



300 S 1ST STREET  
LA GRANGE, KY 40031 (LOUISVILLE, KY MSA)

**Advance Auto Parts**



**SONNY MOLLOY**  
Senior Vice President Investments  
Direct: (678) 808-2763  
[Sonny.Molloy@marcusmillichap.com](mailto:Sonny.Molloy@marcusmillichap.com)

**JARED KAYE**  
Senior Associate  
Direct: (678) 808-2821  
[Jared.Kaye@marcusmillichap.com](mailto:Jared.Kaye@marcusmillichap.com)

**Marcus & Millichap**  
MOLLOY KAYE RETAIL GROUP

Actual Location

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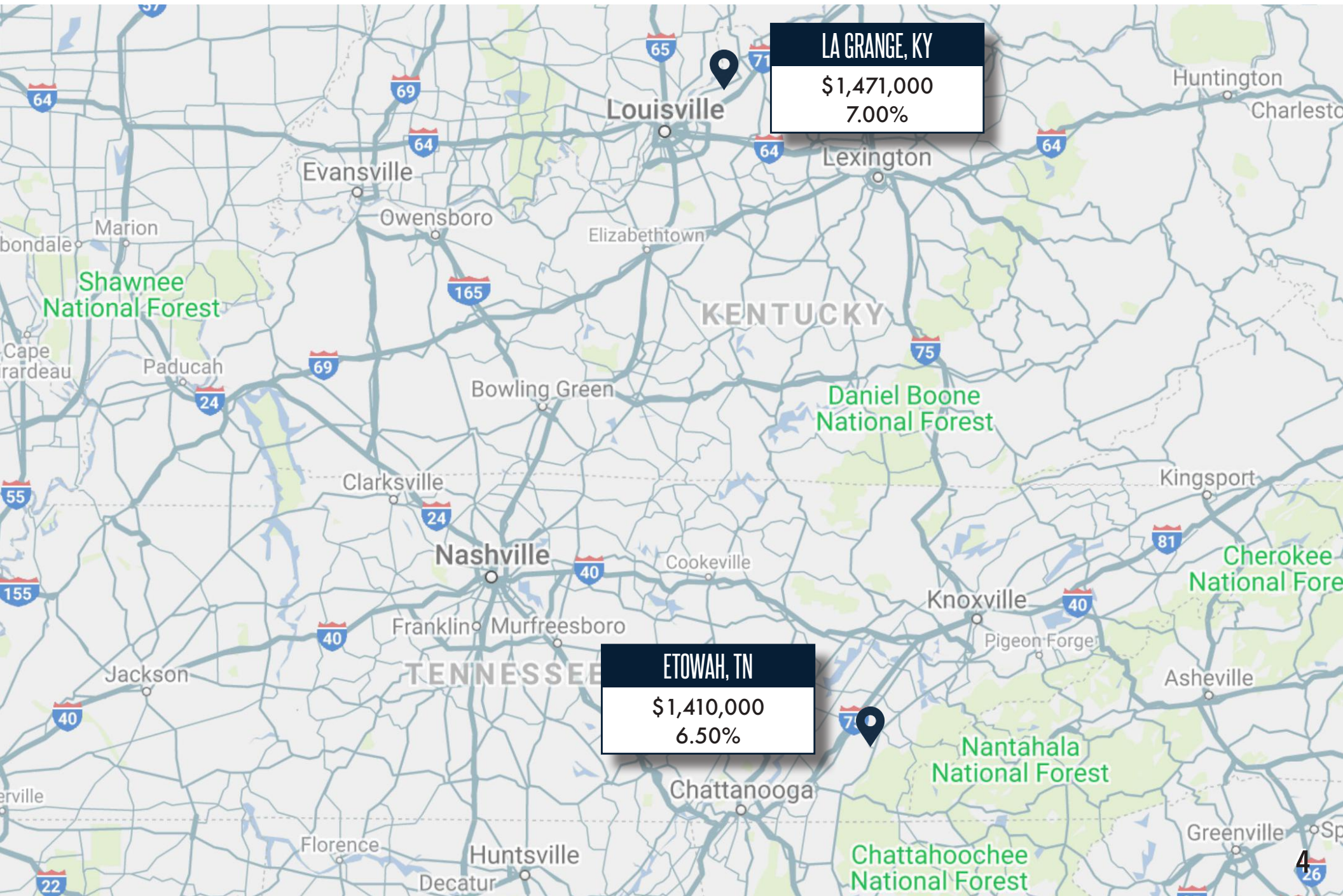


# TABLE OF CONTENTS

PORTFOLIO OFFERING	4
OFFERING HIGHLIGHTS	5
INVESTMENT OVERVIEW	6
AERIAL	7
REGIONAL MAP & DEMOGRAPHICS	8
PROPERTY PHOTOS	9
LA GRANGE & LOUISVILLE OVERVIEW	10
LEASE ABSTRACT	11
TENANT SUMMARY	12



## PORTFOLIO OFFERING



## OFFERING HIGHLIGHTS

300 S 1st Street  
La Grange, KY 40031  
(Louisville, KY MSA)



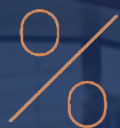
\$1,471,000

Price



±6,779 | 0.79

SF | Acres



7.00%

Cap Rate



6+ YEARS

Remaining on  
Current Term



MODIFIED NNN

Lease



2005

Year Built

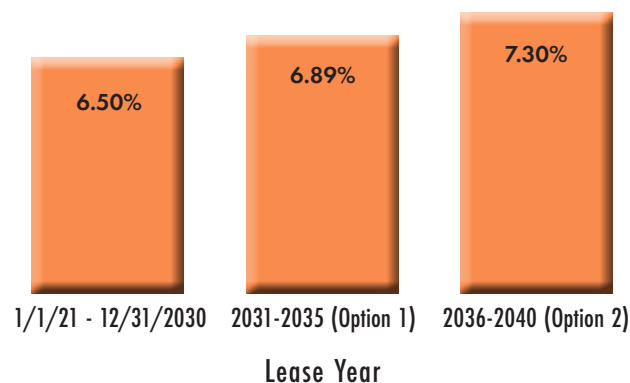
## LEASE SUMMARY

Property Subtype:	Net Leased Auto Parts
Tenant:	Advance Stores Company, Inc.
Rent Increases:	5% Each Option
Guarantor:	Corporate
Lease Type:	Modified NNN
Lease Commencement:	December 6, 2005
Lease Expiration:	July 31, 2026
Renewal Options:	Two (2), 5-Year

## RENT ROLL

TERM	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$127,151	\$10,596	\$18.76
Aug. 1, 2021 - July 31, 2026	\$102,970	\$8,581	\$15.19
Option 1	\$108,150	\$9,013	\$15.95
Option 2	\$113,540	\$9,462	\$16.75

## RETURN GROWTH CHART



Pricing based off rent bump scheduled for January 1, 2021. Buyer to credit Seller the difference in rent at closing.



# INVESTMENT OVERVIEW

## FUNDAMENTAL LOCATION, VISIBILITY & ACCESS

- Attractive Louisville, KY MSA location
- Explosive population growth in La Grange since 2000
  - › 30.98% (1-mi), 38.34% (3-mi) & 40.09% (5-mi)
  - › Projected growth over next 5 years expected to be 4.75% - 5.46%
- Affluent trade area with Average HH Incomes of \$102,147 in 5-mile radius
- Frontage along S 1st Ave. with  $\pm 18,703$  VPD, the major north/south corridor in La Grange
- Flat topography with enhanced visibility in all directions
- Two (2) points of ingress/egress

## LOUISVILLE, KY MSA ADVANTAGE

- 42nd largest MSA in the US with 1.27+ MM people
- Major employers (company - local employment - product/service):
  - › United Parcel Service (UPS) - 21,233 - international air hub
  - › Ford Motor Co. (2 plants) - 12,600 - automotive manufacturer
  - › Humana, Inc. - 12,000 - health & well-being
  - › Amazon.com - 6,500 - logistics & customer service
- Home to 15 publicly traded companies

## PASSIVE LEASE STRUCTURE

- Modified NNN lease
- Very passive ownership with NO day-to-day LL responsibilities
- Corporately guaranteed lease (Investment grade credit rating of BBB-/Stable (Standard & Poor's))
- Two (2) 5-year renewal options with 5% rent escalations in each option
- Recently exercised an option early which is a clear indication of the tenant's success & happiness at this location
- Tenant has successfully operated at this location since 2005

## INDUSTRY-LEADING TENANT

- 2nd largest auto parts chain in the US
- Strong corporate financials
  - › 2019 Revenues of \$9.709 B (3 straight years of growth)
  - › 2019 Net Worth of \$3.549 B (21.7% increase over 2016)
  - › 2019 increase in net sales (1.3%), comparable store sales (1.1%), operating income (12.1%) & operating cash flow (6.9%)
- Established a partnership with Walmart in 2019 to increase their omni-channel platform and overall operational efficiencies
- Recession-resistant tenant
  - › Average age of vehicles on the road in America is 11.8 years, which is an all-time high & increased an average of 4% over the last 5 years (*USA Today*, 2019)





**AERIAL**





## REGIONAL MAP



## Local Demographics

<u>POPULATION</u>	<u>1-MILE</u>	<u>3-MILE</u>	<u>5-MILE</u>
2024 Population	6,763	21,094	34,699
2019 Population	6,456	20,069	32,903
Growth 2000-2019	30.98%	38.34%	40.09%
Daytime Population	5,327	15,088	25,338
<u>HOUSEHOLDS</u>			
2024 Households	2,595	5,998	10,599
2019 Households	2,453	5,631	9,955
Growth 2000-2019	29.51%	38.66%	41.15%
<u>INCOME</u>			
2019 Avg. HH Income	\$71,465	\$84,697	\$102,147
2019 Median HH Income	\$55,430	\$66,156	\$80,108

## DRIVING DISTANCE FROM SUBJECT PROPERTY

Louisville, KY.....	24 Miles
Lexington, KY.....	69 Miles
Cincinnati, OH.....	75 Miles
Indianapolis, IN.....	123 Miles
Dayton, OH.....	128 Miles
Columbus, OH.....	182 Miles



# PROPERTY PHOTOS





# LA GRANGE, KY & LOUISVILLE, KY MSA

La Grange is a city in and the county seat of Oldham County, Kentucky. La Grange is a relaxed, suburban community located 20 minutes northeast of Louisville, Kentucky and is part of the Louisville MSA. The Louisville MSA is home to over 1 million people.

Oldham county has a wide array of investors who are fast growth, civic-minded, business & community-focused companies/individuals who have made a commitment to invest in the Oldham Chamber & Economic Development office. Some of these investors are the First National Bank of Kentucky, Humana Inc., Walmart, PNC, BB&T and Keller Williams. The Louisville MSA has seen significant economic growth over the past decade. **Louisville has seen more than \$13 billion in capital investment since 2014 and 80,000 jobs and more than 2,700 businesses have been created since 2011. Headquartered in the MSA are Kentucky Fried Chicken, Louisville Slugger, and the airport houses the worldwide hub of UPS. The MSA is home to two Fortune 500s, Humana (56) and Yum Brands (494), and two Fortune 1000s, Brown-Forman (719) and Texas Roadhouse (868).** Students can attend the University of Louisville, and other key economic sectors are healthcare, medical sciences and whiskey distillation.

The city of La Grange is home to the headquarters of The Rawlings Group. The company employs nearly 1,500 people and continues to help grow the economy of the area. The Oldham Reserve Office Park is a beautiful setting for quality companies seeking to attract employees who wish to work close to home, in a suburban environment. The Park comprises 1,000 acres, has convenient access for commuters and is home to 11,000 jobs. **The city is also home to Baptist Health La Grange, a 120-bed hospital that provides a broad spectrum of healthcare services to residents of Oldham, Henry, Trimble, Carroll and eastern Jefferson counties.**

The Louisville MSA and specifically the suburb of La Grange are fast growing investor-backed markets with low costs of living and doing business. Louisville was ranked as the 28th best place to live by Livability in 2019.

## TOP LOUISVILLE MSA EMPLOYERS

United Parcel Service

Jefferson County Public Schools

Ford Motor Co. (2 plants)

Norton Healthcare

Humana Inc.

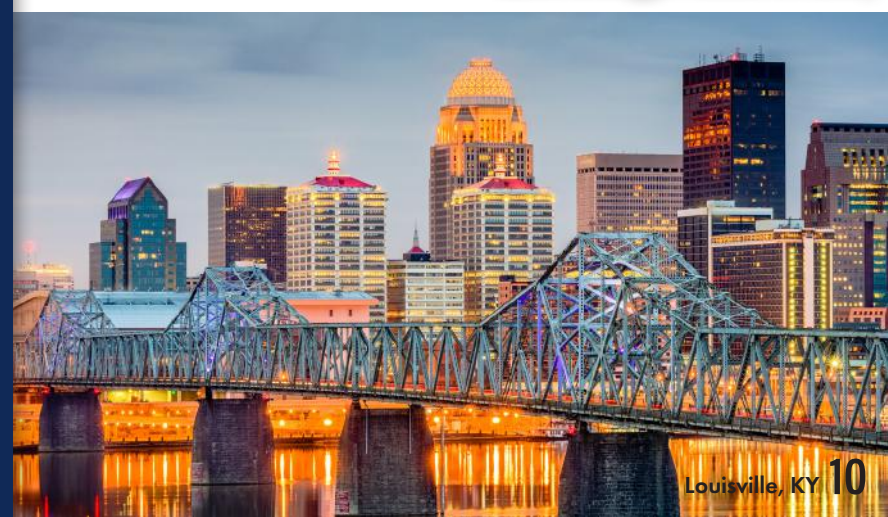
University of Louisville

Amazon.com

Louisville-Jefferson County Metro Government

Baptist Healthcare Systems Inc.

GE Appliances, a Haier company





# LEASE ABSTRACT

## TENANT:

Advance Stores Company, Inc. d/b/a Advance Auto Parts

## LEASE GUARANTOR:

Corporate

## BUILDING SIZE:

6,779 Square Feet

## LEASE COMMENCEMENT:

December 6, 2005

## LEASE EXPIRATION:

July 31, 2026

## YEARS LEFT:

6+ years

## CURRENT BASE RENT:

\$10,596 per month/\$127,151 annually  
Aug. 1, 2021 - July 31, 2026: \$8,581 per month/\$102,970 annually

## OPTIONS:

Two (2), 5-year

## OPTION RENT:

Option 1: \$9,013 per month/\$108,150 annually (2027-2031)  
Option 2: \$9,462 per month/\$113,540 annually (2032-2036)

## TENANT MAINTENANCE OBLIGATIONS:

Tenant shall, at its cost, during the Term:

(i) maintain, repair and/or replace, in good condition, ordinary wear and tear excepted, each and every portion of the Leased Premises (including, without limitation, all exterior signs related to safety required by law and the exterior of the building;

(ii) keep the Leased Premises in a reasonably clean and neat condition and not permit the accumulation of any trash, rubbish or garbage (except

as accumulated in containers awaiting collection or disposal) in, on or about any part of the Leased Premises and arrange for collection or disposal of accumulated trash, rubbish and garbage from the Leased Premises;

(iii) any and all maintenance, repairs and/or replacements to the parking areas of the Lease Premises

(iv) any and all maintenance, repairs and/or replacements to the roof of the Lease Premises

(v) any and all maintenance, repairs and/or replacements to the HVAC of the Lease Premises

## LANDLORD MAINTENANCE OBLIGATIONS:

Landlord shall be responsible, at its sole cost and expense, for any and all maintenance, repairs and/or replacements to the slab, foundation and structure of the Leased Premises (including, without limitation, repairing any cracks or other damage thereto, but specifically excluding painting of the exterior walls).

## TAXES AND UTILITIES:

Tenant solely responsible and to pay utility companies providing such services directly. Tenant shall reimburse Landlord for all Real Estate Taxes.

## INSURANCE:

**Tenant** shall, at its sole cost and expense, obtain and maintain

(i) property insurance covering the Lease Premises in an amount not less than the full replacement cost thereof;

(ii) a policy of commercial general liability insurance, which insurance shall stipulate limited of liability of not less than \$2,000,000 each occurrence, single limit bodily injury and/or property damage combined

Each policy shall name Landlord and Landlord's Mortgagee as additional insureds or loss payees, as applicable.

**Landlord** shall maintain with respect to the Leased Premises a policy of commercial general liability insurance, which insurance shall stipulate limited of liability of not less than \$2,000,000 each occurrence, single limit bodily injury and/or property damage combined.

## ASSIGNMENT & SUBLETTING:

In the event of such a Transfer, Tenant shall remain liable for all of Tenant's obligations to Landlord arising hereunder so long as this Lease is not changed, modified or amended in any respect by Landlord and any transferee. Should Tenant wish to be relieved of its obligations hereunder upon a Transfer, Landlord's prior consent to a Transfer shall be required, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the immediately preceding sentence, in the event any assignee hereunder or assignee's guarantor subsequent to an assignment has a net worth calculated in accordance with generally accepted accounting principles equal to or greater than the net worth of Advance Stores Company, Incorporated, as of the end of the fiscal year in which the Commencement Date of this Lease occurs, Landlord's consent to such assignment shall not be necessary, and Tenant shall thereafter automatically (and without any action by Landlord) be relieved of any further obligations under this Lease.



## TENANT SUMMARY

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of December 29, 2018, Advance operated 4,966 stores and 143 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,231 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos, British Virgin Islands and Pacific Islands.

In 2019, Advance Auto acquired the DieHard brand from Transformco. This asset acquisition will give Advance the right to sell DieHard batteries, the most trusted brand in the automotive battery category, and enables Advance to extend the DieHard brand into other automotive and vehicular categories. In addition, the deal allows Transformco to sell DieHard brand batteries through its existing channels pursuant to a supply agreement with Advance. Advance is also granting Transformco an exclusive royalty-free, perpetual license to develop, market, and sell DieHard branded products in non-automotive categories.



<b>Tenant Trade Name</b>	Advance Auto Parts
<b>Tenant</b>	Advance Stores Company, Inc.
<b>Lease Guarantor</b>	Corporate
<b>S&amp;P Credit Rating</b>	BBB-/Stable
<b>Moody's Credit Rating</b>	Baa2
<b>Headquarters</b>	Raleigh, NC & Roanoke, VA



**6,340+**  
Locations (includes  
related brands)



**70,000+**  
Employees



**\$9.709 BILLION**  
2019 Total Revenue



**24.6 MILLION**  
Customer Loyalty  
Rewards Program  
Members



**\$3.55 BILLION**  
Net Worth



**#326**  
2019 *Fortune 500*  
Ranking





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