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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.



OFFICES THROUGHOUT THE U.S. AND CANADA www.marcusmillichap.com

# TRACE ELEMENTS INC.

4501 SUNBELT DRIVE, ADDISON, TX 75001

#### PRESENTED BY

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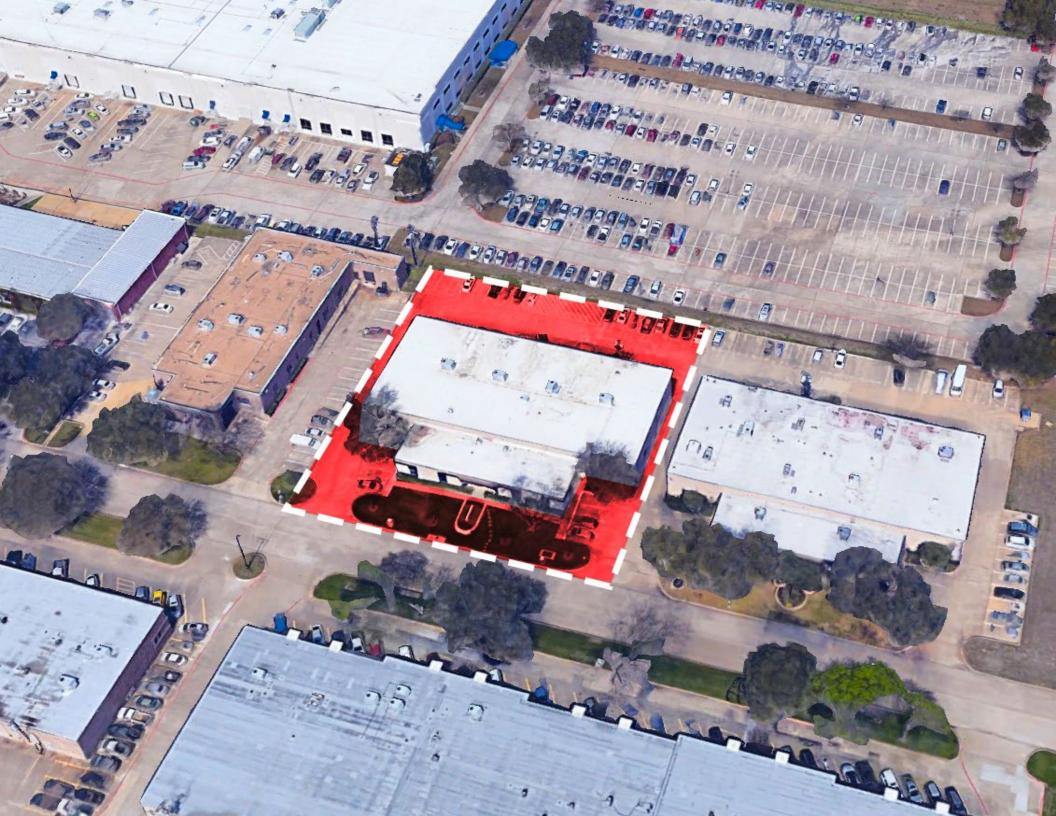
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### Marcus & Millichap





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Market Analysis • Demographic Analysis







# **SECTION 1**

INVESTMENT OVERVIEW

Marcus & Millichap



- 16,576-Square-Foot Flex Asset Situated on 0.92 Acres
- Tilt-Wall Construction Featuring Laboratory Space, Clean Room, 16' Clear Height in Warehouse, and Seven Dock-High Doors
  - Trace Elements, Inc. Will Execute a Five-Year NNN Lease Extension at Closing with 2 Percent Annual Increases
- Trace Elements is an Independent Testing Laboratory Specializing in Hair Tissue Mineral Analysis (HTMA) and Nutritional Products
  - Recent Repairs Include New TPO Roof in 2019, Replaced Bay Doors, Parking Lot Repair, and Seven New HVAC Units Since 2019
    - Located Just Off of Addison Road, with Easy Access to Dallas North Tollway

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 4501 Sunbelt Drive in Addison, Texas, occupied by Trace Elements, Inc. The subject property consists of approximately 16,576 square feet of space and is situated on 0.92 acres of land. The tilt-wall constructed asset features a laboratory space, clean room, seven dock-high doors, and a clear height of 16' in the warehouse. The seller reports recent repairs were made to the parking lot, and recent improvements include replaced bay doors, a new TPO roof and seven new HVAC units installed in 2019. The property is located just off Addison Road, with easy access to the Dallas North Tollway.

Upon sale of the property, Trace Elements will execute a five-year triple net lease extension with 2 percent annual increases. For 37 years, trace Elements has operated as an independent testing laboratory, specializing in hair tissue mineral analysis (HTMA) and nutritional products. The company's HTMA services are used to measure the level of minerals such as zinc, magnesium, and potassium that are essential to carrying out metabolic functions in the human body. Nutritional products produced by Trace Elements include hypo-allergenic multi-vitamins and digestive aids.

Trace Elements currently serves health professionals exclusively in over 46 countries (Trace Elements).

The Dallas/Fort Worth metroplex is the fourth-most populous metro in the nation, with an aggregate of more than 7.5 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 800,000 residents. Strong job growth continually draws new residents to the region. To accommodate the additional traffic, the region's transportation network is evolving. Traffic flow is improved as freeways are expanded and miles are being added to tollways and turnpikes. The growth of the transportation network is vital to supporting commuters to the metros numerous corporations and growing industries. Dallas/Fort Worth's population growth in recent years ranks among the highest in the U.S. for a major metro. The Metroplex is home to 24 Fortune 500 companies and many regional headquarters, drawing workers and residents. The area's extensive network of rail and highways, along with the International Inland Port of Dallas, ensure its status as a distribution hub.

#### PROPERTY DETAILS-

#### 4501 SUNBELT DRIVE, ADDISON, TX 75001

Number of Suites	2
Number of Buildings	1
Total Square Feet	16,576
Warehouse Square Feet	+/- 1,700
Office Square Feet	+/- 14,876
Office Ratio	90%
Year Built	1979
Lot Size	0.92 Acres
Type of Ownership	Fee Simple
Clear Height	16′
Parking Surface	Concrete
Building Class	С
Tenancy	Multi Tenant
Dock High Doors	7
Grade Level Doors	2
Construction	Tilt Wall
Zoning	Commercial
Roof Type	TPO Overlay
Age/Condition of Roofs	2 Years
HVAC Units	7
Age/Condition of HVAC	2019
Market	DFW
Submarket	Metropolitan/Addison
Market Vacancy	4.70%



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#### TRACE ELEMENTS INC.

4501 SUNBELT DRIVE, ADDISON, TX 75001

OFFERING PRICE

CAP RATE

\$2,352,000

6.04%

Offering Price	\$2,352,000
Cap Rate	6.04%
Price/SF	\$141.89
Total Square Feet	16,576
Rental Rate	\$9.94
Lease Type	Triple Net (NNN)
Lease Term	5 Years
Rental Increases	2% Annual
Tenancy	Multi Tenant
Occupancy	100%

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#### MARCUS & MILLICHAP CAPITAL CORPORATION

#### INVESTMENT REAL ESTATE FINANCING

Proceeds	70% - 75% Loan-to-Cost
Term	5 - 10-Year Terms
DSCR	1.25x - 1.35x
Current Rate	3.75 - 4.25% Fixed or Floating
Amortization	20 - 25 Year Amortization
Reserves	Potential for Up-Front Reserve to be Required for Immediate CapEx Items
Lender Fee	0.50% - 1.00%
Recourse	Full-Recourse
Prepayment	Step-Down Prepayment

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



#### RENT ROLL-

		Square	% Bldg	Leas	se Dates	Annual Rent per	Total Rent	Total Rent	Pro Forma Rent	Changes	Rent Increase	Lease	Renewal Options and Option Year
Tenant Name	Suite	Feet	Share	Comm.	Exp.	Sq. Ft.	Per Month	Per Year	Per Year	on		Туре	Rental Information
Trace Elements Inc.	Α	12,676	76.5%	5/1/98	12/1/26	\$9.47	\$10,000	\$120,000	\$120,000	N/A	2% Annual Increases	NNN	(3) Three-Year Renewal Options
WilPat Global Realty Resources	В	3,900	23.5%	11/1/15	11/30/24	\$8.25	\$2,681	\$32,175	\$33,150	Dec-2022	\$2,763	Modified Gross	None
Total		16,576				\$9.18	\$12,681	\$152,175	\$153,150				
	Occu	pied Tenan	ts: 2	Unoccupied	I Tenants: 0	Occupied GLA: 10	00.00%	Unoccupied GLA	: 0.00%				
				Total Curre	nt Rents: \$12,681	Occupied Current	Rents: \$12,681	Unoccupied Curr	ent Rents: \$0				

Notes: Wilpat Global Realty Resources is reimbursing for property taxes and insurance based on a 2016 base year. Lease rate reflects 12/1/2021 increase. Tenant retains a termination option in the event of death or disability of a member of tenant.



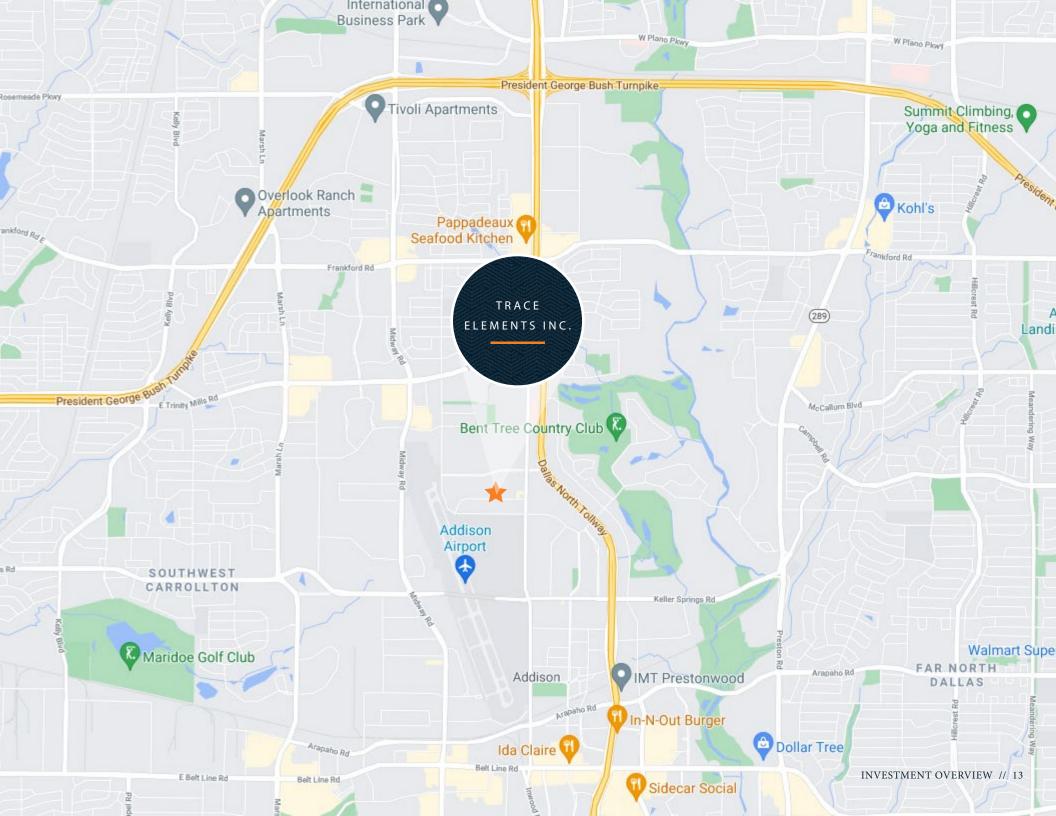
#### OPERATING STATEMENT-

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	152,175	9.18	152,175	9.18
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	5,812	0.35	5,812	0.35
Insurance	18,791	1.13	18,791	1.13
Real estate Taxes	18,114	1.09	18,114	1.09
Total Reimbursement Income	\$42,717	80.9% \$2.58	\$42,717	80.9% \$2.58
Effective Gross Revenue	\$194,892	\$11.76	\$194,892	\$11.76

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Yard/Tree Maintenance	2,600	0.16	2,600	0.16
Repairs & Maintenance	5,000	0.30	5,000	0.30
Insurance	22,049	1.33	22,049	1.33
Real Estate Taxes	23,130	1.40	23,130	1.40
Total Expenses	\$52,779	\$3.18	\$52,779	\$3.18
Expenses as % of EGR	27.1%		27.1%	
Net Operating Income	\$142,112	\$8.57	\$142,112	\$8.57

Note: Repairs & Maintenance Estimated Based on Averages Reported by Seller













#### TENANT SUMMARY

"Through unrelenting attention to excellence in laboratory testing, related services, doctor education and continuing nutritional research, Trace Elements mission is to continually assist in improving patient care and response to treatment for those we serve."

**TENANT** 

Trace Elements, Inc.

**HEADQUARTERS** 

DATE FOUNDED

Addison, TX

1984

www.traceelements.com



Trace Elements is an independent testing laboratory specializing in hair tissue mineral analysis (HTMA) for healthcare professionals worldwide. With continued growth since its inception in 1984, Trace Elements serves thousands of health professionals of all specialties in over 46 countries, including exclusive franchise agreements in 26 countries.

HTMA services are used to measure the level of minerals such as zinc, magnesium, and potassium that are essential to carrying out metabolic functions in the human body. Nutritional products produced by Trace Elements include hypo-allergenic multi-vitamins and digestive aides. Trace Elements and its employees are dedicated to providing timely, accurate and precise laboratory services, high-quality nutritional products and clinically relevant information and consultations.







#### 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

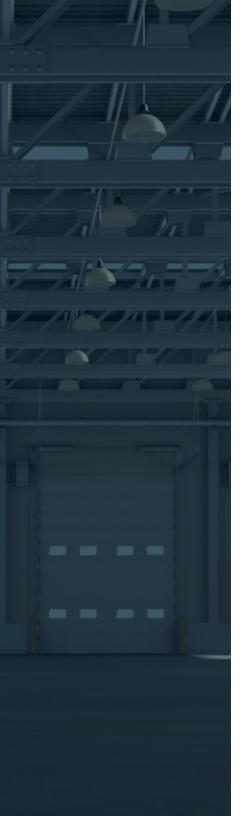
# WHY MMCC?

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





# DALLAS TEXAS

The Dallas/Fort Worth Metroplex is the fourth-most populous metro in the nation, with an aggregate of nearly 7.7 million residents. It is composed of 13 counties stretching nearly 10,000 square miles. The city of Dallas houses 1.3 million people, followed by Fort Worth with 864,000 residents. Strong job gains continually draw new residents to the region. Recently, Collin and Denton counties have received the majority of growth. To accommodate the additional traffic, the region's transportation network is evolving. The expansion of the transportation network is vital to supporting the substantial developments in housing, retail and industrial, allowing commuters to access the metro's numerous corporations and expanding array of industries.



SUBSTANTIAL POPULATION GAINS



LARGE CORPORATE BASE

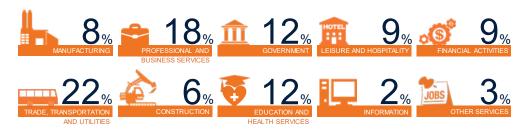


MAJOR DISTRIBUTION CENTER



#### **ECONOMY**

The Metroplex's temperate climate, no state income tax and a right-to-work labor policy attract employers. Dallas/Fort Worth is one of the nation's largest employment markets, with nearly 3.7 million jobs. The region is home to 25 Fortune 500 companies in a variety of sectors, including ExxonMobil, American Airlines Group, Southwest Airlines, Fluor, AT&T, Tenet Healthcare, Kimberly-Clark and D.R. Horton. The area is forecast to add jobs at an annual rate of 1.7 percent through 2025, more than triple the U.S. level. Economic expansion will be further fueled by a rise in financial services and high-tech companies.



#### **TRANSPORTATION**

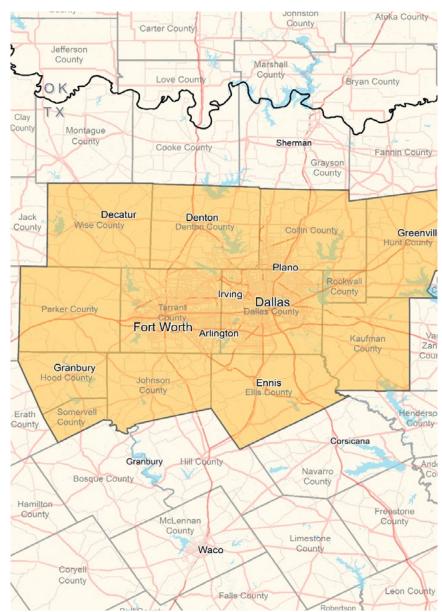
The area is connected to the rest of the nation by way of Interstates 20, 30, 35, 45, 345, 635 and 820 and other major thoroughfares. DART, Dallas Area Rapid Transit, covers Dallas and 12 surrounding cities, and it consists of buses and a light-rail system. Freight-serving lines in the region include Union Pacific, BNSF and Kansas City Southern. BNSF is headquartered in Fort Worth. Trinity Railway Express and Amtrak provide passenger rail service. Via rail to Houston Port, and Highways 20 and 45, the International Inland Port of Dallas (IIPOD) connects the region to global markets and trade. Airports in the area are Dallas/Fort Worth International, Dallas Love Field, Fort Worth Alliance and 13 smaller airports. Alliance Global Logistics Hub is one of two intermodal facilities in Texas that connects road, rail and air.











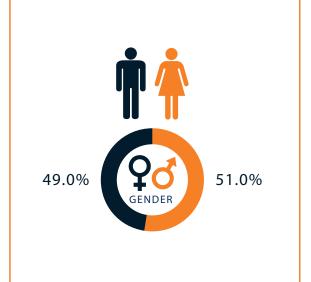
#### METROPLEX GROWTH



Roughly 671,400 new people are expected through 2025, fueled by robust job growth, natural increases and north-to-south migration. The Metroplex is projected to add 262,400 households during the same period, generating the need for additional housing options. A younger population resides in the Metroplex as indicated by a median age that is well below that of the U.S. An educated population provides a skilled labor pool and higher incomes. Almost 34 percent of residents age 25 and older have at least a bachelor's degree, compared with 31 percent for the nation. The median income is more than \$8,200 above the national level. During 2020, approximately 60 percent of residents owned their homes - slightly below the U.S. rate - providing a vibrant rental market.











#### DEMOGRAPHICS-

POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	9,391	166,290	405,280
2020 Estimate			
Total Population	8,646	157,384	386,290
2010 Census			
Total Population	7,358	140,794	348,210
2000 Census			
Total Population	6,423	132,875	333,992
Daytime Population			
2020 Estimate	30,749	204,677	563,169
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Households	5,418	85,811	179,890
2020 Estimate			
Total Households	4,987	80,961	170,102
Average (Mean) Household Size	1.7	1.9	2.3
2010 Census			
Total Households	4,190	70,952	150,222
2000 Census			
Total Households	3,708	67,997	144,573

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	11.7%	9.9%	11.7%
\$150,000-\$199,999	5.5%	6.1%	7.5%
\$100,000-\$149,999	14.9%	15.0%	16.6%
\$75,000-\$99,999	14.2%	12.4%	12.0%
\$50,000-\$74,999	24.6%	19.8%	18.0%
\$35,000-\$49,999	12.1%	14.8%	13.0%
\$25,000-\$34,999	8.0%	9.1%	8.1%
\$15,000-\$24,999	5.2%	6.5%	6.5%
Under \$15,000	3.8%	6.5%	6.7%
Average Household Income	\$112,910	\$104,009	\$112,887
Median Household Income	\$70,460	\$65,402	\$71,337
Per Capita Income	\$65,126	\$53,535	\$49,765
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	8,646	157,384	386,290
Under 20	14.1%	19.1%	23.1%
20 to 34 Years	37.6%	29.7%	24.6%
35 to 39 Years	10.1%	8.8%	7.6%
40 to 49 Years	11.9%	12.8%	12.8%
50 to 64 Years	16.1%	18.0%	18.6%
Age 65+	10.3%	11.5%	13.2%
Median Age	34.4	35.6	36.4
Population 25+ by Education Level			
2020 Estimate Population Age 25+	6,850	117,775	271,754
Elementary (0-8)	1.0%	3.1%	5.8%
Some High School (9-11)	1.3%	3.7%	5.0%
High School Graduate (12)	12.3%	15.9%	16.4%
Some College (13-15)	22.2%	21.3%	19.8%
Associate Degree Only	5.9%	6.3%	6.1%
Bachelor's Degree Only	38.7%	34.2%	30.9%
Graduate Degree	18.6%	15.4%	16.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	23.0	25.0	25.0



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#### INFORMATION ABOUT BROKERAGE SERVICES

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

#### ΓYPES 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
			_
Buver/Tenant/Seller/Landlord Init			_

Information available at www.trec.texas.gov

