

# MAVIS DISCOUNT TIRE

*Representative Photo*

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



275 Broadway, Keyport, NJ 07735

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# Investment Highlights

PRICE: \$1,977,273 | CAP: 5.50% | RENT: \$108,750



## 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 | Home Depot, Stop & Shop, CVS Pharmacy, Dunkin' Donuts, Valley Bank, 7-Eleven, Domino's, IHOP, Exxon, Sunoco, Shell, MAACO Collision & Auto Repair, Tom's Ford, Pine Belt Nissan, Straub Buick & GMC, and Many More
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$122,000 for Homes within Five Miles of the Subject Property
- ✓ Robust & Growing Demographics | More than 143,000 Individuals Reside within a Five-Mile Radius of the Subject Property
- ✓ Heavily Trafficked Area | Immediate Proximity to Routes 35, 36, and New Jersey Turnpike | 39,000, 45,000, and 131,500 Vehicles Per Day, Respectively
- ✓ Immediate Access to Healthcare | Located Less than Two Miles from Hackensack Meridian Health Bayshore Medical Center | 169-Bed Medical Facility

## About the Tenant / Brand

- ✓ Mavis 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 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 Tire, Express Oil Change & Tire Engineers, and Brakes Plus
- ✓ Mavis was founded in 1972 and offers a diverse range of tire and mechanical services and exceptional customer service.
- ✓ Mavis 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: \$1,977,273 | CAP: 5.50% | RENT: \$108,750



## PROPERTY DESCRIPTION

Property	Mavis Discount Tire
Property Address	275 Broadway
City, State, ZIP	Keyport, NJ 07735
Building Size (Square Feet)	12,676
Lot Size	+/- 0.32 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,977,273
CAP Rate	5.50%
Annual Rent	\$108,750

## LEASE SUMMARY

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

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$108,750	\$9,063	-
Year 2	\$108,750	\$9,063	-
Year 3	\$108,750	\$9,063	-
Year 4	\$108,750	\$9,063	-
Year 5	\$108,750	\$9,063	-
Year 6	\$114,188	\$9,516	5.00%
Year 7	\$114,188	\$9,516	-
Year 8	\$114,188	\$9,516	-
Year 9	\$114,188	\$9,516	-
Year 10	\$114,188	\$9,516	-
Year 11	\$119,897	\$9,991	5.00%
Year 12	\$119,897	\$9,991	-
Year 13	\$119,897	\$9,991	-
Year 14	\$119,897	\$9,991	-
Year 15	\$119,897	\$9,991	-
Year 16	\$125,892	\$10,491	5.00%
Year 17	\$174,349	\$14,529	-
Year 18	\$174,349	\$14,529	-
Year 19	\$174,349	\$14,529	-
Year 20	\$174,349	\$14,529	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Mavis Discount Tire located at 275 Broadway in Keyport, New Jersey. The site consists of roughly 12,676 rentable square feet of building space on estimated 0.32-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 \$108,750 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**

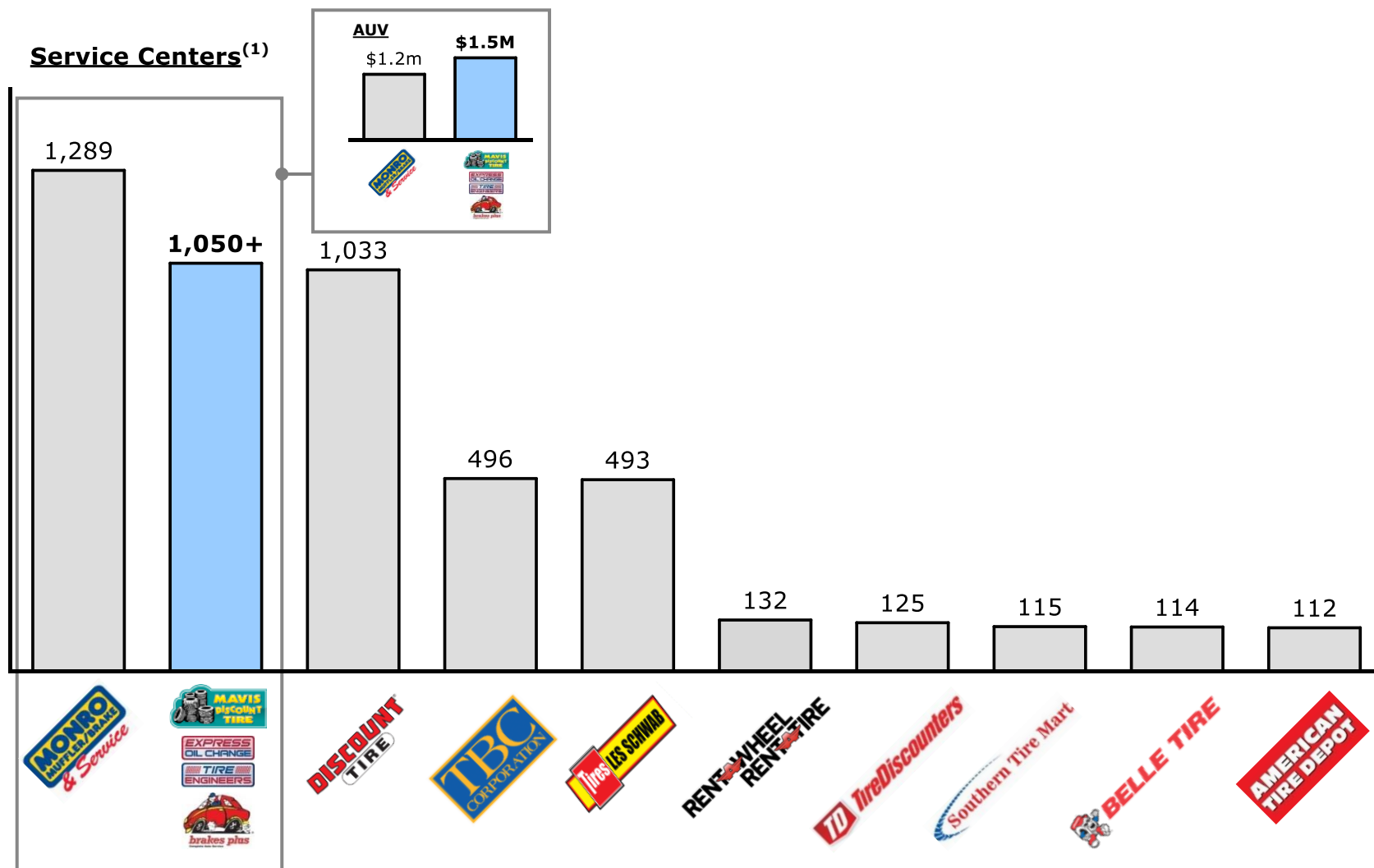
**UNIROYAL**

**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

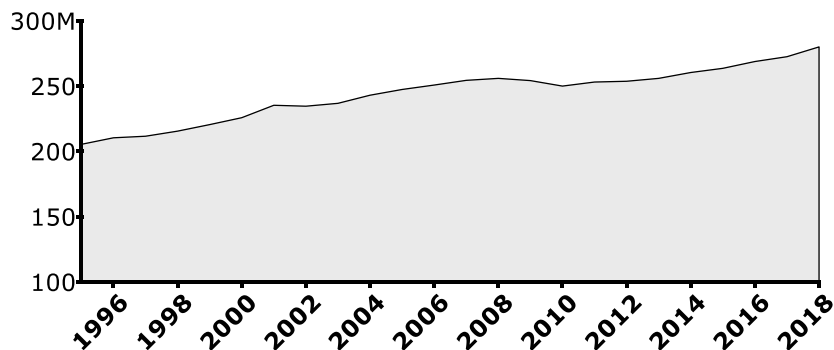
Mavis participates in the attractive and growing auto service industry



## Vehicles in Operation

There are more vehicles on the road...

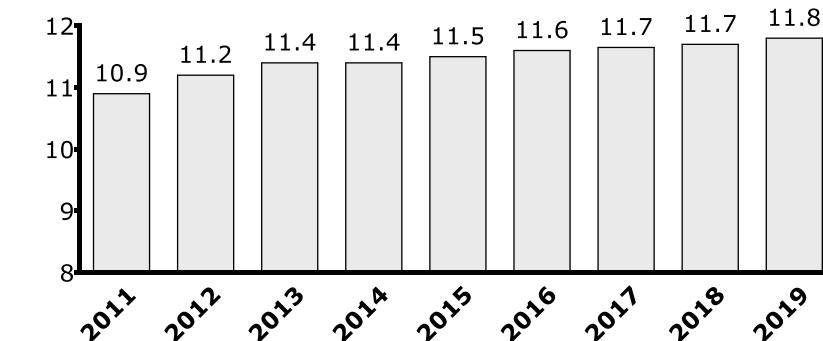
### Cars in the US



## Average Age of Vehicles

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

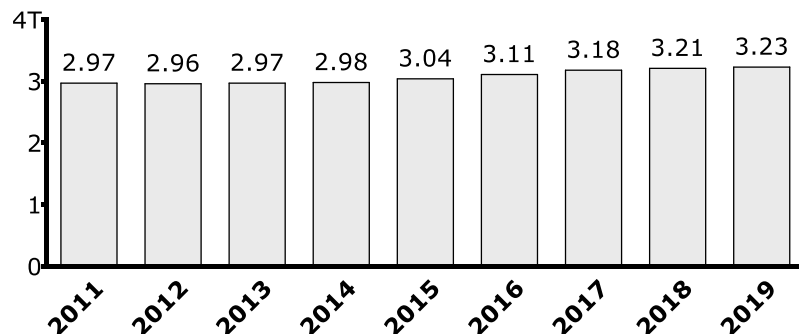
### Years



## Vehicles in Operation

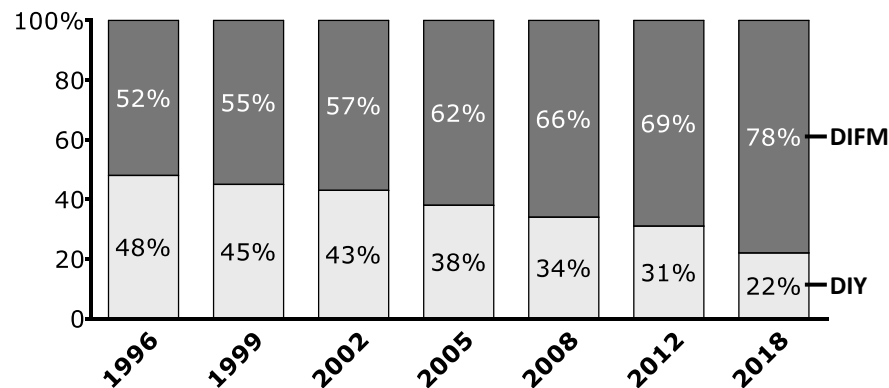
... as more miles are traveled....

### Trillion Miles



## Shift Towards DIFM

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



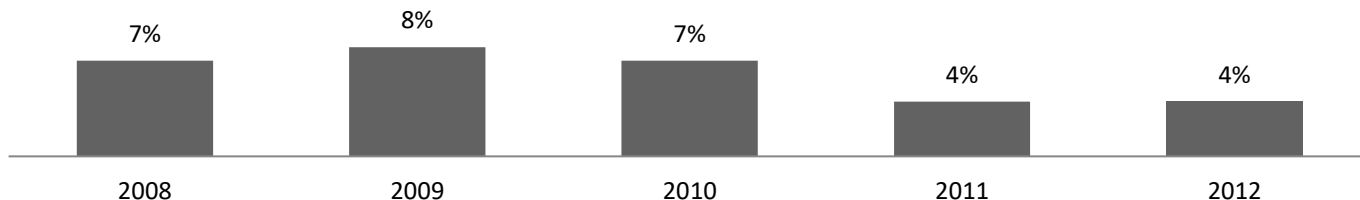
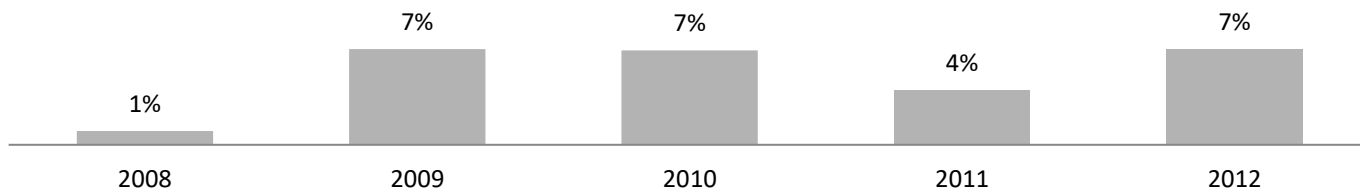
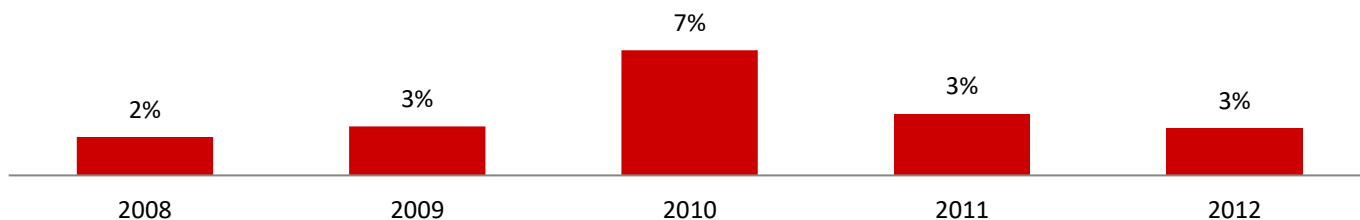
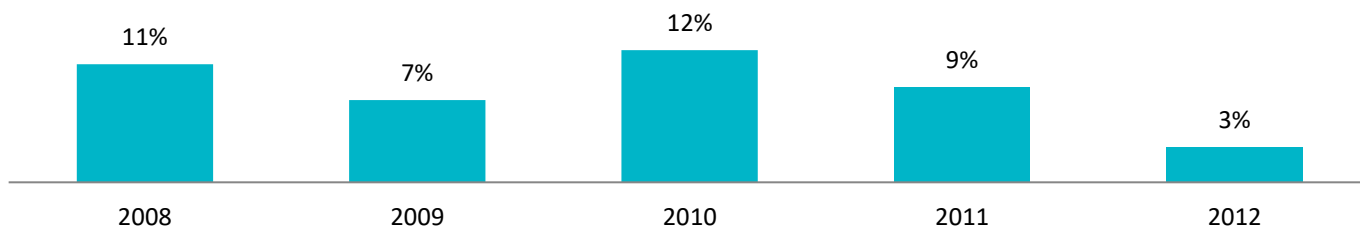


# Positioned For Growth In All Economic Cycles

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



## Comparable Service Center Sales







# Surrounding Area

Property Address: 275 Broadway, Keyport, NJ 07735







# Location Overview

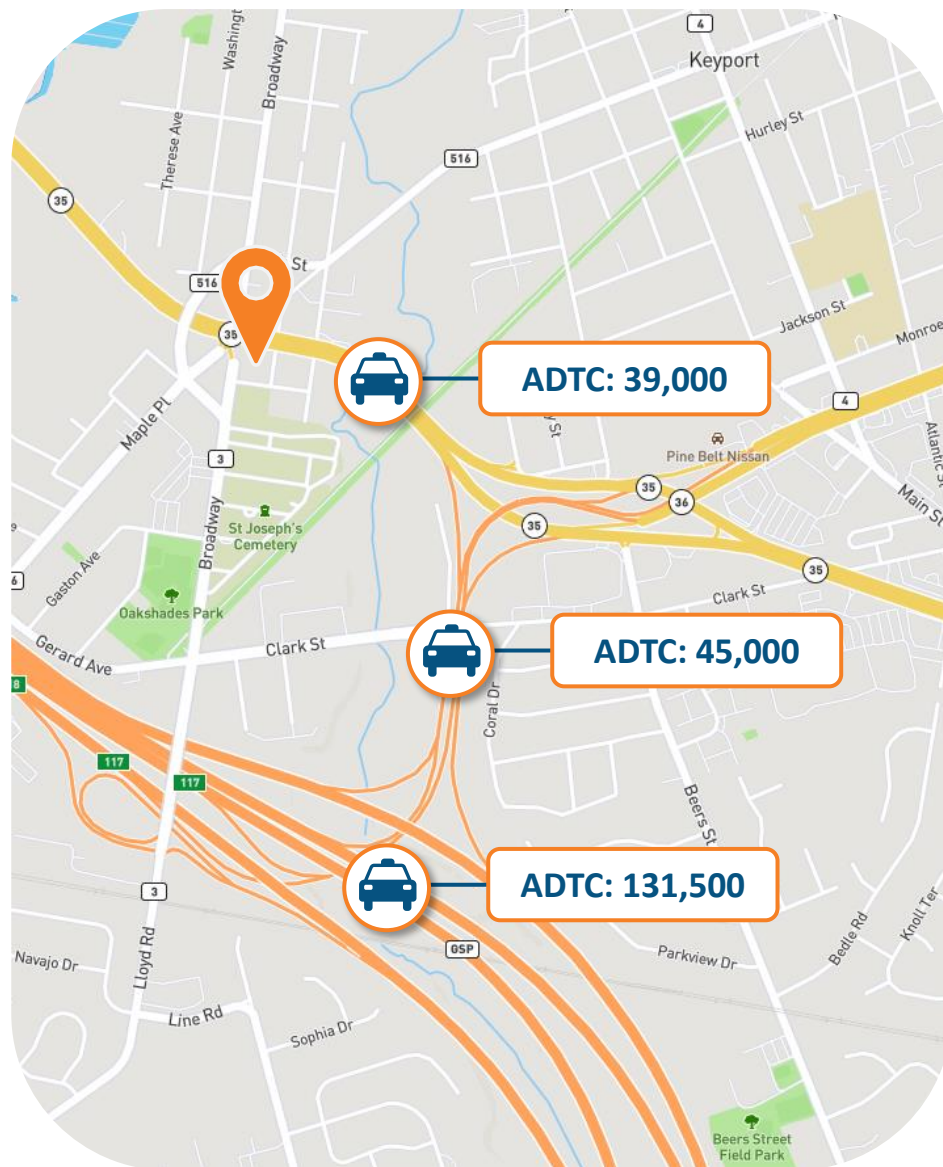
Property Address: 275 Broadway, Keyport, NJ 07735



The subject investment property features high visibility and ease of access along Broadway. Broadway intersects with New Jersey 35, which experiences an average traffic count of approximately 39,000 vehicles per day. New Jersey 35 intersects with New Jersey 36 and runs parallel with the nearby New Jersey Turnpike. Together, these thoroughfares bring an additional 45,000 and 131,500 vehicles into the immediate surrounding area each day, respectively. Average household income exceeds \$122,000 for homes within five miles of the subject property. There are more than 72,000 individuals residing within a three-mile radius of the subject property and more than 143,000 individuals within a five-mile radius.

This Mavis Discount Tire is well-positioned in the center of a highly dense retail corridor that benefits from its proximity to several local and national retailers, shopping centers, and healthcare facilities. Major national tenants in the immediate area include: Home Depot, Stop & Shop, CVS Pharmacy, Dunkin' Donuts, Valley Bank, 7-Eleven, Domino's, IHOP, Exxon, Sunoco, Shell, MAACO Collision & Auto Repair, Tom's Ford, Pine Belt Nissan, Straub Buick & GMC, in addition to many others. The subject property benefits from its immediate access to healthcare, being located within two miles of Hackensack Meridian Health Bayshore Medical Center, a 169-bed medical facility. The subject property additionally benefits from being centrally located between two major U.S. cities, Manhattan and Philadelphia.

Keyport is a borough in Monmouth County and is known more commonly as the "Pearl of Bayshore" or the "Gateway to the Bayshore". Keyport is part of the Bayshore Regional Strategic Plan, an effort by nine municipalities in northern Monmouth County to reinvigorate the area's economy by emphasizing the traditional downtowns, dense residential neighborhoods, maritime history, and the natural Raritan Bayshore coastline. Keyport is home to many diverse businesses and has a bustling shopping district located on West Front Street, one block from the waterfront. The business district is now under control of the Keyport Bayfront Business Cooperative (which was established in 2011 to replace the now-defunct Keyport Business Alliance) which helps to organize events that benefit the businesses in Keyport as well as the city as a whole. Route 35 and Route 36 both pass through in the southern section of Keyport and the Garden State Parkway is just outside in both neighboring Aberdeen and Hazlet Townships at Exit 117. NJ Transit offers local bus service on the 817 route. NJ Transit train service is available nearby at the Hazlet and Aberdeen-Matawan stations on the North Jersey Coast Line.

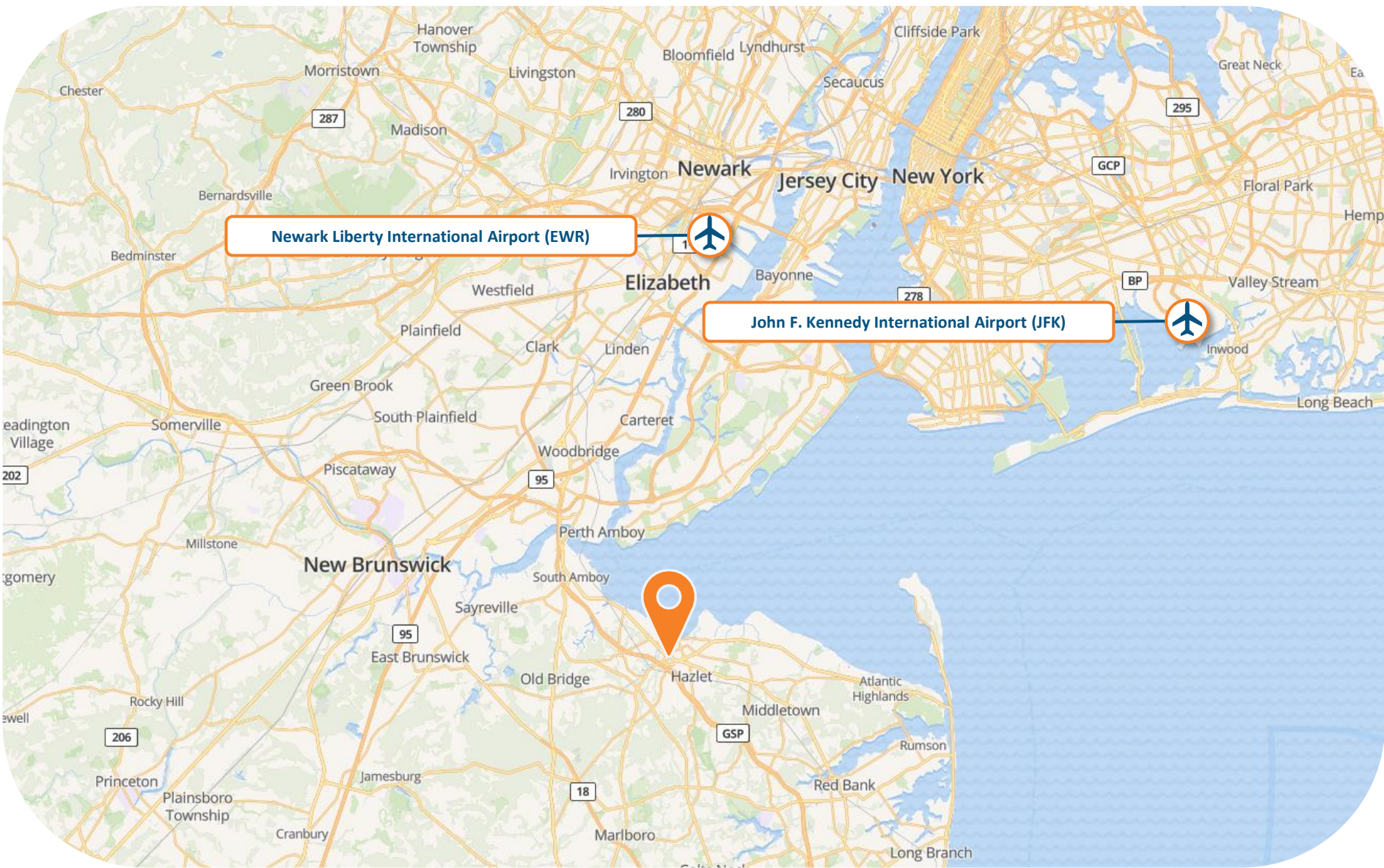






# Local Map

Property Address: 275 Broadway, Keyport, NJ 07735

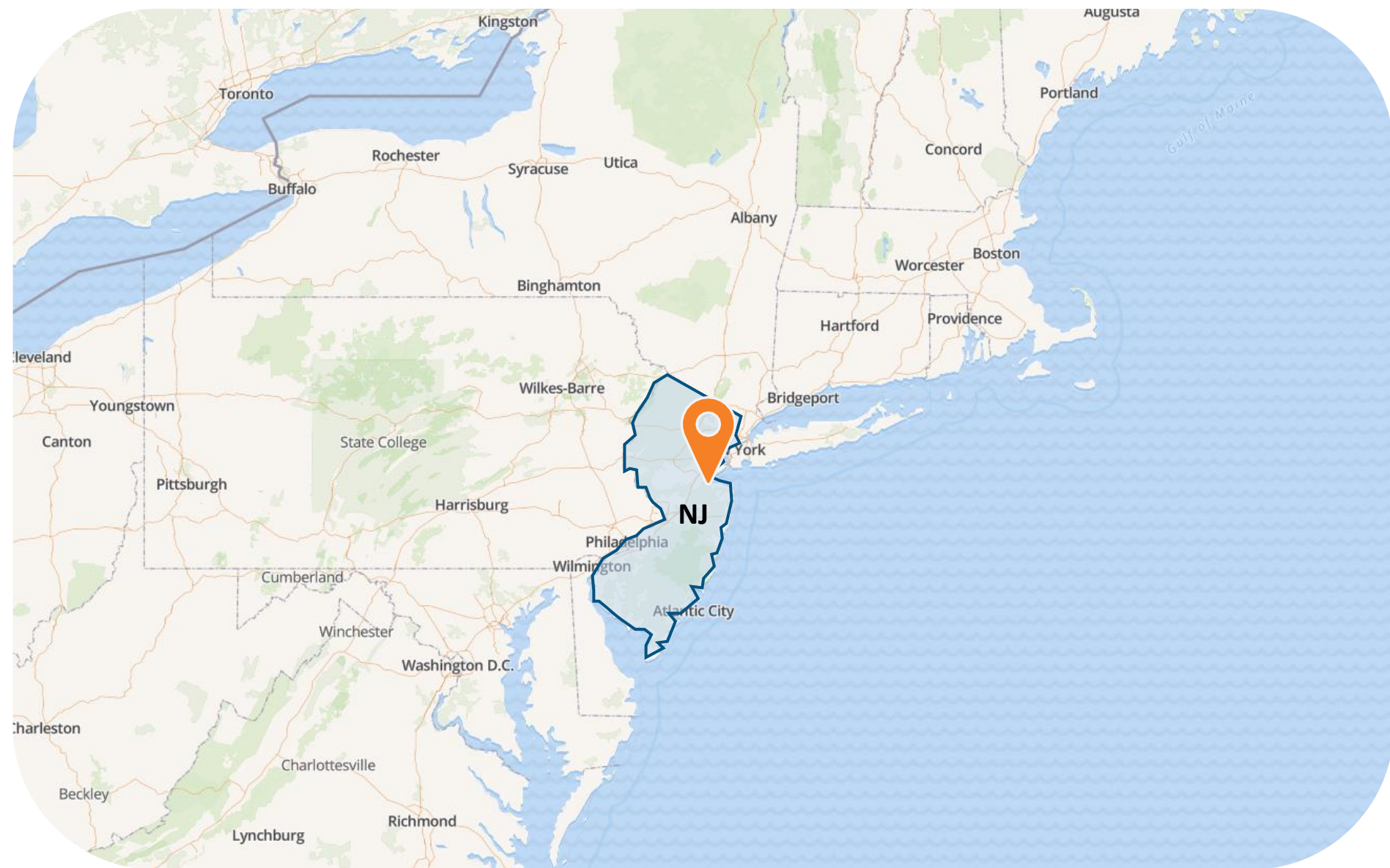






# Regional Map

Property Address: 275 Broadway, Keyport, NJ 07735

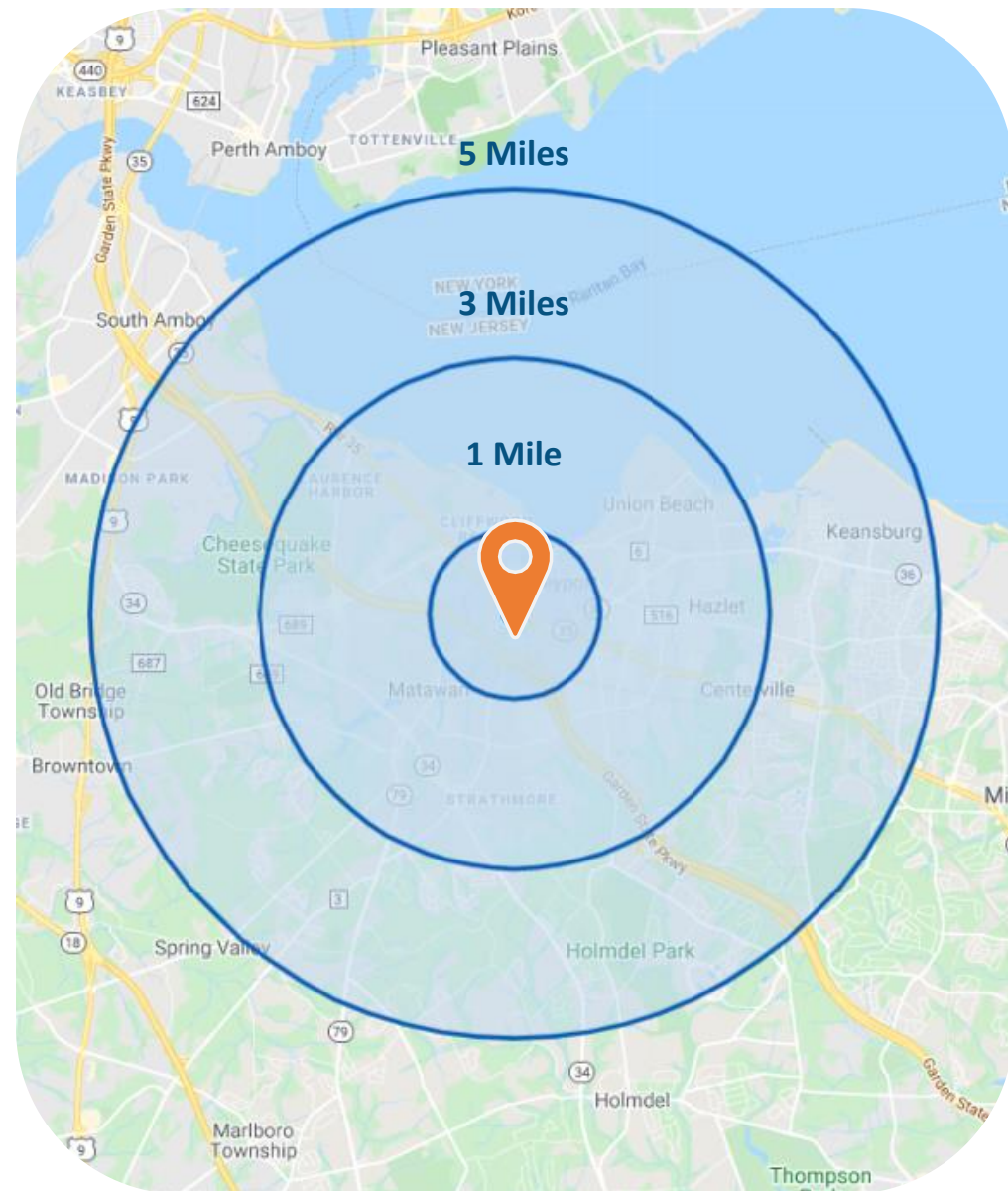






# Demographics

Property Address: 275 Broadway, Keyport, NJ 07735



## POPULATION

	1 Mile	3 Miles	5 Miles
2024 Projection	10,529	72,712	144,283
2019 Estimate	10,540	72,613	143,436
2010 Census	10,612	72,718	142,864
2000 Census	10,444	72,234	139,515

## INCOME

Average	\$93,149	\$117,906	\$122,244
Median	\$69,603	\$89,186	\$89,150
Per Capita	\$38,805	\$43,943	\$45,120

## HOUSEHOLDS

2024 Projection	4,393	27,154	53,268
2019 Estimate	4,377	26,988	52,791
2010 Census	4,390	26,868	52,199
2000 Census	4,325	26,155	49,857

## HOUSING

2019	\$311,793	\$325,051	\$344,250
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## EMPLOYMENT

2019 Daytime Population	7,635	51,516	101,053
2019 Unemployment	3.80%	3.76%	3.85%
2019 Median Time Traveled	35 Mins	39 Mins	40 Mins

## RACE & ETHNICITY

White	78.34%	80.27%	75.07%
Native American	0.03%	0.02%	0.03%
African American	6.96%	6.18%	6.11%
Asian/Pacific Islander	4.69%	7.52%	12.94%



# Market Overview

City: Keyport | County: Monmouth | State: New Jersey



**Keyport** is part of the Bayshore Regional Strategic Plan, an effort by nine municipalities in northern Monmouth County to reinvigorate the area's economy by emphasizing the traditional downtowns, dense residential neighborhoods, maritime history, and the natural Raritan Bayshore coastline. Keyport is located about one hour 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

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