

Marcus & Millichap
TAG INDUSTRIAL GROUP

924 BUGG LANE

SAN MARCOS, TEXAS 78666

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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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Marcus & Millichap





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Marcus & Millichap

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 trusses. 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

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OFFERING SUMMARY

- 10,150-Square-Foot Cold Storage Facility in San Marcos Equipped for Refrigeration and Delivery Services
 - 6,250 Square Feet of Cooler Space with 15'-20' Clear Heights and New Automatic Rytec Cooler Doors
- 3,900 Square Feet of Ambient Warehouse Space with 16'-18' Clear Heights and 450-Square-Foot Office Component
 - Features Two Grade-Level Doors (14'x22' & 14'x14') and Two Functional Hydraulic Loading Dock Lifts
 - HVAC System Replaced in 2009 and in Good Working Condition
- Property is Situated Along IH-35 Corridor Approximately 30 Miles from Austin and 45 Miles from San Antonio
 - Well-Positioned for Distribution with Easy Access to IH-35 and Highway 80
- San Marcos Job Growth Eclipsed 44% from 2008-2018 and Labor Force Grew by 45% Over Same Period
 - Hays County Ranked as Second Fastest-Growing County in the U.S. Since 2010

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 924 Bugg Lane in San Marcos, Texas. The subject property consists of approximately 10,150 square feet and is situated on 0.55 acres of land. The asset features 6,250 square feet of cooler space with 15' to 20' clear heights. With new automatic Rytec Cooler Doors, two grade-level doors (14'x22' and 14'x14'), and two functional hydraulic loading dock lifts, the cold storage facility is fully equipped for refrigeration and delivery services. The property also includes 3,900 square feet of ambient warehouse space with clear heights of 16' to 18' and around 450 square feet of office. In 2009, the HVAC system was replaced and remains in good working condition.

The subject property is well-positioned in the Hays County submarket for distribution with easy access to Interstate 35 and Highway 80. Austin is approximately 30 miles to the north and San Antonio is about 45 miles to the south. Proximity to these large cities has helped increase employment in San Marcos by 44 percent from 2008 to 2018, as the labor force grew by a similar 45 percent during that time. Hays ranked second as the fastest-growing county in the U.S. since 2010. With 11.3 million square feet of industrial space, Hays County is a mid-sized submarket largely consisting of 8.8 million square feet of logistics facilities. The remaining inventory is made of 1.7 million square feet of specialized space and 840,000 square feet of flex space. Hays County withstood the immediate effects of the pandemic as the vacancy rate fell sharply by 870 basis points to 8.3 percent from Q1 2020 to Q2 2021. Net absorption over the past year amounted to 1.5 million square feet, more than twice the five-year average. Industrial rents grew by 5.1 percent over the past year to an average of \$10.43 per square foot, which is in line with the impressive decade-long annual average. Even with over 800,000 square feet expected to be delivered in 2021, forecasts show a continuously falling vacancy rate for the foreseeable future (CoStar). Simply put, industrial landlords in Hays County should continue to benefit from the market's rapid ascension.

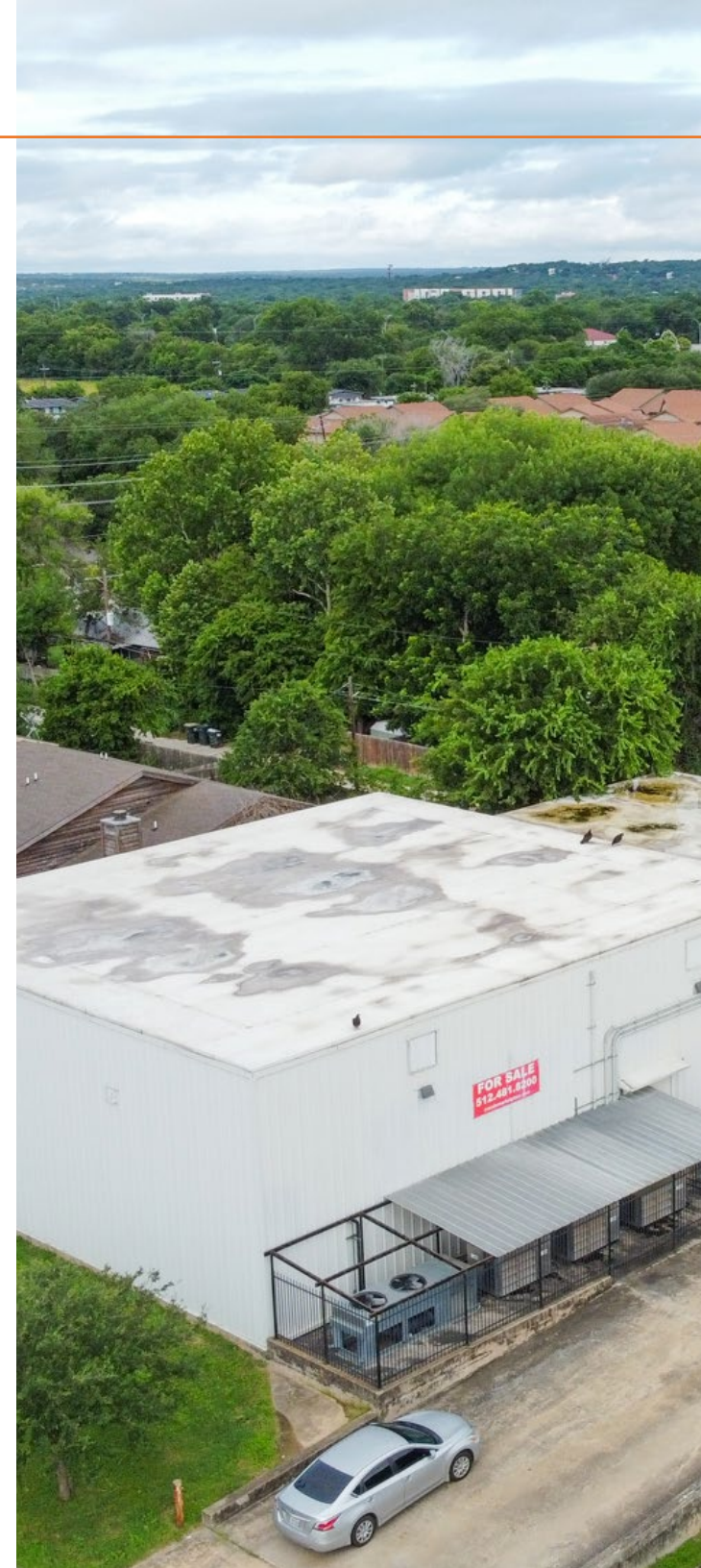
With a population of over 2.2 million residents, the population of Metro Austin has grown significantly in recent decades along with economic growth. Known as the home of South by Southwest, the Austin-Round Rock metro covers about 4,225 square miles and consists of five counties in central Texas: Travis, Williamson, Hays, Caldwell and Bastrop. Austin's population of 940,700 people, makes Travis County the most populous county in the metro. Employment gains in the tech sector have contributed significantly to the metro's recent population and median household income growth. Tesla is currently constructing a massive Gigafactory in the city that will be finalized this year. The facility is expected to generate at least 5,000 jobs, supporting future relocations and increased demand for housing. The government is a significant driver in the local economy as Austin is the state capital and home to an IRS regional processing center as well as military bases. Located within a border state, the metro benefits significantly from international trade agreements with Mexico.

PROPERTY DETAILS

924 BUGG LANE,
SAN MARCOS, TEXAS 78666

Number of Suites	1
Number of Buildings	1
Total Square Feet	10,150
Warehouse Square Feet	9,700
Cold Storage/ Freezer Space	6,840
Office Square Feet	450
Year Built	2001
Lot Size	0.55 Acres
Type of Ownership	Fee Simple
Clear Height	15' - 20'
Parking Spaces	8 Surface Spots
Building Class	B
Tenancy	Vacant
Dock High Doors	2
Grade Level Doors	2
Construction	Metal
Power	800a/3p Heavy
Zoning	LI
Age/Condition of Roofs	20 Years Old/ Poor
Age/Condition of HVAC	11 Years Old/ Good
Submarket	Hays County Industrial
Market Vacancy	12.40%

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OFFERING HIGHLIGHTS

924 BUGG LANE

SAN MARCOS, TEXAS 78666

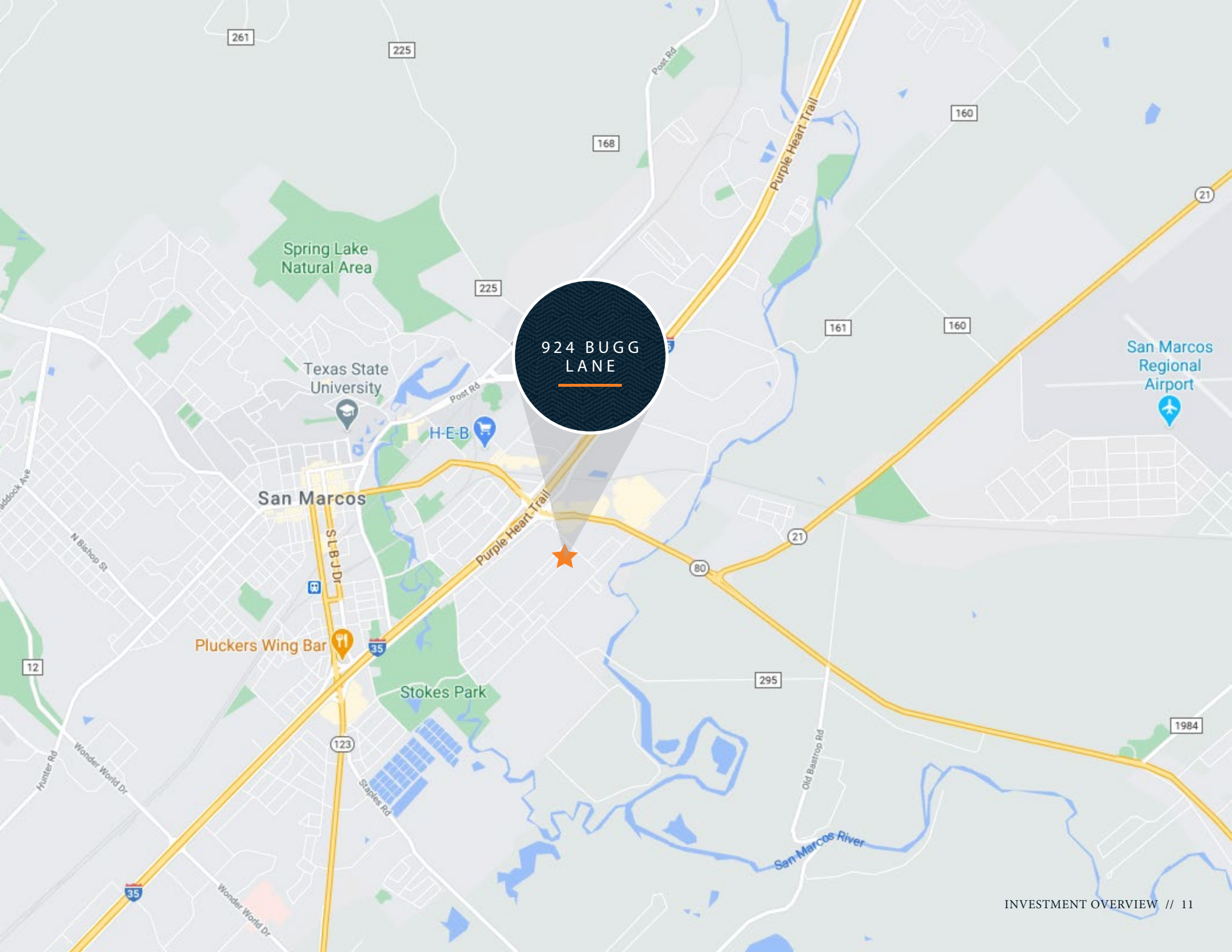
OFFERING PRICE
\$1,200,000

Offering Price	\$1,200,000
Price/SF	\$118.23
Total Square Feet	10,150
Occupancy	0.00%

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924 BUGG
LANE







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 shows a large, multi-level structure with metal beams, pipes, and several pendant lights hanging from the ceiling. The lighting is dim, creating a moody atmosphere. The structure appears to be a large warehouse or a factory interior.

SECTION 2

MARKET OVERVIEW

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AUSTIN TEXAS

Known as the home of South by Southwest, the Austin-Round Rock metro covers about 4,225 square miles and consists of five counties in central Texas: Travis, Williamson, Hays, Caldwell and Bastrop. The population of the metro increased significantly in recent decades and now exceeds 2.2 million residents. Travis County holds more than half of the metro's population and is home to Austin, the capital of Texas with a population of 940,700 people. Employment gains in the tech sector have contributed significantly to the metro's recent population and median household income growth. Tesla is currently constructing a massive Gigafactory in the city that will be finalized this year. The facility is expected to generate at least 5,000 jobs, supporting future relocations and increased demand for housing.



MAJOR TECHNOLOGY
PRESENCE



EMPLOYMENT
GROWTH

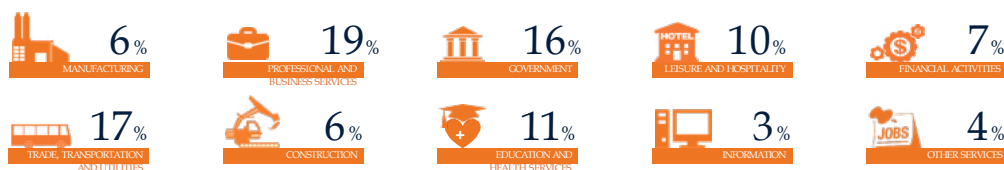


STRONG POPULATION
GAINS

METROPLEX GROWTH

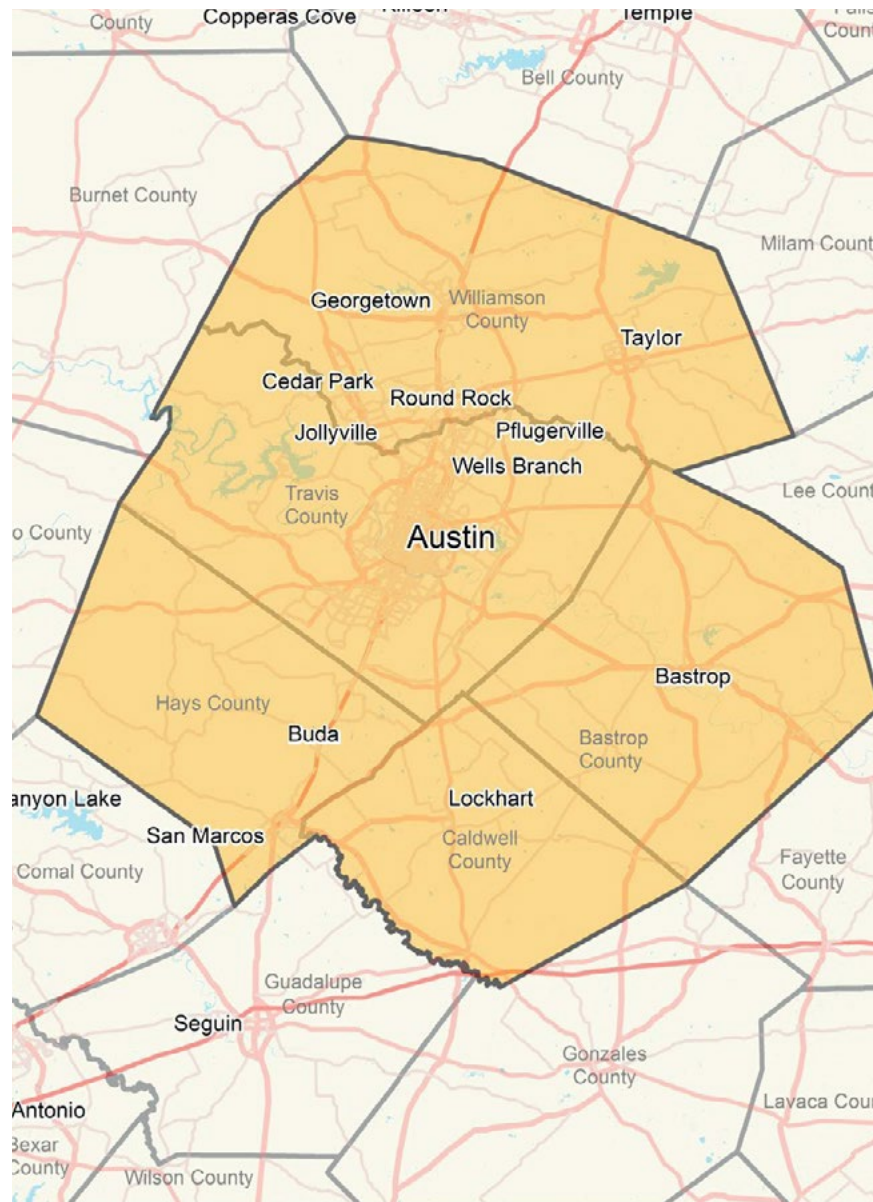
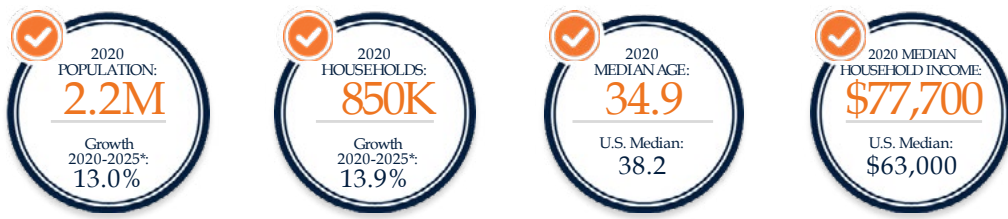
ECONOMY

Located within a border state, the metro benefits significantly from international trade agreements with Mexico. The government is a significant driver in the local economy as Austin is the state capital and home to an IRS regional processing center as well as military bases. The metro is a vibrant technology hub with industries that include semiconductor and related equipment manufacturing, along with computer and software development. High-tech firms with local operations include Facebook, Apple, Dropbox and Amazon.



QUALITY OF LIFE

The region contains lakes, hills, trails, an eclectic arts community, theaters, museums, bookstores, a vibrant live music scene and a favorable climate. The metro is known as “The Live Music Capital of the World” and hosts the South by Southwest festival. The University of Texas has nationally ranked programs in football, basketball, baseball, swimming, volleyball, and track and field. In addition, the metro will be home to Austin FC, starting this year. The MLS franchise will play at Q2 Stadium, a new venue in north central Austin with a capacity of 20,500. Cultural institutions include the Elisabet Ney Museum, the Austin Symphony, Ariel Dance Theatre and the O. Henry Museum. Austin is also home to the Texas Memorial Museum, the Contemporary Austin and the Paramount Theatre.



DEMOGRAPHICS



74,039

Total Population
Within 5 miles



52.02%



47.98%



\$57,965

Average Household Income
Within 5 miles



3,742

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	9,132	60,584	83,020
■ 2020 Estimate			
Total Population	7,974	53,992	74,039
■ 2010 Census			
Total Population	6,210	42,059	57,632
■ 2000 Census			
Total Population	8,063	35,684	46,375
■ Daytime Population			
2020 Estimate	9,844	91,677	110,989
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	4,031	23,929	32,372
■ 2020 Estimate			
Total Households	3,512	20,789	28,112
Average (Mean) Household Size	2.29	2.23	2.35
■ 2010 Census			
Total Households	2,615	15,414	20,850
■ 2000 Census			
Total Households	3,238	12,505	16,154

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$200,000 or More	0.32%	1.79%	2.72%
\$150,000 - \$199,000	1.07%	1.84%	2.83%
\$100,000 - \$149,000	3.15%	6.46%	7.90%
\$75,000 - \$99,999	8.93%	10.70%	11.73%
\$50,000 - \$74,999	11.15%	14.58%	15.08%
\$35,000 - \$49,999	17.82%	14.19%	14.31%
\$25,000 - \$34,999	13.58%	12.64%	11.75%
\$15,000 - \$24,999	17.07%	14.69%	13.56%
Under \$15,000	26.90%	23.11%	20.10%
Average Household Income	\$38,121	\$50,067	\$57,965
Median Household Income	\$29,132	\$34,642	\$38,549
Per Capita Income	\$16,812	\$20,157	\$22,855
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	7,974	53,992	74,039
Under 20	24.36%	24.33%	24.47%
20 to 34 Years	40.53%	49.09%	44.48%
35 to 39 Years	6.93%	4.63%	4.91%
40 to 49 Years	9.95%	6.65%	7.59%
50 to 64 Years	10.66%	8.12%	9.95%
Age 65+	7.57%	7.18%	8.59%
Median Age	28.17	23.90	24.55
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	4,780	24,360	35,771
Elementary (0-8)	6.63%	5.20%	5.40%
Some High School (9-11)	7.96%	7.35%	7.46%
High School Graduate (12)	36.62%	28.03%	27.86%
Some College (13-15)	21.06%	22.41%	21.53%
Associate Degree Only	3.89%	4.73%	4.89%
Bachelors Degree Only	16.29%	19.55%	19.57%
Graduate Degree	5.55%	10.94%	11.38%
■ Time Travel to Work			
Average Travel Time in Minutes	24	23	25



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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