

OFFERING MEMORANDUM

SERVICE KING

HUTTO, TEXAS

(AUSTIN MSA)



STONE HILL TOWN CENTER



HIGHLAND PARK NORTH
601 LOTS

25,889 CPD

45

PENLEY PARK
156 LOTS



DEARING ELEMENTARY
570 STUDENTS

INTERCHANGE
BUSINESS PARK



CEDAR RIDGE HIGH
2,721 STUDENTS

FOREST CREEK
1,282 LOTS

STAR RANCH
1,926 LOTS

THE GOLF CLUB
AT STAR RANCH

SUBJECT
PROPERTY

685

130

52,958 CPD

685

LAKESIDE ESTATES
556 LOTS

FIVE STAR IER
EMERGENCY CENTER

45

25,889 CPD



CEADAR RIDGE HIGH
2,721 STUDENTS



STONY POINT HIGH
2,629 STUDENTS



SILVER LEAF
196 LOTS

FOREST CREEK
1,282 LOTS

STAR RANCH
1,926 LOTS

THE GOLF CLUB
AT STAR RANCH

SUBJECT
PROPERTY

685

130

52,958 CPD



TRADESMEN'S INDUSTRIAL PARK

59,921 CPD



HUTTO MIDDLE
770 STUDENTS

HUTTO PARKE
770 LOTS

EMORY FARMS
370 LOTS

HUTTO SQUARE
1,313 LOTS



RIVERWALK
1,183 LOTS

HUTTO HIGH
1,903 STUDENTS



SUBJECT
PROPERTY

PARKS AT BRUSHY CREEK
439 LOTS

STAR RANCH
1,926 LOTS

LAKE SIDE ESTATES
556 LOTS

THE GOLF CLUB
AT STAR RANCH

STAR RANCH
1,926 LOTS

685

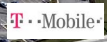
130

52,958 CPD



TWIN LIQUORS

Sprint



McDonalds



685

STAR RANCH
1,926 LOTS

Financial Overview

Price	\$5,420,000
Cap Rate	6.00%
Gross Leasable Area	13,750 SF
Year Built	2019
Lot Size	2.668 +/- Acres

Lease Summary

Lease Type	Absolute NNN
Roof & Structure	Tenant Responsible
Lease Term	15 Years
Rent Commencement	Est. 4/22/2019
Increases	10% Every Five Years, Including Options
Options	Four, 5-Year
Option to Terminate	None
Option to Purchase	None
Right of First Refusal	None

Rent Schedule

TERM	ANNUAL RENT	MONTHLY RENT
Year 1-5	\$325,239	\$27,103
Year 6-10	\$357,763	\$29,814
Year 11-15	\$393,539	\$32,794
Option 1	\$432,893	\$36,681
Option 2	\$476,182	\$39,682
Option 3	\$523,801	\$43,650
Option 4	\$576,180	\$48,015



ADDRESS

2400 FM 685
Hutto, TX 78634



PRICE

\$5,420,000



CAP RATE

6.00%



NOI

\$325,239

Investment Highlights

- 15-Year Absolute NNN Lease with 10% Increases Every 5 Years
- Corporate Guaranty with 342 Locations, Annual Revenue Exceeds \$1 Billion
- The Largest Collision Repair Operator in Texas and the Second Largest in the U.S.
- E-Commerce Proof and Recession Resilient Industry, Auto Collision Repair Projected Revenue of \$54.4 Billion in the U.S. by 2022
- Brand New High-Quality Masonry Construction
- 143,267 Residents in Rapidly Growing Austin Suburb, the Fastest Growing Community in Texas
- Average Household Income Exceeds \$118,000 within 3 Miles
- Highly Visible to 52,958 Cars/Day Along Major Commercial Corridor
- Easy Access to I-35 with 185,590 Cars/Day, the Main North/South Artery in Texas
- At Entrance to 1,000-Acre Star Ranch Master-Planned Golf Community with 1,926 Homes
- Down the Street from Brand New H-E-B Plus Grocery Anchored Center
- Just North of a Brand New Costco and a 1 Million SF Development with Super Target, Home Depot, Dick's, Cinemark, 24 Hour Fitness, Ross, Petco and More
- Close Proximity to the Co-Op District, a \$305 Million New Master-Planned Mixed-Use Entertainment, Retail, and Residential Development
- Minutes to Dell Corporate Headquarters with Over 13,000 Employees
- 2.5 Miles to New \$100 Million Hutto Innovation Business Park with 2.5 Million SF of Industrial
- Strong Daytime Population, 20,911 Employees within the Submarket
- Nearby Several K-12 Schools with 7,500 Students

Demographics

POPULATION	1-MILES	3-MILES	5-MILES
2010 Population	4,167	45,001	104,063
2018 Population	5,819	62,068	143,267
2023 Population	6,897	75,993	172,078
HOUSEHOLDS			
2010 Households	1,351	14,238	34,435
2018 Households	1,884	19,624	47,213
2023 Households	2,264	24,244	57,473
INCOME			
2018 Average Household Income	\$110,356	\$118,776	\$107,590
EMPLOYEES			
2018 Number of Employees In Area	517	7,437	20,911



143,267

Population within
a 5-Mile Radius



\$107,590

Average Household Income
within a 5-Mile Radius



20,911

Number of Employees
within a 5-Mile Radius



OWNERSHIP:

Private

TENANT:

Corporate

WEBSITE:

www.serviceking.com

Tenant Overview

Service King Collision Repair, headquartered in Richardson, Texas, and founded in Dallas in 1976, is one of the largest independent collision repair service operators in the United States, and the largest in Texas. Service King provides various automotive services such as dent repair and glass repair, as well as paint and hail-damage services.

Between August 2012 and August 2014, The Carlyle Group held majority ownership and facilitated Service King's expansion from 47 Texas locations to 177 locations across 20 states and increased the employee count from 1,457 to 4,087. The Blackstone Group, one of the world's leading investment firms, acquired majority ownership of Service King Repair Centers in August of 2014, and The Carlyle Group re-invested in the newly capitalized company.

The company has an annual revenue of more than \$1 billion with 342 locations in 24 states across the United States including: Texas, California, Washington, Nevada, Utah, Arizona, Colorado, Oklahoma, Arkansas, Mississippi, Illinois, Tennessee, Michigan, Ohio, Pennsylvania, New York, Maryland, Virginia, North Carolina, Georgia, and Florida.



342
LOCATIONS
24
STATES



HEADQUARTERED IN
Richardson, TX

\$1
Billion
ANNUAL REVENUE
EXCEEDS



FOUNDED
1976

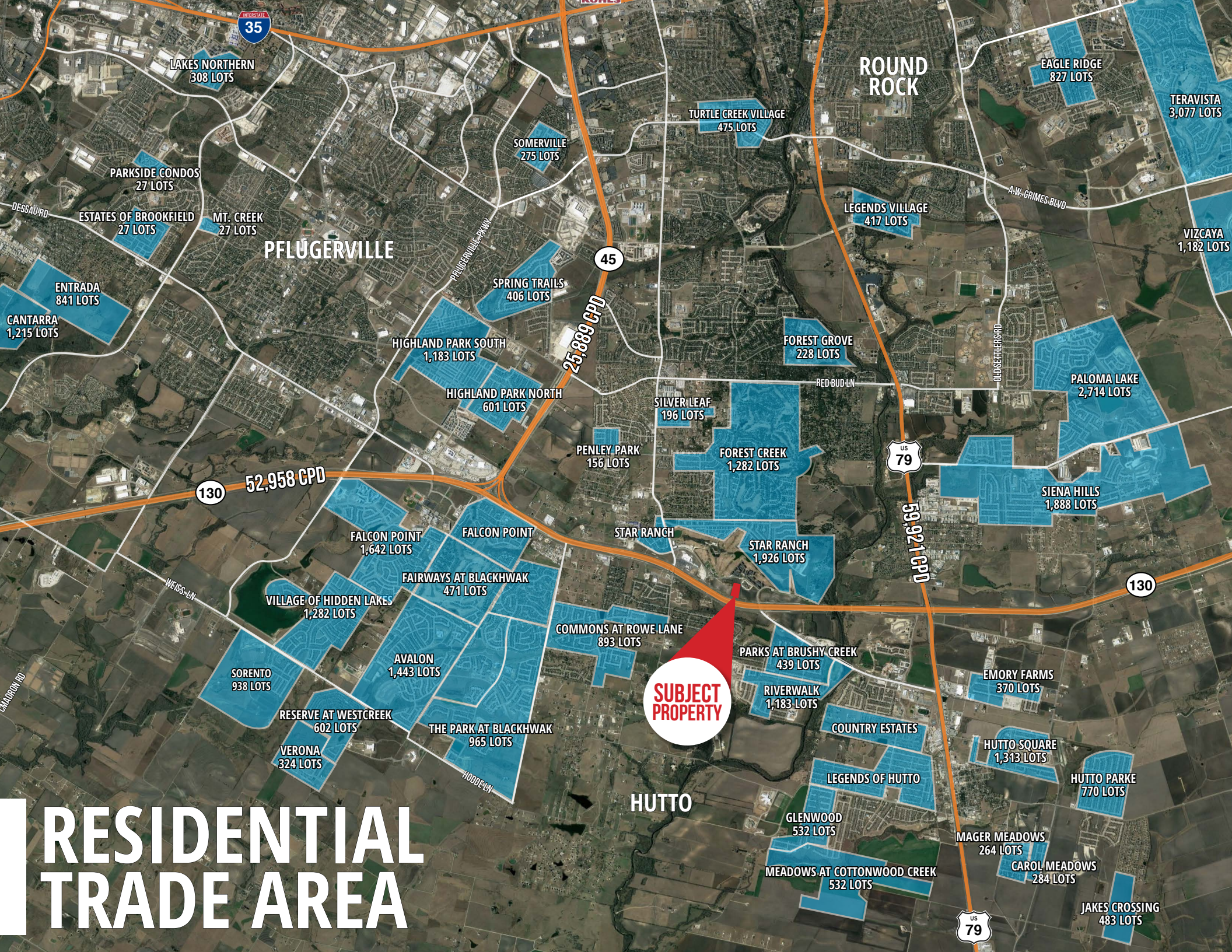


Evolving Collision Repair Market

- Long-term decline of independent and dealership repair facilities
 - Total number of independent and dealership collision repair locations has declined by 24.7% from late 2007 to 2017, and almost 60% over the past 36 years
- Large multi-shop collision repair operator (“MSO”) market share opportunity
 - Large MSOs represented 7.7% of total locations in 2017 and 34.6% of estimated 2017 revenue (up from 9.1% in 2006) in the U.S.
 - 80 MSO’s had revenues of \$20 Million or greater in 2017
 - The top MSOs together represent 70.5% of revenue or large MSOs
 - MSOs benefit from standardized processes, integration of technology platforms and expense reduction through large-scale chain management

Strong Relationships with Insurance Companies through DRPs

- Direct Repair Programs (“DRPs”) are established between insurance companies and collision repair shops to better manage auto repair claims and the level of customer satisfaction
- Auto insurers utilize DRPs for a growing percentage of collision repair claims volume
- Growing preference among insurers for DPR arrangements with multi-location collision repair operators



LAKES NORTHERN
308 LOTS

PARKSIDE CONDOS
27 LOTS

ESTATES OF BROOKFIELD
27 LOTS

MT. CREEK
27 LOTS

ENTRADA
841 LOTS

CANTARRA
1,215 LOTS

PFLUGERVILLE

SPRING TRAILS
406 LOTS

HIGHLAND PARK SOUTH
1,183 LOTS

HIGHLAND PARK NORTH
601 LOTS

PENLEY PARK
156 LOTS

FALCON POINT
1,642 LOTS

FALCON POINT

VILLAGE OF HIDDEN LAKES
1,282 LOTS

FAIRWAYS AT BLACKHWAK
471 LOTS

AVALON
1,443 LOTS

RESERVE AT WESTCREEK
602 LOTS

VERONA
324 LOTS

THE PARK AT BLACKHWAK
965 LOTS

COMMONS AT ROWE LANE
893 LOTS

STAR RANCH

SUBJECT
PROPERTY

PARKS AT BRUSHY CREEK
439 LOTS

RIVERWALK
1,183 LOTS

COUNTRY ESTATES

LEGENDS OF HUTTO

GLENWOOD
532 LOTS

MEADOWS AT COTTONWOOD CREEK
532 LOTS

MAGER MEADOWS
264 LOTS

CAROL MEADOWS
284 LOTS

HUTTO PARKE
770 LOTS

JAKES CROSSING
483 LOTS

HUTTO

ROUND
ROCK

TURTLE CREEK VILLAGE
475 LOTS

LEGENDS VILLAGE
417 LOTS

FOREST GROVE
228 LOTS

SILVER LEAF
196 LOTS

FOREST CREEK
1,282 LOTS

STAR RANCH
1,926 LOTS

EAGLE RIDGE
827 LOTS

TERAVISTA
3,077 LOTS

VIZCAYA
1,182 LOTS

PALOMA LAKE
2,714 LOTS

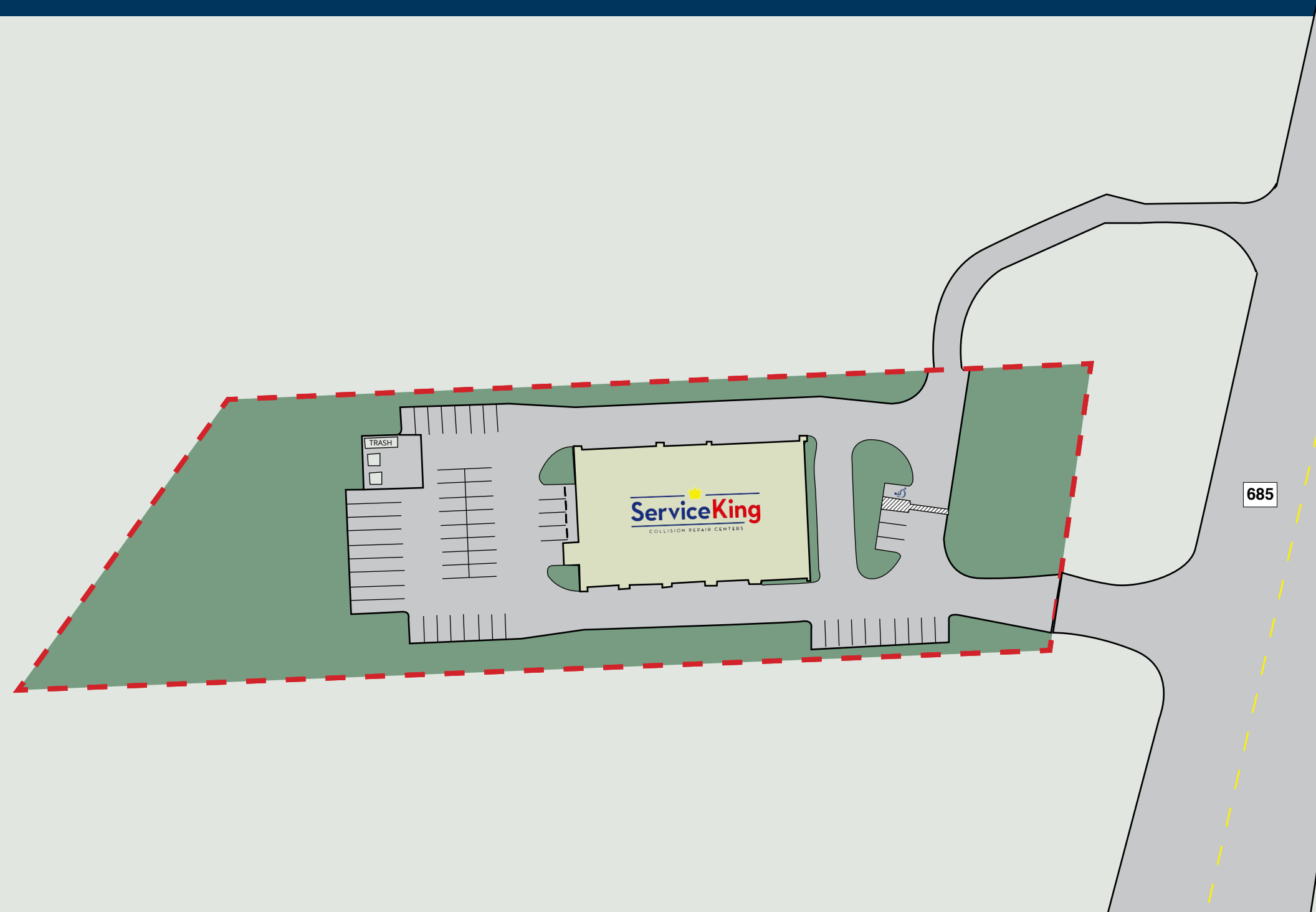
SIENA HILLS
1,888 LOTS

EMORY FARMS
370 LOTS

HUTTO SQUARE
1,313 LOTS

RESIDENTIAL
TRADE AREA

Site Plan

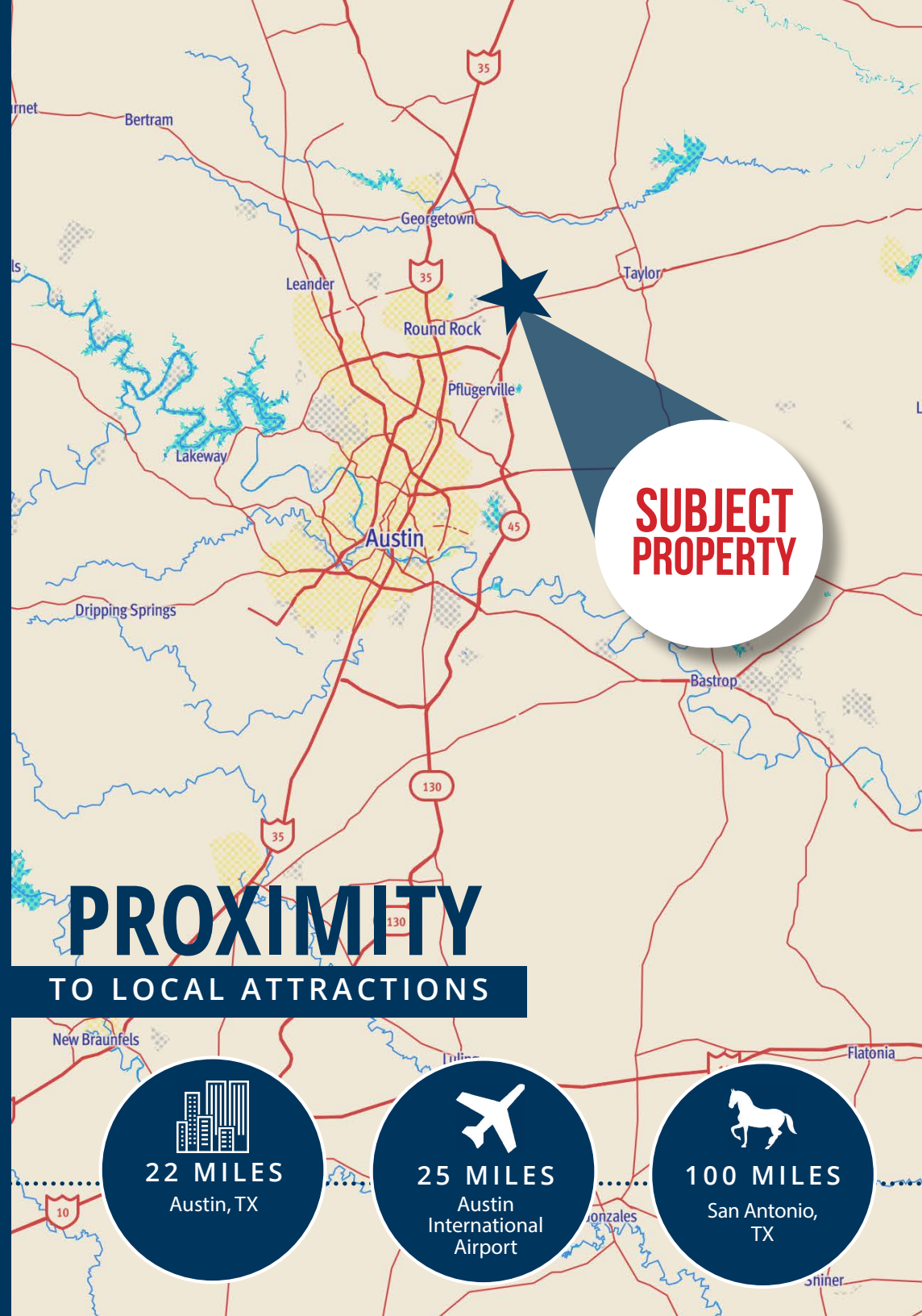


Hutto, TX

Hutto is located within the Austin-Round Rock Metropolitan Statistical Area, with a population of more than 2 million and the 16th largest GDP per capita in the U.S.. Hutto is located seven miles east of Round Rock and approximately 22 miles north of Austin, and benefits from strong proximity to one of the largest and fastest growing economies in the U.S..

The city of Hutto has benefited immensely from strong growth in the Austin region and the opening of State Highway 130 "Pickle Parkway", which runs through the city. The highway forms a 131-mile corridor south and east of Austin running parallel to the heavily congested I-35, and provides an alternate route for freight and commuter traffic. Plans are underway to expand 10.4 miles of TX-130 from four to six lanes within the next several years. The \$195 million dollar project is intended to alleviate congestion on I-35, one of the busiest roads in the country, and is expected to begin in early 2018 with new lanes completed as early as summer 2020. The city's population has grown exponentially since 2000; between 2000 and 2010, the city's population increased by 13,448, an increase of more than 1000% with an approximate annual rate of 107%. 2016 estimates place the city's population at more than 17 times the 2000 population. Since 2010, the city has experienced an annual growth rate of 10.4%.

The city additionally benefits from its close proximity to Austin and the numerous employers headquartered or situated there, which include Samsung, Apple, Dell, HID Global, Home Away, Athena Health, Websense, IBM, Visa, Dropbox, Hanger, Legal Zoom, Oracle, and more.



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RETAIL GROUP

SERVICE KING

HUTTO, TEXAS (AUSTIN MSA)

