

# AUTOZONE GROUND LEASE

162 SEA ISLAND PARKWAY, BEAUFORT, SOUTH CAROLINA



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM

Marcus & Millichap





OLDE BEAUFORT  
GOLF CLUB

MARINE CORPS  
AIR STATION  
MERRITT FIELD

STAPLES Publix O'Reilly  
COUNTRY WAGREENS Chick-fil-A  
Waffle House Dunkin' Donuts Burger King  
McDonald's burkes Hampton

Hilton Garden Inn Starbucks Moe's  
Quality Inn Holiday Inn Firehouse Subs Food Lion  
Springhill Suites Outback Steakhouse

Zaxby's Lowe's Discount Tire  
The Salvation Army Harbor Freight Tools Chevrolet  
Longhorn Steakhouse KFC Bojangles

DOWNTOWN  
BEAUFORT

LADY'S ISLAND

DATAW ISLAND  
Country Club

Beaufort Memorial  
201 BEDS

TECHNICAL COLLEGE  
OF THE LOWCOUNTRY  
2,000 STUDENTS

AutoZone

Walmart PetSmart Big T.J. Maxx  
Lots! Belk Good Year  
BRUster's Sonic  
CAFO Arby's IHOP

piggly wiggly CVS pharmacy  
Wagreen's Hardee's  
Advance Auto Parts Burger King

NAVAL  
HOSPITAL  
BEAUFORT

Publix SONIC Wells Fargo  
Food Lion Dairy Queen Waffle House  
Dollar Tree Walgreens McDonald's

Walmart  
Jersey Mike's Taco Bell

PORT ROYAL

SECESSION GOLF CLUB



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# Executive Summary

162 Sea Island Parkway, Beaufort, SC 29907

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$1,650,000</b>
Cap Rate	4.0%
Building Size	+/- 7,400 SF
Net Cash Flow	4.0% \$66,000
Year Built	2022
Lot Size	+/- 0.52 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	AutoZone
Guarantor	Corporate
Lease Commencement Date	December 1, 2022
Lease Expiration Date	December 31, 2037
Lease Term	15 Years
Rental Increases	5% Every 5 Years, Beginning in Year 10
Renewal Options	4, 5 Year Options
Right of First Refusal	None

## ANNUALIZED OPERATING DATA

<b>Lease Years</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
12/1/2022 - 12/31/2032	\$66,000.00	4.00%
1/1/2033 - 12/31/2037	\$69,300.00	4.20%
<b>Options</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
Option 1	\$72,765.00	4.41%
Option 2	\$76,403.25	4.63%
Option 3	\$80,223.41	4.86%
Option 4	\$84,234.58	5.11%

<b>Base Rent</b>	<b>\$66,000</b>
<b>Net Operating Income</b>	<b>\$66,000</b>
<b>Total Return</b>	<b>4.0% \$66,000</b>





**BEAUFORT  
HIGH SCHOOL**  
1,200 STUDENTS

**HUDDLE  
HOUSE**  
**BEAUFORT  
Bakery  
& CAFE**  
**DOLLAR TREE**

**DAIRY  
QUEEN**  
**U-HAUL**

**DOWNTOWN  
BEAUFORT**

**MARINA**  
**DOCKSIDE**  
**MAMEEM & MAUDIE**  
CAFE & ICERY  
COFFEE EATS SWEETS

**SAINT PETER'S**  
CATHOLIC CHURCH

**GRAYCO**  
HARDWARE & HOME

**WELLS  
FARGO**

**SONIC**

**Walgreens**

**Publix**

**21,500 CPD**  
LADYS ISLAND DR

**SHERWIN  
WILLIAMS**

**MAVIS  
DISCOUNT  
TIRE**  
**COMING SOON**

**LowCountry  
STORAGE CENTERS**

**AutoZone**

**21 19,700 CPD**  
SEA ISLAND PKWY







Walgreens

LA NOPALERA  
MEXICAN RESTAURANT

WAFFLE  
HOUSE

Harris  
Teeter  
Neighborhood Food & Pharmacy  
COMING SOON

GRAYCO

FOOD LION

McDonald's

21,500 CPD  
LADYS ISLAND DR

AutoZone

Wendy's

21 19,700 CPD  
SEA ISLAND PKWY

SHERWIN  
WILLIAMS

MAVIS  
DISCOUNT  
TIRE  
COMING SOON





# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 15-Year Absolute Triple-Net (NNN) Ground Lease**
- » Outparcel to Publix (2014 Relo Store) with Additional Grocery Anchor Support from Food Lion and New Harris Teeter Planned Across the Street
- » **Signalized Hard Corner Location with Frontage to 41,000+ Cars/Day**
- » Easily Replaceable Rent at \$8.92/SF and Well Below Market (\$19.61/SF)
- » **Situated within a Dense Retail Corridor Along the Region's Primary Thoroughfare, Sea Island Parkway (US-21) - Tenants Include Food Lion, Publix, Walgreens, Wendy's, Sonic Drive-In, McDonald's, and Dairy Queen**
- » Average Household Income Exceeds \$131,000 within a One-Mile Radius
- » **Located Between Two Major East Coast Markets (Charleston and Savannah) and within a One-Hour Drive from Savannah/Hilton Head International Airport**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2026 Projection	1,894	16,965	40,594
2021 Estimate	1,770	16,482	39,198
Growth 2021 – 2026	7.01%	2.93%	3.56%

### Households

2026 Projection	797	7,229	15,659
2021 Estimate	743	6,969	14,968
Growth 2021 – 2026	7.20%	3.73%	4.62%

### Income

2021 Est. Average Household Income	\$131,209	\$89,822	\$91,690
2021 Est. Median Household Income	\$89,183	\$61,193	\$66,505
2021 Est. Per Capita Income	\$55,105	\$38,288	\$36,035





# Tenant Overview



**Memphis, Tennessee**

Headquarters

**NYSE: AZO**

Stock Symbol

**6,846+**

Locations

**[www.autozone.com](http://www.autozone.com)**

Website

AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 6,800 stores in the US, Puerto Rico, Mexico, and Brazil. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and re-manufactured hard parts, maintenance items and accessories. 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 their website. For more than 30 years, AutoZone has been committed to providing the

best parts, prices and customer service in the automotive aftermarket industry. Since opening its first store in Forrest City, Ark. on July 4, 1979, the company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500.

AutoZone's history starts with a wholesale food company called Malone & Hyde, Inc. The company developed a specialty retail division, which eventually led to the creation of Auto Shack in 1979, later being renamed to AutoZone in 1987. Today, AutoZone is the leading distributor of auto parts in the United States.

# Location Overview



Beaufort is located on Port Royal Island, one of the largest Sea Islands along the southeast Atlantic coast of the United States. It is the second oldest city in South Carolina behind Charleston. Geographically, it is situated between Charleston and Savannah on South Carolina's Atlantic Coast. Beaufort is the county seat of Beaufort County and is a primary city within the Hilton Head Island-Bluffton-Beaufort, SC Metropolitan Statistical Area.

The Beaufort Region offers a business-friendly environment in a scenic coastal setting that is capable to handle the demands of a growing regional, national, and international economy. The city is in close proximity to other fast-growing areas, such as Hilton Head Island and Bluffton, and has easy access to Savannah, Georgia, the Savannah/Hilton Head Island International Airport, and a container

port on the Savannah River. Economically, Beaufort is home to a growing diversity of new business startups, a strong base of healthcare and hospitality industries, and three military installations.

Beaufort is one of a handful of U.S. towns that has had its entire downtown designated a historic district by the National Trust for Historic Preservation. Art galleries, antique shops, modern boutiques, upscale restaurants, and casual eateries dot the entire downtown and uptown walking districts. Settled in the early 1500s and chartered in 1711, Beaufort has a rich history that attracts tourists to its historic Antebellum streets and over 50 historic structures. Special spring and fall events offer locals and visitors the opportunity to tour several private homes and gardens.



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