

Marcus & Millichap  
TAG INDUSTRIAL GROUP

3808 KNAPP ROAD

PEARLAND, TX 77581

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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  
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# 3808 KNAPP ROAD

PEARLAND, TX 77581

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**Marcus & Millichap**  
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# SECTION 1

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- Two-Building 12,319-Square-Foot Warehouse Situated on Over Three Acres
  - Featuring 14' Clear Height, Three Drive-In Doors, and Ample IOS
  - Vacant Sale Creating Owner-User or Lease-Up Opportunity
    - Close Proximity to Highway 35 and Beltway 8
    - 4.4% Vacancy Rate Among Comparable Properties

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3808 Knapp Road in Pearland, Texas. The subject property consists of approximately 12,319 square feet of warehouse space and is situated on 3.01 acres of land. The two-building asset features 3,232 square feet of office space, a clear height of 14', 41 parking spaces, three drive-in doors, metal construction and roofing, and three-phase heavy power with 208 amps. With a building coverage ratio of 9 percent, the property has ample space for industrial outdoor storage. For sale as vacant, the property can be acquired for owner use or as a lease-up investment opportunity. Located just off State Highway 35, the property has proximate access to the Texas 8 Beltway (Sam Houston Tollway).

The subject property is located in South Highway 35, a massive submarket containing 52.1 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 South Highway 35 has boosted demand for e-commerce and distribution facilities. During this time, nearly 10 million square feet of industrial space was delivered on net in South Highway 35, including an annual record of 2.9 million square feet in 2023 that is set to be surpassed in 2024. At the midway point of 2024, the vacancy rate retreated 100 basis points to 6.1 percent. Among comparable properties up to 50,000 square feet, the vacancy rate fell back to just 4.4 percent. Despite availability tightening during Q2, annual rent growth across South Highway 35 continued to slow to 2.1 percent (CoStar). While South Highway 35 will likely continue to experience volatility in the short run, the submarket's heavy exposure to the oil and gas industry makes the area a solid long-term opportunity to take advantage of a likely boom in commodities this decade.

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

### 3808 KNAPP ROAD, PEARLAND, TX 77581

Number of Suites	1
Number of Buildings	2
Total Square Feet	12,319 SF
Warehouse Square Feet	9,087 SF
Office Square Feet	3,232 SF
Office Ratio	26.24%
Year Built	1982
Lot Size	3.01 Acres
Type of Ownership	Fee Simple
Clear Height	14'
Parking Spaces	41
Parking Surface	Fortis Concrete
Building Class	C
Tenancy	Single
Drive-In Doors	3
Rail Served	None
Construction	Metal
Power	3p 208/120
Roof Type	Metal
Age/Condition of Roofs	Fair
Sprinklers	Wet
Market	TX-Houston MSA
Submarket	South Hwy 35
Market Vacancy	4.10%
Assessed Value	\$604,750



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**3808 KNAPP ROAD**

PEARLAND, TX 77581

OFFERING PRICE  
**\$1,750,000**

PRO FORMA CAP RATE  
**10.29%**

Offering Price	\$1,750,000
Pro Forma Cap Rate	10.29%
Price/SF	\$142.06
Total Square Feet	12,319
Rental Rate	\$14.61
Tenancy	Owner-User
Occupancy	Vacant

**FINANCING**

Loan Amount	\$1,137,500
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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# RENT ROLL

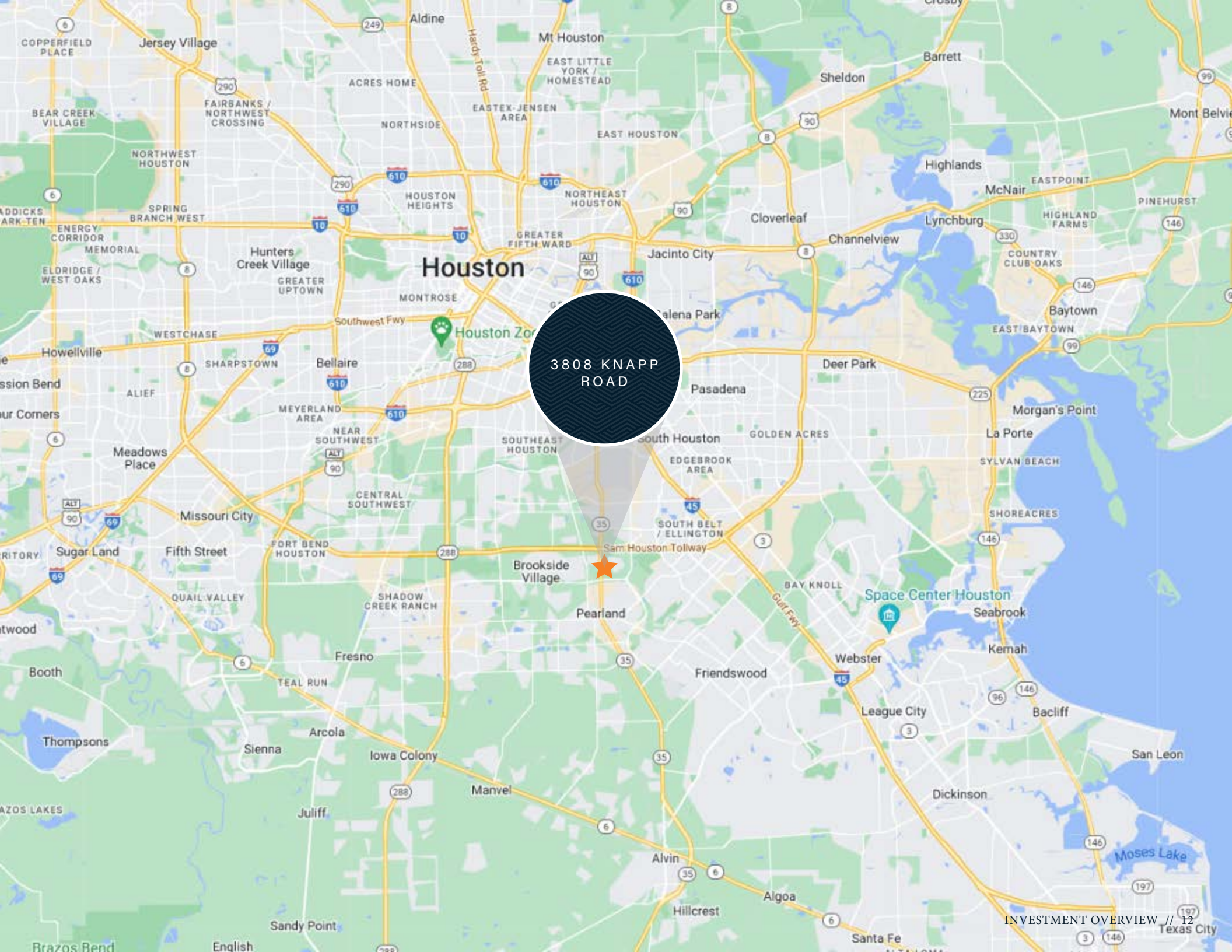
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
				Comm.	Exp.					
Tenant 1	A	12,319	100.0%	Vacant	Vacant	\$14.61	\$15,000	\$180,000	\$180,000	NNN
Total		12,319				\$14.61	\$15,000	\$180,000	\$180,000	
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%		
Total Current Rents: \$15,000						Occupied Current Rents: \$15,000		Unoccupied Current Rents: \$0		

## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	180,000		14.61	180,000		14.61
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	21,875		1.78	21,875		1.78
Real Estate Taxes	21,125		1.71	23,000		1.87
Total Reimbursement Income	\$43,000	100.0%	\$3.49	\$44,875	100.0%	\$3.64
Effective Gross Revenue	\$223,000		\$18.10	\$224,875		\$18.25

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	21,875		1.78	21,875		1.78
Real Estate Taxes	21,125		1.71	23,000		1.87
Total Expenses	\$43,000		\$3.49	\$44,875		\$3.64
Expenses as % of EGR	19.3%			20.0%		
Net Operating Income	\$180,000		\$14.61	\$180,000		\$14.61



3808 KNAPP  
ROAD





3808 KNAPP  
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## 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

Marcus & Millichap



# 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



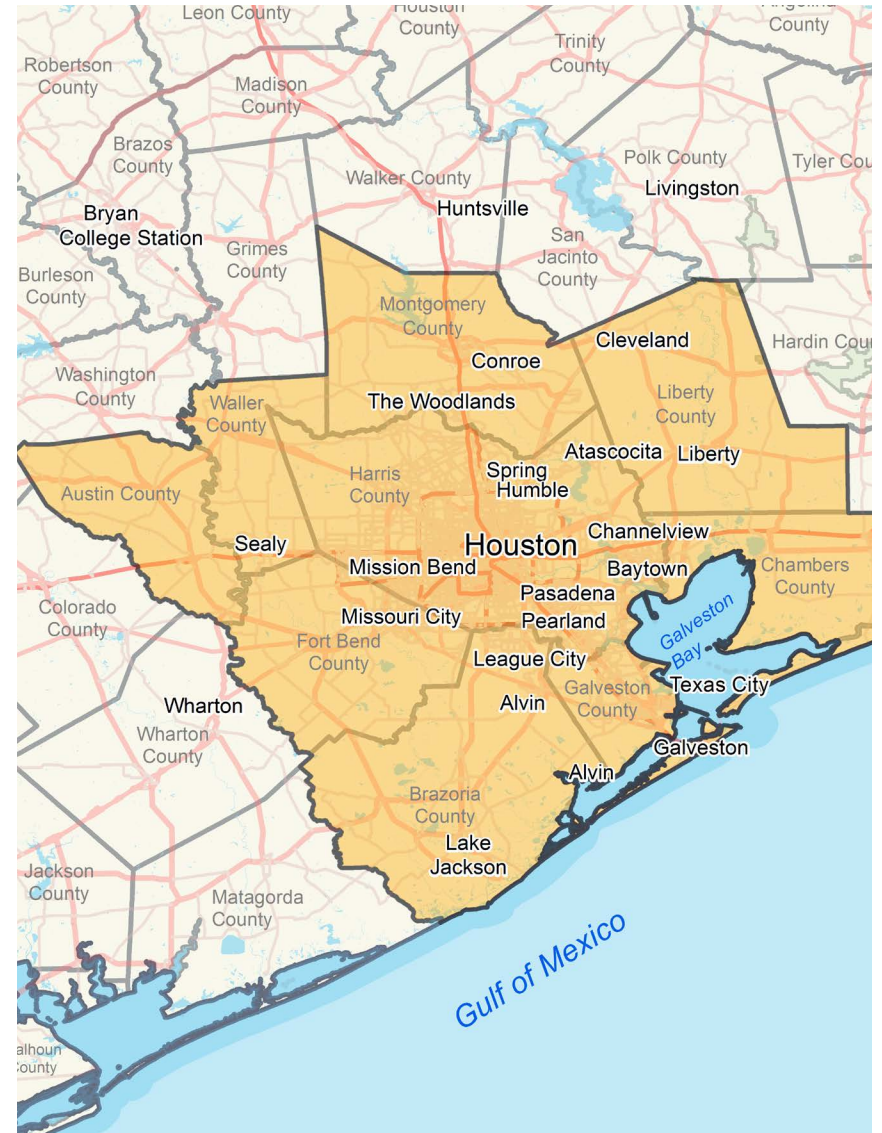
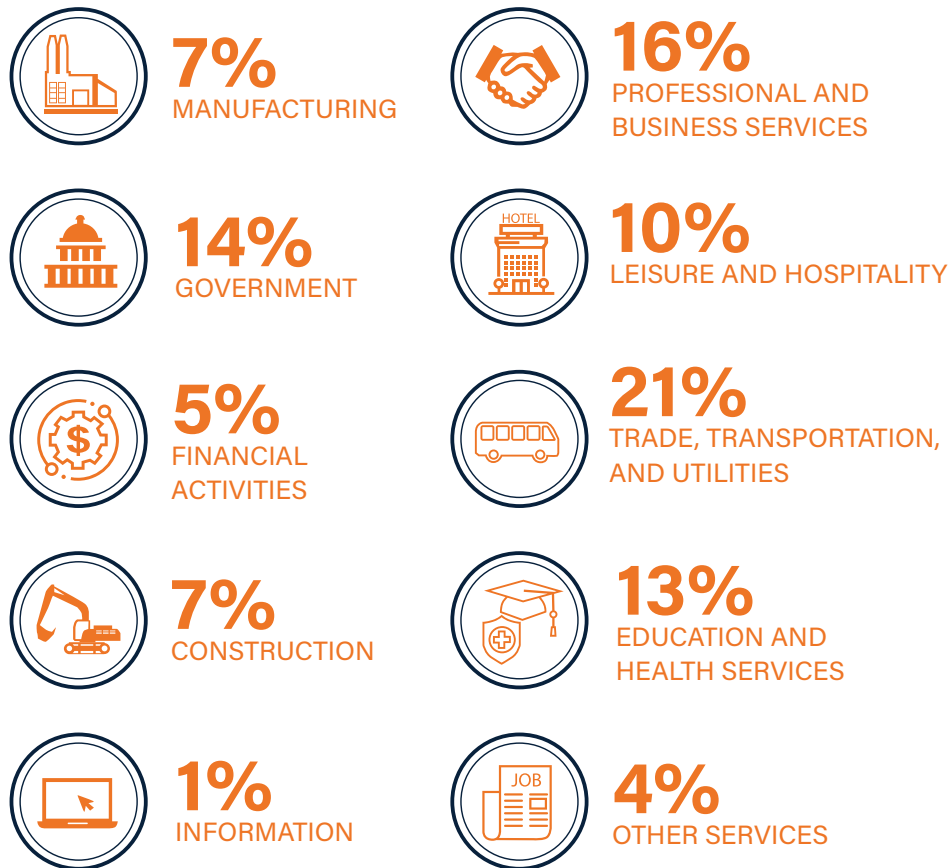
HIGHER  
EDUCATION



# METROPLEX GROWTH

## ECONOMY

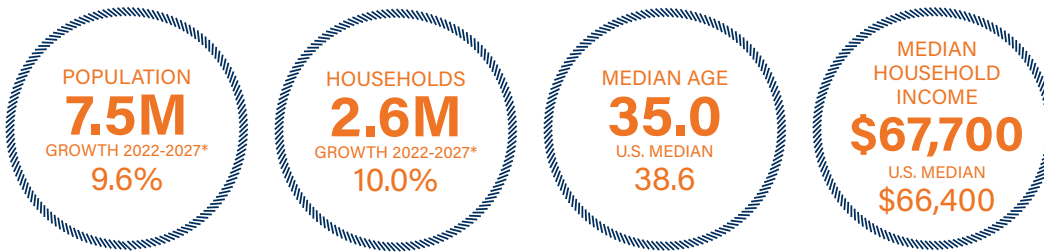
The economy is diversifying to include biotechnology, distribution, nanotechnology and logistics. The metro remains the center of energy production. Local product manufacturing is a large segment of the economy and includes paper, electrical and electronic machinery, iron, steel and petrochemicals. Health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



## 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



**219,617**

Total Population  
Within 5 Miles



49.0%



51.0%



**\$93,762**

Average Household Income  
Within 5 Miles



**115,984**

Employees  
Within 1 Mile

# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Population	4,738	79,021	233,366
<b>2023 Estimate</b>			
Total Population	4,503	73,471	219,617
<b>2020 Census</b>			
Total Population	3,896	71,316	214,630
<b>2010 Census</b>			
Total Population	2,657	58,309	186,764
<b>Daytime Population</b>			
2023 Estimate	6,189	55,551	186,616
<b>HOUSEHOLDS</b>			
<b>2028 Projection</b>			
Total Households	1,465	26,072	79,927
<b>2023 Estimate</b>			
Total Households	1,374	24,133	74,908
Average (Mean) Household Size	3.1	3.1	3.0
<b>2020 Census</b>			
Total Households	1,313	22,924	71,846
<b>2010 Census</b>			
Total Households	896	18,527	61,695

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2023 Estimate</b>			
\$200,000 or More	11.0%	6.1%	6.0%
\$150,000-\$199,999	12.0%	9.3%	8.5%
\$100,000-\$149,999	20.9%	19.7%	18.1%
\$75,000-\$99,999	16.1%	16.8%	15.2%
\$50,000-\$74,999	16.1%	19.5%	19.1%
\$35,000-\$49,999	8.8%	10.0%	10.8%
\$25,000-\$34,999	4.7%	6.5%	7.7%
\$15,000-\$24,999	7.2%	7.1%	7.7%
Under \$15,000	3.3%	5.0%	7.0%
Average Household Income	\$111,845	\$97,569	\$93,762
Median Household Income	\$90,193	\$77,677	\$71,792
Per Capita Income	\$34,119	\$32,070	\$32,004
<b>POPULATION PROFILE</b>			
<b>Population By Age</b>			
2023 Estimate Total Population	4,503	73,471	219,617
Under 20	31.3%	30.9%	30.7%
20 to 34 Years	17.9%	20.3%	20.9%
35 to 39 Years	8.3%	8.2%	7.8%
40 to 49 Years	14.8%	13.9%	13.5%
50 to 64 Years	16.0%	15.9%	15.8%
Age 65+	11.7%	10.8%	11.3%
Median Age	35.5	34.2	34.0
<b>Population 25+ by Education Level</b>			
2023 Estimate Population Age 25+	2,842	46,173	138,233
Elementary (0-8)	3.9%	8.8%	8.8%
Some High School (9-11)	4.5%	7.6%	8.1%
High School Graduate (12)	22.4%	27.1%	26.4%
Some College (13-15)	24.4%	24.0%	23.6%
Associate Degree Only	9.6%	7.7%	7.5%
Bachelor's Degree Only	25.3%	17.0%	17.1%
Graduate Degree	9.9%	7.8%	8.5%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	32.0	32.0	32.0



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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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Sales Agent/Associate's Name	License No.	Email	Phone

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

\_\_\_\_\_  
Date

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PEARLAND, TX 77581

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