125,006</b>	<b>\$126,925</b>	<b>\$125,889</b>



## Drive Times

POPULATION	5-MINUTE	10-MINUTE	15-MINUTE
2028 Projection	8,802	30,362	171,554
2023 Population	8,483	29,927	167,268
2020 Census	8,064	29,188	163,062
2010 Census	5,942	23,880	137,838
2023-2028 Annual Rate	0.74%	0.29%	0.51%
2020-2023 Annual Rate	1.57%	0.77%	0.79%
2010-2020 Annual Rate	3.10%	2.03%	1.69%
HOUSEHOLDS			
2028 Total Households	3,508	12,551	73,369
2023 Total Households	3,346	12,280	70,612
2020 Households	3,146	11,955	68,275
2010 Households	2,232	9,658	56,076
2023-2028 Annual Rate	0.95%	0.44%	0.77%
2020-2023 Annual Rate	1.91%	0.83%	1.04%
2010-2020 Annual Rate	3.49%	2.16%	1.99%
<b>2023 AVG. HH INCOME</b>	<b>\$112,207</b>	<b>\$127,556</b>	<b>\$113,341</b>





# Confidentiality Disclaimer

Berkeley Capital Advisors, LLC ("BCA") has been authorized by the owner of the subject property (the "Seller") to present you with this marketing package. This is a confidential package intended solely for your own limited use and benefit, as a principal, in considering whether you desire to pursue negotiations to acquire the subject property.

Your receipt and acceptance of this package serves to acknowledge your agreement to: (1) hold the information and materials contained herein, and the offering they represent, in the strictest of confidence; (2) not disclose, directly or indirectly, the information and materials contained herein, or the offering they represent, to any other person, firm or entity without prior written authorization from BCA or the Seller; (3) not use the information and materials contained herein in any fashion or manner detrimental to the interest of BCA or the Seller; (4) not disturb any tenants in possession of the subject property nor reveal to them the offering this package represents.

This marketing package was prepared by BCA and it has been reviewed by representatives of the Seller. The information and materials contained herein are selective and limited in nature, and neither BCA nor the Seller purports this to be an all-inclusive report on the subject property. Within this package, certain leases, documents and other materials are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements involved, nor do they purport to constitute a legal analysis of the provisions of those documents. Interested and qualified prospective purchasers will be afforded an opportunity to review additional information and to inspect the subject property, and all such prospective purchasers should conduct their own independent due diligence.

This package is based in part upon information supplied by the Seller and in part upon information obtained by BCA from sources believed to be reliable. All income, expense and/or investment projections contained herein are provided for general reference purposes only, in that they are based on assumptions relating to the general economy, competition and other factors beyond the control of BCA and the Seller, and all such projections are therefore subject to variation. This package shall not be deemed an indication of the state of affairs of the subject property, nor constitute an indication that there has been no change in the business or affairs of the subject property since the date of preparation of this package.

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If, after reviewing this package, you have no further interest in acquiring the subject property at this time, please return this package in its entirety to BCA. Likewise, if the terms contained in this Confidentiality & Disclaimer section are not acceptable to you, please immediately return this package to BCA.

## AGENT'S DUTIES

When you contract with a real estate firm to act as your agent in a real estate transaction, the agent must help you obtain the best price and terms possible, whether you are the buyer or seller. The agent also owes you the duty to:

- Safeguard and account for any money handled for you
- Act with reasonable skill, care and diligence
- Be loyal and follow reasonable and lawful instructions
- Disclose to you any information which might influence your decision to buy or sell

Even if the agent does not represent you, the agent must still be fair and honest and disclose to you all "material facts" which the agent knows or reasonably should know. A fact is "material" if it relates to defects or other conditions affecting the property, or if it may influence your decision to buy or sell. This does not require a seller's agent to disclose to the buyer the minimum amount the seller will accept, nor does it require

## AGENTS WORKING WITH SELLERS

A seller can enter into a "listing agreement" with a real estate firm authorizing the firm and its agent(s) to represent the seller in finding a buyer for his property. The listing agreement should state what the seller will pay the firm no matter who finds the buyer.

The listing firm may belong to a listing service to expose the seller's property to other agents who are members of the service. Some of those agents may be working with buyers as buyers' agents; others will be working with buyers but still representing the sellers' interests as an agent or "subagent". When the buyer's agents and seller's subagents desire to share in the commission the seller pays to the listing firm, the listing agent may share the commission with the seller's permission.

## AGENTS WORKING WITH BUYERS

A buyer may contract with an agent or firm to represent him (as a buyer's agent), or may work with an agent or firm that represents the seller (as a seller's agent or subagent). All parties in the transaction should find out at the beginning who the agent working with the buyer represents.

If a buyer wants a buyer's agent to represent him in purchasing a property, the buyer should enter into a "buyer agency agreement" with the agent. The buyer agency agreement should state how the buyer's agent will be paid. Unless some other arrangement is made which is satisfactory to the parties, the buyer's agent will be paid by the buyer. Many buyer agency agreements will also obligate the buyer to pay the buyer's agent no matter who finds the property that the buyer purchases.

A buyer may decide to work with a firm that is acting as agent for the seller (a seller's agent or subagent). If a buyer does not enter into a buyer agency agreement with the firm that shows him properties, that firm and its agents will show the buyer properties as an agent or subagent working on the seller's behalf. Such a firm represents the seller (not the buyer) and must disclose that fact to the buyer.

The terms and conditions stated in this Confidentiality & Disclaimer section apply and relate to all of the sections of this package as if stated independently therein. Prospective purchasers of the subject property are hereby notified that Berkeley Capital Advisors, and its agents, are acting in the capacity of a "Seller's Agent" during the course of this offering, and as such are solely representing the interests of the Seller



# BERKELEY

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