



REPRESENTATIVE PHOTO

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**PEP BOYS  
ABSOLUTE TRIPLE NET LEASE**

**1824 West Jefferson St | Joliet, IL**

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# Investment Summary

## INVESTMENT OVERVIEW

- Pep Boys Corporate Guaranty
- 8 Years Remain on Lease Term
- Annual Rent increases 1.1 x CPI, capped at 1.5%
- NNN Lease - Zero Landlord Responsibilities

Headquartered in Philadelphia, Pennsylvania, Pep Boys is a leading automotive retail and service chain, involved in the sale of automotive parts, tires and accessories, automotive repairs and the installation of parts. Founded in 1921, the Company has been in business for 86 years. The Company is publicly traded on the NYSE under the ticker symbol PBY. Pep Boys serves both do it yourself customers, which include those at the retail level and do it for me customers, which includes those seeking service labor, merchandise installations and tires. Pep Boys is the only national chain offering automotive services, accessories, tires and parts under one roof.

The subject property is well located along W Jefferson St (28,000 vehicles per day) in Joliet, IL. Over 8 years remain on the original 15 year absolute net lease that features rare annual rent increases. Additionally, the property benefits from strong retail synergy with several national retailers nearby such as a Walmart Super Center, Sam's Club, Big Kmart and Menards. Joliet, IL is the county seat of Will County and is the fourth largest city in Illinois with a population of 147,000. The town has undergone a revitalization from a manufacturing based economy to a commuter suburb benefiting from the growth of the Chicago MSA. Also, Joliet is an entertainment hub with attractions such as Harrah's Casino, Hollywood Casino and the renowned Rialto Square Theatre.

\*Current rent is \$478,162 and will increase to approximately \$485,334 on 11/27/2014

## INVESTMENT HIGHLIGHTS

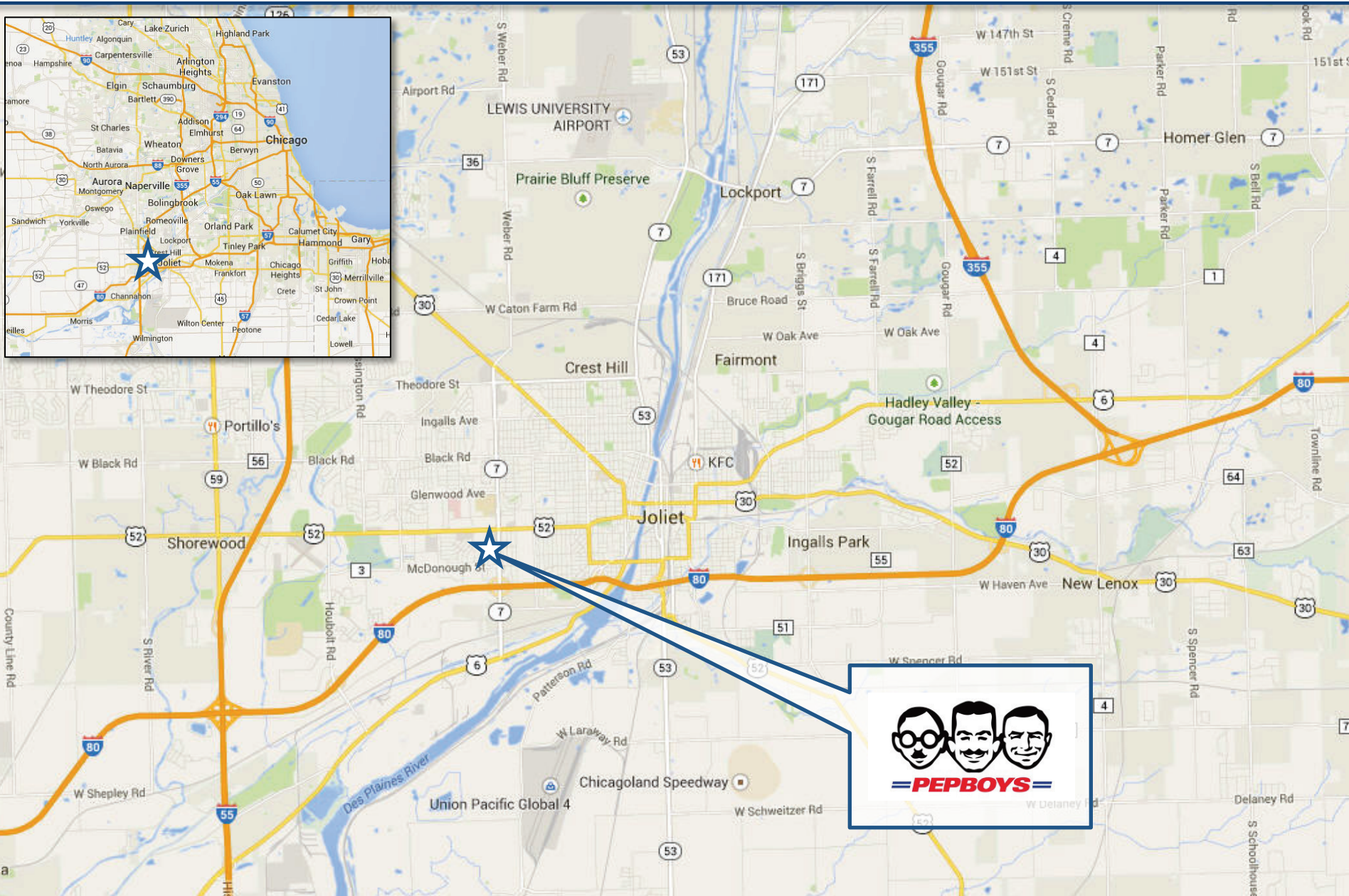
Price	\$7,140,000
Cap Rate	6.80%
Annual Rent*	\$485,334
Rent Per SF	\$21.68
Rent Increases	1.1x CPI or 1.5% Annually
Next Rent Increase	11/27/2015
Lease Term Remaining	8 years
Lease Commencement	2007
Renewal Options	Four - 5 year options
Landlord Responsibilities	None
Building Size	22,385 SF
Year Built	1993
Land Area	2.04 Acres
Lease Type	NNN
Lease Guaranty	Pep Boys - Manny, Moe & Jack of Delaware, Inc



## Map

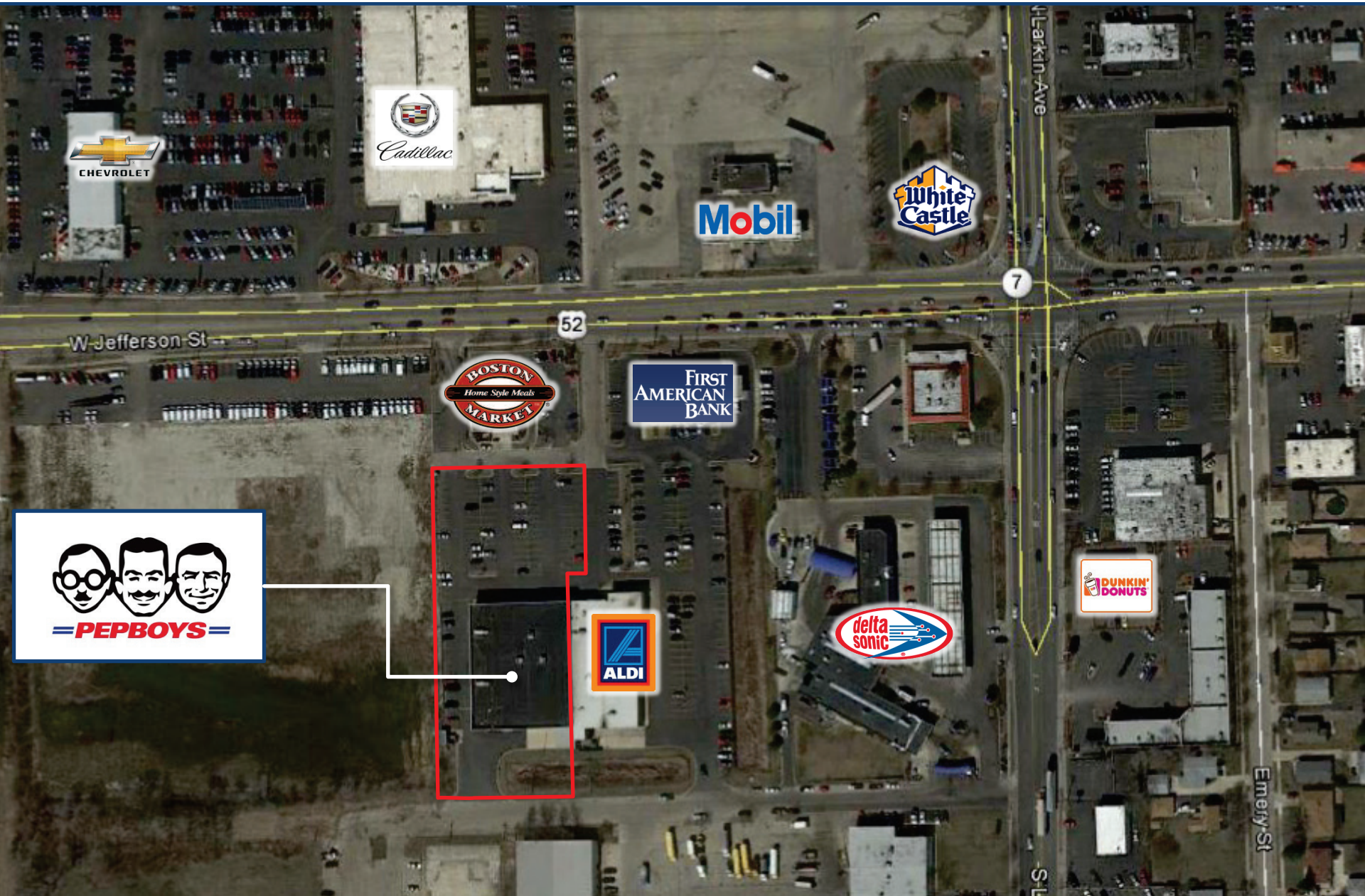


**NATIONAL RETAIL  
PROPERTIES**  
NYSE:NNN





Aerial









## Executive Summary

Pep Boys - Joliet, IL  
1824 W Jefferson St, Joliet, Illinois, 60435, Pep Boys - ...  
Rings: 1, 3, 5 mile radii

Prepared by Matthew Williams

Latitude: 41.522581893

Longitude: -88.12588197

	1 mile	3 miles	5 miles
<b>Population</b>			
2000 Population	11,134	80,241	140,854
2010 Population	11,471	86,529	164,322
2013 Population	11,527	86,973	165,660
2018 Population	11,635	87,985	168,272
2000-2010 Annual Rate	0.30%	0.76%	1.55%
2010-2013 Annual Rate	0.15%	0.16%	0.25%
2013-2018 Annual Rate	0.19%	0.23%	0.31%
2013 Male Population	47.2%	48.9%	50.3%
2013 Female Population	52.8%	51.1%	49.7%
2013 Median Age	41.3	34.1	34.3

In the identified area, the current year population is 165,660. In 2010, the Census count in the area was 164,322. The rate of change since 2010 was 0.25% annually. The five-year projection for the population in the area is 168,272 representing a change of 0.31% annually from 2013 to 2018. Currently, the population is 50.3% male and 49.7% female.

### Median Age

The median age in this area is 34.3, compared to U.S. median age of 37.3.

### Race and Ethnicity

2013 White Alone	72.5%	64.0%	65.6%
2013 Black Alone	12.7%	19.0%	17.6%
2013 American Indian/Alaska Native Alone	0.3%	0.3%	0.3%
2013 Asian Alone	1.8%	1.4%	1.6%
2013 Pacific Islander Alone	0.1%	0.0%	0.0%
2013 Other Race	9.8%	12.0%	11.8%
2013 Two or More Races	2.9%	3.3%	3.0%
2013 Hispanic Origin (Any Race)	22.8%	28.5%	29.2%

Persons of Hispanic origin represent 29.2% of the population in the identified area compared to 17.4% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 72.9 in the identified area, compared to 62.1 for the U.S. as a whole.

### Households

2000 Households	4,834	30,231	48,804
2010 Households	4,704	32,079	56,984
2013 Total Households	4,703	32,154	57,302
2018 Total Households	4,735	32,465	58,086
2000-2010 Annual Rate	-0.27%	0.60%	1.56%
2010-2013 Annual Rate	-0.01%	0.07%	0.17%
2013-2018 Annual Rate	0.14%	0.19%	0.27%
2013 Average Household Size	2.33	2.63	2.78

The household count in this area has changed from 56,984 in 2010 to 57,302 in the current year, a change of 0.17% annually. The five-year projection of households is 58,086, a change of 0.27% annually from the current year total. Average household size is currently 2.78, compared to 2.78 in the year 2010. The number of families in the current year is 39,111 in the specified area.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

October 17, 2014





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<b>Median Household Income</b>			
2013 Median Household Income	\$41,984	\$45,727	\$51,533
2018 Median Household Income	\$46,163	\$51,404	\$58,226
2013-2018 Annual Rate	1.92%	2.37%	2.47%
<b>Average Household Income</b>			
2013 Average Household Income	\$56,051	\$58,231	\$64,239
2018 Average Household Income	\$64,107	\$65,473	\$72,159
2013-2018 Annual Rate	2.72%	2.37%	2.35%
<b>Per Capita Income</b>			
2013 Per Capita Income	\$23,573	\$22,222	\$22,992
2018 Per Capita Income	\$26,720	\$24,857	\$25,677
2013-2018 Annual Rate	2.54%	2.27%	2.23%
<b>Households by Income</b>			

Current median household income is \$51,533 in the area, compared to \$51,314 for all U.S. households. Median household income is projected to be \$58,226 in five years, compared to \$59,580 for all U.S. households

Current average household income is \$64,239 in this area, compared to \$71,842 for all U.S. households. Average household income is projected to be \$72,159 in five years, compared to \$83,667 for all U.S. households

Current per capita income is \$22,992 in the area, compared to the U.S. per capita income of \$27,567. The per capita income is projected to be \$25,677 in five years, compared to \$32,073 for all U.S. households

<b>Housing</b>			
2000 Total Housing Units	4,975	32,031	51,475
2000 Owner Occupied Housing Units	3,301	19,884	34,819
2000 Owner Occupied Housing Units	1,533	10,347	13,985
2000 Vacant Housing Units	141	1,800	2,671
2010 Total Housing Units	4,983	34,493	60,936
2010 Owner Occupied Housing Units	3,093	20,089	40,523
2010 Renter Occupied Housing Units	1,611	11,990	16,461
2010 Vacant Housing Units	279	2,414	3,952
2013 Total Housing Units	5,044	34,492	61,048
2013 Owner Occupied Housing Units	2,993	19,390	39,587
2013 Renter Occupied Housing Units	1,710	12,764	17,714
2013 Vacant Housing Units	341	2,338	3,746
2018 Total Housing Units	5,165	35,365	62,549
2018 Owner Occupied Housing Units	3,097	19,969	40,818
2018 Renter Occupied Housing Units	1,638	12,497	17,267
2018 Vacant Housing Units	430	2,900	4,463

Currently, 64.8% of the 61,048 housing units in the area are owner occupied; 29.0%, renter occupied; and 6.1% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 60,936 housing units in the area - 66.5% owner occupied, 27.0% renter occupied, and 6.5% vacant. The annual rate of change in housing units since 2010 is 0.08%. Median home value in the area is \$162,599, compared to a median home value of \$177,257 for the U.S. In five years, median value is projected to change by 2.93% annually to \$187,884.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

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