

# MAVIS DISCOUNT TIRE

*Representative Photo*

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



2194 W County Line Rd, Jackson Township, NJ 08527

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# Investment Highlights

PRICE: \$3,545,455 | CAP: 5.50% | RENT: \$195,000



## About the Investment

- ✓ Long Term 20-Year Sale-Leaseback
- ✓ Absolute Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of Five Percent (5%) Every Five (5) Years
- ✓ Six (6) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Dense Retail Corridor | Advance Auto Parts, Firestone Complete Auto Care, Stop and Shop, ShopRite, Dollar General, Dollar Tree, CVS Pharmacy, Walgreens, TD Bank, Chase Bank, McDonald's, Wawa, Burger King and Many More
- ✓ Extremely Affluent Community | Average Household Income Within 5-Mile Radius Exceeds \$111,000
- ✓ Strong Traffic Counts | West County Line Road and Bennetts Mills Road | 16,500 and 15,000 Vehicles Per Day
- ✓ Less than Four-Miles from Georgian Court University | 3,000 Students Enrolled
- ✓ Six Flags Great Adventure | Home of the World's Tallest Roller Coaster | Approximately 15 Miles from Subject Property
- ✓ Strong Real Estate Fundamentals | Convenient Access to New York City and Jersey Shore Beach Towns
- ✓ Immediate Proximity to Lakewood Country Club

## About the Tenant / Brand

- ✓ Mavis Tire Express Services Corp. ("Mavis Express") is the second largest independent automotive service business in the U.S. with over 1,050 service centers in 29 states, \$1.5 billion of revenue and industry-leading profit margins.
- ✓ Mavis Express has a best-in-class management team and operating culture and has generated the strongest and most consistent financial results in the industry with over 10 years of positive comparable sales growth.
- ✓ The company consists of three operating formats: Mavis Discount Tire, Express Oil Change & Tire Engineers, and Brakes Plus.
- ✓ Mavis Discount Tire was founded in 1972 and offers a diverse range of tire and mechanical services and exceptional customer service.
- ✓ Mavis Discount Tire has leading market share in its key regions (especially the Northeast), and a strong real estate profile with very well-maintained buildings and equipment.
- ✓ Mavis' strong asset base leads to superior financial results; Mavis' average unit volumes are approximately \$1.5 million per store which is ~25% higher than Monro, the only competitor that is a public company.
- ✓ David and Stephen Sorbaro have been co-CEOs of Mavis for over 30 years; Golden Gate Capital has been invested in Mavis Express since 2017 and is one of the most experienced private equity investors in multi-unit service businesses.





# Financial Analysis

PRICE: \$3,545,455 | CAP: 5.50% | RENT: \$195,000



## PROPERTY DESCRIPTION

|                         |                            |
|-------------------------|----------------------------|
| Property                | Mavis Discount Tire        |
| Property Address        | 2194 West County Line Rd   |
| City, State, ZIP        | Jackson Township, NJ 08527 |
| Estimated Building Size | 5,600                      |
| Lot Size                | +/- 1.00 Acres             |
| Type of Ownership       | Fee Simple                 |

## THE OFFERING

|                |             |
|----------------|-------------|
| Purchase Price | \$3,545,455 |
| CAP Rate       | 5.50%       |
| Annual Rent    | \$195,000   |

## LEASE SUMMARY

|                      |                                       |
|----------------------|---------------------------------------|
| Property Type        | Net-Leased Auto Services              |
| Tenant / Guarantor   | Mavis Tire Express Services Corp      |
| Ownership Type       | Corporate                             |
| Original Lease Term  | 20.0 Years                            |
| Lease Commencement   | Upon Close of Escrow                  |
| Lease Expiration     | 20 Years from Close of Escrow         |
| Lease Term Remaining | 20.0 Years                            |
| Lease Type           | Absolute Triple-Net (NNN)             |
| Roof & Structure     | Tenant Responsible                    |
| Rental Increases     | 5.00% Every 5 Years                   |
| Options to Renew     | Six (6), Five (5)-Year Option Periods |

## Rent Schedule

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|---------------|-------------|--------------|---------------------|
| Year 1        | \$195,000   | \$16,250     | -                   |
| Year 2        | \$195,000   | \$16,250     | -                   |
| Year 3        | \$195,000   | \$16,250     | -                   |
| Year 4        | \$195,000   | \$16,250     | -                   |
| Year 5        | \$195,000   | \$16,250     | -                   |
| Year 6        | \$204,750   | \$17,063     | 5.00%               |
| Year 7        | \$204,750   | \$17,063     | -                   |
| Year 8        | \$204,750   | \$17,063     | -                   |
| Year 9        | \$204,750   | \$17,063     | -                   |
| Year 10       | \$204,750   | \$17,063     | -                   |
| Year 11       | \$214,988   | \$17,916     | 5.00%               |
| Year 12       | \$214,988   | \$17,916     | -                   |
| Year 13       | \$214,988   | \$17,916     | -                   |
| Year 14       | \$214,988   | \$17,916     | -                   |
| Year 15       | \$214,988   | \$17,916     | -                   |
| Year 16       | \$225,737   | \$18,811     | 5.00%               |
| Year 17       | \$225,737   | \$18,811     | -                   |
| Year 18       | \$225,737   | \$18,811     | -                   |
| Year 19       | \$225,737   | \$18,811     | -                   |
| Year 20       | \$225,737   | \$18,811     | -                   |

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Mavis Discount Tire located at 2194 West County Line Rd in Jackson Township, New Jersey. The site consists of roughly 5,600 rentable square feet of building space on estimated 1.00 acre parcel of land.

This Mavis Discount Tire is subject to a 20-year Absolute Triple-Net (NNN) lease, which will commence upon the close of escrow. The annual rent is \$195,00 and is scheduled to increase by five (5%) percent every five (5) years. There are six (6), five (5)-year tenant renewal options.





# Key Investment Highlights



## Strong Asset

- Strong real estate profile
- Exceptionally well-maintained buildings and equipment
- Compelling unit-level fundamentals
- Corporately operated and guaranteed 20-year sale-leaseback
- Triple Net (NNN) lease with zero landlord responsibilities
- Attractive rent escalations and renewal options

## Strong Tenant

- Industry leader as the second largest independent auto service provider in the nation
- Scale brand with wide geographic reach generating \$1.5+ billion revenues across 1,050+ service centers in 29 states
- Long history of revenue and service center growth
- Highly diversified business mix
- Participates in the attractive and growing auto service industry
- Recession resistant due to essential, non-discretionary nature of the services
- Deemed an “essential service” by the government during COVID-19 period which enables all stores to remain open to serve the community

## Significant Experience

- Mavis has approximately 50 years of operating history
- Industry-leading management team with one of the best track records in the industry
- Co-CEO’s David and Stephen Sorbaro have been managing the Company since 1990 when there were only 3 units



# Mavis Discount Tire Background



## History of Mavis Discount Tire

*Mavis Discount Tire has been saving people money on tires for more than 50 years! While the company was founded in 1972, its roots can be traced back to 1949.*

*It all started with Vic's Cycle Shop, which repaired bicycles sold by its neighbor, a toy shop. In no time at all, the tiny shop developed a great reputation for performing seemingly impossible bicycle repairs. It quickly grew into a better equipped, better capitalized business. Its reputation of Value Oriented Service spread far and wide.*

*By 1968, business was booming. It was time for the next step. With limited resources and no market analysis, the owners built a 7,000 square foot tire center on the other side of town. In no time the new state-of-the-art facility was a success. By 1971 they had three stores. In 1972, striving for a more professional image, the operating name was changed to Mavis, one of the first multi-brand tire dealers in the New York area. (Incidentally, Mavis is derived from the first two letters of Marion's and Victor's names, and the first letter of their last name.)*

*Today, Mavis Discount Tire is one of the second largest independent multi-brand tire dealers in the United States and offers a menu of additional services including brakes, alignments, suspension, shocks, struts, oil changes, battery replacement and exhaust work.*

*Mavis Discount Tire still operates that original 7,000 square foot store in Mt. Vernon. What's more, the tradition of Value Oriented Service originating with Vic's Cycle Shop will always be the backbone of the company.*



Representative Photo

**Mavis Offers One of the Largest Selections of Tire Brands in the Industry:**

**BFGoodrich**

**BRIDGESTONE**

**Continental**

**COOPERTIRES**

**DUNLOP**

**Firestone**

**FUZION**

**GENERAL TIRE**

**GOODYEAR**

**Hankook**

**KELLY Tires**

**MICHELIN**

**PIRELLI**

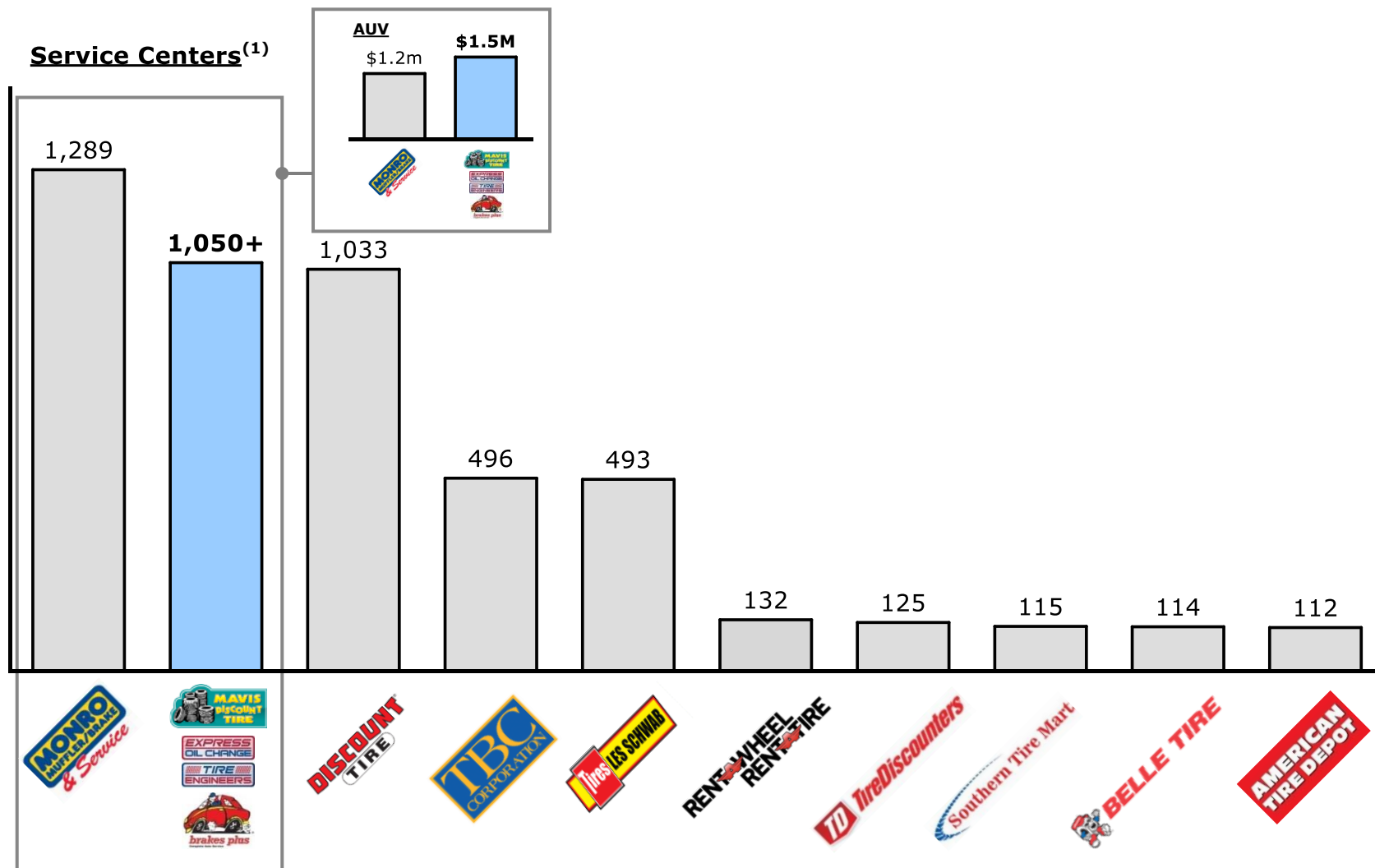
**UNIROYAL**

**YOKOHAMA**



# Industry Leader

Mavis is the second largest independent auto service business in the industry with 1,050+ service centers



(1) Service Center Counts estimated by Modern Tire Dealer; Adjusted for Mavis Express' recent acquisition of 112 TBC service centers; Includes all Monro company-operated service centers.





# Attractive Industry

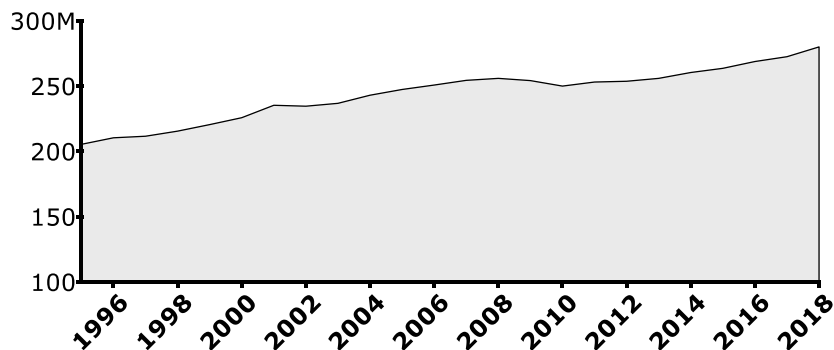
Mavis participates in the attractive and growing auto service industry



## Vehicles in Operation

There are more vehicles on the road...

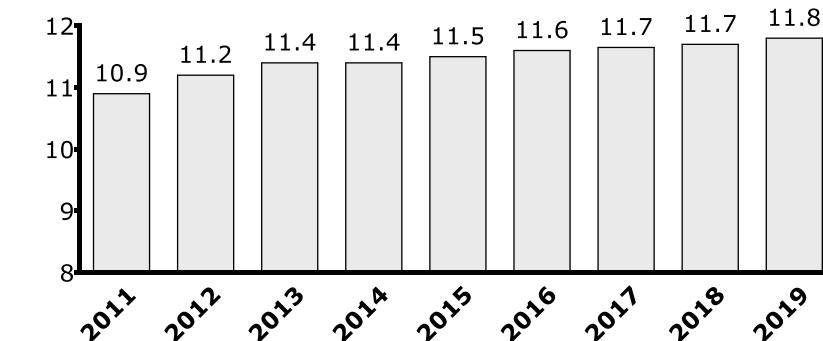
### Cars in the US



## Average Age of Vehicles

... with increasing age leading to more replacement and repair...

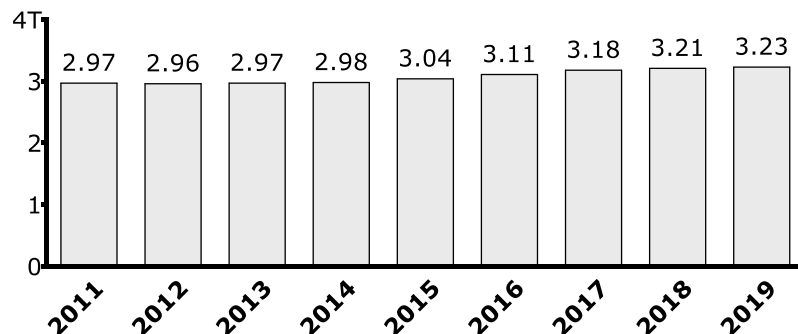
### Years



## Vehicles in Operation

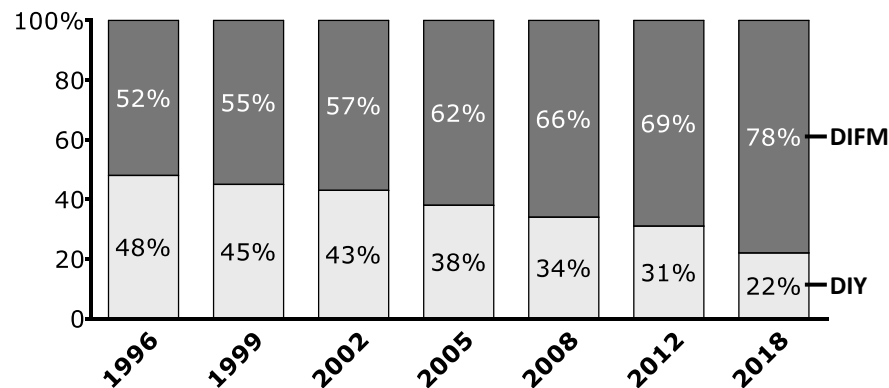
... as more miles are traveled....

### Trillion Miles



## Shift Towards DIFM

... and more people prefer Do It For Me (DIFM) instead of DIY.



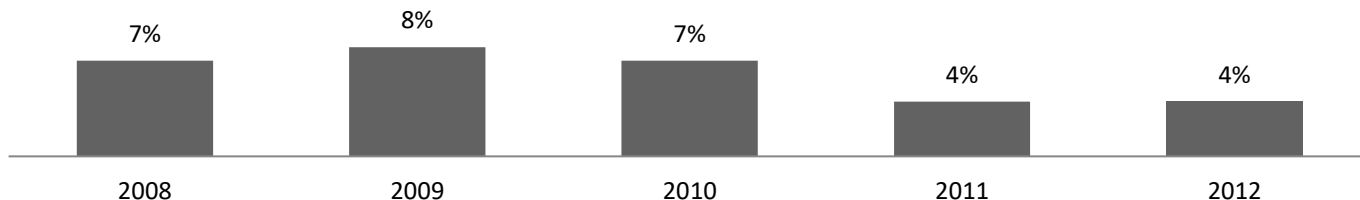
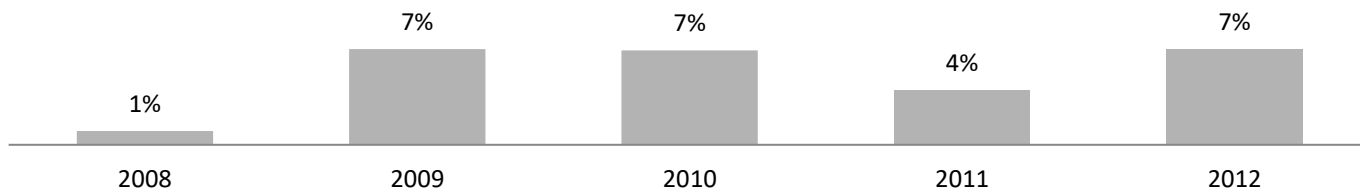
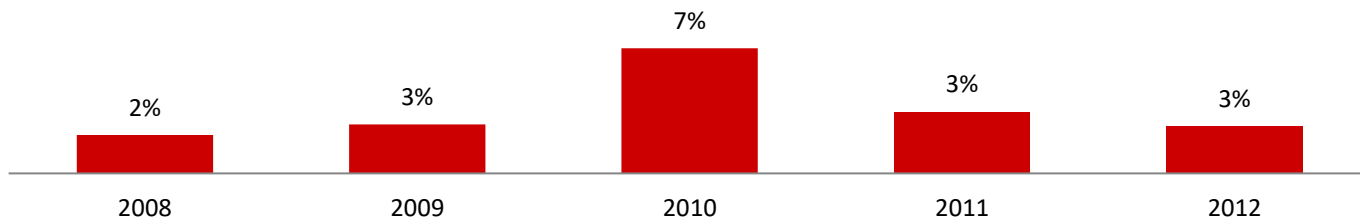
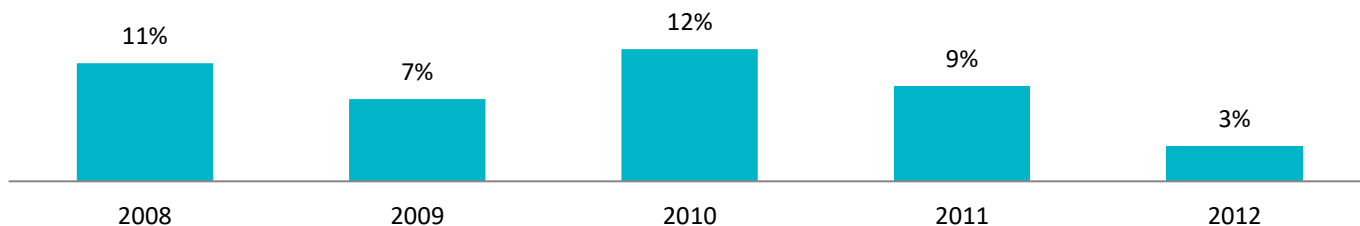


# Positioned For Growth In All Economic Cycles

Auto service is counter-cyclical; in the last recession, comparable service center sales increased without exception



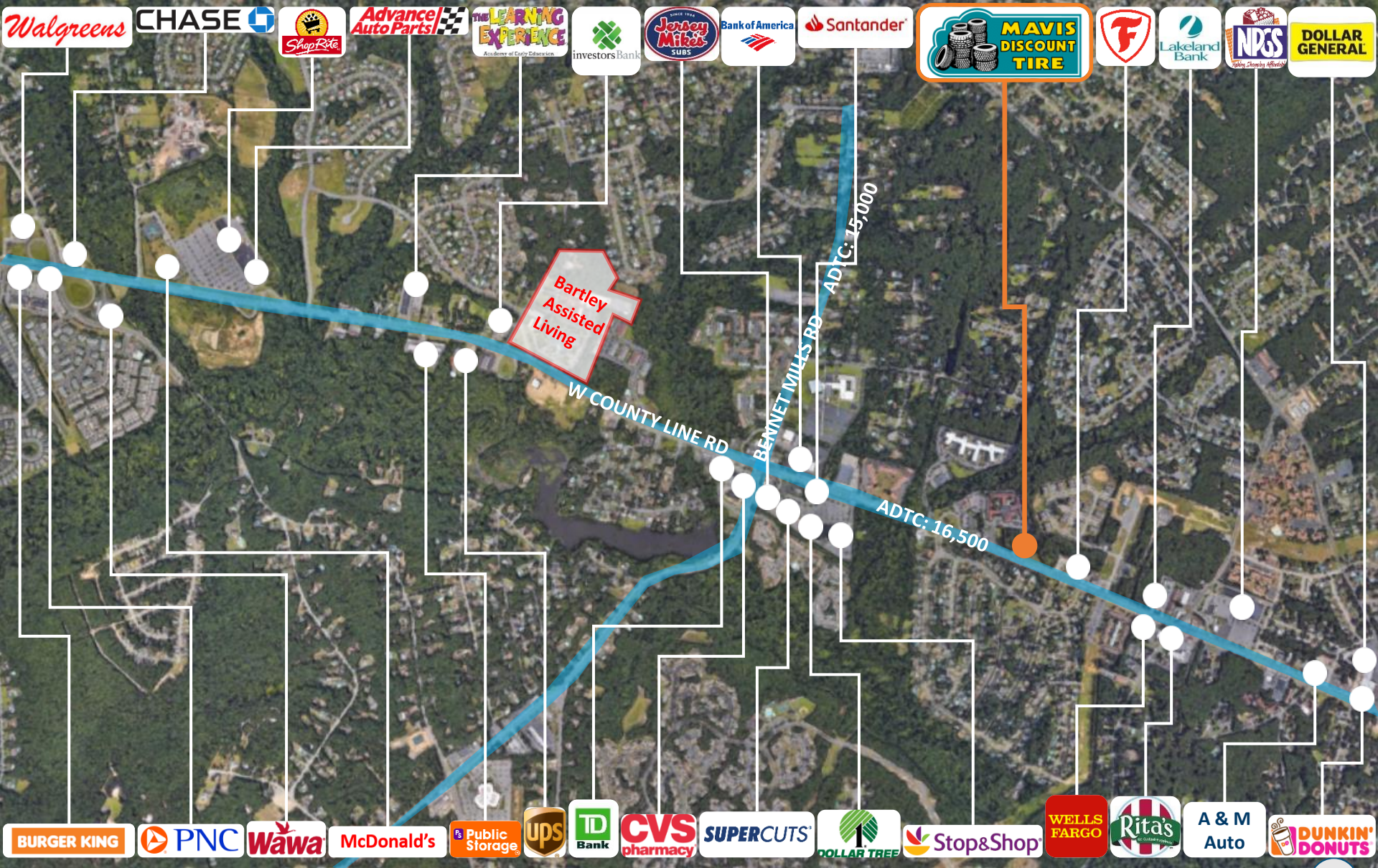
## Comparable Service Center Sales





# Surrounding Area

Property Address: 2194 W County Line Rd, Jackson Township, NJ 08527







# Location Overview

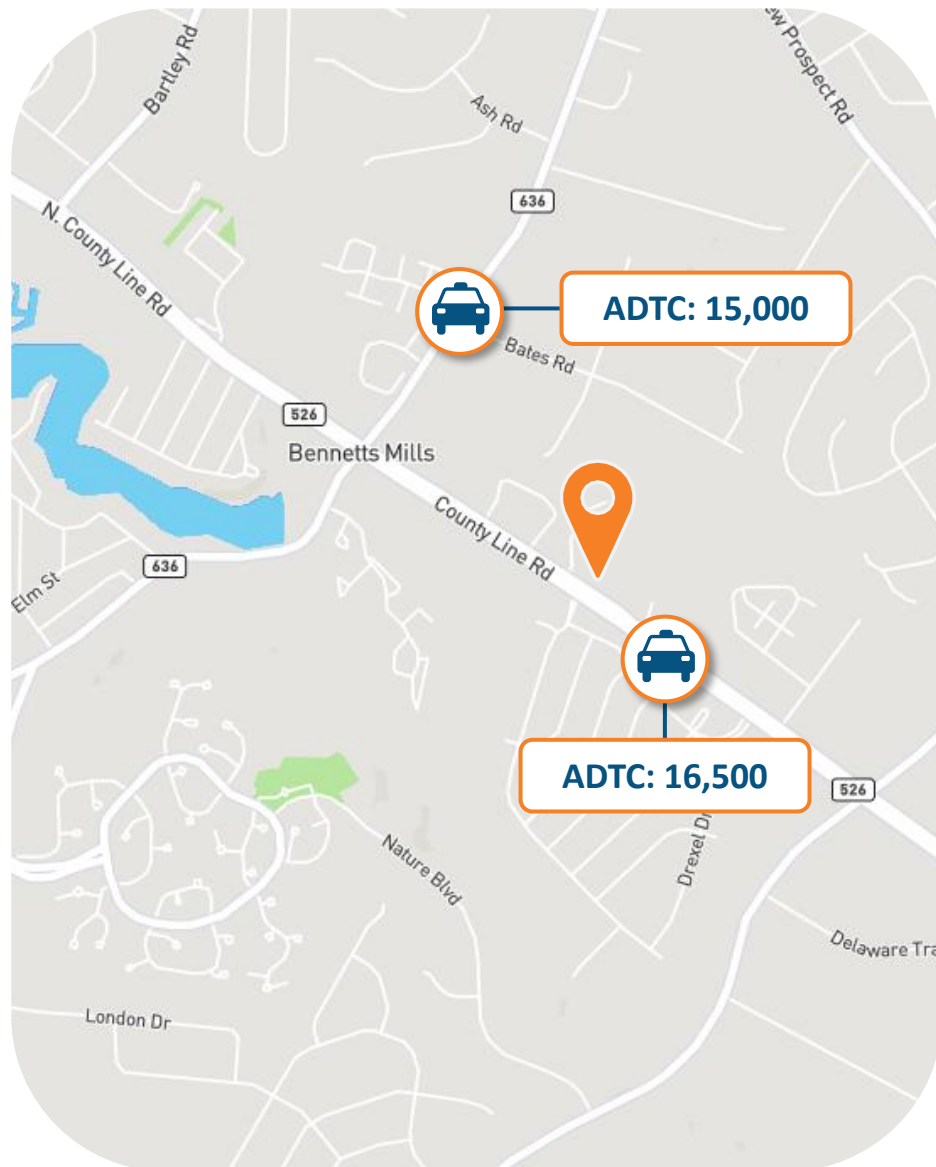
Property Address: 2194 W County Line Rd, Jackson Township, NJ 08527



The subject investment property features high visibility and ease of access along West County Line Road, which experiences average daily traffic counts exceeding 16,500 vehicles per day. West County Line Road is intersected by Bennet Mills Road, which brings an additional 15,000 vehicles into the immediate area daily. This Mavis Discount Tires is situated in a densely populated and extremely affluent community. There are more than 62,300 individuals residing within a three-mile radius of the subject property and more than 151,000 individuals within a five-mile radius, with expectations of significant growth over the next 5 years. The average household income within a three-mile radius of the subject property exceeds \$111,000 per year.

This Mavis Discount Tire is well-positioned in the center of a highly dense retail corridor consisting of national and local tenants, shopping centers, medical centers, academic institutions and other points of interest. Major national tenants in the immediate area include: Advance Auto Parts, Firestone Complete Auto Care, Stop and Shop, ShopRite, Dollar General, Dollar Tree, CVS Pharmacy, Walgreens, TD Bank, Chase Bank, McDonald's, Wawa, Burger King in addition to many others. The site sits less than four-miles from Georgian Court University, which boasts a total student enrollment of approximately 3,000. The site is also located approximately one-mile from Bartley Healthcare Nursing and Rehabilitation Center. Additionally, this site benefits from its immediate proximity to Lakewood Country Club, which offers a premier banquet hall as well as an 18-hole golf course.

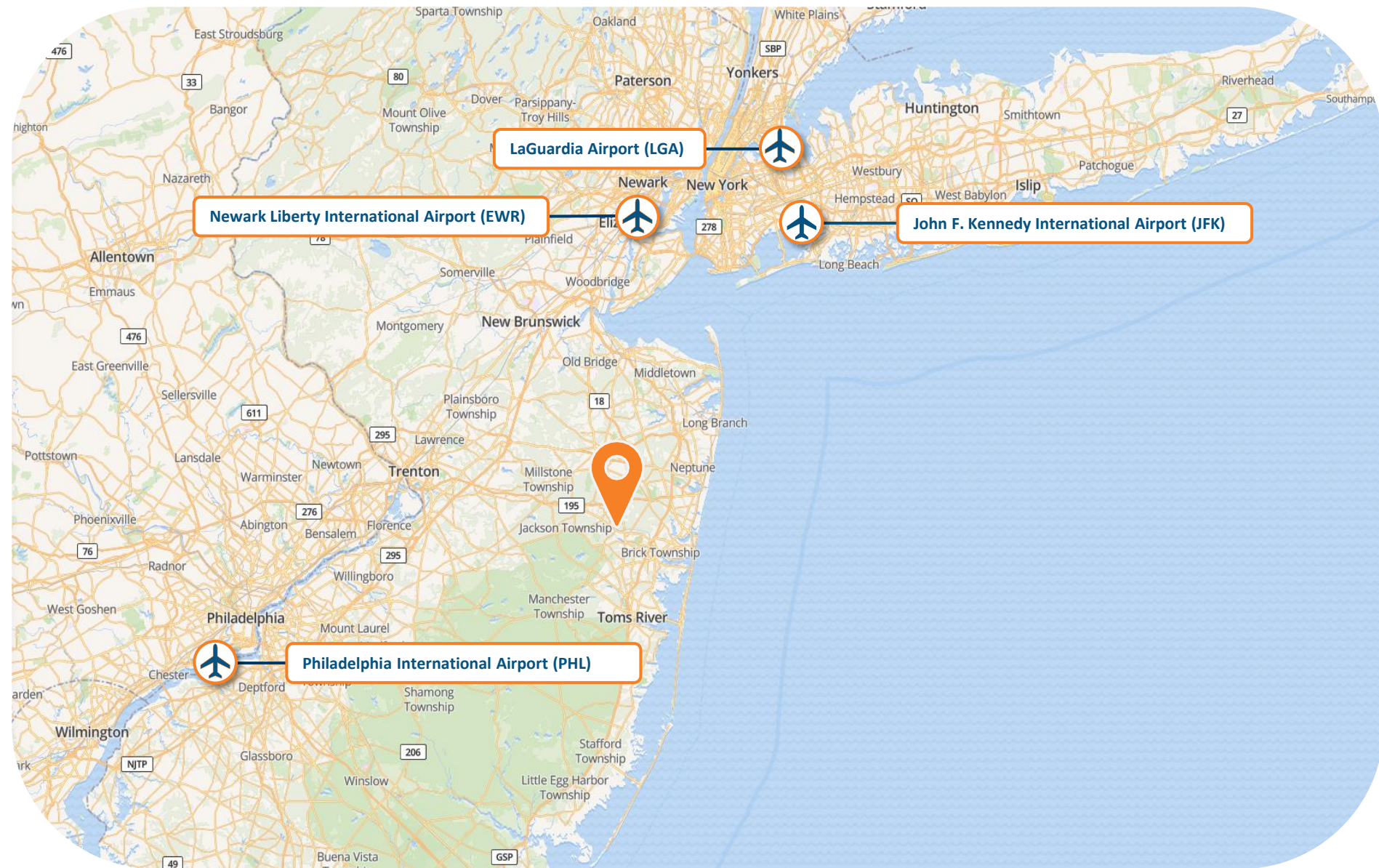
Jackson Township is a township in Ocean County, New Jersey. Jackson, NJ is best known within the state of NJ as being the home of Six Flags Great Adventure, home to the 456-foot Kingda Ka, which as of 2020 is the tallest roller coaster in the world. Jackson is also home to Six Flags Hurricane Harbor and the 350-acre Safari Off Road Adventure, which replaced Six Flags Wild Safari in 2013. Near Six Flags Great Adventure & Safari is Jackson Premium Outlets, a retail outlet center with 70 stores and a gross leasable area of 285,719 square feet, which opened in 1997 and was expanded in 1998. Additionally, Jackson NJ captured national headlines in 2015, when the Jackson Little League 12-year-old All-Stars won the state championship and went on to compete in the Mid-Atlantic Regional final of the Little League World Series. Jackson is less than 60 miles from New York City, New York, and offers convenient public transportation to and from the city. Additionally, Jackson, NJ is located less than 20-miles west of popular Jersey Shore towns such as Point Pleasant Beach, Manasquan, and others.





# Local Map

Property Address: 2194 W County Line Rd, Jackson Township, NJ 08527

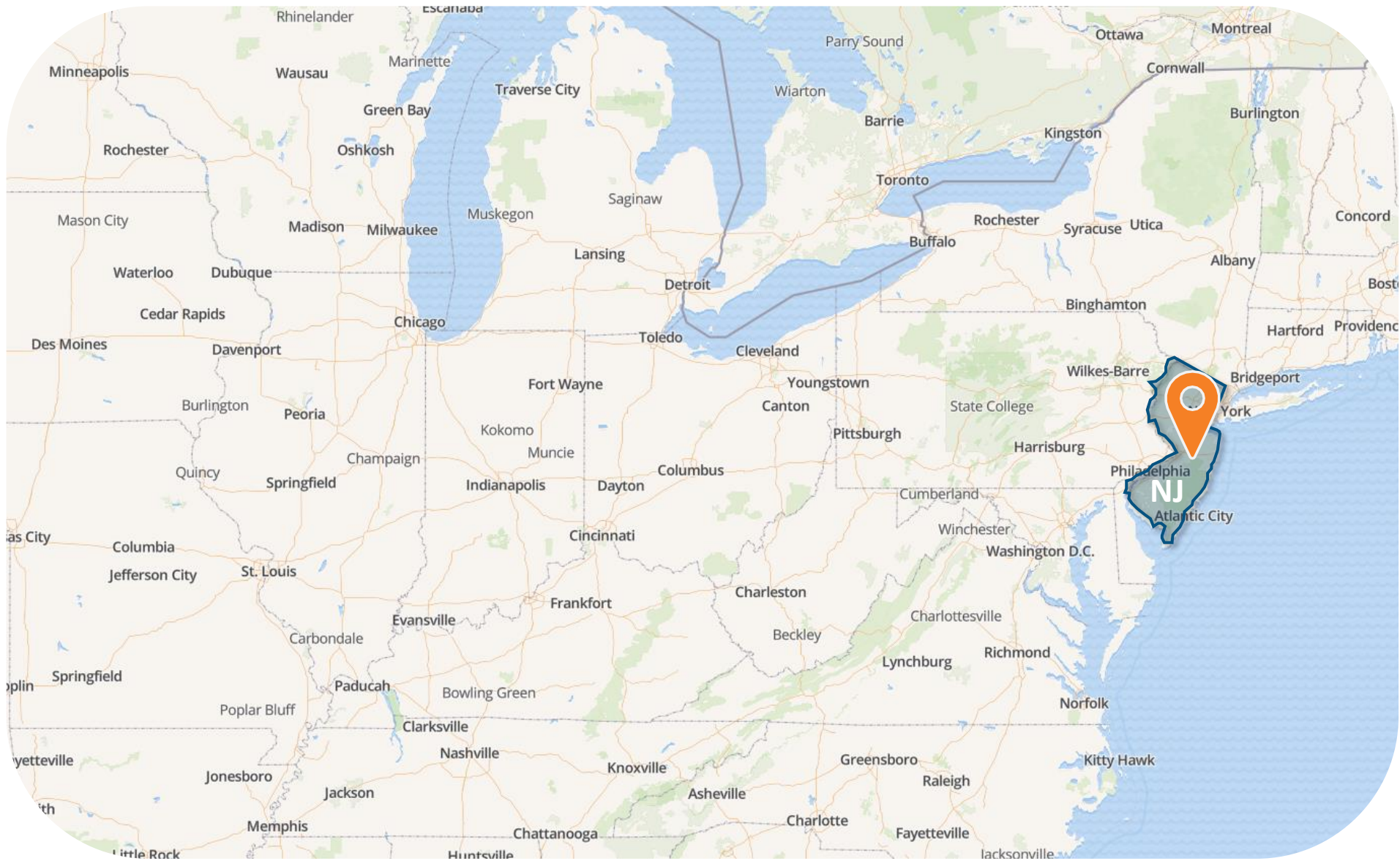






# Regional Map

Property Address: 2194 W County Line Rd, Jackson Township, NJ 08527

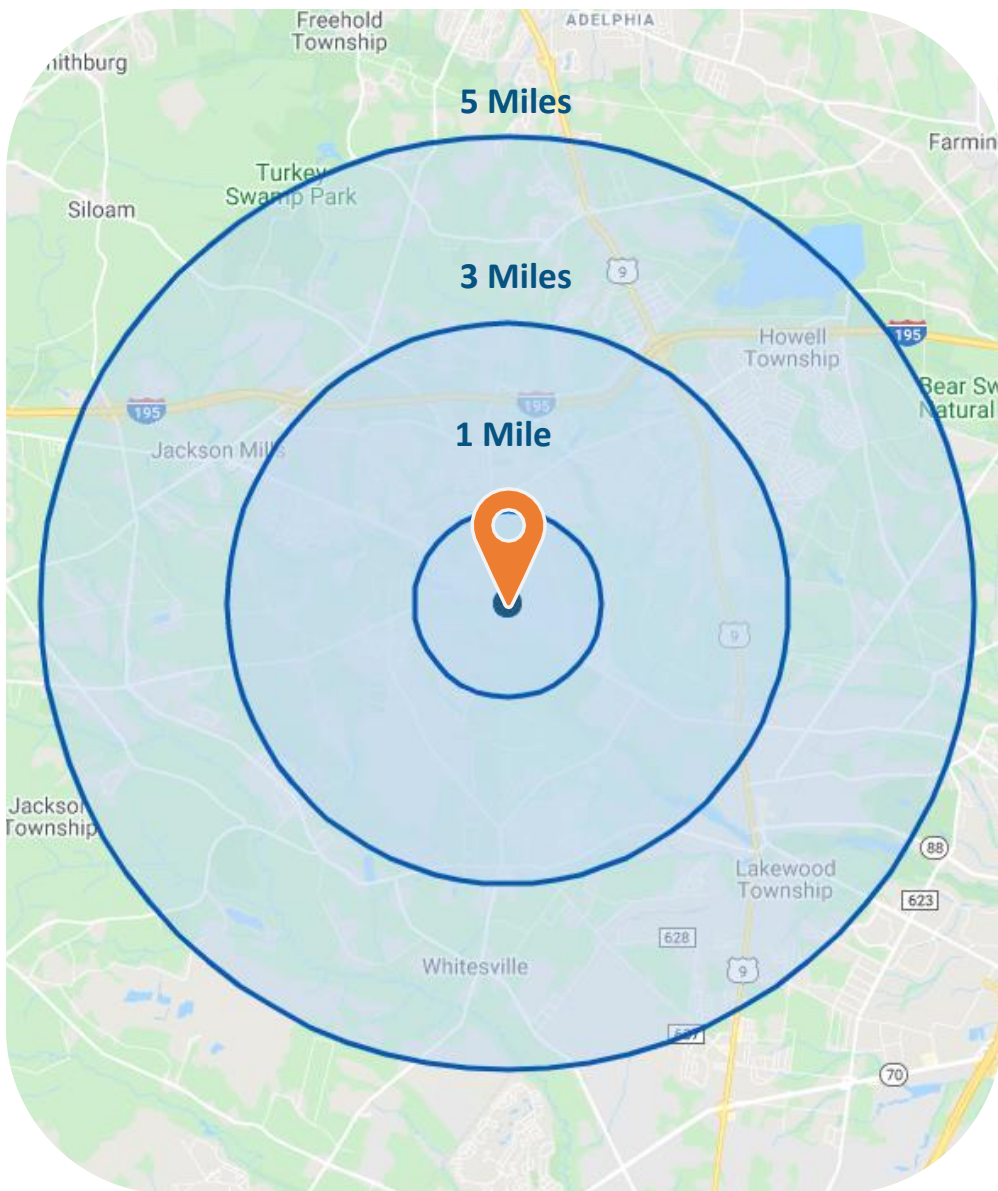






# Demographics

Property Address: 2194 W County Line Rd, Jackson Township, NJ 08527



## POPULATION

|                 | 1 Mile | 3 Miles | 5 Miles |
|-----------------|--------|---------|---------|
| 2024 Projection | 11,789 | 63,838  | 159,812 |
| 2019 Estimate   | 11,718 | 62,355  | 151,815 |
| 2010 Census     | 11,544 | 60,314  | 141,908 |
| 2000 Census     | 11,294 | 48,065  | 104,023 |

## INCOME

|            | 1 Mile    | 3 Miles   | 5 Miles   |
|------------|-----------|-----------|-----------|
| Average    | \$101,053 | \$111,807 | \$100,928 |
| Median     | \$83,141  | \$87,146  | \$75,310  |
| Per Capita | \$37,081  | \$35,615  | \$28,165  |

## HOUSEHOLDS

|                 | 1 Mile | 3 Miles | 5 Miles |
|-----------------|--------|---------|---------|
| 2024 Projection | 4,337  | 20,229  | 43,955  |
| 2019 Estimate   | 4,262  | 19,744  | 41,987  |
| 2010 Census     | 4,116  | 19,032  | 39,405  |
| 2000 Census     | 3,739  | 14,984  | 31,074  |

## HOUSING

|      | 1 Mile    | 3 Miles   | 5 Miles   |
|------|-----------|-----------|-----------|
| 2019 | \$303,891 | \$347,444 | \$353,725 |

## EMPLOYMENT

|                           | 1 Mile  | 3 Miles | 5 Miles |
|---------------------------|---------|---------|---------|
| 2019 Daytime Population   | 6,191   | 39,364  | 113,825 |
| 2019 Unemployment         | 4.17%   | 5.00%   | 5.41%   |
| 2019 Median Time Traveled | 35 Mins | 36 Mins | 34 Mins |

## RACE & ETHNICITY

|                        | 1 Mile | 3 Miles | 5 Miles |
|------------------------|--------|---------|---------|
| White                  | 84.41% | 88.30%  | 86.19%  |
| Native American        | 0.10%  | 0.05%   | 0.04%   |
| African American       | 6.50%  | 4.57%   | 4.85%   |
| Asian/Pacific Islander | 3.45%  | 2.99%   | 2.41%   |



# Market Overview

City: Jackson | County: Ocean | State: New Jersey

*New York, New York*

**Jackson** is a township located less than 60 miles outside of Manhattan, New York. With an estimated 2017 population of 8,622,698 distributed over a land area of about 302.6 square miles, New York City is the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the State of New York. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2017. Several sources have ranked New York the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University, and Rockefeller University, which have been ranked among the top universities in the world.





Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

**NJ BROKER OF RECORD:**  
Brian Hosey  
Marcus & Millichap  
250 Pehle Avenue Suite 501  
Saddle Brook, NJ 07663  
Tel: (201) 742-6100  
Fax: (201) 742-6110  
License: 1434917



2194 W County Line Rd, Jackson Township, NJ 08527