

FERGUSON[®] SINGLE TENANT NNN LEASE

Marcus & Millichap
DUONG INVESTMENT GROUP



2730 FM 523 ROAD, FREEPORT, TX 77541

OFFERING MEMORANDUM



SINGLE TENANT NNN LEASE

Exclusively Listed By

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INVESTMENT OVERVIEW

Investment Highlights



Ferguson (NYSE: FERG): A Highly Reputable, BBB+ Rated Industrial Tenant With Over 1,750 Locations Across the U.S. and Canada



Mission-Critical Location: Ferguson Has Operated at This Site for Over 9 Years and Recently Committed to a 3-Year Lease Extension, Underscoring the Site's Importance



Large ±4.3-Acre Lot Provides Ample Space for Highly Desirable Outdoor Storage



High Credit Tenant | Recent Improvements

- ▶ **New Roof:** Roof Replaced in 2025
- ▶ **Strong Corporate Guarantee:** Backed by a Tenant with Over \$30 Billion in Annual Revenue
- ▶ **Market Leadership:** Ferguson Is the Largest U.S. Distributor of Plumbing Supplies, PVF, Waterworks, and Fire and Fabrication Products
- ▶ **Publicly Traded:** The Tenant Is Listed on the NYSE (FERG) with a Market Capitalization Exceeding \$49 Billion
- ▶ **E-Commerce & Recession-Resilient:** Tenant's Business Model Is Well-Suited to Thrive in Various Economic Conditions

Strong Real Estate Fundamentals

- ▶ **Located within 2 Miles of 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

Tenant Spotlight

Ferguson



Ferguson is a leading value-added distributor in North America providing expertise, solutions and products from infrastructure, plumbing and appliances to HVAC, fire, fabrication and more. Their products are delivered through a common network of distribution centers, branches and specialist sales associates, counter service, showroom consultants and e-commerce.

Founded in 1953, Ferguson is headquartered in the U.K., with its operations and associates solely focused on North America and managed from Newport News, VA.

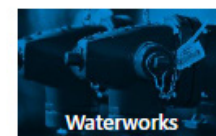
Ferguson is an integral part of repair, maintenance, and improvement (RMI) and new construction projects - for both residential and non-residential markets. They bridge the gap between the large 37,000+ supplier base and geographically dispersed customers.

They boast a large footprint with over 1,700 locations across North America, including 11 distribution centers and a 5,600 vehicle fleet. This extensive network places them within 60 miles of 95 percent of customers in North America. In 2021, Ferguson began trading on the New York Stock Exchange (NYSE), with the ticker symbol FERG. Ferguson's success is testament to a diverse and distinguished history of making their customers' complex projects simple, successful and sustainable.

The Ferguson Industrial division supports a wide range of industrial end-markets, supplying critical pipe, valves, fittings, instrumentation, and related products used in plant operations, maintenance, and capital projects. With dedicated project teams and a national distribution network, Ferguson Industrial helps customers reduce downtime, improve efficiency, and ensure safe, reliable facility performance across manufacturing, energy, utilities, and processing sectors. Put simply: Ferguson provides geosynthetic products and tools to help experts everywhere design more efficient, more secure stormwater solutions.

| | |
|----------------|--|
| Website | www.ferguson.com |
| Symbol | NYSE: FERG |
| Market Cap | \$49.306 Billion - as of November 2025 (+26% YoY) |
| Revenue (TTM) | \$30.762 Billion - as of November 2025 |
| # of Locations | 1,700+, Serving All 50 States |
| # of Employees | 32,000+ |

Ferguson - Services Offered



SUBJECT PROPERTY



At Ferguson, we have a very distinctive culture anchored in customer service. We are a relationship business. Together we help build more than homes and office buildings. We help build relationships, trust, confidence and community.” - From Ferguson’s “About Us” page

INVESTMENT OVERVIEW

Aerial Photo



FINANCIAL ANALYSIS

Offering Summary

| | |
|---------------------------|--|
| Property Name | Ferguson |
| Property Address | 2730 FM 523 Road Freeport, TX 77541 |
| Assessor's Parcel Number | 2077-0041-000 |
| Year Built | 1980 |
| Gross Leasable Area (GLA) | ±22,000 Square Feet |
| Lot Size | ±4.27 Acres (±186,001 Square Feet) |

Pricing

| | |
|----------|-------------|
| Price | \$3,040,000 |
| Cap Rate | 6.25% |
| Price/SF | \$138.18 |

Annualized Operating Data

| | |
|-----------------------------|------------------|
| Gross Potential Rent | \$190,080 |
| Less Expenses | NNN |
| Net Operating Income | \$190,080 |

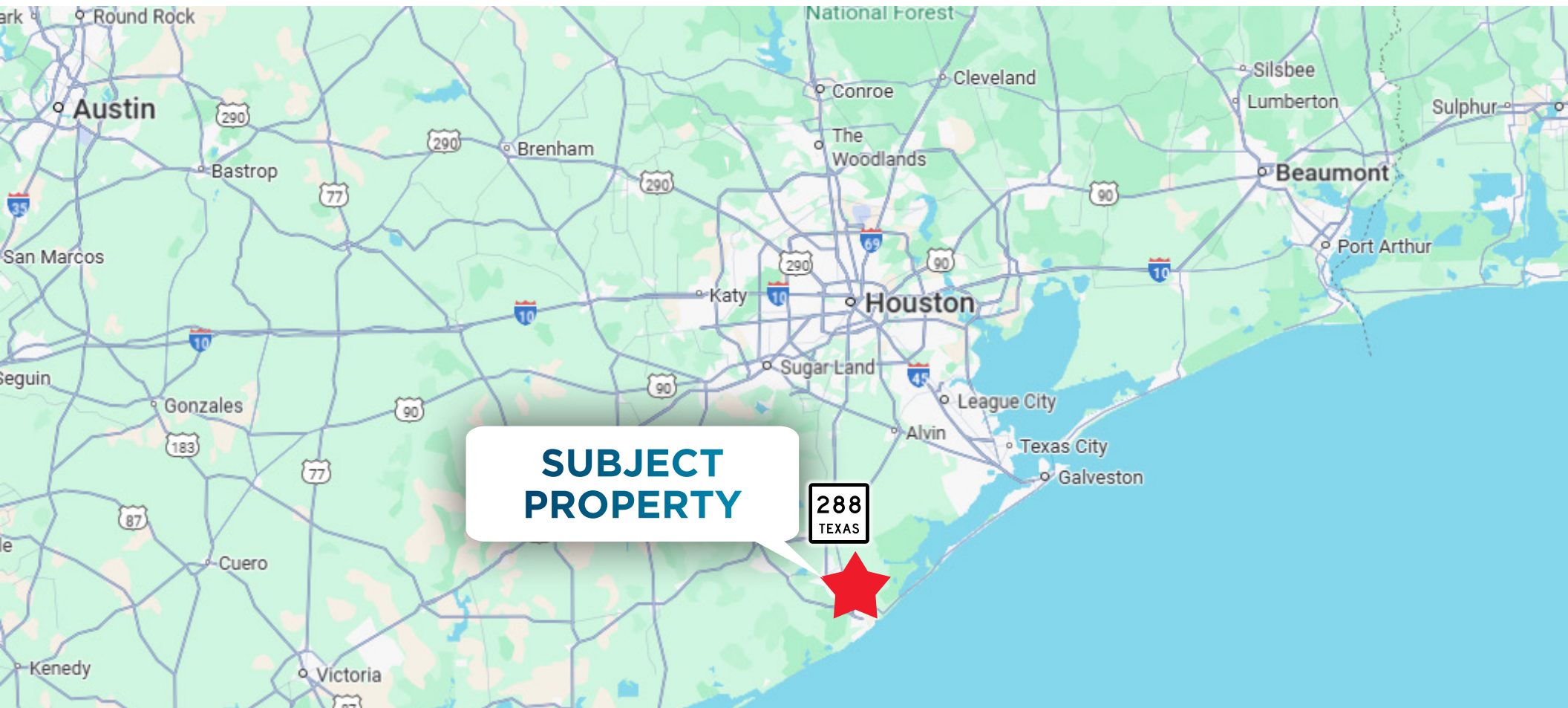
Lease Information

| | |
|-------------------------|--|
| Lease Commencement Date | December 20, 2019 |
| Lease Expiration Date | February 28, 2029 |
| Total Lease Term | ±9 Years |
| Lease Term Remaining | ±3 Years |
| Increases | 3% Annual |
| Options | Two, Three-Year @ CPI (Minimum 5% Per Option) |
| Lease Type | NNN |
| Lease Type Details | Landlord responsible for roof & structure. |



MARKET OVERVIEW

Regional Map



±60 MILES

VIA TX-288
TO HOUSTON, TX



±3 MILES

TO PORT FREEPORT
(MAJOR TRANSIT HUB)



±5 MILES

TO UNION PACIFIC
HOSKINS JUNCTION



±7,000

ACRES OCCUPIED BY NEARBY
DOW CHEMICAL FACILITIES

1

2

3

MARKET OVERVIEW

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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