



Marcus & Millichap

OFFERING OVERVIEW

SERVICE KING

NEW 2021 CONSTRUCTION

20 YEAR ABSOLUTE NNN LEASE

OFFERING PRICE

\$6,595,000

CAP RATE

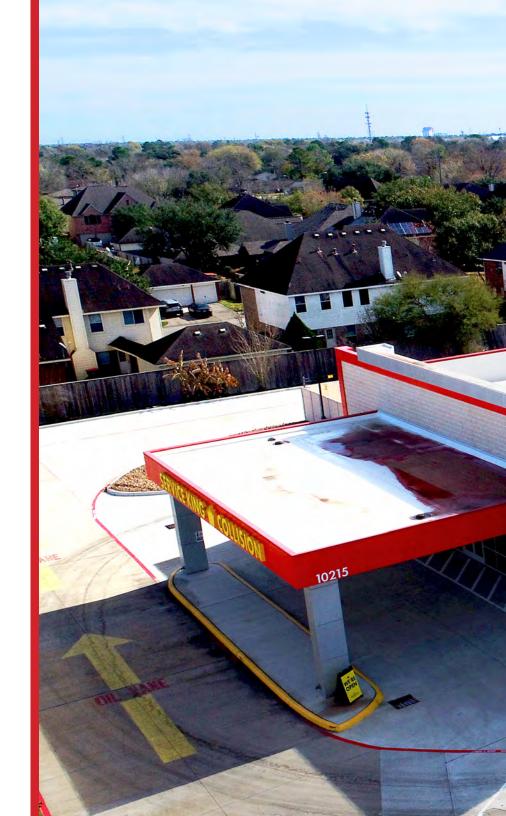
5.20%

ANNUAL RENT

\$342,863

PROPERTY DETAILS

Property Address	10215 SOUTH TEXAS 6 SUGAR LAND, TX 77498
Year Built	2021
Gross Leasable Area	13,750 SF
Lot Size	1.87 Acres
Type of Ownership	Fee Simple
APN	4279-00-001-0031-907
Zoning	C-1













Service King Collision®, which is now celebrating 45 years of experience in the automotive repair industry, is a leading national operator of comprehensive, high-quality auto body collision repair facilities. The organization is consistently recognized for its commitment to customer satisfaction, quality workmanship and giving back to the industry through innovative training and recruiting initiatives. Service King traces its roots back to Dallas, Texas and founder Eddie Lennox who opened the very first Service King in 1976. Today, Service King operates locations in 24 states and the District of Columbia across the U.S.

"What better way to celebrate our 45th anniversary than to introduce the Service King promise to the Sugar Land community," said Service King President Jeff McFadden. "First established in Dallas, the company stands proud in our Texas roots and looks forward to serving our customers and carriers in expanded areas across our home state."

"Service King provides free online photo estimates as well as convenient rental options and towing arrangements. Undergoing a rigorous quality control inspection, the safety and satisfaction of each repair is Service King's top priority. Like all Service King shops, the Sugar Land location will also offer a lifetime guarantee on all repairs. The company's certified technicians are designated I-CAR Gold Class to ensure all vehicles are returned to pre-accident condition. When Sugar Land's new collision repair facility opens, it will mark the 28th Service King in Houston and 96th in Texas, with more than 300 locations systemwide."



INVESTMENT HIGHLIGHTS

20-YEAR ABSOLUTE NNN LEASE

Absolute ease of ownership with zero landlord responsibilities associated with the 20 year absolute triple net lease that expires in May 2041.

NEW 2021 BUILT-TO-SUIT CONSTRUCTION

High-quality Service King featuring new prototype building design featuring custom specifications tailored to their customer's needs and extra efficiency.

HIGHLY SOUGHT-AFTER SUGAR LAND LOCATION

Extremely low sub-market vacancy of 3.6% combined with high barriers to entry for new development as well as excellent demographics and high quality of life.

EXCELLENT HEDGE AGAINST INFLATION

10% rental increases every five years, including in the option periods.

CORPORATELY GUARANTEED Service King is privately owned by majority partner Blackstone, one of the world's largest alternative investment firms with over \$731 Billion assets under management (AUM), and minority partner The Carlyle Group with \$293 Billion AUM.

MAXIMUM VISIBILITY ALONG HIGHWAY 6 Roughly

275 feet of direct frontage along South Texas 6 Highway with average daily traffic counts exceeding 49,000 vehicles.





LEASE SUMMARY

SERVICE KING COLLISION REPAIR CENTER

Tenant	Service King Paint & Body , LLC
Guarantor	Corporate Guarantee
Lease Type	Absolute NNN
Lease Commencement	4/19/2021
Lease Expiration	4/30/2041
Lease Term	20 Years
Rent Increases	10% Increases Every 5 Years
Renewal Options	Four 5-Year Options w/ 10% Increases
Landlord Responsibility	Zero Landlord Responsibilities
Right of First Refusal	No

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	CAP RATE
CURRENT	\$342,863	\$28,572	5.20%
5/1/2026	\$377,150	\$31,429	5.72%
5/1/2031	\$414,865	\$34,572	6.29%
5/1/2036	\$456,351	\$38,029	6.92%
5/1/2041 (1st Option)	\$501,986	\$41,832	7.61%
5/1/2046 (2nd Option)	\$552,185	\$46,015	8.37%
5/1/2051 (3rd Option)	\$607,403	\$50,617	9.21%
5/1/2056 (4th Option)	\$668,144	\$55,679	10.13%

FINANCIAL SUMMARY

OFFERING SUMMARY

Purchase Price	\$6,595,000
Capitalization Rate	5.20%
Year Built	2021

OPERATING INFORMATION

Current Net Operating Income	\$342,863
Rent PSF	\$24.94
Gross Leasable Area	13,750 SF

FINANCING QUOTE

New Acquisition Financing	\$3,957,000
Loan To Value	60.00%
Interest Rate	3.75%
Amortization Period	30 Years
Loan Constant	5.56%
Annual Debt Service Payment	\$219,906
Year 1 Debt Service Coverage	1.56
Year1Debt Yield	8.66%
Net Cash Flow After Debt Service	\$122,958

For Additional Financing Information contact Nick Gray: Nick.Gray@MarcusMillichap.com or (702) 215-7144



ABOUT THE TENANT

OUR MISSION: Service King strives to be the collision repair operator of choice by providing a secure, fulfilling workplace that motivates our teammates to deliver safe, superior repairs with excellent customer service while ensuring sustainable, profitable growth and opportunity.

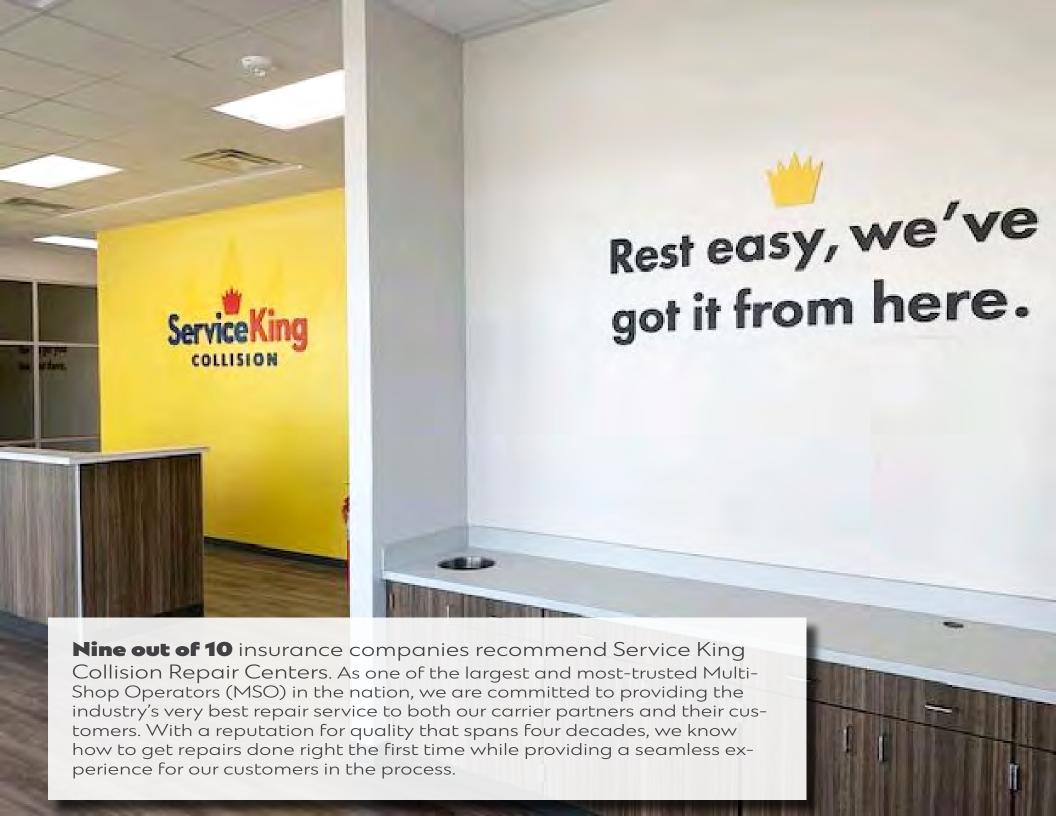
Service King Collision Repair is a national leader in collision repair and offers high-quality repairs with a lifetime warranty, free professional estimates, rental options and coordination through Enterprise Car Rentals. Service King also works collaboratively with all major insurance partners to streamline the auto body repair process.

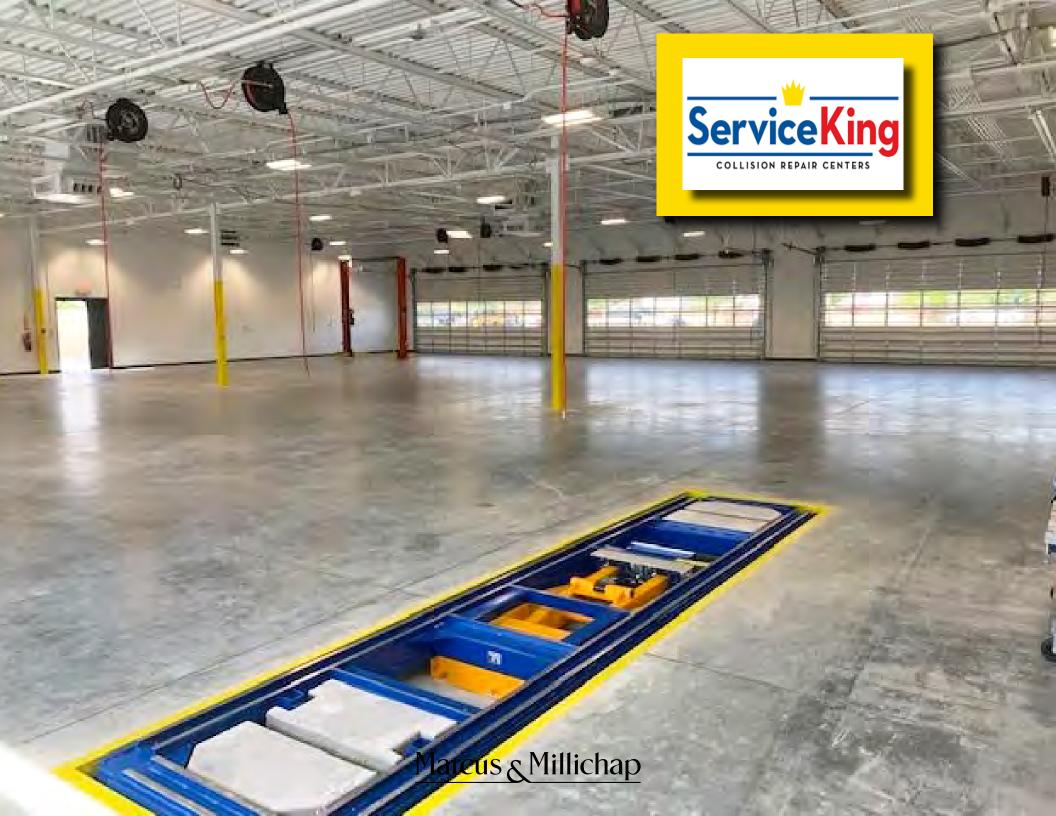
Service King currently has 335 locations in 24 states with plans to continue growing. In 2011, Service King acquired Alamo Body and Paint and its eight San Antonio locations, positioning the company as the largest independently and teammate-owned collision repair organization in the U.S. with 42 locations across the state of Texas. In 2012, global asset manager The Carlyle Group closed on its acquisition of majority ownership of Service King Collision Repair Centers. In 2014, after Service King nearly tripled its revenue over a two-year period, premier global investment and advisory firm, Blackstone, purchased majority ownership of the company. The Carlyle Group remains a minor investor as do Service King internal shareholders. Also in 2014, Service King acquired Sterling Auto Body Centers and its 62 collision repair centers across 16 states in the U.S. The deal marked the largest acquisition in collision repair industry history establishing the national footprint and future strategy for growth. In 2015, Service King surpassed \$1 billion in annual revenue.





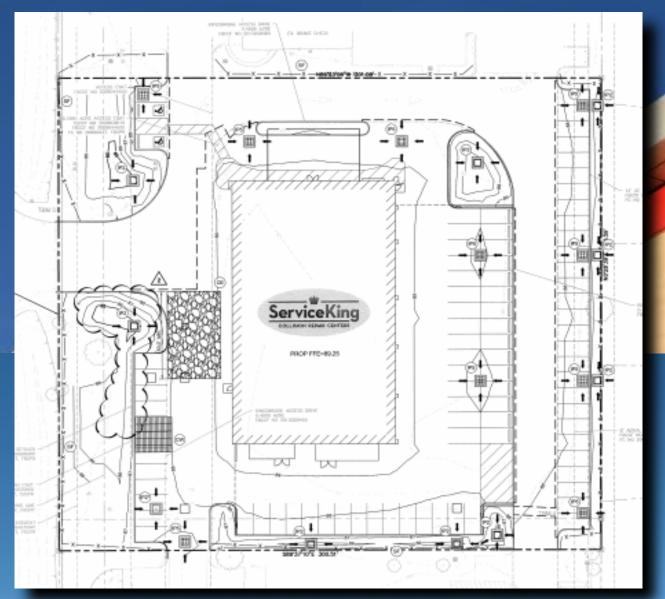
PROGRAM THAT MERGES MODERN FINISHES INTO AN ADVANCED AUTO INDUSTRY ENVIRONMENT. IN ADDITION TO NEW CAR-O-LINER FRAME RACK SYSTEMS AND A FULLY AIR-CONDITIONED SHOP, THE FACILITY WILL HAVE HVAC SYSTEMS THAT HELP MINIMIZE ITS CARBON FOOTPRINT THROUGH OPTIMIZED PERFORMANCE. THE SHOP'S SPACIOUS DRIVE-UNDER CANOPIES ARE ANOTHER DISTINGUISHING CHARACTERISTIC, WHICH PROVIDES AN INDICATION OF CUSTOMER CONVENIENCE, CONFIDENCE AND TRUST AS SOON AS THE CUSTOMER ARRIVES.









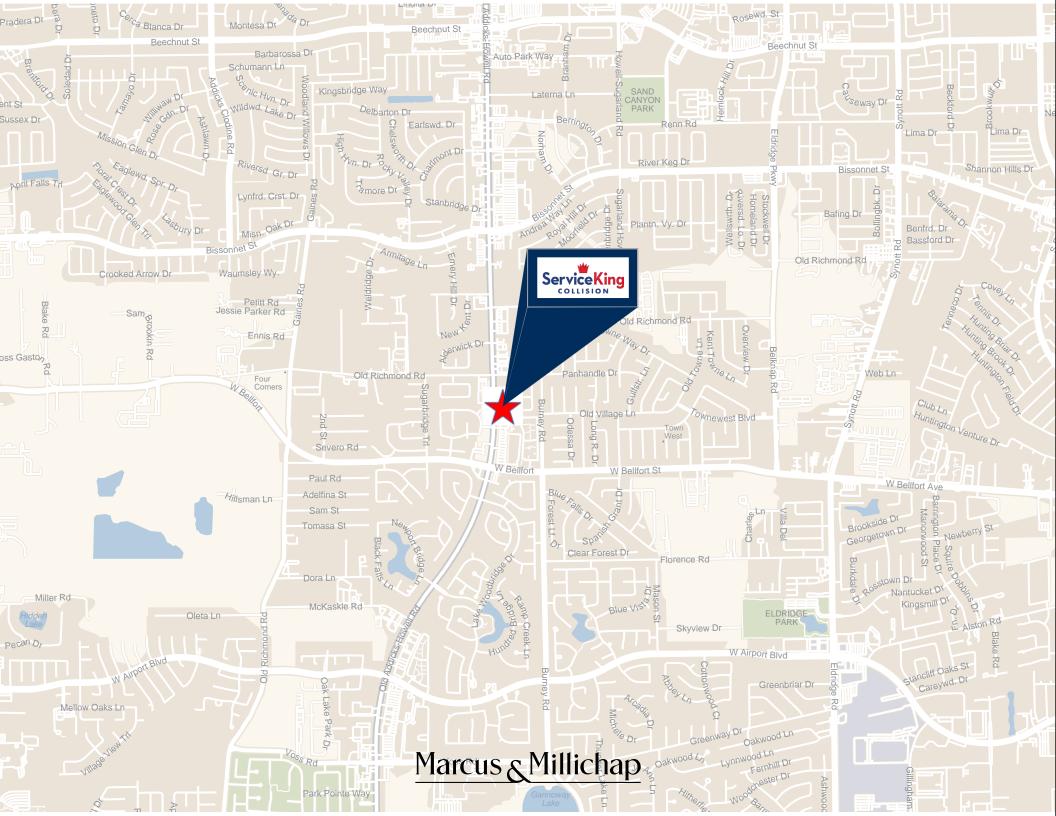


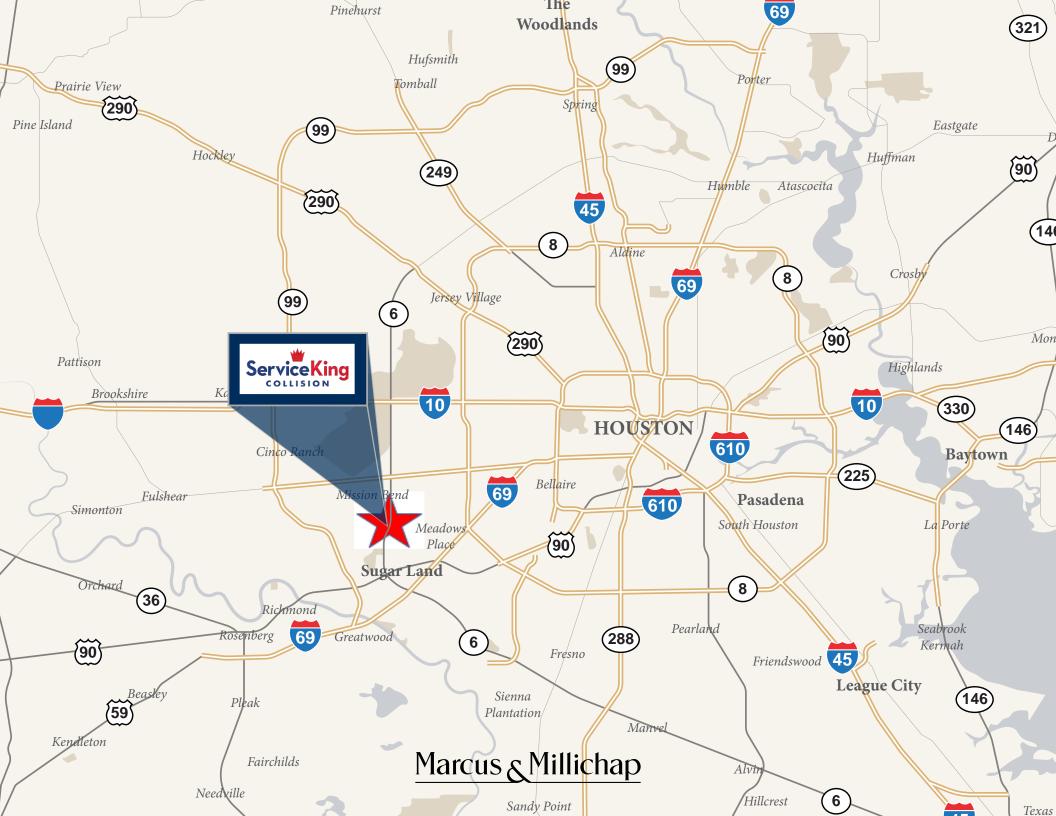


SERVICE KING - COLLISION

Marcus & Millichap







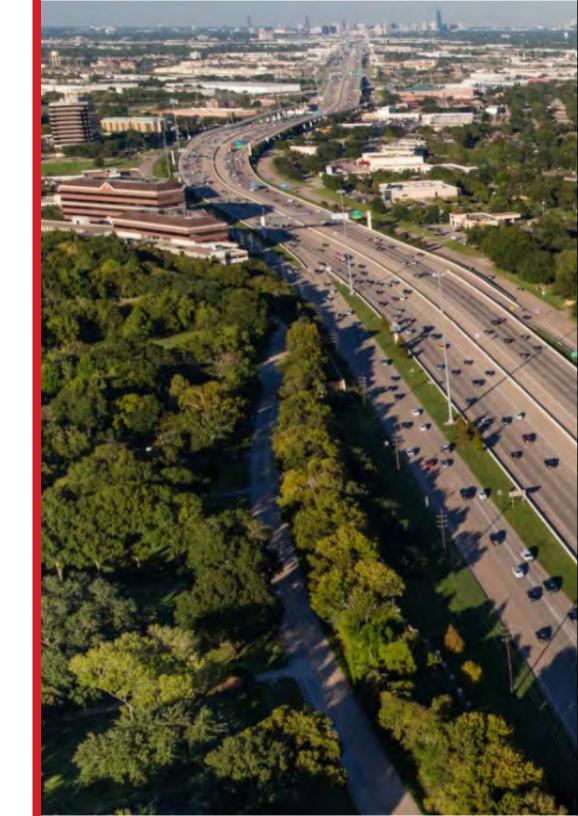
SUGAR LAND, TX: From major corporate headquarters to beautiful master-planned communities surrounded by water, world-class entertainment venue, to high end shopping and dining experiences, recreational opportunities, and historical centers, Sugar Land, Texas has it all!

Sugar Land began in the mid 1880's as a southern plantation growing cotton, sugar and corn that eventually grew into the Imperial Sugar Company. Today, we've become a world class city within the Houston metro area. Why do business in the Houston region you may ask? In Sugar Land, there is a diverse and healthy business mix, ranging from internationally-owned businesses and headquarter operations, to a strong medical cluster, pharmaceutical, technology, light manufacturing, warehouse distribution, insurance and financial firms. Sugar Land economic development has progressed since the 19th century and there is only a future of developments to come.

Sugar Land named one of America's best small cities in new study: Sugar Land was ranked one of the best small cities in America in a recent study from personal finance site WalletHub. Sugar Land ended up in the top ten, ranking fifth.

Voted the best suburb of Houston.

Sugar Land had the lowest crime rate ever reported in 2020.





DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	20,348	164,450	376,838
2021 Estimate			
Total Population	19,263	154,827	351,120
2010 Census			
Total Population	17,310	137,119	304,771
2000 Census			
Total Population	9,078	95,700	232,530
Daytime Population			
2021 Estimate	10,756	125,650	316,548
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	5,843	50,234	121,608
2021 Estimate			
Total Households	5,535	47,031	112,966
Average (Mean) Household Size	3.5	3.3	3.1
2010 Census			
Total Households	4,925	40,862	96,568
2000 Census			
Total Households	2,668	29,310	75,696
Occupied Units			
2026 Projection	5,904	52,258	129,784
2021 Estimate	5,608	48,944	120,699
HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$150,000 or More	17.1%	13.2%	12.7%
\$100,000-\$149,999	20.6%	17.8%	14.8%
\$75,000-\$99,999	13.1%	13.4%	12.1%
\$50,000-\$74,999	18.6%	19.5%	18.8%
\$35,000-\$49,999	12.0%	13.4%	14.0%
Under \$35,000	18.7%	22.6%	27.6%
Average Household Income	\$104,243	\$92,695	\$87,725
Median Household Income	\$76,237	\$67,217	\$60,405
Per Capita Income	\$29,955	\$28,194	\$28,293

Total Average Household Retail Expenditure State State		4) (1)		- > 40
Consumer Expenditure Top 10 Categories Housing \$19,597 \$18,839 \$17,998 Transportation \$10,200 \$9,954 \$9,527 Food \$7,748 \$7,585 \$7,222 Personal Insurance and Pensions \$6,349 \$6,106 \$5,784 Entertainment \$5,293 \$5,392 \$4,742 Healthcare \$5,026 \$4,942 \$4,692 Cash Contributions \$1,566 \$1,597 \$1,496 Apparel \$1,368 \$1,350 \$1,303 Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29,4% 29,1% 20 to 34 Years 19,9% 20.0% 21,1% 35 to 39 Years 7,4% 7,3% 7,7% 40 to 49 Years 15,0% 14,3% 14,1%	HOUSEHOLDS BY EXPENDITURE	1 Mile	3 Miles	5 Miles
Housing \$19,597 \$18,839 \$17,998	<u> </u>	\$121,822	\$118,852	\$112,333
Transportation \$10,200 \$9,954 \$9,527 Food \$7,748 \$7,585 \$7,222 Personal Insurance and Pensions \$6,349 \$6,106 \$5,784 Entertainment \$5,293 \$5,392 \$4,742 Healthcare \$5,026 \$4,942 \$4,692 Cash Contributions \$1,566 \$1,597 \$1,496 Apparel \$1,368 \$1,350 \$1,303 Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8%				
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Healthcare \$5,026 \$4,942 \$4,692 Cash Contributions \$1,566 \$1,597 \$1,496 Apparel \$1,368 \$1,350 \$1,303 Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 5 Miles 5 Miles 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6%	Personal Insurance and Pensions			
Cash Contributions \$1,566 \$1,597 \$1,496 Apparel \$1,368 \$1,350 \$1,303 Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5%	Entertainment	\$5,293	\$5,392	\$4,742
Apparel \$1,368 \$1,350 \$1,303 Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 1 Mile 3 Miles 5 Miles Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29,4% 29,1% 20 to 34 Years 19,9% 20.0% 21,1% 35 to 39 Years 7,4% 7,3% 7,7% 40 to 49 Years 15.0% 14,3% 14,1% 50 to 64 Years 17,7% 18.5% 17,4% Age 65+ 9,8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5%	Healthcare	\$5,026	\$4,942	\$4,692
Gifts \$1,310 \$1,231 \$1,115 Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% <td>Cash Contributions</td> <td>\$1,566</td> <td>\$1,597</td> <td>\$1,496</td>	Cash Contributions	\$1,566	\$1,597	\$1,496
Education \$1,141 \$1,041 \$935 POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6%	Apparel	\$1,368	\$1,350	\$1,303
POPULATION PROFILE 1 Mile 3 Miles 5 Miles Population By Age 30.1% 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	Gifts	\$1,310	\$1,231	\$1,115
Population By Age 2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	Education	\$1,141	\$1,041	\$935
2021 Estimate Total Population 19,263 154,827 351,120 Under 20 30.1% 29.4% 29.1% 20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	POPULATION PROFILE	1 Mile	3 Miles	5 Miles
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20 to 34 Years 19.9% 20.0% 21.1% 35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	2021 Estimate Total Population	19,263	154,827	351,120
35 to 39 Years 7.4% 7.3% 7.7% 40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	Under 20	30.1%	29.4%	29.1%
40 to 49 Years 15.0% 14.3% 14.1% 50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	20 to 34 Years	19.9%	20.0%	21.1%
50 to 64 Years 17.7% 18.5% 17.4% Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	35 to 39 Years	7.4%	7.3%	7.7%
Age 65+ 9.8% 10.6% 10.6% Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	40 to 49 Years	15.0%	14.3%	14.1%
Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	50 to 64 Years	17.7%	18.5%	17.4%
Median Age 35.0 35.4 34.9 Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	Age 65+	9.8%	10.6%	10.6%
Population 25+ by Education Level 2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%		35.0	35.4	34.9
2021 Estimate Population Age 25+ 12,129 98,781 225,710 Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	Population 25+ by Education Level			
Elementary (0-8) 10.6% 9.7% 10.4% Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	· · · · · · · · · · · · · · · · · · ·	12,129	98,781	225,710
Some High School (9-11) 6.8% 7.0% 7.5% High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%		10.6%	9.7%	10.4%
High School Graduate (12) 22.5% 23.9% 23.6% Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%		6.8%	7.0%	7.5%
Some College (13-15) 20.3% 22.3% 21.3% Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%	9	22.5%	23.9%	23.6%
Associate Degree Only 7.0% 7.6% 6.6% Bachelor's Degree Only 20.5% 20.2% 20.3%			22.3%	
Bachelor's Degree Only 20.5% 20.2% 20.3%	9 1 1	7.0%	7.6%	6.6%
5 '	,		20.2%	
	5 ,	12.3%	9.5%	10.2%



POPULATION

In 2021, the population in your selected geography is 351,120. The population has changed by 51.0 percent since 2000. It is estimated that the population in your area will be 376,838 five years from now, which represents a change of 7.3 percent from the current year. The current population is 48.9 percent male and 51.1 percent female. The median age of the population in your area is 34.9, compared with the U.S. average, which is 38.4. The population density in your area is 4,474 people per square mile.



EMPLOYMENT

In 2021, 190,193 people in your selected area were employed. The 2000 Census revealed that 69.8 percent of employees are in white-collar occupations in this geography, and 30.2 percent are in blue-collar occupations. In 2021, unemployment in this area was 8.0 percent. In 2000, the average time traveled to work was 30.9 minutes.



HOUSEHOLDS

There are currently 112,966 households in your selected geography. The number of households has changed by 49.2 percent since 2000. It is estimated that the number of households in your area will be 121,608 five years from now, which represents a change of 7.7 percent from the current year. The average household size in your area is 3.1 people.



HOUSING

The median housing value in your area was \$186,739 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 45,566 owner-occupied housing units and 30,130 renter-occupied housing units in your area. The median rent at the time was \$575.



INCOME

In 2021, the median household income for your selected geography is \$60,405, compared with the U.S. average, which is currently

\$65,694. The median household income for your area has changed by 26.2 percent since 2000. It is estimated that the median household income in your area will be \$64,007 five years from now, which represents a change of 6.0 percent from the current year.

The current year per capita income in your area is \$28,293, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$87,725, compared with the U.S. average, which is \$94,822.



EDUCATION

The selected area in 2021 had a lower level of educational attainment when compared with the U.S averages. Only 10.2 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.0 percent, and 20.3 percent completed a bachelor's degree, compared with the national average of 19.5 percent.

The number of area residents with an associate degree was lower than the nation's at 6.6 percent vs. 8.3 percent, respectively.

The area had fewer high-school graduates, 23.6 percent vs. 27.2 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 21.3 percent in the selected area compared with the 20.5 percent in the U.S.

MARKET OVERVIEW

HOUSTON

As the fifth most populous metro area in the U.S., Houston houses more than 7.1 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 healthcare. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west.

METRO HIGHLIGHTS



CORPORATE GROWTH

Houston will remain a top destination for corporate relocations due to its business-friendly environment. More than 20 Fortune 500 companies are headquartered in the metro.



HIGHER EDUCATION

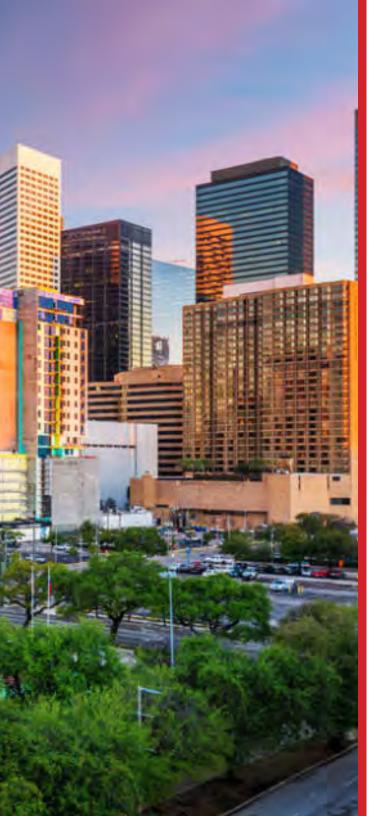
Over 40 post-secondary educational institutions are in the metro. Roughly 32 percent of citizens age 25 and older have a bachelor's degree, with 11 percent also holding a graduate or professional degree.



LOW COST OF LIVING, DOING BUSINESS

Houston has a lower cost of living than many major metros, no state income tax and a median home price below the national level





- The Houston metro is expected to add 720,700 people through 2025, translating to the formation of roughly 263,600 households, generating demand for housing.
- The homeownership rate of 61 percent slightly trails the national rate of 64 percent. The median home price of roughly \$282,000 is \$40,000 below the U.S. average.
- The metro's median household income exceeds \$68,000, surpassing the national rate by roughly \$5,000.

2020 Population by Age

 7%
 22%
 6%
 29%
 24%
 11%

 0-4 YEARS
 5-19 YEARS
 20-24 YEARS
 25-44 YEARS
 45-64 YEARS
 65+ YEARS





2020 MEDIAN AGE 34.6 U.S. Median 38.2 2020 MEDIAN HOUSEHOLD INCOME \$68,000 U.S. Median \$63,000

QUALITY OF LIFE

The metro'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, as well as more than 500 local parks and open spaces and various cultural venues and museums. Johnson Space Center is a popular tourist and educational destination. The metro is also known internationally for its medical community and is home to the 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.

* Forecast

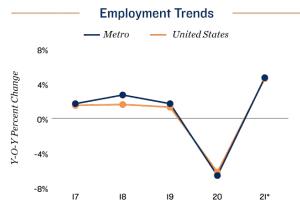
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

HOUSTON METRO AREA

Market Resilience Evident Once Again in Houston; Subdued Development Favorable for the Rebound

Vacancy seemingly hit a ceiling last year, now easing. The retail sector in Houston has displayed resilience time after time, in spite of natural disasters, energy industry downturns and now the COVID-19 pandemic. Availability in the metro has not topped 7.0 percent in any quarter dating back to 2012, a trend sustained during the health crisis. While vacancy soared by 100 basis points during the first nine months of a challenging 2020 to 6.8 percent, the rate subsequently moderated to 6.5 percent by the second quarter of 2021. Rent growth has been consistently strong as well. The average asking rate advanced by more than 3 percent during the 12-month period ended in June, on par with the consecutive 3.6 percent gains that occurred in each of the prior four-quarter spans. Fundamentals are supported by retailer demand that stems from a promising demographic outlook, with in-migration driving household creation and spending.

Small pipeline, strong pre-leasing to aid recovery. Less space was finalized during the January through June period of this year than in any first half since 2012. The slower pace of construction will continue, with 2021 completions projected to be the lowest in 10 years. Additionally, about 60 percent of the square footage scheduled for second half delivery had commitments in place as of July. Nevertheless, the most vacant of the 10 largest submarkets by inventory, Northwest Houston, will add more than 600,000 square feet in 2021. This may stunt the local recovery; however, vacancy here is on a downward trajectory so far in 2021.



*Forecast Sources: BLS; CoStar Group, Inc.

Retail 2021 Outlook

139,000





EMPLOYMENT:

Entering August, unemployment stood at 7.1 percent, the highest among the four major Texas markets and 170 basis points above the national rate. Conditions will improve in the second half, though, bringing the annual growth to 4.7 percent in 2021.

2,750,000 SO.FT.

will be completed



CONSTRUCTION:

Houston's pace of additions will decline dramatically, with builders finalizing less than 3 million square feet for the first time in eight years. Market inventory will expand by 0.8 percent, compared with expansions larger than 1.5 percent in both 2019 and 2020.

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BASIS POINT decrease in vacancy



VACANCY:

As a product of fewer deliveries amid stronger demand for retail space, the vacancy rate will end this year a tick below 2020, at 6.5 percent. Net absorption is expected to outpace completions in 2021, which has not occurred in any of the past four years.

3.3% INCREASE in asking rent



RENTS: For the sixth time in the last seven years, annual rent growth in Houston will exceed 3 percent, reaching an average asking rate of \$19.00 per square foot in 2021. By the end of this year, rent will have risen by 12 percent since the beginning of 2019.

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.
- Healthcare is gaining economic prominence. Specialized medical education and training institutions boost the local 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.

MAJOR AREA EMPLOYERS
Memorial Hermann Health System
University of Houston
The Kroger Co.
Exxon Mobil Corp.
Shell Oil Co.
Houston Methodist Hospital
United Airlines
Walmart
CHI St. Luke's Health
Hewlett Packard Enterprise





SHARE OF 2020 TOTAL EMPLOYMENT





















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