

SECURE  
NET LEASE

FILE PHOTO

REGIONS

10803

# REGIONS BANK

(S&P: A- / STABLE)

**\$4,706,000 | 4.25% CAP**

1100 Old Spanish Trail, Houston, TX 77054

- ✓ New 15-Year Absolute NNN Ground Lease with Regions Bank
- ✓ Investment Grade Tenant with Standard and Poor's Credit Rating of 'A-'
- ✓ Regions Bank Operates 1,500 U.S. Locations with \$126.24 Billion in AUM
- ✓ Irreplaceable Dense Infill Location in Houston's 'Texas Medical Center'
- ✓ Stellar Population Density and Income Demographics





Regions Financial Corporation is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management and mortgage products and services. Regions serves customers across the South, Midwest and Texas.



# INVESTMENT OVERVIEW

REGIONS BANK | HOUSTON, TEXAS

## \$4,706,000 | 4.25% CAP



**\$200,000**

NOI



**15-Years**

Remaining



**±0.621 ACRES**

LAND AREA



**2020**

YR BUILT



**100%**

OCCUPANCY



**ABSOLUTE NNN**

LEASE TYPE

- ✓ **New construction Regions Bank property**, 15-year absolute NNN ground lease with ten percent rent increases every five years in primary term and renewal options
- ✓ **Investment grade tenant** with a Standard and Poor's credit rating of 'A-' and a 'Stable' outlook
- ✓ **Regions Bank is a member of the S&P 500 Index** with approximately 19,500 employees, over 1,500 U.S. retail banking locations and \$126.24 billion in total assets under management
- ✓ **Irreplaceable dense infill location in Houston's 'Texas Medical Center'** and adjacent to NRG Stadium 'Home of the Houston Texans'
- ✓ **The Texas Medical Center is home to 21 hospitals, employs over 106,000 people**, hosts 10 million patient encounters annually, and has an annual gross domestic product of \$25 billion
- ✓ **Stellar population density and income demographics** with over 143,000 people and \$141,455 average household income within 3 miles. Excellent visibility along Old Spanish Trail with 77,652 VPD.

## SECURE

### NET LEASE

CONTACT FOR DETAILS

**EDWARD BENTON**

VICE PRESIDENT

(713) 263-3981

[ebenton@securenetlease.com](mailto:ebenton@securenetlease.com)

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FILE PHOTO



SECURE NET LEASE | 3

# TENANT OVERVIEW

REGIONS BANK | HOUSTON, TEXAS



## REGIONS BANK (regions.com)

LESSEE: REGIONS BANK, AN ALABAMA STATE BANKING CORPORATION

Regions Financial Corporation is a bank holding company headquartered in the Regions Center in Birmingham, Alabama. The company provides retail banking and commercial banking, trust, stockbrokerage, and mortgage services. Its banking subsidiary, Regions Bank, operates over 2,000 automated teller machines and approximately 1,500 branches in 16 states in the Southern United States and Midwestern United States. Regions is ranked on the Fortune 500 and is one of the largest banks in the United States. Additionally, the company was recognized by the advisory firm Reputation Institute and American Banker magazine as having the best overall reputation among U.S. banks in 2016. Three foundational elements serve as the basis of their culture: values, mission, and vision. They list them in this order for a reason as their values guide their day-to-day life, how they treat customers and each other, and their expectations for how they behave. Their mission defines their corporate purpose and answers the question, "What do we want to accomplish when we work together?" And their vision is what they aspire to, following the values of putting people first, doing what is right, focusing on the customer, reaching higher and enjoying life.

**\$6.7B**

REVENUE

**A-**

CREDIT RATING

**RF**

STOCK TICKER



**1,500**

TOTAL LOCATIONS

FILE PHOTO



### REGIONS FINANCIAL'S SIMPLE STRATEGY BEARING FRUIT

Dave Kovalski, December 5, 2019 (*The Motley Fool*)

Regions Financial (NYSE:RF) is starting to see the fruits of its aptly named Simplify and Grow initiative. The strategy helped drive another round of strong results in the third quarter as Regions reported net income of \$385 million, an increase of 9% over the same period the year before, and a 22% increase in earnings per share.

With that as the overarching goal, the Birmingham, Ala.-based bank is striving for sustained long-term growth through strategic investments and targeted

***Simplify and Grow is the bank's three-year growth plan***, which was introduced in late 2017 but really took hold in 2019. It's based on the simple idea of making banking easier for customers.

expense reductions designed to make the company run more efficiently. So far this year, Regions' stock price has outperformed other bank stocks, up about 25%.

Management said that of the 67 initiatives that are part of the plan, Regions has already completed 16 of them, with seven more due for completion by the end of the year. Many of them have been addressed through a sizable investment in technology.

Regions -- the 22nd largest bank in the U.S., with about \$128 billion in assets under management -- budgeted \$625 million for technology, or 11% of 2018 revenue, to make banking easier for customers.

### ALABAMA BANK CONTINUES RAPID GROWTH IN HOUSTON WITH NEW BRANCHES

Chris Mathews, June 27, 2019 (*Houston Business Journal*)

Birmingham, Alabama-based Regions Bank is growing its Houston-area presence with four new branches.

Regions Bank, a subsidiary of Birmingham, Alabama-based Regions Financial Corp. (NYSE: RF), recently opened a branch in New Caney at 21962 Market Place Drive on June 1, according to a June 27 press release. The bank also opened a location in Spring, at 2114 Spring Stuebner Road, on June 22.

Regions is also opening two additional branches in Spring in the near future: a

As of June 30, 2018, ***Regions Bank was the 22nd-largest bank in the Houston market based on its \$1.3 billion in local deposits***. Regions Financial Corp. manages some \$129 billion in assets, per the release.

branch at 20314 Champion Forest Drive and a branch at 25830 Kuykendahl Road.

"The opening of our four new locations in Spring and New Caney represents a significant milestone in our commitment to Houston," Mark Jacobs, Regions market executive for Houston, said in the press release. "With the opening of each branch, we expand our capacity to serve more customers and to connect with new neighborhoods."

The Alabama bank has committed heavily to the local banking market recently — Regions has opened seven new branch locations in the Houston metro area since the beginning of 2019.



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CLICK HERE TO READ MORE

# LEASE OVERVIEW

REGIONS BANK | HOUSTON, TEXAS

INITIAL LEASE TERM	15-Years, Plus (5), 5-Year Options to Renew
RENT COMMENCEMENT	August 1, 2020
LEASE EXPIRATION	July 31, 2035
LEASE TYPE	Absolute NNN Ground Lease
RENT INCREASES	10% Every 5 Years, In Primary Term & Options
ANNUAL RENT YRS 1-5	200,000.00
ANNUAL RENT YRS 6-10	220,000.00
ANNUAL RENT YRS 11-15	242,000.00
OPTION 1	266,200.00
OPTION 2	292,820.00
OPTION 3	322,102.00
OPTION 4	354,312.20
OPTION 5	389,743.42

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RICE UNIVERSITY  
(7,124 STUDENTS)

ROBERTS ELEMENTARY  
SCHOOL  
(759 STUDENTS)

BW | Best Western.  
Hotels & Resorts  
WYNDHAM  
INTERCONTINENTAL  
HOTELS & RESORTS

Hilton  
HOTELS & RESORTS

TEXAS MEDICAL CENTER  
(9,200 BEDS)

WELLS FARGO

Bank of America

SHRINERS  
HOSPITALS  
FOR CHILDREN  
(40 BEDS)

MD ANDERSON  
CANCER CENTER  
(678 BEDS)

MICHAEL E. DEBAKEY VA  
MEDICAL CENTER  
(531 BEDS)

TEXAS ORTHOPEDIC HOSPITAL  
(49 BEDS)

KIRBY DRIVE  
± 20,962 VPD

KIRBY PLACE APARTMENTS  
(362 UNITS)

BROADSTONE TOSCANO  
(474 UNITS)

BRAYS BAYOU

Kroger  
COURTYARD  
BY HARRIOTT

Public Storage

Hampton Inn  
Luby's  
BBVA

SUBWAY

OLD SPANISH TRAIL  
± 51,766 VPD

Chevron

CUBESMART  
self storage

UNITED STATES  
POSTAL SERVICE

THE WOMAN'S HOSPITAL  
OF TEXAS  
(257 BEDS)

Walgreens  
Residence Inn  
BY MARRIOTT  
Capital One

MONACO AT MAIN APARTMENTS  
(286 UNITS)

CashAmerica  
ExtraSpace  
Storage  
SONIC  
Quinn's

CVS pharmacy  
CHASE  
CHOICE  
HOTELS  
FedEx  
TAKE 5

ROSS  
DRESS FOR LESS  
CHOICE  
HOTELS  
verizon  
BIG LOTS!  
GNC  
TFC  
CATERING  
Office DEPOT  
GameStop  
Fiesta  
Olive Garden  
PAPPAS  
Bros  
PETSMART  
five BELOW  
SALLY BEAUTY  
Bank of America  
Origin Bank  
Teahouse  
Akashi  
PANDA EXPRESS  
COURTNEY CHINESE CUISINE  
CHIPOTLE  
MEXICAN GRILL  
Jack  
in the box

Exxon

Domino's  
Pizza

REGIONS  
SUBJECT PROPERTY  
1100 OLD SPANISH TRAIL

NRG STADIUM

SECURE NET LEASE 7

jiffy lube

Chick-fil-A  
Randalls  
Panera  
BREAD  
BARNES  
& NOBLE  
WELLS FARGO

Total Wine  
& More  
Walgreens

Shell  
goodwill  
AMAZING SPACES

HIP  
CVS pharmacy  
Southwell's  
HOMESIDE GALLERY

LAIFITNESS  
The Fresh  
Market

Jimmy John's  
PIZZA

Shell  
SPEC'S  
FRESH-ROASTED EGGS

McDonald's  
WHATABURGER  
TACO BELL  
RBC  
BANK OF AMERICA

Pizza Hut  
BURGER KING

Kroger  
Sarpino's  
RESTAURANT

Public Storage

Hampton Inn  
Luby's  
BBVA

SUBWAY

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± 51,766 VPD

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self storage

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MEXICAN GRILL  
Jack  
in the box

Exxon

Domino's  
Pizza

REGIONS  
SUBJECT PROPERTY  
1100 OLD SPANISH TRAIL

NRG STADIUM

SECURE NET LEASE 7

LONGFELLOW  
ELEMENTARY  
SCHOOL  
(764 STUDENTS)

SAINT NICHOLAS  
SCHOOL  
(112 STUDENTS)



SUBJECT PROPERTY



8. SECURE NET LEASE



# SITE OVERVIEW

REGIONS BANK | HOUSTON, TEXAS



**2020**  
YR BUILT



**±0.621 ACRES**  
LAND AREA

## NEIGHBORING RETAILERS

Big Lots	Jack in the Box
Office Depot	Target Grocery
Panda Express	Extra Space Storage
Olive Garden Italian	Sonic Drive-In
Chipotle Mexican Grill	Wingstop
Fiesta Mart	U.S Postal Service
PetSmart	Walgreens
Ross Dress for Less	Barnes & Noble
GNC	Randalls
GameStop	Chick-fil-A
Sally Beauty	Goodwill

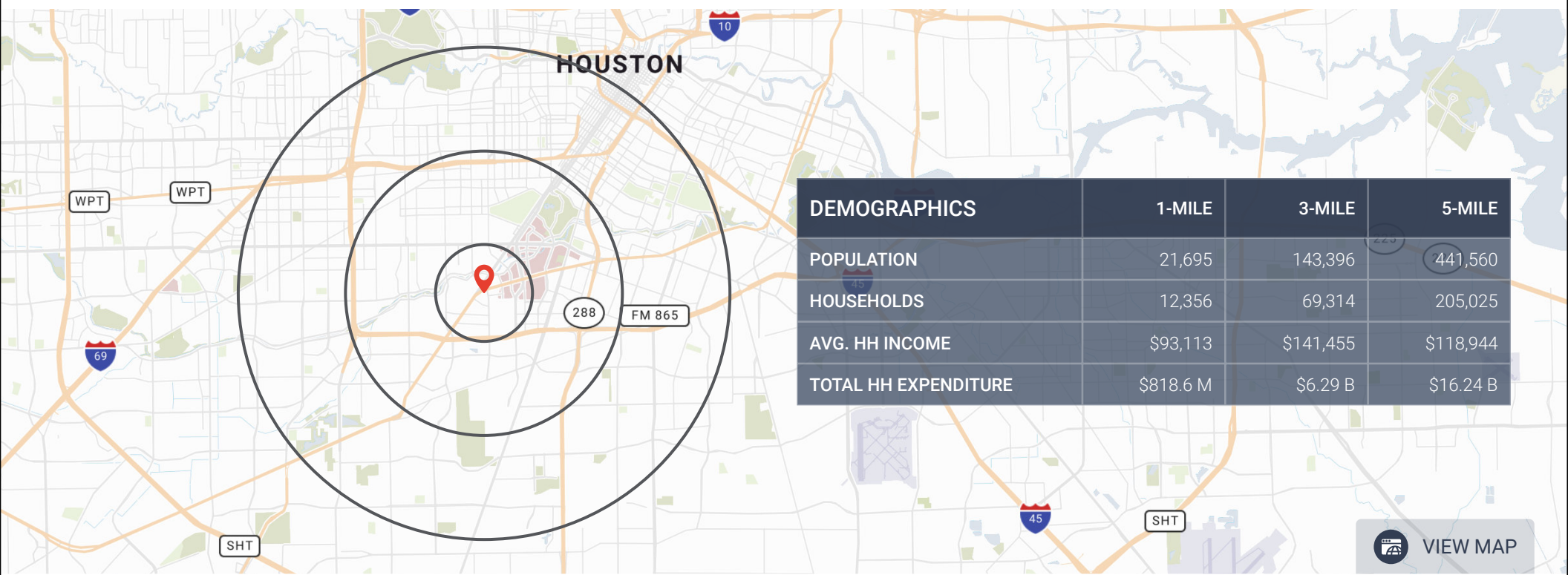
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# LOCATION OVERVIEW

REGIONS BANK | HOUSTON, TEXAS



## ECONOMIC DRIVER'S (# of Employees)

St. Luke's Episcopal Hospital Independent Practice Association, Inc. (4,500)  
CHI St. Luke's Health Baylor College of Medicine Medical Center (4,000)  
Veterans Health Administration (3,500)  
Texas Children's Hospital (2,600)  
Bertschi North America Inc. (2,500)

KS Management Services, L.L.C. (2,400)  
Harris County Hospital District (2,200)  
University of Texas System (1,500)  
The Methodist Hospital (1,300)  
Ccha Woman's Hospital (1,200)

University of Texas MD Anderson Cancer Center (1,200)  
Houston Livestock Show and Rodeo Educational Fund (1,200)  
University of Texas MD Anderson Cancer Center (1,000)  
Shell Information Technology International Inc. (1,000)  
Alcon Vision, LLC (1,000)



# LOCATION OVERVIEW

REGIONS BANK | HOUSTON, TEXAS

## HOUSTON TEXAS



**2.33 M**  
POPULATION



**\$51,203**  
MEDIAN HOUSEHOLD INCOME

**Houston** is the most populous city in Texas, as well as the 4th most populous city in the U.S, with an estimated population of 2,325,503. Located in Southeast Texas near Galveston Bay and the Gulf of Mexico, it is the seat of Harris County.

*Houston is home to the Texas Medical Center (TMC)-the largest medical center in the world, featuring both the world's largest children's hospital, Texas Children's Hospital, and world's largest cancer hospital, MD Anderson Cancer Center.*

Houston's economy since the late 20th century has a broad industrial base in energy, manufacturing, aeronautics and transportation. Leading in healthcare sectors and building oilfield equipment, Houston has the second most Fortune 500 headquarters of any U.S. municipality within its limits after New York City. Houston is the most diverse metropolitan area in Texas and is home to many cultural institutions and exhibits, attracting more than 7 million visitors a year to its

Museum District. CNN Money and Money Magazine have recognized 5 cities in the Greater Houston area over the past 3 years as part of its 100 Best Places to Live in the U.S. list. Houston has become a global city, with world-renown strength in medicine and research. Houston is home to the Texas Medical Center (TMC)-the largest medical center in the world, featuring both the world's largest children's hospital, Texas Children's Hospital, and world's largest cancer hospital, MD Anderson Cancer Center. TMC offers over 9,200 patient beds and has over 8 million patient visits per year. Within 1,345 total acres, TMS is the 8th largest business district in the entire U.S. TMC employs over 106,000 people and has over \$3 billion in construction projects underway. Houston is also home to several universities including Rice University, Texas Southern University and The University of Houston.

**15T**

IF HOUSTON WERE A  
STATE,  
ITS ECONOMY WOULD  
RANK 15TH IN THE  
U.S.

**26,280**

TMC DELIVERS 1  
BABY EVERY 20  
MINUTES, RESULTING  
IN APPROXIMATELY  
26,280 BIRTHS PER  
YEAR.



### HOUSTON TO SEE AMONG FASTEST ECONOMIC GROWTH IN U.S. THROUGH 2023

Erin Douglas, December 24, 2019 (*Houston Chronicle*)

Texas cities will grow for different reasons than Silicon Valley, though. While San Francisco has a more favorable mix of industries projected to grow and a highly skilled workforce, Dallas and Houston will grow for almost the opposite reason.

Houston's economy is likely to grow faster than most other major metro economies in the next few years, according to an analysis by Matthew Mowell, a senior economist at Oxford Economics.

While Dallas and Houston have industries that are not predicted to grow as much, low costs and low regulation allow the industries that are there **to grow at a faster pace than other areas.**

Between 2019 and 2023, the most successful very large U.S. metro economies are projected to be San Francisco, Dallas and Houston.

Chicago is expected to see the slowest growth of the top ten largest U.S. metros between now and 2023. The city's corporate headquarters and professional services firms are expected to be outweighed by its poor financial position as well as the struggles of the broader Midwest region, such as the lack of an information economy and Houston.



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### TEXAS RECOGNIZED AS SECOND BEST STATE FOR BUSINESS, WHILE HOUSTON EXPECTED TO SEE KEY ECONOMIC GROWTH

John Egan, December 30, 2019 (*innovationmap*)

In a report released December 23, economic forecasting and analysis firm Oxford Economics predicted Houston and Dallas-Fort Worth will enjoy a greater share of economic growth through 2023 than any other mega-metro area in the U.S. except San Francisco.

Meanwhile, Forbes magazine declared on December 19 that Texas is the second best state for business, behind only North Carolina. Texas previously sat in the No. 3 spot on the Forbes list, preceded by North Carolina and Utah.

In a recent forecast, **the Greater Houston Partnership envisions the Houston area adding 42,300 jobs in 2020**, mostly outside the energy sector.

Through 2023, Oxford Economics forecasts average compound GDP growth of 2.4 percent in Houston and Dallas-Fort Worth. Among the country's 10 biggest metro areas, only the projection for San Francisco is higher (2.7 percent).

For Houston, the 2.4 percent figure would be an improvement over recent economic performance. From 2014 to 2018, the region's GDP growth rate was 1 percent, while it was 1.5 percent for 2015-19. In the 2020-21 timeframe, the growth rate for Houston is expected to be 1.9 percent.

Among the region's top-performing sectors in 2020 will be healthcare, government, food services, and construction, the partnership says. Meanwhile, the energy, retail, and information sectors are expected to shrink.



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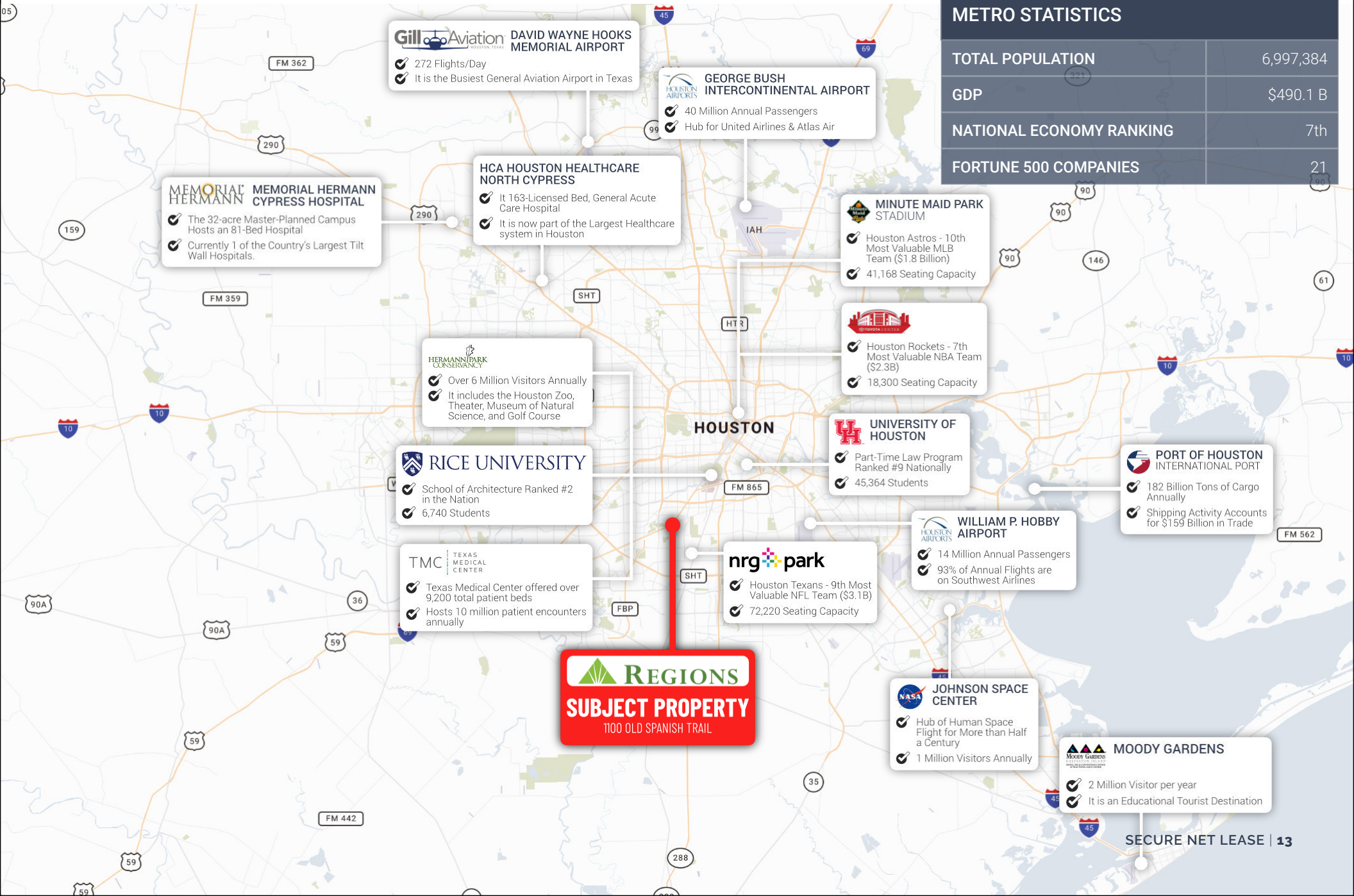


# THE HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA (MSA)

REGIONS BANK | HOUSTON, TEXAS

## METRO STATISTICS

TOTAL POPULATION	6,997,384
GDP	\$490.1 B
NATIONAL ECONOMY RANKING	7th
FORTUNE 500 COMPANIES	21





# SECURE

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*WE LOOK FORWARD TO HEARING FROM YOU*

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**LOS ANGELES OFFICE**

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El Segundo, CA 90245  
(424) 220-6430

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# TEXAS DISCLAIMER

REGIONS BANK | HOUSTON, TEXAS

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## **APPROVED BY THE TEXAS REAL ESTATE COMMISSION FOR VOLUNTARY USE**

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

### **INFORMATION ABOUT BROKERAGE SERVICES**

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests

of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- ▷ shall treat all parties honestly;
- ▷ may not disclose that the owner will accept a price less than the asking price submitted in a written offer unless authorized in writing to do so by the owner;
- ▷ may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- ▷ may not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.