

## OFFERING MEMORANDUM

# CALIBER COLLISION

ALLENTOWN  
PENNSYLVANIA

Marcus & Millichap  
NNN DEAL GROUP



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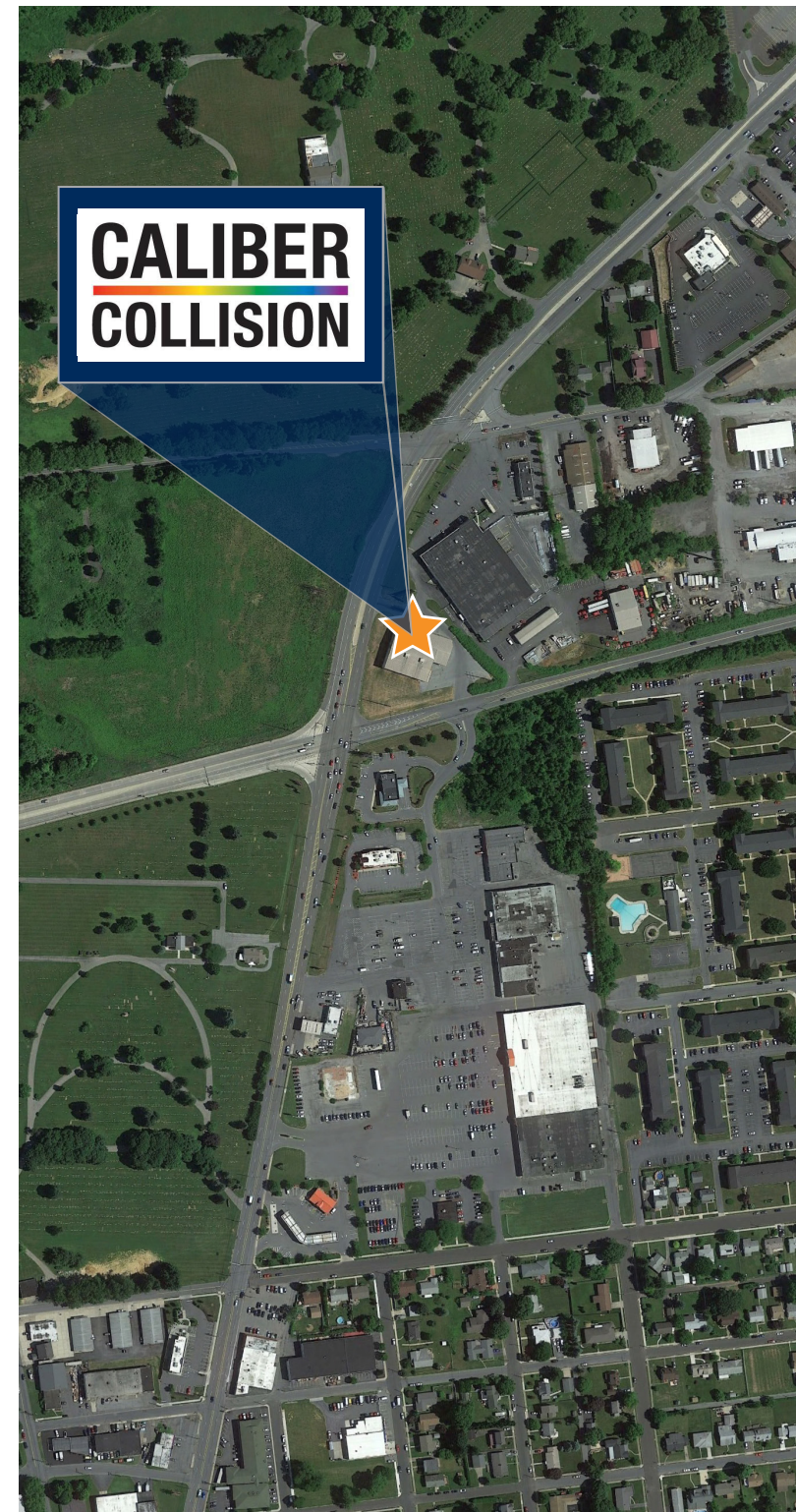
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**Marcus & Millichap**



## TABLE OF CONTENTS

|                                    |    |
|------------------------------------|----|
| Why buy a Caliber Collision? ..... | 4  |
| Investment Highlights.....         | 5  |
| Investment Summary .....           | 6  |
| Investment Highlights (Con't)..... | 7  |
| Aerial Map .....                   | 9  |
| Tenant Summary.....                | 12 |
| MACRS Depreciation .....           | 15 |
| Site Plan .....                    | 16 |
| Location Overview .....            | 17 |
| Location Highlights.....           | 18 |
| Location Map .....                 | 19 |
| Demographics.....                  | 20 |





# WHY BUY A CALIBER COLLISION?

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## WHY BUY A CALIBER COLLISION?

- ❖ Caliber is the largest and one of the most profitable players in the industry with auto insurance driven contracts as a steady feeder of inventory
- ❖ Recession, e-commerce and pandemic resistant offering a stable market demand, as long as there are cars on the road, there will be a need for body work
- ❖ Caliber has ever growing partnerships with various local and nationally known auto dealerships
- ❖ Repeatedly out performs competitors across key performance metrics
- ❖ Brand recognition, thereby creating a level of consumer confidence

## CRITICAL LINK BETWEEN INSURANCE CARRIERS & CALIBER CUSTOMERS

- ❖ Insurance companies control approximately 80% of all industry volume, and customer repair experience drives policy retention
- ❖ Insurance carriers offer guaranteed work satisfaction on repairs, Caliber's network supports guaranteed work, reinforcing client retention and consumer satisfaction
- ❖ The marriage between Caliber's mission supports a continued marriage between them and insurance partners



# INVESTMENT HIGHLIGHTS

The existing site is being renovated as Caliber takes possession of the property. The new 15 year true NNN lease is scheduled to commence on or about November 2020, with the certificate of occupancy having been issued October 2020. The billboard, on the site, is NOT included in the transaction.

**Marcus & Millichap**  
NNN DEAL GROUP

**ABSOLUTE  
NNN**

**New 15 Year Absolute  
Net Lease (Zero Landlord  
Responsibilities) Featuring  
10% Rental Increases  
Every 5 Years.**

**abra®**

**ABRA Merger with Caliber  
Collision, created a Leading  
Collision Repair Chain of  
more than 1,200 locations in  
37 States, operated under  
the Caliber Brand. ABRA is  
a Leading Vehicle Damage  
Repair Provider in the U.S.**

**HELLMAN & FRIEDMAN**

**Dominant Leadership:  
Hellman & Friedman,  
Private Equity Firm with Over  
\$25 Billion of Total Assets,  
they are majority  
owners after merger.**



**Rent bumps  
hedge against inflation.**



**Densely populated  
growing region. Population  
density exceeds 273,277  
residents within 5-miles  
from the site.**

# INVESTMENT SUMMARY

1633 AIRPORT RD, ALLENTOWN, PA 18109

**PRICE: \$3,835,939**

**CAP: 5.85%**

**RENT: \$224,402**

## OVERVIEW

|                           |             |
|---------------------------|-------------|
| Price                     | \$3,835,939 |
| Gross Leasable Area (GLA) | 15,300 SF   |
| Lot Size (approx.)        | 1.17 Acres  |
| Net Operating Income      | \$224,402   |
| CAP Rate                  | 5.85%       |
| Year Renovated            | 2020        |

## ANNUALIZED OPERATING DATA

| Lease Term | Annual Rent |
|------------|-------------|
| 1-5        | \$224,402   |
| 6-10       | \$246,842   |
| 11-15      | \$271,526   |
| Option 1   | \$298,679   |
| Option 2   | \$328,547   |

## LEASE ABSTRACT

|                     |                   |
|---------------------|-------------------|
| Lease Type          | NNN               |
| Lease Term          | 15 Years          |
| Lease Start         | 10/19/2020        |
| Lease Expiration    | 10/31/2035        |
| Renewal Options     | 2x5               |
| Increases           | 10% Every 5-Years |
| Landlord Obligation | None At All       |

Note: The adjacent billboard is not part of the transaction.



# INVESTMENT HIGHLIGHTS

- ◆ New corporate guaranteed 15 year NNN lease.
- ◆ No landlord obligations.
- ◆ Unit is being renovated, and is scheduled to open 4thQ2020. The site was originally a restaurant supply company before being converted into a Caliber Collision.
- ◆ Strategically located at the signalized intersection of Airport Road and American Parkway.
- ◆ Strong barriers to entry.
- ◆ The nearest national competitor is 6 miles from the subject site to the west.



**276,603**  
TOTAL  
POPULATION  
WITHIN 5-MILE  
RADIUS



**\$69,784**  
AVERAGE  
HOUSEHOLD  
INCOME WITHIN  
5-MILE RADIUS



**33,859 VPD** - AIRPORT RD  
**90,188 VPD** - US HWY 22







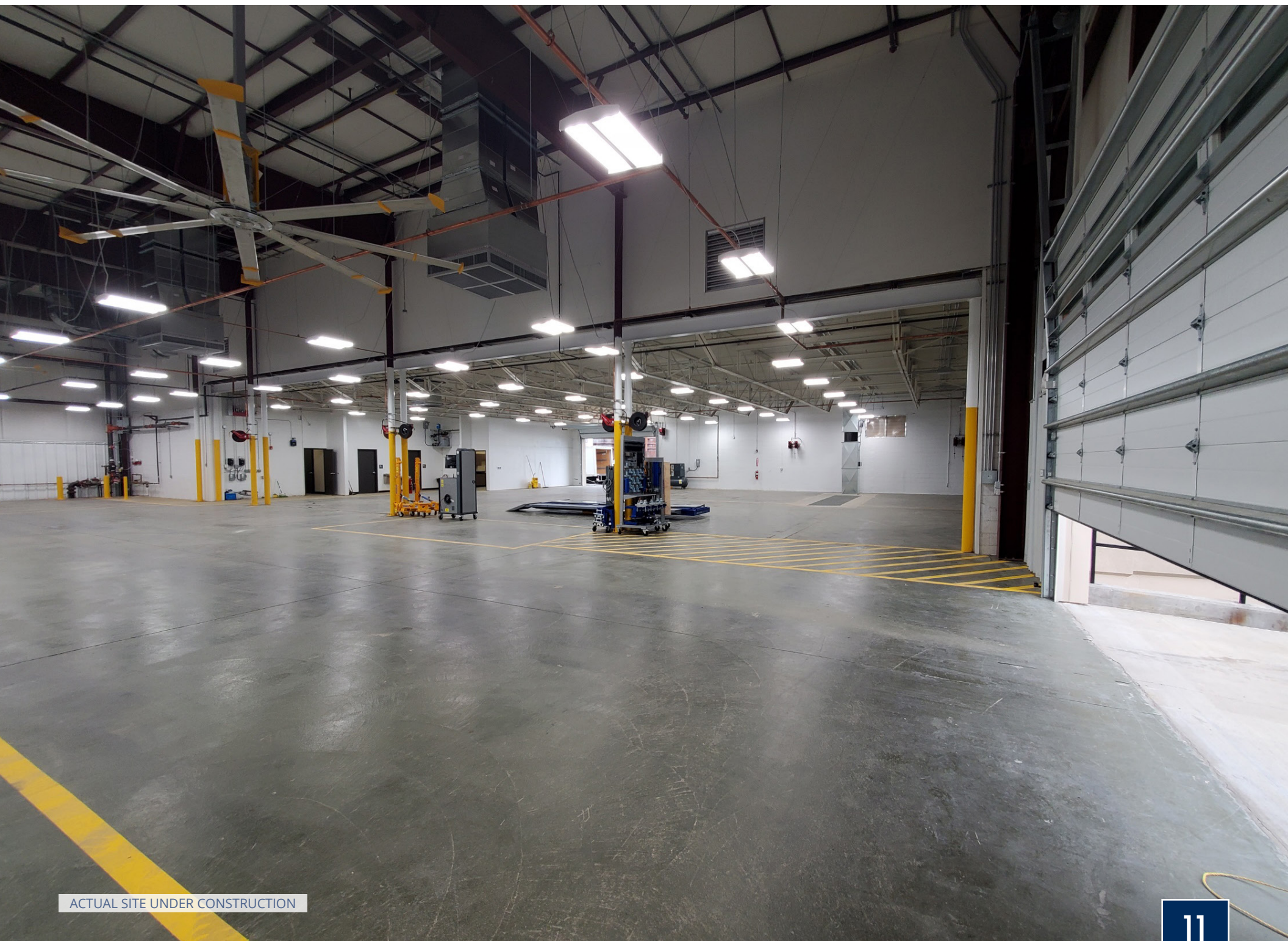












ACTUAL SITE UNDER CONSTRUCTION



# TENANT SUMMARY

## CALIBER COLLISION

OMERS has been the parent company for Caliber Collision since 2013. Once the merger with Abra took place in February 2019, Hellman & Friedman became the majority ownership, with Omer being minority shareholder.

OMERS Private Equity (Toronto, Canada & Lewisville, Texas): A Worldwide company. OMERS Private Equity has been making private equity investments since 1987 on behalf of OMERS, one of Canada's largest pension plans with in excess of \$60.8 billion of assets. They manage over \$6.5 billion of investments globally. Being part of a pension fund has its advantages. It affords the ability to focus on investing in businesses for long-term value creation rather than near-term earnings. Capital is readily available eliminating the need to fundraiser. It also provides the opportunity to leverage the relationships of the other investment entities and resources of OMERS.

OMERS bought Caliber Collision repair services in November 2013. Caliber is one of the largest independent provider of auto collision repair services in the United States with a network of 157 collision centers located in California, Texas, Arizona, Nevada, Oklahoma, and Colorado. The Company has approximately 3,700 employees and repairs more than 450,000 vehicles annually.

OMERS Administrative Corp – Standard & Poor's AA+ Rated  
Moody's Rated B2

## CALIBER COLLISION



**LEWISVILLE, TX**  
HEADQUARTERS

**1997**

FOUNDED

**1,200**

LOCATIONS

**PRIVATE**

OWNERSHIP

**AUTOMOTIVE**

INDUSTRY

**\$4 Bil**

ANNUAL REVENUE (EST)

**MARK  
SANDERS**

PRESIDENT/COO



# AMERICA'S LARGEST COLLISION REPAIR COMPANY

## CALIBER COLLISION CENTERS

Caliber Collision Centers is the largest collision repair company in America with more than 1,200 I-CAR Gold Class Professional certified collision repair centers across 40 states. Caliber is consistently ranked among the highest in customer satisfaction in the industry and backs all repair work with a written, lifetime warranty available at any of its repair centers. The company repairs more than 450,000 vehicles annually. Caliber Collision has undergone rapid recent growth by aggressively acquiring various local autobody repair shops. Caliber Collision has developed strategic partnerships with 57 car dealerships throughout the U.S. in addition to 34 insurance carriers, which include AAA, GEICO, Farmers, Liberty Mutual, Allstate, and USAA.

- ❖ **Caliber has strategic partnerships with 57 car dealerships throughout the US**
- ❖ **Caliber has contracted with 34 insurance carriers**

 **1,200**  
LOCATIONS IN  
39 STATES

 **\$4+ Billion**  
APPROXIMATE  
ANNUAL  
REVENUE IN  
2019

 **450,000+**  
VEHICLES  
REPAIRED  
ANNUALLY

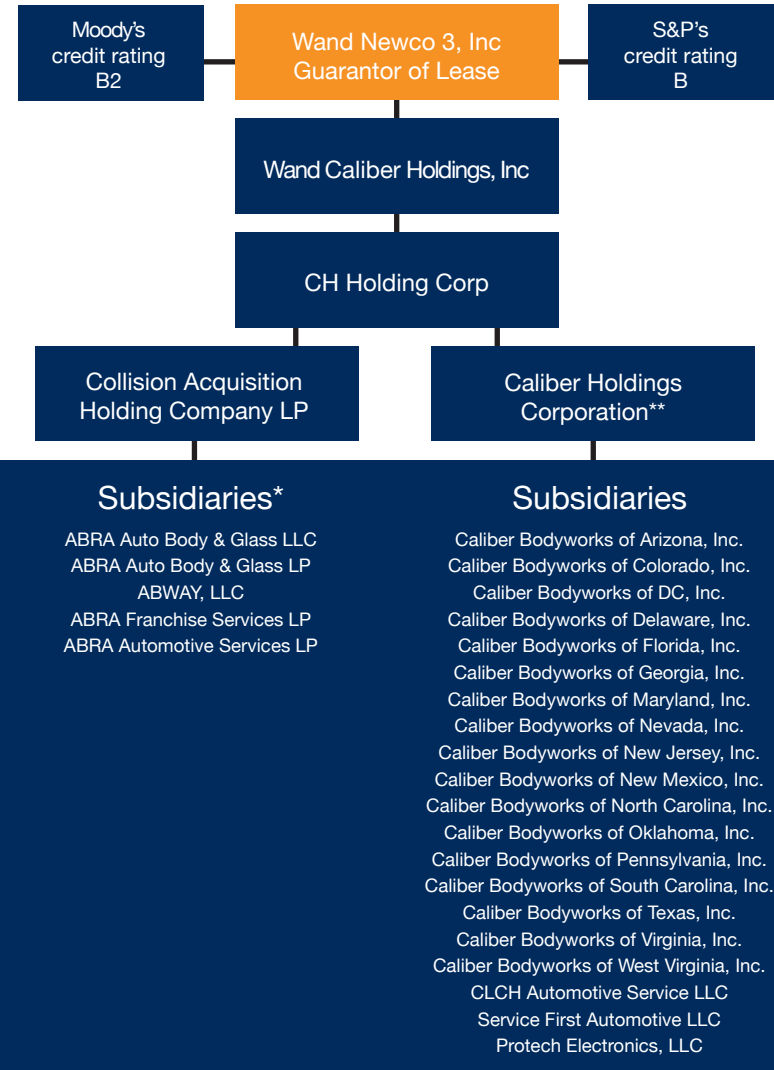
 **ABSOLUTE  
INTERNET  
PROOF  
INVESTMENT**

 **QUALIFIES  
FOR  
ACCELERATED  
DEPRECIATION**

**#1**  
**NATION'S  
LARGEST  
COLLISION  
REPAIR  
COMPANY**

 **GROWING  
MULTI-  
BILLION  
DOLLAR  
INDUSTRY**

## OWNERSHIP BREAKDOWN



\* Omers minority shareholder

\*\* Hellman & Friedman - majority ownership via merger with Abra 2/2019

# HELLMAN & FRIEDMAN

## “CALIBER MAJORITY OWNERSHIP VIA MERGER WITH ABRA”

### HELLMAN & FRIEDMAN

- ❖ One of the most experienced and successful investment organizations in the private equity industry
  - ❖ Founded in 1984, H&F has raised over \$35 billion of committed capital and invested in more than 80 companies
  - ❖ H&F is currently investing out of its seventh fund with more than \$8.9 billion of committed capital
  - ❖ Offices in San Francisco, New York and London with more than ~50 investment professionals
- ❖ Investment philosophy focused on businesses with strong, defensible franchises and predictable revenue and earnings growth which generate attractive returns on the capital
- ❖ Strong investment experience across distribution and consumer-oriented businesses
  - ❖ Acquired Grocery Outlet with 3rd generation Read family Co-CEOs in October 2014

# HELLMAN & FRIEDMAN



## SAN FRANCISCO, CA

HEADQUARTERS

1984

FOUNDED

58

NO. OF COMPANIES  
OWNED IN PORTFOLIO

PRIVATE

OWNERSHIP

\$25 BILLION

TOTAL ASSETS

HF.COM

WEBSITE



# MACRS DEPRECIATION (MODIFIED ACCELERATED COST RECOVERY SYSTEM)

## COST SEGREGATION BENEFITS

Cost segregation identifies personal property (generally 5- or 7-year recovery), land improvements (generally 15-year recovery), and other short-lived properties that have been erroneously classified as building property (39- or 27.5-year recovery), which can result in cost savings.

- ◆ MACRS allows for greater accelerated depreciation over longer time periods
- ◆ Deduct greater amounts during the first few years of an asset's life, and relatively less later
- ◆ Any property that is being depreciated can elect the MACRS accounting and do a cost segregation
- ◆ Take advantage of the new 100% bonus depreciation rules that started in 2018
- ◆ Greatly reduce recapture on projects with rehab, renovation or capital expenditures

**Subject property qualifies for tax savings via accelerated depreciation via cost segregation.**

*Call today to see if cost segregation is right for you!*

### KIMBERLY LOCHRIDGE

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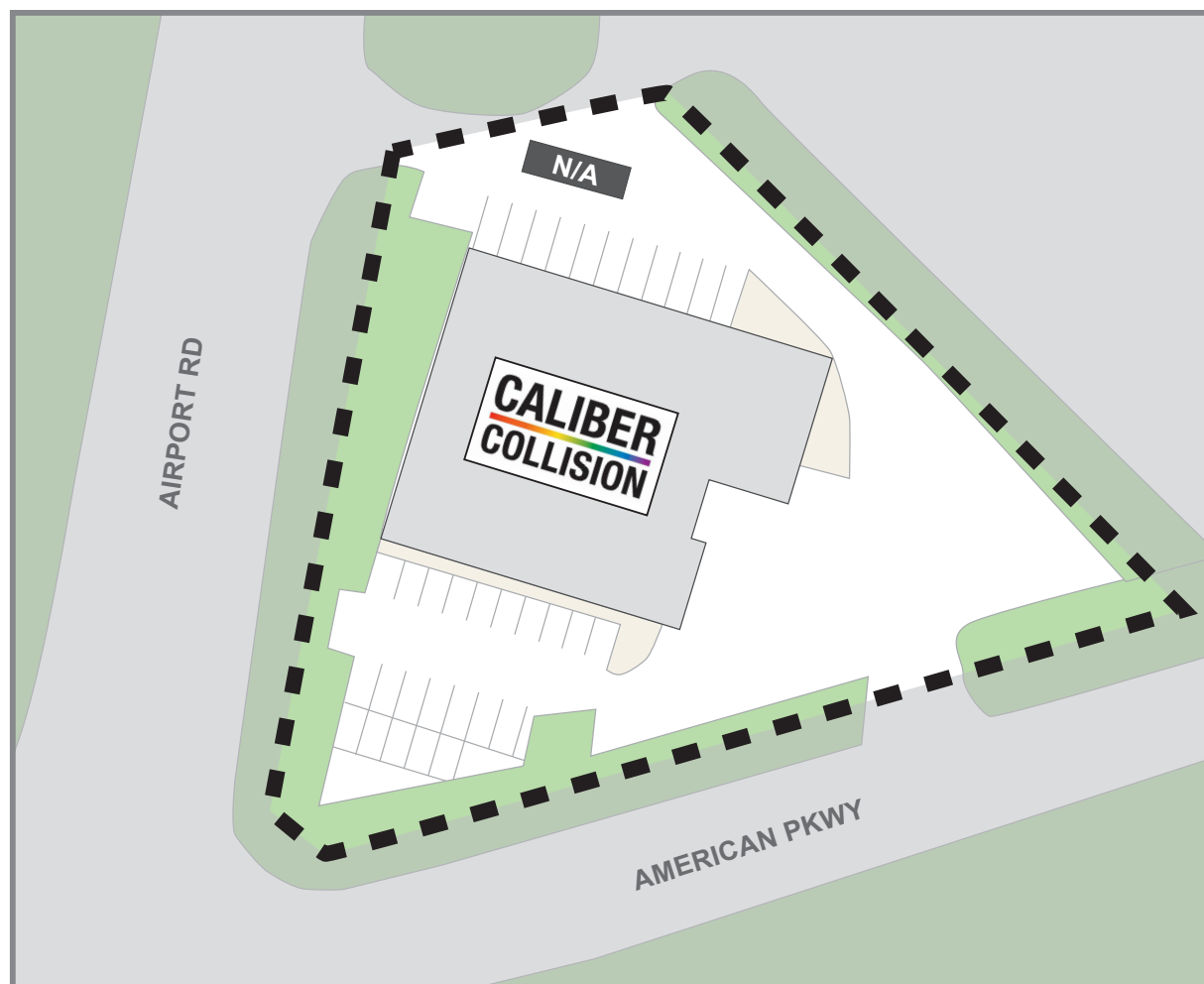
**Marcus & Millichap**

NNN DEAL GROUP



\*INFORMATION SECURED FROM SOURCES WE BELIEVE TO BE RELIABLE. ALL INVESTORS UNDERSTAND BROKER IS NOT QUALIFIED TO PROVIDE TAX ADVICE AND THAT SUCH ADVICE MUST BE CONFIRMED FROM AN ACCOUNTANT OR TAX PROFESSIONAL.

# SITE PLAN





# LOCATION OVERVIEW

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## ALLENTOWN, PENNSYLVANIA

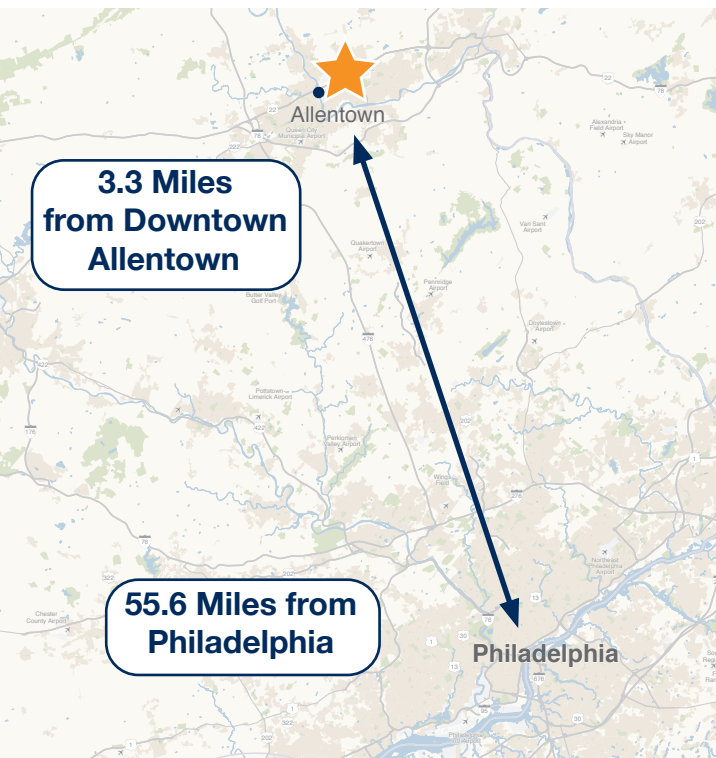
Allentown is a city in Lehigh County, Pennsylvania. It is the third most populous city in Pennsylvania. The city is approximately 55 miles north of Philadelphia, 75 miles south of Scranton, and 85 miles west of New York City making it one of the most convenient cities to get to from just about anywhere on the east. Allentown is one of the fastest growing cities in the US and has a population over 120,000 people. The city's vibrant downtown area and rapid growing economy make it the perfect place for any business to thrive.

There are various attractions and reasons that motivate people to visit or move to Allentown. One of them is Center City, which is the city's central business district. Having a dense population, Center City is currently undergoing an urban revitalization process, as many downtown apartment complexes are currently being built. These high-rise buildings are being built for millennials that work in the newer office buildings. Center City is also home to The Allentown Art Museum and The Liberty Bell Museum, landmarks that bring visitors from miles away due to their rich history. Center City's tallest building, the PPL building, is the headquarters of PPL, a publicly traded energy company that supplies energy to millions of residents in the US.

Allentown is also one of only six cities in the US that was named a national success story in 2016 by the Urban Land Institute. This was largely due to its downtown redevelopment that generated more than a billion dollars in new development projects.

Parts of Allentown boast a high average household income of just under \$120,000 dollars a year, which is much higher than the U.S. average of \$72,000 dollars a year.

Allentown was named by Forbes as one of the best places for business and careers. The city has a growing job rate of over 3% annually. Allentown also has a large school district, as the Allentown School District is the fourth largest school district in Pennsylvania. The daytime population can reach into the millions, as the majority of the population is within an hour radius of Allentown, which makes finding employees for any business a breeze.



## MAJOR EMPLOYERS ALLENTOWN, PA

|  |       |
|--|-------|
| Lehigh Valley Hospital/Health Services | 2,918 |
| Allentown School District              | 2,623 |
| St Lukes Hospital/Health Care          | 2,357 |
| Muhlenberg College                     | 2,173 |
| Lehigh County & Institutions           | 1,703 |
| Integrity Staffing Solutions           | 1,636 |
| Allied Personnel Services              | 1,479 |
| Good Shepherd Rehabilitation Network   | 1,082 |
| City of Allentown                      | 1,058 |
| Cedar Crest College                    | 976   |

# LOCATION HIGHLIGHTS

## ALLENTOWN, PENNSYLVANIA THE 3RD LARGEST CITY IN PENNSYLVANIA



Strong daytime population



Minimal national auto body  
competition in the region



Immediately south of Lehigh  
Valley International Airport



Strong daytime population  
density due to the area being the  
distribution and vendor hub for  
the International Airport






**CALIBER**  
**COLLISION**




# DEMOGRAPHICS / ALLENTOWN, PA



**276,603**  
Total Population  
Within 5-Mile Radius



**\$69,784**  
Average Household Income  
Within 5-Mile Radius



**\$51,348**  
Median Household Income  
Within 5-Mile Radius



**107,000** → ↑ **11.68%**  
Total Households Within  
5-Mile Radius  
From 2000

**CALIBER  
COLLISION**



| POPULATION         | 1 MILE | 3 MILES | 5 MILES |
|--------------------|--------|---------|---------|
| 2025 Projection    | 8,460  | 121,460 | 276,603 |
| 2020 Estimate      | 8,296  | 118,556 | 271,090 |
| Growth 2020 - 2025 | 1.97%  | 2.45%   | 2.03%   |
| 2000 Census        | 7,854  | 104,877 | 241,520 |
| 2010 Census        | 7,888  | 112,300 | 258,853 |
| Growth 2000 - 2010 | 0.44%  | 7.08%   | 7.18%   |

| HOUSEHOLDS         | 1 MILE | 3 MILES | 5 MILES |
|--------------------|--------|---------|---------|
| 2025 Projections   | 3,616  | 45,974  | 107,000 |
| 2020 Estimate      | 3,531  | 44,817  | 104,594 |
| Growth 2020 - 2025 | 2.43%  | 2.58%   | 2.30%   |
| 2000 Census        | 3,407  | 41,172  | 95,806  |
| 2010 Census        | 3,327  | 42,029  | 98,910  |
| Growth 2000 - 2010 | -2.35% | 2.08%   | 3.24%   |

| HOUSEHOLDS BY INCOME (2020 Est.)   | 1 MILE   | 3 MILES  | 5 MILES  |
|------------------------------------|----------|----------|----------|
| \$200,000 or More                  | 1.60%    | 2.24%    | 3.29%    |
| \$150,000 - \$199,999              | 2.85%    | 2.81%    | 4.19%    |
| \$100,000 - \$149,999              | 7.13%    | 9.43%    | 11.60%   |
| \$75,000 - \$99,999                | 12.33%   | 11.76%   | 12.82%   |
| \$50,000 - \$74,999                | 24.45%   | 19.89%   | 19.21%   |
| \$35,000 - \$49,999                | 14.43%   | 14.87%   | 13.82%   |
| \$25,000 - \$34,999                | 15.28%   | 11.72%   | 10.92%   |
| \$15,000 - \$24,999                | 11.54%   | 12.47%   | 11.40%   |
| \$10,000 - \$14,999                | 4.32%    | 6.21%    | 5.64%    |
| Under \$9,999                      | 6.06%    | 8.61%    | 7.11%    |
| 2020 Est. Average Household Income | \$59,564 | \$60,937 | \$69,784 |
| 2020 Est. Median Household Income  | \$48,607 | \$45,811 | \$51,348 |
| 2020 Est. Per Capita Income        | \$25,353 | \$23,368 | \$27,491 |

| POPULATION PROFILE               | 1 MILE | 3 MILES | 5 MILES |
|----------------------------------|--------|---------|---------|
| 2020 Estimated Population by Age | 8,296  | 118,556 | 271,090 |
| Under 4                          | 6.4%   | 7.1%    | 6.2%    |
| 5 to 14 Years                    | 11.1%  | 13.4%   | 12.1%   |
| 15 to 17 Years                   | 3.4%   | 4.0%    | 3.7%    |
| 18 to 19 Years                   | 1.8%   | 2.4%    | 3.2%    |
| 20 to 24 Years                   | 6.2%   | 7.2%    | 8.1%    |
| 25 to 29 Years                   | 9.1%   | 8.4%    | 7.8%    |
| 30 to 34 Years                   | 8.8%   | 8.0%    | 7.3%    |
| 35 to 39 Years                   | 7.6%   | 6.9%    | 6.5%    |
| 40 to 49 Years                   | 11.6%  | 11.6%   | 11.2%   |
| 50 to 59 Years                   | 11.9%  | 11.7%   | 12.1%   |
| 60 to 64 Years                   | 6.2%   | 5.1%    | 5.6%    |
| 65 to 69 Years                   | 4.8%   | 4.1%    | 4.5%    |
| 70 to 74 Years                   | 3.8%   | 3.3%    | 3.7%    |
| Age 75+                          | 7.3%   | 6.7%    | 7.8%    |
| 2020 Median Age                  | 37.0   | 34.7    | 36.1    |

|   |        |        |         |
|---|--------|--------|---------|
| 2020 Population 25 + by Education Level | 5,902  | 78,134 | 180,524 |
| Elementary (0-8)                        | 2.88%  | 5.60%  | 4.43%   |
| Some High School (9-11)                 | 9.99%  | 11.53% | 9.46%   |
| High School Graduate (12)               | 42.32% | 37.94% | 35.62%  |
| Some College (13-15)                    | 17.60% | 18.25% | 18.45%  |
| Associates Degree Only                  | 8.94%  | 7.34%  | 7.98%   |
| Bachelors Degree Only                   | 10.95% | 11.35% | 14.08%  |
| Graduate Degree                         | 5.00%  | 6.03%  | 8.41%   |



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# CALIBER COLLISION

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ALLENTOWN  
PENNSYLVANIA

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