

OFFERED
FOR SALE
\$4,924,000

6.50%
CAP RATE



Petfolk
HEARTLAND
DENTAL

CONFIDENTIAL OFFERING MEMORANDUM

105 Village Walk Dr
HOLLY SPRINGS, NC



ASSET SNAPSHOT

- Demographic Boom With Huge Population Growth and High Incomes
- Raleigh MSA - Top Investment Location
- High Traffic Counts
- Heartland Corporate Guaranty
- Petfolk Brand - Primed for Growth (5,000% Growth YOY)
- Resistant to Economic Downturn or Pandemic Disruption Due to Tenant Types
- Well-Trafficked Retail Corridor - Next to Harris Teeter
- Hot-Bed for New Development - Surrounded by 900 New Homes

LEASE SUMMARY		
Property	Heartland Dental and Petfolk (2-Tenant Net Lease Building)	
Location	105 Village Walk Dr, Holly Springs, NC 27540	
Building Size (GLA)	± 6,501 SF	
Land Size	± 1.40 Acres	
Year Built/Renovated	2023	
Tenant/Guarantor	Heartland Corporate, Petfolk Corporate	
Rent Type	NNN (Tenant Reimburses Expenses)	
Term	10 years for Both Tenantd	
In-Place NOI	\$320,038	
Year 6 NOI	\$352,041	
Rent Schedule	Term	Rent
Base Term	5/1/2023 - 4/30/2028	\$320,038
Base Term	5/1/2028 - 4/30/2033	\$351,951
1st Extension Term	5/1/2033 - 4/30/2038	\$387,625
2nd Extension Term	5/1/2038 - 4/30/2043	\$425,992
Sale Price Cap Rate	\$4,924,000 6.50%	


 96,572
 PEOPLE

 \$148,611
 AHHI

 57,000 VPD
 NC-55 BYP

INVESTMENT HIGHLIGHTS

DEMOGRAPHIC BOOM

57.17% 1-mile population growth since 2010 | 14.44% 1-mile projected population growth through 2027 | \$121,611 average HHI within a 1-mile radius

RALEIGH MSA

Located just 20 miles outside of the Raleigh's City Center, the subject property will be a direct beneficiary of the rapid expansion that Raleigh and the surrounding areas continue to experience

RESISTANT TO ECONOMIC DOWNTURN OR PANDEMIC DISRUPTION

The Pet and Dentist industries perform well under any circumstances, assuring the continued success of both tenants

WELL-TRAFFICKED RETAIL CORRIDOR

Within close proximity to Harris Teeter (831.6k visitors TTM), Lowe's Home Improvement, and Walmart Supercenter (1.4M visitors TTM)

HOT-BED FOR NEW DEVELOPMENT

With over 843 multifamily units and 157 single-family homes planned or developed along Stephens Road, the surrounding area is among the hottest target markets in the country

HEARTLAND CORPORATE GUARANTY

Heartland Dental supports more than 2,400 doctors in more than 1,600 offices and is well capitalized by the parent company, KKR

PETFOLK PRIMED FOR GROWTH

Morgan Stanley forecasts that pet industry spending will nearly triple to \$275 billion by 2030 | Half of all F500 companies offer pet insurance as a voluntary employee benefit

BRAND NEW CONSTRUCTION AND REMODEL

The location will consist of the most updated branding and latest prototype for both tenants, which will provide incentive for more customers to visit the stores

HIGH TRAFFIC COUNTS

The property is located near the intersection of NC 55 Bypass (41,500 ADT) and Avent Ferry Road (13,000 ADT)

ADDITIONAL PHOTOS





HOLLY SPRINGS, NC MARKET OVERVIEW

Downtown Holly Springs



NEW DEVELOPMENTS

- **Mungo Homes:** 292 multi-family townhomes on 56 acres have been approved to be built off of Ralph Stevens Road
- **Village Gate:** Three different zones of multifamily along S Main Street and Ralph Stevens Road
- **Oasis Church:** 24,720 SF church built alongside Mungo Homes and Village Gate
- **Holly Springs Long Term Care:** 86-bed long-term care facility along Ralph Stevens Road
- **Hawthorne at Holly Springs:** 185 multifamily dwellings located on S Main St
- **Exchange at Holly Springs:** 316-unit multifamily that is being built on Ralph Stevens Rd
- **Holiday Inn Express:** 53,320 SF hotel that would sit behind IHOP and Firestone

Holly Springs is a burgeoning town in Wake County, North Carolina. During the past 20 years, Holly Springs has transformed itself into one of the most attractive communities in the Research Triangle Region. The town is home to small businesses and multi-national firms, including the \$600 million Novartis flu vaccine manufacturing facility. Although fostering a robust pro-business environment, Holly Springs remains a family-centered community. The Downtown Village District is located in the heart of Holly Springs and serves as a popular community gathering space. The district includes Holly Springs Town Hall, Holly Springs Cultural Center and library, and Hunt Recreation Center. The downtown area has approximately 60 businesses in operation, including a tavern at Mims Towne Square, and a historic Leslie Alford Mims home. The Coworking Station adjacent to Town Hall is home to approximately 20 businesses. Downtown Holly Springs is being shaped into a vibrant town center with a well-balanced mix of businesses and lifestyle venues. Both private investors and public funds are contributing to the continued momentum of the town. Currently, there are three planned projects that will add roughly 100,000 square feet of retail, restaurant, and office space. To match the rapid development, current infrastructure improvements include additional parking, improved roads, and regional stormwater management.

ABOUT HEARTLAND DENTAL

Heartland Dental, LLC is the largest dental support organization in the United States, with more than 1,600 supported dental offices located in 37 states. Founded in 1997, Heartland Dental currently supports over 1,400 dentists and over 10,000 team members nationwide. Based in Effingham, Illinois, Heartland Dental offers supported dentists and team members continuing professional education and leadership training, along with a variety of non-clinical administrative services, including staffing, human relations, procurement, administration, financial, marketing, and information technology. Heartland Dental partners with its supported dentists to deliver high-quality care across the full spectrum of dental services and is majority owned by KKR, a leading global investment firm.

For more information about Heartland Dental, please visit: Heartland.com



Founded	1997	Ownership	Private (KKR)
Locations	1,600	Headquarters	Effingham, IL



LEASE ABSTRACT

Tenant	Heartland Dental, LLC		
Guarantor	Heartland Dental, LLC		
Square Feet	3,925 SF		
Address	105 Village Walk Drive, Holly Springs, NC 27540		
Rent Commencement	6/1/2023		
Lease Expiration	120 months following RCD		
Renewal Options	Two (2), five year options		
Rental Increases	Period	\$/Year	\$/Month
	Lease Year 1-5	\$155,038	\$12,920
	Lease Year 6-10	\$170,541	\$14,212
	Lease Year 11-15 (op. 1)	\$187,615	\$15,635
	Lease Year 16-20 (op. 2)	\$206,377	\$17,198
Common Area Costs	Tenant to Pay PRS of Common Area Expenses. CAM costs shall not increase by more than 5% of the previous calendar year (exclusive of RET, INS, utilities, and snow removal)		
Real Estate Taxes	Tenant shall pay to Landlord their PRS of real estate taxes		
Insurance	At all times after the premises delivery date, Tenant shall take out and keep in force, at its own expense		
Utilities	Tenant shall pay directly		
T Repairs/Maintenance	Interior and HVAC		
LL Repairs/Maintenance	Structural walls, exterior walls, foundations, and roof		
Management Fee	Management fees incurred for the management of landlord's property and the premises, shall not exceed 7% annually of the expenses for the premises		

ABOUT PETFOLK

Petfolk is a modern vet practice built by vets who love pets. Petfolk is at the forefront of transforming the fragmented, understaffed veterinary industry by providing modern, accessible, professional pet care facilities accompanied by proprietary technology and data platform for consumers. Family-founded by Co-CEOs Dr. Audrey Wystrach and her brother, second-time founder Michael Wystrach, Petfolk was created by a group of proven leaders that have built and scaled billion-dollar businesses. Petfolk launched in 2020 and is currently operating in North Carolina, South Carolina, Georgia, and Florida and will see over 40,000 pets this year representing a 5,000% year-over-year growth.

For more information about Petfolk, please visit: [Petfolk.com](https://www.petfolk.com)



Founded	2020	Ownership	Private
Locations	10	Headquarters	Charlotte, NC



LEASE ABSTRACT			
Tenant	Petfolk		
Guarantor	Petfolk Real Estate Holdings, LLC		
Square Feet	2,576 SF		
Address	105 Village Walk Drive, Holly Springs, NC 27540		
Rent Commencement	2/20/2024		
Lease Expiration	120 months following RCD		
Renewal Options	Two (2), five year options		
Rental Increases	Period	\$/Year	\$/Month
	Lease Year 1-5	\$165,000	\$13,750
	Lease Year 6-10	\$181,500	\$15,125
	Lease Year 11-15 (op. 1)	\$199,650	\$16,638
	Lease Year 16-20 (op. 2)	\$219,615	\$18,301
Common Area Costs	Tenant to Pay PRS of Common Area Expenses. Controllable CAM costs shall not increase by more than 5% of the previous calendar year (exclusive of RET, INS, utilities, and snow removal)		
Real Estate Taxes	Tenant shall pay to Landlord their PRS of real estate taxes		
Insurance	At all times after the premises delivery date, Tenant shall take out and keep in force, at its own expense		
Utilities	Tenant shall pay directly		
T Repairs/Maintenance	All interior systems, HVAC, and other mechanical within premises		
LL Repairs/Maintenance	Foundation, roof, exterior walls		
Management Fee	Management fees incurred for the management of landlord's property and the premises, shall not exceed 5% annually of the expenses for the premises		

DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2027 POPULATION EST.	7,864	56,772	105,757
2022 POPULATION	7,078	51,590	96,572
2010 POPULATION	4,452	27,217	57,974
ANNUAL GROWTH 2022-2027	2.13%	1.93%	1.83%
ANNUAL GROWTH 2010-2022	3.35%	5.38%	4.23%

POPULATION BY RACE	1 MILE	3 MILES	5 MILES
WHITE	70.25%	74.23%	72.68%
BLACK	13.27%	9.58%	10.29%
HISPANIC ORIGIN	8.46%	7.43%	8.80%
AM. INDIAN & ALASKAN	0.44%	0.39%	0.45%
ASIAN	4.21%	4.86%	4.66%
HAWAIIAN & PACIFIC ISLAND	0.06%	0.04%	0.04%
OTHER	3.26%	2.64%	3.60%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	1,571	9,097	20,067
2022 HOUSEHOLDS	2,373	16,843	32,797
2027 HOUSEHOLDS EST.	2,601	18,454	35,868
ANNUAL GROWTH 2022-2027	1.85%	1.84%	1.81%
OWNER OCCUPIED	1,771	14,191	26,448
RENTER OCCUPIED	602	2,652	6,349

HOUSEHOLDS BY HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
AVG HOUSEHOLD INCOME	\$121,376	\$148,611	\$141,862
MED HOUSEHOLD INCOME	\$99,478	\$116,849	\$112,106
<\$25,000	257	948	2,146
\$25,000 - \$50,000	256	1,506	3,213
\$50,000 - \$75,000	335	1,917	4,003
\$75,000 - \$100,000	344	2,092	4,180
\$100,000 - \$150,000	605	4,359	8,366
\$150,000 - \$200,000	299	2,878	5,342
\$200,000+	277	3,144	5,549



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 AVENT FERRY RD



Petfolk

105 VILLAGE WALK DR
HOLLY SPRINGS, NC

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6.50% CAP RATE



Greensboro

Raleigh

NC

Charlotte

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