



ACTUAL LOCATION

OFFERING MEMORANDUM



Single Tenant Valvoline

Long-Term Corporately Guaranteed NNN Ground Lease
Brand New Construction | Growing Roanoke, VA Market

4206 FRANKLIN ROAD SW | ROANOKE, VA

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INVESTMENT Summary

Valvoline | Roanoke, VA



The Offering



JLL is pleased to exclusively offer the opportunity to acquire a single tenant property corporately leased to Valvoline (the “Property”) in Roanoke, VA. The tenant, who built the building in 2020, has 14.5 years of term remaining on its original fifteen (15) year NNN ground lease. The corporately guaranteed ground lease calls for ten percent (10%) increases every five years throughout the primary term, and those increases rise to twelve percent (12%) in each of the three, five-year options. Valvoline is an essential retailer who has adjusted accordingly by incorporating ‘stay in your car’ oil changes to safely accommodate their consumers’ needs.

The newly constructed Valvoline at Hunting Hills is located in the single most strategic and favorable position for an automotive service provider in the growing and expansive trade area of Southern Roanoke. The Property has prime visibility from Route 220, which is home to over 32,000 vehicles per day. Valvoline is situated along the main entrance of Hunting Hills, a well-performing, 167,875 square foot Kohl’s and PetSmart anchored shopping center. As an outparcel to the shopping center, it provides cross-shopping opportunities to over 1.37 million customers annually, who predominately travel to Hunting Hills by vehicle. The Property is also shadow anchored by a 140,000 square foot Lowe’s and 130,000 square foot Home Depot which generate significant traffic to the Valvoline’s immediate submarket.

Valvoline (NYSE: VVV) is a leading worldwide marketer and supplier of premium branded lubricants and automotive services with sales in more than 140 countries. Established in 1866, Valvoline ranks as the No. 3 passenger car motor oil brand in the DIY market by volume. It also operates and franchises the No. 2 quick-lube chain by number of stores in the United States with more than 1,300 Valvoline Instant Oil Change centers. In 2019, Valvoline reported \$2.4 billion in sales, a 5% increase from the previous year and same store sales grew by 10.1%.

Address	4206 Franklin Road SW, Roanoke, VA 21014
Price	\$1,427,200
Cap Rate	5.15%
NOI	\$73,500
Lease Type	NNN Ground Lease
Building Size	1,668 SF
Parcel Size	0.46 Acres
Year Built	2020
Tenant	Valvoline LLC
Guarantor	Valvoline, Inc.
Remaining Lease Term	14.5 Years (Expiration: 4/30/2035)
Remaining Options	Three (3), Five (5) Year Options
Rental Increases	10% Every Five Years in Primary Term and 12% Each Option



Investment Highlights



The newly built Valvoline is on a 15-year NNN ground lease, with ten percent (10%) rental increases every five (5) years throughout the primary term and twelve percent (12%) increases each option period.



Valvoline (NYSE: VVV) is an essential retailer and leading worldwide marketer and supplier of premium branded lubricants and automotive services. In 2019 Valvoline reported \$2.4 billion in sales, a 5% increase from the previous year and same store sales grew by 10.1%.



Valvoline's roadside visibility allows it to capture much of the roughly 32,000 VPD along Franklin Road SW (Route 220), a major thoroughfare in Roanoke, VA.



Valvoline is in close proximity with nationally recognized retailers such as Lowe's, The Home Depot, Belk, T.J. Maxx, Big Lots, Chick-fil-A, Outback Steakhouse, Starbucks, IHOP, Texas Roadhouse and Bojangles, helping drive more consumers to the area.



Valvoline, the number 2 chain by number of stores in the United States, benefits from being an outparcel to the Hunting Hills, which is visited over an estimated 1,370,000 times annually and features other well-known retailers such as Kohl's, Dollar Tree, Taco Bell and PetSmart. (placement)



The number of households within a 1-mile radius of the Property has grown over 10% since 2010, with the affluent population earning an average income of \$112,867 annually.



TENANT Overview

Valvoline | Roanoke, VA



Valvoline Overview



Valvoline (NYSE: VVV) is a leading worldwide marketer and supplier of premium branded lubricants and automotive services with sales in more than 140 countries. Established in 1866, Valvoline ranks as the No. 3 passenger car motor oil brand in the DIY market by volume. It also operates and franchises the No. 2 quick-lube chain by number of stores in the United States with more than 1,300 Valvoline Instant Oil Change centers. In 2019, Valvoline reported \$2.4 billion in sales, a 5% increase from the previous year and same store sales grew by 10.1%

Valvoline has a strong international presence with products sold in more than 140 countries. In the United States and Canada, Valvoline's products and services are sold to retailers with over 50,000 retail outlets, to installer customers with over 15,000 locations and through 1,385 company-owned and franchised stores.

valvoline.com

TENANT / OPERATOR OVERVIEW

Ownership	Public
Stock Symbol	VVV (NYSE)
Credit Rating:	BB (S&P)
Year Founded	1866
Headquarters	Lexington, KY
# of Locations	1,400+





FINANCIAL Analysis

Valvoline | Roanoke, VA



Lease Abstract



\$1,427,200

Asking Price

5.15%

Cap Rate

\$73,500

NOI

LEASE DETAIL

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RENT SCHEDULE

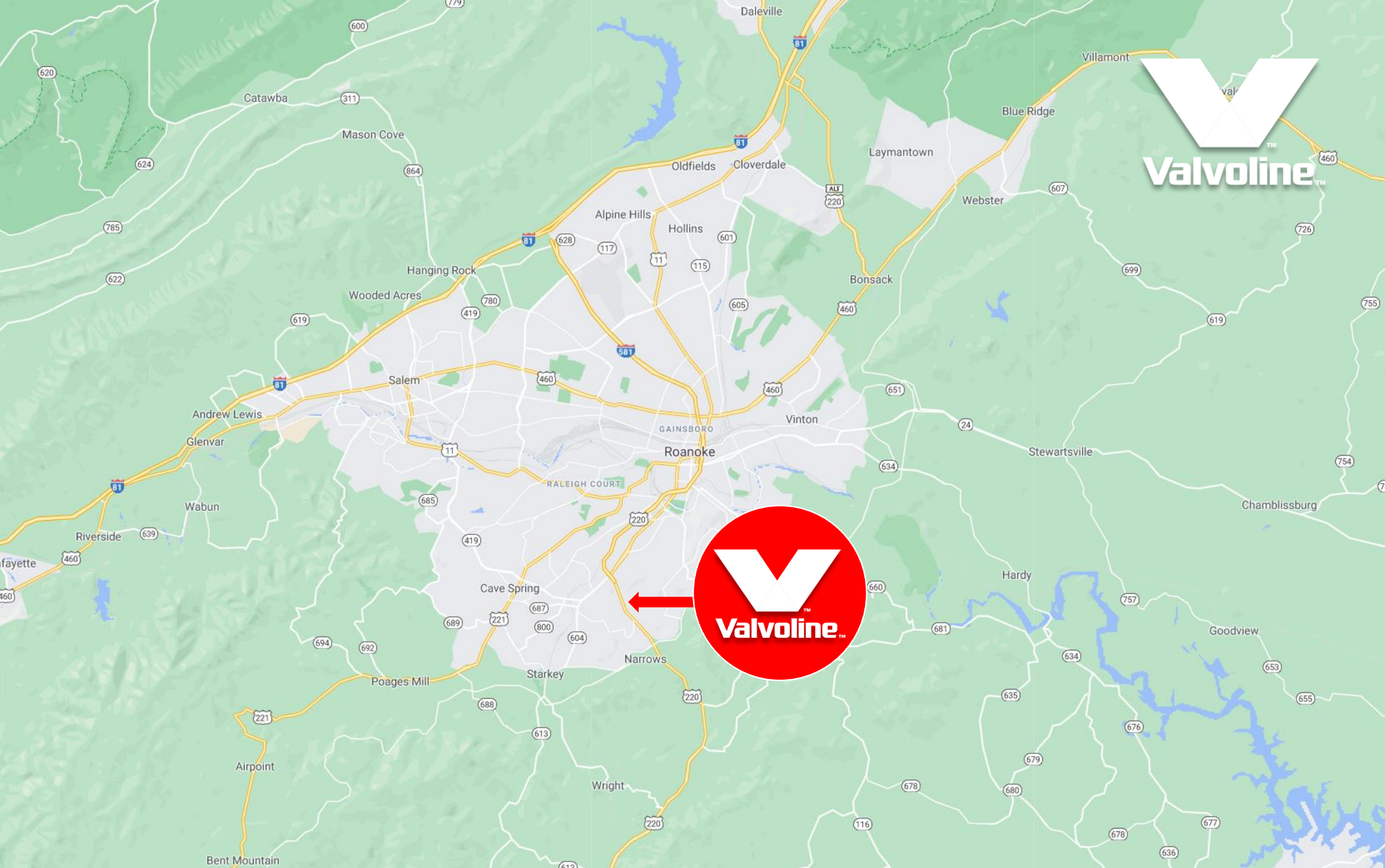
Description	Dates	Annual Rent	% Increase
Current Term (Year 1-5)	5/1/2020 - 4/30/2025	\$72,500	-
Current Term (Year 6-10)	5/1/2025 - 4/30/2030	\$79,750	10.00%
Current Term (Years 11-15)	5/1/2030 - 4/30/2035	\$87,725	10.00%
Option Term 1 (Years 16-20)	5/1/2035 - 4/30/2040	\$98,252	12.00%
Option Term 2 (Years 21-25)	5/1/2040 - 4/30/2045	\$110,042	12.00%
Option Term 3 (Years 26-30)	5/1/2045 - 4/30/2050	\$123,247	12.00%

TENANT RESPONSIBILITY DETAIL

Maintenance & Repairs	Tenant shall, at its own cost and expense, make all repairs and replacements and perform all maintenance work necessary or appropriate to keep the Premises in good order, condition and repair, and in a clean, neat, orderly and attractive condition.
Insurance	Tenant to be responsible for all insurance as required in the Lease, including but not limited to Fire and extended coverage insurance and Commercial General Liability Insurance.
Taxes	Tenant agrees to pay all Real Estate Taxes which are fixed, charged, levied, assessed or otherwise imposed by any governmental authority upon or against the Premises and/or any Improvements thereon.
Utilities	Tenant shall be solely responsible for and shall promptly pay all charges for utilities used on or arising from the operation of the Premises.
Common Area Maintenance	Tenant agrees to pay to Tenant's Landlord a contribution towards the maintenance and repair of the Common Access Driveways. The contribution shall be \$1,000 per year and increase 2% annually. Hunting Hills Landlord will continue to be responsible for the maintenance of the Common Access Driveways throughout Tenant's lease and option periods.

LANDLORD RESPONSIBILITY DETAIL

Maintenance & Repairs	None
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LOCATION Overview

Valvoline | Roanoke, VA



Surrounding Retail & Amenities



Site Plan



Valvoline at Hunting Hills

The newly constructed Valvoline at Hunting Hills is located along Route 220, in the single most strategic and favorable position for an automotive service provider in the growing and expansive trade area of Southern Roanoke. The Property has prime visibility from Route 220, the focal thoroughfare into the City of Roanoke from the expansive trade area to the south and east of the city, and interfaces with over 32,000 vehicles per day. In addition, the Valvoline's proximity to Hunting Hills, a well-performing, 167,875 square foot Kohl's and PetSmart anchored shopping center, provides cross-shopping opportunities to over 1.37 million customers annually, who overwhelmingly travel to Hunting Hills by vehicle. The Property is also shadow anchored by a 140,000 square foot Lowe's and 130,000 square foot Home Depot which generate significant traffic to the Valvoline's immediate submarket.

The Valvoline at Hunting Hills also benefits tremendously from the demographic profile of its immediate, surrounding neighborhoods: The number of households within a 1-mile radius of the Property has grown over 10% since 2010 and earns an average income of \$112,867 annually. With limited competition for automotive services within the submarket, the Valvoline at Hunting Hills is well-positioned to capture both the large, transient consumer base in the expanded trade areas South and East of Roanoke and the affluent consumer base in its immediate vicinity.



Distance from Subject		-	.75 Miles	1 Mile	1.75 Miles	2.5 Miles
Shopping Center Name	Valvoline at Hunting Hills 4206 Franklin Rd SW Roanoke, VA 24014	Hunting Hills 4208 Franklin Rd SW Roanoke, VA 24014	Tanglewood Mall 4208 Electric Rd Roanoke, VA 24018	Old Country Plaza 4480 Electric Rd Roanoke, VA 24018	Promenade Park 4480 Electric Rd Roanoke, VA 24018	Cave Springs Corner 4480 Electric Rd Roanoke, VA 24018
Year Built / Renovated	2020	1989	1973 / 2006	1983	1986	1969 / 2005
Total Size	1,668 SF	167,875 SF	683,783 SF	83,500 SF	35,975 SF	147,133 SF
Anchor Tenants	32,000	Kohl's PetSmart	Belk, TJ Maxx, Staples	Food Lion	Pizza Hut, Subway	Kroger, Hamrick's, Dollar General

Roanoke, Virginia

Greater Roanoke is one of the most historic, scenic and exciting cities in the state of Virginia. The city is the center of one of Virginia's largest metropolitan regions and is a hub of tourism, transportation, higher education and industry for the southwestern part of the state.

The scenic beauty of the Roanoke Valley, located between the Blue Ridge and the Virginia Alleghany Highlands, attracts thousands of tourists annually and has established Roanoke as a top place to live and work in Virginia. The city's position on the East Coast and connectivity to the US interstate system, via Interstate 81, provides quick access to major population hubs like nearby Raleigh-Durham (130 Miles), Charlotte (150 Miles), Richmond (168 miles), and Washington DC (190 Miles). Roanoke is also connected to the US passenger rail system via Amtrak and serves as a major industrial hub for Norfolk Southern's freight rail system. Proximity to Academic Institutions like Roanoke College, Virginia Tech, Virginia Military Institute, Washington and Lee University and Radford University has also established Roanoke as a hub of higher education.

20 Best Places in Virginia to Start a Business

NerdWallet

Top 25 Cities that Millennials Actually Want to Live In

The Penny Hoarder

Top 100 Best Places to Live in US

Livability

All-America City Hall of Fame

National Civic League

Best Place to Raise a Kids

SmartAsset

Top US Destination for 2018

AARP

Roanoke, Virginia



(EnviroNics Analytics)

DEMOGRAPHICS

	1-mile	3-mile	5-mile
POPULATION			
2025 Projection	3,655	45,284	105,085
2020 Estimate	3,561	44,840	104,112
2010 Census	3,258	43,354	101,000
Est. Growth 2020-2025	2.6%	1.0%	0.9%
Growth 2010-2020	9.3%	3.4%	3.1%
INCOME			
2020 Est. Average Household Income	\$112,867	\$92,533	\$76,902
% of Average HHI > \$75,000	46.2%	43.9%	35.8%
Median Home Value	\$356,161	\$215,711	\$195,186
HOUSEHOLDS			
2025 Projection	1,979	21,446	45,943
2020 Estimate	1,931	21,226	45,499
2010 Census	1,753	20,455	44,100
Est. Growth 2020-2025	2.5%	1.0%	1.0%
Growth 2010-2020	10.2%	3.8%	3.2%

NEARBY, NATIONALLY RECOGNIZED ACADEMIC INSTITUTIONS



2,000+
Undergraduate
Enrollment



29,000+
Undergraduate
Enrollment



8,000+
Undergraduate
Enrollment



1,700+
Undergraduate
Enrollment



WASHINGTON AND LEE
UNIVERSITY

1,900+
Undergraduate
Enrollment

ROANOKE TOP 10 EMPLOYERS

#	Employer	Industry	Employees
1	Carilion Clinic	Health Care	10,000+
2	Wells Fargo Bank	Banking	1,000-2,999
3	HCA Health System	Health Care	1,000-2,999
4	Kroger	Regional Headquarters and Retail	1,000-2,999
5	Walmart	Retail	1,000-2,999
6	Advance Auto	Retail and Office	1,000-2,999
7	Ply Gem Windows	Manufacturing	1,000-2,999
8	WestRock	Manufacturing (Paperboard)	1,000-2,999
9	UPS	Logistics	1,000-2,999
10	Altec Industries	Manufacturing (Transportation Equipment)	1,000-2,999



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