



Fairway Retail Center

LOCATED IN THE COMMERCE CENTER OF SOUTHEAST HOUSTON



The offering

JLL is pleased to offer for sale the fee simple interest in **Fairway Retail Center** (the "Property") located in Pasadena, Texas. Built in 2002, the Property sits directly on the Fairmont Parkway retail corridor that features leading national tenants such as Wing Stop, Verizon, Chipotle and Navy Federal Credit Union. The property is shadow anchored by Kohl's, ranked #3 in Texas and #1 in the Houston Designated Market Area by number of visitors and Super Target, ranked #2 in Texas and #1 in the Houston Designated Market Area. Fairmont Parkway is the primary east-west thoroughfare for Pasadena and provides essential retailers for the immediate trade area. The property has 100% rent collections through December 2020 and did 5,800 SF of new leasing during the COVID-19 era. The offering presents the rare opportunity to acquire extremely valuable real estate protected by generational value drivers in immediate proximity.

*Visitor rankings are pulled from Placer.ai (January-December 2020)

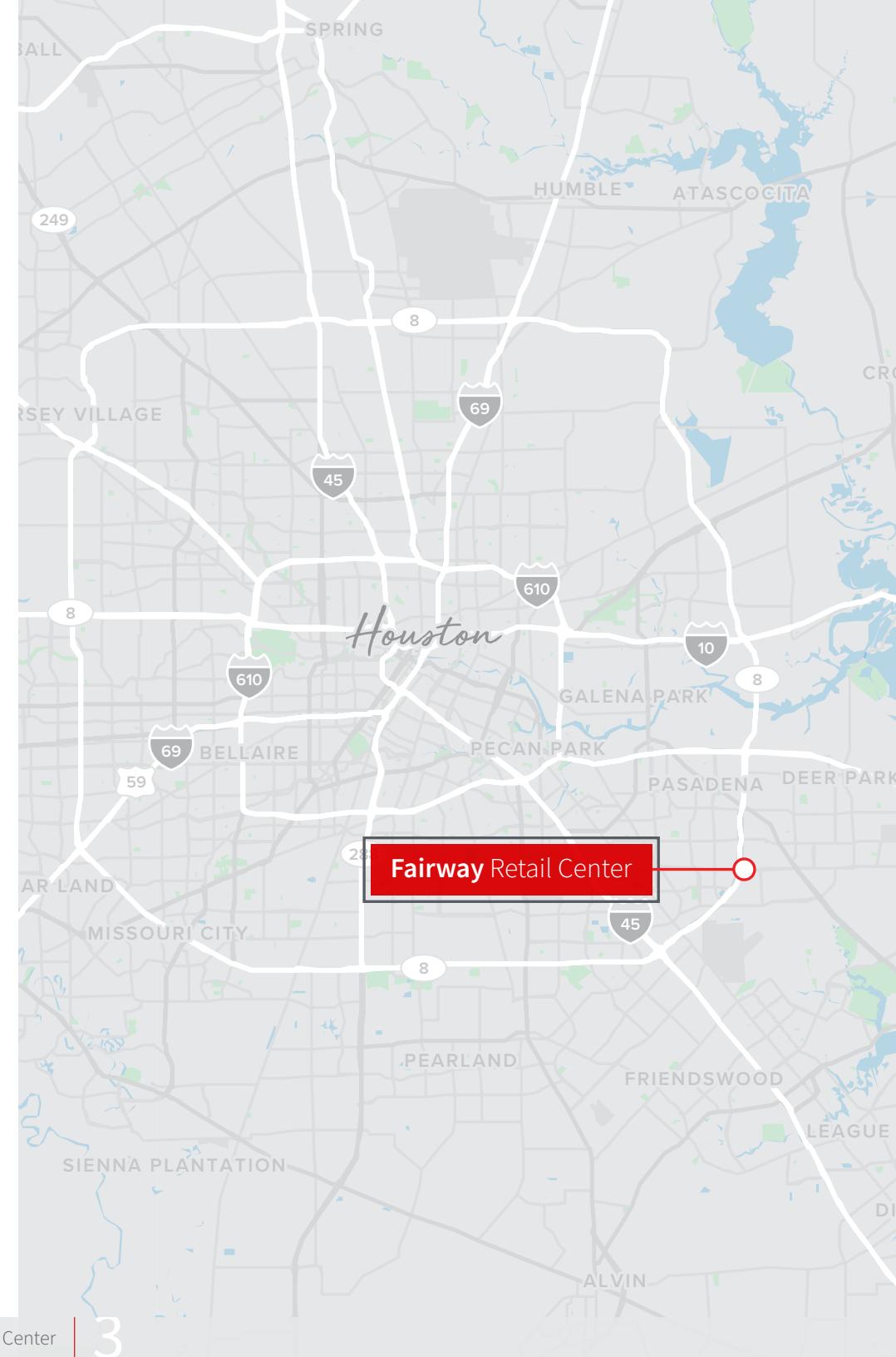


Location overview

Fairway Retail Center is located in Pasadena, Texas. Pasadena is located just 10 miles southeast of downtown Houston, a city with more than 2.2 million residents within a metro area boasting a population of nearly 6.5 million. It is also located in close proximity to some of Houston's most notable employment hubs, including the world-famous Texas Medical Center, NASA's Johnson Space Center and the Port of Houston. Pasadena boasts a strategic geographic location, a talented workforce, and a passion for economic progress.

Fairway Retail Center is supremely located, with frontage, on Fairmont Parkway, Pasadena's primary east-west thoroughfare. Additionally, the property also sits on the hard corer of Beltway 8, one of Houston's primary outer loops. These two prominent thoroughfares connect Pasadena residents all over the Houston region.

DEMOGRAPHICS WITHIN A 3-MILE RADIUS



Port of Houston
#1 port in the nation for
waterborne tonnage

Commerce Center of
Southeast Houston



#4
Home Depot by number
of visitors in Texas
(#2 in the Houston Area)

FAIRMONT RD.



#3
Kohl's by number
of visitors in Texas
(#1 in the Houston Area)



Fairway Retail Center

#1
Target by number
of visitors in Texas
(#35 in the U.S.)



TARGET



#28
Chipotle by number
of visitors in Texas
(86th Percentile)



#9
Best Buy by number
of visitors in Texas
(#1 in the Houston Area)



Property *dashboard*

Property Summary

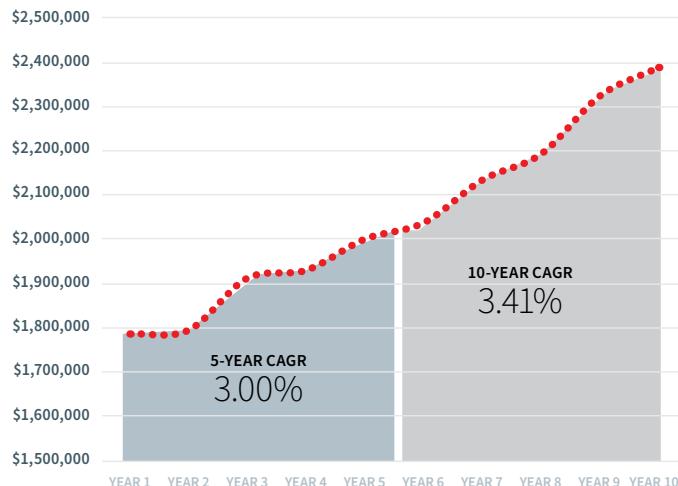
ADDRESS:	5575-5769 Fairmont Pky. Houston, TX 77505
YEAR BUILT:	2002
NRA:	49,600 SF
LAND AREA:	4.63 acres
IN-PLACE OCCUPANCY:	88.3%
PARKING	269 Spaces (5.2/1000 SF)
TRAFFIC COUNTS:	Fairmont Pky: 43,000+ Beltway 8: 100,000+

Financial Summary

YEAR 1 NOI:	\$1,780,416
MONTH 1 ANNUALIZED NOI:*	\$1,822,726
WTD. AVERAGE TENURE:	11.8 Years
WTD. AVERAGE REMAINING LEASE TERM:	3.9 Years
5-YEAR CAGR:	3.00%
10-YEAR CAGR:	3.41%
ROLLOVER SUMMARY:	
WITHIN 3 YEARS OF OPERATION:	46.4%
WITHIN 5 YEARS OF OPERATION:	73.8%

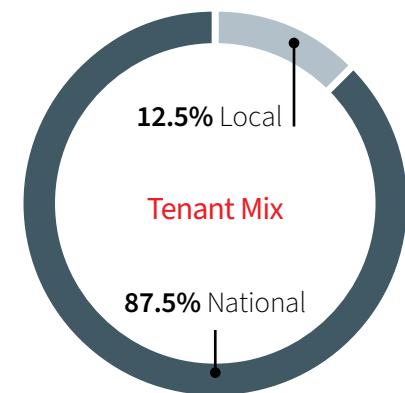
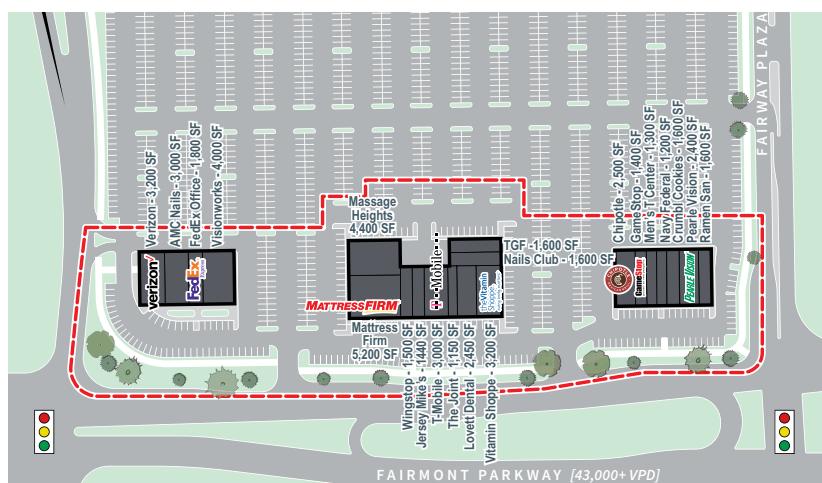
*Month 1 Annualized higher due to T-Mobile Vacate 08/2021

Projected NOI

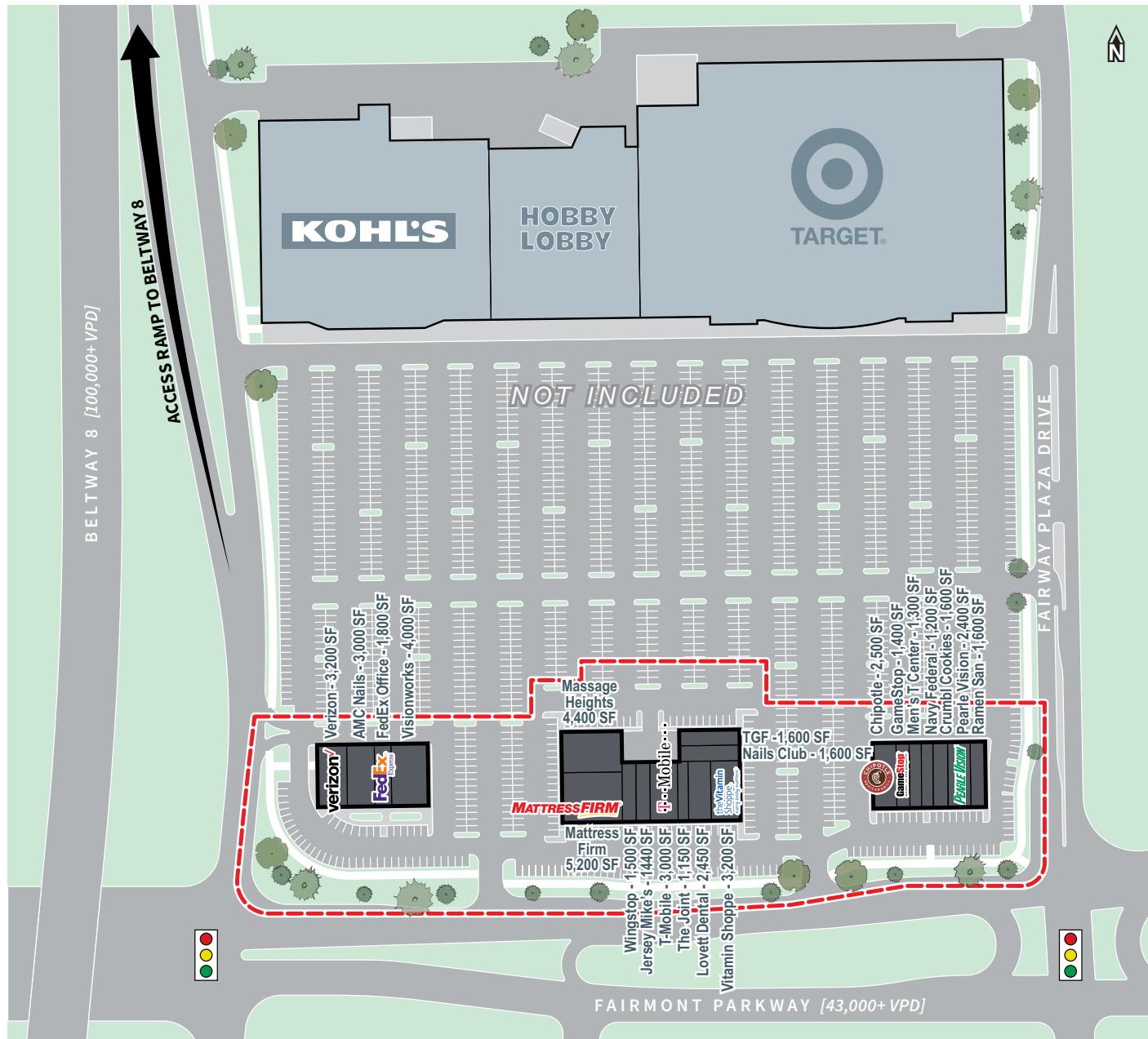


Tenant Summary

TENANT	NRA	% OF PROPERTY	2021 MKT RENT
Ramen San	1,600	3.2%	\$45.0
Pearle Vision	2,400	4.8%	\$40.0
Men's T Clinic	1,300	2.6%	\$40.0
GameStop	1,400	2.8%	\$40.0
Chipotle	2,500	5.0%	\$45.0
TGF Hair Salon	1,600	3.2%	\$45.0
L&N Nails	1,600	3.2%	\$65.0
Vitamin Shoppe	3,200	6.5%	\$45.0
Lovett Dental	2,450	4.9%	\$40.0
The Joint	1,150	2.3%	\$40.0
T-Mobile	3,000	6.0%	\$40.0
Mattress Firm	5,200	10.5%	\$45.0
Massage Heights	4,400	8.9%	\$30.0
Visionworks	4,000	8.1%	\$45.0
FedEx	1,800	3.6%	\$40.0
AMC Nails	3,000	6.0%	\$48.0
Verizon	3,200	6.5%	\$48.0
Navy Federal	1,200	2.4%	\$40.0
Crumbl	1,600	3.2%	\$40.0
Wingstop	1,560	3.1%	\$40.0
Jersey Mikes	1,440	2.9%	\$40.0
Total Occupied GLA	49,600	100.0%	\$42.74
Total Vacant GLA	0	0.0%	
Total NRA	49,600		



Site Plan





Fairway Retail Center

Investment *highlights*



STRONG TENANCY WITH STABLE CASH FLOW

Shadow anchored by Target, Kohl's and Hobby Lobby, Fairway Center offers a stable income stream featuring a mix of highly recognizable, internet resistant, local and national retail tenants. The Property is currently 100% leased with healthy cash-on-cash returns and a stout CAGR. In-place rental rates are below market providing value-enhancement opportunity as tenants roll.



ACCRETIVE FINANCIAL RETURNS

Healthy cash-on-cash returns supported by healthy occupancy levels and an e-commerce/internet resistant tenant mix (Chipotle, Wing Stop, Verizon and Jersey Mike's)



FIRST CLASS RETAIL SUBMARKET

One of Houston's best performing retail submarkets solidified by 93.7% occupancy, rising rental rates and solid annual net absorption for the last decade.



FAVORABLE DEMOGRAPHICS UNDERPINNED BY AFFLUENT RESIDENTIAL EXPANSION

Affluent, well-educated surrounding residential population with average household incomes north of \$90,000 within a 1-mile radius.

Investment *highlights*

Location Highlights



Excellent location in an established retail corridor with quick highway access to the Sam Houston Tollway (Texas Beltway 8 - Houston's primary outer loop)



Direct access to some of Houston's primary economic engines; The Port of Houston, Bush Intercontinental Airport, The Energy Corridor and Ellington Airport, the nation's 10th licensed commercial spaceport



Fairway Center is located at the northeast corner of Fairmont Parkway and the Sam Houston Tollway which has a combined total traffic count of 254,244 VPD



The Fairmont & Beltway 8 retail trade area has led the southeast region with 97% average occupancy and +2% market rent growth over the past five years.



Surrounded by national retailers with a proven track record: Lowe's, Walmart, Ross Dress for Less, 24 Hour Fitness, HEB and The Home Depot



Diverse surrounding economic population with an average household income of \$76,860 in a three-mile radius



Asset Highlights



Exceptional 10-Year CAGR of 3.41%



Shadow anchored by prominent traffic generators: Target, Kohl's and Hobby Lobby



74.4% of tenants expiring without options



Income stability & sticky tenant base: The property is 100% occupied with a weighted average lease term of 3.88



Offered free and clear of debt

Southeast Houston Overview

Port of Houston

Port Houston, one of the busiest ports in the country and the largest on the Gulf Coast, is a 25-mile-long complex of nearly 200 private and public terminals. Port Houston's flagship container terminals, Turning Basin, Jacintoport, Care, Bayport, Care and Barbours Cut, highlight the eight public terminals responsible for servicing the more than 8,200 vessels and 215,000 barges that visit the port each year. The port is consistently ranked 1st in the United States in foreign waterborne tonnage; 1st in U.S. imports; 1st in U.S. export tonnage and 2nd in the U.S. in total tonnage. It is also the nation's leading breakbulk port, handling 52 percent of project cargo at Gulf Coast ports. Carrier services on all major trade lanes link Houston to international markets around the globe.



Port Traffic on the Rise

Container traffic is increasing at the Port of Houston, propelled in large part by a booming plastics industry that has benefited from the cheap oil and natural gas it uses to manufacture small plastic pellets. The Port Commission's second quarter report stated that it handled almost 20 million tons of cargo this year, an increase of 13% from the same period last year. In addition, container volumes increased by 14% year-over-year, and more than 1.7 million tons of steel crossed Port of Houston wharves, reflecting a year-to date increase of nearly 50%.



The cheap feedstock used to produce the resin pellets spurred a slew of new and expanded chemical plants in Southeast Houston and along the Gulf Coast making the area home to the largest U.S. petrochemical port and second only to Rotterdam in the world. The American Chemistry Council, a trade group, estimated the Texas Gulf Coast accounts for about \$87 billion of the \$205 billion in petrochemical plants completed since 2010 or planned through 2025. All told, about half a dozen new polyethylene plants have begun operations in Texas this year, adding millions of tons of polyethylene pellets to Port of Houston's chart-topping exports. Houston is the top US crude oil exporter, shipping out about 2.5 million b/d. The port also is the top U.S. polyethylene (PE) resin exporter, according to trade data. Nearly 14 million tons of PE capacity is expected to be added from 2017-2027, and more than 75% of which will be in Texas and Louisiana.

Houston at a Glance

GEOGRAPHY

9 COUNTIES

in the Houston MSA

10,000 square miles
larger than the state of NJ

POPULATION & DEMOS

7 MILLION

residents in the Houston MSA



1 IN 4 Houstonians are foreign-born

5TH MOST POPULOUS MSA IN THE NATION

4TH MOST POPULOUS CITY IN THE NATION

2.3 MILLION

residents in the city of Houston

CLUTCH CITY



4th largest
MULTI-AIRPORT SYSTEM
IN THE U.S.

58.3 million
PASSENGERS

GLOBAL HUB FOR
Aerospace Technology

ECONOMY

26th

LARGEST



economy in the world if Houston were
an independent nation

7th

LARGEST



U.S. metro economy in the nation

\$480

BILLION GDP [2018]



3.2

MILLION JOBS IN THE HOUSTON MSA

more than 35 states and nearly a quarter of Texas'
entire employment base

2ND LARGEST

NUMBER OF JOBS CREATED IN 2018 OUT
OF ANY MSA IN THE NATION

64,400

NEW JOBS CREATED IN 2019

42,300

NEW JOBS FORECASTED IN 2020

CORPORATE HEADQUARTERS

22

FORTUNE 500

companies call Houston home

3RD LARGEST

NUMBER OF FORTUNE 1000
companies in the nation

4TH LARGEST

NUMBER OF FORTUNE 500
companies in the nation

GLOBAL TRADE CITY

73



FOREIGN-OWNED FIRMS

1ST IN IMPORT AND EXPORT

1ST GULF COAST CONTAINER PORT

LARGEST GULF COAST
CONTAINER PORT

1ST

IN FOREIGN
WATERBORNE
TONNAGE

TEXAS MEDICAL CENTER



LARGEST MEDICAL COMPLEX IN THE WORLD

\$25
BILLION

IN LOCAL GDP

8TH
LARGEST

BUSINESS DISTRICT IN THE U.S.

THE UNIVERSITY OF TEXAS
MDAnderson
Cancer Center

MEMORIAL
HERMANN

Texas Children's
Hospital

10
MILLION

PATIENT ENCOUNTERS PER YEAR

106,000+

EMPLOYEES AT TMC

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