

Marcus & Millichap  
TAG INDUSTRIAL GROUP

101 NORTH HIGHWAY 146

TEXAS CITY, TX 77590

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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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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

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- 36,500-Square-Foot Warehouse/Manufacturing Space on 3.47 Acres
- 24'/26' Clear Heights, Eight Grade-Level Doors, and Three Cranes
- Proximate Access to the Port of Houston, Supporting 3.2 Million Jobs
- 4.7% Submarket Rent Growth | 4.8% Vacancy Among Comps (Costar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 101 North Highway 146 in Texas City, Texas. Currently occupied by the owner, the property will be vacant upon sale. The subject property consists of approximately 36,500 square feet of warehouse space and is situated on 3.47 acres of land. The single-tenant asset features clear heights of 24' and 26' and contains eight grade-level doors varying in size. Equipped with three cranes (one 5-ton crane and two 7.5 tons cranes), the property is conducive for manufacturing use.

Sitting just north of Interstate 45 via State Highway 146, the property resides within the East-Southeast Far submarket, containing a massive 106 million square feet of industrial space. East-Southeast Far is anchored by the Port of Houston, which ranks first in the nation in total waterborne tonnage and supports 3.2 million jobs. Net absorption has slowed down in recent quarters but clocked in at a robust 1.4 million square feet during Q2 2023. However, net deliveries continued to exceed absorption, pushing the vacancy rate up to 5.9 percent at the halfway point in 2023.

With regards to comparable properties under 50,000 square feet, the vacancy rate continued to trend lower as new deliveries remained muted, falling to 4.8 percent in Q2. Annual rent growth overall in East-Southeast Far settled at 4.7 percent during this time, sitting 110 basis points above the five-year average. With 7.1 million square feet of industrial space under construction (equaled to 6.7 percent of inventory), new deliveries are expected to set a new record this year. Given that only 1.8 percent of the new construction activity is concentrated in comparable properties, new supply will have a minimum direct impact on small industrial properties 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.

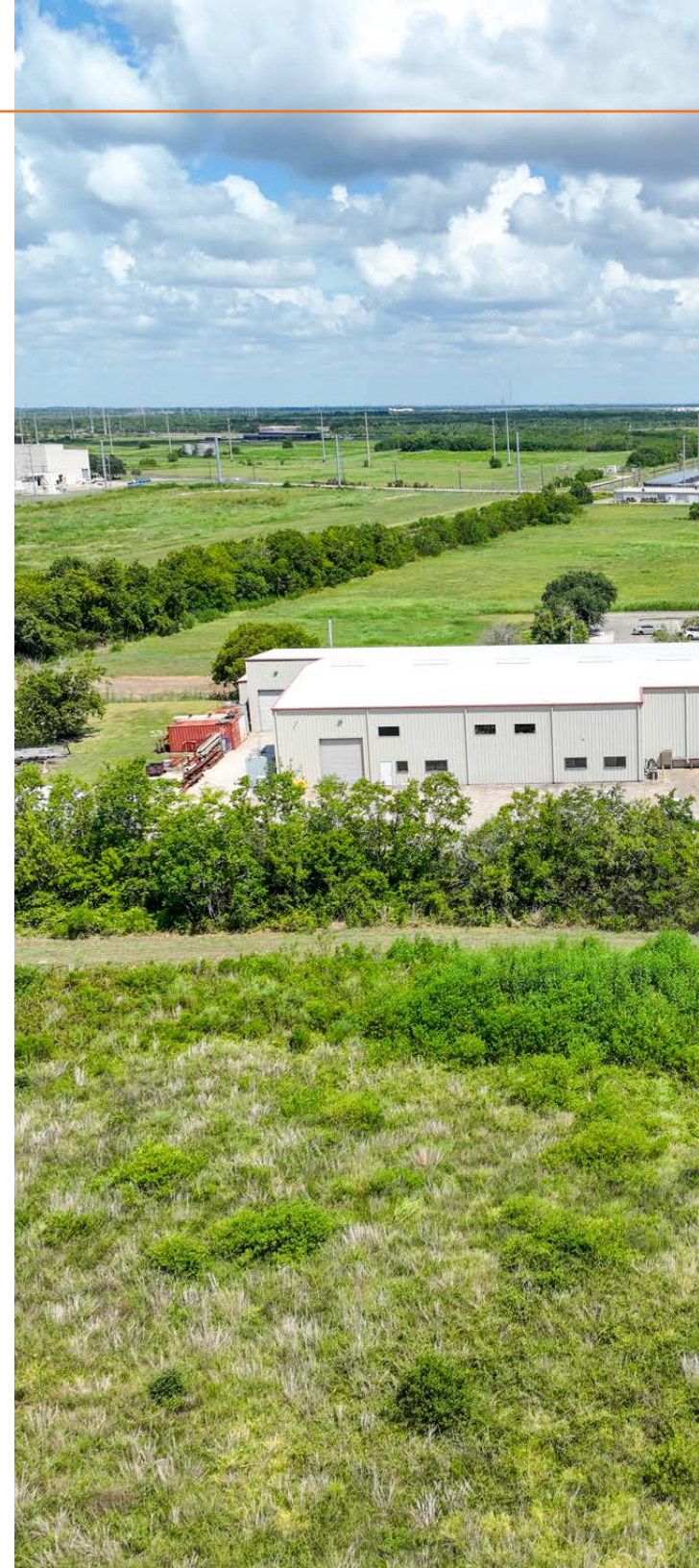


## PROPERTY DETAILS

101 NORTH HIGHWAY 146,  
TEXAS CITY, TX 77590

Number of Suites	1
Number of Buildings	1
Total Square Feet	36,500
Warehouse Square Feet	32,000
Office Square Feet	± 4,500
Year Built	1972/Recent Remodel
Lot Size	3.47 Acres
Type of Ownership	Fee Simple
Clear Height	24' Clear and 26' Eave
Parking Spaces	40 Surface Spaces
Parking Surface	Concrete
Building Class	C
Tenancy	Owner-User
Grade Level Doors	8 Total (Various Sizes)
Construction	Metal
Power	3 Phase/480 V/600 Amps
Type of Lighting	LED
Roof Type	Pitched Metal
Age/Condition of Roofs	Great
Market	Houston
Submarket	East-Southeast Far
Submarket Vacancy	6.40%

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## OFFERING HIGHLIGHTS

### 101 NORTH HIGHWAY 146

TEXAS CITY, TX 77590

OFFERING PRICE  
**\$2,300,000**

PRO FORMA CAP RATE  
**11.33%**

Offering Price	\$2,300,000
Pro Forma Cap Rate	11.33%
Price/SF	\$63.01
Total Square Feet	36,500
Tenancy	Owner-User
Occupancy	0.00%

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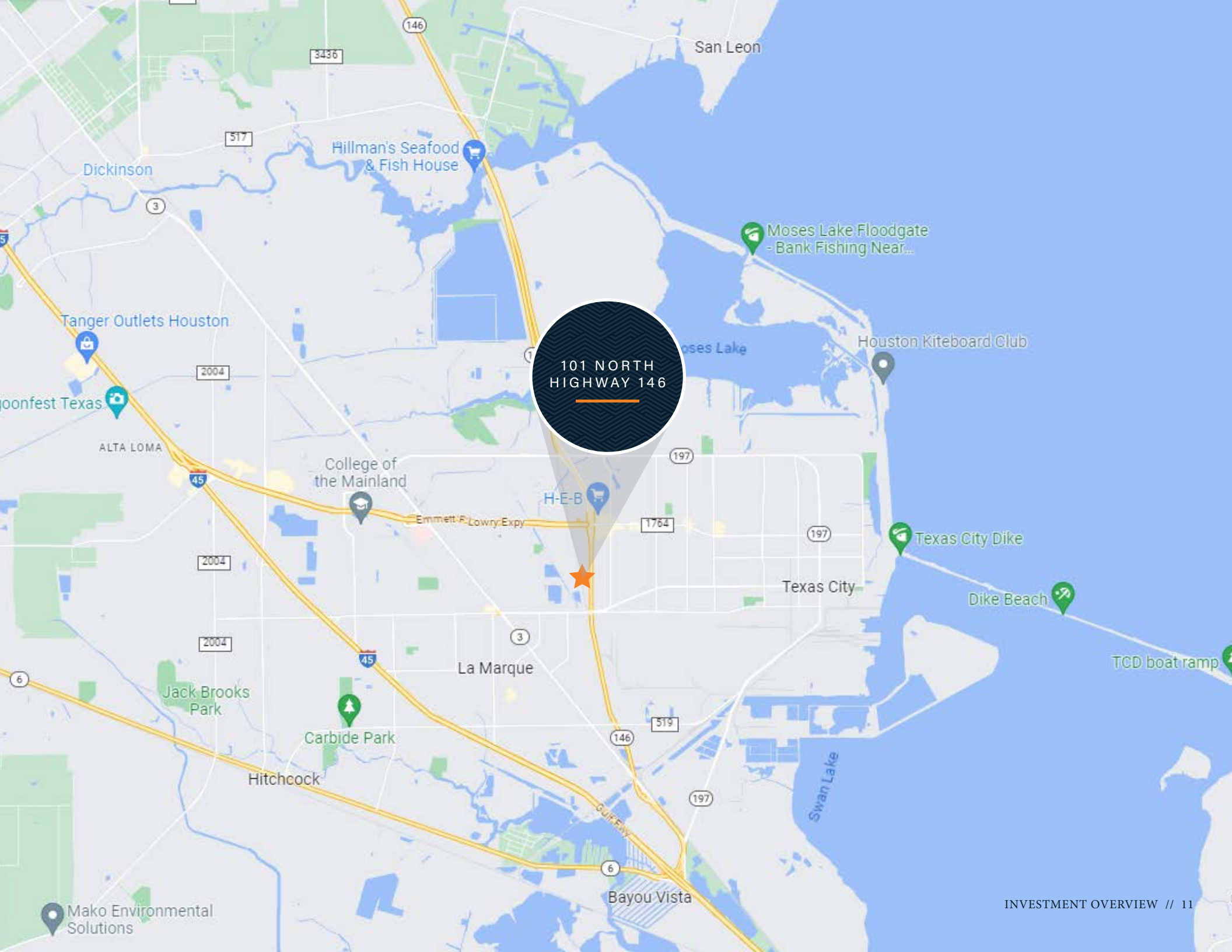
## OPERATING STATEMENT

Income	Pro Forma	Per SF
Scheduled Base Rental Income	219,000	6.00
Expense Reimbursement Income		
Net Lease Reimbursement		
CAM	36,919	1.01
Insurance	29,042	0.80
Real estate Taxes	60,000	1.64
Management Fees	11,131	0.30
Total Reimbursement Income	\$137,092 143.6%	\$3.76
Effective Gross Revenue	\$356,092	\$9.76

Operating Expenses	Pro Forma	Per SF
Electric	21,642	0.59
Janitorial	0	0.00
Water	955	0.03
Trash Removal	955	0.03
Repairs & Maintenance	0	0.00
Landscaping	3,819	0.10
Insurance	29,042	0.80
Real Estate Taxes	28,363	0.78
Management Fee	10,683 3.0%	0.29
Total Expenses	\$95,459	\$2.62
Expenses as % of EGR	26.8%	
Net Operating Income	\$260,633	\$7.14





101 NORTH  
HIGHWAY 146





101 NORTH  
HIGHWAY 146











## 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

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### MARKET OVERVIEW

Marcus & Millichap



# HOUSTON TEXAS

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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



LOW COST OF LIVING,  
DOING BUSINESS



HIGHER  
EDUCATION



## 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.



**7%**  
MANUFACTURING



**16%**  
PROFESSIONAL AND  
BUSINESS SERVICES



**14%**  
GOVERNMENT



**10%**  
LEISURE AND HOSPITALITY



**5%**  
FINANCIAL  
ACTIVITIES



**21%**  
TRADE, TRANSPORTATION,  
AND UTILITIES



**7%**  
CONSTRUCTION



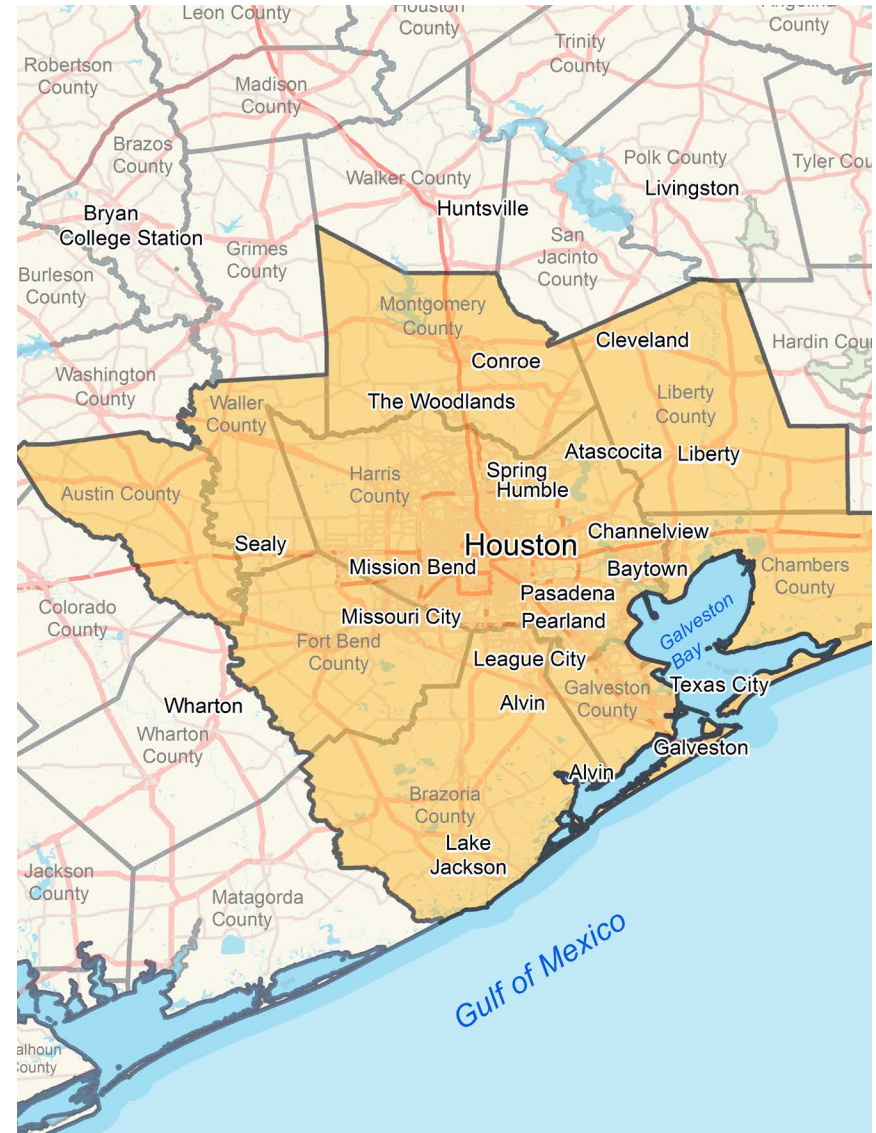
**13%**  
EDUCATION AND  
HEALTH SERVICES



**1%**  
INFORMATION



**4%**  
OTHER SERVICES

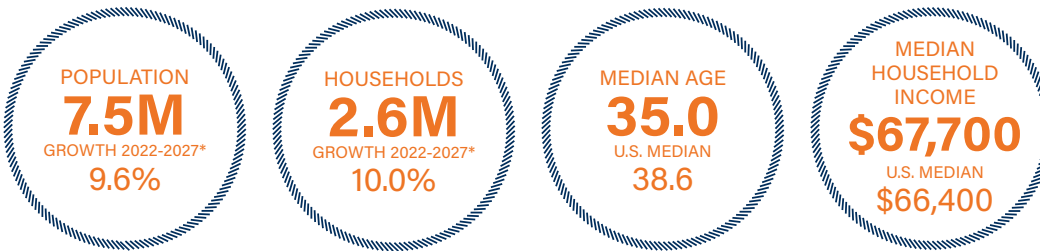




## METROPLEX GROWTH

### 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



70,501

Total Population  
Within 5 miles



47.5%



52.5%



\$69,047

Average Household Income  
Within 5 miles



33,564

Employees  
Within 1 Mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Population	5,276	48,099	73,691
<b>2022 Estimate</b>			
Total Population	5,171	46,567	70,501
<b>2010 Census</b>			
Total Population	4,813	42,505	62,760
<b>2000 Census</b>			
Total Population	5,100	42,078	60,209
<b>Daytime Population</b>			
2022 Estimate	4,470	44,857	61,403
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Households	2,138	18,640	28,558
<b>2022 Estimate</b>			
Total Households	2,080	17,897	27,143
Average (Mean) Household Size	2.5	2.6	2.6
<b>2010 Census</b>			
Total Households	1,898	15,917	23,611
<b>2000 Census</b>			
Total Households	2,012	15,825	22,823

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2022 Estimate</b>			
\$200,000 or More	2.0%	2.7%	2.9%
\$150,000-\$199,999	2.2%	4.3%	4.7%
\$100,000-\$149,999	7.4%	12.2%	13.1%
\$75,000-\$99,999	11.4%	11.3%	11.7%
\$50,000-\$74,999	16.3%	18.3%	18.3%
\$35,000-\$49,999	13.1%	14.2%	13.9%
\$25,000-\$34,999	13.0%	11.3%	10.9%
\$15,000-\$24,999	16.3%	11.7%	11.3%
Under \$15,000	18.2%	14.1%	13.1%
Average Household Income	\$53,350	\$66,305	\$69,047
Median Household Income	\$37,945	\$48,319	\$50,909
Per Capita Income	\$21,502	\$25,619	\$26,753
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2022 Estimate Total Population	5,171	46,567	70,501
Under 20	27.5%	26.6%	26.1%
20 to 34 Years	21.7%	19.1%	19.3%
35 to 39 Years	7.3%	6.8%	6.7%
40 to 49 Years	11.6%	11.3%	11.3%
50 to 64 Years	17.9%	19.1%	19.4%
Age 65+	14.0%	17.1%	17.3%
Median Age	35.5	38.1	38.4
<b>Population 25+ by Education Level</b>			
2022 Estimate Population Age 25+	3,425	31,472	47,963
Elementary (0-8)	5.7%	5.5%	5.3%
Some High School (9-11)	10.2%	9.6%	9.2%
High School Graduate (12)	36.5%	34.3%	33.7%
Some College (13-15)	31.0%	29.3%	29.5%
Associate Degree Only	7.6%	9.3%	9.1%
Bachelor's Degree Only	6.1%	8.3%	9.3%
Graduate Degree	2.9%	3.7%	3.8%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	23.0	26.0	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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Designated Broker of Firm	License No.	Email	Phone
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Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
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Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date



# 101 NORTH HIGHWAY 146

## TEXAS CITY, TX 77590

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