



# MURPHY EXPRESS

NEW CONSTRUCTION GROUND LEASE

LUBBOCK, TX



CAPITAL PACIFIC



# Contact the team

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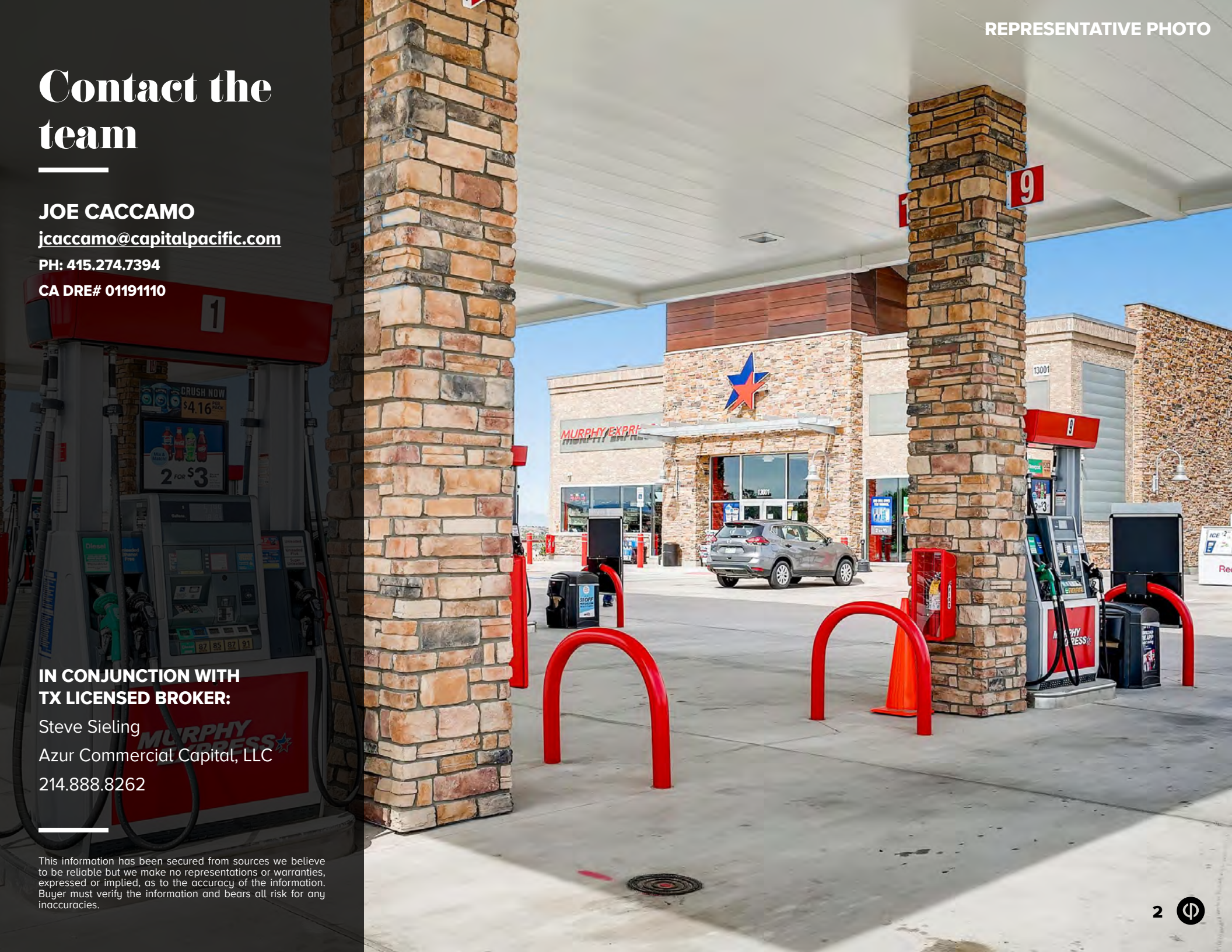
**IN CONJUNCTION WITH  
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# Investment Summary

## REPRESENTATIVE PHOTO



## MURPHY EXPRESS GROUND LEASE

701 19TH STREET, LUBBOCK, TX 79401 

**\$2,219,958**  
**PRICE**

**4.75%**  
**CAP**

NOI:	<b>\$105,448</b>
LEASE TYPE:	<b>GROUND LEASE</b>
LEASE TERM:	<b>20 YEARS</b>
LEASABLE AREA:	<b>2,824 SF</b>
LAND AREA:	<b>1.82 AC</b>
YEAR BUILT:	<b>2020</b>
PARKING SPACES:	<b>23 SPACES</b>

**AN ABSOLUTE NET GROUND LEASE WITH STORE  
OPENING ESTIMATED FOR AUGUST 31, 2020**

# Investment Highlights

**The asset is a newly constructed Murphy Express ground lease located in Lubbock, TX, which is expected to open and rent commence on August 31, 2020.** Murphy USA is a Fortune 500, publicly traded company on the NYSE (MUR) that had revenue exceeding \$1.2 billion in 2019. They operate approximately 1,489 convenience/gas stores under the Murphy USA and Murphy Express banners.

The ground lease features a 20-year absolute NNN term with four 5-year options to extend and eight percent (8%) rental increases in the base term and options.

**The Murphy Express offering consists of a 2,824 sf convenience store with 8 fuel stations on a generous 1.82 acres.** The property is located on 19th Street (State Route 62) at the I-27 exchange. 19th Street is one of the primary commercial corridors cutting across Lubbock. **I-27 is a major Texas arterial that runs north-south through Lubbock and links Amarillo to the north and Midland-Odessa to the south.** The immediate trade area is full of light industrial, automotive sales and repair, trade supply, food & drink, schools and a dense residential population of more than 70,000 residents within a 3-mile radius.

**Lubbock is considered a major regional hub in West Texas with a population exceeding 250,000 residents.** It is the home of Texas Tech University (Red Raiders) and Liberty Christian University, and has a diverse economic base that includes health, engineering, petroleum, education and cotton seed oil.



REPRESENTATIVE PHOTO





# Income & Expense

REPRESENTATIVE PHOTO

**PRICE** **\$2,219,958**

**Capitalization Rate:** **4.75%**

Total Rentable Area (SF): 2,824

Lot Size (AC): 1.82

**STABILIZED INCOME PER SQUARE FOOT**

Scheduled Rent \$37.34 \$105,448

Effective Gross Income \$37.34 \$105,448

**LESS PER SQUARE FOOT**

Taxes NNN \$0.00

Insurance NNN \$0.00

Total Operating Expenses NNN \$0.00

**EQUALS NET OPERATING INCOME** **\$105,448**



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# Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY					
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT	
Murphy Oil Ground Lease	2,824	1*	5	\$105,448	\$8,787.33	\$105,448	\$3.11	\$37.34	
		6	10		\$9,490.33	\$113,884.00	\$3.36	\$40.33	
		11	15		\$10,249.58	\$122,995.00	\$3.63	\$43.55	
		16	20		\$11,069.50	\$132,834.00	\$3.92	\$47.04	
		Option 1	21	25		\$11,955.08	\$143,461.00	\$4.23	\$50.80
		Option 2	26	30		\$12,911.50	\$154,938.00	\$4.57	\$54.86
		Option 3	31	35		\$13,944.42	\$167,333.00	\$4.94	\$59.25
		Option 4	36	40		\$15,059.92	\$180,719.00	\$5.33	\$63.99
<b>TOTALS:</b>	<b>2,824</b>			<b>\$105,448</b>	<b>\$8,787.33</b>	<b>\$105,448</b>	<b>\$3.11</b>	<b>\$37.34</b>	

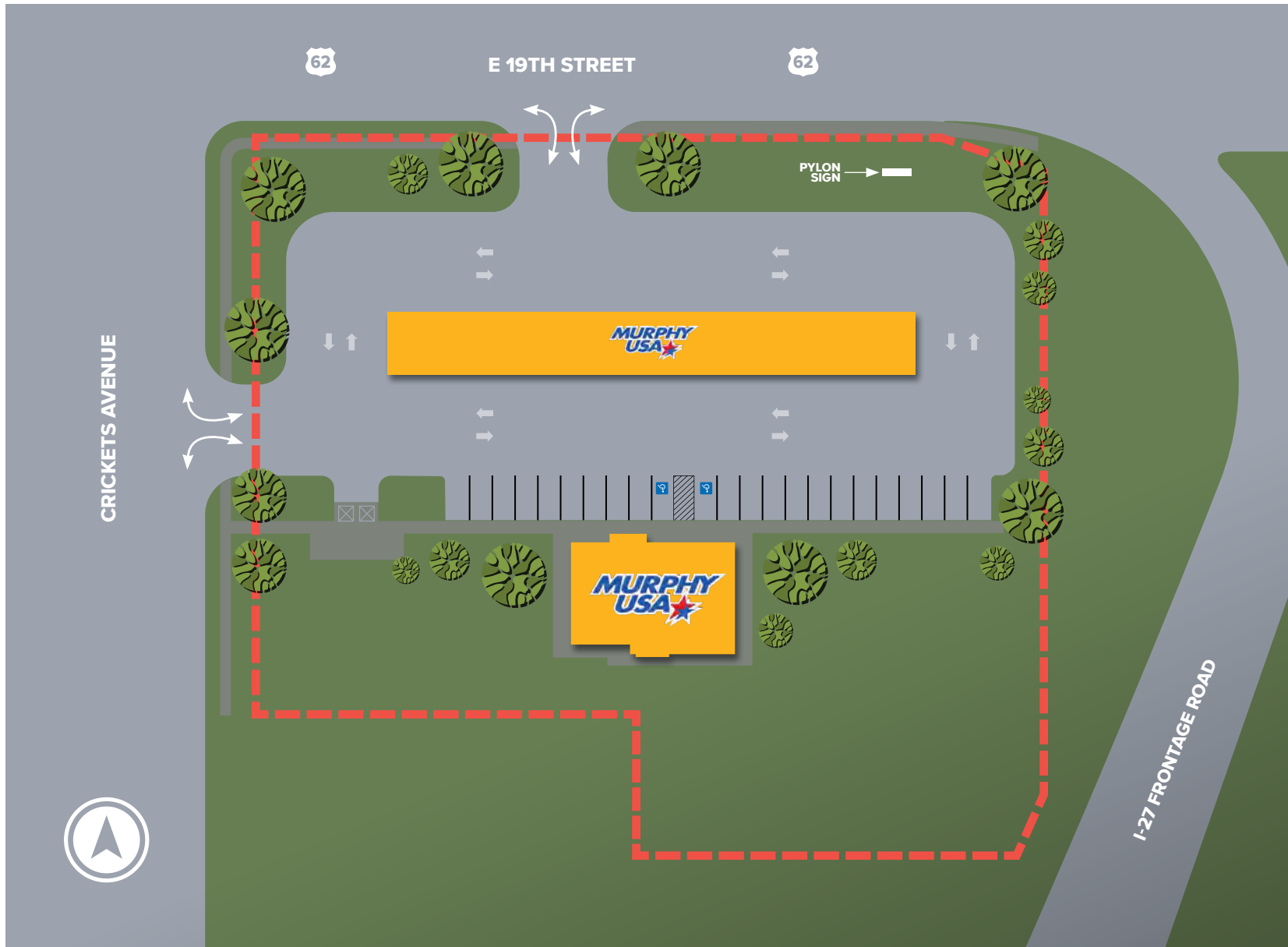
**\*Rent commencement / store opening date estimated to be August 31, 2020**

# Site Plan

**sf**  
**2,824**  
**RENTABLE SF**

**ac**  
**1.82**  
**ACRES**

**23**  
**SPACES**



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# Tenant Overview



## ABOUT MURPHY USA

Murphy USA is a public company (NYSE: MUR) that operates more than 1,489 retail stations in 26 states; 1,161 of which are branded Murphy USA and 328 are standalone Murphy Express locations. The majority of the stores are positioned near Walmart stores, and they serve approximately 1.6 million customers every day.

The company markets fueling products through a network of retail stores and unbranded wholesale customers. In 2019, it added 17 new sites and completed 27 Raze and Rebuilds. 2019 also brought the national roll-out of the Murphy Drive Rewards (MDR) loyalty program that signed up 3 million members by year-end. With a multi-year development pipeline in place, Murphy USA expects to construct up to 50 stores annually beginning in 2021.

Murphy USA was ranked #85 on the America's Best Employers By State 2019 list by Forbes, and #257 on the Fortune 500 list.



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1,489+

LOCATIONS IN  
26 STATES

\$1.2 Billion

REVENUE





## MURPHY USA READY TO CAPITALIZE ON MOMENTUM IN 2020

**Feb. 3, 2020 (Convenience Store News)** Murphy USA plans to capitalize on its successful 2019 as the company pursues further growth in store count and sales this year, with company executives expressing confident optimism during its latest earnings call.

“2019 was an exceptional year in Murphy USA’s relatively short tenure as a public company,” President and CEO and Director Andrew Clyde said during the retailer’s fourth-quarter earnings call, held Jan. 30. “And as we enter 2020 with a lot of momentum, it’s important to reflect on what underpinned 2019 results and how that shapes the sustainability and growth in the years ahead for earnings and the other share price drivers we control.”

Clyde cited Murphy USA’s increase in per-store fuel volumes as a notable achievement in 2019, particularly when factoring in the effects of its Murphy Drive Rewards program discounts and deferrals. The Murphy Drive Rewards program also contributed to 4.8 percent growth in merchandise contribution, which reached a record \$419 million. The company’s tobacco program contributed to a 4.5 percent increase in per-store tobacco volume.

The company expects to continue growing fuel volume and merchandise sales in 2020. **The company ended the year with total of 1,489 locations. This includes 1,161 Murphy USA sites and 328 Murphy Express sites.**

In 2020, the company intends to build up to 30 of its new 2,800-square-foot stores and raze and rebuild up to 25 high-performing kiosks, turning them into 1,400-square-foot stores. For new-build stores, Murphy USA plans to almost exclusively build 2,800-square-foot locations or larger.

[READ THE FULL ARTICLE](#)

REPRESENTATIVE PHOTO





# Aerial



49,681 VPD

WAYLAND BAPTIST UNIVERSITY

LUBBOCK HEART & SURGICAL HOSPITAL

TEXAS TECH UNIVERSITY HEALTH SCIENCES

35,540 VPD

53,852 VPD

TEXAS TECH UNIVERSITY

15,051 VPD

70,104 VPD

COVENANT HEALTH SYSTEM

LUBBOCK CHRISTIAN UNIVERSITY

63,685 VPD

DALLAS

81,677 VPD

19,685 VPD


22,406 VPD

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# Demographics

## POPULATION

	1-MILE	3-MILES	5-MILES
2010	6,463	70,969	144,476
2019	6,553	75,530	154,857
2024	6,642	78,210	161,319

## 2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$33,378	\$42,389	\$54,615

## TOP EMPLOYERS IN LUBBOCK COUNTY

EMPLOYER	INDUSTRY
United Supermarkets	Grocery
Texas Tech University	Education
Texas Tech University Health Sciences Center	Medical
UMC Health System	Medical
Imperium Risk	Security



**THERE ARE OVER 154,000 RESIDENTS WITHIN A 5-MILE RADIUS OF THE SUBJECT PROPERTY**

# Location Overview

# LUBBOCK, TEXAS



TEXAS TECH UNIVERSITY

**LUBBOCK** is a city located in northwest Texas with an estimated population of 255,885 residents. The seat of Lubbock County, it's nickname is the Hub City, which derives from it being the economic, education, and health care hub of a multi-county region known historically as the Llano Estacado, or Staked Plains. Petroleum, engineering products, and cottonseed oil are important economic components for the region. It is the home of Texas Tech University and Lubbock Christian University. Points of interest within the city include West Texas Hall of Fame, the National Ranching Heritage Center, Silent Wings Museum and Mackenzie Park. The city hosts a number of festivals that are popular with visitor and residents alike, including the Lubbock Music Festival, National Cowboy Symposium and Celebration and Independence Day Festival, which is considered to be the largest free festival in Texas.

**TEXAS TECH UNIVERSITY**, a comprehensive public research university, offers more than 150 undergraduate degrees, 100 graduate degrees, and 50 doctoral degrees. TTU has over 38,800 students enrolled and employs 1,600 full-time and 188 part-time faculty. Projections show the University will have an economic impact on the South Plains region of Texas will reach \$2.7 billion in 2020.

307,412



**LUBBOCK COUNTY  
POPULATION  
(ESTIMATED)**



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**SAN FRANCISCO TEAM:**



CAPITAL PACIFIC



# Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



**TYPES OF REAL ESTATE LICENSE HOLDERS:**

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

**A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):**

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

**A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:**

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

**TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:**

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials	Date
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