

BROOKSHIRE BROTHERS ANCHORED CENTER

20185 US ROUTE 59 - NEW CANEY, TEXAS

offering memorandum



Actual Property

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Marcus & Millichap
Real Estate Investment Services

Investment Overview

20185 US ROUTE 59 - NEW CANEY, TEXAS

Marcus & Millichap is pleased to present this 100 percent occupied 55,994-square foot retail center in New Caney, Texas; which is approximately 30 miles northeast of Houston. The asset is anchored by Brookshire Brothers and additional tenants include Family Medical Office; Jeffrey Adams, DDS; Sherry Tavel Attorney at Law; and a freestanding Taco Bell.

More than 75 Percent of the center is backed by a corporate guaranty from Brookshire Brothers, Limited; which operates more than 100 locations across Texas and Louisiana. Brookshire Brothers has more than three years remaining on a double-net (NN) lease. Family Medical Practice has more than two years remaining on a modified gross lease with 10 percent rent increases in their remaining four, five-year options. Both Brookshire and Family Medical Practice demonstrates commitment: Brookshire has been operating at this location more than 15 years and Family Medical is in their second option period. Jeffrey Adams, DDS has four years remaining on a double-net (NN) lease with 3 percent annual increases and Sherry Tavel, Attorney at Law has more than two and a half years remaining on a gross lease with 1 percent annual increases. Taco Bell was added as a pad site to the retail center in 2013. Taco Bell has more than 16 years remaining on a ground lease, which is backed by Taco Bell of America, Limited Liability Company; a wholly owned subsidiary of Yum! Brands, Incorporated.

This asset is situated on US Route-59, which is highly visible from interstate-69 and sees more than 50,300 vehicles per day. Additionally, a Walmart Super Center is entering the market across the street from this asset. Delivery of the Walmart is expected to occur July 2017. Walmart's entrance into the market will significantly increase traffic in the immediate trade area.



- **Retail Center in New Caney, Texas | 30 Miles North of Houston | 100% Occupied**
- **Short-Term Leases | Average Lease Term Remaining is Three Years**
- **Tenant Mix Includes Brookshire Brothers; Family Medical Practice; Jeffrey Adams, DDS; Sherry Travel Attorney at Law; and a Freestanding Taco Bell**
- **More Than 75 Percent of the Center is Backed by a Corporate Guaranty from Brookshire Brothers, Limited | More Than 100 Locations Across Texas and Louisiana**
- **Brookshire Brothers Has More Than 15-Year Operating History | Family Medical Practice is in Second Option**
- **Taco Bell, Outparcel - Corporate Guaranty from Taco Bell of America, Limited Liability Company | Wholly Owned Subsidiary of Yum! Brands, Incorporated**
- **Asset is Highly Visible from Interstate-69 | More Than 50,300 Vehicles Per Day**
- **Walmart Super Center Entering Market Across the Street from This Asset | July 2017 | Vehicles Per Day Expected to Significantly Increase**
- **Additional Tenants in the Immediate Vicinity Include: Salsarita's, Walgreens, AT&T, Supercuts, Firehouse Subs, and American Family Care**

Financial Overview

20185 US ROUTE 59 - NEW CANEY, TEXAS

Offering Summary

PRICE:	\$4,500,000
CAP RATE:	7.36%
NOI:	\$331,143
PRICE PER SQUARE FOOT:	\$80.44
RENT PER SQUARE FOOT:	\$7.21
YEAR BUILT:	1982
APPROXIMATE LOT SIZE:	8.04 Acres
GROSS LEASEABLE AREA:	55,944
TYPE OF OWNERSHIP:	Fee Simple

Annualized Operating Data

Base Rental Revenue	\$403,182
Vacancy Factor (5%)	\$26,335
Gross Potential Income	\$376,848
Reimbursements	
Real Estate Taxes	\$76,694
CAM	\$55,912
Insurance	\$8,907
Total Expense Reimbursements	\$141,513
Effective Gross Income	\$518,360
Expenses	
Real Estate Taxes	\$99,632
Insurance	\$19,409
CAM	
Landscaping & Groundskeeping	\$7,200
Repairs and Maintenance	\$15,848
Utilities	\$8,416
Water and Sewer	\$14,660
Management Fee (2.5% of EGI)	\$22,051
Total CAM	\$68,176
Total Expenses	\$187,217
Net Operating Income	\$331,143



Tenant Overview

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TENANT PROFILES

TENANT	GUARANTY	GLA	% OF GLA	LEASE COMMENCE	LEASE EXPIRE	ANNUAL RENT	RENT/SF	INCREASES	OPTIONS	LEASE TYPE
BROOKSHIRE BROTHERS	BROOKSHIRE BROTHERS, LIMITED	42,004	75.08%	11/17/2000	11/16/2020	\$237,306	\$5.65	FMV IN OPTIONS	5, 5-YEAR	NN
FAMILY MEDICAL PRACTICE	BARRY G WILLENS, M.D. P.A.	11,340	20.27%	7/1/2004	6/30/2019	\$109,786	\$9.68	10% IN OPTIONS	4, 5-YEAR	Modified Gross
JEFFREY ADAMS, DSS	DR. JEFFREY ADAMS, DSS	1,400	2.50%	7/1/2016	6/30/2021	\$15,824	\$11.30	3% ANNUALLY	NONE	NN
SHERRY TAVEL ATTORNEY AT LAW	SHERRY TAVEL	1,200	2.15%	3/1/2017	2/28/2020	\$15,266	\$12.72	1% ANNUALLY	5, 1-YEAR	Gross
TACO BELL	TACO BELL OF AMERICA, LLC	-	-	9/26/2013	9/25/2033	\$25,000	-	10% EVERY 5 YEARS	4, 5-YEAR	Ground
TOTAL VACANT		-	0.00%							
TOTAL OCCUPIED		55,944	100.00%			\$403,182				
TOTAL		55,944	100.00%			\$403,182				

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Tenant Overview - Brookshire Brothers

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Brookshire Brothers

Brookshire Brothers and its family of brands operate more than 110 locations across Texas and Louisiana. Brothers Austin and Tom Brookshire opened the first store in Lufkin, Texas on September 21, 1921. Headquartered in the East Texas town of Lufkin, Brookshire Brothers' assets today include a family of more than 110 retail outlets incorporating grocery stores and convenience stores, as well as free standing pharmacy, tobacco, and gasoline locations.

Brookshire Brothers is employee-owned and with more than 7,000 employee-owners. The employee-owners take great pride in serving their community. They can be found coaching baseball, volunteering at schools or at local church events. Customers enjoy friendly relationships with our stores and our employees. Those relationships make for stronger communities and neighborhoods.

We don't take a one-size-fits-all approach to our stores. Each store provides for the unique needs of the community it serves. We operate under nine distinctive retail brands – Brookshire Brothers, Brookshire Brothers Express, Cormie's Grocery, David's Supermarkets, David's Express, Pecan Foods, Polk Pick-It-Up, Brookshire Brothers Pharmacy and Tobacco Barn. From contemporary grocery stores and convenience-supermarket hybrids to traditional convenience stores, we deliver choices to our customers. At Brookshire Brothers, and in each of our retail brands, our mission is to truly be, "A Celebration of Family and Community".

TENANT PROFILE

TENANT TRADE NAME	Brookshire Brothers
OWNERSHIP	Private
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	100+
HEADQUARTERED	Lufkin, Texas
WEB SITE	https://www.brookshirebrothers.com/



Actual Property

Tenant Overview - Taco Bell

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Actual Property



Taco Bell of America, Limited Liability Company is a wholly owned subsidiary of Yum! Brands, Incorporated, which is a Fortune 500 corporation. Taco Bell is the number one Mexican fast-food chain in the United States, with about 6,200 locations. The restaurants feature a wide range of Mexican-style menu items including tacos, burritos, gorditas, quesadillas, and nachos. Taco Bell units can be found operating as free-standing units and as quick-service kiosks in such places as shopping malls and airports. Taco Bell also has 350 international locations in more than 20 countries. More than 20 percent of the restaurants are company-operated. Parent YUM! Brands, the world's #1 fast-food company, also operates KFC and Pizza Hut.

TENANT PROFILE	
TENANT	Taco Bell of America, Limited Liability Company
OWNERSHIP	Wholly Owned Subsidiary of Yum! Brands, Incorporated
LEASE GUARANTOR	Corporate
NUMBER OF LOCATIONS	2,000 (December 2016)
HEADQUARTERED	Louisville, Kentucky
WEB SITE	www.tacobell.com
SALES VOLUME	\$6.366 Billion (2016)
STOCK SYMBOL	YUM
BOARD	New York Stock Exchange (NYSE)
CREDIT RATING	BB

Aerial Overview

20185 US ROUTE 59 - NEW CANEY, TEXAS

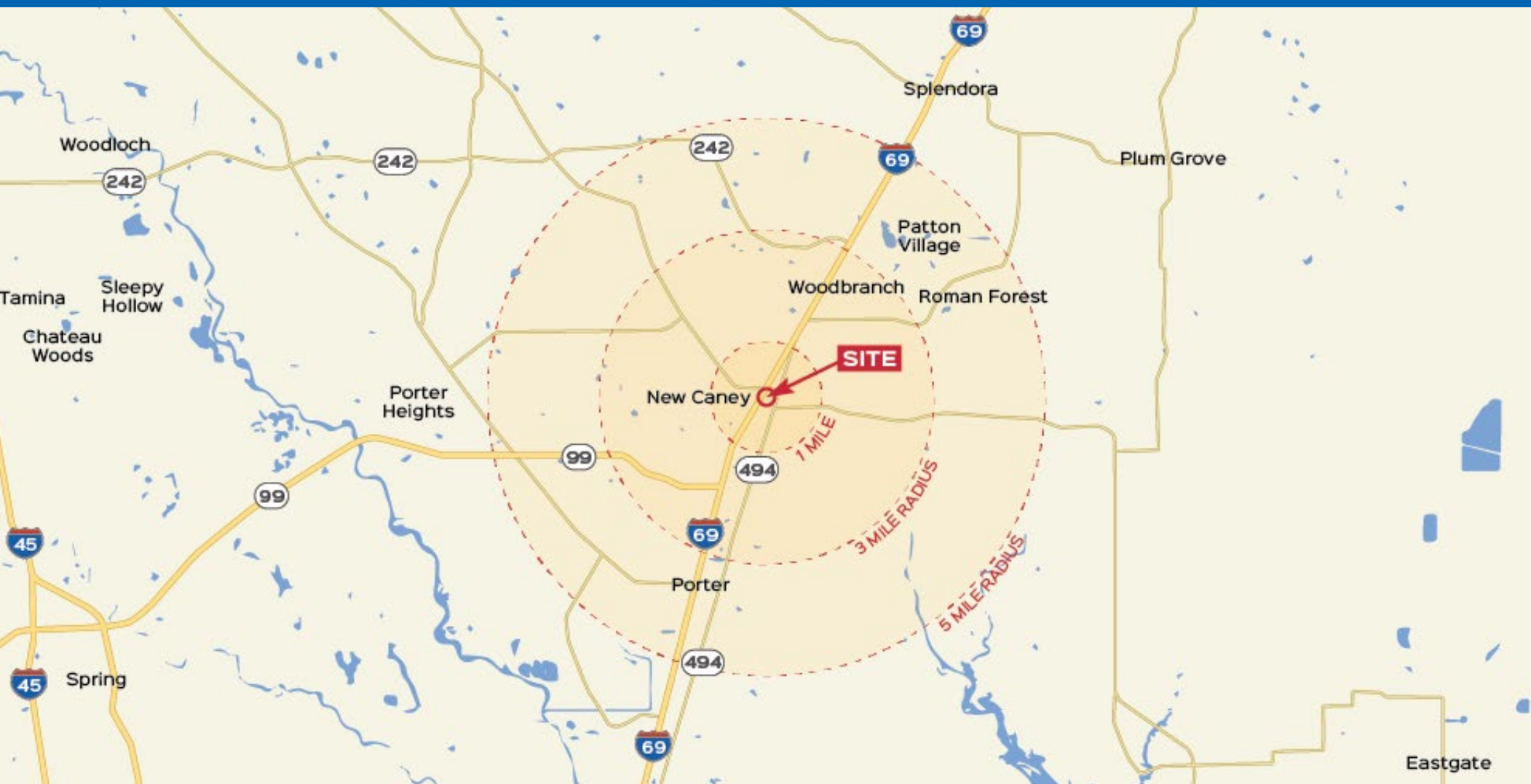


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Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile
Population			
2000 Population	2,374	11,924	29,628
2010 Population	2,782	15,206	38,711
2016 Population	3,211	18,092	47,316
2021 Population	3,655	20,677	54,230

	1-Mile	3-Mile	5-Mile
Households			
2000 Households	806	4,028	10,042
2010 Households	908	5,053	12,990
2016 Households	1,049	6,005	15,852
2021 Households	1,193	6,860	18,156

	1-Mile	3-Mile	5-Mile
Household (HH) Incomes			
2016 Average HH Income	\$59,966	\$61,459	\$67,165
2016 Median HH Income	\$45,417	\$45,511	\$52,248
2016 Per Capita Income	\$19,590	\$20,399	\$22,502

Market Overview - New Caney, Texas

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New Caney is an unincorporated community in Montgomery County, Texas, United States within the Houston–Sugar Land–Baytown metropolitan area. New Caney was established in 1862 under the name Presswood, named for its founders, pioneers, Austin and Sarah Waters Presswood. Captain John Robertson and other settlers followed, and cattle ranches, mills, and stores were opened along Caney Creek. In 1877, the town received a railroad from the East and West Texas Railway, and Caney Station became a shipping point for imports and exports, bringing more business to the area. In 1882, Presswood received its first post office, registered under the name New Caney, as the name Caney already was in use by another Texas town. This development led to the name of Presswood falling out of use, as New Caney became the preferred term.

The United States Postal Service in New Caney is located at 20811 United States Highway 59/Interstate-69. New Caney's Fire and EMS protection is provided by a joint effort of the East Montgomery County Fire Department ESD number 7 and the Montgomery County Hospital District (MCHD). Public schools are operated by the New Caney Independent School District. The New Caney Independent School District area joined the North Harris Montgomery Community College District, now Lone Star College, area in 1981. Montgomery County Memorial Library System operates the R. B. Tullis Branch Library at 21569 US 59 (I-69 / Eastex Freeway).



Brookshire Brothers Anchored Center

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Broker of Record

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