

OFFERING MEMORANDUM



Austin Community College
Highland Mall was transformed into the school's largest campus as part of a \$386 million redevelopment

SHERWIN WILLIAMS.
Subject Property

Airport Blvd 33,758 VPD

206,698 VPD

66,468 VPD

SHERWIN-WILLIAMS

AUSTIN, TX

Marcus & Millichap

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Downtown Austin



206,698 VPD



66,468 VPD



Airport Blvd.

33,758 VPD



Austin Community College
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Marcus & Millichap



SHERWIN-WILLIAMS

5795 Airport Blvd, Austin, TX 78752

Marcus & Millichap is pleased to present the opportunity to acquire a triple-net leased Sherwin-Williams in Austin, Texas. The property consists of a 12,805-square foot, freestanding building that sits on approximately 0.49 acres of land. There are approximately 9.6 years remaining on the current lease term, with 10 percent escalations every four years. Sherwin-Williams recently signed a eight-year lease extension in 2019, showing their commitment to the site, which they have operated at since 1972.

Sherwin-Williams is next to the ongoing \$386 million Austin Community College (ACC) redevelopment project. The 81-acre project is transforming the former Highland Mall into the school's largest campus (1,300,000 SF), and will include multiple commercial (150,000 SF), office (800,000 SF) and residential (1,200 units) buildings along with new parks and trails. The ACC project has already influenced new developments in the surrounding area, including the nearby Highland Tech Center, a mixed-use project with 326 apartments.

The property is located near the intersection of Interstate 35 and East Highway 290, where combined traffic counts exceed 273,166 vehicles per day. The area is extremely dense with more than 349,137 residents within a five-mile radius. Surrounding retailers in the immediate area include Office Depot, Pluckers, Chili's, IHOP, Panda Express, Wendy's, 7-Eleven, Gold's Gym, Pappadeaux, Burlington Coat Factory and many more.

INVESTMENT HIGHLIGHTS

Sherwin-Williams Extended Lease Eight Years and has Operated at this Location Since 1972

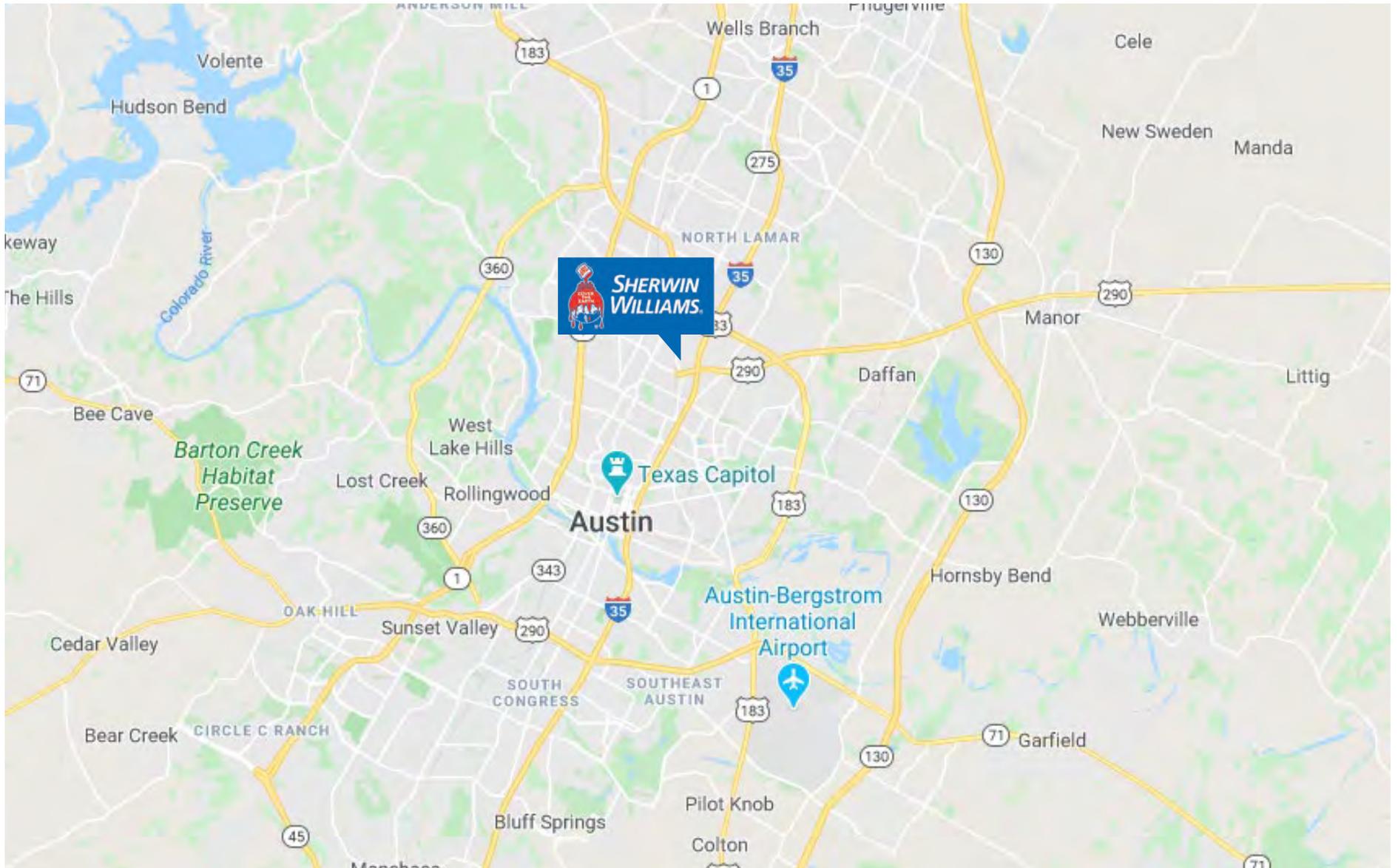
10% Rental Escalations Every Four Years

Next to the Ongoing \$386 Million Austin Community College Redevelopment Project

Near the Intersection of Two Major Highways - Interstate 35 and East Highway 290 (Combined 273,166 VPD)

Infill Austin Location - More than 349,137 Residents Within a Five-Mile Radius

REGIONAL MAP // *Sherwin-Williams*



PRICING DETAILS // *Sherwin-Williams*

LOCATION	5795 Airport Blvd, Austin, TX 78752
Price	\$2,905,000
Rentable SF	12,805
Price/SF	\$226.86
CAP Rate	4.75%
Year Built	1966
Lot Size	0.49 Acres
Type of Ownership	Fee Simple
LEASE SUMMARY	
Tenant Name	Sherwin-Williams
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Corporate
Lease Type	Triple-Net
Roof and Structure	Landlord
Lease Term	10 years
Lease Commencement Date	3/23/1972
Rent Commencement Date	10/1/1972
Lease Expiration Date	9/30/2029
Term Remaining on Lease	9.6 Years
Options	Three, 5-Year
Increases	10% Every Four Years

ANNUALIZED OPERATING INFORMATION		
YEAR	ANNUAL RENT	MONTHLY RENT
10/1/2012 - 9/30/2015	\$96,000.00	\$8,000.00
10/1/2015 - 9/30/2021	\$120,000.00	\$10,000.00
10/1/2021-9/30/2025*	\$138,000.00	\$11,500.00
10/1/2025-9/30/2029	\$151,884.60	\$12,657.05
10/1/2029-9/30/2034 (Option 1)	\$167,073.00	\$13,922.75
10/1/2034-9/30/2039 (Option 2)	\$183,780.36	\$15,315.03
10/1/2039-9/30/2044 (Option 3)	\$202,158.36	\$16,846.53
Base Rent (\$10.78/SF)		\$138,000.00
Net Operating Income		\$138,000.00
Total Return		4.75% / \$138,000.00

*The Base Rent/NOI illustrated reflects the rent escalation scheduled to occur in 2021. Seller will credit the rent differential on a pro rata basis at Closing.



TENANT OVERVIEW // *Sherwin-Williams*



Sherwin-Williams has been in business since 1866. The Company's core business is the manufacture, distribution and sale of coatings and related products. Sherwin Williams has maintained a position on the Fortune 500 list for 24 years and is currently ranked #236. The company is also represented on America's Best Employers 2019 (#109), Global 2000 2018 (#498), and America's Largest Public Companies 2018 (#148). The company's headquarters is in Cleveland, Ohio.

Tenant Name	Sherwin-Williams
Ownership	Public
Sales Volume	\$16.2B
Credit Rating	BBB
Rating Agency	S&P
Stock Symbol	SHW
Board	NYSE
Option to Terminate	No
Options to Purchase	No
First Right of Refusal	No
No. of Locations	4,620
Headquartered	Cleveland, OH
Web Site	www.sherwin-williams.com
Years in the Business	153



AUSTIN MSA TEXAS

POPULATION
950,715

City Of AUSTIN

Continued improvement in the Austin MSA retail market is expected to lure investors to Austin this year. Austin's economy is firing on all cylinders, and employment growth along with favorable demographic trends should further advance the area's retail market this year. Employers in the metro are expected to outpace the nation for the seventh consecutive year as they increase payrolls, drawing a number of new residents to the market in search of jobs.

As a result, retailers are expanding their presence in the metro and developers are following the path of residential growth. Healthy job growth and demographic trends are supporting demand for retail space in Austin, keeping vacancy near a 10-year low. Migration to the market has been robust, and rising prices inside the city of Austin have encouraged growth in the suburbs, where retail construction has been concentrated over the past five years.



DEMOGRAPHIC SUMMARY

POPULATION	1 Mile	3 Miles	5 Miles
2000 Population	15,005	140,109	289,335
2010 Population	14,293	139,770	303,701
2018 Population	16,072	160,274	349,137
2023 Population	17,040	172,320	375,951
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2000 Households	7,303	59,628	118,195
2010 Households	6,846	58,958	123,247
2018 Households	7,776	69,039	144,564
2023 Households	8,261	75,069	157,558
2018 Average HH Size	2.14	2.24	2.30
2018 Daytime Population	40,018	269,859	657,370
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Median HH Income	\$49,825	\$56,706	\$60,262
Per Capita Income	\$34,327	\$37,490	\$41,048
Average HH Income	\$70,897	\$85,648	\$97,807

POPULATION

In 2018, the population in your selected geography is 349,137. The population has changed by 20.67% since 2000. It is estimated that the population in your area will be 375,951 five years from now, which represents a change of 7.68% from the current year. The current population is 51.63% male and 48.37% female. The median age of the population in your area is 31.7, compare this to the entire US average which is 38.1. The population density in your area is 4,448.20 people per square mile.

HOUSEHOLDS

There are currently 144,564 households in your selected geography. The number of households has changed by 22.31% since 2000. It is estimated that the number of households in your area will be 157,558 five years from now, which represents a change of 8.99% from the current year. The average household size in your area is 2.30 persons.

INCOME

In 2018, the median household income for your selected geography is \$60,262, compare this to the entire US average which is currently \$60,811. The median household income for your area has changed by 65.49% since 2000. It is estimated that the median household income in your area will be \$66,240 five years from now, which represents a change of 9.92% from the current year.

The current year per capita income in your area is \$41,048, compare this to the entire US average, which is \$33,623. The current year average household income in your area is \$97,807, compare this to the entire US average which is \$87,636.

RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 64.86% White, 10.49% Black, 0.05% Native American and 6.24% Asian/Pacific Islander. Compare these to entire US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 36.86% of the current year population in your selected area. Compare this to the entire US average of 18.17%.

HOUSING

In 2000, there were 48,799 owner occupied housing units in your area and there were 69,396 renter occupied housing units in your area. The median rent at the time was \$584.

EMPLOYMENT

In 2018, there are 316,784 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 65.24% of employees are employed in white-collar occupations in this geography, and 34.63% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.98%. In 2000, the average time traveled to work was 23.2 minutes.





INFORMATION ABOUT BROKERAGE SERVICES

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.

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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 interest 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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