

# Starbucks

Winston-Salem, NC

Top 10% of Starbucks Nationwide | No Early Termination Right



PALOMAR

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Representative Photo

# *Executive Summary*





Cap Rate  
5.75%



Price Point  
\$2,417,000



Term Remaining  
7 Years



NOI  
\$138,995



Square Footage  
2,225 SF



Acreage  
0.63 Acres





Lease Type  
NN (Roof & Structure)




Year Built  
2023





**Address**  
 2701 Peters Creek Pkwy  
 Winston-Salem, NC 27127


**Parcel Number**  
 M084-0015


**Gross Leasable Area and Land Area**  
 2,225 SF  
 0.63 AC

**Lease Type**  
 NN ( Roof & Structure)  
 No Early Termination Right

**Year Built**  
 2023

**NOI**  
 \$138,995

**Cap Rate Guidance**  
 5.75%

**Price Point Guidance**  
 \$2,417,000

- THE ASSET**
- **Strong Performing Store** – Placer.ai
    - Ranked 712 / 7,339 Nationwide – **Top 10%**
    - Ranked 27 / 191 in North Carolina – **Top 14%**
    - Ranked 2 / 12 within 15 Miles – **Top 9%**
  - **No Early Termination Right**
  - **New Construction**
  - **Corporately Backed** by Starbucks Corporation
  - **Investment Grade** of BBB+/Baa1
  - Long Term Lease with **7 Years Remaining**
  - **8% Rent Bump** in 2028
  - **10% Rental Increases** in options 2-6
  - Outparcel to **Market Dominant Aldi** shopping center
  - **Starbucks** has **Six 5-Year Options** remaining

- THE FUNDAMENTALS**
- **Across The Street** from Parkland High School with **1,600+ Students**
  - 3 Miles from **Downtown Winston-Salem**
  - Signalized **Hard Corner** Intersection
  - **Strong Traffic Counts** with 36,000 Vehicles Per Day
  - Situated in the **Piedmont Triad of North Carolina**
  - Dense retail corridor with **Aldi, Sherwin Williams, Waffle House, Harbor Freight and Planet Fitness** located in the submarket
  - **Great Visibility and Access** from Peters Creek Pkwy
  - **Strong Demographics**
    - 1 Mile Population: 7,252
    - 3 Mile Population: 68,220
    - 5 Mile Population: 146,934



2701 Peters Creek Pky  
Winston-Salem, NC 27127



278,269

Total Households  
Winston-Salem, NC MSA



695,630

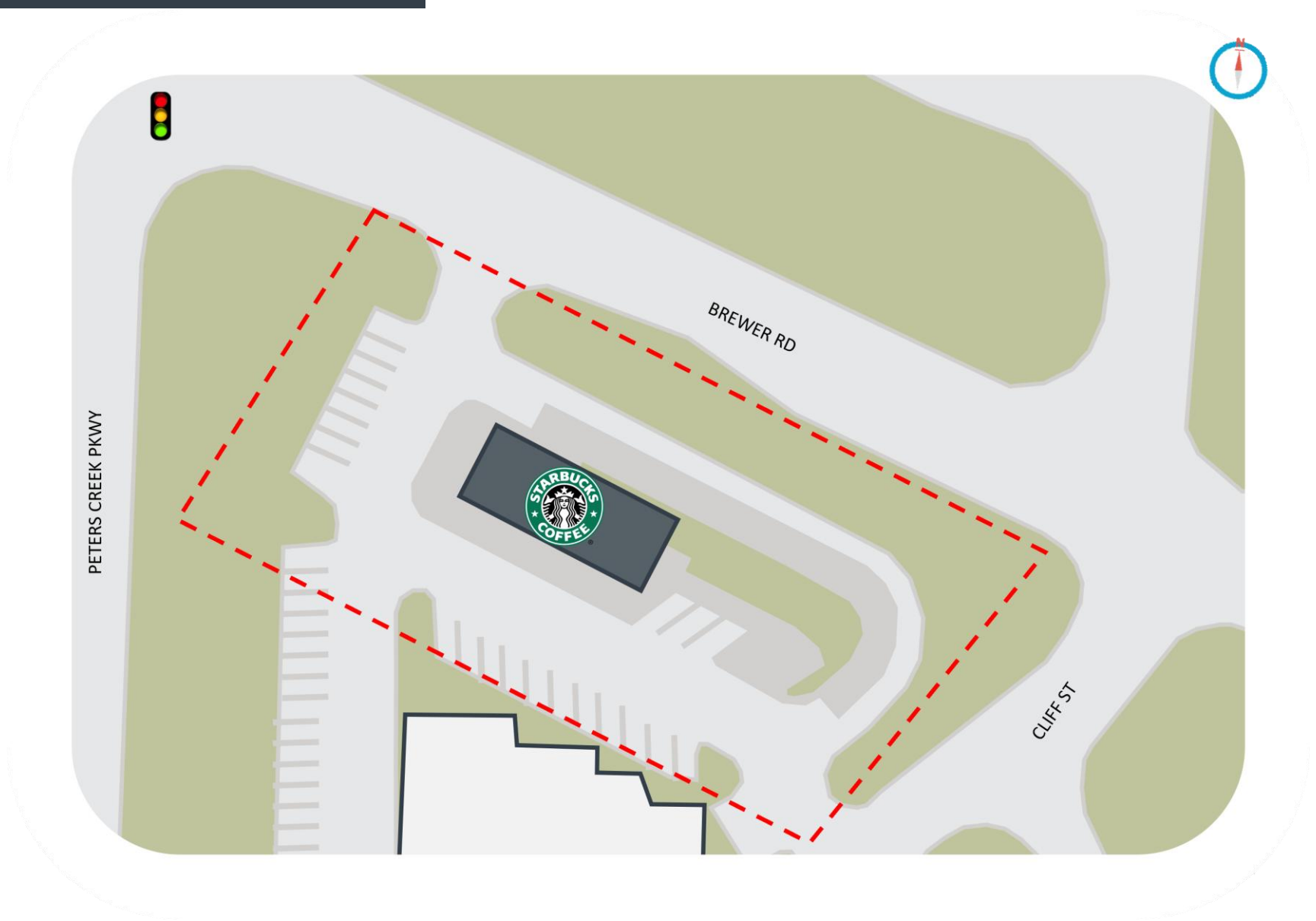
Total Population  
Winston-Salem, NC MSA



\$89,963

Average HH Income  
Winston-Salem, NC MSA





**HARBOR FREIGHT**  
 QUALITY TOOLS LOWEST PRICES



Downtown  
 Winston-Salem  
 Population: 251,350



Parkland High  
 School  
 Students: 1,600

 36,213

PETERS CREEK PKWY

BREWER RD



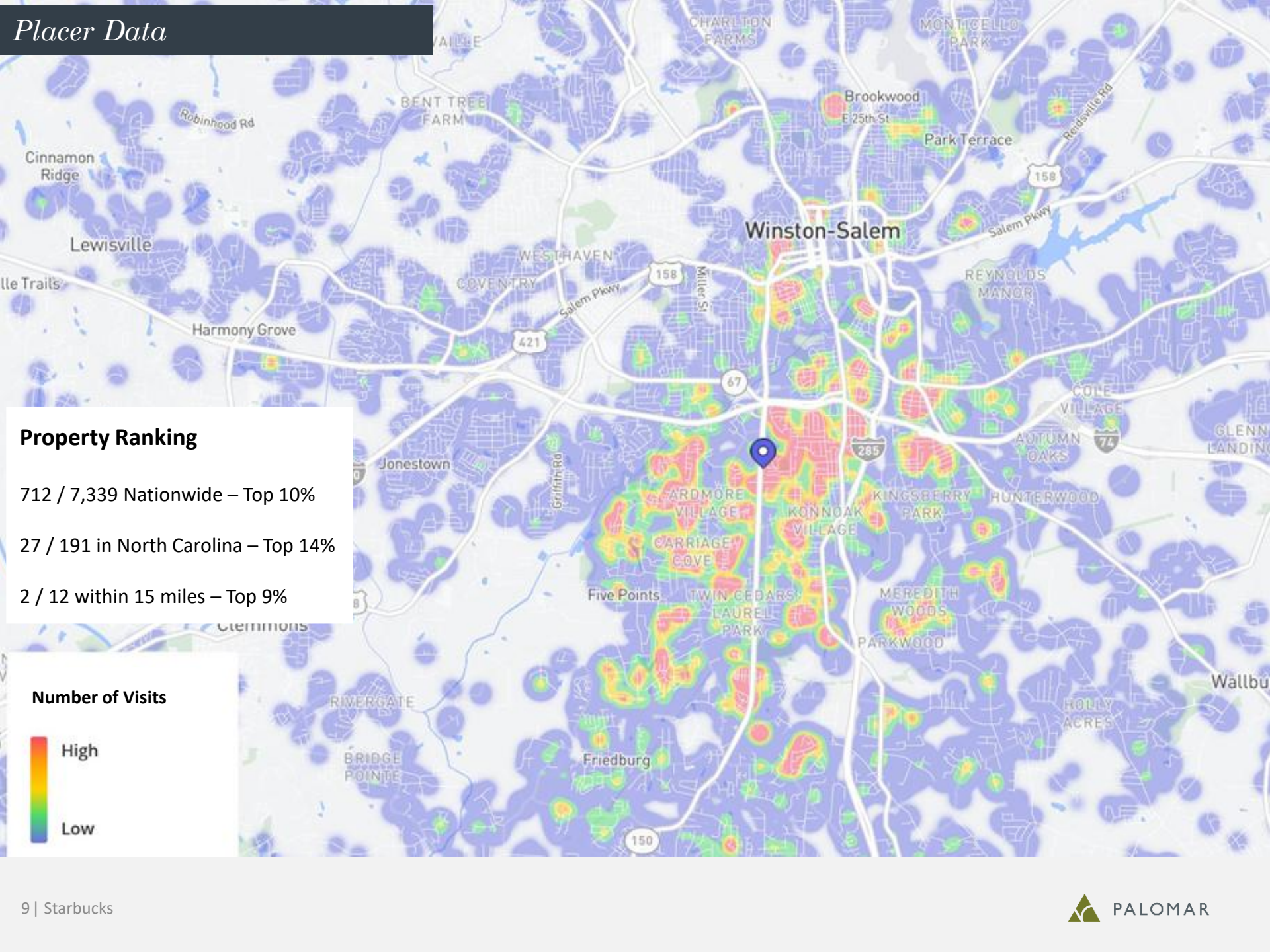

SHERWIN-WILLIAMS




Waffle House Hertz

# Market Aerial



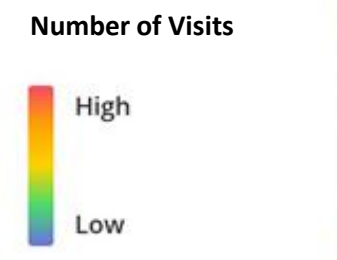


**Property Ranking**

712 / 7,339 Nationwide – Top 10%

27 / 191 in North Carolina – Top 14%

2 / 12 within 15 miles – Top 9%



# Tenant Overview



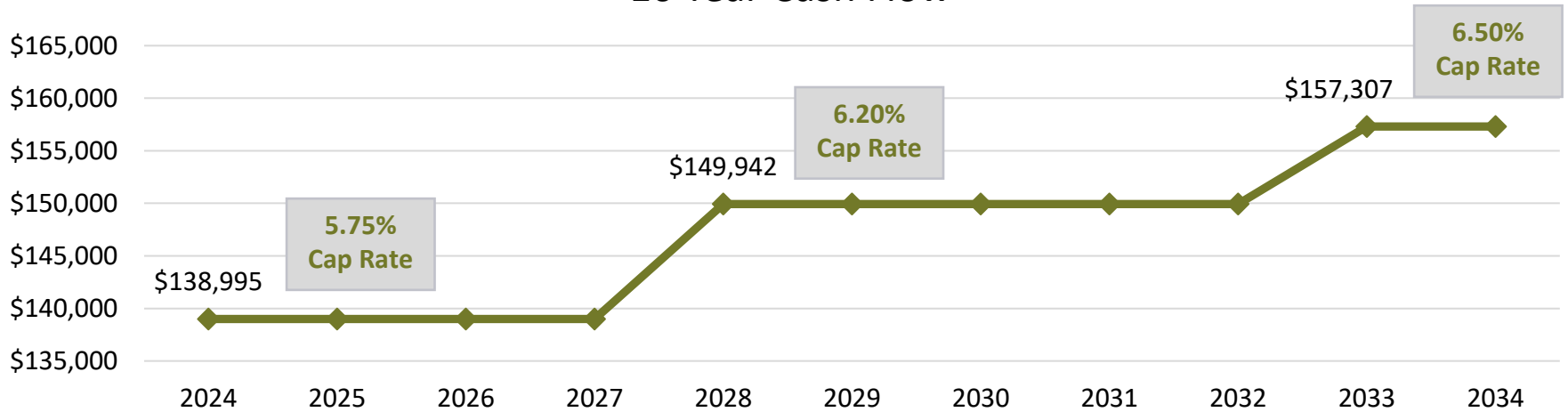
**PREMISES & TERM**

<b>TENANT</b>	Starbucks	<b>CAM</b>	Tenant's Responsibility
<b>LEASE TYPE</b>	NN	<b>INS</b>	Tenant's Responsibility
<b>LEASE TERM</b>	10 Years	<b>TAX</b>	Tenant's Responsibility
<b>OPTION'S</b>	6, 5-Year Options	<b>ROOF/STRUCTURE</b>	Landlord's Responsibility

**RENT ROLL**

BASE RENT				OPTION RENTS			
DATE RANGE	MONTHLY RENT	ANNUAL RENT	% INCREASE	DATE RANGE	MONTHLY RENT	ANNUAL RENT	% INCREASE
4/1/2023 – 3/31/2028	\$11,582	\$138,995	--	2033 – 2038	\$13,108	\$157,307	5%
4/1/2028 – 3/31/2033	\$12,495	\$149,942	8%	2038 – 2043	\$14,419	\$173,038	10%
				2043 – 2048	\$15,862	\$190,348	10%
				2048 – 2053	\$17,447	\$209,372	10%
				2048 – 2053	\$19,192	\$230,309	10%
				2048 – 2053	\$21,111	\$253,338	10%

**10 Year Cash Flow**





NASDAQ: SBUX (\$96.85)

Investment Grade

S&P: BBB+

Moody's: Baa1

38,038+ Locations Globally

Over \$35.98B of Revenue in 2023

381,000+ Employees

Founded in 1971 in Seattle, WA

### Lease Abstract & Market Outlook

Tenant	Starbucks Corporation
Size	2,225 SQFT
Lease Term	10 Years
Original Lease Start	4/1/2023
Expiration Date	3/31/2033
Base Rent	\$138,995/yr
Options	Six, 5-year
Parking Spaces	35 Spaces
Right of First Refusal	None
Termination Right	None

## QUARTZ

### Starbucks is now the second-biggest restaurant on Earth

March 15, 2024

The U.S. may feel at times like the fast food capital of the world, but the global scale of these businesses is downright mind-blowing. The top restaurant chains are always in competition to get into more stomachs worldwide, and Restaurant Business reports that Starbucks just pushed past Subway to become the second largest restaurant chain on earth.

According to data from Technomic, Starbucks added 3,000 new locations to its system in 2023, which brought its total number of locations globally to 38,587. This was enough for the coffee chain to edge out over Subway by about 2,000 units; the sandwich chain has 36,516 locations globally. Above both these chains sits McDonald's, with 41,882 locations throughout the world (roughly one-third of which are in the U.S.).

Although Subway was just knocked down to bronze on a global scale, the sandwich chain has held the top spot as the chain with the most locations in the U.S. for some time now. As of 2022, Starbucks and McDonald's had around 15,000 and 13,000 locations nationwide, respectively. At the same time, Subway operated approximately 20,000 stores, even after a 2.7% loss of units that year.

[Read More](#)

# Market Overview



# Winston-Salem, NC MSA

## Largest Employers

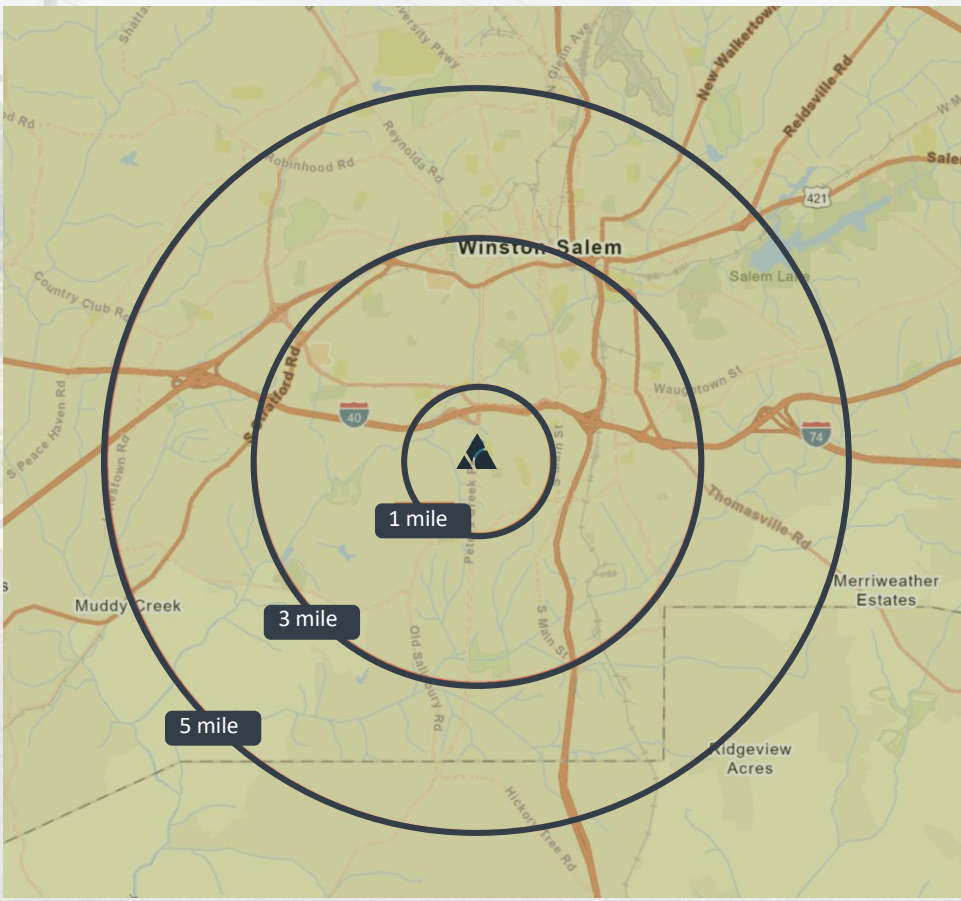


## Education



## Winston-Salem, NC MSA

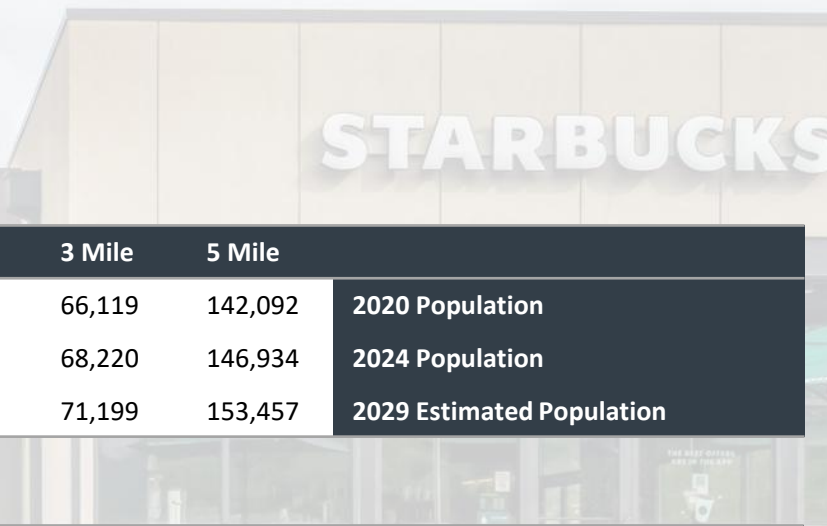
*The Winston-Salem, North Carolina MSA (Population: 695,630) consists of Forsyth, Davidson, Stokes, Davie and Yadkin counties and is positioned in the northwestern portion of the state. The area is home to some of the biggest names in business, including Hanesbrands, Reynolds American, Inmar and Garner Foods. Top-tier universities like Wake Forest University and Winston-Salem University further support the area's growing workforce and industries. Winston-Salem is located within 650 miles of half of the U.S. population and has consistently ranked among the top cities to start a business and one of the fastest-growing smaller cities for startups.*



1 Mile	3 Mile	5 Mile	
7,140	66,119	142,092	2020 Population
7,252	68,220	146,934	2024 Population
7,547	71,199	153,457	2029 Estimated Population

1 Mile	3 Mile	5 Mile	
3,082	27,549	59,964	2020 Households
3,155	28,542	62,171	2024 Households
3,291	29,818	64,980	2029 Estimated Households

1 Mile	3 Mile	5 Mile	
\$43,610	\$65,103	\$71,213	Average Household Income
\$33,325	\$50,237	\$48,832	Median Household Income
\$62.7M	\$703.4M	\$1.6B	Total Specified Consumer Spending





## North Carolina set to become 7th-most populated state by early 2030s

August 26, 2024

North Carolina is set to become the seventh-most populated state in the country by the early 2030s, according to the U.S. Census Bureau.

Davidson County Schools is trying to get ahead of that growth. Superintendent Dr. Gregg Slate said the supply chain for businesses in and around the Piedmont Raid runs through Davidson County, making it an attractive place to live.

Slate said there are more than 3,000 housing units being built across the county, which means more students.

The school system hired a demographer from North Carolina State University to study where the pockets of growth are, and which schools will be impacted.

[Read More](#)



## Visitor Spending Tops the Billion Dollar Mark in Forsyth County

August 14, 2024

Visitors to Forsyth County spent \$1.05 billion in 2023, an increase of 6.9% from 2022. Visitor spending generated \$72.6 million in state and local taxes and supported 6,753 jobs.

Forsyth County ranks ninth statewide and, in 1983, was among the first five counties in North Carolina to adopt a special tax on visitor accommodations to invest in promoting the area for tourism. Stephanie Pace Brown, president of Visit Winston-Salem, explains how tourism promotion benefits the local community.

"Visit Winston-Salem implements sales and marketing strategies that motivate meetings, groups, sporting events and leisure travelers to choose Forsyth County," said Brown. "These efforts create economic vitality by enhancing the customer base for our local businesses, supporting jobs, and generating taxes — all for the benefit of the people who live here."

[Read More](#)



## \$150M development near Wake Forest athletic facilities revealed

September 10, 2024

Wake Forest University has appointed developers Carter and Front Street Capital to undertake a mixed-use development project that aims to revitalise the area incorporating a number of its sports venues.

The venture, entitled 'The Grounds', also involves the City of Winston-Salem and will revamp 100 acres of land that is currently mainly made up of University-owned parking lots and empty or demolished buildings.

The \$150m (£115m/€136.2m) scheme will incorporate retail, dining, residential, and office in one community hub, in an effort to enhance Winston-Salem's landscape and bolster its reputation as a sports and entertainment destination.

[Read More](#)



## Salem College Sees Third Consecutive Year of Record-Breaking Enrollment Growth

September 16, 2024

WINSTON-SALEM, N.C. - Salem College announced today record growth in enrollment numbers surpassing past trends in institutional history. This fall, Salem continues its upward trajectory with the second consecutive year of total undergraduate enrollment growth at the college. Salem's total undergraduate enrollment grew by 10% in Fall 2024.

Total undergraduate enrollment is buoyed by 174 new undergraduates enrolled for Fall 2025, including the Class of 2028 with 137 first-year students from 19 states and 11 countries. The Class of 2028 is academically qualified with an average high school GPA of 3.89. With the Class of 2028, Salem College continues its commitment to diversity and college access with 57% of Salem College's new students being first-generation. Consistent with the college's focus on health leadership, the majority of new students plan to major in STEM and health-related majors, followed by art, design, and business. Salem also enrolled the largest number of new transfer students in its institutional history.

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# Legal Conditions

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for the limited use in considering whether to pursue negotiations to acquire Starbucks (the "Property") located in Winston-Salem, NC and is not intended to be an offer for the sale of the Property.

This confidential memorandum, which contains brief, selected information pertaining to the business and affairs of the Property, has been prepared by The Palomar Group. This confidential memorandum does not purport to be all-inclusive or to contain all the information which a prospective purchaser may desire. Neither Seller nor The Palomar Group nor any of their officers, employees or agents make any representation of warranty, expressed or implied, as to the accuracy or completeness of this confidential memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto.

By receipt of this confidential memorandum, it is agreed that the memorandum and its contents are confidential, that they will be held and treated in the strictest of confidence, that the Recipient will not, directly or in directly, disclose or permit anyone else to disclose this memorandum or its contents to any other person, firm or entity without prior written authorization of the Seller, and that the Recipient will not use or permit to be used this memorandum or its contents in any fashion or manner detrimental to the interest of the Seller. Photocopying or other duplication is strictly prohibited.

THE SELLER EXPRESSLY RESERVES THE RIGHT AT ITS SOLE DISCRETION TO REJECT ANY OR ALL PROPOSALS OR EXPRESSIONS OF INTEREST IN THE PROPERTY AND TO TERMINATE DISCUSSIONS WITH ANY PARTY AT ANYTIME WITH OR WITHOUT NOTICE.

If the Recipient does not wish to pursue negotiations leading to this acquisition, or if in the future the Recipient discontinues such negotiations, Recipient agrees to return this confidential memorandum to The Palomar Group.

THIS CONFIDENTIAL MEMORANDUM SHALL NOT BE DEEMED A REPRESENTATION OF THE STATE OF AFFAIRS OF THE PROPERTY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE PROPERTY SINCE THE DATE OF PREPARATION OF THIS MEMORANDUM.

THE PALOMAR GROUP (BROKER) MAKES THE DISCLOSURE THAT ITS ROLE IS EXCLUSIVELY REPRESENTING THE SELLER, NOT THE BUYER AND AS SUCH, BROKERS MUST WORK TO OBTAIN FOR SELLER THE BEST PRICE AND TERMS AVAILABLE. NEITHER SELLING BROKER OR SELLER ARE RESPONSIBLE FOR ANY COMPENSATION TO ANY OTHER PARTY IN CONNECTION WITH THE SALE OF THE PROPERTY.

THIS PROPERTY IS BEING SOLD AS AN "AS IS, WHERE IS" SALE.

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