

Marcus & Millichap
TAG INDUSTRIAL GROUP

ALOE LABORATORIES

5821 EAST HARRISON AVENUE

HARLINGEN, TX 78550

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

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PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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TAG INDUSTRIAL GROUP

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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 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 68,900-Square-Foot Industrial Property Situated on 11.73 Acres
 - Frontage on Harrison Avenue (Highway 106) and Loop 509
- Two-Year Triple-Net Sale-Leaseback Opportunity at Market Rent with Aloe Laboratories
- Aloe Laboratories Has Over 30 Years of Experience in the Aloe Vera Product Manufacturing
- Six Acres of Additional Land Ready for Building Expansion, Parking Addition, or Development
 - Income-Producing Asset at 8.4% Initial Annual Return and 3% Annual Rent Increases
 - Low 5.3% Vacancy Rate in Submarket (CoStar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 5821 East Harrison Avenue in Harlingen, Texas, occupied by the current owner, Aloe Laboratories. The subject property consists of approximately 68,900 square feet of warehouse space and is situated on 11.73 acres of land, six of which can be used for additional parking, building expansion, or development. The asset features three dock-high doors, two grade-level doors, a clear height of 20', and 1,288 square feet of cold storage space.

Upon the sale of the property, Aloe Laboratories plans to execute a two-year triple-net leaseback at market rate with a 3.0 percent annual rent escalation. At 8.4 percent, investors have an opportunity to acquire an asset with an above-market cap rate. With over 30 years of experience, Aloe Laboratories is a vertically integrated provider of a variety of aloe vera products such as juices and manufactured personal care cosmetics.

With frontage along East Harrison Avenue (Highway 106) and Farm to Market Road 509, the property is primely situated in Outlying Cameron County, a relatively small submarket containing 5.3 million square feet of industrial space. At the close of Q2 2023, the vacancy rate stood at 5.3 percent. Limited availability has helped keep market rents high with the growth rate up 7.4 percent year-over-year. Thanks to the absence of any industrial construction, rent growth and vacancies will go unaffected by new supply for the foreseeable future (CoStar).

Located at the southernmost tip of Texas, the Brownsville-Harlingen metro area is home to about 434,000 residents. Its strategic position along the Gulf Coast and the Texas-Mexico border fosters a thriving trade sector. Manufacturing firms, including Keppel AmFELS and ESCO Marine, contribute to the area's diverse economy. The region also boasts a growing aerospace industry, supported by SpaceX's Boca Chica launch site. Education and healthcare are strong sectors, with institutions like the University of Texas Rio Grande Valley and major medical centers providing employment opportunities. The Port of Brownsville serves as a vital deep-water seaport and Foreign Trade Zone, employing over 8,500 individuals. With a mix of cultures, outdoor activities, and affordability, Brownsville-Harlingen offers unique experiences to residents and visitors alike.

PROPERTY DETAILS

ALOE LABORATORIES

5821 EAST HARRISON AVENUE, HARLINGEN, TX 78550

Number of Suites	1
Number of Buildings	1
Total Square Feet	68,900
Warehouse Square Feet	64,300
Office Square Feet	3,312
Office Ratio	5%
Cold Storage Square Feet	1,288
Year Built	2001
Lot Size	11.73 Acres
Type of Ownership	Fee Simple
Clear Height	20'
Parking Spaces	58
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Dock High Doors	3
Grade Level Doors	2
Sprinklers	Wet
Construction	Metal
Power	3 Phase - 208 Volts
Type of Lighting	LED and Fluorescent
Zoning	C
Roof Type	Metal
Age/Condition of Roofs	22 Years
HVAC Units	13
Market	Brownsville/Harlingen
Submarket	Outlying Cameron County
Market Vacancy	4.20%

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ALOE LABORATORIES - TWO-YEAR SALE-LEASEBACK

5821 EAST HARRISON AVENUE, HARLINGEN, TX 78550

OFFERING PRICE
\$4,500,000CAP RATE
8.42%PRO FORMA CAP RATE
8.67%

Offering Price	\$4,500,000
Cap Rate	8.42%
Pro Forma Cap Rate	8.67%
Price/SF	\$65.31
Total Square Feet	68,900
Rental Rate	\$5.50
Lease Type	Triple-Net (NNN)
Lease Term	Two-Year
Rental Increases	3% Annually
Tenancy	Single
Occupancy	100.00%

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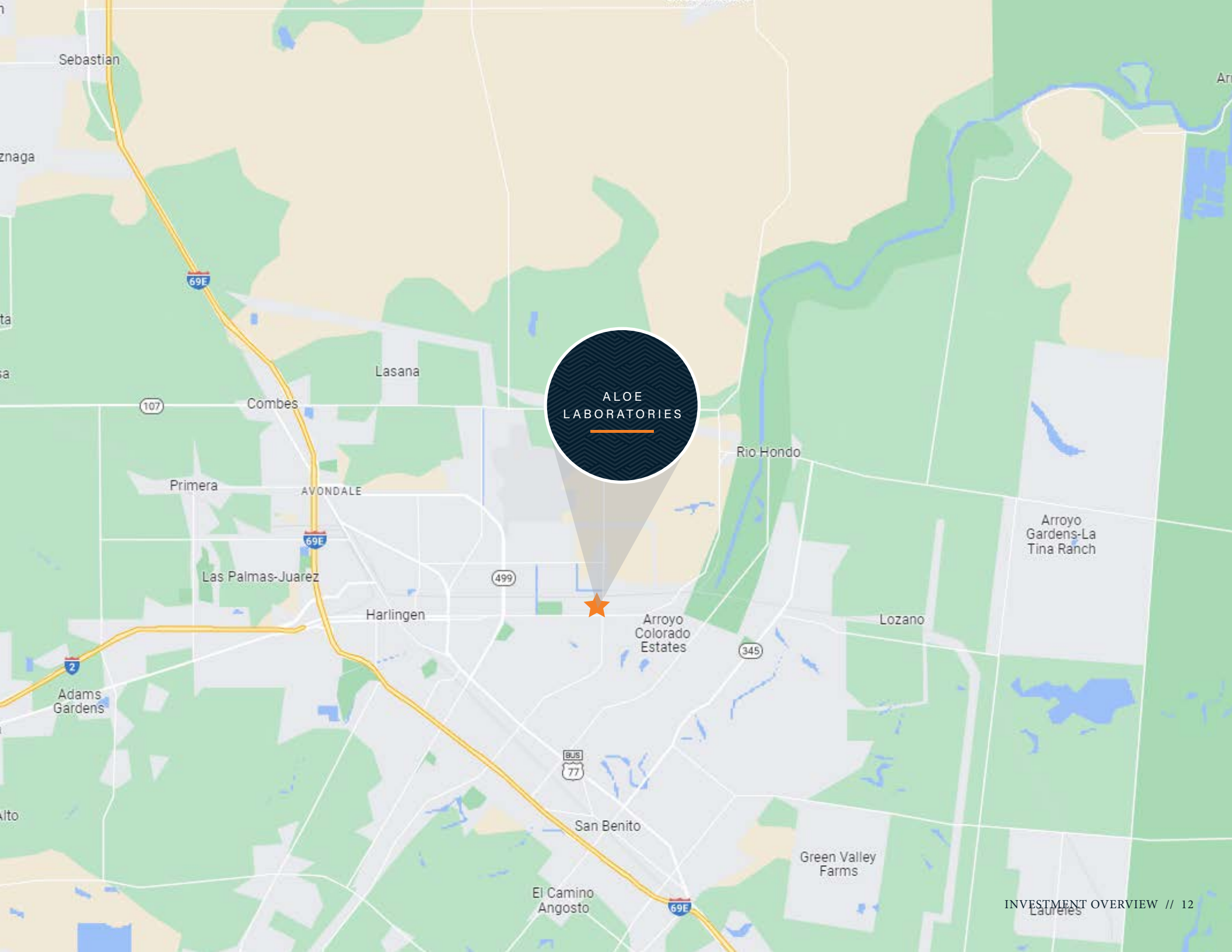
RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm. Exp.		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
Aloe Laboratories	1	68,900	100.0%	COE	COE + 2 Year	\$5.50	\$31,579	\$378,950	\$390,318	One Year	3.00%	NNN	3% Annual Rental Increases and Two (2) Six Month Renewal Options
Total		68,900				\$5.50	\$31,579	\$378,950	\$390,318				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$31,579						Occupied Current Rents: \$31,579		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	378,950		5.50	390,318		5.66
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	24,115		0.35	24,115		0.35
Real Estate Taxes	31,609		0.46	62,168		0.90
Total Reimbursement Income	\$55,724	100.0%	\$0.81	\$86,283	100.0%	\$1.25
Effective Gross Revenue	\$434,674		\$6.31	\$476,601		\$6.92

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	24,115		0.35	24,115		0.35
Real Estate Taxes	31,609		0.46	62,168		0.90
Total Expenses	\$55,724		\$0.81	\$86,283		\$1.25
Expenses as % of EGR	12.8%			18.1%		
Net Operating Income	\$378,950		\$5.50	\$390,318		\$5.66



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TENANT SUMMARY

“To Promote Joy and Happiness through our products sustained through Pure Natural Harmony.”

TENANT

Aloe Laboratories

HEADQUARTERS

Harlingen, TX

www.aloelabs.com



Aloe Laboratories traces its roots to the pharmaceutical industry in Corpus Christi, Texas, and is a subsidiary of the Japanese holding company, Harmony Green Corporation. Known as “Aloe Labs”, the company manages the cultivation of organic aloe vera across 150 acres in southeast Texas. As a vertically integrated company, Aloe Labs offers bulk products such as aloe vera juice concentrates, gels, and oils, along with freeze-dried powders. Aloe Labs also offers finished products, such as bottled juices that are usually sold through private labels. Aloe Labs holds eight certifications, including a certificate from the International Aloe Science Council, and is organically certified by the U.S. Department of Agriculture.

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 lamps. The lighting is dim, creating a moody atmosphere. The structure appears to be a large warehouse or a factory interior.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

BROWNSVILLE-HARLINGEN TEXAS

Situated at the southernmost tip of Texas, the Brownsville-Harlingen metro comprises all of Cameron County. Almost half of the market's population lives within the city limits of Brownsville. The metro's location on the Gulf Coast, as well as the Texas-Mexico border, make trade a large economic driver. The area is also known for its growing aerospace industry, and strong education and health care sectors. Brownsville-Harlingen offers visitors a mix of cultures, outdoor activities and unique experiences. Overall affordability allows nearly 67 percent of all house-holds to own a home.



PORT
ACTIVITY



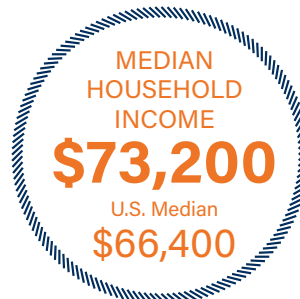
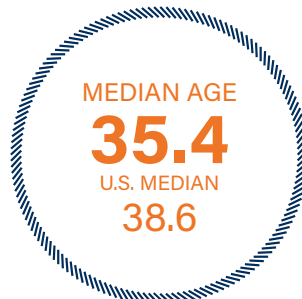
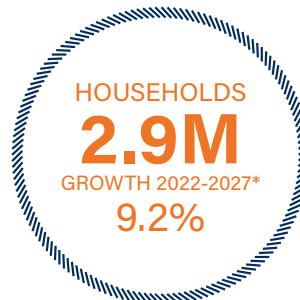
AEROSPACE
INDUSTRY



DIVERSE
ECONOMY

ECONOMY

SpaceX has partnered with the University of Texas Rio Grande Valley for training and re-search into aerospace, radio and electronics. Brownsville is home to the Valley Regional Medical Center and the Valley Baptist Medical Center. Additionally, the University of Texas Rio Grande Valley operates a school of medicine. The education and health care sectors employ approximately 30 percent of the workforce. Manufacturing firms in the area include Keppel AmFELS, ESCO Marine, Trico Technologies and National Electric Coil.



DEMOGRAPHICS



82,819

Total Population
Within 5 miles



48.7%



51.3%



\$56,423

Average Household Income
Within 5 miles



33,696

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	151	18,291	84,760
2022 Estimate			
Total Population	150	18,093	82,819
2010 Census			
Total Population	149	18,332	81,710
2000 Census			
Total Population	116	16,950	77,257
Daytime Population			
2022 Estimate	159	26,649	97,121
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	27	6,479	27,880
2022 Estimate			
Total Households	26	6,385	27,106
Average (Mean) Household Size	3.2	2.8	3.0
2010 Census			
Total Households	25	6,300	26,082
2000 Census			
Total Households	19	5,807	24,135

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.8%	3.6%	1.9%
\$150,000-\$199,999	7.2%	4.5%	3.0%
\$100,000-\$149,999	13.1%	11.6%	8.3%
\$75,000-\$99,999	12.3%	11.3%	9.3%
\$50,000-\$74,999	18.6%	19.6%	18.6%
\$35,000-\$49,999	12.2%	13.6%	12.9%
\$25,000-\$34,999	11.0%	11.3%	11.9%
\$15,000-\$24,999	10.8%	11.7%	15.2%
Under \$15,000	13.1%	12.9%	18.9%
Average Household Income	\$71,495	\$72,288	\$56,423
Median Household Income	\$52,705	\$50,434	\$40,357
Per Capita Income	\$12,373	\$25,662	\$18,645
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	150	18,093	82,819
Under 20	32.4%	31.8%	32.3%
20 to 34 Years	23.0%	21.4%	20.2%
35 to 39 Years	5.8%	5.6%	5.5%
40 to 49 Years	10.7%	11.3%	11.5%
50 to 64 Years	15.4%	16.1%	15.6%
Age 65+	12.7%	13.8%	15.0%
Median Age	30.9	32.4	32.8
Population 25+ by Education Level			
2022 Estimate Population Age 25+	90	11,053	50,151
Elementary (0-8)	11.2%	8.0%	17.4%
Some High School (9-11)	9.9%	8.2%	12.4%
High School Graduate (12)	26.8%	28.0%	28.5%
Some College (13-15)	19.6%	21.0%	18.4%
Associate Degree Only	11.2%	11.6%	8.2%
Bachelor's Degree Only	14.6%	15.7%	10.5%
Graduate Degree	6.7%	7.4%	4.6%
Travel Time to Work			
Average Travel Time to Work in Minutes	20.0	18.0	19.0



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.

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Designated Broker of Firm	License No.	Email	Phone
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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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