

OFFERING MEMORANDUM

**Auto
Zone**[®]

LAKEWOOD, WA



NET LEASE INVESTMENTS

EXCLUSIVELY OFFERED BY:

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Actual Property



**CUSHMAN &
WAKEFIELD**



SEATTLE

TACOMA

OLYMPIA



EXECUTIVE SUMMARY

TENANT:	AutoZone, Inc.
LOCATION:	8308 Berkeley Ave. Southwest Lakewood, WA 98498
APN:	2200000230
BUILDING SIZE:	5,400± square feet
LAND SIZE:	0.57± acre
YEAR BUILT:	2004
RENT COMMENCEMENT:	March 1, 2004
LEASE EXPIRATION:	December 31, 2028 (~11 years remaining)
OPTIONS:	Four (4) five (5) year options
RENT INCREASES:	10% increase each option
LEASE TYPE:	NNN

OFFERING TERMS

CURRENT NOI:	\$83,700
PRICE:	\$1,674,000
CAP:	5.00%





LONG-TERM NNN LEASE WITH ~11 YEARS REMAINING

INVESTMENT GRADE CREDIT

- AutoZone has a Standard & Poor’s BBB rating

14 YEAR OCCUPANCY / ESTABLISHED CUSTOMER-BASE

- AutoZone has operated at the subject property since it was built in 2003

RECENT LEASE EXTENSION

- Lease extended early through 12/31/2028 illustrates AutoZone’s long term commitment to the site

HEAVY TRAFFIC / MAIN RETAIL CORRIDOR

- 139,000 vehicles pass the subject property each day traveling Interstate 5

DEPRECIABLE ASSET

- Rare land and building Autozone lease allows owner to offset rental income with depreciation to increase after tax yield

BELOW MARKET RENT / STRONG INTRINSIC VALUE

- Current rent of only \$15.50 psf is below market for the trade area and for new build-to-suit auto parts stores in the region, which provides additional security and future upside for the property

LIMITED AUTO PARTS COMPETITION

- Only national brand Auto Parts store within 3 miles, an area serving over 39,000 residents

STRONG TRAFFIC GENERATORS IN IMMEDIATE AREA

- Across Interstate 5 from Joint Base Lewis-McChord, a joint Army / Air Force base, with a total active population of nearly 210,000 inhabitants, making it the fourth largest military installment worldwide by population
- 1 mile north of Madigan Army Medical Center, the Army’s 2nd largest medical treatment facility with over 220 patient beds serving more than 100,000 active duty service members



JOINT BASE LEWIS-MCCHORD
 DEPARTMENT OF DEFENSE
 NAVY / MARINES
 AIR FORCE & ARMY

MADIGAN ARMY MEDICAL CENTER

CAMP MURRAY
 WA ARMY NATIONAL GUARD
 WA STATE GUARD
 WA AIR NATIONAL GUARD



Parcel outline not to scale - for illustration purposes only.

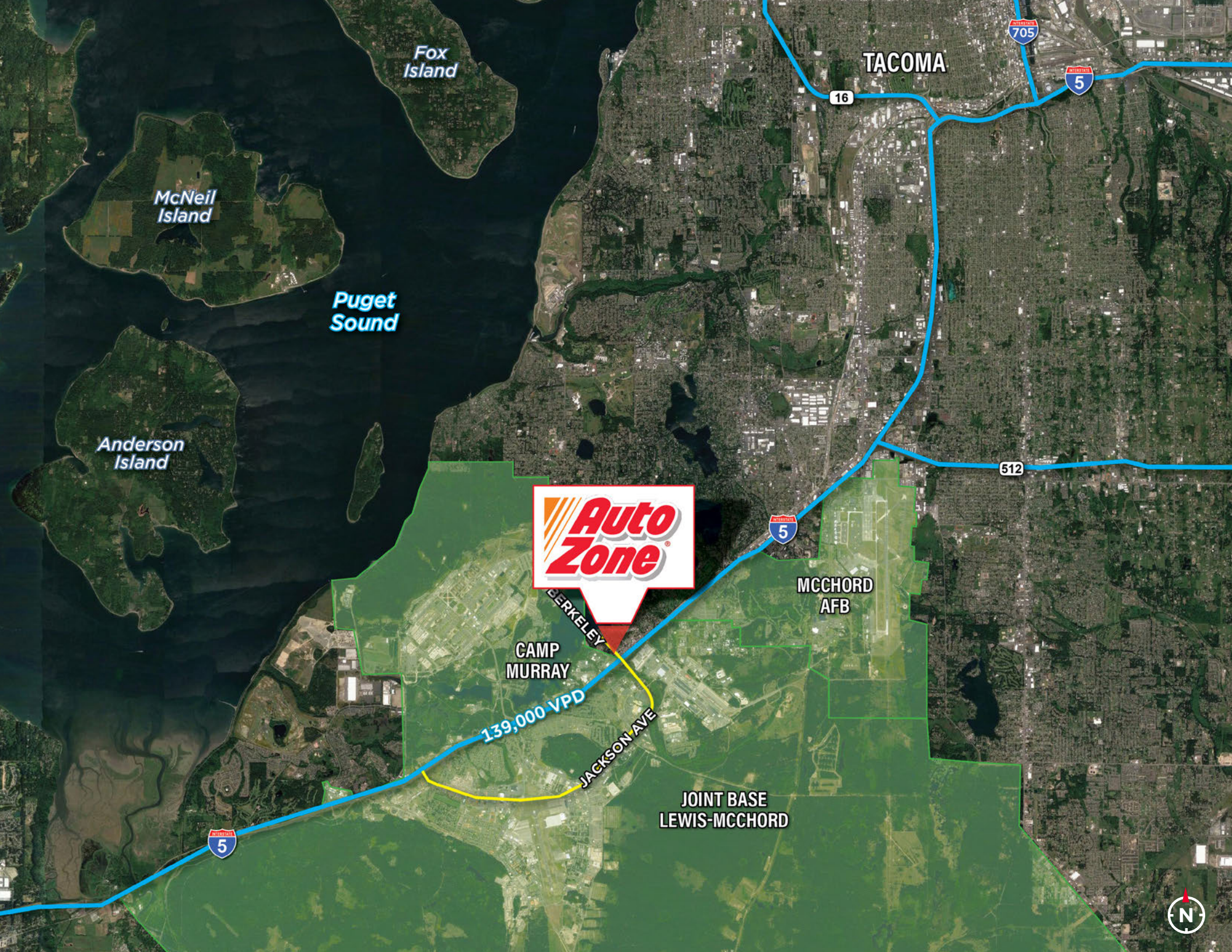
JOINT BASE LEWIS-MCCHORD STATISTICS



WORKFORCE
45K
 SERVICE MEMBERS & CIVILIANS

INHABITANTS
210K
 ACTIVE POPULATION

BASE SIZE (AC)
86K
 4TH LARGEST WORLDWIDE



Fox Island

McNeil Island

Puget Sound

Anderson Island

TACOMA

16

705

5

512



BERKELEY

CAMP MURRAY

MCCHORD AFB

139,000 VPD

JACKSON AVE

JOINT BASE LEWIS-MCCHORD

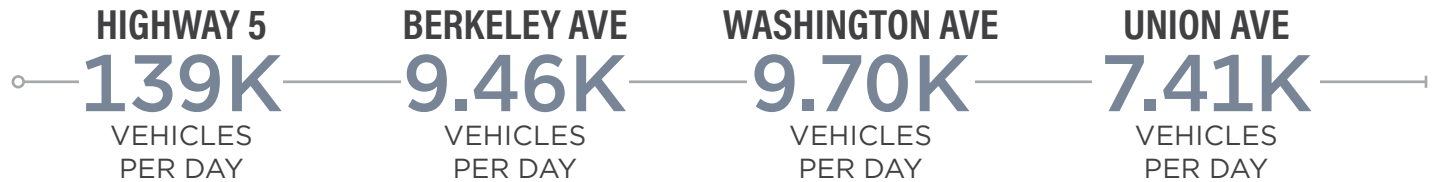
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PROPERTY TRAFFIC STATISTICS





JOINT BASE LEWIS-MCCHORD
DEPARTMENT OF DEFENSE
NAVY / MARINES
AIR FORCE & ARMY

Mount Rainier

139,000 CARS PER DAY

16,871 CARS PER DAY



WASHINGTON AVE

UNION AVE SW

BERKELEY AVE SW

MILITIA DR



Actual Property

TENANT: AutoZone, Inc. (NYSE: AZO)

S&P CREDIT RATING: BBB **# OF LOCATIONS (2016):** 5,814+

2016 REVENUE (\$BIL): \$10.63 **# OF EMPLOYEES (2016):** 84,000+

2016 NET INCOME (\$BIL): \$1.241

 AutoZone is the nation’s leading retailer and a leading distributor of automotive replacement parts and accessories with more than 5,814 stores in the U.S., Puerto Rico, and Mexico. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and re-manufactured hard parts, maintenance items and accessories. For more than 30 years,

AutoZone has been committed to providing the best parts, prices and customer service in the automotive aftermarket industry. They have a rich culture and history of doing the Extra Mile for their customers and community. Since opening its first store in Forrest City, AK, on July 4, 1979, the company has joined the New York Stock Exchange and earned a spot in the Fortune 500.

The company places stores in regions that have large number of vehicles seven years old and older because of these cars’ need for repairs and maintenance. While the company seeks to open stores in high-traffic areas, AutoZone is largely a destination retailer - a retailer that generates its own traffic instead of relying on other nearby stores’ traffic base.

Website: www.autozone.com

103,512

DAYTIME POPULATION - 5 MILES



90,199

POPULATION - 5 MILES



POPULATION

	1 MILE	3 MILE	5 MILE
RESIDENTS	3,985	39,218	90,199
DAYTIME	4,313	43,349	103,512

AVERAGE HH INCOME

	1 MILE	3 MILE	5 MILE
2017	\$51,779	\$66,467	\$73,000



LAKWOOD

Incorporated in 1996, Lakewood is the second-largest city in Pierce County and the 18th-largest in the state of Washington. It is the host community to Joint Base Lewis-McChord (JBLM), the largest joint base on the West Coast and one of the largest in the U.S. Lakewood is strategically located along the Interstate 5 corridor. It borders JBLM, Camp Murray (home to the Washington National Guard) and is 9 miles south of the city of Tacoma, and is situated a short drive from Seattle and Olympia. Lakewood also is a hub for activity at the Ports of Tacoma, Olympia and Seattle.

As of 2016, Lakewood’s estimated population totaled 60,665 representing a 4.3% increase from the census count in 2010. The community supports approximately 3,500 businesses and over 25,000 jobs. Local employment is concentrated in the area military bases, Fort Lewis and McChord Air Force Base, as well as the Lakewood Industrial Park – the fourth largest private employer in Pierce County and third largest industrial business park in Washington.

Lakewood is a top recreation destination in the state of Washington. The city boasts 11 parks consisting of more than 540 acres; 5 lakes offering water skiing, rowing and fishing; 4 golf courses including Chambers Bay (2015 U.S. Open); Historic Lakewood Gardens and Fort Steilacoom.



<https://www.cityoflakewood.us/>
<http://www.lakewood-chamber.com/>
https://en.wikipedia.org/wiki/Lakewood,_Washington

Downtown Tacoma, Washington

SEATTLE is a seaport city on the west coast of the United States and the seat of King County, Washington. With an estimated 684,451 residents as of 2015, Seattle is the largest city in both the state of Washington and the Pacific Northwest region of North America. In July 2013, it was the fastest-growing major city in the United States and remained in the Top 5 in May 2015 with an annual growth rate of 2.1%. The city is situated on an isthmus between Puget Sound (an inlet of the Pacific Ocean) and Lake Washington, about 100 miles south of the Canada-United States border. A major gateway for trade with Asia, Seattle is the fourth-largest port in North America in terms of container handling as of 2015.

As the fastest-growing big city in the country, Seattle is one of the hottest employment markets today. Seattle ranked 6th on Forbes 2015 “The Best Places for Business and Careers” list. Seattle also ranked #1 on Forbes “Best Cities for Tech Jobs” list. With companies like Amazon, Expedia, Facebook, Weyerhaeuser and others moving to Downtown or growing their Downtown Seattle workforce, the current growth in population and jobs and the development that comes with that shows no signs of slowing down.

A highly skilled and educated workforce, advanced transportation and distribution infrastructure, manufacturing capabilities and access to national and global markets have contributed to its economic diversity. Five Fortune 500 companies have headquarters within Seattle’s city limits—Amazon, Starbucks, Nordstrom, Expeditors, and Alaska Air—and four others, including Costco and Microsoft, call the broader metro area home. They are all major employers in the region, and four out of ten jobs in the entire state are connected to international trade in part because of the Port of Seattle, one of the busiest ports in the United States. Seattle has a mix of established companies and exciting up-and-comers. Microsoft operates out of nearby Redmond, while Seattle itself is home to fast-growing industries like e-commerce and biomedical tech. Start-ups in these industries can thrive because of Seattle’s strong entrepreneurial culture, the presence of venture capital, and local assets like the University of Washington, the Fred Hutchinson Cancer Research Center, the Allen Institute for Brain Science, and even Amazon, all located within the city limits of Seattle. The Seattle area outpaced national employment growth in the last five years, and is expected to do so through 2020, expanding 1.5% annually. Approximately 37.7% of the population over the age of 25 hold at least a bachelor’s degree, compared with just under 28.8% nationwide.



- <http://www.seattle.gov/>
- <https://www.seattlechamber.com/>
- <http://www.visitseattle.org/>
- <https://en.wikipedia.org/wiki/Seattle>

Downtown Seattle, Washington

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