

# PEP BOYS

Marlow Heights, MD

JAMESCAPITAL  
ADVISORS



MEI Real Estate, Broker of Record, Office: (410) 377-8505

Sandy Marenberg, Broker, Maryland License # 1608

Pep Boys

4500 St. Barnabas Street, Marlow Heights, MD 20748

# PROPERTY INFO

Tenant	Pep Boys
Street Address	4500 St. Barnabas Street
City	Marlow Heights
State	MD
Zip	20748
APN	06-0454678
GLA	24,650 SF
Lot Size	2.4 AC
Year Built	1964



# FINANCIAL SUMMARY

Purchase Price	\$4,304,000
Cap Rate	5.75%
Net Operating Income	\$247,500
Price / SF	\$175
Rent / SF	\$10
Listing Agent	Mike James
Phone Number	(424) 325-2606
Email	<a href="#">SUBMIT OFFER</a>



# INVESTMENT HIGHLIGHTS

## Strong Tenant Commitment – 34 Years of Tenancy

The tenant entered the premises in 1985 and has three additional 5-Year Options to extend until 3/31/2040, demonstrating strong commitment to the site.

## Ample Rent Growth - 10% Increases in Each Term

The lease features 10% rental increases every five years, providing the landlord the benefit of a strong hedge against inflation.

## Triple-Net (NNN) Investment

The lease structure calls for minimal landlord responsibilities, as tenant is responsible for all real estate taxes, insurance and property maintenance.

## Corporate Guarantee from Nationally Recognized Company

Pep Boys, a subsidiary of Icahn Enterprises, has been in business for nearly a century and now operates 975 locations across the nation.

## E-Commerce Resistant & Service-Oriented Tenant

Auto-repair and tire replacement services are resistant to the e-commerce threat that retailers are facing today. As market sentiment indicates, auto-repair businesses are largely here to stay.

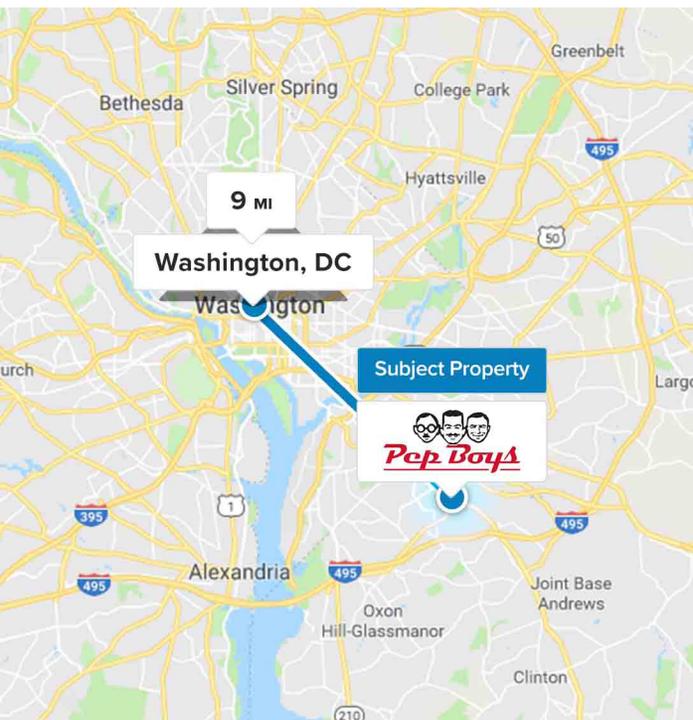
## Stable Expansion - 6% YoY Growth

Following the acquisition by Icahn Enterprises in 2016, the automotive revenue has experienced continuous growth. Year-over-Year increases reached a total of 6% FY'17.

# LEASE SUMMARY

Lease Type	Triple-Net (NNN)
Type of Ownership	Fee Simple
Original Lease Term	10 Years
Commencement Date	04/01/1985
Lease Expiration	03/31/2025
Term Remaining	6 Years
Increases	10% Every 5 Years
Options	Three, 5-Year Options
ROFR / ROFO	No

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
Lease Guarantor	Corporate
Company Name	Pep Boys
Ownership	Subsidiary of Icahn Enterprises
Years in Business	97
Number of Locations	975



## INVESTMENT HIGHLIGHTS

### Excellent Visibility Along Barnabas Street (Hwy 414)

The subject property is ideally located on Barnabas Street (Hwy 414) where traffic counts exceed 32,700 vehicles per day.

### Thriving Washington, D.C. MSA

Home of the U.S. government with over 6.2M residents, Washington D.C MSA is a large, wealthy region with substantial job growth.

### Robust Population Growth

Since 2010, the population within five miles of the subject property has increased by 10.17%. By 2023, the population is projected to increase an additional 5% and surpass 400,000 people.

### Growing Investments in Prince George's County

Prince George's economic development incentive fund has planned \$9M in investments to retain businesses in 2019. The county's FY'19 approved budget totals \$4.1B, an increase of 5.8% YOY.

### Primary Retail Area in Marlow Heights

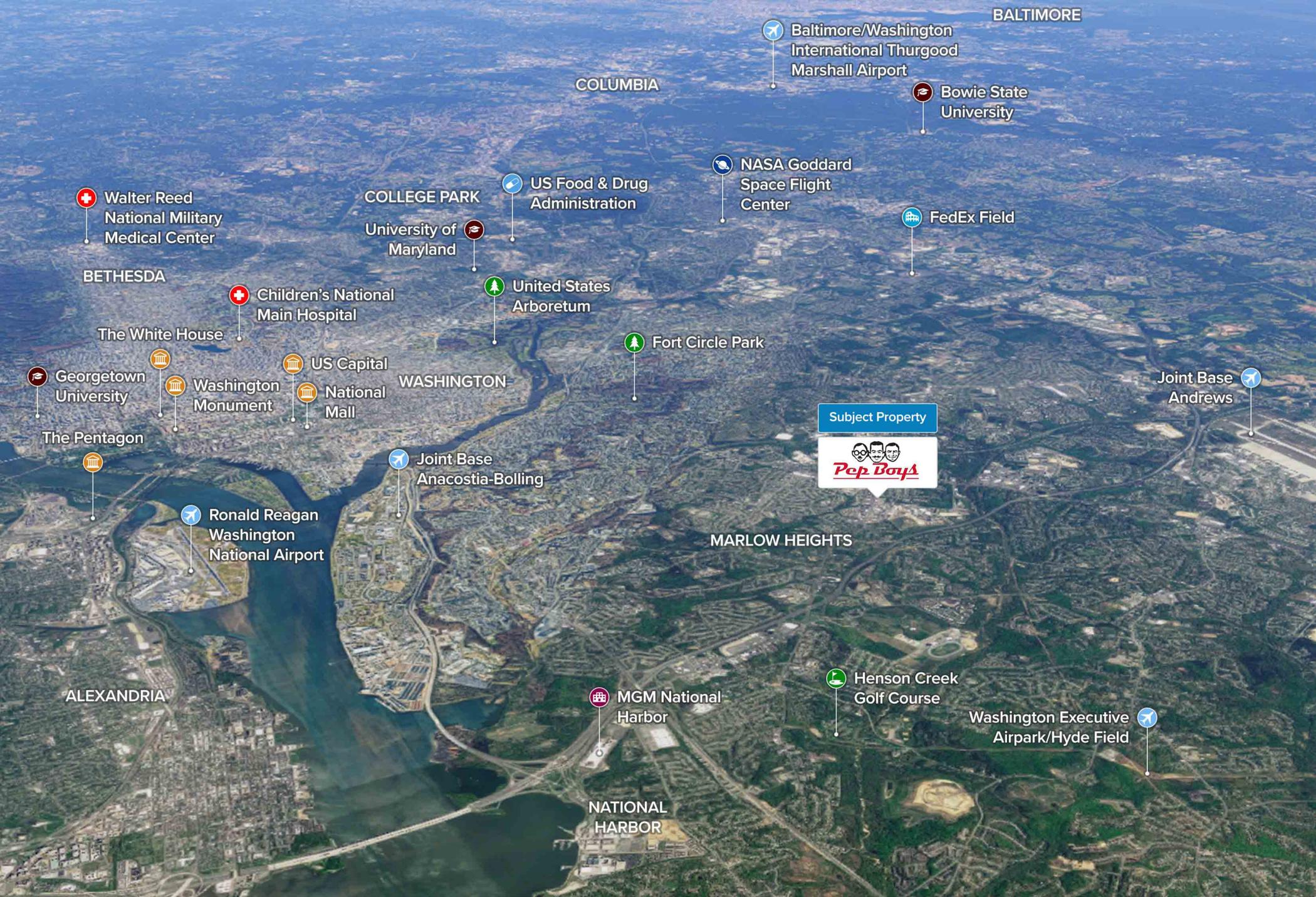
The asset is located a quarter of a mile west of the primary retail node in Marlow Heights at the intersection of State Roads 414 and 5 and is 1.75 miles from I-495, the Beltway Loop

### Strong Demographics

The five-mile area surrounding this property comprises an estimated population of nearly 390,000 with an average household income above \$70,000.

**Pep Boys**

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Walter Reed National Military Medical Center

BETHESDA

Children's National Main Hospital

The White House

Georgetown University

Washington Monument

US Capitol National Mall

The Pentagon

Ronald Reagan Washington National Airport

ALEXANDRIA

COLLEGE PARK  
University of Maryland

US Food & Drug Administration

United States Arboretum

Fort Circle Park

WASHINGTON

Joint Base Anacostia-Bolling

MARLOW HEIGHTS

MGM National Harbor

NATIONAL HARBOR

Subject Property



Henson Creek Golf Course

Washington Executive Airpark/Hyde Field

COLUMBIA

Baltimore/Washington International Thurgood Marshall Airport

BALTIMORE

Bowie State University

NASA Goddard Space Flight Center

FedEx Field

Joint Base Andrews



## RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE	
	04/01/2015 - 03/31/2020	Base Term	\$247,500.00	\$20,625.00	-	\$10.04	5.75%
	04/01/2020 - 03/31/2025	Base Term	\$272,250.00	\$22,687.50	10.00%	\$11.04	6.33%
	04/01/2025 - 03/31/2030	1st Option	\$299,475.00	\$24,956.25	10.00%	\$12.15	6.96%
	04/01/2030 - 03/31/2035	2nd Option	\$329,422.50	\$27,451.88	10.00%	\$13.36	7.65%
	04/01/2035 - 03/31/2040	3rd Option	\$362,364.75	\$30,197.06	10.00%	\$14.70	8.42%

**Pep Boys**

# ABOUT THE BRAND

Pep Boys was founded in 1921 by four Navy buddies in Philadelphia, PA. Since then, Pep Boys has been ahead of its time in the business world, weathering several economic events to remain one of the most widely known aftermarket auto parts and service brands in the country today.

In 2016, Pep Boys was acquired by Icahn Enterprises, presenting further opportunities for growth and expansion. Since the closing of the merger, Pep Boys has expanded to over 134+ additional locations nationally. The brand is also experiencing major positive changes such as the introduction of their Tire Installation Services which will further drive sales growth and market share in 2019.

Pep Boys currently operates more than 7,400 service bays in nearly 1,000 stores nationwide and employs more than 20,000 people.

## GLOBAL LOCATIONS

975

## US STATES

35

## 2015 US SALES

\$2.1 Billion



## RECENT NEWS

### November 2018

Pep Boys and Amazon Expand Tire Installation Program Nationally. Pep Boys announced the support of Progressive's Keys to Progress® vehicle giveaway program for military families.

### October 2018

Pep Boys launched the Mobile Crew to offer repair and maintenance service on-location for customers.

### September 2017

Pep Boys acquires Newpark Auto Service as part of national service center network growth.

### August 2017

Pep Boys enters into definitive agreement to acquire Advanced Auto Service and Tire Centers in Phoenix, Arizona.

### January 2017

Pep Boys expanded their reach in the automotive repair industry by purchasing 134 Just Brakes locations in 8 states.

**Pep Boys**

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# MARLOW HEIGHTS, MD

## Prince George's County, Maryland

Marlow Heights is part of Prince George's County, located in the eastern part of Washington, D.C. and is the second-most populous county in the state with over 863,000 people.

## Growing Fiscal Budget

Prince George's County has committed to invest a total of \$4.1B in FY'19, a 5.8% increase Year-over-Year.

## Real Estate in Prince George's County Continues to Soar

According to Prince George's County Association of Realtors (PGCAR), the housing sales rate increased 7.9% year-over-year in October 2018.

## New Developments in Surrounding Area

Three new developments were set to begin construction in 2018, including a residential and retail project and a \$2 billion mixed-use development.



## LOCATION OVERVIEW

### Sixth Largest MSA in the Nation

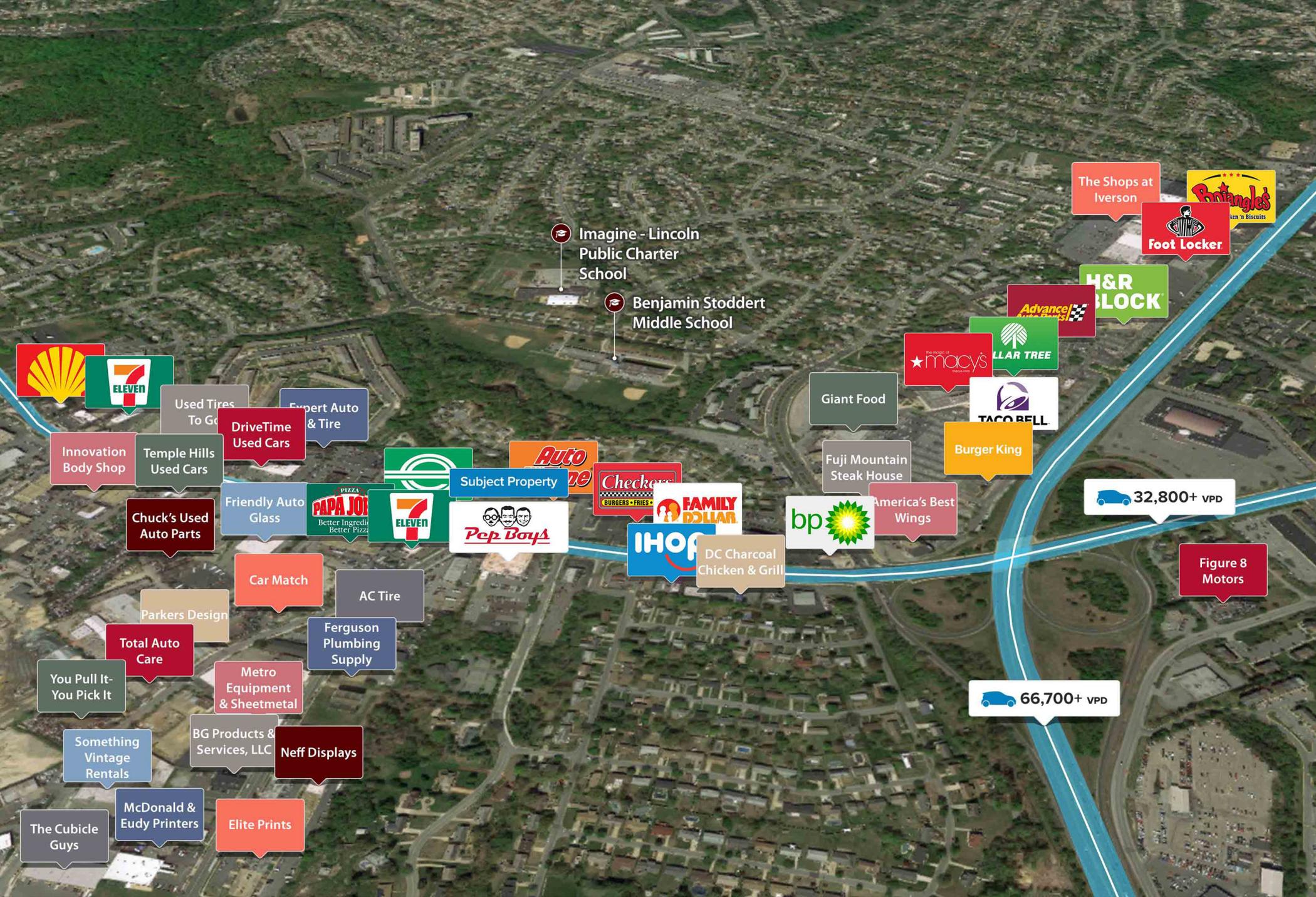
The subject property is located within the Washington-Arlington-Alexandria, DC-VA-MD-WV metro area where the population exceeds 6.2 million people.

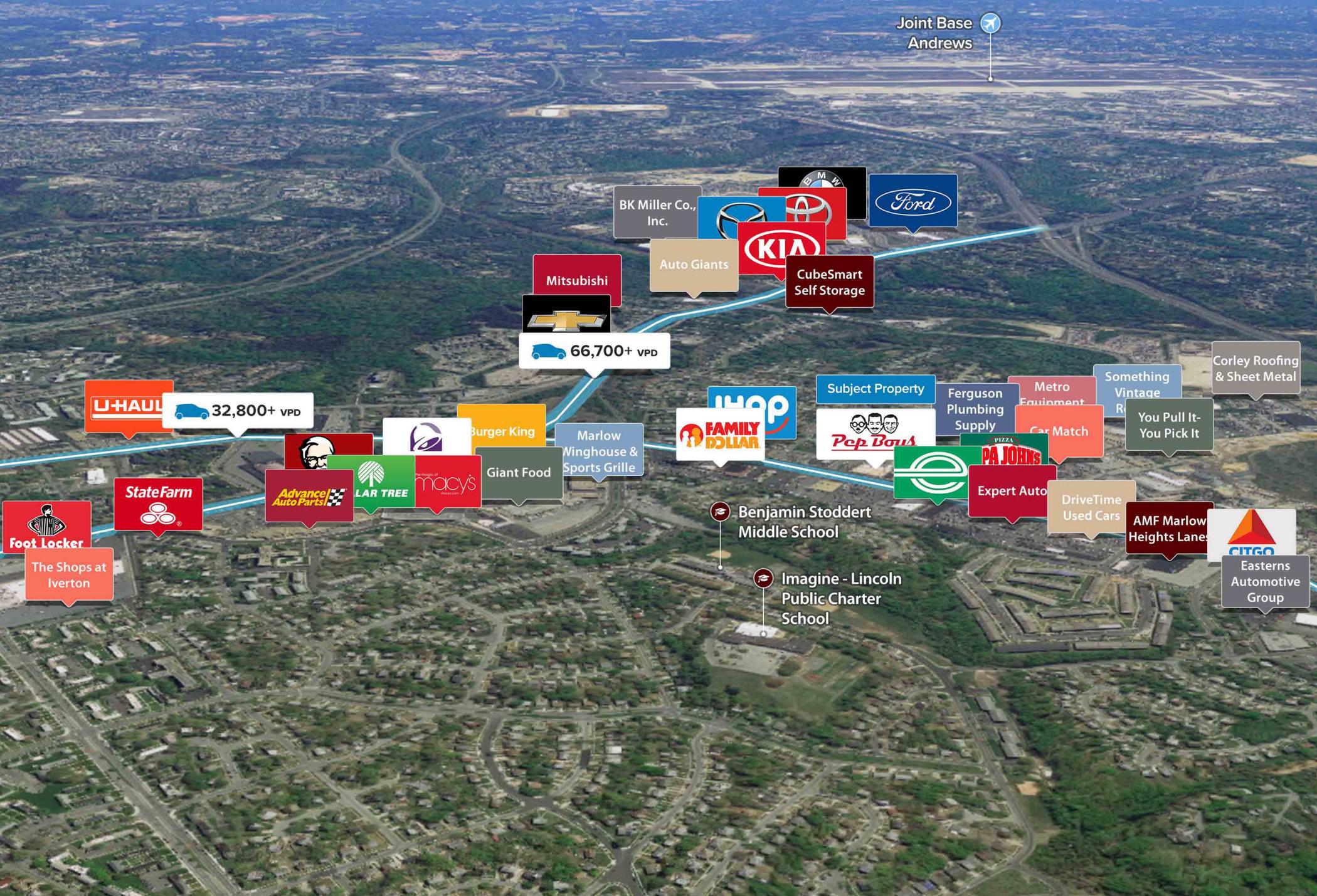
### Washington Metropolitan Area

Washington D.C. is a thriving metropolis with an ideal economic environment. It is home to a wide offering of museums, landmarks and various cultural sites and is the seat of the federal government.

### Seven Miles from America's #1 Most Visited Landmark

The national Mall and Memorial Parks, a series of memorials, parks and public buildings near The White House, attract over 25 million annual visitors. The subject property is located seven miles from the National Mall.





Joint Base Andrews

BK Miller Co., Inc.

Auto Giants

Mitsubishi

KIA

Ford

CubeSmart Self Storage



66,700+ VPD

U-HAUL

32,800+ VPD



Burger King

Marlow Winghouse & Sports Grille

Giant Food

Advance Auto Parts

LAR TREE

macy's

FAMILY DOLLAR

Pep Boys

Subject Property

Ferguson Plumbing Supply

Metro Equipment

Something Vintage R

You Pull It-You Pick It

Corley Roofing & Sheet Metal

Benjamin Stoddert Middle School

Imagine - Lincoln Public Charter School

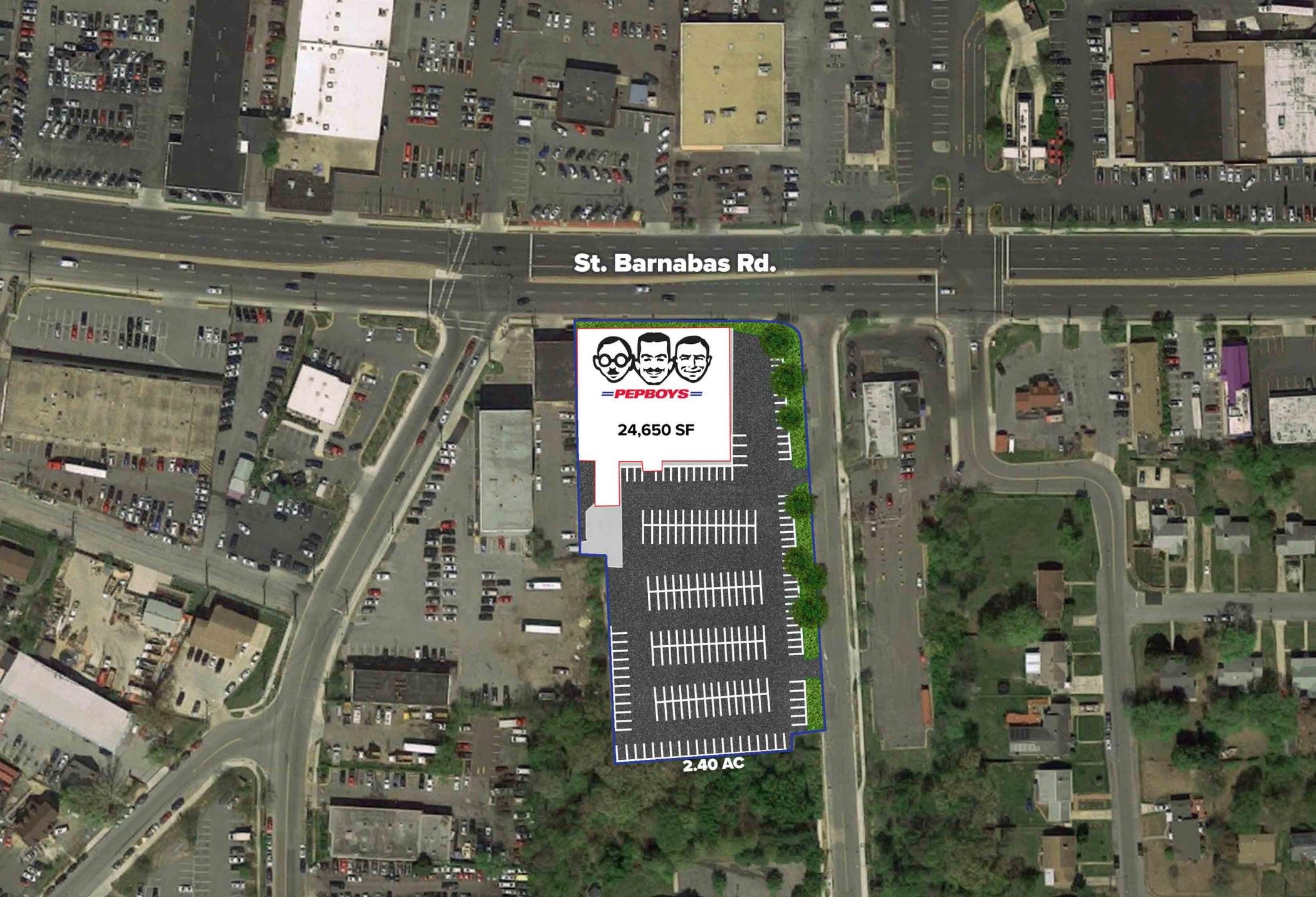
PA JOHNS PIZZA

Expert Auto

DriveTime Used Cars

AMF Marlow Heights Lanes

Easterns Automotive Group



St. Barnabas Rd.



PEPBOYS

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2.40 AC

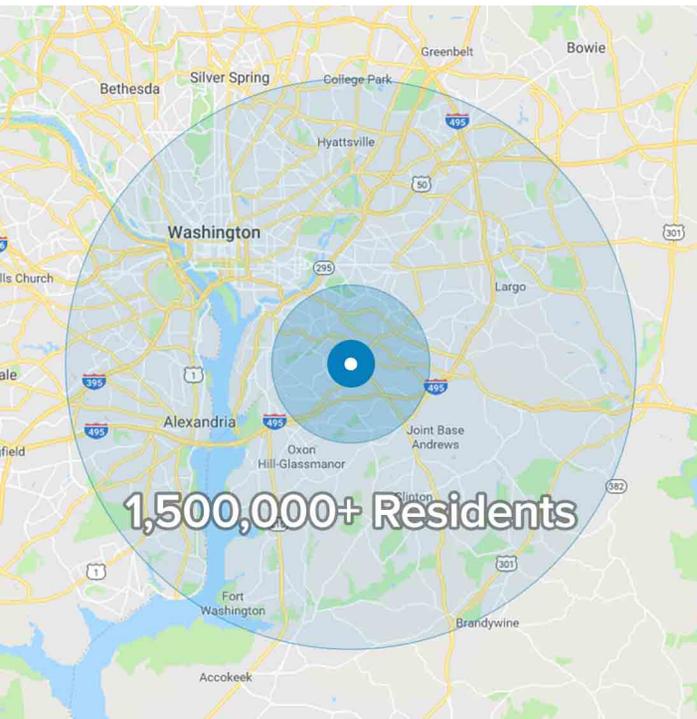
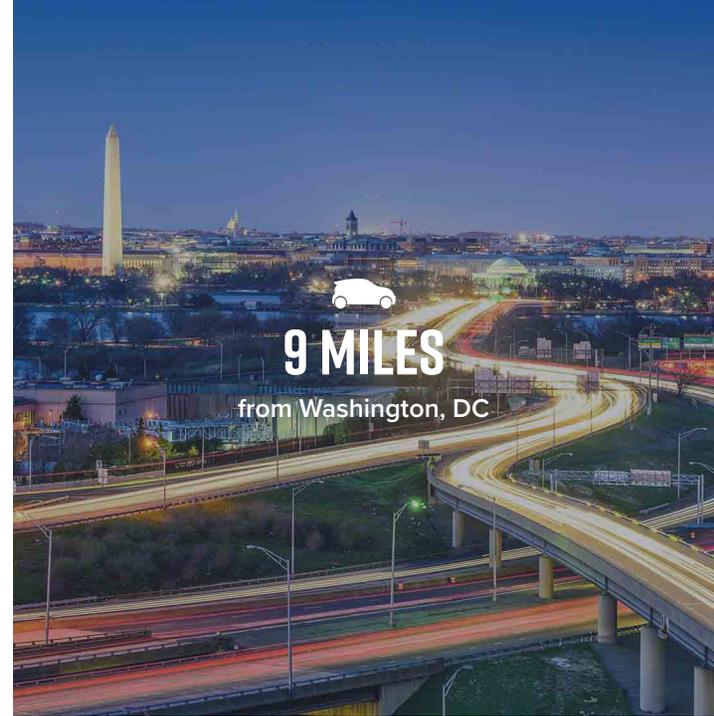
Pep Boys

# DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE	10 MILE
<b>2023 Projection</b>	14,716	173,878	403,486	1,611,465
<b>2018 Estimate</b>	14,483	167,128	384,271	1,535,862
<b>2010 Census</b>	14,631	154,940	348,797	1,377,040
<b>Growth 2018 - 2023</b>	1.61%	4.04%	5.00%	4.92%

## Sixth Largest MSA in the Nation

The subject property is located less than twelve miles from the Washington-Arlington-Alexandria, DC-VA-MD-WV metro area where the population exceeds 6.2 million people.



HOUSEHOLDS	1 MILE	3 MILE	5 MILE	10 MILE
<b>2023 Projection</b>	6,072	68,948	159,205	684,726
<b>2018 Estimate</b>	5,986	66,289	151,402	651,386
<b>2010 Census</b>	6,084	61,565	137,036	581,404
<b>Growth 2018 - 2023</b>	1.44%	4.01%	5.15%	5.12%

HOUSEHOLDS	1 MILE	3 MILE	5 MILE	10 MILE
<b>Avg. HH Income</b>	\$73,817	\$70,216	\$74,854	\$106,851
<b>Med. HH Income</b>	\$60,887	\$57,069	\$56,839	\$82,459

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