

NET LEASE INVESTMENT OFFERING



MCDONALD'S (Ground Lease | Houston MSA)
20310 US-59
New Caney, Texas 77357

THE
Boulder
GROUP

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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.



EXECUTIVE SUMMARY:

The Boulder Group is pleased to exclusively market for sale a new single tenant McDonald's ground lease located in New Caney, Texas in the Houston MSA. The subject property is brand new construction and features a twenty-year lease. The absolute triple net ground lease features zero landlord responsibilities and 10% rental escalations every five years throughout the primary term and in each of the four 5-year renewal options.

The McDonald's property is strategically located immediately off of Highway 59 (50,206 VPD) where it has excellent visibility and easy access. Highway 59 is a primary north-south thoroughfare that leads to Houston. The property is located at a newly constructed intersection bypass that further enhances access. A pole sign over 100' tall maximizes visibility.

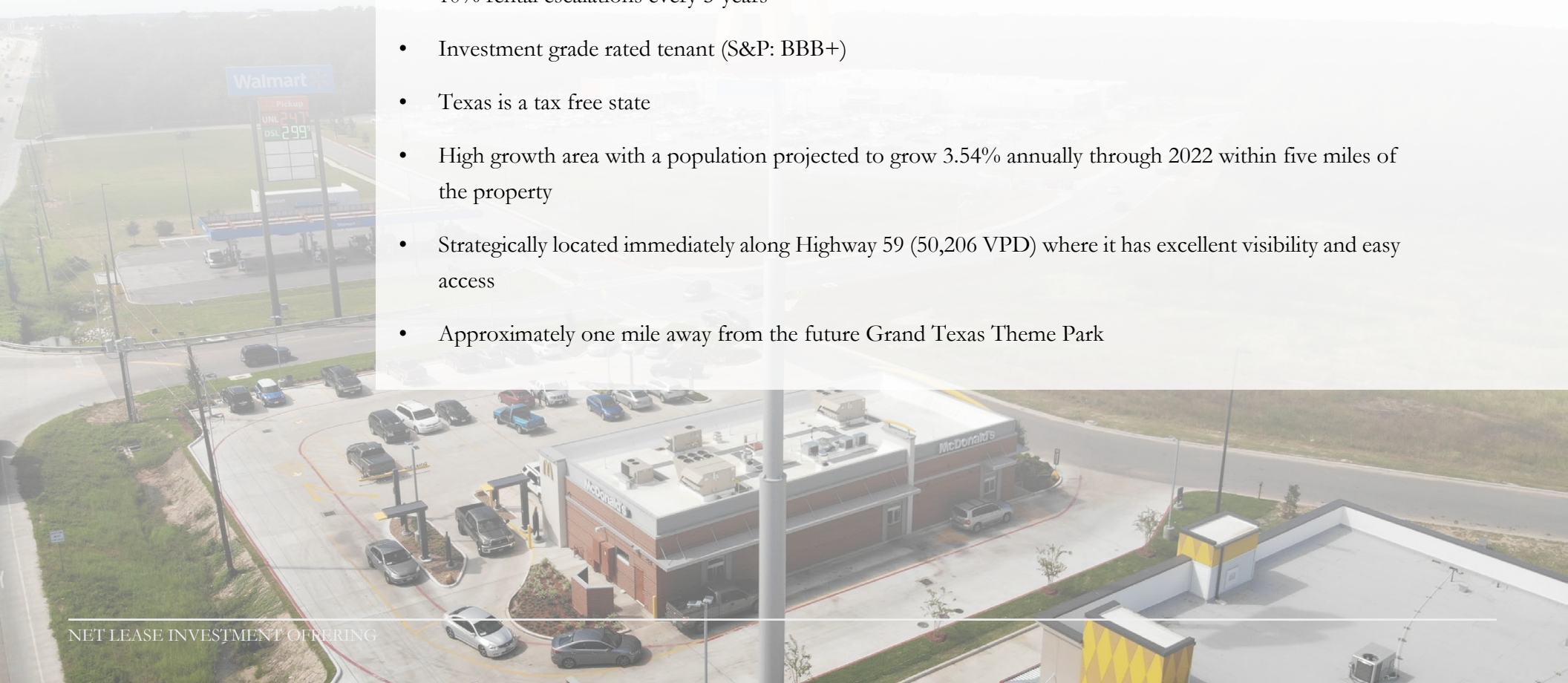
The property is an outparcel to a new construction Walmart Supercenter and near other retailers including Walgreens, Chase, Taco Bell and Jack in the Box. The property is also approximately one mile away from the future Grand Texas Theme Park. Grand Texas is an entertainment, dining, and shopping destination under development on 630+ acres about nine miles north of Houston's Bush Intercontinental Airport. When construction is complete, Grand Texas will comprise the Houston area's largest amusement park, a waterpark, an outlet mall, a shopping and dining promenade, hotels, and more, providing the area's biggest and best destination for the entire family.

The brand new construction McDonald's is located within a rapidly growing suburb of Houston. Within five miles of the property, the population is projected to grow 3.54% annually through 2022. McDonald's is the world's largest chain of hamburger fast food restaurants, serving over 68 million customers daily throughout 120 countries. McDonald's is an investment grade rated tenant (S&P: BBB+).



INVESTMENT HIGHLIGHTS:

- Located within the Houston MSA
- Brand new construction
- Long term 20 year ground lease
- Outparcel to a new construction Walmart Supercenter with additional new retail construction ongoing adjacent to the property
- Absolute triple net with zero landlord responsibilities
- 10% rental escalations every 5-years
- Investment grade rated tenant (S&P: BBB+)
- Texas is a tax free state
- High growth area with a population projected to grow 3.54% annually through 2022 within five miles of the property
- Strategically located immediately along Highway 59 (50,206 VPD) where it has excellent visibility and easy access
- Approximately one mile away from the future Grand Texas Theme Park



PROPERTY OVERVIEW:

Price:	\$1,818,181	
Cap Rate:	3.85%	
Rent Schedule:	<u>NOI</u>	<u>Escalation Date</u>
	\$70,000	
	\$77,000	October 1, 2023
	\$84,700	October 1, 2028
	\$93,170	October 1, 2033
	\$102,487	October 1, 2038 (Option 1)
	\$112,736	October 1, 2043 (Option 2)
	\$124,009	October 1, 2048 (Option 3)
	\$136,410	October 1, 2053 (Option 4)
Renewal Options:	Four 5-Year	
Lease Expiration Date:	September 30, 2038	
Tenant:	McDonald's	
Standard & Poor's Rating:	BBB+	
Year Built	2018	
Lease Type:	Ground Lease (No Landlord Responsibilities)	
Building Size:	3,967 SF	
Land Size:	34,263 SF	

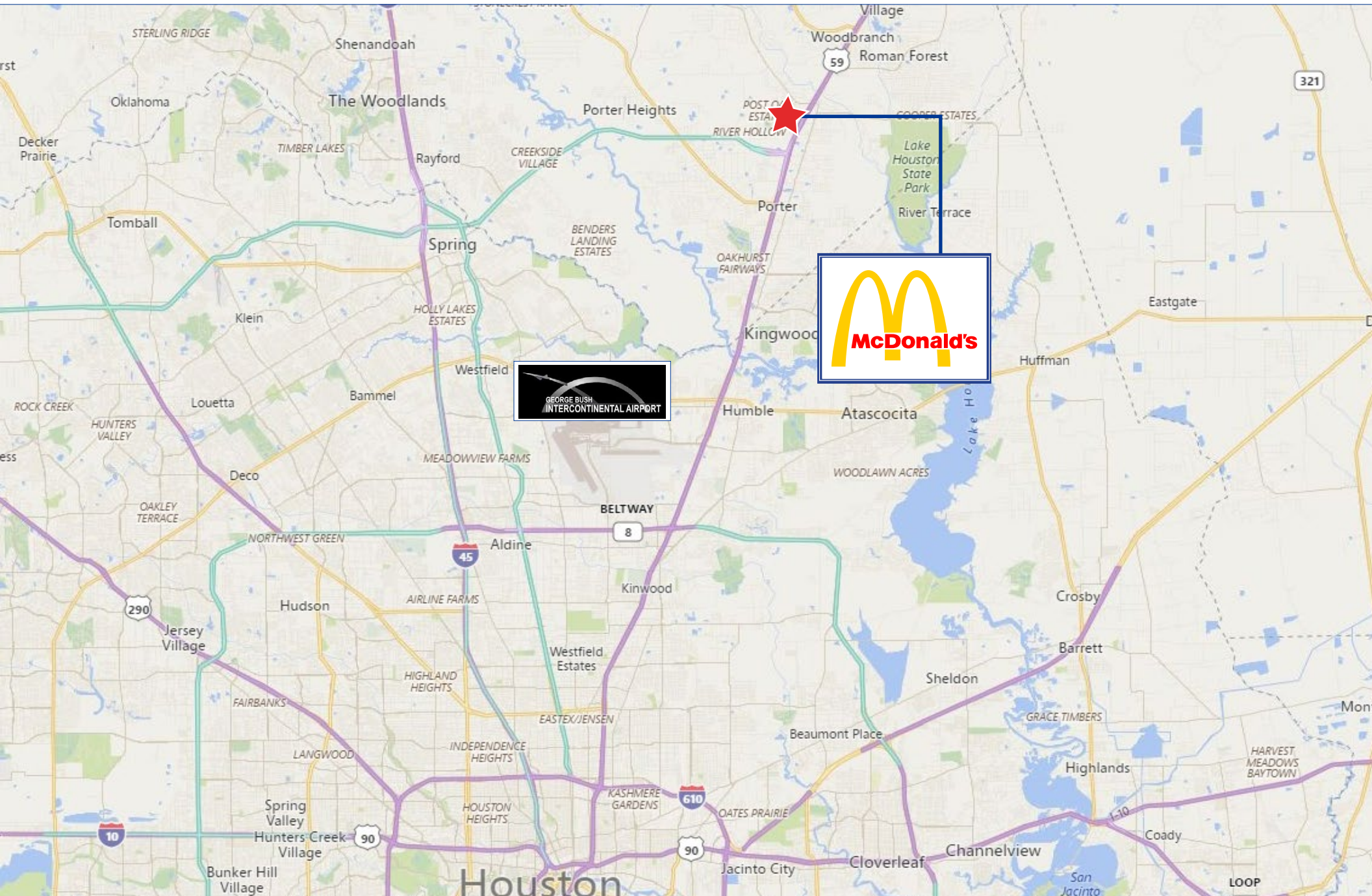








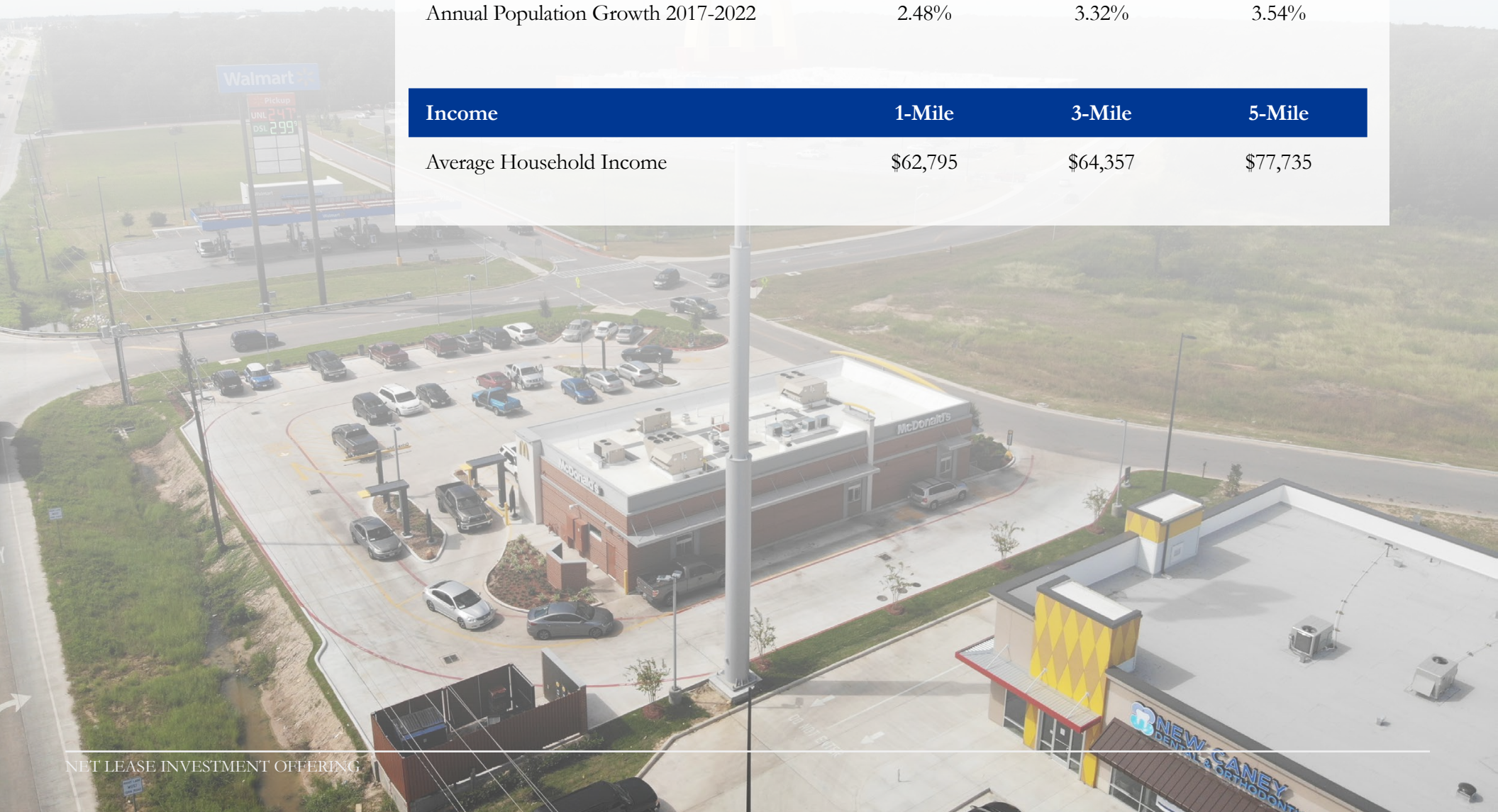




**DEMOGRAPHIC
REPORT:**

Population	1-Mile	3-Mile	5-Mile
Total Population	3,838	19,624	52,699
Total Households	1,231	6,498	17,700
Annual Population Growth 2017-2022	2.48%	3.32%	3.54%

Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$62,795	\$64,357	\$77,735



MARKET OVERVIEW:

New Caney, Texas

New Caney is an unincorporated community in Montgomery County, Texas, United States within the Houston–The Woodlands–Sugar Land metropolitan area. As of 2010, the population of the New Caney area is 19,987. New Caney is centered along the junction of Farm Road 1485 and Highway 59. The area was originally settled in the early 1860s by Austin and Sarah Presswood, who name the town “Presswood, TX”.

Today, growth is accelerating in New Caney as Houston’s suburban population expands into the area. Construction of Grand Parkway, Houston’s latest “ring” highway, is scheduled to complete in 2022 and runs through New Caney. When finished, the highway will continuously connect Ne Caney to Baytown and Sugar Land, increasing mobility and further enhancing local growth. New Caney Independent School District is already in the top 5 fastest-growing in Texas and is preparing for the influx of new families.



MARKET OVERVIEW:



Houston, Texas

Houston is the most populous city in the state of Texas and the fourth-most populous city in the United States. With a population of more than 2.3 million people within an area of 667 square miles, it is also the largest city in the southern United States and the seat of Harris County. Located in Southeast Texas near the Gulf of Mexico, it is the principal city of the Greater Houston metro area, which is the fifth-most populated MSA in the United States.

Houston was founded on 1836 near the banks of Buffalo Bayou (now known as Allen's Landing) and incorporated as a city in June 1837. The city was named after former General Sam Houston, who was president of the Republic of Texas and had commanded and won at the Battle of San Jacinto 25 miles east of where the city was established. The burgeoning port and railroad industry, combined with oil discovery in 1901, has induced continual surges in the city's population. In the mid-20th century, Houston became the home of the Texas Medical Center—the world's largest concentration of healthcare and research institutions—and NASA's Johnson Space Center, where the Mission Control Center is located.

Houston's economy has a broad industrial base in energy, manufacturing, aeronautics, and transportation. Leading in health care sectors and building oilfield equipment, outside New York City, Houston has more Fortune 500 headquarters than any other U.S. municipality within its city limits. The Port of Houston ranks first in the United States in international waterborne tonnage handled and second in total cargo tonnage handled. Nicknamed the "Space City", Houston is a global city, with strengths in business, international trade, entertainment, culture, media, fashion, science, sports, technology, education, medicine, and research. It is home to many cultural institutions and exhibits, which attract more than 7 million visitors a year to the Museum District. Houston has an active visual and performing arts scene in the Theater District and offers year-round resident companies in all major performing arts.

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TENANT OVERVIEW:

McDonald's

McDonald's Corporation is the world's largest chain of hamburger fast food restaurants, serving over 69 million customers daily throughout 100 countries. McDonald's primarily sells hamburgers, cheeseburgers, chicken, french fries, breakfast items, soft drinks, shakes and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, wraps, smoothies and fruit. McDonald's restaurants offer customers counter service as well as drive-thru service. McDonald's owns approximately 18% of their restaurants, while the remainder of the stores are run by franchisee members or joint venture.

McDonald's present corporation dates its founding to the opening of a franchised restaurant by businessman Ray Kroc in Des Plaines, Illinois on April 15, 1955, the ninth McDonald's restaurant overall. Kroc purchased the McDonald brothers' equity in the company and led its worldwide expansion. McDonald's a publically traded company on the New York Stock Exchange using symbol "MCD". McDonald's is an investment grade rated company with a Standard & Poor's rating of "BBB+". McDonald's moved their global headquarters to Chicago, Illinois in 2017 from Oak Brook, Illinois where they have had their offices since 1971.

McDonald's USA, LLC, the tenant, operates and franchises McDonald's restaurants in the United States. The company was incorporated in 2004 and is based in Oak Brook, Illinois. McDonald's USA, LLC operates as a subsidiary of McDonald's Corporation.

Website:	www.mcdonalds.com
Founded:	1955
Number of Locations:	37,241
Number of Employees:	235,000
Standard & Poor's Rating:	BBB+
Stock Symbol:	MCD (NYSE)
Headquarters:	Chicago, Illinois





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