



2525 South Highway 6 | Houston, TX



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

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The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

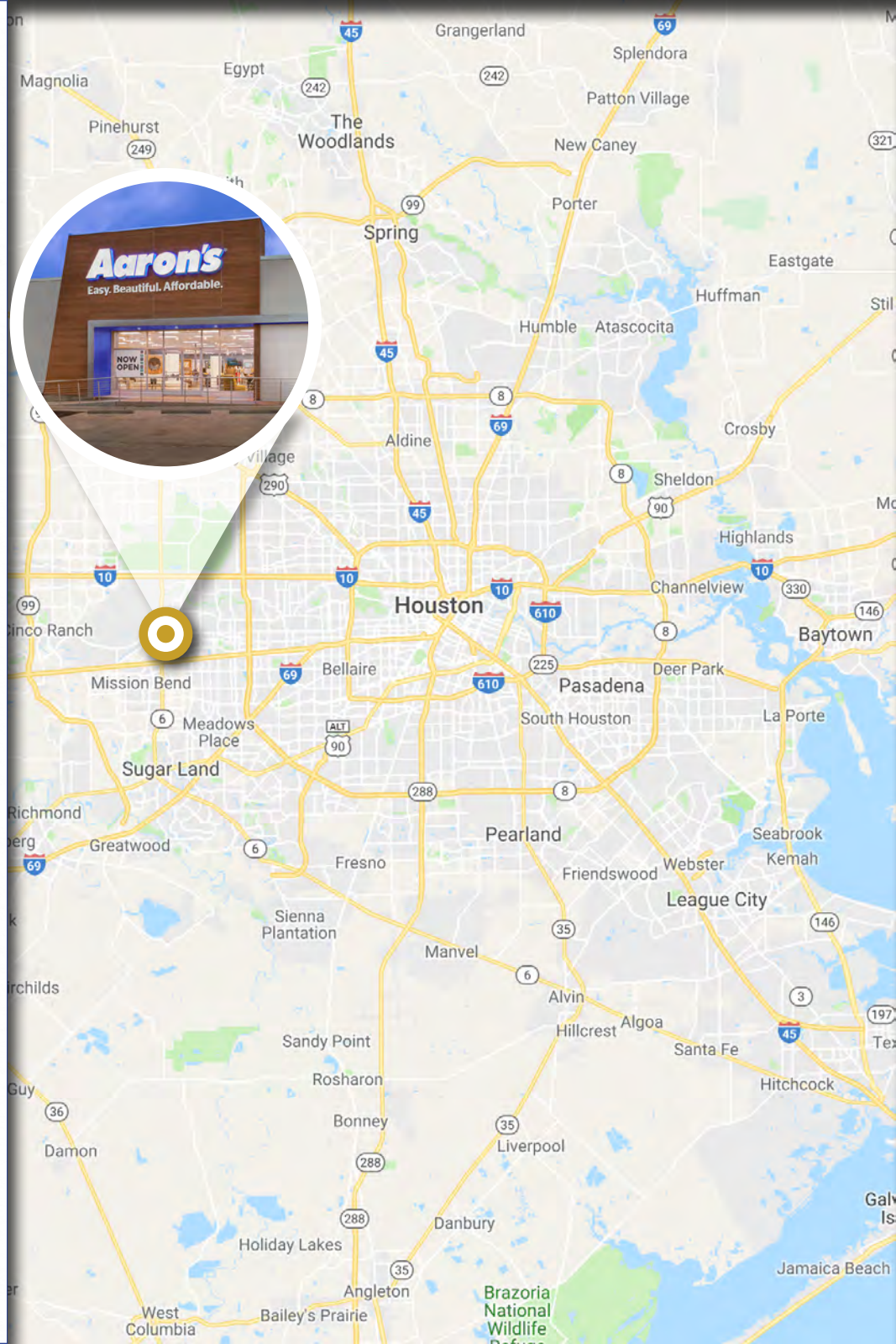
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INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a freestanding 12,500-square-foot Aaron's that is positioned on 1.26 acres in Houston, TX (MSA Population: 7.0 Million)—the fifth-largest metro area within the United States. Aaron's recently signed a new net lease, which is expected to commence September 2019 and will feature 7 years of primary term with two 5-year renewal options. Aaron's is situated with excellent access and visibility along South Highway 6 (Traffic Count: 52,714 VPD), just feet from its intersection with Westheimer Road (Traffic Count: 44,340 VPD) and 20 miles west from Downtown Houston. The property is immediately adjacent to Taco Cabana, Mattress Firm Clearance, and Tay DO Restaurant, and is diagonally across from Floor & Decor and Sky Sports Trampoline Park. Major retailers within the immediate vicinity include Home Depot, Conn's, Best Buy, Barnes & Noble, Ross Dress for Less, Five Below, Academy Sports + Outdoors, Bed Bath & Beyond, ALDI, Red Lobster, Olive Garden, 99¢ Only, Goodwill, CVS, Starbucks, O'Reilly Auto Parts, AutoZone, Discount Tire, Popeye's, Burger King, McDonald's, Subway, Sports Clips, Dunkin' Donuts, Whataburger, Pizza Hut, Hobbytown USA, and Taco Bell, among others. Aaron's is also directly across from the 1.1 MSF West Oaks Mall, which is anchored by Dillard's, The Outlet at West Oaks, Fortis College, Palais Royal, and Edwards Theatres. West Oaks Mall is further occupied by Champs Sports, Foot Locker, American Contemporary Furniture, Victoria's Secret, Rainbow, Claire's, Bath & Body Works, Zales, Journey's, and Tutti Frutti, among others. The site is less than 1 mile north of the Shell Technology Center Houston. Home to approximately 2,000 scientists, technologists, engineers, consultants, sales and support personnel, Shell Technology Center Houston is the largest of Shell's three technology hubs—sitting on 200 acres and comprising 1.2 MSF of laboratory and office space. In total, the site boasts 10.6 MSF of retail, 5.5 MSF of office, 1.4 MSF of industrial, and 26,501 multifamily units within a 3-mile radius. Additionally, it features dynamic demographics with a population of 132,498 and an average household income of \$89,843 within a 3-mile radius.

2525 SOUTH HIGHWAY 6 HOUSTON, TX 77082



12,500 SF
1.26 Acres

Built in 1998
Renovated in 2019



58
Parking Spaces

NOI:
\$125,000



Cap Rate:
7.50%

Price:
\$1,666,700



Demographics

1-Mile Pop	1-Mile AHI	3-Mile Pop	3-Mile AHI	5-Mile Pop	5-Mile AHI
12,950	\$75,214	132,498	\$89,843	348,939	\$94,865

Traffic Counts

South Highway 6: 52,714 VPD
Westheimer Road: 44,340 VPD

INVESTMENT HIGHLIGHTS



AARON'S, INC.

Aaron's, Inc., (NYSE: AAN), which was established in 1955, is a leading omnichannel provider of lease-purchase solutions. The Atlanta, GA-based company engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its 1,689 company-owned and franchised stores in 47 states and Canada as well as its e-commerce platform, Progressive Leasing. As of March 31, 2019, Aaron's reported TTM total revenues of \$3.9 billion, TTM net income of \$200 million, and a net worth of \$1.8 billion.



REASONABLE MARKET RENT

\$10 PSF for 12,500 SF on 1.26 acres.



BRAND NEW NET LEASE WITH RENEWAL OPTIONS

Aaron's recently signed a new net lease, which is expected to commence September 2019 and will feature 7 years of primary term with two 5-year renewal options.



EXCELLENT ACCESS & VISIBILITY

Aaron's is situated with excellent access and visibility along South Highway 6 (Traffic Count: 52,714 VPD), just feet from its intersection with Westheimer Road (Traffic Count: 44,340 VPD) and 20 miles west of Downtown Houston.



STRATEGIC LOCATION

The property is immediately adjacent to Taco Cabana, Mattress Firm Clearance, and Tay DO Restaurant, and is diagonally across from Floor & Decor and Sky Sports Trampoline Park. Major retailers within the immediate vicinity include Home Depot, Conn's, Best Buy, Barnes & Noble, Ross Dress for Less, Five Below, Academy Sports + Outdoors, Bed Bath & Beyond, ALDI, Red Lobster, Olive Garden, 99¢ Only, Goodwill, CVS, Starbucks, O'Reilly Auto Parts, AutoZone, Discount Tire, Popeye's, Burger King, McDonald's, Subway,



Sports Clips, Dunkin' Donuts, Whataburger, Pizza Hut, Hobbytown USA, and Taco Bell, among others. Aaron's is also directly across from the 1.1 MSF West Oaks Mall, which is anchored by Dillard's, The Outlet at West Oaks, Fortis College, Palais Royal, and Edwards Theatres. West Oaks Mall is further occupied by Champs Sports, Foot Locker, American Contemporary Furniture, Victoria's Secret, Rainbow, Claire's, Bath & Body Works, Zales, Journey's, and Tutti Frutti, among others.

PROXIMITY TO ECONOMIC DRIVER

The site is less than 1 mile north of the Shell Technology Center Houston. Home to approximately 2,000 scientists, technologists, engineers, consultants, sales and support personnel, Shell Technology Center Houston is the largest of Shell's three technology hubs—sitting on 200 acres and comprising 1.2 MSF of laboratory and office space.



PRIMARY RETAIL & COMMERCIAL CORRIDOR

In total, the site boasts 10.6 MSF of retail, 5.5 MSF of office, 1.4 MSF of industrial, and 26,501 multifamily units within a 3-mile radius.



DYNAMIC DEMOGRAPHICS

Aaron's features dynamic demographics with a population of 132,498 and an average household income of \$89,843 within a 3-mile radius.



MARKET

With a population of nearly 7.0 million across the 9-county Metropolitan Statistical Area, Houston is the fifth-largest metro area within the United States. Houston's population has grown by 49% since 2000, and future projections expect the city to add an additional 2.46 million people by 2030. Home to 21 Fortune 500 companies, Houston also houses a high concentration of the world's largest foreign corporations.



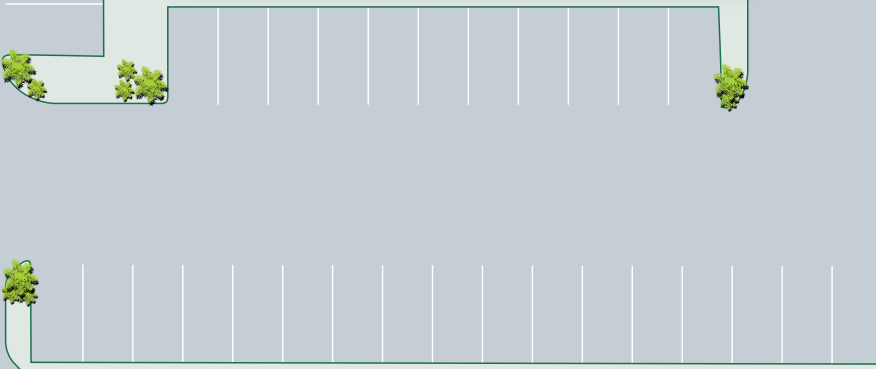
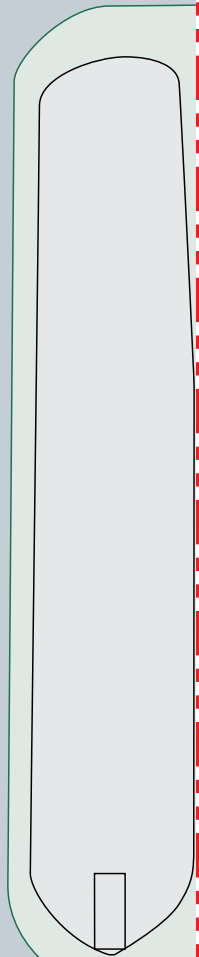
SOUTH HIGHWAY 6: 52,714 VPD

CBRE

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Aaron's®

Aaron's



LEASE SUMMARY

TENANT	Aaron's, Inc.
LEASE COMMENCEMENT	September 14, 2019 (Estimated)
LEASE EXPIRATION	September 30, 2026 (Estimated)
LEASE TERM REMAINING	±7 years
LEASE TYPE	NN
CURRENT TERM RENT	\$125,000
RENT INCREASES	Flat during initial term
RENEWAL OPTIONS	Two 5-year options
OPTION RENT	Option 1 (Years 8-12): \$137,500 Option 2 (Years 13-17): \$151,250
OPTION RENT INCREASES	10% increase in each option
PAYMENT OF OTHER CHARGES	Tenant will pay estimated Other Charges to Landlord. In addition, Tenant shall pay the first \$1,000 (Tenant OEA Cap) of OEA Charges per Calendar Year, if any, as the same are billed and imposed on the Premises pursuant to the OEA.
TERMINATION OPTION	Aaron's can terminate the lease during year 4 of the term if it does not reach gross sales of \$1,600,000.
TAXES	Landlord will pay all real property taxes that are assessed against the Premises. Tenant will reimburse Landlord in accordance with the "Payment of Other Charges" provision for the amount of Taxes that are assessed and paid by Landlord.
INSURANCE	<p>Landlord Insurance: Landlord will insure the Premises, against direct and indirect loss or damage by fire and any other casualty covered under the typical standard fire and extended coverage property insurance policy including "loss of rents" coverage, in an amount that is not less than the full replacement cost of the Premises at any time during the Term. Tenant will reimburse Landlord monthly, in accordance to the "Payment of Other Charges," for the Premium that Landlord paid for the Insurance.</p> <p>Tenant Insurance: Tenant, at Tenant's expense, will maintain the following policies of insurance: (i) standard fire and extended coverage property insurance against loss or damage caused by fire or other casualty to any Alterations made by Tenant and Tenant's fixtures, trade fixtures, machinery, equipment and Tenant's other personal property located on the Premises for full replacement cost; (ii) commercial general liability insurance on the Premises within a combined single limit of liability per occurrence of not less than \$5,000,000 for injury to or death of persons or damage to property, and (iii) and business interruption insurance in an amount sufficient to pay Rent and Other Charges for a 12 month period.</p>
REPAIRS & MAINTENANCE	<p>Landlord Maintenance: Landlord, at Landlord's expense, will maintain and repair, or replace when and if necessary, the roof and the foundations of the Building, all exterior walls, all interior walls that provide structural support for the Building, the fire protection system that serves the Building, and all underground sewer, water, and other utility service pipes and lines that service the Premises and that are located on the Premises but outside the exterior walls of the Building or located on and attached to the exterior walls of the Building.</p> <p>Tenant Maintenance: Tenant will maintain, repair, and replace the Premises, including, without limitation, all landscaping, paved areas, curbs, sidewalks, parking signs, irrigation system, exterior lighting, windows, doors, all interior portions of the Building including without limitation, electrical fixtures and wiring, any Alterations made by Tenant to the Premises and any fixtures or trade fixtures installed in the Building by Tenant.</p>
COMMON AREA MAINTENANCE	The Managing Owner of the of the shopping center is responsible for the operation, maintenance, and repair of the Common Improvements. The Tenant shall be responsible for reimbursing the Managing Owner for the parcel's pro-rata share up to \$1,000 per year on a cumulative basis. The current owner of the property has no record of any historical billings associated with the Common Improvements.

SITE RENDERING PER THE LEASE EXHIBITS

The property was formerly a Party City. Aaron's took possession of the site in May 2019 and has commenced the build-out to their current prototype.



TENANT OVERVIEW



Aaron's, Inc., (NYSE: AAN), which was established in 1955, is a leading omnichannel provider of lease-purchase solutions. The Atlanta, GA-based company engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its 1,689 company-owned and franchised stores in 47 states and Canada as well as its e-commerce platform, Progressive Leasing. Aaron's offers its products to consumers primarily on a month-to-month, lease-to-own basis with no credit needed. Its stores carry well-known brands such as Samsung, Frigidaire, Hewlett-Packard, LG, Whirlpool, Simmons, Philips, Ashley and Magnavox.

As of March 31, 2019, Aaron's reported TTM total revenues of \$3.9 billion, TTM net income of \$200 million, and a net worth of \$1.8 billion.

YEAR FOUNDED	1955
HEADQUARTERS	Atlanta, GA
TICKER	NYSE: AAN
NUMBER OF LOCATIONS	1,689
TTM TOTAL REVENUES	\$3.9 Billion (as of March 31, 2019)
TTM NET INCOME	\$200 Million (as of March 31, 2019)
NET WORTH	\$1.8 Billion (as of March 31, 2019)



Representative Photo

HOUSTON, TEXAS

AREA OVERVIEW

With a population of nearly 7.0 million across the 9-county Metropolitan Statistical Area, Houston is the fifth-largest metro area within the United States. Houston's population has grown by 49% since 2000, and future projections expect the city to add an additional 2.46 million people by 2030.

Economy

Home to 21 Fortune 500 companies, Houston also houses 63 of the world's largest foreign corporations. Only New York City is home to more large public companies than Houston. Among the world's Top 100 non-U.S. based corporations, more than half have non-retail operations in the city. Houston's talented workforce can be largely attributed to the 40 colleges, universities, and higher-education institutions within the area. This workforce is a critical component of the Houston economy and serves to elevate Houston's energy, aeronautics and technology sectors. Known as the "Energy Capital of the World," Houston serves as home base for 39 of the nation's 138 publicly-traded oil and gas exploration companies. Houston's global energy industry employs over 237,000 individuals. Additionally, the Port of Houston ranks first in the U.S. in terms of international waterborne tonnage handled and second in terms of total cargo tonnage handled.

The city is also 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 offers many cultural institutions and exhibits which attract more than 7 million visitors annually to the Houston Museum District.

Long term, above-average population growth and expansion in energy, housing and distribution will help propel above-average gains for the metro area. Among the 12 largest metropolitan areas in the country, Houston ranked third in terms of jobs added throughout the year and the annual job growth rate. From April 2018 to April 2019, Houston's professional and business services super-sector added the largest number of jobs (22,300 increase).



Population:
7.0 MILLION



Population Growth Since 2000:
49%



Home to **21**
Fortune 500 companies



"Energy Capital of the World"

HOUSTON, TEXAS

AREA OVERVIEW

Houston Airport System

The Houston Airport System is the fourth-largest multi-airport system in the United States. Its three facilities (George Bush International Airport, William P. Hobby Airport and Ellington Airport) serve more than 58 million passengers annually, including over 11 million international travelers. The total economic impact of the Houston Airport System exceeds \$27.5 billion every year. According to the most recent economic impact study, the three airports collectively contributed more than \$27 billion to the local economy and were directly responsible for more than 230,000 jobs that generated \$8.7 billion in employment earnings. A primary international passenger and cargo gateway to Latin America, Houston boasts the highest number of weekly nonstop flights to Mexico from the U.S. Houston's facilities combine to create one of the world's most efficient airport systems and, as a result of Houston's strategic location, provide an ideal distribution hub for both domestic and international markets. Substantial investment from corporations as well as the city's multi-faceted manufacturing, logistics and healthcare systems make Houston a global destination for local and foreign businesses.

Education

Five separate and distinct state universities are located within Houston's metropolitan area. The University of Houston is a nationally recognized Tier One research university and is the flagship institution of the University of Houston System. The third-largest university in Texas, the University of Houston has ±43,000 students enrolled on its 667-acre campus in southeast Houston. The metropolitan area is also home to Texas Southern University and Prairie View A&M University.

Texas Medical Center

The city is also home to the 1,345-acre Texas Medical Center, which is the world's largest premier medical center. The Texas Medical Center has an economic impact in excess of \$10 billion and welcomes ±10 million patients annually into its 21-million-square-foot facility. Member institutions include 21 renowned hospitals, three public health organizations, seven acute care wards, six pediatric care wards, eight specialty care wards, two universities, three medical schools, eight academic and research institutions, and 13 support organizations. Furthermore, the Texas Medical Center supports the eighth-largest business district in the United States and employs more than 106,000.

TOP EMPLOYERS

MEMORIAL HERMANN HEALTH SYSTEM	26,021
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER	14,720
SCHLUMBERGER LTD.	12,207
LANDRY'S INC.	11,200
EXXON MOBILE CORP.	11,000
BAYLOR COLLEGE OF MEDICINE	9,071
NATIONAL OILWELL VARCO INC.	8,960
CHEVRON CORP	8,000
SHELL OIL CO.	7,900
BAKER HUGHES INC.	5,695

Source: Moody's Analytics



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