

**CBRE**

Capital Markets | Net Lease Properties

OFFERING MEMORANDUM



1891

# VALVOLINE INSTANT OIL CHANGE

1891 WEST STATE ROAD 426 | OVIEDO, FL 32765

CBRE, Inc. | Licensed Real Estate Broker

Actual Property

W Broadway St (30,000 AADT)

**OVIEDO MALL**

Dillard's J.P.S. A. BANK  
 REGAL CINEMAS CHAMPS  
 Chick-fil-ile WHEELER SPORT LIVES  
 LOFT Sears  
 BARNES & NOBLE

417

**TARGET**

ABC

chilis

Red Bug Lake Rd (39,500 AADT)

OVIEDO MEDICAL CENTER

Mobil

Calumet

Tuffy Auto Service Centers

Pep Boys Official Service Centers

OUTBACK STEAKHOUSE

Mitchell Hammock Rd (34,500 AADT)

OVIEDO PARK CROSSING

LOWE'S Dress for Less  
 Michaels Where Creativity Happens  
 PETS MART  
 JARED The Galleria Of Jewelry  
 B.J.'s  
 DUNKIN' DONUTS  
 SALLY BEAUTY  
 Sprint  
 at&t  
 RESTAURANT BREWHOUSE

THE HOME DEPOT  
 McDonald's  
 CVS pharmacy  
 STAPLES  
 INTERSTATE BATTERIES  
 Pollo Tropical

Valvoline Instant Oil Change

Wawa

**OVIEDO POINT**

1000 DEGREES Dairy Queen  
 Moe's southwest grill...  
 CareSpot Express Healthcare  
 MISSION BBQ  
 Orangetheory FITNESS  
 CHICKEN SLYD CRICK  
 metro

MILLER'S ALE HOUSE

POPEYES CHICKEN & BISCUITS

426

The Master's Academy

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4

**INVESTMENT SUMMARY**

Investment Highlights

6

**AREA OVERVIEW**

Demographics  
City Overview  
Local & Regional Maps

10

**PROPERTY DESCRIPTION**

Property Description  
Aerial Photographs

15

**TENANT SUMMARIES**

Tenant Description



Actual Property

PRICE:	\$1,440,000
ANNUAL RENT:	\$90,000
CAP RATE:	6.25%
TRADE NAME:	Valvoline Instant Oil Change
TENANT:	Surfside Lubes, LLC
RENTAL INCREASES:	10% every 5 years
LEASE TERM:	4.5 years - 5 year lease extension exercised in May of 2018
OPTIONS:	(3) additional 5-year options
RENT COMMENCEMENT:	December 1, 2000
LANDLORD OBLIGATIONS:	None - Absolute NNN
EXISTING FINANCING:	No debt to assume
BUILDING SIZE:	1,800± SF
LAND SIZE:	0.556± acres
PARKING SPACES:	9 spaces (6 per 1,000 SF)
DRIVE THRU BAYS:	3
YEAR BUILT:	2000

CBRE is pleased to present this absolute NNN Valvoline Instant Oil Change property located in Oviedo, Florida (Orlando MSA). Valvoline has been operating at this location since 2000 and recently renewed their lease for five years. This property benefits from the heavy traffic counts along W. Broadway Street (S.R. 426) & Red Bug Lake Road (total 69,500 AADT) and the shared access with a very busy Wawa gas & convenience store that was constructed in 2016 at the hard corner signalized intersection.

This is a densely populated and upper income area of the Orlando market that has experienced tremendous growth in recent years. Many of the major national retailers, such as Lowe's, Home Depot, Target, Ross, Michael's, Pep Boys, PetSmart, Dillard's, Chick-fil-A and CVS have a presence in the immediate area and this property is also in close proximity to several major projects including the Oviedo Mall (950,00 SF), the Oviedo Medical Center (120-bed regional hospital) and just 1.5 miles to the east along W. Mitchell Hammock Road is the Oviedo On Park project, a 108 acre mixed-use project that includes over 500 luxury apartment homes, office and retail set around Center Lake Park that includes a Cultural Center and Amphitheatre.

The lease is structured as absolute NNN with no landlord management obligations and fixed rental increases of 10% every 5 years. The offering includes land and building allowing for the tax benefits from depreciation.

## Investment Highlights

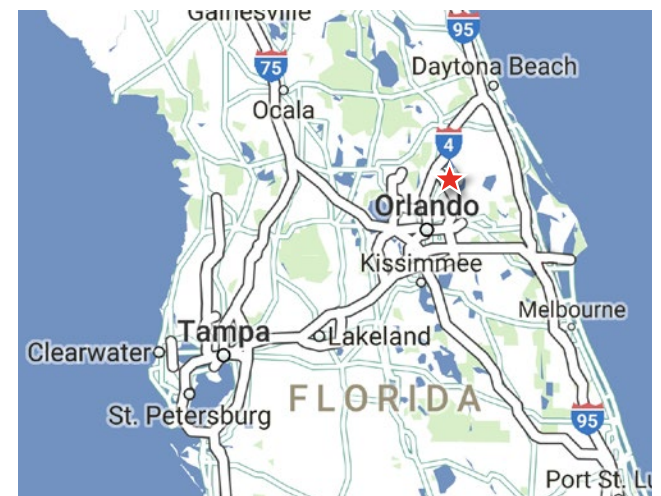
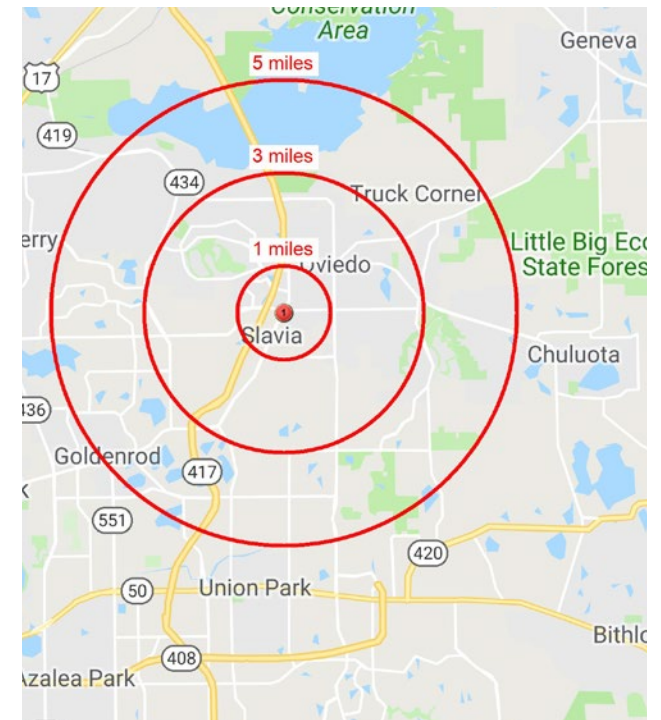
- Nationally Recognized Brand: Valvoline Instant Oil Change is the second largest quick lube business in America – with more than 1,070 locations nationwide and growing
- Ideally located next door to a new Wawa with shared access
- 10% fixed rent increases at each renewal option
- Experienced Operator: Third largest Franchisee for Valvoline Instant Oil Change
- Proven Location: Tenant has been at this location for 18 years and recently renewed their lease for 5 years
- Above Average HH Incomes: \$92k to \$102k within 1 to 5 miles
- Strong Traffic Counts: Combined average daily traffic of 69,500 vehicles per day per FDOT
- Absolute NNN: Landlord has no management obligations
- Tax Benefits: Offering includes both land and building allowing for depreciation
- Abel to Pay All Cash: There is no debt to assume
- FLORIDA HAS NO STATE INCOME TAX

CLICK FRAME TO SEE PROPERTY VIDEO



Actual Property

	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2018 Population - Current Year Estimate	2,599	65,698	163,392
2023 Population - Five Year Projection	2,842	71,142	174,185
2010 Population - Census	2,379	59,694	149,231
2000 Population - Census	1,976	49,857	121,795
2010-2018 Annual Population Growth Rate	1.08%	1.17%	1.10%
2018-2023 Annual Population Growth Rate	1.80%	1.60%	1.29%
<b>HOUSEHOLDS</b>			
2018 Households - Current Year Estimate	992	24,137	56,577
2023 Households - Five Year Projection	1,087	26,104	60,358
2010 Households - Census	917	21,993	51,824
2000 Households - Census	780	17,365	42,279
2010-2018 Annual Household Growth Rate	0.96%	1.13%	1.07%
2018-2023 Annual Household Growth Rate	1.85%	1.58%	1.30%
2018 Average Household Size	2.57	2.71	2.74
<b>HOUSEHOLD INCOME</b>			
2018 Average Household Income	\$92,557	\$102,414	\$94,828
2023 Average Household Income	\$109,360	\$120,873	\$111,314
2018 Median Household Income	\$66,326	\$78,802	\$72,647
2023 Median Household Income	\$76,076	\$89,742	\$81,942
2018 Per Capita Income	\$36,502	\$37,668	\$34,237
2023 Per Capita Income	\$43,025	\$44,325	\$39,957
<b>HOUSING UNITS</b>			
<b>2018 Housing Units</b>	<b>1,033</b>	<b>25,341</b>	<b>59,409</b>
2018 Vacant Housing Units	41 4.0%	1,204 4.8%	2,832 4.8%
2018 Occupied Housing Units	992 96.0%	24,137 95.2%	56,577 95.2%
2018 Owner Occupied Housing Units	729 70.6%	16,908 66.7%	38,559 64.9%
2018 Renter Occupied Housing Units	263 25.5%	7,229 28.5%	18,018 30.3%
<b>EDUCATION</b>			
<b>2018 Population 25 and Over</b>	<b>1,878</b>	<b>45,284</b>	<b>104,062</b>
HS and Associates Degrees	780 41.5%	21,850 48.3%	53,129 51.1%
Bachelor's Degree or Higher	930 49.5%	21,305 47.0%	45,241 43.5%
<b>PLACE OF WORK</b>			
2018 Businesses	473	2,032	4,010
2018 Employees	4,661	18,471	50,734





## Orlando leads nation in job growth

POSTED BY ELIZABETH GODWIN ON MAR 15, 2017 4:28:41 PM

The release of preliminary January payroll employment data by the Florida Department of Economic Opportunity indicates that Orlando continues to lead the state and nation in job growth into 2017.

Orlando is adding more than 1,000 jobs per week across a broad-base of industries. The professional and business services industry, which includes legal, accounting, computer systems design, management and administrative services had the largest net gain with 13,200 new jobs, outpacing the region's leisure and hospitality industry. Construction employment grew the fastest with 10.4 year-over-year percentage change. Only the information industry, which largely covers media-related industries, recorded a contraction in the previous 12 months.

Florida businesses created 262,200 new jobs in the 12 months ending January 2017 and 54,600 of those jobs were in Orlando. With only 11 percent of Florida's population, the Orlando metro is adding more than 20 percent of the state's new jobs. Not surprisingly, one out of every three leisure and hospitality jobs created in Florida was in Orlando.

In January 2017, Orlando held the number one spot as the fastest growing job market in the country with an employment base of at least one million jobs. Orlando's year-over-year job growth of 4.6 percent outpaced competitive southern metros including Dallas, Atlanta and Austin.

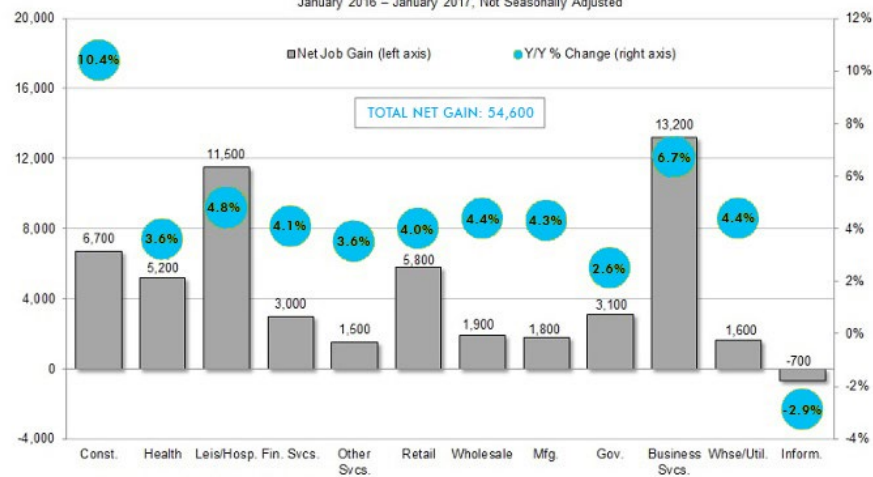
*Context is a series of timely analyses produced by the Orlando Economic Partnership. Analyses are associated with a major data release and place Orlando in a comparative context with other large regions.*

**% Change in Payroll Employment, MSAs > 1 Million Jobs**  
January 2016– January 2017, Not Seasonally Adjusted

Rank	MSA	% Change
1	Orlando, FL	4.63%
2	Dallas, TX	3.96%
3	Atlanta, GA	3.72%
4	Austin, TX	3.49%
5	Riverside, CA	3.19%
6	Seattle, WA	3.16%
7	Tampa, FL	3.01%
8	Miami, FL	2.79%
9	San Antonio, TX	2.57%
10	Indianapolis, IN	2.55%

Source: U.S. Department of Labor, Bureau of Labor Statistics

**Job Gains by Industry, Orlando MSA**  
January 2016 – January 2017, Not Seasonally Adjusted



Source: U.S. Department of Labor, Bureau of Labor Statistics

## Orlando retail in expansion mode due to tourism and population growth

Orlando is known as a global tourism destination where visitors contribute significantly to the success of retail in this market. Among markets with a population exceeding one million people, the market also has the third highest population growth rate in the U.S., which supports a thriving economy. Six-month job growth in leisure and hospitality industry was 5.1% and retail followed with 3.9% expansion. While job growth has been robust, average wages have not kept pace, which could temper local spending. Slow wage growth might be offset as those aged 35-54 years old are known for prime spending, and growth of this cohort is anticipated to outpace the national average over the short-term.

Net absorption in 2017 increased compared to the previous year and remains ahead of construction completions. The slower pace of deliveries is allowing vacancy to compress and lease rate growth to exceed the historical average. Mall properties are showing the strongest leasing performance, followed by power centers and neighborhood centers. Large store closings are being backfilled by creatively repurposing the spaces for two or more tenants. In-line occupancies from services and entertainment industry tenants have also helped

to offset any negative net absorption from store closings.

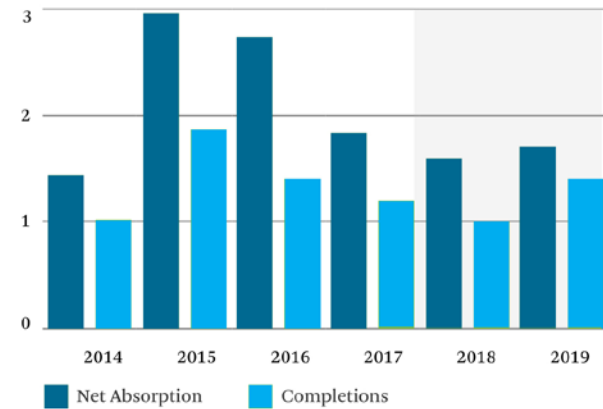
Investors have taken notice of the health of the market, which has resulted in consistently high sales volumes since 2013, which have topped \$800 million in each calendar year since. Increasing levels of investment by international and REIT capital indicate the growing level of comfort with the fundamentals of the retail market in Orlando.

The pace of leasing is anticipated to remain elevated, keeping net absorption ahead of deliveries over the next year. Strong leasing activity will keep vacancy low and asking rents will increase in turn, but at a slower rate compared to the previous year. Orlando's notoriety on a global scale and strong economic growth will continue to draw interest from domestic and international buyers. Heightened interest in the market will keep cap rates relatively stable for the quality properties as investors look to diversify their portfolios. Expansion of entertainment venues along major tourist corridors will significantly benefit retail properties in those areas where tenants will pay a premium for the increased foot traffic.



Figure 1: Total Market Absorption and Deliveries

Net Absorption and Completions (MSF)

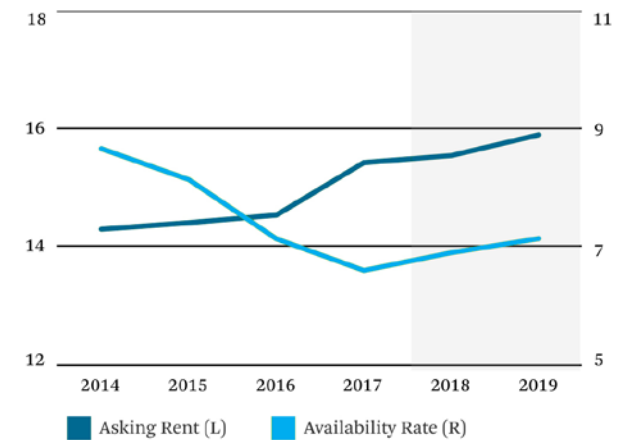


Source: CBRE Research, Q1 2018.

Figure 2: Total Market Availability and Asking Rates

Asking Rate (\$ PSF NNN)

Availability Rate (%)



Source: CBRE Research, Q1 2018.

## Property Description

### LOCATION

891 West State Road 426  
Oviedo, FL 32765

### BUILT

The subject building was built in 2000..

### PARKING

The Property provides 9 parking spaces which equates to 6:1,000 SF parking ratio.

### SITE

The subject property is located on heavily-traveled intersection of State Road 426 & Red Bug Lake Road.

### LAND AREA

The Property consists of one (1) parcel totaling approximately 0.556 acres of land area.

### 2017 FDOT TRAFFIC COUNTS

State Road 426 (W Broadway)	30,000 AADT
Red Bug Lake Road	34,500 AADT

### BUILDING AREA

The subject consists of one (1) retail building totaling approximately 1,800 square feet of net rentable area.

Building occupied by Valvoline Instant Oil Change.



VIEW NORTH

OVIEDO MALL



SR 417 - TOLL S Central Florida Greenway (62,400 AADT)

417



OVIEDO MEDICAL CENTER

Red Bug Lake Rd (39,500 AADT)

W Broadway St (30,000 AADT)

426



Mitchell Hammock Rd (34,500 AADT)



VIEW SOUTH



426

SR 426 (30,000 AADT)

Mitchell Hammock Rd (34,500 AADT)



VIEW EAST

W Broadway St (30,000 AADT)

OVIDO MEDICAL CENTER

Red Bug Lake Rd (39,500 AADT)

426

Mobil

Wawa

Mitchell Hammock Rd (34,500 AADT)



**OVIDO POINT**

A grid of business logos for the Oviedo Point area. The logos include: 1000 DEGREES, Dairy Queen, Moet's southwest grill., CareSpot Express HealthCare, MISSION BBQ The American Way, Orangetheory FITNESS, and metro When We Look Up.



**OVIEDO PARK CROSSING**



VIEW WEST



SR 417 - TOLL S Central Florida Greenway (62,400 AADT)

417



Red Bug Lake Rd (39,500 AADT)

OVIEDO MEDICAL CENTER

426



W/Broadway St (30,000 AADT)



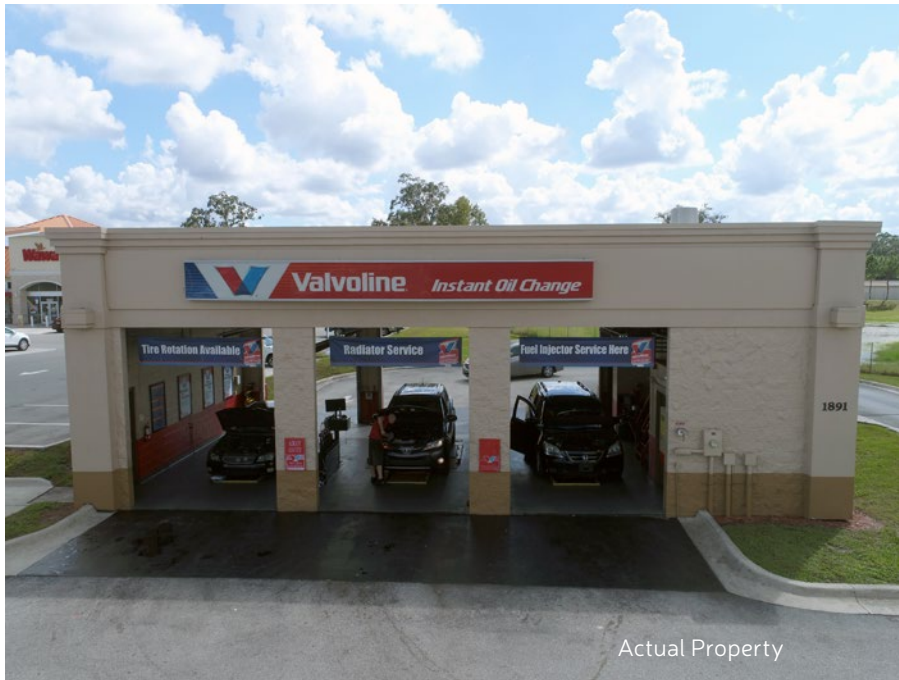


## Valvoline Instant Oil Change

[www.vioc.com](http://www.vioc.com)

**Valvoline Instant Oil Change** – Founded in 1986, Valvoline Instant Oil Change is the Quick, Easy and Trusted choice for drive thru oil changes and maintenance services to help you avoid costly and inconvenient breakdowns. We're the second largest quick lube business in America – with more than 1,070 locations nationwide and growing.

**Franchisee** – Third largest Franchisee for Valvoline Instant Oil Change with 58 franchise units in Massachusetts, Florida and Arkansas. Operating under four companies, Metrolube Enterprises, Inc., Surfside Lubes, LLC, Florida Fast Lubes, Inc., and Ozark Lubes, LLC (all independent licensees of Valvoline Instant Oil Change Franchising, Inc.) and thirty-nine (39) of the units are under the entity of Surfside Lubes, LLC.



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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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