

www.TAG-Industrial.com

OFFERING
MEMORANDUM



8723 EASTHAVEN BOULEVARD

HOUSTON, TX 77075

TAG INDUSTRIAL
THE ABUSHAGUR GROUP

Marcus & Millichap

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and 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. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2020 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers. Activity ID: ZAB0060250

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



Easthaven Blvd

Edge St

TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details
Operating Statement • Rent Roll • Regional Map
Aerial Map • Property Photos • Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

The image is a cover page for a report. It features a dark blue background with a white vertical line on the left and a white horizontal line at the top. The central text is white, with 'SECTION 1' in orange. The background images show the interior and exterior of a large industrial building with a corrugated metal roof and walls.

SECTION 1
INVESTMENT
OVERVIEW

Marcus & Millichap

8723 EASTHAVEN BOULEVARD HOUSTON, TX 77075

INVESTMENT HIGHLIGHTS

- 15,000 SF of Industrial Space on .92 Acres of Land, 10% Cap Rate
- Three-Year Sale-Leaseback in Place with Easthaven Incorporated, A Commercial Masonry Group in Business Since the '80s
 - Triple-Net Lease with annual 3% Rent Escalation for Increasing Return
 - Seller Reports Roof and HVAC Have Both Been Replaced in the Last Three Years
- Warehouse Contains Seven Grade-Level Doors, Waiting Room, and Receptionist Room for Staff
- Warehouse is Located 3 Miles from William P. Hobby Airport with Easy Access to Major Interstate 45
 - Below Submarket Vacancy Rate at 5.5% (CoStar)

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 8723 Easthaven Boulevard in Houston, Texas, leased to Easthaven Masonry Company. The subject property consists of approximately 15,000 square feet of space and is situated on .92 acres of land. The asset features seven grade-level doors, a waiting room, and a receptionist room for staff. Both the roof and HVAC have been replaced in the last three years. At a 10 percent cap rate, there is a three-year sale-leaseback in place with Easthaven Incorporated, a commercial masonry group that has been in business since the '80s. The triple-net lease has annual 3 percent rent escalations for increasing return. The subject warehouse is located three miles from William P. Hobby Airport with easy access to major Interstate 45. The submarket vacancy rate is a stable 5.5 percent (CoStar).

Easthaven Incorporated is a commercial contractor that specializes in masonry construction and has been at the subject property since 1990. The company works on all types of buildings including high schools and a variety of stores including Walmart, Lowe's, and Sam's Club. Their work was also featured on the Houston Toyota Center, home of the NBA Houston Rockets. In a given year, Easthaven Masonry Company completes around \$9 million to \$20 million in contract work. The company hires anywhere from 15 to 300 workers per job, and is licensed in Texas, New Mexico, Colorado, Oklahoma, and Louisiana.

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

8723 EASTHAVEN BOULEVARD, HOUSTON, TX 77075

Number of Suites	1
Number of Buildings	1
Total Square Feet	15,000
Year Built	1976
Lot Size	0.92 Acres
Type of Ownership	Fee Simple
Clear Height	12'-14'
Parking	10 Free Surface Spaces Available
Building Class	C
Tenancy	Single
Grade Level Doors	7
Construction	Masonry
Power	220
Type of Lighting	Fluorescent
Age/Condition of Roofs	2015/2019 50 Year Roof
Age/Condition of HVAC	2017
Submarket	South Hwy 32 Industrial
Market Vacancy	5.60%

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: ZAB0060250)

OFFERING HIGHLIGHTS

**8723 EASTHAVEN BOULEVARD
HOUSTON, TX 77075**

OFFERING PRICE

\$950,000

CAP RATE

10.00%

Offering Price	\$950,000
Cap Rate	10.00%
Price/SF	\$63.33
Total Square Feet	15,000
Occupancy	100%

Marcus & Millichap

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: ZAB0060250)

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	95,000	6.33	95,000	6.33
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	9,580	0.64	9,580	0.64
Real estate Taxes	8,972	0.60	8,972	0.60
Total Reimbursement Income	\$18,552	100.0%	\$18,552	100.0%
Effective Gross Revenue	\$113,556	\$7.57	\$113,556	\$7.57

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	9,580	0.64	9,580	0.64
Real Estate Taxes	8,972	0.60	8,972	0.60
Total Expenses	\$18,552	\$1.24	\$18,552	\$1.24
Expenses as % of EGR	16.3%		16.3%	
Net Operating Income	\$95,000	\$6.33	\$95,000	\$6.33

Marcus & Millichap

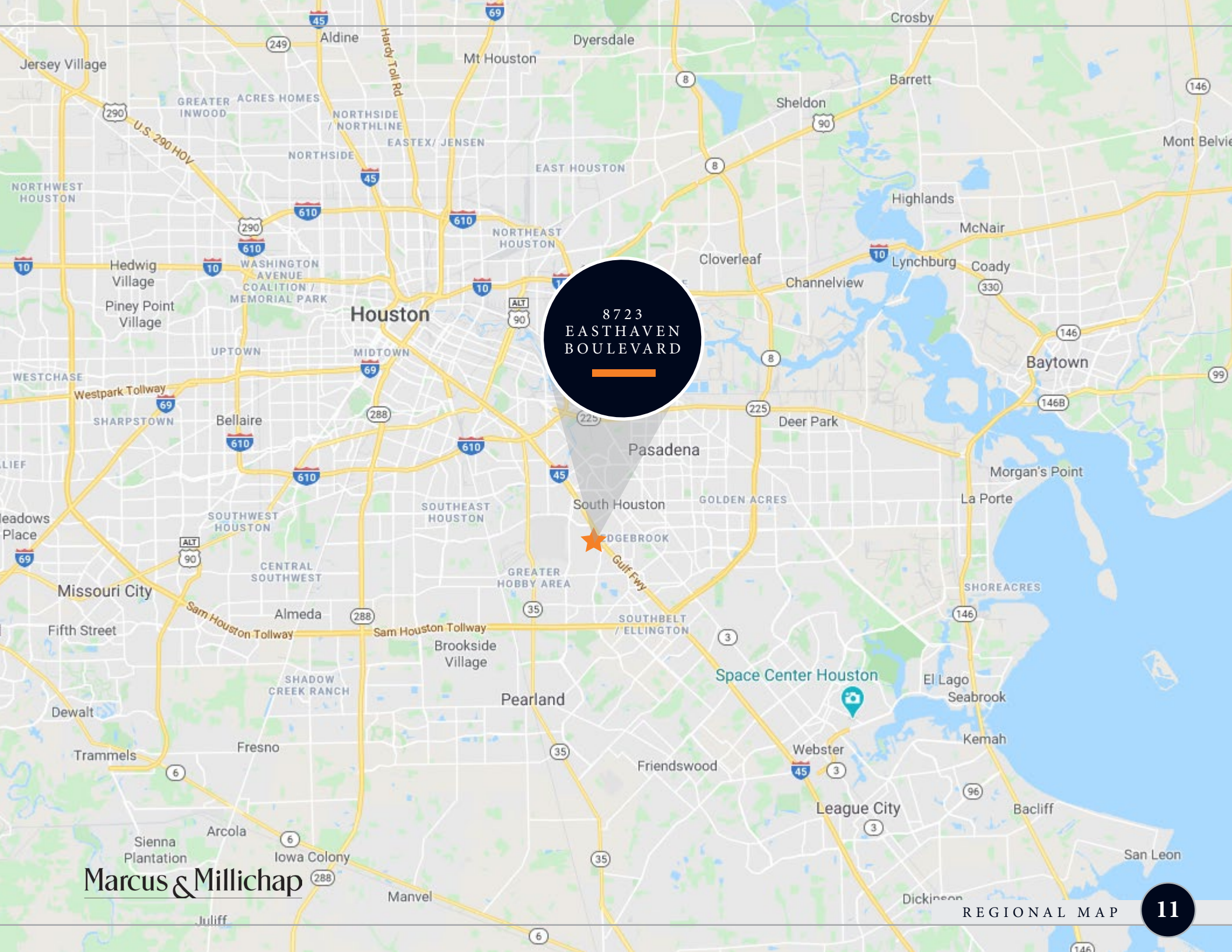
This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2020 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0060250)

RENT ROLL

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
			Comm.	Exp.							
Easthaven Masonry Company	15,000	100.0%	9/1/20	9/1/23	\$6.33	\$7,917	\$95,000	\$95,000	Sep-2021	3% Annual Increases	NNN
Total	15,000				\$6.33	\$7,917	\$95,000	\$95,000			
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
			Total Current Rents: \$7,917		Occupied Current Rents: \$7,917		Unoccupied Current Rents: \$0				

Marcus & Millichap

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: ZAB0060250)



8723
EASTHAVEN
BOULEVARD



8723
EASTHAVEN
BOULEVARD

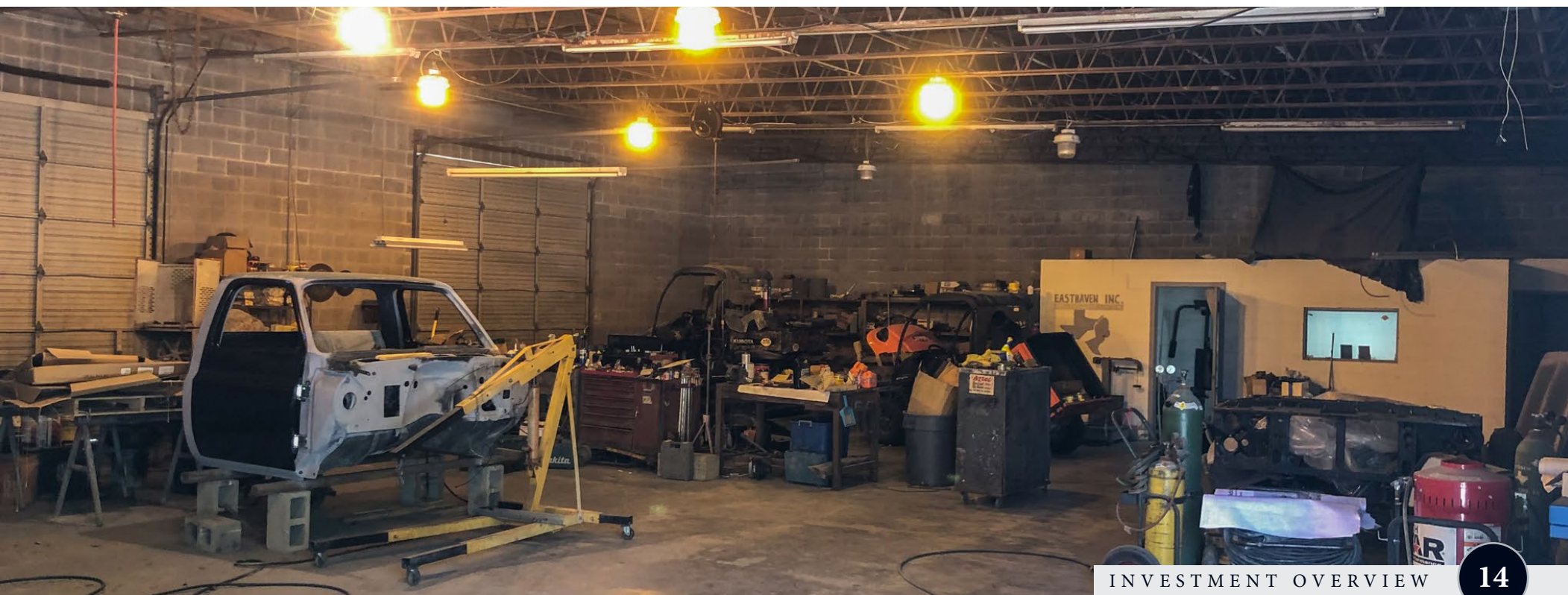
Easthaven

Easthaven Blvd

Arledge St

Marcus & Millichap





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 photograph of a large industrial building's interior, possibly a warehouse or factory. The structure is composed of a complex network of steel beams and supports, creating a grid-like pattern. The lighting is a deep, monochromatic blue, which casts long shadows and highlights the metallic surfaces. The perspective is from a low angle, looking down a long aisle towards the far end of the building, where the structure seems to recede into the distance. The overall atmosphere is one of scale and industrial precision.

SECTION 2
MARKET
OVERVIEW

Marcus & Millichap

HOUSTON TEXAS

As the fifth most populous metro area in the U.S., Houston houses roughly 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

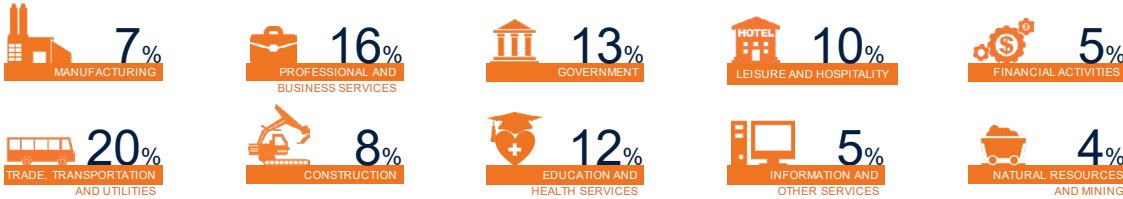


LOW COST OF LIVING,
DOING BUSINESS

METROPLEX GROWTH

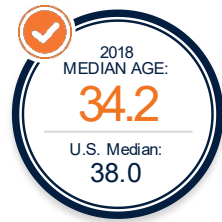
ECONOMY

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.

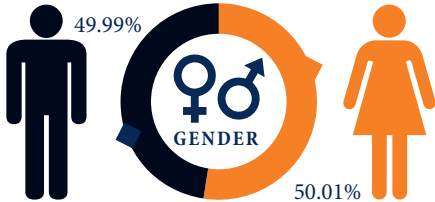


METROPLEX GROWTH

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



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	18,320	144,428	338,006
■ 2018 Estimate			
Total Population	18,050	142,340	333,403
■ 2010 Census			
Total Population	16,395	129,358	304,546
■ 2000 Census			
Total Population	13,235	108,067	268,743
■ Daytime Population			
2018 Estimate	21,377	129,000	304,332
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	5,750	46,066	108,000
■ 2018 Estimate			
Total Households	5,583	44,603	104,353
Average (Mean) Household Size	3.18	3.17	3.16
■ 2010 Census			
Total Households	5,082	40,654	95,436
■ 2000 Census			
Total Households	4,504	36,188	87,281

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$200,000 or More	0.75%	1.02%	1.67%
\$150,000 - \$199,000	0.70%	1.93%	2.80%
\$100,000 - \$149,000	6.98%	9.47%	10.26%
\$75,000 - \$99,999	8.41%	11.03%	11.28%
\$50,000 - \$74,999	20.95%	19.61%	18.98%
\$35,000 - \$49,999	19.49%	17.40%	16.07%
\$25,000 - \$34,999	14.65%	13.36%	13.04%
\$15,000 - \$24,999	16.21%	13.31%	13.05%
Under \$15,000	11.88%	12.86%	12.85%
Average Household Income	\$49,213	\$55,647	\$59,789
Median Household Income	\$40,017	\$43,233	\$44,897
Per Capita Income	\$15,229	\$17,440	\$18,761
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	18,050	142,340	333,403
Under 20	35.79%	33.55%	32.65%
20 to 34 Years	26.46%	25.16%	24.04%
35 to 39 Years	7.62%	7.64%	7.34%
40 to 49 Years	11.80%	12.33%	12.51%
50 to 64 Years	11.94%	13.66%	14.60%
Age 65+	6.38%	7.66%	8.90%
Median Age	28.32	29.89	30.82
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	10,170	83,658	199,330
Elementary (0-8)	17.97%	17.06%	15.82%
Some High School (9-11)	15.47%	13.83%	13.06%
High School Graduate (12)	33.84%	30.09%	29.80%
Some College (13-15)	18.16%	19.28%	20.24%
Associate Degree Only	4.85%	4.71%	4.85%
Bachelors Degree Only	5.19%	8.39%	9.31%
Graduate Degree	1.34%	2.97%	3.59%
■ Time Travel to Work			
Average Travel Time in Minutes	29	31	30

Marcus & Millichap

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: ZAB0060250)



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	9002994	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
_____ Licensed Supervisor of Sales Agent/Associate	_____ License No.	_____ Email	_____ Phone
ADAM ABUSHAGUR	661916	ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM	972-755-5223
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date

8723 EASTHAVEN BOULEVARD

HOUSTON, TX 77075

PRESENTED BY

MAX LOZMACK

Associate
National Office and Industrial Properties Group
Houston Office
Office 713.452.4264
Max.Lozmack@marcusmillichap.com
License: TX 724493

ADAM ABUSHAGUR

Senior Vice President Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

TAG INDUSTRIAL
THE ABUSHAGUR GROUP | **Marcus & Millichap**