



OFFERING MEMORANDUM



UNITED RENTALS
BAYTOWN, TX (HOUSTON MSA)

Marcus & Millichap
THE SULO GROUP



Subject Property



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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

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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INFORMATION ABOUT BROKERAGE SERVICES



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.

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.

UNITED RENTALS

7840 Highway 146 South
Baytown, TX 77523

FINANCIAL SUMMARY

Price	\$3,100,000
Cap Rate	7.11%
Net Operating Income	\$220,419
Building Sq Ft	9,800 Sq Ft
Year Built	2008
Lot Size	+/- 2.79 Acres

LEASE SUMMARY

Lease Type	Double Net
Tenant	United Rentals
Guarantor	Corporate
Roof and Structure	Landlord Responsible
Primary Term	5 Year
Lease Commencement Date	4/1/2009
Rent Commencement Date	4/1/2019
Lease Expiration Date	3/31/2024
Term Remaining	4+ Years
Rental Increases	Yes
Renewal Options	One, Five-Year

OPERATING DATA

Lease Years		Annual Rent	Cap Rate
2		\$220,419	7.11%
3		CPI	CPI
4		CPI	CPI
5		CPI	CPI
Options		Annual Rent	Cap Rate
6	Option 1	CPI	CPI
7		CPI	CPI
8		CPI	CPI
9		CPI	CPI
10		CPI	CPI

Base Rent	\$220,419
Net Operating Income	\$220,419
Total Return	7.11% \$220,419

SITE PLAN



SITE PLAN KEY

Parcel Outline



Lot Size

+/- 2.79 Acres

Building Sq Ft

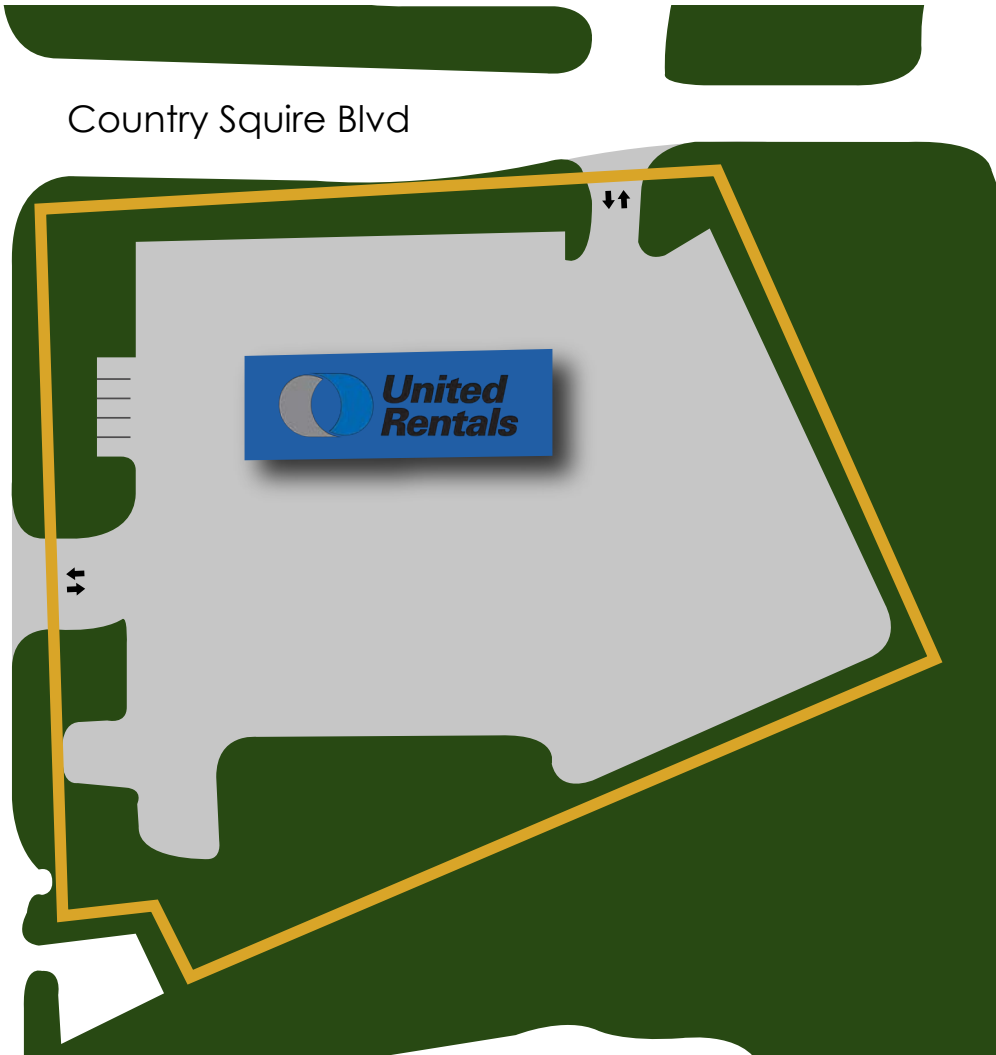
9,800 Sq Ft

Ingress/Egress



Highway 146  32,364 Daily

Country Squire Blvd



TENANT OBLIGATIONS

Tenant shall maintain and repair the premises in good condition and repair, including without limitation, maintaining and repairing (a) all interior walls, storefronts, floors, ceilings, interior and exterior doors, interior and exterior windows, and fixtures and (b) the exposed electrical, plumbing, and sewage system. In addition, tenant shall maintain the heating, ventilating, and air conditioning system and other related equipment, which is affixed to the premises, including the cost of routine service calls on such equipment. Tenant shall maintain the parking area at tenant's expense and snow removal and regular, periodic maintenance of the lawns, landscaping and shrubbery shall be the responsibility of tenant.

LANDLORD OBLIGATIONS

Landlord shall maintain, repair, and replace all structural parts of the building, including without limitation the foundations, bearing and exterior walls (excluding glass), sub-flooring, floor slabs, roofs and roof membrane unless such damage is caused by acts or omissions of tenant, its customers, invitees, employees, sub-tenants, licensees, concessionaires, or employees, or others in privity with tenant, in which event(s) tenant will bear the cost of such repair.

RIGHT OF FIRST REFUSAL

Tenant shall have the option and right of first refusal for 10 days after receipt of the offer notice within which to elect to purchase the premises for the price and on the terms set forth in the offer notice.

TAXES

Tenant agrees to pay as additional rent per month, an amount equal to one-twelfth of the tax adjusted from time to time.

INSURANCE

Tenant shall carry, under its own blanket insurance policy and at its own cost, the following insurance: property insurance and liability insurance.

UTILITIES

Tenant shall pay for all water, sewer, gas, fuel, electricity, telephone service and all other services of a utility nature supplied to tenant in operation of its business at the premises. Landlord shall not be liable for the temporary interruption or temporary malfunction of utilities and/or telephone services after the lease commencement date.

TENANT OVERVIEW



No. of Locations:	No. of States:	Year Founded:	Headquarters:	Website:
1,180+	49	1997	Stamford, CT	https://www.unitedrentals.com/#/

Founded in 1997, United Rentals is the largest equipment rental company in the world, with a store network nearly three times the size of any other provider. The company has an integrated network of 1,186 rental locations in North America and 11 in Europe. In North America, the company operates in 49 states and every Canadian province. The company's approximately 18,500 employees serve construction and industrial customers, utilities, municipalities, homeowners and others. The company offers approximately 3,800 classes of equipment for rent with a total original cost of \$14.18 billion.

We provide equipment to a variety of businesses, ranging from construction and industrial customers, utilities, municipalities, homeowners and others. Beyond being on alert for potential illegal activity, we do not monitor the use of our equipment by our customers. We do, however, ensure our staff follow "know your customer" processes at all times. Through countless construction, improvement and beautification projects across the United States and Canada, we are proud to help build stronger communities. We are among the first to respond to natural disasters and work diligently to ensure optimal emergency preparedness.

At United Rentals, we are committed to protecting the environment while offering our customers exceptional service and quality. We want to share our know-how and help the communities we serve. We believe that every employee at United Rentals – from our Chief Executive Officer to branch managers to our drivers – plays an important role in making our company a better corporate citizen. Our diverse customer base includes construction and industrial companies, utilities, municipalities, government agencies and independent contractors. Most of our customers align with three categories: approximately 50 percent are non-construction, such as industrial; 46 percent are non-residential construction; and four percent are residential. We provide every customer with access to the best people, equipment and solutions in the industry.

Source: <https://www.unitedrentals.com/our-company#/>





LOCATION OVERVIEW



Cross over the scenic Fred Hartman Bridge and you'll find Baytown, Texas. Baytown is the third largest city in Harris County, and is easily accessible via Interstate 10, Highway 146, and the Grand Parkway (Highway 99).

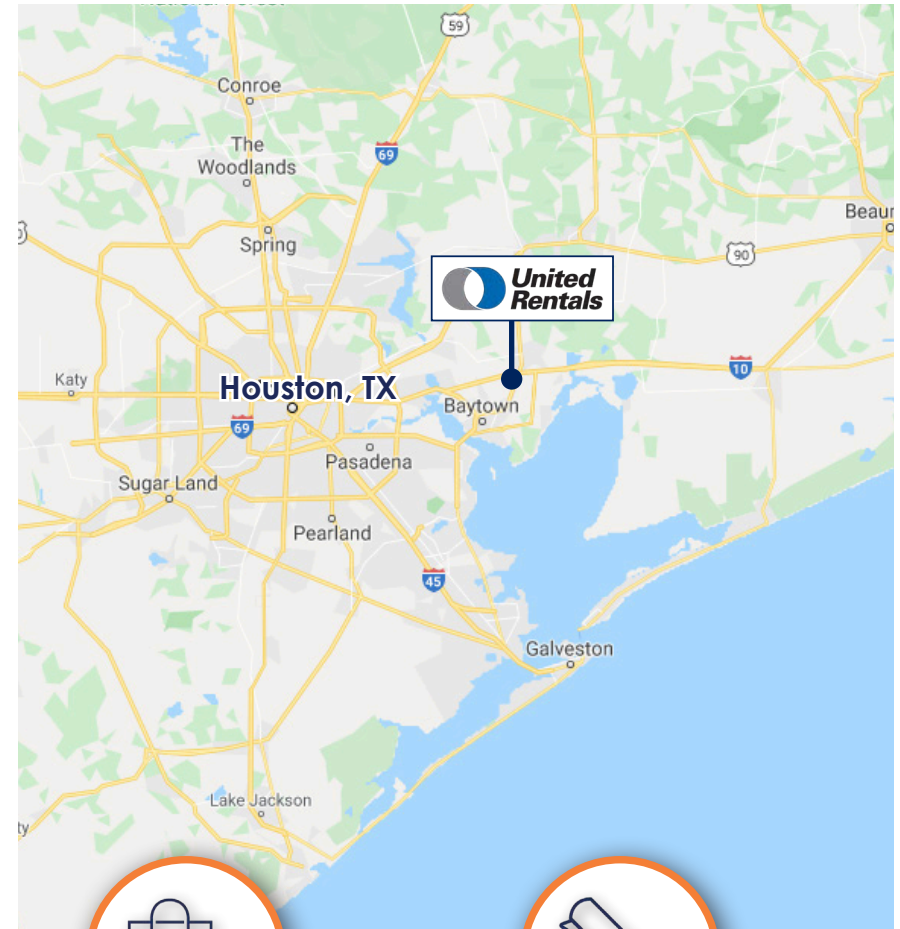
The city's strategic location has encouraged a successful and diverse blend of employment opportunities and recreational activities centered on the area's waterways. Embrace the local culture in Baytown as you attend one of the annual events such as Grito Fest in October, the Fireworks extravaganza and concert on July 4th or one of the numerous other events held throughout the year.

Major employers include ExxonMobil, Goose Creek Consolidated Independent School District, and San Jacinto Methodist Hospital. With a booming economy, Baytown is experiencing unprecedented growth in industry, retail and housing. The city has maintained high quality of life while becoming a major center for economic growth in the Sugarland-Houston-Baytown metropolitan area.

Houston, Texas is about 31.0 miles west of Baytown. Houston is America's fourth largest city and is a cosmo-politan destination, filled with world-class dining, arts, hotels, shopping and nightlife.

There's always something to do in this Southern hospitality meets urban chic city. Houston has its own version of Central Park, too, offering nearly 1,500 acres of green space in the heart of the city. Just inside "the loop," Memorial Park is home to a public golf course, swimming pool, tennis courts, trails and more. Downtown, Discovery Green park is outfitted with WiFi, a farmers market, dog runs, fine dining and ice-skating during the winter; just one more of the 650-plus urban green spaces filling the city.

Source: <https://www.baytown.org/discover-us/about>, <https://www.visitbaytown.com/about>, <https://www.visithoustontexas.com/about-houston/>



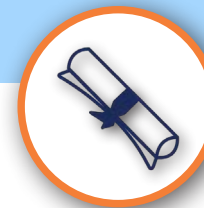
31.0 MILES
EAST OF
HOUSTON, TX



32.6 MILES
GRUPO TAMPICO
INTERNATIONAL AIRPORT



41.6 MILES
HARWIN OUTLET
MALL



32.3 MILES
UNIVERSITY OF
HOUSTON

Port of Houston:

The Houston Ship Channel is experiencing tremendous growth. The Houston region, the country's No. 1 region for exports, is home to the largest petrochemical manufacturing complex in the Americas. Energy production and the export of crude oil, along with the increasing global demand for chemicals produced in the region, are major drivers of this success.

Largely because of petrochemical activity along the 52-mile ship channel, the nearly 200 private companies that make up the Greater Port of Houston have helped make the port the No. 1 U.S. port in foreign waterborne tonnage. Petroleum and petroleum products are leading import and export commodities.

More than 200 million short tons of international cargo were handled in 2018 alone. The economic impact of the greater port nationally includes 3.2 million jobs, \$801.9 billion in economic value and more than \$38.1 billion in tax revenue.



#1 U.S. Port

FOR FOREIGN COMMERCE, EXPORTS, ENERGY
AND PETROCHEMICAL MANUFACTURING



3.2 Million

JOBS SUSTAINED



\$802 Billion

IN ANNUAL NATIONAL ECONOMIC VALUE



200+

INDUSTRIAL FACILITIES SUPPORTED



22,000

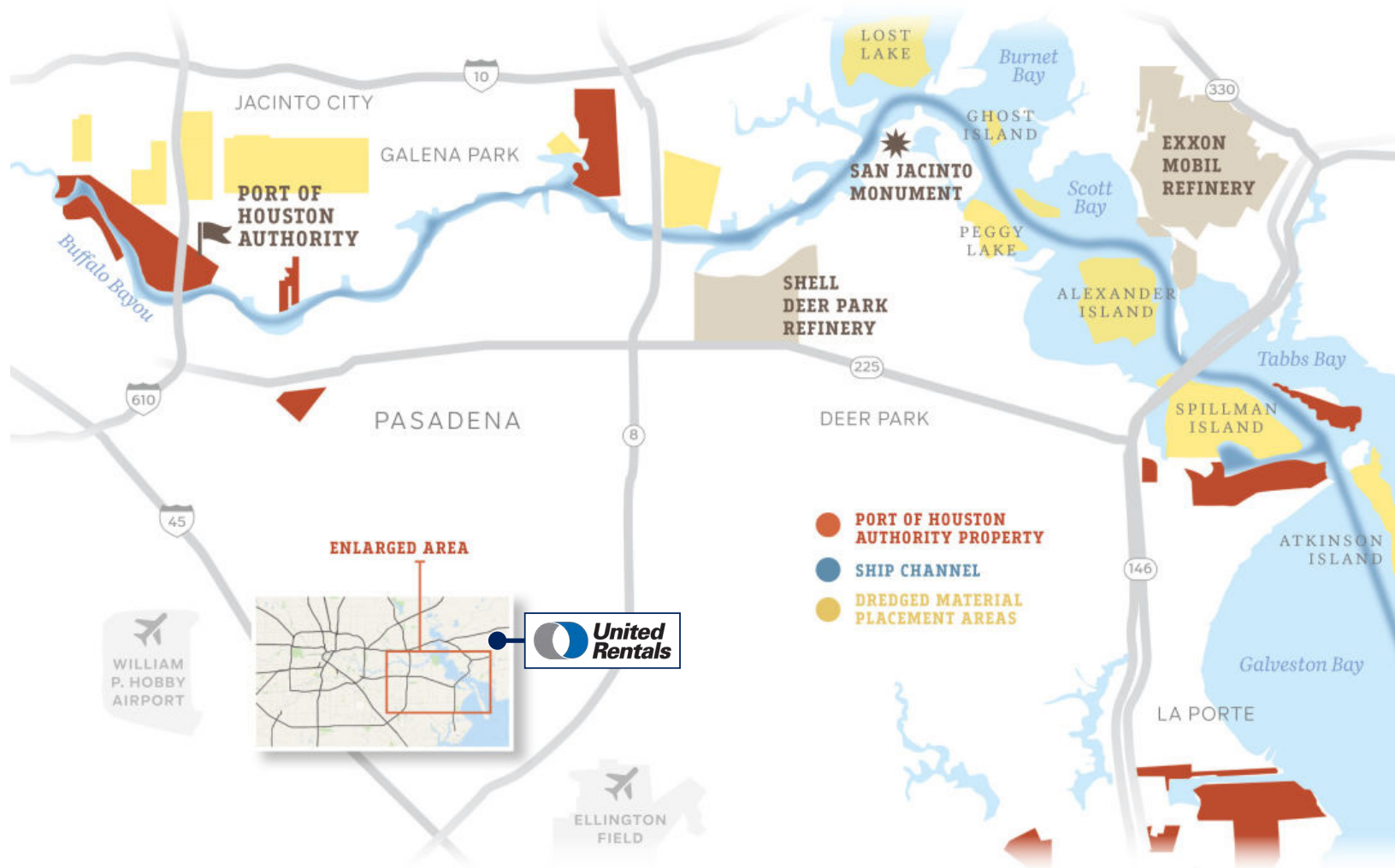
DEEP-DRAFT VESSEL TRANSITS
MADE POSSIBLE EACH YEAR



\$38 Billion

GENERATED IN TAX REVENUE

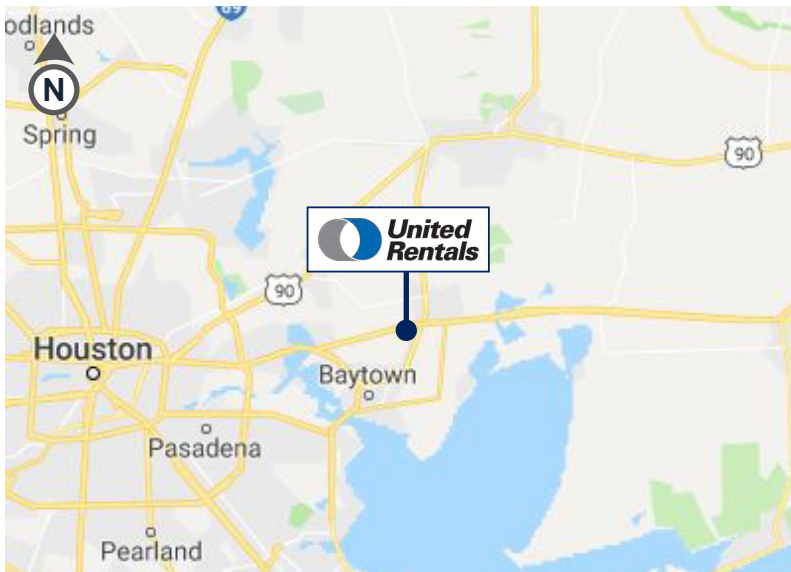
PORT OF HOUSTON - SHIP CHANNEL



POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	3,205	12,325	40,450
2019 Population	3,980	15,861	51,081
2024 Population	4,580	19,108	59,667

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Households	1,030	4,154	13,632
2019 Households	1,259	5,326	17,158
2024 Households	1,445	6,450	20,037

INCOME	1-MILE	3-MILE	5-MILE
Median Household Income	\$99,532	\$97,708	\$77,289
Per Capita Income	\$40,095	\$41,097	\$32,610
Average Household Income	\$126,788	\$122,381	\$96,943



POPULATION

In 2019, the population in your selected geography is 51,081. The population has changed by 95.14% since 2000. It is estimated that the population in your area will be 59,667 five years from now, which represents a change of 16.81% from the current year. The current population is 49.48% male and 50.52% female. The median age of the population in your area is 33.1, compare this to the Entire US average which is 38.1. The population density in your area is 650.87 people per square mile.

HOUSEHOLDS

There are currently 17,158 households in your selected geography. The number of households has changed by 84.16% since 2000. It is estimated that the number of households in your area will be 20,037 five years from now, which represents a change of 16.78% from the current year. The average household size in your area is 2.99 persons.

INCOME

In 2019, the median household income for your selected geography is \$77,289, compare this to the Entire US average which is currently \$60,811. The median household income for your area has changed by 51.53% since 2000. It is estimated that the median household income in your area will be \$88,454 five years from now, which represents a change of 14.45% from the current year.

The current year per capita income in your area is \$32,610, compare this to the Entire US average, which is \$33,623. The current year average household income in your area is \$96,943, compare this to the Entire US average which is \$87,636.

RACE & ETHNICITY

The current year racial makeup of your selected area is as follows: 68.50% White, 12.13% Black, 0.04% Native American and 1.96% Asian/Pacific Islander. Compare these to Entire US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 33.59% of the current year population in your selected area. Compare this to the Entire US average of 18.17%.

HOUSING

In 2000, there were 6,806 owner occupied housing units in your area and there were 2,511 renter occupied housing units in your area. The median rent at the time was \$444.

EMPLOYMENT

In 2019, there are 16,748 employees in your selected area, this is also known as the day-time population. The 2000 Census revealed that 58.07% of employees are employed in white-collar occupations in this geography, and 42.00% are employed in blue-collar occupations. In 2019, unemployment in this area is 4.28%. In 2000, the average time traveled to work was 28.1 minutes.