

22678 HIGHWAY 59 | PORTER, TX 77365



RECENT RENEWAL EXERCISED | 9.53% AVG CAP RATE | ABSOLUTE NNN LEASE



INTERACTIVE
OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY

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Andrew Fagundo, Michael Moreno, and Rahul Chhajed (In conjunction with Matthews Real Estate Investment Services, Inc., a cooperating foreign broker for this listing pursuant to Section 535.4(b) of the Texas Administrative Code)





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NEIGHBORS EMERGENCY CENTER

22678 Highway 59 | Porter, TX 77365

Matthews Real Estate Investment Services™ is thrilled to present this exceptional investment opportunity in Neighbors Emergency Center. With an Absolute NNN lease, this property offers a “hands-off” investment backed by a strong, corporate guarantee from Altus Health Systems, a highly respected leader in healthcare operations. Featuring a secure long-term lease through 2028, a 5-year renewal option, annual 2% rent escalations, and a premier location, this opportunity delivers exceptional stability and impressive appreciation potential. Strategically positioned along Highway 59 in the booming, master-planned Valley Ranch Community, it boasts unparalleled visibility, affluent demographics, and close proximity to prominent national operators. Bolstered by Altus’s proven operational excellence since 2018 and dynamic regional development, this investment offers landlords a rare blend of peace of mind and robust potential for appreciation.

NEIGHBORS EMERGENCY CENTER



PRICE
\$5,615,514



NOI
\$519,435



GLA
±8,000 SF

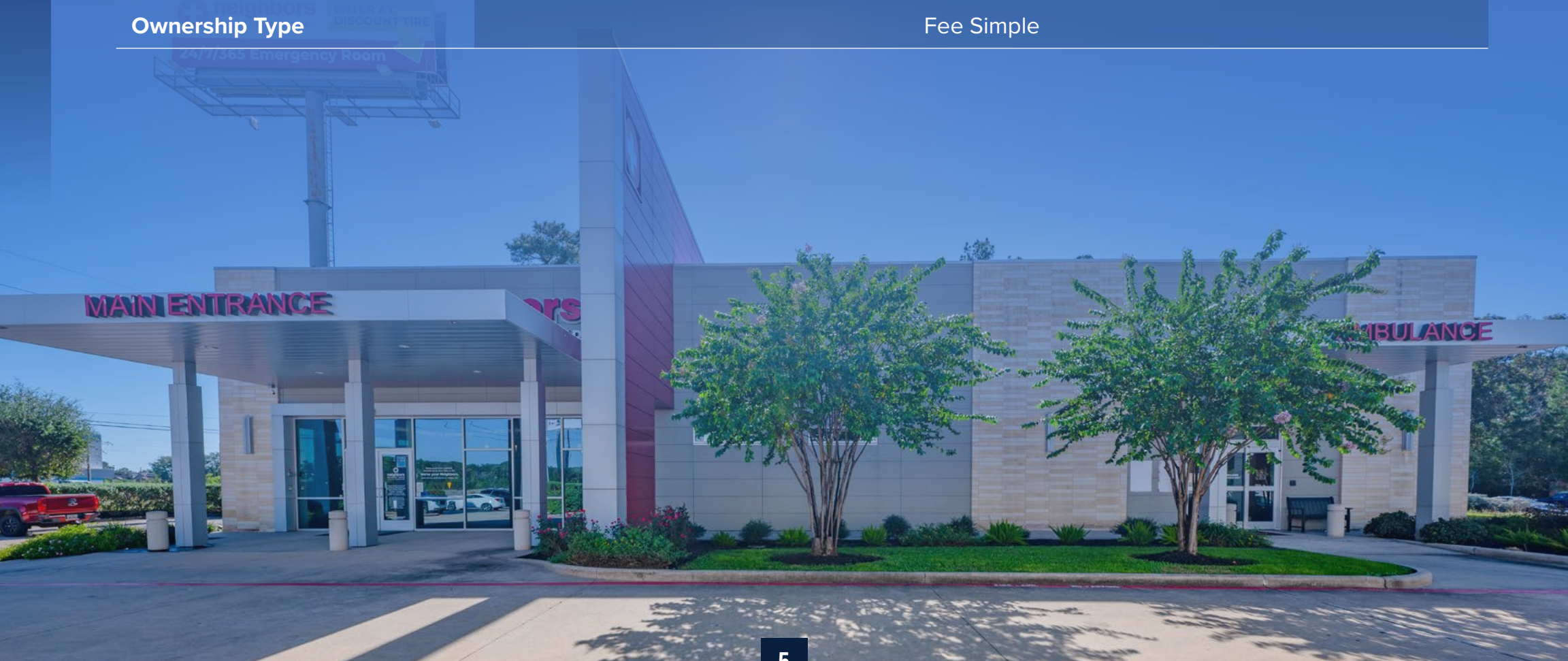


CAP RATE
9.25%



YEAR BUILT
2015

Property Name	Neighbors Emergency Center
Address	22678 Highway 59, Porter, TX 77365
Property Size (SF)	±8,000 SF
Lot Size (AC)	±0.96 AC
Year Built	2015
Occupancy	100%
Property Type	Emergency Room
Ownership Type	Fee Simple





INVESTMENT HIGHLIGHTS

Highly Profitable Location

The tenant's revenue has continued to grow at this location with record profitability in 2024.

Corporate Guarantee Backed by a Trusted Industry Leader

This lease is secured by a corporate guarantee from Altus Health System, a well-established and reliable healthcare operator.

Growing Healthcare Sector and Recession-Proof Industry

The U.S. freestanding emergency department market is projected to expand from \$11.55 billion in 2023 to \$14.52 billion by 2028. As an essential service, healthcare remains insulated from economic fluctuations, supporting consistent tenant performance.

Proven Operating History and Recent Lease Extension

Altus has demonstrated operational success at this location since 2018, recently reaffirming their dedication with a lease renewal. This history minimizes risk of vacancy and demonstrates dedication to this site.

Explosive Population Growth and Affluent Demographics

Positioned in a thriving Houston suburb, the area boasts a population of 114,000 within a 5-mile radius, with projected growth of 18% by 2029. High average household incomes of \$110,000 underscore the area's affluence, making this location highly desirable.

Embedded in the Valley Ranch Master-Planned Community

The property is part of the expansive 14,000-acre Valley Ranch Master-Planned Community, featuring residential, retail, and entertainment spaces, including the 1.5-million-square-foot Valley Ranch Town Center, multiple multi-family developments, and a new medical office district.

Built-In Cash Flow Increases

Annual 2% rent escalations ensure your income keeps pace with inflation while also serving as a source of appreciation for a future landlord.

Neighboring National Operators

Surrounded by established brands like Discount Tire, Caliber Collision, Dickey's Barbecue, and a new Amazon Distribution Center built in 2021, the property benefits from a thriving commercial ecosystem.

Experienced, Reliable Operator

Altus Health System, Texas's largest operator of freestanding emergency centers, runs 30 successful locations. Their expertise and operational strength make them an ideal tenant, ensuring peace of mind for landlords.

Unmatched Visibility, Accessibility and Exposure

Situated along Highway 59, the property benefits from prime visibility and traffic flow of \pm 54,000 vehicles per day, ensuring continued demand and tenant success.

Booming Regional Development

Located in Montgomery County, one of the fastest-growing counties in the U.S., the area continues to attract significant residential and commercial developments such as Conroe Park North Industrial Park, Gosling Oaks Residential Development, and the Royal Pines 150-Acre Project. These projects contribute to sustained growth and increasing demand for services in the region.

"Hands-Off" Absolute NNN Lease

With an absolute NNN lease in place, all expenses—taxes, insurance, and maintenance—are a responsibility of the tenant, ensuring hassle-free income.

INVESTMENT SUMMARY

List Price	\$5,615,514
NOI	\$519,435
Cap Rate	9.25%
Price PSF	\$701.94
Rent PSF	\$64.93

LEASE ABSTRACT

Tenant Name	Altus Health System Opco, LLC
Subtenant Name	Baytown Medical Center, L.P.
Ownership Type	Fee Simple
Lease Guarantors	Altus Health Systems Fund, L.P. Altus Health System Opco, LLC
SF Leased	±8,000 SF
Occupancy	100%
Initial Term	5 Years
Rent Commencement	10/31/2018
Lease Expiration	11/30/2028
Lease Term Remaining	±3.50 Years
Base Rent	\$519,435
Rental Increases	2% Annually
Renewal Options	One, 5-Year Option
Expense Structure	Absolute NNN
Landlord Responsibilities	N/A
Tenant Responsibilities	Insurance, Taxes, Maintenance, Roof & Structure

FINANCING OPTIONS

For financing, please reach out to:

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ANNUALIZED OPERATING DATA

Lease Year	Annual Rent	Monthly Rent	Rent PSF	Cap Rate
1st Renewal Option (Current)				
4/1/25 - 3/31/26	\$519,435	\$43,286.25	\$64.93	9.25%
4/1/26 - 3/31/27	\$529,824	\$44,151.98	\$66.23	9.44%
4/1/27 - 3/31/28	\$540,420	\$45,035.01	\$67.55	9.62%
4/1/28 - 11/30/28	\$551,229	\$45,935.71	\$68.90	9.82%
Average				9.53%
2nd Renewal Option				
12/01/28 - 3/31/29	\$551,229	\$45,935.71	\$68.90	9.82%
4/1/29 - 3/31/30	\$562,253	\$46,854.43	\$70.28	10.01%
4/1/30 - 3/31/31	\$573,498	\$47,791.52	\$71.69	10.21%
4/1/31 - 3/31/32	\$584,968	\$48,747.35	\$73.12	10.42%
4/1/32 - 3/31/33	\$596,668	\$49,722.29	\$74.58	10.63%
4/1/33 - 11/30/33	\$608,601	\$50,716.74	\$76.08	10.84%





Neighbors Emergency Center (NEC) is a Texas-based healthcare provider specializing in 24/7 emergency medical care for adults and children. Established in 2009 by Dr. Setul Patel and Dr. Quang Henderson, the organization is headquartered in Houston, Texas, and has become a trusted name in emergency medical services. NEC's freestanding emergency centers are designed to offer high-quality, patient-focused care, combining advanced medical technology with a compassionate approach to treatment.

NEC provides a wide array of emergency medical services, including trauma and injury care, cardiac emergency response, and pediatric emergency services. Each center is equipped with on-site diagnostic tools, such as X-rays, CT scans, ultrasounds, and full-service laboratories, ensuring rapid and accurate diagnoses. These capabilities allow the centers to effectively manage critical conditions such as fractures, heart attacks, strokes, respiratory emergencies, and more. NEC's pediatric care services are tailored to the unique needs of younger patients, ensuring they receive the specialized attention they require.

The centers prioritize patient comfort and efficiency, offering modern, welcoming facilities and significantly reduced wait times compared to traditional hospital emergency rooms. NEC's commitment to personalized care and transparency has earned it a strong reputation within the communities it serves. By focusing on accessibility and quality, NEC provides critical medical care to underserved areas through its strategically located centers in cities like Houston, Crosby, and Tyler.



Website
www.nec24.com



Headquarters
Houston, TX



Year Founded
2009





Altus Community Healthcare (ACH) is a leading provider of emergency medical services in Texas, operating 27 freestanding emergency rooms and micro-hospitals across the state. Their mission is to deliver world-class care during emergencies through a team of highly trained physicians and staff. ACH is a portfolio company of ZT Corporate, a Houston-based private equity firm specializing in healthcare and automotive investments. In June 2023, ACH expanded its footprint by acquiring Exceptional Emergency Center's 14 Texas locations, making it the largest operator of freestanding emergency centers in the state.

ACH's facilities offer comprehensive emergency care services, including:

- 24/7 emergency care for conditions such as abdominal and chest pain, fractures, and allergic reactions
- On-site imaging services like CT scans, X-rays, and ultrasonography
- Full clinical laboratory services with rapid results
- On-site pharmacy and cardiac monitoring



www.altushc.com



Houston, TX



2003

EMERGENCY



 **VILLAS AT VALLEY RANCH**
312 UNITS



**CALIBER
COLLISION**

SUBJECT PROPERTY



± 53,986 VPD



amazon

± 53,986 VPD



SUBJECT PROPERTY



PINE VALLEY MIDDLE SCHOOL
957 STUDENTS

CALIBER
COLLISION

DISCOUNT
TIRE

DICKEY'S
BARBECUE PIT



PORTER, TX

Porter, Texas is an unincorporated community in Montgomery County, located within the Houston metropolitan area. It offers a blend of suburban living and natural beauty, making it an appealing place to call home. Residents benefit from its proximity to major highways, which provide easy access to nearby cities like Houston and The Woodlands while enjoying the tranquility of a quieter environment. The area is served by the New Caney Independent School District, known for its growing educational opportunities. Porter also features a mix of established neighborhoods and new developments, catering to families, professionals, and retirees alike.

Porter boasts several attractions that enhance its appeal for both residents and visitors. The Oakhurst Golf Club offers a scenic 18-hole course, perfect for golfers of all levels. Nature enthusiasts enjoy the nearby Lake Houston Wilderness Park, which features hiking and biking trails through lush woodlands and wetlands. For history buffs, the East Montgomery County Museum provides insight into the area’s rich heritage. Porter’s affordability, access to amenities, and close-knit community atmosphere make it an increasingly popular choice for those seeking a balance between urban conveniences and suburban charm.

DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
2024 Population	6,275	42,074	114,207
2029 Population Projection	7,724	51,962	134,571
Annual Growth 2024-2029	4.6%	4.7%	3.6%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Households	2,062	14,113	39,638
2029 Household Projection	2,542	17,470	46,782
Annual Growth 2024-2029	4.7%	4.8%	3.6%
INCOME	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$101,587	\$110,673	\$112,361



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.

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.

#4
**LARGEST CITY IN
THE U.S.**

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. Houston's current major industries include energy, aerospace and defense, and bio-science. Houston is home to the Texas Medical Center, the world's largest concentration of health care and research institutions, and NASA's Johnson Space Center, where the Mission Control Center is located. According to Forbes, Houston has a gross metro product of \$482.1 billion.

FORTUNE 500 COMPANIES HEADQUARTERED IN HOUSTON



EMPLOYERS	EMPLOYEES
Houston Methodist	25,543
HEB	25,337
Walmart	22,854
Memorial Hermann Health System	21,925
The University of Texas MD Anderson Cancer Center	21,576
HCA Houston Healthcare	15,000
United Airlines	13,500
Kroger	13,490
ExxonMobil	13,000
Shell Oil Company	11,500

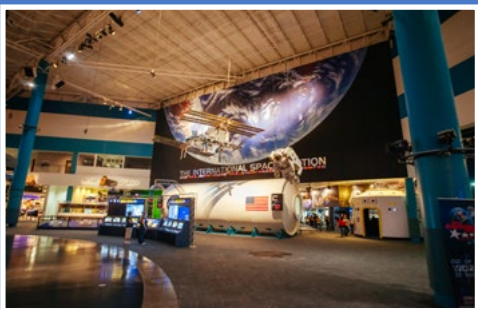
HOUSTON TOURISM

Houston's downtown has been revitalized with numerous clubs, professional sports facilities, and musical entertainment that has helped bring nightlife back to downtown. As one of the few U.S. cities with resident companies in theater, ballet, symphony, and opera, Houston's Theater District, located downtown, offers visitors and residents alike exciting performances all season long. The city also shows its devotion to the arts through a full complement of art museums and critically acclaimed galleries in its Museum District. Countless cutting-edge chefs have made a home in Houston, where diners eat out more than residents of any other city. There are more than 10,000 restaurants in the Houston area with culinary choices that represent more than 70 countries and American regions. This stylish dining scene only provides a glimpse of Houston's epicureans offerings, a fact that the city's culinary masterminds intend to prove with the Houston Culinary Tours.



DOWNTOWN AQUARIUM

Space Center Houston is the official visitor center of the Lyndon B. Johnson Space Center—the National Aeronautics and Space Administration's (NASA) center for human spaceflight activities. Along with the Northrop Grumman Theater and special tours the center is also home to many space artifacts and hardware including the Apollo 17 command module, the Saturn V, and more.



SPACE CENTER HOUSTON

Houston's Downtown Aquarium is a public aquarium and restaurant located that was developed from two Houston landmarks: Fire Station No. 1 and the Central Waterworks Building. It houses over 200 species of aquatic animals in 500,000 gallons of aquariums. The complex includes two restaurants, a bar, and banquet facilities.



THE GALLERIA

As the largest mall in Texas, the Galleria is an upscale mixed-use urban development centrally located in the Uptown District of Houston. With 24 million annual visitors, The Galleria has been named the most visited attraction in Houston. On top of an ice-skating rink, the mall holds 375 stores, 30 restaurants, and 2 hotels. It is currently anchored by Neiman Marcus, Nordstrom, Saks Fifth Avenue, and Macy's.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **22678 Highway 59, Porter, TX 77365** ("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. Neither 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.

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 Retail Group Inc.

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 Owner 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 of this Offering Memorandum.

There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.



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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.

11-2-2015



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.

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Designated Broker of Firm	License No.	Email	Phone
Patrick Graham	528005	licensing@matthews.com	866-889-0050
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date