



New 10-Year Lease | Regional Hub & Flagship SSD Location for RI | 372,000+ People in 5-Miles



OFFERING MEMORANDUM
PROVIDENCE, RHODE ISLAND

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THE SULO GROUP

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY

PROPERTY ADDRESS

Tesla Store & Service Center

77 Reservoir Avenue

Providence, RI 02907

OFFERING SUMMARY

Price:	\$15,498,000
Cap Rate:	6.25%
Net Operating Income:	\$968,616
Building Square Footage:	77,985 Sq Ft
Year Built Renovated:	2000 2023
Lot Size:	+/- 12.30 Acres

LEASE SUMMARY

Tenant:	Tesla, Inc.
Guaranty:	Corporate
Lease Commencement:	12/27/2023
Rent Commencement:	6/25/2024
Lease Expiration:	12/31/2033
Lease Term:	10 Years
Lease Type:	Double Net
Roof and Structure:	Landlord Responsible
Rental Increases:	10.00% Every 5 Years
Renewal Options:	Three, Five-Year
Right of First Refusal:	10 Business Days

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
1-5	12/27/2023	12/31/2028	\$968,616	6.25%
6-10	1/1/2029	12/31/2033	\$1,065,478	6.87%
11-15 (Option 1)	1/1/2034	12/31/2038	\$1,172,025	7.56%
16-20 (Option 2)	1/1/2039	12/31/2043	\$1,289,228	8.32%
21-25 (Option 3)	1/1/2044	12/31/2048	\$1,418,151	9.15%

INVESTMENT HIGHLIGHTS

- **Corporate Guarantee (NASDAQ: TSLA – \$1.09T Market Cap)**
 - Investment grade tenant rated 'BBB' by S&P and 'Baa3' by Moody's.
 - Tesla ranks #40 on the 2024 Fortune 500 list, capturing ~44% of the EV market share in the US.
 - Tesla's 2024 revenues exceeded \$97B and they remain the world's most valuable auto-maker.
- **Regional Hub & Flagship Rhode Island SSD Location | One of Largest Facilities on East Coast**
 - Opening for business in 2024, this 77k+ SF center is Tesla's largest facility in Southern New England and their only location in Rhode Island.
 - With the next closest Tesla location being 40+ miles away in Dedham, MA, this facility serves as the sales, service and delivery hub for the entire Providence, RI metro.
 - The subject property was the winner of CoStar's 2024 Lease of the Year (Providence) for economic impact, site revitalization, and job creation.
- **New 10-Year Lease | 10% Rental Increases Every Five Years | Minimal Landlord Responsibilities**
 - In 2024, the tenant signed a brand-new, 10-year lease with two, 5-year options periods to extend.
 - The lease calls for scheduled rental increases of 10.00% every five years in the base term and throughout each option period.
 - Tenant pays for all taxes, insurance, utilities and CAM. Landlord responsibilities are limited to repairs/ replacement of roof and structure, and replacement (not repair/reseal) of parking lot.
- **Well-Below Market Rent for Average Tesla and Local Providence Market**
 - The average rent per square foot for a Tesla center nationwide is \$25.71/sf. On the subject property, Tesla is currently paying a rental rate of \$12.42/sf.
 - This sample size included 33 different Tesla facilities nationwide (SSD and Collision) that have traded or been listed in the trailing 24-months.
 - With Providence retail rents averaging \$19.46/sf today, Tesla is paying a well-below market rate.
- **Dense Trade Area with Strong Traffic Drivers – 723k+ People in 10-Miles**
 - The asset sits right in between Providence (2-miles away) and Warwick (6-miles away), the two most populated cities in Rhode Island.
 - The property is ideally situated just down the road from the Cranston Parkade, a 260+ SF Community Shopping center that is anchored by Stop & Shop and Burlington with a Lowe's shadow-anchor.
 - Tesla is strategically positioned with easy access into downtown via Interstate 95 (180k+ CPD), U.S. Highway 1 (23k+ CPD) and State Highway 10 (57k+ CPD).



SITE PLAN



AERIAL OVERVIEW



AERIAL OVERVIEW



AERIAL OVERVIEW



DOWNTOWN PROVIDENCE
2.5 Miles Northeast

DEMOGRAPHICS

POPULATION (2024):

1-Mile Radius	32,997
3-Mile Radius	205,133
5-Mile Radius	372,411

Subject Property



WALGREENS



Elmwood Ave
13,468 CPD

Adelaide Ave

Reservoir Ave
12,747 CPD

POPEYES

Downing St

Adelaide Ave



**DR JORGE ALVAREZ
HIGH SCHOOL**
494 Students

TENANT PROFILE

Tesla, Inc. (NASDAQ: TSLA), is an American multinational electric vehicle and clean energy company based in Austin, Texas. The company specializes in electric vehicle manufacturing, battery energy storage from home to grid scale, and solar panel and solar roof tile manufacturing. Tesla is one of the world's most valuable companies and remains the world's most valuable automaker with a market capitalization of more than US \$838.8B (Oct 2024). In 2022, Tesla ranked as the world's bestselling battery electric passenger car manufacturer, with a market share of 18%. In March 2023, Tesla produced its four millionth vehicle. Tesla operates seven major facilities around the world, including the Tesla Factory in Fremont, California; Giga Nevada; Giga New York; Giga Shanghai; Giga Berlin; Giga Texas; and Gigafactory Mexico. Tesla gained popularity with its first vehicle, the Tesla Roadster, which was the first fully electric sports car. Since then, the company's main products include the Model S, Model 3, Model X, and Model Y cars, and the Powerwall, Powerpack, and Megapack batteries. The company's latest vehicle is the Cybertruck, an all-electric pickup truck style vehicle. In addition, the company has announced plans to begin limited-scale production of their new Tesla Semi design in 2024. In March 2020, the company surpassed the 1 million mark of electric cars produced, becoming the first auto manufacturer to achieve such a milestone. Tesla is also one of the largest global suppliers of battery energy storage systems, with 14.7 GWh of battery storage supplied in 2023, more than double compared to the previous year, while Energy Generation and Storage business profits nearly quadrupled in 2023. Tesla markets and sells cars directly to consumers through an international network of company-owned stores and galleries. Its locations are highly visible, premium outlets in major metropolitan markets, some of which combine retail sales and service, operating as "Sales, Service & Delivery" (SSD) locations. The company now operates more than 1,306 store and service locations globally and operates a mobile service fleet of 1,933 units. Tesla has also established 6,706 supercharger stations and 62,421 supercharging connectors across the globe. 99% of the U.S. population now lives within 150 miles of a supercharger, with plans to continue adding locations, enabling the company to expand markets for its vehicles nationwide.

Investment Grade

Due to over three straight years of profitability, strong cash flow, minimal debt, and other positive factors, S&P Global announced it upgraded Tesla's credit rating to Investment Grade BBB on October 5, 2022. Moody's Investor Service became the second credit ratings firm to upgrade Tesla's credit score to Baa3 in March 2023.

S&P 500 Inclusion

From July 2019 to June 2020, Tesla recorded four profitable quarters in a row for the first time, which made it eligible for inclusion in the S&P 500 and it was added to the index on December 21, 2020. In 2020 Tesla produced and delivered over half a million vehicles. Tesla cars accounted for 81% of the battery electric vehicles sold in the United States in the first half of 2020.

Company Type:	Public (NASDAQ: TSLA)
Location:	Austin, Texas
Website:	https://www.tesla.com

\$97B

Total Revenue
as of October
2024

\$1.09T

2024
Market Cap

#40

Fortune 500
List 2024

TESLA RELEASES FOURTH QUARTER RESULTS - 2024

Tesla Releases Fourth Quarter 2024 Financial Results

Q4 was a record quarter for both vehicle deliveries and energy storage deployments. We expect Model Y to once again be the best-selling vehicle, of any kind, globally for the full year 2024, and we have made it even better, with the New Model Y now launched in all markets. In 2024, we made significant investments in infrastructure that will spur the next wave of growth for the company, including vehicle manufacturing capabilities for new models, AI training compute and energy storage manufacturing capacity.

Affordability remains top of mind for customers, and we continue to review every aspect of our cost of goods sold (COGS) per vehicle⁵ to help alleviate this concern. In Q4, COGS per vehicle reached its lowest level ever at <\$35,000, driven largely by raw material cost improvement, helping us to partially offset our investment in compelling financing and lease options.

The Energy business achieved another record in Q4 with its highest-ever gross profit generation. Construction of Megafactory Shanghai was completed in December and will begin ramping this quarter. Powerwall deployments achieved another record quarter as we continue to ramp Powerwall 3 production and launch in additional markets.

2025 will be a seminal year in Tesla's history as FSD (Supervised) continues to rapidly improve with the aim of ultimately exceeding human levels of safety. This will eventually unlock an unsupervised FSD option for our customers and the Robotaxi business, which we expect to begin launching later this year in parts of the U.S. We also continue to work on launching FSD (Supervised) in Europe and China in 2025.

Profitability	\$7.1B GAAP operating income in 2024; \$1.6B in Q4
	\$7.1B GAAP net income in 2024; \$2.3B in Q4 incl. \$0.6B mark-to-market gain on digital assets
	\$8.4B non-GAAP net income ¹ in 2024; \$2.6B in Q4
Cash	Operating cash flow of \$14.9B in 2024; \$4.8B in Q4
	Free cash flow ² of \$3.6B in 2024; \$2.0B in Q4
	\$7.5B increase in our cash and investments ³ in 2024 to \$36.6B
Operations	Increased AI training compute by over 400% in 2024
	Over three billion miles driven cumulatively on FSD (Supervised) ⁴ as of January
	Completed construction of Megafactory Shanghai

(1) Excludes SBC (stock-based compensation), net of tax; (2) Free cash flow = operating cash flow less capex; (3) Includes cash, cash equivalents and investments; (4) Active driver supervision required; does not make the vehicle autonomous; (5) Calculated by dividing Cost of Automotive Sales Revenue by respective quarter's new deliveries (ex-operating leases)

EV MARKET SHARE

Electric Vehicle Sales and Market Share (US – Q1 2025 Updates)

As electric cars, trucks and SUVs continue to enter the mainstream in 2025, the tug-of-war between EV startups and legacy giants is heating up. Will Tesla hold its lead, or will Ford, General Motors and the rest catch up? Bookmark this page for the latest quarterly and monthly sales and market share updates for electric vehicles in the United States.

Q1 2025 EV sales numbers showed the strength of the U.S. electric vehicle market during the slowest months of the year for car buying. Here are some standouts that got our attention:

- U.S. EV market share was 7.5% in Q1 2025, up year-over-year but down from 8.7% the previous quarter.
- EV sales volume was up 11.4% year-over-year, totaling 294,250 sales in the first quarter.
- Tesla's U.S. EV market share held steady at 43.4%, but sales are down 9% year-over-year.
- General Motors doubled EV sales since Q1 2024, while Ford's EV sales were up slightly. Stellantis, Honda, and Volkswagen Group gained EV market share in the first quarter as new models began to sell in volume.

In the first quarter of 2025, battery electric vehicle market share reached 7.5% of all new car sales in the United States. This is up from 7.0% EV market share in Q1 2024, but down from 8.7% in Q4 2024. In terms of total sales volume, battery electric vehicle sales were up 11.4% year-over-year according to Cox Automotive.

Full article: https://caredge.com/guides/electric-vehicle-market-share-and-sales#Q1_2025_Electric_Vehicle_Market_Share_and_Sales_US

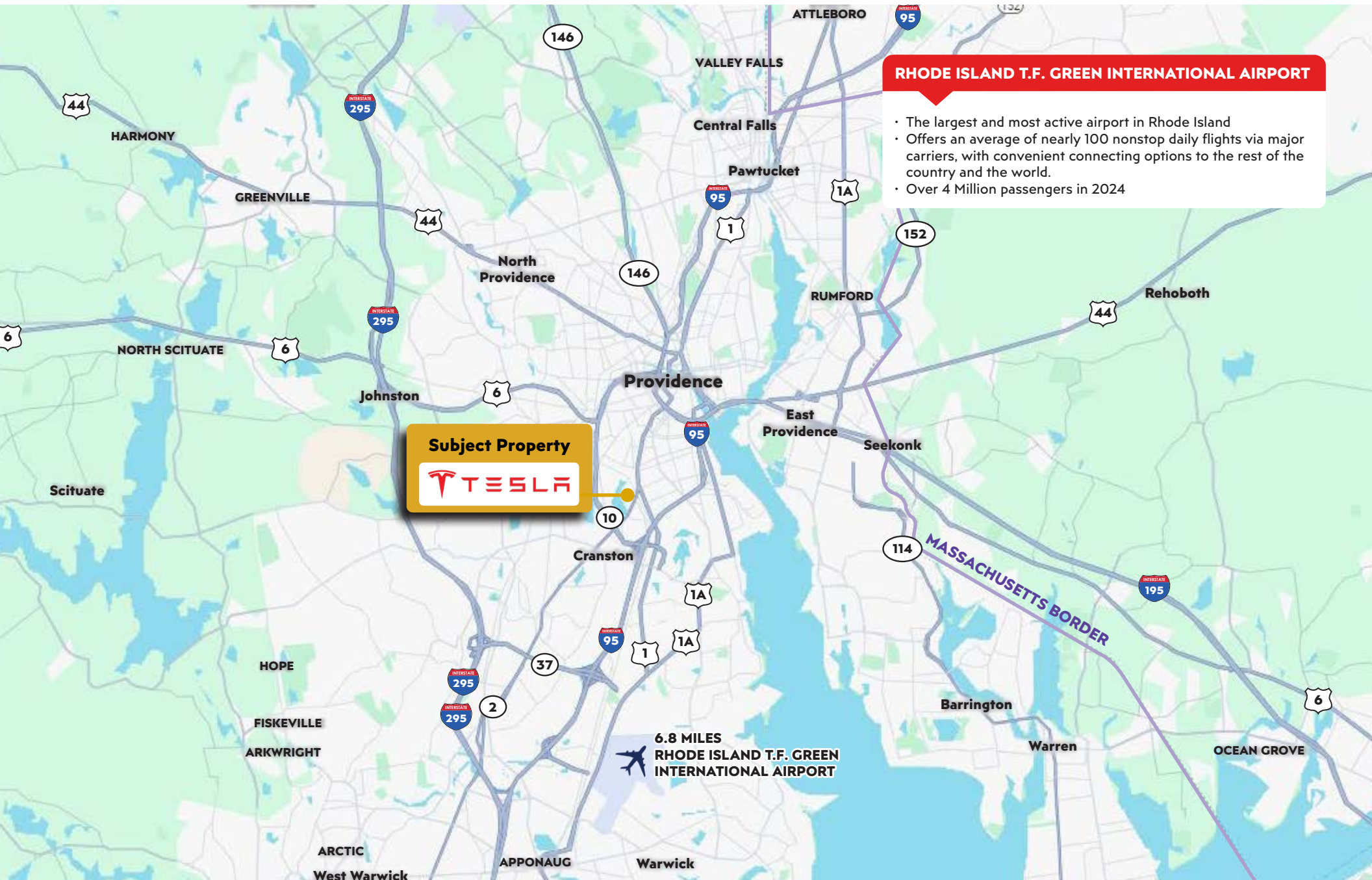
TESLA LOCATIONS



PROPERTY PHOTOS



REGIONAL MAP



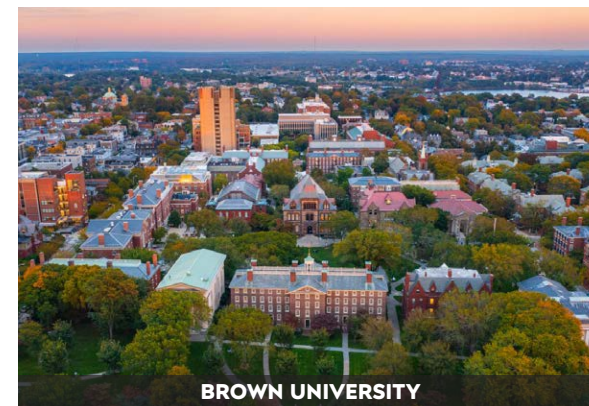
AREA OVERVIEW

PROVIDENCE

- Providence, known as The Creative Capital, combines the accessibility and friendliness of a small town with the culture and sophistication of a big city.
- With a thriving arts community, vibrant and diverse neighborhoods, outstanding hotels, a renowned restaurant scene, and so many things to do.
- Covering all of Rhode Island, the Providence metro also incorporates a portion of Southern Massachusetts. The market encompasses roughly 1.7 million residents and 674,000 households.
- Founded in 1636, Providence is one of the oldest cities in the nation, and today it is the third-most populous city in New England, after Boston and Worcester.
- The city of Providence hosts an Ivy League school and three of the four Fortune 500 companies headquartered in the metro, in addition to the state's capitol. As such, the city has the largest population base in the market at over 190,000 residents, followed by New Bedford with over 100,000 locals.
- Brown University enrolls nearly 10,500 students and employs over 4,600 staff. Student off-campus spending is estimated at over \$60 million annually.
- The world's largest culinary educator, Johnson & Wales University, has had a tremendous impact on Providence's much-lauded restaurant scene.
- The Tony Award-winning Trinity Rep and the Providence Performing Arts Center are not only historic landmarks, but also feature Broadway musicals, children's performances, popular seasonal ballets, opera, plays and musical concerts.
- Federal Hill, named among the 5 Best Little Italy Neighborhoods in the U.S. by Travel + Leisure magazine. More than 100 restaurants, boutiques, galleries and food markets preserve the city's Italian influence while also showing off its inventive modern spirit.
- WaterFire, one of Providence's signature attractions, runs April through November, and is a multi-sensory art installation lights up the night with bonfires on the rivers, music and festivities.
- Waterplace Park is the focal point of Providence's revitalized downtown. This four-acre urban park surrounding a tidal basin features an amphitheater, landscaped terraces and boat landings.

ECONOMY

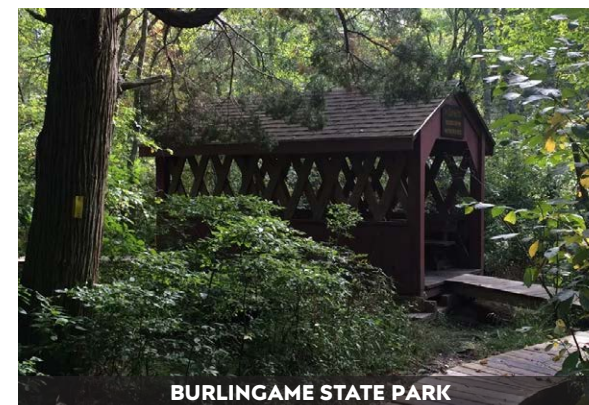
- The health care industry employs a significant number of workers through Care New England, CharterCARE Health Partners and Lifespan Health System.
- Citizens Financial is a leading employer in the state, with nearly 1,000 workers within 25 locations, including its company headquarters.
- Known as the jewelery capital of the world, Rhode Island has the highest concentration of jobs in the jewelry industry in the nation, accounting for 18 percent of the state's manufacturing base.
- The metro is also the home of the Rhode Island School of Design and the RISD Museum.



BROWN UNIVERSITY



WATERFIRE PROVIDENCE



BURLINGAME STATE PARK

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	31,589	197,295	363,948
2020 Population	33,787	210,730	381,890
2024 Population	32,997	205,133	372,411
2029 Population	32,843	204,569	371,662
HOUSEHOLDS			
2010 Households	10,357	71,511	139,326
2020 Households	11,701	78,918	149,781
2024 Households	11,752	79,188	150,348
2029 Households	11,789	79,392	150,775
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	29.2%	37.3%	46.3%
2020 Owner Occupied Housing Units	29.4%	36.9%	46.0%
2024 Owner Occupied Housing Units	30.1%	37.5%	46.6%
2029 Owner Occupied Housing Units	30.3%	37.6%	46.7%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	57.9%	51.7%	44.6%
2020 Renter Occupied Housing Units	64.7%	56.3%	48.0%
2024 Renter Occupied Housing Units	63.9%	55.6%	47.3%
2029 Renter Occupied Housing Units	63.7%	55.5%	47.2%
AVERAGE HOUSEHOLD INCOME	\$67,537	\$87,702	\$94,532

