

ADVANCE AUTO PARTS

1168 NORTH HIGHWAY 27, WHITLEY CITY, KENTUCKY

RETAIL PROPERTY



representative photo

PRESENTED BY

Leigh Shoemaker

Associate
315.571.4829
leigh@graystoneca.com

Shannon Bona

Vice President
203.592.4688
shannon.bona@graystoneca.com

Julius Swolsky

First Vice President
949.942.1310
julius.swolsky@graystoneca.com

Brian Brockman

State Broker of Record
513.898.1551
Brian@bangrealty.com



CONFIDENTIALITY & DISCLAIMER

All materials and information received or derived from Graystone Capital Advisors its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither Graystone Capital Advisors its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. Graystone Capital Advisors will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. Graystone Capital Advisors makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. Graystone Capital Advisors does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by Graystone Capital Advisors in compliance with all applicable fair housing and equal opportunity laws.



EXECUTIVE SUMMARY

Graystone Capital Advisors is pleased to offer the opportunity to acquire a net-leased, Advance Auto Parts investment property in Whitley City, Kentucky. The early extension of a 10 year, NNN Lease, exhibits strong tenant performance and commitment to the site. The tenant also has a strong operating history being at the site since 2005. Current base rent is \$85,320 (\$12.19 PSF) and there are 7% rental increases in each of the four, five year options. There are no landlord obligations, offering investors a long term passive investment.

This opportunity is located along major US Highway 27 and is strategically positioned amongst multiple national retailers including Kroger (directly across the street), McDonald's, Arby's, Walgreens, KFC, Dollar General, Family Dollar and Taco Bell. There are additionally numerous hotel chains in this corridor supporting commuter traffic.

Whitley City is famously know for the Daniel Boone National Forest which draws in over 1 million visitors per year adding to the local economy.



PROPERTY HIGHLIGHTS

- Advance Auto Parts has chosen to extend the initial term of their lease for 10 years exhibiting strong performance and commitment from tenant
- NNN Lease with very limited landlord responsibilities (slab, foundation & structure)
- Long term occupancy history with Tenant at the site since 2005
- Replaceable, below market annual rent at \$12.19 per square foot
- Strong national tenant with over 5,100 stores in the United States and 70,000 employees
- S&P credit rated tenant (BBB-)
- Located along major US Highway 27 with over 14,263 vehicles passing the site daily
- Positioned directly across the street from a Kroger anchored center and other major retailers nearby including McDonald's, Arby's, Walgreens, KFC, Dollar General, Family Dollar, and Taco Bell
- 7% annual increases in four additional five year options
- Whitley City is the county seat of McCreary County, adding to the dynamics of the local economy



representative photo



Advance Auto Parts was founded in 1929 and is headquartered in Raleigh, NC. Employing over 70,000 employees, it is a leading auto part company in the United States. The company operates over 4,900 stores in the US, Puerto Rico, U.S. Virgin Islands, and Canada. WorldPac is a branch of Advance Auto (160 branches) along with 1,253 independently owned Carquest locations.

Advance Auto Parts markets to both the do-it-yourself customer and the professional installer. The company offers a wide range of brand name, original manufacturer, and private label parts, for both domestic and foreign vehicles. Advance Auto Parts is publicly traded with a market capitalization of \$11 billion, and is an investment grade rated company with a Standard and Poor's Rating of BBB-.

Based on key financial measures, in 2021, Advance Auto Parts delivered one of the strongest years since becoming a public company in 2022. The Company delivered record comparable sales growth of 10.7%, a record of \$11 billion in topline sales and a record \$12.02 adjusted diluted earnings per share. Advance Auto Parts also returned a record \$1 billion in cash to shareholders through share repurchases and quarterly dividends.

Company:	Advance Auto Parts, Inc.
Founded:	1932
Locations:	6,300+
Total Revenue:	\$2.64 Billion
Net Income:	\$1.24 Billion
Market Cap:	\$8.48 Billion
Headquarters:	Raleigh, NC
Website:	www.advanceautoparts.com



Whitley City is the County Seat of McCreary County, bordering the Kentucky - Tennessee State Line. Despite its name, it is not an incorporated city, therefore it is one of the two non-city county seats in Kentucky. Whitley City offers residents a suburban rural mix feel in a mostly single-family residential community. It is also centrally located as the midway point between Lexington to the north and Knoxville to the south, both easily accessible via I-75. Nashville is also less than 200 miles away to the southwest.

McCreary County is in the heart of the Daniel Boone National Forest, home to numerous natural arches and rock formations. Located in Whitley City, Natural Arch Recreation Area is home to the most popular and accessible natural arch in McCreary county. Daniel Boone National Forest accommodates over 1 million visitors per year.

Retail rents in the market were rising at a 5.1% annual rate during the first quarter of 2023 and have posted an average annual gain of 4.2% over the past three years. In addition, there has been a cumulative inventory expansion of 0.9% over the past three years. Vacancies were basically in line with the 10-year average at the start of 2023 and were little changed over the past four quarters.

*Whitley
City*



KY

★ Designed by TownMapsUSA.com

DEMOGRAPHICS MAP & REPORT

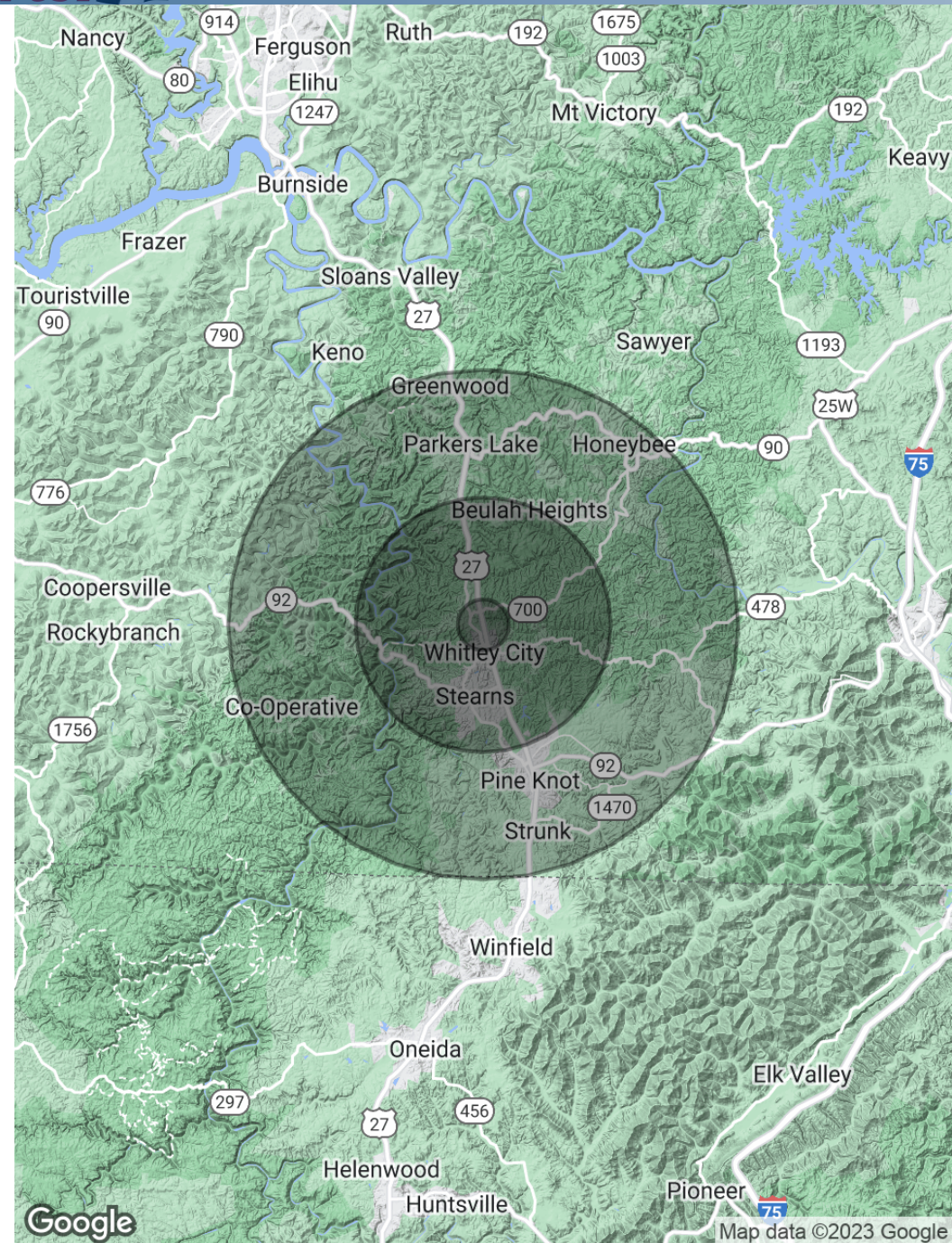


POPULATION

	1 MILE	5 MILES	10 MILES
Total Population	904	6,575	15,874
Average Age	43.0	37.9	40.2
Average Age (Male)	39.2	36.0	38.4
Average Age (Female)	53.5	41.4	42.7

HOUSEHOLDS & INCOME

	1 MILE	5 MILES	10 MILES
Total Households	471	3,147	6,852
# of Persons per HH	1.9	2.1	2.3
Average HH Income	\$23,774	\$30,158	\$35,245
Average House Value	\$65,674	\$82,919	\$97,432





RETAILER MAP



Google

Map data ©2023 Imagery ©2023 , CNES / Airbus, Maxar Technologies, USDA/FPAC/GEO

PROPERTY SUMMARY

Address:	1168 North Highway 27 Whitley City, KY 42653
APN:	120-10-04-034.00
Year Built/Renov.:	2005/-
Gross Leasable Area:	7,000
Lot Size:	1.83 Acres
Type of Ownership:	Fee Simple

PRICING

Sale Price:	\$1,322,790
Cap Rate:	6.45%
Price/SF:	\$188.97

NNN OVERVIEW

Property Sub-Type:	Free Standing Building
Tenant:	Advance Auto Stores, Inc.
Guarantor:	Corporate
Lease Type:	NNN Landlord Foundation & Structure
Lease Commencement:	10/11/2005
Lease Expiration:	3/31/2033
Base Term Remaining (Years):	10.0
Options:	Four, 5-Year
Rental Increases:	7.00% Every 5 Years

ANNUALIZED OPERATING DATA

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current - Mar 31, 2033	\$85,320	\$7,110	\$12.19	6.45%
Apr 01, 2033 - Mar 31, 2038 (Option)	\$91,296	\$7,608	\$13.04	6.90%
Apr 01, 2038 - Mar 31, 2043 (Option)	\$97,680	\$8,140	\$13.95	7.38%
Apr 01, 2043 - Mar 31, 2048 (Option)	\$104,520	\$8,710	\$14.93	7.90%
Apr 01, 2048 - Mar 31, 2053 (Option)	\$111,840	\$9,320	\$15.98	8.45%