



PARAGOULD | ARKANSAS
OFFERING MEMORANDUM



Executive Overview

Investment Summary

» LIST PRICE	\$1,132,809
» NOI (YEAR 1)	\$71,993.40
» CAP RATE (YEAR 1)	6.35%
» TOTAL BUILDING AREA	±7,286 SF
» TOTAL LAND AREA	±0.50 Acres
» PARKING SPACES	26 (25 + 1 ADA)



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Investment Highlights



- » **One of the Strongest Credit Ratings in the Retail Industry** - O'Reilly Auto Parts offers one of the strongest guarantees in the country with a better credit rating (BBB+) than Advance Auto Parts, AutoZone, Albertsons, Capital One, Brinker International, Circle K, Darden Restaurants, DaVita Dialysis, Dollar General, Dollar Tree, FedEx, Fresenius, Kroger, Michael's, Pep Boys, Yum! Brands, and Walgreens. The current market cap is over \$21B, annual revenue is nearly \$9B and the stock has more than doubled in the last 5 years.



- » **Next to Paragould's Main Hospital** – The O'Reilly Auto Parts store is a few doors down from Arkansas Methodist Medical Center (AMMC) in Paragould (Greene County) which provides healthcare for residents of northeast Arkansas and southeast Missouri. The 129-bed facility offers a wide range of services such as: Outpatient Surgery, Critical Care, Emergency/Trauma, Ambulance Services, Lab, Imaging, and many others.



- » **Strong Commitment to the Location** – O'Reilly Auto Parts has demonstrated their strong commitment to this location by extending the term by 15 years in 2010 after already operating there for 10 years prior. Most tenants extend the term by periods of only 5 years at a time.



- » **Excellent Visibility on Main Thoroughfare** – This store is located along Paragould's main thoroughfare, Highway 412, which features AMMC, Walmart, a new construction CVS and Arby's, ALDI, Lowe's, Walgreens, McDonald's, Tractor Supply and many more.



- » **Minimal Landlord Responsibilities** – This lease offers landlords a passive investment because the tenant is responsible for taxes, insurance, HVAC, parking lot, and landscaping whereas the landlord only has responsibility of the roof and structure.

Financial Overview

The Offering

Property Name	O'Reilly Auto Parts
Property Address	1300 W Kingshighway Paragould, AR 72450
APN	1663-00011-000
Number of Stories	One
Year Built	2001
GLA	±7,286 SF
Lot Size	±0.50 AC (21,780 SF)

Site Plan



Annualized Operating Data

	Monthly Rent	Annual Rent	RPSF	Cap Rate
Current - 6/30/21	\$5,994.45	\$71,933.40	\$9.88	6.35%
7/1/21 - 6/30/26	\$6,294.17	\$75,530.04	\$10.37	6.67%
Extension 1	\$6,608.88	\$79,306.56	\$10.88	7.00%
Rental Increase Amount	5.00%			

Tenant Summary

Tenant Trade Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Owner Responsibility
Term Remaining on Lease	± 8.25 Years
Original Lease Term	10 Years
Rent Commencement	7/1/2001
Lease Expiration Date	6/30/2026
Increases	5.00% Increase
Extensions	One, 5-Year Extension

Tenant Overview



Tenant Overview

» Company Name O'Reilly Auto Parts	» S&P Credit Rating BBB+ (S&P)	» Industry Retail	» Website www.oreillyauto.com
» Ownership Public	» Traded As NASDAQ: ORLY	» Headquarters Springfield, AR	» Year Founded 1957

The fast-growing company sells automotive aftermarket parts (both new and remanufactured), maintenance supplies, professional service equipment, tools, and accessories through some 4,570 stores across some 44 US states and online. Many O'Reilly stores also offer customers a range of services, including oil and battery recycling, battery testing, paint mixing, and tool rental. The family founded and operated company wheels and deals with automotive professionals, as well as do-it-yourself customers.

O'Reilly is a company dedicated to providing their customers with amazing service. Their customer service culture is their greatest competitive advantage and the driving force behind their marketing strategy. Their constant priority is to identify, hire, and develop exceptional team members while teaching them the cultural values of hard work, enthusiasm, professionalism, teamwork, respect, and honesty.

\$8.6B
Revenue

\$931.22M
Net Income

±74,000
No. of Employees

±4,984
No. of Locations

Tenant Map



Area Overview

Paragould, Arkansas

Located in the heart of north-east Arkansas, Paragould is the seat of Greene County and is only 88 miles from Memphis, Tenn., 152 miles from Little Rock, Ark. and 209 miles from St. Louis, Mo. The city's economy is driven by local agriculture and a large industrial presence in the area. Still, while Paragould is one of the most progressive cities in the Mississippi Delta region, it is also one that retains the value of its history and heritage. Accordingly, while the citizens of Paragould continue to enjoy the ability to travel to nearby cities, Paragould has so much to offer locally. The city is anchored by a historic downtown district which continues to see expansion through new and exciting retail and dining options while retaining the old charm of the city. Paragould encourages the restoration of local buildings, incorporating tours of historic sites and the production of seasonal and annual events such as the Paragould Christmas Parade, the Downtown Paragould Arts and Music Festival and the Paragould Farmers' Market.

While Paragould still has a small-town feel, the city is growing. The 2010 Federal U.S. Census states that in 2010, Paragould had a population of 26,000. Over the past fifty years, Paragould has grown an average of 18 percent each decade. Because of local efforts to continually attract and maintain healthy relationships with existing industries, Paragould has become a destination for companies looking to relocate or to expand. In 2011, the citizens of Paragould voted to pass a quarter-cent sales tax to help spark additional economic development. Paragould has created a solid foundation for future industrial expansion and relocation. Home to a number of large manufacturing facilities, Paragould maintains relationships with the following companies while actively recruiting interest from outside industries.

Top 5 Industrial Employers



Arkansas State University - Paragould

Located on Kingshighway, Arkansas State University's Paragould campus makes is attractive to local students, while remaining highly accessible to commuter students from surrounding areas. The school's location allows it to have strong ties to the Paragould area, as most of the students, faculty, and staff reside in the area and are alumni of the local high schools. This blend of community and education is responsible for the school's rapid growth to around 350 students. ASU-Paragould's comfortable size fosters individual contact among students, faculty, and staff, while still providing a high-quality education within a state of the art learning environment. Located in a former Wal-Mart building renovated by Arkansas State University, ASU-Paragould has a broad spectrum of ASU general education classes, comfortable facilities, all-new computer labs, and a student-focused faculty and staff.

Demographics

POPULATION	3 - MILE	5 - MILE	7 - MILE
2023 Projection	26,816	34,045	37,477
2018 Estimate	25,526	32,403	35,662
2010 Census	23,016	29,437	32,539
Growth 2018-2023	5.06%	5.07%	5.09%
Growth 2010-2018	10.91%	10.07%	9.60%
HOUSEHOLDS	3 - MILE	5 - MILE	7 - MILE
2023 Projection	10,817	13,594	14,915
2018 Estimate	10,186	12,801	14,041
2010 Census	9,159	11,581	12,753
Growth 2018-2023	6.20%	6.20%	6.22%
Growth 2010-2018	11.22%	10.53%	10.11%
INCOME	3 - MILE	5 - MILE	7 - MILE
2018 Est. Average Household Income	\$53,372	\$55,147	\$55,794

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **O'Reilly Auto Parts** located at **1300 W Kingshighway, Paragould, AR** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

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 detrimental to the interest of the Seller.

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 Seller 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 this Offering Memorandum.



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