

SINGLE TENANT NET LEASE INVESTMENT

Investment Grade Credit Tenant (Moody's Rated Baa2)

2110 Harkrider Dr. Conway, AR 72032



Colliers



INVESTMENT SUMMARY

List Price	\$2,094,000
CAP Rate	5.85%
Annual Rent	\$122,500
Taxes	NNN
Insurance	NNN
CAM	NN

PROPERTY OVERVIEW

We are pleased to present an opportunity to purchase a STNL Advance Auto Parts with approximately 7+ years remaining and 3, 5 year options. Located in Arkansas, the asset received an early lease extension taking the leases out through 10/31/2028 which speaks to the strength of the retail location and provides solid term income from an investment grade credit tenant. This is an excellent opportunity to acquire a single tenant net lease asset leased to one of the leading automotive parts & accessories retailer in the U.S., with favorable in-place rent, and minimal landlord responsibilities.



LEASE ABSTRACT

Tenant Trade Name	Advance Auto Parts
Lease Start	October 19, 2006
Lease Expiration	October 31, 2028
Term Remaining On Lease	7+ Years
Base Rent	\$137,047
Rental Adjustments	None
Option Periods	3 - 5 Year Options
Lease Type	NN Lease
Roof & Structure	Landlord Responsible*

**Landlord is responsible for the roof, structure, slab/foundation, parking lot and HVAC*

PARCEL DETAILS

APN	710-09124-000C
Building Size	6,912 SF
Land Size	0.62 Acres

INVESTMENT HIGHLIGHTS

- **STNL Advance Auto Parts Portfolio** – Investment Grade Credit Tenant (Moody’s Rated “Baa2”, Outlook: Stable)
- **7+ Lease Years Remaining** – 3, 5 Year Options
- Received Early Lease Extension through 10/31/2028
- **AAP’s Long Term Commitment to the Site**, since 2006, Speaks to the Strength of the Location
- **Conway, AR** – 0.73 Acres of Land – 7,000 SF Building
- Corner Lot adjacent to Wal-Mart Supercenter
- Fee simple acquisition
- **Net Leased Investment** – Minimal Landlord Responsibilities
- **Ideal 1031 Exchange Assets** – In-Place Market Rents – Low
- **NYSE: AAP** – Total Revenue of \$10.1B (2020) – Net Income of \$493M (2020)
- One of the Nation’s Top Automotive Replacement Part & Accessories Retailer





One of the Nation's Top Automotive Replacement Part & Accessories Retailer



TENANT PROFILE

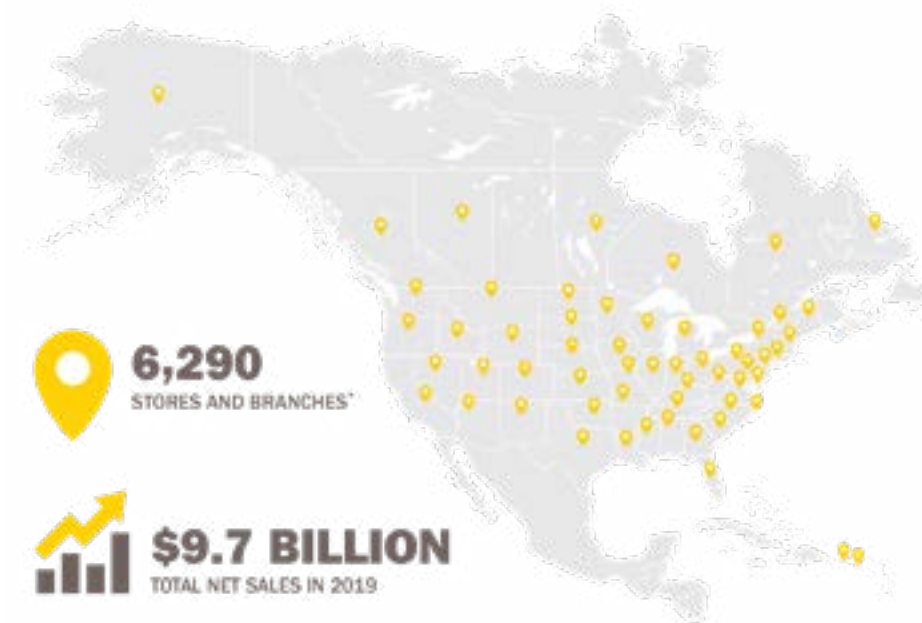
ADVANCE AUTO PARTS, INC. (NYSE: AAP)

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of April 24, 2021, Advance operated 4793 stores and 178 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,277 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos and British Virgin Islands. Advance Auto Parts is the largest automotive aftermarket retailer in the United States based on sales and store count.



"At Advance, focusing on our customers means putting customers first in every decision we make. It means delivering with care and speed, because getting the right parts quickly is critically important to enable both professional and do-it-yourself customers to complete their jobs."

— Tom Greco, President and Chief Executive Officer



6,290
STORES AND BRANCHES*

\$9.7 BILLION
TOTAL NET SALES IN 2019

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.



American Heart Association.
life is why™

In 2019, we continued our support of the American Heart Association, becoming the number one participating company in the country and raising over **\$1 million.**

* AS OF DECEMBER 28, 2019 AND INCLUDES 1,263 INDEPENDENTLY OWNED CARQUEST STORES.



CITY OF CONWAY, ARKANSAS

Conway is a city in the state of Arkansas and the county seat of Faulkner County, located in the state’s most populous Metropolitan Statistical Area, Central Arkansas. Conway serves as a regional shopping, educational, work, healthcare, sports, and cultural hub for Faulkner County and surrounding areas. Conway’s growth can be attributed to its jobs in technology and higher education; among its largest employers being Acxiom, the University of Central Arkansas, Hendrix College, Insight Enterprises, and many technology start up companies. Conway is home to three post-secondary educational institutions, earning it the nickname “The City of Colleges”.

As of the 2010 census, the city proper had a total population of 58,908, making Conway the eighth-largest city in Arkansas. Conway is part of the larger Little Rock–North Little Rock, AR Combined Statistical Area, which in 2016 had a population of 905,847, and ranked the country’s 60th largest CSA.



CITY OF CONWAY, ARKANSAS

A wise choice

Over 100 years ago, Conway made the strategic decision to pursue institutions of higher learning as a means of growing the Conway economy. That choice has paid countless dividends ever since. As the colleges have grown, so has their economic impact. Perhaps more importantly, over time they have laid the foundation for Conway’s modern workforce.

The presence of Hendrix College, the University of Central Arkansas, and Central Baptist College is without a doubt the reason Conway has such a remarkably young (median age 27.3) and educated (almost 40 percent with at least a bachelor’s degree) population. Those two qualities stand out nationally as the city competes for jobs in today’s economy. The result is a regional economy that has been recognized as one of the most diverse in the nation.

Sustained growth

Conway has enjoyed a decades-long reputation for growth. With an estimated 2015 population of 64,980, the city has doubled in size since the mid-1990s. It is among the nation’s top 20 percent of fastest growing cities with populations over 50,000. Conway’s growth has been driven by its regional economy, central location, public school system, and young population. As the city has added people and amenities, its regional influence has also grown. Conway’s labor, retail, and health care trade area now includes Russellville (45 miles west), Heber Springs (40 miles north), and Maumelle (20 miles south).



**FAULKNER COUNTY
POPULATION**

115,928



**AREA 4-YEAR
COLLEGES**

6



**CIVILIAN LABOR
FORCE**

57,300



**ADULTS WITH
COLLEGE DEGREE**

40%





CITY OF CONWAY, ARKANSAS

Hendrix College

Hendrix College is a private liberal arts college in Conway. Approximately 1,200 students are enrolled from 37 states and 10 countries. While affiliated with the United Methodist Church, the college offers a secular curriculum and has a student body composed of people from many different religious backgrounds. Hendrix is a member of the Associated Colleges of the South.

- Location: Conway, AR, suburban city of 66,000; 30 minutes from Little Rock (metro. pop.: 724,385)
- Faculty: 96 full-time, 92% with Ph.D. or equivalent degree
- Average class size: 16
- Majors: 32 undergraduate majors, 34 minors; M.A. in accounting



The University of Central Arkansas

The University of Central Arkansas is a public university in Conway. Founded in 1907 as the Arkansas State Normal School, the university is one of the oldest in the U.S. state of Arkansas.

UCA has about 12,000 graduate and undergraduate students, making it one of the largest universities in the state. The university maintains a student-to-faculty ratio of approximately 17 to 1. Over 150 undergraduate, graduate, and professional programs are offered at the university. UCA occupies over 120 buildings within its 356 acres.



UNIVERSITY OF
CENTRAL
ARKANSAS



Central Baptist College

Central Baptist College (CBC) is a private liberal arts college. It offers majors within the fields of behavioral science, business, general education, missions, music, religion, and science. CBC was founded in 1952 as Conway Baptist College, using the former campus of Central College, defunct since 1947.



Conway Largest Employers by Number of Employees

Company	Product or Service	No. of Employees
University of Central Arkansas	Education	1500
Acxiom Corporation	Information Technology	1450
Conway Human Development Center	Institutional Care	1320
Conway Public School District	Education	1150
Conway Regional Health System	Health Care	1094
Nabholz Construction Corporation	Construction	850
Wal-Mart	Department/ Grocery Store	825
DXC Technology	Information Technology	600
Virco Manufacturing	School, Office & Institutional Furniture	500
City of Conway	Government	415
Kimberly-Clark Corporation	Personal Hygiene Products	400
Kroger	Grocery Store	400
Baptist Health	Health Care	400
Hendrix College	Education	375
Centennial Bank	Banking	329

CONWAY STATISTICS

Conway is the secondary job market in the Little Rock–North Little Rock–Conway Metropolitan Statistical Area. Unlike most “suburban areas” of a central city, the majority of Conway and Faulkner County residents do not commute out of the county to work. However, employers looking to locate in Conway can benefit from the estimated labor force of 353,050 individuals within a 45-minute commute. Below are additional data showcasing the community's economic strength:

1. Three (3) community universities: University of Central Arkansas, Hendrix College, and Central Baptist College
2. Six (6) additional institutions of higher education within a 50-mile radius
3. Four (4) technical colleges within a 30-mile radius (see technical colleges and four-year universities here)
4. Median age of population in Conway: 36.7
5. A young and educated workforce: 93.6% with high school degree; 38.7% with bachelor’s degree or higher
6. Median household income (\$2016): \$50,316
7. Cost of living index: 85.6 (v. Dallas: 95; includes transportation, utilities, housing, healthcare and groceries)
8. A diverse population: 67.4% white; 22.9% black; 4.11% hispanic

DEMOGRAPHICS CONWAY

POPULATION	1-MILE	3-MILE	5-MILE
Estimated Population (2021)	7,620	43,553	72,035
Projected Population (2026)	7,827	45,016	75,382
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Estimated Households (2021)	2,497	16,647	27,606
Projected Households (2026)	2,830	17,315	29,008



DEMOGRAPHICS CONWAY

INCOME 2021	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$58,401	\$63,694	\$69,962
Median Household Income	\$40,588	\$45,004	\$52,627
BUSINESS FACTS 2021	1-MILE	3-MILE	5-MILE
Total # of Businesses	372	2,052	2,621
Total # of Employees	4,484	27,930	35,272



This Offering Memorandum contains select information pertaining to the business and affairs of Advance Auto Parts - Conway, AR. It has been prepared by Colliers International. This 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 Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness or this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers, 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.

Owner and Colliers International 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 Advance Auto Parts - Conway, AR 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 Colliers International 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.

INVESTMENT CONTACTS

Mason Lewis
Vice President
License No. SA00071104
501.850.0741
mason.lewis@colliers.com

Jereme Snyder
Executive Vice President
License No. 01360233
949.724.5552
jereme.snyder@colliers.com

Eric Carlton
Executive Vice President
License No. 01809955
949.724.5561
eric.carlton@colliers.com



Colliers International | 3 Park Plaza, Suite 1200 | Irvine, CA 92614 | USA

Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. This publication is the copyrighted property of Colliers International and /or its licensor(s) 2015. All rights reserved