



5858
W. NORTHWEST HWY.
DALLAS, TX

OFFERING MEMORANDUM

Regions Bank Preston Center

**RARE INVESTMENT OPPORTUNITY
IN DALLAS'S EXCLUSIVE
PRESTON CENTER SUBMARKET**



DALLAS LOVE FIELD
AIRPORT

BLUFFVIEW
\$224,719
AVERAGE HOUSEHOLD INCOME

PRESTON HOLLOW
\$231,001
AVERAGE HOUSEHOLD INCOME

 **REGIONS**

5858 W. Northwest Hwy.
Dallas, TX

DALLAS NORTH TOLLWAY
(±132,097 VPD)

BERKSHIRE LN

DOUGLAS AVE

W NORTHWEST HWY
(±56,000 VPD)

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EXECUTIVE

— summary —

Offering Summary

Colliers' Retail Capital Markets Team is pleased to present the rare opportunity to acquire the trophy Regions Bank Preston Center located in the heart of Dallas, Texas. This asset is an exceptional opportunity to secure 19 years of stable cash flow with 2% annual increases from a strong performing $\pm 2,700$ square foot Regions Bank (S&P: A-) store located in one of the wealthiest sub-markets in the country.

- ✓ New long-term 19-year lease
- ✓ Located in one of the wealthiest zip codes in the USA
- ✓ Absolute NNN ground lease
- ✓ Secure and stable cash flow with annual increase
- ✓ Strong Performing Regions Bank branch
- ✓ Trophy infill Preston Center location
- ✓ Dallas's premier shopping destination
- ✓ Synergistic mix of surrounding retail and office buildings

The Property is ideally situated on the busy W Northwest Hwy and within the prestigious Preston Center, one of the most amenity-rich, supply constrained sub-markets in the US.

Investment Summary

Pricing Summary		Property Information	
Sale Price	Best Offer	Lease Expiration	10/7/2038
Tenant	Regions Bank	Total Rentable Square Feet	$\pm 2,700$
Current Rent	\$423,300	Total Land Area	$\pm 51,344$ SF (1.18 Acres)
Current Occupancy	100%	Parking	30
Reimbursements	NNN	Parking Ratio	11.11:1,000
Term Remaining	± 19 yrs		



Investment Highlights



New Construction Regions Bank on an 19-Year Absolute NNN Lease



Located in Preston Center, Dallas's premiere shopping and dining destination



Desirable 2% annual increases



Incredible visibility with over 56,000 VPD passing the site on W Northwest Hwy, one of the city's major east/west thoroughfares



Located in one of the wealthiest zip codes in America with a median household income of \$245,611



Regions Financial Corporation (NYSE:RF) has over 1,500 Bank Branches and over 2,000 ATM's



Extremely secure investment grade credit tenant (S&P: A-)





PROPERTY

—description—



DOWNTOWN DALLAS

HIGHLAND PARK
\$252,009
AVERAGE HOUSEHOLD INCOME

UNIVERSITY PARK
\$262,251
AVERAGE HOUSEHOLD INCOME



5858 W. Northwest Hwy.
Dallas, TX



DALLAS NORTH TOLLWAY
(±132,097 VPD)

W NORTHWEST HWY
(±56,000 VPD)

DOUGLAS AVE



Physical Description

Property Name	Regions Bank Preston Center
Address	5858 W. Northwest Highway, Dallas, Texas 75225
Cross Street	Douglas Avenue
Square Footage (GLA)	±2,700 SF
Land Area	± 51,344 SF (1.18 Acres)
APN(s)	005625000102B0000
Year Built	2018
Property Type	Absolute NNN with Zero LL Responsibilities
Type of Ownership	Leased Fee (Ground Lease)
Term Remaining	± 19 Years

Location Description

The Subject is located at the southwest block of the intersection of W Northwest Hwy and Douglas Ave in the city of Dallas, Dallas County, in the state of Texas.

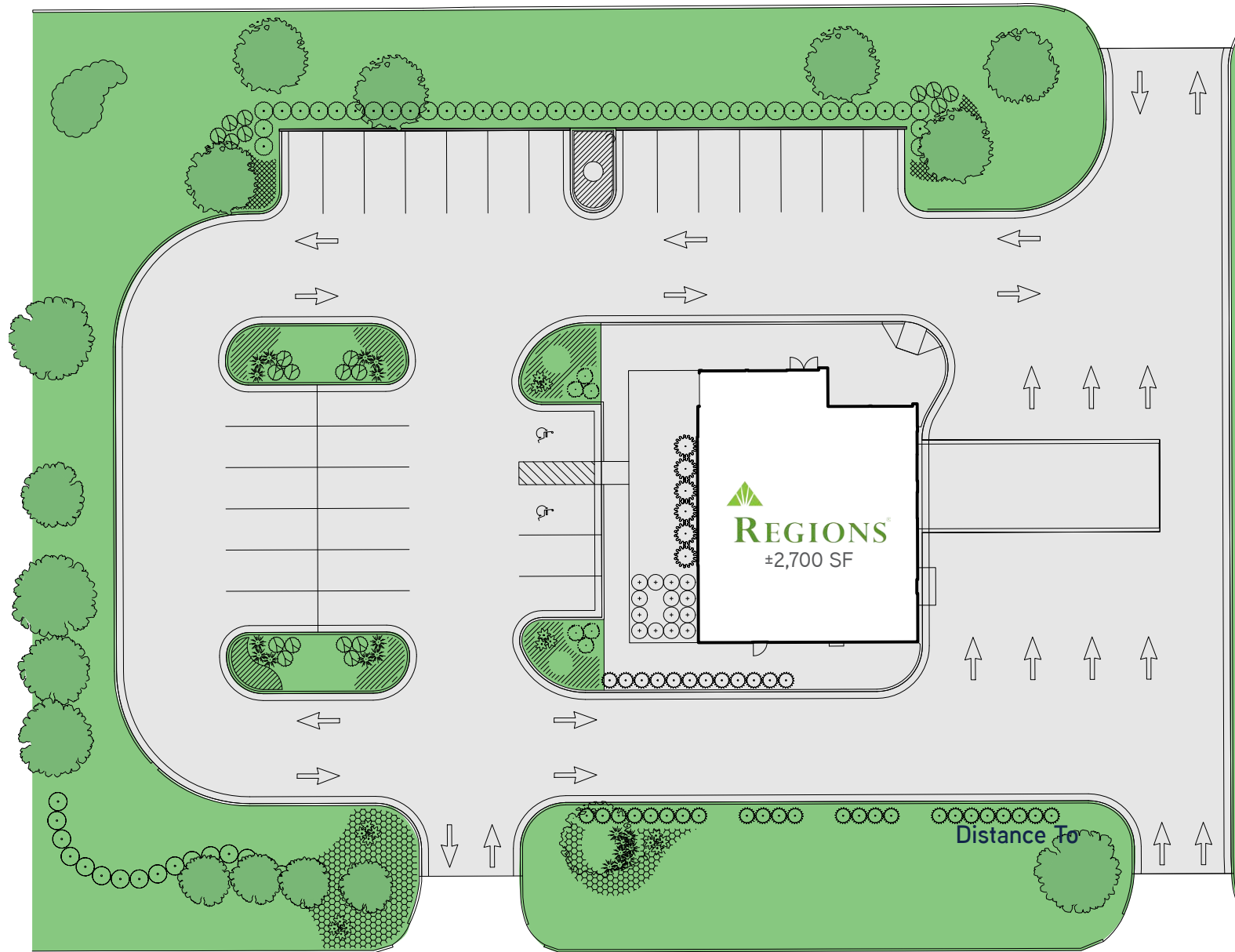
North	The subject is bordered to the North by Preston Hollow, an ultra-high net worth residential sub-division
South	The subject is bordered to the South by multiple sky scraper office buildings.
East	The subject is bordered to the East by additional retail properties
West	The subject is bordered to the West by retail properties and residential properties.

Traffic Counts

	Vehicles Per Day
Dallas North Tollway	132,097
W. Northwest Hwy	56,000



Site Plan



Preston Center Retail and Banking Corridor



5858 W. Northwest Hwy.
Dallas, TX

Dallas North Tollway (±132,097 VPD)

W Northwest Hwy (±56,000 VPD)

12
TEXAS

Douglas Ave

ton Rd



±6 MILES
DOWNTOWN DALLAS

Banking Institutions

- | | | |
|-------------------|---------------|--------------------------|
| 1 Bank of America | 6 FIRST UNION | 11 Simmons Bank |
| 2 WELLS FARGO | 7 CHASE | 12 Beal Bank |
| 3 Origin Bank | 8 INDEPENDENT | 13 THIRD COAST BANK |
| 4 NEXBANK | 9 BBVA | 14 Guaranty Bank & Trust |
| 5 Comerica | 10 Bank OZK | |

Shopping | Retail

- | | | |
|--------------------------|------------------|------------------------|
| 1 BACHENDORF'S | 11 ORVIS | 21 occhiali |
| 2 BACON BAGGAGE | 12 SPEC'S | 22 indiana |
| 3 CASTLE GAP JEWELRY CO. | 13 POCKETS | 23 KID BIZ |
| 4 CVS pharmacy | 14 Q CLOTHIER | 24 new balance |
| 5 DSW | 15 SwOzie's | 25 DIAMONDS DIRECT |
| 6 J.S.A. BANK | 16 TOOTSIES | 26 ELIZABETH'S JEWELRY |
| 7 EVERYTHING BUT WATER | 17 Tom Thumb | 27 Clothes Circuit |
| 8 KENDRA SCOTT | 18 YLANG 23 | 28 Collectors Covey |
| 9 Lucy | 19 MATTHEW TRENT | 29 CVM |
| 10 Office DEPOT | 20 RR | |

Restaurants | Eateries

- | | | |
|-----------------|-----------------|---------------|
| 1 CARLO'S | 11 NICK & SAM'S | 21 taco joint |
| 2 CHIPOTLE | 12 Panini | 22 [Logo] |
| 3 corner bakery | 13 Yolk | 23 barbot |
| 4 FLYING FISH | 14 R+D KITCHEN | 24 True Food |
| 5 hopdoddy | 15 salata | 25 unrefined |
| 6 HILLSTONE | 16 SEVYS | 26 [Logo] |
| 7 Jamba Juice | 17 Sprinkles | 27 FEI WEI |
| 8 JIMMY JOHN'S | 18 SOUTHPAWS | |
| 9 MASA MEXICANA | 19 Susie Cakes | |
| 10 MONTLAKE CUT | 20 TACO DINER | |

Services

- | | | |
|--------------------|-------------------|-----------------------|
| 1 cadraft | 7 spa810 | 13 [Logo] |
| 2 bellocures | 8 Miracle-Ear | 14 [Logo] |
| 3 benefit | 9 SOULCYCLE | 15 DEE & HATIE |
| 4 GOLD'S GYM | 10 WARRA ISOL | 16 THE TUTORING PLACE |
| 5 Hilton | 11 CANOUSEL NAILS | |
| 6 PARK PLAZA SALON | 12 SPEED FLEX | |





AREA

— overview —

5858 W. Northwest Hwy. | Dallas, TX

Dallas Overview



8.3%

POPULATION GROWTH

Ranked 2nd Fastest Growing MSA
in the past 5 years



7 MILLION

MSA POPULATION RANKED

— 4TH LARGEST U.S. METRO AREA —

10.5 MILLION PROJECTED
BY 2040



STATE FOR DOING

BUSINESS



IN NATION

FOR HIRING COLLEGE GRADUATES

— 75,000 ANNUALLY —



3.9%
UNEMPLOYMENT
RATE



3.3%
JOB GROWTH
— FUTURE JOB GROWTH —
42% OVER THE NEXT
10 YEARS



#1

EXPORTING
STATE IN THE NATION
— FOR 12 YEARS IN A ROW —

4.3%
— PROJECTED —
GPD GROWTH
THROUGH 2019



Industry Employment



Mining, Logging & Construction

6.6%

Annual Job Growth



Financial Activities

4.6%

Annual Job Growth



Professional & Business Services

4.5%

Annual Job Growth



Leisure & Hospitality

3.9%

Annual Job Growth

Preston Center Overview

*Prestigious Neighborhood
Ideal for a Banking Institution*

1

University Park

\$262,251

Average Household Income

\$1,421,158

Median Housing Value

2

Highland Park

\$252,009

Average Household Income

\$1,775,105

Median Housing Value

3

Preston Hollow

\$231,001

Average Household Income

\$954,787

Median Housing Value

4

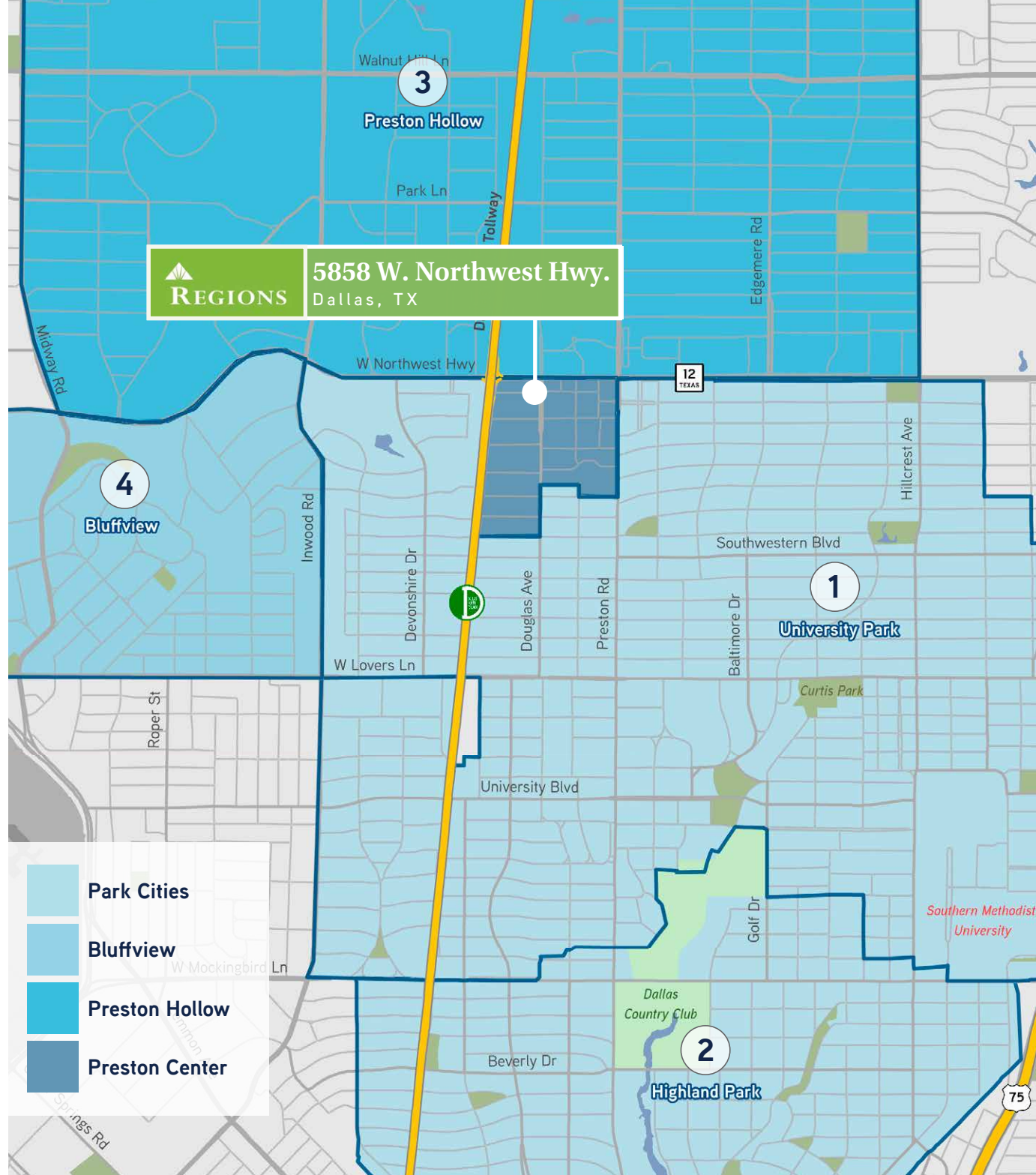
Bluffview

\$224,719

Average Household Income

\$976,434

Median Housing Value



Major Dallas Neighborhoods

Preston Center, Dallas, TX

Located between the affluent Park Cities and Preston Hollow neighborhoods, Preston Center has maintained its position as a premier and exclusive retail and office center. Situated at the intersection of the Dallas North Tollway and Northwest Highway, the property has tremendous accessibility to central Dallas. With over 2.7 million SF of office and over 48 restaurants and shops, Preston Center is a bustling business center that provides business professionals with plenty of walkable lunch and dinner options during the week. The center also provides a short trip to the many offerings of high-end restaurants and shops that attract residents of Dallas' most affluent nearby neighborhoods.

Park Cities

University Park and Highland Park

Collectively known as Park Cities, the City of University Park and the Town of Highland Park are two municipalities surrounding Preston Center. The Park Cities boast the highest median household incomes in Dallas, and is home to many of the decision makers that office in Preston Center. The area is served by Highland Park High school which is consistently ranked as one of the best public school systems in Texas. Southern Methodist University, a private University with a total enrollment of over 11,000 students is also located within the Park Cities.

Preston Hollow

Bordering Preston Center and the Park Cities to the North is the prestigious neighborhood of Preston Hollow. Like the Park Cities, Preston Center serves as the closest office park to the decision makers that call Preston Hollow home. These neighborhoods are home to some of the wealthiest people in the country, including Mark Cuban, Andy Beal and former President George W. Bush.







FINANCIAL

— overview —

Rent Roll

Tenant	Lease Start	Lease End	Square Feet	Contract Rental Rate		Rent Per Sq.Ft		Rent Increases	Options
				Year	Month	Year	Month		
Regions Bank	Oct-18	Oct-38	±2,700 SF	\$423,300	\$35,275	\$156.78	\$13.06	2% Annual Increase	4 x 5 yr
								Option 1-4	*Reference Lease Abstract





Regions Lease Abstract

Lessor	DB Five Grill, L.P.
Lessee	Regions Bank
Tenant Name	Regions Bank
Tenant Size (SF)	± 2,700 SF
Lease Commencement Date	10/8/2018
Expiration Date	10/7/2038
Lease Term	240 months
Remaining Lease Term (Current-10/7/2038)	228 months
No. & Term of Options	4 x 5 yr
Contractual Rental Rate (Current-10/7/2020)	\$35,275.00
Option 1-4	Annual 2% Increases
Option Increases	Rent for each renewal term is equal to 95% of the fair market rental value of the leased premises while not less than 102% of the basic rent of the day before the commencement of the renewal Term.
Lessee Operating Expenses	Tenant shall pay directly to the proper authorities charged with the collection thereof all charges for water, sewer, gas, oil, electricity, telephone and other utilities or services used or consumed on the Leased Premises during the Term.
Property Tax Expense	Commencing on the Commencement Date and throughout the remainder of the Term, Tenant shall pay and discharge all taxes prior to delinquency.
Property Insurance	Tenant shall maintain at its sole cost and expense all insurance premiums associated with the property.
Maintenance & Repairs	Tenant shall at all times keep and maintain the Leased Premises, including, without limitation, the Improvements, landscaping and parking areas, in good repair and appearance, and shall promptly make all repairs and replacements of every kind and nature, whether foreseen or unforeseen, which may be required to be made upon or in connection with any of the Leased Premises in order to keep and maintain the Leased Premises in a first class condition and order of repair, ordinary wear and tear and damage due to casualty or condemnation excepted.
Estoppel	Landlord and Tenant shall, at any time and from time to time, upon not less than fifteen (15) days' prior written request by the other, execute, acknowledge and deliver to the other and lender.

Rent Increase Schedule	
10/8/2020-10/7/2021	\$35,980.50
10/8/2021-10/7/2022	\$36,700.11
10/8/2022-10/7/2023	\$37,434.11
10/8/2023-10/7/2024	\$38,182.79
10/8/2024-10/7/2025	\$38,946.45
10/8/2025-10/7/2026	\$39,725.38
10/8/2026-10/7/2027	\$40,519.89
10/8/2027-10/7/2028	\$41,330.29
10/8/2028-10/7/2029	\$42,156.89
10/8/2029-10/7/2030	\$43,000.03
10/8/2030-10/7/2031	\$43,860.03
10/8/2031-10/7/2032	\$44,737.23
10/8/2032-10/7/2033	\$45,631.97
10/8/2033-10/7/2034	\$46,544.61
10/8/2034-10/7/2035	\$47,475.51
10/8/2035-10/7/2036	\$48,425.02
10/8/2036-10/7/2037	\$49,393.52
10/8/2037-10/7/2038	\$50,381.39

Tenant Overview



Regions Financial Corporation

www.regions.com

Regions Financial Corporation (NYSE:RF), with \$129 billion in assets, 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, and through its subsidiary, Regions Bank, operates approximately 1,500 banking offices and 2,000 ATMs. Regions is headquartered in Birmingham.

For the year 2018, Regions reported record net income available to common shareholders from continuing operations of \$1.5 billion, a 28 percent increase over the prior year. Earnings per diluted share from continuing operations grew by 39 percent, to \$1.36. Adjusted pre-tax pre-provision income was at its highest level since 2007, increasing 12 percent over the prior year. Region Financial Corporation's focus on continuous improvement generated almost 4 percent of adjusted positive operating leverage and lowered the adjusted efficiency ratio by 210 basis points, for a full-year adjusted ratio of 59.3 percent. The company remains committed to continue the improvement of their efficiency ratio.

RANKS

on the Fortune 500

RANKED 15th

Nationally in Total Deposits**

\$129B*

Total Assets

\$96B*

Ending Deposits

*As of March 31, 2019

** Pro-forma for announced M&A transactions as of 4/30/19 Data Sourced from regions.com, finance.yahoo.com

Ownership	Regions Financial Corporation
Revenue (ttm)	\$5.46 Billion
Headquartered	Birmingham, AL





Information About Brokerage Services

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

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 other, including the broker's own interest;
- 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.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent/

AS AGENT FOR BUYER/TENANT: The broker becomes the buyers/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 opinion 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:
 - That the owner will accept a price less than the written asking price;
 - That the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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 interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISHED:

- 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 purposed. 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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Buyer/Tenant/Seller/Landlord Initials

Date

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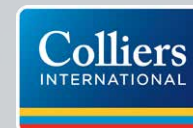
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