



# O'Reilly Auto Parts

OREM | UTAH

OFFERING MEMORANDUM

**MATTHEWS**<sup>™</sup>  
REAL ESTATE INVESTMENT SERVICES

S. STATE ST.  
± 45,000 VPD



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## Investment Highlights

- » **Recent Lease Extension** – O'Reilly Auto Parts (Formerly CSK) has been operating at this location for 19 years and demonstrated strong commitment to the location by extending the lease out to 2029.
- » **Rare Absolute NNN Lease** – This is not one of O'Reilly's standard NN lease with roof, structure, and sometimes parking lot responsibilities. Rather, there are zero landlord responsibilities because tenant is responsible for taxes, insurance, and all maintenance.
- » **Highest Rated Tenant** – O'Reilly Auto Parts who boasts strong S&P BBB credit is the tied for the highest rated tenant among its main competitors: AutoZone, Advance Auto Parts, and Napa Auto Parts. On top of that, their same store sales increased an impressive \$559 Million to \$9.5 Billion.
- » **Unique Investment Opportunity** – Year-to-date, there have been less than 10 national tenant sales in all of Utah that had 10+ years remaining on the lease.
- » **Robust Growth** – The 1-mile population grew about 25% since 2010 and is still expected to grow another 12% over the next 5 years. Furthermore by 2024, the 5-mile population should be 257,000.
- » **Extremely Dense Retail HUB** – Subject property is between Orem's primary retail hubs that feature other premier retailers such as Costco Wholesale, University Place mall, Sprouts, Target, Lowe's Best Buy, and many more.
- » **Multiple Major Developments Nearby** – Over the last few years the 400-acre Waters Edge master-planned community in Vineyard, UT has come together providing 2,000 new homes, trails, pools, imported landscaping, and an 18-acre the Vineyard Sports and Splash park. However, that is only 1 of many new developments nearby. Utah Valley University is building a West Campus in Vineyard which will include a basketball arena, sports stadium, amphitheater, business resource center, and many others totaling 19 buildings. Lastly, the Town Center Village will feature Class A office, corporate campuses, high density housing, and retail all tied together with walkable streets and transit-oriented hubs.
- » **Major University Area** – Large universities typically increase the appeal of surrounding real estate, and this property is located less than 5 minutes from Utah Valley University and less than 15 minutes from Brigham Young University. They have a combined 70,000+ student population and 29 NCAA Division 1 sports programs which compete with: Univ. of Tennessee, USC, Washington, Boise State, University of Arizona, University of Houston, and many more.



UNIVERSITY PLACE



BYU



476 UNITS



S. STATE ST.  
± 45,000 VPD



## Investment Summary

» <b>PROPERTY ADDRESS</b>	874 S State St Orem, UT 84097
» <b>OFFERING PRICE</b>	\$2,018,692
» <b>NOI (YEAR 1)</b>	\$108,000
» <b>CAP RATE (YEAR 1)</b>	5.35%
» <b>TOTAL BUILDING AREA</b>	±9,604 SF
» <b>TOTAL LAND AREA</b>	±1.18 Acres (51,401 SF)

## Annualized Operating Data

	Monthly	Annual	Rent/SF	Cap Rate
Current	\$9,000.00	\$108,000.00	\$11.20	5.35%
Option 1	\$9,450.00	\$113,400.00	\$11.76	5.62%
Option 2	\$9,922.00	\$119,064.00	\$12.35	5.90%
Option 3	\$10,418.00	\$125,016.00	\$12.97	6.19%

## Tenant Summary

Tenant Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NNN
Roof and Structure	Tenant Responsible
Term Remaining	±10.5 years
Original Lease Term	20 Years
Lease Commencement Date	10/1/00
Lease Expiration Date	10/31/29
Increases	5% in Options
Options	Three, 5-year

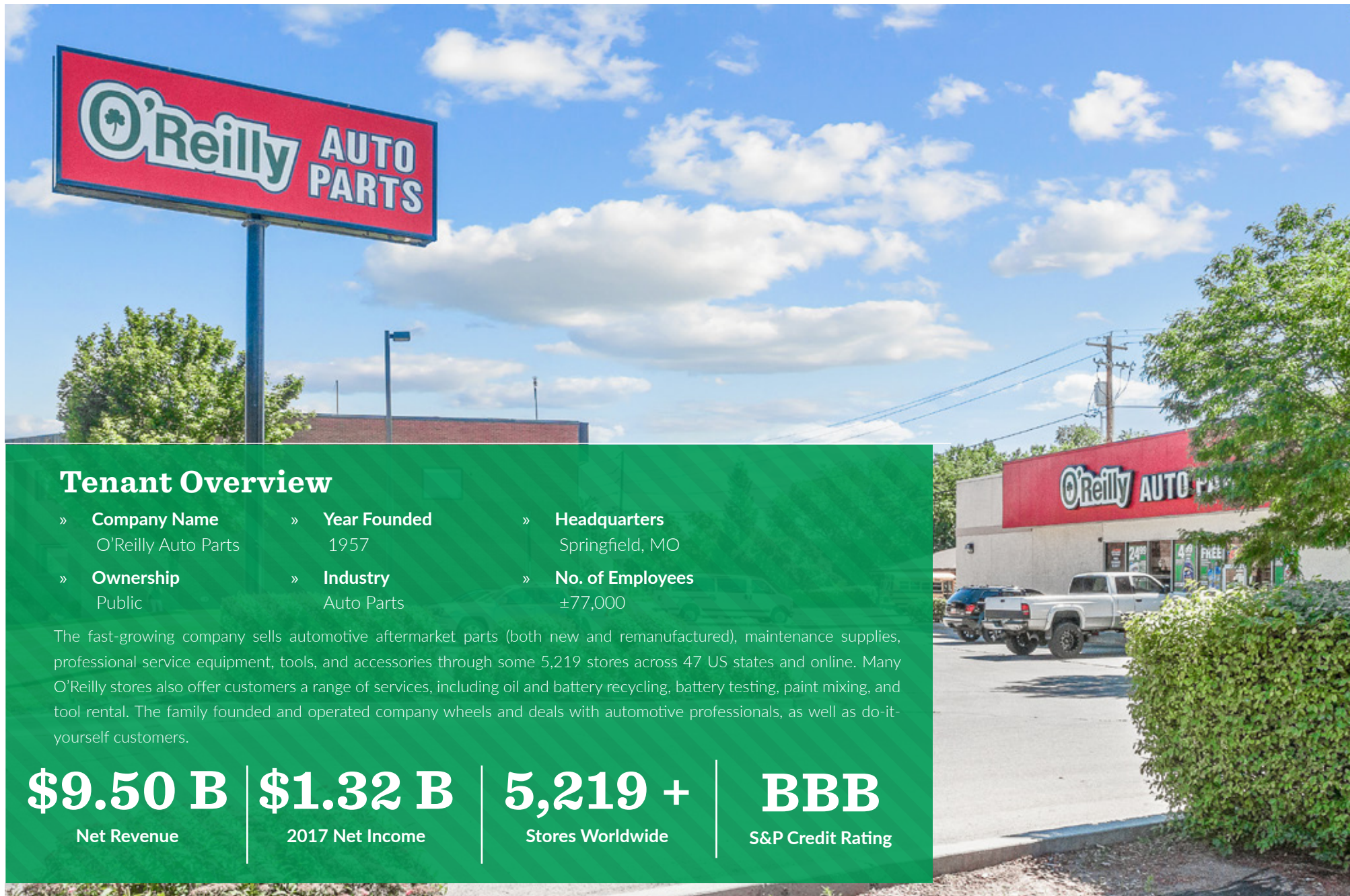












## Tenant Overview

» <b>Company Name</b> O'Reilly Auto Parts	» <b>Year Founded</b> 1957	» <b>Headquarters</b> Springfield, MO
» <b>Ownership</b> Public	» <b>Industry</b> Auto Parts	» <b>No. of Employees</b> ±77,000

The fast-growing company sells automotive aftermarket parts (both new and remanufactured), maintenance supplies, professional service equipment, tools, and accessories through some 5,219 stores across 47 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.

<b>\$9.50 B</b> Net Revenue	<b>\$1.32 B</b> 2017 Net Income	<b>5,219 +</b> Stores Worldwide	<b>BBB</b> S&P Credit Rating
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## ENTERTAINMENT & RESTAURANTS

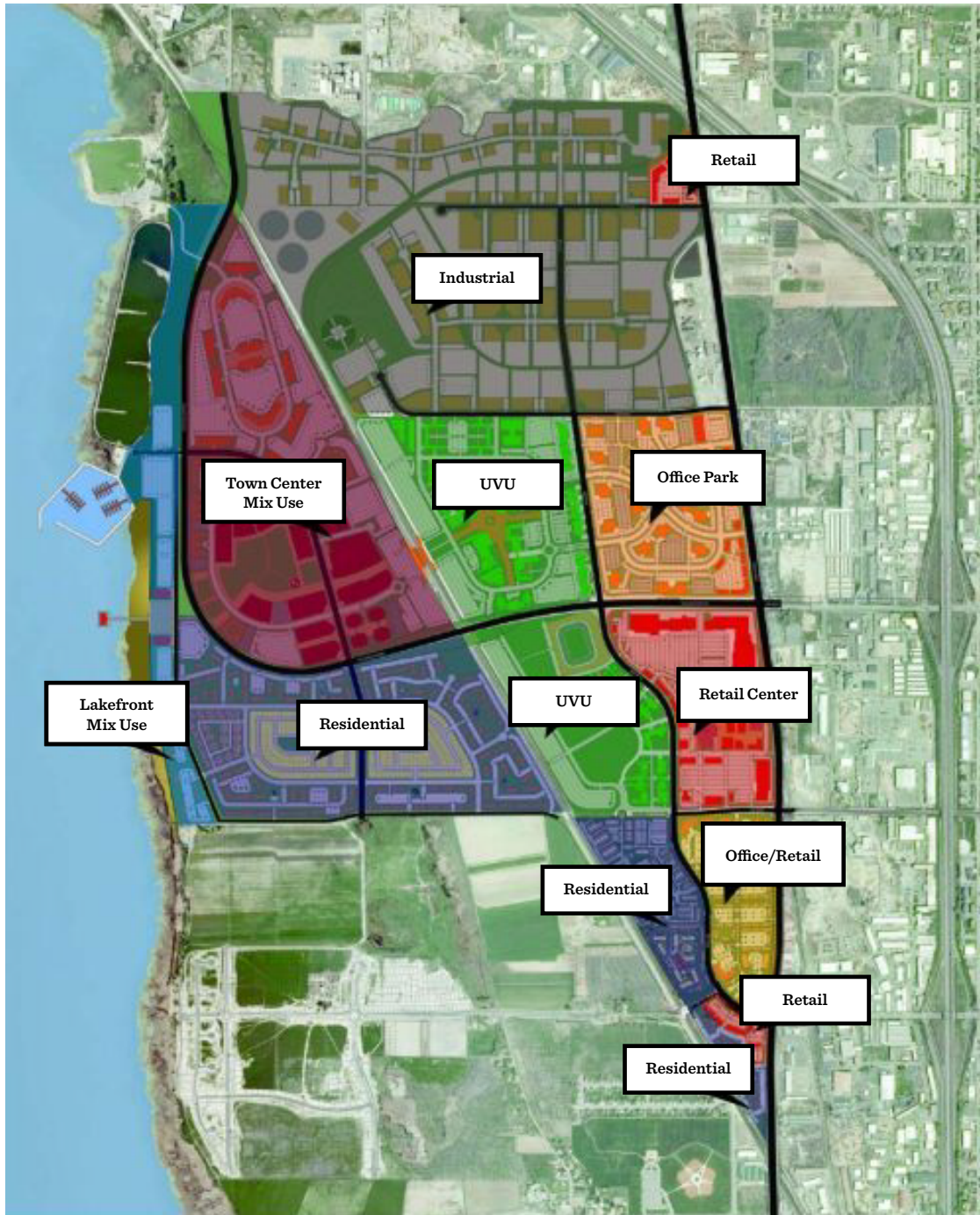
- » Larry Miller Megaplex has annual attendance of over 800,000 per year and draws 1 in 4 movie goers in Utah County
- » Current food options include DQ, Maverik, Great Harvest Bread
- » Restaurants coming this fall include Umami, Chubby's, Starbucks, Yummy's BBQ and Sushi18-acre park

## RESIDENTIAL

- » @geneva currently has over 3000 units completed or under construction
- » Product types include apartments, townhomes, single family homes, condominiums, 55+ housing development and more to suit almost any need
- » Total residential units expected at buildout nearly 8,000
- » Anticipated total @geneva residents approximately 26,000

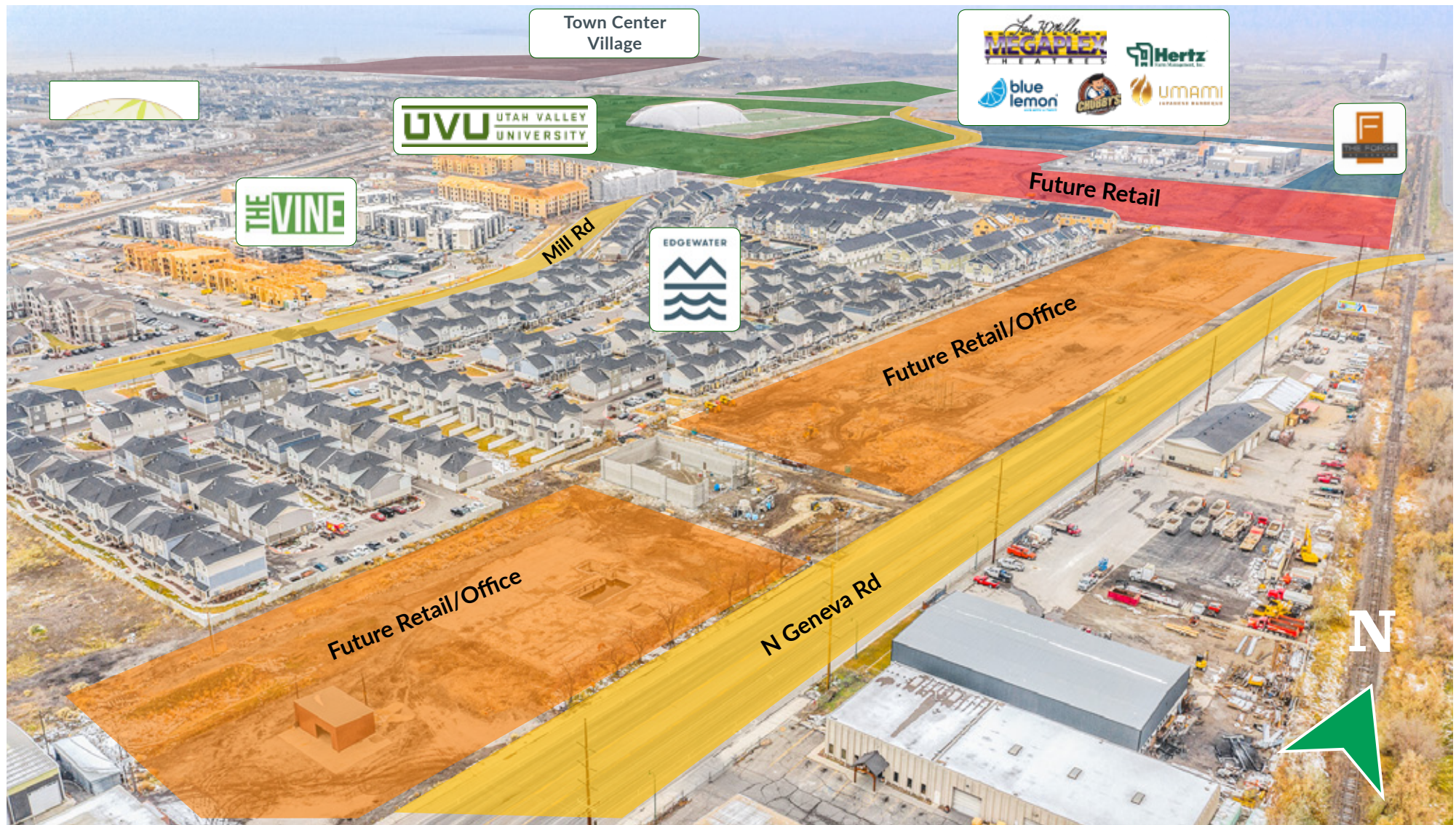
## TRANSPORTATION

- » Three I-15 interchanges are adjacent to the project
- » Two state roads including the yet to be completed 7 lane Vineyard Connector that will connect Vineyard to Pioneer Crossing
- » Well designed and wide major infrastructure roads built to carry large amounts of traffic
- » FrontRunner station currently under construction and future light rail creating one of only three transit oriented hubs along the Wasatch Front





Nearby Development





Location Map





# Area Overview



## Orem, Utah

Orem is a city in Utah in the northern part of the state south of South Lake City. Orem uses the slogan "Family City USA." In 2010 Forbes rated it the 5th best place to raise a family. The city provides a balance of residential areas, businesses, and parks. The location makes it easy to take advantage of the many nearby ski and golf resorts, with just enough distance to preserve the quiet hometown feel. There's also no shortage of family-friendly indoor entertainment, including rock climbing and ice skating

Orem residents live within minutes of Utah's world-class outdoor recreation. The snow-capped peaks of the Wasatch Mountains to the east abound with hiking and skiing opportunities; to the west, Utah Lake hosts boaters and swimmers.

# ±\$85,700

Orem, UT Average Household Income

Projected 2019-  
2024 Population  
Growth

# 6.59%

## Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2024 Projection	20,306	146,228	242,838
2019 Estimate	19,051	137,730	228,179
2010 Census	17,037	125,689	205,077
Growth 2019-2024	6.59%	6.17%	6.42%
Growth 2010-2019	11.82%	9.58%	11.27%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2024 Projection	6,594	43,148	71,947
2019 Estimate	6,112	40,086	66,820
2010 Census	5,286	35,305	58,263
Growth 2019-2024	7.89%	7.64%	7.67%
Growth 2010-2019	15.63%	13.54%	14.69%
INCOME	1 - MILE	3 - MILE	5 - MILE
2019 Est. Average Household Income	\$78,139	\$85,708	\$81,052

## Top Employers

- » Brigham Young University
- » Utah Valley University
- » Utah Valley Hospital
- » Vivant, Inc.
- » Adobe Systems, Inc.
- » DoTerra International
- » IM Flash Technologies
- » Nestle Prepared Foods Company
- » Nexeo Staffing
- » Vivant Solar



## Salt Lake City, Utah

Salt Lake City, located just 39 miles north of Vineyard, is the capital and the most populous city in the state of Utah. Combining the amenities of a major metropolitan area with the friendliness of a quaint, mountain town, Salt Lake is an ideal location to work and live. Salt Lake combines unparalleled access to natural recreation, a bustling economy, dynamic nightlife, remarkable history, warm hospitality, and Utah's Greatest Snow on Earth.



**1.14 MILLION**  
POPULATION



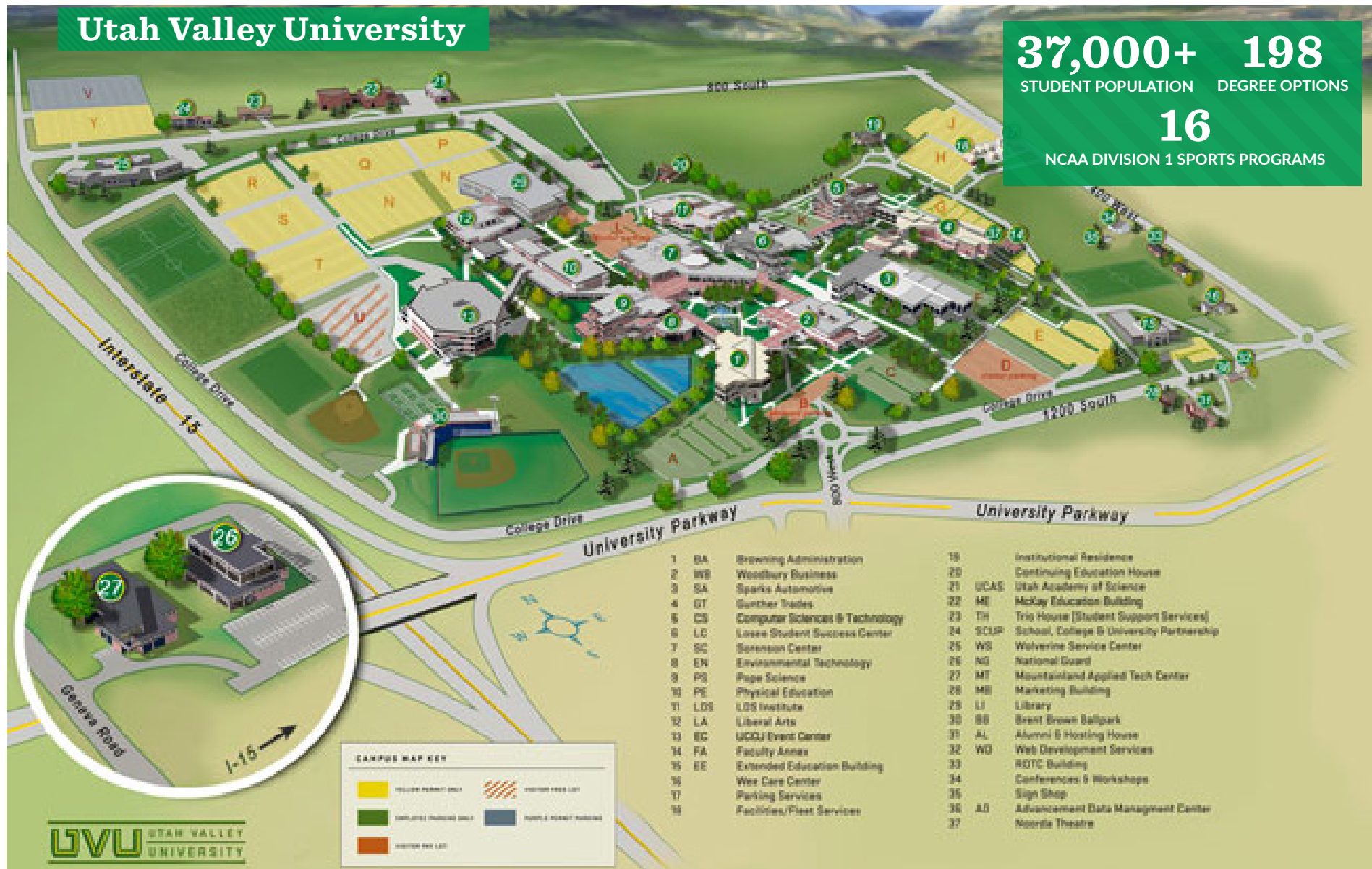
**3.72 BILLION**  
VISITOR SPENDING PER YEAR





## Utah Valley University

**37,000+** STUDENT POPULATION  
**198** DEGREE OPTIONS  
**16** NCAA DIVISION 1 SPORTS PROGRAMS





**BYU**

**33,000+** **267**  
STUDENT POPULATION DEGREE OPTIONS

**13**  
NCAA DIVISION 1 SPORTS PROGRAMS





## Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **O'Reilly Auto Parts** located at **874 S State St, Orem, UT** ("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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