

ADVANCE AUTO PARTS

Exclusive Net Lease Offering

Subject Property



OFFERING MEMORANDUM



2406 Airline Hwy
Kenner, LA 70062

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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

- ✓ Features High Visibility & Ease of Access along E Airline Highway
- ✓ Strong Traffic Counts | E Airline Highway and Williams Boulevard | Average 29,700 and 22,750 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located Less Than 10-Miles Outside of Downtown New Orleans
- ✓ Direct Proximity to the Louis Armstrong New Orleans International Airport | Set to Open A New 35-Gate, \$1 Billion Airport Terminal in November 2019
- ✓ Strong Academic Presence | East Jefferson High School | Located Three-Miles from the Subject Property | Enrollment Exceeding 1,225 Students

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: \$2,185,276 | CAP RATE: 5.35% | RENT: \$116,912

PROPERTY DESCRIPTION

Property	Advance Auto Parts
Property Address	2406 Airline Highway
City, State ZIP	Kenner, LA 70062
Building Size (SF)	9,951
Lot Size (Acres)	+/- 1.02 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,185,276
CAP Rate	5.35%
Annual Rent	\$116,912

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	\$116,912	\$9,743	-
Year 2	\$116,912	\$9,743	-
Year 3	\$116,912	\$9,743	-
Year 4	\$116,912	\$9,743	-
Year 5	\$116,912	\$9,743	-
Year 6	\$116,912	\$9,743	-
Year 7	\$116,912	\$9,743	-
Year 8	\$116,912	\$9,743	-
Year 9	\$128,604	\$10,717	10.00%
Year 10	\$128,604	\$10,717	-
Year 11	\$128,604	\$10,717	-
Year 12	\$128,604	\$10,717	-
Year 13	\$128,604	\$10,717	-
Year 14	\$128,604	\$10,717	-

Investment Summary

Marcus & Millichap is please to present the exclusive listing for the Advance Auto Parts located at 2406 Airline Hwy in Kenner, LA. The property consists of a 9,951 square-foot building sitting atop a 1.02-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 \$116,912, 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



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

“There's nothing we enjoy more than helping you wrench up, take control and master your machine.”



2018 Financial Summary





Surrounding Area



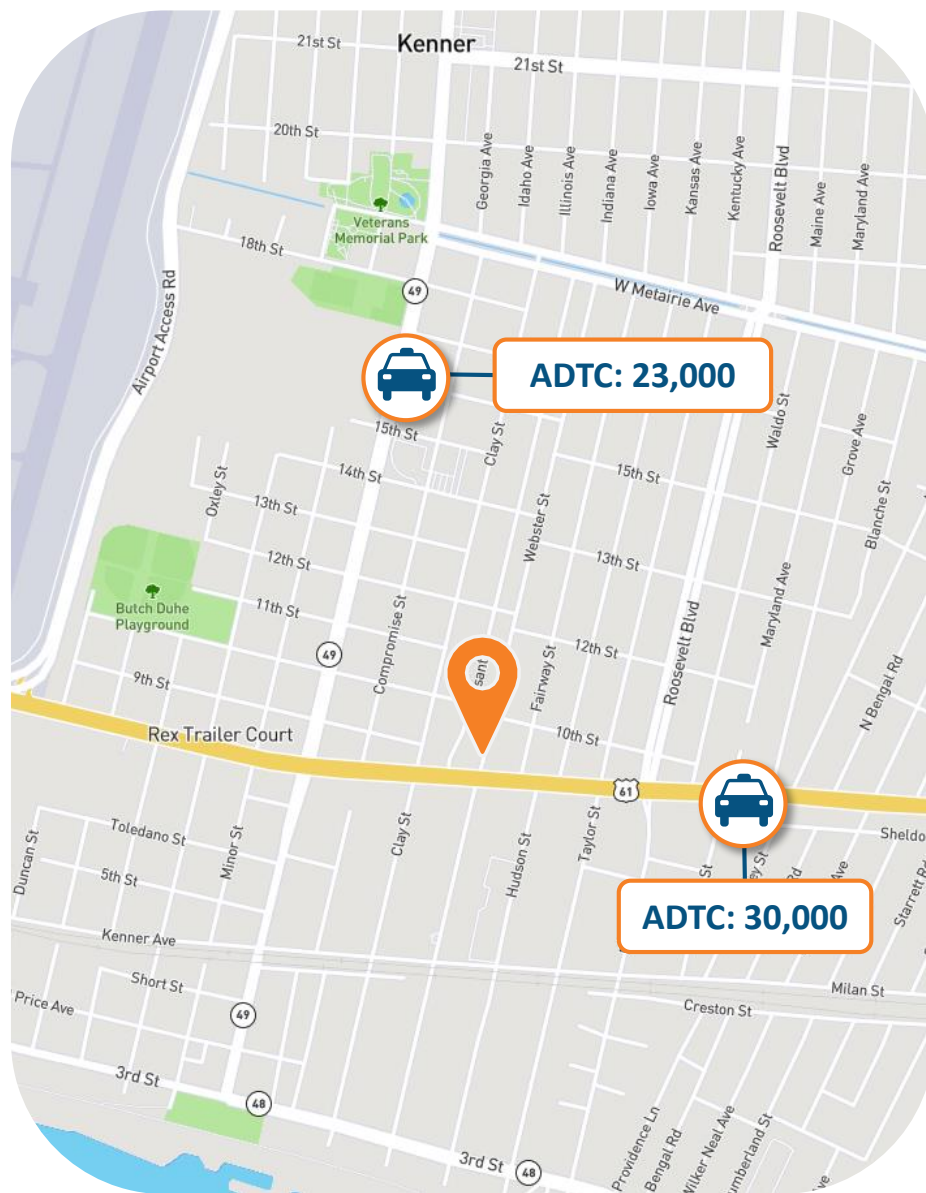


Location Overview

The subject investment property is situated along E Airline Highway, which boasts average daily traffic counts of approximately 30,000 vehicles and also serves as an access route to Louis Armstrong New Orleans International Airport. E Airline Highway intersects with Williams Boulevard which brings an additional 23,000 vehicles into the immediate area. There are more than 34,500 individuals residing within a five-mile radius of the property and nearly 80,000 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, shopping centers, and academic institutions all within close proximity. Major national tenants include: McDonald's, Waffle House, Popeyes Louisiana Kitchen, Burger King, Subaru, Sherwin-Williams Paint Store, as well as several others. The subject property is located right next to Louis Armstrong New Orleans International Airport which serviced more than 13 million passengers in 2018. Louis Armstrong New Orleans International Airport is set to open its new 35-gate, \$1 billion airport terminal in November 2019. The subject property benefits from being within a five-mile radius of several academic institutions. Most notable of these being East Jefferson High School, located just under three-miles from the subject property with a total enrollment exceeding 1,225 students.

Kenner is the seventh-largest city in Louisiana following New Orleans, Baton Rouge, Shreveport, Lafayette, Lake Charles and Bossier City. It is the largest city in Jefferson Parish and the largest incorporate city of New Orleans. New Orleans is world-renowned for its distinct music, Creole cuisine, unique dialect, and its annual celebrations and festivals, most notably Mardi Gras. The historic heart of the city is the French Quarter, known for its French and Spanish Creole architecture and vibrant nightlife along Bourbon Street. The city has been described as the "most unique" in the United States, thanks in large part to its cross-cultural and multilingual heritage. According to current travel guides, New Orleans is one of the top ten most-visited cities in the United States. New Orleans is also a center for higher learning, with over 50,000 students enrolled in region's eleven two- and four-year degree learning institutions. Tulane University, a top-50 research university, is located in Uptown. Metropolitan New Orleans is a major regional hub for the health care industry and boasts a small, globally competitive manufacturing sector. The center city possesses a rapidly growing, entrepreneurial creative industries sectors. Greater New Orleans, Inc. (GNO, Inc.) acts as the first point-of-contact for regional economic development, coordinating between Louisiana's Department of Economic Development and the various business development agencies.





Property Photos



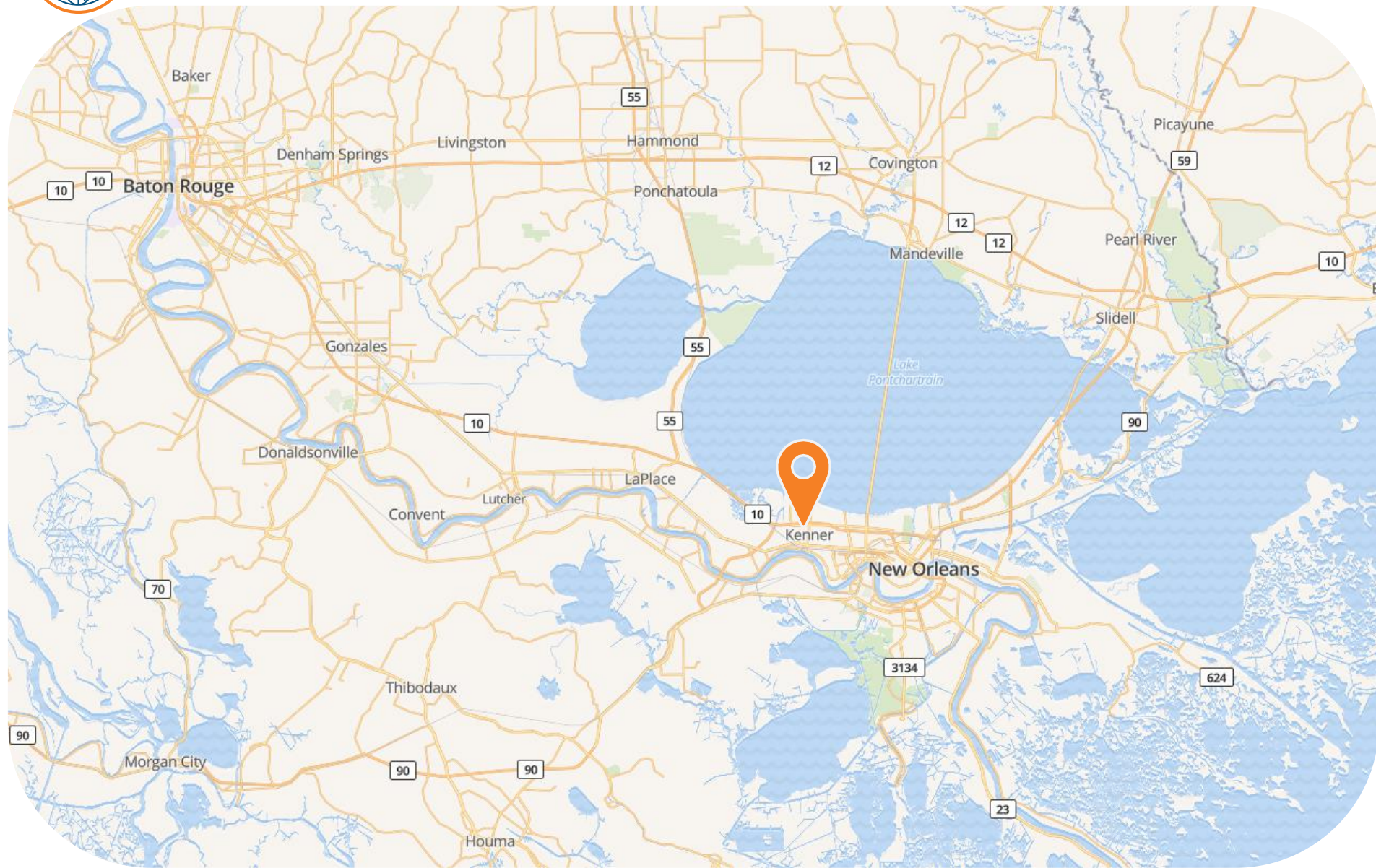


Surrounding Area Photos



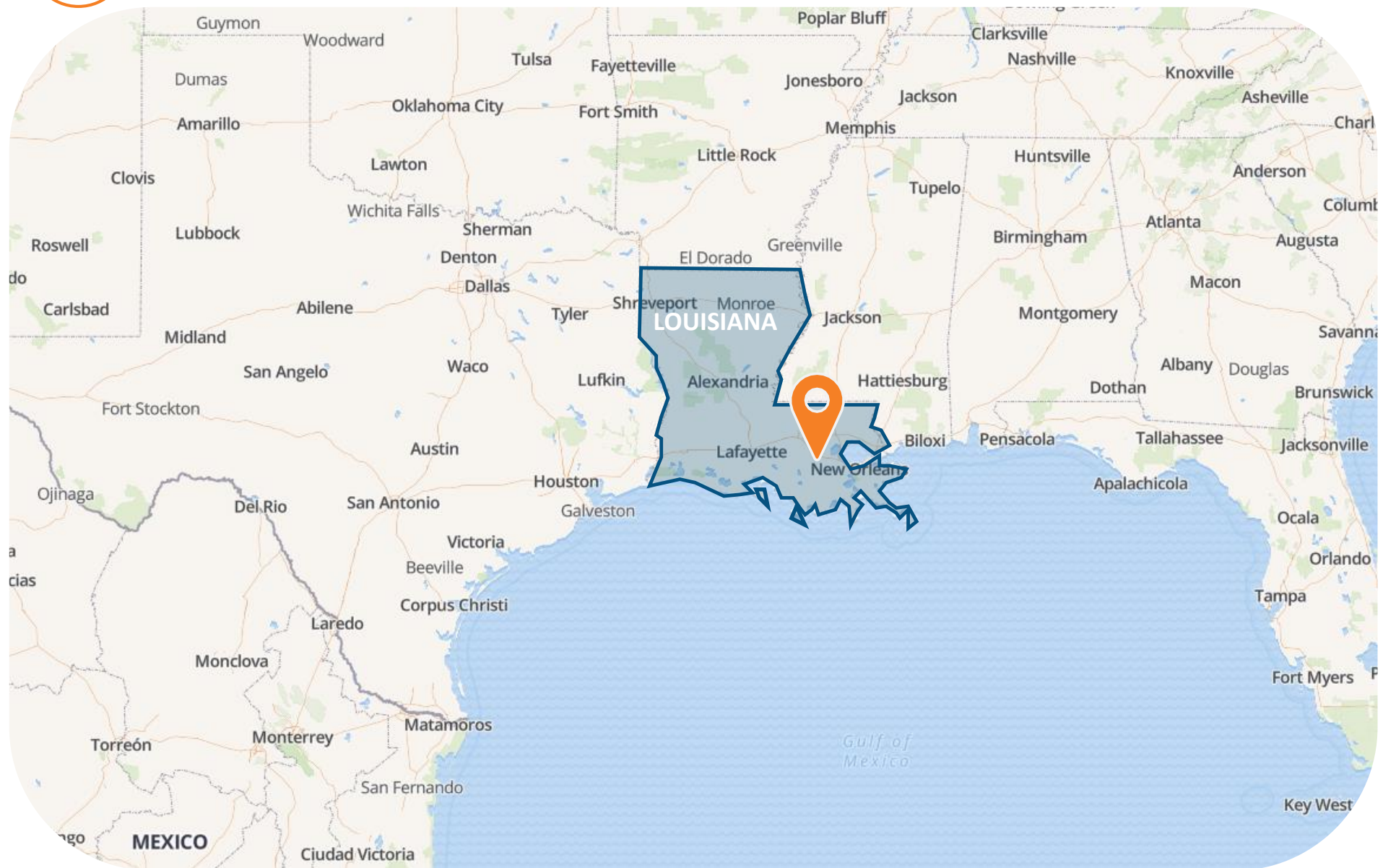


Local Map



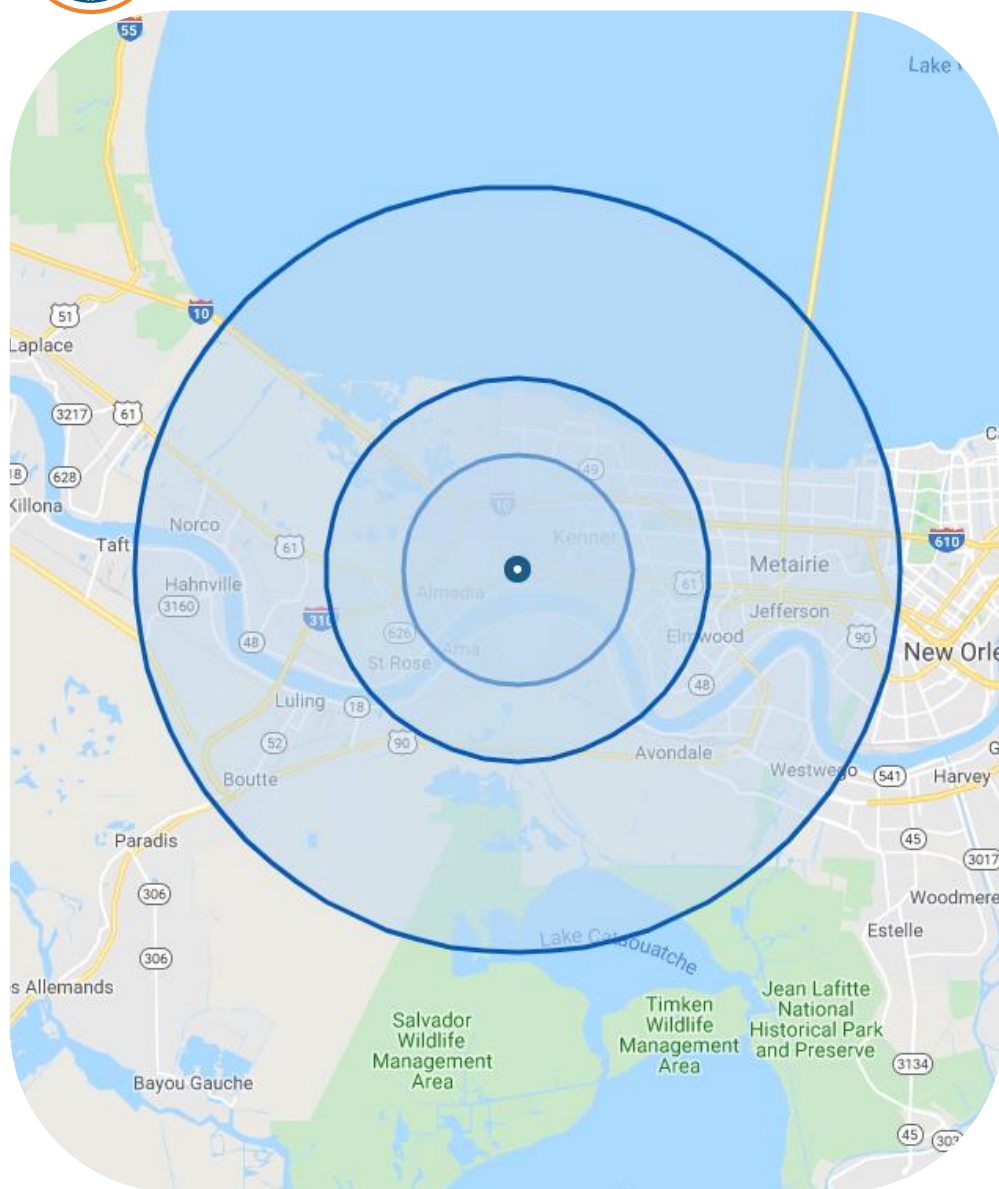


Regional Map





Demographics



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	8,527	33,943	78,997
2018 Estimate	8,487	34,538	79,851
2010 Census	8,398	35,480	80,540
2000 Census	7,537	32,401	75,020

INCOME

Average	\$75,254	\$72,315	\$72,366
Median	\$58,221	\$56,570	\$55,160
Per Capita	\$27,489	\$24,664	\$25,174

HOUSEHOLDS

2023 Projection	3,144	11,611	27,659
2018 Estimate	3,100	11,675	27,624
2010 Census	3,117	12,186	28,265
2000 Census	2,750	10,959	25,369

HOUSING

2018	\$185,040	\$170,096	\$172,455
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EMPLOYMENT

2018 Daytime Population	8,011	31,389	73,703
2018 Unemployment	3.90%	5.41%	5.83%
2018 Median Time Traveled	29 Mins	31 Mins	31 Mins

RACE & ETHNICITY

White	73.70%	47.43%	51.16%
Native American	0.30%	0.38%	0.24%
African American	21.07%	46.83%	43.15%
Asian/Pacific Islander	0.56%	0.79%	1.03%



Market Overview

New Orleans, LA



New Orleans is a consolidated city-parish located along the Mississippi River in the southeastern region of the U.S. State of Louisiana. With an estimated population of 391,006 in 2018, it is the most populous city in Louisiana. As a major port, New Orleans is considered an economic and commercial hub for the broader Gulf Coast region of the United States. The city began as a strategically located trading entrepot and it remains, above all, a crucial transportation hub and distribution center for waterborne commerce. The Port of New Orleans is the fifth-largest in the United States based on cargo volume, and second-largest in the state after the Port of South Louisiana. The region accounts for a significant portion of the nation's oil refining and petrochemical production, and serves as a white-collar corporate base for onshore and offshore petroleum and natural gas production. New Orleans is located near the Gulf of Mexico and its many oil rigs. Louisiana ranks fifth among states in oil production and eighth in reserves. The city is home to a single Fortune 500 company: Entergy, a power generation utility and nuclear power plant operations specialist. Tourism is a staple of the city's economy. The tourist and convention industry is a \$5.5 billion industry and accounts for 40 percent of city tax revenues.

New Orleans is also a center for higher learning, with over 50,000 students enrolled in region's eleven two- and four-year degree learning institutions. Tulane University, a top-50 research university, is located in Uptown. Metropolitan New Orleans is a major regional hub for the health care industry and boasts a small, globally competitive manufacturing sector. The center city possesses a rapidly growing, entrepreneurial creative industries sectors. Greater New Orleans, Inc. (GNO, Inc.) acts as the first point-of-contact for regional economic development, coordinating between Louisiana's Department of Economic Development and the various business development agencies.

Major Employers

Employer	Estimated # of Employees
Louisiana Children's Medical Center	1,353
Entergy	872
AME Services Inc	825
Ochsner Health System	672
Marathon Petroleum Company LP	500
Parish of St Charles	441
Arcelormittal	410
Pala Interstate	380
St Charles Parish Hospital	362
All Star Electric Inc	350
Dpe	350
Walmart	317

of Employees based on 10-mile radius

Marcus & Millichap

NNN
PRO GROUP

EXCLUSIVE NET LEASE OFFERING

