

Marcus & Millichap
TAG INDUSTRIAL GROUP

609 LEAGO STREET

HOUSTON, TX 77091

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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

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

609 LEAGO STREET

HOUSTON, TX 77091

PRESENTED BY

NATHAN MAI

Associate
Office & Industrial Division
Houston Office
Office (713) 452-4305
Nathan.Mai@MarcusMillichap.com
License: TX: 791371

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
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

DEBT CONTACT

BRAD KORNDORFFER

Associate Director
3 Riverway, #800
Houston, TX 77056
Tel: (713) 239-0507
Brad.Korndorffer@MarcusMillichap.com

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 11,000-Square-Foot Flex Warehouse Featuring Ample Office Space and Masonry Construction
 - Short-Term Triple-Net Sale-Leaseback Offers Attractive Lease-Up Opportunity
 - Functional Flex Asset: Two-Floor Flexibility, 18' Clear Height, and Two Grade-Level Doors
- Strong Market Tenant Base Providing Wide Range of Manufacturing, Logistics, and Oil Industries
- Rent Growth Projected to Reach 6% in 2023 Outpacing the 3.2% Annualized Average (CoStar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 609 Leago Street in Houston, Texas, occupied by the owner, AAA Lift Trucks. The subject property consists of approximately 11,000 square feet of flex space and is situated on 0.52 acres of land. This single-tenant asset features metal and masonry construction, ample office space, two floors, a clear height of 18' and two grade-level doors. Upon close of escrow, AAA Lift Trucks plans to execute a one-year triple-net leaseback, creating an attractive lease-up opportunity. Located in the Northwest Near submarket, the property has proximate access to major highways, including Interstates 45 and 610.

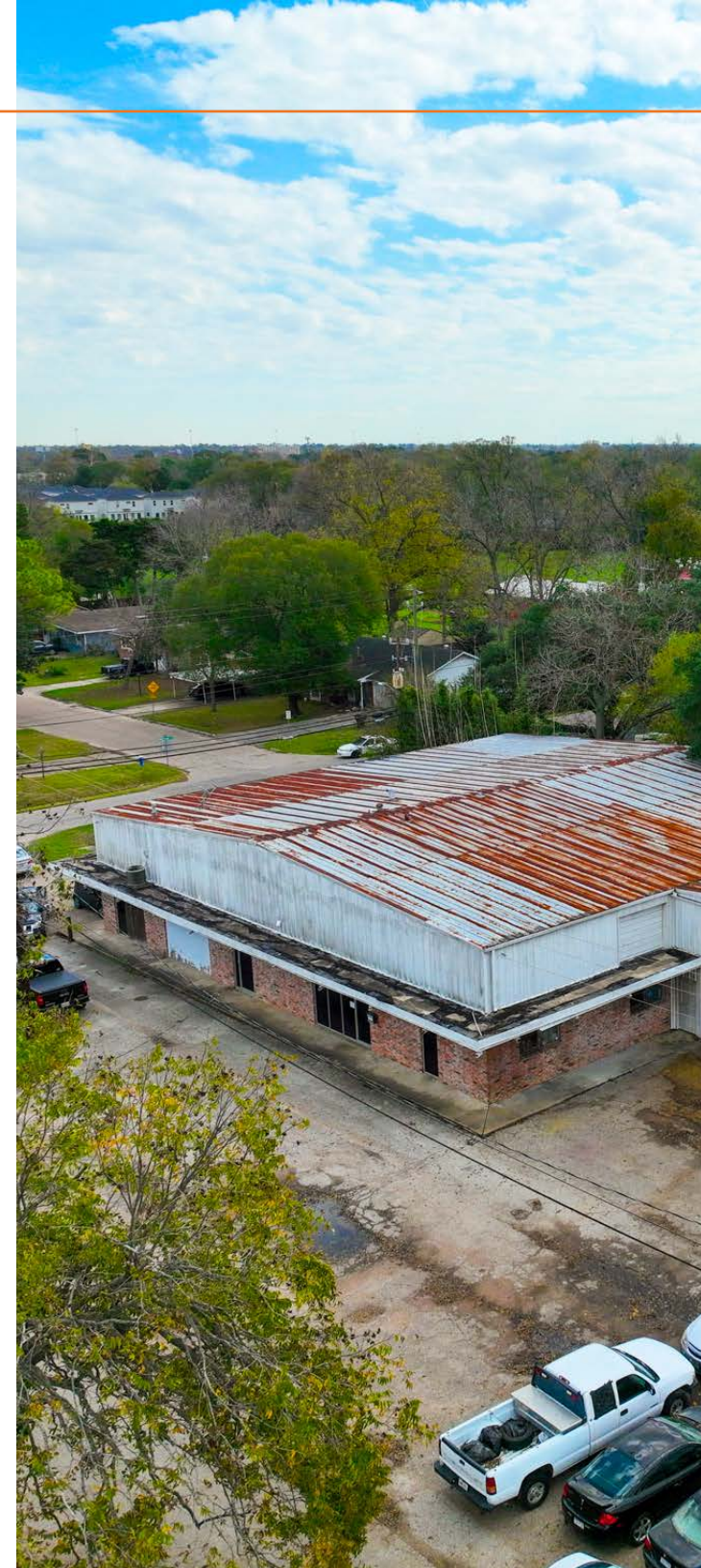
Northwest Near is a medium-sized submarket in Houston, containing 20.5 million square feet of industrial space. Similar to the subject property, the bulk of the inventory is comprised of smaller warehouses developed prior to 1980. The tenant base is largely anchored by small businesses that cover a wide range of industries, such as manufacturing, logistics, and oil and gas. At the conclusion of 2022, market rents in Northwest Near were up 5.3 percent on the year, outpacing the overall market average by 70 basis points. After experiencing a roller coaster ride, the vacancy rate in the submarket finished the year essentially unchanged at 3.9 percent, compared to the market average of 5.5 percent. With only about 240,000 square feet of industrial space under construction, representing just 1 percent of the inventory, new supply in Northwest Near will have a minimal impact on rent growth and vacancies 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

609 LEAGO STREET,
HOUSTON, TX 77091

Number of Suites	1
Number of Buildings	1
Total Square Feet	11,000
Warehouse Square Feet	5,500
Office Square Feet	5,500
Office Ratio	50%
Year Built	1969
Lot Size	0.52 Acres
Type of Ownership	Fee Simple
Clear Height	18'
Parking Spaces	± 15
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Grade Level Doors	2
Construction	Masonry
Power	3 Phase/240 Volts/500 Amps
Type of Lighting	Fluorescent
Roof Type	Metal
Age/Condition of Roofs	Average
HVAC Units	4
Age/Condition of HVAC	Fair
Market	Houston
Submarket	Northwest Near
Market Vacancy	3.80%



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609 LEAGO STREET

HOUSTON, TX 77091

OFFERING PRICE
\$1,375,000

CAP RATE
8.00%

PRO FORMA CAP RATE
8.24%

Offering Price	\$1,375,000
Cap Rate	8.00%
Price/SF	\$125.00
Total Square Feet	11,000
Rental Rate	\$10.00
Lease Type	Triple Net (NNN)
Lease Term	1 Year + 2 Renewals
Rental Increases	3% Annual Increase
Tenancy	Single
Occupancy	100.00%

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RENT ROLL

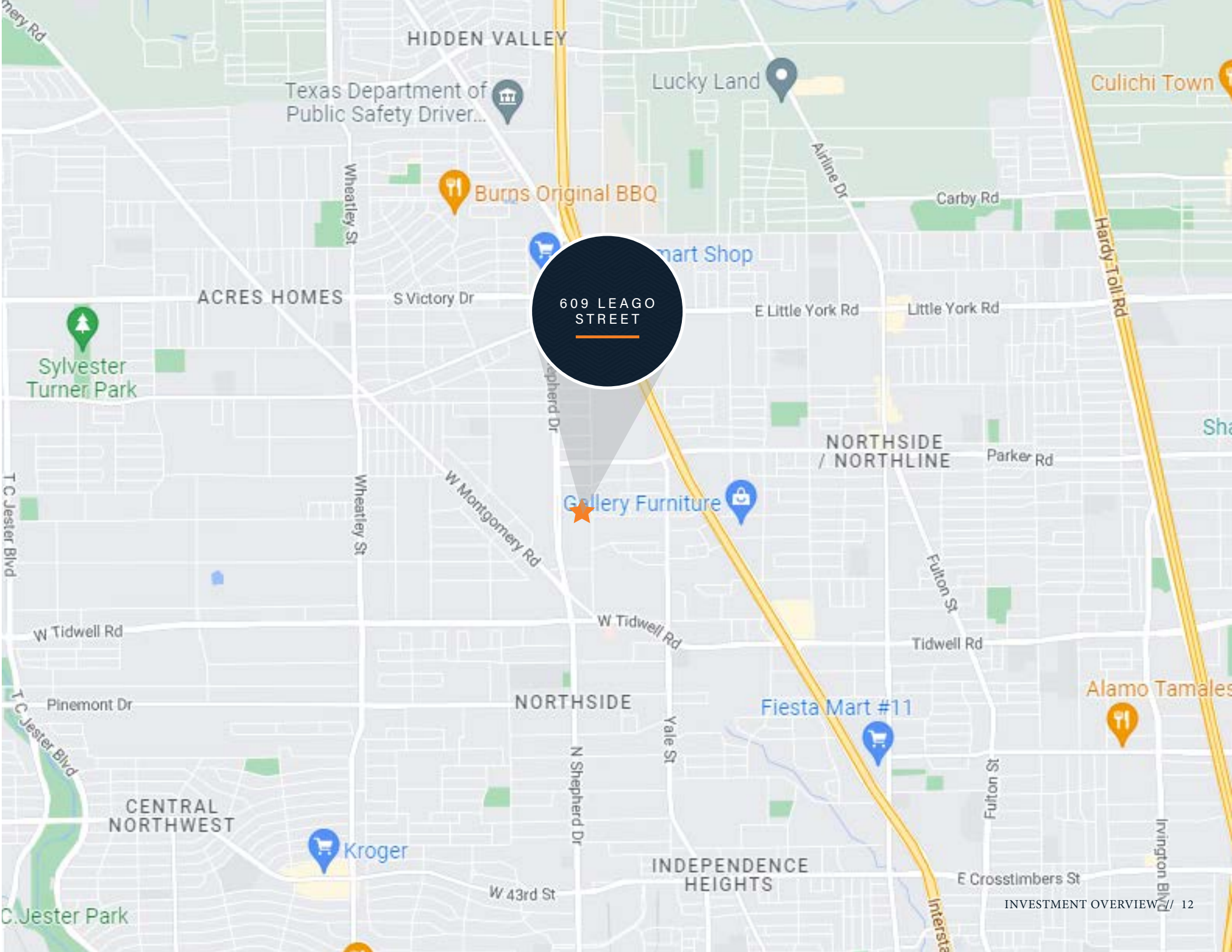
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
AAA Lift Trucks	Suite A	11,000	100.0%	COE	COE + 1 Year	\$10.00	\$9,167	\$110,004	\$113,304	Dec-2023	3.00%	NNN	Two Renewal Options for Six Months
Total		11,000				\$10.00	\$9,167	\$110,004	\$113,304				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$9,167						Occupied Current Rents: \$9,167		Unoccupied Current Rents: \$0					

Notes:

** Seller Plans to Sublet 1,800SF to Tenant **

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	110,004		10.00	113,304		10.30
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	3,850		0.35	3,850		0.35
Real Estate Taxes	9,905		0.90	9,905		0.90
Total Reimbursement Income	\$13,755	100.0%	\$1.25	\$13,755	100.0%	\$1.25
Effective Gross Revenue	\$123,759		\$11.25	\$127,059		\$11.55
Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	3,850		0.35	3,850		0.35
Real Estate Taxes	9,905		0.90	9,905		0.90
Total Expenses	\$13,755		\$1.25	\$13,755		\$1.25
Expenses as % of EGR	11.1%			10.8%		
Net Operating Income	\$110,004		\$10.00	\$113,304		\$10.30



609 LEAGO STREET

609 LEAGO STREET



609 LEAGO
STREET



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

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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



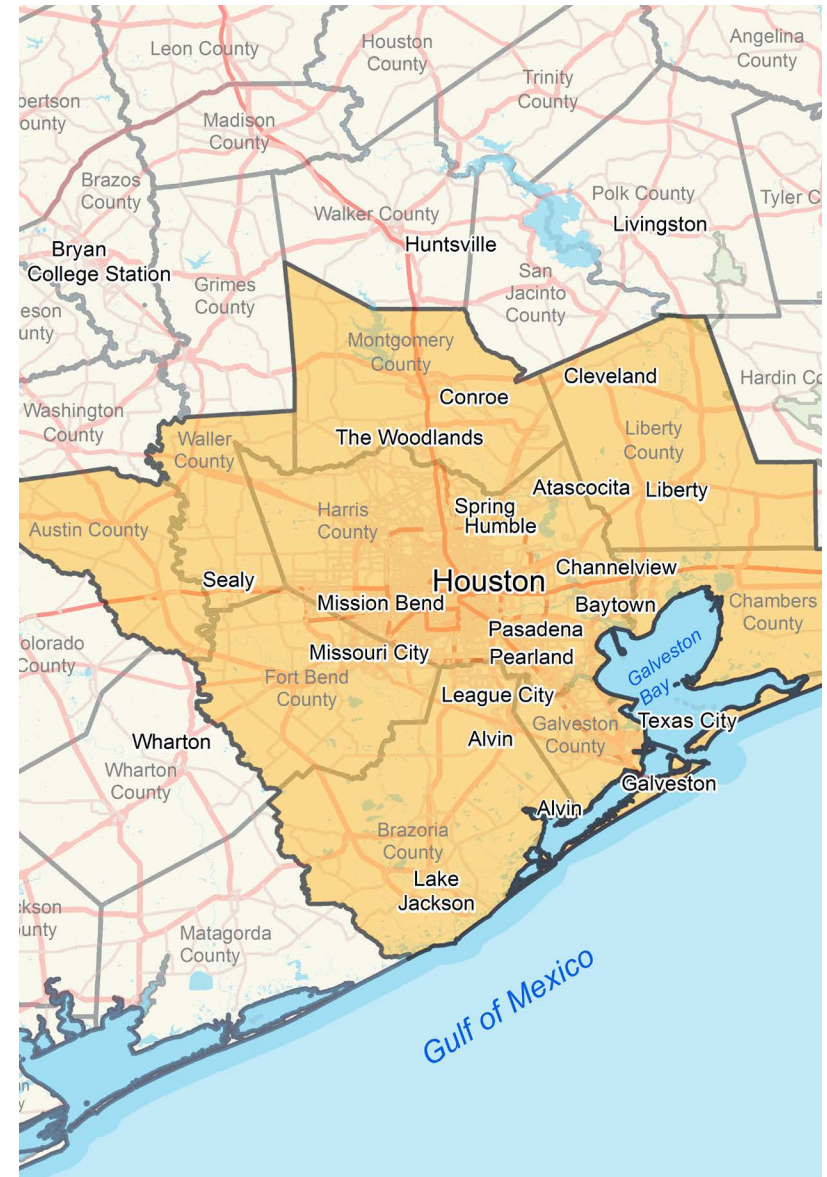
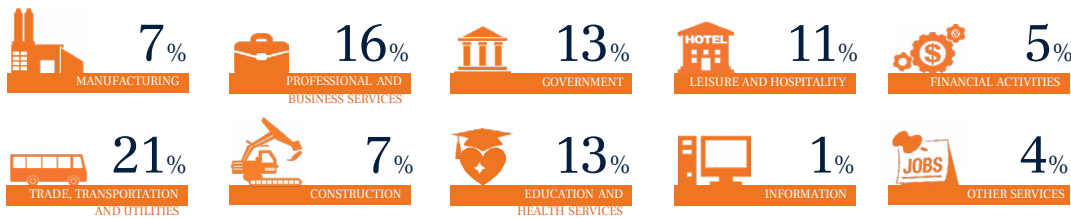
LOW COST OF LIVING,
DOING BUSINESS



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.

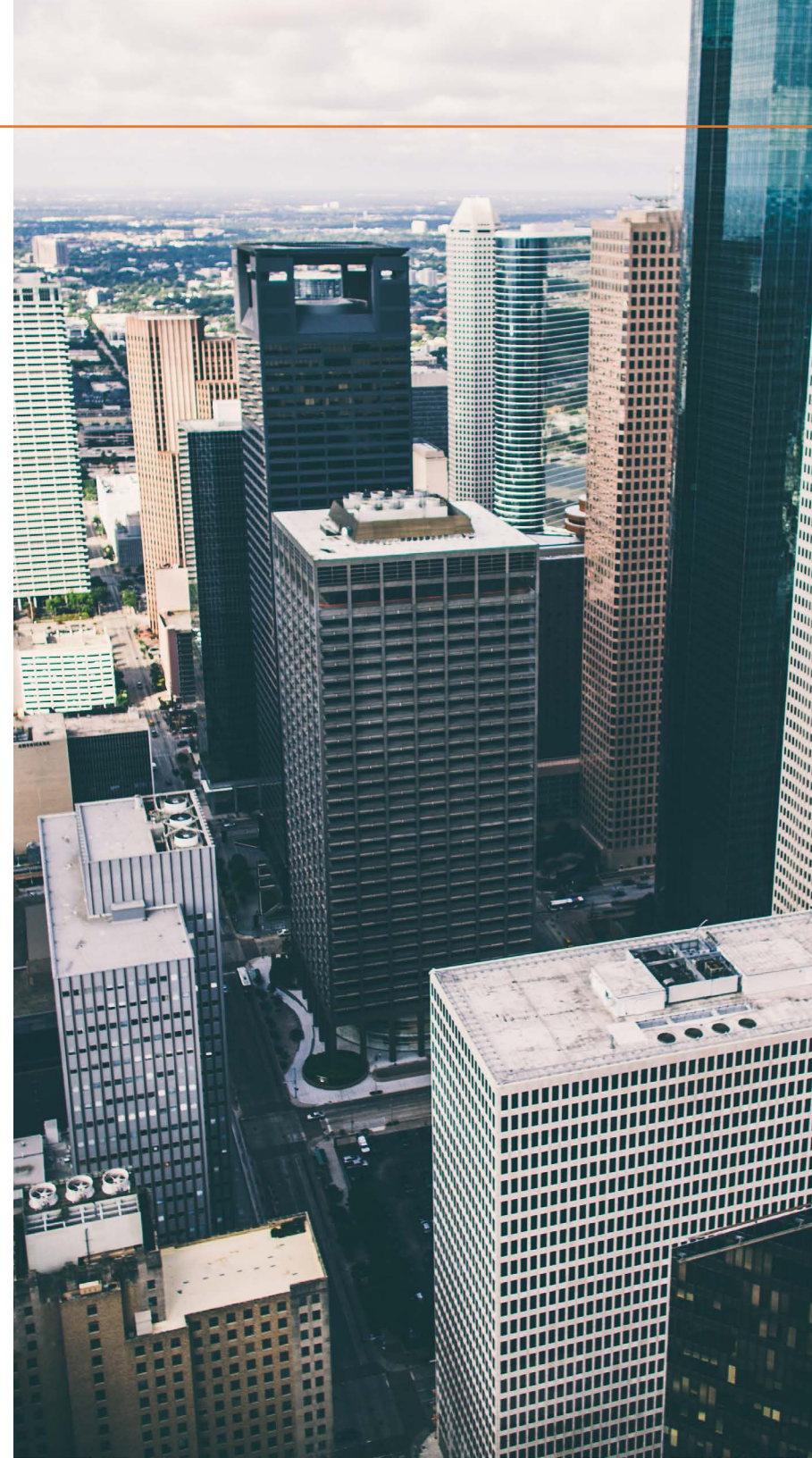


METROPLEX GROWTH

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 home-ownership 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



370,173

Total Population
Within 5 miles



50.4%



49.6%



\$78,458

Average Household Income
Within 5 miles



178,940

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	18,421	136,061	385,818
2022 Estimate			
Total Population	17,356	131,117	370,173
2010 Census			
Total Population	15,304	121,447	336,232
2000 Census			
Total Population	13,662	116,786	330,037
Daytime Population			
2022 Estimate	13,489	127,352	370,537
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	6,108	44,944	134,057
2022 Estimate			
Total Households	5,703	43,044	127,385
Average (Mean) Household Size	3.0	3.0	2.9
2010 Census			
Total Households	4,893	38,870	112,577
2000 Census			
Total Households	4,319	37,917	110,335

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.5%	5.2%	7.5%
\$150,000-\$199,999	1.3%	3.1%	4.3%
\$100,000-\$149,999	6.1%	7.7%	8.8%
\$75,000-\$99,999	5.3%	8.0%	8.7%
\$50,000-\$74,999	13.4%	16.2%	15.7%
\$35,000-\$49,999	15.9%	14.0%	14.0%
\$25,000-\$34,999	14.6%	12.7%	12.5%
\$15,000-\$24,999	16.5%	13.7%	12.7%
Under \$15,000	25.4%	19.4%	15.7%
Average Household Income	\$45,216	\$66,811	\$78,458
Median Household Income	\$30,948	\$38,644	\$44,161
Per Capita Income	\$15,174	\$22,038	\$27,067
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	17,356	131,117	370,173
Under 20	32.5%	29.9%	29.4%
20 to 34 Years	24.9%	21.7%	23.0%
35 to 39 Years	6.8%	7.0%	7.8%
40 to 49 Years	11.2%	12.6%	13.1%
50 to 64 Years	13.6%	16.4%	16.0%
Age 65+	11.0%	12.4%	10.8%
Median Age	30.4	33.9	33.6
Population 25+ by Education Level			
2022 Estimate Population Age 25+	10,400	83,184	237,352
Elementary (0-8)	22.8%	19.0%	17.6%
Some High School (9-11)	18.9%	15.8%	13.8%
High School Graduate (12)	30.1%	28.7%	26.3%
Some College (13-15)	14.4%	16.3%	15.5%
Associate Degree Only	2.5%	3.9%	4.5%
Bachelor's Degree Only	6.4%	10.3%	14.3%
Graduate Degree	4.9%	6.0%	7.9%
Travel Time to Work			
Average Travel Time to Work in Minutes	33.0	32.0	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.

<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

609 LEAGO STREET

HOUSTON, TX 77091

PRESENTED BY

NATHAN MAI

Associate
Office & Industrial Division
Houston Office
Office (713) 452-4305
Nathan.Mai@MarcusMillichap.com
License: TX: 791371

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
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

DEBT CONTACT

BRAD KORNDORFFER

Associate Director
3 Riverway, #800
Houston, TX 77056
Tel: (713) 239-0507
Brad.Korndorffer@MarcusMillichap.com

Marcus & Millichap
TAG INDUSTRIAL GROUP