



SOUTHERN  
SMILES

Poteet, TX 78065

SOUTHERN SMILES

Healthcare  
Investment Opportunity

Offering Memorandum

New NNN Lease | 8.00% Cap | Potential DSO Affiliation | Future Credit Enhancement



MATTHEWS™

# EXCLUSIVELY LISTED BY



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# PROPERTY OVERVIEW

**Southern Smiles**  
821 School Dr, Poteet, TX 78065



# INVESTMENT HIGHLIGHTS

- **Southern Smiles Poteet | Established Practice | Comprehensive Dental Services** – At Southern Smiles, patients are treated like family. Their mission is simple: to provide high-quality dental care in a warm, welcoming environment where comfort always comes first. Whether their patients arrive for a routine checkup or a complete smile makeover, their team delivers personalized treatment you can trust.
  - The practice blends the friendliness of small-town Poteet with the modern technology you'd expect from a big city practice, giving you the best of both worlds. The practice offers a wide array of dental services including preventative dentistry, restorative dentistry, cosmetic dentistry, general dentistry, along with dental implants, dentures, Invisalign®, veneers, whitening, etc.
- **Recent Renovation and Expansion** – The property was completely renovated and extensively expanded onto the property in 2016; the tenant's investment into the location is a testament to their success and long term commitment.
- **30-Min from San Antonio | San Antonio, TX MSA | 4<sup>th</sup> Fastest Growing** – The building is part of the greater San Antonio MSA, one of the largest growing regions in the country with 2.7 million people. In 2025, San Antonio was named the nation's' fourth fastest growing city. The site is located just a 30 minute drive from San Antonio.
- **Potential DSO Affiliation | Larger Creditworthiness | Security of Investment** – This practice is in the process of potential affiliation with a large dental service organization, adding substantial upside to the investment both in the short and long term. A new owner may reap the benefits of a larger guaranty and security of investment.
- **Well Known Community | Rich History | Annual Event Driving Consumers** - Situated in the heart of Texas, Poteet is a small town with a big heart and a rich history, known as the “Strawberry Capital of Texas.” The city holds an annual Strawberry Festival, a tradition that celebrates the town's agricultural heritage. Each year, thousands of visitors flock to Poteet to enjoy live music, carnival rides, arts and crafts vendors, and strawberry treats.



# INVESTMENT HIGHLIGHTS

- **Single Tenant Healthcare Investment | New 5 Year NNN Lease | 3.00% Annual Increases** – This deal features a *brand new 5-year lease* executed at closing. The lease features *3% annual rental increases*, providing a future owner with a boost in cash flow and a hedge against inflation throughout the life of their investment.
- **NNN Lease Structure | Ideal 1031 Exchange Property** – With a new NNN lease, this deal offers a nearly passive investment opportunity for both local and national investors, ideal for a 1031 exchange.
- **Specialized Use | Healthcare Tenancy | Resistant Asset Class** – A new landlord reaps the benefits of a specialized healthcare tenancy and further layer of security as healthcare facilities rarely relocate due to the difficulty of retaining the same patients in a new location, and the high cost of moving.
- **\$145+ Billion Industry | ~\$300 billion by 2032** – The U.S. dental services market size was exhibited at \$147.3 billion in 2022 and is projected to hit around USD \$295.23 billion by 2032, growing at a CAGR of 7.2% during the forecast period 2023 to 2032.
- **Attractive Rental Increases** – The lease include a 3% annual rental increase, ensuring consistent revenue growth and protection against inflation over the lease term.
- **Proximity to Patient Base** – The building is located directly across Poteet High School, benefiting from its proximity to one of the practice's largest patient bases.
- **Healthcare Demand** – With increasing healthcare needs in the community, these dental offices are well-positioned to capitalize on local demographics, ensuring a consistent patient base and demand for their services.
- **\$145+ Billion Industry** – \$300 BILLION BY 2032 The U.S. dental services market size was valued at \$147.3 billion in 2022 and is projected to reach approximately \$295.23 billion by 2032, growing at a compound annual growth rate during the forecast period from 2023 to 2032.
- **Healthcare Real Estate | Recession Resistant Property** – Dental practices are highly sought-after investments due to their resilience to economic downturns and immunity to e-commerce trends that impact traditional retail properties.





Subject Property



Poteet

 **Poteet High School**  
±1,600 Students

 **Poteet Junior High School**  
±386 Students

±8.4 Miles Away

16



 **Pleasanton High School**  
±980 Students

Pleasanton



 **Methodist Hospital Atascosa**  
±67 Beds

 **Atascosa Health Center, Inc.**  
±67 Beds



±17,763 VPD



96

Jourdanton



**821 School Dr**  
Poteet, TX 78065

**±3,400 SF**  
GLA

**1965/2016**  
Year Built/Renovated

**3% Annual**  
Rental Increases

**5 Year NNN**  
Lease Type

**\$291**  
Price Per SF



# PROPERTY PHOTOS



# FINANCIAL OVERVIEW

**Southern Smiles**  
821 School Dr, Poteet, TX 78065



# FINANCIAL SUMMARY

**\$990,000**  
List Price

**8.00%**  
Cap Rate

**\$291.18**  
Price Per SF

**\$79,200**  
NOI

## Property Details

Tenant Trade Name	Southern Smiles
Original Lease Term	5 Years
Lease Commencement Date	Close of Escrow
Lease Expiration Date	5 Years from Close of Escrow
Options	Two, 5-Year Options
Roof and Structure	Landlord
Tenant Responsibilities	Taxes, Insurance, CAM

## Annualized Operating Data

Year	Monthly Rent	Annual Rent	Rent Psf	Increases	Cap Rate
1	\$6,600.00	\$79,200.00	\$23.29	-	8.00%
2	\$6,798.00	\$81,576.00	\$23.99	3.00%	8.24%
3	\$7,001.94	\$84,023.28	\$24.71	3.00%	8.49%
4	\$7,212.00	\$86,543.98	\$25.45	3.00%	8.74%
5	\$7,428.36	\$89,140.30	\$26.22	3.00%	9.00%
				<b>Average:</b>	<b>8.49%</b>

*\*Note: Tenant agrees to reimburse Landlord, as Additional Rent, up to \$1,000.00 per year for Common Area Maintenance and charges contemplated in Section 3.2 (the "Annual Cap").*

# TENANT OVERVIEW

Year Founded  
2016

Headquarters  
Poteet, TX

Ownership Status  
Private

Website  
[Southernsmilestx.com](http://Southernsmilestx.com)



## Tenant Overview

Southern Smiles in Poteet, Texas is a locally anchored dental care provider delivering comprehensive oral health services to residents of Poteet and surrounding communities. The practice is known for its patient-centered approach, combining general dentistry with restorative and preventive care to foster strong patient relationships and a dependable reputation in the region. As a neighborhood healthcare provider, Southern Smiles draws consistent traffic from families and individuals seeking essential dental services, positioning it as a resilient tenant for retail or medical service-oriented real estate assets.

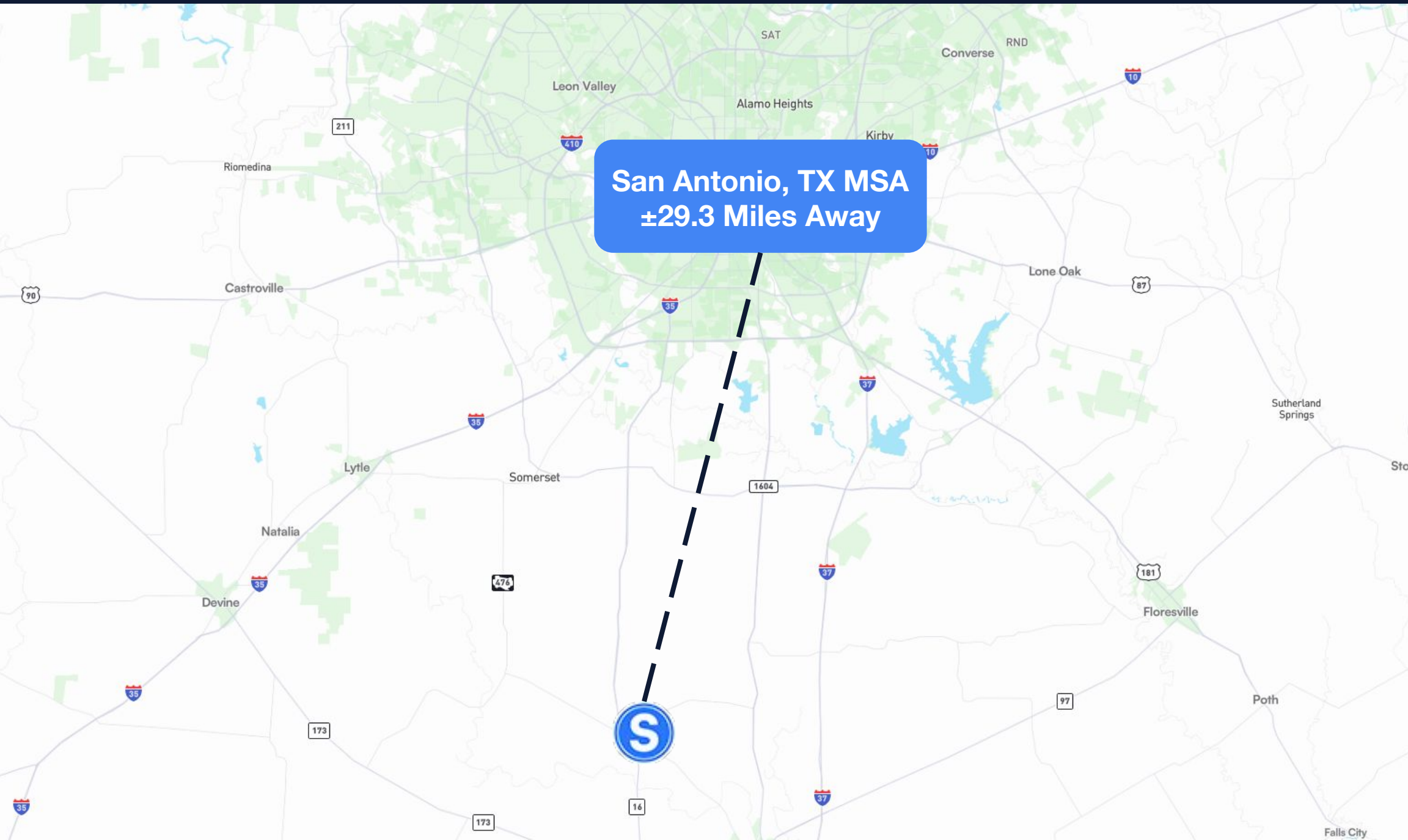
Southern Smiles operates as a privately owned dental clinic headquartered at 821 School Drive in Poteet, Texas. Since its establishment in 2016, the practice has served the local community with a consistent focus on quality care and patient satisfaction. The clinic is staffed by a small, dedicated team of dental professionals and support personnel, reflecting its personalized service model and strong ties to the surrounding area. With favorable patient reviews and a stable operating presence, Southern Smiles stands out as a reliable and community-rooted healthcare provider, well-positioned within the essential services segment of the retail landscape.

# MARKET OVERVIEW

**Southern Smiles**  
821 School Dr, Poteet, TX 78065



# LOCATION MAP



# SAN ANTONIO, TX

**#4 FASTEST  
GROWING LARGE CITY**  
U.S. Census Bureau (2023)

**2.7M+ TOTAL  
POPULATION**  
World Population Review (2025)

**34.6**  
Census Reporter (2025)

**#1 AGING FRIENDLY  
CITIES**  
Axios (2024)

## Local Market Overview

San Antonio, Texas is a fast-growing metropolitan hub known for its historical depth, cultural diversity, and rising economic profile. As one of the top ten largest cities in the U.S., it blends rich heritage, from the Alamo to eclectic arts districts, with forward-looking growth fueled by technology, healthcare, and military sectors. The city's strategic location in South Central Texas supports strong logistics and connectivity, while its expanding population reflects its broad appeal to both families and professionals. A young median age and multilingual talent base contribute to its dynamic labor market and vibrant community life.

Despite its size, San Antonio remains one of the most affordable major U.S. cities, with housing costs and property taxes consistently below national averages. New residents are drawn by a high quality of life, strong job prospects, and a pro-business environment. The city offers an array of lifestyle amenities, from the Riverwalk and urban green spaces to an emerging culinary and innovation scene. These factors have helped the city retain a stable housing market and attract continuous inward migration, strengthening its long-term outlook for both residents and investors.

## Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	3,207	4,170	6,208
Current Year Estimate	3,109	4,013	5,918
2020 Census	3,090	3,888	5,603
Growth Current Year-Five-Year	3.17%	3.91%	4.90%
Growth 2020-Current Year	0.60%	3.22%	5.62%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	1,138	1,466	2,133
Current Year Estimate	1,078	1,378	1,986
2020 Census	1,061	1,332	1,883
Growth Current Year-Five-Year	5.62%	6.40%	7.40%
Growth 2020-Current Year	1.56%	3.42%	5.47%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$73,956	\$77,174	\$82,233

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 821 SCHOOL DR1 School Dr, Poteet, TX, 78065 ("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 Service™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™., the property, or the seller by such entity.

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.

Net Lease Disclaimer – 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.



# 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:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o 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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\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date