



OFFERING MEMORANDUM

**WILLSCOT**

TM

Beaumont, TX

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

# EXCLUSIVELY LISTED BY:

ALEXANDER HARROLD

**SVP & Senior Director**

DIR +1 (310) 919-5790  
MOB +1 (310) 977-1651  
alex.harrold@matthews.com  
LIC #020096565 (CA)

JOSH BISHOP

**FVP & Director**

DIR +1 (214) 692-2289  
MOB +1 (315) 730-6228  
josh.bishop@matthews.com  
LIC #01940394 (CA)

KYLE MATTHEWS

**Broker of Record**

LIC #9005919 (TX)

\*ALL PHOTOS IN THE OFFERING MEMORANDUM ARE COMPUTER GENERATED RENDERINGS AND ARE ACCURATE REPRESENTATIONS OF FINAL DEVELOPMENT BUT NOT GUARANTEED

# CONTENTS

04 EXECUTIVE SUMMARY

05 FINANCIAL OVERVIEW

09 TENANT OVERVIEW

10 AREA OVERVIEW

# EXECUTIVE SUMMARY

## INVESTMENT SUMMARY

- **New Construction / Low-Coverage Property** – This brand-new development industrial, completed in 2022, sits on over 10.25 acres of land (3% building/lot coverage).
- **Strong Corporate Tenant – “WillScot”** – WillScot and Mobile Mini recently merged in 2020 and is now North America’s leader in turnkey modular space and storage solutions. WillScot Mobile Mini Solutions has over 4,000 employees and 360,000 units for all industry types across ± 300 locations nationwide with WillScot making up roughly 120 of those total locations. WillScot Mobile Mini Holdings Corp (Nasdaq: WSC) has a market cap of \$7.29 billion.
- **Long-Term Absolute NNN Lease / Rare Annual Increases** – WillScot has signed a 10-year ABSOLUTE NNN Lease with 2% annual rent increases through the initial and option terms
- **Strategic Location** – WillScot is strategically located near Hwy 96 and Hwy 93 in an industrial corridor with other national tenants such as United Rentals and ABC Supply. The subject property is also located 5 miles from Jack Brooks Regional Airport which serves Southeast Texas and is ±60 miles from Houston, TX.



# FINANCIAL OVERVIEW

## TENANT/LOCATION

Tenant	WillScot
Parent Company	WillScot Mobile Mini Solutions (NasDaq: WSC)
Address	Mid-City Business Park, Highway 347 in Beaumont, TX
APN	300032-000-003600-00000-4

## PROPERTY OVERVIEW

Year Built	2022 (New Construction)
Total Building Sq. Ft.	±12,000 Sq. Ft.
Acres	±10.25 AC
Lot Sq. Ft.	±446,490 Sq. Ft.
Building/Lot Coverage Ratio	2.69%

## PRICING

Price*	\$6,908,000
Cap Rate	5.20%
Average Cap Rate	5.69%
Base Rent Year 1	\$242,166.84
Additional Net Income Year 1	\$257,777.16
Total Net Income Year 1	\$499,944
Technical Return Year 1*	7.24%

\* Price includes the NPV (Net Present Value) of the Additional Net Income at a 5.20% discount rate as detailed on page 7

## LEASE OVERVIEW

Lease Commencement	2022
Lease Term Remaining	±10 Years
Lease Type	Absolute NNN
Annual Rent Increases	2% Annually
Options	Two (2) 5-Year Options @ 2% annual increases

## BASE TERM

BASE BUILDING RENT (NNN)					
Year	Annual Rent	Annual TI Income	Total Annual	Rent Increase	Actual Cap Rate
1	\$242,166.84	\$257,777.16	\$499,944.00	2%	5.20%
2	\$247,010.18	\$262,929.82	\$509,940.00	2%	5.30%
3	\$251,950.38	\$268,189.62	\$520,140.00	2%	5.41%
4	\$256,989.39	\$273,554.61	\$530,544.00	2%	5.52%
5	\$262,129.18	\$279,022.82	\$541,152.00	2%	5.63%
6	\$267,371.76	\$284,604.24	\$551,976.00	2%	5.74%
7	\$272,719.19	\$290,296.81	\$563,016.00	2%	5.86%
8	\$278,173.58	\$296,110.42	\$574,284.00	2%	5.97%
9	\$283,737.05	\$302,030.95	\$585,768.00	2%	6.09%
10	\$289,411.79	\$308,068.21	\$597,480.00	2%	6.21%
<b>AVERAGE</b>	<b>\$265,165.93</b>	<b>\$282,258.47</b>	<b>\$547,424.40</b>	<b>2%</b>	<b>5.69%</b>

## OPTION 1

Year	Annual Rent	Annual TI Income	Total Annual	Rent Increase	Actual Cap Rate
11	\$295,200.00	-	\$295,200.00	2%	6.34%
12	\$301,104.00	-	\$301,104.00	2%	6.47%
13	\$307,126.08	-	\$307,126.08	2%	6.59%
14	\$313,268.64	-	\$313,268.64	2%	6.73%
15	\$319,533.96	-	\$319,533.96	2%	6.86%

## OPTION 2

Year	Annual Rent	Annual TI Income	Total Annual	Rent Increase	Actual Cap Rate
16	\$325,924.68	-	\$325,924.68	2%	7.00%
17	\$332,443.20	-	\$332,443.20	2%	7.14%
18	\$339,092.04	-	\$339,092.04	2%	7.28%
19	\$345,873.84	-	\$345,873.84	2%	7.43%
20	\$352,791.36	-	\$352,791.36	2%	7.58%

\*\* See Next Page for Valuation of NPV (Net Present Value) of the Additional Net Income (Tenant Improvement Income)

Year	Annual TI Payment
1	\$257,777.16
2	\$262,929.82
3	\$268,189.62
4	\$273,554.61
5	\$279,022.82
6	\$284,604.24
7	\$290,296.81
8	\$296,110.42
9	\$302,030.95
10	\$308,068.21
<b>Total TI Payments</b>	<b>\$2,822,584.67</b>
Discount Rate	5.20%
<b>Net Present Value (NPV)</b>	<b>\$2,251,776.17</b>

Total Valuation	
Cap Rate on Base Rent	5.20%
Value of Real Estate (RE)	\$4,657,054.62
<b>Net Present Value of TI</b>	<b>\$2,251,776.17</b>
<b>Total Value (Sum of TI + RE)</b>	<b>\$6,908,830.78</b>
List Price	\$6,908,000

**Discount Rate:** The Offering pricing includes the Net Present Value of the Total Additional Income using a discount rate of 5.20% to match the cap rate on the real estate. This is reflective of the higher returns required by real estate investors relative to bond holders, who are currently seeing returns under 2.80% on a 7-year corporate bond.

**\*Tenant Improvement Reimbursement:** The developer provided substantial investment to improve the property. The investment is being reimbursed over the initial 10 year lease term as detailed above. **At the end of the initial 10 year term, the reimbursement will be fulfilled and the Tenant's occupancy cost will decrease by 51%.**

# SITE RENDERING



# TENANT PROFILE



Leading provider of modular space solutions

**WILLSCOT INC.**  
TENANT

**Phoenix, AZ**  
HEADQUARTERS

**±120**  
WILLSCOT LOCATIONS

**±300**  
WILLSCOT MOBILE MINI LOCATIONS

**±4,000**  
EMPLOYEES

**±360,000**  
UNITS



TM

## WILLSCOT MOBILE MINI

WillScot Mobile Mini has the largest fleet of quality mobile offices and portable storage units, the full array of add-on options to outfit units inside and out, the largest network in North America and the most capable team of experts in the industry.

WillScot Mobile Mini makes leasing space easy. It identifies its customers' needs. The process is as simple as requesting a quote online and providing key details such as delivery date, location and lease term. Once a quote is requested, the experts contact the customer within an hour to confirm the space needs and jobsite essentials in order to provide an accurate cost. Once the unit is secured, delivery is scheduled. WillScot Mobile Mini will guide the customer in preparing for the unit's arrival on site.

Headquartered in Phoenix, AZ, WillScot Mobile Mini has more than 300 locations and more than 360,000 units. WillScot Inc. is the leading provider of modular space solutions with more than 20,000 satisfied customers.

# AREA OVERVIEW



## BEAUMONT, TX

Home to more than 118,000 residents, Beaumont is a city in and the county seat of Jefferson County, Texas. It is a major city in the Beaumont-Port Arthur Metropolitan Statistical Area. The city is situated on the Neches River and is just around 85 miles east of Houston.

Beaumont's major industries include transportation, defense, and education. Beaumont is a city that's economy is based around the Port of Beaumont, one of the nation's largest ports when measured by tonnage. Beaumont is also one of the largest military seaports in the world. It is also serviced by a regional airport and three railroad lines. The local economy is also dominated by the petrochemical industry and has a growing service industry. The cities of Beaumont, Port Arthur, and Orange make up the Golden Triangle in terms of being a major industrial area on the Texas Gulf Coast. According to Forbes, Beaumont has a gross metro product of \$30.6 billion and a cost of living 7% below the national average.

Beaumont is also home to Lamar University, which provides high-quality education to over 17,000 students. It offers more than 100 degree options, with one of the best MBA and chemical engineering programs in the country. Encompassing 84 square miles of land, various museums including, Art Museum of Southeast Texas, the Dishman Art Museum, Spindletop-Gladys City Boomtown Museum, the Edison Museum, the Fireman Museum of Texas, the McFaddin-Ward House, and Beaumont Botanical Gardens bring culture to the area.



**HOUSTON**  
±60 MI

**WILLSCOT**<sup>TM</sup>

# HOUSTON, TX

With a city population of over 2.31 million people, Houston is the fourth-largest city in the United States. Houston is the most diverse metropolitan area in Texas and has been described as the most racially and ethnically diverse major metropolis in the U.S. It is home to many cultural institutions and exhibits, which attract more than 8.7 million visitors a year to the Museum District. Houston has an active visual and performing arts scene in the Theater District and offers year-round resident companies in all major performing arts. Though Houston is the largest city in the United States without formal zoning regulations, it has developed similarly to other Sun Belt cities because the city's land-use regulations and legal covenants have played a similar role. Houston has the fifth tallest skyline in North America (after New York City, Chicago, Toronto, and Miami). A seven-mile system of tunnels and skywalks links Downtown buildings containing shops and restaurants, enabling pedestrians to avoid the summer heat and rain while walking between buildings. Centered on Post Oak Boulevard and Westheimer Road, the Uptown District boomed during the 1970s and early 1980s when a collection of midrise office buildings, hotels, and retail developments appeared along Interstate 610 West. Uptown became one of the most prominent instances of an edge city. Located in the American South, Houston is a diverse city with a large and growing international community. Houston is highly regarded for its diverse food and restaurant culture. Several major publications have consistently named Houston as one of "America's Best Food Cities".

## 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 bio-science. Houston is home to the Texas Medical Center, the world's largest concentration of health care and research institutions, and NASA's Johnson Space Center, where the Mission Control Center is located. 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. From the Port of Houston to the Houston Airport System, the city has an impressive array of logistical and distribution channels capable of meeting the demands of today's fast-paced market. Added to the region's central geographic location, Houston has easy access to the global marketplace, making it an ideal place for businesses looking to engage in international business.

# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **WillScot Mobile Mini Solution** located at **Beaumont, TX** ("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 Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services 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. 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 detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services 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 Seller or Matthews Real Estate Investment Services 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 this Offering Memorandum.

# WILLSCOT

TM

Beaumont, TX

OFFERING MEMORANDUM

## EXCLUSIVELY LISTED BY:

ALEXANDER HARROLD

**SVP & Senior Director**

DIR +1 (310) 919-5790

MOB +1 (310) 977-1651

[alex.harrold@matthews.com](mailto:alex.harrold@matthews.com)

LIC #020096565 (CA)

JOSH BISHOP

**FVP & Director**

DIR +1 (214) 692-2289

MOB +1 (315) 730-6228

[josh.bishop@matthews.com](mailto:josh.bishop@matthews.com)

LIC #01940394 (CA)

KYLE MATTHEWS

**Broker of Record**

LIC #9005919 (TX)





# Information About Brokerage Services

11-2-2015

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:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o 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.

Kyle Matthews/Matthews Retail Group Inc.	<u>678067</u>	<u>kyle.matthews@matthews.com</u>	<u>(310) 919-5757</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<b>Kyle Matthews</b>	<u>678067</u>	<u>kyle.matthews@matthews.com</u>	<u>(310) 919-5757</u>
Designated Broker of Firm	License No.	Email	Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date