

# CALIBER COLLISION<sup>®</sup>

RESTORING THE RHYTHM OF YOUR LIFE

RICHMOND, KENTUCKY



Marcus & Millichap  
NNN DEAL GROUP

OFFERING MEMORANDUM



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**Marcus & Millichap**



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## 768 EASTERN BYPASS

RICHMOND, KY 40475

### PRICE

\$5,999,500

### CAP

5.78%

### TERM AVG CAP

7.06%

### NOI

\$346,775

#### OVERVIEW

PRICE	\$5,999,500
GROSS LEASABLE AREA (GLA)	14,704 SF
LOT SIZE	1.55 Acres
NET OPERATING INCOME	\$346,775
YEAR BUILT	2023

#### LEASE ABSTRACT

LEASE TYPE	NNN
LEASE TERM	15 Years
LEASE START	4/17/23
LEASE EXPIRATION	4/30/38
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	\$346,775	5.78%
BASE TERM YEARS 6-10	\$381,453	6.36%
BASE TERM YEARS 11-15	\$419,598	6.99%
OPTION 1	\$461,558	7.69%
OPTION 2	\$507,713	8.46%



CLICK TO VIEW COMPANY VIDEO

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## INVESTMENT HIGHLIGHTS



**Brand New 15-Year NNN Lease commenced April 17th, 2023**



**2023 Construction in a desirable retail expansion area**



**Regular rent increases hedge against inflation**



**Less than 30 miles south of downtown Lexington, KY**



**Strategically located adjacent to a Walmart Supercenter, Lowe's Home Improvement, and ALDI Supermarket**



**Corporate Guarantee**



**Industry Leader in Auto Body Repair**



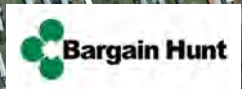
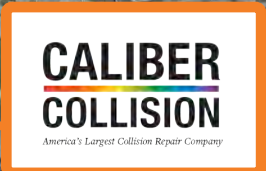
**Located one mile from the Eastern Kentucky University campus, with a student population of over 14,000**





EASTERN BYPASS - 36,664 VPD

BIG HILL AVE - 16,605 VPD





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## 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®

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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



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NNN DEAL GROUP



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## 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**

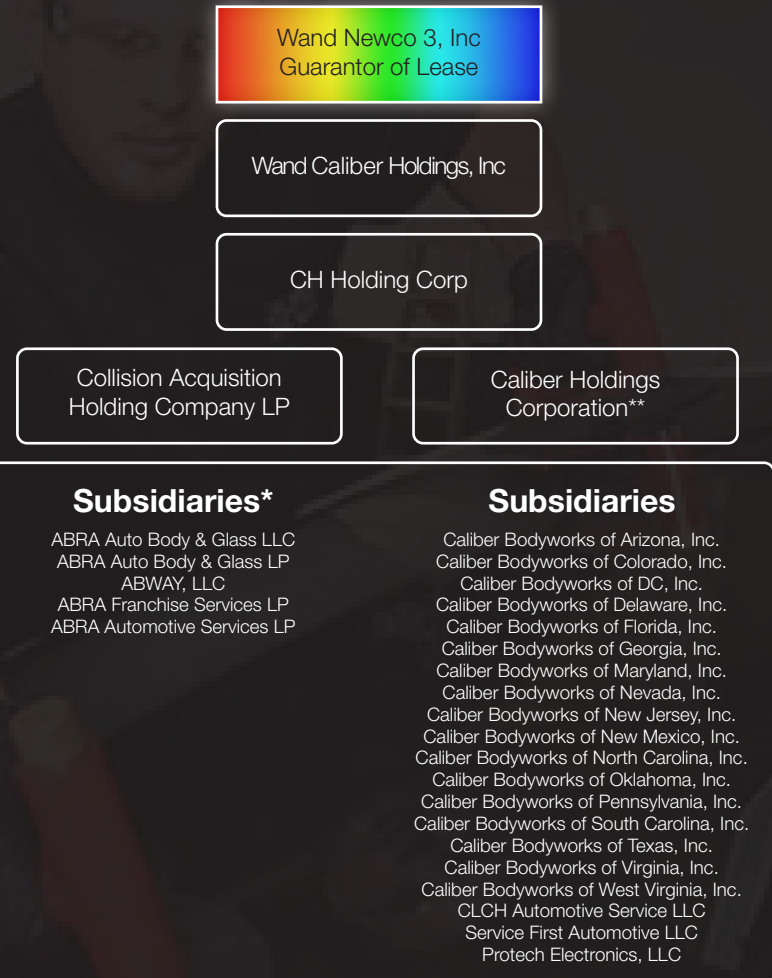
REVENUE AS OF 2021

**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





**DOLLAR TREE**  
**GameStop**  
**HOBBY LOBBY**  
**Office DEPOT**  
**KFC**  
**planet fitness**  
**HARBOR FREIGHT TOOLS**  
**VALERO**  
**CHEVROLET**

**AutoZone**  
**Advance Auto Parts**  
**Rand McNally Corporation - GPS Supplier**  
**INDOOR Storage / Curry Farms FLP LTD- RV Storage Facility**  
**Novelis - Recycling Center & Warehouse**

**CHRYSLER**  
**Jeep**  
**DODGE**  
**RAM**

**Paradise Cove Aquatic Center**

**Pizza Hut**  
**NAPA**

**GMC**

**PENSKE**  
Truck Rental

**Clark-Moores Middle School**

**MARATHON**

**Kroger**  
**McDonald's**  
**TSC TRACTOR SUPPLY CO.**

**Bargain Hunt**

**LOWE'S**  
**Walmart Supercenter**  
**Red Lobster**  
**White Castle**  
**MURPHY USA**

**Firestone**

**CALIBER COLLISION**  
America's Largest Collision Repair Company

**SHERWIN WILLIAMS**  
Warehouse

**SHERWIN WILLIAMS**  
Distribution Center

**EASTERN KENTUCKY UNIVERSITY**

**Baptist Health Richmond Hospital**

**ALDI**

**EASTERN BYPASS - 36,664 VPD**

**BOGGS LN - 7,007 VPD**

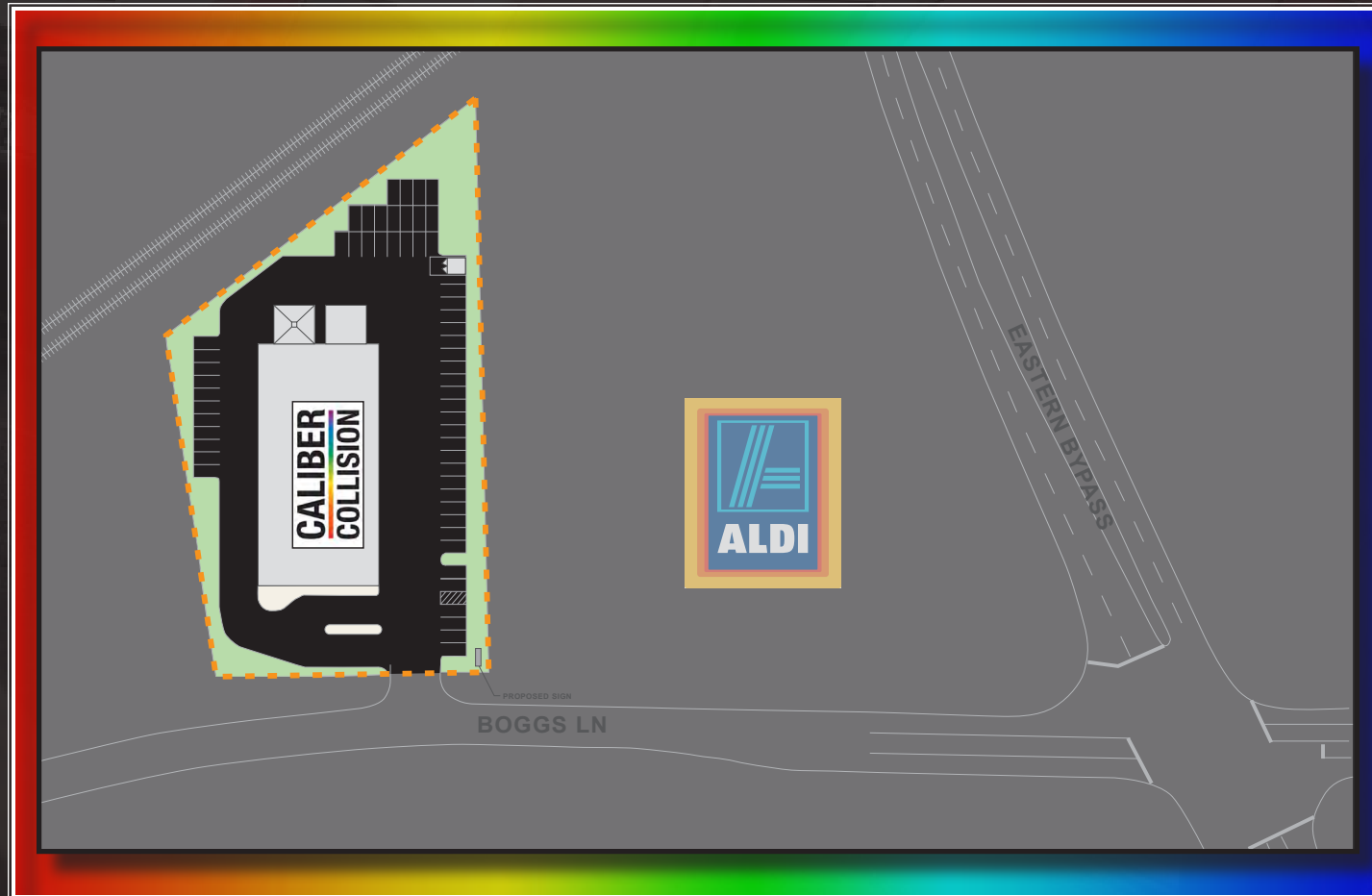
**BIG HILL AVE - 16,605 VPD**

**LAKE REBA PARK**

**GIBSON BAY GOLF COURSE**



# 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!**

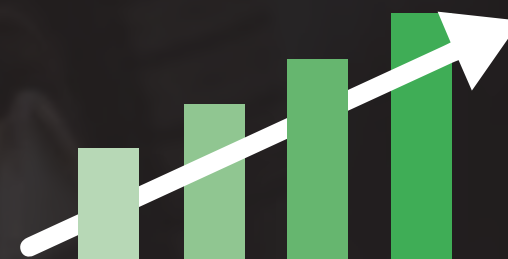
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**COST SEGREGATION**



**ACCELERATE  
DEPRECIATION**



**INCREASE  
DEPRECIATION  
EXPENSE  
DEDUCTION**



**PAY LESS  
TAX**



**INCREASE  
CASH FLOW**

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# LOCATION OVERVIEW

## RICHMOND, KENTUCKY

Situated south of Lexington, KY, on the I-75 corridor, Richmond and Madison County are growing at an impressive rate. Due to its easy interstate access, proximity to Lexington, lower cost of housing, good employment base, large university, and cultural and educational opportunities, population has been steadily growing.

Historic Downtown Richmond is one of the finest restored 19th century commercial districts in the Southeast.

Eastern Kentucky University, known as ECU, has a student population of 14,465, over 10,000 of whom live on campus. ECU is known academically for its nursing, business, and forensic science programs, and socially as the biggest party school in Kentucky. The university requires 1st and 2nd year students to reside on campus, which sits just one mile from the subject site. The university is also the biggest employer in the area.

The subject site is located just to the east of the region's Opportunity Zone, which contributes to both population and industry growth in the immediate area.





# LOCATION OVERVIEW

## LEXINGTON, KENTUCKY

Lexington, the horse capital of the world, is a vibrant city nestled in the heart of Kentucky's famed scenic Bluegrass Region. It is just north of Richmond. It is the second largest city in the state and is tactically located at the junction of I-75 and I-64. Just minutes from the center of town are acres and acres of manicured pastureland, miles of white fences, magnificent barns, dozens of ways to see horses, the 1,200-acre Kentucky Horse Park, the Thoroughbred Training Center, Keeneland Racecourse and more.

Downtown provides picturesque Bourbon distilleries in historic settings still producing the quality products enjoyed around the world.

Approximately two-thirds of the U.S. population live within a day drive of this city, creating a prime location for businesses to flourish.

The University of Kentucky has over 28,000 students and offers over 100 undergraduate majors and more than 100 graduate degree programs. The school has 16 academic colleges, making it one of the only intuitions with so many disciplines on one campus. Students from all 50 states in the U.S. attend Lexington as well as students from over 100 different countries, bringing diversity to the campus.

The university has invested \$2.6 billion in infrastructure across the campus, created pristine facilities with various resources for students to prosper.

Lexington's Economic Development program ensures economic growth and opportunity for businesses in the city. The program makes investments to improve the quality of life in the city and attract new businesses, creating new jobs for residents. This has created the lowest rate of unemployment Kentucky has ever seen. The city's strong economic foundation and various attractions create an amazing business environment and strong city that lives up to its great reputation.



WOODFORD RESERVE  
KENTUCKY BOURBON DISTILLERY





## MAJOR EMPLOYERS RICHMOND, KY

COMPANY	EMPLOYEES
University of Kentucky	12,800
Fayette County Public Schools	5,900
Lexington-Fayette Urban County Government	2,945
Amazon.com	2,500
Conduent	2,500
Veterans Medical Center	2,086
Baptist Healthcare	1,852
KentuckyOne Health	1,847
Lemark International	1,500
Lockheed Martin	1,100

# LOCATION HIGHLIGHTS

## RICHMOND, KENTUCKY



**48,104**

TOTAL POPULATION  
WITHIN 5-MILE RADIUS



**I-75**

STRATEGICALLY POSITIONED  
OUTPAD TO WALMART  
AND LOWE'S



**\$68,239**

AVERAGE HOUSEHOLD  
INCOME WITHIN 5-MILE RADIUS



**36,664 VPD**

EASTERN BYPASS

**7,007 VPD**

BOGGS LN



**1 MI**

FROM THE EASTERN  
KENTUCKY UNIVERSITY  
CAMPUS 14,000 STUDENTS



**30 MI**

SOUTH OF LEXINGTON  
100 MILES SOUTHEAST  
OF LOUISVILLE



POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	9,107	40,039	50,745
2021 Estimate	8,798	37,629	48,104
Growth 2021 - 2026	3.52%	6.40%	5.49%
2000 Census	6,952	28,201	35,580
2010 Census	7,691	31,786	41,251
Growth 2000 - 2010	10.64%	12.71%	15.94%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projections	2,268	15,822	20,154
2021 Estimate	2,147	14,756	18,953
Growth 2021 - 2026	5.66%	7.23%	6.33%
2000 Census	1,591	11,087	13,915
2010 Census	1,881	12,436	16,247
Growth 2000 - 2010	18.26%	12.16%	16.76%

HOUSEHOLDS BY INCOME (2021 Est.)	1 MILE	3 MILES	5 MILES
\$200,000 or More	1.81%	2.84%	3.31%
\$150,000 - \$199,999	2.55%	3.47%	4.18%
\$100,000 - \$149,999	7.14%	11.23%	12.48%
\$75,000 - \$99,999	9.51%	12.46%	12.77%
\$50,000 - \$74,999	14.39%	16.45%	17.04%
\$35,000 - \$49,999	9.94%	10.52%	10.43%
\$25,000 - \$34,999	12.44%	10.10%	9.92%
\$15,000 - \$24,999	17.47%	14.55%	13.63%
\$10,000 - \$14,999	9.76%	7.10%	6.36%
Under \$9,999	14.98%	11.27%	9.89%
2021 Est. Average Household Income	\$51,595	\$63,885	\$68,239
2021 Est. Median Household Income	\$31,650	\$44,098	\$49,656
2021 Est. Per Capita Income	\$17,993	\$26,475	\$28,001

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
2021 Estimated Population by Age	8,798	37,629	48,104
Under 4	2.6%	5.5%	5.6%
5 to 14 Years	4.6%	9.6%	10.2%
15 to 17 Years	1.3%	2.7%	3.0%
18 to 19 Years	27.3%	8.0%	6.7%
20 to 24 Years	34.6%	17.3%	15.2%
25 to 29 Years	6.5%	9.4%	9.1%
30 to 34 Years	4.1%	6.2%	6.2%
35 to 39 Years	3.3%	5.7%	5.9%
40 to 49 Years	4.9%	9.9%	10.6%
50 to 59 Years	4.5%	9.2%	10.1%
60 to 64 Years	1.7%	4.1%	4.6%
65 to 69 Years	1.3%	3.6%	4.0%
70 to 74 Years	1.1%	3.2%	3.4%
Age 75+	2.2%	5.7%	5.5%
2021 Median Age	21.0	28.4	30.2

2021 Population 25 + by Education Level	2,610	21,434	28,528
Elementary (0-8)	5.20%	4.23%	3.85%
Some High School (9-11)	8.49%	7.30%	6.96%
High School Graduate (12)	26.81%	26.44%	25.81%
Some College (13-15)	22.83%	20.85%	20.95%
Associates Degree Only	7.61%	7.41%	7.77%
Bachelors Degree Only	17.91%	19.48%	19.65%
Graduate Degree	10.11%	13.40%	14.15%

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NNN DEAL GROUP



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SENIOR DIRECTOR, NET LEASED PROPERTIES GROUP

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