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OFFERING  
MEMORANDUM

3031 NORTH FRAZIER STREET

CONROE, TX 77303

**TAG INDUSTRIAL**  
THE ABUSHAGUR GROUP

Marcus & Millichap



# NON-ENDORSEMENT & DISCLAIMER NOTICE

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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](http://www.marcusmillichap.com)







# TABLE OF CONTENTS

01

## INVESTMENT OVERVIEW SECTION 1

Offering Summary • Property Details  
Regional Map • Aerial Map • Sales Comparables  
Property Photos • Acquisition Financing

02

## MARKET OVERVIEW SECTION 2

Market Analysis • Demographic Analysis



The background of the slide is a dark blue gradient. On the left and right sides, there are vertical panels showing images of industrial buildings. The left panel shows the interior of a large warehouse with a high, corrugated metal roof and a series of vertical support columns. The right panel shows the exterior of a similar building with a corrugated metal facade and a row of windows near the bottom. The text is centered in the middle of the slide.

SECTION 1

# INVESTMENT OVERVIEW

Marcus & Millichap



# 3031 NORTH FRAZIER STREET CONROE, TX 77303

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## INVESTMENT HIGHLIGHTS

- Office Portion of Building Recently Completely Renovated in 2015
  - Located at the Intersection of Highway 75 & FM 3083, in Immediate Proximity to U.S. Interstate 45
  - Below Average Trailing 10-Year Vacancy Rate of 5.42%, with an Average Annual Rental Growth Rate of 2.1%
  - Property is Situated on 2.0 Acres with Ample Outside Storage or Lay Yard, Appealing to a Larger User/Tenant Base than Competitive Properties
- 

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3031 North Frazier Street in Conroe, Texas. The subject property consists of approximately 10,800 square feet of space and is situated on 2 acres of land, providing ample outside storage or lay yard. The subject property features an office that was completely renovated in 2015. The acreage and outside storage are appealing to a larger user. The submarket's 10-year vacancy rate of 5.42 percent is below average, with average annual rent growth of 2.1 percent. The asset is located at the intersection of Highway 75 and FM 3083, and is in immediate proximity to U.S. Interstate 45.

The Woodlands/Conroe Submarket boasts one of the fastest-growing areas in the Houston metro and in the country. Suburban rooftop growth in recent years has bolstered demand for consumer goods and services. It is projected that rooftop growth in the area will continue at a considerable pace. The submarket's asking rents ranked in the top five Houston submarkets as of 20Q1. Rents have grown steadily like most Houston industrial submarkets, having ridden the wave of e-commerce growth and a generally healthy U.S. economy. Rents in The Woodlands/Conroe Submarket have grown approximately 22 percent this cycle, or a little over 2 percent per year. (CoStar)

As the fifth most populous metro area in the U.S., Houston houses nearly 6.9 million people in southeastern Texas. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for import/export. Houston's economy has diversified in recent years, with the healthcare and technology sectors showing strong growth. As Houston's population continues to grow, primarily to the northwest, many companies are expanding to the region to provide goods and services to the increasing population.





## PROPERTY DETAILS

3031 NORTH FRAZIER STREET,  
CONROE, TX 77303

Number of Suites	1
Number of Buildings	1
Total Square Feet	10,800
Warehouse Square Feet	8,800
Office Square Feet	2,000
Year Built	1998/ Renovated 2015
Lot Size	2 Acres
Type of Ownership	Fee Simple
Clear Height	12'
Parking	18 Spaces
Building Class	C
Tenancy	Single
Grade Level Doors	4
Construction	Metal
Power	3 Phase
Age/Condition of Roofs	Original - Good Condition
Age/Condition of HVAC	Replaced As Needed
Submarket	The Woodlands/Conroe
Market Vacancy	8.40%

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: ZAB0060297)



# OFFERING HIGHLIGHTS

3031 NORTH FRAZIER STREET  
CONROE, TX 77303

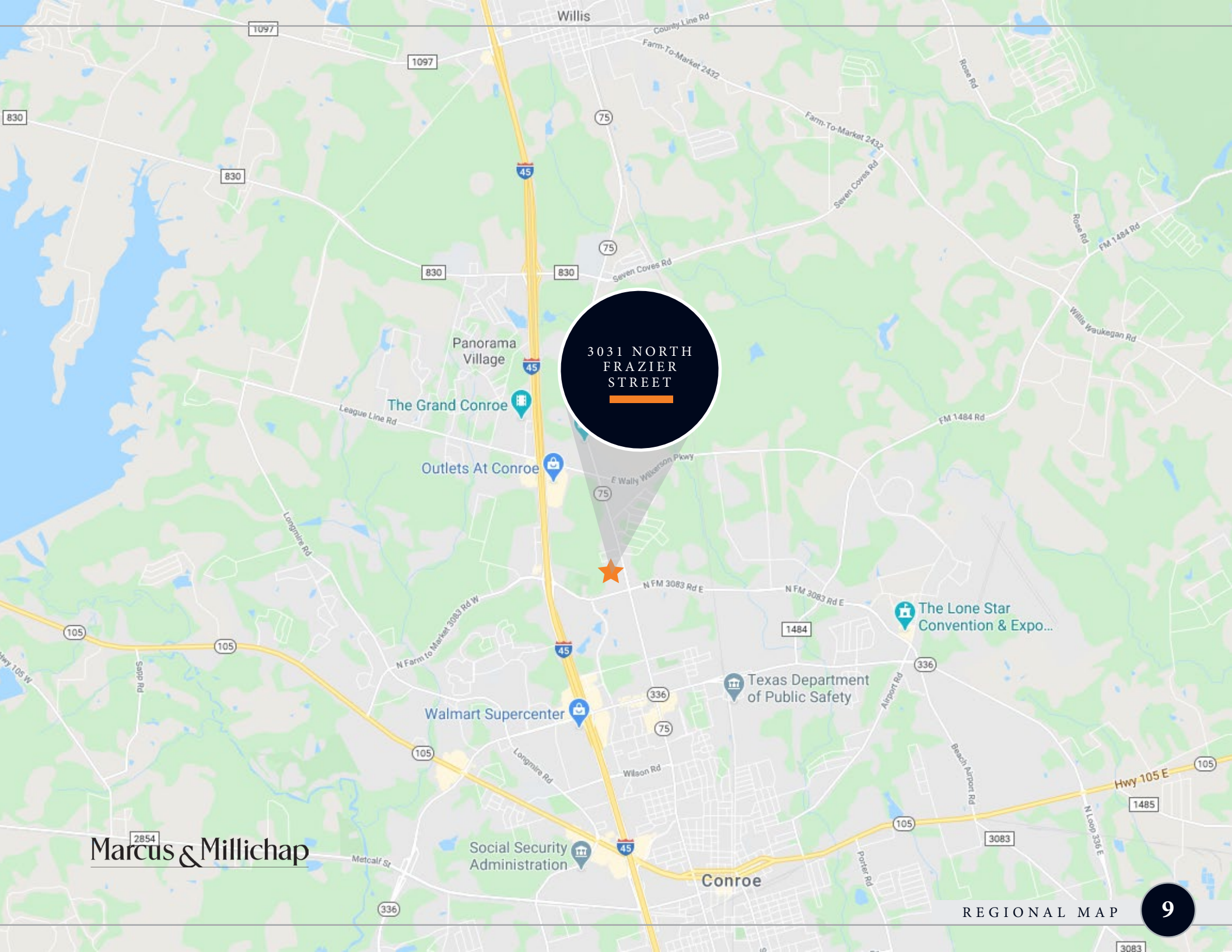
OFFERING PRICE  
\$785,000

Offering Price	\$785,000
Price/SF	\$72.69
Total Square Feet	10,800
Occupancy	0.00%

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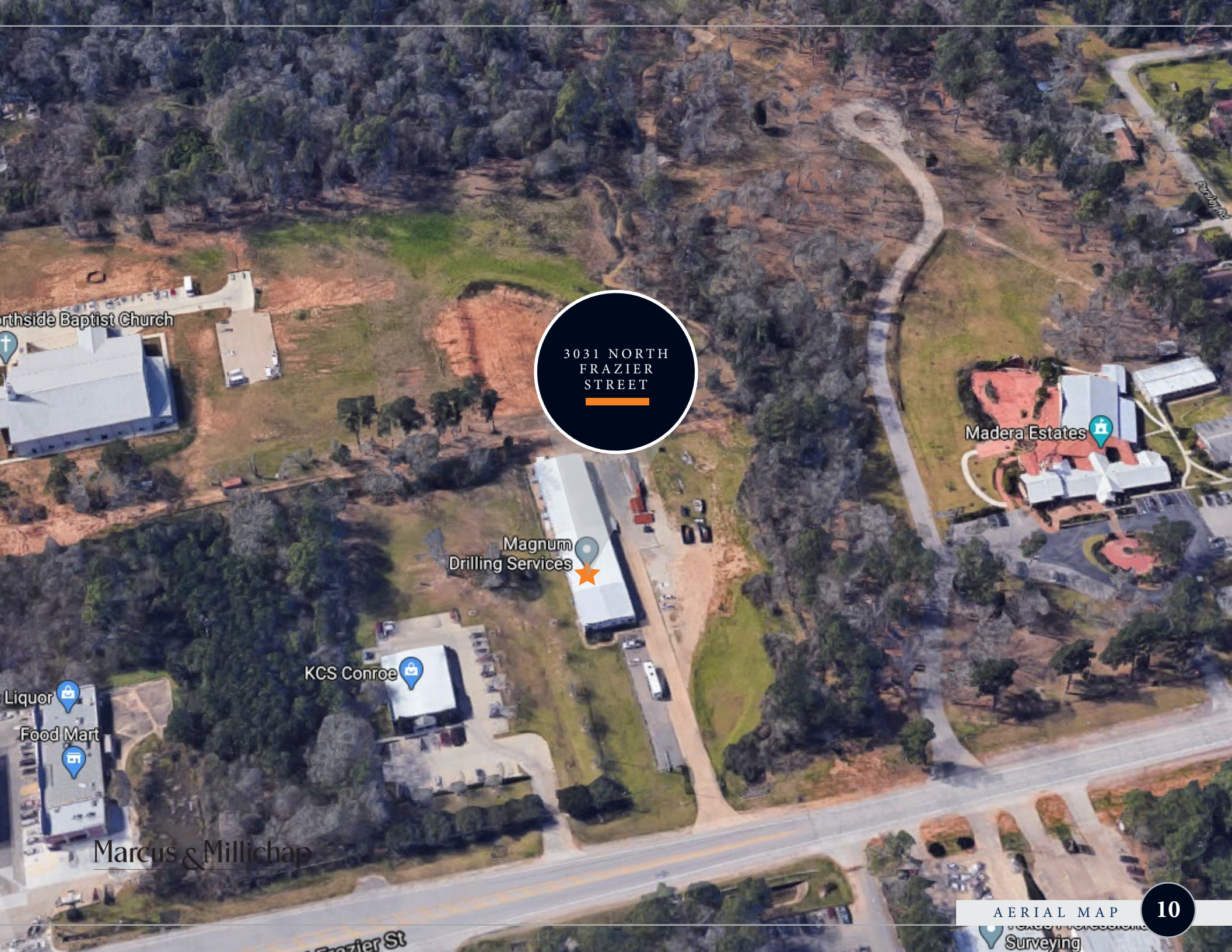




3031 NORTH  
FRAZIER  
STREET

Marcus & Millichap





Northside Baptist Church

3031 NORTH  
FRAZIER  
STREET

Madera Estates

Magnum  
Drilling Services

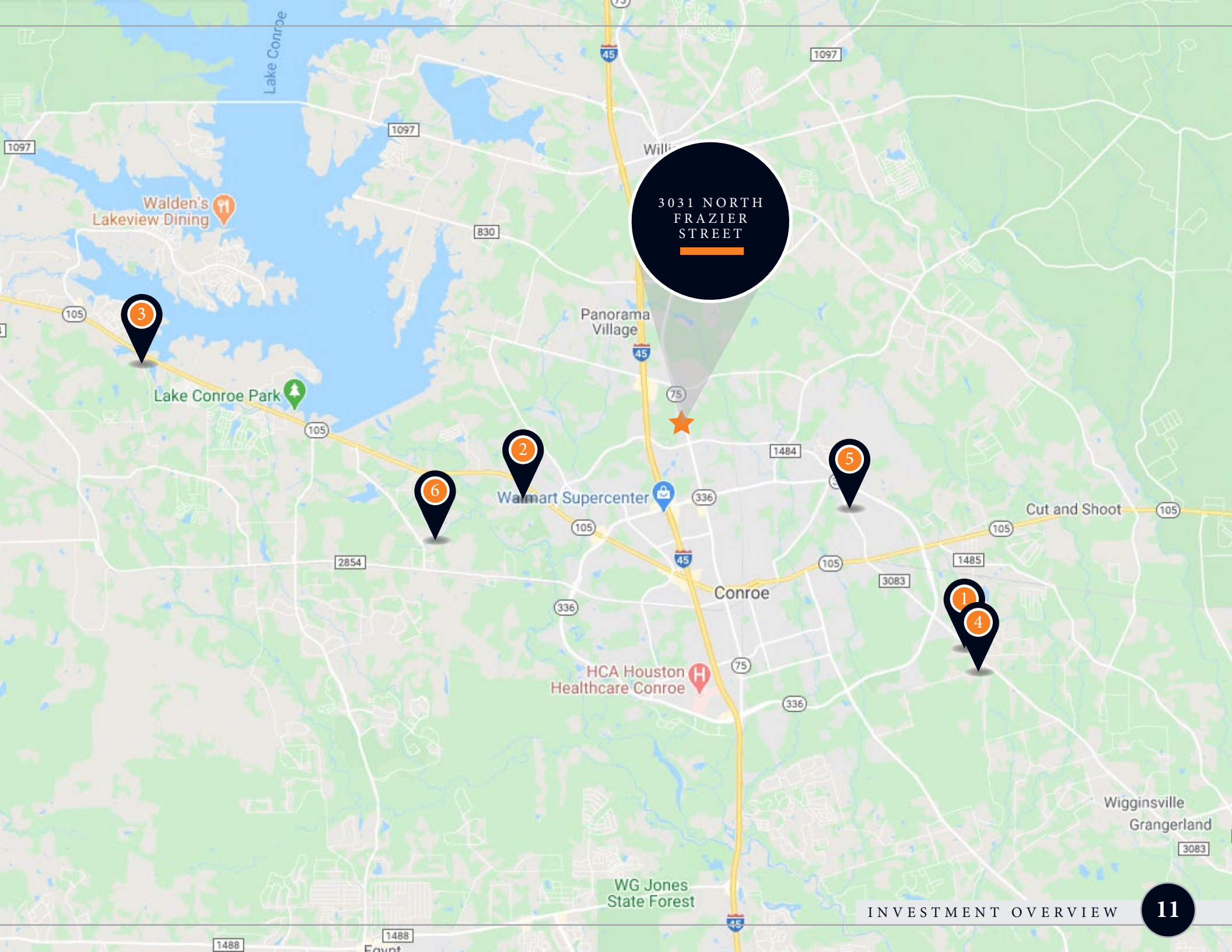
KCS Conroe

Liquor  
Food Mart

Marcus & Millichap

Frazier St





3031 NORTH  
FRAZIER  
STREET



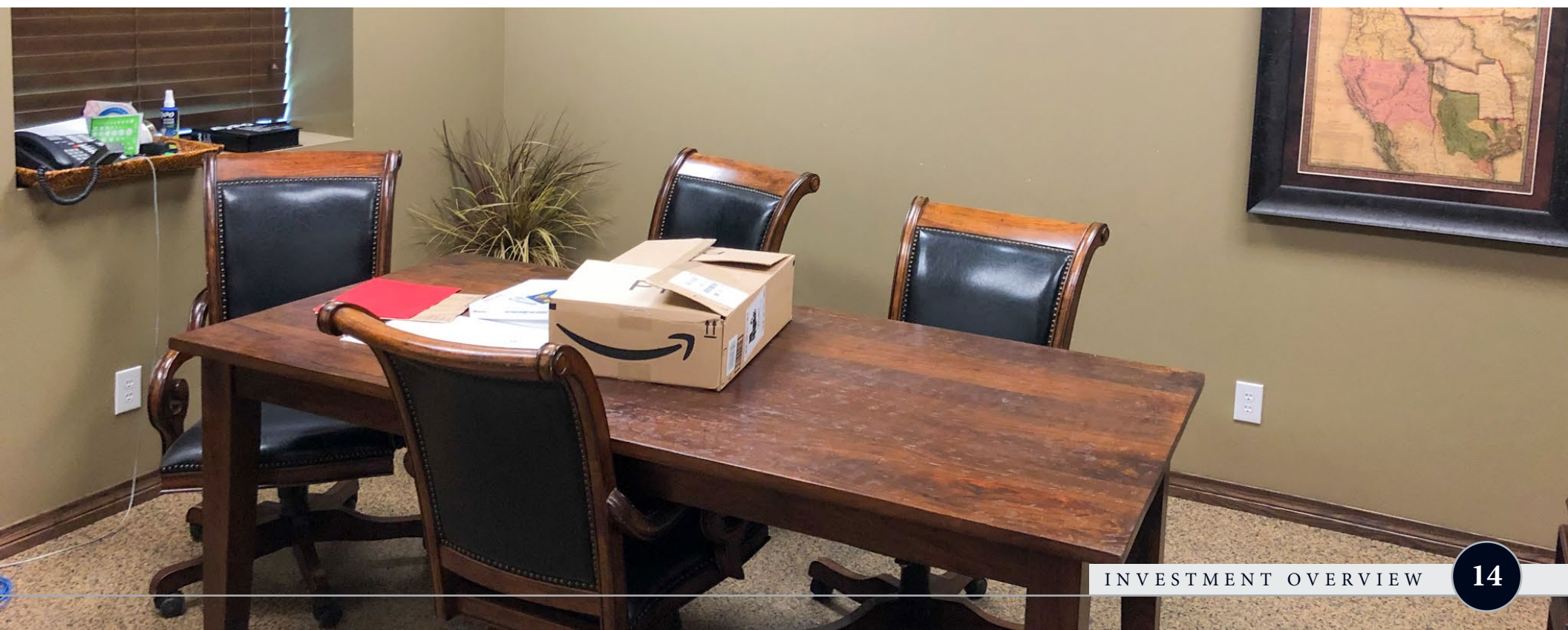
## SALES COMPARABLES

PROPERTIES	CLOSE OF ESCROW	SALES PRICE	RENTABLE SF	PRICE PER SF	YEAR BUILT	NOTES
★ <b>3031 North Frazier Street, Conroe, TX 77303</b>	<b>TBD</b>	<b>\$785,000</b>	<b>10,800</b>	<b>\$72.69</b>	<b>1998</b>	
1 12084 FM 3083 , Conroe, TX 77301	8/14/2019	\$625,000	7,500	\$83.33	2005	
2 5455 W Davis St, Conroe, TX 77304	7/1/2019	\$1,025,000	20,000	\$51.25	1995	Deferred Maintenance
3 13235 Highway 105 W, Conroe, TX 77304	On Market	\$1,050,000	10,000	\$105.00	1997	3-Building Portfolio
4 12381 FM 3083, Conroe, TX 77301	On Market	\$1,145,915	9,900	\$115.75	2018	10% office buildout
5 1150 Beach Airport Rd, Conroe, TX 77301	On Market	\$2,750,000	12,440	\$221.06	1999	On Market 15 Months
6 5580 Sapp Rd, Houston, TX	ON Market	\$1,250,000	10,860	\$115.10	2006	On Market +7 Months

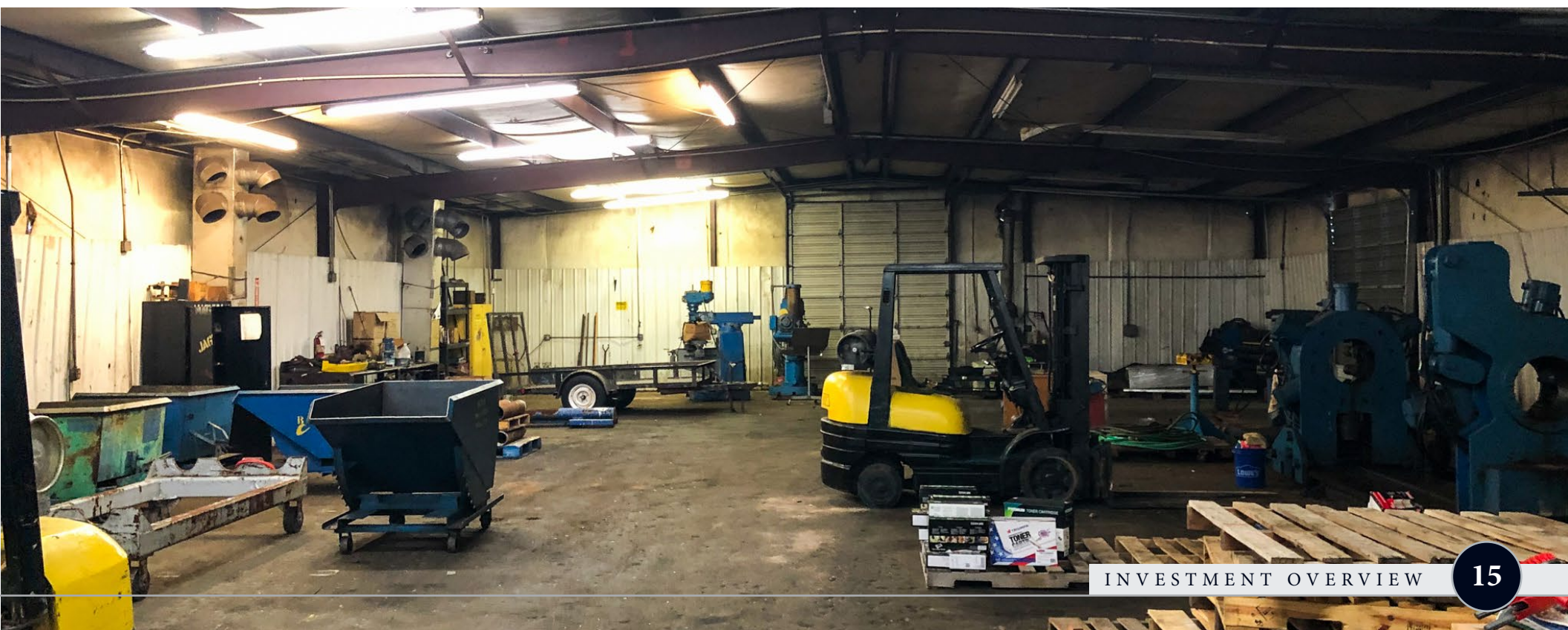














# MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

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



The background of the slide is a dark blue gradient. On the left and right sides, there are vertical panels showing images of industrial buildings. The left panel shows the interior of a large warehouse with a high, corrugated metal roof and a series of vertical support columns. The right panel shows the exterior of a similar building, featuring a corrugated metal facade and a row of windows near the ground level.

## SECTION 2

# MARKET OVERVIEW

Marcus & Millichap



# HOUSTON TEXAS

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As the fifth most populous metro area in the U.S., Houston houses nearly 6.9 million people in southeastern Texas. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Local industries have diversified from oil to technology and healthcare. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west. The city of Houston is the largest in the metro with 2.3 million residents.



CORPORATE  
GROWTH



HIGHER  
EDUCATION



LOW COST OF LIVING,  
DOING BUSINESS



# METROPLEX GROWTH

## ECONOMY

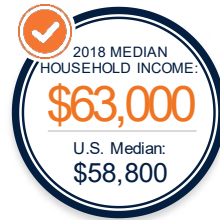
The economy is diversifying to include biotechnology, distribution, nanotechnology and logistics; the metro is the center of energy production with roughly 260,000 workers. Local product manufacturing is a large segment of the economy and includes paper, electrical and electronic machinery, iron, steel and petrochemicals. Healthcare is gaining economic prominence. Specialized medical education and training institutions boost the local economy and supply a growing hospital system. The Port of Houston is one of the country's busiest for exports, supplying thousands of jobs and generating billions of dollars in revenue.





# METROPLEX GROWTH

The Houston metro is expected to add 370,000 people through 2023 and roughly 132,000 of these residents will be millennials in the 20- to 34-year-old cohort. During the same period, nearly 170,000 households will be formed, generating demand for housing. The homeownership rate of 61 percent is below the national rate of 64 percent. The median home price of \$240,000 is also below that the U.S.





## DEMOGRAPHICS

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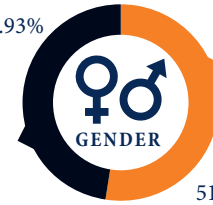


79,740

Total Population  
Within 5 miles



48.93%



51.07%



\$77,372

Average Household Income  
Within 5 miles



2,482

Employees  
Within 1 mile



# DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	4,258	44,123	92,049
■ 2019 Estimate			
Total Population	3,664	38,334	79,740
■ 2010 Census			
Total Population	2,854	29,883	62,249
■ 2000 Census			
Total Population	1,855	21,159	47,065
■ Daytime Population			
2019 Estimate	6,521	64,871	106,078
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	1,525	16,490	32,754
■ 2019 Estimate			
Total Households	1,314	14,143	28,131
Average (Mean) Household Size	2.81	2.59	2.73
■ 2010 Census			
Total Households	1,010	10,748	21,531
■ 2000 Census			
Total Households	728	8,104	16,849

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	1.30%	6.25%	5.45%
\$150,000 - \$199,000	1.64%	4.70%	4.01%
\$100,000 - \$149,000	10.81%	11.72%	11.72%
\$75,000 - \$99,999	8.84%	13.36%	13.24%
\$50,000 - \$74,999	23.77%	18.96%	18.60%
\$35,000 - \$49,999	20.86%	15.06%	14.77%
\$25,000 - \$34,999	11.75%	10.88%	11.14%
\$15,000 - \$24,999	12.76%	10.80%	10.95%
Under \$15,000	8.28%	8.28%	10.13%
Average Household Income	\$58,373	\$82,033	\$77,372
Median Household Income	\$46,396	\$54,911	\$53,199
Per Capita Income	\$21,008	\$30,981	\$27,674
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	3,664	38,334	79,740
Under 20	33.46%	26.56%	28.10%
20 to 34 Years	25.24%	26.10%	24.89%
35 to 39 Years	7.58%	7.65%	7.47%
40 to 49 Years	11.06%	11.61%	11.87%
50 to 64 Years	13.29%	14.85%	15.31%
Age 65+	9.37%	13.22%	12.34%
Median Age	29.99	33.42	33.13
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	2,161	25,243	51,430
Elementary (0-8)	6.93%	10.17%	11.64%
Some High School (9-11)	10.69%	11.09%	12.27%
High School Graduate (12)	39.79%	29.74%	28.67%
Some College (13-15)	23.53%	21.51%	20.98%
Associate Degree Only	6.58%	4.97%	4.89%
Bachelors Degree Only	7.61%	14.40%	14.28%
Graduate Degree	4.35%	6.90%	5.66%
■ Time Travel to Work			
Average Travel Time in Minutes	25	27	27

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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.

MARCUS & MILLICHAP

Licensed Broker /Broker Firm Name or Primary Assumed Business Name

TIM A. SPECK

Designated Broker of Firm

TIM A. SPECK

Licensed Supervisor of Sales Agent/Associate

ADAM ABUSHAGUR

Sales Agent/Associate's Name

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Phone

Buyer/Tenant/Seller/Landlord Initials

Date





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