

# OFFERING MEMORANDUM

Marcus & Millichap



PENNS GROVE, NJ – WILMINGTON, DE MSA

Representative Photo

# EXECUTIVE SUMMARY



31 S Virginia Ave,  
Penns Grove, NJ 08069

ADDRESS



Penns Grove, NJ  
Wilmington, DE MSA

MARKET



20 YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

6% INCREASE  
IN YEAR 11

## THE OFFERING

Price	\$1,250,100
Cap	4.00%
GLA	6,446
Lot Size	0.7431 Acres
Year Built	2021
Lease Type	NNN Ground Lease
Rent Commencement	4/1/2022
Lease Expiration	3/31/2042
Increases	6% Year 11 & Each Option
Options	Four; Five-Year Terms
Credit	BBB

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1-10	\$50,004	
Years 11-20	\$53,004	6.00%
OPTION TERMS		
Option 1	\$56,184	6.00%
Option 2	\$59,556	6.00%
Option 3	\$63,120	5.98%
Option 4	\$66,912	6.01%



# INVESTMENT HIGHLIGHTS

## NEW 20-YEAR GROUND LEASE

## 6% RENTAL INCREASES IN YR 11 AND OPTIONS

## INVESTMENT GRADE CREDIT; “BBB” BY S&P/ BAA1 BY MOODY’S

## IDEAL MIDDLE INCOME DEMOGRAPHICS

## UNDER AN HOUR DRIVE TO PHILADELPHIA AND WILMINGTON, DE

**20-YEAR GROUND LEASE WITH INCREASES** – The tenant executed a new 20-year absolute NNN ground lease to commence in April 2022. The lease features rental increases of six percent (6%) in year eleven of the base term and in each four, five-year option periods.

**PROMINENT FRONTAGE** – The 0.743-acre parcel is prominently positioned along Route 130/South Virginia Avenue (9,217 VPD) just south of its intersection with East Main Street (5,926 VPD). The Property is positioned in front of 70-unit Silver Run Park apartment community and immediately across Route 130 from an Advance Auto Parts.

**CAPITILIZING ON MARKET VOID** – This site fills a void in the tenant’s coverage of New Jersey. The retailer added a new and successful store, six miles south in Pennsville, New Jersey in 2017. Its next nearest location to the north is 14 miles northeast in Gibbstown, New Jersey. AutoZone identified the subject location as a hole in its coverage and believes it can lure customers from its competitor, Advance Auto Parts. According to Placer.ai geofencing data, the neighboring Advance Auto Parts ranks 2nd of seven locations in a 15-mile radius; a strong location for this use.

**PROXIMATE TO VARIOUS NEIGHBORHOOD USES** – The site is within one-and-one-half miles to various synergistic neighborhood uses. In addition to the neighboring Silver Run Park, AutoZone is across Route 130 from 120-unit Penn Village Apartments and 144-unit Penn Grove Gardens, and five area schools with a total of 3,993 students. It is also neighbored by notable retailers TD Bank, Dollar General, Family Dollar, Rite Aid and Walgreens, along with the aforementioned Advance Auto Parts.

**INDUSTRY LEADING AUTO PARTS RETAILER** – AutoZone, Inc. is the nation’s leading retailer and distributor of automotive replacement parts and accessories with more than 6,000 stores in US, Puerto Rico, Mexico, and Brazil. The Company generated \$14.6 Billion in sales in 2021, a 15.8 percent increase from the prior year, topping both O’Reilly Auto Parts and Advance Auto Parts who project year-end sales of \$13.2B and \$10.9B respectively.

**INVESTMENT GRADE CREDIT** – AutoZone, Inc. is rated “BBB” by Standard & Poor’s and “Baa1” by Moody’s and publicly traded on the New York Stock Exchange under the ticker AZO.

**IDEAL MIDDLE INCOME DEMOGRAPHICS** – Penns Grove is ideally located 10 miles east of Wilmington and 33 miles southwest of Philadelphia with easy accessibility via the Delaware Memorial Bridge and the Commodore Barry Bridge. The population of this Salem County submarket combined with a mix of commercial users and middle-income residents provides an ideal customer base for the tenant. Presently there are more than 77,752 people within five-miles with an Average Household Income of \$69,850.



Delaware Memorial  
Bridge

DELAWARE BAY

verizon✓

DOLLAR  
GENERAL

Penns Grove  
Middle School

Paul W Carleton  
Elementary

N VIRGINIA AVE - 9,217 VPD

Silver Run Apartments  
70 Units

 **AutoZone®**

**Advance  
AutoParts**

Neighboring Advance  
Auto Ranks # 2 of 7 in the  
region for Advance Auto



**DOWNTOWN WILMINGTON**



**AutoZone®**

**RENT TO COMMENCE FIRM DATE  
APRIL 1, 2022.  
CONSTRUCTION AS OF EARLY  
JANUARY 2022.**

**Advance  
Auto Parts**



## TENANT INFORMATION

AutoZone, Inc. is the largest retailer and distributor of automotive replacement parts and accessories in the United States with 6,000 stores across the United States, Puerto Rico, Mexico, and Brazil. Founded in 1979, each AutoZone store carries an extensive product line for cars, sport utility vehicles, vans, and light trucks, including new and remanufactured automotive hard parts, maintenance items, accessories, and non-automotive products. AutoZone also sells automotive diagnostic and repair software through ALLDATA, diagnostic and repair information through alldatadiy.com, and auto and light truck parts and accessories through AutoZone.com. Many AutoZone stores have a commercial sales program that provides commercial credit and prompt delivery of parts and other products to local, regional, and national repair garages, dealers, service stations, and public sector accounts. IMC branches carry an extensive line of original equipment quality import replacement parts.

AutoZone is traded on the New York Stock Exchange (NYSE: "AZO") and has been a fortune 500 company for the past 20 years. The Company reported 2020 Revenue of \$14.6 Billion, a 15.8 percent increase over 2019.



Representative Photo



**REVENUE**  
\$14.6 Billion



**HEADQUARTERS**  
Memphis, TN



**NO. OF EMPLOYEES**  
85,000



**NO. OF LOCATIONS**  
6,000



**YEAR FOUNDED**  
1979



**STOCK SYMBOL  
/CREDIT RATING**  
AZO : BBB



## REGIONAL MAP

**\$69K**

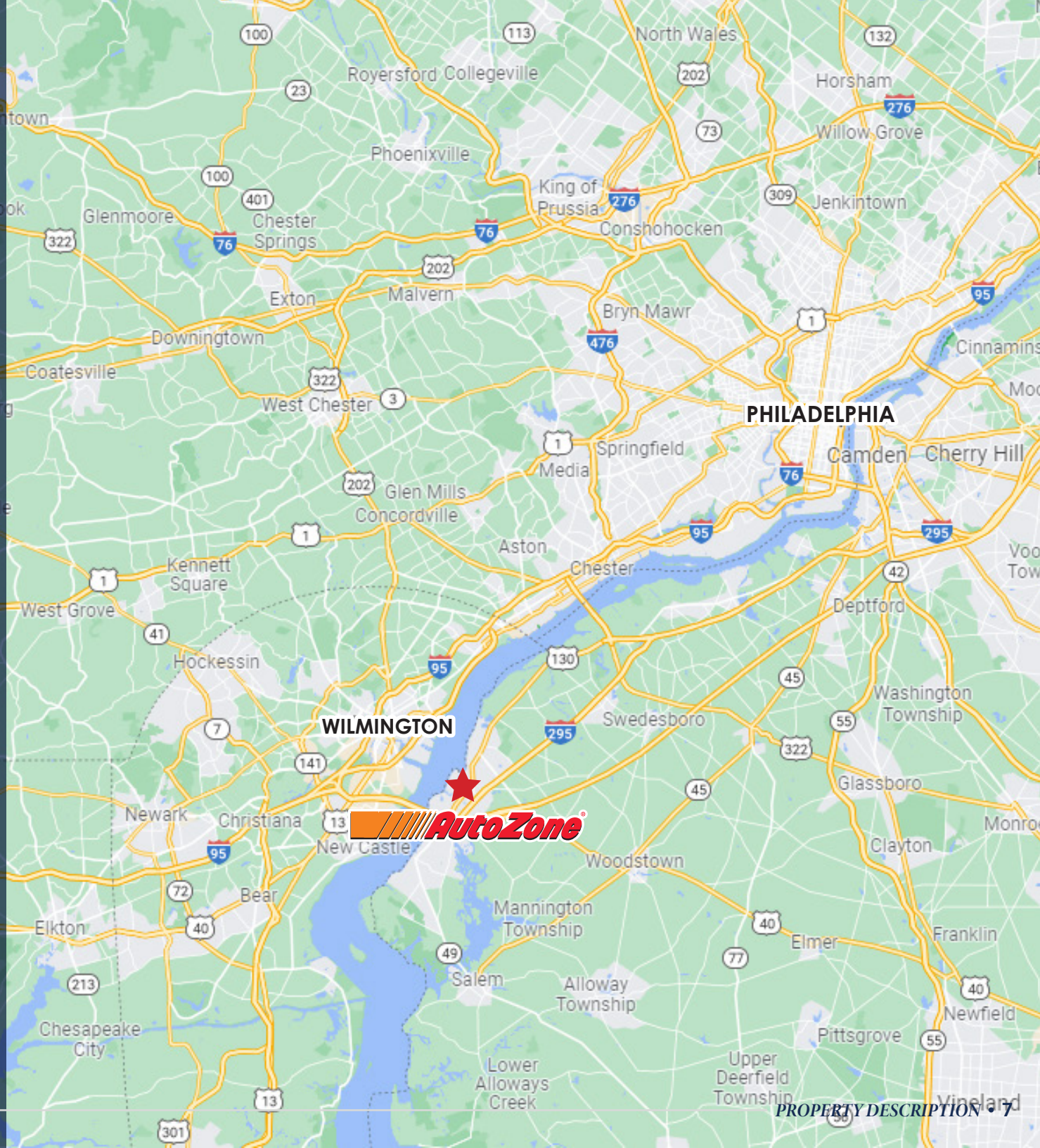
Within a 5-mile radius, the average household income is \$69,850

**9K** MPD

An average of 9,217 vehicles per day drive by South Virginia Avenue

**77K**

Within a 5-mile radius, the population density is 77,752







Walgreens



FAMILY DOLLAR  
my family. my home. my dollar.

Advance  
Auto Parts

N VIRGINIA AVE - 9,217 VPD



AutoZone

Field Street  
Elem School

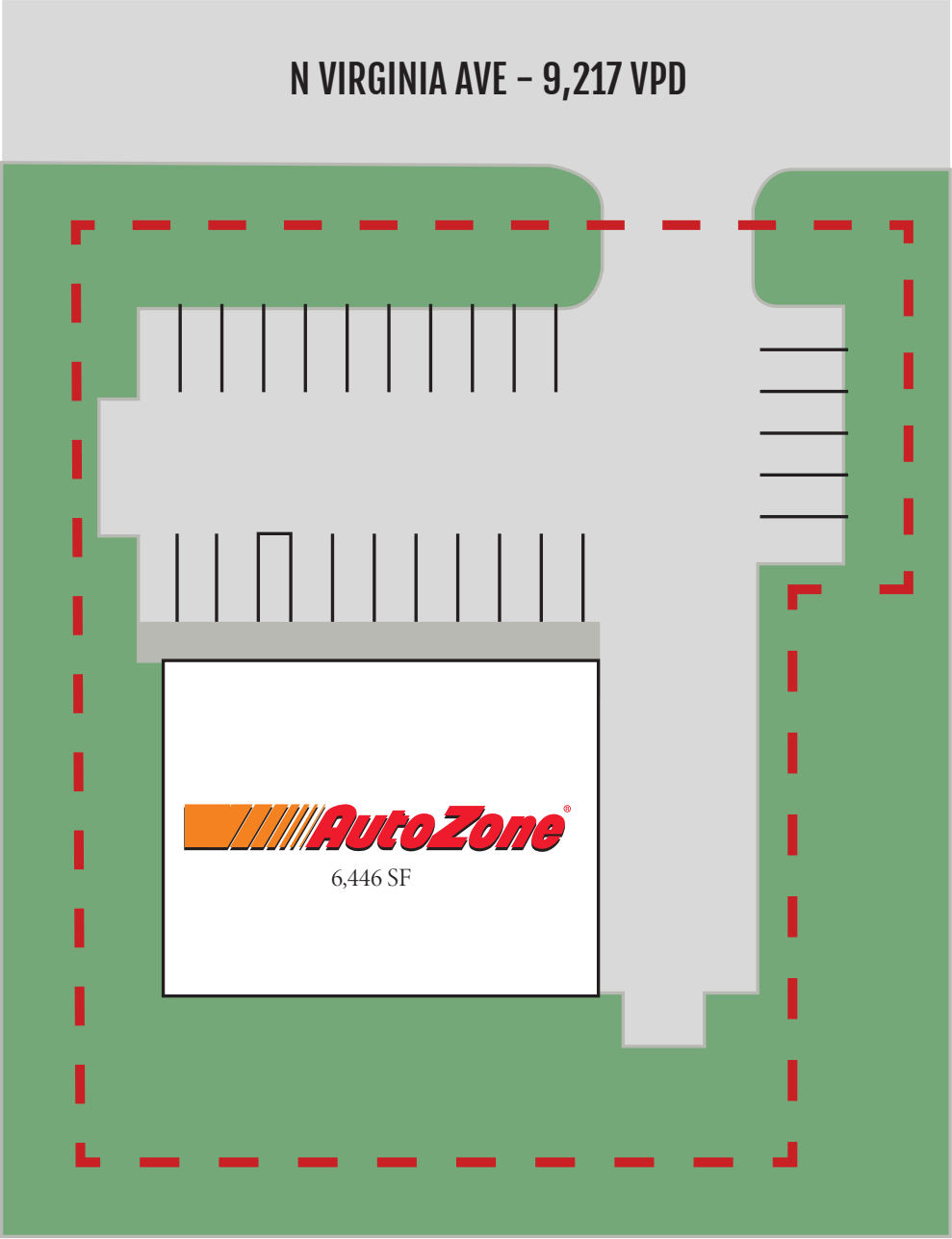
Various  
Neighborhood Retail

E MAIN ST - 5,926 VPD

Silver Run Apartments  
70 Units



SITE PLAN





# LEASE ABSTRACT

Guarantor	AutoZone, Inc.
Notification Period to Exercise Options	9 Months
Landlord Obligations	None
Tenant Obligations	Tenant shall, at its sole cost and expense, maintain the Demised Premises and all improvements thereon at Tenant's sole expense, in good condition. In connection with the foregoing, Tenant shall also maintain the Parking Area, lighting, cleaning, repairing, replacing, and administering the Demised Premises and shall bear the cost of utility expenses; the cost of snow, trash, rubbish, garbage, and other refuse and debris removal; the cost of licenses, permits, and other governmental fees and charges; the cost of all Tenant's maintenance and service contracts; signage costs; the cost of gardening and landscaping services and supplies; subsidies, surcharges, and other payments, which the Demised Premises is required to pay to or by public or quasi-governmental bodies; and the cost of complying with all laws, rules, regulations, and ordinances. Landlord shall have no obligation to make any repairs, replacements, alterations or other improvements to the Demised Premises.
Assignment & Subletting	Subject to this Ground Lease, Tenant may sublet the Demised Premises, and may assign, transfer, sell, mortgage or pledge its interest under this Ground Lease and its interest in and to any sublease or the rentals payable thereunder. No subletting, mortgage, pledge or assignment of this Ground Lease shall impair or diminish any obligations of Tenant hereunder. Any interest so assigned may be assigned and reassigned in like manner by any assignee thereof, but notwithstanding any act described in this Section, Tenant shall remain primarily liable for the performance of all the terms and conditions of this Ground Lease. Tenant shall give Landlord written notice of any assignment, and the name and address of the assignee, within thirty (30) days after the effective date of the same.



# DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	8,095	14,274	77,471
2019 Estimate	8,072	14,270	77,752
2010 Census	8,382	14,739	78,621
2000 Census	7,893	13,933	79,883
Current Daytime Population	6,115	11,461	93,101

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2019 Estimate Total Population	8,072	14,270	77,752
Under 20	29.81%	26.55%	24.94%
20 to 34 Years	20.38%	19.96%	21.00%
35 to 39 Years	6.72%	6.68%	6.65%
40 to 49 Years	11.10%	11.28%	11.90%
50 to 64 Years	17.37%	18.97%	20.21%
Age 65+	14.63%	16.56%	15.30%
Median Age	34.87	37.55	37.97
<u>Population 25+ by Education Level</u>			
2019 Estimate Population Age 25+	5,157	9,654	53,899
Elementary (0-8)	5.81%	4.60%	2.65%
Some High School (9-11)	12.52%	10.98%	9.08%
High School Graduate (12)	37.23%	37.35%	38.03%
Some College (13-15)	20.49%	20.28%	19.00%
Associate Degree Only	9.61%	10.10%	6.82%
Bachelors Degree Only	8.92%	10.82%	15.00%
Graduate Degree	4.15%	4.96%	8.51%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2024 Projection	2,988	5,423	31,093
2019 Estimate	2,969	5,392	31,014
2010 Census	3,093	5,595	31,142
2000 Census	3,001	5,413	30,964

INCOME	1 MILE	3 MILES	5 MILES
<u>2019 Housing Income</u>			
\$150,000 or More	5.65%	8.10%	8.69%
\$100,000 - \$149,000	13.50%	14.32%	12.57%
\$75,000 - \$99,999	11.90%	12.92%	11.83%
\$50,000 - \$74,999	14.59%	15.10%	16.56%
\$35,000 - \$49,999	13.65%	13.23%	12.78%
Under \$35,000	40.72%	36.34%	37.58%
Average Household Income	\$62,072	\$69,268	\$69,850
Median Household Income	\$45,450	\$50,569	\$49,561
Per Capita Income	\$22,888	\$26,494	\$28,363



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Marcus & Millichap

## EXCLUSIVELY LISTED BY:

### DEAN ZANG

EXECUTIVE MANAGING DIRECTOR  
NATIONAL RETAIL GROUP

WASHINGTON, D.C.

Tel: (202) 536-3754

Fax: (202) 536-3710

[dean.zang@marcusmillichap.com](mailto:dean.zang@marcusmillichap.com)

Licenses: MD 665335

VA 0225239201

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Representative Photo

NJ BOR: Brian Hosey - 1434917  
Activity ID: