

Marcus & Millichap
TAG INDUSTRIAL GROUP

13434 & 13436 MCGRATH ROAD
HOUSTON, TX 77047

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2021 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers. Activity ID: ZAC0040411

SPECIAL COVID-19 NOTICE

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
TAG INDUSTRIAL GROUP

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

13434 & 13436
MCGRATH ROAD
HOUSTON, TX 77047

PRESENTED BY

MAX LOZMACK

Associate
Office & Industrial Division
Houston Office
Office (713) 452-4264
Max.Lozmack@marcusmillichap.com
License: TX 724493

ADAM ABUSHAGUR

Senior Managing Director Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

DEBT CONTACT

DUKE DENNIS

Associate Director
300 Throckmorton Street, Suite 1500
Fort Worth, TX 76102
Tel: 979.777.9910
duke.dennis@marcusmillichap.com

Marcus & Millichap





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

Marcus & Millichap

OFFERING SUMMARY

- Property Sits in Close Proximity to Newly Built-Out Highway 288
- Multi-Tenant Property with Partial Sale-Leaseback and Massive Value-Add Opportunity
- Premium Roofing Actively Employs Around 90 Contract Workers for Work Across Texas, Oklahoma, and Louisiana
 - 5.3% Current Market Vacancy Means Tough Barrier-to-Entry Market with Quick On-Market Vacancies
 - Below-Market Rates for Both Tenants Meaning Extreme Value-Add Opportunity
 - Rental Rates Have Increased Within Submarket Steadily Since 2010 (Costar)
 - Property Contains Stabilized Outside Storage

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 13434 and 13436 McGrath Road in Houston, Texas.

The subject property consists of approximately 25,800 square feet of space and is situated on 2.03 acres of land. The multi-tenant asset features stabilized outside storage space. With below market rental rates for both tenants, one of which is the owner-user planning a partial sale leaseback, acquisition of this property is a massive value-add opportunity. The owner-user, Premium Roofing, actively employs around 90 contract workers across Texas, Oklahoma, and Louisiana. Entrance to the newly built out State Highway 288 sits just a block away from the property.

The subject property is situated within South Highway 35, a large submarket containing 42.5 million square feet of industrial space. As suburban south Houston continues to grow, so is industrial demand for e-commerce and distribution uses. Despite recent volatility, the vacancy rate remains at a relatively low rate of 5.0 percent as the third quarter concludes. As a tough barrier to entry market with quick on-market vacancies, market rents have steadily increased since 2010. The 32 percent rent growth over the last decade has slightly outperformed the metro average. South Hwy 35 has experienced rapid growth since 2010 with more than 5 million square feet delivered during that time, putting the submarket in the top 10 for deliveries during that stretch of time. With absorption forecast to top 443,000 square feet this year and continue to keep pace into 2022 (CoStar), today's market conditions present investors a sound opportunity.

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

13434 & 13436 MCGRATH ROAD, HOUSTON, TX 77047

Number of Suites	2
Number of Buildings	3
Total Square Feet	25,800
Year Built	1963/1955
Lot Size	2.03 Acres
Type of Ownership	Fee Simple
Clear Height	16'
Parking Spaces	14 Surface Spaces
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi Tenant
Grade Level Doors	4
Sprinklers	Yes
Construction	Metal
Roof Type	Metal
Market	Houston
Submarket	South Highway 35
Market Vacancy	5.30%



13434 & 13436 MCGRATH ROAD

HOUSTON, TX 77047

OFFERING PRICE
\$2,000,000

CAP RATE
7.00%

Offering Price	\$2,000,000
Cap Rate	7.00%
Price/SF	\$77.52
Total Square Feet	25,800
Rental Rate	\$6.00
Tenancy	Multi Tenant
Occupancy	100%

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: ZAC0040411)

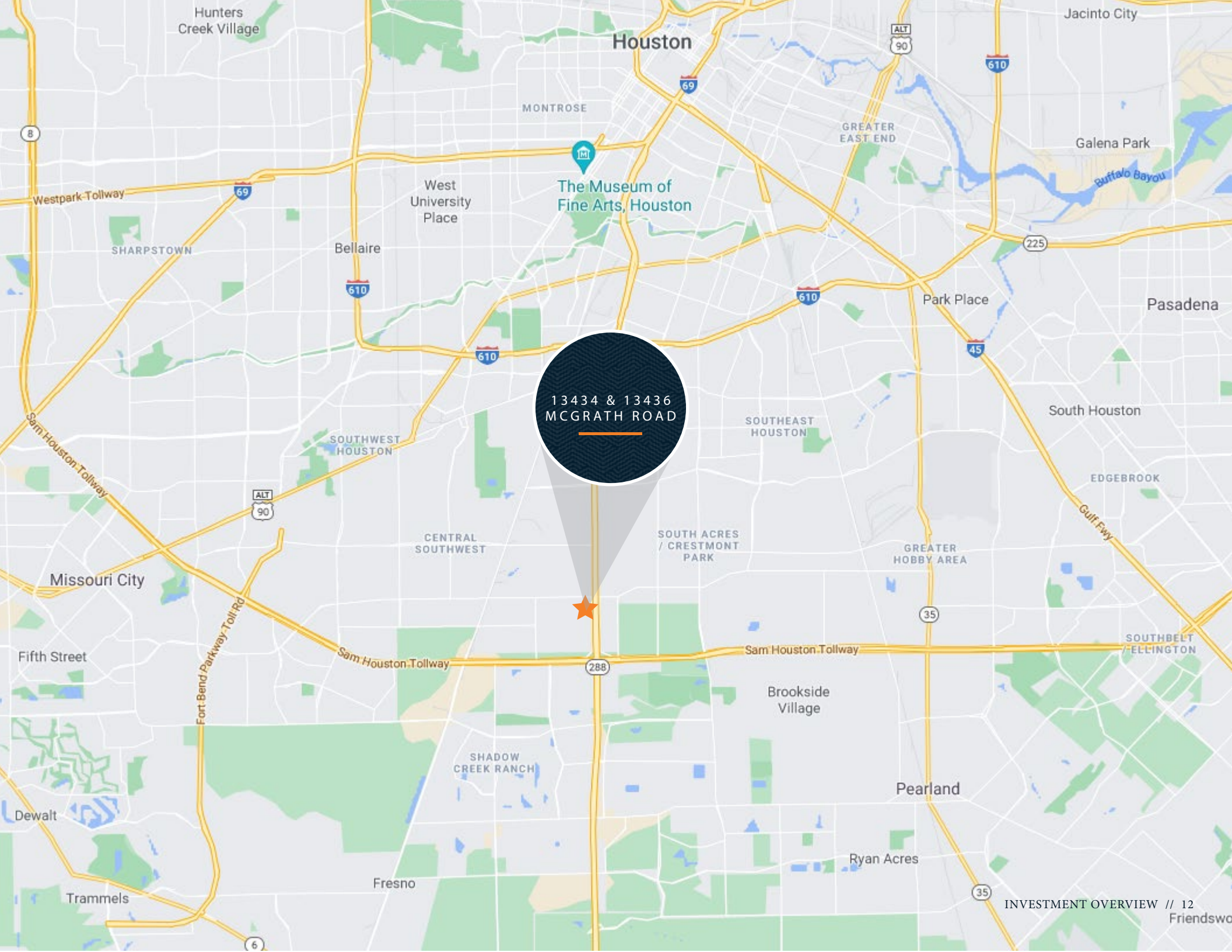
RENT ROLL

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	Lease Type	Renewal Options and Option Year Rental Information
				Comm.	Exp.						
Premium Roofing Systems	Suite 1	13,800	53.5%	COE	9/19/23	\$7.74	\$8,900	\$106,800	\$106,800	NNN	One (2) Year Renewal Option
Crane Parts, Inc.	Suite 2	12,000	46.5%	MTM	MTM	\$4.00	\$4,000	\$48,000	\$48,000	Gross	N/A
Total		25,800				\$6.00	\$12,900	\$154,800	\$154,800		
Occupied Tenants: 2				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
				Total Current Rents: \$12,900		Occupied Current Rents: \$12,900		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	154,800	6.00	154,800	6.00
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	4,333	0.17	4,333	0.17
Real estate Taxes	12,715	0.49	12,715	0.49
Total Reimbursement Income	\$17,048	53.5%	\$17,048	53.5%
Effective Gross Revenue	\$171,848	\$6.66	\$171,848	\$6.66

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	8,100	0.31	8,100	0.31
Real Estate Taxes	23,771	0.92	23,771	0.92
Total Expenses	\$31,871	\$1.24	\$31,871	\$1.24
Expenses as % of EGR	18.5%		18.5%	
Net Operating Income	\$139,977	\$5.43	\$139,977	\$5.43



13434 & 13436
MCGRATH ROAD



13434 & 13436
MCGRATH ROAD



Crane Parts

Mc Grath Rd

Noshire St

Noshire St

Noshire St

Mc Grath Rd

Beth Jacob Cemetery

TA TRUCK STOP

Truck stop

South 288 Truck Stop
& SUBWAY Restaurant

Truck-stop



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 more than 7.1 million people in southeastern Texas. Roughly one third of residents live in the city of Houston. 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.



CORPORATE
GROWTH



HIGHER
EDUCATION



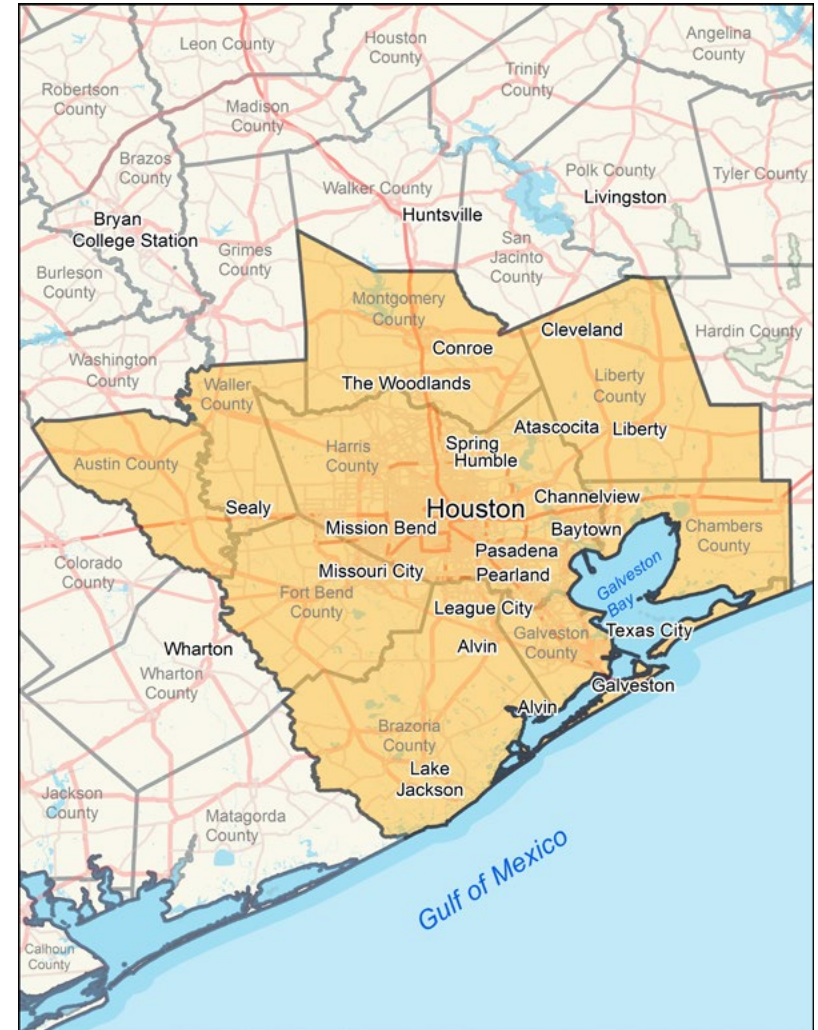
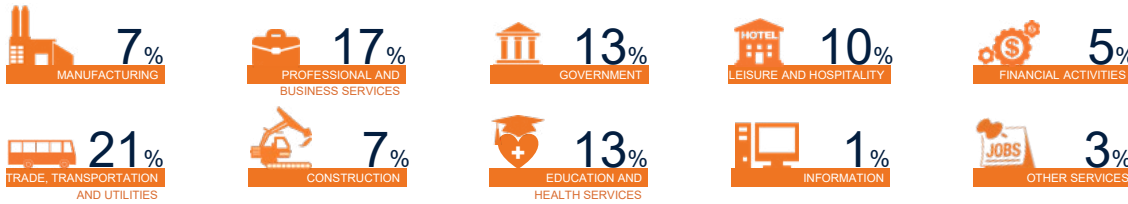
LOW COST OF LIVING,
DOING BUSINESS



METROPLEX GROWTH

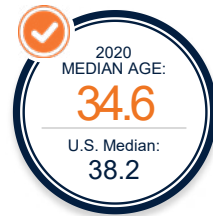
ECONOMY

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.



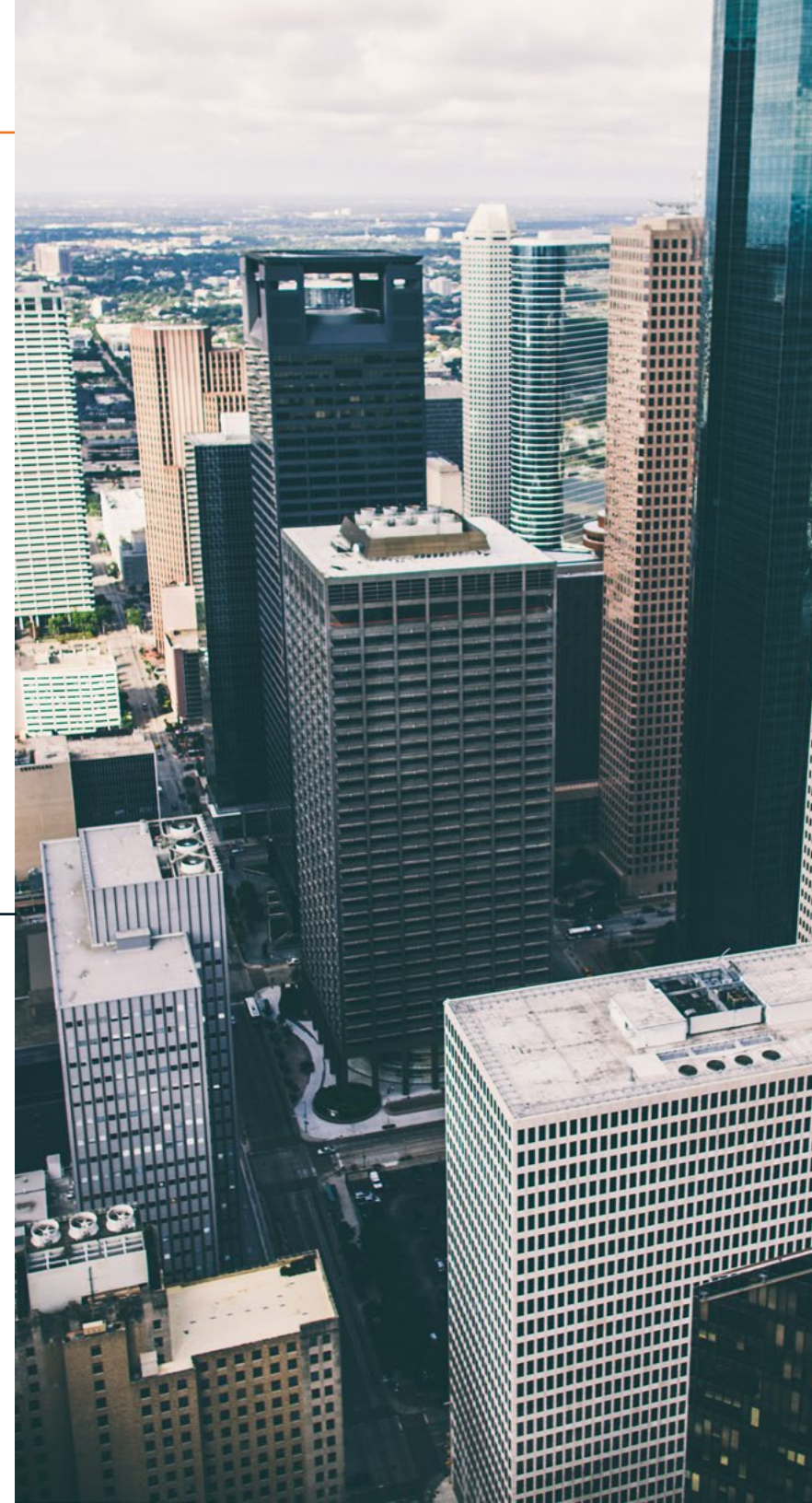
METROPLEX GROWTH

The Houston metro is expected to add 720,700 people through 2025, translating to the formation of roughly 263,600 households, generating demand for housing. The homeownership rate of 61 percent slightly trails the national rate of 64 percent. The median home price of roughly \$282,000 is \$40,000 below the U.S. average. The metro's median household income exceeds \$68,000, surpassing the national rate by roughly \$5,000.



QUALITY OF LIFE

The metro's favorable location and climate translates to an abundance of outdoor activities. More than a dozen state parks and recreation areas lie within a short drive of Houston, as well as more than 500 local 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



214,949

Total Population
Within 5 miles



47.3%



52.7%



\$83,752

Average Household Income
Within 5 miles



101,927

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	7,972	82,502	240,188
2020 Estimate			
Total Population	6,889	73,194	214,949
2010 Census			
Total Population	4,854	57,089	171,501
2000 Census			
Total Population	1,921	38,408	113,783
Daytime Population			
2020 Estimate	4,364	46,963	160,860
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Households	2,830	28,840	83,870
2020 Estimate			
Total Households	2,378	25,224	74,256
Average (Mean) Household Size	2.8	2.9	2.9
2010 Census			
Total Households	1,656	19,357	58,415
2000 Census			
Total Households	603	12,443	37,531

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	3.6%	4.4%	6.1%
\$150,000-\$199,999	4.6%	5.5%	6.0%
\$100,000-\$149,999	14.2%	15.4%	15.0%
\$75,000-\$99,999	14.5%	13.9%	12.6%
\$50,000-\$74,999	23.1%	20.8%	18.0%
\$35,000-\$49,999	16.1%	12.7%	11.8%
\$25,000-\$34,999	8.1%	9.9%	9.9%
\$15,000-\$24,999	6.8%	8.2%	8.7%
Under \$15,000	9.1%	9.3%	11.8%
Average Household Income	\$77,404	\$80,575	\$83,752
Median Household Income	\$62,203	\$62,397	\$60,703
Per Capita Income	\$26,721	\$27,780	\$28,967
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	6,889	73,194	214,949
Under 20	30.5%	29.6%	30.6%
20 to 34 Years	25.8%	21.3%	21.7%
35 to 39 Years	9.3%	7.9%	7.9%
40 to 49 Years	12.8%	12.6%	13.1%
50 to 64 Years	13.1%	15.6%	15.3%
Age 65+	8.5%	13.1%	11.4%
Median Age	31.9	34.5	33.6
Population 25+ by Education Level			
2020 Estimate Population Age 25+	4,344	47,176	135,917
Elementary (0-8)	7.1%	8.6%	8.1%
Some High School (9-11)	9.4%	9.3%	9.1%
High School Graduate (12)	23.2%	26.2%	26.3%
Some College (13-15)	27.9%	24.5%	22.6%
Associate Degree Only	5.2%	5.5%	5.5%
Bachelor's Degree Only	16.8%	15.7%	16.5%
Graduate Degree	10.3%	10.2%	12.0%
Travel Time to Work			
Average Travel Time to Work in Minutes	32.0	33.0	34.0



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: ZAC0040411)



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.

<u>MARCUS & MILLICHAP</u>	<u>9002994</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>TIM A. SPECK</u>	<u>432723</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Designated Broker of Firm	License No.	Email	Phone
<u>TIM A. SPECK</u>	<u>432723</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
<u>ADAM ABUSHAGUR</u>	<u>661916</u>	<u>ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM</u>	<u>972-755-5223</u>
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

13434 & 13436 MCGRATH ROAD

HOUSTON, TX 77047

PRESENTED BY

MAX LOZMACK

Associate
Office & Industrial Division
Houston Office
Office (713) 452-4264
Max.Lozmack@marcusmillichap.com
License: TX 724493

ADAM ABUSHAGUR

Senior Managing Director Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

DEBT CONTACT

DUKE DENNIS

Associate Director
300 Throckmorton Street, Suite 1500
Fort Worth, TX 76102
Tel: 979.777.9910
duke.dennis@marcusmillichap.com

Marcus & Millichap
TAG INDUSTRIAL GROUP