

Advance Auto Parts

10 PUTNAM PIKE
JOHNSTON, RI

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES





LISTED BY

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Investment Highlights

- **Recent Renewal** – Advance Auto Parts has been operating at this location for nearly 15 years and recently committed to another 5 years out to 2026, demonstrating strong commitment.
- **Consistently Solid Sales** – Unlike most other corporate leases on the market, this one offers landlords an insight on how the store performs on an annual basis. Over the last 3 years, Advance Auto Parts has seen a consistent trend of solid sales figures – contact broker for more details.
- **Investment Grade Credit** - Advance Auto Parts boasts an investment-grade credit rating by both Standard & Poor's and Moody's.
- **Largest Auto Parts Company in US** – Advance Auto Parts' revenue climbed to nearly \$10 Billion and their store count is now at 6,290+, which makes them the largest auto parts company in the country.
- **"Essential" Business** – This location never needed to shutdown during the COVID pandemic and did not experience any rent deferment or abatements. All rent is current through August 2020.
- **Exceeding Expectations** – Despite many retailers taking a hit in sales across the country, Advance Auto Parts experienced a 7.3% net sales increase to \$2.5 Billion in the second quarter. This increase is due to the many adaptations the company rolled out such as contact-free delivery options and virtual instructor-led training, boosting their Do-It-Yourself (DIY) Omnichannel business including DIY Retail, DIY buy online/pick up in-store and DIY buy online/ship to home.
- **Minimal Responsibilities** – Tenant takes care of parking lot, HVAC, taxes, and insurance leaving only the roof and structure on the landlord. However, the roof is still under warranty until 2021, allowing this property to run virtually as a NNN lease.
- **Prime Positioning** – Subject property sits on the signalized corner of Highway 44 (Putnam Pike) and George Waterman Rd which boasts ± 35,000 cars per day.
- **Strategic Location** – 60% of Advance Auto Parts' revenue comes from the commercial side of the business, and the subject property is supported by 15+ auto repair facilities and 4+ dealerships nearby in addition to the surplus of surrounding residents.
- **25% Rent Increase** – The rent in the upcoming option in 2026 is just under 25%, offering landlords more leverage in rent negotiations.
- **Rare Rhode Island Real Estate** – Not many national credit deals come available near Providence. Johnston is a densely populated suburban submarket that's only 5 miles from downtown Providence and inhabits about 260,000 residents within 5 miles of the subject property. Moreover, the surrounding demographics reflect the blue-collar customers that help Advance Auto Parts continue to grow every year.



Investment Summary



» **PROPERTY ADDRESS**

10 Putnam Pike
Johnston, RI 02919



» **LIST PRICE**

\$2,213,500



» **CAP RATE**

6.50%



Annualized Operating Data

	Monthly	Annual	Annual Rent/SF	Cap Rate
3/1/2021 - 2/28/2026	\$11,990	\$143,880	\$23.98	6.50%
Option 1	\$14,942	\$179,298	\$29.88	8.10%
Option 2	\$15,689	\$188,263	\$31.38	8.51%
Option 3	\$16,474	\$197,693	\$32.95	8.93%

*Current rent is \$14,231/month but will become \$11,990/month starting March 1, 2021. Buyer to credit seller the difference at closing.

Tenant Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Term Remaining	±5.5 years
Lease Commencement Date	2/23/06
Lease Expiration Date	2/28/26
Options	3, 5-Year
GLA (SF)	±6,000
Lot Size	±25,761 SF (±0.59 Acres)
Year Built/Renovated	1993/2006

PROVIDENCE

9,000 STUDENTS



PUTNAM PIKE
± 25,000 VPD



GEORGE WATERMAN RD
± 12,300 VPD



JOHNSTON CAMPUS



JOHNSTON PLAZA SHOPPING CENTER
APPLE VALLEY MALL



GEORGE WATERMAN RD
± 12,300 VPD



THE CROSSING AT SMITHFIELD

PUTNAM PIKE
± 25,000 VPD

Tenant Overview

Advance Auto Parts®

» Company Name Advance Auto Parts	» Year Founded 1929	» Headquarters Roanoke, Virginia
» Parent Company Advance Auto Parts, Inc	» Credit Rating BBB-	» Website www.advanceautoparts.com

TENANT OVERVIEW

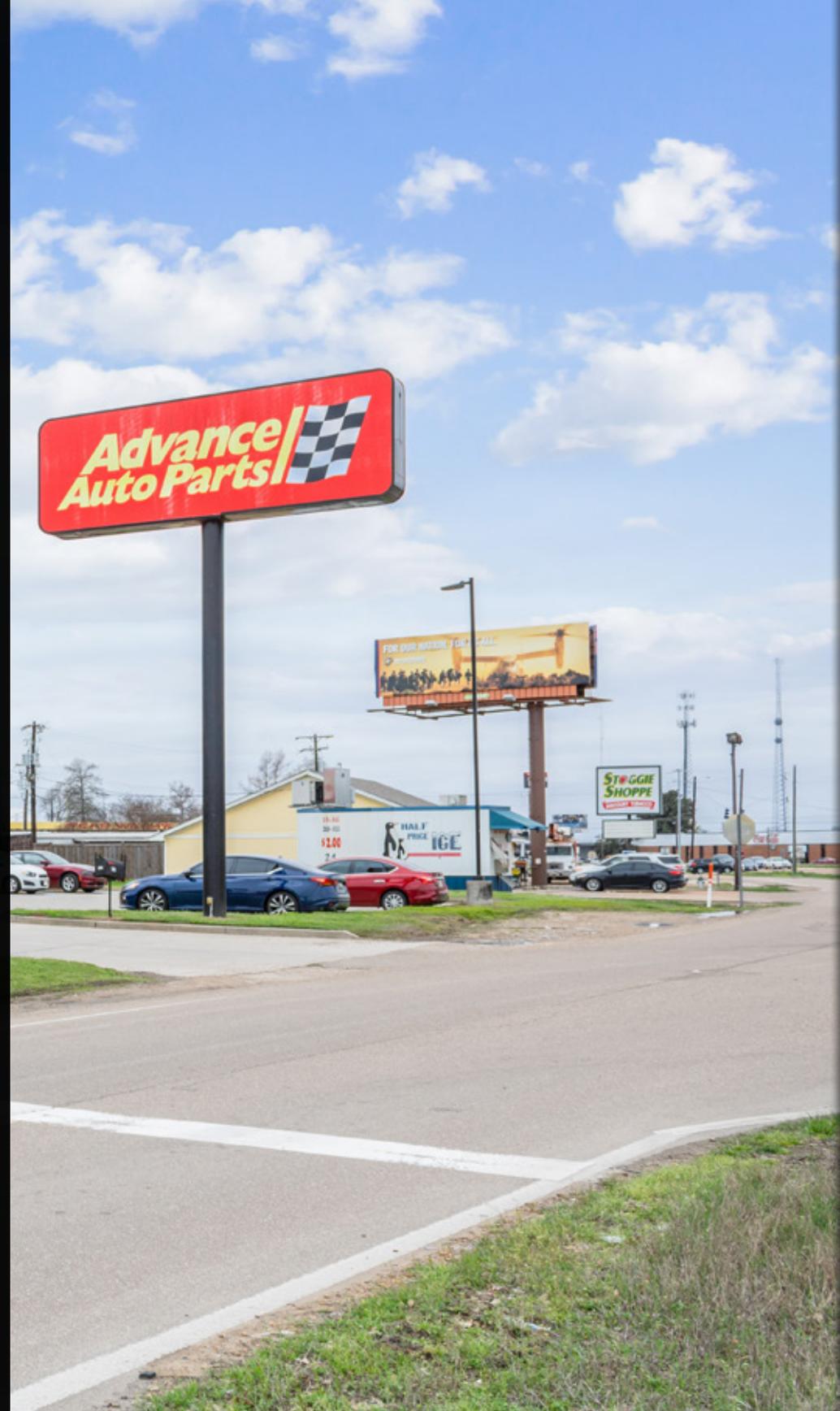
Headquartered in Roanoke, VA., Advance Auto Parts, Inc., the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers. Advance Auto Parts operates over 5,185 stores, over 127 Worldpac branches and serves approximately 1,250 independently owned CARQUEST branded stores in the United States, Puerto Rico, the U.S. Virgin Islands and Canada. Employing approximately 74,000 Team Members, the company works hard to create an environment of honesty, integrity, mutual trust and dedication. These values have remained the same since Advance Auto Parts founding in 1929. Advance Auto Parts operates stores that primarily offer auto parts such as alternators, batteries, belts and hoses, chassis parts, clutches, engines and engine parts.

STRATEGY

AAP continues to expand its store network in both new and existing markets to grow its commercial and DIY customer base. In a move that created the largest automotive aftermarket parts provider in North America and surpassed rival AutoZone in sales, AAP acquired privately-held General Parts International, a distributor and supplier of original equipment and aftermarket replacement products for commercial markets operating under the CARQUEST and WORLDPAK brands. The company has also been moving into the commercial market in recent years. To better serve commercial customers, AAP has added more parts from key manufacturers to its inventory and expanded its workforce with parts professionals, delivery drivers, and sales representatives.

SALES & MARKETING

Advance Auto Parts builds its marketing and advertising campaigns around radio, television, direct marketing, mobile and social media, and local in-store marketing. Its "Speed Perks" customer loyalty campaign targets core DIY customers and emphasizes service. The company also employs Spanish-language television, radio, and outdoor ads to reach Latinos.



Area Overview

Johnston, RI

Johnston, Rhode Island, in Providence county, is 4 miles NW of Cranston, Rhode Island (center to center) and 43 miles SW of Boston, Massachusetts. The town is part of the Providence - Fall River - Warwick metropolitan statistical area (MSA).

Demographics

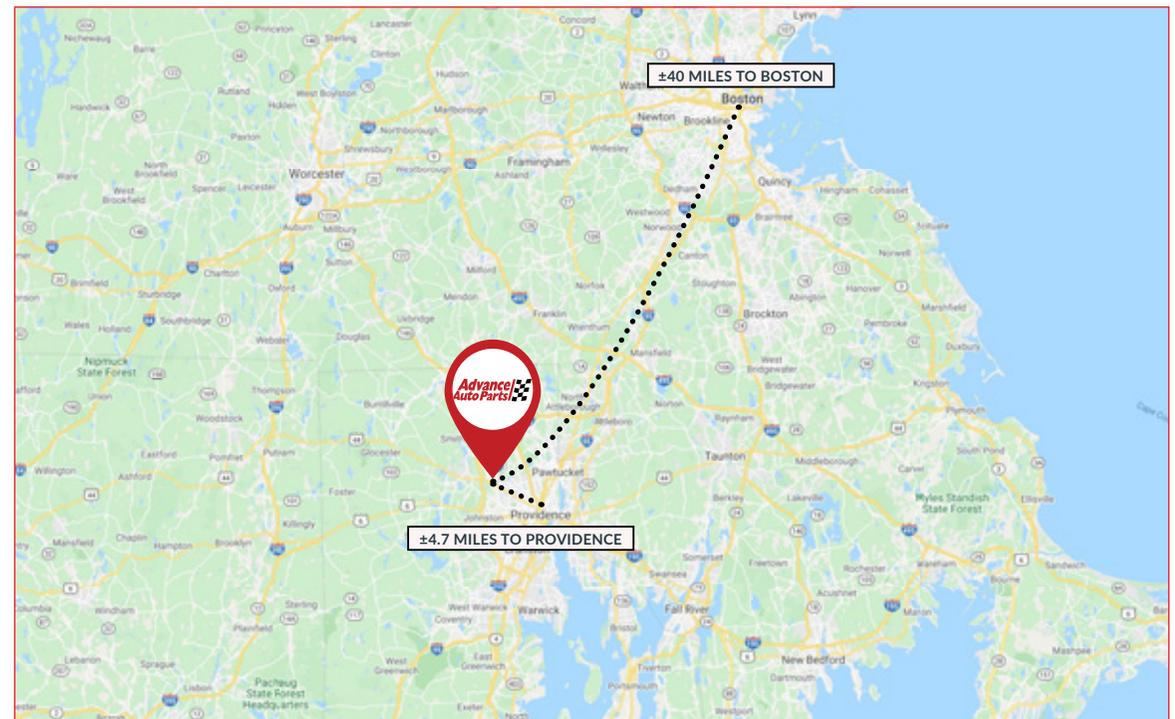
POPULATION	1 - MILE	3 - MILE	5 - MILE
2025 Projection	13,028	84,602	259,637
2020 Estimate	12,918	83,743	258,046
2010 Census	12,552	80,598	253,951
Growth 2010-2020	2.92%	3.90%	1.61%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2025 Projection	5,798	34,067	98,879
2020 Estimate	5,743	33,703	98,210
2010 Census	5,539	32,268	96,096
Growth 2010-2020	3.68%	4.45%	2.20%
INCOME	1 - MILE	3 - MILE	5 - MILE
2019 Est. Average Household Income	\$76,306	\$78,800	\$70,843

Top Employers

- » FM Global
- » AFM Insurance
- » A&H Manufacturing
- » Textron
- » Nortek
- » Rhode Island Hospital
- » Brown University
- » John & Wales University
- » Miriam Hospital

Things To Do In Johnston

Johnston is home to Clemence Irons House, a stone-ender museum constructed in 1691. The town also has several parks such as the Johnston Memorial Park, Woodlake Park Complex, Dyerville State Park, and Woonasquatucket Park. The Westgate Shopping Center, Town Hall Center Shopping Center, and Lexington Building Shopping Center are some of the local shopping centers.



Providence, RI

Providence is the capital and most populous city of the state of Rhode Island and is one of the oldest cities in the United States. It was founded in 1636 by Roger Williams. The city is situated at the mouth of the Providence River at the head of Narragansett Bay.

Providence was one of the first cities in the country to industrialize and became noted for its textile manufacturing and subsequent machine tool, jewelry, and silverware industries. Today, the city of Providence is home to eight hospitals and seven institutions of higher learning which have shifted the city's economy into service industries, though it still retains some manufacturing activity.

The city is the third-most-populous city in New England after Boston and Worcester, Massachusetts.



**MOST POPULOUS CITY OF THE STATE OF
RHODE ISLAND**

**ONE OF THE OLDEST CITIES IN THE UNITED
STATES**

COLLEGES & UNIVERSITIES IN PROVIDENCE

Providence is known as an epicenter of higher education, with eight college and university campuses located in the city. This concentration of faculty and students adds energy to the city and makes an enduring impact on the creative and intellectual landscape of the community.



BROWN UNIVERSITY

- Leading Ivy League institution with a distinctive undergraduate academic program, a world-class faculty, outstanding graduate and medical students, and a tradition of innovative and rigorous multidisciplinary study
- Dynamic force in the community
- Notable alumni: John F. Kennedy, Jr. and actress Laura Linney



JOHNSON & WALES UNIVERSITY (J&W)

- Offers unique blend of hands-on experience and classic academic instruction
- The DOWNCITY Campus, in the heart of the downtown, houses The Hospitality College and the College of Business
- The Harborside Campus, on the edge of the city, is home to the College of Culinary Arts
- Most notably through its impact on the critically acclaimed restaurant scene
- Notable alumni: celebrity chefs Emeril Lagasse and Tyler Florence



PROVIDENCE COLLEGE (PC)

- Undergraduate, liberal arts, Catholic institution of higher education located in the city's North End
- Nationally recognized for its academic programs and Division I sports program which has several nationally ranked men's and women's basketball teams
- Notable alumni: NBA Hall of Fame Player and Coach Lenny Wilkins and NBC News Correspondent Mike Leonard.



RHODE ISLAND COLLEGE (RIC)

- Public institution whose primary mission is to offer a quality, affordable education to all Rhode Islanders
- Offers programs in the liberal arts and sciences and in a variety of professional fields
- Its performing arts program is highly regarded and draws large audiences to its theater productions
- Notable alumni: award-winning actress Viola Davis and Congressman James Langevin



THE RHODE ISLAND SCHOOL OF DESIGN (RISD)

- One of the country's leading visual arts, design, architecture and art education institutions
- An eclectic community of artists and designers that includes 2,200 students from around the world, approximately 350 faculty and curators, and 400 staff members
- Notable alumni: film director Gus Van Sant and "Family Guy" creator Seth MacFarlane.



ROGER WILLIAMS PARK

Roger Williams Park is a top-notch family attraction that has delighted generations of visitors. The zoo earns rave reviews and stellar attendance each year at its Jack-O-Lantern Spectacular. The park also contains waterways, walks, the Botanical Center, Carousel Village, and the Museum of Natural History and Planetarium.

LA GONDOLA

see the sights of the City from a unique vantage point that captures the heart of Providence. A gondola trip is a great way to celebrate an occasion, add a special twist to an event, tour the city with a large group, or simply to relax and enjoy a truly unique night out. La Gondola can accommodate up to six passengers on each of our three beautiful authentic gondolas, and we can also customize trips to accommodate larger parties for conventions / corporate events, group tours, wedding receptions, and more!

HILLSIDE COUNTRY CLUB

Hillside Country Club is a premier event venue for weddings, special and corporate events. All of the amenities are open to the public, including the Grand Ballroom overlooking beautifully manicured fairways and scenic pond for weddings and special events; full-service Tiki Bar & Restaurant with an outdoor kitchen, including a brick pizza oven; and La Collina Restaurant and Bar, an elegant but casual restaurant open year-round, offering cook-to-order meals using only the highest quality and freshest ingredients.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** located at **10 Putnam Pike, Johnston, RI 02919** ("Property"). It has been prepared by Matthews Real Estate Investment Services and Horvath & Tremblay. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller, Horvath & Tremblay, or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner, Horvath & Tremblay, and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller, Horvath & Tremblay, Matthews Real Estate Investment Services, or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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