



SUBJECT PROPERTY



OFFERING MEMORANDUM

**ADVANCE AUTO PARTS**

HAMLET, NC

Marcus & Millichap

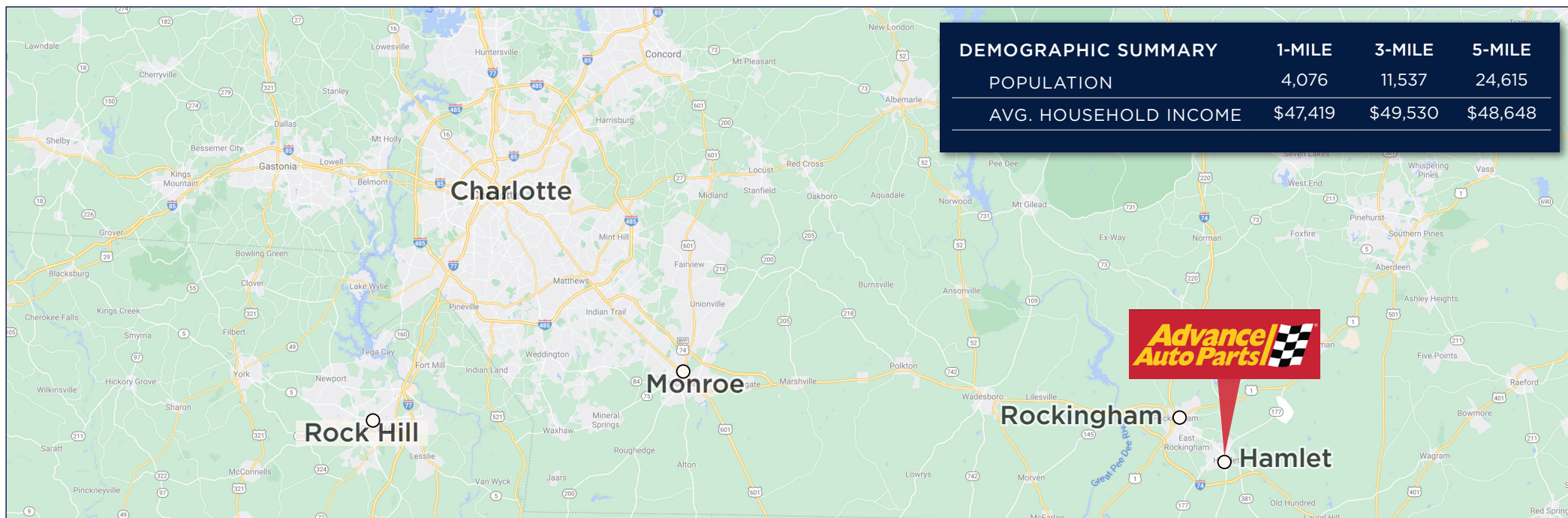


# OFFERING SUMMARY



ADDRESS	532 W. Hamlet Avenue, Hamlet NC 28345
PRICE	\$1,068,000
CAP RATE	5.90%
NOI	\$63,000
RENTABLE SQUARE FEET	7,000
PRICE/SF	\$153
YEAR BUILT	2006
LOT SIZE	0.74 AC
TENANT TRADE NAME	Advance Auto Parts
LEASE GUARANTOR	Corporate
LEASE TYPE	NN
ROOF & STRUCTURE	Landlord

LEASE TERM		10 Years	
RENT COMMENCEMENT DATE		August 2006/August 2021	
LEASE EXPIRATION DATE		July 2031	
TERM REMAINING ON LEASE		10 Years	
INCREASES		5% Increases During Option	
OPTIONS		Three, 5-Year Options	
OPTION RENT	BASE RENT	Years 1-10	\$63,000
		Years 11-15 (Option 1)	\$66,150
		Years 16-20 (Option 2)	\$69,458
		Years 21-25 (Option 3)	\$72,930
TENANT RESPONSIBILITIES		Taxes, Insurance, Utilities	
LANDLORD RESPONSIBILITIES		Roof, Structure, Parking Lot, HVAC	



# INVESTMENT HIGHLIGHTS

## NEW 10-YEAR LEASE EXTENSION

- Advance Auto Parts just executed a new 10-year lease extension at this location commencing in August 2021.
- The Tenant has been operating successfully at this location for 14 years.
- There are 5% rent increases every 5 years during each of the 3, 5-year options.
- The Tenant is responsible for taxes, insurance, and utilities and the Landlord for roof, structure, parking lot, and HVAC.

## INVESTMENT GRADE TENANT

- Advance Auto Parts is a publicly traded (NYSE:AAP) Fortune 500 company with an investment grade credit rating of BBB-.
- They currently have over 6,290 stores in the U.S., Puerto Rico, Virgin Islands, and Canada.
- Advance Auto Parts has been in business for 88 years and has a current net worth of \$3.7 Billion.

## ATTRACTIVE LOW RENT & RENT TO SALES RATIO

- The Tenant is only paying a low \$9.00/SF (\$63,000 a year) in rent at this location which equates to a low price point and offers upside should the tenant ever leave.
- The store has performed well and consistently maintained a sub 5% rent to sales ratio.

## PRIMARY RETAIL CORRIDOR

- Strategically positioned at the intersection of U.S. Hwy 74 (12,500 VPD) and King Street (11,000 VPD).
- The property is located on the primary retail corridor of Hamlet and is surrounded by national tenants including Burger King, Dollar General, Dairy Queen, Hardees, and more.
- In addition, there are multiple housing developments and apartments nearby, and the 5-Mile population is 24,615.
- Located 3 Miles from Richmond County Airport that sees an average of 28 aircraft operations per day.

## NEAR CHARLOTTE, NC

- Hamlet is located at the junction of three major CSX rail lines approximately 70 miles East of Charlotte and 5 miles from downtown Rockingham.
- Mackall Army Airfield, a primary training ground for the U.S. Army Special Forces, is located in Rockingham, North Carolina. 270,811 military personnel are assigned to Mackall Army Airfield and Fort Bragg.
- Downtown Rockingham is currently being revitalized as part of a ten-year plan named "Shaping Our Future: 2023."





# TENANT SUMMARY



**BBB-**

CREDIT RATING  
INVESTMENT GRADE



**AAP**

STOCK  
SYMBOL



**\$3.7 B**

NET  
WORTH



**88**

YEARS  
IN BUSINESS



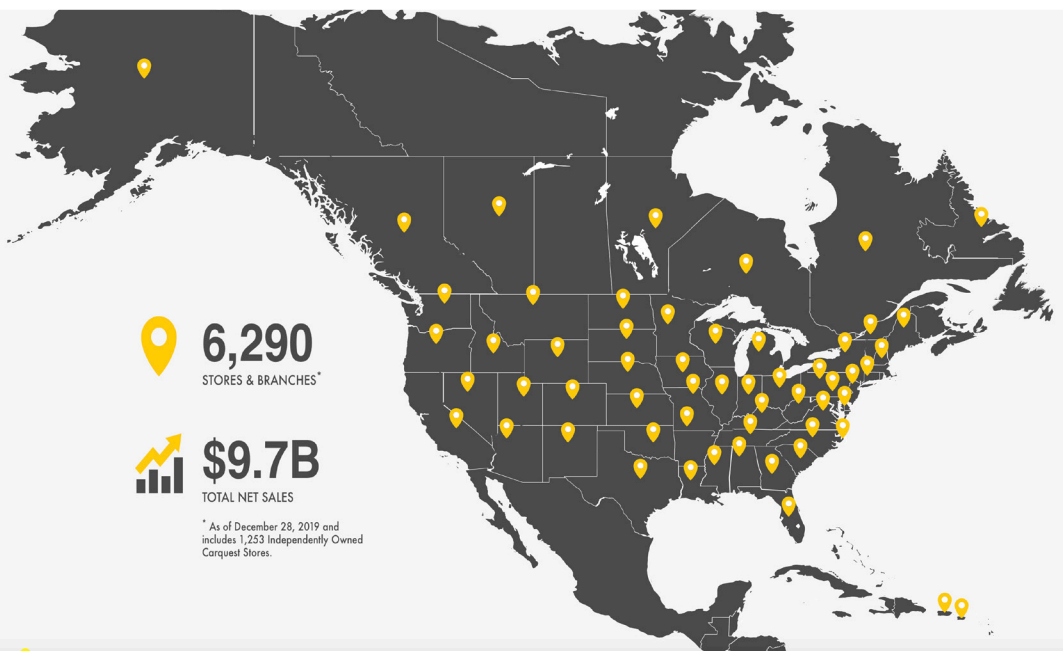
**6,290**

STORES IN  
US & CANADA



**330**

FORTUNE 500  
RANKING



**\*DieHard**  
POWER AHEAD®

In the fourth quarter, we acquired the **DieHard®** brand, the most trusted brand in the automotive battery category. This will continue to differentiate us and enable us to be a leader in the category.

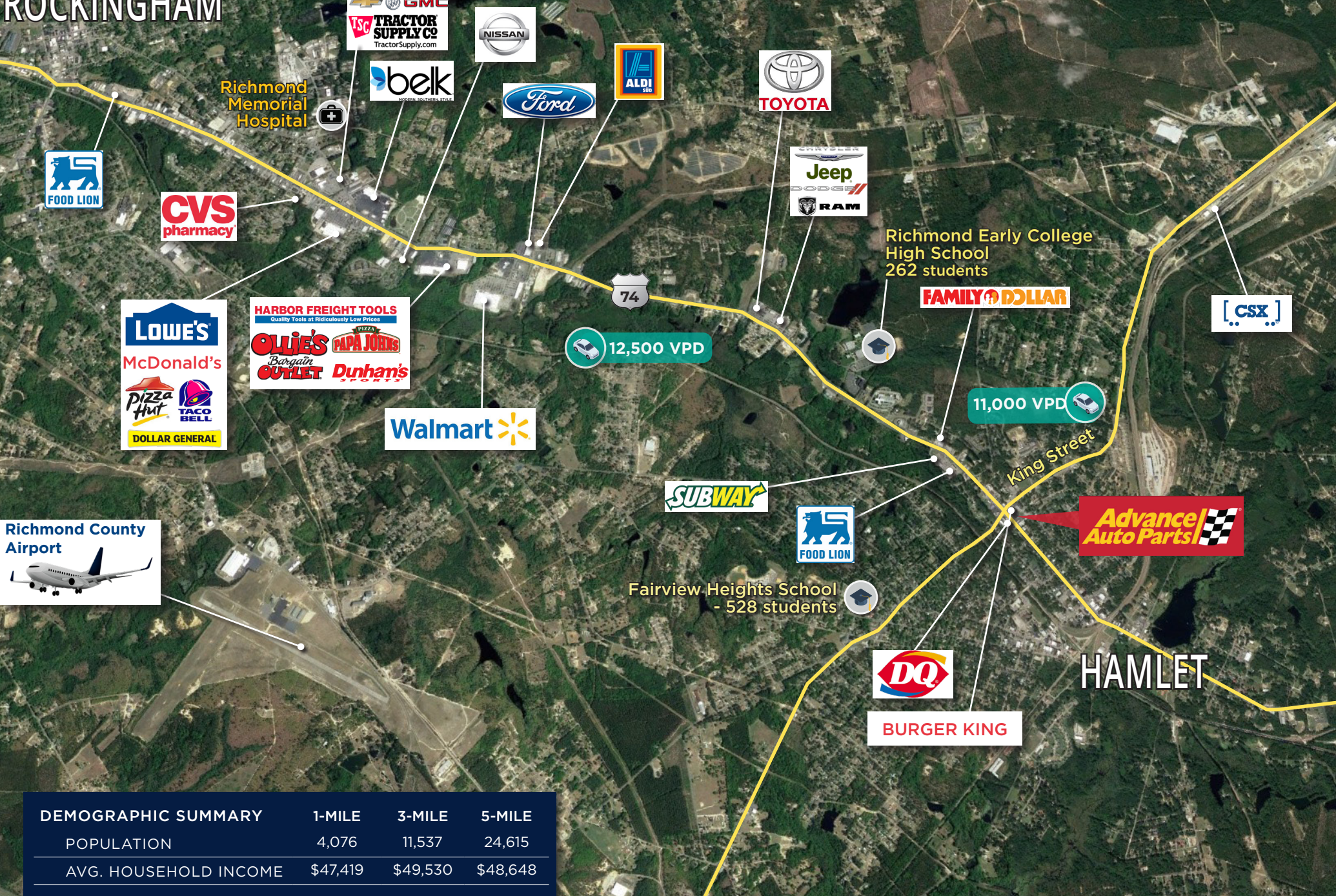
During 2019, we invested approximately **\$270 million** in capital expenditures, focusing on supply chain, information technology and eCommerce to improve our customer value proposition.



*\*Source: AAP 2019 Annual Report*



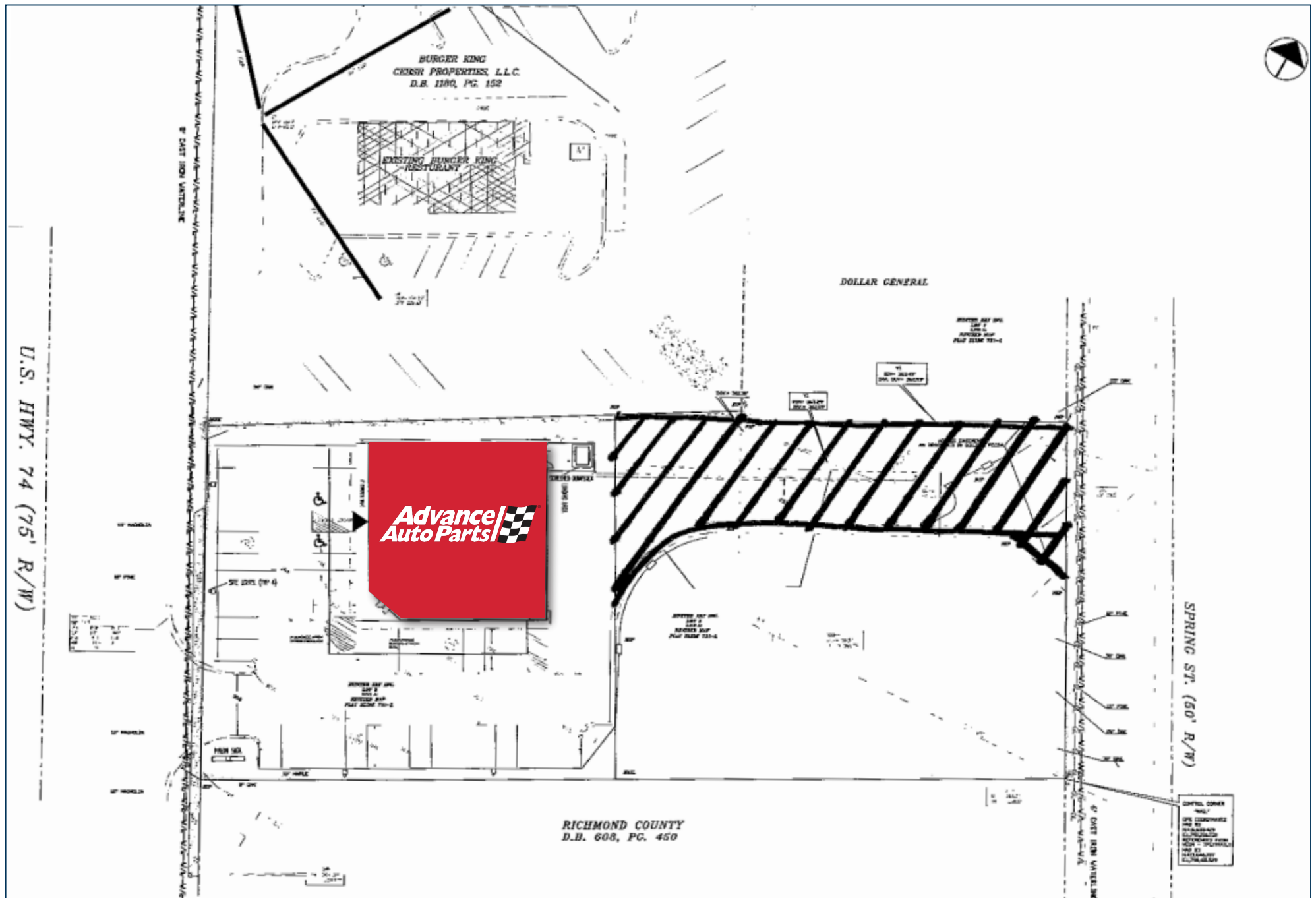
# ROCKINGHAM



DEMOGRAPHIC SUMMARY	1-MILE	3-MILE	5-MILE
POPULATION	4,076	11,537	24,615
AVG. HOUSEHOLD INCOME	\$47,419	\$49,530	\$48,648



# SITE PLAN





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SUBJECT PROPERTY



**Marcus & Millichap**  
**TAYLOR MCMINN**  
**RETAIL GROUP**

Dated:

Don McMinn  
Marcus & Millichap  
1100 Abernathy Road, NE, Suite 600  
Atlanta, GA 30328

Phone: (678) 808-2762  
Fax: (815) 550-1286  
don.mcminn@marcusmillichap.com

**Re: 532 W Hamlet Ave – Hamlet, NC 28345 (Advance Auto Parts)**

Dear:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

**Purchaser** \_\_\_\_\_

**Purchaser's  
Address** \_\_\_\_\_

**Purchaser's  
Phone/Fax** \_\_\_\_\_

**Purchaser's  
Email Address** \_\_\_\_\_

**Offer Price** \_\_\_\_\_

**Earnest Money** \$25,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract with an additional \$25,000 deposited at the expiration of the Inspection Period (\$50,000 Total). The Earnest Money shall become non-refundable barring any other listed contingencies at the expiration of the Inspection Period.

**Inspection Period** 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_



**Financing Period**  
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$\_\_\_\_\_ on terms which are acceptable to Purchaser.

**Closing Date**  
(Please Check One)

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

☐ **Existing Property** Within 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

**Closing Costs**

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

**Property Condition**

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

**Contract within  
10 days:**

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

**Broker Commission**

Purchaser acknowledges that Purchaser has employed \_\_\_\_\_, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

**1031 Exchange**

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$\_\_\_\_\_ in an exchange account from a transaction which closed escrow on \_\_\_\_\_. Purchaser will provide Seller, upon request, proof of such funds.

**Confidentiality**

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_

accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

**Agreed and Accepted | Purchaser**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Dated: \_\_\_\_\_

**Agreed and Accepted | Seller**

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Dated: \_\_\_\_\_

Purchaser's Initials \_\_\_\_\_ Seller's Initials \_\_\_\_\_