

MAVIS DISCOUNT TIRE

Representative Photo

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



525 Kimberton Road, Phoenixville, PA 19460

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)



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Investment Highlights

PRICE: \$2,231,331 | CAP: 5.50% | RENT: \$122,723



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 | Wendy's, Planet Fitness, Dairy Queen, Edward Jones, Citizens Bank, ACE Hardware, and Many More
- ✓ Affluent Surrounding Area | Average Household Income Exceeding \$112,000 in a One-Mile Radius
- ✓ Phoenixville Hospital – Tower Health | Approximately Two-Miles from Subject Property | 144 Beds | Specialty Services Include An Award-Winning Cardiovascular Program, a Fully-Accredited Cancer Center, and the Area's Largest Robotic Surgery Center
- ✓ Less Than Half A Mile From University of Valley Forge | 1,200 Students Enrolled In Over 50 Undergraduate Programs and Seven Graduate Programs
- ✓ Located in Chester, PA | Approximately 15 Miles From Philadelphia

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: \$2,231,331 | CAP: 5.50% | RENT: \$122,723



PROPERTY DESCRIPTION

Property	Mavis Discount Tire
Property Address	525 Kimberton Road
City, State, ZIP	Phoenixville, PA
Building Size (Square Feet)	12,040
Lot Size	+/- 2.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,231,331
CAP Rate	5.50%
Annual Rent	\$122,723

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	\$122,723	\$10,227	-
Year 2	\$122,723	\$10,227	-
Year 3	\$122,723	\$10,227	-
Year 4	\$122,723	\$10,227	-
Year 5	\$122,723	\$10,227	-
Year 6	\$128,859	\$10,738	5.00%
Year 7	\$128,859	\$10,738	-
Year 8	\$128,859	\$10,738	-
Year 9	\$128,859	\$10,738	-
Year 10	\$128,859	\$10,738	-
Year 11	\$135,302	\$11,275	5.00%
Year 12	\$135,302	\$11,275	-
Year 13	\$135,302	\$11,275	-
Year 14	\$135,302	\$11,275	-
Year 15	\$135,302	\$11,275	-
Year 16	\$142,067	\$11,839	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 located at 525 Kimberton Road in Phoenixville, Pennsylvania. The site consists of roughly 12,040 rentable square feet of building space on estimated 2.00 acre parcel of land.

This Mavis is subject to a 20-year Absolute Triple-Net (NNN) lease, which commence will commence upon the close of escrow. The annual rent is \$217,800 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 Express 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

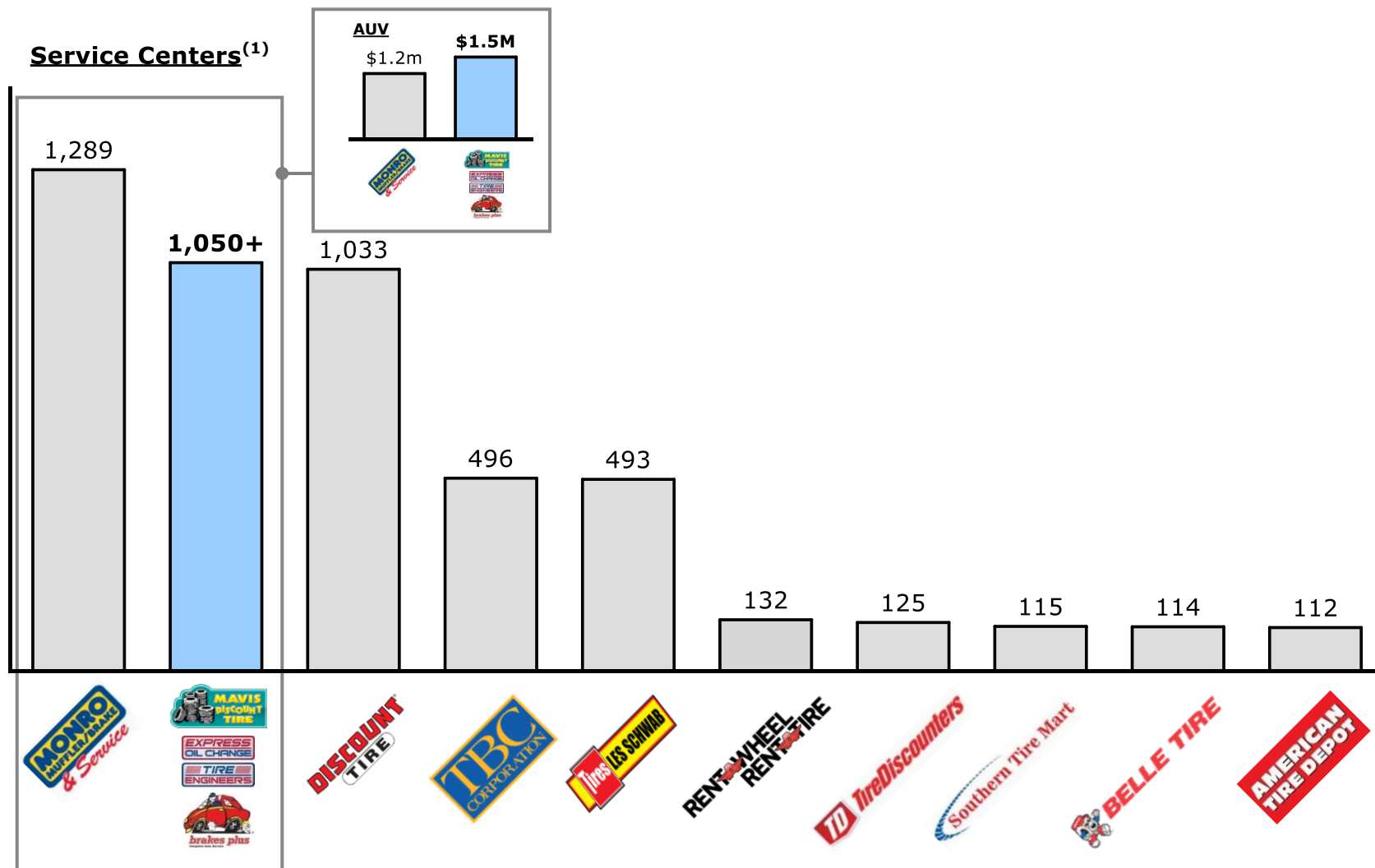
UNIROYAL

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

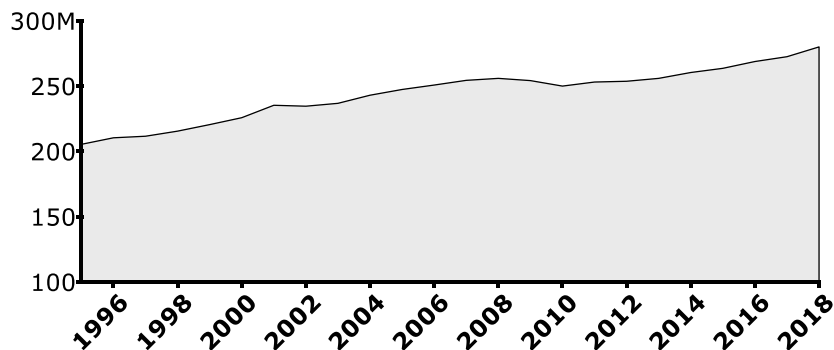
Mavis Express participates in the attractive and growing auto service industry



Vehicles in Operation

There are more vehicles on the road...

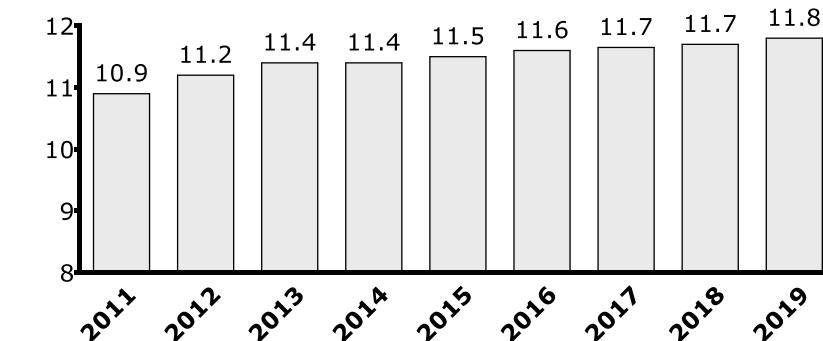
Cars in the US



Average Age of Vehicles

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

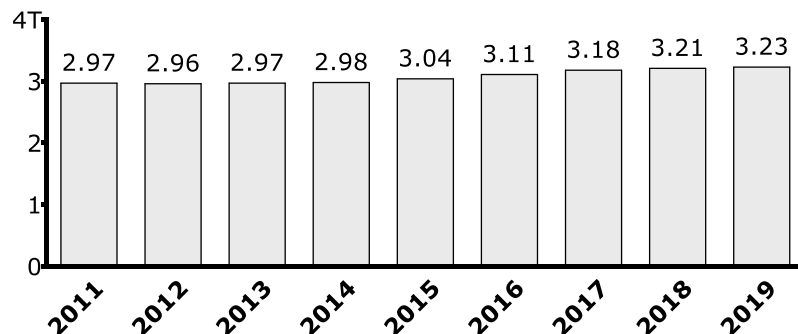
Years



Vehicles in Operation

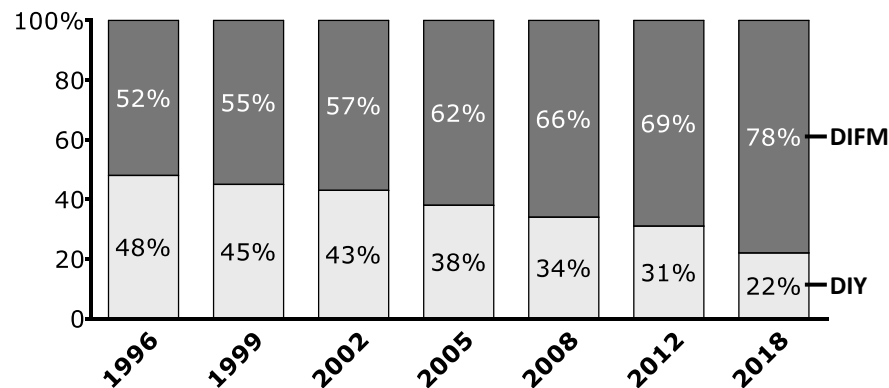
... as more miles are traveled....

Trillion Miles



Shift Towards DIFM

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



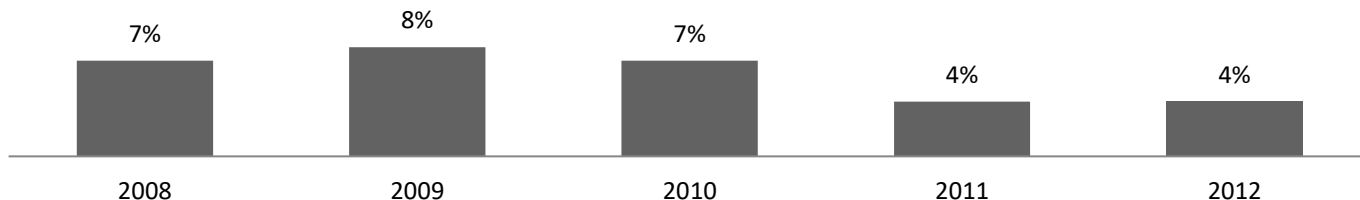
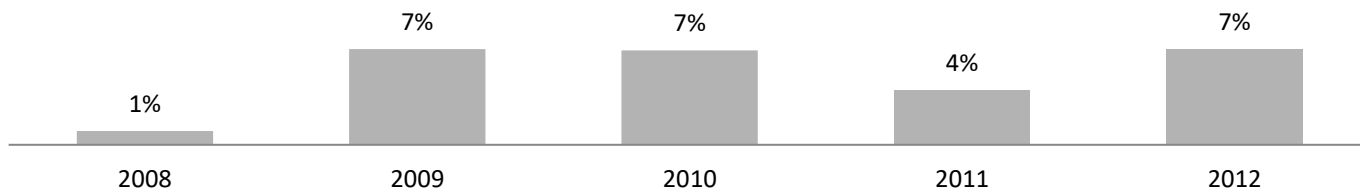
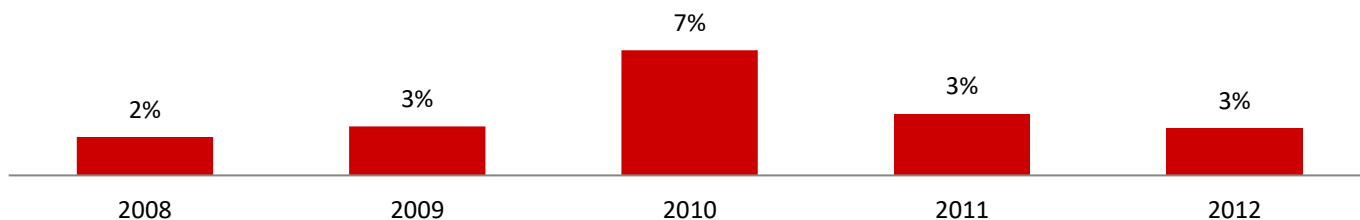
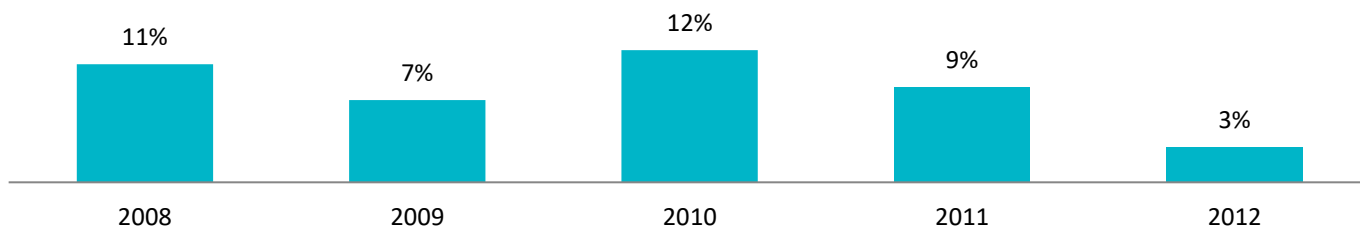


Positioned For Growth In All Economic Cycles

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



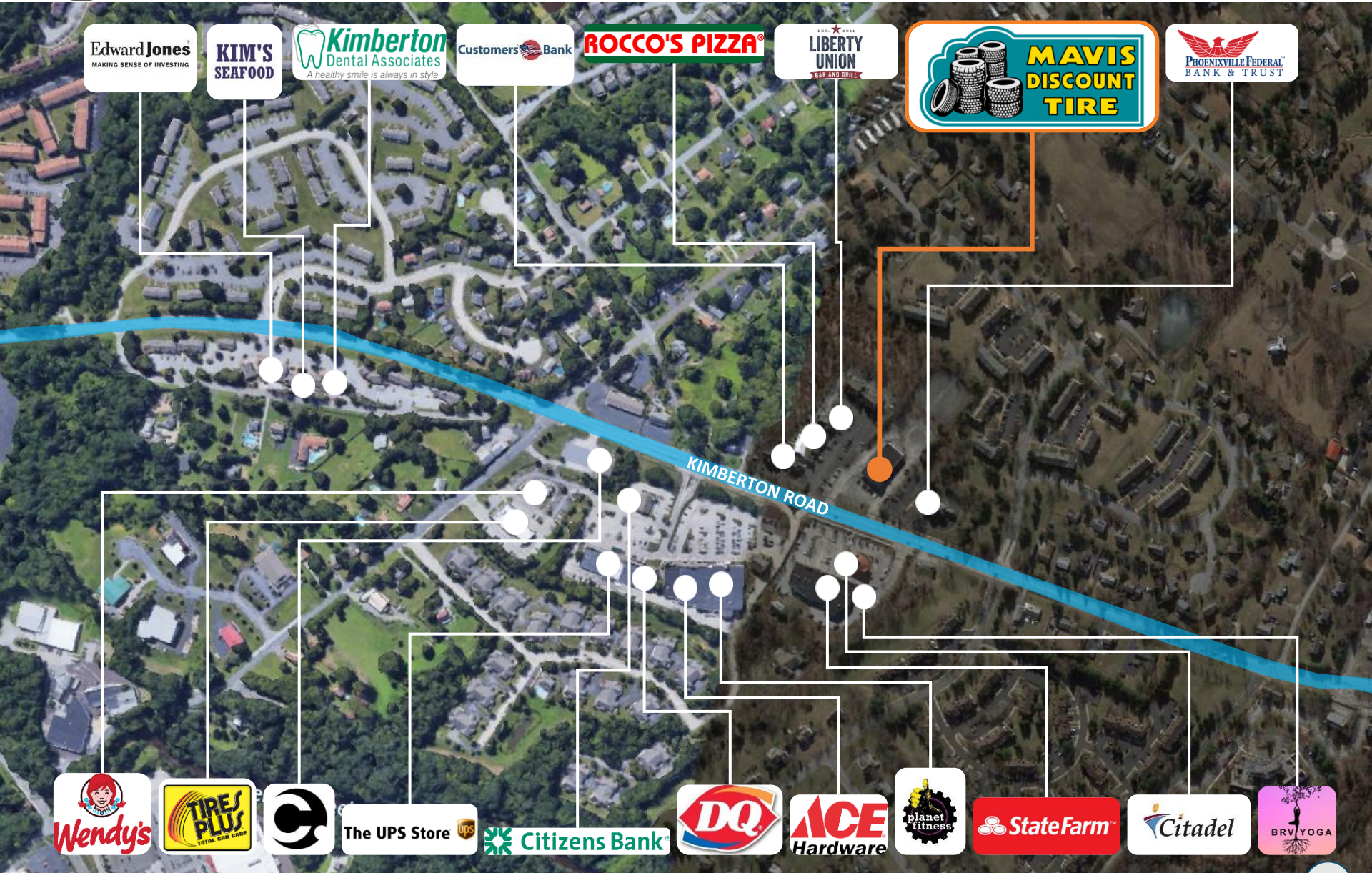
Comparable Service Center Sales





Surrounding Area

Property Address: 525 Kimberton Road – Phoenixville, PA 19460





Location Overview

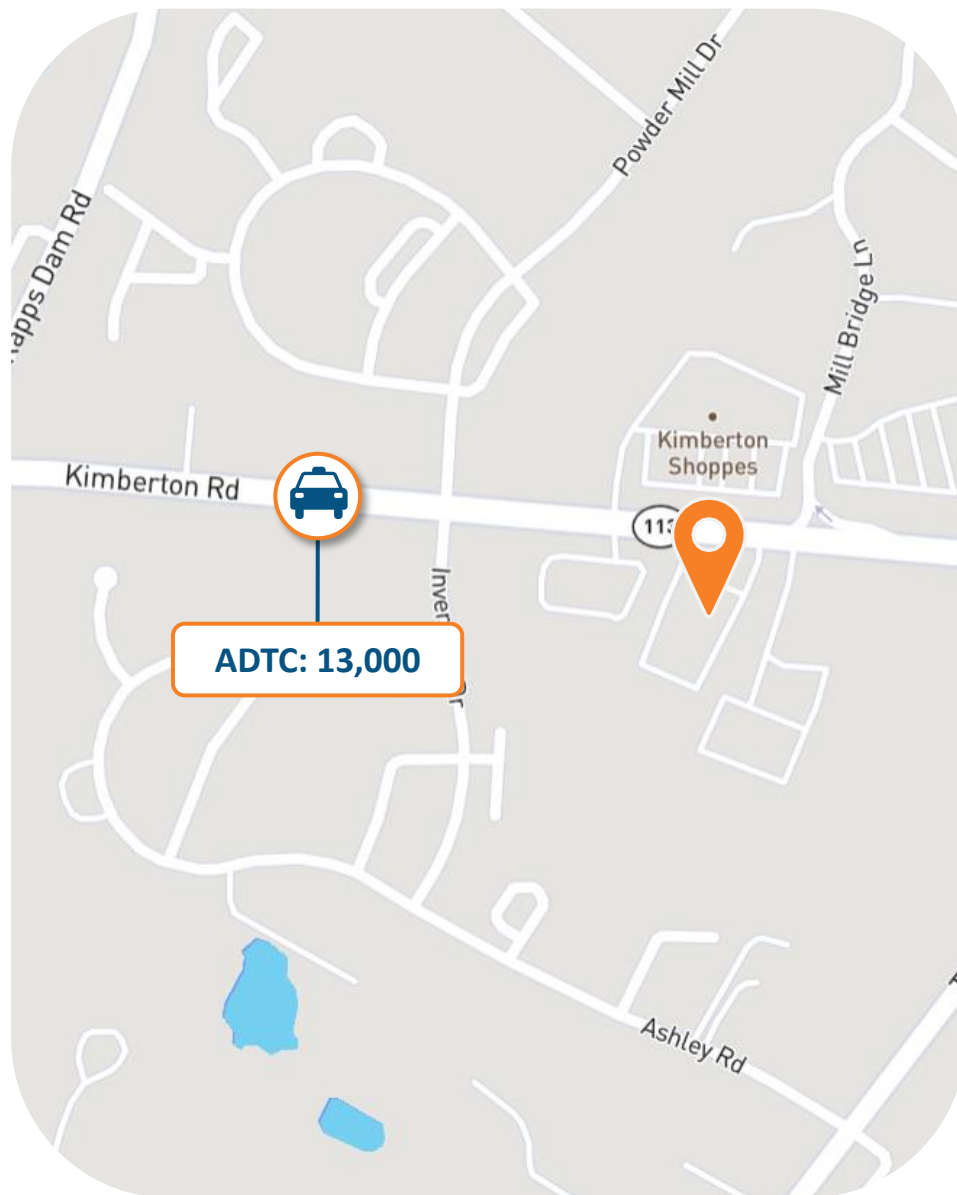
Property Address: 525 Kimberton Road – Phoenixville, PA 19460



The subject investment property features high visibility and ease of access along Kimberton Road. This Mavis is situated in an affluent suburb of Philadelphia, with over \$112,000 in average household income within a one-mile radius. Kimberton Road experiences average daily traffic counts exceeding 13,000 vehicles per day. There are more than 37,000 individuals residing within a three-mile radius of the subject property and more than 78,000 individuals within a five-mile radius.

This Mavis is well-positioned in the center of a highly dense retail corridor located close to many shopping centers. Major national tenants in the immediate area include: Wendy's, Planet Fitness, Dairy Queen, Edward Jones, Citizens Bank, ACE Hardware, in addition to many others. The site sits less than half a mile from University of Valley Forge, which boasts a total student enrollment exceeding 1,200 and offers 50+ undergraduate programs and seven graduate programs. The 144-bed Phoenix Hospital-Tower Health lies approximately two-miles east of the subject property and features an award-winning cardiovascular program, a fully-accredited cancer center, and the area's largest Robotic Surgery Center.

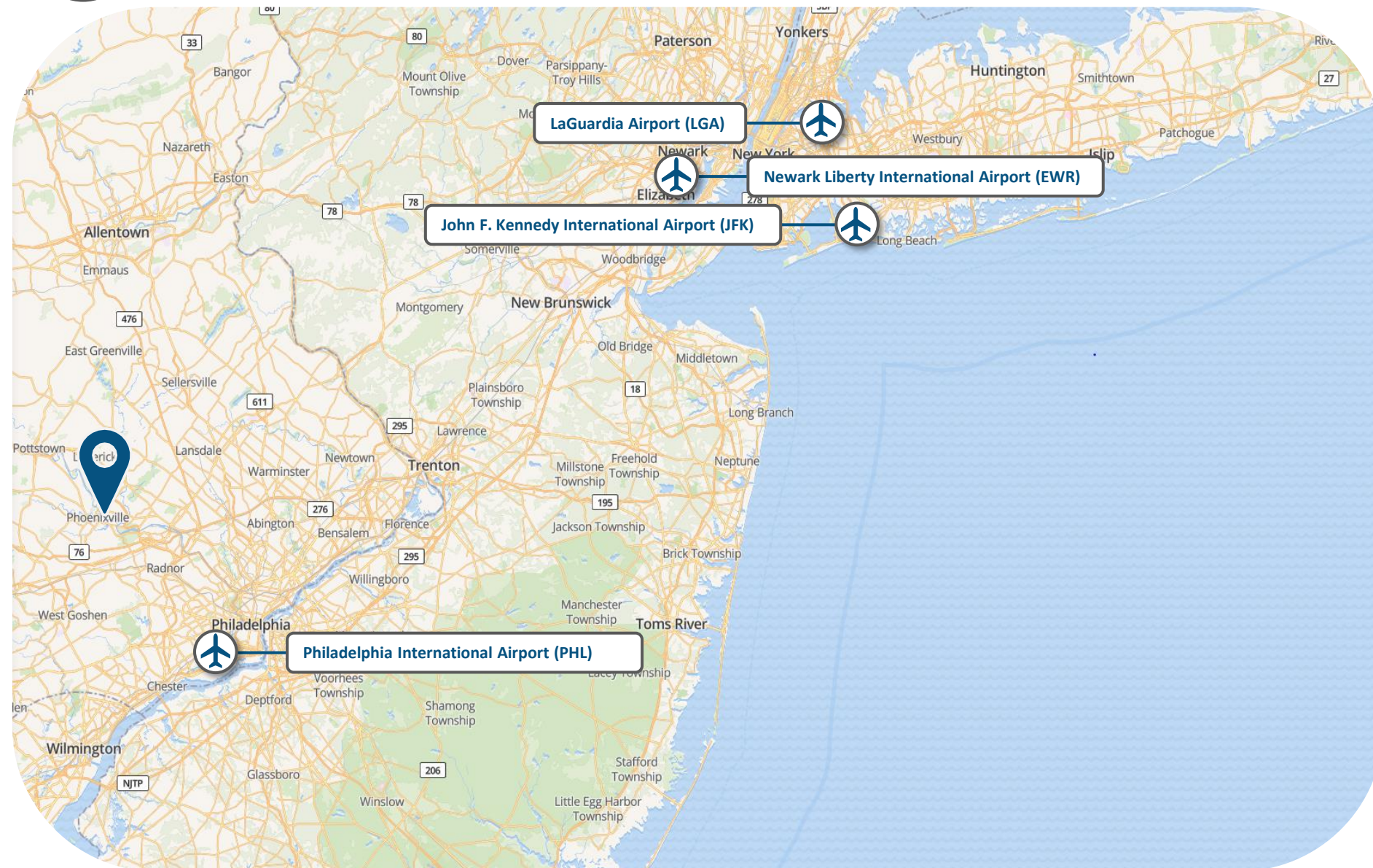
Phoenixville is a city in Delaware County, Pennsylvania, approximately 15 miles from Philadelphia. Incorporated in 1682, Phoenixville is the oldest city in the state and is located on the western bank of the Delaware River between the cities of Philadelphia and Wilmington, Delaware. Philadelphia, the largest city in Pennsylvania, displays many characteristics of a small town. Its many trees, parks and other open spaces, and its quiet pace of life reflect in various ways the genteel Quaker heritage bestowed on the city by its founder, William Penn. Nearly everywhere are dignified reminders of the colonial and Revolutionary city and of Benjamin Franklin, a Philadelphian by adoption, who left his imprint on innumerable ongoing institutions, both cultural and commercial, in the city. Beneath this facade, however, Philadelphia represents an urban cluster of national and international stature. Its place in history was secured by its role as the location of the signing of the Declaration of Independence, the constitutional convention of 1787, and second U.S. national capital. The Port of Philadelphia and Camden, one of the largest freshwater ports in the world, is the major element in the official agglomeration of Delaware River ports, collectively one of the busiest shipping centres in the world. The enormous industrial production of the city and the surrounding metropolitan area represents a continuation of Philadelphia's early leadership in the Industrial Revolution and in American commerce and finance generally. Lying in the midst of the vast urban community stretching down the Eastern Seaboard, Philadelphia is an integral part of the vibrant fabric of contemporary social and economic life as well as a tranquil oasis joining together the spirit of America, past and present.





Local Map

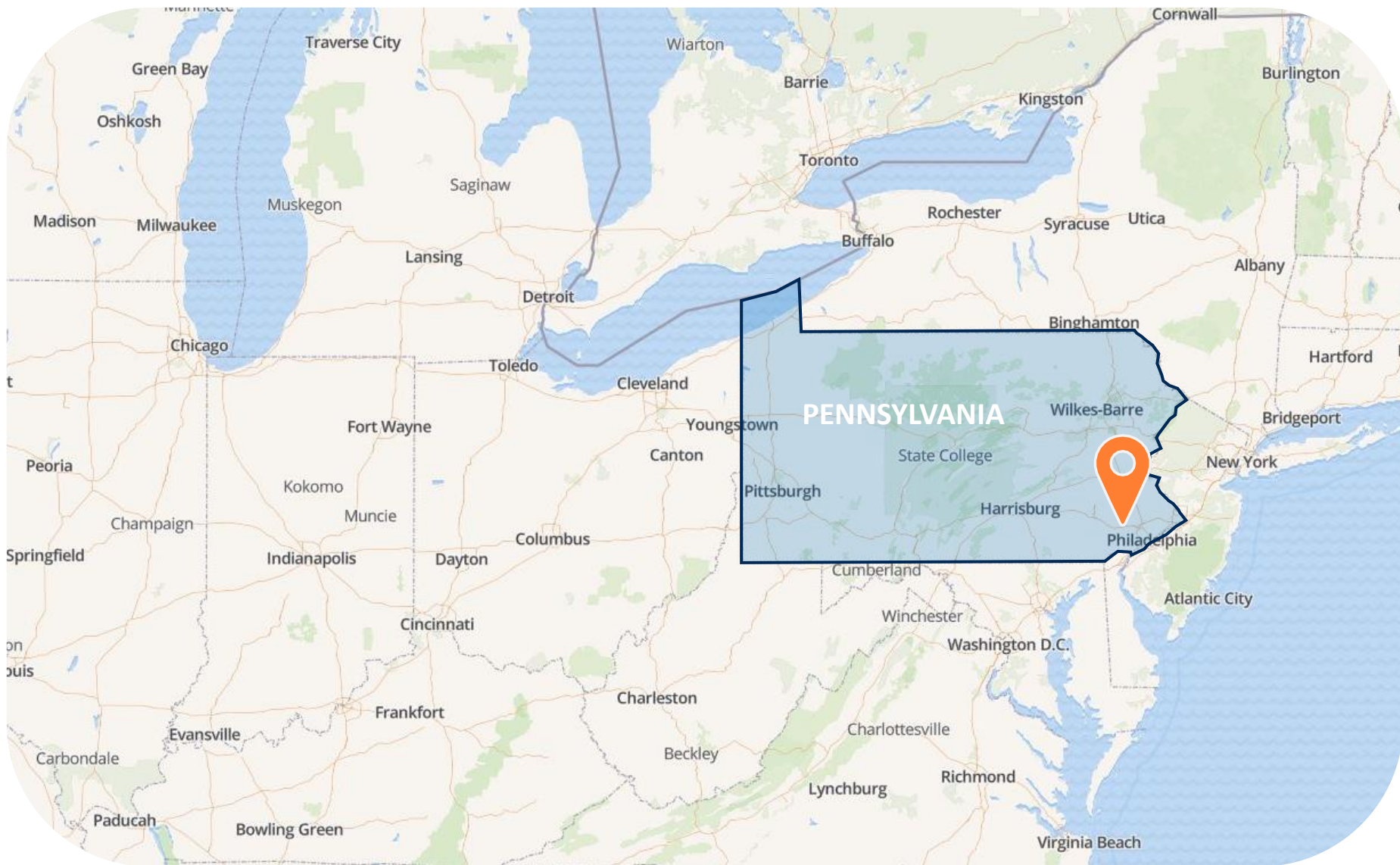
Property Address: 525 Kimberton Road – Phoenixville, PA 19460





Regional Map

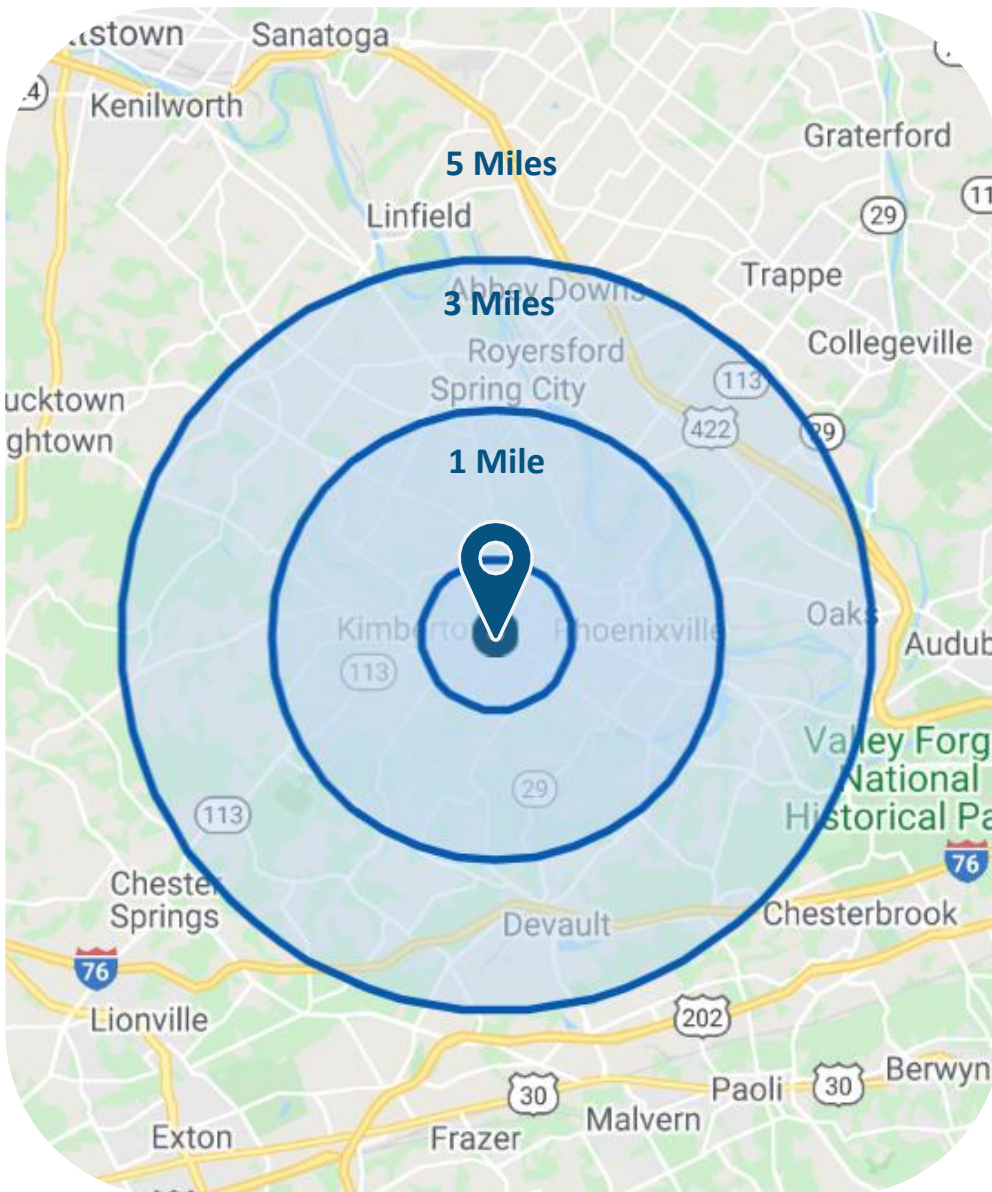
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Demographics

Property Address: 525 Kimberton Road – Phoenixville, PA 19460



POPULATION

	1 Mile	3 Miles	5 Miles
2024 Projection	8,118	38,822	82,042
2019 Estimate	7,900	37,152	78,676
2010 Census	7,513	34,540	73,622
2000 Census	6,825	30,351	62,197

INCOME

	1 Mile	3 Miles	5 Miles
Average	\$112,730	\$113,199	\$130,259
Median	\$81,590	\$81,552	\$92,412
Per Capita	\$46,335	\$46,905	\$50,877

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2024 Projection	3,340	16,066	31,995
2019 Estimate	3,228	15,255	30,558
2010 Census	3,051	14,063	28,407
2000 Census	2,630	12,145	23,990

HOUSING

	1 Mile	3 Miles	5 Miles
2019	\$275,317	\$279,067	\$316,304

EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2019 Daytime Population	7,135	30,069	68,769
2019 Unemployment	3.37%	3.58%	3.24%
2019 Median Time Traveled	30 Mins	29 Mins	30 Mins

RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	88.44%	84.41%	85.61%
Native American	0.02%	0.11%	0.06%
African American	3.90%	5.92%	4.71%
Asian/Pacific Islander	4.11%	4.79%	5.91%



Market Overview

City: Phoenixville | County: Delaware | State: Pennsylvania

Philadelphia, PA

Philadelphia is the largest city in the Commonwealth of Pennsylvania and the sixth-most populous city in the United States. Philadelphia is the economic and cultural anchor of the Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. Philadelphia is the birthplace of the United States Marine Corps, and is also the home of many firsts, including the first library (1731), hospital (1751), medical school (1765), national capital (1774), stock exchange (1790), zoo (1874), and business school (1881). Philadelphia is the center of economic activity in Pennsylvania with the headquarters of five Fortune 1000 companies located within city limits. Philadelphia's economic sectors include financial services, health care, biotechnology, information technology, manufacturing, oil refining, food processing, and tourism. Financial activities account for the largest economic sector of the metropolitan area, which is also one of the largest health education and research centers in the United States. Philadelphia's history attracts many tourists, with the Independence National Historical Park (which includes the Liberty Bell, Independence Hall, and other historic sites) receiving over 5 million visitors annually.





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