

PALACIOS MARINE & INDUSTRIAL SINGLE TENANT NNN LEASE

Marcus & Millichap
DUONG INVESTMENT GROUP



1949 VICTORIA LANE, FREEPORT, TX 77541

OFFERING MEMORANDUM

PALACIOS MARINE & INDUSTRIAL SINGLE TENANT NNN LEASE



Exclusively Listed By

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INVESTMENT OVERVIEW

Investment Highlights



Palacios Marine & Industrial Is a Highly Respected Industrial Tenant, Generating \$110+ Million in Annual Revenue and Operating 8 Locations in 3 States



3-Year Lease with No Options to Renew – Allows for Value-Add Potential for Future Landlord to Negotiate New Lease with the Tenant



Large 2.3-Acre Lot Provides Ample Space for Highly Desirable Outdoor Storage

Prime Industrial Tenant & Location

- ▶ **E-Commerce & Recession-Resilient:** Tenant's Business Model Is Well-Suited to Thrive in Various Economic Conditions
- ▶ **Located within 1-Mile from Dow Chemical Company:** Operating the Largest Integrated Chemical Manufacturing Plant in the United States
- ▶ **Deepwater Port:** Located on the Gulf of America Provides Access for Large-Scale Industrial Operations and Shipping
- ▶ **Investor-Friendly:** This NNN Industrial Property Offers Minimal Landlord Responsibilities, Making It Ideal for Out-Of-Market Investors
- ▶ **Prime Industrial Location:** Situated In a Dense Industrial Area Surrounded by National Brands, Including Air Liquide America, Phillips 66, Braskem, Among Others, All In Close Proximity To The Subject Property



INVESTMENT OVERVIEW

Aerial Photo



Gulf of America



Freeport Marina

CHAMPIONX



Volkswagen Group Port Freeport Facility

- ▶ Opened in Q4 2024
- ▶ Accomodates ±140,000 imports per year
- ▶ Supports 1/3 of U.S. VW dealers



Brazosport High School
±915 Students



SUBJECT PROPERTY



McDonald's

288
TEXAS



FINANCIAL ANALYSIS

Offering Summary

Property Name	Palacios Marine & Industrial
Property Address	1949 Victoria Lane Freeport, TX 77541
Assessor's Parcel Number	2114-0026-000
Year Built	1984
Gross Leasable Area (GLA)	±9,400 Square Feet
Lot Size	±2.30 Acres (±100,188 Square Feet)

Pricing

Price	\$1,900,000
Cap Rate	7.58%
Price/SF	\$202.13

Annualized Operating Data

Gross Potential Rent	\$144,000
Less Expenses	NNN
Net Operating Income	\$144,000

Lease Information

Lease Commencement Date	November 1, 2024
Lease Expiration Date	October 31, 2028
Total Lease Term	±4 Years
Lease Term Remaining	±3 Years
Increases	None
Options	None
Lease Type	NNN
Lease Type Details	Landlord responsible for roof & structure.



ADDITIONAL OFFERINGS - FREEPORT



RAIN FOR RENT

Price: \$841,000
Cap Rate: 7.85%
Price/SF: \$146.26

- 65+ Locations Across North America
- Value-Add Potential for Future Landlord



FERGUSON

Price: \$2,816,000
Cap Rate: 6.75%
Price/SF: \$128.00

- Strong Corporate Guarantee
- Large ±4.3-Acre Lot



ZACHRY

Price: \$1,400,000
Cap Rate: 8.10%
Price/SF: \$233.33

- 400+ Locations Across North America
- Highly Respected Industrial Tenant



PALACIOS MARINE INDUSTRIAL

Price: \$1,900,000
Cap Rate: 7.58%
Price/SF: \$202.13

- Highly Respected Industrial Tenant
- 3-Year Lease with No Options to Renew

MARKET OVERVIEW

The City Of Freeport, TX



Freeport, located within Brazoria County and part of the Houston MSA, serves as a key industrial node along the Texas Gulf Coast. The region's industrial market is supported by the Port of Freeport, one of the fastest-growing deepwater ports in the United States, which provides vital connections to global trade lanes.

The area benefits from consistent infrastructure investment aimed at expanding port capacity, improving roadway access, and supporting petrochemical logistics.

Industrial demand in this corridor is driven by large-scale energy, petrochemical, and manufacturing operations, including significant presences from Dow, BASF, and Phillips 66. The Houston MSA's economic base, characterized by strong diversification across energy, logistics, and advanced manufacturing, underpins sustained industrial absorption and stable investor confidence.

Freeport's position within the southern Houston industrial market offers tenants and investors access to both Gulf shipping routes and major inland distribution networks via Highways 288 and 36. Continued expansion of the Gulf Intracoastal Waterway and nearby industrial parks further enhances the area's role as a logistics and processing hub.

With available land and access to maritime, rail, and road infrastructure, the Freeport market remains well-positioned for long-term industrial growth. This location provides a strategic point for users and investors seeking exposure to the Gulf Coast's energy-driven economy and international trade flows.

Nearby Major Infrastructure

PORT FREEPORT



TX-288 HIGHWAY



UNION PACIFIC TEXAS



DOW CHEMICAL TEXAS



VW GULF COAST HUB



Freeport Marina



Surfside Beach - Freeport

Demographics

Income & Economics

	5-Mile	7-Mile	10-Mile
Average Household Income	\$84,614	\$96,267	\$101,600
AHHI: \$100,000 - \$149,999	15.4%	17.5%	17.4%
2024 Daytime Population	47,625	65,803	69,966

Population

2029 Population	37,431	61,272	70,700
2024 Population	35,774	58,866	67,947
2010 Population	36,527	57,727	66,033

Households

2029 Households	14,733	24,535	27,384
2024 Households	14,001	23,409	26,104
2010 Households	13,113	21,138	23,323

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