



PALOMAR
Real Estate Group

Advance Auto Parts

960 Tanyard Road
Rocky Mount, VA 24151

Legal Conditions

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for the limited use in considering whether to pursue negotiations to acquire Advance Auto (the "Property") located in Rocky Mount, VA and is not intended to be an offer for the sale of the Property.

This confidential memorandum, which contains brief, selected information pertaining to the business and affairs of the Property, has been prepared by The Palomar Group. This confidential memorandum does not purport to be all-inclusive or to contain all the information which a prospective purchaser may desire. Neither Seller nor The Palomar Group nor any of their officers, employees or agents make any representation of warranty, expressed or implied, as to the accuracy or completeness of this confidential memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto.

By receipt of this confidential memorandum, it is agreed that the memorandum and its contents are confidential, that they will be held and treated in the strictest of confidence, that the Recipient will not, directly or indirectly, disclose or permit anyone else to disclose this memorandum or its contents to any other person, firm or entity without prior written authorization of the Seller, and that the Recipient will not use or permit to be used this memorandum or its contents in any fashion or manner detrimental to the interest of the Seller. Photocopying or other duplication is strictly prohibited.

THE SELLER EXPRESSEDLY RESERVES THE RIGHT AT ITS SOLE DISCRETION TO REJECT ANY OR ALL PROPOSALS OR EXPRESSIONS OF INTEREST IN THE PROPERTY AND TO TERMINATE DISCUSSIONS WITH ANY PARTY AT ANYTIME WITH OR WITHOUT NOTICE.

If the Recipient does not wish to pursue negotiations leading to this acquisition, or if in the future the Recipient discontinues such negotiations, Recipient agrees to return this confidential memorandum to The Palomar Group.

THIS CONFIDENTIAL MEMORANDUM SHALL NOT BE DEEMED A REPRESENTATION OF THE STATE OF AFFAIRS OF THE PROPERTY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE PROPERTY SINCE THE DATE OF PREPARATION OF THIS MEMORANDUM.

THE PALOMAR GROUP (BROKER) MAKES THE DISCLOSURE THAT ITS ROLE IS EXCLUSIVELY REPRESENTING THE SELLER, NOT THE BUYER AND AS SUCH, BROKERS MUST WORK TO OBTAIN FOR SELLER THE BEST PRICE AND TERMS AVAILABLE. NEITHER SELLING BROKER OR SELLER ARE RESPONSIBLE FOR ANY COMPENSATION TO ANY OTHER PARTY IN CONNECTION WITH THE SALE OF THE PROPERTY.

THIS PROPERTY IS BEING SOLD AS AN "AS IS, WHERE IS" SALE.

Team



Ryan McArdle

Partner

706.631.8897

ryan.mcardle@thepalomargroup.com



David Rivers

Partner

706.840.0055

david.rivers@thepalomargroup.com



Steve Collins

Partner

706.564.8556

steve.collins@thepalomargroup.com



Jefferson Knox

Associate

706.294.8806

jefferson.knox@thepalomargroup.com



Lee Malchow

Associate

706.231.7249

lee.malchow@thepalomargroup.com

In Conjunction With
Brian Brockman
Bang Realty, Inc
VA License #225245999

The Palomar Group is a full-service commercial Investment Sales firm. The Investment Sales Team specializes in well positioned anchored or unanchored retail properties throughout the country. Their proven track record on both the acquisition and disposition sides are a direct result of their understanding of the marketplace, appropriate asset valuation based off current market conditions, and the alignment of assets to the most suitable and qualified Buyer/ Seller. The Team has worked on over 10 million square feet of retail, office and multifamily, having a hand in over \$1 billion in transactions across 13 states.

Executive Summary





Asking Cap Rate
5.50%



Asking Price
\$1,727,273



NOI
\$95,000



Lease Expiration
12/31/2031
10 Year Term



Acreage
0.44



Lease Structure
NN



Rental Increases
5.26% in Year 6
10% in Option Periods



Year Built
1992

THE OPPORTUNITY



Address

960 Tanyard Road
Rocky Mount, VA 24151



Parcel Number

2030002901



Gross Leasable Area

6,000 square feet



Land Area

0.44 AC



Year Built

1992



NOI

\$95,000



Asking Cap Rate

5.50%



Asking Price

\$1,727,273



Lease Summary – Escalations & Options

Date	Annual	Monthly
1/1/2022 - 12/31/2026	\$ 95,000	\$ 7,916.67
1/1/2027 - 12/31/2031	\$100,000	\$ 8,333.33
Options		
1/1/2032 - 12/31/2036	\$110,000	\$ 9,166.67
1/1/2037 - 12/31/2041	\$121,000	\$10,083.33

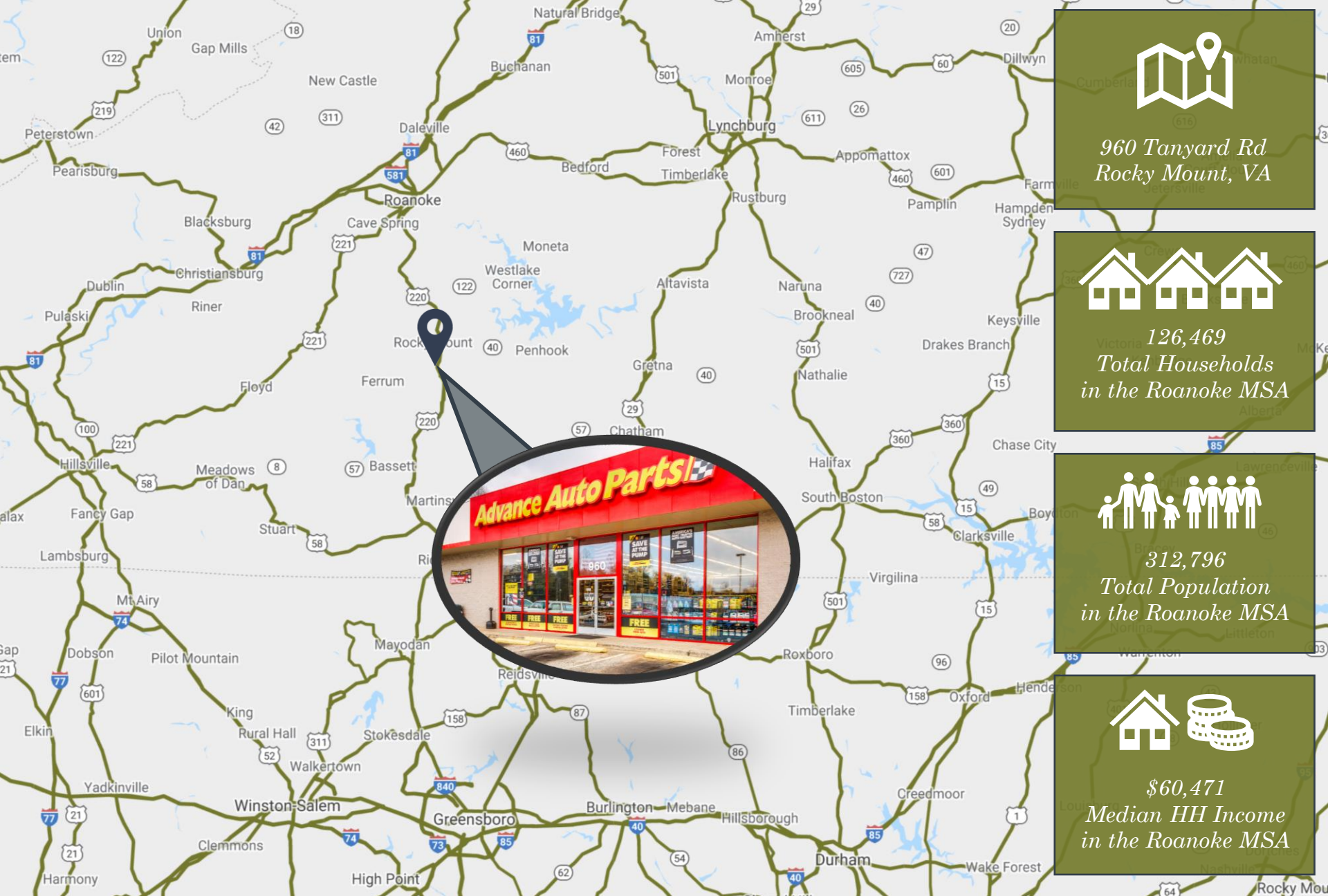
THE ASSET

- **Brand New** 10-year lease term, showing commitment to location after **30-year** operating history
- **Rare Mid-Term Increases** of 5.26% in Year 6 and 10% in both option periods
- **Strong sales growth** with healthy rent-to-sales ratio
- **Minimal** Landlord Responsibilities
- **Corporate Lease** via publicly traded company
 - NYSE: AAP - \$15B market capitalization
- Initial Term Until **12/31/2031**
- **Grocery Outparcel**
 - Recent **long term commitment** from Food Lion

Advance Auto Parts!

PROPERTY AND MARKET FUNDAMENTALS

- Outparcel to **Food Lion** and **Rose's** shopping center. Each with strong sales and operating history since the mid-1980s
- High occupancy levels in the immediate area with historical shop vacancies at <5%
- Convenient access to US Route 220 which connects Rocky Mount with Roanoke and Greensboro, NC
- Positive rent growth within the market of over 4%
- Located at a signalized intersection with more than 18,000 vehicles per day on Tanyard Rd
- Tanyard Rd is the primary retail thoroughfare for the market, connecting homes, schools, and other retailers
- Great visibility from Tanyard Rd with multiple points of ingress and egress
- Franklin County High School next door, with 2,300 students



*960 Tanyard Rd
Rocky Mount, VA*



*126,469
Total Households
in the Roanoke MSA*



*312,796
Total Population
in the Roanoke MSA*



*\$60,471
Median HH Income
in the Roanoke MSA*



CVS
SHOE SHOW

Lowe's

Walmart

Wendy's

TACO BELL

Kroger
HARBOR FREIGHT
QUALITY TOOLS LOWEST PRICES

Advance Auto Parts
Service is our best part.

Wendy's
COOK-OUT

DOLLAR TREE

21,000

220

McDonald's

Tanyard Rd

18,000

Rocky Mount Plaza

FOOD LION

SHERWIN WILLIAMS

Aaron's

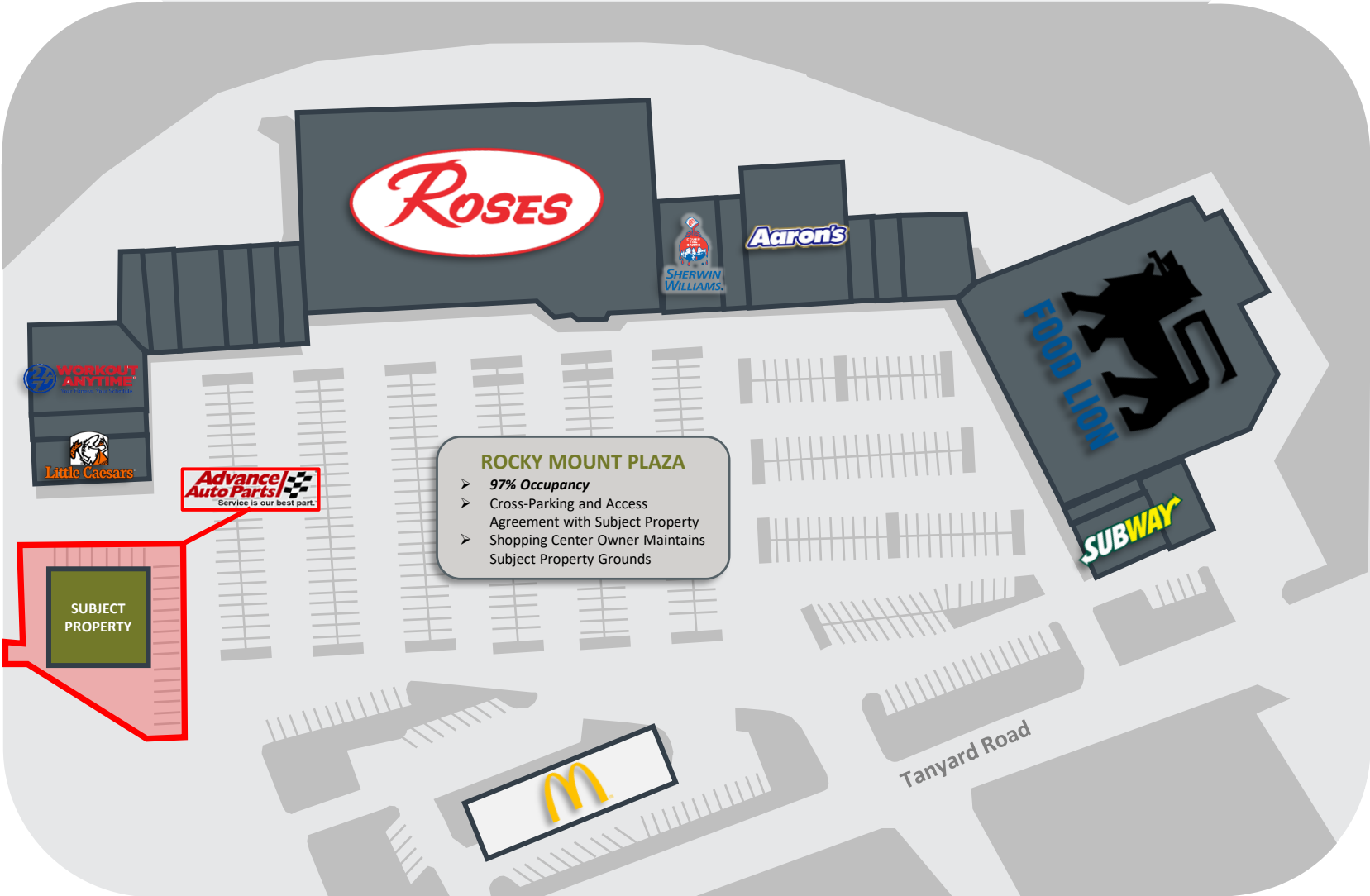
WORKOUT ANYTIME
Your Fitness. Your Schedule.

ROSES

SUBWAY

Little Caesars





ROCKY MOUNT PLAZA

- 97% Occupancy
- Cross-Parking and Access Agreement with Subject Property
- Shopping Center Owner Maintains Subject Property Grounds

Financials & Tenant Overview



LEASE TERMS

TENANT	Advance Auto Parts
LEASE TYPE	NN Lease
LEASE TERM	10 Years
OPTION PERIOD	Two, 5-Year Options

Initial Occupancy Date: November 1, 1992

Current Term:	January 1, 2022 – December 31, 2031
Rent Escalation:	January 1, 2027 – December 31, 2031
Option #1:	January 1, 2032 – December 31, 2036
Option #2:	January 1, 2037 – December 31, 2041



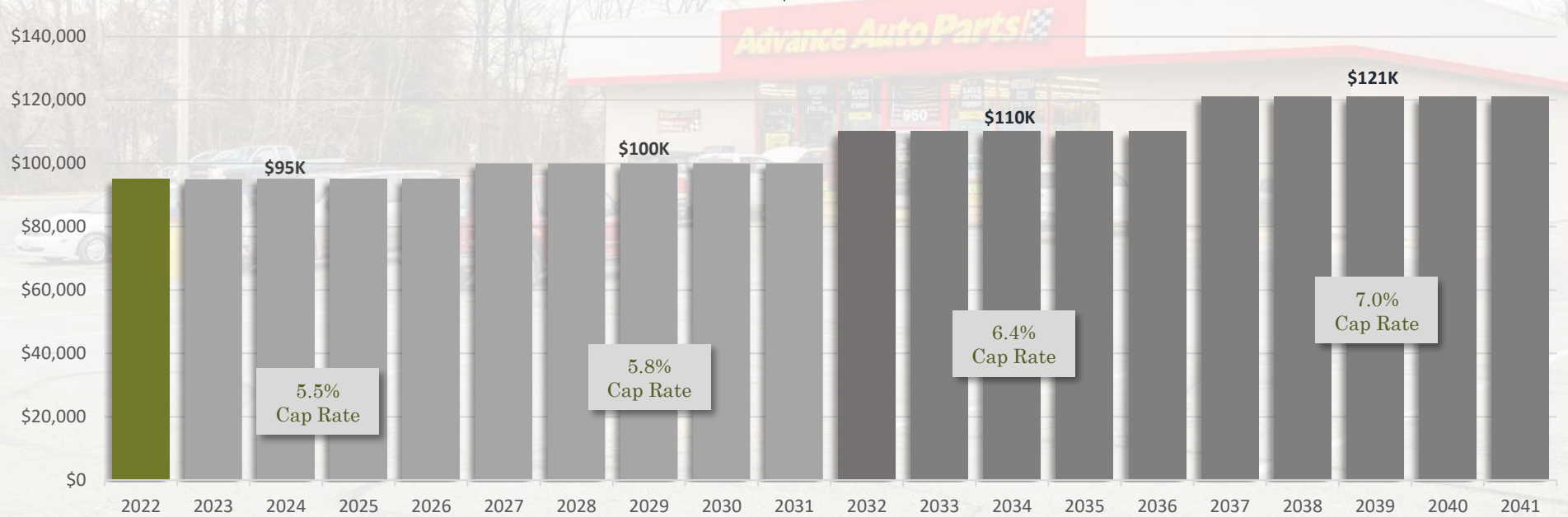
RENT SCHEDULE

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT	% INCREASE
Years 1-5	\$7,916.67	\$95,000	
Years 6-10	\$8,333.33	\$100,000	5.26%

OPTION RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT	% INCREASE
Years 11-15	\$9,166.67	\$110,000	10.00%
Years 16-20	\$10,083.33	\$121,000	10.00%





Founded in 1932 in Roanoke, VA

Publicly Traded

Headquartered in Raleigh, NC

Over 68,000 Employees in North America

Industry Leader with an Annual Revenue of \$10.11B

Tenant Summary

Tenant	Advance Auto
Website	www.advanceautoparts.com
Market Capitalization	(NYSE: AAP) \$14.8 Billion
Locations	5,200
Founded	1932
Headquarters	Raleigh, NC
Area Served	United States
Annual Revenue	\$10.11B
Employees	68,000

Locations in 49 States

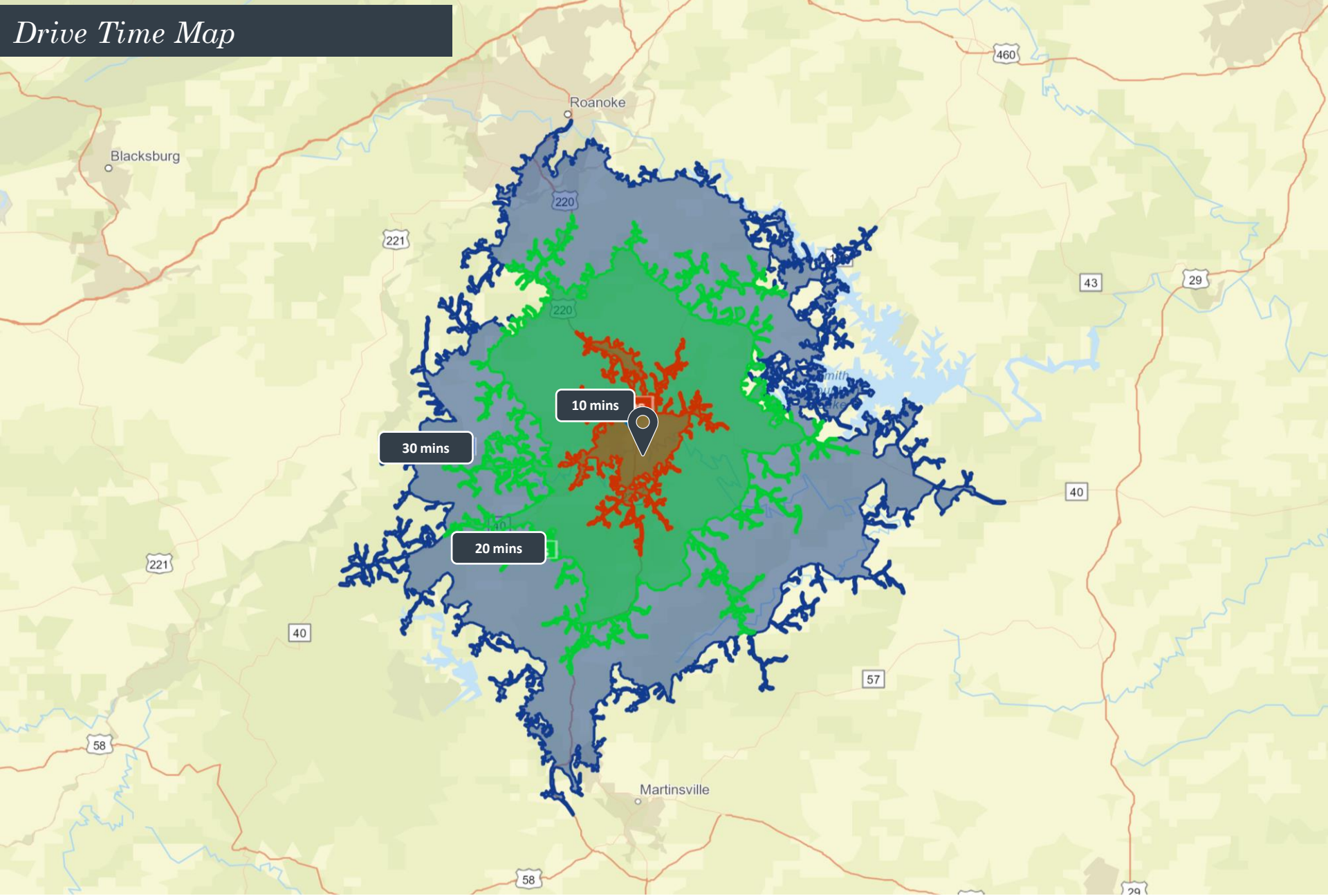
Over 5,200 Locations

S&P Global BBB- Credit Rating

Market Overview



Drive Time Map



Roanoke, VA MSA

Roanoke
**TOP 100
BEST PLACES
TO LIVE**

*Livability
2019*

Roanoke
TOP 25
U.S. cities that
millennials can
afford – and
actually want to
live in

Roanoke
**TOP
ADVENTURE
TOWN**

*Blue Ridge Outdoors
Magazine, 2020*

Roanoke

Home to nearly 100,000 residents, Roanoke is a mountain city and hub for innovation offering award-winning outdoor amenities, endless trails, friendly neighborhoods with character, public art, the famous Roanoke Star, museums, craft breweries, one-of-a-kind shops and restaurants, and historical attractions.

Business

Businesses want to get in on what's happening in the Roanoke Region of Virginia. From advanced manufacturing to shared services to national breweries to life science, they're rippling with new opportunities. Roanoke is located equidistant from New York City and Atlanta and accessible to two-thirds of the U.S. population in a day's shipping time. Add in Virginia's pro-business climate with low business costs in a right-to-work state with a cost of living below the national average. (That's why CNBC ranked Virginia as the Top State for Business in 2019.)

Mountain Living and Outdoor Recreation

Ranked as one of IMBA's top mountain biking destinations in the world, Roanoke visitors and residents can quickly access the Appalachian Trail and plenty of other famous outdoor attractions. Roanoke, Virginia is also among one of the few metropolitan areas that sits beside the Blue Ridge Parkway - one of the most popular attractions in the National Parks System. The City of Roanoke maintains 70 parks that span 14,000+ acres and offer 100 miles of award-winning natural surface and paved trail systems for commuting, road cycling, mountain biking, hiking, and horseback riding. Read More about Outdoor Adventures



Population:	10 Min	20 Min	30 Min
2010 Population	7,836	28,947	70,599
2020 Population	7,914	29,467	72,423
2025 Population Projection	8,021	29,964	73,487

2020 Household Income	10 Min	20 Min	30 Min
Avg Household Income	\$56,859	\$65,304	\$73,993
Median Household Income	\$37,479	\$49,435	\$51,560



Households:	10 Min	20 Min	30 Min
2010 Households	3,285	11,635	29,548
2020 Households	3,321	11,828	30,354
2025 Household Projection	3,361	11,999	30,759

2020 Households by Household Income:	10 Min	20 Min	30 Min
<\$15,000	759	1,862	3,930
\$15,000 - \$24,999	406	1,229	3,171
\$25,000 - \$50,000	410	1,298	3,358
\$50,000 - \$75,000	402	1,569	4,188
\$75,000 - \$100,000	547	2,384	5,714
\$100,000 - \$125,000	297	1,290	3,388
\$125,000 - \$150,000	310	1,401	3,691
\$150,000 - \$200,000	100	440	1,486
\$200,000+	90	354	1,426

Rocky Mount celebrates year of business growth despite global pandemic

January 5, 2021

The town of Rocky Mount is celebrating a year of growth despite the global pandemic. While many businesses are shutting their doors, the town is seeing new ones excited to open up, including a business that the town's never seen before. Mark Redden and his wife Nicole have transformed a historic department store into a place where happiness comes true. They moved back to the Roanoke Valley from Arkansas to launch their new business. "We knew we wanted to be in Franklin County, but then once we really started exploring things we knew we wanted to be in Rocky Mount specifically just because of how welcoming the community was here," Redden said.

The Grand at 290 is a wedding and event venue spread across two floors on Main Street in Rocky Mount directly across from the courthouse. The building was previously renovated by John Garland and was home to office space among others before the Reddens purchased it. It's just one example of about a dozen new businesses, from a car wash to a coffee shop, to open in the last year through the pandemic. Beth Simms is the town's economic development director and said it's a positive sign.

[Read More](#)

Meineke Dealers Select Advance Auto as 2021 Vendor of the Year

Jan 3, 2022

The Meineke Dealers Purchasing Cooperative Inc. (MDPCI) has announced **Advance Auto Parts** as the winner of the 2021 Vendor of the Year Award. Advance has been a member of the Meineke Dealers Association (MDA) and the MDPCI Co-op for many years. Over the past few, their program has grown at unprecedented rates. Vendor of the Year is selected based on survey results from the Meineke dealer group and is awarded based on criteria ranging from the cost and quality of parts and services to the overall ease working with the vendor. One of the key measurements is overall satisfaction with the vendor and their program.

Ron Soto, executive director of the MDA and MDPCI said, "The growth of our program with **Advance** has been tremendous over the past year. It is a testament to the true partnership they have provided our dealers and the delivery of the commitment they made to the MDPCI to help increase profitability of the Meineke Service Centers nationwide. **Advance** has developed an exceptional program working with the MDPCI as partners, and helped Meineke dealers across the country. We look forward to continued growth in 2022 and beyond."

[Read More](#)



AARP Names Roanoke a Top U.S. Destination

December 18, 2018

The city of 100,000 that's just off the Blue Ridge Parkway in western Virginia has been off tourists' radar lately. But thanks to an influx of businesses, it has undergone a quiet renaissance. The stunning Taubman Museum of Art, whose curvy silver-colored roofline pays homage to the Blue Ridge Mountains, was designed by a onetime associate of famed architect Frank Gehry.

Admission is free. Roanoke has craft beer, wineries, food trucks and an affordable menu of restaurants. Sip iconic peanut soup at the rejuvenated Hotel Roanoke. A sign of Roanoke's revival: Amtrak recently added service from Washington, D.C., and other cities.

[Read More](#)



Auto Parts Sales Get Boost From New Car Shortage

Dec 8, 2021

With the automotive microchip shortage expected to last well into 2022, prices for new and used cars remain elevated, leading many consumers to consider repairs and better upkeep of their vehicles over outright replacement. According to the U.S. Department of Commerce, motor vehicle and parts dealers saw a 1.8% increase in monthly sales in October. Year over year, the category saw over 11% increase in sales.

Tom Greco, president and CEO of **Advance Auto Parts**, similarly said last month that the chip shortage is leading consumers to repair and maintain their vehicles longer, and the fleet of cars being driven in the U.S. is continuing to age.

"And, perhaps most importantly, vehicle miles driven continue to improve versus both 2020 and 2019," Greco told analysts.

Last month, **Advance Auto Parts** reported that net sales for the third quarter of their fiscal 2021 were up 3.1% to \$2.6 billion, with comparable sales also increased by 3.1% and up 13.3% since the same time in 2019.

[Read More](#)

Contact Us



Ryan McArdle
Partner
706-631-8897
ryan.mcardle@thepalomargroup.com



David Rivers
Partner
706-840-0055
david.rivers@thepalomargroup.com



Steve Collins
Partner
706-564-8556
steve.collins@thepalomargroup.com



Lee Malchow
Associate
706.231.7249
lee.malchow@thepalomargroup.com



Jefferson Knox
Associate
706.294.8806
jefferson.knox@thepalomargroup.com



thepalomargroup.com



706-407-4443



206 Pitcarin Way Suite A
Augusta, Ga 30909

