

# SALEM MEDIA GROUP



OFFICE SALE LEASEBACK | DALLAS, TX | \$13,200,000 | 15 YEAR TERM | 7.5% CAP | NNN



**KWEKEL**  
COMPANIES

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# SALEM MEDIA GROUP

## EXECUTIVE SUMMARY

Kwekel Companies is pleased to offer the sale leaseback of the Salem Media Group's broadcast office totaling 41,172 square feet near Dallas. Salem Media Group will execute a new 15 year absolute NNN lease at closing.

Price: \$13,200,000 | Cap Rate: 7.5%

**FAMILY-FAITH-NEWS-CULTURE** | Salem Media Group is America's leading radio broadcaster, Internet content provider, and magazine and book publisher targeting audiences interested in Christian and family-themed content and conservative values.



**15 YEAR TERM** | NOI \$990,186  
**2.0% ANNUAL RENT INCREASES**  
**RENT AT MARKET** | \$24.05



**THE SALEM AUDIENCE** | In addition to its radio properties, Salem owns Salem Radio Network, Salem Radio Representatives, Salem Web Network, and Salem Publishing.



**CHANGING LIVES. IMPACTING CULTURE.** | Salem owns and operates 112 radio stations, with 67 stations in the nation's top 25 markets - and 30 in the top 10. Each of their radio properties has a full portfolio of broadcast and digital marketing opportunities.



**BEST AND BRIGHTEST** | Salem Media Group has recieved national recognition on numerous occasions for being one of the Best And Brightest Companies To Work For® in the United States, as well as one of the Best And Brightest In Wellness.



**STRATEGIC LOCATION** | The facility has quick access to several major highways, along heavily travelled corridors and within a very densely populated area.



# PROPERTY DESCRIPTION

ADDRESS	6400 N BELT LINE ROAD	CONSTRUCTION	STEEL FRAME   MASONRY GLASS VENEER
CITY, STATE	IRVING, TX 75063	ROOF	FLAT   BUILT-UP ROOF SYSTEM
TOTAL SF	41,172	ZONING	ML-20   LIGHT INDUSTRIAL DISTRICT
FLOORS	2	FLOOD ZONE	CX
ACRES	2.51	IMPROVEMENTS	NUMEROUS RECORDING STUDIOS, OFFICES, WAITING AREA, MAIL/COPY ROOM, CONFERENCE ROOMS, ENGINEERING SHOP, FILE/STORAGE ROOMS, RESTROOMS ETC.
YEAR BUILT	2000		
PPN	32416250010020000		





IRVING, TX | EXTERIOR PHOTOS









# PARCEL BOUNDARY | IRVING, TX



# LOCAL AERIAL | IRVING, TX



**DFW**  
DALLAS  
FORT WORTH  
INTERNATIONAL  
AIRPORT

FedEx

amazon

SAMSUNG

sam's club

TARGET

WHOLE  
FOODS  
MARKET

Chick-fil-A

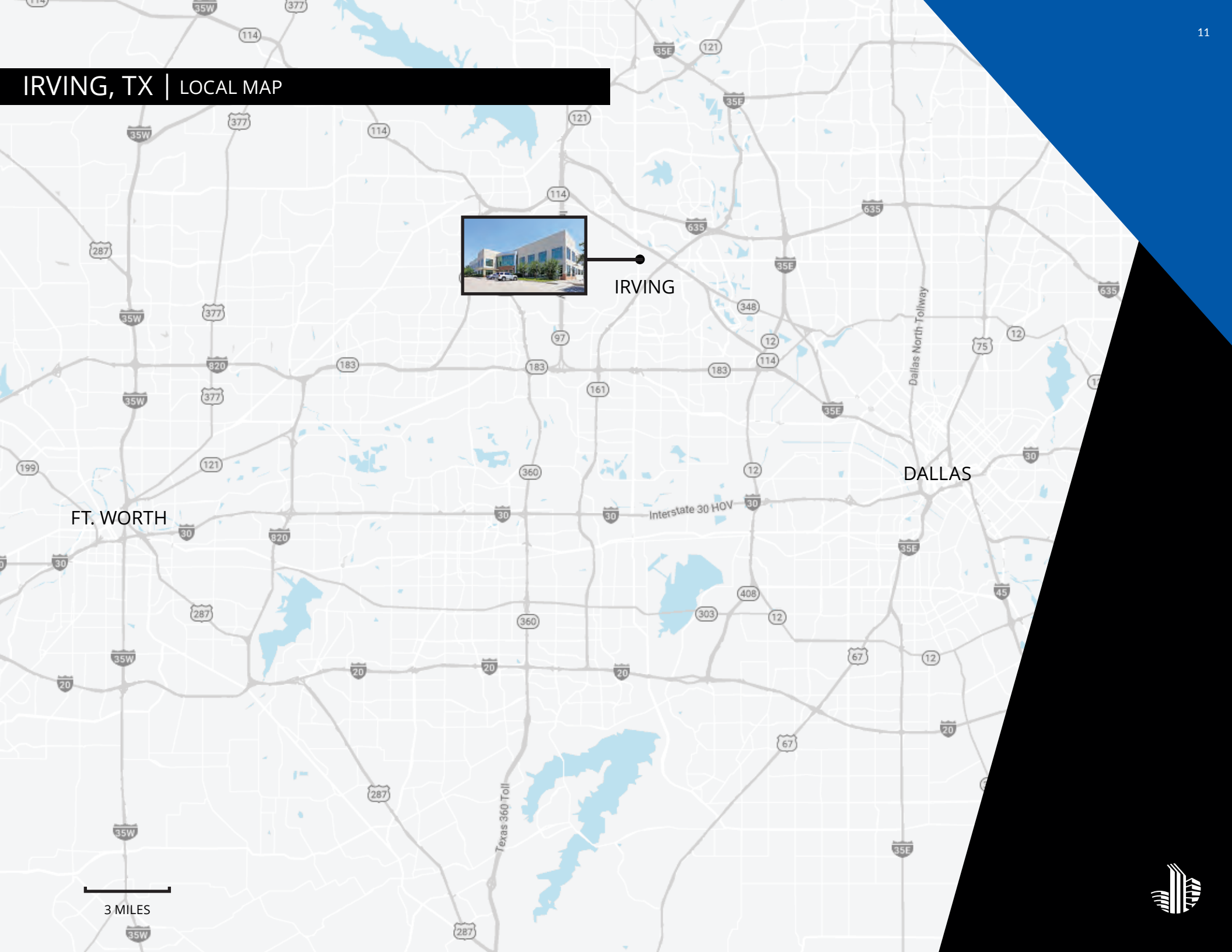
verizon

DALLAS  
COLLEGE

IRVING



# IRVING, TX | LOCAL MAP



IRVING

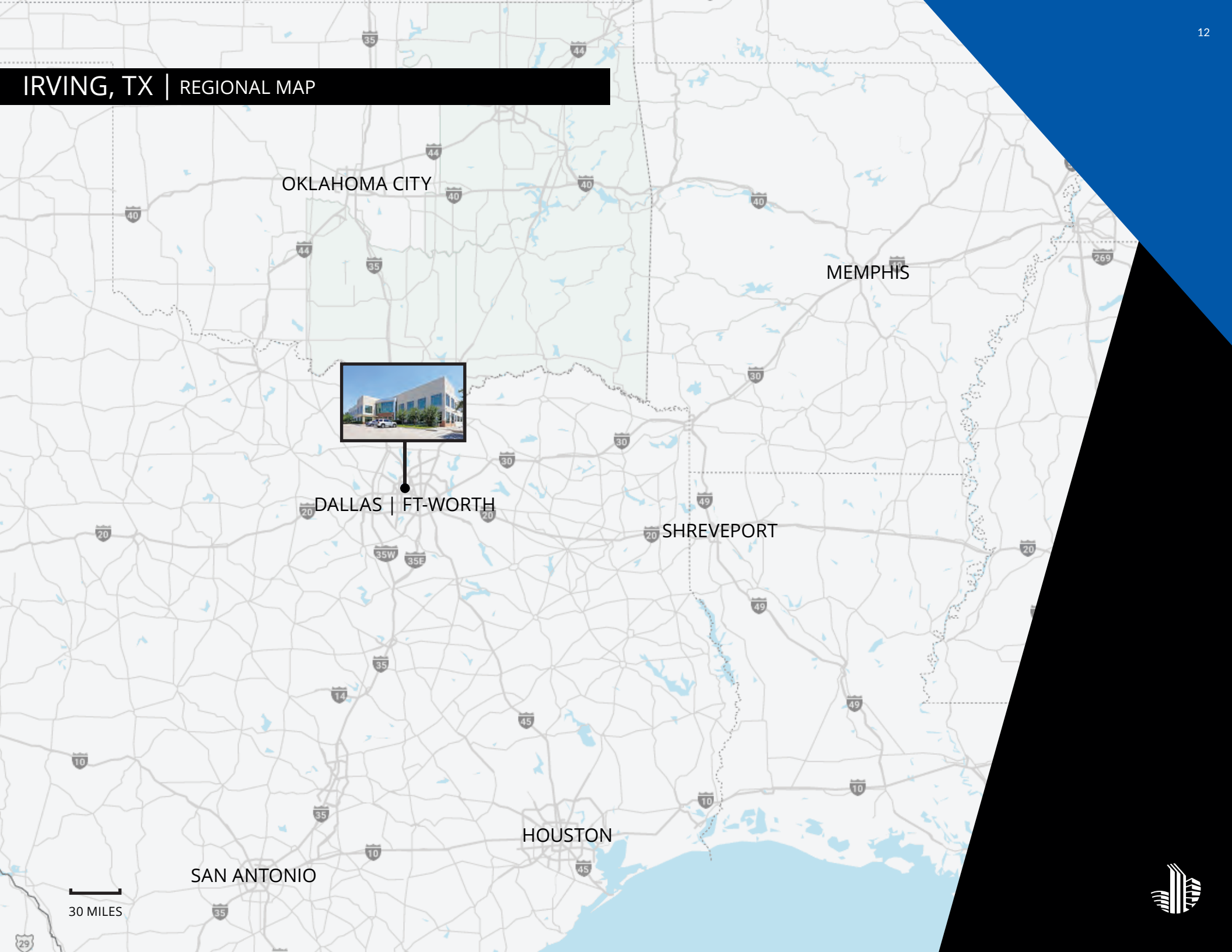
FT. WORTH

DALLAS

3 MILES



# IRVING, TX | REGIONAL MAP



Dallas-Fort Worth's office market faces continued challenges including anemic demand and elevated availability. There are 89 million SF available for lease, a record level that's expanded 30% over the past three years. Vacancies are holding at a 20-year high of 18%, expanding 330 basis points since the end of 2019. That's compared to the U.S. vacancy rate expansion of 390 basis points, and Austin, where vacancies have expanded 830 basis points.

While the vacancy rate ranks among the highest in the country, the Metroplex has historically carried a structurally higher vacancy rate compared to the U.S. norm, a trend coming out of the boom-and-bust of the mid-1980s. CoStar's House View calls for vacancy rates to rise further with more tenants expected to consolidate space as lease terms expire over the next few years. The outlook reflects vacancies shifting higher close to 20%, similar to those coming out of the dot-com bubble.

Tepid demand comes as firms continue to evaluate their need for space with a spectrum of workforce arrangements. Texas office markets have led the country for return-to-office efforts based on Kastle's occupancy barometer, and office attendance in Dallas-Fort Worth has risen to 54%; but that movement has been sluggish over the past year. Leasing activity has been characterized by smaller leases, with the average lease size declining 17% since 2019. The trend reflects tenants' apprehension in committing to larger spaces as firms continue to evaluate their per-employee space needs as leases roll over.

Demand is contingent on several factors including age, location, and configuration. Market leaders confirm high-quality, well-placed buildings with proximity to neighborhood amenities continue to garner attention from tenants. Newer buildings feature welcoming shared spaces with natural lighting and green spaces. Buildings delivered since 2015 carry a vacancy rate of 9%, roughly half the market-wide average. Meanwhile, aging, homogenized assets have become less competitive over time. About 75% of vacant space is from buildings delivered in the 1990s and earlier.

Office sales have stalled amid rising interest rates and headwinds facing the office market sow caution among buyers. Year-to-date estimated sales volume are \$1.9 billion, ranking as the slowest year since 2011. Few large assets have traded in 2023 and those that have are part broader redevelopment plans, including The Comerica Tower in downtown Dallas.

The Office Center/West LBJ Submarket constitutes the northern portion of Las Colinas and is a few minutes east of the DFW International Airport. Due to its proximity to the airport and highway access, this submarket has remained a popular destination for major corporations. The tenant mix primarily includes retailers, telecommunications companies, and financial services firms. The submarket is the Metroplex's Corner office, with 53 Fortune 500 corporations and global headquarters for seven Fortune 500 companies. In addition, the submarket is home to regional hubs and headquarters for Verizon, McKesson, and Fluor.

Vacancies in the Office Center/West LBJ Submarket have remained steady at 21.6%, above the market average of 17.8%. The competition from the nearby Cypress Waters mixed-use development in the neighboring DFW Freeport/Coppell Submarket impacts the submarket. Over the past few years, the area has landed several major corporations, some originally located in Office Center/West LBJ. The 1,000-acre development on the southern shore of North Lake will include over 4 million SF of office space, apartments, retail, trails, and a lakeside town center, making it an attractive option for firms in the area.

Rent growth over the last decade has generally followed the strength or weakness of absorption in this submarket. Despite recent weak net absorption, rent growth has roughly matched the Dallas-Fort Worth average over recent quarters. Rent growth has performed similarly to the other Las Colinas Urban Center/Wingren submarkets and DFW Freeport/Coppell. At \$27.00, asking rents in Office Center/West LBJ are slightly below the market average. Since the submarket primarily consists of '80s-era stock, rents are less than \$30/SF plus electric for non-medical office buildings.



# DEMOGRAPHICS | IRVING, TX

## 10-MILE RADIUS

**\$105,204**

AVERAGE HH INCOME

**\$299,607**

MEDIAN HOME VALUE

**864,790**

TOTAL POPULATION

**330,308**

TOTAL HOUSEHOLDS

## POPULATION SUMMARY




	2 MILES	5 MILES	10 MILES
2010 CENSUS	18,287	159,236	786,710
2023 ESTIMATE	25,157	197,938	864,790
2028 PROJECTION	25,650	199,128	869,262
2023-2028 GROWTH	0.40%	0.10%	0.10%

## HOUSEHOLDS

	2 MILES	5 MILES	10 MILES
AVERAGE HH INCOME	\$118,633	\$103,449	\$105,204
MEDIAN HOME VALUE	\$451,286	\$318,744	\$299,607
2023 TOTAL HOUSEHOLDS	10,653	82,736	330,308
2028 TOTAL HH ESTIMATE	10,790	83,097	332,081
2010-2023 HH GROWTH	2.70%	2.00%	1.00%
2023-2028 HH GROWTH	0.30%	0.10%	0.10%

# LEASE COMPARABLES

## IRVING, TX

	ADDRESS	SIGN DATE	SF LEASED/ AVAILABLE	NNN RENT	STATUS	CLASS	YEAR BUILT
	6400 N BELTLINE ROAD IRVING, TX 75063	-	41,172	\$24.05	-	B	2000
	4201 N STATE HIGHWAY 161 IRVING, TX 75038	SEP 2023	27,048	\$30.00	LEASED	B	2007
	1410 E RENNER ROAD RICHARDSON, TX 75082	MAY 2023	17,707	\$28.00	LEASED	B	1999
	5294 BELT LINE ROAD DALLAS, TX 75254	AUG 2022	24,902	\$26.00	LEASED	B	1981 REN. 2020
	5414 FOREST LANE DALLAS, TX 75244	MAR 2023	10,012	\$25.00	LEASED	C	1963
	2360 CAMPBELL CREEK BLVD RICHARDSON, TX 75082	JUN 2023	80,000	\$24.00	LEASED	B	1997
	1450 N REDBUD BOULEVARD MCKINNEY, TX 75069	JAN 2022	12,446	\$24.00	LEASED	B	1991

# SALE COMPARABLES

## IRVING, TX

	ADDRESS	SALE DATE	SIZE	SALE PRICE	PSF	CLASS	YEAR BUILT
	6400 N BELTLINE ROAD IRVING, TX 75063	-	41,172	\$13,200,000	\$320.61	B	2000
	1616 HI LINE DRIVE DALLAS, TX 75207	FEB 2022	20,230	\$9,083,568	\$449.01	B	1954
	14925 KINGSPORT DRIVE FORT WORTH, TX 76155	JAN 2021	79,122	\$32,389,757	\$344.59	B	2001 REN. 2019
	5445 LEGACY DRIVE PLANO, TX 75024	MAY 2022	177,746	\$58,000,000	\$326.31	B	2015
	2345 DEAN WAY SOUTHLAKE, TX 76092	FOR SALE	17,159	\$5,846,300	\$340.71	B	2016
	6200 MAPLE AVENUE DALLAS, TX 75235	FOR SALE	16,750	\$5,500,000	\$328.36	B	1973
	1922 ANSON ROAD DALLAS, TX 75235	FOR SALE	18,280	\$5,750,000	\$314.55	B	1970 REN. 2018



## DISCLAIMER

The information contained in the following Investment Prospectus is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Kwekel Companies, and should not be made available to any other person or entity without the written consent of Kwekel Companies. This offering memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property(s). The information contained herein is not a substitute for a thorough due diligence investigation. Kwekel Companies has not made any investigation, and makes no warranty or representation, with respect to the size and square footage of the property(s) and improvements, the compliance with State and Federal regulations, the physical condition of the improvements thereon. The information contained in this overview has been obtained from sources we believe to be reliable; Kwekel Companies makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

IN ASSOCIATION WITH  
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