

HAVERTYS

Charlotte, NC

**NET LEASE
INVESTMENT**



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48,235-SF HAVERTYS NNN LEASE FOR SALE

INVESTMENT HIGHLIGHTS

- ❖ Haverty Furniture Company operates 124 stores, serving 81 cities in 17 states
- ❖ Adjacent to Ethan Allen, La-Z-Boy, Broyhill, Staples and hgregg
- ❖ 10-year absolute NNN lease; five percent bump in year six
- ❖ 48,235 square feet; includes 4,261 sq.-ft. regional office headquarters
- ❖ Located in the Charlotte, North Carolina - Home to seven Fortune 500 companies including Bank of America, Wachovia, and Lowes Home Improvement
- ❖ Five five-year options to renew; five percent bump per option
- ❖ Opened in 2000; strong sales history
- ❖ Located along "furniture row" of Northlake Mall (more than \$1M sq.-ft. regional mall)
- ❖ Below market rent and offered at replacement cost

INVESTMENT SUMMARY:

NOI:	\$602,937.50
PRICE:	\$7,780,000
CAP:	7.75%



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THE OFFERING

CB Richard Ellis is pleased to exclusively offer for sale a 10-Year Absolute NNN Havertys Furniture Store located in Charlotte, North Carolina. The store is currently open and will commence paying rent in August of 2008. The property will have an initial term of 10 years with a 5% bump in year six and five five-year options to renew. The store is strategically located just off Interstate 77 (Traffic Count: 84,000 VPD) next to the Northlake Mall in Northlake Village. Northlake Village is one of two premier home furnishings hubs in Charlotte. With a high concentration of furniture retailers such as Havertys, Broyhill, La-Z-Boy, Ethan Allen and Boyle's, Northlake Village serves as a one-stop home furnishing shopping destination. Located 10 miles north of downtown Charlotte, Northlake Mall is the premier destination for the burgeoning, affluent communities of north Charlotte including Lake Norman, University City, Huntersville, Cornelius, Davidson and Mooresville. Anchored by Belk, Macy's, Dillard's, Dick's Sporting Goods, AMC Theaters and Borders Books, Northlake contains 1,060,000 square feet of leading specialty retailers. The mall is conveniently located at I-77 and Reames Road, just south of the new I-485 outer belt.

The investment gives the savvy investor the opportunity to own a Havertys Furniture Store with below market rents and priced at replacement cost.

PROPERTY OVERVIEW

Property Name:	Haverty Furniture
Tenant:	Haverty Furniture Companies, Inc.
Address:	7101 Smith Corners Boulevard, Charlotte, NC 28269
SF:	48,235 (42,440: sales floor / 1,534: warehouse / 4,261 regional office)
Acres:	4.21
Year Built:	2000
Parking:	204 spaces
Parking Ratio:	4.23:1

LEASE OVERVIEW

Lease Commencement:	August 1, 2008 (Estimated: Rent will commence upon close of escrow)
Lease Expiration:	July 31, 2018
Rent:	Years 1-5: \$602,937.50 Years 6-10: \$632,843.20
Renewal Options:	Five five-year options to renew
Option Escalations:	5% bump per option



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TENANT OVERVIEW - HAVERTYS

Years in Operation: 123 years

124 stores

Net Worth: \$280M

NYSE: HVT



Haverty Furniture Companies, Inc., together with its subsidiaries, operates as a retailer of residential furniture and accessories in the United States. The company's products include living room furniture, bedroom furniture, dining room furniture, bedding, and other accessories. It offers its products under the Havertys Collections brand name, as well as bedding product lines under the Sealy, Serta, and Tempur-Pedic brand names. The company also provides financing through an internal revolving charge credit plan, as well as a third party finance company. As of December 31, 2007, Haverty Furniture Companies operated 124 stores serving 81 cities in 17 states with 2007 income at \$787.1 million. The company was founded in 1885 and is based in Atlanta, Georgia.

AREA OVERVIEW

Charlotte is the largest market in the Carolinas with an estimated 1.7 million living in the 11 county metropolitan area. Charlotte has grown nearly 75% over the past 25 years and is now the largest city between Washington and Atlanta. With an estimated growth rate of 7.33% over the next five years, the Charlotte population boom is not showing any signs of slowing down. Furthermore, incomes in Charlotte are expected to increase by more than 8.5% during the same timeframe. A steady inflow of people to the region has established Charlotte as a nationally recognized business center and the largest market in the Carolinas.

Northlake Village regional access, explosive residential growth and drawing power of Northlake Mall have spawned a number of new upscale retail developments that will house new big box and specialty retailers:

- ❖ **Northlake Commons** – an 80,000 square foot specialty center including Panera Bread, Red Robin, Men's Warehouse and Chili's - *see aerial on next page*
- ❖ **Perimeter Woods** – junior power center including Lowe's Home Improvement, Best Buy, OfficeMax, PetSmart and Off Broadway - *see aerial on next page*
- ❖ **NorthCrest** – Adjacent to Northlake Mall, NorthCrest will contain 300,000 square feet anchored by SuperTarget, REI and David's Bridal - *see aerial on next page*

I-485 – CHARLOTTE OUTERBELT

Charlotte is the largest metropolitan area in the United States without a complete outer belt interstate system. This will not be the case for long as construction of the I-485 outerbelt is nearing completion. With roughly 75% of the circumference complete, the latest section extending from Hwy 16 to I-85 is scheduled to open by the end of 2008. Already a regional shopping hub, the Northlake market will get even stronger with the completion of the I-485 / I-77 interchange.

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RENT | LAND COMPARABLES

Based on the below rent comps and land comps, there is some potential upside if Havertys were to vacate the premises. Rent comps support a \$15.63 psf rent and Havertys currently pays \$12.50 psf. The land comps support a value of \$788,000 per acre (Havertys site is 4.21, worth \$3.32M based on comps). The value of the land coupled with a building replacement value of \$4,341,150 (\$90 psf) makes the cost to replace this development \$7,661,150, which represents 98.5% of the current Ask Price of \$7,780,000.

RENT COMPS

#	Building/Address	Square Feet	Rent (NNN)	Rent Per SF	Commencement
*	HAVERTYS 7101 Smith Corners Blvd.	48,235	\$602,938	\$12.50	August-08
1	SOFA EXPRESS 7201 Smith Corners Blvd.	20,000	\$340,000	\$17.00	For Lease
2	GOLF GALAXY 7026 Smith Corners Blvd.	15,000	\$262,500	\$17.50	July-06
3	LA-Z-BOY 7035 Smith Corners Blvd.	15,360	\$222,720	\$14.50	December-00
4	STAPLES 7014 Smith Corners Blvd.	20,338	\$274,563	\$13.50	December-05
Average				\$ 15.63	

LAND COMPS

#	Building/Address	Acres	Price	Price Per Acre	Date
*	HAVERTYS 7101 Smith Corners Blvd.	4.21	\$7,780,000	\$1,847,981.00	Current
1	BROYHILL FURNITURE 231 Carolina Place Mall	2.02	\$2,100,000	\$1,039,603.96	January-06
2	OUTPAD-CONCORD MILLS 12 Kings Grant	1.20	\$890,000	\$741,666.67	January-06
3	BANK OF AMERICA 8625 Arbor Creek Drive	1.09	\$900,000	\$826,446.28	July-03
4	HOTEL SITE North Community House Rd.	5.49	\$3,000,000	\$546,448.09	December-06
Average				\$ 788,541.25	



TAXES, INSURANCE AND CAM

TAXES

Lessee shall pay real estate taxes or any special assessments imposed by reason of improvements made to the Premises during the Term of this Lease by or for the benefit of Lessee. Lessee shall also pay real estate taxes and special assessments imposed on the Premises. Payment shall be due within thirty (30) days of receipt by Lessee of written notice thereof from Lessor. Lessor agrees to promptly deliver to Lessee copies of all real estate tax bills promptly upon receipt thereof and in time sufficient to enable Lessee to determine whether Lessee desires the amount of any tax.

INSURANCE

Lessee agrees to carry, at its expense, fire and extended coverage insurance in the amount of adequate coverage.

Lessee agrees to procure, at its own expense, public liability insurance, with limits of at least One Million Dollars (\$1,000,000) each occurrence and general aggregate for bodily injury and/or property damage.

CAM

During the term of this Lease, Lessee agrees it shall, at its own expense, keep and maintain in good repair the entire Premises, including (a) the structural components and watertight integrity of the Premises, including without limitation, the building structure, roof, downspouts, foundations, and exterior walls and (b) interior walls, floors, ceilings, ducts, utilities, the HVAC system, lighting, plate glass, plumbing, sprinkler system and electric wiring, and also the loading dock and any parking, landscaping and other areas exclusively used by Lessee.



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DEMOGRAPHICS

	Population	7-Yr Growth	Average HH Income
1 mile	30,239	53.85%	\$77,475
3 mile	105,613	50.79%	\$78,076
5 mile	386,008	26.80%	\$70,546

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