

# SHERWIN-WILLIAMS

4<sup>TH</sup> STREET & MILWAUKEE AVENUE, LUBBOCK, TEXAS

» Rare 10 Percent Rental Increases Every Five Years



REPRESENTATIVE PHOTO

CONSTRUCTION PHOTO  
AS OF 7/14/2022

OFFERING MEMORANDUM

Marcus & Millichap





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# Executive Summary

4th Street & Milwaukee Avenue, Lubbock, TX 79416

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$3,116,000</b>
Cap Rate	4.75%
Building Size	4,500 SF
Net Cash Flow	4.75% \$148,000
Year Built	2022
Lot Size	0.57 Acres

## LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Sherwin-Williams
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	November 1, 2022
Est. Lease Expiration Date	October 31, 2032
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	None

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$147,999.96	4.77%
6 - 10	\$162,799.92	5.25%
Options	Annual Rent	Cap Rate
Option 1	\$179,079.96	5.78%
Option 2	\$196,987.92	6.35%
Option 3	\$216,686.76	6.99%
Option 4	\$238,355.40	7.69%

<b>Base Rent</b>	<b>\$148,000</b>
<b>Net Operating Income</b>	<b>\$148,000</b>
<b>Total Return</b>	<b>4.75% \$148,000</b>

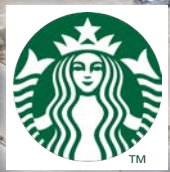
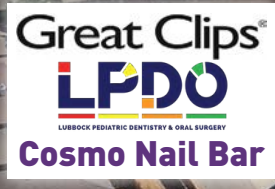


**SHERWIN  
WILLIAMS®**





16,300 CPD  
MILWAUKEE AVE



9,400 CPD  
4<sup>TH</sup> STREET







**TEXAS TECH**  
UNIVERSITY.

40,600 STUDENTS








**45,700 CPD**  
LOOP 289



Shadow Hills Golf Course

**9,400 CPD**  
4<sup>TH</sup> STREET














**SHERWIN WILLIAMS**

**Great Clips**



**Cosmo Nail Bar**

**United**  
supermarkets






# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Corporate Lease with Sherwin-Williams (NASDAQ: SHW)**
- » New High-Quality 2022 Construction
- » **Rare 10 Percent Rental Increases Every Five Years**
- » 129,469 Residents and 172,734 Daytime Employees within a Five-Mile Radius - Dense Lubbock, TX Infill
- » **Outparcel to United Supermarkets and Adjacent to Newly-Built Starbucks**
- » Directly Across from Shadow Hills Golf Course
- » **Situated at a High-Traffic Intersection with 25,700+ Cars/Day at the Corner of 4<sup>th</sup> Street and Milwaukee Avenue**
- » Average Household Income Exceeds \$72,000 in the Immediate Area
- » **A Five-Minute Drive Away from 40,600+ College Students at Texas Tech University**
- » Less Than Two Miles West of a Walmart-Anchored Retail Center and Two Miles North of West End Center - Lubbock's Premier Outlet Shopping Destination with Cabela's, Marshalls, HomeGoods, Costco, Nike, Skechers, Bed Bath & Beyond, and More



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2026 Projection	9,623	57,900	137,636
2021 Estimate	9,628	53,683	129,469

### Daytime Population

2021 Estimate	8,011	48,132	172,734
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### Households

2026 Projection	4,121	24,294	54,864
2021 Estimate	4,044	22,326	51,269

### Income

2021 Est. Average Household Income	\$72,664	\$70,932	\$67,919
2021 Est. Median Household Income	\$61,374	\$51,494	\$48,168
2021 Est. Per Capita Income	\$30,597	\$29,679	\$27,697



**SHERWIN  
WILLIAMS®**

# Tenant Overview



**Cleveland, Ohio**

Headquarters

**NASDAQ: SHW**

Stock Symbol

**4,770+**

Locations

**1866**

Founded

**sherwin-williams.com**

Website

The Sherwin-Williams Company was founded by Henry Sherwin and Edward Williams in 1866. A Fortune 500 company in the general building materials industry, Sherwin-Williams is a global leader in the manufacture, development, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America and Europe.

The Company manufactures products under well-known brands such as

Sherwin-Williams®, Dutch Boy®, HGTV HOME® by Sherwin-Williams, Krylon®, Minwax®, Thompson's® Water Seal® and many more. With global headquarters in Cleveland, Ohio, Sherwin-Williams® branded products are sold exclusively through more than 4,770 company operated stores and facilities, while the Company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors.



# Site Plan





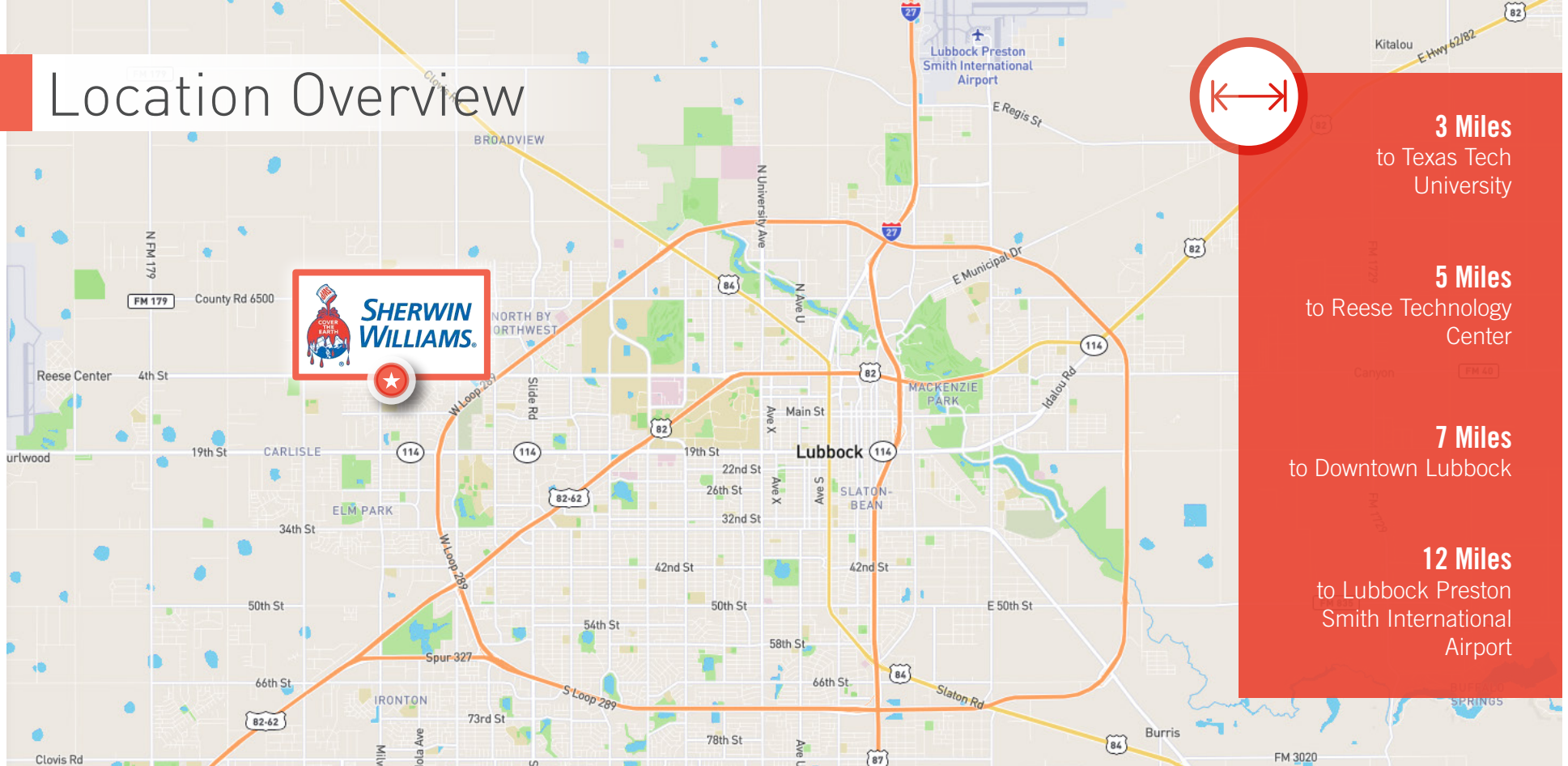
# Construction Photos

as of 7/14/2022





# Location Overview



Home to Texas Tech, one of the largest universities in the state, Lubbock is also the most populous metro in the western Texas and eastern New Mexico region. The county seat of Lubbock County, the city is home to an estimated 329,000 residents. The Lubbock metro is known for its oil, cotton production, and education and health care sectors. The Midland Basin, which encompasses Lubbock, is one of the largest contiguous oil fields in the United States. Lubbock, nicknamed “Hub City,” is the economic, education, cultural, entertainment, and health-care hub of the region.

Located within Lubbock, Texas Tech University is the largest employer in the metro with nearly 21,000 employees. The university enrolls over 40,000 students each

year. Other higher education institutions in the metro include Lubbock Christian University, Wayland Baptist University, and South Plains College. Overall, the metro is home to more than 52,000 college students, providing a young and skilled labor pool.

Energy efficiency, telecommunications, and technology have a strong impact on Lubbock’s local economy, accounting for 15 percent of the city’s total gross product. The market has a thriving agriculture industry, and is the location of the United States Department of Agriculture plant, livestock, and water conservation research efforts. Monsanto has a cotton seed processing facility that contributes to the area’s cotton industry, while adding high-paying jobs to the economy.





## Information About Brokerage Services

11-2-2015

*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: othat the owner will accept a price less than the written asking price; othat the buyer/tenant will pay a price greater than the price submitted in a written offer; and oany 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.

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Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone
Regulated by the Texas Real Estate Commission		Buyer/Tenant/Seller/Landlord's Initials	Date

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)  
IABS 1-0



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By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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## CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or

entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

**Marcus & Millichap**