

## ADVANCE AUTO PARTS

Hixson, TN

45,600+ VPD

Traffic Count

No State Income Tax

5540 Hwy 153,

Hixson, TN 37343

(CHATTANOOGA SUBURB)



## OFFERING MEMORANDUM



**HENRY KUSHNER**

Vice President

+1 770 312 9840 henry.kushner@colliers.com

**JOE MONTGOMERY**

Senior Vice President

+1 770 789 5514 joe.montgomery@colliers.com

**BRIAN FORRESTER, CCIM**

Executive Vice President

Broker of Record TN license Number: 299690-B

# INVESTMENT HIGHLIGHTS

5540 TN-153, Hixson, TN 37343  
(CHATTANOOGA SUBURB)



## PASSIVE CASH FLOW INVESTMENT IN BOOMING RETAIL CORRIDOR

- “Mailbox Money” - LL favorable lease structure
- Hixson submarket has 4.3 million square feet of retail, with an occupancy rate of 98%.
- Immediate proximity to nation’s largest retailers including but not limited to Target, Walmart, Home Depot, and many others
- Tenant maintained parcel, LL does not have to handle CAM billing
- Successful Tenure as this store has been in operation since 2016



## ADVANCE AUTO PARTS - TOP AUTOMOTIVE AFTERMARKET RETAILER IN THE US

- **4,300+ stores** across the United States, Canada, Puerto Rico, and the U.S. Virgin Islands.
- Supported by an additional **800+ independently owned Carquest locations** within its distribution network.
- **\$8.6 billion in annual revenue (2025).**
- Approximately **\$3.7 billion in annual gross profit**, reflecting strong margins in the automotive aftermarket industry
- Advance Auto Parts holds roughly 12%+ share of the U.S. automotive aftermarket retail sector, ranking among the largest auto parts retailers in North America
- The company returned to profitability in 2025, expanded operating margins by more than 200 basis points, and is projecting continued sales growth and improved margins in 2026.

### Positive Outlook for 2026

#### Management guidance for 2026 includes:

- 1%–2% comparable store sales growth
- 3.8%–4.5% operating margin target
- Approximately \$100 million in free cash flow expected



PRICE	\$2,445,000
CAP RATE	6.25%
NOI	\$152,800
LEASE STRUCTURE	NN+ (tenant-maintained parcel)
INCREASES	5% Every Five (5) YRS in option periods
TENANT	Advance Stores Company, Incorporated
REMAINING TERM	5+ Years
PARCEL SIZE	± .89 AC
SF	± 9,100 SF
TOTAL LOCATIONS	4,300+ Locations
TICKER	NYSE: AAP
MARKET CAP	± \$3.1B
YEAR BUILT	2016
ROOF	Carlisle 15-YR Warranty, Expiration: April 2031
OCCUPANCY	100%

# INVESTMENT HIGHLIGHTS



## HIXSON, TN STRONG DEMOGRAPHIC PROFILE / BOOMING RETAIL CORRIDOR

- Strategically located off Hwy 153, the subject property benefits from robust traffic counts exceeding **45,600+ VPD**
- Dense population of 77,000 people within a 5-mile radius, **projected to grow 2.7% to 79,146 by 2030**
- The 3-mile radius average household income is \$103,340, displaying an affluent population
- Household growth is projected to grow by 4% by 2030



## CHATTANOOGA MSA – HIGHLY SOUGHT AFTER, SUNBELT MSA SEEING MASSIVE POPULATION GROWTH

- Hixson, TN is an affluent bedroom community of Chattanooga, **approximately a 15-minute drive time to the city**
- Chattanooga MSA ranks among the **largest MSAs in Tennessee** and continues to experience steady population growth
- The Chattanooga economy produces **over \$34 billion in annual GDP**, reflecting a diversified and expanding regional economy
- From **2019–2023 the region secured 87 economic development projects totaling \$2.5 billion in capital investment and 8,300 new jobs**
- Chattanooga sits at the intersection of **three major interstate highways (I-75, I-24, and I-59)** and serves as a regional logistics hub with rail access and an inland port along the Tennessee River
- The Chattanooga region hosts several major employers and manufacturing facilities, including:
  - Volkswagen Group
  - Amazon
  - Alstom



EXPLORE CHATTANOOGA



# SITE PLAN

**±9,100**  
SQUARE FEET

**±.89**  
ACRES

**27**  
PARKING SPACES

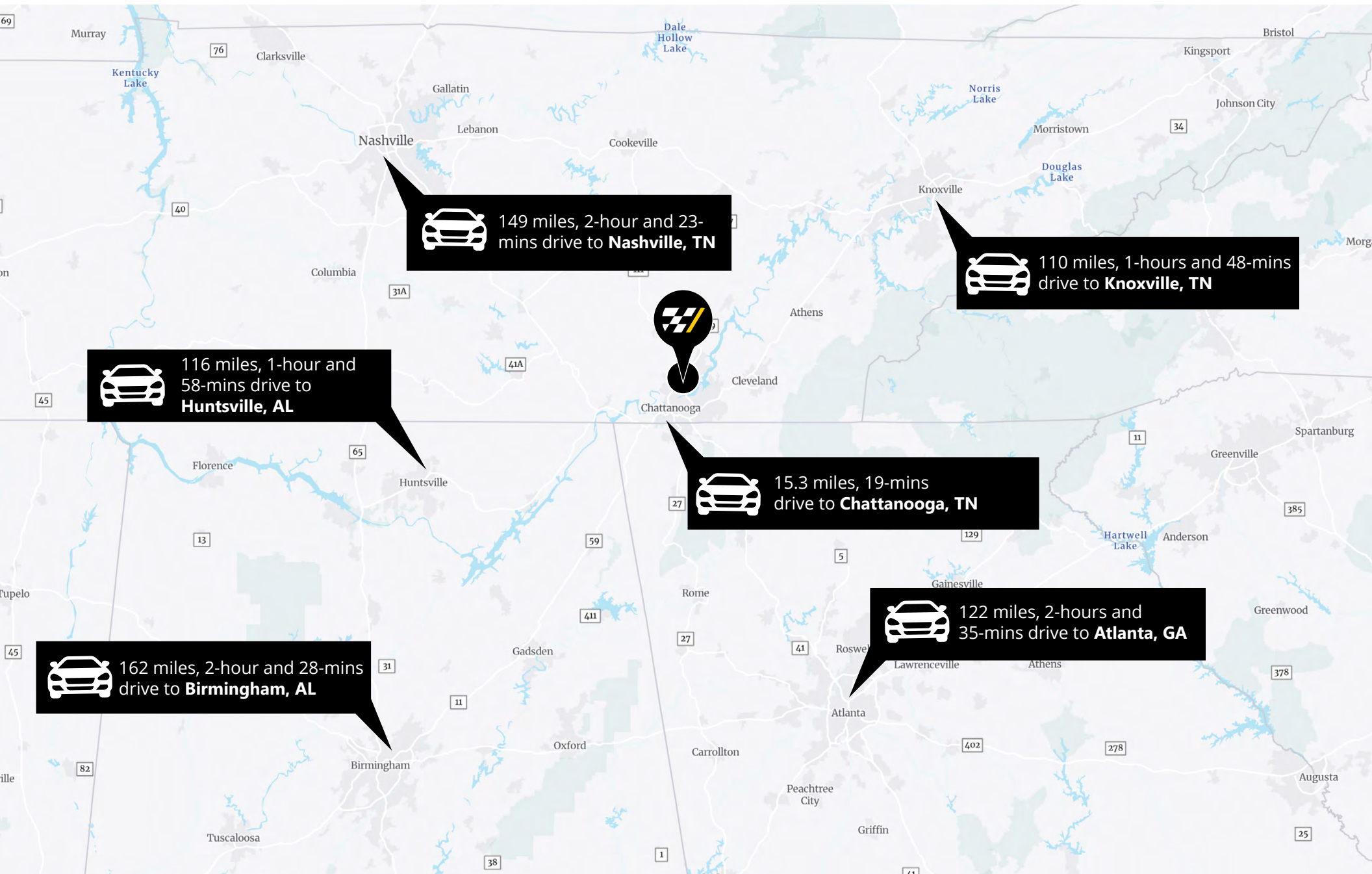


**ADVANCE**  
AUTO PARTS

---

**+/- 9,100 SF**

# AREA OVERVIEW





# LOCAL AREA OVERVIEW

↑ 20 min drive time to Downtown Chattanooga



# LOCAL AREA OVERVIEW



**TARGET** **Burlington**  
**PET SMART** **STARBUCKS COFFEE**  
**DOSBROS** **Marshalls**  
FRESH MEXICAN GRILL

**cricket wireless** **AT&T** **CITGO**  
**TireDiscounters**

**Walmart Supercenter** **BUFFALO WILD WINGS**  
**Chick-fil&** **five BELOW** **Great Clips**  
**NOTHING Bundt CAKES** **petco**

**Hixson Elementary**  
**HAMILTON COUNTY SCHOOLS**

**Applebee's**

**Public Storage** **DISCOUNT CABINETS TO GO** **WOW FOR LESS.**  
**TIRE**

**COMTRUST**  
Federal Credit Union

**xfinity** **BatteriesPlus+**  
**SUN TAN CITY** **AspenDental**

**LONGHORN STEAKHOUSE**

**afc** **american family care URGENT CARE** **theVitamin Shoppe**  
**verizon** **FIREHOUSE SUBS**

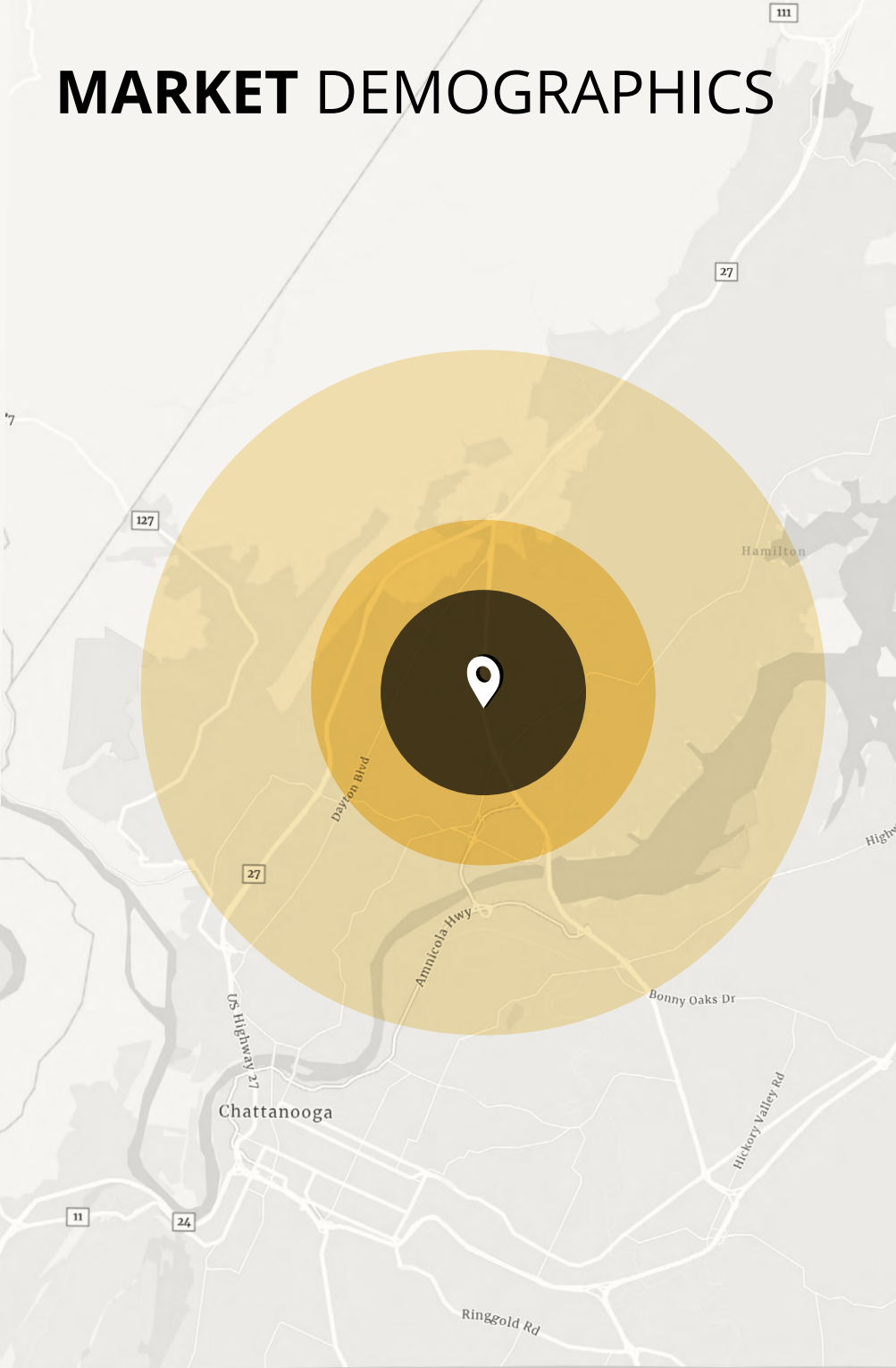
**ADVANCE AUTO PARTS**



**Mod Wash**

HWY 153 / 45,600+ VPD

# MARKET DEMOGRAPHICS



	3-Mile	7-Mile	10-Mile
<b>Population</b>			
2025 Est. Population	5,634	36,739	77,085
2030 Proj. Population	5,711	37,741	79,146
Change 2025 - 2030	1.4%	2.7%	2.7%
<b>Households</b>			
2025 Est. Households	2,474	15,769	33,175
2030 Proj. Households	2,540	16,394	34,541
Change 2025 - 2030	2.7%	4.0%	4.1%
<b>2025 Income</b>			
Average HH Income	\$89,468	\$103,340	\$116,954
Median HH Income	\$67,627	\$76,863	\$82,208
Per Capita Income	\$38,895	\$44,451	\$50,408
<b>2025 Housing Units</b>			
Total Housing Units	2,638	16,942	35,413
Owner Occupied Units	56.4%	65.8%	67.8%
Renter Occupied Units	43.6%	34.2%	32.2%
Vacant Units	6.2%	6.9%	6.3%
<b>2025 Employment</b>			
# of Employees	4,514	16,017	27,384
# of Businesses	375	1,466	2,394

## TRAFFIC COUNTS

Street	Count	Type	Year	Dist.
Gadd Road	7,624	AADT	2022	.42
Northpoint Blvd.	7,586	AADT	2021	.55
Grubb Road	4,862	AADT	2021	.58
Grubb Road	4,707	AADT	2022	.58
Gadd Road	8,542	AADT	2022	.58
<b>Highway 153</b>	45,612	AADT	2022	.86

# RENT SCHEDULE

BASE RENT				
Current Term	Monthly Rent	Annual Rent	Rent PSF	Cap Rate
5/26/2016 - 5/31/2031	\$12,733.33	\$152,800	\$16.79	6.25%
<b>Renewal Option(s)</b>		<i>Four (5) five-year options</i>		
6/1/2031 - 5/31/2036	\$13,370.00	\$160,440	\$17.63	6.56%
6/1/2036 - 5/31/2041	\$14,038.50	\$168,462	\$18.51	6.89%
6/1/2041 - 5/31/2046	\$14,740.42	\$176,885	\$19.44	7.23%
6/1/2046 - 5/31/2051	\$15,477.45	\$185,729	\$20.41	7.60%



# LEASE ABSTRACT

<b>Tenant/Trade Name:</b>	ADVANCE STORES COMPANY, INCORPORATED / Advance Auto Parts				
<b>Square Footage:</b>	9,100 SF				
<b>Original Commencement Date:</b>	5/26/2016				
<b>Current Term Expiration:</b>	5/31/2031				
<b>Use:</b>	Tenant may use the Leased Premises for the display, storage and sale of automotive parts, accessories, supplies and/or maintenance items.				
<b>Exclusive Use:</b>	Landlord and all related parties shall not, during the Lease term, own, operate, lease, or allow any property within two (2) miles of the Leased Premises to be used for the sale, display, or rental of automotive parts, accessories, supplies, or maintenance items, and must impose and enforce the same two (2) mile restrictions on any adjacent or nearby property transfers to protect Tenant's exclusive rights, subject only to the limited square footage, existing tenant, and tire/auto service exceptions.				
<b>Options-to-Renew:</b>	Four (4) - Five (5) Year Options				
<b>Base Rent:</b>		<b>Lease Year</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>	<b>Rent PSF</b>
		Year 1-15	\$152,800	\$12,733	\$16.79
	Option 1	5 Years	\$160,440	\$13,370	\$17.63
	Option 2	5 Years	\$168,462	\$14,039	\$18.51
	Option 3	5 Years	\$176,885	\$14,740	\$19.44
	Option 4	5 Years	\$185,729	\$15,477	\$20.41
<b>Common Area Maintenance:</b>	Tenant to Pay Directly				
<b>Property Tax Reimbursement:</b>	Pro Rata Share				
<b>Property Insurance Reimbursement:</b>	Pro Rata Share				
<b>Tenant Repairs/ Maintenance:</b>	Ordinary wear and tear to any portion of premises, sprinkler system, and exterior of building (including painting), parking and exterior signs.				
<b>Landlord Repairs/ Maintenance:</b>	Slab, foundation, structure, and Roof				
<b>HVAC:</b>	Tenant Responsibility				
<b>Estoppels:</b>	30 days				

# TENANT SUMMARY

Advance Auto Parts is a leading automotive aftermarket parts provider serving both professional installers and do-it-yourself customers across North America. Founded in 1929 and headquartered in Raleigh, the company offers a comprehensive selection of automotive replacement parts, batteries, accessories, tools, and maintenance items for domestic and imported vehicles, including passenger cars, SUVs, vans, and light- and heavy-duty trucks. In addition to its extensive in-store inventory, Advance Auto Parts supports customers through an integrated e-commerce platform with in-store pickup and commercial delivery capabilities.

The company operates thousands of retail locations under the Advance Auto Parts and Carquest brands, along with Worldpac branches that specialize in import parts distribution. Its geographic footprint spans the United States, Puerto Rico, the U.S. Virgin Islands, and Canada, with independently owned Carquest locations operating in Mexico and the Caribbean. With a longstanding operating history and a national supply chain network, Advance Auto Parts remains a well-established and recognizable retailer within the essential automotive aftermarket sector. As of March 2026, Advanced Auto Parts stock is up approximately 30%. In Q4 2025, AAP beat earnings significantly, reporting quarterly EPS of \$0.86 vs. about \$0.41 expected. The company set guidance for 2026 that is very optimistic for the company's direction. To further display the optimism for the company's direction, American Century Companies increased its holdings of AAP by 559% in Q3 2025 - now owning 1,519,591 shares.



<b>Tenant Entity</b>	AAP (NYSE)
<b>Market Cap</b>	\$3.66BB
<b>No. of Locations</b>	4,300+



# **ADVANCE**<sup>TM</sup> **AUTO PARTS**



# HIXSON, TN

Hixson, a northeastern suburb of Chattanooga in Hamilton County, serves as a primary retail hub for the surrounding suburban trade area. With a local population of approximately 45,000 residents and a trade area exceeding 120,000 people, Hixson continues to expand alongside steady 1%–2% annual population growth and ongoing single family and multifamily housing development. The corridor along Highway 153 and U.S. 27 provides strong regional connectivity and consistent consumer traffic. Retail activity is anchored by Northgate Mall, which is undergoing repositioning efforts highlighted by the recent opening of BJ's Wholesale Club, new pad site developments, and continued investment in surrounding shopping centers. Additional residential growth in areas like Hixson Pike and Big Ridge and recent infrastructure improvements along Highway 153 are driving increased retailer interest, particularly from national quick service restaurants, service providers, and value oriented retailers. Hixson's combination of suburban population growth, accessibility, and established retail nodes positions it as a stable and expanding submarket within the greater Chattanooga retail landscape.



## LABOR SNAPSHOT | Top Manufacturing Companies in Chattanooga, Tennessee MSA

Company	Product	Employees
Erlanger	Health System	5,994
Hamilton County Schools	Elementary & Secondary Education	5,781
Volkswagen	Automotive Manufacturing	5,239
BlueCross BlueShield of Tennessee	Health Care Financing / Health Insurance	4,145
Tennessee Valley Authority	Electric Utility	3,857
CommonSpirit – Memorial Hospital	Health Care (Hospital System)	3,722
McKee Foods Corporation	Food Manufacturing	3,171
Unum Group	Insurance (Employee Benefits)	3,082

Source: Chattanooga Area Chamber of Commerce, 2025



# CHATTANOOGA, TN

Chattanooga continues to demonstrate strong population and economic growth. The Chattanooga MSA, now home to roughly 588,000 residents, has grown by over 5% since 2020, driven by in migration, household formation, and a diversified employment base that includes major employers such as Volkswagen Chattanooga Assembly Plant, Unum, BlueCross BlueShield of Tennessee, and Amazon distribution facilities. Ongoing mixed-use and redevelopment initiatives, including The Bend, South Broad District, and Riverfront Parkway revitalization projects, are enhancing walkability and expanding the city's live work play environment. Chattanooga is a highly attractive alternative for companies and residents to major cities such as Atlanta and Nashville. Chattanooga is the only city to be named by Outdoor Magazine's "best city ever" twice. The Chattanooga MSA blends outdoor living with a dynamic economic base, offering affordable and high-quality living for families. Chattanooga has benefited from \$14B in economic investment since 2008. The region's \$43.9 Billion economy includes major industry clusters such as:

- Advanced Manufacturing
- Automotive Production
- Health Services
- Textile Production
- Transportation and Logistics
- Food and Beverage Production

## ECONOMIC DRIVERS IN CHATTANOOGA:

- Chattanooga is also home to **University of Tennessee, Chattanooga**, which has a total enrollment of over 12,000 students.
- **"UTC"** forecast net job gains of 5,000 for 2026 and 7,000 for 2027 for the Chattanooga MSA.
- The projected population of Chattanooga is projected to **double by 2055**.



**588,050**  
MSA Population (2024)  
- U.S. Census Bureau via FRED

**1.11 Million**  
Greater Chattanooga Region  
Population (2024 est.)  
- Greater Chattanooga Economic Partnership

**436,000**  
Total Jobs (2025)  
- U.S. Bureau of Labor Statistics via GCEP

**#27 Best Place to  
Live in the U.S.**  
(#1 in Tennessee)  
- U.S. News & World Report

**#8 "Best Cities  
in the South"**  
(2025)  
- Southern Living Magazine



## CONTACT US

**HENRY KUSHNER**

Vice President  
+1 770 312 9840  
henry.kushner@colliers.com

**JACOB TODORA**

Senior Financial Analyst  
+1 678 701 2914  
jacob.todora@colliers.com

**JOE MONTGOMERY**

Senior Vice President

**ALEXA PEREZ**

Client Services Coordinator  
+1 404 877 9235  
alexa.perez@colliers.com

**BRIAN FORRESTER, CCIM**

Executive Vice President  
Broker of Record  
TN license Number: 299690-B



1230 Peachtree Street, Suite 800  
Atlanta, GA 30309  
[colliers.com/atlanta](http://colliers.com/atlanta)

*This document has been prepared by Colliers for advertising and general information only. Colliers makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers and /or its licensor(s). © 2024. All rights reserved. This communication is not intended to cause or induce breach of an existing listing agreement.*