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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.



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



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# SECTION 1 INVESTMENT OVERVIEW



### 2632 CHALK HILL ROAD

### DALLAS, TX 75212

### INVESTMENT HIGHLIGHTS

- 31,160-Square-Foot Industrial Warehouse Situated on 1.97 Acres with Ample Outside Storage
  - Highly Functional Asset: 2 Dock-High Doors, 3 Grade-Level Doors (12'x12')
- Located West of Dallas, Close to Irving, with Ease of Access to Interstate I-30 and South Walton Walker Boulevard
  - Located in Eastern Lonestar/Tpke Submarket with a Market Vacancy Rate of 6.8%
  - Arcadia Roofing: Superior Quality Roofing for Commercial, Industrial, Retail, and Multi-Family Buildings, in Business Since 1979
  - Attractive Current Cap Rate (9.73%) with Ability to Increase Rents due to Month-to-Month Lease in Place (\$2.89/SF vs. \$6.05/SF via CoStar)
    - Low Sale Price per SF Comparing to Submarket Price per Foot \$70 (Costar)

### INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 2632 Chalk Hill Road in Dallas, Texas, leased to Arcadia Roofing. The subject property consists of approximately 31,160 square feet of space and is situated on 1.97 acres of land. The asset is a highly functional with two dock-high doors, three-grade level doors (12'x12'), and ample outside storage. Since 1979, Arcadia Roofing has provided roofing services for commercial, industrial, retail, and multi-family buildings. The tenant has occupied the property since 2012 with the original lease expiration in 2023. The tenant amended their lease in September to be month-to-month due to the onset of coronavirus. The subject property is listed at a very low sale price per square foot (\$29.69) when compared to the submarket average of \$70 per square foot (CoStar). At an attractive cap rate (9.73 percent), an investor has the ability to increase rents for the current tenant to market value with a long-term lease, or bring in a new tenant due to the current month-to-month lease in place. Located west of Dallas and close to Irving, there is ease of access to Interstate I-30 and South Walton Walker Boulevard.

Eastern Lonestar/Turnpike is an older industrial submarket with most existing inventory built before 1970. Close proximity to the major population center of Dallas and major highway access provided by I-30 running east/west still makes the submarket quite desirable for small tenants and last-mile distribution operations. After years of no development, a few projects have delivered in recent quarters. The economic turmoil from the coronavirus pandemic is expected to weigh on the local market, though the industrial segment is more insulated from disruption relative to others. Though vacancies have improved in recent quarters, hovering at about 6.7 percent, it could take some time before fundamentals improve to where they were in 2016, especially considering 3.4 million square feet of supply has hit the market in the last 12 months. (CoStar)

The Dallas/Fort Worth metroplex is the fourth-most populous metro in the nation with an aggregate of more than 7.1 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 800,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metros numerous corporations and growing industries. Dallas/Fort Worth's population growth in recent years ranks among the highest in the U.S. for a major metro. The Metroplex is home to 21 Fortune 500 companies and many regional headquarters, drawing workers and residents. The area's extensive network of rail and highways, along with the International Inland Port of Dallas, ensure its status as a distribution hub.



### PROPERTY DETAILS

### 2632 CHALK HILL ROAD, DALLAS, TX 75212

Number of Suites	1
Number of Buildings	1
Total Square Feet	31,160
Warehouse Square Feet	31,160
Year Built	1960
Lot Size	1.97 Acres
Type of Ownership	Fee Simple
Clear Height	12'
Parking	50 Spaces
Building Class	С
Tenancy	Single Tenant
Dock High Doors	2
Grade Level Doors	3
Construction	Metal
Zoning	IM
Submarket	Eastern Lonestar/Tpke
Market Vacancy	6.70%

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### OFFERING HIGHLIGHTS

# 2632 CHALK HILL ROAD DALLAS, TX 75212

OFFERING PRICE

CAP RATE

PRO-FORMA CAP RATE

\$925,000

9.73%

16.84%

Offering Price	\$925,000
Cap Rate	9.73%
Pro-Forma Cap Rate	16.84%
Price/SF	\$29.69
Total Square Feet	31,160
Occupancy	100%

<sup>\*</sup>Special environmental conditions apply. Contact broker for details.

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### OPERATING STATEMENT

Income	Current		Per SF	Pro Forma	F	er SF
Scheduled Base Rental Income	90,000		2.89	155,796		5.00
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	5,000		0.16	5,000		0.16
Real estate Taxes	13,968		0.45	13,968		0.45
Total Reimbursement Income	\$18,968	100.0%	\$0.61	\$18,968	100.0%	\$0.61
Effective Gross Revenue	\$108,968		\$3.50	\$174,764		\$5.61

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	5,000	0.16	5,000	0.16
Real Estate Taxes	13,968	0.45	13,968	0.45
Total Expenses	\$18,968	\$0.61	\$18,968	\$0.61
Expenses as % of EGR	17.4%		10.9%	
Net Operating Income	\$90,000	\$2.89	\$155,796	\$5.00

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### RENT ROLL

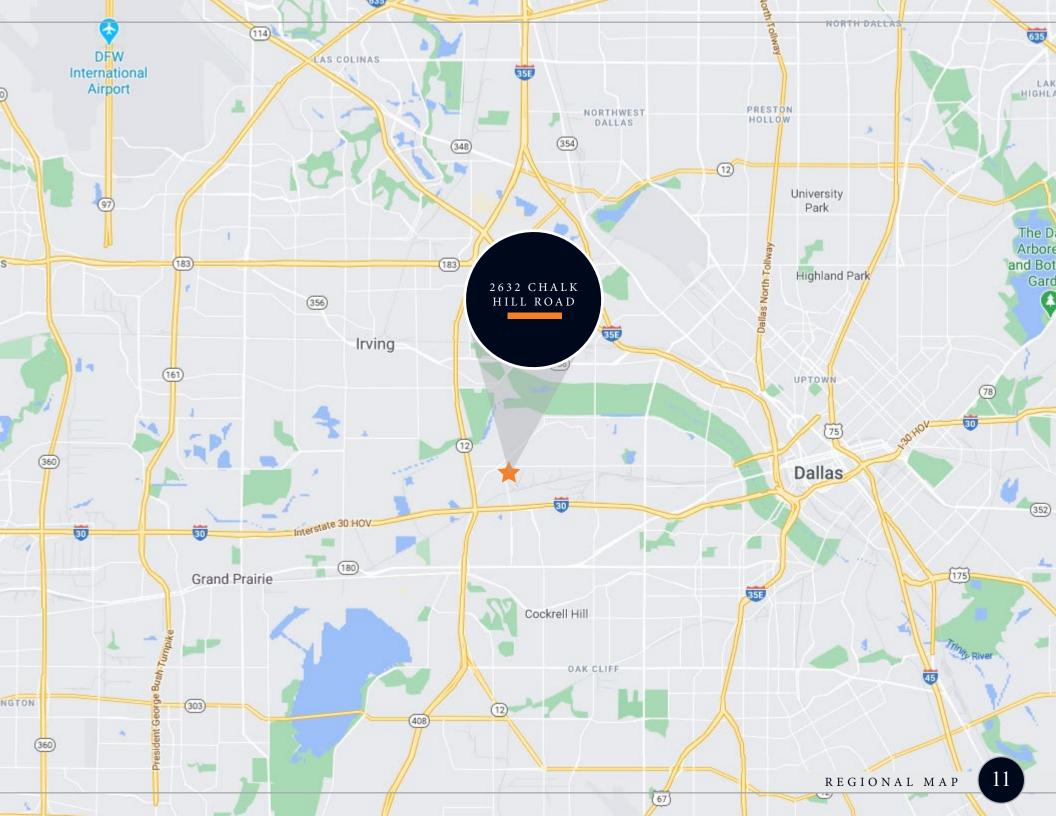
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Comm.	e Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type		
Arcadia Roofing	1	31,160	100.0%	9/11/12	MTM	\$2.89	\$7,500	\$90,000	\$155,796	NNN		
Total		31,160				\$2.89	\$7,500	\$90,000	\$155,796			
		Occupied Tenants: 1		Unoccupied	Unoccupied Tenants: 0 Occupied GLA: 100.00%		Unoccupied Tenants: 0 Oc		00.00%	Unoccupied GLA:	0.00%	
	· · ·			Total Current	Rents: \$7,500	Occupied Current Rents: \$7,500		Unoccupied Curre	nt Rents: \$0			

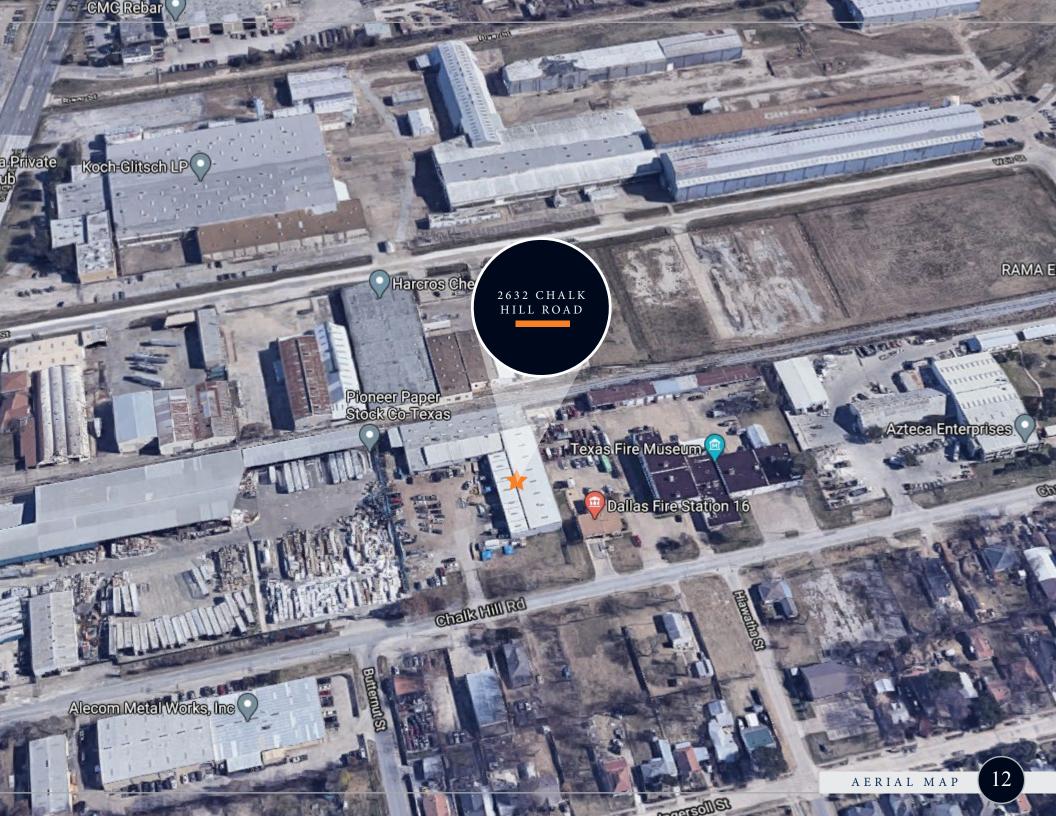
<sup>\*</sup>Current sublease in place for 10,000SF at \$2,500/month

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# 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





# DALLAS TEXAS

The Dallas/Fort Worth Metroplex is the fourth-most populous metro in the nation with an aggregate of nearly 7.5 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 864,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metro's numerous corporations and growing industries.





LARGE CORPORATE BASE



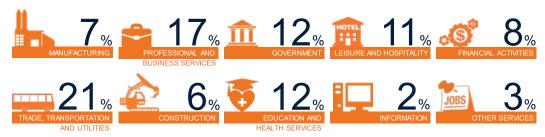
MAJOR DISTRIBUTION CENTER



### METROPLEX GROWTH

### **ECONOMY**

The Metroplex's temperate climate, no state income tax and a right-to-work labor policy attract employers. Dallas/Fort Worth is one of the nation's largest employment markets, with nearly 3.7 million jobs. The region is home to 22 Fortune 500 companies in a variety of sectors, including ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and J.C. Penney. The area is forecast to add jobs at an annual rate of 2.0 percent through 2022, well above the U.S. level. Economic expansion will be further fueled by a rise in financial services and high-tech companies.



### TRANSPORTATION

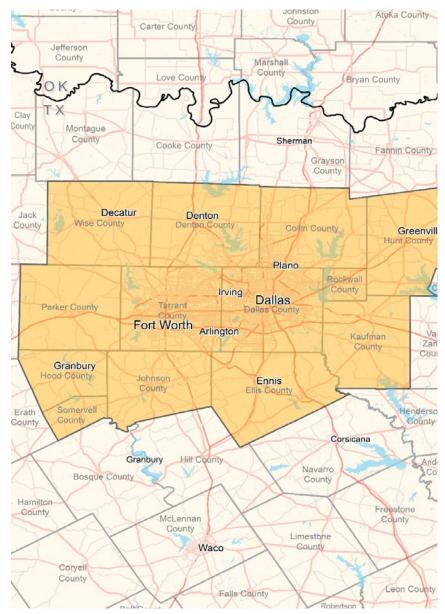
The area is connected to the rest of the nation by way of Interstates 20, 30, 35, 45, 635 and 820. DART, Dallas Area Rapid Transit covers Dallas and 12 surrounding cities, and consists of busses and a 93-mile light rail system. Freight serving lines in the region include Union Pacific, BNSF and Kansas City Southern. BNSF is headquartered in Fort Worth. Trinity Railway Express and Amtrak provide passenger rail service. Via rail to Houston Port, and Highways 20 and 45, the International Inland Port of Dallas (IIPOD) connects the region to global markets and trade. Airports include Dallas/Fort Worth International, Dallas Love Field, Fort Worth Alliance and 13 smaller airports.



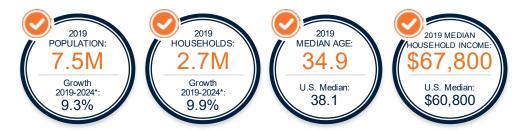








### METROPLEX GROWTH



Roughly 698,800 new people are expected through 2024, fueled by robust job growth, natural increases and north-to-south migration. The Metroplex is projected to add 271,500 households during the same period, generating the need for additional housing options. A younger population resides in the Metroplex as indicated by a median age that is well below that of the U.S. An educated population provides a skilled labor pool and higher incomes. Nearly 33 percent of residents age 25 and older have at least a bachelor's degree, compared with 30 percent for the nation. The median income is nearly \$7,000 above the national level. More residents are choosing to rent as indicated by a contracting homeownership rate. During 2019, approximately 57 percent of residents own their home on par with the U.S. rate.



### **DEMOGRAPHICS**



Total Population Within 5 miles





Average Household Income Within 5 miles



Employees
Within 1 mile

### **DEMOGRAPHICS**

POPULATION	1 Miles	3 Miles	5 Miles
2025 Projection			
Total Population	7,878	67,618	256,369
<ul><li>2020 Estimate</li></ul>			
Total Population	7,773	65,327	248,545
■ 2010 Census			
Total Population	7,461	60,129	229,755
■ 2000 Census			
Total Population	7,058	56,581	223,630
Daytime Population			
2020 Estimate	7,032	70,624	328,340
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
2025 Projection			
Total Households	2,053	19,834	76,307
2020 Estimate			
Total Households	2,015	18,987	73,151
Average (Mean) Household Size	3.82	3.39	3.26
■ 2010 Census			
Total Households	1,913	17,258	66,585
■ 2000 Census			
Total Households	1,733	16,128	64,116

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	0.75%	0.92%	2.46%
\$150,000 - \$199,000	1.54%	2.57%	3.07%
\$100,000 - \$149,000	5.11%	6.97%	8.84%
\$75,000 - \$99,999	11.89%	11.55%	12.49%
\$50,000 - \$74,999	23.41%	20.48%	21.10%
\$35,000 - \$49,999	12.95%	14.60%	15.18%
\$25,000 - \$34,999	11.46%	13.32%	12.65%
\$15,000 - \$24,999	14.62%	13.94%	11.99%
Under \$15,000	18.27%	15.65%	12.22%
Average Household Income	\$49,259	\$53,504	\$63,374
Median Household Income	\$41,988	\$41,886	\$47,842
Per Capita Income	\$12,777	\$15,637	\$19,039
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	7,773	65,327	248,545
Under 20	38.32%	36.59%	32.53%
20 to 34 Years	24.29%	23.73%	24.75%
35 to 39 Years	5.90%	6.65%	7.17%
40 to 49 Years	10.04%	11.57%	12.57%
50 to 64 Years	13.45%	13.54%	14.54%
Age 65+	8.01%	7.92%	8.44%
Median Age	26.95	28.30	30.34
Population 25+ by Education Level			
2020 Estimate Population Age 25+	4,164	36,350	147,691
Elementary (0-8)	26.78%	21.07%	18.87%
Some High School (9-11)	17.57%	18.88%	16.60%
High School Graduate (12)	31.27%	28.89%	27.30%
Some College (13-15)	9.24%	12.94%	14.90%
Associate Degree Only	2.98%	3.94%	4.09%
Bachelors Degree Only	1.68%	6.33%	9.12%
Graduate Degree	0.41%	2.71%	4.84%
Time Travel to Work			
Average Travel Time in Minutes	28	29	29

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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.

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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D /T //O !! !! !! !! !!	<del> </del>		_
Buyer/Tenant/Seller/Landlord Init	iais	Date	

Information available at www.trec.texas.gov

11-2-2015



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DALLAS, TX 75212

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