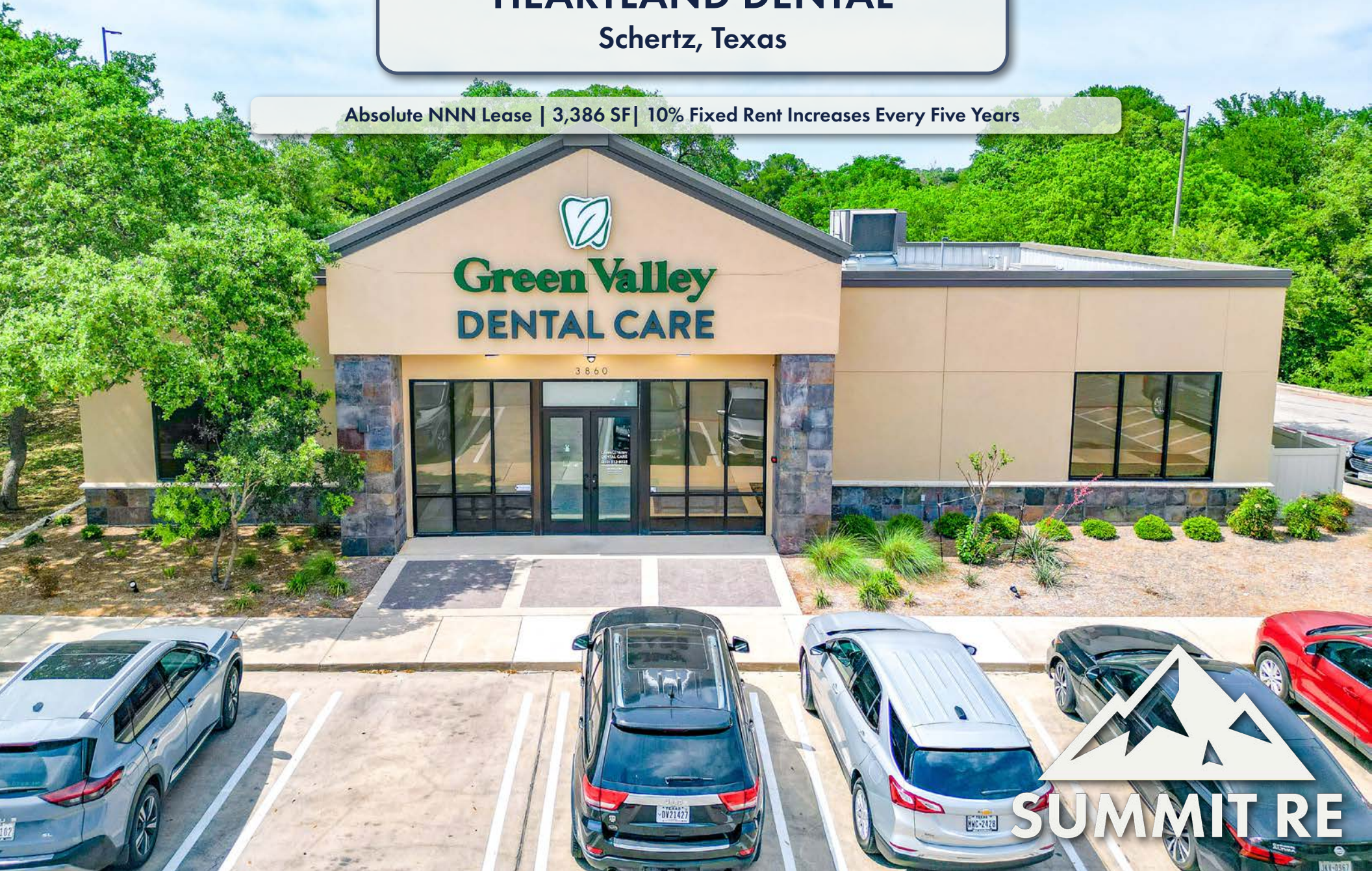




HEARTLAND DENTAL

Schertz, Texas

Absolute NNN Lease | 3,386 SF | 10% Fixed Rent Increases Every Five Years



SUMMIT RE

HEARTLAND DENTAL

3860 FM 3009
Schertz, TX 78154

OFFERING SUMMARY

Price	\$3,037,000
Cap Rate	5.15%
Net Operating Income	\$156,400
Year Built	2005
Gross Leasable Area	3,386 SF
Acres	0.85 Acres

LEASE SUMMARY

Lease Term	12 Years
Lease Commencement	01/12/2024
Lease Expiration	01/31/2036
Remaining Term	10.5 Years
Lease Type	Abs NNN
Roof & Structure	Tenant
Increases	10% in Year 6, Year 11 and Options
Options	4 x 5 Years

ANNUALIZED OPERATING DATA

Year(s)	Commencement	Annual	Increase
1-5	01/12/2024	\$156,400	-
6-10	01/12/2029	\$172,040	10.00%
11-12	01/12/2034	\$189,244	10.00%
Option 1: 13-17	01/12/2036	\$208,168	10.00%
Option 2: 18-22	01/12/2041	\$228,984	10.00%
Option 3: 23-27	01/12/2046	\$251,882	10.00%
Option 4: 28-32	01/12/2051	\$277,070	10.00%

NET OPERATING INCOME

\$156,400



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Heartland Dental is the nation’s largest dental support organization (DSO), providing non-clinical administrative services to dental practices across the United States. Founded in 1997 by Dr. Rick Workman, the company began with a single practice and has since expanded to support over 2,800 doctors in more than 1,800 offices across 39 states and the District of Columbia. Heartland Dental offers a comprehensive range of services designed to allow dental professionals to focus on patient care while the organization manages business operations. These services include human resources, marketing, accounting, and supply chain management.

COMPANY SUMMARY

Company	Heartland Dental
Ownership	Private
Number of Locations	1,800+ Locations
Years in Business	25 Years
Headquarters	Effingham, IL
Website	www.heartland.com



- Heartland Dental Signed a 12-Year Abs NNN Lease (with Zero Landlord Responsibilities) and Four 5-Year Renewal Options, Ensuring Long-Term Tenancy
- Lease Includes 10% Fixed Rent Increases Every Five Years and Starting in Options, Providing Consistent Income Growth
- Heartland Dental, the Largest U.S. Dental Support Organization, Backs Over 1,800 Offices Across 38 States
- Majority-owned by KKR, a Global Investment Firm Managing Over \$504 Billion in Assets
- Located on FM 3009, Visible to Over 32,000 Vehicles Daily, Offering High Visibility and Accessibility
- Schertz – Located in the High Growth Corridor Between San Antonio and Austin, Texas, Boasts an Average Household Income Over \$137,000, with a Population Growth of 10.6% from 2018 to 2023
- Surrounded by New Developments, Including a 65-Acre Mixed- Use Project, a 125,434 SF H-E-B store, and Amazon Fulfillment Center, Contributes to a Strong Employment Base in the Area

POPULATION
WITHIN 5 MILE RADIUS
124,908

AVERAGE HOUSEHOLD
INCOME
\$137,961

VEHICLES
PER DAY
32,825







ROY RICHARD RD

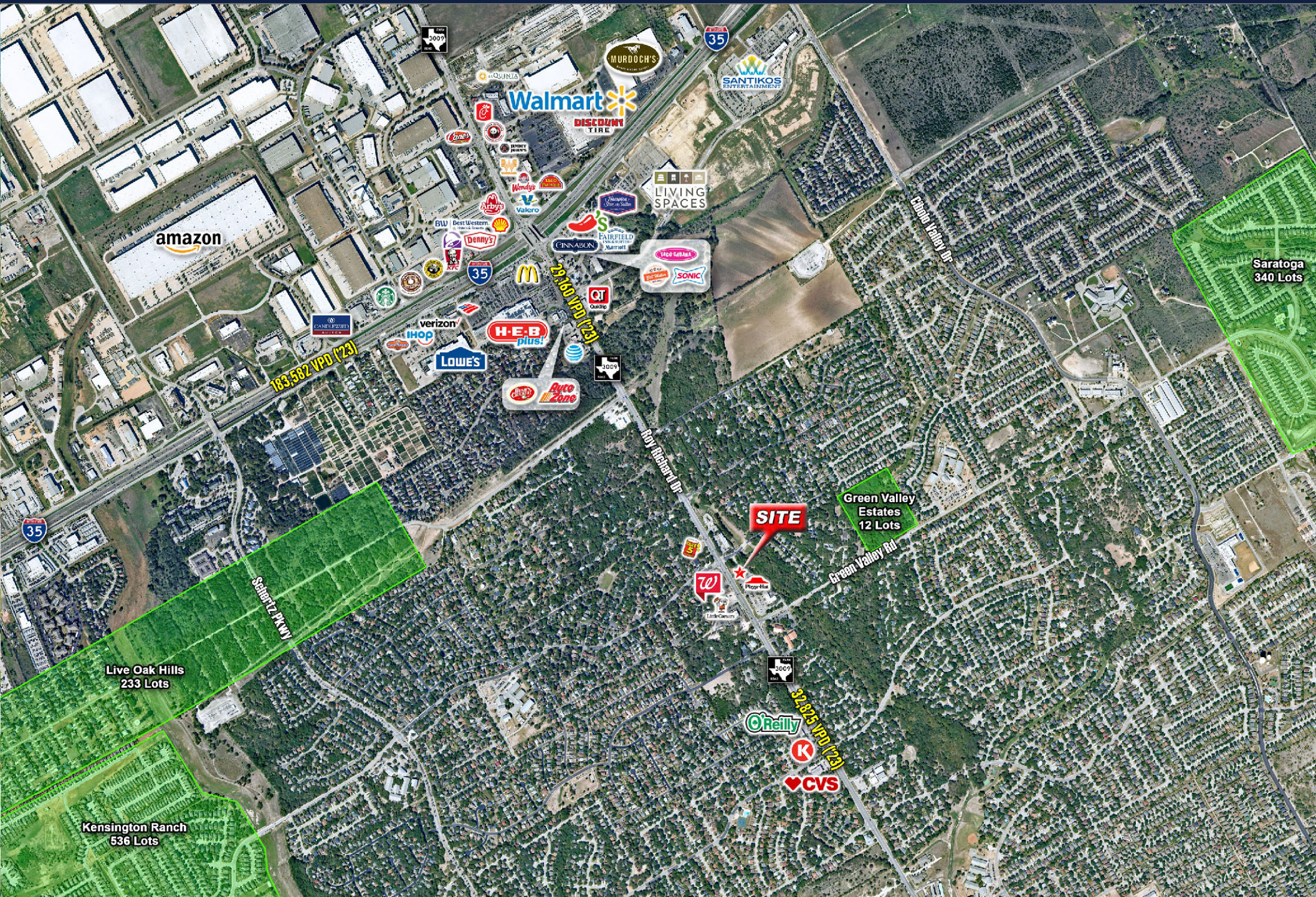
32,825 VPD

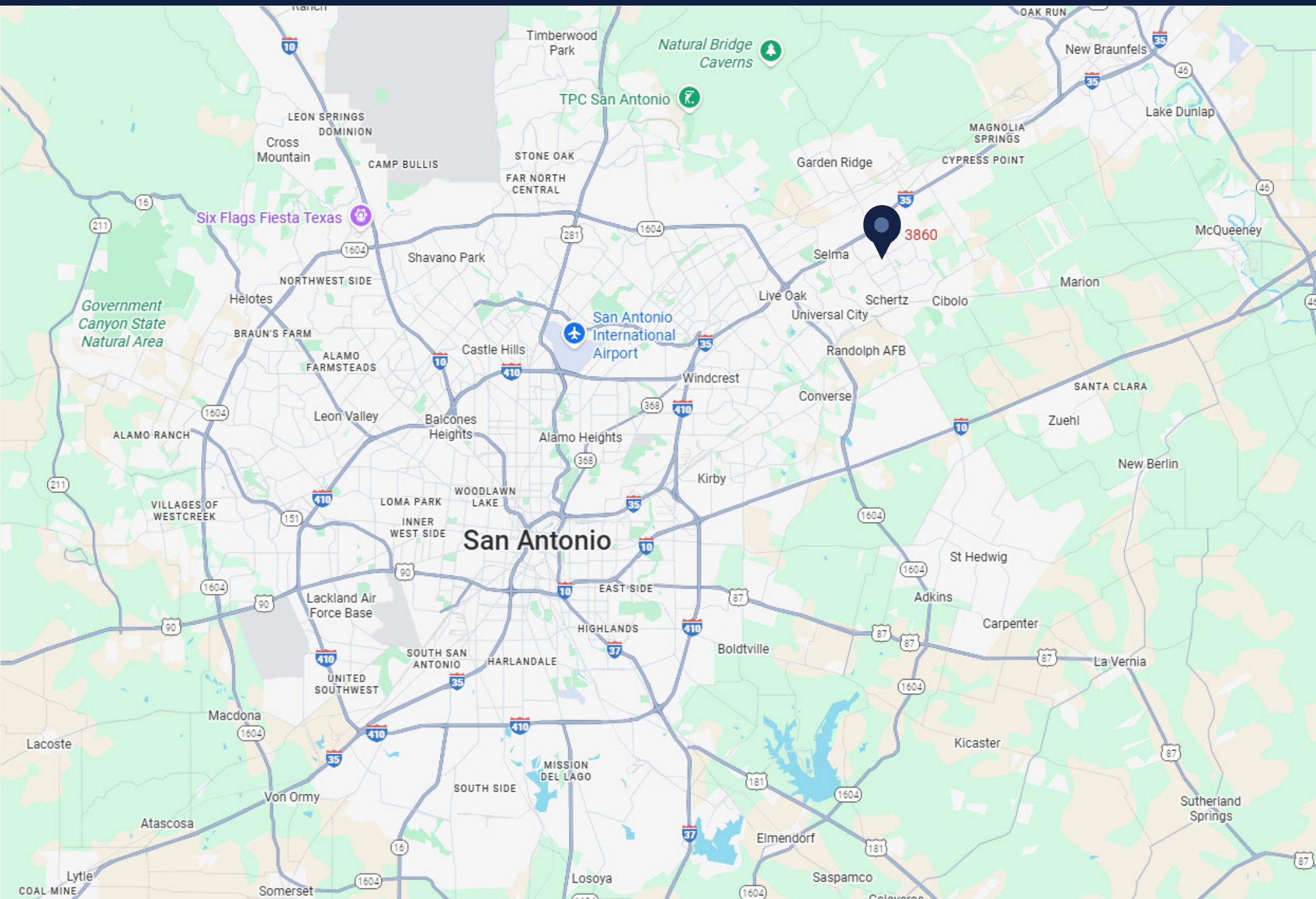


Little Caesars

Walgreens









SAN ANTONIO,, TX

OVERVIEW

San Antonio is the seventh most populous city in the United States and the second most populous city in Texas, with more than 1.4 million residents. The city is located in the American Southwest, in the south-central part of Texas, and in the southwestern corner of an urban region known as the Texas Triangle.

San Antonio is the center of the San Antonio–New Braunfels Metropolitan Statistical Area. Commonly called Greater San Antonio, the metro area had a population of 2,558,143 (based on a 2020 U.S. Census estimate), making it the 24th-largest metropolitan area in the United States and the third largest in Texas. Growth along the Interstate 35 and Interstate 10 corridors to the north, west, and east makes it likely that the metropolitan area will continue to expand.

With a median home price of \$291,000, 16 area colleges and universities, and a cost of living eight points below the national average, San Antonio is considered one of the top five most affordable big cities in the country.

San Antonio is experiencing economic growth in 21st-century industries such as bioscience and healthcare, aerospace, IT and cybersecurity, financial services, manufacturing, and green technologies. Biotech companies and healthcare systems contribute billions to the local

economy. The aerospace industry remains a major economic strength due to the presence of several aviation and aerospace corporations, including military operations. The city is also a cybersecurity hub and is nationally recognized as a leader in information security.

San Antonio is positioning itself to be at the forefront of the New Energy Economy, with a commitment to investment and job creation in green industries. A diverse set of target industries, combined with a strong military community, gives Greater San Antonio a competitive edge, supporting 1.16 million jobs, 126,000 employers, and a \$140 billion gross regional product (GRP). The area ranked No. 7 among large metros for growth in high-paying jobs over the last half decade. According to a study published by Stessa, the metro region saw a 163% increase in six-figure jobs from 2015 to 2020—the largest percentage increase among Texas cities.

DoD assets, innovations in cybersecurity and bioscience, a diverse manufacturing base, competitive real estate, R&D opportunities, and a strong professional talent pool have helped San Antonio remain one of the most attractive environments for business. San Antonio has a GDP of approximately \$121 billion, ranking the city 32nd in the United States.



	1 Mile	3 Mile	5 Mile
POPULATION			
2020 Population	13,533	60,690	119,692
2024 Population	13,237	62,437	124,908
2029 Population Projection	14,952	70,823	140,441
Annual Growth 2024-2029	2.60%	2.70%	2.50%
Median Age	42.1	38.8	37.5
Bachelor's Degree or Higher	42%	37%	36%
U.S. Armed Forces	213	1,512	2,633
POPULATION BY RACE			
White	7,438	31,923	61,695
Black	1,525	7,905	16,574
American Indian/Alaskan Native	113	730	1,369
Asian	493	2,442	4,755
Hawaiian & Pacific Islander	1	39	248
Two or More Races	3,668	19,399	40,267
Hispanic Origin	3,904	20,940	45,273
HOUSING			
Median Home Value	\$266,336	\$255,109	\$257,016
Median Year Built	1,998	2,002	2,002

Demographic data © CoStar 2023

	1 Mile	3 Mile	5 Mile
HOUSEHOLDS:			
2020 Households	4,674	21,115	42,857
2024 Households	4,582	21,762	44,672
2029 Household Projection	5,185	24,713	50,201
Annual Growth 2020-2024	0.40%	1.50%	1.60%
Annual Growth 2024-2029	2.60%	2.70%	2.50%
Owner Occupied	4,533	19,134	35,671
Renter Occupied	651	5,579	14,530
Avg Household Size	2.9	2.8	2.8
Avg Household Vehicles	2	2	2
Total Consumer Spending	\$190.7M	\$805.7M	\$1.6B
INCOME			
Avg Household Income	\$137,961	\$112,957	\$106,918
Median Household Income	\$115,657	\$96,660	\$90,114
< \$25,000	190	1,672	3,818
\$25,000 - 50,000	411	3,011	6,799
\$50,000 - 75,000	650	3,765	8,104
\$75,000 - 100,000	626	2,808	5,980
\$100,000 - 125,000	661	3,053	5,672
\$125,000 - 150,000	633	2,768	5,436
\$150,000 - 200,000	594	2,505	5,150
\$200,000+	817	2,180	3,714

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Summit RE and may not be made available to any other person or entity without the prior written consent of Summit RE. By taking possession of and reviewing this Offering Memorandum, the recipient agrees to hold and treat all such information in the strictest confidence and agrees not to photocopy, reproduce, or duplicate any portion of this Offering Memorandum. If you have no interest in the subject property at this time, please return this Offering Memorandum to Summit RE.

This Offering Memorandum has been prepared solely to provide summary, unverified financial and physical information to prospective purchasers and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Summit RE has not made any investigation and makes no guarantee, warranty, or representation as to the accuracy or completeness of the information provided, including, without limitation: income or expenses; future or projected financial performance; size and square footage of the property and improvements; the presence or absence of contaminating substances (including PCBs or asbestos); compliance with local, state, or federal laws and regulations; the physical condition of the property or improvements; or the financial condition, business prospects, performance, or plans of any tenant or guarantor, including any tenant's plans or intentions to continue its occupancy.

Information contained in this Offering Memorandum has been obtained from sources believed to be reliable; however, Summit RE has not verified and will not verify such information and makes no warranty or representation whatsoever regarding its accuracy or completeness. All prospective purchasers must independently confirm the accuracy and completeness of all material information and shall be responsible for all costs and expenses of investigating the subject property. Summit RE expressly denies any obligation to conduct a due diligence examination of the property for prospective purchasers. Prospective purchasers and their tax, financial, legal, and construction advisors must request and carefully review all legal and financial documents related to the property and any tenant.

Any projections, opinions, assumptions, or estimates contained in this Offering Memorandum are provided for illustrative purposes only and do not represent the current or future performance of the property. The value of the property to a prospective purchaser depends on factors that should be evaluated by the prospective purchaser and the prospective purchaser's tax, financial and legal advisors. Like all real estate investments, this investment involves significant risks. Past tenant performance (at this or other locations) is not a guarantee of future success. Certain lease rates, including for newly constructed facilities or newly acquired locations, may be based on a tenant's projected sales with limited or no operating history, and/or comparable rents for the area. Returns are not guaranteed; tenants and/or guarantors may fail to pay rent, property taxes, or other amounts due, or may fail to comply with material lease terms; and cash flow may be interrupted in whole or in part due to market, economic, environmental, or other conditions. Regardless of any tenant history or lease guarantees, prospective purchasers are responsible for investigating all matters affecting the intrinsic value of the property and the value of any long-term leases, including the likelihood of locating replacement tenants if any tenant defaults or abandons the property, the terms that may be negotiated with any replacement tenants, and the prospective purchaser's legal ability to make alternate use of the property.

SHOWINGS: All property showings are by appointment only. Please contact the Summit RE agent for more details.

By accepting this Offering Memorandum, prospective purchasers agree to release Summit RE and hold it harmless from any claim, cost, expense, or liability arising out of the prospective purchaser's investigation and/or purchase of the commercial property.



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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