

6910 East Orem



HOUSTON, TEXAS

CONFIDENTIAL OFFERING MEMORANDUM



STNL 2-BLDG. INDUSTRIAL WITH 6.75 YR. WALT NEAR HOBBY AIRPORT
\$14.6MM (\$111 PSF) | 6.27% IN-PLACE CAP RATE



SINGLE TENANT
WITH LONG TERM
DEDICATION TO THE
SITE



VERSATILE INDUSTRIAL
PRODUCT



SECURE CASH FLOW
WITH BACK-END
UPSIDE POTENTIAL



IRREPLACEABLE
INDUSTRIAL PRODUCT
AMIDST RISING
CONSTRUCTION
COSTS



STRATEGIC
SOUTHEAST HOUSTON
LOCATION NEAR
HOBBY AIRPORT



HOUSTON: NATION
LEADING GROWTH

DOWNTOWN HOUSTON

N FACING AERIAL

PORT OF HOUSTON >>

<< TEXAS MEDICAL CENTER



HOBBY AIRPORT >>



AUBURNDALE PROPERTIES



6910 EAST OREM

EXPANSION LAND



NE FACING AERIAL



PORT OF HOUSTON

HOBBY AIRPORT

STAG
INDUSTRIAL

Interplast
INDUSTRIAL POLYMER

WestRock

POWELL

AUBURDALE PROPERTIES

UNIVAR
CHEMISTRY DELIVERED

M

BNSF
RAILWAY

6910
EAST OREM

EXPANSION
LAND

SFE
SOUTHEASTERN FREIGHT LINES

DS DOCKSIDE
LOGISTICS

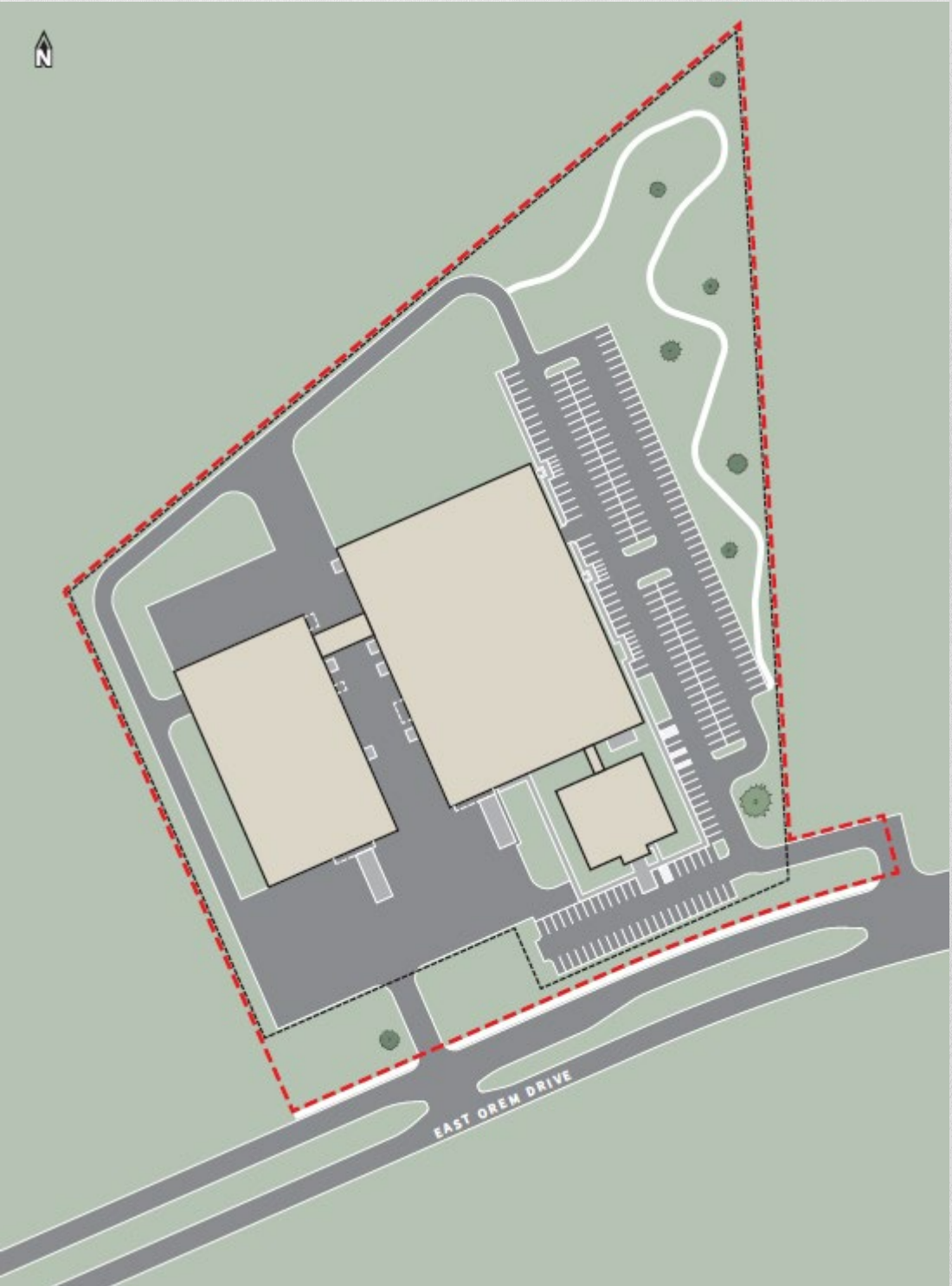
Central National Gotesman Inc.

FedEx
Express

FedEx
Express

Attec

SITE PLAN



TENANT OVERVIEW



Square Footage:	131,250 SF
% of Project:	100%
Expiration:	12/31/2028
Industry:	Plastics & Composites Manufacturing
Company Type:	Private
Headquarters:	Houston, TX
Website:	https://genplastics.com/

General Plastics & Composites (GP&C) is a composite manufacturing company in Houston, TX, manufacturing engineered for oilfield services companies worldwide. GP&C develops composite oilfield components such as PDC drillable down hole components, composite frac plugs, composite bridge plugs, logging tool mandrels, isolation joints, housing assemblies, battery housings, handling fixtures, isolation assemblies, test fixtures, antenna assemblies, molded products, plastic molding and composite assemblies for the down-hole environment.

Since 1967, GP&C has been at the forefront of changes in manufacturing methods, materials and machinery. In 2011, GP&C broke ground on their new manufacturing facility at 6910 E Orem Drive, which they have called home to their headquarters since its opening in December 2013. The company also leases a 20,000 square foot facility in Haltom City, TX which is home to GP&C's sister company GP Rubber. GP Rubber specializes in elastomers and phenolic molded products and turnkey assemblies for oilfield services.

For over 50 years, GP&C has shown incredible commitment to its customers, suppliers, and employees, and to quality and safety.

Q4 2021 HOUSTON INDUSTRIAL OVERVIEW

Vacancy falls markedly in Q4, capping off stellar year for Houston Industrial

- Leasing activity totaled 40.1 million s.f. in 2021, nearly 73% higher than the average of the previous five years
- Another 7.9 million s.f. of occupancy gains occurred in Q4, setting a new record by far with 25.3 million s.f. of total absorption for the year
- Total vacancy declined for a fourth consecutive quarter, falling to 7.7% in Q4
- After a single-quarter dip, construction activity climbed back above 14 million s.f. to meet market demand

Houston industrial had a robust Q4, achieving new highs to close a very strong year. Deal volume finished at 8.1 million s.f. of activity, led by a major lease signed in the final week of the year – a large global retailer for one million s.f. in the Southeast submarket which occurred in a speculative new construction building. The pace of deals continued to accelerate over the course of 2021 as an inbound migration of both population and companies amplified industrial demand. New to Houston tenants this year included Chewy.com, Living Spaces, WebstaurantStore, Snow Joe and Custom Goods; demand which ultimately drove 20% of all leasing activity.

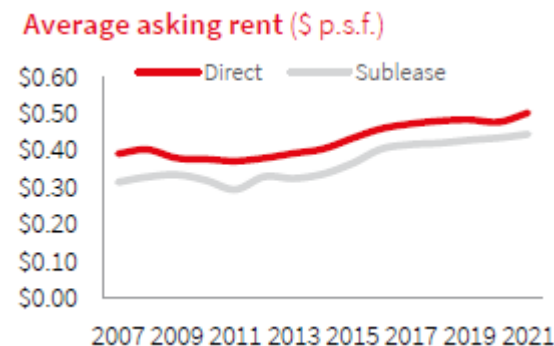
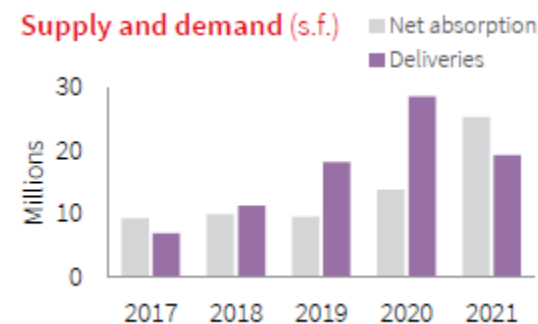
Record leasing activity, in turn, fueled record net absorption, to a scale not seen before in the market. The year's 25.3 million s.f. of occupancy gains surpassed last year's high watermark by 11.5 million s.f. The largest single driver at year-end was Floor and Decor's 1.5-million-s.f. owner-occupied completion at Cedar Port Industrial Park. While the company did vacate some other spaces with the move, it was a sizable net gain for occupancy. Other notable move-ins included Ferguson for 750,775 s.f. at Empire West and Living Spaces for 685,400 s.f. at Air 59 Logistics Center.

Given the volume of net absorption in each quarter, vacancy dropped 160 basis points from year-end 2020, falling below 8% for the first time since earlier that year. Construction activity rose 22.5% from Q3 to 14.1 million s.f., over half of which was new buildings breaking ground this quarter. A steady pipeline of new projects have been capitalized and are set to get underway over the next 6-12 months as tenants' appetite for new construction continues.

OUTLOOK

The Houston industrial market tightened further, especially in the Southeast and Northwest, with both tenants and landlords executing deals confidently and opportunistically. Demand remains well ahead of supply, and given the current tenants in the market pipeline, this trend is expected to continue. Strong market performance drove healthy rent growth this year, and landlords are likely to keep pushing rates in 2022.

Fundamentals		Forecast
Inventory	488,540,256 s.f.	▲
Q4 net absorption	7,936,677 s.f.	▶
2021 net absorption	25,260,016 s.f.	▶
Under construction	14,146,777 s.f.	▶
Total vacancy	7.7%	▼
Direct asking rent	\$0.50 p.s.f.	▲
Q4 leasing activity	8,147,748 s.f.	▶
Concessions		Stable ▶



HOUSTON MSA AT A GLANCE

GEOGRAPHY

9 COUNTIES
in the Houston MSA

10,000
square miles
larger than the state of NJ



POPULATION & DEMOS

7.1 MILLION
residents in the Houston MSA

2.5 MILLION
residents in the city of Houston



1 IN 4 Houstonians are foreign-born

5TH MOST POPULOUS MSA IN THE NATION
4TH MOST POPULOUS CITY IN THE NATION

CLUTCH CITY



INTERNATIONAL HUB

4TH LARGEST
MULTI-AIRPORT SYSTEM
IN THE U.S.
58.3 MILLION
PASSENGERS
GLOBAL HUB FOR
AEROSPACE TECHNOLOGY

ECONOMY

26TH
LARGEST
economy in the world if Houston
were an independent nation



7TH
LARGEST
U.S. metro economy in the nation



\$472.1
BILLION GDP [2019]



EMPLOYMENT

3.2 MILLION JOBS IN THE HOUSTON MSA
more than 35 states and nearly a quarter of
Texas' entire employment base



168,400
JOBS RECOVERED AS OF MARCH

34,200
NEW JOBS CREATED IN MARCH

52,000
NEW JOBS FORECASTED IN 2021

CORPORATE HEADQUARTERS

24 FORTUNE 500
companies call Houston home

3RD LARGEST
number of fortune
1000 companies in the
nation

3RD LARGEST
number of fortune 500
companies in the
nation

GLOBAL TRADE CITY

73 FOREIGN-OWNED FIRMS



1ST IN IMPORT AND EXPORT
1ST GULF COAST CONTAINER PORT

LARGEST GULF COAST
CONTAINER PORT

1ST
IN FOREIGN
WATERBORNE
TONNAGE

TEXAS MEDICAL CENTER

LARGEST MEDICAL COMPLEX IN THE WORLD

\$25 BILLION
IN LOCAL GDP

8TH LARGEST
BUSINESS DISTRICT IN THE U.S.

10 MILLION
PATIENT ENCOUNTERS PER YEAR

106,000+
EMPLOYEES AT TMC

HOUSTON
Methodist
LEADING MEDICINE

THE UNIVERSITY OF TEXAS
MD Anderson
Cancer Center

MEMORIAL
HERMANN

Texas Children's
Hospital

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