CONFIDENTIAL

# OFFERING MEMORANDUM

## THE SHOPPES AT CAVENESS FARMS

11480 CAPITAL BLVD | WAKE FOREST, NC


AI-rendered image

# THE SHOPPES AT CAVENESS FARMS

Established Multi-Tenant Retail Investment


EXCLUSIVELY OFFERED BY

**THERESA LOBDELL**

Principal & Managing Broker

**Cell: (919) 606-9943**

**theresa@espcre.com**

**www.espcre.com**

**ESP COMMERCIAL REALTY**


# THE SHOPPES AT CAVENESS FARMS

11480 CAPITAL BLVD • WAKE FOREST, NC


*AI-rendered image for illustrative marketing purposes*

## INVESTMENT SUMMARY

| | | | |
|---|---|---|---|
| **$6,013,930** | **5.75%** | **$345,801** | **100%** |
| **OFFERING PRICE** | **CAP RATE** | **NOI (2026)** | **LEASED** |
| Investment offering | Based on 2026 NOI | Projected net operating income | Fully occupied retail center |

### STABILIZED MULTI-TENANT RETAIL INVESTMENT

100% leased in a high-visibility Capital Boulevard retail corridor

**THE SHOPPES AT CAVENESS FARMS | WAKE FOREST, NORTH CAROLINA**

# TRAFFIC COUNT & BUSINESS CORRIDOR

**THE SHOPPES AT CAVENESS FARMS | 11480 CAPITAL BLVD, WAKE FOREST, NC**


## HIGH-VISIBILITY RETAIL CORRIDOR

The subject property is strategically positioned in a busy and well-established retail corridor along Capital Boulevard / US 1. Traffic counts approach 50,000 vehicles per day near the property, providing strong daily exposure and convenient access. The surrounding concentration of major retailers and restaurants - including Sam's Club, Target, Wegmans, Walmart, Harris Teeter, ALDI, Texas Roadhouse, Red Robin, and Chili's - reinforces the corridor's regional draw and supports consistent consumer activity.

**49,976**
VEHICLES/DAY

**0.05 MI**
FROM SUBJECT

## TRAFFIC COUNT SUMMARY

| # | STREET | CROSS STREET | COUNT YEAR | AVG. DAILY VOLUME | MILES FROM SUBJECT |
|---|---|---|---|---|---|
| 1 | Capital Boulevard | Capital Boulevard | 2026 | 49,976 | 0.05 |
| 2 | Forest Pines Dr | Corona Blvd | 2026 | 5,088 | 0.25 |
| 3 | Green Elm Ln | Common Oaks Dr | 2026 | 357 | 0.33 |
| 4 | Capital Boulevard | Capital Boulevard | 2026 | 21,728 | 0.35 |
| 5 | Not specified | Not specified | 2026 | 2,612 | 0.43 |
| 6 | Forest Pines Dr | Green Elm Ln | 2026 | 4,752 | 0.46 |
| 7 | Capital Blvd | S Main St | 2024 | 43,185 | 0.55 |
| 8 | Capital Blvd | S Main St | 2026 | 46,651 | 0.55 |
| 9 | Capital Boulevard | Capital Boulevard | 2026 | 47,923 | 0.56 |
| 10 | Dr. Calvin Jones Highway | State Hwy 98 | 2026 | 33,351 | 0.56 |

# RALEIGH RETAIL RENT HIGHLIGHTS

**THE SHOPPES AT CAVENESS FARMS**

Raleigh retail rents continue to outperform national benchmarks, supported by strong population growth, rising sales, and limited availability. Asking rents increased 4.1% over the past year versus 1.7% nationally, while average market rent is $29.00/SF compared with $26.00/SF nationally. Certain spaces at the subject property are below prevailing market rents, presenting potential to increase rental income and NOI over time as leases renew or options are exercised, subject to lease terms and market conditions.

Source: Raleigh Rent Trends data presented in the report below, as of 2026 Q3.

## Rent Analytics

The Shoppes at Caveness Farms

**RALEIGH RENT TRENDS**

Rent growth in the Raleigh retail market has cooled considerably, though it remains above the national benchmark.

The relatively high rent growth in Raleigh is driven by the market's population growth, rising retail sales, and low availability. Last year, Raleigh had the highest population growth among markets with over one million people, and rolling 12-month retail sales for Wake County are up 4.6% compared to a year ago.

Due to the low availability in the market, landlord representatives report that they often receive multiple offers on attractive retail space, allowing them to pit potential tenants against each other and push rental rates higher.

Over the past year, asking rents in Raleigh have risen 4.1%. That level is well below the market's 7.6% annual rent growth a year ago at this time, but remains above the national growth rate of 1.7%.

Raleigh's annual rent growth has exceeded the national average for eight consecutive years, and even with the recent decline, it remains among the top 10 in the 50 largest U.S. markets.

Rent growth has been solid across the market, with every submarket in Raleigh experiencing rent growth of over 3% over the past year.

Because of the consistently high rent growth in Raleigh over the past several years, Raleigh's market rent is now $29.00/SF, which is above the national average of $26.00/SF. Prior to 2023, rents in Raleigh were lower than the overall U.S. average.

Power centers are the retail subtype that command the highest premium in Raleigh compared to the national rate. In Raleigh, the market rent at a power center is $32.00/SF, compared to the national average of $28.00/SF.

Among Raleigh submarkets, rents are highest in the established key employment hub of RTP/RDU, at about $37.50/SF. West Raleigh and Downtown Raleigh also command premiums, with asking rents of over $32/SF.

Recent leases include a tenant taking a 3,500-SF space in the ground floor of an apartment building in West Raleigh with an asking rent of $32/SF on a triple net basis in May 2026, and another taking a 2,900-SF space in a freestanding building in Downtown Raleigh in June 2026 at a rate of $36/SF on a triple net basis.

The submarkets with the lowest average asking rents are usually further from the market's core, such as Franklin County and Northeast Wake County, which have average asking rents of about $16 and $23/SF, respectively.

Rent growth in Raleigh is likely to moderate further as retail sales normalize, but should remain positive.

# THE SHOPPES AT CAVENESS FARMS

11480 CAPITAL BLVD • WAKE FOREST, NC

## RENT ROLL PRO FORMA

**2026 CAP RATE | 5.75%**

**WAKE FOREST, NORTH CAROLINA**

THE SHOPPES OF CAVENESS FARMS

| UNIT | TENANT | SQ.FT. | PRORATA SHARE | RENT/SF (2026) | RENT/YR (2026) | CAM CAP | MANAGEMENT FEE | ADMIN FEE | LEASE TYPE | Expiration Date | Number of Renewal Options | Years of Renewal Options | Escalated Rent Amount Base Term | Escalated Rent Amount Renewals | HVAC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 130 | TriangleTobacco & Vape | 1,554 | 12.99% | $22.52 | $35,001.12 | None | 5% | None | NNN | 6/30/2027 | 2 | 5 | 2027 - $35,001.13 | 2% annual increase | Tenant is responsible for maintenance and maintenance coverage contract, LL is responsible for replacement (if replacement is not due to Tenant's failure to maintain the system) |
| 115 | Village Dental | 3,212 | 26.86% | $34.49 | $110,782.00 | 5% on controllable expenses, **excluding** RE tax, insurance, utilties, SC fees & assessments, waste, garbage, refuse removal, snow & ice removal | 5% | 10% | NNN | 10/31/2028 | 3 | 5 | | 2028-2033 - $121,860.12<br>2033-2038 - $134,046.12 | Tenant is responsible for maintenance and maintenance coverage contract.Lease is "silent" on replacement |
| 100 | Image Studio | 4,000 | 33.44% | $26.46 | $105,840.00 | None | 5% | None | NNN | 3/31/2030 | 3 | 5 | 1-3 - $88,000<br>4-5 - $100,800<br>6-10 - $105,840 | 1st option - $111,120<br>2nd option - $116,680<br>3rd option - $122,520 | Tenant is responsible for maintenance and maintenance coverage contract.Repair and replacement cap = $1000 |
| 100 | Kelsey Nail Salon | 1,194 | 9.98% | $26.40 | $31,521.20 | None | None | None | TICAM contribution starts on 2028 when option is exercised. | 2/28/2028 | 1 | 5 | | 2nd option<br>2028 - $34.673.76<br>2029 - $35,713.97<br>2030 - $36,785.39<br>2031 - $37,888.95<br>2032 - $39,025.62 | Tenant is responsible for maintenance and maintenance coverage contract.LL is responsible for replacement (if replacement is not due to Tenant's failure to maintain the system) |
| 135 | Pizza Hut | 2,000 | 16.72% | $31.50 | $63,000.00 | None | 5% | None | NNN | 4/30/2031 | 2 | 5 | 1-10 - $63,000 | 1st option - $65,000<br>2nd option - $67,000 | Tenant is responsible for maintenance and maintenance coverage contract, LL is responsible for replacement (if replacement is not due to Tenant's failure to maintain the system) |
| | SUB-TOTAL SHOPS | 11,960 | 100.00% | | $346,144 | | | | | | | | | | |
| | TOTAL | 11,960 | | | 346,144 | | | | | | | | | | |

**2026 CAP RATE** **5.75%** Note: Based on NOI of $345,801; Suite 130 annual increase started July 2026.

Investment note: Select tenant rents are currently below prevailing market levels, providing potential for future rental-income and NOI growth as leases renew or options are exercised, subject to lease terms and market conditions.

# RALEIGH ECONOMIC HIGHLIGHTS

**THE SHOPPES AT CAVENESS FARMS**

Raleigh remains one of the nation's fastest-growing major markets, supported by a diversified economy, educated workforce, and strong corporate investment. The Raleigh market has approximately 1.6 million residents, while the broader Research Triangle exceeds 2.2 million. Raleigh's 2.4% annual population growth was the fastest among U.S. markets with more than one million residents. Employment exceeds 780,000 - approximately 19% above the 2021 pre-pandemic peak. Major investments include Novo Nordisk's $4.1 billion manufacturing facility and FUJIFILM Diosynth's $2 billion Holly Springs facility.

*Source: Raleigh Economic Summary data presented in the report below, as of 2026 Q3.*

## Raleigh Economic Summary

The Shoppes at Caveness Farms

Raleigh is one of the fastest-growing major markets in the United States. While growth in the market has slowed slightly compared to previous years, the region continues to outpace most of the rest of the country in population growth, job growth, and corporate investment, as of 26Q3.

The Raleigh market has a population of about 1.6 million residents, and nearby Durham adds over 620,000, bringing the combined Research Triangle area to more than 2.2 million. Raleigh's population grew 2.4% last year, according to the U.S. Census Bureau. That was the fastest rate of growth of any U.S. market with a population of more than a million, and far above the national average of 0.5%.

Total employment in Raleigh is over 780,000 as of 26Q3, which is up about 19% compared to the market's pre-pandemic peak in 2021, according to the U.S. Bureau of Labor Statistics. Meanwhile, U.S. employment has increased by about 5% over the same time.

North Carolina's strong economy, business-friendly atmosphere, educated workforce, and reasonable cost of doing business attract companies to the state. CNBC named North Carolina as America's number two Top State for Business in 2026. It is the sixth year in a row that the Tar Heel State has finished in the top two, claiming first place in 2025, 2023, and 2022, to go along with second-place showings in 2024 and 2021.

Raleigh, in particular, is known for its high-skilled labor pool. A key supplier of the region's labor pool is the abundance of universities in the area, including North Carolina State University in Raleigh, Duke University in Durham, and UNC Chapel Hill, which provide a steady stream of workers that many local employers recruit from. Raleigh is also home to Wake Technical Community College, the state's largest community college.

Life science and technology companies continue to invest heavily in the area. Danish pharmaceutical company Novo Nordisk, which makes the high-profile drug Ozempic, is constructing a 1.4 million SF manufacturing facility in the market. The company has announced that it will invest $4.1 billion in the facility, which is expected to create 1,000 jobs and is being hailed as the largest life sciences investment in the state's history. The first phase of the project is expected to be completed in 2027. In addition, FUJIFILM Diosynth Biotechnologies recently completed a $2 billion cell culture production facility in Holly Springs.

As North Carolina's state capital, Raleigh has a large government and public administration employment base that adds stability to the region's diverse economy.

Raleigh is expected to continue growing at an above-average pace due to factors including its diversified economy, highly educated workforce, reasonable cost of living, and pleasant climate. However, economic uncertainty has increased over the past year. Policy changes reducing federal spending in areas like education and research have hit this area particularly hard. While the reduction in international immigration to the United States has slowed Raleigh's population growth, this area has not been as severely impacted as many other parts of the country, which have lower domestic migration.

# RALEIGH RETAIL MARKET HIGHLIGHTS

### THE SHOPPES AT CAVENESS FARMS

Raleigh's retail market remains tight and continues to outperform national benchmarks. Availability is only 3.0%, well below the 4.8% national rate, while asking rents increased 4.1% over the past year versus 1.7% nationally. Twelve-month net absorption totaled 400,000 SF. New deliveries reached 780,000 SF, above the 10-year annual average of 540,000 SF, yet less than 15% of that new inventory remains available. Approximately 470,000 SF is under construction, representing only 0.6% inventory growth, and about 90% is already pre-leased - supporting continued low availability and positive rent growth.

*Source: Raleigh Market Summary data presented in the report below, as of 2026 Q3.*

## Raleigh Market Summary

The Shoppes at Caveness Farms

Demand has been well below average in the Raleigh retail market over the past year, while deliveries have been fairly robust. As a result, availability has ticked up slightly, though it remains below the national benchmark. As of 26Q3, the availability rate for retail space in Raleigh is just 3.0%, which is well below the national rate of 4.8%.

Net absorption in Raleigh has totaled 400,000 SF over the past 12 months, which is below the market's 10-year annual average. Part of the decline in net absorption is due to a dip in leasing activity. Leasing volume has averaged about 390,000 SF per quarter over the past four full quarters, compared to a historical average of about 490,000 SF per quarter.

The lower leasing activity has been caused, at least in part, by market tightness. Local tenant representatives report difficulty finding desirable space for retail tenants, particularly restaurant space, and say that leasing volume would likely be higher with greater space availability.

While demand has been moderate, the completion of new supply has risen. Net deliveries in Raleigh have totaled 780,000 SF over the past 12 months, compared to the market's 10-year annual average of 540,000 SF. Less than 15% of this new inventory is currently available for lease, so the new supply has been well received and may be taking occupancy from older stock.

Construction starts have been limited over the past year as high building costs have made it difficult for retail construction projects to pencil out, despite the tight market and positive rent growth. There are currently 470,000 SF of construction space under construction in Raleigh. The retail space currently under construction in Raleigh will expand the market's existing inventory by 0.6%. About 90% of the space under construction in Raleigh is pre-leased.

Annual rent growth in Raleigh has decelerated as the market becomes more balanced. Over the past 12 months, asking rents in Raleigh have risen 4.1%, compared to 7.9% annual rent growth a year ago at this time. Nationally, rents have risen 1.7% over the past year.

Population growth in Raleigh is expected to remain above the national rate, which should continue to drive demand, although an economic slowdown could dampen absorption. Many of the region's outlying communities are growing faster than the city of Raleigh, and demand for groceries and other essential goods, as well as experiential retail, is following residents into the area's suburbs.

The Raleigh retail market will likely continue outperforming the national market through at least the medium term. With above-average growth contributing to demand and the market's construction pipeline largely pre-leased, availabilities are expected to remain below the national average, and rent growth should continue to be positive.

# DEMOGRAPHIC & CONSUMER SPENDING HIGHLIGHTS

### THE SHOPPES AT CAVENESS FARMS

The property serves an affluent, high-spending trade area. Within five miles, median household income is $121,403, average household income is $149,955, and annual specified consumer spending totals approximately $1.9 billion. The 15-minute drive-time area includes 82,235 households and $3.0 billion in annual spending. Leading categories include food and alcohol ($774.2M), transportation and maintenance ($758.9M), household expenditures ($518.4M), and entertainment and hobbies ($451.0M).

*Source: 2025 demographic estimates and consumer spending data presented in the report below.*

## Income & Spending Demographics

The Shoppes at Caveness Farms

| | 1 Mile | | 3 Miles | | 5 Miles | | 15 Min. Drive | |
|---|---|---|---|---|---|---|---|---|
| **2025 Households by HH Income** | **3,768** | | **22,544** | | **47,594** | | **82,235** | |
| <$25,000 | 254 | 6.74% | 2,181 | 9.67% | 3,694 | 7.76% | 8,024 | 9.76% |
| $25,000 - $50,000 | 506 | 13.43% | 2,486 | 11.03% | 4,885 | 10.26% | 10,289 | 12.51% |
| $50,000 - $75,000 | 659 | 17.49% | 3,096 | 13.73% | 6,264 | 13.16% | 12,946 | 15.74% |
| $75,000 - $100,000 | 533 | 14.15% | 2,234 | 9.91% | 4,823 | 10.13% | 9,621 | 11.70% |
| $100,000 - $125,000 | 252 | 6.69% | 2,312 | 10.26% | 4,825 | 10.14% | 8,141 | 9.90% |
| $125,000 - $150,000 | 252 | 6.69% | 1,841 | 8.17% | 4,020 | 8.45% | 6,823 | 8.30% |
| $150,000 - $200,000 | 625 | 16.59% | 3,271 | 14.51% | 6,774 | 14.23% | 9,628 | 11.71% |
| $200,000+ | 687 | 18.23% | 5,123 | 22.72% | 12,309 | 25.86% | 16,761 | 20.38% |
| **2025 Avg Household Income** | **$131,217** | | **$141,033** | | **$149,955** | | **$132,176** | |
| **2025 Med Household Income** | **$96,810** | | **$113,786** | | **$121,403** | | **$100,726** | |

| | 1 Mile | | 3 Miles | | 5 Miles | | 15 Min. Drive | |
|---|---|---|---|---|---|---|---|---|
| **Total Specified Consumer Spending** | **$126.3M** | | **$855.7M** | | **$1.9B** | | **$3B** | |
| **Total Apparel** | **$6.8M** | **5.36%** | **$43.6M** | **5.09%** | **$95.9M** | **5.04%** | **$154.4M** | **5.13%** |
| Women's Apparel | $2.7M | 2.15% | $17.3M | 2.03% | $38M | 2.00% | $60.7M | 2.02% |
| Men's Apparel | $1.4M | 1.09% | $8.9M | 1.04% | $19.8M | 1.04% | $31.7M | 1.05% |
| Girl's Apparel | $471.8K | 0.37% | $3.1M | 0.36% | $6.9M | 0.36% | $11.1M | 0.37% |
| Boy's Apparel | $341.1K | 0.27% | $2.2M | 0.26% | $4.9M | 0.26% | $7.9M | 0.26% |
| Infant Apparel | $305.2K | 0.24% | $1.8M | 0.21% | $4M | 0.21% | $6.8M | 0.23% |
| Footwear | $1.6M | 1.25% | $10.2M | 1.19% | $22.4M | 1.18% | $36.2M | 1.20% |
| | | | | | | | | |
| **Total Entertainment & Hobbies** | **$19.3M** | **15.27%** | **$129.8M** | **15.17%** | **$285.7M** | **15.01%** | **$451M** | **14.98%** |
| Entertainment | $1.6M | 1.25% | $12.6M | 1.48% | $29M | 1.53% | $46.9M | 1.56% |
| Audio & Visual Equipment/Service | $4.5M | 3.57% | $28.2M | 3.29% | $61.1M | 3.21% | $99.9M | 3.32% |
| Reading Materials | $254.2K | 0.20% | $1.8M | 0.20% | $3.8M | 0.20% | $5.8M | 0.19% |
| Pets, Toys, & Hobbies | $3.3M | 2.61% | $21.8M | 2.55% | $47.6M | 2.50% | $73.7M | 2.45% |
| Personal Items | $9.7M | 7.64% | $65.4M | 7.64% | $144.1M | 7.57% | $224.7M | 7.46% |
| | | | | | | | | |
| **Total Food and Alcohol** | **$34.2M** | **27.10%** | **$220.3M** | **25.75%** | **$481.7M** | **25.31%** | **$774.2M** | **25.72%** |
| Food At Home | $16.7M | 13.21% | $109M | 12.74% | $238.2M | 12.52% | $387.9M | 12.88% |
| Food Away From Home | $15.1M | 11.95% | $95.5M | 11.16% | $209M | 10.98% | $332.8M | 11.05% |
| Alcoholic Beverages | $2.4M | 1.94% | $15.8M | 1.85% | $34.5M | 1.81% | $53.6M | 1.78% |
| | | | | | | | | |
| **Total Household** | **$21.3M** | **16.83%** | **$149.2M** | **17.43%** | **$335.6M** | **17.64%** | **$518.4M** | **17.22%** |
| House Maintenance & Repair | $3.5M | 2.75% | $29.5M | 3.45% | $69.3M | 3.64% | $106.8M | 3.55% |
| Household Equip & Furnishings | $8.7M | 6.87% | $57.2M | 6.68% | $126.3M | 6.64% | $197.3M | 6.55% |
| Household Operations | $6.3M | 5.02% | $43.1M | 5.03% | $96.4M | 5.07% | $149.5M | 4.96% |
| Housing Costs | $2.8M | 2.19% | $19.4M | 2.27% | $43.6M | 2.29% | $64.8M | 2.15% |

# INVESTMENT CONCLUSION

**THE SHOPPES AT CAVENESS FARMS**

11480 CAPITAL BOULEVARD | WAKE FOREST, NORTH CAROLINA

## A COMPELLING POSITION IN A HIGH-GROWTH RETAIL MARKET

The Shoppes at Caveness Farms offers investors a well-positioned retail asset in one of North Carolina's most dynamic growth corridors. The property combines excellent Capital Boulevard visibility, direct access to an established retail destination, affluent surrounding demographics, and proximity to major national retailers and restaurants.

| 5.75% | 49,976 | $121,403 | $1.9B | 3.0% |
|---|---|---|---|---|
| **OFFERING CAP RATE** | **VEHICLES PER DAY** | **MEDIAN HH INCOME** | **CONSUMER SPENDING** | **RETAIL AVAILABILITY** |
| Investment offering | Nearest Capital Blvd count | Within five miles | Within five miles annually | Raleigh market vs. 4.8% U.S. |

## WHY THE OPPORTUNITY STANDS OUT

- Prime corridor positioning adjacent to Sam's Club and near Target, Wegmans, Walmart, Harris Teeter, ALDI, and established restaurants.
- Raleigh retail asking rents increased 4.1% over the past year versus 1.7% nationally, supported by limited availability and continued population growth.
- The market's construction pipeline is approximately 90% pre-leased, helping support continued low availability and positive rent fundamentals.
- The surrounding trade area demonstrates strong household income and substantial spending across food, household, transportation, entertainment, and healthcare categories.

**Together, these factors position The Shoppes at Caveness Farms as a strategically located retail investment with durable visibility, strong trade-area support, and long-term relevance within the Wake Forest market.**

ESPCRE
ESP COMMERCIAL REALTY

**THERESA LOBDELL**

**ESP COMMERCIAL REALTY**

(919) 606-9943 | theresa@espcre.com

www.espcre.com

## DISCLAIMER