



RAISING CANE'S GROUND LEASE

HOUSTON, TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



\$5,000,000 | 3.50% CAP RATE

- » New 15-Year Absolute NNN Corporate Ground Lease to High Sales Volume Tenant
- » Raising Cane's Plans to Add 100 Locations in 10 Markets in 2022
- » 10% Rental Increases Every Five Years
- » Prime Location with a Strong Houston Customer Base
- » Located Near the Signalized Intersection of Gessner Road and Long Point Road (61,643 AADT)
- » Population of 360,635 Within Five Miles
- » Average Annual Household Income of \$123,343 Within Three Miles
- » New 2022 Construction Built to Raising Cane's Latest Prototype Featuring a Dual-Lane Drive-Thru
- » Located in Income Tax-Free State

FILE PHOTO

TABLE OF CONTENTS



INVESTMENT SUMMARY

AERIALS

SITE PLAN

TENANT SUMMARY

PROPERTY OVERVIEW

AREA OVERVIEW

DEMOGRAPHIC PROFILE

Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
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CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	1337 Gessner Road, Houston, Texas 77043		
PRICE	\$5,000,000		
CAP RATE	3.50%		
NOI	\$175,000		
TERM	15 years		
RENT COMMENCEMENT	TBD		
LEASE EXPIRATION	15 years from rent commencement date		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$175,000	3.50%
	6-10	\$192,500	3.85%
	11-15	\$211,750	4.24%
	16-20 (Option 1)	\$232,925	4.66%
	21-25 (Option 2)	\$256,218	5.12%
	26-30 (Option 3)	\$281,839	5.64%
31-35 (Option 4)	\$310,023	6.20%	
36-40 (Option 5)	\$341,025	6.82%	
YEAR BUILT	2022		
BUILDING SF	3,181 SF		
PARCEL SIZE	1.14 acres (49,681 SF)		
LEASE TYPE	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



FILE PHOTO

NEW 15-YEAR ABSOLUTE NNN CORPORATE GROUND LEASE TO GROWING QSR TENANT

- » New 15-year absolute NNN corporate ground lease to high sales volume tenant
- » 10 percent rental increases every five years, providing a hedge against inflation
- » No landlord management, ideal for an out-of-area investor
- » Raising Cane's opened more than 120 locations between 2020 and 2021
- » Raising Cane's plans to add 100 locations in 10 markets and over 15,000 jobs in 2022

PROMINENT LOCATION WITH A STRONG HOUSTON CUSTOMER BASE

- » Prominent location near the signalized intersection of Gessner Road and Long Point Road (61,643 AADT)
- » Proximity to major Houston thoroughfares, including Interstate 10 and Sam Houston Tollway (combined 362,275 AADT)
- » Population of 360,635 within a five-mile radius, creating a large customer base for the site
- » Average annual household income of \$123,343 within three miles of the location (with a projected seven percent increase by 2026)

HIGH-VISIBILITY SITE NEAR DOWNTOWN HOUSTON

- » Beneficial proximity to several large local and national retailers, including Walmart Supercenter, Costco, Sam's Club, The Home Depot, Lowe's, Best Buy, H-E-B, and more
- » One mile from Memorial Hermann Memorial City Medical Center (444 beds, 1,700 employees)
- » Surrounded by high-density, single family housing developments and large townhouse complexes
- » 13 miles from Downtown Houston (the fourth-most populous city in the U.S. with over 2.3 million residents)

NEW 2022 CONSTRUCTION IN A TAX-FREE STATE

- » New 2022 construction built to latest Raising Cane's prototype
- » Site features a dual-lane drive-thru for added customer convenience
- » Texas is an income tax-free state



NRG Stadium
(16.4 miles,
seating capacity of
72,220)

Z
HOTEL
ZAZA.
HOUSTON MEMORIAL CITY
(159 rooms)

Memorial City Mall

macy's
jcpenny
FOREVER 21
Chick-fil-A
Dillard's
The Style of Your Life.
The Resecake Factory
Foot Lock
SEPHORA

Houston Baptist
University
(2,733 students)

Royal Oaks
Country Club

Memorial
Senior High School
(2,607 students)



Bunker Hill
Elementary School
(614 students)

TARGET

Memorial
Middle School
(1,358 students)

Memorial Hermann
Memorial City
Medical Center
(444 beds)

/ Katy Freeway
(378,331 AADT)



Perry's
STEAKHOUSE & GRILLE
HARD & WELL DONE®

Spring Branch
Independent School
(35,022 students)

CVS
pharmacy



Academy
PANDA EXPRESS
FIVE GUYS
BURGERS and FRIES
MATTRESS FIRM
Schlotzsky's
Olive Garden
Burlington

English Oaks
Apartments
(181 units)

metro
by T-Mobile



Westview Forest
Apartments



Raising Cane's
CHICKEN FINGERS
(Under Construction)

Long Point Road
(13,100 AADT)

FAMILY DOLLAR
my family. my dollar.

Advance
Auto Parts

Gessner Road
(48,543 AADT)



cricket
wireless

Jack
in the box



The University of Texas MD
Anderson Cancer Center
(710 beds)

HYATT
REGENCY
(400 rooms)

Stratford
High School
(2,137 students)

FAIRFIELD
INN & SUITES
Marriott
(92 rooms)

West Side
High School
(2,902 students)

COURTYARD
Marriott
(128 rooms)

Houston Community
College - Spring Branch Campus
(57,200 total enrollment)

Walmart
Supercenter

INDUSTRIAL REGION

Memorial
Middle School
(1,358 students)

THE HOME DEPOT

Katy Freeway
(378,331 AADT)

Holiday Inn Express
(107 rooms)

HOBBY LOBBY

SAM'S CLUB

Raising Cane's
CHICKEN FINGERS
(Under Construction)

Westview Forest
Apartments

SHERWIN WILLIAMS

TACO BELL

Wendy's

Chevron

cricket
wireless

Jack
in the box

Gessner Road
(48,543 AADT)

McDonald's

metro
by T-Mobile

BURGER KING

Long Point Road
(13,100 AADT)

Advance Auto Parts

English Oaks
Apartments
(181 units)

FAMILY DOLLAR
my family, my family dollar.



Urban Air Trampoline and Adventure Park (features 25 different activities)

INDUSTRIAL REGION

Jersey Meadow Golf Course



Sam Houston Race Park



H-E-B Distribution Center & Warehouse (900+ employees)

Terrace Elementary School (388 students)



Northbrook High School (2,578 students)

Northbrook Middle School (946 students)

Spring Oaks Middle School (712 students)

Spring Woods High School (2,150 students)



Western Academy (227 students)



Gessner Road (48,543 AADT)

Long Point Road (13,100 AADT)



Westview Forest Apartments



English Oaks Apartments (181 units)



GEORGE BUSH
INTERCONTINENTAL AIRPORT
(29.3 miles)

Valley Oaks
Elementary School
(772 students)

Lyndon B. Johnson
Hospital
(215 beds)

DOWNTOWN
HOUSTON
(13.2 miles)



INDUSTRIAL REGION

10 / Katy Freeway
(378,331 AADT)

Spring Branch
Elementary School
(604 students)

Walmart
Supercenter

Woodview
Elementary School
(527 students)

LOWE'S

COSTCO
WHOLESALE

Western Academy
(227 students)

FAMILY DOLLAR
my family, my family dollar.

NORDSTROM Rack H-E-B

PET SMART

Burlington
coat factory

Advance
Auto Parts

BURGER KING

English Oaks
Apartments
(181 units)

Academy
SPORTS+OUTDOORS

Gessner Road
(48,543 AADT)

McDonald's

TACO BELL

Jack
in the box

cricket
wireless

Chevron

Raising Cane's
CHICKEN FINGERS
(Under Construction)

metro
by T-Mobile

Wendy's

SHERWIN
WILLIAMS

Long Point Road
(13,100 AADT)

Westview Forest
Apartments

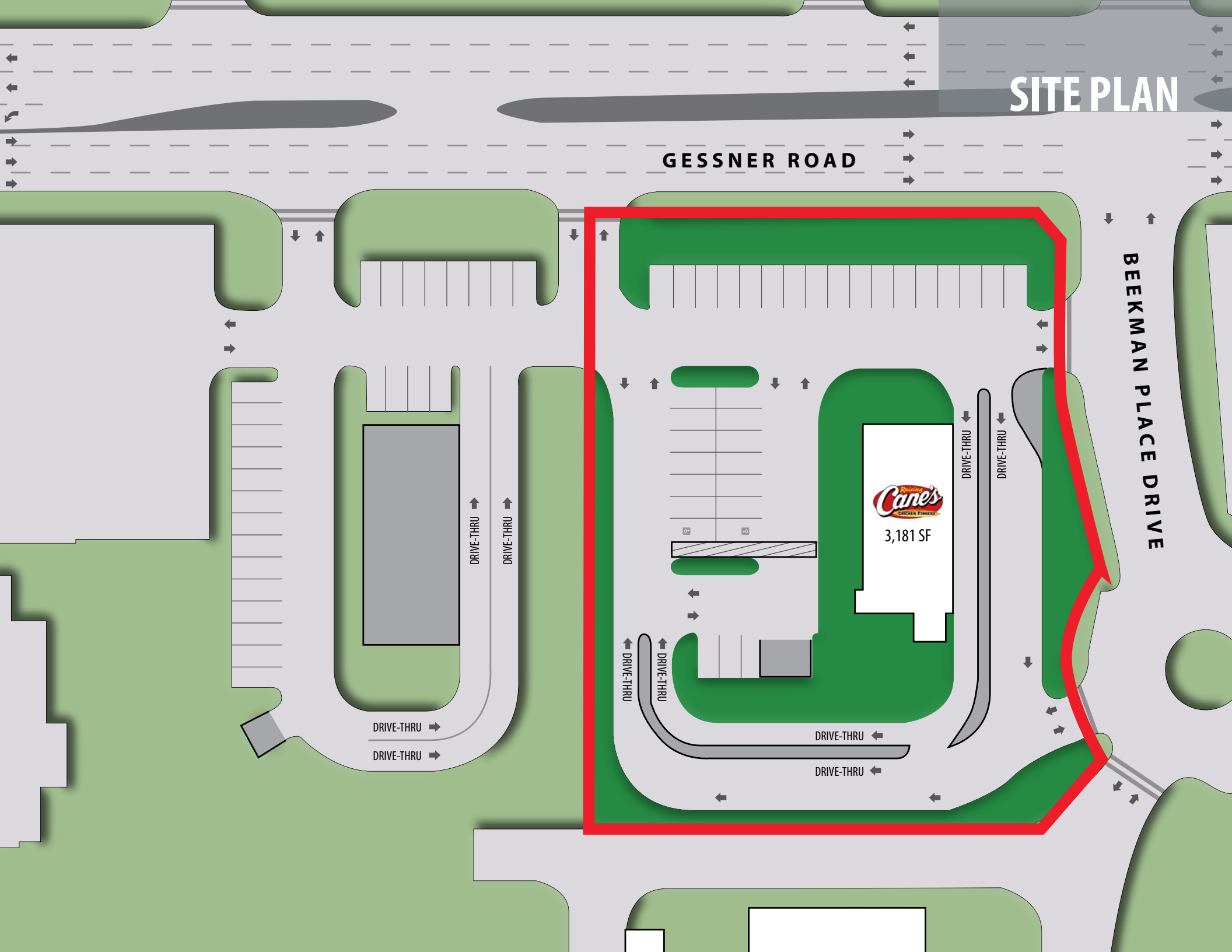
SITE PLAN

GESSNER ROAD

BEKMAN PLACE DRIVE



3,181 SF



TENANT SUMMARY



Raising Cane's has grown from a single restaurant outside the North Gates of Louisiana State University to more than 600 restaurants across the United States and the Middle East. Raising Cane's is one of the fastest growing fast-food companies with over \$1 billion in annual revenue in the U.S. and overall annual revenue exceeding \$2 billion. The company has ONE LOVE®—quality chicken finger meals—and is continually recognized for its unique business model and customer satisfaction.

Raising Cane's vision is to grow restaurants, serve their customers all over the world, and be the brand for quality chicken finger meals, a great crew, cool culture, and active community involvement. Since 2016 Raising Cane's has provided \$35 million in support to the communities where Raising Cane's restaurants operate and in 2021 added another \$13 million of support. Raising Cane's Chicken Fingers opened its 600th location in Corona, California in January 2022. The opening kicked off 2022 plans to add 100 locations in 10 markets and over 15,000 jobs.

For more information, please visit www.raisingcanes.com.

FOUNDED	1996	SALES	\$2B+
LOCATIONS	600+	HEADQUARTERS	Baton Rouge, LA

LEASE ABSTRACT

TENANT	Raising Cane's Restaurants, L.L.C.		
ADDRESS	1337 Gessner Road, Houston, Texas 77043		
RENT COMMENCEMENT	TBD		
LEASE EXPIRATION	15 years from rent commencement date		
RENEWAL OPTIONS	Five (5) options of five (5) years		
RENTAL INCREASES	YEAR	RENT	RETURN
	1-5	\$175,000	3.50%
	6-10	\$192,500	3.85%
	11-15	\$211,750	4.24%
	16-20 (Option 1)	\$232,925	4.66%
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	31-35 (Option 4)	\$310,023	6.20%
	36-40 (Option 5)	\$341,025	6.82%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes directly.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant shall be responsible for the condition of the Property and the Improvements, including any defects or problems with the electrical, water, HVAC, sewerage, and other equipment and systems. Tenant shall be responsible for the continued maintenance, repair and upkeep of the Property and the Improvements.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	Tenant shall have ten (10) business days to respond to Landlord, in writing, as to whether or not Tenant elects to purchase the Property.		

PROPERTY OVERVIEW

LOCATION

This Raising Cane's property is located near the signalized intersection of Gessner Road and Long Point Road (61,643 AADT). The site also features proximity to major Houston thoroughfares, including Interstate 10 and Sam Houston Tollway (combined 362,275 AADT). The location is set in a densely populated community, with 360,635 residents living within a five-mile radius of the property, creating a large and consistent customer base for the site. The property resides in an affluent area, with an average annual household income of \$123,343 within five miles and is projected to increase seven percent by 2026, poising Raising Cane's and Houston for concurrent growth.

Visibility to the property is increased by the site's location near Downtown Houston. The site features a beneficial proximity to several large local and national retailers, including Costco, Walmart Supercenter, Sam's Club, The Home Depot, Lowe's, Best Buy, H-E-B, and many more. The property greatly benefits from its strategic location immediately surrounded by high-density, single family housing developments and large townhouse complexes. Additionally, the property is one mile from Memorial Hermann Memorial City Medical Center (444 beds, 1,700 employees) and 13 miles from Downtown Houston, the fourth-most populous city in the U.S. with over 2.3 million residents.

ACCESS

Access from Gessner Road and Beekman Place Drive

TRAFFIC COUNTS

Gessner Road:	48,543 AADT
Long Point Road:	13,100 AADT
Interstate 10:	227,000 AADT
Sam Houston Tollway:	135,275 AADT

PARKING

35 parking stalls, including two (2) handicap stalls and a dual-lane drive-thru

YEAR BUILT

2022

NEAREST AIRPORT

William P Hobby Airport (HOU | 23 miles)



FILE PHOTO



35
PARKING
STALLS



2022
YEAR BUILT



**NEAREST
AIRPORTS**
WILLIAM P HOBBY
AIRPORT

AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston has a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries, and is home to the second most Fortune 500 company headquarters in the U.S. Houston also has a strong international presence; the Port of Houston ranks first in the United States in international commerce and is the 16th busiest port in the world. More than 90 foreign governments have consular representation in Houston, and there are 35 active foreign chambers of commerce and trade associations in the city. Additionally, 19 foreign banks representing nine nations operate in Houston, providing financial assistance to the international community.

Houston is the seat of Harris County and the economic center of the Houston–Sugar Land–Baytown Metropolitan Statistical Area (MSA), the fifth largest metropolitan area in the U.S., with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70 percent of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65 percent, or an additional 10 million people, leading to 78 percent of Texans living and working within the Texas Triangle.

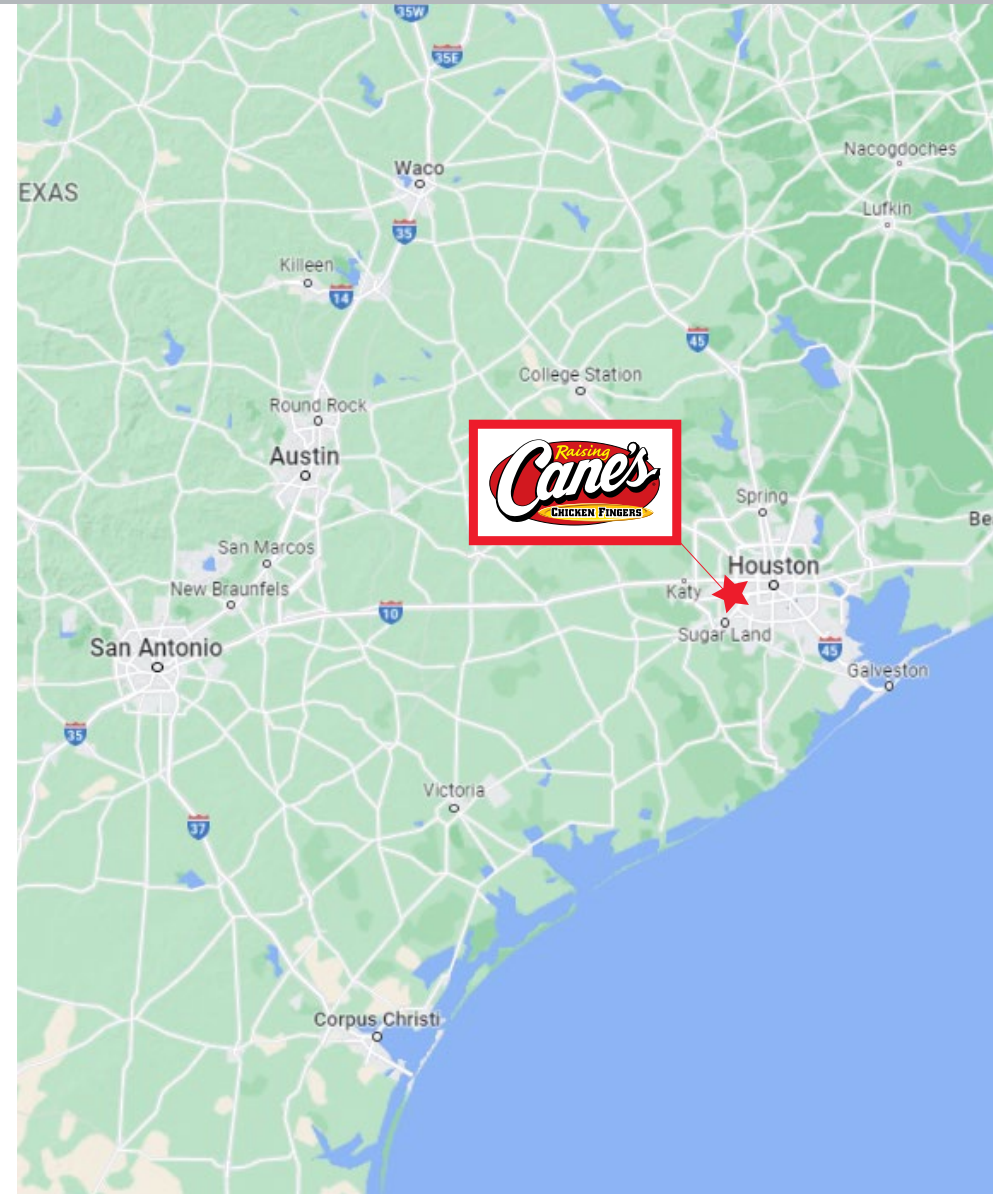
- » Since the April 2010 census, Houston has added nearly 1.1 million residents, a gain comparable to what the region saw in the 2000s. Houston’s population should exceed 7.1 million by the end of the decade.
- » Every county in the Houston metro area gained population in 2021, with Harris County capturing the most residents.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.

LARGEST EMPLOYERS IN HOUSTON MSA	# OF EMPLOYEES
WALMART	34,000
H-E-B	26,956
MEMORIAL HERMANN HEALTH SYSTEM	26,011
HOUSTON METHODIST	22,247
THE UNIVERSITY OF TEXAS MD ANDERSON	20,189
KROGER	17,188
MCDONALD’S	16,100
JOHNSON SPACE CENTER	14,200
UNITED AIRLINES	14,084
TEXAS CHILDREN’S HOSPITAL	13,445



DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
Population	17,367	132,207	360,635
Households	5,959	46,761	144,505
Families	4,040	32,508	84,735
Average Household Size	2.91	2.81	2.48
Owner Occupied Housing Units	2,532	25,428	60,199
Renter Occupied Housing Units	3,427	21,333	84,307
Median Age	33.6	36.9	36.0
Average Household Income	\$87,052	\$123,343	\$106,151
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	18,386	141,370	383,049
Households	6,267	50,035	152,878
Families	4,251	34,705	89,614
Average Household Size	2.93	2.81	2.50
Owner Occupied Housing Units	2,697	27,196	64,298
Renter Occupied Housing Units	3,571	22,839	88,580
Median Age	33.9	37.6	36.4
Average Household Income	\$95,615	\$132,466	\$114,844



**AVERAGE HOUSEHOLD INCOME OF \$123,343
WITHIN THREE MILES**



**POPULATION OF 360,635
WITHIN FIVE MILES**

INFORMATION ABOUT BROKERAGE SERVICES



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.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
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

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