

Marcus & Millichap
TAG INDUSTRIAL GROUP

5121 SOUTH ACRES DRIVE

HOUSTON, TX 77048

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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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

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

5121 SOUTH ACRES DRIVE
HOUSTON, TX 77048

PRESENTED BY

MAX LOZMACK

Senior Associate
Office & Industrial Division
Houston Office
Office (713) 452-4264
Max.Lozmack@MarcusMillichap.com
License: TX 724493

ADAM ABUSHAGUR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License: TX 661916

DEBT CONTACT

FORD ROBERTS

Associate Director
3 Riverway, #800
Houston, TX 77056
Tel: (713) 239-0514
Ford.Roberts@MarcusMillichap.com

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SECTION 1

INVESTMENT OVERVIEW

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- 8,300-Square-Foot Warehouse Situated on 2.71 Acres
- Features Three-Phase Power, IOS Space, and Two Grade-Level Doors for Shipping and Distribution
 - Vacant Sale Offering Owner-User Opportunity or Value-Add Investment
 - Close Proximity to Major Thoroughfares and Hobby International Airport
 - Fast-Growing Submarket with Industrial Demand at 20-Year Highs (Costar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 5121 South Acres Drive in Houston, Texas. The subject property consists of approximately 8,300 square feet of warehouse space and is situated on 2.71 acres of land. The single-tenant asset features a clear height of 14' with a 16' eave height, two grade-level doors, and three-phase power. With a building coverage ratio of 7 percent, the vacant property can be acquired for outdoor storage space and can easily facilitate shipping and distribution. Primely located in the South Highway 35 submarket, the property has proximity to both State Highway 288 and William P. Hobby International Airport via Airport Boulevard.

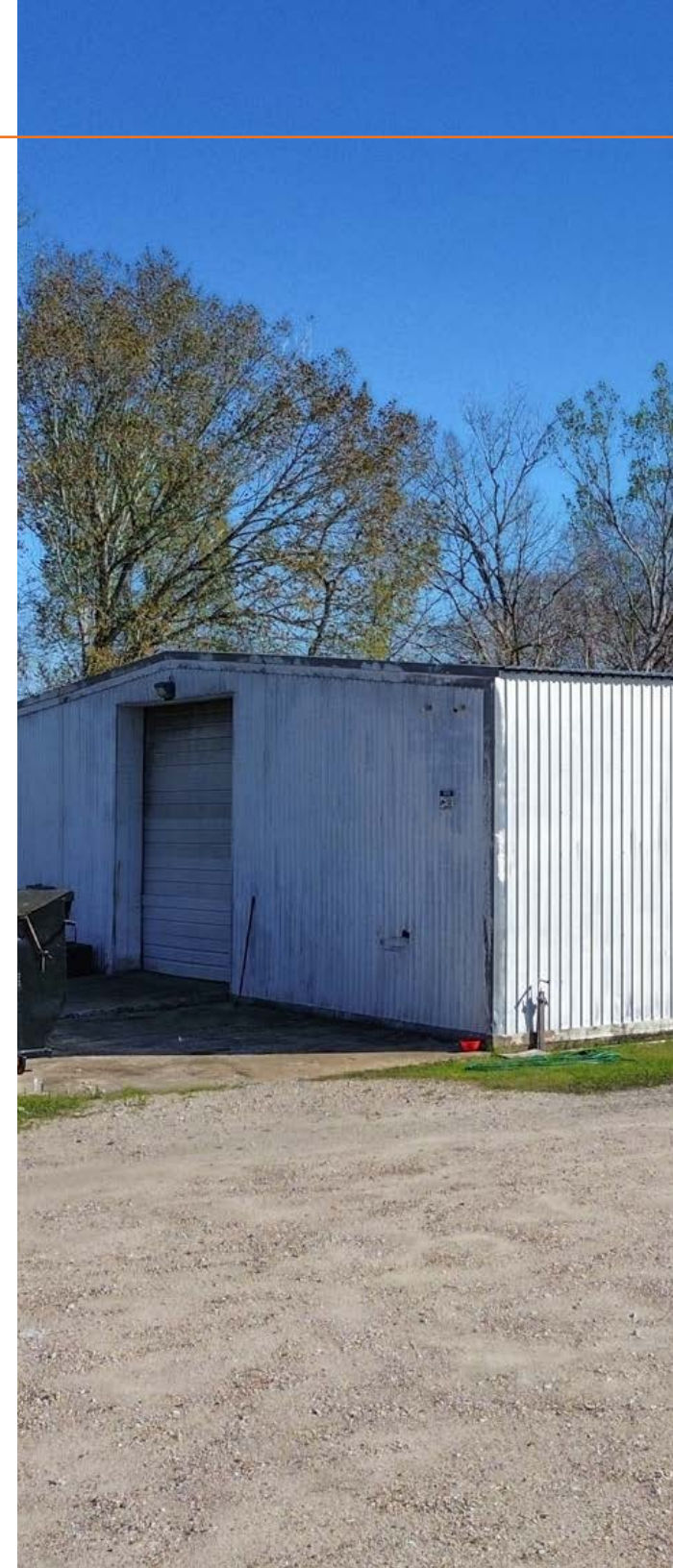
South Highway 35 is a massive submarket containing 50.1 million square feet of industrial space. Wholesale trade tenants serving the oil and gas industry make up a large portion of the tenant base in South Highway 35. Over the last decade, the population growth in Suburban South Houston has boosted demand for e-commerce and distribution facilities. During this time, 8.6 million square feet of industrial space was delivered on net in South Highway 35, including an annual record of 3 million square feet in 2023. While net absorption rose at a 20-year high of 1.8 million square feet last year, supply has outpaced demand, sending the vacancy rate to the highest level since 2005 at 6.5 percent during Q1 2024. Rising vacancies helped slow rent growth to 3.3 percent annually during this time. At 7.9 percent, the average market cap rate topped the highest level in over a decade to start 2024 (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

5121 SOUTH ACRES DRIVE
HOUSTON, TX 77048

Number of Suites	1
Number of Buildings	1
Total Square Feet	8,300
Warehouse Square Feet	8,300
Year Built	1998
Lot Size	2.71 Acres
Type of Ownership	Fee Simple
Clear Height	14' Clear / 16' Eave
Parking Surface	Crushed Gravel
Building Class	C
Tenancy	Owner-User
Grade Level Doors	2 (14' x 14')
Construction	Metal
Power	3 Phase
Type of Lighting	Fluorescent
Roof Type	Pitched Metal
Age/Condition of Roofs	Fair
Market	Houston
Submarket	South Highway 35
Market Vacancy	5.50%



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5121 SOUTH ACRES DRIVE

HOUSTON, TX 77048

OFFERING PRICE

\$690,000

Offering Price	\$690,000
Price/SF	\$83.13
Total Square Feet	8,300
Tenancy	Owner-User
Occupancy	0.00%

FINANCING

Loan Amount	\$414,000
Loan Type	New
Interest Rate	7.25%
Amortization	25 Years
Year Due	2029

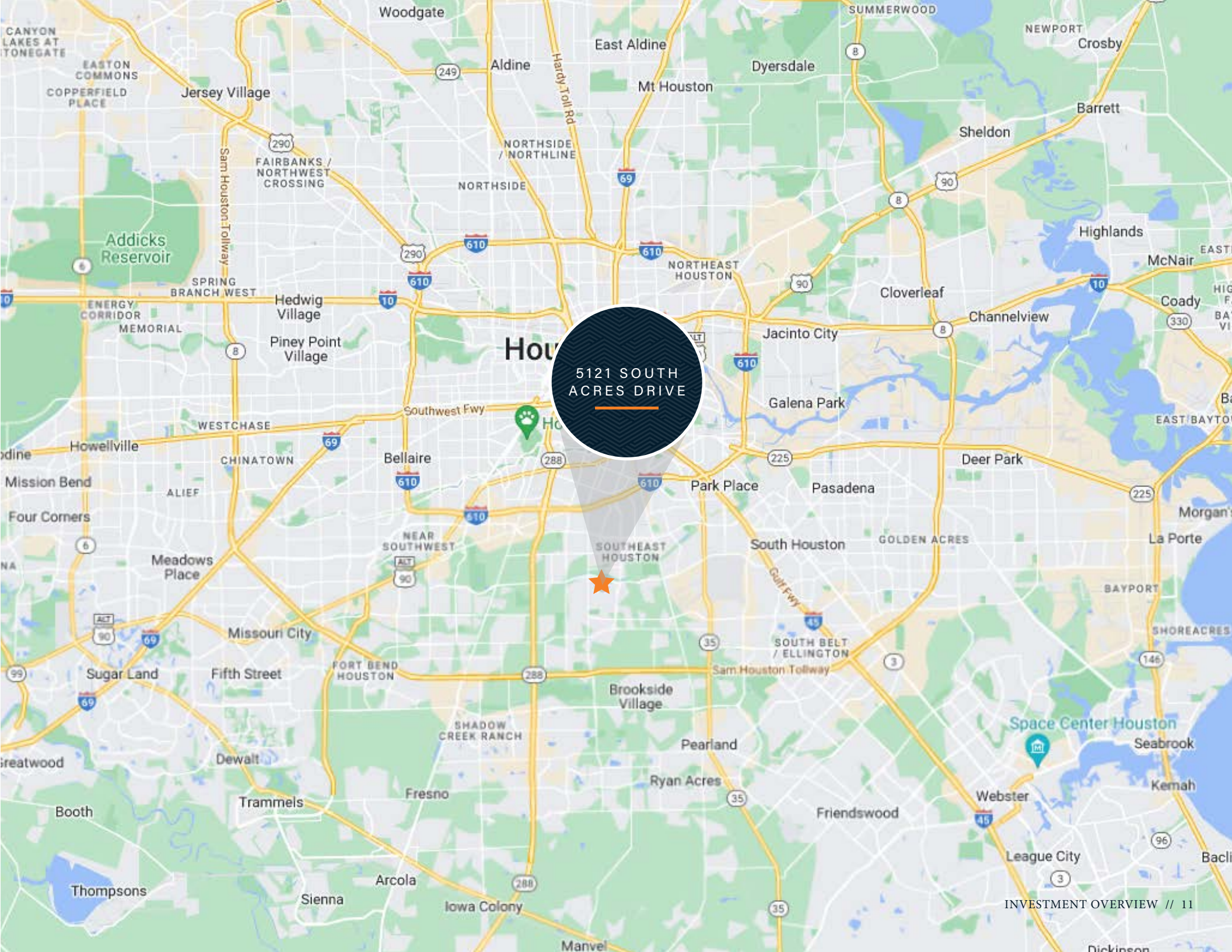
Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	0	0.00	51,875	6.25
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	0	0.00	9,880	1.19
Real Estate Taxes	0	0.00	15,923	1.92
Total Reimbursement Income	\$0	0.0%	\$25,803	100.0%
Effective Gross Revenue	\$0	\$0.00	\$77,678	\$9.36

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	9,500	1.14	9,880	1.19
Real Estate Taxes	15,165	1.83	15,923	1.92
Total Expenses	\$24,665	\$2.97	\$25,803	\$3.11
Expenses as % of EGR	0.0%		33.2%	
Net Operating Income	-\$24,665	(\$2.97)	\$51,875	\$6.25



5121 SOUTH ACRES DRIVE

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ACRES DRIVE





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 2023



National platform operating within the firm's brokerage offices



\$86.3 billion total national volume in 2023



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

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



LOW COST OF LIVING,
DOING BUSINESS



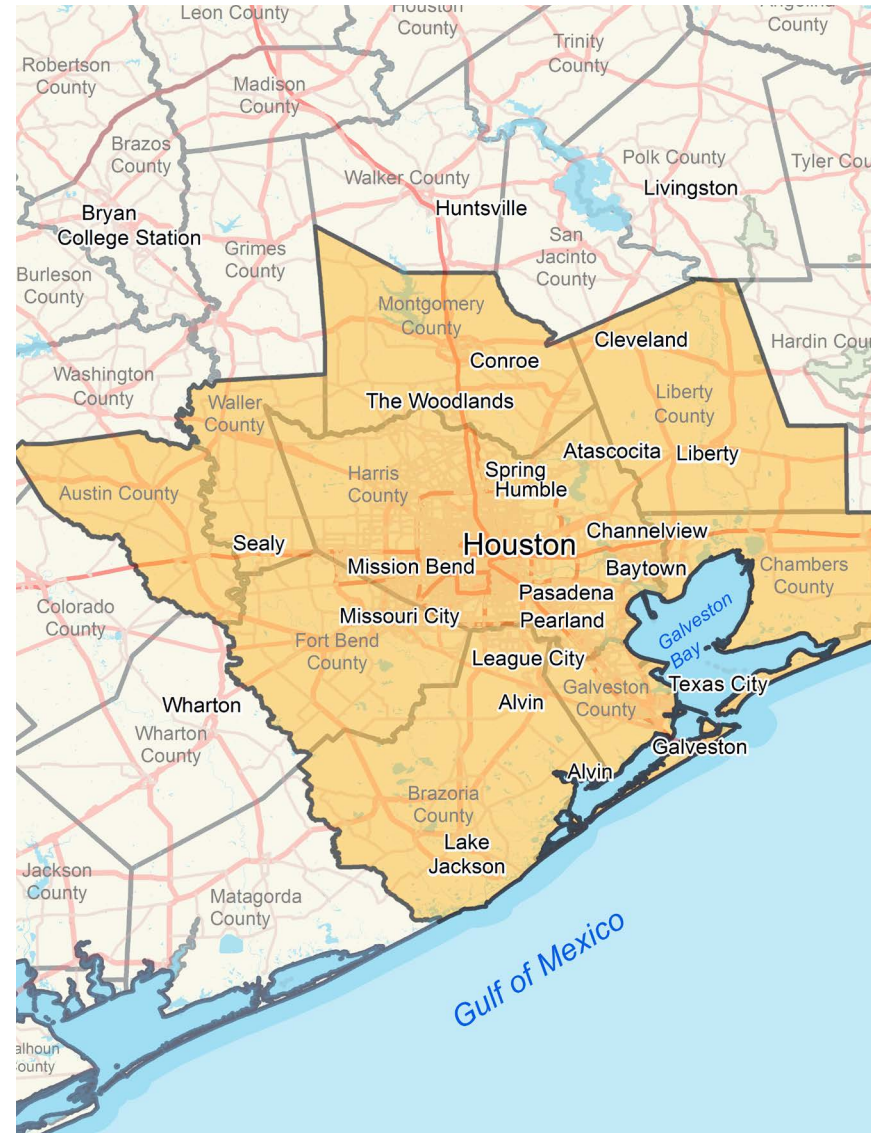
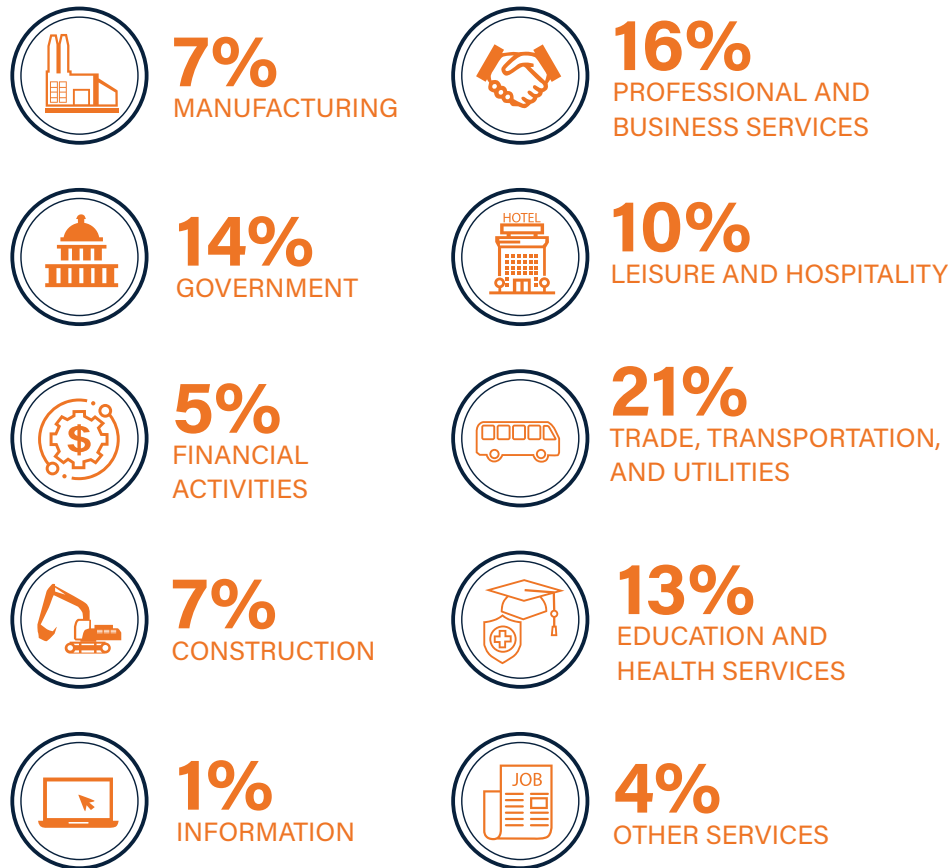
HIGHER
EDUCATION



METROPLEX GROWTH

ECONOMY

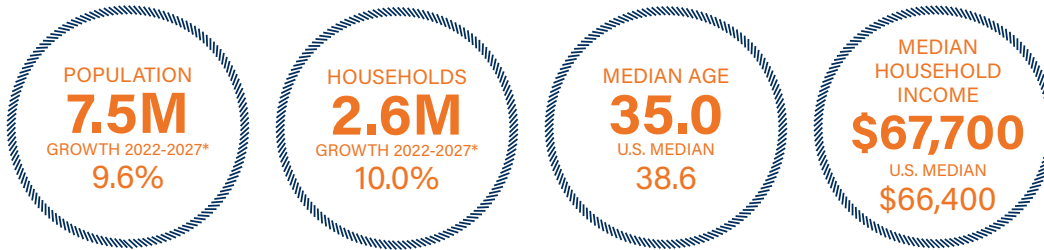
The economy is diversifying to include biotechnology, distribution, nanotechnology and logistics. The metro remains the center of energy production. Local product manufacturing is a large segment of the economy and includes paper, electrical and electronic machinery, iron, steel and petrochemicals. Health 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.



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



240,571

Total Population
Within 5 Miles



47.7%



52.3%



\$60,353

Average Household Income
Within 5 Miles



109,450

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	14,732	88,398	253,058
2022 Estimate			
Total Population	14,241	83,863	240,571
2010 Census			
Total Population	12,746	73,112	211,019
2000 Census			
Total Population	12,271	67,070	184,727
Daytime Population			
2022 Estimate	8,549	63,608	234,638
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	5,290	31,109	91,844
2022 Estimate			
Total Households	5,050	29,228	86,385
Average (Mean) Household Size	2.8	2.9	2.8
2010 Census			
Total Households	4,481	25,215	74,761
2000 Census			
Total Households	4,215	22,523	64,144

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.4%	1.5%	2.3%
\$150,000-\$199,999	1.4%	2.5%	3.1%
\$100,000-\$149,999	7.0%	8.1%	9.5%
\$75,000-\$99,999	8.5%	9.0%	10.5%
\$50,000-\$74,999	20.4%	19.5%	19.6%
\$35,000-\$49,999	14.4%	13.9%	14.8%
\$25,000-\$34,999	11.9%	11.6%	10.6%
\$15,000-\$24,999	14.7%	14.1%	12.3%
Under \$15,000	20.4%	19.8%	17.3%
Average Household Income	\$50,678	\$53,426	\$60,353
Median Household Income	\$38,400	\$40,652	\$45,073
Per Capita Income	\$18,032	\$18,673	\$21,872
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	14,241	83,863	240,571
Under 20	26.2%	28.6%	28.0%
20 to 34 Years	17.8%	19.5%	25.2%
35 to 39 Years	5.4%	6.0%	7.1%
40 to 49 Years	11.3%	11.5%	11.6%
50 to 64 Years	18.8%	17.3%	15.3%
Age 65+	20.6%	17.1%	12.8%
Median Age	40.6	36.5	33.0
Population 25+ by Education Level			
2022 Estimate Population Age 25+	9,624	54,439	154,009
Elementary (0-8)	4.7%	8.0%	10.7%
Some High School (9-11)	14.5%	14.0%	11.3%
High School Graduate (12)	37.0%	34.9%	28.4%
Some College (13-15)	23.2%	22.9%	20.4%
Associate Degree Only	7.5%	6.0%	5.7%
Bachelor's Degree Only	7.7%	9.1%	13.3%
Graduate Degree	5.5%	5.0%	10.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	36.0	33.0	31.0



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.

<u>MARCUS & MILLICHAP</u>	<u>9002994</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>TIM A. SPECK</u>	<u>432723</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Designated Broker of Firm	License No.	Email	Phone
<u>TIM A. SPECK</u>	<u>432723</u>	<u>TIM.SPECK@MARCUSMILLICHAP.COM</u>	<u>972-755-5200</u>
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
<u>ADAM ABUSHAGUR</u>	<u>661916</u>	<u>ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM</u>	<u>972-755-5223</u>
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

5121 SOUTH ACRES DRIVE HOUSTON, TX 77048

PRESENTED BY

MAX LOZMACK

Senior Associate
Office & Industrial Division
Houston Office
Office (713) 452-4264
Max.Lozmack@MarcusMillichap.com
License: TX 724493

ADAM ABUSHAGUR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License: TX 661916

DEBT CONTACT

FORD ROBERTS

Associate Director
3 Riverway, #800
Houston, TX 77056
Tel: (713) 239-0514
Ford.Roberts@MarcusMillichap.com

Marcus & Millichap
TAG INDUSTRIAL GROUP