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# O'Reilly Auto Parts

STOUGHTON | MA

OFFERING MEMORANDUM

**MATTHEWS**<sup>TM</sup>  
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

- » **Wealthiest County in Massachusetts** – Norfolk County is the 33rd wealthiest county in the US and 1st in the state.
- » **Extremely Rare Boston Investment Opportunity** – As of 4/1/2020, there is currently no other new development corporate retail deal on the market that's within 20 miles of Downtown Boston.
- » **Top Regional Grocer Across the Street** – Stop&Shop Supermarket is one of the tri-state area's 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 25,000+ cars per day on average.
- » **Incredible Demographic Mix** – Within a dense 5-mile radius, there are ±260,000+ residents with average household incomes of nearly \$100,000.
- » **Strong retail Corridor** – Retailers in the area consist of as Walgreens, Dunkin Donuts, McDonald's, CVS, KFC, Taco Bell, Bank of America.

### TENANT

- » **More Than Tripled Historical Sales Growth** – Between 2016 and 2019, comparable store sales increased an average of 3.5% per year; however, despite the severely struggling economy in 2020, O'Reilly Auto Parts more than tripled their average growth rate. They concluded 2020 with \$11.6 Billion in sales, which was a nearly 11% boost from 2019, outpacing both AutoZone's and Advance Auto Parts' comparable growth rates of 7.4% and 2.4%, respectively.
- » **Strong Investment Grade Credit** – O'Reilly Auto Parts boast strong investment grade credit of BBB from Standard & Poor's as well as seen a 70%+ increase in their trailing 12-month stock price as of 4/1/21.
- » **Pandemic Resistant** – O'Reilly Auto Parts was one of the few tenants who were allowed to keep their doors open during the COVID-19 pandemic.











## Investment Summary

» <b>PROPERTY ADDRESS</b>	287 Washington St Stoughton, MA 02072
» <b>OFFERING PRICE</b>	\$2,800,000
» <b>NOI (YEAR 1)</b>	\$144,000
» <b>CAP RATE (YEAR 1)</b>	5.14%
» <b>TOTAL BUILDING AREA</b>	±7,185 SF
» <b>TOTAL LAND AREA</b>	±36,333 (±0.83 Acres)
» <b>YEAR BUILT</b>	2018

## Debt Quote

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**LTV:** 60.00% - 65.00%  
**RATE:** 3.850%  
**AMORTIZATION:** 30  
**TERM:** 10-YEAR FIXED RATE

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

## Annualized Operating Data

	Monthly	Annual	Cap Rate	Increases
Current ( years 1-10)	\$12,000	\$144,000	5.14%	-
Years 11-15	\$12,720	\$152,640	5.45%	6.00%
Option 1	\$13,483	\$161,796	5.78%	6.00%
Option 2	\$14,292	\$171,506	6.13%	6.00%
Option 3	\$15,149	\$181,788	6.49%	6.00%
Option 4	\$16,058	\$192,696	6.88%	6.00%

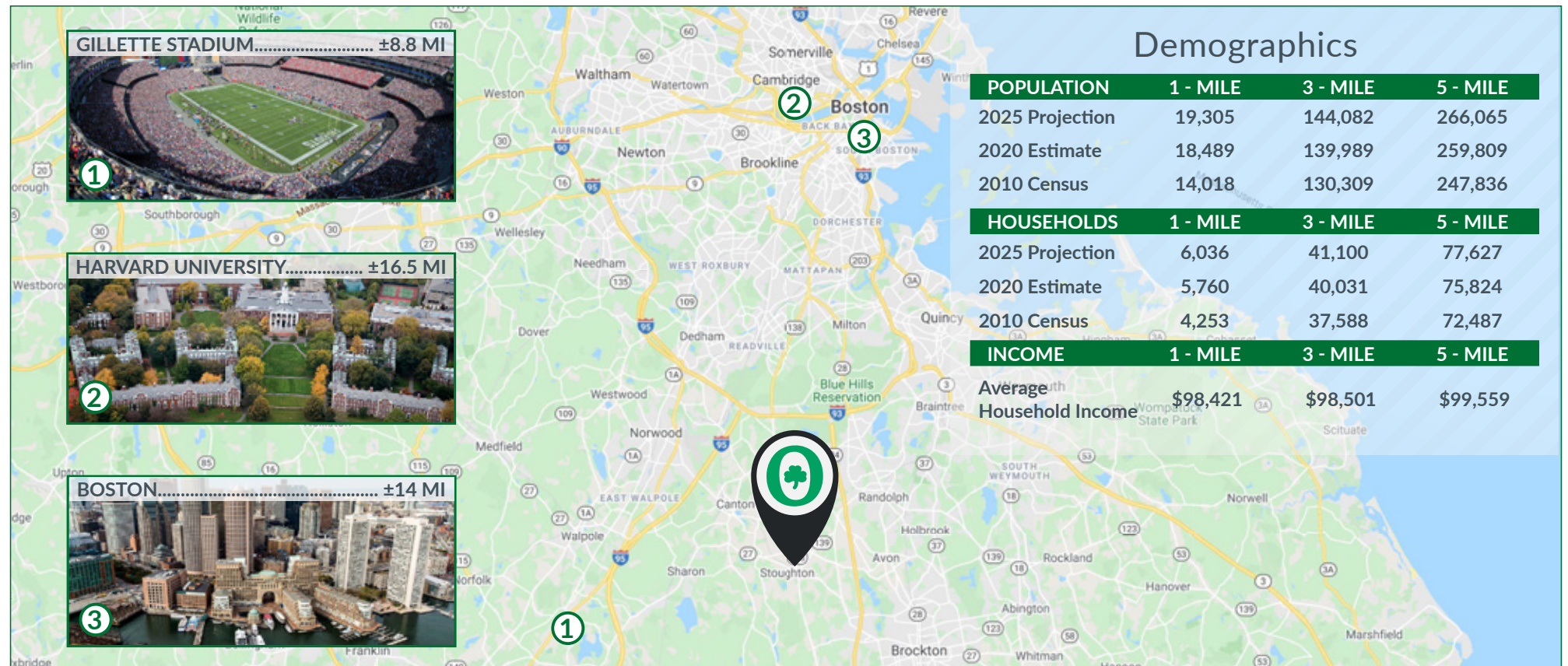
## Tenant Summary

Tenant Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Term Remaining	±12.25 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



**10<sup>TH</sup>**  
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



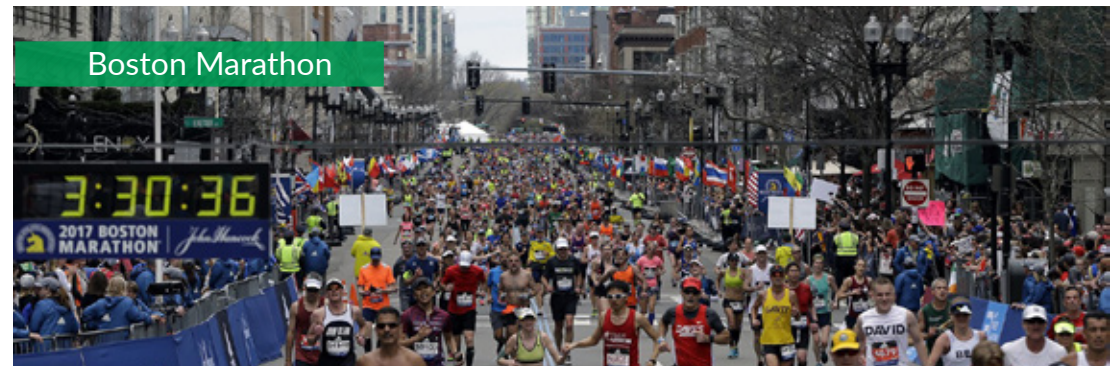
Boston Tea Party



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

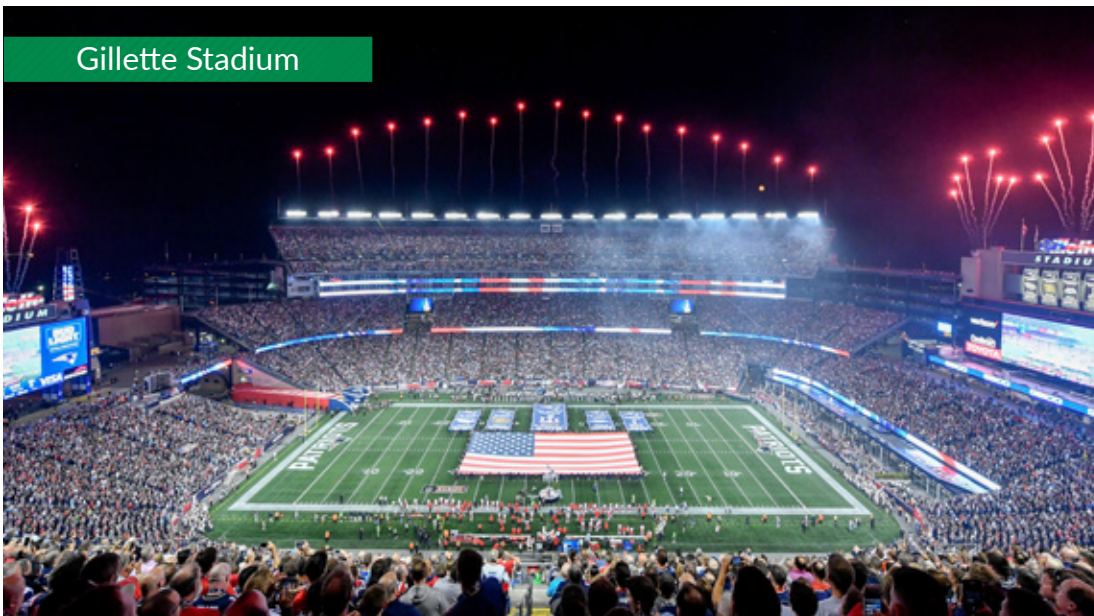
STUDENTS  
IN BOSTON



34%

OF STATES' TOTAL COLLEGE  
ENROLLMENT IS IN BOSTON

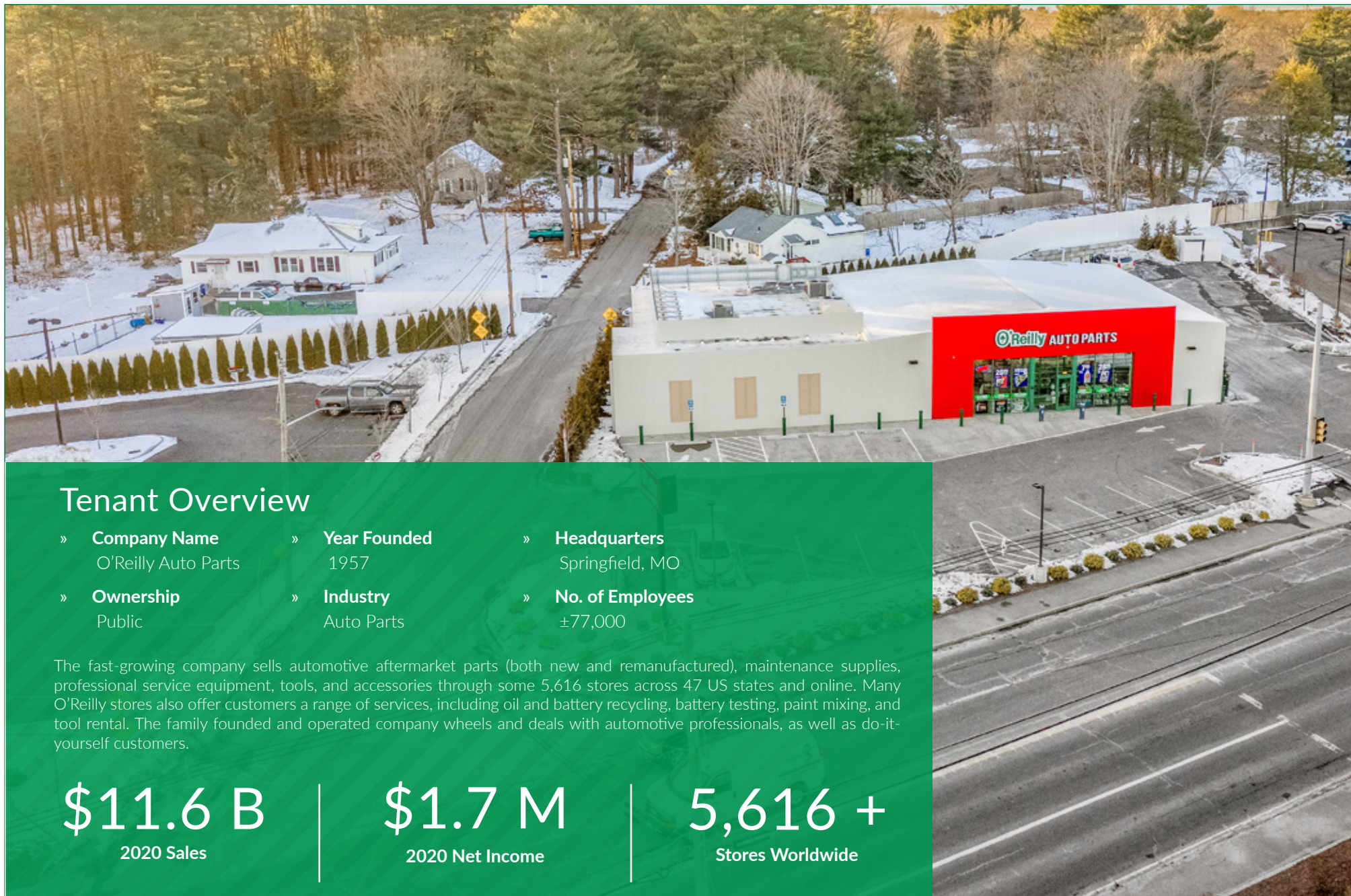
Gillette Stadium



Harvard Campus







**Tenant Overview**

» <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 5,616 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>\$11.6 B</b> 2020 Sales	<b>\$1.7 M</b> 2020 Net Income	<b>5,616 +</b> Stores Worldwide
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## 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"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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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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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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