

OFFERING MEMORANDUM.



Pep Boys Auto Raleigh, NC

The Maffia Team



File Photo



\$1,635,800
6.35% CAP Rate

- ◆ New 12-Year Net Lease
- ◆ Corporate Guaranty
- ◆ 2015 Construction
- ◆ Tenant is Rated “B” by S&P
- ◆ Located in a Highly Trafficked Location
 - ◆ 46,000 AADT
- ◆ Rare Raleigh, NC Location
 - ◆ #1 Forbes “The Best Places for Business and Careers”
 - ◆ #2 Forbes “America’s 20 Fastest-Growing Cities”
- ◆ High Household Incomes – \$95,600 Average within Five Miles

**Newmark
Cornish & Carey**

This property is listed in conjunction with North Carolina-licensed real estate broker Stewart Realty.

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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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Property Information

Location The property is located at 8100 Fayetteville Road in Raleigh, North Carolina.

Lot Size Approximately 0.80 acres, or 34,848 square feet.

Improvements Construction will be completed in January 2015 of an approximately 5,546 square foot retail/automotive use building for **Pep Boys Auto**. There is ample parking on site.

Lease Leased to **The Pep Boys – Manny, Joe & Jack** for 12 years from March 2015 to March 2027 at an initial annual net rent of \$103,873. The rent increases by 8.0% in year 7 of the initial term and at the commencement of each option period. The lease is net, with the tenant responsible for taxes, insurance, and maintenance, including the maintenance of the landscaping, roof, interior and exterior walls, and the HVAC system. The landlord is responsible for any capital replacements to the premises, including the roof and any structural components of the building.

Net Annual Income	<u>Years</u>	<u>Annual Rent</u>	<u>Return</u>
	1-6	\$103,873	6.35%
	7-12	\$112,183	6.86%
	13-17 (Option 1)	\$121,158	7.41%
	18-22 (Option 2)	\$130,850	8.00%
	23-27 (Option 3)	\$141,318	8.64%
	28-32 (Option 4)	\$152,624	9.33%

Price **\$1,635,800 (6.35% Return)**

Financing The property will be delivered free and clear of permanent financing.



Tenant Information



The Pep Boys — Manny, Moe & Jack (NYSE: “PBY”) is a full-service and tire automotive aftermarket chain branded as Pep Boys Auto and commonly known simply as Pep Boys. Its product lines consist of tires; batteries; new and remanufactured parts for vehicles; chemicals and maintenance items; fashion, electronic, and performance accessories; and non-automotive merchandise, such as generators, power tools, and personal transportation products. The company serves do-it-for-me and do-it-yourself customers, as well as delivers its parts to automotive repair shops and dealers. As of January 28, 2012, it operated 562 Supercenters, 169 Service & Tire Centers, and 7 Pep Express stores located in 35 states of the United States, and in Puerto Rico.

For the fiscal year ended February 2, 2014, The Pep Boys — Manny, Moe & Jack reported revenue of \$2.066 billion with net income of \$6.87 million and total stockholder equity of \$548.07 million. The company is rated “B” by Standard & Poor’s.



About the Area

Site Information

The property is located on U.S. Route 401/Fayetteville Road (31,000 AADT) directly across from Kings Grant Commons, which is anchored by Harris Teeter. Directly adjacent to Kings Grant Commons is a Food-Lion-anchored shopping center with additional retailers including Dollar General, AutoZone, Domino's, McDonald's, BP and Smithfield's Chicken 'N Bar-B-Q. Additional retailers in the immediate vicinity include Walgreens, Advance Auto Parts, Wendy's, Rite Aid, Great Clips, Electric Beanz Coffee Bar, Subway, China Wok, Hardee's and Autobell Car Wash.

Just a mile and a half south on Fayetteville Road is Wake Technical Community College, a fully accredited two-year public institution, and the Chandler Ridge Apartments, offering spacious 1, 2 and 3 bedroom apartments. Additionally, just two and a half miles east of the property is Eagle Ridge Golf Club, which is a 6,904-yard track set in the spectacular wooded rolling terrain of North Carolina.

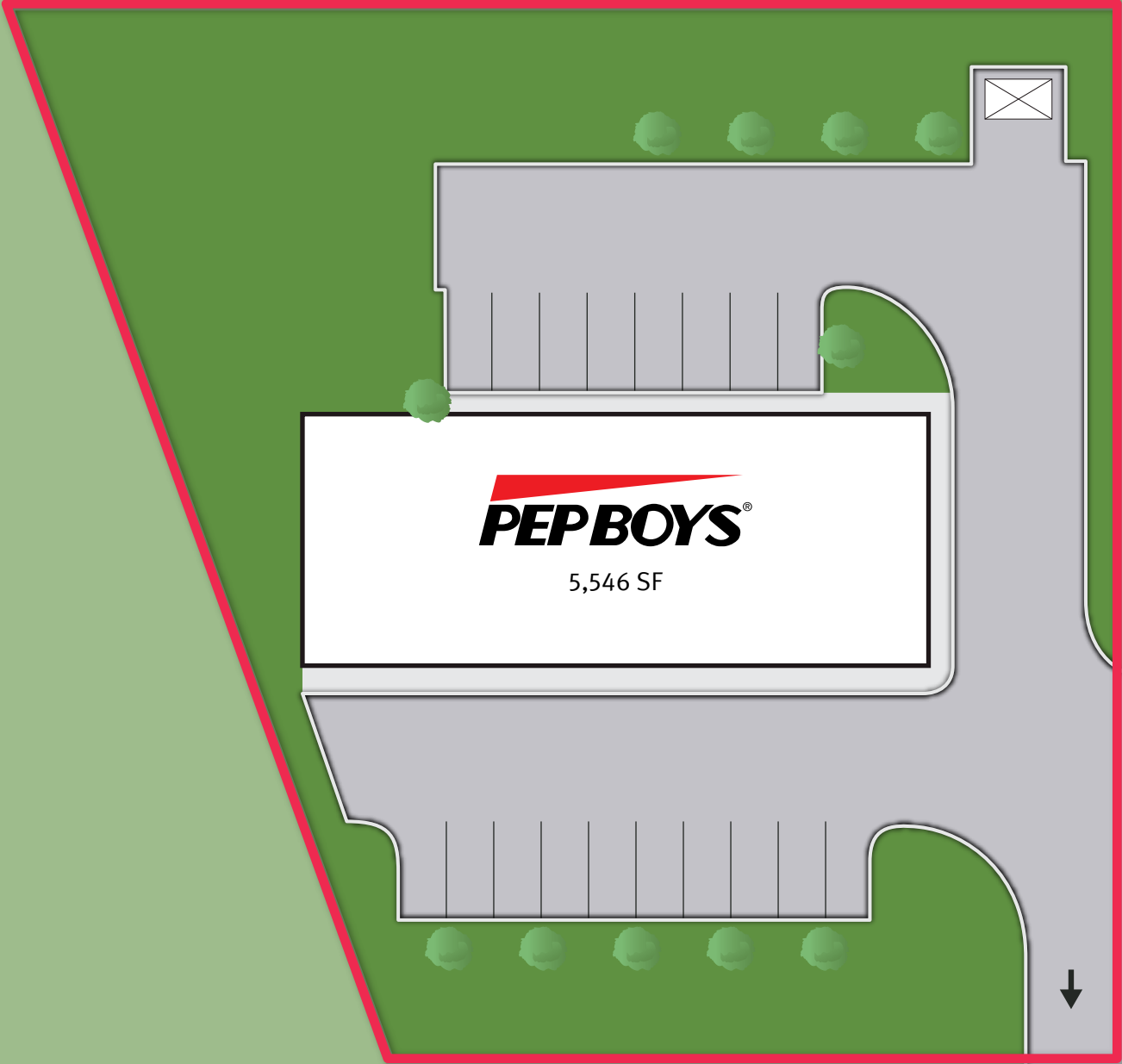
General Overview

Raleigh is the capital North Carolina and the county seat of Wake County. The U.S. Census estimates the city's population to be 431,746. The Raleigh-Durham-Chapel Hill Combined Statistical Area, the fastest-growing urban region in the South, has a population of 2,037,430 as of the 2013 U.S. Census. This region became known as "The Research Triangle" as it is anchored by three major universities known for their research facilities and educated workforce: Duke University, University of North Carolina at Chapel Hill and North Carolina State University, which is located just east of downtown Raleigh.

Forbes ranked Raleigh #1 on their list of "The Best Places for Business and Careers" when taking into account the cost of business, job growth, education and population. Forbes also placed Raleigh #2 among their list of "America's 20 Fastest-Growing Cities." Greater Raleigh boasts major historic sites, museums, businesses, shopping, nightlife and many public and private universities.

Raleigh is located just 143 miles east of Charlotte and 424 miles east of Atlanta. The city has direct access from Interstate 40 and U.S. Highways 1, 64, 70 and 401 and is near both mountains and beaches. The region is primarily served by Raleigh-Durham International Airport, which transports approximately 10 million passengers per year and has recently undergone expansion.

Site Plan



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Aerial | Close-Up View



Ten-Ten Rd (15,000 AADT)

Fayetteville Rd (31,000 AADT)



Calvary Baptist Church



DOLLAR GENERAL



LIEBHERR EQUIPMENT SOURCE

Kings Grant Commons



Harris Teeter



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Aerial | Distant View

Ten-Ten Rd (15,000 AADT)

Fayetteville Rd (31,000 AADT)

Ten-Ten Rd

401



Ridgebrook Bluffs



Waco Business Park

Chandler Ridge

Wake Technical Community College

Associate Business Park

Laneridge

Eagle Ridge Golf Club

Vance Elementary School

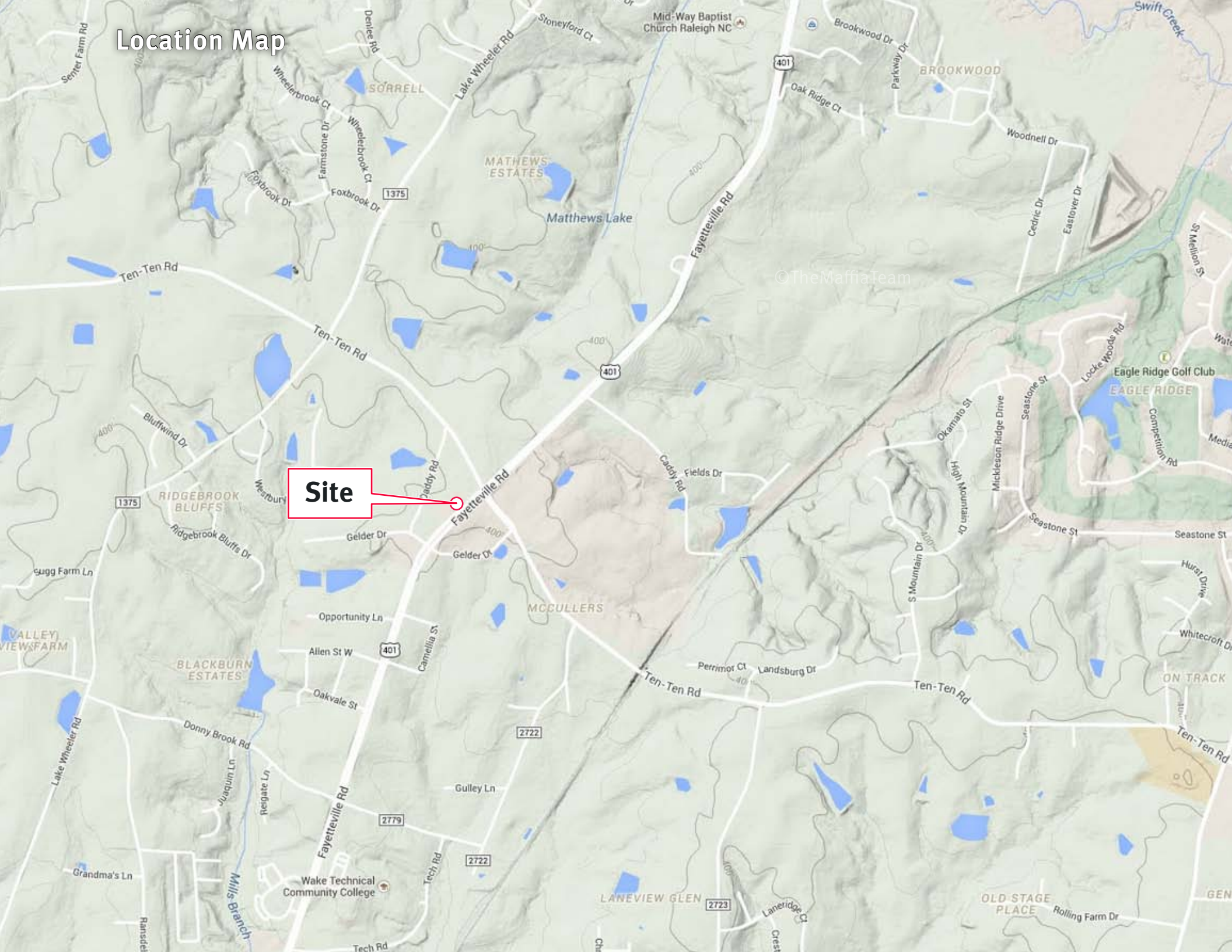
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Location Map



Site

Location Map



Site

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Demographics

8100 Fayetteville Rd
Raleigh, NC 27603

	1 mile	3 mile	5 mile
Population Summary			
2000 Total Population	1,045	13,126	43,391
2010 Total Population	1,372	19,454	62,099
2014 Total Population	1,421	20,808	66,560
2014 Group Quarters	1	17	59
2019 Total Population	1,519	22,826	73,433
2014-2019 Annual Rate	1.34%	1.87%	1.98%
Housing Unit Summary			
2000 Housing Units	496	5,368	17,003
Owner Occupied Housing Units	66.3%	74.5%	78.8%
Renter Occupied Housing Units	12.9%	14.5%	14.9%
Vacant Housing Units	20.8%	10.9%	6.3%
2010 Housing Units	573	7,330	23,734
Owner Occupied Housing Units	69.1%	79.5%	80.9%
Renter Occupied Housing Units	24.4%	14.7%	13.8%
Vacant Housing Units	6.5%	5.7%	5.3%
2014 Housing Units	592	7,755	25,110
Owner Occupied Housing Units	66.9%	78.4%	80.1%
Renter Occupied Housing Units	26.7%	16.4%	15.5%
Vacant Housing Units	6.6%	5.2%	4.5%
2019 Housing Units	633	8,497	27,657
Owner Occupied Housing Units	66.8%	78.4%	80.0%
Renter Occupied Housing Units	26.7%	16.5%	15.7%
Vacant Housing Units	6.5%	5.1%	4.4%
Median Household Income			
2014	\$59,777	\$72,421	\$75,319
2019	\$71,135	\$81,306	\$82,627
Median Home Value			
2014	\$237,079	\$272,329	\$265,988
2019	\$271,875	\$310,609	\$300,115
Per Capita Income			
2014	\$27,534	\$32,240	\$34,434
2019	\$30,500	\$35,416	\$37,566
2014 Households by Income			
Household Income Base	553	7,350	23,982
<\$15,000	10.8%	7.6%	5.9%
\$15,000 - \$24,999	9.4%	8.2%	7.3%
\$25,000 - \$34,999	11.9%	9.9%	9.2%
\$35,000 - \$49,999	9.4%	9.1%	10.0%
\$50,000 - \$74,999	17.5%	16.3%	17.4%
\$75,000 - \$99,999	16.5%	16.2%	16.1%
\$100,000 - \$149,999	16.1%	17.5%	17.9%
\$150,000 - \$199,999	5.6%	9.7%	10.3%
\$200,000+	2.9%	5.3%	6.0%
Average Household Income	\$75,446	\$91,318	\$95,616
2019 Households by Income			
Household Income Base	592	8,062	26,443
<\$15,000	9.5%	6.6%	5.1%
\$15,000 - \$24,999	6.4%	5.5%	4.8%
\$25,000 - \$34,999	9.1%	7.4%	7.0%
\$35,000 - \$49,999	9.1%	8.6%	9.5%
\$50,000 - \$74,999	17.9%	16.3%	17.2%
\$75,000 - \$99,999	18.4%	17.9%	17.4%
\$100,000 - \$149,999	19.3%	20.4%	20.4%
\$150,000 - \$199,999	6.6%	11.2%	11.6%
\$200,000+	3.7%	6.3%	7.2%
Average Household Income	\$83,582	\$100,351	\$104,368