



**725 N TENNESSEE AVE.
ETOWAH, TN 37331**



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Marcus & Millichap

MOLLOY KAYE RETAIL GROUP

Actual Location

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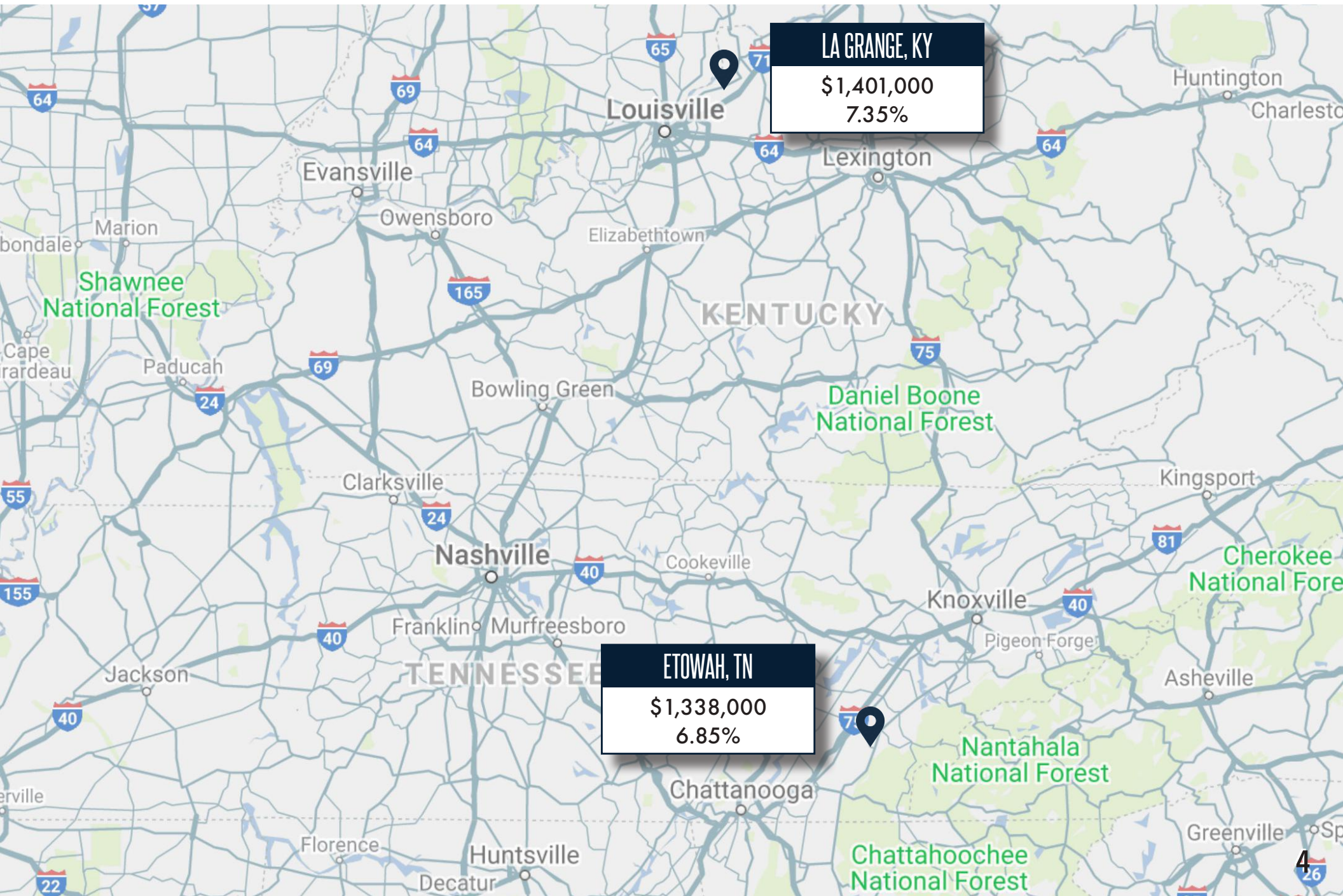
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PORTFOLIO OFFERING



OFFERING HIGHLIGHTS

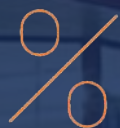
725 N Tennessee Ave.
Etowah, TN 37331



\$1,338,000
Price



±6,779 | 2.11
SF | Acres



6.85%
Cap Rate



10.5+ YEARS
Remaining on
Current Term



NNN
Lease



2005
Year Built

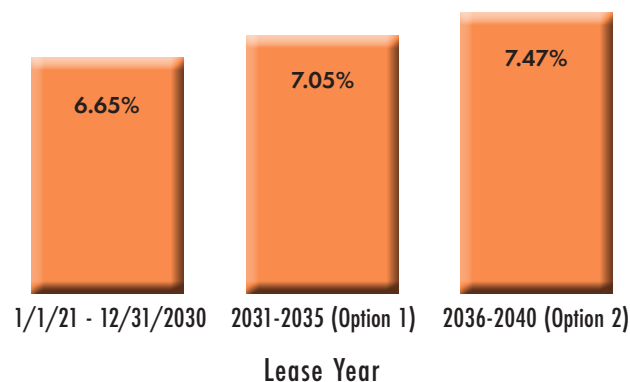
LEASE SUMMARY

Property Subtype:	Net Leased Auto Parts
Tenant:	Advance Stores Company, Inc. d/b/a Advance Auto Parts
Rent Increases:	6% Each Option
Guarantor:	Corporate
Lease Type:	NNN
Lease Commencement:	September 30, 2005
Lease Expiration:	December 31, 2030
Years Left:	10.5+ Years
Renewal Options:	Two (2), 5-Year

RENT ROLL

TERM	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$113,135	\$9,428	\$16.69
Jan. 1, 2021 - Dec. 31, 2030	\$91,630	\$7,636	\$13.52
2031-2035 (Option 1)	\$97,127	\$8,094	\$14.33
2036-2040 (Option 2)	\$102,955	\$8,580	\$15.19

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

- Located along the main thoroughfare in Etowah running through the center of town
- At the intersection of Tennessee Ave. & David W Lillard Memorial Hwy, which connects to Athens
- Frontage along N Tennessee Ave. with $\pm 12,700$ VPD
- Flat topography with enhanced visibility in all directions
- Two (2) points of ingress/egress, including access to a signalized intersection via inter-parcel access
- Large 2.11 acre parcel

PASSIVE LEASE STRUCTURE

- 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 6% rent escalations in each option
- Recently extended the lease for 9 years & 9 months 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

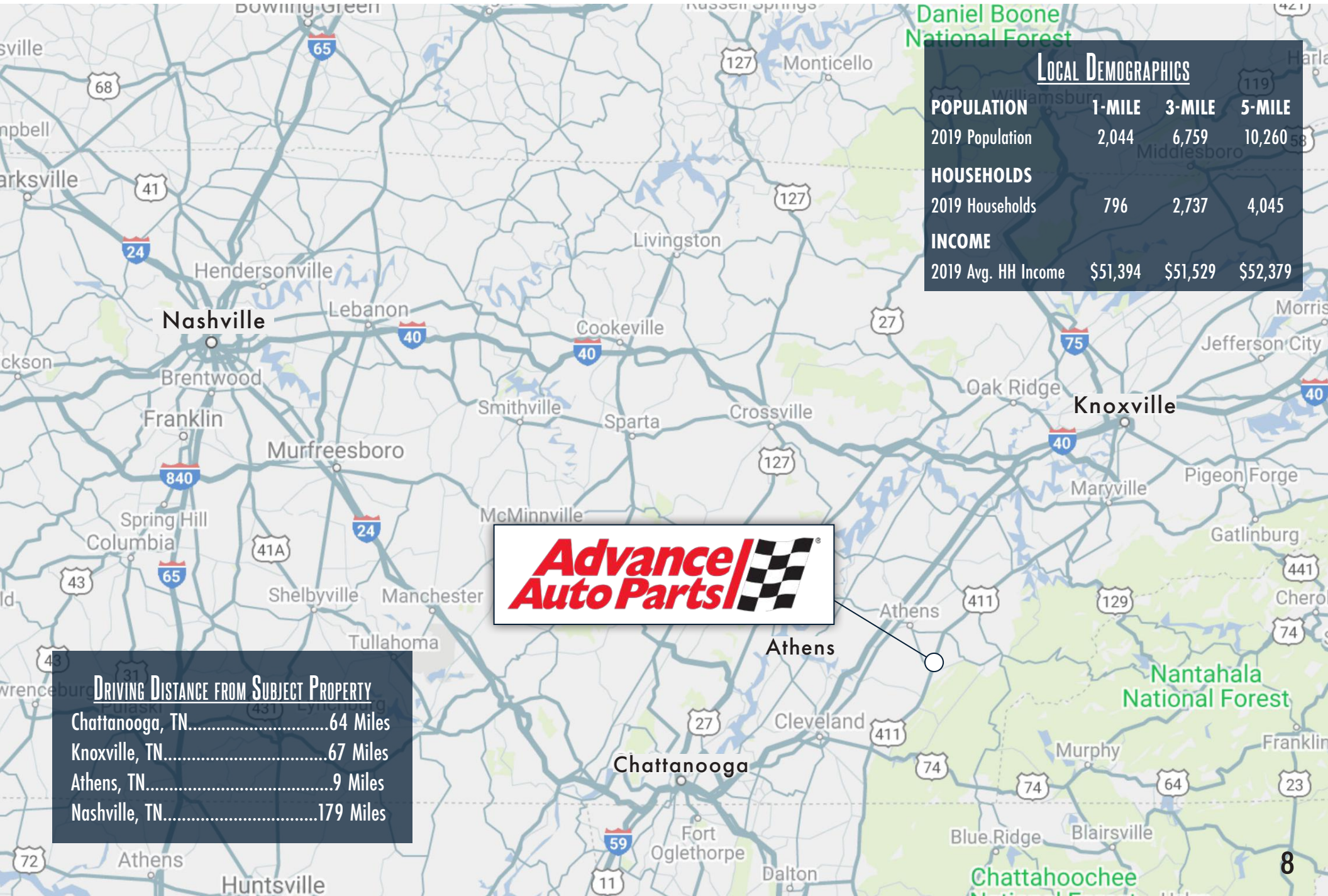
- 2nd largest auto parts chain in the US
- Strong corporate financials
 - › 2019 Revenues of \$9.709 B (3 straight years of growth)
 - › 2019 Net Worth of \$3.549 B (21.7% increase over 2016)
 - › 2019 increase in net sales (1.3%), comparable store sales (1.1%), operating income (12.1%) & operating cash 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

POPULATION	1-MILE	3-MILE	5-MILE
2019 Population	2,044	6,759	10,260
HOUSEHOLDS			
2019 Households	796	2,737	4,045
INCOME			
2019 Avg. HH Income	\$51,394	\$51,529	\$52,379

Advance
Auto Parts

DRIVING DISTANCE FROM SUBJECT PROPERTY

Chattanooga, TN.....	64 Miles
Knoxville, TN.....	67 Miles
Athens, TN.....	9 Miles
Nashville, TN.....	179 Miles

PROPERTY PHOTOS



ETOWAH, TN

Etowah is a city in McMinn County, Tennessee, United States. The city is home to approximately 3,500 citizens. The median household income has risen 19% over the past few years and the projected future job growth is 30.6%.

The major industries in Etowah are Retail trade, Construction and Manufacturing. 95% of citizens in McMinn County are employed. The newest plant (Plant number 6) of the Waupaca Foundry, Inc. is in Etowah. The plant makes quality grey and ductile steel components that are used in the automotive and farming markets. The foundry makes parts for the new Ford F-series heavy duty trucks, Dodge Caravan, Hummer H2, GMC Envoy, Chrysler 300C/Dodge Charger, and the Toyota Camry. Etowah also claims two other plants, Johns Manville and Huber.

McMinn County is strategically positioned along I-75 in between Chattanooga and Knoxville with only an hour's drive to each city. Two rail lines, CSX and Norfolk Southern, run the width of the county with one of the largest available and certified industrial rail sites in the East Tennessee area - North Etowah Industrial Park - located along the CSX line in Etowah. The county is also home to Tennessee Wesleyan University, a private Methodist university with $\pm 1,500$ students and ± 200 full time faculty and staff.

Low taxes, low cost of living and low crime rate make Etowah the perfect place to start a business or settle down and raise a family.

TOP McMINN COUNTY EMPLOYERS

Denso Manufacturing

Calhoun News Print

Athens Regional Medical Center

McMinn County Board of Education

Waupaca Foundry, Inc.

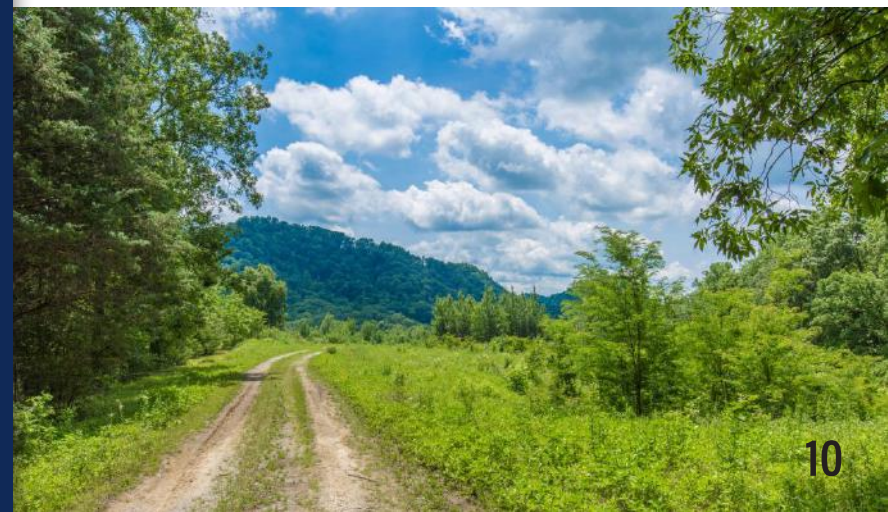
Heil Trailer International Company

Mayfield Dair Farms, LLC

Johns Manville Corp

Wal-Mart Stores

E&E Manufacturing



LEASE ABSTRACT

TENANT:

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

LEASE GUARANTOR:

Corporate

BUILDING SIZE:

6,779 Square Feet

LEASE COMMENCEMENT:

September 30, 2005

LEASE EXPIRATION:

December 31, 2030

YEARS LEFT:

10.5+ years

CURRENT BASE RENT:

\$9,428 per month/\$113,135 annually

Jan. 1, 2021 - Dec. 31, 2030: \$7,636 per month/\$91,360 annually

OPTIONS:

Two (2), 5-year

OPTION RENT:

Option 1: \$8,094 per month/\$97,127 annually (2031-2035)

Option 2: \$8,580 per month/\$102,955 annually (2036-2040)

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.



Tenant Trade Name	Advance Auto Parts
Tenant	Advance Stores Company, Inc.
Lease Guarantor	Corporate
S&P Credit Rating	BBB-/Stable
Moody's Credit Rating	Baa2
Headquarters	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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Advance Auto Parts

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