

MAACO

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



827 W Pembroke Ave, Hampton, VA 233669

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Investment Highlights

PRICE: \$2,688,191 | CAP: 5.75% | RENT: \$154,571



About the Investment

- ✓ Long-term Triple-Net Lease with Zero Landlord Responsibility | 19+ 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 | Twenty-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.

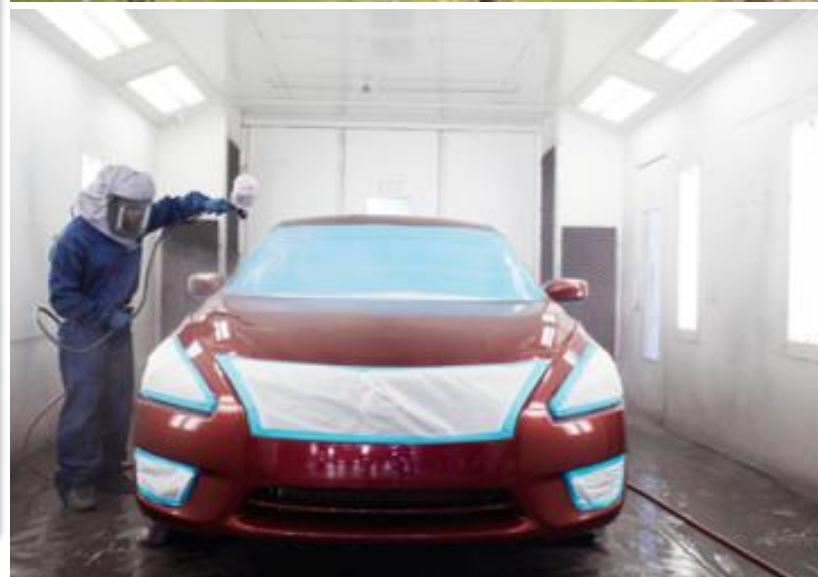
About the Location

- ✓ Strategic Location | Auto Care Corridor | Tenanted by Citgo, Advanced Auto Parts, Tire World, Alloy Wheel of Virginia and Several Others
- ✓ Strong Traffic Counts | LaSalle Avenue, West Pembroke Avenue | Average Vehicles Per Day of More Than 19,000, and 9,900 Vehicles Respectively
- ✓ Strong Student Population | Located Less Than Two Miles from Hampton University | Student Population of Over 3,500
- ✓ Positive Real Estate Fundamentals | Located Less Than 10 Miles Southeast of Newport News, One of Virginia's Largest Cities
- ✓ Strong Military Presence | Proximal to the Norfolk Naval Station and U.S. Coast Guard's Base Portsmouth
- ✓ Located Less Than Five Miles From NASA Langley Research Center

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: \$2,688,191 | CAP: 5.75% | RENT: \$154,571



PROPERTY DESCRIPTION

Property	Maaco
Property Address	827 W Pembroke Ave
City, State, ZIP	Hampton, VA 23669
Building Size (Square Feet)	14,936
Lot Size	+/- 1.02 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,688,191
CAP Rate	5.75%
Annual Rent	\$154,571

LEASE SUMMARY

Property Type	Net Leased Automotive
Tenant	Stonewall Road Automotive Group, LLC (20-Units)
Original Lease Term	20 Years
Lease Commencement	July 16, 2021
Lease Expiration	June 30, 2041
Lease Term Remaining	19 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(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$154,571	\$12,881	-
Year 2	\$154,571	\$12,881	-
Year 3	\$154,571	\$12,881	-
Year 4	\$154,571	\$12,881	-
Year 5	\$154,571	\$12,881	-
Year 6	\$154,571	\$12,881	-
Year 7	\$157,662	\$13,139	2.00%
Year 8	\$160,816	\$13,401	2.00%
Year 9	\$164,032	\$13,669	2.00%
Year 10	\$167,313	\$13,943	2.00%
Year 11	\$170,659	\$14,222	2.00%
Year 12	\$174,072	\$14,506	2.00%
Year 13	\$177,553	\$14,796	2.00%
Year 14	\$181,105	\$15,092	2.00%
Year 15	\$184,727	\$15,394	2.00%
Year 16	\$188,421	\$15,702	2.00%
Year 17	\$192,190	\$16,016	2.00%
Year 18	\$196,033	\$16,336	2.00%
Year 19	\$199,954	\$16,663	2.00%
Year 20	\$203,953	\$16,996	2.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Maaco located at 827 W Pembroke Ave in Hampton, VA. The site consists of roughly 14,936 rentable square feet of building space on estimated 1.02-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 \$154,571 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.

Certain principals of the selling entity, including but not limited to Glen Kunofsky and Nicoletti DePaul, are Exclusive Listing Agents and part fee-simple owners of the property. See back page for full disclosure.

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	https://www.maaco.com/
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





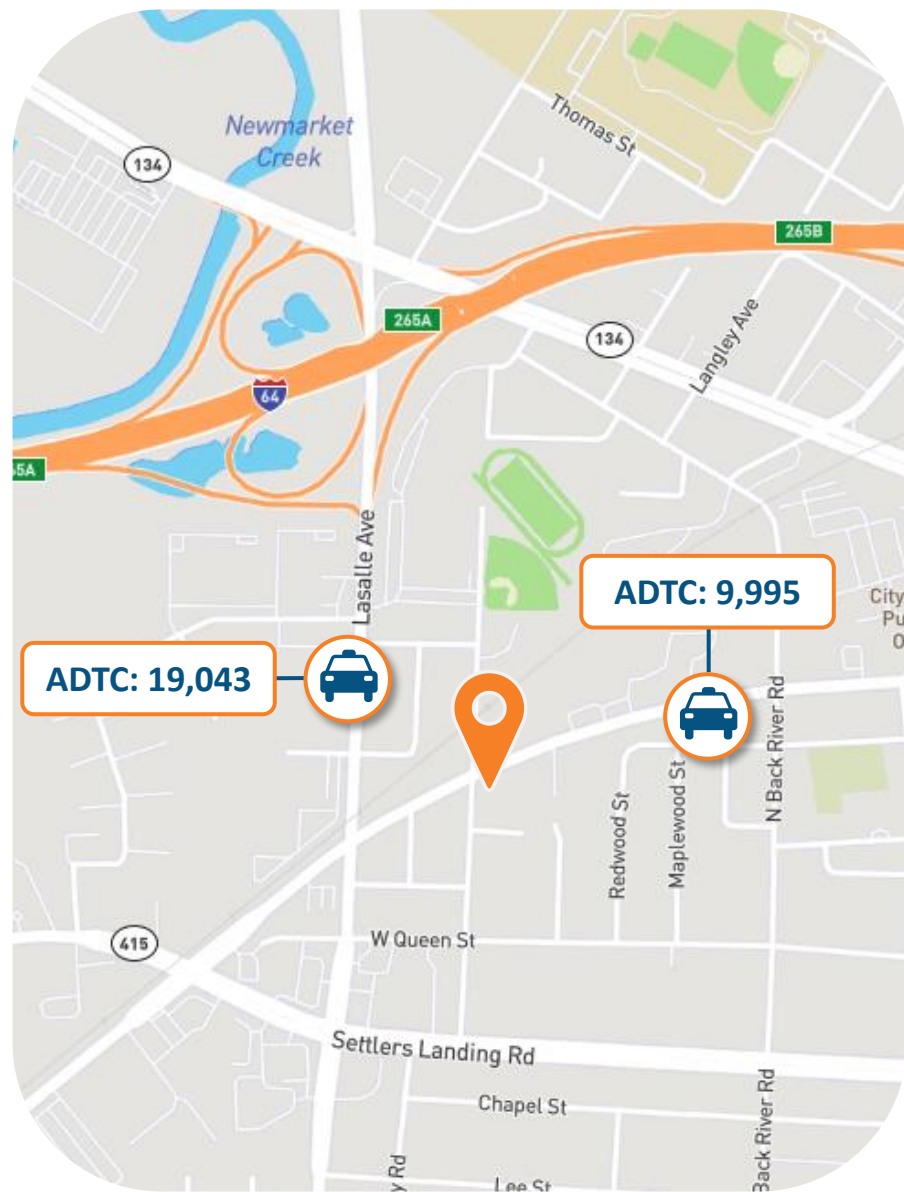
Location Overview



The subject investment property is situated along West Pembroke Avenue which experiences average daily traffic counts of 9,995 vehicles. West Pembroke Avenue intersects with LaSalle Avenue, which brings an additional 19,043 vehicles through the immediate area daily. This Maaco benefits from exceptional demographics in the surrounding area. There are over 158,000 individuals residing within a five-mile radius of the property and more than 351,000 individuals within a ten-mile radius. Additionally, the subject property benefits from its location in an affluent neighborhood where average household income exceeds \$78,000 in a ten-mile radius.

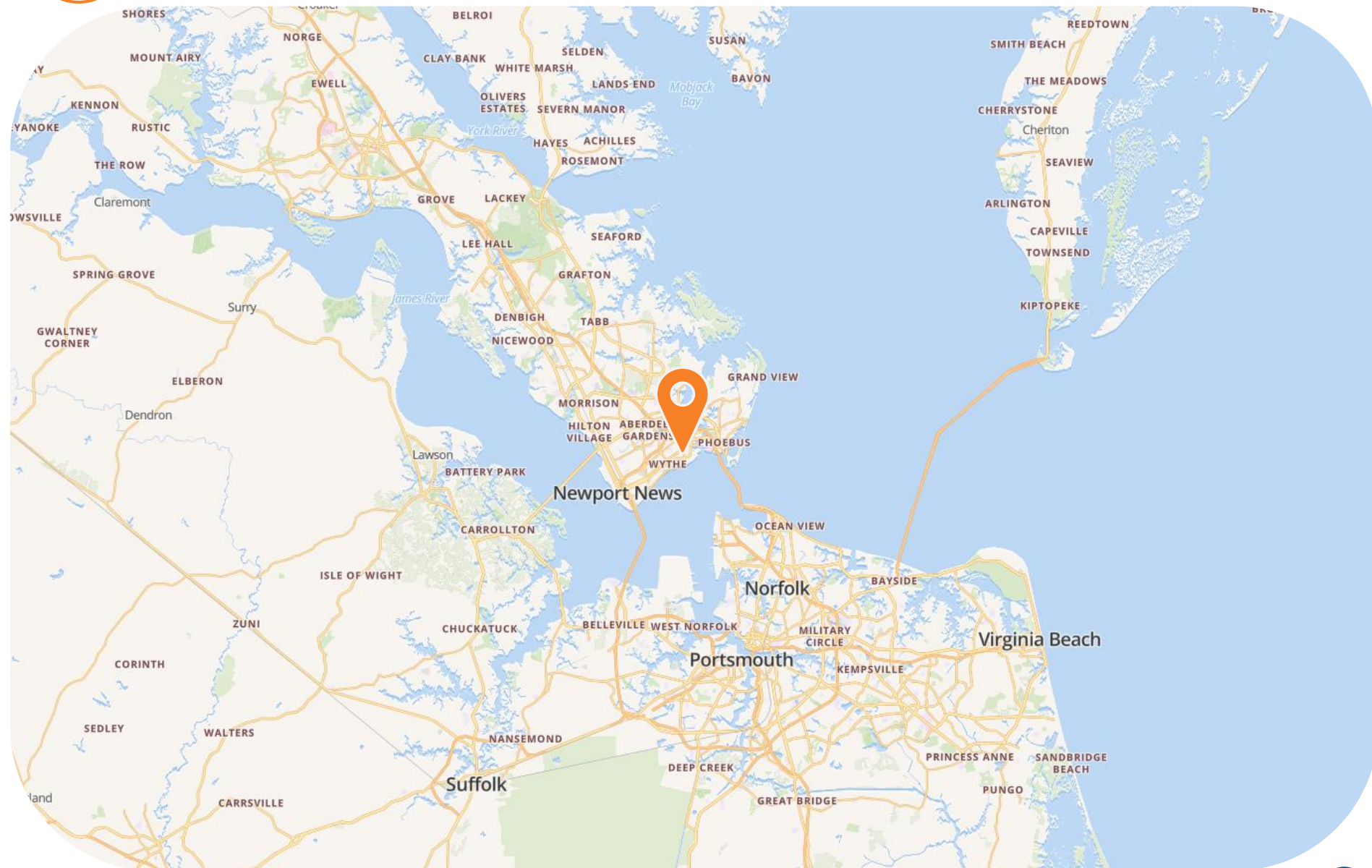
This property is strategically located in a corridor that focuses on automobile care and maintenance. The area is populated with national and local tenants, including Citgo, Advanced Auto Parts, Tire World, Alloy Wheel of Virginia and several others. This property also benefits from being within close proximity to several academic institutions, most notable of which is Hampton University, a private college that serves over 3,500 students. Additionally, this Maaco benefits from its proximity to Peninsula Town Center, a shopping mall with over 40 retailers.

Hampton is an independent city in the Commonwealth of Virginia in the United States. As of the 2010 census, the population was 137,438; in 2019, it was estimated to be 134,510. Hampton is included in the Hampton Roads Metropolitan Statistical Area (officially known as the Virginia Beach–Norfolk–Newport News, VA–NC MSA) which is the 37th largest in the United States, with a total population of 1,729,114. This area, known as "America's First Region", also includes the independent cities of Chesapeake, Virginia Beach, Newport News, Norfolk, Portsmouth, and Suffolk, as well as other smaller cities, counties, and towns of Hampton Roads. The city features a wide array of business and industrial enterprises, retail and residential areas, historical sites, and other points of interest, such as a NASCAR short track, the oldest Anglican parish in the Americas (1610), and a moated, six-sided, historical bastion fort.



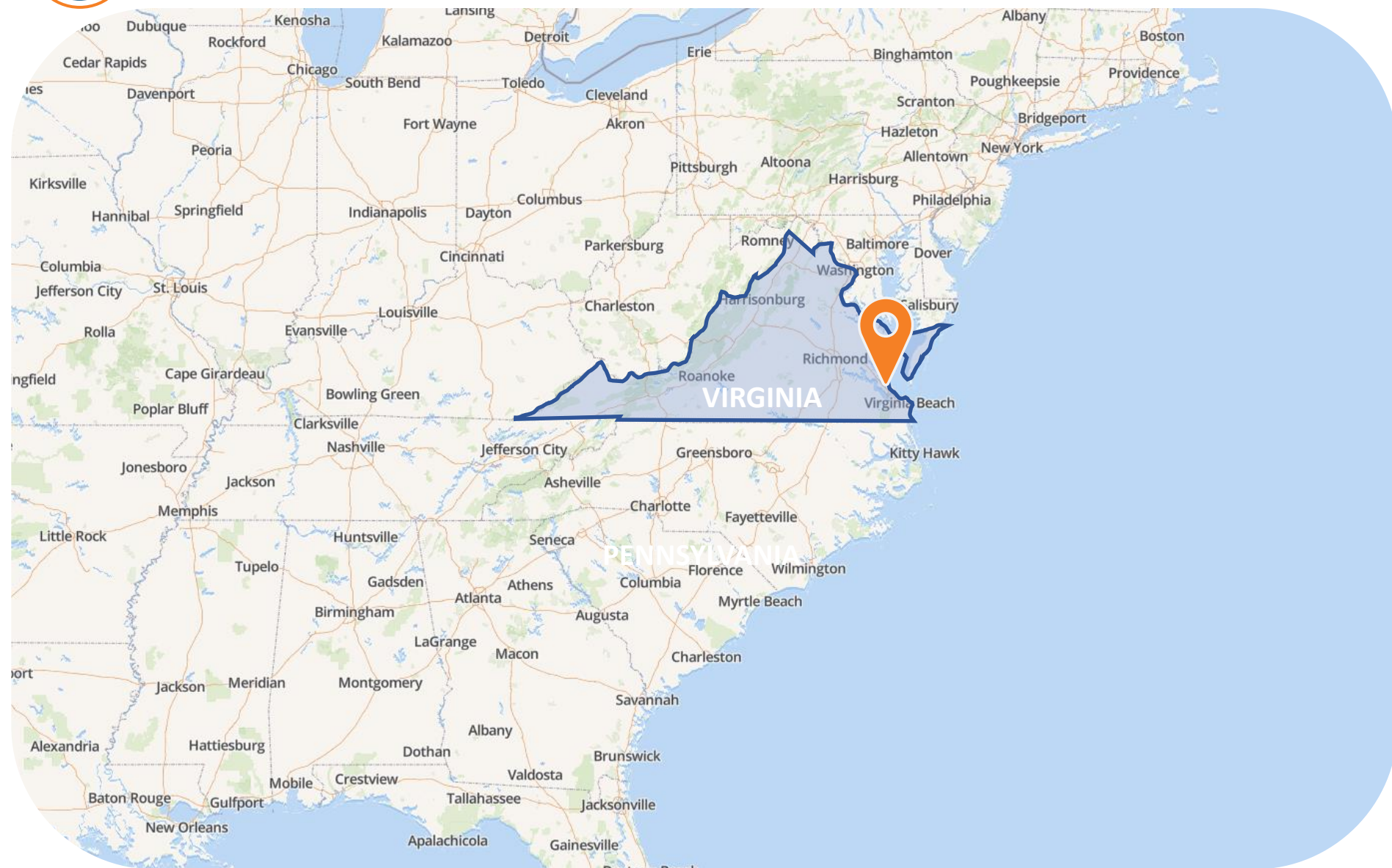


Local Map



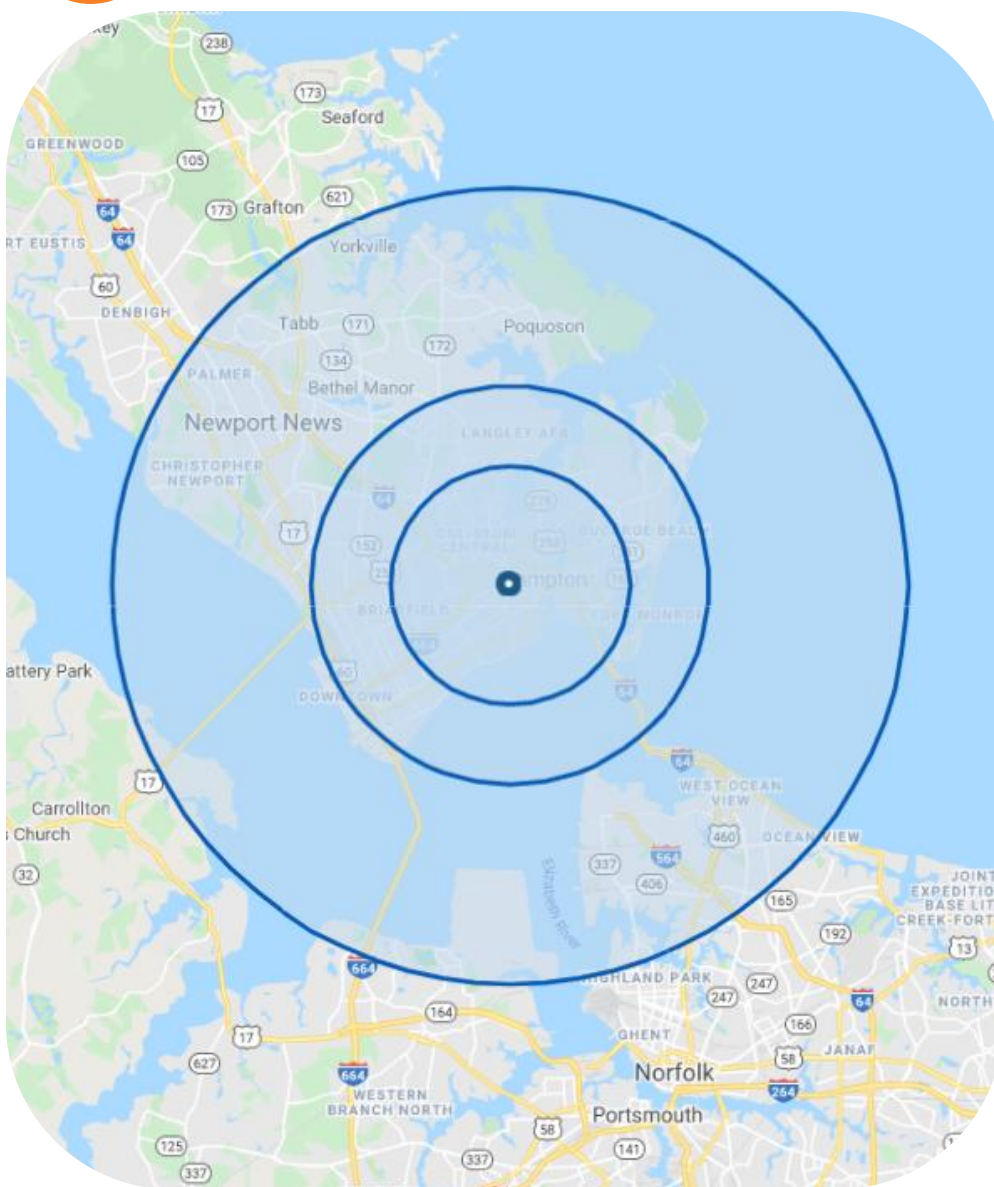


Regional Map





Demographics



POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2010 Population	79,005	161,808	356,005
2021 Population	78,438	158,917	351,005
2026 Population Projection	78,121	157,877	348,749
Annual Growth 2010-2021	-0.10%	-0.20%	-0.10%
Annual Growth 2021-2026	-0.10%	-0.10%	-0.10%

POPULATION BY RACE (2021)

	3 Miles	5 Miles	10 Miles
White	27,174	57,205	185,347
Black	45,815	90,934	137,078
American Indian/Alaskan Native	473	873	2,099
Asian	1,631	3,239	11,191
Hawaiian & Pacific Islander	116	248	726
Two or More Races	3,228	6,419	14,565
Hispanic Origin	4,802	9,290	25,498

HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2010 Households	32,190	64,993	141,789
2021 Households	31,769	63,469	138,983
2026 Household Projection	31,631	63,021	137,945
Annual Growth 2010-2021	0.20%	0.10%	0.20%
Annual Growth 2021-2026	-0.10%	-0.10%	-0.20%

Avg Household Income

Median Household Income

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	3 Miles	5 Miles	10 Miles
< \$25,000	7,087	14,472	26,572
\$25,000 - 50,000	9,122	16,740	32,235
\$50,000 - 75,000	5,714	11,749	26,814
\$75,000 - 100,000	4,290	8,402	19,430
\$100,000 - 125,000	2,040	4,566	11,422
\$125,000 - 150,000	929	2,241	7,236
\$150,000 - 200,000	1,329	2,761	7,928



Market Overview

Norfolk, VA

Norfolk

Norfolk is an independent city in the Commonwealth of Virginia in the United States. At the 2020 census, the population was 238,005, making it the third-most populous city in Virginia after neighboring Virginia Beach and Chesapeake, and the 91st-largest city in the nation. The city was incorporated in 1705 and is one of the oldest cities in the Hampton Roads metropolitan area, and is considered to be the historic, urban, financial, and cultural center of the region.

Norfolk is at the core of the metropolitan area, surrounding the Hampton Roads natural harbor at the mouth of the Chesapeake Bay. As the city is bordered by multiple bodies of water, Norfolk has many miles of riverfront and bayfront property, including beaches on the Chesapeake Bay. The coastal zones are important for the economy. The largest naval base in the world, Naval Station Norfolk, is located in Norfolk along with one of NATO's two Strategic Command headquarters. Additionally Norfolk is an important contributor to the Port of Virginia. It is home to Maersk Line, Limited, which manages the world's largest fleet of US-flag vessels. However, this low-lying coastal infrastructure is also very vulnerable to sea level rise, with water levels expected to rise by more than 5.5 feet by the end of the 21st century.

The city has a long history as a strategic military and transportation point, where many railroad lines started. It is linked to its neighbors by an extensive network of interstate highways, bridges, tunnels, and three bridge-tunnel complexes.

After the military, the second largest and most important industry for Hampton Roads and Norfolk based on economic impact are the region's cargo ports. Headquartered in Norfolk, the Virginia Port Authority (VPA) is a Commonwealth of Virginia owned-entity that, in turn, owns and operates three major port facilities in Hampton Roads for break-bulk and container type cargo. In Norfolk, Norfolk International Terminals (NIT) represents one of those three facilities and is home to the world's largest and fastest container cranes. Together, the three terminals of the VPA handled a total of over 2 million TEUs and 475,000 tons of breakbulk cargo in 2006, making it the second busiest port on the east coast of North America.

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



VA BROKER OF RECORD:
Brian Hosey
Marcus & Millichap
LIC # 0225247494

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