

ADVANCE AUTO PARTS

Exclusive Net Lease Offering

Subject Property



OFFERING MEMORANDUM



1260 Jennings Station Rd
St. Louis, MO 63137

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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.

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Advance
Auto Parts 





Investment Highlights

Optimal Lease Structure

- ✓ Long Term Triple Net (NNN) Lease | 13.5 Years Remaining
- ✓ Attractive 10% Rental Increase in 2028
- ✓ Advance Stores Company, Inc. Guaranty | Wholly Owned Subsidiary of Advance Auto Parts, Inc.

Compelling Location Fundamentals

- ✓ Situated on the Hard-Corner of a Four-Way Signalized Intersection
- ✓ Strong Traffic Counts | Jennings Station Rd and Lewis and Clark Boulevard | Average 16,000 and 22,300 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located in St. Louis | The 2nd Largest City in Missouri
- ✓ Strong Demographics | Population within a 5-Mile Radius is More Than 225,471
- ✓ Large Academic Presence | Jennings Senior High School and Jennings Junior High School | Combined Enrollment Exceeds 1,000 Students

Strong Brand, Exceptional Operator

- ✓ National Leader in the Automotive Aftermarket Parts Industry | Nearly 5,000 Stores in Operation Across 8 Countries and Territories
- ✓ Strong Performance Across Units | \$9.58 Billion in Annual Net Sales | More Than \$2.1 Million Increase Over Previous Year's Sales
- ✓ Seasoned Brand | Founded 88 Years Ago by Arthur Taubman | First Stores Opened in Roanoke, VA and Lynchburg, VA
- ✓ Commitment to Continued Growth and Success | Recently Invested Nearly \$200 Million in Both the Business Infrastructure and Tools for Their Team Members

Representative Photo



Representative Photo



Representative Photo



Financial Analysis & Investment Summary



PRICE: \$1,489,146 | CAP RATE: 5.75% | RENT: \$85,626

PROPERTY DESCRIPTION

Property	Advance Auto Parts
Property Address	1260 Jennings Station Rd
City, State ZIP	St. Louis, MO 63137
Building Size (SF)	8,000
Lot Size (Acres)	+/- 1.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,489,146
CAP Rate	5.75%
Annual Rent	\$85,626

LEASE SUMMARY

Tenant	Discount Auto Parts, LLC
Guarantor	Advance Stores Company, Inc.
Lease Commencement	January 21, 2020
Lease Expiration	August 31, 2033
Lease Term Remaining	13.5 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	10% on 8/31/2028
Options to Renew	Four (4), Five (5)-Year
Rental Increases In Options	10% In Each Option

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1 ¹	\$85,626	\$7,135	-
Year 2	\$85,626	\$7,135	-
Year 3	\$85,626	\$7,135	-
Year 4	\$85,626	\$7,135	-
Year 5	\$85,626	\$7,135	-
Year 6	\$85,626	\$7,135	-
Year 7	\$85,626	\$7,135	-
Year 8	\$85,626	\$7,135	-
Year 9	\$94,188	\$7,849	10.00%
Year 10	\$94,188	\$7,849	-
Year 11	\$94,188	\$7,849	-
Year 12	\$94,188	\$7,849	-
Year 13	\$94,188	\$7,849	-
Year 14	\$94,188	\$7,849	-

Investment Summary

Marcus & Millichap is please to present the exclusive listing for the Advance Auto Parts located at 1260 Jennings Station Rd in St. Louis, MO. The property consists of a 8,000 square-foot building sitting atop a 1.00-acre lot. There are currently 13.5 years remaining on the base term of the absolute triple net (NNN) lease, which is guaranteed by Advance Stores Company, Inc., a wholly owned subsidiary of Advance Auto Parts, Inc. Currently, the annual rent for the property is \$85,626, which is scheduled to increase by 10% on 8/31/2028. The tenant has four (4), five (5)-year options to extend lease, each of which comes with a 10% rental increase.

¹Lease Year 1 represents the period from the lease commencement to 8/31/2020

Concept Overview



“There's nothing we enjoy more than helping you wrench up, take control and master your machine.”

Advance Auto Parts, Inc. (NYSE: AAP) is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of July 13, 2019, Advance operated 4,912 stores and 150 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,250 independently owned Carquest branded stores across these territories, in addition to Mexico, the Bahamas, Turks and Caicos and British Virgin Islands. The brand prides itself on not only being a one stop shop for all automotive aftermarket part needs, but also for the reliable advice that all of their employees provide to each and every customer walking through the door. No matter the level of comfort or expertise with automotive upgrades or repairs, Advance Auto Parts strives to provide a knowledgeable and enjoyable shopping experience for everyone who enters their stores.



Advance Auto Parts - At A Glance

# of Stores	4,912
# of Carquest Stores Served	1,250
# of Team Members	70,000+
Years in Operation	87
2018 Net Sales	\$9.58 Billion
Headquarters	Raleigh, NC
CEO	Thomas Greco
Countries & Territories Served	8

2018 Financial Summary





Surrounding Area



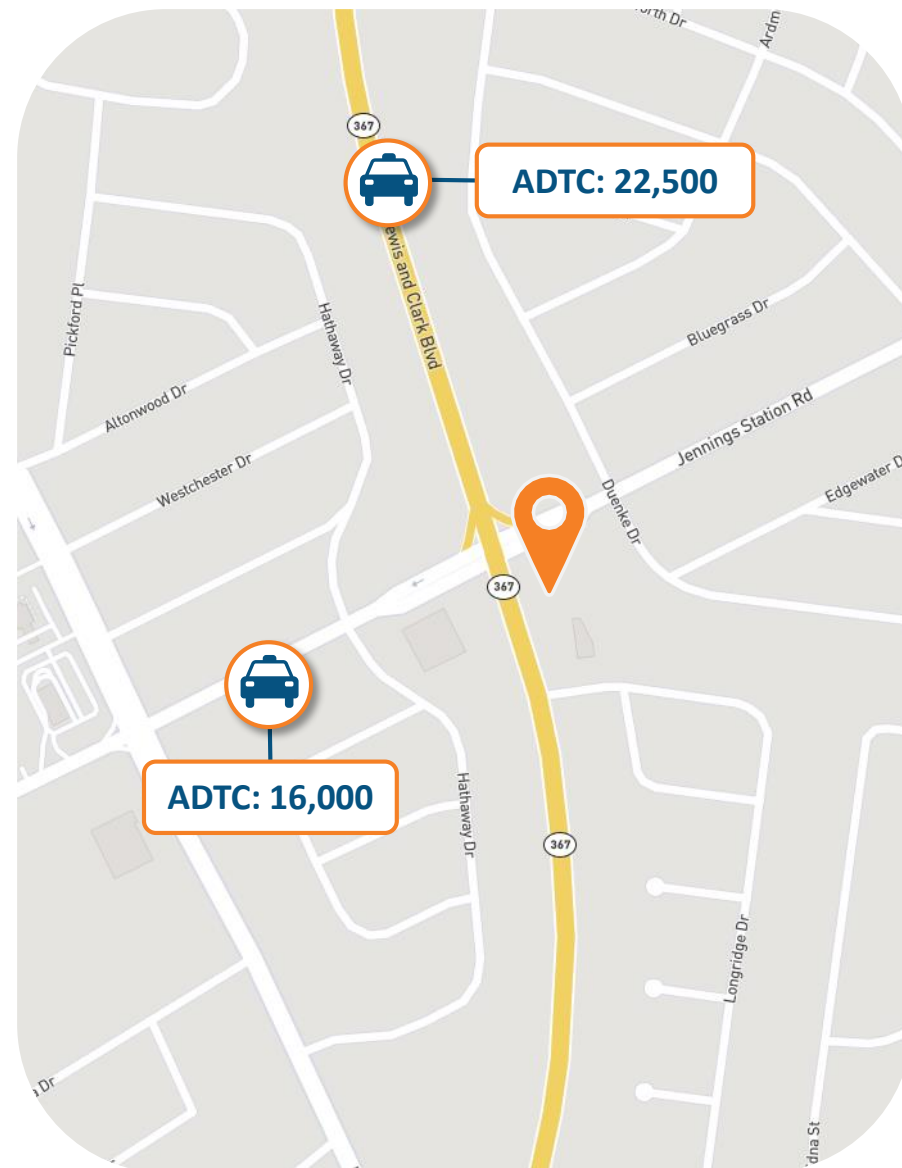


Location Overview

The subject investment property is situated on the hard corner of a four-way intersection between Jennings Station Rd and Lewis and Clark Boulevard. Jennings Station Road and Lewis and Clark Boulevard boost average daily traffic counts exceeding 16,000 and 22,500 vehicles, respectively. There are approximately 92,500 individuals residing within a three-mile radius and 225,500 individuals residing within a five-mile radius.

The subject property benefits from being well-positioned on a hard corner of signalized intersection in the main retail corridor of a residential neighborhood. Major national tenants in the surrounding area include: Walgreens, Dollar Tree, Firestone Complete Auto Care, AutoZone Auto Parts, O'Reilly Auto Parts, McDonalds, Little Caesars Pizza, Regions Bank, as well as others. The subject property benefits from being located within a five-mile radius of several academic institutions. Most notable of these being Jennings Senior High School and Jennings Junior High School, with a combined enrollment exceeding 1,000 students. This Advance Auto Parts is located just under 8 miles from the Boeing Campus. Boeing employs nearly 15,000 people in its north St. Louis campus which is the headquarters to its defense unit.

St. Louis is an independent city and inland port in the state of Missouri. The city was developed along the western bank of the Mississippi River, which forms Missouri's border with Illinois. St. Louis is the second-largest city in Missouri after Kansas City. As of 2013, the St. Louis Metropolitan Area is home to nine Fortune 500 companies, the third-highest concentration in the Midwestern United States. St. Louis itself is home to two of those companies, Peabody Energy and Ameren. Health Care and biotechnology institutions with operations in St. Louis include Pfizer, the Solae Company, Sigma-Aldrich and Multidata Systems International. St. Louis is a center of medicine and biotechnology. The Washington University School of Medicine is affiliated with Barnes-Jewish Hospital, the fifth-largest hospital in the world. Both institutions operate the Alvin J. Siteman Cancer Center. The School of Medicine is also affiliated with St. Louis Children's Hospital, one of the country's top pediatric hospitals. Boeing employs nearly 15,000 people in its north St. Louis campus, the headquarters to their defense unit.





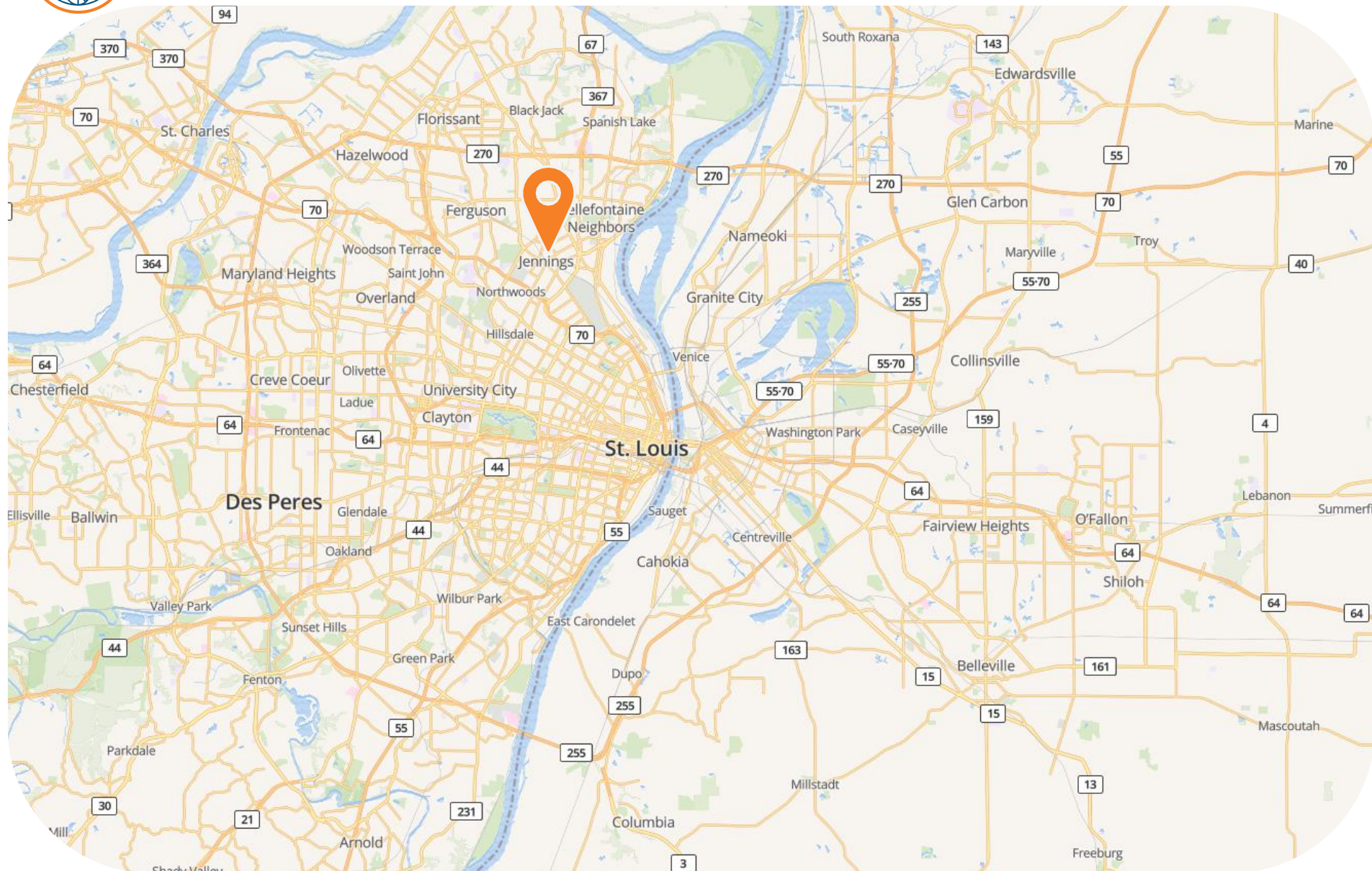
Property Photos





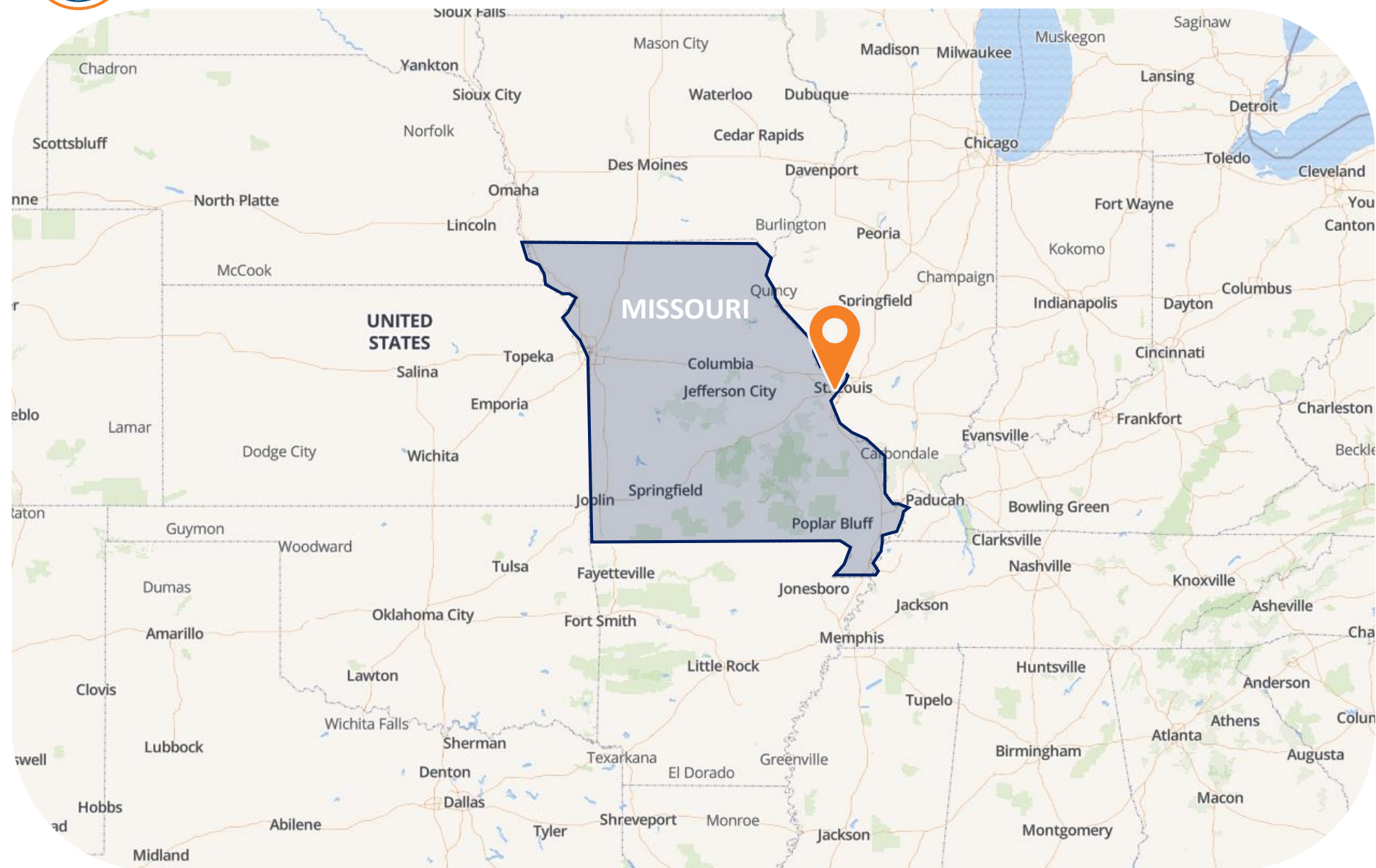
Surrounding Area Photos





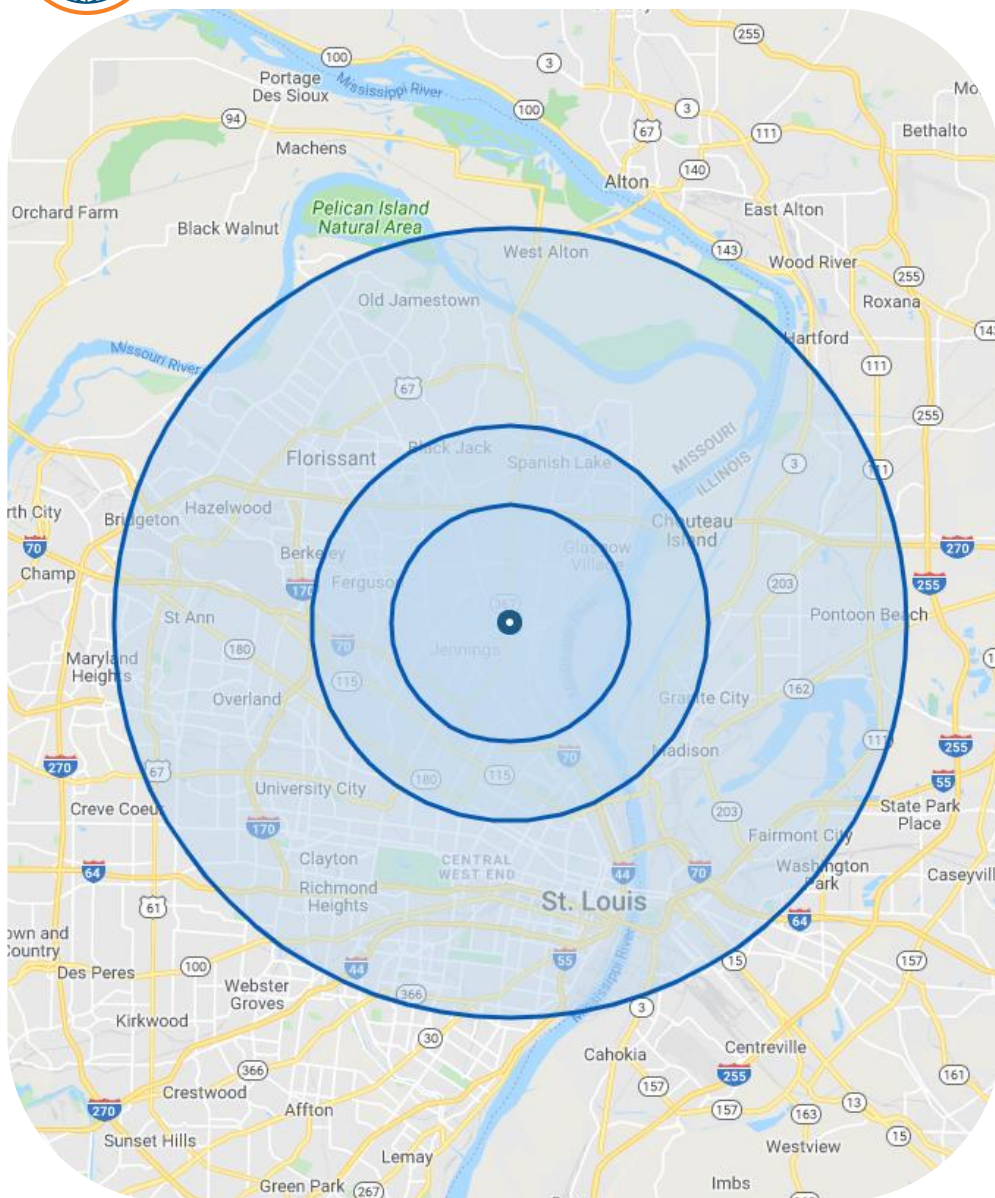


Regional Map





Demographics



	3 Miles	5 Miles	10 Miles
POPULATION			
2023 Projection	89,964	217,811	745,731
2018 Estimate	92,381	225,471	757,898
2010 Census	92,464	225,881	759,474
2000 Census	102,082	256,183	812,496
INCOME			
Average	\$47,794	\$49,637	\$66,272
Median	\$36,054	\$36,450	\$45,164
Per Capita	\$18,169	\$19,282	\$27,873
HOUSEHOLDS			
2023 Projection	34,175	84,654	314,302
2018 Estimate	34,655	86,434	314,778
2010 Census	34,751	86,818	316,458
2000 Census	37,758	96,671	329,723
HOUSING			
2018	\$77,460	\$82,422	\$113,604
EMPLOYMENT			
2018 Daytime Population	60,261	184,539	911,705
2018 Unemployment	8.65%	7.97%	5.78%
2018 Median Time Traveled	31 Mins	29 Mins	26 Mins
RACE & ETHNICITY			
White	9.29%	12.83%	42.68%
Native American	0.01%	0.01%	0.02%
African American	88.40%	84.18%	50.27%
Asian/Pacific Islander	0.20%	0.43%	2.69%



Market Overview

St. Louis, MO

St. Louis is a major independent city and inland port in Missouri. It is the second largest city in the state of Missouri behind Kansas City. The city is situated along the western bank of the Mississippi River, which marks Missouri's border with Illinois. The Missouri River merges with the Mississippi River just north of the city, forming the fourth-largest river system in the world. A "Gamma" global city with a metropolitan GDP of more than \$160 billion in 2017, metropolitan St. Louis's diverse economy has strengths in the service, manufacturing, trade, transportation, and tourism industries. Home to nine of the ten Fortune 500 companies based in Missouri, Greater St. Louis counts among its major corporations Anheuser-Busch, Express Scripts, Centene, Boeing Defense, Emerson, Energizer, Panera, Enterprise, Peabody Energy, Ameren, Post Holdings, Monsanto, Edward Jones, Go Jet, Purina, Olin Corporation, and Sigma-Aldrich. Major research universities within the city include Washington University in St. Louis and Saint Louis University. The Washington University Medical Center hosts an agglomeration of medical and pharmaceutical institutions, including the nationally recognized Barnes-Jewish Hospital.

The Gateway Arch anchors downtown St. Louis and a historic center that includes: the Federal courthouse where the Dred Scott case was first argued, a newly renovated and expanded public library, major churches and businesses, and retail. An increasing downtown residential population has taken to adapted office buildings and other historic structures. In nearby University City is the Delmar Loop, ranked by the American Planning Association as a "great American street" for its variety of shops and restaurants, and the Tivoli Theater, all within walking distance.

Major Employers

Employer	Estimated # of Employees
Boeing	25,303
Saint Louis University	8,300
AT&T Corp	6,644
Marillac Provincial House	5,500
Washington University	5,143
Carnahan Couthouse	4,000
Electrophysiology	4,000
St Louis Post-Dispatch	3,502
Barnes-Jewish Hospital	3,274
Anheuser-Busch	3,218
Union Electric	3,200
Monsanto	3,073

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



MO BROKER OF RECORD:

Brad Barham
Marcus & Millichap
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