

Modern Service

158 E. Chatham St.
Cary, NC

NAI Carolantic Realty



Purchase Price
\$2,000,000

Cap Rate
7.5%

Confidential Offering Memorandum presented by

Jake Plotkin, CCIM
NAI Carolantic Realty, Inc.

Moss Withers
NAI Carolantic Realty, Inc.

tel +1 919 714 7120
cell +1 919 616 0066
jplotkin@naicarolantic.com.com

tel +1 919 714 7131
cell +1 919 810 2492
mwithers@naicarolantic.com.com

NAI Carolantic Realty, Inc., (“Broker”) has been retained by the Seller in Cary, NC (“Property”) as the exclusive broker for this Investment opportunity.

This Offering Memorandum has been prepared by Broker for use by the principal (“Principal”) to whom Broker has provided this Offering Memorandum. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by Broker and executed by Principal prior to delivery of this Offering Memorandum. Although the information contained herein is based upon sources believed to be reasonably reliable, Owner and Broker, on their own behalf, and on behalf of their respective officers, employees, shareholders, partners, directors, members and affiliates, disclaim any responsibility or liability for inaccuracies, representations and warranties (expressed or implied) contained in, or omitted from, the Offering Memorandum or any other written or oral communication or information transmitted or made available to the recipient

of this Offering Memorandum. In amplification of and without limiting the foregoing, summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents but rather only outlines of some of the principal provisions contained therein, and no representations or warranties are made as to the completeness and/or accuracy of the projections contained herein. Prospective purchasers of the Property should make their own investigations and conclusions without reliance upon this Offering Memorandum, the information contained herein or any other written or oral communication or information transmitted or made available. Additional information and an opportunity to inspect the Property will be made available upon written request by interested and qualified prospective purchasers.

Owner expressly reserves the right, exercisable in Owner’s sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Owner and Broker each

expressly reserves the right, exercisable in their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. Broker is not authorized to make any representations or agreements on behalf of Owner. Owner shall not have any legal commitment or obligation to any 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, delivered and approved by Owner and the other party thereto and any conditions to Owner’s obligations hereunder have been satisfied or waived. If you have no interest in the Property at this time, return this Offering Memorandum immediately to:

NAI Carolantic Realty, Inc.
5121 Kingdom Way, Suite 200
Raleigh, NC 27612

tel +1 919 832 0594
fax +1 919 832 7385
www.naicarolantic.com

Overview

Purchase Price

\$2,000,000

Cap Rate

7.5%

NAI Carolantic Realty is pleased to offer for sale to qualified investors a 10-year Absolute NNN sale-leaseback, which is located in Cary, NC.

The property is 100% leased to Modern Service, an automotive (mechanic) business that was established in 1957. The current operator has run the business since 2002. Financials are available upon receipt of an LOI and confidentiality agreement.

Investment Highlights

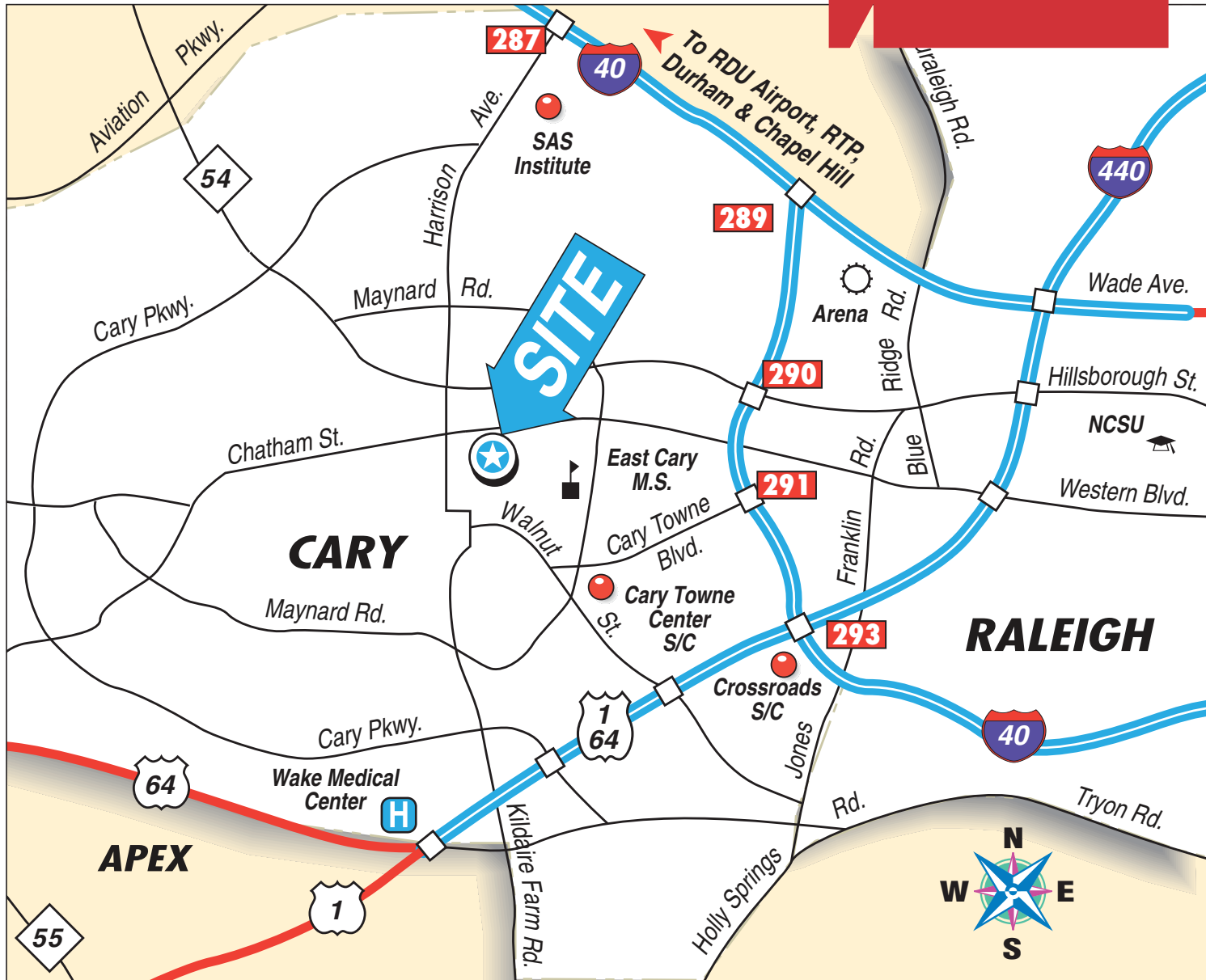
- Ease of management—Absolute NNN Lease—No Landlord responsibilities whatsoever
- Located in the heart of downtown Cary
- Zoned GCP—high intensity mixed use—allows for redevelopment of 4-5 story building
- 10% increases every 5 years
- Owner to install a new roof before the close of escrow
- Established business with loyal customer base

Property Aerial & Map

Property
Summary



Property Summary

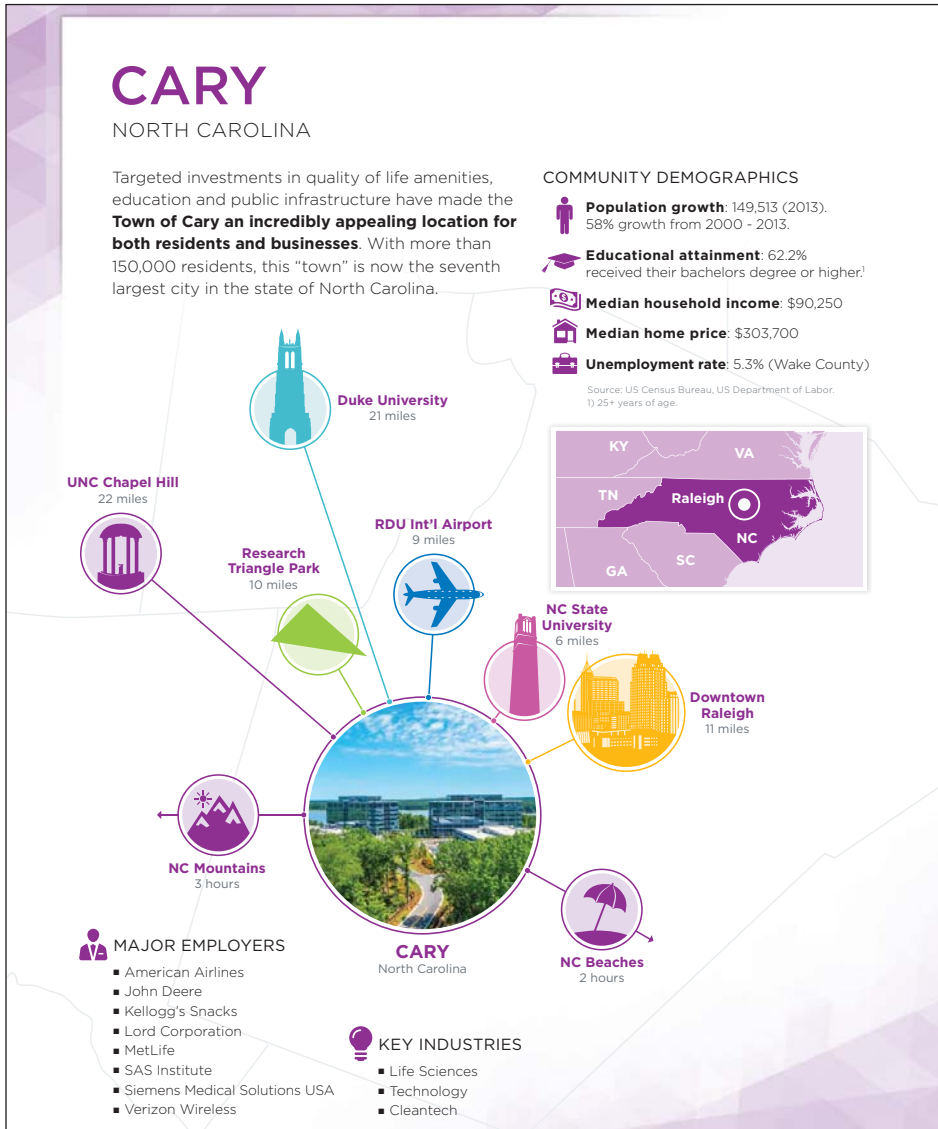


Property Photographs



Cary Submarket

Area Information



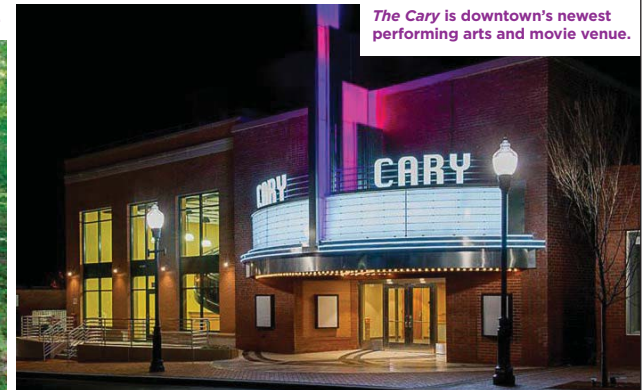
Cary has over 30 public parks and natural areas, a greenway system of over 70 miles, and four sports venues.



"We know first-hand why Wake County has a great reputation for technology talent. The engineers, software developers, and project managers based here inspire our teams around the world."
Geoffrey Lang, VP and GM of MetLife's Global Technology Campus, Cary, NC



The Cary is downtown's newest performing arts and movie venue.



#1 Among Family-Friendly Cities in the U.S.
Human Life Project, 2013

#2 Fastest Growing Metro through 2020 (Raleigh-Cary).
US Metro Economics, 2014

To learn more about our growing business community, or living in Cary, please contact us or visit us online.



Wake County Economic Development
800 S. Salisbury St. | Raleigh, NC 27602
919-664-7042 | raleigh-wake.org

Cary Chamber of Commerce
307 N. Academy Street | Cary, NC 27513
919-467-1016 | carychamber.com

Cary Submarket

Area
Information

No.1 state for

“Top business
climate”

last 9 of 11 years according to
Site Selection Magazine.

Ranked 1st among

best places

for business and careers (Raleigh-Cary)
according to *Forbes* Magazine.

2nd among next biggest

boom towns

in the U.S. (Raleigh-Cary) according
to *Forbes* Magazine.

Infrastructure

Commitment to infrastructure? **CARY'S GOT IT.**

Cary is not only serious about growing, but also growing smart. Dedicated planning, with budgets to back it up, means it's geared to expand without jeopardizing Cary's important lifestyle.

In recent years, the Town of Cary has budgeted nearly \$500 million in infrastructure projects focused on maintaining Cary's quality of life. The totals of the infrastructure project are broken down into:



\$159 MILLION

budgeted for transportation



\$101 MILLION

budgeted for parks, recreation
and cultural resources



\$10.5 MILLION

budgeted for fire



\$87 MILLION

budgeted for sewer



\$135 MILLION

budgeted for water

Additionally, Cary has invested in its technology infrastructure. From robust broadband servers to support for satellite uplinks, nearly all of Cary's citizens have access to the Internet at home or at work — about twice the national average.

The Town has signed an agreement with AT&T in 2014 to implement its high speed fiber to the home project in Cary. It will provide at least 20 times the current bandwidth available to residents. Google is also in discussions with the Town as a potential second option for high speed fiber.

The Words “Cary” and “Accolades” go Hand in Hand. See Who’s Talking About us Below:

#6 SAS - America's Best Employers Forbes, March 2016

#4 City Where Millenials are Buying Homes (Cary)—SmartAsset, March 2016

#5 Safest Cities in North Carolina (Cary)—CreditDonkey, February 2016

#5 Best Performing Large U.S. City (Raleigh-Cary)—Milken Institute, January 2016

Top Cycle-Friendly Retirement Destination (Cary)—Where to Retire Magazine,
March/April 2016

#5 Most Educated MetroPerforming Large U.S. City (Raleigh-Cary)—Headlight Data,
January 2016

#5 Best Places for Middle Class Families (Raleigh-Cary)—Chapman University,
January 2016

#6 America's 50 Best Places to Live (Cary)—24/7 Wall Street, November 2015

#6 Metro for Economic Growth (Raleigh-Cary)—US Conference of Mayors, January 2015

#1 Mid-Sized American Cities (Cary)—RealtyTrac, December 2014

#1 "Nicest" Housing Market (Cary)—RealtyTrac, December 2014

#8 Best City to Live In (Cary)—Wall Street Journal, September 2014

#4 Best Midsize City to Raise Children (Cary)—MyLife, August 2014





Exponential Population Growth

Between 2011 and 2012, North Carolina ranked fourth in the nation among states with the highest domestic migration gains. No region in the state is growing faster than the Triangle. From 1970 to 1995, the region's population increased by 430,000 people. Between 1995 and 2030, the Triangle's population is projected to grow by another 1.4 million. Between 2000 and 2010, Wake County's population grew by 43.5 percent, making it the fastest growing county in the state and the 9th fastest growing county in the United States. The city of Raleigh's population grew by 46.3 percent, and the city of Durham's population increased by 22.1 percent during this time. A recent report by American City Business Journals projects that no other U.S. metro will grow at a faster rate than Raleigh-Cary between 2005 and 2025.

Diversified Employment Base

The Triangle employment base is concentrated in four industries – government, health care, technology, and education. In addition, the economic base is continuing to attract more knowledge-based/service-related industries, which directly impacts office demand.

Innovation

Thanks in large part to the presence of three nationally renowned research universities, the Triangle region has earned a strong reputation for innovation and entrepreneurship. The area consistently ranks among the top 10 places for technology companies, and Forbes Magazine recently named Raleigh the nation's Best Place for Businesses and Careers. The Triangle has had

a successful “triple helix” model in place for more than 50 years, fostering a dense network of researchers who continuously innovate, entrepreneurs and investors who turn discoveries into products and companies, and governments that structure intellectual property, regulatory and tax systems to enable new companies and industries to thrive.

Quality of Life

With a low cost of living, quality health care, and ready access to abundant recreational activities, the Triangle region offers a highly desirable place for businesses to attract and retain skilled workers. Combined with its central location in the Mid-Atlantic region, companies are able to easily access markets and suppliers along the East Coast.

Top Business Climate

The Triangle market, and Wake County in particular, has historically been one of the nation's top performers as it relates to business development. The area consistently ranks #1 among the national surveys that are conducted annually due to the low cost of doing business and the fact that North Carolina is a right-to-work state.

Consistent Employment Growth

The Triangle's unemployment rate stood at 5.2 percent in December 2013, down from 7.6 percent one year earlier and from a peak of 9.5 percent in early 2010. The region is among the best positioned in the nation for long-term economic expansion and population growth. ¹⁰

Recent Triangle Accolades

#6 Large Metro for Private-Sector Salary Growth

(Raleigh, NC)
U.S. Bureau of Labor Statistics | April 2016

#8 Leading Metro for Biotech Investment

(Raleigh, NC)
City Lab | April 2016

#3 Best City for Young Professionals

(Raleigh, NC)
Forbes | March 2016

#9 Fastest Growing City

(Raleigh, NC)
Forbes | March 2016

#1 Healthiest NC County

(Wake County, NC)
County Health Rankings | March 2016

#4 Best Place to Live

(Raleigh-Durham, NC)
US News | March 2016

#5 City of the Future

(Raleigh, NC)
Forbes | January 2015

#2 City With the Most Job Openings Per Person

(Raleigh, NC)
Indeed | December 2015

#9 Top Metro for Job Creation

(Raleigh, NC)
Gallup | December 2015

#2 Easiest City to Find a Job

(Raleigh, NC)
Forbes | December 2015

#7 Best City in the World to Launch a Career

(Raleigh, NC)
HubSpot | October 2015

#2 Best City in NC for Retirement

(Raleigh, NC)
WalletHub | September 2015

#2 Metro as a Tech Job Leader

(Raleigh-Durham, NC)
Business Facilities | August 2015

#2 City for Business and Careers

(Raleigh, NC)
Forbes | July 2015

#3 County in NC with the Most Incoming Investments

(Wake County, NC)
SmartAsset | July 2015

#3 Top Labor Market

(Raleigh, NC)
Career Builder | July 2015

#3 American City to Visit in 2015

(Raleigh, NC)
The Huffington Post | February 2015

#3 Labor Market in the U.S.

(Raleigh, NC)
CareerBuilder & EMSI
February 2015

Top 5 Best Markets for Office Investment

(Raleigh-Durham, NC)
National Real Estate Investor
January 2015

#4 Fastest-Growing City

(Raleigh, NC)
Forbes | January 2015

#41 World's Leading Metropolitan Areas

(Raleigh, NC)
The Brookings Institute
January 2015

2015 City to Watch

(Raleigh, NC)
Urbanful | January 2015

#3 Best Place for Entrepreneurs to Start a Business

(Raleigh, NC)
US Chamber of Commerce | August 2014

#5 Best-Performing Large U.S. City

(Raleigh-Cary, NC)
Milken Institute | January 2015

#2 Most Affordable Market with Good Schools

(Raleigh, NC)
RealtyTrac | November 2014

#7 Smartest City in America

(Raleigh, NC)
Forbes | November 2014

#2 Easiest Place to Find a Job

(Raleigh, NC)
Forbes | November 2014

Lease Abstract

Address:

158 E. Chatham St.
Cary, NC 27513

Cap Rate: 7.5%

Price: \$2,000,000

Tenant: Modern Service

Guarantor/Credit: 5-year personal guarantee and 1 year rolling guarantee throughout the initial term

Building Size: 3,414 SF

Land Area: 0.67 AC

Initial Lease Term: 10 years

Lease Options: Four (4), Five (5) year options

Annual Rent/NOI: \$150,000

Rental Increase: 10% every 5 years (including options)

Ownership/Expenses: No LL responsibilities. Absolute NNN

Option to Purchase: None

Right of First Refusal: None

Option to Terminate: None

Property Details

Address:

158 E. Chatham St.

Cary, NC 27513

Building SF: 3,414 SF

Land SF: 29,185 SF

Offering Price: \$2,000,000

Return Analysis

	Current	July 1, 2021
Price	\$2,000,000	\$2,000,000
NOI	\$ 150,000	\$ 165,000
Cap Rate	7.5%	8.25%

Rent Schedule

Lease Commencement Term	Annual	CAP Rate
7/1/16 - 6/30/21	\$150,000	7.50%
7/1/21 - 6/30/26	\$165,000	8.25%

Option Terms

Lease Commencement Term	Annual	CAP Rate
7/1/26 - 6/30/31 (Opt. #1)	\$181,500	9.08%
7/1/31 - 6/30/36 (Opt. #2)	\$199,650	9.98%
7/1/36 - 6/30/41 (Opt. #3)	\$219,615	10.98%
7/1/41 - 6/30/46 (Opt. #4)	\$241,576	12.08%

Demographics

	0-1 Mile	%	0-3 Miles	%	0-5 Miles	%
Population						
2020 Projection	11,556		82,167		185,240	
2015	10,982		75,686		169,864	
2010	10,597		71,356		156,864	
2000	9,977		63,890		129,4668	
2015-20 Annual Rate	1.02%		1.66%		1.82%	
Households						
2020 Projection	4,609		34,478		76,057	
2015	4,374		31,663		69,319	
2010	4,234		29,769		64,201	
2000	4,016		25,747		51,047	
2015-20 Annual Rate	1.05%		1.72%		1.87%	
2015 Population by Single Classification Race	1,544		12,549		58,835	
White Alone		65.6%		69.7%		69.8%
Black or African American Alone		13.9%		12.4%		11.0%
American Indian Alone		1.3%		0.6%		0.5%
Asian Alone		0.0%		8.8%		12.2%
Pacific Islander Alone		0.0%		0.1%		0.1%
Some Other Race Alone		9.8%		5.3%		3.6%
Two or More Races		3.4%		3.1%		3.0%
2015 Average Household Income	\$65,988		\$87,192		\$99,726	
2015 Median Household Income	\$53,961		\$63,614		\$72,166	

Source: ESRI

The logo for NAI Carolantic Realty features the letters 'NAI' in a bold, white, sans-serif font, followed by the words 'Carolantic Realty' in a similar white font. The entire logo is set against a solid red rectangular background.

NAI Carolantic Realty

5121 Kingdom Way, Suite 200
Raleigh, NC 27607
+1 919 832 0594
naicarolantic.com