



# FOOD LION PLAZA

Siler City, NC

CONFIDENTIAL OFFERING MEMORANDUM



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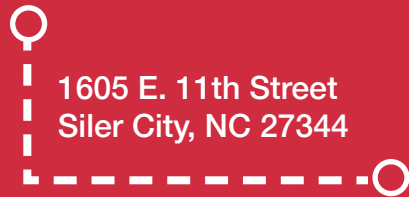
# INVESTMENT OVERVIEW

## Executive Summary

Furman Capital Advisors is pleased to offer for sale a 46,777 square foot Grocery Anchored Retail Center built in 2001 and situated on 10.71 acres in Siler City, North Carolina, near the metro statistical areas of Greensboro and Raleigh-Durham.

**Price: \$6,000,000 Fee Simple**

This offering is a rare opportunity to acquire a grocery anchored retail center with a long term Food Lion lease in place with minimal competition for store sales in the area.



1605 E. 11th Street  
Siler City, NC 27344

ADDRESS



\$6,000,000

ASKING PRICE



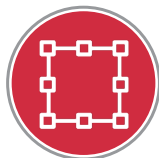
7.6%

CAP RATE



\$455,975

2017 NOI



46,777 SF

GROSS LEASABLE  
AREA



2001

YEAR BUILT



10.71 ACRES

LOT SIZE



\$128.27

PRICE/SF

# INVESTMENT OVERVIEW

## Executive Summary



### HIGHWAY ACCESS



East to West  
Raleigh, Pittsboro, Asheboro



North to South  
Greensboro, Sanford, Fayetteville



### INVESTMENT STRENGTHS

- Food Lion Grocery Anchored Retail Center Lease Expires 11/30/2025

97% Occupied with Co-tenants of Cato, Pizza Hut and Cricket Wireless

- Mountainare Farms (7th Largest Chicken Producer) opening a processing plant across from center that will add 1,250 jobs
- Parking Lot was recently repaved and resealed
- Center was built in 2001 by Aston Properties and requires low capital expenditures due to no deferred maintenance
- Siler City is in close proximity to the Greensboro-Randolph County megasite that finished second for the Toyota/Mazda OEM National site selection search



### FOOD LION STORE SALES

2018 Sales - \$317.70/SF



### MOUNTAINAIRE FARMS

Plant under construction adding 1,250 jobs



### GREENSBORO MSA

30 Miles - Population 723,801



### RALEIGH / DURHAM CSA

40 Miles - Population 2,199,459



# FINANCIAL OVERVIEW

## Rent Roll & Anchor Sales

### RENT ROLL

Tenant Name	Square Footage	Annual Base Rent / SF	Scheduled Rent	Reimbursement Structure	Remaining Option(s)
Suite Number	Prorata Share	Annual Base Rent	Increases	CAM Caps	
Lease Dates		Monthly Base Rent			
<b>Food Lion</b>	38,714	\$10.40	7/24/21 - \$10.92/SF	NNN	(3) 5 Year
Suite: 101	82.76%	\$402,780			Opt. 1: \$11.44/SF
7/23/2001 - <b>11/30/2025</b>		\$33,565			Opt. 2: \$11.96/SF
					Opt. 3: \$12.48/SF
<b>The Cato Corporation</b>	4,200	\$10.00		NNN	
Suite: 102	8.98%	\$42,000		25% cumulative CAM cap	
4/9/2002 - <b>1/31/2022</b>		\$3,500		over 5 years	
<b>Cricket Wireless</b>	1,381	\$13.50	2.5% Annually	NNN	(1) 5 Year
Suite: 103A	2.95%	\$18,644		5% Cap on controllable CAM	2.5% Annual Increases
8/22/2017 - <b>11/21/2022</b>		\$1,554		& CapEx	
<b>Pizza Hut</b>	1,300	\$12.10		NNN	(2) 5 Year
Suite: 104	2.78%	\$15,730		5% of annual base rent CAM	10% Increase per options
5/3/2011 - <b>5/2/2021</b>		\$1,311		Cap	
Vacant	1,182				
Suite: 103B	2.53%				

### FOOD LION ANNUAL SALES

	2014	2015	2016	2017	2018
Annual Sales	\$10,518,541	\$10,843,970	\$11,290,877	\$11,629,192	<b>\$12,299,628</b>
Sales Per Square Foot	\$271.70	\$280.10	\$291.65	\$300.39	<b>\$317.70</b>
Year-Over-Year Increase	2.09%	3.09%	4.12%	3.00%	5.77%

# FINANCIAL OVERVIEW

## Operating Income & Cash Flow Analysis

### OPERATING INCOME

	SIZE (SF)	2019 YEAR 1	2020 YEAR 2	2021 YEAR 3	2022 YEAR 4	2023 YEAR 5	2024 YEAR 6	2025 YEAR 7	2026 YEAR 8	2027 YEAR 9	2028 YEAR 10
Food Lion	38,714	\$402,780	\$402,780	\$411,171	\$422,919	\$422,919	\$422,919	\$424,597	\$443,058	\$443,058	\$443,058
The Cato Corporation	4,200	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Cricket Wireless	1,381	\$18,683	\$19,149	\$19,628	\$19,628	\$19,628	\$19,628	\$19,628	\$19,628	\$19,628	\$19,628
Pizza Hut	1,300	\$15,730	\$15,730	\$16,779	\$17,303	\$17,303	\$17,303	\$17,303	\$18,456	\$19,032	\$19,032
Vacant	1,182										
OpEx Reimbursements		\$81,088	\$82,694	\$84,385	\$86,082	\$87,786	\$89,525	\$91,298	\$93,164	\$95,038	\$96,919
Scheduled Gross Income		\$560,281	\$562,354	\$573,963	\$587,932	\$589,636	\$591,375	\$594,826	\$616,306	\$618,756	\$620,638
Current Vacancy	2.53%										
<b>Effective Gross Income</b>		<b>\$560,281</b>	<b>\$562,354</b>	<b>\$573,963</b>	<b>\$587,932</b>	<b>\$589,636</b>	<b>\$591,375</b>	<b>\$594,826</b>	<b>\$616,306</b>	<b>\$618,756</b>	<b>\$620,638</b>

### OPERATING EXPENSES

	\$/SF	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Taxes	\$0.86	\$40,267	\$41,072	\$41,893	\$42,731	\$43,586	\$44,458	\$45,347	\$46,254	\$47,179	\$48,122
Insurance	\$0.10	\$4,503	\$4,593	\$4,685	\$4,779	\$4,874	\$4,972	\$5,071	\$5,173	\$5,276	\$5,382
CAM	\$0.81	\$38,050	\$38,811	\$39,587	\$40,379	\$41,186	\$42,010	\$42,850	\$43,707	\$44,581	\$45,473
Management Fee	3.00%	\$16,809	\$14,390	\$14,687	\$15,056	\$15,056	\$15,056	\$15,106	\$15,694	\$15,712	\$15,712
Reserve Allowance	\$0.10	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678	\$4,678
<b>Total Operating Expenses</b>	<b>\$2.23</b>	<b>\$104,306</b>	<b>\$103,543</b>	<b>\$105,530</b>	<b>\$107,622</b>	<b>\$109,379</b>	<b>\$111,172</b>	<b>\$113,051</b>	<b>\$115,505</b>	<b>\$117,425</b>	<b>\$119,366</b>
<b>Net Operating Income</b>		<b>\$455,975</b>	<b>\$458,811</b>	<b>\$468,433</b>	<b>\$480,310</b>	<b>\$480,257</b>	<b>\$480,203</b>	<b>\$481,775</b>	<b>\$500,801</b>	<b>\$501,331</b>	<b>\$501,272</b>
<b>Cap Rate</b>		<b>7.60%</b>									
<b>Purchase Price</b>	<b>7.60%</b>	<b>\$6,000,000</b>									
Equity Contribution	30%	\$1,800,000									
Loan Amount	70%	\$4,200,000									

### PROPOSED DEBT OVERVIEW\*

LTV	70%	Amortization (Years)	25
Interest Rate	5.00%	Loan Term (Years)	10

\*Property will be delivered free and clear of debt

### 10 YEAR CASH FLOW ANALYSIS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Annual Debt Service	\$ (294,633)	\$ (294,633)	\$ (294,633)	\$ (294,633)	\$ (294,633)	\$ (303,333)	\$ (303,333)	\$ (303,333)	\$ (303,333)	\$ (303,333)
Annual Cash Flow	\$ 161,342	\$ 164,177	\$ 173,799	\$ 185,677	\$ 185,624	\$ 176,869	\$ 178,442	\$ 197,467	\$ 197,997	\$ 197,938
<b>Annual Cash on Cash Return</b>	<b>8.96%</b>	<b>9.12%</b>	<b>9.66%</b>	<b>10.32%</b>	<b>10.31%</b>	<b>9.83%</b>	<b>9.91%</b>	<b>10.97%</b>	<b>11.00%</b>	<b>11.00%</b>
Annual Equity Build-up	\$ 86,600	\$ 91,031	\$ 95,688	\$ 100,584	\$ 105,730	\$ 106,889	\$ 112,750	\$ 118,933	\$ 125,454	\$ 132,333
EOY Principal Balance	\$ (4,113,400)	\$ (4,022,369)	\$ (3,926,681)	\$ (3,826,098)	\$ (3,720,368)	\$ (3,613,479)	\$ (3,500,728)	\$ (3,381,796)	\$ (3,256,342)	\$ (3,124,009)
<b>Annual Equity Return on Equity Build-up</b>	<b>4.81%</b>	<b>5.06%</b>	<b>5.32%</b>	<b>5.59%</b>	<b>5.87%</b>	<b>5.94%</b>	<b>6.26%</b>	<b>6.61%</b>	<b>6.97%</b>	<b>7.35%</b>
<b>Total Annual Return</b>	<b>13.77%</b>	<b>14.18%</b>	<b>14.97%</b>	<b>15.90%</b>	<b>16.19%</b>	<b>15.76%</b>	<b>16.18%</b>	<b>17.58%</b>	<b>17.97%</b>	<b>18.35%</b>

# TENANT OVERVIEW

Food Lion Plaza - Siler City, NC



## FOOD LION

Food Lion is a king among grocery chains in the Southeast and Mid-Atlantic regions where it operates about 1,100 supermarkets under the Food Lion banners. About half of the company's stores are in the Carolinas, but it also has outlets in 10 other states, including Virginia, Georgia, and Tennessee. Food Lion, which prides itself on low prices, has taken a beating from low-cost competitors, most notably Wal-Mart Supercenters, and a weak economy. The company's private-label Food Lion brand products accounts for about 20% of sales. Founded in 1957 as Food Town, Food Lion is owned by supermarket operator Ahold Delhaize.

## CATO

The Cato Corp. caters to fashion-minded women on a budget. The retailer operates more than 1,300 apparel stores in 30-plus states (primarily in the Southeast) under the names Cato, Cato Fashions, Cato Plus, Versona, It's Fashion, and It's Fashion Metro. Its mostly private-label merchandise includes misses', juniors', girls', and plus-sized casual sportswear, career clothing, coats, shoes, and accessories geared to low- and middle-income customers, mostly females aged 18 to 50. Cato's stores are typically located in shopping centers anchored by a Wal-Mart store or another major discount or supermarket. Founded in 1946, the company is led by chairman John Cato, the third generation of Catos in the family business.

## PIZZA HUT

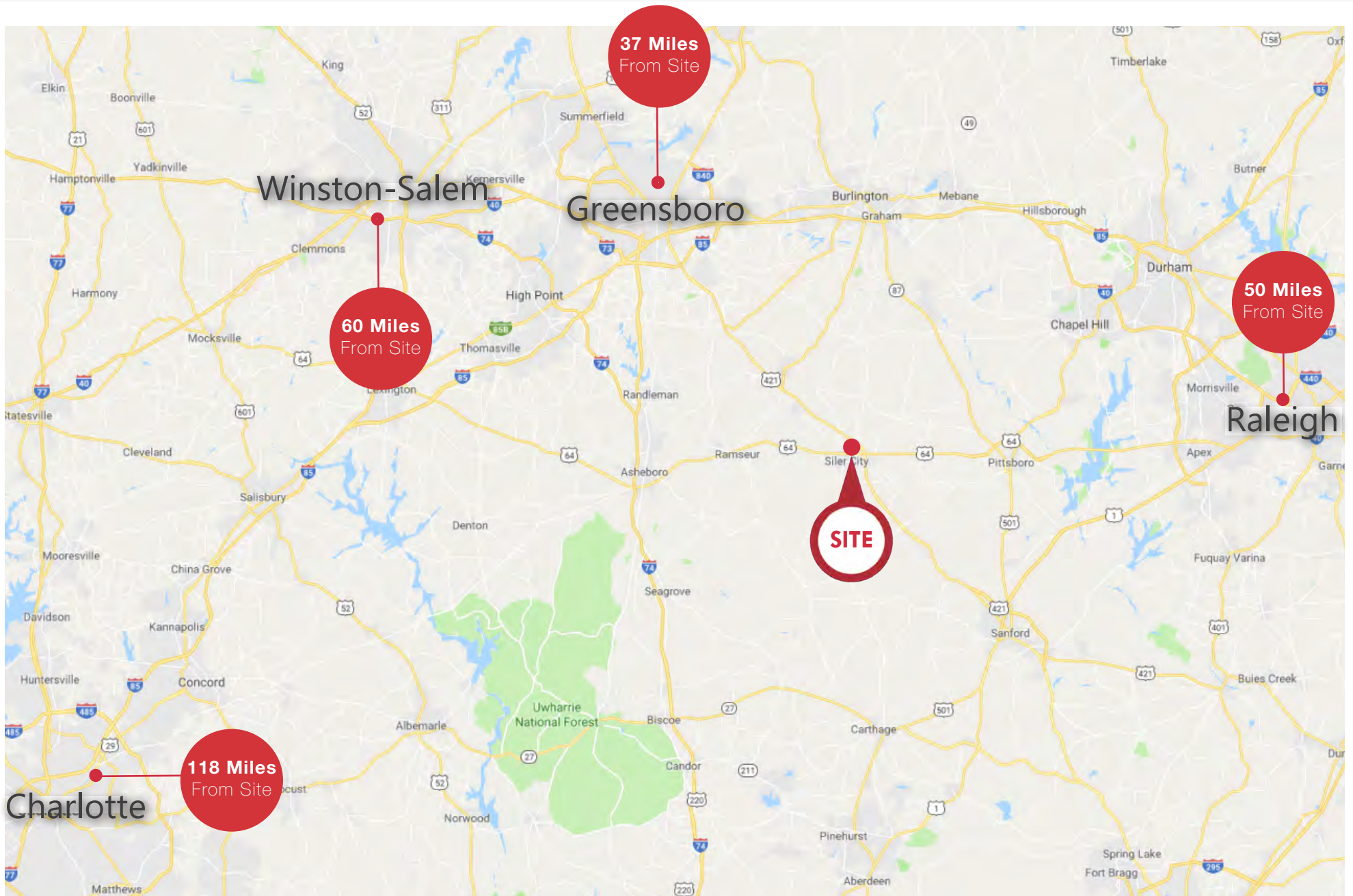
When it comes to tossing around dough, no one does it more often than Pizza Hut. The unit of YUM! Brands operates the world's #1 pizza chain with some 16,400 outlets in more than 100 countries worldwide. The chain serves a variety of pizza styles, including its flagship Pan Pizza, as well as Thin n' Crispy, Stuffed Crust, Hand Tossed, and Sicilian. Other menu items include pasta, salads, and sandwiches. Pizza Hut offers dine-in service at its characteristic red-roofed restaurants, as well as carry-out and delivery service. Only about 3% of the restaurants are company-operated, while the rest are franchised. The world's largest fast food company, YUM! Brands runs KFC and Taco Bell in addition to Pizza Hut. This location is run by franchisee Siler City PH with a guaranty from one of the largest Pizza Hut Franchisees, Rage, Inc, with additional locations throughout North Carolina, South Carolina, West Virginia, Southern Illinois, Kentucky, Tennessee, and Virginia.

## CRICKET WIRELESS

Cricket Wireless, LLC is a prepaid wireless service provider in the United States, a wholly owned subsidiary of AT&T Inc. It offers mobile voice, text, and data using parent AT&T's nationwide network. Cricket Wireless was founded in 1999 by Leap Wireless International, Inc. On July 12, 2013, AT&T Inc. agreed to acquire Cricket's parent company Leap Wireless International for \$1.2 billion. The merger was approved by the Federal Communications Commission on March 13, 2014, and later that same day, Leap Wireless announced the completion of its acquisition by AT&T. This Location is occupied by Sukar and Son's, Inc. Founded in 2005, Sukar and Sons, Inc is one of the faster growing Cricket Wireless dealers with locations all over the United States.

# LOCATION OVERVIEW

## Regional Map





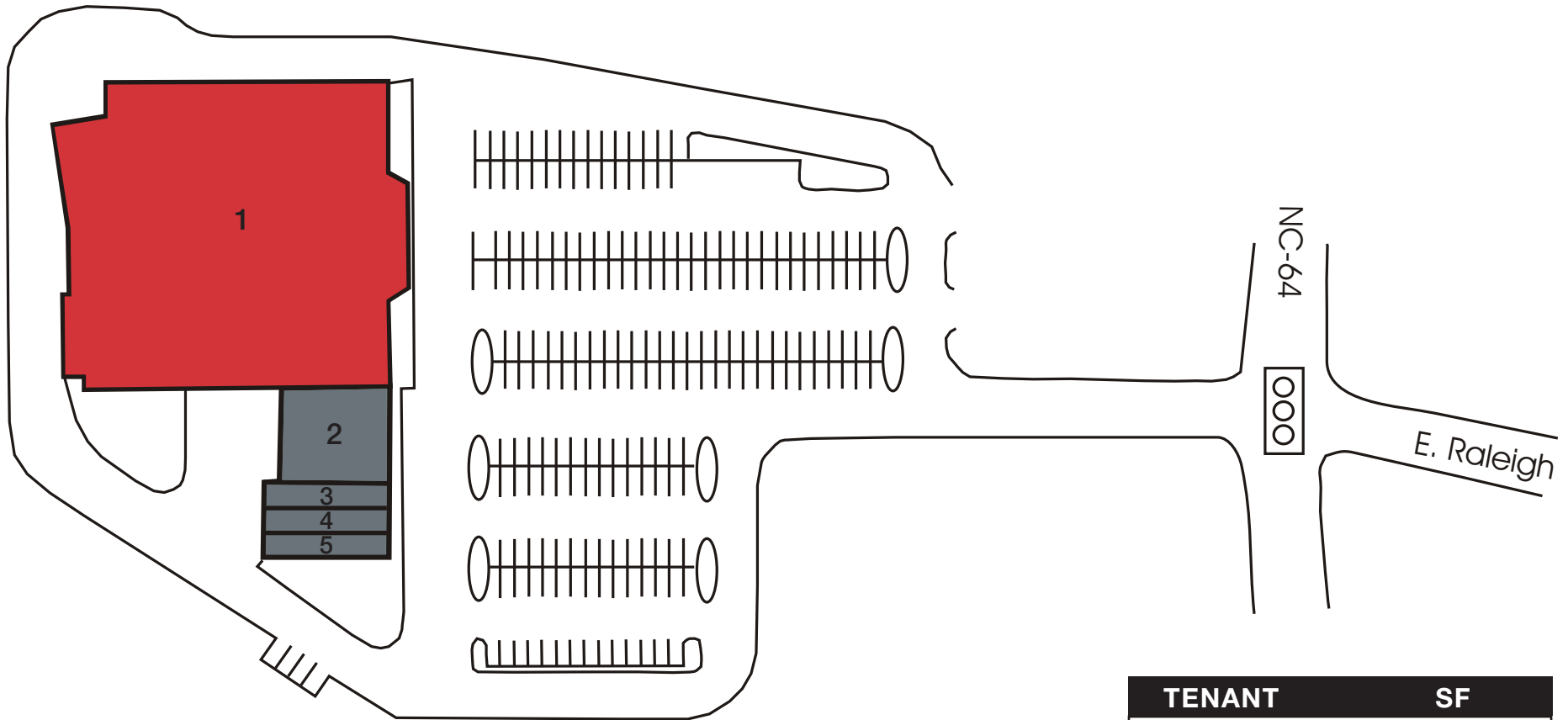
# LOCATION OVERVIEW

Local Map



# LOCATION OVERVIEW

Site Plan



TENANT	SF
1. Food Lion	38,714 SF
2. CATO	4,000 SF
3. Cricket	1,400 SF
4. Pizza Hut	1,400 SF
5. VACANT	1,400 SF



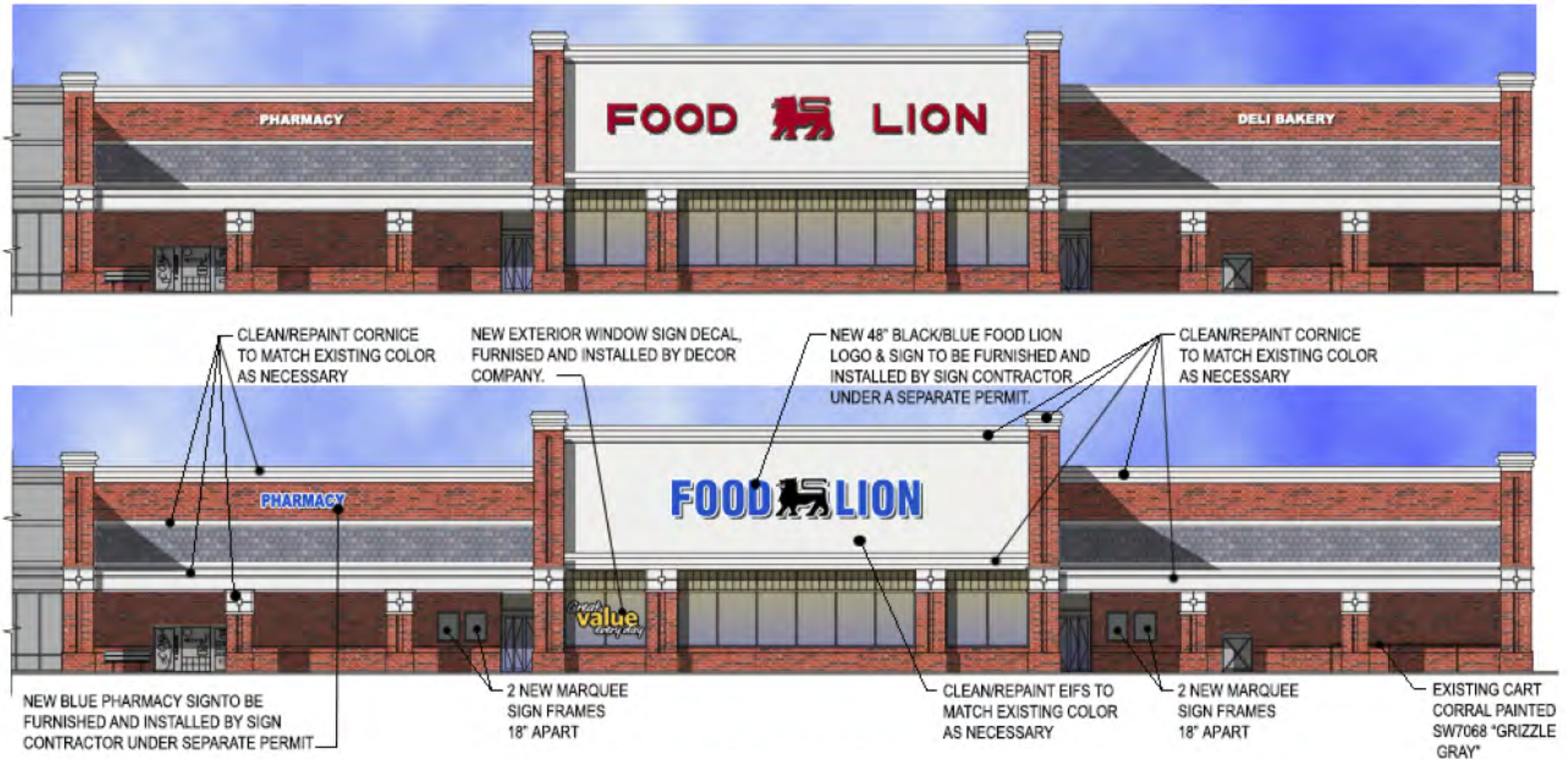
# LOCATION OVERVIEW

## Recent Food Lion Renovation

DELHAIZE AMERICA PERFORMED A MAJOR RENOVATION TO THE FOOD LION OCCUPIED SPACE IN 2015 WHICH UPDATED THE EXTERIOR FACADE AND EXTENSIVELY OVERHAULED THE INTERIOR FLOOR SPACE. THIS CAPITAL IMPROVEMENT SHOWS THE COMPANIES COMMITMENT TO SILER CITY AND THIS LOCATION.



**COST OF FOOD LION RENOVATION: ± \$1,000,000**





# GREENSBORO/RANDOLPH COUNTY MEGASITE

Runner up for Toyota-Mazda OEM Plant



GREENSBORO  
RANDOLPH  
MEGASITE

The Triad region is pursuing an economic development opportunity in order to bring thousands of new jobs to our community.

Welcome to the Greensboro Randolph Mega Site. This exciting project is a regional collaboration between government, business, and education to develop an extraordinary mega site in the Heart of North Carolina. Our Mega Site offers an unbeatable combination of world-class workforce with a legacy of manufacturing excellence, a strategic location on the US East Coast, and outstanding transportation infrastructure.

The Greensboro Randolph Mega Site is located in Randolph County and a close neighbor to Greensboro. It is less than 10 miles from I-85 via US 421, an interstate quality highway. Our communities are partners in the development, marketing and support to create an exceptional opportunity for advanced manufacturing right here in the Heart of North Carolina.



**MEGASITE VIDEO  
CLICK HERE**



# MOUNTAINE CHICKEN

1.250 New Jobs

The Herald-Sun | June 22, 2018

'It's a job, a local job.'

Read more here: <https://www.heraldsun.com/news/local/counties/chatham-county/article213534034>.





# MARKET OVERVIEW

## Market Analysis

### Siler City, North Carolina



#### LOCATION

- Siler City is a town in Chatham County, North Carolina, United States. The population is right at 8,747 within corporate limits and 14,005 within corporate limits and ETJ. The town was the retirement home and burial location of Frances Bavier (1902–1989) an American actress, best remembered for her role as Aunt Bee on The Andy Griffith Show, a television sitcom in the 1960s set in the fictional town of Mayberry, North Carolina.
- The same characteristics that define Mayberry as the perfect rural small town, are alive and well in the Siler City of today.



#### INFRASTRUCTURE

- Siler City is a safe, prosperous, and vibrant community where diversity, innovation and education drive success in a globally competitive society.
- Siler City is a small town with big city amenities. We have excellent schools with unique curriculum. Chatham Hospital and the new medical park offer our citizens access to healthcare second to none. The Siler City campus of Central Carolina Community College provides higher education in a beautiful LEED certified building. The Siler City Municipal Airport is an economic development engine that serves a variety of businesses and corporations.



#### TOP EMPLOYERS

- Chatham Hospital (5,827+ employees)
- Townsends, Inc. (13,595 employees)
- General Shale Brick, Inc. (2,000+ employees)
- Chatham County Schools (1,700+ employees)
- PalletOne of North Carolina 1,500+ employees)
- ATC Panels, Inc. (3,060 employees)
- Nationwide Custom Homes (2,500 employees)
- Wal-Mart (2,100 employees)
- Galloway Ridge, Inc.



#### HIGHER EDUCATION

- Central Carolina Community College (16,830 students)
- UNC (14,957 students)
- NC State University (20,000 students)
- Randolph Community College (3,024 students)

Source: [www.silercity.org](http://www.silercity.org)



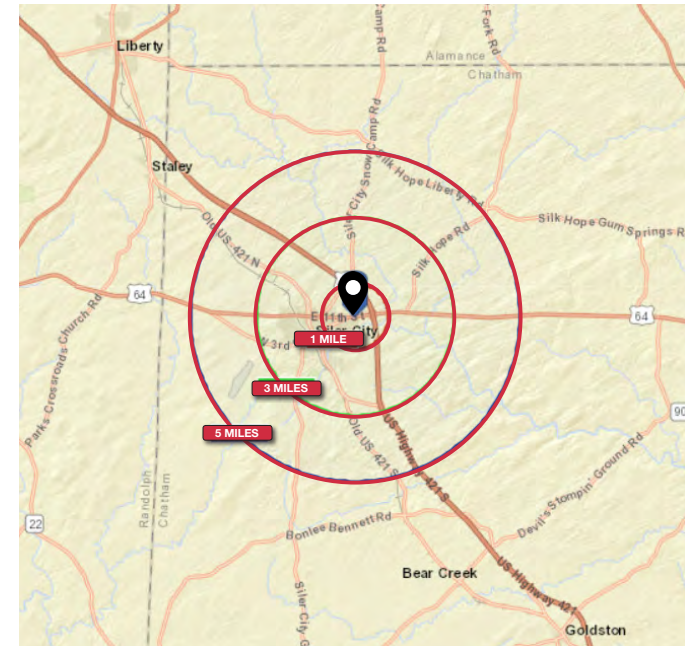
# MARKET OVERVIEW

## Demographics

### Distance From Property

	1 Mile	3 Miles	5 Miles
<b>Population</b>			
<b>2018</b>	3,627	11,637	14,626
<b>2023 Projected</b>	3,913	12,436	15,582
<b>Growth 2018-2023</b>	1.53%	1.34%	1.27%
<b>2018 Median Age</b>	30.4	33.2	34.8
<b>2018 Total Daytime Population</b>	4,428	5,455	5,984
<b>Households</b>			
<b>2018</b>	1,158	3,822	5,018
<b>2023 Projected</b>	1,232	4,050	5,302
<b>Average Household Income</b>			
<b>2018</b>	\$39,051	\$50,007	\$53,790
<b>2023 Projected</b>	\$44,326	\$57,675	\$62,207

Source: esri



# DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 1605 E. 11th Street., Siler City, NC 27344 (“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.



# FURMAN

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