

Marcus & Millichap  
TAG INDUSTRIAL GROUP

502 SAN BERNARDO AVENUE

LAREDO, TX 78040

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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

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The background of the page is a photograph of an industrial building. The left side shows the interior of a large, empty warehouse with a high ceiling supported by a grid of dark steel beams. The right side shows the exterior of the building, featuring light-colored corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the main title.

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# SECTION 1

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- 10,864-Square-Foot Warehouse Situated on 0.28 Acres
- Corner Lot <1 Mile Away from Two International Bridges and I-35
  - Located in Downtown Laredo Historic District
- 75% Below-Market Rent in Place Creating Value-Add Opportunity
  - 1.6% Vacancy Rate Among Comparable Properties

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 502 San Bernardo Avenue in Laredo, Texas, leased to American Air Freight Company. The subject property consists of approximately 10,864 square feet of warehouse space and is situated on 0.28 acres of land. The single-tenant asset features a clear height of 12', two grade-level doors, and masonry construction with metal roofing. Located in Laredo's Downtown Historic District, the corner lot property is situated within half a mile of two international ports of entry, including Juárez-Lincoln International Bridge (also known as Laredo International Bridge 2) which feeds directly into Interstate 35. American Air Freight Company is on a modified gross lease until July 2026. At \$2.21 per square foot, the rent is priced 75 percent below the average market rent, providing investors with a value-add opportunity. Buyers also have a redevelopment opportunity with the property for sale at \$40 per square foot, sitting 55 percent below the average market sale price.

Laredo is a relatively small market, containing 46.5 million square feet of industrial space. At the midway point of 2024, the vacancy rate climbed to 4.8 percent as deliveries outpaced positive net absorption, representing 180 basis points lower than the national average. Among comparable properties up to 50,000 square feet, the vacancy rate actually dropped 40 basis points in Q2 to just 1.6 percent. Despite availability remaining relatively tight, annual rent growth across Laredo slowed from 4.5 percent to 2.7 percent in Q2, slipping to the lowest increase since Q2 2013. The average asking rent stood at about \$8.80 per square foot during this time. With 2.8 million square feet of industrial space under construction, the inventory is set to expand by 6.0 percent.

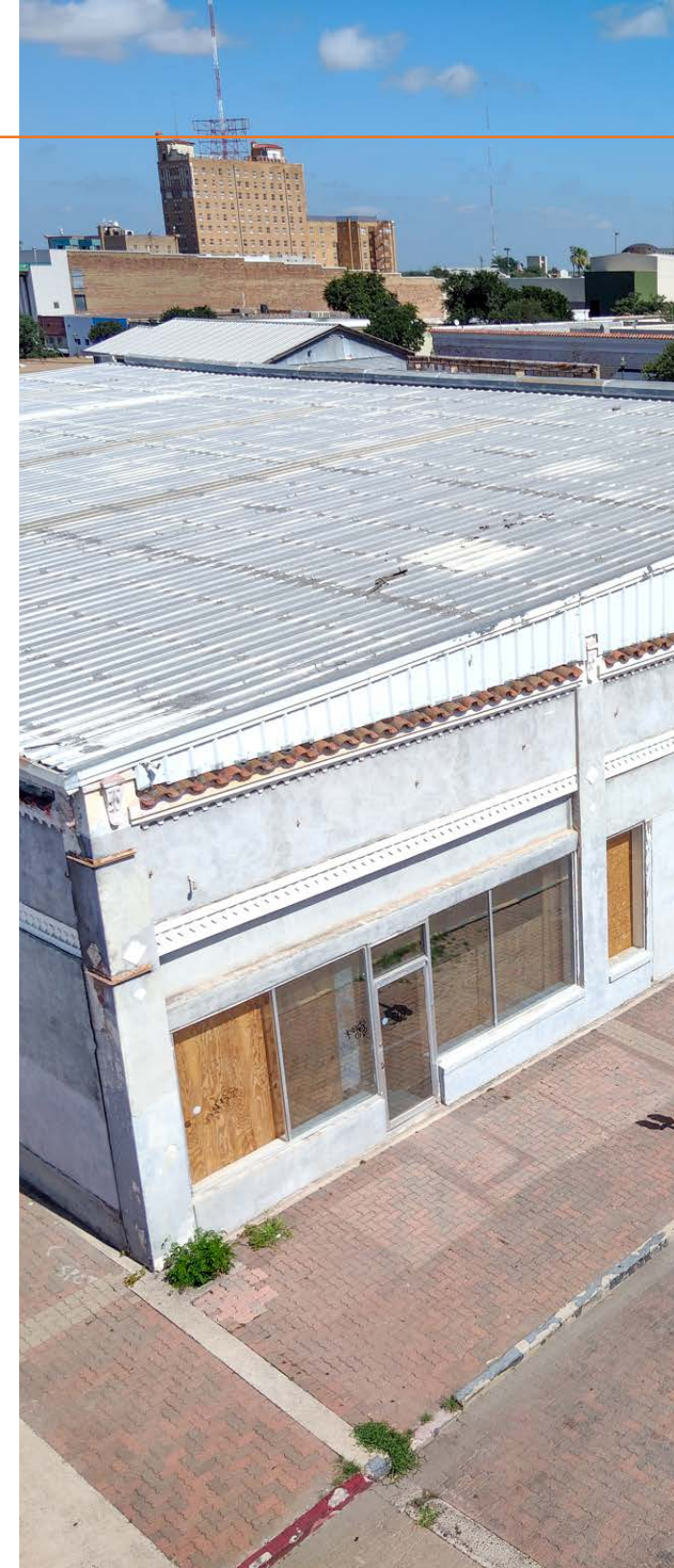
However, all of the new supply in Laredo is concentrated in properties over 50,000 square feet (CoStar).

Located on the U.S.-Mexico border, Laredo has a long history as the center of trade between the two countries. Laredo became the first official port of entry on the border in 1851 and today is the leading port in the nation among more than 450 airports, seaports, and border crossings, handling \$320 billion in trade in 2023. Area colleges and universities deepen the advantages for companies, providing thousands of students equipped with the skills to fill in-demand jobs each year. After experiencing a significant decline during the pandemic in 2020, metro Laredo's population stabilized, rising to 269,000 in 2023 (Texas Economic Development Corporation, Laredo Economic Development Corporation). In recent years, Laredo has been the top beneficiary of the ongoing nearshoring movement in which domestic companies have shifted production from China to Mexico in the wake up rising tariffs and the Chinese lockdowns that took place during the pandemic. In early 2023, Mexico surpassed China as America's top importer, providing a windfall for ports of entry primarily along the Texas-Mexico border.

## PROPERTY DETAILS

502 SAN BERNARDO AVENUE,  
LAREDO, TX 78040

Number of Suites	1
Number of Buildings	1
Total Square Feet	± 10,864
Warehouse Square Feet	± 7,864
Office Square Feet	± 3,000
Office Ratio	± 27%
Lot Size	0.28 Acres
Type of Ownership	Fee Simple
Clear Height	± 12'
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Grade Level Doors	2
Construction	Masonry
Type of Lighting	Fluorescent
Zoning	H-AE (Historic District Arts & Entertainment)
Roof Type	Metal
Age/Condition of Roofs	Needs Replacement
HVAC Units	1
Market	Laredo
Submarket	Downtown
Market Vacancy	4.40%



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## OFFERING HIGHLIGHTS

### 502 SAN BERNARDO AVENUE

LAREDO, TX 78040

OFFERING PRICE

**\$435,000**

CAP RATE

**1.18%**

Offering Price	\$435,000
Cap Rate	1.18%
Price/SF	\$40.04
Total Square Feet	10,864
Rental Rate	\$2.21
Lease Type	Modified Gross
Lease Term	Two Years
Tenancy	Single
Occupancy	100.00%

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# RENT ROLL

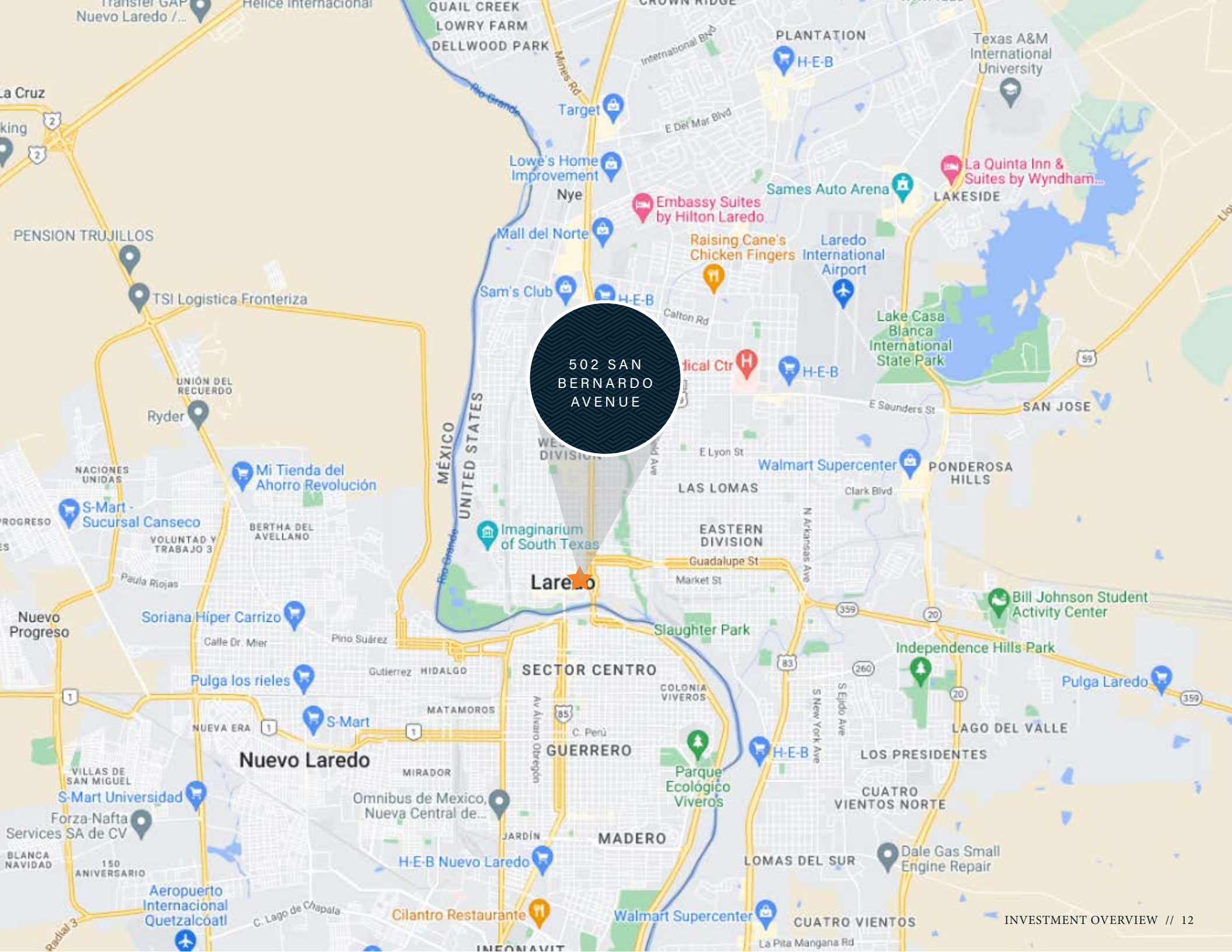
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
				Comm.	Exp.					
American Air Freight Co.	1	10,864	100.0%	6/1/24	7/2/26	\$2.21	\$2,000	\$24,000	\$24,000	Modified Gross
Total		10,864				\$2.21	\$2,000	\$24,000	\$24,000	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$2,000						Occupied Current Rents: \$2,000		Unoccupied Current Rents: \$0		

## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	24,000		2.21	24,000		2.21
Expense Reimbursement Income						
Net Lease Reimbursement						
Total Reimbursement Income	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00
Effective Gross Revenue	\$24,000		\$2.21	\$24,000		\$2.21

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	8,148		0.75	8,148		0.75
Real Estate Taxes	10,710		0.99	10,710		0.99
Total Expenses	\$18,858		\$1.74	\$18,858		\$1.74
Expenses as % of EGR	78.6%			78.6%		
Net Operating Income	\$5,142		\$0.47	\$5,142		\$0.47



502 SAN BERNARDO AVENUE



502 SAN  
BERNARDO  
AVENUE



## 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

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### MARKET OVERVIEW

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# LAREDO TEXAS

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Located on the U.S.-Mexico border, Laredo has a long history as the center of trade between the two countries. Laredo became the first official Port of Entry on the border in 1851 and today is the #1 inland port on the border, handling more than \$231 billion in trade in 2019—a 135% increase over the previous decade. Area colleges and universities deepen the advantages for companies, with thousands of students being equipped with the skills to fill in-demand jobs each year.



LOGISTICS AND  
TRANSPORTATION



EDUCATIONAL  
OPPORTUNITY



TOP MARKET  
FOR TRADE

## METROPLEX GROWTH

### ECONOMY

Laredo's economic strength is anchored in logistics and transportation, with corporate services and life sciences rounding out the local business landscape. Major employers in Laredo include Concentrix, FedEx Freight, H-E-B, International Bank of Commerce and Laredo Medical Center.



### EDUCATION

Traditional students and continuing education learners alike have access to educational opportunity in Laredo. Laredo College educates more than 10,000 students across two campuses in a variety of academic, technical and vocational programs that include business management, computer technology, industrial technology, transportation technology and more. Texas A&M International University leverages its proximity to Mexico to serve as the cultural and intellectual hub of the Laredo area. TAMIU offers undergraduate and graduate degrees in business, engineering, nursing and health sciences and more, as well as certificates in business leadership, logistics and petroleum engineering.

### INFRASTRUCTURE

Laredo is a top market for trade thanks to its location and supreme transportation infrastructure. South Texas' extensive highway system connects through Laredo. Laredo is the southernmost point of I-35 highway, a 1,500-plus-mile Interstate Highway that stretches to Duluth, Minnesota, spanning the United States from Mexico to Canada. The Port of Laredo is the #1 inland port on the U.S.-Mexico border and is consistently a top U.S. port overall. Port of Laredo handled \$231 billion in trade in 2019, with vehicles, machinery and electronics representing the top imports and exports. Laredo International Airport is served by Allegiant, American Airlines and United Airlines for passenger travel and FedEx and UPS for cargo. The airport offers on-site 24/7 U.S. Customs (CBP) processing and Mexico Customs (SAT) air cargo processing, petroleum engineering.



## DEMOGRAPHICS



**182,175**

Total Population  
Within 5 Miles



49.1%



50.9%



**\$54,966**

Average Household Income  
Within 5 Miles



**79,231**

Employees  
Within 1 Mile

# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Population	12,965	91,947	190,555
<b>2023 Estimate</b>			
Total Population	12,695	89,368	182,175
<b>2020 Census</b>			
Total Population	12,420	86,403	172,761
<b>2010 Census</b>			
Total Population	14,164	95,772	172,239
<b>Daytime Population</b>			
2023 Estimate	21,901	92,123	168,573
<b>HOUSEHOLDS</b>			
<b>2028 Projection</b>			
Total Households	4,389	29,031	56,006
<b>2023 Estimate</b>			
Total Households	4,250	27,967	53,204
Average (Mean) Household Size	3.0	3.2	3.5
<b>2020 Census</b>			
Total Households	4,161	27,289	51,488
<b>2010 Census</b>			
Total Households	4,242	27,196	46,536

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2023 Estimate</b>			
\$200,000 or More	0.7%	0.9%	2.2%
\$150,000-\$199,999	0.4%	1.0%	2.0%
\$100,000-\$149,999	3.7%	6.2%	8.6%
\$75,000-\$99,999	4.9%	7.5%	9.5%
\$50,000-\$74,999	10.2%	13.7%	15.9%
\$35,000-\$49,999	10.4%	12.5%	12.7%
\$25,000-\$34,999	13.8%	14.8%	13.9%
\$15,000-\$24,999	20.0%	17.2%	14.4%
Under \$15,000	35.9%	26.2%	20.8%
Average Household Income	\$33,801	\$42,900	\$54,966
Median Household Income	\$22,253	\$29,341	\$35,765
Per Capita Income	\$11,608	\$13,557	\$16,198
<b>POPULATION PROFILE</b>			
<b>Population By Age</b>			
2023 Estimate Total Population	12,695	89,368	182,175
Under 20	33.8%	33.2%	35.4%
20 to 34 Years	19.3%	21.1%	21.7%
35 to 39 Years	4.8%	5.3%	5.8%
40 to 49 Years	10.7%	10.6%	11.4%
50 to 64 Years	14.4%	14.8%	14.2%
Age 65+	16.9%	15.0%	11.4%
Median Age	32.0	31.3	29.4
<b>Population 25+ by Education Level</b>			
2023 Estimate Population Age 25+	7,458	53,009	103,330
Elementary (0-8)	29.9%	24.9%	21.4%
Some High School (9-11)	21.4%	19.4%	17.1%
High School Graduate (12)	21.3%	22.7%	23.8%
Some College (13-15)	15.1%	16.5%	17.7%
Associate Degree Only	4.7%	6.3%	6.6%
Bachelor's Degree Only	5.9%	7.7%	10.0%
Graduate Degree	1.7%	2.5%	3.5%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	22.0	21.0	23.0



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# 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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