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OFFERING
MEMORANDUM



11512 CONFEDERATE DRIVE

EL PASO, TX 79936

TAG INDUSTRIAL
THE ABUSHAGUR GROUP

Marcus & Millichap

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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

TAG INDUSTRIAL
THE ABUSHAGUR GROUP | Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com



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The image is a composite of two photographs. The left side shows the interior of a large industrial building with a high, vaulted ceiling supported by a grid of steel trusses. The floor is a smooth, light-colored concrete. The right side shows the exterior of a similar industrial building, featuring a facade of blue corrugated metal panels and a series of windows near the ground level. The entire image has a blue color cast.

SECTION 1
INVESTMENT
OVERVIEW

Marcus & Millichap

11512 CONFEDERATE DRIVE

EL PASO, TX 79936

INVESTMENT HIGHLIGHTS

- 14,250-Square-Foot Industrial Asset Situated on 1.39 Acres
- Metal Construction Featuring 27' Clear Height, Two Six-Ton Bridge Cranes, and Two Grade-Level Doors
 - Loading Dock in Yard Includes Trolley to Transport Materials Into Warehouse
 - Fully Fenced Yard with Additional Outside Storage Space
- Ideal Setup for Tenant or Owner-User in Manufacturing and Welding Business
 - Easy Access to Montana Ave and Loop 375

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 11512 Confederate Drive in El Paso, Texas. The subject property consists of approximately 14,250 square feet of space and is situated on 1.39 acres of land. The asset features metal construction, 27' clear height, two six-ton bridge cranes, and two grade-level doors. With additional outside storage space, the fully fenced yard features a loading dock with a trolley to transport materials into the warehouse. This vacant sale is an ideal setup for a tenant or owner-user in the manufacturing and welding business. The subject property has easy access to Montana Avenue and Loop 375.

The East El Paso submarket features a competitive 5.3 percent market vacancy rate with average rents at about \$6.16 per square foot. Average market sale price per foot for the submarket is \$54 with an average cap rate of 7.9 percent. Distribution and warehouse space constitute for more than 75 percent of El Paso's overall industrial inventory, and cross-border trade is paramount here. According to the U.S. Department of Commerce, El Paso exports have grown more than 210 percent since 2009, and the metro is among the nation's leading exporters of goods to Mexico. El Paso's logistic stock is significantly larger than any other metro within 300 miles. The metro area holds about 48 million square feet of logistics space, while other southwestern metros like Albuquerque, Lubbock, and Tucson only have a fraction of this total. (CoStar)

The El Paso metro is located at the westernmost corner of Texas, bordering New Mexico and the state of Chihuahua in Mexico. It is composed of El Paso and Hudspeth counties. Access to Mexico plays a major role in the local economy. The city of El Paso, when combined with Las Cruces, New Mexico, and Ciudad Juarez in Mexico, is sometimes referred to as the international metropolitan area of Paso del Norte and has one of the largest bilingual, binational labor pools in the western United States.

As the largest metro along the Texas-Mexico border and the sixth-largest city in Texas, El Paso is a top 20 percent U.S. performing economy and represents one of the largest manufacturing centers in North America. Recognized as globally competitive, the region boasts the largest bilingual and bi-cultural workforce in the Western Hemisphere (elpasotexas.gov). El Paso was a finalist for the 2018 National League of Cities "All-America City," 2018 Best of Texas Awards, and WalletHub's #1 Best Run City in Texas in 2017. In 2018 alone, El Paso County added 4,200 jobs. Major employers include Pacific Union Financial, UPS, Veritas Management Group, and iFly.



PROPERTY DETAILS

11512 CONFEDERATE DRIVE, EL PASO, TX 79936

Number of Offices	4
Number of Buildings	1
Total Square Feet	14,250
Warehouse Square Feet	13,250
Office Square Feet	1,000
Year Built	1986/1994
Lot Size	1.39 Acres
Type of Ownership	Fee Simple
Clear Height	27'
Building Class	B
Tenancy	Single
Grade Level Doors	2
Construction	Metal
Zoning	M1
Submarket	East
Market Vacancy	5.30%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060723)

OFFERING HIGHLIGHTS

11512 CONFEDERATE DRIVE
EL PASO, TX 79936

OFFERING PRICE

\$700,000

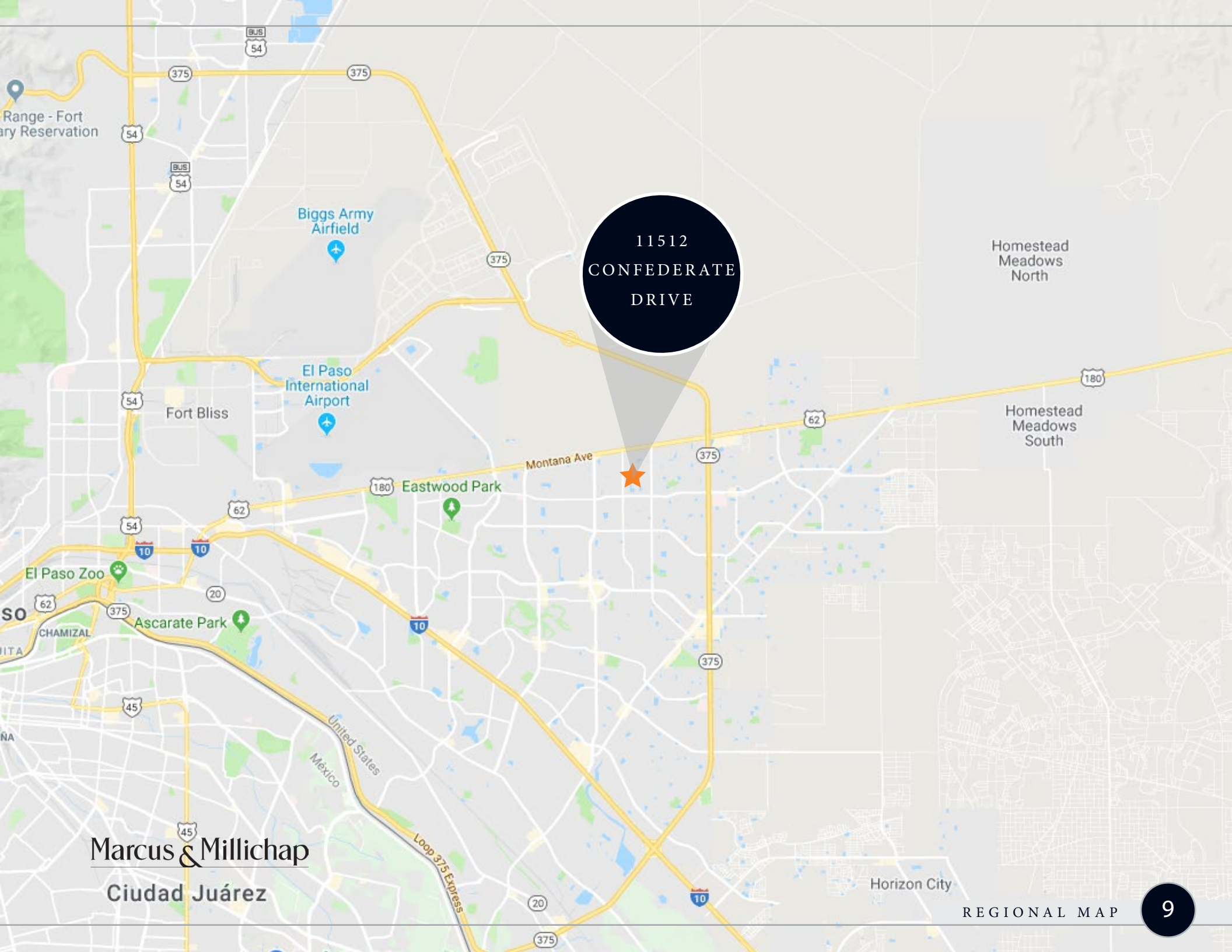
PRO-FORMA CAP RATE

10.18%

Offering Price	\$700,000
Pro-Forma Cap Rate	10.18%
Price/SF	\$49.12
Total Square Feet	14,250
Occupancy	0.00%

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11512
CONFEDERATE
DRIVE

Marcus & Millichap
Ciudad Juárez



Bill Sybert School

A B & C Small Engines

Xpress Body Repair

11512
CONFEDERATE
DRIVE

Boat Shop

Lone Star Welding

Howl Transportation

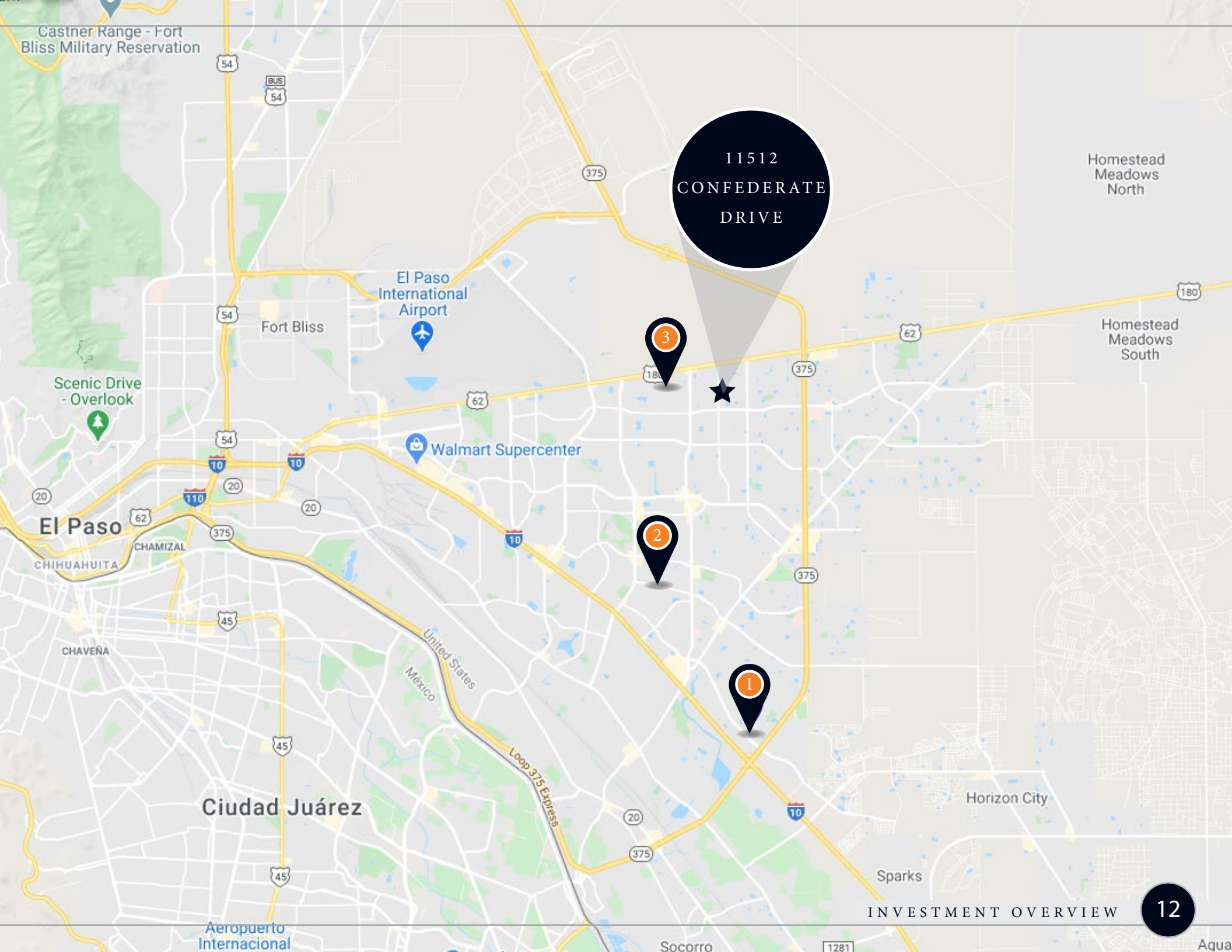
The Body Shop C

Marcus & Millichap

Rio Grande Tinting

LEASE COMPARABLES

PROPERTIES	LEASE COMMENCEMENT	LEASE RATE	RENTABLE SF	LEASE TYPE	YEAR BUILT	NOTES
★ 11512 Confederate Drive, El Paso, TX 79936	N/A	\$5.00	14,250	NNN	1986/1994	1.39 Acres
1 995 Loma Verde Dr, El Paso, TX 79936	10/15/2019	\$4.75	12,424	NNN	1995	Asking Rate - 0.63 Acres
2 11410 Cedar Oak Dr, El Paso, TX 79936	8/13/2019	\$6.93	12,636	MG	2000	Asking Rate - 1.72 Acres
3 11140 Montana Ave, El Paso, TX 79936	2/1/2019	\$5.50	19,732	NNN	2008	Effective Rate - 0.74 Acres

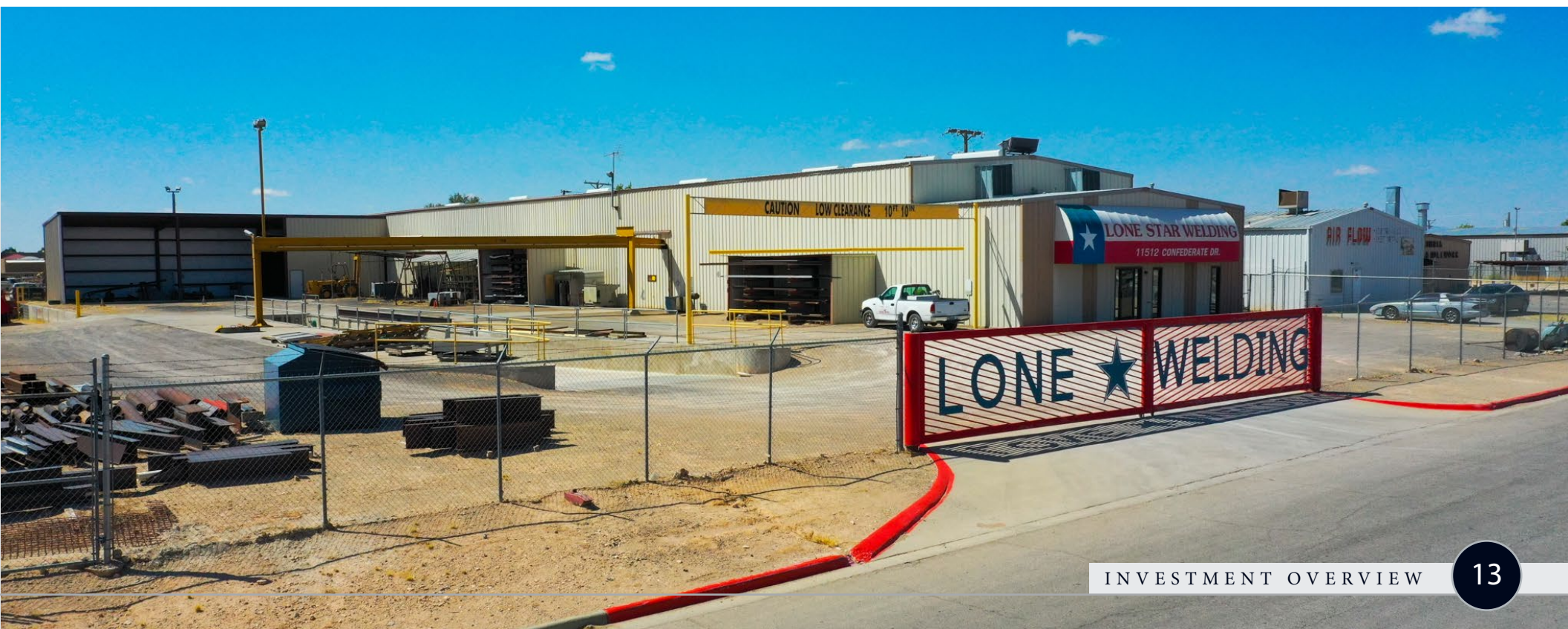


11512
CONFEDERATE
DRIVE

3

2

1





MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

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EL PASO TEXAS

The El Paso metro is located at the westernmost corner of Texas, bordering New Mexico and the state of Chihuahua in Mexico. It is composed of El Paso and Hudspeth counties. Access to Mexico plays a major role in the local economy. The city of El Paso, when combined with Las Cruces, New Mexico, and Ciudad Juarez in Mexico, is sometimes referred to as the international metropolitan area of Paso del Norte and has one of the largest bilingual, binational labor pools in the western United States.



INTERNATIONAL
TRADE ROUTE



MANUFACTURING
HUB



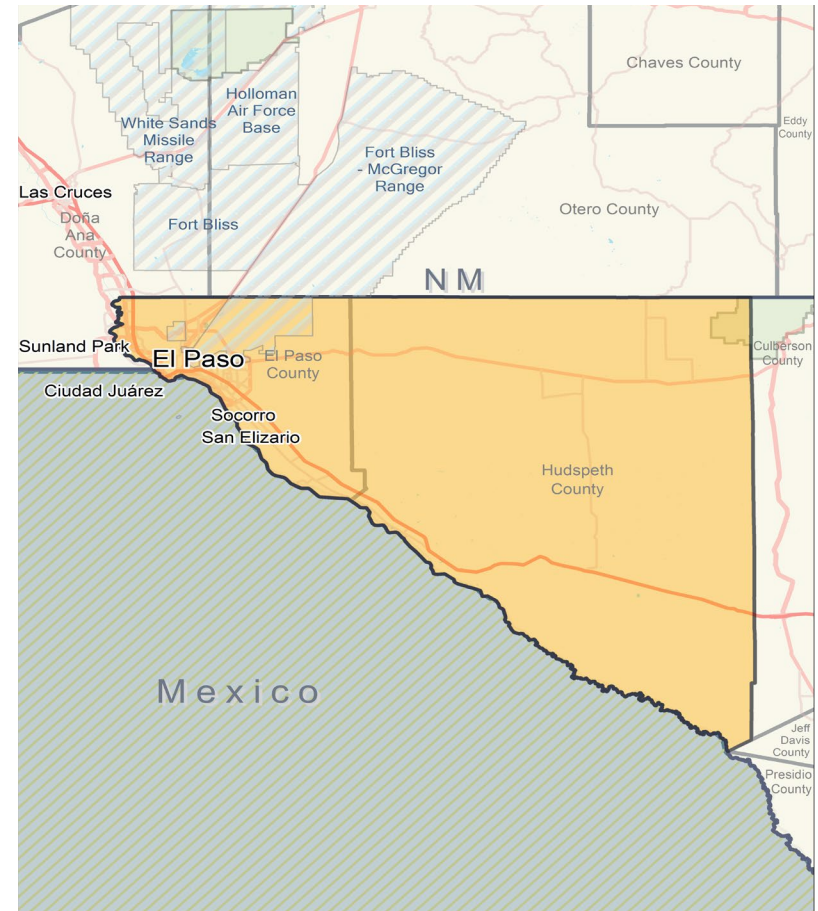
MILITARY
PRESENCE



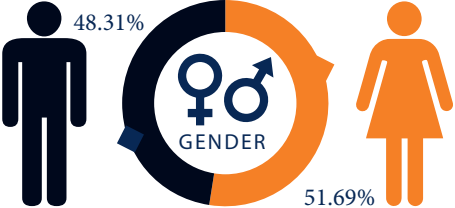
METROPLEX GROWTH

ECONOMY

The large manufacturing sector includes automobiles, automobile components, consumer electronics, apparel and textile manufacturing. Back-office call centers are also major employers in the local economy and in neighboring communities. They include companies such as Automatic Data Processing (ADP), which plans to expand its local workforce over the next few years. Numerous large corporations have facilities in the metro, including AT&T, USAA, Charles Schwab, Raytheon, Delphi, Dish Network, Eureka, Hoover, Prudential and Verizon Wireless. The University of Texas at El Paso provides a skilled labor pool and is a major employer.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	24,443	139,892	260,903
■ 2019 Estimate			
Total Population	22,797	132,266	239,427
■ 2010 Census			
Total Population	21,276	125,778	216,177
■ 2000 Census			
Total Population	15,644	90,899	162,833
■ Daytime Population			
2019 Estimate	11,103	85,046	205,709
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	7,231	42,232	82,614
■ 2019 Estimate			
Total Households	6,693	39,905	75,472
Average (Mean) Household Size	3.41	3.23	3.13
■ 2010 Census			
Total Households	6,217	38,143	68,393
■ 2000 Census			
Total Households	4,472	27,494	50,695

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	0.96%	2.11%	1.96%
\$150,000 - \$199,000	2.17%	2.80%	2.87%
\$100,000 - \$149,000	10.15%	11.97%	11.95%
\$75,000 - \$99,999	12.27%	12.12%	12.23%
\$50,000 - \$74,999	24.03%	23.19%	22.80%
\$35,000 - \$49,999	19.58%	17.99%	17.38%
\$25,000 - \$34,999	12.41%	10.67%	10.59%
\$15,000 - \$24,999	7.91%	8.81%	9.36%
Under \$15,000	10.55%	10.33%	10.87%
Average Household Income	\$59,050	\$65,846	\$65,051
Median Household Income	\$49,683	\$52,035	\$51,651
Per Capita Income	\$17,339	\$19,939	\$20,682
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	22,797	132,266	239,427
Under 20	32.78%	31.09%	30.77%
20 to 34 Years	22.09%	22.97%	23.79%
35 to 39 Years	7.58%	6.99%	6.93%
40 to 49 Years	14.74%	13.46%	12.87%
50 to 64 Years	15.75%	16.42%	15.53%
Age 65+	7.06%	9.07%	10.10%
Median Age	31.58	32.11	31.87
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	13,512	80,170	146,115
Elementary (0-8)	7.50%	6.64%	7.20%
Some High School (9-11)	6.84%	7.45%	7.80%
High School Graduate (12)	25.63%	25.07%	24.97%
Some College (13-15)	27.77%	27.45%	26.68%
Associate Degree Only	8.50%	8.43%	8.29%
Bachelors Degree Only	14.54%	16.13%	16.23%
Graduate Degree	6.52%	6.61%	6.59%
■ Time Travel to Work			
Average Travel Time in Minutes	25	25	24

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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.

11-2-2015

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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Buyer/Tenant/Seller/Landlord Initials

Date



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