

# MAACO

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



2744 Easton Ave, Bethlehem, PA 18017

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.





# Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Tenant Overview	7
Surrounding Area	8
Location Overview	9
Local Map	10
Regional Map	11
Demographics	12
Market Overview	13





# Investment Highlights

PRICE: \$2,400,176 | CAP: 5.75% | RENT: \$138,010



## About the Investment

- ✓ Long-term Triple-Net Lease with Zero Landlord Responsibility | 19.6 Years Remaining on the Recently Executed Lease
- ✓ 2.0% Annual Rental Increases Beginning in Year Seven
- ✓ Growing Franchisee | Tenant is Stonewall Road Automotive Group, LLC | Sixteen-Unit Maaco Franchisee
- ✓ Strong Brand Recognition | As America's #1 Bodyshop, Maaco has serviced more than 20 million cars since 1972. The franchises provide auto paint and auto body repair services for over 500,000 vehicles a year, more than any other paint and body repairer.

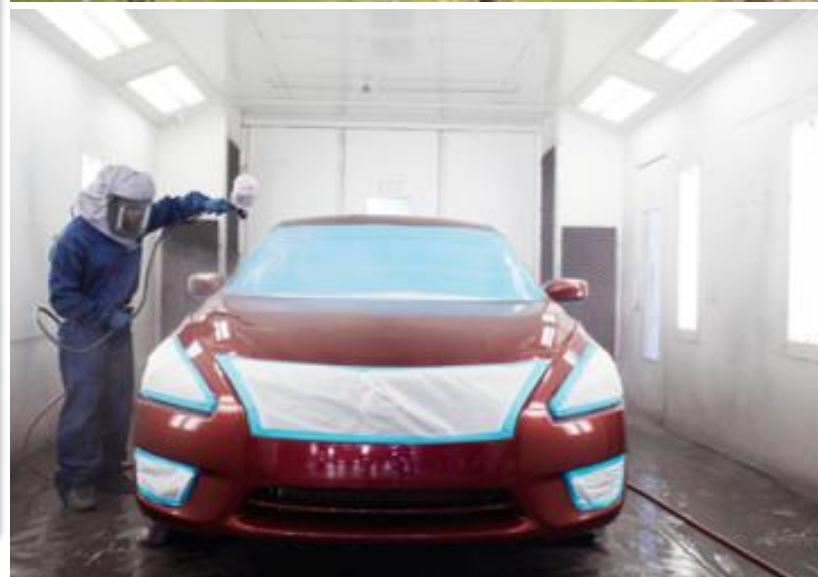
## About the Location

- ✓ Dense Retail Corridor | Tenants in the Surrounding Area Include: CVS, McDonald's, Taco Bell, Stop & Shop, Wendy's, TD Bank, Petco, ALDI, Wawa, Burger King, Mavis Discount Tire and Many More
- ✓ Strong Traffic Counts | Stefcu Blvd and Easton Avenue | Average Vehicles Per Day of 18,100, and 10,600 Vehicles Respectively
- ✓ Strong Academic Presence | Located Within Close Proximity to Lehigh University | Yearly Enrollment of More Than 7,000 Students
- ✓ Positive Real Estate Fundamentals | Located Less Than 8 Miles Northeast of Allentown, PA

## About the Tenant / Brand

- ✓ Maaco is America's #1 Auto Paint and Collision Repair Provider
- ✓ Has Serviced over 20 Million Cars Since 1972
- ✓ Maaco Has Trademarked the Term "North America's Bodyshop"
- ✓ Named The #1 Automotive Franchise Numerous Times By Entrepreneur In Its Annual Franchise 500 Ranking
- ✓ Maaco was Bought by Driven Brands in 2008

Representative Photo





# Financial Analysis

PRICE: \$2,400,176 | CAP: 5.75% | RENT: \$138,010



PROPERTY DESCRIPTION	
Property	Maaco
Property Address	2744 Easton Ave
City, State, ZIP	Bethlehem, PA 18017
Building Size (Square Feet)	12,685
Lot Size	+/- 0.88 Acres
Type of Ownership	Fee Simple
THE OFFERING	
Purchase Price	\$2,400,176
CAP Rate	5.75%
Annual Rent	\$138,010
LEASE SUMMARY	
Property Type	Net Leased Automotive
Tenant	Stonewall Road Automotive Group, LLC (16-units)
Original Lease Term	20 Years
Lease Commencement	July 16, 2021
Lease Expiration	June 30, 2041
Lease Term Remaining	19.6 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.0% Annually Beginning in Year 7
Options to Renew	One, Five-Year Option

RENT SCHEDULE			
Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$138,010	\$11,501	-
Year 2	\$138,010	\$11,501	-
Year 3	\$138,010	\$11,501	-
Year 4	\$138,010	\$11,501	-
Year 5	\$138,010	\$11,501	-
Year 6	\$138,010	\$11,501	-
Year 7	\$140,770	\$11,731	2.00%
Year 8	\$143,586	\$11,965	2.00%
Year 9	\$146,457	\$12,205	2.00%
Year 10	\$149,387	\$12,449	2.00%
Year 11	\$152,374	\$12,698	2.00%
Year 12	\$155,422	\$12,952	2.00%
Year 13	\$158,530	\$13,211	2.00%
Year 14	\$161,701	\$13,475	2.00%
Year 15	\$164,935	\$13,745	2.00%
Year 16	\$168,234	\$14,019	2.00%
Year 17	\$171,598	\$14,300	2.00%
Year 18	\$175,030	\$14,586	2.00%
Year 19	\$178,531	\$14,878	2.00%
Year 20	\$182,101	\$15,175	2.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Maaco located at 2744 Easton Avenue in Bethlehem, Pennsylvania. The site consists of roughly 12,685 rentable square feet of building space on estimated 0.88-acre parcel of land. This Maaco is subject to a 20-year absolute triple-net (NNN) lease, which commenced July 16, 2021. The current annual rent is \$138,010 and is scheduled to increase by two percent (2%) annually beginning in year seven. The increases will continue through the base term as well as throughout the one, five-year tenant renewal option period.

*\*Glen Kunofsky, Nicoletti DePaul & other members of the selling entity, Exclusive Listing Agents, are part fee simple owners of this property. They are licensed real estate salespeople for Marcus & Millichap in the State of New York.*



# Concept Overview

## About Maaco Collision Repair & Auto Painting:

As America's #1 Bodyshop, Maaco has serviced more than 20 million cars since 1972. Their 500 plus independently owned and operated franchises have restored the safety and beauty of vehicles for more than 40 years. Whether it's automotive paint or collision services, Maaco is there to help you transform your car and help you turn the car you drive, back into the car you love. They work with all insurance companies and guarantee their work with nationwide warranties. Maaco has trademarked the term 'North America's Bodyshop.' The franchises provide auto paint and auto body repair services for over 500,000 vehicles a year, more than any other paint and body repairer. Maaco has been named the #1 automotive franchise numerous times by Entrepreneur in its Annual Franchise 500 ranking.

## Maaco History:

Ten years before MAACO's founding, Martino had launched AAMCO Transmissions with partner Robert Morgan. He created both names by using the first letters from his name (Anthony A. Martino). In 1967, with close to 500 stores in operation, Martino sold AAMCO to Morgan. In 1972, Martino opened a pilot auto painting center in Wilmington, Delaware. He chose the name MAACO (Martino, Anthony A. and Co.) to instill confidence in potential franchisees who knew of AAMCO's success. The new company grew quickly, with close to 200 franchises open in less than five years.

## Driven Brands Acquisition of Maaco:

In October, 2008, Driven Brands of Charlotte, N.C., a holding company which owns Meineke Car Care Centers, Inc. as well as Econo Lube and other auto service related concerns, purchased Maaco outright from Martino's family after his death in January 2008.



## General Information

Founded	1972
Website	<a href="https://www.maaco.com/">https://www.maaco.com/</a>
Headquarters:	Charlotte, NC
Number of Locations	500+ Across U.S. & Canada



- North America's Body shop
- 500+ Locations
- Serviced 20 Million+ Cars Since 1972
- #1 Ranked Automotive Franchise Numerous Times by Entrepreneur in Annual Franchise 500 Ranking

**MAACO** is North America's #1  
Auto Painting & Collision Repair Shop  
We help you turn the car you drive back into the car you love!



# Tenant Overview



## ABOUT STONEWALL ROAD AUTOMOTIVE GROUP, LLC

*Stonewall Road Automotive Group LLC ("SRAG") is a multi-unit operator of MAACO automotive repair centers. SRAG is one of the largest multi-unit franchisees within the national MAACO system and has been consistently recognized as a performance leader in the automotive repair industry.*

*Stonewall Road Automotive Group, through its individual MAACO stores, is a provider of a wide variety of auto collision and repair services including paint services, cosmetic car repairs, fleet and industrial services, paintless dent repair, spray bed lining, windshield repair, truck and oversized equipment outfitting, and direct insurer repair programs.*

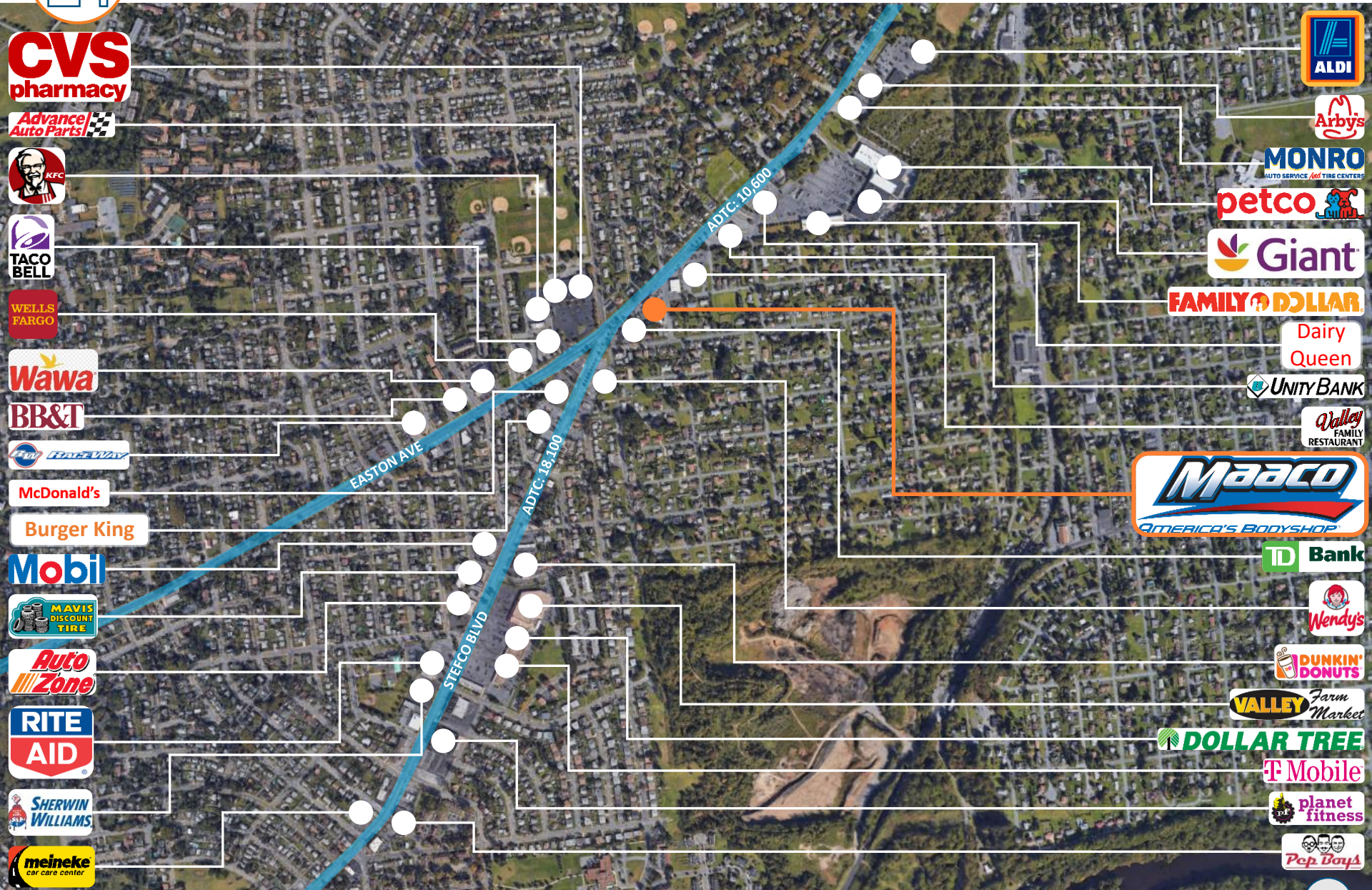
*Collision Consolidation Company LLC. acquired SRAG in April 2020 from Heritage Partners Group. The company will continue to operate under the SRAG name and all key people are remaining with the firm following the transition. SRAG's world-class operations team is led by a former multi-unit MAACO franchise owner, Taso Bournousouzis. SRAG's industry-renowned operations team also includes other former multi-unit franchisees, experienced general managers, and other MAACO veterans, many of whom boast several decades of experience in the MAACO system.*







# Surrounding Area





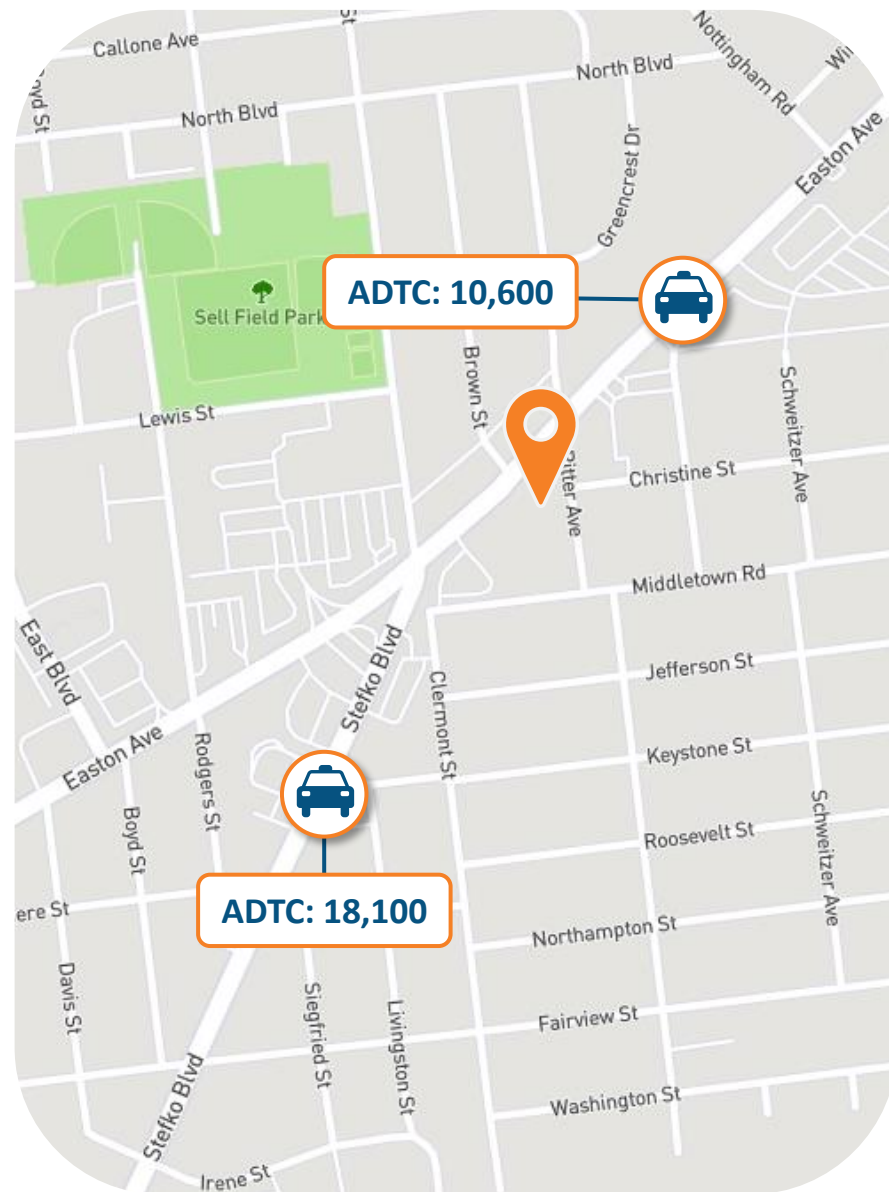


# Location Overview

The subject investment property is situated along Easton Ave which experiences average daily traffic counts of approximately 10,600 vehicles. Directly intersecting with Easton Ave is Stefko Blvd which brings an additional 18,100 vehicles through the immediate area daily. This MAACO benefits from exceptional demographics in the surrounding area. There are over 76,200 individuals residing within a three-mile radius of the property and more than 157,200 individuals within a five-mile radius, with the population projected to grow substantially in the next five years.

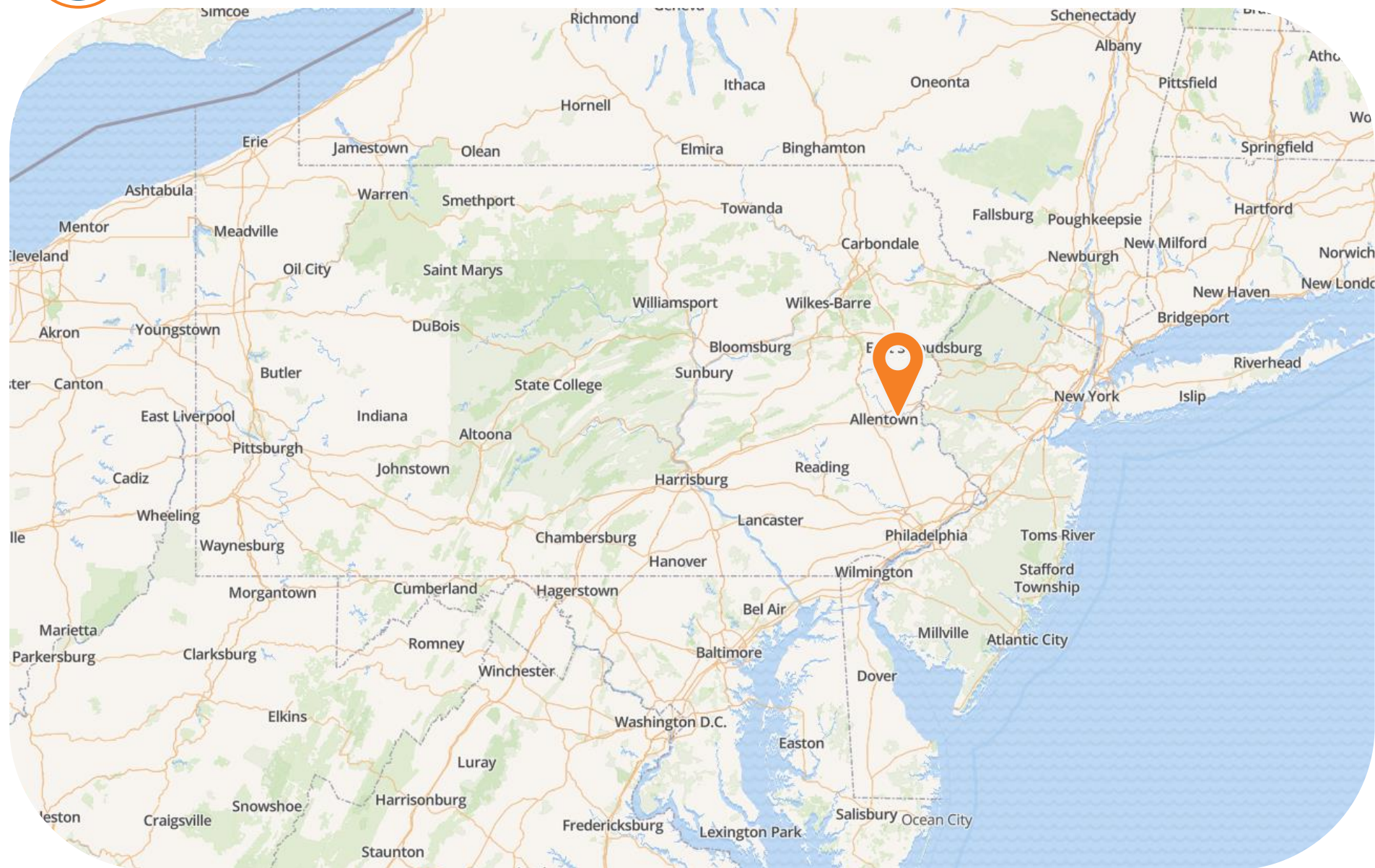
This property is located just off a signalized intersection of two roads and is strategically located in a dense residential and retail corridor near major national and local tenants which include: CVS, Aldi, Giant, Family Dollar, PetCo, Rite Aid, Dollar Tree, Wawa, McDonalds, and many others. This property also benefits from being within close proximity to Lehigh University, a private research university with a total enrollment of approximately 7,000 students. Additionally, the subject property benefits from its proximity to Lehigh Valley International Airport, the fourth busiest airport in the state, serving almost a million passengers on an annual basis.

Bethlehem is a city in Lehigh and Northampton counties in the Lehigh Valley region of the eastern portion of Pennsylvania. It is the seventh largest city in Pennsylvania, after Philadelphia, Pittsburgh, Allentown, Erie, Reading, and Scranton. Bethlehem lies in the center of the Lehigh Valley, a region that is home to more than 800,000 people. Together with Allentown and Easton, the Valley embraces the Allentown-Bethlehem-Easton, PA-NJ metropolitan area, including Lehigh, Northampton, and Carbon counties within Pennsylvania, and Warren County in the adjacent state of New Jersey. Smaller than Allentown but larger than Easton, Bethlehem is the Lehigh Valley's second most populous city. In turn, this metropolitan area comprises Pennsylvania's third-largest metropolitan area. There are four general sections of the city: central Bethlehem, the south side, the east side, and the west side. Each of these sections blossomed at different times in the city's development and each contains areas recognized under the National Register of Historic Places. The largest revenue generator in the city is Wind Creek Casino, an old steel plant redeveloped into a fully integrated resort, including 3,000 slot machines, over 300 hotel rooms, 9 restaurants, 200,000 square feet of retail outlet shopping, and 46,000 square feet of flexible multi-purpose space. Another major economic anchor to the city is St. Luke's Hospital located in neighboring Fountain Hill. That Hospital and Health Network is the second largest of its type in the Lehigh Valley. Other major employers include B. Braun, Lehigh University, and the Guardian Life Insurance Company of America.





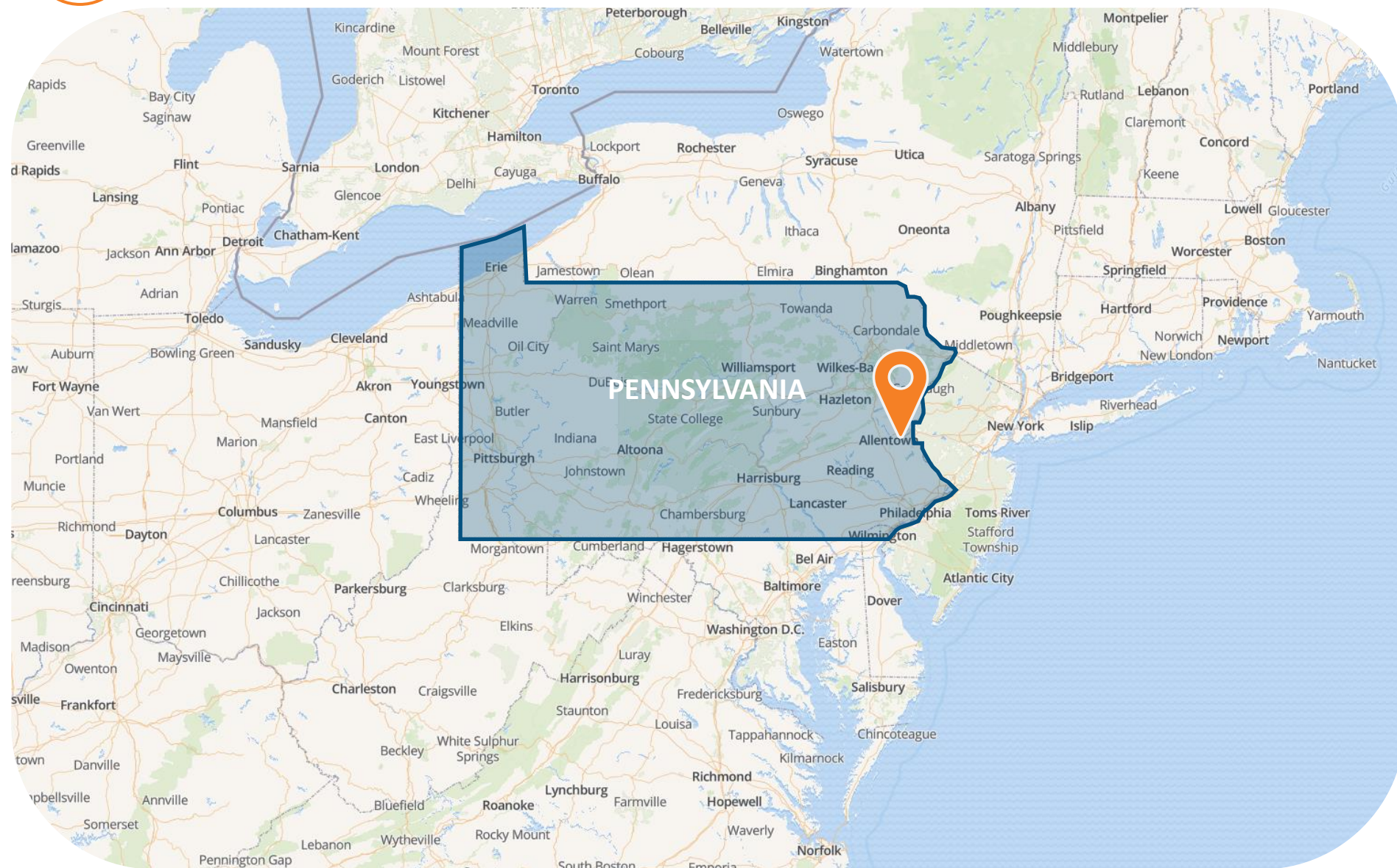
# Local Map





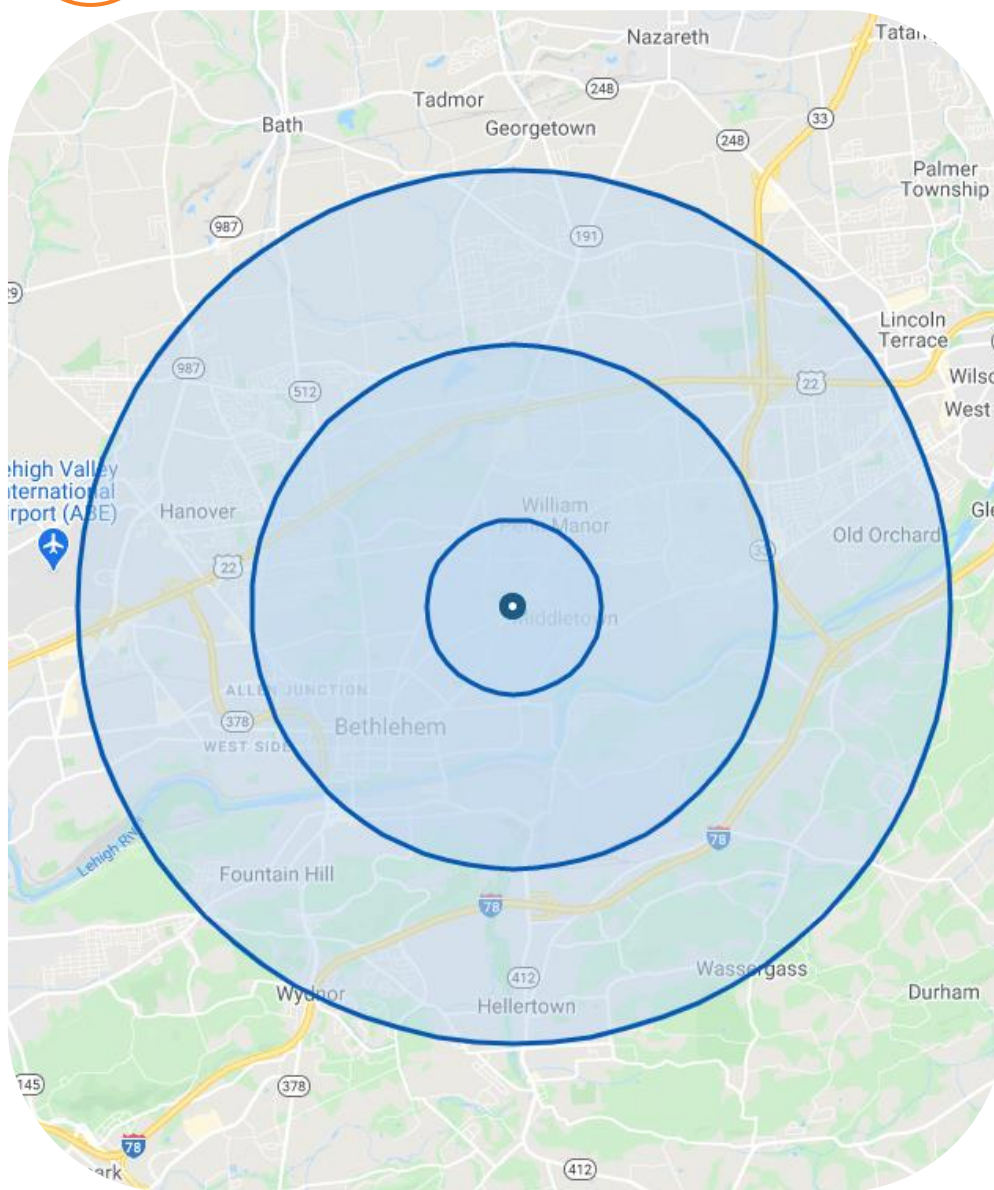


# Regional Map





# Demographics



## POPULATION

	1 Mile	3 Miles	5 Miles
2025 Projection	15,316	78,059	161,081
2020 Estimate	15,049	76,217	157,239
2010 Census	14,592	73,020	149,828
2000 Census	14,098	69,668	139,827

## INCOME

	1 Mile	3 Miles	5 Miles
Average	\$72,701	\$87,338	\$89,997
Median	\$61,780	\$64,348	\$65,519
Per Capita	\$29,903	\$35,197	\$35,944

## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2025 Projection	6,312	31,135	63,529
2020 Estimate	6,185	30,308	61,700
2010 Census	5,953	28,848	58,300
2000 Census	5,851	26,680	54,261

## HOUSING

	1 Mile	3 Miles	5 Miles
2020	\$201,904	\$230,396	\$229,576

## EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2020 Daytime Population	10,588	76,846	183,705
2020 Unemployment	3.51%	4.26%	4.84%
2020 Median Time Traveled	28 Mins	28 Mins	27 Mins

## RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	74.77%	74.12%	76.23%
Native American	0.09%	0.08%	0.05%
African American	8.87%	7.65%	6.81%
Asian/Pacific Islander	2.32%	3.31%	3.80%





# Market Overview



*Allentown, PA*

## Allentown

Allentown is a city in Lehigh County, Pennsylvania. It is Pennsylvania's third-most-populous city. It is the county seat of Lehigh County and the largest city in the metropolitan area known as the Lehigh Valley. Located on the Lehigh River, Allentown is the largest of three adjacent cities (Allentown, Bethlehem, and Easton) in Northampton and Lehigh counties that make up the Lehigh Valley region of eastern Pennsylvania and is approximately 55 miles north-northwest of Philadelphia. Allentown's economy has historically been manufacturing-based, but with a more recent turn to a more service-oriented economy. The city serves as the location of corporate headquarters for several large, global companies, including Air Products & Chemicals, Talen Energy, PPL, and others. The largest employer in Allentown is Lehigh Valley Hospital and Health Network, with more than 7,800 employees. Center City area along Hamilton Street between 5th and 10th Streets used to be the primary shopping district in Allentown. During the 1960s and 1970s, several shopping malls were built in and around Allentown. South Mall, Lehigh Valley Mall, and Whitehall Mall today are the popular choices of shopping. Additionally, in 2006, The Promenade Shops at Saucon Valley opened south of the city, in Upper Saucon Township. Instead of Allentown downtown being a shopping mecca, the use of it has turned into office buildings and became a center-city campus for county government workers, along with those of PPL.



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