

VERIZON WIRELESS/CARIBOU COFFEE RETAIL

The property

Property	5,680 sf on 1 acre ground lease. Retail free standing building built in 2005
Location	Woodstock, GA (outskirts of Atlanta). Excellent demographics, co tenancy
List price	\$1.796M (\$316/sf)
NOI	\$157,188
Cap	8.75%
Tenant	Verizon and Caribou
Lease	NNN leases, corporate guarantees. Verizon thru 2012, Caribou thru 2015

The deal

Offer price	\$1,750,000 (\$193/sf; 8.15% effective cap)
Down	\$500,000 (28% down, includes 1 pt loan origination fee)
Loan	\$1,262,626 Assumed terms: 6.75% - amortized 30 due in 10
Cash flow before taxes	\$58,916 (1.60 DCR)
ROE	11.78%



Narrative

The subject property consists of a leasehold interest in 2 single tenant net leased buildings, leased to Verizon Wireless (corporate) and Caribou Coffee (corporate), located on Highway 92 off of I-575 via exit 7 in Woodstock, GA. The 2 buildings, totaling 5,680 square feet, sit on a 1 acre parcel directly across from Home Depot. Other national retailers located in the direct vicinity include BJ's Wholesale Club, Super Target, Kohl's, Lowe's, Office Depot, Office Max, Old Navy, and Petsmart. The buildings were completed in 2005. Highway 92 has an ADT of 25,000+ and I-575 has an ADT of 33,000+.

The tenants, Verizon Wireless and Caribou Coffee, are both publicly traded companies and both leases are corporately guaranteed. Caribou is the second largest non-franchised specialty coffeehouse chain in the United States. They had sales of \$236 million last year which was a 19% growth over the previous year. Cellco Partnership, which does business as Verizon Wireless, is the #2 US mobile phone operator serving 47.4 million customers nationwide. Verizon had sales of over \$88 Billion in 2006, a 17% increase from 2005.