



**1820 E MARKLAND AVE | KOKOMO, IN 46901**



INTERACTIVE OFFERING MEMORANDUM

# VALVOLINE

1820 E Markland Ave | Kokomo, IN 46901

EXCLUSIVELY LISTED BY



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**±1,667 SF**  
GLA



**2020**  
Year Built



**±10,900**  
Vehicles Per Day



**Absolute NNN**  
Lease Type

# PROPERTY OVERVIEW

## EXECUTIVE SUMMARY:

Matthews Real Estate Investment Services is pleased to exclusively offer the opportunity to acquire the ground leased interest in a single-tenant net leased Valvoline Instant Oil Change located at 1820 E Markland Ave, Kokomo, IN 46901. Situated in a prominent and highly trafficked retail corridor, this Property offers investors a well-located net-leased asset that is outparceled to a Walmart Supercenter. Valvoline is operating on an Absolute NNN Ground Lease and takes care of all tax, insurance, and maintenance obligations associated with the property, leaving an investor with an asset that is fully passive. The lease is corporately guaranteed by Valvoline Inc (NYSE: VVV), the leading automotive oil change tenant in the repair space. As of 2023, Valvoline's annual revenue was \$1.444B and held a credit rating of BB and an market cap value of \$5.295B, providing a prospective purchaser an extremely strong performing brand.

## LEASE HIGHLIGHTS:

- **Absolute NNN Ground Lease** – Tenant is responsible for the direct payment of all taxes, insurance, and maintenance associated with the property, providing the landlord with an absolute form of passive income.
- **Corporate Guarantee** – The lease is corporately guaranteed by Valvoline Inc (NYSE: VVV), providing a landlord with very secure guarantee backing the lease.
- **10% Rent Bumps Every 5 Years** - The lease includes 10% rent increases every 5 years and at each renewal option, enhancing returns and providing an owner with hedges against inflation.

## LOCATION HIGHLIGHTS:

- **Outparcel to Top Performing Walmart Supercenter:** The site is positioned as an outparcel to a Walmart Supercenter, ensuring consistent customer exposure to Valvoline
- **The Walmart behind the Valvoline ranks in the top 75th percentile nationally and top 80th percentile in the state of Indiana, per Alpha Maps**
- **Recent Construction:** The Property was developed brand new from the ground up in 2020, providing an owner with a building that is of top-notch quality
- **Tremendous Population Growth** – Kokomo has experienced explosive growth in the **last 10 years, seeing a 31.1% growth rate in population**
- **Prominent Retail Corridor:** The Property benefits from other national retailers in the immediate surrounding area such as Walmart, Sam's Club, Wendy's, Meijer, Target, Hobby Lobby, McDonald's, Verizon, Sonic, Walgreens, Planet Fitness, Circle K, and several others.

## TENANT HIGHLIGHTS:

- **Industry Leading Tenant** – Valvoline ranked #1 among all oil change and preventative automotive maintenance brands and 27th overall among the top 500 franchise brands.
- **Rapid Revenue Growth** – As of the end of 2023, Valvoline reported annual revenue of \$1.444 billion, which was a 17% increase over the previous year in 2022.
- **Active Growth** - Valvoline is accelerating the growth of its retail footprint by aiming to add 250 new store locations by 2027, with 100 of those locations coming from franchisees.

# FINANCIAL OVERVIEW



**\$1,460,176**  
LIST PRICE



**5.65%**  
CAP RATE



**\$82,500**  
NOI

## TENANT SUMMARY

<b>Tenant Trade Name</b>	Valvoline
<b>Type of Ownership</b>	Ground Lease
<b>Lease Guarantor</b>	Valvoline Inc. (NYSE: VVV)
<b>Lease Type</b>	Absolute NNN
<b>Landlords Responsibilities</b>	None
<b>Original Lease Term</b>	15 Years
<b>Rent Commencement Date</b>	8/15/2020
<b>Lease Expiration Date</b>	8/17/2035
<b>Term Remaining on Lease</b>	±11 Years
<b>Increases</b>	10% Every 5 Years
<b>Options</b>	Three, 5-Year Options

## ANNUALIZED OPERATING DATA - BASE TERM

	MONTHLY RENT	ANNUAL RENT	CAP RATE
<b>YEARS 1-5</b>	<b>\$6,250.00</b>	<b>\$75,000.00</b>	<b>5.14%</b>
YEARS 6-10	\$6,875.00	\$82,500.00	5.65%
YEARS 11-15	\$7,562.50	\$90,750.00	6.22%
First Option	\$8,318.75	\$99,825.00	6.84%
Second Option	\$9,150.63	\$109,807.50	7.52%
Third Option	\$10,065.69	\$120,788.25	8.27%
Fourth Option	\$11,072.26	\$132,867.08	9.10%





## TENANT OVERVIEW

Valvoline Inc., founded in 1866 by Dr. John Ellis, is one of the oldest oil and lubricant brands in the United States and has become a leading player in the global automotive service industry. Initially recognized for its high-quality motor oils, Valvoline pioneered advancements in engine lubrication technology, including the development of the first-ever racing oil. Over the years, the brand has expanded its offerings to include a range of automotive maintenance products, from lubricants and antifreeze to automotive chemicals, serving both consumer and commercial markets worldwide.

Headquartered in Lexington, Kentucky, Valvoline operates a widespread network of service centers and franchises across North America and in several international markets. Its business model has evolved to focus heavily on quick-lube service centers, with "Valvoline Instant Oil Change" becoming one of the most recognizable names in automotive maintenance. This approach emphasizes fast and convenient oil change and preventive maintenance services, catering to the modern, on-the-go consumer.

With a workforce of around 8,900 employees, Valvoline has maintained a commitment to innovation, customer service, and environmental sustainability. The company continues to invest in research and development to meet the demands of a changing automotive landscape, including advancements in electric vehicle maintenance solutions. Valvoline's rich heritage and commitment to quality have solidified its reputation as a trusted brand in automotive care, appealing to both professional mechanics and everyday drivers alike.

HEADQUARTERS  
**Lexington, KY**

YEAR FOUNDED  
**1866**

# OF EMPLOYEES  
**±8,900**



**Walmart**  
Supercenter

popshelf

JOANN



**DAMITZ**  
PHYSICAL THERAPY

AFFORDABLE  
DENTURES &  
IMPLANTS

**Goodwill**

**meineke**  
DOING CAR CARE RIGHT



**verizon**

**RNR**  
TIRE EXPRESS

**IWU**  
DIANA WESLEYAN UNIVERSITY

KOKOMO CHIROPRACTIC

SUBJECT  
PROPERTY



**CIRCLE K**

**SUPERIOR  
AUTO**  
Drive Your Way!

**E MARKLAND AVE ± 10,900 VPD**

STAPLES



Burlington

five BELOW

AT&T

BEST BUY

MARKLAND MALL

PET SMART  
Party City  
five BELOW  
HIBBETT SPORTS  
carter's  
Bath & Body Works  
maurices  
ROSS DRESS FOR LESS  
Dunham's SPORTS  
MEN'S WEARHOUSE®

TARGET

BURGER KING

Arby's

McDonald's

HOBBY LOBBY

S REED RD ± 23,200 VPD

wellnow Urgent Care  
physicians immediate care

White Castle

Crave's CHICKEN FINGERES

Staples

CIRCLE K

SUBJECT PROPERTY

E MARKLAND AVE ± 10,900 VPD

RNR TIRE EXPRESS

IWU  
DIANA WESLEYAN UNIVERSITY

Wendy's





**meijer**

**SONIC**

**sam's club**

**HOBBY LOBBY**

**E MARKLAND AVE ± 10,900 VPD**

**Staples**

**IWU**  
DIANA WESLEYAN UNIVERSITY

**Wendy's**

**SUBJECT PROPERTY**

**RNR**  
TIRE EXPRESS





# PROPERTY PHOTOS



# PROPERTY PHOTOS



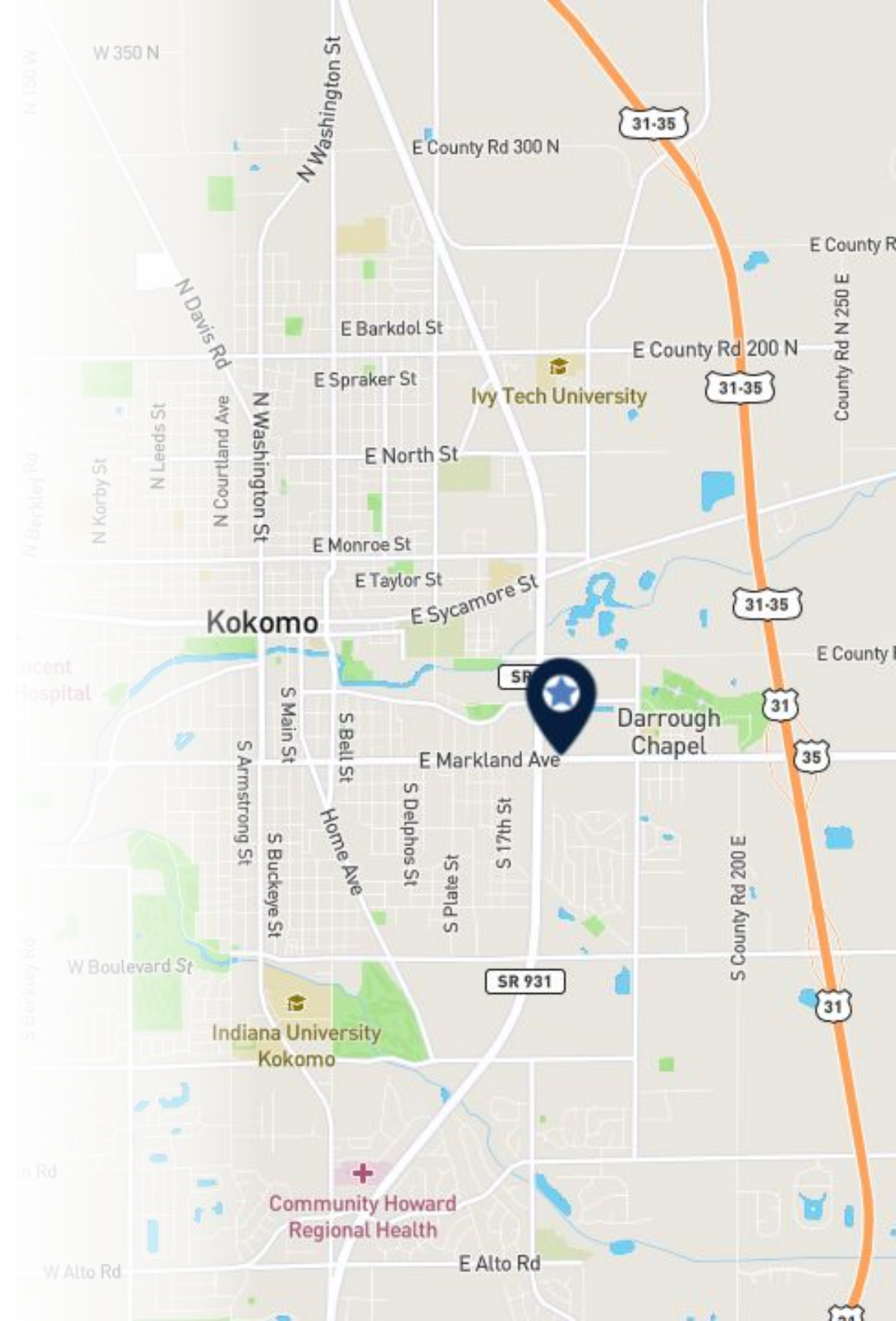
# AREA OVERVIEW

Kokomo, Indiana, known as the "City of Firsts," is the county seat of Howard County and is situated approximately 60 miles north of Indianapolis. As of the 2020 census, it has a population of 59,604. The city earned its nickname due to numerous technological innovations, particularly in the automotive industry, including the development of America's first gasoline-powered car by Elwood Haynes.

The city's economy has historically been anchored in manufacturing, with significant contributions from the automotive sector. Companies like General Motors and Chrysler have established operations in Kokomo, bolstering its industrial base. In recent years, efforts have been made to diversify the local economy, incorporating sectors such as healthcare, education, and technology. This diversification aims to create a more resilient economic landscape for the community.

Kokomo offers a variety of cultural and recreational amenities. The Seiberling Mansion, a Victorian-era home, now serves as the Howard County Historical Museum, showcasing the area's rich heritage. Downtown Kokomo features art installations, unique shops, and dining options, contributing to a vibrant community atmosphere. Additionally, the city hosts annual events and festivals that celebrate its history and foster community engagement.

DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
Five-Year Projection	5,517	45,475	68,089
Current Year Estimate	5,410	44,338	66,894
2020 Census	5,271	43,192	65,795
Growth Current Year-Five-Year	1.98%	2.56%	1.79%
Growth 2020-Current Year	2.63%	2.65%	1.67%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five-Year Projection	2,566	20,133	29,545
Current Year Estimate	2,561	19,916	29,458
2020 Census	2,503	19,144	28,733
Growth Current Year-Five-Year	0.17%	1.09%	0.29%
Growth 2020-Current Year	2.34%	4.03%	2.52%
INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$68,340	\$69,842	\$78,680



# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1820 E Markland Ave, Kokomo, IN, 46901** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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