

Marcus & Millichap
TAG INDUSTRIAL GROUP



GOODMAN DISTRIBUTION, INC.
301 WEST OWASSA ROAD
EDINBURG, TX 78577

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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.

Marcus & Millichap
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SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- 41,875 Square-Foot Industrial Warehouse Situated on 3.60 Acres
- Brand New Tilt-Wall Construction Featuring Five Dock-High Doors and Two Grade-Level Doors
 - New 10-Year Lease Guaranteed by Goodman Global, Inc. Founded in 1975
 - Triple-Net Lease, Minimizing Landlord Expenses
 - Corporate Guarantee by Goodman Global Group, Inc. – Well Over 9-Figure Annual EBITDA
- Goodman® Brand Products Predominantly Sold Through Company-Operated and Independent Distribution Networks; More Than 1,000 Total Distribution Points Throughout North America
- Tough Barrier to Entry Market: 4 Percent Overall Vacancy and 1.5 Percent Annual Rent Growth (CoStar)
 - Strategically Located Industrial Warehouse with Proximate Access to Major Freeways

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 301 West Owassa Road in Edinburg, Texas, leased to Goodman Distribution, Inc. The subject property consists of approximately 41,875 square feet of space and is situated on 3.60 acres of land. The asset features new tilt-wall construction, five dock-high doors, and two grade-level doors. The new 10-year, triple-net lease is guaranteed by Goodman Global, Inc. and minimizes landlord expenses. Goodman Global Group, Inc. has an annual EBITDA well over nine figures. Goodman® brand products are predominantly sold through company-operated and independent distribution networks, with more than 1,000 total distribution points throughout North America. Goodman Global Group, Inc. was founded in 1975. This strategically located industrial warehouse with proximate access to major freeways lies within a tough barrier to entry submarket (4 percent overall vacancy and 1.5 percent annual rent growth). (CoStar)

Edinburg is a midsized submarket containing around 2.9 million square feet of industrial space. The recent instability has not made a huge impact on the vacancy rate, although vacancies (6.3 percent) have ticked up slightly over the past 12 months. Over the past five years, the submarket has posted net absorption of about 69,000 square feet per year, on average. Rents posted a gain of 3.1 percent over the past 12 months. There are no supply-side pressures on vacancy or rent in the near-term, as nothing is underway. Though the pipeline is empty, the submarket has seen recent development. (CoStar)

Edinburg, Texas is a place with a business-friendly environment, large labor force, strong infrastructure, resources, and room for growth. The City of Edinburg is one of the fastest-growing and developing cities in the Rio Grande Valley. Edinburg is the county seat of Hidalgo, the seventh largest county in Texas, and home to the University of Texas-Rio Grande Valley, the state's tenth largest public university. Centrally located within one of the largest trade corridors in the world, Edinburg is the gateway to Interstate 69 or the NAFTA Highway. In 1999, more than 54 percent of all trade between Mexico and the United States made its way through the South Texas port of entry. Edinburg is a pro-business community with an excellent quality of life, educational facilities, and strong civic pride. It has been recognized as an All-American City three times by the National Civic League, placing it among a handful of outstanding communities in the nation. (cityofedinburg.com)

PROPERTY DETAILS

GOODMAN DISTRIBUTION, INC.
301 WEST OWASSA ROAD, EDINBURG, TX 78577

Number of Suites	1
Number of Buildings	1
Total Square Feet	41,875
Office Square Feet	2,968
Year Built	2021
Lot Size	3.60 Acres
Type of Ownership	Fee Simple
Clear Height	28'
Building Class	A
Tenancy	Single
Dock High Doors	5
Grade Level Doors	2
Sprinklers	ESFR
Construction	Tilt Wall
Power	400a/480v 3p
Type of Lighting	LED
Age/Condition of Roofs	2021 with 15-Year Warranty
Age/Condition of HVAC	2021



GOODMAN DISTRIBUTION, INC.

301 WEST OWASSA ROAD, EDINBURG, TX 78577

OFFERING PRICE
\$8,360,000

CAP RATE
5.50%

CASH-ON-CASH
8.13%

Price/SF	\$199.64
Total Square Feet	41,875
Rental Rate	\$10.98
Lease Guarantor	Goodman Global, Inc.
Lease Type	NNN
Lease Term	10 Years Remaining
Rental Increases	2% Annual Increase
Tenancy	Single
Occupancy	100%

FINANCING

Loan-to-Value	60%
Loan Type	New
Interest Rate	3.75%
Amortization	30 Years
Year Due	2026

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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. © 2021 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0061082)

RENT ROLL

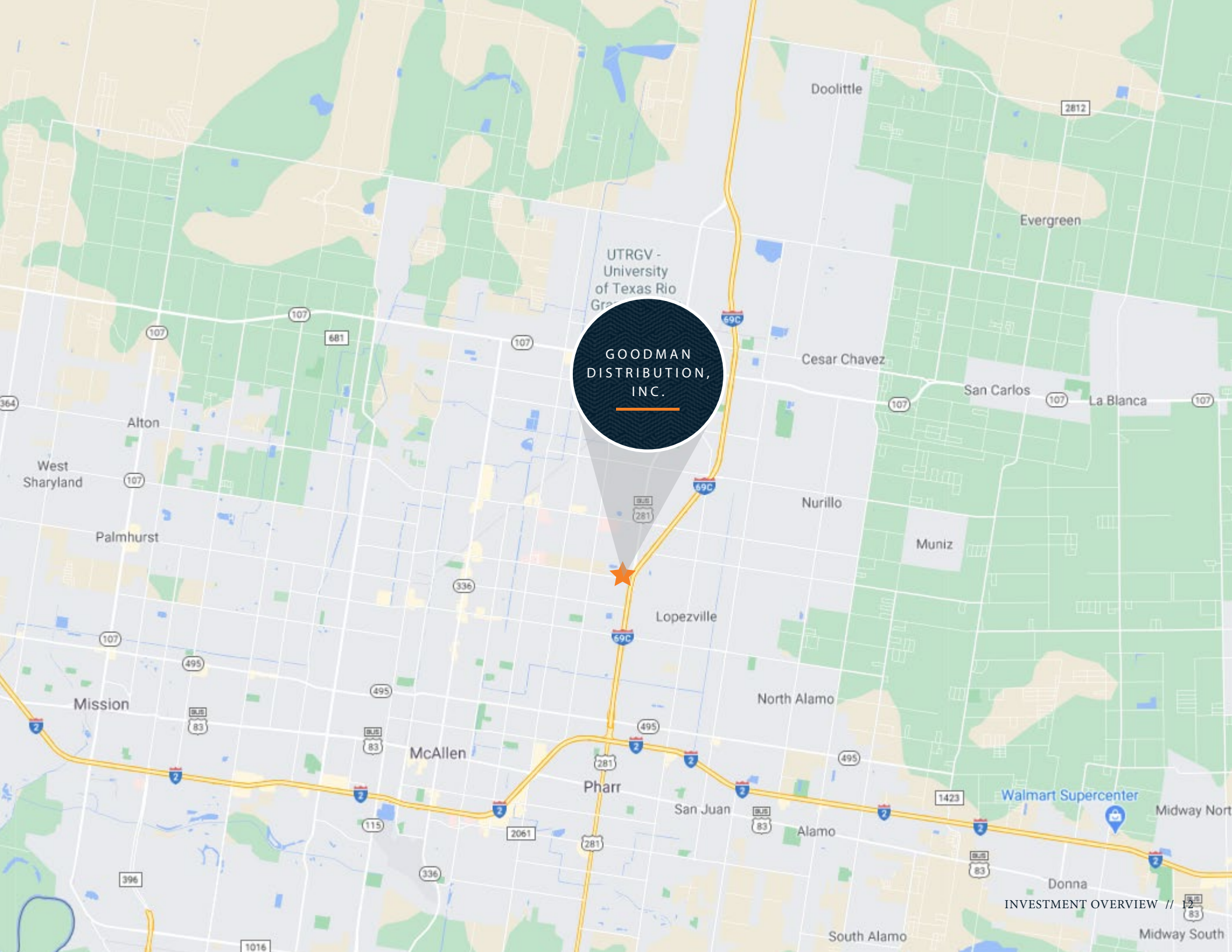
Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
			Comm.	Exp.							
Goodman Distribution, Inc.	41,875	100.0%	11/1/20	10/30/30	\$10.98	\$38,319	\$459,831	Nov-2021	2% Annual Increase	NNN	Two 5-year options at Prevailing Market rate
Total	41,875				\$10.98	\$38,319	\$459,831				
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
			Total Current Rents: \$38,319		Occupied Current Rents: \$38,319		Unoccupied Current Rents: \$0				

OPERATING STATEMENT

Income	Current		Per SF
Scheduled Base Rental Income	459,831		10.98
Expense Reimbursement Income			
Net Lease Reimbursement			
Insurance	10,469		0.25
Real estate Taxes	130,000		3.10
Management Fees	18,549		0.44
Total Reimbursement Income	\$159,018	100.0%	\$3.80
Effective Gross Revenue	\$618,849		\$14.78

Operating Expenses	Current		Per SF
Insurance	10,469		0.25
Real Estate Taxes	130,000		3.10
Management Fee	18,549	3.0%	0.44
Total Expenses	\$159,018		\$3.80
Expenses as % of EGR	25.7%		
Net Operating Income	\$459,831		\$10.98

Note: Management fee subject to an assumable 5 year management contract with Stream Realty Partners.



GOODMAN
DISTRIBUTION,
INC.

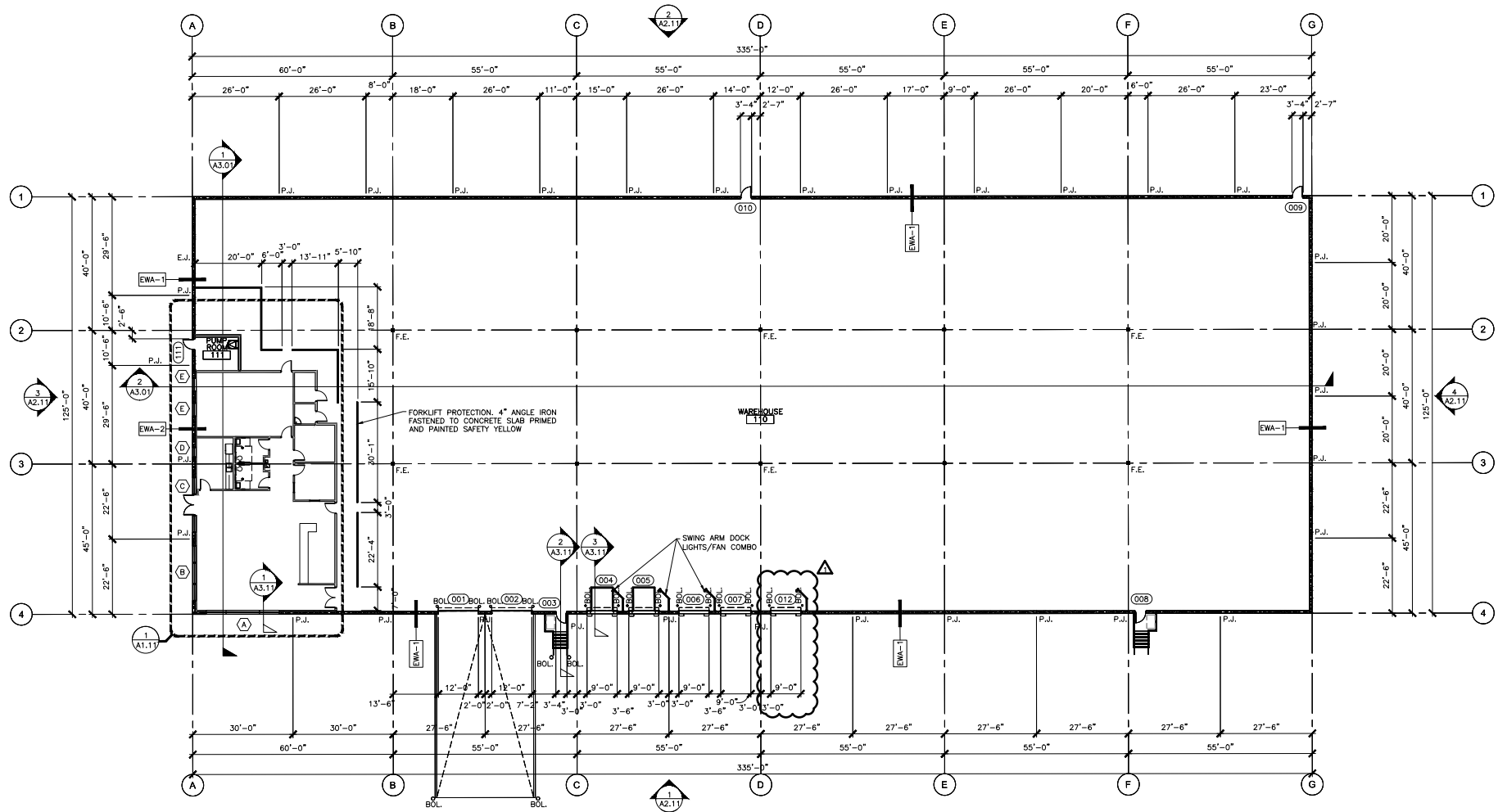


GOODMAN
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INC.





FLOOR PLAN



TENANT SUMMARY

“Provide high quality, best value HVAC products and solutions with exceptional customer service that identifies us as ‘the easiest HVAC Company with which to do business’ and thereby sustains leading growth in sales, profitability, and market share.”

TENANT

Goodman Distribution, Inc

HEADQUARTERS

Houston, TX

DATE FOUNDED

1975

PARENT

Daikin

EMPLOYEES

10,001+

www.goodmanmfg.com



Goodman Manufacturing has had one goal: provide customers with reliable, high-quality, energy-efficient, and affordable indoor comfort products.

Over the years, Goodman Manufacturing have grown from a small Texas operation into one of the largest HVAC manufacturers in the United States. In 2012, the Goodman brand became a member of Daikin Group, one of the largest HVAC manufacturing and refrigerant companies in the world. Prioritizing world-class quality standards through policies, procedures, and processes is central to the company’s mission. It also allows them to design, test, and apply advanced technologies to the next generation of heating and cooling products.

Goodman Manufacturing also recognizes the benefit of some old-fashioned values. Goodman believes in the integrity of the American worker. That’s why the Goodman brand heating and cooling systems continue to be designed, engineered, and assembled in the USA.

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

MCALLEN- EDINBURG-MISSION TEXAS



The McAllen-Edinburg-Mission metro is located 250 miles south of San Antonio near the Texas-Mexico border and encompasses Hidalgo County. The metro's proximity to Mexico makes trade and logistics important drivers of the local economy. The University of Texas, Rio Grande Valley has facilities in Edinburg, McAllen and Weslaco. The Rio Grande River also runs through the area, providing recreational opportunities for locals and visitors.



LOGISTICS INDUSTRY



HEALTHCARE



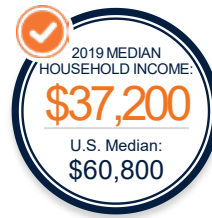
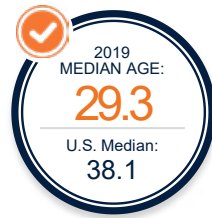
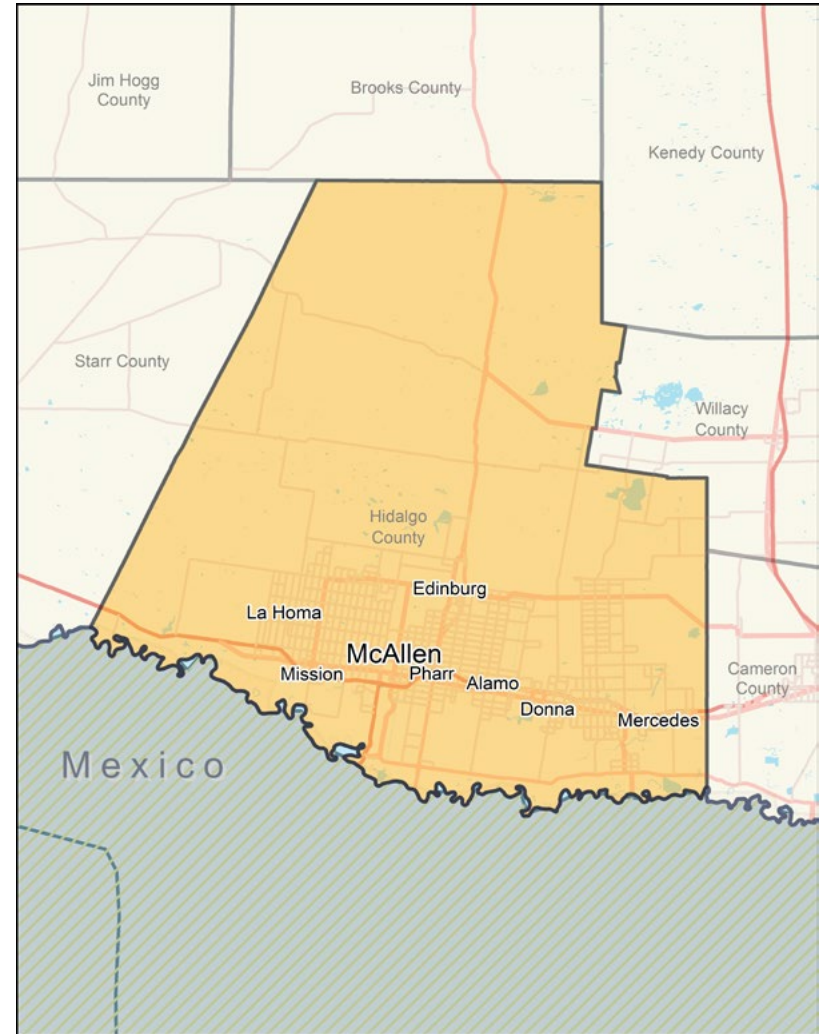
FOOD STORAGE AND
PROCESSING



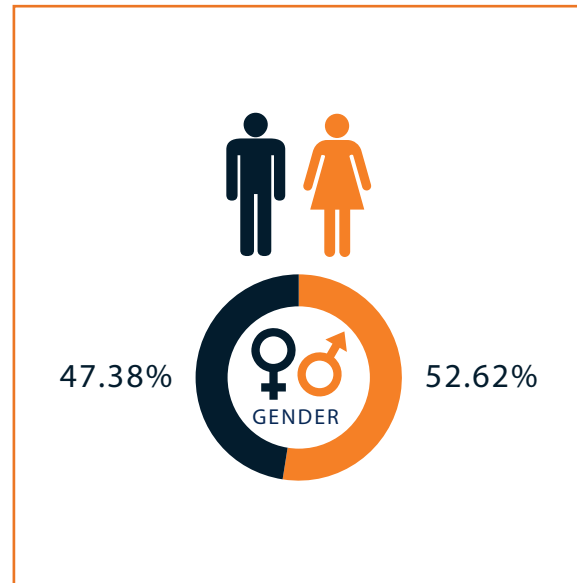
METROPLEX GROWTH

ECONOMY

The metro has a diverse employment base, including sectors such as healthcare, retail and trade. The healthcare sector is a significant part of the economy as several large hospitals are located in the area, including Rio Grande Regional Hospital, McAllen Medical Center and McAllen Heart Hospital. GE Aviation and Royal Technologies Corp. have major manufacturing facilities in the metro, supplying hundreds of jobs. South Texas College is also located within McAllen. It regularly receives grants to provide equipment upgrades and manufacturing training to local residents. Texas A&M University opened a satellite campus in the new master-planned community of Tres Lagos.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	6,136	101,339	284,878
■ 2020 Estimate			
Total Population	5,345	89,504	260,747
■ 2010 Census			
Total Population	4,207	73,118	229,023
■ 2000 Census			
Total Population	6,329	52,197	177,170
■ Daytime Population			
2020 Estimate	6,083	90,126	288,073
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	2,133	31,938	89,353
■ 2020 Estimate			
Total Households	1,820	28,018	81,373
Average (Mean) Household Size	3.09	3.18	3.16
■ 2010 Census			
Total Households	1,374	22,480	70,018
■ 2000 Census			
Total Households	1,623	15,252	52,871

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$200,000 or More	2.60%	4.19%	2.67%
\$150,000 - \$199,000	3.61%	4.73%	3.90%
\$100,000 - \$149,000	16.75%	14.44%	11.72%
\$75,000 - \$99,999	12.70%	12.04%	11.04%
\$50,000 - \$74,999	19.02%	18.77%	17.26%
\$35,000 - \$49,999	14.34%	13.40%	13.33%
\$25,000 - \$34,999	11.08%	10.10%	10.60%
\$15,000 - \$24,999	7.25%	9.71%	11.90%
Under \$15,000	12.66%	12.59%	17.60%
Average Household Income	\$70,694	\$77,455	\$64,937
Median Household Income	\$56,036	\$55,003	\$45,707
Per Capita Income	\$24,305	\$24,305	\$20,367
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	5,345	89,504	260,747
Under 20	32.12%	33.10%	33.33%
20 to 34 Years	20.01%	21.34%	21.85%
35 to 39 Years	7.04%	7.18%	6.60%
40 to 49 Years	13.14%	13.46%	12.62%
50 to 64 Years	12.23%	14.45%	14.33%
Age 65+	15.46%	10.47%	11.26%
Median Age	33.43	31.77	31.03
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	3,282	53,567	153,583
Elementary (0-8)	9.01%	10.56%	12.42%
Some High School (9-11)	10.24%	9.54%	10.60%
High School Graduate (12)	24.54%	22.05%	22.41%
Some College (13-15)	21.62%	20.32%	20.78%
Associate Degree Only	5.90%	5.27%	5.21%
Bachelors Degree Only	19.62%	19.77%	17.54%
Graduate Degree	7.10%	10.10%	7.83%
■ Time Travel to Work			
Average Travel Time in Minutes	19	20	21



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

Buyer/Tenant/Seller/Landlord Initials

Date

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