

Marcus & Millichap  
TAG INDUSTRIAL GROUP

SASI

SOUTHERN ARCHITECTURAL  
SYSTEMS INC.

10038 TALLEY LANE

HOUSTON, TX 77041



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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.

The Texas Real Estate Commission (TREC) regulates real estate brokers and sales agents, real estate inspectors, home warranty companies, easement and right-of-way agents and timeshare interest providers. You can find more information and check the status of a license holder at [www.trec.texas.gov](http://www.trec.texas.gov). You can send a complaint against a license holder to TREC, a complaint form is available on the TREC website. TREC administers two recovery funds which may be used to satisfy a civil court judgment against a broker, sales agent, real estate inspector, or easement or right-of-way agent, if certain requirements are met. If you have questions or issues about the activities of a license holder, the complaint process or the recovery funds, please visit the website or contact TREC at:

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](http://www.marcusmillichap.com)

# 10038 TALLEY LANE

## HOUSTON, TX 77041

### PRESENTED BY

---

#### JAMES DOWLER

Associate  
Office & Industrial Division  
Houston Office  
Office (713) 452-4353  
James.Dowler@MarcusMillichap.com  
License: TX 787731

#### TYLER RANFT

Senior Associate  
Office & Industrial Division  
Austin Office  
Office (512) 338-7883  
Tyler.Ranft@MarcusMillichap.com  
License: TX 732964

### 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









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Market Analysis • Demographic Analysis

Marcus & Millichap



The background of the slide is a dark, blue-toned photograph of an industrial interior. It features a complex network of steel beams, girders, and pipes. Several large, dome-shaped industrial lights are visible, hanging from the ceiling. The overall atmosphere is gritty and industrial.

# SECTION 1

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- Two-Building 14,175-Square-Foot Warehouse Situated on 0.76 Acres
  - Featuring Five Grade-Level Doors and 15' Clear Height
    - Easy Access to Hwy-290 and Beltway-8
- Vacant Sale Creating Owner-User or Lease-Up Opportunity
  - Tough Barrier-to-Entry Market with 4.9% Vacancy

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 10038 Talley Lane in Houston, Texas. The subject property consists of approximately 14,175 square feet of warehouse space and is situated on 0.76 acres of land. The two-building asset features five grade-level doors, a clear height of 15', and metal construction. For sale as vacant, this sale offers buyers an owner-user or lease-up investment opportunity. Located near the exchange between Beltway 8 (Sam Houston Tollway) and U.S. Route 290, the property is well-positioned in the Northwest Inner Loop submarket.

Northwest Inner Loop is Houston's second-largest industrial submarket with 63.7 million square feet of space. During the second quarter of 2024, the vacancy rate in Northwest Inner Loop dropped 40 basis points to 4.9 percent, comfortably below the 6.6 percent national average. After five straight quarters of negative net absorption, demand for Northwest Inner Loop space turned positive in Q2. Despite the rebound in demand, annual rent growth continued to slow to just 2.0 percent as average rents fell slightly to about \$8.60 per square foot. Due to its proximity to Downtown Houston, Northwest Inner Loop has experienced very little growth over the last decade and there were only 153,000 square feet of industrial space under construction going into the second half of 23024 (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

## 10038 TALLEY LANE, HOUSTON, TX 77041

Number of Suites	2
Number of Buildings	2
Total Square Feet	14,175 SF
Warehouse Square Feet	12,675 SF
Office Square Feet	1,500 SF
Office Ratio	10.61%
Year Built	1982
Lot Size	0.76 Acres
Clear Height	15'
Parking Spaces	18
Parking Surface	Concrete
Building Class	C
Tenancy	Owner-User
Grade Level Doors	5
Construction	Metal
Type of Lighting	Fluorescent
Roof Type	Metal
Age/Condition of Roofs	Good
HVAC Units	2
Age/Condition of HVAC	2 & 5 Years
Market	TX-Houston MSA
Submarket	Northwest Inner Loop
Market Vacancy	5.10%

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. © 2024 Marcus & Millichap. All rights reserved. (Activity ID: ZAF0040389)







## OFFERING HIGHLIGHTS

### 10038 TALLEY LANE

HOUSTON, TX 77041

OFFERING PRICE  
**\$1,950,000**

Offering Price	\$1,950,000
Price/SF	\$137.88
Total Square Feet	14,175
Occupancy	0.00%

### FINANCING

Loan Amount	\$1,267,500
Loan Type	New
Interest Rate	6.75%
Amortization	25 Years
Year Due	2029

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

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. © 2024 Marcus & Millichap. All rights reserved. (Activity ID: ZAF0040389)

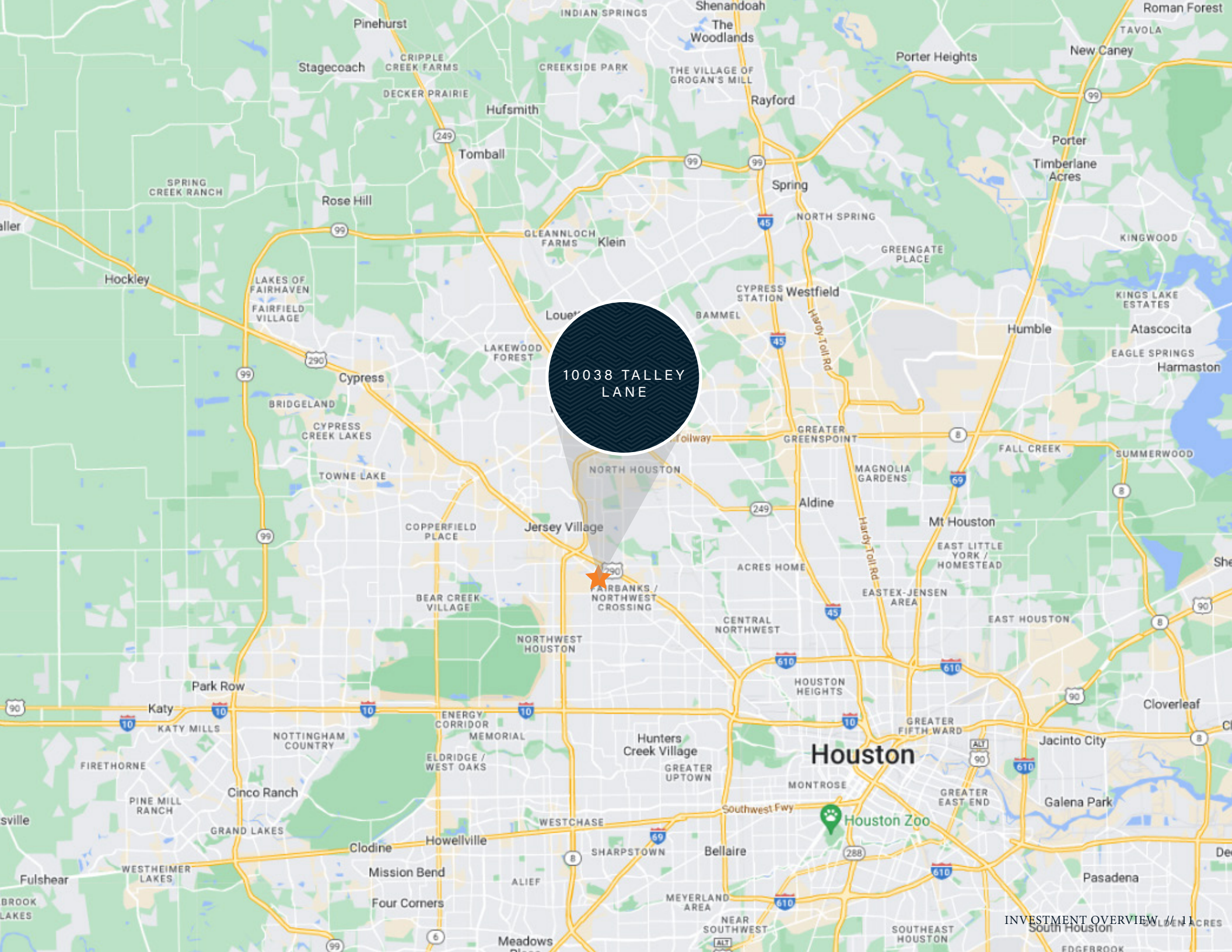


## OPERATING STATEMENT

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

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	11,852		0.84	11,852		0.84
Real Estate Taxes	26,300		1.86	27,000		1.91
Total Expenses	\$38,152		\$2.70	\$38,852		\$2.75
Expenses as % of EGR	0.0%			0.0%		
Net Operating Income	-\$38,152		(\$2.70)	-\$38,852		(\$2.75)



10038 TALLEY LANE





10038 TALLEY  
LANE







## 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

The background of the slide is a dark, blue-toned photograph of an industrial interior. It features a complex network of steel beams, pipes, and several large, dome-shaped industrial lights hanging from the ceiling. The lighting is dim, creating a moody atmosphere.

## SECTION 2

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### MARKET OVERVIEW

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# HOUSTON TEXAS

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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.



**7%**  
MANUFACTURING



**16%**  
PROFESSIONAL AND  
BUSINESS SERVICES



**14%**  
GOVERNMENT



**10%**  
LEISURE AND HOSPITALITY



**5%**  
FINANCIAL  
ACTIVITIES



**21%**  
TRADE, TRANSPORTATION,  
AND UTILITIES



**7%**  
CONSTRUCTION



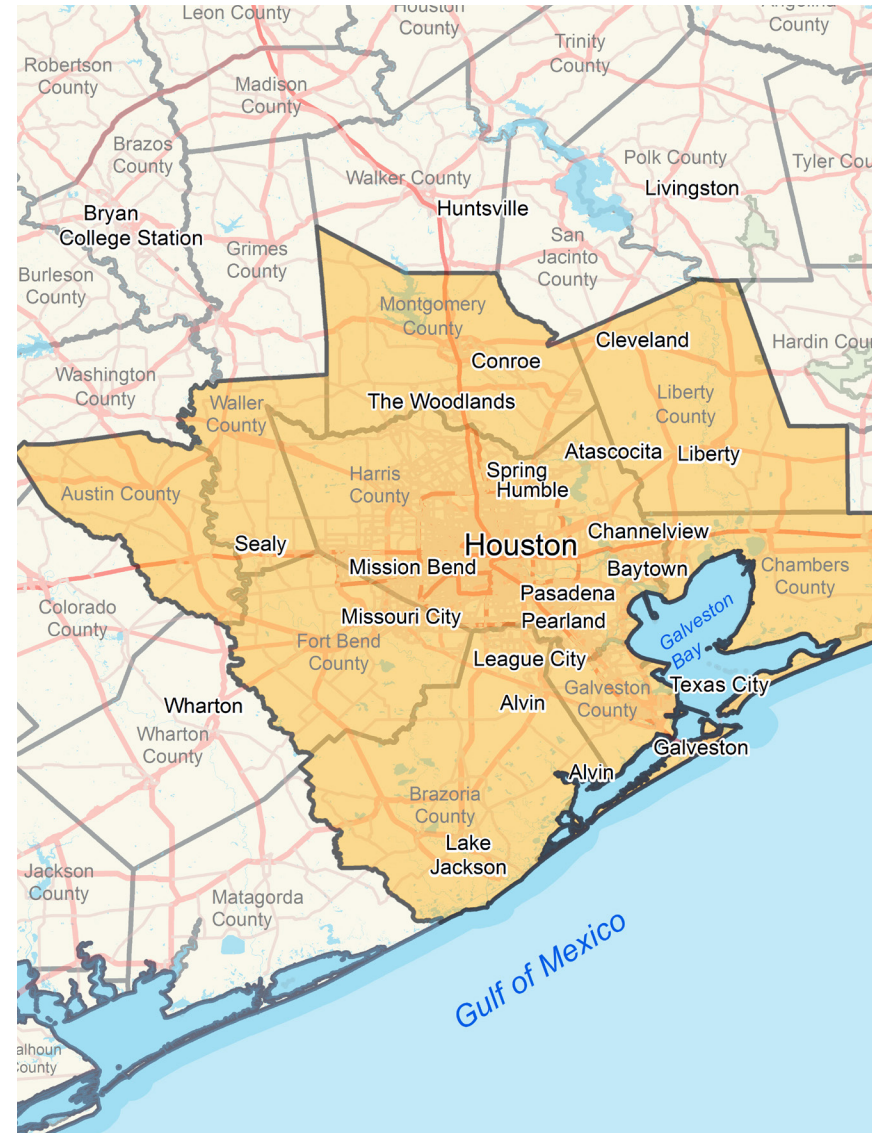
**13%**  
EDUCATION AND  
HEALTH SERVICES



**1%**  
INFORMATION



**4%**  
OTHER SERVICES

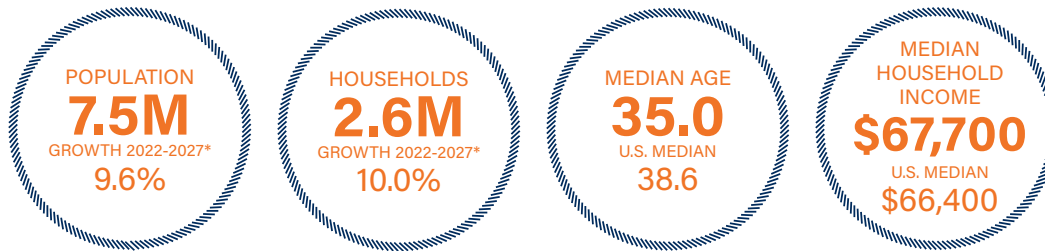




## METROPLEX GROWTH

### 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



**295,825**

Total Population  
Within 5 Miles



50.5%



49.5%



**\$83,889**

Average Household Income  
Within 5 Miles



**162,578**

Employees  
Within 1 Mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Population	3,541	90,249	312,206
<b>2023 Estimate</b>			
Total Population	3,332	86,559	295,825
<b>2020 Census</b>			
Total Population	3,216	84,044	284,716
<b>2010 Census</b>			
Total Population	3,080	79,685	269,551
<b>Daytime Population</b>			
2023 Estimate	15,763	150,875	392,159
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Households	1,070	32,775	111,617
<b>2023 Estimate</b>			
Total Households	1,001	31,198	105,113
Average (Mean) Household Size	3.1	2.8	2.8
<b>2020 Census</b>			
Total Households	963	30,269	101,424
<b>2010 Census</b>			
Total Households	872	27,558	91,696

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2023 Estimate</b>			
\$200,000 or More	1.9%	7.2%	6.5%
\$150,000-\$199,999	4.8%	7.1%	5.8%
\$100,000-\$149,999	7.3%	13.3%	12.6%
\$75,000-\$99,999	9.6%	12.4%	11.8%
\$50,000-\$74,999	17.6%	19.1%	18.1%
\$35,000-\$49,999	16.4%	13.2%	13.7%
\$25,000-\$34,999	14.3%	10.1%	10.3%
\$15,000-\$24,999	13.7%	8.6%	10.1%
Under \$15,000	14.4%	9.1%	11.0%
Average Household Income	\$56,223	\$90,327	\$83,889
Median Household Income	\$40,724	\$61,550	\$56,316
Per Capita Income	\$17,025	\$32,597	\$29,847
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2023 Estimate Total Population	3,332	86,559	295,825
Under 20	31.1%	27.7%	28.8%
20 to 34 Years	24.0%	22.2%	22.3%
35 to 39 Years	8.0%	7.3%	7.6%
40 to 49 Years	13.3%	13.1%	13.4%
50 to 64 Years	15.0%	17.3%	17.0%
Age 65+	8.7%	12.4%	10.9%
Median Age	32.0	35.1	34.3
<b>Population 25+ by Education Level</b>			
2023 Estimate Population Age 25+	2,064	57,042	191,413
Elementary (0-8)	21.5%	13.3%	14.4%
Some High School (9-11)	10.7%	8.7%	9.7%
High School Graduate (12)	31.4%	23.5%	24.5%
Some College (13-15)	17.5%	19.3%	18.2%
Associate Degree Only	4.4%	5.5%	5.6%
Bachelor's Degree Only	10.2%	21.1%	19.0%
Graduate Degree	4.3%	8.6%	8.5%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	32.0	30.0	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.

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

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date



# 10038 TALLEY LANE

## HOUSTON, TX 77041

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#### JAMES DOWLER

Associate  
Office & Industrial Division  
Houston Office  
Office (713) 452-4353  
James.Dowler@MarcusMillichap.com  
License: TX 787731

#### TYLER RANFT

Senior Associate  
Office & Industrial Division  
Austin Office  
Office (512) 338-7883  
Tyler.Ranft@MarcusMillichap.com  
License: TX 732964

### DEBT CONTACT

#### FORD ROBERTS

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

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