Advance Auto Parts®

Sovereign Realty Advisors
Connecting Investors

Retail

Investment Opportunity

Offering Memorandum

146 Eastern Avenue | Gloucester, MA 01930

EXCLUSIVELY LISTED BY

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Table of Contents

PROPERTY OVERVIEW

146 Eastern Ave,
Gloucester, MA

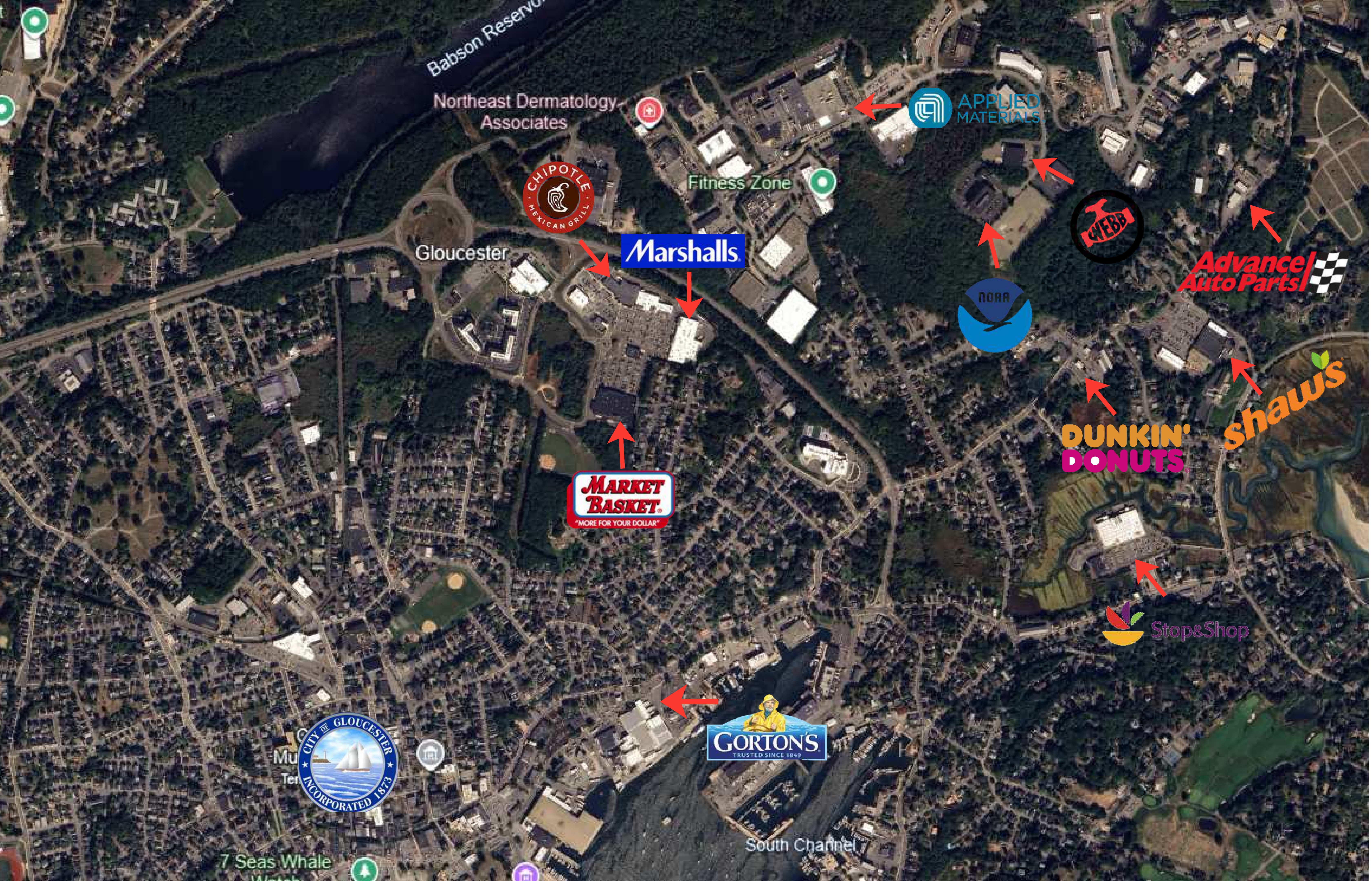
INVESTMENT HIGHLIGHTS

Lease & Location Highlights

- Free-standing Advance Auto Parts (Store #7989) located on Eastern Avenue (Route 127), the primary corridor connecting Downtown Gloucester, East Gloucester, and Rockport.
- Constructed in 2011.
- Original 10-year lease included a tenant termination option after Year 7; the tenant elected not to exercise this option, demonstrating a strong commitment to the location.
- Captive trade area serving approximately 30,500 Gloucester residents and an additional 7,700 residents in adjacent Rockport.
- Strategically positioned near the intersection of Eastern Avenue and Bass Avenue, capturing Route 127A traffic flowing to Downtown Gloucester and Rockport.
- Approximately 0.6 miles from Route 128, the primary highway connection to the Greater Boston metropolitan area.
- Strong surrounding retail presence, including Stop & Shop, Market Basket, Walgreens, CVS Pharmacy, and Dunkin'.
- Affluent Cape Ann demographics, with Gloucester reporting a median household income of $87,898 and a median home value of $600,600.

Tenant Highlights

- Advance Auto Parts (NYSE: AAP) operates approximately 4,308 stores across North America.
- Lease corporate guaranteed by Advance Stores Company, Inc. (S&P Rated BB); $8.6B annual revenue.


Babson Reservo
Northeast Dermatology Associates
APPLIED MATERIALS
CHIPOTLE MEXICAN GRILL
Fitness Zone
Marshalls
Gloucester
WEBB
Advance Auto Parts
NOAA
DUNKIN' DONUTS
shaw's
MARKET BASKET
"MORE FOR YOUR DOLLAR"
Stop&Shop
GORTON'S
TRUSTED SINCE 1849
CITY OF GLOUCESTER
INCORPORATED 1873
South Channel
7 Seas Whale

Gloucester, MA

±6,564 SF
GLA

2011
Year Built

±12,000
Vehicles Per Day (Eastern Avenue)

NNN
Lease Type

Roof, Structure & Parking Lot Maintenance

38,500
5 Mile Population

FINANCIAL SUMMARY

$1,695,000	6.58%	±6,564 SF	±.72 AC
List Price	Cap Rate	GLA	Lot Size

Property Details

Tenant Trade Name	Advance Auto Parts
Type of Ownership	*Fee Simple*
Lease Guarantor	*Corporate*
Lease Type	NNN
Landlord Responsibility	*Roof, Structure & Parking Lot Maintenance*
Original Lease Term	*10 Years*
Rent Commencement	2/18/2018
Lease Expiration	2/17/2028
Term Remaining on Lease	*±1.75 Years*
Increase	*10% Increase on Option 1 & 2* *7% Increase on Option 3*
Options	*Three, 5-Year*

Annualized Operating Data

Lease Year	Monthly Rent	Annual Rent	Cap Rate
Current	*$9,299.00*	*$111,588.00*	*6.58%*
Option 1	*$10,228.92*	*$122,747.04*	*7.24%*
Option 2	*$11,251.83*	*$135,021.96*	*7.97%*
Option 3	*$12,039.50*	*$144,474.00*	*8.52%*

TENANT SUMMARY

Year Founded
1932

Headquarters
Raleigh, NC

Ownership Status
Publicly Traded

Employees
±62,800

Locations
±4,308

Credit Rating
S&P: BB

Annual Revenue
$8.60 Billion

Tenant Overview

Advance Auto Parts operates over ±4,300 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 ±4,300 stores and an expansive network of Carquest and independent locations.
- **Stable Revenue and Market Demand:** Generates over $8.6 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.
- **Credit Ratings with Upgrade Potential:** Currently rated BB (S&P) and Ba3 (Moody's) with stable liquidity and restructuring initiatives.
- **Tailwinds from Aging Vehicle Fleet:** The increasing average vehicle age in the U.S. supports long-term demand for aftermarket parts and services.

GALLERY

Advance Auto Parts
Gloucester, MA

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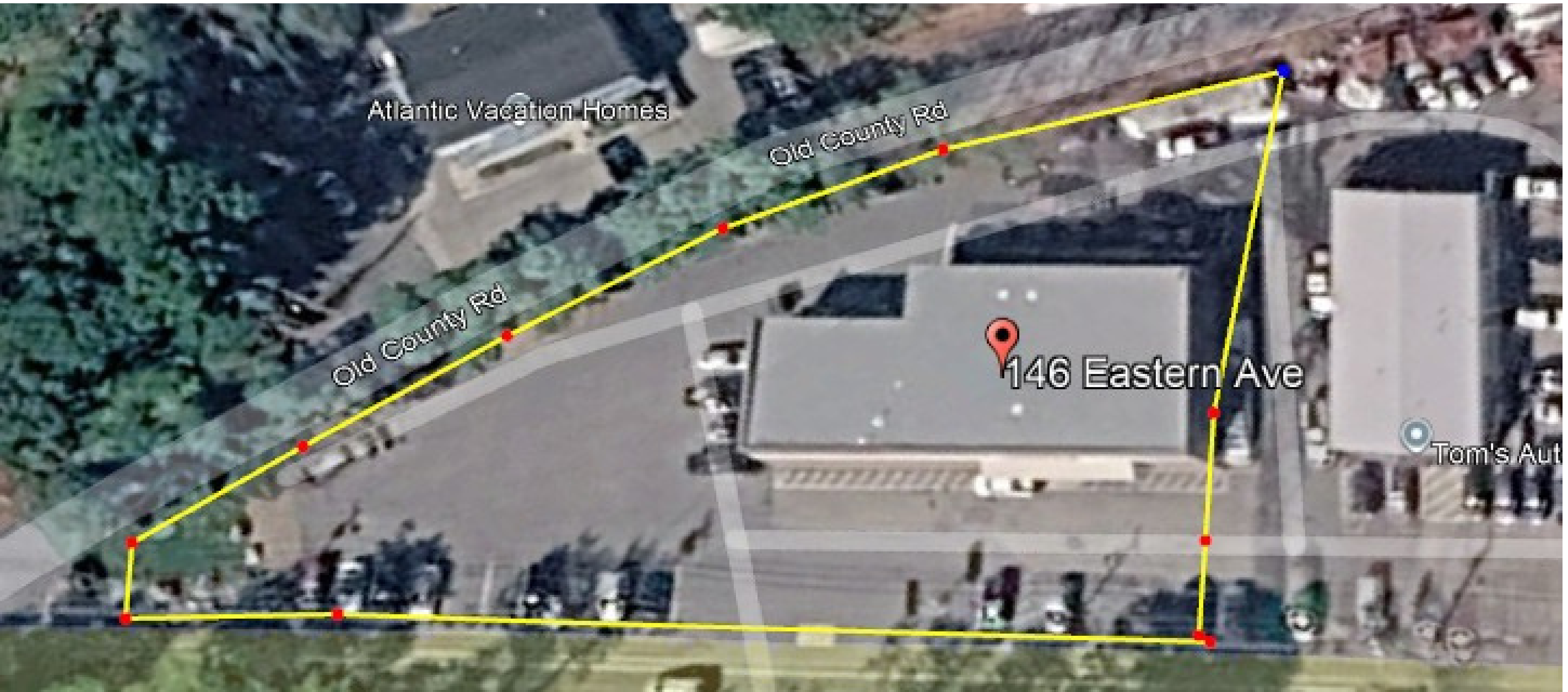
Advance Auto Parts

Gloucester, MA



Market Demographics

Gloucester, MA

30,491	Total Population
$87,898	Median HH Income
13,180	# of Households
63.9%	Homeownership Rate
15,382	Employed Population
40.3%	Bachelor's Degree+
51	Median Age
$600,600	Median Property Value

Local Market Overview

Gloucester is the largest city on Massachusetts' Cape Ann peninsula and one of the oldest seaports in the United States, sitting roughly 35 miles northeast of Boston via Route 128. Its beautiful beaches and stunning harbor continue to attract visitors from around the world, while a growing retail base—supported by international companies such as Applied Materials and Gorton's of Gloucester—adds tremendous stability to the local commercial market.

With a year-round population of approximately 30,500 that swells significantly each summer, Gloucester combines a stable residential base with consistent visitor traffic across its beaches, downtown, and Rocky Neck arts colony.

Major Gloucester employers include Gorton's of Gloucester (HQ in the city since 1849), Applied Materials, Addison Gilbert Hospital, and Cape Ann Savings Bank. The median household income of $87,898 and median home value of $600,600 reflect the affluent character of Cape Ann, with neighboring Rockport, Manchester-by-the-Sea, and Essex extending a North Shore market with strong demographics. MBTA Commuter Rail on the Rockport Line connects Gloucester directly to Boston's North Station.

Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	23,400	38,500	87,200

Households	3-Mile	5-Mile	10-Mile
Current Year Estimate	10,100	16,400	35,300

Income	3-Mile	5-Mile	10-Mile
Average Household Income	$112,500	$128,400	$148,900

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