

Marcus & Millichap
TAG INDUSTRIAL GROUP

5036 ROOSEVELT AVENUE

SAN ANTONIO, TX 78214

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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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Marcus & Millichap

The background of the slide is a dark, blue-tinted photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- Two Metal Industrial Buildings Totaling 21,488 Square Feet Situated on 4.23 Acres
 - Price Per-Square-Foot Below-Market Value and Replacement Cost
 - Short-Term Lease Creates Value-Add or Owner-User Opportunity
 - Proximity to I-410 Highway and Stinson-Mission Municipal Airport
- 10.4% Annual Rent Growth in South Submarket Over the Past 12 Months (CoStar)
- San Antonio Ranked as Fastest Growing City from 2020-2021 (Census)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 5036 Roosevelt Avenue in San Antonio, Texas, leased to Disruptive Construction. The subject property consists of approximately 21,488 square feet of warehouse space and is situated on 4.23 acres of land. The two-building asset features metal construction, two dock-high doors, 16 grade-level doors, and ample outdoor storage space. The property sits in close proximity to Interstate 410 and Stinson-Mission Municipal Airport. With the current lease set to expire in August 2023, the sale offers either an owner-user or value-add investment opportunity. At about \$46.00 per square foot, the property can be acquired below replacement costs and less than the market average.

The subject property is located in South San Antonio, a large submarket containing 39.6 million square feet of industrial space. The submarket has experienced a significant amount of growth in recent years with net deliveries setting a new record of 6.7 million square feet in 2022. Last year, industrial demand kept pace with new deliveries and the vacancy rate sat at just 2.8 percent going into 2023. However, new deliveries outpaced demand during the first quarter with the completion of large speculative warehouses, pushing the vacancy rate up to 7.9 percent. Despite the influx in new supply, annual market rent growth in South San Antonio bucked the national trend and hit a record high of 10.4 percent in Q1, outpacing the overall market by 110 basis points. With construction activity dropping to nearly a three-year low at 2.1 million square feet (representing 5.3 percent of inventory), new supply will have less of an impact on rents and vacancies going forward (CoStar).

Home to the Alamo and famous River Walk, San Antonio metro is the primary residence of 2.5 million people. San Antonio is the second most populous city in Texas behind Houston, housing more than 1.5 million residents. Between 2020 and 2021, San Antonio experienced the highest population growth in the U.S., adding 13,626 new residents (U.S. Census Bureau). The local economy is anchored by the industries of healthcare, tourism, and national defense. An extensive transportation network provides shipping options to domestic and international markets. Additionally, the formation of the Eagle Ford Shale that runs through Atascosa and Wilson counties has cultivated a thriving energy sector. Valero Energy, one of the largest oil companies in the U.S., is headquartered in San Antonio. Major private employers include AT&T, Wells Fargo, USAA, and Toyota. San Antonio offers a high quality of life with a variety of entertainment including the NBA's San Antonio Spurs, SeaWorld, and Six Flags (Marcus & Millichap).

PROPERTY DETAILS

5036 ROOSEVELT AVENUE, SAN ANTONIO, TX 78214

Number of Suites	1
Number of Buildings	2
Total Square Feet	21,488
Warehouse Square Feet	18,618
Office Square Feet	2,870
Office Ratio	13%
Year Built	1955/1980
Lot Size	4.23 Acres
Type of Ownership	Fee Simple
Clear Height	Various
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Dock High Doors	2
Grade Level Doors	16
Construction	Metal
Type of Lighting	Mostly Fluorescent
Zoning	I-2 Heavy Industrial District
Roof Type	Corrugated Metal
HVAC Units	3
Market	San Antonio
Submarket	South
Market Vacancy	7.90%

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5036 ROOSEVELT AVENUE - AS IS

SAN ANTONIO, TX 78214

OFFERING PRICE

\$1,000,000

CAP RATE

9.00%

PRO FORMA CAP RATE

13.97%

Offering Price	\$1,000,000
Cap Rate	9.00%
Pro Forma Cap Rate	13.97%
Price/SF	\$46.54
Total Square Feet	21,488
Rental Rate	\$4.19
Pro-Forma Rental Rate	\$6.50
Lease Type	NNN
Tenancy	Single
Occupancy	100.00%

***Special Environmental Conditions Apply - Contact Agent for Details.**

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RENT ROLL

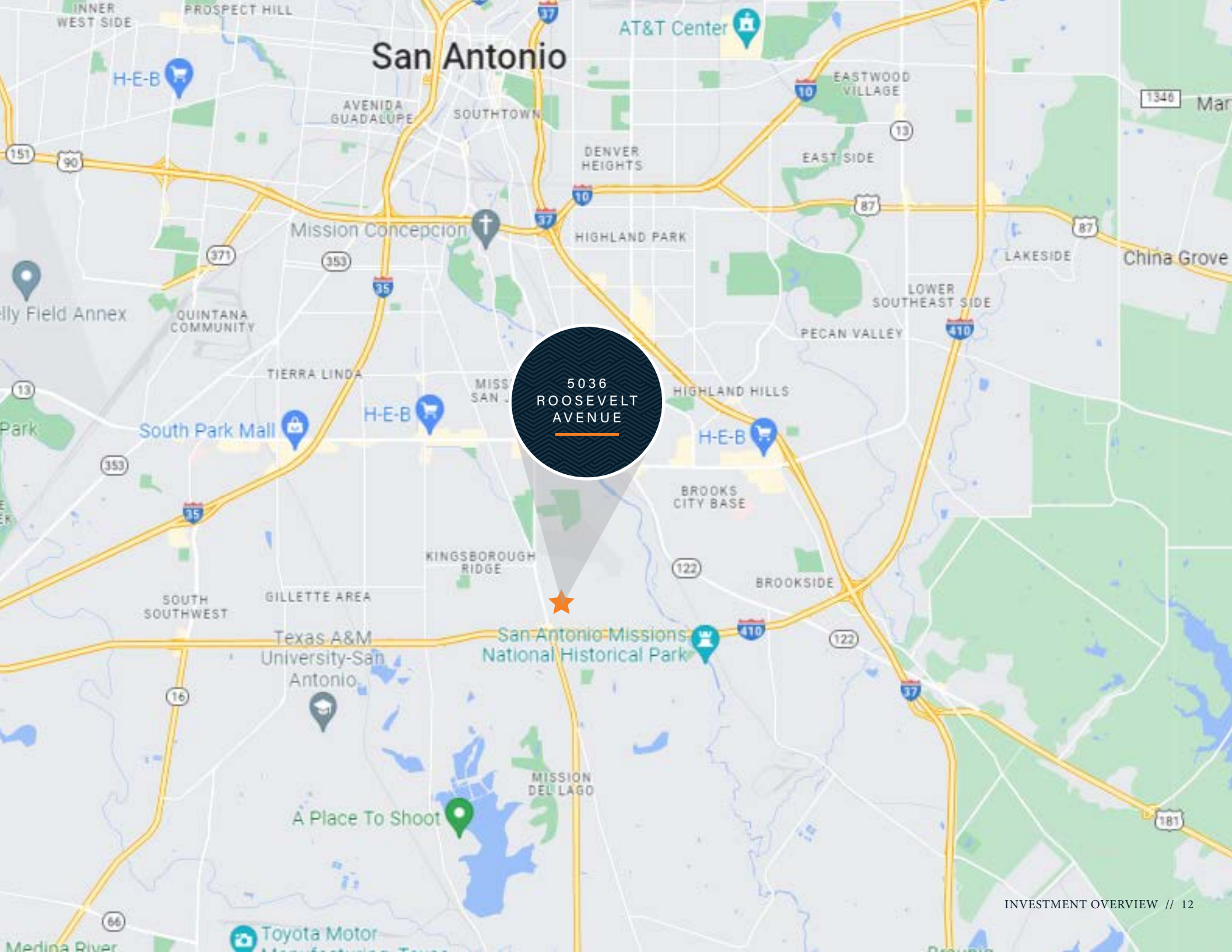
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
Disruptive Construction	1	21,488	100.0%	7/10/20	8/31/23	\$4.19	\$7,500	\$90,000	\$139,672	NNN
Total		21,488				\$4.19	\$7,500	\$90,000	\$139,672	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$7,500						Occupied Current Rents: \$7,500		Unoccupied Current Rents: \$0		

*Tenants are Not Fully Current on Rental Payments. – Contact Agent for Additional Details.

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	90,000		4.19	139,672		6.50
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	7,050		0.33	7,050		0.33
Real Estate Taxes	16,783		0.78	21,322		0.99
Total Reimbursement Income	\$23,833	100.0%	\$1.11	\$28,372	100.0%	\$1.32
Effective Gross Revenue	\$113,833		\$5.30	\$168,044		\$7.82

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	7,050		0.33	7,050		0.33
Real Estate Taxes	16,783		0.78	21,322		0.99
Total Expenses	\$23,833		\$1.11	\$28,372		\$1.32
Expenses as % of EGR	20.9%			16.9%		
Net Operating Income	\$90,000		\$4.19	\$139,672		\$6.50



San Antonio

5036
ROOSEVELT
AVENUE

5036
ROOSEVELT
AVENUE

C Glass

Mr & Mrs corn

A Plus Boat Service
INVESTMENT OVERVIEW 7/13



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 2,143 debt
and equity
financings in 2022



National platform operating
within the firm's
brokerage offices



\$12.8 billion total
national volume
in 2022



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

.....

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

SAN ANTONIO TEXAS

Home to the Alamo and famous River Walk, the San Antonio metro is located in the southern portion of central Texas and straddles the Interstate 35 corridor, one of the fastest-growing areas in the state. The metro encompasses eight counties: Bandera, Atascosa, Kendall, Comal, Bexar, Guadalupe, Medina and Wilson. Situated only 160 miles from Nuevo Laredo, Mexico, San Antonio is an easy drive on I-35 from the border and serves as a major gateway between the United States and Mexico. The area is further enhanced by an extensive transportation network that provides shipping options to domestic and international markets, as well as the Eagle Ford Shale formation that runs through Atascosa and Wilson counties. San Antonio is the most populous city in the metro, housing more than 1.5 million residents.



ROBUST JOB
CREATION



STRONG POPULATION
GROWTH



LOW COST-
OF-LIVING

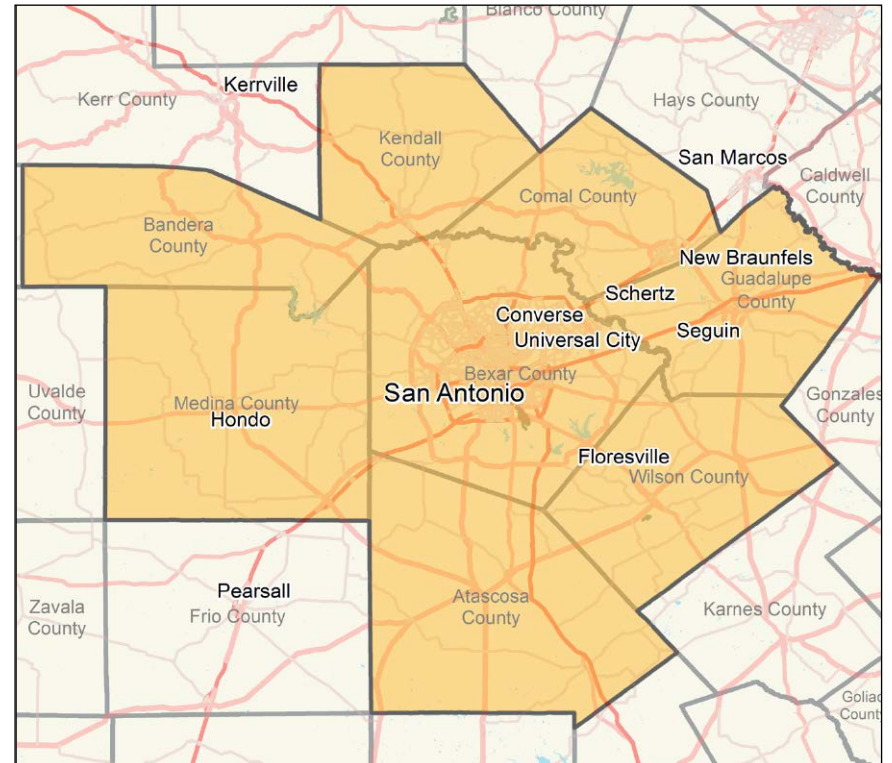


QUALITY OF LIFE

Culture and history abound in places like La Villita, the Spanish Governor's Palace, San Fernando Cathedral, Casa Navarro State Historic Site and the Alamo. Tradition blends with more modern attractions, such as the River Walk, a 2.5 mile stretch of parks, cafes, nightclubs and hotels. Upscale apartments built along the walk have brought more residents into the city. The metro is also home to numerous sporting events and teams, including the NBA's San Antonio Spurs, San Antonio FC Soccer and AA Baseball's Missions. Also, the University of Texas at San Antonio Roadrunners play NCAA Division 1 football. Art enthusiasts can visit many museums and cultural centers in San Antonio.

ECONOMY

The Eagle Ford Shale deposit has contributed to the diversification of jobs into the energy sector. Valero's corporate headquarters are here, as well as firms like NuStar Energy. Lackland Air Force Base, Randolph Air Force Base, Fort Sam Houston and Camp Bullis are among the myriad military installations located in the metro. An important component of the health care industry is South Texas Medical Center — a conglomerate of hospitals, clinics and research, as well as higher education facilities.



5%
MANUFACTURING



14%
PROFESSIONAL AND
BUSINESS SERVICES



16%
GOVERNMENT



12%
LEISURE AND
HOSPITALITY



9%
FINANCIAL
ACTIVITIES



18%
TRADE,
TRANSPORTATION,
AND UTILITIES



5%
CONSTRUCTION



15%
EDUCATION AND
HEALTH SERVICES



2%
INFORMATION

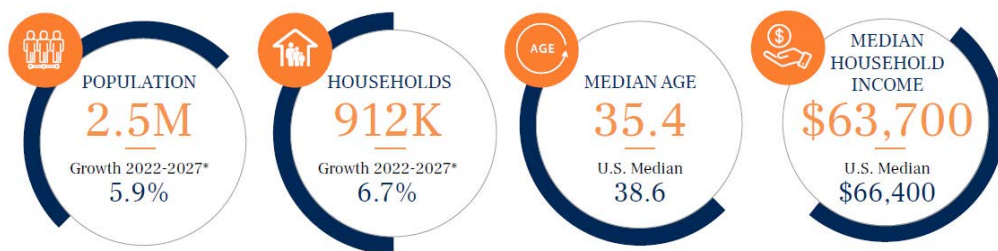


4%
OTHER
SERVICES

METROPLEX GROWTH

DEMOGRAPHICS

The metro is expected to add more than 147,500 people through 2027, resulting in the formation of roughly 61,100 households. A relatively youthful population contributes to a homeownership rate of 63 percent, which is slightly below the national rate of 64 percent. Roughly 28 percent of residents ages 25 and older hold a bachelor's degree; 10 percent of residents have also earned a graduate or professional degree.



2022 POPULATION BY AGE



DEMOGRAPHICS



175,948

Total Population
Within 5 miles



49.1%



50.9%



\$51,813

Average Household Income
Within 5 miles



76,846

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	5,738	55,967	177,121
2022 Estimate			
Total Population	5,482	54,867	175,948
2010 Census			
Total Population	4,842	50,776	166,940
2000 Census			
Total Population	4,867	47,008	159,951
Daytime Population			
2022 Estimate	3,356	57,875	165,736
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	1,807	18,716	59,443
2022 Estimate			
Total Households	1,719	18,174	58,566
Average (Mean) Household Size	3.3	3.0	3.0
2010 Census			
Total Households	1,494	16,292	54,020
2000 Census			
Total Households	1,431	14,774	50,580

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	0.8%	1.2%	0.9%
\$150,000-\$199,999	0.7%	1.3%	1.7%
\$100,000-\$149,999	7.5%	7.2%	8.0%
\$75,000-\$99,999	11.7%	10.1%	10.8%
\$50,000-\$74,999	22.0%	19.4%	19.7%
\$35,000-\$49,999	18.1%	16.8%	15.7%
\$25,000-\$34,999	13.1%	12.7%	12.4%
\$15,000-\$24,999	10.2%	14.3%	14.2%
Under \$15,000	15.9%	17.1%	16.7%
Average Household Income	\$52,627	\$51,340	\$51,813
Median Household Income	\$44,497	\$40,289	\$40,798
Per Capita Income	\$16,538	\$17,243	\$17,393
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	5,482	54,867	175,948
Under 20	28.7%	30.2%	29.8%
20 to 34 Years	21.3%	23.2%	22.2%
35 to 39 Years	6.3%	6.9%	6.8%
40 to 49 Years	12.4%	11.9%	12.0%
50 to 64 Years	17.0%	15.7%	16.1%
Age 65+	14.4%	12.1%	13.1%
Median Age	35.1	32.7	33.5
Population 25+ by Education Level			
2022 Estimate Population Age 25+	3,501	34,122	110,870
Elementary (0-8)	20.4%	13.8%	13.9%
Some High School (9-11)	13.7%	15.6%	15.3%
High School Graduate (12)	33.1%	35.7%	35.7%
Some College (13-15)	19.9%	20.5%	20.4%
Associate Degree Only	6.1%	5.8%	5.8%
Bachelor's Degree Only	5.8%	6.3%	6.4%
Graduate Degree	1.2%	2.4%	2.5%
Travel Time to Work			
Average Travel Time to Work in Minutes	29.0	27.0	27.0



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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