



NEW CONSTRUCTION



SINGLE TENANT
NET LEASE
OPPORTUNITY

PLAINFIELD | CT

HORVATH & TREMBLAY



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Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a brand-new O'Reilly Auto Parts ("O'Reilly's") investment property located at 764 Norwich Road in Plainfield, Connecticut (the "Property"). The build to suit, single-tenant, net-leased O'Reilly's will contain 7,225 square feet on a 1.82-acre parcel. The Property is anticipated to be completed and the 15-year lease term is anticipated to commence on or about January 15, 2020.

The Property is strategically located in the growing trade area at Exit 28 on Interstate 395 (the Connecticut Turnpike). Plainfield is a town of 15,000 residents in eastern Connecticut located 30 miles west of Providence, 40 miles east of Hartford and 60 miles southwest of Boston.




- **NEW CONSTRUCTION:** The Build To Suit Property is currently under construction with the O'Reilly's lease term anticipated to commence on or about January 15, 2020.
- **LONG TERM CORPORATE LEASE:** The corporate O'Reilly's lease is for a 15-year term plus four, 5-year renewal options.
- **INVESTMENT GRADE CREDIT:** O'Reilly Auto Parts is a publicly-traded company (NASDAQ: ORLY) with a market cap of over \$33 billion. O'Reilly's reported 2018 sales of \$9.5 Billion and boasts an investment-grade credit rating of BBB+ (S&P) and Baa1 (Moody's).
- **FIXED RENT INCREASES:** The Lease calls for a 6.0% rent increase at the start of Lease Year 11 and every 5 years thereafter, providing a fixed increase in income and an attractive hedge against inflation.
- **STRATEGIC RETAIL LOCATION:** The Property is strategically located less than 0.25 miles from Exit 28 on I-395 in the growing retail trade area surrounding the interchange.
- **TRAFFIC DRIVERS:** Additional retailers and lodging drawing consumers to the trade area include CVS, Big Y Supermarket, Plainfield Healthcare Center, Eastern Connecticut Bank, Wendy's, McDonald's, Domino's, Dunkin' Donuts, Quality Inn and La Quinta Inn & Suites by Wyndham.
- **RECESSION RESISTANT INVESTMENT:** Due to the auto part industry's projected long-term strength, auto part stores remain in high-demand among Net Lease investors. The U.S. auto fleet is expected to grow by more than 10% over the next 3 years, resulting in more than 290 million vehicles (with an average age of 11 years) on the road by 2022. More cars on the road, an aging fleet and more miles driven are all predictors for a healthy automotive parts industry.



764 NORWICH ROAD | PLAINFIELD, CT 06374



PROPERTY TYPE:	Fee Simple
YEAR BUILT:	2020
BUILDING AREA:	7,225 SF
PARCEL SIZE:	1.82 Acres
LESSEE:	O'Reilly Automotive Stores, Inc.
GUARANTOR:	Corporate
CORPORATE CREDIT RATING:	BBB (S&P) / Baa1 (Moody's)
LEASE TYPE:	Double Net
ROOF, STRUCTURE & PARKING:	Landlord Responsibility
LEASE TERM:	15 Years
RENT COMMENCEMENT DATE:	01/15/2020 (Anticipated)
RENEWAL OPTIONS :	4, 5-Year Options

	LIST PRICE:	\$2,227,597
	CAP RATE:	5.50%
	NOI:	\$122,517.84

ANNUALIZED OPERATING DATA					
YEAR	START	END		ANNUAL RENT	% INCREASE
1-10	01/15/2020	- 01/31/2030		\$122,517.84	
11-15	02/01/2030	- 01/31/2035		\$129,868.80	6.0%
16-20	02/01/2035	- 01/31/2040	OPTION 1	\$137,661.00	6.0%
21-25	02/01/2040	- 01/31/2045	OPTION 2	\$145,920.60	6.0%
26-30	02/01/2045	- 01/31/2050	OPTION 3	\$154,675.92	6.0%
31-35	02/01/2050	- 01/31/2055	OPTION 4	\$163,956.48	6.0%

LEASE ABSTRACT

- **ROOF, STRUCTURE & FOUNDATION:** Landlord will maintain, repair 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 drainage systems, fire suppression system/monitoring, and utility systems to the point of internal distribution within the building portion of the Demised Premises. Landlord warrants the Landlords Improvements against defective workmanship and materials for a period of twelve months from the Commencement Date.
- **PARKING LOT REPLACEMENT:** Landlord responsible for the replacement, if necessary, and code compliance of the parking lot and sidewalks, parking lot drainage, landscaping and irrigation.
- **BUILDING INTERIOR:** Tenant will maintain and repair the Demised Premises, including, but not limited to the entrances, all glass, all window molding and panes, all fixtures, partitions, ceilings, floor coverings, all doors, door openers, equipment, machinery, appliances, signs, lighting, plumbing equipment and fixtures.
- **HVAC REPLACEMENT:** Landlord responsibility if necessary (with the exception of the maintenance and repair required by Tenant as set forth below).
- **HVAC MAINTENANCE:** Tenant responsible for repairs and maintenance including the semi-annual maintenance of the HVAC systems, including changing the filters.
- **UTILITIES:** Tenant shall have all utilities transferred to its name and shall pay the cost of all gas, heat, light, power telephone service and other public utilities of every kind furnished to the Demised Premises.
- **TRASH REMOVAL:** Tenant shall be responsible for coordinating its own trash dumpster and collection services at its sole cost and expense.
- **REAL ESTATE TAXES:** Tenant shall reimburse Landlord for its pro-rata portion of all real estate taxes levied upon the Demised Premises, buildings and other improvements.
- **INSURANCE:** Tenant will reimburse Landlord for all insurance premiums Landlord is required to carry per the Lease.
- **COMMON AREA MAINTENANCE:** Tenant shall reimburse Landlord for its pro rata share of the Common Area Maintenance including the costs to maintain, repair, restripe, repaint, clean, and sweep the parking area, remove snow and ice, maintain refuse receptacles, maintain and replant landscaping (including pruning and trimming), maintain the irrigation systems, maintain directional signage and other markets, maintain the exterior lighting and provided utilities for the Common Area
- **ADMINISTRATION FEE:** Tenant shall reimburse Landlord for an Administration Fee of up to 8% of Tenant's pro rata share of the Common Area expenses.





OWNERSHIP:	Public (NASDAQ: ORLY)
MARKET CAP:	\$33.7 Billion (at 12/02/2019)
REVENUE (2018):	\$9.5 Billion
NET INCOME (2018):	\$1.8 Billion
CREDIT RATING:	BBB (S&P) / Baa1 (Moody's)
STORES:	5,420
EMPLOYEES:	82,000+

ABOUT THE TENANT

O'Reilly Auto Parts is an American auto parts retailer that provides automotive aftermarket parts, tools, supplies, equipment, and accessories, serving both the professional service providers and do-it-yourself customers. O'Reilly's prides itself on being the dominant auto parts retailer in all of their market areas. From their roots as a single store in Springfield, Missouri in 1957, the company now operates 5,420 stores in 47 states and employs more than 82,000 team members.

On April 23, 1993, the company completed an initial public offering, and it now trades on the NASDAQ market under the symbol ORLY. O'Reilly's initial public stock offering was well received by investors and its success has continued to date. For the calendar year ended 12/31/2018, the company reported revenue of \$9.5 billion and net income of \$1.8 billion. In August 2019, O'Reilly Auto announced it would be acquiring Mayasa Auto Parts. This marks O'Reilly Auto Parts first venture into international markets. Mayasa has 5 distribution centers, 20 company stores, and more than 2,000 independent jobber locations throughout Mexico.

O'Reilly's continues to be an attractive investment for investors due to their long-term leases (15 - 20 years), periodic rent increases, renewal options, and investment grade rating. The automotive sector remains an investor favorite, as tenants like O'Reilly, show they can be successful in good and bad economic times. This resilience demonstrates the continuous demand in the automotive sector as the retail auto parts industry continues to thrive as the number and age of vehicles on the road continues to increase.



PLAINFIELD | CT



OVERVIEW

Plainfield is a town in Windham County, Connecticut. The population is estimated to be 15,100 as of the 2017 census estimate. The town comprises four villages: Plainfield (where the Subject Property is located - ZIP code 06374), Moosup (06354), Wauregan (06387), and Central Village (06332). Each village has their own respective Post Office and fire department.

Plainfield is bisected by the I-395 (Connecticut Turnpike) and is serviced by three exits: Lathrop Road at Exit 28 (site of the Subject Property) Route-14A at Exit 29 and Route-14 at Exit 32. Norwich Road (CT Route 12) generally runs parallel to the west of the Turnpike, and is less than ½ mile from all three Turnpike exits.

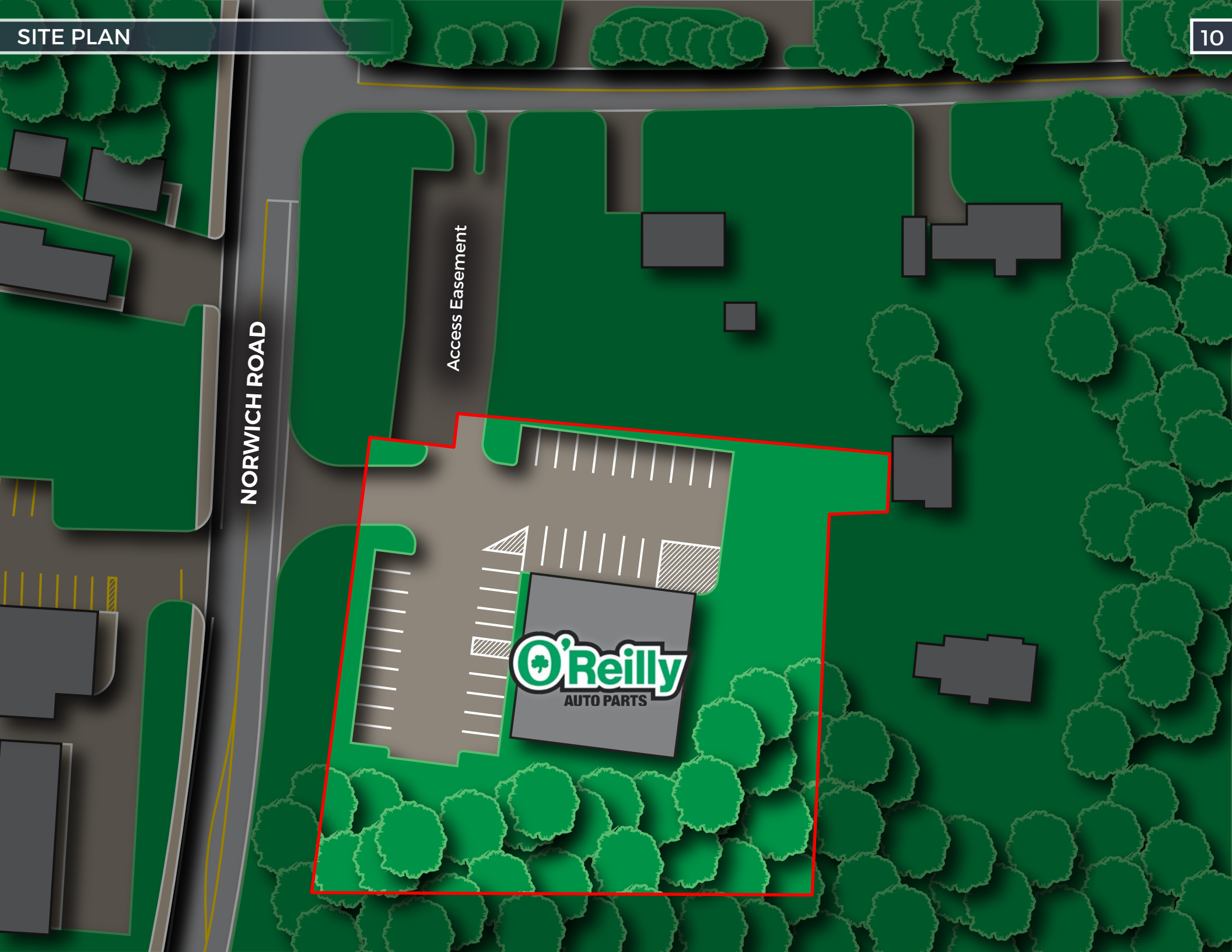
Providence, RI is the closest major city, 30 miles to the East. Hartford is 40 miles West. Boston, MA is 60 miles Northeast; New York City (Manhattan) is 120 miles Southwest. The closest international airport is T. F. Green-Providence Airport (PVD) in Warwick, RI. Nearby Amtrak passenger rail stations include New London (NLC) and Providence (PVD); both are roughly 40-minute drives. New London is also served by the Shore Line East commuter railroad, and Providence by the MBTA Commuter Rail.

	3 MILES	5 MILES	10 MILES
POPULATION			
2019 Estimate	7,139	19,938	66,746
2024 Projection	7,402	20,425	67,362
2010 Census	7,362	20,354	67,563
BUSINESS			
2019 Est. Total Business	326	672	2,106
2019 Est. Total Employees	3,382	5,629	18,814
HOUSEHOLDS			
2019 Estimate	2,803	8,053	27,063
2024 Projection	2,873	8,209	27,398
2010 Census	2,698	7,676	25,579
INCOME			
Average Household Income	\$76,059	\$80,433	\$83,827
Median Household Income	\$71,668	\$72,423	\$73,565



AS OF: 12/12/2019







Lowe's
DISTRIBUTION
CENTER

STAPLES
DISTRIBUTION
CENTER

Mobil

Citizens Bank

SUNOCO

Advance
Auto Parts

McDonald's

CVS

QUALITY INN

Domino's

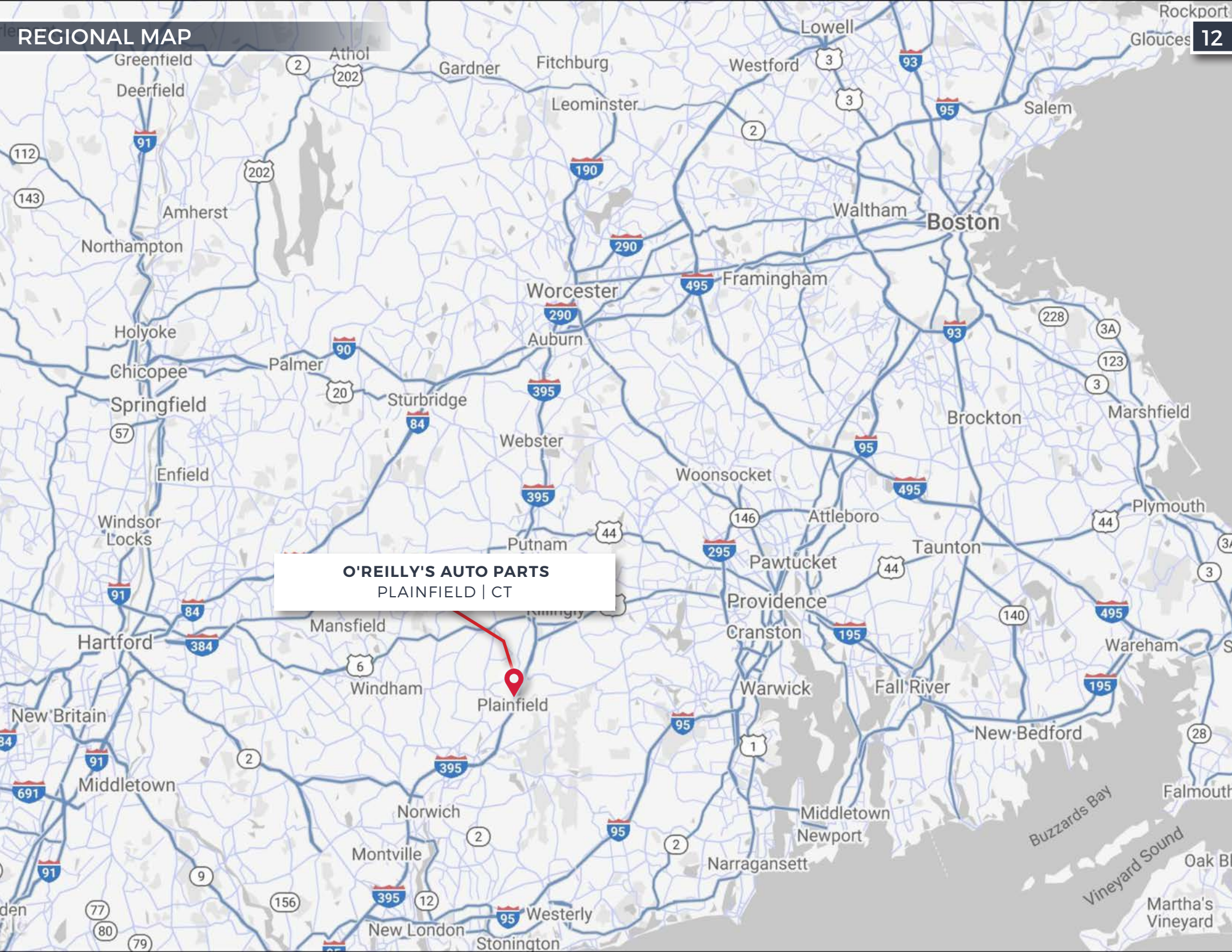
DUNKIN' DONUTS

Wendy's

Big L

LA QUINTA
INNS & SUITES

mazda



REGIONAL MAP

O'REILLY'S AUTO PARTS
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