

# SPRINGDALE

## SHOPPING CENTER

# H-E-B



OFFERING MEMORANDUM



7112-7210 ED BLUESTEIN BLVD &  
6901 MANOR RD, AUSTIN, TX 78723



# OPPORTUNITY OVERVIEW

Jones Lang LaSalle (“JLL”), is pleased to exclusively present the rare opportunity to acquire Springdale Shopping Center (the “Property”), a 100% leased, 163,145 square foot grocery-anchored center situated on the northeast side of Austin, Texas. Anchored by H-E-B, the preeminent grocer in Texas and Mexico, the store has a successful history of over 40+ years at the Property and is one of 126 H-E-B centers (40%) in Texas not owned by H-E-B. Positioned directly on the recently completed US 183 corridor, a \$750 million project, Springdale Shopping Center is competitively positioned to grow its presence as East Austin’s preeminent grocery-anchored shopping destination.

The Property’s irreplaceable location, rare H-E-B offering, and complementary tenancy coupled with Austin’s explosive growth provide investors with a unique opportunity to invest in the booming East Austin market at well below replacement cost.

EXCEPTIONAL  
**CUSTOMER  
LOYALTY**

**H-E-B**  
ANCHORED

PREEMINENT  
**AUSTIN  
ADDRESS**

**STRONG  
PROPERTY  
FUNDAMENTALS**

**BOOMING  
TRADE AREA**



**DOWNTOWN AUSTIN**  
5 MILES FROM THE PROPERTY

## SPRINGDALE SHOPPING CENTER

<b>ADDRESS</b>	7112-7210 ED BLUESTEIN BLVD & 6901 MANOR RD, AUSTIN, TX 78723
<b>OWNED GLA</b>	163,145 SF
<b>SITE</b>	~12.58 ACRES
<b>OCCUPANCY</b>	100.0%*
<b>ANCHOR</b>	H-E-B
<b>WALT</b>	4.4 YEARS
<b>YEAR BUILT / RENOVATED</b>	1979 / 1998
<b>PARKING</b>	672 SPACES (4.11/1,000 SF)

*\*Occupancy Includes MTM Tenant*

**SPRINGDALE**  
SHOPPING CENTER  
**H-E-B**

# #1 H-E-B ANCHORED #1 GROCER IN AMERICA



THE PREMIER  
ESSENTIAL RETAIL  
ANCHOR



H-E-B was rated  
**THE TOP U.S. GROCERY RETAILER IN 2020,**  
bumping Trader Joe's from the top spot and beating Whole Foods and Costco.

STRONG PARENT  
COMPANY



America's  
9th  
Largest

Private  
Company

\$31.2  
Billion

Annual Revenues  
(Est. 2019)

130,000+

Employees

370

Locations

5

Brands

San  
Antonio,  
TX

Headquarters

ESTABLISHED AS  
TEXAS'S PREEMINENT  
GROCER



  
CREDIT  
QUALITY

  
BRAND  
RECOGNITION

  
INTENSE CUSTOMER  
LOYALTY





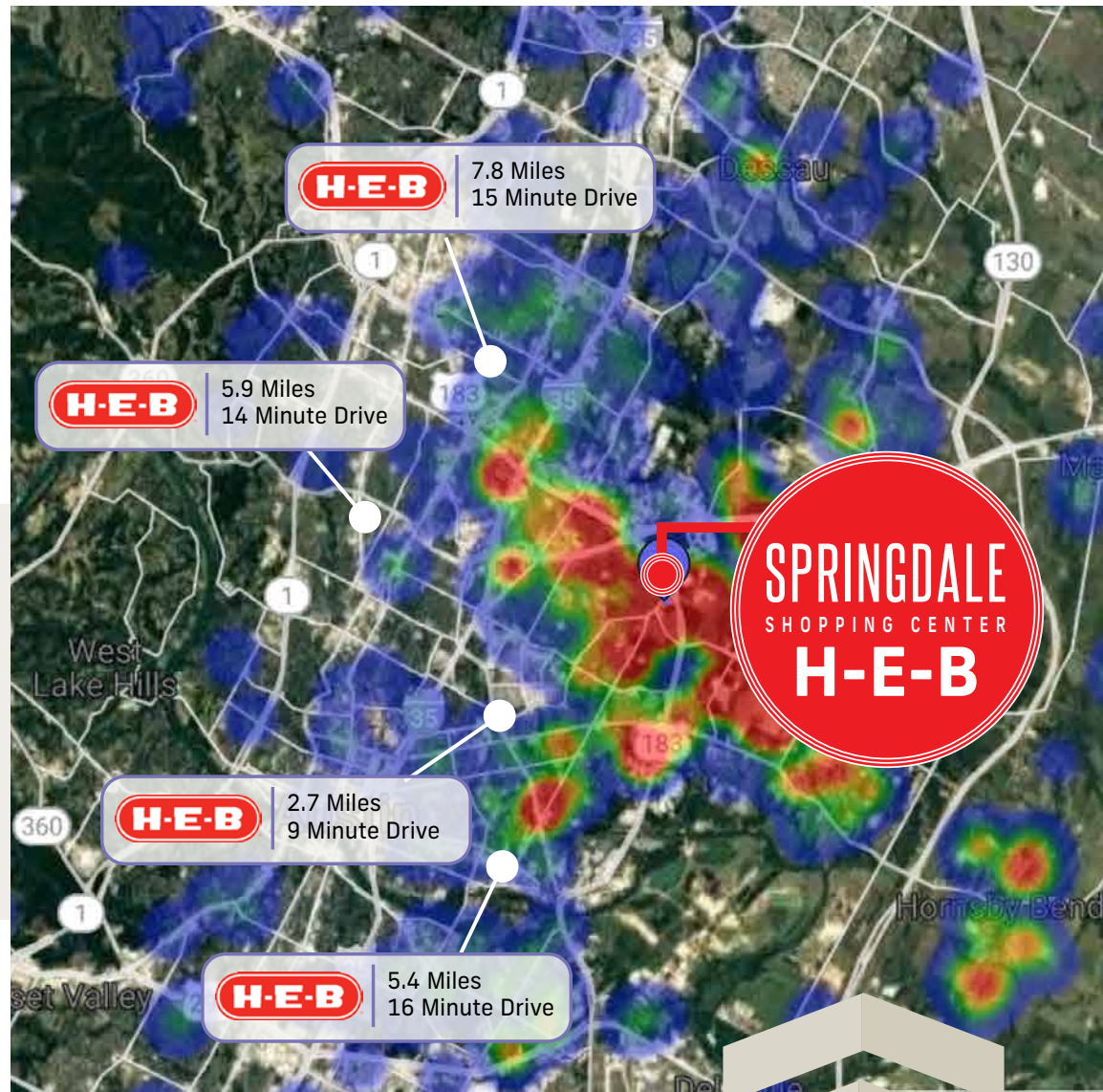
RARE H-E-B ACQUISITION OPPORTUNITY  
 ONLY 10 H-E-B ANCHORED  
 TRANSACTIONS OVER THE  
 LAST FIVE YEARS AND  
 ONLY ONE SINCE  
 2018



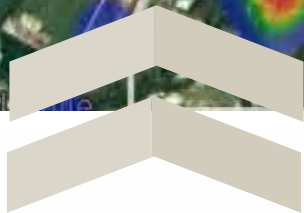
Only 40% of H-E-B stores are not owned by The H-E-B Parent Company

Limited H-E-B Anchored Acquisition Opportunities

H-E-B executes an extremely thoughtful and diligent expansion plan as to limit legacy store absorption



SPRINGDALE  
 SHOPPING CENTER  
 H-E-B



ADVANTAGEOUS STORE SPACING

Springdale's H-E-B is the **furthest east H-E-B location in Austin**, attracting brand loyal customers from a large trade area. Additionally, the closest grocery competition sits 2.6 miles southeast of Springdale, and the Property faces **limited new development competition** as the nearest planned grocery store is 6.50 miles east in Manor, TX.

# STRONG PROPERTY FUNDAMENTALS



## RESILIENT TENANCY

- 100% collections in 2020
- No tenant received a rent abatement in 2020
- ALL Covid-19 related deferrals have been repaid



## ROBUST SALES

<b>\$59 MM</b>	<b>34% Sales Growth</b>	<b>2.8% Overall</b>
Reported Annual Commerce	Since 2017	Occupancy Cost Ratio



## SUBSTANTIAL DISCOUNT TO REPLACEMENT COST

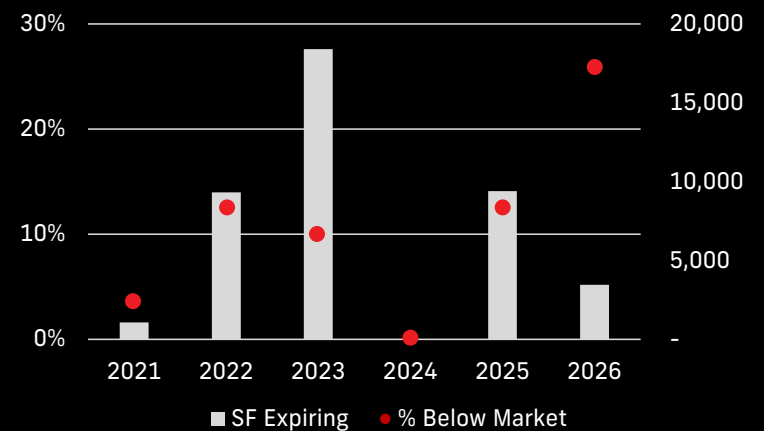
Opportunity to acquire a high performing center in Austin, well below replacement cost in one of the fastest growing markets in the U.S.



## MARK-TO-MARKET OPPORTUNITY

Opportunity to push rents as tenants' leases roll with in-place rates 12% below current market rates

### TREMENDOUS MARK-TO-MARKET OPPORTUNITY





TURNER LN

ROCKHURST LN

SUSQUEHANNA LN

**H-E-B**

**O'Reilly** AUTO PARTS  
PROFESSIONAL SERVICE CENTER

**ROSS**  
DRESS FOR LESS

**CAROUSEL**  
PEDIATRICS

Access Dental

MANOR RD

**SUBWAY**

**WING-STOP**

132

135

144

142

**DOLLAR TREE**

150B

**dd's**  
DISCOUNTS

180

177

175

173

169

**SONIC**

**KFC**

ED BLUESTEIN BLVD

183

183 (TOLL ROAD)

ED BLUESTEIN BLVD



# EXCEPTIONAL CUSTOMER LOYALTY

The high-performing, demographically aligned tenant mix perfectly serves the surrounding trade area demographics creating a highly loyal customer base. The average customer visits the center 7.14 times annually, and over 650,000 visits are driven by customers that shop at Springdale 30+ or more times annually.

## Springdale Shopping Center

Past 12 Months at a Glance

**216.3K**

Estimated Number of Customers

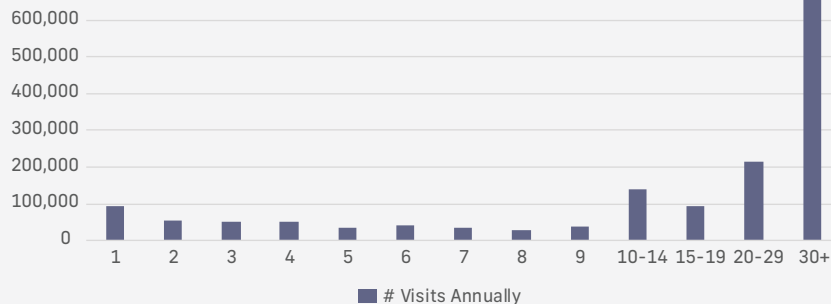
**1.55M**

Estimated Number of Visits

**7.14**

Average Visits Per Customer

### Springdale Shopping Center - Visitor Frequency



## Springdale HEB

Past 12 Months at a Glance

**131.6K**

Estimated Number of Customers

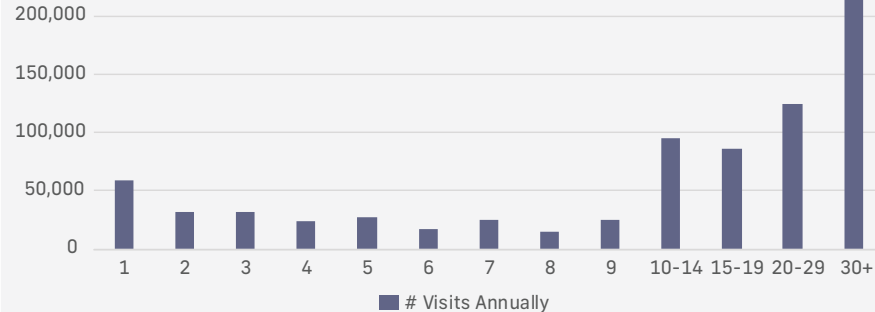
**793.9K**

Estimated Number of Visits

**6.03**

Average Visits Per Customer

### Springdale HEB - Visitor Frequency



Source: PlacerAI



# SUPERIOR ACCESS & VISIBILITY



## 183 SOUTH PROJECT

A \$734 MM PROJECT CREATING A NON-STOP NORTH-SOUTH ALTERNATIVE TO I-35 FROM US 290 TO SH 71, ONE OF AUSTIN'S MOST IMPORTANT ARTERIALS

- BROKE GROUND IN 2016 WITH PROJECTED COMPLETION IN EARLY TO MID-2021
- PORTION ADJACENT TO SPRINGDALE WAS RECENTLY COMPLETED AND IMMEDIATELY INCREASED CONSUMERS CONNECTIVITY TO THE PROPERTY

## NEW PEDESTRIAN BRIDGE WITH DIRECT ACCESS TO SPRINGDALE SHOPPING CENTER

- 183 SOUTH PROJECT PRIORITIZED IMPROVING GREATER MOBILITY FOR ALL USERS OF THE CORRIDOR
- \$25 MM OF THE PROJECT IS DEDICATED TO CREATING MULTI-MODAL TRANSPORTATION IMPROVEMENTS, INCLUDING BICYCLE AND PEDESTRIAN ENHANCEMENTS



**EXCEPTIONAL CONNECTIVITY WITH NINE POINTS OF ENTRY TO THE PROPERTY**



ED BLUESTEIN BLVD

MANOR ROAD



2 MINUTES FROM THE PROPERTY

**ED BLUESTEIN BLVD**  
SERVING AS ONE OF THE MAIN INGRESS-EGRESS ROUTES FOR THE CENTER, ED BLUESTEIN BLVD WAS RENOVATED IN 2018 IN CONJUNCTION WITH 183 SOUTH, FURTHER ENHANCING ACCESSIBILITY TO THE PROPERTY





# THE NEXUS OF EAST AUSTIN'S RESIDENTIAL BOOM

The redevelopment of Austin's Mueller Airport beginning in 2004 kicked off explosive gentrification on the east side of I-35. The project unlocked East Austin, boosting average household incomes by 50%-100% within Springdale's trade area and increasing the population density within three miles of Springdale by 22.5% since 2010.

POPULATION	1 MILE	3 MILES	5 MILES	AUSTIN, TX
<i>2000 CENSUS</i>	9,772	65,839	198,385	686,160
<i>2010 CENSUS</i>	8,663	71,336	215,893	800,123
<i>2020 ESTIMATE</i>	10,163	87,399	261,954	985,370
<i>2025 PROJECTION</i>	10,912	94,821	285,997	1,083,172

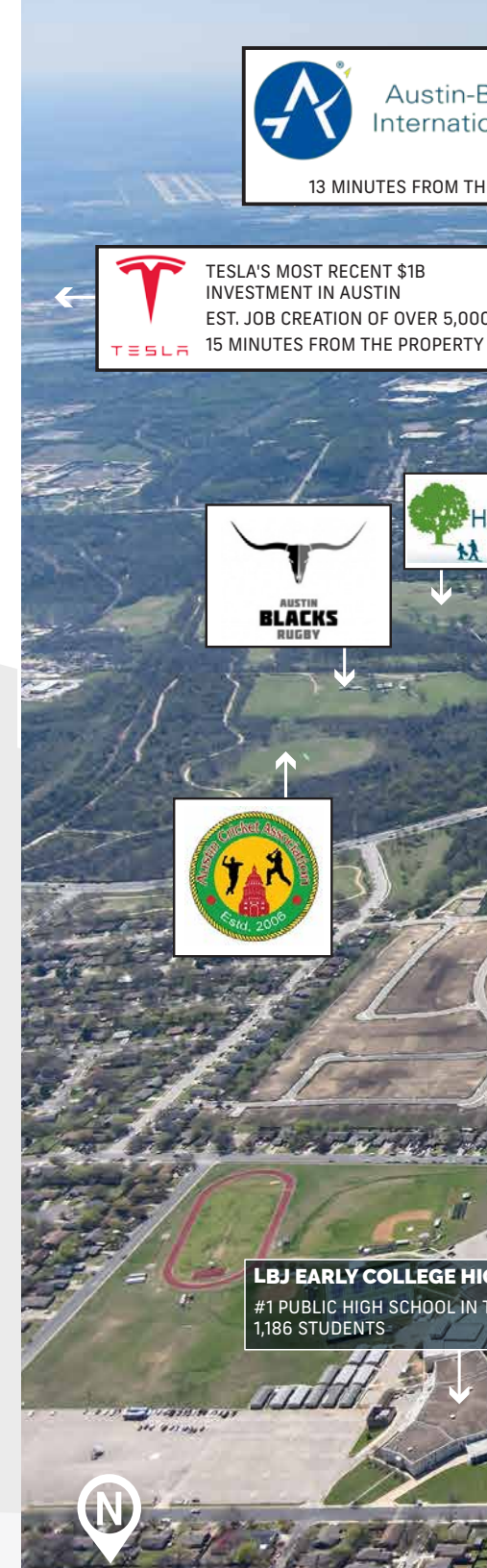
  

POPULATION GROWTH	1 MILE	3 MILES	5 MILES	AUSTIN, TX
<i>% CHANGE: 2000 - 2010</i>	-11.3%	8.3%	8.8%	16.6%
<i>% CHANGE: 2010 - 2020</i>	17.3%	22.5%	21.3%	23.2%
<i>% CHANGE: 2020 - 2025</i>	7.4%	8.5%	9.2%	9.9%

2020 EST. HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES	AUSTIN, TX
<i>AVG. HH INCOME</i>	\$74,187	\$73,137	\$79,869	\$104,508
<i>2014 AVG. HH INCOME</i>	\$49,558	\$47,589	\$50,785	\$79,162
<i>% CHANGE</i>	49.70%	53.68%	57.27%	32.02%

AUSTIN





Bergstrom International Airport  
E PROPERTY

**DOWNTOWN AUSTIN**  
HOME TO 110,000 EMPLOYEES AND 178 TECH COMPANIES  
10 MINUTES FROM THE PROPERTY

SILICON LABS PARSLEY  
indeed DropBox CROWDSTRIKE

THE UNIVERSITY OF TEXAS AT AUSTIN  
#14 TOP PUBLIC NATIONAL UNIVERSITY  
51,800 STUDENTS  
10 MINUTES FROM THE PROPERTY

183  
75,800 VPD

100 NEW HOMES  
**LITTLE WALNUT CREEK GREENBELT**

292 UNITS

**MORRIS WILLIAMS GOLF COURSE**

**MUELLER AIRPORT REDEVELOPMENT**  
700-ACRE, MASTER-PLANNED COMMUNITY  
3,700+ SINGLE-FAMILY HOMES  
1,021 MULTI-HOUSING UNITS  
4,900 EMPLOYEES  
5 MINUTES FROM THE PROPERTY

**MUELLER NEIGHBORHOOD**  
POPULATION: 8,500  
AVERAGE HH INCOME: \$88,131  
MEDIAN LISTING HOME PRICE: \$725,000

**MUELLER COMMERCIAL**  
4.5 MM SF OF PLANNED COMMERCIAL SPACE  
40+ STORES AND RESTAURANTS HOME TO:

dell children's Seton Family of Hospitals AUSTRIN CHILDREN'S MUSEUM

**WINDSOR PARK**  
POPULATION: 22,471  
AVERAGE HH INCOME: \$87,072  
MEDIAN LISTING HOME PRICE: \$459,500

126 NEW HOMES

UNIVERSITY HILLS

**UNIVERSITY HILLS**  
POPULATION: 35,725  
AVERAGE HH INCOME: \$87,072  
MEDIAN LISTING HOME PRICE: \$459,500

**ED BLUESTEIN BLVD**  
67,300 VPD

**SPRINGDALE SHOPPING CENTER**  
**H-E-B**

GH SCHOOL  
THE AUSTIN MSA

DELCO ACTIVITY CENTER

**MANOR ROAD**  
15,500 VPD



# MUELLER AUSTIN

BEFORE



Since in 2004, the redevelopment of Mueller Airport, a 700-acre, master-planned community in East Central Austin has spurred explosive growth in East Austin and **created over 11,000 construction jobs with an additional 14,000 permanent jobs** projected at completion

AFTER





# MUELLER AT A GLANCE

## RESIDENTIAL

	RESIDENCES	AFFORDABLE HOUSING	TOTAL RESIDENTS
<i>NOW</i>	3,700	1,116	8,500
<i>AT COMPLETION</i>	6,200	1,550	14,000+

## COMMERCIAL/INSTITUTIONAL

	TOTAL SPACE	NUMBER OF EMPLOYEES	TOTAL RETAIL SPACE
<i>NOW</i>	2.1 MM SF	4,900 current	602,000 SF
<i>AT COMPLETION</i>	4.5 MM SF	14,000	750,000 SF

## RETAIL

## PARKS AND OPEN SPACE

	TOTAL ACREAGE	TRAILS
<i>NOW</i>	90 Acres	5 mi
<i>AT COMPLETION</i>	140 Acres	13 mi





# THE PREEMINENT AUSTIN MARKET

Characterized by nation-leading job growth, a favorable business environment, and a highly educated workforce, Austin's economy is at the forefront of innovation and expansion across a vast array of high-tech, high-income industries. Dubbed "Silicon Hills," the City is home to many of the nation's leading technology companies, such as Facebook, Google, Indeed, Cirrus Logic, Dropbox, Box, Expedia, and Oracle. As the technology industry continues to grow, Austin, with its existing business infrastructure, is competitively positioned to experience substantially more in-migration and corporate relocations.



**TESLA ANNOUNCES \$1B  
GIGAFACTORY IN  
SOUTHEAST AUSTIN**

**5,000 + JOBS | 2,000 ACRES**



**ORACLE ANNOUNCES  
HEADQUARTERS  
MOVE TO AUSTIN**

**GROWING TO  
10,000 EMPLOYEES**

**BEST PLACE TO  
LIVE IN THE U.S.**

**2017, 2018, 2019,  
2020**

**U.S. NEWS & WORLD  
REPORT**

**CONTINUED  
IN-MIGRATION**

**AUSTIN POPULATION  
PROJECTED TO  
DOUBLE WITHIN 25  
YEARS**





**AVERAGE  
UNEMPLOYMENT  
RATE**  
BELOW STATE AND  
NATIONAL AVERAGES  
5.0%  
(AS OF OCTOBER 2020)

**7,200**  
HIGH-TECH  
COMPANIES

**EXPANDING  
TECH ECOSYSTEM**  
AUSTIN IS LEADING  
THE RACE TO ATTRACT  
THE TOP TECH  
EMPLOYERS IN THE  
WORLD

**529**  
CORPORATE  
RELOCATIONS/  
EXPANSIONS SINCE  
2016

**~70%**  
OF NEW  
RESIDENTS COME  
FROM OUT OF  
STATE



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# SPRINGDALE SHOPPING CENTER H-E-B

H-E-B  
Fresh Foods



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