

OFFERING MEMORANDUM



**HOUSTON
TEXAS**

**New Construction
New NNN Lease**

Marcus & Millichap
NNN DEAL GROUP



REPRESENTATIVE PHOTO

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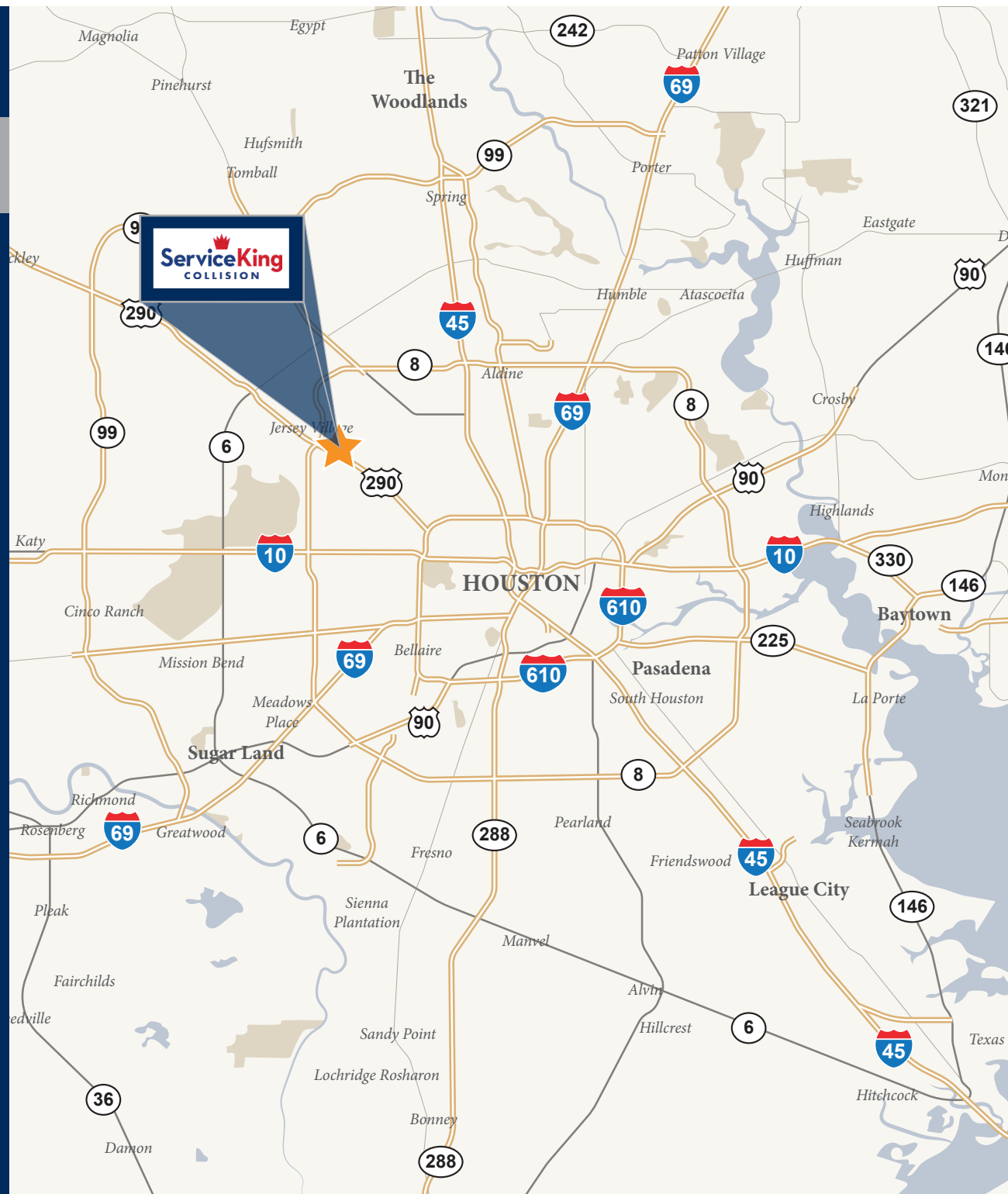
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Marcus & Millichap



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INVESTMENT SUMMARY

14641 NORTHWEST FREEWAY, HOUSTON, TX 77040

PRICE: \$5,585,000

CAP: 6.25%

RENT: \$349,056

OVERVIEW	
Price	\$5,585,000
Gross Leasable Area (GLA)	13,700 SF
Lot Size (approx.)	2.25 Acres
Net Operating Income	\$349,056
CAP Rate	6.25%
Year Built	2020

LEASE ABSTRACT	
Lease Type	NNN
Lease Term	18 Years
Lease Start	6/15/2020 est
Lease Expiration	6/14/2038 est
Renewal Options	4x5
Increase	10% escalations every 5-yrs including option periods
Landlord Obligations	None At All

ANNUALIZED OPERATING DATA		
Lease Term	Monthly Rent	Annual Rent
Lease Years 1-5	\$29,088.00	\$349,056.00
Lease Years 6-10	\$31,996.83	\$383,961.96
Lease Years 11-15	\$35,196.50	\$422,358.00
Lease Years 16-18	\$38,716.17	\$464,594.04
Lease Years 19-20 (Renewal Term 1)	\$38,716.17	\$464,594.04
Lease Years 21-23 (Renewal Term 1)	\$42,587.75	\$511,053.00
Lease Years 24-25 (Renewal Term 2)	\$42,587.75	\$511,053.00
Lease Years 26-28 (Renewal Term 2)	\$46,846.50	\$562,158.00
Lease Years 29-30 (Renewal Term 3)	\$46,846.50	\$562,158.00
Lease Years 31-33 (Renewal Term 3)	\$51,531.17	\$618,374.04
Lease Years 34-35 (Renewal Term 4)	\$51,531.17	\$618,374.04
Lease Years 36-38 (Renewal Term 4)	\$56,684.29	\$680,211.48

INVESTMENT HIGHLIGHTS

This single tenant NNN lease passive investment opportunity, offers an investor the ability to acquire a newly constructed 18 year true NNN lease (no landlord obligations) and then offers four 5-year options thereafter. Additionally, the lease hedges against inflation with 10% rent escalations every five years, including option periods.

The Tenant pays property taxes direct, and carries property and liability insurance. Additionally, they carry a very critical business interruption insurance for up to one 1-year of rent in the event the business is not able to operate for an extended period of time. This provides a landlord with secure and a sleep-at-night investment.

Marcus & Millichap
NNN DEAL GROUP



**Best in Class Tenant –
Service King is one of the
Largest and Fastest-Growing
Collision Repair Centers in
the United States with 344
Locations in 24 States**



**Service King has \$1.2 Billion
in Revenue and a Moody's
Credit Rating of “B2”**



**Premier Private Equity
Leadership – Majority Owned
by Blackstone, the Largest
Alternative Investment Firm
in the World with Over
\$545 Billion in Current
Assets and Minority Owned
by the Carlyle Group, a
Leading Private Equity
Investment Firm with Over
\$201 Billion in Assets**



INVESTMENT HIGHLIGHTS

- ◆ New 2020 Construction
- ◆ Located near the 3rd largest employer in the region (HEB)
- ◆ Landlord Friendly 18 Year Lease
- ◆ Essential retailer, recession resistant business model
- ◆ Strong visibility, and easily accessible being located directly off the US 290 HWY



307,447
TOTAL
POPULATION
WITHIN 5-MILE
RADIUS



\$76,641
AVERAGE
HOUSEHOLD
INCOME WITHIN
5-MILE RADIUS

198,000 VPD - US 290 HOV HWY
16,572 VPD - HEMPSTEAD HWY





O'Reilly
AUTO PARTS

UNITED STATES
POSTAL SERVICE

Hilton
Garden
Inn

Rocky
"COUNTRY STORE"
AND BAR-B-Q

Favorite
BRANDS
Wine Bottling

THE
HOME
DEPOT

Panera
BREAD

Walmart
Save money. Live better.

Comcast
xfinity

TARGET

Houston Fastener
Manufacturing

US 290 HOV HWY (198,000 VPD)

HEMPSTEAD HWY (16,572 VPD)

ServiceKing
COLLISION

CHAMPION
WHOLESALE
Food
Distributor

H-E-B
Distribution
Center

H-E-B
Warehouse

Jersey Village
High School

Post Elementary
School

Dean Middle
School

CAVENDER'S
ROOT CITY

DISCOUNT
TIRE

PANDA EXPRESS
CHINESE KITCHEN

WELLS
FARGO

WHATABURGER



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TENANT SUMMARY

SERVICE KING COLLISION

OUR MISSION

Service King strives to be the collision repair operator of choice by providing a secure, fulfilling workplace that motivates our teammates to deliver safe, superior repairs with excellent customer service while ensuring sustainable, profitable growth and opportunity.

Service King Collision Repair is a national leader in collision repair and offers high-quality repairs with a lifetime warranty, free professional estimates, rental options and coordination through Enterprise. Many Service King locations even feature Enterprise on-site. Service King also works collaboratively with all major insurance partners to streamline the auto body repair process.

Service King currently has over 330 locations in 24 states, and plans to continue growing. In 2011, Service King acquires Alamo Body and Paint and its eight San Antonio lo-cations in March, positioning the company as the largest independently and teammate-owned collision repair organization in the U.S. with 42 locations across the state of Texas. In 2012, global asset manager The Carlyle Group closes on its acquisition of majority ownership of Service King Collision Repair Centers. In 2014, after Service King tripled its revenue over a two-year period, premier global investment and advisory firm, Blackstone,



purchased majority ownership of the company. The Carlyle Group remains a minor investor as do Service King internal shareholders. Service King acquires Sterling Auto Body Centers and its 62 collision repair centers across 16 states in the U.S. The deal marked the largest acquisition in collision repair industry history establishing the national footprint and future strategy for growth. In 2015, Service King surpassed \$1 billion in annual revenue.

**9 out of 10 insurance companies recommend
Service King Collision Repair Centers.**

TENANT SUMMARY

THE TOP 3 COLLISION REPAIR COMPANIES

RANK	COMPANY	LOCATIONS	# OF STATES LOCATED IN	FOUNDED	HEADQUARTERS	PARENT COMPANY
1	Caliber Collision/Abra	1,200+	37	1997	Lewisville, TX	Hellman & Friedman + Penfund
2	Gerber Collision & Glass	500+	26	1937	Elmhurst, IL	The Boyd Group, Inc.
3	Service King Collision	344+	24	1976	Richardson, TX	Blackstone + Carlyle Group

COLLISION CENTER INDUSTRY

Collision Center Market
Reports \$47 Billion in
Annual Revenue

Huge Growth Potential:
86% of Collision Centers are
Non-National Operators

Industry Driven by
Insurance Provider
Relationships

Cost-Synergy
Opportunity in Collision
Center Market

Service Kings Provides
Lifetime Warranties to
its' Customers

Projected Industry
Growth of
2.3% Annually



REPRESENTATIVE PHOTO

SERVICE KING COLLISION



RICHARDSON, TEXAS

HEADQUARTERS

1976

YEAR FOUNDED

344+

LOCATIONS

PRIVATE

OWNERSHIP

\$1 (BIL)
(last reported 2015)

REVENUE

RANKED 3RD NATIONALLY
AMONG NATIONAL BODYSHOPS

RANKING

WWW.SERVICEKING.COM

WEBSITE

TENANT SUMMARY

Service King Collision Repair Centers is a national leader in collision repair that operates in 24 states with over 344 locations and plans to continue growing. Service King offers high-quality repairs with a lifetime warranty, free estimates, on-site rental cars and an overall superior customer service experience.

In 2012, as one of the largest independent operators of collision repair centers in the U.S., global asset manager The Carlyle Group closes on its acquisition of majority ownership of Service King Collision Repair Centers. In 2014, after Service King tripled its revenue over a two-year period, premier global investment and advisory firm Blackstone purchased majority ownership of the company. Blackstone is currently the largest alternative investment firm in the world with over \$545 billion in current assets (as of June 30th, 2019). The Carlyle Group remains a minority investor as do Service King internal shareholders. In 2018, Service King surpassed over \$1.2 billion in annual revenue.

Service King strives to be the collision repair operator of choice by providing a secure, fulfilling workplace that motivates their teammates to deliver safe, superior repairs with excellent customer service while ensuring sustainable, profitable growth and opportunity.



REPRESENTATIVE PHOTO

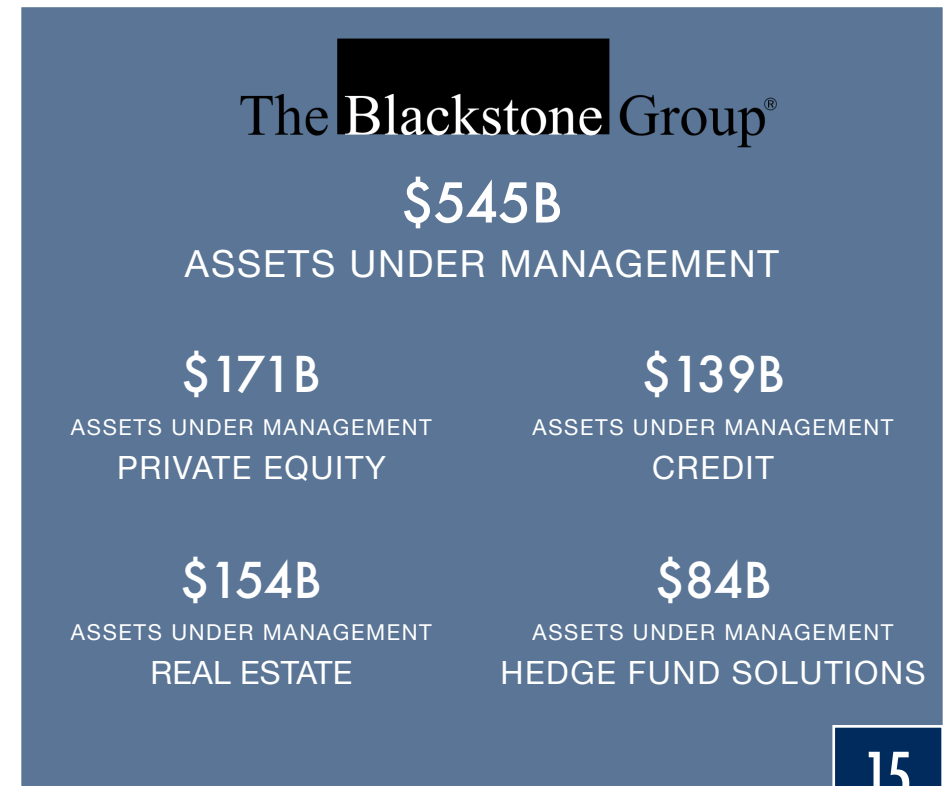
TENANT SUMMARY

Blackstone is one of the world's leading investment groups that currently has over \$545 Billion assets under their management. Their investments are designed to preserve and grow their limited partners' capital, provide financial security for millions of retirees, sovereign wealth funds, and other institutional and individual investors, and contribute to overall economic growth.

Blackstone seeks to create positive economic impact and long-term value for their investors, the companies they invest in, and the communities in which they work. This is achieved by their use of extraordinary people and flexible capital to help companies solve problems. The firm was founded in 1985 by Stephen A. Schwarzman, their Chair-man & CEO, and Peter G. Peterson, who retired as Senior Chairman in 2008. Over 30 years later, they are a firm of nearly 2,500 employees in 24 offices worldwide and their portfolio companies employ over 400,000 people across the globe.

At Blackstone, they apply our capabilities as a leading global investment firm to deliver solutions. The capital they deploy on behalf of their investors fuels the development of businesses and communities. The investments they make are the wellsprings of future opportunity. Through this work, Blackstone seeks to ensure a secure retirement for millions.

The deep expertise of the Blackstone team gives them a base of intellectual capital on which to draw. Their businesses are diversified across a wide spectrum of regions, industries, and asset classes, give them the expertise, access to resources and critical mass to take advantage of investment opportunities on a global scale. Blackstone's performance is characterized by a record of superior risk-adjusted returns across a broad and expanding range of asset classes and through all types of economic conditions.

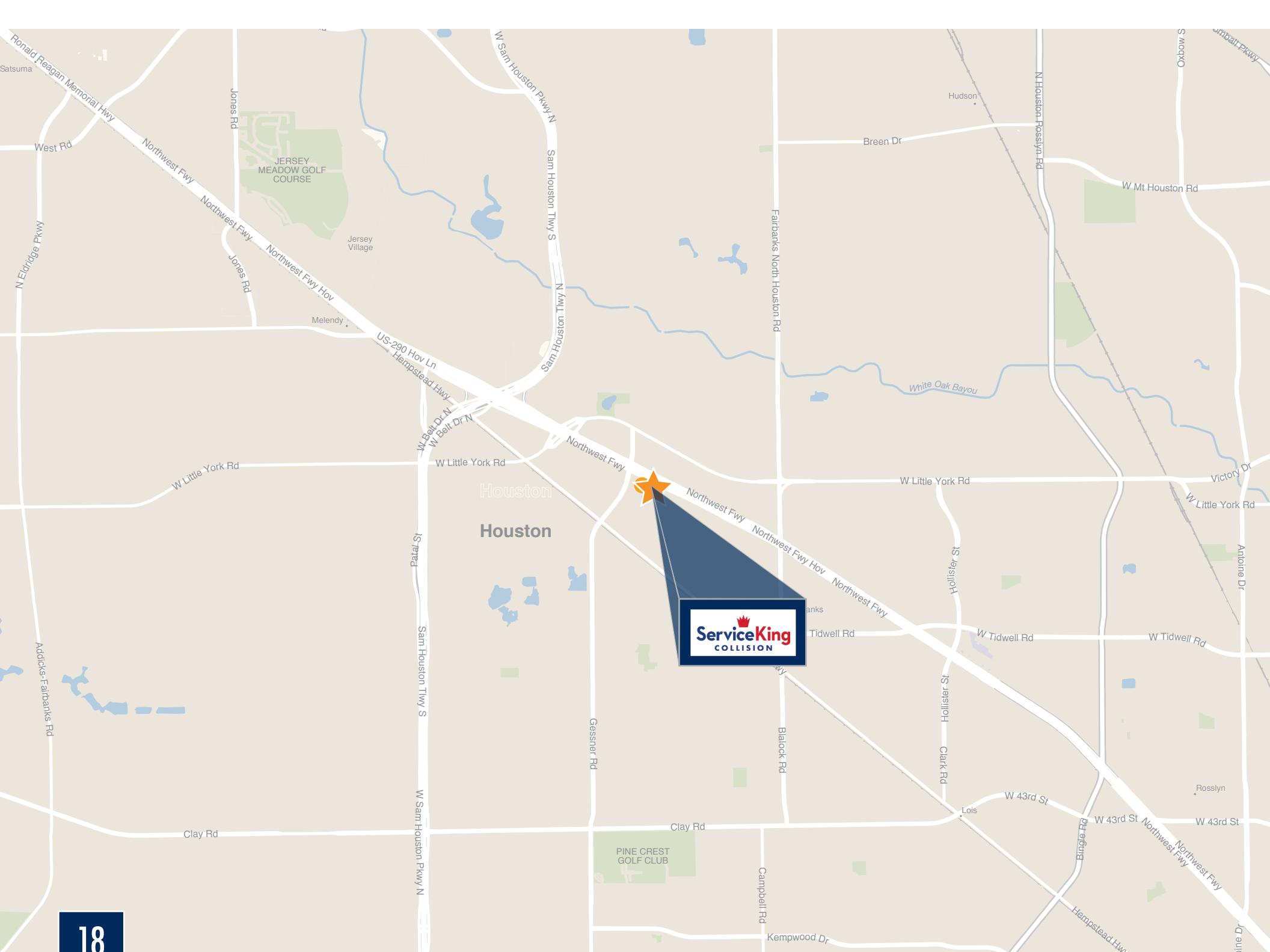


SITE PLAN





REPRESENTATIVE PHOTO



LOCATION OVERVIEW

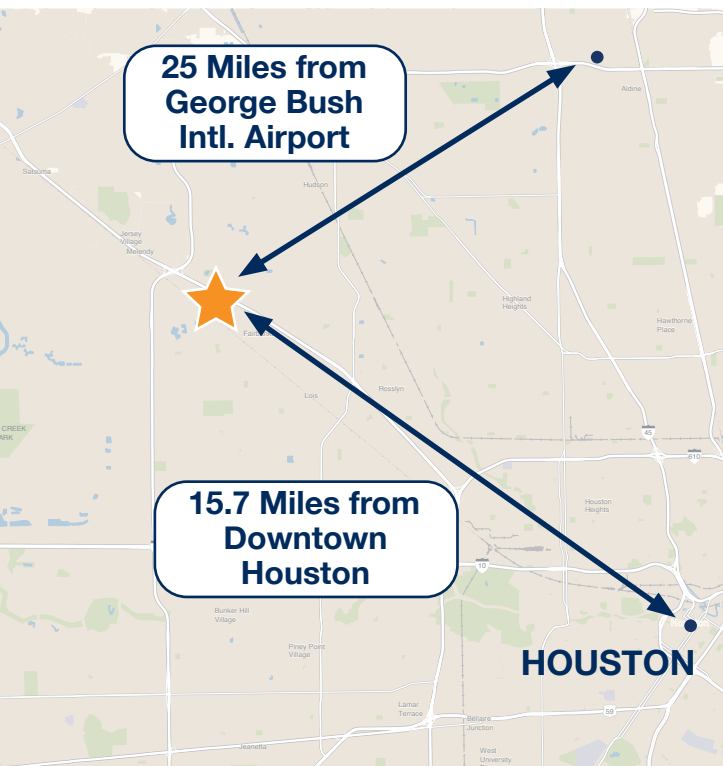
HOUSTON, TEXAS

Houston is the largest city in the state with a population of more than 2.3 million residents according to the United States Census Bureau. The city is recognized for its vibrant economy, beautiful surroundings and diverse population. More than 145 different languages are spoken in Houston, the third largest number for any U.S. city. Houston also has a very young population, with the largest segment between the ages of 5 and 19.

Houston enjoys one of the most robust and dynamic economies in the world, with a broad industrial base in energy, health care, manufacturing, aeronautics and transportation. The city features the second largest concentration of Fortune 500 companies in the country. Houston has a reputation as the “Energy Capital of the World,” with more than 3,700 energy-related establishments located in the area. The nearby Port of Houston handles the most international waterborne tonnage in the world and is known as the undisputed global leader in international business. The Texas Medical Center is the world’s largest medical complex, with 21 hospitals, one of which is the leading cancer hospital in the country. Houston’s impressive workforce fills 2.9 million jobs, more than the states of Maryland, Arizona or Colorado. Known for its endless outdoor activities and as a leader in green space, Houston rates first in the nation for total acreage in parkland, with more than 56,405 acres.

Houston offers its residents and visitors more than 300 miles of interconnected bikeways and an impressive transportation network. The highway system contains more than 575 miles of freeways and expressways, providing excellent access to markets outside the region. The Metro buses and MetroRail provide excellent affordable public transportation. The Houston Airport System, which includes George Bush Intercontinental, William P. Hobby, and Ellington Airport, handled over 55 million passengers in 2018.





MAJOR EMPLOYERS HOUSTON, TX

Walmart	37,000
Memorial Hermann Health System	24,108
HEB	23,732
The University of Texas MD Anderson Cancer Center	21,086
McDonald's Corp	20,918
Houston Methodist	20,000
Kroger	16,000
United Airlines	14,941
Schlumberger	12,069
Shell Oil Company	11,507

LOCATION HIGHLIGHTS

HOUSTON, TEXAS

FOURTH MOST POPULOUS CITY IN THE NATION



Largest export market in
the United States



Extensive public
transportation network



More parkland than
any other city
in the United States



Second largest concentration
of Fortune 500 companies
in the country



DEMOGRAPHICS / HOUSTON, TX

 **307,447**

Total Population Within 5-Mile Radius



\$76,641

Average Household Income
Within 5-Mile Radius



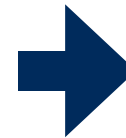
\$52,991

Median Household Income
Within 5-Mile Radius



104,766

Total Households in 5-Mile Radius



25.5%
From 2010

POPULATION	1 MILE	3 MILES	5 MILES
2024 Projection	3,125	89,619	307,447
2019A Estimate	2,846	84,895	296,889
Growth 2019A - 2024	9.79%	5.57%	3.56%
2000 Census	2,181	66,200	251,610
2010 Census	2,487	76,799	274,605
Growth 2000 - 2010	14.02%	16.01%	9.14%

HOUSEHOLDS	1 MILES	3 MILES	5 MILES
2024 Projections	1,020	31,685	104,766
2019A Estimate	940	29,887	100,650
Growth 2019A - 2024	8.50%	6.02%	4.09%
2000 Census	817	23,615	85,517
2010 Census	818	26,832	92,501
Growth 2000 - 2010	0.13%	13.62%	8.17%

HOUSEHOLDS BY INCOME (2019A Est.)	1 MILES	3 MILES	5 MILES
\$200,000 or More	1.29%	5.64%	4.69%
\$150,000 - \$199,999	3.81%	6.05%	4.84%
\$100,000 - \$149,999	4.48%	13.81%	12.61%
\$75,000 - \$99,999	6.47%	12.00%	11.69%
\$50,000 - \$74,999	17.85%	20.24%	18.86%
\$35,000 - \$49,999	22.23%	15.03%	14.81%
\$25,000 - \$34,999	15.24%	11.07%	11.30%
\$15,000 - \$24,999	16.97%	8.76%	11.03%
\$10,000 - \$14,999	3.53%	3.05%	4.45%
Under \$9,999	8.12%	4.34%	5.73%
2019A Est. Average Household Income	\$49,947	\$84,089	\$76,641
2019A Est. Median Household Income	\$40,804	\$58,260	\$52,991
2019A Est. Per Capita Income	\$17,207	\$29,681	\$26,032

POPULATION PROFILE	1 MILES	3 MILES	5 MILES
2019A Estimated Population by Age	2,846	84,895	296,889
Under 4	10.9%	7.8%	8.1%
5 to 14 Years	16.4%	14.2%	15.0%
15 to 17 Years	3.5%	4.1%	4.2%
18 to 19 Years	2.2%	2.3%	2.4%
20 to 24 Years	6.9%	6.7%	6.8%
25 to 29 Years	9.8%	8.1%	8.2%
30 to 34 Years	9.2%	7.6%	7.9%
35 to 39 Years	7.7%	7.1%	7.4%
40 to 49 Years	10.5%	13.3%	13.4%
50 to 59 Years	8.8%	12.5%	12.1%
60 to 64 Years	3.7%	5.4%	5.0%
65 to 69 Years	2.4%	4.1%	3.6%
70 to 74 Years	1.6%	2.8%	2.5%
Age 75+	6.5%	4.0%	3.6%
2019A Median Age	30.2	34.5	33.3
2019A Population 25 + by Education Level	1,710	55,105	188,556
Elementary (0-8)	15.29%	9.16%	10.41%
Some High School (9-11)	12.71%	9.91%	10.72%
High School Graduate (12)	33.54%	26.38%	26.63%
Some College (13-15)	20.21%	20.69%	19.95%
Associates Degree Only	3.05%	5.52%	5.52%
Bachelors Degree Only	9.85%	18.07%	16.81%
Graduate Degree	4.37%	7.94%	7.21%



REPRESENTATIVE PHOTO



**HOUSTON
TEXAS**

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