

# Fred's Discount

Johnsonville, South Carolina



Representative photo.

## Offering Memorandum

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# Fred's Discount

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## COMPANY OVERVIEW:

Cypress Real Estate Partners, LLC is an investment real estate brokerage firm that exclusively represents buyers and sellers of single-tenant income producing properties and shopping centers in the Carolinas and southeastern United States. With over 80 years of investment real estate experience, Cypress has emerged as one of the top boutique investment real estate firms. Cypress' brokerage team prides itself on delivering superior client service while offering the most current and advanced marketing techniques in today's marketplace. Cypress has sold over \$850 million in investment properties throughout the Carolinas and eastern half of the United States, representing both buyers and sellers in both metropolitan and rural marketplaces.

## DISCLAIMER:

It is the prospective purchaser's responsibility to conduct its own due diligence. The information contained in this brochure does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Additional information and an opportunity to inspect the property will be made available to interested, qualified prospective purchasers. Owner and its representatives make no representation or warranty, express or implied, as to the accuracy or completeness of this information, and no legal commitments or obligations shall rise by reason of the contents herein. Cypress Real Estate Partners represents the seller in this transaction.

The owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest by any entity at any time with or without notice. The owner shall have no legal commitment or obligation to any entity reviewing this information or making an offer to purchase subject property unless and until a written agreement for the purchase of the property has been fully executed, delivered and approved by the owner.



## Investment Overview Property Highlights

### INVESTMENT HIGHLIGHTS:

- NN Lease with Fred's Stores of Tennessee, Inc.
- Over 8 YRS lease term remaining (Fred's took renewal 3.5 YRS early)
- Fred's, Inc. has over 1,000 locations in 15 states
- Myrtle Beach MSA Sub-Market
- Located in the center of town across from Piggly Wiggly and McDonalds
- Myrtle Beach, SC – 45 Miles; Florence, SC – 37 Miles; 40 Miles to I-95

### PROPERTY HIGHLIGHTS:

Location:	198 Stuckey Street, Johnsonville, SC (Myrtle Beach MSA)
Building:	16,000+/-SF
Land Area:	1.38+/- Acres
Parking Spaces:	48 Spaces
Zoning:	General Commercial Retail
Construction:	2003 construction, clear-span retail building with steel frame, screw-down metal roof w/ front entry, drive-thru pharmacy

## Lease Information

### SALES SUMMARY

Purchase Price	\$695,000
CAP Rate	9.00%
Price PSF	\$43.44

### LEASE INFORMATION

Tenant Fred's Stores of Tennessee, Inc.

Rent Start Date October 1, 2003

Current Expiration Date September 30, 2023

Original Lease Term Ten (10) Years – Tenant has taken early renewal - 2nd time

Lease Term Remaining 8 YRS from September 30, 2015

Renewal Options One (1) Five (5) YR Option @ 15% Increase

Lease Type NN

Landlord Responsibilities Roof & Structure, HVAC Replacement, Tax/Insurance

### FINANCIAL INFORMATION

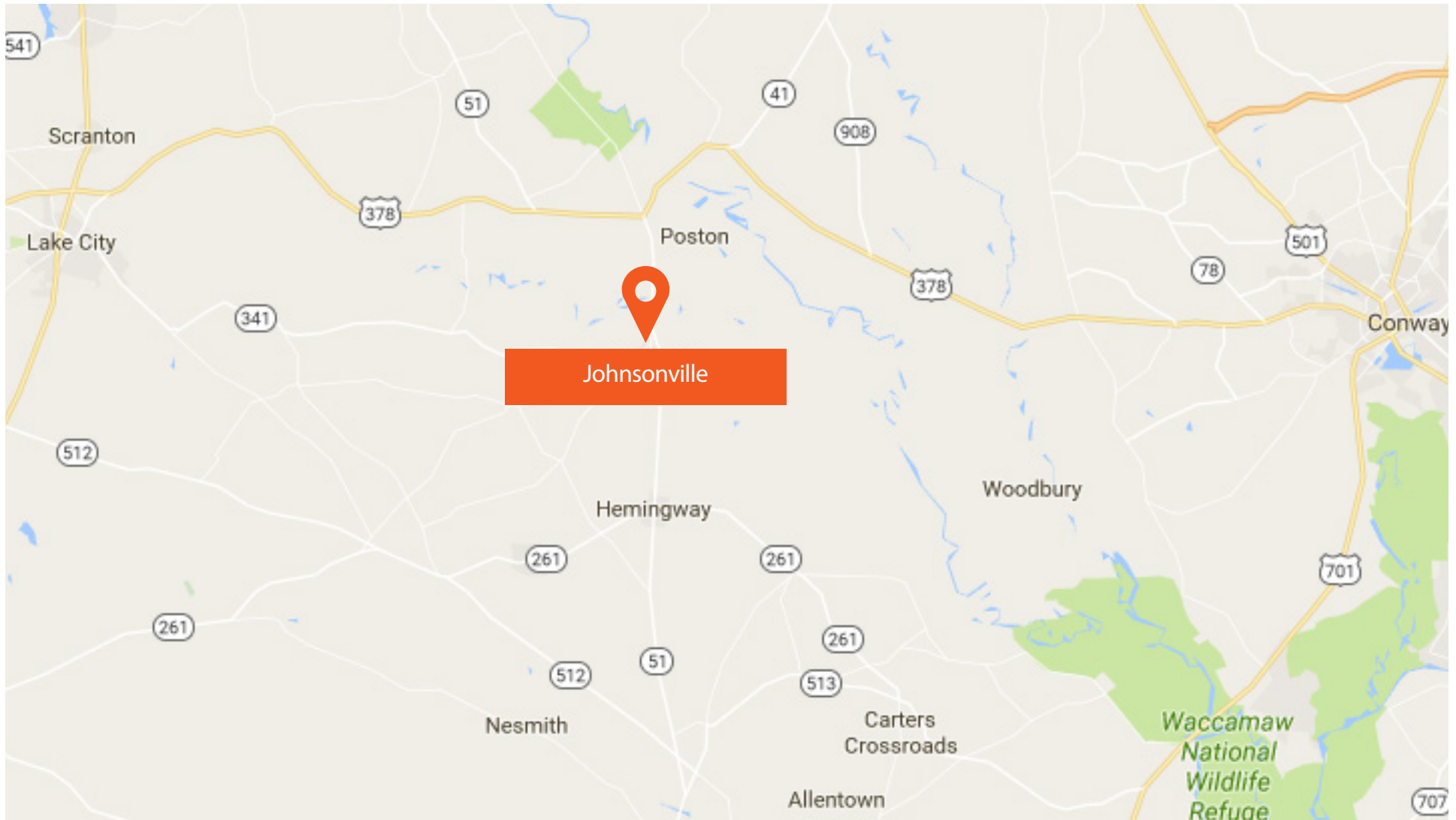
#### REVENUE

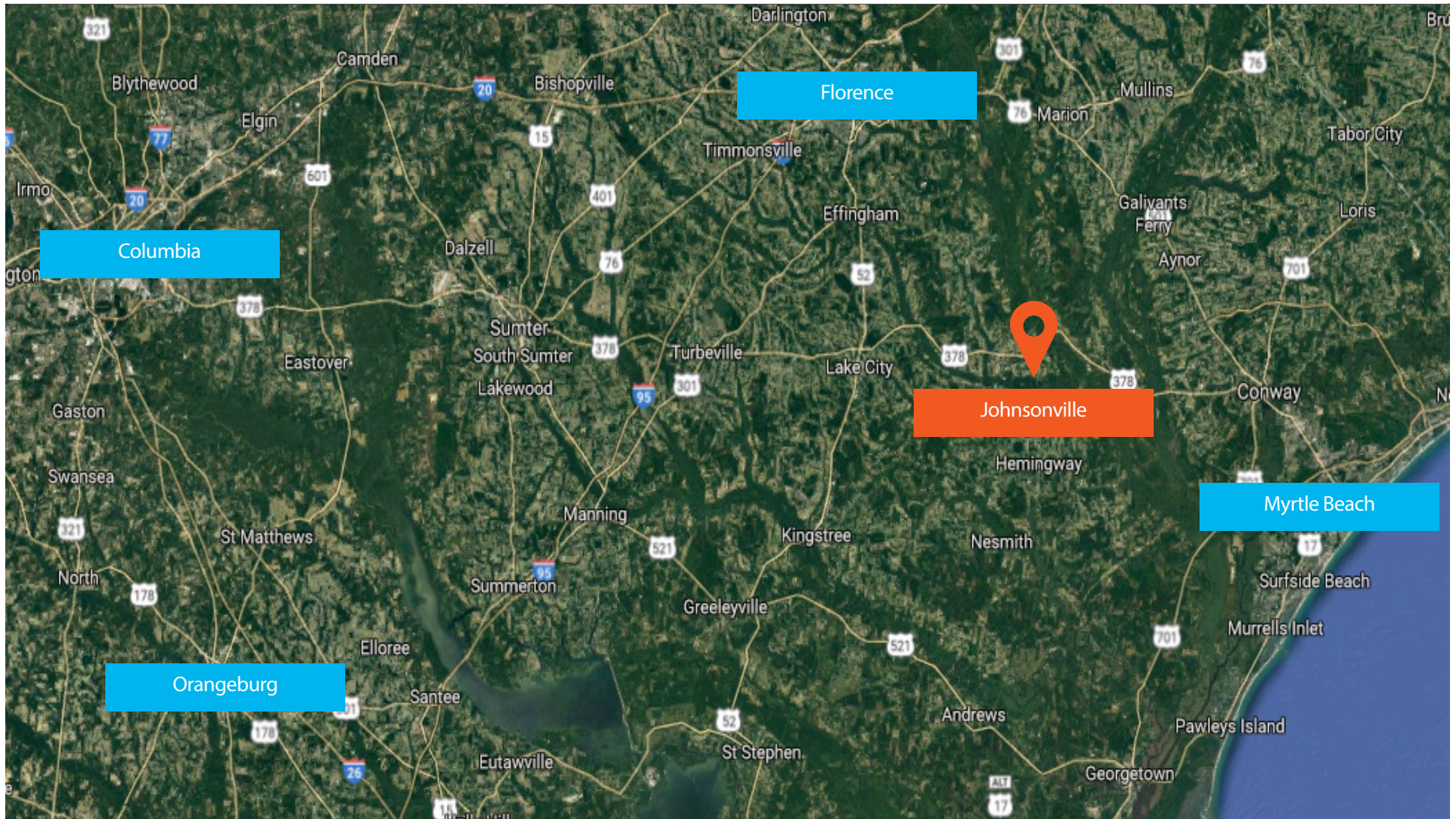
Annual Rent	\$78,400
Annual CAM (\$180/MO)	\$2,160
TOTAL	\$80,560

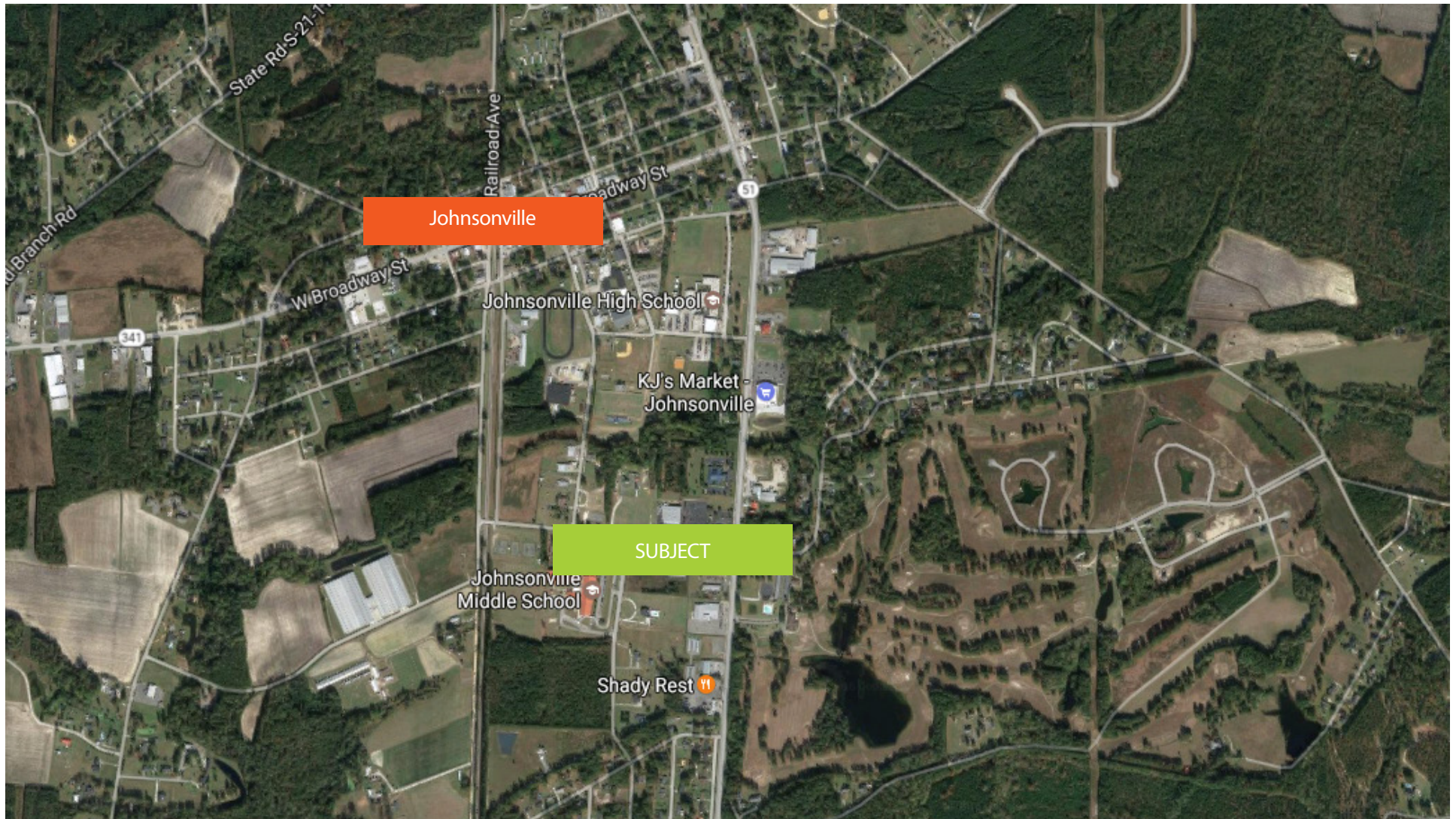
#### OPERATING EXPENSES

Taxes	\$11,577
Insurance	\$3,119
Landscaping	\$1,260
Reserve	\$2,000
TOTAL	(\$17,956)
NOI	\$62,604











# Fred's Discount

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## Local Aerial



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## Site Aerial



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## Johnsonville, SC

The city of Johnsonville was founded in 1913 and is located near the southern tip of Florence County. Johnsonville is 30 miles southeast of Florence, 20 miles west of Conway and is less than an hour drive from Myrtle Beach. I-95 is approximately 30 miles west.

The Fred's discount store is situated on Stuckey Street near the corner of Georgetown Highway. This free-standing store sits directly next to a Fresenius Medical Center constructed in 2007 and is within close proximity to other retailers such as McDonald's, Piggly Wiggly, McLeod Family Medical Center, KJ's, IGA and Dollar General.

# Fred's Discount

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Fred's Inc. is a regional chain of discount stores operating in the southeastern and midwestern United States. Headquartered in Memphis, TN, Fred's has been in business since 1947 and currently operates over 700 stores and 300 pharmacies in 15 states. Fred's primarily competes with Dollar Tree, Dollar General and Family Dollar and most locations are found in towns with populations of 15,000 or less.

Fred's stores stock more than 12,000 items including nationally recognized brand-name products, proprietary Fred's label products and lower-priced, off-brand products. The company has two distribution centers: one in Memphis, TN and one in Dublin, GA.

Fred's total sales for the first quarter of fiscal year 2015 increased to \$509 million from \$498.3 million from the first quarter of 2014.

## Tenant Summary



POPULATION	1 mile	3 miles	5 miles
2021 Projection	1,558	4,306	7,639
2016 Estimate	1,468	4,141	7,471
2010 Census	1,314	3,851	7,073
2000 Census	1,353	3,787	7,369
Growth 2000-2010	-0.29	0.17	-0.41
Growth 2010-2016	1.79	1.17	0.88
Growth 2016-2021	1.20	0.78	0.45

HOUSEHOLDS	1 mile	3 miles	5 miles
2016 Total Households	560	1,503	2,820
2021 Total Households	592	1,557	2,881
2000-2010 Annual Rate	0.04	0.16	-0.35
2010-2016 Annual Rate	1.60	1.05	0.86
2016-2021 Annual Rate	1.12	0.71	0.43

2016 Median Household Income	\$38,623	\$40,661	\$36,643
2016 Average Household Income	\$52,601	\$54,166	\$49,399



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