

# CALIBER COLLISION<sup>®</sup>

RESTORING THE RHYTHM OF YOUR LIFE

AVONDALE, ARIZONA



Marcus & Millichap  
NNN DEAL GROUP

OFFERING MEMORANDUM

FILE PHOTO, ACTUAL SITE UNDER CONSTRUCTION



## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## SPECIAL COVID-19 NOTICE

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.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation or Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.**

**PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

**Marcus & Millichap**



# TABLE OF CONTENTS

Investment Summary .....	4
Investment Highlights.....	5
Caliber Collision Article .....	6
Why Caliber Collision? .....	7
Tenant Summary .....	8
Hellman & Friedman .....	9
Aerial Map .....	10
Site Plan .....	11
MACRS Depreciation .....	12
Location Overview .....	13
Location Highlights.....	15
Demographics .....	16

## LIOR REGENSTREIF

SENIOR MANAGING DIRECTOR INVESTMENTS  
SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP  
ENCINO OFFICE  
Tel 818.212.2730  
Lior.Regenstreif@marcusmillichap.com  
CA 01267761



# CALIBER COLLISION<sup>®</sup>

RESTORING THE RHYTHM OF YOUR LIFE

10505 W ROOSEVELT ST  
AVONDALE AZ 85323

**PRICE**  
\$6,054,180

**CAP**  
5.50%

**TERM AVG CAP**  
6.72%

**NOI**  
\$332,980\*

## OVERVIEW

PRICE	\$6,054,180
GROSS LEASABLE AREA (GLA)	16,100 SF
LOT SIZE	2.07 Acres
NET OPERATING INCOME	\$332,980
YEAR BUILT	2023

## LEASE ABSTRACT

LEASE TYPE	NNN
LEASE TERM	15 Years
LEASE START (ESTIMATE)	6/27/2023
LEASE EXPIRATION (ESTIMATE)	6/30/2038
RENEWAL OPTIONS	2x5
INCREASES	10% every 5 years
LANDLORD OBLIGATIONS	None at all

## ANNUALIZED OPERATING DATA

LEASE TERM	Annual Rent	Cap Rate
BASE TERM YEARS 1-5	\$332,980	5.50%
BASE TERM YEARS 6-10	\$366,278	6.05%
BASE TERM YEARS 11-15	\$402,906	6.65%
OPTION 1	\$443,197	7.32%
OPTION 2	\$487,516	8.05%

\*Rent subject to change



CLICK TO VIEW COMPANY VIDEO

Marcus & Millichap  
NNN DEAL GROUP



## INVESTMENT HIGHLIGHTS



**Corporate guaranteed  
15-Year NNN lease**



**Ideal passive investment opportunity,  
zero landlord responsibilities**



**Brand new 2023 construction,  
lease to commence in Q2 2023**



**Regular rent increases hedge  
against inflation**



**Easy access to major highways,  
one block from I-10**



**Caliber Collision is the industry  
leading auto body repair provider,  
with over 1,600 locations**



**Strategically located just 12 miles  
west of Downtown Phoenix, with over  
268,000 residents within 5 miles**



**Excellent Visibility - Directly Adjacent to the  
Avondale Auto Mall and less than one mile  
from a Costco anchored shopping center**

# CALIBER COLLISION<sup>®</sup>

RESTORING THE RHYTHM OF YOUR LIFE

## CALIBER COLLISION: A SUCCESSFUL NET LEASE INVESTMENT IS NO ACCIDENT

**Caliber is on a growth trajectory, either through new construction or taking over existing real estate, always in high-population areas with easy access.**

By Jonathan Hipp | Globe St

One of the lessons that the net lease investment industry has learned over the past year is that reliance on human need makes for strong growth and recession resistance. We saw that fact play out in such sectors as pharmacy, casual dining—as long as there were drive through or curbside pickup options—and even in the industrial market.

The same can be said for the automotive industry in general and collision repair specifically. For net lease investors, the unfortunate news that accidents will always happen is the good news as well. Collisions, be they due to weather conditions, system failures or simply bad driving, are a fact of life on the road. Collision repair, on its surface, may not be the sexiest-sounding investment type. But considered as a recession- and internet-resistant asset that promises long-term and steady growth, it really cannot be beat.

Caliber Collision is the largest auto-repair company in the nation, boasting more than 1500 locations and rated the highest in customer satisfaction among its competition. Over the years, it has forged partnerships with an impressive 57 car dealerships throughout the US and no fewer than 34 insurance carriers, including such household names as AAA, GEICO, Farmers, Liberty Mutual, Allstate and USAA.

Owned by OMERS Private Equity, which is AAA rated by Standard & Poor's, Caliber has become a \$4 billion a year behemoth. This is supercharged by an aggressive stance of expansion, typified by the nearly \$3-billion Caliber/Abra Auto Body Repair merger agreement from 2018.

This impressive track record is set against an auto-parts and service industry that boasts cap rates under six percent and trending downward and typical lease terms north of 10 years. Caliber is clearly a hot investment type, as affirmed by both CoStar and LoopNet, who report that in 2019, with 1,200 locations, 47 Calibers were sold and by comparison, Starbucks with a whopping 15,000 locations, traded 87. As a market-maker in net lease, Caliber's activity seems to be the go-to asset class, growing more popular every year.

It's important to note as well that, since this type of service center requires special permitting to build, existing assets are even more valuable. Nevertheless, Caliber is on a growth trajectory, either through new construction or taking over existing real estate, always in high-population areas with easy access.

Buy or build, the strategy opens more opportunities for smart investors to get involved. As noted above, the collision industry as a whole is trading at a sub-six percent cap rate. By comparison, new construction sites occupied by Caliber are trading below a five cap, with 15-year lease terms and 10 percent bumps every five years.

At a time when used car sales are booming and there's a shortage of available new cars, this industry has sparked investors' attention. It's no accident that net-leased Calibers are thriving.

[CLICK TO VIEW ARTICLE](#)





# CALIBER COLLISION®

RESTORING THE RHYTHM OF YOUR LIFE

Founded in 1997, Caliber Collision is now the nation's leading auto collision repair provider. Headquartered in Lewisville, TX, the Company operates over 1,600 locations across 40 states. The Company's commitment to the highest quality service, accurate estimates, and on-time delivery has allowed them to become the most trusted name in the industry. Caliber offers repair services from dent removal, collision repair, glass replacement, auto body rust repair & much more, providing more repairs and referred to by more insurance agents than any other collision repair provider in the country. Caliber Collision continues to expand its presence in the industry significantly, becoming the market leader through aggressive acquisition activity and improving its customer service, aiming to provide faster, more reliable maintenance for a fair price.

## WHY CALIBER?

- O.E. Certified Repair Centers with State-of-the-Art Equipment
- 100% Automotive Service Excellence Certified & iCar Gold Class Technicians
- On-site car rentals in partnership with Enterprise Rent-a-Car
- Written Lifetime Warranties
- Data-driven diagnostic scanning solutions
- Referred by more insurance agents than any other company

## COMPANY HIGHLIGHTS

**1,600+**

TOTAL  
LOCATIONS

**40+**

STATES  
SERVICED

**25,000+**

TOTAL  
EMPLOYEES

**1.8 MILLION**

CAR LIVES  
RESTORED ANNUALLY

## AWARDS

**2021 BEST IN BUSINESS**  
GOLD MEDAL WINNER

**FORBES 2021 LIST OF**  
"AMERICA'S BEST LARGE EMPLOYERS"

## SERVICES OFFERED

**CALIBER**  
COLLISION

**CALIBER**  
AUTO CARE

**CALIBER**  
AUTO GLASS

**CALIBER**  
FLEET CARE



**#1**  
LARGEST  
COLLISION  
REPAIR  
COMPANY



Marcus & Millichap  
NNN DEAL GROUP

# CALIBER COLLISION®

RESTORING THE RHYTHM OF YOUR LIFE

## TENANT SUMMARY

OMERS has been the parent company for Caliber Collision since 2013. Once the merger with Abra took place in February 2019, Hellman & Friedman became the majority ownership, with Omer being minority shareholder.

OMERS Private Equity (Toronto, Canada & Lewisville, Texas): A Worldwide company. OMERS Private Equity has been making private equity investments since 1987 on behalf of OMERS, one of Canada's largest pension plans with in excess of \$60.8 billion of assets. They manage over \$6.5 billion of investments globally. Being part of a pension fund has its advantages. It affords the ability to focus on investing in businesses for long-term value creation rather than near-term earnings. Capital is readily available eliminating the need to fundraiser. It also provides the opportunity to leverage the relationships of the other investment entities and resources of OMERS.

OMERS Administrative Corp – Standard & Poor's AA+ Rated  
Moody's Rated Aa1

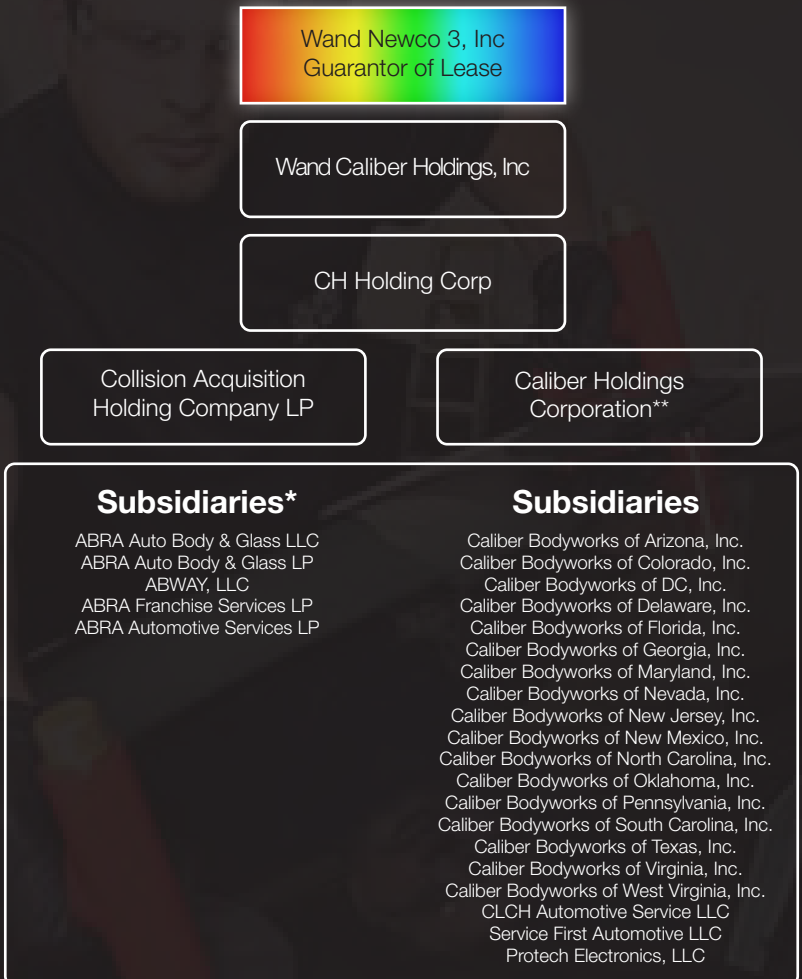
**1997**  
FOUNDED

**\$4.1B**  
REVENUE AS OF 2021

**PRIVATE**  
OWNERSHIP



## OWNERSHIP BREAKDOWN



\*\* Omers minority shareholder

\*\* Hellman & Friedman - majority ownership via merger with Abra 2/2019



# Hellman & Friedman

“CALIBER MAJORITY OWNERSHIP VIA MERGER WITH ABRA”

**1984**

FOUNDED

**100+**

COMPANIES OWNED

**\$85B**

TOTAL ASSETS

**HF.COM**

WEBSITE

- ❖ One of the most experienced and successful investment organizations in the private equity industry
  - ❖ Founded in 1984, H&F has raised over \$35 billion of committed capital and invested in more than 100 companies
  - ❖ H&F is currently investing its tenth fund, with \$24.4 billion of committed capital, and over \$85 billion in assets under management as of March 2022
  - ❖ Offices in San Francisco, New York and London with more than ~50 investment professionals
- ❖ Investment philosophy focused on businesses with strong, defensible franchises and predictable revenue and earnings growth which generate attractive returns on the capital
- ❖ Strong investment experience across distribution and consumer-oriented businesses



**“Find great companies & make them better”**

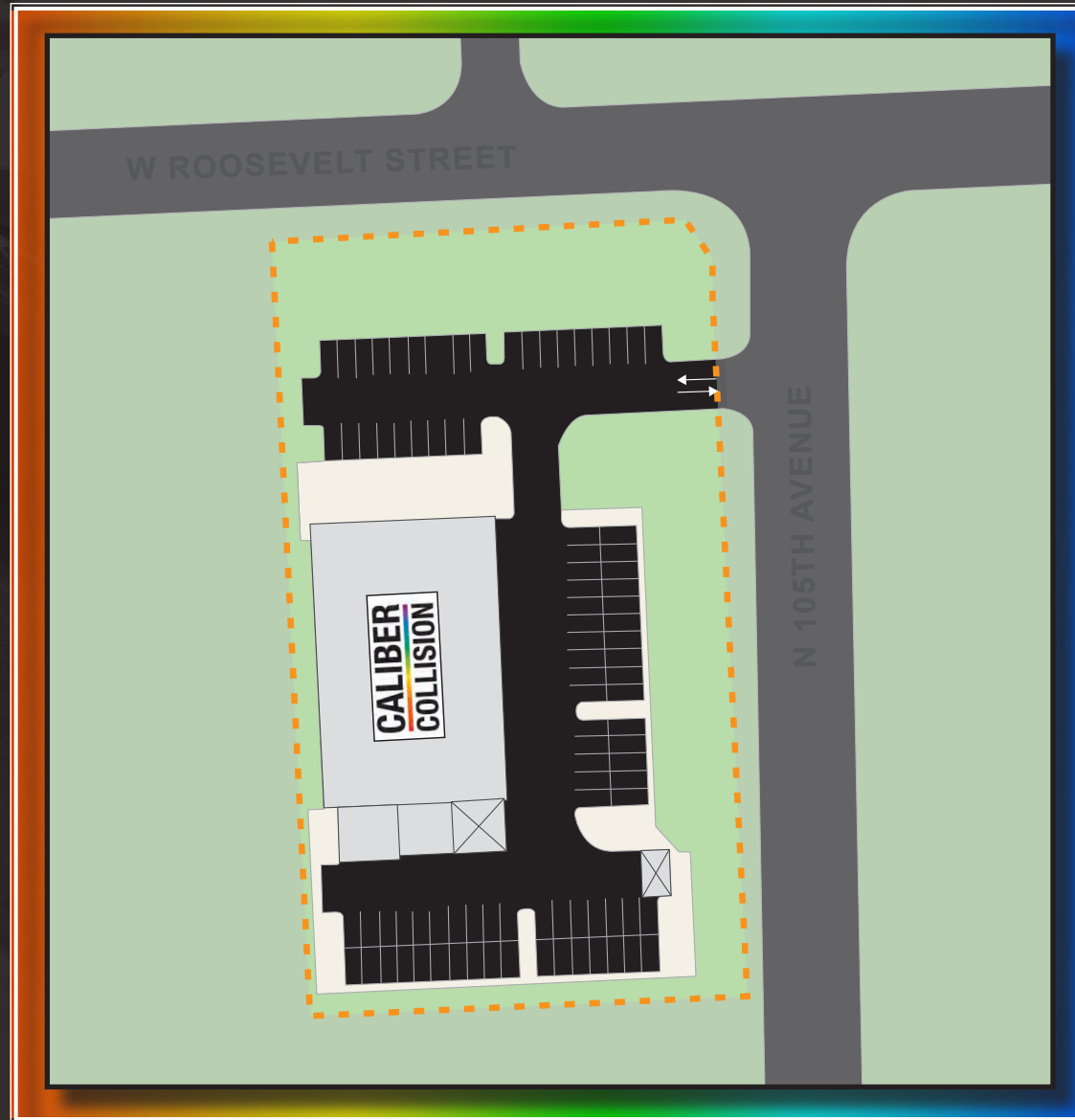
Marcus & Millichap







# SITE PLAN



# MACRS DEPRECIATION

Modified Accelerated Cost Recovery System

## COST SEGREGATION BENEFITS

Cost segregation identifies personal property (generally 5- or 7-year recovery), land improvements (generally 15-year recovery), and other short-lived properties that have been erroneously classified as building property (39- or 27.5-year recovery), which can result in cost savings.

- **MACRS allows for greater accelerated depreciation over longer time periods**
- **Deduct greater amounts during the first few years of an asset's life, and relatively less later**
- **Any property that is being depreciated can elect the MACRS accounting and do a cost segregation**
- **Take advantage of the new 100% bonus depreciation rules that started in 2018**
- **Greatly reduce recapture on projects with rehab, renovation or capital expenditures**

Subject property qualifies for tax savings via accelerated depreciation via cost segregation.

**Call today to see if cost segregation is right for you!**

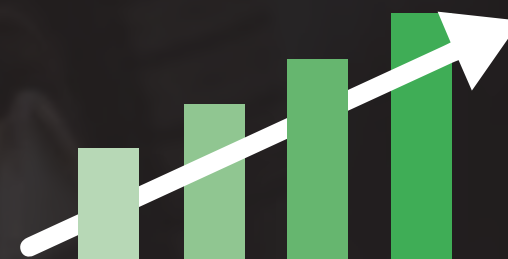
**KIMBERLY LOCHRIDGE**

Executive Vice President

(971) 213-8686

[Klochridge@engineeredtaxservices.com](mailto:Klochridge@engineeredtaxservices.com)

[www.EngineeredTaxServices.com](http://www.EngineeredTaxServices.com)



Increase Your Cash Flow  
**COST SEGREGATION**



**ACCELERATE  
DEPRECIATION**



**INCREASE  
DEPRECIATION  
EXPENSE  
DEDUCTION**



**PAY LESS  
TAX**



**INCREASE  
CASH FLOW**

\*INFORMATION SECURED FROM SOURCES WE BELIEVE TO BE RELIABLE. ALL INVESTORS UNDERSTAND BROKER IS NOT QUALIFIED TO PROVIDE TAX ADVICE AND THAT SUCH ADVICE MUST BE CONFIRMED FROM AN ACCOUNTANT OR TAX PROFESSIONAL.



# LOCATION OVERVIEW

## AVONDALE, ARIZONA

Avondale is a city in Maricopa County, Arizona, adjacent to Phoenix. Avondale, incorporated in 1946, has experienced rapid residential and commercial growth in the years since 1980. It now includes several residential developments and industrial parks, along with the Phoenix International Raceway.

Maricopa County is rapidly expanding and has experienced a growth rate of 1.78% in the past year according to the most recent United States census data. Once primarily a sparsely populated farming community with many acres of alfalfa and cotton fields, Avondale has transformed into a major bedroom suburb for Phoenix.

## PHOENIX, ARIZONA

The Phoenix metro is often referred to as the Valley of the Sun and consists of Maricopa and Pinal counties. The region is hemmed in by mountains to the north and east. Phoenix encompasses about 520 square miles, is the capital of Arizona, and boasts a population of about 1.6 million. The Phoenix metro area has nearly 5 million, and is expected to add around 305,000 people over the next five years, resulting in the formation of more than 125,000 households.

Interstate 10 is a major trucking route that directly connects the region to Southern California, which is supporting a growing distribution industry. Various rail and air lines connect the metro to cities around the world. The region is also served by a strong tourism industry. Warm winters and amenities, including golf courses and resorts, draw vacationers.

Phoenix offers a lower cost of living than other metros its size, a warm climate, and a variety of recreational and cultural options. In addition to outdoor activities, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. Phoenix is home to the world-famous Heard Museum and Frank Lloyd Wright's Taliesin West. Music venues include Phoenix Symphony Hall and the Orpheum Theatre. Higher education institutions include Arizona State University, Grand Canyon University and several community colleges. Roughly 31 percent of people ages 25 and older hold bachelor's degrees, with 11 percent having obtained a graduate or professional degree.

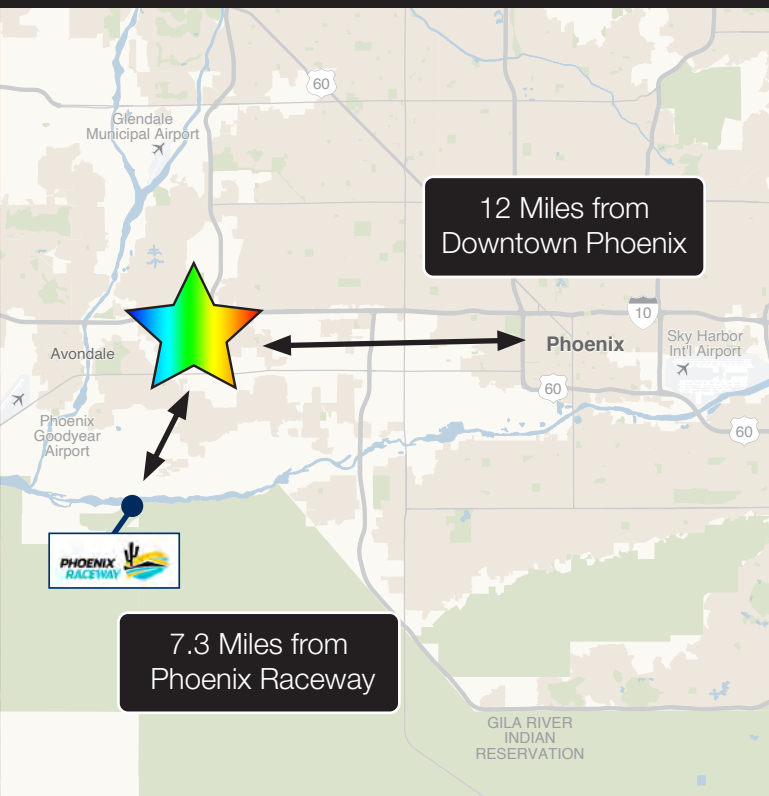
Phoenix claims multiple Fortune 500 headquarters, including Avnet, Freeport-McMoRan, Republic Services, Insight Enterprises, Magellan Health and Carvana. The construction, high-tech manufacturing, health care and tourism industries dominate the Phoenix economy. Intel Corp., General Dynamics, Honeywell and others also have large Phoenix operations, attracting additional companies serving these corporations. Health care is a critical industry, with around 20 hospitals the University of Arizona medical school, and the Mayo Clinic's added facilities located throughout the Valley.





PHOENIX, ARIZONA





## MAJOR EMPLOYERS AVONDALE, ARIZONA

COMPANY	EMPLOYEES
City of Avondale	559
Fry's Food Stores	460
Avondale Elementary School District 44	450
Akos	400
Walmart	370
Tolleson Union High School District 214	350
Earnhardt Auto Center	330
Littleton Elementary School District 65	318
Costco Wholesale	310
Larry H Miller Corp	290

# LOCATION HIGHLIGHTS

## AVONDALE, ARIZONA



**12 MILES**  
WEST OF  
DOWNTOWN PHOENIX



**I-10**  
**185,186 VPD**



DIRECTLY ADJACENT TO  
**AVONDALE AUTO MALL**  
**12+ MAJOR DEALERSHIPS**



**21,207 VPD**  
N 107TH AVE  
**4,359 VPD**  
W ROOSEVELT ST



**268,310**  
TOTAL POPULATION  
WITHIN 5-MILE RADIUS



**\$77,662**  
AVERAGE HOUSEHOLD  
INCOME WITHIN 5-MILE RADIUS

POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	8,009	107,568	282,421
2021 Estimate	7,603	102,426	268,310
Growth 2021 - 2026	5.34%	5.02%	5.26%
2000 Census	755	40,418	126,982
2010 Census	6,130	87,223	227,958
Growth 2000 - 2010	711.95%	115.80%	79.52%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projections	2,927	33,315	84,003
2021 Estimate	2,689	31,539	79,486
Growth 2021 - 2026	8.86%	5.63%	5.68%
2000 Census	261	12,314	37,518
2010 Census	2,119	26,607	66,929
Growth 2000 - 2010	711.98%	116.07%	78.39%

HOUSEHOLDS BY INCOME (2021 Est.)	1 MILE	3 MILES	5 MILES
\$200,000 or More	2.30%	2.47%	2.85%
\$150,000 - \$199,999	2.65%	5.30%	4.65%
\$100,000 - \$149,999	17.67%	16.52%	15.32%
\$75,000 - \$99,999	18.34%	18.18%	17.21%
\$50,000 - \$74,999	23.46%	23.48%	22.56%
\$35,000 - \$49,999	15.03%	13.84%	14.63%
\$25,000 - \$34,999	10.22%	8.76%	8.98%
\$15,000 - \$24,999	4.64%	5.43%	6.89%
\$10,000 - \$14,999	1.77%	1.99%	2.51%
Under \$9,999	3.93%	4.02%	4.41%
2021 Est. Average Household Income	\$75,265	\$78,823	\$77,662
2021 Est. Median Household Income	\$66,862	\$66,611	\$63,007
2021 Est. Per Capita Income	\$26,616	\$24,280	\$23,033

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
2021 Estimated Population by Age	7,603	102,426	268,310
Under 4	8.4%	8.1%	8.1%
5 to 14 Years	16.2%	16.9%	17.3%
15 to 17 Years	4.6%	5.1%	5.2%
18 to 19 Years	2.5%	2.9%	2.9%
20 to 24 Years	9.0%	7.8%	7.7%
25 to 29 Years	12.6%	9.5%	9.1%
30 to 34 Years	10.8%	8.6%	8.3%
35 to 39 Years	9.2%	7.9%	7.9%
40 to 49 Years	12.0%	12.7%	12.6%
50 to 59 Years	7.8%	9.7%	9.5%
60 to 64 Years	2.8%	4.0%	3.8%
65 to 69 Years	1.9%	2.7%	2.8%
70 to 74 Years	1.2%	2.1%	2.2%
Age 75+	1.1%	2.2%	2.5%
2021 Median Age	28.7	29.9	29.8
2021 Population 25 + by Education Level	4,511	60,794	157,787
Elementary (0-8)	2.84%	6.82%	8.25%
Some High School (9-11)	8.74%	10.22%	11.87%
High School Graduate (12)	24.33%	28.04%	28.56%
Some College (13-15)	27.66%	25.43%	24.18%
Associates Degree Only	13.99%	9.83%	8.87%
Bachelors Degree Only	16.76%	12.46%	10.57%
Graduate Degree	5.09%	5.15%	5.02%



# CALIBER COLLISION®

RESTORING THE RHYTHM OF YOUR LIFE

**LIOR REGENSTREIF**

SENIOR MANAGING DIRECTOR INVESTMENTS  
SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP

ENCINO OFFICE

Tel **818.212.2730**

[Lior.Regenstreif@marcusmillichap.com](mailto:Lior.Regenstreif@marcusmillichap.com)

CA 01267761

AVONDALE, ARIZONA



**Marcus & Millichap**  
NNN DEAL GROUP

**OFFERING MEMORANDUM**

FILE PHOTO, ACTUAL SITE UNDER CONSTRUCTION