



# OFFERING MEMORANDUM

ADVANCE AUTO PARTS NET LEASE INVESTMENT

CHERAW, SC | 7.1% CAP RATE





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Actual Location

*Exclusively listed by Bull Realty, Inc.*

# EXECUTIVE SUMMARY

## OFFER HIGHLIGHTS

This corporate guaranteed Advance Auto Parts in Cheraw, SC has been in operation for almost 30 years. The purpose-built, ±6,000 SF building is on a ±0.73-acre parcel on the town's main thoroughfare with traffic counts of over 12,500 VPD. The NN lease was recently extended for an additional 5 years, with two 5-year options, showing a strong commitment to the location. The site is surrounded by other national retail establishments including Walmart, Badcock Furniture, KFC, McDonald's, Wendy's, Bojangles, Pizza Hut, AutoZone, CVS, Sonic and more. Other nearby non-retail traffic generators include Cheraw Intermediate School, Cheraw High School, Highland Industries (a textile company), Schaeffler Group (a global automotive and industrial supplier) and McLeod Health Cheraw Emergency Room. Landlord maintenance responsibilities are limited to roof, structure, parking lot and half the cost of major HVAC repairs. AAP reimburses the Landlord for real estate taxes over the base year amount of \$1,054.

Due to the low rent per SF and ease of re-purposing in an active commercial corridor, this is a desirable and opportunistic long-term investment.

- Bite size opportunistic investment with under market rents
- Established location in main retail corridor with other national retailers with traffic counts over 12,500 VPD
- Recently extended NN lease through December 2025 with two 5-year options
- Well maintained with new roof installed in 2019 with a 10-year warranty and new HVAC compressor for one unit in 2017
- Corporate guaranteed by Advance Auto Parts with worldwide headquarters in Raleigh, NC
- **The property is offered at \$525,000 and a 7.1% cap rate**

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### DEMOGRAPHICS

	3 Miles	5 Miles	10 Miles
Total Population:	811	10,030	21,606
Total Households:	322	3,977	8,541
Average HH Income:	\$41,048	\$40,697	\$40,597

Source: ESRI and US Census Bureau

### AREA OVERVIEW

Cheraw is located in Chesterfield County, in the "Olde English District" of South Carolina, just 10 miles south of the border with North Carolina. Known as "The Prettiest Town in Dixie" it is rich in gardens, parks and historic buildings. It is also home to jazz great Dizzy Gillespie. Cheraw is 73 miles southwest of Fayetteville, 75 miles southeast of Charlotte and 92 miles northeast of Columbia. The population within a five-mile radius of the property is 10,030 and the average household income is \$40,697.





# FINANCIAL OVERVIEW

## PROPERTY & LEASE INFORMATION

Property Location:	420 Chesterfield Hwy, Cheraw, SC 29520
County:	Chesterfield
Price:	\$525,000
NOI:	\$37,026
Building Size:	6,000 SF
Price/SF:	\$87.50
Cap Rate:	7.1%
Rent/SF/YR:	\$8.04
Year Built:	1990
Site Size:	0.73
Type of Ownership:	Fee Simple

## LEASE SUMMARY

Tenant Trade Name:	Advance Auto Parts
Lease Type:	NN
Lease Commencement:	04/23/1990
Lease Expiration:	12/31/2025
Renewal Options:	Two 5-Year
Landlord Responsibilities:	Roof*, structure, parking lot, half the cost of HVAC repairs over \$250, property insurance and \$1,054 of the property tax bill
Tenant Responsibilities:	Interior, HVAC maintenance and half the cost of repairs over \$250, liability insurance and the amount of the property tax bill over \$1,054
	*Roof replaced in 2019 with 10 year warranty

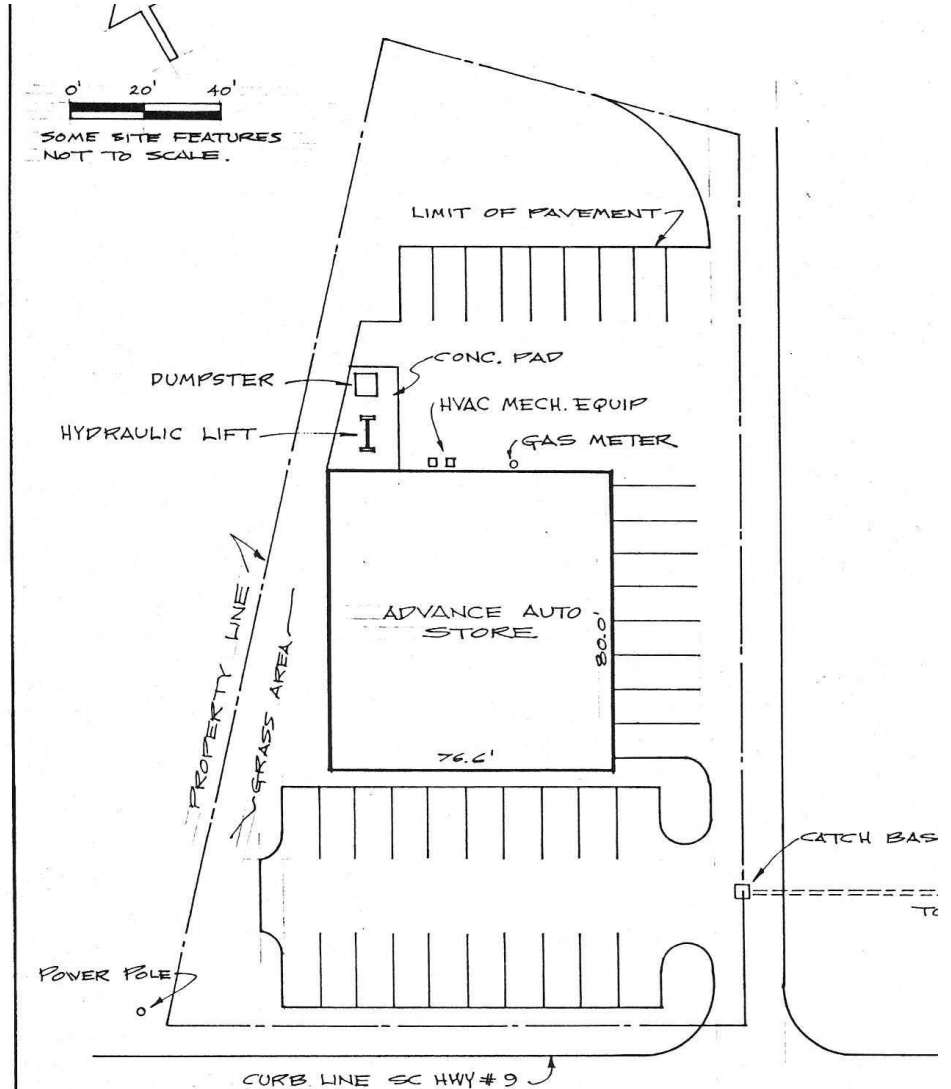
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## RENT SCHEDULE

Term	Dates	Monthly Rent	Annual Rent
Current	1/1/16-12/31/20	\$4,020	\$48,240
Extended Term	1/1/21-12/31/25	\$3,500	\$42,000
Option 1	1/1/26-12/31/30	\$3,750	\$45,000
Option 2	1/1/31-12/31/35	\$3,750	\$45,000

## REPRESENTATIVE PHOTOS





**Advance Auto Parts  
Cheraw, SC  
Income & Expense Statement**

**INCOME**

Current Annualized Rent (thru 12/31/20)	\$48,240
Annualized Extended Term Rent (1/21-12/25)	\$42,000

**EXPENSES**

Taxes	\$1,054
Insurance	\$2,000
Grounds Maintenance	<u>\$1,920</u>
Total	\$4,974

**NOTES**

Base year amount. Tenant responsible for anything over this amount.  
Landlord's required property coverage.  
Current landlord expense of \$40 per week

**NET INCOME**

**CAP RATE**

<b>Current NOI</b>	<b>\$43,266</b>	<b>8.24% ( thru 12/20)</b>
<b>Extended Term NOI</b>	<b>\$37,026</b>	<b>7.1% (1/21-12/25)</b>
<b>Averaged Blended NOI</b>	<b>\$37,593</b>	<b>7.2% (average for 6/20-12/25 - 66 months)</b>



# IN THE AREA

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# LOCATION MAP

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## Distance from Subject Property:

- Fayetteville- 73 Miles
- Charlotte- 75 Miles
- Columbia- 91 Miles
- Myrtle Beach- 103 Miles
- Raleigh- 118 Miles (AAP world wide HQ)
- Asheville- 211 Miles
- Atlanta- 301 Miles



# TENANT SUMMARY

ADVANCE AUTO PARTS NET LEASE INVESTMENT | 7.1% CAP RATE



**\$9.58 B**  
**NET SALES**  
(2018)



**70,000 +**  
**TEAM MEMBERS**



**FORTUNE**  
**500**



**4,966**  
**LOCATIONS**



**RALEIGH, NC**  
**HEADQUARTERS**  
(118 Miles from Subject Property)

Advance Auto Parts, Inc. is an American automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of December 29, 2018, Advance operated 4,966 stores and 143 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,231 independently-owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos, British Virgin Islands and Pacific Islands. The company's stores and branches offer a broad selection of brand name, original equipment manufacturer and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars. In 2018, Advance published its inaugural Corporate Sustainability and Social Report outlining its corporate sustainability and social goals focusing on several key areas, including

For more information, please visit <https://shop.advanceautoparts.com/>

**Advance Auto Parts Historical Growth Chart**  
**Stock Growth Trajectory - Mar 19 to Jan 20**





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Nancy Miller joined Bull Realty in 2001 after being a client of the firm. Her brokerage practice focuses on income producing single tenant net lease properties. Nancy leads Bull Realty's National Net Lease Investment Group and works with investors, developers and sellers throughout the US. She is recognized as a savvy and knowledgeable retail net lease expert. In the last 3 years, she has brokered over \$109M in single tenant net lease transactions. Nancy publishes a quarterly investor newsletter, a monthly electronic newsletter, participates in quarterly national retail industry surveys done by Morgan Stanley, and contributes to Bull Realty's retail blogs. In addition, Nancy appears periodically on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by broker, Michael Bull.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation. She also holds a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.

Bull Realty is a commercial real estate sales, leasing, and advisory firm headquartered in Atlanta licensed in nine Southeast states. The firm was founded in 1998 on two primary missions: to provide a company of advisors known for integrity and to provide the best disposition marketing in the nation. Still guided by these philosophies, the firm's services have expanded to include disposition, acquisition, project leasing, tenant representation and consulting services. To add additional value and efficiency for clients, advisors focus on specific sectors and services in the office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, automotive, hospitality and single tenant net lease sectors.

The firm produces America's Commercial Real Estate Show, a national video show and podcast enjoyed by millions of people around the country. Industry analysts, leading market participants and the firm's founder Michael Bull share market intelligence, forecasts and success strategies. The show has aired every week since 2010 on Apple Podcast, all major podcast sites, YouTube and [www.CREshow.com](http://www.CREshow.com).



# DISCLAIMER & LIMITING CONDITIONS

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Bull Realty has been retained as the exclusive listing broker to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Bull Realty Inc. or the current Owner/Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

Owner/Seller expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Owner/Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or waived. The Seller reserves the right to move forward with an acceptable offer prior to the call for offers deadline.

This Offering Memorandum may be used only by parties approved by the Owner. The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it if requested and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Bull Realty, Inc. or Owner/Seller. The terms and conditions set forth above apply to this Offering Memorandum in its entirety and all documents, disks and other information provided in connection therewith.