



O'REILLY AUTO PARTS

MINNEAPOLIS, MN

O F F E R I N G M E M O R A N D U M



AERIAL - NORTHWEST FACING
O'REILLY AUTO PARTS | MINNEAPOLIS, MN



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INVESTMENT OVERVIEW

O'REILLY AUTO PARTS | MINNEAPOLIS, MN

PRICE

\$1,491,000

8.25% CAP Rate

ADDRESS

2905 E Lake Street
Minneapolis, MN 55406

APN

01-028-24-11-0110
01-028-24-11-0039

NET OPERATING INCOME

\$123,046

BUILDING/LOT SIZE

17,923 SF/0.79 Acres

YEAR BUILT/RENOVATED

1920/1999

LEASE TYPE

NNN

TERM REMAINING

3 Years 3 Months

OPTIONS

None

TYPE OF OWNERSHIP

Fee Simple

OVERVIEW

CBRE is pleased to offer this freestanding O'Reilly Auto Parts located on the heavily traveled East Lake Street in the Longfellow Neighborhood of South Minneapolis. The property benefits from easy access, excellent visibility, and close proximity to both the Minneapolis Central Business District and the nearby convergence of several major highways. There are numerous other major traffic drivers nearby including Cub Foods and Target, as well as Lake Street Station on the LRT Blue Line which connects Downtown Minneapolis and the Mall of America. The property consists of a nearly 18,000 square foot building on three parcels totaling 34,477 square feet of land (0.79 acres).

O'Reilly has operated at this site since 1999 and has executed multiple lease extensions showing their continued commitment to this location. They currently have three years left on their lease with no remaining renewal options. The lease is structured as NNN with the tenant responsible for the majority of expenses, leaving the landlord with minimal responsibilities.

HIGHLIGHTS

- + Nearby Major Traffic Drivers
 - Cub Foods, Target, Hiawatha-Lake LRT Station Under 0.5 Mile Away
- + Just 2 Miles from Downtown Minneapolis
- + NNN Lease
 - Minimal Landlord Responsibilities
- + 20 Years of Operating History at this Site
- + East Lake Street Experiencing an Urban Renaissance
 - Dense Urban Location



LEASE SUMMARY

O'REILLY AUTO PARTS | MINNEAPOLIS, MN

RENT SCHEDULE

Date Range	Annual Rent	Monthly Rent	Per SF
7/1/2015 - 6/30/2020	\$123,045.72	\$10,253.81	6.87
7/1/2020 - 6/30/2022	\$127,967.52	\$10,663.96	7.14

LEASE SUMMARY

CAM	Tenant responsible for all repair & maintenance of parking lot, and building interior. Tenant to be responsible for landscaping and snow removal.
Property Insurance	Tenant Responsible - Pays Direct
Real Estate Tax	Landlord Pays - Tenant Reimburses
Utilities	Tenant Responsible - Pays Direct
Trash	Tenant Responsible - Pays Direct
HVAC	Tenant Responsible for repair & replacement
Roof & Structure	Landlord responsible to replace roof, foundation, exterior walls or other structural components. Landlord to pay for cost of the itme, and Tenant shall reimburse the percentage based on how much lease term is remaining. 120 months (denominator in initial term). 60 Months (denominator in options).

TENANT SUMMARY

O'REILLY AUTO PARTS | MINNEAPOLIS, MN



TENANT SUMMARY

Ownership	Corporate
Tenant	O'Reilly Auto Enterprises, LLC
Lease Guarantor	Corporate
No. of Locations	5,219
Lease Commencement	July 1, 1999
Lease Expiration	June 30, 2022
Lease Term Remaining	3 Years 3 Months
Headquartered	Springfield, MO
Website	www.oreillyauto.com

An American auto parts retailer that provides automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States serving both the professional service providers and do-it-yourself customers. The company was founded in 1957 by the O'Reilly family and today operates over 5,200 stores in 47 states. O'Reilly Automotive Inc. has continuing plans for expansion and growth, including the projected addition of 200 new locations in 2019.

"We set our 2019 new store goal to open between 200 and 210 net new stores... since that time, we purchased Bennett Auto Supply in South Florida. Next, we continue to invest heavily in our omnichannel experience."

"O'Reilly Automotive Inc. Earnings Call", <https://corporate.oreillyauto.com>, February 7, 2019

AERIAL - EAST FACING

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DOWNTOWN ST. PAUL

ANN SULLIVAN
COMMUNITY SCHOOL



A AUTO MALL

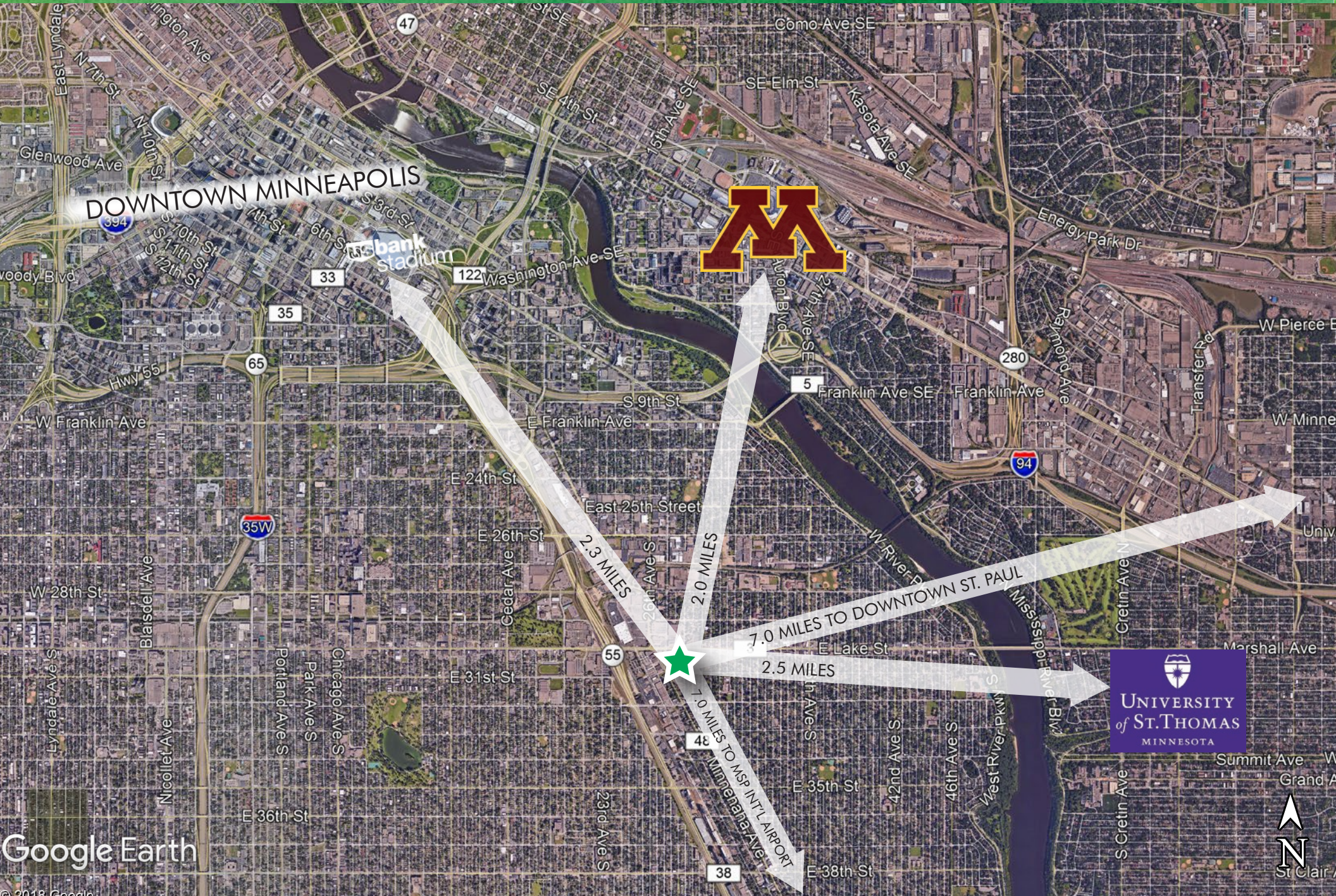


SUBJECT PROPERTY

E LAKE STREET

AERIAL - LOCAL TRADE AREA

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AERIAL - IMMEDIATE TRADE AREA

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MARKET SUMMARY

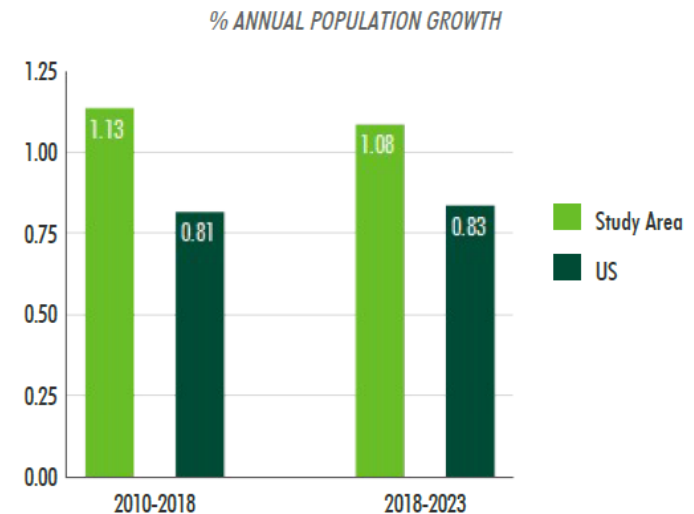
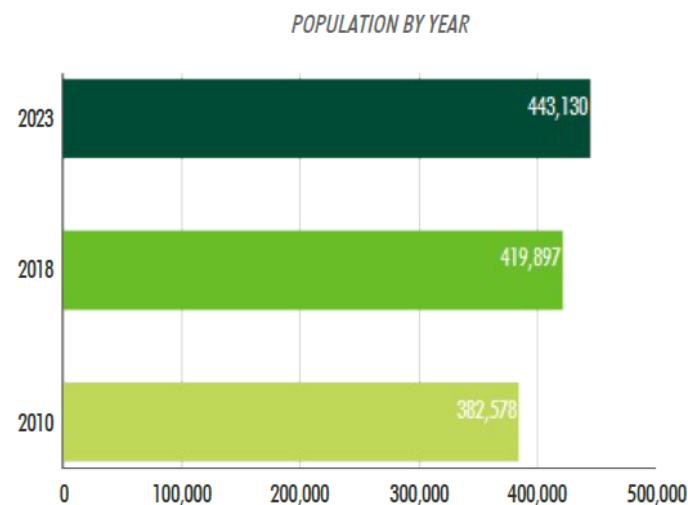
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THE MIDWEST'S THIRD-LARGEST ECONOMIC CENTER

Abundantly rich in water, boasting a strong performing arts and music industry, and regarded as a global city with integral links to the worldwide economy, Minneapolis is the largest city in the state of Minnesota. The city and its surrounding region, including neighboring capital city of St. Paul, is the primary business and financial hub between Chicago and Seattle.

Five Fortune 500 companies have headquarters within city limits, including Target, U.S. Bancorp, Xcel Energy, Ameriprise Financial, and Thrivent Financial. Rounding out the well-diversified economic base is a park system which has been called the best-designed, best-financed, and best-maintained in the country. 16.6% of Minneapolis today is comprised of city parks.

POPULATION



NEIGHBORHOOD SUMMARY

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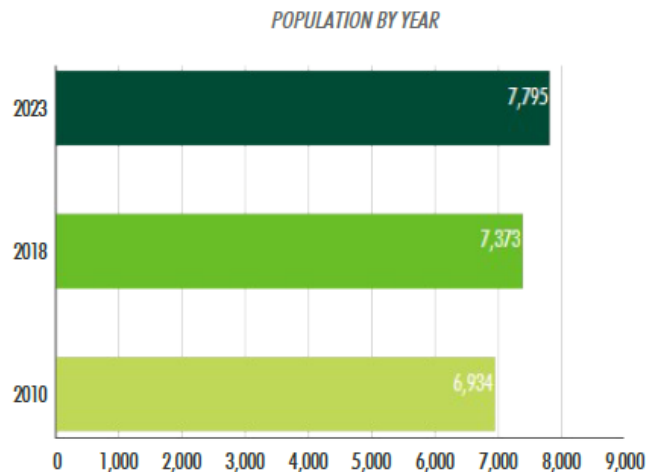
EAST LAKE STREET & THE LONGFELLOW NEIGHBORHOOD

Part of the vibrant and diverse Lake Street trade corridor in South Minneapolis, East Lake Street is a member of the Longfellow Neighborhood. The western terminus of East Lake Street meets the Metro Blue Line at Lake-Hiawatha Station, a major hub for travelers catching public transit to other parts of the Twin Cities. The Metro Blue Line runs daily between the Mall of America, the Minneapolis-St. Paul International Airport, and the Minneapolis Central Business District.

East Lake Street has experienced a resurgence in the past ten years thanks in part to grants totaling more than **\$2 million from the Minneapolis Metro Council** to support the development of livable, transit-oriented communities within a half mile of the Lake-Hiawatha Station. Multiple award-winning and well-frequented shops have opened their doors on East Lake, including Sonora Grill, Hi-Lo Diner, Longfellow Grill, and Merlin's Rest Pub. Other new developments coming to East Lake include **Minnehaha Commons, managed by Alliance Housing**, less than a block away from this site.

15 MINUTES WALKING TIME FROM SITE

POPULATION



INCOME

\$51,059
MEDIAN HOUSEHOLD INCOME

\$27,656
PER CAPITA INCOME



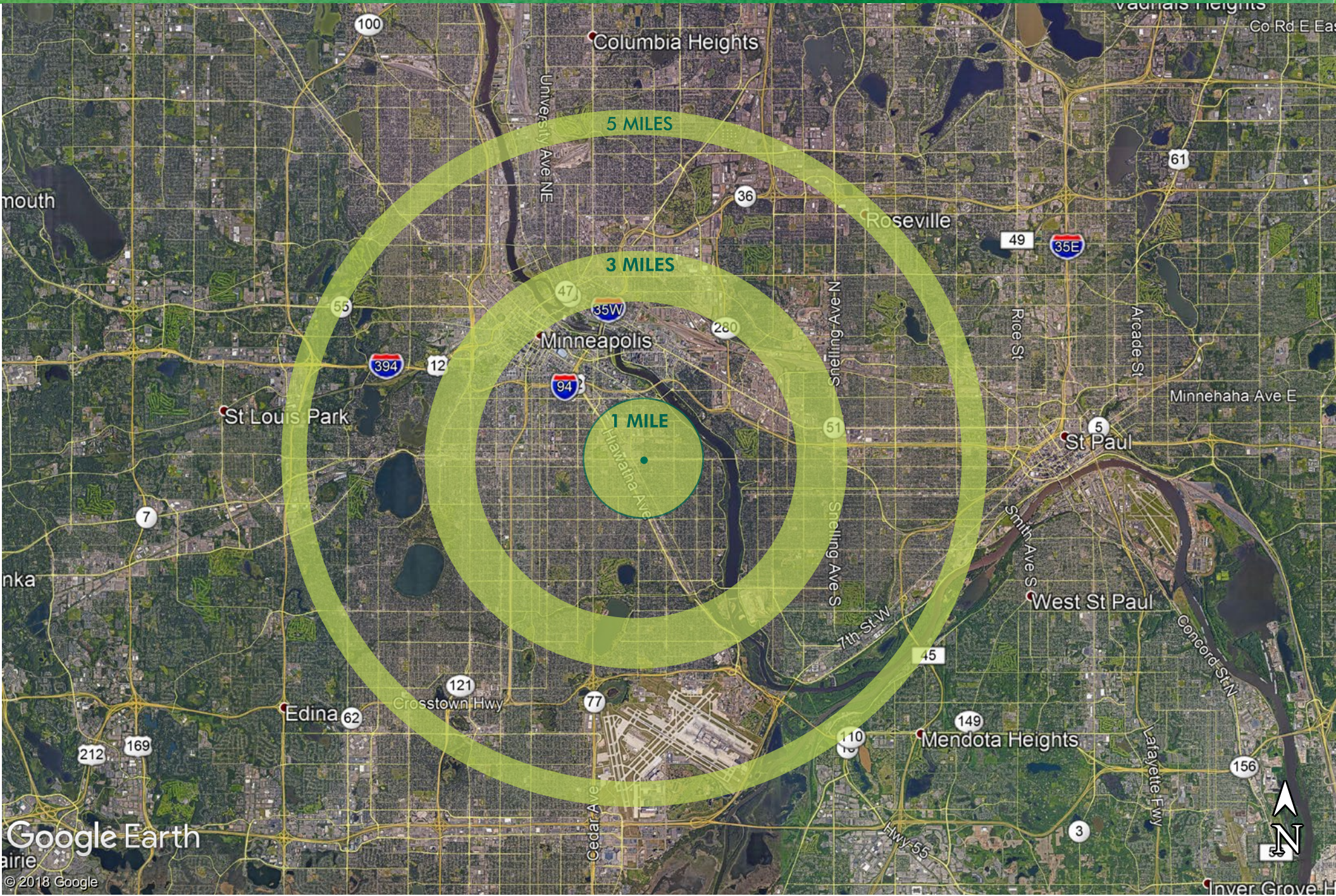
DEMOGRAPHICS

O'REILLY AUTO PARTS | MINNEAPOLIS, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2018 Population - Current Year Estimate	21,614	245,499	493,649
2023 Population - Five Year Projection	22,699	260,008	519,337
2018-2023 Annual Population Growth Rate Projection	0.98%	1.16%	1.02%
GENERATIONS			
Generation Z (Born 1999-2016)	20.8%	20.3%	20.0%
Millennials (Born 1981-1998)	28.8%	39.0%	35.2%
Generation X (Born 1965-1980)	21.6%	17.6%	18.9%
Baby Boomers (Born 1946-1964)	21.1%	16.1%	18.0%
HOUSEHOLD INCOME			
2018 Average Household Income	\$72,204	\$72,336	\$86,226
2023 Average Household Income	\$83,138	\$83,730	\$99,288
EDUCATION			
High School Diploma	15.7%	12.8%	12.1%
Some College - No Degree	16.2%	16.4%	16.2%
Associate`s Degree	7.0%	6.5%	6.9%
Bachelor`s Degree	26.7%	29.3%	31.2%
Graduate or Professional Degree	19.7%	20.5%	22.5%
EMPLOYMENT			
2018 Employed Civilian Population (16+)	96.1%	94.9%	95.4%
2018 Unemployed Population (16+)	3.9%	5.1%	4.6%
No. VEHICLES OWNED			
1 Vehicle	43.8%	42.2%	42.2%
2 Vehicles	31.3%	28.8%	32.7%
3 Vehicles	8.1%	6.0%	6.9%

DEMOGRAPHICS

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CONSUMER BASE

O'REILLY AUTO PARTS | MINNEAPOLIS, MN

DOMINANT TAPESTRY SEGMENT

18.1% EMERALD CITY

- Lower density neighborhoods of urban areas
- Young a mobile, more likely to rent
- Well educated and well employed with incomes close to the US median
- Many embrace the "foodie" culture and enjoy adventurous cooking
- Travel frequently, abroad and domestically

DOMINANT LIFEMODE GROUP

22.8% MIDDLE GROUND

- Lifestyles of thirty-somethings
- Millennials in the middle: single/married, renters/homeowners, middle class/working class
- Urban market mix of single-family, townhome, and multi-unit dwellings

DOMINANT URBANIZATION GROUP

54.7% METRO CITIES

- Residents share an interest in city life and its amenities
- Consumers include college students, affluent Gen X couples, and retirement communities
- Affordable city life
- Many residents rely on the Internet for entertainment and as a useful resource

OTHER TOP SEGMENTS

16.9% METRO RENTERS

- Highly mobile and educated market, living alone or with a roommate in the urban core
- Income is above average, but large portions are spent on rent, clothes, and technology
- Live close to jobs and walk or take a taxi to get around
- Strive to be sophisticated - socializing and social status are important

9.1% IN STYLE

- Urbane lifestyles that include support of the arts, travel, and extensive reading
- Connected, making full use of mobile devices
- Professional couples or single households without children
- Slightly older population that's already planning for retirement
- Attentive to price, they use coupons (especially mobile coupons)



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