



HOUSTON, TEXAS KROGER- LEASEHOLD INTEREST

13133 VETERANS MEMORIAL DRIVE, HOUSTON, TX 77014

Presented by:

QUINN STRAUCH
970.331.2545
qstrauch@23advisors.com
CO # FA100087191

KORY PRYOR
404.422.7200
kpryor@23advisors.com
GA #233371 CO #100087645

Listed in Conjunction with Texas Real Estate Broker
DZ NET LEASE REALTY, LLC
License # 9002851

MARKETING PACKAGE

CONFIDENTIALITY & DISCLAIMER

All materials and information received or derived from 23 Realty Advisors, LLC and DZ Net Lease Realty, LLC, and their respective directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither 23 Realty Advisors, LLC and DZ Net Lease Realty, LLC, and their respective directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. Neither 23 Realty Advisors, LLC nor DZ Net Lease Realty, LLC will investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. Neither 23 Realty Advisors, LLC nor DZ Net Lease Realty, LLC makes any warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. Neither 23 Realty Advisors, LLC nor DZ Net Lease Realty, LLC serves as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by 23 Realty Advisors, LLC and DZ Net Lease Realty, LLC in compliance with all applicable fair housing and equal opportunity laws.

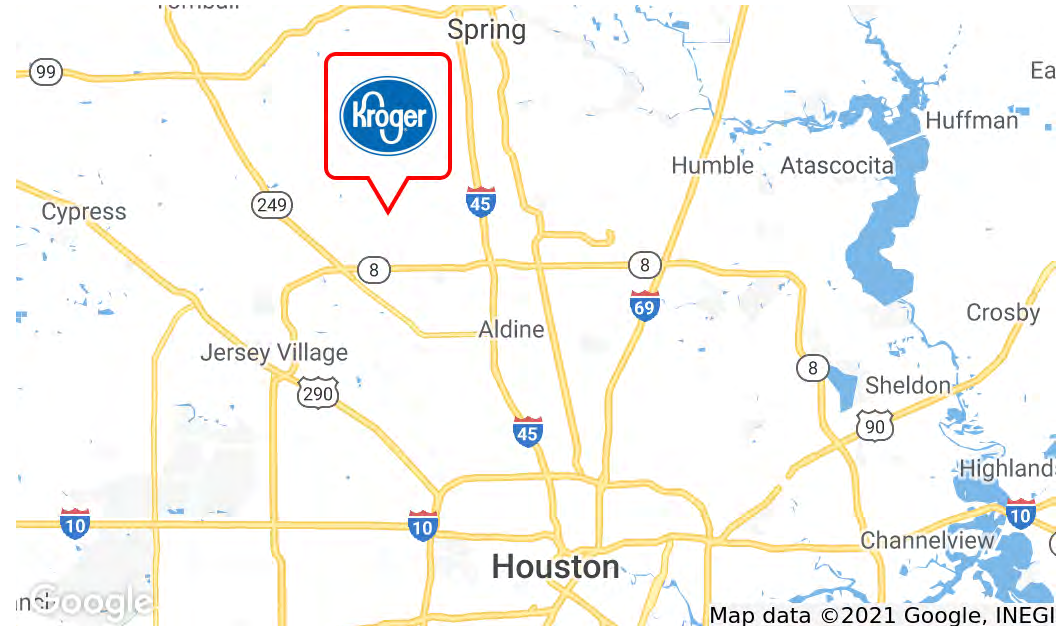
TABLE OF CONTENTS

PROPERTY INFORMATION	3
LOCATION INFORMATION	17
FINANCIAL ANALYSIS	21
DEMOGRAPHICS	24
TENANT PROFILE: KORGER	26
ADVISOR BIOS	28

PROPERTY INFORMATION

SECTION 1





Sale Price

\$4,000,000

OFFERING SUMMARY

Building Size:	54,571 SF
Price / SF:	\$73.30
Cap Rate:	6.94%
NOI:	\$277,703.88
Year Built:	1982
Acres:	4.4832

PROPERTY OVERVIEW

23 Realty Advisors is pleased to present the opportunity to acquire a leasehold interest in improvements for a Kroger Grocery store facility occupying 54,571 square feet situated on approximately 4.4832 acres. Tenant is responsible for taxes, insurance, repairs and maintenance. Kroger Store situated on the subject property serves over +17,000 residents and +5,400 homes within a 1-mile radius. Kroger Grocery store has been in operation since 1982 is shadowed by the adjacent multi-tenant Parkchase Shopping Center (Parkchase Shopping Center not included in this sale). The Kroger Co. is an investment grade national credit tenant with over 2,750 locations worldwide.

DEMOGRAPHICS	1 MILE	2 MILES	3 MILES
Total Households	5,486	17,935	35,094
Total Population	17,215	53,622	104,046
Average HH Income	\$61,609	\$67,859	\$73,372



PROPERTY DESCRIPTION

Subject Property consists of a leasehold interest in improvements consisting of a 54,571 SF Kroger Grocery Store facility situated on a 4.4832 acre site. Subject property is adjacent to the multi-tenant Parkchase Shopping Center. Property ownership structure of a leasehold interest allows purchaser to fully depreciate acquisition costs of leasehold improvements and derive enhanced tax benefits.

LOCATION DESCRIPTION

Subject Kroger property is located just minutes from the heart of Houston, Texas with an approximate population of +53,000 persons within 2-mile radius and +325,000 persons within a 5-mile radius. Property is located on the intersection of Veterans Memorial Drive and Bammel North Houston Road with AADT counts of 32,267 vehicles per day, and is surrounded by a dense residential area, including the neighborhoods of Fountainhead Village, Hambledon, Sableridge, and Torey Pines.

KROGER GROCERY STORE SERVICES INCLUDE:

- Grocery
- Pharmacy
- Bakery
- Beer/ Wine
- Check Cashing
- Online Ordering
- Deli
- Drug & General Merchandise
- Floral
- Grocery
- Money Services



LOCATION INFORMATION

Building Name	Houston, Texas Kroger
Street Address	13133 Veterans Memorial Drive
City, State, Zip	Houston, TX 77014
County	Harris
Signal Intersection	Yes

BUILDING INFORMATION

NOI	\$277,703.88
Cap Rate	6.94%
Occupancy %	100.0%
Tenancy	Single
Year Built	1982
Free Standing	No

PROPERTY HIGHLIGHTS

- NNN Lease Structure Where Tenant (Kroger) is responsible for taxes, insurance, repairs and maintenance
- Essential Business- COVID Resistant Retailer
- Long term Tenant (Kroger) Demonstrating Strong Commitment to Location Having Occupied Premises Since 1982 (39 Years)
- Leasehold interest allows for 100% depreciation of acquisition costs of leasehold improvements.
- Kroger is a NYSE traded company (NYSE:KR) and a national, investment grade credit tenant with over 2,750 locations.













Adjacent Multi-tenant Retail (Parkchase Shopping Center) --- NOT INCLUDED IN THE SALE OF LEASEHOLD INTEREST



Adjacent Multi-tenant Retail (Parkchase Shopping Center) --- NOT INCLUDED IN THE SALE OF LEASEHOLD INTEREST





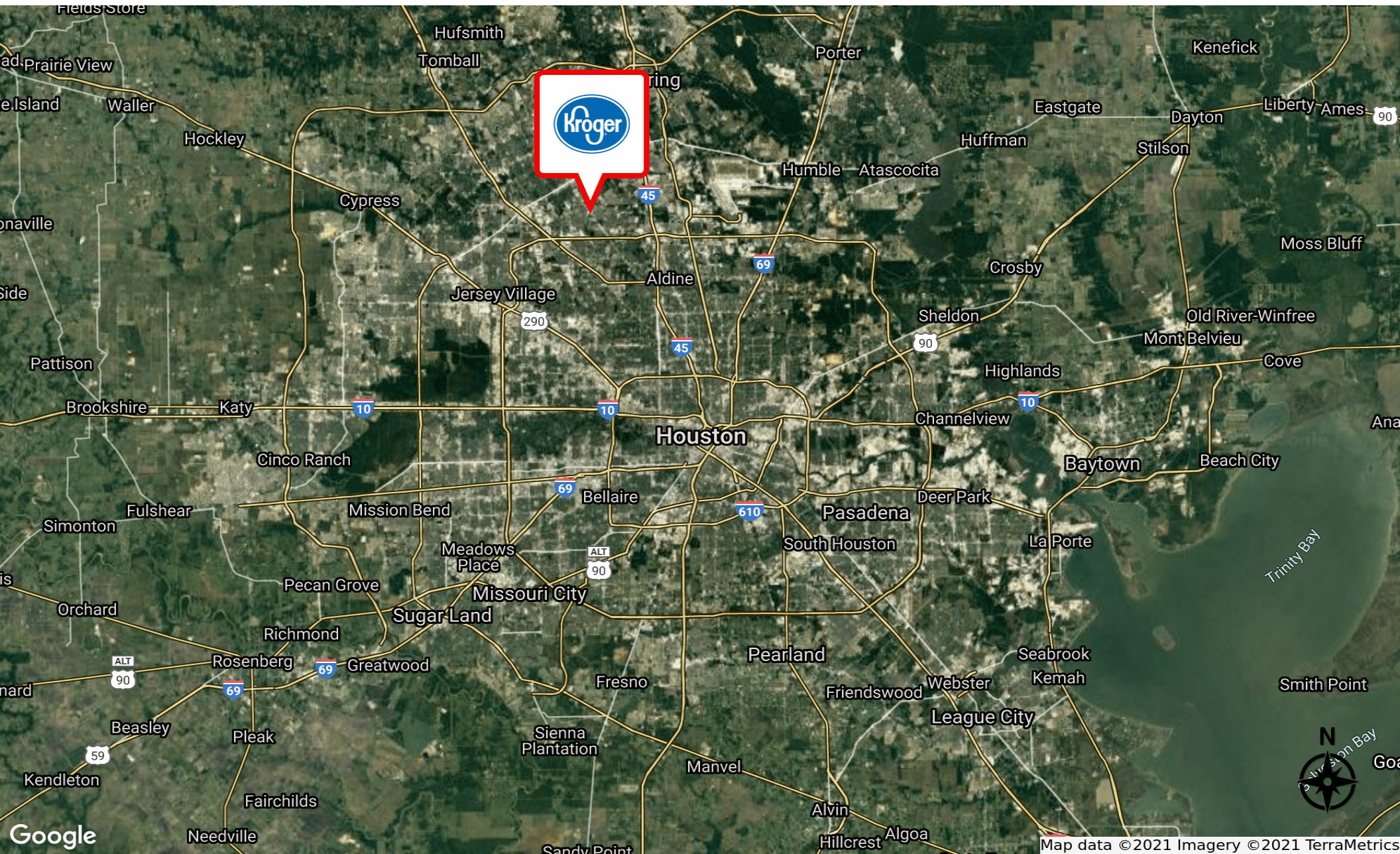
LOCATION INFORMATION

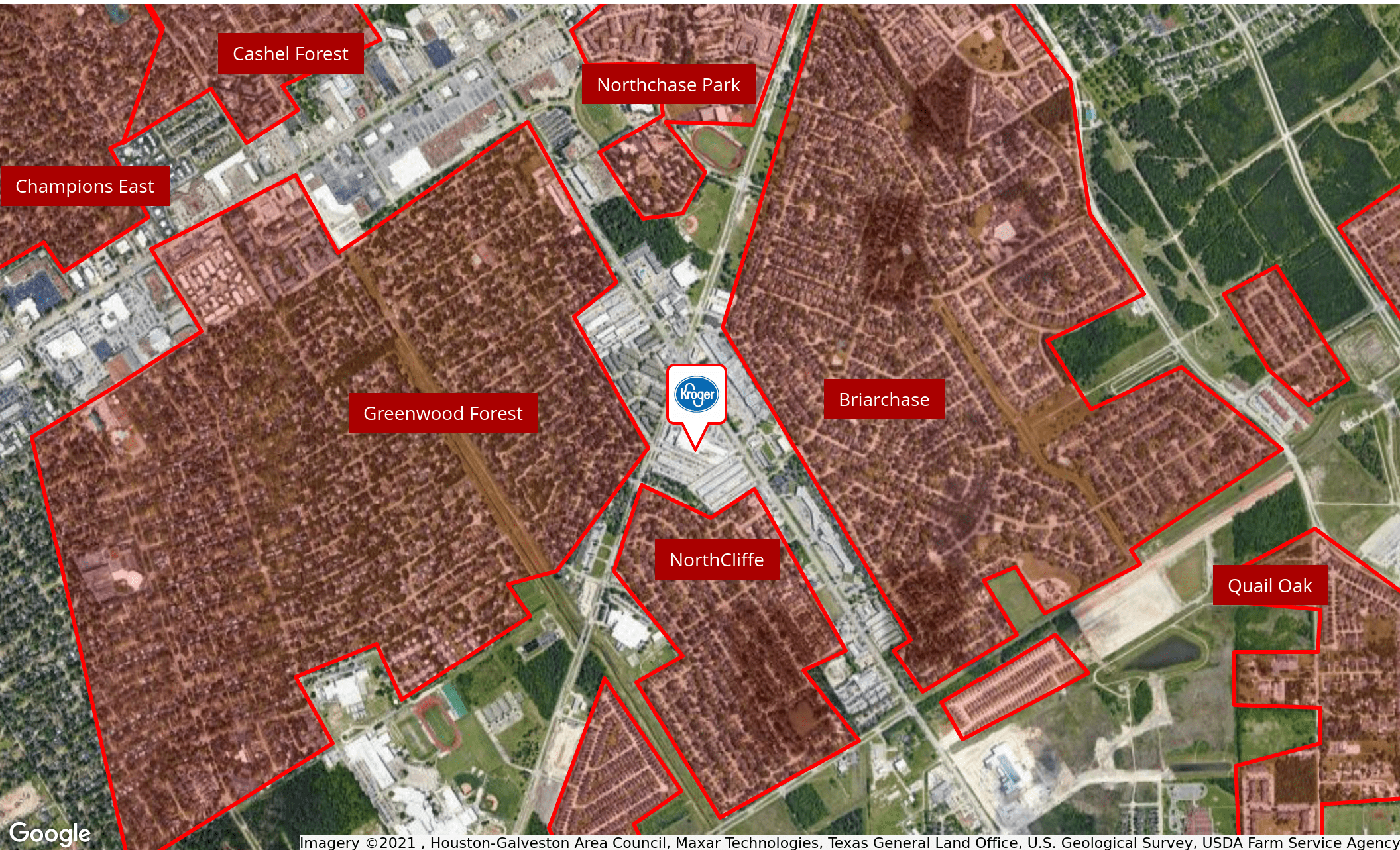
SECTION 2

23



Map data ©2021 Imagery ©2021 , Houston-Galveston Area Council, Maxar Technologies, Texas General Land Office, U.S. Geological Survey, USDA Farm Service Agency





Imagery ©2021 , Houston-Galveston Area Council, Maxar Technologies, Texas General Land Office, U.S. Geological Survey, USDA Farm Service Agency

FINANCIAL ANALYSIS

SECTION 3

23

INVESTMENT OVERVIEW

HOUSTON, TEXAS KROGER

Price	\$4,000,000
Price per SF	\$73.30
CAP Rate	6.94%
Cash-on-Cash Return (yr 1)	8.87%
Total Return (yr 1)	\$160,494.86
Debt Coverage Ratio	1.47

OPERATING DATA

HOUSTON, TEXAS KROGER

Gross Scheduled Income	\$281,203.92
Other Income	-
Total Scheduled Income	\$281,203.92
Vacancy Cost	\$0
Gross Income	\$281,203.92
Operating Expenses	\$3,500.04
Net Operating Income	\$277,703.88
Pre-Tax Cash Flow	\$88,675.09

FINANCING DATA

HOUSTON, TEXAS KROGER

Down Payment	\$1,000,000
Loan Amount	\$3,000,000
Debt Service	\$189,028.79
Debt Service Monthly	\$15,752.40
Principal Reduction (yr 1)	\$71,819

INCOME SUMMARY		HOUSTON, TEXAS KROGER
GROSS INCOME		\$281,203
EXPENSE SUMMARY		HOUSTON, TEXAS KROGER
Ground Lease		\$3,500
GROSS EXPENSES		\$3,500
NET OPERATING INCOME		\$277,703

KROGER

DEMOGRAPHICS

SECTION 4

23

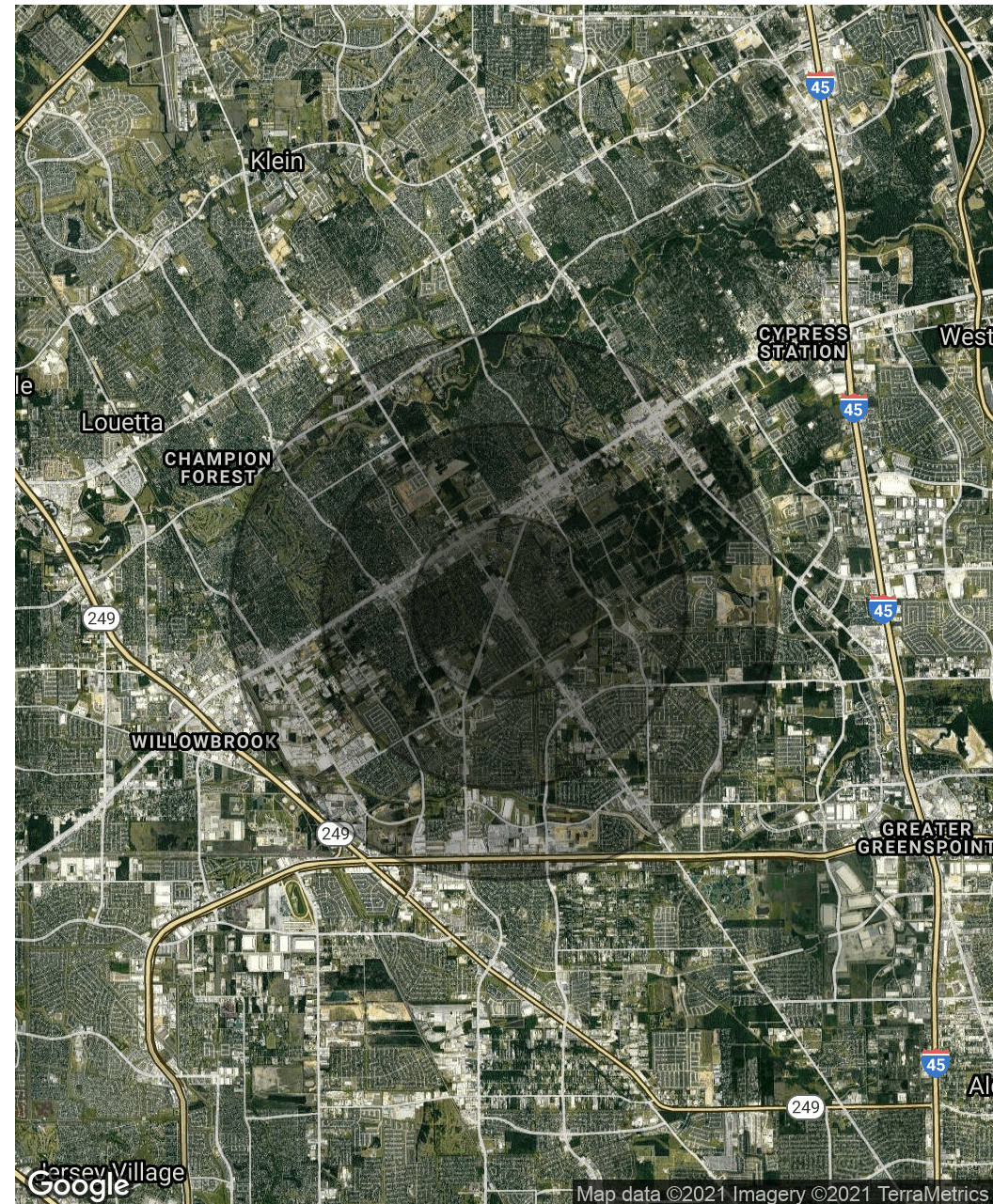
POPULATION	1 MILE	2 MILES	3 MILES
Total Population	17,215	53,622	104,046
Average age	30.8	32.0	33.1
Average age (Male)	30.2	30.9	32.1
Average age (Female)	31.4	33.5	34.1

HOUSEHOLDS & INCOME	1 MILE	2 MILES	3 MILES
Total households	5,486	17,935	35,094
# of persons per HH	3.1	3.0	3.0
Average HH income	\$61,609	\$67,859	\$73,372
Average house value	\$144,822	\$156,442	\$172,953

RACE	1 MILE	2 MILES	3 MILES
Total Population - White	8,369	26,175	51,886
Total Population - Black	4,210	14,072	28,898
Total Population - Asian	2,372	6,473	10,961
Total Population - American Indian	10	80	243
Total Population - Other	2,118	6,276	10,795

TRAFFIC COUNTS
32,267 /day

* Demographic data derived from 2010 US Census



KROGER

TENANT PROFILE

SECTION 5

23



THE KROGER CO. QUICK FACTS

- First store opened in 1883 in downtown Cincinnati
- Kroger has since evolved to nearly 2,800 stores across 35 US states
- Kroger operates more than 2,255 in-store pharmacies that fill nearly 238 million prescriptions a year.
- Kroger's floral shops ring up enough business to make Kroger the world's largest florist by sales volume.
- With dozens of manufacturing facilities and distribution centers around the country, Kroger also has one of the largest privately-owned truck fleets in the country, with Kroger trucks moving merchandise and supplies more than a combined 329 million miles annually
- 33 out of 35 Kroger food production plants are zero waste

KROGER HIGHLIGHTS

- Over +2,750 Locations Nationwide
- Largest Grocery Chain in America
- 8.9% Market Share of U.S. Food and Beverage Purchases
- \$122.29 Billion in Total Sales for 2020
- +435,000 Employees
- +2,400 online grocery delivery locations
- +11 million customers daily
- Ranked #23 on the Fortune 100 list
- More than 50% of Kroger's revenue comes from non-perishables

KROGER FINANCIAL INFORMATION

- \$121.16B in Total Sales in 2019
- \$122.29B in Total Sales in 2020
- Kroger (NYSE: KR) has seen a +19% increase in stock value since February 2020
- 2020 Digital Sales Grew by 108% making the annual list of the Top 10 U.S. Retail E-Commerce Companies with over \$11.2B in online sales.
- Same-store sales rose by 14% between 2019 and 2020 (excluding fuel and pharmacy)

ADVISOR BIOS

SECTION 6

23



QUINN STRAUCH

Retail Investment Sales Broker

qstrauch@23advisors.com
Direct: 970.331.2545

Listed in Conjunction with Texas Real Estate Broker
DZ NET LEASE REALTY, LLC
License # 9002851

CO # FA100087191

PROFESSIONAL BACKGROUND

Quinn Strauch is a Retail Investment Sales Broker specializing in Single and Multi-Tenant Investment Properties. Quinn brings a dynamic energy and unwavering discipline to each of his transactions. Prior to joining 23 Realty Advisors, Quinn worked the guest service and resort industries in Vail, Colorado.

Quinn is an accomplished whitewater kayaker and also enjoys a wide variety of additional outdoor activities including skiing, snowmobiling, and rafting.

EDUCATION

University of Colorado, Boulder. Leeds School of Business

23 Realty Advisors
2121 N. Frontage Road West Suite 10
Vail, CO 81657
404.422.7200



KORY PRYOR

Managing Broker

kpryor@23advisors.com
Direct: 404.422.7200

Listed in Conjunction with Texas Real Estate Broker
DZ NET LEASE REALTY, LLC
License # 9002851

GA #233371 // CO #100087645

PROFESSIONAL BACKGROUND

Kory is the managing broker and founder of 23 Realty Advisors. Prior to starting 23 Realty Advisors, Kory worked as a commercial real estate attorney focusing on multifamily and retail development, acquisitions, dispositions, financing and operations, having worked on over \$25BN of transactional volume. Kory is a highly experienced commercial real estate broker that provides a thoughtful and hands on approach bringing an unparalleled level of transactional experience and knowledge to the table for his clients. Kory currently resides in Vail, Colorado where he spends his free time snowboarding, mountain biking and hiking with his dogs, Asha and Ted.

EDUCATION

University of Florida, Bachelor of Arts, Cum Laude
Emory University School of Law, Juris Doctor

MEMBERSHIPS

Real Property Law Association
Americian Apartment Owners Association
Mortgage Bankers Association
State of Georgia Bar Association

23 Realty Advisors
2121 N. Frontage Road West Suite 10
Vail, CO 81657
404.422.7200



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 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:
 - 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 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.

<u>DZ Net Lease Realty, LLC</u>	<u>9002851</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>David B Zacharia</u>	<u>634656</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Designated Broker of Firm	License No.	Email	Phone
<u></u>	<u></u>	<u></u>	<u></u>
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
<u></u>	<u></u>	<u></u>	<u></u>
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date