



SOMERSET | NJ

HORVATH  
& TREMBLAY



SINGLE TENANT NET LEASE OPPORTUNITY



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## DISCLAIMER

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## INVESTMENT HIGHLIGHTS

Horvath & Tremblay is pleased to present the exclusive opportunity to purchase an Advance Auto Parts located at 631 Somerset Street in Somerset, New Jersey (the "Property"). Constructed in 2004, Advance Auto Parts is situated on a 1.65-acre parcel of land and recently extended their lease demonstrating their commitment to both the site and the market. Advance Auto has 9+ years remaining on their double-net lease with two (2), 5-year renewal options. The lease features a rent increase in 2026 and at the start of each of their renewal options.

Advance Auto Parts is situated along Somerset Street (NJ Route 27) the areas primary retail and commercial thoroughfare. The Property enjoys outstanding visibility and access with points of entry on Somerset Street and Kevin Appuzio Avenue. Advance Auto Parts is surrounded by national retailers, and is seconds from both New Brunswick and Edison, NJ, two densely populated commercial centers.

- **LEASE TERM:** Advance Auto Parts has been operating at the Property for over 17 years (since 2004), and recently extended their lease demonstrating their commitment to the site and the market. Advance Auto has 9+ years remaining on their lease and has two (2), 5-year renewal options.
- **CORPORATE LEASE:** The Advance Auto Parts store is corporately leased and operated. Advance Auto Parts (AAP) is traded on the NYSE and has a market cap of \$13.9 billion (as of 07/30/2021). AAP reported 2020 revenue of \$10.106 billion and maintains a corporate credit rating of BBB- (S&P) and Baa2 (Moody's).
- **SCHEDULED RENT INCREASES:** The Double-Net Lease calls for scheduled rent increases in 2026 and at the start of each of their two (2), 5-year renewal options, providing the investor with an attractive increase in revenue and a hedge against inflation.
- **RECESSION RESISTANT INVESTMENT:** Due to the auto parts industry's projected long-term strength, auto part stores remain in high-demand among Net Lease investors. The U.S. auto fleet is expected to grow by more than 10% over the next 3 years, resulting in more than 290 million vehicles (with an average age of 11 years) on the road by 2021. More cars on the road, an aging fleet and more miles driven all project toward a healthy automotive parts industry.
- **STRATEGIC RETAIL LOCATION:** The Property is situated along Somerset Street (NJ Route 27) the areas primary retail and commercial thoroughfare. The Property enjoys outstanding visibility and access with points of entry on Somerset Street and Kevin Appuzio Avenue. The Property is located within 4-miles of three (3) Rutgers University campuses, US Route 1, and Interstate 95.
- **TRADE AREA:** Additional businesses and retailers in the immediate area include, Robert Wood Johnson University Hospital, New Brunswick High School, Stop & Shop, ALDI, Walgreens, CVS, Rite Aid, AutoZone, Napa, Family Dollar, McDonald's, Burger King, KFC, Taco Bell, Wawa, and Dunkin'.
- **STRONG TRAFFIC COUNTS:** The location enjoys high traffic counts of 20,900 vehicles per day on Somerset Street (NJ Route 27).
- **STRONG DEMOGRAPHICS:** Over 140,500 people live within 3-miles of the Property, and an impressive 258,500 people live within 5-miles of the Property with an average household income of \$117,377. An additional 92,800 employees work within 5-miles of the Property.







**\$3,250,000**

LIST PRICE



**5.00%**

CAP RATE



**\$162,500**

NET OPERATING INCOME

631 SOMERSET STREET | SOMERSET, NJ 08873

OWNERSHIP:	Fee Simple
BUILDING AREA:	7,139 SF
YEAR BUILT:	2004
LAND AREA:	1.65 Acres
GUARANTOR:	Corporate
LEASE TYPE:	Double Net
ROOF & STRUCTURE:	Landlord Responsible
RENT COMMENCEMENT DATE:	12/23/2004
LEASE EXPIRATION DATE:	05/31/2031
LEASE TERM REMAINING:	9 Years, 10 Months
RENEWAL OPTIONS:	2, 5-Year Options



ANNUALIZED OPERATING DATA					
YEAR	START	END	TERM	RENT	% INC
16 - 20	01/01/2020	- 05/31/2026	CURRENT	\$162,500.04	
21 - 26	06/01/2026	- 05/31/2031		\$165,000.00	1.5%
27 - 31	06/01/2031	- 05/31/2036	OPTION 1	\$179,156.04	8.6%
32 - 36	06/01/2036	- 05/31/2041	OPTION 2	\$188,113.80	5.0%



TENANT OVERVIEW



ABOUT THE TENANT

<b>TENANT:</b>	Advance Auto Parts, Inc.
<b>OWNERSHIP:</b>	Public (NYSE: AAP)
<b>FORTUNE 500 RANKING:</b>	301
<b>MARKET CAP:</b>	\$13.9 Billion
<b>REVENUE (2019):</b>	\$10.106 Billion
<b>NET INCOME (2019):</b>	\$493 Million
<b>CREDIT RATING:</b>	BBB- (S&P)   Baa2 (Moody's)
<b>STORES:</b>	4,793 stores, 178 Worldpac 1,285 CarQuest
<b>EMPLOYEES:</b>	68,000+



Advance Auto Parts, Inc. is a public company traded on the New York Stock Exchange (NYSE: AAP) and the largest automotive aftermarket parts retailer in North America based on sales and store counts. AAP serves both professional installer (approximately 58% of sales) and do-it-yourself customers (approximately 42% of sales). The company premiered on the Fortune 500 list of companies in 2003 and was ranked at No. 301 as of 2021.

As of December 29, 2019, Advance operated 4,793 stores and 178 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,285 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos British Virgin Islands and Pacific Islands. These stores carry a wide variety of products serving an aftermarket auto part needs for both domestic and import vehicles.

AAP plans to open and operate stores in both large, densely-populated markets and small, less densely-populated areas. AAP has increased their store count significantly over the last 15 years, growing from 2,872 stores in 2005 to 6,256 stores under the AAP umbrella at the end of 2020. AAP intends to solidify its position in existing markets and continue to increase the number of their stores in new markets as part of their growth strategy.







## OVERVIEW

Somerset County is at the hub of Central New Jersey. Its 21 municipalities, which encompass 305 square miles, contain a diversity of landscape, population, and development that reflects the varied lifestyles of its estimated 331,164 residents. As one of America's oldest counties, Somerset is steeped in colonial and Revolutionary War history. The county was established by charter on May 22, 1688, with land conveyances dating to 1651. Historic sites, monuments, and buildings are found in virtually every town, preserved for future generations.

Located in the heart of the nation's largest metropolitan area, Somerset County contains a balance between urban and suburban neighborhoods and rural countrysides. Fine residential communities, beautiful parks, excellent shopping areas, extensive farmlands, numerous historic sites and outstanding business and industry all make Somerset County a desirable place to live, work, and play.

The county's 14,752 acres of parkland include golf courses, picnic areas, hiking and bicycling trails, stables, a swimming pool, an Environmental Education Center, and the County Fairgrounds, which each year hosts the Somerset County 4-H Fair. The county has preserved approximately 8,900 acres of farmland through its Agriculture Development Program, and another 3,253 acres of greenways through the County/Municipal Open Space Partnership Grant Program.

Its educational facilities - Raritan Valley Community College and Somerset County Vocational & Technical Schools - are among the finest in the state. The college, a two-year school in Branchburg, includes a library/theater complex, convention center, student life center, science center and planetarium; it also has satellite campuses in Bridgewater and Franklin.



**140,500+**  
PEOPLE WITHIN 3 MILES



**20,900+**  
VEHICLES PER DAY  
Somerset Street



**\$100,000+**  
AVERAGE HOUSEHOLD INCOME

	3 MILES	5 MILES	10 MILES
<b>POPULATION</b>			
2021 Estimate	140,548	258,500	814,441
2026 Projection	139,180	255,924	805,308
2010 Census	132,469	244,385	767,575
<b>BUSINESS</b>			
2021 Est. Total Businesses	4,850	9,904	31,774
2021 Est. Total Employees	58,294	144,097	442,421
<b>HOUSEHOLDS</b>			
2021 Estimate	42,739	83,563	275,123
2026 Projection	43,973	85,859	282,251
2010 Census	40,677	80,050	263,666
<b>INCOME</b>			
Average Household Income	\$100,000	\$117,377	\$125,992
Median Household Income	\$78,117	\$92,847	\$102,354























**DOWNTOWN  
NEW BRUNSWICK**









## REGIONAL MAP

**ADVANCE AUTO PARTS**  
SOMERSET | NJ



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