



OFFERING MEMORANDUM

PRESERVE
WEST
CAPITAL 

Fifth Third Bank
Banner Elk, NC

This property is listed in conjunction with North Carolina-licensed real estate broker David Edmonds.

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Disclaimer

MGM Capital Corp dba Preserve West Capital (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

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.

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- Absolute NNN Lease to Fifth Third Bank (NASDAQ: FITB)
 - Rare Annual 2% Rental Escalations
 - Investment Grade Tenant Rated Aa3 by Moody's
 - \$169.4 Billion in Assets
- Highly Functional Footprint with 2 Drive-Thru ATM Components
- Tenant Exercised Option Early, Demonstrating Long-Term Commitment to Site
- Close Proximity to Major Tourist Attractions
 - Approximately 2 Miles from Sugar Mountain Resort and 3.5 Miles from Beech Mountain Ski Resort
 - Avery County 2018 Tourist Spending Exceeded \$132.5 Million
- Approximately 1.5 Miles from Lees-McRae College
 - Student Body of 966
- Excellent Access and Visibility along Tynecastle Highway Corridor
 - AADT of 10,000
 - Nearby Retail Tenants include Food Lion, Walgreens, and Dollar General
- Robust Demographics within 5 Mile Radius
 - Average Household Income of \$80,794
 - Total Daytime Population of 8,911
- Approximately 2 Hour's Drive from Asheville and Winston-Salem



PRICE

\$1,140,000

6.00% Return

Location

The property is located at 1667 Tynecastle Highway in Banner Elk, North Carolina.

Lot Size

Approximately 1.27 acres or 55,225 square feet.

Improvements

A 2,108 square foot retail building for **Fifth Third Bank** featuring 2 drive-thru ATM components.

Parking

There are 30 parking spaces available on site.

Lease

Leased to **Fifth Third Bank, N.A.** for 10 years from August 23, 2006 through August 22, 2016, and extended for two five-year options through August 22, 2026 at a current annual rent of \$67,224, increasing to \$68,568 on September 1, 2020. There are two (2) remaining five-year options to renew the lease. Rent is to increase by 2% annually. The lease is net with tenant responsible for all taxes, insurance, and maintenance, including roof and structure.

Annual Rent

Years		Annual Rent	Return
14	(Current)	\$67,224	n/a
15	(Capitalized)	\$68,568	6.00%
16	(Option 2)	\$69,940	6.14%
17	(Option 2)	\$71,339	6.26%
18	(Option 2)	\$72,765	6.38%
19	(Option 2)	\$74,221	6.51%
20	(Option 2)	\$75,705	6.64%
21-25	(Option 3)*	\$80,370	7.05%
26-30	(Option 4)*	\$88,735	7.78%

*Option rent is to increase 2% annually throughout each option period; option rents above reflect blended rent for each option period.

Financing

This property will be delivered free and clear of permanent financing.



Fifth Third Bancorp (NASDAQ: FITB) provides a variety of financial products and services, including checking, savings and money market accounts, wealth management solutions, payments and commerce solutions, insurance services and credit products such as commercial loans and leases, mortgage loans, credit cards, installment loans and auto loans to the commercial, financial, retail, governmental, educational, energy and healthcare sectors.

As of December 31, 2019, Fifth Third had \$169 billion in assets and operated 1,149 full-service banking centers and 2,481 ATMs with Fifth Third branding in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Georgia and North Carolina. In total, Fifth Third provides its customers with access to approximately 53,000 fee-free ATMs across the United States. Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending and Wealth & Asset Management. Fifth Third is among the largest money managers in the Midwest and, as of December 31, 2019, had \$413 billion in assets under care, of which it managed \$49 billion for individuals, corporations and not-for-profit organizations through its Trust and Registered Investment Advisory businesses. For 2019, Fifth Third reported revenue of \$7.25 billion, net income of \$2.4 billion, and total stockholder equity of \$16.25 billion.

Fifth Third Bank, N.A. is an indirect subsidiary of Fifth Third Bancorp through which banking services are provided. As of December 31, 2019, the bank held total assets of \$167.8 billion, total deposits of \$132.4 billion, and net income of \$2.7 billion.

Fifth Third Bancorp is rated Baa1 by Moody's and BBB+ by S&P. Fifth Third Bank, N.A., its banking subsidiary, is rated Aa3 by Moody's and A- by S&P.

SITE PLAN



AERIAL

NORTHWEST VIEW

Beech Mountain
Ski Resort

Lees  McRae
COLLEGE

~1000 Students

Downtown
Banner Elk

184

Tynecastle Hwy (10,000 AADT)

Lees  McRae
COLLEGE

Athletic Complex

 Best
Western.


FIFTH THIRD BANK

High Country Square

Orchard Ln



AERIAL

SOUTH VIEW

Sugar Mountain
Resort

Ole Esval Sugar
Mountain Golf Course



The Great Train Robbery
Shoppes, Emporium &
Design Center



Tynecastle Hwy (10,000 AADT)

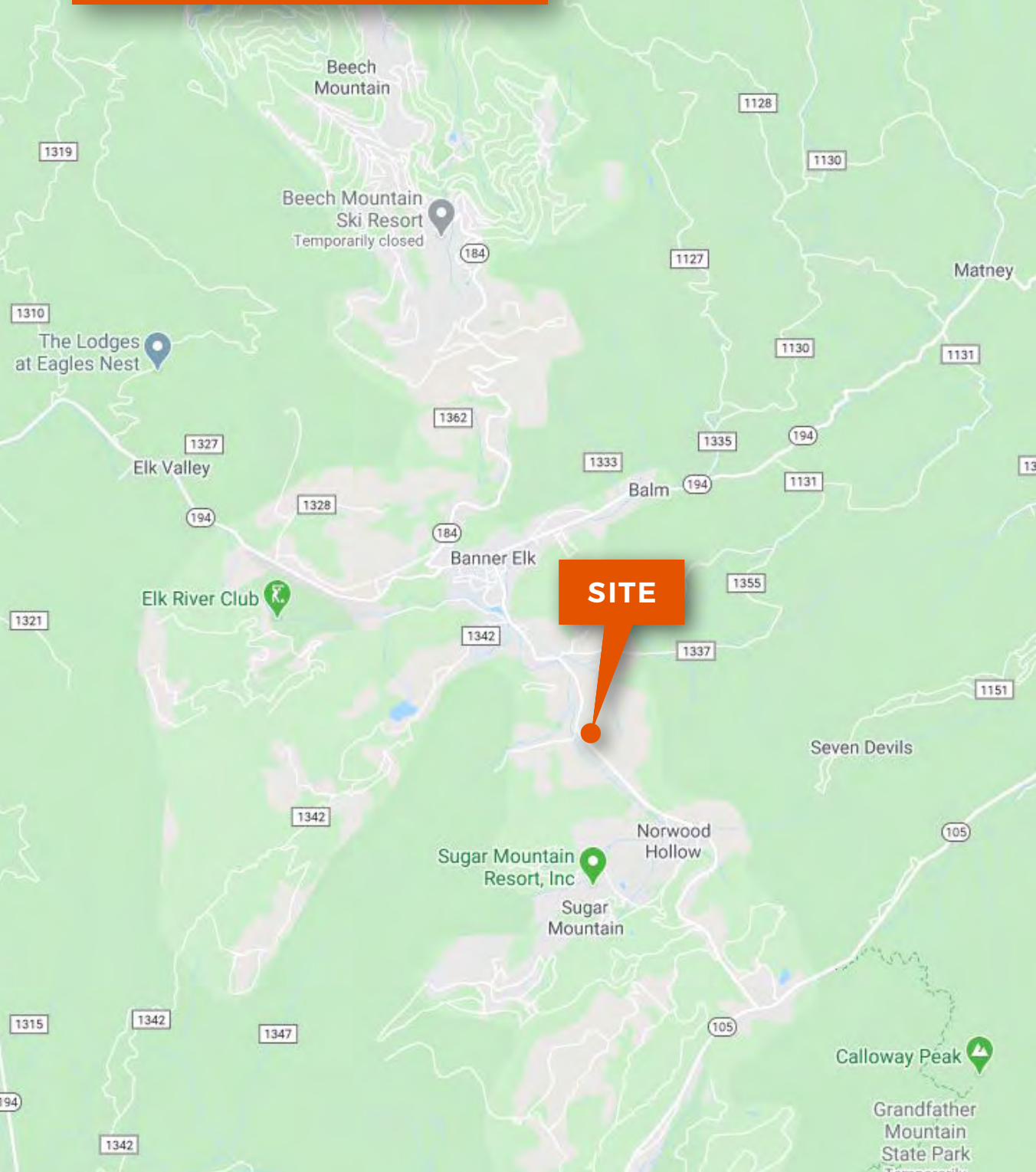
High Country Square

Orchard Ln

184



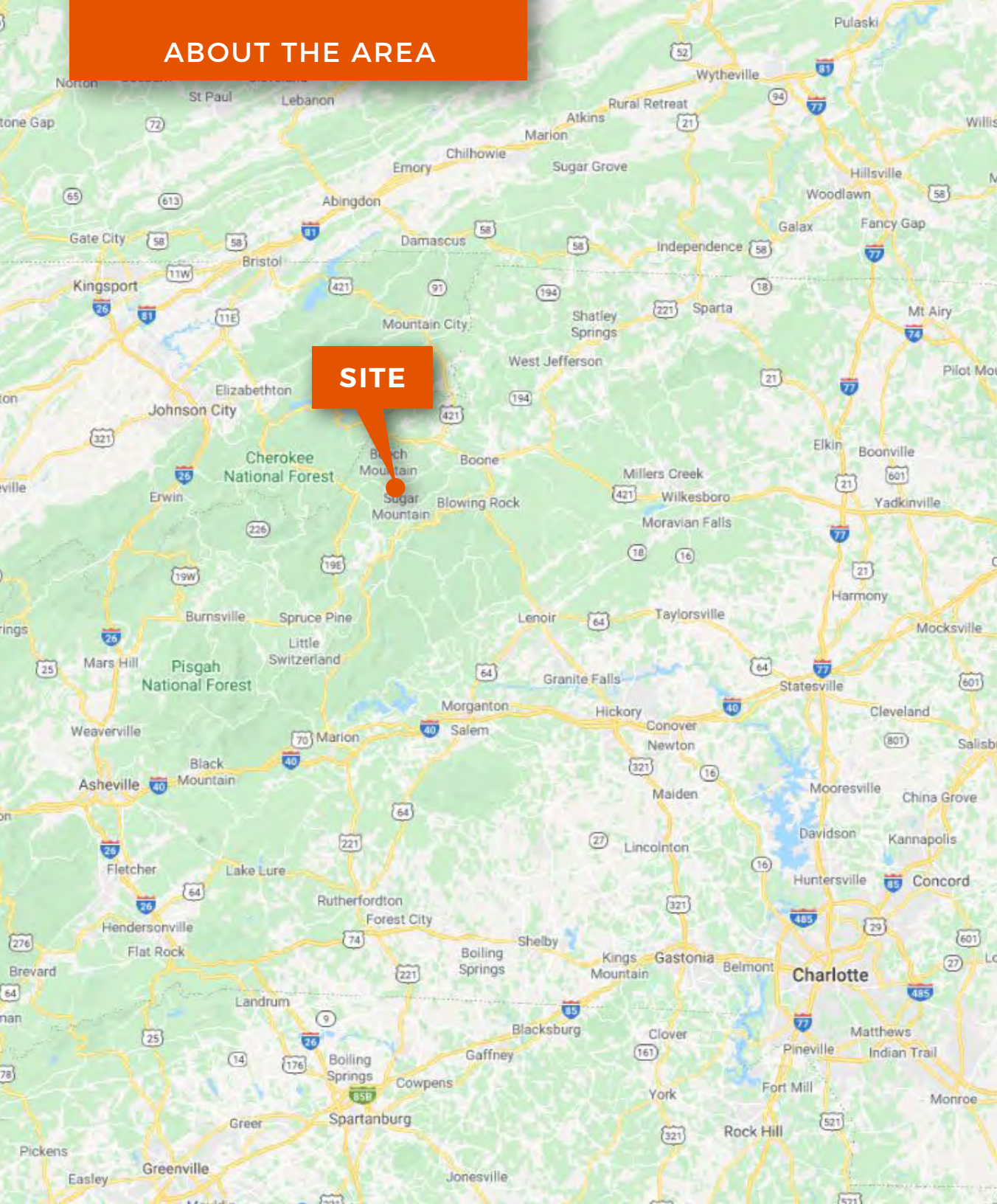
ABOUT THE AREA



General Overview

Banner Elk (population 3,943) is a town in Avery County within North Carolina's Blue Ridge mountains. The town has been dubbed the "Ski Capital of the South," and is home to the popular Sugar Mountain and Beech Mountain ski resorts. Avery County is located in the Appalachian Mountains in northwest North Carolina. The region benefits from a robust tourism and agricultural economy and has been dubbed the "Christmas Tree Capital of the World" due to its substantial production and export of Fraser Fir trees and other ornamental shrubbery. Banner Elk is located approximately an hour and a half's drive from Asheville, 2 hour's drive from Winston-Salem, and approximately two and a half hour's drive from Charlotte.

ABOUT THE AREA



Site Information

The subject property is prominently situated with excellent access and visibility along Tynecastle Highway (10,000 AADT). The property benefits from robust demographics with a total daytime population of 8,911 and average household income of \$80,974 within a five mile radius. Deposits at this branch, the only branch in Avery county, exceed \$36.15 million.

The property benefits from a central location in close proximity to retail tenants, schools, and employers. Major retail tenants neighboring the site include Food Lion, Walgreens, Lowe's Foods, Dollar General, Lowe's Home Improvement, NAPA Auto Parts, Banner Elk Pharmacy, & BB&T. The property is located adjacent to Banner Elk Elementary School and approximately 1.5 miles from Lees-McRae College, with 966 students enrolled, drawing additional traffic from students, parents, and teachers to the site. The site also benefits from close proximity to major tourist attractions in and around Banner Elk; the property is less than 2 miles from Sugar Mountain Resort, approximately 3.5 miles from Beech Mountain Ski Resort, and less than 5 miles from Grandfather Mountain State Park. Tourism revenue county-wide in 2018 exceeded \$132.5 million.



1667 Tynecastle Hwy | Banner Elk, NC 28604



TOTAL POPULATION
6,970



AVG. HOME VALUE
\$347,991



AVG. HOUSEHOLD INCOME
\$80,974

Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	366	2,982	6,926
2019 Total Population	338	2,839	6,970
2024 Total Population	324	2,761	6,974

Average Household Income

	1 Mile	3 Miles	5 Miles
2019	\$79,260	\$78,772	\$80,974
2024	\$87,472	\$89,171	\$93,046

Average Home Value

	1 Mile	3 Miles	5 Miles
2019	\$347,991	\$335,422	\$329,535
2024	\$385,748	\$357,709	\$353,345



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