

Marcus & Millichap
TAG INDUSTRIAL GROUP

HHS, INC.
6909 GRAND BOULEVARD
HOUSTON, TX 77054

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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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TAG INDUSTRIAL GROUP





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Marcus & Millichap

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 a large warehouse or a factory interior.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- 6,700+ Square Feet of Flex Warehouse Featuring Office Space and Masonry Construction
 - One-Year Sale-Leaseback with HHS, Inc.
- Equipped with Flood Protection, Undamaged by Hurricane Harvey
 - Under One Mile to the Texas Medical Center
- Located Near Intersection of 288 South and Alt-90
- Tough Barrier-to-Entry Submarket Featuring 2.7% Vacancy and 5.0% Rent Growth

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 6909 Grand Boulevard in Houston, Texas occupied by the owner HHS, Inc. Upon the sale of the property, HHS, Inc. plans to execute a one-year leaseback. The subject property consists of approximately 6,722 square feet of flex space and is situated on 0.4 acres of land. The single-tenant asset features 86 percent of office space, masonry construction, and two grade-level doors.

Thanks to the property's corner lot position which is bordered by a drainage ditch, the property is protected from flooding and was undamaged during Hurricane Harvey in 2017. Located near the intersection of major thoroughfares State Highway 288 (South Freeway) and U.S. 90 Alternate (Old Spanish Trail), the property sits less than a mile from the Texas Medical Center.

The subject property is positioned within South Inner Loop, a medium-sized submarket containing 12.7 million square feet of industrial space. In recent years, the vacancy rate has steadily fallen and stood at just 2.7 percent in Q1 2023, sitting 290 basis points lower than the overall Houston market. Tight supply has helped push market rents to historically high levels over the last year, finishing Q1 up 5.0 percent year-over-year. Despite the economic slowdown, industrial demand in South Inner Loop remains robust with 12-month net absorption hitting nearly 298,000 square feet during Q1. This compares to the three-year average of about 10,000 square feet. Despite the strong fundamentals, development has remained low largely due to a lack of available land. Over the last decade, the inventory has actually contracted by about 5.0 percent as demolition activity has outpaced new construction. As a result, rents and vacancies in the South Inner Loop submarket will go unimpeded 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

HHS, INC.
6909 GRAND BOULEVARD, HOUSTON, TX 77054

Number of Suites	1
Number of Buildings	1
Total Square Feet	6,722
Warehouse Square Feet	942
Office Square Feet	5,779
Office Ratio	85.97%
Year Built	1960
Lot Size	0.4 Acres
Type of Ownership	Fee Simple
Clear Height	16'
Parking Spaces	30
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Grade Level Doors	1
Construction	Masonry
Power	3 Phase
Type of Lighting	LED
Roof Type	BUR
Age/Condition of Roofs	Good
HVAC Units	3
Age/Condition of HVAC	Average Age: 7 Years, Condition: Fair
Market	Houston
Submarket	South Inner Loop
Market Vacancy	2.7%

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OFFERING HIGHLIGHTS

HHS, INC.

6909 GRAND BOULEVARD, HOUSTON, TX 77054

OFFERING PRICE
\$1,100,000

CAP RATE
7.94%

Offering Price	\$1,100,000
Cap Rate	7.94%
Price/SF	\$163.64
Total Square Feet	6,722
Rental Rate	\$13.00
Lease Type	Triple Net (NNN)
Lease Term	One-Year Sale-Leaseback
Tenancy	Single
Occupancy	100.00%

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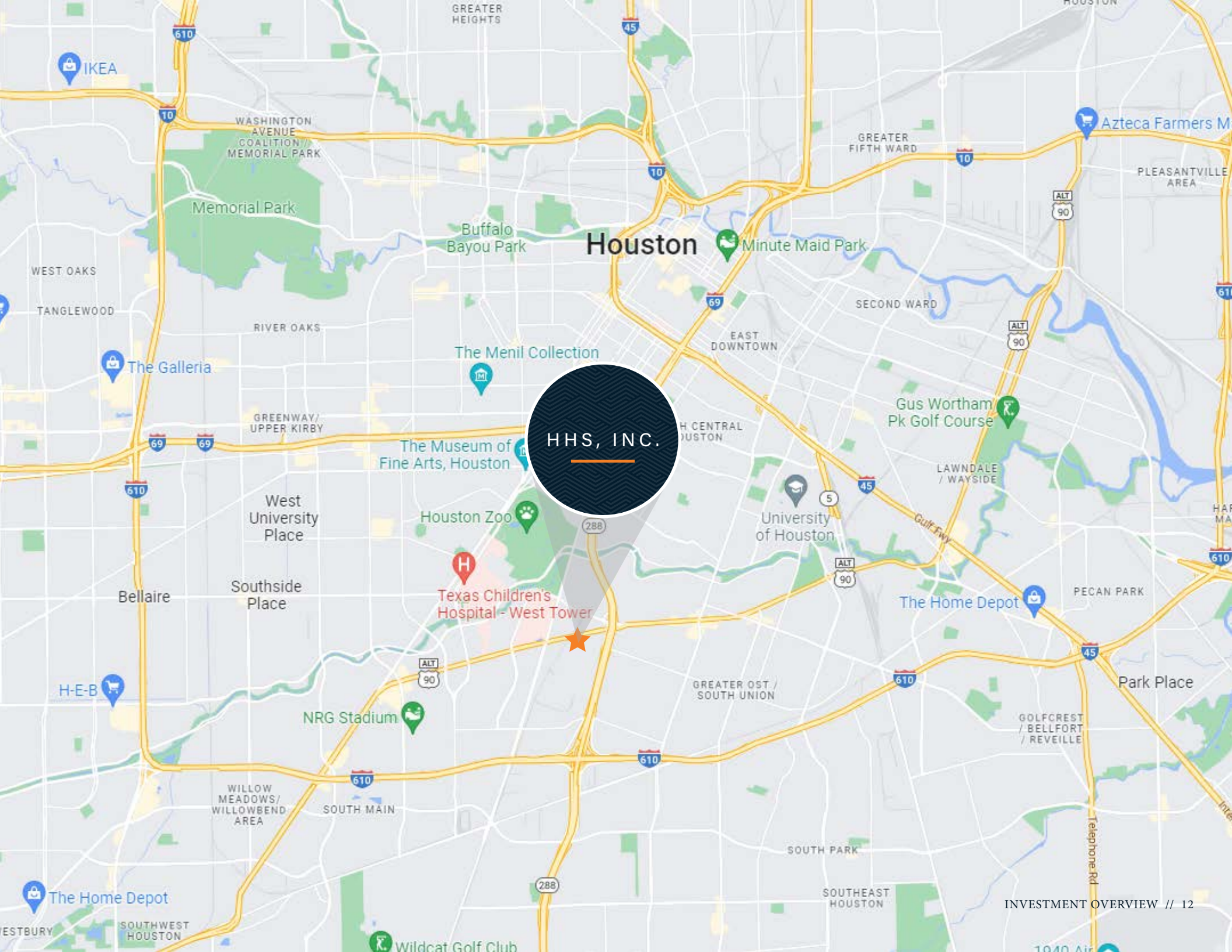
RENT ROLL

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
HHS, INC.	A	6,722	100.0%	COE	COE + 1 Year	\$13.00	\$7,282	\$87,386	\$87,386	NNN
Total		6,722				\$13.00	\$7,282	\$87,386	\$87,386	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$7,282						Occupied Current Rents: \$7,282		Unoccupied Current Rents: \$0		

OPERATING STATEMENT

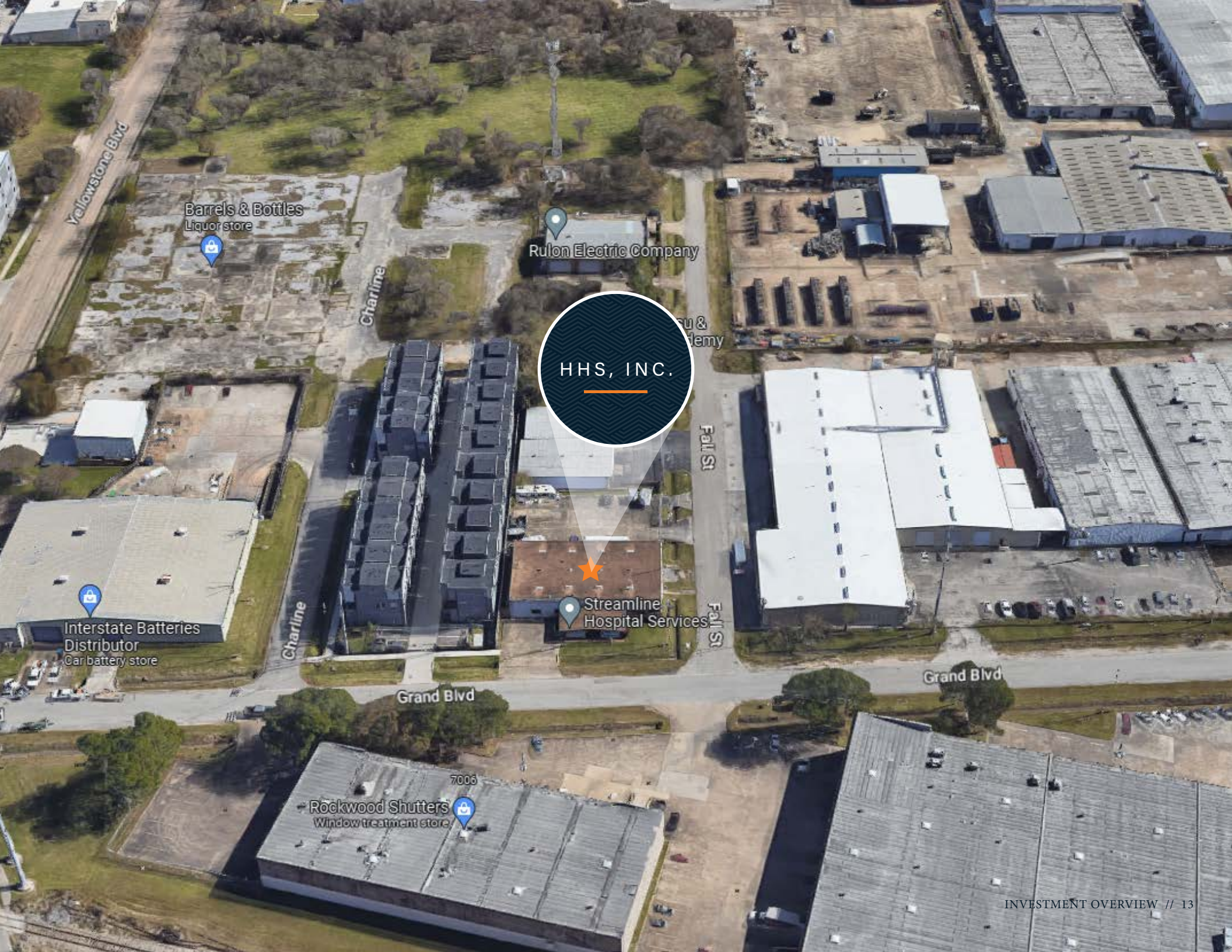
Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	87,386	13.00	87,386	13.00
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	16,500	2.45	16,500	2.45
Real Estate Taxes	14,303	2.13	15,018	2.23
Total Reimbursement Income	\$30,803	100.0%	\$31,518	100.0%
Effective Gross Revenue	\$118,189	\$17.58	\$118,904	\$17.69

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	16,500	2.45	16,500	2.45
Real Estate Taxes	14,303	2.13	15,018	2.23
Total Expenses	\$30,803	\$4.58	\$31,518	\$4.69
Expenses as % of EGR	26.1%		26.5%	
Net Operating Income	\$87,386	\$13.00	\$87,386	\$13.00



HHS, INC.

Texas Children's
Hospital - West Tower



HHS, INC.

Streamline
Hospital Services

Barrels & Bottles
Liquor store

Rulon Electric Company

Interstate Batteries
Distributor
Car battery store

Rockwood Shutters
Window treatment store



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-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 2

MARKET OVERVIEW

Marcus & Millichap

HOUSTON TEXAS

As the fifth-most populous metro area in the United States, Houston houses more than 7.3 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

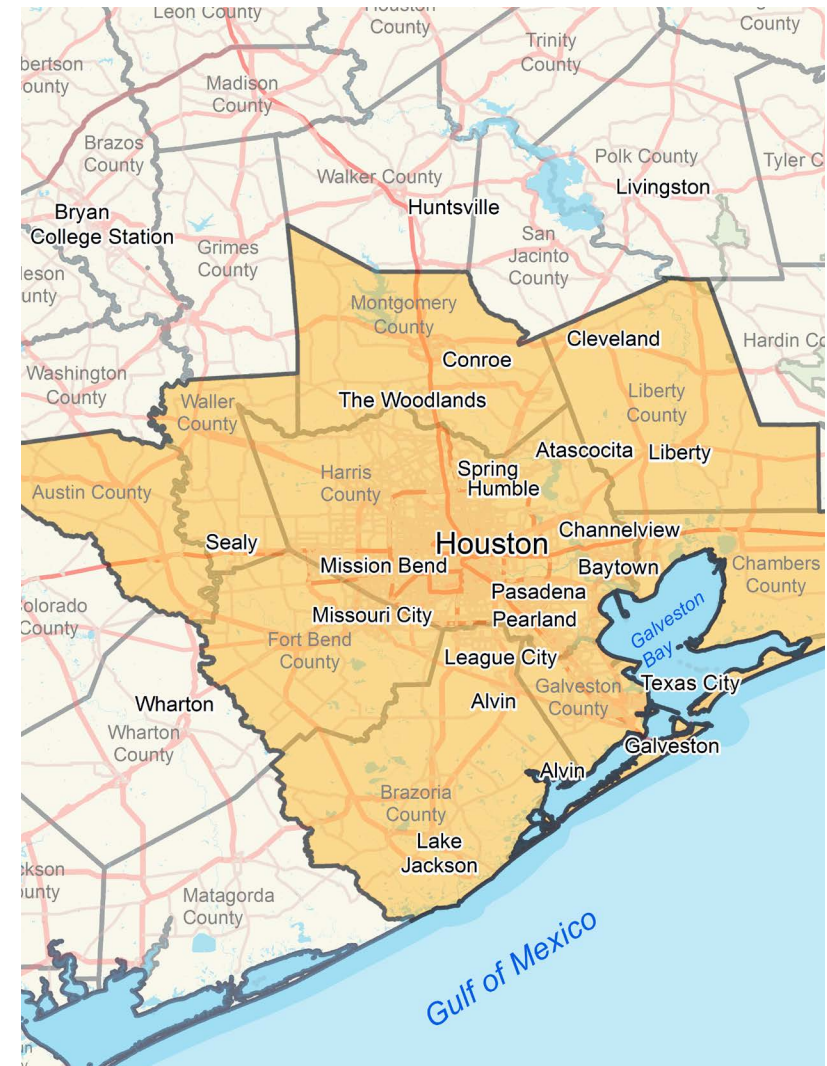
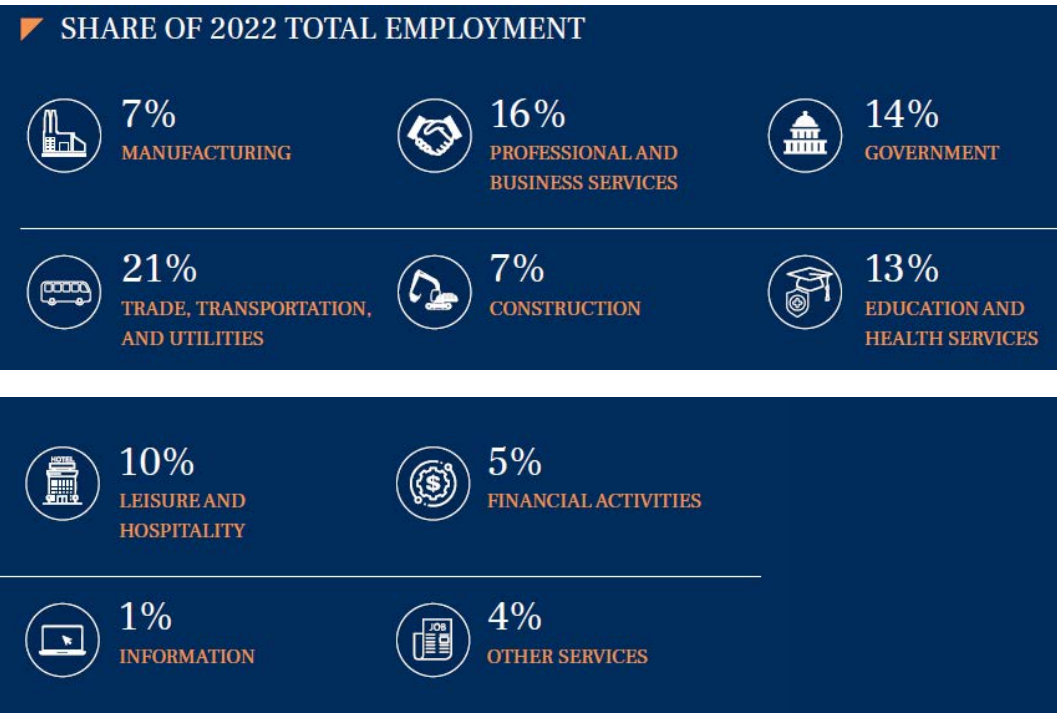


LOW COST OF LIVING,
DOING BUSINESS

METROPLEX GROWTH

ECONOMY

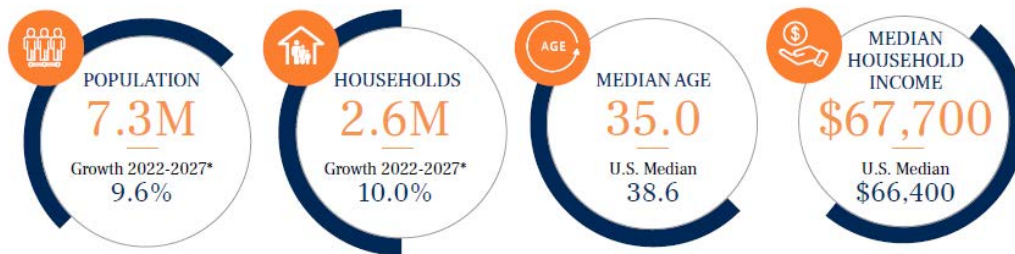
The economy is diversifying to include biotechnology, distribution, nanotechnology and logistics. The metro remains the center of energy production. Local product manufacturing is a large segment of the economy and includes paper, electrical and electronic machinery, iron, steel and petrochemicals. Health care is gaining economic prominence. Specialized medical education and training institutions boost the 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

DEMOGRAPHICS

The Houston metro is expected to add 700,800 people through 2027, translating to the formation of roughly 260,000 households, generating demand for housing. The homeownership rate of 61 percent trails the national rate of 64 percent. The median home price of roughly \$341,000 is \$44,000 below the U.S. average. The metro's median household income exceeds \$67,700, surpassing the national rate by roughly \$1,300.



QUALITY OF LIFE

The metropolitan area'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's city limits, 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 metropolitan area 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



425,927

Total Population
Within 5 miles



50.9%



49.1%



\$117,419

Average Household Income
Within 5 miles



230,417

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	18,368	162,281	451,586
2022 Estimate			
Total Population	17,337	154,554	425,927
2010 Census			
Total Population	14,997	135,409	366,295
2000 Census			
Total Population	12,032	121,866	335,236
Daytime Population			
2022 Estimate	86,997	326,246	859,263
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	9,068	74,042	197,517
2022 Estimate			
Total Households	8,407	69,520	182,876
Average (Mean) Household Size	1.9	2.1	2.2
2010 Census			
Total Households	7,100	59,680	152,561
2000 Census			
Total Households	5,800	53,544	134,259

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	7.3%	11.8%	14.6%
\$150,000-\$199,999	3.9%	5.3%	6.5%
\$100,000-\$149,999	10.7%	11.2%	12.8%
\$75,000-\$99,999	9.8%	8.2%	9.9%
\$50,000-\$74,999	21.3%	17.1%	16.0%
\$35,000-\$49,999	14.3%	11.9%	10.9%
\$25,000-\$34,999	7.7%	7.8%	7.5%
\$15,000-\$24,999	7.7%	8.4%	8.1%
Under \$15,000	17.4%	18.3%	13.6%
Average Household Income	\$82,528	\$101,352	\$117,419
Median Household Income	\$52,566	\$54,047	\$63,504
Per Capita Income	\$41,047	\$46,581	\$51,122
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	17,337	154,554	425,927
Under 20	15.4%	20.6%	20.8%
20 to 34 Years	45.3%	32.3%	29.1%
35 to 39 Years	8.3%	7.6%	8.1%
40 to 49 Years	10.2%	11.7%	12.8%
50 to 64 Years	11.4%	15.7%	16.8%
Age 65+	9.4%	12.1%	12.3%
Median Age	30.9	33.5	35.0
Population 25+ by Education Level			
2022 Estimate Population Age 25+	12,483	107,065	303,654
Elementary (0-8)	1.5%	3.1%	5.7%
Some High School (9-11)	2.5%	5.1%	6.1%
High School Graduate (12)	12.0%	16.1%	16.7%
Some College (13-15)	13.8%	15.7%	14.9%
Associate Degree Only	6.0%	4.6%	4.8%
Bachelor's Degree Only	28.4%	25.8%	25.9%
Graduate Degree	35.7%	29.6%	25.9%
Travel Time to Work			
Average Travel Time to Work in Minutes	24.0	25.0	25.0



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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Designated Broker of Firm	License No.	Email	Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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