ADVANCE AUTO PARTS

Absolute Net Ground Lease | Extremely Dense Retail Hub

5741 E Virginia Beach Blvd, Norfolk, VA 23502

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Marcus & Millichap
PATEL YOZWIAK GROUP

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TENANT SUMMARY // ADVANCE AUTO PARTS

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of January 3, 2026, Advance operated 4,305 stores primarily within the United States, with additional locations in Canada, Puerto Rico and the U.S. Virgin Islands. The Company also served 809 independently owned Carquest branded stores across these locations in addition to Mexico and various Caribbean islands.

The company retails various brand name, original equipment manufacturer (OEM) and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars, vans, sport utility vehicles and light and heavy duty trucks.

4,300+
LOCATIONS

$8.6B
2025 REVENUE

67,000+
EMPLOYEES

ADVANCE AUTO PARTS REPORTS FULL YEAR 2025 RESULTS:

- FY25 adjusted operating margin of 2.5%; Over 200-basis points of year-over-year expansion.
- Full year 2025, net sales totaled $8.6 billion. Comparable store sales for full year 2025 increased 0.8%.
- The Company's full year 2025 gross profit was $3.7 billion, or 43.4% of net sales compared with $3.4 billion or 37.5% of net sales in the prior year.
- 2025 net sales included $51 million related to the store optimization program associated with our 2024 Restructuring Plan.
- The Company declared a regular cash dividend of $0.25 per share to be paid in April, 2026.
- The Company announced 2026 guidance targeting an acceleration in full year comparable sales growth of 1.0% to 2.0% and adjusted operating income margin in the range of 3.8% to 4.5%.
- "In 2026, we will continue to execute our strategic plan with a focus on the customer and the fundamentals of selling auto parts. This execution is being supported by a solid balance sheet with healthy liquidity to fuel our initiatives." -Shane O'Kelly, president and chief executive officer

PROPERTY PHOTOS // ADVANCE AUTO PARTS

HIGHLIGHTS // ADVANCE AUTO PARTS

- **8 YEARS OF LEASE TERM REMAINING:** Tenant has 8 years remaining on the original 20 year ground lease, with two, 5 year renewal options to extend the term through 2044. The lease features 10% rental increases every 5 years and two rental increases in each renewal option.

- **ABSOLUTE NET GROUND LEASE:** No landlord responsibilities. Tenant is responsible for everything including roof and structure.

- **HIGH-TRAFFIC CORRIDOR:** High visibility with easy access from all traffic directions. Situated along E Virginia Beach Blvd (US-58)/N Military Hwy (US-13) with exposure to over 96,000 combined vehicles per day (VPD). Virginia Beach Blvd is a major traffic artery connecting downtown Norfolk to Virginia Beach following an extremely dense retail and commercial corridor.

- **ADJACENT TO MAJOR REDEVELOPMENT PROJECT:** Outparcel to Military Circle, a former mall site that was granted $1 million in design funding by the City of Norfolk to redevelop into a mixed-use recreation center and retail center.

- **PROXIMITY TO DENSE RETAIL CORRIDOR AND MAJOR EMPLOYERS:** Located near multiple national retail tenants such as Costco, BJ's Wholesale, Lowe's, Walmart Supercenter, McDonald's, Target, Home Depot, Harbor Freight, TJ Maxx, Burlington, Crunch Fitness, Popeyes, Olive Garden and much more. 1 mile from Sentara Leigh Hospital a 274 bed medical campus and 2 miles from Norfolk International Airport

- **STRONG MILITARY BASED ECONOMY:** The Norfolk-Virginia Beach metro has the second largest concentration of active-duty military in the US, with over 245,000 active-duty service members, civilian workforce and families across 15 military installations. Defense spending accounts for 45.6% of all regional economic activity.

- **STRONG DEMOGRAPHICS:** The 5 mile population exceeds 302,800 and is projected to increase by 2030. The daytime population within 1 mile sees a 153% increase. Average household incomes within 5 miles exceed $90,200. Virginia Beach is a major vacation destination seeing over 14 million annual visitors.

- **STRATEGIC REGIONAL CONNECTIVITY:** Centrally located within the Norfolk-Virginia Beach metro area, the property is just 5 miles from downtown Norfolk and 14 miles from Virginia Beach. The property has easy access to the Chesapeake Bay Bridge-Tunnel, Interstate 64 and Interstate 264.

INVESTMENT SUMMARY // ADVANCE AUTO PARTS

$1,475,000
LIST PRICE

4.85%
CAP RATE

$191
PRICE/SF

PROPERTY DESCRIPTION

Address	5741 E Virginia Beach Blvd, Norfolk, VA 23502
Year Built:	2014
Lot Size:	+/-1.29-Acres
GLA:	7,724-Sq. Ft.
Type of Ownership:	Fee Simple
Parcel No.:	41733701

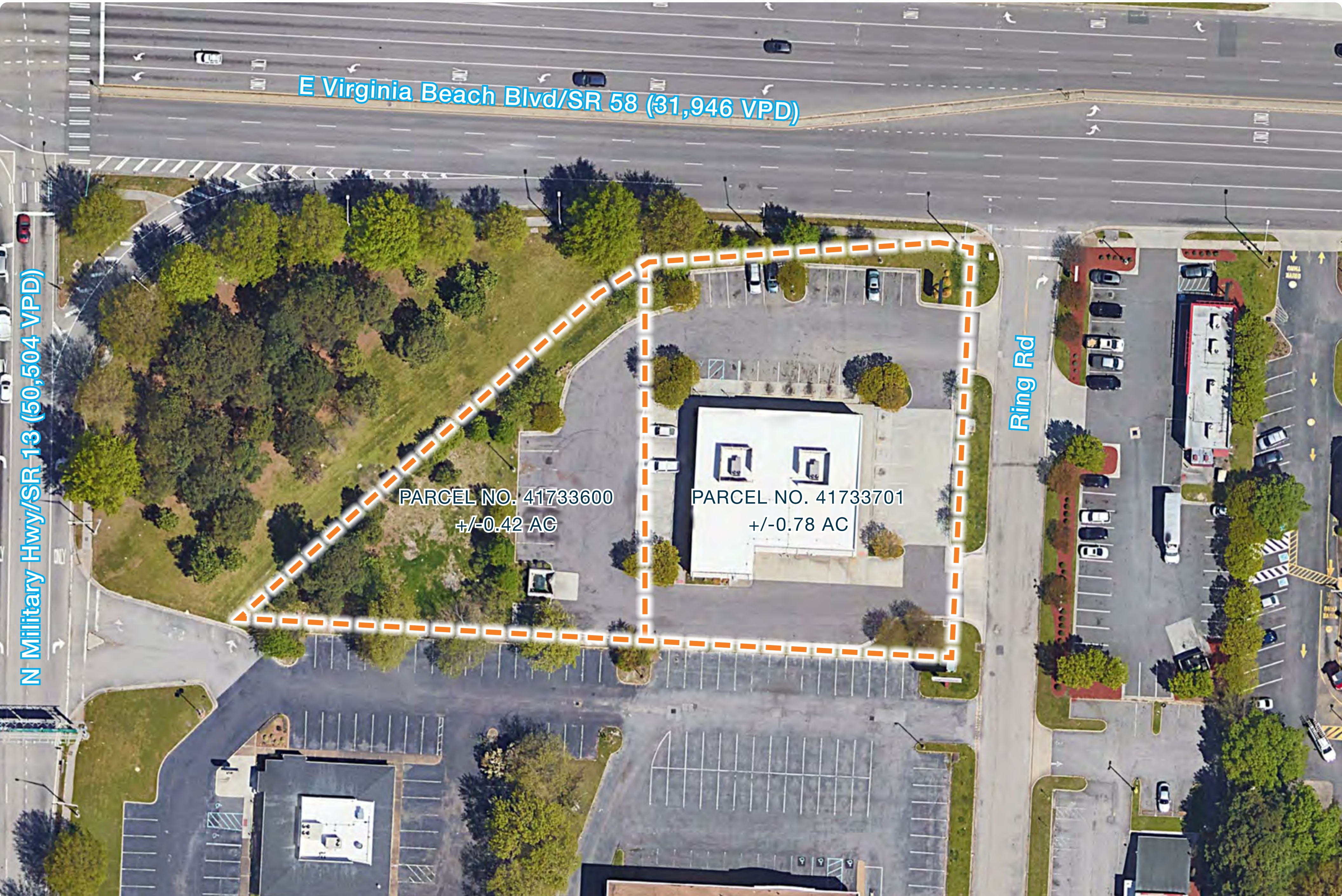
LEASE ABSTRACT

Tenant:	Advance Auto Parts
Lease Type:	Ground Lease
Lease Commencement:	3/5/2014
Lease Expiration:	3/31/2034
Lease Term Remaining:	8 Years
Option Terms:	Two, 5-Year Options
Rental Increases:	10% Every 5 Years and In Options
LL Responsibility:	None
Tenant Responsibility:	All Including Roof and Structure
Guarantor:	Corporate

RENT SCHEDULE

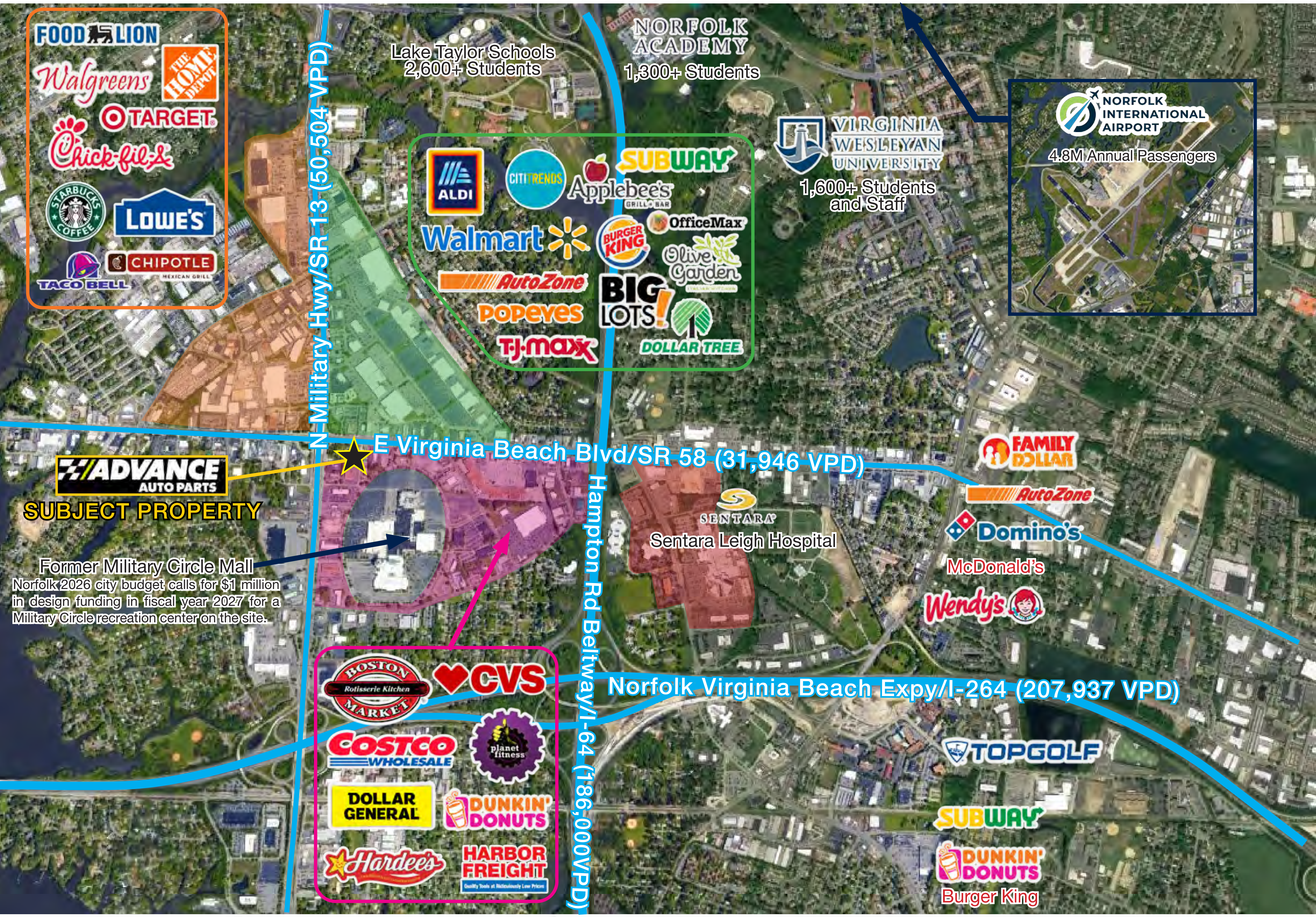
Start	End	Annual Rent	Monthly Rent	Rent/SF	% Increase
4/1/2024	3/31/2029	$71,500	$5,958	$9.25	-
4/1/2029	3/31/2034	$78,650	$6,554	$10.18	10.00%
Option 1	3/31/2039	$82,582	$6,882	$10.69	5.00%
Option 2	3/31/2044	$94,970	$7,914	$12.30	15.00%

SITE PLAN // 5741 E VIRGINIA BEACH BLVD



AERIAL // METRO OVERVIEW

AERIAL // LOCAL VIEW



DEMOGRAPHIC REPORT // NORFOLK, VA

POPULATION	1 Mile	3 Miles	5 Miles
2030 Projection	8,034	100,251	305,201
2025 Estimate	8,043	99,278	302,802
2020 Census	8,102	99,671	306,078
2010 Census	7,368	94,258	291,670
2025 Daytime Population	20,374	133,159	377,575
HOUSEHOLD INCOME	**1 Mile**	**3 Miles**	**5 Miles**
Average	$82,749	$86,346	$90,223
Median	$74,903	$72,313	$74,640
Per Capita	$35,076	$35,921	$38,552
HOUSEHOLDS	**1 Mile**	**3 Miles**	**5 Miles**
2030 Projection	3,293	41,338	129,511
2025 Estimate	3,259	40,575	127,503
2020 Census	3,195	39,133	123,698
2010 Census	2,778	35,403	112,271
HOUSING	**1 Mile**	**3 Miles**	**5 Miles**
Median Home Value	$294,717	$289,347	$293,797
EMPLOYMENT	**1 Mile**	**3 Miles**	**5 Miles**
2025 Unemployment	2.49%	2.30%	2.26%
Avg. Time Traveled <30 Min.	24	24	24
POPULATION PROFILE	**1 Mile**	**3 Miles**	**5 Miles**
High School Graduate	1.43%	2.38%	2.05%
Some College, No Degree	40.27%	36.73%	33.42%
Associate Degree	15.55%	17.12%	16.37%
Bachelor's Degree	9.14%	9.71%	9.21%
Advanced Degree	22.96%	26.17%	29.95%

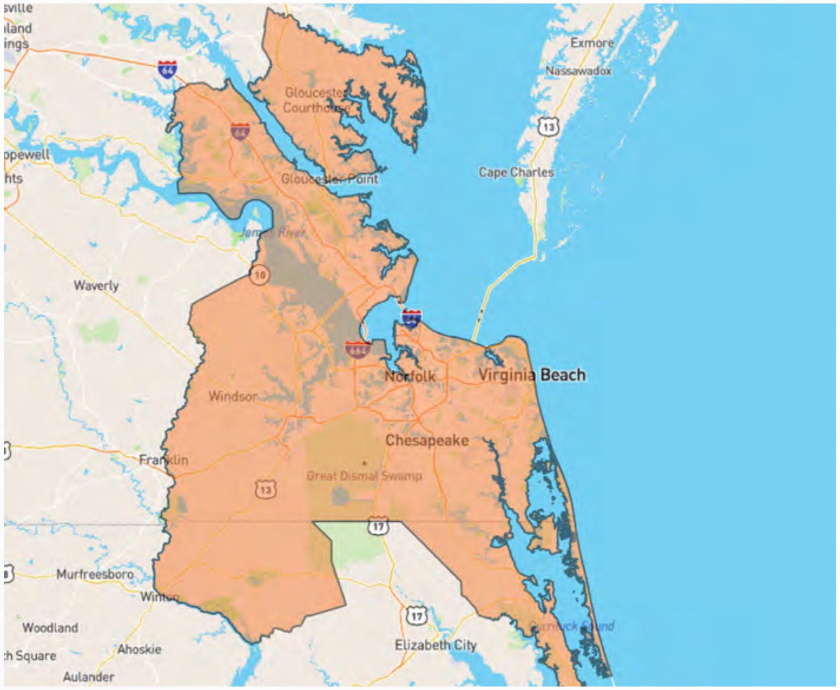
	MAJOR EMPLOYERS	EMPLOYEES
1	Nash-Finch Company	3,262
2	General Foam Plastics Corp	1,500
3	City of Norfolk	1,500
4	Tidewater Community College	1,429
5	Pet Supplies Plus	1,293
6	Amsec Corporation	1,200
7	Xylem Tree Hampton Roads LLC	1,048
8	BAE Systems Hawa Shipyards Inc	1,026
9	BAE Systems Ship Repair Inc	1,026
10	American Maritime Holdings Inc	934
11	Firstgroup America Inc	924
12	Xylem Tree of Charlotte LLC	786
13	United States Postal Service	753
14	Colonnas Ship Yard Inc-Weld America	750
15	Christian Broadcast Network Inc-700 Club	700
16	Dominion Enterprises	700
17	Landmark Media Enterprises LLC	700
18	Virginian-Pilot Media	650
19	Virginian-Pilot Media	600
20	Amerigroup Corporation	598
21	Unidyne	570
22	Colonnas Ship Yard Inc-Steel America	565
23	Walmart Inc	556
24	Norfolk State University	538
25	Yard House Restaurants LLC	532

MARKET SUMMARY // NORFOLK, VA

VIRGINIA BEACH-NORFOLK-NEWPORT NEWS METRO

Hampton Roads, also known as the Virginia Beach-Norfolk-Newport News metro, is recognized for its miles of waterfronts and beaches, military presence, harbors, shipyards and coal piers. The area is composed of James, Gloucester, Mathews, York and Isle of Wight counties in Virginia, and Gates and Currituck counties in North Carolina. It also encompasses the cities of Virginia Beach, Williamsburg, Chesapeake, Norfolk, Newport News, Hampton, Poquoson, Portsmouth and Suffolk. Approximately 1.8 million people reside in the market, with 460,000 in Virginia Beach — the most populous city in the market.

Known for its beaches and water recreation, the region has much to offer by way of outdoor activities and entertainment. Busch Gardens Williamsburg, Colonial Williamsburg, the USS Wisconsin and the Virginia Aquarium are prominent attractions that draw tourists and locals alike. Cultural activities are available at the Virginia Museum of Contemporary Art, Virginia Aquarium & Marine Science Center and Virginia Beach Amphitheater. Sports teams play at the Virginia Beach Sportsplex, Harbor Park and Scope Arena. Universities include the College of William & Mary, Old Dominion University, Virginia Wesleyan University, Hampton University and Norfolk State University.



KEY HIGHLIGHTS:

- **MILITARY CONCENTRATION:** The metro has the second-largest concentration of military personnel in the country, as 15 military installations provide numerous jobs.
- **HOSPITALITY AND TOURISM:** Visitors are drawn to Williamsburg and the multiple beaches and resorts, which offer a wide variety of activities.
- **SKILLED WORKERS:** Technical knowledge learned in the military helps provide a highly educated and skilled labor force.

ECONOMY:

- The local economy is best known for tourism and defense, but advanced manufacturing, maritime, logistics, cybersecurity and biomedical tech are growing sectors.
- Fortune 500 headquarters include Dollar Tree and Huntington Ingalls Industries.
- The large military presence includes Naval Station Norfolk, Joint Expeditionary Base Little Creek-Fort Story, Naval Air Station Oceana Dam Neck Annex, Joint Base Langley-Eustis, Norfolk Naval Shipyard and U.S. Coast Guard Base Portsmouth.

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