



# Pep Boys

## SUPERCENTER

### Guayama, Puerto Rico

Confidential Offering Memorandum



Calle Marginal Edificio 730 (Highway 54), Guayama, PR 00784  
Puerto Rico: A United States Territory



In cooperation with  as local listing broker. License # E-297. Andy Carlson (727) 403-2503 [andy.carlson@jll.com](mailto:andy.carlson@jll.com)



# Executive Summary

**Puerto Rico's** island geography and mountainous terrain present natural barriers to entry that benefit the established retail trade areas and brick-and-mortar businesses. The thriving retail sector of the US territory, along with its economic resilience, positions Puerto Rico as a key player in the Caribbean's retail and commercial landscape.

**Pep Boys SuperCenter** in Guayama, PR, offers retail sales and service to an expanded customer base that is heavily reliant on maintaining existing vehicles.

- 3.26 million residents and 5,325 square miles of land & water area—like the size of Connecticut
- 700 miles of sealine for shipping, sailing, surfing, and seafood—similar to Hawaii
- Luis Muñoz Marín International Airport (SJU) is the busiest airport in the Caribbean
- Port of San Juan is the 3rd largest port in the Caribbean, making it a pivotal hub for trade and tourism
- The retail sector has more businesses than any other sector in PR—similar to the economy of the US mainland
- Manufacturing is the top sector in sales, shipments, and revenue totaling \$85.3 billion—45.2% of PR's total
- Puerto Rico's GDP has increased 10% since 2020 to \$113.4 billion (World Bank 2022)
- Puerto Rico's retail sales increased 2.6% year-over-year as of April 2023—the 3rd consecutive year of growth (DDEC)



## Property Details



### Property Address

Calle Marginal Edificio 730 (Highway 54)  
Guayama, PR 00784



### Purchase Price

\$5,507,000



### Cap Rate

8.65%



### Annual Rent

\$476,374



### Lease Term

4+ Years Remaining



### Building Size

19,658 SF



### Lot Size

1.9 Acres



### Year Built

1998



### Lease Type

Absolute NNN

# Investment Highlights

- Recent lease renewal in 2022 demonstrates commitment and preference for this location based on continued success.
- Zero landlord responsibilities due to the absolute NNN lease. Tenant is responsible for all maintenance and operation at the property.
- Favorable annual rent increases based on CPI to track with inflation. Expected rent increases are 1.5% per year that continue into the renewal option periods. (see page 13 for details)
- Tenant sales at this store have grown 13% from 2020 to 2022, resulting in a healthy rent-to-sales ratio that contributes to Tenant's long-term success. Investors may inquire for additional details.
- Pep Boys is a corporate tenant that provides essential service and retail goods for vehicle maintenance to a customer base reliant on maintaining their existing vehicles.
- Pep Boys in Guayama serves an expanded, captive audience as the nearest Pep Boys locations are more than 10 miles in all directions and more than 23 miles to the east.
- The SuperCenter service and retail store format is prevalent in Puerto Rico to provide comprehensive vehicle care and outperform traditional parts stores.



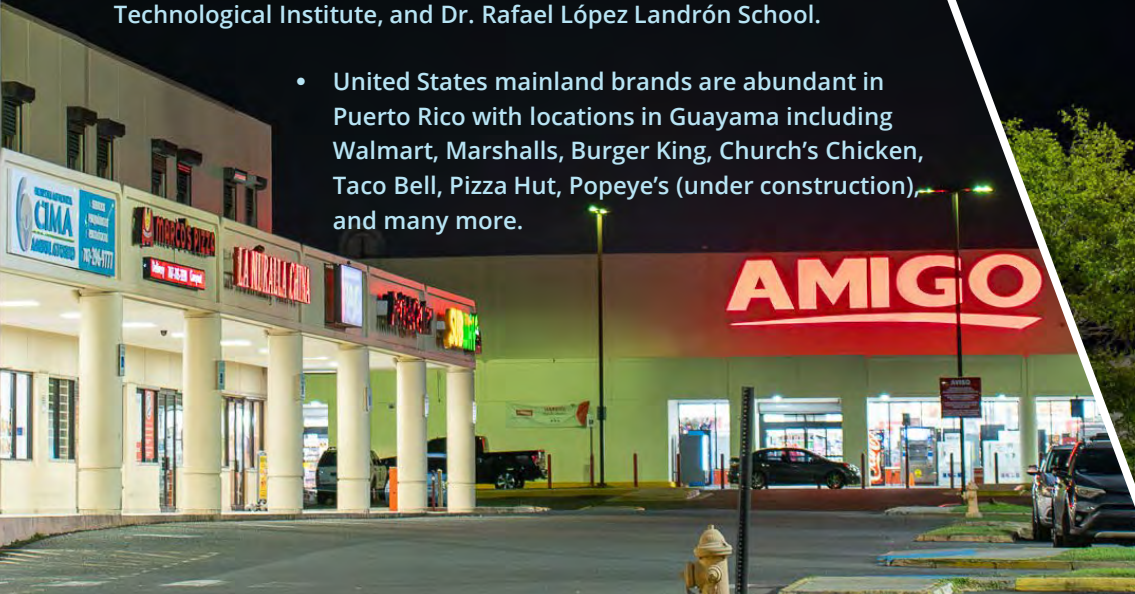


# Investment Highlights

- Located in Guayama's center of commerce between two large chain supermarkets—Amigo and Supermercado Selectos—along busy Highway 54 with a large, towering pylon sign for Pep Boys.
- Cross-shopping occurs between Pep Boys, La Fuente Town Center, Walgreens, McDonald's, and Amigo (supermarket) at the 13-acre retail destination.
- Nearby municipal customers for Pep Boys include the hospital (960 feet), police station (1,070 feet), and courthouse (1,400 feet), and the 50-acre recreational facility located 500 feet behind Pep Boys.
- Nearby schools include Inter American University (1,200 students), Technological Institute, and Dr. Rafael López Landrón School.
- United States mainland brands are abundant in Puerto Rico with locations in Guayama including Walmart, Marshalls, Burger King, Church's Chicken, Taco Bell, Pizza Hut, Popeye's (under construction), and many more.



Walgreens at La Fuente Town Center



- Investment in Puerto Rico presents safety and security associated with investment in the United States combined with upside of favorable tax advantages on qualifying business income and capital gains.
- Travelers from the United States can access the Caribbean Sea, mountains, and rainforest without a passport and the hassle of customs security.



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