

Marcus & Millichap
TAG INDUSTRIAL GROUP

1360 HUGH ROAD

HOUSTON, TX 77067

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

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The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, open space with a high ceiling, featuring a complex network of steel beams and structural supports. Several large, white, dome-shaped pendant lights are suspended from the ceiling. In the lower left, a large industrial door with horizontal panels is visible. The overall atmosphere is industrial and modern.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- Property is Conveniently Located Near Spears Road and Easily Accessible to Interstate-45
- 3-Year Leaseback in Place with Antex Roofing Company, Incorporated., has been in Business Over 40 Years with Major Clients Like Academy Sports and Outdoors
- Real Estate is Sitting On 8.21 Acres of Raw Land, Prime for Future Development Opportunities in Such a Booming Area
- This Submarket Has Been One of The Main Beneficiaries of Outward Population Growth in Houston This Cycle
- Area is Currently Experiencing a Boom In Industrial Growth, Resulting in A Desire For Future Industrial Development Opportunities
- Instant Cash Flow for Investor Through 3-Year Leaseback, While Providing Ample Time to Re-Lease Once Antex Roofing Tenant Vacates

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1360 Hugh Road in Houston, Texas, leased to Antex Roofing Company. The subject property consists of approximately 9,250 square feet of space and is situated on 8.21 acres of land. The asset features 2,710 square feet of office space, one grade-level door, and metal warehouse space. There is a 3-year leaseback in place with Antex Roofing Company, Inc., providing instant cash flow for an investor and ample time to re-lease once the tenant vacates. Antex Roofing, Inc. has been in business for over 40 years and is part of the Roofing, Siding, & Sheet Metal Contractors Industry. The subject property also provides an opportunity for investors with over eight acres of land for future development, in addition to it being in a submarket that is experiencing significant industrial growth. The property is conveniently located near Spears Road and Interstate 45.

The North Freeway/Tomball Parkway submarket recently experienced one of the largest supply waves in the Houston area. As the submarket continues to work through that new supply, vacancies remain elevated. However, the coronavirus pandemic and lower oil prices are causing significant economic disruption in north Houston, even as industrial has fared better than other property types. The North Freeway/Tomball Parkway submarket has been one of the main beneficiaries of outward population growth in Houston since 2010. The submarket ranks in the top 10 among Houston-area submarkets for the amount of new supply added since 2010, and supply-side pressure has led to an increasing vacancy rate. (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

1360 HUGH ROAD, HOUSTON, TX 77067

| | |
|-----------------------|----------------------------------|
| Number of Suites | 1 |
| Number of Buildings | 1 |
| Total Square Feet | 9,250 |
| Warehouse Square Feet | 6,540 |
| Office Square Feet | 2,710 |
| Year Built | 1967 |
| Lot Size | 8.21 Acres |
| Type of Ownership | Fee Simple |
| Building Class | C |
| Tenancy | Single |
| Grade Level Doors | 1 |
| Construction | Metal Warehouse & Masonry Office |
| Power | 3p/ 480V/ 400A |
| Submarket | North Fwy/ Tomball Pky Ind |
| Market Vacancy | 13.60% |

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OFFERING HIGHLIGHTS

3 YEAR LEASEBACK

1360 HUGH ROAD, HOUSTON, TX 77067

| OFFERING PRICE | CAP RATE | PRO-FORMA CAP RATE |
|--------------------|----------|---------------------|
| \$875,000 | 9.50% | 9.78% |
| Offering Price | | \$875,000 |
| Cap Rate | | 9.50% |
| Pro-Forma Cap Rate | | 9.78% |
| Price/SF | | \$94.59 |
| Total Square Feet | | 9,250 |
| Rental Increase | | 3% Annual Increases |
| Occupancy | | 100.00% |

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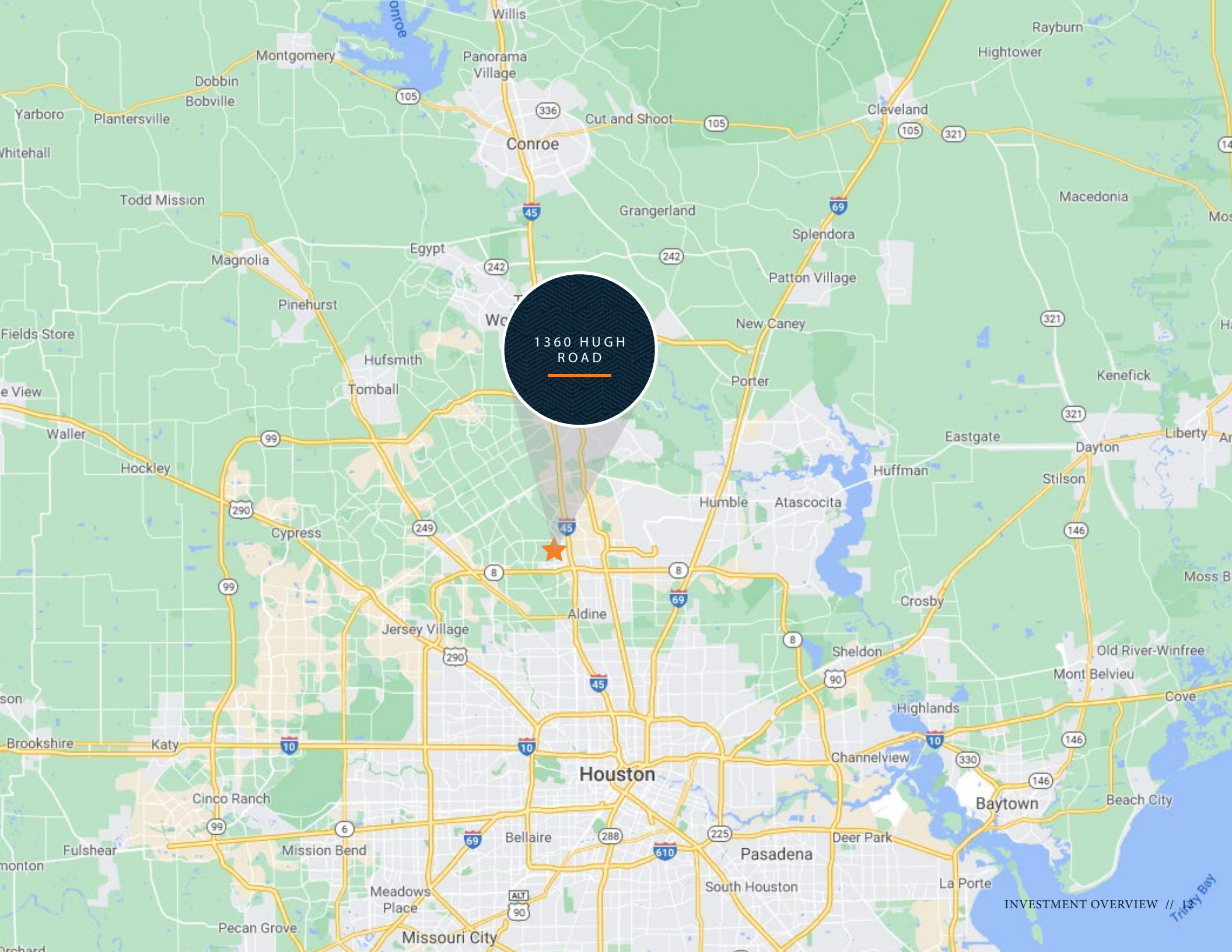
RENT ROLL

| Tenant Name | Suite | Square Feet | % Bldg Share | Lease Dates Comm. | Lease Dates Exp. | Annual Rent per Sq. Ft. | Total Rent Per Month | Total Rent Per Year | Pro Forma Rent Per Year | Changes on | Rent Increase | Lease Type | Renewal Options and Option Year Rental Information |
|-----------------------------|---------|-------------|--------------|------------------------------|------------------|---------------------------------|----------------------|-------------------------------|-------------------------|------------|---------------|------------|--|
| Antex Roofing Company, Inc. | Suite 1 | 9,250 | 100.0% | COE | 11/31/2024 | \$8.99 | \$6,927 | \$83,124 | \$85,618 | Dec-2022 | \$7,135 | NNN | 1 (3) Year Renewal Option |
| Total | | 9,250 | | | | \$8.99 | \$6,927 | \$83,124 | \$85,618 | | | | |
| Occupied Tenants: 1 | | | | Unoccupied Tenants: 0 | | Occupied GLA: 100.00% | | Unoccupied GLA: 0.00% | | | | | |
| | | | | Total Current Rents: \$6,927 | | Occupied Current Rents: \$6,927 | | Unoccupied Current Rents: \$0 | | | | | |

OPERATING STATEMENT

| Income | Current | Per SF | Pro Forma | Per SF |
|------------------------------|-----------------|---------|-----------------|---------|
| Scheduled Base Rental Income | 83,124 | 8.99 | 85,618 | 9.26 |
| Expense Reimbursement Income | | | | |
| Net Lease Reimbursement | | | | |
| Insurance | 5,040 | 0.54 | 5,040 | 0.54 |
| Real estate Taxes | 13,547 | 1.46 | 13,547 | 1.46 |
| Total Reimbursement Income | \$18,587 100.0% | \$2.01 | \$18,587 100.0% | \$2.01 |
| Effective Gross Revenue | \$101,711 | \$11.00 | \$104,205 | \$11.27 |

| Operating Expenses | Current | Per SF | Pro Forma | Per SF |
|----------------------|----------|--------|-----------|--------|
| Insurance | 5,040 | 0.54 | 5,040 | 0.54 |
| Real Estate Taxes | 13,547 | 1.46 | 13,547 | 1.46 |
| Total Expenses | \$18,587 | \$2.01 | \$18,587 | \$2.01 |
| Expenses as % of EGR | 18.3% | | 17.8% | |
| Net Operating Income | \$83,124 | \$8.99 | \$85,618 | \$9.26 |



1360 HUGH
ROAD



1360 HUGH
ROAD

Darul-Huda

Ferpa Precision
Machine Services

Mo Road Service

Baitus Samee

Trickey Rd

Hugh Rd

Hugh Rd



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 1,944 debt
and equity
financings in 2019



National platform operating
within the firm's
brokerage offices



\$7.18 billion total
national volume
in 2019



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-toned photograph of an industrial interior. It features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

HOUSTON TEXAS

As the fifth most populous metro area in the U.S., Houston houses roughly 7 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 remains the center of energy production. 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.



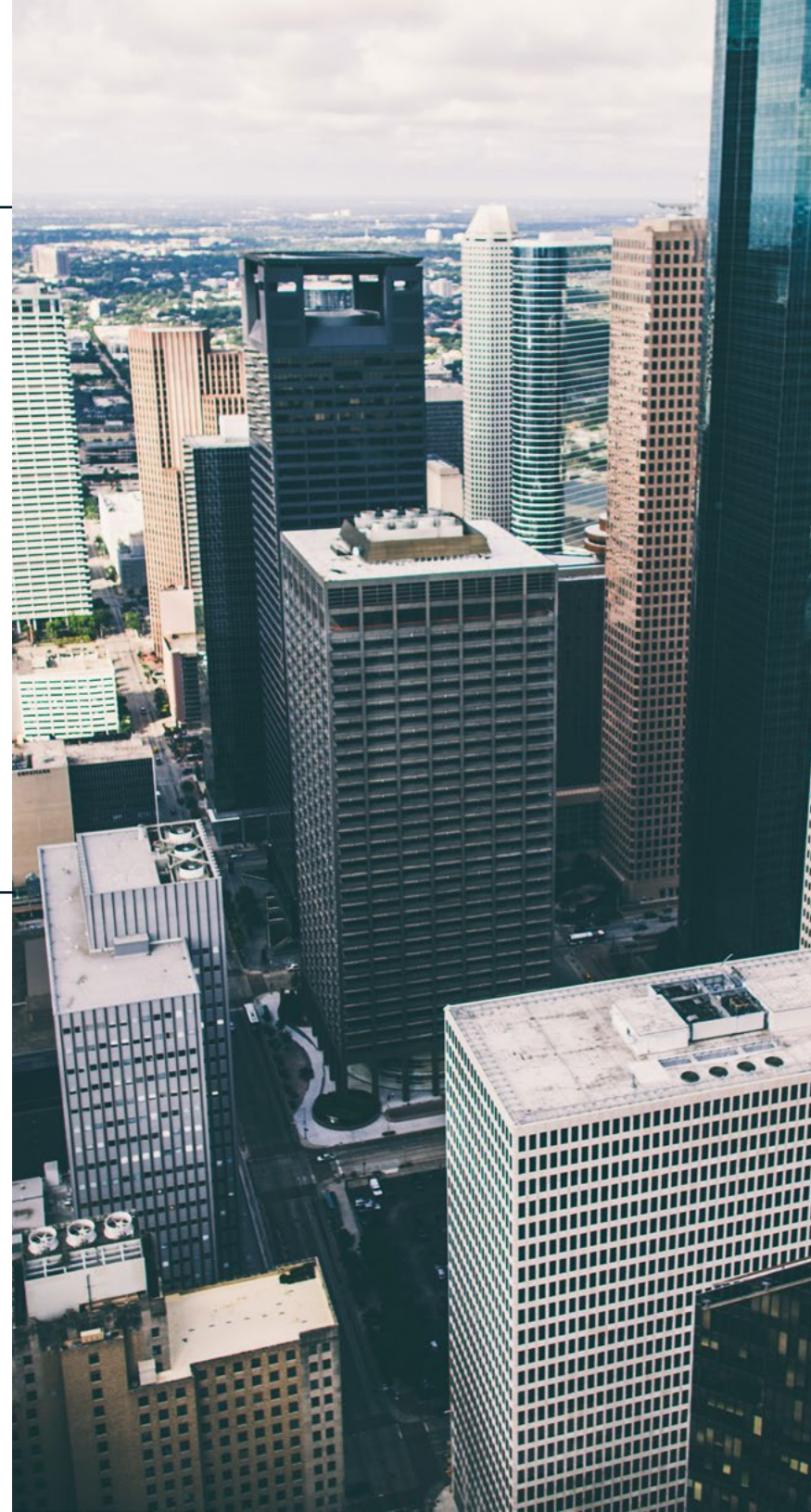
METROPLEX GROWTH

The Houston metro is expected to add 755,200 people through 2024 and roughly 21 percent of these residents are in the 20- to 34-year-old cohort. During the same period, nearly 274,800 households will be formed, generating demand for housing. The homeownership rate of 57 percent is on par with the national rate. The median home price of \$250,000 is below that the U.S.



QUALITY OF LIFE

Outdoor activities abound in Houston as a result of the city's favorable location and climate. More than a dozen state parks and recreation areas lie within a short drive of Houston, as well as more than 500 parks and open spaces and various cultural venues and museums. Johnson Space Center is a popular tourist and educational destination. The metro is also known internationally for its medical community and is home to the Texas Medical Center, the largest of its kind in the world. Houston hosts four professional sports teams: the Houston Texans, the Houston Astros, the Houston Rockets and the Houston Dynamo.



DEMOGRAPHICS



315,420

Total Population
Within 5 miles



47.84%

52.16%



\$61,052

Average Household Income
Within 5 miles



2,323

Employees
Within 1 mile

DEMOGRAPHICS

| POPULATION | 1 Miles | 3 Miles | 5 Miles |
|-------------------------------|---------|---------|---------|
| ■ 2025 Projection | | | |
| Total Population | 14,371 | 139,330 | 335,691 |
| ■ 2020 Estimate | | | |
| Total Population | 13,708 | 130,267 | 315,420 |
| ■ 2010 Census | | | |
| Total Population | 12,560 | 116,157 | 282,071 |
| ■ 2000 Census | | | |
| Total Population | 8,680 | 83,504 | 213,596 |
| ■ Daytime Population | | | |
| 2020 Estimate | 9,325 | 127,093 | 321,563 |
| HOUSEHOLDS | 1 Miles | 3 Miles | 5 Miles |
| ■ 2025 Projection | | | |
| Total Households | 4,497 | 43,573 | 107,985 |
| ■ 2020 Estimate | | | |
| Total Households | 4,298 | 41,097 | 101,801 |
| Average (Mean) Household Size | 3.20 | 3.15 | 3.09 |
| ■ 2010 Census | | | |
| Total Households | 3,871 | 36,338 | 89,948 |
| ■ 2000 Census | | | |
| Total Households | 2,895 | 28,716 | 73,582 |

| HOUSEHOLDS BY INCOME | 1 Miles | 3 Miles | 5 Miles |
|-------------------------------------|----------|----------|----------|
| ■ 2020 Estimate | | | |
| \$200,000 or More | 0.92% | 0.87% | 2.09% |
| \$150,000 - \$199,000 | 4.36% | 2.15% | 2.93% |
| \$100,000 - \$149,000 | 12.33% | 8.40% | 9.84% |
| \$75,000 - \$99,999 | 13.55% | 10.24% | 11.21% |
| \$50,000 - \$74,999 | 22.20% | 19.45% | 18.81% |
| \$35,000 - \$49,999 | 14.08% | 16.44% | 15.70% |
| \$25,000 - \$34,999 | 10.70% | 14.42% | 13.37% |
| \$15,000 - \$24,999 | 11.02% | 14.67% | 13.48% |
| Under \$15,000 | 10.84% | 13.36% | 12.56% |
| Average Household Income | \$63,930 | \$53,535 | \$61,052 |
| Median Household Income | \$53,766 | \$41,314 | \$44,804 |
| Per Capita Income | \$20,044 | \$16,892 | \$19,719 |
| POPULATION PROFILE | 1 Miles | 3 Miles | 5 Miles |
| ■ Population By Age | | | |
| 2020 Estimate Total Population | 13,708 | 130,267 | 315,420 |
| Under 20 | 34.27% | 35.36% | 33.49% |
| 20 to 34 Years | 24.56% | 26.01% | 25.09% |
| 35 to 39 Years | 7.70% | 8.14% | 7.84% |
| 40 to 49 Years | 13.62% | 12.75% | 12.65% |
| 50 to 64 Years | 14.74% | 12.90% | 13.86% |
| Age 65+ | 5.13% | 4.84% | 7.08% |
| Median Age | 29.41 | 28.67 | 29.95 |
| ■ Population 25+ by Education Level | | | |
| 2020 Estimate Population Age 25+ | 7,900 | 74,088 | 185,881 |
| Elementary (0-8) | 7.22% | 12.12% | 12.02% |
| Some High School (9-11) | 11.08% | 13.43% | 12.60% |
| High School Graduate (12) | 27.51% | 29.15% | 27.88% |
| Some College (13-15) | 26.49% | 22.87% | 21.82% |
| Associate Degree Only | 6.83% | 6.47% | 6.21% |
| Bachelors Degree Only | 11.80% | 8.84% | 11.27% |
| Graduate Degree | 5.88% | 3.68% | 4.76% |
| ■ Time Travel to Work | | | |
| Average Travel Time in Minutes | 32 | 32 | 33 |



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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| Licensed Supervisor of Sales Agent/Associate | License No. | Email | Phone |
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Date

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