





819 FRONTAGE RD NE | BYRON, MN 55920

EXCLUSIVELY LISTED BY:

MARK HULSEY

Broker of Record

License No. 40169559 (MN)

REPRESENTATIVE PHOTO





REPRESENTATIVE PHOTO

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INVESTMENT HIGHLIGHTS

- **Brand New Development** - The subject property is currently under construction and is expected to be delivered in January 2023, offering investors a brand new building.
- **Hedging Against Inflation and Depreciation** – This O'Reilly has $\pm 6\%$ rental increases in year 11 and each option period.
- **Strong Investment Grade Credit** – O'Reilly Auto Parts boasts strong investment grade credit of BBB from Standard & Poor's
- **Affluent Submarket of Rochester** – The average household income within a 5-mile radius is over \$130,000
- **Rochester, MN MSA** - This O'Reilly is located less than 9 miles from downtown Rochester, MN.
- **Mayo Clinic Birthplace and Headquarters** – Rochester, MN is the birthplace and headquarters of the renowned healthcare organization the Mayo Clinic. The Mayo Clinic Hospital is a 2,059 bed comprised of the Saint Mary's campus with its Mayo Eugenio Litta Children's Hospital, as well as its Methodist Campus. Mayo clinic now employs over 41,000 people in the Rochester area
- **Pandemic and Recession Resistant Business Model** – O'Reilly Auto Parts was considered an essential retailer, and their stores stayed open for business throughout the COVID-19 pandemic. This demonstrates the necessity for these brick-and-mortar locations since the auto parts industry is difficult to switch to a heavily e-commerce model. Furthermore, O'Reilly's strong performance throughout 2020 shows their ability to operate well in a strong market as well as a recessionary market.
- **Proximity To an Abundance of Major Retailers** – Fairway Grocery, Ace Hardware, McDonald's, Kwik Trip, Dollar General, Bear Paw Coffee, Dairy Queen, and various other retailers attract consumers to the area

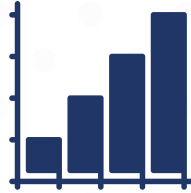


REPRESENTATIVE PHOTO

FINANCIAL OVERVIEW



\$1,761,200
PRICE



5.45%
CAP RATE



0.94 AC
GLA



\$13.29
RENT PSF

INVESTMENT SUMMARY

Address	819 Frontage Rd NE Byron, MN 55920
Price	\$1,761,200
Cap Rate	5.45%
Year Built	2023
GLA	±7,225 SF
Lot Size	±0.94 AC

FINANCING OPTIONS

For financing options reach out to:

PATRICK FLANAGAN
DIRECT +1 (214) 620-1939
patrick.flanagan@matthews.com

TENANT SUMMARY

Tenant Name	O'Reilly Auto Parts
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NN
Roof, Structure, and Parking Lot	Landlord Responsible
Term Remaining	±15 Years
Lease Commencement Date	Est. 2/1/2023
Lease Expiration Date	Est. 1/31/2038
Increases	±6.0% In Year 11 & Each Option
Options	Four, 5-Year Options

ANNUALIZED OPERATING DATA

DATE	MONTHLY RENT	ANNUAL RENT	ANNUAL RENT S/F	CAP RATE
Current	\$7,999	\$95,986	\$13.29	5.45%
Year 11	\$8,468	\$101,619	\$14.06	5.67%
Option 1	\$8,976	\$107,716	\$14.91	6.01%
Option 2	\$9,515	\$114,179	\$15.80	6.37%
Option 3	\$10,086	\$121,029	\$16.75	6.75%
Option 4	\$10,691	\$128,291	\$17.76	7.16%



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AREA MAP



TENANT OVERVIEW

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+5,850
LOCATIONS


+83K
EMPLOYEES


\$13.33B
2021 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



BYRON, MN

Byron is a city in Olmsted County, Minnesota, and is approximately five miles west of Rochester on U.S. Route 14. Byron is a flourishing community that provides the groundwork for vigorous neighborhoods and thriving businesses. They invest in high-quality and proficient services, effective partnerships, and citizen participation. This community is known for having a family-friendly and small-town atmosphere.

HIGHER EDUCATION

Located 9 miles from Byron, the University of Minnesota Rochester is a public college that focuses primarily on general health sciences. Formally established by an act of the state legislature in 2006, the university has a 59% graduation rate and has about 500 students enrolled within this campus.

DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
2027 Projection	7,442	12,070	144,650
2022 Estimate	6,964	11,362	135,901
2010 Census	5,758	9,690	120,651
Growth 2022-2027	6.86%	6.23%	6.44%
Growth 2010-2024	20.94%	17.25%	12.64%
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2027 Projection	2,806	4,480	59,301
2022 Estimate	2,601	4,170	55,044
2010 Census	2,115	3,503	48,142
Growth 2022-2027	7.89%	7.45%	7.73%
Growth 2010-2027	22.95%	19.02%	14.34%
INCOME	3-MILE	5-MILE	10-MILE
Avg. Household Income	\$125,040	\$130,465	\$106,366

TUORISM

Oxbow Park and Zollman Zoo

Oxbow Park and Zollman Zoo are a campground and zoo located in Byron, about 4.5 miles west of Rochester. It houses over 30 species of animals, most of which have injuries that would prevent them from surviving in the wild. All the animals are native to Minnesota.

Valley View Park

This park in Byron, MN is a resident favorite in the town. The neighborhood park is covered with picnic areas and lots of grassy areas as well. The park is clean and well-maintained and offers a small baseball field and playground for younger children.

Somerby Golf Club

Somerby Golf Club is one of the finest private clubs in the Midwest. Providing its members, families, and guests the highest standards of service in golf, recreation, social, and business lifestyle. Somerby is comprised of an extraordinary membership who share a generosity of spirit that makes new members feel immediately at home. Family life flourishes at Somerby. Member's children and grandchildren experience unforgettable memories while growing up in the community, and often return as adults to carry on the membership tradition.



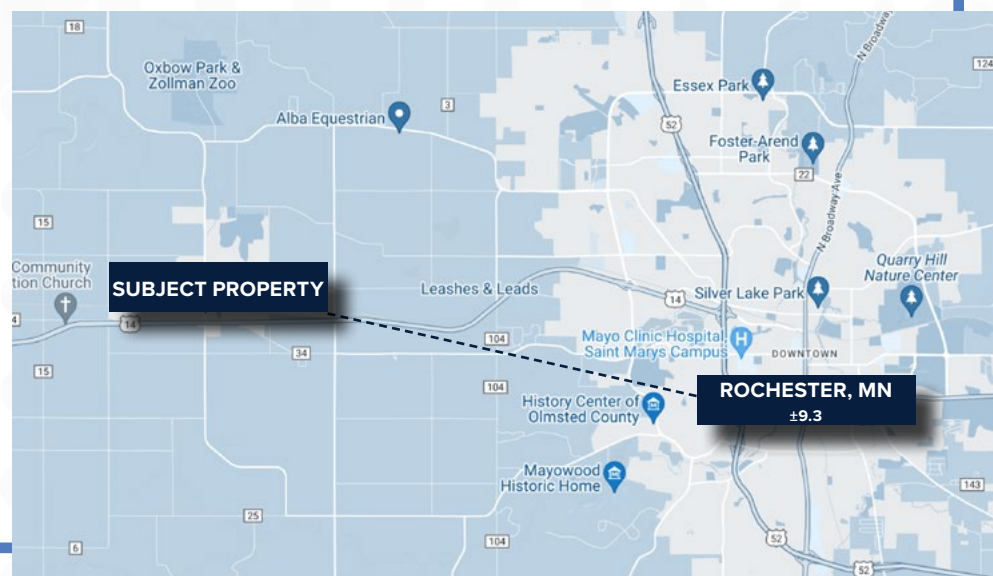
ROCHESTER, MN

Rochester is the third largest city in Minnesota and best known for housing the Mayo Clinic, a destination medical center and the core of Rochester's economy. Situated alongside the south fork of the Zumbro River, Rochester offers residents plenty of opportunities to enjoy the outdoors with access to numerous parks and trails. Some of the most frequented parks and trails in Rochester are Quarry Hill Park, Foster Arend Park, and the Douglas State Trail.

Golfers have their choice of several courses to practice their game, with Rochester being home to Eastwood Golf Course, Northern Hills Golf Course, Soldiers Field Golf Course, and Rochester Golf and Country Club. Salem Glen Winery and the weeklong summer celebration of Rochesterfest also provide ample opportunities to savor the scenic outdoors and socialize in Rochester.

The arts and culinary scenes are on the rise in Rochester. This is most evident during Thursdays on First and 3rd Summer Market and Music Festival, in which local restaurants and artists set up booths along First Avenue uniting the community in Downtown Rochester.

Located about an hour from Minneapolis and Saint Paul, Rochester is accessible to U.S. Routes 14, 52, and 63 as well as Interstate 90. The additional presence of Rochester International Airport allows for simple travels and commutes.



LARGEST INDUSTRIES

NUMBER OF EMPLOYEES

Health Care & Social Assistance	1,428
Retail Trade	265
Educational Services	206

MAJOR AIRPORTS

ROCHESTER INTERNATIONAL AIRPORT 21 MI

MAJOR HIGHWAYS

HIGHWAY 14

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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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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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