



# CAVA

Old Price: ~~\$3,313,000~~ | ~~5.75% CAP~~

New Price: \$3,175,000 | 6.00% CAP

812 South 6th Street, Waco, TX 76706

- ✓ Rent Commencement: November 2023
- ✓ 10-Year Corporate Net Lease With (4), 5-Year Options to Renew & 10% Rent Increases Every 5 Years, in Primary Term & Options
- ✓ Subject Property Is Located Right off Interstate 35 (62,405+ VPD) & S 5th St (4,159+ VPD)
- ✓ Legacy Asset Located Next to Baylor University with Over 20,000 Students
- ✓ Publicly Traded Tenant - CAVA Group (NYSE: CAVA) recently went public in June 2023 and currently has a market cap above \$4 billion



**CAVA (NYSE: CAVA)** is a publicly traded **Mediterranean culinary brand** with **flavorful and healthy fast-casual restaurant** experience - featuring **customizable & craveable salads, bowls, and pitas**. CAVA currently operates almost 300 restaurants across the United States with 100 new sites already in their development pipeline.





# INVESTMENT OVERVIEW

CAVA WACO, TX

Subject Property



## CONTACT FOR DETAILS

**Edward Benton**

Executive Vice President  
(713) 263-3981

ebenton@securenetlease.com

**Bob Moorhead**

Managing Partner  
(214) 522-7210

bob@securenetlease.com

Old Price:

~~\$3,313,000~~

New Price:

\$3,175,000

~~5.75% CAP~~

6.00% CAP

NOI

\$190,500

Building Area

±2,847 SF

Land Area

±0.85 AC

Year Built / Renovated

1985 / 2023

Lease Type

Corporate Net Lease

Occupancy

100%

- ✓ **Legacy Asset Located Next to Baylor University (20,000+ Students)**
- ✓ **10-Year Corporate Net Lease** with (4), 5-Year Options to Renew & 10% Rent Increases Every 5 Years, In Primary Term & Options
- ✓ **Subject Property is Located Right off Interstate 35** (62,405+ VPD) & S 5th St (4,159+ VPD)
- ✓ **Located 0.3 Miles From the Subject Property Is the Famous Magnolia Market at the Silos.** The popular TV stars, Chip and Joanna Gaines, own several businesses in Waco including the Magnolia Market at the silos, Magnolia Table, Magnolia Press, silos Baking Co., the little shop on Bosque, and Magnolia Realty. Thousands of visitors make the trek to the silos each week. Special events are held regularly at the silos, including Spring at the Silos (March), Silobration (October), and Christmas at the Silos (December). Past events have included artisan vendor booths, tours of the grounds, and concerts.
- ✓ **L3Harris Technologies. SpaceX and RAM Aircraft** Are a few of several Aeronautics firms located in Waco. Baylor University is a private Christian university located in Waco (20,626 students & 1,385 staff), Baylor welcomes students from all 50 states and more than 90 countries to study a broad range of degrees among its 12 nationally recognized academic divisions. The health care sector is another important facet of the local economy. Providence Healthcare Network and Baylor Scott & White Medical Center are two of the largest employers in the Metro.
- ✓ **CAVA Group Recently Went Public in June 2023 and Currently Has a Market Cap Above \$4 Billion.** Cava currently operates almost 300 restaurants across the United States with 100 new sites already in their development pipeline. Cava is modeled after Chipotle and owned by Cava Group, which also owns Zoës Kitchen, making the combined company the largest restaurant operator in the Mediterranean category in the U.S. restaurant industry.
- ✓ **Waco, TX Is Located Halfway Between Two Major Cities: Dallas and Austin.** Waco the second highest job growth in the state of Texas and seventh in the nation. Waco has seen the job market increase by 1.1% over the last year. Future job growth over the next ten years is predicted to be 38.3%. Which is higher than the US average of 33.5%

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

CAVA WACO, TX

Subject Property

## CAVA

**Lessee:** Cava Mezze Grill, LLC

REVENUE  
**US \$551 M**

STOCK TICKER  
**NYSE: CAVA**

LOCATIONS  
**290**

# CAVA

[cava.com](https://cava.com)

**CAVA Group recently went public in June 2023 and currently has a market cap above \$4 billion.**

CAVA is owned by CAVA Group, which acquired Zoës in **late 2018 for \$300 Million**, adding **261 stores** to its portfolio at the time. The combined company is the **largest restaurant operator** in the Mediterranean category in the U.S. restaurant industry. CAVA currently operates almost 300 restaurants across the United States with 100 new sites already in their development pipeline.

Washington, D.C.-based CAVA features a food assembly line that allows diners to **customize** their orders from among an assortment of bases, spreads, proteins and toppings. CAVA also produces a line of Mediterranean dips, spreads and dressings that are sold in grocery stores across the U.S. CAVA is expanding into **new suburban markets** by converting existing Zoës Kitchen locations and developing new sites. At the end of 2021, over 50 Zoës Kitchens were converted to CAVA locations. Nearly **80%** of CAVA's restaurants are located in suburban markets. Recently, the company received **\$190 million** in funding, which will go towards converting all Zoës Kitchen locations.





# TENANT OVERVIEW

CAVA WACO, TX

# CAVA EARNINGS RESULTS

Here's how CAVA performed in Q3 2024

## CAVA Group Reports Third Quarter 2024 Results

CAVA Group, Inc. (NYSE: CAVA) ("CAVA Group" or the "Company"), the category-defining Mediterranean fast-casual restaurant brand that brings heart, health, and humanity to food, today announced financial results for its fiscal third quarter ended October 6, 2024.

[See Article >>](#)

# CAVA

## THIRD QUARTER RESULTS AT A GLANCE

<b>CAVA REVENUE</b> <span>UP 39.0%</span> <b>\$241.5M</b>	<b>CAVA SAME RESTAURANT SALES GROWTH</b> <span>TRAFFIC 12.9%</span> <b>18.1%</b>	<b>CAVA RESTAURANT-LEVEL PROFIT MARGIN</b> <b>25.6%</b>
<b>ADJUSTED EBITDA*</b> <span>UP 69.2%</span> <b>\$33.5M</b>	<b>NET INCOME</b> <span>UP 162.9%</span> <b>\$18.0M</b>	<b>FREE CASH FLOW*</b> <b>\$23.4M</b>

"Our third quarter results were exceptional and, we believe, represent a tipping point for our category defining brand. Our unique cuisine that unites taste and health, paired with genuine hospitality delivered through human connection, is meeting the moment for the modern consumer and quickly establishing Mediterranean as the next major cultural cuisine category."

— BRETT SCHULMAN Co-founder & CEO




**11** Net New CAVA Restaurant Openings

**352** CAVA Restaurants


**21.4%** year-over-year growth

**NEW LAUNCHES**

New Loyalty Rewards Program



**Garlic Ranch Pita Chips**



Our mission is to bring heart, health, and humanity to food.

Information as of or for the quarter ended October 6, 2024, with comparisons to prior year quarter. For full financial data, definitions of metrics presented, reconciliations of Adjusted EBITDA to net income and Free Cash Flow to net cash provided by operating activities, and cautionary language regarding forward looking statements, please see our Q3 2024 earnings press release, available at investor.cava.com. \*Adjusted EBITDA & Free Cash Flow are non-GAAP measures; Net cash provided by operating activities for the quarter ended October 6, 2024 was \$43.9M.



## IN THE NEWS

CAVA WACO, TX

## How CAVA is blowing everyone away in traffic for Q3

HOLLY PETRE, NOVEMBER 08, 2023 (NATION'S RESTAURANT NEWS)

**CAVA bucked some industry trends, in a big way, with its third-quarter earnings. The Washington, D.C.-based Mediterranean restaurant chain saw a 7.8% traffic increase. This is especially profound as the industry is widely seeing 3.5% to 4% traffic decreases.**

So far, we've seen a few restaurants come out of the gate with positive traffic numbers, but CAVA blows them all away. For the **chain's second quarter** as a public company, it's certainly making a name for itself.

Possibly because of the honeymoon phase, or its "IPO halo," as the company called it, CAVA has **performed** much better than some of its counterparts in its **first quarters** as a public company, and is profitable already.

The fast-casual chain, which purchased Zoë's Kitchen a few years ago, has finally completed the conversions of all Zoë's units, meaning the company is now "operating under a single powerful CAVA brand," according to Schulman.

The chain's leaders believe there is whitespace for CAVA to **grow** despite a projected flat comp rate for Q4. That quarter will **overlap 15% comps**.

You look at some of the markets we opened a year or two ago, the brand awareness has already **increased from 20% to 40%**, he continued.

Schulman also pointed out the difficulty of creating a CAVA bowl at home, despite the brand's sauces being sold as CPG. This, he said, is why the chain has room to grow.

"CAVA is creating and defining the next **major cultural cuisine** category with substantial white space opportunity," he said.

EXPLORE ARTICLE



## Cava is bolstering customization through catering, loyalty strategy

EMMA LIEM BECKETT, DECEMBER 14, 2023 (RESTAURANT DIVE)

**In the wake of its June IPO, Cava has turned a profit and posted significant traffic gains — standing out from many competitors who reported flat or dwindling visits.**

The company is experimenting with three approaches to support more centralized catering production, which can support units that may not have the capacity to juggle traditional on-premise and off-premise orders with **catering requests** in their existing spaces.

At the same time, Cava is piloting an updated rewards structure that allows diners to save up points and redeem a **greater variety of rewards**, yielding a personalized experience. Restaurant Dive spoke with Schulman about Cava's catering and loyalty strategy, and how **customization** can offer a **competitive** sense of value in an inflationary environment.

The Mediterranean fast casual is looking to deepen engagement with existing customers and win new fans by extending the customization its serving line offers through catering expansion and a new loyalty program.

[The new loyalty offering] builds deeper and more **meaningful connections** with our guests and allows us to have **conversations** with them in a much more specific, bespoke way," Schulman said. "What we try and do every day is put forward a really **great value proposition** for our guests and work on their behalf to mitigate some of the inflationary pressures we've all been dealing with.

EXPLORE ARTICLE





# LEASE OVERVIEW

CAVA WACO, TX

Subject Property

Initial Lease Term	10 Years, Plus (4), 5-Year Options to Renew
Rent Commencement	November 25, 2023
Lease Expiration	November 30, 2033
Lease Type	Corporate Net Lease
Rent Increases	10% Every 5 Years, In Primary Term & Options
Annual Rent (Years 1-5)	\$190,500
Annual Rent (Years 6-10)	\$209,550
Option 1 (Years 11-15)	\$230,505
Option 2 (Years 16-20)	\$253,556
Option 3 (Years 21-25)	\$278,911
Option 4 (Years 26-30)	\$306,802

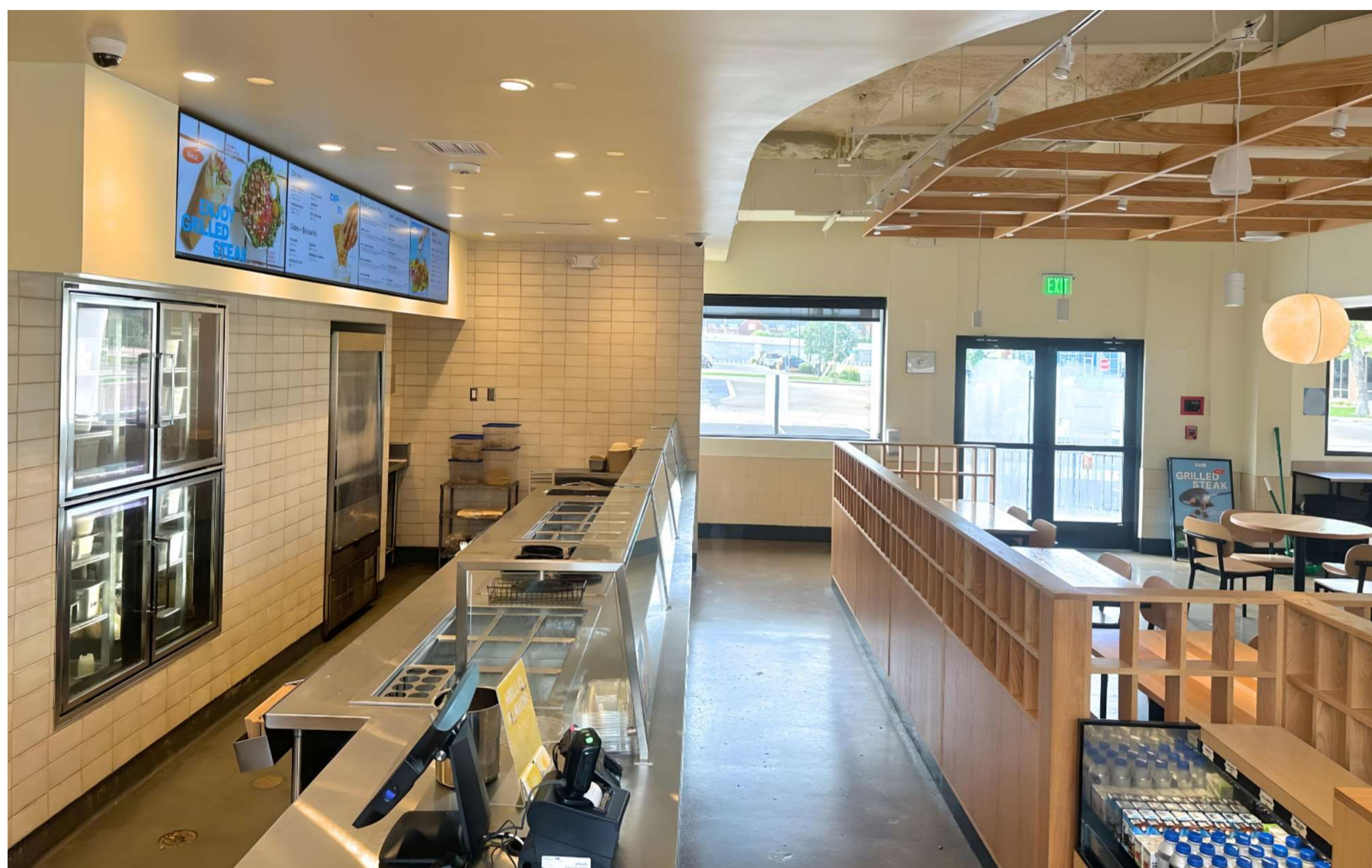
This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.





# INTERIOR PHOTOS

CAVA WACO, TX





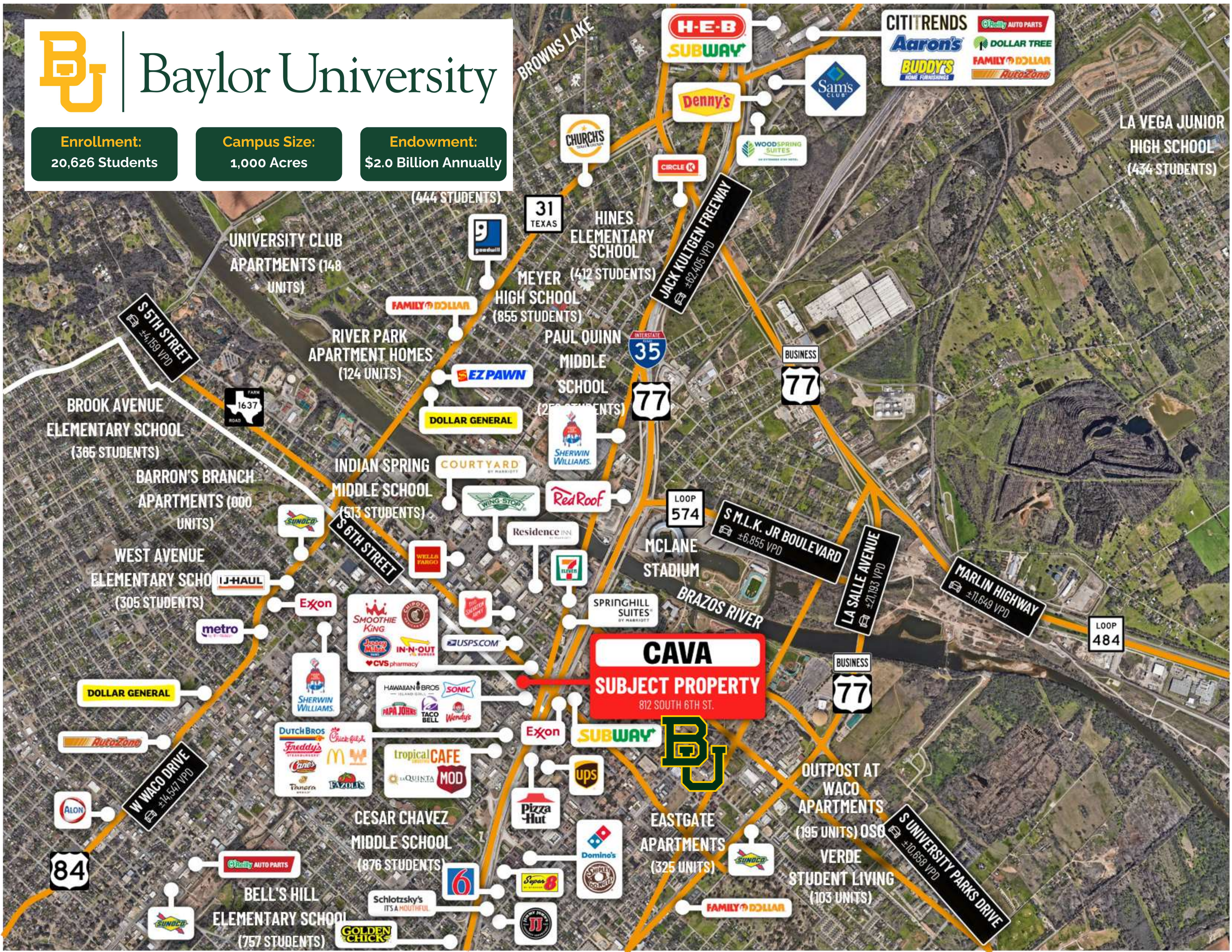


# Baylor University

**Enrollment:**  
20,626 Students

**Campus Size:**  
1,000 Acres

**Endowment:**  
\$2.0 Billion Annually



**CAVA**  
SUBJECT PROPERTY  
812 SOUTH 6TH ST.

- UNIVERSITY CLUB APARTMENTS** (148 UNITS)
- BROOK AVENUE ELEMENTARY SCHOOL** (385 STUDENTS)
- BARRON'S BRANCH APARTMENTS** (000 UNITS)
- WEST AVENUE ELEMENTARY SCHOOL** (305 STUDENTS)
- INDIAN SPRING MIDDLE SCHOOL** (513 STUDENTS)
- CEGAR CHAVEZ MIDDLE SCHOOL** (876 STUDENTS)
- BELL'S HILL ELEMENTARY SCHOOL** (757 STUDENTS)
- LA VEGA JUNIOR HIGH SCHOOL** (434 STUDENTS)
- HINES ELEMENTARY SCHOOL** (412 STUDENTS)
- MEYER HIGH SCHOOL** (855 STUDENTS)
- PAUL QUINN MIDDLE SCHOOL** (200 STUDENTS)
- MCLANE STADIUM**
- EASTGATE APARTMENTS** (325 UNITS)
- OUTPOST AT WACO APARTMENTS** (195 UNITS) OSB
- VERDE STUDENT LIVING** (103 UNITS)

- H-E-B
- SUBWAY
- Denny's
- CHURCH'S
- CITITRENDS
- Aaron's
- BUDDY'S
- REALLY AUTO PARTS
- DOLLAR TREE
- FAMILY DOLLAR
- AutoZone
- SAM'S CLUB
- WOODSPRING SUITES

- goodwill
- FAMILY DOLLAR
- RIVER PARK APARTMENT HOMES (124 UNITS)
- EZPAWN
- DOLLAR GENERAL
- COURTYARD
- WING STOP
- Red Roof
- Residence INN
- 7-ELEVEN
- WELLS FARGO
- Exxon
- SMOOTHIE KING
- IN-N-OUT
- CVS pharmacy
- USPS.COM
- SPRINGHILL SUITES
- WELLER'S
- SHERWIN WILLIAMS
- HAWAIIAN BROS
- SONIC
- PAPA JOHN'S
- TACO BELL
- Wendy's
- Exxon
- SUBWAY
- ups
- Pizza Hut
- Domino's
- SHIPLEY DONUTS
- Super 8
- Schlottsky's
- GOLDEN CHICK

- DOLLAR GENERAL
- AutoZone
- ALON
- WACO DRIVE
- metro
- U-HAUL
- Exxon
- CVS pharmacy
- SHERWIN WILLIAMS
- DUTCH BROS
- Chick-fil-A
- Freddy's
- McDonald's
- Wendy's
- tanora
- FAZOL'S
- tropical CAFE
- LA QUINTA
- MOD
- Exxon
- ups
- Pizza Hut
- Domino's
- SHIPLEY DONUTS
- Super 8
- Schlottsky's
- GOLDEN CHICK

- LOOP 574
- S.M.L.K. JR BOULEVARD
- LA SALLE AVENUE
- MARLIN HIGHWAY
- LOOP 484
- BUSINESS 77
- BUSINESS 77
- LOOP 484

- 84
- WACO DRIVE
- ALON
- metro
- U-HAUL
- Exxon
- CVS pharmacy
- SHERWIN WILLIAMS
- DUTCH BROS
- Chick-fil-A
- Freddy's
- McDonald's
- Wendy's
- tanora
- FAZOL'S
- tropical CAFE
- LA QUINTA
- MOD
- Exxon
- ups
- Pizza Hut
- Domino's
- SHIPLEY DONUTS
- Super 8
- Schlottsky's
- GOLDEN CHICK




# SITE OVERVIEW

CAVA WACO, TX

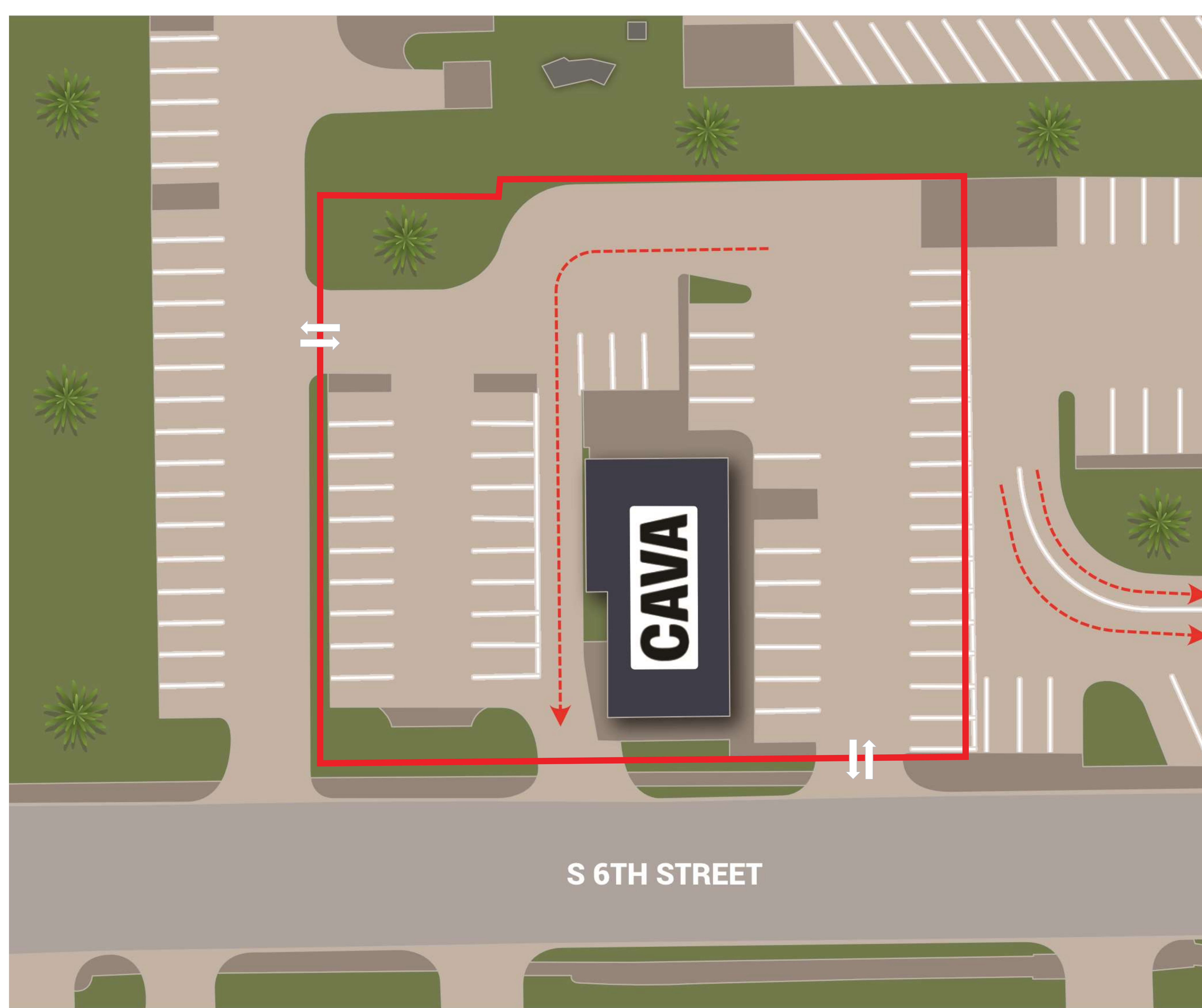
 Year Built / Renovated | 1985/2023

 Building Area | ±2,847 SF

 Land Area | ±0.85 AC

## NEIGHBORING RETAILERS

- H-E-B
- Sam's Club
- Citi Trends
- Aaron's
- Dollar Tree
- Family Dollar
- Dollar General
- Goodwill
- CVS
- AutoZone Auto Parts

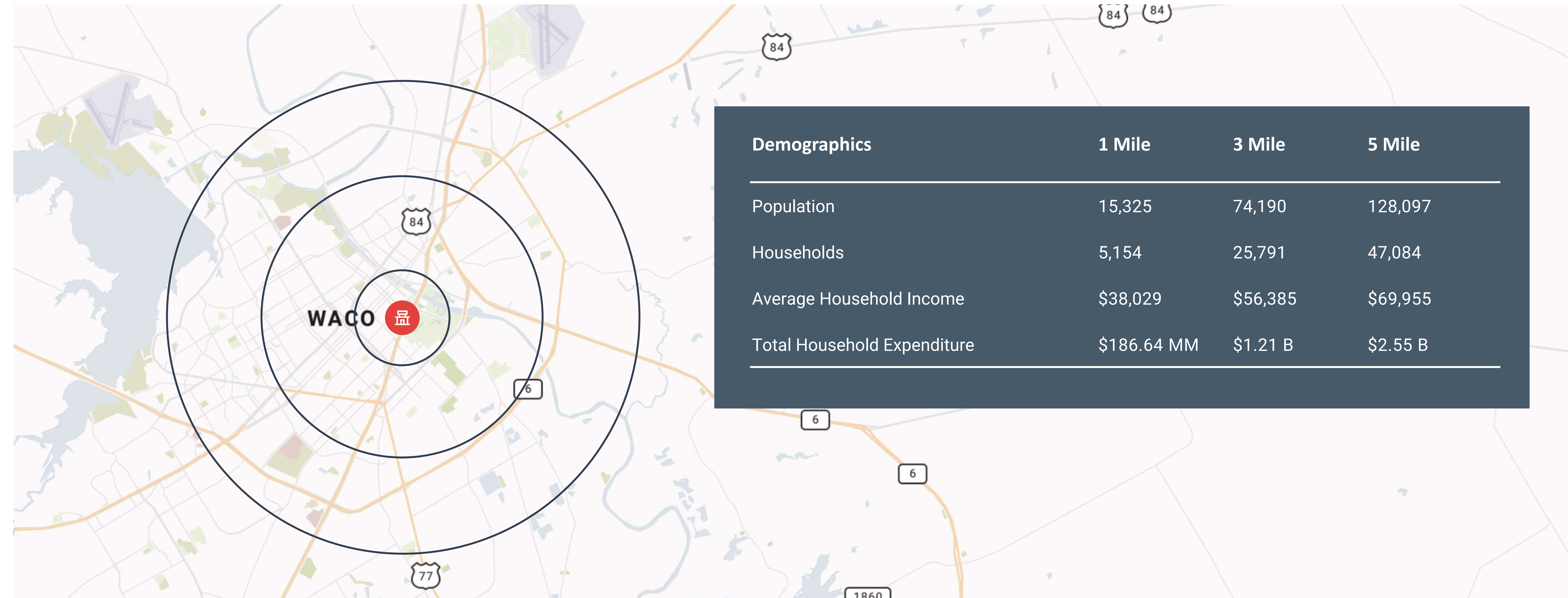


Subject Property



# LOCATION OVERVIEW

CAVA WACO, TX



## ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Baylor University (3,253)
2. Ascension Providence (3,075)
3. Waco Independent School District (2,373)
4. H-E-B (2,000)
5. Baylor Scott & White Medical Center – Hillcrest (1,736)
6. Texas State Technical College (1,706)
7. City of Waco (1,518)
8. McLennan County (1,201)
9. Sanderson Farms Inc. (1,200)
10. Wal-Mart (1,174)



# LOCATION OVERVIEW

CAVA WACO, TX

**Waco**  
Texas

**136,800**  
Population

**\$42,687**  
Median Household Income



Just 3 Hours to

**85% OF TEXAS' POPULATION**

Texas in Job Growth

**#2**

## WACO, TX

Well known for Baylor University and the Texas Ranger Hall of Fame and Museum, the Waco metro is situated halfway between Austin and Dallas-Fort Worth and is composed of Falls and McLennan counties. Lake Waco provides a variety of recreational activities, including camping, fishing and swimming.

**Waco metro is situated halfway between Austin and Dallas-Fort Worth**

Residents and visitors also enjoy year-round rodeos, the Waco Symphony Orchestra and the Martin Museum of Art.

## ECONOMY

Waco has seen the job market increase by 1.1% over the last year. Future job growth over the next ten years is predicted to be 38.3%, which is higher than the US average of 33.5%. L3Harris Technologies, SpaceX and RAM Aircraft are a few of several aeronautics firms located in Waco. Colleges and universities in the area also provide training programs in aerospace engineering and aircraft maintenance. The health care sector is another important facet of the local economy. Providence Healthcare Network and Baylor Scott & White Medical Center are two of the largest employers in the metro. Food and beverage manufacturing has a strong presence in Waco. Mars Chocolate, Coca-Cola, Sanderson Farms and Cargill Value Added Meats are located here.



## IN THE NEWS

CAVA WACO, TX

## Central Texas cities thrive in economic development in 2023

ALLY KADLUBAR, DECEMBER 30, 2023 (KWTX)

Some Central Texas cities are reporting success with developments and investments in 2023 despite economic barriers.

The Greater Waco Chamber of Commerce reports that more than **1,800 businesses** or industries opened their doors in McLennan County in 2023, according to Kristina Collins who is the Senior Vice President of Economic Development with the chamber.

She said most of the **growth** are restaurant, hospitality or retail industries. The chamber reports economic success over the year with more than **\$1.2 billion** in new capital investment announced in the area.

Collins stated 2023 has been **“the most successful year of economic investment to date.”**

The chamber credits multiple projects for helping with its success including the Waco Regional Airport upgrade completion, the Foster Pavilion almost complete, the Mark and Paula Hurd Welcome Center opening and construction, housing and transportation continuing to grow.

In terms of jobs, Collins stated that the number of people working has **expanded in 2023** by more than 3%, or **4,700 people**. Helping with growing jobs in the area in the coming years will be the three projects the city announced in **2023**.

The projects that are bringing more than a billion dollars worth of investment and hundreds of jobs to the area include Graphic Packaging International, Allied Steel Buildings and Bright Farms. Despite the **economic** success of the area, Urban Bliss Boutique moved to downtown Waco from Robinson to **grow** but has not seen major impacts.

“It’s definitely been a trying year,” Carmen Robinson, who is the owner of the boutique, said. “I just think it’s in general because it’s not just hurting your small businesses.

EXPLORE ARTICLE



## Grand Opening Ceremony Held for New Magnolia Headquarters

RUNAKO GEE, MARCH 30, 2023 (FOX44NEWS)

900 Franklin Avenue is now home to the Magnolia Headquarters – where the Waco Tribune Herald used to be. Leaders in the Waco community gathered Thursday morning to celebrate the grand opening of the Magnolia Headquarters. It was under construction since last year.

Speakers like President of the Waco Chamber of Commerce Matt Meadors – and of course, Chip and Joanna Gaines – took turns **thanking everyone** involved with the journey of building this new site.

“We want to tell the story that brings people **hope and joy** and optimism and excitement about the future,” said Magnolia Owner Chip Gaines. Mayor Dillon Meek shared the **economic impact** the building will have on the City of Waco.

“It’s incredibly meaningful that Magnolia’s Headquarters is in downtown Waco. Number one – it brings a lot of jobs into our community. People with disposable income who can really activate our downtown,” said Mayor Meek.

He continues, “So retail, and restaurants, and small business in Waco, [are] going to benefit by having the large number of employers that work here in this community.”

The building boasts **110,000 square feet** with space for over **230 employees**, an all hands meeting area that accommodates 200, a Magnolia Press Coffee Bar, 20 conference areas, nursing rooms, and open work space environments.

“We just feel like the work that’s happening right now in the City of Waco is going to **impact generations** to come,” said Magnolia Owner Joanna Gaines.

She continues, “And we’re excited to be here now in the Heart of Waco, Texas, to lock arms and partner with you all, to get there **quicker**. We’re settling in. It just feels right. It feels like we’re finally home.”

EXPLORE ARTICLE





# METRO AREA

CAVA WACO, TX

## CAVA SUBJECT PROPERTY 812 SOUTH 6TH ST.

**StDavid's MEDICAL CENTER**

- 426 Beds
- Ranked No. 1 Large Community Hospital in the nation by Fortune/Merative 100 Top Hospitals

**DARRELL K ROYAL TEXAS MEMORIAL STADIUM**

- 100,119 Seating Capacity
- It is 7th largest stadium in the U.S., and the 9th largest stadium in the world

**TEXAS**  
The University of Texas at Austin

- 52,384 Students
- Ranked #32 in National Universities

**Ascension Seton**

- 391 Beds
- America's 100 Best Hospitals for Stroke Care Award™, Cranial Neurosurgery Excellence Award™

**H-E-B**

- 145,000 Employees
- Ranked number 6 on Forbes's 2022 list of "America's Largest Private Companies"

**SXSW** SXSW CONFERENCE & FESTIVAL

- SXSW Music is the largest music festival in the world
- 152,000 Attendees Annually

**WHOLE FOODS MARKET HEADQUARTERS**

- A USDA Certified Organic grocer in the U.S.
- 500 stores in North America and seven in the United Kingdom

**CIRCUIT OF THE AMERICAS**

- 3,426-Mile Motor Racing Track with 120,000 Capacity
- First in the U.S. to be purpose-built for Formula One

**AUSTIN BOLD STADIUM**

- 5,000 Seating Capacity
- Sponsored by Puma (Kit Manufacturer) in 2021

**AUSTIN-BERGSTRM INTERNATIONAL AIRPORT**

- 572 Flights/Day
- 21 Million Annual Passengers

**TSU**  
TEXAS SOUTHERN UNIVERSITY

- 8,632 Students
- Ranked #395-435 in National Universities

**TMC** | TEXAS MEDICAL CENTER

- Texas Medical Center offered over 9,200 total patient beds
- Hosts 10 million patient encounters annually

**RICE UNIVERSITY**

- 8,672 Students
- Ranked #17 in National Universities

**HERMANN PARK CONSERVANCY**

- Over 6 Million Visitors Annually
- It includes Houston Zoo, Miller Outdoor Theatre, the Houston Museum of Natural Science, and the Hermann Park Golf Course

**WACO REGIONAL AIRPORT**

- 236 Flights/Day
- Covers an Area of 1,369 Acres

**Baylor University**

- 20,709 Students
- Ranked #93 in National Universities

**DRAUGHON-MILLER CENTRAL TEXAS REGIONAL AIRPORT**

- 113 Flights/Day

**GOVOTVA CENTER**

- 18,055 Seating Capacity
- Home to the Houston Rockets of the National Basketball Association

**MINUTE MAID PARK STADIUM**

- 41,168 Seating Capacity
- Home to Houston Astros (MLB)

**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

**REED ARENA**

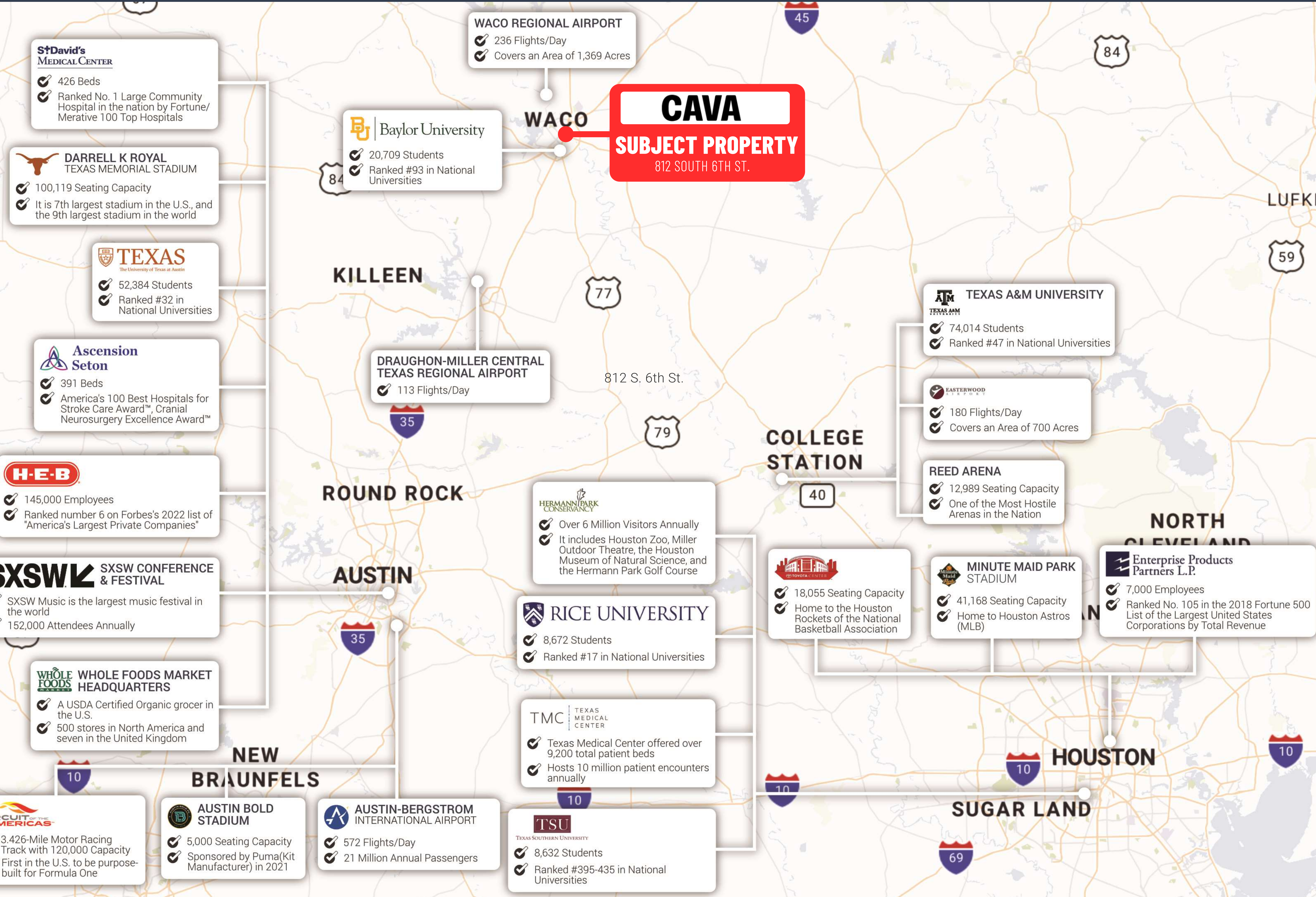
- 12,989 Seating Capacity
- One of the Most Hostile Arenas in the Nation

**EASTERWOOD AIRPORT**

- 180 Flights/Day
- Covers an Area of 700 Acres

**ATM TEXAS A&M UNIVERSITY**

- 74,014 Students
- Ranked #47 in National Universities





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

### Edward Benton

Executive Vice President  
(713) 263-3981

[ebenton@securenetlease.com](mailto:ebenton@securenetlease.com)

### Bob Moorhead

Managing Partner  
(214) 522-7210

[bob@securenetlease.com](mailto:bob@securenetlease.com)



# TEXAS DISCLAIMER

CAVA WACO, 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.