



Advance | [®]
Auto Parts | 

1427 Airways Blvd | Memphis, TN 38114



INTERACTIVE
OFFERING MEMORANDUM

Advance Auto Parts®

1427 AIRWAYS BLVD | MEMPHIS, TN 38114

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES





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PROPERTY OVERVIEW

1427 AIRWAYS BLVD | MEMPHIS, TN 38114

INVESTMENT HIGHLIGHTS



LEASE & PROPERTY DETAILS

- Corporately guaranteed by Advance Auto Parts Inc.
- NN lease structure with limited landlord responsibilities
- 1997 construction for Advance Auto Parts
- Recent 10-year extension, showing a strong commitment to the site
- Attractive 19% rental increase in the option period, which provides investors a hedge against inflation
- Strong rent to sales ratio of 6.60%

LOCATION HIGHLIGHTS

- Property is located in a dense retail corridor surrounded by national tenants such as, Save A Lot, Walgreens, Dollar Tree, KFC, & Popeye's
- Site sees over ±36,000 VPD

MARKET CONDITIONS:

- Advance Auto Parts has proved to be one of the most resilient tenants throughout COVID-19
- Advance Auto Parts experienced 9% sales growth year over year
- Advance Auto Parts boasts an investment grade credit rating of BBB (S&P)
- Advance Auto Parts has a market cap of over \$10.5 Billion
- Advance Auto Parts has approx. 5,700 locations and plans to continue their expansion for the foreseeable future
- Advance Auto Parts, Inc. is the largest automotive aftermarket parts provider in North America

DOWNTOWN MEMPHIS



78

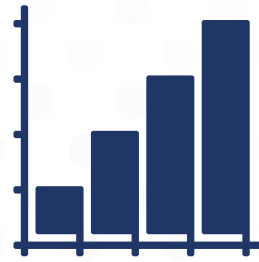


FINANCIAL OVERVIEW

1427 AIRWAYS BLVD | MEMPHIS, TN 38114



\$913,077
LIST PRICE



6.50%
CAP RATE



***\$59,350**
NOI

INVESTMENT SUMMARY

Address	1427 Airways Blvd I Memphis, TN 38114
Year Built	1997
GLA of Building	±7,000 SF
Lot Size	±1.018 AC

**NOI (\$59,350 = Rent (\$62,400) - Expenses (\$3,050))*

FINANCING INQUIRIES

For Financing options please reach out to:

CHAD PLUMLY
chad.plumly@matthews.com
(404) 348-4873



TENANT SUMMARY

Tenant Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Term Remaining	±9 Years
Original Lease Term	10 Years
Rent Commencement	12/31/21
Lease Expiration Date	12/31/31
Increases	19% In the First Option
Options	One, 3-Year Option



ANNUALIZED OPERATING DATA

DATE	Monthly Rent	Annual Rent	Cap Rate
12/31/21-12/31/31	\$5,200.00	\$62,400.00	6.83%
1/1/32-12/31/34	\$6,165.83	\$73,990.00	8.10%



TENANT OVERVIEW

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**Advance
Auto Parts**



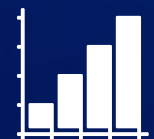
\$11.058B
REVENUE



**BBB-
S&P CREDIT**



± 5,777
LOCATIONS



\$10.5B
MARKET VALUE AS OF (10/18/22)

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. Advance operates stores and Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves independently owned Carquest branded stores across these locations in addition to Mexico and various Caribbean Islands.



AREA OVERVIEW

1427 AIRWAYS BLVD | MEMPHIS, TN 38114



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
Five-Year Projection	12,010	92,411	227,383
Current Year Estimate	11,852	91,920	225,319
2010 Census	13,050	99,747	241,214
Growth Current Year-Five-Year	1.33%	0.53%	0.92%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five-Year Projection	4,942	40,649	96,505
Current Year Estimate	4,933	40,903	96,889
2010 Census	5,221	41,919	97,726
Growth Current Year-Five-Year	0.18%	-0.62%	-0.40%
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$46,172	\$65,370	\$68,639

MEMPHIS, TN

Memphis, Tennessee is the largest city on the Mississippi River. Located within Shelby County, Memphis is a vibrant and historic city. With a city population of over 650,000 people, it is the second-largest city in Tennessee. It brings in a large number of tourists because of its famous and historical landmarks. Being only 3 miles from West Memphis, Arkansas, and 13 miles from Southaven, Mississippi, it is only a hop, skip, and a jump from the Arkansas/Tennessee and Mississippi/Tennessee borders.

Memphis has a strong economy. Three Fortune 500 companies, FedEx, AutoZone, and International Paper Co. call Memphis home. These significant businesses have grown the manufacturing industry in the city. Known as the “Birthplace of Rock and Roll,” the city holds a significant amount of history within its borders. This town has a variety of entertainment with offer, points of interest including Beale Street, Graceland, Memphis Zoo, and Memphis in May, one of the city’s biggest annual events.

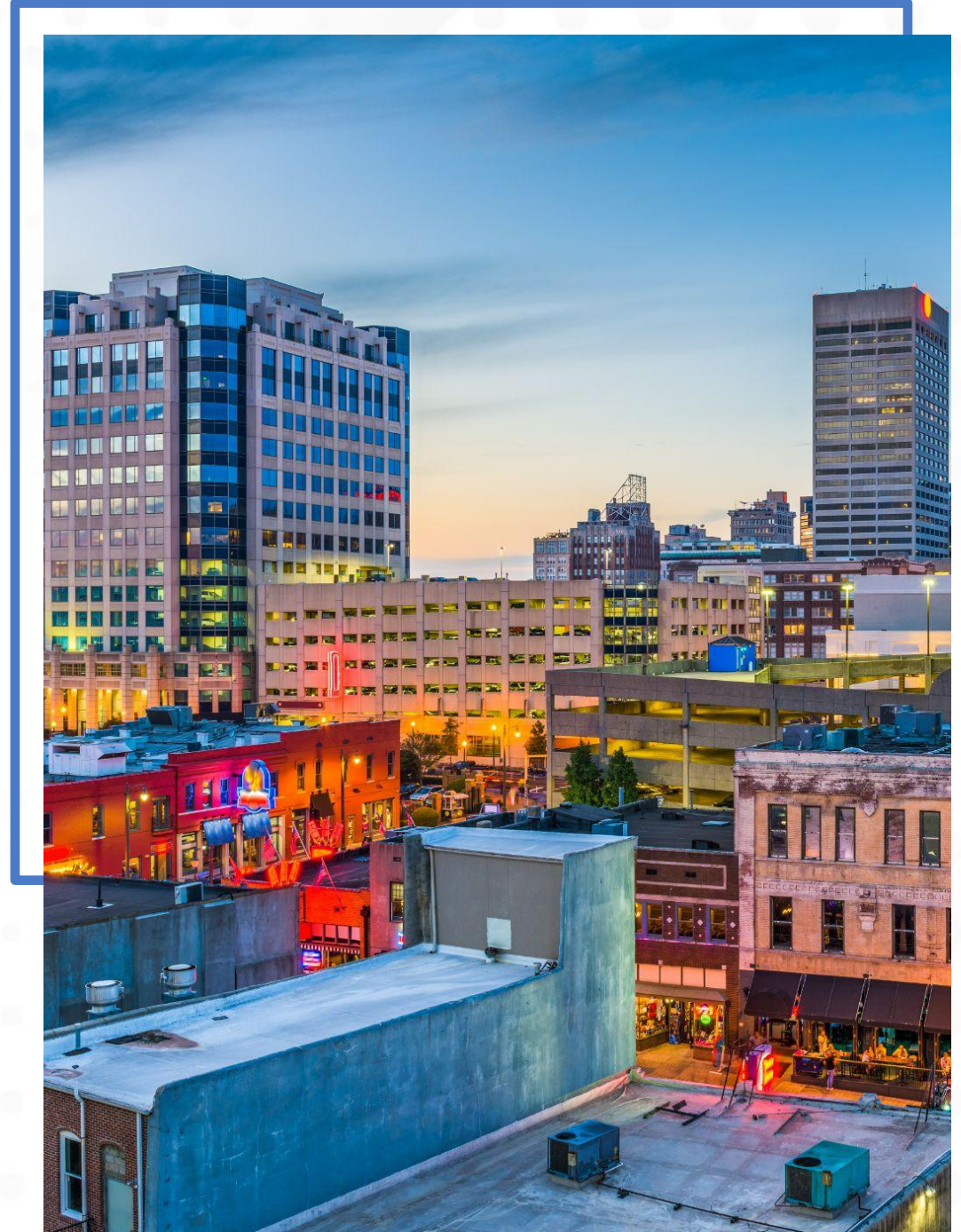
The city is home to several institutions of higher education, including the University of Memphis, the third-largest university in Tennessee. The sports fans of the area love to cheer on the University of Memphis Tigers and the Memphis Grizzlies. Memphis is the ideal place to live, work, and play due to its high quality of life, strong economy, and variety of attractions.

ECONOMY

Located on the Mississippi River, Memphis is one of the largest metropolitan areas in the Southeast. Because Memphis has been such an important city for transportation and shipping, it is attractive to businesses, especially those producing goods shipped nationwide. The city has historically been one of the largest shipping hubs in the Mid-South, dating back to the Civil War. As transportation methods developed, Memphis has continued to hold significance as a transportation hub.

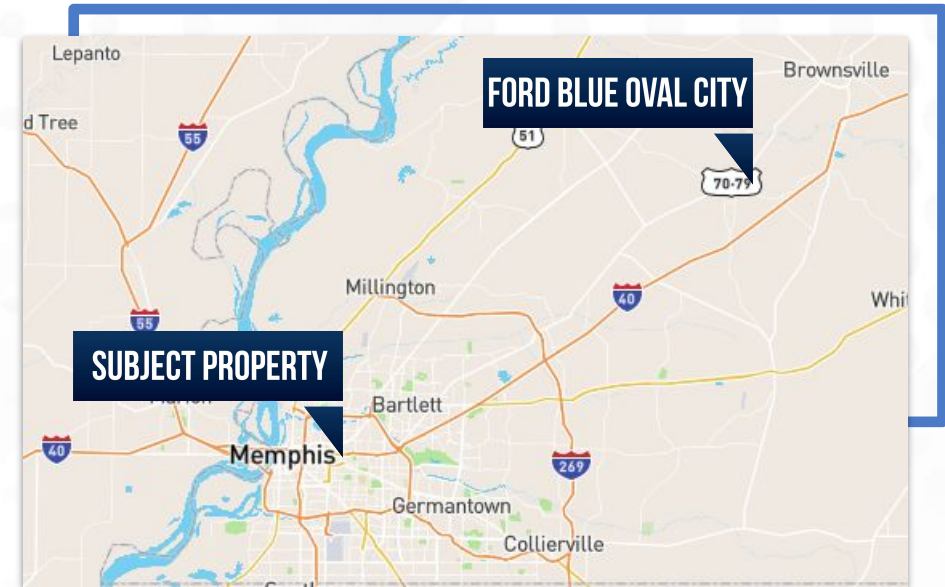
Now the city is home to the second-largest cargo airport in the world, Memphis International Airport, and the world's busiest domestic airport with 4.61 million metric tonnes of cargo. Memphis International Airport and Memphis have had huge significance in the railroad industry. The city has the 3rd largest rail center in the U.S. behind Chicago and St. Louis. It is also one of only four U.S. cities with five Class 1 railroads. Memphis is also home to 5 Fortune 1000 company headquarters, which are FedEx, International Paper, AutoZone, First Horizon, and Terminix Global Holdings. Many of Memphis's residents are blue-collar, hard workers.

The most common industries within this area are Transportation and Warehousing, Construction, and Manufacturing. Within those, the most common occupations are Material Moving, Construction, and Extraction. The greater Memphis region is growing faster than the national average. Since 2000, household incomes have grown, and the unemployment rate has fallen. Recently, Tennessee hit an all-time low for unemployment rate of only 3.2%. With about 7 billion capital investments and over 33 projects in the working that will total over 9,300 future jobs, the opportunities in Memphis are booming.



FORD BLUE OVAL CITY

In 2021, Ford Motor announced that Memphis Regional Megasite was chosen to be home to one of the biggest battery and vehicle manufacturing campuses in the United States called “Blue Oval City”. The proposed project will be about 6-square miles and produce electric pickups and advanced batteries. Ford and SK Innovation plan to invest 5.6 billion dollars and will create almost 6,000 jobs in the Memphis metropolitan area. This project was selected as a top “2021 Top Deals in North America”. The vision of this project is to create a world-class manufacturing system and will be unlike anything the world has seen.



SOURCE: Corporate, Ford, editor. “Ford Blue Oval City.” *BLUE OVAL CITY & SK*, Memphis, TN, <https://corporate.ford.com/operations/blue-oval-city.html>. Accessed 9 Jan. 2023.

TOURISM

Located near the Mississippi River, Beale Street is the heart and soul of Memphis culture. Beale Street is known to be the birthplace of blues. It is always buzzing with music venues, clubs, bars, street performers, and shops. Major tourist attractions on Beale Street include the Orpheum Theatre, the W.C. Handy House Museum, and the New Daisy Theatre. Musicians such as B.B. King, Alberta Hunter, and Isaac Hayes all performed on Beale Street before becoming popular musicians.

Memphis in May is an annual month-long international festival that celebrates a specific foreign country every year and features four main events: the Beale Street Music Festival, International Week, The World Championship Barbecue Cooking Contest, and the Great American River Run. The Beale Street Music Festival showcases national and local musical talent. International Week features a series of exhibits, screenings, and performances saluting the chosen foreign country for that year. The World Championship Barbecue Cooking Contest has been around for 43 years and is the most popular barbecue contest in the United States. The Great American River Run welcomes runners of all experience levels to a half marathon and 5K through the streets of Memphis along the banks of the Mississippi River.



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- 2.You will hold it and treat it in the strictest of confidence; and
- 3.You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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