



# W-Industries

## Corporate Sale/Leaseback

1616 Gears Road, Houston, TX 77067

Confidential Offering Memorandum

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# Confidentiality Agreement

## Offered Exclusively By:

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This Offering Memorandum contains select information pertaining to the business and affairs of **W-Industries**, located at **1616 Gears Road** (the "Property"). It has been prepared by Colliers. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Colliers from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers, you agree:

- 1) The Offering Memorandum and its contents are confidential; You will hold it and treat it in the strictest of confidence; and You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of **1616 Gears Road** or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum. A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



# Table of Contents

04 Executive  
Summary

06 Property  
Information

18 Tenant  
Overview

20 Market  
Overview

24 Information About  
Brokerage Services



# Executive Summary

Colliers is pleased to exclusively offer 1616 Gears Road, a single-tenant, manufacturing campus on 16.68 acres in North Houston. The property is strategically located in between TC Jester Blvd and Greens Parkway providing excellent access to Beltway 8, I-45 North, and the Hardy Toll Road.

The property is fully occupied by W-Industries, a provider of design, testing, construction and maintenance service catering to the industrial and energy industries.

## Tenant | Sale Leaseback

<b>Address</b>	1616 Gears Rd, Houston, TX 77067
<b>Price</b>	\$27,358,247
<b>Cap Rate</b>	7.75%
<b>Net Operating Income</b>	\$2,120,268
<b>Occupancy</b>	100%
<b>NRA</b>	215,474 SF
<b>Land Area</b>	± 16.68 Acres
<b>Year Built / Renovated</b>	2009 - 2022
<b>Ownership Interest</b>	Fee Simple

## Investment Highlights:

- **Modern construction:** The buildings were constructed in between 2009 - 2022, providing improved efficiency, sustainability, and flexibility in terms of operational performance and cost savings.
- **Crane served facility:** There are multiple cranes in each building ranging from 10-ton to 40-ton with up to 36' hook heights.
- **Strategic location:** Located in North Houston, one mile from Beltway 8 and two miles from I-45 North, enhancing connectivity to other parts of the city.
- **Strong Market Fundamentals:** North Houston is a dynamic and growing area with a strong demand for space, with a 8% vacancy rate and 2.1M SF under construction.
- **Established tenancy:** W-Industries, LLC is a key player in the EPC sector, known for its engineering, procurement, and construction services tailored to the energy and industrial industries. Its expertise, comprehensive service offerings, and commitment to quality make it a significant contributor to major industrial projects.

# Proposed Rent Schedule

## Rent Schedule

Term	Beginning	Ending	Annual Base Rent	Monthly Rent	Monthly PSF	Base Rent Increase
Base	Month 1	Month 12	\$2,120,268	\$176,689	\$0.820	-
Base	Month 13	Month 24	\$2,183,876	\$181,989	\$0.845	3.0%
Base	Month 25	Month 36	\$2,249,392	\$187,449	\$0.870	3.0%
Base	Month 37	Month 48	\$2,316,874	\$193,072	\$0.896	3.0%
Base	Month 49	Month 60	\$2,386,380	\$198,865	\$0.923	3.0%
Base	Month 61	Month 72	\$2,457,971	\$204,830	\$0.951	3.0%
Base	Month 73	Month 84	\$2,531,710	\$210,975	\$0.979	3.0%



## Lease Abstract

<b>Tenant</b>	<b>CSE W-Industries, Inc.</b>
<b>Address</b>	<b>1616 Gears Rd, Houston, TX 77067</b>
<b>Rentable Sq. Ft.</b>	<b>215,474 SF</b>
<b>Initial Lease Term</b>	<b>84 Months</b>
<b>Rent Commencement</b>	<b>Upon Closing</b>
<b>Renewal Options</b>	<b>(1) Five-year</b>
<b>Rental Increase</b>	<b>3.0% Annually</b>
<b>Expense Structure</b>	<b>Tripe Net (NNN)</b>
<b>Landlord Obligations</b>	<b>Roof, Slab, Structure</b>

# Property Information

Offering Memorandum | 1616 Gears Road



# Property Summary

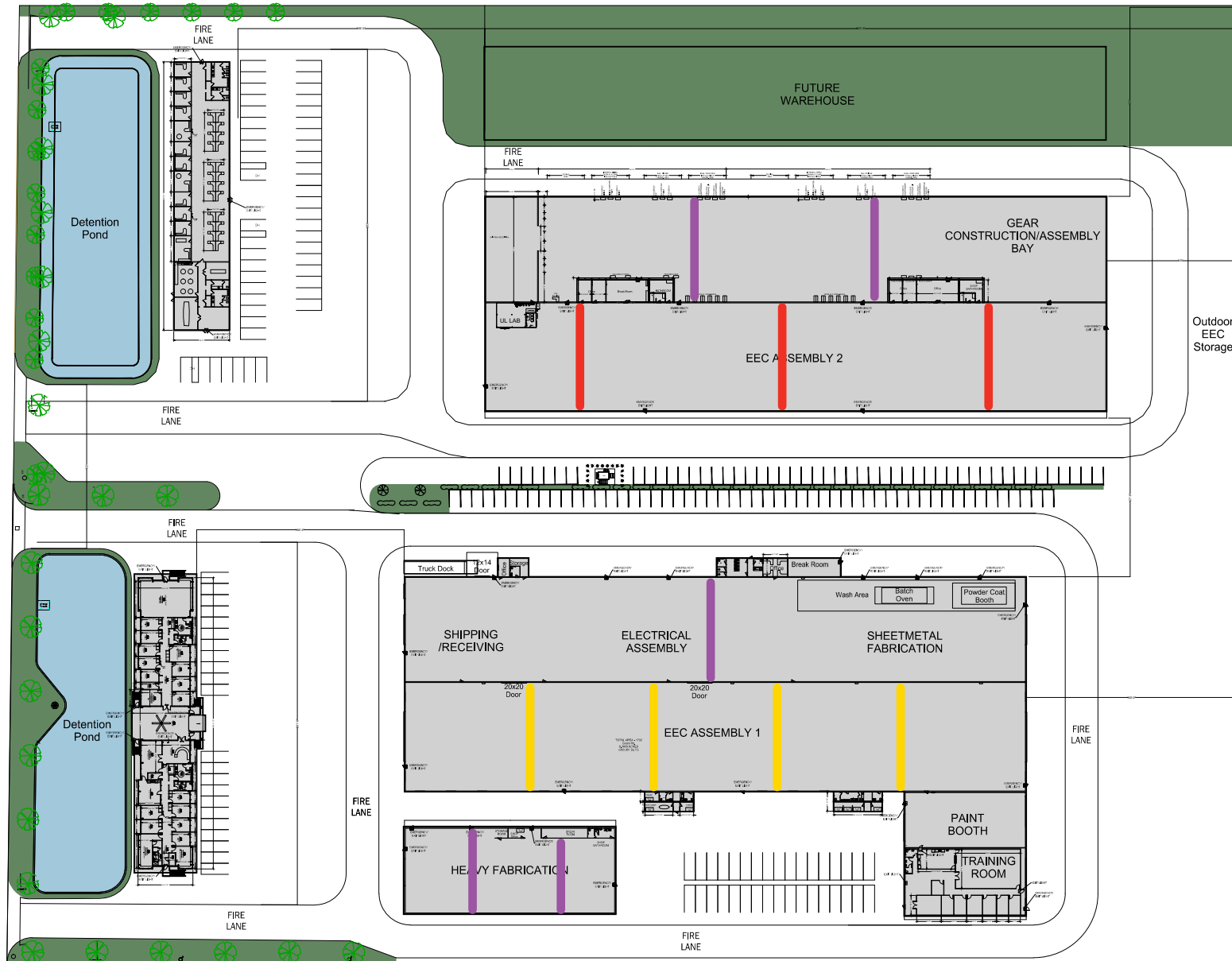
The subject property consists of two manufacturing facilities and two office buildings totaling 215,474 SF on 16.68 acres. The manufacturing facilities are crane served up to 40-ton and have up to 50' clear heights. The property is ideal for an investor given the property can easily be subdivided with multiple points of ingress and egress.

## Asset Profile

Tenant	CSE W-Industries, Inc.
Address	1616 Gears Rd
Ownership Interest	Fee Simple
Occupancy	100%
Property Type	Industrial Manufacturing
County	Harris
Total Size	±215,474 SF on 16.68 Acres
Total Office Size	±23,856 SF



# Site Plan & Crane Locations



■ 40 Ton Cranes    
 ■ 20 Ton Cranes    
 ■ 10 Ton Cranes



# Building Specifications

## Manufacturing Building 1A

<b>Total Size</b>	± 40,000 SF
<b>Clear Height</b>	24'
<b>Cranes</b>	(2) 10-ton
<b>Hook Height</b>	20'
<b>Doors</b>	(2) 20' x 24' Grade Level
<b>Bay Width</b>	± 77' x 25'
<b>Additional</b>	100% HVAC



# Building Specifications

## Manufacturing Building 1B

<b>Total Size</b>	± 42,000 SF
<b>Clear Height</b>	45'
<b>Cranes</b>	(3) 40-ton
<b>Hook Height</b>	35'
<b>Doors</b>	(2) 40' x 38' Grade Level
<b>Bay Width</b>	± 80' x 25'



# Building Specifications

## Manufacturing Building 2A

<b>Total Size</b>	± 41,000 SF
<b>Clear Height</b>	24'
<b>Cranes</b>	(1) 10-ton
<b>Hook Height</b>	19'
<b>Doors</b>	(2) 24' x 20' Grade Level
<b>Bay Width</b>	±80' x 25'
<b>Additional</b>	100% HVAC



# Building Specifications

## Manufacturing Building 2B

<b>Total Size</b>	± 58,818 SF
<b>Clear Height</b>	45'
<b>Cranes</b>	(4) 20-ton
<b>Hook Height</b>	38'
<b>Doors</b>	(2) 24' x 20' Grade Level
<b>Bay Width</b>	± 80' x 25'
<b>Additional</b>	Paint Booth



# Building Specifications

## Manufacturing Building 2C

<b>Total Size</b>	± 14,000 SF
<b>Clear Height</b>	33'
<b>Cranes</b>	(2) 10-ton
<b>Hook Height</b>	28'
<b>Doors</b>	(2) 16' x 16' Grade Level
<b>Bay Width</b>	± 63' x 25'



# Manufacturing Buildings



# Office Buildings



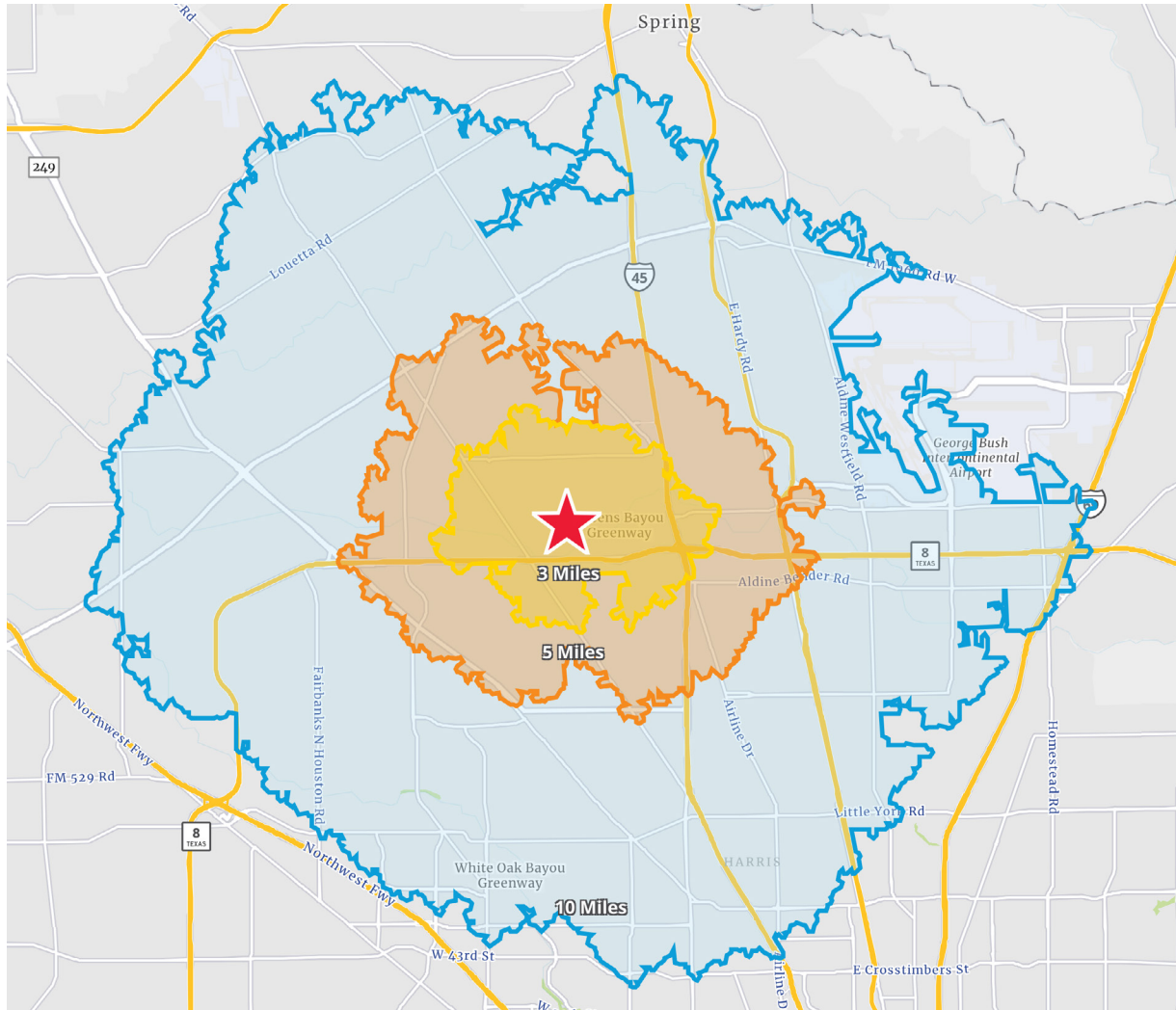
# Aerial Location





# Location Overview

Strategically located on Gears Road in between TC Jester Blvd and Greens Parkway in North Houston, the facility offers excellent access to Beltway 8, I-45 North, and the Hardy Toll Road and is within close proximity to Bush Intercontinental Airport. The property is located in a booming industrial submarket with over 3.8M SF of inventory delivered year-to-date.



## Major Roads

- Beltway 8 (Sam Houston Pkwy)  
3 min / 0.9 miles
- I-45 North Freeway  
5 min / 2.1 miles
- Hardy Toll Rd  
7 min / 4.5 miles



## Destinations

- Bush Intercontinental Airport  
14 min / 11.3 miles
- Downtown Houston  
18 min / 15.3 miles
- Barbours Cut Container Terminal  
50 min / 41.2 miles

# Tenant Overview

Offering Memorandum | 1616 Gears Road



# Tenant Summary



W-Industries, LLC is a prominent company specializing in providing engineering, procurement, and construction (EPC) services, primarily to the energy and industrial sectors.

W-Industries offers comprehensive engineering services, including the design and development of complex systems and facilities and they provide project management services to ensure that engineering projects are completed on time and within budget, maintaining high standards of quality. The company handles procurement of materials and equipment needed for industrial projects. They also manage relationships with suppliers and vendors to secure high-quality materials and equipment at competitive prices. W-Industries oversees the construction and installation of equipment and systems, ensuring that projects are executed according to design specifications.

The company is known for its extensive expertise in the energy and industrial sectors, leveraging advanced technologies and industry best practices. W-Industries has built a reputation for delivering high-quality services and complex projects, often under challenging conditions and continuously engages in high-profile projects, reflecting its capability to handle large-scale and technically demanding assignments. The company often incorporates innovative technologies and solutions to enhance project efficiency and outcomes.

The headquarters and primary operations are based in Houston, TX, which provides strategic access to the energy sector and industrial markets.



Corporate Headquarters  
Houston, Texas



1989  
Year Founded



\$281M  
Annual Revenue



12  
Locations

Additional tenant information available upon request



w-industries.com  
Company Website

# Market Overview

Offering Memorandum | 1616 Gears Road



# Houston, Texas

**Houston has been cited as one of the youngest, fastest growing and most diverse cities in the nation with the seventh largest metro economy. Twenty-six Fortune 500 companies are headquartered in the Houston region, ranking third among U.S. metros for the most companies, while an additional 47 Fortune 1000 companies call Houston home, ranking fifth in the nation.**

Houston has claimed the top spot as the best U.S. city for foreign multinationals to do business, surpassing Miami, after rising four spots in the second annual ranking compiled by the Financial Times and Nikkei, known as the FT-Nikkei Investing in America ranking.

Houston also ranks fourth for the lowest living costs among the most populous U.S. metro areas, with costs 4.7% below the nationwide average of all metros, and 28.0% below the average of the nation's 20 most populous metropolitan areas, according to data analysis from C2ER Cost of Living Index 2023 Q3.

## Port of Houston

For more than a century, the Port of Houston has been a major economic driver due primarily to energy production, crude oil trade activity, and the increasing demand for chemicals produced throughout the region. Satisfying ever-increasing consumer demand for the area's large and growing population has also greatly enhanced the Port's trade activity.

Buoyed by strong exports and following a record-breaking 2022, total cargo volume ended 2023 marginally down 4% year-over-year. Houston remained insulated against any major decrease in volumes by its strong exports, which were driven largely by the demand for resin.

Port Houston continues to make progress on the Houston Ship Channel Expansion effort known as Project 11, which will deepen and widen the waterway by 2026. High-tech cranes and other integral equipment were installed in 2023, and the Bayport Container Terminal expansion is slated for completion in 2024.

The widespread effects of onshoring and nearshoring are starting to further enhance the strategic importance of the Port of Houston, which consistently ranks as both the No.1 port for foreign waterborne tonnage and total foreign and domestic waterborne tonnage. It currently ranks 5th in the U.S. in terms of U.S. container volume by TEUs and 2nd for total foreign cargo value. The Port of Houston is also the largest Gulf Coast container port, handling 73% of U.S. Gulf Coast container traffic, and the largest Texas port with 38% of market share by tonnage.

## Energy: Oil and Gas

According to a recent survey conducted by the Fed, more than 85% of oil and gas companies are expected to hold or increase their capital spending in 2024, with more than 64% planning increases. Known as the Energy Capital of the World, Houston depends on this sector as it continues to play a significant role in the area's economy. The metro is home to more than 4,700 firms that manufacture more than 40% of the nation's petrochemical capacity. According to the Greater Houston Partnership, roughly 2.6 million barrels of crude oil are processed each day by 10 refineries in the region, representing more than 45% of the state's total capacity and nearly 15% of nationwide capacity.

With access to three million workers and more engineers than any other U.S. metro, Houston continues to attract and retain employers from all segments of the energy sector. And with the numerous initiatives announced toward clean energy, the area promotes a competitive advantage for energy and energy technology positions.

According to Baker Hughes, the total U.S. rig count slipped to 622 the last week in December, down from 779 from the same week in 2022. This is in part due to enhanced rig efficiencies, but structural and prolonged underinvestment remains a stiff headwind. The majority (nearly 30%) of respondents to the Q4 2023 Dallas Fed Energy Survey, which polls executives from 143 oil and gas firms, expect WTI crude to be between \$75 to \$80 per barrel (/b) at the end of 2024.

Gas prices have also stabilized after a few years of prices soaring to \$8.81 per million British thermal units (MMBtu). The Energy Information Administration (EIA) reports natural gas spot prices in 2023 retraced substantially, closing the year at \$2.52 per MMBtu, representing a 54.4% decline from year-end 2022. The EIA forecasts natural gas spot prices to average under \$3.00 per MMBtu in 2024 and 2025.

## Aviation

Airport traffic in Houston's two airports set an all-time record for number of passengers in 2023. About 60.1 million people traveled through George Bush Intercontinental (IAH) and William P. Hobby (HOU) airports, representing an increase of more than 10% compared with 2022 passenger volumes. This level surpasses the previous record set in 2019 with an annual passenger record of 59.7 million travelers through Houston airports. Of the 2023 passengers, 46.1 million, or about 76.7%, went through IAH, with 14 million moving through Hobby.

The Houston Airport System (HAS) is planning for continued growth. The \$1.4 billion IAH Terminal Redevelopment Program, which began in 2019, is ongoing, while United broke ground on a proposed \$2.6 billion expansion at IAH.


# 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

## Economy

**26<sup>th</sup>** Largest economy in the world if Houston were an independent nation

**7<sup>th</sup>** Largest U.S. metro economy in the nation

**\$472.1** Billion GDP (2019)

## Corporate HQ

**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

## 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 June 2021

## Global Trade City

**73** Foreign-owned firms

Foreign-owned firms

**1<sup>st</sup>**

In foreign waterborne tonnage

**1<sup>st</sup>** in import & export  
**1<sup>st</sup>** gulf coast container port

## Texas Medical Center

**\$25 Billion** in local GDP

**8<sup>th</sup> Largest** Business district in the U.S.

**10 Million** Patient encounters per year

**106,000+** Employees at TMC



## International Hub

**4<sup>th</sup> Largest** Multi-airport system in the U.S.

**58.3 Million** Passengers

Global Hub for Aerospace Technology

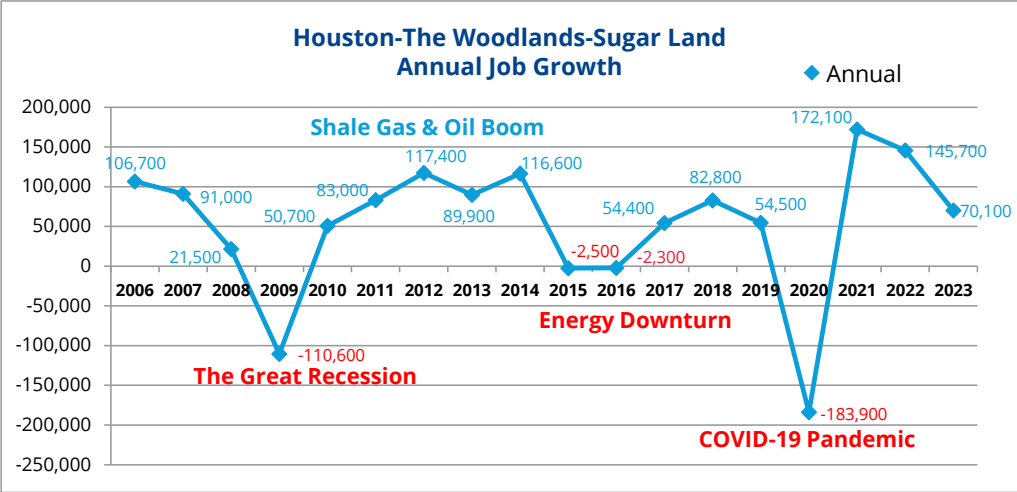
## Clutch City



# Houston employment marks a new all-time record

The region continues to attract job seekers from other metros, as evidenced by the U-Haul Growth Index, which cited Houston as the No. 1 location for relocations for six of the last eight years. By employment industry, employees in the Trade, Transportation and Utilities industry represent 21.0% of all MSA employment, followed by Professional and Business Services with 16.5% and Private Education and Health Services at 13.9%.

Houston is home to 26 Fortune 500 companies with another 47 on the Fortune 1000 list. A partial list of Houston's largest employers are listed below.



Source: U.S Bureau of Labor Statistics




# 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 other, including the broker's own interest;
- 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 buyers/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 opinion 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 ESTABLISHED:

- 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 purposed. 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.

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_____	_____
Buyer/Tenant/Seller/Landlord Initials	Date



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# W-Industries, LLC

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Houston, TX 77067

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Accelerating success.

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