

# USPS ANCHORED CENTER

7840 North Point Boulevard - WINSTON-SALEM, NORTH CAROLINA 27106

OFFERING MEMORANDUM



ACTUAL PROPERTY

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Marcus & Millichap

# Investment Overview

7840 North Point Boulevard - WINSTON-SALEM, NORTH CAROLINA 27106

Marcus & Millichap is pleased to present this 104,386-square foot retail asset in Winston-Salem, North Carolina, the state's fifth largest city. Tenants include United States Postal Service, Airbound Trampoline Park, and Awakened Church. Tenants are operating under double-net (NN) leases, fully reimbursing for real estate taxes, insurance, and common area maintenance.

The anchor tenant, United States Postal Service, has been operating at this location since July 1997, and has demonstrated their commitment to the site by exercising their first five-year extension option early. Occupying a total of 50,254 square feet, United States Postal Service benefits from the space's unique shape, allowing the tenant to utilize the space as both a distribution facility and a vehicle maintenance center. Airbound Trampoline Park occupies 28,600 square feet and Awakened Church occupies 17,813 square feet. The 40-foot by 50-foot bays found in this building are a mission critical component to Airbound's ability to operate out of this space. Both Airbound and Awake Church invested approximately \$1,000,000 in their build out. Airbound's rent will increase by 100% in 2019.

The outparcel to this site is currently being developed. This three million dollar project will deliver a brand new District One police station to the Winston-Salem community.

This asset is located one off the intersection of University Parkway and North Point Boulevard. This signalized, hard corner intersection is the busiest in Winston-Salem, which sees 70,000 vehicles per day. On the west side of the intersection is the University Plaza. This 220,914-square foot shopping center is anchored by Food Lion and Burlington Coat Factory. Approximately two miles from the asset is Wake Forest University, which has more than 7,500 undergraduate students.

Additional tenants in the vicinity include: Office Depot, Bank of America, Family Dollar, McDonald's, Burger King, Dunkin Donuts, Domino's Pizza, Chrysler, Jeep, Dodge, Winston-Salem Soccer Plex, and CrossFit.

- **Three-Tenant Retail Center in Winston-Salem, North Carolina | Fifth Largest City in North Carolina**
- **Tenants Include United States Postal Service, Airbound Trampoline Park, and Awake Church**
- **Tenants Operating Under Net Leases Fully Reimbursing for Real Estate Taxes, Insurance, and Common Area Maintenance**
- **Anchored by United States Postal Service | Strong Commitment to Location | 20-Year Operating History and Exercised Extension Option Early | No Early Termination Option Customary to Federal Government Guaranteed Leases**
- **Airbound Trampoline Park Rent Increase | 100% Bump in 2019**
- **Awake Church | Relocation Tenant | Approximately \$1,000,000 Build Out**
- **Three Million Dollar Outparcel Development Project | Brand New 10,000-Square Foot District One Police Station**
- **One Off Intersection of North Point Boulevard & University Parkway | Ranked the Busiest Intersection in Town | 70,000 Vehicles Per Day**
- **Less Than One-Half Mile to University Plaza | 220,914-Square Foot Shopping Center | Anchored by Food Lion and Burlington Coat Factory**
- **Asset is Two Miles from Wake Forest University | More Than 7,500 Undergraduate Students**



# Financial Overview

7840 North Point Boulevard - WINSTON-SALEM, NORTH CAROLINA 27106

## OFFERING SUMMARY

PRICE:	\$4,832,309
CAP RATE:	8.60%
NOI:	\$412,368
PRICE PER SQUARE FOOT:	\$49.44
RENT PER SQUARE FOOT:	\$4.12
YEAR BUILT:	1980
APPROXIMATE LOT SIZE:	11.43
GROSS LEASEABLE AREA:	97,734 Square Feet
TYPE OF OWNERSHIP:	Fee Simple



## Annualized Operating Data:

Income	
Base Rent	\$402,825
Expense Reimbursements	
CAM	\$55,337
TI Costs	\$12,500
Total Expense Reimbursements	\$67,837
<b>Effective Gross Income</b>	<b>\$470,662</b>
Expenses	
Real Estate Taxes	\$25,698
Insurance	\$8,326
CAM	
Repairs & Maintenance	\$5,276
Roof Repairs	\$2,835
Building	\$3,037
Utilities	\$5,246
Storm Water	\$6,977
NC LLC Fee	\$900
<b>Total CAM</b>	<b>\$24,271</b>
<b>Total Expenses</b>	<b>\$58,294</b>
<b>Net Operating Income</b>	<b>\$412,368</b>



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# Tenant Overview - United State Postal Service

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The United States Postal Service (USPS) handles cards, letters, and packages sent from sea to shining sea. The USPS delivered some 154 billion pieces of mail in fiscal 2015 in the US and its territories, and if that's not enough, it claims to deliver more than half of the world's mail. The independent government agency relies on postage and fees to fund operations. The US president appoints nine of the 11 members of the board who oversee the USPS. The presidential appointees select the postmaster general, and together they name the deputy postmaster general; the two also serve on the board.

## TENANT PROFILE

<b>TENANT TRADE NAME</b>	USPS
<b>OWNERSHIP</b>	Independent Agency of US Federal Government
<b>TENANT</b>	United States Postal Service
<b>LEASE GUARANTOR</b>	United States Government
<b>NUMBER OF LOCATIONS</b>	31,600+
<b>HEADQUARTERED</b>	Washington, D.C.

## LEASE SUMMARY

<b>GLA</b>	50,334
<b>LEASE TYPE</b>	Double-Net (NN)
<b>% OF TOTAL GLA</b>	51.50%
<b>LEASE COMMENCE</b>	7/1/1997
<b>LEASE EXPIRE</b>	6/30/2022
<b>ANNUAL RENT</b>	\$265,347
<b>RENT/SF</b>	\$5.27



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# Tenant Overview - Awake Church

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Awake church is a community congregation that has been established in Winston-Salem since 2009, by Matt Peterson. Peterson has a charitable background with the water supplying organization Hydrating Humanity, and has leveraged this non-profit and his personal funding to act as the tenant's personal guarantor. Awake Church relocated to this location on North Point Boulevard in 2012, investing approximately \$1 Million in the build out, and has since grown to be an 800-person congregation within the community. The space is used as a community center, daycare facility, and meeting space for sermons. The tenant's community presence and facility improvements demonstrates their commitment to the location.

## LEASE SUMMARY

GLA 18,800

LEASE TYPE Double-Net (NN)

% OF TOTAL GLA 19.24%

LEASE COMMENCE 4/15/2013

LEASE EXPIRE 6/30/2022

ANNUAL RENT \$80,158

RENT/SF \$4.26

INCREASES None



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# Tenant Overview - Airbound Trampoline Park

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Airbound is the ultimate indoor family entertainment center, consisting of several trampoline courts, which are arrays of trampolines placed horizontally and surrounded by trampolines placed at angles that serve as the court's walls. Larger courts are reserved for Open Jump and Jump After Dark, while smaller courts are used for games of dodgeball. Some courts allow visitors to bounce into a pit filled with foam blocks. Additional space is available for birthday parties with a full arcade.

## TENANT PROFILE

TENANT TRADE NAME	Airbound Trampoline Park
OWNERSHIP	Private
TENANT	Zero Gravity Trampoline Park, LLC
LEASE GUARANTOR	Personal Guarantee
NUMBER OF LOCATIONS	2
HEADQUARTERED	Winston-Salem, NC

## LEASE SUMMARY

GLA	28,600
LEASE TYPE	Double-Net (NN)
% OF TOTAL GLA	30%
LEASE COMMENCE	10/1/2011
LEASE EXPIRE	9/30/2019
ANNUAL RENT	\$57,320
RENT/SF	\$2.00
INCREASES	In Options



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# Aerial Overview

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# Parcel Overview

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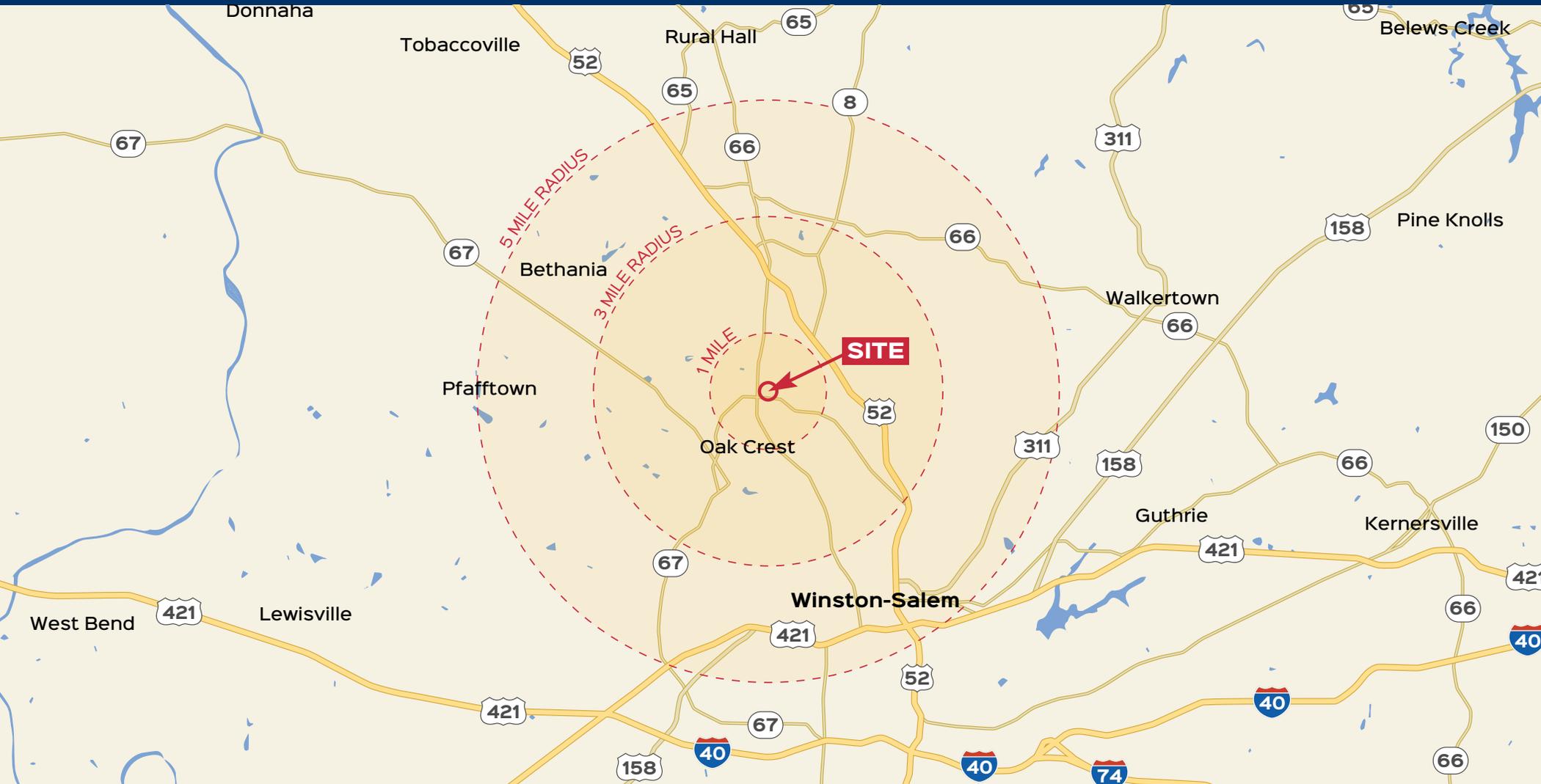


	GLA (SF)	Percent of GLA	Lease Commence	Lease Expire	Annual Rent	Rent (PSF)	Increases	Lease
1. UNITED STATES POSTAL SERVICE	50,334	51.50%	7/1/1997	6/30/2022	\$265,347	\$5.27	-	NN
2. AWAKE CHURCH	18,800	19.24%	4/15/2013	6/30/2022	\$80,158	\$4.26	-	NN
3. AIRBOUND TRAMPOLINARK	28,600	29.26%	10/1/2011	9/30/2019	\$57,320	\$2.00	In Options	NN
<b>TOTAL</b>	<b>97,734</b>	<b>100%</b>			<b>\$402,825</b>			

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# Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile
<b>Population</b>				<b>Households</b>				<b>Household (HH) Incomes</b>			
2000 Population	9,299	48,563	117,399	2000 Households	3,468	19,186	47,148	2016 Average HH Income	\$38,430	\$51,576	\$59,979
2010 Population	9,636	51,240	122,587	2010 Households	3,837	19,970	48,781	2016 Median HH Income	\$26,018	\$35,720	\$38,774
2016 Population	10,384	54,497	129,952	2016 Households	4,127	21,231	51,859	2016 Per Capita Income	\$15,274	\$20,093	\$23,935
2021 Population	10,849	56,938	135,726	2021 Households	4,329	22,219	54,277				

# Market Overview - Winston-Salem, NC

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Winston-Salem is in Forsyth County, North Carolina. It is the second largest municipality in the Piedmont Triad region and the fifth largest city in the state. Winston-Salem is home to the tallest office building in the region, 100 North Main Street, formerly the Wachovia Building and now known locally as the Wells Fargo Center. In 2012, the city was listed among the 10 best places to retire in the U.S. by CBS MoneyWatch.

Winston-Salem is called the "Twin City" for its dual heritage and "City of the Arts and Innovation" for its dedication to fine arts and theater and technological research. "Camel City" is a reference to the city's historic involvement in the tobacco industry related to locally based R. J. Reynolds Tobacco Company's Camel cigarettes. Many locals refer to the city as "Winston" in informal speech. "The Dash" is referenced from the hyphen between Winston and Salem and was popularized by the nickname of the local minor league baseball team, the Winston-Salem Dash.

## Economy

Although traditionally associated with the textile and tobacco industries, Winston-Salem is transforming itself to be a leader in the nanotech, high-tech and bio-tech fields. Medical research is a fast-growing local industry, and Wake Forest Baptist Medical Center is the largest employer in Winston-Salem. A portion of downtown Winston-Salem has been designated as the Wake Forest Innovation Quarter for biomedical and information technology research and development.

## Art and Culture in Winston-Salem

Winston-Salem is replete with historical attractions. Reynolda Village, which includes Reynolda Gardens and the Reynolda House Museum of American Art, is a good example. The museum is housed in the former home of tobacco baron R.J. Reynolds. Built in the early twentieth century, the structure contains one of the premiere public collections of American art in the South. The Museum of Early Southern Decorative Arts (MESDA) is dedicated to the original decorative arts of America's early South. Featured are the paintings, textiles, and furniture made and used in regional southern states up until the early 19th century. The Old Salem Children's Museum is geared towards visitors under the age of ten and features a child-size early-Salem house, a secret tunnel, and old costumes which children can try on.

## Top Employers:

- Wake Forest Baptist Medical Center - 11,750
- Novant Health - 8,145
- Winston-Salem/Forsyth County Schools - 6,692
- City/County Government - 4,689
- Reynolds American, Inc. - 3,000
- Wells Fargo - 2,800
- Hanesbrands Inc. - 2,251
- BB&T - 2,200
- Wake Forest University - 1,680
- Lowe's Foods - 1,500





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## **Brokers Of Record**

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