



NAPA AUTO PARTS

7227 COVINGTON HWY
LITHONIA, GA

OFFERING MEMORANDUM

Marcus & Millichap
THE ISAAC GROUP



7227 COVINGTON HWY
LITHONIA, GA

TABLE OF CONTENTS

01 INVESTMENT OVERVIEW

02 FINANCIAL OVERVIEW

03 MARKET OVERVIEW

04 CONFIDENTIALITY AGREEMENT

DREW ISAAC

Senior Managing Director
drew.isaac@marcusmillichap.com
303-328-2048

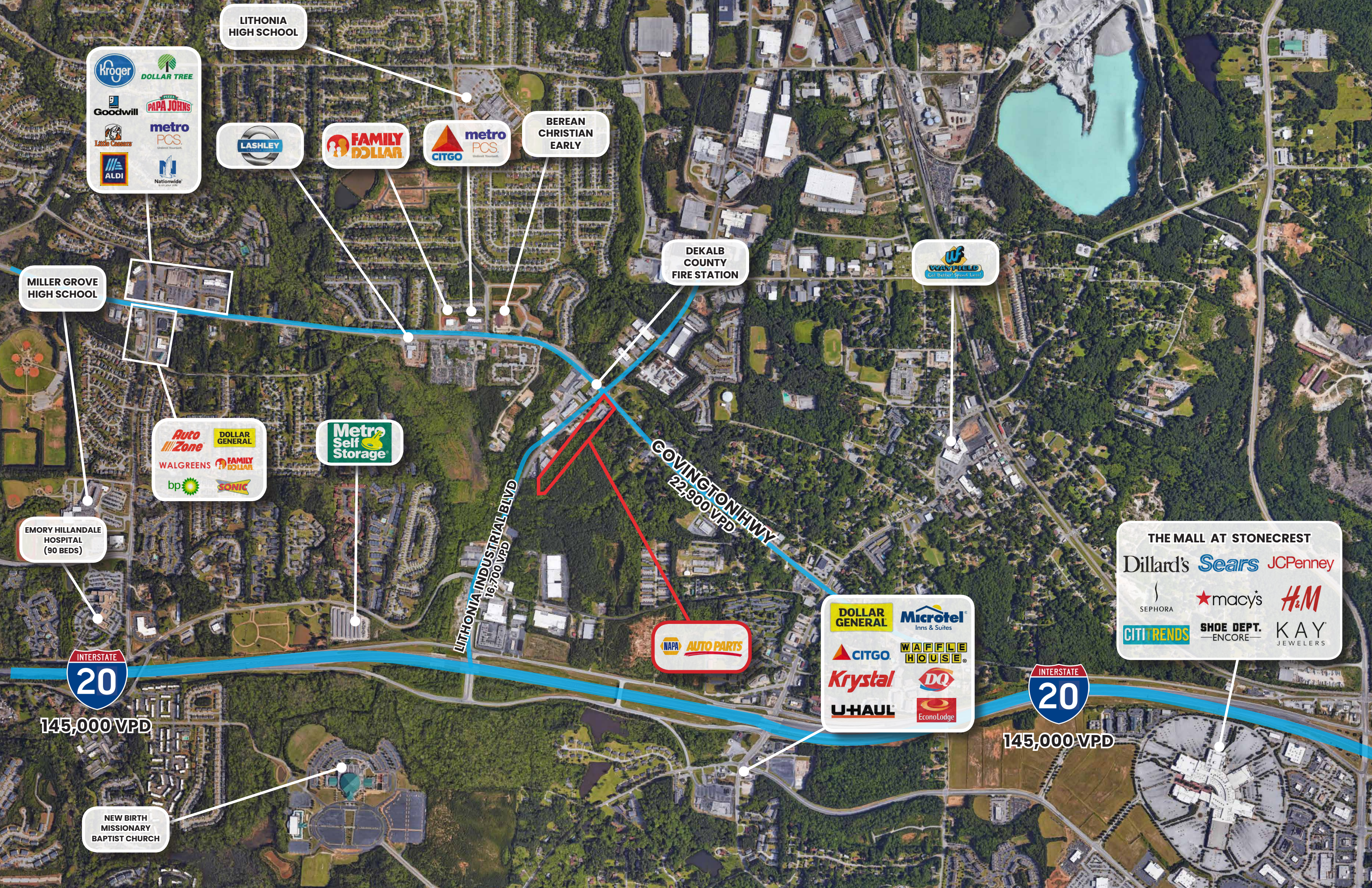
ADAM LEWIS

Colorado Broker of Record
License #ER100091205

Marcus & Millichap

www.isaacgroup.com





LITHONIA
HIGH SCHOOL

Kroger
DOLLAR TREE
Goodwill
PAPA JOHN'S
metro
PCS
Little Caesars
Nationwide
ALDI

LASHLEY

FAMILY
DOLLAR

CITGO
metro
PCS

BEREAN
CHRISTIAN
EARLY

DEKALB
COUNTY
FIRE STATION

WAYFIELD
Eat Better. Spend Less.

MILLER GROVE
HIGH SCHOOL

EMORY HILLDALE
HOSPITAL
(90 BEDS)

Auto Zone
DOLLAR GENERAL
WALGREENS
FAMILY DOLLAR
bp
SONIC

Metro
Self Storage

LITHONIA INDUSTRIAL BLVD
16,700 VPD

GOVINGTON HWY
22,900 VPD

NAPA
AUTO PARTS

DOLLAR GENERAL
Microtel
Inns & Suites
CITGO
Krystal
U-HAUL
WAFFLE HOUSE
DQ
EconoLodge

THE MALL AT STONECREST
Dillard's
Sears
JCPenney
SEPHORA
macy's
H&M
CITITRENDS
SHOE DEPT.
ENCORE
KAY
JEWELERS

INTERSTATE
20

145,000 VPD

INTERSTATE
20

145,000 VPD

NEW BIRTH
MISSIONARY
BAPTIST CHURCH

INVESTMENT HIGHLIGHTS

2.5+ YEARS REMAINING ON ORIGINAL 10-YEAR LEASE

Napa Auto Parts occupies the property on a corporately guaranteed absolute triple-net lease (NNN) lease which commenced on 3/1/2014 and expires on 8/31/2024. The lease includes 7.50% base rent increases during the four, five-year extension periods.

CORPORATELY GUARANTEED

Genuine Parts Company (NYSE: GPC) operates 10,000 locations in 14 countries making Napa Auto Parts the second largest auto parts retailer in the United States.

CORNER LOCATION OFF COVINGTON HWY & LITHONIA INDUSTRIAL BLVD

The subject property is located on the corner of Covington Highway (28,400 VPD) and Lithonia Industrial Boulevard (16,700 VPD), having easy entry and egress from both roads, giving easy access to the shop.

NAPA HAS BEEN THE RECOGNIZED QUALITY LEADER IN THE AUTO PARTS REPAIR BUSINESS FOR DECADES

Napa Auto Parts has over 5,900 locations and 57 distribution centers that sell over 560,000 parts annually. With over 80 years of dependability, NAPA has been the recognized quality leader in the auto parts repair business for decades.



THE LOCATION



ASKING PRICE
\$2,120,000

CAP RATE
7.01%

PROPERTY OVERVIEW

| | |
|---------------|--|
| Tenant | Napa Auto Parts |
| Address | 7227 Covington Hwy, Lithonia, GA 30058 |
| Building Size | 10,267 SF |
| Lot Size | 6.40 AC |
| Year Built | 1996 |



LEASE OVERVIEW

| | |
|------------------------|---------------------------|
| Initial Lease Term | 10 Years |
| Rent Commencement Date | 3/1/2014 |
| Expiration Date | 8/31/2024 |
| Lease Term Remaining | 2.5+ Years |
| Roof & Structure | Tenant |
| Leased SF | 10,267 |
| Land Area AC | 6.40 |
| Lease Type | Absolute Triple Net (NNN) |
| Rent Increases | 7.5% Every 5 Years |
| Options to Renew | 4 X 5-Year Options |
| Year Built | 1996 |
| Lease Guarantor | Genuine Parts Company |

RENT SCHEDULE

| TERM | MONTHLY RENT | ANNUAL RENT | RENT INCREASES |
|---------------------------------|--------------|-------------|----------------|
| 3/1/2019 - 2/29/2024 | \$12,376 | \$148,508 | - |
| 3/2/2024 - 8/31/2024 | \$13,304 | \$159,646 | 7.50% |
| 9/1/2024 - 2/28/2029 (Option 1) | \$13,304 | \$159,646 | 0.00% |
| 3/1/2029 - 8/31/2029 (Option 1) | \$14,302 | \$171,620 | 7.50% |
| 9/1/2029 - 2/28/2034 (Option 2) | \$14,302 | \$171,620 | 0.00% |
| 3/1/2034 - 8/31/2034 (Option 2) | \$15,374 | \$184,491 | 7.50% |
| 9/1/2034 - 2/28/2039 (Option 3) | \$15,374 | \$184,491 | 0.00% |
| 3/1/2039 - 8/31/2039 (Option 3) | \$16,527 | \$198,328 | 7.50% |
| 9/1/2039 - 2/28/2044 (Option 4) | \$16,527 | \$198,328 | 0.00% |
| 3/1/2044 - 8/31/2044 (Option 4) | \$17,767 | \$213,203 | 7.50% |



The second largest auto parts retailer in the United States behind AutoZone, Napa Auto Parts, has over 5,900 locations and 57 distribution centers in 52 States that sell over 560,000 auto parts annually. Napa is a subsidiary of the global auto parts company, Genuine Parts Company (NYSE: GPC) that operates in North America, Oceania, and Europe. GPC has over 10,000 locations and employs approximately 50,000 people. In addition to Auto Parts, GPC has an industrial branch, Industrial Parts Group, that's services range from logistics to manufacturing of food and beverage products to oil and gas.

The Automotive Parts Group, that Napa is a part of, had a 28.1% increase in sales for 2Q21 compared to 2Q20. The sales of the Automotive group accounts for 67% of GPC's total company revenues. The increase in sales can be attributed to the lack of new car production caused by the pandemic which decreased almost 19% from 2019 to 2020 in the United States. With fewer new cars coming online, demand for used cars increased in effect pushing auto parts sales higher. Napa and Genuine Parts Company will look to continue their run of growth in the post-pandemic world.



LITHONIA, GA

16 miles to the east of downtown Atlanta, resides the quaint town of Lithonia, Georgia. Due to its small land area of 596 acres, Lithonia has a population of just 1,924 people however, within a 5-mile radius the population is 143,941.

Known as the “City of Granite”, Lithonia was settled in the 1840’s and established in 1856. Today, Lithonia is still going strong and executing on some of their master plans that were released in 2020. The use of land in Lithonia is very important because of the limited space available, the main goal is to remove rundown properties and replace them with modern single-family homes. Other new uses of land will include redeveloping existing public housing, pedestrian and bicycle paths, and spice up Lithonia Plaza, the towns downtown area. Lithonia’s thorough approach to the needs of their town prove they have the right people in leadership roles and residents who care greatly about the historic community.

| | 1-MILE RADIUS | 3-MILE RADIUS | 5-MILE RADIUS |
|------------------------|---------------|---------------|---------------|
| 2026 PROJECTION | 11,314 | 56,030 | 145,114 |
| 2021 ESTIMATE | 11,275 | 55,812 | 143,941 |
| GROWTH 2021 – 2026 | 0.34% | 0.39% | 0.82% |
| DAYTIME POPULATION | 9,645 | 40,924 | 103,536 |
| 2021 AVERAGE HH INCOME | \$48,950 | \$59,828 | \$70,777 |

SELECT NEIGHBORING AMENITIES

ATLANTA, GEORGIA



GEORGIA AQUARIUM

CONFIDENTIALITY AGREEMENT

Marcus & Millichap

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All property showings are by appointment with the listing broker or landlord only. Under no circumstances, should any prospective purchaser or related entity contact the tenant or any of the employees at these stores. Recipients of this marketing package acknowledge that such contact may damage the tenant's operation which would impair the financial results. Landlord reserves the right to seek legal redress for any damage that may occur from such interference with landlord's relationship with tenant.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee for future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental, or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this marketing package, you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property. 2021.

SOURCES

Atlanta, GA Photo by: Sean Pavone via Shutterstock
Georgia Aquarium: <https://uzuncase.com/projects/georgia-aquarium/>



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