



*Achieve  
Ambitions*

A photograph of an Office Depot retail store. The building is a single-story commercial structure with a light beige facade. A large, prominent sign with the words "Office DEPOT" in red, bold, sans-serif capital letters is mounted on the front. Above the sign is a small circular window. To the left, a taller building with a blue glass facade is partially visible. In the foreground, several cars are parked in a lot, including a white SUV, a dark sedan, and a white sedan. A shopping cart is visible near the entrance. A banner above the entrance reads "Tech problem? Bring it. FREE Computer Diagnostic in store." and "ENTRANCE" is visible in red letters above the glass doors.

**Office DEPOT**

*Office Depot - 4534 FM 1960 Road*

Houston, TX

*Confidential Offering Memorandum*

# *Single-Tenant Office Depot*

## INVESTMENT HIGHLIGHTS

30+ YEAR OCCUPANCY HISTORY  
WITH OUTSTANDING STORE SALES  
PERFORMANCE

•  
LEADING NATIONAL OFFICE  
SUPPLIER

•  
DIRECT FRONTAGE IN MAJOR  
RETAIL SUBMARKET



# THE OFFERING

JLL is pleased to exclusively offer the opportunity to acquire the fee simple, interest in a single-tenant property leased to Office Depot (the “Property” or the “Asset”) in Houston, TX. The Property is situated on a 2.34-acre corner parcel between Stuebner Airline Dr. and FM 1960 RD W, a four-way, signalized intersection. One of the busiest intersections in Northwest Houston, the property is adjacent to local demand drivers - Ross, Starbucks, Hobby Lobby, and Petco. Office Depot has occupied the location for more than 30 years with 4.8 years remaining.

## 30+ YEAR OCCUPANCY HISTORY WITH OUTSTANDING STORE SALES PERFORMANCE

- The Asset features a double net lease in which the landlord is responsible for roof and structure with 4.8 years remaining on the primary term of the lease, and (two) 5-year renewal options.
- Long-term future lease-up potential is present within a fast-growing submarket experiencing rising market rents.
- Office Depot has been located at the Asset for over 30 years & with strong operating performance. The Tenant has exhibited exceptional rent-to-sales ratios of 6.5 - 7.5% since 2015.

## LEADING NATIONAL OFFICE SUPPLIER

- Office Depot, Inc. is a leading B2B integrated distribution company providing business services and supplies, products, and technology solutions.
- The company currently operates across approximately 1,300 locations and employs more than 44,000 people.
- Office Depot saw significant sales growth in 2018, achieving \$11 billion in sales for the year, which are up 9% from 2017.

## DIRECT FRONTAGE IN MAJOR RETAIL SUBMARKET

- Office Depot is prominently located at the intersection of FM 1960 RD W and Stuebner Airline Rd, which provides invaluable visibility with a combined traffic count of nearly 80,000 VPD.
- The Northwest submarket ranks second across Houston with 61,944,842 SF total of retail properties possessing an overall occupancy of 94.8%.
- The average household income within a 3-mile radius is \$89,538 and is expected to grow by 7.50% over the next five years.

Address	4534 FM 1960 Houston, TX 77069
Price	\$3,862,000
Cap Rate	7.50%
Year 1 Rent	\$289,678
Rentable Area	32,918 SF
Site Size	2.34 Acres (102,057 SF)
Year Built	1978
Ownership Interest	Fee-Simple
Lease Type	Double Net

# LEASE ABSTRACT & SITE PLAN

## Office Depot - Lease Abstract

<b>Tenant</b>	Office Depot, Inc.
<b>Location</b>	4534 FM 1960 Houston, TX 77069
<b>Site Area</b>	2.34 Acres (102,057 SF)
<b>Building Size*</b>	35,415 SF
<b>Lease Structure</b>	Double Net
<b>Landlord Responsibilities</b>	Roof & Structure
<b>Remaining Lease Term</b>	4.8 Years Remaining
<b>Renewal Option</b>	Two (2) Five (5) Year Options with 15% Increases * Tenant has the right to renew contingent upon allocating \$300,000 on the Tenant work prior to November 30, 2023
<b>Additional Rent</b>	Tenant's Pro Rata Share of Operating Expenses in Monthly Installments (CAM + Insurance) *Taxes collected by Landlord annually
<b>Lease Commencement Date</b>	July 1, 1988
<b>Lease Expiration</b>	June 30, 2024

\*Office Depot occupies 32,918 SF

Term	Years	Monthly NOI	Annual NOI	\$/SF/Year
Base Term	1 – 5	\$24,140	\$289,678	\$8.80
1st Option	5 – 10	\$27,760	\$333,130	\$10.12
2nd Option	10 – 15	\$31,930	\$383,165	\$11.64





## PROPERTY PHOTOGRAPHY





## Office Depot

Office Depot Inc. has been a premier destination for all things office-related, even before its merger with OfficeMax back in 2010. In 2015, Office Depot's rival, Staples, was slated to merge with the company in 2015 for \$6.3 billion before the Federal Trade Commission elected to block the merger.

Office Depot currently has three main lines of business that target fulfilling any customer's office needs; the traditional Retail segment, the Business Solutions segment, and the CompCom segment. While most well-known for its retail business line, a significant focus has been on other company offerings such as CompuCom (web-based assistance business model) to provide infrastructure modernization and digital consulting for midsize and small businesses. An example of this is the 2019 unveiling of the In-Store Selling Advisor technology by CompuCom that helps retailers with sales, selling tools, and overall support and services.

Office Depot currently operates across over 1,350 stores in North America and employs over 44,000 associates. Office Depot reported \$11 billion of sales in 2018, up 9% from 2017. Founded in 1986 in Fort Lauderdale, FL, Office Depot continues to seek innovations to aid businesses and consumers' office necessities.

### TRANSFORMATION ALLOWS CLIENTS TO LEVEL UP

Office Depot is capitalizing on a recent BNP Paribas Global Entrepreneur report that shows more people between ages 20-35 starting more companies, managing larger staff, and gunning for higher profits than their predecessors. Office Depot's Business Services helps support businesses with Printing & Copying, Tech Services, Shredding & Storage, Packing & Shipping, Administrative Services, Marketing Services, and Furniture Services in addition to Workonomy Co-Working Space.

### Tenant Overview

<b>Company:</b>	Office Depot Inc
<b>Year Founded:</b>	1986
<b>Headquarters:</b>	Boca Raton, FL
<b>Ownership Type:</b>	Public (NASDAQ: ODP)
<b>Sector:</b>	Office Supplies
<b>Locations:</b>	1,330
<b>Number of Employees:</b>	44,000
<b>Credit Rating (Moody's):</b>	'Ba3 / Stable'
<b>Annual Revenue (FY 2018):</b>	\$11.1 Billion
<b>Market Capitalization (September 2019)</b>	\$928.8 Million
<b>Total Assets (FY 2018):</b>	\$6.2 Billion
<b>Website:</b>	<a href="http://www.officedepot.com">www.officedepot.com</a>



# HOUSTON, TX

## OUTLOOK

Houston has one of the youngest, fastest-growing, and most diverse populations in the world. People from around the globe relocate here every year to take advantage of the abundant lifestyle and job opportunities the region provides. The Houston MSA is currently the fifth-largest in the nation with a total of 7 million people. Between 2010 and 2018, Houston's population grew by 16.4%, the fastest rate of growth among the nation's largest metros. *(source - houston.org)*

The Houston MSA is expected to outperform the national economy over the coming year, manufacturing and IT leading the way. Residential construction will provide some support to the overall growth. Longer-term, the concentration of upstream and downstream energy industries, above-average population growth, and expansion in housing, transportation, and distribution industries will help propel above-average gains for the metropolitan area. *(source - Moody's Preci's Report – 2019)*

# 2nd

Cost of Living in Top 10  
U.S. Cities Hiring for Jobs  
*Refinery29, July 2018*

# 24.9%

Part of local digital tech  
firms that focus on  
information technology

# 1st

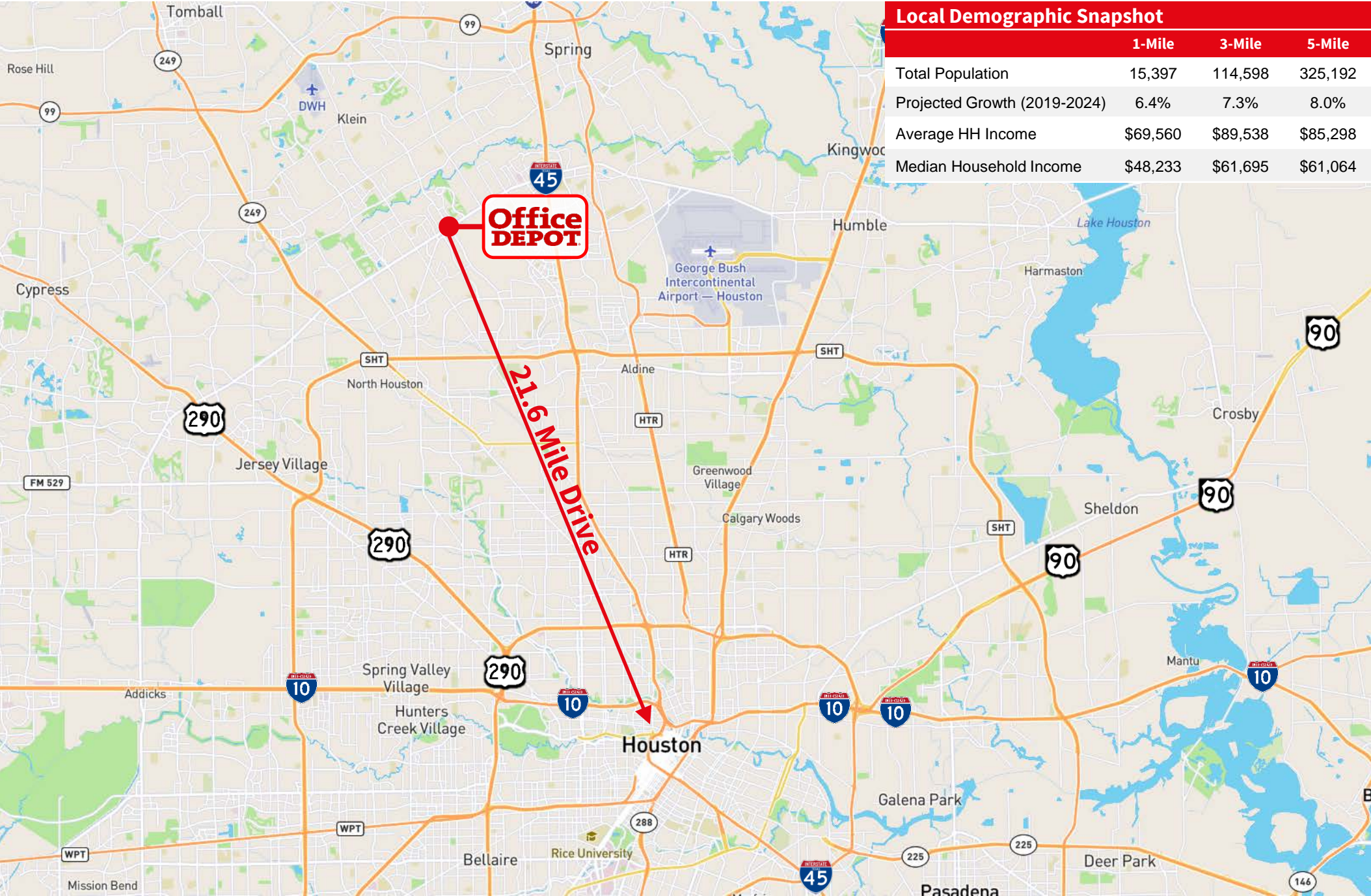
Top Metro for Economic  
Growth Potential  
*Business Facilities, July 2018*

# 500+

Houston is home to over  
500 digital technology  
companies









# NORTHWEST SUBMARKET OVERVIEW



## Employment

- Klein Independent School District - employs over 6,500 teachers and staff
- Noble Energy's Headquarters - 497,000 square feet headquarters employing approximately 1,600 people with a market cap over \$10 billion
- Chasewood Technology Park - 32-acre master-planned office campus with four class A buildings and 463,969 square feet
- The Vintage - \$1 billion, 630-acre, master-planned development featuring major employers such as CHI St. Luke's The Vintage Hospital and Kelsey-Seybold
- Springwoods Village - \$10 billion mixed-use development spanning 2,000 acres near interstate 45 North and the Grand Parkway; ultimately will build out about nine million square feet of commercial space for office, retail, medical, and civic facilities

## Education

- Located in Klein ISD, the 20th largest school district in Texas with an "A" rating by Niche
- The district encompasses 88 square miles and has 50,394 students enrolled at 47 campuses and 6,600 total employees
- Located 15 minutes from the Lone Star College University campus, which encompasses 1.2 million square feet of space in eight major building with 9,261 students enrolled in classes

## Recreation

- Elizabeth Kaiser Meyer Park – 180-acre facility featuring 26 soccer fields, softball fields, a basketball court, paved and nature trails as well as a number of other recreational activities
- Collins Park – 55-acres offering a skate park, canoeing, fishing, and sand volleyball
- Golf – Gleannloch Pines Golf Club and Windrose Golf Course are nearby public courses, giving residents access to 45 holes of golf at two of North Houston's most well-appointed golf clubs
- Spring Creek Greenway – 12 miles of natural forests and white sandy beaches stretching from Dennis Johnston Park to Jesse H. Jones Park and Nature Center





## AERIAL VIEW LOOKING NORTHEAST





# AERIAL VIEW LOOKING SOUTHWEST





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