



**EMBREE**  
CAPITAL MARKETS

**Petco**  
160 US 158 Bypass Henderson, NC 27536

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## Exclusively Offered By



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# 01

## EXECUTIVE SUMMARY

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# PROPERTY & LEASE DETAILS

## Offering Overview

Embree Capital Markets Group is pleased to present a build-to-suit Petco located in Henderson, 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  
**\$5,825,000**



CAP RATE  
**6.00%**



ANNUAL RENT  
**\$349,413**



LEASE TYPE  
**ABSOLUTE NNN**

## THE OFFERING

<b>Address</b>	160 US 158 Bypass Henderson, NC 27536
<b>Tenant</b>	Petco Animal Supplies Stores, Inc.
<b>Guarantor</b>	Petco Animal Supplies Stores, Inc.

## SITE DESCRIPTION

<b>Year Built</b>	2023
<b>Building SF</b>	Approx. 15,900 SF
<b>Lot Size</b>	Approx. 1.67 Acres

## INVESTMENT SUMMARY

<b>Asset Class</b>	Single-Tenant Retail
<b>Ownership Interest</b>	Fee Simple
<b>Monthly Rent</b>	\$29,118
<b>Rent Commencement</b>	03.03.2023
<b>Lease Expiration</b>	03.31.2038
<b>Lease Term</b>	15-Years
<b>Lease Type</b>	Absolute NNN
<b>Renewal Options</b>	Five, 5-Year
<b>Lease Escalations</b>	8.5% Every 5-Years
<b>ROFR</b>	None
<b>Estoppe</b>	30-Day Turnaround

- 22,000+ Vehicles Per Day Combined Traffic Count
- Adjacent to National Tenants (Walmart, Lowe's, & More)
- 59,000+ Population Within 10-Miles

## AREA OVERVIEW

### Henderson, N.C.

Henderson, North Carolina is a city and county seat of Vance County, North Carolina with a population of over 15,000 people according to the 2020 United States Census. Located 40 minutes north of the capital city of Raleigh, Henderson, North Carolina is a city rich with history.

The first settlers' residence was built in what is now Henderson in 1785 by Samuel Reavis, Sr. Reavis called his farm "Lonesome Valley" which likely described the area at that time. Reavis' son, Lewis Reavis, opened a store close to the stagecoach road in 1811 where he began to see an influx of settlers and the awakening of a city.

Dairying, livestock raising, and feed are important to the economy, and tobacco is the major crop in the area. The city's diversified manufactures include textiles, home furnishings, glass containers, and mobile homes.



# 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	<a href="http://www.Petco.com">www.Petco.com</a>

- 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 EBITDA<sup>1</sup> 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 AERIAL



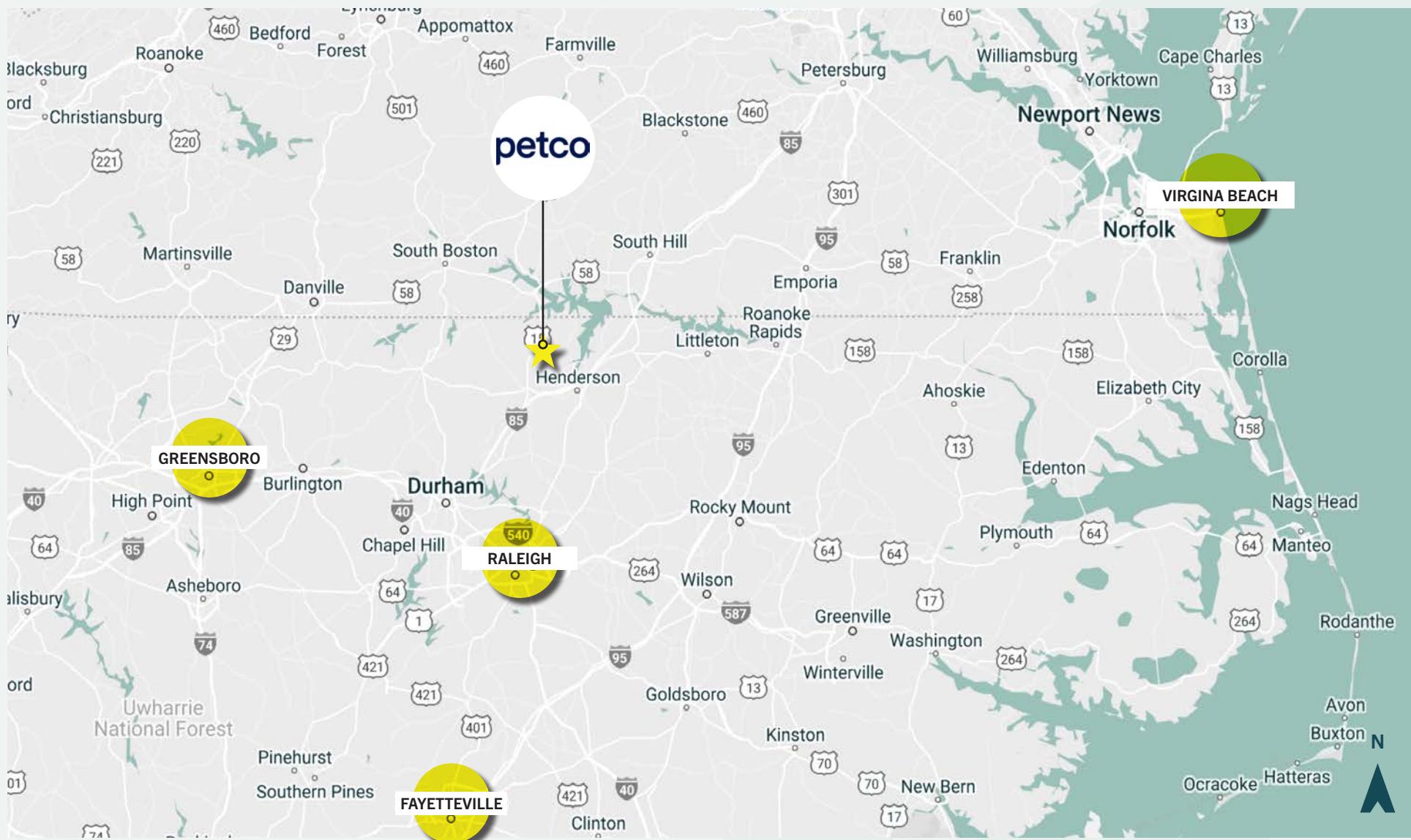
## SURROUNDING AERIAL



# LOCATION



## LOCAL CONTEXT



RALEIGH, N.C. (45 MILES); GREENSBORO, N.C. (90 MILES); FAYETTEVILLE, N.C. (120 MILES); VIRGINIA BEACH, VA (164 MILES)

# 04

## ANALYTICS

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# DEMOGRAPHIC ANALYSIS



POPULATION	3 MILE	5 MILES	10 MILES
<b>2027 Projection</b>	15,450	26,308	59,404
<b>2022 Estimate</b>	15,300	25,935	58,191
HOUSEHOLDS			
<b>2027 Projection</b>	6,294	10,272	23,050
<b>2022 Estimate</b>	6,229	10,124	22,535
AVG. HOUSEHOLD INCOME			
Average Household Income	\$56,470	\$53,981	\$59,319
\$Less than \$25,000	2,083	3,301	6,352
\$25,000 - \$50,000	1,505	2,807	6,168
\$50,000 - \$75,000	1,279	1,890	4,169
\$75,000 - \$100,000	551	968	2,666
\$100,000 - \$125,000	331	475	1,351
\$125,000 - \$150,000	134	209	570
\$150,000 - \$200,000	188	250	690
More than \$200,000	159	223	570

## ABOUT EMBREE GROUP

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 \$20 billion.

### Contact Details

For more information about this listing, please contact:

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