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The Silver Group
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Purchase Price: \$7,621,280

Initial Cap Rate: 5.0%

Lease Terms:

- **Fifteen (15) Year Primary Term**
- **Absolute Net Lease**
- **Rent Increases Every 5 Years**
- **Five x 5 Year Renewal Options**

Annual Rent Schedule:

\$381,064 **Years 1 - 5**
\$409,644 **Years 6 - 10**
\$440,367 **Years 11 - 15**

Option Rent Schedule:

\$473,395 **Years 16 - 20**
\$508,899 **Years 21 - 25**
\$547,067 **Years 26 - 30**
\$588,097 **Years 31 - 35**
\$632,204 **Years 36 - 40**

Rent Start Date: December 2023

The subject property is a single tenant **7-Eleven Convenience Store** in north Houston, Texas. The property consists of a freestanding ± 4,946 square foot retail building on a ± 2.76 acre parcel of land on the frontage road to Highway 59 (aka Interstate 69) at Rankin Road. **This strategic site is one exit south of the main entrance into the George Bush Intercontinental Airport** - the second busiest airport in Texas. There are twelve fueling positions under canopy serving cars and trucks, with a separate area to serve the high volume of semi-trucks traveling on the adjacent interstate. Daily traffic counts along Highway 59 are reported at ± 228,000 vehicles per day with more than ± 23,000 vehicles driving through this intersection daily. 7-Eleven is the newest gas station / convenience store on the perimeter of Houston Intercontinental Airport. Our fifteen year, absolute net lease will begin upon the store opening, scheduled in December. **The management-free lease is executed by 7-Eleven, Inc. the country's largest convenience store chain with an "A" credit rating. Rent increases occur every 5 years of the primary term and in each of the 5 x 5 year renewal options.** There are almost 50,000 people living within a 3 mile radius of this site with average annual household incomes of \$75,000. Houston is considered an automobile dependent city with approximately 77% of commuters driving alone. Harris County is one of the largest consumers of gasoline in the U.S., only behind Los Angeles. *This property is eligible for additional tax saving advantages created by the 2017 Tax Cuts and Jobs Act. Consult your legal and tax advisor to determine how you can benefit from increased tax savings to shelter income.* **7-Eleven Humble, Texas is a management-free, credit investment providing passive, long-term income to the landlord.**



Land Area: ± 2.76 Acres (± 120,225 SF)

Building Area: ± 4,946 SF



	<u>3 mile</u>	<u>5 mile</u>
Population:	49,413	142,155
Average HH Income:	\$74,545	\$75,401

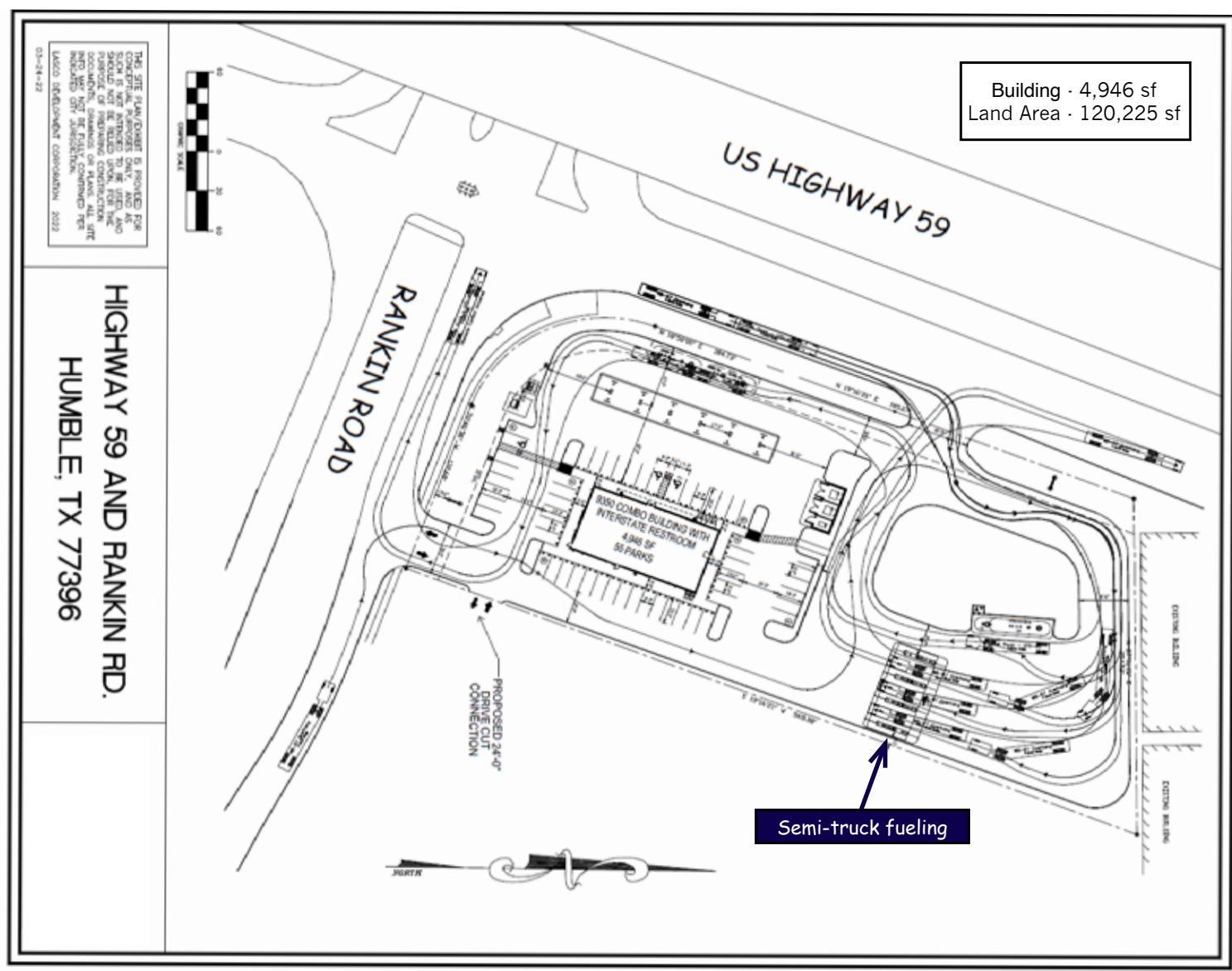
The information contained herein has been received from sources we believe to be reliable, but we have made no independent investigation of the accuracy or completeness and make no representation thereto. The above is subject to errors, omissions, or withdrawal from the market. The Silver Group advises all interested parties to conduct their own independent due diligence and not to solely depend on this memorandum.



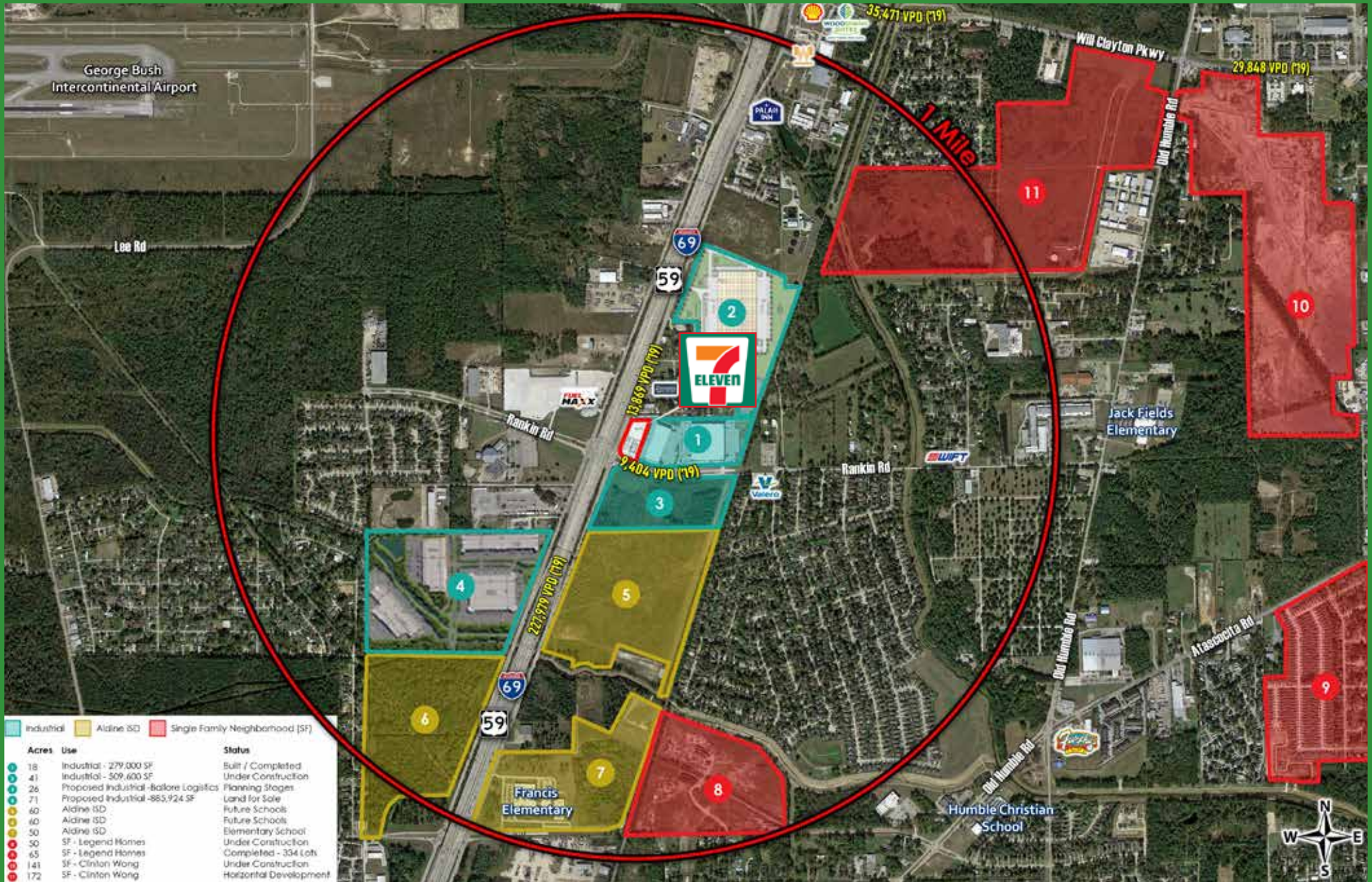
Scheduled to open December 2023

Photos from Nov. 14, 2023









Acres	Use	Status
18	Industrial - 279,000 SF	Built / Completed
41	Industrial - 509,600 SF	Under Construction
26	Proposed Industrial - Balore Logistics	Planning Stages
71	Proposed Industrial - 865,924 SF	Land for Sale
60	Aldine ISD	Future Schools
60	Aldine ISD	Future Schools
50	Aldine ISD	Elementary School
30	SF - Legend Homes	Under Construction
65	SF - Legend Homes	Completed - 334 Lots
141	SF - Clinton Wong	Under Construction
172	SF - Clinton Wong	Horizontal Development



Population (3 mi): 49,413 residents
Population Growth 2010-2023: 22%
Daily Traffic Count on Hwy. 59: 228,000 vpd
at intersection: 23,270 vpd



Bonus Depreciation For Gas Stations With Convenience Stores

Acquiring or constructing a gas station with a convenience store (“C-store”) can be a lucrative addition to a real estate portfolio. Convenience stores have weathered economic downturns and are not affected by the internet nor the recent pandemic. Current rules allow investors to immediately write off all the improvements if certain requirements are met, and the property is placed in service after September 27, 2017. This went into effect after the Tax Cuts and Jobs Act when bonus depreciation was raised to 100% through the end of 2022. Each year thereafter the rate is reduced by 20% until 2027. For property acquired prior to December 31, 2023 the maximum bonus depreciation is 80%.

To be eligible, the property must meet the definition of a ‘retail motor fuel outlet,’ which enables qualifying Section 1250 real property to be depreciated using a 150% declining balance method with a recovery period of 15 years. Commercial buildings are typically depreciated with a recovery period of 39 years and not eligible for additional bonus depreciation.

A definition of ‘retail motor fuel outlet’ is not provided within the tax code; however, in the late 90’s the IRS released Coordinated Issue Papers (“CIP”) for Petroleum and Retail Industries Convenience Stores, which provides a detailed definition and qualifying criteria. As per the CIP paper, a C-store at the gas station will qualify as a retail motor fuel outlet (15-year property) if any of the three following tests are met:

- 50% or more of its gross revenues are generated from petroleum sales; or
- 50% or more of its floor space is devoted to petroleum marketing sales; or
- the C-store building is 1400 square feet or less (regardless of whether it meets either of the aforementioned criteria).

If none of the three tests are met, the basis of the C-Store building will be required to be depreciated over a 39-year period. However, if the C-store passes any of the above tests, the entire depreciable basis is eligible for a 15-year recovery period, and 100% bonus depreciation if acquired and placed in service after September 27, 2017.

C-Stores that do not qualify as a retail motor fuel outlet can still accelerate depreciation deductions by performing a cost segregation study, which allocates a significant portion of the C-store to components depreciated over shorter lives and currently eligible for 100% bonus depreciation.

* We advise all parties to consult a tax professional, accountant and / or attorney to determine if you qualify for this tax savings.

From KBGK - Tax Services and Solutions

ABOUT THE TENANT

7 - Eleven, Inc.

2022 Global Revenue: \$87 Billion

2022 North America Revenue: \$31 Billion

2022 Market Cap: \$31.2 Billion

Publicly Traded OTC as "SVNDY"

Standard & Poors Credit Rating: "A"

Founded as the world's first convenience store from the dock of an icehouse in Dallas in 1927, **7-Eleven** has grown to become a global brand operating and franchising more than **13,000 locations in North America** and **84,000 locations across 19 countries**. The company name is derived from their original operating hours of 7 am to 11 pm, although **most locations are now open 24 hours a day, 7 days a week**. 7-Eleven Inc. operates a family of banners and brands including **Stripes, Speedway, Laredo Taco Company & Raise the Roost Chicken and Biscuits** in locations throughout the United States. Now the world's largest convenience retailer, 7-Eleven helped pioneer the franchise model consistently ranking as a top-10 Franchisor. **The Company maintains an A credit rating - one of the highest credit ratings for any U.S. retailer**. 7-Eleven is wholly owned by Seven & I Holdings Co. Ltd., a Japan based diversified retail group. 7-Eleven has scaled growth organically and through large acquisitions including buying Sunoco and Marathon Petroleum. **According to 7-Eleven's financial reports, the company enjoyed worldwide revenue of \$87 billion, with North American stores contributing approximately \$31 billion.**

In January 2018, **7-Eleven acquired 1,030 Stripes Stores**. Stripes was founded in 1938 in Corpus Christi, Texas. Stripes Convenience Stores operates predominantly in Texas and Louisiana. Food offerings are available in more than 450 of its stores, primarily under the proprietary Laredo Taco Company® brand.

ABOUT THE AREA

Houston (pop. 2,302,000) is the most populous city in Texas and is the fourth most populous city in the United States following New York, Los Angeles and Chicago.

Economy Houston's diverse economy is led by the energy industry, manufacturing, aeronautics and transportation. Houston has the second most Fortune 500 headquarters of any U.S. municipality. The Port of Houston ranks first in international waterborne tonnage handled and second in total cargo tonnage handled.

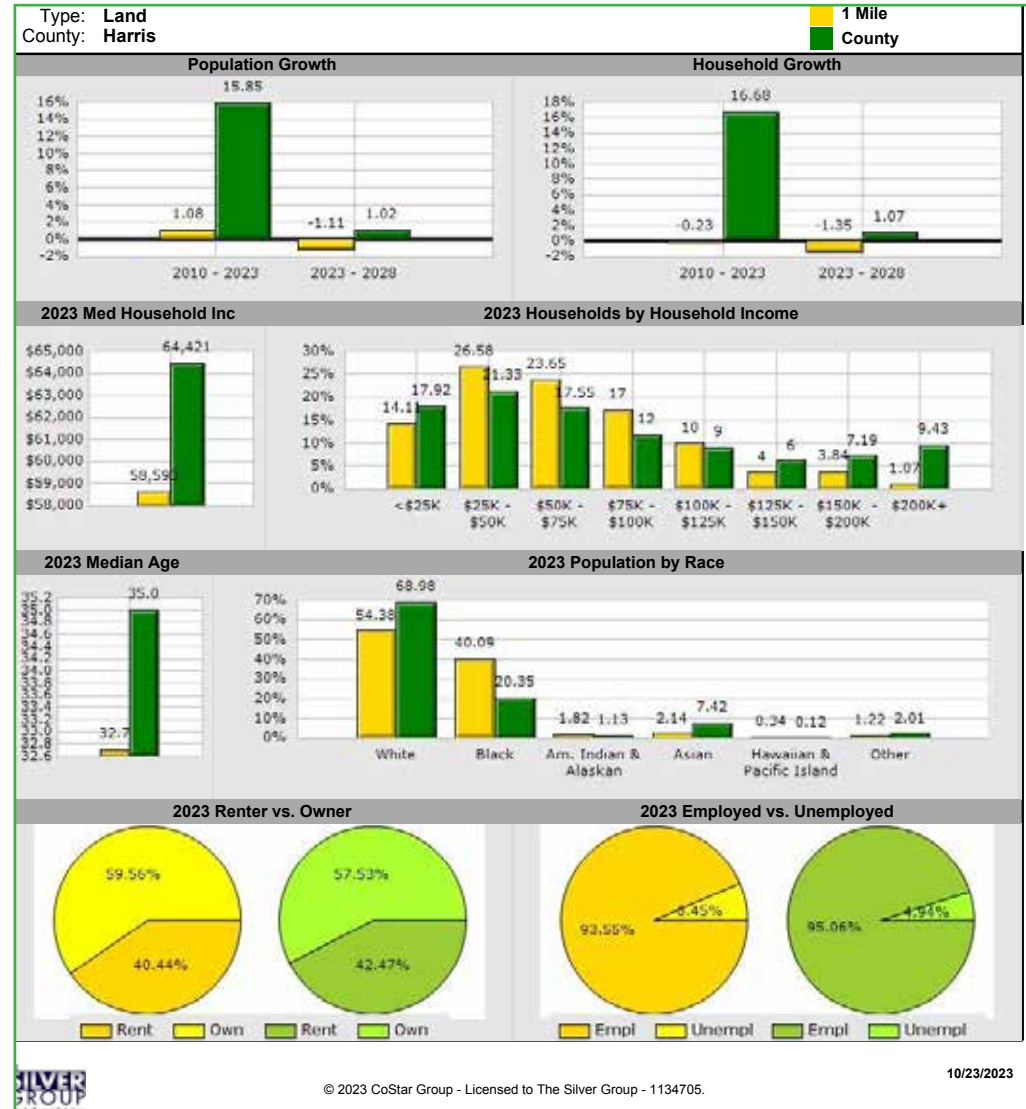
Education Houston has four state universities. The University of Houston is a research institution and has nearly 44,000 students. Texas Southern is one of the largest historically black universities with nearly 10,000 students. Rice University is a private school with 4,000 undergraduate and 3,000 post graduate students.

Healthcare Houston is the seat of the Texas Medical Center, containing the world's largest concentration of research and healthcare institutions. Employing more than 73,000 people across 13 hospitals, two speciality institutions, two medical schools, four nursing schools, schools of dentistry, public health, pharmacy and most all health related fields. Some of the academic and research health centers include MD Anderson Cancer Center, Baylor College of Medicine, UT Health Science Center, Memorial Hermann Hospital, Houston Methodist, Texas Children's and University of Houston College of Pharmacy.

Airports George Bush Intercontinental is the eighth busiest airport in the United States, while William P. Hobby Airport operates primarily short to medium domestic and international flights.

Transportation Houston is an automobile dependent city and one of the largest consumers of gasoline behind only Los Angeles. It is one of the most expansive U.S. cities comprising nearly 640 square miles.

Radius	1 Mile	3 Mile	5 Mile
Population			
2028 Projection	6,136	50,293	145,655
2023 Estimate	6,205	49,413	142,155
2010 Census	6,139	40,414	110,477
Growth 2023 - 2028	-1.11%	1.78%	2.46%
Growth 2010 - 2023	1.08%	22.27%	28.67%
2023 Population by Hispanic Origin			
2023 Population	2,885	23,355	72,332
2023 Population			
White	3,374 54.38%	29,563 59.83%	89,279 62.80%
Black	2,488 40.10%	16,640 33.68%	44,120 31.04%
Am. Indian & Alaskan	114 1.84%	699 1.41%	1,808 1.27%
Asian	133 2.14%	1,461 2.96%	3,944 2.77%
Hawaiian & Pacific Island	21 0.34%	198 0.40%	415 0.29%
Other	76 1.22%	852 1.72%	2,588 1.82%
U.S. Armed Forces	0	28	37
Households			
2028 Projection	1,749	17,200	47,076
2023 Estimate	1,773	16,834	45,735
2010 Census	1,777	13,329	34,118
Growth 2023 - 2028	-1.35%	2.17%	2.93%
Growth 2010 - 2023	-0.23%	26.30%	34.05%
Owner Occupied	1,056 59.56%	8,063 47.90%	27,533 60.20%
Renter Occupied	717 40.44%	8,771 52.10%	18,202 39.80%
2023 Households by HH Income			
Income: <\$25,000	250 14.11%	3,584 21.29%	8,832 19.31%
Income: \$25,000 - \$50,000	471 26.58%	3,677 21.84%	10,161 22.22%
Income: \$50,000 - \$75,000	419 23.65%	3,777 22.44%	9,929 21.71%
Income: \$75,000 - \$100,000	305 17.21%	2,025 12.03%	5,537 12.11%
Income: \$100,000 - \$125,000	176 9.93%	1,554 9.23%	4,814 10.53%
Income: \$125,000 - \$150,000	64 3.61%	592 3.52%	2,326 5.09%
Income: \$150,000 - \$200,000	68 3.84%	735 4.37%	2,196 4.80%
Income: \$200,000+	19 1.07%	891 5.29%	1,940 4.24%
2023 Avg Household Income	\$68,590	\$74,545	\$75,401
2023 Med Household Income	\$58,593	\$56,541	\$58,861



Approved by the Texas Real Estate Commission for Voluntary Use

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)