

MATTHEWS™

REAL ESTATE INVESTMENT SERVICES



2206 N BIG SPRING ST | MIDLAND, TX 79705

OFFERING MEMORANDUM



2206 N BIG SPRING ST | MIDLAND, TX 79705

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PROPERTY OVERVIEW

O'REILLY AUTO PARTS | MIDLAND, TX

INVESTMENT HIGHLIGHTS

LEASE AND LOCATION HIGHLIGHTS

- Brand new 10-year lease extension with zero concessions from the landlord (tenant paid a 15% rent increase)
- Attractive 8% increases every 5 years including the option periods
- Situated at the signalized corner of N Big Spring Rd & W Scharbauer Dr. Adjacent to Super Mercado, a Hispanic grocer.
- North Big Spring St. leads directly to downtown Midland playing a critical role in the transportation of the city's workforce
- Traffic counts in excess of over ±59,000 vehicles daily
- Over 148,437 residents within a 5-mile radius
- Average household income of over \$103,529 within a 5-mile radius
- 2.5-miles south of Midland airport and Midland college
- Texas is one of nine income tax free states
- Surrounded by several notable national retailers including Whataburger, Family Dollar, Dollar Tree, Sonic, Popeyes, Walgreens, CVS, Texaco & more

TENANT HIGHLIGHTS

- O'Reilly Auto Parts is publicly traded (NYSE: ORLY) and has an extremely strong investment grade credit rating of BBB (S&P 500)
- O'Reilly Auto Parts has seen their stock climb over 40% year-over-year, proving to be one of the top performing retail brands
- O'Reilly Auto Parts currently operated ± 5,800 stores in 47 states and 27 ORMA stores in Mexico



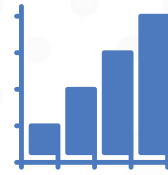
FINANCIAL OVERVIEW

O'REILLY AUTO PARTS | MIDLAND, TX



\$2,718,304

Sale Price



5.25%

Cap Rate



±8,449 SF

GLA

INVESTMENT SUMMARY

Address	2206 N Big Spring St Midland, TX 79705
Suggested List Price	\$2,718,304
GLA	±8,449 SF
Cap Rate	5.25%
Year Built	1997
Lot Size	±0.64 AC

TENANT SUMMARY

Tenant Trade Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof/Structure, Parking Lot	Tenant Responsibility
Original Lease Term	15 Years
Lease Commencement Date	8/1/1997
Lease Expiration Date	7/31/2032
Term Remaining on Lease	±9.75 Years
Increase	8% Every 5 Years Including Options
Options	3, 5-Year Options

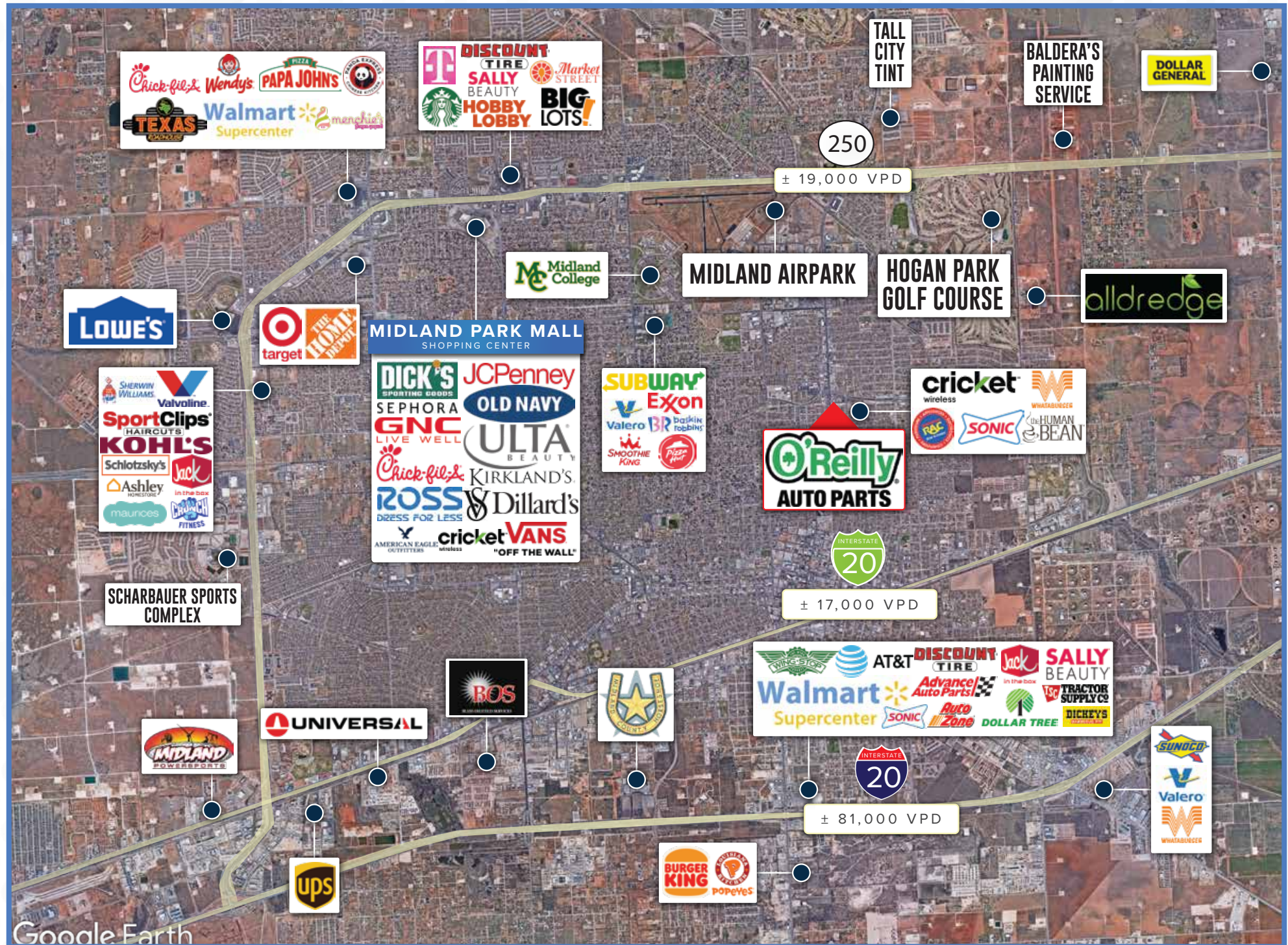
ANNUALIZED OPERATING DATA

DATE	MONTHLY RENT	ANNUAL RENT	INCREASES	CAP RATE
8/1/2022 - 7/31/2027	\$11,892.58	\$142,711.00	-	5.25%
8/1/2027 - 7/31/2032	\$12,843.00	\$154,116.00	8.00%	5.67%
Option 1	\$13,871.49	\$166,445.28	8.00%	6.12%
Option 2	\$14,981.21	\$179,774.52	8.00%	6.61%
Option 3	\$16,179.70	\$194,156.40	8.00%	7.14%

AREA MAP



AREA MAP





TENANT OVERVIEW

O'REILLY AUTO PARTS | MIDLAND, TX



+5,800
LOCATIONS



+77K
EMPLOYEES



\$11.6B
2020 SALES

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.





AREA OVERVIEW

O'REILLY AUTO PARTS | MIDLAND, TX



MIDLAND, TX

Halfway between Fort Worth and El Paso, Midland rests just off I-20, neighboring Odessa. It is a city in western Texas, part of the Permian Basin area, an oil industry center. The city has a current population of approximately 141,000 people and is in Midland County. Known for its booming energy industry, Midland's culture is rooted in the dedication to high school football, partially inspiring both the film and television adaptations of "Friday Night Lights." The residents currently residing give off a western charm that makes the town so unique. The city is also great for retirees with excellent weather and plenty of amenities.

Midland is home to a 12-county ranching region known for Hereford cattle. The city is also the financial and trade center for the Permian Basin, which contains huge quantities of oil, natural gas, salt, and potassium. The Permian Basin is the country's largest area in proven reserves of crude oil, having about a quarter of the nation's supply and the ninth in natural-gas proven reserves.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2027 Estimation	18,894	90,370	172,375
2022 Population	16,307	77,951	148,437
2010 Census	12,567	59,655	111,496
Annual Growth 2022-2027	3.2%	3.2%	3.2%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2027 Estimation	6,531	32,159	62,824
2022 Population	5,679	27,970	54,537
2010 Census	4,441	21,877	41,820
Annual Growth 2022-2027	3.0%	3.0%	3.0%
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$89,322	\$100,300	\$103,529

ECONOMY

Midland has a gross metro product of \$30.4 billion according to the 2019 Forbes article. The city's median home price is \$270,000 and the median household income is \$78,805. The major industries in the city include energy and financial services. Midland's economy has historically been focused on petroleum exploration and extraction.

LOCAL ECONOMY

Midland is well known for being a management centre, reflecting a unique concentration of highly trained and educated personnel. The city's residential, commercial, and industrial growth can be attributed to the development of two city airports: Midland International Air & Space Port and Midland Airpark. Midland International Air & Space is the center of aviation activity for a 43-county area of West Texas and southeast New Mexico. The airport is also home to a designated Port of Entry and has a U.S. Customs office.

MAJOR EMPLOYERS

MISD	2,736
Pioneer Natural Resources	2,674
Midland Memorial Hospital	1,853
Dawson Geo	1,300
Endeavor Energy Resources	966
Walmart	950
City of Midland	890
Midland College	800

(<https://www.midlandtexas.gov/ArchiveCenter/ViewFile/Item/231>)



WAGNER NOËL PERFORMING ARTS CENTER

The Wagner Noël Performing Arts Center (WNPAC) is a performing arts venue located between the cities of Midland, Texas and Odessa, Texas. WNPAC is owned by The University of Texas, and is built on a satellite campus of The University of Texas of the Permian Basin (UTPB). It houses an 1800-seat main concert hall and a 200-seat recital hall, and also houses the UTPB music department.

Wagner Noël Performing Arts Center is the cornerstone of a much broader effort by the partnership to develop a nationally renowned program of cultural events and provide a world-class venue for performing arts organizations. Wagner Noël Performing Arts Center continues to promote the development of the performing arts on campus and for all levels and ages among the communities of the region.

The quality of life immediately improved for the region because of this partnership and the community leaders who believed in the Midland-Odessa area as a great place to live. Through their financial support, the partnership built this state-of-the-art performing arts center. It is named after the major donor families – Lissa Noël Wagner. The Board's vision was to attract people of all levels of income, ages, and artistic taste to this new venue and continues to strive for this diversity each season. The over 150 scheduled shows a year include country singers, rock bands, symphony orchestras, Broadway shows, ballet performances, children's programs, Christian artists, and comedians.





MIDLAND COLLEGE

Midland College is a public community college that takes up 224 acres of land and has a current student population of approximately 5,100 students. The university offers over 30 majors and academic programs, and 11 graduate programs. The university competes in the NJCAA Men's Division I athletic division and offers six men and women sports.

+5,100
STUDENTS

+30
OFFERED PROGRAMS

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **O'Reilly Auto Parts** located at **2206 N Big Spring St, Midland, TX 79705** ("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.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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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Information About Brokerage Services

11-2-2015

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

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.

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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