



HARBOR FREIGHT TOOLS

NEW 10-YEAR LEASE

KERRVILLE, TX



CAPITAL PACIFIC

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**IN CONJUNCTION WITH
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REPRESENTATIVE PHOTO



HARBOR FREIGHT TOOLS

2137 SIDNEY BAKER ST, KERRVILLE, TX 78028

\$4,123,778
PRICE

6.00%
CAP

NOI:	\$247,427
PRICE/SF:	\$255.83
LEASE TYPE:	NN - ROOF & STRUCTURE
LEASE TERM:	10 YEARS
LEASABLE AREA:	16,119 SF
LAND AREA:	1.77 ACRES
YEAR BUILT:	2019
PARKING:	59 SPACES

BRAND NEW 10-YEAR LEASE WITH 5% RENT BUMPS IN EACH OF THE FIVE, 5-YEAR OPTIONS

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Investment Highlights

THE OFFERING is a newly constructed Harbor Freight Tools with an anticipated rent commencement date of December 2019. This store has a prominent location visible from I-10 north of downtown Kerrville, TX. I-10 skirts downtown on the north side which puts the store conveniently on the route for a motorist going between downtown and interstate I-10. The subject property is located in Kerr County, which is dominated by the agricultural industry, light manufacturing, and robust growth (construction), creating an ideal location for a store that specializes in tools and equipment sales. Harbor Freight has signed a brand new 10-year lease with 5% rent bumps in each of the five, 5-year options to extend.

KERRVILLE has enjoyed uninterrupted growth since its founding in the 1900's. Almost every decade has seen population growth well into double digits, never with a decrease. Three of Kerrville's five largest employers are medical facilities, almost "recession-proof" employers. The fourth of the fifth largest employers is the local school district, which continues to grow as the population grows. With historically low unemployment, Kerrville has a lower unemployment rate (3.1%) than that of both the state of Texas and the United States.

**HARBOR
FREIGHT TOOLS
HAS MORE THAN
1,000 LOCATIONS
IN 48 STATES**

REPRESENTATIVE PHOTO



Income & Expense

REPRESENTATIVE PHOTO

PRICE **\$4,123,778**

Price Per Square Foot: **\$255.83**

Capitalization Rate: **6.00%**

Total Rentable Area (SF): 16,119

Lot Size (AC): 1.77

STABILIZED INCOME PER SQUARE FOOT

Scheduled Rent \$15.35 \$247,427

Effective Gross Income \$15.35 \$247,427

LESS PER SQUARE FOOT

Taxes NNN \$0.00

Insurance NNN \$0.00

Total Operating Expenses NNN \$0.00

EQUALS NET OPERATING INCOME \$247,427



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT
Harbor Freight Tools	16,119	12/1/2019	11/30/2029	\$247,427	\$20,619	\$247,427	\$1.28	\$15.35
	Option 1	12/1/2029	11/30/2034		\$21,653	\$259,838	\$1.34	\$16.12
	Option 2	12/1/2034	11/30/2039		\$22,728	\$272,733	\$1.41	\$16.92
	Option 3	12/1/2039	11/30/2044		\$23,870	\$286,435	\$1.48	\$17.77
	Option 4	12/1/2044	11/30/2049		\$25,065	\$300,781	\$1.56	\$18.66
	Option 5	12/1/2049	11/30/2054		\$26,314	\$315,771	\$1.63	\$19.59
TOTALS:				\$247,427	\$20,619	\$247,427	\$1.28	\$15.35

Site Plan

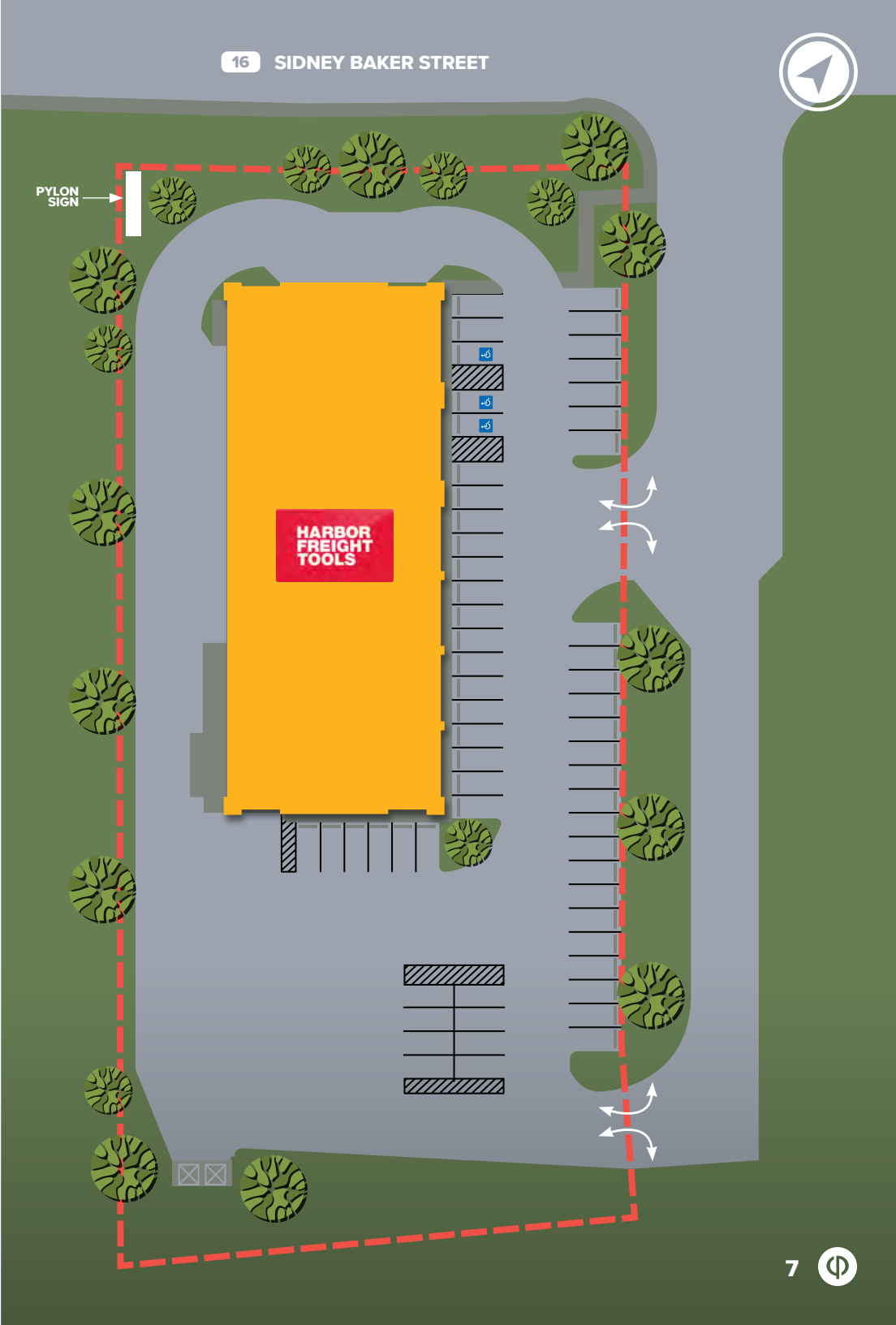
sf
16,119
RENTABLE SF

ac
1.77
ACRES

59
SPACES



This site plan is a rendering that has been created based on sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Tenant Overview



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HARBOR FREIGHT

QUALITY TOOLS LOWEST PRICES

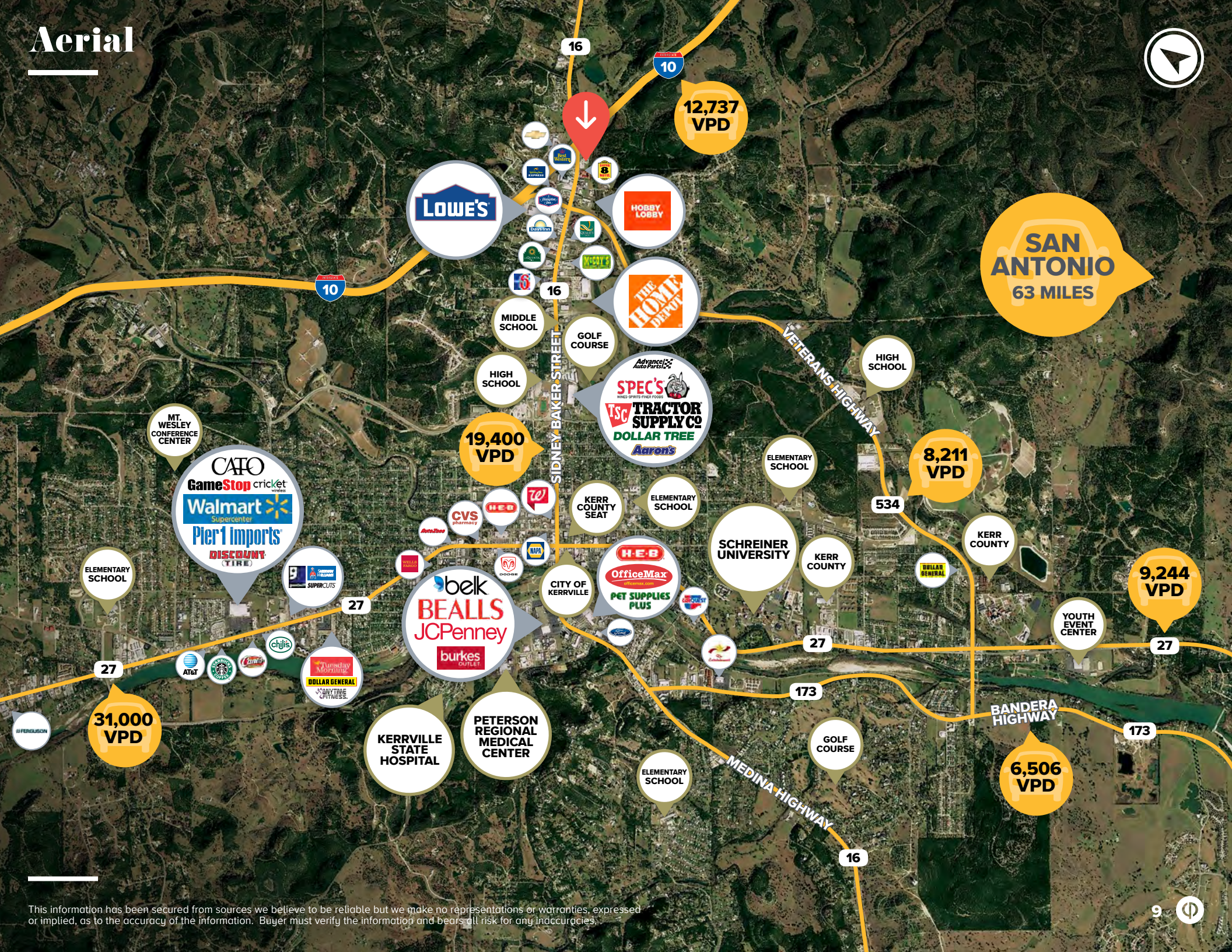
Harbor Freight Tools was started in 1977 as a small family-owned business committed to providing working people with great quality tools at the lowest prices. Since 2013, when it had 300 stores, the company has been adding about 100 stores annually to reach the current 1000 stores across 48 states. It is aggressively seeking more locations and currently has more than 80 stores in the state of Texas.

1,000+

LOCATIONS IN
48 STATES

The stores offer more than 7,000 quality tools and accessories that match or exceed competing brands, but at prices that are up to 80% less. They sell power tools, air tools, hand tools, tool storage, automotive and motorcycle materials, engine and generator materials, material handling, and so much more. Harbor Freight Tools is also known for its 100% satisfaction guarantee, no hassle return policy and a lifetime warranty on all hand tools.

Over the past 40 years, the privately held company is reported to have revenue of \$5 billion and serves a customer base of over 40 million. Harbor Freight Tools USA is privately owned by CEO Eric Smidt.



Demographics



POPULATION

	1-MILE	3-MILES	5-MILES
2010	1,213	14,900	27,039
2019	1,356	16,305	29,544
2024	1,439	16,897	30,609



2019 HH INCOME

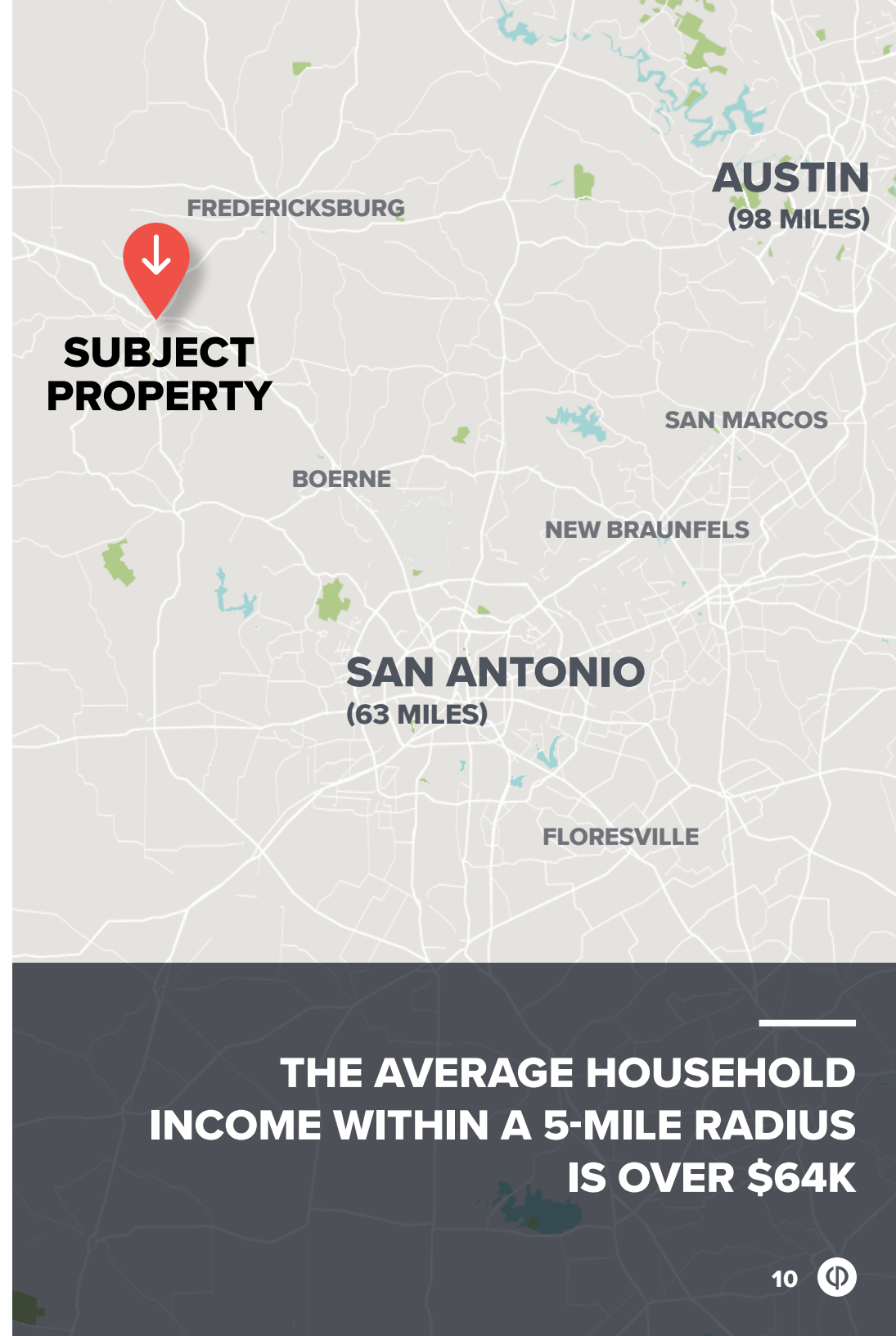
	1-MILE	3-MILES	5-MILES
Average	\$58,023	\$56,888	\$64,256

TOP EMPLOYERS IN SAN ANTONIO MSA

EMPLOYER

Lackland Air Force Base	37,000
Fort Sam Houston-U.S. Army	32,000
H-E-B	20,000
USAA	18,305
Randolph Air Force Base	11,000

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**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$64K**

KERRVILLE, TEXAS



GUADALUPE RIVER

KERRVILLE is located in the heart of Texas Hill Country along the Guadalupe River. It is 65 miles northwest of San Antonio and 101 miles west of Austin. Kerrville, the county seat of Kerr County, is located in eastern Kerr County with an estimated population of 23,700. The city has a broad and diverse economic base through business, agriculture, light manufacturing, health care, transportation services, education, the arts and tourism.

This city is home to three golf courses; Scott Schreiner Municipal Golf Course, Riverhill Country Club, and Comanche Trace. It is known for its beautiful parks that line the Guadalupe River, which runs directly through the city. A few of the city's popular events include the Texas State Arts and Crafts Fair, and Kerrville Folk Festival. Kerrville is home to Schreiner University, a private four-year university that was established in 1923 and has over 1,300 students enrolled.

THE SAN ANTONIO MSA, including Kerrville, has a 3.0% unemployment rate, well below the national and Texas rates of 3.5% and 3.4% respectively. San Antonio's cost of living when compared to other cities is on average 13 percentage points lower, according to the Cost of Living Index published by the Council for Community & Economic Research (2018). The city's cost of living, combined with its low unemployment rate and the fact that Texas is an income tax-free state, only adds to San Antonio's appeal as an alluring, affordable lifestyle that residents enjoy.

51,720



**KERR COUNTY
POPULATION
(ESTIMATED)**

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San Antonio MSA



SAN ANTONIO is seventh most populous city in the U.S., and the second most populous city in Texas. With a population of approximately 1,530,000, the city is also one of the fastest-growing cities in the nation.

San Antonio is home to numerous historical and cultural sites, including The Alamo, the world famous River Walk, and Sea World, among many other attractions. Tourism contributes substantially to the city's economy, with over 32 million tourists visiting every year and an annual economic impact of over \$13.4 billion on the local economy.

The city also has one of the largest concentrations of military bases in the U.S. The defense industry in San Antonio employs over 190,000 and provides a \$27.7 billion regional economic impact. San Antonio is home to Fort Sam Houston, Lackland Air Force Base, Randolph Air Force Base, and Brooks City-Base, with Camp Bullis and Camp Stanley outside the city. These bases make up what is known as Joint Base San Antonio (JBSA).

GENERAL STATS

2ND LARGEST CITY IN TEXAS

#7 LARGEST CITY IN THE U.S.

#1 MOST VISITED CITY IN TEXAS

**#4 BEST PLACE TO LIVE IN TEXAS BY TO
2019 U.S. NEWS & WORLD REPORT**

3.0% UNEMPLOYMENT RATE

1.15 MILLION JOBS IN THE METRO AREA

**#7 TOP LARGE CITIES IN THE NATION
FOR STARTUPS**

DOWNTOWN SAN ANTONIO



REPRESENTATIVE PHOTO



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SAN FRANCISCO TEAM.**



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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date