



1740 Scottdale Rd M-139 | Benton Harbor, MI 49022

**Retail
Investment Opportunity**

Offering Memorandum



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PROPERTY OVERVIEW

Advance Auto Parts

1740 Scottdale Road M-139 Benton Harbor, MI 49022



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INVESTMENT HIGHLIGHTS

Lease & Location Highlights

- 2017 build-to-suit construction for Advance Auto Parts
- ±6.75-Years remaining on the base term of an initial 15-year lease
- ±30,573 Vehicles daily at the intersection of Scottsdale Rd & Napier Ave
- 5-Mile population of ±52,549 residents
- Affluent demographics with an average household income of \$96,416 annually
- Positioned within a thriving retail corridor surrounded by national retailers including Walmart Supercenter, Lowe's, The Home Depot, Khol's, Meijer, T.J. Maxx, PetSmart, and many more
- Benton Harbor is positioned along the southeast corner of Lake Michigan, with easy access to several beaches and lakeshore parks
- Benton Harbor is located just 40-miles north of South Bend, Indiana

Tenant Highlights

- Advance Auto Parts (NYSE: AAP) is one of the nation's largest automotive aftermarket parts providers, serving both professional installers and do-it-yourself customers.
- Lease is corporate guaranteed by Advance Stores Company, Inc. (S&P Rated BB)
- Considered an essential retailer, Advance Auto Parts has maintained consistent operations and rent payments, including throughout the COVID-19 pandemic.



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DISCOUNT TIRE



U-HAUL

POPEYES



Pilot

AutoZone

El Napier Ave ± 15,433 VPD

Brookfield
Chrysler Dodge Jeep RAM



Advance Auto Parts
Subject Property

Fairplain Plaza

KOHL'S ROSS
DRESS FOR LESS
DOLLAR TREE
Dunham's Sports
Michael's
five BELOW
AspenDental
TACO BELL **MATTRESS FIRM** **KFC** **Jockey Mike's SUBS**



Scottsdale Rd ± 15,140 VPD

Briarwood Apartments
±370 Units

meijer

PERFORMANCE PLUS
OIL CHANGE & CAR WASH



LeValley
CHEVROLET GMC

Gordon
FOOD SERVICE STORE



Walmart Supercenter

BEST BUY

Harbor Pointe Apartments
±412 Units

W+ WIGHTMAN
Engineering Consultant

HOBBY LOBBY **PET SMART**
GNC **T.J. MAXX**
LIVE WELL
SHOE DEPT. SALLY BEAUTY

± 61,690 VPD



Ryder
Ever better.

Google Earth



Benton Harbor High School
±506 Students

Benton Harbor
Community Pharmacy

Reny Picot
Cheese Manufacturer

Lincoln Elementary
±366 Students



Fairplain Plaza

Advance Auto Parts
Subject Property

KOHL'S ROSS
DRESS FOR LESS
DOLLAR TREE
Dunham's Sports **Michaels**
five BEL'W
AspenDental
TACO BELL MATTRESS FIRM KFC JOEY MIRE'S



CVS pharmacy



Pilot

E. Napier Ave ±15,433 VPD

Scottsdale Rd ±15,140 VPD

Corewell Health Lakeland Hospital
±196 Beds

Briarwood Apartments
±370 Units

LOWE'S



Fair Plain East Elementary
±166 Students

Walmart Supercenter

meijer



Riverview Park

LeValley
CHEVROLET GMC



±61,690 VPD



W+ WIGHTMAN
Engineering Consultant

Brookview Montessori School
±112 Students

HOBBY LOBBY **PET SMART**
GNC **TJ-MAXX**
LIVE WELL
SHOE DEPT. SALLY BEAUTY

Google Earth

1740 Scottsdale Road M-139
Benton Harbor, MI 49022

±7,973 SF

GLA

2017

Year Built

±30,573 VPD

Vehicles Per Day

NNN

Lease Type

\$1,358,975

List Price



FINANCIAL OVERVIEW

Advance Auto Parts

1740 Scottsdale Road M-139 Benton Harbor, MI 49022



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FINANCIAL SUMMARY

\$1,358,975

List Price

8.00%

Cap Rate

±7,973 SF

GLA

±1.08 AC

Lot Size

Property Details

Tenant Trade Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Landlords Responsibilities	Structure Only
Original Lease Term	15 Years
Rent Commencement Date	11/9/2017
Lease Expiration Date	11/30/2032
Term Remaining on Lease	±6.75 Years
Increases	5% in Options
Options	Three, 5-Year Options

Annualized Operating Data

	Monthly Rent	Annual Rent	Increases	Cap Rate
Current	\$9,059.83	\$108,718.00	-	8.00%
Option 1	\$9,512.83	\$114,153.90	5.00%	8.40%
Option 2	\$9,988.47	\$119,861.60	5.00%	8.82%
Option 3	\$10,487.89	\$125,854.67	5.00%	9.26%



TENANT SUMMARY

Year Founded
1932

Headquarters
Raleigh, NC

Ownership Status
Publicly Traded

Employees
±62,800

Locations
±4,700

Credit Rating
S&P: BB+

Annual Revenue
\$9.09 Billion



Tenant Overview

Advance Auto Parts operates over ±4,700 stores across North America. The lease is guaranteed by Advance Stores Company, Inc., currently rated BB+ with a stable outlook by S&P Global Ratings, underscoring strong liquidity and operational performance.

Why Invest in Advance Auto Parts?

- **Trusted National Brand:** A widely recognized name in the automotive aftermarket with over ±4,700 stores and an expansive network of Carquest and independent locations.
- **Stable Revenue and Market Demand:** Generates over \$9 billion in annual revenue, supported by resilient demand across DIY and professional customer segments
- **Operational Restructuring Underway:** A multi-year transformation plan—focused on store optimization, cost reduction, and supply chain consolidation—is expected to enhance margins and long-term profitability.
- **Strategic Refocus via Asset Sale:** The \$1.5 billion divestiture of its Worldpac unit strengthens the balance sheet and allows focus on core retail operations.
- **Credit Ratings with Upgrade Potential:** Currently rated BB+ (S&P) and Ba3 (Moody's) with stable liquidity and restructuring initiatives offering potential for future improvement.
- **Tailwinds from Aging Vehicle Fleet:** The increasing average vehicle age in the U.S. supports long-term demand for aftermarket parts and services.
- **Retail Adaptability:** Leveraging digital platforms, loyalty programs, and customer analytics to drive engagement and sales efficiency.

MARKET OVERVIEW

Advance Auto Parts

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BENTON HARBOR, MI

Local Market Overview

Benton Harbor, Michigan benefits from a strategic location along the eastern shoreline of Lake Michigan in Berrien County, forming part of the broader Niles–Benton Harbor metropolitan area and serving as a commercial hub for surrounding communities including St. Joseph, Benton Township, and Stevensville. The region’s economy is supported by a diverse mix of manufacturing, healthcare, agriculture, and tourism, with proximity to Interstate 94 providing direct connectivity to major Midwest markets such as Chicago and Detroit. This connectivity, combined with the area’s role as the gateway to Michigan’s “Fruit Belt” agricultural region and its seasonal tourism traffic driven by Lake Michigan beaches and wineries, generates consistent consumer activity that supports neighborhood and convenience-oriented retail formats. Local retail sales activity within Benton Harbor reflects a stable base of daily-needs spending supported by the surrounding population and workforce.

Retail investment in the Benton Harbor area is fundamentally supported by the city’s position as a primary service center for nearby residential communities and regional visitors traveling along the I-94 corridor. The broader trade area captures demand from both year-round residents and seasonal tourism, creating opportunities for value-oriented retailers, service providers, and necessity-based tenants that cater to everyday consumer needs. Continued economic activity across Berrien County, combined with relatively limited new retail development in certain submarkets, has reinforced the importance of well-located retail properties capable of serving established consumer demand. For investors, retail assets in Benton Harbor offer exposure to a market characterized by stable local spending patterns, strong regional accessibility, and long-term positioning within a key Southwest Michigan corridor linking major Midwest population centers.



Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	29,146	52,549	78,446
Households	3-Mile	5-Mile	10-Mile
Current Year Estimate	11,966	22,167	32,277
Income	3-Mile	5-Mile	10-Mile
Average Household Income	\$83,083	\$96,413	\$99,993

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1740 Scottdale Road M-139, Benton Harbor, MI, 49022** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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