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# EXECUTIVE SUMMARY

VALVOLINE GROUND LEASE ▸ KATY | TEXAS





## ARCHITECTURAL RENDERING



**Property:** Valvoline Ground Lease

**Address:** 23711 Katy Freeway  
Katy, TX 77494

**Purchase Price:** \$2,873,563

**NOI:** \$125,000

**Cap Rate:** 4.35%

**Lease Term:** 15 Years

**Lease Start:** Est. October 2021

**Lease Expiration:** Est. October 2036

■ New 15 Year Absolute NNN Ground Lease – Stable Cash Flow Asset – Zero Landlord Responsibilities – Three (5-Year) Options to Renew

■ 10% Rent Increases Every 5 Years Throughout the Initial Term and Option Periods, Providing a Strong Hedge Against Inflation

■ Corporately Guaranteed Lease by Valvoline – Brand New 3-Bay Building Prototype, the First to Open in the Houston MSA

■ Valvoline Has Been Designated an “Essential Business” by the Department of Homeland Security and Has Remained Open Throughout the Pandemic

■ High Traffic Location –Over 226,800 Vehicles Per Day on Interstate-10, the Largest Contiguous Highway in the United States, Spanning from California to Florida – Plus an Additional 82,368 on Nearby Grand Pkwy (TX-99)

■ Strategically Positioned in Katy Grand Crossing, a Mixed-Use Retail Power Center Anchored by Costco Wholesale & Multiple Apartment Complexes with a Combined 1,233 Units

■ Densely Populated Location with Excellent Demographics – Over 71,300 People in a 5-Mile Radius with Average Household Income Exceeding \$121,500

■ Tremendous Recent Growth – Over 169% Population Growth in a 5-Mile Radius Since the 2000 Census – Continued Estimated Growth Potential Exceeding an Additional 17% by 2026

■ Strategically Located in an Extremely Strong Trade Area Containing Over 19.8 Million Square Feet of Retail & Restaurant and Almost 20 Million Square Feet of Industrial & Office Space within a 5-Mile Radius of the Property

■ High Daytime Population with More Than 71,300 Employees in a 5-Mile Radius – Near Many Major Businesses Including the Academy Sports & Outdoors Corporate Office and the Geico Houston Headquarters

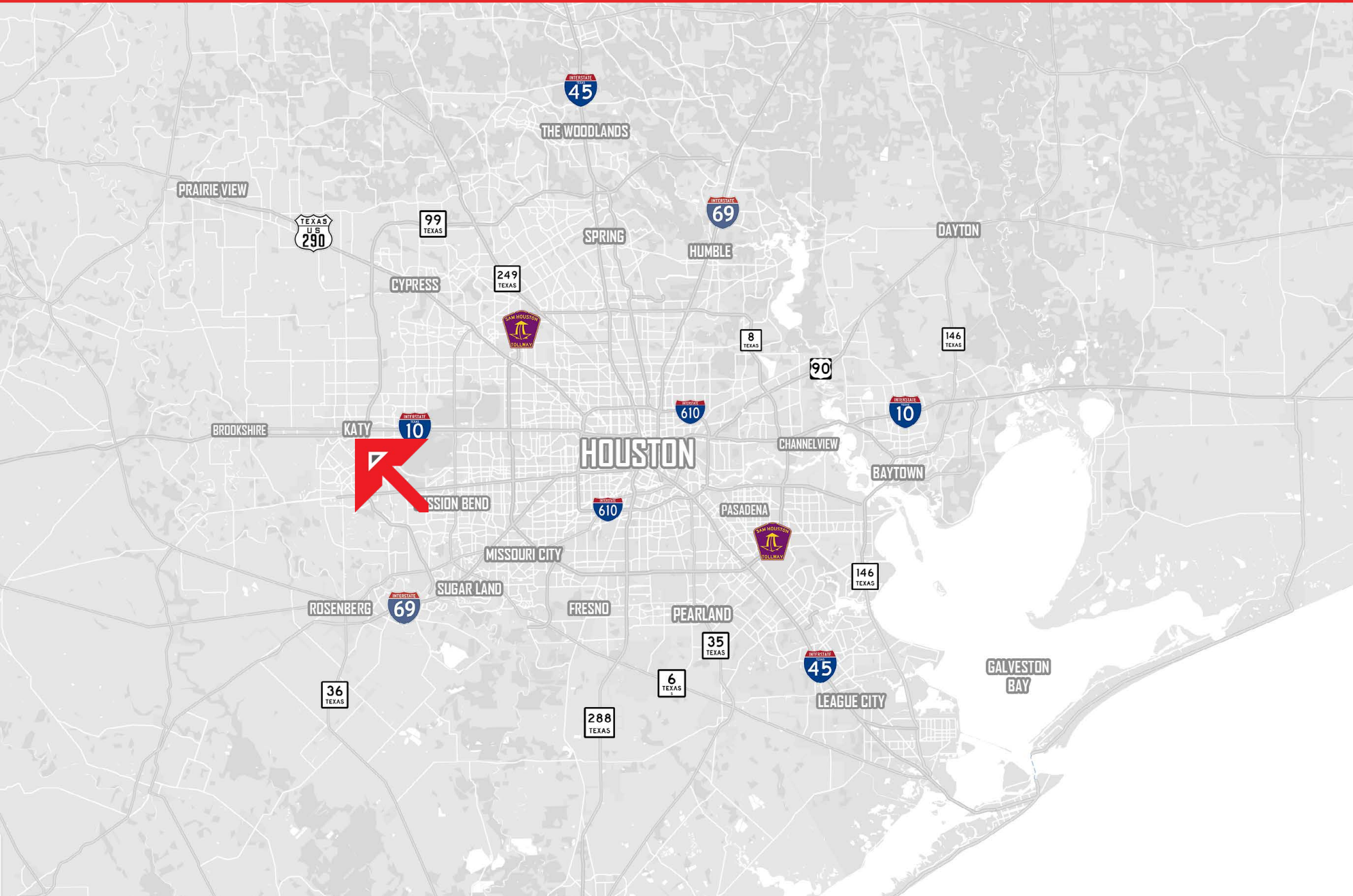
■ Situated Approximately 1.3 Miles from the University of Houston-Victoria at Katy with Over 10,000 Students & Faculty Members

■ Within a 5-Mile Radius of 34 Primary & Private Schools with 37,467 Combined Students – Katy ISD is Projected to Grow to More Than 90,000 Students in the Next 7 Years

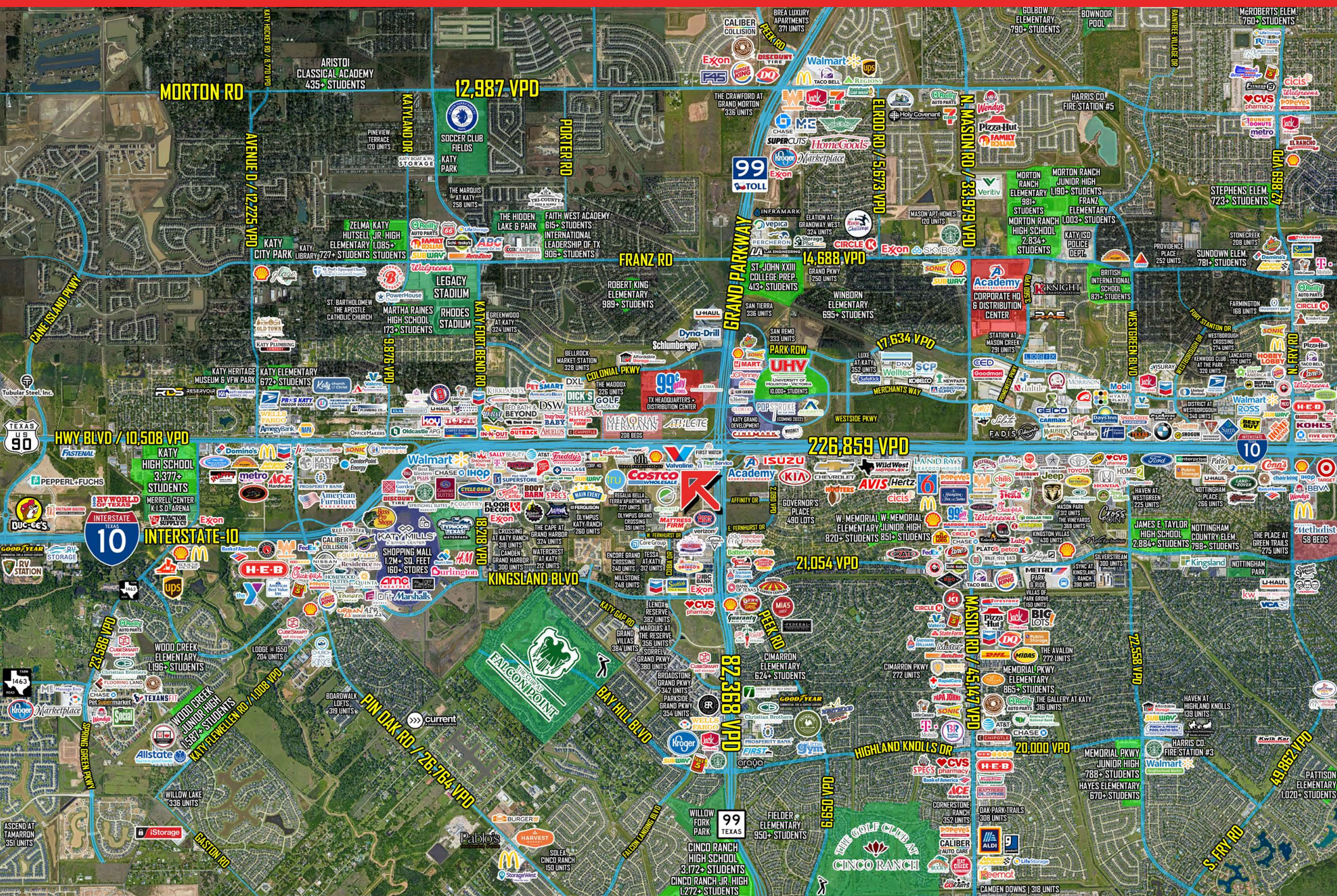
■ Less Than 5 Miles from the 58-Bed Houston Methodist Continuing Care Hospital with Over \$126.9 Million Total Patient Revenue in 2020 and a Staff of More Than 1,450 Healthcare Professionals

■ Texas is an Income Tax Free State with a Strong Economy and Growing Population, Providing an Ideal Location for a 1031 Exchange Asset























# PROPERTY DESCRIPTION

VALVOLINE GROUND LEASE ▸ KATY | TEXAS







# PROPERTY DESCRIPTION

**Address:** 23711 Katy Freeway  
Katy, TX 77494

**Parcel ID:** 1365400030003

**Land Size:** Approximately 0.8675 Acres

**Access:** Via I-10 Frontage Rd & Western Centre Dr

**Signage:** Monument & Building Signage

**Year of Construction:** 2021

**Building Size:** Approximately 2,087 Square Feet

**Parking:** 11 Parking Spaces / 3 Drive-Thru Bays on Site

**Drive Areas:** Asphalt Pavement, Concrete Curbs

**Zoning:** Commercial

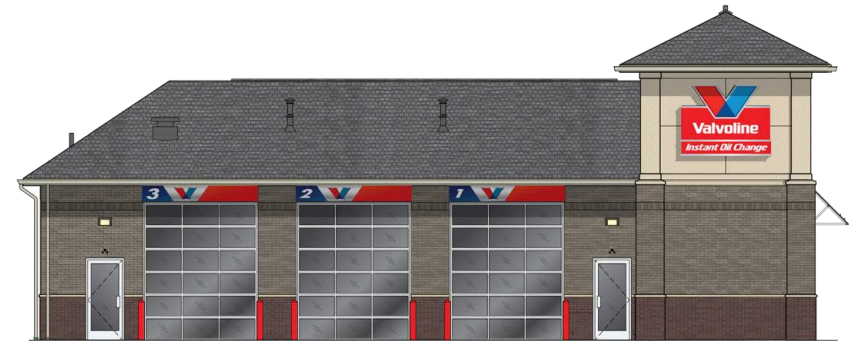
**Traffic Counts:** Interstate-10: 226,859 VPD  
Grand Pkwy (TX-99): 82,368 VPD





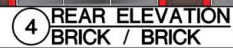
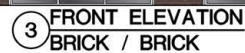
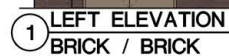
# LEASE SUMMARY

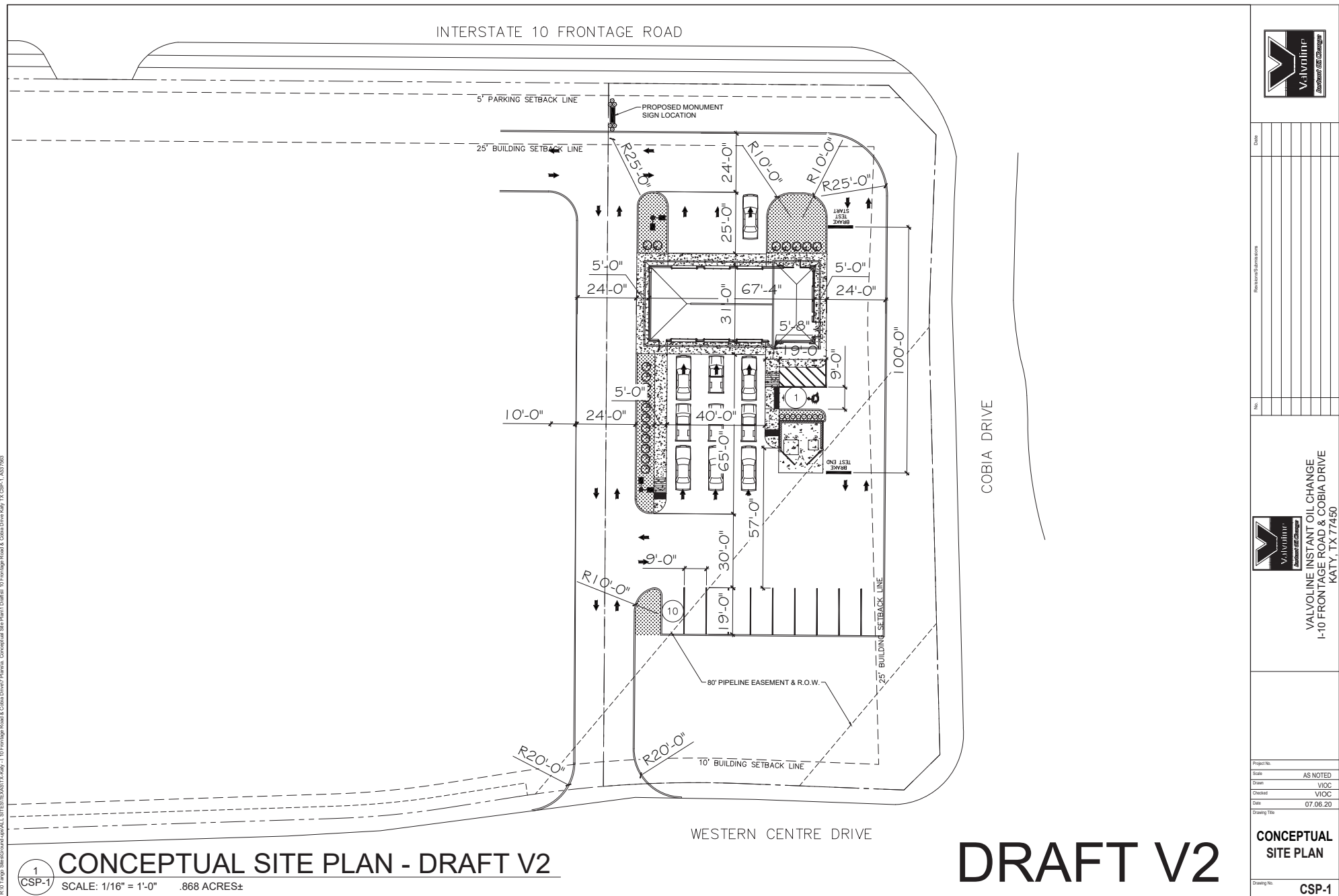
<b>Tenant Name:</b>	Valvoline Instant Oil Change		
<b>Property Location:</b>	23711 Katy Freeway Katy, TX 77494		
<b>Lease Start:</b>	Est. October 2021		
<b>Lease Expiration:</b>	Est. October 2036		
<b>Lease Type:</b>	Absolute NNN Ground Lease		
<b>Landlord Responsibilities:</b>	None		
<b>Base Lease Term:</b>	15 Years		
<b>Renewal Options:</b>	Three (3) Additional (5-Year) Options to Renew		
<b>Rental Increases:</b>	10% Bumps Every 5 Years		
<b>Annual Base Rent:</b>	Years 1-5:	\$125,000.00	
	Years 6-10:	\$137,500.00 (10% Increase)	
	Years 11-15:	\$151,250.00 (10% Increase)	
<b>Annual Option Rent:</b>	Years 16-20:	\$166,375.00 (10% Increase)	
	Years 21-25:	\$183,012.50 (10% Increase)	
	Years 26-30:	\$201,313.75 (10% Increase)	
	Years 31-35:	\$221,445.13 (10% Increase)	
<b>ROFR:</b>	No		





EXTERIOR INSULATED FINISH SYSTEM :	DRYVOT (GANDERFLEX) FINISH COLOR: EPS 1 = #113 AMARILLO WHITE
BROCK WANGSCOTT: (GRADE TO PRECAST SILL)	BELZEN - "MODULAR MILANO BLEND A"
CUSTOM PRECAST SILL	COLOR - "LIGHT BUFF"
BROCK FIELD (ABOVE WANGSCOTT): THIN BROCK TO MATCH	BELZEN - "MODULAR HAMILTON BLEND A"
BROCK SOLDIER COURSE:	BELZEN - "MODULAR HAMILTON BLEND A"
MORTAR:	LENGTH - "LIGHT BUCK"
MASONRY SEALER:	ALL BROCK/STONE SURFACES SHALL BE TREATED W/SEALER REFER TO SPECIFICATIONS.
STANDING SEAM	FREESTONE UNO-CLAD KINAR 500 / HYLAR METAL 5000 FLUOROCARBON CHAIN CHAMPAGNE METALLIC
ROOF SHINGLES:	OWENS CORNING DURATEL SYSTEMS "TURTLEWOOD"
GUTTER, DOWNSPOUTS, FASCIA & EXPOSED TRIM	MASTIC HOME EXTERIORS BY PLY GEM - DESERT SAND
STOREFRONT SYSTEM	2x4 1/2" KAMMER TRIFAB W/ 451T SERIES CLEAR ANODIZED ALUMINUM STOREFRONT SYSTEM W/7" INSULATED GLAZING
DAMPTER WALLS:	MATCH BUILDING
N.W. DOORS & FRAMES:	FIELD PANT / SHERWIN-WILLIAMS 866-310 PRO-COLOR AND PRIMER FOLLOWED BY (2) FINISH COATS OF 866-300 SHER-COLOR. HFA. COLOR SHALL BE SW-7515 "HOMESTEAD BROWN", PROVIDE MOCK-UP AND VERIFY COLOR W/OOWNER.
BOLLARDS/GUARD POSTS:	FIELD PANT / SHERWIN-WILLIAMS 866-310 PRO-COLOR AND PRIMER FOLLOWED BY (2) FINISH COATS OF 866-300 SHER-COLOR. HFA. COLOR SHALL BE "VIOLENE RED"
DAMPTER ENCLOSURE GATE POSTS:	FIELD PANT / SHERWIN-WILLIAMS 866-310 PRO-COLOR AND PRIMER FOLLOWED BY (2) FINISH COATS OF SHERWIN WILLIAMS 7515 "HOMESTEAD BROWN", SEM-GLOSS DOW ACRYLIC 866-200
PARKING LOT STRIPING:	SHERWIN-WILLIAMS #74236 SETFAST TM PAINT. COLOR SHALL BE "WHITE".
HANDICAP STALL STRIPING:	SHERWIN-WILLIAMS #742133 SETFAST TM PAINT. COLOR SHALL BE "ADA BLUE".







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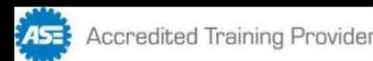
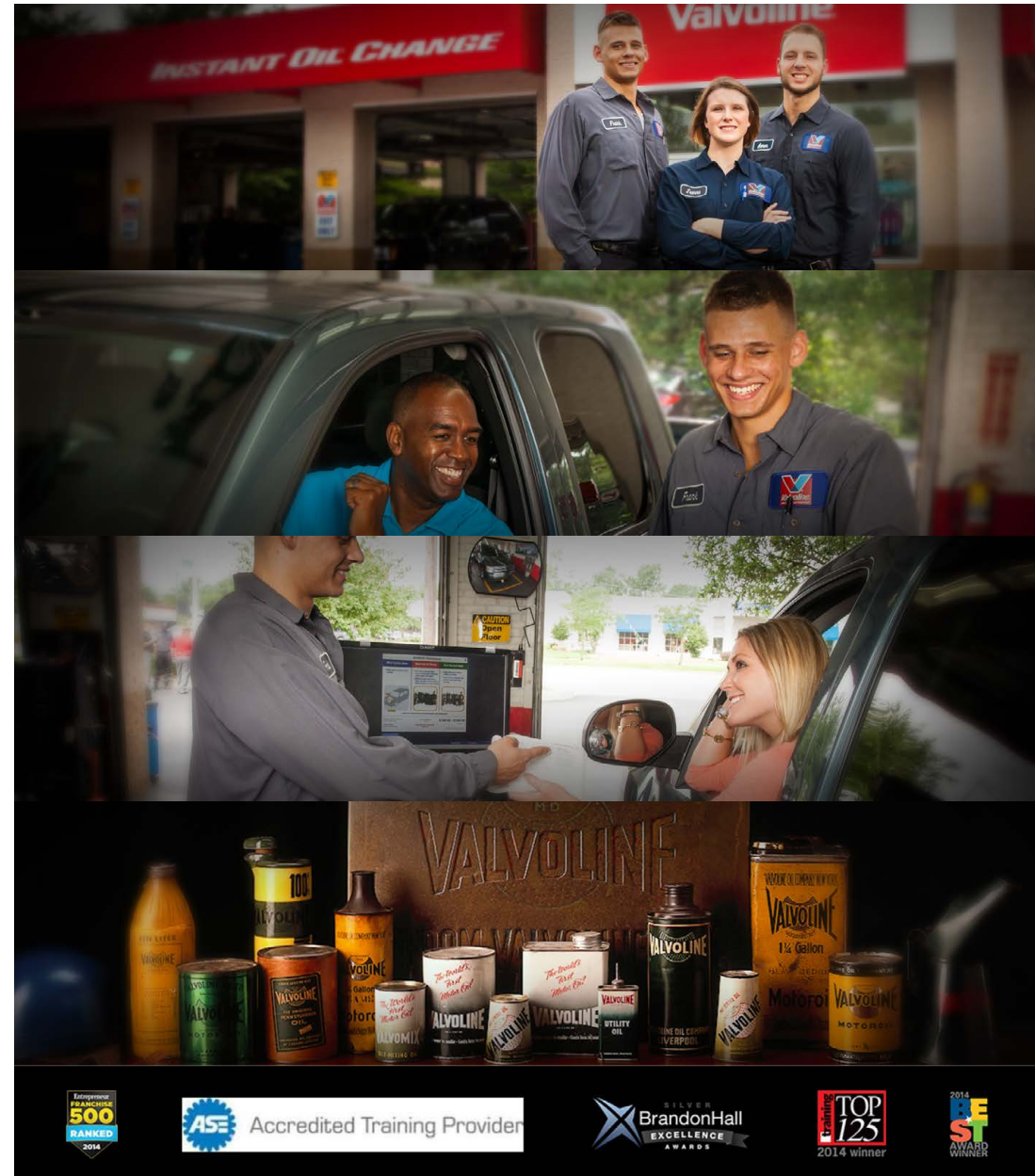
## A Long Heritage

Founded in 1986, Valvoline Instant Oil Change is the Quick, Easy and Trusted choice for drive thru oil changes & maintenance services to help customers avoid costly and inconvenient breakdowns. They are the second largest quick lube business in the United States – with more than 1,070 locations nationwide & plans to grow even more. They love what they do & strive for excellence every day. They are committed to making certain their customers have the best possible experience every time they drive into one of their service centers. Valvoline has spent more than 140 years under the hood perfecting their lubricants to improve vehicle performance. As a division of Valvoline, Valvoline Instant Oil Change is part of that rich heritage. Here are a few milestones they have achieved along the way:

- Introduced their motor oil in 1866
- Brought first trademarked engine lubricant to the market in 1873
- Provided oil for the winning car in America's first auto race in 1895
- Introduced single grade oil to replace 18 other oils in 1939
- Developed an all climate oil in 1959
- Launched their first drive thru oil change in 1987

## Why Valvoline Instant Oil Change?

- Drive thru oil changes in about 15 minutes
- Friendly, certified technicians with over 270 hours of training
- Recommended maintenance services to help customers avoid costly breakdowns & maintain performance – often at 20% to 50% lower cost than dealerships
- Convenient, well-located shops in area neighborhoods
- Customer rated at 4.6 out of 5 stars (based on the over 250,000 customers surveyed annually)





# MARKET OVERVIEW

VALVOLINE GROUND LEASE ▸ KATY | TEXAS





**4th LARGEST CITY**  
IN THE UNITED STATES  
**METRO POPULATION: 6,997,384**

**1st LARGEST CITY**  
IN THE STATE OF TEXAS  
**CITY POPULATION: 2,325,502**



**18.2% POPULATION GROWTH**  
INCREASE BETWEEN 2010 & 2018  
(METRO AREA)



**1,574,365+ CIVILIAN LABOR FORCE**  
UP 4.6% SINCE APRIL 2018

**18+ MILLION**  
VISITORS COME TO  
THE CITY EVERY YEAR



**2 COMMERCIAL AIRPORTS**



**4 INTERSTATE HIGHWAYS**

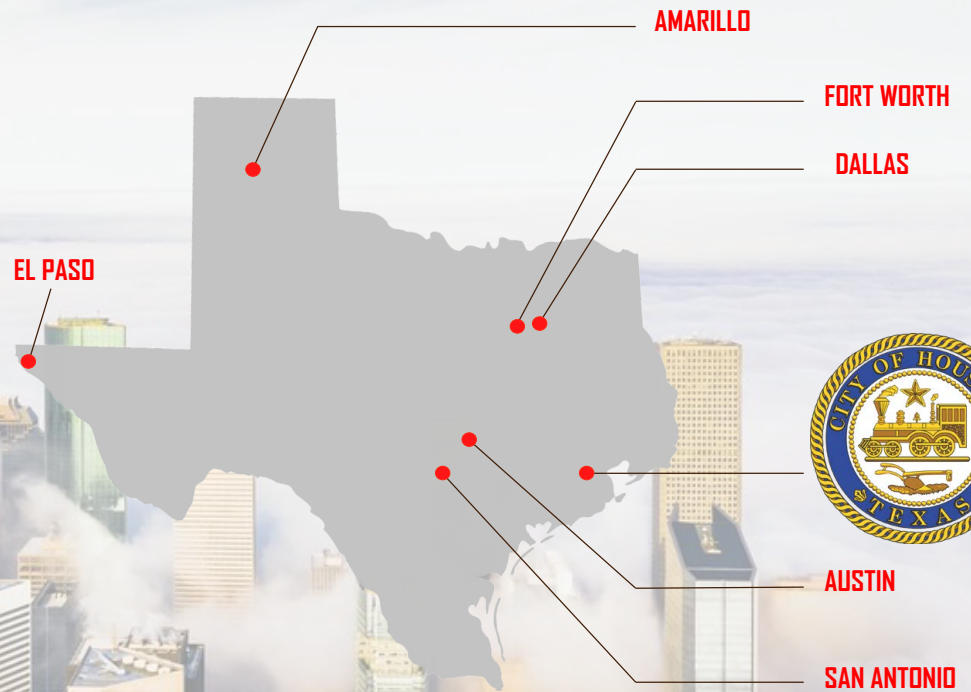


**7 RAILWAY PORTS**

**25 FORTUNE  
500 COMPANIES**  
BASED IN HOUSTON MSA

**2nd LARGEST CONCENTRATION OF FORTUNE 1000  
COMPANIES IN THE COUNTRY (49) BEHIND ONLY  
NEW YORK (72)**

- HOME TO THE **WORLD'S LARGEST MEDICAL CENTER**  
TEXAS MEDICAL CENTER
- PORT HOUSTON IS THE NATION'S **LARGEST PORT**  
**IN FOREIGN TONNAGE** HANDLING OVER 247 MILLION  
TONS OF CARGO ANNUALLY
- HOME TO **4 PROFESSIONAL SPORTS FRANCHISES:**

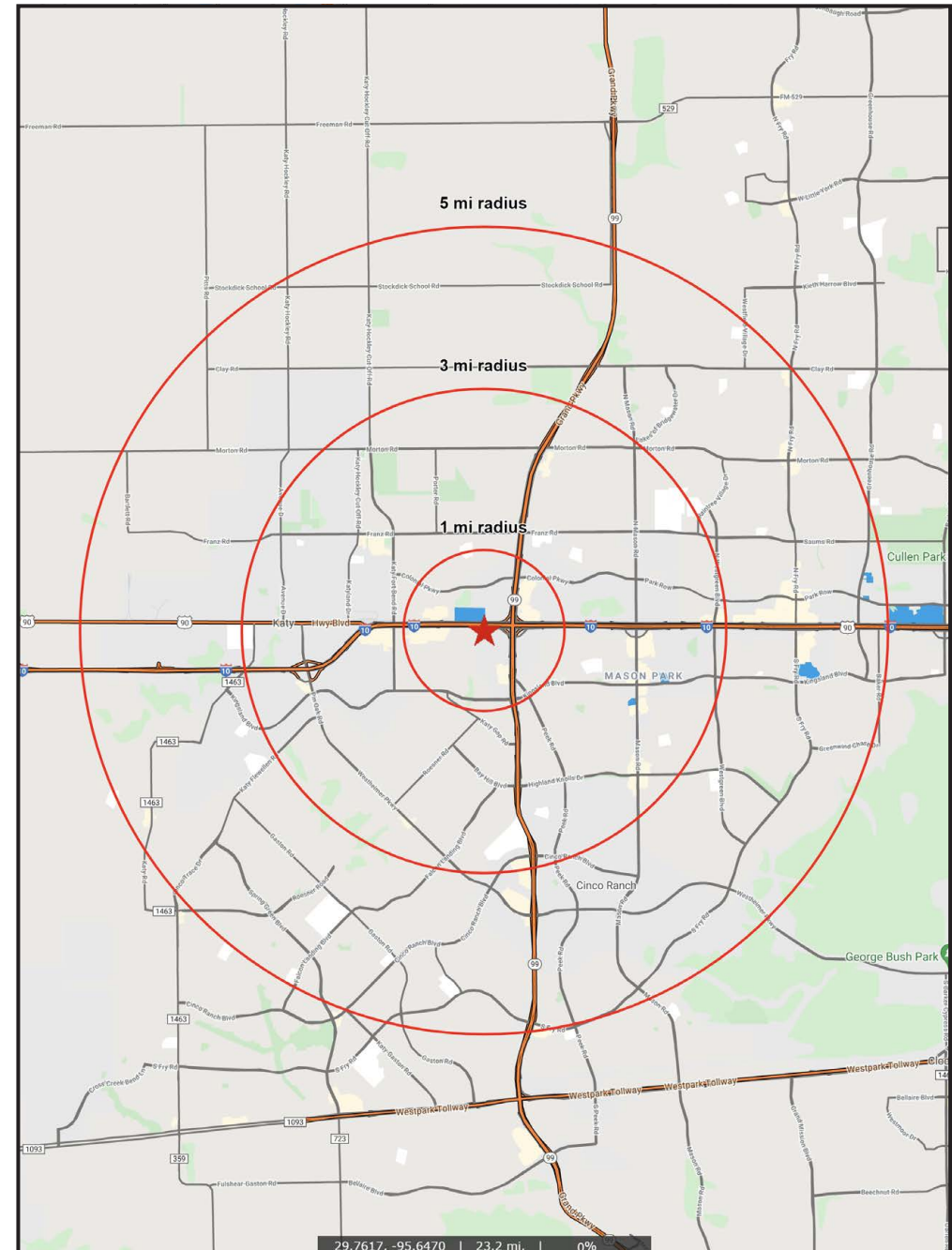




## SWC I-10 Frontage Rd & Cobia St

Katy, TX 77494

	1 mi radius	3 mi radius	5 mi radius
POPULATION	2021 Estimated Population	10,629	110,006
	2026 Projected Population	13,261	132,155
	2010 Census Population	4,774	73,050
	2000 Census Population	2,112	48,672
	Projected Annual Growth 2021 to 2026	5.0%	4.0%
	Historical Annual Growth 2000 to 2021	19.2%	6.0%
	2021 Median Age	35.0	35.4
HOUSEHOLDS	2021 Estimated Households	4,151	39,006
	2026 Projected Households	5,328	47,421
	2010 Census Households	1,658	24,546
	2000 Census Households	630	15,664
	Projected Annual Growth 2021 to 2026	5.7%	4.3%
	Historical Annual Growth 2000 to 2021	26.6%	7.1%
RACE AND ETHNICITY	2021 Estimated White	72.9%	70.0%
	2021 Estimated Black or African American	11.1%	10.5%
	2021 Estimated Asian or Pacific Islander	5.3%	7.0%
	2021 Estimated American Indian or Native Alaskan	0.4%	0.6%
	2021 Estimated Other Races	10.2%	12.0%
	2021 Estimated Hispanic	30.1%	31.3%
INCOME	2021 Estimated Average Household Income	\$91,400	\$100,071
	2021 Estimated Median Household Income	\$79,173	\$89,186
	2021 Estimated Per Capita Income	\$35,718	\$35,491
EDUCATION (AGE 25 +)	2021 Estimated Elementary (Grade Level 0 to 8)	2.7%	3.4%
	2021 Estimated Some High School (Grade Level 9 to 11)	3.5%	4.2%
	2021 Estimated High School Graduate	18.2%	19.9%
	2021 Estimated Some College	27.5%	23.5%
	2021 Estimated Associates Degree Only	8.1%	9.9%
	2021 Estimated Bachelors Degree Only	26.7%	25.5%
	2021 Estimated Graduate Degree	13.2%	13.5%
BUSINESS	2021 Estimated Total Businesses	520	4,619
	2021 Estimated Total Employees	4,710	34,539
	2021 Estimated Employee Population per Business	9.1	7.5
	2021 Estimated Residential Population per Business	20.5	23.8





# DISCLAIMER

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is furnished solely for the purpose of considering the purchase of the Valvoline located at 27311 Katy Fwy (the "Property") and is not to be used for any other purposes. This information should not, under any circumstances, be made available or disclosed to any third party without the express written consent of Real Capital Investments or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property. Real Capital Investments nor the Owner make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Memorandum may include certain statements and estimates by Real Capital Investments with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Real Capital Investments and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Offering Memorandum, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase and Sale Agreement between it and Owner. The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or Real Capital Investments, nor any of their officers, employees, representatives, independent contractors, or affiliates, for the accuracy or completeness thereof. Recipients of this Offering Memorandum are advised and encouraged to conduct their own comprehensive review and analysis of the Property. This Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase and Sale Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release Owner and Real Capital Investments from any liability with respect hereto.

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