



AUTOZONE GROUND LEASE + RETAIL

38 Pennsylvania Ave • Binghamton, NY 13903

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AUTOZONE GROUND LEASE + RETAIL
Binghamton, NY
ACT ID Z0280736

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INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

VITAL DATA				
			YEAR 1	YEAR 2
Price	\$1,750,000	CAP Rate	9.07%	9.13%
Loan Amount	\$1,312,500	Net Operating Income	\$158,740	\$159,730
Loan Type	Proposed New	Net Cash Flow After Debt Service	15.76% / \$68,947	15.99% / \$69,937
Interest Rate / Amortization	4.75% / 25 Years	Total Return	22.17% / \$97,002	22.71% / \$99,354
Gross Leasable Area (GLA)	10,900 SF			
Price/SF	\$160.55			
Current Occupancy	100.0%			
Year Built / Renovated	1999			
Lot Size	1.6 acre(s)			

MAJOR TENANTS			
TENANT	GLA	LEASE EXPIRATION	LEASE TYPE
AutoZone	4,000 SF	1/31/2020	NNN
Anousheh	4,000 SF	6/30/2025	NNN

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Broome County	3,911
Lourdes Hospital	3,272
UHS	1,970
Crowley Foods	1,660
Wilson Regional Medical Center	1,600
Pella Window Door	1,580
Boces	1,206
Synergy Solutions Inc	1,000
New York Dept Transportation	930
Broome County Off Emrgncy Svc	843
Purchasing Department	843
US Post Office	820

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	14,275	68,340	94,112
2010 Census Pop	14,664	69,862	96,162
2017 Estimate HH	6,560	27,679	37,875
2010 Census HH	6,790	28,586	39,029
Median HH Income	\$32,072	\$34,350	\$39,637
Per Capita Income	\$25,851	\$23,461	\$25,486
Average HH Income	\$55,251	\$54,260	\$60,004

INVESTMENT OVERVIEW

OFFERING SUMMARY

Marcus & Millichap is pleased to exclusively list a portfolio consisting of three retail buildings located in Binghamton (Broome County), New York. The subject property is 100 percent occupied and leased by tenants who have been in the same location for numerous years. The buildings are situated on a combined 1.40 acre lot with 10,900 +/- rentable square feet. The entire portfolio is located at the intersection of Pennsylvania Avenue and Vestal Avenue. Each building is parceled off separately. The major tenant; AutoZone, has a 30 day first right of refusal clause. AutoZone is a stand alone ground lease on separate parcel. The buildings are located in the heart of town with immediate access to Interstate 81, Route 11 and Route 434. The subject property is less than 1 mile from UHS Binghamton General Hospital (220 bed general and surgical facility) and less than 3 miles from the Binghamton University (SUNY Binghamton) campus.

Binghamton is the county seat of Broome County, New York. It lies in the states Southern Tier region near the Pennsylvania border, Binghamton is home to Binghamton University, a driving force in the community and the local economy.

Within a five-mile radius of Binghamton, the average household income is \$60,004 among the 94,112 individuals who reside within a five-mile radius of the subject property.

The asking price of \$1,750,000 represents a 9.07 percent cap rate.

INVESTMENT HIGHLIGHTS

- In the Center of a Medical Hub with Densely Populated Student Demographic
- 3 Buildings Situated on 1.40+/- Acre Lot with Approximately 10,900 RSF
- AutoZone is a Stand Alone Ground Lease on Separate Parcel
- Located at Signalized Intersection with ADTC of 30,000 +
- Walking Distance to UHS Binghamton General Hospital (220 State-of-the-Art Beds)
- Situated Between Walgreens and Weis Markets/CVS Shopping Center
- Across the River from Downtown Binghamton
- Walking Distance (0.3 mi) from UHS Sleep & Neurodiagnostic Center~ 5 minutes
- Less than 3 miles (5 min drive) from Binghamton University Campus (17,000+ students)
- Across the Street From Newly Constructed McArthur Elementary School (450 students)
- Approximately 3 Minute Drive from Binghamton Zoo at Ross Park (1.2 mi)
- Portfolio Includes 3 Buildings; Each Parceled Off Separately



PROPERTY OVERVIEW

Binghamton is a city and the county seat of Broome County, in New York. Binghamton is also the principal city and cultural center of the Binghamton metropolitan area. Many large organizations are located within Binghamton such as Lockheed Martin, BAE Systems, IBM, Universal Instruments, Frito-Lay and many others. Binghamton is also home to Binghamton University (15,000 students) and SUNY Broome (6,000 students). Binghamton shares its borders with the municipalities of Park Terrace, Willow Point, Johnson City, Westover, Port Dickinson, Choconut Center and Fivemile Point. Binghamton is a major junction in the Interstate Highway System. The major roads and highways that pass through Binghamton are Interstate 81, I-86, I-88, NYS Route 7, NYS Route 363, NYS Route 434, NYS Route 17C and Route 11. Public transportation is provided by B.C Transit, a bus service provided in Broome County. OurBus offers daily bus service to Ithaca and Manhattan. Greyhound Lines along with Short Line buses offers service to Buffalo, Syracuse, Rochester, Toronto, Scranton, Albany and New York City. The Greater Binghamton Airport is a close regional airport approximately 8 miles south of the subject property.



PROPERTY SUMMARY

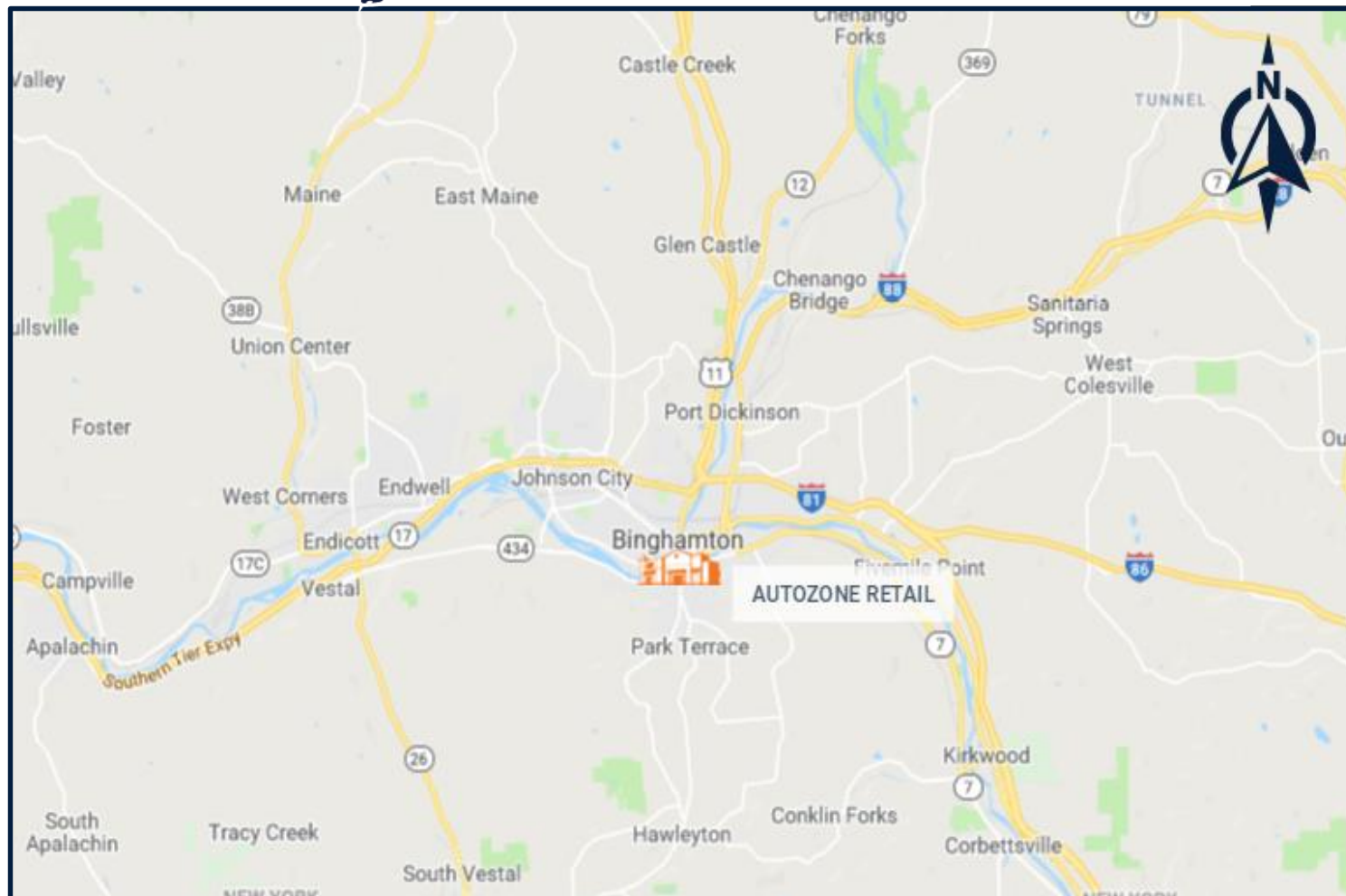
THE OFFERING	
Property	AutoZone + Retail
Price	\$1,750,000
Property Address	38 Pennsylvania Ave, Binghamton, NY
Assessors Parcel Number	030200 160.72-4-6
SITE DESCRIPTION	
Year Built/Renovated	1999
Gross Leasable Area	10,900
Ownership	Fee Simple
Lot Size	1.40 +/-
Parking	50+ Spaces
CONSTRUCTION	
Roof	5 Year Old
MECHANICAL	
HVAC	8 Years Old

PROPOSED FINANCING	
First Trust Deed	
Loan Amount	\$1,312,500
Loan Type	Proposed New
Interest Rate	4.75%
Amortization	25 Years
Loan Term	5 Years
Loan to Value	75%
Debt Coverage Ratio	1.77





38 Pennsylvania Ave, Binghamton, NY 13903



PROXIMITY TO:



Shopping Center



Airport



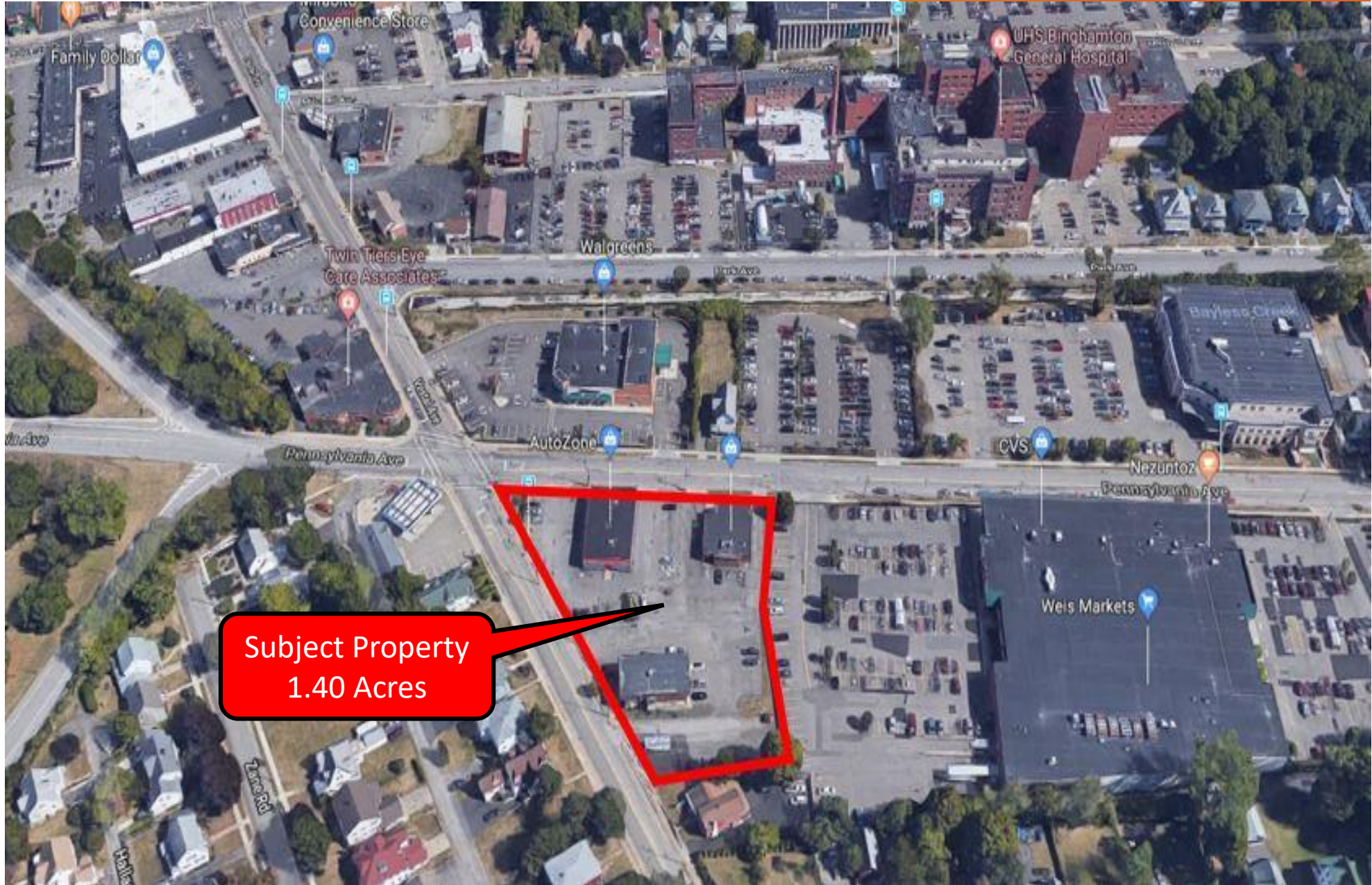
Schools



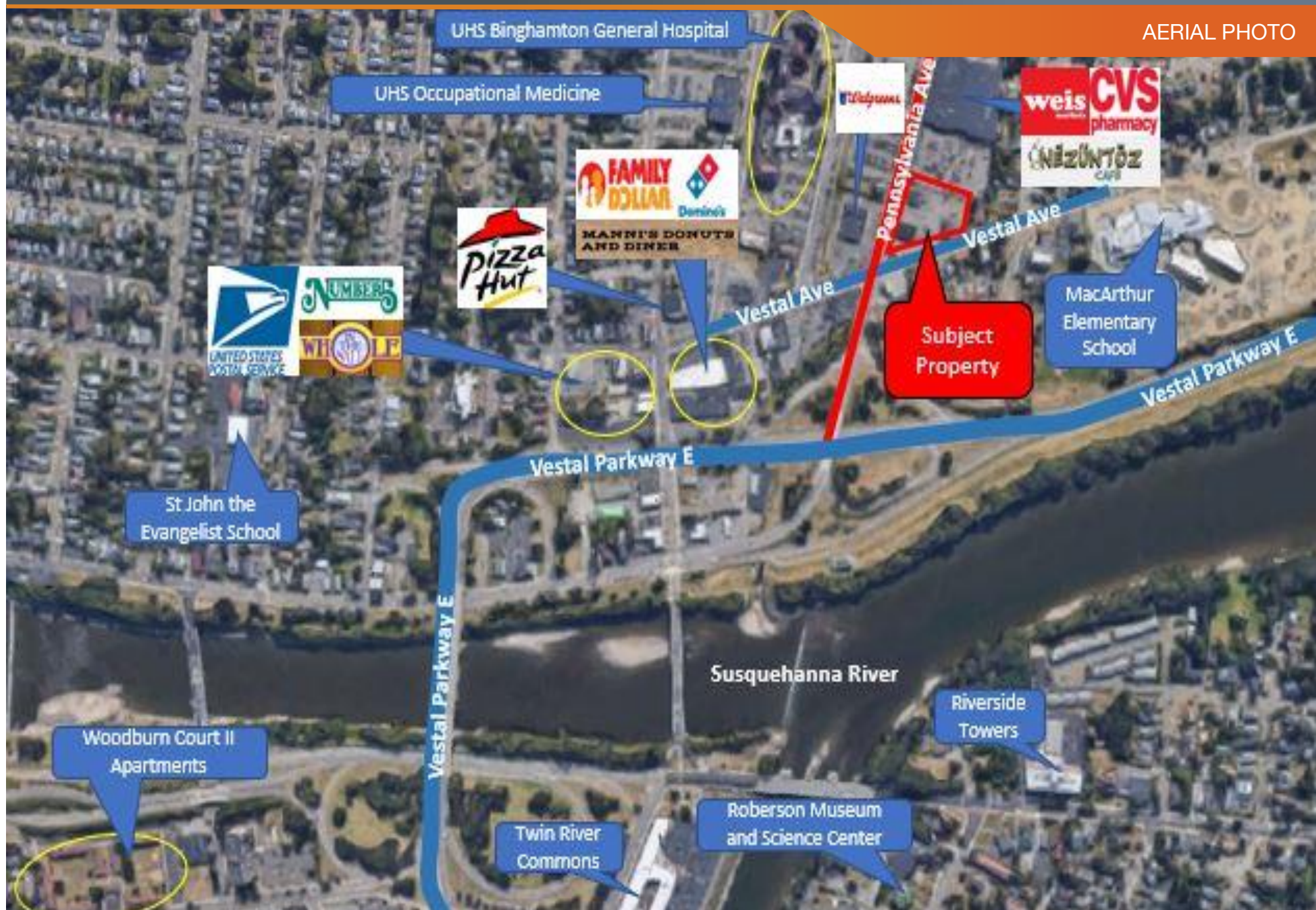
Hospital



Major Highway



Subject Property
1.40 Acres



Subject Property
1.40 Acres

2.7 Miles

SUNY Binghamton -
Binghamton University
(17,000+ Students
Enrolled)





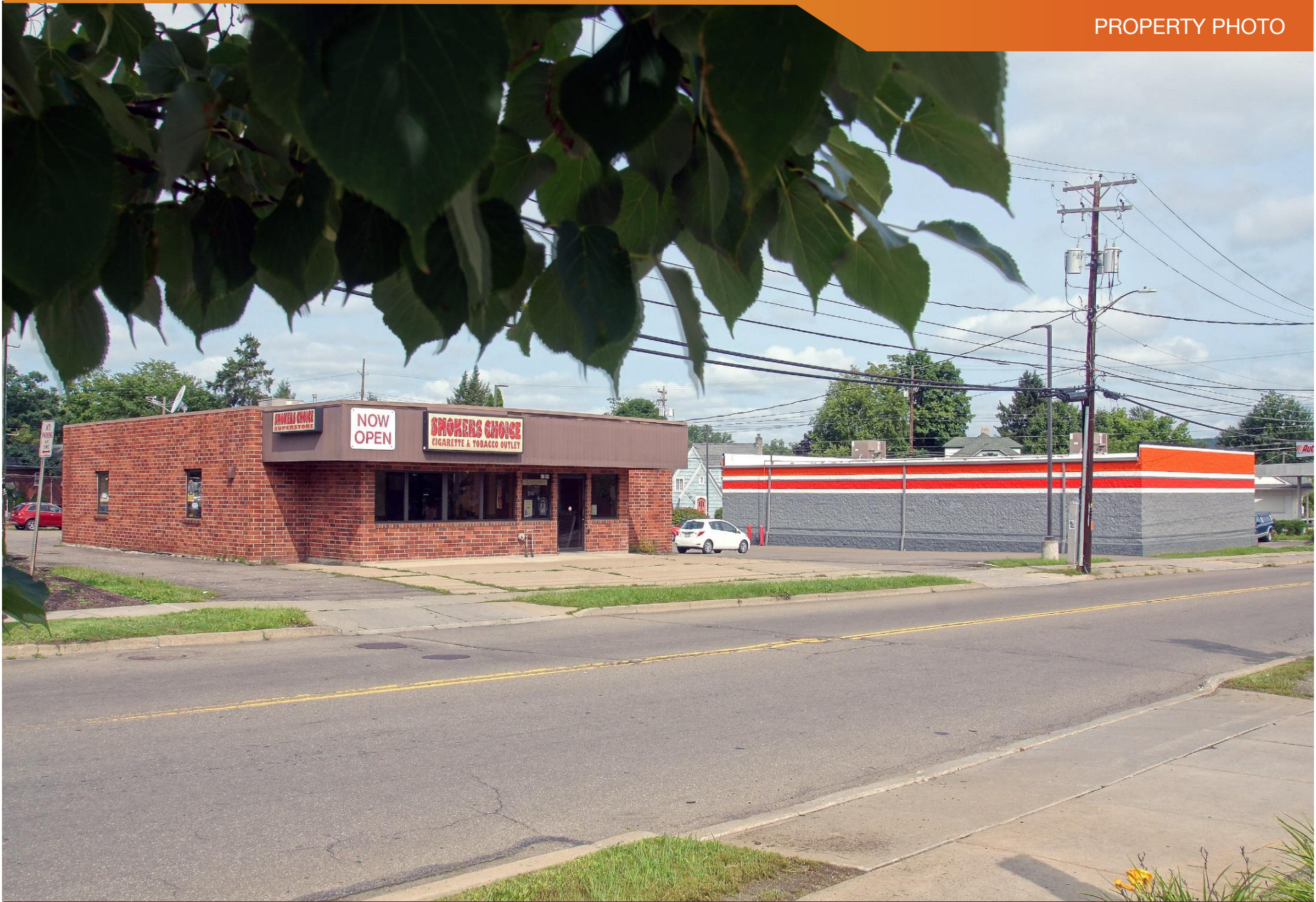














FINANCIAL ANALYSIS

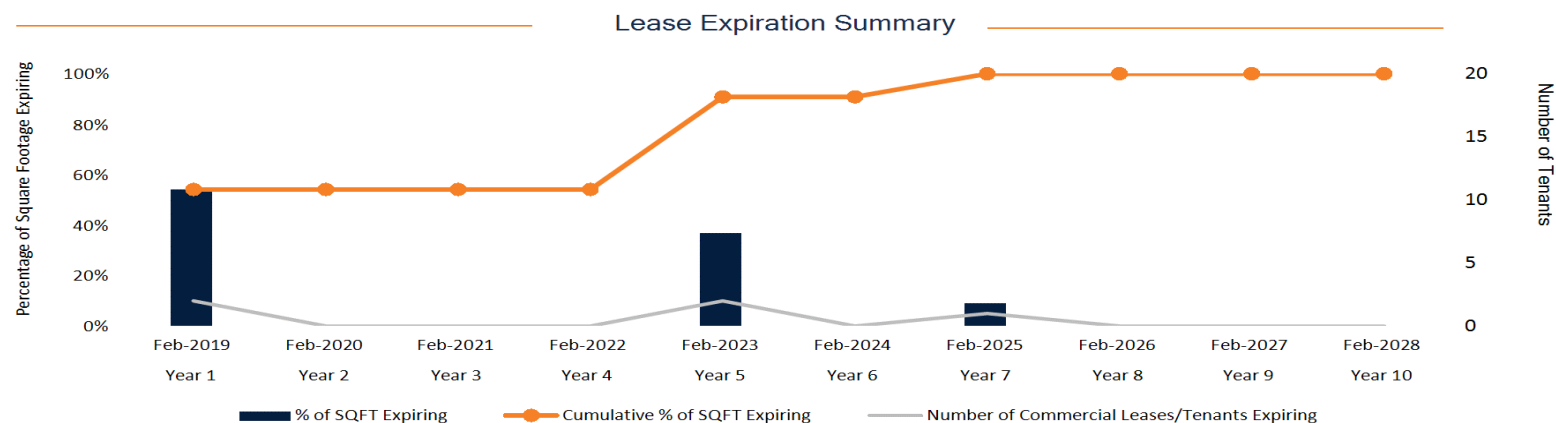


TENANT SUMMARY

As of February, 2019

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	Changes to	Lease Type	Renewal Options and Option Year Rental Information
AutoZone Ground Lease	38 Penn	3,900	35.8%	6/1/99	1/31/20	\$10.77	\$3,500	\$42,000	Feb-2020	\$45,000	NNN	2- (5) Year Option with 6.66% Increase
Anousheh Hair Design	44 Penn	1,000	9.2%	1/1/16	12/31/25	\$20.84	\$1,736	\$20,837	Jun-2019	\$21,879	NNN	1- (5) Year Option with 5% Annual Increases
Smokers Choice	42 Penn	1,000	9.2%	4/1/08	3/31/23	\$18.62	\$1,552	\$18,624	Apr-2021	\$19,183	NNN	1- (5) Year Option with 5% Annual Increases
Tan-Fastic	44 Penn	2,000	18.3%	2/1/12	1/31/20	\$13.84	\$2,307	\$27,684	N/A	N/A	NNN	
Anousheh Hair Salon	1152	3,000	27.5%	1/1/14	12/31/23	\$21.54	\$5,384	\$64,613	Jan-2020	\$67,884	NNN	1- (5) Year Option with 2.5% Annual Increases
Total		10,900				\$15.94	\$14,480	\$173,758				
		Occupied Tenants: 5		Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				

Notes: Portfolio includes 3 Buildings. Each Building is Parceled Off Separately. AutoZone is a Stand Alone Ground Lease on Separate Parcel. Roof Approximately 5 Years Old. HVAC System Approximately 8 Years Old.



OPERATING STATEMENT

Income	Year 1		Per SF	Year 2		Per SF	Notes
Scheduled Base Rental Income	173,758		15.94	174,800		16.04	
Expense Reimbursement Income							
CAM	4,710		0.43	4,710		0.43	
Insurance	3,755		0.34	3,755		0.34	
Real Estate Taxes	52,373		4.80	52,373		4.80	
Total Reimbursement Income	\$60,838	90.6%	\$5.58	\$60,838	90.6%	\$5.58	
Potential Gross Revenue	234,596		21.52	235,638		21.62	
General Vacancy	(8,688)	5.0%	(0.80)	(8,740)	5.0%	(0.80)	
Effective Gross Revenue	\$225,908		\$20.73	\$226,898		\$20.82	
Operating Expenses	Year 1		Per SF	Year 2		Per SF	Notes
Common Area Maintenance (CAM)							
Utilities	2,054		0.19	2,054		0.19	
Common Area Electric	2,656		0.24	2,656		0.24	
Insurance	3,755		0.34	3,755		0.34	
Real Estate Taxes	58,703		5.39	58,703		5.39	
Total Expenses	\$67,168		\$6.16	\$67,168		\$6.16	
Expenses as % of EGR	29.7%			29.6%			
Net Operating Income	\$158,740		\$14.56	\$159,730		\$14.65	

Notes to Operating Statement

- [7] AutoZone Has 30 Day First Right of Refusal
- [8] Portfolio Includes 3 Buildings; Each Building is Parceled Off Separately
- [9] 26+ Parking Spaces
- [10] Roof Approximately 5 Years Old
- [11] HVAC System Approximately 8 Years Old

PRICING DETAIL

Summary		
Price	\$1,750,000	
Down Payment	\$437,500	25%
Number of Suites	5	
Price Per SqFt	\$160.55	
Gross Leasable Area (GLA)	10,900 SF	
Lot Size	1.60 Acres	
Year Built/Renovated	1999	
Occupancy	100.00%	

Returns	Year 1	Year 2
CAP Rate	9.07%	9.13%
Cash-on-Cash	15.76%	15.99%
Debt Coverage Ratio	1.77	1.78

Financing	1st Loan
Loan Amount	\$1,312,500
Loan Type	New
Interest Rate	4.75%
Amortization	25 Years
Year Due	2024

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

Operating Data				
Income		Year 1	Year 2	
Scheduled Base Rental Income		\$173,758		\$174,800
Total Reimbursement Income	35.0%	\$60,838	34.8%	\$60,838
Other Income		\$0		\$0
Potential Gross Revenue		\$234,596		\$235,638
General Vacancy		(\$8,688)		(\$8,740)
Effective Gross Revenue		\$225,908		\$226,898
Less: Operating Expenses	29.7%	(\$67,168)	29.6%	(\$67,168)
Net Operating Income		\$158,740		\$159,730
Tenant Improvements		\$0		\$0
Leasing Commissions		\$0		\$0
Capital Expenditures		\$0		\$0
Cash Flow		\$158,740		\$159,730
Debt Service		(\$89,793)		(\$89,793)
Net Cash Flow After Debt Service	15.76%	\$68,947	15.99%	\$69,937
Principal Reduction		\$28,055		\$29,417
Total Return	22.17%	\$97,002	22.71%	\$99,354

Operating Expenses		Year 1	Year 2	
CAM		\$4,710		\$4,710
Insurance		\$3,755		\$3,755
Real Estate Taxes		\$58,703		\$58,703
Management Fee		\$0		\$0
Other Expenses - Non Reimbursable		\$0		\$0
Total Expenses		\$67,168		\$67,168
Expenses/SF		\$6.16		\$6.16



General Information

Address	123 South Front Street , Memphis, Tennessee, 38103, United States
Phone	901-495-6500
Website	www.autozone.com

Key Personnel

Chairman, CEO & President	William C. Rhodes III
CFO & EVP	William T. Giles

Store Base

Store Count	6,092
TTM Sales	\$11,174,914,000

Financial Markets

Stock Ticker	AZO
Current Price	\$698.17 as of 7/17/18
52 Week High/Low	\$797.89 / \$491.13

With about 5,500 stores in the US and Puerto Rico, AutoZone is one of the nation's leading auto parts chains. It also has more than 500 stores in Mexico and about a dozen in Brazil and operates some two dozen Interamerican Motor Corporation (parts distribution) branches in the US. AutoZone stores sell hard parts (alternators, engines, batteries), maintenance items (oil, antifreeze), accessories (car stereos, floor mats), and non-automotive merchandise under brand names and private labels. AutoZone's commercial sales program distributes parts and other products to garages, dealerships, and other businesses.

AutoZone, Inc.

CREDIT RATING: B1



Credit Rating Chart Comparison

CreditIntell | F&D Reports

Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

Fiscal Year Ended August 26, 2017

www.fdreports.com | www.creditintell.com | May 05, 2018

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

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We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,707
debt and equity
financings
in 2017**



**National platform
operating
within the firm's
brokerage
offices**



**\$5.63 billion
total national
volume in 2017**



**Access to
more capital
sources than
any other firm
in the industry**

WHY MMCC?

**Optimum financing solutions
to enhance value**

**Our ability to enhance
buyer pool by expanding
finance options**

**Our ability to enhance
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

MARKET OVERVIEW



Created on July 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	14,206	68,009	93,743
■ 2017 Estimate			
Total Population	14,275	68,340	94,112
■ 2010 Census			
Total Population	14,664	69,862	96,162
■ 2000 Census			
Total Population	14,657	68,447	94,762
■ Current Daytime Population			
2017 Estimate	19,927	82,261	127,597
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	6,588	27,752	38,029
■ 2017 Estimate			
Total Households	6,560	27,679	37,875
Average (Mean) Household Size	2.09	2.22	2.23
■ 2010 Census			
Total Households	6,790	28,586	39,029
■ 2000 Census			
Total Households	6,711	28,384	38,614
■ Occupied Units			
2022 Projection	6,588	27,752	38,029
2017 Estimate	7,450	31,351	42,433
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	6.05%	5.14%	6.19%
\$100,000 - \$149,000	7.33%	7.46%	8.92%
\$75,000 - \$99,999	7.89%	8.21%	9.12%
\$50,000 - \$74,999	14.83%	15.55%	17.02%
\$35,000 - \$49,999	10.73%	12.88%	13.22%
Under \$35,000	53.17%	50.75%	45.52%
Average Household Income	\$55,251	\$54,260	\$60,004
Median Household Income	\$32,072	\$34,350	\$39,637
Per Capita Income	\$25,851	\$23,461	\$25,486

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$49,885	\$50,502	\$54,841
■ Consumer Expenditure Top 10 Categories			
Housing	\$16,105	\$16,165	\$17,407
Shelter	\$10,707	\$10,678	\$11,473
Transportation	\$6,671	\$6,985	\$7,537
Food	\$4,843	\$4,878	\$5,253
Personal Insurance and Pensions	\$4,218	\$4,206	\$4,832
Health Care	\$2,975	\$2,997	\$3,336
Utilities	\$2,865	\$2,959	\$3,186
Entertainment	\$1,826	\$1,843	\$1,994
Apparel	\$1,343	\$1,318	\$1,405
Education	\$1,225	\$1,238	\$1,362
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	14,275	68,340	94,112
Under 20	18.86%	24.59%	23.91%
20 to 34 Years	30.42%	27.91%	25.86%
35 to 39 Years	4.57%	4.86%	4.84%
40 to 49 Years	9.44%	9.42%	9.78%
50 to 64 Years	18.52%	17.92%	18.90%
Age 65+	18.18%	15.28%	16.71%
Median Age	35.71	32.83	35.22
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	9,205	41,169	58,847
Elementary (0-8)	2.09%	2.32%	2.09%
Some High School (9-11)	8.80%	9.42%	8.29%
High School Graduate (12)	29.91%	30.92%	30.52%
Some College (13-15)	18.15%	18.45%	18.76%
Associate Degree Only	10.73%	11.56%	11.84%
Bachelors Degree Only	14.78%	14.04%	14.26%
Graduate Degree	14.89%	12.08%	13.03%

Source: © 2017 Experian



Population

In 2017, the population in your selected geography is 94,112. The population has changed by -0.69% since 2000. It is estimated that the population in your area will be 93,743.00 five years from now, which represents a change of -0.39% from the current year. The current population is 49.08% male and 50.92% female. The median age of the population in your area is 35.22, compare this to the US average which is 37.83. The population density in your area is 1,195.91 people per square mile.



Households

There are currently 37,875 households in your selected geography. The number of households has changed by -1.91% since 2000. It is estimated that the number of households in your area will be 38,029 five years from now, which represents a change of 0.41% from the current year. The average household size in your area is 2.23 persons.



Income

In 2017, the median household income for your selected geography is \$39,637, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 29.81% since 2000. It is estimated that the median household income in your area will be \$45,311 five years from now, which represents a change of 14.31% from the current year.

The current year per capita income in your area is \$25,486, compare this to the US average, which is \$30,982. The current year average household income in your area is \$60,004, compare this to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 77.66% White, 9.13% Black, 0.04% Native American and 7.19% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 5.88% of the current year population in your selected area. Compare this to the US average of 17.88%.



Housing

The median housing value in your area was \$98,107 in 2017, compare this to the US average of \$193,953. In 2000, there were 20,569 owner occupied housing units in your area and there were 18,046 renter occupied housing units in your area. The median rent at the time was \$388.



Employment

In 2017, there are 62,570 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.49% of employees are employed in white-collar occupations in this geography, and 38.48% are employed in blue-collar occupations. In 2017, unemployment in this area is 6.81%. In 2000, the average time traveled to work was 18.00 minutes.

