



845 S FRY RD | HOUSTON, TX 77094

OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



845 S FRY RD
HOUSTON, TX 77094

LISTED BY:



SIMON ASSAF

Associate Vice President

Direct (949) 873-0275

Mobile (909) 800-7139

simon.assaf@matthews.com

License No. BR663663000 (AZ)

KYLE MATTHEWS

Broker of Record

DIR (866) 889-0550

listings@matthews.com

License No. 9005919 (TX)





04

PROPERTY OVERVIEW

06

FINANCIAL OVERVIEW

08

TENANT OVERVIEW

12

AREA OVERVIEW



PROPERTY OVERVIEW

PEP BOYS | HOUSTON, TX

INVESTMENT HIGHLIGHTS

- **Recent Extension** – Tenant just extended the lease 10 years with a 10% bump in five years showing strong commitment to the site
- **Corporate Backed Lease** – Lease is guaranteed by Pep Boys corporation
- **Sought After Retail** – Auto service has an ecommerce proof business structure and defense against recessions with business oftentimes improving during down turn business cycles
- **Densely Populated Retail** – This location directly off the US-90 and minutes away from Westgate Marketplace – including retailers such as Kohl's, LA Fitness, The Vitamin Shoppe, Men's Wearhouse, Five Guys and more
- **Affluent Surrounding Area** – There median household income within a 1-mile radius is \$173,143
- **Strong Traffic Counts** – Over ±25,000 VPD traveling north bound on S Fry Road towards Kingsland Blvd





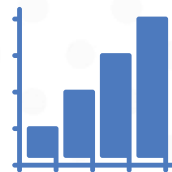
FINANCIAL OVERVIEW

PEP BOYS | HOUSTON, TX



\$2,007,000

List Price



5.50%

Cap Rate



±5,150 SF

GLA

INVESTMENT SUMMARY

**845 S FRY RD
HOUSTON, TX 77094**

Tenant Name:	Pep Boys
Type of Ownership:	Fee Simple
Lease Guarantor:	Corporate
Lease Type:	NN
Roof and Structure:	Tenant
Original Lease Term:	10 Years
Lease Commencement Date:	12/1/2011
Lease Expiration Date:	11/30/2031
Term Remaining on Lease:	±9.5 Years
Increase(s):	10% Every 5 Years
# of Options:	One 5-Year Option

ANNUALIZED OPERATING DATA

TENANT	GLA	LEASE COMMENCE	MONTHLY RENT	ANNUAL RENT	RPSF	CAP RATE	INCREASES
Pep Boys	5,150	Current - 11/30/2026	\$9,200.00	\$110,400.00	\$21.44	5.50%	-
		12/1/2026 - 11/30/2031	\$10,120.00	\$121,440.00	\$23.58	6.05%	10.0%
		Option 1 - 12/1/2031 - 11/30/2036	\$11,132.00	\$133,584.00	\$25.94	6.66%	10.0%



TENANT OVERVIEW

PEP BOYS | HOUSTON, TX



+1,000
LOCATIONS



+16K
EMPLOYEES



\$2.1B
ANNUAL INCOME

Philadelphia-based Pep Boys has operations in 47 US states and Puerto Rico. Major markets for the company include California, Florida, Pennsylvania, and Texas, home to nearly half of its stores. Pep Boys also has warehouses in California, Georgia, Texas, Indiana, New York, and Pennsylvania. An automotive paradise for do-it-yourselfers, Pep Boys stock about 25,000 car parts and accessories, including tires, and combined, operate more than 9,000 service bays for vehicle repairs, inspections, and parts installations. It also offers credit and parts delivery to commercial customers, such as repair shops, fleet operators, schools, and municipalities. Founded in 1921 by Philadelphians Manny, Moe, and Jack, Pep Boys was acquired by billionaire investor Carl Icahn's Icahn Enterprises in February 2016.



S FRY RD
± 25,000 VPD

KINGSLAND BLVD
± 17,000 VPD







AREA OVERVIEW

PEP BOYS | HOUSTON, TX



HOUSTON, TX

With a city population of over 2.31 million people, Houston is the fourth-largest city in the United States. Houston is the most diverse metropolitan area in Texas and has been described as the most racially and ethnically diverse major metropolis in the U.S. It is home to many cultural institutions and exhibits, which attract more than 8.7 million visitors a year to the Museum District. Houston has an active visual and performing arts scene in the Theater District and offers year-round resident companies in all major performing arts. Though Houston is the largest city in the United States without formal zoning regulations, it has developed similarly to other Sun Belt cities because the city's land-use regulations and legal covenants have played a similar role. Houston has the fifth tallest skyline in North America (after New York City, Chicago, Toronto, and Miami). A seven-mile system of tunnels and skywalks links Downtown buildings containing shops and restaurants, enabling pedestrians to avoid the summer heat and rain while walking between buildings. Centered on Post Oak Boulevard and Westheimer Road, the Uptown District boomed during the 1970s and early 1980s when a collection of midrise office buildings, hotels, and retail developments appeared along Interstate 610 West. Uptown became one of the most prominent instances of an edge city. Located in the American South, Houston is a diverse city with a large and growing international community. Houston is highly regarded for its diverse food and restaurant culture. Several major publications have consistently named Houston as one of "America's Best Food Cities".

NATIONS BEST CITY FOR MILLENNIALS.

- LANGSTON CO

#1 MOST DIVERSE CITY IN THE U.S.

- WALLETHUB, 2020

POPULATION	1-MILE	3-MILE	5-MILE
2027 Estimation	12,897	107,485	276,085
2022 Population	12,592	104,325	258,420
Annual Growth 2022-2027	2.42%	3.03%	6.84%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2027 Estimation	4,836	38,807	95,457
2022 Population	4,634	36,699	87,929
Annual Growth 2022-2026	4.34%	5.74%	8.56%
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$173,143	\$112,824	\$111,220

ECONOMY

Houston is a city of endless possibilities: Its history has been marked with achievements from the first word heard from the moon to the first artificial heart transplant. A distinctly favorable business climate promotes trade, commerce, industry, and economic growth in the Houston region. Many businesses recognize the allure of all Houston has to offer. Once dominated by oil-related jobs, Houston's economy has diversified as new, core industries join energy in the regional employment mix. As the 7th largest economy in the U.S. and with the nation's youngest and most diverse talent pool, Houston truly is the top headquarters city of the Americas.

TEXAS MEDICAL CENTER

Houston is home to the largest medical center in the world—Texas Medical Center (TMC). Home to the brightest minds in medicine, TMC nurtures cross-institutional collaboration, creativity, and innovation through its 61 member institutions. From some of the world's leading hospitals to the top research facilities, Houston institutions are making an impact worldwide. In April '18, TMC announced the creation of TMC3, a multi-institutional 30-acre research campus that brings together the best institutions in clinical care, research, and industry. **The campus is projected to be complete in '22, create nearly 30,000 jobs, and bring \$5.2 billion to Houston's economy.**



MAJOR EMPLOYERS

EMPLOYERS	EMPLOYEES
H-E-B	20,000+
Houston Methodist	20,000+
Memorial Hermann Health Systems	20,000+
UT MD Anderson Cancer Center	20,000+
ExxonMobil	15,000+
HCA Houston Healthcare	15,000+
Kroger	15,000+
University of Houston	10,000+

HIGHER EDUCATION

The Houston region has more than 40 two-year community colleges and four-year universities. Houston area colleges and universities educate nearly 430,000 students and graduate more than 100,000 students annually. Houston is home to 1.05 million millennials; the city is among the top 10 in the U.S. for attracting millennials and number one in retaining college graduates.

RICE UNIVERSITY

Rice University is a private research university near the Houston Museum District and is adjacent to the Texas Medical Center. Boasting a 300-acre campus in Houston, Rice University is ranked among the nation's top 20 universities by U.S. News & World Report. Rice has a 6-to-1 undergraduate student-to-faculty ratio, and a residential college system, which supports students intellectually, emotionally, and culturally through social events, intramural sports, student plays, lecture series, courses, and student government. The university has a very high level of research activity, with \$156 million in sponsored research funding in 2019. Rice is noted for its applied science programs in the fields of artificial heart research, structural chemical analysis, signal processing, space science, and nanotechnology.

UNIVERSITY OF HOUSTON

The University of Houston is a public research university and the flagship institution of the University of Houston System. Founded in 1927, UH is the third-largest university in Texas with over 46,000 students. Its campus spans 667 acres in southeast Houston. The university is classified among "R1: Doctoral Universities – Very high research activity." The university offers more than 282-degree programs through its 14 academic colleges on campus—including programs leading to professional degrees in architecture, law, optometry, and pharmacy. The institution conducts \$150 million annually in research and operates more than 40 research centers and institutes on campus.

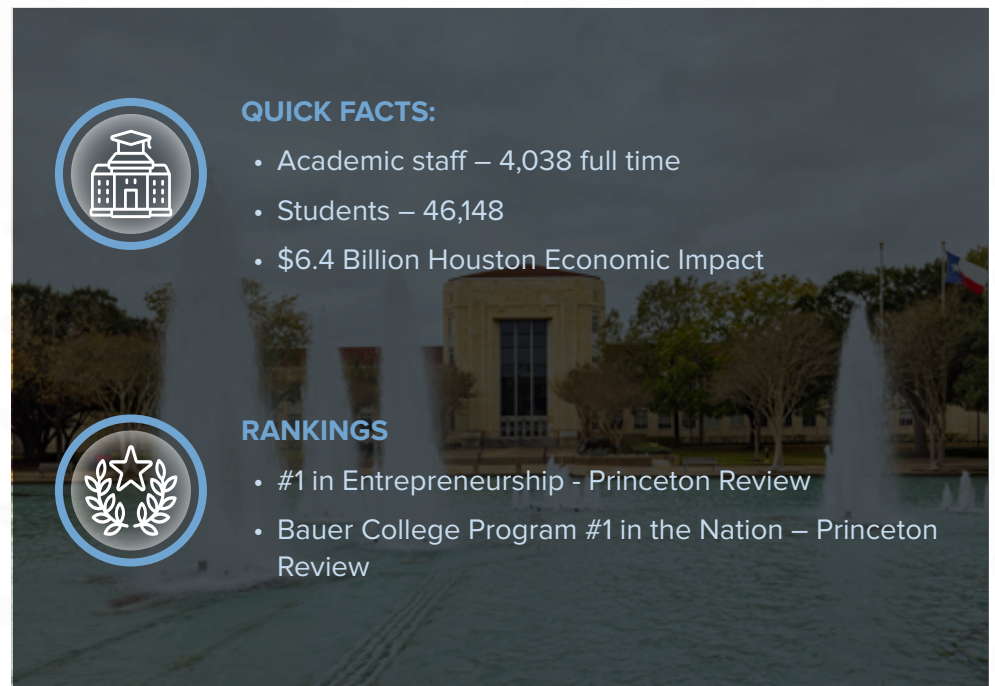


QUICK FACTS: 2020 RESEARCH BY THE NUMBERS

- Academic staff - 680 full time
- Students - 7,282
- Established 1912

RANKINGS

- #1 Quality of Life – Princeton Review
- #7 Best Colleges in the Nation – Niche
- Top 20 in USA – US New



QUICK FACTS:

- Academic staff – 4,038 full time
- Students – 46,148
- \$6.4 Billion Houston Economic Impact

RANKINGS

- #1 in Entrepreneurship - Princeton Review
- Bauer College Program #1 in the Nation – Princeton Review

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Pep Boys** located in **845 S Fry Rd, Houston, TX 77094** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



Pep Boys

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OFFERING MEMORANDUM

PEPBOYS AUTO
SERVICE & TIRES

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