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# EXECUTIVE SUMMARY

MCDONALD'S GROUND LEASE ▸ KATY | TEXAS





# EXECUTIVE SUMMARY



**Property:** McDonald's GL

**Address:** 405 S. Fry Rd  
Katy, TX 77450

**Purchase Price:** \$3,252,117

**NOI:** \$138,215

**Cap Rate:** 4.25%

**Lease Term:** 14.5 Years Remaining

**Lease Start:** January 1, 2020

**Lease Expiration:** December 31, 2040

■ Absolute NNN Ground Lease with 14.5 Years Remaining – Stable Cash Flow Asset – Zero Landlord Responsibilities – Eighteen (5-Year) Options to Renew

■ Successful Operating History of Over 30 Years at This Site and Recent, Early Lease Extension and Store Remodel Prove the Tenant's Long-Term Commitment to the Location

■ Corporately Guaranteed Lease by McDonald's – a Best in Class, Leading Fast-Food Tenant Founded in 1940 That Operates More Than 45,300 Locations Worldwide & Generated More Than \$26.9 Billion in Total Revenue in 2025

■ 5% Rent Increases Every 5 Years Throughout the Initial Term and Option Periods Provide a Hedge Against Inflation and Increase the Return Over the Hold Period

■ Situated on a Sizeable 0.93-Acre Parcel Containing 50 Parking Spaces & a Drive-Thru, Providing McDonald's with the Ability to Effectively Handle High Restaurant Volume

■ Strategically Positioned as a Pad to Green Tree Shopping Center, a 503,000 Square Foot Shopping Center Anchored by Randalls (Albertsons/Safeway), Target and Lowe's with More Than 4.1 Million Visits Over the Last Calendar Year – Massive Numbers of Daily-Needs Consumers Visiting the Trade Area

■ High Traffic Location with More Than 23,000 Vehicles Per Day on Fry Rd and 276,959 Vehicles Per Day on Interstate-10

■ Densely Populated, Infill Location with Excellent Demographics – Over 267,000 People within a 5-Mile Radius with Average Household Income Exceeding \$133,000

■ Located in the Affluent and Rapidly Growing Houston Suburb of Katy, Experiencing Booming Population Growth at Over 4.7% Annually – Positioned in Harris, Waller and Fort Bend Counties – Waller County is the Fastest-Growing County in Texas and the Second-Fastest-Growing County in the United States with a 28.5% Population Increase Since the 2020 Census – Fort Bend Population has Increased 20.3% in the Same Period

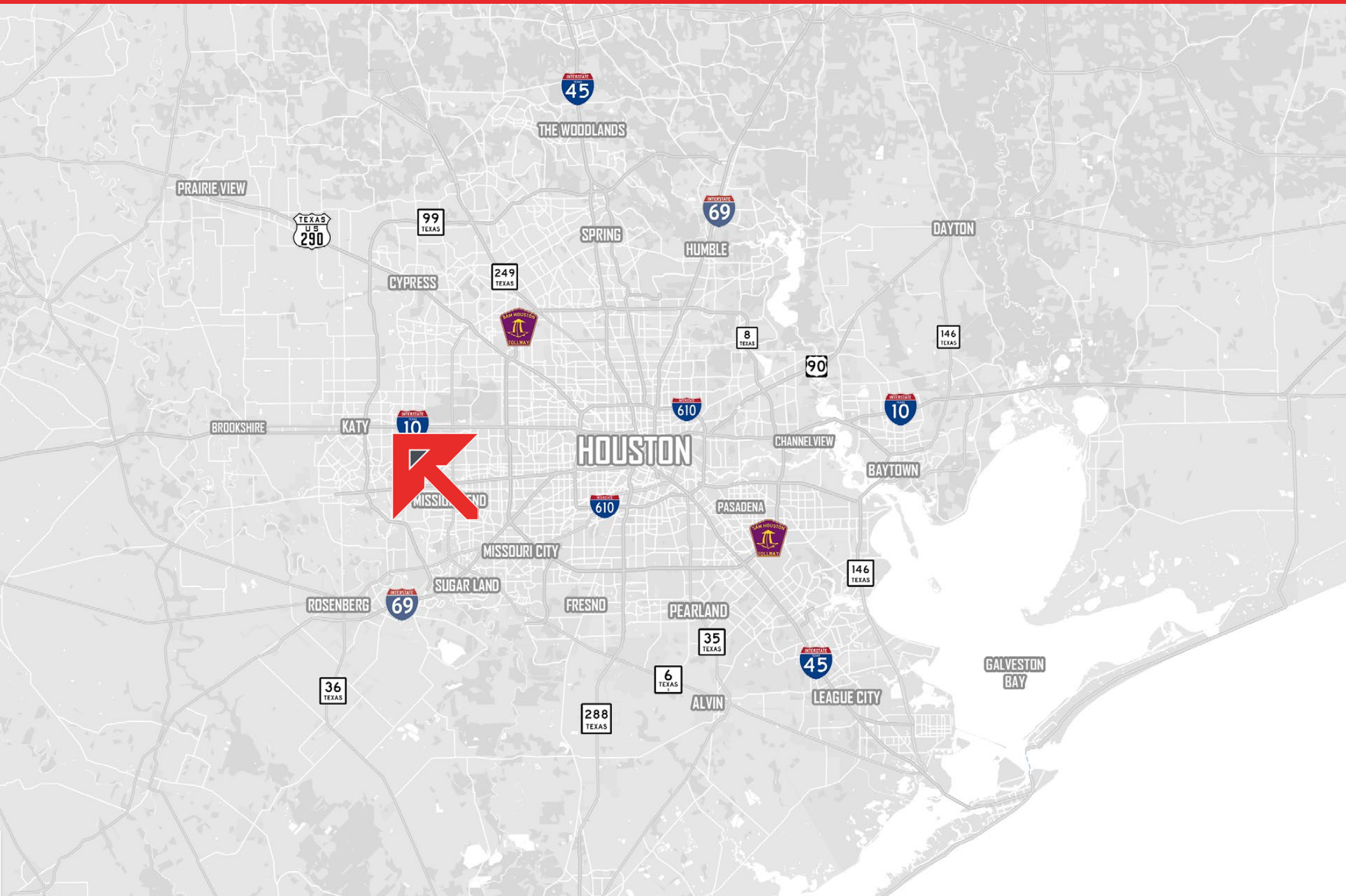
■ Adjacent to the 145-Bed Methodist Houston Continuing Care Hospital with Over \$396 Million in Total Patient Revenue in 2025 and a Staff of More Than 1,200 Healthcare Professionals

■ Tremendous Multi-Family Density with More Than 24,000 Apartment Units Located within a 5-Mile Radius of the Property

■ Texas is an Income Tax Free State with a Strong Economy, Providing an Ideal Location for a 1031 Exchange Asset



# LOCATION MAP





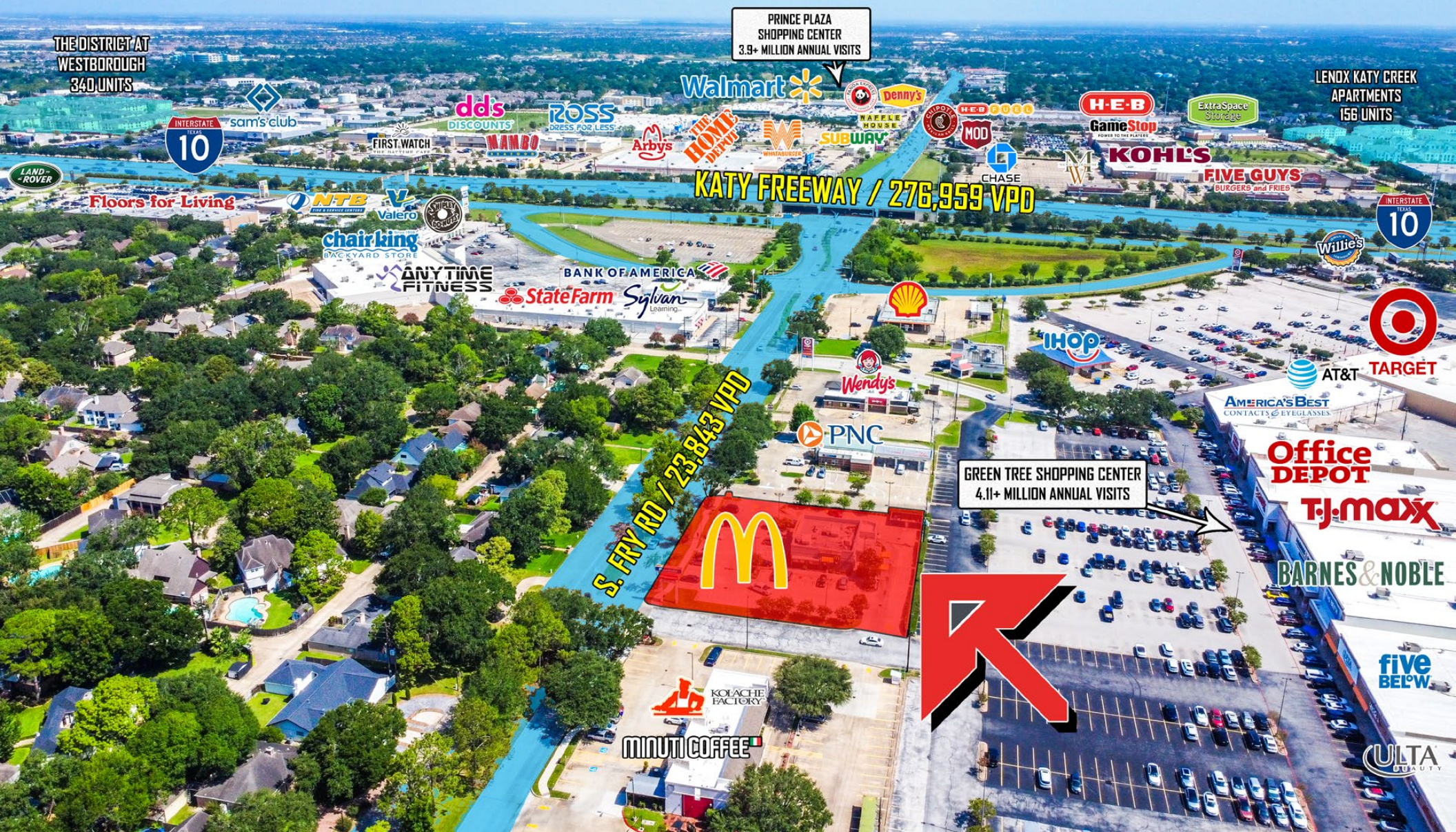


# AERIAL PHOTO





# AERIAL PHOTO





# PROPERTY DESCRIPTION

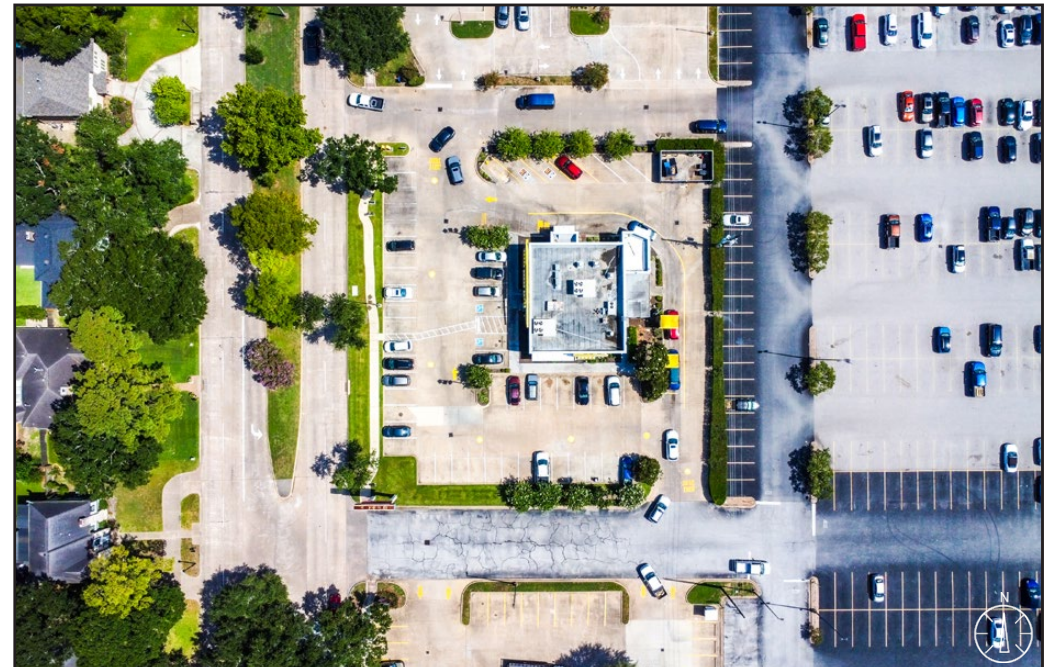
MCDONALD'S GROUND LEASE ▶ KATY | TEXAS





# PROPERTY DESCRIPTION

|                       |                                   |             |
|-----------------------|-----------------------------------|-------------|
| Address:              | 405 S. Fry Rd<br>Katy, TX 77450   |             |
| County:               | Harris County                     |             |
| Parcel ID:            | 1184440010006                     |             |
| Land Size:            | Approximately 0.93 Acres          |             |
| Access:               | Via S. Fry Rd & Brittania Drive   |             |
| Signage:              | Monument & Building Signage       |             |
| Year of Construction: | 1995 / 2020                       |             |
| Building Size:        | Approximately 3,119 Square Feet   |             |
| Parking:              | 50 Parking Spaces On Site         |             |
| Drive-Thru:           | Yes; 1 Lane (10-Car Stack)        |             |
| Drive Areas:          | Concrete Pavement, Concrete Curbs |             |
| Zoning:               | Commercial-F1                     |             |
| Traffic Counts:       | S. Fry Road:                      | 23,843 VPD  |
|                       | Katy Fwy (I-10):                  | 276,959 VPD |
|                       | Brittania Dr:                     | 3,552 VPD   |





# LEASE SUMMARY

|                                   |                                                    |                                    |               |
|-----------------------------------|----------------------------------------------------|------------------------------------|---------------|
| <b>Tenant Name:</b>               | McDonald's USA, LLC                                |                                    |               |
| <b>Property Location:</b>         | 405 S. Fry Road<br>Katy, TX 77450                  |                                    |               |
| <b>Lease Start:</b>               | January 1, 2020                                    |                                    |               |
| <b>Lease Expiration:</b>          | December 31, 2040                                  |                                    |               |
| <b>Lease Type:</b>                | Absolute NNN Ground Lease                          |                                    |               |
| <b>Landlord Responsibilities:</b> | None                                               |                                    |               |
| <b>Base Lease Term:</b>           | 14.5 Years Remaining                               |                                    |               |
| <b>Renewal Options:</b>           | Eighteen (18) Additional (5-Year) Options to Renew |                                    |               |
| <b>Rental Increases:</b>          | 5% Bumps Every 5 Years                             |                                    |               |
| <b>Annual Base Rent:</b>          | Years 1-5:                                         | \$131,633.16                       |               |
|                                   | <b>Years 6-10:</b>                                 | <b>\$138,214.80 (Current Rent)</b> |               |
|                                   | Years 11-15:                                       | \$145,125.60                       | (5% Increase) |
|                                   | Years 16-20:                                       | \$152,381.88                       | (5% Increase) |
| <b>Annual Option Rent:</b>        | Option 1:                                          | \$160,000.92                       | (5% Increase) |
|                                   | Option 2:                                          | \$168,096.96                       | (5% Increase) |
|                                   | Option 3:                                          | \$176,401.08                       | (5% Increase) |
|                                   | Option 4:                                          | \$185,221.08                       | (5% Increase) |
|                                   | Option 5:                                          | \$194,482.08                       | (5% Increase) |
|                                   | Option 6:                                          | \$204,206.28                       | (5% Increase) |
|                                   | Option 7:                                          | \$214,416.60                       | (5% Increase) |
|                                   | Option 8:                                          | \$225,137.40                       | (5% Increase) |
|                                   | Option 9:                                          | \$236,394.24                       | (5% Increase) |
|                                   | Option 10:                                         | \$248,214.00                       | (5% Increase) |
|                                   | Option 11:                                         | \$260,624.64                       | (5% Increase) |
|                                   | Option 12:                                         | \$273,655.92                       | (5% Increase) |
|                                   | Option 13:                                         | \$287,338.68                       | (5% Increase) |
|                                   | Option 14:                                         | \$301,705.56                       | (5% Increase) |
|                                   | Option 15:                                         | \$316,790.88                       | (5% Increase) |
|                                   | Option 16:                                         | \$332,630.40                       | (5% Increase) |
|                                   | Option 17:                                         | \$349,261.92                       | (5% Increase) |
|                                   | Option 18:                                         | \$366,725.04                       | (5% Increase) |





# PROPERTY PHOTOS





## \$4.09+ MILLION AVG. SALES PER LOCATION

MORE THAN **TWICE** THE AVERAGE OF THEIR NEXT CLOSEST COMPETITOR, BURGER KING, WHO AVG. IS ABOUT \$1.63 MILLION PER LOCATION



**45,356+**  
**LOCATIONS**

OPERATING IN OVER 119  
MARKETS WORLDWIDE



FOUNDED: **1940**  
HEADQUARTERS  
in **CHICAGO, IL**



- **1ST** RANKED U.S. CHAIN RESTAURANT IN 2025 🏆
- **\$26.9+ BILLION** TOTAL REVENUE in 2025 [GLOBAL FY2025]
- **\$193.23 BILLION** MARKET CAP [as of JULY 2026]



- OVER **70,000 MILLION** PEOPLE FED WORLDWIDE DAILY



- LOYALTY APP: **150M+** ACTIVE MEMBERS, **\$20B+** DIGITAL SALES



- TARGETING **50,000** STORES WORLDWIDE BY EOY 2027



## INDUSTRY TRENDSETTER

MCDONALD'S IS THE WORLD'S LEADING GLOBAL FOOD SERVICE RETAILER WITH OVER 45,356 LOCATIONS IN OVER 100 COUNTRIES. APPROXIMATELY 95% OF THE RESTAURANTS WORLDWIDE ARE OWNED & OPERATED BY INDEPENDENT LOCAL BUSINESS OWNERS.



FORTUNE RANK  
**[131]**

STOCK SYMBOL  
**(MCD)**

TOTAL EMPLOYEES  
**[2+ MILLION]**



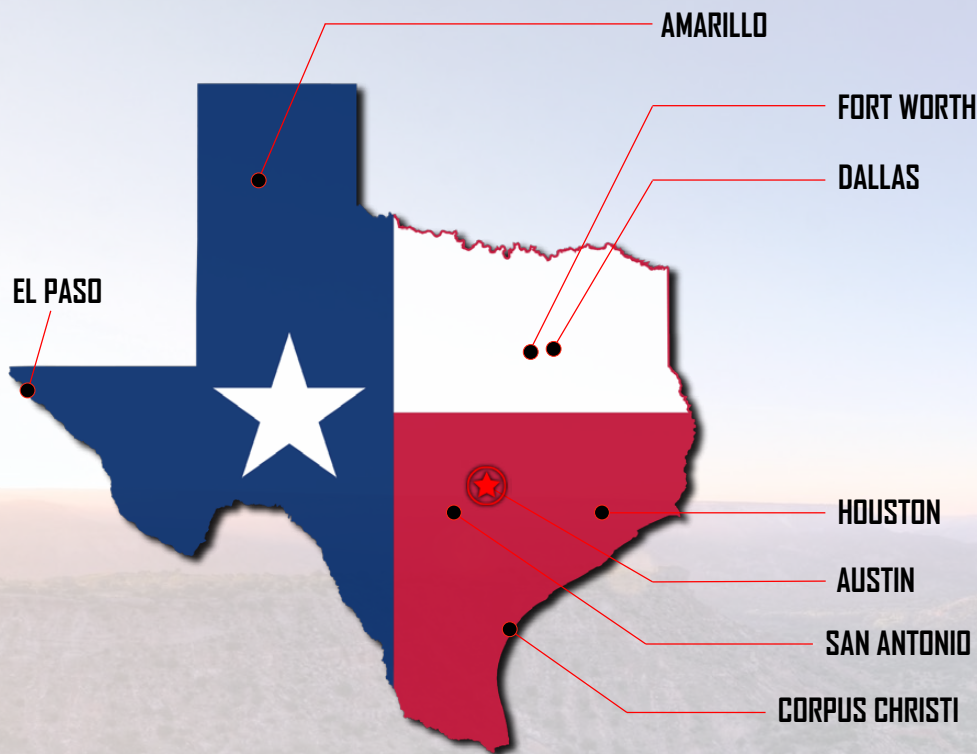
# MARKET OVERVIEW

MCDONALD'S GROUND LEASE ▶ KATY | TEXAS





# TEXAS MARKET OVERVIEW



POPULATION  
**30,976,754+**



**Fastest growing**  
strongest & most  
resilient economy in  
the United States

**2nd**

LARGEST CIVILIAN  
LABOR WORKFORCE IN THE U.S.  
**15.18+ MILLION WORKERS**



TOP STATE FOR  
JOB GROWTH

**270,000+ JOBS CREATED** in the LAST YEAR



**OVER 25,000 COMPANIES**  
HAVE LOCATED OR EXPANDED  
FACILITIES IN TEXAS SINCE 2009



**ACCOUNTS FOR 10% OF MANUFACTURING**  
IN THE UNITED STATES EVERY YEAR  
**LARGEST PRODUCER OF WIND POWER**  
IN AMERICA, CREATING 3x MORE THAN  
THE NEXT CLOSEST STATE

**55**

FORTUNE 500  
COMPANIES  
IN TEXAS

**FORTUNE  
500**



BY ITSELF, TEXAS WOULD BE THE  
**10TH LARGEST ECONOMY**  
IN THE ENTIRE WORLD  
& IS THE 2ND LARGEST IN THE U.S.



**NO STATE INCOME TAX**  
MAKING IT AN IDEAL LOCATION  
FOR A 1031 EXCHANGE ASSET



**1ST RANKED**  
**"BEST STATE FOR BUSINESS"**  
BY FORBES MAGAZINE



# HOUSTON MARKET OVERVIEW

**4th LARGEST CITY**  
IN THE UNITED STATES  
**METRO POPULATION: 7,796,182+**

**1st LARGEST CITY**  
IN THE STATE OF TEXAS  
**CITY POPULATION: 2,390,125+**



**26.90% POPULATION GROWTH**  
BEWTEEN THE 2010 CENSUS & 2024  
(INCLUDES THE ENTIRE METRO AREA)



**3,835,585+ CIVILIAN LABOR FORCE**

**+11.74% GROWTH SINCE JANUARY 2020** [3,432,482]  
AMONG THE 10 MOST POPULOUS METRO AREAS, GREATER HOUSTON RANKED  
1ST IN EMPLOYMENT GROWTH RATE & 2ND IN NOMINAL EMPLOYMENT GROWTH

**54+ MILLION**  
VISITORS COME TO THE  
REGION ANNUALLY  
GENERATING AN EST.  
ECONOMIC IMPACT OF  
OVER \$27 BILLION



**2 COMMERICAL AIRPORTS**



**4 INTERSTATE HIGHWAYS**

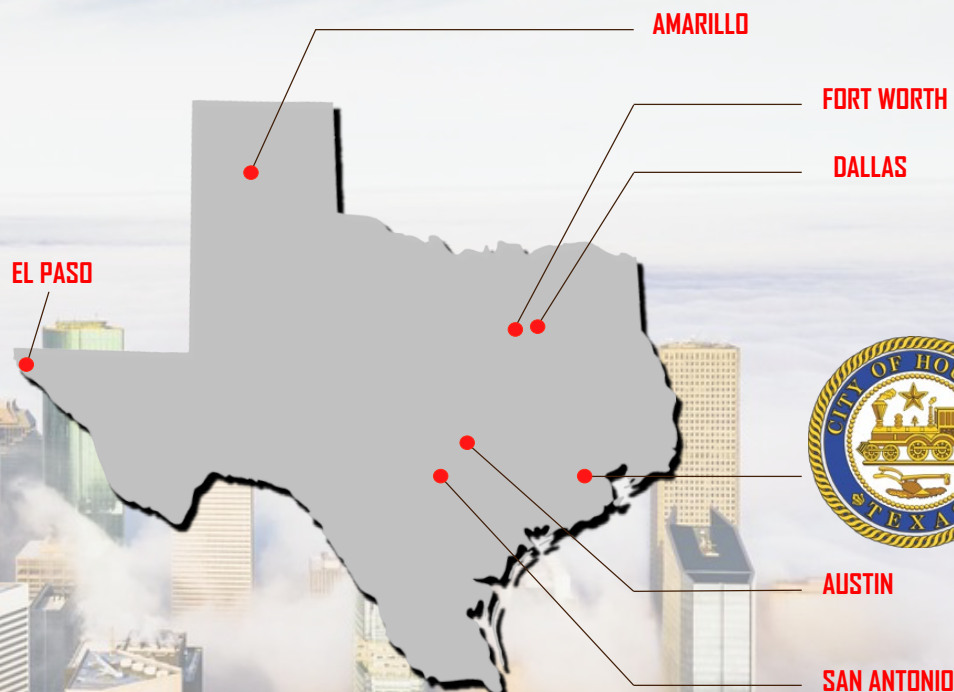


**7 RAILWAY PORTS**

**27 FORTUNE  
500 COMPANIES**  
BASED IN THE HOUSTON MSA

**2ND LARGEST CONCENTRATION OF FORTUNE 1000  
COMPANIES IN THE COUNTRY (57) BEHIND ONLY  
NEW YORK & TIED WITH CHICAGO**

- HOME TO THE **WORLD'S LARGEST MEDICAL CENTER** TEXAS MEDICAL CENTER
- PORT HOUSTON IS THE NATION'S **LARGEST PORT** IN FOREIGN TONNAGE HANDLING OVER 247 MILLION TONS OF CARGO ANNUALLY
- HOME TO **4 PROFESSIONAL SPORTS FRANCHISES:**





**405 S Fry Rd  
Katy, TX 77450**

**1 mi  
radius**

**3 mi  
radius**

**5 mi  
radius**

## Population

|                                       |        |         |         |
|---------------------------------------|--------|---------|---------|
| 2026 Estimated Population             | 13,901 | 110,822 | 267,328 |
| 2031 Projected Population             | 14,680 | 110,466 | 282,616 |
| 2020 Census Population                | 12,127 | 114,737 | 258,486 |
| 2010 Census Population                | 11,043 | 97,593  | 195,966 |
| Projected Annual Growth 2026 to 2031  | 1.1%   | -       | 1.1%    |
| Historical Annual Growth 2010 to 2026 | 1.6%   | 0.8%    | 2.3%    |
| 2026 Median Age                       | 36.9   | 35.7    | 35.5    |

## Households

|                                       |       |        |        |
|---------------------------------------|-------|--------|--------|
| 2026 Estimated Households             | 5,370 | 40,317 | 93,372 |
| 2031 Projected Households             | 5,795 | 40,791 | 99,312 |
| 2020 Census Households                | 4,282 | 39,630 | 86,594 |
| 2010 Census Households                | 4,056 | 33,012 | 64,897 |
| Projected Annual Growth 2026 to 2031  | 1.6%  | 0.2%   | 1.3%   |
| Historical Annual Growth 2010 to 2026 | 2.0%  | 1.4%   | 2.7%   |

## Race and Ethnicity

|                                                  |       |       |       |
|--------------------------------------------------|-------|-------|-------|
| 2026 Estimated White                             | 47.8% | 41.9% | 39.6% |
| 2026 Estimated Black or African American         | 13.9% | 15.8% | 17.4% |
| 2026 Estimated Asian or Pacific Islander         | 10.3% | 10.9% | 12.0% |
| 2026 Estimated American Indian or Native Alaskan | 1.1%  | 0.9%  | 0.8%  |
| 2026 Estimated Other Races                       | 26.9% | 30.5% | 30.2% |
| 2026 Estimated Hispanic                          | 35.3% | 38.3% | 37.3% |

## Income

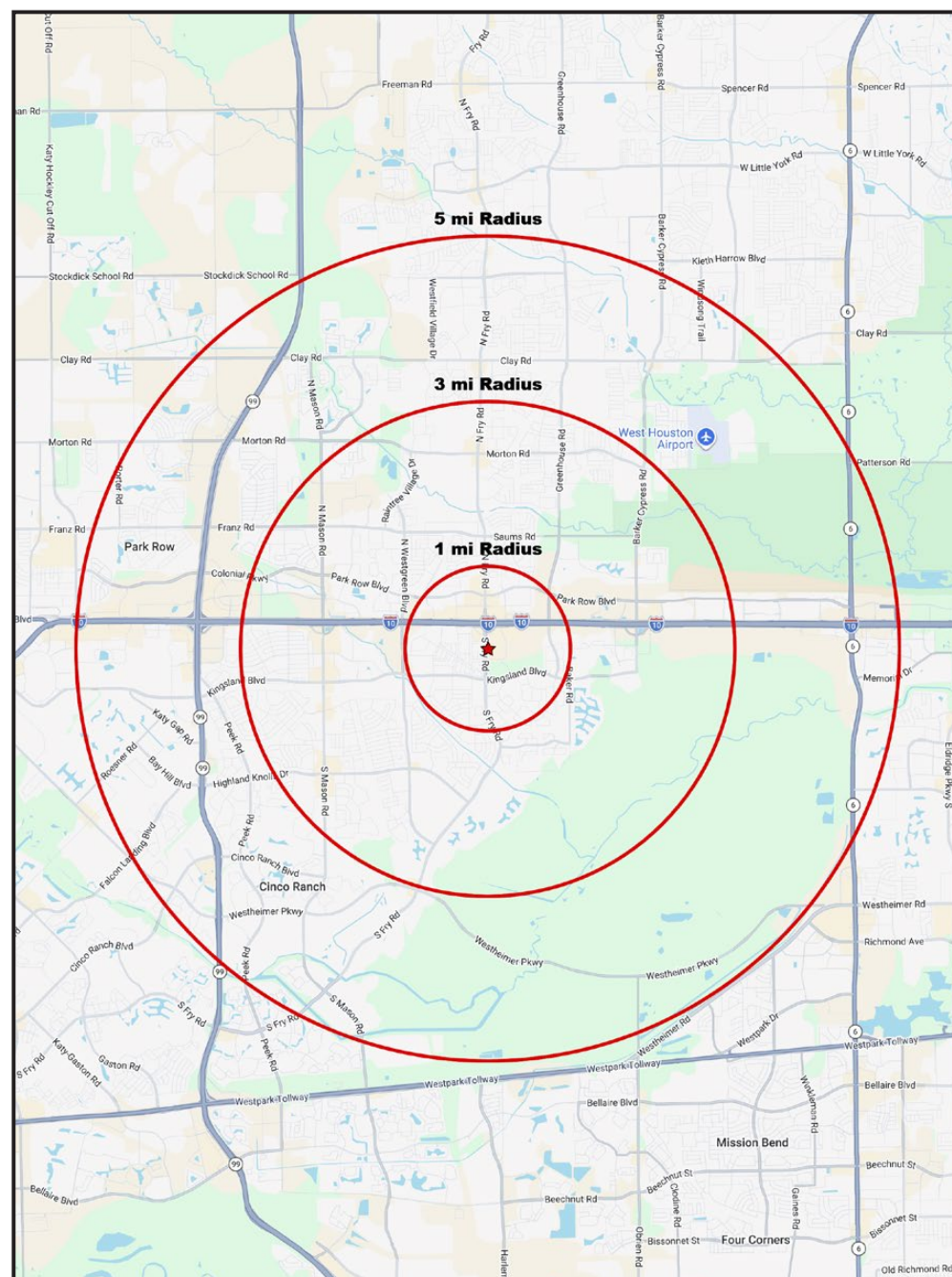
|                                         |           |           |           |
|-----------------------------------------|-----------|-----------|-----------|
| 2026 Estimated Average Household Income | \$150,796 | \$126,346 | \$133,278 |
| 2026 Estimated Median Household Income  | \$108,121 | \$97,920  | \$105,663 |
| 2026 Estimated Per Capita Income        | \$58,258  | \$45,998  | \$46,596  |

## Education (Age 25+)

|                                                       |       |       |       |
|-------------------------------------------------------|-------|-------|-------|
| 2026 Estimated Elementary (Grade Level 0 to 8)        | 2.6%  | 4.8%  | 4.7%  |
| 2026 Estimated Some High School (Grade Level 9 to 11) | 2.4%  | 4.2%  | 4.4%  |
| 2026 Estimated High School Graduate                   | 19.2% | 20.9% | 19.9% |
| 2026 Estimated Some College                           | 23.2% | 21.8% | 18.5% |
| 2026 Estimated Associates Degree Only                 | 5.9%  | 7.8%  | 7.9%  |
| 2026 Estimated Bachelors Degree Only                  | 29.6% | 26.8% | 29.0% |
| 2026 Estimated Graduate Degree                        | 17.2% | 13.6% | 15.6% |

## Business

|                                                    |       |        |        |
|----------------------------------------------------|-------|--------|--------|
| 2026 Estimated Total Businesses                    | 887   | 5,299  | 10,546 |
| 2026 Estimated Total Employees                     | 7,142 | 39,808 | 76,299 |
| 2026 Estimated Employee Population per Business    | 8.0   | 7.5    | 7.2    |
| 2026 Estimated Residential Population per Business | 15.7  | 20.9   | 25.3   |





## 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.*

2-10-2025



### 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. **An owner's agent fees are not set by law and are fully negotiable.**

**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. **A buyer/tenant's agent fees are not set by law and are fully negotiable.**

**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.

|                                                                    |             |       |       |
|--------------------------------------------------------------------|-------------|-------|-------|
| Licensed Broker /Broker Firm Name or Primary Assumed Business Name | License No. | Email | Phone |
| Designated Broker of Firm                                          | License No. | Email | Phone |
| Licensed Supervisor of Sales Agent/ Associate                      | License No. | Email | Phone |
| Sales Agent/Associate's Name                                       | License No. | Email | Phone |

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)

IABS 1-1

# DISCLAIMER

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is furnished solely for the purpose of considering the purchase of the McDonald's Ground Lease located at the 405 S. Fry Road (the "Property") and is not to be used for any other purposes. This information should not, under any circumstances, be made available or disclosed to any third party without the express written consent of Real Capital Investments or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property. Real Capital Investments nor the Owner make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Memorandum may include certain statements and estimates by Real Capital Investments with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Real Capital Investments and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Offering Memorandum, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase and Sale Agreement between it and Owner. The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or Real Capital Investments, nor any of their officers, employees, representatives, independent contractors, or affiliates, for the accuracy or completeness thereof. Recipients of this Offering Memorandum are advised and encouraged to conduct their own comprehensive review and analysis of the Property. This Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase and Sale Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release Owner and Real Capital Investments from any liability with respect hereto.

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