

MAVIS DISCOUNT TIRE

Representative Photo

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



589 Willis Avenue, Williston Park, NY 11596

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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.)



Table of Contents

| | |
|--------------------------------|-------|
| Investment Highlights | 4 |
| Financial Analysis | 5 |
| Key Investment Highlights | 6 |
| Tenant Overview | 7 |
| Company Overview | 8 |
| Industry Overview | 9-10 |
| Surrounding Area | 11 |
| Location Overview | 12 |
| Local & Regional Maps | 13-14 |
| Demographics & Market Overview | 15-16 |





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 | CVS Pharmacy, Chase Bank, Bank of America, Wendy's, Dunkin' Donuts, IHOP, and More
- ✓ Immediate Access to Healthcare | Less Than Two Miles From NYU Winthrop Hospital | 591-Bed Facility
- ✓ Robust Demographics | More Than 453,000 Individuals Reside Within a Five-Mile Radius
- ✓ Extremely Affluent Community | Average Income Exceeds \$177,000 Within a Three-Mile Radius
- ✓ Strong Academic Presence | Within a Five-Mile Radius of Adelphi University, Nassau Community College, and Hofstra University | Combined Enrollment Greater Than 38,000 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 | 589 Willis Avenue |
| City, State, ZIP | Williston Park, NY 11596 |
| Building Size (Square Feet) | 4,390 |
| Lot Size | +/- 0.23 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 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 | \$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 589 Willis Avenue in Williston Park, New York. The site consists of roughly 4,390 rentable square feet of building space on estimated 0.23 acre parcel of land.

This Mavis Discount Tire is subject to a 20-year Absolute Triple-Net (NNN) lease, which commence will commence upon the close of escrow. The annual rent is \$195,000 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

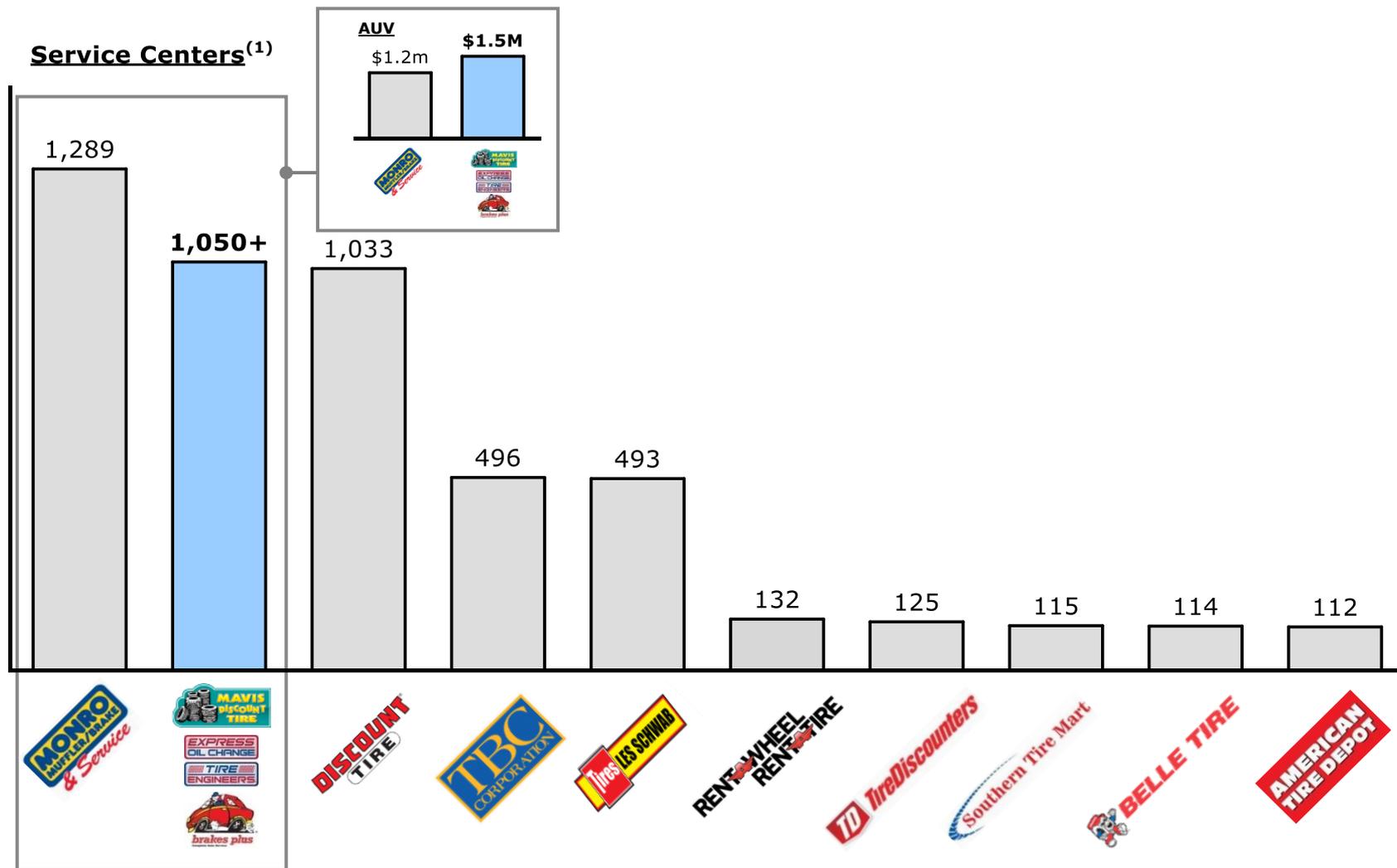
Mavis Offers One of the Largest Selections of Tire Brands in the Industry:





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

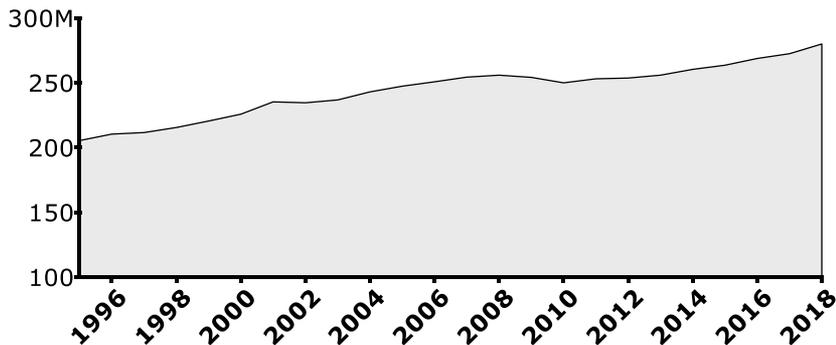
Mavis participates in the attractive and growing auto service industry



Vehicles in Operation

There are more vehicles on the road...

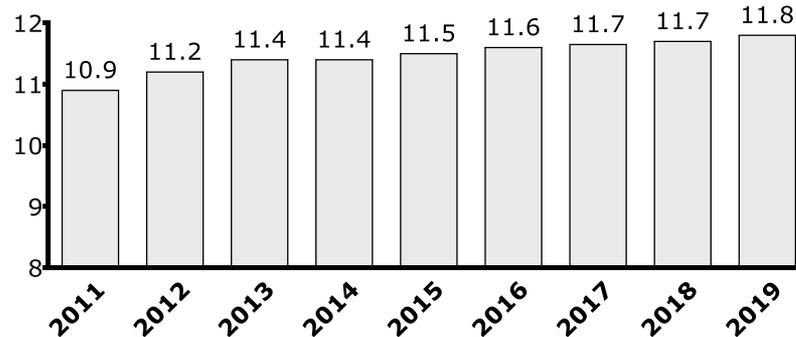
Cars in the US



Average Age of Vehicles

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

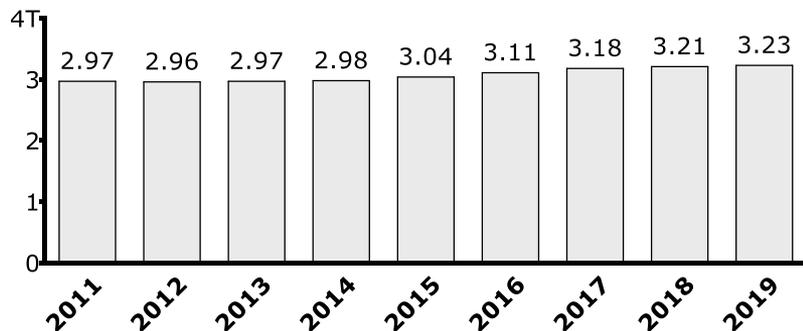
Years



Vehicles in Operation

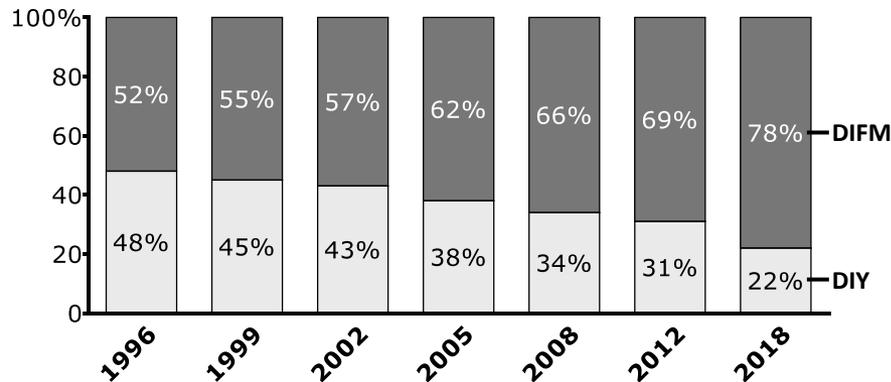
... as more miles are traveled...

Trillion Miles



Shift Towards DIFM

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



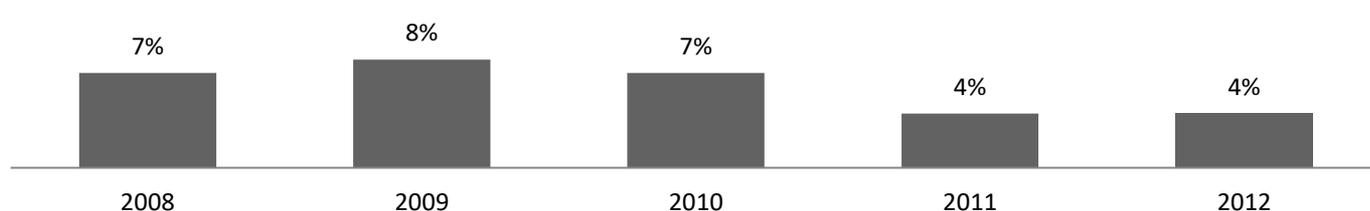
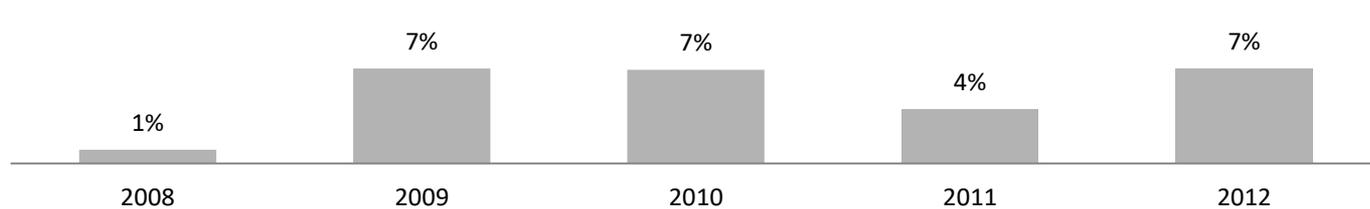
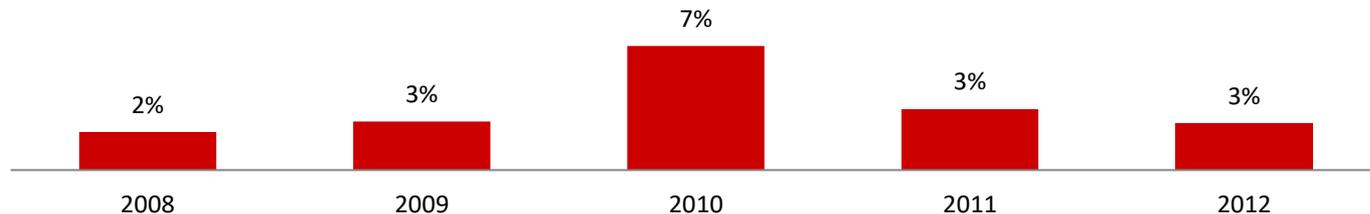
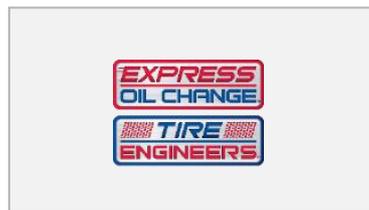
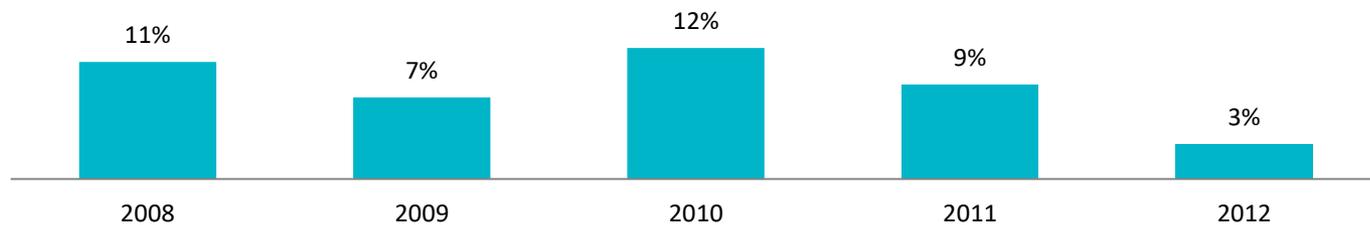


Positioned For Growth In All Economic Cycles

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



Comparable Service Center Sales





Surrounding Area

Property Address: 589 Willis Avenue, Williston Park, NY 11596



My Three Sons Bagel Café

Gelateria Dei Coltelli



Willis Ave + Center St. Bus Stop



Nassau County Police Department



Maple Crest Apartments At Williston Park (200 Units)



St. Aidan's School (480+ Students)

Schechter School of Long Island (270+ Students)



Williston Park Fire Department





Location Overview

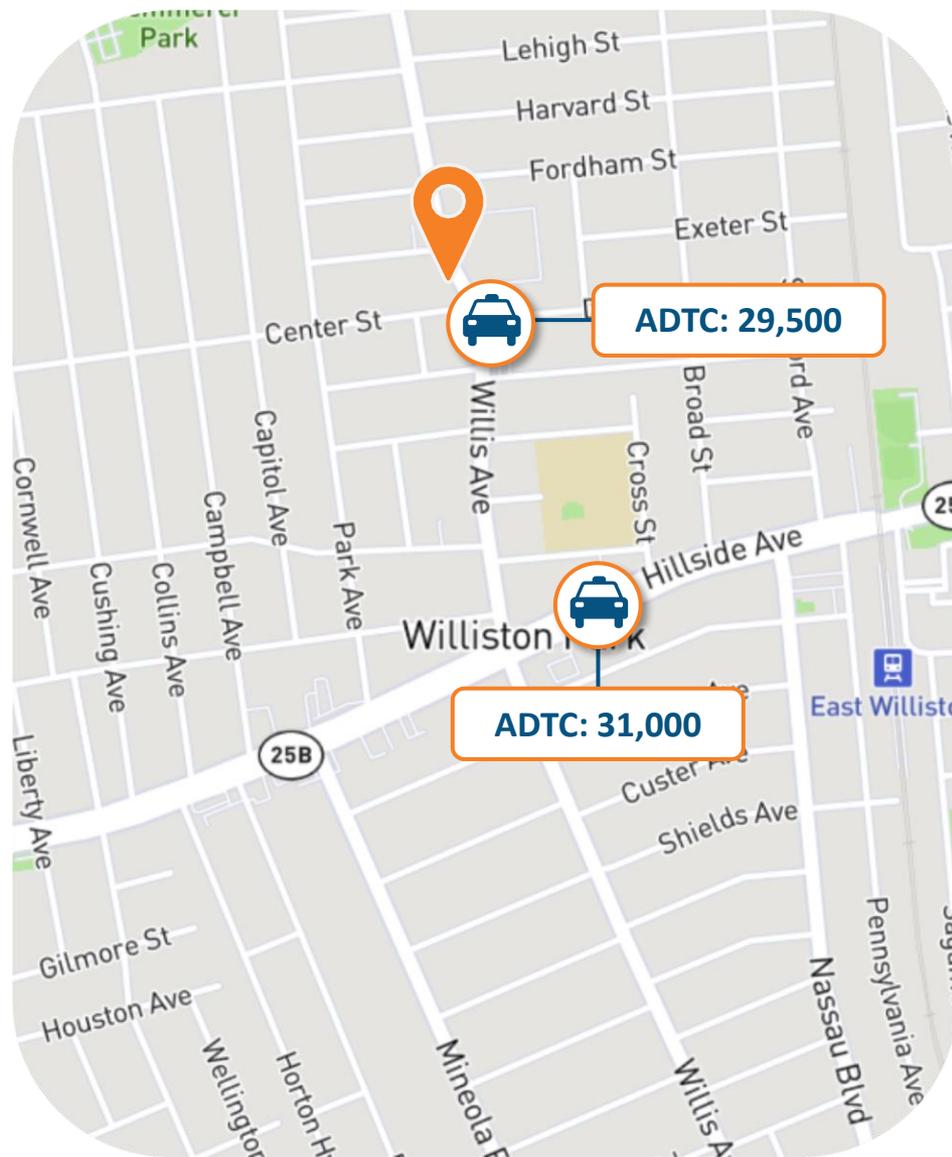
Property Address: 589 Willis Avenue, Williston Park, NY 11596



The subject investment property is strategically located on Willis Avenue in Williston Park, New York, which is located less than 25 miles from Manhattan. Willis Avenue boasts an average daily traffic count of 29,500. Willis Avenue intersects with Hillside Avenue, which brings an additional 31,000 vehicles into the immediate area everyday. The property benefits from its robust demographics and growing population. There are more than 132,500 individuals residing within a three-mile radius of the subject property and more than 453,000 individuals within a five-mile radius. Additionally, the property is located in an extremely affluent community. The average income within a three-mile radius is greater than \$177,000, which is almost triple the national average.

This Mavis Discount Tire is well-positioned in a highly dense retail corridor consisting of many national and local tenants, shopping centers, dense residential communities and academic institutions. Major national tenants in the immediate area include: CVS Pharmacy, Chase Bank, Bank of America, Wendy's, Dunkin' Donuts, IHOP, and many more. The subject property is located directly across the street from Maple Crest Apartments, which has over 200 units. The property also benefits from its immediate access to healthcare. NYU Winthrop Hospital is located less than two miles away. The massive state-of-the-art facility has 591-beds. Additionally, the subject property is located in close proximity to many academic institutions. Schechter School of Long Island and St. Aidan's School are located less than a half mile away and have a combined enrollment greater than 750 students. Furthermore, Nassau Community College, Adelphi University, and Hofstra University are located within a five-mile radius. The three higher education institutions have a combined enrollment greater than 38,000 students. The Nassau Veterans Memorial Coliseum is located less than six miles from the subject property. The Nassau Coliseum is a multipurpose stadium and home to the New York Islanders. The Coliseum reopened in 2017 after a \$180 Million renovation.

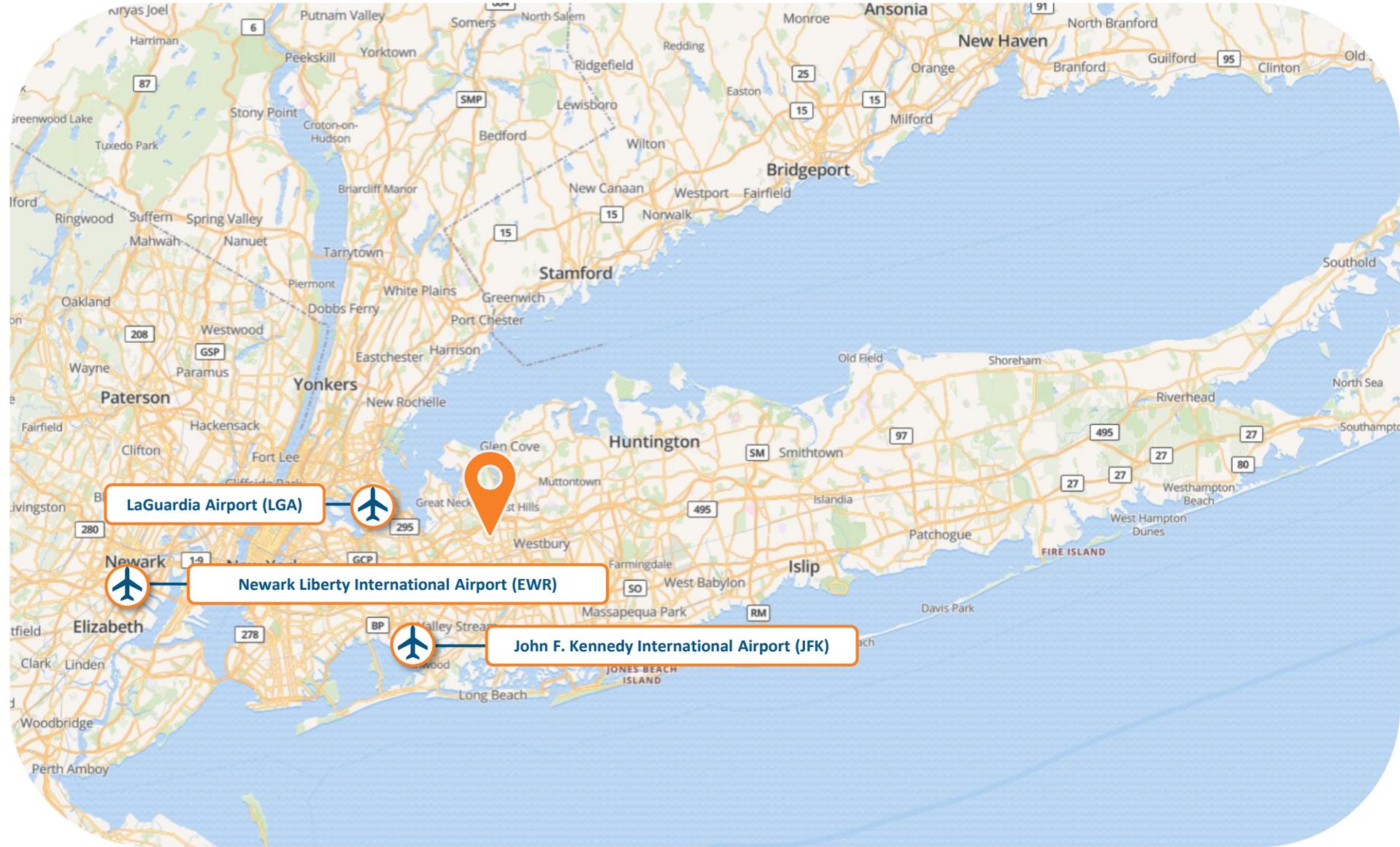
Williston Park is a hamlet located in Nassau County, New York. Nassau County is located immediately east of New York City and is the wealthiest county in New York. It is also the most densely populated and second-most populous county in New York state outside of New York City, with which it maintains extensive rail and highway connectivity, and is considered one of the central counties within the New York metropolitan area. Manufacturing, particularly the aviation industry, has declined in Nassau County while retail and service employment has boomed. A dramatic increase in office construction with some buildings exceeding over 1,000,000 square feet changed the Nassau horizon and established it as a major center of white-collar employment. Nassau County is home to numerous colleges and universities, including Adelphi University, Molloy College, New York Institute of Technology, SUNY Old Westbury, Nassau Community College, Hofstra University, C.W. Post Campus of Long Island University, United States Merchant Marine Academy and Webb Institute.





Local Map

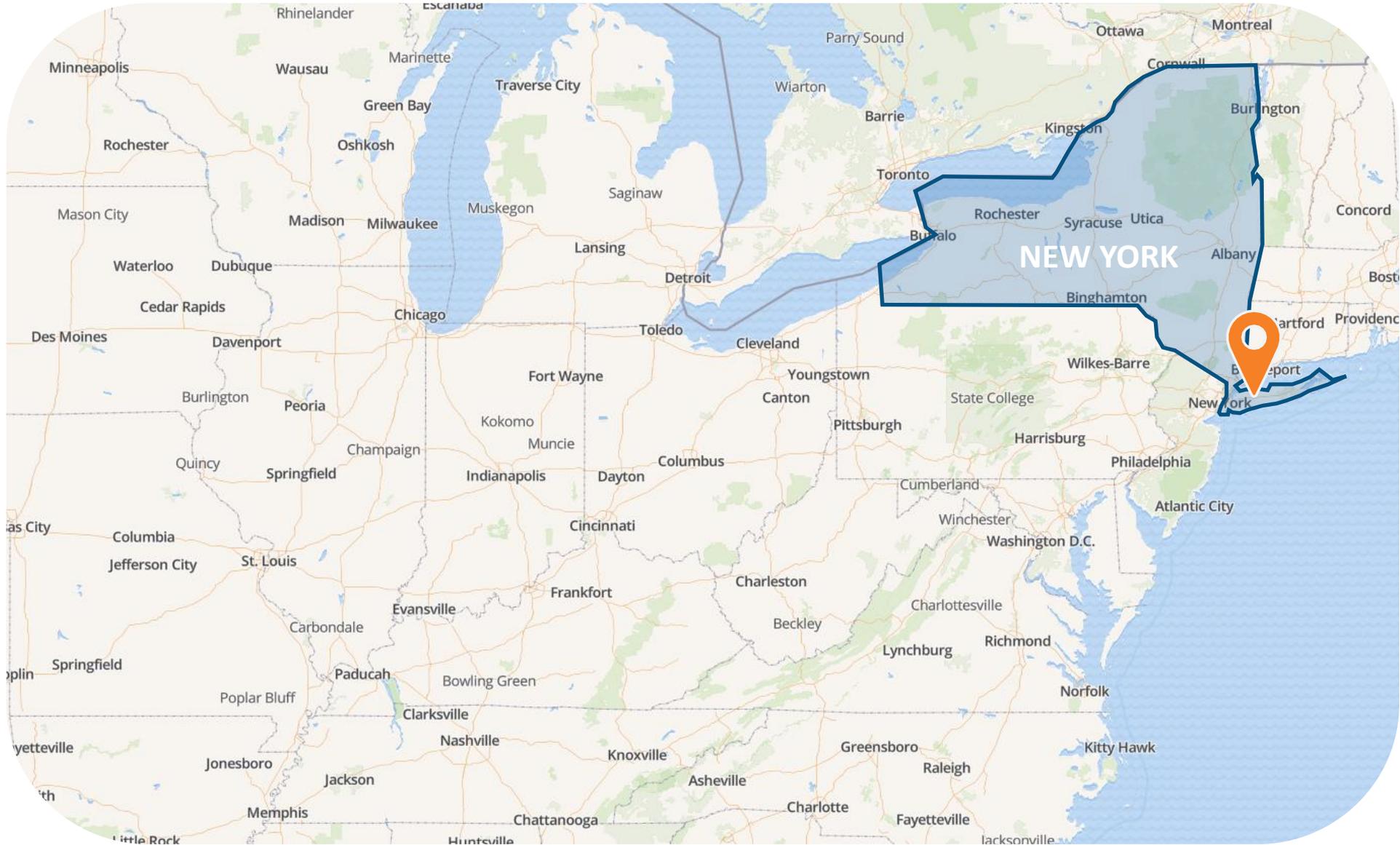
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Regional Map

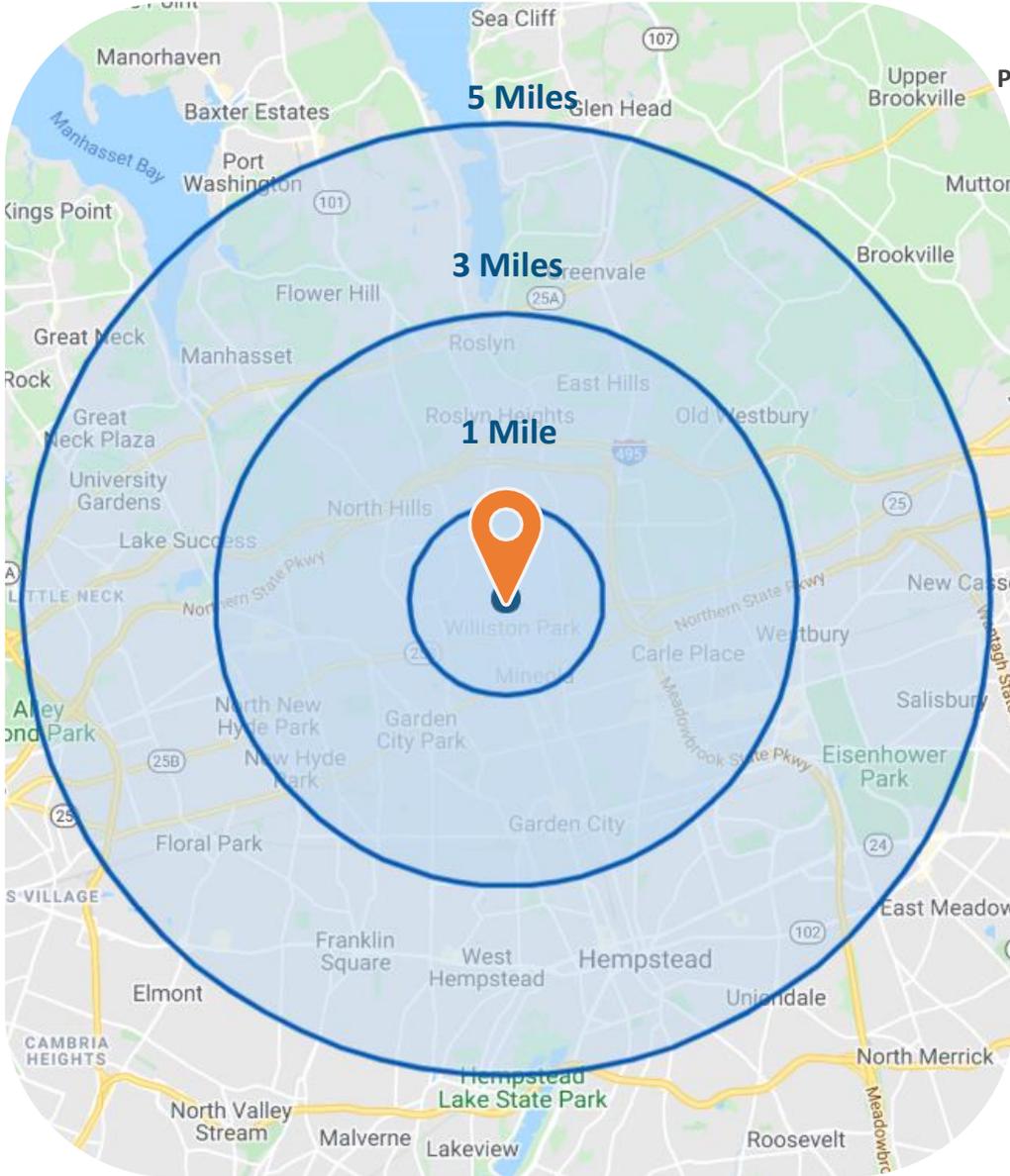
Property Address: 589 Willis Avenue, Williston Park, NY 11596





Demographics

Property Address: 589 Willis Avenue, Williston Park, NY 11596



POPULATION

| | 1 Mile | 3 Miles | 5 Miles |
|-----------------|--------|---------|---------|
| 2024 Projection | 25,258 | 133,900 | 457,282 |
| 2019 Estimate | 25,026 | 132,665 | 453,343 |
| 2010 Census | 24,636 | 130,228 | 442,366 |
| 2000 Census | 24,762 | 127,141 | 429,559 |

INCOME

| | 1 Mile | 3 Miles | 5 Miles |
|------------|-----------|-----------|-----------|
| Average | \$164,851 | \$177,135 | \$149,421 |
| Median | \$115,702 | \$122,031 | \$104,422 |
| Per Capita | \$57,975 | \$64,213 | \$50,893 |

HOUSEHOLDS

| | 1 Mile | 3 Miles | 5 Miles |
|-----------------|--------|---------|---------|
| 2024 Projection | 8,908 | 48,627 | 155,233 |
| 2019 Estimate | 8,800 | 47,875 | 153,276 |
| 2010 Census | 8,456 | 45,701 | 146,563 |
| 2000 Census | 8,503 | 44,708 | 144,536 |

HOUSING

| | 1 Mile | 3 Miles | 5 Miles |
|------|-----------|-----------|-----------|
| 2019 | \$591,327 | \$646,888 | \$536,991 |

EMPLOYMENT

| | 1 Mile | 3 Miles | 5 Miles |
|---------------------------|---------|---------|---------|
| 2019 Daytime Population | 18,878 | 183,718 | 542,778 |
| 2019 Unemployment | 3.18% | 3.81% | 4.10% |
| 2019 Median Time Traveled | 38 Mins | 38 Mins | 38 Mins |

RACE & ETHNICITY

| | 1 Mile | 3 Miles | 5 Miles |
|------------------------|--------|---------|---------|
| White | 69.95% | 67.97% | 55.68% |
| Native American | 0.06% | 0.03% | 0.04% |
| African American | 1.07% | 2.93% | 12.92% |
| Asian/Pacific Islander | 23.19% | 22.93% | 18.75% |



Market Overview

City: Williston Park | County: Nassau | State: New York



Manhattan, New York

Williston Park is a hamlet in Nassau County, New York, located less than 25 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.





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EXCLUSIVE NET LEASE OFFERING

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