

Marcus & Millichap
TAG INDUSTRIAL GROUP

8611 INDUSTRIAL DRIVE

PEARLAND, TX 77584

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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.

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TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

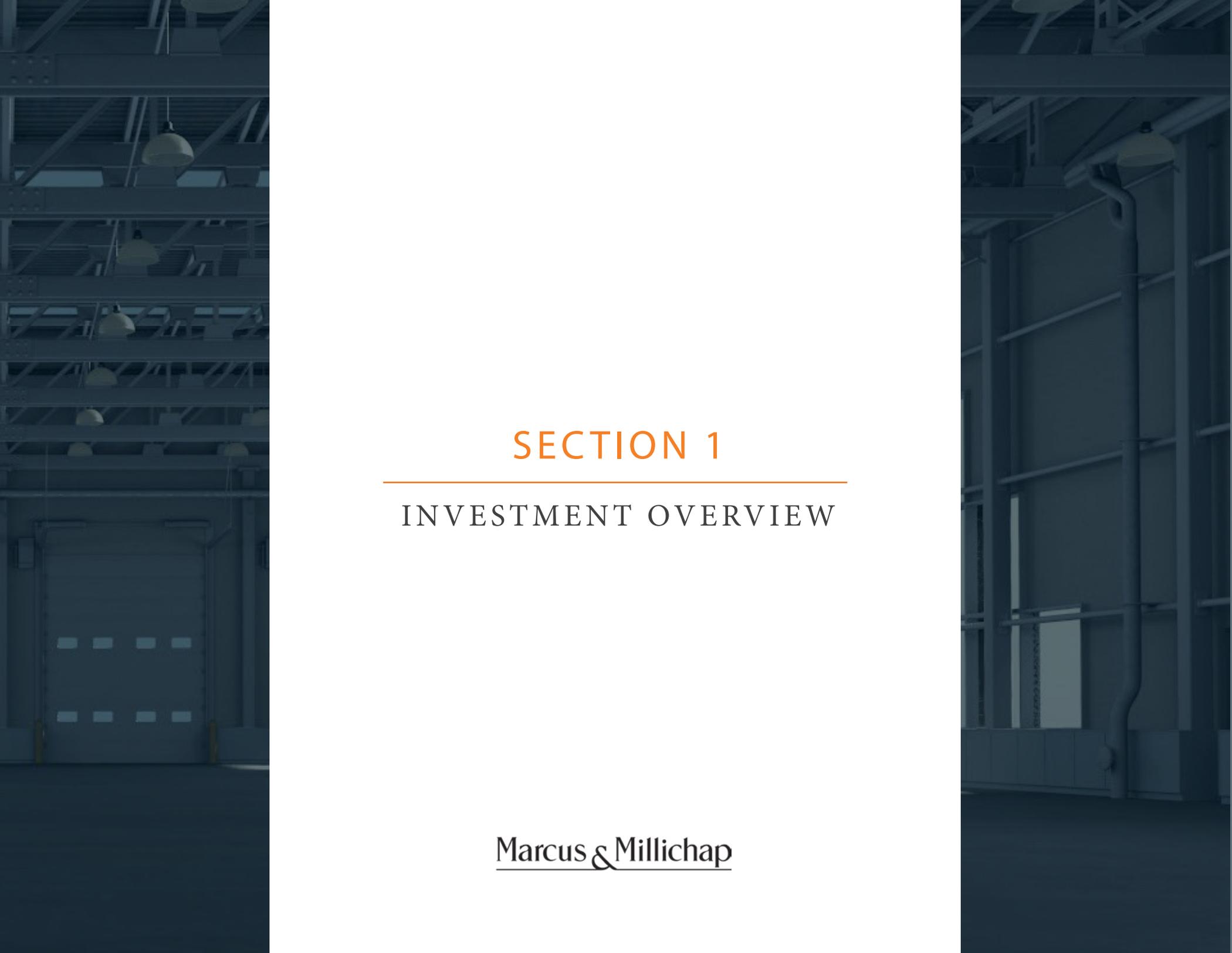
Offering Summary • Property Details • Offering Highlights • Rent Roll • Operating Statement
Regional Map • Aerial Map • Property Photos
Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis



SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- Conveniently Located on Industrial Drive Next to South Main Street
 - 2.54 Acres of Stabilized Land for Outside Storage
 - Two Total Drive in Doors (12'w x 14'h)
- 4.4% Vacancy Rate Despite Pandemic and Oil and Gas Crisis Within Submarket
- Supply and Demand Have Moved in Lockstep, Therefore Landlords Have Experienced Positive Rental Growth Since 2010
 - As Suburban South Houston Grows, so Should Industrial Demand for E-Commerce and Distribution Spaces

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 8611 Industrial Drive in Pearland, Texas. The subject property consists of approximately 10,070 square feet of space and is situated on 2.54 acres of land. The asset features two grade-level doors, 20 parking spaces, and stabilized land for outside storage. Conveniently located on Industrial Drive next to South Main Street, the subject property lies within a submarket with 4.4 percent vacancy. Despite the health pandemic and the oil and gas crisis, supply and demand have moved in lockstep, with landlords experiencing positive rental growth since 2010. As suburban South Houston grows, so should demand for e-commerce and distribution spaces.

Stretching from the South Loop to the Gulf of Mexico, the South Highway 35 Submarket encompasses one of the metro's largest geographic areas. This large geographic span also means that with 40 million square feet of industrial stock, the submarket has the third-largest industrial inventory in the metro. More than three million square feet has delivered since 2010, which ranks the submarket in the top 10 for deliveries in that time frame. The trajectory of the local economy and its commercial real estate sector will depend on how widely coronavirus spreads, and how long containment policies like social distancing need to be maintained. Yet, the South Highway 35 Submarket continues to exhibit strong tenant demand. (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

8611 INDUSTRIAL DRIVE,
PEARLAND, TX 77584

Number of Suites	1
Number of Buildings	1
Total Square Feet	10,070
Year Built	1982
Lot Size	2.54 Acres
Type of Ownership	Fee Simple
Clear Height	16'
Parking	20 Surface Spaces Available
Building Class	C
Tenancy	Vacant
Grade Level Doors	2
Construction	Steel
Power	3 Phase
Type of Lighting	Incandescent
Age/Condition of Roofs	Original Roof
Submarket	South Highway 35 Ind Submarket
Market Vacancy	4.40%



8611 INDUSTRIAL DRIVE

PEARLAND, TX 77584

OFFERING PRICE

\$850,000

CAP RATE

10.07%

PRO-FORMA CAP RATE

10.37%

Offering Price	\$850,000
Cap Rate	10.07%
Pro-Forma Cap Rate	10.37%
Price/SF	\$84.41
Total Square Feet	10,070
Occupancy	0.00%

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: ZAB0060460)

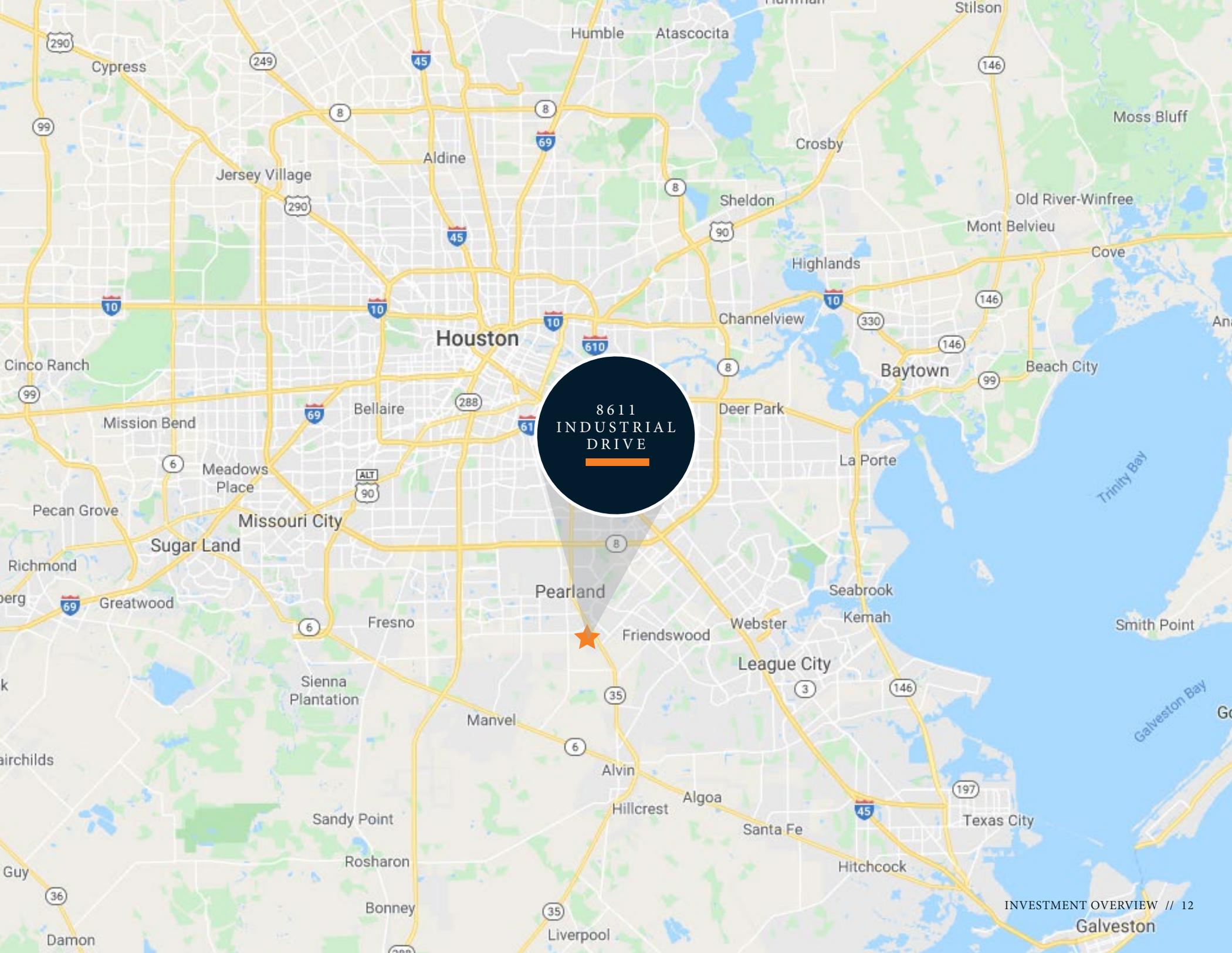
RENT ROLL

Tenant Name	Suite	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.							
Potential Tenant	Suite 1	10,070	100.0%	6/1/21	6/1/26	\$8.50	\$7,132	\$85,584	\$88,140	Jun-2022	3% Annual Increases	NNN
Total		10,070				\$8.50	\$7,132	\$85,584	\$88,140			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$7,132						Occupied Current Rents: \$7,132		Unoccupied Current Rents: \$0				

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	85,584		8.50	88,140		8.75
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	4,392		0.44	4,392		0.44
Real estate Taxes	17,603		1.75	17,603		1.75
Total Reimbursement Income	\$21,995	100.0%	\$2.18	\$21,995	100.0%	\$2.18
Effective Gross Revenue	\$107,579		\$10.68	\$110,135		\$10.94

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	4,392		0.44	4,392		0.44
Real Estate Taxes	17,603		1.75	17,603		1.75
Total Expenses	\$21,995		\$2.18	\$21,995		\$2.18
Expenses as % of EGR	20.4%			20.0%		
Net Operating Income	\$85,584		\$8.50	\$88,140		\$8.75



8611
INDUSTRIAL
DRIVE



8611
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DRIVE



Craneco Parts
& Supply, Inc



Industrial Dr

Indu



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



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

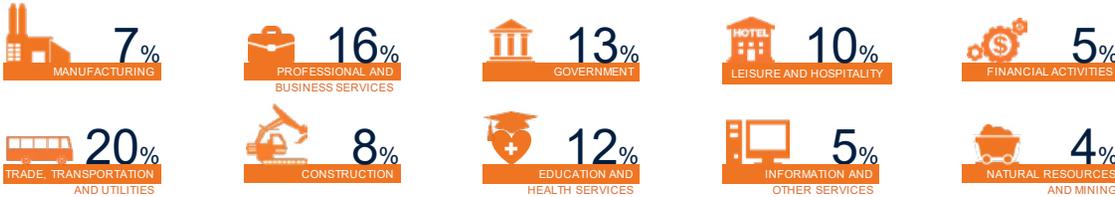


LOW COST OF LIVING,
DOING BUSINESS

METROPLEX GROWTH

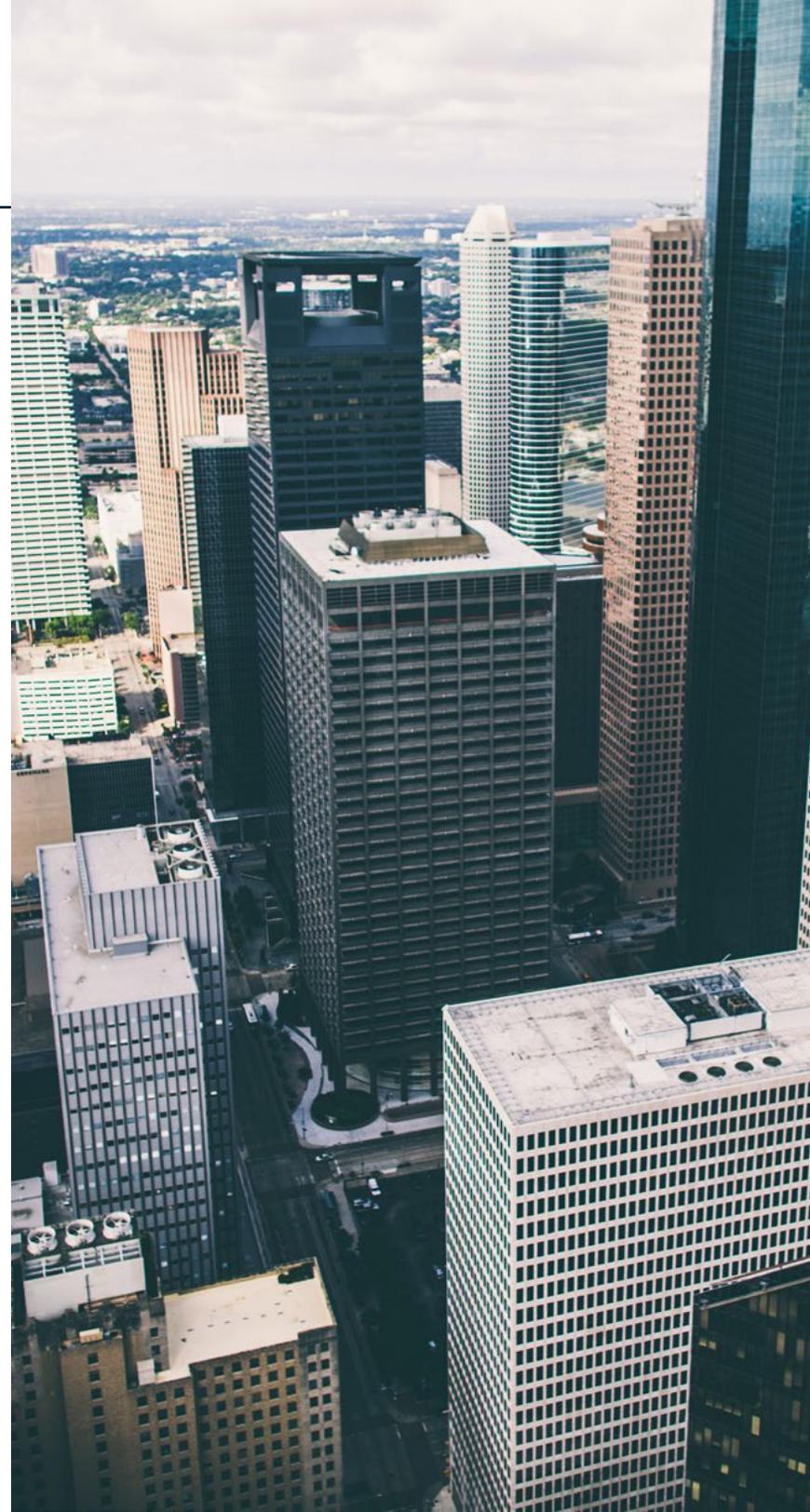
ECONOMY

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



131,252

Total Population
Within 5 miles



49.26%



50.74%



\$116,088

Average Household Income
Within 5 miles



1,243

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	1,688	48,977	141,909
■ 2019 Estimate			
Total Population	1,534	45,922	131,252
■ 2010 Census			
Total Population	1,310	41,328	115,414
■ 2000 Census			
Total Population	664	29,224	81,593
■ Daytime Population			
2019 Estimate	1,241	37,732	100,208
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	603	16,728	48,451
■ 2019 Estimate			
Total Households	544	15,614	44,583
Average (Mean) Household Size	3.20	2.92	2.94
■ 2010 Census			
Total Households	460	13,966	38,989
■ 2000 Census			
Total Households	242	10,125	27,786

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	10.08%	7.17%	9.54%
\$150,000 - \$199,000	10.46%	9.92%	10.20%
\$100,000 - \$149,000	28.62%	26.80%	24.49%
\$75,000 - \$99,999	17.80%	16.50%	16.48%
\$50,000 - \$74,999	11.90%	15.25%	16.01%
\$35,000 - \$49,999	7.33%	8.25%	8.12%
\$25,000 - \$34,999	4.82%	5.06%	5.12%
\$15,000 - \$24,999	4.47%	5.46%	5.18%
Under \$15,000	4.50%	5.59%	4.87%
Average Household Income	\$122,555	\$108,887	\$116,088
Median Household Income	\$98,869	\$90,854	\$91,021
Per Capita Income	\$43,442	\$37,066	\$39,479
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	1,534	45,922	131,252
Under 20	32.92%	30.06%	29.28%
20 to 34 Years	18.85%	19.67%	18.63%
35 to 39 Years	7.89%	7.78%	6.98%
40 to 49 Years	14.86%	14.79%	14.00%
50 to 64 Years	15.81%	17.53%	18.69%
Age 65+	9.65%	10.18%	12.41%
Median Age	33.76	35.18	36.51
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	938	29,379	84,949
Elementary (0-8)	3.64%	2.59%	2.82%
Some High School (9-11)	6.80%	6.17%	5.79%
High School Graduate (12)	21.50%	22.43%	21.97%
Some College (13-15)	23.13%	25.61%	23.83%
Associate Degree Only	9.07%	8.85%	8.69%
Bachelors Degree Only	25.30%	23.23%	24.13%
Graduate Degree	9.29%	10.27%	11.57%
■ Time Travel to Work			
Average Travel Time in Minutes	34	35	34



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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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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