

Marcus & Millichap  
TAG INDUSTRIAL GROUP

# BRIDGESTONE HOSEPOWER

1931 NORTH GRIMES STREET

HOBBS, NM 88240

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TAG INDUSTRIAL GROUP

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# BRIDGESTONE HOSEPOWER

## 1931 NORTH GRIMES STREET

### HOBBS, NM 88240

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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

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- 8,177-Square-Foot Warehouse, Situated on 1.22 Acres
- Metal Construction Featuring Two Grade-Level Doors and Asphalt Parking Lot
- Excellent Visibility and Proximity to Major Retail Establishments, Ideal for High-Traffic Industrial Operations
- New Five-Year Lease with Bridgestone HosePower - Largest Mobile Hose Repair Service Fleet in the Country
- Strategically Located in Permian Basin, Offering Abundant Energy Resources for Industrial Growth

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1931 North Grimes Street in Hobbs, New Mexico, leased to Bridgestone HosePower, LLC. The subject property consists of approximately 8,177 square feet of warehouse space and is situated on 1.22 acres of land. The single-tenant asset features metal construction, three grade-level doors, asphalt paving, and a clear height of 16'. Situated near multiple retail establishments, the property is ideal for high-traffic industrial operations. In May 2023, Bridgestone HosePower signed a five-year triple-net lease at \$7.63 per square foot, with 2.0 percent annual escalations. As a fully owned subsidiary of Bridgestone Corporation, HosePower is the largest mobile hose repair service fleet in the country (HosePower.com).

Strategically located in the oil-rich Permian Basin, the property sits 90 miles Northwest of Odessa, Texas in the Hobbs industrial market. Housing 1.3 million square feet of industrial space, Hobbs is a relatively small market with promising fundamentals. Unlike most markets across the nation, the vacancy rate in Hobbs has fallen in 2023, down 250 basis points to 4.6 percent in Q3. Despite the reduction in availability, annual market rent growth slowed to 4.1 percent during this time. The average market cap rate in Hobbs rose to 8.2 percent during the third quarter, offering investors a 130-basis point premium over the national average. With no industrial properties under construction in the last quarter of 2023, new supply will be a nonfactor on rents or vacancies for the foreseeable future (CoStar).

Given how much oil prices impact industrial markets in the Permian Basin, the outlook for Hobbs looks promising. The price of oil rebounded 29 percent from its March lows to about \$84 in late October and could move higher in the near future for a number of reasons as high inflation continues to linger. Top oil exporters Saudi Arabia and Russia have cut back on production to prop up prices (CNBC.com). Equally as important, after depleting the Strategic Petroleum Reserve to the lowest level since 1983, the Department of Energy appears to be ready to begin refilling the SPR given its most recent acquisition of 296,000 barrels of oil in July (EIA.gov).

As the largest single source of oil and gas deposits in the United States, Odessa has long been known for its rich resources. New businesses have come to the city that have helped diversify the economy as well as reinforce the quality-of-life standards. Odessa proudly boasts world-class cultural and recreational facilities as well as healthcare and transportation often associated with larger cities. It also serves as the crucial midpoint between Fort Worth and El Paso. Lucrative financial incentives, site selection, logistics, qualified workforce, easy access to foreign markets, and low cost-of-living make it easy to do business (odessatex.com). Major industries include: medical, energy, distribution, manufacturing, and technology.

## PROPERTY DETAILS

BRIDGESTONE HOSEPOWER  
1931 NORTH GRIMES STREET, HOBBS, NM 88240

Number of Suites	1
Number of Buildings	1
Total Square Feet	8,177
Year Built	1986
Lot Size	1.22 Acres
Type of Ownership	Fee Simple
Clear Height	(+/-) 16
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Grade Level Doors	3
Construction	Metal
Roof Type	Metal
Market	Hobbs
Submarket	New Mexico South
Market Vacancy	5.20%

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**BRIDGESTONE HOSEPOWER**

1931 NORTH GRIMES STREET, HOBBS, NM 88240

OFFERING PRICE

**\$730,000**

CAP RATE

**8.55%**

PRO FORMA CAP RATE

**9.02%**

Offering Price	\$730,000
Cap Rate	8.55%
Pro Forma Cap Rate	9.02%
Price/SF	\$89.27
Total Square Feet	8,177
Rental Rate	\$7.63
Lease Type	Triple-Net (NNN)
Lease Term	Five Years
Rental Increases	2% Annually
Tenancy	Single
Occupancy	100.00%

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## RENT ROLL

Tenant Name	Square Feet	% Bldg Share	Lease Dates		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
Hose Power	8,177	100.0%	5/31/23	5/31/28	\$7.63	\$5,200	\$62,400	\$65,825	May-2024	5.49%	NNN	2% Annual Increases
Total	8,177				\$7.63	\$5,200	\$62,400	\$65,825				
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$5,200					Occupied Current Rents: \$5,200		Unoccupied Current Rents: \$0					

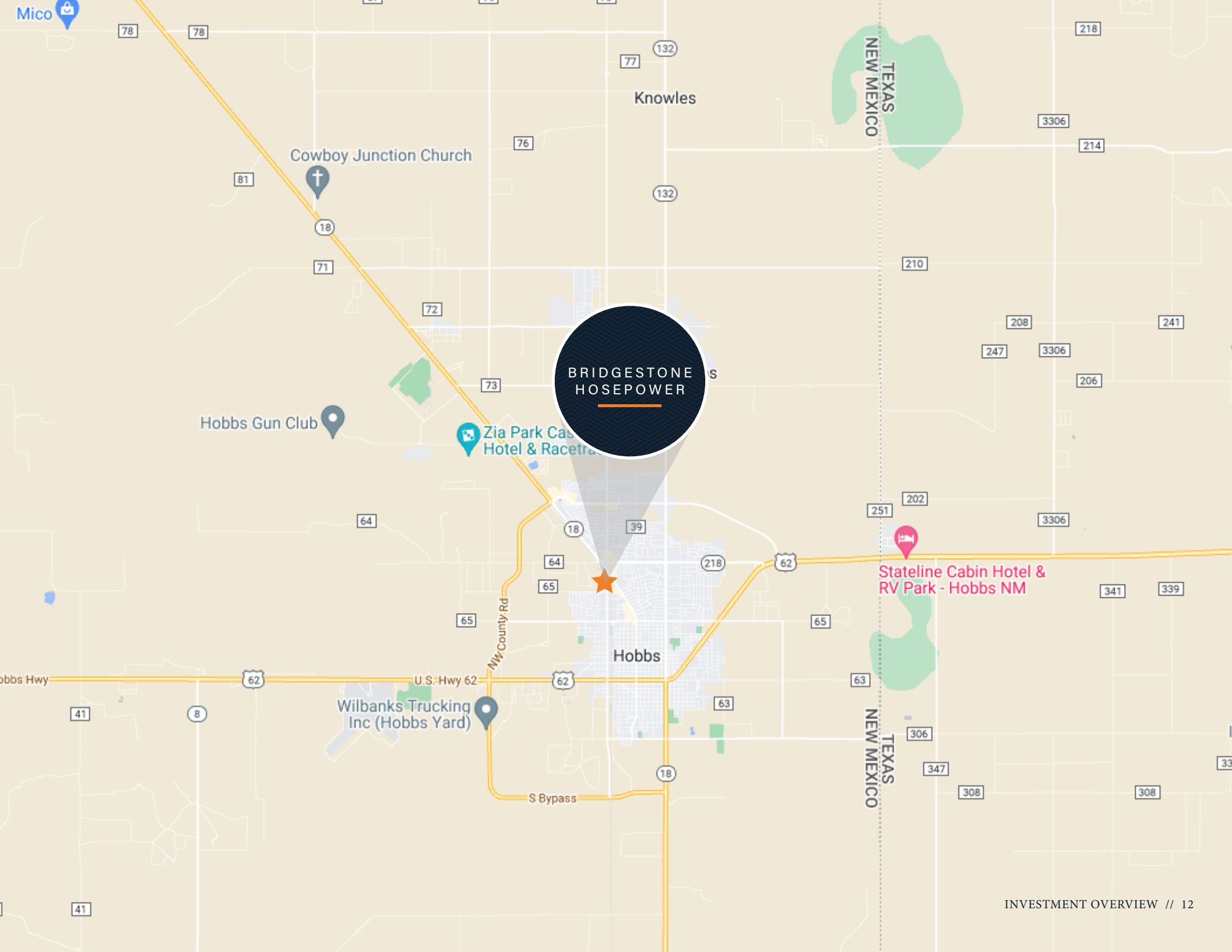


## OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	62,400	7.63	65,825	8.05
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	2,453	0.30	2,453	0.30
Real estate Taxes	2,648	0.32	2,648	0.32
Total Reimbursement Income	\$5,101 100.0%	\$0.62	\$5,101 100.0%	\$0.62
Effective Gross Revenue	\$67,501	\$8.25	\$70,926	\$8.67

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	2,453	0.30	2,453	0.30
Real Estate Taxes	2,648	0.32	2,648	0.32
Total Expenses	\$5,101	\$0.62	\$5,101	\$0.62
Expenses as % of EGR	7.6%		7.2%	
Net Operating Income	\$62,400	\$7.63	\$65,825	\$8.05







BRIDGESTONE  
HOSEPOWER







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## TENANT SUMMARY

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TENANT  
**Bridgestone HosePower, LLC**

HEADQUARTERS  
**Orange Park, FL**

# OF LOCATIONS  
**45**

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[www.hosepower.com](http://www.hosepower.com)



**BRIDGESTONE**  
**HOSE POWER**

In 2014, Bridgestone Corporation acquired HosePower USA to become the largest mobile hose repair fleet in America. Bridgestone HosePower, LLC (also known as HosePower) is dedicated to offering the fastest, highest quality, and most reliable on-site hose repair service in the nation. The company services a variety of industries including construction, oil and gas, and mining, offering on-site repair and replacement for any size hydraulic hose up to 6,000 pounds per square inch. HosePower maintains 45 fully equipped and stocked OEM hose centers throughout the U.S. that sell a large inventory of adapters, strainers, caps, plugs, and many more hydraulic accessories with same-day shipping or local delivery. Hose centers also offer multiple services such as proof testing, custom kitting, cleaning, and custom labeling. The company's national presence allows Bridgestone HosePower to be the authorized master distributor for Flextral's hydraulic and industrial hose products in America (HosePower.com).

## 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

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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 a large warehouse or a factory interior.

## SECTION 2

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### MARKET OVERVIEW

Marcus & Millichap



# MIDLAND-ODESSA TEXAS

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Located in West Texas, the Midland-Odessa metro is considered an energy capital, as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland and Ector counties. The public sector is a top job provider, but the private sector has supported recent economic growth. The two largest cities are Midland, with over 138,000 residents, and Odessa, where roughly 123,000 citizens live.



ENERGY  
HUB



FAST GROWING  
POPULATION



HIGHER  
EDUCATION

## METROPLEX GROWTH

### ECONOMY

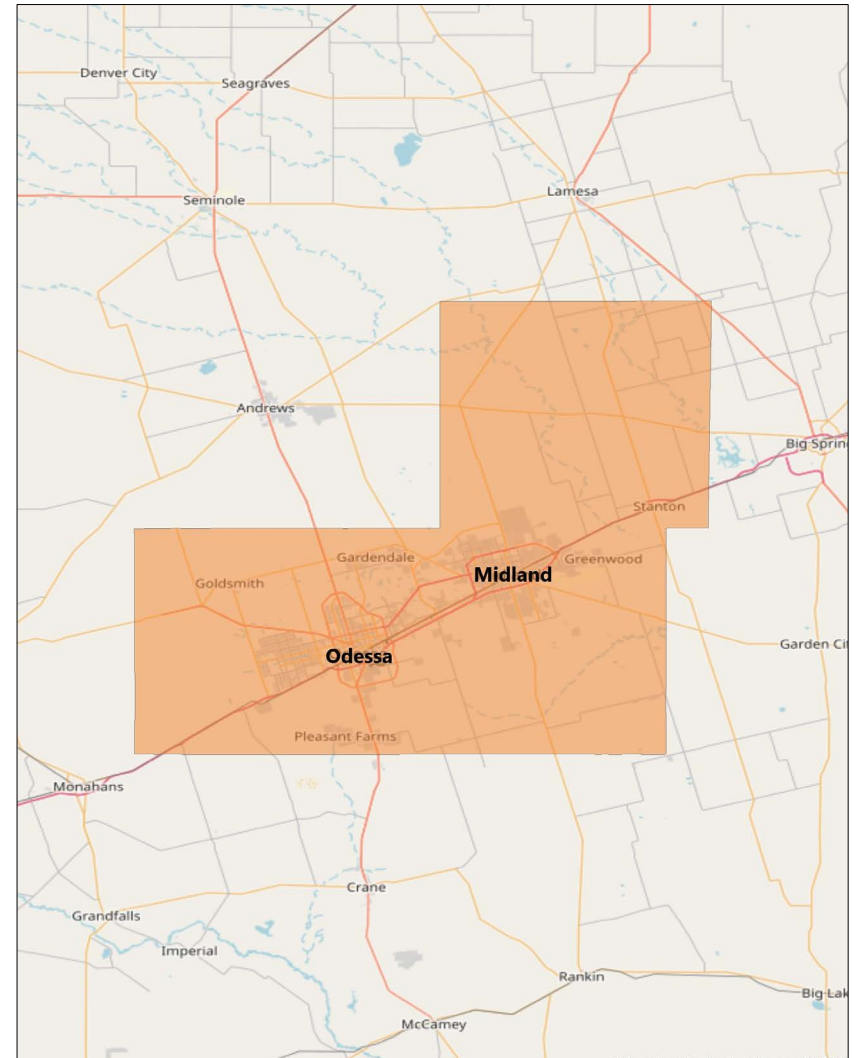
The oil and energy sector drives the Midland-Odessa economy. The Permian Basin covers more than 86,000 square miles and is believed to contain as much as 46 billion barrels of oil. Petroleum powerhouses, such as ExxonMobil, Chevron and Occidental Petroleum, have major operations in the area. Odessa has become a regional distribution hub for many companies outside of the energy industry. Family Dollar has a 907,000-square-foot distribution center in Odessa. Health care centers represent some of the metro's largest employers. These facilities include the Texas Tech University Health Sciences Center and the Odessa Regional Medical Center.

POPULATION  
**340K**  
GROWTH 2022-2027\*  
**8.9%**

HOUSEHOLDS  
**123K**  
GROWTH 2022-2027\*  
**9.4%**

MEDIAN AGE  
**31.5**  
U.S. MEDIAN  
**38.6**

MEDIAN  
HOUSEHOLD  
INCOME  
**\$69,700**  
U.S. Median  
**\$66,400**



## DEMOGRAPHICS



44,141

Total Population  
Within 5 miles



50.9%



49.1%



\$76,435

Average Household Income  
Within 5 miles



21,523

Employees  
Within 1 Mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Population	9,122	40,071	45,946
<b>2022 Estimate</b>			
Total Population	8,958	38,552	44,141
<b>2010 Census</b>			
Total Population	8,446	34,516	39,294
<b>2000 Census</b>			
Total Population	7,487	29,234	32,919
<b>Daytime Population</b>			
2022 Estimate	10,973	43,237	47,044
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Households	3,110	14,344	16,253
<b>2022 Estimate</b>			
Total Households	3,042	13,697	15,491
Average (Mean) Household Size	2.9	2.8	2.8
<b>2010 Census</b>			
Total Households	2,862	12,224	13,759
<b>2000 Census</b>			
Total Households	2,683	10,761	11,949

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2022 Estimate</b>			
\$200,000 or More	5.2%	3.4%	3.6%
\$150,000-\$199,999	7.0%	5.7%	5.8%
\$100,000-\$149,999	15.8%	13.6%	13.8%
\$75,000-\$99,999	17.7%	14.8%	15.4%
\$50,000-\$74,999	17.0%	18.3%	18.4%
\$35,000-\$49,999	9.2%	10.3%	10.2%
\$25,000-\$34,999	8.7%	8.4%	8.3%
\$15,000-\$24,999	7.9%	10.0%	9.7%
Under \$15,000	11.6%	15.5%	14.8%
Average Household Income	\$88,870	\$74,358	\$76,435
Median Household Income	\$69,913	\$58,880	\$60,534
Per Capita Income	\$30,322	\$26,601	\$27,079
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2022 Estimate Total Population	8,958	38,552	44,141
Under 20	33.0%	34.3%	34.0%
20 to 34 Years	19.9%	21.9%	21.7%
35 to 39 Years	6.8%	7.2%	7.1%
40 to 49 Years	11.9%	11.4%	11.5%
50 to 64 Years	15.5%	14.6%	15.1%
Age 65+	13.0%	10.6%	10.5%
Median Age	32.9	30.8	31.0
<b>Population 25+ by Education Level</b>			
2022 Estimate Population Age 25+	5,423	22,688	26,033
Elementary (0-8)	8.9%	10.9%	10.6%
Some High School (9-11)	14.0%	13.7%	13.4%
High School Graduate (12)	30.4%	30.8%	30.9%
Some College (13-15)	22.4%	22.5%	22.6%
Associate Degree Only	6.9%	8.3%	8.6%
Bachelor's Degree Only	11.1%	8.8%	9.0%
Graduate Degree	6.3%	5.0%	4.9%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	23.0	22.0	22.0

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