

# VALVOLINE GROUND LEASE

1925 GA-20 S

Conyers, GA 30012 (Atlanta, GA MSA)



Actual Location

Marcus & Millichap  
MOLLOY KAYE RETAIL GROUP

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Marcus & Millichap





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## OFFERING HIGHLIGHTS

1925 GA-20 S

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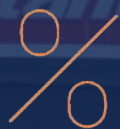
\$2,211,000

Price



±2,087 | 0.90

SF | Acres



4.75%

Cap Rate



14+ YEARS

Remaining on  
Base Lease Term



**ABSOLUTE NNN  
GROUND  
Lease**



2020

Year Built

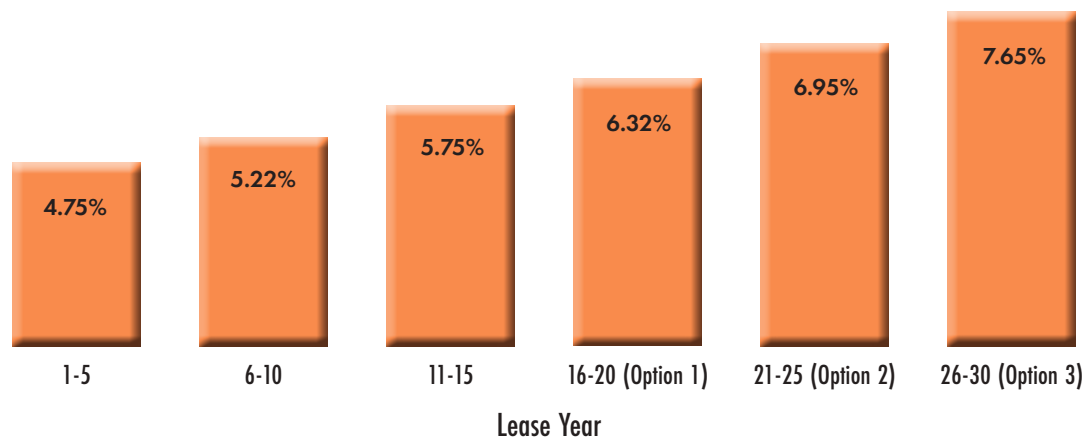
## LEASE SUMMARY

Property Subtype:	Net Leased Auto Service
Tenant:	Valvoline LLC d/b/a Valvoline Instant Oil Change
Guarantor:	Valvoline, Inc. (Corporate)
Rent Increases:	10% Every 5 Years & Each Option Period
Lease Type:	Absolute NNN Ground Lease
Lease Commencement:	August 6, 2020
Lease Expiration:	August 5, 2035
Initial Lease Term:	15 Years
Renewal Options:	Three (3), 5-Year

## RENT ROLL

YEAR	ANNUAL RENT	MONTHLY RENT
1-5	\$105,000	\$8,750
6-10	\$115,500	\$9,625
11-15	\$127,050	\$10,588
16-20 (Option 1)	\$139,755	\$11,646
21-25 (Option 2)	\$153,731	\$12,811
26-30 (Option 3)	\$169,104	\$14,092

## RETURN GROWTH CHART





# INVESTMENT OVERVIEW

## ATLANTA, GA MSA ADVANTAGE

- Atlanta metro has the 5th largest population in the US with 5.9+ million residents
- 30 companies with HQ in metro Atlanta are among the 2020 Fortune 1000
  - › 16 ranked in the elite Fortune 500
- Georgia has been named the #1 state for business climate and for doing business for the last 6 years (*Site Selection & Area Development*)
- For the last 5 years, Atlanta has been among the top 5 metro areas in the nation for most net migration
- Major industries include financial services, technology and telecommunications
- Forbes Rankings: #13 Best Places for Business and Careers, #34 in Job Growth, #41 in Education

## OPTIMAL LEASE STRUCTURE

- Absolute Ground Lease with 14+ years remaining on base term
- Corporately guaranteed by Valvoline Inc.
- 2020 construction with high-volume 3-bay prototype
- Three, five-year renewal options
- 10% rent escalations every 5 years and each option
- NNN ground lease with ZERO landlord responsibilities

## REAL ESTATE FUNDAMENTALS & MARKET DEMOGRAPHICS

- Slightly above grade with optimal visibility
- Located along GA Hwy 20, a major N/S thoroughfare in Conyers with 5 lanes
- Average daily traffic count exceeds 42,700 VPD along GA Hwy 20
- Highly dense population: ±38k (3-mi); ±89k (5-mi)
- Strong daytime population ±5k (1-mi); ±54k (3-mi); ±89k (5-mi)
- Explosive population growth since 2000: ±35% (1-mi); ±27% (3-mi); ±44% (5-mi)
- Nearby traffic generators include Publix, Target, Chase Bank, Aldi, Lowe's, Chick-fil-A, Walgreens, Kroger, etc.

## VALVOLINE — CORPORATE GUARANTY

- Leading worldwide supplier of premium branded lubricants and automotive services, with sales in more than 140 countries
- 2020 revenue: \$2.4B
- \$5.68B Total Market Cap
- 1,500+ locations – 2nd-largest oil change service provider in US with 10% market share
- Total liquidity of nearly \$1.3B as of June 30, 2020



Representative Photo



AERIAL



Logos for various businesses located near the road:

- Target
- ROSS DRESS FOR LESS
- 1st Franklin Financial
- GREAT AMERICAN COOKIES
- Panda Express
- bealls OUTLET
- JIM N NICK'S COMMUNITY BAR-B-Q
- MATTRESS FIRM
- Kirkland's
- FedEx Office Print & Ship Center
- CLEARANCE OUTLET
- OneMain Financial

Logos for various businesses located near the road:

- Publix
- CHASE
- MARCO'S
- MAVIS DISCOUNT TIRE
- CAJO
- Freddy's STEAKBURGERS
- Hangers CLEANERS
- tropical SMOOTHIE CAFE

SUBJECT PROPERTY

Valvoline Instant Oil Change



AERIAL



**SUBJECT PROPERTY**



GA-20 (±42,700 VPD)



AERIAL





# PROPERTY PHOTOS





# PROPERTY PHOTOS



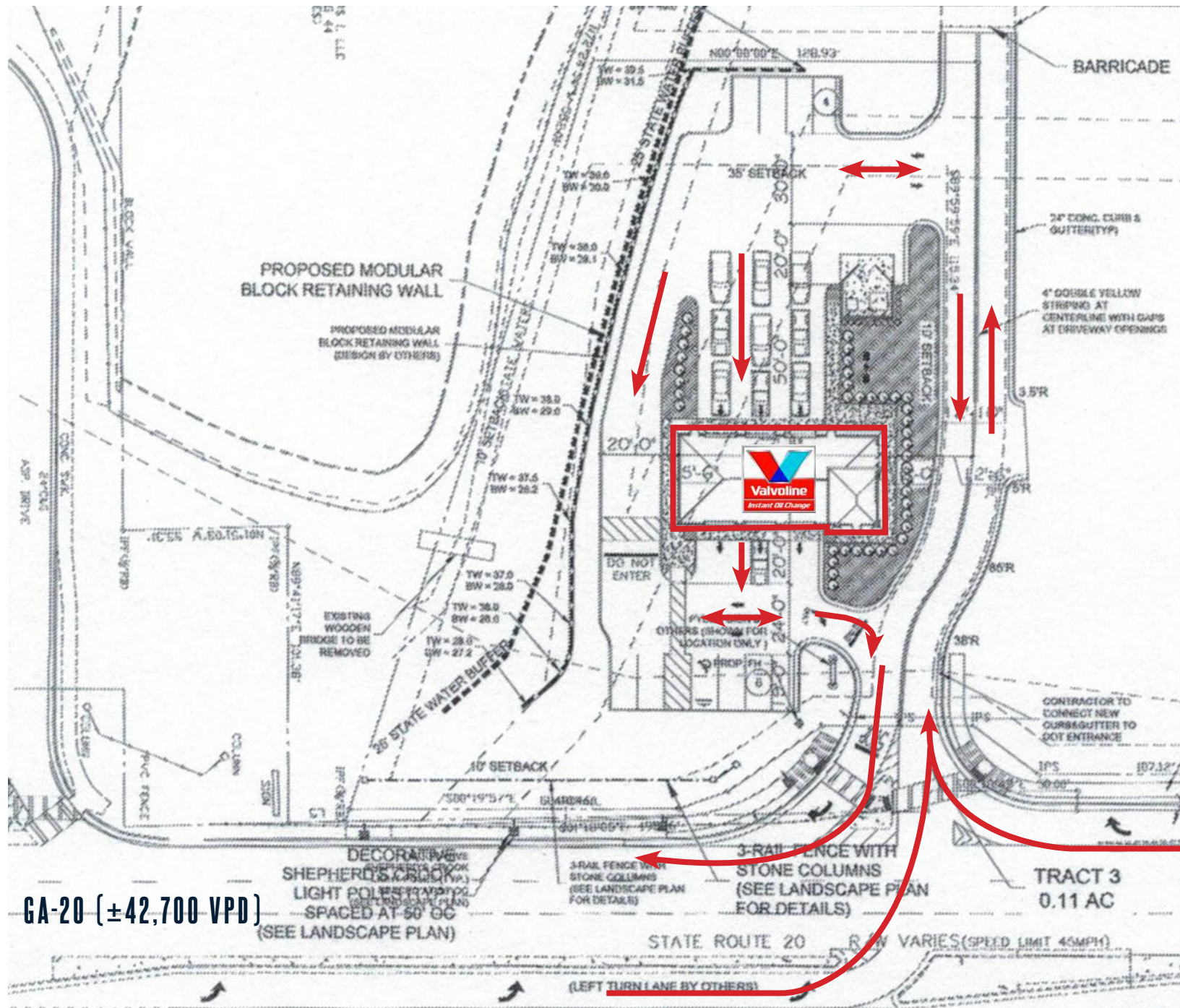


# TRAFFIC GENERATORS



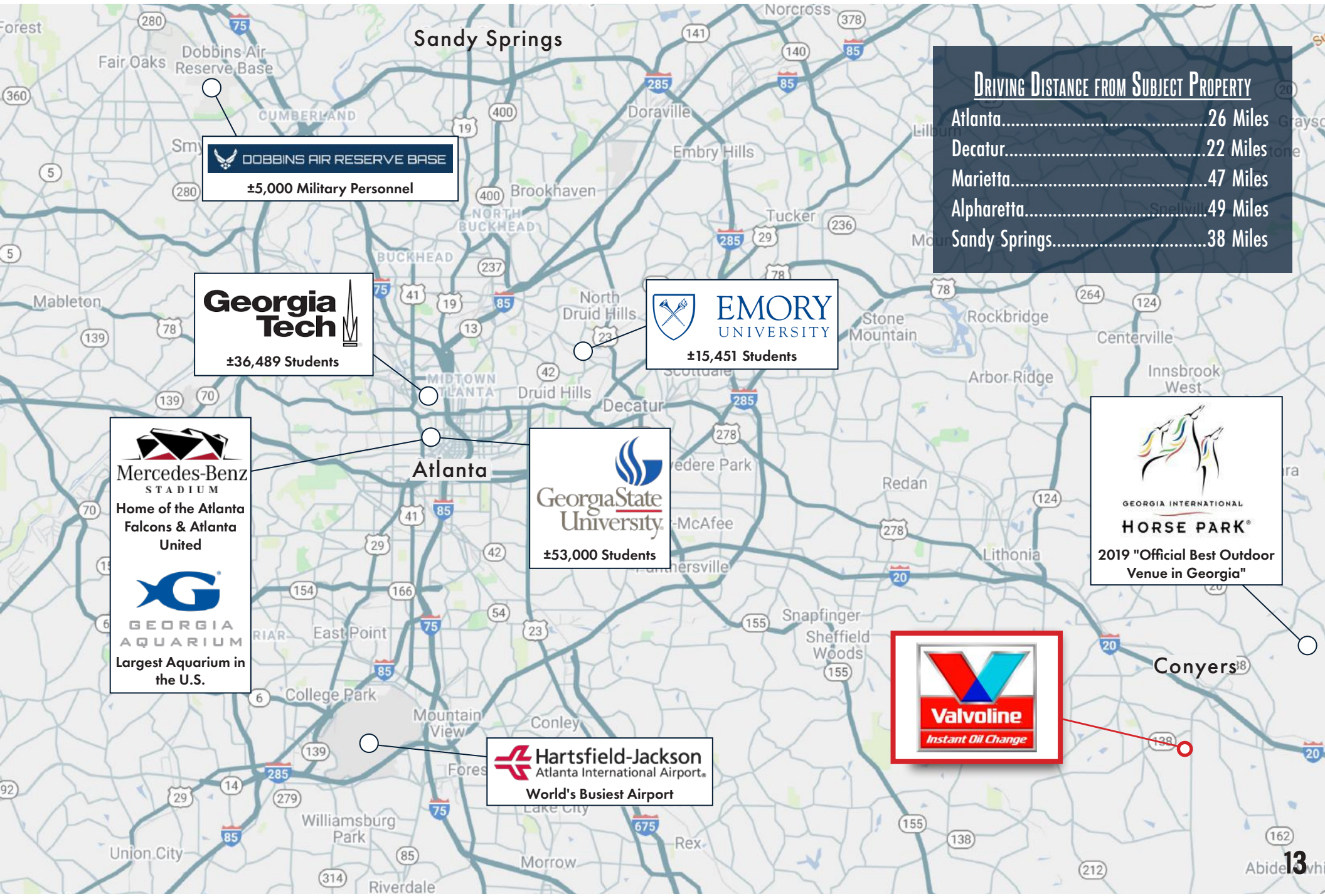


# SITE PLAN





# REGIONAL MAP





# DEMOGRAPHICS

## POPULATION

	1-MILE	3-MILE	5-MILE
2019 Population	4,396	37,777	88,589
Growth 2000-2019	34.52%	26.57%	44.17%
Daytime Population	5,449	54,171	89,372

## HOUSEHOLDS

	1-MILE	3-MILE	5-MILE
2024 Est. Households	1,642	13,810	31,718
2019 Households	1,638	13,609	21,161
Growth 2000-2019	43.06%	28.19%	45.79%

## HOUSEHOLDS BY INCOME

	1-MILE	3-MILE	5-MILE
\$200,000 or More	7.55%	3.37%	2.65%
\$150,000 - \$199,999	7.12%	5.61%	4.78%
\$100,000 - \$149,999	13.66%	12.47%	13.43%
\$75,000 - \$99,999	13.34%	12.71%	13.05%
\$50,000 - \$74,999	16.41%	16.87%	18.49%
\$35,000 - \$49,999	13.94%	15.42%	15.15%
\$25,000 - \$34,999	8.06%	10.20%	10.76%
\$15,000 - \$24,999	10.13%	12.66%	11.49%
\$10,000 - \$14,999	3.95%	4.60%	4.49%
Under \$9,999	5.84%	6.09%	5.71%
Average HH Income	\$91,869	\$72,354	\$70,213

## POPULATION BY RACE

	1-MILE	3-MILE	5-MILE
% White Population	26.60%	26.45%	29.42%
% Black Population	62.29%	62.86%	60.47%
% Asian	2.55%	2.15%	1.84%
% American Indian, Eskimo, Aleut Population	0.20%	0.33%	0.32%
% Hawaiian or Pacific Islander Population	0.12%	0.10%	0.07%
% Multi-Race Population	2.06%	2.95%	2.86%
% Other Population	6.18%	5.16%	5.02%

## 2019 POPULATION 25+ BY EDUCATION LEVEL

	1-MILE	3-MILE	5-MILE
Elementary (0-8)	2.42%	3.50%	3.70%
Some High School (9-11)	7.33%	7.74%	7.86%
High School Graduate (12)	28.91%	29.44%	30.24%
Some College (13-15)	21.57%	23.41%	23.91%
Associates Degree Only	8.42%	8.91%	8.68%
Bachelors Degree Only	18.83%	16.56%	15.80%
Graduate Degree	11.66%	9.51%	8.71%



# CONYERS, GA (ATLANTA, GA MSA)

Conyers is an Atlanta suburb and the only city in Rockdale County. The city is home to multiple industrial and technology companies as well as the Georgia International Horse Park from the 1996 Olympics. BioLab broke ground Thursday, July 25, 2019 on a **new 275,000-square-foot warehouse distribution expansion in Conyers**. BioLab has had operations in Conyers since 1973. Their new warehouse distribution facility is designed to meet their current and future growth needs. The new building is the seventh building for BioLab in Conyers. Rockdale Technology Center is a Class A, four-building, **1 million-SF industrial park that was built in 2019**. The project's location east of downtown Atlanta provides distributors convenient access to the entire metro area, the Southeast and the Port of Savannah. Two facilities – 135,000 SF Building 100 and 185,000 SF Building 300 – the most modern, state-of-the-art design features and a strategic location less than 1 mile from a full-diamond I-20 interchange.

Conyers has blossomed as a major filming city due to the growth of the film industry in Georgia and specifically around Atlanta. Major shows and movies filmed in Conyers include Ozark, The Originals, Stranger Things, The Resident, and Selma. The Georgia Film, **Music & Digital Entertainment Office (FMDE) has designated Rockdale County as Camera Ready**, which means they can provide easier, faster and better access to their county's production resources and location information.

The Atlanta metro encompasses 29 counties in northwestern Georgia. With few natural barriers to limit development, tremendous population growth over the past decade expanded the metro's borders and the region now has a population of roughly 5.9 million people. **Over the next five years the region is expected to add nearly 500,000 residents. Atlanta ranks fifth in the nation in the number of Fortune 500 headquarters with 17 companies**, including UPS, Delta Airlines and Coca-Cola. The metro also ranks among the highest in the nation for job growth. Nearly 400,000 jobs were added in the last four years. A pro-business environment and affordability helped Atlanta secure the ranking of **#1 State for Business Climate by Site Selection for the seventh consecutive year**.

## TOP ATLANTA, GA MSA EMPLOYERS

Delta Air Lines

Emory University & Emory Healthcare

The Home Depot

Northside Hospital

Piedmont Healthcare

Publix Super Markets

WellStar Health System

The Kroger Co.

AT&T

UPS



Conyers, GA



Atlanta, GA







# ATLANTA MSA HIGHLIGHTS

## INDUSTRY

- Atlanta is home to headquarters of 26 Fortune 500 and Fortune 1,000 companies
- Ranked #1 Metro Area for Economic Growth Potential (among large metro areas) in 2019 by *Business Facilities*
- Atlanta MSA is 10th-largest economy in the country and 17th-largest in the world
- Home to the World's Busiest Airport for the 21 st consecutive year with 107 million annual passengers

## TOURISM

- Generated over \$30 billion in direct, indirect and "induced" economic impact in 2016 in Metro Atlanta
- 56+ million visitors annually
- Home to 5 professional sports teams: Atlanta Braves, Atlanta Falcons, Atlanta Hawks, Atlanta United FC, Atlanta Dream

## HEALTH & HIGHER EDUCATION

- Over 30 hospitals in the metro area
- 4 hospitals ranked among Georgia's best hospitals according to U.S. News & World Report
- Home to over 30 colleges and universities, including Georgia Institute of Technology, Emory University, and Georgia State University
- Emory University ranked 21 st on U.S. News & World Report's National University Rankings and Georgia Tech ranked 29th



# LEASE ABSTRACT

## TENANT:

Valvoline, LLC d/b/a Valvoline Instant Oil Change

## LEASE GUARANTOR:

Valvoline, Inc., a Kentucky corporation

## LEASE COMMENCEMENT:

August 6, 2020

## BASE RENT:

\$8,750.00 per month/\$105,000 annually (Years 1-5)  
\$9,625.00 per month/\$115,500 annually (Years 6-10)  
\$10,587.50 per month/\$127,050 annually (Years 11-15)

## OPTIONS:

Three (3), 5-year

## OPTION RENT:

Option 1: \$11,646.25 per month/\$139,755.00 annually (Years 16-20)  
Option 2: \$12,810.88 per month/\$153,730.56 annually (Years 21-25)  
Option 3: \$14,091.96 per month/\$169,103.52 annually (Years 26-30)

## RENTAL INCREASE:

10% increase every 5 years

## USE:

Company agrees to open for business for one day, fully stocked and staffed as an "instant oil change" service center, and, with Lessor's prior written consent, not to be unreasonably withheld, conditioned, or delayed, any other use or enterprise not contrary to law.

## TAXES:

Company shall pay all real estate taxes levied or assessed against the Premises during the Term on a timely basis. If real estate taxes are billed directly to Company, Company shall pay such taxes directly the applicable governmental authority prior to the due date thereof and shall provide evidence of such payment to Lessor promptly upon request.

## UTILITIES:

Company shall pay all tap, water and sewer impact fees, meter and connection fees, deposits and other installation charges incurred for the use of utility services at the Premises, including, without limitation, gas, electricity, water, sanitary sewer, storm sewer, cable television, and telephone. Company shall also pay for all water, gas, electricity, and other utilities used on the Premises during the Term including appropriate deposits as required and shall indemnify Lessor and save it harmless against any liability or charges on account thereof.

## INSURANCE:

Company shall, at its sole cost and expense, from and after the Possession Date, and during the entire Term, procure, pay for and keep in full force and effect: (1) commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000.00), combined single limit to cover bodily injury or death and property damage in any one accident and at least Three Million Dollars (\$3,000,000) in the aggregate; (2) workers' compensation coverage as required by law; and (3) special causes of loss property insurance (aka "all-risk" fire and extended coverage insurance) for the full replacement value (without any deductions for depreciation or otherwise) of the buildings on the Premises and all Company Improvements. Each policy evidencing insurance required to be carried by Company shall contain a provision including Lessor, Lessor's mortgagee, and such other parties as reasonably requested by Lessor as an additional insured (other than the worker's compensation policy).

Lessor shall, at its sole cost and expense, from and after the Possession Date, and during the entire Term, procure, pay for and keep in full force and effect a commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000.00), combined single limit to cover bodily injury or death and property damage in any one accident.

## MAINTENANCE AND REPAIR:

Company, at all times during the Term and at its expense, shall keep the Premises and Company Improvements in good order, condition and repair to the standard consistent with the Use described in Section 6 hereof, ordinary wear and tear excepted, and shall promptly make or cause to be made any and all necessary or appropriate repairs, replacements, or renewals, whether structural or non-structural in nature (herein collectively referred to as "Repairs"). All Repairs shall be at least equal in quality and class to the original work as constructed pursuant to and in accordance with the Company's Final Plans. Company's maintenance and repair obligations within the Premises shall include but not be limited to the following: (1) Keep all exterior and mechanical facilities in good working order and repair, including replacements, as and when necessary. (2) Maintaining all paved surfaces and curbs in a smooth and evenly covered condition which maintenance work shall include, without limitation, cleaning, sweeping, restriping, repairing, resealing and resurfacing, if asphalt is used. (3) Regular removal of all papers, debris, filth, refuse, ice and snow, including sweeping to the extent necessary to keep the exterior areas in a first-class, clean and orderly condition. (4) Placing, cleaning, keeping in repair, replacing and repainting any signs or markers, including any handicapped parking signs. (5) Operating, keeping in repair, cleaning and replacing when necessary such lighting facilities as are appropriate in a first class shopping center or otherwise as required by applicable law or regulation. (6) Cleaning and maintaining of all landscaped areas of the Premises, including the grassy areas on both sides of the sidewalks running parallel to the abutting streets; repairing automatic sprinkler systems or water lines; irrigating, weeding, pruning, mowing, cultivation, mulching, fertilizing and replacing shrubs and seasonal plantings and other landscaping as necessary to maintain the Premises in a sightly condition. (7) Maintaining, cleaning, and repairing any and all storm drains, utility lines, sewers and other utility systems and services located on the Premises. (8) Keeping the exterior area free from any obstructions, including those caused by the sale or display of merchandise. (9) Cleaning (including, as necessary, washing), maintenance and repair of all sidewalks. (10) Maintenance of any exterior shipping/receiving dock area, any truck ramp or truck parking area, and any refuse, compactor or dumpster area.

Lessor shall not be required to make any Repairs in, on, or to the Premises during the Term.

## ASSIGNMENT AND SUBLETTING:

So long as Company is not in default under this Lease, Company may sublease or assign its entire interest in this Lease to any entity which (i) acquires all or substantially all of Company's assets; (ii) is the successor, by merger or otherwise, to all or substantially all of Company's assets; or (iii) controls or is controlled by or is under common control with Company. Otherwise, Company may not sublease or assign all or any part of Company's interest under this Lease, without Lessor's prior written consent, which consent shall not be unreasonably withheld; provided that Company shall remain directly and primarily liable under this Lease.





## TENANT SUMMARY

Valvoline Inc. is a leading worldwide marketer and supplier of premium branded lubricants and automotive services, with sales in more than 140 countries. Established in 1866, the company's heritage spans more than 150 years, during which time it has developed powerful brand recognition across multiple product and service channels. Valvoline ranks as the No. 3 passenger car motor oil brand in the DIY market by volume. It operates and franchises approximately 1,500 quick-lube locations, and it is the No. 2 chain by number of stores in the United States under the Valvoline Instant Oil Change brand and the No. 3 chain by number of stores in Canada under the Valvoline Great Canadian Oil Change brand.

Valvoline Instant Oil Change service centers let customers stay in their cars and watch VIOC's certified technicians perform their service. Technicians complete a professional ASE®-accredited training program that is ranked #4 globally by the Association for Talent Development's 2019 BEST Award. In addition to full-service oil changes done in about 15 minutes, VIOC performs a wide range of preventive maintenance services, including transmission, radiator and air-conditioning services; safety parts replacement, including wiper blades and light bulbs; and tire rotation. Most locations also offer fuel system and battery services. VIOC services most vehicle makes and models, including luxury, diesel, and hybrid.



**Tenant Trade Name**

Valvoline Instant Oil Change

**Tenant**

Valvoline LLC

**Lease Guarantor**

Valvoline, Inc. (Corporate)

**Headquarters**

Lexington, KY



**1,500+**  
Locations



**\$2.4 BILLION**  
2020 Revenue



**\$5.68 BILLION**  
Market Capitalization



**6,100+**  
Employees



**VV**  
NYSE Stock Ticker



## NEWSROOM - COVID RESILIENCE

### Valvoline Provides Business Update

LEXINGTON, Ky., July 7, 2020 /PRNewswire/ -- Valvoline Inc. (NYSE: VVV), a leading worldwide supplier of premium branded lubricants and automotive services, today provided a business update to give continued visibility into its performance during the COVID-19 crisis, including topline financial results for June 2020.

Preliminary June 2020 results include the following:

- Substantial sequential improvement versus May 2020
  - Sales increases of 33%
  - Lubricant volume increases of 32%
  - Sequential sales and volume improvements across all segments
- Quick Lubes' system-wide same-store sales (SSS) were positive for the month of June, with significant sequential improvement over May 2020
  - System-wide SSS growth of 7.2% for June compared to the prior-year period
  - SSS for company-owned stores grew 10.4% in June compared to the prior-year period
  - SSS for franchised stores grew 5.0% in June compared to the prior-year period
- Total liquidity of nearly \$1.3 billion as of June 30, 2020

Quick Lubes' system-wide SSS sequential improvement was driven by both transactions and ticket, as miles driven trends improved and new customer growth continued. Shipments in Core North America were ahead of pre-COVID-19 levels for each week in June driven by improved performance in both retail and installer volumes. In the International segment, volume including unconsolidated joint ventures continued to improve across all regions and approached pre-COVID-19 trends, with China remaining at pre-COVID-19 levels.

"Preliminary June results continue to demonstrate the strength and resiliency of our business model with each segment again showing strong sequential improvement," said Sam Mitchell, CEO. "The nondiscretionary nature of our preventative maintenance products and services and strong customer-focused execution are powering our results as miles driven continues to improve. While we continue to closely monitor recent COVID-19 trends, I remain encouraged about the outlook for the balance of the fiscal year given the same-store sales performance in June and the planned increase in marketing spending beginning in July."





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Conyers, GA 30012 (Atlanta, GA MSA)



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**Marcus & Millichap**

MOLLOY KAYE RETAIL GROUP

**Actual Location**