

# OFFERING MEMORANDUM



- 17+ Year NNN Lease
- 2% Annual Rent Bumps
- Signalized Corner
- Major Mall Outparcel
- Resilient Economy



## **Doug Aronson**

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# Red Lobster

821 LYNNHAVEN PARKWAY  
VIRGINIA BEACH, VA 23452

# CONTACT US

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## **OFFERING PROCEDURE**

Offers should be submitted in the form of a standard non-binding Letter of Intent and must specify the following:

- Price (Call for pricing guidance)
- Length of Inspection Period
- Length of Closing Period
- Amount of earnest money deposit at execution of a Purchase and Sale Contract
- Amount of additional deposit upon expiration of Inspection Period

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# TABLE OF CONTENTS

---

## ABOUT THE ASSET

PAGE

4

---

## FINANCIAL SUMMARY

PAGE

5-6

---

## TENANT OVERVIEW

PAGE

7

---

## PROPERTY LOCATION

PAGE

8

---

## PROPERTY PHOTOS

PAGE

9

---

## AERIAL MAPS

PAGE

10-11

---

## DEMOGRAPHICS

PAGE

12

---

## ABOUT SLN

PAGE

13

---

## THE TEAM

PAGE

14



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# ABOUT THE ASSET



**PRICE: \$6,120,000**  
**CAP RATE: 5.25%**

SLN Capital Markets, a division of S.L. Nusbaum Realty Co., is pleased to exclusively market for sale the property leased to Red Lobster located at 821 Lynnhaven Parkway in Virginia Beach, VA (metro population: 1.7 million).

Red Lobster has 17+ years left on its initial lease term with very attractive 2% annual rent increases throughout the term including option periods. The lease is absolute NNN with no landlord responsibilities.

The store has been in this same location since the 1980's and remains a staple of the restaurant fare offered in the Lynnhaven Mall corridor of Virginia Beach. The trade area is immediately surrounded by some of the area's strongest retail along with a heavy concentration of residential, office and industrial buildings. Naval Air Station Oceana, with 15,000 military and civilian employees, is only 15 minutes from the site.



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# FINANCIAL SUMMARY

**PRICE: \$6,120,000**  
**CAP RATE: 5.25%**

<b>Net Operating Income (NOI)</b>	\$321,334.68
<b>Rent/Month</b>	\$26,777.89
<b>Rentable SF</b>	7,730 SF
<b>Land Area</b>	1.445 AC
<b>Tenant Name</b>	Red Lobster
<b>Website</b>	www.redlobster.com
<b>Guarantor</b>	Red Lobster Intermediate Holding, LLC
<b>Ownership Type</b>	Fee Simple
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Rent Commencement</b>	November 14, 2016
<b>Lease Expiration</b>	February 29, 2040
<b>Increases</b>	2% annually
<b>Options</b>	Four, 5-year

## INVESTMENT HIGHLIGHTS

- Long term NNN lease (17+ years remaining)
- 30-year history at this location
- Attractive 2% annual rent increases
- Prime visibility at signalized intersection (33,848 VPD)
- Corporate guaranty
- Located in large resort city (pop. 450,138)
- Outparcel to major mall
- Surrounded by residential, offices and industrial parks
- 15 minutes from Naval Station Oceana (10,500 military and 4,500 civilian employees)

Property available with attractive loan assumption. \$2M± in debt. Life Co. financing at 3.87%. 25-year amortization. Self-amortizing. Matures in 2041.



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# FINANCIAL SUMMARY

## RENT SCHEDULE

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	INCREASES
Year 1	\$285,336.00	\$23,778.00	N/A
Year 2	\$291,042.72	\$24,253.56	2%
Year 3	\$296,863.57	\$24,738.63	2%
Year 4	\$302,800.85	\$25,233.40	2%
Year 5	\$308,856.86	\$25,738.07	2%
Year 6	\$315,034.00	\$26,252.83	2%
<b>* Year 7</b>	<b>\$321,334.68</b>	<b>\$26,777.89</b>	<b>2%</b>
Year 8	\$327,761.37	\$27,313.45	2%
Year 9	\$334,316.60	\$27,859.72	2%
Year 10	\$341,002.93	\$28,416.91	2%
Year 11	\$347,822.99	\$28,985.25	2%
Year 12	\$354,779.45	\$29,564.95	2%
Year 13	\$361,875.04	\$30,156.25	2%
Year 14	\$369,112.54	\$30,759.38	2%
Year 15	\$376,494.79	\$31,374.57	2%
Year 16	\$384,024.69	\$32,002.06	2%
Year 17	\$391,705.18	\$32,642.10	2%
Year 18	\$399,539.29	\$33,294.94	2%
Year 19	\$407,530.07	\$33,960.84	2%
Year 20	\$415,680.67	\$34,640.06	2%
Year 21	\$423,994.29	\$35,332.86	2%
Year 22	\$432,474.17	\$36,039.51	2%



\* Based on rent increase on August 1st. Seller to credit rent difference to buyer at closing.



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# TENANT OVERVIEW

Red Lobster is an American restaurant chain that has been in business since 1968. Today, the company has approximately 750 locations worldwide, including stores throughout North America, Asia and the Middle East. Thai Union, a Thailand based and publicly traded company that specializes in seafood products, purchased Red Lobster in August of 2020. Thai Union previously owned a 25% stake in Red Lobster.



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# PROPERTY LOCATION

This Red Lobster is located on an outparcel of the Lynnhaven Crossing Shopping Center in the Lynnhaven Submarket of Virginia Beach, VA. This district offers businesses easy access to transportation and serves the vast residential areas surrounding it. It offers an I-264 interchange and three major crossing arterial connections and has been designated as a potential future transit stop. Lynnhaven contains major corporate, industrial and retail business clusters and home to Lynnhaven Mall, the largest interior shopping mall in the Hampton Roads region.

LOCATION	DISTANCE	DIRECTION
Norfolk, VA	15 miles	South West
Richmond, VA	104 miles	North West
Raleigh, NC	199 miles	South West
Washington, DC	205 miles	North East



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# PROPERTY PHOTOS



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# AERIAL MAP

- Virginia Beach most populated city in the Commonwealth of Virginia (est. pop. 450,138)
- 44<sup>th</sup> most populous city in the nation
- 19 million domestic tourists annually

15 minutes to Oceanfront



**NAS AIR STATION OCEANA**  
10,500 Military  
4,500 Civilian Employees

**LYNNHAVEN MALL**

Walmart

Olive Garden

CARRABBA'S  
ITALIAN GRILL

COOPER'S HAWK  
MEAT & RESTAURANTS

amc

Rockin' Barrel

McDonald's

7-Eleven

FRIDAYS

Tostitos

RED LOBSTER

Wendy's

FAKE S

Dollar Bank

CHUCK E. CHEESE'S

POPEYE'S

THE BREAD BARBERS

Knights Inn

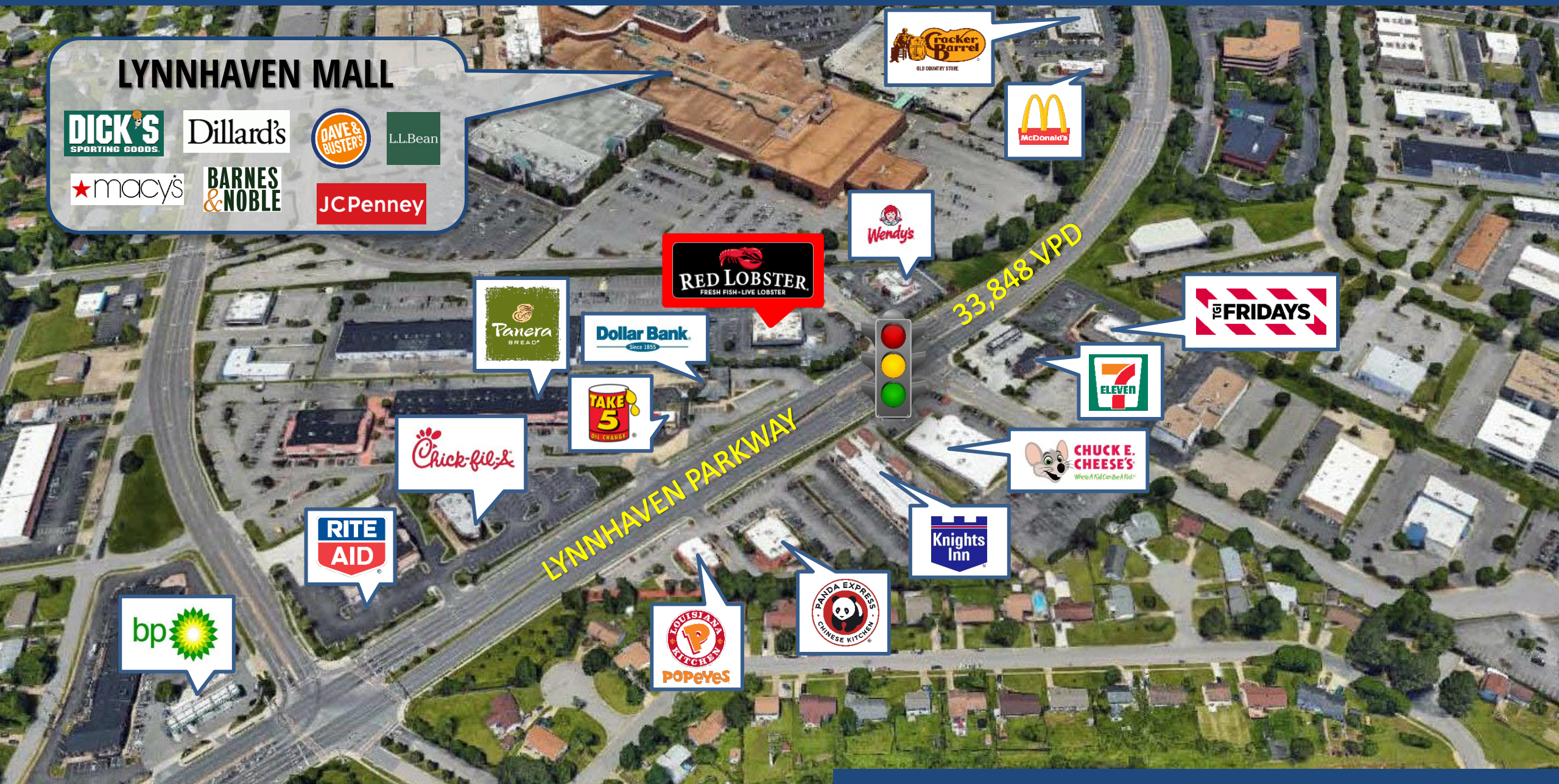
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# AERIAL MAP



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# DEMOGRAPHICS

## 1,3,5 MILES

POPULATION	1 MILE	3 MILES	5 MILES
2019 Population	9,493	92,556	241,496
2024 Population	9,518	93,391	245,392
2019 Median Age	32.9	34.0	35.7
2024 Median Age	34.0	34.9	36.8
2019-2024 Annual Rate	0.05%	0.18%	0.32%
HOUSEHOLDS			
2019 Total Households	3,239	33,462	89,474
2024 Total Households	3,246	33,733	90,874
2019 Average Household Size	2.93	2.72	2.66
2024 Average Household Size	2.93	2.72	2.66
2019-2024 Annual Rate	0.04%	0.16%	0.31%
MEDIAN HOUSEHOLD INCOME			
2019 Median Household Income	\$58,905	\$65,493	\$71,110
2024 Median Household Income	\$64,754	\$74,130	\$78,547
2019-2024 Annual Rate	1.91%	2.51%	2.01%
AVERAGE HOUSEHOLD INCOME			
2019 Average Household Income	\$71,825	\$80,131	\$91,710
2024 Average Household Income	\$80,891	\$91,022	\$103,102
OWNER OCCUPIED HOUSING UNITS			
2019 Owner Occupied Housing Units	2,062	20,702	55,849
2024 Owner Occupied Housing Units	2,114	21,315	57,643
2019-2024 Annual Rate	0.50%	0.59%	0.63%
RENTER OCCUPIED HOUSING UNITS			
2019 Renter Occupied Housing Units	1,177	12,760	33,625
2024 Renter Occupied Housing Units	1,132	12,418	33,231
FAMILIES			
2019 Families	2,332	23,162	61,796
2024 Families	2,331	23,278	62,523
2019-2024 Annual Rate	-0.01%	0.10%	0.23%



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# SLN CAPITAL MARKETS

## ABOUT SLN CAPITAL MARKETS

SLN Capital Markets, a division of S.L. Nusbaum Realty Co., specializes in the sale and purchase of single and multi-tenant net leased (NNN) properties, primarily leased long term to national and creditworthy tenants. We work with both private and institutional investors in the acquisition and disposition of their assets and advise and counsel accordingly based on their needs. We employ the latest technology and provide up-to-date research to effectively market properties both nationally and internationally.

SLN Capital Markets is a one-stop source for:

- Sellers looking to effectuate 1031 Exchanges.
- Owners and Franchisees requiring Sale/Leaseback structures.
- Buyers requiring best loan rates and terms from reputable Debt & Equity sources.

## ABOUT S.L. NUSBAUM REALTY CO.

Founded in 1906, S.L. Nusbaum Realty Co. is one of the largest real estate development companies in the southeastern United States.

S.L. Nusbaum Realty Co. offers the full spectrum of real estate services, including mixed-use development, commercial development, multifamily development, property management, leasing, sales and brokerage, and full menu of financial service.

In total, we currently manage and lease over 5 million square feet of commercial space, more than 200 apartment communities with over 26,000 residential units.

## S.L. NUSBAUM REALTY CO. SERVICE LINES

Real Estate Development	Leasing	Accounting
Mixed-Use Development	Retail/Shopping Centers	Corporate Accounting and Payroll
Commercial Development	Office/Industrial	Third Party Management/Accounting
Multifamily Development	Multifamily	Third Party Accounting/Bookkeeping

Property Management	Sales
Retail	Capital Markets/Investment
Office/Industrial	Retail
Multifamily	Office/Industrial
	Multifamily
	Land

## OFFICE LOCATIONS

S.L. Nusbaum Realty Co. is headquartered in Norfolk, VA with offices in Richmond, VA and Boca Raton, FL (Capital Markets/Investment Only)



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# THE TEAM



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