

Marcus & Millichap
TAG INDUSTRIAL GROUP

S HOME DECOR INC.

2821 WEST 11TH STREET

HOUSTON, TX 77008

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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.

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TAG INDUSTRIAL GROUP

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TAG INDUSTRIAL GROUP





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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

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OFFERING SUMMARY

- 25,000+ Square Feet of Showroom Warehouse Space Featuring Masonry Construction and Ample Parking
 - Triple-Net Leaseback Structure Features Minimal Landlord Responsibilities
 - Strong Tenant Base: 420,000+ Population Within Five Miles
 - Under One Mile from Washington Avenue, I-10, and 610 Loop
 - Tough Barrier-to-Entry Submarket Featuring 3.2% Vacancy and 4.1% Rent Growth

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 2821 West 11th Street, in Houston, Texas, occupied by the current owner, S Home Decor. Upon the sale of the property, S Home Decor plans to execute a one-year leaseback. As a triple-net lease, investors have the opportunity to acquire a hands-off investment with minimal landlord duties.

The subject property consists of approximately 25,641 square feet of showroom warehouse space and is situated on 1.28 acres of land. The single-tenant asset features masonry construction as well as ample parking for the tenant. A strong tenant base is supported by a population of more than 420,000 within five miles of the property. Located under one mile from major thoroughfares such as Washington Avenue, and Interstates 10 and 610, the subject property is well positioned within the North West Inner Loop submarket.

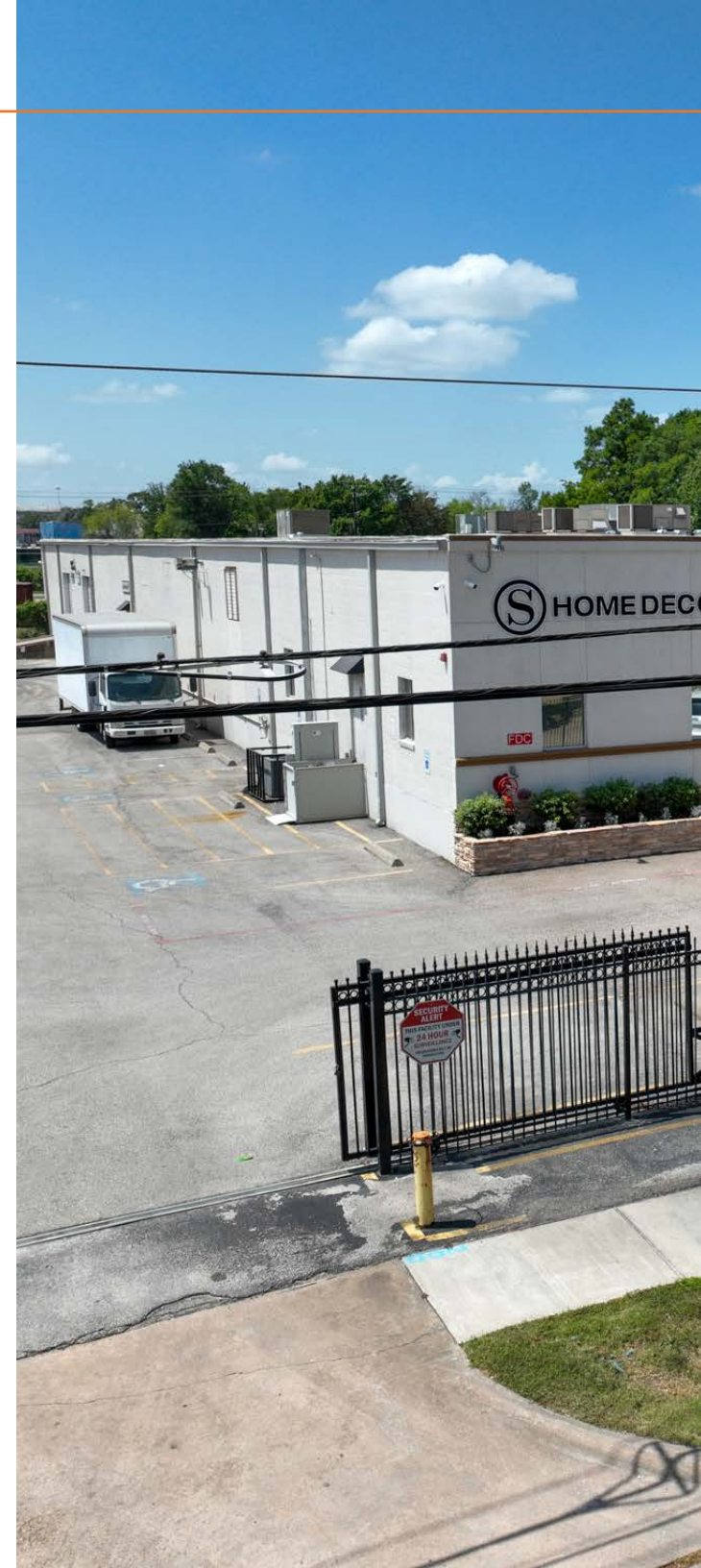
Anchored by a diverse array of manufacturing, transportation, warehousing, and logistics users, the mid-sized submarket contains 12.1 million square feet of industrial space. Contrary to typical industrial submarkets, the Central Business District-Northwest Inner Loop submarket is replete with smaller, older properties, with an average building size of only 25,000 square feet. Historically plagued by negative absorption, the submarket experienced about -37,000 square feet of net absorption over the past twelve months. This trend could be attributed to recent deliveries to the north near Beltway 8 attracting much of the demand away from the submarket's supply of older products. However, a currently dry construction pipeline and lack of deliveries over the last decade have led the submarket to boast a vacancy rate of 3.1 percent at the end of Q2 2023. With vacancies among the lowest of Houston's 29 submarkets, market rents were up 4.3 percent annually by the end of Q2 2023 (CoStar). Given the limited availability of land and Houston's rising population, market fundamentals suggest a promising future for the Northwest Inner Loop submarket.

PROPERTY DETAILS

S HOME DECOR INC.
2821 WEST 11TH STREET, HOUSTON, TX 77008

Number of Suites	1
Number of Buildings	1
Total Square Feet	25,641
Warehouse Square Feet	24,478.50
Office Square Feet	1,162.50
Office Ratio	5%
Year Built	1960/2017
Lot Size	1.28 Acres
Type of Ownership	Fee Simple
Clear Height	19'
Parking Spaces	51 Surface Spaces
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Dock High Doors	1
Grade Level Doors	1
Sprinklers	Wet
Construction	Masonry
Power	480a/480v 3p
Type of Lighting	Fluorescent
Roof Type	TPO
Age/Condition of Roofs	6 Years
HVAC Units	5
Age/Condition of HVAC	Weighted Average: 3 Years
Market	Houston
Submarket	CBD-NW Inner Loop
Market Vacancy	3.20%

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OFFERING HIGHLIGHTS

S HOME DECOR INC.

2821 WEST 11TH STREET, HOUSTON, TX 77008

OFFERING PRICE
\$5,200,000

CAP RATE
7.40%

Offering Price	\$5,200,000
Cap Rate	7.40%
Price/SF	\$202.80
Total Square Feet	25,641
Rental Rate	\$15.00
Lease Type	Triple-Net (NNN)
Lease Term	One-Year
Tenancy	Single
Occupancy	100.00%

FINANCING

Loan Amount	\$3,380,000
Loan Type	New
Interest Rate	6.75%
Amortization	25 Years
Year Due	2028

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2023 Marcus & Millichap. All rights reserved. (Activity ID: ZAE0040355)

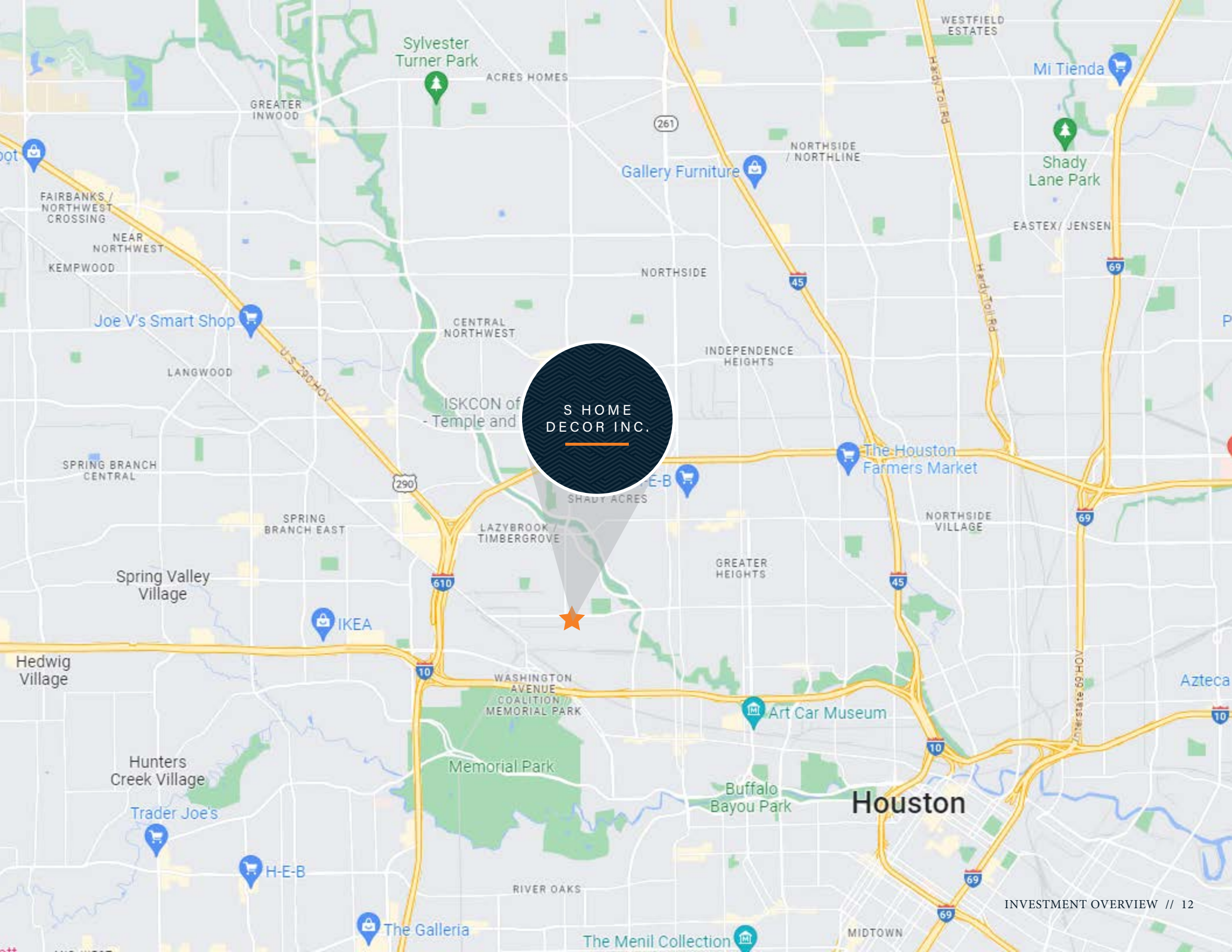
RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Lease Type
				Comm.	Exp.				
S Home Decor Inc.	A	25,641	100.0%	COE	COE + 1 Years	\$15.00	\$32,051	\$384,615	NNN
Total		25,641				\$15.00	\$32,051	\$384,615	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%	
Total Current Rents: \$32,051						Occupied Current Rents: \$32,051		Unoccupied Current Rents: \$0	

OPERATING STATEMENT

Income	Current	Per SF
Scheduled Base Rental Income	384,615	15.00
Expense Reimbursement Income		
Net Lease Reimbursement		
Insurance	78,000	3.04
Real Estate Taxes	47,633	1.86
Total Reimbursement Income	\$125,633 100.0%	\$4.90
Effective Gross Revenue	\$510,248	\$19.90

Operating Expenses	Current	Per SF
Insurance	78,000	3.04
Real Estate Taxes	47,633	1.86
Total Expenses	\$125,633	\$4.90
Expenses as % of EGR	24.6%	
Net Operating Income	\$384,615	\$15.00



S HOME
DECOR INC.



S HOME
DECOR INC.





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 a factory or a large warehouse.

SECTION 2

MARKET OVERVIEW

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HOUSTON TEXAS

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.



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



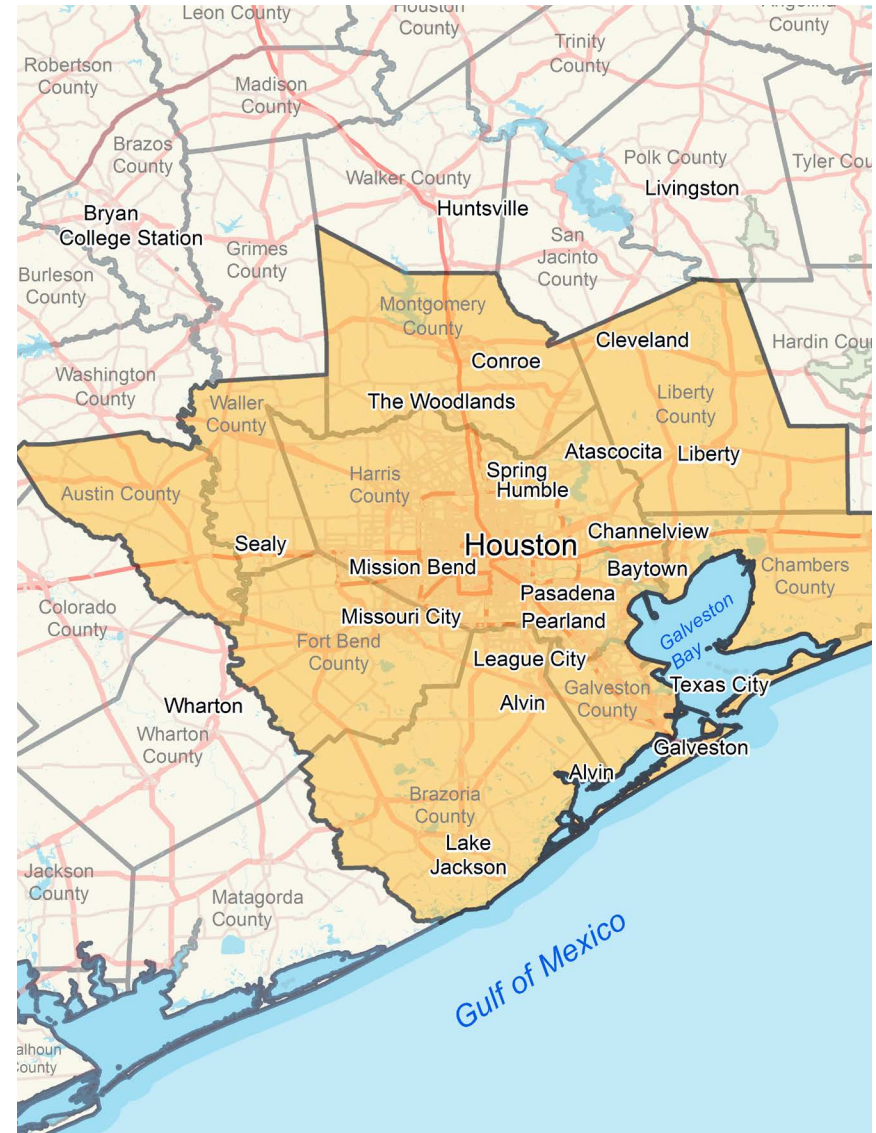
13%
EDUCATION AND
HEALTH SERVICES



1%
INFORMATION



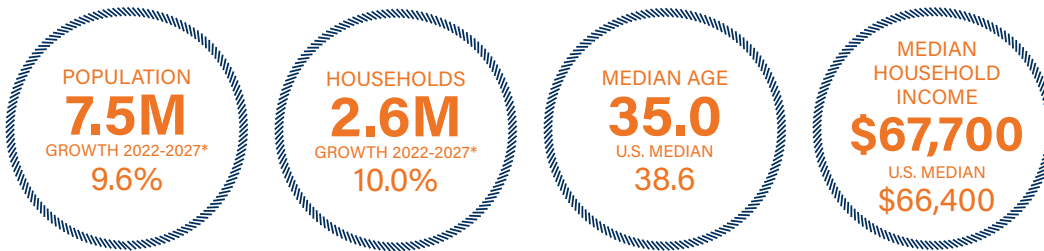
4%
OTHER SERVICES



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



463,607

Total Population
Within 5 miles



52.4%



47.6%



\$134,634

Average Household Income
Within 5 miles



270,210

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	16,136	156,969	498,467
2022 Estimate			
Total Population	14,408	142,413	463,607
2010 Census			
Total Population	10,373	111,151	387,786
2000 Census			
Total Population	8,585	103,332	365,436
Daytime Population			
2022 Estimate	15,950	198,358	884,988
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	8,256	77,445	229,148
2022 Estimate			
Total Households	7,209	69,236	209,823
Average (Mean) Household Size	2.0	2.0	2.1
2010 Census			
Total Households	5,146	52,973	170,720
2000 Census			
Total Households	3,757	44,917	151,763

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	19.1%	22.8%	18.3%
\$150,000-\$199,999	13.4%	9.9%	7.9%
\$100,000-\$149,999	17.6%	15.0%	14.2%
\$75,000-\$99,999	10.3%	10.2%	10.2%
\$50,000-\$74,999	11.9%	13.3%	14.7%
\$35,000-\$49,999	10.5%	9.1%	10.1%
\$25,000-\$34,999	7.7%	6.4%	7.3%
\$15,000-\$24,999	4.7%	6.2%	7.7%
Under \$15,000	4.7%	7.1%	9.7%
Average Household Income	\$144,427	\$155,013	\$134,634
Median Household Income	\$100,323	\$93,990	\$76,113
Per Capita Income	\$72,263	\$75,451	\$61,412
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	14,408	142,413	463,607
Under 20	18.5%	18.2%	19.3%
20 to 34 Years	30.1%	25.4%	26.4%
35 to 39 Years	11.7%	10.2%	9.1%
40 to 49 Years	14.8%	15.1%	14.2%
50 to 64 Years	14.8%	18.0%	17.7%
Age 65+	10.2%	13.1%	13.3%
Median Age	35.5	38.0	37.3
Population 25+ by Education Level			
2022 Estimate Population Age 25+	11,136	110,317	348,432
Elementary (0-8)	4.5%	5.4%	7.4%
Some High School (9-11)	2.8%	3.3%	5.4%
High School Graduate (12)	11.2%	12.0%	14.7%
Some College (13-15)	11.0%	12.3%	13.4%
Associate Degree Only	4.7%	4.6%	4.5%
Bachelor's Degree Only	41.9%	36.8%	30.8%
Graduate Degree	23.9%	25.6%	23.9%
Travel Time to Work			
Average Travel Time to Work in Minutes	24.0	25.0	26.0



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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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

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