

ADVANCE AUTO PARTS | NEW LEASE EXTENSION

6000 Brookpark Road | Cleveland, OH



Presented By:

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EXECUTIVE SUMMARY

Advance Auto Parts | Cleveland, OH

Graystone Capital Advisors is pleased to offer the opportunity to acquire a net-leased, corporately guaranteed, Advance Auto Parts investment property in Cleveland, OH. The tenant recently extended its lease for an additional 7.5 years showing its commitment to the site. The tenant operates on a NNN lease with the only landlord responsibilities being roof, structure, and parking lot.

Brookpark Road is a strong retail corridor with numerous national tenants such as Menards, Best Buy, Sherwin Williams, O'Reilly Auto Parts, Hertz, Family Dollar and Rally's. Strategically for the tenant's consumer base, this asset is nestled between numerous auto dealerships and national retailers. The corridor features auto dealerships such as North Coast Auto Mall of Cleveland, Axelrod Buick GMC, Byrider Auto, Ohio Motor Cars, and Ken Ganley Hyundai.

The asset is positioned in a dense location with over 300,000 people residing in a five-mile corridor. Another economic driver includes the Cleveland Metroparks Zoo which is located 2.5 miles away, hosting more than 1.2 million visitors annually. Along with strong demographics in a major MSA, the recently extended lease term and limited landlord responsibilities make this an ideal investment opportunity for a passive investor.



KEY FINANCIAL DATA	
Price	\$1,550,000
Cap Rate	5.81%
Lease Type	NNN
Years Remaining	LL - Roof, Structure, Parking 7.1
Guarantor	Corporate

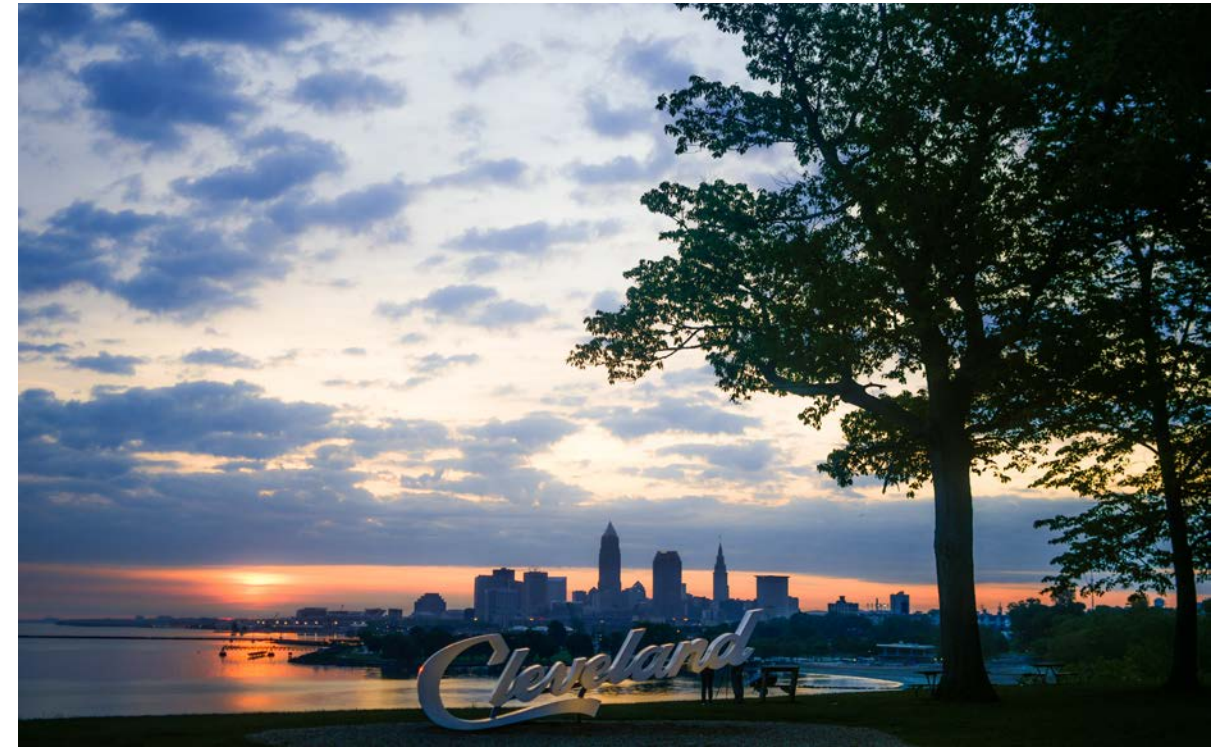
INVESTMENT OVERVIEW

Market Overview

Healthcare services are one of Cleveland's largest industries, and hospital networks Cleveland Clinic and University Hospitals represent the metro's top two employers. Prior to the pandemic, area hospital systems continued to invest in new facilities, including a new 11-story, 270-room MetroHealth hospital on Cleveland's west side (opening in 2023), a \$236 million expansion of University Hospital's Ahuja Medical Center in Beachwood, and the UH Seidman Cancer Center in Avon. UH also announced the addition of 1,000 healthcare positions. The Cleveland Clinic is actively expanding, as well, with a new hospital planned for Mentor; expansions of the Neurological Institute and Cole Eye Institute; and 1,300 new nurses, technicians, and physicians system wide.

The biomedical and technology sectors clearly benefit from the metro's reputation as a healthcare powerhouse, aided by initiatives like the Health-Tech Corridor (HTC). The HTC, launched in 2010, is a 1,600-acre area on the east side of Cleveland linking Downtown Cleveland to University Circle. The area encompasses two major hospital campuses (University Hospitals and Cleveland Clinic), multiple business incubators, four academic institutions, and over 170 high-tech and health-tech companies.

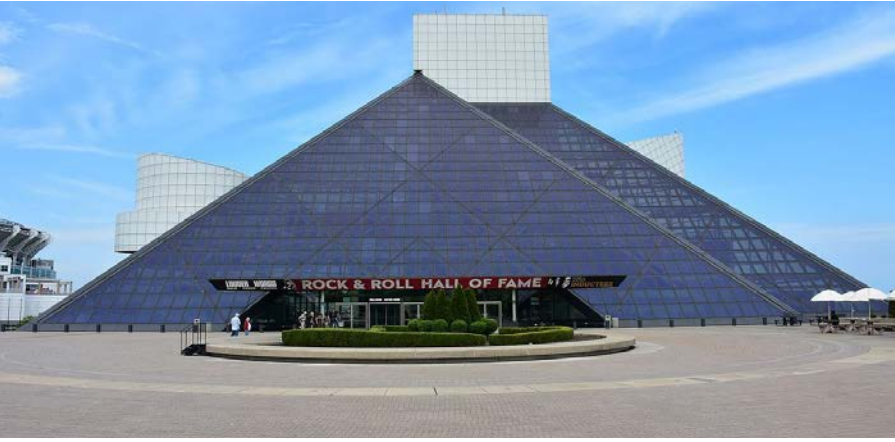
In 2020, with Fortune 500 company Sherwin-Williams announcing that its global headquarters would remain in Cleveland. The company plans to invest another \$600 million in northeast Ohio, including a new, 1-million-SF headquarters building downtown and a 600,000-SF research facility in Brecksville, combined housing more than 3,500 employees. The company purchased a large parcel of land just west of Public Square in downtown for \$49 million, which will serve as the new headquarters site. In June, the Cleveland City Council approved a tax financing package for the project, which expects to generate around \$8.6 million in income taxes annually for the city.



INVESTMENT OVERVIEW

Demographics

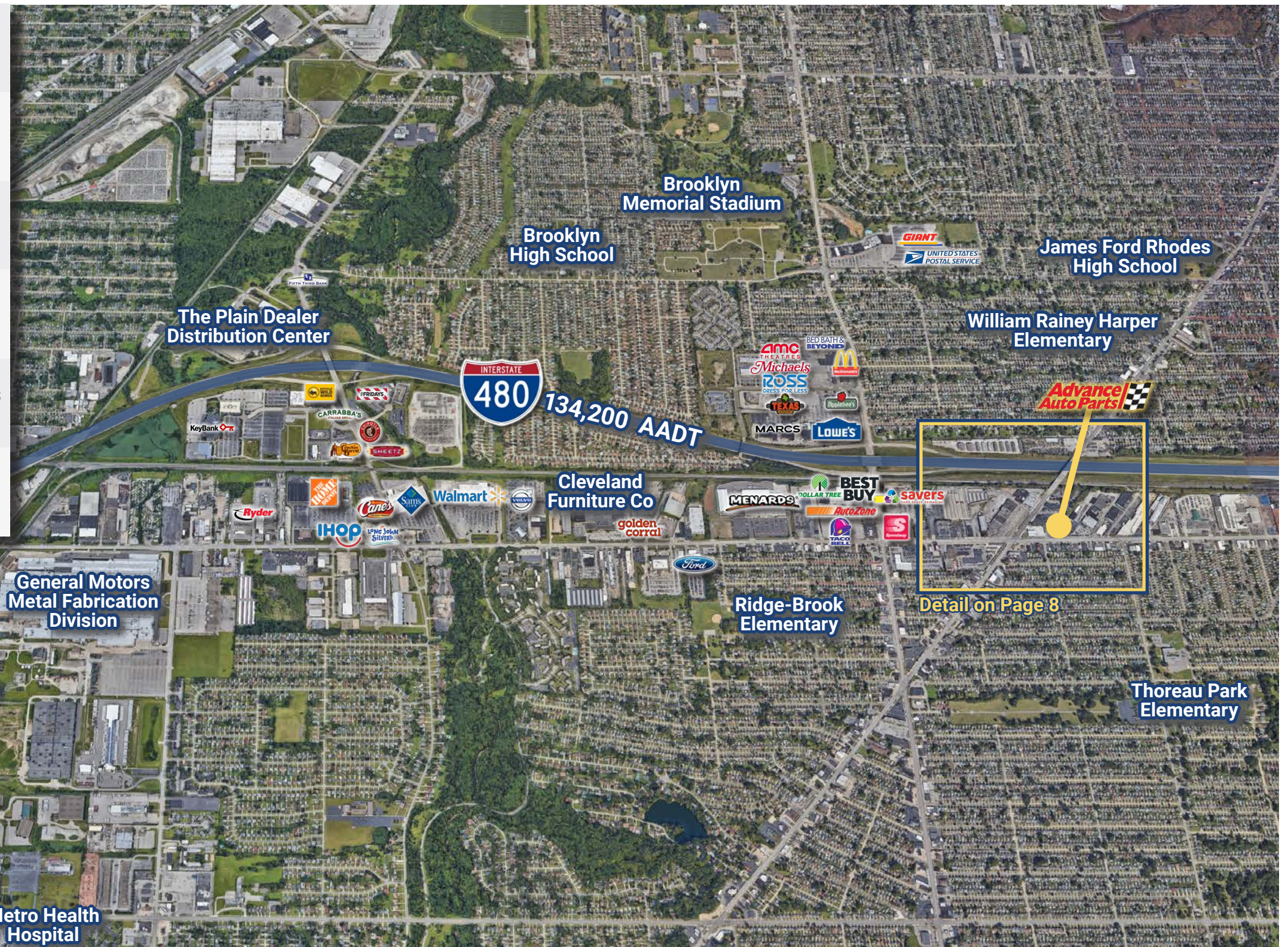
DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
Population:			
2010 Census	17,980	132,948	324,935
2021 Estimate	16,637	125,708	306,888
2026 Projection	16,285	123,630	301,741
2021 Population by Race:			
2021 White Alone	15,259	107,596	246,216
2021 Black Alone	514	10,422	41,047
2021 American Indian/Alaska Native Alone	71	548	1,590
2021 Asian Alone	355	3,308	7,942
2021 Pacific Islander Alone	9	104	329
2021 Hispanic	1,741	18,378	50,413
Households:			
2010 Census	7,397	57,235	137,398
2021 Estimate	6,785	53,782	128,860
2026 Projection	6,625	52,807	126,472
Growth 2010 - 2020	-0.2%	-0.2%	-0.2%
Growth 2020 - 2025	-0.5%	-0.4%	-0.4%
2020 Avg Household Income	\$63,489	\$60,185	\$61,050



INVESTMENT OVERVIEW

Property Highlights

- Tenant has been Operating at the Site since 2002; Just Renewed for 7.5 Years with two, 5 Year Options
- Incredible Population Density - 306,935 People in a 5 Mile radius; Average Household Income is \$61,050
- Strong Retail Corridor with over 21,000 Vehicles Passing the Site Daily
- Nested Between Multiple Car Dealerships & Auto Related Users
- NNN Lease with Limited Landlord Responsibilities (Roof, Structure & Parking lot)
- Recent Major Capital Expenditures - Tenant Fully Painted the Exterior in 2021



INVESTMENT OVERVIEW

Tenant Overview



Advance Auto Parts, Inc. provides automotive replacement parts, accessories, batteries, and maintenance items for domestic and imported cars, vans, sport utility vehicles, and light and heavy duty trucks. The company offers battery accessories; belts and hoses; brakes and brake pads; chassis and climate control parts; clutches and drive shafts; engines and engine parts; exhaust systems and parts; hub assemblies; ignition components and wires; radiators and cooling parts; starters and alternators; and steering and alignment parts. It also offers air conditioning chemicals and accessories; air fresheners; antifreeze and washer fluids; electrical wires and fuses; electronics; floor mats, seat covers, and interior accessories; hand and specialty tools; lighting products; performance parts; sealants, adhesives and compounds; tire repair accessories; vent shades, mirrors and exterior accessories; washes, waxes and cleaning supplies; and wiper blades. In addition, the company offers air filters; fuel and oil additives; fuel filters; grease and lubricants; motor oils; oil filters, part cleaners and treatments; and transmission fluids for engine maintenance. Further, it offers battery and wiper installation; engine light scanning and checking; electrical system testing; video clinic; oil and battery recycling; and loaner tool program services. Additionally, the company sells its products through its website. It serves professional installers and do-it-yourself customers. The company operates stores under the Advance Auto Parts, Autopart International, and Carquest brands, as well as branches under the Worldpac name. As of April 23, 2022, it operated 4,687 stores and 311 branches in the United States, Puerto Rico, the U.S. Virgin Islands, and Canada; and served 1,318 independently owned Carquest branded stores in Mexico, Grand Cayman, the Bahamas, Turks and Caicos, and the British Virgin Islands. The company was founded in 1929 and is based in Raleigh, North Carolina.

PROPERTY PRICING

Financial Information

PROPERTY SUMMARY	
Address	6000 Brookpark Road, Cleveland, OH 44129
APN	012-37-008
Year Built/Renov.	2001
Gross Leaseable Area	7,316
Lot Area (SF)	26,208
Zoning	SI
Type of Ownership	Fee Simple

PRICING	
Price	\$1,550,000
Cap Rate	5.81%
Price/SF	\$211.86

LEASE OVERVIEW	
Property Sub-Type	Net Leased Auto Parts
Tenant	Advance Stores Company, Inc
Guarantor	Advance Stores Company, Inc
Lease Type	NNN Landlord - Roof, Structure, Parking
Lease Commencement	07/19/02
Lease Expiration	12/31/29
Base Term Remaining (Years)	7.1
Options	Two, 5-Year
Rental Increases	24% Option 1 10% Option 2
Tenant Purchase Rights	None

ANNUALIZED OPERATING DATA				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current - Dec 31, 2022	\$101,500	\$8,458.33	\$13.87	6.55%
Jan 01, 2023 - Dec 31, 2029	\$90,000	\$7,500.00	\$12.30	5.81%
Jan 01, 2030 - Dec 31, 2034 (Option 1)	\$111,650	\$9,304.17	\$15.26	7.20%
Jan 01, 2035 - Dec 31, 2039 (Option 2)	\$122,850	\$10,237.50	\$16.79	7.93%



INVESTMENT OVERVIEW
Additional Property Images





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Graystone Capital Advisors is a full-service brokerage company that focuses on aligning ourselves with our clients to build long-term investment strategies. In addition to advisory services, Graystone Capital Advisors also assists their clients in the acquisition, disposition, and leasing of Commercial Real Estate. Our specialty ranges from retail, office and industrial properties to multifamily and mixed use.

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