

Advance Auto Parts

Ravenna, Ohio



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Offering Memorandum

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Advance Auto Parts

Ravenna, Ohio

The Property - Investment Summary

Property	Advance Auto Parts (NYSE: AAP)
Lease Guarantor	Corporate
Address	443 W Main Street Ravenna, OH 44266
Parcel Number	31-361-14-00-122
Lease Type	NN+ (Roof & Structure)
Market	Portage County
Population	86,125
Year Built	2001
Lot Size	0.70 Acres
Building Size	7,000 Square Feet
Rent Commencement	January 14, 2002
Lease Expiration	July 31, 2024
Renewal Options	Two 5-Year Options
Price Per Square Foot	\$83.20
Net Operating Income	\$64,066.80
Cap Rate	11%
Pricing	\$582,425



Investment Highlights

- Strong **11% Return** for 6+ Years Remaining on Lease
- Corporate Guaranty - Publically Traded (NYSE: AAP) with Investment Grade Credit Rating (S&P: BBB-)
- Long Term Occupancy - Over 17 Years at this Location
- Low \$83.20 Price Per Square Foot, Far Below Current Replacement Cost
- Two, 5-Year Options Remaining with Rental Increases
- **Advance Auto Parts is North America's Largest Auto Parts Retailer** with over 5,372 Stores

Property Description

For sale to qualified investors is the 100% fee-simple interest in the freestanding NN leased Advance Auto Parts (NYSE: AAP) in Ravenna, Ohio. The lease is corporately guaranteed by Advance Auto Parts Company, Inc., an investment grade corporation (S&P: BBB-). Advance Auto Parts has occupied the property since 2001 and has over 6 years remaining on their lease. The lease features two additional five-year options with rental increases in both of the option terms. This investment is being offered at an attractive 11% cap rate with a corresponding price of \$582,425, and provides the most attractive yield of any auto parts retailer currently on the market. This asset provides the purchaser with the ability to acquire a property with a strong tenant history, commitment to the future and relatively few owner obligations. The area is home to numerous restaurants and retailers including McDonald's, Arby's, Chase Bank, Walgreens, Key Bank, Salvation Army, Taco Bell, Verizon, Dairy Queen, PNC Bank, Giant Eagle, Burger King, Wendy's, Marc's Grocery, Tractor Supply, AutoZone, Pizza Hut, Dollar General, Dunkin' Donuts, Fastenal and many others.

Ravenna, Ohio

Ravenna is a city and the county seat of Portage County in the state of Ohio. As of 2010 census, Portage County had a population of 161,419. The city of Ravenna is located in Northeast Ohio, southwest of Cleveland, and can be accessed from State Route 59 from the east and west, State Route 44 from the north and south, and State Route 14 from the northwest which provides access to Interstate 80 Ohio turnpike. This incredible access has made Ravenna an excellent place for northeast Ohio residents to live seeking low cost of living within close proximity to all other amenities that greater Cleveland has to offer. Ravenna is considered part of the Cleveland-Akron-Canton Combined Statistical Area, which has over 3,515,646 people. The building fronts on Ohio State Route 59, which is the main street through downtown Ravenna and also takes travelers directly west through Kent and to Kent State University, which has over 23,000 students.



INCOME

Occupancy: 100%

Base Rental Income

Tenant	Size (SF)	Annual Rent	PSF
Advance Auto Parts	7,000	\$65,100.00	\$9.30
Total	7,000	\$65,100.00	

Reimbursed Expenses

Common Area Maintenance	\$0.00
Property Taxes	\$12,480.58
Insurance	\$0.00
Total	\$12,480.58

Gross Rent	\$65,100.00
Gross Income	\$77,580.58

OPERATING EXPENSES

Common Area Maintenance	\$0.00
Property Taxes	\$12,480.58
Insurance	\$0.00
Reserves (\$0.15 psf)	\$1,033.20
Total	\$13,513.78

Total Operating Expenses	\$13,513.78
Net Operating Income	\$64,066.80
Value at 11% Cap Rate	\$582,425.45

Advance Auto Parts

Ravenna, Ohio

Performance & Tenancy - Rent Roll

Tenant Name	Square		Lease Term		Rental Rates		Recovery	
	Feet	Pro-rata	Begin	End	Begin	Annually	Type	Comments/Options
Advance Auto Parts (NYSE: AAP)	7,000	100%	1-14-2002	7-31-2024	Current	\$65,100	NN	Tenant reimburses owner for property taxes. Tenant pays for the insurance directly. Tenant maintains HVAC and pays for all repairs under \$500.
					Options:		Options: Two 5-year option. Tenant must give written notice 3 months prior to lease expiration date.	
					8-1-2024	72,099.96		
					8-1-2029	\$75,600		



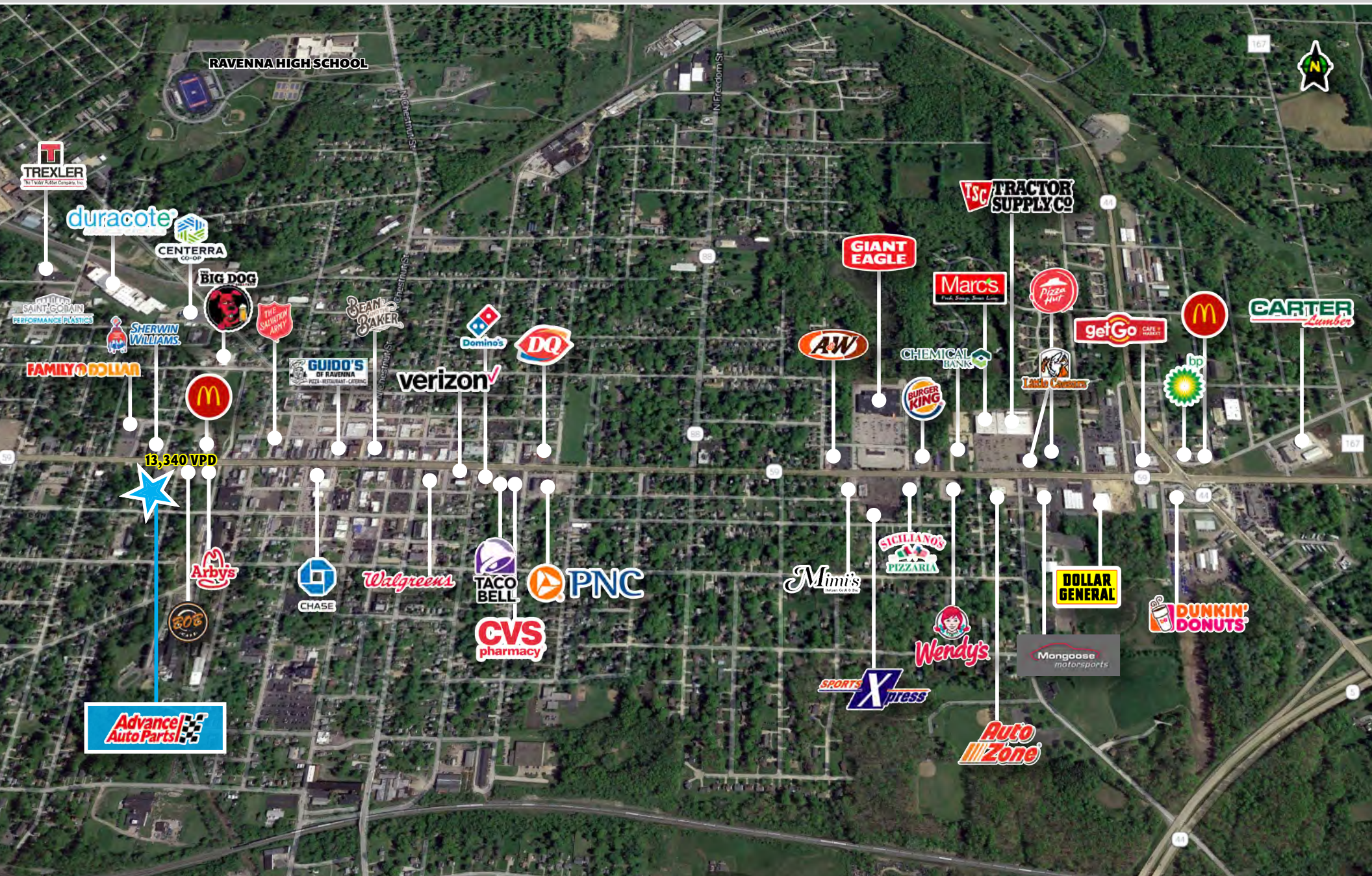


Advance Auto Parts (NYSE: AAP), headquartered in Roanoke, Virginia, operates 5,372 stores throughout North America, Puerto Rico and the Virgin Islands. Over 74,000 employees contribute to making Advance Auto Parts the leading automotive aftermarket retailer of parts, accessories, batteries and maintenance items. In 2001, Advance Auto Parts became a public trading company on the New York Stock Exchange and two years later was added for the first time to the "Fortune 500" list. Following strong performances year over year, the company was rated by Forbes Magazine in 2005 as the "Best Managed Retail Store in America." In 2014, Advance Auto Parts became the largest auto parts retailer in North America. Today, Advance Auto Parts still operates with the same core values originally put into place by founder Arthur Taubman in 1932 which has created an environment of honesty, education, mutual trust and dedication.

Advance Auto Parts

Ravenna, Ohio

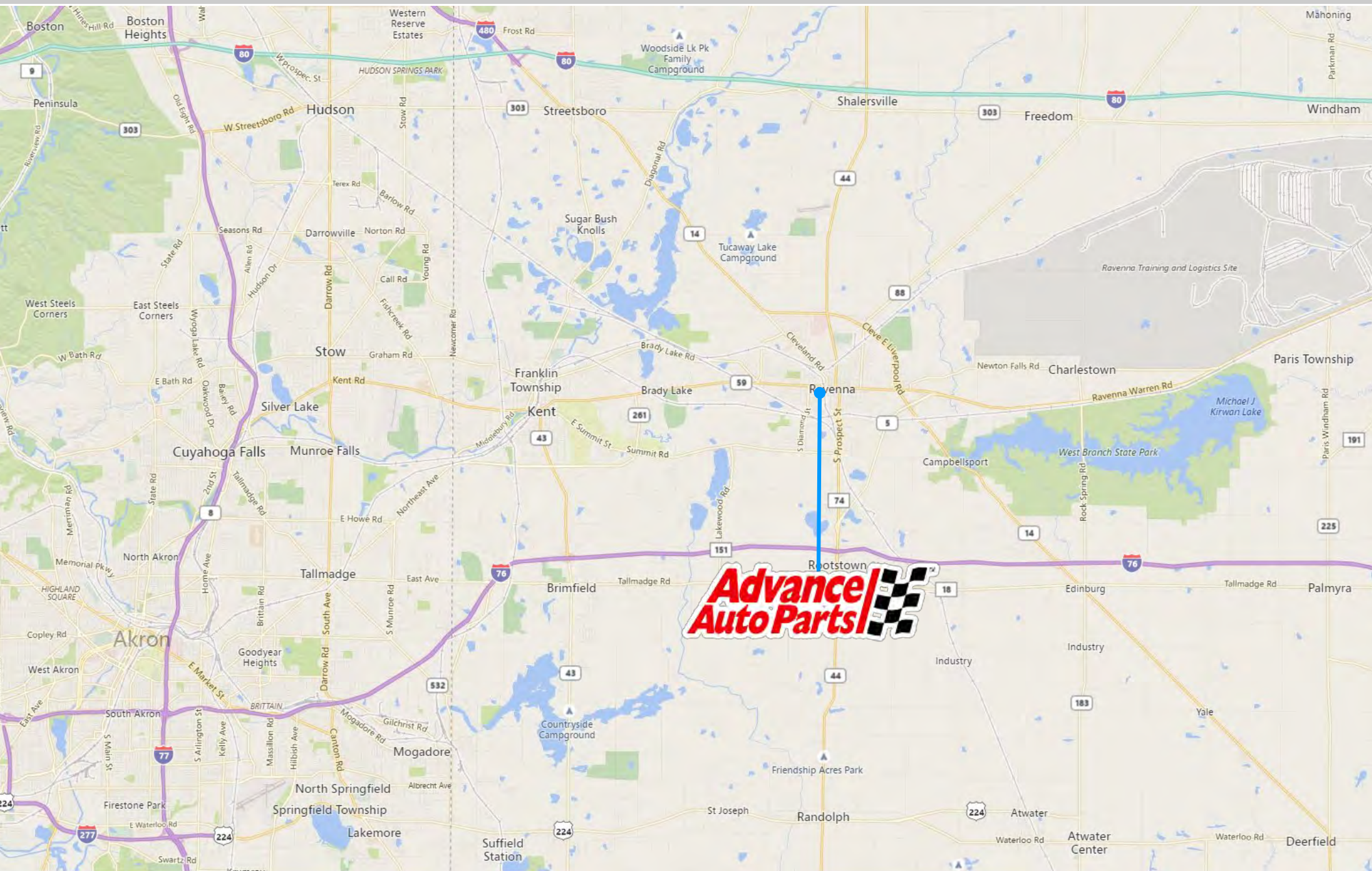
Market Overview - Market Aerial



Advance Auto Parts

Ravenna, Ohio

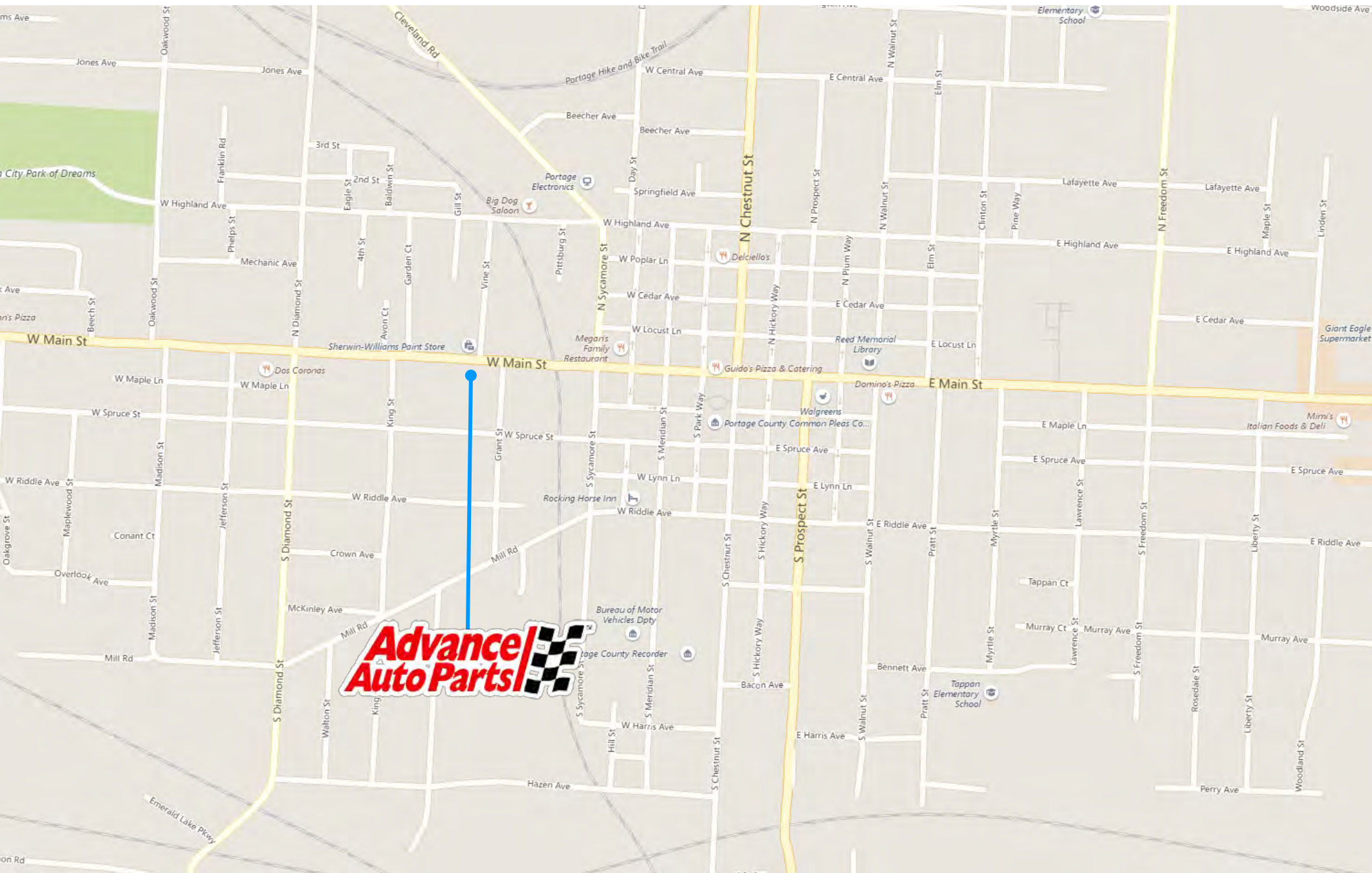
Market Overview - Regional Map



Advance Auto Parts

Ravenna, Ohio

Market Overview - Local Map



	1 mi	3 mi	5 mi	7 mi
Population				
2017 Estimated Population	8,263	23,021	47,475	78,818
2022 Projected Population	8,061	22,554	47,182	78,635
2010 Census Population	8,796	23,511	46,831	77,725
2000 Census Population	9,018	22,942	44,520	73,869
Projected Annual Growth 2016-2021	-2.45%	-2.03%	-0.62%	-0.23%
Historical Annual Growth 2000-2016	-8.38%	0.34%	6.64%	6.70%
Households				
2017 Estimated Households	3,490	9,695	17,734	30,467
2021 Projected Households	3,403	9,494	17,591	30,364
2010 Census Households	3,704	9,912	17,500	30,085
2000 Census Households	3,690	9,434	16,210	27,728
Projected Annual Growth 2016-2021	-2.49%	-2.07%	-0.80%	-0.34%
Historical Annual Growth 2000-2016	-5.43%	2.77%	9.40%	9.88%
Age (2017)				
Est. Population Under 10 Years	12.8%	11.9%	9.9%	10.4%
Est. Population 10-19	13.0%	12.2%	15.2%	13.8%
Est. Population 20-30	12.7%	12.2%	22.1%	21.2%
Est. Population 30-44	20.0%	18.7%	16.5%	17.6%
Est. Population 45-59	19.8%	20.3%	16.8%	17.3%
Est. Population 60-74	16.0%	17.6%	14.2%	14.5%
Est. Population 75 Years or Over	5.7%	7.0%	5.3%	5.2%
Income (2017)				
Est. HH Inc \$200,000 or more	1.1%	1.7%	1.8%	2.1%
Est. HH Inc \$150,000 to \$199,999	0.5%	2.2%	3.2%	3.8%
Est. HH Inc \$100,000 to \$149,999	6.3%	9.7%	10.9%	12.4%
Est. HH Inc \$75,000 to \$99,999	11.3%	12.0%	11.4%	13.1%
Est. HH Inc \$50,000 to \$74,999	14.3%	16.6%	16.4%	17.2%
Est. HH Inc \$35,000 to \$49,999	19.1%	17.2%	15.6%	14.8%
Est. HH Inc \$25,000 to \$34,999	13.3%	11.8%	10.9%	10.2%
Est. HH Inc \$15,000 to \$24,999	11.2%	11.6%	10.9%	9.8%
Est. HH Inc Under \$15,000	23.0%	17.2%	18.9%	16.6%
Est. Average Household Income	\$ 45,908	\$ 55,141	\$ 57,413	\$ 62,298
Est. Median Household Income	\$ 36,605	\$ 42,414	\$ 43,634	\$ 48,447
Est. Per Capita Income	\$ 19,391	\$ 23,221	\$ 21,446	\$ 24,081

	1 mi	3 mi	5 mi	7 mi
Education (2017)				
Est Pop Age 25+ by Educ Attain.	5,615	16,086	28,139	48,546
Less than 9th grade	5.0%	3.4%	2.4%	1.8%
Some High School, no diploma	12.9%	9.2%	8.1%	7.4%
High School Graduate (or GED)	40.3%	43.2%	38.9%	36.6%
Some College, no degree	20.4%	21.6%	21.4%	21.8%
Associate Degree	7.2%	6.6%	6.7%	6.4%
Bachelor's Degree	8.3%	9.8%	12.7%	15.1%
Graduate Degree	5.8%	6.3%	9.8%	11.0%
Housing (2017)				
Est. Total Housing Units	3,893	10,639	19,670	33,486
Est. Owner-Occupied	51.2%	60.7%	55.3%	56.0%
Est. Renter-Occupied	38.5%	30.5%	34.8%	35.0%
Est. Vacant Housing Units	10.3%	8.9%	9.8%	9.0%
Homes Built by Year (ACS)				
Homes Built 2005 Or Later	0.0%	0.0%	0.0%	0.0%
Homes Built 2000 To 2004	0.0%	0.2%	0.9%	1.3%
Homes Built 1990 To 1999	3.0%	11.4%	14.1%	13.3%
Homes Built 1980 To 1989	4.2%	10.2%	12.2%	12.2%
Homes Built 1970 To 1979	4.9%	7.7%	8.9%	8.8%
Homes Built 1960 To 1969	11.9%	15.9%	18.0%	17.8%
Homes Built 1950 To 1959	9.1%	10.3%	12.3%	12.7%
Homes Built 1940 To 1949	13.6%	13.1%	11.5%	12.7%
Homes Built 1939 Or Earlier	6.8%	6.7%	5.1%	4.4%
Housing (2017)				
Home Value \$1,000,000 or more	0%	1%	1%	1%
Home Value \$500,000 to \$999,999	1%	1%	1%	1%
Home Value \$400,000 to \$499,999	0%	1%	2%	2%
Home Value \$300,000 to \$399,999	0%	2%	4%	6%
Home Value \$200,000 to \$299,999	5%	11%	16%	19%
Home Value \$150,000 to \$199,999	12%	22%	23%	24%
Home Value \$100,000 to \$149,999	41%	28%	23%	23%
Home Value \$70,000 to \$99,999	24%	14%	11%	10%
Home Value \$50,000 to \$69,999	7%	5%	4%	3%
Home Value \$25,000 to \$49,999	5%	7%	5%	4%
Home Value Under \$25,000	4%	9%	10%	8%
Median Housing Unit Value	\$ 110,989	\$ 127,788	\$ 144,974	\$ 156,062

	1 mi	3 mi	5 mi	7 mi
Labor Force (2017)				
Est Pop Age 16+ by Employ. Status	6,564	18,598	39,964	65,918
Labor Force	66.1%	65.6%	64.2%	65.6%
In Armed Forces	0.0%	0.0%	0.0%	0.0%
Civilian, Employed	58.9%	59.3%	58.2%	60.2%
Civilian, Unemployed	7.2%	6.3%	6.0%	5.4%
Not in Labor Force	33.9%	34.4%	35.8%	34.4%
Occupation (2017)				
Agr, forest, fish & hunt., min and const.	5.4%	4.8%	4.8%	4.5%
Manufacturing	20.3%	20.6%	16.3%	16.4%
Wholesale & retail trade	19.4%	15.5%	16.0%	15.8%
Transp. and warehousing, and utilities	3.7%	5.1%	4.3%	4.3%
Information	2.6%	1.3%	1.2%	1.3%
Fin, ins., real estate, rental & leasing	3.5%	4.9%	4.2%	4.4%
Prof, sci, manag, admin, & waste ms	6.0%	7.8%	6.8%	7.7%
Educational, health and social services	22.1%	21.6%	25.4%	24.8%
Arts, enter., rec., accom. & food services	10.7%	9.0%	12.8%	12.8%
Other services (except pub admin.)	4.1%	5.8%	5.2%	4.7%
Public Administration	2.2%	3.4%	3.1%	3.1%
Travel Time (ACS)				
14 Minutes or Less	25.7%	30.4%	26.3%	23.8%
15 to 29 Minutes	23.9%	25.8%	27.5%	28.5%
30 to 59 Minutes	44.6%	37.5%	39.2%	40.2%
60 Or More Minutes	5.8%	6.3%	7.0%	7.5%
Weekly Per Capita Consumer Expenditures				
Market Basket	\$ 52.54	\$ 53.19	\$ 47.14	\$ 48.87
Apparel and services	\$ 11.33	\$ 11.91	\$ 10.73	\$ 11.34
Transportation	\$ 59.82	\$ 63.03	\$ 56.40	\$ 59.65
Health Care	\$ 27.75	\$ 29.26	\$ 25.50	\$ 26.69
Entertainment	\$ 18.44	\$ 19.33	\$ 17.17	\$ 18.05