

ADVANCE AUTO PARTS

Exclusive Net Lease Offering



OFFERING MEMORANDUM



505 N Western Ave
West Peoria, IL 61604

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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

- ✓ Located in Retail Corridor | Walgreens, McDonalds, Dunkin' Donuts, Family Dollar, Redbox, KFC, Dominos, O'Rielly Auto Parts and Many More
- ✓ Features High Visibility & Ease of Access along North Western Avenue
- ✓ Strong Traffic Counts | North Western Avenue | Average 22,500 Vehicles Per Day
- ✓ Compelling Location Fundamentals | Located Within a Five-Mile Radius of General Wayne A. Downing International Airport | Services Approximately 750,000 Passengers Every Year
- ✓ Major Academic Presence | Bradley University Within a One-Mile Radius | Approximately 5,500 Students Enrolled
- ✓ Strong Demographics | Population within a 5-Mile Radius is More Than 125,000 Individuals

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: \$1,033,152 | CAP RATE: 5.75% | RENT: \$59,406

PROPERTY DESCRIPTION

Property	Advance Auto Parts
Property Address	505 N. Western Ave
City, State ZIP	West Peoria, IL 61604
Building Size (SF)	8,050
Lot Size (Acres)	+/- 0.83 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,033,152
CAP Rate	5.75%
Annual Rent	\$59,406

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	\$59,406	\$4,951	-
Year 2	\$59,406	\$4,951	-
Year 3	\$59,406	\$4,951	-
Year 4	\$59,406	\$4,951	-
Year 5	\$59,406	\$4,951	-
Year 6	\$59,406	\$4,951	-
Year 7	\$59,406	\$4,951	-
Year 8	\$59,406	\$4,951	-
Year 9	\$65,347	\$5,446	10.00%
Year 10	\$65,347	\$5,446	-
Year 11	\$65,347	\$5,446	-
Year 12	\$65,347	\$5,446	-
Year 13	\$65,347	\$5,446	-
Year 14	\$65,347	\$5,446	-

Investment Summary

Marcus & Millichap is please to present the exclusive listing for the Advance Auto Parts located at 505 N Western Ave in Peoria, IL. The property consists of a 8,050 square-foot building sitting atop a 0.83-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 \$53,406, 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

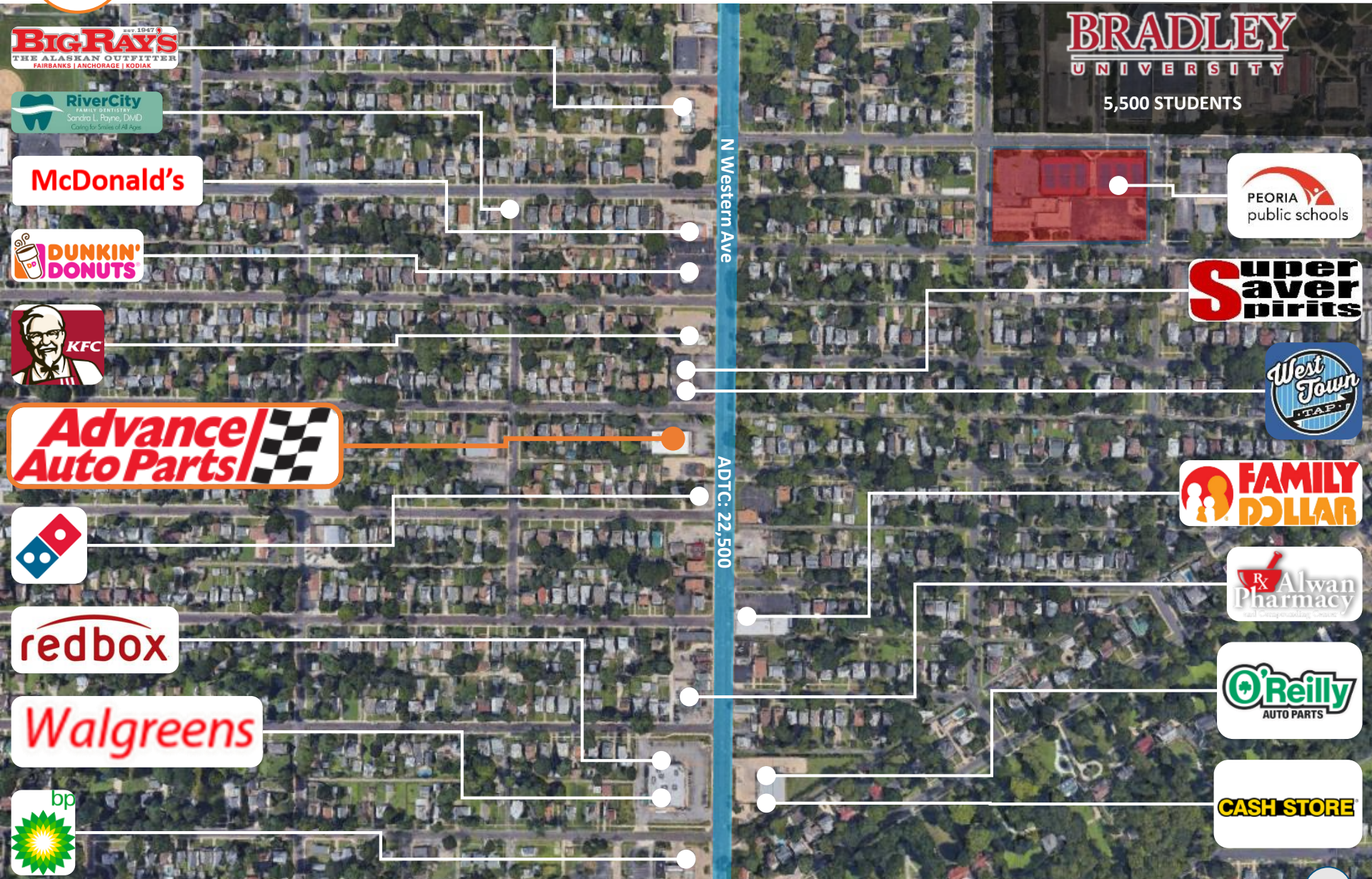
# of Stores	4,912
# of Carquest Stores Served	1,250
# of Team Members	70,000+
Years in Operation	87
2018 Net Sales	\$9.58 Billion
Headquarters	Raleigh, NC
CEO	Thomas Greco
Countries & Territories Served	8

2018 Financial Summary





Surrounding Area



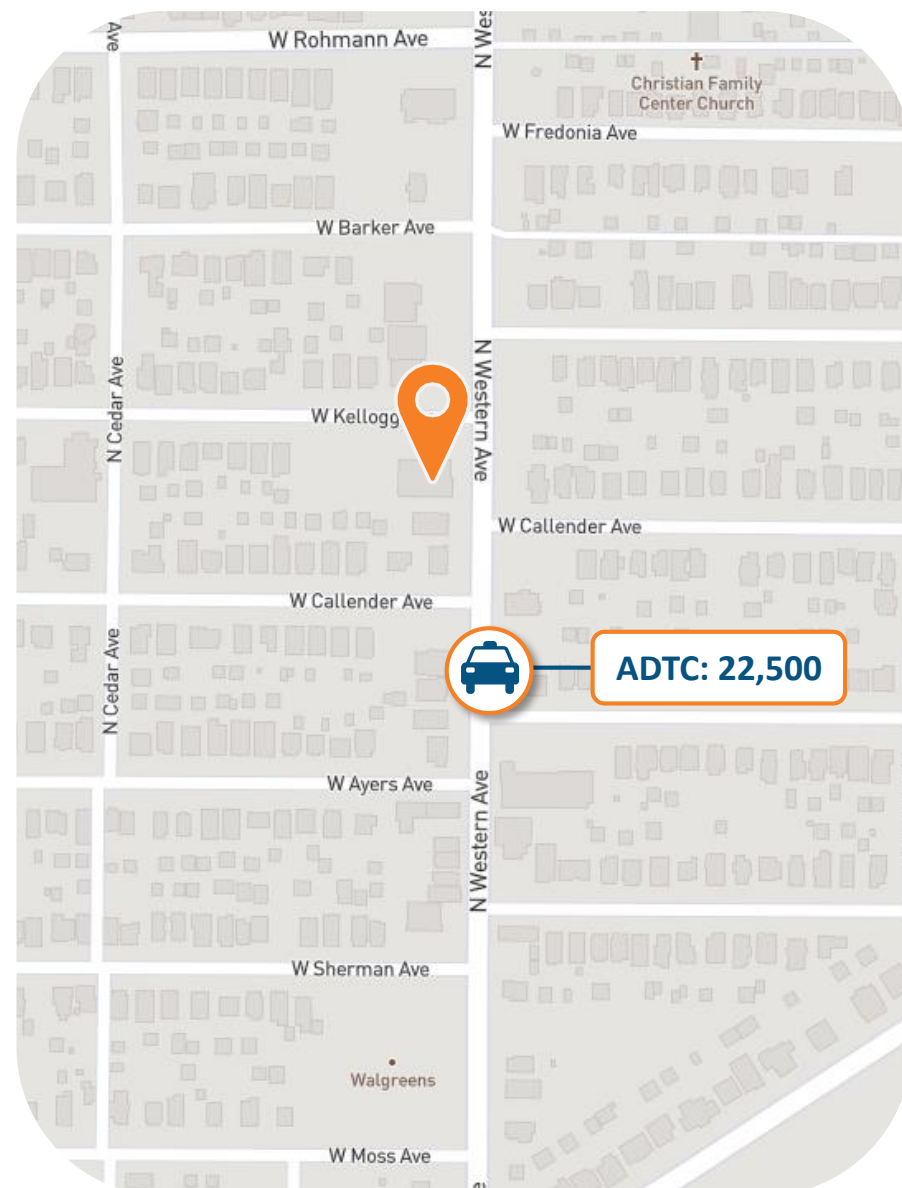


Location Overview

The subject investment property is situated along North Western Avenue, Peoria, Illinois. North Western Avenue boasts average daily traffic counts of approximately 22,500 vehicles and also intersects with West Farmington Road, which brings an additional 12,000 vehicles into the immediate area on average daily. There are more than 125,000 individuals residing within a five-mile radius of the property and more than 250,000 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants. Major national tenants include: Walgreens, McDonald's, Dunkin' Donuts, Family Dollar, Redbox, KFC, Dominos, O'Rielly Auto Parts and several other quick service restaurants. Additionally there is a prominent local academic presence in the area surrounding this property. Within a two-mile radius of this site there are several academic institutions, most notably Bradley University, which has approximately 5,500 students enrolled. This Advanced Auto Parts property also benefits from being situated within a two-mile radius of downtown Peoria and Peoria Port, one of the largest and most significant on the Illinois River, and is surrounded by large distribution centers. General Wayne A. Also within a two-mile radius is OSF Saint Francis Medical Center, an expansive medical complex with more than 650 beds available. This Advanced Auto property is also located within five miles of Downing Peoria International Airport, which services more than 750,000 individuals every year.

Peoria is the county seat of Peoria County, Illinois and is the largest city on the Illinois River. Peoria is also the second-largest city in Central Illinois after the state capital, Springfield, the third largest outside the Chicago Metropolitan Area and eighth-most populated city in Illinois. Originally known as Fort Clark, the city received its current name after the Peoria Tribe in 1825. The city is known for its prominent business sector, with numerous largest corporations have headquarters or significant operations in Peoria. The Health Care sector also plays a significant role in the city's history. In addition to three major hospitals, the USDA's National Center for Agricultural Utilization Research, one of the labs famous for mass producing penicillin, is based there. Peoria is also known for its attractive cityscape. Grandview Drive, voted one of the nations 'most beautiful drives', runs right through Peoria in addition to another 9,000 acres of parks and trails. Peoria has a strong arts and culture scene as well, the Annual Art Fair for example is voted amongst the top 100 fairs in the nation. The city is also less than 60 miles from other major cities, most notably Springfield, Illinois.





Property Photos



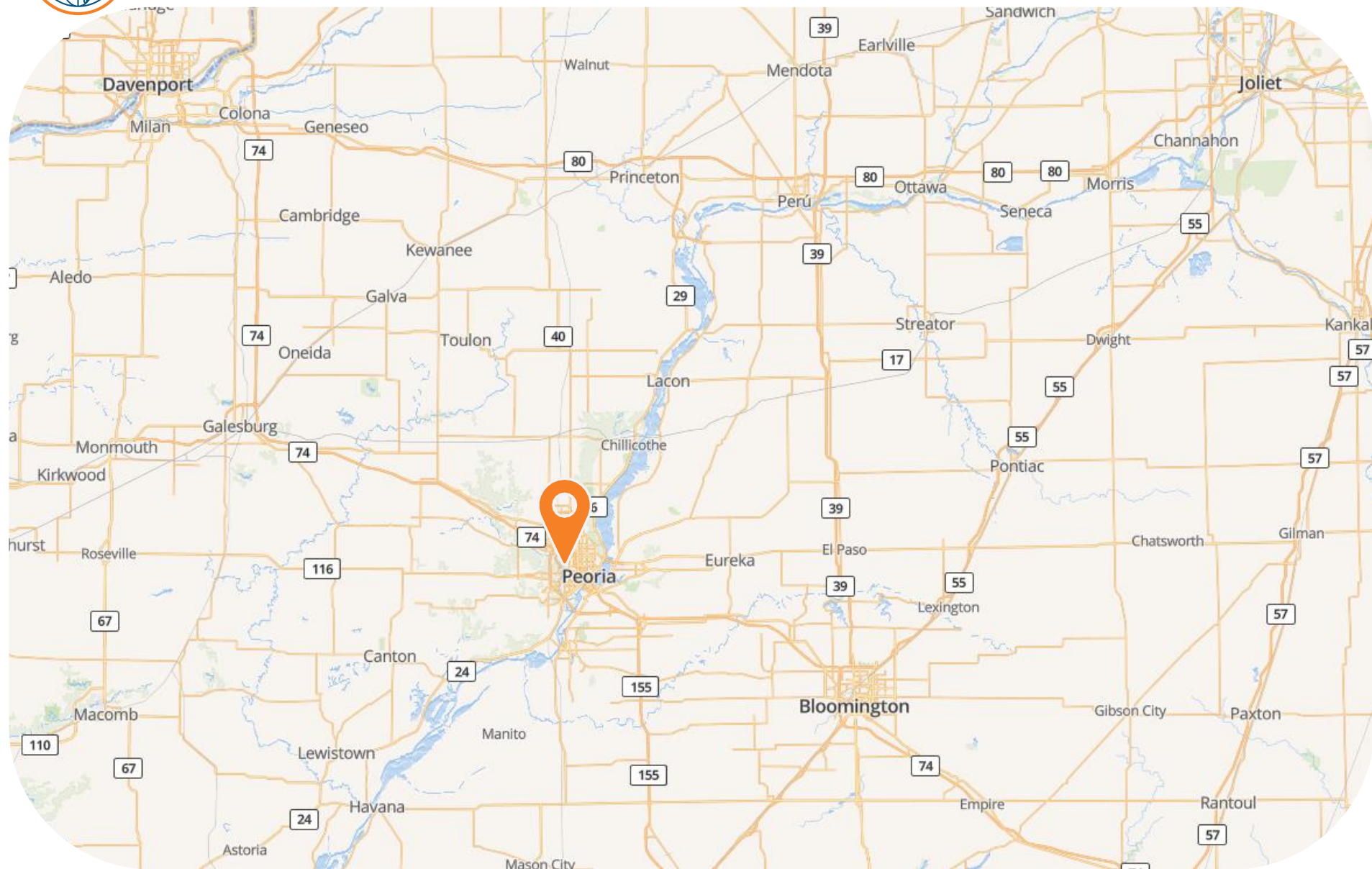


Surrounding Area Photos



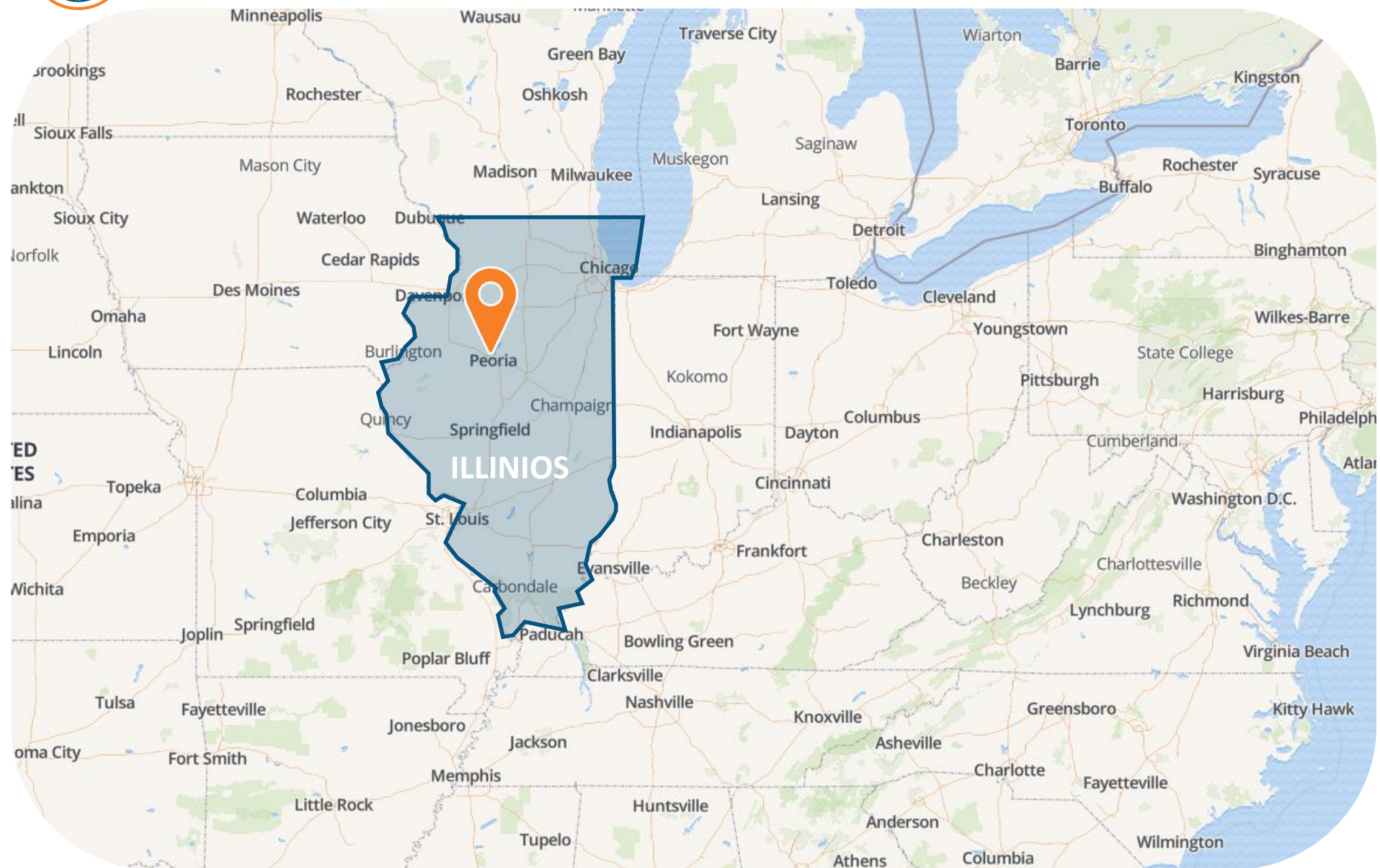


Local Map



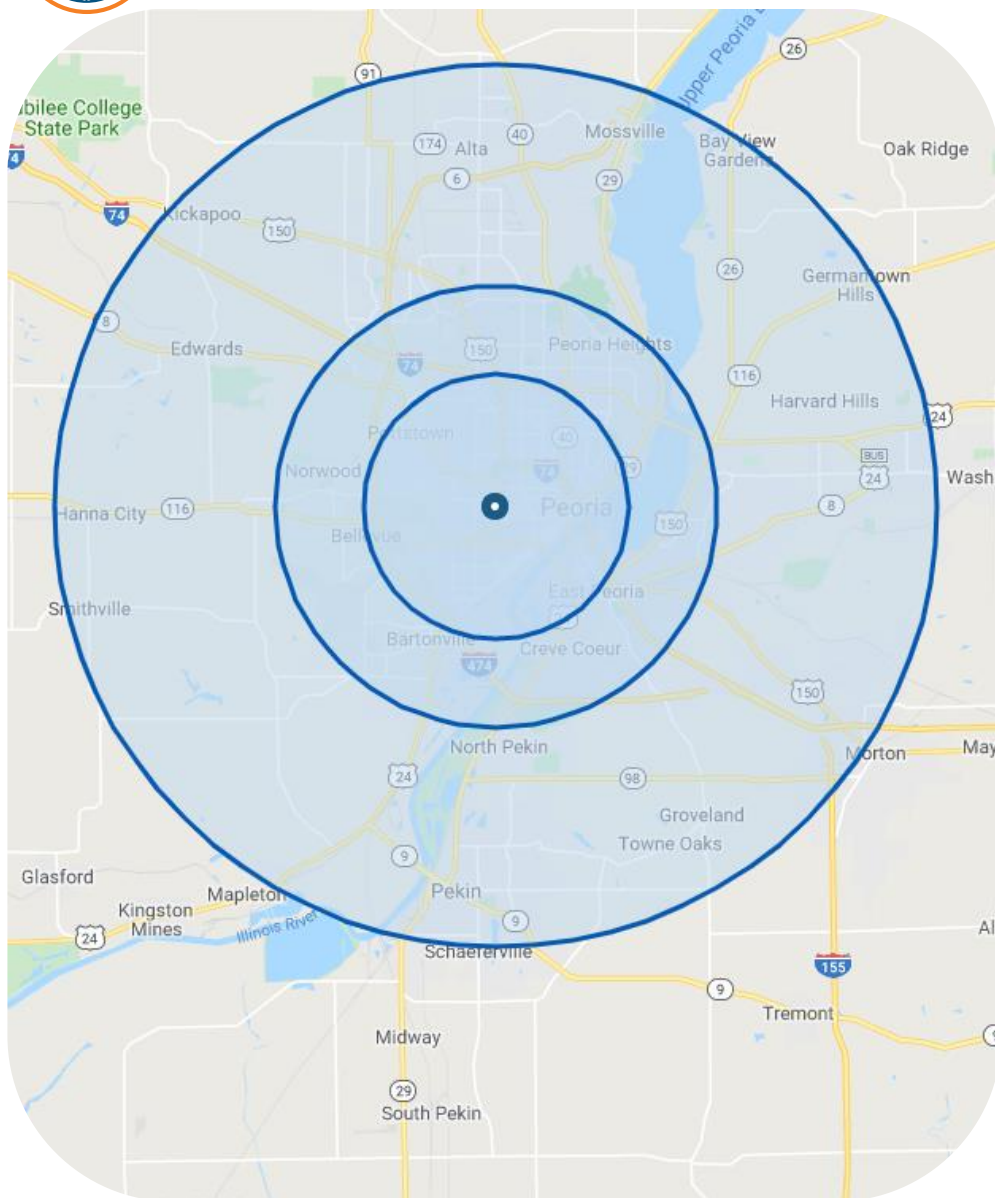


Regional Map





Demographics



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	67,433	125,122	250,712
2018 Estimate	69,523	127,625	246,130
2010 Census	70,193	128,691	246,571
2000 Census	76,784	136,783	241,096

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$51,546	\$62,304	\$75,972
Median	\$35,959	\$45,891	\$54,944
Per Capita	\$20,744	\$25,981	\$31,415

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2023 Projection	26,768	51,995	103,737
2018 Estimate	27,186	52,282	100,852
2010 Census	27,552	52,867	101,231
2000 Census	29,503	54,958	96,885

HOUSING

	3 Miles	5 Miles	10 Miles
2018	\$88,383	\$104,371	\$127,935

EMPLOYMENT

	3 Miles	5 Miles	10 Miles
2018 Daytime Population	99,737	161,580	267,943
2018 Unemployment	10.31%	7.95%	6.99%
2018 Median Time Traveled	19	20	20

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	50.86%	66.02%	77.52%
Native American	0.04%	0.04%	0.04%
African American	38.08%	24.75%	14.10%
Asian/Pacific Islander	1.74%	2.17%	3.40%



Market Overview

Peoria, IL

Peoria is the county seat of Peoria County, Illinois. It is the largest city on the Illinois River and the second-largest city in Central Illinois after the state capital of Springfield. The city is also eighth-most populated city in Illinois and the third largest outside the Chicago Metropolitan Area. A major port on the Illinois River, Peoria is a trading and shipping center for a large agriculture area that produces maize, soybeans and livestock. Although the economy is well diversified, the city's traditional manufacturing industries remain important and produce earthmoving equipment, metal products, labels, steel towers, building equipment, steel, wire, chemicals and many more.

Today, Peoria is home to many major nationwide companies, who either have headquarters in the area or significant business operations. Pioneer Railcorp has its headquarters based in the city as well as Maui Jim, the worlds third largest manufacturer of sunglasses. Peoria also has a strong presence of other major companies. Komatsu America Corporation, the world's second-largest mining equipment manufacturer, has a large manufacturing facility in Peoria. CEFCU: Credit Union, was started by employees of Caterpillar in Peoria and now serves 14 counties in Central Illinois and three in California. Health Care and Medicine also a play huge role in the local industry, accounting for 25% of Peoria's economy, as Peoria is home to three major hospitals.

Major Employers

Employer	Estimated # of Employees
Caterpillar	7,722
Green Light Capital Inc	2,600
Unitypoint Health	2,500
Sisters of The Third Order	2,381
Methodist Medical Center	2,178
UnityPoint Health - Methodist	2,100
Saint Francis Medical Center	1,515
Hinduja Global Solutions	1,500
Walmart	1,437
Sisters of The Third Order	1,166
Kroger	1,130
Unitypint Hlth Methdst Proctor	1,040

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



IL BROKER OF RECORD:

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