

## INVESTMENT OFFERING



**SERVICE STREET AUTO REPAIR**

7601 Maynardville Pike

Knoxville, TN 37938



ACTUAL SITE



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**WERTZ**  
REAL ESTATE INVESTMENT SERVICES

# FINANCIAL OVERVIEW

## OFFERING SUMMARY

PRICE	\$1,700,000
DOWN PAYMENT	100% / \$1,700,000
RENTABLE SQUARE FEET	6,100 SF
CAP RATE	6.00%
YEAR RENOVATED	2022
LOT SIZE	30,425 +/- SF
TYPE OF OWNERSHIP	Fee Simple



## TENANT SUMMARY

TENANT TRADE NAME	Service Street Auto Repair
OWNERSHIP	Private
LEASE GUARANTOR	Corporate
LEASE TYPE	Absolute NNN
ROOF & STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	Twenty (20) Years
RENT COMMENCEMENT DATE	04/01/2022
LEASE EXPIRATION DATE	03/31/2042
TERM REMAINING ON LEASE	Twenty (20) Years
INCREASES	10% Every 5-Years
OPTIONS TO RENEW	(4) 5-Year Options
RIGHT OF FIRST REFUSAL	No

## ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL RENT	MONTHLY RENT
Years 1-5	\$102,000.00	\$8,500.00
Years 6-10	\$112,200.00	\$9,350.00
Years 11-15	\$123,420.00	\$10,285.00
Years 16-20	\$135,762.00	\$11,313.50
Years 21-25 (Option 1)	\$149,338.20	\$12,444.85
Years 26-30 (Option 2)	\$164,272.02	\$13,689.33
Years 31-35 (Option 3)	\$180,699.00	\$15,058.25
Years 36-40 (Option 4)	\$198,768.90	\$16,564.07

BASE RENT		\$102,000.00
NET OPERATING INCOME		\$102,000.00
TOTAL RETURN YR-1	6.00%	\$102,000.00

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# TENANT OVERVIEW



## SERVICE STREET AUTO REPAIR

Service Street is a full-service automotive repair center that is committed to honest and dependable service. From oil changes and state inspections to complete engine and transmission overhauls, Service Street can meet all repair and service needs. Service Street offers free written estimates from one of their A.S.E. certified technicians and, in most cases, Service Street can offer same day service on repairs.

On September 8, 2021, private equity firm Silver Oak Services Partners acquired automotive company, Drive Automotive Services. Drive Automotive Services operates the following brands: Service Street, Kerry's Car Care, & Elite Auto Repair. There are over 27 locations under Drive Automotive and growing.

Service Street has been rapidly expanding and currently have over 18 locations in Colorado, Georgia, Tennessee, and Texas with plans for many more under development. Silver Oak Services Partner's goal is to grow the Service Street concept to 100 locations.



PROPERTY NAME	Service Street Auto Repair
PROPERTY ADDRESS	7601 Maynardville Pike Knoxville, TN 37938
PROPERTY TYPE	Net Lease Auto
OWNERSHIP	Private
LEASE GUARANTOR	Corporate
TERM REMAINING ON LEASE	Twenty (20) Years
OPTIONS TO RENEW	(4) 5-Year Options
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITY	None
INCREASES	10% Every 5-Years
YEAR 1 NET OPERATING INCOME	\$102,000
NO. OF LOCATIONS	18+
WEBSITE	<a href="http://www.servicestreet.com">www.servicestreet.com</a>



# EXECUTIVE SUMMARY

## INVESTMENT OVERVIEW

The subject property is a freestanding Service Street Auto Repair located in Knoxville, TN. The brand new 20-year absolute NNN lease is corporately guaranteed by Service Street and includes 10% rental increases every 5-years in the primary term and in the (4) five-year option periods. The site also serves as the first location in Tennessee as part of Service Street Auto Repair's expansion.

This Service Street is located within a prime retail corridor and a dense residential area with over 68,000 residents in a 5-mile radius with proximity to several high-density single and multi-family developments. The site is minutes from North Knoxville Medical Center (116 beds) and Clayton Homes (a major area employer with 4,262 employees). This location also benefits from its excellent visibility and access along U.S. Route 441 / Maynardville Pike, which boasts over 40,000 vehicles per day. U.S. Route 441 / Maynardville Pike is the major north/south thoroughfare connecting the site to downtown Knoxville which is just 12 miles from the site.

The subject property is conveniently located 20 minutes from the University of Tennessee (28,000 students) and maintains beneficial proximity to major Tennessee thoroughfares, including East Emory Road/State Route 131, Interstate 640, and Interstate 75, which boast a combined traffic count exceeding 165,000 vehicles per day. The average household income exceeds \$90,000 in a 3-mile radius and \$86,000 in a 5-mile radius. The Knoxville population has been rapidly growing and is expected to grow another 6.0% over the next 5-years. National retailers in the immediate vicinity include Wal-Mart, McDonald's, AutoZone, ALDI, CVS Pharmacy, Walgreens, O'Reilly Auto Parts, Wendy's, Taco Bell, Tractor Supply Company, KFC, Pizza Hut, Arby's, Advance Auto Parts, and many others.

## INVESTMENT HIGHLIGHTS

- Corporately Guaranteed Lease by Service Street Auto Repair
- New 20-Yr Absolute NNN Lease (Zero Landlord Responsibilities)
- 10% Rent Increases Every 5-Years in Primary Term & Options
- Traffic Counts Exceed 40,000 Vehicles Per Day
- Average Household Income Exceeds \$90,000 (3-Mile Radius)
- 6.0% Expected Population Growth Over Next 5-Years



ACTUAL SITE



# AERIAL PHOTO



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# SUBJECT PROPERTY



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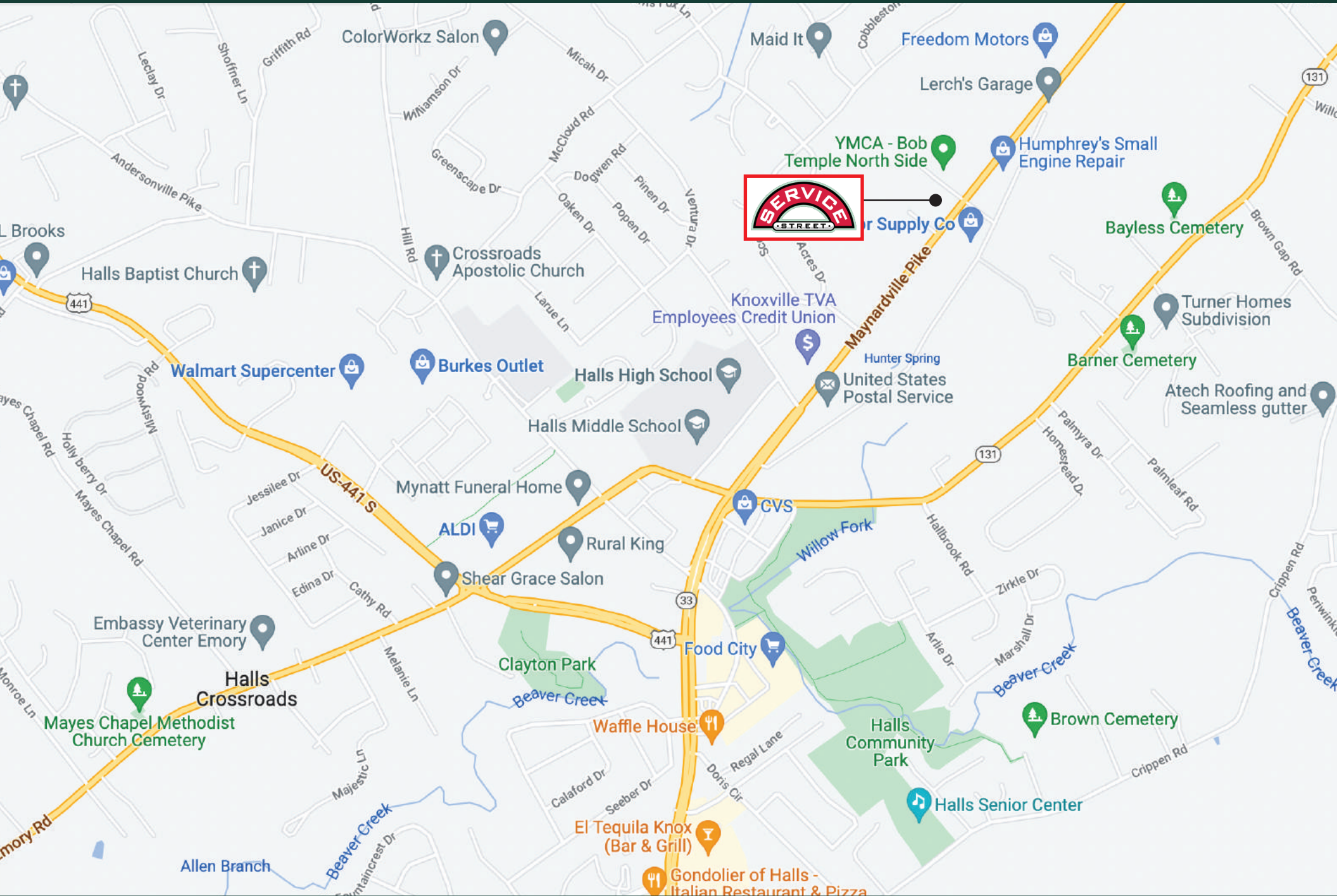
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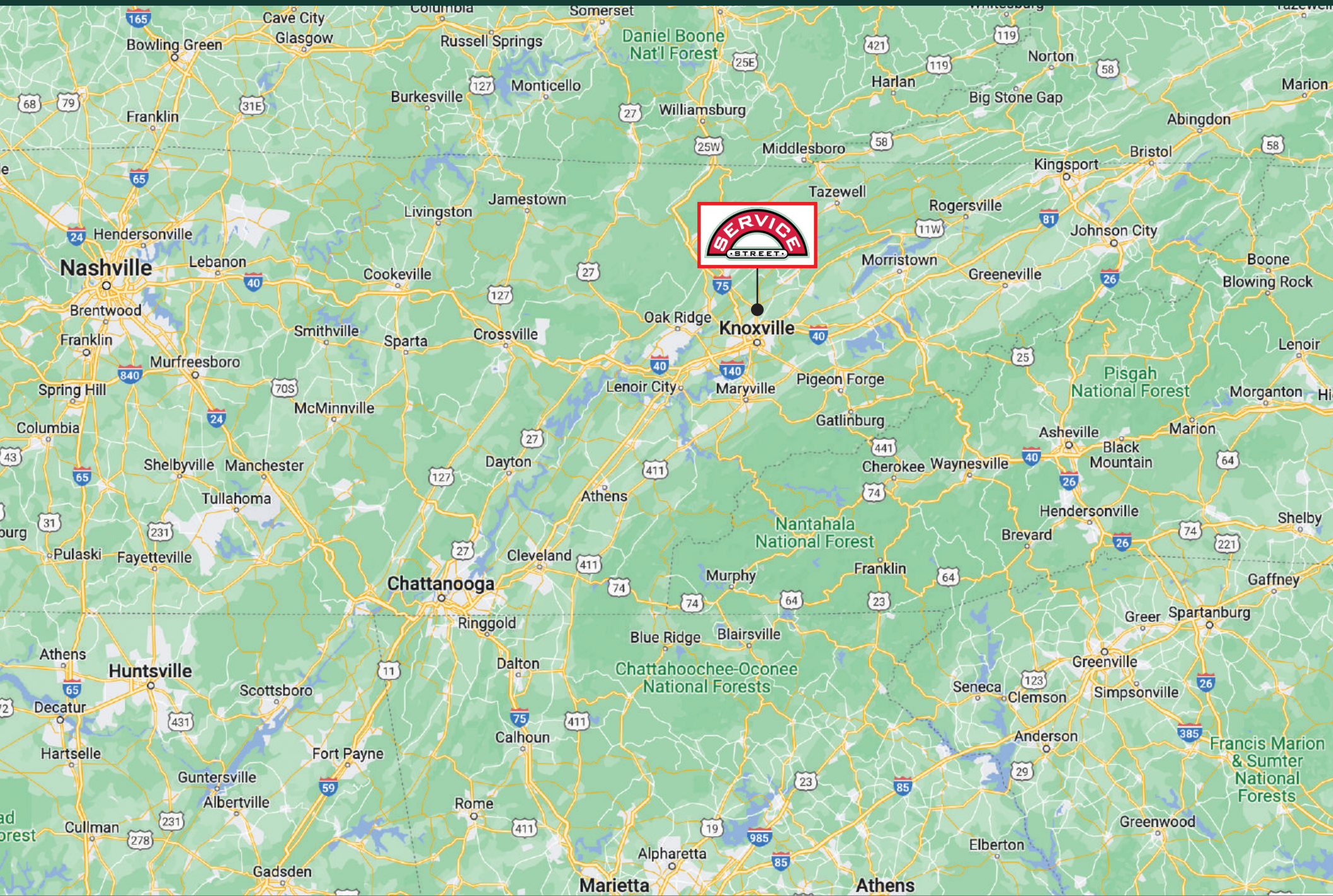
# LOCATION MAP



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# AREA MAP



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# MARKET OVERVIEW

## KNOXVILLE, TENNESSEE

The Knoxville metropolitan area, commonly known as Greater Knoxville, is a metropolitan statistical area centered on Knoxville, Tennessee, the third largest city in Tennessee and the largest city in East Tennessee. In 2020, the metro area had a population of 879,773 and the Knoxville–Morristown–Sevierville Combined Statistical Area had a population of 1,156,861 according to the 2020 US Census.

Knoxville is the home of the flagship campus of the University of Tennessee, which enrolls over 28,000 students. Knoxville is also home to the headquarters of the Tennessee Valley Authority, the Tennessee Supreme Court's courthouse for East Tennessee, and the corporate headquarters of several national and regional companies. As one of the largest cities in the Appalachian region, Knoxville has positioned itself in recent years as a repository of Appalachian culture and is one of the gateways to the Great Smoky Mountains National Park.

The largest industries in Knoxville, TN are Health Care & Social Assistance, Retail Trade, and Manufacturing and the highest paying industries are Utilities, Professional, Scientific, & Technical Services, and Mining, Quarrying, & Oil & Gas Extraction.

Major Employers in Knoxville, TN MSA include Regal Entertainment Group, Scripps Networks Interactive, Inc., Team Health Holdings, Inc., State of Tennessee, Pilot Flying J, Clayton Homes, U.S. Department of Energy - Oak Ridge Operations, Aluminum Company of America (ALCOA), The University of Tennessee, Knoxville, Covenant Health, and Tennessee Valley Authority (TVA).



### ***Knoxville, TN MSA Ranked***

64th Amongst the Top MSAs  
Nationally in 2021



### ***Major Employers in Knoxville***

Include (Regal Entertainment Group, Scripps Networks Interactive, Team Health Holdings, State of TN, Pilot Flying J, & Clayton Homes)



### ***Home to University of Tennessee -***

Knoxville (28,321 students), Pellissippi State Community College (11,259 students), and South College (4,100 students)



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# DEMOGRAPHIC REPORT

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POPULATION	1 MILE	3 MILES	5 MILES
2027 Projection	5,880	32,729	71,533
2022 Estimate	5,580	30,946	67,847
2010 Census	4,989	27,185	60,158
Percent Change 2010-2022	11.85%	13.84%	12.78%
Percent Change 2022-2027	5.38%	5.76%	5.43%
Median Age	40.78	39.50	40.00

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2022 Est. Avg. HH Income	\$93,718	\$90,614	\$86,921
2027 Projection	2,240	12,086	27,777
2022 Est. Households	2,139	11,518	26,446
2010 Census	1,956	10,458	23,826
Percent Change 2010-2022	9.36%	10.14%	11.00%
Percent Change 2022-2027	4.72%	4.93%	5.03%

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