

OFFERING MEMORANDUM



600 AIR BASE BLVD | MONTGOMERY, AL 36108



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LIC # 01982875

BROKER OF RECORD

KYLE MATTHEWS

LIC # 110253 (AL)

A photograph of an Advance Auto Parts store with a red overlay and large white text. The store is a single-story building with a red roof and white walls. A large red banner with the text "Advance Auto Parts" is visible above the entrance. The entrance has large glass windows displaying various car parts and prices. A white car is parked in the foreground on the right, and a black pickup truck is parked on the left. The sky is blue with white clouds. The entire image is covered with a semi-transparent red overlay, and the words "EXECUTIVE OVERVIEW" are written in large, white, sans-serif capital letters across the center.

EXECUTIVE OVERVIEW

REPRESENTATIVE PHOTO

INVESTMENT HIGHLIGHTS



- **Low Rent:** Newer development Advance Auto Parts stores are paying \$100,000+ while they're only paying half of that amount here, promoting longevity at this location.



- **Oversized Parcel:** At well over an acre, there are future expansion or redevelopment opportunities



- **Maxwell Airforce Base:** Subject property is located only about a mile south of Maxwell Air Force Base that has a population of more than 12,500 active duty, reserve, civilian, and contractor personnel.



- **Recent Renewal:** In addition to the two options exercised already in 2013 and 2017, Advance Auto Parts recently extended the lease out to 2026 as well as added 2 more options to renewals, showing strong commitment to the location.



- **Investment-Grade Credit:** Advance Auto Parts boasts strong investment-grade credit of BBB- (S&P)



- **Pandemic Resistant:** During the COVID shutdown, auto parts were deemed an essential business, allowing Advance Auto Parts to keep their doors open. In doing so, while many other brick and mortar retailers saw a loss of revenue, Advance Auto Parts' revenue grew by an impressive 2.4%. They concluded 2020 with \$10+ Billion in annual sales and continue to boast investment-grade credit by Standard and Poors, BBB-.



A photograph of an Advance Auto Parts store with a red and white facade. The store has large glass windows displaying various automotive products. In the foreground, two silver SUVs are parked in the lot. The background shows trees and a blue sky with clouds. The entire image is overlaid with a semi-transparent red filter.

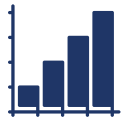
FINANCIAL OVERVIEW

REPRESENTATIVE PHOTO



\$554,400

LIST PRICE



7.75%

CAP RATE



1999

YEAR BUILT



±4,800

GLA



±1.45 AC

LOT SIZE



TENANT SUMMARY

Tenant Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Original Lease Term	5 Years
Lease Commencement Date	04/04/2009
Lease Expiration Date	03/31/2026
Term Remaining	±5 Years
Increases	5% in Options
Options	2, 5-Year
Roof & Structure	Tenant Responsible
APN	11-05-15-4-007-001.001

*Lessee shall pay for all roof repair and replacement up to a maximum amount of \$1,500 per project; Lessor shall cover any amount in excess of said amount.

**For the months of April, May, and June in 2022, 1/2 of the tenant's monthly rent shall be abated; therefore, seller will credit the buyer for the difference in rent at closing.

ANNUALIZED OPERATING SUMMARY

	MONTHLY	ANNUAL	ANNUAL RENT/SF	CAP RATE
Current - 3/31/2026	\$3,575	\$42,900	\$8.94	7.75%
Option 1	\$3,754	\$45,045	\$9.38	8.13%
Option 2	\$3,941	\$47,297	\$9.85	8.53%

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

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LTV: 65.00%

RATE: 3.900%

AMORTIZATION: 25



REPRESENTATIVE PHOTO

TENANT OVERVIEW



REPRESENTATIVE PHOTO



COMPANY NAME

Advance Auto Parts

OWNERSHIP

Public

S&P CREDIT RATING

BBB-

YEAR FOUNDED

1929

INDUSTRY

Auto Service

HEADQUARTERS

Roanoke, VA

NO. OF EMPLOYEES

±74,000

TENANT OVERVIEW

Headquartered in Roanoke, VA., Advance Auto Parts, Inc., the largest automotive aftermarket parts provider in North America, serves both the professional installer and do-it-yourself customers. Advance Auto Parts operates over 4,976 stores, over 127 Worldpac branches and serves approximately 1,250 independently owned CARQUEST branded stores in the United States, Puerto Rico, the U.S. Virgin Islands and Canada. Employing approximately 74,000 Team Members, the company works hard to create an environment of honesty, integrity, mutual trust and dedication. These values have remained the same since Advance Auto Parts founding in 1929. Advance Auto Parts operates stores that primarily offer auto parts such as alternators, batteries, belts and hoses, chassis parts, clutches, engines and engine parts.

STRATEGY

AAP continues to expand its store network in both new and existing markets to grow its commercial and DIY customer base. In a move that created the largest automotive aftermarket parts provider in North America and surpassed rival AutoZone in sales, AAP acquired privately-held General Parts International, a distributor and supplier of original equipment and aftermarket replacement products for commercial markets operating under the CARQUEST and WORLDPAC brands. The company has also been moving into the commercial market in recent years. To better serve commercial customers, AAP has added more parts from key manufacturers to its inventory and expanded its workforce with parts professionals, delivery drivers, and sales representatives.

SALES & MARKETING

Advance Auto Parts builds its marketing and advertising campaigns around radio, television, direct marketing, mobile and social media, and local in-store marketing. Its “Speed Perks” customer loyalty campaign targets core DIY customers and emphasizes service. The company also employs Spanish-language television, radio, and outdoor ads to reach Latinos.

GEOGRAPHIC REACH


The auto parts chain has stores in all 50 states, as well as Puerto Rico, the US Virgin Islands, and Canada. Florida is the company’s largest market with more than 500 stores. North Carolina, New York, Ohio, Pennsylvania, and Georgia are also major markets for Advance Auto Parts, each home to more than 250 stores.

SURROUNDING AREA MAP





TRAFFIC COUNTS



AIR BASE BLVD ±14,000 VPD

I-85 ±109,000 VPD

I-65 ±72,000 VPD

**Advance
Auto Parts** 

SUBJECT PROPERTY



AREA OVERVIEW



MONTGOMERY, AL

Montgomery is the capital of the U.S. state of Alabama and is the county seat of Montgomery County. Named for Richard Montgomery, it is located on the Alabama River, in the Gulf Coastal Plain. As of the 2010 Census, Montgomery had a population of 205,764. It is the second-largest city in Alabama, after Birmingham.

In addition to housing many Alabama government agencies, Montgomery has a large military presence due to Maxwell Air Force Base; public universities Alabama State University, Troy University, and Auburn University at Montgomery; private colleges/universities Faulkner University and Huntingdon College; high-tech manufacturing, including Hyundai Motor Manufacturing Alabama; and cultural attractions such as the Alabama Shakespeare Festival and Montgomery Museum of Fine Arts.

Montgomery has won several national awards including being voted Best Historic City by USA Today, being named an All-America City in 2014 by the National Civic League, being named a “Top City For Job Growth” in 2014 by ziprecruiter.com, and being named the happiest city in Alabama. Montgomery has also been recognized nationally for its successful, and ongoing downtown revitalization and new urbanism projects with Montgomery having been one of the first cities in the nation to implement Smart Code Zoning.

ECONOMIC OVERVIEW

Montgomery is strategically located at the intersection of Interstate 65 and Interstate 85 at the center of the Black Belt region, making it an economic hub for many industries. It is home to many Alabama government agencies, but also has a strong military presence due to the Maxwell Air Force Base. Public universities like Alabama State University, Troy University, Auburn University at Montgomery, and Faulkner drive revenue into the local economy. Montgomery also has a strong industrial base that includes Hyundai Motor Manufacturing, Mercedes Benz and Honda. In recent years Montgomery has increased employment in the healthcare sector and it serves as a hub for healthcare in central Alabama and the Black Belt Region. This unique diversity provides a well-balanced economic environment that supports and fuels economic growth.

NATIONALLY RANKED QUALITY OF LIVING

- Ranks as a “Best Place to Start a Business” of the U.S. most populated cities
- Top City for Job Growth by ZipRecruiter.com
- “Best City for First-Time Home Buyers in Alabama”
- Happiest city in Alabama



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	3,197	28,188	71,033
2020 Estimate	2,827	25,739	68,031
2010 Census	3,100	27,979	73,337
Growth 2020-2025	13.08%	9.51%	4.41%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	1,233	10,412	27,447
2020 Estimate	1,081	9,272	25,926
2010 Census	1,143	9,891	27,176
Growth 2020-2025	14.02%	12.29%	5.87%
INCOME	1-MILE	3-MILE	5-MILE
2020 Average Household Income	\$34,610	\$46,307	\$55,660

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Advance Auto Parts** located in **600 Air Base Blvd | Montgomery, AL 36108** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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REAL ESTATE INVESTMENT SERVICES



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