

TROPHY, GENERATIONAL ASSET

NNN Investment Opportunity With Upside
QSR Pad Available for Lease



9633 Westheimer Road

HOUSTON TEXAS

ACTUAL SITE



EXCLUSIVELY MARKETING BY



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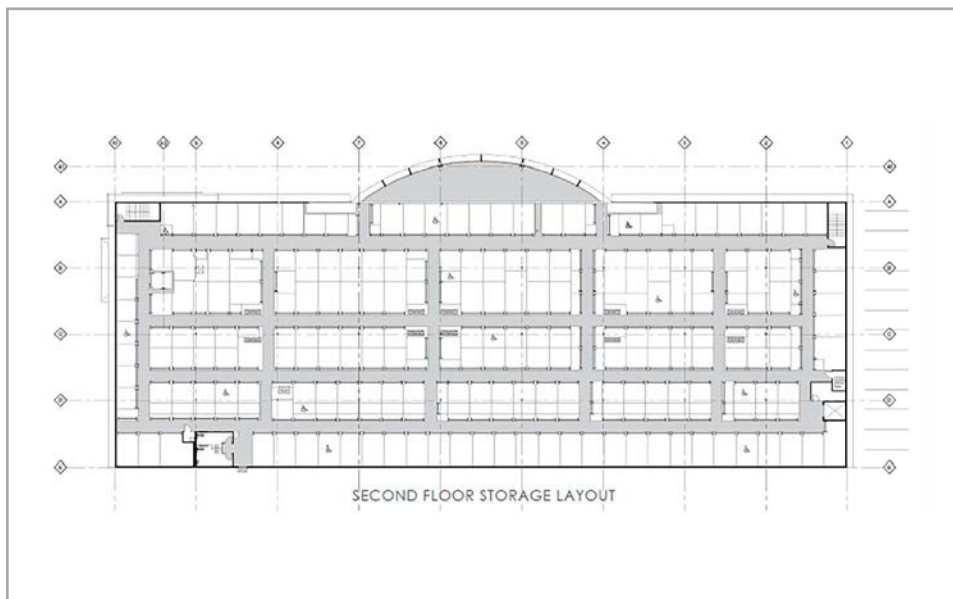
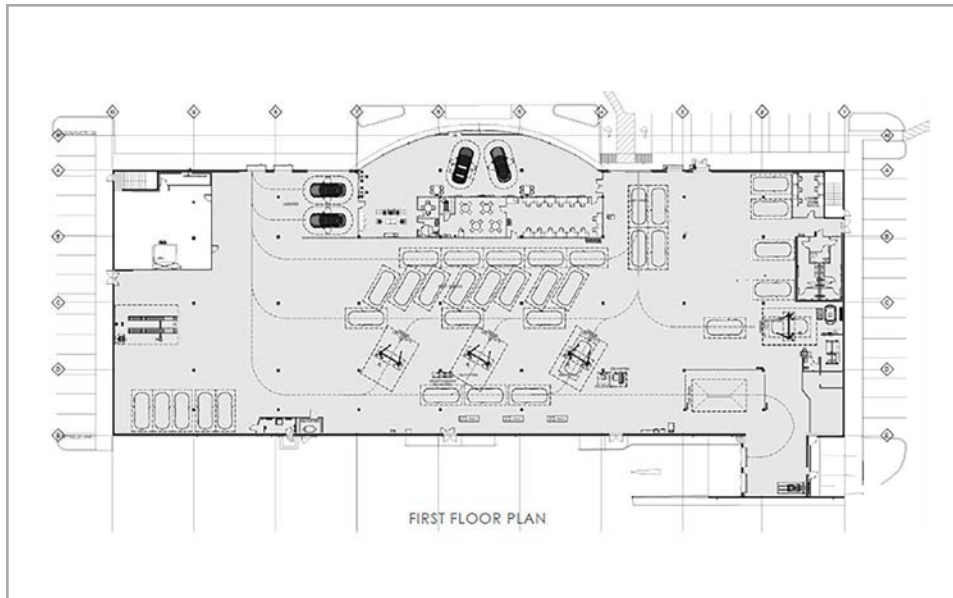
SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a two-tenant retail building and a freestanding quick-service restaurant pad (currently available for lease) located in Houston, Texas. The primary building is currently occupied by Tesla and Self Storage, where each tenant has over 9.5 years remaining in their initial term with 2 (5-year) options to extend. Each tenant operates under a NNN lease, limiting expense leakage for a new investor.

The subject property is strategically located at the signalized, hard corner intersection of Westheimer Road and South Gessner Road, averaging a combined 95,000 vehicles passing by daily. The site benefits from excellent visibility via significant street frontage and a large pylon sign situated along Westheimer Road. The quick-service restaurant pad will be equipped with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. Located within a dense retail corridor, the asset is within close proximity to a variety of national/credit tenants including Walmart Supercenter, The Home Depot, Target, Ross Dress for Less, Office Depot, Big Lots, Walgreens, LA Fitness, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. In addition, the asset is surrounded by several apartment complexes including The Fields Woodlake Square (256 units), The Park at Woodlake (564 units), Woodlake Townhomes (315 units), Woodchase (270 units), and more, providing a direct residential consumer base from which to draw. The 5-mile trade area is supported by more than 570,000 residents and 373,500 daytime employees with a healthy average household income of \$93,239.

PROPERTY PHOTOS



OFFERING SUMMARY



TESLA

Value	\$16,180,000
Annual Rental Income	\$720,000
Cap Rate	4.45%

SELF STORAGE

Value	\$9,070,000
Annual Rental Income	\$545,000
Cap Rate	6.01%

QUICK-SERVICE RESTAURANT PAD

Value	\$1,500,000
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OFFERING

Asking Price	\$26,750,000
Net Operating Income	\$1,265,000
Blended Cap Rate	4.73%



Two-Tenant Building | Freestanding Restaurant Pad | Scheduled Rental Increases | NNN Leases

- The offering is comprised two-tenant retail building and a freestanding, quick-service restaurant pad (currently available for lease)

Tesla:

- Over 9.5 years remaining in their initial term with 2 (5-year) options to extend
- The lease features a 10% rental increases in August 2025 and at the beginning of each option, growing NOI and hedging against inflation

Self Storage:

- Over 9.5 years remaining in their initial term with 2 (5-year) options to extend
- The lease features a 5% rental increases in August 2025 and 4% annual rental increases throughout the option periods, steadily growing NOI

Dense Retail Corridor | Strong National/Credit Tenant Presence

- Located within a dense retail corridor, the asset is within close proximity to a variety of national/credit tenants
- Tenants include Walmart Supercenter, The Home Depot, Target, Ross Dress for Less, Office Depot, Big Lots, Walgreens, LA Fitness, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site

Signalized, Hard Corner Intersection | Drive-Thru Equipped | Excellent Visibility & Access

- Located at the signalized, hard corner intersection of Westheimer Road and South Gessner Road, averaging a combined 95,000 vehicles passing by daily
- The freestanding restaurant pad will be equipped with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus produce higher sales than those without
- Excellent visibility via significant street frontage and a large pylon sign situated along Westheimer Road

Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area

- Nearby apartment complexes include The Fields Woodlake Square (256 units), The Park at Woodlake (564 units), Woodlake Townhomes (315 units), Woodchase (270 units), and more
- Provides a direct residential consumer base from which to draw
- More than 570,000 residents and 373,500 employees support the trade area
- Healthy average household income of \$93,239

PROPERTY OVERVIEW



Location



Houston, Texas
Harris County

Parking



There are approximately 350 parking spaces on the owned parcel.
The parking ratio is approximately 4.22 stalls per 1,000 SF of leasable area.

Access



Westheimer Road: 2 Access Points
S. Gassner Road: 2 Access Points

Parcel



Parcel Numbers: 1318540020001, 1318540020002, 1318540020003, 1318540020004
Acres: 4.44
Square Feet: 193,406

Traffic Counts



Westheimer Road: 66,200 Vehicles Per Day
S. Gassner Road: 28,800 Vehicles Per Day
Sam Houston Tollway: 194,000 Vehicles Per Day

Construction



Year Built: 1973
Year Renovated: 2021

Improvements



Tesla Building: 40,000 SF
Second-Floor Storage: 42,000 SF
Quick-Service Pad (Available for Lease): ~ 850 SF
Total: 82,850 SF

Zoning



Commercial











WESTHEIMER RD.

66,200
VEHICLES PER DAY

S. GESSNER RD.

28,800
VEHICLES PER DAY



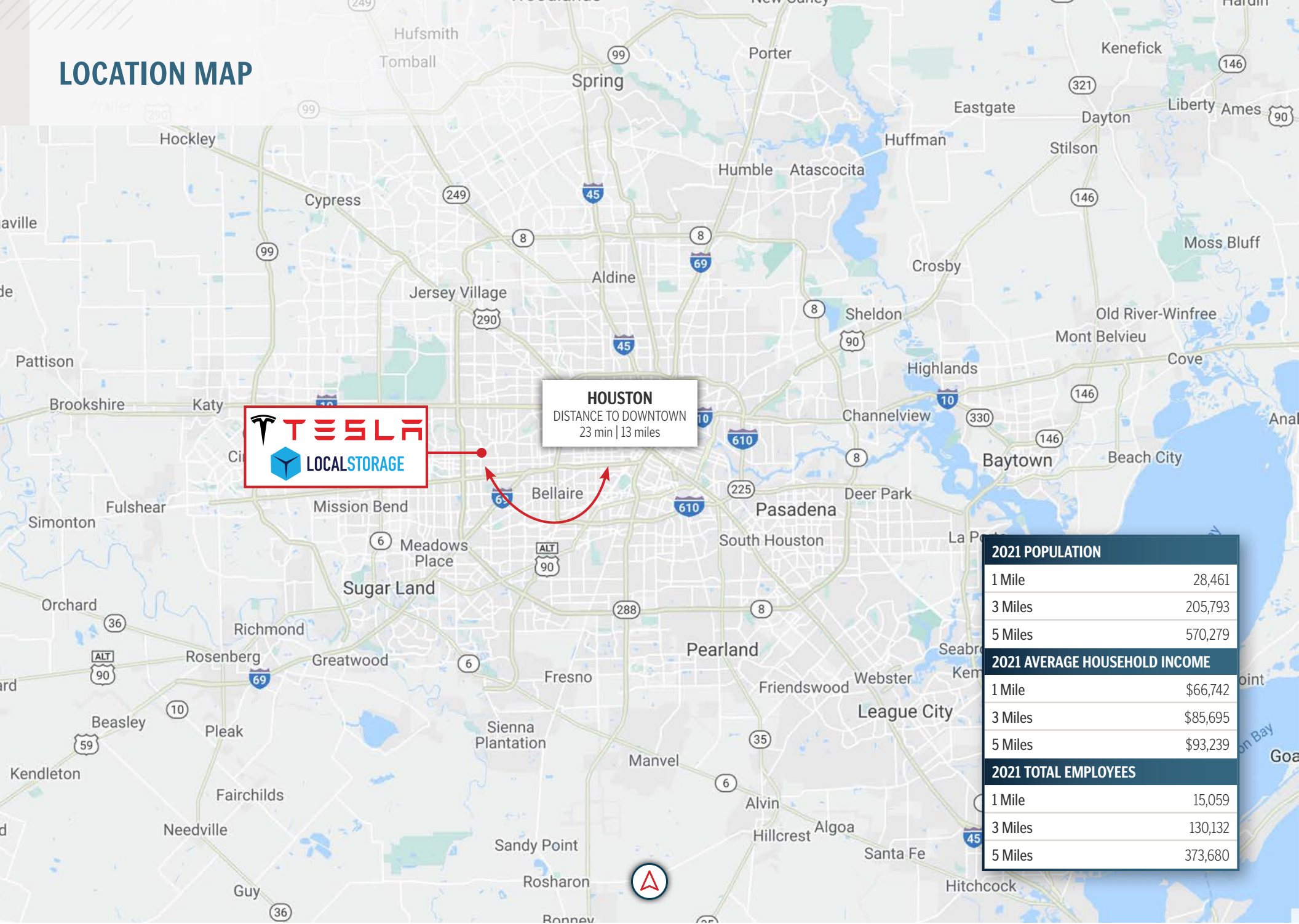
QUICK-SERVICE PAD
(AVAILABLE)



MONUMENT SIGN



LOCATION MAP





HOUSTON, TEXAS

Houston, the largest city in Texas and seat of Harris County, is located in the southeast part of the state near the Gulf of Mexico. The City of Houston is the largest city in Texas with a population of 2,402,820 as of July 1, 2021. It is the principal city of Houston–The Woodlands–Sugar Land, which is the fifth-most populated metropolitan area in the United States.

Known as the Bayou City for its waterway system, Houston thrives because it is a great place to work and a great place to live. For business and fun, for living and visiting, Houston is one of the dynamic frontiers on the world stage. With its proximity to the Southern Hemisphere and having the infrastructure to accommodate the growing needs of numerous global interests, Houston has become an international destination and one of the world's great cities.

As a major corporate center, Houston is home to 23 Fortune 500 companies. The port of Houston ranks high among U.S. ports in foreign tonnage handled. The city is a major business, financial, science, and technology center. Houston is outstanding in oil and natural-gas production and is the energy capital of the world. It is the home of one of the largest medical facilities in the world: the Texas Medical Center, and the focus of the aerospace industry. The Lyndon B. Johnson Space Center is the nation's headquarters for staffed spaceflight.

Southwest Houston is a primary business and residential hub of the city which includes the world-renowned Texas Medical Center to the vibrant Galleria area to dozens of terrific neighbourhoods in-between. Southwest Houston covers almost 60 square miles of charming neighbourhoods, thriving businesses districts, exciting entertainment venues, and world-class medical care and educational institutions. With over 14,000 business establishments Southwest Houston adds significantly to the Houston area economy. South Houston's convenient; close-in location is traversed by most major thoroughfares in the city.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	28,461	205,793	570,279
2026 Projected Population	29,946	215,721	598,948
2010 Census Population	25,604	187,460	519,478
Projected Annual Growth 2021 to 2026	1.02%	0.95%	0.99%
Historical Annual Growth 2010 to 2021	0.92%	0.80%	0.83%
HOUSEHOLDS & GROWTH			
2021 Estimated Households	13,981	85,933	224,466
2026 Projected Households	14,628	89,647	235,404
2010 Census Households	12,898	80,103	206,747
Projected Annual Growth 2021 to 2026	0.91%	0.85%	0.96%
Historical Annual Growth 2010 to 2021	0.68%	0.61%	0.74%
RACE & ETHNICITY			
2021 Estimated White	40.94%	45.06%	47.73%
2021 Estimated Black or African American	26.72%	17.86%	16.29%
2021 Estimated Asian or Pacific Islander	8.58%	13.33%	11.32%
2021 Estimated American Indian or Native Alaskan	0.48%	1.06%	0.77%
2021 Estimated Other Races	12.27%	15.08%	16.28%
2021 Estimated Hispanic	37.03%	40.45%	44.84%
INCOME			
2021 Estimated Average Household Income	\$66,742	\$85,695	\$93,239
2021 Estimated Median Household Income	\$44,271	\$47,806	\$52,241
2021 Estimated Per Capita Income	\$32,677	\$35,947	\$36,742
BUSINESSES & EMPLOYEES			
2021 Estimated Total Businesses	1,764	14,274	37,836
2021 Estimated Total Employees	15,059	130,132	373,680



RENT ROLL & PRICING SUMMARY



Suite #	Tenant Name	Size	Pro					Pro Rata (\$)	Rental Increases						Lease Start Date	Lease End Date	Options Remaining		
			Rata	Rent	Rent	Rent	Rent		Increase		Rent	Rent	Rent	Rent					
			(SF)	Monthly	\$/SF/Mo	Annual	\$/SF/Yr		Date	Inc.	Monthly	\$/SF/Mo	Annual	\$/SF/Yr					
A-100	Tesla	40,000	49%	\$60,000	\$1.50	\$720,000	\$18.00	57%	Aug-25	10.0%	\$66,000	\$1.65	\$792,000	\$19.80	Aug-21	Jul-31	2 (5-Year) Opt 1: \$21.78 PSF/Yr Opt 2: \$23.96 PSF/Yr		
A-200	Self Storage	42,000	51%	\$45,417	\$1.08	\$545,000	\$12.98	43%	Aug-25	5.0%	\$47,688	\$1.14	\$572,250	\$13.63	Aug-21	Jul-31	2 (5-Year) 4% Annual Increases Throughout Options		
	Total Occupied	82,000	100%	\$105,417	\$1.29	\$1,265,000	\$15.43	100%											
	Total Vacant	0	0%	\$0		\$0		0%											
	Total / Wtd. Avg:	82,000	100%	\$105,417	\$1.29	\$1,265,000	\$15.43	100%								Weighted Term Remaining (Years)		9.5	

YEAR 1 PROFORMA

Tenant	Income	Cap Rate	Value
Tesla	\$720,000	4.45%	\$16,180,000
Self Storage	\$545,000	6.01%	\$9,070,000
Quick-Service Pad			\$1,500,000
	NOI	Blended Rate	Price
	\$1,265,000	4.73%	\$26,750,000

BRAND PROFILE



TESLA

tesla.com

Locations: 598+

2020 Employees: 70,757

2020 Revenue: \$31.54 Billion

2020 Net Income: \$690.00 Million

2020 Assets: \$52.15 Billion

2020 Equity: \$22.23 Billion

Credit Rating: S&P: BB

Company Type: Public (NASDAQ: TSLA)



Tesla is an electric vehicle manufacturer and clean energy company led by billionaire Elon Musk. Tesla is also the biggest seller of plug-in electric vehicles; its Model 3 sedan, which debuted in 2017, is the world's all-time bestselling plug-in EV. Through its subsidiary Tesla Energy, the company manufactures and distributes solar panels, solar roof tiles, and other related products and services. Tesla Energy is one of the largest global suppliers of battery energy storage systems and is a major installer of solar energy generation systems in the U.S.



LOCAL STORAGE



Local Storage is a self-storage operator headquartered in Houston, Texas. The tenant is providing temperature controlled storage for the local market. This location offers secured, 24-hour access with large elevators, easy access and on-site manager. The tenant states that they have pre-leased storage space and will commence rent payment as of April 1, 2021.



SRS

NATIONAL
NET LEASE
GROUP

THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS

275+

RETAIL
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

1.7K+

RETAIL
TRANSACTIONS
company-wide
in 2020

500+

NET LEASE
PROPERTIES SOLD
in 2020

\$1.9B

NET LEASE
TRANSACTION VALUE
in 2020

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