

AutoZone Ground Lease

2100 Paredes Line Road
Brownsville, TX



INVESTMENT OFFERING

Terry Marks

215-862-4335

terrymarks123@comcast.net

AutoZone Ground Lease

ACTUAL INCOME PRICING SUMMARY

Price		\$50,000
Rentable Square Feet (GLA)		5,280
CAP Rate		4.8% %
Year Built		2003
Lot Size (Acres)	0.92 +/-	Acres
Type of Ownership		Fee Simple

ANNUALIZED OPERATING DATA

INCOME		CURRENT
Base Rent		
Occupied Space	100.00%	\$44,400
Effective Gross Income		\$44,400
Net Operating Income		\$44,400
Rent/SF (Year)		\$8.41
Rent/SF (Month)		\$0.68

Tenant & Lease Overview

AutoZone Ground Lease

GLA	5,280
Lease Commencement	9/1/2003
Lease Expiration	8/31/2023
Lease Term	10 years
Options	(7) 5-Year
Right of 1st Refusal	Yes, 30 Days
Lease Type	NNN Ground Lease
Landlord Responsibilities	None



Lease Years	Rent	Rent Increase	Rent/SF
Sept 2013 - Aug 2023	\$44,400		\$8.41
Option 1 (5 Years)	\$49,200	10.81%	\$9.32
Option 2 (5 Years)	\$57,096	16.05%	\$10.81
Option 3 (5 Years)	\$62,808	10.00%	\$11.90
Option 4 (5 Years)	\$69,084	9.99%	\$13.08
Option 5 (5 Years)	\$75,996	10.01%	\$14.39
Option 6 (5 Years)	\$83,592	10.00%	\$15.83
Option 7 (5 Years)	\$91,944	9.99%	\$17.41

AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 4,800 stores in the US, Puerto Rico, and Mexico. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured hard parts, maintenance items and accessories. Since opening its first store in Forrest City, Arkansas on July 4, 1979, the company has joined the New York Stock Exchange (NYSE: AZO) and earned a spot in the Fortune 500.

Business Summary

AutoZone, Inc. retails and distributes automotive replacement parts and accessories in the United States. The company offers various products for cars, sport utility vehicles, vans, and light trucks, including new and remanufactured automotive hard parts, maintenance items, accessories, and non-automotive products. It also provides A/C compressors, batteries and accessories, belts and hoses, carburetors, chassis, clutches, CV axles, engines, fuel pumps, fuses, ignition and lighting products, mufflers, radiators, thermostats, starters and alternators, and water pumps. In addition, the company offers maintenance items comprising antifreeze and windshield washer fluid; brake drums, rotors, shoes, and pads; brake and power steering fluid, oil, and fuel additives; oil and transmission fluid; oil, air, fuel, and transmission filters; oxygen sensors; paint and accessories; refrigerant and accessories; shock absorbers and struts; spark plugs and wires; and windshield wipers, as well as discretionary products, such as air fresheners, cell phone accessories, drinks and snacks, floor mats and seat covers, interior and exterior accessories, mirrors, performance products, protectants and cleaners, sealants and adhesives, steering wheel covers, stereos and radios, tools, and wash and wax products. Further, it provides commercial sales program that provides commercial credit and the delivery of parts and other products to various customers. Additionally, the company sells automotive diagnostic and repair software under the ALLDATA brand name through the alldata.com; automotive hard parts, maintenance items, accessories, and non-automotive products through the autozone.com; and accessories and performance parts through the autoanything.com. As of August 30, 2014, it operated 4,984 stores in the United States, including Puerto Rico; 402 stores in Mexico; and 5 stores in Brazil. AutoZone, Inc. was founded in 1979 and is based in Memphis, Tennessee.

AutoZone, Inc.

123 South Front Street

Memphis, TN 38103

United States - [Map](#)

Phone: 901-495-6500

Website: <http://www.autozone.com>

Market Cap	19.68B
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TERRY MARKS

National Net Lease Realty

350 S River Road B3

New Hope, PA 18938

Phone: (215) 862-4335 Fax: (215) 862-4336

Terrymarks123@Comcast.Net www.TerryMarks.com

CA DRE: 0710620

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Investment Overview

AutoZone Ground Lease



- **NNN Ground Lease**
- **Tenant Exercised 10 Year Option to Renew Early**
- **Well-Performing Established Store**
- **Corporate Guarantee**
- **(7) 5-Year Options to Renew with Rent Increases**
- **Low Rent of \$8.41/SF**
- **Located at Signalized Intersection Within Major Retail Corridor**
- **High Traffic Count: 48,000+/- ADT**
- **AutoZone: 4,800+ Stores Nationwide**
- **Investment Grade Tenant: S&P Rating of BBB**

This AutoZone NNN Ground Lease is located in Brownsville, TX at the heavily trafficked intersection of Paredes Line Road (FM 1847) & Coffee Port Road (FM 802). Brownsville is located in southern Texas about 150 miles south of Corpus Christi. The property is positioned competitively among a major retail corridor along Paderes Line Road, featuring many other national retailers including HEB (shopping center directly across the street), Jack in the Box, CVS, Starbucks, Chase Bank, and Bank of America.

AutoZone signed a 10 year NNN Ground Lease that commenced in August 2003 and just renewed their lease one year early for an additional ten years. AutoZone is committed to staying at this well performing store due to its established location. The NNN lease offers seven, five-year options to renew with rent increases in each option. Under the lease, the tenant is responsible for payment of all taxes, insurance and maintenance of the property, including the roof and structure.

AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 4,800 stores in the US, Puerto Rico, and Mexico. The company was established in 1979 and today is traded on the New York Stock Exchange under the symbol AZO. The company has an investment grade rating of BBB by Standard & Poors and had sales in excess of \$8 Billion for 2011.

Location Overview

AutoZone Ground Lease

BROWNSVILLE, TEXAS



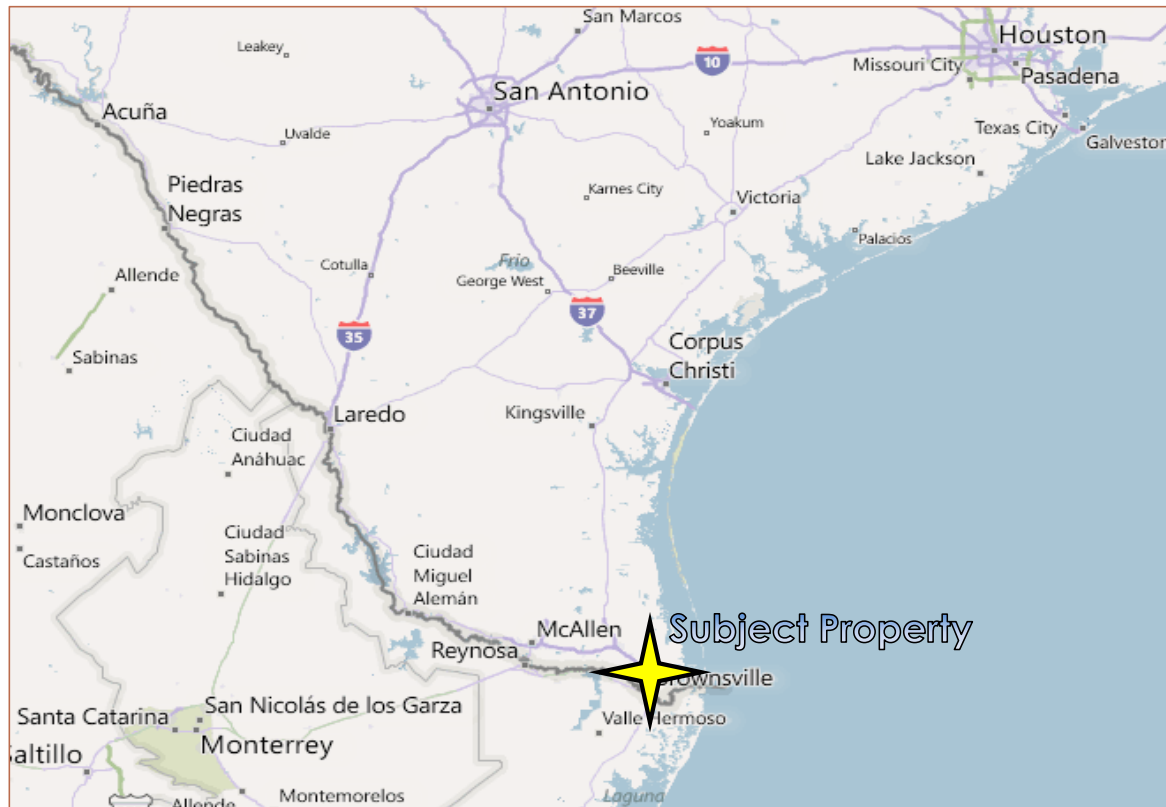
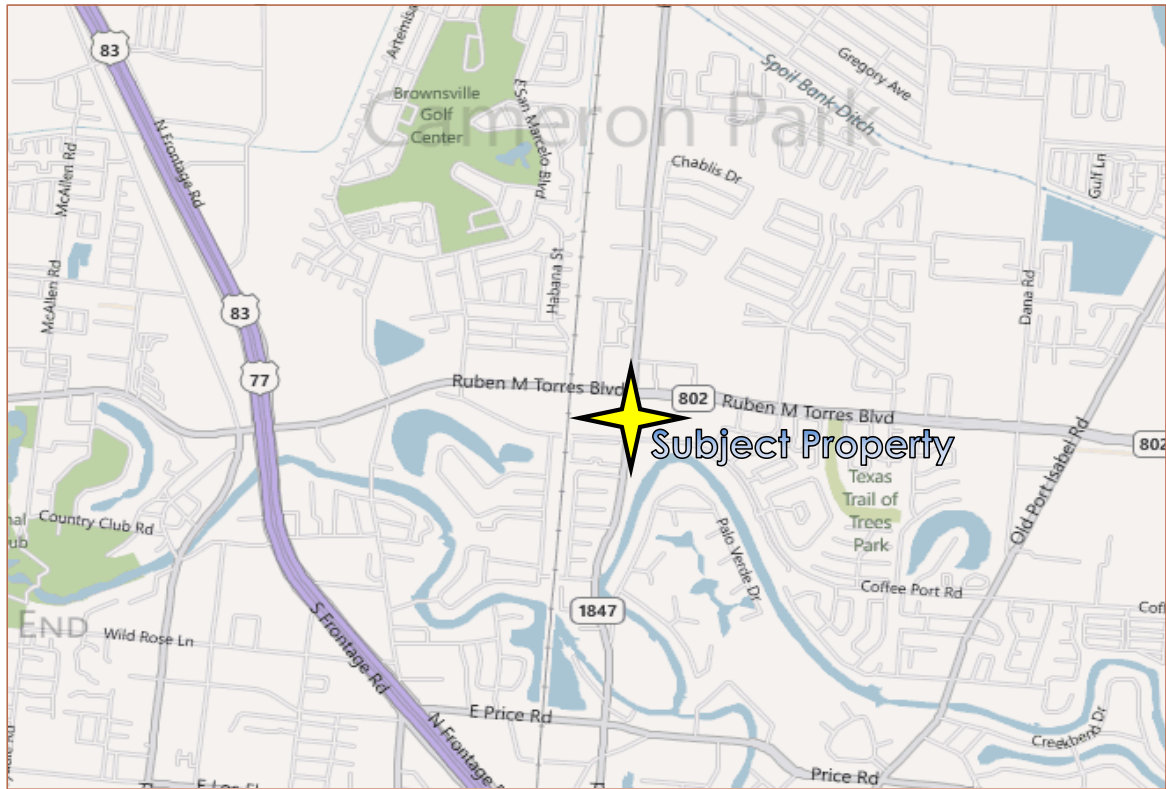
The Brownsville-Matamoros region offers a world of opportunities for the local and foreign investor. Brownsville is located on the southernmost tip of Texas, separated by the Rio Grande River from its Mexican sister city, Matamoros, Tamaulipas. The area has become a hub for international trade and commerce due to its ideal geographic location, solid infrastructure and logistics, valuable resources, pro-business climate, a young and skilled workforce on both sides of the border, low labor costs, and the region's overall low cost of living.

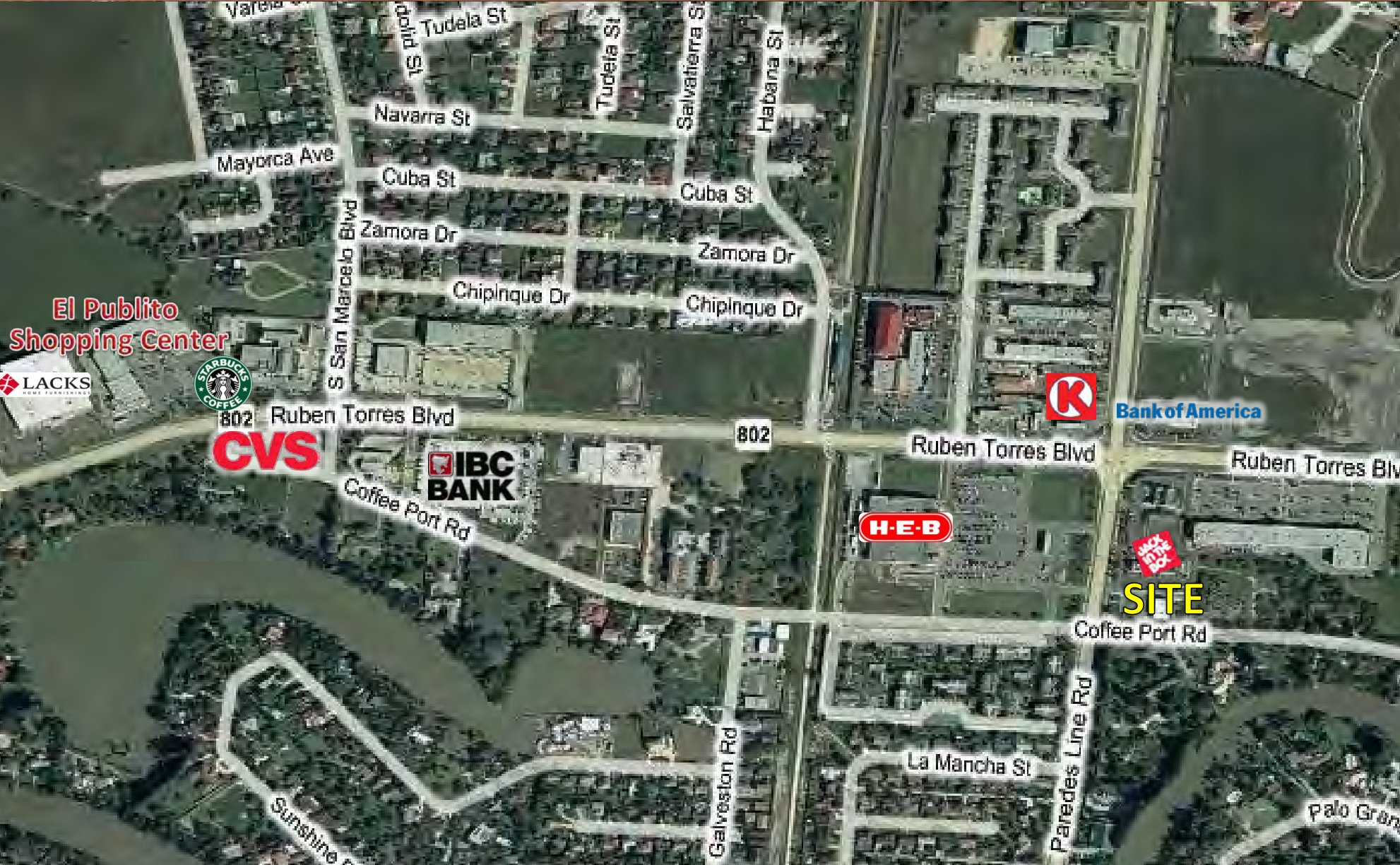
Recently named the 6th fastest-growing manufacturing region in the United States (IndustryWeek magazine), Brownsville-Matamoros is positioned for the best import-export operations in the global market, with its largest trading partners being the United States, Canada, Mexico, and Europe, all of which have increased their investments in the region. Hidden little treasure on the southern tip of Texas, recently named "North America's Best Cost-Effective City" (FDI magazine) and ranked number 4 in "America's Next Recovering Job Markets" (BusinessWeek and MoodysEconomy.com), Brownsville is attracting global attention from companies that can't help but become part of the promising prosperity that awaits them in the Brownsville/Matamoros Borderplex .

In addition to the countless business and investment opportunities, the Brownsville-Matamoros region presents a hybrid of two cultures and languages that make this place unique and exciting. Both cities are historically rich and passionate about the arts, culture, and education. With a year-round pleasant climate and close proximity to water allowing for most kinds of sports and outdoor activities, it is no wonder why people consider Brownsville to be the perfect place to live, learn, work, and play.

Area Maps

AutoZone Ground Lease





El Publito Shopping Center

LACKS HOME FURNISHINGS



CVS

IBC BANK

H-E-B



Bank of America



SITE

Mayorca Ave

S San Marcelo Blvd

Navarra St

Cuba St

Zamora Dr

Chipinque Dr

802 Ruben Torres Blvd

802

Ruben Torres Blvd

Ruben Torres Blvd

Coffee Port Rd

Coffee Port Rd

Galveston Rd

La Mancha St

Paredes Line Rd

Palo Grande St

Sunshine Rd

Tudela St

Tudela St

Tudela St

Salvatierra St

Habana St



TEXAS STATE BANK

JACK IN THE BOX



H-E-B

Ruben Torres Blvd

Paredes Line Rd

Paredes Line Rd

Coffee Port Rd

Paredes Line Rd

802

1847

1847



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Google earth

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Auto Zone Brownsville TX

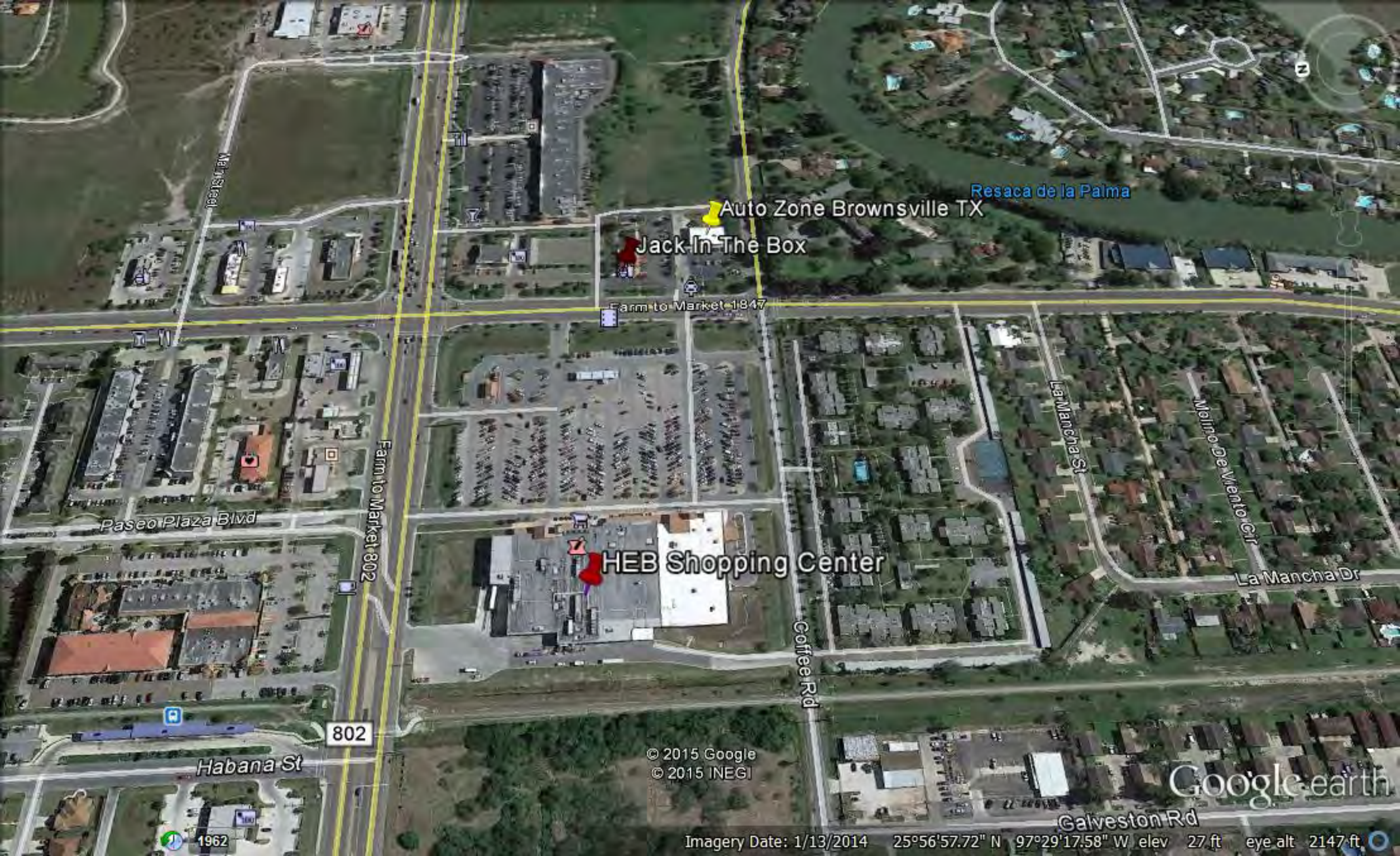
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Farm to Market 1847

Google earth

1962

Imagery Date: 1/13/2014 25°56'56.72" N 97°29'12.20" W elev 26 ft eye alt 462 ft



Resaca de la Palma

Auto Zone Brownsville TX

Jack-In-The-Box

Farm to Market 1847

Farm to Market 802

Paseo Plaza Blvd

HEB Shopping Center

Coffee Rd

La Mancha St

Melro de Viento Cir

La Mancha Dr

802

Habana St

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Google earth

Galveston Rd

Imagery Date: 1/13/2014 25°56'57.72" N 97°29'17.58" W elev 27 ft eye alt 2147 ft

1962

Demographics

AutoZone Ground Lease

	1 Mile	3 miles	5 miles
2010 Population			
Total Population	12,965	97,827	179,739
Male Population	48.1%	48.0%	47.9%
Female Population	51.9%	52.0%	52.1%
Median Age	29.0	29.7	28.5
2010 Income			
Median HH Income	\$39,727	\$34,387	\$31,055
Per Capita Income	\$15,851	\$13,283	\$11,512
Average HH Income	\$49,954	\$44,706	\$41,313
2010 Households			
Total Households	4,187	28,546	49,496
Average Household Size	3.10	3.37	3.60
2010 Housing			
Owner Occupied Housing Units	50.3%	53.4%	53.2%
Renter Occupied Housing Units	37.3%	34.1%	33.0%
Vacant Housing Units	12.4%	12.5%	13.9%
Population			
1990 Population	5,948	64,270	116,256
2000 Population	9,105	79,671	145,595
2010 Population	12,965	97,827	179,739
2015 Population	14,533	106,819	196,596
1990-2000 Annual Rate	4.35%	2.17%	2.28%
2000-2010 Annual Rate	3.51%	2.02%	2.08%
2010-2015 Annual Rate	2.31%	1.77%	1.81%
Households			
1990 Households	2,022	18,102	30,572
2000 Households	3,072	22,994	39,608
2010 Households	4,187	28,546	49,496
2015 Households	4,652	31,263	54,322
1990-2000 Annual Rate	4.27%	2.42%	2.62%
2000-2010 Annual Rate	3.07%	2.13%	2.2%
2010-2015 Annual Rate	2.13%	1.84%	1.88%

Demographics

AutoZone Ground Lease

	1 mile	3 miles	5 miles
Median Household Income			
1990 Median HH Income	\$26,824	\$18,141	\$15,807
2000 Median HH Income	\$35,516	\$26,307	\$24,100
2010 Median HH Income	\$39,727	\$34,387	\$31,055
2015 Median HH Income	\$50,303	\$42,719	\$35,991
1990-2000 Annual Rate	2.85%	3.79%	4.31%
2000-2010 Annual Rate	1.1%	2.65%	2.5%
2010-2015 Annual Rate	4.83%	4.43%	2.99%
Per Capita Income			
1990 Per Capita Income	\$11,400	\$7,584	\$6,255
2000 Per Capita Income	\$16,107	\$11,328	\$9,666
2010 Per Capita Income	\$15,851	\$13,283	\$11,512
2015 Per Capita Income	\$17,337	\$14,779	\$12,827
1990-2000 Annual Rate	3.52%	4.09%	4.45%
2000-2010 Annual Rate	-0.16%	1.57%	1.72%
2010-2015 Annual Rate	1.81%	2.16%	2.19%
Average Household Income			
1990 Average Household Income	\$34,472	\$26,568	\$23,316
2000 Average Household Income	\$47,880	\$38,550	\$34,905
2010 Average HH Income	\$49,954	\$44,706	\$41,313
2015 Average HH Income	\$55,077	\$49,636	\$45,916
1990-2000 Annual Rate	3.34%	3.79%	4.12%
2000-2010 Annual Rate	0.41%	1.46%	1.66%
2010-2015 Annual Rate	1.97%	2.11%	2.14%

Households by Income

Current median household income is \$31,055 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$35,991 in five years. In 2000, median household income was \$24,100, compared to \$15,807 in 1990.

Current average household income is \$41,313 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$45,916 in five years. In 2000, average household income was \$34,905, compared to \$23,316 in 1990.

Current per capita income is \$11,512 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$12,827 in five years. In 2000, the per capita income was \$9,666, compared to \$6,255 in 1990.