

AUTOZONE GROUND LEASE

6155 SOUTH 35TH AVENUE, PHOENIX, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap



DOWNTOWN
PHOENIX

INDUSTRIAL PARK

PHX
PHOENIX SKY HARBOR
INTERNATIONAL AIRPORT

Logos in bottom-left cluster:

- THE HOME DEPOT
- SAFeway
- native grill & wings
- Carib Jr.
- LA FITNESS
- DUNKIN' DONUTS
- petco
- peter piper pizza
- CVS pharmacy
- SONIC
- TACO BELL
- Applebee's
- fray's
- DOLLAR TREE
- BARRO'S PIZZA

Logos in center-bottom cluster:

- AutoZone
- Walmart Supercenter
- goodwill
- DOLLAR TREE
- Aaron's
- Jack in the box
- SHERWIN WILLIAMS
- Fishbein's
- planet fitness
- O'Reilly AUTO PARTS
- church's

Logos in middle-left cluster:

- LOWE'S
- 9
- goodwill
- MCDONALD'S
- DUNKIN' DONUTS
- BURGER KING
- CVS pharmacy
- STARBUCKS
- WELLS FARGO

Logos in bottom-right cluster:

- DOLLAR TREE
- FAMILY DOLLAR
- FOOD CITY
- ACE Hardware
- fray's
- SONIC
- U-HAUL
- KFC
- TACO BELL
- church's
- Arby's
- O'Reilly AUTO PARTS
- DISCOUNT TIRE
- AutoZone

Logos in top-right cluster:

- Walmart Neighborhood Market
- bealls OUTLET
- rubio's
- BARRO'S PIZZA
- Jack in the box
- TARGET
- PET SMART
- LESLIE'S SWIMMING POOL SUPPLIES
- ROSS STORES, INC.
- Chick-fil-A
- LA FITNESS
- FAMOUS footwear
- IHOP

The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2013 Marcus Millichap. ACT ID Z0070501

Executive Summary

FINANCIAL SUMMARY

Price	\$1,250,000
Down Payment	100% \$1,250,000
Cap Rate	4.0%
Building Size	6,900 SF
Net Cash Flow	4.0% \$50,000
Year Built	2019
Land/Lot Size	.72 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	AutoZone
Guarantor	Corporate
Roof	Tenant Responsible
Lease Commencement Date	May 1, 2019
Lease Expiration Date	April 30, 2039
Lease Term Remaining	19+ Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Option

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$50,000	4.00%
6 - 10	\$55,000	4.40%
11 - 15	\$60,500	4.84%
16 - 20	\$66,550	5.32%
Options	Annual Rent	Cap Rate
Option 1	\$73,205	5.86%
Option 2	\$80,525	6.44%
Option 3	\$88,578	7.09%
Option 4	\$97,436	7.79%

Base Rent	\$50,000
Net Operating Income	\$50,000
Total Return	4.0% \$50,000



Walmart 
Supercenter

29,400 CPD
W SOUTHERN AVE

 **SHERWIN WILLIAMS.**

 **goodwill**

 **planet fitness**

 **Filiberto's**
MEXICAN FOOD

 **usbank**

 **tcfbank**

 **Jack**
in the box

 **Church's**
CHICKEN

17,950 CPD
S 35TH AVE

 **TITLEMAX**
TITLE LOANS

 **AutoZone**

 **TRANSMISSIONS**
AAMCO
TOTAL CAR CARE

 **Aaron's**

DOWNTOWN PHOENIX



Property Description



INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Corporate Ground Lease with 19+ Years Remaining**
- » 10% Rental Increases Every 5 Years
- » **197,291 Residents within a 5-Mile Radius - Infill Phoenix**
- » Trade Area Experiencing Tremendous Growth - Households Projected to Increase 30%+ within a 3-Mile Radius by 2023
- » **Visible to 47,350+ Cars/Day** at the Nearby Intersection of West Southern Avenue and South 35th Avenue
- » **Directly Across from Walmart Supercenter**
- » Surrounded by Major National Retailers - Goodwill, Planet Fitness, Walmart Supercenter, Taco Bell, Jack in the Box, Dollar Tree, and More
- » **Average Household Income Exceeds \$73K within a 3-Mile Radius**
- » Conveniently Situated Minutes from Downtown Phoenix and Phoenix Sky Harbor International Airport



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2023 Projection	19,649	98,008	225,367
2018 Estimate	15,720	79,567	197,291
Growth 2018 – 2023	24.99%	23.18%	14.23%

Households

2023 Projection	5,496	26,512	62,118
2018 Estimate	4,240	20,262	51,849
Growth 2018 – 2023	29.63%	30.85%	19.81%

Income

2018 Est. Average Household Income	\$72,147	\$73,998	\$60,626
2018 Est. Median Household Income	\$57,276	\$58,909	\$45,111
2018 Est. Per Capita Income	\$19,459	\$20,261	\$16,790



AutoZone Locations

Tenant Overview



Memphis, Tennessee

Headquarters

NYSE: AZO

Stock Symbol

6,000+

Locations

www.autozone.com

Website

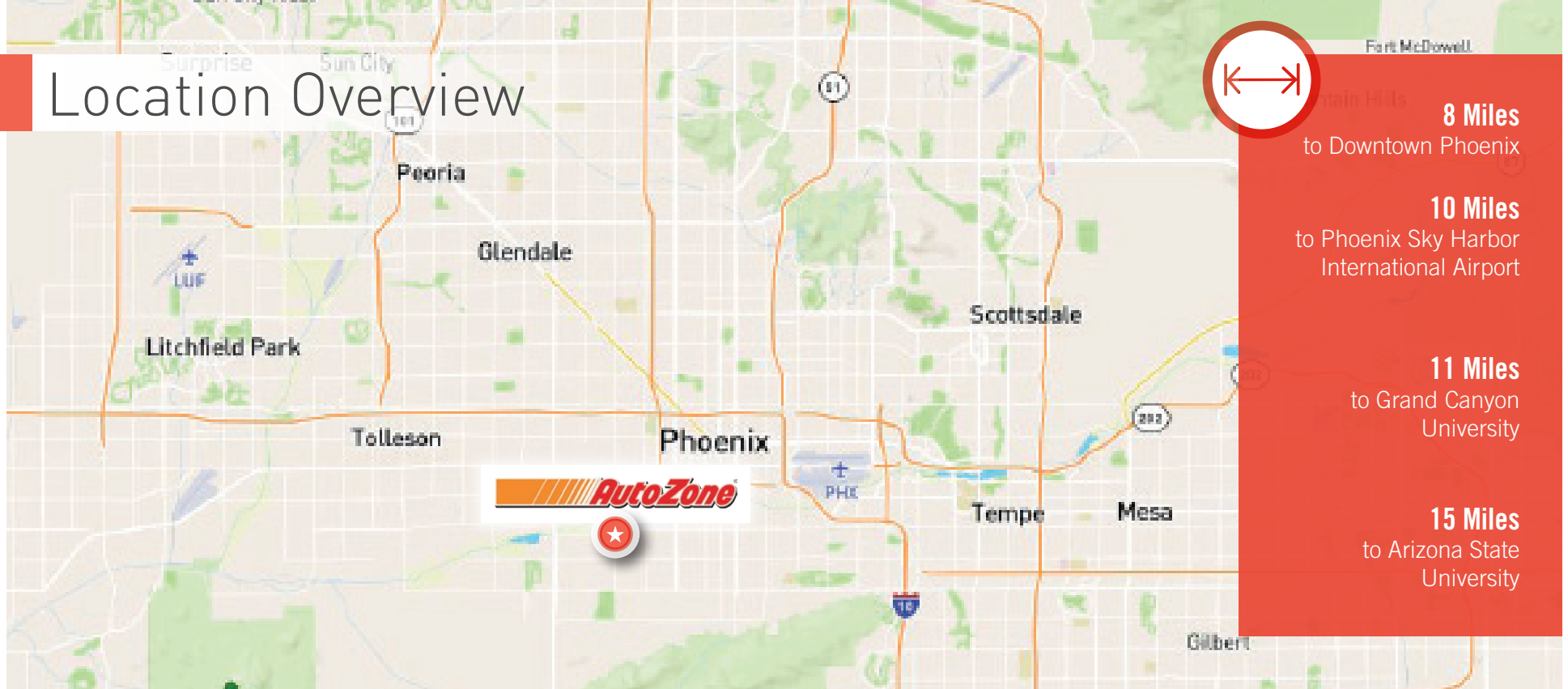
AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 5,000 stores in US, Puerto Rico, Mexico, and Brazil. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and re-manufactured hard parts, maintenance items and accessories. AutoZone also sells automotive diagnostic and repair software through ALLDATA, diagnostic and repair information through alldatadiy.com, and auto and light truck parts and accessories through their website. For more than 30 years, AutoZone has been committed to providing the

best parts, prices and customer service in the automotive aftermarket industry. Since opening its first store in Forrest City, Ark. on July 4, 1979, the company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500.

AutoZone's history starts with a wholesale food company called Malone & Hyde, Inc. The company developed a specialty retail division, which eventually led to the creation of Auto Shack in 1979, later being renamed to AutoZone in 1987. Today, AutoZone is the leading distributor of auto parts in the United States.



Location Overview



The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, hightech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.

High-tech manufacturing has been a powerful driver in the local economy for two decades. The region's relatively low cost of doing business has encouraged several manufacturers to remain and expand in the area, while luring others. The strengthening economy has drawn job seekers to the area, boosting the housing market. Phoenix offers a lower cost of living than other metros its size, a moderate climate, and a wide variety of recreational and cultural activities.

The Phoenix region boasts almost 300 days of sunshine annually, low humidity and mild winters. In addition to hiking, camping and boating, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts.

[exclusively listed by]

Jamie A. Medress

Senior Managing Director

602 687 6778

jmedress@marcusmillichap.com

Mark J. Ruble

Senior Managing Director

602 687 6766

mruble@marcusmillichap.com

Chris N. Lind

First Vice President

602 687 6780

chris.lind@marcusmillichap.com

Offices Nationwide

www.marcusmillichap.com**NET LEASED DISCLAIMER**

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

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.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical 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, PCBs or asbestos, the compliance with local, 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 offering memorandum 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap