

DAIRY QUEEN – Cleveland, Texas



HighStreet
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Investment Summary



OFFERING SUMMARY

PRICE	\$811,875
COST/ BUILDING SF	\$397
COST/ LOT SF	\$14
NOI	\$50,742
CAP RATE	6.25%
AVG. CAP RATE OVER PRIMARY TERM	7.00%

PROPERTY SUMMARY

ADDRESS	515 S. Washington Avenue Cleveland, Texas 77327
COUNTY	Liberty
BUILDING AREA	2,045 SF
LAND AREA	56,402 SF (1.29 acres)
BUILT	1980

RENT ROLL

TENANT NAME	SIZE		MONTHLY RENT			LEASE TERM				
	SQUARE FOOTAGE	% OF PROPERTY	MONTHLY RENT	BASE \$ / SF	% OF TOTAL	INCREASE DATES	RENTAL INCREASE	LEASE BEGIN	LEASE END	OPTIONS
Vasari, LLC	2,045	100%	\$4,228.52	\$24.81	100%	January 1 st every year	1.5% annually	12/23/14	12/31/34	(4) x 5 year
OCCUPIED SF	2,045	100%	\$4,228.52	\$24.81	100%					
VACANT SF	0	0.00%	0	0	0.00%					
TOTAL / WTD AVG	2,045	100%	\$4,228.52	\$24.81	100%					



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Investment Overview



- Vasari, LLC operates approximately 45 Dairy Queen locations throughout Texas. The company emerged from restructuring in 2018 after closing several underperforming sites. The Cleveland, Texas store continues to be a strong asset for the franchisee.*
- Established and successful location with attractive rent/sales ratio of 6.27% for year end 2019.*
- Absolute net lease with zero Landlord responsibilities.*
- Primary retail corridor of Cleveland, surrounded by HEB, Walmart, and numerous other national tenants.*
- Long term lease in place through 12/31/2034.*
- Rent bumps 1.5% annually, increasing investor return every year on January 1st.*
- Cleveland is part of the Houston/The Woodlands/Sugar Land metro area and is located approximately 45 minutes north of downtown Houston.*
- Property is on an oversized 1.29 acre parcel with large parking lot providing convenient ingress/egress from both Washington Avenue and San Jacinto Avenue.*



DEMOGRAPHICS	1 - MILE	3 - MILE	5 - MILE
POPULATION ESTIMATE	3,694	11,812	18,677
AVERAGE H.H. INCOME	\$56,004	\$52,231	\$56,556



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Lease Abstract



LEASE SUMMARY

LEASE TERM	14+ Years Remaining
TENANT	Vasari, LLC
PREMISES	2,045 SF building on approximately 1.29 acres of land. Parcel #004060000144000
LEASE COMMENCEMENT	December 23, 2014
LEASE EXPIRATION	December 31, 2034
RENEWAL OPTIONS	(4) x 5 year
INCREASE DATES	1.5% on January 1 st every year
LEASE TYPE	Absolute Net
INSURANCE	Paid by Tenant
PARKING LOT MAINTENANCE	Paid by Tenant
PROPERTY TAXES	Paid by Tenant
ROOF & STRUCTURE	Paid by Tenant
UTILITIES	Paid by Tenant

ESTIMATED OPERATING INFORMATION

INCOME	
GROSS POTENTIAL RENT	\$50,742
EXPENSE REIMBURSEMENT	NNN
EFFECTIVE GROSS INCOME	\$50,742
LESS EXPENSES	NNN
NET OPERATING INCOME	\$50,742



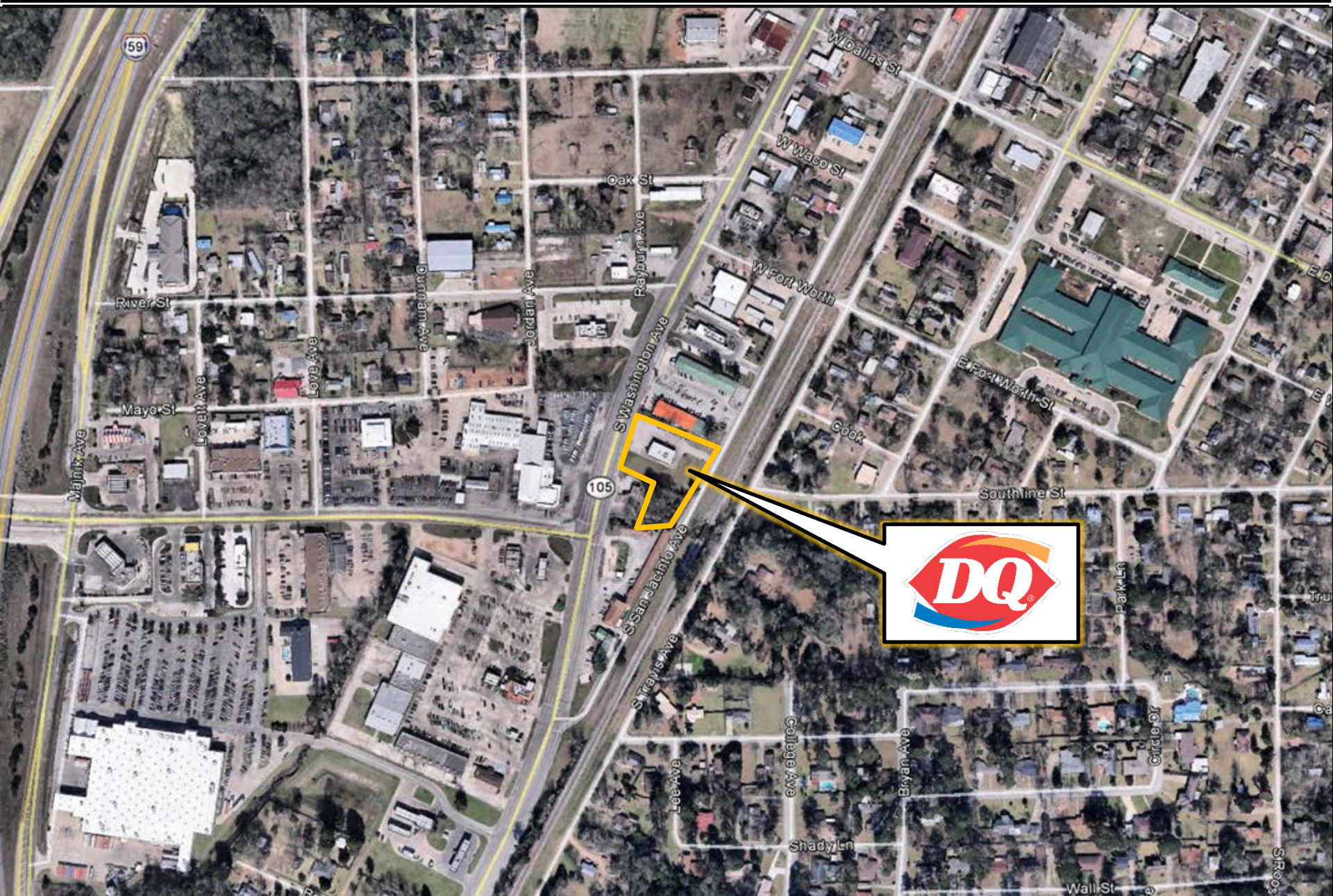
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Aerial Photo

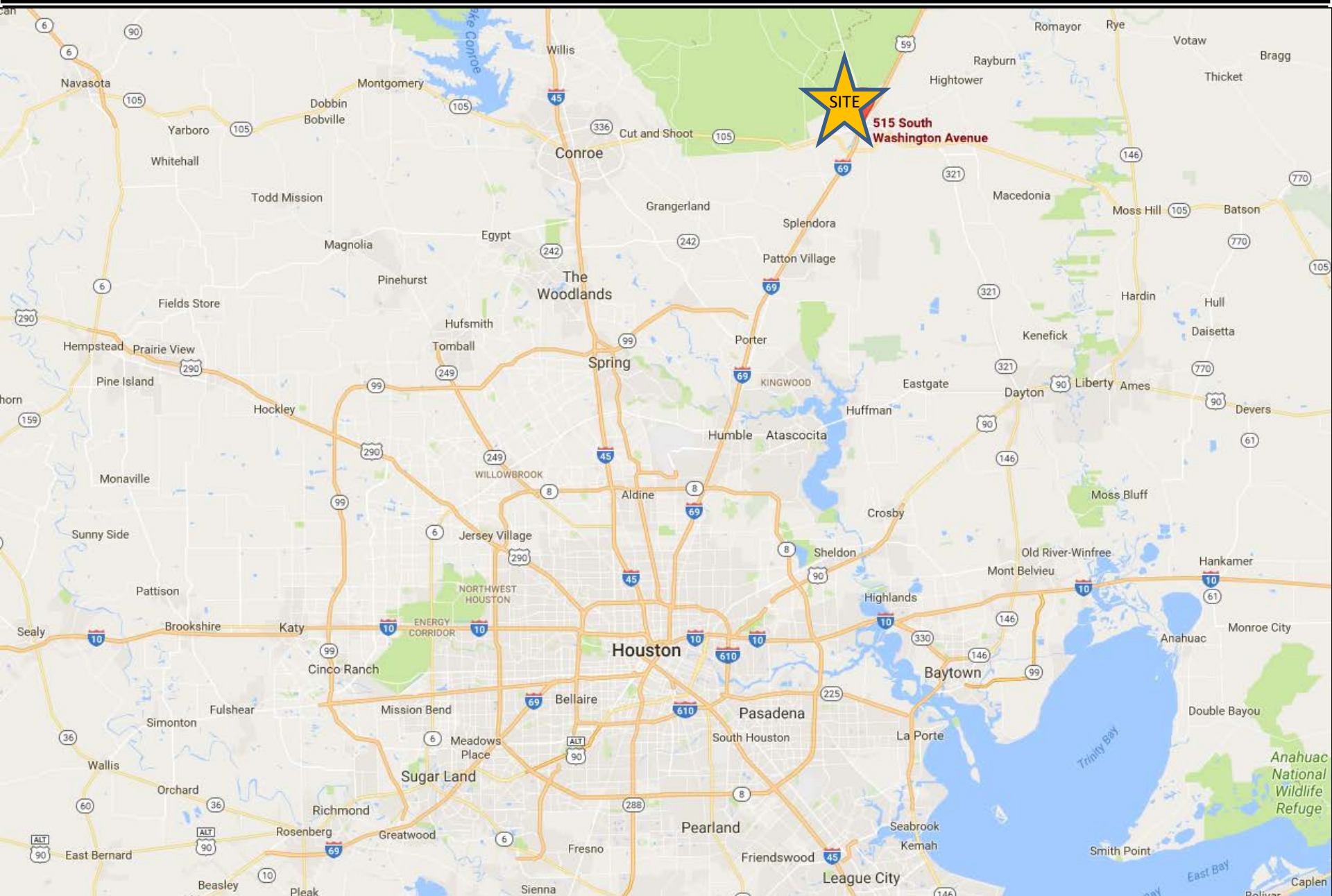


DAIRY QUEEN – Cleveland, Texas

Aerial Photo



Location Map



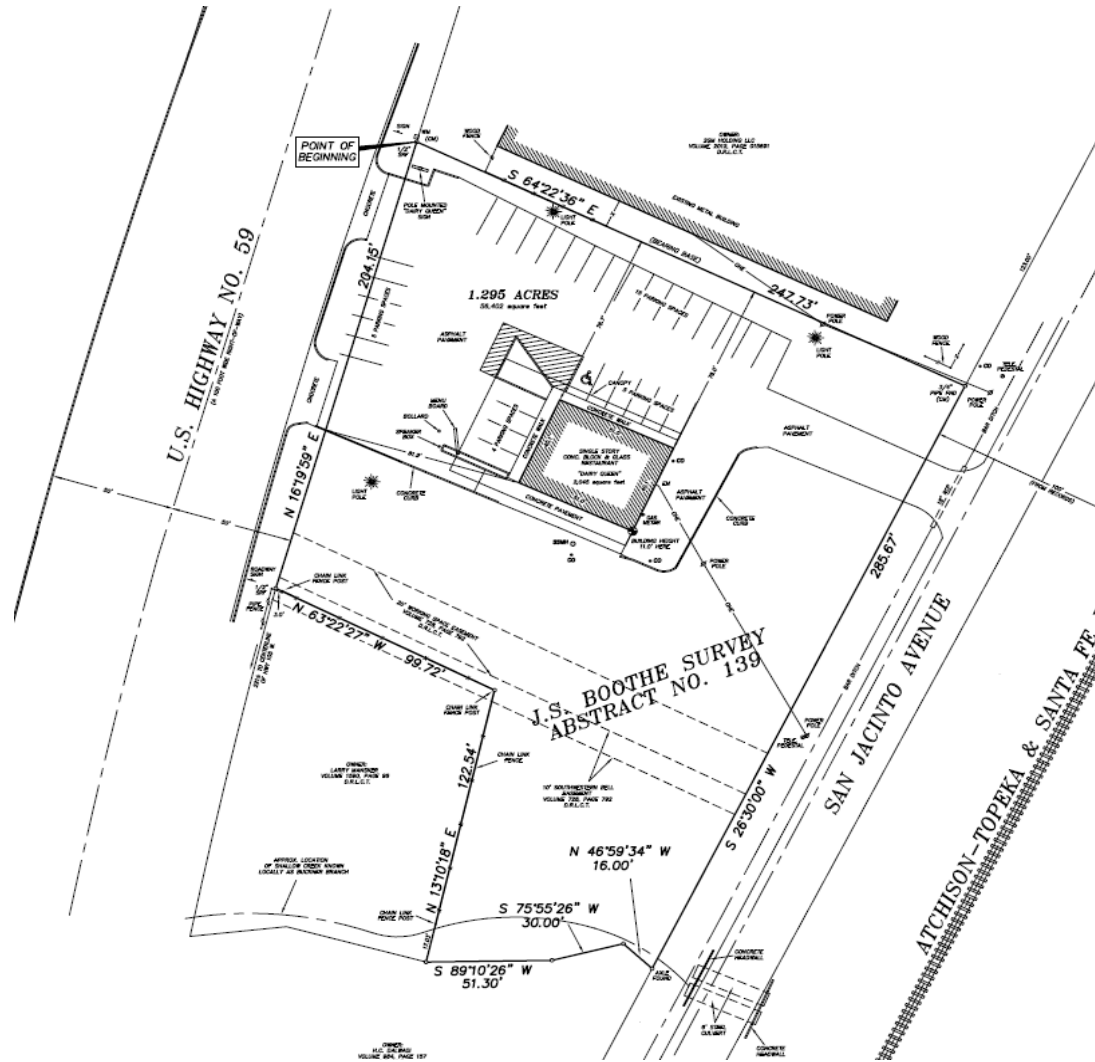
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Competition Map



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Site Plan



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Tenant Profile



Dairy Queen was founded in 1940 in Joliet, Illinois. By 1955, the company had grown to 2,600 stores. DQ is now one of the largest fast food systems in the world, with 6,000+ restaurants in the U.S., Canada, and 18 other countries. Dairy Queen has been a subsidiary of Berkshire Hathaway since 1998, and is based in Edina, Minnesota.

Vasari, LLC is one of the largest Dairy Queen operators in the United States. They operate approximately 45 locations throughout Texas. The company was founded in 2012 and is headquartered in Irving, Texas. Vasari emerged from bankruptcy in 2018 after restructuring and closing 23 underperforming locations within their portfolio. The Cleveland, Texas store has been a constant producer of strong sales, and remained open throughout the company restructuring. The store has also remained open throughout the 2020 COVID pandemic.



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Area Profile



Houston is the most populous city in Texas with more than 2.2 million people, and the 4th largest city in the United States, behind only New York, Los Angeles, and Chicago. Houston is home to the corporate headquarters of 24 Fortune 500 companies, which is the 3rd most of any metro area in the U.S. Houston is recognized worldwide for its energy industry, which has helped the city top rankings for job creation in recent years, but the economy of the city has become widely diversified amongst healthcare, manufacturing, aeronautics, transportation, finance, information technology, and trade. The Port of Houston is the top ranked port in the U.S. for international tonnage and is the largest container port along the entire Gulf Coast, making it a major economic driver for Houston and the surrounding region.

Houston is the most diverse city in Texas and has been described as the most diverse city in the U.S., thanks to a large and growing international community. The Museum District is home to a multitude of cultural institutions which attract over 8 million visitors annually.

Even with the adjustment in oil prices starting in late 2014, the Houston metro area added more jobs from July 2014 to July 2015 than any other metro area in America. The Houston population has grown by nearly 740,000 people since 2010, and projections indicate that Houston will overtake Chicago as the 3rd largest city in the U.S. within the next decade.

Cleveland is located approximately 45 minutes north of downtown Houston and is part of the Houston/The Woodlands/Sugar Land metro area. Originally formed in 1878 by Charles Lander Cleveland with the creation of a train station serving multiple Texas railways, the city was eventually incorporated in 1939. The city of Cleveland lies in Liberty County on U.S. Highway 59, surrounded by the East Fork and San Jacinto Rivers. Cleveland is truly “What a Hometown Should Be.”



★ Designed by TownMapsUSA.com



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