



Subject Property

Offering Memorandum

Qorvo Research & Development Facility

7914 Piedmont Triad Parkway | Greensboro, NC 27409

 **Stan Johnson Co.**
THE NET LEASE AUTHORITY®

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Offered Exclusively by



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Investment Overview

Stan Johnson Company is pleased to offer for sale to qualified investors an office property that is 100% leased to Qorvo and located in Greensboro, North Carolina.

Qorvo, Inc. was founded in 1991 and provides radio frequency (RF) solutions and technologies for mobile devices, infrastructure, as well as defense and aerospace applications worldwide. Qorvo is publicly traded (Nasdaq: QRVO) and recently reported annual sales of over \$3 Billion with a market capitalization of over \$10 billion. The Moody's rating in 2015 was Ba1 and Stable.

The property, a 53,505 square foot facility built in 1997, consists of office and R&D facilities. The property is located near Qorvo's corporate headquarters which was consolidated to Greensboro in 2016. Qorvo has occupied the property for over twenty (20) years and recently signed a ten (10) year extension to their current lease extending the remaining lease term to over eleven (11) years. The lease features strong rental increases in the primary term and renewal periods. Landlord responsibilities are minimal, and the landlord will benefit from a new roof with warranty.

According to CoStar's most recent quarterly report, the Greensboro/Winton-Salem MSA office vacancy rates dropped below 9% with positive net absorption and rental rates continued to increase. These metrics are evidence of the continued strength of the overall local market.



Subject Property

Asking Price: \$7,700,000

Asking Cap Rate: 7.00%

Investment Highlights

Corporate Credit

Qorvo, Inc. is a publicly traded company (Nasdaq: QRVO) that makes and sells a wide range of Radio Frequency (RF) technologies that are deployed in various solutions such as mobile devices, infrastructure applications and defense systems. The company most recently reported annual sales of over \$3 Billion with a credit rating by Moody's of Ba1 and Stable.

Long-Term Commitment to Site

Qorvo has operated at this site since its construction over twenty (20) years ago and most recently signed a ten (10) year lease extension demonstrating continued strong commitment to the site. Additionally, they will be expanding the building with a new 4,000 SF lab expansion in 2018 worth ~\$1 million.

Mission Critical Facility

The Facility provides unique capability that is strategic to the company's nearby corporate research group. Qorvo has made significant technology infrastructure and redundancy investments in the building as well as recently upgraded the "clean rooms" and committed to build 4,000 SF of new lab space.

Long-Term Net Lease with New Roof

The lease has over eleven (11) years remaining and features annual increases of 2% with minimal landlord responsibilities. The landlord will benefit from a new roof and warranty further reducing future landlord expense and risk.

Below Market Rent

The rental rate for the property is below the market averages for net lease properties as well as below the Guilford County market averages in general. According to CoStar, the Third Quarter average rental rate for Guilford County was reported as \$15.49 / SF.

Strong Market

The Piedmont Triad International Airport/West Guilford County submarket offers a strong corporate real estate base, a talented labor pool with excellent educational institutions as well as strong demographics.

Excellent Location

The property is well situated with excellent access to major highways north-south (Route 68 - VPD +/-54,329) and east-west (I-40 - VPD +/-103,040) as well as excellent access to the Piedmont Triad International Airport.

Property Summary

7914 Piedmont Triad Parkway, Greensboro, NC 27409	
Property Type	Office
Year Built	1989
Land Area	6.8 acres
Building SF	+/- 53,505 Total (-40% labs, -60% office)
Year Built	1989

Additional Highlights:

Electrical	Two 2,500 KVA Transformers
Backup Power	Two diesel generators
UPS	Five UPS units
Elevator	2,500 pound capacity
Security	Card-key access throughout



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Lease Abstract

Tenant Name	Qorvo
Guarantor	Qorvo US, Inc.
Bldg. SF	53,505 SF (includes 4,000 SF new lab)
Remaining Term	~11.5 years
Lease Expiration	March 31, 2029
Renewal Options	Two, 5-year
Lease Type	Fee Simple
Rent Escalations	2% annually
Annual Rent	\$537,565 (eff. 11/1/2018)
Rent per SF	\$10.05 (eff. 11/1/2018)
Expenses	NN (New Roof + Warranty)
Termination Option	March 31, 2026 (with 12 month notice and +/- 12 month rent termination fee)

Note: Seller to provide rent credit at closing for remaining 2018 deficiency.

Tenant Overview

Qorvo (NASDAQ:QRVO) develops, makes, and sells a wide range of radio frequency (RF) technologies that enable devices big and small to communicate with each other. Its products are made for mobile devices (from phones to cell towers), infrastructure applications (smart meters and Wi-Fi base stations), and aerospace and defense systems (radar and satellites).

Qorvo also leverages their unique competitive strengths to advance 5G networks, cloud computing, the Internet of Things, and other emerging applications that expand the global framework interconnecting people, places and things.

Qorvo customers include Foxconn and Samsung. Unlike many other chip companies, Qorvo operates its own foundry where RF devices can be made to specifications.

Qorvo has operations in over 40 locations globally including the US, Costa Rica, Singapore, China, and Germany.

Specialties
RF Front Ends, Premium Filters, Power Amplifiers, Switch Products, Foundry, Antenna Control Solutions, Gallium Nitride (GaN), Systems on a Chip (SOCs), Power Management ICs, Antenna Switch Modules, Optical, Radar, and Low Power Wireless Products

Tenant Overview	
Name:	Qorvo, Inc.
Ticker Symbol:	QRVO
Credit Rating:	Moody's - Ba1
Revenues:	\$3.03 billion
Headquarters:	Greensboro, NC
Employees:	+/- 8,000
Locations:	40+

At The Core

Qorvo is driven by the possibility of discovery — of new technologies and advancements in design, manufacturing and communications that make the world a better, more connected place. Qorvo has been working on that for more than 30 years, both as innovators and as stewards of the global community. And Qorvo is just getting started.



Qorvo By the Numbers

17

Different countries where you can find a Qorvo employee

8,000+

Qorvo employees worldwide

250,000

Qorvo GaAs devices that have gone into satellite programs to support broadband data, telecommunications and GPS

3 Billion Miles

The furthest distance Qorvo's products have traveled

9 Billion+

Number of BAW filters shipped

2,000+

Products in its portfolio

1.5 Billion

Mobile devices shipped in 2016 products

Location Overview

Greensboro is a city in North Carolina. It is the third-largest city by population in North Carolina and the county seat and largest city in Guilford County and the surrounding Piedmont Triad metropolitan region. As of 2017, the city population was 286,435. Three major interstate highways (Interstate 85, Interstate 40 and Interstate 73) in the Piedmont region of central North Carolina intersect in Greensboro.

Greensboro is part of the Greensboro–Winston-Salem–High Point region that occupies two counties and is sometimes called the Piedmont Triad. In comparison to the state's better-known triad of Raleigh–Durham–Chapel Hill, the economy and lifestyle is more industrial and working-class. There is a strong university presence and a high level of educational attainment. The economy offers an interesting mix of industries causing the area to be somewhat resilient to economic cycles and employment to stay relatively stable.

Talented Workforce



800,000+
Regional Labor Force

110,000+
College Students

41%
of Guilford County residents
earned post-secondary
degrees



The Greensboro economy and the surrounding Piedmont Triad area have traditionally been centered around textiles, tobacco, and furniture. However, more recently community leaders have been attracting new businesses in the nanotech, high-tech, aviation and transportation / logistics sectors.

Major Employers

Company	Description
Ralph Lauren	Apparel & Brand Management
Bank of America	Financial Services
Volvo Group	Volvo Mack Trucks HQ
AT&T	Communications
United Parcel Services	Package, Freight, & Logistics
VF Corporation	Apparel & Brand Management
HAECO Americas	Aviation Maintenance
Thomas Daimler Trucks	Bus Manufacturing
BB&T	Financial Services
Honda Aircraft Company	Global HQ and Manufacturing
Qorvo	Microchips & Circuits
LabCorp	Health Care
Lincoln Financial Group	Financial Services
Gilbarco Veeder-Root	Fuel Systems
Evonik Industries	Chemicals
Procter & Gamble	Consumer Products
TE Connectivity	Automotive Electronic

Location Overview (continued)

Winston-Salem, as the name suggests, has been a center for the tobacco industry. Winston-Salem is also home to Wake Forest University, some affiliated high-tech businesses, a collection of banking centers and is home to Krispy Kreme donuts and a new Dell Computer plant. High Point is a world trade center for furniture and is still the center of the state's largest furniture-manufacturing industry. Downtown High Point is a fascinating collection of commercial, warehouse and showroom facilities centered on this industry.

Greensboro is the Triad's financial center and the most prosperous of the three cities, with high tech, light manufacturing, and a large campus of the University of North Carolina. The city complex is located in the northern Piedmont Triad, an area of transition between the eastern coastal plain and mountains to the west. The immediate landscape is slightly rolling with woodlands and open country. The climate is a mix of continental and humid subtropical making it comfortable year-round.

Greensboro's central proximity in the state and excellent educational options have made it attractive for families and businesses. The nicest suburbs in the area spread northwest of Greensboro towards the Piedmont Triad International Airport, which brings unusually good air service to the area. The cost of living in the area is attractive and the amenities of the Raleigh-Durham area (80 miles east) are close enough for residents to benefit.

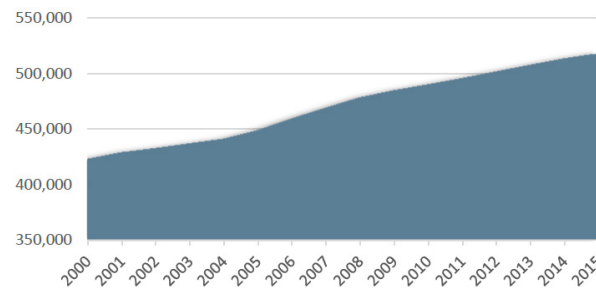
Educated & Growing Workforce



517,600
Greensboro-High Point
Population (Guilford County)

1.67 Million
Triad Regional Population

Guilford County Population Growth

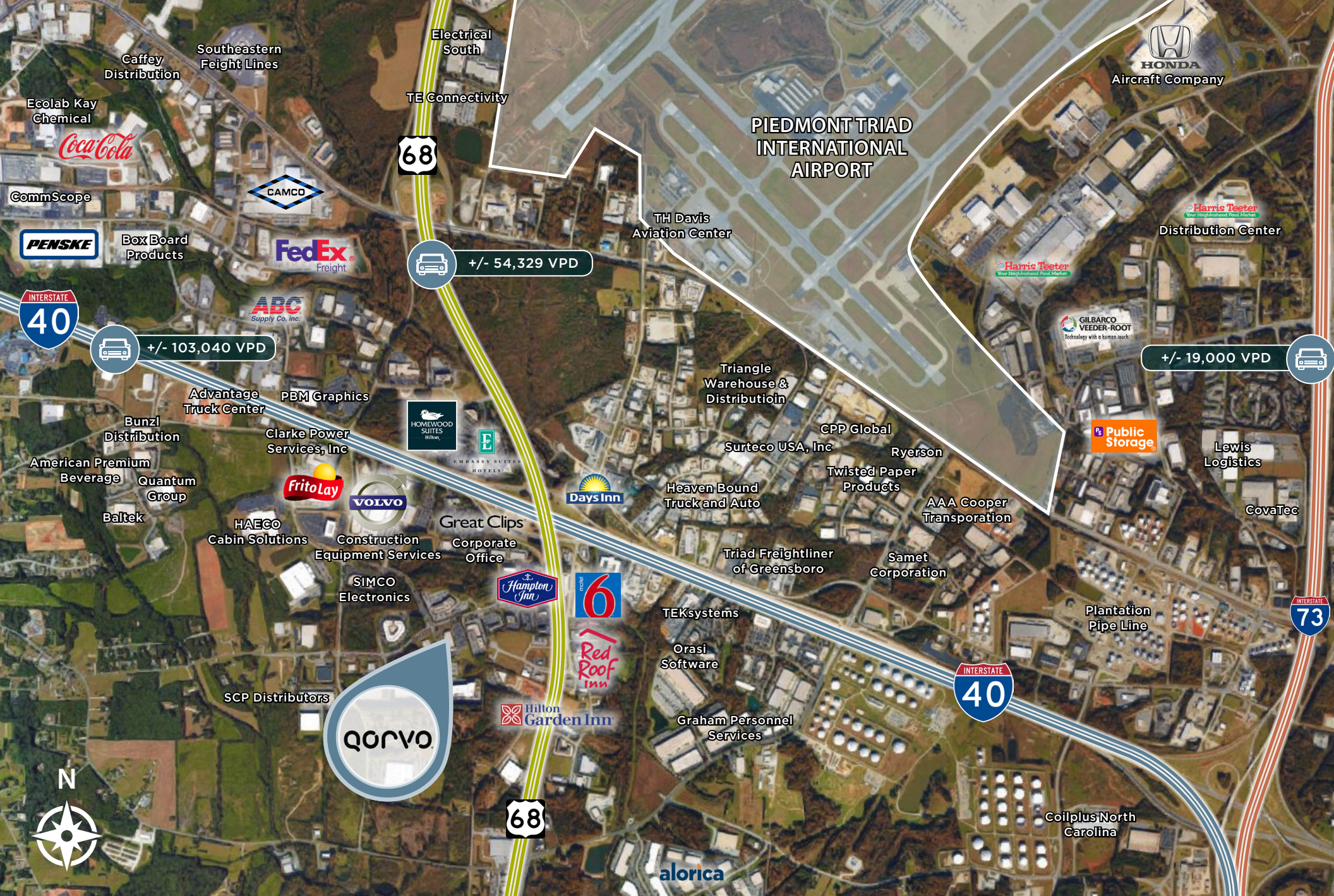


The area is home to many quality universities and regional colleges that provide a talent resource pool to an already good labor workforce. The University of North Carolina at Greensboro and North Carolina A&T State University recently opened a joint research park, Gateway University Research Park. Greensboro also houses the headquarters to the Atlantic Coast Conference (ACC).

Regional Colleges & Universities

Colleges & Universities	Enrollment		Degrees Awarded 2015
	Under-Graduate	Graduate	
University of North Carolina at Greensboro	17,977	4,043	3,610
North Carolina A&T State University	10,284	1,836	1,721
Elon University	6,010	822	1,432
Winston-Salem State University	5,790	507	1,429
Wake Forest University	5,007	3,295	1,974

Community Colleges	Enrollment		Degrees Awarded 2015
	Under-Graduate	Graduate	
Guilford Technical Community College	17,519		2,444
Forsyth Technical Community College	13,036		1,556
Alamance Community College	6,466		791
Davidson County Community College	5,522		1,820

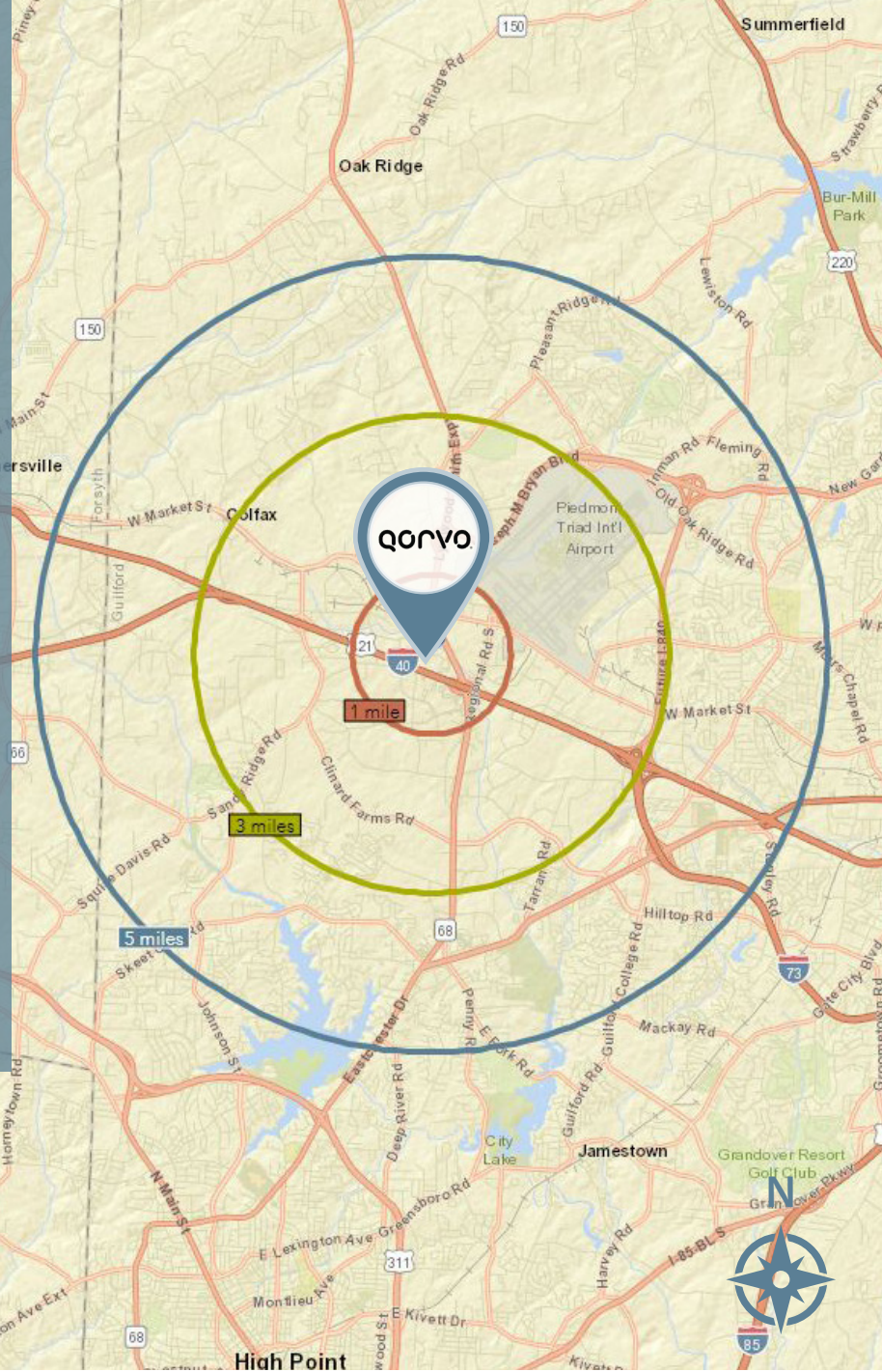


Aerial Map



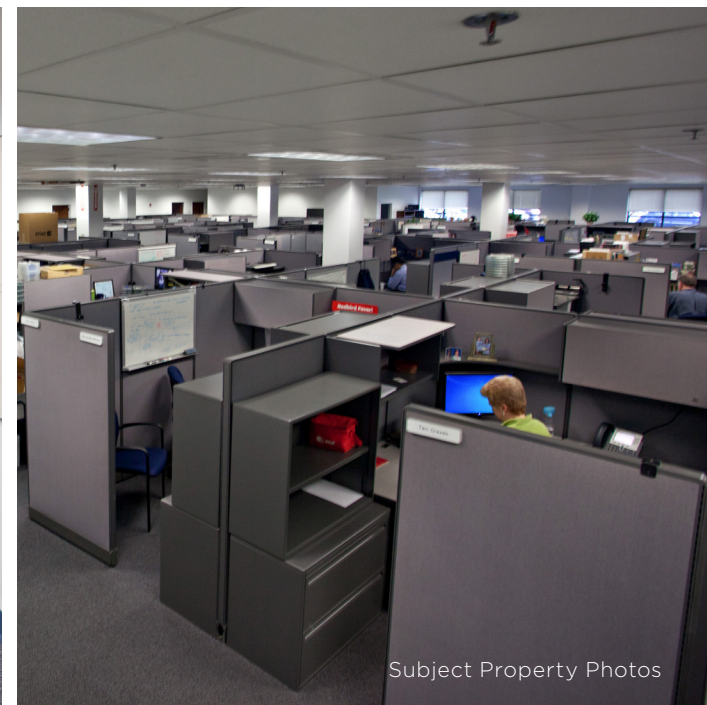
Demographics

7914 Piedmont Triad Parkway, Greensboro, NC, 27409	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
Population			
2017 Population	205	9,452	83,468
2022 Population	239	10,326	88,245
2010-2017 Annual Rate	0.27%	2.53%	1.19%
2017-2022 Annual Rate	3.12%	1.78%	1.12%
Households			
2017 Total Households	62	3,922	36,157
2022 Total Households	71	4,235	38,136
2010-2017 Annual Rate	0.22%	2.01%	1.12%
2017-2022 Annual Rate	2.75%	1.55%	1.07%
Income			
2017 Median Household Income	\$85,398	\$61,259	\$58,749
2017 Average Household Income	\$92,429	\$77,250	\$77,821
2017 Per Capita Income	\$31,424	\$31,531	\$34,036





Subject Property Photos



Subject Property Photos

going beyond

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