

Est. Rent
Commencement
May 2023

Double
Drive-Thru



File Photo

Shake Shack w/ Double Lane Drive-Thru

Absolute NNN Lease / 10% Rent Increases Every 5 Years

\$8,183,000 | 4.25% CAP

19300 Katy Fwy, Katy, TX 77084 (Houston)

- ✓ **Brand New 15-Year Absolute NNN Lease w/ 10% Rental Increases Every 5 Years**
- ✓ **New Prototype Building** Featuring a Double Lane Drive-Thru
- ✓ **Excellent Signalized, Hard Corner Location** at the Intersection of Greenhouse Rd and the I-10 Frontage Rd, directly off of the Katy Tollway/I-10 (304,833 Combined VPD).
- ✓ **Houston is the 5th Largest MSA in the United States** and is Home to the World's Largest Medical Center
- ✓ **Shake Shack has Been One of the Fastest-Growing Food Chains in the US** with over 440 locations globally

Shake Shack Inc. (NYSE: SHAK) owns and **operates more than 440 locations** both domestically and internationally.



TARGET

THE HOME DEPOT

Sam's CLUB

Walmart Supercenter

BEST BUY

Ashley HOMESTORE

LA FITNESS

H-E-B

LOWE'S

KATY FREEWAY (236,609 VPD)

Panera BREAD

FIVE GUYS BURGERS and FRIES

RADIUS WEST APARTMENTS (361 UNITS)

Chick-fil-A

INTERSTATE TEXAS 10

90

pluckers Wing Bar PROPOSED

PROPOSED URGENT CARE

at home The Home Décor Superstore

PROPOSED MIXED USE RETAIL/OFFICE

SHAKE SHACK

Tim Hortons PROPOSED

GREENHOUSE ROAD (33,255 VPD)

FORRESTA VILLAGE PROPOSED MULTIFAMILY +/- 42.5 ACRES

Texas Children's Hospital
TX CHILDREN'S HOSPITAL WEST CAMPUS
(813 BEDS)

DOWNTOWN HOUSTON
(22 MILES)



HOUSTON **Methodist**
HOUSTON METHODIST WEST HOSPITAL
(200 BEDS)

FORRESTA VILLAGE
PROPOSED MULTIFAMILY
+/- 42.5 ACRES



KATY FREEWAY
(236,609 VPD)

GREENHOUSE ROAD
(33,255 VPD)

SHAKE SHACK

Tim Hortons
PROPOSED

plucker's
Wing Bar
PROPOSED

INVESTMENT OVERVIEW

SHAKE SHACK KATY, TX

File Photo



CONTACT FOR DETAILS

Matthew Scow

Executive Vice President
(214) 915-8888

mscow@securenetlease.com

Bob Moorhead

Managing Partner
(214) 522-7210

bob@securenetlease.com

\$8,183,000

4.25% CAP

NOI

\$347,747

Building Area

±3,372 SF

Land Area

±1.1195 AC

Year Built

2023

Lease Type

Absolute NNN

Occupancy

100%

- ✓ **Brand New 15-Year Absolute NNN Lease** with 10% rental increases every 5 years, including options periods.
- ✓ **New Prototype Building Featuring a Double Lane Drive-Thru**, which is Shake Shack's newest store concept developed in response to high consumer demand. The early results from these new store concepts have exceeded expectations and are significantly increasing store revenue.
- ✓ **Excellent Signalized, Hard Corner Location** at the Intersection of Greenhouse Rd and the I-10 Frontage Rd, directly off of the Katy Tollway/I-10 (304,833 Combined VPD).
- ✓ **Subject Property Located in a Dense Retail Corridor** near several national tenants, including Chick-fil-A, At Home, Starbucks, H-E-B, Walmart Supercenter, Sam's Club, Target, Lowe's, Office Depot, Torchy's Tacos, and more.
- ✓ **Strong Income Demographics Within the Immediate Trade Area.** The median household income is over \$96,000 within one mile of the subject property, which is significantly above the median household income for the city and indicates an affluent surrounding community.
- ✓ **Katy is Located 30 Miles from Downtown Houston.** Houston offers a diverse and affordable quality of life. It is the 5th Largest MSA in the United States and is home to the World's Largest Medical Center, the Nation's Largest Cruise and Cargo Port, and 24 Fortune 500 Company Headquarters.
- ✓ **Shake Shack has Been One of the Fastest-Growing Food Chains in the US** with over 440 locations globally. The company's gross revenue for 2022 was over \$900M, which is a 21.7% increase from 2021.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

SECURE
NET LEASE

TENANT OVERVIEW

SHAKE SHACK KATY, TX



2022 REVENUE
\$900 M
 (21% Increase
 from 2021)

STOCK TICKER
SHAK

LOCATIONS
440+

shakeshack.com

Lessee: Shake Shack Texas, LLC

Guarantor: SSE Holdings, LLC

Shake Shack serves elevated versions of American classics using only the best ingredients. It's known for its delicious made-to-order Angus beef burgers, crispy chicken, hand-spun milkshakes, house-made lemonades, beer, wine, and more.

With its **high-quality** food at a great value, warm hospitality, and a commitment to **crafting uplifting experiences**, Shake Shack quickly became a **cult-brand** with widespread appeal. Shake Shack's purpose is to Stand For Something Good®, from its premium ingredients and employee development, to its **inspiring designs** and deep community investment.

Since the original Shack opened in **2004** in NYC's Madison Square Park, the Company has expanded to over **440 locations** system-wide, including about **290 in 32 U.S. States** and the District of Columbia, and over **150 international locations**.



File Photos

IN THE NEWS

SHAKE SHACK KATY, TX

Shake Shack expects to open up to 70 units in 2023

JULIE LITTMAN, JANUARY 11, 2023 (RESTAURANT DIVE)

Shake Shack expects to open 65 to 70 restaurants this year, Shake Shack CFO Katie Fogertey said Tuesday during the ICR Conference. Forty of those locations would be domestic units, and 25 to 30 will be licensed.

The burger chain opened **69 stores in 2022**, growing its base by **19% to 436** units, she said. Of these new restaurants, **36** were company-operated and **33** were licensed. Shake Shack continues to open mix of store formats, including drive-thrus and nontraditional locations in food courts, airports and travel centers.

Shake Shack is targeting average unit volumes of \$4 million. Company-owned AUVs averaged about \$3.8 million in 2022, according to Shake Shack's presentation materials.

Shake Shack's **biggest growth push** of late has centered on drive-thrus, the first of which opened in 2021. The company has since opened 11 drive-thru units, nine of which opened during the fourth quarter of 2022, Shake Shack CEO Randy Garutti said at ICR. The company plans to **open 10 to 15 drive-thrus** this year, and these projections are in line with the company's original expectation of opening **25 drive-thrus** by the end of 2023.

"There are many of the drive-thrus that are run-rating higher than that and some that are below," Garutti said. "We're learning what is it about that site, about the layout, about that type of drive-thru that's going to drive that [AUV]."

Drive-thru units are more expensive to build, however, ranging from **\$2.4 to \$3 million** in build-out costs, he said.

"There will also be some **built-to-suit opportunities** where we can spend less than this and trade a bit of a **higher occupancy** for lower build-out costs to overall balance our CapEx," he said.

EXPLORE ARTICLE



Shake Shack's Katie Fogertey Sees Into the Future

DANNY KLEIN, MARCH 2023 (QSR MAGAZINE)

Katie Fogertey didn't take your typical journey to Shake Shack's C-suite. It might just be why the CFO has made such an impact during one of the most transformative times in brand history.

Katie Fogertey was already well known within Shake Shack circles. As **Goldman Sachs' lead analyst** covering restaurants, she wrote a bull report for the fast casual during a time when few pundits agreed. How investors saw the company, Fogertey felt, wasn't reflective of Shake Shack's unicorn position among quick-serves, or its growth potential. There were **297** systemwide Shacks at this time—end of Q2 2019. Today, there's more than **430**.

"Of late, much of the chain's gains result from in-store dining flooding back. People want to hang out in Shake Shacks again. And yet, this increased foot traffic layering on top of "digital channels that never existed a few years ago," Garutti said in December, pushing the brand to optimistic heights. Shake Shack's total revenue in Q4 rose 17.4 percent, year-over-year, to \$238.5 million as same-store sales upped 5.1 percent... Digital and kiosk sales are up 330 percent since 2019, from \$147 million to \$494 million. Digital guests spend 20 percent more than traditional ones. They boast higher frequency and offer Shake Shack access to new occasions."

Going back, Fogertey held a number of "big conversations," she says, about how she came to that conviction and buy rating. It earned her a **measure of notoriety**. But soon enough, Fogertey was having an entirely different discussion around Shake Shack's prospects.

When COVID-19 arrived (good luck trying to model sales), Fogertey decided she wanted to **get off the sidelines**. "I wanted to be part of the solution and the path forward," she says. "It felt like it was just something that was inside of me."

Shake Shack's chief financial officer positioned opened and Fogertey told her husband, **"That's the job I want."** She called the next day and pitched herself.

EXPLORE ARTICLE



LEASE OVERVIEW

SHAKE SHACK KATY, TX

Initial Lease Term	15 Years, Plus Two, 5 - Year Options to Renew
Rent Commencement	May 2023
Lease Expiration	April 2038
Lease Type	Absolute NNN Lease
Rent Increases	10% Every 5-Years
Annual Rent YRS 1-5	\$347,747
Annual Rent YRS 6-10	\$382,522
Annual Rent YRS 11-15	\$420,774
Option 1	\$462,851
Option 2	\$509,136

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.





SUNDOWN
ELEMENTARY SCHOOL
(722 STUDENTS)

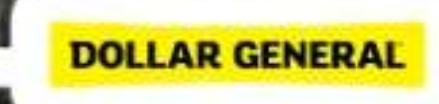


BRITISH
INTERNATIONAL
SCHOOL OF
HOUSTON
(900 STUDENTS)



WESTMOUNT AT
MASON CREEK
(291 UNITS)

KATY CHRISTIAN
ACADEMY SCHOOL
(80 STUDENTS)



HUE ON GREENHOUSE
APARTMENTS
(378 UNITS)



SHAKE SHACK
SUBJECT PROPERTY
19300 KATY FWY.

HOUSTON METHODIST
WEST HOSPITAL
(200 BEDS)

KATY FREEWAY
±236,609VPD



JAMES E. TAYLOR
HIGH SCHOOL
(3,014 STUDENTS)

NOTTINGHAM
COUNTRY
ELEMENTARY
SCHOOL
(816 STUDENTS)



HOUSTON METHODIST
CONTINUING CARE HOSPITAL
(124 BEDS)



MEMORIAL
PARKWAY
ELEMENTARY
SCHOOL
(820 STUDENTS)




GREENHOUSE ROAD
±37,253 VPD

SITE OVERVIEW

SHAKE SHACK KATY, TX

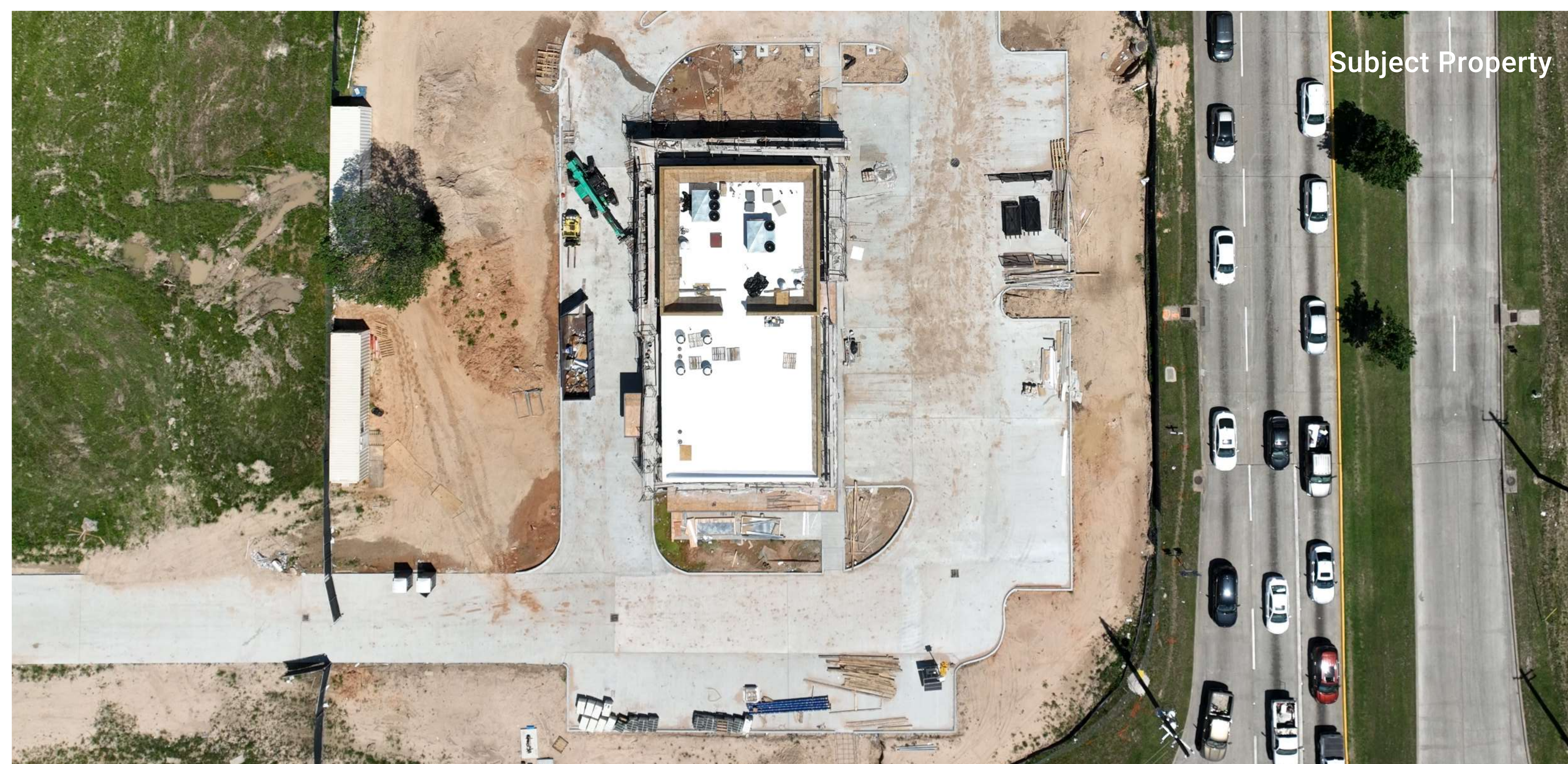
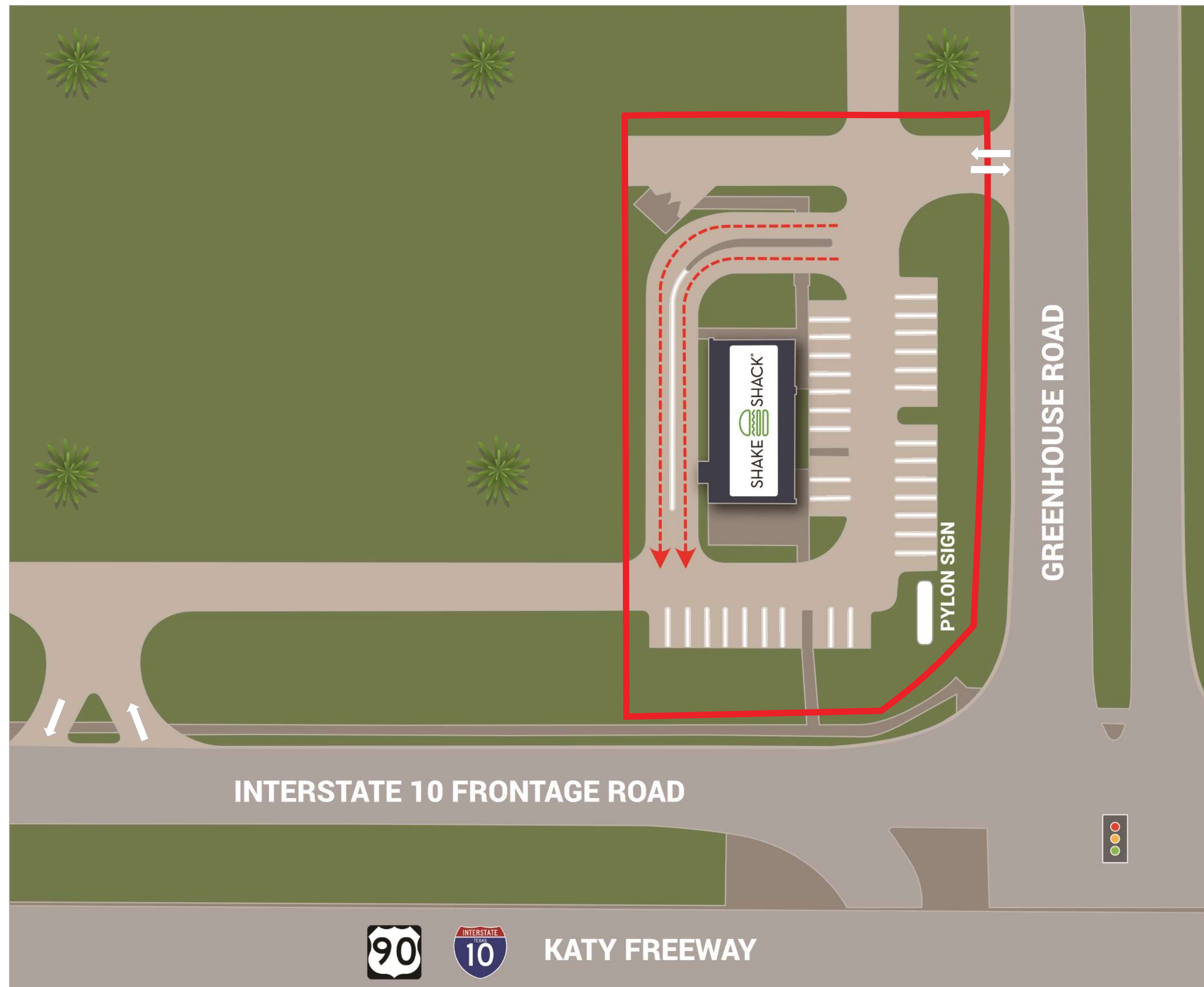
 Year Built | 2023

 Building Area | ±3,372 SF

 Land Area | ±1.12 AC

NEIGHBORING RETAILERS

- Kohl's
- Lowe's Home Improvement
- At Home
- H-E-B
- Target
- Walmart Supercenter
- The Home Depot
- Conn's HomePlus
- Hobby Lobby
- Sam's Club



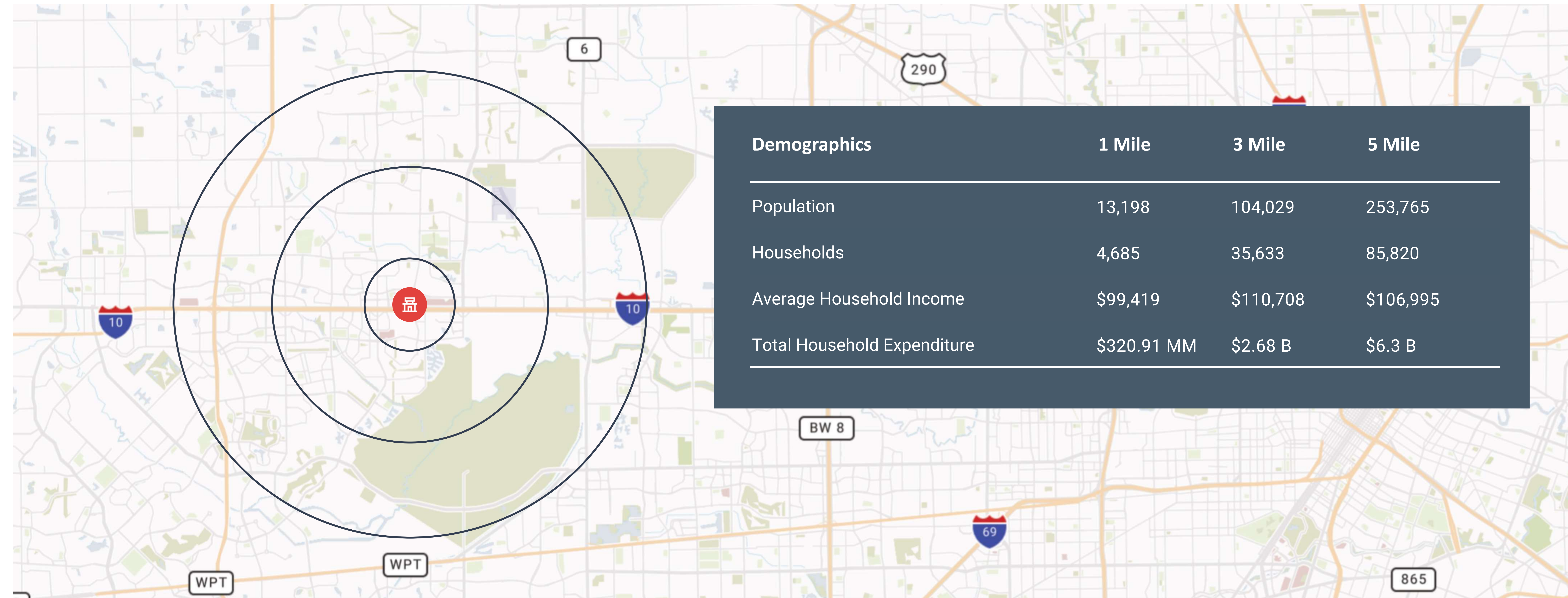
CONSTRUCTION PROGRESS

APRIL 17, 2023 KATY, TX



LOCATION OVERVIEW

SHAKE SHACK KATY, TX



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Katy Mills (2,900)
2. Katy Independent School District (1,827)
3. Amazon (1,300)
4. Igloo (1,061)
5. Typhoon Texas (755)
6. Wal-Mart Stores (388)
7. HEB Grocery (340)
8. Costco (292)
9. City of Katy (265)
10. American Furniture Warehouse (252)

LOCATION OVERVIEW

SHAKE SHACK KATY, TX

Katy
Texas

24,005
Population

\$87,179
Median Household Income



Niche Listed Katy as one of the Top 10 Places to live Near Houston, TX

TOP 10

The Houston MSA is the 5th Largest MSA in the US

5th

The City of Katy is the hub of three counties - Harris, Waller and Fort Bend - and is located 30 miles west of Houston.

The City was founded on rice farming in the late 1800s and was formally incorporated in 1945.

Katy offers the best of both worlds - the charm of a small town, but all the conveniences of a large city. It is rich in traditions and heritage and boasts a community pride that is unmatched.

The City provides the highest quality of life for its residents. Beautiful neighborhoods, master-planned communities and abundant green space for parks and recreation.

Katy ISD ranks among the top school districts in the country, offering students excellent education. Many large, mid-size and small businesses call Katy home, and the City of Katy is proactive in economic development to create a business-friendly environment. Katy continues to be an attractive family-oriented city with a premier school district and a shopping and entertainment destination with the Katy Mills Mall and the Texas Typhoon Water Park, exceptional parks and recreational facilities that draw multiple events and festivals. The Leonard E. Merrell Center, a large indoor seated venue of the Katy Independent School District, remains a top location for high school and college sporting events and other private large events.

IN THE NEWS

SHAKE SHACK KATY, TX

Katy Entertainment Developments Boom Matching Growth

NATALIE COOK CLARK, FEBRUARY 22, 2023 (KATY MAGAZINE ONLINE)

Katy continues to grow with new businesses and residential communities. Entertainment venues continue to open and make plans as newcomers see what longtime residents already know, Katy is great!

The City of Katy recently shared their **Comprehensive Plan 2040**, a plan for the decades ahead put together by the public, City Council, staff and a consulting group. Planning for a **possible entertainment** district was included. This would be in downtown Katy and cover the area where Katy residents enjoy **popular establishments** like MKT Distillery and No Label Brewery. It's also where the historic rice dryers are, which are under **new ownership** and entering phase one in an exciting project.

According to a real estate trend website Opendoor, the Katy area zip code 77494 was ranked the number 3 neighborhood in the U.S. out of a list of 10. Such growth comes with the rise of amenities such as entertainment.

"The KT Entertainment District is a relatively **new opportunity** with the emergence of the brewery and distillery uses on the sites of Katy's historic rice dryer structures, setting up for the **potential transformation** of a larger area into a **near-downtown focal point** for both leisure uses and other **business activity**," states the Comprehensive Plan on the KT Entertainment District.

"Right now, the Entertainment District is an idea on paper, there will be more public discussion, but the area is primed for a destination area," says Katy City Council Member and Mayor Pro Tem Chris Harris.

"We feel this would be a **huge step in the right direction** for us and our neighbors," says the owner of the Cardiff Rice Dryer. "Hoping this comes to fruition for the protection of the historic rice dryers."

EXPLORE ARTICLE



Katy Expansion Includes a New Target, Entertainment, Thousands of New Homes, and More

NATALIE COOK CLARK, AUGUST 31, 2022 (KATY MAGAZINE ONLINE)

From new business developments to fast-growing master planned communities, Katy is experiencing massive growth. Still, with a strong economic growth and influx of newcomers, Katy takes pride in holding on to its small-town charm.

"The City of Katy is a vibrant and **growing community**," says Katy Mayor William "Dusty" Thiele. "We pride ourselves on maintaining a **small-town atmosphere** and strive to keep the **traditions and heritage** of Historic Katy alive."

One of the most exciting new developments in progress is the Katy Boardwalk off of Kingsland Boulevard and just south of I-10. It's near Katy Mills and when completed will have a conference center with hotel, dining, and commercial space. Luxury residential lofts, the Boardwalk Lofts are already open. The centerpiece for the development is a 90-acres lake and nature preserve.

Popular Katy restaurants like Scholars and Scoundrels and Brett's Barbecue Shop will be some of the **businesses** going into the Boardwalk Crossing area in the District at 24566 Kingsland Boulevard. 1776- The Steakhouse will also be opening. They are a fine dining restaurant and newcomer to Katy.

While this **project** has experienced delays, construction recently resumed on the next phase of the trail and expanding the roads around it. The convention center and hotel haven't shared any recent updates.

"There is much activity taking place between **Highway 90 and I-10** to Woods Road and we are seeing a **lot of interest** in that area for commercial development," says Mayor Thiele. "We are looking forward to the development of Pederson Tract as well."

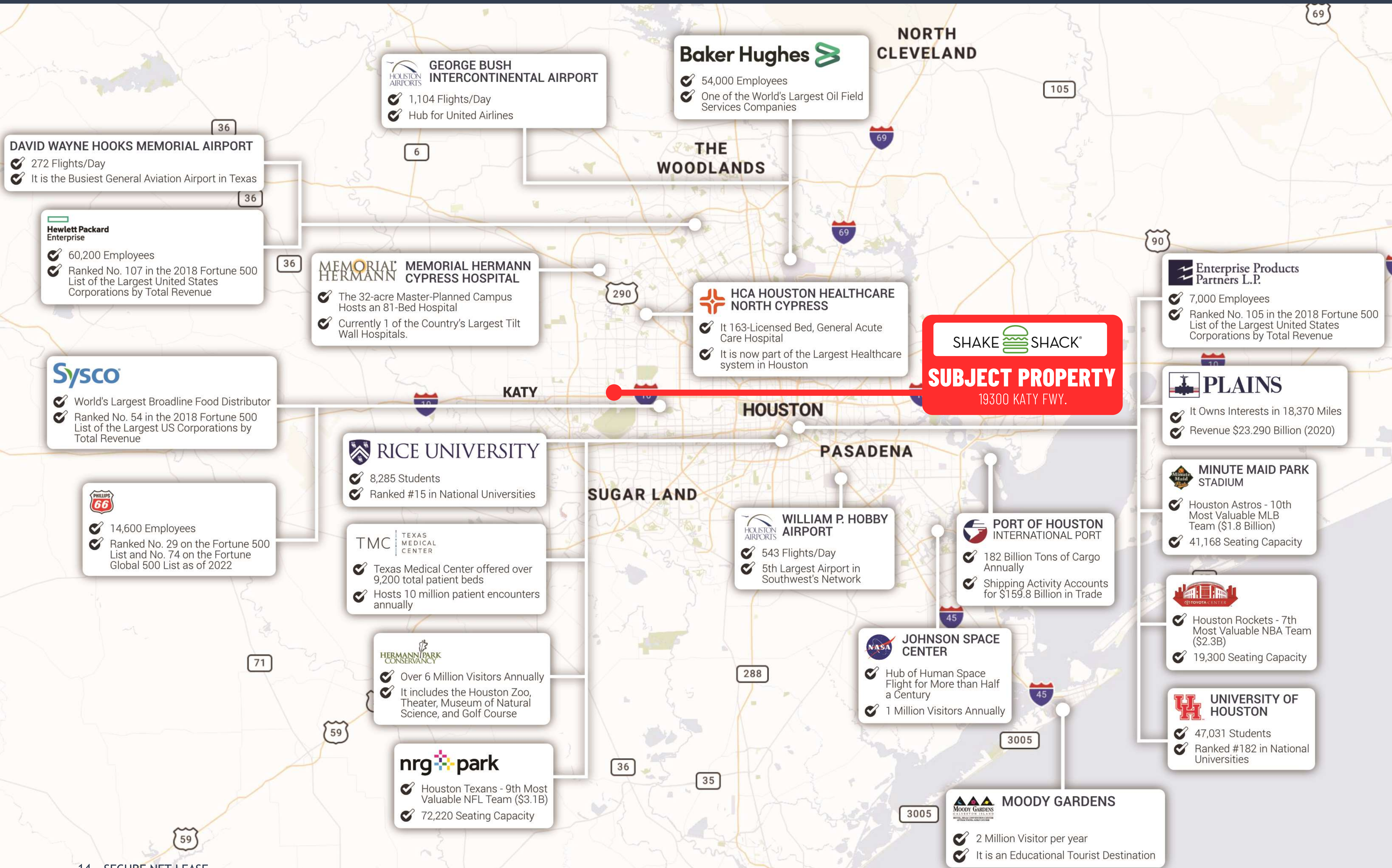
Mayor Thiele is hopeful that new commercial development to the west of Katy will stimulate the local economy and provide **job opportunities** for Katy citizens.

EXPLORE ARTICLE



METRO AREA

SHAKE SHACK KATY, TX



SHAKE SHACK®
SUBJECT PROPERTY
 19300 KATY FWY.

GEORGE BUSH INTERCONTINENTAL AIRPORT
 ✓ 1,104 Flights/Day
 ✓ Hub for United Airlines

Baker Hughes
 ✓ 54,000 Employees
 ✓ One of the World's Largest Oil Field Services Companies

DAVID WAYNE HOOKS MEMORIAL AIRPORT
 ✓ 272 Flights/Day
 ✓ It is the Busiest General Aviation Airport in Texas

Hewlett Packard Enterprise
 ✓ 60,200 Employees
 ✓ Ranked No. 107 in the 2018 Fortune 500 List of the Largest United States Corporations by Total Revenue

MEMORIAL HERMANN MEMORIAL HERMANN CYPRESS HOSPITAL
 ✓ The 32-acre Master-Planned Campus Hosts an 81-Bed Hospital
 ✓ Currently 1 of the Country's Largest Tilt Wall Hospitals.

HCA HOUSTON HEALTHCARE NORTH CYPRESS
 ✓ It 163-Licensed Bed, General Acute Care Hospital
 ✓ It is now part of the Largest Healthcare system in Houston

Enterprise Products Partners L.P.
 ✓ 7,000 Employees
 ✓ Ranked No. 105 in the 2018 Fortune 500 List of the Largest United States Corporations by Total Revenue

Sysco
 ✓ World's Largest Broadline Food Distributor
 ✓ Ranked No. 54 in the 2018 Fortune 500 List of the Largest US Corporations by Total Revenue

PLAINS
 ✓ It Owns Interests in 18,370 Miles
 ✓ Revenue \$23.290 Billion (2020)

Phillips 66
 ✓ 14,600 Employees
 ✓ Ranked No. 29 on the Fortune 500 List and No. 74 on the Fortune Global 500 List as of 2022

RICE UNIVERSITY
 ✓ 8,285 Students
 ✓ Ranked #15 in National Universities

WILLIAM P. HOBBY AIRPORT
 ✓ 543 Flights/Day
 ✓ 5th Largest Airport in Southwest's Network

PORT OF HOUSTON INTERNATIONAL PORT
 ✓ 182 Billion Tons of Cargo Annually
 ✓ Shipping Activity Accounts for \$159.8 Billion in Trade

MINUTE MAID PARK STADIUM
 ✓ Houston Astros - 10th Most Valuable MLB Team (\$1.8 Billion)
 ✓ 41,168 Seating Capacity

TMC TEXAS MEDICAL CENTER
 ✓ Texas Medical Center offered over 9,200 total patient beds
 ✓ Hosts 10 million patient encounters annually

RESTOVOTA CENTER
 ✓ Houston Rockets - 7th Most Valuable NBA Team (\$2.3B)
 ✓ 19,300 Seating Capacity

HERMANN PARK CONSERVANCY
 ✓ Over 6 Million Visitors Annually
 ✓ It includes the Houston Zoo, Theater, Museum of Natural Science, and Golf Course

JOHNSON SPACE CENTER
 ✓ Hub of Human Space Flight for More than Half a Century
 ✓ 1 Million Visitors Annually

UNIVERSITY OF HOUSTON
 ✓ 47,031 Students
 ✓ Ranked #182 in National Universities

nrg park
 ✓ Houston Texans - 9th Most Valuable NFL Team (\$3.1B)
 ✓ 72,220 Seating Capacity

MOODY GARDENS
 ✓ 2 Million Visitor per year
 ✓ It is an Educational Tourist Destination

CALL FOR ADDITIONAL INFORMATION

Dallas

Office

10000 N Central Expressway
Suite 200
Dallas, TX 75231
(214) 522-7200

Los Angeles

Office

123 Nevada Street
El Segundo, CA 90245
(424) 320-2321

CALL FOR ADDITIONAL INFORMATION

Matthew Scow

Executive Vice President
(214) 915-8888

mscow@securenetlease.com

Bob Moorhead

Managing Partner
(214) 522-7210

bob@securenetlease.com

TEXAS DISCLAIMER

SHAKE SHACK KATY, TX

Approved by the Texas Real Estate Commission for Voluntary Use

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

Information about brokerage services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

If the broker represents the owner

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information the owner knows.

If the broker represents the buyer

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

If the broker acts as an intermediary

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- Shall treat all parties honestly
- May not disclose that the owner will accept a price less than the asking price
- Submitted in a written offer unless authorized in writing to do so by the owner;
- May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- May not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions.