



Actual Photo

# TWIN PEAKS - THE WOODLANDS

18310 I-45 • Spring, TX 77381

# INVESTMENT OVERVIEW



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EXECUTIVE SUMMARY



OFFERING SUMMARY

Price	\$6,120,000
Net Operating Income	\$306,000
Capitalization Rate – Current	5.00%
Price / SF	\$427.97
Rent / SF	\$21.40
Lease Type	Absolute Net
Year Built / Renovated	2004 / 2013
Lot Size	2.7 acre(s)



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Bloomin Brands Inc	5,059
Meador Staffing Services Inc	4,936
Aim Group Incorporated	1,700
Nordstrom	1,610
Repsol Energy North Amer Corp	1,401
Nhm Community College District	1,400
AON Hewitt LLC	1,006
Memorial Hrmann Woodlands Hosp	900
St Lukes Community Hlth Svcs	900
Woodlnds Resort Conference Ctr	880
Anadarko E&P Onshore LLC	706
Lone Star College System	700

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	3,247	42,360	129,724
2016 Census Pop	2,581	35,696	113,323
2016 Estimate HH	1,433	17,511	50,675
2016 Census HH	1,126	14,700	44,177
Median HH Income	\$78,521	\$88,995	\$92,456
Per Capita Income	\$52,087	\$51,501	\$49,638
Average HH Income	\$118,002	\$124,565	\$126,965

\* # of Employees based on 5 mile radius

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to exclusively represent for sale this Absolute NNN Twin Peaks located at 18310 I-45, Shenandoah, TX 77381. The subject property is a Trophy Location in The Woodlands Submarket consisting of 2.7 acres of I-45 frontage real estate with over 240,000 cars per day. The restaurant is operated by Avalanche Food Group, a Regional Twin Peaks Franchisee with 11 locations in the Gulf Coast Region. Avalanche Food Group is the second-largest Twin Peaks Franchisee in the country and has been operating restaurants for over 30 years. Sales Figures for this location exceed \$5,500,000 last year providing a comfortable 5% Rent-to-Sales Ratio.

The in-place rental rate is only \$21.40 per square foot annually, which is significantly lower than the industry standard for casual dining restaurants. This provides an investor with additional security to know that the building could be relet at a higher rate with a different tenant upon lease expiration. The lease also acts as a hedge against inflation by featuring 10% rental increases every five year.

The property has an upcoming rental increase on September 1, 2018 that will increase the NOI by \$17,400 to \$323,400 per year and will push the CAP Rate to 5.28%.

## INVESTMENT HIGHLIGHTS

- \$6,120,000 | 5.00% CAP Rate | Absolute Net Lease
- Trophy Location on I-45 in The Woodlands | 240,000 Cars Per Day
- Upcoming Rental Increase (8/1/18) Will Increase CAP Rate to 5.28%
- 10% Rent Increases Every Five Years | 2.7 Acres
- Avalanche Food Group | Experienced Regional Franchisee
- Extremely Strong Sales Exceeding \$5,500,000



# ABOUT US

## TENANT PROFILE

### ACTUALLY, TWIN PEAKS IS ABOUT YOU!



**Here at Twin Peaks**, we offer everything you crave and more. Hearty made-from-scratch comfort food, draft beer served at a teeth-chattering 29 degrees and all the best sports in town shown on high-definition flat screens. All of this is served by our friendly and attentive Twin Peaks Girls, offering their signature "Girl Next Door" charisma and playful personalities to ensure that your adventure starts at the Peaks.

Twin Peaks is the ultimate sports lodge; everything is rarefied to make you feel special. Our entire menu is prepared in-house and to order, and endowed in generous portions to satisfy the healthiest appetites. We pour beer into huge frosted mugs at 29 degrees so that ice crystals form at the top of the glass. It perfectly pairs with our hearty comfort food, like hand-cut Mozzarella Bites, succulent Pulled Pork Nachos, a juicy Twin Cheeseburger, & savory Venison Chili. We show the sports you want and need to see, including every important local contest as well as major boxing matches and all UFC fights – and up at the Peaks, every seat has a knockout view.

**The Adventure  
Starts Here!**



THE OFFERING

Property	Twin Peaks The Woodlands
Property Address	18310 I-45 The Woodlands, TX 77381
Price	\$6,120,000
Capitalization Rate	5.00%
Price/SF	\$427.97

PROPERTY DESCRIPTION

Year Built / Renovated	2004 / 2013
Gross Leasable Area	14,300 SF
Zoning	N/A
Type of Ownership	Fee Simple

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	Avalanche Food Group
Rent Increases	10% Every Five Years After 2018
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	9/1/2013
Lease Expiration	8/30/2028
Lease Term	15 Years
Term Remaining on Lease (Years)	11 Years Remaining
Renewal Options	4 - Five Year Options
Landlord Responsibility	None
Tenant Responsibility	Roof & Structure
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$306,000
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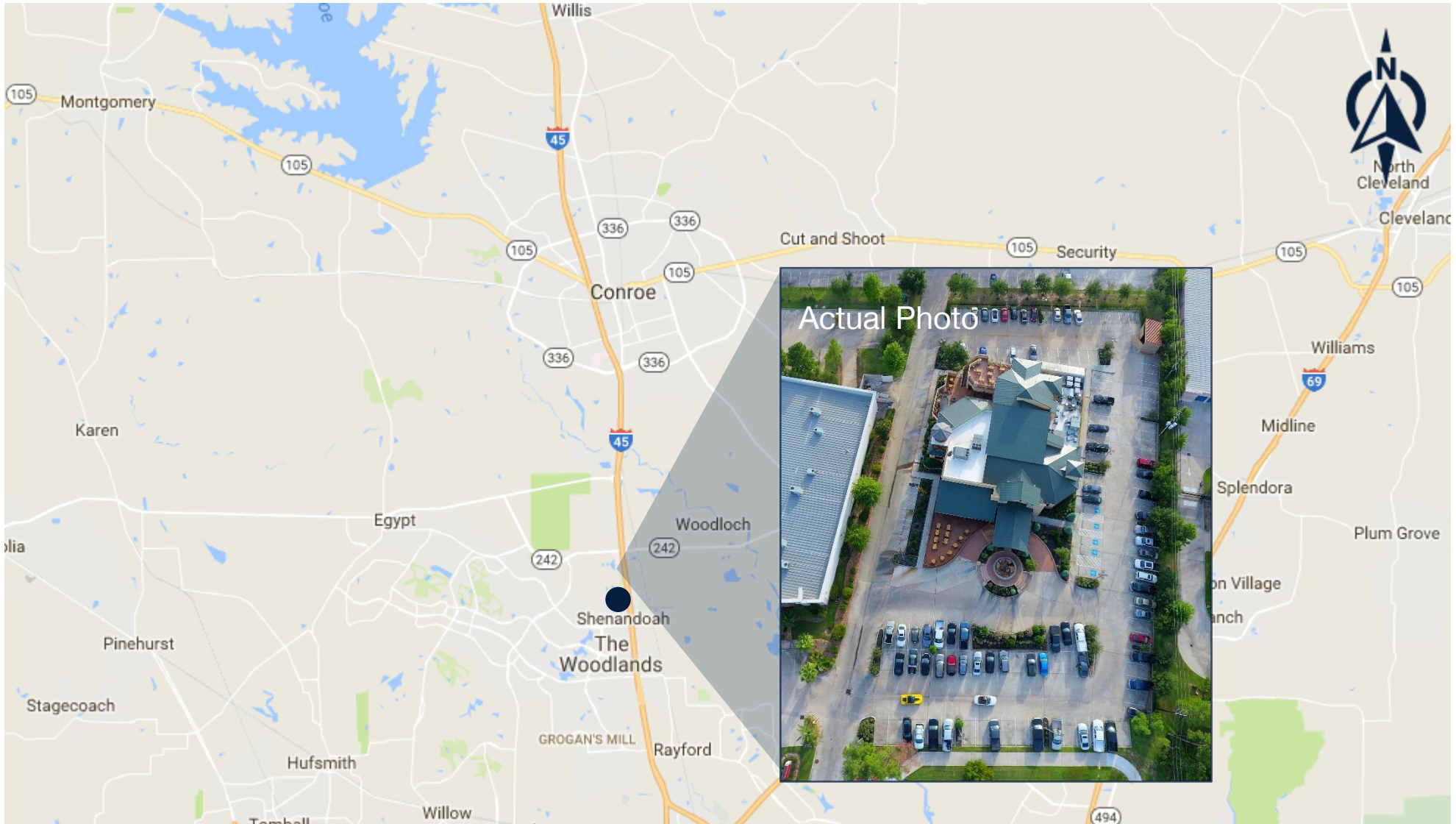
RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current	\$306,000	\$25,500	\$21.40
2018	\$323,400	\$26,950	\$22.62
2023	\$355,740	\$29,645	\$24.88
2028	\$391,308	\$32,609	\$27.36
2033	\$430,440	\$35,870	\$30.10



NOTE: On September 1, 2018, there will be a rent increase of \$17,400 per year, which will increase the going-in CAP Rate to 5.28%.

18310 I-45, Spring, TX 77381





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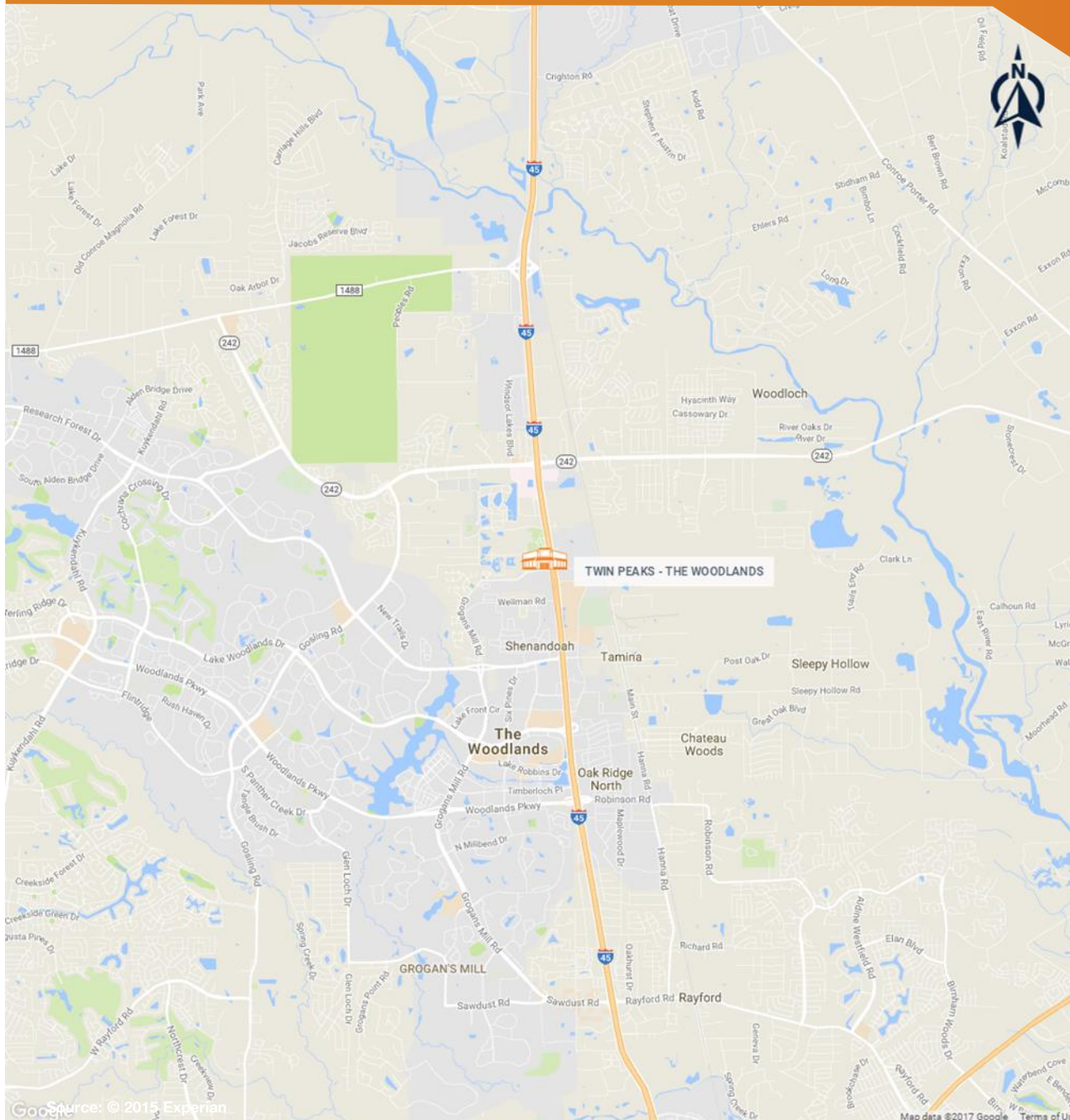
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CREATED ON JULY 7, 2017

	1 Miles	3 Miles	5 Miles
<b>POPULATION</b>			
2021 Projection	3,743	47,611	141,466
2016 Estimate	3,247	42,360	129,724
2010 Census	2,581	35,696	113,323
2000 Census	1,310	23,494	86,686
<b>INCOME</b>			
Average	\$118,002	\$124,565	\$126,965
Median	\$78,521	\$88,995	\$92,456
Per Capita	\$52,087	\$51,501	\$49,638
<b>HOUSEHOLDS</b>			
2021 Projection	1,692	20,232	56,128
2016 Estimate	1,433	17,511	50,675
2010 Census	1,126	14,700	44,177
2000 Census	491	8,240	30,711
<b>HOUSING</b>			
2016	\$253,326	\$240,173	\$244,678
<b>EMPLOYMENT</b>			
2016 Daytime Population	3,276	83,173	162,809
2016 Unemployment	5.11%	3.76%	3.47%
2016 Median Time Traveled	29	31	32
<b>RACE &amp; ETHNICITY</b>			
White	82.72%	83.73%	83.99%
Native American	0.02%	0.05%	0.10%
African American	5.23%	4.35%	4.09%
Asian/Pacific Islander	6.72%	5.24%	4.60%

Source: © 2015 Experian

Map data ©2017 Google Terms of Use

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PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

TWIN PEAKS - THE WOODLANDS  
Spring, TX  
ACT ID Y0860099

Marcus & Millichap

## NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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# 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