

Marina Gate Shopping Center

18307 South Egret Bay Boulevard | Houston, TX 77058
Big Value-Add Opportunity - SEC of Nasa Pkwy & Egret Bay Blvd

retail

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MARINA GATE



- Price Well Below Replacement Cost at \$79 PSF
- Huge Value-Add Opportunity
- 47.7% Occupancy in 93.6% Occupied Submarket
- Located at hard corner of Nasa Pkwy (50,250 VPD) & Egret Bay (32,393 VPD)

For More Information:
www.retailsolutions.us

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Please note that the use of this Offering Memorandum and the Information (“Information”) provided is subject to the terms, provisions and limitations of the confidentiality agreement which we have provided to you (“Buyer”) and requested an executed copy.

Brokerage Relationships: By taking possession of and reviewing the information contained herein, Buyer acknowledges that the Listing Team of Retail Solutions (“Brokers”) are acting as Seller’s Agent in the disposition assignment for the property. Buyer acknowledges receipt of the form entitled Information About Brokerage Services.

Non-disclosure of Information: By taking possession of and reviewing the Information contained herein, Buyer agrees not to disclose, permit the disclosure of, release, disseminate or transfer any of the Information obtained from Broker or the Property owner (“Owner”) to any other person or entity except as permitted herein. Buyer shall take all appropriate precautions to limit the dissemination of the Information only to those persons within the firm who need to know the Information. The phrase “within the firm” shall be deemed to include outside attorneys, accountants and investors.

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Property Summary

- Marina Gate Shopping Center is a shopping center in Houston (Webster) that is situated at the intersection of 2 of the area's busiest roads: Nasa Parkway (50,250 VPD) & Egret Bay Blvd (32,393 VPD).
- The center has access points from both streets and is located roughly 1 mile en route to/from Nasa's Johnson Space Center that has 800,000 visitors annually and which serves as a major local employer and revenue generator for the Nasa/Clearlake submarket.



- Marina Gate Shopping Center currently sits at 47.7% occupancy with average rental rates hovering just above \$14 PSF/Yr.

Retail	NASA/Clear Lake	Houston	Subject Property
NNN Rent Per SF	\$14.98	\$15.79	\$14.16
Occupancy Rate	93.60%	94.70%	51.9%

- Given its quality location in a healthy submarket, the asset is currently drastically underperforming its potential and will provide significant upside to new ownership.
- Marina Gate is 81,253 SF and is comprised of a quality existing lineup of retailers, restaurants, fitness concepts and entertainment venues. A close look at the rent roll for this center will point to future stability and rent growth from its existing tenants. With fourteen total tenants, the center has zero leases expiring in the remainder of 2015 and just two leases set to expire in all of 2016. Nearly ¾ of the tenants have leases expiring in 2018 or later.
- Additionally, over half of the tenants (7/13) have rental increases built into their lease's remaining primary term. So while the current occupancy rate sits well below its potential, new ownership can solely focus its efforts on growing occupancy while enjoying stability and rent growth from its existing tenants. Using conservative rental rate projections for new leases and assuming achievable occupancy targets, Marina Gate Shopping Center is an excellent investment.
- Vacant spaces include significant improvements.



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Investment Summary

Price

Capitalization Rate

Terms

PROPERTY INFORMATION

Property Address	18307 South Egret Bay Blvd Houston, TX 77058
Location	Southeast corner of Egret Bay Blvd & Nasa Pkwy
County	Harris
Gross Leasable Area	81,251 SF
Land Size	6.47 Acres
Parking Spaces	371* (4.57/1,000 SF)
Year of Construction	1984
Occupancy	47.7%
Number of Buildings	3
Number of Tenants	13
Lease Type	NNN

*The restriping of the parking lot will be complete in 2-3 weeks.



Property Highlights

- The center is 47.7% occupied in a submarket that has a 93.6% retail occupancy.
- Offered well below replacement cost at \$79 PSF.
- The property offers multiple access points on Egret Bay Blvd and access on Nasa Pkwy.
- Located at one of the most highly trafficked intersections in the submarket.
- Property is located approximately 1 mile from space center Houston with over 800,000 visitors annually.
- Rent roll includes stable mix of tenants with rent bumps and great payment history.
- Traffic Counts:
Nasa Parkway: 50,250 VPD
Egret Bay Blvd: 32,393 VPD



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Investment Overview

INCOME & EXPENSE*

Base Rent	\$564,867
NNN Recoveries	<u>\$156,510</u>
Total Rent	\$721,377
Operating Expenses	<u>\$257,104</u>
Net Operating Income	\$464,273



OPERATING EXPENSES

Sweeping	\$6,494
Landscape	\$8,338
Waste Disposal	\$7,234
Electricity	\$9,698
Water & Sewer	\$23,070
Misc. Repairs, Services & Maintenance*	\$15,256
Management Fee**	\$22,595
Taxes	\$102,000
Insurance	<u>\$62,510</u>
TOTAL	\$257,104



* Includes elevator service, security, electrical & misc. repairs

** Based on 4% Management

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Site Plan



Building 1

- 1010-A Fitness Masters - 1,750 F
- 1010-B Cock Eyed Seagull - 2,800 SF

Building 2

- 111 AVAILABLE - 4,405 SF**
- 119 AVAILABLE - 2,732 SF**
- 123 Bomb Novelties - 1,320 SF
- 125 The Me Body - 1,440 SF

- 129 TC Quality Cleaners - 2,500 SF
- 131 Hair Biz - 1,711 SF
- 135 Webster Food Store - 2,310 SF
- 203 All Brands - 5,770 SF
- 207 Bay Area Turning Pl. - 4,137 SF
- 243 Girls Night Out - 1,800 SF
- 280 AVAILABLE - 4,170 SF**
- 299 Jinya Ramen - 2,100 SF
- 201-A AVAILABLE - 5,049 SF**

- 201-B Murder by Chocolate - 4,690 SF

Building 3

- 307 Scout Bar - 6,433 SF
- 313 AVAILABLE - 2,432 SF**
- 313-A AVAILABLE - 6,613 SF**
- 301-A AVAILABLE - 6,794 SF**
- 301-B AVAILABLE - 9,045 SF**

Marina Gate Shopping Center

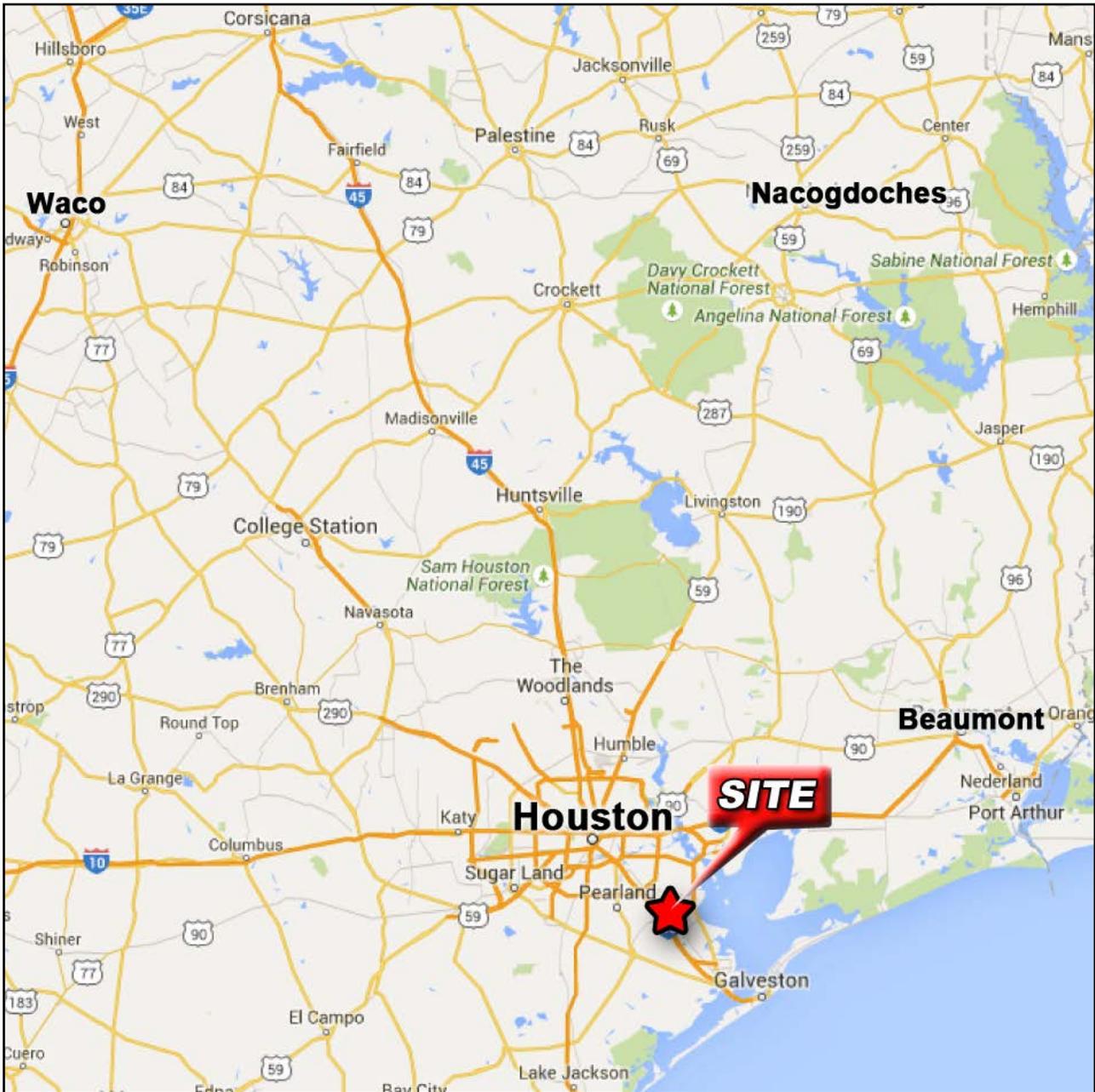
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Region Map



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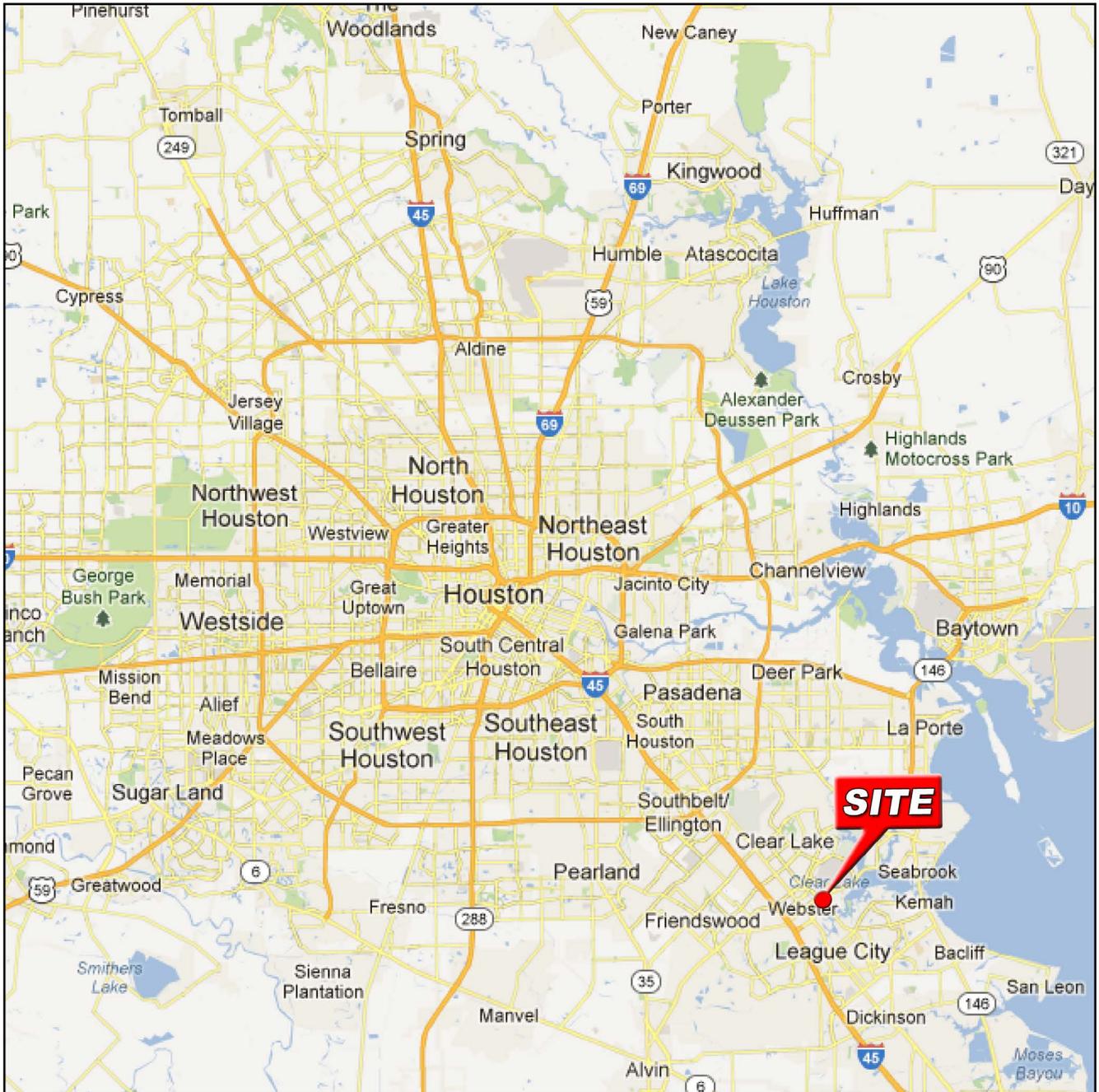
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Map of Houston



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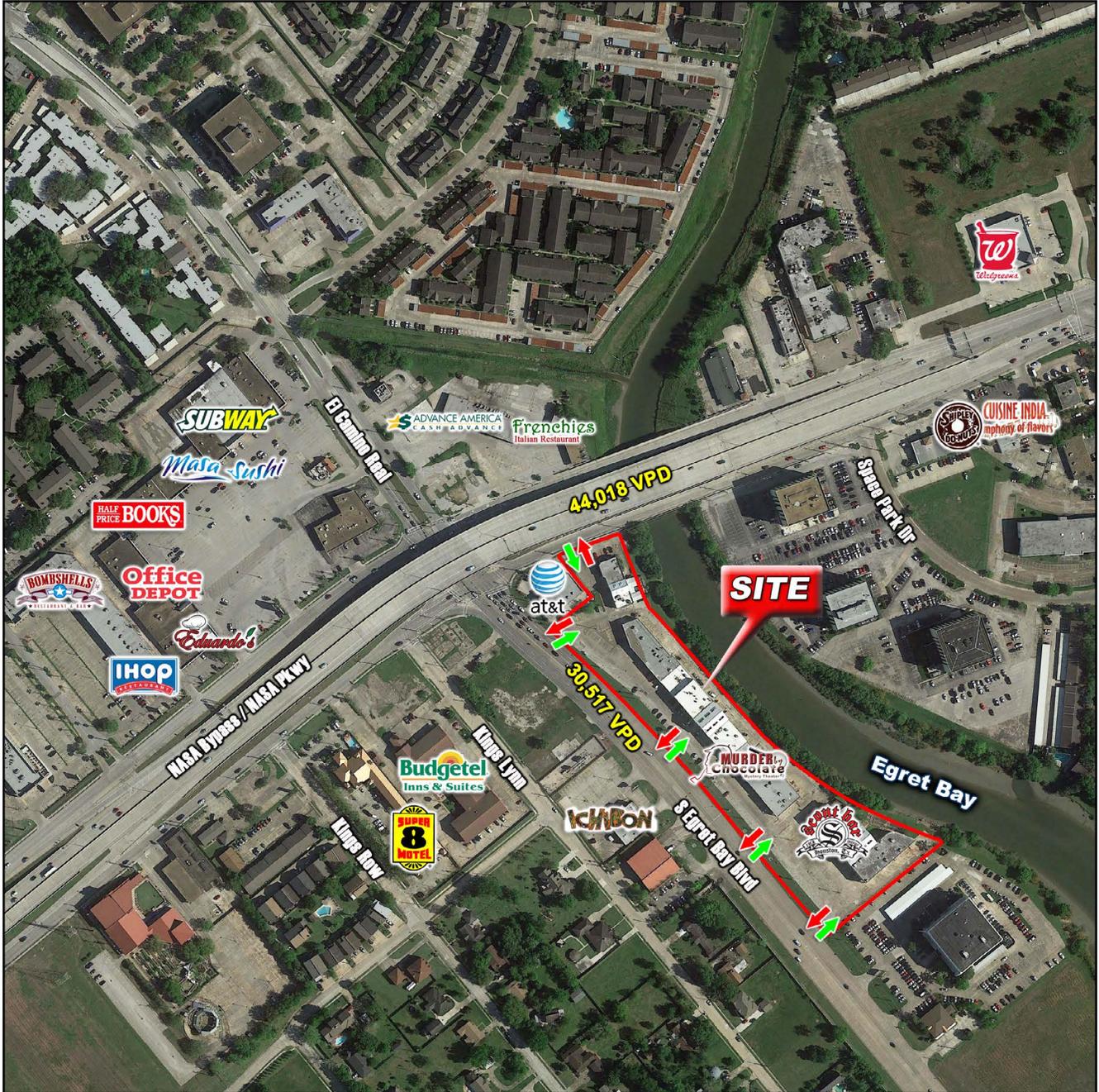
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Close-Up Aerial



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Demographics

	1 mi Ring	3 mi Ring	5 mi Ring
Population Trend			
2000 Total Population	8,774	56,840	146,513
2010 Total Population	10,019	63,989	179,246
2014 Total Population	10,514	67,071	191,320
2019 Total Population	11,558	71,753	208,595
Households Trend			
2000 Total Households	4,521	24,794	57,297
2010 Total Households	5,080	28,031	70,418
2014 Total Households	5,094	28,513	72,981
2019 Total Households	5,495	30,167	78,445
Population Change Trend			
2000 to 2010 Population Change	14.2%	12.6%	22.3%
2000 to 2014 Population Change	19.8%	18.0%	30.6%
2010 to 2019 Population Change	15.4%	12.1%	16.4%
2014 to 2019 Population Change	9.9%	7.0%	9.0%
Household Change Trend			
2000 to 2010 Household Change	12.4%	13.1%	22.9%
2000 to 2014 Household Change	12.7%	15.0%	27.4%
2010 to 2019 Household Change	8.2%	7.6%	11.4%
2014 to 2019 Household Change	7.9%	5.8%	7.5%
2014 Race			
White alone	71.2%	72.9%	76.2%
Black or African American alone	7.6%	8.0%	6.9%
American Indian and Alaska Native alone	.6%	.5%	.4%
Asian alone	6.7%	7.7%	8.4%
Native Hawaiian and OPI alone	.2%	.1%	.1%
Some Other Race alone	9.9%	7.6%	5.0%
Two or More Races	3.9%	3.2%	3.0%
2014 Income			
Per Capita Income	\$33,488	\$35,939	\$37,890
Household Income: Median	\$59,645	\$67,537	\$83,796
Household Income: Average	\$68,705	\$83,678	\$98,849
Average household size	2.1	2.3	2.6
Total Daytime Population	16,315	91,443	184,578
Total Employee Population	11,880	59,399	90,088
Total Daytime at Home Population	4,435	32,044	94,490
Total Employee Population (% of Daytime Population)	72.8%	65.0%	48.8%
Total Daytime at Home Population (% of Daytime Population)	27.2%	35.0%	51.2%

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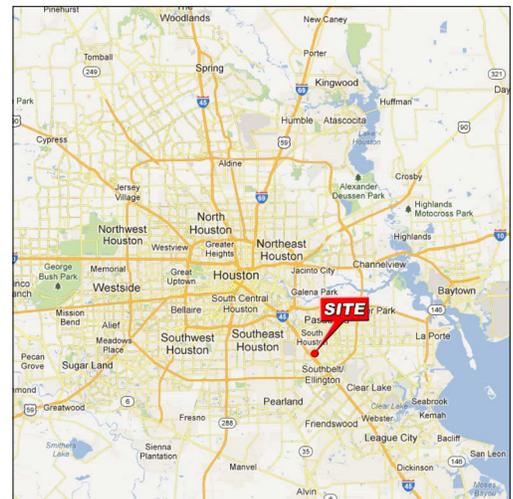


Martin Turner joined Retail Solutions in 2010 as Vice President in the firm's Austin office. In 2013, Turner joined the firm's Houston office where he oversees the Houston office operations and market growth initiatives. Turner works on the disposition accounts for Walgreens, Petco & Family Dollar. Turner represents owners of retail real estate buying and selling retail property throughout the state of Texas and has a solid track record of investment sales ranging from single tenant NNN properties to large multi-anchor shopping centers.

Prior to joining Retail Solutions in 2010, Turner worked with Weingarten Realty Investors, one of the nation's largest publicly traded retail REITs, in its Houston office. He handled a 2 million square foot portfolio of shopping centers located across the state of Texas and Louisiana. Turner has also previously lived in New York (where he worked as an advisor to prominent national retailers in their nationwide mall and outlet store leasing strategy) and in San Francisco (where he worked in finance).

Turner has an MBA with a concentration in Finance from Rice University and his undergraduate Economics degree from University of California at Davis, where he was a member of the school's NCAA men's tennis team. He is also a member of the International Council of Shopping Centers (ICSC).

Owner also has Gulf Brook Shopping Center for sale and these are offered each individually or both collectively as a 2-property portfolio sale.



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Approved by the Texas Real Estate Commission for Voluntary Use
Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.



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Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an

intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

(1) shall treat all parties honestly;

(2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;

(3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and

(4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

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