MATTHEWS™

7-ELEVEN stripes

1115 S Dal Paso St, Hobbs, NM 88240

Retail Investment Opportunity

Offering Memorandum

Exclusively Listed By

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Stripes
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Investment Highlights

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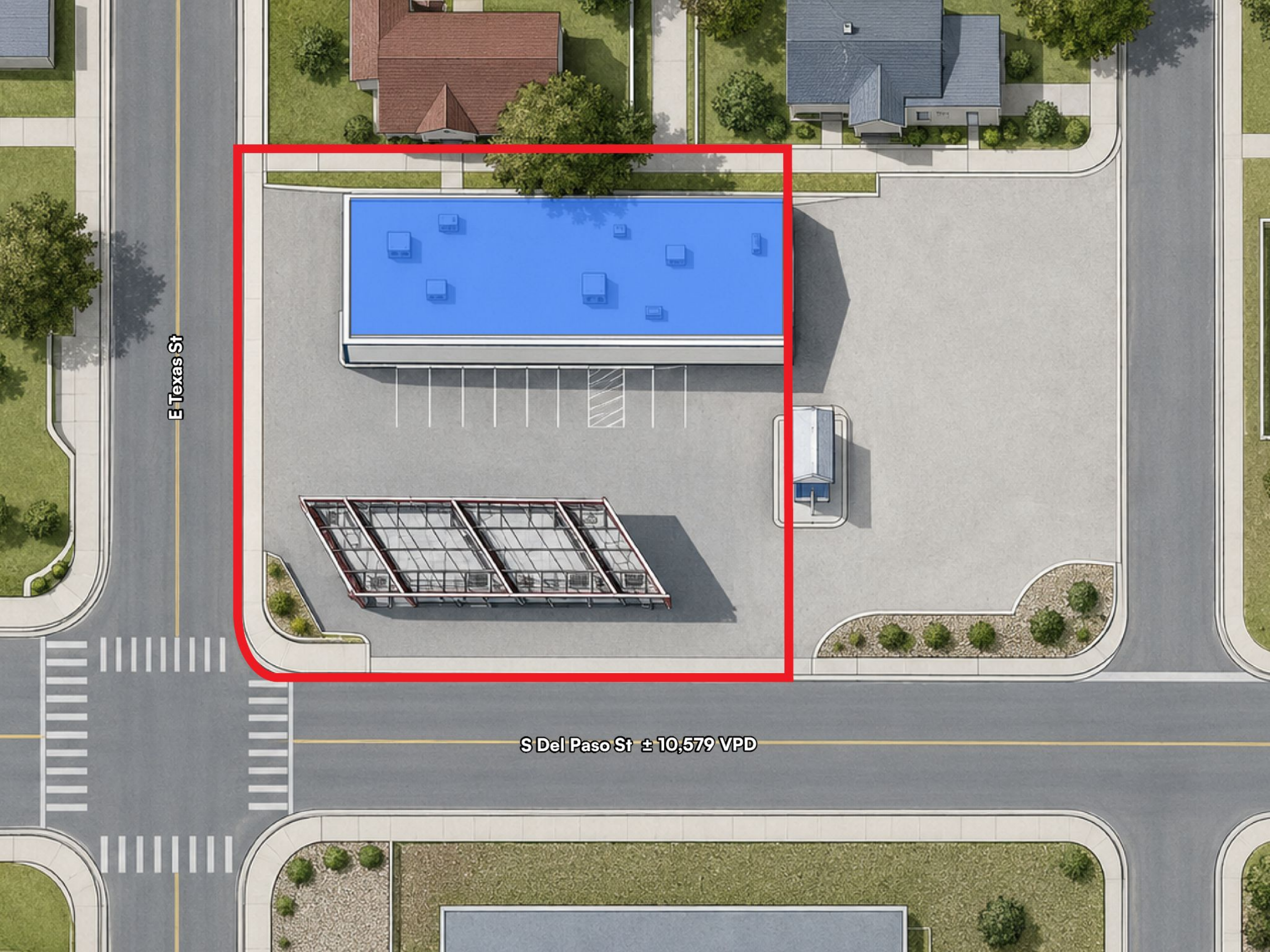
- **Rare 15+ Year Extension –** 7-Eleven recently extended the lease through 2041, matching the term of many new construction investments while preserving their standard 10% rent increases every 5 years. This rare long-term extension reflects the tenant's long-term commitment and favor over this location.
- **Strongest Credit in the Sector –** 7-Eleven operates more than 9,300 U.S. stores and 75,700+ locations worldwide and carries an A- S&P credit rating, the strongest among major U.S. convenience store operators.
- **100% Bonus Depreciation –** As a fee simple gas station investment, buyers may be eligible to depreciate up to 100% of qualifying improvements in the first year, creating a significant tax advantage. **(Please consult your CPA.)**
- **NNN Expenses Fully Reimbursed –** Both tenants reimburse their pro-rata share of taxes, insurance, repairs, and maintenance, helping preserve predictable net operating income over the investment.
- **Downside Protection –** Nipa Hut recently signed a new five-year lease at just $7.17 PSF, well below market rents in the low teens PSF. This favorable rent level reduces future leasing risk while providing meaningful rental upside over the long term.
- **#1 Oil-Producing County in the U.S. –** Located in Lea County, the nation's leading crude oil-producing county with 1M+ barrels produced daily, Hobbs serves as a regional hub for major energy companies including ExxonMobil, Chevron, ConocoPhillips, Occidental Petroleum, and EOG Resources, along with hundreds of oilfield service providers.
- **Adjacent to the Midland-Odessa Energy Hub –** Just west of the Texas state line, Hobbs benefits from its proximity to the Midland-Odessa MSA, one of the world's premier energy markets. Together, the two regions function as an interconnected economic corridor, with businesses, contractors, and workers moving seamlessly across state lines, reinforcing the area's long-term economic vitality and consumer spending.
- **Near Intersection of Two Major Thoroughfare:** The property is positioned near the intersection of Highway 62 and Highway 18, two of Hobbs' most useful commercial corridors, which combine for 20,000+ vehicles per day, providing excellent visibility and accessibility to the property.

NW
±13 Minutes
Walmart Supercenter
Lowe's
The Home Depot
Texas Roadhouse
Starbucks
±11 Minutes
Albertsons
CVS pharmacy
Burger King
Domino's Pizza
Hotworx
Dunkin'
HTeaO
planet fitness
±7 Minutes
Hobby Lobby
O'Reilly Auto Parts
Sonic
Big 5 Sporting Goods
Wells Fargo
Harbor Freight
Quality Tools Lowest Prices
Dollar Tree
Allsup's
Wells Fargo
Casey's
Aaron's
Family Dollar
McDonald's
±9 Minutes
Staples
Advance Auto Parts
McDonald's
KFC
Taco Bell
AutoZone
±7 Minutes
Wendy's
Wienerschnitzel
JCPenney
Walgreens
Subject Property
S Del Paso St ± 10,579 VPD
Dollar General


E Texas St
S Del Paso St ± 10,579 VPD

1115 S Dal Paso St
Hobbs, NM 88240

±5,358 SF
GLA

±0.50 AC
Lot Size

2000
Year Built

NNN
Lease Type

$456.75
Price Per SF

Financial Overview

Stripes
1115 S Dal Paso St, Hobbs, NM 88240

Financial Summary

$2,447,273	5.50%	10%	15.5 Years
List Price	Cap Rate	7-Eleven Increases	7-Eleven Inc. Lease

Property Details

Tenant Trade Name	Stripes (7-Eleven)
Type of Ownership	Corporate
Lease Guarantor	7-Eleven, Inc
Lease Type	NNN
Landlords Responsibilities	None
Original Lease Term	10 Years
Original Rent Commencement Date	06/01/2016
Lease Expiration Date	12/31/2041
Term Remaining via Extension	±15.5 Years
Increases	10% Every 5
Options	Two, 5 Year Options
Tenant Trade Name	**Nipa Hut**
Type of Ownership	Private
Lease Type	NNN
Landlords Responsibilities	None
Original Lease Term	5 Years
Rent Commencement Date	06/04/2025
Lease Expiration Date	12/31/30
Term Remaining on Lease	±4.25 Years
Increases	None
Options	None

Rent Roll

Tenant	% of GLA	GLA SF	Lease Term	Monthly Rent	Annual Rent	Increases	Rent PSF
Stripes	**75%**	**4,018**	**Current - 12/31/31**	**$10,416.70**	**$125,000**		**$31.11**
			1/1/32 - 12/31/36	$11,458.33	$137,500	10%	$34.22
			1/1/37 - 12/31/41	$12,604.17	$151,250	10%	$37.64
Nipa Hut	**25%**	**1,339**	**Current - 12/31/30**	**$800**	**$9,600**		**$7.17**
Total	**100%**	**5,358**		**$11,216.70**	**$134,600**		**$25.12**

Tenant Overview

Year Founded
1927

Headquarters
Irving, TX

Ownership
Seven & I Holdings

Employees
±152,000

Locations
±85,000

Credit Rating
A- (S&P)

Status
Public Company

Tenant Overview

7-Eleven, Inc. stands as a globally recognized leader in the convenience-retailing sector, operating an expansive network of stores that define its robust market presence and brand strength. As a wholly owned subsidiary of Seven-Eleven Japan (part of Seven & I Holdings), the company benefits from strong financial backing and strategic global integration. With a reputation for innovation—from proprietary loyalty platforms to rapid delivery offerings—7-Eleven continues to set the standard in customer convenience and retail adaptability.

Why Invest in 7-Eleven?

- **Extensive Global Footprint:** Operates approximately 85,000 locations across 20 countries, including nearly 13,000 stores in North America—making it the world's largest convenience retailer by store count.
- **Strong Parent Company Backing:** Fully owned by Seven & I Holdings Co., Ltd., a Tokyo-based retail conglomerate with significant capital resources and a long-term commitment to international growth.
- **Growth Through Strategic Acquisitions:** Demonstrated expansion strategy through major acquisitions such as Speedway and Stripes, solidifying market leadership in high-traffic, high-growth U.S. regions.
- **Loyalty and Digital Innovation:** Drives repeat customer engagement through proprietary platforms like 7Rewards and 7NOW, aligning with evolving consumer expectations around convenience and mobile access.
- **Diversified Retail Format:** Offers a wide array of essential products and services—including fuel, grocery staples, hot food, and parcel lockers—supporting stable, recurring revenue in both urban and suburban markets.

Tenant Overview

Year Founded
1938

Headquarters
Irving, TX

Ownership Status
Subsidiary of 7-Eleven

Employees
10,000+

Locations
525+

Annual Revenue
$53 Billion

Tenant Overview

Stripes® Convenience Stores is a leading convenience store and fuel retailer with a strong presence across Texas and neighboring markets. The brand has built a loyal customer base through its combination of fuel services, convenience retail, and proprietary food offerings, most notably the highly recognized Laredo Taco Company®. Today, Stripes operates as a subsidiary of 7-Eleven, Inc., benefiting from the operational scale, supply chain efficiencies, and financial backing of one of the world's largest convenience store operators. The brand remains a dominant neighborhood retailer in many South Texas communities and continues to leverage 7-Eleven's merchandising, loyalty, and digital initiatives while maintaining its regional identity.

Why Invest in Stripes?

- **Backed by an Industry-Leading Parent Company** - Stripes is a wholly owned subsidiary of 7-Eleven, Inc., one of the world's largest convenience store operators. The brand benefits from the financial strength, operational expertise, and extensive supply chain of a global organization with more than 85,000 stores worldwide, providing long-term stability and significant institutional backing.

- **Market-Leading Regional Brand with Strong Customer Loyalty** - Stripes has established a dominant presence throughout Texas and Louisiana, particularly in South Texas. Its strong regional brand recognition, coupled with the highly successful Laredo Taco Company® foodservice concept, drives recurring customer traffic and enhances store-level performance.

- **Resilient Convenience Retail Business Model** - The company's diversified revenue streams—including fuel sales, convenience merchandise, beverages, and prepared foods—help generate consistent cash flow across varying economic cycles. Convenience stores have historically demonstrated resilience due to their essential, everyday consumer offerings.

- **Continued Investment in Growth and Digital Innovation** - As part of the 7-Eleven network, Stripes benefits from ongoing investments in store modernization, loyalty programs, mobile ordering, delivery partnerships, and data-driven merchandising. These initiatives strengthen customer engagement, improve operational efficiency, and position the brand for sustained long-term growth.

Market Overview

Stripes
1115 S Dal Paso St, Hobbs, NM 88240

Hobbs, NM

Market Demographics

40,863
Total Population

$64,021
Median HH Income

10,688
# of Households

58.00%
Homeownership Rate

23,400
Employed Population

4.10%
% Retail Vacancy

32.5
Median Age

$171,973
Median Property Value

Local Market Overview

Hobbs, New Mexico, functions as a high-energy industrial and residential engine for the Permian Basin, defined by its position in one of the most productive oil and natural gas regions in the country. The real estate market behaves as a dynamic and demand-driven environment where housing availability has historically struggled to keep pace with rapid workforce expansion. Single-family homes move quickly, particularly new developments in the northern sections of the city, while the market maintains a relatively accessible price structure compared to broader regional trends. Municipal leadership actively drives growth through targeted development incentives, spurring multi-family construction and master-planned subdivisions to ease persistent housing shortages.

The local economy is heavily insulated by energy production, mining, and supporting logistics sectors, bringing a steady stream of skilled industrial professionals into the area. Demographically, Hobbs features a hardworking, family-centric population alongside a large seasonal workforce reliant on robust rental and temporary housing options. While economic activity remains closely tied to global energy cycles, ongoing efforts to diversify into healthcare, nuclear technology, and retail help stabilize long-term growth.

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	9,050	32,508	43,649
Current Year Estimate	8,666	31,441	42,224
2020 Census	8,119	30,915	41,444
Growth Current Year-Five-Year	0.90%	0.70%	0.70%
Households	**1-Mile**	**3-Mile**	**5-Mile**
Five-Year Projection	2,991	11,067	15,226
Current Year Estimate	2,859	10,688	14,694
2020 Census	2,669	10,489	14,374
Growth Current Year-Five-Year	0.90%	0.70%	0.70%
Income	**1-Mile**	**3-Mile**	**5-Mile**
Average Household Income	$76,079	$91,952	$102,923

Hobbs, NM

Attractions

Hobbs is one of southeastern New Mexico's key economic hubs, driven by its position in the Permian Basin, one of the most productive oil-producing regions in the world. Lea County, where Hobbs is located, is recognized as one of the top oil-producing counties in the U.S., supporting thousands of energy-sector jobs and continued demand for housing, retail, restaurants, and services.

The city also offers several local attractions, including Zia Park Casino, Hotel & Racetrack, the Western Heritage Museum, Lea County Cowboy Hall of Fame, Harry McAdams Park, and nearby community events tied to the area's strong western and energy heritage. Hobbs originally grew from an early 1900s settlement into a major oil boomtown following the discovery of oil and natural gas in the late 1920s, creating the foundation for the city's long-term role as a regional employment and retail center.

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