

AutoZone

1106 W Patrick St
Frederick, Maryland 21703



INVESTMENT SUMMARY

THE OFFERING

Marcus & Millichap is pleased to present the opportunity to acquire fee simple interest (ground lease) in an absolute NNN leased AutoZone investment property located in Frederick, Maryland.

The location has been operating since 2014 and the tenant recently executed a 15-year lease extension with six (5-year) options to renew, underscoring their long-term commitment to this site. The lease features a 6% rental increase in 2029 and 8% bumps at the commencement of each option period, delivering steadily growing NOI and a built-in inflation hedge. The lease structure is absolute NNN with zero landlord responsibilities, making this an ideal, management-free investment for passive capital.

The AutoZone is positioned at the signalized, hard-corner intersection of W Patrick Street and Hillcrest Drive, with direct frontage on US Highway 15 averaging over 103,500 vehicles per day. W Patrick Street serves as one of Frederick's primary retail thoroughfares. The property sits within walking distance of Hillcrest Center Shopping Center (90,000+ SF), anchored by Aldi, Dollar Tree, and Planet Fitness, and directly across from Westridge Square Shopping Center (200,000+ SF), home to Burlington, H Mart, and multiple national retailers. The surrounding corridor includes Home Depot, Harbor Freight, Petco, Starbucks, McDonald's, 7-Eleven, and Dunkin', generating exceptional consumer traffic and strong crossover store exposure. The 5-mile trade area is supported by a population exceeding 134,200 residents and an average household income of \$131,155.



OVERVIEW

FREDERICK, MD

PRICE:	\$3,747,000
NET OPERATING INCOME (NOI):	\$177,984
CAP RATE:	4.75%
LEASE SIGNATURE:	Corporate
TENANT:	Auto Zone
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None
RENTABLE AREA:	8,972 SF
LAND AREA:	1.15 AC
YEAR BUILT/RENOVATED:	1989/2014
PARCEL NUMBER (APN):	02-111527
OWNERSHIP:	Fee Simple (Ground Lease)
ADDRESS:	1106 W. Patrick Street Frederick, Maryland 21703

LEASE ABSTRACT

	LEASE BEGIN	LEASE END	ANNUAL RENT	PRICE/SF	OPTIONS
AutoZone	3/7/2014	7/31/2040	177,984	\$19.84	6 (5-Year)
Corporate Signed	-	-	\$188,663	\$21.03	8% Increases at Beg. of Each Option

Real Estate Taxes	Tenant is responsible for all real estate taxes
Insurance	Tenant is responsible for all insurance costs
Roof & Structure	Tenant is responsible for roof & structure.



INVESTMENT HIGHLIGHTS

Recent 15-Year Extension | Options to Extend | Scheduled Rental Increases

- Operating since 2014 — tenant recently signed a 15-year extension with 6 (5-year) renewal options, demonstrating deep site commitment
- 6% rental increase in 2029 and 8% bumps at the start of each option period provide growing NOI and inflation protection

Absolute NNN | Fee Simple (Ground Lease) | Zero Landlord Responsibilities

- Tenant responsible for CAM, taxes, insurance, and all maintenance of the premises
- No landlord obligations — ideal, passive, management-free investment

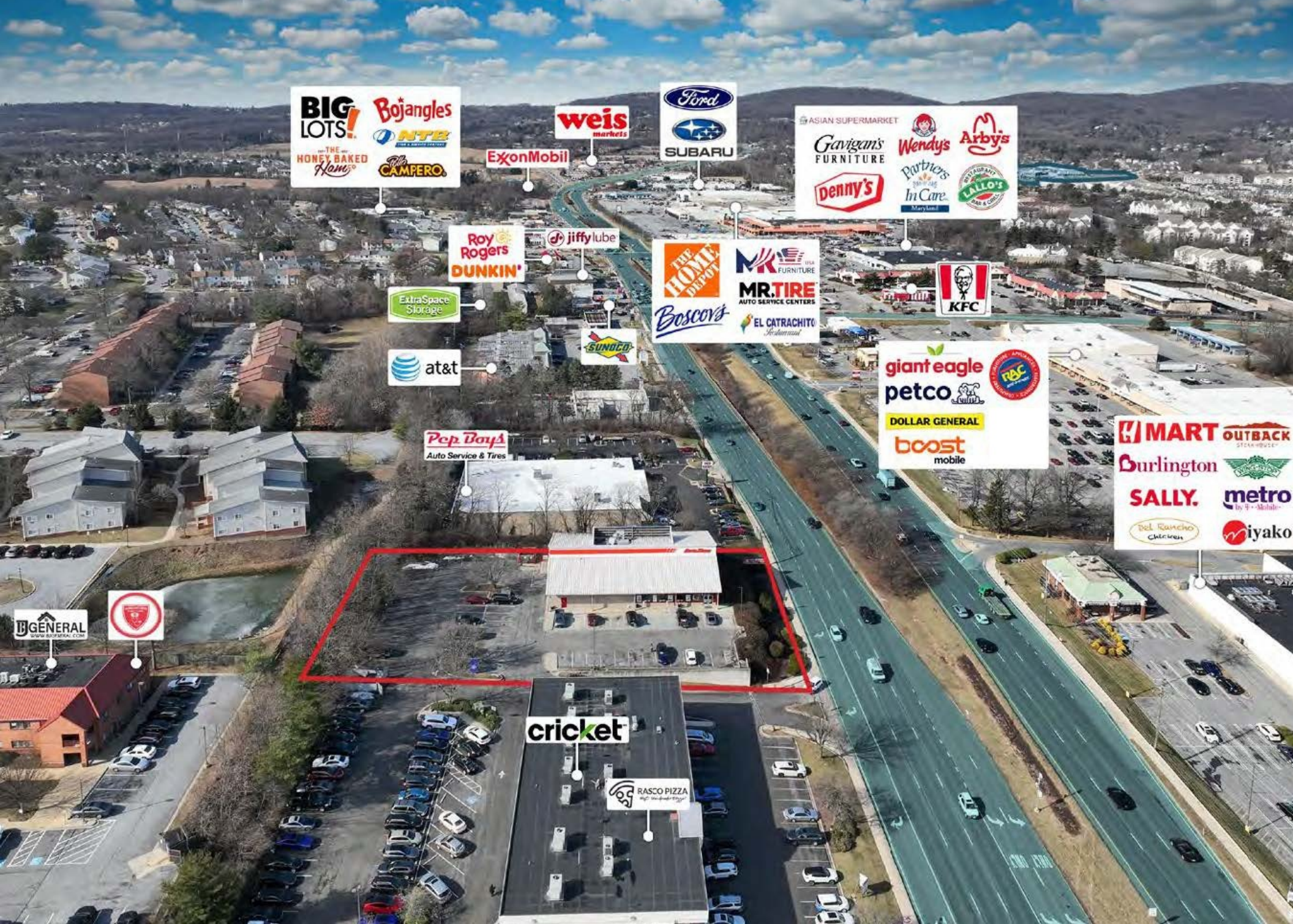
US Hwy 15 (103,500 VPD) | Dense National/Credit Tenant Corridor

- Direct frontage on US Highway 15 with over 103,500 vehicles passing daily
- Adjacent to Hillcrest Center (90,000+ SF) and Westridge Square (200,000+ SF) shopping centers featuring Aldi, Burlington, H Mart, Dollar Tree, and Planet Fitness
- Surrounded by Home Depot, Harbor Freight, Petco, Starbucks, McDonald's, 7-Eleven, and Dunkin' — driving consistent consumer traffic and crossover exposure

Strong 5-Mile Trade Area Demographics

- 134,200+ residents and 78,300+ employees within 5 miles
- \$131,155 average household income





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LOCATION OVERVIEW

FREDERICK, MD

Frederick is an integral part of the broader Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA), one of the largest and most economically powerful metro regions in the United States. The greater Washington metro encompasses over 6.4 million residents and generates combined economic output exceeding \$1.1 trillion annually. The region's economy is anchored by the federal government and an expansive ecosystem of defense contractors, technology firms, professional services companies, and world-class research institutions.

Washington, D.C.'s population surpassed 700,000 in 2024 for the first time since 2019, reflecting a sustained urban resurgence. The metro area's federal employment base — approaching 370,000 government workers — provides unmatched economic stability, while its professional services, technology, and defense contracting sectors continue to generate significant private-sector income growth. The Frederick-Gaithersburg-Bethesda metropolitan division alone accounts for over 600,000 jobs, directly supporting the consumer base that drives demand for essential retail tenants like AutoZone. The DC metro's consistently high household incomes, educated workforce, and low unemployment make it one of the most desirable investment markets in the country for net lease retail assets.

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2024 POPULATION	24,062	87,766	134,287
2029 POPULATION EST.	25,583	78,979	145,748
AVG. HH INCOME	\$100,984	\$115,860	\$131,155
MEDIAN HH INCOME	\$74,925	\$88,310	\$102,285
BACHELORS DEGREE +	29%	38%	42%
2024 HOUSEHOLDS	8,716	34,313	51,371



FREDERICK, MD



TENANT OVERVIEW

AutoZone

AutoZone, Inc. (NYSE: AZO) is the largest retailer and distributor of automotive replacement parts and accessories in the United States. Founded in 1979 and publicly traded since 1991, AutoZone has grown into one of the most dominant specialty retailers in the country, operating across the U.S., Mexico, and Brazil. The company is a Fortune 500 constituent and a member of the S&P 500 Index. AutoZone's business model is characterized by recession-resistant demand — consumers tend to repair and maintain existing vehicles rather than purchase new ones during periods of economic uncertainty, providing durable revenue through all market cycles.

AutoZone holds investment-grade credit ratings from both S&P (BBB) and Moody's (Baa1) with stable outlooks, reflecting the company's strong operating performance, predictable cash flows, and disciplined financial management. For FY2024, the company reported \$18.5 billion in revenue and \$2.7 billion in net income, with operating profit growing 9.1% year-over-year. AutoZone has aggressively returned capital to shareholders, repurchasing over \$37 billion in stock since its buyback program inception. The company opened 213 net new stores in FY2024 alone, demonstrating continued confidence in its retail format and long-term growth trajectory.

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