



Actual Location

# O'REILLY AUTO PARTS

4165 PINE FOREST ROAD | CANTONMENT, FLORIDA (PENSACOLA MSA)

**CBRE**





Actual Location

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# TABLE OF CONTENTS

## I. Investment Overview

Investment Summary..... 4  
Investment Highlights..... 5

## II. Property Overview

Lease Summary..... 6  
Aerial ..... 7  
Site Plans..... 8  
Tenant Overview..... 9

## III. Area/Market Overview

Pensacola, FL MSA Overview..... 10







## Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a new construction 7,225 square-foot freestanding O'Reilly Auto Parts situated on 1.05 acres in Cantonment, Florida which is a component of the Pensacola-Ferry Pass-Brent, FL MSA (MSA Population: 487,784). O'Reilly's new 20-year net lease commenced in July 2018 and features 5% rent increases in Year 11 and in each of the four 5-year renewal options. The property is ideally located on Pine Forest Road (Traffic Count: 26,500 VPD), just north of its intersection with West Nine Mile Road (Traffic Count: 25,500 VPD). The property is less than 1.5 miles east of access to Interstate 10 (Traffic Count: 43,754 VPD), the main interstate which connects Pensacola to Jacksonville, Tallahassee, Mobile, Baton Rouge and Houston. O'Reilly benefits from its position within one of the area's robust retail and commercial corridors with 3.7 MSF of retail, 1.2 MSF of office, 2.6 MSF of industrial, and 2,838 multifamily units within a 5-mile radius. Major retailers within the immediate vicinity include: Publix, a brand new Walmart, Jersey Mike's, Wendy's, AT&T, State Farm, Chevron, Walgreens, Shell, Dollar General, Synovus, UPS and Metro PCS, among many others. O'Reilly will further benefit from the surrounding area's demographic profile which boasts a population of 78,273 and an average household income of \$68,072 within a 5-mile radius.



## Investment Summary

<b>ADDRESS:</b>	4165 Pine Forest Road Cantonment, FL 32533
<b>PARCEL SIZE:</b>	1.05 Acres
<b>BUILDING SIZE:</b>	7,225 SF
<b>YEAR BUILT:</b>	2018
<b>PARKING:</b>	37 Spaces
<b>NOI:</b>	\$110,131
<b>PRICE:</b>	\$2,098,000
<b>CAP RATE:</b>	5.25%



## Investment Highlights

- **Investment Grade Tenant:** O'Reilly Automotive (NASDAQ: ORLY, S&P: BBB), a Fortune 500 company, sells aftermarket parts, automotive tools, professional service equipment, and accessories through more than 5,019 stores in 47 states. O'Reilly produced 2017 revenues of \$8.97 billion and has a net worth in excess of \$653 million.
- **Long-term Net Lease:** O'Reilly's new 20-year net lease features 5% rent increases in Year 11 and in each of the four 5-year renewal options.
- **New Construction:** The building was completed in July 2018.
- **Strategic Location:** O'Reilly benefits from its position within one of the area's robust retail and commercial corridors with 3.7 MSF of retail, 1.2 MSF of office, 2.6 MSF of industrial, and 2,838 multifamily units within a 5-mile radius. Major retailers within the immediate vicinity include: Publix, a brand new Walmart, Jersey Mike's, Wendy's, AT&T, State Farm, Chevron, Walgreens, Shell, Dollar General, Synovus, UPS and Metro PCS among many others.
- **Excellent Access/Visibility:** The property is ideally located on Pine

Forest Road (Traffic Count: 26,500 VPD), just north of its intersection with West Nine Mile Road (Traffic Count: 25,500 VPD). The property is less than 1.5 miles east of access to Interstate 10 (Traffic Count: 43,754 VPD), the main interstate which connects Pensacola to Jacksonville, Tallahassee, Mobile, Baton Rouge and Houston.

- **Healthy Demographics:** O'Reilly will benefit from the surrounding area's demographic profile which boasts a population of 78,273 and an average household income of \$68,072 within a 5-mile radius.
- **Pensacola, FL Market:** Pensacola, the westernmost city in Florida is the seat of Escambia County and the principal city of the Pensacola-Ferry Pass-Brent MSA (Population: 487,784). The city benefits from its picturesque coastal location as well as its proximity to other major cities including Mobile and Birmingham, Alabama (60 miles to the northwest and 255 miles to the north, respectively) and New Orleans, Louisiana (200 miles to the southwest). The city's solid, diverse economy features strongholds in the military and tourism industries and boasts one of the most prosperous manufacturing sectors in the northwest Florida region.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
3,518	\$63,073	29,981	\$70,614	78,273	\$68,072	Pine Forest Rd & West Nine Mile Rd (Combined Traffic Count: 52,000)

## Lease Summary

<b>TENANT:</b>	O'Reilly Automotive Stores, Inc.
<b>LEASE COMMENCEMENT:</b>	7/15/2018
<b>LEASE EXPIRATION:</b>	7/31/2038
<b>LEASE TERM REMAINING:</b>	±19.3 Years
<b>LEASE TYPE:</b>	Net Lease
<b>INITIAL TERM RENT:</b>	Years 1-10: \$110,131 Years 11-20: \$115,638
<b>RENT INCREASES:</b>	5% in Year 11
<b>OPTIONS:</b>	Four 5-Year Options
<b>OPTION RENT INCREASES:</b>	Option 1: \$121,419 Option 2: \$127,491 Option 3: \$133,865 Option 4: \$140,558
<b>OPTION RENT:</b>	5% in Each Option



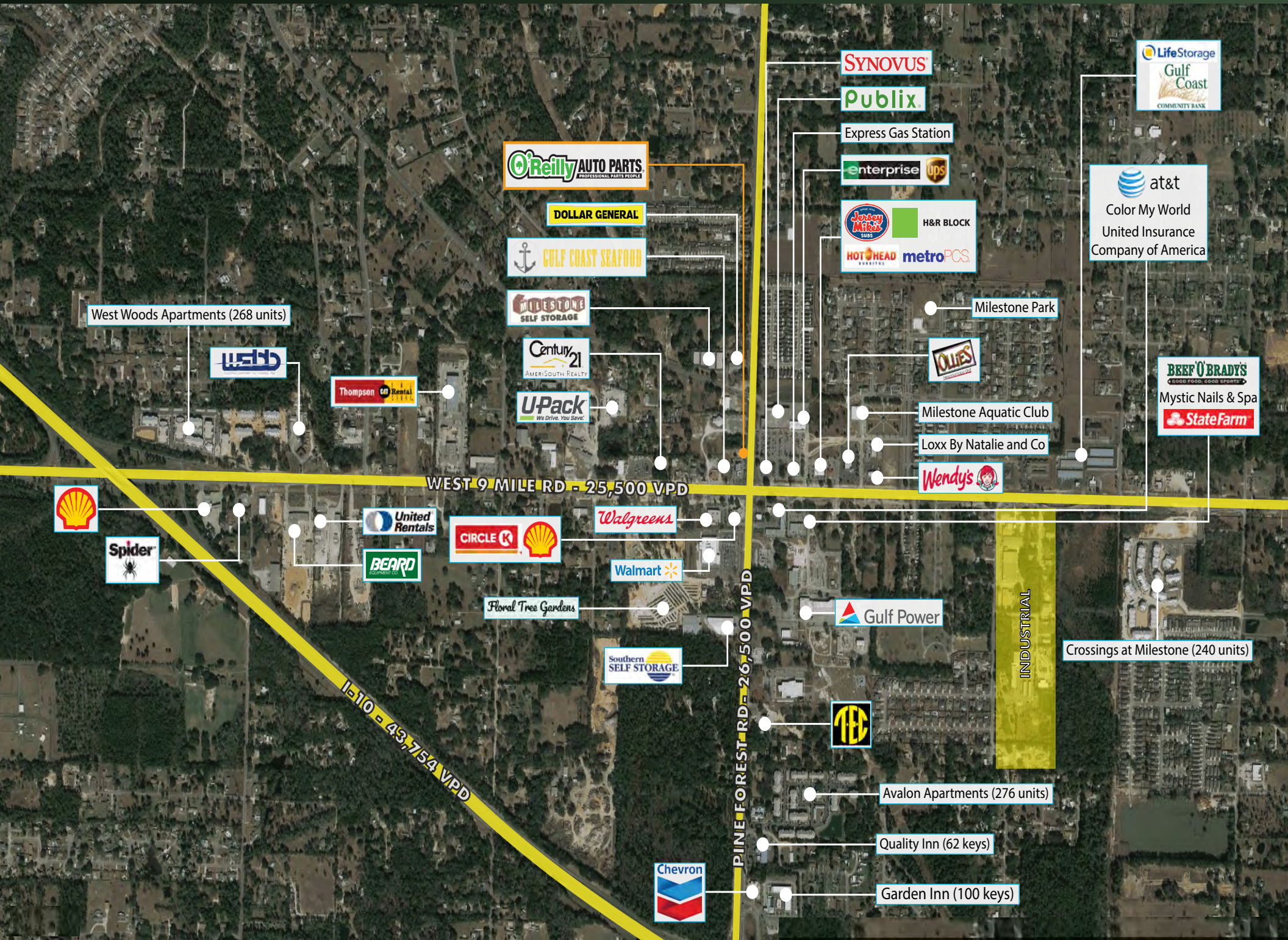
<b>TAXES:</b>	Tenant shall pay all taxes, assessments, levies and other charges, general and special that may be assessed and levied by the State, City and County or other municipal corporation during the initial term of this Lease and during the term of any properly exercised extension options on the demised premises and improvements constructed by Landlord on the demised premises.
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<b>INSURANCE:</b>	Tenant agrees to carry during the term hereof property insurance providing protection against any peril generally included in the classification "special form coverage", "all risk" or "special form" insurance policy, which shall include coverage against all risks of direct physical loss. Tenant shall keep in full force and effect, a policy of commercial general liability insurance written on an occurrence form including products and completed operation liability, covering Lessor and Lessee against bodily injury liability, property damage liability and personal and advertising injury, with minimum limits of not less than \$2,000,000 for each occurrence and \$3,000,000 general aggregate. Landlord shall keep in full force and effect a policy or policies of commercial general liability coverage written on an occurrence form including coverage for completed operations and contractual liability with minimum limits of \$1,000,000 per occurrence.
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<b>REPAIRS &amp; MAINTENANCE:</b>	Tenant shall at its expense and throughout the term of this Lease, repair and maintain the demised premises, including, but not limited to the interior of its premises and pane glass. Tenant shall be responsible for the maintenance, repair, and replacement of the HVAC equipment and shall be responsible for the maintenance and repair of the parking lot provided it is constructed of concrete pursuant to Tenant's specifications. Landlord covenants and agrees, at its expense without reimbursement or contribution by Tenant, throughout the term of this Lease, to keep, maintain, and replace, if necessary, foundations, floors (except floor coverings), slabs, exterior walls (excluding exterior painting), structural systems of the building, load bearing walls, roof, roof structure, fire suppression system (if applicable), sidewalks, parking lot replacement, landscaping/irrigation, and utility systems to the point of internal distribution of the building portion of the demised premises.
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<b>ROFR:</b>	Yes, 10 Days
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PINE FOREST RD - 26,500 VPD

Publix.

SYNOVUS



## Tenant Overview



O'Reilly Automotive (NASDAQ: ORLY, S&P: BBB), a Fortune 500 company, sells aftermarket parts, automotive tools, professional service equipment, and accessories through more than 5,019 stores in 47 states. Its stores provide customers with an assortment of brand name, house brands, and private label products for domestic and imported cars, vans and trucks. In July 2008, O'Reilly nearly doubled in size and strengthened its presence on the West Coast with the \$1 billion purchase of CSK Auto. The transaction included CSK's 1,349 stores in 22 states which operated under the Checker Auto Parts, Schuck's Auto Supply, Kragen, and Murray's Discount brands—all of which were converted to the O'Reilly name post-acquisition. In 2012, O'Reilly expanded its footprint by acquiring the auto parts-related assets of VIP Parts, Tires & Service, a large privately-held automotive parts, tires, and service chain (56 stores) in New England. O'Reilly's store base has grown in tandem with its revenue. The company's sales have increased from \$3.5 billion in 2008 to just under \$9 billion in 2017.

Number of Locations	5,019
2017 Revenue	\$8.97 Billion
2017 Net Worth	\$653 Million
Headquarters	Springfield, Missouri
Year Founded	1957
Website	<a href="http://www.oreillyauto.com">www.oreillyauto.com</a>



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## Pensacola, FL MSA Overview

Pensacola, Florida, the westernmost city in the Florida Panhandle, is the seat of Escambia County and the principal city in the Pensacola-Ferry Pass-Brent MSA (Population: 487,784). The MSA includes Escambia and Santa Rosa counties; the cities of Pensacola, Milton and Gulf Breeze; and the towns of Century and Jay. Pensacola was founded in 1559 and serves as a seaport on Pensacola Bay, which connects to the Gulf of Mexico.

Highlighted by miles of unspoiled white sand beaches and turquoise water, Pensacola features an array of state and national parks as well as a historic district teeming with history and culture. Attractions such as the Pensacola Museum of Art, the Museum of Commerce, the Pensacola Lighthouse, and the Arcadia Mill Archaeological Site draw visitors from all over and entertain residents year-round. Often referred to as the “The Cradle of Naval Aviation”, the city lies just northeast of the Naval Air Station Pensacola (NASP), which was the first Naval Air Station commissioned (in 1914) by the U.S. Navy and is home to the Blue Angels flight demonstration team as well as the National Naval Aviation Museum. Other points of interest in the Pensacola area include Perdido Key, which abounds with wetlands, estuaries and wildlife, and Historic Pensacola Village, which is a collection of 22 historical buildings and museums owned and operated by the University of West Florida. In addition, the main campus of the University of West Florida sits just north of the city’s center. The city is also a nexus of transportation, as Pensacola enjoys easy access to Interstate 10, the Port of Pensacola, CSX Railroad, and the Pensacola International Airport.





## Pensacola, FL MSA Overview

### Economy

Pensacola benefits economically from its picturesque coastal location as well as its proximity to other major cities including Mobile and Birmingham, Alabama (60 miles to the northwest and 255 miles to the north, respectively) and New Orleans, Louisiana (200 miles to the southwest). The city's solid, diverse economy features strongholds in the military and tourism industries and boasts one of the most prosperous manufacturing sectors in the northwest Florida region. Military activity in the Pensacola area has long been a major source of employment for local residents, sales for local companies and tax revenue for local government. The top employers in Pensacola are Baptist Health Care, Navy Federal Credit Union and Sacred Heart Health Systems. Central to Pensacola's economic success are the area's six major hospitals, which include the aforementioned Baptist Hospital (492 beds), Sacred Heart Hospital (566 beds) and West Florida Hospital (339 beds). The addition of the Andrews Institute in Gulf Breeze has brought world-class orthopedics and sports medicine to the Pensacola area. Unsurprisingly, the Pensacola area's tourism industry continues to flourish and serves as an important engine for growth and economic development. A lush landscape and warm climate combine to attract millions of visitors to the area each year.

### The University of West Florida

The University of West Florida (UWF) is a mid-sized public university located in Pensacola. A member institution of the State University System of Florida, UWF is a space-grant institution that was established in 1963 as a research university specializing in engineering and the humanities. UWF has a current enrollment of 12,798 students and effects an annual economic impact of \$1.47 billion. At 1,600 acres, UWF's campus is the second-largest in the State University System and serves as a nature preserve. Current facilities at UWF include 35 academic buildings, 21 student services facilities, 25 dormitories, two university village student apartment complexes and 20 plant support facilities. The University also operates the Northwest Florida State College/UWF Fort Walton Beach Campus, the Eglin Air Force Base Center and the Hurlburt Field Center. Consequently, a significant number of UWF students serve as military personnel assigned to NAS Pensacola, NAS Whiting Field, Eglin AFB, Hurlburt Field and Duke Field. Many commissioned officers at these installations pursue postgraduate degrees from UWF outside of their normal duty hours.



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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and

treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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