

CRAFTY CRAB

11104 BROADWAY STREET, PEARLAND, TEXAS



OFFERING MEMORANDUM

DOWNTOWN HOUSTON

RICE
7,170 STUDENTS

UNIVERSITY of HOUSTON
46,000 STUDENTS

Houston Zoo

nrg park



288

WILLIAM P. HOBBY AIRPORT

Almeda Mall

8

Pearland TOWN CENTER

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Executive Summary

11104 Broadway Street, Pearland, TX 77584

FINANCIAL SUMMARY

Price	\$4,950,000
Cap Rate	4.75%
Building Size	7,031 SF
Net Cash Flow	4.75% \$235,000
Year Built	2008
Lot Size	1.8 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease (FEE SIMPLE DEPRECIATION AVAILABLE)
Tenant	Crafty Crab Pearland, Inc., a Texas Corporation
Guarantor	Chang Wei Chen and Jiahui Jiang
Roof & Structure	Tenant Responsible
Lease Commencement Date	March 27, 2021
Lease Expiration Date	March 31, 2036
Lease Term Remaining	15 Years
Rental Increases	2% Annually Beginning After Year 3; 10% Increase in First Option w/ 2% Annual Increases Each Year Thereafter
Renewal Options	2, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Year 1	\$235,000.00	4.75%
Year 2	\$235,000.00	4.75%
Year 3	\$235,000.00	4.75%
Year 4	\$239,700.00	4.84%
Year 5	\$244,494.00	4.94%
Year 6	\$249,383.88	5.04%
Year 7	\$254,371.55	5.14%
Year 8	\$259,458.98	5.24%
Year 9	\$264,648.15	5.35%
Year 10	\$269,941.11	5.45%
Year 11	\$275,339.93	5.56%
Year 12	\$280,846.72	5.67%
Year 13	\$286,463.65	5.79%
Year 14	\$292,192.92	5.90%
Year 15	\$298,036.77	6.02%

Base Rent	\$235,000
Net Operating Income	\$235,000
Total Return	4.75% \$235,000

Pearland TOWN CENTER

H&M EXPRESS
FACTORY OUTLET

VANS

Bath & Body Works

GREAT AMERICAN COOKIES

la Madeleine
FRENCH BAKERY & CAFÉ

Red Robin
GOURMET BURGERS & BEERS

FOREVER 21 francesca's rue 21

RESIDENCES AT
Pearland
TOWN CENTER
234 UNITS

SHADOW CREEK
HIGH SCHOOL
2,580 STUDENTS

at home
The Home Décor Superstore

COURTYARD
Marriott

Dillard's

GRINGO'S
TEX-MEX

PEI WEI
POPEYES
LOUISIANA KITCHEN
DAIRY QUEEN

macy's

DICK'S
SPORTING GOODS

BARNES & NOBLE
BOOKSELLERS

BJ'S
RESTAURANT
BREWHOUSE

JARED
The Galleria Of Jewelry

CRAFTY CRAB
SEAFOOD

MATTRESS FIRM

Eggcellence
RESTAURANT

neighbors
EMERGENCY CENTER

48,700 CPD
BROADWAY ST

BUSINESS CENTER DR



DOWNTOWN
HOUSTON

MEMORIAL
HERMANN
24HR Emergency Care

164,850 CPD
HWY 288

HOBBY LOBBY
AshleyAcademy
HOMESTORE SPORTS-OUTDOORS

sam's club

H-E-B
plus!

Burlington

DYNAMIC
FITNESS
pure barre
jamba

T-Mobile
MyKid's
DENTIST & ORTHODONTICS

LONGHORN
STEAKHOUSE

Comerica

TACO CABANA

MCDONALD'S

WELLS
FARGO

48,700 CPD
BROADWAY ST

JARED
The Galleria Of Jewelry

MATTRESSFIRM

neighbors
EMERGENCY CENTER

CRAFTY CRAB
SEAFOOD

BUSINESS CENTER DR

Eggcellence

JCPenney HALF PRICE BOOKS
 BEST BUY Olive Garden TEXAS
 BED BATH & OLD NAVY
 BEYOND SKECHERS

Walmart

THE HOME DEPOT 24 FITNESS
 Chick-fil&

TARGET Randalls
 HomeGoods Marshalls WHATABURGER
 Total Wine & MORE KOHL'S ULTA
 DSW chiji's ROSS STORES, INC. PET SMART

CHIPOTLE
 Panera BREAD

164,850 CPD
 HWY 288

CUBESMART self storage

T-Mobile MyKids DENTIST & ORTHODONTICS

WELLS FARGO

MCDONALD'S

CRAFTY CRAB SEAFOOD

BUSINESS CENTER DR

Eggellence

48,700 CPD
 BROADWAY ST

neighbors EMERGENCY CENTER

Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 15-Year Absolute Triple-Net (NNN) Lease**
- » **INVESTOR FRIENDLY WITH FULL DEPRECIATION - FEE SIMPLE OWNERSHIP**
- » **Property Built to Withstand CATEGORY 5 HURRICANE**
- » 2% Annual Increases Starting in 2024
- » **163,097 Residents within a 5-Mile Radius - Houston MSA**
- » Households & Population Projected to Increase 22-24%+ within the Immediate Area by 2025 - Pearland is One of the Fastest Growing Cities in Texas
- » **Excellent Visibility Along Broadway Street - 48,700+ Cars/Day**
- » Situated at the Entrance to Pearland Town Center with 100+ Stores and Restaurants
- » **Affluent Trade Area - Average Household Income Exceeds \$146,000 within 3 Miles**
- » Strong Daytime Population - 101,170 Employees in Surrounding Area
- » **Down the Road from HCA Healthcare Houston Pearland - a Full Service Hospital with 250 Employees**
- » Located in Pearland's Primary Retail Corridor - Tenants Include Sam's Club, Target, Walmart, H-E-B plus!, The Home Depot, and Hobby Lobby

DEMOGRAPHICS

Population

	1-mile	3-miles	5-miles
2025 Projection	11,507	89,947	191,173
2020 Estimate	9,368	75,642	163,097
Growth 2020 - 2025	22.82%	18.91%	17.21%

Households

	1-mile	3-miles	5-miles
2025 Projection	3,937	31,354	63,628
2020 Estimate	3,165	26,239	53,859
Growth 2020 - 2025	24.38%	19.50%	18.14%

Income

	1-mile	3-miles	5-miles
2020 Est. Average Household Income	\$139,910	\$146,784	\$116,419
2020 Est. Median Household Income	\$115,944	\$117,144	\$90,772
2020 Est. Per Capita Income	\$47,315	\$50,948	\$38,463



Tenant Overview



West Melbourne, Florida

Private

69+

2016

www.craftycrabrestaurant.com

Headquarters

Company Type

Locations

Founded

Website

Crafty Crab offers fresh, New Orleans-style seafood and authentic recipes in a charming and welcoming Southern atmosphere. Each meal features delicious, home-style seafood with generous portions. A wide variety of seafood dishes are available on the menu, including crab, crawfish, calamari, lobster, and oysters. The signature New Orleans Style low country boil is a favorite among seafood lovers, featuring a large portion of fresh seafood with flavorful, spicy seasonings.

Founded in 2016, the first Crafty Crab location opened in West Melbourne, Florida. Today, there are 48 franchised locations, primarily in Florida and along the East Coast. The company is experiencing rapid growth and expansion, with 21 new locations coming soon throughout Alabama, Florida, Illinois, Maryland, Michigan, Ohio, Texas, Virginia, and Wisconsin.

Property Photos



Location Overview



Situated within the Houston-The Woodlands-Sugar Land Metropolitan Area, Pearland is one of the fastest growing cities in the Houston region and Texas as a whole. Affordable housing, outstanding schools, safe neighborhoods, and a high quality of life has led to the tremendous growth in Pearland. With millions of square feet of retail, office, and residential construction completed in the past ten years, Pearland is on its way to becoming the next major employment center in the Houston region. Its close proximity to Houston allows residents and visitors alike to enjoy all the city has to offer, including professional sports, world-class cultural amenities, and recreation.

The health care industry is a driving force in Pearland's economy, with many medical-related companies seeking new quarters in the city. Health care facilities

located in the city include Memorial Hermann Pearland, Pearland Medical Center, Texas Children's Pediatrics, and more. Tourism also plays a significant role in the economic impact of the city. In 2018, Pearland brought in \$142 million in visitor spending and \$5.4 million in local tax revenues.

Greater Houston, designated as Houston-The Woodlands-Sugar Land, is the fifth-most populous metropolitan statistical area in the United States, encompassing nine counties along the Gulf Coast in Southeast Texas. With an estimated 2019 population of over seven million, Greater Houston is the second-most populous in Texas after the Dallas-Fort Worth metroplex. Greater Houston serves as a major anchor and economic hub for the Gulf Coast. Its Port of Houston is the second largest port in the country, leading the nation in international trade.



Information About Brokerage Services

11-2-2015

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

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.

Marcus & Millichap	9002994	tim.speck@marcusmillichap.com	972-755-5200
Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tim A. Speck	432723	tim.speck@marcusmillichap.com	972-755-5200
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
Regulated by the Texas Real Estate Commission	Buyer/Tenant/Seller/Landlord's Initials	Date	Information available at www.trec.texas.gov IABS 1-0

[exclusively listed by]

Scott Ruble

Director
602 687 6845
scott.ruble@marcusmillichap.com

Mark J. Ruble

Executive Managing Director
602 687 6766
mruble@marcusmillichap.com

Chris N. Lind

Senior Vice President
602 687 6780
chris.lind@marcusmillichap.com

Tim Speck

Broker of Record
972 755 5200
License #: 9002994

Offices Nationwide
www.marcusmillichap.com

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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