



Representative Photo

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*Embree affiliates have an ownership interest in the subject property.

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EXECUTIVE SUMMARY

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PROPERTY & LEASE DETAILS

Offering Overview

Embree Capital Markets Group is pleased to present a build-to-suit Petco locate in Elizabeth City, NC. This is an opportunity for an investor to acquire a well-located Petco retail store with an attractive 15-year absolute NNN lease that features 8.5% rental increases every five years.



PURCHASE PRICE
\$5,195,000



CAP RATE
6.00%



ANNUAL RENT
\$311,696



LEASE TYPE
ABSOLUTE NNN

THE OFFERING

Address	117 Tanglewood Pkwy, Elizabeth City, NC
Tenant	Petco Animal Supplies Stores, Inc.
Guarantor	Petco Animal Supplies Stores, Inc.

SITE DESCRIPTION

Year Built	2023
Building SF	Approx. 10,900 SF
Lot Size	Approx. 2.09 Acres

INVESTMENT SUMMARY

Asset Class	Single-Tenant Retail
Ownership Interest	Fee Simple
Monthly Rent	\$25,975
Rent Commencement	6/30/2023
Lease Expiration	6/30/2038
Lease Term	15-Years
Renewal Options	Five, 5-Year
Lease Escalations	8.5% Every 5-Years
ROFR	None
Estoppe	30-Day Turnaround

- 18,000+ Vehicles Per Day Traffic Counts
- Outparcel to Walmart Supercenter
- Strong Retail Location
- 46,000+ Population Within 10-Miles

AREA OVERVIEW

Elizabeth City, NC

Elizabeth City is situated in northeastern North Carolina, specifically in Pasquotank County. It is conveniently located along the Pasquotank River and is within proximity to the Albemarle Sound and the Outer Banks. The city enjoys easy access to major transportation routes, including U.S. Highway 17, connecting it to neighboring cities and metropolitan areas.

The city's population is estimated to be approximately 46,000 people within a 10-mile radius, with a balanced distribution between age groups. The community values inclusivity and is known for its welcoming and friendly atmosphere.

The local economy in Elizabeth City is driven by a variety of sectors, contributing to its stability and growth. The city serves as a regional hub for government services, as it houses several federal and state agencies, including the United States Coast Guard Base Elizabeth City. The healthcare industry is also prominent, with the presence of multiple medical centers and clinics. Additionally, education plays a significant role in the economy, with Elizabeth City State University serving as a major employer and educational institution.

The city's waterfront area offers picturesque views, walking trails, and opportunities for boating and fishing. The Museum of the Albemarle showcases the region's history and cultural heritage, while the Arts of the Albemarle provides a platform for local artists to exhibit their work. Various parks, golf courses, and community centers offer additional options for leisure and entertainment. The city provides a comprehensive range of community services, including public safety, healthcare facilities, libraries, and recreational programs. Shopping centers, restaurants, and local businesses cater to residents' daily needs, ensuring easy access to essential amenities.



COMPANY OVERVIEW



Investment Summary

Company Type	(NYSE: WOOF)
2021 Revenue	\$5.8+ Billion
YoY Revenue Growth	\$18%
2021 Adjusted EBITDA	\$591 Million
YoY Adjusted EBITDA	22%
Store Count	1,500+
Employees	28,000+
Total Active Customers	24.1+ Million
Website	www.Petco.com

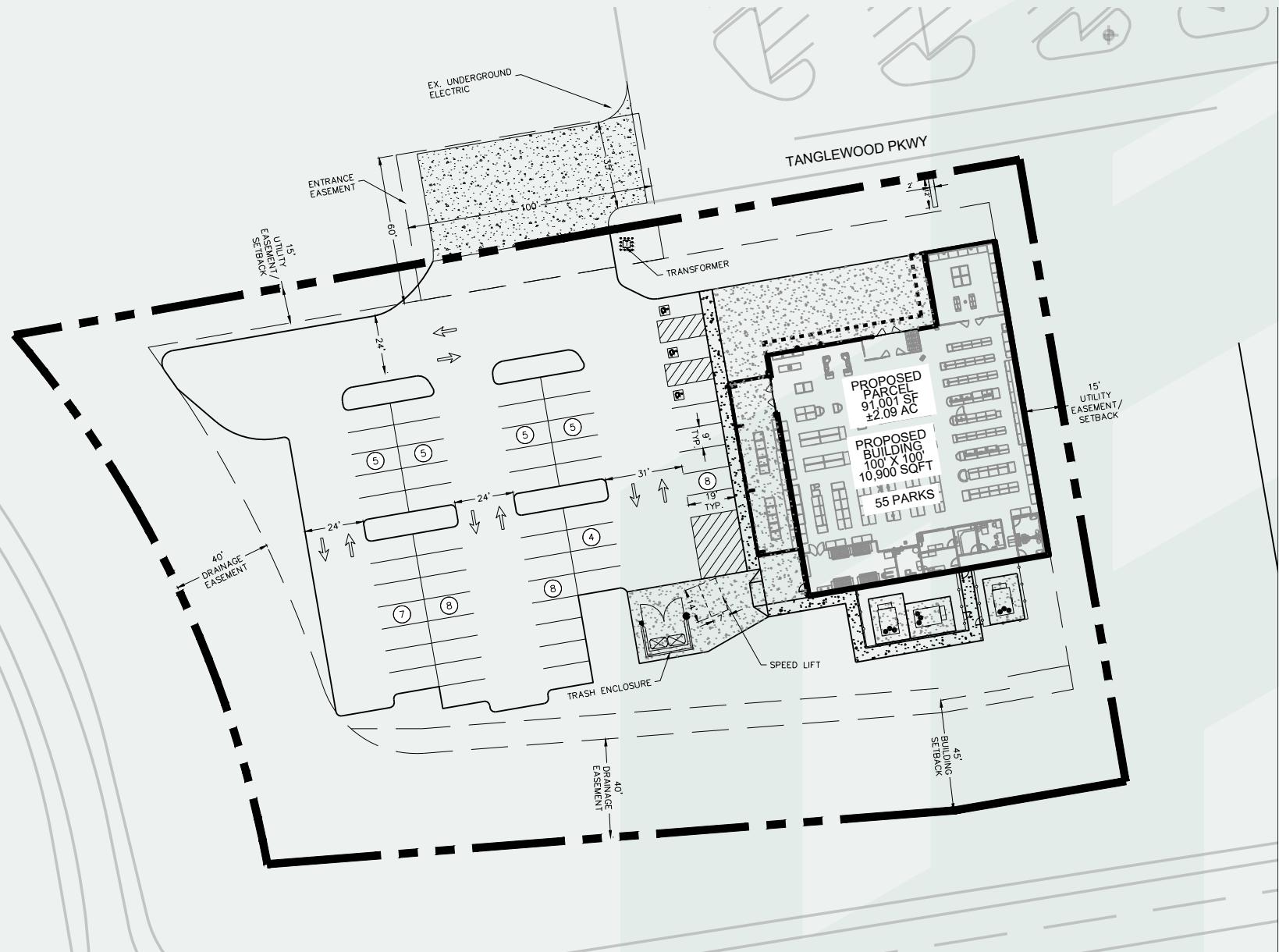
- The significant work Petco has done over the last four years to retool Petco positioned us well in 2021, delivering 18% revenue growth for the year with overall share gains in food, in digital and in veterinary services.
- More than 54% of pet parents are looking for a one-stop-shop for their pet's needs.
- The total pet merchandise category is \$72 billion, projected to grow at a 7% CAGR to 2025.
- In 2021, Petco added millions of net new customers, bringing their total active customer count to 24.1 million at the end of fiscal 2021. 2021 revenue grew 18% to \$5.8 billion, the highest in company history. For the fourth quarter of 2021, revenue grew 13% with comparable sales up 14%, or 30% on a 2-year stack with strength in transactions and average basket trends. Adjusted EBITDA¹ outpaced revenue growth for the year, up 22% to \$591 million.
- This year Petco saved nearly 400,000 pet lives, and in partnership with Merck, Petco distributed over half a million free vaccines to under-resourced communities as part of their 1 million free vaccines commitment.
- More than 1,500 pet care centers in the U.S., Mexico and Puerto Rico, their digital channel, and their flexible fulfillment options.
- As of January 29, 2022, Petco operated 197 full service veterinary hospitals with planned expansion to approximately 900 hospitals over time.
- The U.S. pet care industry is large and growing, serving millions of households with pets, and represented a total addressable market of \$119 billion in 2021.
- Petco Love, formerly the Petco Foundation, is a nonprofit organization that is changing lives by making communities and pet families healthier, stronger, and closer. It is a separately incorporated 501(c)(3) nonprofit organization supported both by contributions from us and contributions from Petco customers and community partners.
- Comparing fiscal 2021 and fiscal 2020, Petco achieved the following results: (1) an increase in net sales from \$4.92 billion to \$5.81 billion, representing period-over-period growth of 18.0%; (2) comparable sales growth of 18.9%; (3) an increase in operating income from \$194.4 million to \$266.1 million, representing period-over-period growth of 36.9%; (4) an improvement in net cash flows provided by operating activities from \$268.6 million in fiscal 2020 to \$358.2 million in fiscal 2021.
- Net sales increased \$886.9 million, or 18.0%, to \$5.81 billion in fiscal 2021 compared to net sales of \$4.92 billion in fiscal 2020, driven by a 18.9% increase in their comparable sales.
- In fiscal 2021, pet care center merchandise delivered growth of 15.4% with higher retail traffic and strong growth in all major categories, including consumables, supplies, and companion animals. Their e-commerce and digital sales increased 21.1% from fiscal 2020 to fiscal 2021, reflecting their expanded brand assortment, enhanced personalization and extended fulfillment options.
- Petco Health and Wellness Company, Inc. (together with its consolidated subsidiaries, the "Company") is a category-defining health and wellness company focused on improving the lives of pets, pet parents, and its own partners with 1,433 pet care centers in 50 states, the District of Columbia and Puerto Rico as of January 29, 2022.

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MAPS & AERIALS

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SITE PLAN



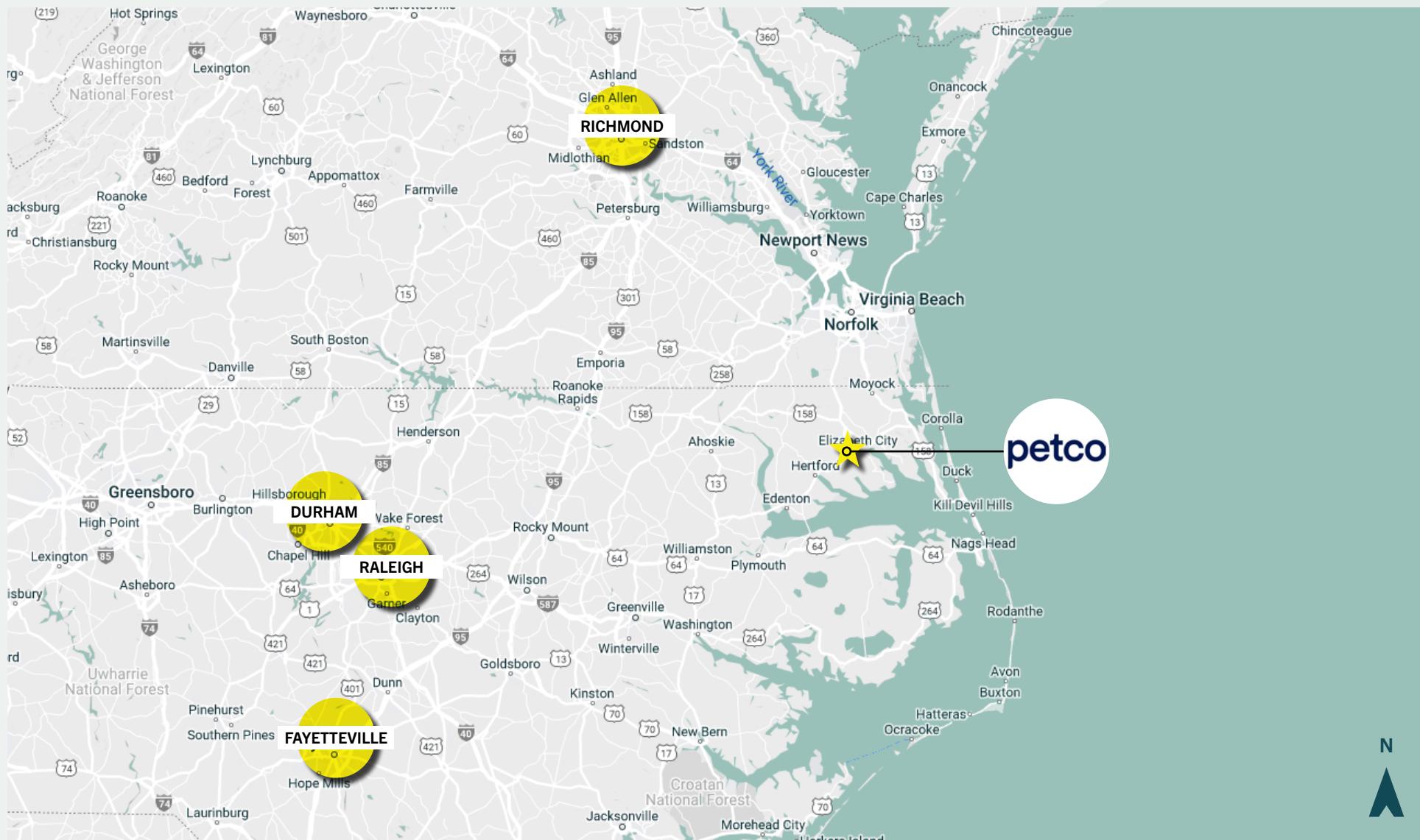
SURROUNDING AERIAL



MIDRANGE AERIAL



LOCAL CONTEXT



RICHMOND (107 MILES); RALEIGH (136 MILES); DURHAM (146 MILES); FAYETTEVILLE. (169 MILES);

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ANALYTICS

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DEMOGRAPHIC ANALYSIS



POPULATION	3 MILE	5 MILES	10 MILES
2028 Projection	7,393	27,295	46,979
2023 Estimate	7,151	26,655	46,039
HOUSEHOLDS			
2028 Projection	2,725	10,622	17,820
2023 Estimate	2,618	10,374	17,445
AVG. HOUSEHOLD INCOME			
Average Household Income	\$78,166	\$64,601	\$68,278
Less than \$25,000	241	2,429	3,918
\$25,000 - \$50,000	564	2,547	4,403
\$50,000 - \$75,000	587	1,996	3,143
\$75,000 - \$100,000	574	1,605	2,444
\$100,000 - \$125,000	289	682	1,402
\$125,000 - \$150,000	178	475	807
\$150,000 - \$200,000	146	470	875
More than \$200,000	37	168	452

ABOUT EMBREE GROUP

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Embree Group provides nationwide turnkey real estate services, specializing in build-to-suit development, design/build, general construction, program management, and capital markets for specialty retail, financial, automotive, restaurant, healthcare and senior living facilities. Embree's fully integrated, in-house services allow us to become an extension of the client's organization. Since 1979, Embree's foundation has been built on developing tailored programs for 350+ national clients. The firm is headquartered near Austin, Texas, with regional offices located in the Dallas-Fort Worth area. Over the past 46 years, Embree's executive team has developed, built, or transacted more than 20,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$14 billion.

Contact Details

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