

OFFERING
MEMORANDUM



ADVANCE AUTO PARTS
CYPRESS, TEXAS

Marcus & Millichap

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**DOWNTOWN
HOUSTON**

ABERDEEN BUSINESS PARK

**CHRIST THE REDEEMER
CATHOLIC CHURCH**



Domino's



Prestige Lounge

China 9 Cafe



EXXON



**WAFFLE
HOUSE**

FOOD TOWN



enterprise

Cypress North Houston Road 16,839 VPD

Subject Property

**Advance
Auto Parts**



Walgreens



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Marcus & Millichap



Subject Property

**Advance
Auto Parts**

Walgreens



Buds & Blossoms
LANDSCAPE DESIGN, INSTALLATION, & NURSERY



enterprise



Cypress North Houston Road 16,839 VPD

EXXON



Waffle House



Prestige Lounge

China 9 Cafe

FOOD TOWN



**CHRIST THE REDEEMER
CATHOLIC CHURCH**



Huffmeister Road 16,457 VPD

McDonald's



CVS



ADVANCE AUTO PARTS

13808 CYPRESS NORTH HOUSTON ROAD
CYPRESS, TEXAS 77429

Marcus & Millichap is pleased to present the opportunity to acquire an Advance Auto Parts in Cypress, Texas. The property consists of a 6,777-square foot, freestanding building that sits on approximately 1.05 acres of land. The tenant recently extended the initial term, showing commitment to the site. There are approximately 7.6 years left remaining on the current lease term.

The property is near the intersection of Cypress North Houston Road and Huffmeister Road, where combined traffic counts exceed 33,296 vehicles per day. The area is extremely dense with more than 257,217 residents within a five-mile radius. Surrounding retailers in the immediate area include Walgreens, Family Dollar, AutoZone, O'Reilly Auto Parts, Sonic Drive-In, Valero, Exxon, CVS, Food Town, Domino's and many more.

INVESTMENT HIGHLIGHTS

Tenant Recently Extended the Initial Term by Five Years, Showing a Commitment to the Site

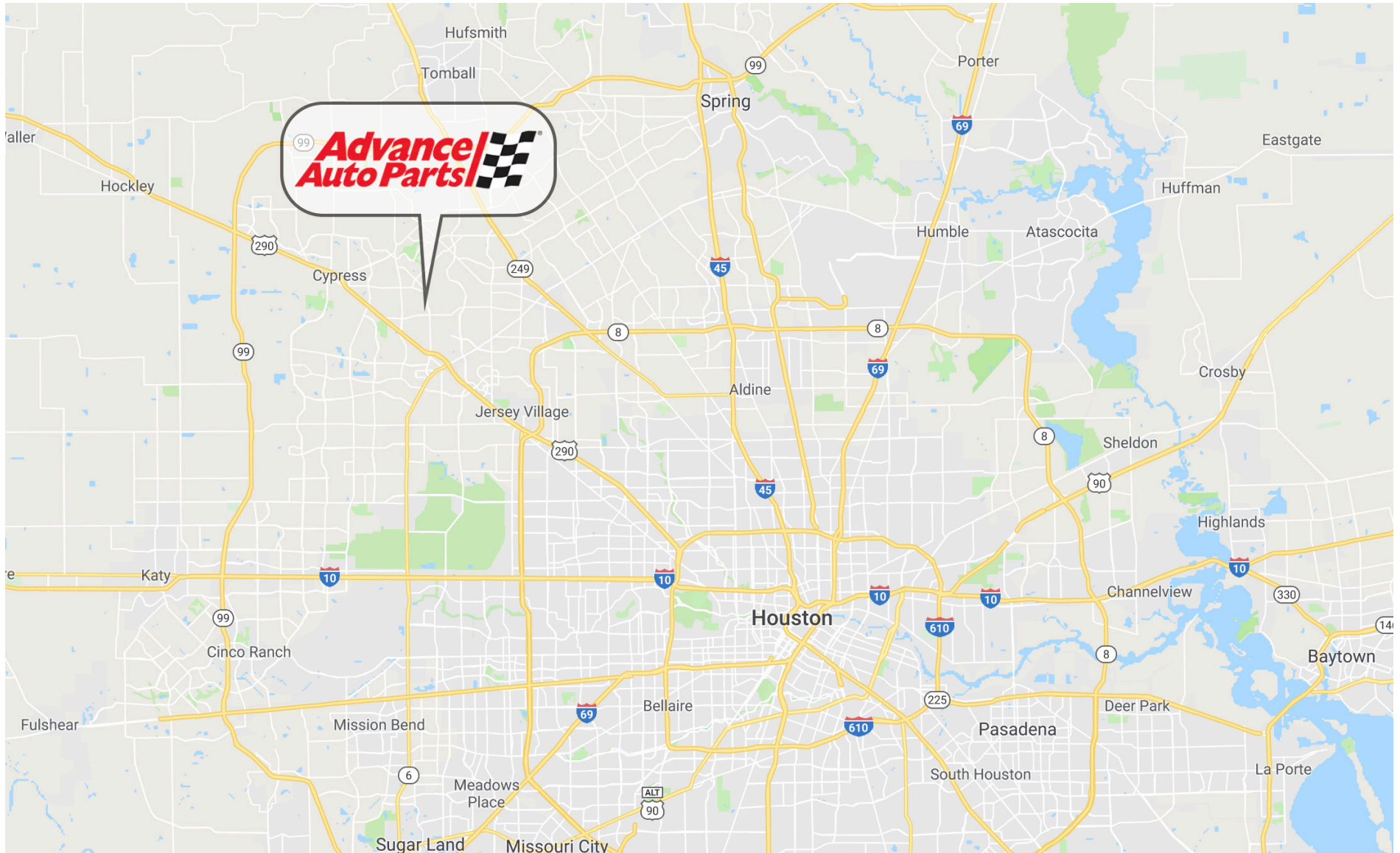
**Near The Signalized Intersection of Cypress North Houston Road and Huffmeister Road;
Combined Traffic Counts Exceed 33,296 Vehicles per Day**

More than 295,870 Residents and an Average Household Income of \$108,725 Within a Five-Mile Radius

Corporate Guaranty from Advance Stores Company, Inc. (NYSE: AAP)

Large 1.05 Acre Parcel with Ample Parking and Multiple Access Points

REGIONAL MAP // *Advance Auto Parts*



AERIAL // *Advance Auto Parts*



PRICING DETAILS // *Advance Auto Parts*

13808 CYPRESS NORTH HOUSTON ROAD, CYPRESS, TEXAS 77429

Price	\$1,768,500
Rentable SF	6,777
Price/SF	\$260.96
CAP Rate	6.65%
Year Built	2007
Lot Size	1.05 Acres
Type of Ownership	Fee Simple

LEASE SUMMARY

Tenant Name	Advance Auto Parts
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate
Lease Type	Double Net
Roof and Structure	Landlord
Lease Term	20 Years
Lease Commencement Date	12/8/06
Rent Commencement Date	12/8/06
Lease Expiration Date	2/28/27
Term Remaining on Lease	7.6 Years
Options	Three, 5-Year
Increases	5% Every Five Years in Options

ANNUALIZED OPERATING INFORMATION

YEAR	ANNUAL RENT	MONTHLY RENT
Years 1- 12	\$124,501.44	\$10,375.12
Years 13- 20	\$117,600.00	\$9,800.00
Years 21-25 (Option 1)	\$130,726.44	\$10,893.87
Years 26-30 (Option 2)	\$137,262.84	\$11,438.57
Years 31-35 (Option 3)	\$144,125.88	\$12,010.49
Base Rent (\$17.35/SF)		\$117,600.00
Net Operating Income		\$117,600.00
Total Return		6.65% / \$117,600.00



TENANT OVERVIEW // *Advance Auto Parts*



Advance Auto Parts is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. The company is the largest automotive aftermarket retailer in the United States based on sales and store count and has been on the Fortune 500 list since 2003. Advance operated 5,109 stores and 143 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands.

LEASE SUMMARY

Tenant Name	Advance Auto Parts
Ownership	Public
Sales Volume	\$604,300,000
Credit Rating	BBB-
Rating Agency	S&P
Stock Symbol	AAP
Board	NYSE
Options to Terminate	No
Options to Purchase	No
First Right of Refusal	No
No. of Locations	4,931
Headquartered	Raleigh, North Carolina
Web Site	https://www.advanceautoparts.com
Years in the Business	87



HOUSTON MSA

POPULATION
6,997,384

City Of CYPRESS

Cypress is located along U.S. Highway 290 and is 24 miles northwest of downtown Houston. Cypress is the 50TH highest-income urban areas in the United States. Houston is in Harris County and is part of the greater Houston-Sugar Land-Baytown metropolitan area, the sixth largest metropolitan area in the U.S. with a population of more than 6.2 million. The Houston metropolitan population grew more than twice as fast as the national rate during the past decade and will outpace the United States through the next five years, expanding 1.5 percent annually. The Houston metroplex covers more than 8,778-square miles: an area slightly smaller than Massachusetts but larger than New Jersey. It is the largest city in the state of Texas and the fourth largest city in the United States. Houston's economy has a broad industrial base in energy, aeronautics, and technology industries: only New York City is home to more Fortune 500 headquarters.

DEMOGRAPHIC SUMMARY

POPULATION	1 Mile	3 Miles	5 Miles
2000 Population	8,905	51,605	161,150
2010 Population	10,100	82,633	250,481
2018 Population	11,826	95,402	295,870
2023 Population	12,372	99,918	313,299
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2000 Households	3,022	18,267	56,082
2010 Households	3,581	29,662	88,632
2018 Households	4,201	34,388	104,524
2023 Households	4,484	36,662	112,219
2018 Average HH Size	2.773400	2.770900	2.807500
2018 Daytime Population	10,715	72,301	223,300
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Median HH Income	\$61,163	\$80,800	\$80,548
Per Capita Income	\$28,796	\$38,587	\$38,431
Average HH Income	\$81,058	\$107,036	\$108,725

POPULATION

In 2018, the population in your selected geography is 295,870. The population has changed by 83.60% since 2000. It is estimated that the population in your area will be 313,299 five years from now, which represents a change of 5.89% from the current year. The current population is 48.75% male and 51.25% female. The median age of the population in your area is 35.1, compare this to the entire US average which is 38.0. The population density in your area is 3,769.84 people per square mile.

HOUSEHOLDS

There are currently 104,524 households in your selected geography. The number of households has changed by 86.38% since 2000. It is estimated that the number of households in your area will be 112,219 five years from now, which represents a change of 7.36% from the current year. The average household size in your area is 2.81 persons.

INCOME

In 2018, the median household income for your selected geography is \$80,548, compare this to the entire US average which is currently \$58,754. The median household income for your area has changed by 17.96% since 2000. It is estimated that the median household income in your area will be \$91,214 five years from now, which represents a change of 13.24% from the current year.

The current year per capita income in your area is \$38,431, compare this to the entire US average, which is \$32,356. The current year average household income in your area is \$108,725, compare this to the entire US average which is \$84,609.

RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 64.59% White, 12.47% Black, 0.05% Native American and 11.18% Asian/Pacific Islander. Compare these to entire US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 25.61% of the current year population in your selected area. Compare this to the entire US average of 18.01%.

HOUSING

In 2000, there were 40,982 owner occupied housing units in your area and there were 15,100 renter occupied housing units in your area. The median rent at the time was \$649.

EMPLOYMENT

In 2018, there are 91,742 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 76.75% of employees are employed in white-collar occupations in this geography, and 23.28% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.24%. In 2000, the average time traveled to work was 35.3 minutes.

Advance Auto Parts 





INFORMATION ABOUT BROKERAGE SERVICES

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH – INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with provide opinions and advice to, and carry out the instructions of each party to the transaction;
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o That the owner will accept a price less than the written asking price;
 - o That the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o Any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interest of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Advance Auto Parts 

Advance Auto Parts 

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SAVE \$20

SAVE \$40

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ALIGNMENT & TIRE ROTATION

FREE

LOANER TOLLS SETS

FREE

WIPER BLADE INSTALLATION

13808





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