

OFFERING MEMORANDUM

INVESTMENT SUMMARY

amazon

NNN LEASED INVESTMENT SALE
4812 Gulf Fwy. | Houston, TX 77023

±10.4888 ACRES FOR SALE

Perpetual 50' Access ROW Easement

10,751 SF

6,412 SF

9,000 SF

22,526 SF

2,042 SF



TRANSWESTERN

REAL ESTATE
SERVICES



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I. INVESTMENT OVERVIEW



INVESTMENT SUMMARY

As the exclusive representative of Owner, Transwestern is pleased to present the unique opportunity to purchase the 100% fee simple interest in a 10.48 acre improved tract of land with 51,000 square feet of office/warehouse improvements (the “Property”). The Property is strategically located along Interstate 45 just three miles from Houston’s Central Business District, one mile from the University of Houston campus and six miles from the world renowned Texas Medical Center. Due to this infill location, the property is 100% leased to Amazon.Com Services, Inc on ten (10) year lease term and AMZN will use as a last mile facility. The Property provides investors the unique opportunity to acquire a well located improved tract of land along a major interstate leased to one of the most desired tenants in the world. In addition, due to barriers to entry and limited available land in the area, an investor will not only enjoy annual cash flow from an investment grade tenant, but significant appreciation in the value of the Property over the lease term.

INVESTMENT HIGHLIGHTS

- Tenant: Amazon.Com Services, Inc.
- Use: Parking for Amazon two-hour deliveries servicing inner loop
- Term: 10 years
- Structure: NNN
- Commencement: 3/2/2020
- Rent Increases: 1.5% yearly bumps
- Termination Option: After 42 months (12 month written notice)
- Corporate Guaranty: Amazon.com
- Renewal Options: Two 5 year options at market
- NOI: \$403,200 (Year 1)
- NOI: \$431,533 (average)

PROPERTY HIGHLIGHTS

- Land: +/-10.48 acres (majority is engineered concrete)
- Improvements: +/- 51,000 Total SF (3 warehouses/1 office building)
- Great Covered Land Play/Redevelopment area
- Land prices increasing in area
- Gulf Freeway visibility
- Three miles to Houston CBD
- 50' perpetual access easement to freeway frontage
- Five miles to Medical Center
- 6.5 miles to William P. Hobby Airport (HOU)



PROPERTY OVERVIEW

Investment Highlights

IN-PLACE NOI	\$403,200 Year 1
	\$431,533 Average

Property Overview

SIZE	±51,000 sf
LAND AREA	± 10.48 Acres
ADDRESS	4812 Gulf Fwy, Houston, Texas 77023
TENANT	Amazon.com Services, Inc.
USE	Parking for two-hour deliveries servicing inner loop

IMPROVEMENTS	Office area: ±2,042 sf
	Warehouse: ±22,526 sf
	Warehouse: ±17,163 sf
	Warehouse: ±9,000 sf

Lease Terms

LEASE COMMENCEMENT	March 2, 2020
LEASE EXPIRATION	March 1, 2030
LEASE TERM	Two (2) 5-Year FMV
LEASE TYPE	Triple Net (NNN)

Rent Schedule

RENEWAL TERM	BASE RENT SF	ANNUAL BASE RENT
YEAR 1	\$33,600/mo NNN	\$403,200

* 1.5% Annual Rent Increases



HOUSTON, TX



PERPETUAL 50' ACCESS ROW EASEMENT

10,751 SF

6,412 SF

9,000 SF

22,526 SF

2,042 SF

STARWAY STREET

RAIL SPUR

±10.4888 Acres FOR SALE

SUMMARY OF TERMS

The Property outlined herein is being offered for sale by Owner on an all cash fee simple basis and without an asking price. All buyers are asked to submit offers on an “as is, where is” condition of the Property.

All offers from qualified investors are requested to be submitted to Transwestern in the form of a Letter of Intent. The LOI should include: (1) offer price; (2) due diligence assumptions and timing for closing; (3) source of capital and approval process. Following review of offers and buyer interviews, the Owner will determine in its sole discretion which prospective investor represents the best combination of price, terms and ability to perform. Please be advised the Owner reserves the right to reject an offer for any reason.

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Investment Summary

Property	Acres
Property Size	± 10.48
Occupancy	100%
Purchase Price	Unpriced
Year 1 NOI	\$403,200
Assumable Debt	None

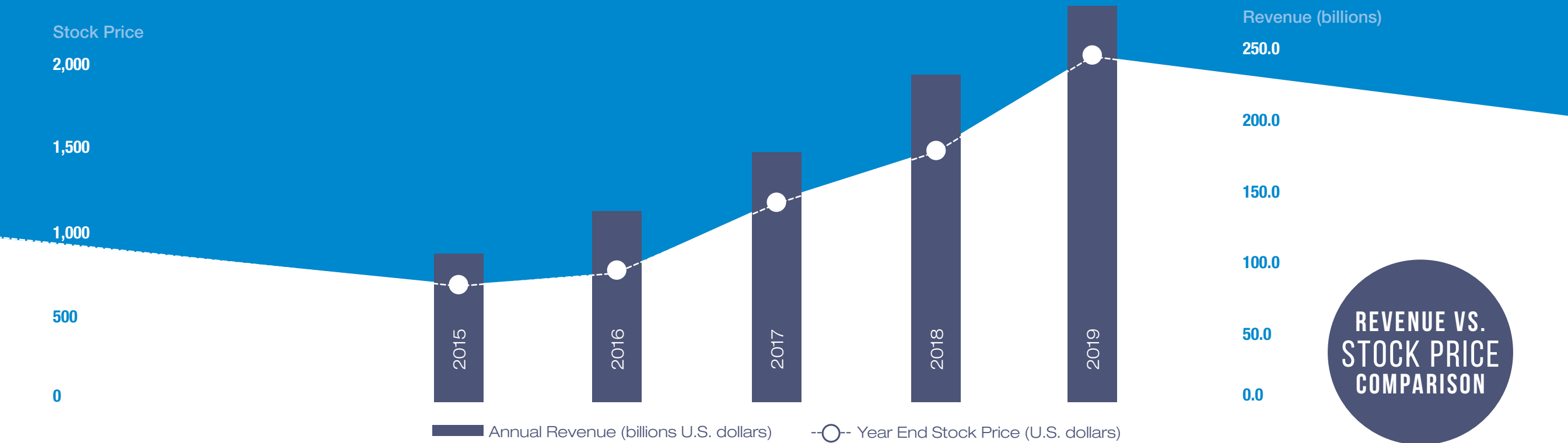
II. THE TENANT



CREDIT OVERVIEW

Amazon.com Services, Inc. provides e-commerce services. The Company retails books, diamond jewelry, electronics, appliances, apparels, and accessories. Amazon Fulfillment Services distributes its products worldwide. Amazon.com began as Earth's biggest bookstore, but has become Earth's biggest everything store. Its website still offers millions of books, as well as other media, home furnishings, clothing, pet supplies, office products, and hundreds of other product categories (with items often ordered and delivered the same day). The company is also the dominant cloud services provider (through Amazon Web Services, or AWS), an influential entertainment company through its video streaming operations, a force to be reckoned with in grocery with its ownership of natural foods chain Whole Foods, and a leader in digital personal assistant devices with Alexa and its Echo product line. Amazon.com, Inc. engages in the provision of online retail shopping services. It operates through the following business segments: North America, International, and Amazon Web Services (AWS). The North America segment includes retail sales of consumer products and subscriptions through North America-focused websites such as www.amazon.com

and www.amazon.ca. The International segment offers retail sales of consumer products and subscriptions through internationally-focused websites. The Amazon Web Services segment involves in the global sales of compute, storage, database, and AWS service offerings for start-ups, enterprises, government agencies, and academic institutions. The company was founded by Jeffrey P. Bezos in July 1994 and is headquartered in Seattle, WA. Operating as one of the fastest growing publicly traded companies on the NASDAQ Exchange, Amazon has reached the highly coveted \$1 trillion market cap after significantly beating analyst expectations in their recent Q4 earnings release. Amazon.com, Inc. is one of the most sought-after tenants in the country due to their strong investment grade (S&P: AA-; Moody's: a3) and exceptionally strong retention ratios in buildings they occupy. The company's massive foothold in the market is demonstrated by their revenues of nearly \$281 billion. Amazon's exponential growth is demonstrated through continued year over year revenue growth exceeding 20%, including the company's plans to triple operations in Houston from 2019.



REVENUE VS.
STOCK PRICE
COMPARISON

III. THE PROPERTY



SITE PLAN



LEASE ABSTRACT

NNN Expenses: **Tenant** shall pay to Landlord, monthly, in advance on the first business day of each month, one-twelfth of Landlord’s estimate of “Additional Rent” for any Lease Year. Additional Rent payable by Tenant shall only include Taxes and Insurance. Landlord estimates that the initial monthly Additional Rent would be 5,666.67/month based on 2018 taxes of \$58,000.00 and insurance costs of \$10,000.00

Security Deposit: **NONE**

TI Allowance: **NONE**

Insurance: **Landlord** will maintain all risk (also known as “special form”) property insurance covering the full replacement cost of the Premises and the Buildings, and Tenant will maintain such coverage with respect to Tenant’s Property.

AS-IS: Subject to Landlord’s obligations in Section 6; Tenant accepts the Premises in its existing as-is condition. Tenant shall not enter, occupy, or use the approximately 51,000 square feet warehouse and approximately 2,042 square foot wood-framed office building.

Repairs & Maintenance: **Tenant** will, at its sole expense, maintain the Premises (excluding the Buildings), including any existing gravel, pavement, and striping located on the Premises, and perform any repair and/or replacement of same. Landlord will have no obligation to maintain, repair or replace any portion of the Premises except that Landlord will make any necessary repairs or replacements to the electrical systems serving the Premises during the period 180 days after the Commencement Date and Landlord will maintain the Buildings in good condition and repair in compliance with all applicable laws.

Alterations: **Tenant**, at its expense, will have the right, with Landlord’s prior written approval, which will not be unreasonably withheld, to install improvements or alterations that cost \$50,000 or less in the aggregate on an annual basis.

Renewal Option: **Tenant** may extend the Term for two (2) additional terms of five (5) years each (each an “Extension Term”) upon notice to Landlord delivered at least 180 days prior to the end of the Term (as the Term may have been previously extended) (the “Extension Notice Deadline”). During any Renewal Period, the Rent shall be the “market rental rate” as reasonably determined by Landlord but in no event will the Rent be less than the Rent payable prior to such Renewal Period.

Termination Option: **Tenant** may terminate this Lease effective as of the last day of the 42nd full calendar month of the Term, or the last day of any calendar month thereafter, by delivering written notice thereof to Landlord at least 12 months in advance. In the event Tenant exercises its Early Termination Right, prior to the effective date of such termination, Tenant shall pay Landlord an amount equal to the unamortized portion of the leasing commissions paid by Landlord in connection with this Lease, which shall be equal to the sum of (i) the total amount of leasing commissions paid by Landlord multiplied by (ii) a fraction, the denominator of which is 120, and the numerator of which is the number of months which would have remained in the Lease Term if the termination option had not been exercised, increased (iii) by 7% per annum, simple interest from the Commencement Date through the date of termination.

Limited Parent Guaranty: **Tenant** shall cause Amazon.com, Inc., a Delaware corporation to execute and deliver to Landlord in Exhibit C.



* This is an overview of the lease. Buyer will rely on their own review of the lease and not hold broker or owner responsible for any interpretation differences that they may have

IV. THE LOCATION



LOCATION OVERVIEW



UPTOWN PARK

THE GALLERIA

MIDTOWN

MUSEUM DISTRICT

CHANNELVIEW



amazon



4812 GULF FWY
HOUSTON, TX 77023



TMC
TEXAS MEDICAL CENTER

HOBBY AIRPORT



V. CONFIDENTIALITY AND CONDITIONS

This Investment Memorandum (“Memorandum”) is furnished to prospective purchasers solely to facilitate the purchaser's consideration of 4812 Gulf Fwy. (“Property”). The Memorandum contains proprietary information and was prepared by Transwestern using information compiled from sources we consider to be reliable. By receipt of this Memorandum, you agree that: (a) the Memorandum and its contents are of a confidential nature and that you will hold and treat it in strictest confidence; (b) you will not reproduce, transmit or disseminate the information contained in the Memorandum through any means, or disclose this Memorandum or any of its contents to any other entity without the prior written authorization of Transwestern nor will you use this Memorandum or any of its contents in any fashion or manner detrimental to the interests of Transwestern or seller; and (c) upon request you will return the Memorandum without retaining any copy or extracting any portion thereof.

This Memorandum does not purport to be all-inclusive or to contain all the information which prospective purchasers may desire. Certain documents, including leases and other materials, are described herein in summary form. The summaries are not complete descriptions of the full agreements. Interested parties are expected to review all such documents independently. Financial projections are provided for reference purposes only and are based on assumptions relating to the general economy, competition and other factors beyond the control of Transwestern and are, therefore, subject to material variation. Additional information and an opportunity to inspect the Property will be made available to qualified prospective purchasers upon request. Each purchase offer is to be based strictly and entirely upon the purchaser's independent investigation, analysis appraisal and evaluation of facts and circumstances deemed relevant by the purchaser. Neither Transwestern nor any of their respective directors, officers or affiliates have made any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of this Memorandum or its contents.

This offering is submitted and received with the understanding that all offers for the acquisition of the herein described property will be conducted through Transwestern. The sellers and Transwestern expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice.

If you have no interest in the Property at this time, please return this Offering Memorandum to:

Transwestern
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Attention: Tala Allathqani



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Transwestern is a privately held real estate firm specializing in agency leasing, property and facilities management, tenant advisory, capital markets, research and sustainability. The fully integrated global enterprise leverages competencies in office, industrial, retail, multifamily and healthcare properties to add value for investors, owners and occupiers of real estate. As a member of the Transwestern family of companies, the firm capitalizes on market insights and operational expertise of independent affiliates specializing in development, real estate investment management and research. Transwestern has 34 U.S. offices and assists clients through more than 180 offices in 38 countries as part of a strategic alliance with Paris-based BNP Paribas Real Estate.