



Subject Picture

STARBUCKS

S u g a r L a n d , T e x a s

Marcus & Millichap

6502 Highway 90 Alt, Sugar Land, TX 77479

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59

STARBUCKS

Marcus & Millichap is pleased to offer this exceptional Starbucks ("Property") at the entry to the Telfair neighborhood in Sugar Land (Houston MSA), Texas. Recently constructed as a part of The Crossing at Telfair development in 2015, the Property benefits from its premium location at the hard corner of high traffic Highway 90 and Easton Avenue at the entry to the Telfair master planned community.

Telfair was developed by Newland Communities and sold out in 2014. As one of the premium communities in the Houston area, Telfair consists of 2,019 total acres and has received numerous accolades including Community of the Year (Greater Houston Builders Association), and Best Residential Development – Landmark Award (Houston Business Journal). Demographics are excellent, with average household income exceeding \$194,000 in a 1-mile radius of the Property.

As a result, Telfair has attracted numerous major retailers. Tenants sharing this development with Starbucks include T-Mobile, HEB Grocery, Dairy Queen, Whataburger, Chuy's, and Frost Bank among many others. In addition, two hotels are currently being constructed in The Crossing at Telfair demonstrating the strong fundamentals of this location.

Starbucks has approximately 6 years remaining on the primary term of its corporate double net lease, and there is a rent increase occurring in 2021 that provide the unique opportunity for an investor to realize near-term upside.

INVESTMENT HIGHLIGHTS

1,850 Square Foot Building | 0.689 Acre Hard Corner Parcel

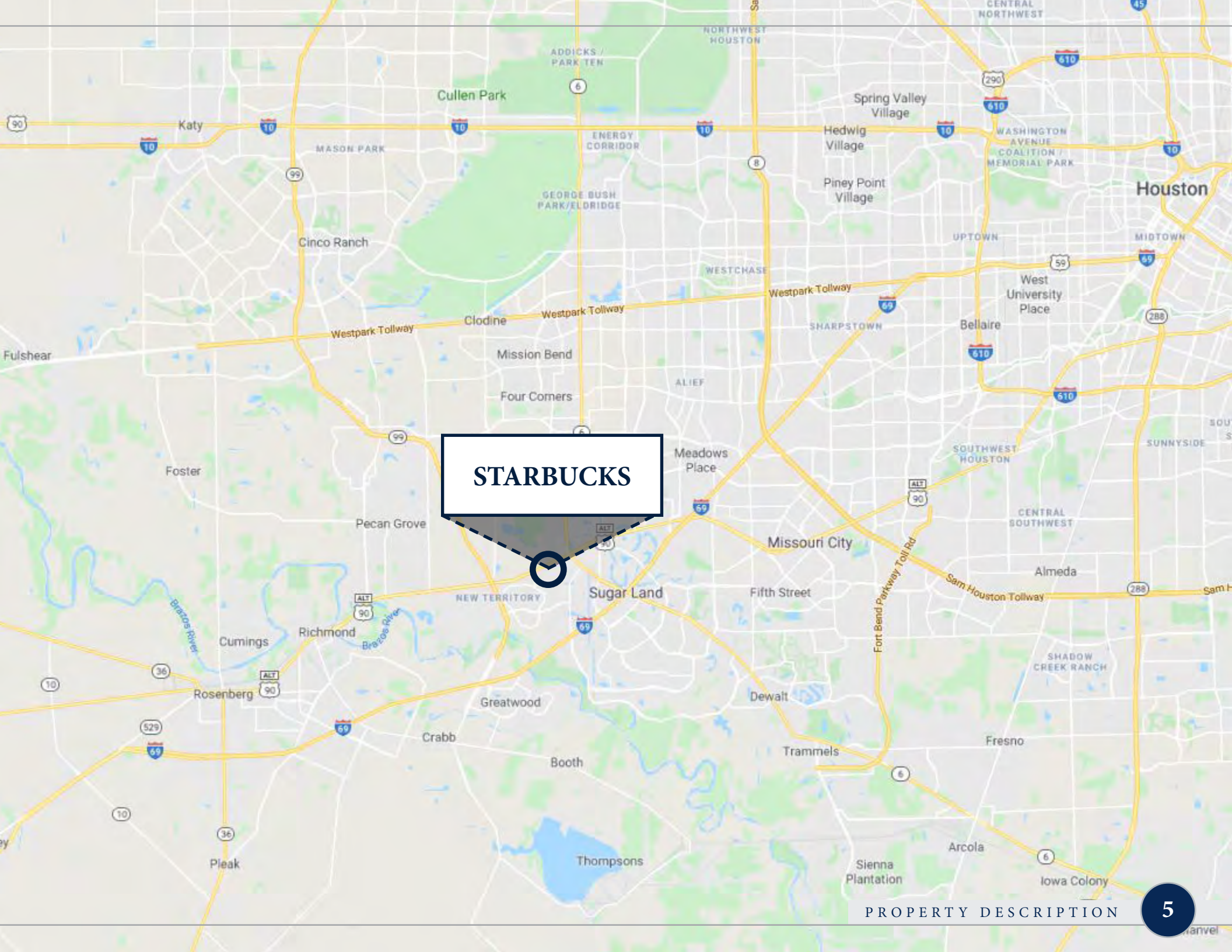
2015 Construction | High Demographic Location in Master Planned Community

Major Retailers Adjacent to Property | New Development Ongoing in Area

Fronts on High Traffic Highway 90 | 33,500+ Vehicles Per day

National Tenant with Corporate Guarantee | Double Net Lease

Structured Rent Increase in 2021 | +/- 6 Years Remaining on Primary Term



STARBUCKS

PROPERTY DETAILS

ASSET PROFILE

Address	6502 Highway 90 Alt Sugar Land, TX 77498
County	Fort Bend County
Number of Suites	1
Gross Leasable Area (GLA)	1,850 SF
Lot Size	0.69 Acre
Year Built	2015

FINANCIAL SUMMARY

Price	\$2,320,000
CAP Rate	5.10%
Price Per SqFt	\$1,254.05
Year 1 NOI	\$118,400
In-Place Rent	\$64.00
Original Lease Term	10 Years

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PROPERTY SUMMARY

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$118,400	\$9,867	\$64.00
Years 6-10	\$130,240	\$10,853	\$70.40
Years 11 - 15 (Option 1)	\$143,264	\$11,939	\$77.44
Years 16 - 20 (Option 2)	\$157,583	\$13,132	\$85.18
Years 21 - 25 (Option 3)	\$173,345	\$14,445	\$93.70
Years 26 - 30 (Option 4)	\$190,680	\$15,890	\$103.07

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Rent Increases	10% Every 5 Years
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	12/3/2015
Lease Expiration	2/28/2026
Lease Term	10 Years
Term Remaining on Lease	+/- 6 Years
Renewal Options	4 (5-yr)
Roof & Structure	Landlord

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TENANT SUMMARY



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Starbucks

Lease Date	December 2015
Lease Expiration	November 2025
Gross Leasable Area	1,850 SF
Pro Rata Share of Project	100%
No. of Locations	31,000+
Website	www.starbucks.com

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Today, with more than 31,000 stores around the globe, the company is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup. To share in the experience, please visit us in our stores or online.





HOUSTON // MARKET OVERVIEW

As the fifth most populous metro area in the U.S., Houston houses nearly 6.9 million people in southeastern Texas. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller.

The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Local industries have diversified from oil to technology and healthcare.

Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west. The city of Houston is the largest in the metro with 2.3 million residents.

Outdoor activities abound in Houston as a result of the city's favorable location and climate. More than a dozen state parks and recreation areas lie within a short drive of Houston, as well as more than 500 parks and open spaces and various cultural venues and museums. Johnson Space Center is a popular tourist and educational destination. The metro is also known internationally for its medical community and is home to the Texas Medical Center, the largest of its kind in the world. Houston is home to four professional sports teams: the Houston Texans, the Houston Astros, the Houston Rockets and the Houston Dynamo.

- The homeownership rate of 61 percent is below the national rate of 64 percent. The median home price of \$247,200 is also below that the U.S.
- During the same period, nearly 170,000 households will be formed, generating demand for housing.
- The Houston metro is expected to add 370,600 people through 2023 and roughly 132,000 of these residents will be millennials in the 20- to 34-year-old cohort.
- Houston will remain a top destination for corporate relocations due to its business-friendly environment. Twenty Fortune 500 companies are headquartered in the metro.
- Over 40 post-secondary educational institutions are located in the metro. Nearly 30 percent of residents have attained a bachelor's degree, with 11 percent also holding a graduate or professional degree.

DEMOGRAPHICS



In 2018, the population in your selected geography is 8,973. The population has changed by 93.30% since 2000. It is estimated that the population in your area will be 10,369.00 five years from now, which represents a change of 15.56% from the current year. The current population is 50.86% male and 49.14% female. The median age of the population in your area is 36.72, compare this to the US average which is 37.95. The population density in your area is 2,858.36 people per square mile.



The current year racial makeup of your selected area is as follows: 31.12% White, 5.62% Black, 0.02% Native American and 56.77% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.



There are currently 2,554 households in your selected geography. The number of households has changed by 122.47% since 2000. It is estimated that the number of households in your area will be 2,974 five years from now, which represents a change of 16.44% from the current year. The average household size in your area is 3.36 persons.



The median housing value in your area was \$401,799 in 2018, compare this to the US average of \$201,842. In 2000, there were 1,033 owner occupied housing units in your area and there were 115 renter occupied housing units in your area. The median rent at the time was \$735.



In 2018, the median household income for your selected geography is \$142,353, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 32.25% since 2000. It is estimated that the median household income in your area will be \$165,181 five years from now, which represents a change of 16.04% from the current year.



In 2018, there are 1,401 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 86.40% of employees are employed in white-collar occupations in this geography, and 13.06% are employed in blue-collar occupations. In 2018, unemployment in this area is 1.70%. In 2000, the average time traveled to work was 34.00 minutes.

POPULATION	1 Miles	3 Miles	5 Miles
2023 Projection			
Total Population	10,369	81,250	215,640
- 2018 Estimate			
Total Population	8,973	76,173	206,971
- 2010 Census			
Total Population	6,526	64,429	183,993
- 2000 Census			
Total Population	4,642	46,194	129,937
- Current Daytime Population			
2018 Estimate	5,257	74,761	184,891
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
- 2023 Projection			
Total Households	2,974	26,653	71,751
2018 Estimate			
Total Households	2,554	24,685	67,846
Average (Mean) Household Size	3.36	3.00	2.98
- 2010 Census			
Total Households	1,771	20,608	59,868
- 2000 Census			
Total Households	1,148	14,017	40,647
- Occupied Units			
2023 Projection	2,974	26,653	71,751
2018 Estimate	2,590	25,120	68,398
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
- 2018 Estimate			
\$150,000 or More	45.81%	45.81%	28.88%
\$100,000 - \$149,000	29.81%	25.17%	24.21%
\$75,000 - \$99,999	9.12%	12.27%	12.47%
\$50,000 - \$74,999	6.17%	12.21%	13.72%
\$35,000 - \$49,999	2.85%	6.67%	7.54%
Under \$35,000	6.23%	13.37%	13.19%
Average Household Income	\$194,060	\$147,976	\$143,354
Median Household Income	\$142,353	\$110,082	\$105,703
Per Capita Income	\$55,265	\$48,403	\$47,208

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:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o 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.

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STARBUCKS

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