



ABSOLUTE NNN TACO BELL OPPORTUNITY | HOUSTON, TX

13 Years Remaining | Below Market Rent | Ground Lease Structure | 10% Escalations Every 5 Years

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THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer for sale the opportunity to acquire a single-tenant Taco Bell (the “Property”) featuring a NNN ground lease with over 13 years of initial term remaining. The investment opportunity offers a truly passive income structure with zero landlord responsibilities and 10% rent increases every five years throughout the contractual lease term. Located adjacent to US-90, a major Houston thoroughfare, Taco Bell sits on Lockwood Drive with a drive-thru lane off an intersection that sees +41,000 vehicles per day. B&G Food Enterprises (the “Tenant”) is a strong franchise operator that oversees 150 Taco Bell locations across the South. The investment offers a rare opportunity to acquire a national QSR brand on a long-term lease, featuring great visibility and access in a growing Houston market.





INVESTMENT HIGHLIGHTS

LONG TERM BELOW MARKET NNN GROUND LEASE

- The Property offers 13 years of passive income throughout the remaining initial term with 10% rent increases every five years
- The NNN Ground lease require absolutely zero landlord responsibilities

LEADING QSR-BRAND TENANCY FROM TACO BELL

- Founded in 1982, B&G Food Enterprises operates a third of their 150 Taco Bell locations within the Houston MSA
- Yum! Brands has proven to be a pandemic-resistant tenant, with revenue growth throughout FY2020-2021

HIGH VEHICLE COUNT AND DENSE SURROUNDING POPULATION

- The hard-corner lot within a busy retail corridor features direct access to US-90 with 169,000 VPD
- The location benefits from over 115,000 residents within a 3-mile radius

IMPRESSIVE MARKET WITH RESILIENT ECONOMIC FUNDAMENTALS

- Houston was the #1 MSA for residential inventory construction in 2019 and 2020, outpacing cities like Dallas, New York, Phoenix and Atlanta
- The Houston MSA is home to 7.2 million residents who spent \$10.6 trillion on food away from home in 2021

PROPERTY OVERVIEW

2,105 SF

GLA

\$55,000

NOI

13.4 Years

Term Remaining

2015

Year Built

23

Parking Spaces

7-Car

Drive-thru Capacity

\$1,358,000

Price

4.05%

Cap Rate

PROPERTY & LEASE OVERVIEW

Tenant	B&G Food Enterprises of Texas, Inc.
Address	1484 Lockwood Drive, Houston, TX
Building Size	2,105 SF
Land Size	23,958 SF (0.55 AC)
Year Built	2015
Rent Commencement	July 2015
Lease Term Remaining ⁽¹⁾	±13.1 years
Lease Expiration Date	June 30 th , 2035
Lease Structure	Absolute NNN Ground Lease
Landlord Responsibilities	None
Year 1 NOI PSF	\$55,000 \$7.64
Increases	10% every 5 years
Renewal Options	Four (4) Five (5) Year Options
Parking Drive-Thru	23 spaces 7 car stack

(1) As of June 1, 2022



Value Dollar \$

AutoZone



Lyons Ave: 11,400 VPD

Telomarket

CVS pharmacy

Lockwood Drive: 29,000 VPD

Rainbow



Fiesta

Subject Property

US-90: 169,000 VPD

METRO

West Facing Aerial

Houston CBD – 2.3 Miles Away



FAMILY DOLLAR



Walgreens



US-90: 169,000 VPD

Lyons Ave: 11,400 VPD

Lockwood Drive: 29,000 VPD

Subject Property



Bank of America



TENANT OVERVIEW

Taco Bell Corp.—a subsidiary of the world’s largest restaurant company, Yum! Brands, Inc. (NYSE: “YUM”)—is the nation’s leading Mexican-inspired quick service restaurant (QSR) brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos, burritos, and other crave-able choices. Taco Bell proudly serves over two billion customers each year in over 7,400 restaurants across the nation, as well as through its mobile, desktop, and delivery ordering services. B&G Food Enterprises, the operator, was founded in 1982 and currently operates over 150 Taco Bell locations with 3,000 employees. B&G is the largest operator of Taco Bell’s in Louisiana and operates 50 locations within the Houston CBD.

■ PANDEMIC RESISTANT

Taco Bell drove Yum! Brands’ revenue growth in 2020, a turbulent year for restaurants as the pandemic surged again during Q4. During Q4 2020, Taco Bell was the only Yum! Chain to post same store sales growth.



Taco Bell Overview

Industry:	QSR
# of Active Locations:	7,619
Revenue:	\$9,212,000,000
Operating Margin:	36.1%
New Locations:	74
2-year Same Store Sales Growth:	8%
# of Foreign Countries:	26
# of Employees	100,000
Franchisee:	B&G Food Enterprises of Texas
Franchisee Locations:	150

**All reported numbers are 10/28/2021 YTD*



THE HOUSTON MSA

The Houston MSA has established itself as a top city for consistent population growth proven by its' more than double the national population growth average over the past ten years. The MSA added 91,000 people in 2020 and is expected to add another 700,000 residents through 2025. Houston was the #1 MSA for Housing Starts in 2019 and 2020, outpacing cities like Dallas, New York, Phoenix, and Atlanta. Residents and businesses alike are flocking to the city, drawn by the state's business-friendly tax laws and contributing the metropolitan area's \$488 billion GDP. The Property is located East End Submarket, a former industrial area that has seen 477,000 SF of new construction start in the past 3 years as rooftops in the area continue to rise.



GEOGRAPHY

9 counties
in the Houston MSA

10,000
square miles
larger than the state of NJ



POPULATION & DEMOS

7.2 MILLION residents in the Houston MSA
2.3 MILLION residents in the city of Houston
1 IN 4 Houstonians are foreign-born
5th Most Populous MSA In the Nation
4th Most Populous City in the Nation



ECONOMY

26TH
LARGEST
economy in the world if Houston
were an independent nation

7TH
LARGEST
U.S. metro economy in the nation

\$488
BILLION GDP [2020]



EMPLOYMENT

3.2 MILLION JOBS IN THE HOUSTON MSA
more than 35 states and nearly a quarter of
Texas' entire employment base



GLOBAL TRADE CITY

LARGEST GULF COAST CONTAINER PORT

73
Foreign-Owned Firms

1ST
In Foreign Waterborne Tonnage

#1 for IMPORTS & EXPORTS



CORPORATE HEADQUARTERS

22 FORTUNE 500
companies call Houston home
3RD LARGEST NUMBER OF FOR TUNE 1000
companies in the nation
4TH LARGEST NUMBER OF FOR TUNE 500
companies in the nation



GATEWAY TO THE WORLD

4TH LARGEST
Multi-airport system in the U.S.

58.3 MILLION
Passengers annually



THE TEXAS MEDICAL CENTER LARGEST MEDICAL COMPLEX IN THE WORLD



\$25 billion
IN LOCAL GDP

8TH largest
BUSINESS DISTRICT IN
THE U.S.

10 M
PATIENTS PER YEAR

106,000
EMPLOYEES



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