

ADVANCE AUTO PARTS

Exclusive Net Lease Offering

Subject Property



OFFERING MEMORANDUM



4275 Old Kathleen Rd
Lakeland, FL 33810

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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

- ✓ Dense Retail Corridor | Pep Boys, Target, Harbor Freight Tools, Best Buy, TJ Maxx, Dollar General, Tires Plus, Sam's Club, PetSmart, McDonald's and Many More
- ✓ Strong Traffic Counts | Kathleen Road and Interstate 4 | Average 17,500 and 54,000 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located Approximately 30-Miles Outside of Downtown Tampa, Florida
- ✓ Strong Demographics | Population within a 5-Mile Radius is More Than 104,130

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: \$1,672,430 | CAP RATE: 5.65% | RENT: \$94,492

PROPERTY DESCRIPTION

Property	Advance Auto Parts
Property Address	4275 Old Kathleen Road
City, State ZIP	Lakeland, FL 33810
Building Size (SF)	6,712
Lot Size (Acres)	+/- 0.91 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,672,430
CAP Rate	5.65%
Annual Rent	\$94,492

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	\$94,492	\$7,874	-
Year 2	\$94,492	\$7,874	-
Year 3	\$94,492	\$7,874	-
Year 4	\$94,492	\$7,874	-
Year 5	\$94,492	\$7,874	-
Year 6	\$94,492	\$7,874	-
Year 7	\$94,492	\$7,874	-
Year 8	\$94,492	\$7,874	-
Year 9	\$103,942	\$8,662	10.00%
Year 10	\$103,942	\$8,662	-
Year 11	\$103,942	\$8,662	-
Year 12	\$103,942	\$8,662	-
Year 13	\$103,942	\$8,662	-
Year 14	\$103,942	\$8,662	-

Investment Summary

Marcus & Millichap is please to present the exclusive listing for the Advance Auto Parts located at 4275 Old Kathleen Rd in Lakeland, FL. The property consists of a 6,712 square-foot building sitting atop a 0.91-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 \$94,492, 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

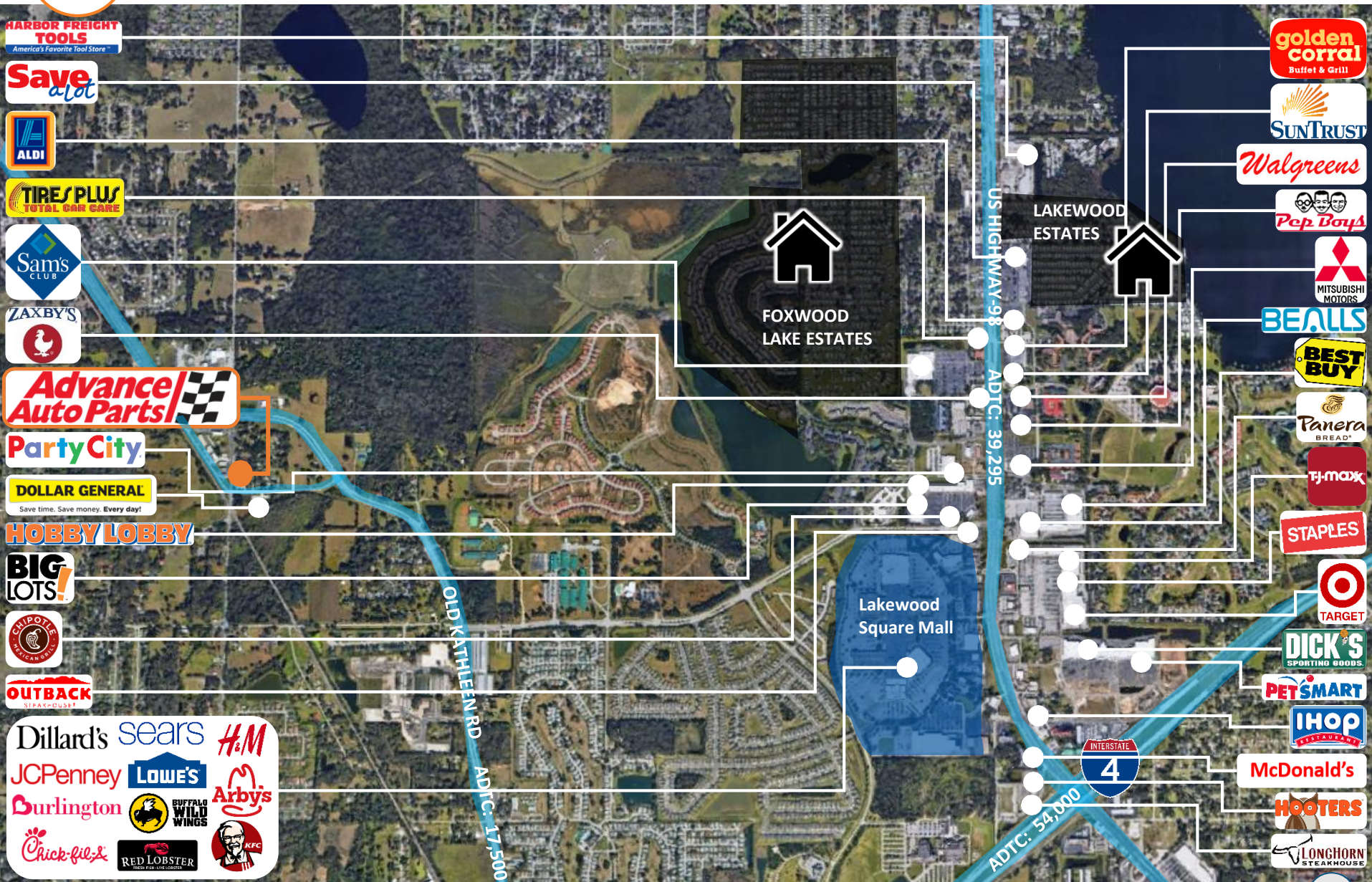
# of Stores	4,912
# of Carquest Stores Served	1,250
# of Team Members	70,000+
Years in Operation	87
2018 Net Sales	\$9.58 Billion
Headquarters	Raleigh, NC
CEO	Thomas Greco
Countries & Territories Served	8

2018 Financial Summary





Surrounding Area



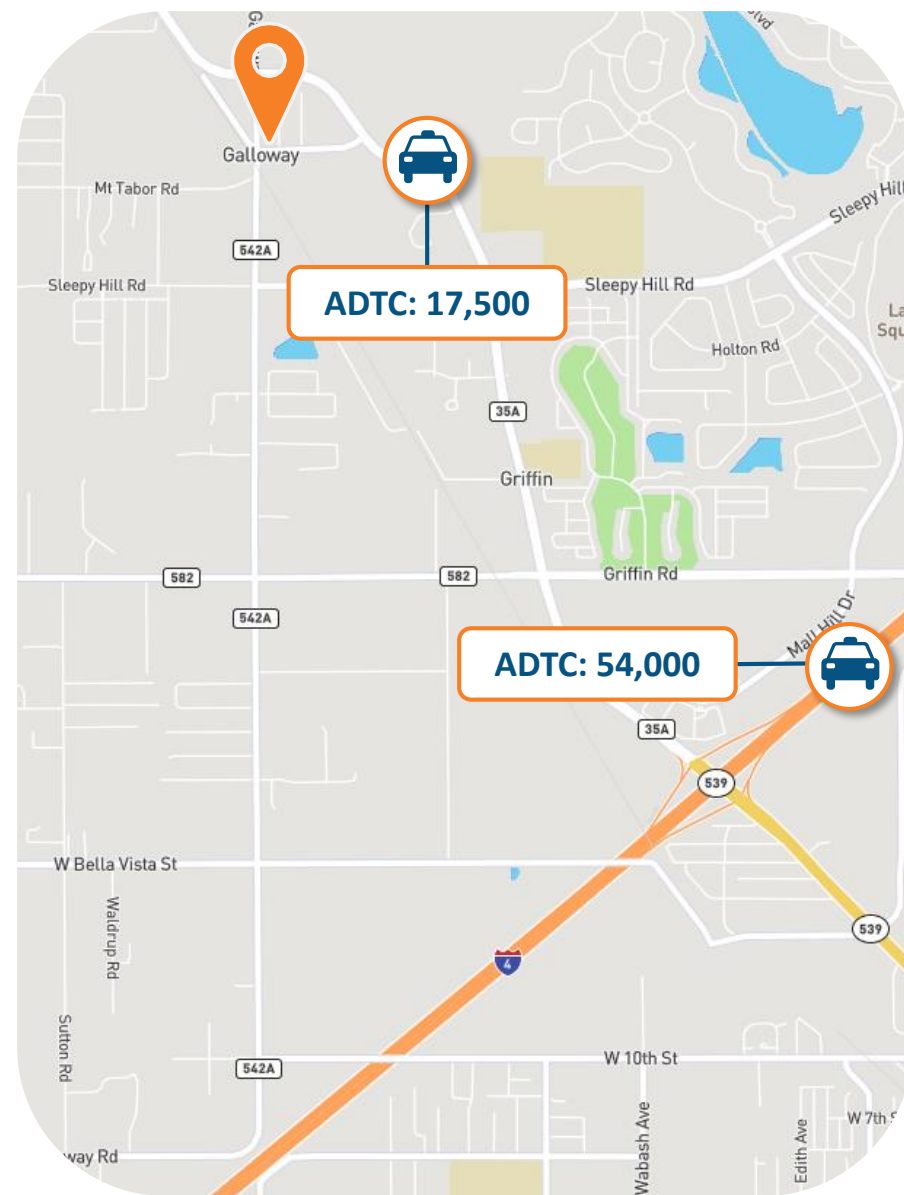


Location Overview

The subject investment property is situated along Old Kathleen Road, which boasts an average daily traffic count of approximately 17,500 vehicles. Old Kathleen Road serves as an access route to Interstate-4, which is intersected by US Highway 98 and brings an additional 54,000 and 39,000 vehicles respectively into the immediate area on average daily. There are more nearly 43,500 individuals residing within a three-mile radius of the property and more than 104,000 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense suburban area in a retail corridor consisting of national and local tenants, shopping centers, hospitality accommodations, and academic institutions all within close proximity of this property. Major national tenants include: Pep Boys, Target, Harbor Freight Tools, Best buy, TJ Maxx, Dollar General, Tires Plus, Sam's Club, PetSmart, McDonald's, Chick-fil-A, Panera Bread and many more. Additionally, several hospitality accommodations are within immediate proximity to the subject investment property. These include Comfort Inn & Suites, Holiday Inn Express & Suites, Ramada by Wyndham, Ecco Suites and more. This property also benefits from being situated near multiple academic institutions. Most notable, Keiser University Lakeland Campus, is located approximately 3-miles from the subject property and has a total enrollment of over 18,000 total students. Additionally, this subject property is approximately 5 miles from Lakeland Regional Medical Center, a 864 bed general hospital.

Lakeland is the largest city in Polk County, Florida with an estimated population of 106,240. Lakeland is positioned along Interstate-4, just 35 miles east of Tampa. It is the principal city of the Lakeland–Winter Haven Metropolitan Statistical Area (coterminous with Polk County), which has an estimated population of 623,009. Large industries in the Lakeland area are citrus, cattle, and phosphate mining. The Bone Valley produces 25% of the U.S. phosphate supply. However, in the past few decades, tourism, medicine, insurance, transportation, and music have grown in importance. Publix, one of the largest regional grocery chains in the United States, with over 1,000 stores across the American South, is headquartered in Lakeland. Publix employs over 6,500 people in the Lakeland area including headquarter and warehouse employees. Lakeland has also developed into a transportation and logistical center, with FedEx and Amazon having operations in the area.





Property Photos



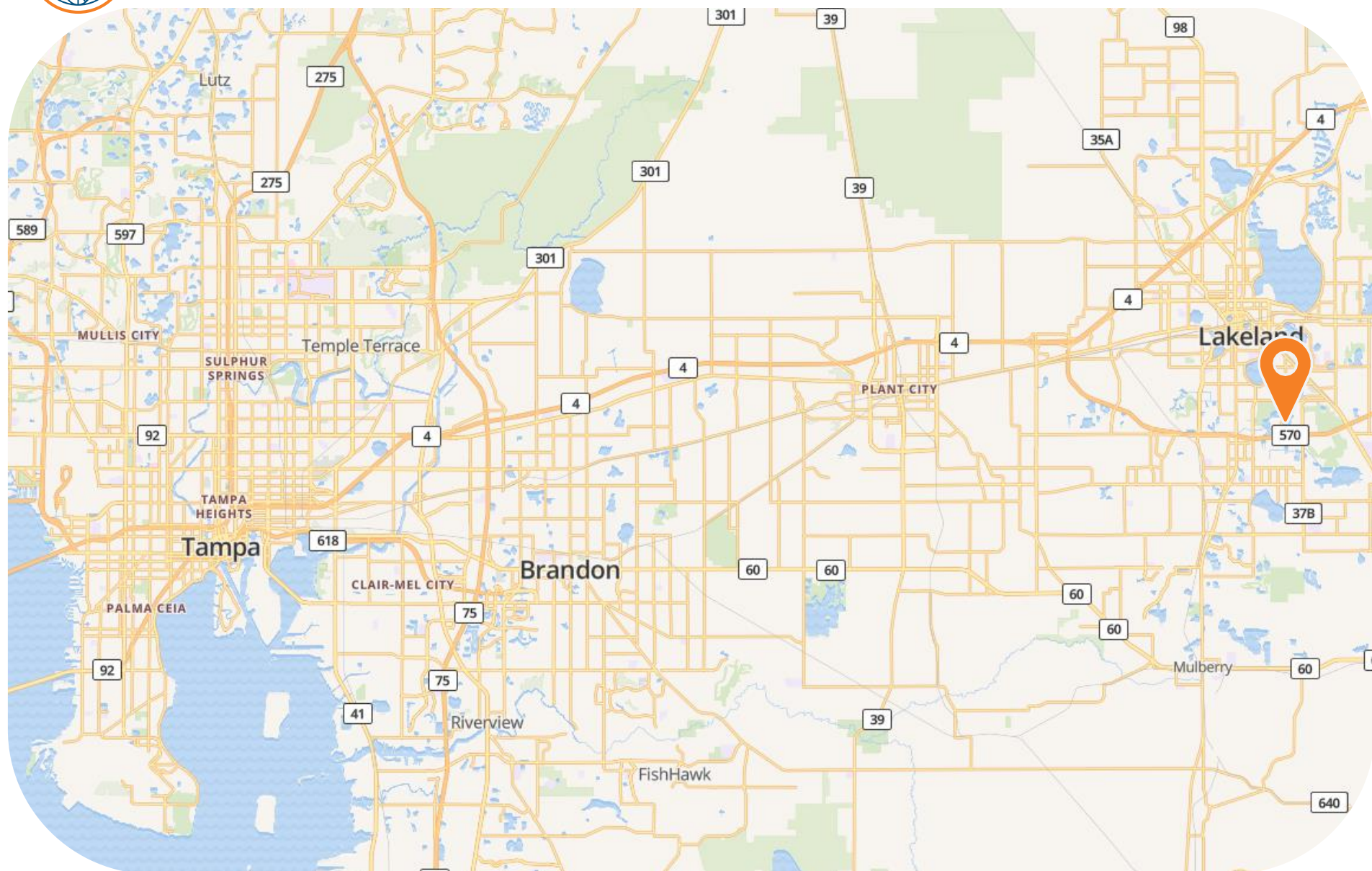


Surrounding Area Photos



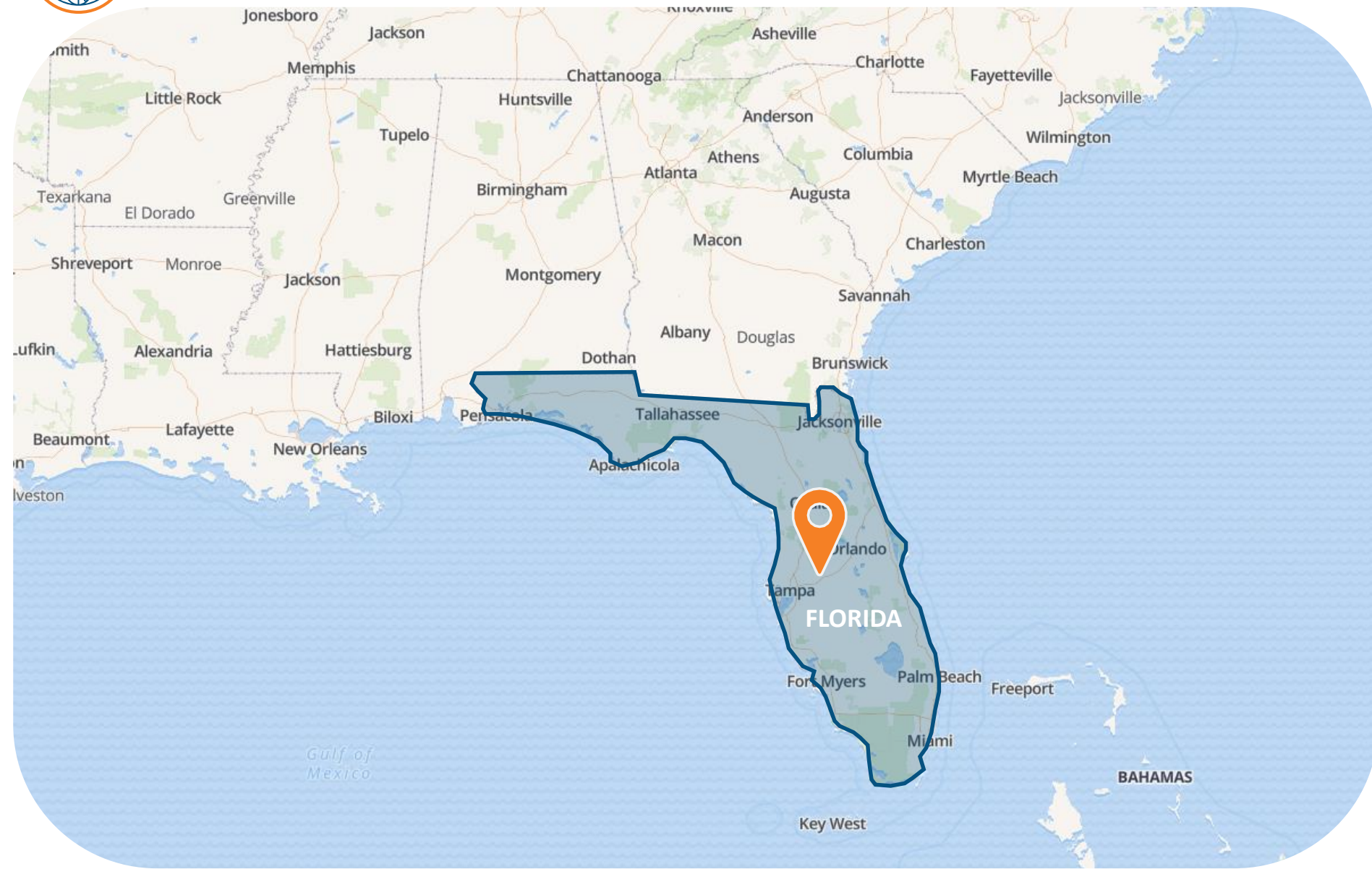


Local Map



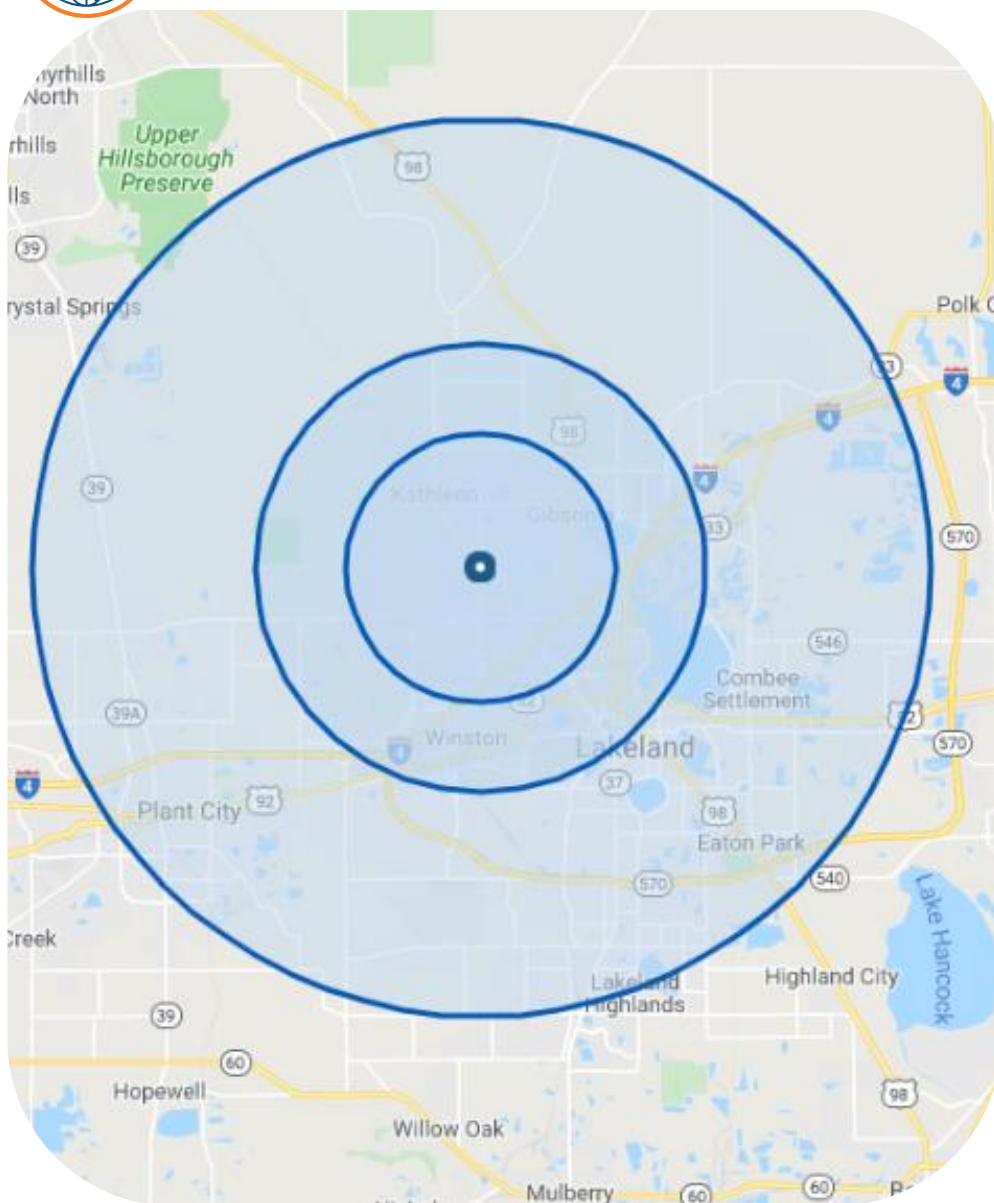


Regional Map





Demographics



	3 Miles	5 Miles	10 Miles
POPULATION			
2023 Projection	47,875	111,125	267,775
2018 Estimate	43,409	104,131	253,508
2010 Census	39,809	95,691	233,491
2000 Census	31,697	77,257	205,390
INCOME			
Average	\$60,839	\$56,858	\$62,658
Median	\$47,683	\$44,733	\$47,223
Per Capita	\$23,650	\$22,046	\$24,565
HOUSEHOLDS			
2023 Projection	18,867	43,568	105,359
2018 Estimate	16,738	39,961	98,284
2010 Census	15,405	36,841	90,752
2000 Census	12,315	30,188	81,287
HOUSING			
2018	\$138,602	\$131,690	\$137,284
EMPLOYMENT			
2018 Daytime Population	41,138	113,787	276,909
2018 Unemployment	4.55%	5.33%	4.95%
2018 Median Time Traveled	26 Mins	26 Mins	25 Mins
RACE & ETHNICITY			
White	68.69%	65.68%	73.40%
Native American	0.08%	0.07%	0.07%
African American	20.12%	22.67%	15.58%
Asian/Pacific Islander	2.87%	2.11%	1.75%



Market Overview

Tampa, FL

Tampa has a metro area that is made up of more than 3 million residents. The Tampa Bay area is West Central Florida's center of government, commerce, communications, business, health care, scientific research, sports, culture, and entertainment. Several Fortune 1,000 companies are headquartered in Tampa, including: OSI Restaurant Partners, WellCare, TECO Energy, and Raymond James Financial. Finance, insurance and real estate firms, including Raymond James Financial Inc. and JPMorgan Chase, employ close to 100,000 people. Medical technology companies such as Bausch & Lomb, Baxter Healthcare Corp. and Transitions Optical Inc. hire more than 10,000 people locally. The medical field in Tampa benefits from CAMLS, one of the most cutting-edge medical simulation training centers in the world

The Tampa Bay area is also internationally recognized as a prominent cultural and recreational hub. Attractions within minutes of the site include world-class performing arts facilities, theme parks and museums, beautiful beaches, more than 4,800 hotel rooms, and one of the world's busiest deep-water harbors – a major port of departure for more than 545,000 luxury cruise line passengers annually. Tourism also plays a significant role in the local economy, contributing more than \$3.5 billion each year. The Tampa Bay International Airport flew over 6.8 million passengers in 2018.

Major Employers

Employer	Estimated # of Employees
Lakeland Regional Med Ctr Inc	3,008
Publix	2,000
Fairways Golf Corporation	1,500
Consulate Management Co LLC	1,415
Watson Clinic	1,224
Sumiquip	1,004
Ed Morse Lakeland LLC	925
Mesm Inc	921
Walmart	921
Polk County Florida	907
US Post Office	823
Lockheed Martin	815

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING



FL BROKER OF RECORD:

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