

Marcus & Millichap
TAG INDUSTRIAL GROUP

RANGER ENERGY SERVICES
707 NELSON LANE

WHARTON, TX 77488

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Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188
(512) 936-3000

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PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 18,462-Square-Foot Industrial Complex Situated on 13.62 Acres
 - Featuring Six Grade Doors, Interior Crane, and Ample Space for IOS or New Development
- Occupied by Ranger Energy Services (NYSE:RNGR), Leading Provider of Mobile Rig Well Services
 - Sticky Tenant Anchored by Heavy Improvements and New Five-Year Lease
- Southwest of Houston via I-69/U.S. 59 in Tough Barrier-to-Entry Area Featuring 2.1% Vacancy

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 707 Nelson Lane in Wharton, Texas, leased by Ranger Energy Services, LLC. The subject property consists of approximately 18,462 square feet of warehouse space and is situated on 13.62 acres of land. The three-building asset features six grade-level doors, metal construction, and an interior crane. With a building coverage ratio of just 3 percent, the property contains ample outdoor storage space that can easily accommodate additional developments. Positioned along U.S. Route 59 (Lloyd Bentsen Highway) that feeds directly into Interstate 69, the asset sits 67 miles southwest of Downtown Houston.

This sale offers investors the opportunity to acquire a stabilized cash-flowing asset at an above-market cap rate of 8.86 percent. In January 2024, Ranger Energy Services signed a five-year triple-net lease and has already invested roughly \$80,000 in tenant improvements to the property's IT infrastructure and the installation of gravel lots. Formed in 2016 out of a three-way merger, Ranger Energy Services is one of the largest providers of high-specification mobile rig well services, cased hole wireline services, and ancillary services in the U.S. oil and gas industry. Publicly traded under the ticker symbol RNGR on the New York Stock Exchange, Ranger Energy Services operates in nine states throughout the central-western U.S. from Texas up to North Dakota.

The subject property sits just outside of the Houston market in a tertiary area. There are 3 million square feet of industrial space within a 20-mile radius of the asset. Toward the end of Q2 2024, the vacancy rate in this area bucked the national trend, dipping by 40 basis points to 2.1 percent. Despite availability remaining tight, the year-over-year increase in asking rents decelerated to 1.5 percent during Q2. With no industrial properties under construction, vacancies and rent growth will be unimpeded by new supply 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

RANGER ENERGY SERVICES
707 NELSON LANE, WHARTON, TX 77488

Number of Suites	1
Number of Buildings	3
Total Square Feet	18,462
Year Built	1970/2008
Lot Size	13.62 Acres
Type of Ownership	Fee Simple
Parking Surface	Concrete
Building Class	C
Tenancy	Single Tenant
Grade Level Doors	6
Construction	Metal
Zoning	Commercial
Roof Type	Metal
Age/Condition of Roofs	Fair
Market	Texas South
Submarket	Wharton
Market Vacancy	3.90%



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RANGER ENERGY SERVICES

707 NELSON LANE, WHARTON, TX 77488

OFFERING PRICE
\$1,300,000

CAP RATE
8.77%

Offering Price	\$1,300,000
Cap Rate	8.77%
Price/SF	\$70.41
Total Square Feet	18,462
Rental Rate	\$6.17
Lease Type	Triple-Net (NNN)
Lease Term	Five-Year
Tenancy	Single Tenant
Occupancy	100.00%

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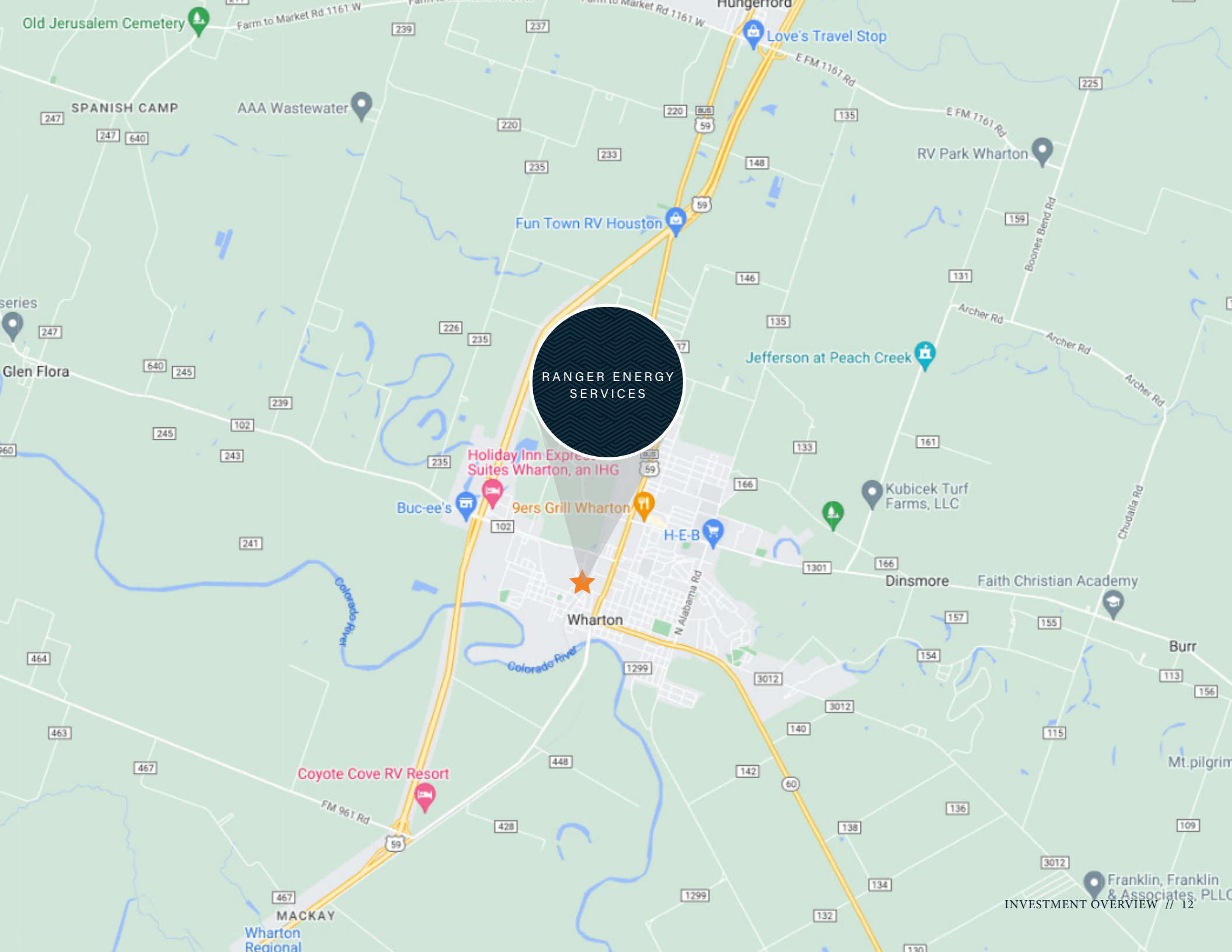
RENT ROLL

Tenant Name	Suite	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
				Comm.	Exp.							
Ranger Energy Services	A	18,462	100.0%	1/1/24	12/31/28	\$6.17	\$9,500	\$114,000	\$114,000	Feb-2024	1.05%	NNN
Total		18,462				\$6.17	\$9,500	\$114,000	\$114,000			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$9,500						Occupied Current Rents: \$9,500		Unoccupied Current Rents: \$0				

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	114,000		6.17	114,000		6.17
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	16,250		0.88	16,250		0.88
Real Estate Taxes	11,814		0.64	12,500		0.68
Total Reimbursement Income	\$28,064	100.0%	\$1.52	\$28,750	100.0%	\$1.56
Effective Gross Revenue	\$142,064		\$7.69	\$142,750		\$7.73

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	16,250		0.88	16,250		0.88
Real Estate Taxes	11,814		0.64	12,500		0.68
Total Expenses	\$28,064		\$1.52	\$28,750		\$1.56
Expenses as % of EGR	19.8%			20.1%		
Net Operating Income	\$114,000		\$6.17	\$114,000		\$6.17



RANGER ENERGY SERVICES

Wharton

RANGER ENERGY SERVICES





TENANT SUMMARY

“By challenging ourselves and others to think differently about what is, and fostering curiosity for what can be, we infuse the world with optimism and possibility.”

TENANT

Ranger Energy Services, LLC (RNGR)

HEADQUARTERS
Houston, TX

DATE FOUNDED
2014

MARKET CAP
\$228 Million

EMPLOYEES
2,000

www.rangerenergy.com



In 2014, Ranger Energy Holdings, LLC was founded to provide well services to the oil and gas industry. Two years later, CSL Capital Management merged Ranger with Bayou Workover Services and Magna Energy Services to form Ranger Energy Services, LLC. In 2017, Ranger went public, offering stock on the New York Stock Exchange under the ticker symbol RNGR. Since then, Ranger has grown into one of the largest providers of high-specification mobile rig well services, cased hole wireline services, and ancillary services in the nation. The company’s advanced solutions are helping operators meet the technical and operational challenges of today’s extended-reach horizontal wells. Ranger’s services facilitate operations throughout the lifecycle of a well, including the completion, production, maintenance, intervention, workover, and abandonment phases. Ranger is built for today’s oilfield with experienced crews and the latest technologies that cover a broad geographic footprint across the most prolific shale plays in the country.

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

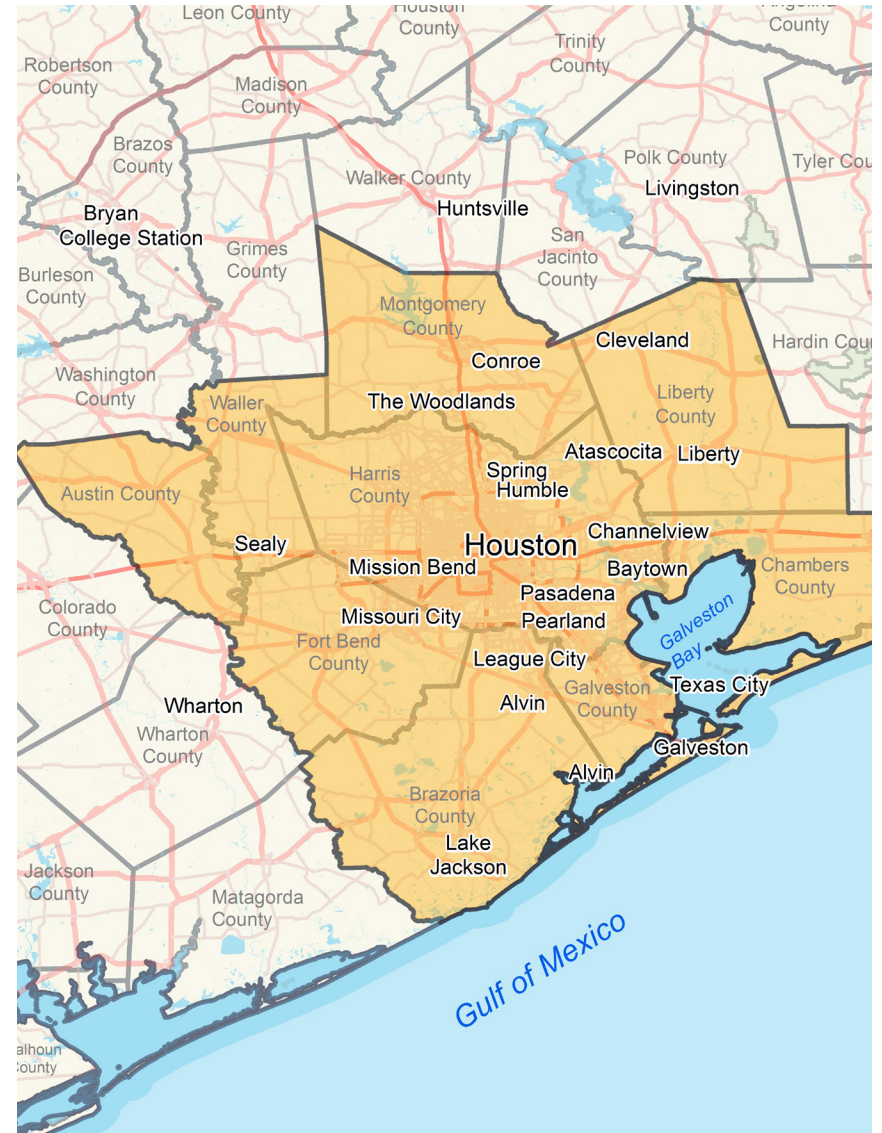
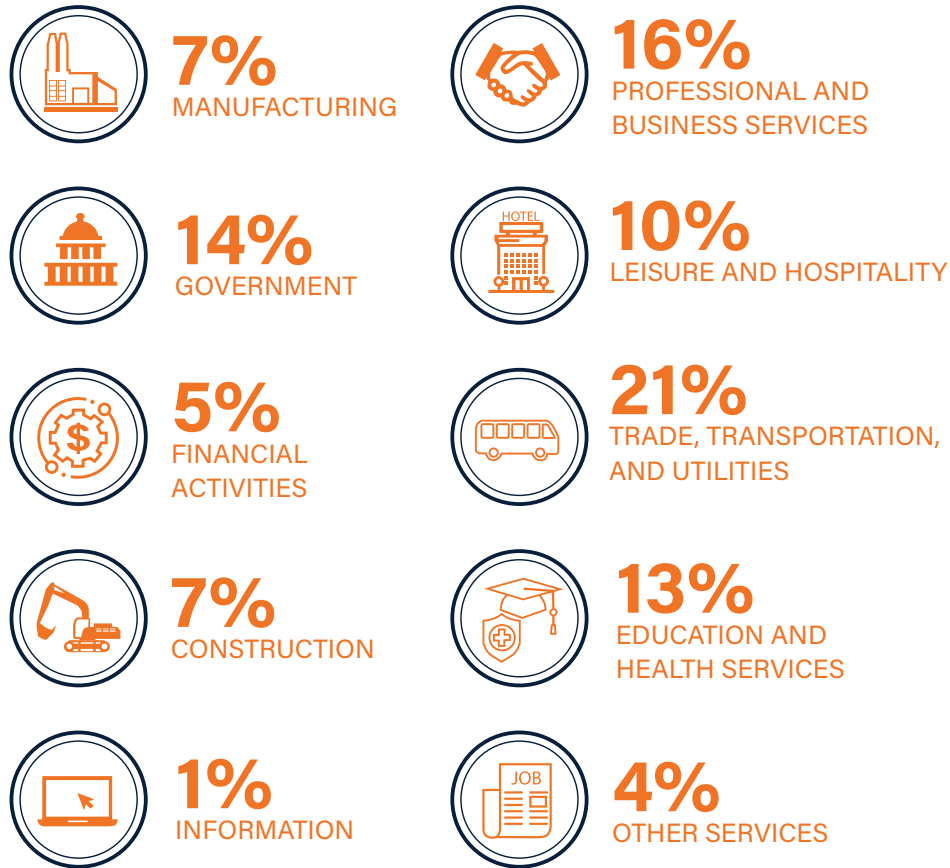


HIGHER
EDUCATION

METROPLEX GROWTH

ECONOMY

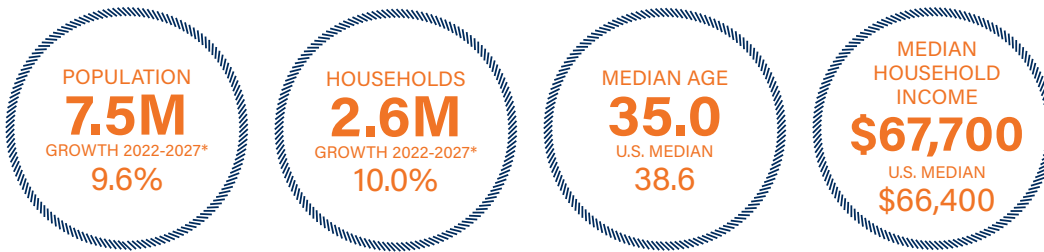
The economy is diversifying to include biotechnology, distribution, nanotechnology and logistics. The metro remains the center of energy production. Local product manufacturing is a large segment of the economy and includes paper, electrical and electronic machinery, iron, steel and petrochemicals. Health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



12,177

Total Population
Within 5 miles



48.2%



51.8%



\$56,352

Average Household Income
Within 5 miles



5,842

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	3,146	10,327	12,320
2022 Estimate			
Total Population	3,103	10,205	12,177
2010 Census			
Total Population	2,996	10,090	12,062
2000 Census			
Total Population	3,487	10,514	12,489
Daytime Population			
2022 Estimate	3,310	11,428	13,005
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	1,184	4,042	4,780
2022 Estimate			
Total Households	1,158	3,978	4,710
Average (Mean) Household Size	2.6	2.5	2.5
2010 Census			
Total Households	1,118	3,918	4,651
2000 Census			
Total Households	1,229	3,987	4,708

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.2%	1.0%	1.1%
\$150,000-\$199,999	1.6%	2.5%	3.5%
\$100,000-\$149,999	9.2%	11.0%	11.4%
\$75,000-\$99,999	10.4%	9.8%	10.0%
\$50,000-\$74,999	19.1%	17.3%	17.6%
\$35,000-\$49,999	15.0%	13.5%	13.4%
\$25,000-\$34,999	10.2%	8.5%	8.4%
\$15,000-\$24,999	17.2%	15.8%	15.3%
Under \$15,000	16.1%	20.6%	19.3%
Average Household Income	\$53,375	\$53,653	\$56,352
Median Household Income	\$41,117	\$40,646	\$42,619
Per Capita Income	\$20,341	\$21,237	\$22,093
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	3,103	10,205	12,177
Under 20	29.0%	28.1%	27.7%
20 to 34 Years	20.2%	19.5%	19.1%
35 to 39 Years	6.6%	6.3%	6.3%
40 to 49 Years	10.9%	10.3%	10.3%
50 to 64 Years	17.7%	17.8%	18.1%
Age 65+	15.6%	17.9%	18.6%
Median Age	35.6	36.9	37.5
Population 25+ by Education Level			
2022 Estimate Population Age 25+	1,985	6,650	8,010
Elementary (0-8)	11.1%	9.6%	9.0%
Some High School (9-11)	11.7%	10.7%	10.3%
High School Graduate (12)	28.1%	28.9%	29.4%
Some College (13-15)	21.4%	23.8%	23.8%
Associate Degree Only	11.5%	8.9%	8.9%
Bachelor's Degree Only	11.8%	12.8%	13.5%
Graduate Degree	4.4%	5.4%	5.2%
Travel Time to Work			
Average Travel Time to Work in Minutes	25.0	27.0	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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