



Valvoline Corporate Ground Lease | Strong Affluent Demographics: \$98,000 AHHI within 5 Miles



In Association with Scott Reid & ParaSell, Inc. | A Licensed Pennsylvania Broker #RB069068

OFFERING MEMORANDUM
PITTSBURGH, PENNSYLVANIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



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OFFERING SUMMARY

LOCATION

Valvoline
204 Costco Drive
Pittsburgh, PA 15205



OFFERING SUMMARY

Price:	\$1,650,000
Current Net Operating Income (NOI):	\$82,500
Current Capitalization Rate:	5.00%
Net Rentable Area:	3,457
Year Built:	2006 (Approx.)
Lot Size (Acres):	2.03
Ownership:	Fee Simple Land (Tenant on Ground Lease)

LEASE TERMS (1)

Tenant:	Valvoline, LLC
Lease Commencement:	8/19/2006
Lease Expiration:	8/18/2026
Remaining Lease Term:	± 4.5 Years
Lease Type:	NNN GL
Roof & Structure:	Tenant Responsible
Monthly Rent:	\$6,875
Annual Rent:	\$82,500
Rental Increases:	10% @ Options
Renewal Options:	One 5-Year + One 4-Year @ 10%
Right of First Offer:	Tenant has 30 Days to Exercise

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



VALVOLINE | Quick Facts

1,462

NUMBER OF LOCATIONS
IN THE U.S.

#2

LARGEST QUICK-LUBE
CHAIN IN THE U.S.

9M




CUSTOMERS
SERVED ANNUALLY

INVESTMENT HIGHLIGHTS

- **Single-Tenant Valvoline Corporate Lease with 10% Increases Every 5 Years**
- **Valvoline Instant Oil Change is a Division of Valvoline Inc., One of the Leading Worldwide Marketer and Suppliers of Automotive Lubricants and Supplies**
- **Valvoline is the Second Largest Quick-Lube Chain in The United States (1,400+ Locations) Boasting Revenues of \$2.35B in 2020**
- **Strong Retail Corridor:** Outparcel to Costco and ALDI with national tenants such as IKEA, Macy's, Home Goods, TJ Maxx, Marshalls, Fine Wine, Dick's Sporting Goods, Dollar Tree, Joann Fabrics, Guitar Center, Taco Bell, IHOP, Goodwill, and many more
- **Less than 1-Mile from the Pittsburgh FedEx Ground Headquarters Which Employs Approximately 3,000 People**
- **Proven Location with Excellent Access:** Located less than 1-mile from Interstate 376 (80,000+ CPD) and the Route 60/376 interchange with an estimated 97,000+ CPD
- **10 Minutes from the Pittsburgh International Airport and Less than 20 Minutes from Downtown Pittsburgh**
- **Strong Affluent Demographics:** Average household income within a 5-mile radius is over \$98,000 per year



SITE PLAN / PARCEL MAP

-  **NET RENTABLE AREA**
3,457 SF
-  **PARKING**
±19 SPACES
-  **YEAR BUILT**
2006

Valvoline
204 Costco Drive
Pittsburgh, PA 15205

-  SUBJECT PROPERTY
-  NOT A PART
-  PROPERTY PARCEL
-  AVAILABLE FOR PURCHASE

APN: 413-H-1



DEMOGRAPHICS

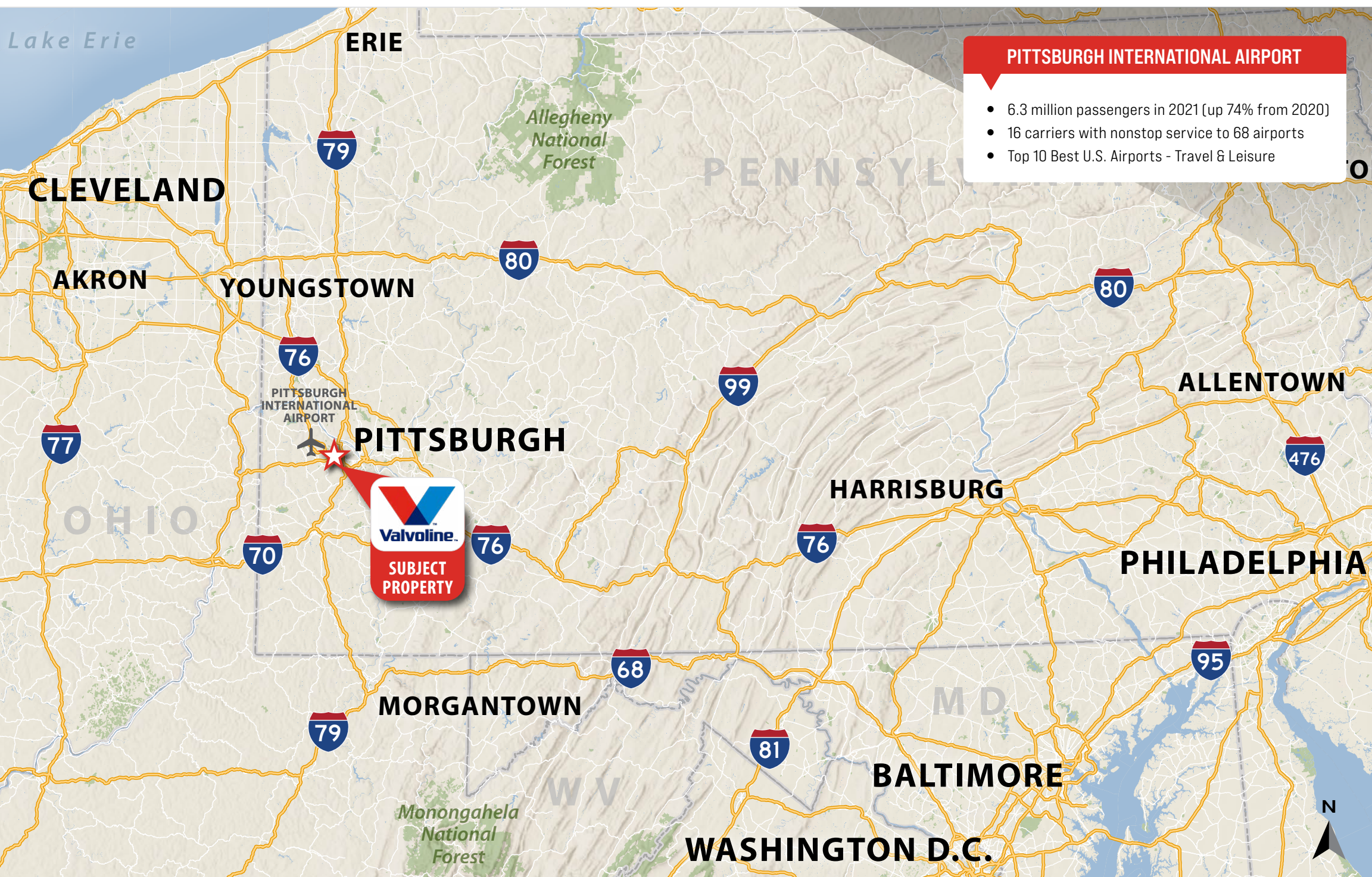
Population:	
1-Mile Radius	8,694
3-Mile Radius	83,990
5-Mile Radius	196,959
Household Income:	
1-Mile Radius	\$84,443
3-Mile Radius	\$95,647
5-Mile Radius	\$98,198

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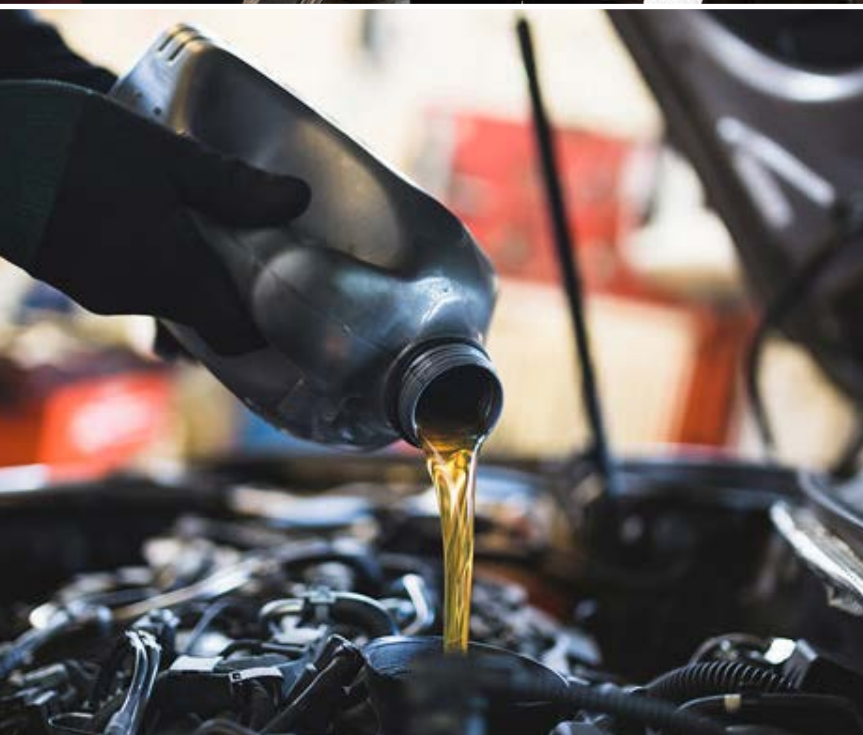
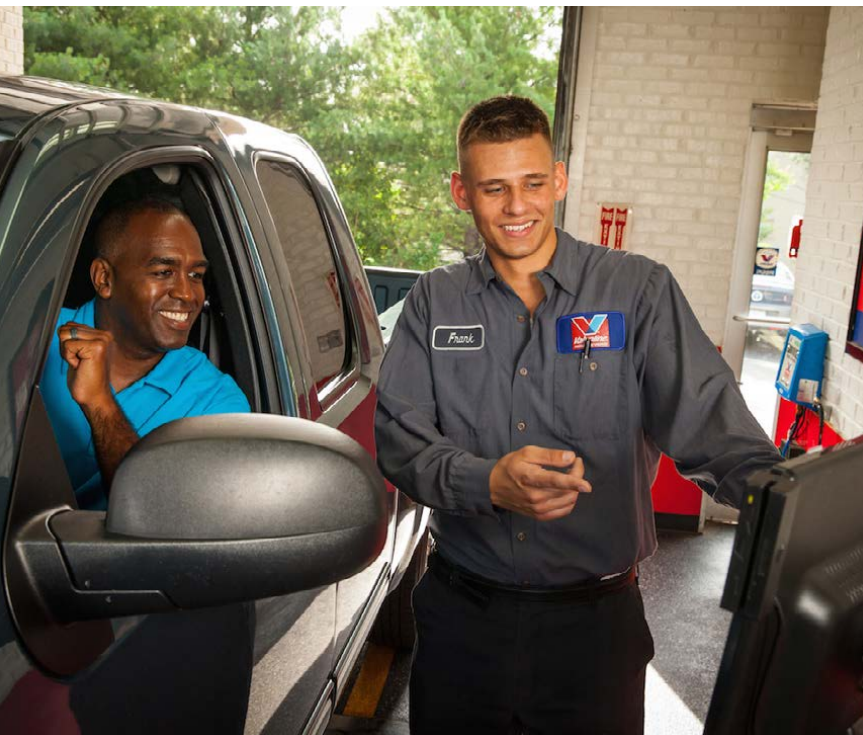
1-Mile Radius	\$84,443
3-Mile Radius	\$95,647
5-Mile Radius	\$98,198



REGIONAL MAP



TENANT PROFILE



Valvoline Instant Oil Change is the 2nd-largest quick-lube chain in the U.S. and the 3rd-largest quick-lube chain in Canada. The brand is popular for its drive-thru oil changes which are completed in about 15 minutes. Each location features Valvoline oils and products and provides a variety of maintenance services including oil changes, antifreeze changes, smog checks, and other car repair services.

Founded in 1986, the quick-lube chain has grown steadily over the years as a result of the company's key business strategy: to grow and strengthen Valvoline's quick-lube network through organic store expansion and high-quality acquisitions in both core and new markets.

Valvoline Instant Oil Change sales increased 38% in fiscal year 2021 with system-wide same-store sales (SSS) growing 21.2%. The Quick Lube businesses grew 9% in company-owned and franchised locations in fiscal year 2021 for a total of 1,595 units. The company plans to open an additional 120-130 units in 2022 and expects SSS to grow an additional 9-12%.

Valvoline Instant Oil Change is a division of Valvoline Inc., one of the leading worldwide marketers and suppliers of automotive lubricants and supplies. The company products are sold in over 140 countries, and its motor oil is the 3rd-highest selling car motor oil by volume in the DIY market. In October 2021, the company announced plans to separate its two business segments, Retail Services and Global Products, although no timetable has been established. Valvoline is headquartered in Lexington, Kentucky.

Company Type:	Public (NYSE: VV)
Locations:	1,595
Website:	www.vioc.com www.valvoline.com

#2
**Best Automotive Oil
Change Franchises**

Franchise Chatter (2022)

#39
**Franchise
500**

Entrepreneur Magazine (2022)

#2
**Top Oil-Changing
Services Franchise**

Entrepreneur Magazine (2022)



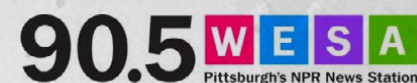
Valvoline Reports Q4, Fiscal Year 2021 Results

November 4, 2021

“Our Q4 results represent another strong quarter of performance, with operating income growing 26% and adjusted EBITDA increasing 20% versus our pre-pandemic performance in Q4 of 2019,” said Sam Mitchell, CEO. “We continue to see robust global demand for our products and services, benefiting from ongoing improvements in miles driven and increasing number and age of vehicles in operation.”

“The quarter marked the end of an exceptional fiscal year, with both segments generating strong results. In fiscal 2021, Retail Services system-wide same store sales increased for the 15th consecutive year and were up 21% compared to last year and up nearly 22% versus fiscal 2019, highlighting the superior stay-in-your-car consumer experience delivered by our store teams. This same store sales performance combined with unit growth of 9% year-over-year drove tremendous profitability improvement, cash generation and topline growth — with system-wide store sales of nearly \$2 billion.”

[CLICK FOR ARTICLE](#)



Pittsburgh Ranks #2 for the Growth of its 'Creative Class,' and the Boom may be Just Beginning

By An-Li Herring | March 4, 2022

In another sign of Pittsburgh's status as one of the nation's emerging tech centers, the region ranked second among major metropolitan areas for the growth of its “creative class” over the previous decade, according to a study released last month.

Between 2010 and 2019, Pittsburgh experienced a 6.5 percentage-point jump in the share of workers employed in knowledge, professional, artistic, and cultural occupations, the research found. Only San Francisco performed better on the same metric.

In terms of the absolute footprint of its creative class, Pittsburgh placed 18th among metro areas whose populations exceed one million people.

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Pittsburgh MSA

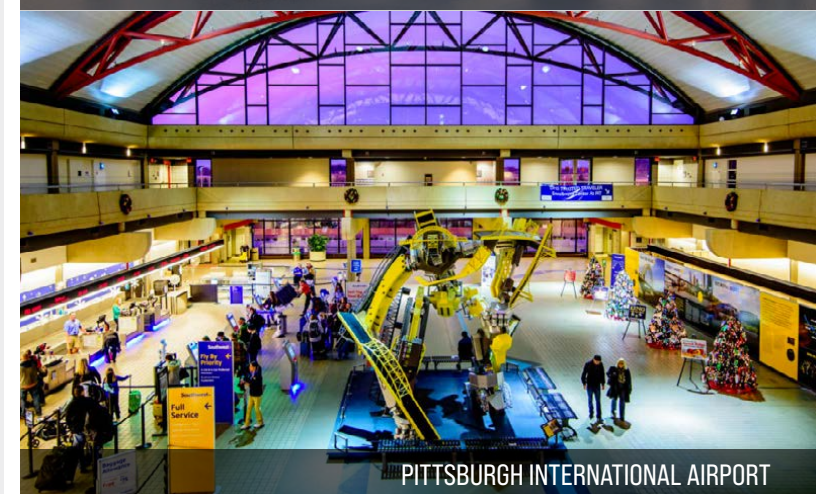
- 2.6 million people; \$165.2 billion in Gross Metropolitan Product
- 2nd most popular city for millennial homebuyers; 12.8% growth of millennial population from 2010-2018, outpacing the national average
- Four major interstate highways: I-70, I-76 (PA Turnpike), I-79 and I-80
- Over 1,300 miles of freight railway, 3 Class 1 railroads: CSX, Norfolk Southern, and Bessemer & Lake Erie, 2 intermodals: CSX Pittsburgh Intermodal Rail Terminal and Norfolk Southern
- 2nd-largest and 3rd-busiest inland port in the U.S.; 22 River Terminals throughout the Region

ECONOMY

- Major employers include: UPMC Health System (27,600 employees), Highmark Health (13,800), University of Pittsburgh (11,900), PNC Bank (9,500), BNY Mellon (7,000), and Carnegie Mellon University (6,100)
- 11 advanced industry sectors driving the region's talent growth; recent expansions include: Amazon [voice recognition], Argo AI, Duolingo, Facebook, Honeywell, Microsoft, and Zoom
- Fast-growing and startup economy, nearly 500 Pittsburgh companies attracted \$3.8B in investment over the past 10 years
- 88 colleges and universities, including University of Pittsburgh and Carnegie Mellon University; 234,000+ students in the region and 45,000 grads annually including 12,000 technology degrees and certificates
 - 21% increase in tech talent labor pool since 2013; 33% workers hold 4+ year degree
- Selected to host the premier meeting of the U.S.-EU Trade and Tech Council and the Global Manufacturing and Industrialization Summit in 2022
- **Pittsburgh International Airport** - Serves 62 destinations nonstop, extensive air cargo facilities with direct runway access; named "Top 10 Domestic Airport in 2019" by Travel + Leisure and named J.D. Power Top 10 Medium Size Airport in North America
- Robotics and life sciences recently received a record \$150 million grant to fund a new robotics center and advanced manufacturing institute and a \$100 million grant to create BioForge



CITY OF PITTSBURGH



PITTSBURGH INTERNATIONAL AIRPORT



UNIVERSITY OF PITTSBURGH MEDICAL CENTER



\$165.2 Billion in Gross Domestic Product

DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2024 Projection	8,779	85,941	207,444
2019 Estimate	8,694	83,990	196,959
2010 Census	8,490	80,600	181,646
2000 Census	9,112	79,201	167,113
Growth 2010-2019	2.40%	4.21%	8.43%
Growth 2019-2024	0.98%	2.32%	5.32%
HOUSEHOLDS			
2024 Projection	3,958	38,212	88,291
2019 Estimate	3,893	37,123	83,595
2010 Census	3,733	35,038	76,168
2000 Census	3,921	33,866	69,930
Growth 2010-2019	4.29%	5.95%	9.75%
Growth 2019-2024	1.67%	2.93%	5.62%
2019 EST. POPULATION BY SINGLE-CLASSIFICATION RACE			
White Alone	7,066	71,123	161,053
Black or African American Alone	455	4,250	13,610
American Indian and Alaska Native Alone	17	151	374
Asian Alone	483	4,241	11,916
Native Hawaiian and Other Pacific Islander Alone	2	25	98
Some Other Race Alone	420	2,100	4,510
Two or More Races	247	2,015	4,977
2019 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)			
Hispanic or Latino	986	6,055	12,774
Not Hispanic or Latino	7,708	77,935	184,185
2019 EST. AVERAGE HOUSEHOLD INCOME			
	\$84,443	\$95,647	\$98,198

PITTSBURGH SNAPSHOT



196,959
POPULATION (5-Mile)



117,996
DAYTIME POPULATION (5-Mile)



8.43%
POPULATION GROWTH (5-Mile, 2010-2019)



\$98,198
AVERAGE HOUSEHOLD INCOME (5-Mile)



\$245,647
AVERAGE HOME VALUE (1-Mile)



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\$9 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$2.6 BILLION IN RETAIL SOLD
over 500 transactions in last 36 mos.