

NON-RECOURSE LOAN - ATTRACTIVE LEVERAGED YIELD



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OFFERING MEMORANDUM



Tesla Anchored Property
Houston, TX

This property is listed in conjunction with Texas-licensed real estate broker Delta Commercial.

www.preservewestcapital.com



PROPERTY HIGHLIGHTS	1	AERIALS	10
PROPERTY OVERVIEW	2	ABOUT THE AREA	12
TENANT INFORMATION	4	DEMOGRAPHICS	14
SITE PLAN	9		

Disclaimer

Michael Maffia (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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PROPERTY HIGHLIGHTS

Downtown
Houston

Uptown



Property Highlights

- Trophy Opportunity with Lease to Tesla & Additional Income from Storage Tenant
 - Local Storage Will Occupy 42,000 SF on the Second Floor, Featuring a Ground Level Entrance & Business Office on the West Side of the Building Facing Gessner Road
- Tesla Has Been Profitable for Seven Straight Quarters
 - S&P Upgraded Credit Rating to BB in December 2020
 - Component of S&P 500 Index
- Consensus Building that Tesla is the EV Leader and Will Sustain its Growth and Production Levels
- “Service Plus” Design in Line with Tesla’s Long Term Objectives
 - The Building is Headquarters’ to Tesla’s Houston Operations and Includes a Showroom, Service Facilities, & a Multi-Outlet Supercharging Station
 - Major Renovations Completed in Fall 2020
- Mission-Critical Location for Tesla Serving Houston’s Dense & Affluent West Side
 - Positioned Proximate to Houston’s Highest Income Neighborhoods & Major Employment Centers Including Energy Corridor, Galleria & Texas Medical Center
 - The Property is Well Positioned to Benefit from the Population’s Continued Shift Westward
- Robust, Affluent Demographics in Surrounding Area
 - Total Daytime Population of 3,345,464 within 15 Mile Radius
 - Average Household Income of \$100,148 within 10 Miles of Site
- Excellent Access and Visibility Along Westheimer Road
 - 85,417 Combined AADT
 - Approximately 1 Mile from Sam Houston Tollway – 190,893 AADT
- Prominent Location within Dense Retail Corridor
 - Nearby Anchor Tenants Include Whole Foods, Target, Walmart Supercenter, ALDI, Randall’s, Walgreens, H-E-B, & More
- Houston is Consistently one of the Fastest-Growing Cities in the U.S.
 - No State Income Tax in Texas
- 4th Largest City in the U.S. by Population
- Houston MSA GDP Exceeds \$512 Billion



Location

The property is located at 9633 Westheimer Road in Houston, Texas.

Parcels

Four Parcels: APN#'s 1318540020001; 1318540020002; 1318540020003; 1318540020004

Lot Size

Approximately 4.44 acres or 193,406 square feet.

Parking

350 Striped Parking Spaces, or 4.26/1,000

Improvements

A 82,000 square foot retail building demised into two retail suites.

Tesla | 40,000 square feet
Storage | 42,000 square feet

Year Built/Renovated

1973/2020

Financing

This property will be delivered with in-place financing with a balance of \$13,681,000, interest-only at 3.89% through March 6, 2031.



PRICE

\$25,693,000

[CLICK HERE TO EXECUTE CA & ACCESS FULL OM](#)

NOTE

DUE TO THE CONFIDENTIALITY AGREEMENT WITH TESLA, WE ARE UNABLE TO DISCLOSE THE RENT, CAP RATE, OR LEASE INFORMATION. PLEASE EXECUTE THE **NDA** TO RECEIVE THE FULL OFFERING MEMORANDUM.



TESLA

Tesla, Inc. (NASDAQ: TSLA), formerly Tesla Motors, Inc., is an American electric vehicle and clean energy company based in Palo Alto, California. The company specializes in electric vehicle manufacturing, battery energy storage from home to grid scale, and solar panel and solar roof tile manufacturing.

Its main vehicle manufacturing facility is at Tesla Factory in Fremont, California, with other major facilities including Giga Nevada, Giga New York, and Giga Shanghai.

Tesla gained popularity with its first vehicle, the Tesla Roadster, which was the first fully electric sports car. Since then, the company's main products include the Model S, Model 3, Model X, and Model Y cars, and the Powerwall, Powerpack, and Megapack batteries. The company's latest vehicle is the Cybertruck, an all-electric pickup truck style vehicle. In addition, the company has announced plans to begin limited-scale production of their new Tesla Semi design in 2021.

Tesla is ranked as the world's best-selling plug-in and battery electric passenger car manufacturer, with a market share of 16% of the plug-in segment and 23% of the battery electric segment based on 2020 sales. In March 2020, the company surpassed the 1 million mark of electric cars produced, becoming the first auto manufacturer to achieve such a milestone. Tesla is also one of the largest global suppliers of battery energy storage systems, with 3 GWh of battery storage supplied in 2020, and has installed some of the largest battery storage plants in the world.

Tesla markets and sells cars directly to consumers through an international network of company-owned stores and galleries. Its locations are highly visible, premium outlets in major metropolitan markets, some of which combine retail sales and service, operating as "Service Plus" locations. The company now operates more than 598 store and service locations globally and operates a mobile service fleet of 1,091 units. Tesla has also established 2,855 supercharger stations and 26,900 supercharging connectors across the globe. 99% of the U.S. population now lives within 150 miles of a supercharger, with plans to continue adding locations, enabling the company to expand markets for its vehicles nationwide.

2020

Tesla was able to overcome challenges brought forth by the COVID pandemic and achieved profitability throughout all of 2020, even with its main production factory being closed for nearly half of Q2 2020.

On July 1, 2020, Tesla reached a market capitalization of \$206 billion, surpassing Toyota to become the world's most valuable automaker by market capitalization.



TESLA FILE PHOTO (MODELS 3, S, Y & SEMI)

From July 2019 to June 2020, Tesla recorded four profitable quarters in a row for the first time, which made it eligible for inclusion in the S&P 500. Tesla was added to the index on December 21, 2020.

Tesla reported a record number of vehicles produced and delivered in 2020 of over half a million. Tesla cars accounted for 81% of the battery electric vehicles sold in the United States in the first half of 2020.

As of December 2020, S&P upgraded Tesla's credit rating to BB, indicating the company's credit is now close to investment grade.

2021 Third Quarter Financials

In the third quarter of 2021, Tesla reported revenue of \$13.757 billion, net income of \$1.62 billion and total stockholder equity of \$27.053 billion. As of October 26, 2021, Tesla has a market capitalization of \$1.028 Trillion.

This marks Tesla recording nine straight profitable quarters in a row. The company achieved their highest ever production and deliveries in Q3 2021, despite multiple challenges, including seasonality, supply chain instability and the transition to the new Model S and Model X.

Tesla broke notable records in Q3 2021: Delivered over 240,000 vehicles, achieved an operating margin of 14.6% and exceeded \$1.5B of net income for the first time in its history. Tesla also began delivering the new Model S to customers in Q2, along with the successful launch of its Full Self-Driving FSD subscription in July.

For more information, please visit www.tesla.com.



Chinese Market & Shanghai Gigafactory

In April of 2018, China announced a plan to ease restrictions on foreign-owned businesses in China by the end of 2018, paving the way for Tesla to gain a foothold in the massive electric vehicles market in China, by far the largest market in the world. As of December 2019, China had the largest stock of highway legal plug-in passenger cars with 3.4 million units, 47% of the global fleet in use. This change has also allowed Tesla to move forward with plans to open manufacturing facilities in China.

In July of 2018, the company announced plans to construct a new plant in Shanghai (its first Gigafactory outside of the United States), which will enable the company to bypass the 40% import tariff on the vehicles and offset current cost disadvantages in the Chinese market. By the fourth quarter of 2019, fewer than 12 months after breaking ground, the Shanghai Gigafactory had produced nearly 1,000 new vehicles. As of the fourth quarter of 2020, Tesla has ramped Model 3 production in China to over 5,000 cars per week and started production of Model Y at Gigafactory Shanghai less than a year after breaking ground on the expansion. The Model 3 has received a strong reception in China, becoming the best-selling electric vehicle in the country. Model Y production began in late 2020 and is in the process of ramping to full capacity.

Upcoming Austin, TX and Berlin, Germany Gigafactories

Tesla is currently in the process of building two additional Gigafactory facilities located in Berlin, Germany and in the Austin, Texas area.

Tesla first announced its plans for Gigafactory Berlin in November 2019. The company recently finished the land preparation phase and is in the construction phase for its Gigafactory project in Berlin. They are on track to start the first Model Y deliveries from this factory in 2021.

On July 23, 2020, Tesla picked Austin, Texas as the site of its Gigafactory 5. Tesla's Gigafactory in Travis County will encompass 2,000 acres and will be roughly 15 minutes from downtown Austin. The facility will be used to build the company's Cybertruck, its Semi and the Model 3 and Model Y for the eastern half of North America. Buildout of Gigafactory Texas continued to progress in Q2 with commissioning having begun in some areas of the factory.



GIGAFACTORY SHANGHAI



TESLA FILE PHOTO (ROADSTER)

Battery Day

On September 22, 2020, Tesla hosted Battery Day where it described a path to reducing battery pack cost per kWh by 56%, enabling production of a profitable \$25,000 vehicle. Additionally, due to a simpler cell manufacturing process, the company believes its capex per GWh of battery capacity should decline by 69% compared to today's production process.



About the Model 3

The Model 3 is a compact luxury sedan aiming to reduce the entry price for electric vehicles with a price point starting around \$35,000. In January 2019, the Model 3 passed the Model S to become the top selling all-electric car in the U.S. ever, and in the following month it surpassed the Chevrolet Volt to become the all-time best-selling plug-in electric car in the U.S. The Tesla Model 3 ended 2020 as the world's best-selling plug-in electric car for the third consecutive year, with more than 800,000 delivered through December 2020. In early 2020, the Model 3 surpassed the Nissan Leaf to become the world's all-time best-selling plug-in electric car, with more than 500,000 units delivered. The Model 3 also ranked as the best-selling plug-in car in Europe in 2019, with over 95,000 units delivered during its first year in that market.

The Model 3 received Automobile Magazine's 2018 Design of the Year Award and has achieved a 93% customer satisfaction score according to company assessments, among numerous other accolades

Model 3 Production

Tesla has made significant progress ramping up Model 3 production in recent quarters, overcoming well-publicized production challenges. The company has continued to increase production rates and achieved their goal of producing 5,000 Model 3 Vehicles per week in the second quarter of 2018. Modifications to the Model 3 production line in late April 2018 and changes intended to address supply bottlenecks increased the production rate dramatically.

The company has learned from its production challenges and has experienced substantial success ramping up new production lines and processes throughout 2019, with production expected to continue to grow into 2020 and 2021. Less than 12 months after breaking ground at Gigafactory Shanghai, the facility has produced approximately 1,000 vehicles and demonstrated capacity to produce more than 5,000 units per week. Q4 2020, Model 3 and Model Y production at Gigafactory Shanghai has increased to 450,00 units a year.

As the volume of Model 3 production and deliveries increase, the company's operating margins continue to improve. Tesla recently installed additional machinery at the Fremont Factory, which has now increased total Model 3 and Model Y production capacity from 400,000 to 500,000 units per year. Production should reach full capacity toward the end of 2020 or at the beginning of 2021.



TESLA FILE PHOTO (MODEL 3)

Model 3 Deliveries

Tesla delivered 509,737 Model 3 and Model Y vehicles in 2020. In the second quarter of 2021, Tesla produced 204,081 Model 3 and Model Y vehicles and delivered a total of 201,304 vehicles. In the third quarter of 2021, Tesla produced 228,882 Model 3 and Model Y vehicles and delivered a total of 241,391 vehicles.

Model 3 & Tesla Profitability

Tesla has now been profitable for nine straight quarters. For the third quarter of 2021, the company reported net income of \$1.62 billion, revenue of \$13.757 billion, and total stockholder equity of \$27.053 billion.

The company anticipates continued increases in Model 3 volumes due to continuing high production rates and entry into international markets.

In October 2021, Hertz ordered 100,000 Model 3 vehicles at approximately list price for \$4.2 billion. The cars will be delivered over the next 14 months, and the order represents the largest-ever purchase of electric vehicles. The cars will be available to rent in major U.S. markets and parts of Europe beginning in November 2021.



Model Y

In March 2019, Tesla announced plans for a new all-electric compact SUV with up to 300 miles of range priced at approximately \$48,000 – nearly \$20,000 less than comparable all-electric SUVs currently on the market. Given the performance, equipment, size, and increased range of the vehicle, the company anticipates the Model Y will become its most popular vehicle, with sales surpassing those of the Model S, Model X, and Model 3 combined.

Because of the production efficiencies developed during the Model 3 manufacturing process, the company believes it will be able to rapidly deploy production lines for the Model Y that will offer both cost savings and faster production timelines. The Model Y is ahead of schedule with production having started at its Fremont plant in January 2020 and started deliveries in March 2020.

The Model Y production line was operating for only four months in the first half of 2020 due to COVID-19 related shutdowns, but was still able to exit the second quarter with Model Y production running at installed capacity. This ramp-up was significantly faster than the initial Model 3 ramp up, which took more than nine months to reach the same weekly rate. The Fremont Factory is expected to increase total Model 3 and Model Y production capacity from 400,000 to 500,000 units per year.

Tesla continues to build capacity for Model Y lines at Gigafactory Shanghai and Gigafactory Berlin and remains on track to start deliveries from both locations in 2021.

Tesla Semi & Cybertruck

Tesla unveiled plans to develop an all-electric heavy-duty truck with a range of 300 to 500 miles, the Tesla Semi, in late 2017, drawing approximately 2,000 pre-orders by the end of Q1 2018. Though the company's manufacturing efforts have largely been focused on Model 3 production and preparations for production of the Model Y, the company plans to begin production of the Tesla Semi in 2021.

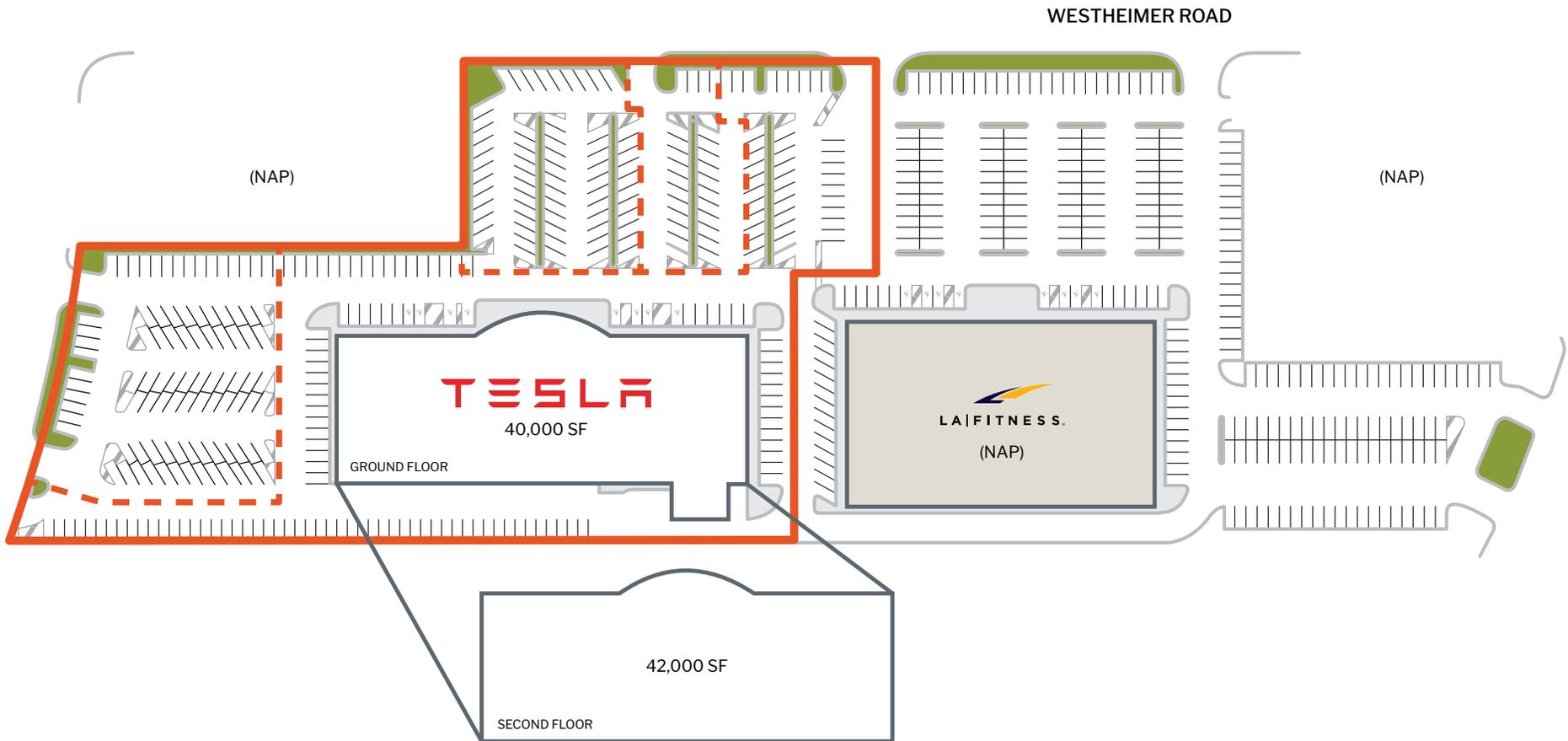
In addition, Tesla has developed an all-electric pickup truck style vehicle, known as the "Cybertruck", with a steel "exoskeleton" and 7,500+ lb towing capacity. Production of the Cybertruck is expected to begin in 2021, and the company has already received substantial interest and preorders for the vehicle. Tesla received over 250,000 reservations within a week of unveiling the vehicle. On September 22, 2020, Elon Musk revealed that Tesla had received roughly 600,000 Cybertruck preorders.

New Tesla Roadster

Tesla has also announced plans to release a new generation of its original Roadster model in 2020, with 0-60 acceleration in 1.9 seconds, a top speed exceeding 250 miles per hour, and 620 miles of range. Additional alleged features including the "SpaceX package" of cold air thrusters installed on the vehicle, up to 3G of thrust, and possibly the ability to hover or fly. The company anticipates that production and delivery of the new Roadster model will begin in 2020, though likely not before Model Y production and deliveries commence.

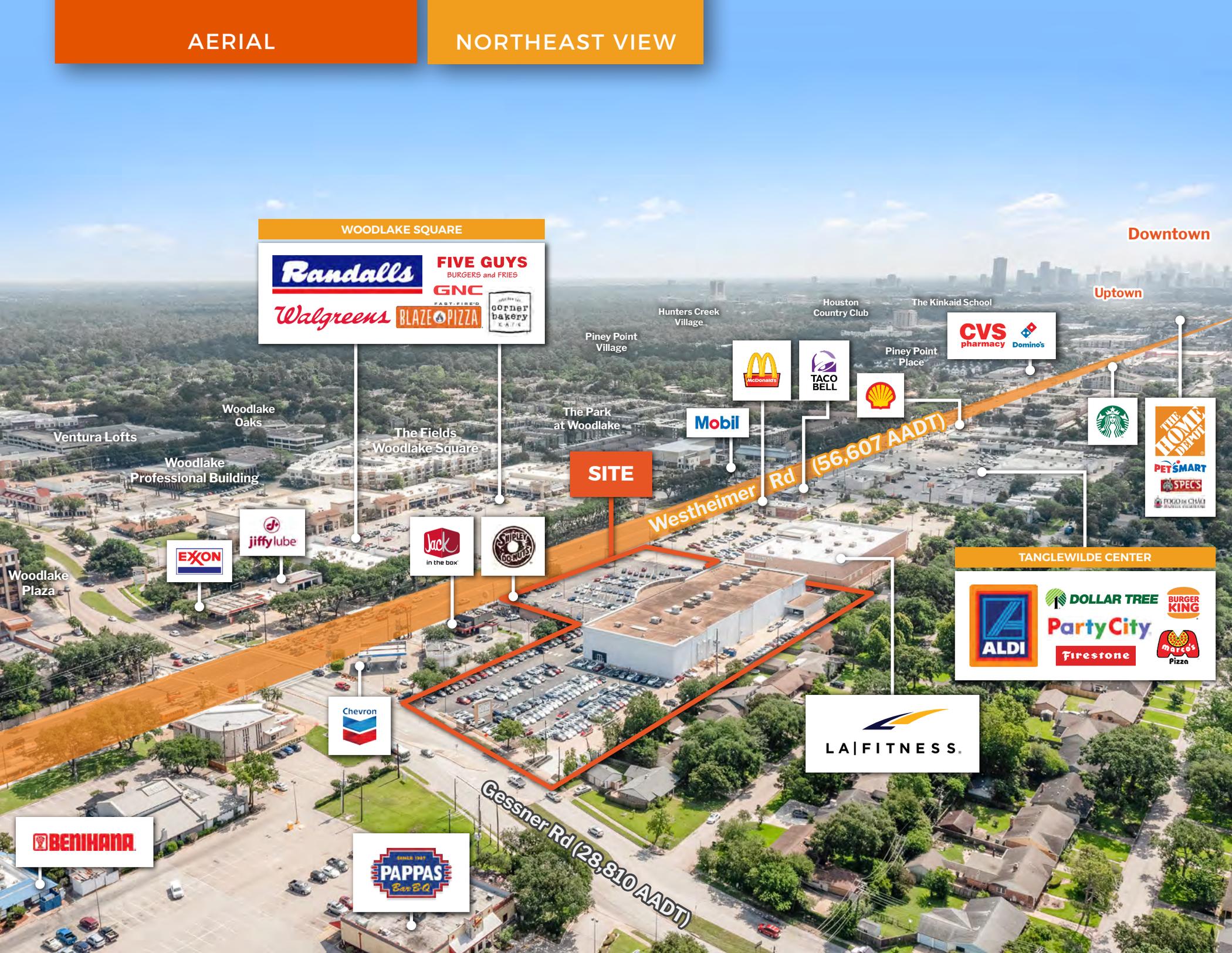


SITE PLAN



AERIAL

NORTHEAST VIEW



WOODLAKE SQUARE

Randalls
FIVE GUYS BURGERS and FRIES
GNC
Walgreens **BLAZE PIZZA** **corner bakery** CAFE

Downtown

Uptown

SITE

Westheimer Rd (56,607 AADT)

TANGLEWILDE CENTER

ALDI **DOLLAR TREE** **BURGER KING**
Party City **Firestone** **Marcos PIZZA**

LA|FITNESS

Gessner Rd (28,810 AADT)

BENIHANA

PAPPAS Bar-B-Q

Ventura Lofts
 Woodlake Oaks
 Woodlake Professional Building
 Woodlake Plaza

EXON **jiffylube** **Jack** in the box **STIRLEY COFFEE**

Chevron

Piney Point Village
 The Park at Woodlake

Hunters Creek Village
 Houston Country Club
 The Kinkaid School

McDonald's **TACO BELL** **Shell**
Mobil

CVS pharmacy **Domino's**

Starbucks **THE HOME DEPOT** **PET SMART** **SPECS** **POGO CHAI**

AERIAL

WEST VIEW








CARILLON SHOPPING MALL









Royal Oaks Country Club

Westchase Business District

Sam Houston Hwy (190,893 AADT)

West 8 Tower

Citywest Place 35-Acre Campus


INTERACTIVE COLLEGE OF TECHNOLOGY






9801 Westheimer





WOODLAKE SQUARE














Gessner Rd (28,810 AADT)

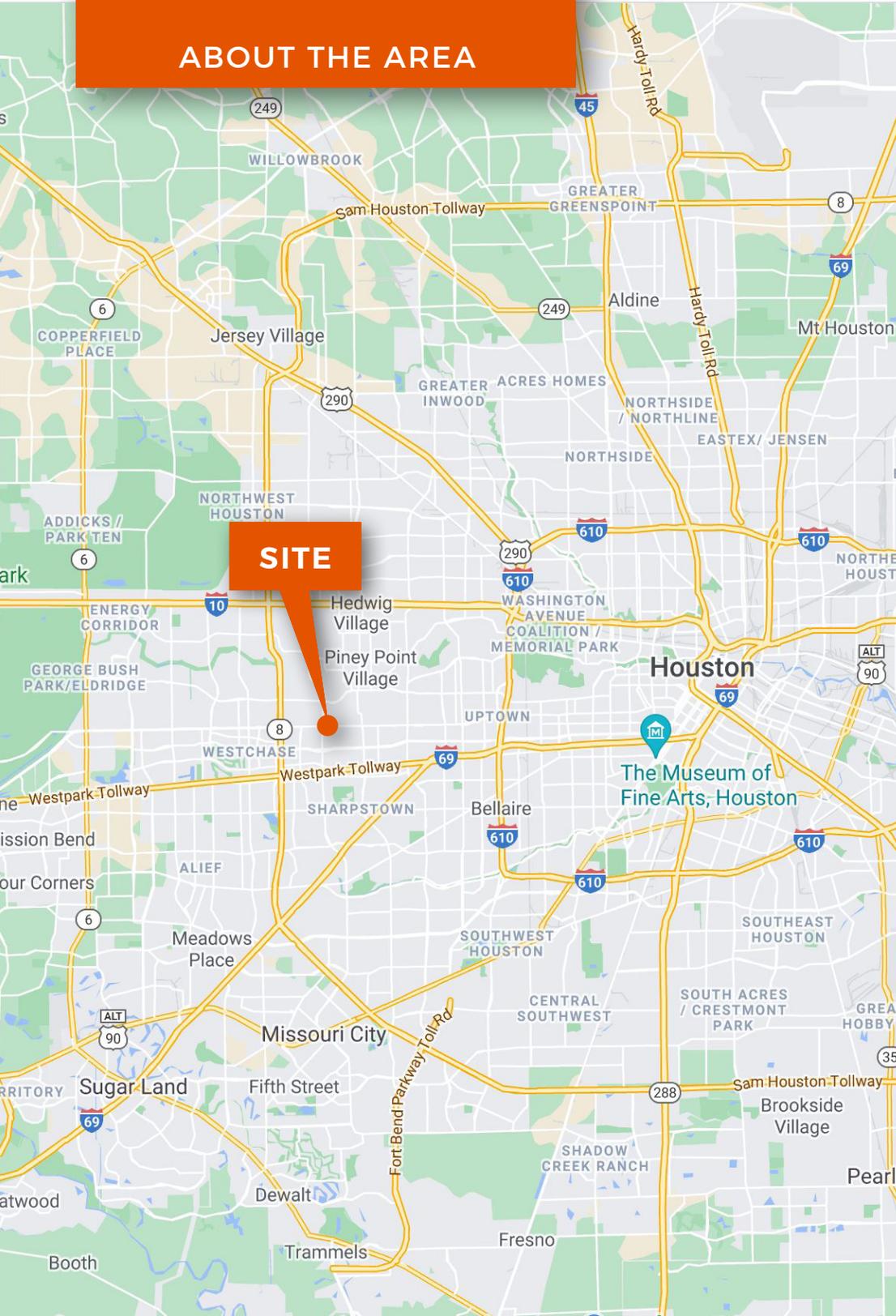
SITE

Woodlake Plaza


LA|FITNESS

Westheimer Rd (56,607 AADT)

ABOUT THE AREA



Site Information

The subject property is prominently located with excellent access and visibility along Westheimer Road (56,607 AADT) adjacent to its intersection with Gessner Road (28,810 AADT) approximately 1 mile from the Sam Houston Tollway (190,893 AADT) and Westpark Tollway (50,250 AADT) arterials. The site benefits from robust demographics with a total daytime population of 3,345,464 within a 15 mile radius. Average household income within 10 miles of the site is \$100,148.

The property benefits from a prominent location within a dense retail corridor neighboring major shopping centers, retail tenants, and employers. Nearby shopping centers include Tanglewilde Center, anchored by ALDI; Woodlake Square, anchored by Walgreens and Randall's; Westchase Shopping Center, featuring Whole Foods and Target; Lakeside Village, anchored by Walgreens and Office Depot; Royal Oaks Village, featuring H-E-B & Trader Joe's; Westheimer Marketplace, anchored by 24 Hour Fitness; Westheimer crossing, anchored by Academy Sports + Outdoors and REI; and The Galleria, featuring Nordstrom, Saks Fifth Avenue, Neiman Marcus, Tiffany & Co, and more. Other major retail tenants in the surrounding area include Walmart Supercenter, Kroger, LA Fitness, and more. Major employers in the surrounding area include IBM, Houston Community College, HCA Houston Healthcare, and more.



9633 Westheimer Rd | Houston, TX 77063



2020 TOTAL POPULATION
3,104,452



AVERAGE HOME VALUE
\$525,570



AVG. HOUSEHOLD INCOME
\$100,148

Population Summary	5 Miles	10 Miles	15 Miles
2010 Total Population	519,623	1,386,697	2,663,420
2020 Total Population	577,138	1,582,201	3,104,452
2025 Total Population	610,495	1,712,265	3,365,101
2020-2025 Annual Rate	1.13%	1.59%	1.63%
Total Daytime Population	662,108	1,878,522	3,345,464
Average Household Income			
2020	\$91,498	\$100,148	\$96,176
2025	\$98,049	\$108,639	\$104,780
Average Home Value			
2020	\$525,570	\$430,394	\$328,346
2025	\$555,764	\$456,924	\$355,985

Top Employers in Houston	# of Employees
Houston Methodist	25,543
H-E-B	25,337
Walmart	22,854
Memorial Hermann Health System	21,925
The University of Texas MD Anderson Cancer Center	21,576
HCA Houston Healthcare	15,000
United Airlines	13,500
Kroger	13,490
ExxonMobil	13,000
Shell Oil Company	11,500



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PRESERVE
WEST
CAPITAL 