



Smoothie KING

HOUSTON, TX



INVESTMENT SUMMARY

HFF L.P., on behalf of the owner, is pleased to present the opportunity to purchase the fee simple interest in a supremely located Smoothie King with 8 years remaining on the primary lease term in Houston, Texas. Located within the Westchase Business District, one of the region's largest employment centers with over 90,000 daytime employees, the location will continue to benefit from the area's population growth and constant employment base. The property additionally benefits from high visibility along Westheimer road, Houston's primary east-west thoroughfare. This Smoothie King offers investors the opportunity to collect secure, stable income from a high-quality tenant, the largest Smoothie King franchisee in Texas.

PROPERTY SUMMARY

LOCATION	10560 Westheimer Rd, Houston, TX 77042
TENANT	Smoothie King
SITE AREA	0.52 Acres (22,651 SF)
LEASE TYPE	Absolute NNN Lease
LEASE COMMENCEMENT DATE	December 7, 2017
TERM:	8 Years Remaining
MONTHLY NOI	\$15,000
ANNUAL NOI	\$180,000 - increasing to \$185,000 starting Jan-2020
OPTION PERIODS	Two, 5-yr options to extend

*absolute
NNN
lease*

*upcoming
rent
increase*

*high
quality
tenant*

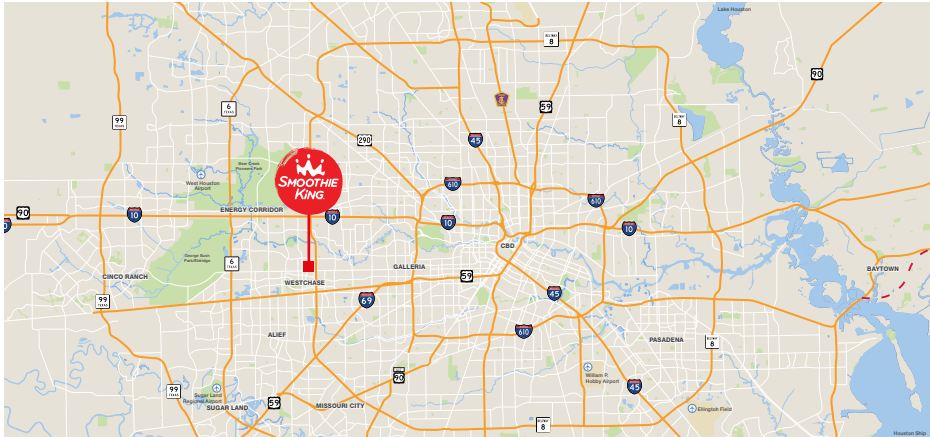
*mail box
money*

*two
5-year
options*

*largest
Smoothie King
franchisee in
Texas*

SMOOTHIE KING

A CONSUMER FAVORITE



OVERVIEW

Smoothie King Franchises, Inc. is a privately held, New Orleans-area-based franchise company with more than 950 locations worldwide. Each Smoothie King store sells smoothies and a variety of vitamins, minerals, low fat snacks and nutritional supplements. In 2018, the company saw U.S. sales increase 10.4% to \$415,000,000 while also seeing a 10.6% increase in unit growth (Source: Restaurant Business Online).

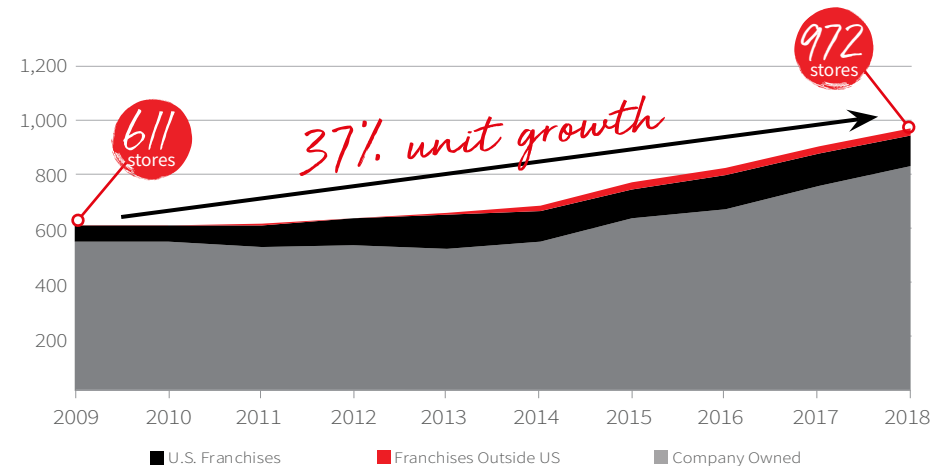
Through the first quarter of 2019; 32 franchise agreements have been signed, including an area development agreement for 10 committed stores in Phoenix, Tucson and El Paso. The nationally known brand continues to exhibit healthy and consistent growth. The franchise is looking to sign a total of 130 franchise agreements for 225 committed stores and open a total of 116 franchise stores by the end of 2019. Additionally, Smoothie King is aiming for a 5-10 percent increase in new store openings each year for the next three years and beyond.

GROWTH HIGHLIGHTS

- Five-consecutive years of same-store sales growth
- Same-store sales growth exceeding 9 percent three of the last five years
- Adding an average of 100 franchise stores per year over the last three years
- Reaching the 1,000-location milestone on August 23, 2018

SMOOTHIE KING RANKED #1 BY ENTREPRENEUR MAGAZINE

Recently, Smoothie King was ranked the #1 Juice Bar Franchise on Entrepreneur Magazine's Annual Franchise 500 list - marking the 28th year the brand has occupied the number one spot and #22 overall. The ranking is primarily based upon financial strength and stability, growth rate and size of system.



NATIONAL ACCOLADES

- Entrepreneur magazine's #1 Juice Bar Franchise for 28 years
- #22 Entrepreneur Magazine's prestigious Franchise 500
- Franchise Gator Top 100 (2014, 2015, 2016, 2017)
- Franchise Gator's 2017 Fastest Growing Franchises list
- #1 in Nation's Restaurant News' 2016 Consumer Pick in the Limited Service Restaurants Beverage category



LEASE ABSTRACT

ADDRESS	10560 Westheimer Rd, Houston, TX 77042	
LESSEE	West Blue, LLC	
TRADE NAME	Smoothie King	
SITE AREA	0.52 Acres (22,651 SF)	
RBA	3,500 SF	
RENT COMMENCEMENT DATE	December 7, 2017	
TERM	10 Years	
RENEWAL OPTIONS	Two, 5-year renewal options exercisable by giving Landlord at least nine months notice prior to the expiration of the current term	
BASE RENT	MONTHLY NOI	ANNUAL NOI
Month 1 - Month 36	\$15,000	\$180,000
Month 37 - Month 120	\$15,417	\$185,000
Month 121 - Month 180 (Option Period I)	\$17,250	\$207,000
Month 181 - Month 240 (Option Period II)	\$18,542	\$222,500
USE	Tenant shall be permitted to use the Premises as a smoothie and nutritional products store	
SITE AREA	Tenants shall maintain and repair, at its expense, all aspects and parts of the building	
GUARANTY	Two private individuals unconditionally and irrevocably guarantee to Landlord the payment in full by tenant when due of all rents and other payments	
CASUALTY	In the event that damage or destruction to the Building occurs during the last twelve (12) months of the Term and more than 50% of the replacement value of the building is destroyed, then either Landlord or Tenant shall be permitted to terminate this lease by giving 60 days written notice	





Global Headquarters
1.1 Million SF
2,200+ Employees



Size: 578,284 SF
Occupancy: 78%



sabie



Units: 266
Year Built: 2017
Occupancy: 93%



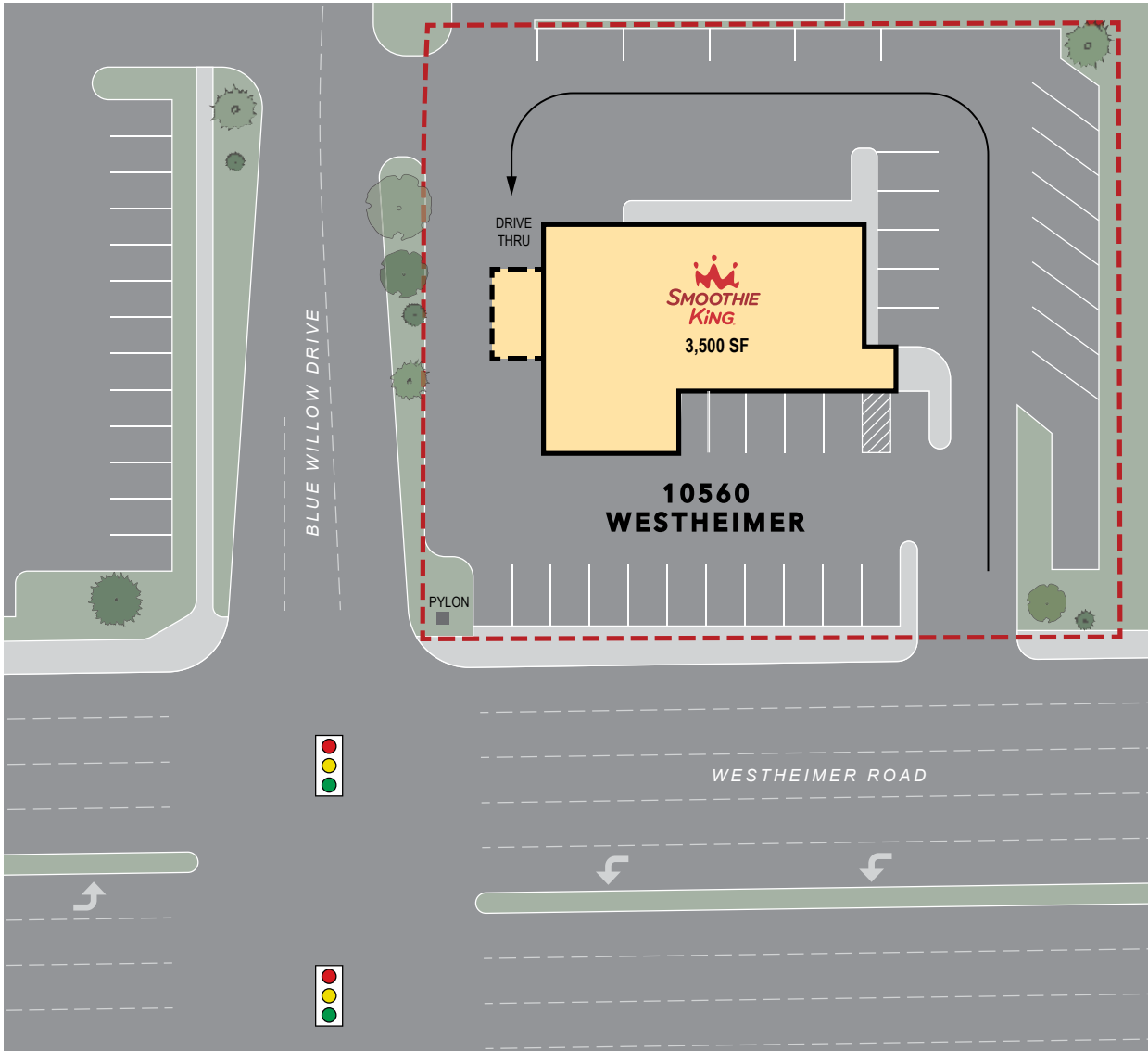
CityWest
SHOPPING
CENTER

Size: 22,700 SF
Year Built: 2018
Occupancy: 100%



WESTHEIMER RD - 70,000+ VPD

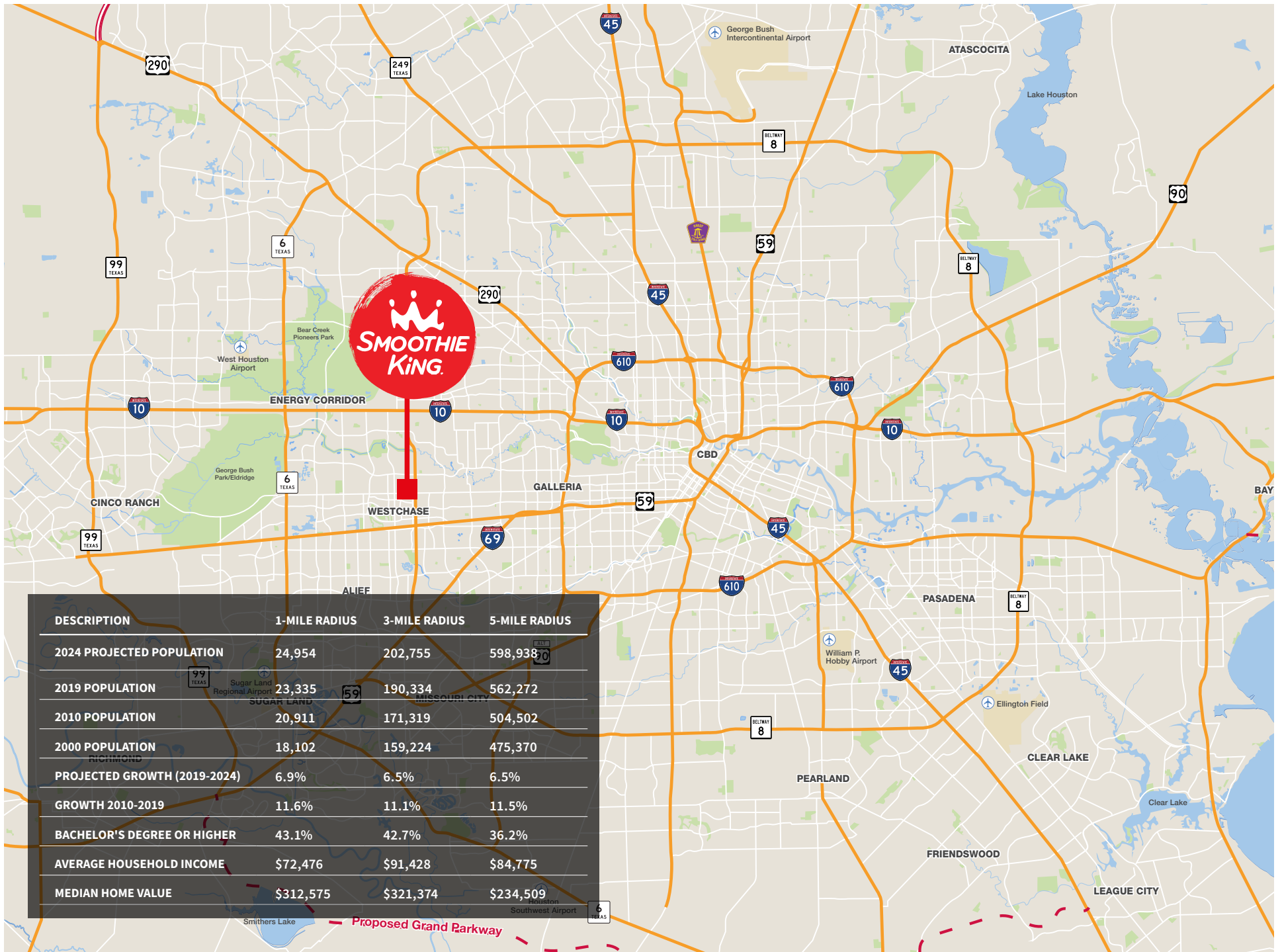
SITE PLAN



THE WESTCHASE DISTRICT: *a walkable, livable urban area*

- Bolstered by Houston's 4th largest office submarket, the Westchase District and surrounding areas is one of Houston's premier areas to live and work.
- With \$100 million in planned city-funded development in the area over the next 7 years, Westchase District is committed to becoming one of Houston's premier residential areas by providing a walkable, visually appealing, urban area to live.
- With streetscape projects from Gessner Rd. to Kirkwood Rd. planned and in motion, Westchase is undergoing a transformation aimed at making sidewalks more user-friendly and captivating.
- With an already high population in the area, growth in the Westchase District will come from rising property value and average income growth as urban developments are completed.









Houston MSA Economic Overview

Q3 / 19

GEOGRAPHY

9 COUNTIES
in the Houston MSA

10,000 SQUARE MILES
larger than the state of New Jersey



CLUTCH CITY



POPULATION & DEMOGRAPHICS

7 MILLION
residents in the Houston MSA

2.3 MILLION
residents in the City of Houston



5th most populous MSA in the nation • 4th most populous city in the nation

nearly **1 in 4** Houstonians are foreign-born

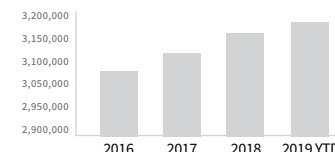
EMPLOYMENT

3.2 MILLION
jobs in the Houston MSA
more jobs than 35 states

73,300 JOBS created in 2018
for 2.4% year over year growth

71,000 NEW JOBS forecasted in 2019
nearly a **QUARTER** OF TEXAS'S entire employment base

2nd LARGEST
number of jobs created in 2018 out of any MSA in the nation



ECONOMY

26th LARGEST
economy in the world if Houston were an independent nation

7th LARGEST
US metro economy in the nation

\$490 BILLION GDP
2.9% EXPECTED REAL GDP annual growth from '20-45

HOUSTON'S CORPORATE HEADQUARTERS



21 FORTUNE 500
companies call Houston home

3rd LARGEST
number of **FORTUNE 100** companies in the nation

4th LARGEST
number of **FORTUNE 500** companies in the nation

THE TEXAS MEDICAL CENTER

\$25 BILLION
in local GDP

50 MILLION
developed SF

30 ACRE TMC3
Innovation Campus slated to open in '22

8th LARGEST
business district in the US

10 MILLION PATIENT
encounters per year

106,000+
employees at TMC



ACCOLADES

Home of



#1 Nation's Best City for Millennials
The Langston Co. 2019

#1 Top Metros Where Young Adults are Moving
The Brookings Institute 2019

#1 Most Diverse City in US
WalletHub 2019

#2 Corporate HQ Location
Business Facilities 2019

#Best US Metro Area for STEM Workers
American Enterprise Institute's Housing Center 2019

#3 Most Affordable Top Metro in the US
Greater Houston Partnership 2019

#4 Economic Growth Potential
Business Facilities 2019

#4 Best Startup Ecosystem
Business Facilities 2019

ENERGY CAPITAL OF THE WORLD

4,600+
energy-related firms

800 oil field
service companies

employs **25%**
of the country's **OIL & GAS**
exploration jobs

650+
exploration and production firms

3rd LARGEST
number of engineers among all U.S. metros

GLOBAL TRADE CITY

Houston has the **LARGEST EXPORT MARKET** in the nation
+ THE LARGEST GULF COST CONTAINER PORT

1st in **FOREIGN TONNAGE**
for 22 straight years

15 foreign gov't trade and commerce offices

90 nations with consular representation

2nd in **TOTAL TONNAGE**
for 26 straight years

35 active foreign chambers of commerce

58.3 MILLION Houston airport passengers in 2018

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