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O'Reilly Auto Parts

STOUGHTON | MA

OFFERING MEMORANDUM

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES

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INVESTMENT HIGHLIGHTS

LEASE

- » **Ideal 1031 Exchange opportunity** – Corporately guaranteed new construction O'Reilly Auto Parts. The lease expires in 2033, making it a spectacular opportunity for an investor looking for a passive investment with rent increases.
- » **Hedging Inflation and Depreciation** – Starting in year 11, there are 6% rent increases every 5 years through all four options.
- » **"Coupon Clipper" Investment** – Property comes with a 20-year roof warranty through 2038, which helps this deal operate essentially as NNN.

LOCATION/MARKET

- » **Extremely Rare Boston Investment Opportunity** – Over the last 24 months, there has been only one other new development retail transactions hit the market in the Greater Boston area (Costar).
- » **Top Regional Grocer Across the Street** – Stop&Shop Superstore is one of the tri-state areas largest grocers. Ahold Delhaize, the parent company, is the second largest grocery company in the world coming generating \$62.3 Billion in revenue in 2018
- » **Driving Distance to Gillette Stadium** – The Super Bowl Dynasty Patriots play only 12 miles from subject property.
- » **Prime Retail Positioning** – Great visibility and access on a signalized corner on a major thoroughfare that sees 20,000 cars per day on average.
- » **Incredible Demographic Mix** – Within a dense 5-mile radius, there are ±266,065 residents with incomes between ±\$98,421 and ±\$99,599.
- » **Strong retail Corridor**– Retailers in the area consist of as Walgreens, Dunkin Donuts, McDonald's, CVS, KFC, Taco Bell, Bank of America.
- » **Near Only High School in Stoughton** – Stoughton High School is only 1-mile from subject property and has over 1200+ students enrolled.

TENANT

- » **Strong Investment grade credit** - O'Reilly Auto Parts boast strong investment grade credit of BBB along with AutoZone, Walgreens, AT&T Sherwin-Williams, Kroger, and FedEx to name a few.
- » **Increasing Performance** - O'Reilly ended 2018 with a total revenue of \$9.53 Billion which was up from 2017's revenue of \$8.97 billion.





Debt Quote

LTV	60% - 65%
Interest Rate	3.85%
Amortization	30 years
Term	10-Year Fixed Rate

**TERMS ARE SUBJECT TO CHANGE
PLEASE CONTACT JESSE LILLARD OR KEVIN PUDER
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Investment Summary

» PROPERTY ADDRESS	287 Washington St Stoughton, MA 02072
» OFFERING PRICE	\$2,850,000
» NOI (YEAR 1)	\$144,000
» CAP RATE (YEAR 1)	5.05%
» TOTAL BUILDING AREA	±7,185 SF
» TOTAL LAND AREA	±36,333 (±0.83 Acres)
» YEAR BUILT	2018

Annualized Operating Data

	Monthly	Annual	Cap Rate	Increases
Current (years 1-10)	\$12,000	\$144,000	5.05%	--
Years 11-15	\$12,720	\$152,640	5.35%	6.00%
Option 1	\$13,483	\$161,796	5.67%	6.00%
Option 2	\$14,292	\$171,506	6.01%	6.00%
Option 3	\$15,149	\$181,788	6.36%	6.00%
Option 4	\$16,058	\$192,696	6.74%	6.00%

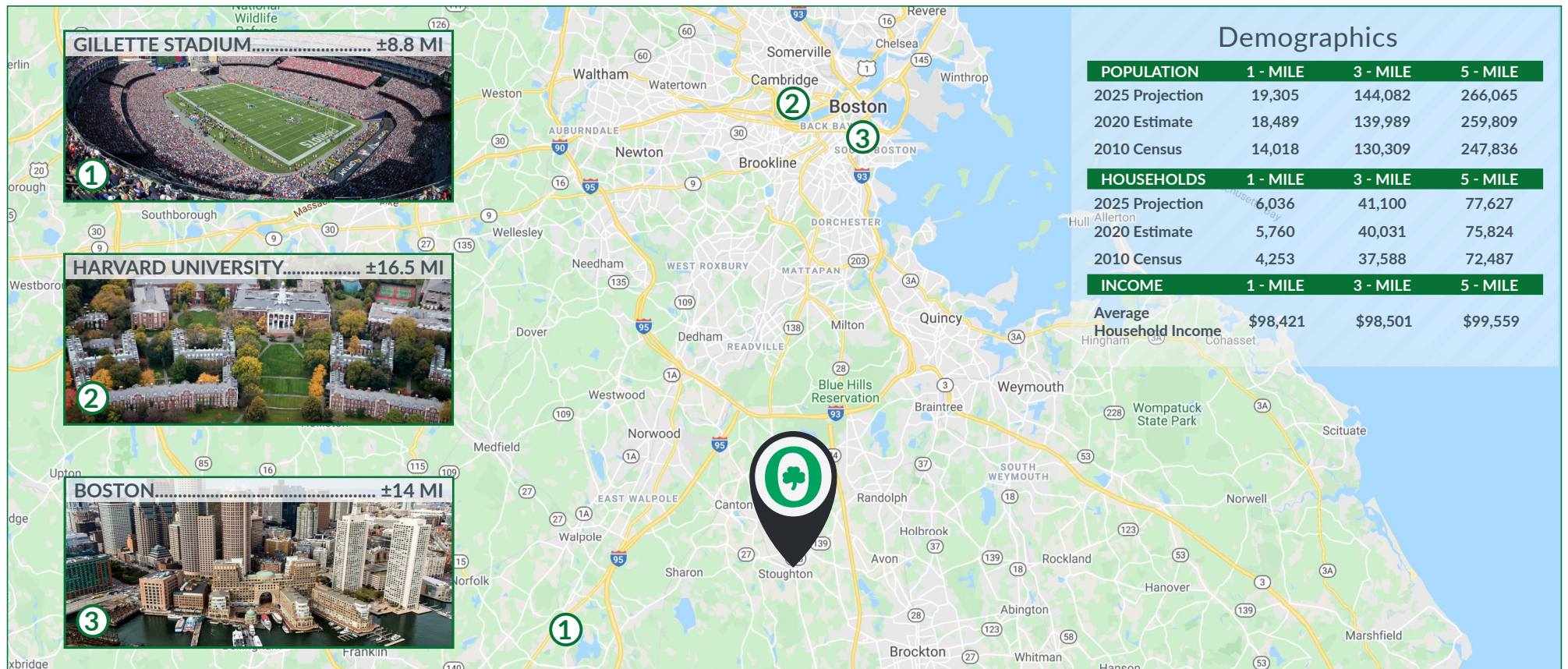
Tenant Summary

Tenant Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Term Remaining	±13.5 years
Original Lease Term	15
Lease Commencement Date	6/1/18
Lease Expiration Date	5/31/33
Increases	6% year 11 & through options
Options	Four, 5-Year

Area Overview



- **Stoughton, MA** - Located in Norfolk County
- **Affluent Area** - Norfolk County is the 33rd highest-income county in the United States and the wealthiest county in Massachusetts
- **Stoughton is only about 14 miles from Boston.**
- **Leading Tourist Destination** - Boston see 19 million domestic and over 1.7 overseas visitors annually.
- **Main Industry** - finance, high-technology research and development, tourism, medicine, education, commercial fishing, food processing, printing and publishing, and government.
- **Education** - Harvard University, Massachusetts Institute of Technology (MIT), Northeastern University, Boston College, Boston University, Bentley University, Suffolk University, Berklee College of Music, are all located in Boston.
- **Sports** - the Red Sox, the Celtics, the Bruins, the New England Patriots and the New England Revolution





20M
VISITORS ANNUALLY



10TH
LARGEST METROPOLITAN
CITY IN THE U.S



\$20.7M
TOURISM REVENUE



694,583
POPULATION



10%
OF STATES POPULATION
RESIDE IN BOSTON

Boston, MA

The city of Boston is one of the oldest cities in the United States, loaded with history. People visit from all over the country to see sites of The Boston Tea Party, the Battle of Bunker Hill, The Boston Massacre to just name a few. The city is home to America's oldest professional baseball stadium, Fenway Park which is another major attraction. Faneuil Hall, Quincy Market and the rich history that dates back century brings over 19 million domestic and over 1.7 overseas visitors to the city annually making it a leading tourist destination.

There are also annual events that bring tourists flooding into the city. The Boston Marathon, 4th of July or First Night / First Day And there are many seasonal specialties near and dear to Bostonians which attract visitors. Lilac Sunday or the Duckings Day Parade in springtime, The Head of the Charles Regatta in fall or a Nutcracker performance during the holidays. Boston's calendar is brimming with things to do, places to go, people to see.

Fenway Park



Boston Tea Party



Quincy Market



Boston Marathon



Sports

Boston is home to several major league sports teams. They include the Red Sox (baseball), the Celtics (basketball, in the state where the sport was invented), the Bruins (ice hockey). The New England Patriots (American football) and the New England Revolution (soccer) play at Gillette Stadium.

Sports are a major part of the city's culture (as well as the culture of the Greater Boston area). Boston sports fans are known for their fanatical devotion to the Red Sox and knowledge of the team's history. However, in recent memory Boston is now known as a football town, as the Patriots have long seized the title as the most popular team in New England.



Education

Boston, "Bean Town," is known for being a major college town. With a young nightlife and so many attractions, there are several highly recognized institutions that call Boston home. Harvard University, Massachusetts Institute of Technology (MIT), Northeastern University, Boston College, Boston University, Bentley University, Suffolk University, Berklee College of Music, among others keep the city striving in fields such as law, medicine, engineering, and business. Mass General is one of the Country's highest-ranked hospitals and can be found in Boston as well.

**35**

COLLEGES UNIVERSITIES,
& COMMUNITY COLLEGES
IN BOSTON

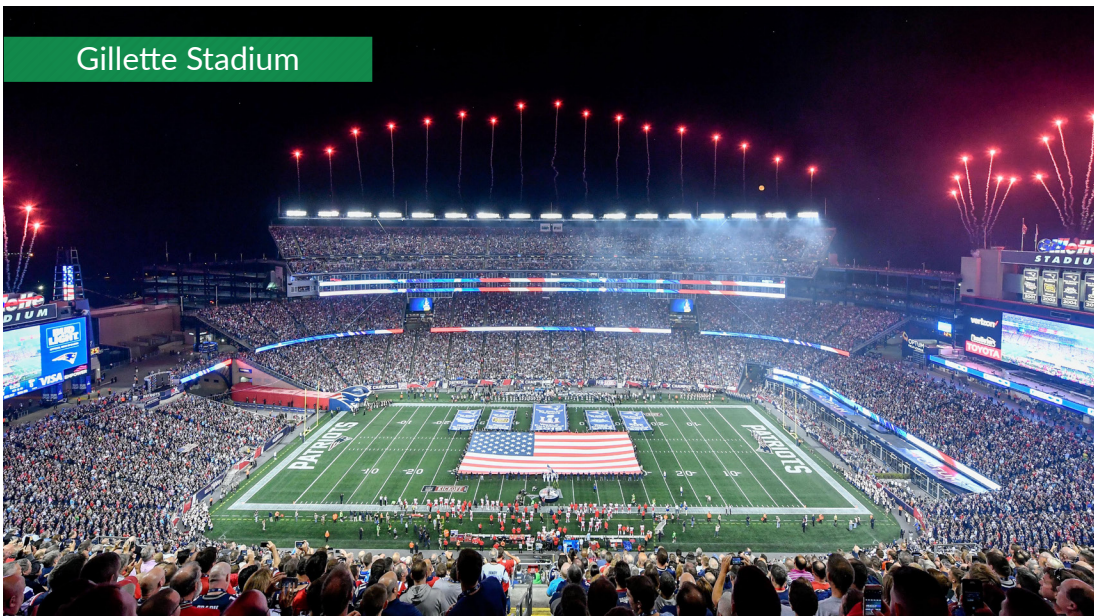
**152,000**

STUDENTS
IN BOSTON

**34%**

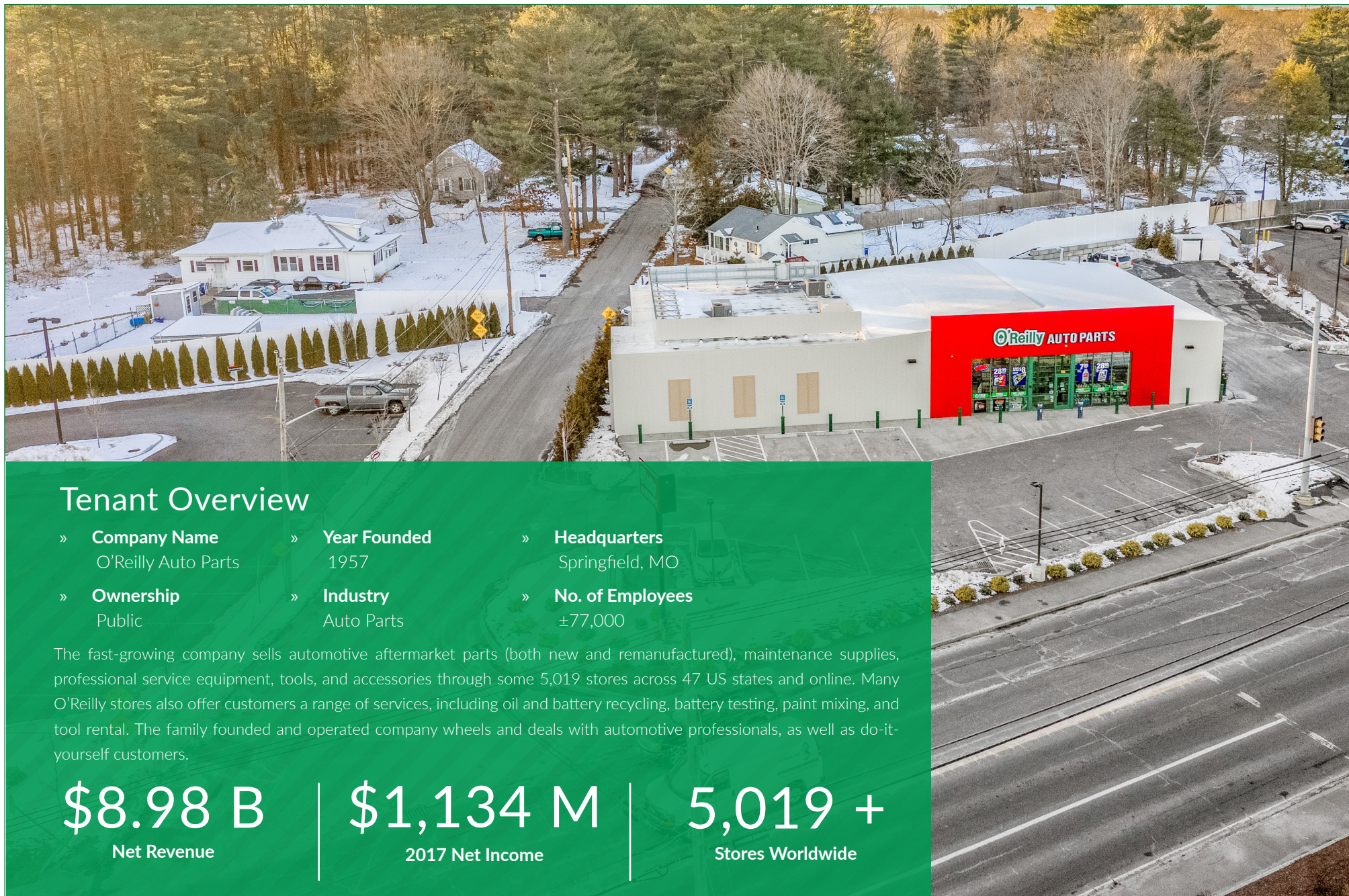
OF STATES' TOTAL COLLEGE
ENROLLMENT IS IN BOSTON

Gillette Stadium



Harvard Campus





Tenant Overview

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

The fast-growing company sells automotive aftermarket parts (both new and remanufactured), maintenance supplies, professional service equipment, tools, and accessories through some 5,019 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.

\$8.98 B
Net Revenue

\$1,134 M
2017 Net Income

5,019 +
Stores Worldwide

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **O'Reilly Auto Parts** located at **287 Washington Street Rt 138, Stoughton, MA 02072** ("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.

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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.

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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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