

PEP BOYS

1947 NORTH HIGLEY ROAD, MESA, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap



Walmart
Neighborhood Market
FIREHOUSE SUBS
SONIC
Walgreens
AutoZone
Firestone

BOEING
CORPORATE OFFICE

FALCON FIELD
AIRPORT

Bashas' KNEADERS CVS pharmacy
Orangetheory FITNESS ACE Hardware Albertsons
LA FITNESS BIG5 SPORTING GOODS Smash Burger DEL TACO

Walmart
STAPLES
Starbucks
Carl's Jr.
DOLLAR TREE

Pep Boys

SAFeway BIG TIRES
MESA COMMUNITY COLLEGE A MARICOPA COMMUNITY COLLEGE PET SMART
THE HOME DEPOT Michaels BED BATH & BEYOND
FIRST WATCH DISCOUNT TIRE
TARGET Chick-fil-A

EoS FITNESS
Arby's KTR
OUTBACK STEAKHOUSE
Starbucks DUTCH BROS
LESLIE'S SWIMMING POOL SUPPLIES
DOLLAR TREE

ACE Hardware Bashas'
IHOP MCDONALD'S
SAAD AND GO

TARGET Carl's Jr.
AMF 99c ONLY STORES O'Reilly's AUTO PARTS HARBOR FREIGHT TOOLS
JOANN AutoZone
BIG5 DOLLAR TREE

Walmart Public Storage
SPORTSMAN'S WAREHOUSE LA FITNESS
DUNKIN' DONUTS at home The Home Decor Superstore
HOBBY LOBBY
Cane's Jack native grill wings
Wendy's Culver's Fat Cat

SUPERSTITION SPRINGS CENTER
BEST BUY JCPenney
HALF PRICE BOOKS
Olive Garden Walmart
Ashley FURNITURE
Dillard's Famous Footwear
ROSS TJ-maxx
DRESS FOR LESS

TARGET THE HOME DEPOT
Tuesday Morning WinCo FOODS
Harkins FLOOR DECOR
COSTCO WHOLESALE Red Robin GOURMET BURGERS & BEERS

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Executive Summary

1947 North Higley Road, Mesa, AZ 85205

FINANCIAL SUMMARY

Price	\$3,280,800
Cap Rate	4.93%
Building Size	9,100 SF
Net Cash Flow	4.93% \$161,542*
Year Built	2001
Lot Size	1.10 Acres

LEASE SUMMARY

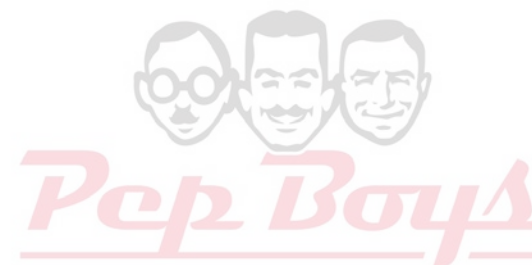
Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	The Pep Boys - Manny, Moe & Jack of California
Guarantor	Corporate
Roof & Structure	Tenant Responsible
Lease Commencement Date	September 1, 2017
Lease Expiration Date	August 31, 2027
Lease Term Remaining	5.5 Years
Rental Increases	10% Every 5 Years
Renewal Options	1, 5 Year Option
Right of First Refusal	None

*Based on September 1, 2022 Rent Increase.

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
9/1/2022 - 8/31/2027	\$161,542.00	4.93%
Options	Annual Rent	Cap Rate
Option 1	\$177,696.20	5.42%

Base Rent	\$161,542
Net Operating Income	\$161,542
Total Return	4.93% \$161,542





Walmart
STAPLES
Carls Jr.
DOLLAR TREE

enterprise

TOM'S B-B-Q
It's the Best!

WAFFLE
HOUSE

FALCON FIELD
AIRPORT

INDUSTRIAL
PARK

VENEZIA'S
New York Style
PIZZERIA

Chevron

K

24,450 CPD
N HIGLEY RD

jiffy lube

Arby's

20,040 CPD
W MCKELLIPS RD

Pep Boys

N



CHASE
WaFd Bank
DAIRY QUEEN

FOOD STORES
Fry's
BANK OF AMERICA
Kohl's
UPTOWN JUNGLE
PLAY PARK
Burger King
AutoZone
Pizza Hut

LEGACY
RETIREMENT
Mesa

ALTA MESA
GOLF CLUB

20,040 CPD
W MCKELLIPS RD

SUNRISE VILLAGE
ACTIVE 55+ COMMUNITY

Pep Boys

Arby's

24,450 CPD
N HIGLEY RD

K

Chevron

jiffy lube



Property Description



INVESTMENT HIGHLIGHTS

- » **Absolute Triple-Net (NNN) Corporate Lease with Over Five Years Remaining**
- » 10 Percent Rental Increases Every Five Years
- » **220,683 Residents within a Five-Mile Radius - Growing Mesa Trade Area in the Phoenix MSA**
- » Average Household Income Exceeds \$90,000 within a Three-Mile Radius
- » **45,000+ Combined Cars/Day at the Corner of North Higley Road and East McKellips Road with Direct Access to the Loop 202 Freeway (80,800+ Cars/Day)**
- » Excellent Access from Both North Higley Road and East McKellips Road
- » **Property Contains 11 Bay Doors, Ensuring More Than Sufficient Space for the Business**
- » Surrounded by Major National Retailers - Walmart, Staples, Fry's, Kohl's, Burger King, Arby's, AutoZone Auto Parts, and More
- » **Down the Road from The Boeing Company's Corporate Mesa Office (3,700 Employees)**
- » Adjacent to Falcon Field Airport, which Contributes More Jobs and Economic Benefit (\$811+ Million Annually) Than Any Other General Aviation Airport in the Phoenix Area
- » **Multiple Points of Ingress/Egress - Accessible via Both Higley Road & McKellips Road**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2026 Projection	7,833	87,420	229,517
2021 Estimate	7,484	83,922	220,683
Growth 2021 – 2026	4.66%	4.17%	4.00%

Households

2026 Projection	3,732	37,524	95,611
2021 Estimate	3,548	35,723	91,067
Growth 2021 – 2026	5.21%	5.04%	4.99%

Income

2021 Est. Average Household Income	\$84,564	\$90,402	\$90,568
2021 Est. Median Household Income	\$64,700	\$64,536	\$64,471
2021 Est. Per Capita Income	\$40,445	\$38,662	\$37,517



Tenant Overview



Philadelphia, Pennsylvania

Headquarters

Icahn Enterprises

Parent Company

1,000+

Locations

www.pepboys.com

Website

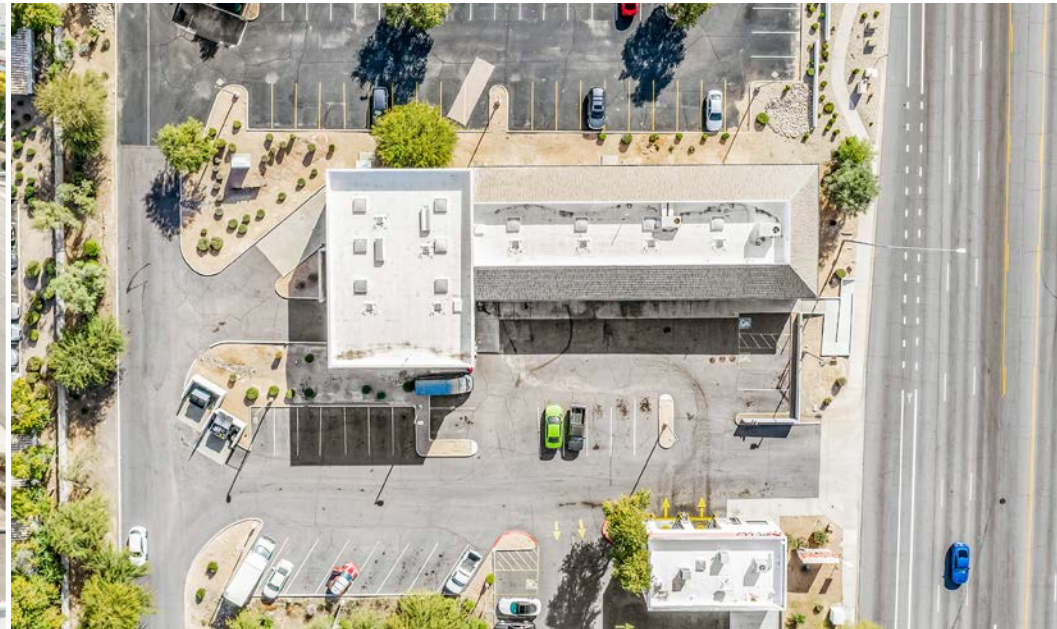
Through more than 1,000 locations in the U.S. and Puerto Rico, Pep Boys offers service, tires, auto parts, fleet services, and commercial parts services. In 2016, Pep Boys was acquired by Icahn Automotive Group LLC, which was formed by its parent, Icahn Enterprises L.P., to invest in and operate businesses involved in aftermarket parts distribution and service.

The Pep Boys story began in 1921, when four Navy buddies spotted an emerging market for auto supplies stores. Each of them chipped in \$200 to open the first Pep Boys location in Philadelphia, Pennsylvania.

Over the past decade, Pep Boys has focused on the development of service and tire centers within its existing markets as its primary growth strategy. Today, the company has expanded to include “Speed Shops” within its retail stores, catering to the growing number of car enthusiasts. In 2012, Pep Boys created a new service and retail customer experience referred to as “The Road Ahead,” which features customer lounges and a diverse retail product assortment.

Today, Pep Boys remains one of the most widely known aftermarket auto parts and service brands in the country.

Property Photos



Location Overview



Mesa is the third largest city in Arizona, after Phoenix and Tucson, and the 38th largest city in the U.S. It is home to numerous higher education facilities, including the Polytechnic campus of Arizona State University. The city's top employers include Banner Health, Boeing, Walmart, Fry's Food & Drug, and The Home Depot.

With dynamic recreational, educational and business opportunities, Mesa enjoys the best in a variety of amenities including parks within easy walking distance from home, a variety of sports facilities that cater to athletes young and old, highly rated golf courses for every skill level, a diversity of special events and community festivals, and Mesa's ever-popular Chicago Clubs and Oakland A's Spring Training baseball.

The Phoenix metro consists of Maricopa and Pinal counties, and includes more

than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers; the challenge, though, is attracting high-paying jobs. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, high-tech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.

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