

AAMCO

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



59 Sussex Ave, Morristown, NJ 07960

Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS. ZAA0330003.



Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Local Map	9
Regional Map	10
Property Photos	11
Surrounding Area Photos	12-13
Demographics	14
Market Overview	15





Investment Highlights

PRICE: \$1,011,554 | CAP: 6.50% | NOI: \$65,751



About The Investment

- ✓ Brand New 20-Year Double Net (NN) Lease Signed February 2019
 - ✓ Substantial Work Done to Roof and Exterior Façade in April 2019 | 10-Year Roof Warranty
- ✓ Attractive Rental Increases of Two Percent Annually
- ✓ Located Less than One Hour from New York City

Compelling Location Fundamentals

- ✓ Dense Retail Corridor | Whole Foods Market, CVS Pharmacy, Rite Aid, Staples, Panera Bread, Starbucks, Dunkin' Donuts, Cold Stone Creamery, 7-Eleven, Domino's, and Many More
- ✓ Strong Traffic Counts | Located on Sussex Avenue Just off Speedwell Avenue | 11,423 and 21,000 Vehicles Per Day Respectively
- ✓ Strong Demographics | More than 120,380 Individuals Residing within a Five-Mile Radius
- ✓ Very Affluent Area | Average Household Income of \$166,475 within a Five-Mile Radius
- ✓ Less than Two Miles from Morristown Medical Center | 700-Bed Medical Facility
- ✓ Academic Area | Within Two Miles of Morristown High School, Morris Plains School and Alexander Hamilton Elementary School | Total Combined Enrollment Exceeding 3,800 Students

About The Tenant

- ✓ AAMCO is an American transmission-repair franchise founded by Robert Morgan and Anthony A. Martino
- ✓ AAMCO Transmissions and Total Car Care is one of the most trusted and recognized "automotive" brands in the country
- ✓ AAMCO has been building a legacy of trust and expertise for over 50 years
- ✓ With more than 600 locations, AAMCO service centers employ the latest technology and expert technicians who will diagnose a repair, fix it right the first time, and back it with a nationwide warranty
- ✓ Entrepreneur magazine has consistently ranked AAMCO as a top choice in its annual Franchise 500 rankings of franchise opportunities



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$1,011,554 | CAP: 6.50% | NOI: \$65,751



PROPERTY DESCRIPTION

Property	AAMCO
Property Address	59 Sussex Avenue
City, State, ZIP	Morristown, NJ 07960
Building Size	5,076 SF
Lot Size	+/- 0.13 Acres
Type of Ownership	Fee Simple

THE OFFERING

Annual Rent	\$67,020
Capital Reserves (\$0.25/SF)	\$1,269
Net Operating Income	\$65,751
CAP Rate	6.50%
Purchase Price	\$1,011,554
Price / SF	\$199
Rent / SF	\$13.20
NOI / SF	\$12.95

LEASE SUMMARY

Property Type	Net-Leased Auto Service
Ownership Type	Private
Tenant/Guarantor	Franchisee & Personal Guarantee
Original Lease Term	20.0 Years
Lease Commencement	February 12, 2019
Rent Commencement	May 15, 2019
Lease Expiration	May 31, 2039
Lease Term Remaining	20.0 Years
Lease Type	Double-Net (NN)
Roof & Structure	Landlord Responsible
Rental Increases	2.00% Annually

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)	Reserve (\$0.25/SF)	NOI
5/15/2019 - 5/31/2020	\$67,020	\$5,585	-	\$1,269	\$65,751
6/1/2020 - 5/31/2021	\$68,360	\$5,697	2.00%	\$1,269	\$67,091
6/1/2021 - 5/31/2022	\$69,728	\$5,811	2.00%	\$1,269	\$68,459
6/1/2022 - 5/31/2023	\$71,122	\$5,927	2.00%	\$1,269	\$69,853
6/1/2023 - 5/31/2024	\$72,545	\$6,045	2.00%	\$1,269	\$71,276
6/1/2024 - 5/31/2025	\$73,995	\$6,166	2.00%	\$1,269	\$72,726
6/1/2025 - 5/31/2026	\$75,475	\$6,290	2.00%	\$1,269	\$74,206
6/1/2026 - 5/31/2027	\$76,985	\$6,415	2.00%	\$1,269	\$75,716
6/1/2027 - 5/31/2028	\$78,525	\$6,544	2.00%	\$1,269	\$77,256
6/1/2028 - 5/31/2029	\$80,095	\$6,675	2.00%	\$1,269	\$78,826
6/1/2029 - 5/31/2030	\$81,697	\$6,808	2.00%	\$1,269	\$80,428
6/1/2030 - 5/31/2031	\$83,331	\$6,944	2.00%	\$1,269	\$82,062
6/1/2031 - 5/31/2032	\$84,998	\$7,083	2.00%	\$1,269	\$83,729
6/1/2032 - 5/31/2033	\$86,698	\$7,225	2.00%	\$1,269	\$85,429
6/1/2033 - 5/31/2034	\$88,431	\$7,369	2.00%	\$1,269	\$87,162
6/1/2034 - 5/31/2035	\$90,200	\$7,517	2.00%	\$1,269	\$88,931
6/1/2035 - 5/31/2036	\$92,004	\$7,667	2.00%	\$1,269	\$90,735
6/1/2036 - 5/31/2037	\$93,844	\$7,820	2.00%	\$1,269	\$92,575
6/1/2037 - 5/31/2038	\$95,721	\$7,977	2.00%	\$1,269	\$94,452
6/1/2038 - 5/31/2039	\$97,635	\$8,136	2.00%	\$1,269	\$96,366

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the AAMCO located at 59 Sussex Avenue in Morristown, NJ. The property consists of roughly 5,076 square feet of building space and is situated on roughly 0.13 acres of land. This AAMCO is subject to a brand new 20-year double-net lease, which commenced on February 12, 2019. The initial annual rent will be \$67,020, which is set to commence on May 15, 2019. The annual rent is scheduled to increase by two percent annually throughout the base term of the lease.



Concept Overview



About AAMCO

From transmissions to tune-ups and everything in between, people who know go to AAMCO. That's because for more than 50 years AAMCO has built a legacy of trust and expertise amongst its customers. Their locally owned and independent service centers employ the latest technology and expert technicians who will diagnose a repair, fix it right the first time, and back it with a nationwide warranty. That's why AAMCO has become one of the fastest growing names in total car care.

- Total car care, everything from transmissions to tune-ups
- A legacy of trust and expertise for over 50 years
- Local owned and independently operated service centers
- The latest technology for diagnosis and repair
- Expert technicians who "fix it right the first time"
- Strong nationwide warranty
- 600+ locations

General Information

Founded:	1963
Website:	https://www.aamco.com/
Headquarters:	Horsham, PA
Founder(s):	Anthony A. Martino & Robert Morgan

AAMCO Legacy

AAMCO has spent the past half century as the worldwide leader in transmission repairs. Since our founding in 1963, we have serviced more than 45 million vehicles, and we have nearly 650 auto repair franchise locations in North America. Our legacy brand continues to thrive. Entrepreneur magazine has consistently ranked us as a top choice in its annual Franchise 500 rankings of franchise opportunities. We are also an iconic brand that customers know. We recently hired a marketing firm to measure how well the public knows our brand, and 73% of people surveyed recognized us as the leading brand for transmission repair. This is no accident; we've spent five decades building customer trust through our "Double-A-BEEP-BEEP-M-C-O" marketing campaigns.

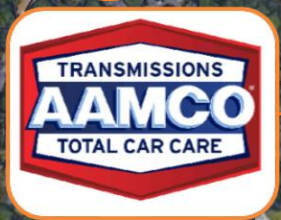
Representative Photo





Surrounding Area

Property Address: 59 Sussex Ave, Morristown, NJ 07960



LC Supermarket



Morristown High School
1,700+ Students

Sussex Ave ADTC: 11,423

Speedwell Ave ADTC: 21,000

Washington St
ADTC: 18,329



Location Overview

Property Address: 59 Sussex Ave, Morristown, NJ 07960

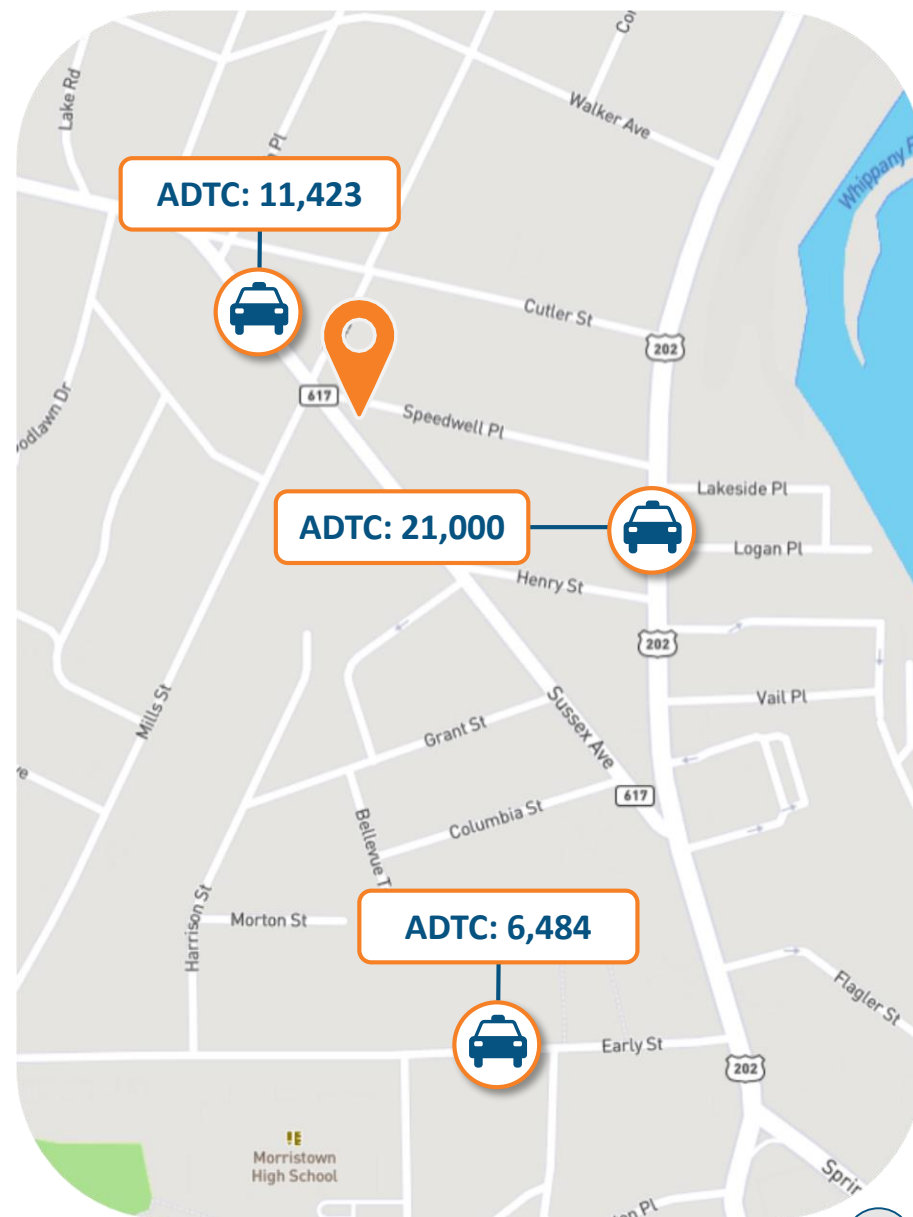


This AAMCO property is located at 59 Sussex Avenue in Morristown, New Jersey. Morristown is the county seat of Morris County.

The subject property sits in a densely populated residential community and is located at a signalized intersection where Sussex Avenue forks with Speedwell Place, making this AAMCO accessible from both streets. Major national tenants located in the surrounding area include: Whole Foods Market, CVS Pharmacy, Rite Aid, Staples, Panera Bread, Starbucks, Dunkin' Donuts, Cold Stone Creamery, 7-Eleven, Domino's, as well as many others. Morristown Highschool, Alexander Hamilton Elementary School and Morris Plains School are all located within two miles of the subject property. Together these schools boast a total combined enrollment exceeding 3,800 students. Additionally, Morristown Medical Center, a 700-bed general medical and surgical facility is located less than two miles from the subject property.

There are more than 56,750 individuals residing within a three-mile radius of the subject property and more than 120,380 individuals residing within a five-mile radius. The subject property is located on Sussex Avenue, which intersects with Speedwell Avenue. Sussex Avenue experiences average daily traffic counts exceeding 11,420 vehicles, while Speedwell Avenue brings an additional average of 21,000 vehicles to the immediate surrounding area per day. This AAMCO also benefits from being positioned in a very affluent community. The average household income within a three-mile radius of the subject property is \$157,550 while the average household income within a five-mile radius is \$166,475.

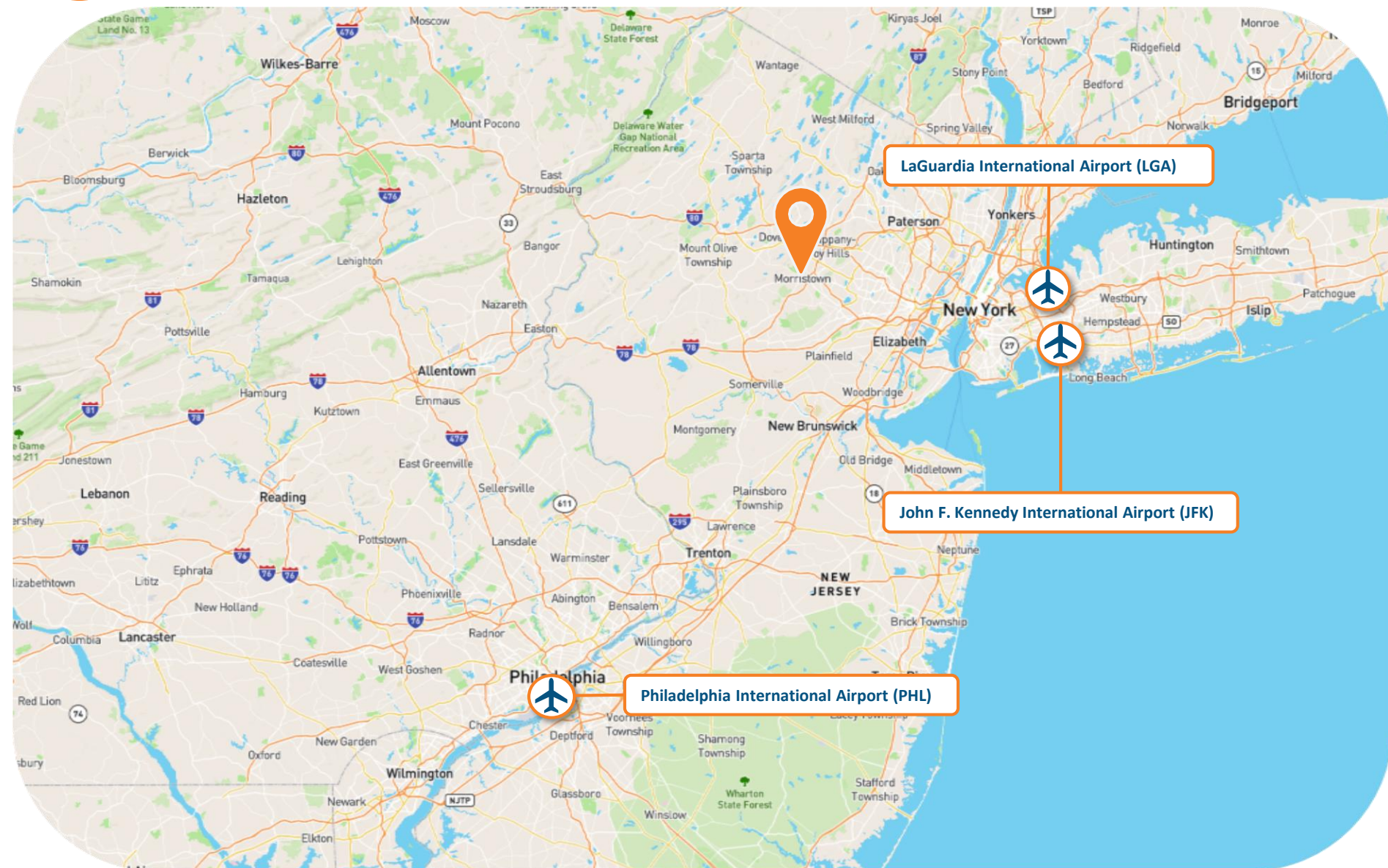
Morris County's strategic location in the New York–New Jersey Area, robust talent pool and workforce, and full range of affordable and flexible commercial real estate options make it a prime location for companies from a variety of industries. Drive time to NYC is 30 minutes and only about 80 minutes to Philadelphia. There are many critical Morris County industries. In 2016, the County employed more than 300,000 workers in the area. Morris County's target industries include advanced manufacturing, technology, health services, aerospace and defense, and finance. Its diverse economy produces a Gross Regional Product (GRP) of \$50 billion. The county is recognized as a select location for corporate headquarters and supporting facilities. It is renowned for its quality of life and hosts a strong regional infrastructure backed by a multi-tiered workforce. Combining all these conditions are what make Morris County a strong business environment. Many Fortune 500 companies, thriving start-ups and small businesses are headquartered here, making it easy to have access to some of the greatest future clients in the world.





Local Map

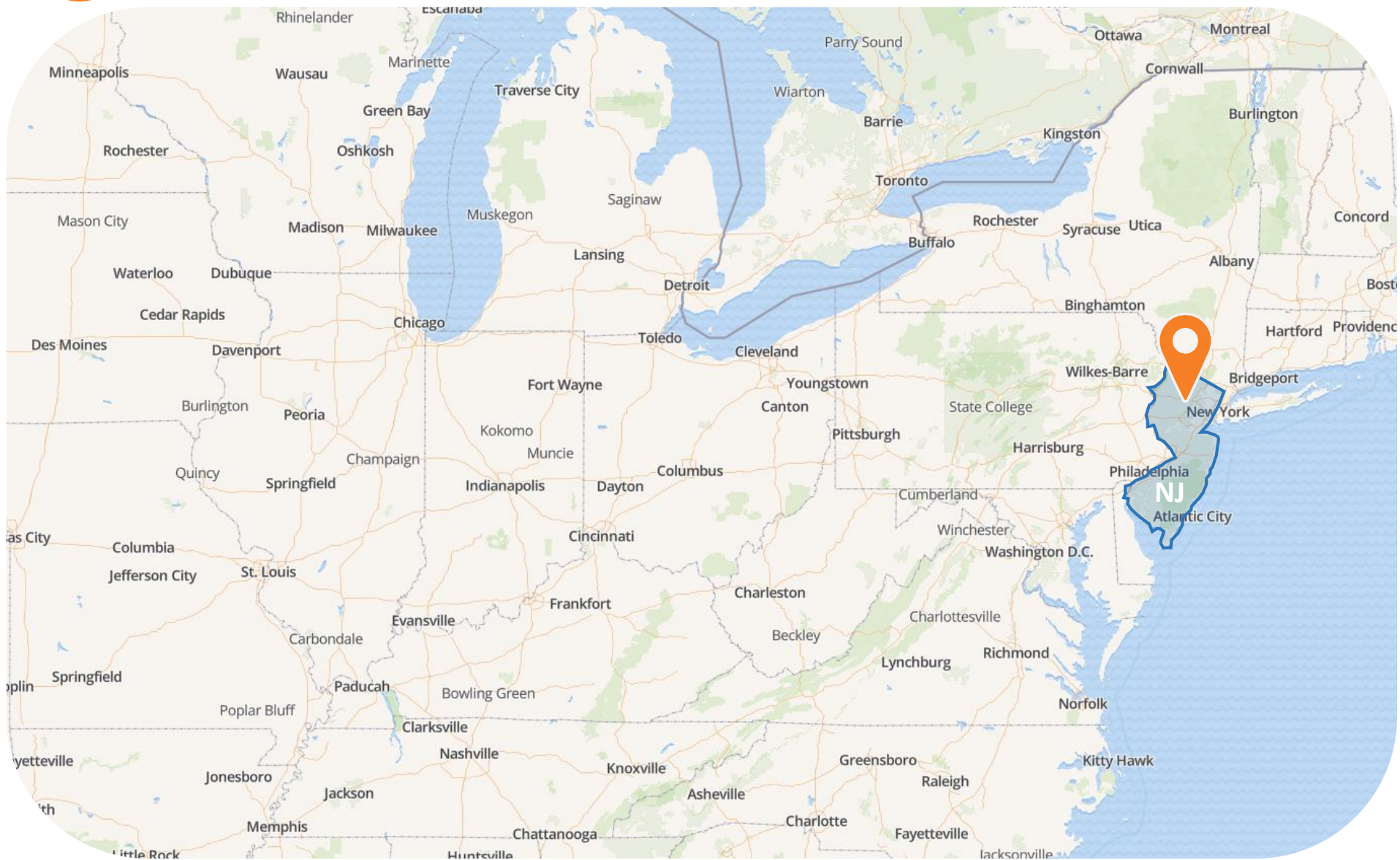
Property Address: 59 Sussex Ave, Morristown, NJ 07960





Regional Map

Property Address: 59 Sussex Ave, Morristown, NJ 07960





Property Photos

Property Address: 59 Sussex Ave, Morristown, NJ 07960





Surrounding Area Photos

Property Address: 59 Sussex Ave, Morristown, NJ 07960





Surrounding Area Photos

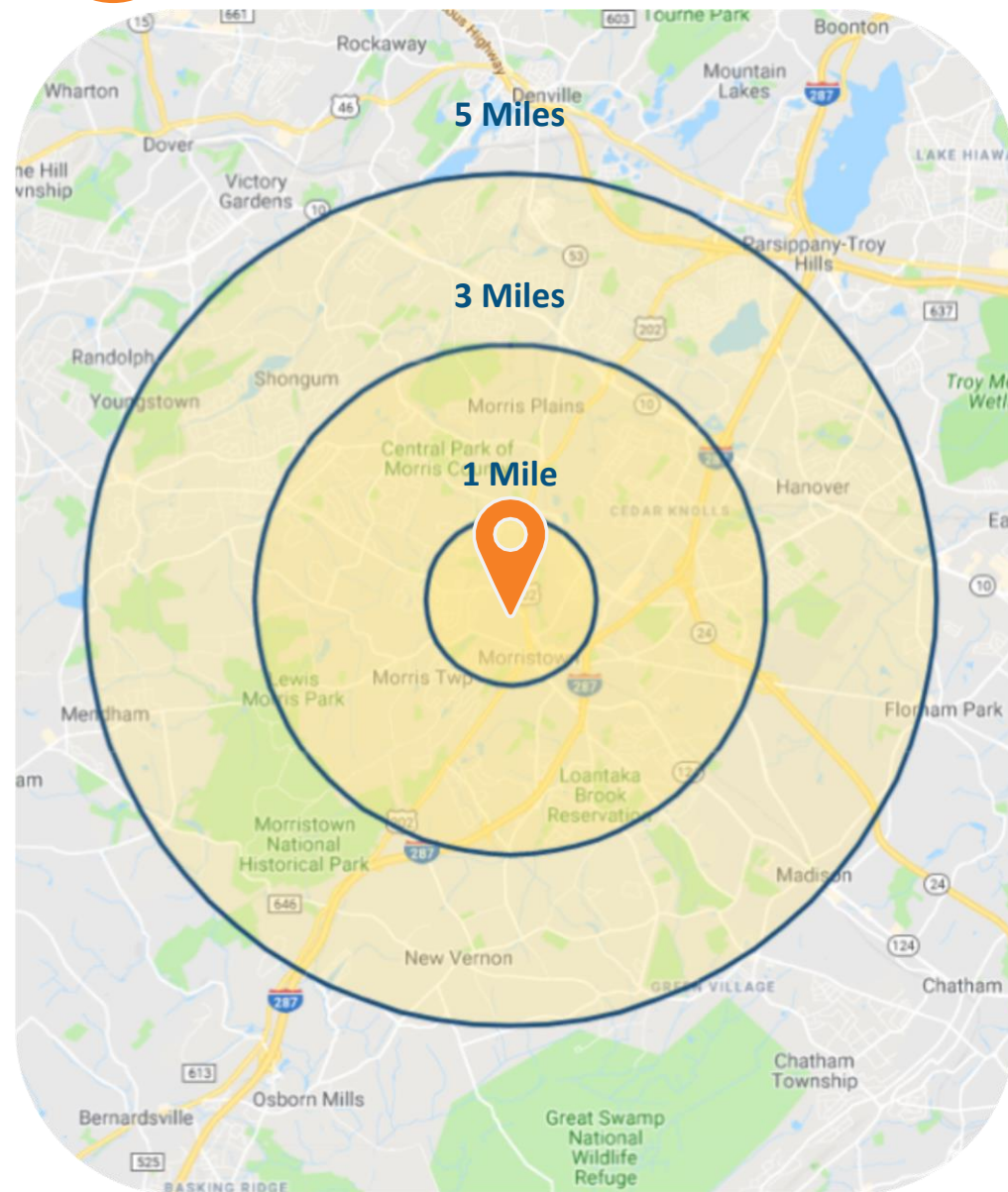
Property Address: 59 Sussex Ave, Morristown, NJ 07960





Demographics

Property Address: 59 Sussex Ave, Morristown, NJ 07960



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	17,654	57,746	122,980
2017 Estimate	17,461	56,755	120,381
2010 Census	16,929	54,836	116,828
2000 Census	16,449	53,208	111,733

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$114,707	\$157,580	\$166,475
Median	\$76,263	\$107,374	\$115,718
Per Capita	\$42,664	\$60,260	\$61,543

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	6,605	22,103	45,361
2017 Estimate	6,417	21,494	43,956
2010 Census	6,199	20,704	42,495
2000 Census	5,969	19,887	40,284

HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$389,860	\$480,130	\$494,249

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	23,765	87,230	184,778
2017 Unemployment	3.91%	3.67%	4.71%
2017 Median Time Traveled	24 Mins	27 Mins	29 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	57.57%	73.74%	74.59%
Native American	0.06%	0.04%	0.03%
African American	16.14%	8.60%	5.73%
Asian/Pacific Islander	3.44%	7.47%	12.51%



Market Overview

City: Morristown | County: Morris | State: New Jersey



Morristown is the county seat of centrally located Morris County, New Jersey. Downtown Morristown is a powerful commercial center that over the last 14 years has benefited from revitalization projects valued at \$750 million. Its strength resulted in low commercial vacancy rates during the Great Recession, while its many new residential units continue to be filled at a faster pace than most comparable communities. The city of Morristown maintains 15 facilities that include recreation centers, sporting fields, a BMX track, horse barn, walking trails, a splash pad, playgrounds, picnic areas and shelters that are maintained year round for public use. Morristown is also home to a number of cultural centers, including the Encore Theatrical Company, Studio 180 Dance, and The Rose Center (a cultural arts center featuring concerts, art classes, a local history museum, and art gallery). Morristown and Hamblen County have consistently maintained a lower cost of living average compared to the nation. While the overall 2014 index for Morristown was 89.8 (compared to the U.S. average of 100), most notable is the cost of housing index of 74.9, which makes the initial capital needs for a move to Morristown much more feasible for a potential resident. New York City is easily accessible from Morristown, which has a train station on New Jersey Transit's Morris & Essex line that provides service to Penn Station in Manhattan, approximately one hour away. Morristown is only 31 miles from Manhattan and 84 miles from Philadelphia.

Major Employers

Employer	Estimated # of Employees
Collabera Technologies	12,000
NPS	4,600
Morristown Memorial Hospital	4,242
G C I	4,200
B&G Foods Inc	2,934
Quest Diagnostics	2,823
Bioscrip Infusion Services LLC	2,000
Budget Rent-A-Car	1,800
Pbf Energy	1,714
RB	1,600
Verizon	1,563
CTS	1,500

Morristown, New Jersey

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



Brian Hosey
Marcus & Millichap
250 Pehle Avenue, Suite 501 Building One
Saddle Brook, NJ 07663
Tel: 201-742-6100
Fax: 201-742-6110
License: 1434917



59 Sussex Ave, Morristown, NJ 07960