

Marcus & Millichap
TAG INDUSTRIAL GROUP

SINGLE-TENANT VALUE-ADD OFFICE WAREHOUSE
4130 DAYCO STREET

HOUSTON, TX 77092

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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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TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details • Offering Highlights • Operating Statement • Regional Map
Aerial Map • Property Photos • Tenant Summary
Acquisition Financing

02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

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

- 24,460-Square-Foot Tilt-Wall Office Warehouse with Two-Story Functionality
- One-Acre Lot Offers Over 70 Parking Spaces with Multiple Access Points
- Strategic Value-Add Investment Situated in Strong Rent Growth and Low Vacancy Submarket
- Features One Dock-High Doors, Gated Security, and Full Roof Replacement in 2019
- Diverse Market Tenant Base and Robust Lease Demand Reduces Backfilling Risk

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 4130 Dayco Street in Houston, Texas. The subject property consists of approximately 24,460 square feet of flex space and is situated on 1.0 acre of land. The single-tenant asset features two stories, 70 parking spaces, one dock-high door, gated security, and a clear height ranging from 13' to 21'. In 2019, the roof was fully replaced with pitched metal surfacing. Located just off of 43rd Street, the property has proximate access to major thoroughfares including State Highway 290, Sam Houston Tollway, and Interstate 10. For sale as vacant, buyers have an owner-user or lease-up investment opportunity.

The subject property is located in Northwest Inner Loop, Houston's second-largest industrial submarket containing 64.4 million square feet of space. Northwest Inner Loop is home to a diverse cluster of manufacturing tenants involved in oil and gas, aerospace, food supply, heavy machinery, construction supplies, and industrial equipment. Given its urban location and access to three highways, the submarket has a strong presence of distribution warehouses facilitating last-mile deliveries. During Q3 2023, the vacancy rate in Northwest Inner Loop increased to 5.2 percent as net absorption dipped into negative territory for its third consecutive quarter. Despite the slowdown in demand, market rent growth remained near historic highs, rising 4.8 percent year-over-year in Q3. Largely due to the scarcity of available land, there were no industrial properties under construction during this time (CoStar). The lack of deliveries in Northwest Inner Loop means that rent growth and vacancies will be unaffected by new supply for the foreseeable future. Going into the last quarter of the year, oil prices have continued to rebound, up over 40 percent since their March lows. The boost in energy prices is improving activity in the oil and gas industry, which will benefit many tenants in Northwest Inner Loop.

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

SINGLE-TENANT VALUE-ADD OFFICE WAREHOUSE 4130 DAYCO STREET, HOUSTON, TX 77092

Number of Suites	1
Number of Buildings	1
Total Square Feet	24,460
Warehouse Square Feet	11,741
Office Square Feet	12,719
Office Ratio	52%
Year Built	1981/2001
Lot Size	1 Acres
Type of Ownership	Fee Simple
Clear Height	13'-21' (Varies)
Parking Spaces	70 Surface Spaces
Parking Surface	Concrete
Building Class	B
Tenancy	Owner-User
Dock High Doors	1
Construction	Tilt Wall
Power	3 Phase/200 Volts/280 Amps
Type of Lighting	Fluorescent
Roof Type	Pitched Metal
Age/Condition of Roofs	New Coating 2019
Market	Houston
Submarket	Northwest Inner Loop
Market Vacancy	5.60%

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: ZAE0040473)





SINGLE-TENANT VALUE-ADD OFFICE WAREHOUSE

4130 DAYCO STREET, HOUSTON, TX 77092

OFFERING PRICE
Request for Offers

Offering Price	Request for Offers
Price/SF	\$98.12
Total Square Feet	24,460
Lease Type	Negotiable
Lease Term	Negotiable
Rental Increases	Negotiable
Tenancy	Owner-User
Occupancy	0.00%

*For Lease: Contact Broker for Pricing.

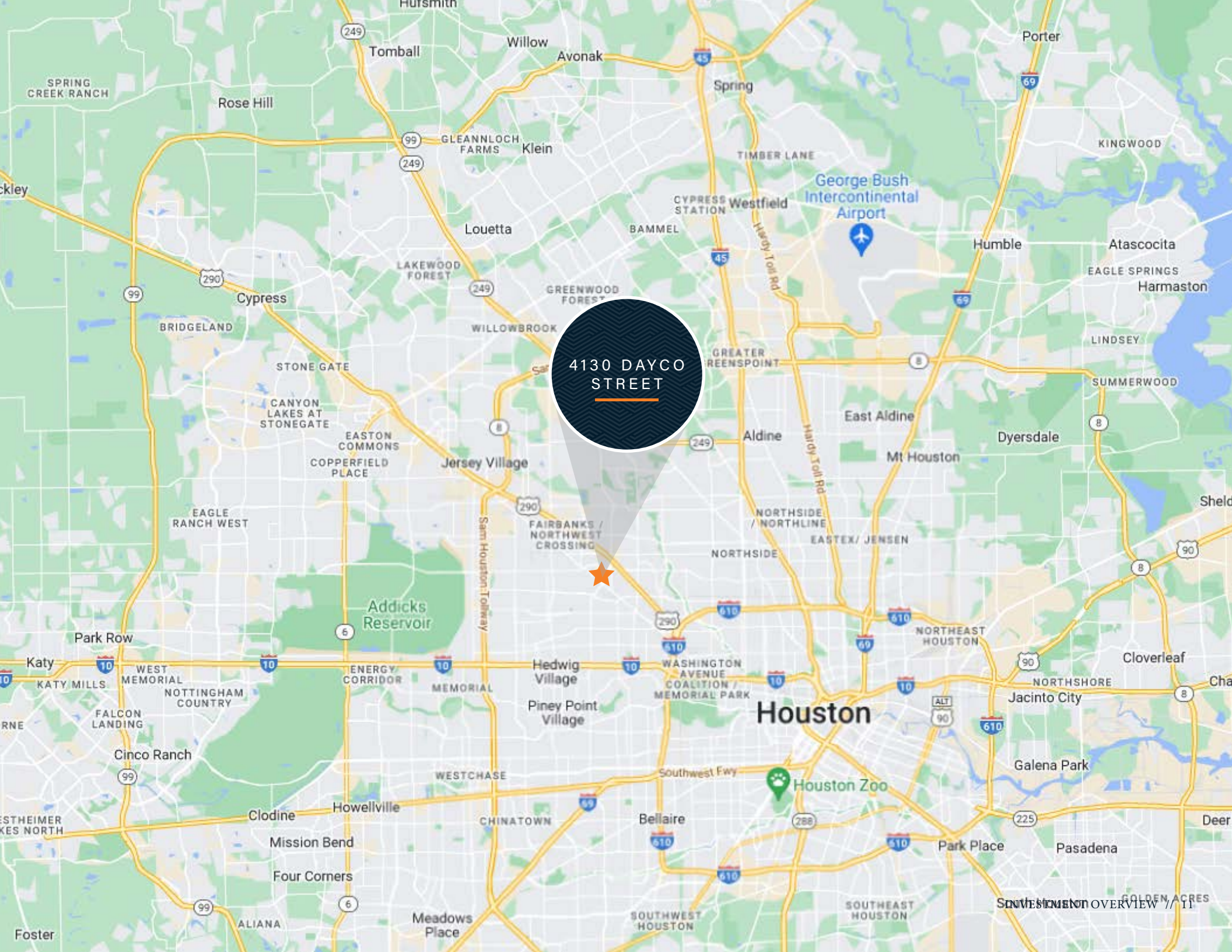
*Owner Willing to Retrofit Office for Potential Tenants for Lease.

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OPERATING STATEMENT

Income	Pro Forma	Per SF
Scheduled Base Rental Income	220,140	9.00
Expense Reimbursement Income		
Net Lease Reimbursement		
Insurance	11,928	0.49
Real Estate Taxes	50,460	2.06
Total Reimbursement Income	\$62,388	90.4%
Effective Gross Revenue	\$282,528	\$11.55

Operating Expenses	Pro Forma	Per SF
Insurance	11,928	0.49
Real Estate Taxes	50,460	2.06
Management Fee	6,600	2.3%
Total Expenses	\$68,988	\$2.82
Expenses as % of EGR	24.4%	
Net Operating Income	\$213,540	\$8.73



4130 DAYCO
STREET

Houston

Houston Zoo

4130 DAYCO STREET

HALO Branded Solutions

Econtrols Gilbert Plumbing Company LP

Embroidery Embroidery shop

Tnt Electrical Contractors



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 part of 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 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.



7%
MANUFACTURING



16%
PROFESSIONAL AND
BUSINESS SERVICES



14%
GOVERNMENT



10%
LEISURE AND HOSPITALITY



5%
FINANCIAL
ACTIVITIES



21%
TRADE, TRANSPORTATION,
AND UTILITIES



7%
CONSTRUCTION



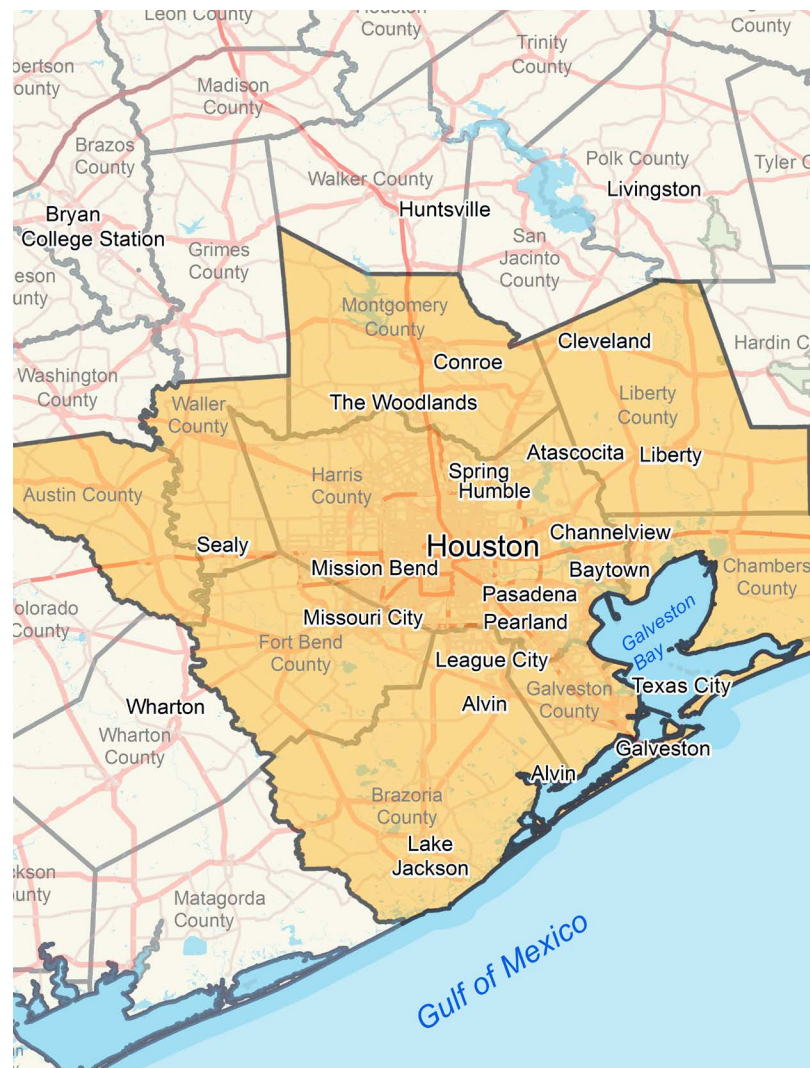
13%
EDUCATION AND
HEALTH SERVICES



1%
INFORMATION



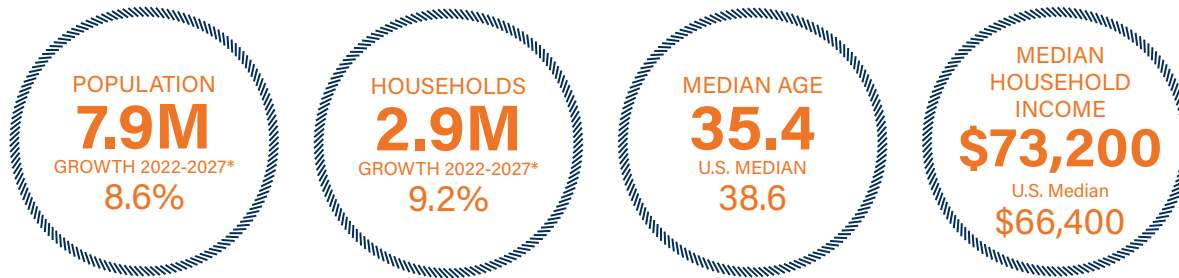
4%
OTHER SERVICES



METROPLEX GROWTH

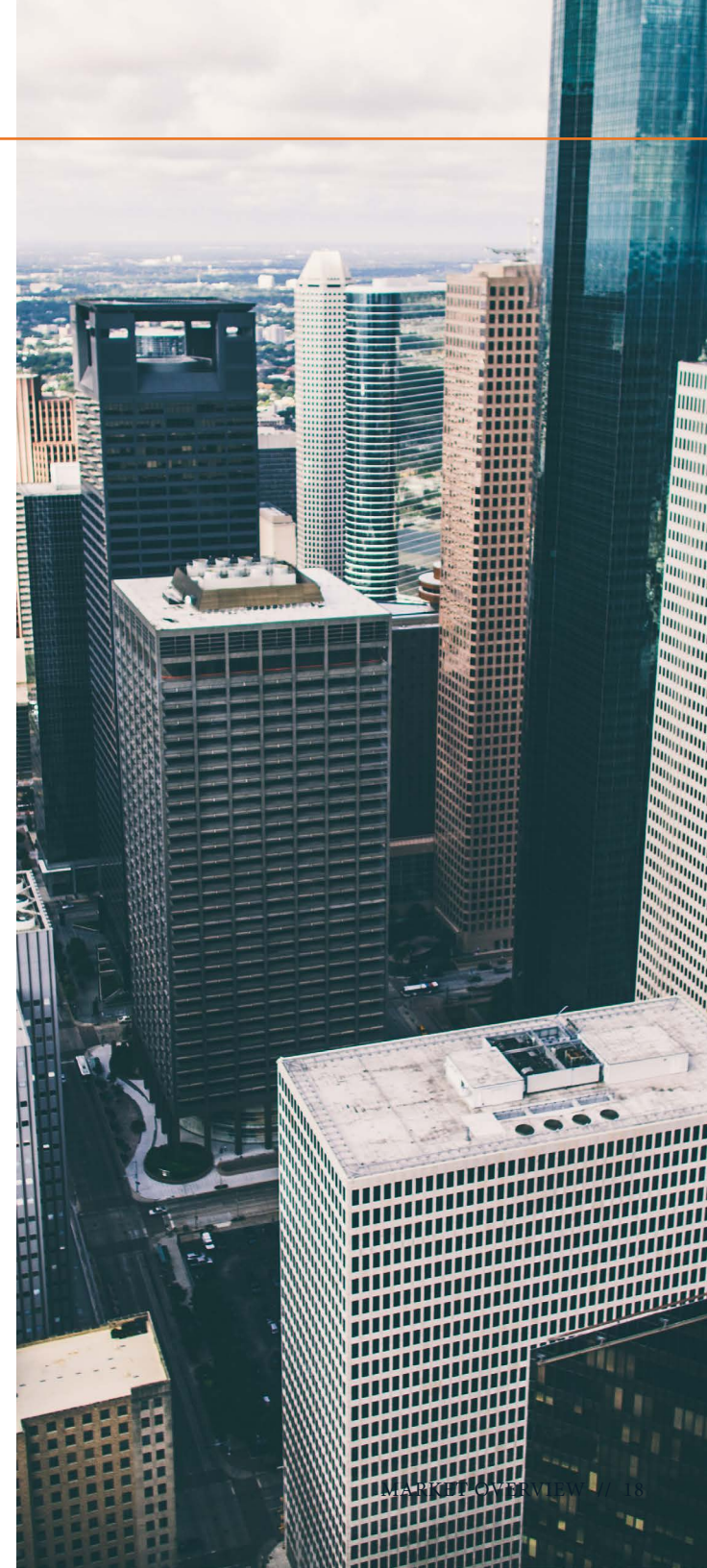
DEMOGRAPHICS

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



328,648

Total Population
Within 5 miles



50.1%



49.9%



\$95,210

Average Household Income
Within 5 miles



175,141

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	18,467	154,292	342,402
2022 Estimate			
Total Population	17,999	148,674	328,648
2010 Census			
Total Population	16,833	134,553	295,450
2000 Census			
Total Population	17,105	139,146	293,210
Daytime Population			
2022 Estimate	20,902	190,379	443,900
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	5,671	54,783	126,176
2022 Estimate			
Total Households	5,509	52,504	120,180
Average (Mean) Household Size	3.2	2.8	2.7
2010 Census			
Total Households	5,116	47,081	106,498
2000 Census			
Total Households	5,088	49,337	105,556

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.4%	5.6%	9.9%
\$150,000-\$199,999	1.4%	4.0%	5.4%
\$100,000-\$149,999	4.4%	9.1%	11.2%
\$75,000-\$99,999	8.2%	9.8%	10.5%
\$50,000-\$74,999	16.7%	15.9%	16.2%
\$35,000-\$49,999	17.6%	15.7%	13.8%
\$25,000-\$34,999	15.1%	12.7%	10.5%
\$15,000-\$24,999	18.1%	13.1%	10.8%
Under \$15,000	17.1%	14.2%	11.7%
Average Household Income	\$47,596	\$72,652	\$95,210
Median Household Income	\$34,791	\$42,992	\$54,208
Per Capita Income	\$14,571	\$25,717	\$34,891
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	17,999	148,674	328,648
Under 20	32.5%	29.1%	27.4%
20 to 34 Years	27.3%	24.1%	22.0%
35 to 39 Years	8.3%	7.9%	7.4%
40 to 49 Years	12.7%	12.9%	12.9%
50 to 64 Years	12.6%	15.1%	17.2%
Age 65+	6.7%	10.9%	13.1%
Median Age	29.9	33.1	35.4
Population 25+ by Education Level			
2022 Estimate Population Age 25+	10,801	95,699	218,307
Elementary (0-8)	29.9%	17.8%	12.9%
Some High School (9-11)	16.1%	11.2%	9.4%
High School Graduate (12)	28.7%	26.1%	23.5%
Some College (13-15)	11.4%	16.1%	17.1%
Associate Degree Only	4.3%	5.0%	5.0%
Bachelor's Degree Only	7.7%	15.9%	20.6%
Graduate Degree	2.0%	7.9%	11.5%
Travel Time to Work			
Average Travel Time to Work in Minutes	29.0	30.0	30.0



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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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

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