



OFFERING MEMORANDUM

Advance/
Auto Parts/ 

10200 W SPRAGUE RD | PARMA, OH 44130

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LISTED BY

CONRAD SARREAL
SENIOR ASSOCIATE

DIR (214) 692 2847
MOB (626) 230 1006
conrad.sarreal@matthews.com
LIC # 01982875 (CA)

BROKER OF RECORD
KYLE MATTHEWS

LIC # BRK.2019005179 (OH)



EXECUTIVE OVERVIEW

REPRESENTATIVE PHOTO

INVESTMENT HIGHLIGHTS

- **Early Extension** - Tenant extended the lease early in 2014 out to 2024 showing strong commitment to the site.
- **Replaceable Rent** - At the current rent, the tenant is only paying \$11/SF which is replaceable in this market.
- **Recent Renovations** - Parking lot was recently reinforced in 2017 to extend its useful life
- **Ideal Consumer Demographics** - This location benefits from the largely populated 5-mile radius with 190,000+ residents and a middle-class average household income of \$86,960
- **Below Replacement Cost** - Net lease retail buildings typically cost \$250/SF - \$350/SF to construct, but this property is offered at an attractive \$139/SF.
- **Established Location** - Advance Auto has been operating here for 17 years, solidifying its presence in the local market.
- **National Tenant Neighbors** - Walgreens, Circle K, and McDonald's help draw traffic to this intersection.
- **Healthy Traffic Counts** - W Sprague Rd and York Rd see an average traffic count of about 27,600 cars per day
- **Billion Dollar Company** - Advance Auto Parts is currently valued at \$11 Billion on the New York Stock Exchange with growing sales last reported to be \$9.58 Billion. Such performance has earned them strong investment grade credit of BBB- (S&P)



FINANCIAL OVERVIEW

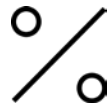
A photograph of an Advance Auto Parts store with a red roof and signage. The store is surrounded by a parking lot with several cars. A large sign on a pole in the foreground also displays the company name. The entire image is overlaid with a semi-transparent red filter. The text "FINANCIAL OVERVIEW" is centered in large, white, sans-serif capital letters.

REPRESENTATIVE PHOTO



\$975,000

LIST PRICE



7.90%

CAP RATE



2003/2008

YEAR BUILT/RENOVATED



± 7,000 SF

GLA



±1.30 AC

LOT SIZE

TENANT SUMMARY

Tenant Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NNN
Roof and Structure	Landlord Responsible
Term Remaining	±5 Years
Original Lease Term	15 Years
Rent Commencement Date	1/1/03
Lease Expiration Date	12/31/24
Increases	20% in Each Option
Options	Two, 5-year options

ANNUALIZED OPERATING SUMMARY

	MONTHLY	ANNUAL	ANNUAL RENT/SF	CAP RATE
Current	\$6,416.67	\$77,000	\$11.00	7.90%
Option 1	\$7,700.00	\$92,400	\$13.20	9.48%
Option 2	\$9,240.00	\$110,880	\$15.84	11.37%



TENANT OVERVIEW

The image shows the exterior of an Advance Auto Parts store. The building has a prominent red roof and a light-colored brick facade. Large glass windows display various automotive products, including batteries, oil, and filters. Promotional signs are visible in the windows, such as "FREE" offers for battery testing, oil changes, and more. A person is standing near the entrance on the right. In the foreground, there is a parking lot with a few cars, including a white sedan and a dark sedan. A blue handicapped parking symbol is painted on the pavement. The sky is blue with some clouds.

REPRESENTATIVE PHOTO



COMPANY NAME

Advance Auto Parts

OWNERSHIP

Public

YEAR FOUNDED

1929

INDUSTRY

Auto Service

HEADQUARTERS

Roanoke, VA

NO. OF EMPLOYEES

±74,000

CREDIT RATING

BBB- (S&P)

TOTAL NET SALES

\$9.58 Billion (2018)

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 WORLDPAK 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.

GEOGRAPHIC REACH

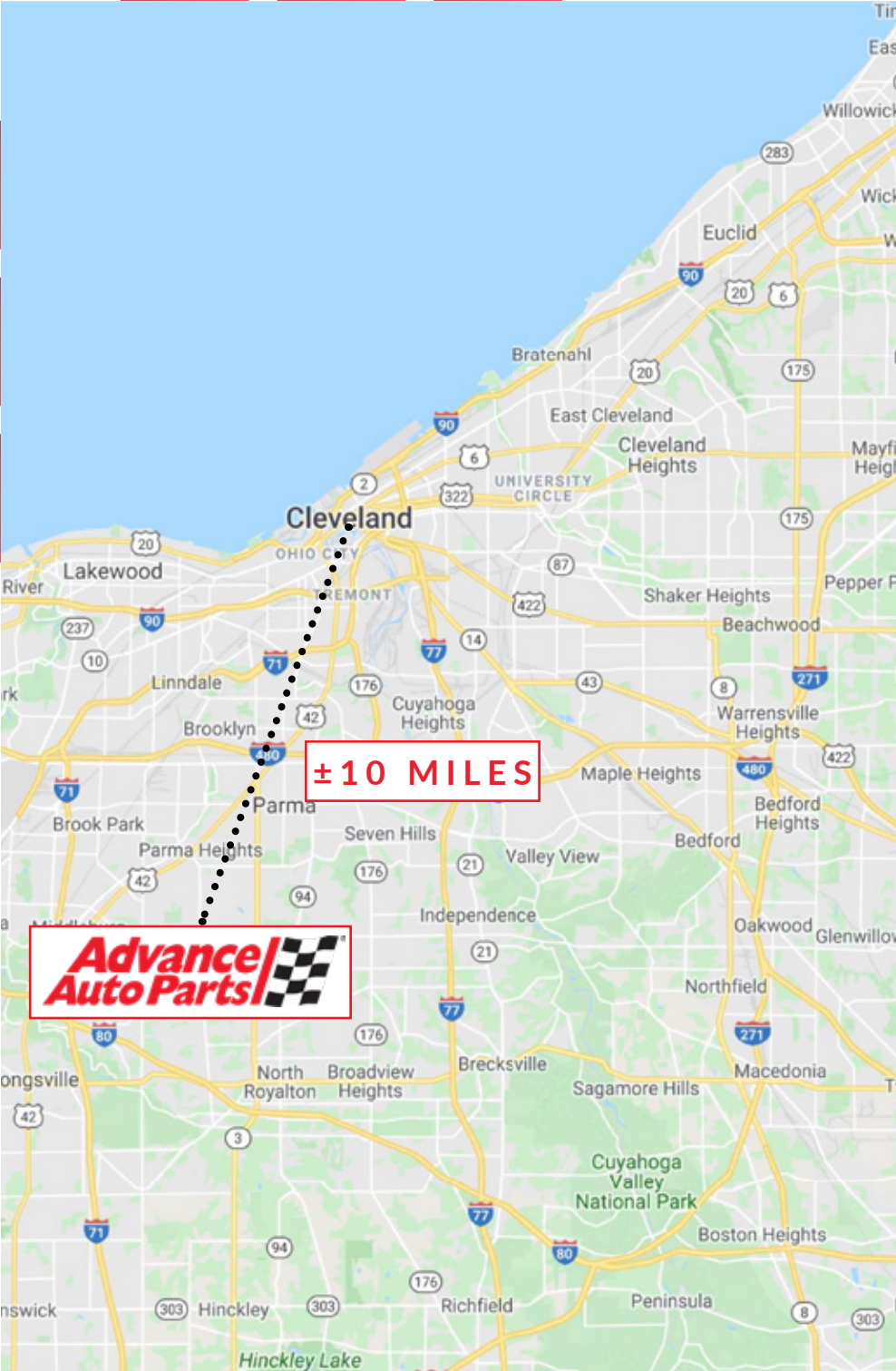
The auto parts chain has stores in all 50 states, as well as Puerto Rico, the US Virgin Islands, and Canada. Florida is the company’s largest market with more than 500 stores. North Carolina, New York, Ohio, Pennsylvania, and Georgia are also major markets for Advance Auto Parts, each home to more than 250 stores.

SURROUNDING AREA MAP



A scenic view of a city skyline across a body of water, with a red overlay and the text "AREA OVERVIEW". The image shows a city skyline with several prominent skyscrapers, including the Chrysler Building, viewed from across a body of water. The foreground is a grassy hillside with some trees. The entire image is overlaid with a semi-transparent red filter. The text "AREA OVERVIEW" is centered in a large, white, sans-serif font.

AREA OVERVIEW






PARMA, OH

Parma is a city in Cuyahoga County, Ohio, United States, located on the southern edge of Cleveland. It is the seventh largest city in the state of Ohio and the second largest city in Cuyahoga County after Cleveland.

Parma is the home of Cuyahoga Community College West campus, Parma Community General Hospital, German Central Farm, and Parmatown Mall. It was once the home of a Nike missile site and Crile General Hospital, which was a hospital for soldiers and military veterans from 1943-1964. Parma's school district is shared with Parma Heights, and Seven Hills. The area's rich ethnic heritage is derived from the largest segments of its population, the Germans, Poles, Italians, Slovaks, and Irish, who have chosen to make Parma their home over the years.

DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
 POPULATION	8,910	75,519	197,960
 HOUSEHOLDS	3,692	32,694	84,202
 INCOME	\$86,960	\$82,414	\$ 82,059

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** located in **10200 W Sprague Rd | Parma, OH 44130** ("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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