



Advance [®]
Auto Parts

3162 East Holland Ave
Saginaw, MI 48601



MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES



LISTED BY

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Broker of Record
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Investment Highlights

- **Very Low Price Point** - This property is well valued below replacement cost and is perfect for the last portion of a 1031 exchange
- **Large Lot** - This property is situated on 4.12 acres allowing for expansion or redevelopment in the future
- **Extremely Low Rent** - This building is paying around 44% lower rent than the national average for this tenant
- **Future Upside** - There is a 52% rental increase coming in the first option providing a significant upside potential
- **Strong Traffic Counts** - This property is strategically located just off highway I-75 that sees over 65,000 VPD with 22,000 exiting on Holland avenue
- **Investment Grade Credit Tenant** - The lease is corporately guaranteed by Advance Auto Parts which has a market cap of 9.6 Billion and a BBB- S&P Rating
- **15 Year Roof Warranty** - This property has 10 years left on a 15 year roof warranty making this investment even more passive







Investment Summary



» PROPERTY ADDRESS

3162 East Holland Ave
Saginaw, MI 48601



» LIST PRICE

\$674,000



» CAP RATE

8.00%

Annualized Operating Data

	Monthly Rent	Annual Rent	RPSF	Cap Rate
Current - 12/31/22	\$4,491.66	\$53,899.92	\$7.70	8.00%
Option 1 1/1/23 - 12/31/27	\$6,840.20	\$82,082.40	\$11.73	12.18%
Option 2 1/1/28 - 12/31/2032	\$7,319.01	\$87,828.12	\$12.55	13.03%

Lease Guarantor	Corporate
Lease Type	NN
Building Size (SF)	± 7,000 SF
Lot Size (AC)	± 4.17
Years Remaining	3.52 YRS
Options	Two (2), 5 Year Option
Lease Commencement Date	12/31/2001
Lease Expiration Date	12/31/2022
Rent Commencement Date	10/8/2014
Rental Rent/Annual	\$53,899.92
Monthly Rent	\$4,491.66



Tenant Overview



» Company Name Advance Auto Parts	» Year Founded 1929	» Headquarters Roanoke, Virginia
» Parent Company Advance Auto Parts, Inc.	» Credit Rating BBB-	» Website www.advanceautoparts.com

TENANT OVERVIEW

Headquartered in Roanoke, VA., Advance Auto Parts, Inc., the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers. Advance Auto Parts operates over 5,185 stores, over 127 Worldpac branches and serves approximately 1,250 independently owned CARQUEST branded stores in the United States, Puerto Rico, the U.S. Virgin Islands and Canada. Employing approximately 74,000 Team Members, the company works hard to create an environment of honesty, integrity, mutual trust and dedication. These values have remained the same since Advance Auto Parts founding in 1929. Advance Auto Parts operates stores that primarily offer auto parts such as alternators, batteries, belts and hoses, chassis parts, clutches, engines and engine parts.

STRATEGY

AAP continues to expand its store network in both new and existing markets to grow its commercial and DIY customer base. In a move that created the largest automotive aftermarket parts provider in North America and surpassed rival AutoZone in sales, AAP acquired privately-held General Parts International, a distributor and supplier of original equipment and aftermarket replacement products for commercial markets operating under the CARQUEST and WORLDPAC brands. The company has also been moving into the commercial market in recent years. To better serve commercial customers, AAP has added more parts from key manufacturers to its inventory and expanded its workforce with parts professionals, delivery drivers, and sales representatives.

SALES & MARKETING

Advance Auto Parts builds its marketing and advertising campaigns around radio, television, direct marketing, mobile and social media, and local in-store marketing. Its "Speed Perks" customer loyalty campaign targets core DIY customers and emphasizes service. The company also employs Spanish-language television, radio, and outdoor ads to reach Latinos.



Area Overview

Saginaw, MI

The city of Saginaw and Saginaw County are both located in the area known as Mid-Michigan or Central Michigan. The city of Saginaw is located adjacent to Saginaw Charter Township and is considered part of the Tri-City area, along with neighboring Bay City and Midland. Currently, economic development is focused on comparative advantages in innovation, clean energy, and continued manufacturing exports.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2019 Estimate	5,473	30,666	76,678
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2019 Estimate	2,289	12,091	30,965
INCOME	1 - MILE	3 - MILE	5 - MILE
2019 Est. Average Household Income	\$35,691	\$38,109	\$46,242

Central Michigan University

Central Michigan University (CMU) is a public research university located in Mount Pleasant in the U.S. state of Michigan. Established in 1892, Central Michigan University is one of the largest universities in the state of Michigan and one of the nation's 100 largest public universities. It has more than 20,000 students on its Mount Pleasant campus and 7,000 students enrolled online at more than 60 locations worldwide. CMU offers 200 academic programs at the undergraduate, master's, specialist, and doctoral levels, including nationally recognized programs in entrepreneurship, journalism, music, audiology, teacher education, psychology, and physician assistant. The Central Michigan University College of Graduate Studies provides over 70 graduate degree programs at the Master's, Specialist, or Doctoral levels.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** located at **3162 East Holland Ave Saginaw, MI 48601** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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