

ADVANCE AUTO PARTS

Exclusive Net Lease Offering

Subject Property



OFFERING MEMORANDUM



9791 St Charles Rock Rd
Breckenridge Hills, MO 63114

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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.

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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

- ✓ Strong Traffic Counts | St. Charles Rock Road | Average 33,800 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located 20 Minutes from Downtown St. Louis | The 2nd Largest City in Missouri
- ✓ Strong Demographics | Population within a 5-Mile Radius is More Than 220,431
- ✓ Large Academic Presence | Ritenour High School | Total Enrollment Exceeds 1,800 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: \$1,113,376 | CAP RATE: 5.95% | RENT: \$66,246

PROPERTY DESCRIPTION

Property	Advance Auto Parts
Property Address	9791 St. Charles Rock Road
City, State ZIP	Breckenridge Hills, MO 63114
Building Size (SF)	8,000
Lot Size (Acres)	+/- 0.42 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,113,376
CAP Rate	5.95%
Annual Rent	\$66,246

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

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

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1 ¹	\$66,246	\$5,520	-
Year 2	\$66,246	\$5,520	-
Year 3	\$66,246	\$5,520	-
Year 4	\$66,246	\$5,520	-
Year 5	\$66,246	\$5,520	-
Year 6	\$66,246	\$5,520	-
Year 7	\$66,246	\$5,520	-
Year 8	\$66,246	\$5,520	-
Year 9	\$72,870	\$6,073	10.00%
Year 10	\$72,870	\$6,073	-
Year 11	\$72,870	\$6,073	-
Year 12	\$72,870	\$6,073	-
Year 13	\$72,870	\$6,073	-
Year 14	\$72,870	\$6,073	-

Investment Summary

Marcus & Millichap is please to present the exclusive listing for the Advance Auto Parts located at 9791 St. Charles Rock Rd in Breckenridge Hills, MO. The property consists of a 8,000 square-foot building sitting atop a 0.42-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 \$66,246, 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.

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



St. Charles Rock Rd – ADTC: 34,000



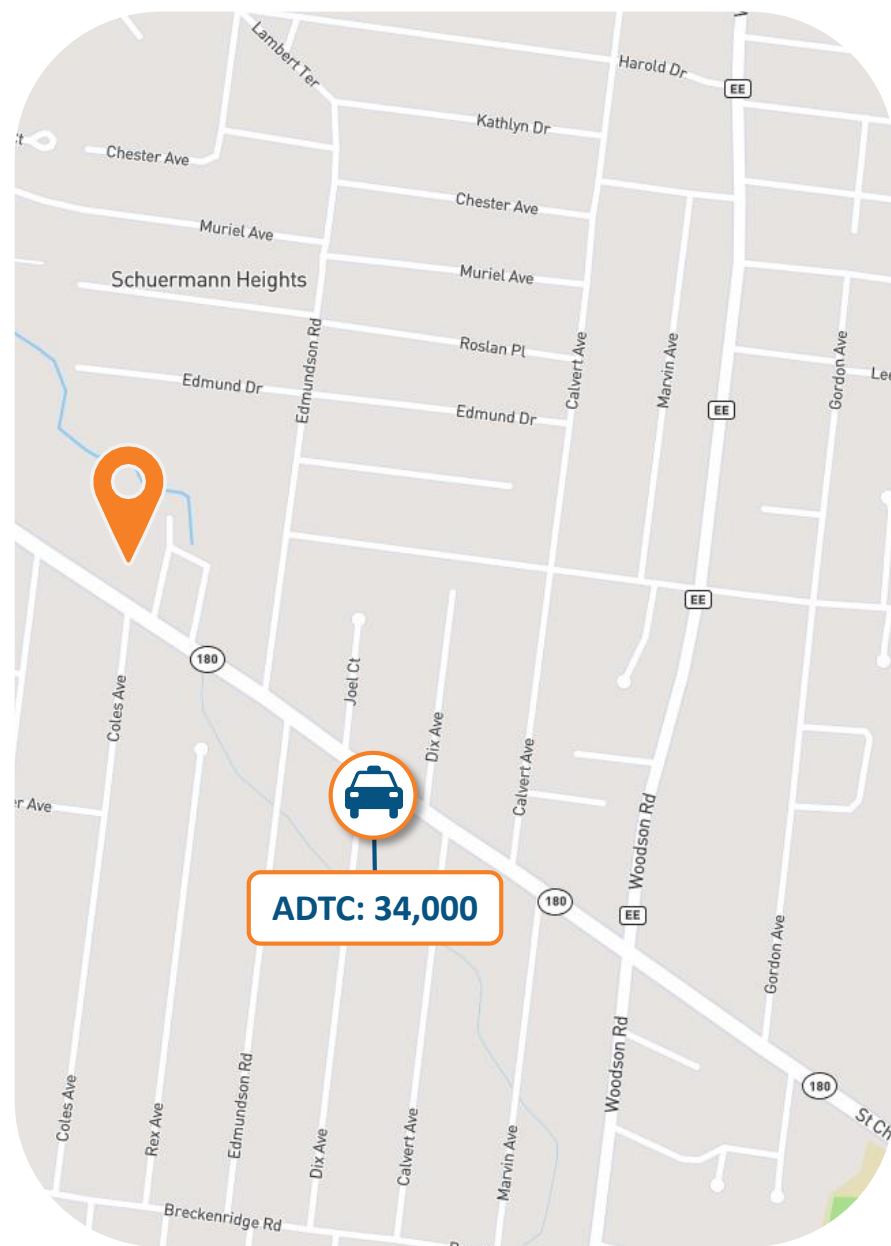


Location Overview

The subject investment property is situated on St Charles Rock Road which boasts average daily traffic counts exceeding 34,000 vehicles. There are approximately 75,000 individuals residing within a three-mile radius and 220,500 individuals residing within a five-mile radius.

The subject property is well positioned in a strong retail corridor surrounded by national and local tenants, shopping centers, and academic institutions. Major national tenants in the area include: AutoZone, Family Dollar, O'Reilly Auto Parts, Pizza Hut, Taco Bell, Rent-A-Center, Super 8, as well as others. This Advance Auto Parts benefits from being located less than two miles from St. Louis Lambert International Airport. St. Louis Lambert International Airport is the primary airport in the St. Louis area and is the largest U.S. airport classified as a medium-sized primary hub. This Advance Auto Parts is located just under four 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. The subject property benefits from being located within a five-mile radius of several academic institutions. Most notable of these being Ritenour Highschool, located two-miles from the Advance Auto Parts, with a total enrollment exceeding 1,800 students.

Breckenridge is a city in St. Louis County, Missouri. St. Louis is an independent city and inland port in the state of Missouri. The city 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 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



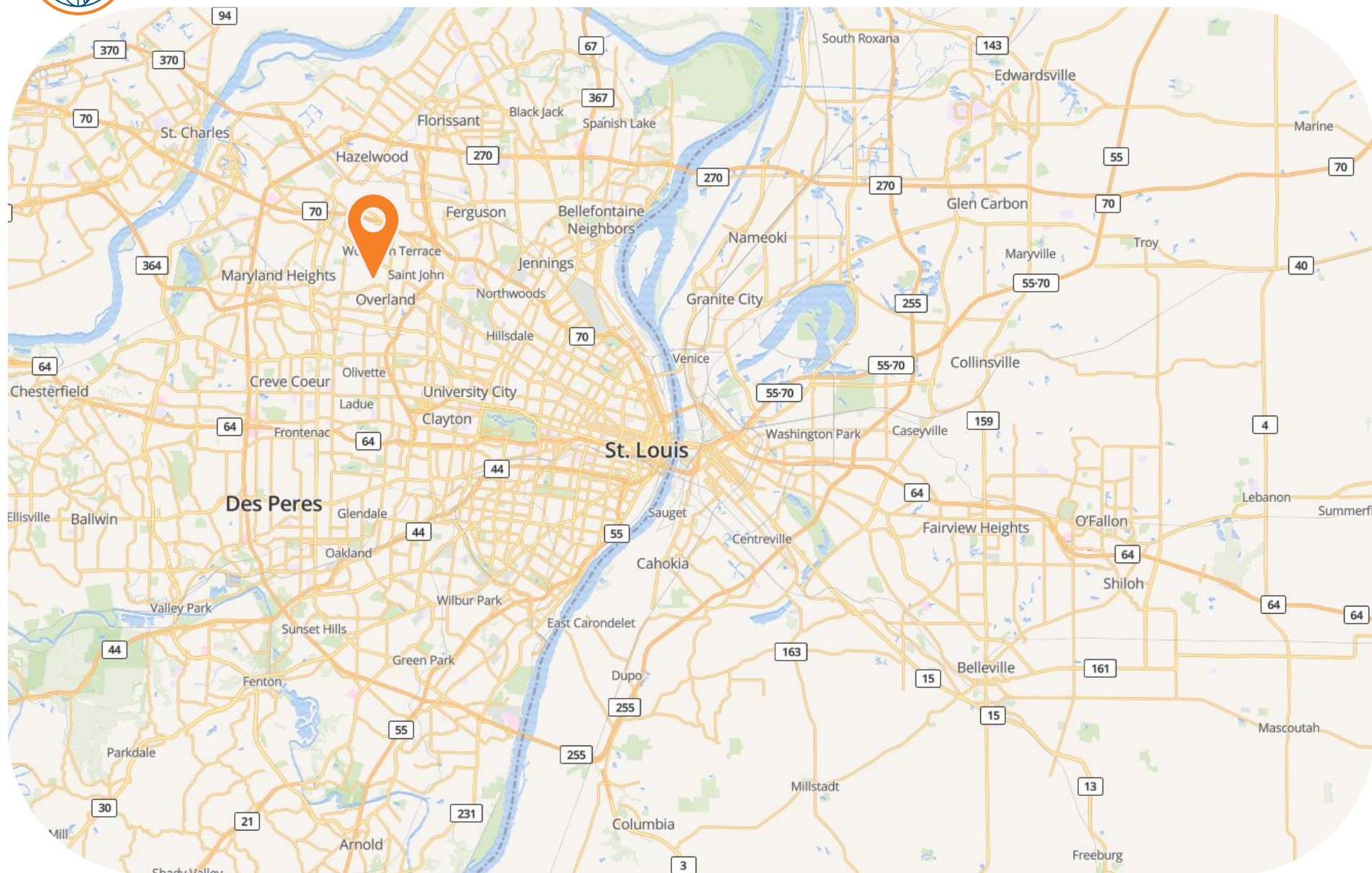


Surrounding Area Photos



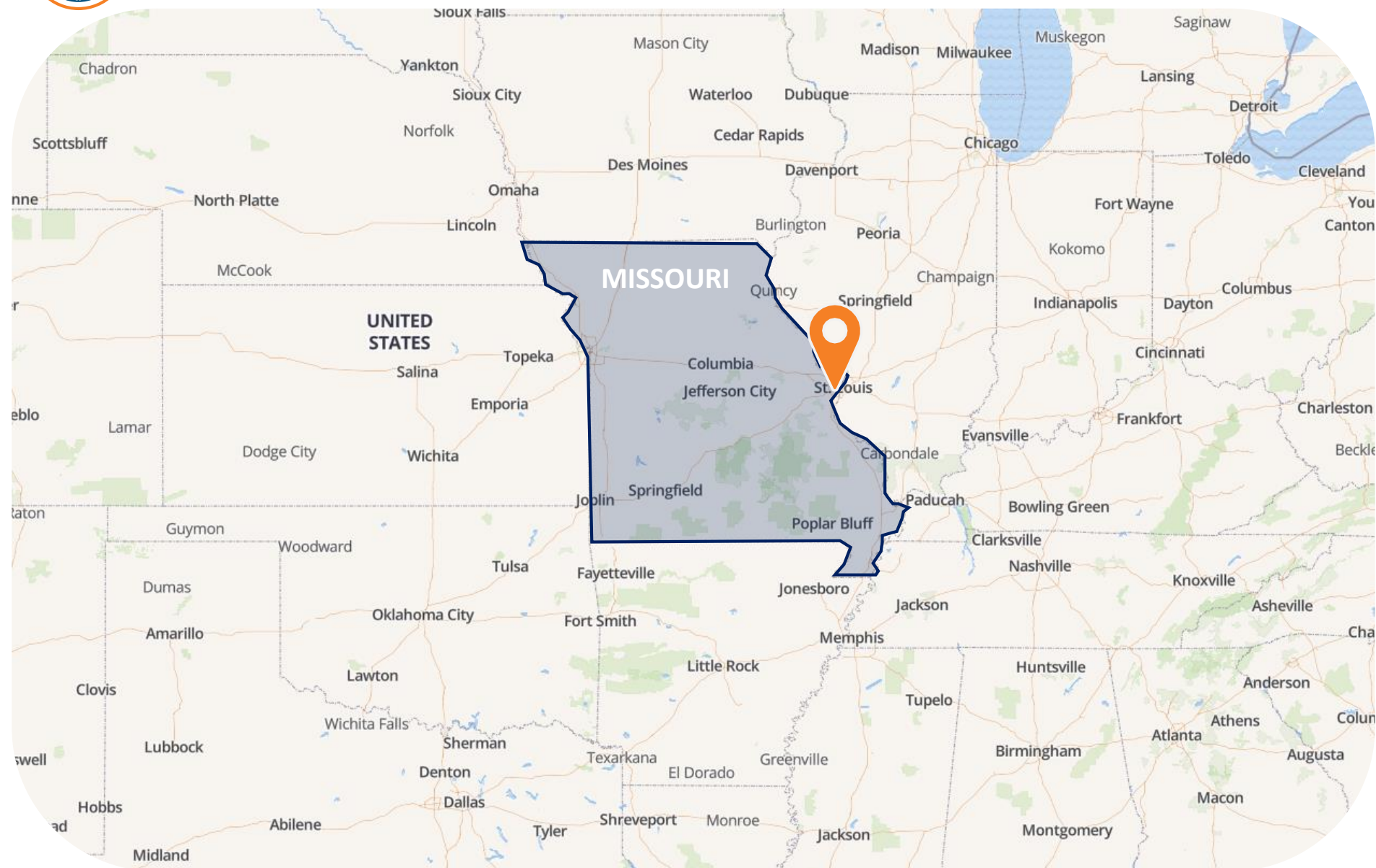


Local Map



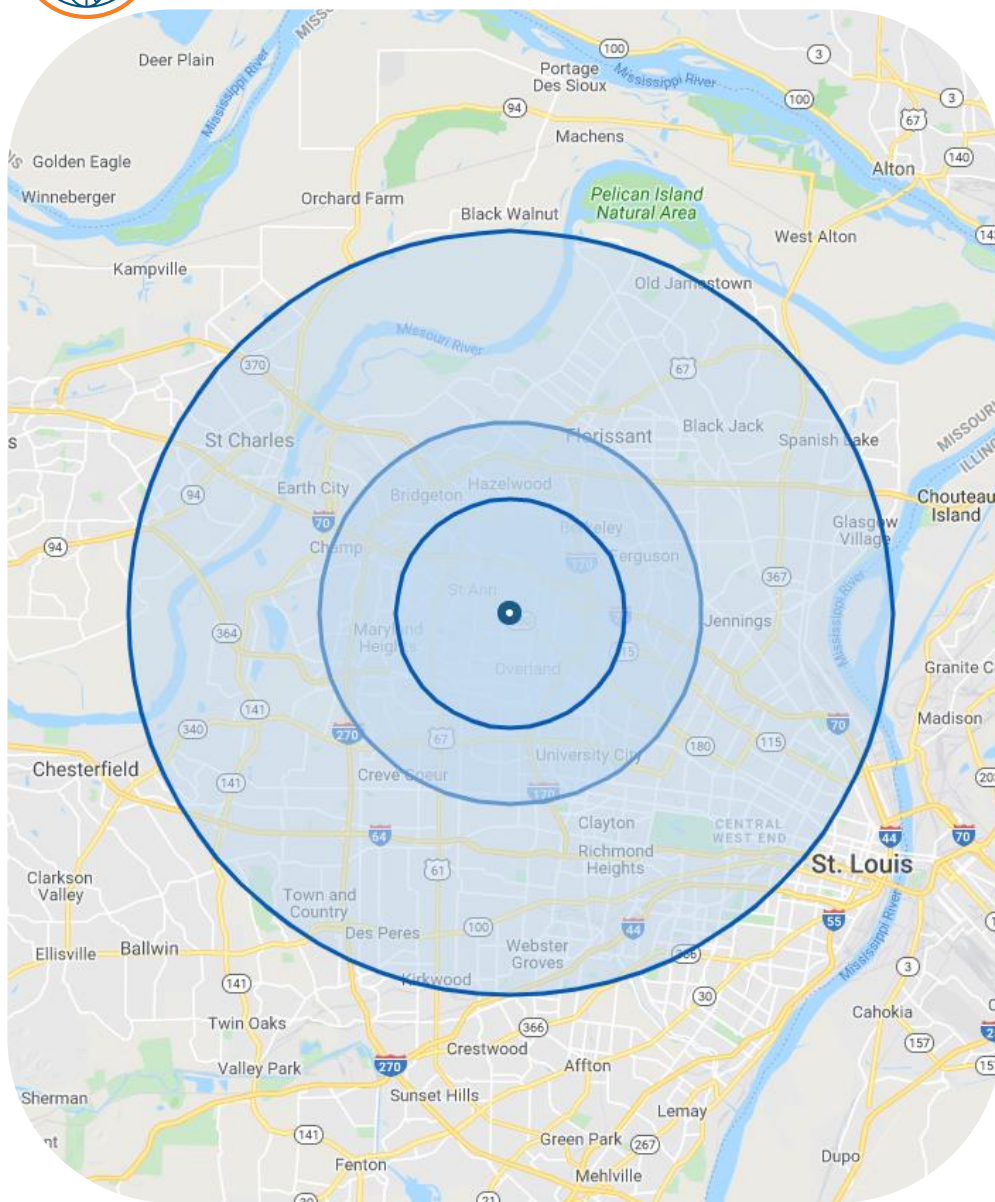


Regional Map





Demographics



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	73,958	218,483	809,422
2018 Estimate	75,209	220,431	815,694
2010 Census	75,089	219,318	810,636
2000 Census	79,017	231,821	853,429

INCOME

Average	\$55,875	\$71,249	\$81,963
Median	\$44,075	\$50,677	\$54,031
Per Capita	\$23,194	\$30,055	\$34,249

HOUSEHOLDS

2023 Projection	30,746	92,457	337,847
2018 Estimate	31,051	92,516	336,889
2010 Census	30,981	92,069	335,283
2000 Census	32,777	96,572	347,510

HOUSING

2018	\$98,605	\$119,609	\$152,925
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EMPLOYMENT

2018 Daytime Population	83,944	319,789	1,027,684
2018 Unemployment	5.21%	4.90%	4.74%
2018 Median Time Traveled	23 Mins	24 Mins	25 Mins

RACE & ETHNICITY

White	56.39%	50.91%	51.91%
Native American	0.01%	0.02%	0.03%
African American	32.42%	39.60%	40.57%
Asian/Pacific Islander	3.05%	4.04%	3.62%



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	26,254
Charter Communications LLC	20,090
Saint Louis University	8,071
Hussman	5,971
Marillac Provincial House	5,500
Washington University	5,383
SBC	4,558
Mercy Hospital St Louis	4,541
Energizer Brands LLC	4,400
Schnucks	4,101
Electrophysiology	4,000
Barnes-Jewish Hospital	3,274

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



MO BROKER OF RECORD:

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