



MEDFORD | MA

HORVATH
& TREMBLAY



ABSOLUTE NNN GROUND LEASE

LEAD AGENTS

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INVESTMENT HIGHLIGHTS

Horvath & Tremblay is pleased to present the exclusive opportunity to purchase the AutoZone investment property located at 337 Mystic Avenue in Medford, Massachusetts (the "Property"). The Property consists of an 8,360 square foot building on a 1.37-acre parcel of land. AutoZone has operated at the property for over 24 years, and signed a new, 10-year ground lease that commences in May 2022 and is followed by three, 5-year renewal options. The lease features 10% rental increases at the start of each option period.

AutoZone is located on Mystic Avenue, a primary commercial corridor for residents of Boston's northwest suburbs, and is surrounded by dense residential neighborhoods with strong underlying demographics. In addition to a number of national and local retailers surrounding the Property on Mystic Avenue, the location is directly across the Mystic River from the Wegmans-anchored Meadow Glen shopping center, a premier urban core power center that was redeveloped in 2017 and is a major traffic-driver for the area. AutoZone is just 3.5 miles from downtown Boston.

- **SITE COMMITMENT & LONG-TERM LEASE:** AutoZone has operated at the property since May 1997 (24+ years), and signed a new, 10-year ground lease that commences in May 2022 and is followed by three, 5-year renewal options, demonstrating their commitment to the site and market.
- **ATTRACTIVE RENT INCREASES:** The AutoZone lease includes attractive 10% rental increases at the start of each option period, providing a steady increase in income and an attractive hedge against inflation.
- **INVESTMENT GRADE CREDIT:** AutoZone is the largest auto parts chain in the United States with more than 6,000 locations. AutoZone is a publicly traded company (NYSE: AZO) and has an investment grade S&P Credit Rating of BBB.
- **GROUND LEASE:** The AutoZone lease is a ground lease (Absolute NNN) with the tenant responsible for all operating expenses, repairs, maintenance, and replacements to the entire property (building and grounds).
- **STRATEGIC RETAIL LOCATION:** The Property is well located on Mystic Avenue, a primary commercial corridor serving Boston's northwest suburbs, and is surrounded by dense residential neighborhoods. There are a number of national and local retailers surrounding the Property on Mystic Avenue and it is directly across the Mystic River from the Wegmans-anchored Meadow Glen shopping center, a premier urban core power center that was redeveloped in 2017 and is a major traffic-driver for the area.
- **BOSTON SUBURB:** AutoZone is located just off of Interstate 93 in Medford and is just 3.5 miles from Downtown Boston. The Property benefits from the strength of the Boston MSA and its proximity to the city, as well as from the economic drivers of biotech, health care, finance, and higher education that make Boston one of the most desirable cities in the country.
- **STRONG DEMOGRAPHICS:** Over 43,600+ people live within a 3-mile radius of the Property with an average household income of over \$122,800. An impressive 367,300+ people live within a 5-mile radius of the Property with an average household income of over \$125,420.
- **TRAFFIC COUNTS & VISIBILITY:** An average traffic count of over 21,800 vehicles per day pass by the property on Mystic Avenue, and AutoZone is visible from Interstate 93, which sees over 176,800 vehicles pass by per day.

- **RETAIL TRADE AREA:** Additional retailers driving traffic to the area include Wegman's, Burger King, Bank of America, Dunkin', Marshalls, Kohl's, Fresenius, Dick's Sporting Goods, Jiffy Lube, Domino's, Sherwin-Williams, Eastern Bank, and Napa Auto Parts, as well as number of car dealerships including BMW, a combined Chrysler, Jeep, Dodge and Ram dealership, Nissan, and Volkswagen.





UNPRICED



\$185,208

NET OPERATING INCOME

337 MYSTIC AVENUE | MEDFORD, MA 02155

OWNERSHIP:	Ground Lease
BUILDING AREA:	8,360 SF
YEAR BUILT:	1997
LAND AREA:	1.37 Acres
GUARANTOR:	Corporate
ROOF & STRUCTURE:	Tenant Responsibility
RENT COMMENCEMENT DATE:	05/01/1997
LEASE EXPIRATION DATE:	04/30/2032
LEASE TERM REMAINING:	10+ Years
RENEWAL OPTIONS:	3, 5-Year Options
TENANT PURCHASE OPTION:	ROFR



ANNUALIZED OPERATING DATA					
YEAR	START	END	TERM	RENT	% INC
21 - 30	05/01/2022	- 04/30/2032	CURRENT	\$185,208	
31 - 35	05/01/2032	- 04/30/2037	OPTION 1	\$203,730	10.0%
36 - 40	05/01/2037	- 04/30/2042	OPTION 2	\$224,102	10.0%
41 - 45	05/01/2042	- 04/30/2047	OPTION 3	\$246,512	10.0%

NOTE: The above NOI is based on the 05/01/2022 rent increase.

TENANT OVERVIEW



ABOUT THE TENANT

Originally named "Auto Shack", the company first started as a division of Malone & Hyde. On July 4, 1979, Auto Shack opened its first store in Forrest City, Arkansas. In its first year, Auto Shack opened eight stores in two states: Arkansas and Tennessee, and shipped merchandise out of a 12,000 square foot distribution center.

In 1987, Auto Shack became AutoZone, a freestanding company with Pitt serving as Chairperson and CEO. In 1991, AutoZone became a publicly traded company on the New York Stock Exchange (ticker symbol: AZO). 1996, AutoZone launched a Commercial program offering credit and delivery to professional technicians. Later, with the purchase of ALLDATA, AutoZone acquired the nation's leading provider of electronic automotive diagnostic and repair software. In 1998, AutoZone expanded its presence outside the U.S. borders to Mexico, opening our first AutoZone de Mexico store, and in 2012, AutoZone opened our first store in Brazil.

Today, AutoZone is the leading retailer and a leading distributor of automotive replacement parts and accessories in the U.S. with more than 6,000 stores across the fifty United States, the District of Columbia, Puerto Rico, Mexico, and Brazil and more than 85,000 AutoZoners supporting operations on four continents. Each store carries an extensive line for cars, sport utility vehicles, vans, and light trucks, including new and remanufactured hard parts, maintenance items and accessories. The company earned a spot on the Fortune 500 in 1999 and has retained a spot on the list every year since.

AutoZone has had outstanding performance in recent years, smashing company records in fiscal 2021 following 23 consecutive years of record sales; sales for 2021 were \$14.6 billion, a 15.8% increase over 2020, and net income was \$2.2 billion, a 25.2% increase. Shares of the company have appreciated over 50% in the past year, and earnings per share (EPS) has had a compounded annual growth of 28% per year over the past three years.





OVERVIEW

Medford is a dense suburb of Boston located just 6 miles northwest of the city in Middlesex County, Massachusetts. Originally part of Charlestown, Medford was founded in 1630 and established as a city in 1892. Medford is situated on the Mystic River, and is bordered by Somerville, Malden, Everett, Arlington, Winchester, Melrose, and Stoneham. At the time of the 2020 US Census, Medford had a population of 59,659. The 2021 population estimate is 61,041, which represents an impressive 8.6% increase from the 2010 US Census number of 56,193 – this comes out to nearly 0.8% annual population growth for the city.

Medford real estate has seen unprecedented levels of growth in both the residential and commercial sectors. Home values in Medford have risen from a median sale price of \$490,000 in December 2016 to \$752,000 in December 2021 – a massive 53% increase that represents a compounded annual growth of 8.9%. Commercial property has likewise seen strong and steady appreciation, punctuated by a massive 18.7% year over year increase in industrial property valuations in 2021 for the Medford/Malden market. Retail and office properties have also seen continued compression in cap rates and Medford's proximity to Boston allows it to maintain strong investor interest.

Medford is highly accessible from the surrounding areas given its position on Interstate 93, and there are a number of public transportation options offering easy access to Downtown Boston. The West Medford Station offers services on the Lowell Line of the MBTA Commuter Rail, and there are several stops on the MBTA's Orange Line in neighboring Malden and Somerville. The Green Line Extension Project will extend the existing MBTA Green Line to Medford's College Avenue, providing service to an area of the city that historically did not have access to fast and reliable public transit.

The city caters to a diverse population, ranging from Tufts University students, to life-long residents, to young families drawn in from Cambridge and Somerville by the more reasonable home prices. While Medford's proximity to Boston is the primary driver of its desirability, it also offers an array of restaurants, bars and shopping, as well as family friendly activities and resources.

Medford is home to Tufts University, a major research university with highly selective undergraduate programs and an extensive selection of high-level graduate programs. Tufts, along with Boston's other major universities, including Harvard and MIT, bring students and staff from across the country to the city, and provide a highly skilled workforce and consumer base.



43,500+
PEOPLE WITHIN 3 MILES



21,800+
VEHICLES PER DAY
Mystic Avenue



\$122,500+
AVERAGE HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimate	43,640	367,379	935,299
2026 Projection	44,491	373,724	954,357
2020 Census	43,558	363,510	927,470
BUSINESS			
2021 Est. Total Businesses	1,608	17,453	53,848
2021 Est. Total Employees	15,835	209,284	759,628
HOUSEHOLDS			
2021 Estimate	17,861	154,446	389,556
2026 Projection	18,270	157,936	402,785
2020 Census	17,875	152,944	386,037
INCOME			
Average Household Income	\$122,875	\$125,420	\$129,587
Median Household Income	\$98,192	\$100,068	\$98,070









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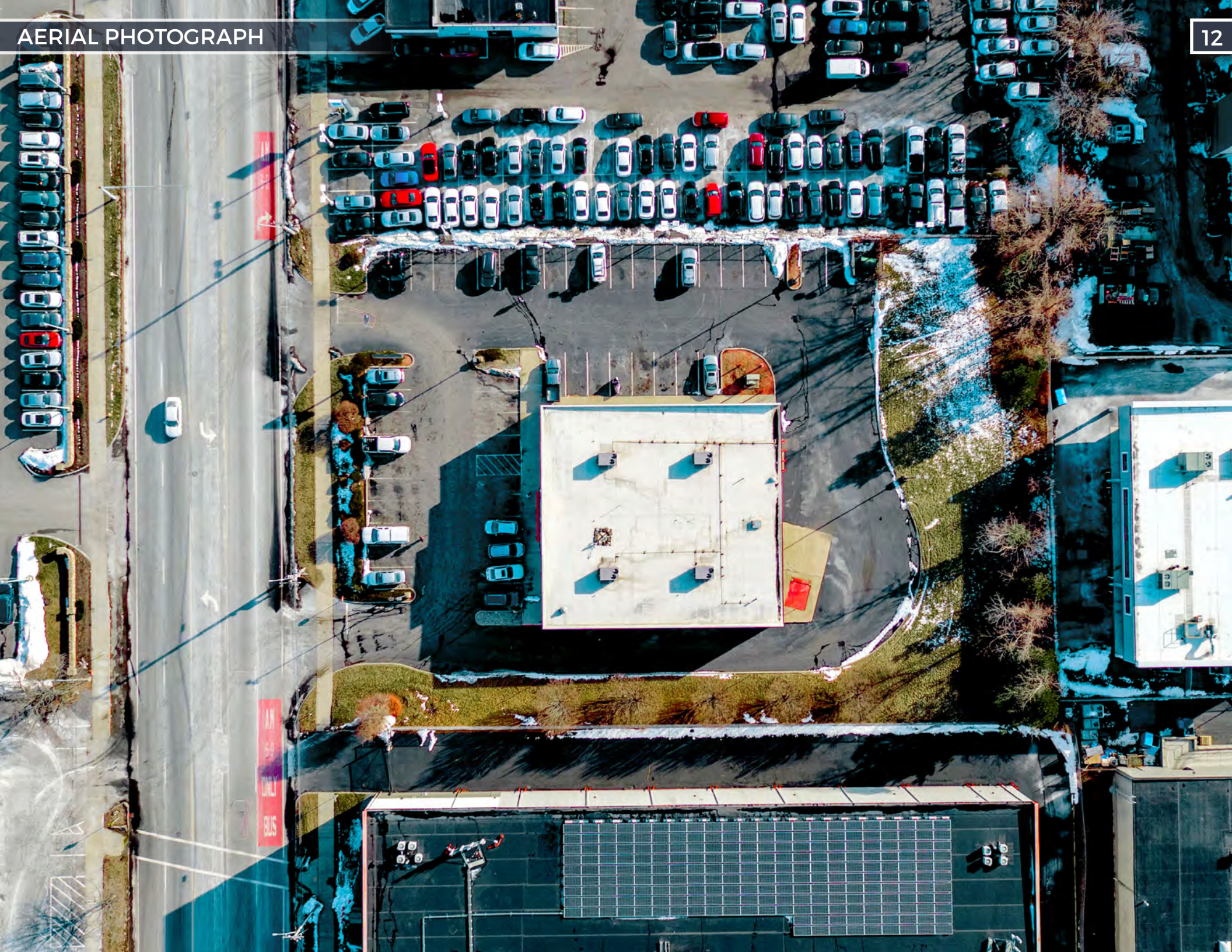
21,800+ VPD



MYSTIC AVENUE

DOWNTOWN BOSTON









BOSTON

CHARLESTOWN

KENDALL SQUARE



EAST SOMMERVILLE

FELLSWAY PLAZA

STOP&SHOP DUNKIN' carter's

ALDI PANDA EXPRESS TANGER BREAD planet fitness

PET SUPPLIES PLUS Aspen Dental LOWE'S SHERWIN WILLIAMS



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DUNKIN'



DUNKIN'

enterprise

jiffylube

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Mobil

Jeep DODGE



BANK OF AMERICA

SHERWIN WILLIAMS



Eastern Bank

KOHL'S

Wegmans

DICK'S

Marshalls

MCGLYNN MIDDLE SCHOOL

MADELEINE DUGGER ANDREWS SCHOOL

MISSITUK ELEMENTARY

TUFTS PARK

ALUMNI FIELDS

Tufts UNIVERSITY

