

# ADVANCE AUTO PARTS

DEPEW, NEW YORK (BUFFALO MSA)



Marcus & Millichap

OFFERING MEMORANDUM

---

# NON-ENDORSEMENT AND DISCLAIMER NOTICE

## CONFIDENTIALITY & 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

## NON-ENDORSEMENT

Marcus & Millichap 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, 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.**



# ADVANCE AUTO PARTS

DEPEW, NEW YORK (BUFFALO MSA)

---

## PRESENTED BY

### ERIN PATTON

Senior Vice President Investments  
Executive Director, National Retail Group  
COLUMBUS

**Phone:** (614) 360-9035

**Fax:** (614) 474-1696

Erin.Patton@marcusmillichap.com

**License:** OH SAL.2004010274

### SCOTT WILES

Senior Vice President Investments  
Executive Director, National Retail Group  
CLEVELAND

**Phone:** (216) 264-2026

**Fax:** (614) 474-1696

Scott.Wiles@marcusmillichap.com

**License:** OH SAL.2005013197

### CRAIG FULLER

Senior Vice President Investments  
Executive Director, National Retail Group  
CLEVELAND

**Phone:** (216) 264-2043

**Fax:** (614) 474-1696

Craig.Fuller@marcusmillichap.com

**License:** OH SAL.2008001551

Marcus & Millichap

OFFICES NATIONWIDE AND THROUGHOUT CANADA

**WWW.MARCUSMILLICHAP.COM**



A photograph of an Advance Auto Parts store. The building has a prominent red upper section with the company name in yellow script and a checkered flag logo. The lower section is white with a textured wall. Large glass windows and doors show the interior. A parking lot is in the foreground, and a tree with yellow leaves is on the left.

***Advance Auto Parts*** 

Marcus & Millichap





# PROPERTY ANALYSIS

***ADVANCE AUTO PARTS***

Marcus & Millichap

# OFFERING HIGHLIGHTS

## ADVANCE AUTO PARTS

4845 Broadway, Depew, NY 14043

OFFERING PRICE

\$1,446,000

CAP RATE

7.60%

VITAL DATA	
Price	\$1,446,000
Cap Price	7.60%
Price/SF	\$206.57
Gross Leasable Area (GLA)	7,000 SF

# EXECUTIVE SUMMARY

## ADVANCE AUTO PARTS

4845 Broadway  
Depew, NY 14043



## RENT SCHEDULE

Base Term	Annual Rent	Monthly Rent	Annual Rent/SF	CAP Rate
6/12/2003 - 12/31/2023	\$109,899.96	\$9,158.33	\$15.70	7.60%

Option Terms	Annual Rent	Monthly Rent	Annual Rent/SF	CAP Rate
1st Opt. - 1/1/2024 - 12/31/2028	\$120,890.04	\$10,074.17	\$17.27	8.36%
2nd Opt. - 1/1/2029 - 12/31/2033	\$132,999.96	\$11,083.33	\$19.00	9.20%



## OFFERING SUMMARY

Offering Price	\$1,446,000
Cap Rate	7.60%
Current Annual Rent	\$109,899.96
Gross Leasable Area (GLA)	7,000
Price/SF	\$206.57
Year Built	2003
Lot Size	1.35 Acres

## LEASE SUMMARY

Legal Tenant	Advance Stores Company, Incorporated
Lease Type	Double Net
Roof and Structure	Landlord Responsible
Ownership Interest	Fee Simple
Original Lease Term	10 Year
Lease Commencement Date	6/12/2003
Lease Expiration Date	12/31/2023
Remaining Lease Term	5 Years
Renewal Options	(1) 6 Month & (2) 5 Year Options
Rent Increases	Yes, In Options
Sales Reporting	Yes, Annually
Percentage Rent	None
Option to Terminate	None
Option to Purchase	None
First Right of Refusal	None

## DEMOGRAPHIC SUMMARY

	1 Mile	3 Miles	5 Miles
2017 Population	8,506	72,001	142,583
2022 Population Projection	8,416	73,702	144,938
2017 Households	3,789	30,601	62,184
2022 Households Projection	3,801	31,533	63,824
Average Household Income	\$59,209	\$73,251	\$70,040
Median Household Income	\$49,264	\$59,314	\$56,039

## INVESTMENT OVERVIEW

Marcus & Millichap, on behalf of ownership as its exclusive advisor, is pleased to market for sale Advance Auto Parts in located Depew, New York (Buffalo MSA). The subject property is a 7,000 square-foot free-standing store situated on 1.35 acres. Developed in 2003, the location was built-to-suit for the tenant who has remained there since. Advance Auto Parts is leased to double net terms through December 2023, with five years remaining on their 10 year lease. Additionally, there are two, five-year renewal options with ten percent rent increases in each. The investment grade tenant is rated BBB-/Stable by S&P and currently operates over 5,000 locations with annual revenue in excess of \$9.3 Billion.

Situated just off the signalized intersection of Transit Rd. & Broadway, Advance Auto Parts receives excellent visibility to the 46,141 combined cars passing by daily. Located in Depew, New York, the property is less than 12 miles from Downtown Buffalo, and is as part of the Buffalo-Niagara Falls Metropolitan Statistical Area with a population of 1.1 million. Less than 5 miles away from the subject property is the Buffalo Niagara International Airport, which is the 3rd busiest airport in the state of New York, and the busiest outside of the New York City metropolitan area. The airport serves an average of 4.5 million passengers each year. Surrounding the property are dense infill demographics with 72,001 residents located within three miles of the property, and 142,583 residents located within five miles. The average household income in the area is above the national average at \$73,251 within three miles of the property. The property is surrounded by multiple other prominent retailers including Rite Aid, Big Lots, Dollar General, Target, Aldi, Tops, Dollar Tree, and Kohl's.

## INVESTMENT HIGHLIGHTS

- ▶ Advance Auto Parts NN Lease with 5 Years Remaining in Depew, New York (Buffalo MSA)
- ▶ Investment Grade Tenant with BBB- S&P Credit Rating
- ▶ Two, Five-Year Year Renewal Options Remaining with 10% Rent Increases in Each
- ▶ Double Net Lease – Minimal Landlord Responsibility
- ▶ Less than 12 Miles from Downtown Buffalo, New York
- ▶ Dense Demographics: 72,001 Residents in 3-Mi, & 142,583 Residents within 5-Mi
- ▶ Situated Just off the Signalized Intersection of Transit Rd & Broadway Seeing a Combined 46,141 Cars per Day
- ▶ Part of the Buffalo-Niagara Falls Metropolitan Statistical Area with a Population of 1.1 Million
- ▶ Less Than 5 Miles Away from the Buffalo Niagara International Airport, the Busiest Airport in New York Outside of the New York City MSA Seeing an Average of 4.5 Million Passengers Yearly
- ▶ Surrounded by Multiple Prominent Retailers Including Rite Aid, Big Lots, Dollar General, Target, Aldi, Tops, Dollar Tree, Kohl's, and Many More



## TENANT OVERVIEW & PROPERTY DETAILS



Headquartered in Roanoke, Va., & founded in 1929, Advance Auto Parts, Inc., the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers. It operates stores that offer brand name, original equipment manufacturer, and private label automotive products. 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.

### TENANT OVERVIEW

Ownership	Public
Stock Symbol & Exchange	AAP & NYSE
Sales Volume	\$9.37B (FY 2017)
Net Income	\$475.51M (FY 2017)
Market Capitalization	\$12.382B
Credit Rating & Rating Agency	Baa2 (Moody's) and BBB- (S&P)
Fortune 500 Rank	#317 (2017)
Number of Locations	5,054
Headquarters	Roanoke, Virginia

### THE OFFERING

Tenant	Advance Auto Parts
Property Address	4845 Broadway Depew, NY 14043

### SITE DESCRIPTION

Parking	30 Spaces Available
Parking Ratio	4.29 : 1,000 SF
Topography	Level

### PARCELS

Number of Tax Parcels	One
Parcel Number(s)	145201 104.78-1-4.1

### CONSTRUCTION

Foundation	Concrete Slab
Framing	Steel
Exterior	Concrete Block
Parking Surface	Asphalt
Roof	Flat Rubber Composite

### MECHANICAL

HVAC	Roof Mounted
Fire Protection	To Code
Utilities	All Local Providers

### ZONING

PUD	Commercial
-----	------------

### ACCESS POINTS

The property is accessed by two curb cuts, one off of Broadway & one off of Kieffer Ave.

## TENANT/LANDLORD RESPONSIBILITIES

Roof Repairs & Replacement	Landlord Responsible
Structure - Foundation, Sub-Floor, Exterior Walls	Landlord Responsible
Utility Tie-Ins & Sewage Line Repairs & Replacement	Landlord Responsible
Parking Lot, Driveway, Sidewalk, Curb Replacement	Landlord Responsible
Parking Lot Resurfacing/Overlay	Landlord Responsible
Parking Lot Striping & Sealcoating	Landlord Responsible
Parking Lot & Exterior Building Lighting	Landlord Responsible
Sidewalk, Curb & Driveway Repair	Landlord Responsible
HVAC Replacement	Tenant and Landlord Responsible
HVAC Repairs & Maintenance	Tenant Responsible
Utilities	Tenant Responsible
Real Estate Taxes	Tenant Reimburses Landlord
Property Insurance	Tenant Responsible
Liability Insurance	Tenant Responsible
Common Area Maintenance	Landlord Responsible



ADVANCE AUTO PARTS // PROPERTY ANALYSIS





# PARCEL MAP





# RETAILER AERIAL











# MARKET OVERVIEW

***ADVANCE AUTO PARTS***

Marcus & Millichap

# MARKET OVERVIEW

## BUFFALO OVERVIEW

Containing the popular tourist attraction Niagara Falls and located less than 100 miles from Toronto, the Buffalo metro consists of Erie and Niagara counties, with the city of Buffalo representing the county seat of Erie County. The metro generates a significant portion of revenue through tourism, while the economy also specializes in financial services, healthcare and retailing. The market lies within 500 miles of 40 percent of the U.S. population and a large portion of the Canadian market.



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



## METRO HIGHLIGHTS



### CENTRALIZED LOCATION

Three certified Foreign Trade Zones and a centralized location to major metropolitan areas provide a base of operations for manufacturing and logistics.



### ADVANCED MANUFACTURING BASE

No state income tax for manufacturing companies has supported a growing advanced manufacturing base, with over 63,000 skilled workers in the metro.



### WORLD-CLASS LIFE-SCIENCES RESEARCH

Roughly 15 percent of local graduates receive degrees in life sciences, making it the fourth-ranked metro on a per capita basis in the nation.



## ECONOMY

- Comprehensive healthcare systems companies Kaleida Health and Catholic Health employ nearly 20,000 people combined, underscoring the vast healthcare diagnostics and research employment base.
- M&T Bank, among the top 20 largest commercial banks in the nation, is headquartered in Buffalo. The firm employs more than 7,500 workers locally.
- The Buffalo Niagara Medical Campus, a 120-plus acre collaborative research park in downtown Buffalo, provides space for research and development for more than 75 companies in biotech and life sciences.
- The metro is the leading dairy producer in the state, while New York is the third largest dairy-producing state in the nation.

## DEMOGRAPHICS



## DEMOGRAPHIC HIGHLIGHTS



142,583

POPULATION WITHIN 5 MILES



\$73,251

AVERAGE HOUSEHOLD INCOME  
IN 3-MILE RADIUS



1.84%

POPULATION GROWTH SINCE 2010  
IN 3-MILE RADIUS



1.65%

PROJECTED POPULATION GROWTH  
OVER NEXT 5 YEARS IN A 5-MILE RADIUS



POPULATION	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
Total Population	8,506	72,001	142,583
<b>2022 Projection</b>			
Total Population	8,416	73,702	144,938
<b>2010 Census</b>			
Total Population	8,439	70,700	140,619
<b>Growth 2010-2017</b>			
Total Population	0.79%	1.84%	1.40%



# 3.05%

PROJECTED HOUSEHOLD GROWTH  
OVER NEXT 5 YEARS IN A 3-MILE RADIUS

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
Total Households	3,789	30,601	62,184
<b>2022 Projection</b>			
Total Households	3,801	31,533	63,824
<b>2010 Census</b>			
Total Households	3,740	29,878	61,043
<b>Growth 2017-2022</b>			
Total Households	0.32%	3.05%	1.87%
<b>Growth 2010-2017</b>			
Total Households	1.31%	2.42%	1.87%
<b>Owner Occupied</b>			
Total Households	2,320	22,794	44,607
<b>Renter Occupied</b>			
Total Households	1,469	7,806	17,577

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>2017 Estimate</b>			
\$150,000 or More	2.8%	6.5%	6.0%
\$125,000 - \$149,999	2.9%	5.8%	5.1%
\$100,000 - \$124,999	7.8%	9.9%	8.7%
\$75,000 - \$99,999	14.6%	15.2%	14.8%
\$50,000 - \$74,999	21.2%	21.3%	21.0%
\$35,000 - \$49,999	15.6%	13.2%	13.5%
\$25,000 - \$34,999	11.6%	10.1%	11.0%
\$15,000 - \$24,999	13.0%	10.1%	10.6%
\$10,000 - \$14,999	4.8%	4.1%	4.6%
\$0 - \$9,999	5.8%	3.7%	4.7%
<b>Average Household Income</b>	\$59,209	\$73,251	\$70,040
<b>Median Household Income</b>	\$49,264	\$59,314	\$56,039

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>Population By Age</b>			
2017 Estimate Total Population	8,506	72,001	142,583
Age 20 - 24	6.7%	5.6%	5.5%
Age 25 - 34	16.4%	12.9%	13.4%
Age 35 - 44	11.4%	11.5%	11.4%
Age 45 - 54	14.7%	14.8%	14.3%
Age 55 - 64	13.3%	14.8%	14.6%
Age 65 - 74	9.2%	11.2%	10.7%
Age 75 - 84	5.0%	5.8%	6.1%
Age 85 +	2.8%	2.8%	3.4%
Median Age	40.6	44.4	44.3

<b>Population 25+ by Education Level</b>			
Total Population Age 25+	6,200	53,018	105,457
Grade K - 8	1.9%	1.8%	2.0%
Grade 9 - 12	6.1%	5.0%	5.6%
High School Graduate	38.8%	33.7%	33.4%
Associates Degree	12.9%	12.9%	12.6%
Bachelor's Degree	11.5%	17.0%	16.3%
Graduate Degree	7.8%	9.4%	10.3%
Some College, No Degree	20.3%	19.5%	19.0%

<b>Population by Gender</b>			
2017 Estimate Total Population	8,506	72,001	142,583
Female Population	4,381	37,568	74,379
Male Population	4,125	34,432	68,204



Marcus & Millichap



# ADVANCE AUTO PARTS

DEPEW, NEW YORK (BUFFALO MSA)



## EXCLUSIVELY LISTED BY:

**ERIN PATTON**  
Senior Vice President  
Executive Director, National Retail Group  
COLUMBUS  
**Phone:** (614) 360-9035  
**Fax:** (614) 474-1696  
**Email:** Erin.Patton@marcusmillichap.com  
**License:** OH SAL.2004010274

**SCOTT WILES**  
Senior Vice President  
Executive Director, National Retail Group  
CLEVELAND  
**Phone:** (216) 264-2026  
**Fax:** (614) 474-1696  
**Email:** Scott.Wiles@marcusmillichap.com  
**License:** OH SAL.2005013197

**CRAIG FULLER**  
Senior Vice President  
Executive Director, National Retail Group  
CLEVELAND  
**Phone:** (216) 264-2043  
**Fax:** (614) 474-1696  
**Email:** Craig.Fuller@marcusmillichap.com  
**License:** OH SAL.2008001551