



PEP BOYS NNN INVESTMENT OPPORTUNITY

4737 EAST UNION HILLS DRIVE | PHOENIX

OFFERING MEMORANDUM

AFFILIATED BUSINESS DISCLOSURE

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of 4737 East Union Hills Drive, Phoenix (the "Property") by 'Ownership' (the "Seller").

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation January 25, 2019 of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

CORPORATE LICENSE #01355491

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of [insert building address here] (the "Property") by 'Ownership' (the "Seller"). The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

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**OPPORTUNITY
SUMMARY**

INVESTMENT OPPORTUNITY

Pep Boys is well-located at a retail intersection in Phoenix, Arizona. The property sits on approximately 0.51 acres of land in this highly-trafficked retail corridor. Surrounding the subject property are major tenants such as: Home Depot, Walmart Supercenter, Petco, Target, Total Wine, DSW, Fry's Food & Grocery.

This highly visible location benefits from traffic counts of close to 50,000 vehicles per day (VPD). The surrounding demographics within the five-mile radius consists of a population of over 233,367 and average household income of over \$93,670.

FINANCIAL SUMMARY

100%

Leased

\$1,780,000

Price

\$114,000

In-Place NOI

6.40%

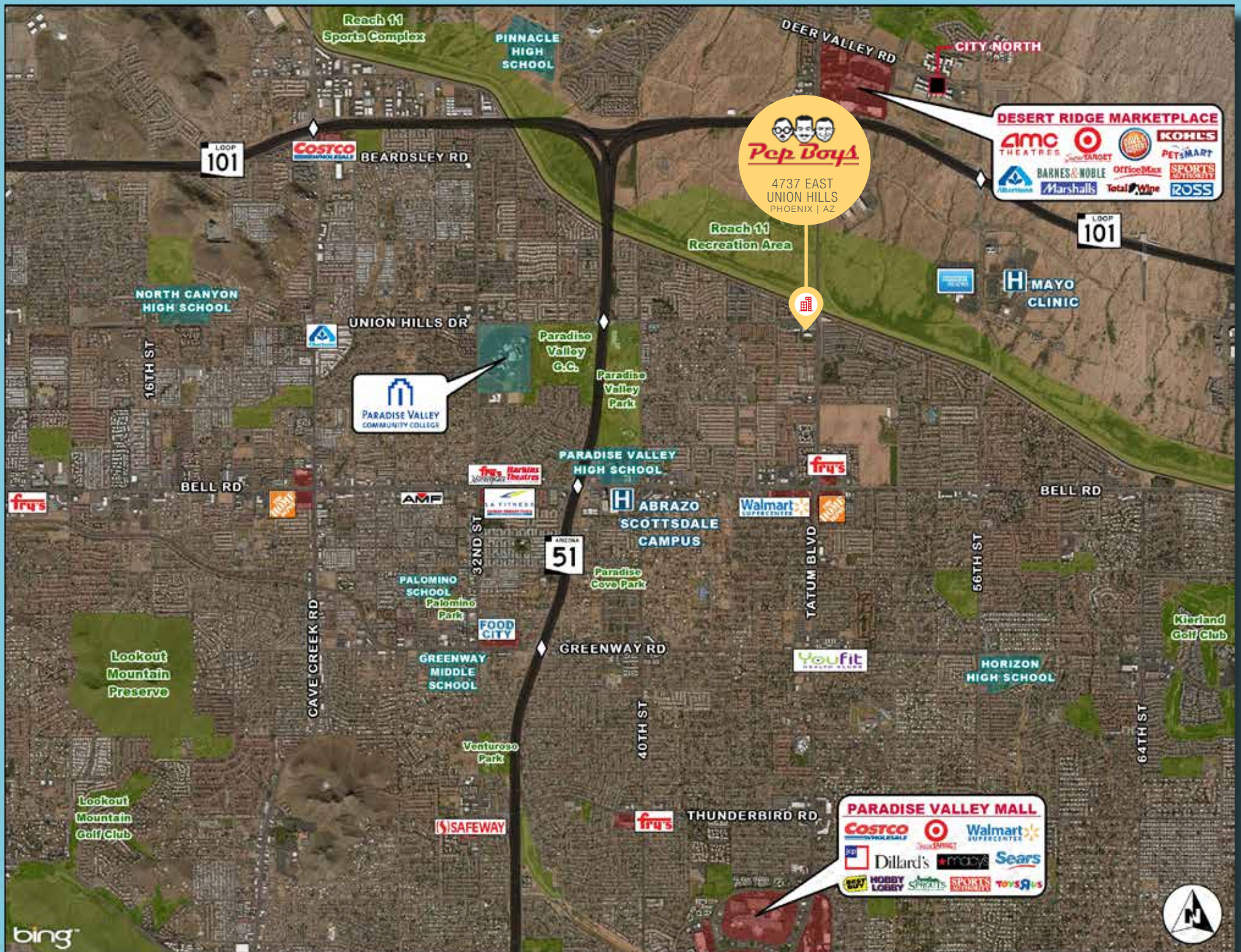
Cap Rate

\$460.78

Price PSF

INVESTMENT HIGHLIGHTS

- **Absolute NNN deal with zero Landlord responsibilities**
- **Tenant Commitment - Pep Boys expanded their footprint in the automotive repair industry by purchasing 134 Just Brakes locations in 8 states, including Arizona**
- **Approximately four (4) years remaining on NNN lease with zero Landlord responsibilities**
- **Proximity to major employers including American Express (3,000 employees), Mayo Clinic Hospital (6,600 employees) and SUMCO Corporation (864 employees)**
- **Located in close proximity to Loop 101 and State Route 51**
- **Strong demographics with more than 233,000 residents with an average household income of \$93,670 within a 5-mile radius**





THE OFFERING

Newmark Knight Frank (NKF), as exclusive advisor, is pleased to present the opportunity to acquire the Pep Boys, 4737 East Union Hills Drive (the Property), a 3,863-square-foot single-tenant net-leased investment in Phoenix, Arizona.

This single-story Property is located in a strategic and prestigious East Phoenix submarket and is currently 100% leased. Built in 2001, the Property is situated on 0.51 acres.

The Property offers an opportunity for an investor to capitalize on the increasing market fundamentals fueled by the continued development in the submarket. Located just 1 mile north of the busiest arterial in Phoenix (Bell Road), the Property benefits from close proximity to two of Phoenix's most important arterials, the Loop 101 Freeway and State Route 51.

PROPERTY SUMMARY



100%
Current
Occupancy



3,863 SF
GLA



2001
Year Built



49'
Frontage on
Union Hills Drive



17,110
VPD on Union Hills Dr

32,401
VPD on Tatum Blvd

PROPERTY SUMMARY

PEP BOYS
4737 EAST UNION HILLS DRIVE
PHOENIX, AZ 85050

3,863 SF

Total Building Area

2001

Year Built

0.51 AC

Land Area

215-12-630

APN

100%

Leased

NNN

Lease Structure

4+ Years

Term Remaining



LOOP 101

LOOP 101

CVS
FARMERS INSURANCE
SUBWAY
Starbucks
K
American Family Life Insurance
Arizona Department of Economic Security
Halo
CleanFreak

MIM
MUSICAL INSTRUMENT MUSEUM

SMCO
SOURCE CONNECTION

Arizona Department of Economic Security

DESERT RIDGE MARKETPLACE
Bank of America
CVS
The UPS Store
FedEx Office
VISION
Sprint
NEXCITY
Target
JO-ANN
KOHLS
PETSMART
DSW
OLD NAVY
ROSS
Total Wine
amc

Mayo Clinic Hospital

frs Marketplace
Banner Urgent Care
T-Mobile
DOLLAR TREE
Denny's
LA FITNESS
HARBOR FREIGHT TOOLS
HALO
Harkins
SPEEDY
DO

PARADISE VALLEY COMMUNITY COLLEGE

UNION HILLS DRIVE

17,110 VPD

Pep Boys
4737 EAST UNION HILLS PHOENIX | AZ

Edward Jones
PARKWAY BANK
Phoenix Pediatrics
K
Native's Skincare Studio

BELL ROAD

32,401 VPD

TATUM BOULEVARD

Tutor Time
Hertz
Burger King
State Farm
BOSATTI'S
Walgreens
Banner Physical Therapy & Rehabilitation
Abraza
ORTHODONTICS

Quick
KUMON
K
Sonic Drive-Ins
Hopi Memorial Hospital
VALLEY
(BENEDICT'S)

MATTRESS FIRM
The UPS Store
PETCO
Walmart Supercenter
TITLEMAX
BoSa
Bank of America
K
DISCOUNT TIRE
McDonald's

GREENWAY ROAD

56TH STREET

Hubbard
Various Medical Providers in Plaza
SUBWAY
SAFeway
Salt River Intergroup
A1 Food & Beer
Hair Cuts
Original Breakfast House
FAST MED
Walgreens
H&R BLOCK
Costume Connection
WAR-TOYS
Joe's Grotto
AQUATEC
GENESIS CHURCH
SOLID ROCK
PREWING

THUNDERBIRD ROAD

PARADISE VALLEY MALL AREA
HomeGoods
Dillard's
macy's
JC Penney
sears
Hobby Lobby
Costco
SEPHORA
TJ-MAXX
Bath & Body Works
Aveda
99c ONLY
H&R BLOCK
Dutch Bros
IN-N-OUT
chili's
Tanner

PARADISE VALLEY VILLAGE
FedEx Office
Smart&Final
bop
The UPS Store
SPENCERS
HARVEST BIBLE CHURCH

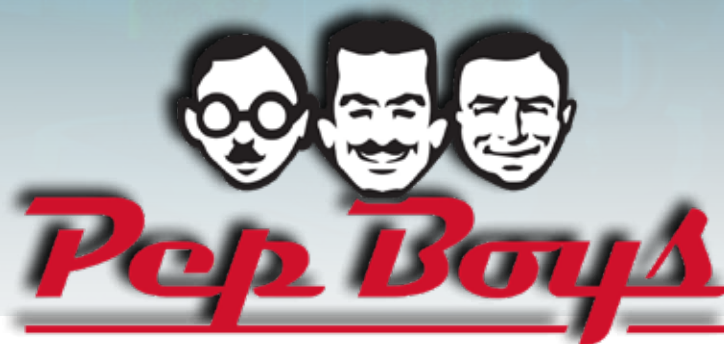




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TENANT PROFILE

TENANT OVERVIEW



Pep Boys is an American automotive aftermarket retail and service chain.

Originally named Pep Auto Supply Company, the Company was founded in Philadelphia, Pennsylvania in 1921 by Emanuel (Manny) Rosenfeld, Maurice L. (Moe) Strauss, W. Graham (Jack) Jackson, and Moe Radavitz.

Headquartered in the Philadelphia neighborhood of East Falls, Pep Boys provides name-brand tires; automotive maintenance and repair; parts and expert advice for the Do-It-Yourselfer; commercial auto parts delivery; and fleet maintenance and repair to customers across the U.S. with Just Brakes, a wholly owned subsidiary of The Pep Boys – Manny, Moe & Jack, Pep Boys operates more than 8,300 service bays in over 930 locations in 35 states and Puerto Rico.

Tenant Trade Name	Pep Boys
Ownership	Owned subsidiary of Icahn Enterprise <i>acquired in 2016</i>
Tenant	Pep Boys
Lease Guarantor	Pep Boys Auto Service (Corporate)

PHILADELPHIA

Headquarters

930 +

Locations

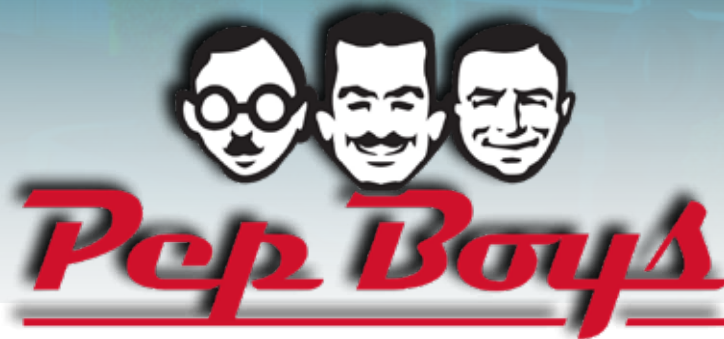
WWW.PEPBOYS.COM

Website

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FINANCIAL ANALYSIS

LEASE ABSTRACT



LEASE SUMMARY

LEASE TYPE	Triple-Net (NNN)
TENANT	JBRE, LLC dba Pep Boys
LEASE GUARANTOR (1)	Corporate Guarantee of Pep Boys Auto Service
ROOF & STRUCTURE	Tenant
LEASE COMMENCEMENT DATE	4/1/2008
LEASE EXPIRATION DATE	3/31/2023
LEASE TERM	15 Years
LEASE TERM REMAINING	4 + Years
RENEWAL OPTIONS	3, 5-Year Options
BASE RENT PSF (2018 - 2023)	\$29.51
NET OPERATING INCOME	\$114,000

FINANCIAL SUMMARY

EST. BUILDING SF	±3,863 SF
NOI	\$114,000
YEAR BUILT	2001
LOT SIZE	±0.51

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AREA OVERVIEW

5 MILE RADIUS at-a-glance

233,367

Population

95,900

Households

39.7

Median Age

51.6%

College Educated

\$68,121

Median Income

\$290,958

Median Home Value

QUALITY OF LIFE BY THE NUMBERS



300

Residents in Arizona can take advantage of the outdoors thanks to more than 300 days of sunshine



325

Improve your golf game at the more than 325 golf courses throughout the region



<25

Spend more time outdoors, with your family or doing other things you enjoy with a less than 25-minute average commute time



6

The state of Arizona is home to 6 professional sports teams: NFL, MLB, NHL, NBA, WNBA and USL



3

3 public high schools in Arizona are ranked in the top 10 nationally



#1

Arizona State University has been ranked the #1 most innovative university in the nation three years in a row



CENTRAL CORRIDOR

PLAY



CHASE FIELD



DOWNTOWN PHOENIX



ARIZONA BILTMORE



PHOENIX MOUNTAIN PRESERVE

Arizona Biltmore

This exclusive resort was built in 1929 and is set on 39 lush acres. Amenities include 8 outdoor pools including a 92-ft waterslide and a swim-up bar, 7 tennis courts, 2 golf courses and 5 dining options along with a fitness center, kids camp and playground.

Phoenix Mountain Preserve

This park contains Piestewa Peak, the second highest point in the Phoenix mountain and third highest in the city of Phoenix. The Summit Trail is climbed thousands of times per week by locals and visitors seeking a great workout, great views, or a family outing.

Central Corridor / Downtown Phoenix

Just 10 minutes away is the Central Corridor, a thriving restaurant and arts and culture scene with great access on the light rail. Just 15 minutes away is the heart of Phoenix with museums, major league sports, and an active performing arts scene.



Easily accessible via Interstate 17 and State Route 51, the Central and Camelback Corridors are both major employment centers for the city of Phoenix. Central Corridor is one of Phoenix's most vital and heavily trafficked stretches of roadway and major employers here include major banks and financial institutions, hi-tech companies, and several major law firms and government agencies. Camelback Corridor is one of the city's most acclaimed neighborhoods, the area is known as the financial district surrounded by upscale shopping and dining. Top employer for both areas include Kitchell, Best Western Corp, Copper Point, Symphony Health Solutions and Northern Trust Bank.



5,785
BUSINESSES



76,349
EMPLOYEES

20%



FINANCE, INSURANCE
& REAL ESTATE
INDUSTRY

50%



SERVICE INDUSTRY
(LEGAL, HEALTH,
AUTOMOTIVE...)



CENTRAL CORRIDOR



WORK

PREPARED BY

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