

SECURE  
NET LEASE

SUBJECT PROPERTY



**7-ELEVEN** (S&P: AA-)  
RARE 10% RENT INCREASES EVERY 5 YEARS

**\$5,560,000 | 4.50% CAP**

12776 East Freeway Houston, TX 77015

- ✓ New 15-Yr Corp. Absolute NNN Lease
- ✓ 10% Rent Bumps Every Five Years
- ✓ Largest Chain Retailer in the World
- ✓ Adjacent to Interstate 10
- ✓ Property Includes Laredo Taco Company, 7-Eleven Owned Mexican Food Chain



7-Eleven, Inc the Irving, Texas-based c-store chain, operates, franchises and/or licenses almost 70,000 stores in 17 countries, including more than 12,000 locations in North America, making it the largest retailer in the world.



# INVESTMENT OVERVIEW

7-ELEVEN | HOUSTON, TEXAS

## \$5,560,000 | 4.50% CAP



**\$250,184**

NOI



**±3,010 SF**

BUILDING AREA



**±0.66 ACRES**

LAND AREA



**2020**

YR BUILT



**100%**

OCCUPANCY



**ABSOLUTE NNN**

LEASE TYPE

- ✓ **15-Year Corporate Absolute NNN Lease.** Rare NNN lease with 10% rent increases every 5-years, starting year 6 in primary term and year 16 in options.
- ✓ **Brand new 7-Eleven property featuring Laredo Taco Company, 7-Eleven's own authentic Mexican food chain.** 7-Eleven (S&P rated AA-) operates more than 11,800 company-owned, or franchised convenience stores in North America. Globally, 7-Eleven licenses more than 69,000 stores in over 18 countries.
- ✓ **The property is located along Interstate-10, the southernmost cross-country highway** in the U.S. with over 300,000 VPD.
- ✓ **Located near many roadside hotels and motels national credit tenants, including:** Jason's Deli, Church's Chicken, Burger King, Subway, Taco Bell, Popeye's, Harbor Freight Tools, O'Reilly Auto Parts and AutoZone
- ✓ Stellar demographics and the **Houston region is 5th largest MSA in the U.S.**

## SECURE

### NET LEASE

CONTACT FOR DETAILS

**MATTHEW SCOW**

EXECUTIVE VICE PRESIDENT

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# TENANT OVERVIEW

7-ELEVEN | HOUSTON, TEXAS



## 7-ELEVEN (7-Eleven.com)

LESSEE: 7-ELEVEN, INC.

**\$205M**

REVENUE

**S&P : AA-**

CREDIT RATING

**SVNDY**

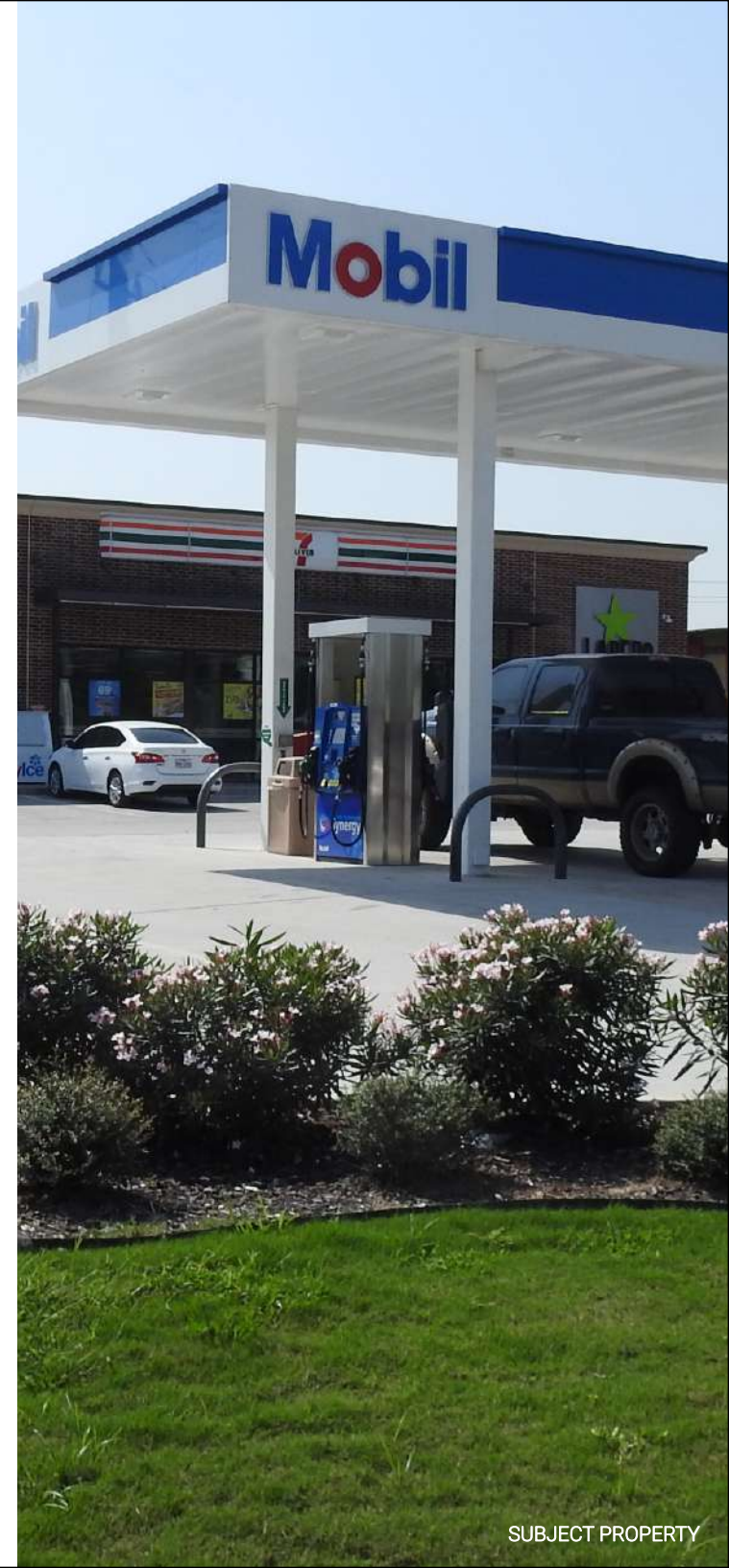
STOCK TICKER

The brand name 7-Eleven is part of an international chain of convenience stores, operating under Seven-Eleven Japan Co., Ltd., primarily as a franchise. It is the largest chain store operator with approximately 65,000+ locations operating around the world, surpassing the previous record-holder McDonald's Corporation in 2007. Its stores are located in sixteen countries, with its largest markets being Japan, the United States, Canada, the Philippines, Hong Kong, Taiwan, Malaysia and Thailand. The US chain has its headquarters in Irving, Texas. The company operates, franchises and licenses more than 9,800+ stores in the U.S. and Canada. Of the more than 9,800 stores the company operates and franchises in the United States, approximately 8,000 are franchised. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999. 7-Eleven focuses on meeting the needs of convenience-oriented customers by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean and friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local customers. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. 7-Eleven Accolades include: Ranked #1 on Entrepreneur magazine's 2017 Top Global Franchises List; Ranked #1 spot on Entrepreneur magazine's Franchise 500's Top 10 Most Popular Retail Companies for 2016 and No.2 in Forbes magazine's Top 20 Franchises to Start. 7-Eleven is rated No. 2 on FranchiseRanking.com for Best Convenience Store Franchise Company USA, and among GI jobs magazine's Top 100 Military Friendly Employers.



**70,000**

TOTAL LOCATIONS



### 7-ELEVEN SEEKING 20,000 WORKERS ACROSS US LOCATIONS, ADDING TO 50,000 ALREADY HIRED SINCE MARCH

Daniella Genovese, September 21 (Fox Business)

7-Eleven is seeking to hire an additional 20,000 employees nationwide as it looks to meet continued demand for its products amid the COVID-19 pandemic.

The new hires, which will fill positions across more than 9,000 U.S. stores, will also help with orders through the company's 7NOW delivery app, which has seen an uptick in orders since the pandemic hit the country earlier this month,

In hiring 20,000 more employees, 7-Eleven CEO Joe DePinto says the company will be able to *"continue to fulfill our mission to give customers what they want, when and where they want it, whether in stores or at home."*

the company announced Monday.

7-Eleven was classified as an essential retailer, meaning its convenience retail stores remained open since March although it quickly enhanced its cleaning procedures and added extra safety protocols to protect employees and customers.

Since then, the company -- including its independent 7-Eleven franchise owners -- has hired more than 50,000 workers to assist in its operations during the course of the pandemic.



[CLICK HERE TO READ MORE](#)

### 7-ELEVEN QUIETLY GROWS RESTAURANT CHAIN

Peter Romeo, February 27, 2020 (Restaurant Business)

7-Eleven is trying a new way of competing with traditional quick-service restaurants: shoehorning a Mexican restaurant inside its stores.

The convenience store giant started installing units of Laredo Taco Company inside its retail outlets about a year ago. It's now tinkering with a new c-store format known internally as the Evolution concept, which prominently features Laredo as part of the design's expanded food and beverage options. Three Evolution-style 7-Elevens are currently open, with more expected to be

*7-Eleven has been a leader in blurring the line between c-stores and traditional quick-service restaurants.*

developed across the country this year, according to CSP, a sister publication of Restaurant Business.

Also included in the Evolution format is a section called The Cellar, featuring wines and craft beers for on-premise consumption as well as takeout. Patrons of Laredo can dine on-site in an indoor seating section as well as on a patio.

Laredo, a proprietary brand, specializes in handmade tacos and other Mexican street foods, all made from scratch. 7-Eleven acquired it through a complicated \$3.3 billion deal with Sunoco in 2018. Included in the purchase were about 1,000 units of Stripes, a regional c-store chain that featured a Laredo-branded counter inside its stores. The quick-service station drew a cult following with its handmade tacos and other Mexican street foods.



[CLICK HERE TO READ MORE](#)



# LEASE OVERVIEW

7-ELEVEN | HOUSTON, TEXAS

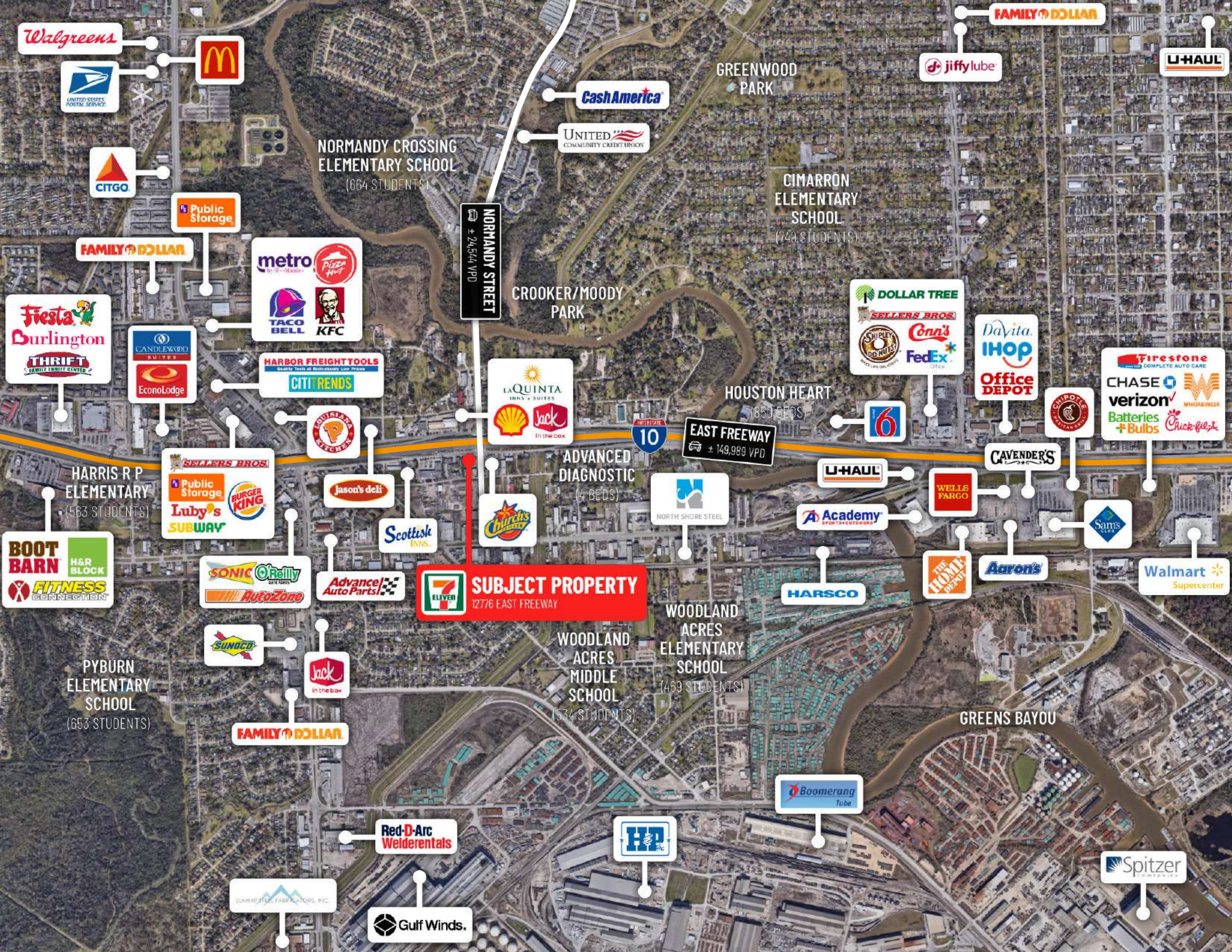
INITIAL LEASE TERM	15 Years, Plus Four, 5 - Year Options to Renew
PROJECTED RENT COMMENCEMENT	August 2020
PROJECTED LEASE EXPIRATION	July 2035
LEASE TYPE	Corporate Absolute NNN Lease
RENT INCREASES	10% bumps every 5 years, In Primary Term & Options
ANNUAL RENT YRS 1-5	\$250,184
ANNUAL RENT YRS 6-10	\$275,202
ANNUAL RENT YRS 11-15	\$302,723
OPTION 1	\$332,995
OPTION 2	\$366,294
OPTION 3	\$402,924
OPTION 4	\$443,216

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SUBJECT PROPERTY





Walgreens



PYBURN ELEMENTARY SCHOOL  
(653 STUDENTS)

NORMANDY CROSSING ELEMENTARY SCHOOL  
(664 STUDENTS)

NORMANDY STREET  
± 24,544 VPD



ADVANCED DIAGNOSTIC  
(4 BEDS)



**SUBJECT PROPERTY**  
12776 EAST FREEWAY

WOODLAND ACRES MIDDLE SCHOOL  
(534 STUDENTS)

WOODLAND ACRES ELEMENTARY SCHOOL  
(459 STUDENTS)

GREENWOOD PARK



CROOKER/MOODY PARK

HOUSTON HEART  
(1853 BEDS)



GREENS BAYOU





# SITE OVERVIEW

7-ELEVEN | HOUSTON, TEXAS

 **2020**  
YR BUILT

 **±3,010 SF**  
BUILDING AREA

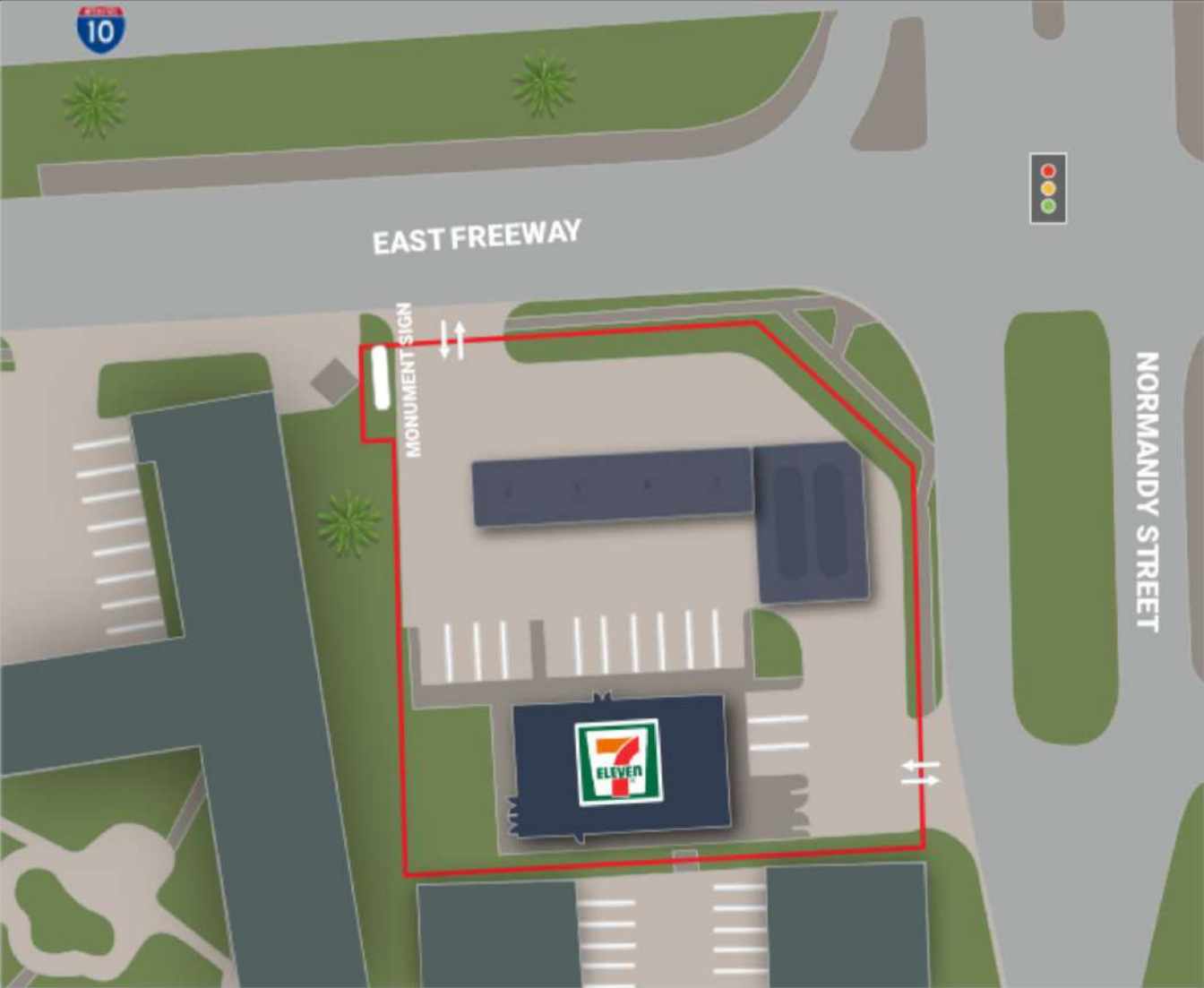
 **±0.66 ACRES**  
LAND AREA

## NEIGHBORING RETAILERS

- |                     |                           |
|---------------------|---------------------------|
| Jack in the Box     | Advance Auto Parts        |
| O'Reilly Auto Parts | Dollar Tree               |
| Sonic Drive-In      | Shipley Do-Nuts           |
| AutoZone Auto Parts | IHOP                      |
| Burger King         | Office Depot              |
| Subway              | Academy Sports + Outdoors |
| Family Dollar       | The Home Depot            |
| Walgreens           | Aaron's                   |
| McDonald's          | Sam's Club                |
| U.S Postal Service  | Chick-fil-A               |
| Shell               | Walmart Supercenter       |

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8 | SECURE NET LEASE

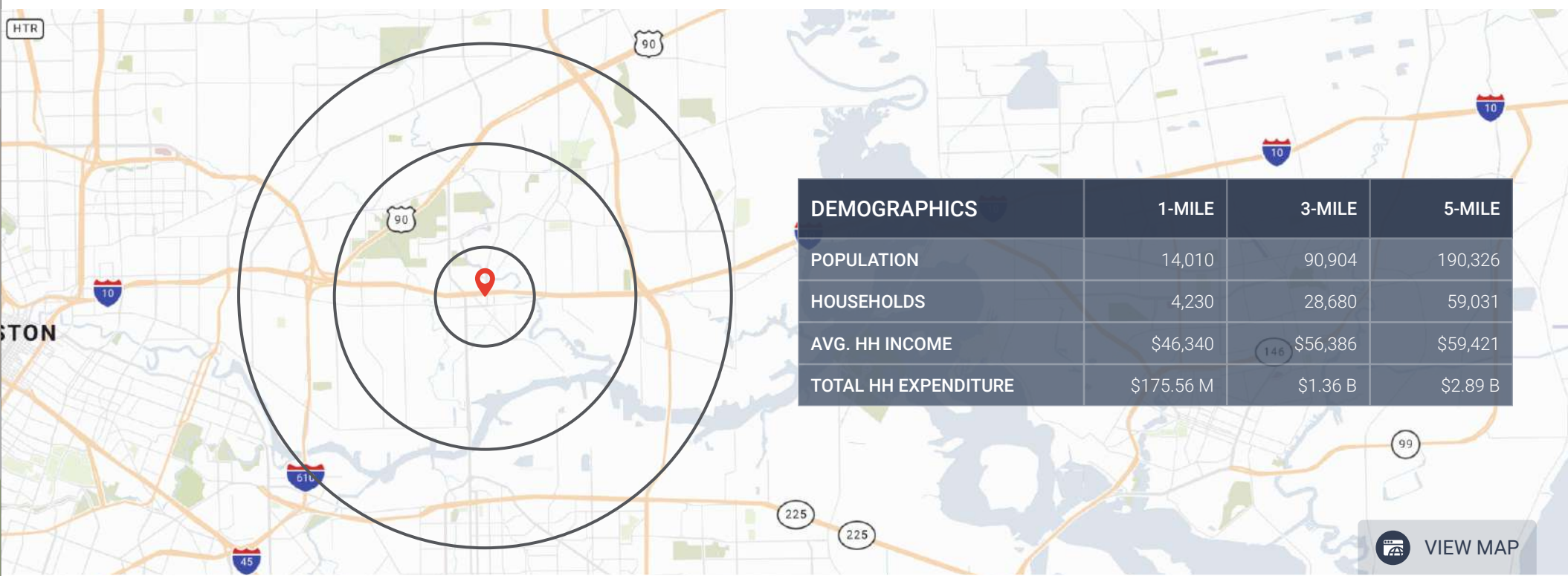


SUBJECT PROPERTY



# LOCATION OVERVIEW

7-ELEVEN | 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

7-ELEVEN | HOUSTON, TEXAS



## HOUSTON TEXAS



**2.33 Million**  
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. The University of Houston's annual impact on the area's economy equates that of a major corporation: \$1.1 billion in new funds attracted annually to the Houston Area, \$3.13 billion in total economic benefit, and 24,000 local jobs created.

**15TH**

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

**2023**

HOUSTON IS  
EXPECTED TO SEE  
THE FASTEST  
ECONOMIC GROWTH  
IN U.S. THROUGH  
2023



### HOUSTON CROWNED ONE OF THE WORLD'S TOP CITIES OF THE FUTURE IN NEW REPORT

Natalie Harms, August 26, 2020 (*Culturemap Houston*)

Houston comes in third on a prestigious new list ranking which cities are on track for continued global business success. The inaugural fDi Tier 2 Cities of the Future 2020/21 evaluated second-tier cities — defined as non-capital cities with a population under 8 million.

Last year, Houston ranked in the No. 5 position on fDi's North American ranking. In this new report for 2020/2021, the city ranks No. 3 overall. Houston also takes the No. 3 spot for human capital and lifestyle and ranks No. 7 for economic

*With superior global access, a business-friendly climate, exceptional quality of life and a highly educated workforce, **Houston is well positioned** to continue to build on that momentum in the years ahead.*

growth potential.

The report evaluated 116 data points across the five categories: economic potential, cost effectiveness, business friendliness, connectivity, and human capital and lifestyle.

"This ranking is further evidence of Houston's place among the world's great global cities," says Susan Davenport, chief economic development officer for the Greater Houston Partnership, in a news release. "Houston today competes at a higher level than ever before when it comes to foreign direct investment and our business ties to cities and countries around the world.



CLICK HERE TO READ MORE

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

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

Houston and the rest of Texas received two early Christmas presents signaling that their economies continue to percolate.

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

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

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.

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).

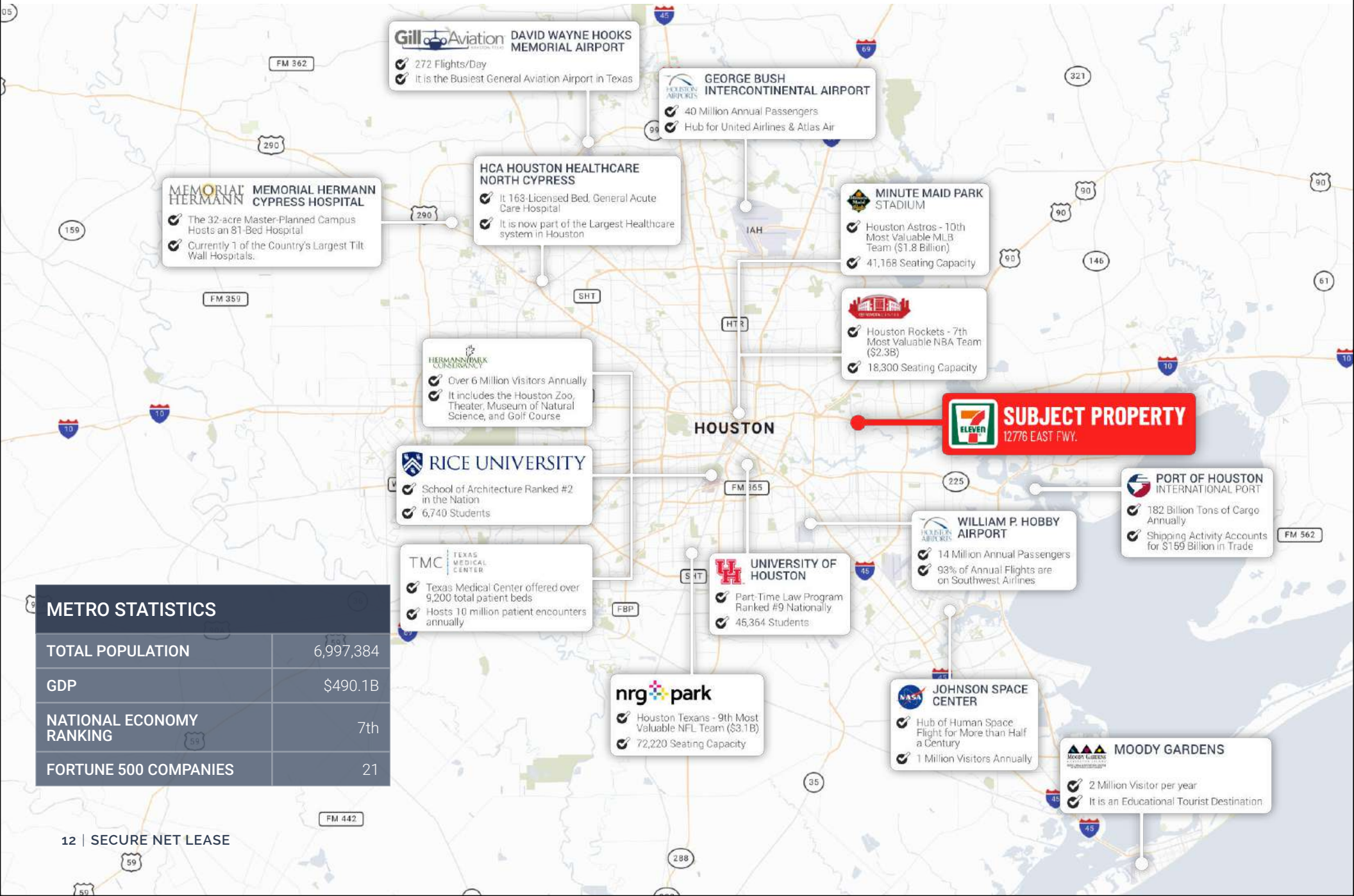
For Houston, the 2.4 percent figure would be an improvement over recent economic performance. From 2014 to 2018, the region's GDP growth rate was 1 percent, while it was 1.5 percent for 2015-19. In the 2020-21 timeframe, the growth rate for Houston is expected to be 1.9 percent.



CLICK HERE TO READ MORE

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

7-ELEVEN | HOUSTON, TEXAS



## METRO STATISTICS

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



# SECURE

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NET LEASE

*WE LOOK FORWARD TO HEARING FROM YOU*

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# TEXAS DISCLAIMER

7-ELEVEN | HOUSTON, TEXAS

## **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.