



10-YEARS REMAINING | ABSOLUTE NNN | DENSE OAKLAND CORE DEMOGRAPHICS



OFFERING MEMORANDUM
OAKLAND, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM OAKLAND, CALIFORNIA

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EXCLUSIVELY LISTED BY:

Jeremy McChesney

Executive Vice President
jmcchesney@hanleyinvestment.com
949.585.7671 | BRE #01303748

Andrew Sprowl

Associate
asprowl@hanleyinvestment.com
949.585.7646 | BRE #01858047



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OFFERING SUMMARY

O'REILLY AUTO PARTS



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LOCATION

O'Reilly Auto Parts
3232 Foothill Boulevard
Oakland, CA 94601



OFFERING SUMMARY

Price:	\$2,968,000
Current Net Operating Income (NOI):	\$141,000
Capitalization Rate:	4.75%
Net Rentable Area:	8,000
Year Built:	1997
Lot Size (Acres):	0.72

FINANCING SUMMARY

All Cash or Cash to New Financing
(Contact Hanley Investment Group for Further Details)



QUICK FACTS

27

**CONSECUTIVE YEARS
OF SALES GROWTH**

#314

**FORTUNE 500
Forbes List (2020)**

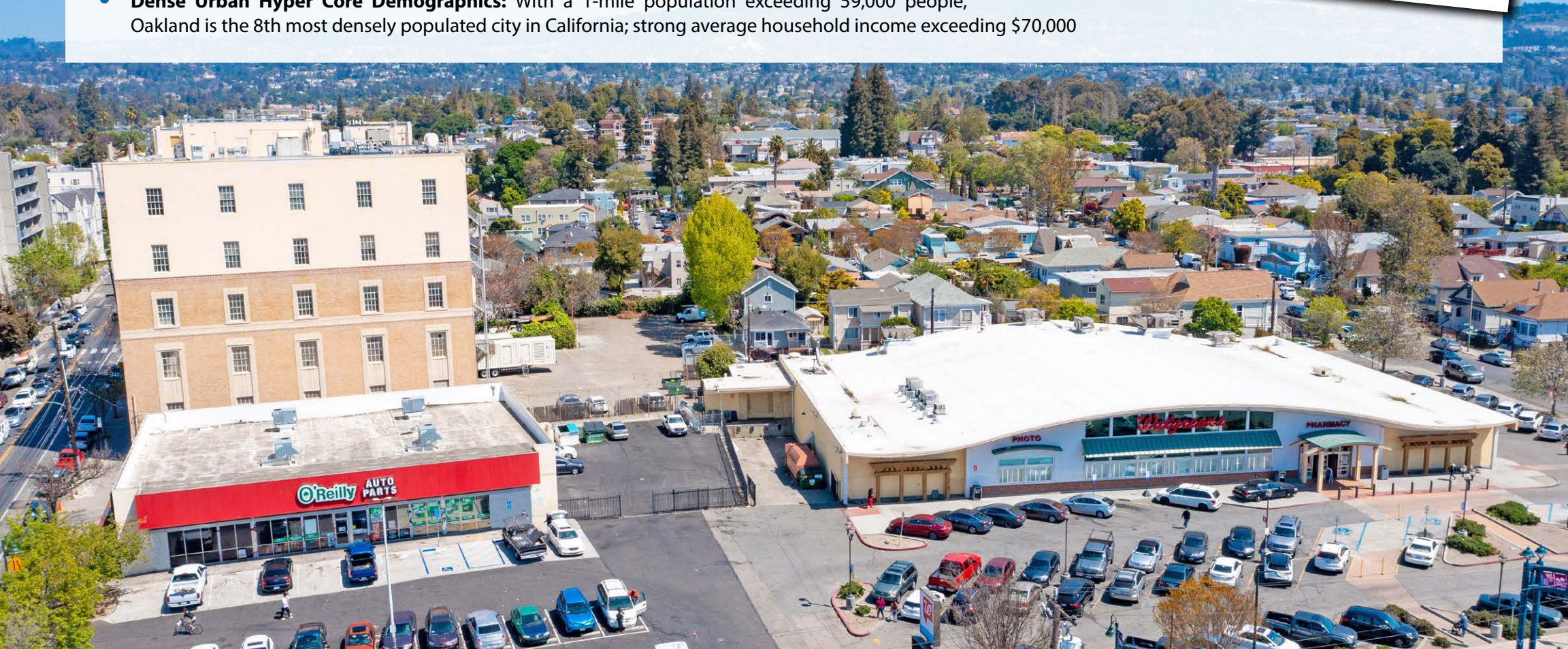
BBB

**INVESTMENT GRADE
S&P RATED**





- **Single-Tenant O'Reilly Auto Parts (NASDAQ; BBB Investment Grade):**
 - Newly re-cast lease with over 10-years remaining; 24-year occupancy history
 - Rare absolute NNN lease structure with no landlord maintenance responsibilities offering passive income
 - Structured rental increases (September 2026)
 - Three 5-year options with increases
 - O'Reilly's has experienced an unprecedented 27 consecutive years of comparable sales growth
 - O'Reilly's ranks #314 in the "Fortune 500" – Forbes 2020
- **Dense Urban Hyper Core Demographics:** With a 1-mile population exceeding 59,000 people, Oakland is the 8th most densely populated city in California; strong average household income exceeding \$70,000



INVESTMENT HIGHLIGHTS

O'REILLY AUTO PARTS



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- **High Demand for Auto Parts:** Oakland's Alameda County ranks second behind only neighboring San Francisco with the most vehicle registrations in Northern California
- **High-Traffic Location:** Adjacent to one of the busiest Walgreens in the area with excellent consumer traffic
- **Signalized Hard Corner:** Located at the intersection of Foothill Boulevard and Fruitvale Avenue with traffic volumes exceeding 34,000 cars per day
- **Internet-Recession Resistant Tenant:** With O'Reilly's catering to both professional service providers and the "do it yourself" customers looking to repair and maintain their vehicles themselves, O'Reilly's experienced a 13% sales growth last year during a pandemic with their business model typically improving during hard times as people hold onto their cars longer
- **Excellent Underlying Real Estate Fundamentals:** Offering a long-term investor the ability to control a .72 acre parcel at a signalized intersection in a densely populated urban market





LEASE SUMMARY (1)

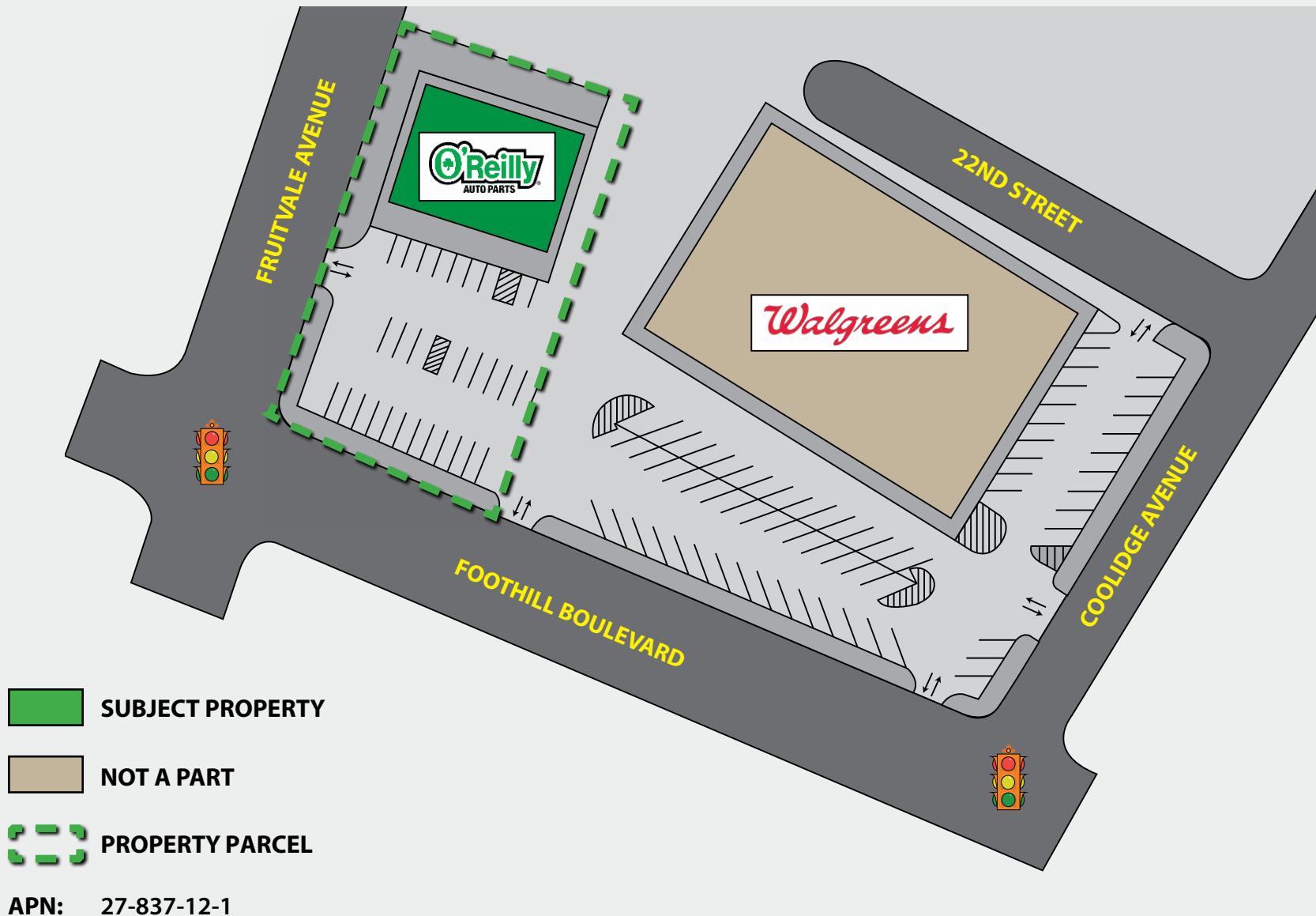
Tenant:	O'Reilly Auto Parts
Lease Commencement:	March 6, 1997
Lease Expiration:	August 31, 2031
Lease Type:	Absolute NNN
Net Operating Income:	\$141,000
Net Rentable Area:	8,000
Monthly Rent Per Square Foot:	\$1.47

Rental Increases:	09/01/26 @ \$12,337
Renewal Options:	09/01/31 @ \$12,995 09/01/36 @ \$13,692 09/01/41 @ \$14,282
Property Taxes:	Tenant Responsibility
Insurance:	Tenant Responsibility
Common Area Maintenance:	Tenant Responsibility
Repairs & Maintenance:	Tenant Responsibility
Roof & Structure:	Tenant Responsibility

NOTES

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.







AERIAL OVERVIEW

O'REILLY AUTO PARTS



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OAKLAND
INTERNATIONAL
AIRPORT

THE FRUITVALE
VILLAGE



FOOTHILL BOULEVARD 14,429 CPD

BRIDGESIDE
SHOPPING CENTER



FRUITVALE STATION



PARK STREET
LANDING



ALAMEDA HIGH
SCHOOL
- 1,767 Students -

INTERNATIONAL
COMMUNITY SCHOOL
- 293 Students -

ACHIEVE
ACADEMY
- 638 Students -



Walgreens

SUBJECT PROPERTY



FRUITVALE AVENUE 20,174 CPD



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

AERIAL OVERVIEW

O'REILLY AUTO PARTS



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SAN FRANCISCO
- 15-MINUTE DRIVE TIME -



OAKLAND
- 13-MINUTE DRIVE TIME -



POWELL STREET PLAZA

Marshall's **OLD NAVY**
TRADER JOE'S **BevMo!**
ROSS **MEN'S WEARHOUSE**
DRESS FOR LESS

EAST BAY BRIDGE



ROOSEVELT MIDDLE SCHOOL
- 584 Students -

ACHIEVE ACADEMY
- 638 Students -

FRUITVALE AVENUE

20,174 CPD

SUBJECT PROPERTY



FOOTHILL BOULEVARD
14,429 CPD

Walgreens



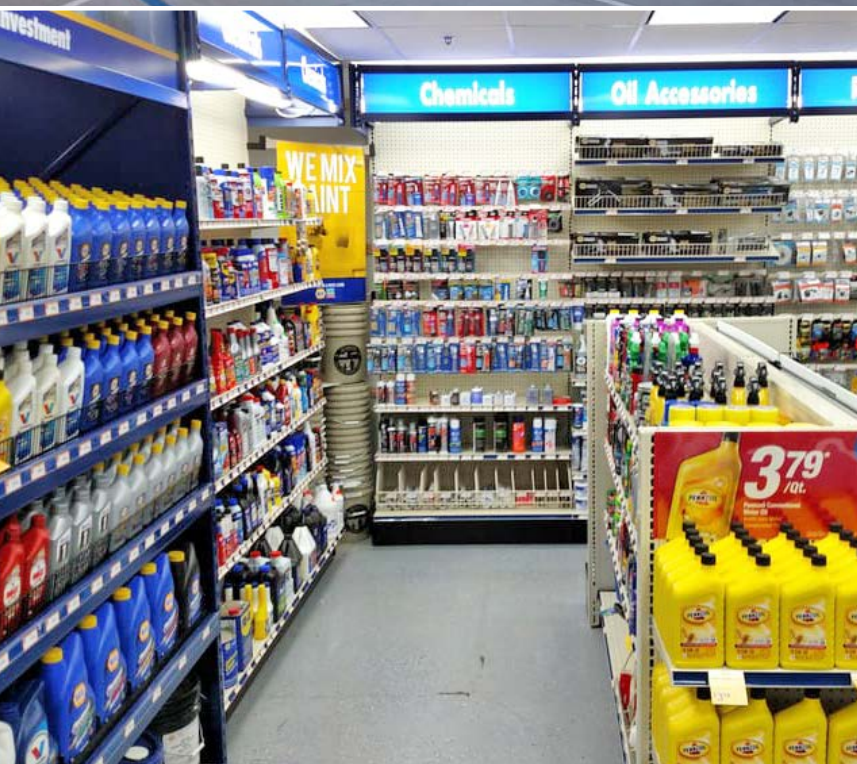


TENANT PROFILE

O'REILLY AUTO PARTS



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O'Reilly Automotive, Inc. is one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States. Serving both professional service providers and do-it-yourself customers, O'Reilly Auto Parts stores carry an extensive product line consisting of new and remanufactured automotive hard parts, maintenance items, accessories, a complete line of auto body paint, related painting materials, automotive tools, and professional service provider service equipment. Their extensive product line includes an assortment of products that are differentiated by quality and price. O'Reilly Auto Parts stores also offer enhanced services and programs to their customers including but not limited to used oil, oil filter recycling, battery recycling, battery replacement, wiper replacement, bulb replacement, battery diagnostic testing, electrical testing, module testing, and check engine light code extraction. O'Reilly conducts ongoing initiatives focused on marketing and training to educate customers on the advantages of ongoing vehicle maintenance.

O'Reilly Automotive, Inc. has strategically positioned itself for continued growth since its first store opening in 1957 in Springfield, Missouri. Over the last 64 years, O'Reilly Automotive, Inc. has acquired multiple auto supply chains allowing it to climb to the 3rd largest auto parts chain in the country by store count. O'Reilly Auto Parts operates 5,594 stores in 47 U.S. states and 22 stores in Mexico. Sales in 2020 reached a record \$11.6 billion with an astounding 10.9% increase in comparable-store sales. Gross profit for the year ended December 31, 2020, increased 13% to \$6.09 billion (or 52.4% of sales) from \$5.39 billion (or 53.1% of sales) for the same period in 2019. O'Reilly has achieved 28 consecutive years of comparable store sales growth and record revenue and operating income since becoming a public company in April 1993. They currently have 76,000+ employees worldwide. O'Reilly Automotive has been on the Forbes Fortune 500 list for 10 consecutive years.

TOP HONORS

- **#314 "Fortune 500"** - Forbes (2020)
- **#7 "Best Employers for Veterans"** - Forbes (2020)
- **#385 "Best Employers for Diversity"** - Forbes (2019)

Company Type: Public (NASDAQ: ORLY; S&P: BBB)
Locations: 5,616
Website: www.oreillyauto.com



SFGATE



This Bay Area City has a Bright Economic Outlook, Economists Say

Bay City News Service | April 16, 2021

The economic outlook for Oakland is excellent, an economist said Thursday at the city's economic summit, sponsored by the Oakland Chamber of Commerce.

Chamber leaders brought together economist and founder of Beacon Economics Chris Thornberg, developers, and a government leader to share that outlook with business leaders.

Developers are restoring the Henry J. Kaiser Convention Center, building the tallest skyscraper in the city, while COVID-19 vaccinations are prompting the reopening of the economy statewide in June.



BARRON'S



Barron's Stock Pick: Buy O'Reilly Stock Because Americans Are Driving Again

By Teresa Rivas | April 16, 2021

America's love of driving took a hit during the Covid-19 pandemic, but with the U.S. tiptoeing toward the end of the lockdowns, people will be driving more than they have in the past year, for work and for play. O'Reilly Automotive stock should be one winner.

Driving didn't go away completely during the pandemic, but it sure took a back seat. Americans drove 14% fewer miles during the 12 months ended January 2021 than they did during the previous 12 months, as the need to travel for anything other than essentials declined. And less driving means less wear and tear on cars-and fewer parts that need to be replaced.



Oakland, CA

- Located "across the bridge" from San Francisco; the largest city in the East Bay region of the San Francisco Bay area with 50+ distinct neighborhoods
- 440,981 population; 8th most populated city in California; 45th most populated in the U.S.
 - #6 "Fastest-Growing Large City" - WalletHub (2019)
- #2 "America's Most Racially Diverse Big Cities" - U.S. News & World Report (2020)
 - 29% white non-Hispanic, 23% African American, 24% Hispanic, and 15% Asian

ECONOMY

- #2 "Best Economies of the 40 Biggest U.S. Cities" - Insider (2018)
- #14 "Best U.S. Cities for Startups and Entrepreneurs" (2019)
 - \$920.4 million in funding to startups and private companies in 2019
 - Established and growing center for high tech startups and green energy companies
- The largest employment sectors of the local economy are healthcare and social assistance (14%), professional services (10.6%), educational services (10.3%), and retail trade (9.3%)
- Home to notable companies Kaiser Permanente, Clorox, Dreyer's Grand Ice Cream, Pandora, Ask.com, and Southwest Airlines
 - **Kaiser Permanente** - Largest managed care organization in the U.S. and largest non-governmental health care provider in the world; \$88+ billion annual operating revenue
- 1.35 million labor force ranks 5th in the nation for most educated; 65% of population over 25 has post-secondary education
- \$108,297 average household income; highest median household income of all metro areas in the U.S.
- Largest employers are Kaiser Permanente (12,500), County of Alameda (8,000), Oakland Unified School District (5,000), City of Oakland (4,500), and Bay Area Rapid Transit (4,000)



**5TH MOST EDUCATED
LABOR FORCE IN U.S.**

#2

**BEST ECONOMY OF
U.S. BIG CITIES**



**HEADQUARTERS OF
KAISER PERMANENTE**

\$108K+

**HIGHEST MEDIAN HOUSEHOLD
INCOME OF ALL METRO AREAS**

DEVELOPMENTS

- **Brooklyn Basin Project** - The transformation of 64 industrial acres on the Oakland Estuary into a vibrant mixed-use neighborhood to include 3,100 residential units, 200,000 square feet of commercial space, and 30 acres of parks; under construction with the first 241 units opened
 - Total project cost is estimated at \$2 billion
- **Yerba Buena Island** - A new, environmentally sustainable neighborhood to be constructed on the 405-acre artificial island that connects Oakland to Bay Bridge; expected to cost \$6 billion and include up to 8,000 residences, retail, a hotel, and parks
- **Mandela Station** - 762 residential units, 75,000 square feet of neighborhood-serving retail, and 300,000 square feet of office space spread across 3 buildings at the West Oakland BART Station; recently approved and expected to begin construction
- **Oakland A's Waterfront Ballpark District at Howard Terminal** - Construction of a 35,000-person capacity Major League Baseball park for the Oakland Athletics, 1.77 million square feet of commercial development, up to 3,000 residential units, a 400-room hotel, and a 3,500-seat performance venue

TRANSPORTATION

- U.S. Interstates 80, 580, 880, and 980 come together in Oakland, along with state highways 24, 13, 123, 61, and 112
 - 184,000+ vehicles travel westbound and 160,000+ vehicles travel eastbound on I-580 daily
 - 215,000+ vehicles travel southbound and 211,000 vehicle travel northbound on I-880 at 29th/Fruitvale Avenue daily
- **Port of Oakland** - 8th busiest container port in the U.S.; loads and discharges 99% of the containerized goods moving through Northern California, representing \$41 billion worth of international trade
 - Overall economic value from the port tops \$130 billion
- Easy access to the 3 major airports of the San Francisco Bay Area: Oakland International Airport (13+ million passengers), San Francisco International Airport (55+ million passengers), and San Jose International Airport (15+ million passengers)
- Bay Area Rapid Transit (BART) provides service throughout the metropolitan area and operates 8 stations in Oakland
- Regional and long-distance passenger train service provided by Amtrak



3

**INT. AIRPORTS
WITHIN 40 MILES**

8,000

**RESIDENCES AT YERBA
BUENA ISLAND BUILDOUT**

35K

**SEAT STADIUM FOR
OAKLAND A'S**

\$130B

**ECONOMIC VALUE FROM
THE PORT OF OAKLAND**



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2025 Projection	62,013	297,891	530,375
2020 Estimate	61,003	291,605	516,432
2010 Census	56,180	269,534	473,436
2000 Census	61,699	280,405	479,868
Growth 2010-2020	8.58%	8.19%	9.08%
Growth 2020-2025	1.66%	2.16%	2.70%
Households			
2025 Projection	19,128	120,746	216,692
2020 Estimate	18,611	117,361	209,166
2010 Census	16,753	105,693	186,447
2000 Census	16,816	105,890	183,555
Growth 2010-2020	11.09%	11.04%	12.19%
Growth 2020-2025	2.78%	2.88%	3.60%
2020 Est. Population by Single-Classification Race			
White Alone	13,305	101,449	186,277
Black or African American Alone	9,071	49,981	105,042
American Indian and Alaska Native Alone	866	2,216	3,512
Asian Alone	17,587	80,512	124,254
Native Hawaiian and Other Pacific Islander Alone	390	1,575	2,840
Some Other Race Alone	16,849	38,638	63,469
Two or More Races	2,702	15,903	28,501
2020 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	29,190	72,792	120,613
Not Hispanic or Latino	31,813	218,813	395,819
2020 Est. Average Household Income	\$72,535	\$116,968	\$121,210

CONFIDENTIALITY AGREEMENT

O'REILLY AUTO PARTS



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The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

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EXCLUSIVELY LISTED BY:

Jeremy McChesney

Executive Vice President

jmcchesney@hanleyinvestment.com

949.585.7671 | BRE #01303748

Andrew Sprowl

Associate

asprowl@hanleyinvestment.com

949.585.7646 | BRE #01858047



\$7.7 BILLION

retail sales nationwide



SHARED DATABASE

collaborative proprietary database



GLOBEST. INFLUENCERS

in retail & net lease sales



NATIONWIDE REACH

retail & investors across the U.S.



\$2 BILLION IN RETAIL SOLD

over 400 transactions in last 36 mos.