



PEP BOYS
631 E. LINCOLN HWY
NEW LENOX, ILLINOIS 60451

Offered By:
Addison Williams
Associate
+1 248 351 2005
addison.williams@cbre.com



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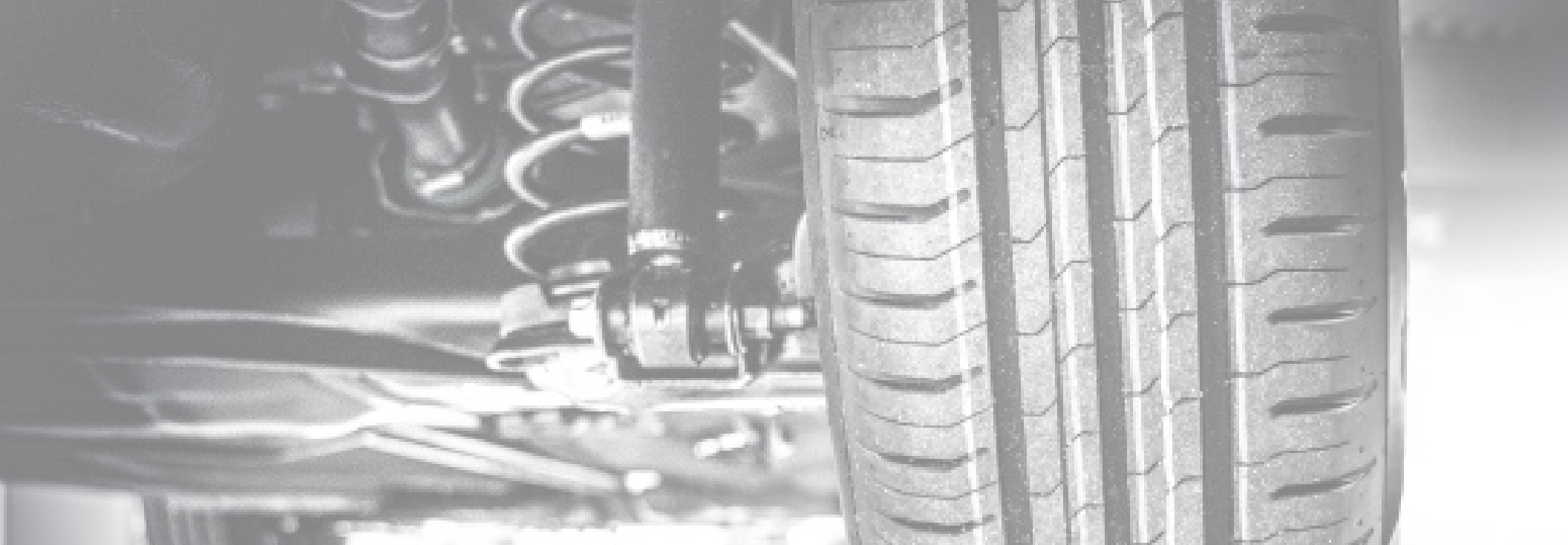


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I. Executive Summary

The Offering:

Addison Williams from CBRE Southfield is pleased to offer for sale a free-standing Pep Boys Auto Service & Tire in New Lenox, IL. This 5,546 square foot property is situated along the automotive and fast food corridor of E Lincoln Highway.

Pep Boys is on an original 15-year NN+ lease that commenced September of 2014. Pep Boys has just under ten (10) years remaining on the base term of their lease. Rental rate shall increase by 10% every five years during the base term. The next scheduled 10% rent increase will commence in just under five (5) years. There are four 5-year options, each with 10% rent increases.

Landlord has limited responsibilities, extending only to the repair and replacement of roof, walls, and foundation, as well as repaving of the parking lot. Tenant shall pay annually as Additional Rent the sum of \$2,000 for Common Area Maintenance Expenses (see Lease Abstract – “CAM” for details).

Investment Highlights:

- 1) Just under ten (10) years remain on lease
- 2) Located on busy automotive and fast food corridor seeing 18,000+ vehicles per day (VPD)
- 3) Strong corporate guaranty
- 4) NN+ lease with minimal Landlord responsibilities
- 5) Major 10% rent increase in less than five (5) years
- 6) Four (4), five (5)-year options each with 10% rent increases
- 7) Market rent of \$22.81 PSF
- 8) Solid market vacancy rate of 6.3%



Property Facts:

PROPERTY ADDRESS	631 E. Lincoln Hwy New Lenox, IL 60451
TOTAL BUILDING AREA	5,546 SF
YEAR BUILT	2014
NUMBER OF TENANTS	One (1)



II. Location & Property Overview

Location Overview

A 50-minute drive from the heart of Chicago, the subject property is situated along the busy E Lincoln Highway in New Lenox, IL. Neighboring the subject property are businesses such as Chase Bank, AutoZone, Discount Tire, Enterprise Rent-A-Car, Advance Auto Parts, White Castle, Verizon, and Culver's. There is an Aldi on the same road 2,000 feet west of the subject property. There is a Wal-Mart Supercenter 800 feet NW of the subject property. Neighboring Wal-Mart is a T.J. Maxx, Petco, and Goodwill Store. E Lincoln Hwy sees over 18,000 vehicles per day.

Location Highlights

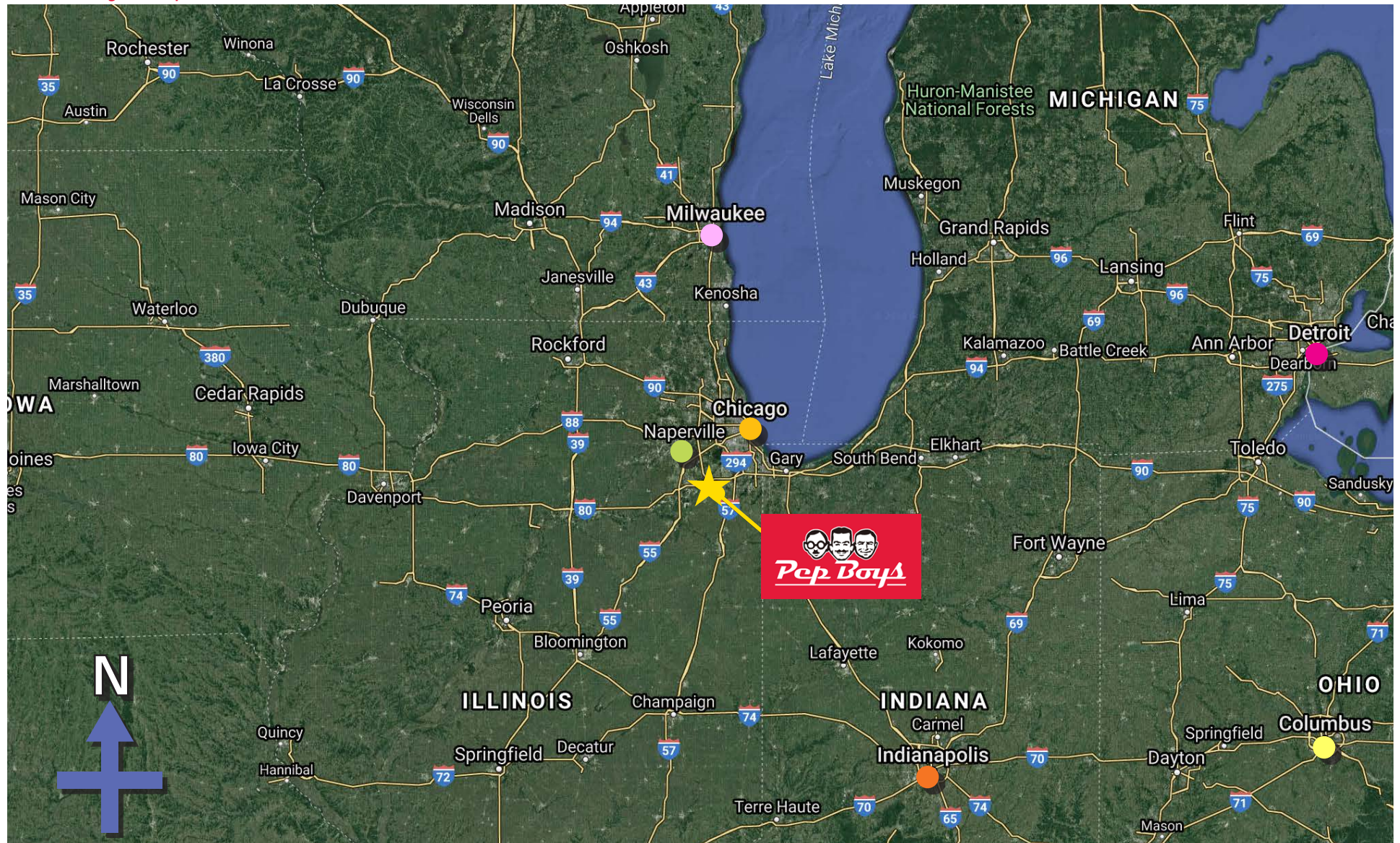
- Located on a highway that sees over 18,000 vehicles per day
- Highly commercialized area:
 - Neighboring Wal-Mart Supercenter, ALDI, and T.J. Maxx
- Well-positioned for its asset type:
 - Neighboring Discount Tire, AutoZone, and Advance Auto Parts
- 42 miles from the heart of Chicago
- 25 miles from the heart of Naperville



Aerial Map: Nearby National Tenants & Retail Corridors



Proximity Map



Naperville, IL
25 Miles

Chicago, IL
42 Miles

Milwaukee, WI
118 Miles

Indianapolis, IN
187 Miles

Detroit, MI
289 Miles

Columbus, OH
360 Miles

Property Photos Exterior



Lease Abstract

Tenant/Guarantor	The Pep Boys Manny Moe & Jack of California, a California Corporation
Size	5,546
Lease Type	NN+
Start Date	9/12/2014
Year One Rent	\$126,500
Lease Term	15 years total / 9.7 years remain
Percentage Rent	None
Escalations	10% rental escalations every 5 years, continuing through option periods
Renewal Options	Four 5-year options, each with a 10% escalation
Option to Purchase	None
Right of First Refusal	None
Operating Expenses	
Taxes	Tenant shall pay for all real estate taxes directly.
Insurance	Tenant shall pay for all insurance costs directly.
CAM	Tenant shall pay for all common area maintenance, including \$2,000 to be paid annually as Additional Rent that serves the cost of maintaining the access drives and other common areas located in the Center associated with the property. Said payment shall increase annually by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U).
Utilities	Tenant shall pay for all utilities directly.
Landlord Responsibilities	Maintain, repair, and replace roof, walls, and foundation
Assignment and Sublease	Per Section 9 - Tenant may assign the Lease or sublet all or any portion(s) of the Leased Premises without Landlord's consent. Tenant shall remain liable for all of tenant's obligations to landlord.



III. Tenant Overview

Tenant Overview

The Pep Boys: Manny, Moe & Jack (branded and commonly abbreviated as Pep Boys) is an American automotive aftermarket retail and service chain. They are referred to as the “founders of the automotive aftermarket”. Originally named Pep Auto Supply Company, the Company was founded in Philadelphia, Pennsylvania in 1921 by Emanuel (Manny) Rosenfeld, Maurice L. (Moe) Strauss, W. Graham (Jack) Jackson, and Moe Radavitz.

Headquartered in the Philadelphia neighborhood of East Falls, Pep Boys provides name-brand tires, automotive maintenance and repair, parts and expert advice for the do-it-yourselfer, commercial auto parts delivery, and fleet maintenance and repair to customers across the U.S. with Just Brakes, its wholly owned subsidiary. Pep Boys operates more than 8,300 service bays in over 930 locations in 35 states and Puerto Rico.

Pep Boys parent company is Icahn Enterprises, an American conglomerate owning 9 other companies and with a revenue of ~16B annually.





IV. Financial Analysis

Financial Analysis

NET OPERATING INCOME YEAR ONE CASH FLOW ESTIMATES

Price		\$2,007,937	
Rentable Square Feet		5,546	
Price per Square Foot		\$362	
CAP Rate		6.30%	
		Year One NOI 4/2020 - 3/2021	Per SF
Income			
Pep Boys	5,546 SF	\$126,500	\$22.81
Total Base Rent		\$126,500	\$22.81
Scheduled Base Rental Revenue		\$126,500	\$22.81
Expense Reimbursement Revenue			
Real Estate Taxes		\$0	\$0.00
Insurance		\$0	\$0.00
Common Area Maintenance		\$2,159	\$0.39
Total Expense Reimbursement Revenue		\$2,159	\$0.39
Gross Potential Income		\$128,659	\$23.20
Vacancy/Collection Allowance	0.0%	\$0	\$0.00
Effective Gross Income		\$128,659	\$23.20
Operating Expense Estimates			
Real Estate Taxes		\$0	\$0.00
Insurance		\$0	\$0.00
Common Area Maintenance		\$2,159	\$0.39
Total Common Area Expenses		\$2,159	\$0.39
Management/Administrational Fee		\$0	\$0.00
Replacement Reserve	\$0.00	\$0	\$0.00
Total Expenses		\$0	\$0.00
Net Operating Income		\$126,500	\$22.81



You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

Sales Comparables

	Building Name Address	Year Built	Building Size (SF)	Sale Date	Sale Price	Price/SF	NOI	Term Remaining	Cap Rate
★	Pep Boys 1722 GA-20 McDonough, GA	2017	7,000	★	\$2,007,937	\$287	\$126,500	9.7	6.30%
1	Pep Boys 17567 Cedar Ave Lakeville, MN	2003	6,480	On Market	\$1,866,240	\$288	\$116,640	8.7	6.25%
2	Pep Boys 8665 N Beach St Fort Worth, TX	2008	4,082	On Market	\$2,444,000	\$599	\$138,043	13	5.65%
3	Pep Boys 4737 East Union Hills Dr Phoenix, AZ	2001	3,863	On Market	\$1,780,000	\$461	\$114,000	4.8	6.40%
4	Pep Boys 1580 W Main St League City, TX	77573	1,933	On Market	\$1,100,000	\$569	\$75,864	5	6.90%
5	Pep Boys 2035 W Spring St Monroe, GA	30655	5,704	7/29/2019	\$1,250,000	\$219	\$84,000	10	6.72%
Comparable Average						\$427	\$105,709	8.3	6.38%



V. Market & Area Overview

Market & Area Overview

Village of New Lenox:

New Lenox is a village in Will County, Illinois. As of 2010, the village population is 24,394. There were 8,000 households out of which 45.2% had children under the age of 18 living with them, 69.8% were married couples living together, and 8.2 were non-families. 15.1% of all households were made up of individuals and 5.7% had someone living alone who was 65 years of age or older. The average household size was 3.04 and the average family size was 3.41.

The median income for a household in the village was \$88,778 and the median income for a family was \$97,752. The median home value in the village as of the first quarter of 2011 is \$245,100.

According to a 2011 forecast the Chicago Metropolitan Agency for Planning estimated New Lenox will have a population of 90,652 in 2030. However, due to a substantial slow down in area growth, a 2015 forecast estimates the population of New Lenox will grow to about 68,000 residents by 2040.

Will County:

Will County is a county in the northeastern part of the state of Illinois. According to the 2010 census, it had a population of 677,560, an increase of 34.9% from 502,266 in 2000, making it Illinois's fourth-most populous county. The county seat is Joliet. Will County is one of the five collar counties of the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area. The portion of Will County around Joliet uses the 815 and 779 area codes, 630 and 331 are for far northern Will County, and 708 is for eastern Will County. As of the 2010 Census, there were 677,560 people, 225,256 households, and 174,062 families residing in the county.

Will County is served by 4 US Interstate Highways, 4 US Highways, and 12 Illinois Highways. Four different Metra commuter rail lines (Metra Electric Main Line, Southwest Service, Rock Island District and Heritage Corridor) connect the parts of the county with the Chicago Loop.





CONTACT: **ADDISON WILLIAMS**
Associate
+1 248 351 2005
addison.williams@cbre.com

CBRE 2000 Town Center, Suite 2200
Southfield, MI 48075
+1 248 353 5400
www.cbre.com/detroit

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