

Ackerman & Co.



OFFERING MEMORANDUM

# Fairview Crossing Shopping Center

1350 Charlotte Highway  
Fairview, North Carolina 28730

## CONFIDENTIAL INFORMATION ( INFORMATION NOT WARRANTED )

This Offering Memorandum and any subsequent evaluation material you may be provided (collectively known as the "Offering Memorandum") is intended solely for your limited use in considering whether to pursue negotiations to acquire Fairview Crossing Shopping Center (the "Property") located in Fairview, North Carolina. The Property is being marketed for sale by Ackerman & Co. ("Broker").

The Offering Memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by Broker. It does not, however, purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Broker makes no representation or warranty, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of its contents, and no legal liability is assumed to be implied with respect thereto.

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- Location and Demographics
- Property Photographs and Aerials
- Property Overview
- Area Map

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- Rent Roll
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- Detailed Demographics

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- Expenses and Tenant Reimbursements
- Existing Lease Expirations
- Pro-Forma Summary

## CONTACTS

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# 01

## EXECUTIVE SUMMARY

- Investment Summary
- Location and Demographics
- Property Photographs and Aerials
- Property Overview
- Area Map



# 01 Executive Summary

## INVESTMENT SUMMARY



*Ackerman & Co's investment sales group is pleased to present for sale, Fairview Crossing Shopping Center, a 43,104 sf grocery anchored retail center located in Fairview, North Carolina.*

A unique opportunity to own the only grocer in Fairview, NC with daily traffic driven by both Food Lion and the Post Office. Currently 100% occupied, it has a junior anchor of the US Post Office.

Built in 1999, Fairview Crossing Shopping Center was originally constructed for Food Lion. Over the years the center has provided a stable base with high occupancy and high historical tenant retention. Most of the current rent roll has been in place for over 13 years. With over 14,000 vehicles per day and limited competition in the market, it should provide for a long term investment.

## INVESTMENT SUMMARY

<b>Location:</b>	1350 Charlotte Hwy, Fairview, NC 28730
<b>Occupancy:</b>	100%
<b>Size:</b>	43,104 SF / 9.55 AC
<b>Year Built:</b>	1999
<b>Anchors:</b>	Food Lion (Expires 2018)
<b>In-place NOI:</b>	\$379,280
<b>In-place Cap Rate:</b>	9.75%
<b>Leveraged Cash on Cash Yr 1:</b>	14.11%
<b>Total Return Yr 1:</b>	21.29%
<b>Loan Balance as of 5/2013:</b>	\$2,701,815
<b>Equity Required:</b>	\$1,188,233 (30%)
<b>Offering Price:</b>	\$3,890,048 (\$90.25/SF)

## INVESTMENT HIGHLIGHTS

- 100% occupied shopping center
- Strong Asheville MSA location
- Minimal competition
- Stable Food Lion sales over last 3 years
- Loan option, can be offered free and clear

## FOOD LION SALES

<b>2012</b>	\$7,524,952 (\$228 / SF)
<b>2011</b>	\$7,514,420 (\$228 / SF)
<b>2010</b>	\$7,578,993 (\$230 / SF)

# 01 Executive Summary

## LOCATION AND DEMOGRAPHICS

*Fairview Crossing Shopping Center is located in the town of Fairview in Buncombe County along Highway 74 within the Asheville MSA. This western North Carolina is situated in between the Blue Ridge and the Great Smokey Mountains. This is a well-educated market with limited grocery competition in the market and a total population of 52,252 within 15 minutes and average household income of \$54,187.*

### DEMOGRAPHIC SUMMARY (IN MINUTES)

	5 MIN	10 MIN	15 MIN
Population 2011	2,511	9,892	52,252
Population 2016	2,658	10,498	54,109
Average Household Income 2011	\$64,981	\$66,237	\$54,187
Median Age	40.82	41.60	41.16
Projected Annual Growth Rate (2011-2016)	5.85%	6.13%	3.55%
Annual Growth Rate (2000-2011)	17.39%	18.35%	9.54%



**FAIRVIEW CROSSING SHOPPING CENTER**  
 1350 CHARLOTTE HIGHWAY  
 FAIRVIEW, NORTH CAROLINA 28730



**TRAFFIC COUNTS ON CHARLOTTE HIGHWAY**  
**12,000 VEHICLES PER DAY.**

Source: 2011 MPSI Systems Inc. d.b.a. DataMetrix®

# 01 Executive Summary

## PROPERTY PHOTOS



1350 CHARLOTTE HIGHWAY (HIGHWAY 74)  
FAIRVIEW, NORTH CAROLINA 28730



# 01 Executive Summary

## PROPERTY AERIAL





# 01 Executive Summary

## PROPERTY AERIAL



# 01 Executive Summary

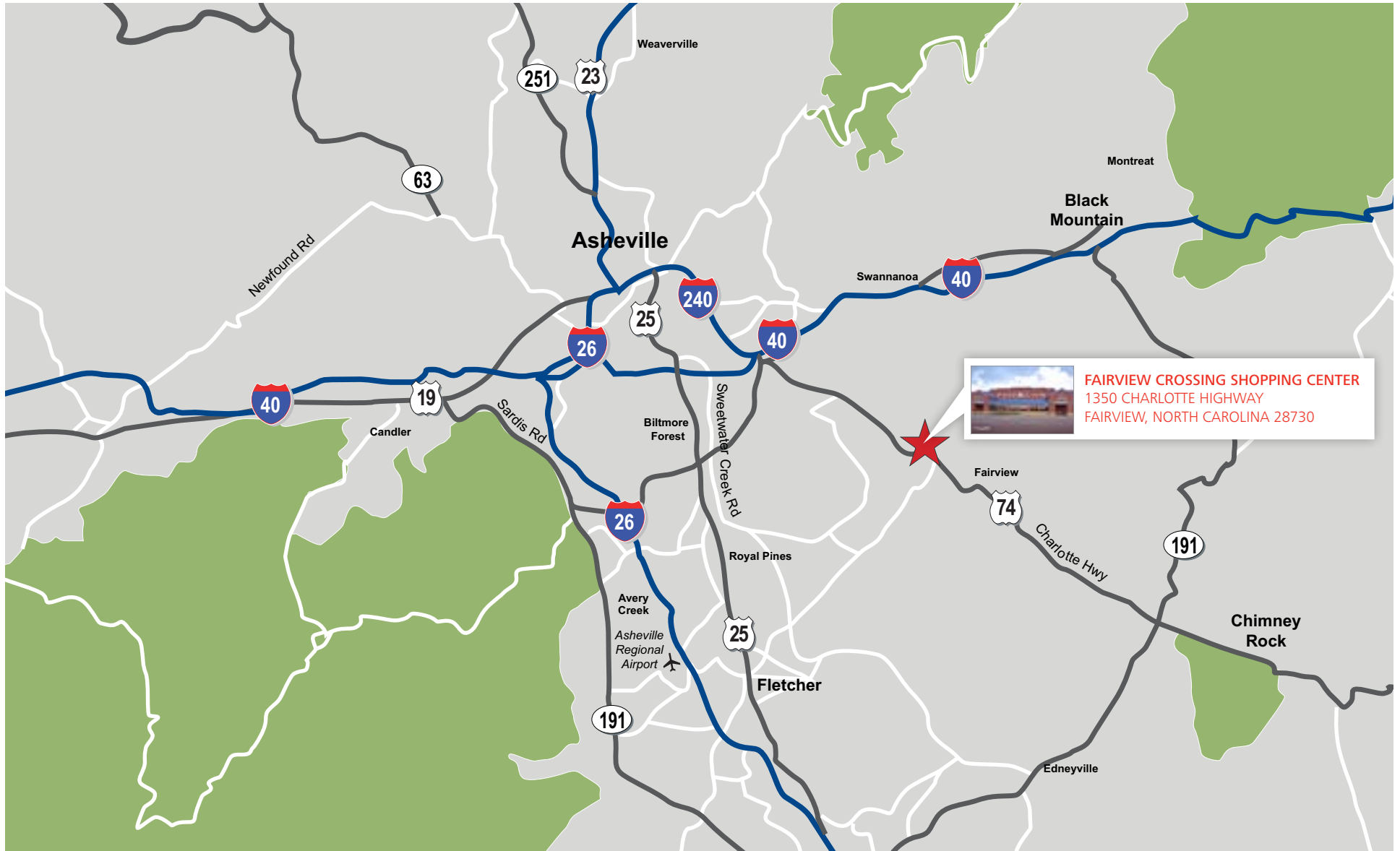
## PROPERTY OVERVIEW

Address:	1350 Charlotte Highway (Hwy 74) Fairview, North Carolina 28730
County:	Buncombe
Municipality:	Fairview
Building Size:	43,104 square feet
Land Area	9.55 acres
Parcel ID:	9686-53-2672-00000
Year Built:	1999
Construction:	Concrete, Brick
Parking:	212 spaces (4.92 / 1,000)
Access:	There are three points of ingress/egress via Charlotte Hwy and Laura Jackson Road
Store Number:	1056
Store Hours:	Monday - Sunday, 7 AM - 11 PM
Pharmacy	No
Phone Number	(828) 628-2283



# 01 Executive Summary

## AREA MAP





# 02

## TENANT OVERVIEW

- Tenant Overview
- Rent Roll
- Site Plan

## TENANT SUMMARY



SUITE  
1354

SQUARE FOOTAGE  
33,000

LEASE EXPIRATION  
02/2018

### FOOD LION

Founded in 1957, Food Lion operates as a subsidiary of the Delhaize Group (NYSE: DEG, Euronext: DELB). Delhaize Group is Belgium-based food retailer, which operates in six countries and on three continents. As of January of 2012, the Delhaize network included approximately 1,514 stores worldwide. Under the Food Lion label, Delhaize operates over 1,300 supermarkets throughout the Southeast and Mid-Atlantic Region. In addition to Food Lion, Delhaize operates under the Hannaford, Sweetbay, Bottom Dollar, Harvey's & Reid's banners in the United States. Delhaize correctly shows a debt ratio below the industry average and has shown consistent annual net income growth since 2007.

S&P Rating: BBB-  
HQ: Brussels, Belgium  
Total Stores: 2,760  
Total Employees: 138,000

HQ: Salisbury, North Carolina  
Store Locations: 1,300+  
Year Founded: 1957  
[www.FoodLion.com](http://www.FoodLion.com)



SUITE  
1352

SQUARE FOOTAGE  
6,604

LEASE EXPIRATION  
11/2017

### UNITED STATES POSTAL SERVICE

The United States Postal Service (USPS) is an independent agency controlled by the United States Government. The agency's roots trace back to 1792, but the official formation of the organization in its current state dates back to the Postal Reorganization Act of 1971. The USPS operates over 200,000 vehicles and employs over 570,000 people nationwide. The organization, which operates independently, has not received tax payer assistance since the early 1980's. In recent years, with the decline of mail volume, the USPS has aggressively tried to find ways to increase their bottom line. Recent developments include their flat rate priority shipping box program, enhanced online tracking and ordering, and alliances with UPS and FedEx. USPS is also considering a five day a week delivery schedule which would save an estimated \$3.5B annually.

S&P Rating: AA+  
Headquarters: Washington, D.C.  
Store Locations: 34,931  
Year Founded: 1792, 1971 as current USPS

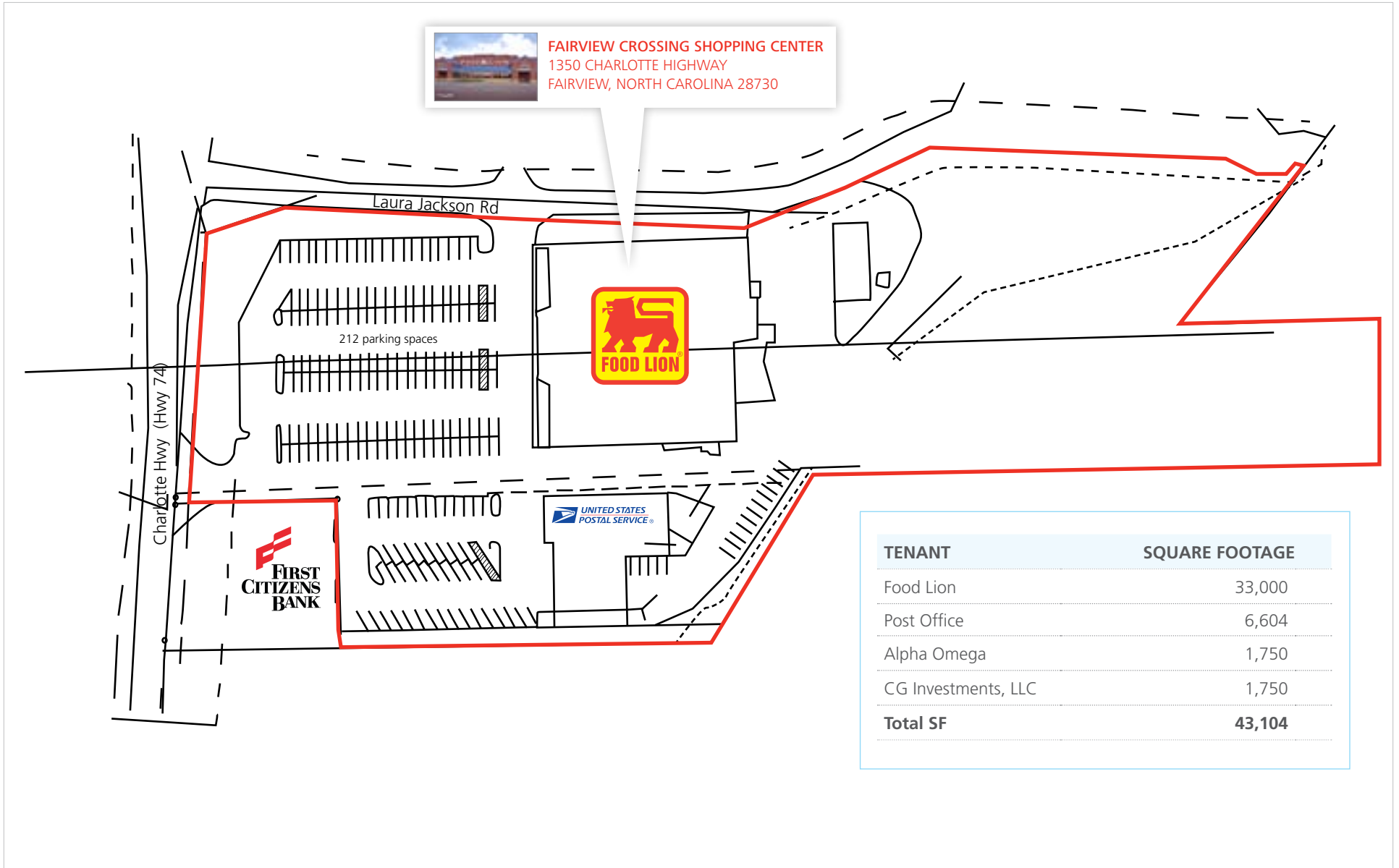
Employees: 574,000  
2011 Revenue: \$65.71B  
[www.usps.com](http://www.usps.com)





# 02 Tenant Overview

## SITE PLAN



# 03

## MARKET OVERVIEW

- Fairview, North Carolina
- Competitive Property Survey
- Detailed Demographics

FAIRVIEW, NORTH CAROLINA

*Fairview, NC is located just southeast of the Asheville, NC city limits along Hwy 74 in Western North Carolina. As a town in Buncombe County, Fairview makes up a portion of the 4 county MSA for Asheville, NC (Asheville MSA counties: Buncombe, Haywood, Henderson, and Madison).*

### Proximity to Asheville

The Asheville MSA is the fifth largest in the state of North Carolina. The city of Fairview derives much of its economic activity from the city of Asheville. Asheville's economic strengths come from an abundance of tourism, a low cost of doing business, and local college programs to target workforce development.

### Steady Growth

According to the Moody's 2010-2011 Asheville-Brevard MSA economic outlook report, growth is expected to accelerate with strong demographics in the coming years as retiring baby boomers relocate to the area from major metropolitan areas in the southeast. Buncombe County has the highest Bachelor and Graduate degreed population over the age of 25 years and over 25,000 enrolled in regional Colleges and Universities.



Asheville, North Carolina

### ► MIGRATION FLOW INTO THE ASHEVILLE AREA

City	Number of Migrants
Charlotte, NC	499
Tampa, FL	387
Raleigh, NC	302
Orlando, FL	286
Greenville, SC	230
Atlanta, GA	226
Fort Lauderdale, FL	211
West Palm Beach, FL	191
Hickory, NC	189
Cape Coral, FL	176
<b>Total in-migration</b>	<b>16,261</b>

Source: IRS, 2008



# 03 Market Overview

FAIRVIEW, NORTH CAROLINA, CONT'D.

## Asheville Careers

Among the most common occupations in Asheville are Management, professional, and related occupations, 36%. Sales and office occupations, 21%. and Service occupations, 19%. Approximately 75 percent of workers in Asheville, North Carolina work for companies, 11 percent work for the government and 8 percent are self-employed.

### ▶ TOP EMPLOYERS (ASHEVILLE-BREVARD MSA)

Employers	Number of Employees
Mission Health and Hospitals	>3,000
Ingles Markets	>3,000
Evergreen Packaging, Inc.	1,100
The Biltmore Company	1,000 - 2,999
Margaret R. Pardee Memorial Hospital	1,000 - 2,999
VA Medical Center	1,000 - 2,999
The Grove Park Inn, Resort and Spa	1,000 - 2,999
CarePartners	750 - 999
Haywood Regional Medical Center	750 - 999
Park Ridge Hospital	750 - 999
Borg Warner Turbo & Emissions Systems	750 - 999
Arvin Meritor Commercial Vehicle Systems	750 - 999
Eaton Corporation - Electrical Division	750 - 999
GE Lighting Systems, Inc.	500 - 749
University of North Carolina at Asheville	500 - 749
Thermo Fisher Scientific, Inc.	500 - 749
MB Haynes Corporation	500 - 749
Arvato Digital Services	500 - 749
Wal-Mart Stores, Inc.	400-499
Black Mountain Center	400-499

Source: Asheville Area Chamber of Commerce



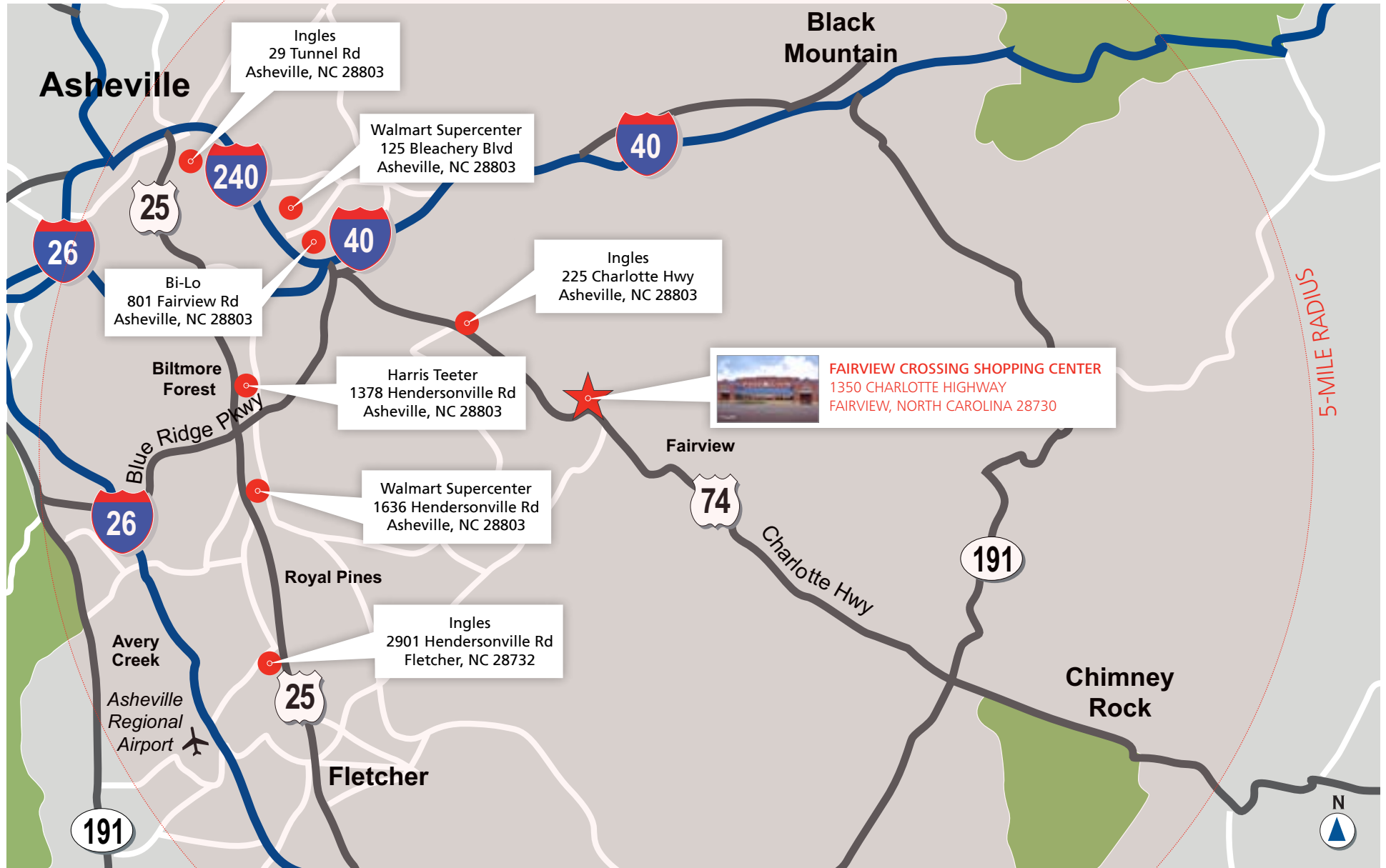
Western Carolina University, North Carolina

### ▶ COLLEGE AND UNIVERSITIES

Name of School	Enrollment
Western Carolina University	9,050
Asheville-Buncombe Technical	6,408
University of North Carolina, Asheville	3,629
Haywood Community College	2,305
Mars Hill College	1,245
Montreat College	1,113
Warren Wilson College	1,002
South College	180
<b>Total Enrollment</b>	<b>24,932</b>

# 03 Market Overview

COMPETITIVE PROPERTY MAP (5-MILES)



# 03 Market Overview

## DETAILED DEMOGRAPHICS (MINUTES)

DEMOGRAPHICS	5-MIN	10-MIN	15-MIN
2011 Population	2,511	9,892	52,252
2016 Projected Population	2,658	10,498	54,109
2000 Census Population	2,139	8,358	47,700
1990 Census Population	1,549	6,133	42,106
Growth 2000 - 2011	17.39%	18.35%	9.54%
Growth 2011 - 2016	5.85%	6.13%	3.55%
2010 Estimated Median Age	40.82	41.60	41.16
Total Businesses	83	278	1,040
Total Employees	1,297	5,169	26,183
2011 Households	971	3,919	23,192
2016 Projected Households	1,016	4,104	23,620
2000 Census Households	796	3,187	20,573
1990 Census Households	576	2,325	17,998
Growth 2000 - 2011	4.63%	4.72%	1.85%
Growth 2011 - 2016	21.98%	22.97%	12.73%
2010 Estimated Average Household Size	2.55	2.49	2.16
2011 Median Household Income	\$52,209	\$51,617	\$39,407
2011 Average Household Income	\$64,981	\$66,237	\$54,187
2011 Per Capita Income	\$25,496	\$26,524	\$24,468
2011 Housing Units	971	3,919	23,192
2011 Occupied Units	777	3,147	13,368
2011 Owner Occupied Units	80.02%	80.30%	57.64%
2011 Renter Occupied Units	19.98%	19.67%	42.36%
2011 Median Housing Value	\$223,122	\$232,287	\$204,946

# 04

## FINANCIAL OVERVIEW

- Expenses and Tenant Reimbursements
- Existing Lease Expirations
- Pro-Forma Summary



# 04 Financial Overview

## EXPENSES AND TENANT REIMBURSEMENTS (Pro-Forma Figures)

EXPENSES AND TENANT REIMBURSEMENTS		
<b>CAM Totals (Reimbursable)</b>		
Utilities		\$9,243
Rubbish		\$1,620
General Maint & Repairs		\$8,801
Lawn & Grounds		\$12,196
Parking Lot Maint.		\$3,600
Snow Removal		\$5,937
Alarm/Security		\$845
Taxes & Licenses		\$620
Management Fees		\$23,924
<b>Total</b>		<b>\$66,786</b>
<b>Taxes</b>		<b>\$26,764</b>
<b>Insurance</b>		<b>\$15,161</b>
<b>Fairview Crossing</b>		
Food Lion	CAM (Fixed)	\$12,925
76.56%	Taxes (PRS)	\$20,491
	Insurance (PRS*)	\$8,458
	<b>Total Expense Reimbursements (2011)</b>	<b>\$41,874</b>
U.S. Post Office	CAM (N/A)	\$0
12.46%	Taxes (PRS)	\$3,335
15.32% [1]	Insurance (N/A)	\$0
	<b>Total Expense Reimbursements (2011)</b>	<b>\$3,335</b>
Alpha & Omega	CAM (PRS)	\$2,712
4.06%	Taxes (PRS)	\$1,087
	Insurance (PRS)	\$616
	<b>Total Expense Reimbursements (2011)</b>	<b>\$4,414</b>
CG Investments, LLC	CAM (PRS)	\$2,712
4.06%	Taxes (PRS)	\$1,087
	Insurance (PRS)	\$616
	<b>Total Expense Reimbursements (2011)</b>	<b>\$4,414</b>
<b>Total Expense Reimbursements from 2011</b>		<b>\$54,036</b>

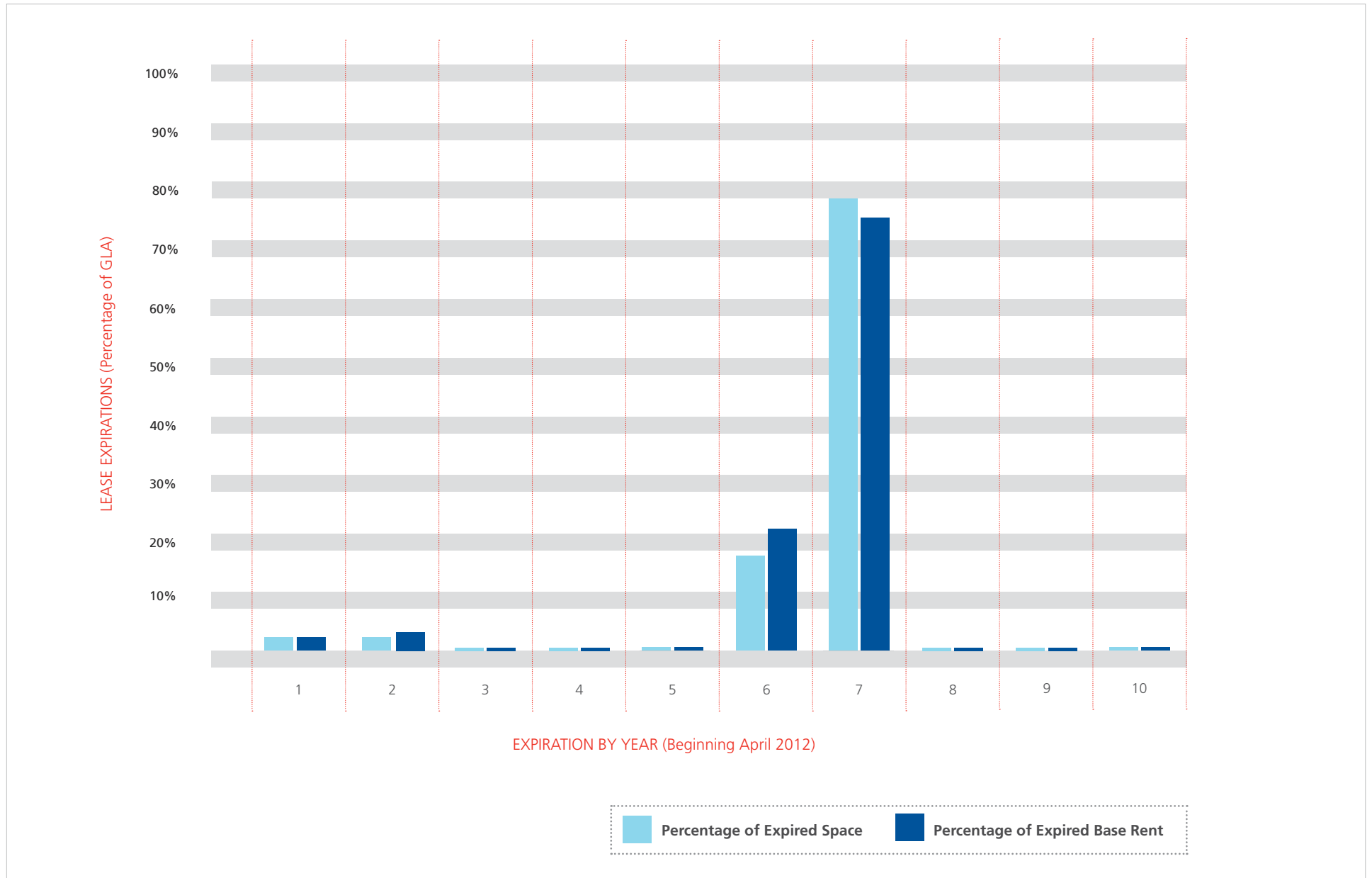
### Notes

\* Based on property insurance only - total property insurance amount was \$11,048 in 2011

[1] The Post Office takes up 15.32% of the actual GLA, but their lease includes a 12.46% figure

# 04 Financial Overview

## EXISTING LEASE EXPIRATIONS



# 04 Financial Overview

## PRO-FORMA SUMMARY

TENANT	BASE RENT	EXPENSE REIMBURSEMENTS
Food Lion	\$305,580	\$41,874
U.S. Post Office	\$76,210	\$3,335
Alpha & Omega	\$18,340	\$4,414
CG Investments, LLC	\$20,055	\$4,414
<b>Totals</b>	<b>\$420,185</b>	<b>\$54,037</b>

ANNUALIZED INCOME	2013 PRO-FORMA
Gross Potential Rent	\$420,185
Less: Vacancy (10% on local tenants)	(\$4,722)
Reimbursements	\$54,037
Effective Gross Income	\$469,500
Less: Expenses	(\$90,220)
Net Operating Income	\$379,280
Less: Replacement Reserves	(\$6,466)
Net Cash Flow before Debt Service	\$372,814
Less Annual Debt Service	(\$205,116)
Net Cash Flow after Debt Service	\$167,698
Principal Reduction	\$85,279
<b>Total Return</b>	<b>\$252,977</b>

ANNUALIZED EXPENSES	2013 PRO-FORMA
Insurance	\$15,000
Parking/Grounds Maintenance	\$3,600
Lawn & Grounds	\$12,000
Management Fees	\$14,100
Snow Removal	\$1,000
General Maintenance Repairs	\$6,000
Taxes - Real Estate	\$26,800
Trash Removal	\$1,620
Utilities	\$9,250
Alarm/Security	\$850
<b>Total Expenses</b>	<b>\$90,220</b>

INVESTMENT SUMMARY	
Offering Price:	\$3,890,048
Loan Balance As of 5/1/2013 (70%):	\$2,701,815
Equity Requirement (30%):	\$1,188,233
<b>Cap Rate (In-Place):</b>	<b>9.75%</b>
<b>Year 1 Leveraged Cash on Cash Return:</b>	<b>14.11%</b>
<b>Total Return</b>	<b>21.29%</b>

FINANCIAL SUMMARY		
Loan Origination Date	Jun-08	
Loan Maturity Date	Jun-33	
Initial Principal Loan Balance	\$3,000,000	
Amortization Schedule	20 Years	
Interest Rate	4.50%	(Resets every 5 years. Next reset in 6/2018.)
Monthly Payment	\$17,093	
Principal Loan Balance (As of 5/1/2013)	\$2,701,815	
Recourse	Y	
Prepayment Penalty	Yield Maintenance	(Resets Every 5 Years)
Loan Assumption Fee	2.00%	of principal loan balance

# Ackerman & Co.



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