

MAVIS DISCOUNT TIRE

Representative Photo

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



343 South Avenue East, Westfield, NJ 07090

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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 | Stop & Shop, Trader Joe's, Shoprite, Walgreens, CVS, Dunkin' Donuts, Best Western, Chipotle, Cold Stone Creamery, Starbucks, Chase Bank, Bank of America, TD Bank, Santander Bank, and Many More
- ✓ Strong & Growing Demographics | Population Exceeds 18,200 within a One-Mile Radius of the Subject Property | Population Exceeds 364,900 within a Five-Mile Radius of the Subject Property
- ✓ Highly Affluent Suburban Community | Average Household Income Exceeds \$172,500 for Homes within One Mile of the Subject Property
- ✓ Heavily Trafficked Area | South Avenue East, Central Avenue and North Avenue East | 20,000, 19,000 and 19,500 Vehicles Per Day, Respectively
- ✓ Prominent Academic Corridor | Less than Two Miles from Union County College, Westfield High School, Roosevelt Intermediate School, Washington Elementary, and More | Total Combined Enrollment Exceeds 14,000 Students

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



PROPERTY DESCRIPTION

Property	Mavis Discount Tire
Property Address	343 South Avenue East
City, State, ZIP	Westfield, NJ, 07090
Estimated Building Size	8,797
Lot Size	+/- 1.26 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 343 South Avenue East in Westfield, New Jersey. The site consists of roughly 8,797 rentable square feet of building space on estimated 1.26 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

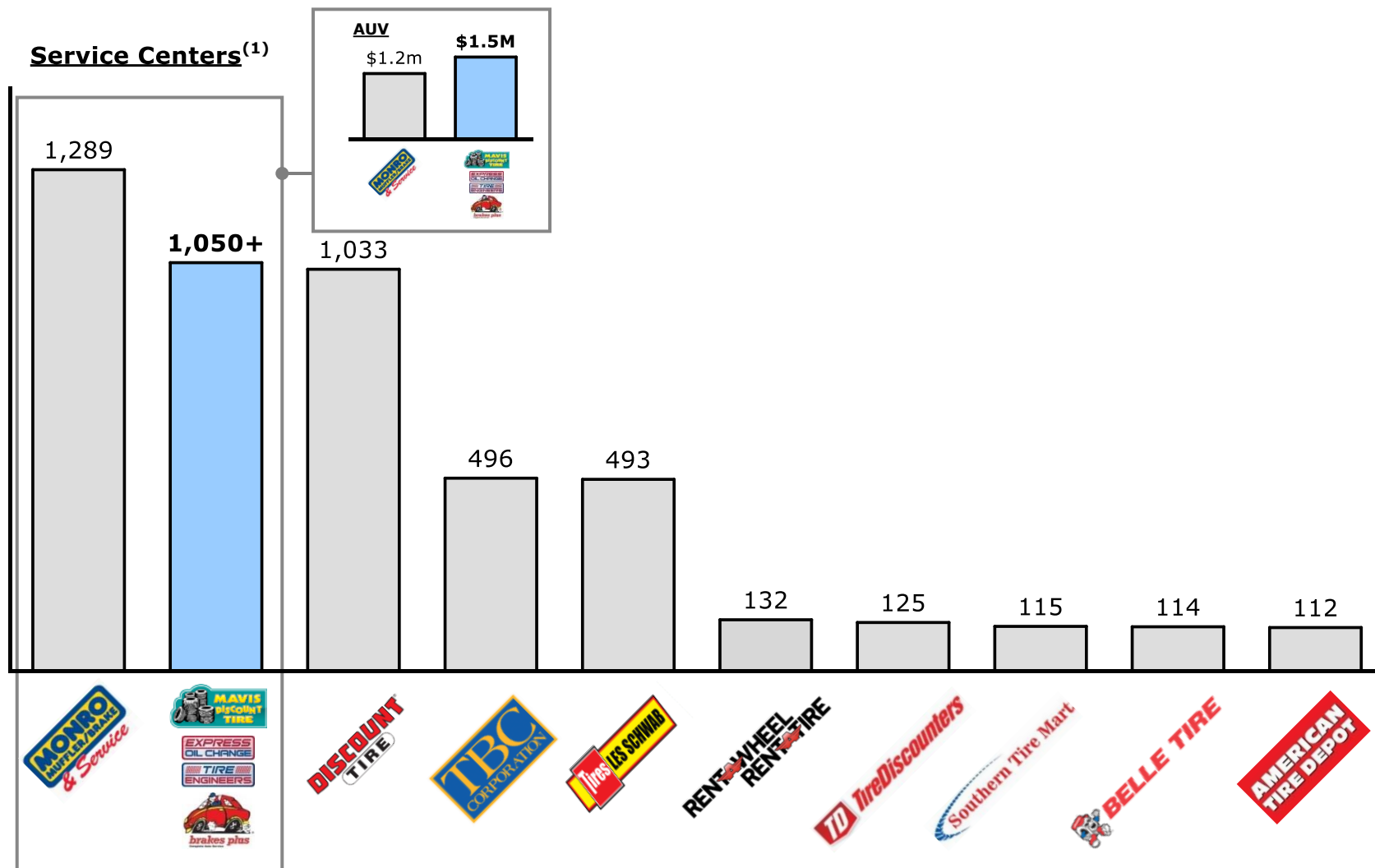
UNIROYAL

YOKOHAMA



Industry Leader

Mavis Express 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

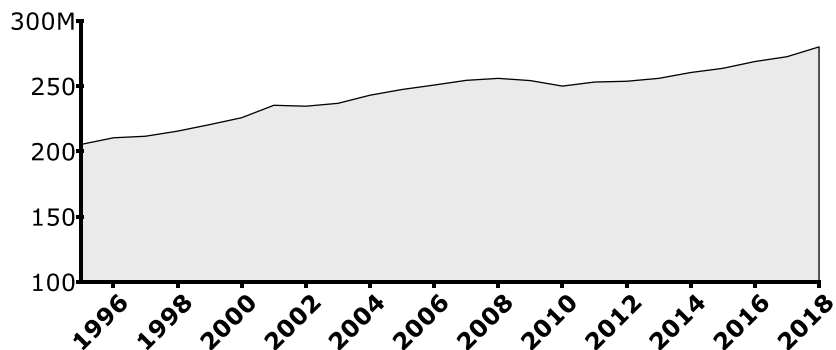
Mavis Express participates in the attractive and growing auto service industry



Vehicles in Operation

There are more vehicles on the road...

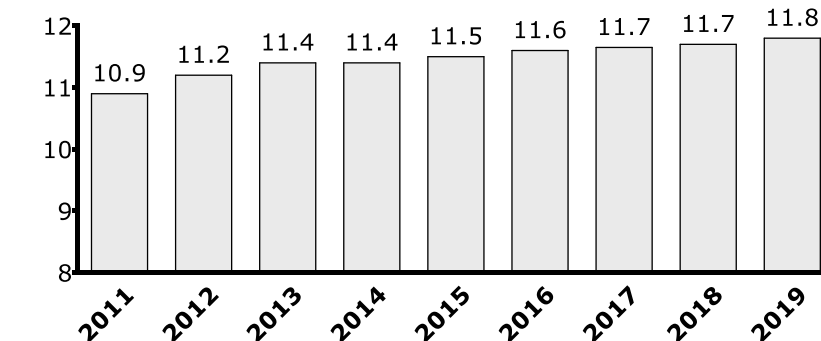
Cars in the US



Average Age of Vehicles

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

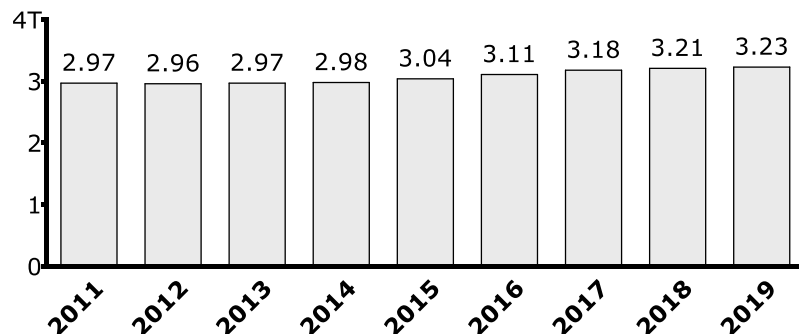
Years



Vehicles in Operation

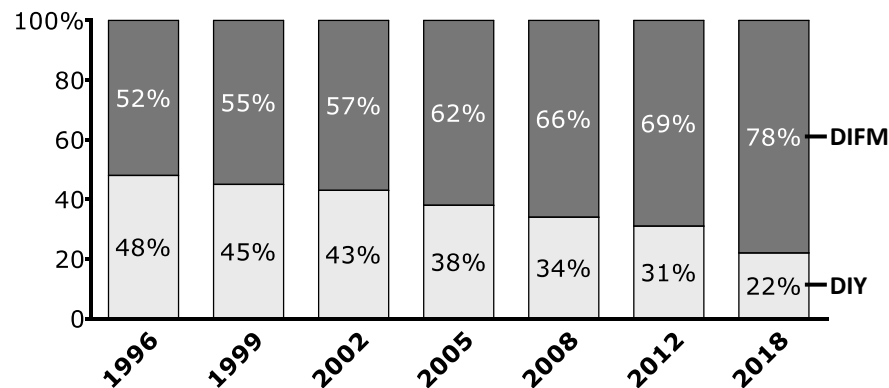
... as more miles are traveled....

Trillion Miles



Shift Towards DIFM

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



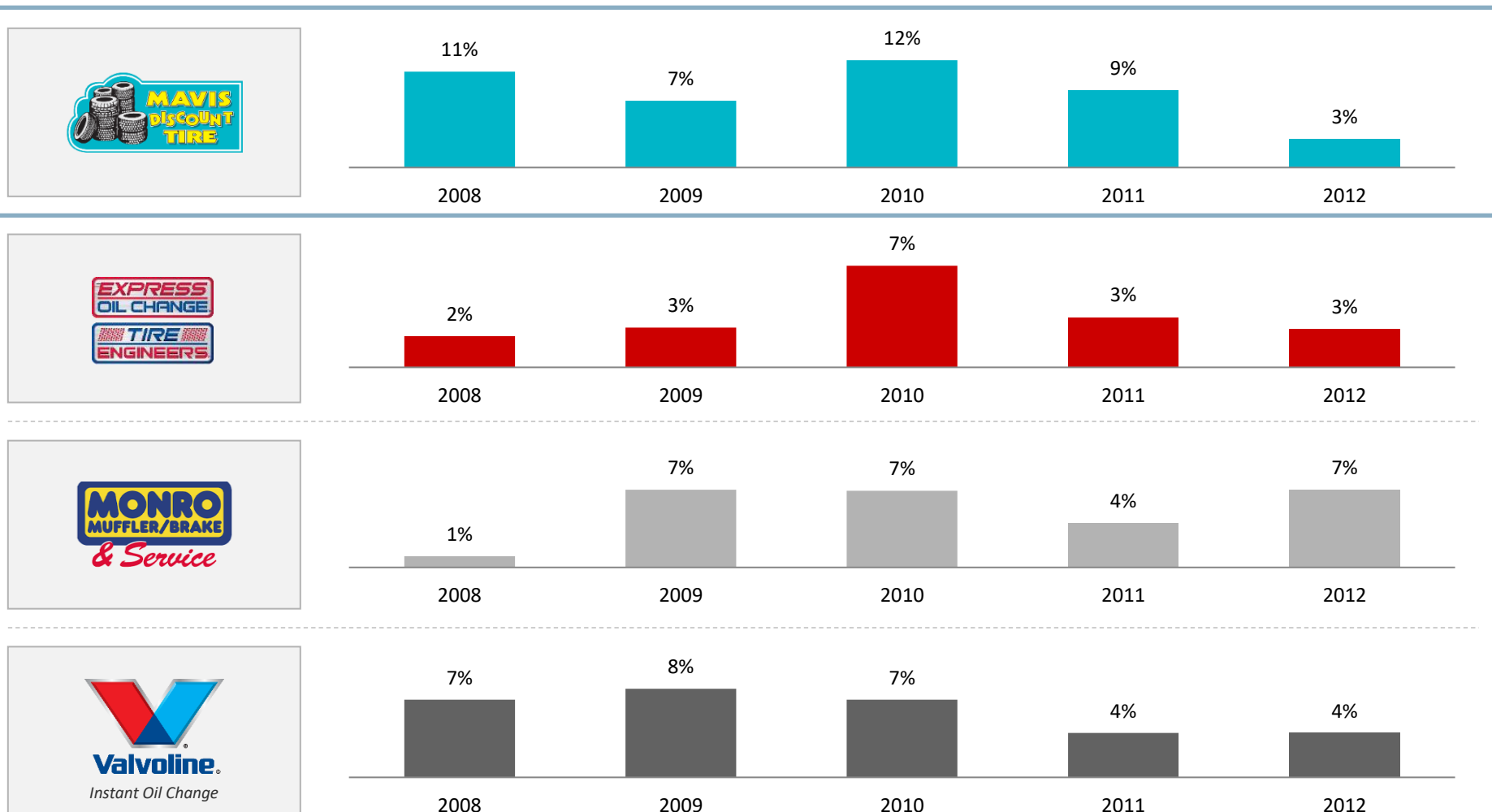


Positioned For Growth In All Economic Cycles

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



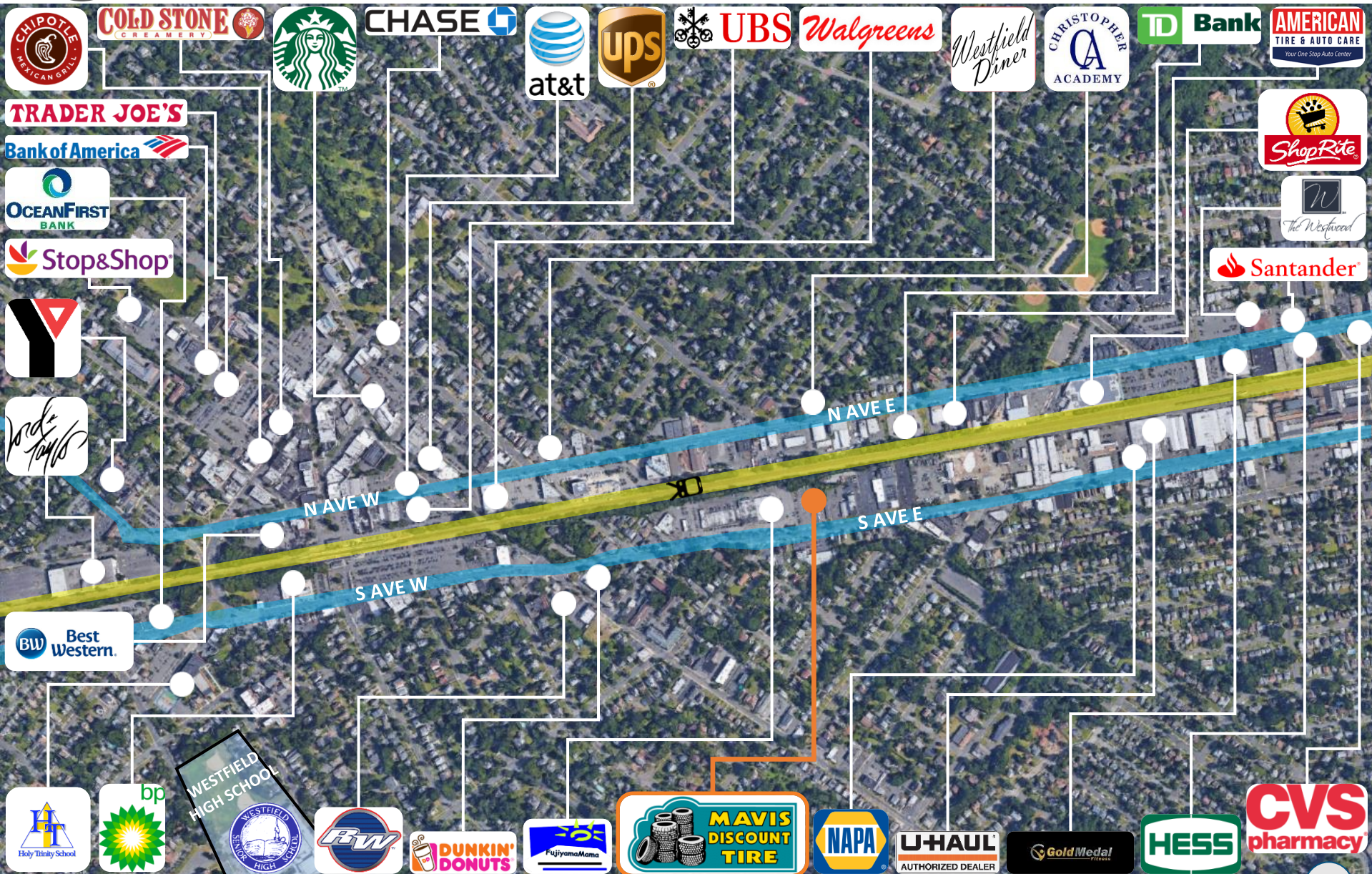
Comparable Service Center Sales





Surrounding Area

Property Address: 343 South Avenue East, Westfield, NJ 07090





Location Overview

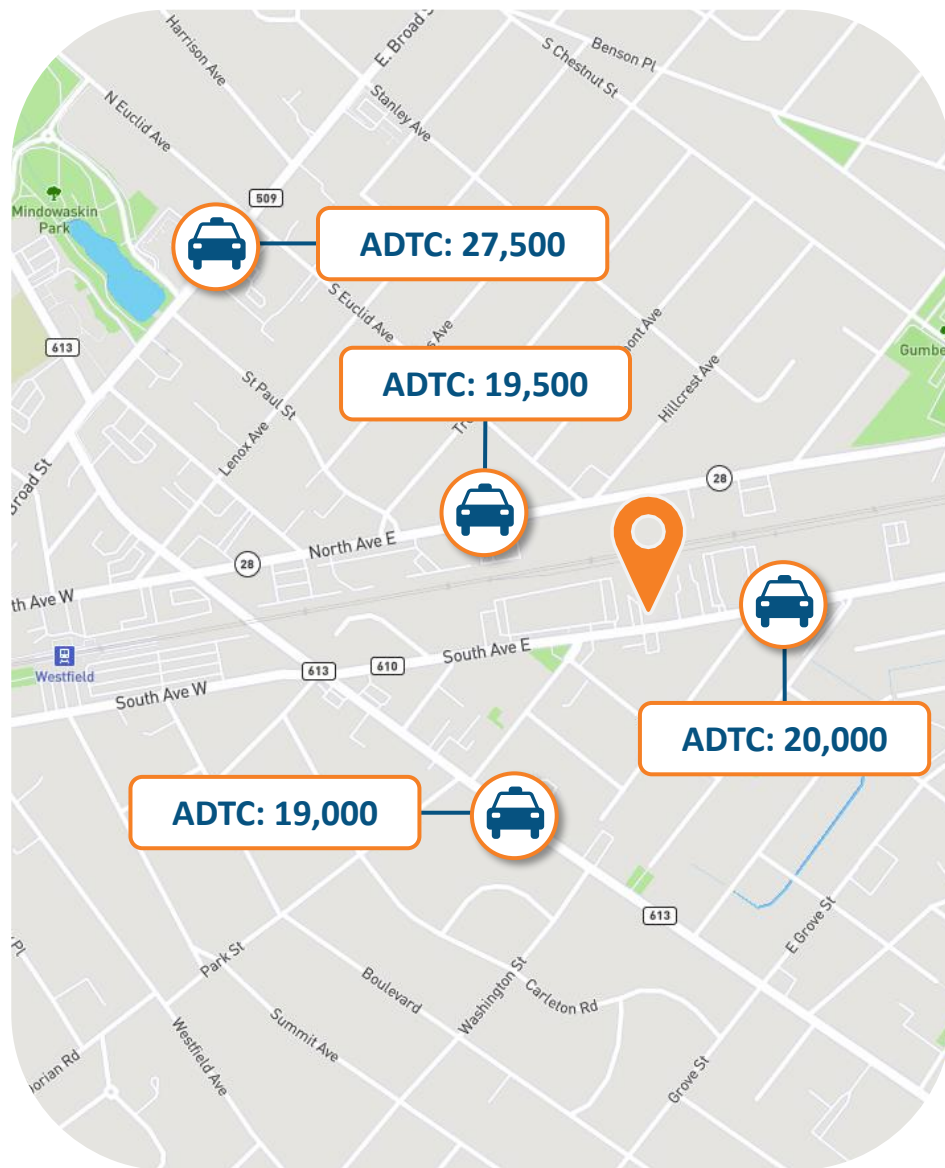
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The subject investment property features high visibility and ease of access along South Avenue East. South Avenue East boasts average traffic counts of 20,000 vehicles per day and intersects with Central Avenue, which boasts average traffic counts of 19,000 vehicles per day. North Avenue East runs parallel with South Avenue East and brings an additional 19,500 vehicles into the immediate surrounding area each day. Average household income exceeds \$172,500 for homes within one mile of the subject property. There are more than 18,200 individuals residing within a one-mile radius of the subject property and more than 364,900 individuals residing 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 local and national retailers, shopping centers and academic institutions. Major national tenants in the immediate area include: Stop & Shop, Trader Joe's, Shoprite, Walgreens, CVS, Dunkin' Donuts, Best Western, Chipotle, Cold Stone Creamery, Starbucks, Chase Bank, Bank of America, AT&T, TD Bank, Santander Bank, in addition to many more. The subject property benefits from a prominent academic presence, being located within two miles of Union County College, Westfield High School, Roosevelt Intermediate School and Washington Elementary School. Together, these academic institutions boast a total combined enrollment exceeding 14,000 students. The subject property additionally benefits from being located within 10 miles of Newark Liberty International Airport (EWR), one of the three major airports in the New York metropolitan area. In 2017, EWR was the sixth-busiest airport in the United States by international passenger traffic.

Westfield, New Jersey is a classic town for modern families. Noted for its beautiful downtown area, excellent school system and convenient commute to New York City, it offers residents the attractions of fine suburban living with an easy route to metropolitan New York. A large segment of its residents commute daily to business in New York and Newark. Excellent train and bus service combined with easy access to the metropolitan highway network provide commuters with fast and efficient transportation. With its charming, Great American Main Street, award-winning downtown and prestigious school system, Westfield is a town that all residents can be proud to call home. The Victorian and Colonial-style homes that reflect its rich historical character complement the broad, tree-lined streets of this small picturesque community. Within this peaceful landscape, you will find lush parks and golf courses, and an endless array of recreational facilities for children as well as adults. Downtown Westfield is a vibrant shopping and dining destination, home to Trader Joe's, Lord & Taylor, Urban Outfitters, GAP, Williams-Sonoma and over 450 fine stores, restaurants and services. Discover Westfield's unique shops, stylish boutiques and delicious upscale and casual eating establishments.

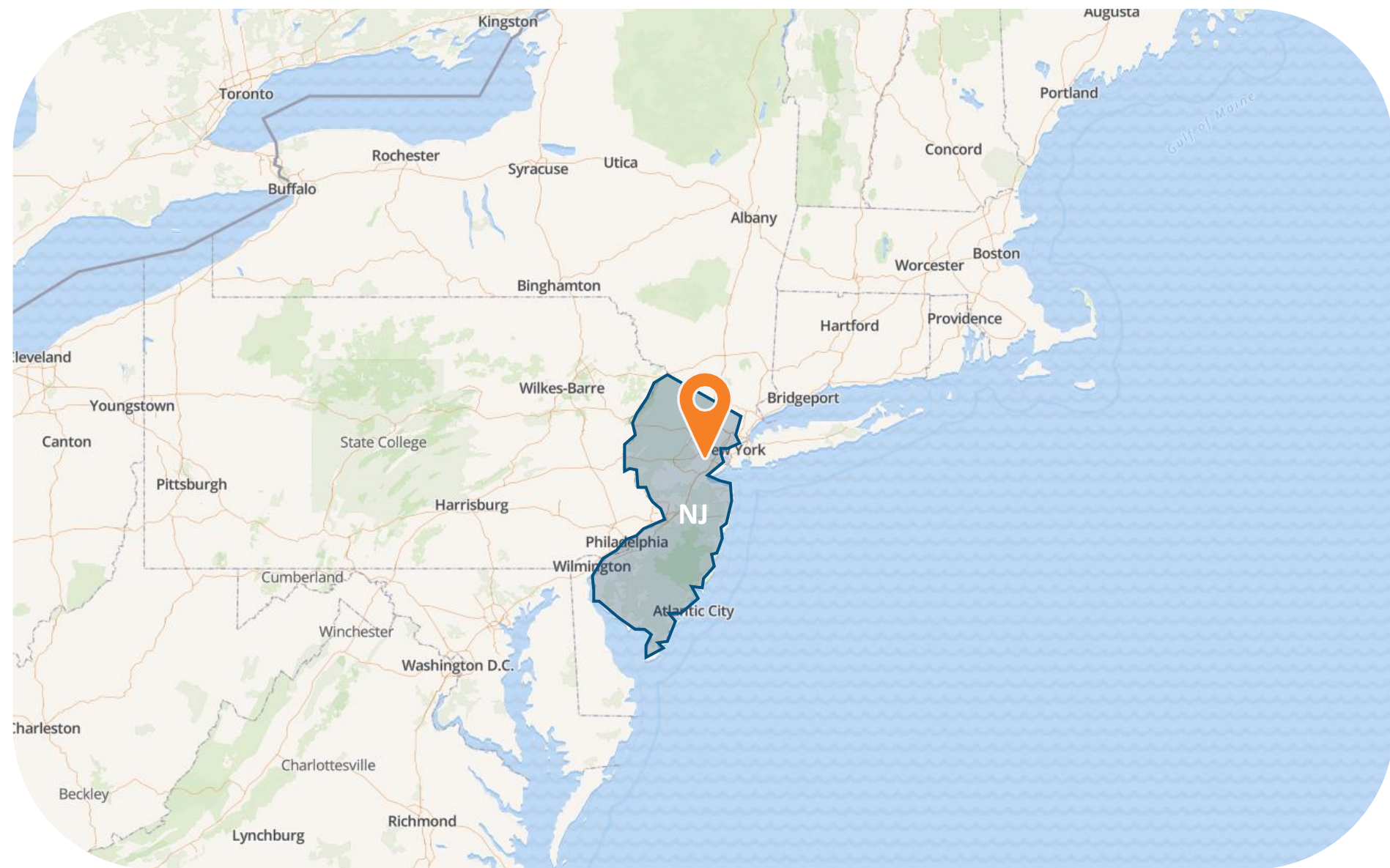






Regional Map

Property Address: 343 South Avenue East, Westfield, NJ 07090





Demographics

Property Address: 343 South Avenue East, Westfield, NJ 07090



1 Mile 3 Miles 5 Miles

POPULATION

2024 Projection	18,540	114,297	370,550
2019 Estimate	18,297	112,486	364,976
2010 Census	17,791	108,697	352,584
2000 Census	17,477	106,522	343,653

INCOME

Average	\$172,570	\$166,492	\$136,566
Median	\$120,927	\$117,028	\$93,168
Per Capita	\$66,160	\$62,826	\$50,308

HOUSEHOLDS

2024 Projection	7,124	43,235	136,629
2019 Estimate	7,011	42,370	134,151
2010 Census	6,698	40,327	127,843
2000 Census	6,713	39,853	126,250

HOUSING

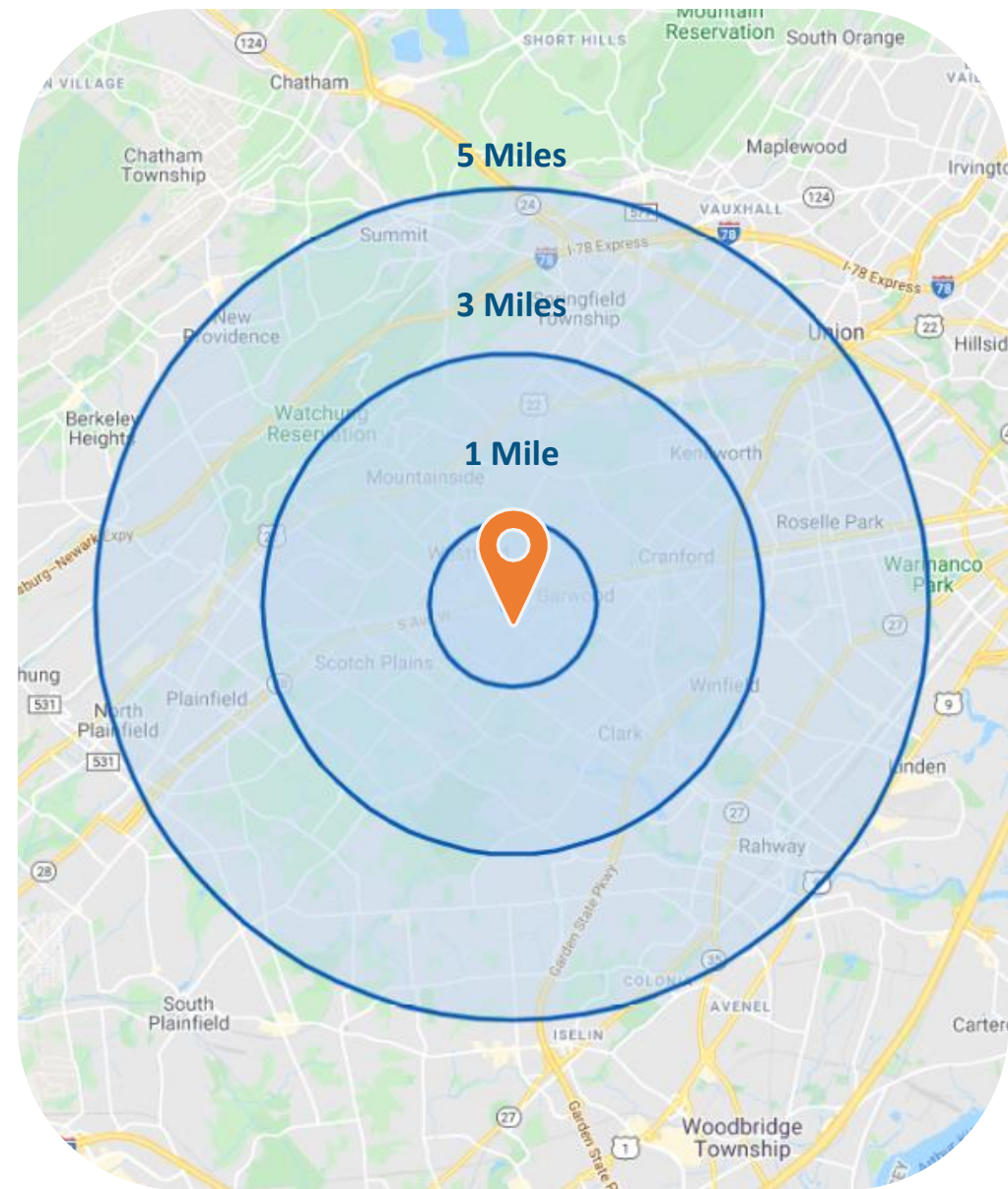
2019	\$536,186	\$482,318	\$403,008
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EMPLOYMENT

2019 Daytime Population	24,717	118,313	350,357
2019 Unemployment	3.21%	3.38%	4.17%
2019 Median Time Traveled	40 Mins	37 Mins	35 Mins

RACE & ETHNICITY

White	86.81%	85.27%	63.74%
Native American	0.05%	0.03%	0.03%
African American	4.17%	5.14%	17.33%
Asian/Pacific Islander	5.00%	5.97%	10.12%





Market Overview

City: Westfield | County: Union | State: New Jersey

Manhattan, NY

Westfield

has consistently been ranked as one of New Jersey's highest-income communities and is located about 45 minutes 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.





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EXCLUSIVE NET LEASE OFFERING

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