

# STEEPLECHASE CENTER

HOUSTON, TX



OFFERING MEMORANDUM



# EXECUTIVE SUMMARY

JLL is pleased to offer the opportunity to acquire Steeplechase Shopping Center (the “Property”), a **value-add power center** located along the highly trafficked FM 1960 corridor in Northwest Houston.

The Property is home to a well balanced mix of national and local retailers including Goodwill, Dollar Tree, 99 Cents Only, and Melrose. The 82% leased property ideally sits along FM 1960 and Jones Rd, one of Houston’s most prominent retail corridors with excellent visibility to over 98,000 vehicles per day.



**82%**  
LEASED

**195,572**  
TOTAL SF

**1982-1983 & 2005**  
YEAR BUILT

**79.74%**  
NATIONAL

**20.26%**  
LOCAL/REGIONAL

**10.3%**  
5-YEAR CAGR

# PROPERTY DASHBOARD

## PROPERTY SUMMARY

Address	10703-10931 Jones Rd, Houston, TX 77065
Year Built	1982-1983 & 2005
GLA	195,572
Land Area	19.5 Acres
In-Place Occupancy	82%
Parking	750 Spaces (5.15:1,000 SF)
Traffic Counts	FM 1960: 58,941 VPD Jones Rd: 36,974 VPD Fallbrook Dr: 20,540 VPD

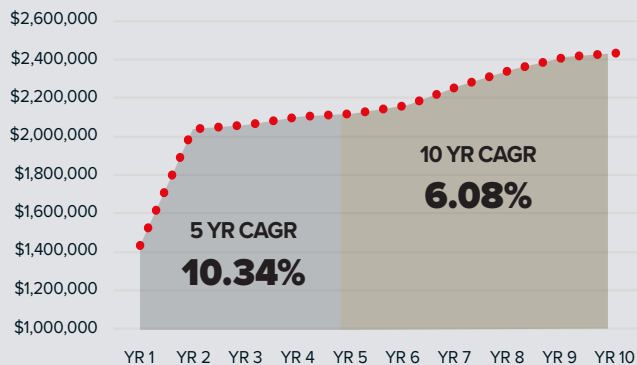
## FINANCIAL SUMMARY

Month 1 Annualized NOI	\$1,384,850
Wtd. Average In Place Rent	\$10.63
Percent Below Market	47.10%
Wtd. Average Tenure	8.3 Years
Wtd. Average Remaining Lease Term	2.6 Years

## ROLLOVER SUMMARY

Within 2 Years Of Operation	24.40%
Within 5 Years Of Operation	64.70%

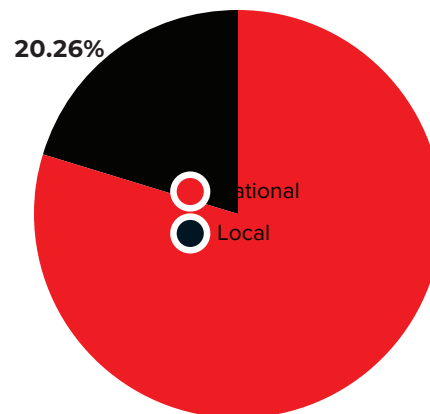
## NET OPERATING INCOME



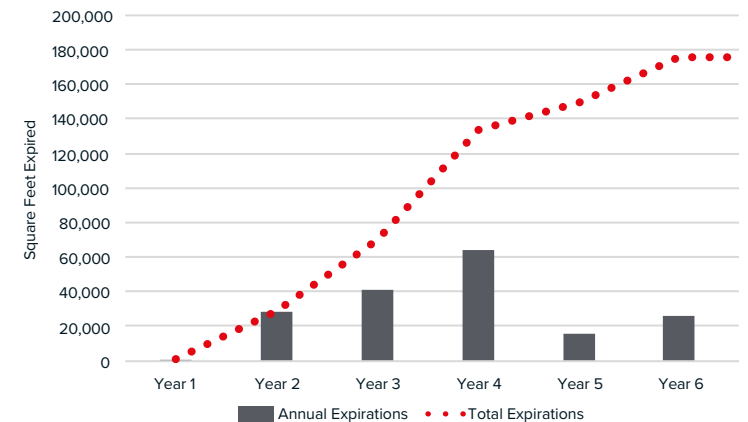
## TENANT SUMMARY

Tenant	Suite	S&P Rating	Square Feet	% of Property	In-Place Rent	2022 Market Rent	Percent Below Market	Lease Start	Expires	Remaining Term	Upon Expiration
Goodwill	1		23,968	12.3%	\$12.10	\$13.00	7.4%	6/1/14	5/31/24	1.5 Years	Option
Melrose	3		16,956	8.7%	\$7.08	\$15.00	112.0%	6/1/22	6/30/27	4.6 Years	Option
Citi Trends	4		15,025	7.7%	\$6.60	\$15.00	127.3%	9/1/10	8/31/25	2.8 Years	Option
Uptown Beauty	5		14,789	7.6%	\$7.02	\$15.00	113.7%	3/1/17	4/30/24	1.4 Years	Option
Dollar Tree	6	BBB	10,181	5.2%	\$6.25	\$16.00	156.0%	2/1/11	2/28/26	3.2 Years	Option
dd's Discounts	7	BBB+	21,133	10.8%	\$9.75	\$13.00	33.3%	2/1/15	1/31/25	2.2 Years	Option
99 Cent Only	8	CCC+	23,190	11.9%	\$9.00	\$13.00	44.4%	11/1/09	1/31/25	2.2 Years	Option
Leslie's Pools	9		3,750	1.9%	\$9.45	\$18.00	90.5%	11/1/10	12/31/25	3.1 Years	Option
Rent A Center	10	BB-	4,250	2.2%	\$9.00	\$18.00	100.0%	8/1/12	5/31/27	4.5 Years	Option
La Reyna Tortilleria	12		2,900	1.5%	\$16.08	\$18.00	11.9%	8/1/17	7/31/27	4.7 Years	Option
Kim's Hair Salon	14		907	0.5%	\$30.00	\$22.00	-26.7%	8/1/10	7/31/25	2.7 Years	Market
Big City Wings	15		5,288	2.7%	\$25.30	\$28.00	10.7%	2/1/16	1/31/26	3.2 Years	Option
Imperial Foot Reflex	16		833	0.4%	\$18.00	\$25.00	38.9%	9/1/12	8/3/27	4.7 Years	Market
Iris Nails and Spa	17		1,054	0.5%	\$24.00	\$25.00	4.2%	7/1/14	8/31/24	1.8 Years	Option
Nancy's Tailor	18		1,011	0.5%	\$18.00	\$25.00	38.9%	6/1/11	5/31/24	1.5 Years	Option
Metro PCS	19	BB+	1,785	0.9%	\$18.00	\$25.00	38.9%	11/1/18	10/31/23	0.9 Years	Market
PHO TOWN	20		1,960	1.0%	\$21.00	\$25.00	19.0%	6/1/16	7/31/22	0.3 Years	Option
Checkers	22		2,918	1.5%	\$20.56	\$20.56	0.0%	6/1/22	5/31/32	9.5 Years	Market
Ostioneria Michoacan	23		4,375	2.2%	\$21.94	\$22.86	4.2%	3/1/18	2/28/23	0.2 Years	Option
<b>Total Occupied GLA</b>			<b>156,273</b>	<b>79.9%</b>	<b>\$10.63</b>	<b>\$15.63</b>	<b>47.1%</b>	<b>8.3 Years</b>		<b>2.6 Years</b>	
<b>Total Vacant GLA</b>			<b>35,593</b>	<b>18.2%</b>							
<b>Total GLA</b>			<b>195,572</b>	<b>100.0%</b>							

## NATIONAL TENANT BASE



## LEASE EXPIRATION SCHEDULE



# INVESTMENT HIGHLIGHTS



Currently **82% leased**, purchasers will have the opportunity to increase NOI via lease-up



Stabilized cash flow with potential to add value via lease-up and marking rents to market.-



Loyal tenant base with an average tenure of 8.3 years.



Strategically located between two major freeways in northwest Houston, Hwy 249 and US Hwy 290.



Direct frontage along FM 1960, one of Houston's most highly trafficked retail corridors and east/west thoroughfares



Anchored by high performing, national discount retailers including Goodwill, DD's Discount, Melose, and 99 Cent Only



Adjacent to the Cypress Fairbanks Medical Center and within a 2-mile radius of an HEB, Target, and Walmart Super Center



Premier Access & Visibility - Located at the lively intersection of FM 1960 and Jones Rd with excellent visibility to over 58,941 vehicles per day along FM 1960 and 36,974 vehicles per day along Jones Rd.



Surrounded by the thriving community with a 113,979 residents within a 3-mile radius and affluent demographics with an average household income of \$84,264 within a 3-mile radius.



# HOUSTON RETAIL OVERVIEW

Houston's retail market remained resilient in 2021 with vacancy closing in on pre-Covid levels and two consecutive quarters of strong net absorption. The pandemic has proven the adaptability of the metro's retail sector as stores evolved to meet the digital and physical demands of consumers. Big-box retailers continued to expand the definition of omnichannel, leveraging successes in curbside and in-store pick-up to increase the diversity of these offerings. Boutique-style retailers remain focused on creating an experience to drive foot traffic

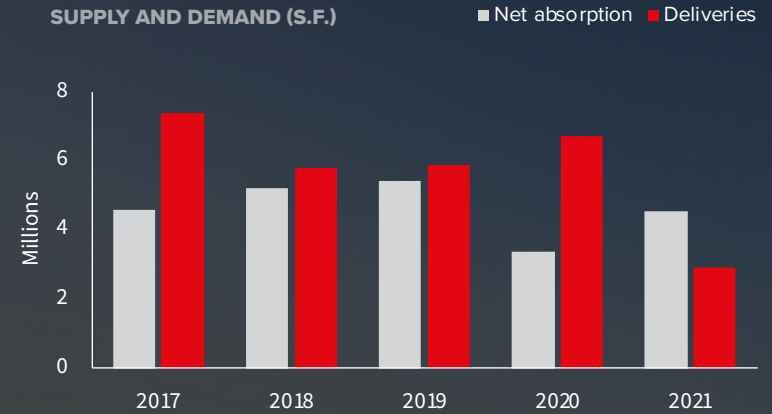
New supply additions were muted in the second half of the year, recording some of the lowest quarters for deliveries in the metro's history. This is not unique to Houston, though, as other Texas markets like Dallas and Austin also experienced a decrease in completions. A number of factors are at play, including a fall-off in new construction starts during the height of the pandemic and rising materials costs as supply chain struggles persist.

Many restaurants and retailers are confidently moving forward with growth plans, and fundamentals should continue to strengthen in the coming quarters. With Montrose Collective, MKT, and Regent Square already opened this year, the live-work-play community continues to drive foot traffic and strengthen the local market. Construction activity is increasing, bringing both pure retail and creative new mixed-use projects to the market in late 2022 and 2023.

## Q4 KEY FUNDAMENTALS

TYPE	INVENTORY (S.F.)	TOTAL VACANCY	NET ABSORPTION (S.F.)	AVG. ASKING RENT (P.S.F.)	% RENT CHANGE Y-O-Y
General Retail	157,460,108	3.50%	420,509	\$21.06	0.00%
Malls	31,376,973	7.10%	178,520	\$30.72	0.70%
Power Centers	30,536,131	5.40%	100,233	\$16.10	7.80%
Shopping Centers	157,082,691	8.30%	541,425	\$17.77	2.70%
Specialty Center	2,371,010	1.80%	65,105	\$18.32	-8.80%
Totals	378,826,913	5.90%	1,305,792	\$19.00	3.10%

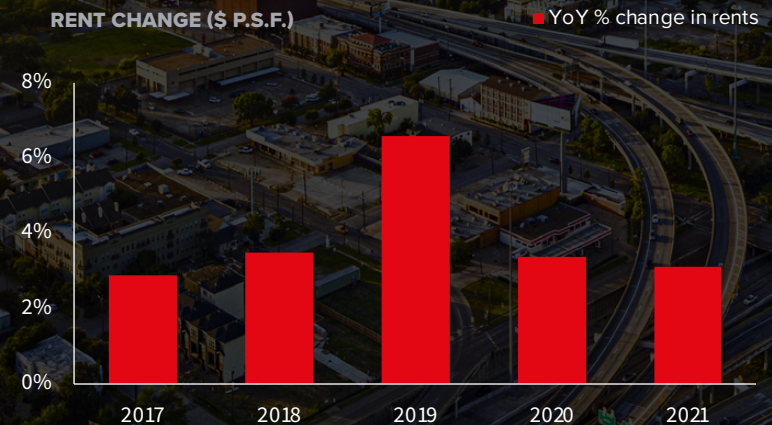
SUPPLY AND DEMAND (S.F.)



TOTAL VACANCY (%)



RENT CHANGE (\$ P.S.F.)



# SITE PLAN



No.	Tenant	SF
1	Goodwill	23,968
2	AVAILABLE	22,000
3	Melrose	16,956
4	Citi Trends	15,025
5	Uptown Beauty	14,789
6	Dollar Tree	10,181
7	dd's Discounts	21,133
8	99 Cent Only	23,190
9	Leslie's Pools	3,750
10	Rent a Center	4,250
11	AVAILABLE	2,252
12	La Reyna Tortilleria	2,900
13	AVAILABLE	1,476
14	Kim's Hair Salon	907
15	Big City Wings	5,288
16	Imperial Foot Reflexology	833
17	Iris Nails and Spa	1,054
18	Nancy's Tailor	1,011
19	Metro PCS	1,785
20	Pho Town	1,960
Pad 1	AVAILABLE	2,865
Pad 2	Checkers	2,918
Pad 3	Osteria La Michoacan	4,375
Pad 4	AVAILABLE	7,000

# SOUTHEAST FACING AERIAL



DOWNTOWN HOUSTON

GALLERIA/UPTOWN

HEB Kroger  
ALDI FOOD TOWN

8

290

WILLOW POINTE

STEEPLECHASE

Fallbrook Dr (20,540 Vehicles Per Day)

CYPRESS FAIRBANKS MEDICAL CENTER

STEEPLECHASE SHOPPING CENTER

HOBBY LOBBY  
BIG LOTS!  
KING DOLLAR

70

Jones Rd. (36,974 Vehicles Per Day)

Wendy's

KFC

Aaron's

1960

(58,941 Vehicles Per Day)

FITNESS CONNECTION  
Aaron's

STEEPLECHASE CENTER

# TENANT OVERVIEWS



**Area:** 23,968 SF  
**Date Occupied:** June 1, 2014  
**Lease End:** May 31, 2024  
**Renewal Options:** Two 5-Year Options Remaining

Goodwill Industries International (GII) is based in Rockville, MD, outside of Washington, D.C. The Goodwill enterprise is a network of 155 community-based, autonomous organizations in the United States and Canada with a presence in 12 other countries. To meet the needs of their local communities, each local Goodwill organization designs its own programs and services to help people find work near where they live. Local Goodwill organizations are innovative and sustainable social enterprises that create job training programs, employment placement and other community-based programs by selling donated clothing and household items in more than 3,200 Goodwill stores.



**Area:** 21,133 SF  
**Lease Start Date:** February 1, 2015  
**Lease End:** January 31, 2025  
**Renewal Options:** Three 5-Year Options Remaining

DD's Discounts is owned and operated by Ross Stores, Inc., which is an S&P 500, Fortune 500, and Nasdaq 100 (ROST) company headquartered in Dublin, California, with fiscal 2020 revenues of \$12.5 billion. Currently, the Company operates Ross Dress for Less® ("Ross"), the largest off-price apparel and home fashion chain in the United States with 1,629 locations in 40 states, the District of Columbia, and Guam. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. The Company also operates 295 dd's DISCOUNTS® stores in 21 states that feature a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 70% off moderate department and discount store regular prices every day.



# TENANT OVERVIEWS



**Area:** 23,190 SF  
**Planned Start Date:** November 1, 2009  
**Lease End:** January 31, 2025  
**Renewal Options:** Two 5-Year Options Remaining

99 Cents Only Stores is a premier deep-discount retailer that primarily carries name-brand consumable and general merchandise. The stores date back to the 1960s when the company's founder, Dave Gold, inherited a tiny liquor store in downtown Los Angeles and decided to run a test by selling bottles of wine at a fixed price-point of 99 cents. There are 24 locations in the Houston Area with more than 350 stores in four states and two distribution centers in California and Texas. 99 Cents Only Stores became the leading extreme value retail chain in the Western United States.



**Area:** 16,956 SF  
**Planned Start Date:** June 1, 2022  
**Lease End:** June 30, 2027  
**Renewal Options:** Two 5-Year Options Remaining

Melrose Family Fashions is a chain of clothing stores in the Southwestern United States operated by United Fashions of Texas Ltd. Melrose was started in 1976 with one store in McAllen, Texas, by the Bar-Yadin family, immigrants from Israel. This single store specialized in fashion for "Juniors", but grew over the years into a chain that included a Plus size department as well as a Contemporary Misses department. There are over one hundred stores throughout Texas, New Mexico, Arizona, Nevada and California. In recent years Melrose has added departments for men and kids fashions, electronics, home goods and expanded cosmetics departments.





# LOCATION OVERVIEW

Steeplechase Shopping Center is strategically located between Hwy 290 and Hwy 249 along FM 1960, one of Houston’s most heavily trafficked retail corridors. Made up of largely middle-class suburban housing, the area has grown by 6.7% (5-mile radius) within the last decade. The Property is also surrounded by numerous retail centers, schools, and a the Cypress Fairbanks Medical Center, bringing in an abundance of additional foot traffic. The Property sits at the corner of FM 1960 and Jones Road which see combined traffic of over 95,000 vehicles per day.

**12.5% PROJECTED POPULATION GROWTH WITHIN A 5-MILE RADIUS IN THE NEXT 5 YEARS**

**AVERAGE HOUSEHOLD INCOME OF OVER \$96,000 WITHIN 5 MILES**

Local Demographics Snapshot	1-mile	3-mile	5-mile
Population (2010)	14,101	108,831	244,821
Population (2021)	14,944	113,979	261,158
Population (2026)	15,405	118,033	293,809
Population Growth (2010-2021)	6.0%	4.7%	6.7%
Population Growth (2021-2026)	3.1%	3.6%	12.5%
2021 Total Households	5,084	42,685	94,048
2021 Average Household Income	\$78,856	\$84,264	\$96,118
Total Consumer Spending (2021)	\$226 Million	\$2.03 Billion	\$5.12 Billion
Average Home Value	\$218,748	\$239,792	\$263,318
Median Age	34.7	34.9	36
Average Household Size	2.88	2.66	2.74

# HOUSTON OVERVIEW

## GEOGRAPHY

9 COUNTIES  
in the Houston MSA

10,000  
square miles  
larger than the state of NJ

## POPULATION & DEMOS

7.2 MILLION  
residents in the Houston MSA

2.5 MILLION  
residents in the city of Houston



1 IN 4 Houstonians are foreign-born

5<sup>TH</sup> MOST POPULOUS MSA IN THE NATION  
4<sup>TH</sup> MOST POPULOUS CITY IN THE NATION

## CLUTCH CITY



## INTERNATIONAL HUB

4<sup>TH</sup> LARGEST  
MULTI-AIRPORT SYSTEM  
IN THE U.S.

58.3 MILLION  
PASSENGERS

GLOBAL HUB FOR  
AEROSPACE  
TECHNOLOGY

## ECONOMY

26<sup>th</sup>

LARGEST  
economy in the world if Houston  
were an independent nation

7<sup>th</sup>

LARGEST  
U.S. metro economy in the nation

\$472.1

BILLION GDP [2019]

## EMPLOYMENT



3.0 MILLION JOBS IN THE HOUSTON MSA  
more than 35 states and nearly a quarter of  
Texas' entire employment base

168,400  
RECOVERED AS OF MARCH

140,000  
NEW JOBS CREATED YEAR-OVER-YEAR  
(MAY 2021)

80,000  
NEW JOBS FORECASTED IN 2021

## CORPORATE HEADQUARTERS

24 FORTUNE 500  
companies call Houston home

3<sup>RD</sup> LARGEST  
NUMBER OF FORTUNE 1000  
companies in the nation

3<sup>RD</sup> LARGEST  
NUMBER OF FORTUNE 500  
companies in the nation

## GLOBAL TRADE CITY

LARGEST GULF COAST  
CONTAINER PORT

73



FOREIGN-OWNED FIRMS

1<sup>ST</sup> IN IMPORT AND EXPORT

1<sup>ST</sup> GULF COAST CONTAINER PORT

1<sup>st</sup>

IN FOREIGN  
WATERBORNE  
TONNAGE

## TEXAS MEDICAL CENTER

LARGEST MEDICAL COMPLEX IN THE WORLD

\$25 billion

IN LOCAL GDP

8<sup>th</sup> largest

BUSINESS DISTRICT IN THE U.S.

10 million

PATIENT ENCOUNTERS PER YEAR

106,000+

EMPLOYEES AT TMC

HOUSTON  
Methodist  
LEADING MEDICINE

THE UNIVERSITY OF TEXAS  
MD Anderson  
Cancer Center

MEMORIAL  
HERMANN

Texas Children's  
Hospital

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