

# O'Reilly Auto Parts | Over 17 Years of Lease Term Remaining

Newer 2017 Construction | Dense, In-Fill Location | Investment Grade Tenant

## Offering Memorandum

8142 Kitty Hawk Rd. | Converse, TX 78109 (San Antonio MSA)



Representative Photo  
Photo Credit: verdenews.com

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# Investment Highlights

Investment Property Advisors is pleased to offer for sale a single-tenant, net-lease O'Reilly Auto Parts with over 17 years of lease term remaining. The asset is located at 8142 Kitty Hawk Rd. in Converse, TX. Converse, TX is part of the San Antonio MSA. Converse has seen growth of over 29% in the last two years alone and the city is planning for strong growth to continue into the future. San Antonio is one of the fastest growing cities and is the seventh most populated city in the United States. The property is positioned near the hard corner of Kitty Hawk Rd. and Toepperwine Rd. with over 23,000 cars per day.

The approximately 7,225 sq. ft. building is situated on about 1.4 acres. The building is of newer construction and was built in 2017 as a build to suit for O'Reilly Auto Parts. O'Reilly Auto Parts is one of the dominant auto parts retailers and suppliers in the United States. The company has over 5,400 stores located across 47 states and Mexico. O'Reilly Auto Parts is traded on the NASDAQ, with a BBB+ investment grade credit rating.

This investment benefits from the strong credit tenant, long-term lease, and newer construction. The passive nature of the lease combined with the strong real estate fundamentals limit downside for an investor. This investment is positioned extremely well for the future.



## Offering Summary

Purchase Price	\$2,391,000
Net Operating Income	\$125,539
Cap Rate	5.25%
Lease Type	NN

## O'Reilly Auto Parts

- Single-Tenant Net-Lease O'Reilly Auto Parts
- Over 17 years of lease term remaining through November 30, 2037
- Newer construction
  - Built in 2017
  - Built to O'Reilly's specifications (build-to-suit)
  - Concrete parking lot (tenant responsible for repairs and maintenance)
- BBB+ Investment Grade Credit Rating
- Building Size: ±7,225 SF
- Land Size: ±1.4 acres
- Strong real estate fundamentals
  - Strong traffic counts that continue to rise (over 23,000 cars per day at the intersection)
  - Access from both Kitty Hawk Rd. and Toepperwine Rd.
  - Nearby tenants include Walmart Neighborhood Market, Sonic, Walgreens, and CVS among many others
  - Dense, in-fill location
- Growth Market
  - Converse is a part of the San Antonio MSA
  - San Antonio is one of the fastest growing cities in the United States
  - Business-friendly environment

# Lease Summary & Rent Schedule



## Lease Summary



Location	8142 Kitty Hawk Rd. Converse, TX 78109
Tenant	O'Reilly Auto Enterprises, LLC
Building Size	±7,225 SF
Land Size	±1.40 Acres
Commencement Date	December 1, 2017
Remaining Base Lease Term	Over 17 Years through November 30, 2037
Rental Increases	5% in year 11 and year 16 and each option
Renewal Options	(4) 5-year options
Net Operating Income	\$125,539
Lease Type	NN
Right of First Offer	10 business days

## Rent Schedule



Period	Annual Rent
Years 1-10 (Current)	\$125,539
Years 11-15	\$131,816
Years 16-20	\$138,407
Years 21-25 (Option 1)	\$145,327
Years 26-30 (Option 2)	\$152,594
Years 31-35 (Option 3)	\$160,223
Years 36-40 (Option 4)	\$168,235

## Tenant Highlights



Representative Photo  
Photo Credit: [desmoinesregister.com](http://desmoinesregister.com)



O'Reilly Auto Parts is an auto parts retailer that provides aftermarket parts, tools, supplies, equipment, and accessories across the United States. The company services professional service providers and do it yourself customers. O'Reilly Auto Parts operates more than 5,400 stores across 47 states and Mexico.

O'Reilly Auto Parts was founded in 1957 by Charles O'Reilly with a single store in Springfield, Missouri. First year store sales in 1958 totaled \$700,000 and by 1961, the store's volume reached \$1.3 million. The company went public in 1993 and is traded on the NASDAQ under the symbol ORLY.

O'Reilly has grown and expanded tremendously throughout the United States through new store growth and acquisitions. The company continues to plan for growth and expansion. O'Reilly Auto Parts is the dominant supplier of auto parts in their markets and offers the best combination of price and quality provided with the highest possible service level.



Tenant Profile	
Tenant	O'Reilly Auto Parts
Headquarters	Springfield, MO
Locations	5,400+
Employees	81,000+
Type	Public
Stock Ticker	ORLY (NASDAQ)
S&P Rating	BBB+
Year Founded	1957
Website	<a href="http://www.oreillyauto.com">www.oreillyauto.com</a>



# Trade Area





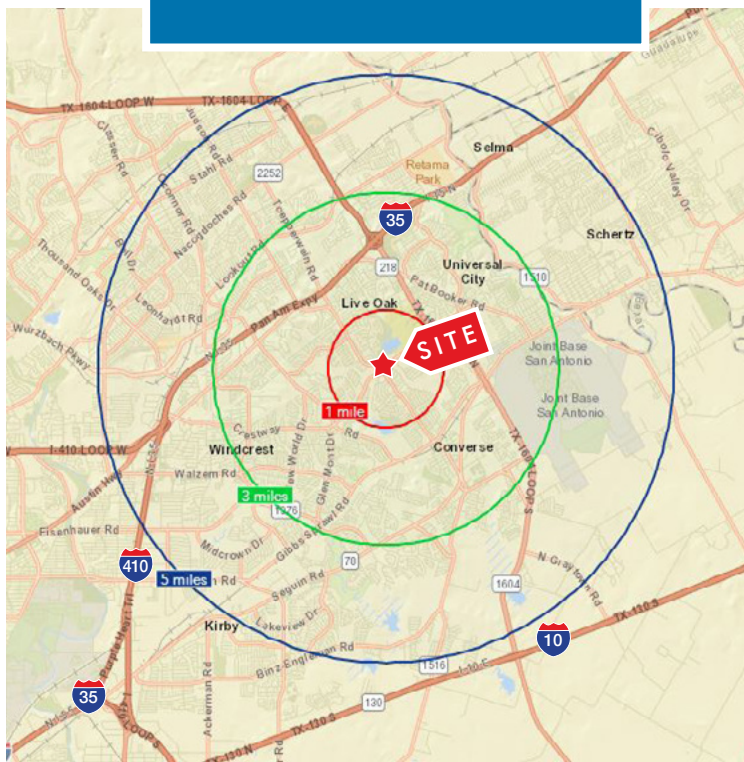
# Site Aerial





# Demographics

## 1, 3 & 5 Miles



	1 Mile		3 Mile		5 Mile	
Summary	2019		2019		2019	
Population	12,862		106,564		244,773	
Households	4,773		38,306		86,719	
Families	3,588		27,117		62,249	
Average Household Size	2.68		2.75		2.80	
Owner Occupied Housing Units	3,497		24,615		56,876	
Renter Occupied Housing Units	1,276		13,692		29,844	
Median Age	38.0		35.9		35.5	
Trends: 2019 - 2024 Annual Rate	State		State		State	
Population	1.59%		1.59%		1.59%	
Households	1.55%		1.55%		1.55%	
Families	1.53%		1.53%		1.53%	
Owner HHs	1.63%		1.63%		1.63%	
Median Household Income	2.50%		2.50%		2.50%	
2019			2019		2019	
Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	275	5.8%	3,148	8.2%	7,542	8.7%
\$15,000 - \$24,999	259	5.4%	2,978	7.8%	6,862	7.9%
\$25,000 - \$34,999	384	8.0%	3,213	8.4%	7,202	8.3%
\$35,000 - \$49,999	679	14.2%	5,390	14.1%	11,916	13.7%
\$50,000 - \$74,999	1,034	21.7%	8,500	22.2%	19,411	22.4%
\$75,000 - \$99,999	874	18.3%	6,187	16.2%	13,902	16.0%
\$100,000 - \$149,999	1,000	21.0%	6,251	16.3%	13,684	15.8%
\$150,000 - \$199,999	170	3.6%	1,613	4.2%	3,975	4.6%
\$200,000+	99	2.1%	1,028	2.7%	2,224	2.6%
Median Household Income	\$67,117		\$60,372		\$60,018	
Average Household Income	\$77,334		\$74,209		\$73,788	
Per Capita Income	\$27,575		\$26,576		\$26,212	
2019			2019		2019	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	804	6.3%	7,419	7.0%	17,296	7.1%
5 - 9	837	6.5%	7,447	7.0%	17,417	7.1%
10 - 14	871	6.8%	7,370	6.9%	17,233	7.0%
15 - 19	815	6.3%	6,626	6.2%	15,756	6.4%
20 - 24	709	5.5%	6,543	6.1%	15,282	6.2%
25 - 34	1,857	14.4%	16,465	15.5%	37,582	15.4%
35 - 44	1,730	13.5%	14,091	13.2%	33,123	13.5%
45 - 54	1,610	12.5%	12,713	11.9%	29,826	12.2%
55 - 64	1,636	12.7%	12,457	11.7%	28,344	11.6%
65 - 74	1,289	10.0%	9,355	8.8%	20,180	8.2%
75 - 84	567	4.4%	4,490	4.2%	9,459	3.9%
85+	137	1.1%	1,590	1.5%	3,275	1.3%