AutoZone

17603 FM 529 Rd, Houston, TX 77095

Retail
Investment Opportunity
Offering Memorandum

MATTHEWS™

Exclusively Listed By

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TX Disclaimer

Conrad Sarreal (In conjunction with Matthews™, a cooperating foreign broker for this listing pursuant to Section 535.4(b) of the Texas Administrative Code)

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Property Overview

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Investment Highlights

Property Highlights

- **Early Extension -** AutoZone exercised its renewal option approximately four years early, extending the lease by an additional 10 years while preserving the scheduled 10% rent increases every five years. Early renewals of this nature are uncommon and reflect the tenant's long-term commitment to this location.
- **Below Market Rent w/ Strong Growth -** The tenant is currently paying just $16.21 PSF, which is roughly 35% below asking rents in the surrounding trade area. At the same time, the lease provides strong contractual income growth with 10% rent increases in 2030 and 2035 that continues throughout the option periods, offering meaningful upside and long-term inflation protection.
- **22+ Year Operating History -** AutoZone has successfully operated from this location since 2004. With the recent lease extension, the company has committed to this site for nearly four decades, underscoring the property's strategic importance within its store network.
- **Rare Parent Company Guaranty**: The lease is guaranteed by AutoZone, Inc. (NYSE: AZO), a BBB-rated, investment-grade company with a market capitalization exceeding $51 billion. The company's stock has appreciated approximately 120% over the past five years, reflecting its financial strength and consistent operating performance.
- **New Roof Membrane:** Ownership installed a new Duro-Last roof membrane in 2021, backed by a transferable warranty through March 4, 2041, significantly reducing near-term capital expenditure risk for future ownership.
- **Attractive Fee Simple Ownership -** Unlike many long-term AutoZone investments structured as ground leases, this offering includes ownership of both the land and improvements. As a result, investors may benefit from depreciation of the building and qualifying improvements, subject to their CPA's advice.
- **2nd Highest Population Growth in Country**: According to the U.S. Census Bureau, the Houston-The Woodlands-Sugar Land MSA recorded the second-largest population increase in the nation between 2023 and 2024, reflecting the region's strong economy, business-friendly climate, and continued in-migration.
- **Very Strong Demographics**: More than 350,000 residents live within a five-mile radius, with average household incomes of approximately $132,000, supporting a deep consumer base for the surrounding retail corridor.
- **Major Retail Corridor**: The property is positioned along Spencer Highway (37,000+ VPD) near Highway 6 (50,000+ VPD) and is surrounded by major national retailers including Walmart, Target, Kroger, Home Depot, and Lowe's. Langham Creek High School, with more than 3,000 students, is located directly across the street, providing additional daily traffic and consumer activity.

E
Copperfield Village
SPROUTS FARMERS MARKET
SEVEN BREW DRIVE THRU COFFEE
five BELOW
CAVA
DOLLAR TREE
ROSS DRESS FOR LESS
Total Wine & MORE
Panera BREAD
Copperfield Marketplace
Walmart Supercenter
DICK'S SPORTING GOODS
HOBBY LOBBY
MURPHY USA
PANDA EXPRESS CHINESE KITCHEN
Burlington
Copperwood Village
LOWE'S
target
CHIPOTLE MEXICAN GRILL
THE HOME DEPOT
Public Storage
petco
NOTHING bundt CAKES
Marshalls
OLD NAVY
EL NAUTICO SEAFOOD & BAR
BAHAMA BUCK'S Original Shaved Ice Company
Goodwill
T'QUILAS BAR AND GRILL
GOURMET KARMA KOLACHE & DESSERT
Langham Creek High School
±3,011 Students
G-FORCE POWERSPORTS
MASON PHARMACY Health & Wellness
529
± 37,710 VPD
AutoZone
Subject Property


Harmony Science Academy
±3,000 Students
DOLLAR GENERAL
7 ELEVEN
BURGER KING
Kroger
ACE Hardware
Little Caesars
NW
LA|FITNESS
Holmsley Elementary
±722 Students
Wendy's
KOHL'S
Langham Creek High School
±3,011 Students
Kreamy Scoops and Snacks
Frenchy's
Since 1969
DUNKIN'
planet fitness
PNC
TACO BELL
WAFFLE HOUSE
AutoZone
Subject Property
529
± 37,710 VPD

17603 FM 529 Rd
Houston, TX 77095

±7,376 SF
GLA

2004
Year Built

±37,710
Vehicles Per Day

NN
Lease Type

Financial Overview

AutoZone
17603 FM 529 Rd | Houston, TX 77095

Financial Summary

$2,276,800	5.25%	±0.943 AC
List Price	Cap Rate	Lot Size

Property Details

Type of Ownership	Fee Simple
Lease Guarantor	AutoZone Inc.
Lease Type	NN
Lease Start Date	5/14/2004
Lease Expiration Date	8/31/2040
Term Remaining	14 Years
Increases	10% Every 5 Years (at each option period)
Options Remaining	3, 5-Year Options
Landlord Responsibilities	**Roof & Structure
Tenant Responsibilities	Taxes, Insurance, Maintenance

**New Duro-Last roof membrane installed in 2021 and has 20-year warranty ending in 2041

Annualized Operating Data

	Monthly Rent	Annual Rent	Rent PSF	Cap Rate
Current - 08/31/30	$9,961	$119,532	$16.21	5.25%
09/01/30 - 08/31/35	$10,957	$131,484	$17.83	5.77%
09/01/35 - 08/31/40	$12,052	$144,624	$19.61	6.35%
Option 1	$13,257	$159,084	$21.57	6.99%
Option 2	$14,583	$174,996	$23.77	7.68%
Option 3	$16,041	$192,492	$26.15	8.44%

Tenant Summary

Year Founded
1979

Headquarters
Memphis, TN

Ownership Status
Publicly Traded

Employees
±126,000

Locations
±7,500

Credit Rating
S&P: BBB

Annual Revenue
$18.9 Billion

Tenant Overview

AutoZone, Inc. is the largest retailer and distributor of aftermarket automotive parts and accessories in the U.S., with a growing international presence. Its scale, brand recognition, and resilient demand for vehicle maintenance and repair parts make it a highly attractive tenant for net lease and retail investors. Over time, AutoZone has demonstrated steady same-store sales growth, disciplined capital return via share repurchases, and strategic expansion into new markets, reinforcing its stature as a creditworthy, long-term tenant.

Why Invest in AutoZone?

- Resilient Business Model with Essential Demand: AutoZone operates in the non-discretionary automotive aftermarket sector, where demand for maintenance and repair parts remains steady regardless of economic cycles, offering investors a stable and recession-resistant revenue stream.
- Strong Financial Performance and Credit Profile: Backed by consistent same-store sales growth, disciplined capital management, and investment-grade credit ratings from S&P, Moody's, and Fitch, AutoZone demonstrates robust financial health and long-term tenant reliability.
- Extensive Store Network and Strategic Expansion: With over 7,500 stores across the U.S., Mexico, and Brazil—and a fully corporately owned model—AutoZone continues to grow its footprint through targeted store openings and a well-optimized distribution strategy, enhancing its competitive position and long-term value.
- Market Leadership and Brand Strength: As the largest U.S. retailer of aftermarket auto parts, AutoZone benefits from high brand recognition, customer loyalty, and operational scale, positioning it as a dominant and durable force in a fragmented industry.

Market Overview

AutoZone
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HOUSTON, TX

Market Overview

Houston, Texas is a diverse city that stands as the fourth-largest in the United States, known for its unique blend of southern charm and cosmopolitan allure. Located in the southeastern part of the state, Houston boasts a rich cultural tapestry, with a thriving arts scene, world-class museums like the Museum of Fine Arts and the Menil Collection, and a burgeoning culinary landscape featuring a wide array of international cuisines. The city is synonymous with the space industry, home to NASA's Johnson Space Center, where historic moon landings were orchestrated.

Additionally, Houston is a hub for the energy sector, with countless oil and gas companies headquartered here. The city's sprawling landscape is dotted with lush parks, including Hermann Park and Buffalo Bayou Park, providing ample opportunities for outdoor recreation. With a booming economy and a warm, welcoming community, Houston continues to be a beacon of opportunity and diversity in the Lone Star State.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	19,811	173,337	371,164
Current Year Estimate	19,951	173,042	352,772
2020 Census	20,878	176,766	332,694
Households	**1-Mile**	**3-Mile**	**5-Mile**
Five-Year Projection	6,318	56,388	120,526
Current Year Estimate	6,279	55,855	114,142
2020 Census	6,330	55,149	104,973
Income	**1-Mile**	**3-Mile**	**5-Mile**
Average Household Income	$121,475	$123,338	$132,279

#1 Relocation Destination In US

- Houston Chronicle (2024)

#2 Fastest Growing U.S. Metro

- U.S. Census Bureau (2023)

#5 Largest MSA Currently

By 2100, Houston Is Expected To Be The 2nd Largest MSA In The Country With Over 31m People

HOUSTON ECONOMY

Houston is a city of endless possibilities: Its history has been marked with achievements from the first word heard from the moon to the first artificial heart transplant. A distinctly favorable business climate promotes trade, commerce, industry, and economic growth in the Houston region. Many businesses recognize the allure of all Houston has to offer. Once dominated by oil-related jobs, Houston’s economy has diversified as new, core industries join energy in the regional employment mix. Houston’s current major industries include energy, aerospace and defense, and bioscience. Houston is home to the Texas Medical Center, the world's largest concentration of healthcare and research institutions, and NASA's Johnson Space Center, where the Mission Control Center is located. Additionally, it is home to numerous Fortune 500 companies and over 60 medical organizations. According to Forbes, Houston has a gross metro product of $482.1 billion.

Houston maintains a global position as an international trade leader with economic and cultural ties reaching across the globe. As one of only five cities in the world connecting to all six inhabited continents, Houston is a global manufacturing and logistics hub and an international finance center. Over 5,000 Houston companies are engaged in international business and approximately 1,000 Houston firms report foreign ownership. International trade directly or indirectly supports more than one-third of all jobs in the Houston metropolitan area. Fifteen foreign governments maintain trade and commercial offices here, and the city has 35 active foreign chambers of commerce and trade associations.

Major Employers	# of Employees
Memorial Hermann Health System	35,390
Walmart	29,797
Houston Methodist	29,657
The University of Texas MD Anderson Cancer Center	21,576
HCA Houston Healthcare	15,000
Kroger	14,868
ExxonMobil	13,000
United Airlines	11,900
Schlumberger Limited	11,700

#3 In Best Places To Live In Texas

- U.S. News And World Report 2022-2023

#1 Most Diverse City in America

WalletHub, Most Diverse Cities in the U.S., 2023–2024

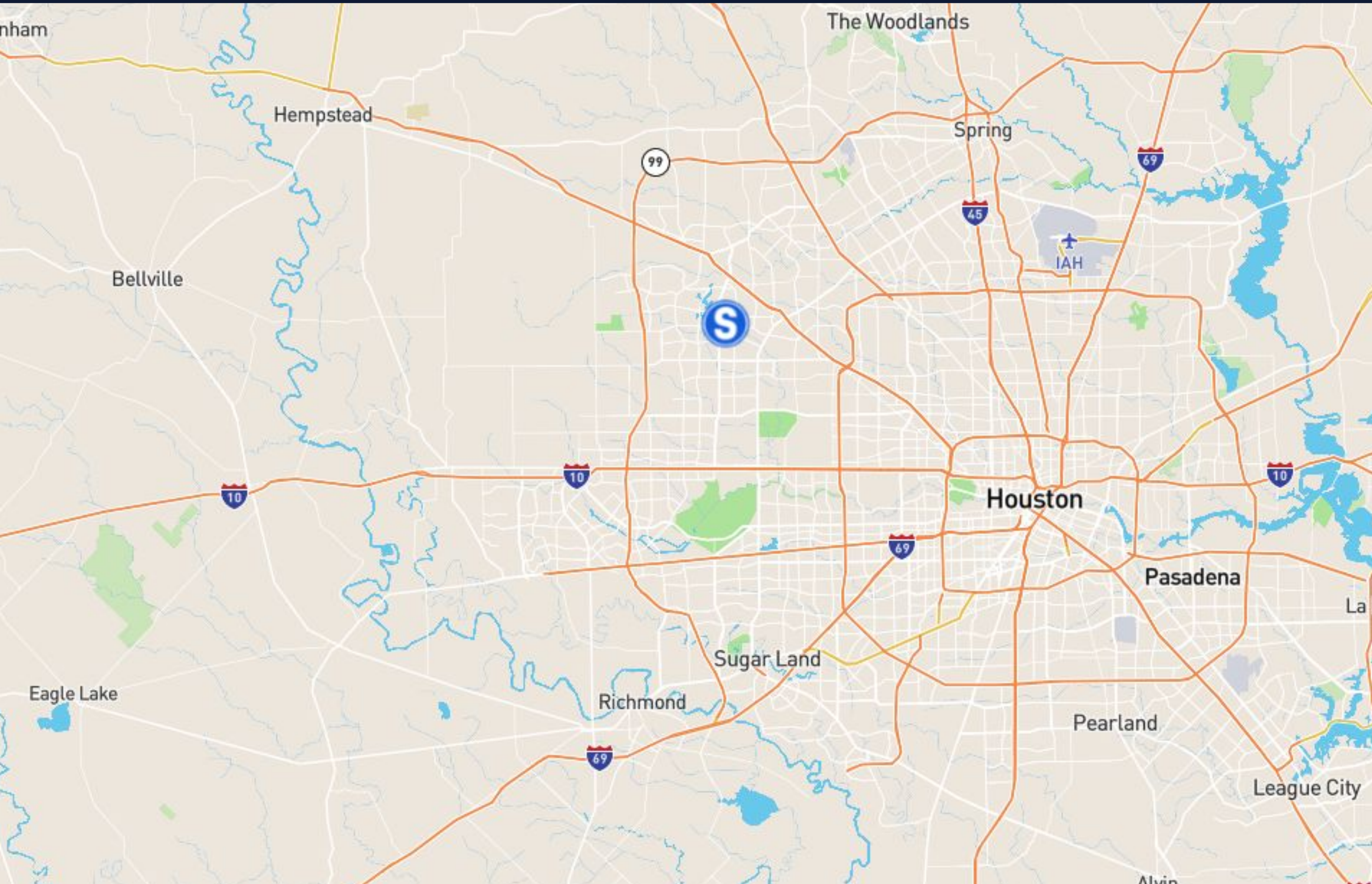
#9 Best Places to Live in the U.S.

- U.S. News & World Report, Best Places to Live, 2022–2023

Top Food City in America

- Food & Wine Magazine, Global Tastemakers Awards, 2024–2025

Regional Map



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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 17603 FM 529 Rd, Houston, TX, 77095 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;

2. You will hold it and treat it in the strictest of confidence; and

3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

11-2-2015

Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Buyer/Tenant/Seller/Landlord Initials Date