

OFFERING MEMORANDUM

Advance Auto Parts
Hattiesburg, MS



Actual Store

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- Advance Auto Parts (NYSE: AAP) recently signed a new lease extension with reduced rent through 2/28/2031
- 8.5% bump in rent after year 10
- TENANT responsible for roof, parking lot, and HVAC. Landlord only responsible for slab and structure
- Prototypical 7,000 SF building with remodeled/reimagined look
- Good signalized hard corner intersection with protected left turn lane
- Excellent visibility and access via Broadway Dr. & W. Florence Rd.
- Strong traffic counts (16,000 CPD - 2017 est.) on Broadway Dr
- Nearby retail includes Walmart Supercenter and the secondary mall (Cloverleaf Center) for the market
- One of two Advance Auto Parts stores in the market
- Autozone and O'Reilly Auto Parts are already in the submarket just a few hundred feet away which means no new competition is likely
- Solid college town; over 68,000 people within five miles, plus around 20,000 college students at the University of Southern Mississippi and William Carey University.
- **This building sits on a fully prepaid Ground Lease with 29 years remaining.** This parcel is part of the Sixteenth Section lands of Mississippi. Title to Sixteenth Section Land is vested in the State of Mississippi, in trust for the support of public education. Sixteenth Section Lands are not ordinary public lands. They are trust land, and legal principles regarding the management of trust apply. Law imposes on those responsible for the management of trusts, the highest standards of care and attention

Hattiesburg is bisected by the county line between Forrest County (where it is the county seat) and Lamar County. It is 85 miles SW of Jackson, MS, 85 miles NW of Mobile, AL, and 110 miles NE of New Orleans, LA. The population was 47,556 in 2013. It is the principal city of the Hattiesburg, MS MSA (population of 146,996 - 2015 est.) which encompasses Forrest, Lamar and Perry counties.

Founded in 1882 by civil engineer William H. Hardy, Hattiesburg was named in honor of Hardy's wife Hattie. The town was incorporated two years later with a population of 400. Hattiesburg's population first expanded as a center of the lumber and railroad industries, from which was derived the nickname "The Hub City." It now attracts newcomers to the area because of the diversity of the economy, strong neighborhoods, and the central location in South Mississippi.

Hattiesburg is home to The University of Southern Mississippi (enrollment of 14,845 students) and William Carey University (enrollment of 4,118 students). South of Hattiesburg is Camp Shelby, the largest National Guard training base east of the Mississippi River. It contains 136,000 acres and serves as a training site for National Guardsmen and Reservists from throughout the country hosting as many as 100,000 personnel annually.

The major employers of the Hattiesburg area are Forrest General Health System (3,021), University of Southern Mississippi (2,300), Camp Shelby (2,200), Hattiesburg Clinic (2,118), Lamar County School District (1,300), Wesley Medical Center (1,222), General Dynamics Information Technology (1000+), and Mar-Jac Poultry (900).

Hattiesburg is home to the African American Military History Museum. Opened in 1942 to serve African Americans serving at Camp Shelby and now on the National Register of Historic Places. The museum started out as a USO Club location and is the only remaining original club location left in the United States. USO's mission statement is to lift the spirits of America's troops and their families. Exhibits include: Revolutionary War, the Founding of Hattiesburg, Buffalo Soldiers, World Wars I and II, Desegregation, Korean War, Vietnam, Desert Storm, Global War on Terrorism, You Can Be A Soldier, Hattiesburg's Hall of Honor, and World Map. The museum is dedicated to the African American soldiers that have fought for their country from Buffalo Soldiers to Operation Iraqi Freedom.

LOCATION

300 Broadway Rd.
Hattiesburg, MS 39401

EXECUTIVE SUMMARY

List Price: \$987,179
Cap Rate: 7.80%
Gross Leasable Area: 7,000 SF
Price/SF: \$152.78
Lease Term: 15 Years
Lease Expiration: 2/28/2031
Options: 2x5 Year
Increases: 5% in Option
Year Built: 2000
Lot Size: 0.72 Acres
Parcel Number: 2-038C-16-369.00
Ownership Type: *
Lease Type: NNN
Roof/Park. Lot/HVAC: Tenant Responsible
Tenant: Corporate AAP Store

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF
1/1/2016 - 12/31/2025	\$6,416.67	\$77,000	\$11.00
1/1/2026 - 12/31/2031	\$6,965.83	\$83,590	\$11.94
Option 1 - 2/29/2036	\$7,315.00	\$87,780	\$12.54
Option 2 - 2/28/2041	\$7,682.50	\$92,190	\$13.17

*This building sits on a fully prepaid 99 year ground lease that is part of Mississippi's Sixteenth Section Land. Ground Lease expires on March 19, 2046. Buyer will own the building, but not the land. Please visit the following site for more information on Sixteenth Section Lands:
<http://www.sos.ms.gov/Public-Lands/Pages/16th-Section-FAQs.aspx>

• Jack Barson is an Owner/Broker of this property •

Listed Exclusively by:

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HATTIESBURG, MS

REGIONAL MAP

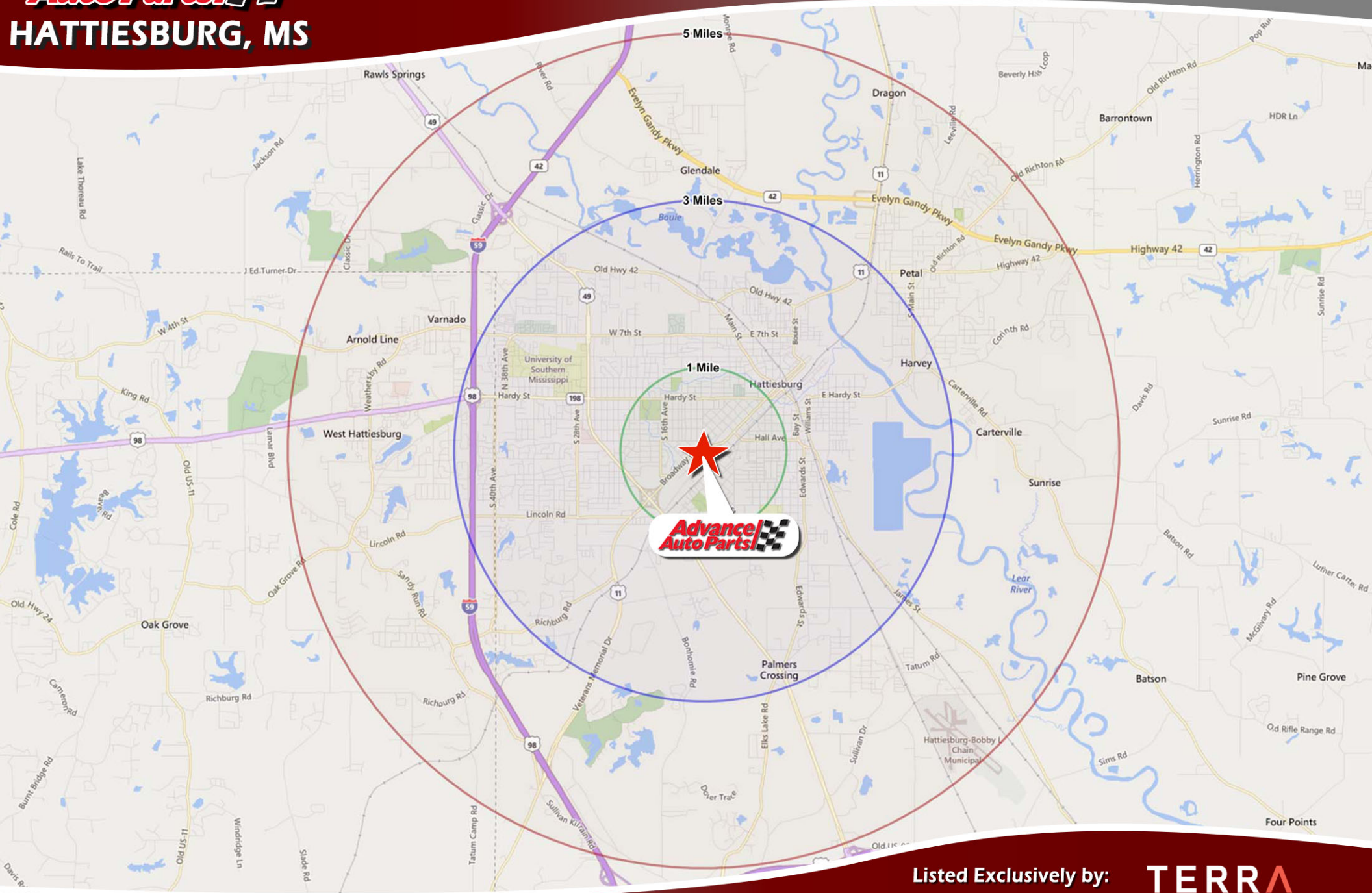


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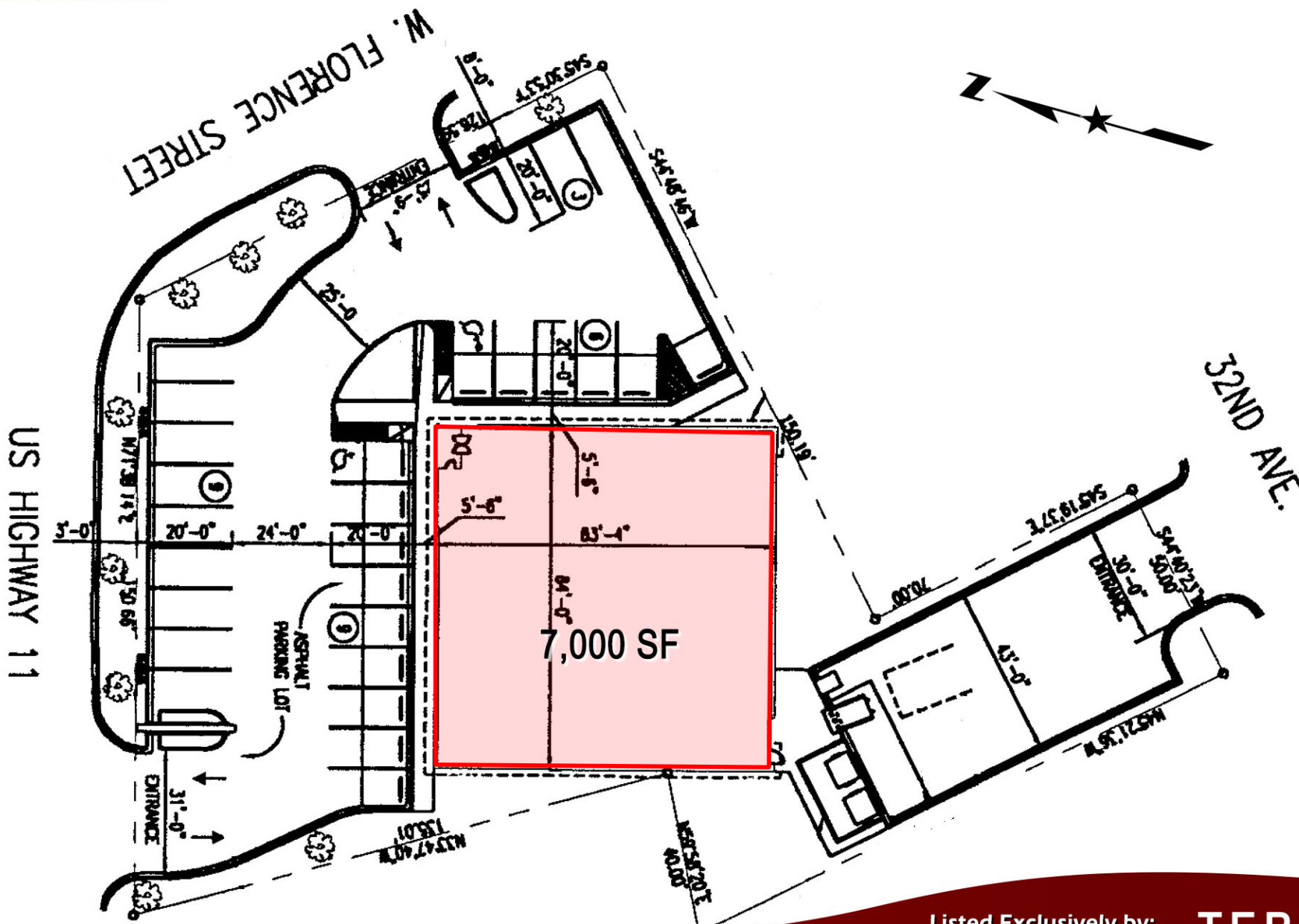
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		1 MILE	3 MILE	5 MILE
POPULATION	Estimated Population (2018)	7,158	42,067	68,064
	Projected Population (2023)	7,381	42,873	69,006
	Census Population (2010)	7,264	42,157	66,489
	Census Population (2000)	7,927	42,959	62,400
	Projected Annual Growth (2018-2023)	223 0.6%	807 0.4%	941 0.3%
	Historical Annual Growth (2010-2018)	-106 -0.2%	-90 -	1,575 0.3%
	Historical Annual Growth (2000-2010)	-663 -0.8%	-802 -0.2%	4,089 0.7%
INCOME	Estimated Population Density (2018)	2,280 psm	1,488 psm	867 psm
	2018 Estimated Average Household Income	\$49,714	\$49,136	\$51,505
	2018 Estimated Median Household Income	\$39,127	\$36,978	\$41,384
	2018 Estimated Per Capita Income	\$22,084	\$20,759	\$21,475
HOUSEHOLDS	Estimated Households (2018)	3,169	17,435	28,046
	Projected Households (2023)	3,365	18,226	29,103
	Census Households (2010)	3,033	16,598	26,489
	Census Households (2000)	3,175	16,442	24,045
	Projected Annual Growth (2018-2023)	196 1.2%	791 0.9%	1,057 0.8%
	Historical Annual Change (2000-2018)	-6 -	993 0.3%	4,001 0.9%
EDUCATION	Elementary (Grade Level 0 to 8)	157 3.3%	888 3.5%	1,357 3.2%
	Some High School (Grade Level 9 to 11)	629 13.2%	2,422 9.6%	3,585 8.5%
	High School Graduate	1,255 26.3%	6,539 25.8%	11,107 26.4%
	Some College	1,073 22.5%	5,703 22.5%	9,680 23.0%
	Associate Degree Only	325 6.8%	2,049 8.1%	3,572 8.5%
	Bachelor Degree Only	692 14.5%	4,005 15.8%	7,267 17.3%
	Graduate Degree	632 13.3%	3,737 14.7%	5,514 13.1%
	Any College (Some College or Higher)	2,723 57.2%	15,495 61.1%	26,033 61.9%
	College Degree + (Bachelor Degree or Higher)	1,324 27.8%	7,743 30.5%	12,781 30.4%

Source: Applied Geographic Solutions Inc. (2018 est.)

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