



O'REILLY AUTO PARTS

CORPORATE BACKED LEASE WITH 9+ YEARS REMAINING

HEREFORD, TX



CAPITAL PACIFIC

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**IN CONJUNCTION WITH
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O'REILLY AUTO PARTS

124 NORTH 25 MILE AVE, HEREFORD, TX 79045

\$931,932	5.95%
PRICE	CAP

NOI:	\$55,450
PRICE/SF:	\$84.72
LEASE TYPE:	NN
ORIGINAL TERM:	20 YEARS
LEASE TERM REMAINING:	9 YEARS
LEASABLE AREA:	11,000 SF
LAND AREA:	.92 ACRES
YEAR BUILT:	1999
TENANT SINCE:	2009

**SIGNIFICANTLY BELOW CURRENT
MARKET RENT**

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Investment Highlights



THE OFFERING

The subject property is currently leased to O'Reilly Auto Parts, with 9 years remaining on a 20 year original term. O'Reilly acquired TCM Parts Inc. and took over the site in 2009. The rent is scheduled to increase in 2024.

The property is centrally located on one of the city's main corridors and benefits from high traffic volumes. Hereford, Texas, is known for its agricultural economy and tax incentives for businesses.

O'Reilly currently maintains an investment grade S&P Rating of BBB and Baa1 from Moodys.

HIGHLIGHTS

- **BBB rating from S&P**
- **O'Reilly Auto Parts is backed by a strong, corporate guarantee**
- **Extremely low in place rent at \$0.42/psf per month**
- **Strong agricultural economy in Hereford**

DESIRABLE LOCATION

- **Property benefits from over 16,400 VPD**
- **Located on the main corridor in Hereford**
- **Hereford has affordable labor, low cost of living and aggressive tax incentives, making it a desirable town to do business**

Income & Expense

PRICE		\$931,932
Price Per Square Foot:		\$84.72
Capitalization Rate:		5.95%
Total Rentable Area (SF):		11,000
Lot Size (AC):		0.92
STABILIZED INCOME		PER SQUARE FOOT
Scheduled Rent	\$5.04	\$55,450
Effective Gross Income	\$5.04	\$55,450
LESS		PER SQUARE FOOT
Taxes	NNN	Tenant Pays Direct
Insurance	NNN	Tenant Pays Direct
Roof And Structure	NN	Landlord
EQUALS NET OPERATING		\$55,450



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEAR RENT/FT
O'Reilly Auto Parts	11,000	3/1/2019	2/28/2024	\$55,450	\$4,620.83	\$55,450	\$0.42	\$5.04
	Increase **	3/1/2024	2/28/2029	\$60,984	\$5,082	\$60,984	\$0.46	\$5.54
	Option 1 **	3/1/2029	2/28/2034	\$67,080	\$5,590	\$67,080	\$0.51	\$6.10
	Option 2 **	3/1/2034	2/28/2039	\$73,788	\$6,149	\$73,788	\$0.56	\$6.71
TOTALS:	11,000			\$257,302	\$21,442	\$257,302	\$1.95	\$23.39

***Assumes CPI Index will be higher at time of rent increase. Actual rent could be higher or lower as there is no guarantee the CPI will increase.*

** Rent for Option Periods: Tenant agrees to pay the Landlord an increase in rent for each of the option periods equaling the increase in the Consumer Price Index (the "CPI") calculated by taking the percentage of increase between the CPI on the starting date of each option period and the CPI on 2/28/09 multiplied by the original monthly rental rate of \$4,075.00, less all previous rent increases and adjustments throughout the Lease.*

Lease Abstract



RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
3/1/19-2/28/24	\$4,620.83	\$55,450.00
3/1/24-2/28/29	\$5,082.00	\$60,984.00

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 3/1/29-2/28/34	\$5,590.00	\$67,080.00
#2. 3/1/34-2/28/39	\$6,149.00	\$73,788.00

Reference Page 6 for details regarding rental increases.

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISE & TERM

TENANT
LEASE TYPE
LEASE TERM
RENT COMMENCEMENT
OPTIONS

O'Reilly Auto Stores, Inc.
NN
9 Years Remaining
2/28/2009
Two 5-year options

EXPENSES

TAXES
INSURANCE
UTILITIES
CAM
MAINTENANCE
LANDLORD'S OBLIGATIONS

Tenant (Pays Direct)
Tenant (Pays Direct)
Tenant (Pays Direct)
Tenant (Pays Direct)
Tenant (Pays Direct)
Roof and Structure

ADDITIONAL LEASE PROVISIONS

ASSIGNMENT/SUBLETTING
None
ESTOPPELS
10 Days
ROFR
Yes, 10 Days

Site Plan

sf
11,000
RENTABLE SF

ac
0.92
ACRES

19
SPACES



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Tenant Overview



ABOUT O'REILLY AUTO PARTS

O'Reilly Auto Parts is an American auto parts retailer that provides automotive parts, tools, supplies, equipment, and accessories in the United States serving both the professional service providers and do-it-yourself customers.

O'Reilly Automotive, Inc. officially started in the auto parts business in Springfield, Missouri, in November of 1957. By 1961, the company's volume had reached \$1.3 million – the combined volume of O'Reilly Automotive Distributors, a division formed to serve independent automotive jobbers in the area.

TEAM
MEMBERS

| 82,000+

5,420+

LOCATIONS IN
47 STATES



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Demographics



POPULATION

	3-MILE	5-MILES	10-MILES
2010	16,329	16,743	18,028
2019	17,142	17,556	18,759



2019 HH INCOME

	3-MILE	5-MILES	10-MILES
Average	\$61,548	\$62,249	\$63,457

TOP EMPLOYERS IN AMARILLO

EMPLOYER	# OF EMPLOYEES
Amarillo Independent School District	5,364
Tyson Foods , Inc.	4,400
CNS Pantex	3,203
BSA Health System / Don & Sybil Harrington Cancer Center	3,200
Northwest Texas Healthcare System	1,860



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 10-MILE RADIUS
IS OVER \$63K**

HEREFORD, TEXAS



AMARILLO

HEREFORD is a city in and the county seat of Deaf Smith County, Texas. It is located 48 miles southwest of Amarillo and 102 miles northwest of Lubbock.

Hereford is number one in the world in beef production. Cattle feeding is the main industry and the city is known as the “Beef Capital of the World.” There are more than a million cattle fed within a 50 mile radius of Hereford. This city leads the entire area in dairy production. It also is nestled in a large grain producing area where farming is abundant.

AMARILLO is the largest city located in the northern region of Texas known as the “Texas Panhandle”. The Panhandle is bordered by New Mexico and Oklahoma, granting Amarillo easy access to both states. Amarillo’s long-established transportation infrastructure and ample land have historically enabled a range of logistics and agriculture industries.

With mostly rural communities populating the Texas Panhandle, Amarillo serves as the hub for medicine, economy, education, and culture. There are several higher education institutions including Amarillo College, Texas Tech University at Amarillo, West Texas A&M University and Wayland Baptist University. Known as the wind capital of the world, Amarillo is home to research, manufacturing, and production of wind turbines and power.

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SAN FRANCISCO TEAM.**



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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date