



OFFERING MEMORANDUM - VALUE-ADD INVESTMENT OPPORTUNITY

6410-6578 FM 1960 W, Houston, TX 77069

partners

Executive Summary

6410-6578 FM 1960 Rd, Houston, TX 77069

Gross Leaseable Area 136,738 SF

Lot Size 13.79 AC

Year Built 1970/1973

Occupancy 47.4%

Vacancy 52.6%

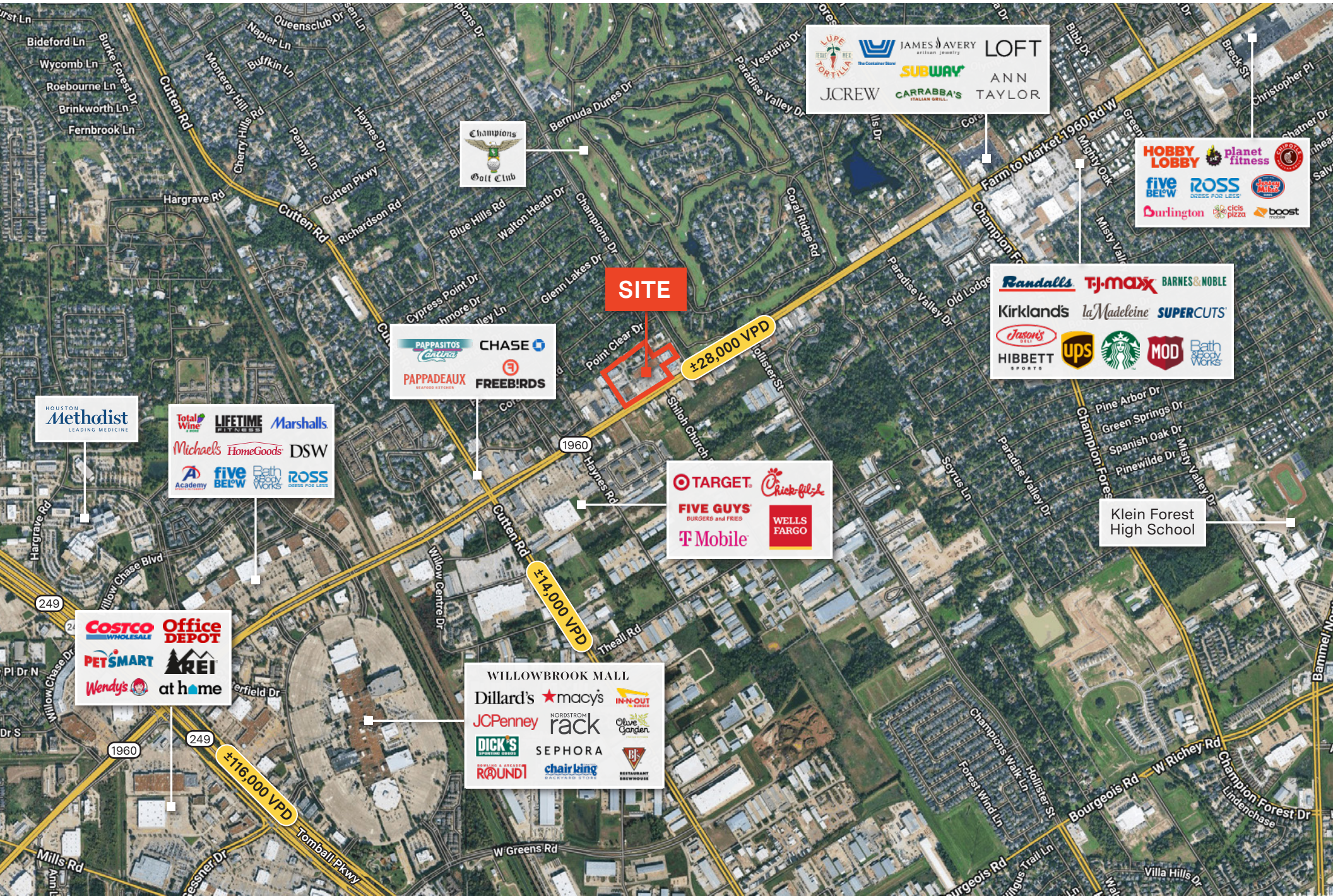
Year-1 NOI \$434,374

Price \$14,000,000

Price/SF \$102.00



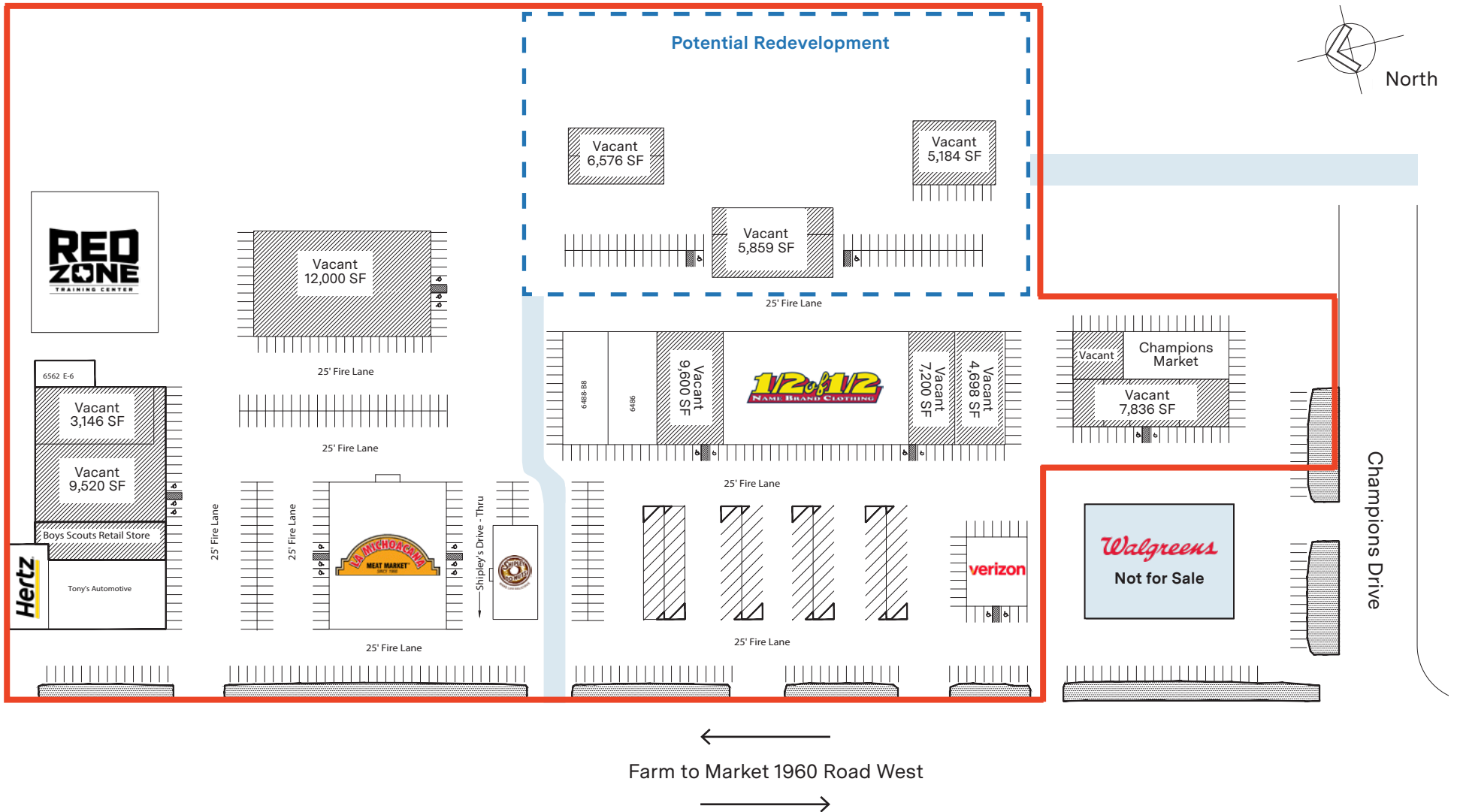
Location Overview



Klein Forest High School

WILLOWBROOK MALL

Site Plan



Rent Roll

Suite	Tenant	Sq Ft	% Occupied	% Vacant	Start	End	Annual Rent	PSF	Escalation Date	Escalation Amount	Options	Lease Type
6424 A-1	Champions Mart	3,588	2.6%		1/1/2000	MTM	\$27,986	\$7.80	NA	NA	MTM	NNN
6428 A-2	Vacant	2,000		1.5%								
6430 A-3	Vacant	1,583		1.2%								
6430 A-4	Vacant	1,418		1.0%								
6436 A-6	Vacant	1,083		0.8%								
6434	Vacant	1,752		1.3%								
6470 C-7	Verizon	3,500	2.6%		12/5/2009	11/30/2029	\$85,890	\$24.60	At renewal	\$25.50	1 x 5	NNN
6448 B-3	Vacant	4,698		3.4%								
6450 B-4	Vacant	7,200		5.3%								
6452 B-5	Name Brand, Inc	15,000	11.0%		11/1/2024	10/31/2029	\$162,000	\$10.80	At renewal	Market rate	2 x 5	NNN
6476 B-6	Vacant	9,600		2.6%								
6486	Carpet Vanilla	5,900	3.9%		4/18/2014	8/31/2029	\$62,074	\$10.56	At renewal	Market rate	1 x 5	NNN
6488 B-8	Panang Thai Restaurant	2,010	1.5%		1/1/2017	12/31/2026	\$33,138	\$16.44	At renewal	Market rate	2 x 5	NNN
6500-D	Shipley's Do-Nut	2,000	1.5%		3/6/2024	1/31/2034	\$64,800	\$32.40	3/6/2029	\$35.75	2 x 5 (10% increase every 5 years)	NNN
6500	LaMichuacana Meat Market	13,200	9.7%		10/1/2025	9/30/2035	\$112,200	\$8.50	9/30/2026	\$8.60	2 x 5 (FMV)	NNN
									9/30/2027	\$10.00		
									9/30/2028	\$10.20		
									9/30/2029	\$10.40		
									9/30/2030	\$11.00		
									9/30/2031	\$11.20		
									9/30/2032	\$11.40		
									9/30/2033	\$11.80		
									9/30/2034	\$12.00		
6500	Vacant	360		0.3%								
6578 E-1	Hertz	1,240	0.9%		12/5/2005	7/31/2029	\$23,940	\$19.32	At renewal	Market rate	2 x 5	NNN
6568 E-3	Tony's Automotive	5,040	3.7%		10/1/2021	2/28/2027	\$60,480	\$12.00	NA	NA	NA	NNN
6568	Boys Scouts of America	2,321	1.7%		1/1/2026	12/31/2026	\$32,587	\$14.04	At renewal	Market rate	NA	NNN
6568 E-3	Vacant	9,520		2.6%								
6564	Vacant	2,266		1.7%								
6564 E-4	Vacant	880		0.6%								
6562 E-6	Houston Hair Studio	1,600	1.2%		2/1/1997	2/28/2027	\$19,200	\$12.00	At renewal	Market rate	1 x 5	NNN
6560 F-1	Red Zone Training Center	9,360	6.9%		6/1/2022	10/31/2027	\$46,800	\$5.04	At renewal	Marketrate	3 x 5	NNN
6536 G-1/2/3	Vacant	12,000		8.8%								
13029 B-3	Vacant	1,336		1.0%								
13029 D-3	Vacant	5,240		3.8%								
13027 A-2	Vacant	908		0.7%								
13027 B-2	Vacant	1,840		1.4%								
13027 C-2	Vacant	420		0.3%								
13027 D-2	Vacant	432		0.3%								
13027 F-2	Vacant	2,259		1.7%								
13025 A1/B1	Vacant	5,184		3.8%								
Total/Average		136,738	47.4%	52.6%			\$731,095	\$11.30				

Cash Flow

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME										
Potential Gross Rent (PGR)	\$731,833	\$916,458	\$1,063,886	\$1,216,235	\$1,373,701	\$1,536,496	\$1,704,837	\$1,878,960	\$2,059,110	\$2,245,550
Occupied Tenant Rent	\$731,833	\$743,708	\$756,392	\$769,953	\$784,470	\$800,024	\$816,710	\$834,626	\$853,885	\$874,605
Lease-Up/Absorption Income	-	\$172,750	\$307,494	\$446,281	\$589,232	\$736,471	\$888,127	\$1,044,333	\$1,205,226	\$1,370,945
Less: Vacancy & Credit Loss	(\$21,955)	(\$27,494)	(\$31,917)	(\$36,487)	(\$41,211)	(\$46,095)	(\$51,145)	(\$56,369)	(\$61,773)	(\$67,367)
Tenant Reimbursements (NNN)	\$269,820	\$276,566	\$283,480	\$290,567	\$297,831	\$305,277	\$312,908	\$320,731	\$328,749	\$336,968
EFFECTIVE GROSS INCOME	\$979,698	\$1,165,529	\$1,315,449	\$1,470,314	\$1,630,321	\$1,795,677	\$1,966,601	\$2,143,322	\$2,326,086	\$2,515,152
OPERATING EXPENSES										
Property Taxes	\$216,287	\$221,694	\$227,236	\$232,917	\$238,740	\$244,709	\$250,826	\$257,097	\$263,524	\$270,112
Insurance	\$60,955	\$62,478	\$64,040	\$65,641	\$67,282	\$68,964	\$70,689	\$72,456	\$74,267	\$76,124
Property Management	\$21,955	\$22,311	\$22,692	\$23,099	\$23,534	\$24,001	\$24,501	\$25,039	\$25,617	\$26,238
CAM	\$246,128	\$252,281	\$258,588	\$265,053	\$271,679	\$278,471	\$285,433	\$292,569	\$299,883	\$307,380
TOTAL OPERATING EXPENSES	\$545,324	\$558,765	\$572,556	\$586,710	\$601,236	\$616,145	\$631,449	\$647,160	\$663,291	\$679,855
NET OPERATING INCOME										
NET OPERATING INCOME	\$434,374	\$606,765	\$742,892	\$883,604	\$1,029,085	\$1,179,532	\$1,335,152	\$1,496,162	\$1,662,795	\$1,835,297

Income Assumptions

Income Assumptions

Market/Re-Leasing Rent Growth Rate	3.0%
Vacancy & Credit Loss (%)	3.0%
Market Rent per SF — Vacant Suites (\$/SF/Yr)	\$12.00
Year 1 — New Leasing of Vacant SF	-
Year 2 — % of Vacant SF Expected to Lease Up	20.0%
Year 3+ Annual Lease-Up Rate (% of original vacant SF)	15.0%

Houston At A Glance

4th Largest City

Houston is the nation's 4th most populous city and is the 7th largest U.S. metro economy.

The Houston MSA has grown at a 1.7 compound annual growth rate since 2017.

2.4 Million

City Of Houston Residents

7.8 Million

Residents In The Houston MSA

Employment

The major industries in Houston include energy, life sciences, aerospace & aviation, advanced manufacturing, digital technology & innovation, and transportation & logistics. There are 3.4 million jobs in the Houston MSA. Health, Education, and Business & Professional Services account for nearly 1 in 4 of the region's jobs. The goods-producing sector accounts for nearly 1 in 6 of the region's jobs. Houston is home to 70,450 engineers and architects, and approximately 238,000 people work in the region's manufacturing industry. 42 of the 113 publicly-traded oil and gas exploration firms are based in Houston.

3.5 Million

Jobs in the Houston MSA

26

Fortune 500 Companies

World's Largest Medical Complex

The Texas Medical Center is the world's largest medical complex. It comprises 50 Million developed square feet, and there is currently \$3 Billion in construction projects underway. The Texas Medical Center employs 120,000+ workers and has 10 million annual patient visits.

50 Million

Developed Square Feet

\$3 Billion

In Construction Projects Underway

Population Growth

The Houston Metro population growth surged in 2022, ranking second among the nation's major metros in population growth. Nearly 125,000 residents were added in 2022, up from the 75,000 added in 2021. The surge in population contributed to last year's robust job growth and strong demand for housing. Houston added 176,000 jobs, closed on 108,000 single-family homes, absorbed 21,000 apartment units, and delivered 280,000 new vehicles over the period covered by the Census data, i.e., the 12 months ending July 1, 2022. Houston performed exceptionally well last year considering nine of the nation's 20 largest metros shed population and five added fewer than 20,000 residents.

Source: Greater Houston Partnership

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