

# ADVANCE AUTO PARTS

1114 WEST NC-54, DURHAM, NORTH CAROLINA



OFFERING MEMORANDUM

Marcus & Millichap



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# Executive Summary

1114 West NC-54, Durham, NC 27707

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$2,607,000</b>
Cap Rate	6.25%
Building Size	7,000 SF
Net Cash Flow	6.25% \$162,960
Year Built	2008
Lot Size	0.94 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Advance Auto Parts
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Lease Commencement Date	July 21, 2008
Lease Expiration Date	July 31, 2028
Lease Term	5+ Years
Rental Increases	5% in Each Option
Renewal Options	3, 5 Year Options

## ANNUALIZED OPERATING DATA

<b>Lease Term</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
Current - 7/31/2028	\$162,960.00	6.25%
<b>Options</b>	<b>Annual Rent</b>	<b>Cap Rate</b>
Option 1	\$171,108.00	6.56%
Option 2	\$179,663.40	6.89%
Option 3	\$188,646.57	7.24%

<b>Base Rent</b>	<b>\$162,960</b>
<b>Net Operating Income</b>	<b>\$162,960</b>
<b>Total Return</b>	<b>6.25% \$162,960</b>





JORDAN  
HIGH SCHOOL

GARRETT ROAD PARK  
& TENNIS COURTS

THE SHOPS AT  
HOPE VALLEY POINTE

CVS  
pharmacy



18,000 CPD  
HOPE VALLEY RD

BURGER KING

Advance  
Auto Parts

11,020 CPD  
GARRETT ROAD



ABC  
LIQUOR STORE

WELLS  
FARGO



15,500 CPD  
WEST NC-54



Walgreens

TRUIST





# Property Description



## INVESTMENT HIGHLIGHTS

- » **Over Five Years Remaining on Corporate-Guaranteed Lease with Advance Auto Parts**
- » Five Percent Rental Increases Occurring in Each Renewal Option Period
- » **142,771 Residents within a Five-Mile Radius - Raleigh / Durham MSA**
- » Growing Durham Trade Area - Households and Population Projected to Increase Roughly Nine Percent within a Three-Mile Radius by 2027
- » **Signalized Hard Corner Location Visible to 26,500 Cars per Day**
- » Average Household Income Exceeds \$129,000 in the Immediate Area
- » **Highly Desirable Location near University of North Carolina at Chapel Hill and Research Triangle Park Trade Area**
- » Dense Retail Corridor Location - Major Tenants Include Food Lion, Ace Hardware, Harris Teeter, Burger King, Dunkin', CVS, and KFC
- » **One Mile North of Southpoint - Home to The Streets at Southpoint, Southpoint Auto Park, and Southpoint Auto Mall**
- » 58 Percent of Households within a One-Mile Radius have Two or More Vehicles
- » **Direct Access to University of North Carolina at Chapel Hill via West NC-54**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2027 Projection	5,541	69,060	152,780
2022 Estimate	5,369	63,598	142,771
Growth 2022 – 2027	3.21%	8.59%	7.01%

### Daytime Population

2022 Estimate	6,053	61,434	192,631
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### Households

2027 Projection	2,781	31,265	65,123
2022 Estimate	2,683	28,665	60,430
Growth 2022 – 2027	3.63%	9.07%	7.77%

### Income

2022 Est. Average Household Income	\$129,053	\$126,064	\$118,434
2022 Est. Median Household Income	\$87,755	\$86,346	\$79,784
2022 Est. Per Capita Income	\$64,621	\$56,885	\$50,943



# In the News

## » Boosted by Apple and Google, Raleigh-Durham ranks among top growth markets

"The region is projected to see economic growth of 3.4 percent this year, according to a new report... The report notes the Triangle has more than \$1 billion worth of biotech laboratory construction underway. And the area hosts a bevy of large tech companies, from Cisco (Nasdaq: CSCO) to IBM (NYSE: IBM), Red Hat, Apple (Nasdaq: AAPL), Microsoft (Nasdaq: MSFT) and Google (Nasdaq: GOOG) to name a few." – Triangle Business Journal

## » Increasing demand, Tech talent market are behind Fidelity's rapid growth in the Triangle

"With more than 7,200 employees already working from its Research Triangle Park campus, Fidelity Investments is planning to expand its workforce in the Triangle, again." – WRAL Tech Wire

## » RXR buys \$3B North Carolina 'Superstar Region' site

"RXR Realty purchased a development site in North Carolina's Research Triangle with plans for a \$3 billion mixed-use project, extending a bet on growing suburbs... The deal is part of RXR's larger push into what it dubs "superstar regions," which support growth across housing, logistics and life sciences." – Crain's New York Business

## » Raleigh development boom rides Life Sciences, Tech interest

"With high-rises sprouting throughout Raleigh's downtown and Warehouse District, startup hubs and lab conversions transforming neighboring Durham's former tobacco warehouses, and a burgeoning life sciences sector becoming a bigger national player amid a race for lab space, the Triangle is a "supernova," according to the latest Urban Land Institute (ULI) Emerging Trends report."  
– Commercial Observer



# Tenant Overview



**4,770+**  
Locations



**NYSE: AAP**  
Stock Symbol



**1932**  
Founded



**RALEIGH, NC**  
Headquarters



**ADVANCEAUTOPARTS.COM**  
Website

Advance Auto Parts (NYSE: AAP), headquartered in Raleigh, North Carolina, is the largest automotive aftermarket parts provider in North America, serving both the professional installer and do-it-yourself customers.

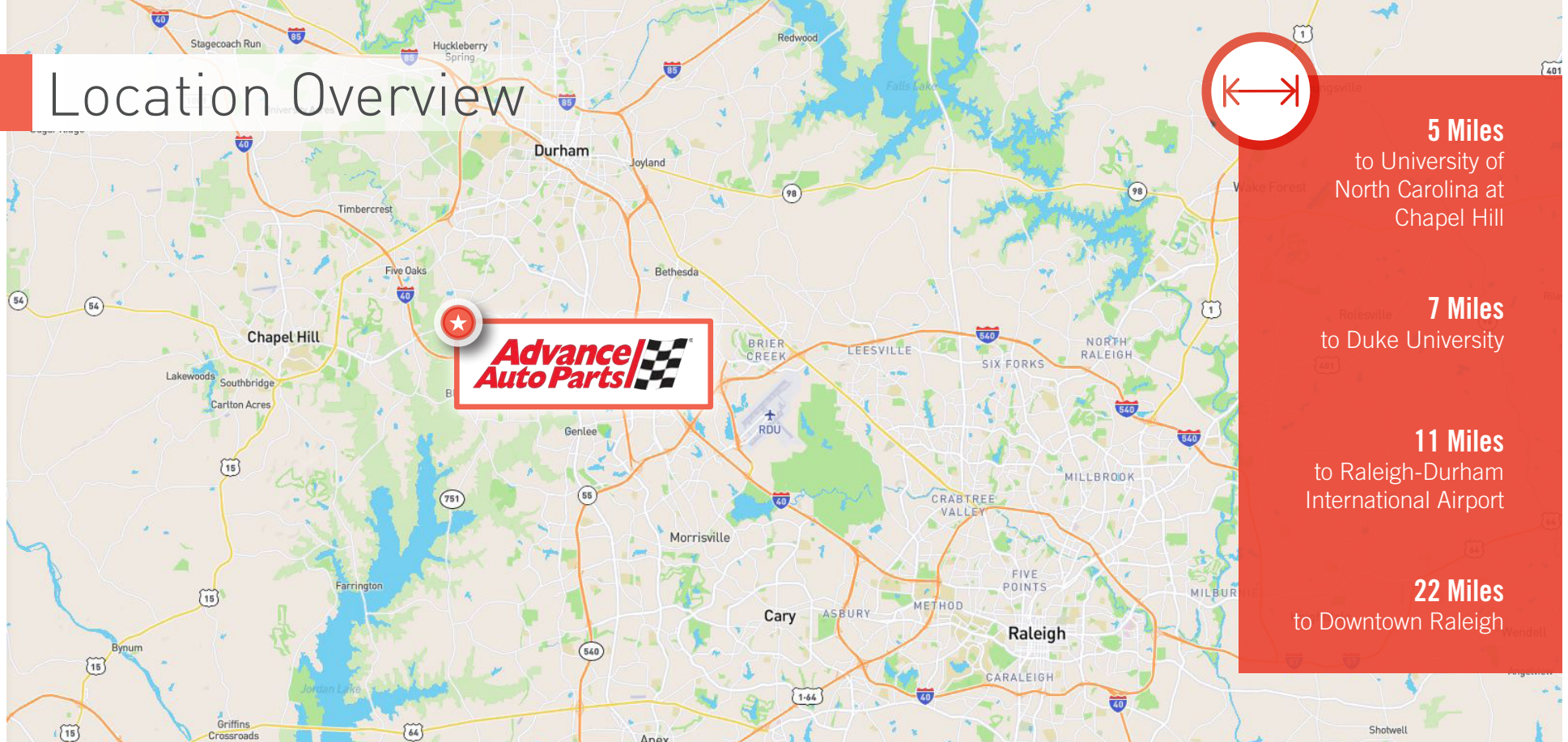
As of December 31, 2022, AAP operated 4,770 company-operated stores and 316 Worldpac branches primarily within the United States, with additional locations in Canada, Puerto Rico, and the U.S. Virgin Islands. The company also served approximately 1,311 independently owned Carquest branded stores across these locations in addition to Mexico and various Caribbean islands.

The company's fourth quarter 2022 net sales totaled \$2.5 billion, a 3.2 percent increase compared with the prior year, primarily driven by strategic pricing and new store openings. Comparable store sales for the fourth quarter 2022 increased 2.1 percent. For FY 2022, net sales totaled \$11.2 billion, a 1.4 percent increase compared with 2021. Comparable store sales for the full year increased 0.3 percent.

# Property Photos



# Location Overview



Durham is a city in and the county seat of Durham County, North Carolina. A principal city of the Raleigh-Durham-Chapel Hill metro, the city is also part of the Research Triangle region. Duke University and Duke University Health System are Durham's largest employers. Additionally, the city is home to a recently revitalized downtown and regularly hosts various festivals and events. Durham is rich in culture and history and has excellent music, arts, and sports scenes.

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina, where the North American Piedmont and Atlantic Coastal Plain regions join. The market is approximately a two-hour drive west of the Atlantic Ocean and a four-hour commute east of the Appalachian Mountains. Durham is the second-largest city in the metro behind Raleigh with over 507,700 residents.

The metro is projected to add nearly 228,000 residents over the next five years, resulting in the formation of 92,000 households. A metro median home price of roughly \$450,000 is lower than many other East Coast communities, and a median household income of \$72,000 is above the national median.

Numerous world-renowned colleges and universities are located in the metro, contributing to an educated labor pool. Institutes like Duke University, North Carolina State University, and the University of North Carolina at Chapel have helped grow the metro's tech industry. The Research Triangle Park attracts and fosters a number of high-tech and biotechnology-based firms. Spanning 7,000 acres, the Research Triangle is home to more than 300 global companies employing roughly 50,000 salaried employees.

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