

Marcus & Millichap
TAG INDUSTRIAL GROUP

PROGRESSIVE AUTOSPORTS

14037 STUEBNER AIRLINE ROAD

HOUSTON, TX 77069

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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Marcus & Millichap



The background of the slide is a photograph of an industrial building. The left side shows the interior of a large, empty warehouse with a high ceiling supported by a grid of dark steel beams. The right side shows the exterior of the building, featuring light-colored corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the main title.

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- One-Year Sale-Leaseback in Place for Immediate Cash Flow
 - Area Has Experienced a Boom in Industrial Growth
- Submarket Has Been One of the Main Beneficiaries of Outward Population Growth
- The Tenant, Progressive Autosports, Individualizes and Personalizes Automobiles
 - Tenant Has Been in Business Since 1996
- Building Located in Close Proximity to Beltway 8, Highway 249 and Highway 6

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 14037 Stuebner Airline Road in Houston, Texas, owned by the tenant, Progressive Autosports. The subject property consists of approximately 26,750 square feet of flex space and is situated on 1.52 acres of land. The two-building asset features four grade-level doors, cinder block fencing, and a showroom. Upon sale of the property, the tenant will enter into a one-year leaseback, offering investors immediate cash flow. Since 1996, Progressive Autosports has provided a variety of automobile personalization products and services such as wheels and exterior wrapping. Progressive Autosports also conducts sales and auctions of used luxury vehicles. With close proximity to Beltway 8, State Highway 249, and State Highway 6, the property is primely situated in the North Fwy/Tomball Parkway submarket.

Metro Houston's outward population growth has helped ignite an industrial boom in the North Fwy/Tomball Parkway submarket. The submarket recently experienced one of the largest inventory expansions in the Houston area with 4.8 million square feet being delivered in 2020. With the help of Coca-Cola's one-million-square-foot build-to-suit manufacturing and distribution facility (making it the submarket's largest tenant), inventory increased by 15.0 percent last year. Despite the vacancy rate rising to 12.7 percent in 2020, vacancies have already fallen back to 7 percent in Q4 2021. Annual market rent growth is expected to top 4.3 percent by the end of the quarter, making this year's increase the highest in more than a decade. With only 185,700 square feet of industrial space under construction, new supply will have minimal impact on vacancies and rent growth for the foreseeable future (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

PROGRESSIVE AUTOSPORTS

14037 STUEBNER AIRLINE ROAD, HOUSTON, TX 77069

Number of Suites	1
Number of Buildings	2
Total Square Feet	26,750
Warehouse Square Feet	26,750
Year Built	1999/2004/2009
Lot Size	1.52 Acres
Type of Ownership	Fee Simple
Parking Spaces	20 Surface Spaces
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Grade Level Doors	4
Construction	Metal
Roof Type	Metal
Age/Condition of Roofs	Original, Good Condition
Market	Houston
Submarket	North Fwy/ Tomball Pky
Market Vacancy	7.00%



PROGRESSIVE AUTOSPORTS

14037 STUEBNER AIRLINE ROAD, HOUSTON, TX 77069

OFFERING PRICE
\$3,900,000

CAP RATE
7.00%

Offering Price	\$3,900,000
Cap Rate	7.00%
Price/SF	\$145.79
Total Square Feet	26,750
Rental Rate	\$10.21
Lease Type	Triple Net (NNN)
Lease Term	1-Year Leaseback
Tenancy	Single
Occupancy	100.00%

FINANCING

Loan Amount	\$2,925,000
Loan Type	New
Interest Rate	3.75%
Amortization	25 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: ZAC0060748)

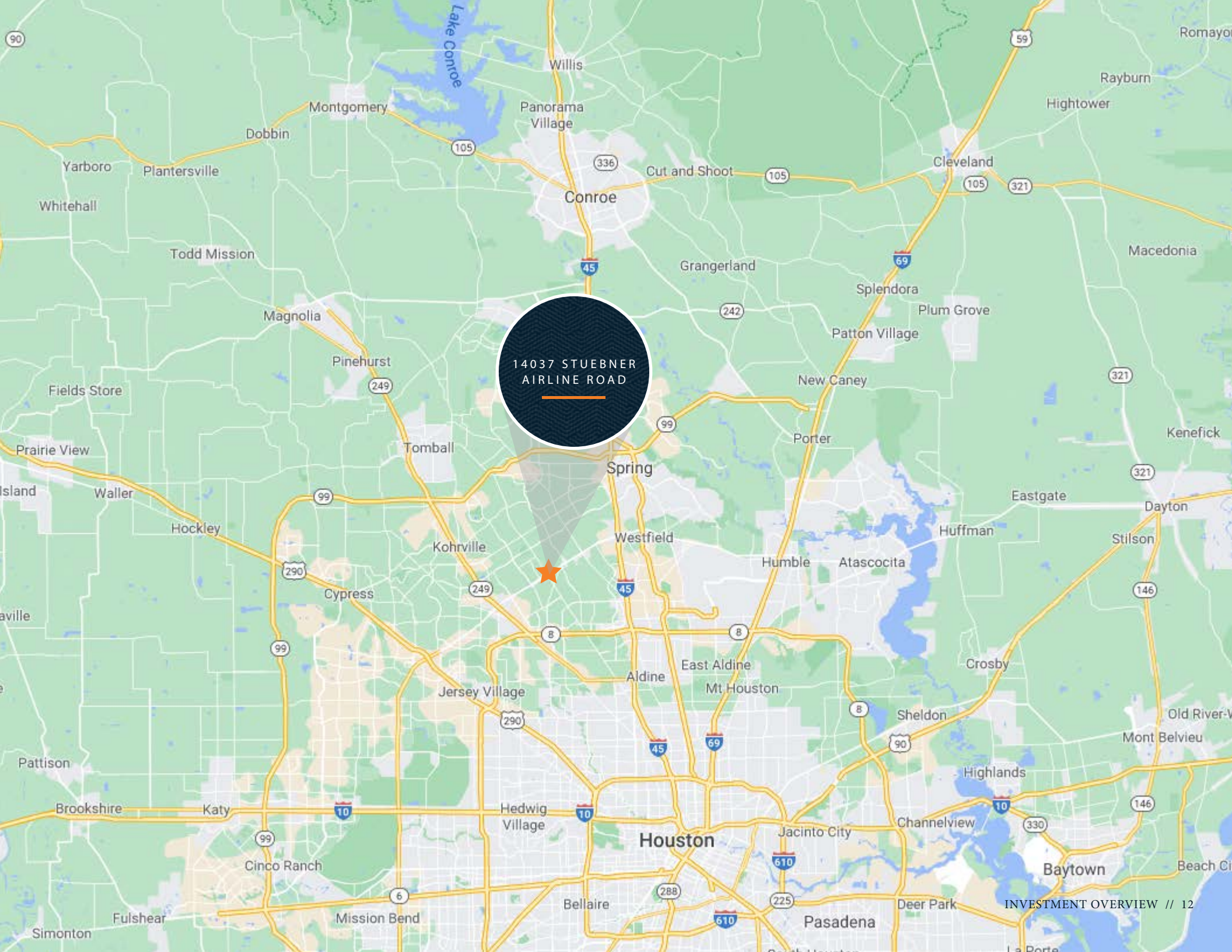
RENT ROLL

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
				Comm.	Exp.					
Progressive Autosports	1	26,750	100.0%	COE	12/31/22	\$10.21	\$22,750	\$273,000	\$273,000	NNN
Total		26,750				\$10.21	\$22,750	\$273,000	\$273,000	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$22,750						Occupied Current Rents: \$22,750		Unoccupied Current Rents: \$0		

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	273,000	10.21	273,000	10.21
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	25,000	0.93	25,000	0.93
Real estate Taxes	36,351	1.36	36,351	1.36
Total Reimbursement Income	\$61,351 100.0%	\$2.29	\$61,351 100.0%	\$2.29
Effective Gross Revenue	\$334,351	\$12.50	\$334,351	\$12.50

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	25,000	0.93	25,000	0.93
Real Estate Taxes	36,351	1.36	36,351	1.36
Total Expenses	\$61,351	\$2.29	\$61,351	\$2.29
Expenses as % of EGR	18.3%		18.3%	
Net Operating Income	\$273,000	\$10.21	\$273,000	\$10.21



14037 STUEBNER
AIRLINE ROAD



Creative Employment Solutions

Main Event Hall

14037 STUEBNER AIRLINE ROAD

Ice Depot
Delivery

PROGRESSIVE AUTOSPORTS
Tire shop

Walgreens Photo
Passport photo processor

Walgreens Delivery

Stuebner Airline Rd

Jefferson Park

Anthony's Deli
Order from Anthony's Deli



TENANT SUMMARY

“Image Is Everything.”

TENANT

Progressive Autosports

HEADQUARTERS

Houston, TX

DATE FOUNDED

1996

REVENUE

\$7 Million

EMPLOYEES

13

www.progressiveautosports.com



PROGRESSIVE
A U T O S P O R T S

For 25-years, Progressive Autosports has provided a variety of automobile personalization products and services. Progressive Autosports carries an extensive line of chrome, alloy, and colored wheels. The company's full line of services includes interior work, Kevlar bed and body coating, detailing, auto wraps, paint work, tinting, and photography/video. Progressive Autosports also conducts sales and auctions of used luxury vehicles, allowing buyers to place bids directly on its website.

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

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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



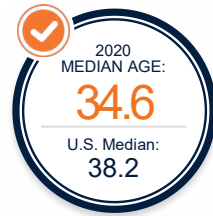
HIGHER
EDUCATION



LOW COST OF LIVING,
DOING BUSINESS

METROPLEX GROWTH

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.



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



312,545

Total Population
Within 5 miles



\$91,227

Average Household Income
Within 5 miles



171,520

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	17,083	115,102	331,998
2020 Estimate			
Total Population	15,926	110,032	312,545
2010 Census			
Total Population	14,005	100,490	277,252
2000 Census			
Total Population	13,631	89,033	211,981
Daytime Population			
2020 Estimate	18,443	106,338	298,589
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Households	7,200	42,584	119,374
2020 Estimate			
Total Households	6,735	40,599	111,896
Average (Mean) Household Size	2.4	2.7	2.8
2010 Census			
Total Households	5,861	36,569	97,855
2000 Census			
Total Households	6,002	32,810	75,645

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	4.7%	8.5%	6.9%
\$150,000-\$199,999	5.8%	7.9%	6.6%
\$100,000-\$149,999	12.7%	15.4%	14.8%
\$75,000-\$99,999	10.9%	12.2%	13.1%
\$50,000-\$74,999	18.2%	17.6%	18.6%
\$35,000-\$49,999	14.6%	12.1%	12.9%
\$25,000-\$34,999	11.7%	10.0%	10.2%
\$15,000-\$24,999	9.0%	8.1%	8.7%
Under \$15,000	12.3%	8.3%	8.2%
Average Household Income	\$76,945	\$98,290	\$91,227
Median Household Income	\$52,546	\$64,875	\$62,180
Per Capita Income	\$32,543	\$36,285	\$32,685

POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	15,926	110,032	312,545
Under 20	23.6%	26.6%	28.9%
20 to 34 Years	24.1%	21.1%	22.5%
35 to 39 Years	6.9%	6.6%	7.1%
40 to 49 Years	12.1%	12.5%	13.1%
50 to 64 Years	18.3%	19.5%	17.6%
Age 65+	15.1%	13.7%	10.7%
Median Age	36.6	36.7	34.0
Population 25+ by Education Level			
2020 Estimate Population Age 25+	11,117	73,600	200,450
Elementary (0-8)	6.2%	7.8%	8.0%
Some High School (9-11)	4.8%	5.7%	7.1%
High School Graduate (12)	21.4%	21.6%	22.7%
Some College (13-15)	26.5%	23.0%	23.9%
Associate Degree Only	8.1%	7.3%	7.5%
Bachelor's Degree Only	23.4%	23.9%	21.1%
Graduate Degree	9.7%	10.7%	9.8%
Travel Time to Work			
Average Travel Time to Work in Minutes	33.0	33.0	33.0



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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