

WHATABURGER

Marcus & Millichap
DUONG INVESTMENT GROUP



9102 McPHERSON ROAD, LAREDO, TX 78045

OFFERING MEMORANDUM

WHATABURGER

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INVESTMENT OVERVIEW

Investment Highlights



Proven Location with Increasing Sales



Rent Increases Tied to CPI and Percentage Rent with No Maximum Cap

Prime Retail Location

- ▶ Located on the Corner of a Signalized Intersection with Traffic Counts Exceeding 57,000 Cars Per Day
- ▶ The Subject Property boasts an Expansive Lot, Providing Ample Space for 25 Parking Spots
- ▶ Located within 1 Mile of Doctors Hospital of Laredo with 180 Beds
- ▶ Located in Close Proximity to Several Major Retailers such as Exxon, Domino's Pizza, O'Reilly Auto Parts, HEB Grocery Store, PNC Bank, Family Dollar, Smoothie King, Starbucks, and Many More

Experienced Franchisee

- ▶ NNN Property with Minimal Landlord Responsibilities – Ideal for Investors Not Local to the Market
- ▶ Whataburger has the Highest Average Sales Per Store of all Burger Quick Service Restaurants at \$3.54 Million per Store
- ▶ Whataburger's Sales Skyrocketed in 2021, Reaching \$3.09 Billion – A 14.5% Increase From 2020
- ▶ Whataburger has 873+ Locations Nationwide | Operated by Whataburger of Alice, the Longest Running Whataburger Franchisee who has been Operating for 70+ Years

Pride of Property Ownership Laredo, TX

- ▶ Strong Workforce and Daytime Population of over 144,000 Employees within a 5 Mile Radius
- ▶ Population and Households Projected to Increase 6% within a 5 Mile Radius by 2028
- ▶ Laredo is the Nation's Largest Inland Port with Daily Commercial Traffic of 14,000 Trucks and 1,200 Rail Cars
- ▶ Average Household Income Within 3 Miles Exceeds \$105,000



INVESTMENT OVERVIEW

Tenant Spotlight

Whataburger

Whataburger is a privately-held, American regional fast food restaurant chain headquartered and based in San Antonio, Texas. The company was founded in 1950 in Corpus Christi, Texas by Harmon Dobson who wanted to serve a burger so big that it took two hands to hold and so good that after a single bite, customers couldn't help but exclaim, "What a burger!"



The company's core products include the Whataburger®, the Justaburger®, the Whatacatch® (fish sandwich), and the Whatachick'n®. The company also has a breakfast menu.

Today, Whataburger is still family owned and operated with over 43,000 employees and more than 800 locations across Arizona, Arkansas, Alabama, Florida, Georgia, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas. Each and every Whataburger® is made to order, using 100 percent pure beef.

Website	www.whataburger.com
# of Locations	800+
# of Employees	43,000+
Headquarters	San Antonio, TX

Whataburger of Alice (Franchisee)

March 9, 2023 - "Whataburger of Alice Celebrates 70 Years"

Full Article: <https://stories.whataburger.com/whataburger-of-alice-celebrates-70-years/>

When it opened its doors on February 11, 1953, Whataburger #5, located at 1242 E Main St in Alice, Texas, officially became the brand's first franchised restaurant, operated by a team known as Whataburger of Alice. 70 years later, they've now also claimed the title of longest-running franchisee.

...We're thrilled to celebrate 70 years in Alice and owe our success to the hard work and dedication of our past and present employees and loyal guests," said Kathy Reese, daughter of Joe Andrews Sr. "It's been an honor to continue my father's legacy and serve the Hub City..."



REPRESENTATIVE PHOTO



MARCUS & MILLICHAPE / OFFERING MEMORANDUM

INVESTMENT OVERVIEW

Aerial Photo



FINANCIAL ANALYSIS

Offering Summary

Property Name	Whataburger
Property Address	9102 McPherson Road Laredo, TX 78045
Assessor's Parcel Number	947-31001-010
Year Built	2003
Gross Leasable Area (GLA)	±3,074 Square Feet
Lot Size	±0.73 Acres (±31,701 Square Feet)

Pricing

Price	\$4,000,000
Cap Rate	5.97%

Annualized Operating Data

Net Operating Income*	\$238,906
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Lease Information

Lease Commencement Date	March 15, 2003
Lease Expiration Date	October 21, 2028
Total Lease Term	±25 Years
Increases	CPI Every 5 Years (No Maximum)
Options	One, Five-Year
Percentage Rent	4% of Sales Exceeding \$1,500,000
Lease Type	NNN
Lease Type Details	Landlord responsible for roof & structure.

*Current Net Operating Income is comprised of approximately 75% base rent and 25% percentage rent. Percentage rent is based on 2024 store sales. Please contact Agent for more details on base rent, percentage rent, and store sales history.

Pro Forma Analysis

Date of Increase	October 22, 2028 (Per One, Five-Year Option)
Base Rent - CPI Increases	\$210,188 (Based on 15% Increase in CPI 2023-2028)
Percentage Rent	\$65,707 (Based on 2% Annual Increase in Sales)
Pro Forma Net Operating Income	\$275,895
Pro Forma Cap Rate	6.90%

NOTE: The Pro Forma Analysis is an estimate and provided for illustrative purposes only. The projection assumes the Tenant exercises its 5-year option and the pro forma net operating income is based on estimates for increases in CPI and store sales. Please contact Agent for more details.



MARKET OVERVIEW

The City Of Laredo, TX

Laredo, Texas, located on the U.S.-Mexico border, is a vibrant city with significant potential for commercial real estate investors, particularly in retail. Known as one of the largest inland ports in the United States, Laredo handles over \$300 billion in annual trade, making it a critical hub for logistics and cross-border commerce. This trade-centric economy bolsters the city's retail sector, as it attracts a steady flow of shoppers from Mexico and other regions seeking both convenience and variety.



Retail demand in Laredo is driven by the city's strategic location, a population that surpassed 260,000 residents in 2023, and its role as a gateway to international trade.

Laredo has been experiencing steady population growth, averaging about 1-2% annually over the last decade. This growth is fueled by its strong economic ties to Mexico, its robust trade infrastructure, and its appeal as a business-friendly city. The area's median household income has also been on the rise, indicating increased spending power. Retail vacancies remain low, suggesting strong demand for quality spaces. With new developments in logistics parks and the planned expansion of infrastructure such as the World Trade Bridge, the city offers a promising landscape for retail investors seeking long-term growth.

Another advantage is Laredo's cultural appeal and tourism. As a city rich in Mexican-American heritage, it hosts events like the Washington's Birthday Celebration, drawing thousands of visitors annually. These cultural events, coupled with its proximity to Nuevo Laredo in Mexico, create ample foot traffic for retail spaces. Additionally, the city's affordable land prices and relatively low construction costs offer attractive entry points for investors looking to develop or redevelop properties.

Popular Nearby Attractions

- ▶ Mall del Norte- One of the largest shopping malls in South Texas, Mall del Norte serves as a major retail hub, attracting both locals and visitors from Mexico. With over 160 stores, it anchors Laredo's retail market and provides opportunities for investors to capitalize on steady foot traffic.
- ▶ Lake Casa Blanca Int'l State Park - This popular destination offers outdoor activities like fishing, boating, and hiking, drawing locals and tourists alike. The park adds recreational value to the city and complements nearby retail opportunities.
- ▶ San Agustin Cathedral & Laredo's Historic Downtown - A cultural landmark surrounded by shops, restaurants, and boutique hotels. It's a prime spot for retail and dining establishments catering to visitors exploring the area's history and architecture.

San Agustin Cathedral



Downtown Laredo, TX



Laredo Medical Center



MARKET OVERVIEW

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2028 Population	17,250	80,591	140,552
2023 Population	16,493	76,377	133,114
2020 Population	15,725	74,159	128,011
2010 Population	15,516	61,951	116,534

Households	1-Mile	3-Miles	5-Miles
2028 Households	5,547	25,885	44,231
2023 Households	5,262	24,299	41,590
2020 Households	5,094	23,343	39,971
2010 Households	4,519	18,124	33,701

Income & Economics	1-Mile	3-Miles	5-Miles
Average Household Income	\$104,906	\$105,020	\$85,576
Median Household Income	\$89,067	\$79,920	\$61,752
Median Home Value	\$198,201	\$205,626	\$188,699
2023 Daytime Population	15,691	79,396	144,267



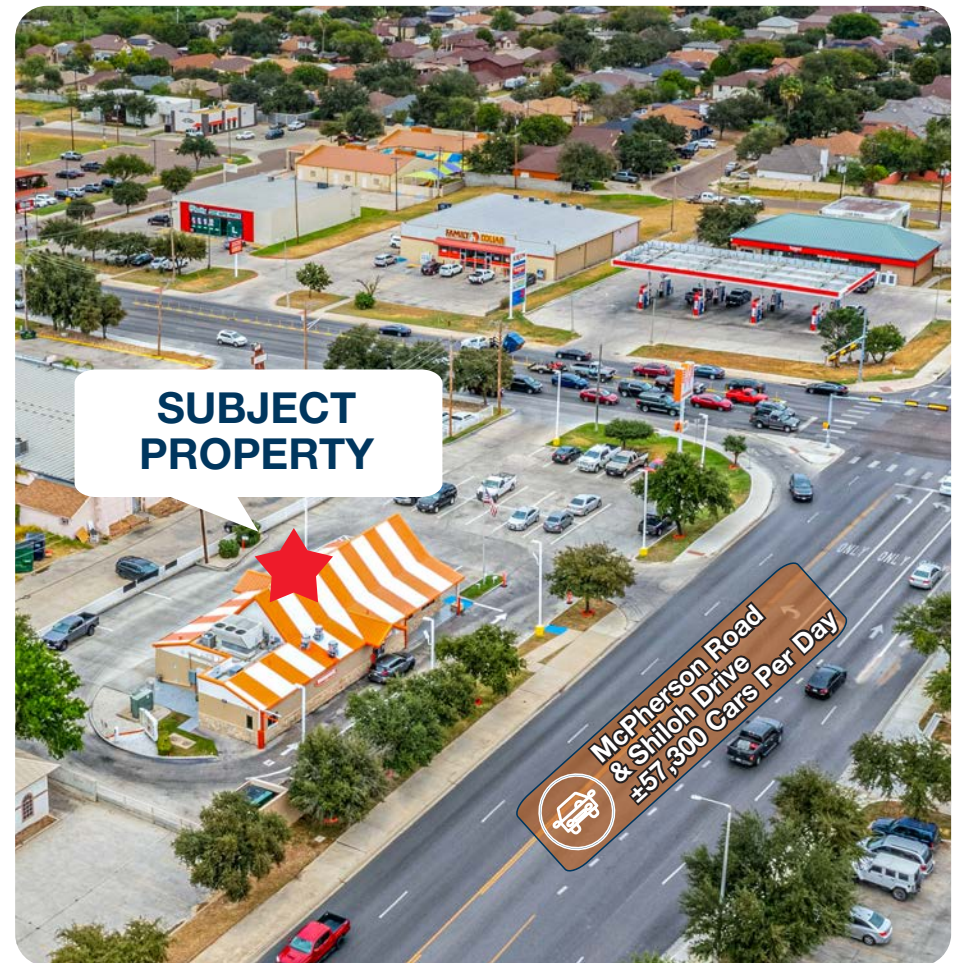
144,267

2023 Daytime Population
(5-Mile Radius)



\$105,020

2023 Average Household Income
(3-Mile Radius)





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.

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Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials _____ Date _____

Information available at www.trec.texas.gov
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