

**Advance  
Auto Parts**

- New 10-Year Extension
- Investment Grade Credit
- Extremely Low Rent

**Advance Auto Parts**

**#2**

**LARGEST AUTOMOTIVE  
RETAILER IN THE WORLD**

**OFFERING MEMORANDUM**

**FARMVILLE, NORTH CAROLINA (GREENVILLE MSA)**



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS



## OFFERING MEMORANDUM

FARMVILLE, NORTH CAROLINA (GREENVILLE MSA)

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### LOCATION

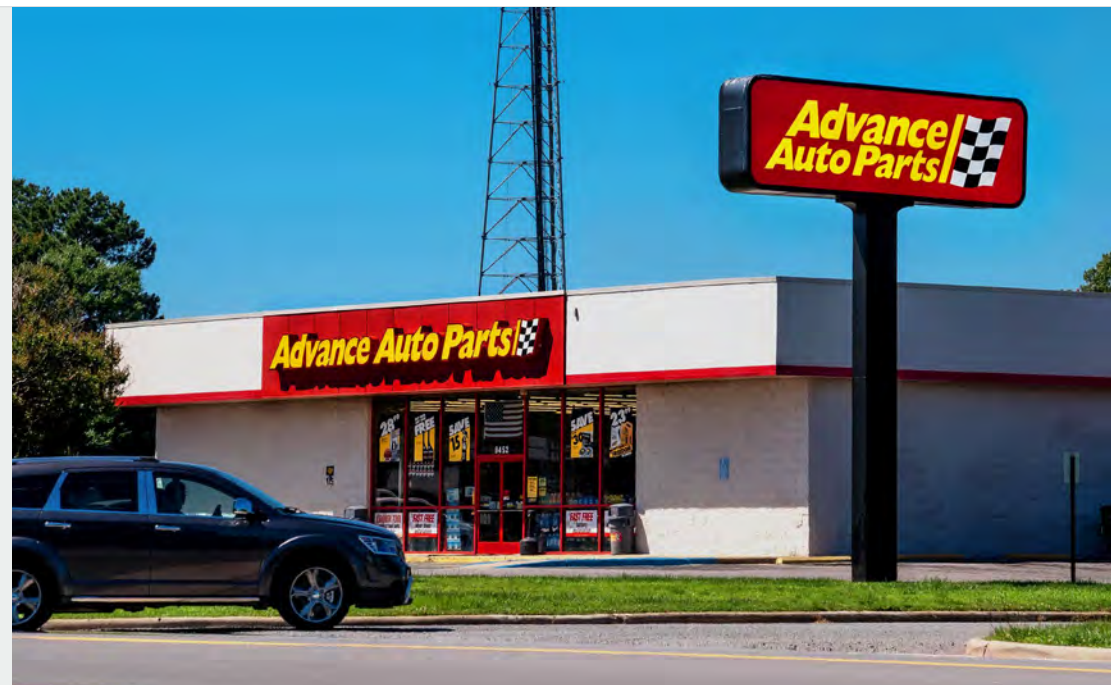
**Advance Auto Parts**  
**8452 E Marlboro Rd**  
**Farmville, NC 28728**

### OFFERING SUMMARY

<b>Price:</b>	\$716,000
<b>Current Net Operating Income (NOI):</b>	\$42,980
<b>Capitalization Rate:</b>	6.00%
<b>Price per Square Foot:</b>	\$103
<b>Net Rentable Area:</b>	6,972
<b>Year Built:</b>	1992
<b>Lot Size (Acres):</b>	1.15

### LEASE TERMS

<b>Lease Commencement:</b>	March 27, 1995
<b>Lease Expiration:</b>	April 30, 2029
<b>Lease Term:</b>	10 Years
<b>Lease Type:</b>	NNN
<b>Roof &amp; Structure:</b>	Landlord Responsibility
<b>Monthly Rent:</b>	\$3,582 (\$.51/sf)
<b>Annual Rent:</b>	\$42,980 (\$6.16/sf)
<b>Rental Increases:</b>	In Option
<b>Renewal Options:</b>	One 5-Year @ FMV



### QUICK FACTS

**BBB-**  
**INVESTMENT GRADE**  
**CREDIT**

**4,931**  
**TOTAL LOCATIONS**  
**WORLDWIDE**

**17**  
**YEARS ON**  
**FORTUNE 500 LIST**

**\$9.6B**  
**2018**  
**REVENUE**



- **Single-Tenant Advance Auto Parts:**
  - Investment grade credit guaranty (NYSE: AAP; S&P: BBB-; Moody's Baa2)
  - Second largest retailer of automotive replacement parts and accessories in the U.S.
  - Fortune 500 company since 2003
  - 4,931 stores and 56,000 employees nationwide; founded in 1932
- **Advance Auto Parts Executed a New 10-Year Extension, Showing their Commitment to the Site**
- **Ideal 1031 Exchange Property:** Long term NNN lease with minimal landlord obligations; ideal for cash flow investors
- **Low Rent Location:** At \$6.16 per square foot, the rent is lower than any Advance Auto Parts sold over the previous 12 months
- **Large Monument Signage on East Marlboro Road**
- **Pad to a Dollar Tree & Roses Anchored Shopping Center**
- **Fee Simple Investment:** Allowing for depreciation for the new ownership
- **Explosive Growth:** Pitt County has had a 39% increase in population since 2000
- **Driving Market:** Over 10,000 workers commute into Pitt County daily, which is an ideal market for an auto parts store
- **Greenville MSA Location with 180,000 Residents**







SURROUNDING



Not a Part

TENANTS



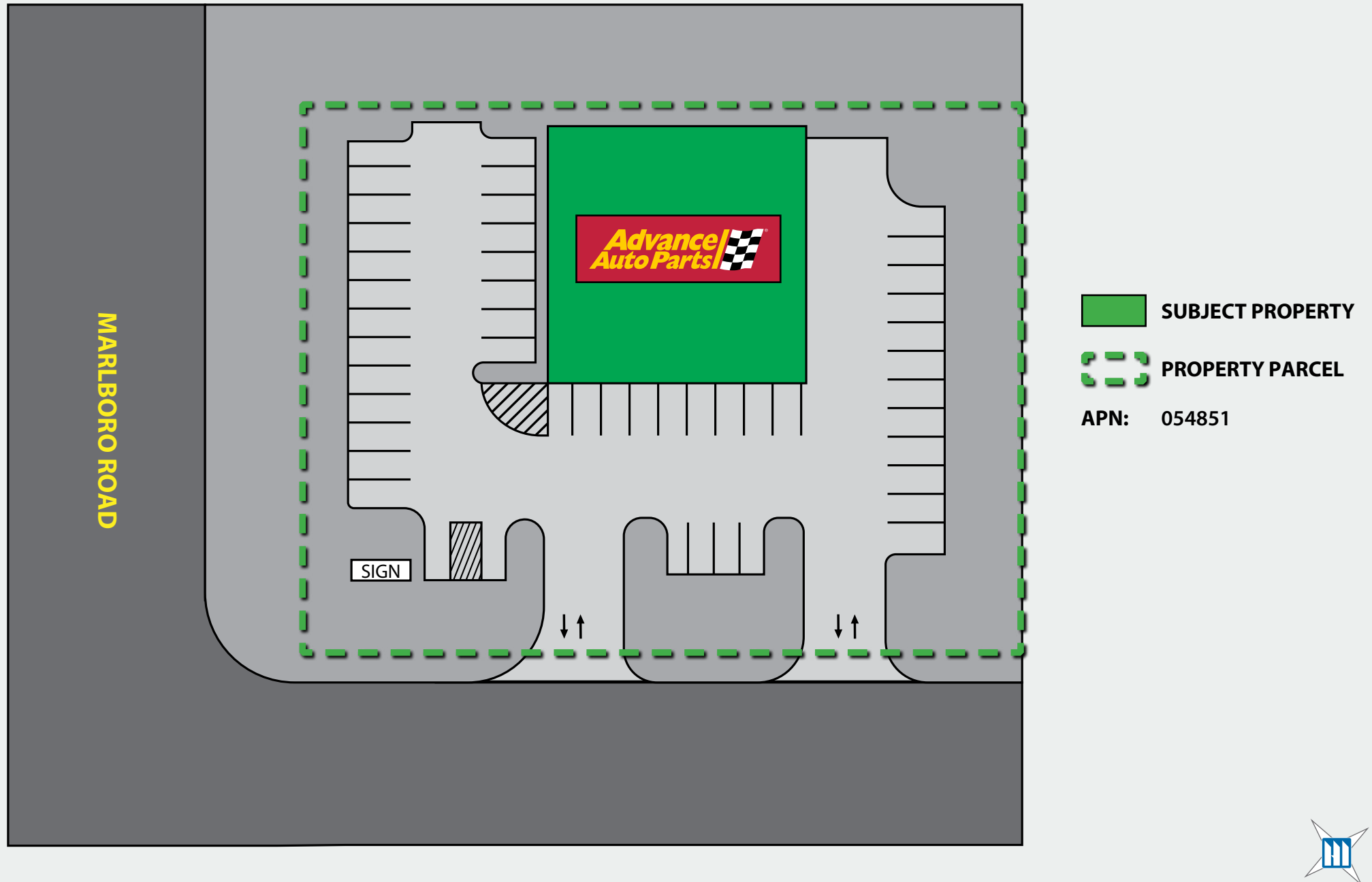


# SITE PLAN / PARCEL MAP

ADVANCE AUTO PARTS



**HANLEY INVESTMENT GROUP**  
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## 2018 DEMOGRAPHICS

	Population:	
	3-Mile Radius	6,473
	5-Mile Radius	9,550
	10-Mile Radius	43,868
	Household Income:	
	3-Mile Radius	\$60,496
	5-Mile Radius	\$63,775
	10-Mile Radius	\$64,906

10K

OVER 10,000 WORKERS COMMUTE  
INTO PITT COUNTY DAILY

39%

POPULATION INCREASE  
SINCE 2000





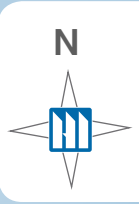


## RALEIGH-DURHAM INTERNATIONAL AIRPORT (RDU)

- 12 million annual passengers
- Over 400 daily flights and 62 nonstop destinations

**SUBJECT PROPERTY**  
*Advance Auto Parts*

1 HOUR DRIVE







Advance Auto Parts, Inc. is a Fortune 500 company and the 2nd largest automotive aftermarket retailer in the world. Headquartered in Raleigh, N.C., the company sells original equipment and automotive replacement parts, accessories, batteries, and maintenance items for cars, SUVs, and trucks.

The company started small in 1932 with the purchase of three Advance Stores from Pep Boys. The 1980s brought the name change to Advance Auto Parts and marked the beginning of a period of rapid expansion. In 2001, the company acquired Carport Auto Parts and Discount Auto Parts, Inc., together consisting of nearly 700 stores. Following the acquisition of the latter, Advance Auto Parts became a publicly traded company listed on the New York Stock Exchange.

The company continued its path of expansion, acquiring TrakAuto, BWP Distributors, and General Parts International. Through the acquisition of General Parts, Advance Auto Parts became the supplier of original equipment and aftermarket replacement parts for Carquest and Worldpac.

Today, the company operates 4,931 stores and 146 Worldpac branches throughout the U.S. and Canada. Advance Auto Parts also serves 1,238 independently owned Carquest stores in several international markets. The company employs more than 70,000 people.

Advance Auto Parts was named to the Fortune 500 list in 2003 and has remained there since that time, ranking number 326 in 2019. In 2018, Advance Auto Parts' comparable store sales increased 2.3%, its highest level in 8 years. Total revenue in 2018 increased to \$9.6 billion.

In October 2018, Advance Auto Parts and Walmart announced a strategic partnership to create an automotive specialty store on Walmart.com. The new partnership will offer Advance access to one of the largest ecommerce channels in the world.

<b>Company Type:</b>	Public (NYSE: AAP)
<b>S&amp;P Rating:</b>	BBB-
<b>Locations:</b>	4,931
<b>Website:</b>	<a href="http://www.advanceautoparts.com">www.advanceautoparts.com</a>





## Greenville MSA

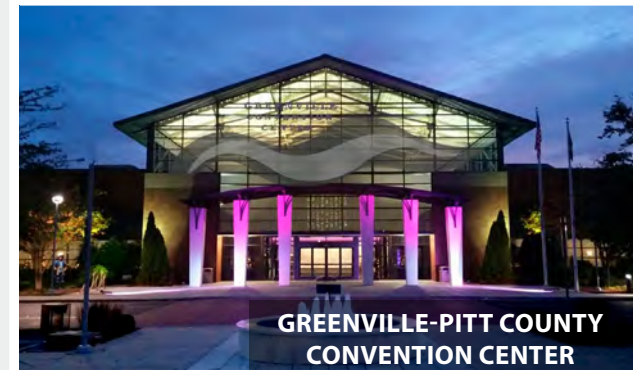
- Also known as Pitt County, NC; comprises the Greenville, NC metropolitan statistical area
- Economic, cultural, educational, and medical hub of eastern North Carolina
- 33.8% population increase from 2000–2017; one of the fastest growing urban centers in the state
- 180,000 residents; 14th most populous county in the state
- Largest cities in Pitt County include Greenville (9.3% growth), Winterville (4.2% growth), and Ayden (2.3% growth)

## ECONOMY

- Greenville MSA (Pitt County) is the largest retail hub in eastern North Carolina
  - Ranks as one of 12 billion-dollar retail markets in the state
  - 7% increase in taxable sales from 2017-2018
- Lowest corporate tax rate in the nation at 2.5%
- Manufacturing is a key industry, with 15 facilities employing 100 or more and 5 employing 500 or more
- Growing global recognition for pharmaceutical manufacturing, life sciences, and biotech
  - **East Carolina University** - Medical & engineering college; 29,000 students
    - ◆ Supports the regional presence of major pharmaceutical companies including ThermoFisher Scientific, Mayne Pharma, Fresenius Kabi, Merck, Pfizer, Purdue Pharma, Sandoz, CMP Pharma, RTI Surgical
  - **Mayne Pharmaceutical in Greenville, NC** - ASX-listed specialty pharmaceutical company focused on applying its drug delivery expertise to pharmaceuticals
    - ◆ \$80 million facility expansion
    - ◆ 126,000 square feet; completed spring 2018



DOWNTOWN GREENVILLE



GREENVILLE-PITT COUNTY  
CONVENTION CENTER



MAYNE EXPANSION



**38.8% POPULATION  
INCREASE FROM 2000-2017**  
(#14 MOST POPULOUS COUNTY IN STATE)



**THE LARGEST RETAIL HUB IN  
EASTERN NORTH CAROLINA**



**20+ MANUFACTURING  
INDUSTRIES IN THE REGION**

**\$80M**

**FACILITY EXPANSION AT  
MAYNE PHARMACEUTICAL**  
(126,000 SF FACILITY)

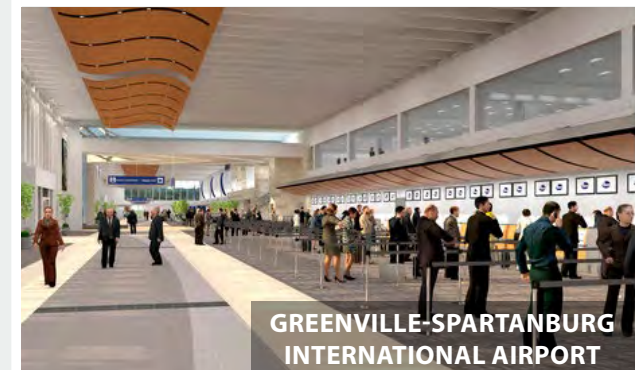




- **Thermo Fisher Plant in Greenville** - Manufactures sterile injectables, capsules, API and large-molecule development industrial plant upgrades and \$74 million in facility upgrades
  - ◆ 488 new jobs in to the area
- Major employers include Vidant Medical Center (6,760 employees), East Carolina University (5,700 employees), Pitt County Public Schools (3,700 employees), Patheon (1,260 employees), and Hyster-Yale (1,220 employees)
- 27% expansion in civilian labor force from 2000–2017, compared with 12.9% for the state
- 13% increase in employment from 2000–2017, versus a 3.6% gain statewide

### TRANSPORTATION

- Economic hub with convenient access to rail, air, deep water ports, and major highways
- Planned redevelopment of U.S. 264 to I-587 between Zebulon and Greenville will spur economic development to the state
- **Pitt-Greenville Airport** - Public airport in Greenville; 91,000 passengers annually, bringing \$280 million to the local economy
  - Generates 1,650 jobs, \$8.8 million in state and local taxes, and 59.6 million in personal income
  - \$19 million recent expansion
- **G.K. Butterfield Transportation Center** - Central hub for local and regional transit systems, as well as Greyhound and Amtrak
  - Recognized by the North Carolina Department of Transportation by winning the Mobi Award in tourism category
  - **Greenville Area Transit System (GREAT)** - Currently expanding routes; awarded \$11 million grant
  - **Pitt Area Transit (PATs)** - 40,000 annual trips
  - **Amtrak Bus Service** - 2 eastern North Carolina routes, serving Greenville, New Bern, Havelock, and Morehead City
  - **ECU Transit** - East Carolina University bus; 2.5 million rides annually
- 10,000+ workers commute into the Pitt County/Greenville MSA daily
- 84% of commuters drive their own cars alone



**\$74M**

**IN FACILITY UPGRADES AT  
THERMO FISHER PLANT  
(488 NEW JOBS IN GREENVILLE)**



**13% INCREASE IN EMPLOYMENT  
IN THE COUNTY FROM 2000-2017**



**GENERATES 280 MILLION  
TO THE LOCAL ECONOMY**



**REDEVELOPMENT OF US 264 TO  
I-587 WILL SPUR ECONOMY**





### DEVELOPMENT

- **DENSO** - World's second largest mobility supplier; recently purchased ASMO Greenville
- **10th Street Connector Project - Greenville, NC** - \$30 million project; projected completion date July 2019
  - Infrastructure development will connect the intersection of Stantonsburg Road and Memorial Drive
  - Will provide convenient connection between the university and medical communities
  - Sustain and support economic development of Greenville, ECU, and PCMH
- **East Carolina University Expansion** - Planned \$122 million student union, \$15 million hotel and alumni center, \$55 million expansion of Dowdy-Ficklen Stadium, and \$54 million student housing project

### EDUCATION

- **East Carolina University** - Public research university in Greenville, NC
  - Third largest university in the state (29,000 enrollment; 5,500 faculty and staff)
  - Brody School of Medicine ranked No. 1 in North Carolina and No. 2 nationally in the percentage of graduates who choose careers in family medicine
  - Four student-targeted communities currently in development; 1,930 new bedrooms; completion date June 2020
- **Pitt Community College** - Public community college in Winterville, NC
  - 8,256 students; 550 faculty members
  - One of the highest rated community colleges in the state based on affordability, diversity, and student community size



PITT COUNTY COURTHOUSE



G.K. BUTTERFIELD  
TRANSPORTATION CENTER



AYDEN GOLF CLUB

**\$246M+**

**EAST CAROLINA UNIVERSITY  
EXPANSION UNDERWAY**



**2.5 MILLION BUS  
RIDES VIA GREAT**



**10,000+ WORKERS COMMUTE  
INTO PITT COUNTY DAILY**

**\$30M**

**FOR THE 10TH STREET  
CONNECTOR PROJECT**





	<u>3-Mile</u>	<u>5-Mile</u>	<u>10-Mile</u>
<b>Population</b>			
2023 Projection	6,700	9,938	48,502
2018 Estimate	6,473	9,550	43,868
2010 Census	6,413	9,432	41,263
2000 Census	6,184	9,148	32,319
Growth 2000-2010	3.70%	3.10%	27.67%
Growth 2010-2018	0.94%	1.25%	6.31%
Growth 2018-2023	3.51%	4.06%	10.56%
<b>Households</b>			
2023 Projection	2,741	3,976	18,969
2018 Estimate	2,631	3,793	16,901
2010 Census	2,590	3,726	15,730
2000 Census	2,452	3,550	12,039
Growth 2000-2010	5.63%	4.96%	30.66%
Growth 2010-2018	1.58%	1.80%	7.44%
Growth 2018-2023	4.18%	4.82%	12.24%
<b>2018 Est. Population by Single-Classification Race</b>			
White Alone	3,110	4,942	22,601
Black or African American Alone	2,943	3,976	17,652
American Indian and Alaska Native Alone	14	23	193
Asian Alone	35	54	750
Some Other Race Alone	299	431	1,715
Two or More Races	72	124	879
<b>2018 Est. Population by Ethnicity (Hispanic or Latino)</b>			
Hispanic or Latino	480	712	3,097
Not Hispanic or Latino	5,993	8,838	40,771
<b>2018 Est. Average Household Income</b>	<b>\$60,496</b>	<b>\$63,775</b>	<b>\$64,906</b>



# CONFIDENTIALITY AGREEMENT

ADVANCED AUTO PARTS



**HANLEY INVESTMENT GROUP**  
REAL ESTATE ADVISORS

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**\$6+ BILLION**

retail sales nationwide



**SHARED DATABASE**

collaborative proprietary database



**TOP BROKERAGE GLOBALLY**

in investment sales



**COSTAR POWER BROKER**

top sales brokers & firm in OC



**NATIONWIDE REACH**

retail & investors across the U.S.