



# TAKE 5 OIL CHANGE GROUND LEASE

HOUSTON, TEXAS

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$1,075,000 | 5.50% CAP RATE**

- » New Long-Term Absolute NNN Ground Lease with Guaranty
- » 10% Rental Increases with No Landlord Responsibilities
- » Signalized Hard-Corner Location in Densely Populated and Affluent Texas Market
  - » 266,165 Residents Within a Five-Mile Radius
  - » Located at the Signalized Four-Way Intersection of Jones Road and Cypress North Houston Road (Combined 53,525 AADT)
- » Central Location Near Large Employers, Retailers, and Community Hubs
  - » Within Five Miles of 12 Major Shopping Centers Featuring 4.8 Million SF of Retail Space and 621 Stores
  - » Four Miles from Lone Star College – University Park (5,500 Students)
- » Located in an Income Tax Free State



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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

## LEAD BROKERS

### SCOTT CROWLE

*Managing Director*

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

### MICHAEL T. YURAS, CCIM

*Executive Managing Director*

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

### VINCENT AICALE

*Executive Director*

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

### RYAN FORSYTH

*Executive Director*

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

**YURAS  
AICALE  
FORSYTH  
CROWLE**

Leased Investment Team

[www.YAFteam.com](http://www.YAFteam.com)



# INVESTMENT SUMMARY

|                          |   |             |               |
|--------------------------|---|-------------|---------------|
| <b>ADDRESS</b>           | 12251 Jones Road, Houston, Texas 77070  |             |               |
| <b>PRICE</b>             | <b>\$1,075,000</b>  |             |               |
| <b>CAP RATE</b>          | <b>5.50%</b>  |             |               |
| <b>NOI</b>               | \$59,040  |             |               |
| <b>TERM</b>              | 11 years  |             |               |
| <b>RENT COMMENCEMENT</b> | December 9, 2019  |             |               |
| <b>LEASE EXPIRATION</b>  | December 31, 2030   |             |               |
| <b>RENTAL INCREASES</b>  | 10% rental increases every five (5) years   |             |               |
|                          | <b>YEAR</b>   | <b>RENT</b> | <b>RETURN</b> |
|                          | 1-5   | \$59,040    | 5.50%         |
|                          | 6-11  | \$64,944    | 6.05%         |
|                          | 12-16 (Option 1)  | \$71,438    | 6.65%         |
|                          | 17-21 (Option 2)  | \$78,582    | 7.32%         |
|                          | 22-26 (Option 3)  | \$86,440    | 8.05%         |
|                          | 27-31 (Option 4)  | \$95,085    | 8.86%         |
| <b>YEAR BUILT</b>        | 2020  |             |               |
| <b>BUILDING SF</b>       | 1,417 SF  |             |               |
| <b>PARCEL SIZE</b>       | ±0.37 acres (16,117 SF)   |             |               |
| <b>LEASE TYPE</b>        | Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including, roof, structure, and parking lot |             |               |

## LONG-TERM ABSOLUTE NNN GROUND LEASE

- » 11-year absolute NNN ground lease with four (4) five-year option periods
- » Tenant is responsible for taxes, insurance, and all maintenance, including roof, structure, and parking lot
- » Absolute NNN ground lease is an ideal passive investment for an out-of-area investor
- » 10% rental increases every five years, providing a hedge against inflation
- » Leased to corporate entity with more than 450 units

## SIGNALIZED HARD-CORNER LOCATION IN DENSELY POPULATED AND AFFLUENT TEXAS MARKET

- » Combined 53,525 AADT at the signalized four-way intersection of Jones Road and Cypress North Houston Road
- » 266,165 residents within a five-mile radius of the property
- » Beneficial proximity to U.S. Highway 290 (226,276 AADT) and State Route 249 (166,890 AADT), increasing traffic to the location
- » Supported by an affluent customer base, with an average annual household income of \$103,928 within a five-mile radius of the site
- » Projected nine percent AAHI increase within five miles of the site in the next five years, poising Houston and Take 5 Oil Change for significant concurrent growth

## CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Within five miles of 12 major shopping centers featuring 4.8 million SF of retail space and 621 stores, promoting crossover shopping to the location
- » Surrounded by several well-established national retailers, including Kroger, CVS Pharmacy, Walgreens, Family Dollar, Jack in the Box, Walmart Supercenter, and more
- » Four miles from Lone Star College – University Park (5,500 students)
- » Gateway to Downtown Houston, the fourth most populous city in the U.S.

## DYNAMIC TENANT SERVING A PRACTICAL NEED

- » Drive-thru oil change in less than five minutes, with the customer remaining in their vehicle during service
- » Take 5 is experiencing explosive growth and recently announced franchising plans
- » New 2020 construction located in an income tax free state







Jones Square

**HOBBY LOBBY** **BIG LOTS!**



**Aaron's**



boostmobile

**CHASE**

**Little Caesars**



Cypress North Houston Road  
(23,525 AADT)

**CVS**  
pharmacy

**Walgreens**



**Public Storage**

Timeline Construction  
Group's Automotive  
Retail Center  
(under construction)

290

/ U.S. Route 290  
(226,276 AADT)



**Cypress Fairbanks  
Medical Center Hospital**  
*An ICA Affiliated Hospital*  
(180 beds, 500 employees)

INDUSTRIAL  
REGION



**POPEYES**  
+ LOUISIANA KITCHEN +



**FAMILY DOLLAR**  
*my family, my family dollar*



Cypress  
Christian School  
(653 students)



New Tapioca Master,  
Tiger's, Crescent Moon  
Coffee Bar & Cafe

McCracken  
Office Park  
(under construction)

Jones Road  
(30,000 AADT)

**WELLS  
FARGO**



**SONIC**  
America's Drive-In





### Willowbrook Mall



249 / State Route 249  
TEXAS (166,890 AADT)



Matzke Elementary School and  
Cypress Creek High School  
(combined 4,241 students)

### Willowbrook Mall



Willowbrook  
Sports Complex



Arella on Jones  
Senior Living  
(under construction)

Timeline Construction Group's  
Automotive Retail Center  
(under construction)

Jones Road  
(30,000 AADT)

Reserve at Jones Road  
(114 units)

New Tapioca Master,  
Tiger's, Crescent Moon  
Coffee Bar & Cafe

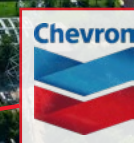
McCracken Office Park  
(under construction)



Cypress  
Christian School  
(653 students)



Cypress North Houston Road  
(23,525 AADT)







**LONE STAR COLLEGE**  
UNIVERSITY PARK  
(5,500 students)

**249 / State Route 249**  
TEXAS  
(166,890 AADT)



Petra Oil Company

Bleyl Middle School  
(1,515 students)

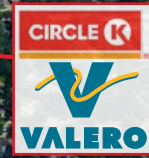
Arella on Jones  
Senior Living  
(under construction)



McCracken Office Park  
(under construction)

New Tapioca Master,  
Tiger's, Crescent Moon  
Coffee Bar & Cafe

Requested  
Personnel



**Cypress North Houston Road**  
(23,525 AADT)



Cypress  
Christian School  
(653 students)



**Jones Road**  
(30,000 AADT)



Reserve at Jones Road  
(114 units)





# SITE PLAN

CYPRESS NORTH HOUSTON ROAD



MONUMENT SIGN



1,417 SF

MONUMENT SIGN

JONES ROAD

# TENANT SUMMARY



Take 5 Oil Change began as Rapid Oil Change in 1984, doing minor repairs and maintenance services. They currently have more than 450 locations across 19 states in the U.S. In March 2016, Take 5 Oil Change was acquired by Driven Brands, a portfolio company of Roark Capital and the nation's leading automotive franchiser. Jonathan Fitzpatrick, CEO of Driven Brands, said the following of Take 5 Oil Change: "They have perfected their process and deliver industry leading customer service. Take 5 Oil Change has a phenomenal brand, operating model, and team..."

On February 21, 2019, Take 5 Oil Change announced a strategic franchise growth initiative to increase its presence across the United States. In the last 18 months, the brand signed multi-unit development deals for an additional 120 locations. In 2019, the one-of-a-kind oil change concept has plans to open 30 franchise stores and anticipates inking multi-unit franchise agreements representing the sale of 140 locations. As Take 5 grows, it is awarding franchise opportunities to qualified multi-unit owners and groups seeking to add a successful segment to their portfolio. The average Take 5 store reports annual sales of \$1.2 million.

For more information, please visit [www.take5oilchange.com](http://www.take5oilchange.com).

|                     |                 |                          |      |
|---------------------|-----------------|--------------------------|------|
| <b>HEADQUARTERS</b> | New Orleans, LA | <b># OF LOCATIONS</b>    | 450+ |
| <b>OWNERSHIP</b>    | Driven Brands   | <b>YEARS IN BUSINESS</b> | 35   |



Driven Brands is the parent company of North America's leading automotive brands, including Maaco, Meineke, Merlin, Drive N Style, Econo Lube, Pro Oil Change, and Take 5 Oil Change; their brands have provided over 130 years of service in the repair, maintenance, paint, and collision sectors. Driven Brands has more than 2,600 centers across North America and generates revenues of \$2.6 billion a year. In 2015, Driven Brands became a portfolio company of Roark Capital Group, an Atlanta-based private equity firm with over \$7 billion in equity capital and commitments raised since inception.

For more information, please visit [www.drivenbrands.com](http://www.drivenbrands.com).

|                     |                     |                          |        |
|---------------------|---------------------|--------------------------|--------|
| <b>HEADQUARTERS</b> | Charlotte, NC       | <b># OF LOCATIONS</b>    | 2,600+ |
| <b>OWNERSHIP</b>    | Roark Capital Group | <b>YEARS IN BUSINESS</b> | 47     |

# LEASE ABSTRACT

|                                 |  |   |   |
|---------------------------------|--|---|---|
| <b>TENANT</b>                   | Take 5 Properties SPV LLC (Corporate Entity)   |   |   |
| <b>GUARANTOR</b>                | Driven Systems, LLC (Parent Company Entity)  |   |   |
| <b>ADDRESS</b>                  | <a href="#">12251 Jones Road, Houston, Texas 77070</a>   |   |   |
| <b>RENT COMMENCEMENT</b>        | December 9, 2020   |   |   |
| <b>LEASE EXPIRATION</b>         | December 31, 2030  |   |   |
| <b>RENEWAL OPTIONS</b>          | Four (4) five (5) year options   |   |   |
| <b>RENTAL INCREASES</b>         | <b>YEAR</b><br>1-5<br>6-11<br>12-16 (Option 1)<br>17-21 (Option 2)<br>22-26 (Option 3)<br>27-31 (Option 4) | <b>RENT</b><br>\$59,040<br>\$64,944<br>\$71,438<br>\$78,582<br>\$86,440<br>\$95,085 | <b>RETURN</b><br>5.50%<br>6.05%<br>6.65%<br>7.32%<br>8.05%<br>8.86% |
| <b>REAL ESTATE TAXES</b>        | Tenant shall pay for all real estate taxes directly.   |   |   |
| <b>INSURANCE</b>                | Tenant is responsible for all insurance costs.   |   |   |
| <b>REPAIR &amp; MAINTENANCE</b> | Tenant is responsible for all repair and maintenance, including roof, structure, and parking lot.          |   |   |
| <b>MAINTENANCE BY LANDLORD</b>  | None   |   |   |
| <b>RIGHT OF FIRST REFUSAL</b>   | None   |   |   |



# PROPERTY OVERVIEW

## LOCATION

The property has a signalized hard-corner location at the four-way intersection of Jones Road and Cypress North Houston Road, with visibility and access to 53,525 vehicles per day in front of the site. The property also benefits from its proximity to U.S. Highway 290 (226,276 AADT) and State Route 249 (166,890 AADT), significantly increasing traffic to the site. The location resides in a densely populated area, with 266,165 residents living within a five-mile radius of the property. The location is also supported by an affluent customer base, with an average annual household income of \$103,928 within a five-mile radius of the site. The location is primed to grow along with the surrounding area, with a projected nine percent average annual household income increase within five miles of the site in the next five years.

The site maintains a central location near large employers, retailers, and community hubs. The property experiences high visibility with its location within five miles of 12 major shopping centers featuring 4.8 million SF of retail space and 621 stores, promoting crossover shopping to the location. The site is surrounded by several well-established local and national retailers, including Kroger, CVS Pharmacy, Walgreens, Family Dollar, Jack in the Box, Walmart Supercenter, and many more. The location also resides four miles from Lone Star College – University Park (5,500 students). And the site serves as a common gateway to Downtown Houston, the fourth most populous city in the U.S.

## ACCESS

Access from Jones Road and Cypress North Houston Road

## TRAFFIC COUNTS

|                             |              |
|-----------------------------|--------------|
| Jones Road:                 | 30,000 AADT  |
| Cypress North Houston Road: | 23,525 AADT  |
| U.S. Highway 290:           | 226,276 AADT |
| State Route 249:            | 166,890 AADT |

## PARKING

Seven (7) parking stalls, including one (1) handicap stall and four (four) service bays

## YEAR BUILT

2020

## NEAREST INTERNATIONAL AIRPORT

William P. Hobby Airport (HOU) 33 miles



FILE PHOTO



**7**  
PARKING  
STALLS



**2020**  
YEAR  
BUILT



**53K**  
TRAFFIC  
COUNT (AADT)



**NEAREST  
AIRPORT**  
WILLIAM P. HOBBY  
AIRPORT



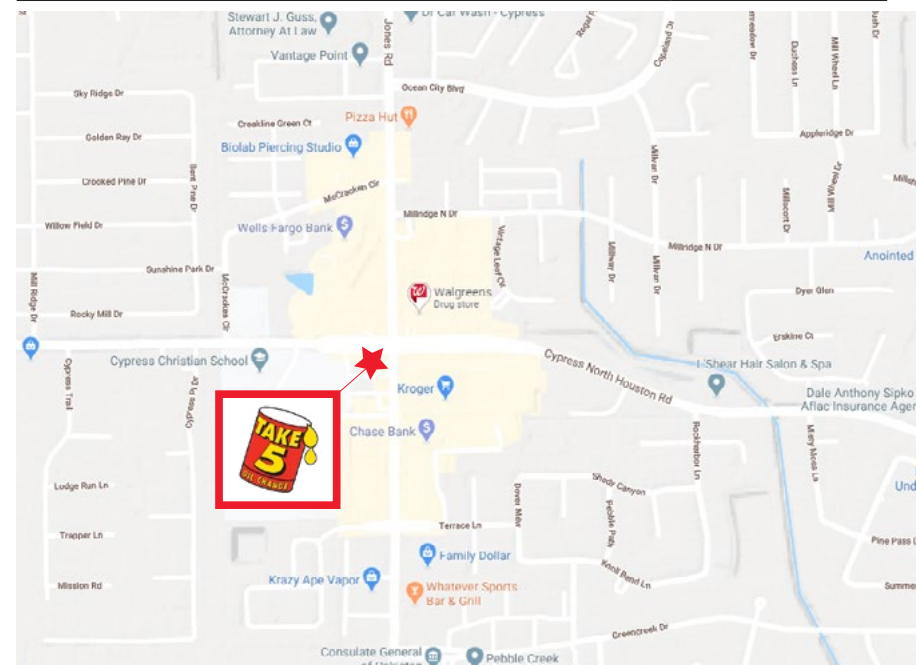
# AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston has a diverse and broad economic base in the health care, energy, aeronautics, and technology industries, and is home to the second most Fortune 500 companies in the United States. Houston also has a strong international presence; the Port of Houston ranks first in the United States in international commerce and is the 13th busiest port in the world. More than 90 foreign governments have consular representation in Houston, and there are 35 active foreign chambers of commerce and trade associations in the city. Additionally, 19 foreign banks representing nine nations operate in Houston, providing financial assistance to the international community.

Houston is the seat of Harris County and the economic center of the Houston–Sugar Land–Baytown Metropolitan Statistical Area (MSA), the fifth largest metropolitan area in the United States, with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70% of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65%, or an additional 10 million people, leading to 78% of Texans living and working within the Texas Triangle.

- » If Houston were an independent nation, the region would have the 23rd largest economy in the world, behind Taiwan and ahead of Sweden.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.
- » Houston has two commercial airports: George Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU).
- » With more than 8.7 million annual visitors and 20 museums and institutions within walking distance, Houston has one of the largest museum districts in the country.

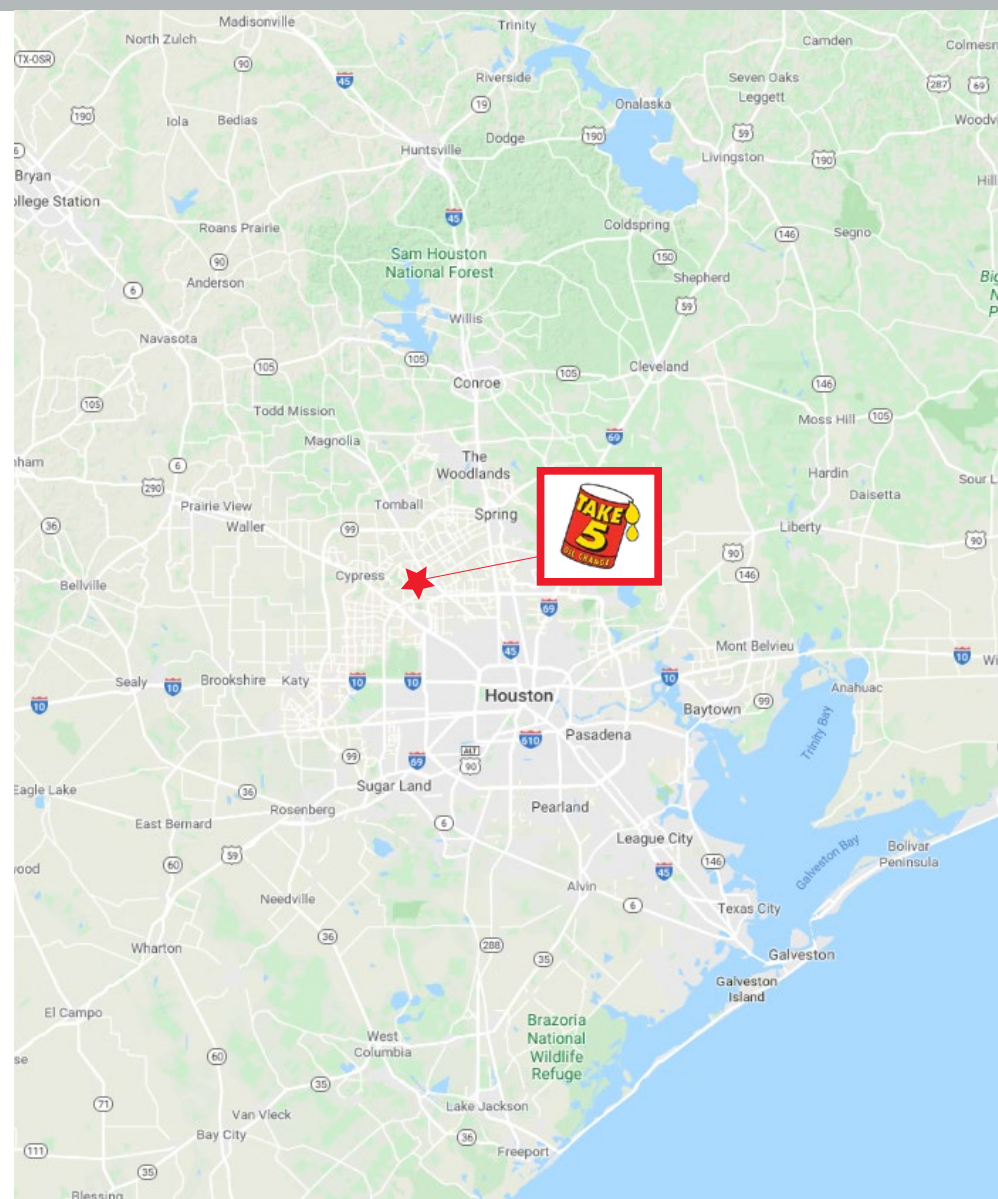
| MAJOR EMPLOYERS IN HOUSTON MSA, TEXAS | # OF EMPLOYEES |
|---------------------------------------|----------------|
| WALMART                               | 34,000         |
| H-E-B                                 | 26,956         |
| MEMORIAL HERMANN HEALTH SYSTEM        | 26,011         |
| HOUSTON METHODIST                     | 22,247         |
| THE UNIVERSITY OF TEXAS MD ANDERSON   | 20,189         |
| KROGER                                | 17,188         |
| MCDONALD'S                            | 16,100         |
| JOHNSON SPACE CENTER                  | 14,200         |
| UNITED AIRLINES                       | 14,084         |
| TEXAS CHILDREN'S HOSPITAL             | 13,445         |





# DEMOGRAPHIC PROFILE

| 2020 SUMMARY                    | 1 Mile          | 3 Miles         | 5 Miles          |
|---------------------------------|-----------------|-----------------|------------------|
| <b>Population</b>               | <b>14,334</b>   | <b>109,104</b>  | <b>266,165</b>   |
| Households                      | 5,507           | 40,699          | 97,675           |
| Families                        | 3,739           | 27,911          | 69,126           |
| Average Household Size          | 2.60            | 2.67            | 2.72             |
| Owner Occupied Housing Units    | 2,794           | 21,975          | 58,848           |
| Renter Occupied Housing Units   | 2,713           | 18,724          | 38,827           |
| Median Age                      | 35.4            | 35.8            | 36.4             |
| <b>Average Household Income</b> | <b>\$81,530</b> | <b>\$88,890</b> | <b>\$103,928</b> |
| 2025 ESTIMATE                   | 1 Mile          | 3 Miles         | 5 Miles          |
| <b>Population</b>               | <b>14,842</b>   | <b>113,616</b>  | <b>279,251</b>   |
| Households                      | 5,669           | 42,218          | 101,977          |
| Families                        | 3,855           | 28,954          | 72,183           |
| Average Household Size          | 2.62            | 2.68            | 2.73             |
| Owner Occupied Housing Units    | 2,921           | 22,742          | 61,086           |
| Renter Occupied Housing Units   | 2,748           | 19,476          | 40,890           |
| Median Age                      | 35.6            | 36.4            | 36.7             |
| <b>Average Household Income</b> | <b>\$88,467</b> | <b>\$96,128</b> | <b>\$113,239</b> |



**AVERAGE HOUSEHOLD INCOME OF \$103,928**  
WITHIN FIVE MILES



**POPULATION OF 266,165**  
WITHIN FIVE MILES



# INFORMATION ABOUT BROKERAGE SERVICES



## 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.*

11-2-2015



### 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.

### 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 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 interests 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.

|   |             |       |       |
|---|-------------|-------|-------|
| Licensed Broker /Broker Firm Name or<br>Primary Assumed Business Name | License No. | Email | Phone |
| Designated Broker of Firm   | License No. | Email | Phone |
| Licensed Supervisor of Sales Agent/<br>Associate                      | License No. | Email | Phone |
| Sales Agent/Associate's Name  | License No. | Email | Phone |
| Buyer/Tenant/Seller/Landlord Initials                                 |             | Date  |       |



## Leased Investment Team



**www.YAFteam.com**

Cushman and Wakefield Inc. LIC. # 00616335