

Marcus & Millichap  
TAG INDUSTRIAL GROUP

3811 FUQUA STREET

HOUSTON, TX 77047

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## NON-ENDORSEMENT NOTICE

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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.

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Texas Real Estate Commission  
P.O. Box 12188  
Austin, Texas 78711-2188  
(512) 936-3000

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

**Marcus & Millichap**  
TAG INDUSTRIAL GROUP

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# 3811 FUQUA STREET

## HOUSTON, TX 77047

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### SECTION 2

Market Analysis • Demographic Analysis



# SECTION 1

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## INVESTMENT OVERVIEW

Marcus & Millichap

- 14,007-Square-Foot Single-Tenant Industrial Property
  - 5 Grade-Level Doors (18'x15')
- Property Sits on 2.5 Acres with Stabilized Concrete Yard for Outside Storage
  - Both Office and Warehouse Space for a Variety of Different Uses
  - Current Market Vacancy Rate Sits at 2.4% for a Tough to Enter Market
- 2019 Construction Allows for More Aggressive Asking Rental Rates for Re-Leasing

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3811 Fuqua Street in Houston, Texas. The subject property consists of approximately 14,007 square feet of flex space and is situated on 2.5 acres of land. The single-tenant asset features five grade-level doors, measuring 18' by 15'. With a stabilized concrete yard, the property can accommodate outside storage. As a new construction delivered in 2019, landlords can be aggressive with rental rates during re-leasing. Also, the property's ample office and warehouse space allow for a variety of different uses.

The subject property is located within the Near South submarket of metro Houston. Over the last decade, industrial properties in Near South have largely enjoyed a stable and low vacancy rate, averaging just 3.4 percent and rising no more than 5.8 percent. The vacancy rate closed out 2021 at 2.4 percent and is projected to remain low, with only about 28,000 square feet currently under construction. Strong demand increased market rents by 4.8 percent last year, edging out 2015 for the highest increase in over 20-years. The average market rent of \$6.89-per-square-foot gives industrial landlords in Near South a competitive edge in offering more than a 13 percent discount to the overall Houston market (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

3811 FUQUA STREET,  
HOUSTON, TX 77047

Number of Suites	1
Number of Buildings	1
Total Square Feet	14,007
Warehouse Square Feet	5,000
Office Square Feet	9,007
Office Ratio	64%
Year Built	2019
Lot Size	2.50 Acres
Type of Ownership	Fee Simple
Clear Height	17', 25', 30'
Parking Surface	Concrete
Building Class	B
Tenancy	Owner-User
Grade Level Doors	5 (18'-25')
Construction	Metal
Power	3 Phase
Type of Lighting	Fluorescent
Roof Type	Metal
Age/Condition of Roofs	2019
HVAC Units	6 Units
Age/Condition of HVAC	2019
Market	Houston
Submarket	South Highway 35
Market Vacancy	3.90%
Assessed Value	\$1,885,674

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OFFERING HIGHLIGHTS

3811 FUQUA STREET

HOUSTON, TX 77047

OFFERING PRICE  
**\$1,600,000**

Offering Price	\$1,600,000
Price/Square Feet	\$114.23
Total Square Feet	14,007
Rental Rate	\$12.00
Tenancy	Owner-User
Occupancy	0.00%

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# RENT ROLL

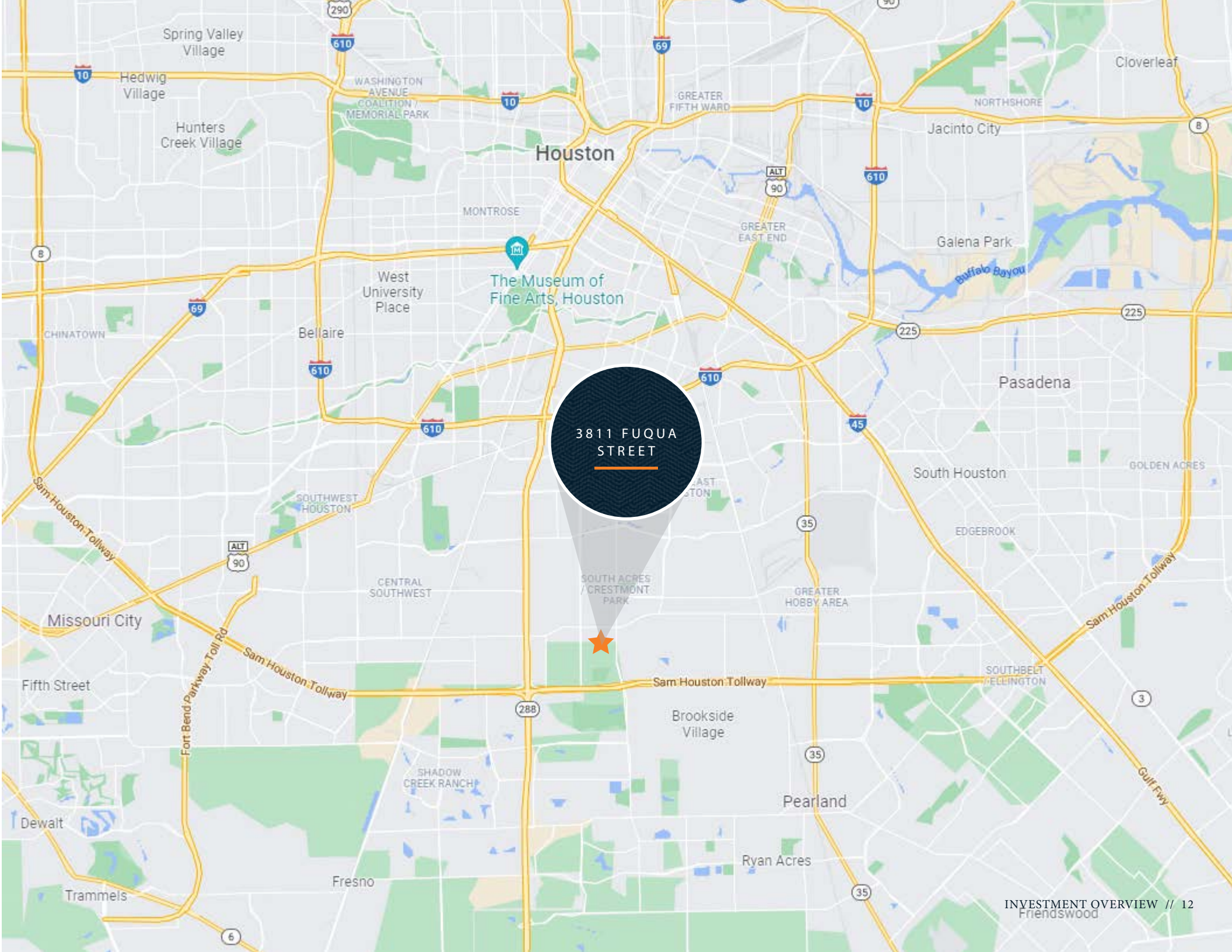
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
Vacant	Suite 1	14,007	100.0%	N/A	N/A	\$12.00	\$14,007	\$168,084	\$168,084	NNN
Total		14,007				\$12.00	\$14,007	\$168,084	\$168,084	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$0						Occupied Current Rents: \$0		Unoccupied Current Rents: \$0		

## OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	0	0.00	168,084	12.00
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	0	0.00	5,075	0.36
Real estate Taxes	0	0.00	43,948	3.14
Total Reimbursement Income	\$0	0.0%	\$49,023	100.0%
Effective Gross Revenue	\$0	\$0.00	\$217,107	\$15.50

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	5,075	0.36	5,075	0.36
Real Estate Taxes	43,948	3.14	43,948	3.14
Total Expenses	\$49,023	\$3.50	\$49,023	\$3.50
Expenses as % of EGR	0.0%		22.6%	
Net Operating Income	-\$49,023	(\$3.50)	\$168,084	\$12.00

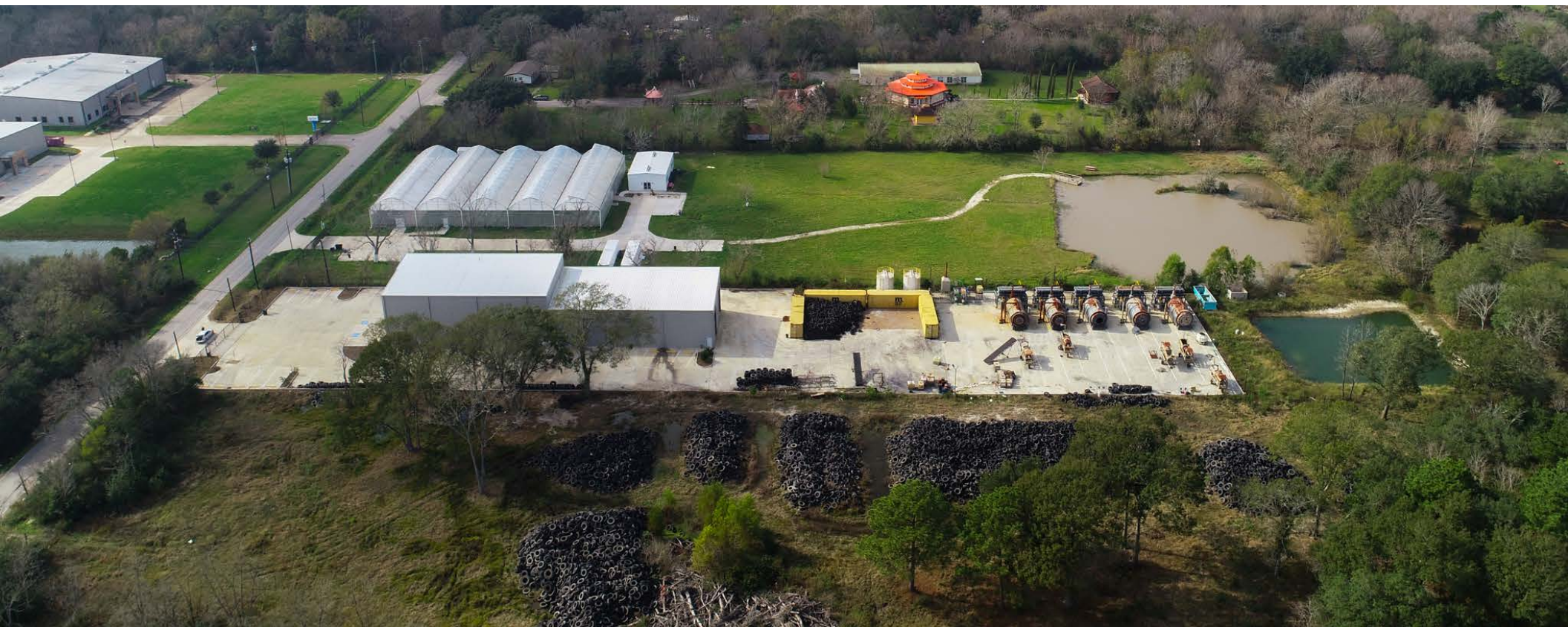


3811 FUQUA STREET

An aerial photograph of a large property. In the center, a white and blue building is highlighted with a white star. A circular callout with a dark blue background and white text points to this building. The property includes a large greenhouse complex on the left, a pond, and various other structures and open fields. The background shows a suburban neighborhood and a distant city skyline under a cloudy sky.

3811 FUQUA  
STREET

[CLICK HERE TO CHECK OUT A 3D PROPERTY TOUR OF THE PROPERTY](#)



## 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

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### MARKET OVERVIEW

Marcus & Millichap



# HOUSTON TEXAS

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As the fifth most populous metro area in the United States, 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 health care. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west.



CORPORATE  
GROWTH



HIGHER  
EDUCATION

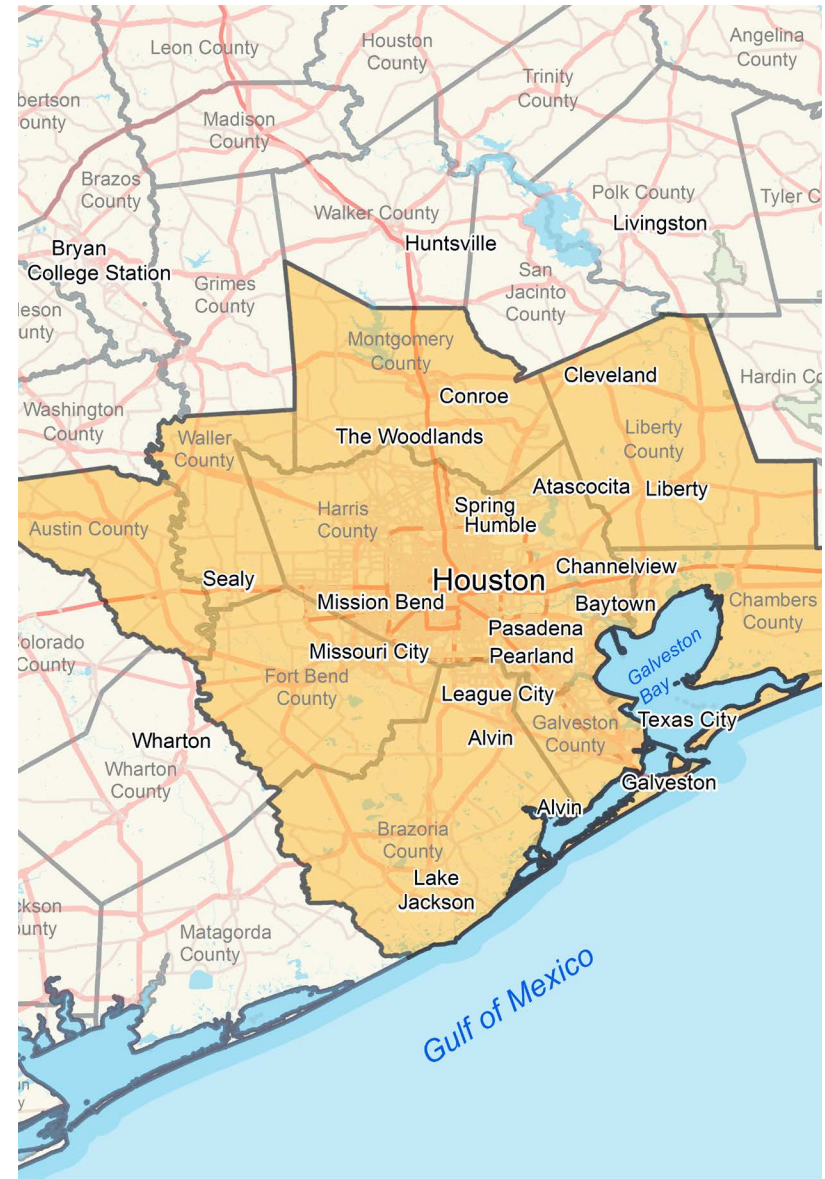
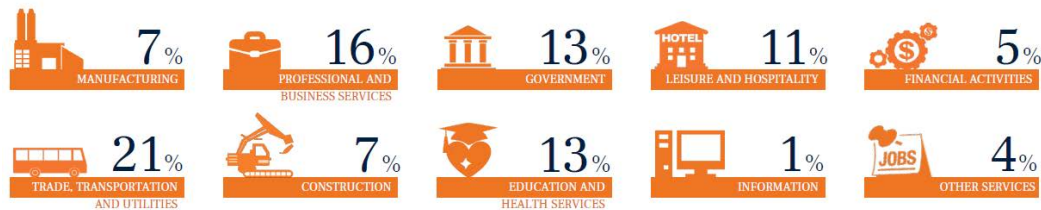


LOW COST OF LIVING,  
DOING BUSINESS

# METROPLEX GROWTH

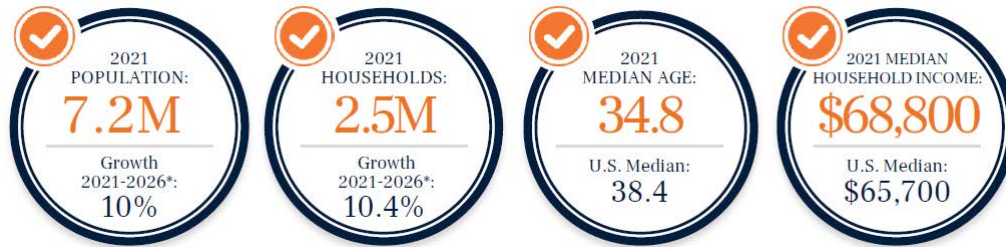
## ECONOMY

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. Health care 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

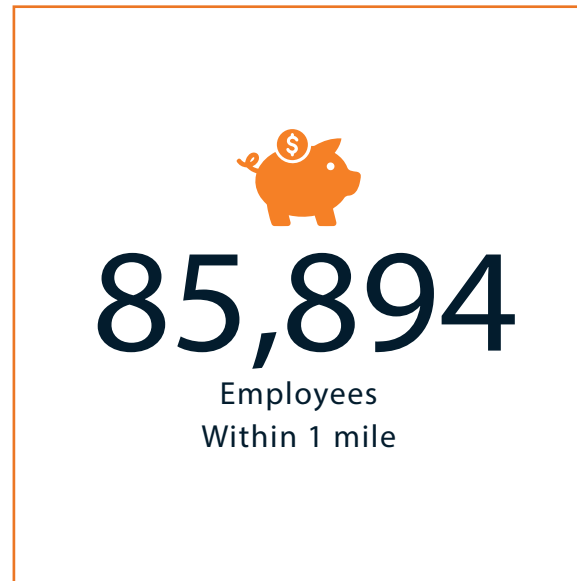
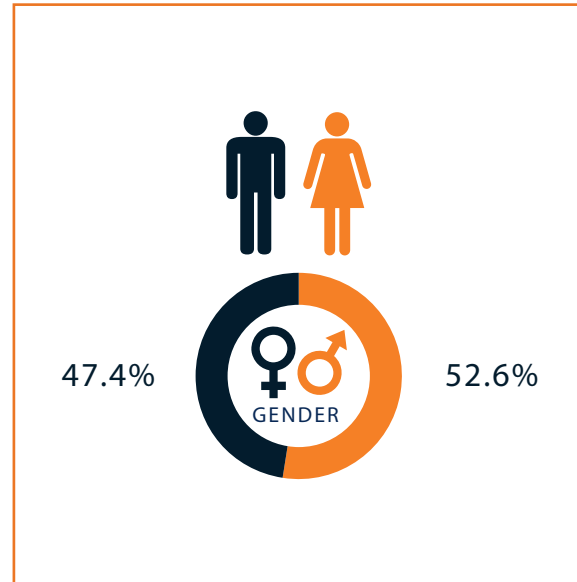
The Houston metro is expected to add 720,700 people through 2025, translating to the formation of roughly 263,600 households, generating demand for housing. The homeownership rate of 61 percent slightly trails the national rate of 64 percent. The median home price of roughly \$282,000 is \$40,000 below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



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, 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 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



# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Population	12,695	68,609	217,900
<b>2021 Estimate</b>			
Total Population	10,858	62,383	198,727
<b>2010 Census</b>			
Total Population	7,414	49,813	162,983
<b>2000 Census</b>			
Total Population	3,799	37,403	115,438
<b>Daytime Population</b>			
2021 Estimate	8,635	44,919	152,793
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Households	4,668	25,464	75,105
<b>2021 Estimate</b>			
Total Households	3,943	22,848	67,878
Average (Mean) Household Size	2.8	2.7	2.9
<b>2010 Census</b>			
Total Households	2,689	18,091	54,951
<b>2000 Census</b>			
Total Households	1,263	13,058	38,354

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2021 Estimate</b>			
\$200,000 or More	2.6%	3.5%	5.7%
\$150,000-\$199,999	6.9%	5.3%	7.0%
\$100,000-\$149,999	18.0%	13.3%	14.3%
\$75,000-\$99,999	16.0%	12.1%	12.4%
\$50,000-\$74,999	25.5%	20.5%	18.6%
\$35,000-\$49,999	12.1%	12.4%	11.4%
\$25,000-\$34,999	6.9%	9.3%	9.2%
\$15,000-\$24,999	5.9%	9.7%	9.5%
Under \$15,000	6.1%	13.9%	11.9%
Average Household Income	\$80,820	\$73,642	\$83,381
Median Household Income	\$68,505	\$55,207	\$59,886
Per Capita Income	\$29,352	\$26,992	\$28,513
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2021 Estimate Total Population	10,858	62,383	198,727
Under 20	30.1%	28.2%	30.6%
20 to 34 Years	22.5%	20.1%	20.3%
35 to 39 Years	8.4%	7.1%	7.6%
40 to 49 Years	12.8%	12.2%	13.0%
50 to 64 Years	15.6%	16.5%	15.8%
Age 65+	10.5%	15.8%	12.7%
Median Age	33.6	36.1	34.4
<b>Population 25+ by Education Level</b>			
2021 Estimate Population Age 25+	6,958	41,101	126,163
Elementary (0-8)	7.2%	5.5%	7.8%
Some High School (9-11)	8.7%	10.3%	10.0%
High School Graduate (12)	23.3%	29.3%	26.9%
Some College (13-15)	24.8%	24.1%	22.2%
Associate Degree Only	8.9%	6.8%	5.9%
Bachelor's Degree Only	15.4%	14.5%	16.3%
Graduate Degree	11.7%	9.6%	11.0%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	33.0	34.0	34.0



# 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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