

Advance Auto Parts | New 10-Year Term

ALBANY, GA

OFFERING MEMORANDUM



Marcus & Millichap

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ALBANY, GA

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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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FINANCIAL OVERVIEW

Location

108 S. Slappy Blvd
Albany, GA 31701

Price	\$768,000
Down Payment	100% / \$768,000
Rentable Square Feet	10,000
Price/SF	\$76.80
CAP Rate	6.50%
Year Built	1985
Lot Size	.62+/- Acres
Type of Ownership	Fee Simple

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
11/1/18 - 10/31/23	\$49,955.04	\$4,162.92
11/1/23 - 10/31/28	\$54,950.52	\$4,579.21
11/1/28 - 10/31/33	\$58,847.04	\$4,903.92
Base Rent (\$5.00/SF)		\$49,955
Net Operating Income		\$49,955
Total Return		6.50% / \$49,955

Tenant Summary

Tenant Trade Name	Advance Auto Parts
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate Guarantee
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 Years
Lease Commencement Date	8/14/85
Rent Commencement Date	8/14/85
Lease Expiration Date	10/31/28
Term Remaining on Lease	10 Years
Increases	Every 5 Years
Options	Yes

TENANT OVERVIEW

Property Name	Advance Auto Parts New 10-Year Term
Property Address	108 S. Slappy Blvd Albany, GA 31701
Property Type	Net Leased Auto Parts
Rentable Square Feet	10,000
Tenant Trade Name	Advance Auto Parts
Ownership	Public
Tenant	Corporate Store
Sales Volume	\$9.37 Billion
Lease Guarantor	Corporate Guarantee
Credit Rating	BBB-
Rating Agency	Standard & Poors
Stock Symbol	AAP
Board	NYSE
Lease Commencement Date	8/14/85
Rent Commencement Date	8/14/85
Lease Expiration Date	10/31/28
Term Remaining on Lease	10 Years
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Lease Term	10 Years
Increases	Every 5 Years
Options to Renew	Yes
Options to Terminate	No
Options to Purchase	No
First Right of Refusal	No
No. of Locations	5,000+ Locations
Headquartered	Roanoke, VA
Web Site	www.advanceautoparts.com
Other Brands Owned	Carquest

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of July 14, 2018, Advance operated 5,026 stores and 133 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,219 independently owned Carquest branded stores across these locations in addition to Mexico and the Bahamas, Turks and Caicos, British Virgin Islands and Pacific Islands. Additional information about the Company, including employment opportunities, customer services, and online shopping for parts, accessories and other offerings can be found at www.AdvanceAutoParts.com

PROPERTY DESCRIPTION

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INVESTMENT OVERVIEW

Investment Highlights

- Tenant Just Agreed to New 10-Year Extension
- Rental Increases EVERY 5 Years | 10% In Year 6
- Low Rent | Only Paying \$5 Per SF in Base Rent
- Approx. 2 Miles from Albany State University | Over 7,000 Students
- Long-Term History of Occupancy
- Located at Intersection With 28,000+/- Vehicles Per Day
- 5-Mile Population of 82,000+



The subject property is a 10,000 +/- square foot Advance Auto Parts store located at the signalized intersection of North Slappey Boulevard and West Broad Avenue in Albany, GA. Albany, the 8th largest city in the state of Georgia, is located in southwest Georgia approximately 100 miles from both Macon, GA and Tallahassee, FL. The subject property benefits from being approximately two miles from both the Albany State University East and West Campuses. Combined, both campuses have an enrollment of over 7,000 students and the University has the third highest retention rate in the Georgia University system. ASU is expected to increase enrollment to over 9,000 and the University will be the largest HBCU in the state of Georgia and one of the largest in the U.S. Other traffic generators along North Slappey Boulevard include: Save-A-Lot, CitiTrends, Shoe Show, AutoZone, Rite-Aid, Walgreens, Zaxby's, Hardee's, Wendy's, Regions Bank, and Troy University's Albany Campus.

Advance Auto Parts has been a tenant here for over 13 years. They just agreed to a new 10-year lease term, with rental increases every 5 years. They are paying conservative rent of just \$5.00 per square foot. They are reimbursing for CAM, Taxes, and Insurance.

Albany, the county seat of Dougherty County, acts as a hub for commerce in southwest Georgia. Health care, education, and the Marine Corps Logistics Base are the largest employers, but manufacturing, transportation, and retail trade are also important foundations of Albany's economy. Currently, a private/public partnership is redeveloping the downtown area and using the area's premier natural resource- the Flint River, with the RiverQuarium being the centerpiece of the redevelopment.

INVESTMENT OVERVIEW



Albany is a city in Georgia, and is the seat of Dougherty County. Located in southwest Georgia, it is the principal city of the Albany, Georgia metropolitan area. The population was 77,434 at the 2010 U.S. Census, making it the eighth-largest city in the state.

Today, although the city is surrounded by pecan groves, pine trees, farms and plantations, almost none of the population is employed in agriculture. It is heavily mechanized. The city itself, however, is surrounded by a river which separates the two divisions of Albany.

Health care, education and the Marine Corps Logistics Base Albany are the largest employers. Manufacturing, transportation, and retail trade are also important foundations of Albany's economy, and the city acts as a hub for commerce in southwest Georgia.

Albany State University East campus (Main) is located on 206 acres East of the Flint River that has 32 buildings and 5 sport facilities. Albany State University West campus (formerly Darton State College) is located on 186 acres in West Albany and has 16 buildings and 5 sport facilities. Additionally, ASU has a center in Cordele, Georgia, and holds specific courses at other sites in Cairo, Waycross, Thomasville, Swainsboro, and Sandersonville, Georgia.

Albany State University student body consists of both traditional and non-traditional students who make up the more than 7,161 student population. Albany State University participates in an engineering transfer program and a dual degree program with the Georgia Institute of Technology, one of the top engineering schools in the nation. Albany State also has the third highest student retention rate in the university system. A new stadium was opened in 2004, and new housing units opened in 2006. In 2015, the Board of Regents of the University System of Georgia announced the consolidation of ASU and Darton State College. The new combined institutions will assume the name and branding of Albany State University, and is expected to enroll around 9,000 students. The University will be the largest HBCU in the state of Georgia and one of the largest in the United States as of January 1, 2017.

PROPERTY PHOTOS

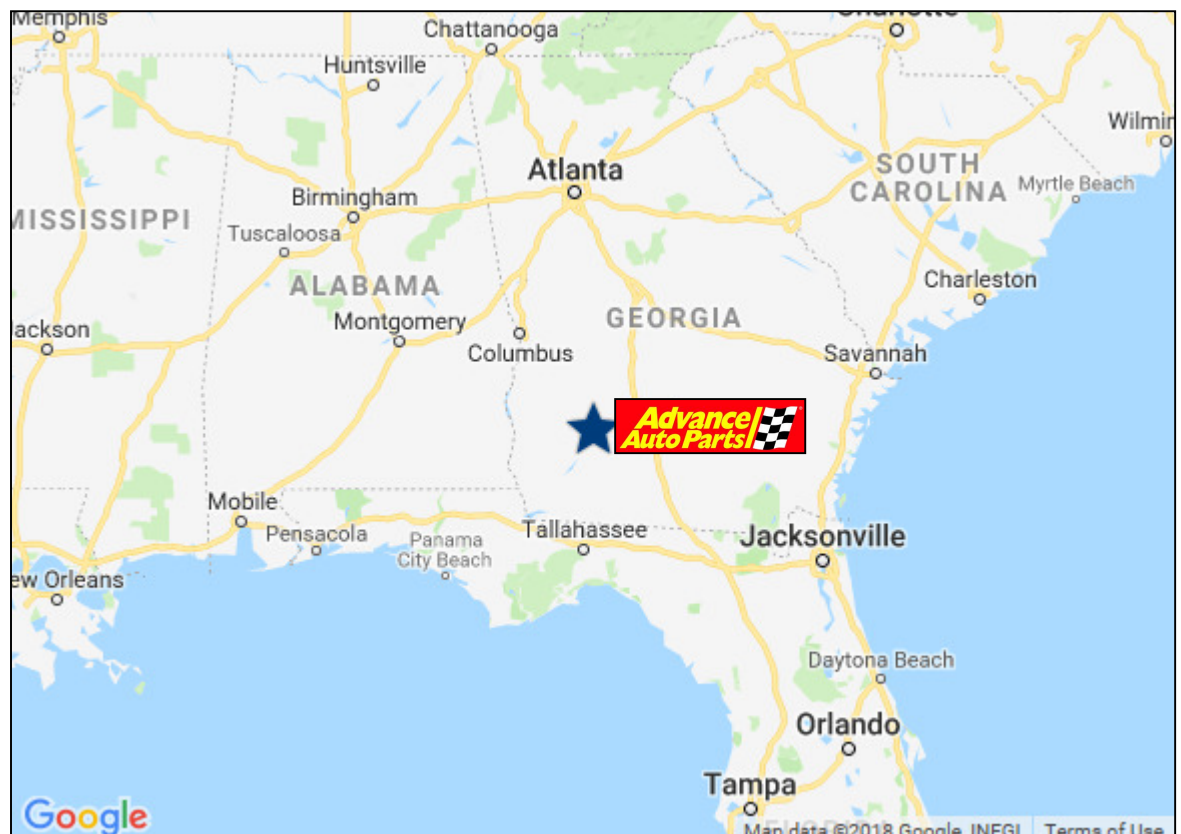




Local Map



Regional Map



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PROPERTY DESCRIPTION



DEMOGRAPHIC ANALYSIS

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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	9,302	46,128	80,843
2010 Population	8,331	45,069	82,007
2014 Population	8,349	45,083	82,198
2019 Population	8,187	45,133	83,023
2000 Households	3,725	17,461	29,992
2010 Households	3,384	17,614	31,674
2014 Households	3,398	17,661	31,809
2019 Households	3,330	17,838	32,479
2014 Average Household Size	2.44	2.40	2.46
2014 Daytime Population	6,079	26,846	41,210
2000 Owner Occupied Housing Units	34.08%	43.06%	45.14%
2000 Renter Occupied Housing Units	56.78%	47.52%	44.66%
2000 Vacant	9.14%	9.43%	10.20%
2014 Owner Occupied Housing Units	29.29%	39.17%	42.62%
2014 Renter Occupied Housing Units	70.71%	60.83%	57.38%
2014 Vacant	13.40%	10.47%	10.46%
2019 Owner Occupied Housing Units	29.04%	38.72%	42.41%
2019 Renter Occupied Housing Units	70.96%	61.28%	57.59%
2019 Vacant	13.85%	10.54%	10.40%
\$ 0 - \$14,999	39.1%	29.7%	25.0%
\$ 15,000 - \$24,999	23.2%	19.4%	17.7%
\$ 25,000 - \$34,999	12.1%	13.3%	12.8%
\$ 35,000 - \$49,999	12.7%	13.4%	13.9%
\$ 50,000 - \$74,999	6.4%	12.4%	14.2%
\$ 75,000 - \$99,999	3.6%	5.3%	7.1%
\$100,000 - \$124,999	1.2%	2.4%	3.4%
\$125,000 - \$149,999	0.7%	1.4%	2.2%
\$150,000 - \$199,999	0.4%	1.2%	1.6%
\$200,000 - \$249,999	0.2%	0.6%	0.8%
\$250,000 +	0.5%	1.0%	1.2%
2014 Median Household Income	\$19,144	\$25,553	\$30,193
2014 Per Capita Income	\$12,452	\$16,760	\$19,093
2014 Average Household Income	\$29,625	\$40,916	\$47,908

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 miles

Population

In 2014, the population in your selected geography is 82,198. The population has changed by 1.67% since 2000. It is estimated that the population in your area will be 83,022 five years from now, which represents a change of 1.00% from the current year. The current population is 46.48% male and 53.51% female. The median age of the population in your area is 32.6, compare this to the Entire US average which is 37.3. The population density in your area is 1,046.97 people per square mile.

Households

There are currently 31,808 households in your selected geography. The number of households has changed by 6.05% since 2000. It is estimated that the number of households in your area will be 32,478 five years from now, which represents a change of 2.10% from the current year. The average household size in your area is 2.45 persons.

Income

In 2014, the median household income for your selected geography is \$30,193, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 0.03% since 2000. It is estimated that the median household income in your area will be \$34,903 five years from now, which represents a change of 15.59% from the current year.

The current year per capita income in your area is \$19,093, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$47,908, compare this to the Entire US average which is \$74,533.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 29.64% White, 66.61% Black, 0.12% Native American and 1.18% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 2.42% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Housing

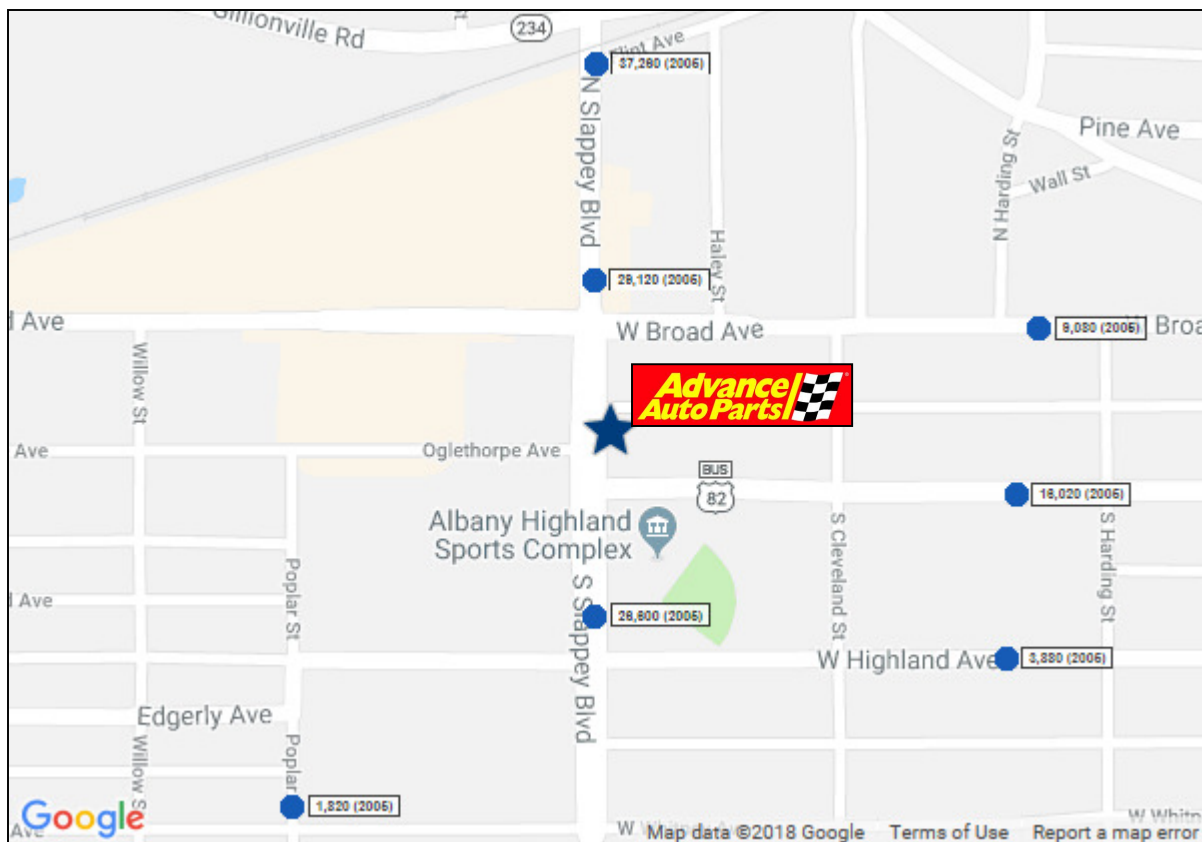
In 2000, there were 15,076 owner occupied housing units in your area and there were 14,916 renter occupied housing units in your area. The median rent at the time was \$352.

Employment

In 2014, there are 41,209 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.13% of employees are employed in white-collar occupations in this geography, and 43.06% are employed in blue-collar occupations. In 2014, unemployment in this area is 9.92%. In 2000, the average time traveled to work was 19.2 minutes.

Demographic data © 2012 by Experian.

TRAFFIC COUNTS



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Two-way, average daily traffic volumes.

* Traffic Count Estimate

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