

FURMAN

CAPITAL ADVISORS



Virginia Beach, Virginia

CONFIDENTIAL OFFERING MEMORANDUM

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PROPERTY SUMMARY

Address	709 Independence Blvd Virginia Beach, VA 23455
Ownership	Fee Simple
Tenancy	Single
Year Renovated	2015
Lot Size	±1.89 Acres
Road Frontage	120' FT
Traffic Counts	±50,000 (Independence Blvd)
Parking	68 Surface Spaces

FINANCIAL SUMMARY

NOI (Base Rent)	\$350,918
Cap Rate	6.27%
List Price	\$5,600,000
Lease Type	Absolute Net
Remaining Lease Term	±16 Years
Remaining Options	4 - (5) Year
Rent Increases	2% Annually

INVESTMENT HIGHLIGHTS

- Red Lobster is the largest seafood restaurant concept in the world, generates \$2.6 billion in revenue, is the 5th largest casual dining concept in North America with ±700 locations in the US and Canada, and employees ±58,000 people.
- Excellent access to population density – 255K residents within 5-miles, and 1-mile Avg HH Income of \$94K.
- Booming Greater Market – Most populous city in Virginia.
- Twenty internationally-based firms have their US or North American headquarters in Virginia Beach.
- Virginia Beach is also home to nine major military installations, including the world's largest Naval Base and home of the Atlantic Fleet with more than 86,000 active-duty military personnel.





LEASE SUMMARY

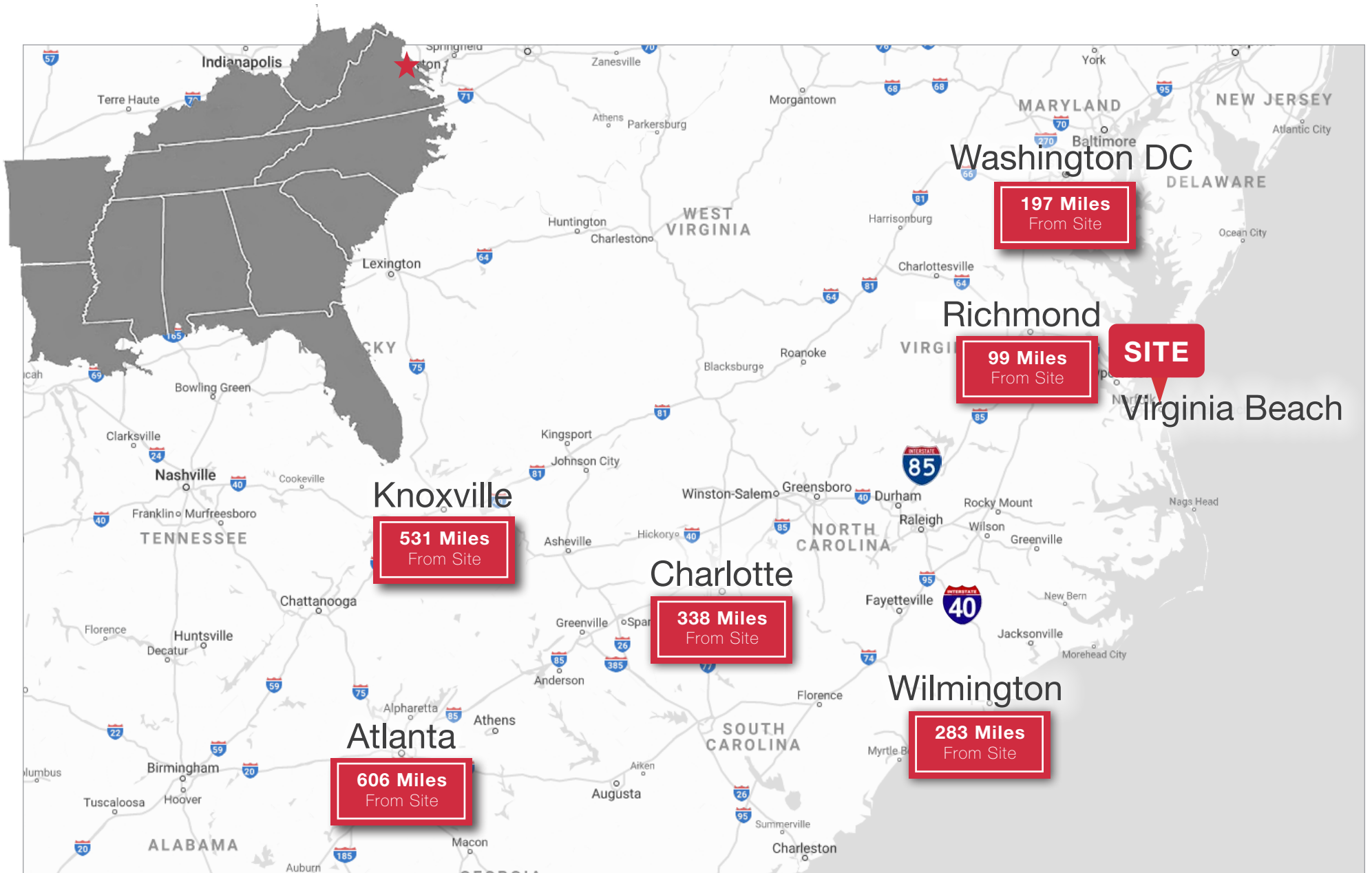
Tenant	Red Lobster Restaurants, LLC
Tenant Trade Name	Red Lobster
Lease Guarantor	Red Lobster Intermediate Holdings, LLC
Tenant Classification	Corporate
Lease Type	Absolute Net
Original Lease Term	24 Years
Commencement Date	10/28/2015
Expiration Date	7/31/2039
Term Remaining on Lease	±15 Years
Options	Four, 5-Year Options
Increases	2% Annually
Property Taxes	Tenant is Solely Responsible
Insurance	Tenant is Solely Responsible
Common Area Maintenance	Tenant is Solely Responsible
Roof	Tenant is Solely Responsible
Structure	Tenant is Solely Responsible
Parking Lot	Tenant is Solely Responsible

RENT SCHEDULE

Initial Term	Monthly	Annually
Year 9 (8/1/23 - 7/31/24)	\$29,243	\$350,918
Year 10	\$29,828	\$357,936
Year 11	\$30,425	\$365,095
Year 12	\$31,033	\$372,397
Year 13	\$31,654	\$379,845
Year 14	\$32,287	\$387,442
Year 15	\$32,933	\$395,191
Year 16	\$33,591	\$403,095
Year 17	\$34,263	\$411,157
Year 18	\$34,948	\$419,380
Year 19	\$35,647	\$427,768
Year 20	\$36,360	\$436,323
Year 21	\$37,087	\$445,049
Year 22	\$37,829	\$453,950
Year 23	\$38,586	\$463,029
Year 24	\$39,358	\$472,290

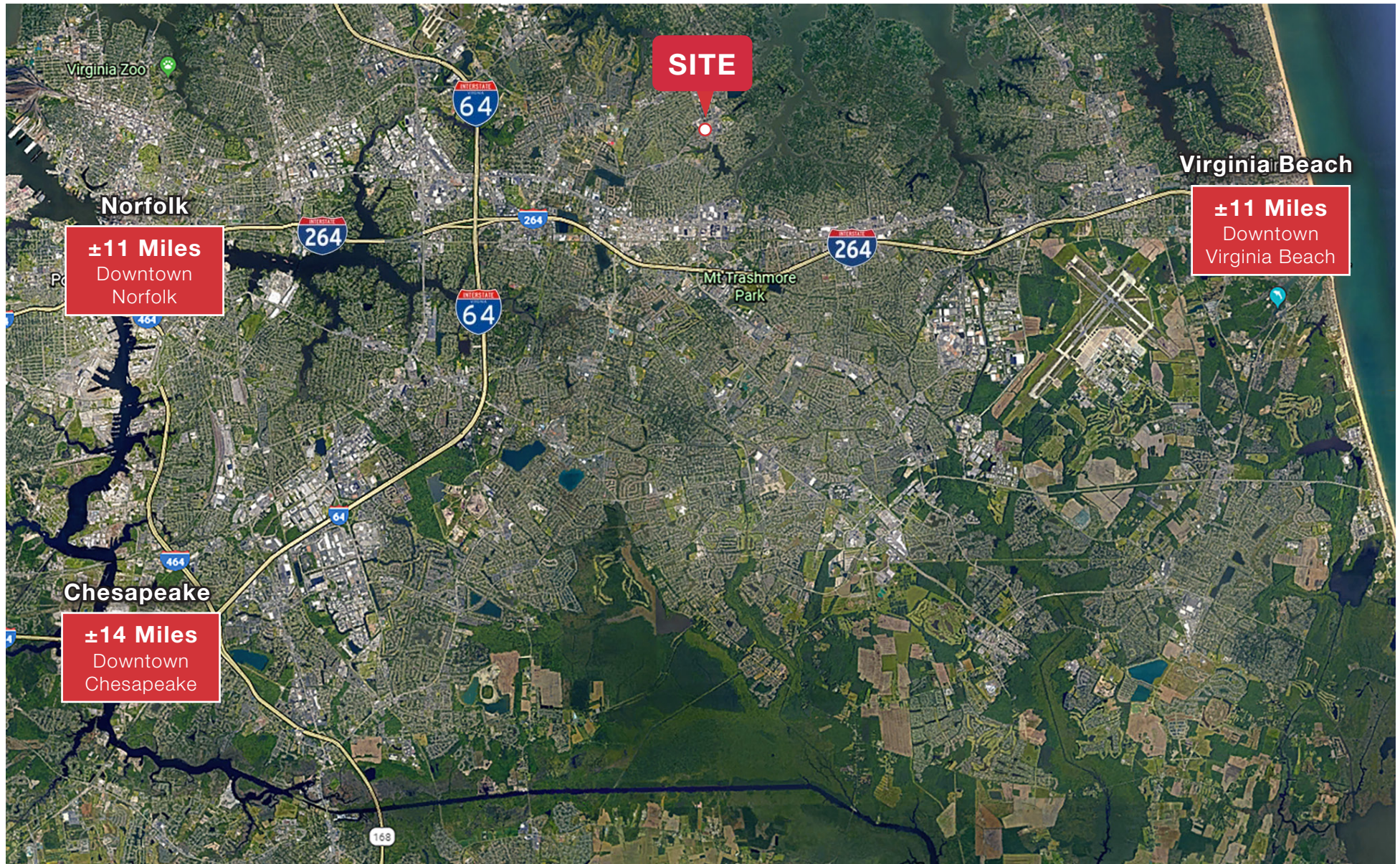
PROPERTY OVERVIEW

Regional Map



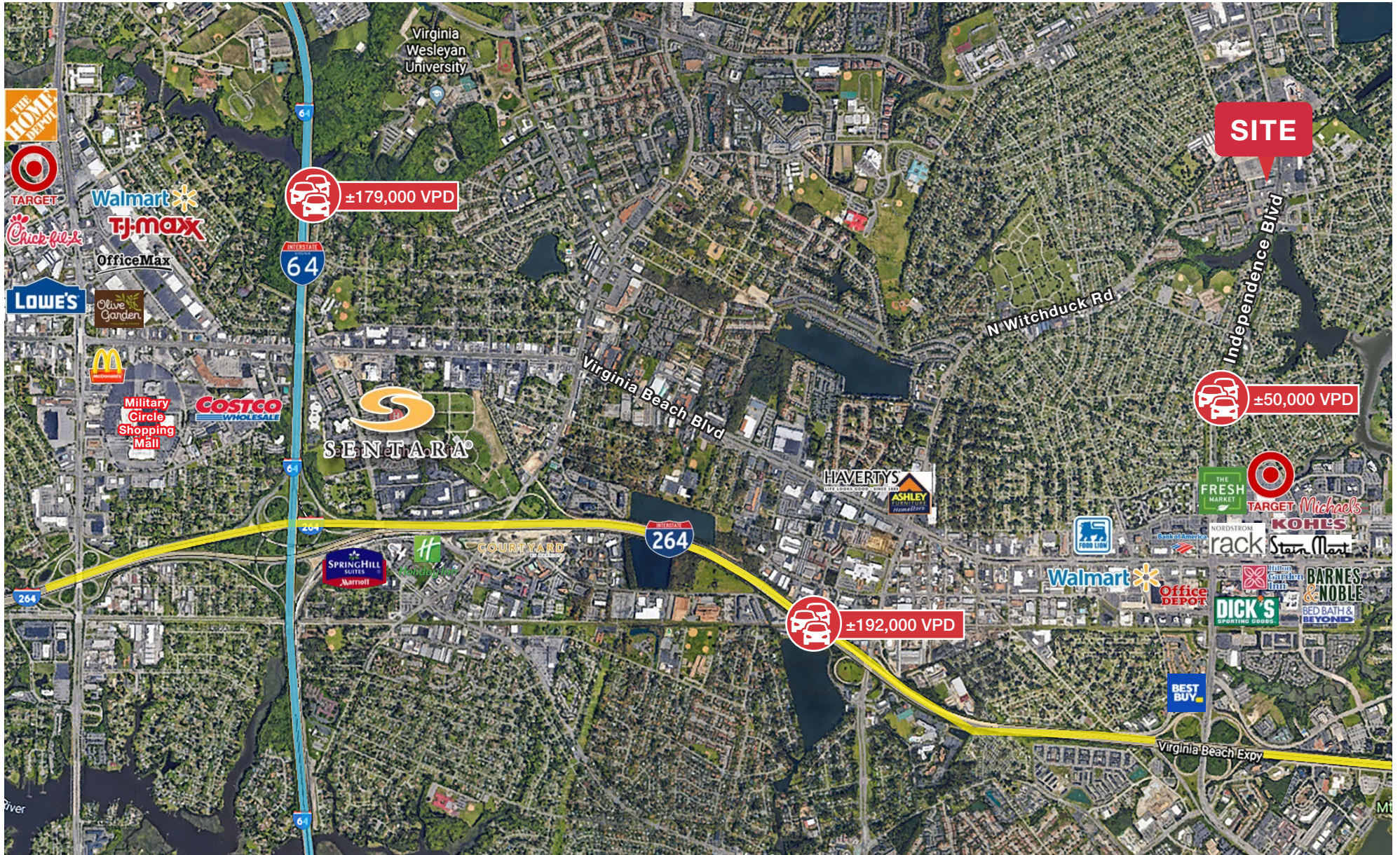
PROPERTY OVERVIEW

Market Map



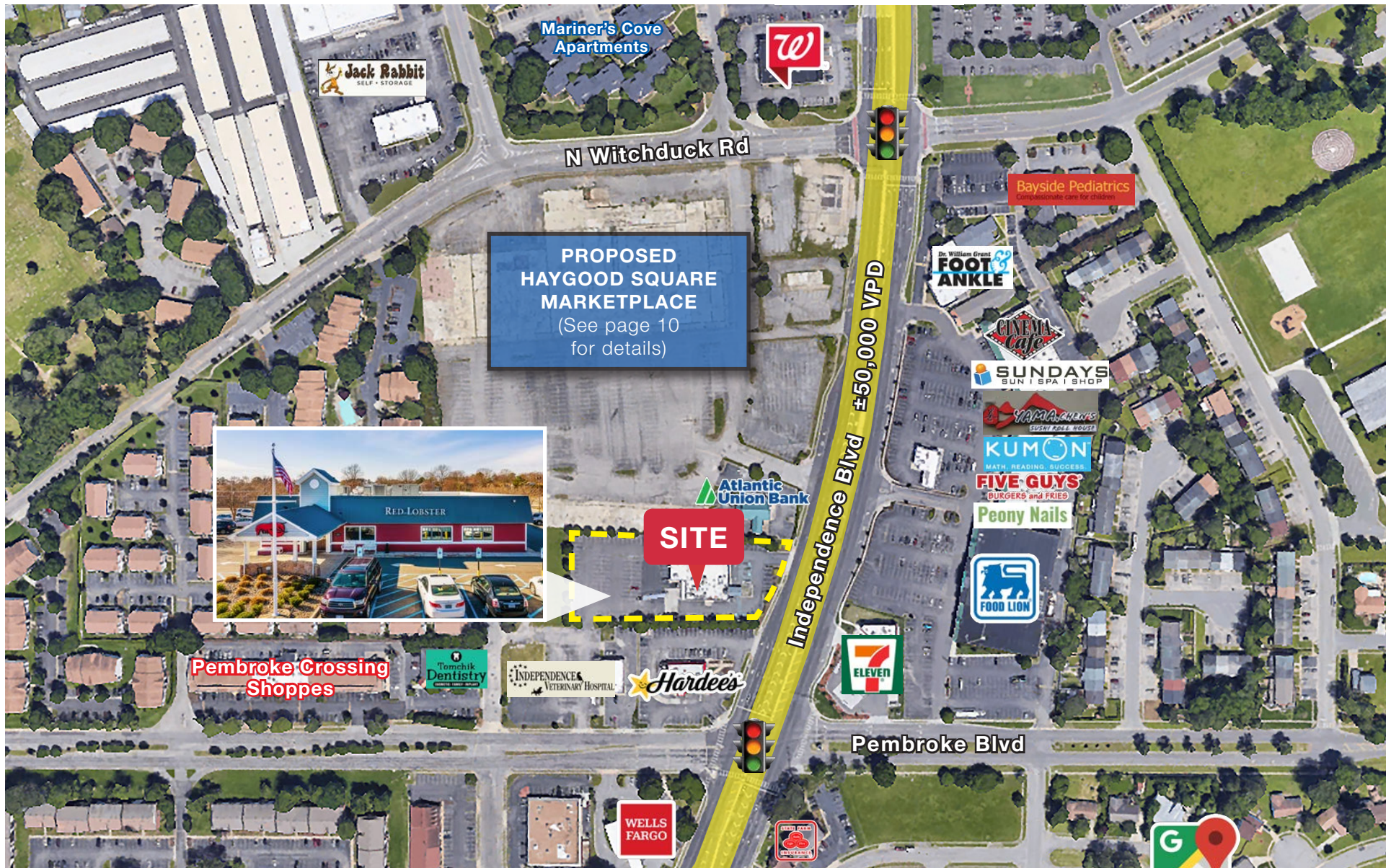
PROPERTY OVERVIEW

Submarket Map



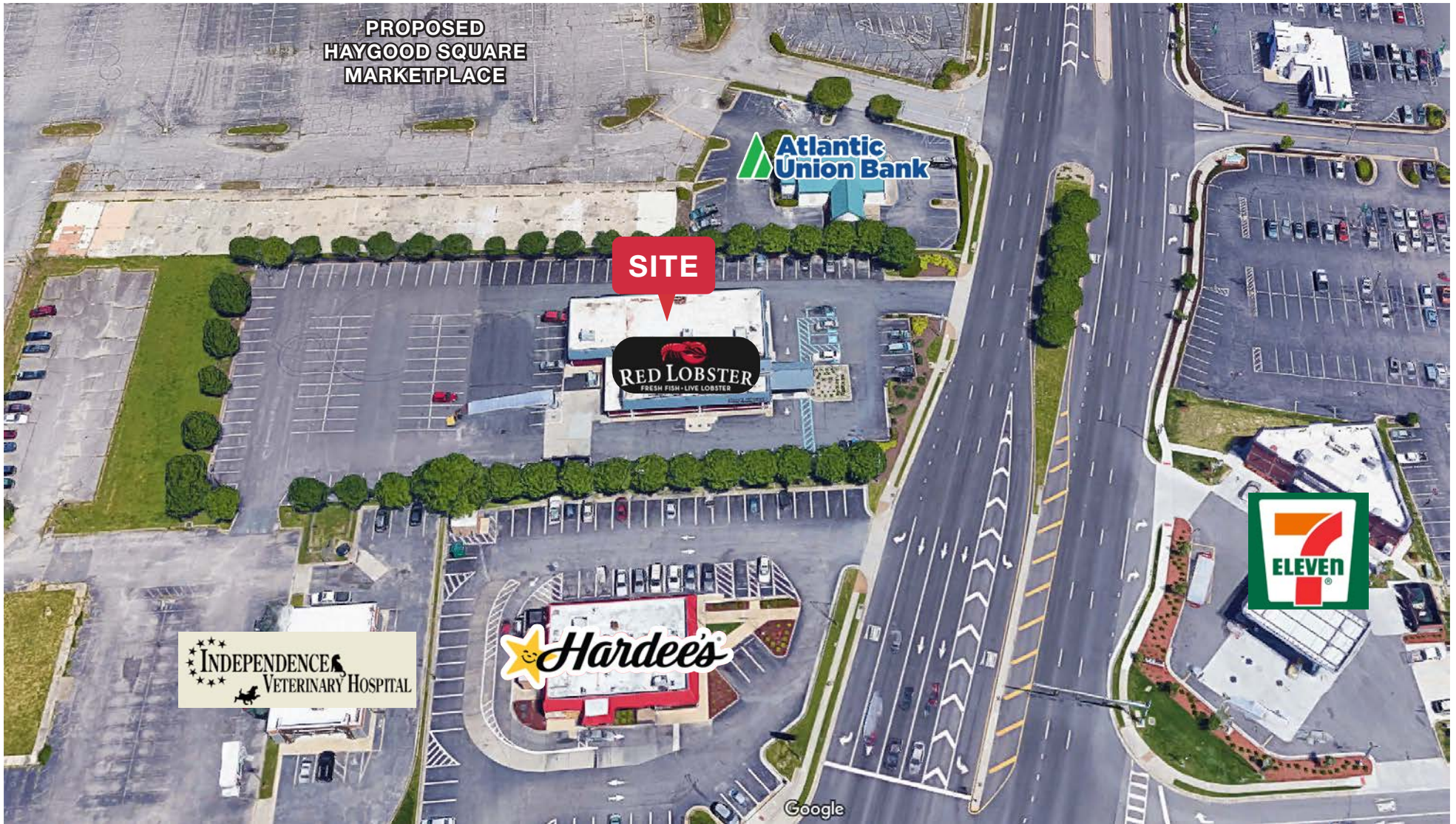
PROPERTY OVERVIEW

Aerial Map



PROPERTY OVERVIEW

Aerial Map



PROPERTY OVERVIEW

Proposed Development



PROPOSED HAYGOOD SQUARE MARKETPLACE



Pembroke Crossing Shoppes



HAYGOOD SQUARE is a proposed retail development on the corner of Independence Blvd. and N. Witchduck Rd.

- Anchor Space: 10,000 - 50,000 SF
- Small Shops: 1,000 - 10,000 SF
- Outparcel Available
- 13.5 Total Acres

Pembroke Meadows Shopping Center

PROPERTY OVERVIEW

Property Photographs



TENANT OVERVIEW

Red Lobster



Red Lobster, the **world's largest seafood restaurant company**, has grown to become an iconic casual dining brand since its first location opened in Florida in 1968. The Company currently operates **700+ restaurants** throughout the United States and Canada and has 40+ franchised restaurants in international markets. Red Lobster is led by an experienced management team with a history of success leading the brand and generates **\$2.6B in revenue**, making it the **6th largest casual dining concept in North America**.

Red Lobster holds many international awards for culinary success, such as, **“The Best Seafood Restaurant in America”** and ‘The Menu Masters Award’. Red Lobster is also proud to be an employer of choice, including being named to Forbes magazine’s 2023 list of **America’s Best Large Employers**.

In 2016, **Thai Union Group PCL** made a strategic investment in Red Lobster after supplying the brand for more than 20 years. The investment not only marked a strategic step for Thai Union to build direct-to-consumer channel, but also allowed Thai Union to leverage restaurant industry expertise from the Red Lobster management team and increased synergies with Thai Union’s core businesses through product development and expansion of suppliers.

In 2020, Thai Union Group purchased Golden Gate Capital’s remaining equity stake in Red Lobster along with an investor group of restaurateurs, hospitality industry executives, and Red Lobster management.

Thai Union’s global brand portfolio includes market-leading international brands such as Chicken of the Sea, John West, Petit Navire, Parmentier, Mareblu, King Oscar, Hawesta, and Rügen Fisch. Through strategic mergers and acquisitions, their family of brands is expanding its market share around the world.



Tenant	Red Lobster Hospitality LLC
Ownership	Private
Revenue (2022)	\$2.6 Billion
Founded	1968
Headquarters	Orlando, FL
Website	www.redlobster.com



*Thai Union Group PCL is the **world's seafood leader**, bringing high quality, healthy, tasty and innovative seafood products to customers across the world for **45 years**.*

*Today, Thai Union is regarded as **one of the world's leading seafood producers and is one of the largest producers of shelf-stable tuna products** with annual sales exceeding THB 155.6 billion (US\$ 4.4 billion) and a global workforce of more than 44,000 people who are dedicated to pioneering sustainable, innovative seafood products.*

*Thai Union's on-going work through its SeaChange® sustainability strategy was recognized when the company was **ranked number one in the world on the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI) in 2022** and listed on the DJSI for the ninth consecutive year. Thai Union was also named to the FTSE4Good Emerging Index for the sixth straight year in 2021.*

MARKET OVERVIEW

Virginia Beach, VA



Virginia Beach is a **popular coastal city** located in the southeastern part of the state of Virginia and is known for its beautiful beaches, vibrant oceanfront boardwalk, and diverse range of attractions and activities. It is the **most populous city in Virginia** and the 44th most populous city in the nation. In 2022, the population of Virginia Beach was estimated to be 455,618. The city of Norfolk is recognized as the central business district, while the **Virginia Beach oceanside resort district** and Williamsburg are primarily **centers of tourism**.

Virginia Beach boasts **over 35 miles of sandy coastline** along the Atlantic Ocean, making it a prime destination for beachgoers and water enthusiasts. The **vibrant coastal city** is home to a flourishing local culinary scene, rich history, a variety of arts and entertainment and family-friendly attractions that keeps locals and visitors entertained year-round. The **Virginia Beach Boardwalk** is a famous attraction stretching for three miles along the oceanfront. Every year the city hosts the East Coast Surfing Championships as well as the North American Sand Soccer Championship.

Virginia Beach is home to **several military installations**, including Naval Air Station Oceana, one of the U.S. Navy's largest air bases, and the Joint Expeditionary Base East located at Cape Henry. The presence of the military has a significant impact on the local economy and community. Located at Fort Story, the historic **Cape Henry Lighthouse is a must-visit spot**. It is the oldest government-built lighthouse in the U.S. and offers panoramic views of the Chesapeake Bay and the Atlantic Ocean.

Virginia Beach has been consistently ranked as **one of the top beach destinations in the United States**. Virginia Beach's **thriving tourism industry** has been praised for its contribution to the local economy. The city's hospitality, accommodations, and attractions have earned recognition from various travel and tourism organizations. The city has also received accolades for its overall quality of life, amenities, and safety. It has been listed as **#30 Best Places to Live** and **#39 Best Places to Retire** by U.S. News and World Report.

Virginia Beach was ranked at number 79 on **Forbes** list of **Best Places for Business and Careers**. The city's location and business climate have made it a hub of international commerce, as nearly 200 foreign firms have established a presence, an office location or their North American headquarters in Hampton Roads. Twenty internationally-based firms have their U.S. or North American **headquarters in Virginia Beach**, including companies like STIHL, Liberty Tax Service, and Clark Nexsen.

Higher education opportunities in and around Virginia Beach include:

- Virginia Wesleyan University: A private liberal arts college, is located on the border with Norfolk.
- Regent University: A private university which has historically focused on graduate education but has recently established an undergraduate program as well.
- University of Virginia and Virginia Tech operate satellite campuses in Virginia Beach.

MARKET OVERVIEW

Demographics



1 MILE RADIUS

Summary	2010	2023	2028
Population	12,139	12,103	13,366
Households	4,783	4,846	5,378
Families	3,270	3,194	3,515
Average Household Size	2.53	2.49	2.48
Owner Occupied Housing Units	3,006	3,020	3,077
Renter Occupied Housing Units	1,777	1,826	2,301
Median Age	37.4	40.3	41.3
Average Household Income		\$94,373	\$109,384

3 MILE RADIUS

Summary	2010	2023	2028
Population	100,163	112,272	113,791
Households	40,304	45,858	46,963
Families	26,580	28,871	29,365
Average Household Size	2.45	2.42	2.39
Owner Occupied Housing Units	24,559	26,422	27,189
Renter Occupied Housing Units	15,750	19,436	19,774
Median Age	35.7	38.1	39.0
Average Household Income		\$102,394	\$115,361

5 MILE RADIUS

Summary	2010	2023	2028
Population	241,032	255,198	255,285
Households	93,641	102,651	103,882
Families	62,986	66,155	66,492
Average Household Size	2.52	2.45	2.42
Owner Occupied Housing Units	59,536	63,562	64,830
Renter Occupied Housing Units	34,105	39,089	39,053
Median Age	35.3	38.2	39.2
Average Household Income		\$105,457	\$119,176



This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 709 Independence Blvd., Virginia Beach, VA 23455 (“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.



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