



Representative Photo

OFFERING MEMORANDUM

O'REILLY AUTOMOTIVE STORES, INC. - NEW HOPE, AL

10129 US-431
NEW HOPE, AL 35760



PRESENTED BY:

Bill Behr

Exclusively Offered By:

BILL BEHR

PRINCIPAL /// Fort Worth

DIRECTOR ///

National Net Lease / Sale Leaseback Group

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BRYAN BURNS

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Alabama, LLC

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CONFIDENTIALITY & RESTRICTED USE AGREEMENT

This Confidential Offering Memorandum (“COM”) is provided by Transwestern Commercial Services Fort Worth, LLC (“TW”), solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of TW.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by TW for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. TW has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. A prospective purchaser must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon TW.

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BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from TW relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to TW, all or any part of this COM or the Information; (3) upon request by TW at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless TW all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that TW shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

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INVESTMENT OVERVIEW

Transwestern Commercial Services, Fort Worth, LLC is pleased to present for sale an O'Reilly Automotive Stores, Inc. single-tenant double net leased investment property consisting of approximately 9,014 square feet at 10129 US-431, New Hope, Alabama 35760 ("Property"). The building was constructed as a build-to-suit for Dollar General. However, after Dollar General relocated from the Property, a new ten (10) year lease was recently executed with O'Reilly Automotive. Rent for the first five (5) years is \$63,098.04 per year with rent for the second five (5) years increasing by 6%. The lease expires August 31, 2029 providing more than nine and one-half years of remaining lease term. The Tenant has five (5) renewable options to extend the term of the Lease for a period of five (5) years each by providing Landlord ninety (90) days prior written notice. Each successive five (5) year lease extension shall be subject to an annual rent increase of 6% each.

New Hope, Alabama

New Hope, Alabama is in Madison County and is 19 miles southeast of Huntsville, Alabama. New Hope is included in the Huntsville-Decatur Combined Statistical Area. Originally founded in 1829 as Cloud's Town, the town was incorporated in 1832 as Vienna. After Vienna was burned by the Union Army in 1864, the rebuilt city was incorporated in 1883 as New Hope, named after the New Hope Methodist Church. With New Hope's rural lifestyle, New Hope's unemployment rate is under the national average by forty basis points (3.5% versus the national average of 3.9%). The sales tax in New Hope is 5.5%, significantly lower than the U.S. average of 7.3%.

OFFERING SNAPSHOT

Tenant Trade Name	O'Reilly Automotive Stores, Inc.
Pricing	\$1,051,634
NOI	
Years 1 - 5	\$63,098.04
Years 6 - 10	\$66,883.92 (6% increase)
Cap Rate - Current	6.0%
Lease Expiration	August 31, 2029
Lease Structure	Double Net
Landlord Responsibilities	Roof, walls, foundation, structure, parking
Tenant Responsibilities	Maintain the Premises, doors, glass, HVAC, landscaping and irrigation



PROPERTY HIGHLIGHTS

O'Reilly Automotive corporate guaranty

New ten (10) year lease with more than nine and one-half years of remaining term

Six percent (6%) rental increase beginning in year 6 and for each renewal term

Low \$1,000,000 price point provides an ideal investment opportunity for 1031 trade buyers and other investors

PROPERTY / LEASE SUMMARY

Tenant Entity	O'Reilly Automotive Stores, Inc. (corporate)
Property Address	10129 US-431, New Hope, Alabama 35760
Commencement Date	September 1, 2019
Lease Expiration Date	August 31, 2029
Total Building Area	Approximately 9,014 square feet
Net Operating Income Summary	
Years 1 - 5	\$63,098.04
Years 6 - 10	\$66,883.92 (6% increase)
<i>Option 1</i>	
Years 11 - 15	\$70,896.96
<i>Option 2</i>	
Year 16 - 20	\$75,150.77
<i>Option 3</i>	
Years 21 - 25	\$79,659.82
<i>Option 4</i>	
Years 26 - 30	\$84,439.41
<i>Option 5</i>	
Years 31 - 35	\$89,905.77
Lease Structure	Double Net
Property Tax Info	Parcel: 29-02-04-0-001-002.000 Account #332369, PPIN: 105845
Options to Renew	Five (5), 5-year renewal options with Tenant providing 90-days prior written notice
Tenant Ownership Type	Publicly traded (NASDAQ: ORLY)
Headquarters	Springfield, MO
Year Founded	1957
Number of Locations	5,420 in 47 states with more than 82,000 team members
Website	oreilleyauto.com



O'Reilly Automotive, Inc., together with its subsidiaries, engages in the retail sales of automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States. The company provides new and remanufactured automotive hard parts, such as alternators, batteries, brake system components, belts, chassis parts, driveline parts, engine parts, fuel pumps, hoses, starters, and temperature control and water pumps; maintenance items comprising antifreeze and lighting products, appearance products, engine additives, filters, fluids, and oil and wiper blades; and accessories, such as floor mats, seat covers, and truck accessories. Its stores offer auto body paint and related materials, automotive tools, and professional service provider service equipment. The company's stores also offer enhanced services and programs comprising used oil, oil filter, and battery recycling; battery, wiper, and bulb replacement; battery diagnostic testing; electrical and module testing; check engine light code extraction; loaner tool program; drum and rotor resurfacing; custom hydraulic hoses; professional paint shop mixing and related materials; and machine shops. Its stores provide do-it-yourself and professional service provider customers a selection of brand name, house brands, and private label products for domestic and imported automobiles, vans, and trucks.



Representative Photo



Market Cap:
\$30.725B



Total Revenue:
\$10B



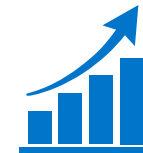
Total Stores:
5,420



Total Employees
82,163



Credit Rating
BBB



Current Stock Price
\$406.10
(1/31/2020)

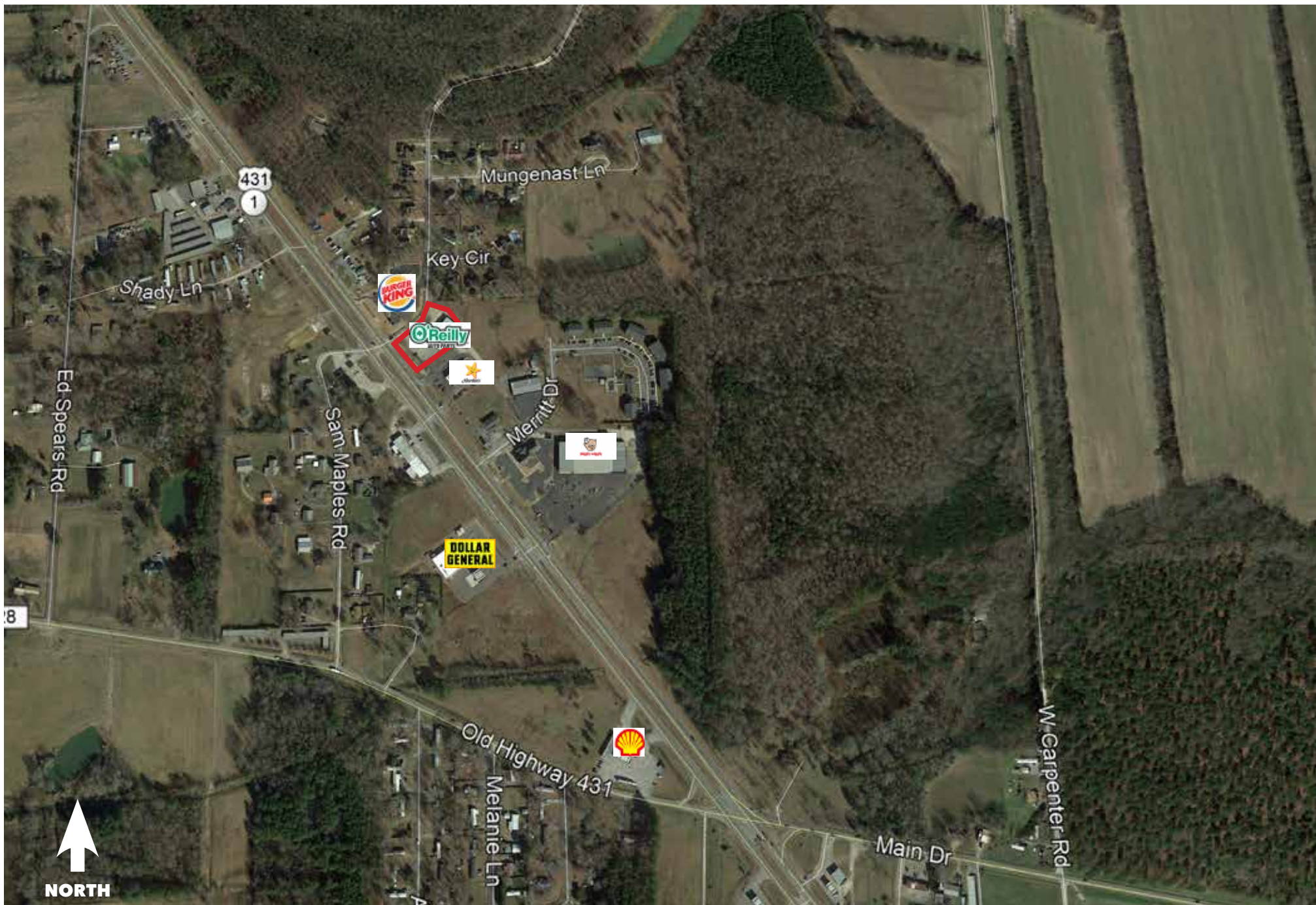
SITE PLAN



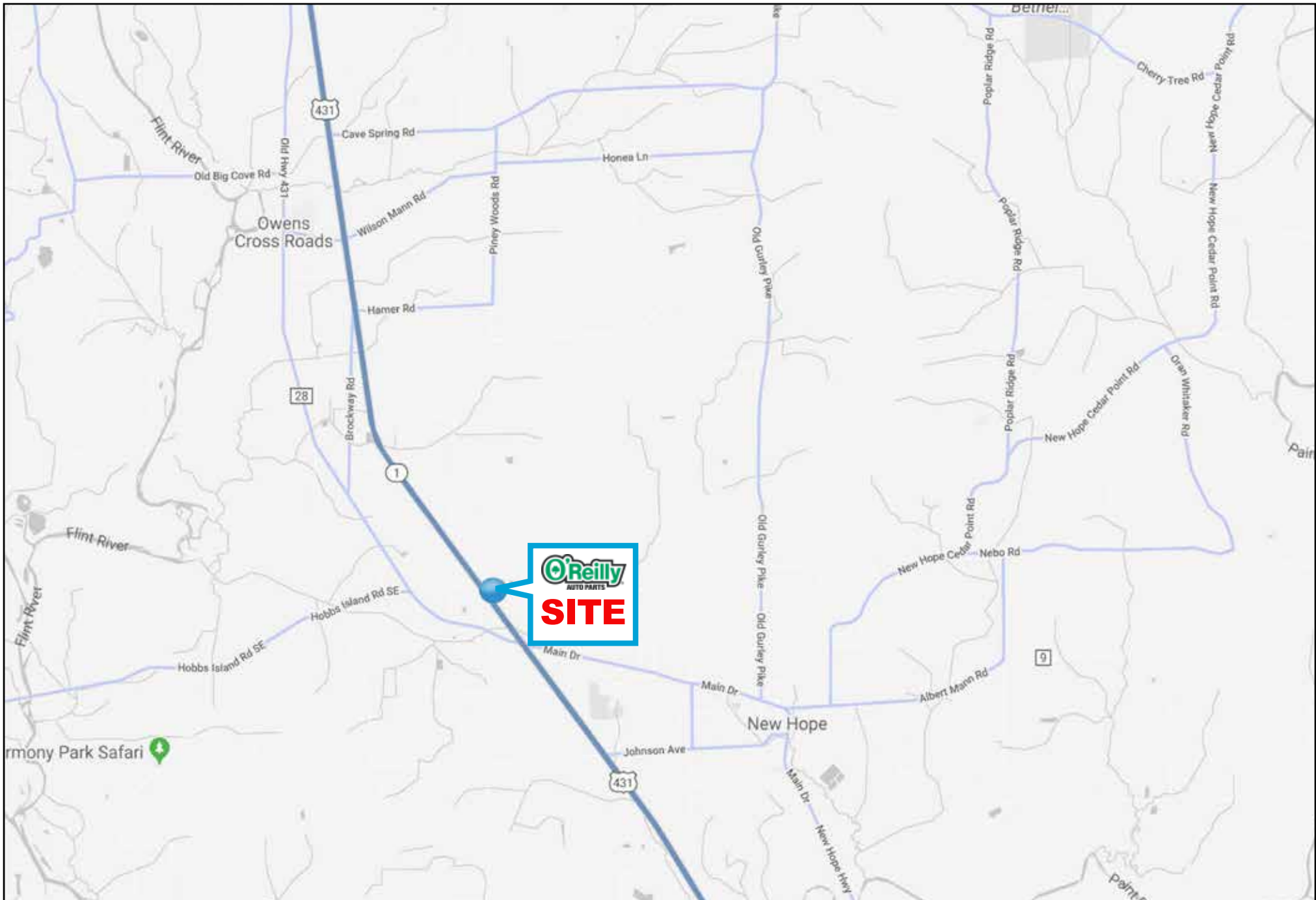
AERIAL SITE PLAN



MARKET AERIAL



REGIONAL MAP



AREA OVERVIEW

New Hope/Huntsville, Alabama Overview

New Hope, Alabama is in the far northern reaches of the state just 15 miles south of the Tennessee border. Incorporated in 1883 under the name New Hope, in spite of its close (19 miles) proximity to Huntsville, the city has retained its small town and family friendly atmosphere. Much of the vibrancy of the economy is based on its nearby location to Huntsville. With 199,808 residents, Huntsville is Alabama’s oldest and second-largest city. It is also the largest city in the five-county Huntsville-Decatur-Alberville Combined Statistical Area. The Huntsville metro area population is 462,693.

New Hope	Huntsville
2,817 total population	198,808 total population
42.2 median age	36.9 median age
1,287 number of employees	89,308 number of employees
\$50,465 median household income	\$51,926 median household income
\$120,300 median property value	\$169,900 median property value

Source: Data USA

Some of the Huntsville tourist attractions include:

U.S. Space and Rocket Center, a museum displaying artifacts and accomplishments of the U.S. space program



Photo By: Encyclopediaofalabama.org

- NASA Space Flight Center
- U.S. Veterans Memorial Museum
- Huntsville Botanical Garden
- Huntsville Museum of Art

With Huntsville’s rich history including become known as “The Rocket City” due to its history with the U.S. space program. Huntsville is also home to Cummings Research Park which is one of the largest research parks in the country and University of Alabama, a top research university.

The Economy

The economy of New Hope, Alabama employs 1,290 people with the largest industries being manufacturing, health care and social assistance and construction. The most common jobs held by residents are office and administration, sales and related occupations and construction and extraction occupations. In Huntsville, the largest industries are professional, scientific and technical services, health care and social assistance and retail trade.



Photo By: wikipedia.org

DEMOGRAPHIC SNAPSHOT

POPULATION			
	1 miles	3 miles	5 miles
2019 Estimated Population	999	5,360	8,917
2024 Projected Population	1,055	5,712	9,531
2010 Census Population	934	4,697	3,055
2019 Daytime Population	682	3,756	5,911

HOUSEHOLDS			
	1 miles	3 miles	5 miles
2019 Estimated Households	422	2,144	3,596
2024 Projected Households	447	2,291	3,855
2010 Census Households	392	1,868	3,055
2019 Estimated Average Household Size	2.36	2.47	2.45

ESTIMATED HOUSEHOLD INCOME			
	1 miles	3 miles	5 miles
2019 Estimated Average Household Income	\$79,732	\$78,736	\$81,001
2019 Estimated Median Household Income	\$53,344	\$55,974	\$58,010
2019 Estimated Per Capita Income	\$32,832	\$32,121	\$33,105
2019 Estimated Median Age	42.1	42.2	43.0

TRAFFIC COUNTS	
VPD	
Old Hwy 431 @ Sam Groons Sr Dr	3,000 VPD
Old Hwy 431 @ Craft Craig Rd	16,000 VPD



O'Reilly AUTO PARTS

TRANSWESTERN

Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service- the Transwestern Experience. Specializing in Agency Leasing, Management, Tenant Advisory, Capital Markets, Research and Sustainability services, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 35 U.S. offices and assists clients through more than 180 offices in 37 countries as part of a strategic alliance with BNP Paribas Real Estate.

Year-to-date, Transwestern has overseen the leasing and management of 2,006 properties, representing more than 370 million square feet - leased and managed combined. Within that same time period, the firm completed leasing, sales and finance transactions totaling \$8.6 billion.

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