

Marcus & Millichap
TAG INDUSTRIAL GROUP

9703 PLAINFIELD STREET

HOUSTON, TX 77036

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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.

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PRO TECH AUTO

Public Storage



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SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- Features 18' Clear Height, Two-Story Office Space, and New Security Features
- Fully Built-Out Office Space Coupled with a 5,520-Square-Foot Warehouse
- Located in Southwest Houston/Houston Outer Loop Submarket with a Market Vacancy Rate of 5.30%
- Average Submarket Rent of \$10.40 with Annual Rental Growth Rate of 6.6% (CoStar)
- Short-Term Triple-Net Sale-Leaseback, Minimizing Landlord Responsibility
- Diverse Investment - Potential to Lease to Partial Retail Tenant at Below-Market Rents

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 9703 Plainfield Street in Houston, Texas, occupied by the current owner, Gulf Coast Flooring & Services. The subject property consists of approximately 11,500 square feet of flex space and is situated on 0.37 acres of land. The asset features 5,520 square feet of warehouse space, a clear height of 18', a fully built-out two-story office space, and a new security system. Upon sale of the property, Gulf Coast Flooring & Services is expected to execute a six-month, triple-net lease, minimizing responsibilities for the new landlord. The short-term sale-leaseback will allow the new landlord to negotiate a long-term lease with the partial retail tenant at below-market rents. As a flex property, the asset offers prospective investors a diverse investment opportunity in the Southwest Outer Loop submarket.

With 14.9 million square feet of inventory, Southwest Outer Loop is considered one of Houston's smaller industrial hubs. Over the last 12 months through May 2022, net absorption touched nearly 319,000 square feet, representing the highest year-over-year demand since late 2013. High demand in Southwest Outer Loop has pushed the vacancy rate down to 5.9 percent, which is comparable to the overall market. Since the beginning of 2021, market rent growth has surged from an annual rate of just 1.5 percent to a 20-year high of 6.6 percent. Market rents now average \$10.40-per-square-foot, offering investors a significant 26 percent premium to the overall Houston market. Currently, there is only a single 4,750-square-foot industrial building under construction in the Southwest Outer Loop submarket. As a result, rent growth and vacancies will largely be unaffected by new supply for the foreseeable future (CoStar).

As the fifth most populous metro area in the U.S., Houston houses over seven 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

9703 PLAINFIELD STREET,
HOUSTON, TX 77036

Number of Suites	1
Number of Buildings	1
Total Square Feet	11,500
Warehouse Square Feet	5,520
Office Square Feet	5,980
Office Ratio	52%
Year Built	1980
Lot Size	0.37 Acres
Type of Ownership	Fee Simple
Clear Height	16'-18'
Parking Spaces	20
Parking Surface	Concrete
Building Class	C
Tenancy	Owner-User
Grade Level Doors	1
Construction	Metal
Power	3 Phase
Type of Lighting	LED
Roof Type	Pitched Metal
Age/Condition of Roofs	2019
HVAC Units	2
Age/Condition of HVAC	Good - Central/Forced Cooling
Market	Houston
Submarket	Southwest Outer Loop
Market Vacancy	6.10%



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OFFERING HIGHLIGHTS

9703 PLAINFIELD STREET

HOUSTON, TX 77036

OFFERING PRICE
\$1,720,500

Offering Price	\$1,720,500
Price/SF	\$149.61
Total Square Feet	11,500
Rental Rate	\$9.20
Lease Type	Triple Net (NNN)
Lease Term	6-Month Sale-Leaseback
Tenancy	Single
Occupancy	100.00%

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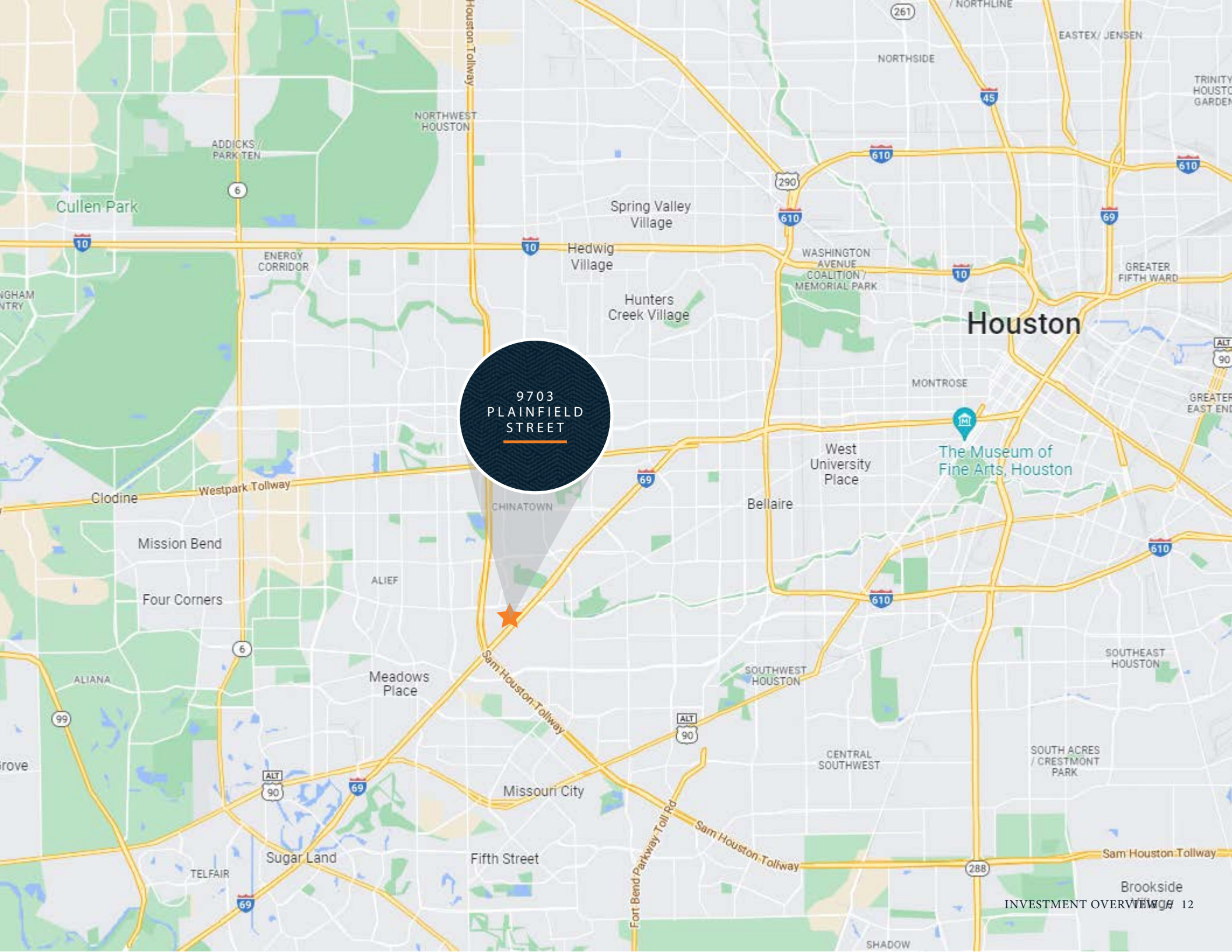
RENT ROLL

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.						
Gulf Coast Flooring & Services	1	11,500	100.0%	COE	6 Month Term	\$9.20	\$8,817	\$105,800	\$105,800	NNN	M-T-M Upon Expiration
Total		11,500				\$9.20	\$8,817	\$105,800	\$105,800		
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$8,817						Occupied Current Rents: \$8,817		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

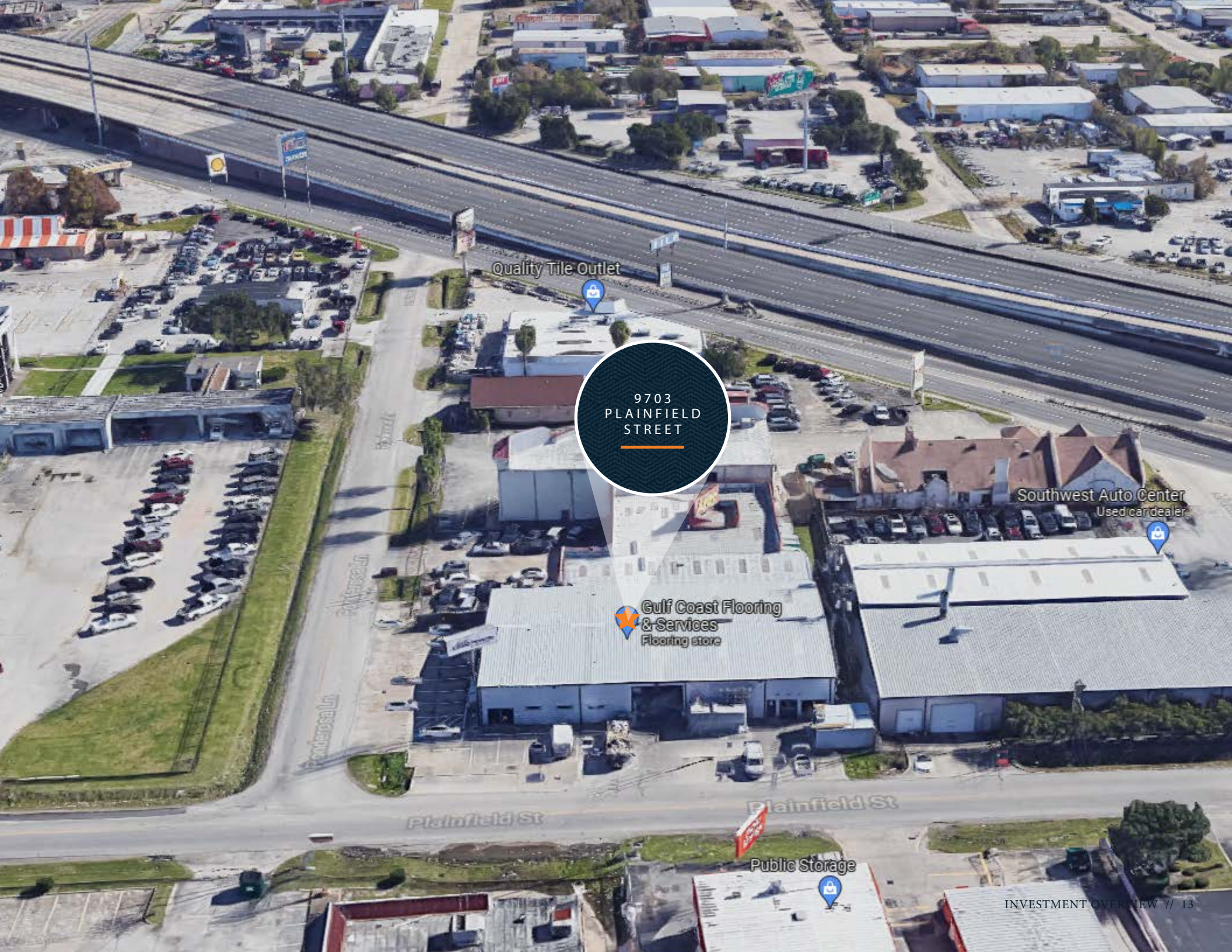
Income	Current		Per SF
Scheduled Base Rental Income	105,800		9.20
Expense Reimbursement Income			
Net Lease Reimbursement			
Insurance	16,565		1.44
Real estate Taxes	12,871		1.12
Total Reimbursement Income	\$29,436	87.9%	\$2.56
Effective Gross Revenue	\$135,236		\$11.76

Operating Expenses	Current		Per SF
Insurance	16,565		1.44
Real Estate Taxes	12,871		1.12
Management Fee	4,057	3.0%	0.35
Total Expenses	\$33,493		\$2.91
Expenses as % of EGR	24.8%		
Net Operating Income	\$101,743		\$8.85



9703
PLAINFIELD
STREET

9703
PLAINFIELD
STREET



9703
PLAINFIELD
STREET

Quality Tile Outlet

Southwest Auto Center
Used car dealer

Gulf Coast Flooring
& Services
Flooring store

Public Storage

Plainfield St

Plainfield St



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 2,399 debt and equity financings in 2021



National platform operating within the firm's brokerage offices



\$10.4 billion total national volume in 2021



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 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

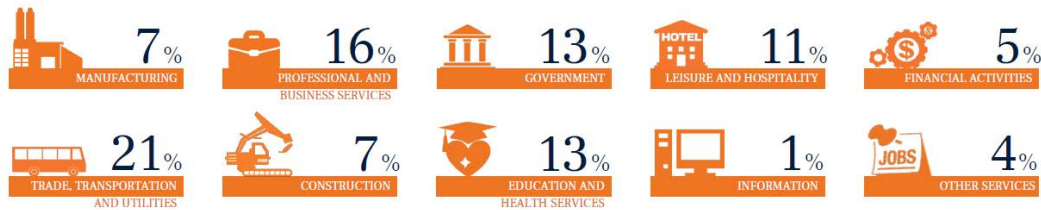


LOW COST OF LIVING,
DOING BUSINESS

METROPLEX GROWTH

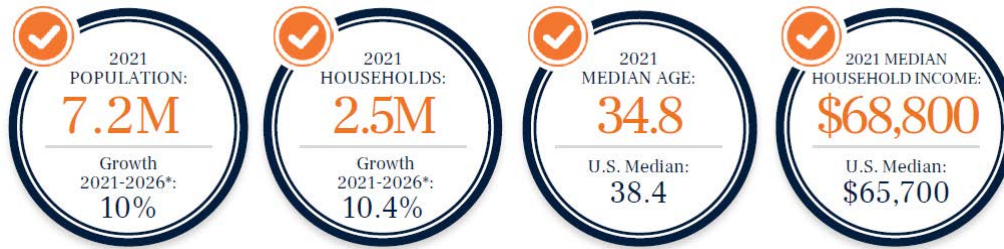
ECONOMY

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



520,736

Total Population
Within 5 miles



\$67,369

Average Household Income
Within 5 miles



260,646

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	30,191	214,923	531,995
2021 Estimate			
Total Population	29,909	213,255	520,736
2010 Census			
Total Population	28,788	205,678	494,222
2000 Census			
Total Population	31,346	210,658	468,132
Daytime Population			
2021 Estimate	29,288	220,181	583,833
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	10,514	74,175	193,843
2021 Estimate			
Total Households	10,432	73,297	189,019
Average (Mean) Household Size	2.9	2.9	2.7
2010 Census			
Total Households	9,986	70,036	176,926
2000 Census			
Total Households	11,977	74,818	172,720

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	0.9%	2.6%	4.2%
\$150,000-\$199,999	1.3%	3.0%	3.9%
\$100,000-\$149,999	3.8%	7.5%	8.8%
\$75,000-\$99,999	5.5%	8.6%	9.5%
\$50,000-\$74,999	13.8%	16.6%	17.4%
\$35,000-\$49,999	15.7%	15.2%	15.2%
\$25,000-\$34,999	16.5%	13.9%	12.7%
\$15,000-\$24,999	21.6%	16.0%	14.2%
Under \$15,000	21.0%	16.6%	14.3%
Average Household Income	\$40,634	\$57,217	\$67,369
Median Household Income	\$29,241	\$38,128	\$42,984
Per Capita Income	\$14,196	\$19,777	\$24,530
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2021 Estimate Total Population	29,909	213,255	520,736
Under 20	33.8%	30.3%	28.8%
20 to 34 Years	27.6%	24.3%	25.0%
35 to 39 Years	9.2%	7.8%	8.2%
40 to 49 Years	13.1%	12.7%	13.0%
50 to 64 Years	11.7%	14.9%	15.2%
Age 65+	4.6%	10.0%	9.9%
Median Age	29.4	32.2	32.9
Population 25+ by Education Level			
2021 Estimate Population Age 25+	17,700	133,757	335,600
Elementary (0-8)	24.8%	19.5%	16.3%
Some High School (9-11)	13.2%	10.5%	8.8%
High School Graduate (12)	26.8%	26.4%	24.1%
Some College (13-15)	15.8%	17.8%	18.3%
Associate Degree Only	5.3%	5.3%	5.9%
Bachelor's Degree Only	10.7%	14.2%	17.6%
Graduate Degree	3.5%	6.3%	9.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	33.0	31.0	31.0



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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