



CONFIDENTIAL OFFERING MEMORANDUM

ADVANCE AUTO PARTS

HOUSTON, TX



DISCLAIMER

This confidential Offering Memorandum, has been prepared by Blue West Capital, LLC ("Blue West Capital") for use by a limited number of qualified parties. This Offering Memorandum has been provided to you at your request based upon your assurances that you are a knowledgeable and sophisticated investor in commercial real estate projects and developments. Blue West Capital recommends you, as a potential buyer/investor, should perform your own independent examination and inspection of the property described herein as Advance Auto Parts (the "Property") and of all of the information provided herein related to the Property. By accepting this Offering Memorandum, you acknowledge and agree that you shall rely solely upon your own examination and investigation of the Property and you shall not rely on any statements made in this Offering Memorandum or upon any other materials, statements or information provided by Blue West Capital or its brokers.

Blue West Capital makes no guarantee, warranty or representation about the completeness or accuracy of the information set forth in this Offering Memorandum. You are responsible to independently verify its accuracy and completeness. Blue West Capital has prepared the information concerning the Property based upon assumptions relating to the general economy, its knowledge of other similar properties in the market, and on other market assumptions including factors beyond the control of the Blue West Capital and the Owner of the Property. Blue West Capital makes no representation or warranty as to either the accuracy or completeness of the information contained herein, and the information set forth in this Offering Memorandum is not intended to be a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be accurate, Blue West Capital and the Property Owner disclaim any responsibility or liability for any inaccuracies. Further, Blue West Capital and the Property Owner disclaim any and all liability for any express or implied representations and warranties contained in, or for any omissions from, the Offering Memorandum and for any other written

or oral communication transmitted or made available to you. Blue West Capital shall make available to you, as a qualified prospective investor, additional information concerning the Property and an opportunity to inspect the Property upon written request.

This Offering Memorandum and the contents are intended to remain confidential except for such information which is in the public domain or is otherwise available to the public. By accepting this Offering Memorandum, you agree that you will hold and treat Offering Memorandum in the strictest confidence, that you will not photocopy or duplicate it, or distribute it. You agree you will not disclose this Offering Memorandum or its contents to any other person or entity, except to outside advisors retained by you and from whom you have obtained an agreement of confidentiality, without the prior written authorization of Blue West Capital. You agree that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the Property. If you determine you have no interest in the property, kindly return the Offering Memorandum to Blue West Capital at your earliest convenience.

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INVESTMENT HIGHLIGHTS

- Located in **Houston, the 4th most populous city in the United States**
- Advance Auto Parts is an **investment grade rated company (S&P:BBB-)**
- Advance Auto Parts is an **essential business**
- Rare Advance Auto Parts lease with **virtually no landlord responsibilities – tenant is responsible for the roof, HVAC, and parking lot**
- Densely populated area with over **177,000 people living within three miles**
- Rapidly expanding area with **5%+ projected annual population growth** within five miles
- **Strategic retail corridor** that features numerous national and local tenants including **Walmart Supercenter, Lowe's, The Home Depot, Target, Kroger, Walgreens, CVS, Best Buy, Kohl's, LA Fitness, Burlington Coat Factory, Hobby Lobby, and many others**
- Positioned along **Spencer Road (30,000 VPD)**, a primary east-west thoroughfare in this corridor
- Numerous **auto repair shops in the immediate vicinity**
- Immediate proximity to **Langham Creek High School (3,100+ students)**
- Average annual **household incomes are approximately \$100,000** within five miles
- Texas is an **income tax free state**
- Recently constructed all-masonry building (2008)

This property can be purchased as a portfolio with an Advance Auto Parts property located in the St. Louis MSA. The OM can be downloaded here [\(Link\)](#).

Advance Auto Parts



INVESTMENT OVERVIEW



17006 FM 529 Road,
Houston, TX 77095

PURCHASE PRICE

\$1,562,500

CREDIT RATING

Investment Grade (S&P: BBB-)

CAP RATE

7.50%

LEASE TYPE

NNN*

NET OPERATING INCOME

\$117,189

ROOF RESPONSIBILITY

Tenant

RENT COMMENCEMENT DATE

February 28, 2008

PARKING LOT RESPONSIBILITY

Tenant

LEASE EXPIRATION

February 28, 2023

HVAC RESPONSIBILITY

Tenant

RENTAL ESCALATIONS

In Options

BUILDING SIZE

6,000 SF

RENEWAL OPTIONS

Three 5-Year

LAND SIZE

44,952 SF

TENANT

**Advance Stores Company,
Incorporated**

YEAR BUILT

2008

NOI SCHEDULE

Date	NOI	Period	Increase	Cap Rate
Current	\$117,189	Primary Term	-	7.50%
3/1/2023	\$123,049	Option 1	5%	7.90%
3/1/2028	\$129,201	Option 2	5%	8.30%
3/1/2033	\$135,661	Option 3	5%	8.70%

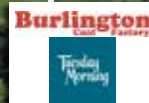
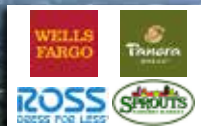
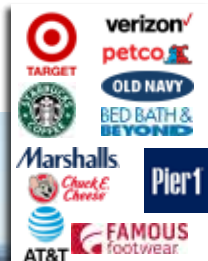
**Landlord is only responsible for the slab and structure.*

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AERIAL



Downtown Houston

SPENCER RD (30,000 VPD)

PROPERTY PHOTOS





SITE PLAN



DEMOGRAPHICS & MAP

AREA DEMOGRAPHICS



TOTAL POPULATION

1 mile	22,849
3 mile	177,837
5 mile	355,001



TOTAL HOUSEHOLDS

1 mile	7,365
3 mile	57,394
5 mile	109,485



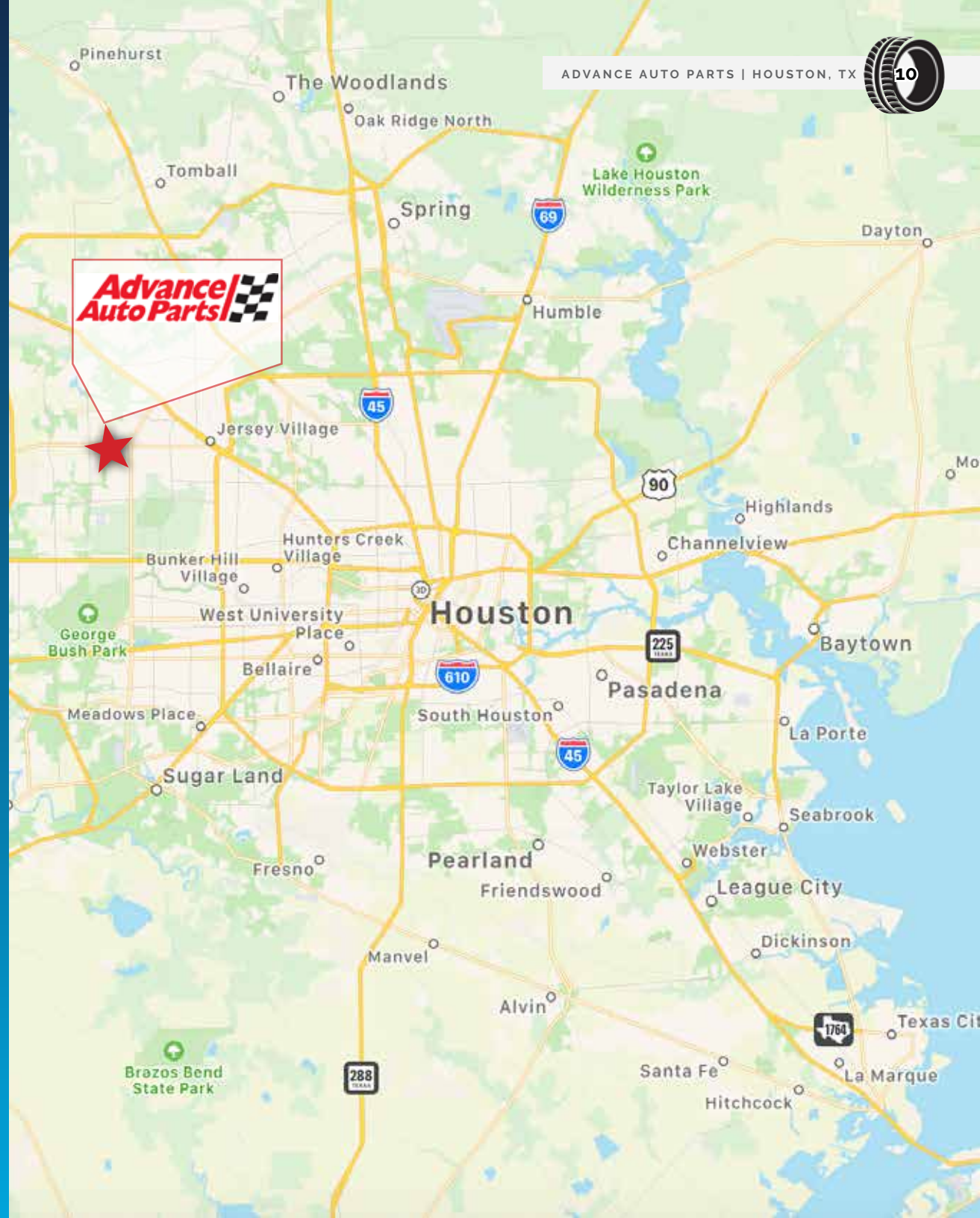
PROJECTED ANNUAL POPULATION GROWTH (2020-2025)

1 mile	3.67%
3 mile	4.51%
5 mile	5.05%

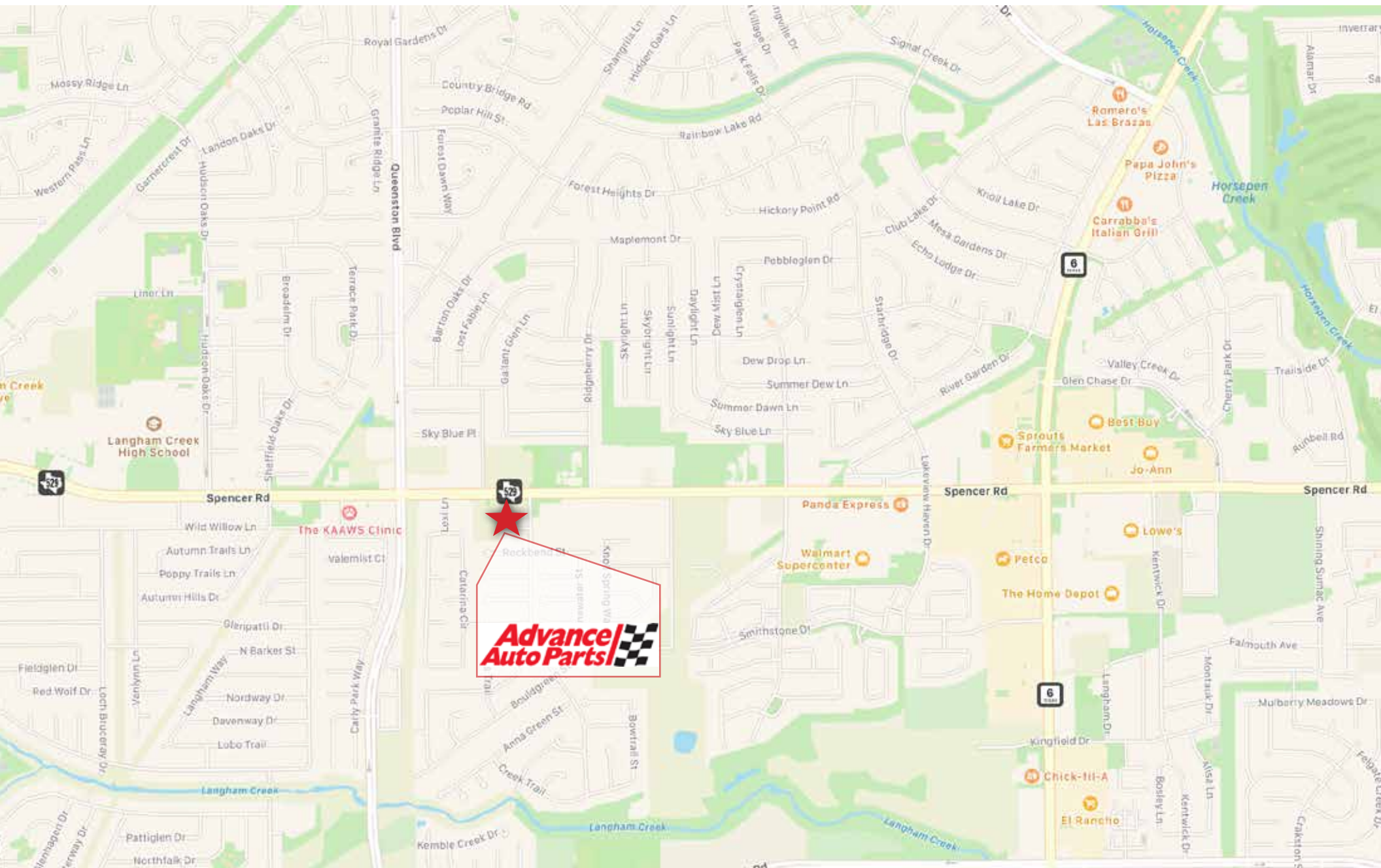


AVERAGE HH INCOME

1 mile	\$88,528
3 mile	\$94,635
5 mile	\$99,545



MAP



TENANT OVERVIEW

ADVANCE AUTO PARTS, INC. is an American automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. The company's stores and branches offer a broad selection of brand name, original equipment manufacturer and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars, vans, sport utility vehicles and light and heavy duty trucks. Advance Auto Parts, Inc. operates its stores under the Advance Auto Parts, Autopart International, Carquest, and Worldpac brand names.

The company was founded in 1929 and is headquartered in Raleigh, NC. The company operates over 4,800 stores and 160 branches in the United States, Puerto Rico, the U.S. Virgin Islands, and Canada; and served 1,253 independently owned Carquest branded stores in Mexico, the Bahamas, Turks and Caicos, and the British Virgin Islands. Advance Auto Parts employs over 70,000 people.

The company is publicly traded on the NYSE, AAP, and has a market capitalization of approximately \$8 billion. Advance Auto Parts is an investment grade rated company with a Standard and Poor's rating of BBB-.



Website:	www.advanceautoparts.com
Credit Rating:	Investment Grade (S&P: BBB-)
Stock Symbol:	NYSE: AAP
Market Capitalization:	\$8 Billion
Number of Locations:	4,800+
Headquarters:	Raleigh, NC
Year Founded:	1929



LOCATION OVERVIEW

HOUSTON is the most populous city in Texas, the fourth most populous city in the United States, and is the sixth most populous city in North America. The city has an estimated population of 2,350,000 people while the Houston MSA has a population of approximately 7,000,000 people. Houston is located in Southeast Texas near the Galveston bay and the Gulf of Mexico.

It is the largest city in the United States by total area, whose government is not consolidated with that of a county, parish or borough. Though primarily in Harris County, small portions of the city extend into Fort Bend and Montgomery counties, bordering other principal communities of Greater Houston such as Sugar Land and The Woodlands.

4th

most populous city in the United States

6th

most populous city in North America

7,000,000

Population of
the MSA

1st

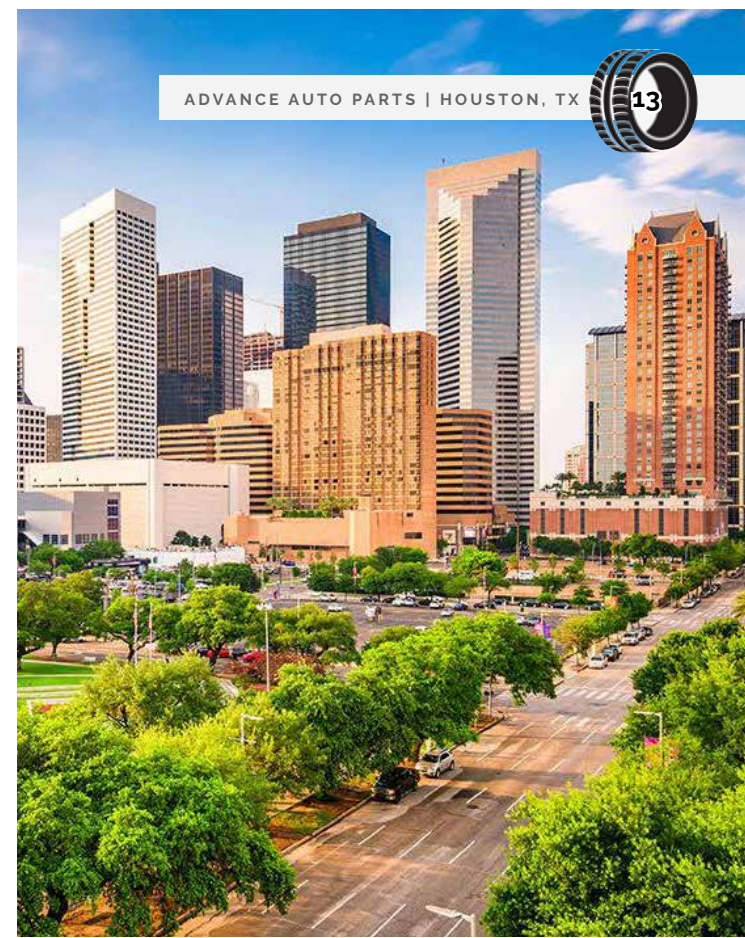
Port of Houston ranking in international
watervorne cargo handles

2nd

most Fortune 500 headquarters

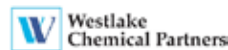
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LOCATION OVERVIEW

Houston's Fortune 500 Companies



HOUSTON'S economy since the late 19th century has a broad industrial base in energy, manufacturing, aeronautics, and transportation. Leading in healthcare sectors and building oilfield equipment, Houston has the second most Fortune 500 headquarters of any U.S. municipality within its city limits. Houston is home to the Texas Medical Center—the world's largest concentration of healthcare and research institutions—and NASA's Johnson Space Center, where the Mission Control Center is located. The Port of Houston ranks first in the United States in international waterborne tonnage handled and second in total cargo tonnage handled. Houston has become a global city, with strengths in culture, medicine, and research.

Houston is home to two of America's top 40 busiest airports with between George Bush Intercontinental Airport (#14) and William P. Hobby Airport (#36). Houston serves as a major hub city for United Airlines and Southwest Airlines. Greater Houston possesses a hub-and-spoke limited-access highway system, in which a number of freeways radiate outward from Downtown, with ring roads providing connections between these radial highways at intermediate distances from the city center. The city is crossed by three Interstate highways, Interstate 10, Interstate 45, and Interstate 69. Three loop freeways provide north-south and east-west connectivity between Greater Houston's radial highways.



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