

OFFERING MEMORANDUM

ADVANCE AUTO PARTS

GRUNDY, VIRGINIA



Financial Overview

Price	\$1,867,000
Cap Rate	6.75%
Gross Leasable Area	7,000 SF
Year Built	2003
Lot Size	1.493 +/- Acres

Lease Summary

Lease Type	NN
Roof & Structure	Landlord Responsible
Rent Commencement	6/16/2003
Lease Expiration	12/31/2028
Increases	Yes, In Each Option Period
Options	Two, 5-Year
Option to Terminate	None
Option to Purchase	None
Right of First Refusal	Yes, Tenant has 30-Days to Respond

Rent Schedule

TERM	ANNUAL RENT	MONTHLY RENT
Current - 12/31/2028	\$126,000	\$10,500
Option 1	\$129,504	\$10,792
Option 2	\$132,996	\$11,083

*In addition to the base rent, should Tenant’s gross sales exceed the following sums, Tenant shall pay percentage rent equal to 2.5% of such excess.

Current - 12/31/2028	\$5,040,000
Option 1	\$5,180,001
Option 2	\$5,320,000



ADDRESS

20061 Riverside Drive
Grundy, VA 24614



PRICE

\$1,867,000



CAP RATE

6.75%



NOI

\$126,000

Investment Highlights

- New 10-Year Lease Extension
- Investment Grade Credit Tenant, Rated BBB- by S&P
- Strong Store Sales, Well-Above Average
- 17-Year Operating History at this Location
- Previous Relocation of an Existing Store
- Serving Over 21,000 Residents in Buchanan County
- Highly Visible Along Major Artery with More Than 10,000 Cars/Day
- Underserved Retail Market, High Needs for Goods and Services
- Minutes to Southern Gap Business Park, a 3,000-Acre Development
- Close Proximity to Panther State Park, Several Hundred Thousand Visitors Annually
- Just West of New River Gorge, Over 1 Million Visitors Annually
- Heart of Appalachia Region, Tourism is the Fastest Growing Industry in Virginia

Demographics

POPULATION	3-MILES	5-MILES	10-MILES
2018 Population	2,460	5,369	16,158
HOUSEHOLDS			
2018 Households	1,048	2,293	6,500
INCOME			
2018 Average Household Income	\$53,925	\$50,935	\$47,054
EMPLOYEES			
2018 Number of Employees In Area	1,622	3,471	6,521



16,158

Population within
a 10-Mile Radius



\$47,054

Average Household Income
within a 10-Mile Radius



6,521

Number of Employees
within a 10-Mile Radius



OWNERSHIP: Public
TENANT: Advance Auto Parts, Inc.
WEBSITE: www.advanceautoparts.com

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of April 20, 2019, Advance operated 4,931 stores and 146 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,238 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos, and British Virgin Islands.



HEADQUARTERED IN
Raleigh, NC

STOCK SYMBOL

**NYSE:
AAP**



70,000+
EMPLOYEES

BBB-

STANDARD & POOR'S
CREDIT RATING

Lease Summary

LANDLORD RESPONSIBILITIES

Landlord shall maintain and keep in good order and repair (which shall include replacement, if necessary), the roof, guttering and downspouts, structural walls and foundations, electrical wiring, water line and sewer (from distribution lines to the premises), and all structural components of the premises. There is a 20-year roof warranty which expires in 2023.

TENANT RESPONSIBILITIES

Tenant shall maintain and keep in good order and repair the leased premises, including electrical, plumbing and sewer systems as well as any and all interior non-structural maintenance.

HVAC

Tenant shall maintain and repair the HVAC however if there are major breakdowns in the system, Tenant and Landlord shall share equally the expense of replacing the system or repairing, including labor and parts. A 'major breakdown' shall mean if the whole systems needs to be replaced or if the cost of any repairs shall be equal to or exceed \$250.

PARKING LOT

Landlord shall maintain and repair the easements and the parking lot, sidewalks and all other areas of the premises that are not structurally part of the building. Tenant is responsible for snow removal in parking lot.

TAXES

Tenant shall reimburse Landlord for all real estate taxes and assessments.

INSURANCE

Tenant, at its sole cost and expense, shall keep the premises insured against loss or damage by fire with extended coverage and shall maintain liability insurance naming Landlord as additionally insured.

ASSIGNMENT & SUBLETTING

Tenant shall not assign or sublet the lease without written consent of Landlord.

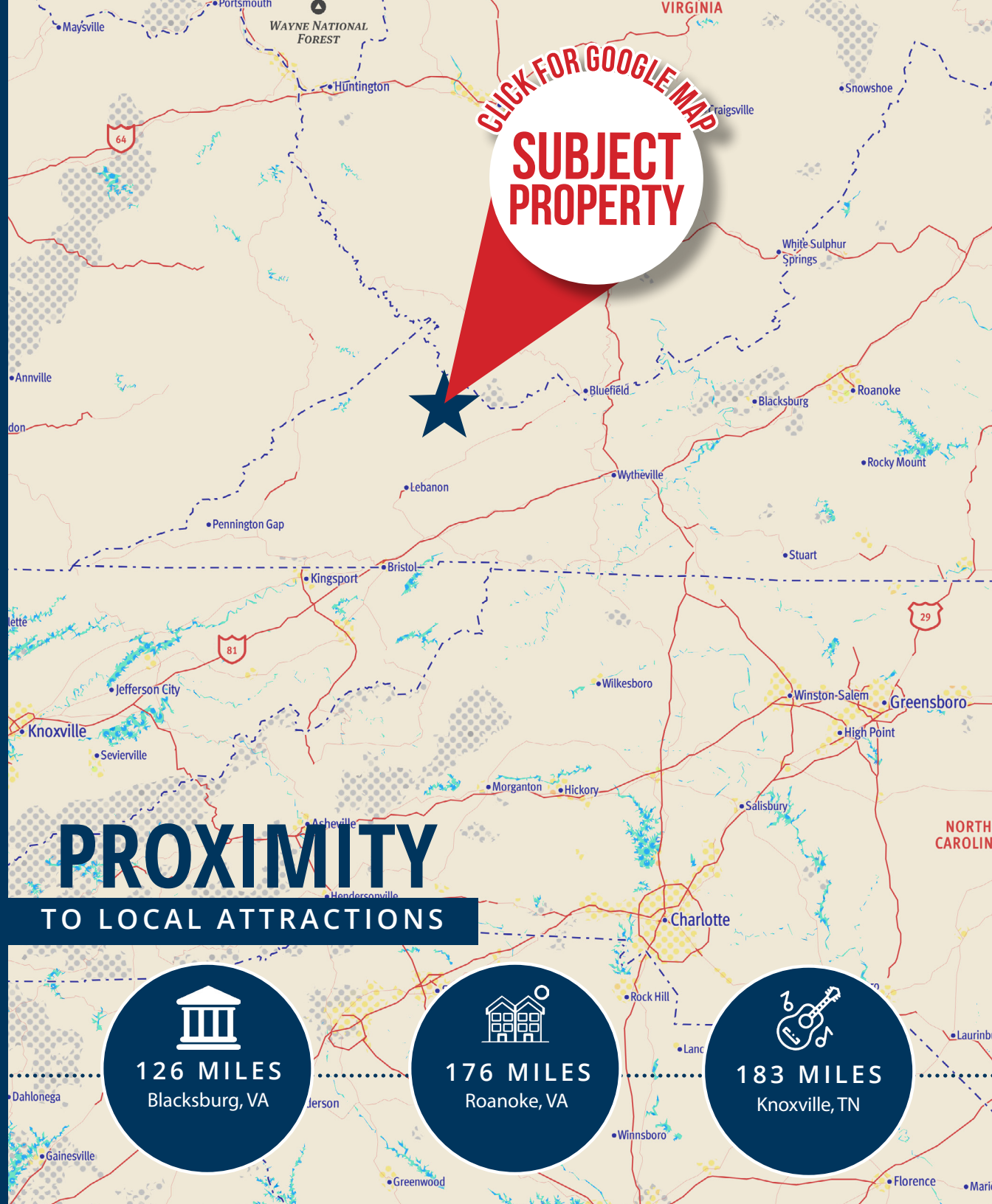
RIGHT OF FIRST REFUSAL

Tenant shall have 30 Days from receipt of notice to exercise its Right of First Refusal.

Grundy, VA

Grundy is a town in Buchanan County, Virginia, located at intersection of U.S. Route 460 and State Route 83 directly on the banks of the Levisa Fork River. Grundy is located in the coalfields of the Appalachian Mountains.

Grundy is home to the Appalachian School of Law, which opened in 1997, and the Appalachian College of Pharmacy, which opened in 2005 and is forecasted to add \$20 million per year to the local economy. Buchanan County chose Grundy as the site for the ASL to revitalize the town. The ASL has generated \$12 million for the local economy. Its presence has increased demand for construction of rental homes and stimulated the opening of additional businesses in the area. Additionally, ASL has successfully demonstrated the concept of creating institutions of higher education as an economic development tool.



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.

NON-ENDORSEMENT NOTICE

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.

NET-LEASED 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.

EXCLUSIVELY LISTED BY

PHIL SAMBAZIS

Executive Managing Director

SAN DIEGO

Tel: (858) 373-3174

phil.sambazis@marcusmillichap.com

License: CA 01474991

BRYN MERREY

Broker Of Record

Marcus & Millichap Real Estate Investment
Services of North Carolina, Inc

License: 0225215804

202-536-3700



SAMBAZIS
RETAIL GROUP

Advance Auto Parts

ADVANCE AUTO PARTS

GRUNDY, VIRGINIA

REPRESENTATIVE PHOTO