

OFFERING MEMORANDUM.



Pep Boys Auto Wake Forest, NC

The Maffia Team



File Photo



\$1,540,915
6.75% CAP Rate

- ◆ New 12-Year Net Lease
 - Fixed Rental Increases Every 5 Years
- ◆ Outparcel to Gateway Commons Shopping Center
- ◆ 2012 Construction
- ◆ Attractive Brick Façade
- ◆ High Average Household Income
 - \$86,553 within Five Miles

Newmark Knight Frank
Cornish & Carey Commercial
Leased Investment Group

This property is listed in conjunction with North Carolina-licensed real estate broker Stewart Realty, LLC .

www.maffiateam.com



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Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

Michael Yuras, CCIM
Vice President
916.504.4905
myuras@ccareynkf.com
Lic #01823291

Michael Maffia
Senior Managing Director
415.445.5144
mmaffia@ccareynkf.com
Lic #01340853

Putnam Daily
VP/Transaction Manager
415.445.5107
pdaily@ccareynkf.com
Lic #01750064



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Property Information

Location	The property is located at 935 Gateway Commons Circle in Wake Forest, North Carolina.		
Lot Size	Approximately 0.709 acres, or 30,884 square feet.		
Improvements	An approximately 4,988 square foot retail building and automotive facility for Pep Boys Auto is under construction with an estimated completion and turnover date of December 31, 2012. There is ample parking on site.		
Lease	Leased to The Pep Boys – Manny, Joe & Jack for 12 years from an estimated rent commencement date of February 14, 2013, at an initial annual net rent of \$104,012. There are three five-year renewal options. The rent increases by 6% every five years throughout the initial term and option periods. The lease is net, with the tenant responsible for taxes, insurance, and maintenance, including the maintenance of the landscaping roof, interior and exterior walls, and the HVAC system. The landlord is responsible for any capital replacements to the premises, including the roof and any structural components of the building.		
Net Annual Income	<u>Years</u>	<u>Annual Rent</u>	<u>Return</u>
	1-5	\$104,012	6.75%
	6-10	\$110,253	7.16%
	11-12	\$116,868	7.58%
	13-17 (Option 1)	\$123,880	8.04%
	18-22 (Option 2)	\$131,132	8.52%
	23-27 (Option 3)	\$139,191	9.03%
Price	\$1,540,915 (6.75% Return)		
Financing	The property will be delivered free and clear of permanent financing.		



Tenant Information



The Pep Boys — Manny, Moe & Jack (NYSE: “PBK”) is a full-service and tire automotive aftermarket chain branded as Pep Boys Auto and commonly known simply as Pep Boys. Its product lines consist of tires; batteries; new and remanufactured parts for vehicles; chemicals and maintenance items; fashion, electronic, and performance accessories; and non-automotive merchandise, such as generators, power tools, and personal transportation products. The company serves do-it-for-me and do-it-yourself customers, as well as delivers its parts to automotive repair shops and dealers. As of January 28, 2012, it operated 562 Supercenters, 169 Service & Tire Centers, and 7 Pep Express stores located in 35 states of the United States, and in Puerto Rico.

For the fiscal year ended January 28, 2012, The Pep Boys — Manny, Moe & Jack reported revenue of \$2.064 billion with net income of \$28.903 million and total stockholder equity of \$504.329 million. The company is rated “B” by Standard & Poor’s.



About the Area

Site Information

The property is located on a pad in front of Gateway Commons Shopping Center, a neighborhood center anchored by Lowes Foods and Ace Hardware. Additional tenants in the shopping center include Nationwide Insurance, Edible Arrangements, Subway, Pet Mania, Pravana Wellness & Tanning Spa, Salus Massage, a drycleaners, Ava Nail Salon, Right time Kids, Tile Trenz, Runway Hair Salon, Fire Pit, China Wok, Girasole Trattoria, and Gatehouse Tavern. Recently opened Girasole Trattoria and Gatehouse Tavern are both operated by noted North Carolina restaurateur George Bakatsias, solidify Gateway Commons as a destination for fine yet affordable dining, and provide a third anchor for the center.

Gateway Commons is uniquely situated to serve all of Wake Forest with the Highway 98 Bypass (Dr. Calvin Jones Highway) intersecting Jones Dairy Road and Heritage Lake Road. The Highway 98 Bypass is the major east-west arterial in Wake Forest and replaces the traffic bottleneck in downtown Wake Forest with four lanes of traffic. With traffic signals at both ends of the development, easy access, and plenty of parking, Gateway Commons is a destination shopping location.

3000 households adjoin Gateway Commons at the Heritage Golf Course Community.

General Overview

Wake Forest is a town in Wake County, North Carolina, and is located just north of the state capital, Raleigh. The population was 30,117 as of the 2010 U.S. Census, up from 12,588 at the 2000 census (a 139% population increase). In 2007, the town was listed by Forbes magazine as the 20th fastest growing suburb in America, with a 73.2 percent increase in population between 2000 and 2006. Wake Forest was the original home of Wake Forest University for 122 years before it moved to Winston-Salem in 1956. The town is served by Raleigh-Durham International Airport, 20 miles southwest of the town. Interstate and highway access is provided by Interstates 85 and 40, U.S. Highway 1, and North Carolina Highways 96 and 98.

Raleigh, Durham, and Chapel Hill make up the three primary cities of the Research Triangle metropolitan region. The regional nickname of “The Triangle” originated after the 1959 creation of the Research Triangle Park (RTP), primarily located in Durham County, four miles from downtown Durham. RTP is bordered on three sides by the city of Durham and is roughly midway between the cities of Raleigh and Chapel Hill, and the three major research universities of NC State University, Duke University, and UNC-Chapel Hill. The Research Triangle region encompasses the U.S. Census Bureau’s Combined Statistical Area (CSA) of Raleigh-Durham-Cary in the central Piedmont region of North Carolina. As of 2011 Census Estimate the population of the Raleigh-Durham-Cary CSA was 1,795,750.

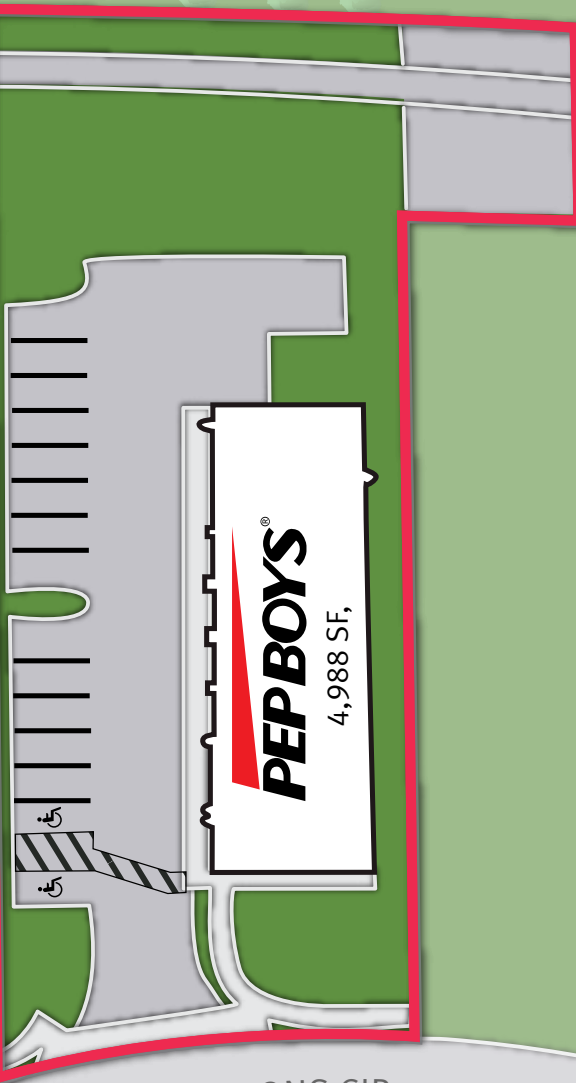
Anchored by leading technology firms, government and world-class universities and medical centers, the area’s economy has performed exceptionally well. Significant increases in employment, earnings, personal income and retail sales are projected over the next 15 years. The region’s growing high-technology community includes such companies as IBM, SAS Institute, Cisco Systems, NetApp, Red Hat, and Credit Suisse First Boston. In addition to high-tech, the region is consistently ranked in the top three in the U.S. with concentration in life science companies. Some of these companies include GlaxoSmithKline, Biogen Idec, BASF, Merck & Co., Novo Nordisk, Novozymes, and Wyeth.

Site Plan

DR. CALVIN JONES HWY

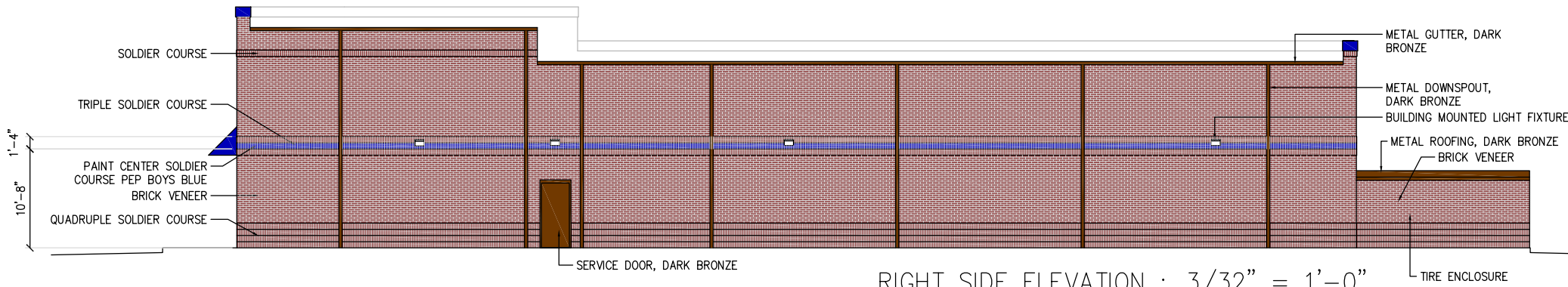


Lowe's Food Store
Fuel Center



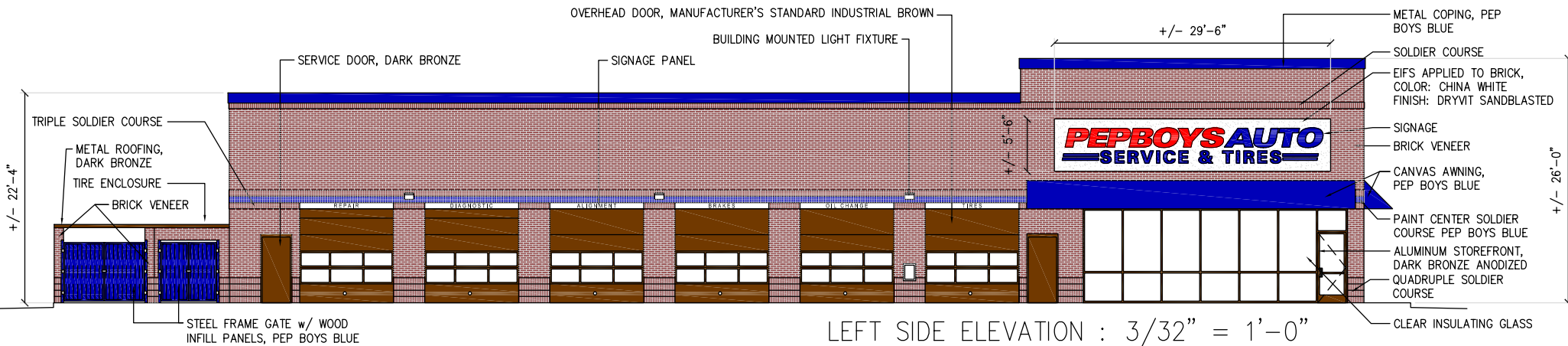
GATEWAY COMMONS CIR

Elevations



RIGHT SIDE ELEVATION : $\frac{3}{32}'' = 1'-0''$

BRICK VENEER NOTE:
BRICK VENEER SHALL BE "FULL RANGE
WIRECUT" BY BORAL BRICK - MODULAR
SIZE, RUNNING BOND



LEFT SIDE ELEVATION : $\frac{3}{32}'' = 1'-0''$

Aerial | Close-up North View



FUELING CENTER



Dr. Calvin Jones Hwy

PEPBOYS®

Gateway Commons Cir



**GATEHOUSE
TAVERN**





Holding Village

1,350 SFR Units

Phase 1 to be
Completed Spring 2013

Heritage Lake Rd

ACE
Hardware

Silly Goose



PRAWANA
TAP & WELLNESS



Traditions

1,588 SFR Units

First 700 Units to be
Completed Spring 2013

Heritage Golfing Community

Approximately 3,000 SFR Units

Friendship Chapel Rd



GATEHOUSE
TAVERN



Gateway Commons Cir

Dr. Calvin Jones Hwy

Jones Dairy Rd

SOLD



PEPBOYS

4-Lane Extension of Jones Dairy Rd

Traditions

1,588 SFR Units
First 700 Units to be
Completed Spring 2013

4-Lane Extension of Jones Dairy Rd



Holding Village

1,350 SFR Units
Phase 1 to be
Completed Spring 2013



98 Dr. Calvin Jones Hwy

Gateway Commons Cir

Jones Dairy Rd

Friendship Chapel Rd

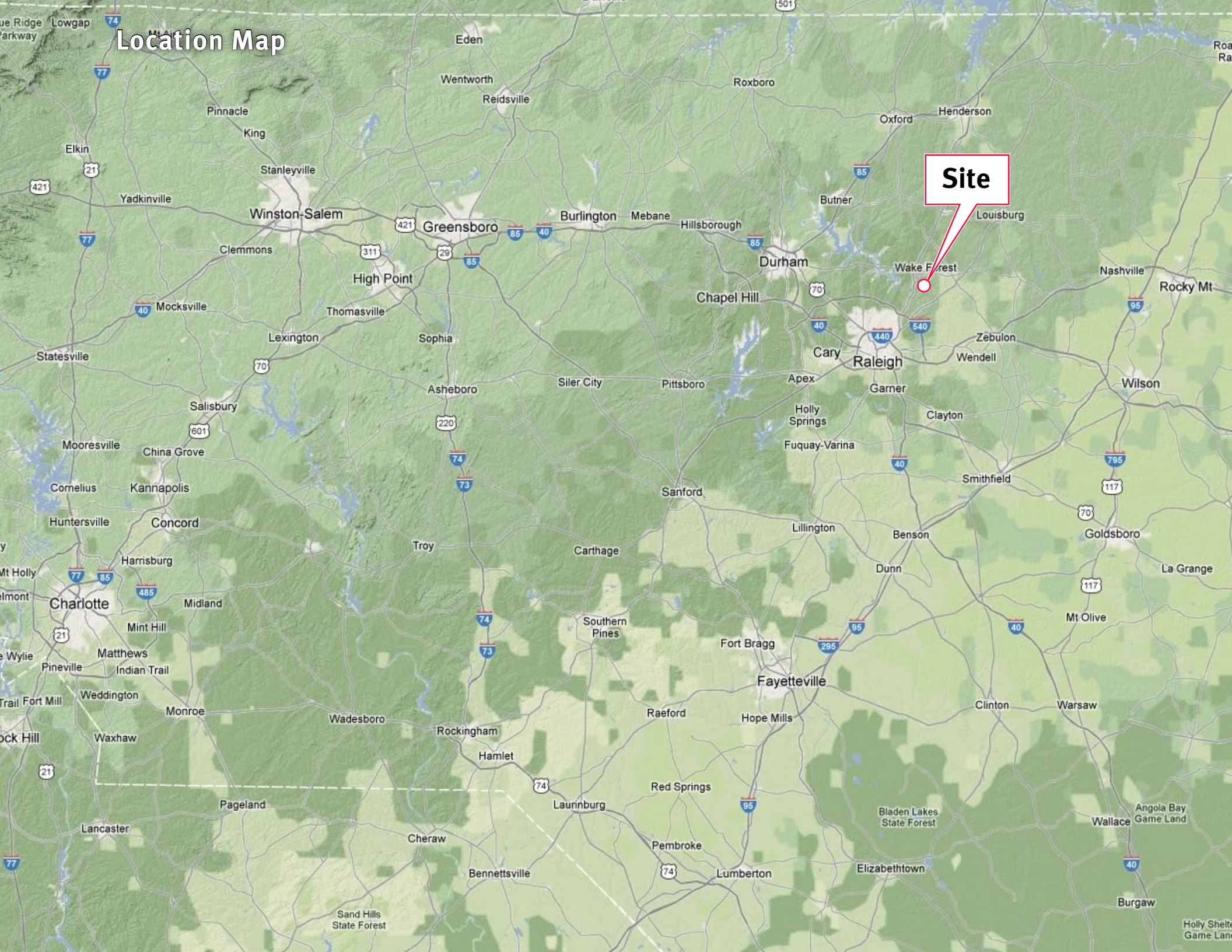
Heritage Lake Rd



Heritage Golfing Community

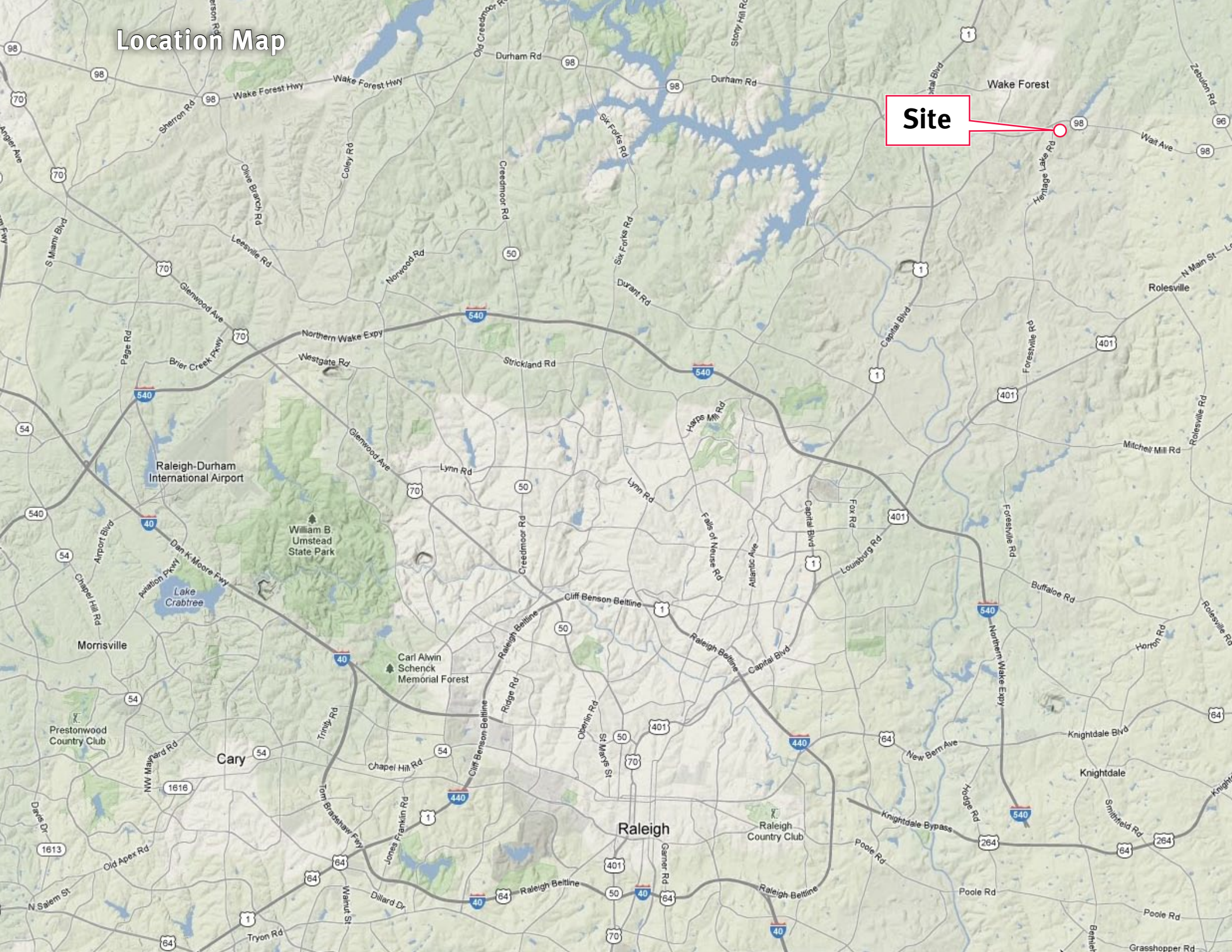
Approximately 3,000 SFR Units

Location Map

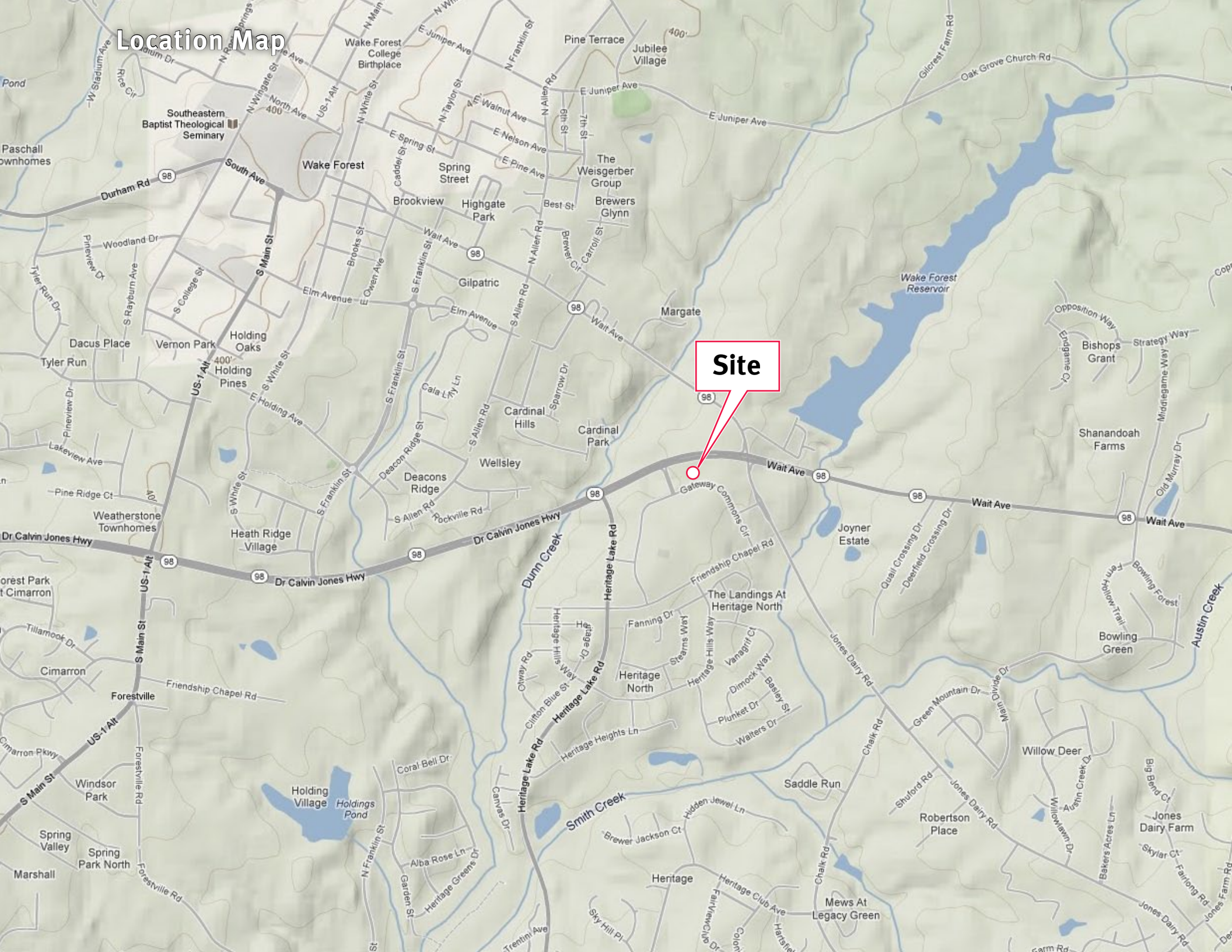


Location Map

Site



Location Map





Demographics

935 Gateway Commons Cir
Wake Forest, NC 27587

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	2,269	15,653	27,826
2000 Group Quarters	56	210	287
2010 Total Population	3,887	30,515	60,983
2015 Total Population	4,961	39,078	78,740
2010-2015 Annual Rate	5.00%	5.07%	5.24%
Household Summary			
2000 Households	843	5,761	10,077
2000 Average Household Size	2.63	2.68	2.73
2010 Households	1,530	11,419	22,371
2010 Average Household Size	2.52	2.66	2.71
2015 Households	1,958	14,650	28,915
2015 Average Household Size	2.52	2.66	2.71
2010-2015 Annual Rate	5.06%	5.11%	5.27%
2000 Families	592	4,343	7,730
2000 Average Family Size	3.15	3.10	3.13
2010 Families	1,043	8,380	16,502
2010 Average Family Size	3.05	3.10	3.16
2015 Families	1,322	10,632	21,084
2015 Average Family Size	3.06	3.11	3.17
2010-2015 Annual Rate	4.86%	4.88%	5.02%
Housing Unit Summary			
2000 Housing Units	907	6,287	10,953
Owner Occupied Housing Units	62.3%	64.9%	69.8%
Renter Occupied Housing Units	28.9%	26.9%	22.5%
Vacant Housing Units	8.9%	8.2%	7.7%
2010 Housing Units	1,659	12,476	24,387
Owner Occupied Housing Units	62.0%	67.6%	70.2%
Renter Occupied Housing Units	30.2%	23.9%	21.6%
Vacant Housing Units	7.8%	8.5%	8.3%
2015 Housing Units	2,173	16,344	32,249
Owner Occupied Housing Units	59.9%	66.3%	68.5%
Renter Occupied Housing Units	30.2%	23.3%	21.2%
Vacant Housing Units	9.9%	10.4%	10.3%
Median Household Income			
2000	\$45,771	\$54,777	\$55,683
2010	\$64,264	\$73,536	\$74,397
2015	\$76,379	\$84,514	\$85,192
Median Home Value			
2000	\$117,562	\$140,633	\$141,262
2010	\$165,795	\$185,754	\$183,630
2015	\$201,894	\$220,415	\$217,577
Per Capita Income			
2000	\$21,596	\$23,695	\$24,150
2010	\$29,956	\$31,261	\$31,888
2015	\$34,605	\$35,139	\$35,846
Median Age			
2000	34.0	32.7	33.5
2010	33.1	33.4	34.0
2015	32.9	33.4	34.0



Demographics

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Wake Forest, NC 27587

	1 mile	3 miles	5 miles
2000 Households by Income			
Household Income Base	845	5,761	10,081
<\$15,000	18.3%	9.6%	9.0%
\$15,000 - \$24,999	10.9%	8.7%	8.7%
\$25,000 - \$34,999	8.3%	10.5%	10.3%
\$35,000 - \$49,999	15.7%	15.1%	15.0%
\$50,000 - \$74,999	24.7%	25.7%	25.2%
\$75,000 - \$99,999	10.7%	15.4%	15.5%
\$100,000 - \$149,999	7.1%	10.5%	11.6%
\$150,000 - \$199,999	2.2%	2.6%	2.6%
\$200,000+	2.0%	1.9%	2.1%
Average Household Income	\$55,932	\$63,861	\$65,765
2010 Households by Income			
Household Income Base	1,530	11,418	22,373
<\$15,000	11.6%	6.3%	6.3%
\$15,000 - \$24,999	7.8%	5.9%	6.1%
\$25,000 - \$34,999	6.1%	5.7%	5.9%
\$35,000 - \$49,999	13.4%	12.6%	12.5%
\$50,000 - \$74,999	18.8%	20.4%	19.6%
\$75,000 - \$99,999	16.1%	18.0%	18.1%
\$100,000 - \$149,999	18.6%	22.8%	22.7%
\$150,000 - \$199,999	3.7%	4.3%	4.6%
\$200,000+	4.0%	4.0%	4.2%
Average Household Income	\$78,071	\$85,264	\$86,553
2015 Households by Income			
Household Income Base	1,959	14,650	28,915
<\$15,000	9.3%	5.0%	5.0%
\$15,000 - \$24,999	5.9%	4.4%	4.5%
\$25,000 - \$34,999	4.5%	4.1%	4.3%
\$35,000 - \$49,999	9.3%	8.4%	8.3%
\$50,000 - \$74,999	20.0%	21.1%	20.5%
\$75,000 - \$99,999	14.2%	15.3%	15.6%
\$100,000 - \$149,999	27.1%	31.5%	31.2%
\$150,000 - \$199,999	4.8%	5.4%	5.7%
\$200,000+	5.0%	4.7%	5.0%
Average Household Income	\$90,076	\$95,785	\$97,219
2000 Owner Occupied Housing Units by Value			
Total	578	4,080	7,638
<\$50,000	10.9%	6.9%	8.9%
\$50,000 - \$99,999	24.4%	14.0%	15.3%
\$100,000 - \$149,999	32.9%	36.3%	31.6%
\$150,000 - \$199,999	14.7%	20.4%	19.2%
\$200,000 - \$299,999	7.3%	14.0%	16.9%
\$300,000 - \$499,999	9.2%	7.1%	6.7%
\$500,000 - \$999,999	0.7%	1.2%	1.3%
\$1,000,000 +	0.0%	0.1%	0.3%
Average Home Value	\$143,677	\$163,396	\$165,175
2000 Specified Renter Occupied Housing Units by Contract Rent			
Total	264	1,675	2,425
With Cash Rent	92.4%	94.3%	93.5%
No Cash Rent	7.6%	5.7%	6.5%
Median Rent	\$353	\$498	\$490
Average Rent	\$391	\$541	\$529



Demographics

935 Gateway Commons Cir
Wake Forest, NC 27587

	1 mile	3 miles	5 miles
2000 Population by Age			
Total	2,271	15,651	27,824
0 - 4	9.0%	9.2%	8.8%
5 - 9	8.7%	8.9%	8.9%
10 - 14	8.4%	7.8%	7.9%
15 - 24	10.0%	10.6%	10.5%
25 - 34	15.5%	17.9%	16.8%
35 - 44	18.2%	20.1%	20.8%
45 - 54	12.1%	12.4%	12.9%
55 - 64	5.8%	5.8%	6.3%
65 - 74	5.9%	3.9%	3.9%
75 - 84	4.1%	2.3%	2.2%
85 +	2.2%	1.0%	0.9%
18 +	69.9%	70.3%	70.4%
2010 Population by Age			
Total	3,888	30,516	60,981
0 - 4	9.3%	8.9%	8.6%
5 - 9	8.3%	8.4%	8.3%
10 - 14	7.8%	8.0%	8.0%
15 - 24	12.1%	12.0%	12.0%
25 - 34	15.5%	15.5%	14.7%
35 - 44	15.1%	16.7%	16.4%
45 - 54	14.3%	15.2%	15.9%
55 - 64	8.1%	8.7%	9.2%
65 - 74	5.0%	3.9%	4.2%
75 - 84	2.9%	1.9%	2.0%
85 +	1.6%	0.8%	0.8%
18 +	70.0%	70.3%	70.7%
2015 Population by Age			
Total	4,956	39,081	78,737
0 - 4	9.3%	8.9%	8.5%
5 - 9	8.4%	8.4%	8.2%
10 - 14	7.9%	8.0%	8.0%
15 - 24	11.7%	12.1%	12.0%
25 - 34	16.5%	15.4%	14.9%
35 - 44	14.4%	16.3%	15.7%
45 - 54	12.9%	13.7%	14.2%
55 - 64	8.9%	9.7%	10.4%
65 - 74	5.9%	4.9%	5.2%
75 - 84	2.6%	1.9%	2.0%
85 +	1.5%	0.8%	0.8%
18 +	70.0%	70.5%	70.9%
2000 Population by Sex			
Males	46.3%	48.8%	49.1%
Females	53.7%	51.2%	50.9%
2010 Population by Sex			
Males	47.6%	49.1%	49.1%
Females	52.4%	50.9%	50.9%
2015 Population by Sex			
Males	47.7%	49.0%	49.0%
Females	52.3%	51.0%	51.0%



Demographics

935 Gateway Commons Cir
Wake Forest, NC 27587

	1 mile	3 miles	5 miles
2000 Population by Race/Ethnicity			
Total	2,268	15,653	27,826
White Alone	63.7%	81.7%	83.3%
Black Alone	32.2%	14.1%	12.6%
American Indian Alone	0.3%	0.3%	0.3%
Asian or Pacific Islander Alone	1.4%	1.5%	1.3%
Some Other Race Alone	1.4%	1.1%	1.3%
Two or More Races	1.1%	1.3%	1.1%
Hispanic Origin	2.3%	2.5%	2.8%
Diversity Index	51.4	34.5	32.8
2010 Population by Race/Ethnicity			
Total	3,887	30,516	60,984
White Alone	67.1%	78.2%	79.4%
Black Alone	26.0%	15.0%	13.8%
American Indian Alone	0.4%	0.4%	0.4%
Asian or Pacific Islander Alone	2.1%	2.0%	1.9%
Some Other Race Alone	2.9%	2.6%	2.9%
Two or More Races	1.5%	1.8%	1.6%
Hispanic Origin	5.3%	5.6%	5.9%
Diversity Index	53.4	43.2	42.3
2015 Population by Race/Ethnicity			
Total	4,960	39,078	78,739
White Alone	68.2%	77.4%	78.5%
Black Alone	24.7%	15.6%	14.4%
American Indian Alone	0.4%	0.4%	0.4%
Asian or Pacific Islander Alone	2.2%	2.1%	2.0%
Some Other Race Alone	2.9%	2.8%	3.0%
Two or More Races	1.6%	1.9%	1.7%
Hispanic Origin	5.9%	6.1%	6.5%
Diversity Index	53.1	44.9	44.0
2000 Population 3+ by School Enrollment			
Total	2,160	14,767	26,349
Enrolled in Nursery/Preschool	2.7%	2.4%	2.2%
Enrolled in Kindergarten	1.8%	2.0%	2.1%
Enrolled in Grade 1-8	15.4%	14.3%	14.3%
Enrolled in Grade 9-12	5.4%	5.3%	5.5%
Enrolled in College	3.2%	4.2%	3.8%
Enrolled in Grad/Prof School	1.0%	3.6%	2.8%
Not Enrolled in School	70.5%	68.1%	69.3%
2010 Population 25+ by Educational Attainment			
Total	2,432	19,143	38,536
Less Than 9th Grade	7.9%	3.8%	4.1%
9th to 12th Grade, No Diploma	8.5%	5.5%	6.2%
High School Graduate	22.0%	19.9%	21.1%
Some College, No Degree	16.7%	18.7%	18.7%
Associate Degree	7.6%	9.8%	9.3%
Bachelor's Degree	27.6%	30.7%	29.5%
Graduate/Professional Degree	9.8%	11.6%	11.1%