



403 W Mile Rd NW | Kalkaska, MI 49646

Retail  
Investment Opportunity  
Offering Memorandum



**MATTHEWS™**

Representative Photo

# EXCLUSIVELY LISTED BY



**Landon Reynolds**

Associate

**(469) 868-4798**

landon.reynolds@matthews.com

License No. 836007 (TX)



**Josh Bishop**

EVP & Senior Director

**(214) 692-2289**

josh.bishop@matthews.com

License No. 688810 (TX)



**Scotty Latimer**

VP & Associate Director

**(214) 692-2927**

scotty.latimer@matthews.com

License No. 790608 (TX)

**Matthew Fitzgerald**

Broker of Record

License No. 6505432273 (MI)

**MATTHEWS™**



Representative Photo



Representative Photo

## Table of Contents

- 01 Property Overview
- 02 Financial Overview
- 03 Tenant Overview
- 04 Market Overview

# PROPERTY OVERVIEW

**Advance Auto Parts**  
403 W Mile Rd NW Kalkaska, MI 49646



Representative Photo

# INVESTMENT HIGHLIGHTS

## Property Highlights

- Constructed in 2011 as a built-to-suit for Advance Auto Parts.
- Tenant recently executed an early 10-year lease extension through October 2036—reflecting long-term operational commitment.
- Approximately ±11 years remaining on the extended term of a NNN lease.
- Kalkaska is a gateway to Lake Michigan, and provides opportunity for outdoor activities in all seasons such as camping, ATVs, snowmobiles, and mountain biking.
- Healthy average household income of \$73,945 in a 5-mile radius.
- Nearby national tenants include Arby's, Burger King, Taco Bell, McDonalds, Dollar General, Ace Hardware, and more.
- Advance Auto Parts adjusted the rent commencing in the extended term, boosting store profitability and ensuring long-term success at this location.

## 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.



Representative Photo



W Mile Rd ±11,600 VPD

131

±13,700 VPD

±501 Students

±309 Students

±470 Students

E Dresden St

±112 Beds

Island Lake Rd

±48 Units

Google Earth

**403 W Mile Rd NW**  
Kalkaska, MI 49646

**±6,124 SF**

GLA

**2011**

Year Built

**±25,300**

Vehicles Per Day (Intersection)

**NNN**

Lease Type

**±0.60 AC**

Lot Size



Representative Photo

# FINANCIAL OVERVIEW

**Advance Auto Parts**  
403 W Mile Rd NW Kalkaska, MI 49646



Representative Photo

# FINANCIAL SUMMARY

**\$980,000**

List Price

**7.50%**

Cap Rate

**NNN**

Lease Type

**±11 Years**

Remaining Term

## Property Details

Tenant Trade Name	Advance Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof, HVAC, Parking Lot	Tenant Responsibility
Structure	Landlord Responsibility
Original Lease Term	10 Years
Rent Commencement Date	10/17/2011
Lease Expiration Date	10/31/2036
Term Remaining on Lease	±11 Years
Increases	See AOD
Options	Two, 5-Year

## Annualized Operating Data

Date	Monthly Rent	Annual Rent	Increases	Cap Rate
Current - 10/31/2026	\$6,912.50	\$82,950.00	-	8.35%
<b>11/1/2026 - 10/31/2036</b>	<b>\$6,125.00</b>	<b>\$73,500.00</b>	-	<b>7.40%</b>
11/1/2036 - 10/31/2041 (Option 2)	\$7,258.13	\$87,097.56	18.50%	8.77%
11/1/2041 - 10/31/2046 (Option 3)	\$7,621.03	\$91,452.36	5.00%	9.21%



Representative Photo

# 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

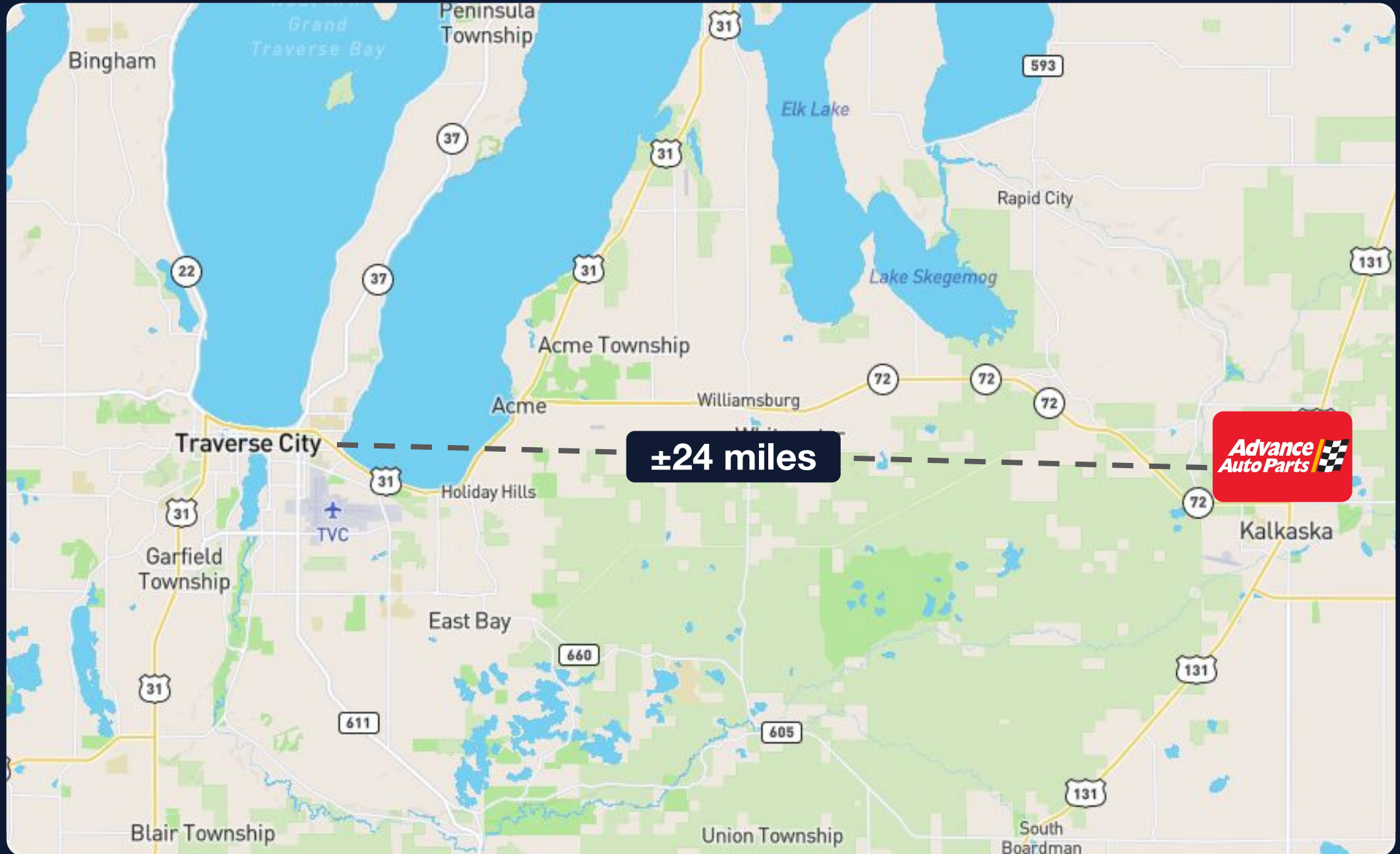
Advance Auto Parts operates over ±4,700 stores across North America. The lease is guaranteed by Advance Stores Company, Inc., currently rated BB with a stable outlook by S&P Global Ratings, underscoring strong liquidity and operational performance.

## 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**  
403 W Mile Rd NW Kalkaska, MI 49646



# KALKASKA, MI

## Local Market Overview

Located in the heart of northern Michigan, Kalkaska serves as the county seat of Kalkaska County and functions as a vital community hub within the region. While modest in size, the village benefits from its strategic positioning along well-trafficked highways, connecting it efficiently to larger nearby cities such as Traverse City and Cadillac. This accessibility enhances both commuter movement and commercial viability, positioning Kalkaska as a practical choice for residents seeking a balance between rural charm and regional connectivity.

Kalkaska presents a predominantly residential character, with homeownership forming the foundation of the local housing landscape. The community's demographic profile skews toward working-age adults and established households, supporting consistent demand for both ownership and rental housing. Housing in the area remains relatively affordable compared to urban markets, encouraging long-term residency and neighborhood stability.

The local economy reflects the dynamics of a small-town market, with a mix of employment in services, light industry, and seasonal tourism. The area's natural beauty and recreational access attract year-round visitors, contributing to local business activity and hospitality demand. Overall, Kalkaska maintains the appeal of a steady, value-oriented market with solid fundamentals and regional accessibility—attributes that support its position as a reliable setting for residential and mixed-use real estate investment.



Traverse City, MI

## Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	3,605	5,421	14,326
Households	3-Mile	5-Mile	10-Mile
Current Year Estimate	1,419	2,169	5,913
Income	3-Mile	5-Mile	10-Mile
Average Household Income	\$72,380	\$73,945	\$83,930

# MATTHEWS™

## EXCLUSIVELY LISTED BY

### Landon Reynolds

Associate

**(469) 868-4798**

[landon.reynolds@matthews.com](mailto:landon.reynolds@matthews.com)

License No. 836007 (TX)

### Josh Bishop

EVP & Senior Director

**(214) 692-2289**

[josh.bishop@matthews.com](mailto:josh.bishop@matthews.com)

License No. 688810 (TX)

### Scotty Latimer

VP & Associate Director

**(214) 692-2927**

[scotty.latimer@matthews.com](mailto:scotty.latimer@matthews.com)

License No. 790608 (TX)

## Matthew Fitzgerald | Broker of Record | License No. 6505432273 (MI)

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 403 W Mile Rd NW, Kalkaska, MI, 49646 ("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.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.