



5.99 ACRES | 81,600SF | PRICE \$2,650,000 | BUILT 1985 PER TAX APPRAISAL ROLL

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01. INVESTMENT OVERVIEW

Exceptional multi-tenant industrial value-add opportunity at 5401 E Veterans Memorial Blvd, Killeen, TX. Spanning 81,600 square feet across five warehouse structures, this prime asset is strategically positioned in great proximity, 2 miles from Fort Cavazos one of the most expansive US Army training facilities spanning 214,000 acres. Situated 58 miles south of Waco, 60 miles north of Austin and 125 miles from both Dallas and San Antonio.

The property provides excellent visibility and high traffic exposure as well as easy access with three entrances. Its central location offer growth and accessibility. Harker Heights and the surrounding areas are experiencing significant growth, making this an opportune time to invest in an industrial warehouse location. It also has it's own fire hydrant on site as well as one right outside the property.

Flex Industrial Space

- Use the space for light manufacturing, auto repair, storage or maker spaces.
- Open floor plan for warehousing or small-scale production.

Distribution Center

- Ideal for local delivery hubs or e-commerce storage.
- Close proximity to major roads for easy logistics and distribution.
- ±86,000 SF of office and industrial warehouse and office space.
- Legal Acreage: 5.99

*** Property will not entertain offers from business in the moving and storage industry.**



02. PROPERTY OVERVIEW

Property Type

Industrial Warehouse Office/Storage

81,600 SF

Building Size Warehouse/Office -

No. Of Buildings 4

No. Of Offices 8 +/-

Occupancy - Self Occupied (Apple Moving)

Year Built 1985 per tax role

Lot Size 5.99AC

Tenancy- Single or Multiple is Possible Inline image

B-5 zoning- uses including retail, office, bar, warehouse, and flex space.

	RENT	PROPERTY TAX
2019	168,000	16,342
2020	186,000	17,836
2021	186,000	18,988
2022	216,000	21,090
2023	216,000	21,997
2024	216,000	TBD

Amenities

- 120,000 LB Truck Scale onsite
- 1 dock-high door
- 3 docks including multiple ramps
- 12 grade-level roll up doors.



02. PROPERTY OVERVIEW CONTINUED

Property Details

Warehouse Details Storage Bldg., Stabil Yard Base,
12' -18' Eave Height.

1 Dock Hight Door

12 Grade- Level Roll Up Doors

3 Docks

Smaller Maintenance Shop

Floors 1

Road Front Paved

Foundation Slab

Roof Type Gable

4 Warehouses

1) 5301 and 5303C Warehouse = 20640 SF

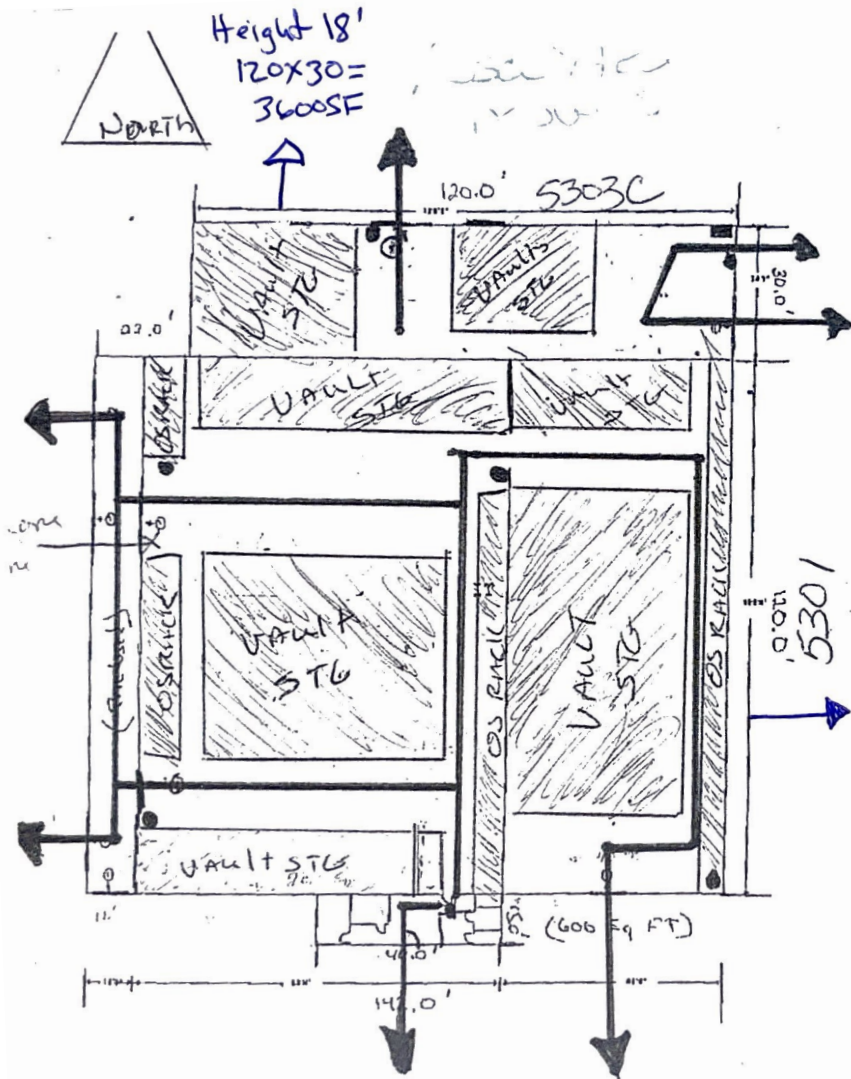
2) 5303 A and B Warehouse = 34,000SF

3) 5401 Warehouse = 20515 SF

4) 5309 Warehouse/ Office = 10,984 SF



02. PROPERTY OVERVIEW CONTINUED — 5301 AND 5303C WAREHOUSE = 20640 SF



5301 and 5303C Warehouse
Total SF = 20,640



Killeen Fire Marshal's Office

Plans reviewed for compliance:

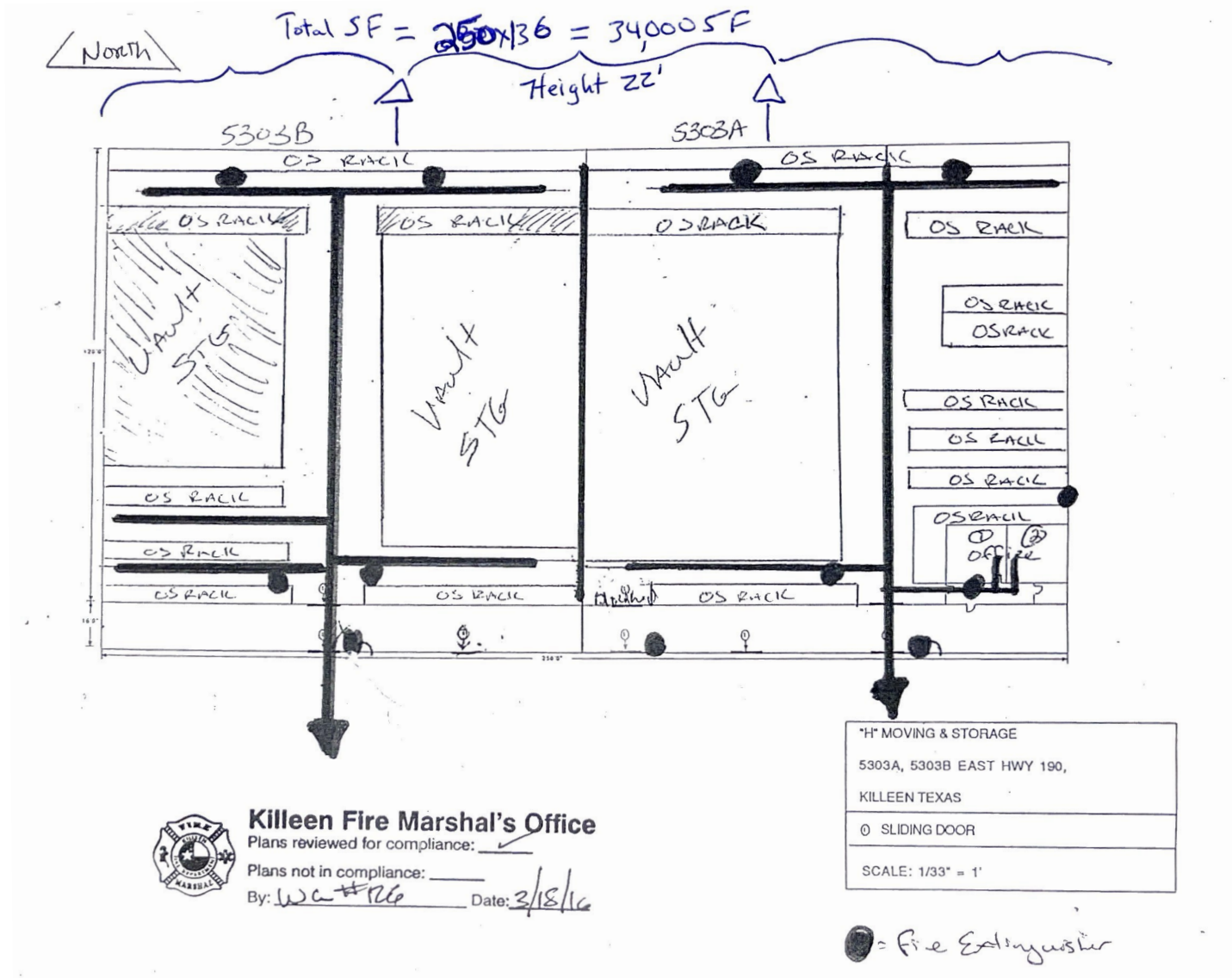
Plans not in compliance:

By: Wester Date: 3/18/16

18' Height
142 x 120 = 17,040 SF

ASSOCIATE WAREHOUSE 5301, 5303C EAST HWY 100 KILLEEN, TEXAS
Ⓧ SLIDING DOOR
SCALE: 1/32" = 1'

02. PROPERTY OVERVIEW CONTINUED — 5303 A AND B WAREHOUSE = 34,000SF



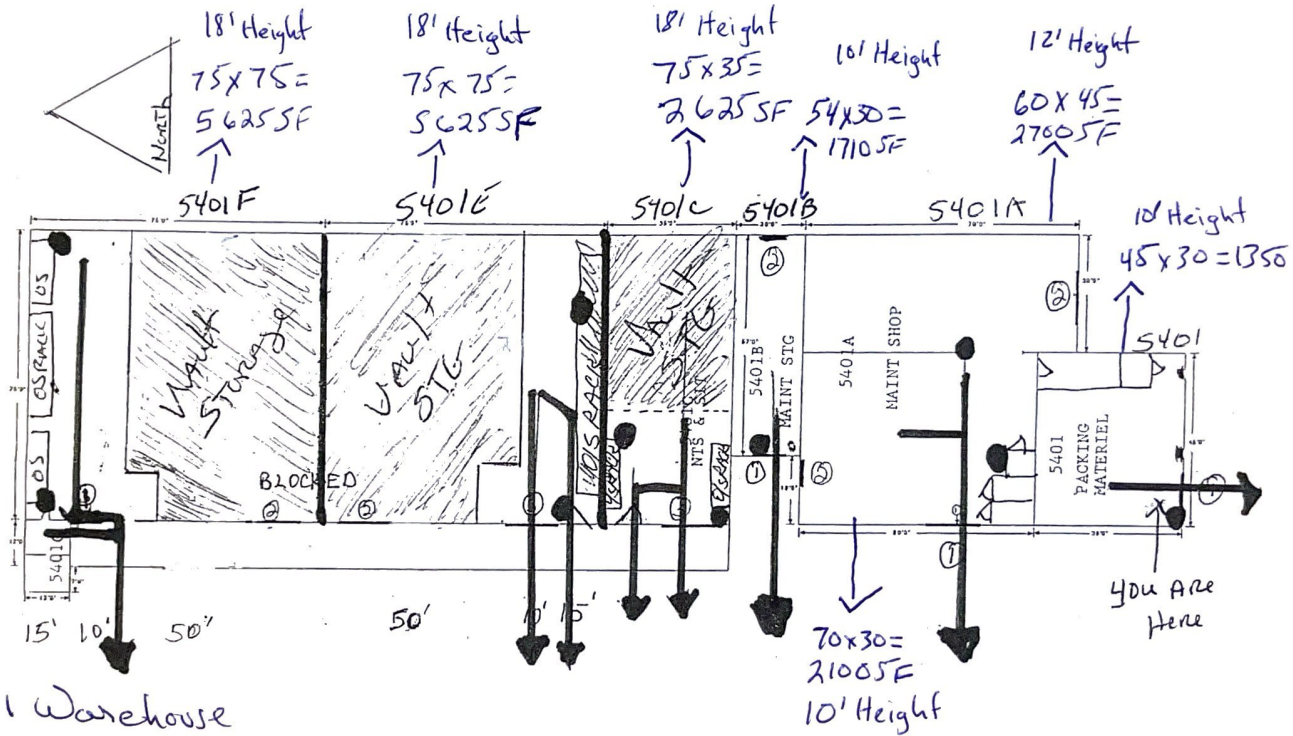
Killeen Fire Marshal's Office

Plans reviewed for compliance:

Plans not in compliance:

By: W.C. #126 Date: 3/18/16

02. PROPERTY OVERVIEW CONTINUED — 5401 WAREHOUSE = 20515 SF



5401 Warehouse
 Total SF = 20,515

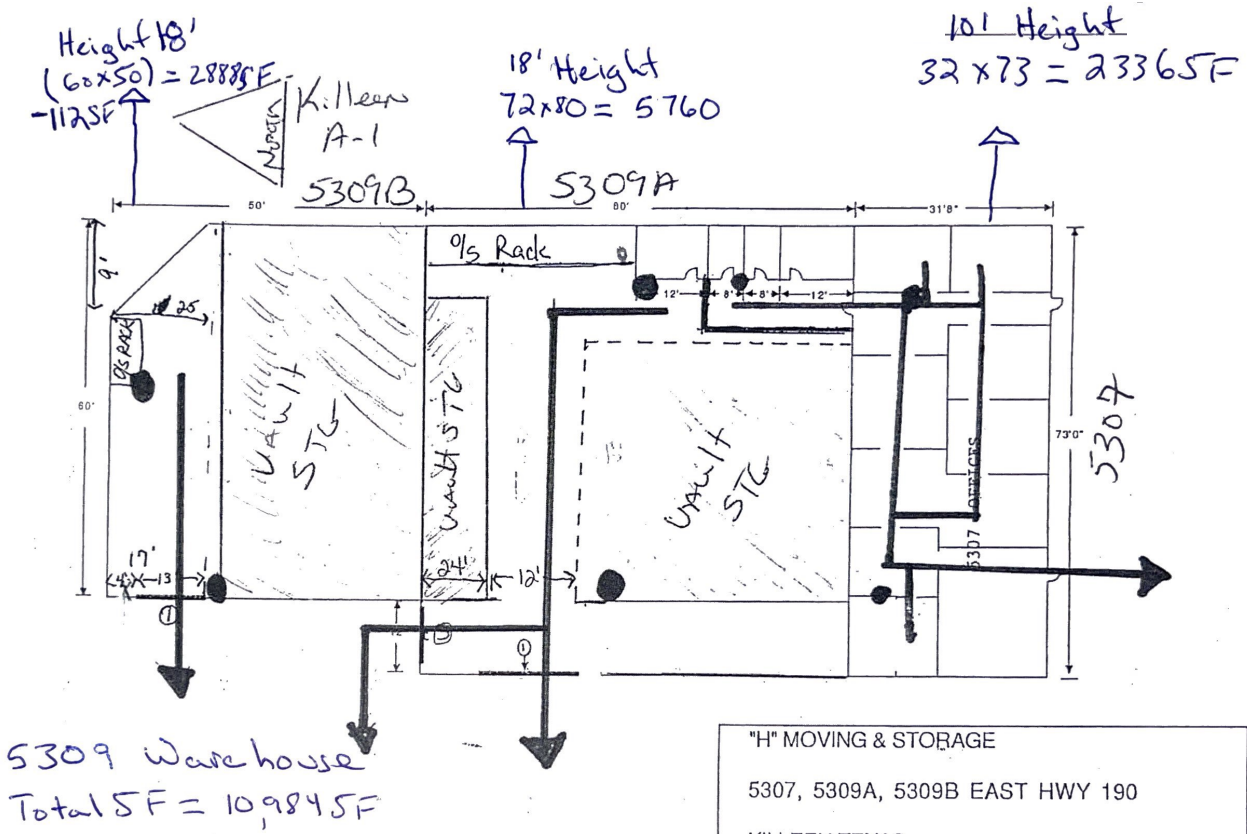


Killeen Fire Marshal's Office
 Plans reviewed for compliance:
 Plans not in compliance: _____
 By: Watt Date 3/18/10

"H" MOVING & STORAGE
 5401 EAST HWY 190,
 KILLEEN TEXAS
 (H) SLIDING DOOR - OUTSIDE ACCESS
 SCALE: 1/32" = 1'

- (H) SLIDING DOOR - INSIDE ACCESS
- (D) D/H DOOR - INSIDE ACCESS
- = Fire Ext. In our shop

02. PROPERTY OVERVIEW CONTINUED — 5309 WAREHOUSE/ OFFICE = 10,984 SF



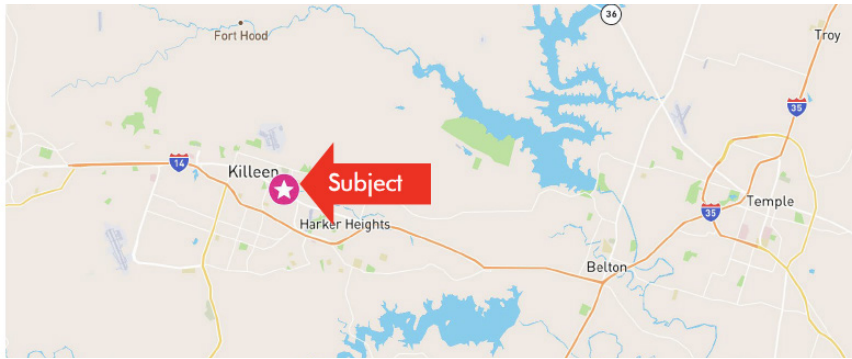
E. Veterans Memorial Blvd

Killeen Fire Marshal's Office
 Plans reviewed for compliance: _____
 Plans not in compliance: _____
 By: WA #176 Date: 3/18/16

"H" MOVING & STORAGE 5307, 5309A, 5309B EAST HWY 190 KILLEEN TEXAS
① SLIDING DOOR - OUTSIDE ACCESS
SCALE: 1/20" = 1'
② - SLIDING DOOR - INSIDE ACCESS
③ - OVERHEAD DOOR - INSIDE ACCESS

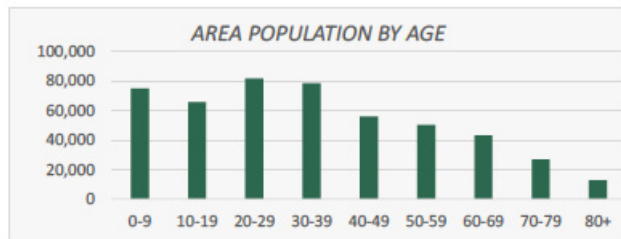
03. DEMOGRAPHICS OVERVIEW

The subject is located in the Killeen-Temple, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

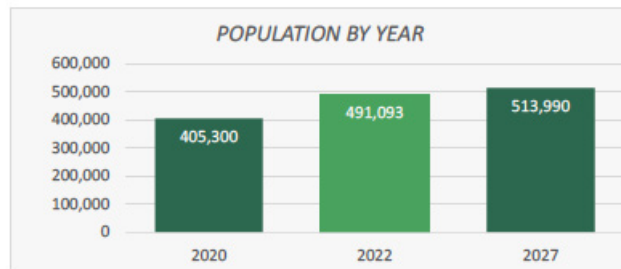


POPULATION

The area has a population of 491,093 and a median age of 33, with the largest population group in the 20-29 age range and the smallest population the in 80+ age range in the following tables.

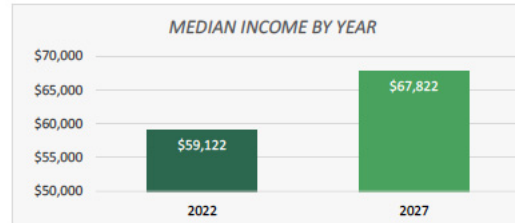


Population has increased by 85,793 since 2020, reflecting an increase of 3.9%. Population is projected to increase by an additional 22,897 by 2027, reflecting 0.9% population growth.



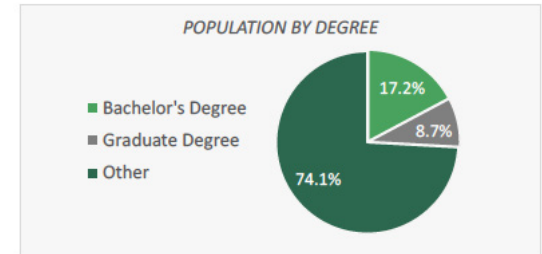
INCOME

The area features an average household income of \$82,820 and a median household income of \$59,122. Over the next five years, median household income is expected to increase by 14.7%, or \$1,740 per annum.

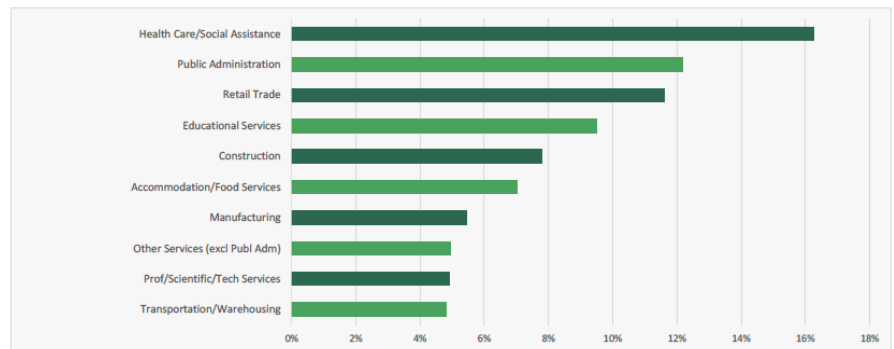


EDUCATION

A total of 25.9% of individuals over the age of 24 have a college degree, with 17.2% holding a bachelor's degree and 8.7% holding a graduate degree.



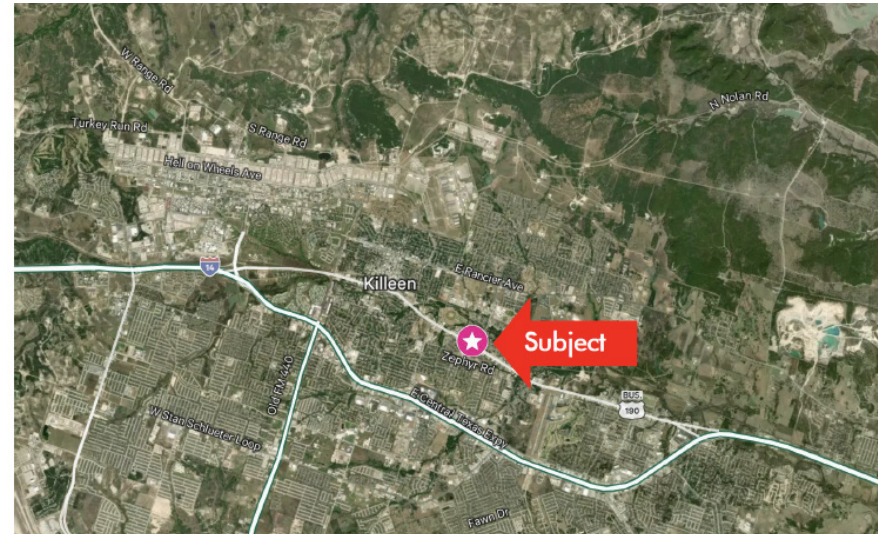
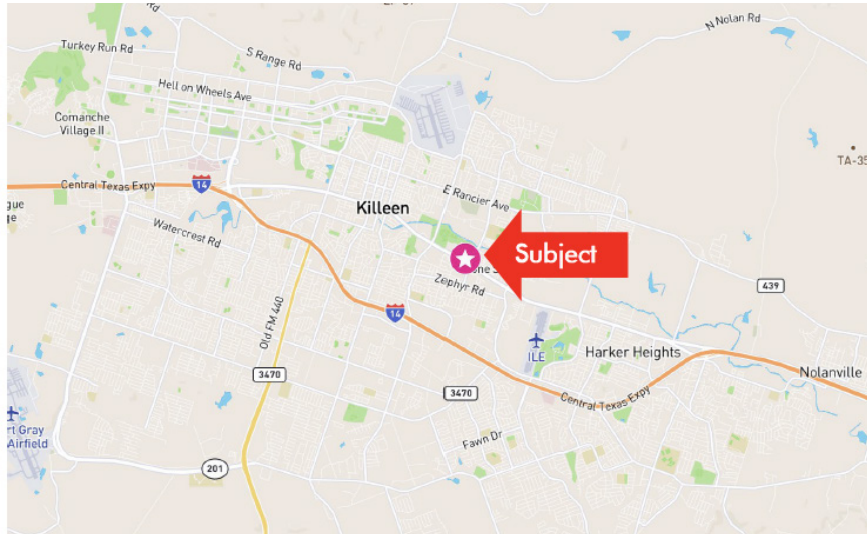
EMPLOYMENT



The area includes a total of 192,290 employees and has a 4.8% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Public Administration and Retail Trade, which represent a combined total of 40% of the population.

03. DEMOGRAPHICS OVERVIEW

NEIGHBORHOOD ANALYSIS



LOCATION

The city of Killeen is situated in western Bell County, Texas. Killeen is located south of the Fort Cavazos Armored Post, and is part of the Killeen-Temple-Fort Cavazos MSA.

BOUNDARIES

The boundaries of the subject neighborhood are considered to be inside the city limits of Killeen.

LAND USE

The subject property is located on the north side of the Central Texas Expressway (Highway 190) corridor, which is the primary commercial corridor that connects Fort Cavazos to Interstate Highway 35 to the east. The predominant land uses along the Central Texas Expressway corridor consist of office, retail, restaurants, car dealerships and hotel development. Primary factors influencing the neighborhood include surrounding retail and commercial development on the Central Texas Expressway corridor, including the Killeen Mall at the northeast corner of Central Texas Expressway and W.S. Young Drive. Overall, it is estimated that the neighborhood is approximately 75% to 80% developed with the areas south of the expressway being less developed than the area north of Central Texas Expressway. The areas to the north are land locked by the presence of Fort Cavazos Armored Post (formerly known as Fort Cavazos).

Residential development within the Killeen area is primarily in the southern portion of the city, with the areas surrounding Trimmier Road and W.S. Young Drive including recent residential construction, with additional vacant land available for development. Recently constructed apartment complexes in this area include Phase 2 of the Stone Creek Apartments, Bridgemoor and Brookside Apartments. The Dorel Apartments is the most recently constructed multi-family complex. Single-family residential development in this area includes recent construction of homes and subdivisions in various stages of sell-out. The majority of single-family residential development within a three-mile radius of the subject may be described as tract homes priced in the \$100,000 to \$200,000 range. The median home price in a three-mile radius is \$128,566.

Fort Cavazos is located north of Highway 190 and is the major land use in the neighborhood and is the largest active duty armored post in the United States Armed Services. Fort Cavazos covers a total of 339-square miles and is the only post in the United States that supports two full armored divisions. The subject enjoys good proximity to Fort Cavazos and most of the housing in the area is rental housing utilized by the military, as about 70% of the military stationed at Fort Cavazos live off post and 98% live within 10 miles.

03. DEMOGRAPHICS OVERVIEW

GROWTH PATTERNS

Killeen has experienced moderate growth over the past ten to fifteen years, and is beginning to see moderate gains in employment in the private education, government and construction fields. Killeen has an economic base that is dominated by Fort Cavazos, the largest active duty armored post in the United States Armed Forces and is the largest single location employer in the state.

All segments of the commercial real estate market are active albeit at a slower pace than in recent years, due to the moderation of employment growth. Most residential development is occurring in the vicinity of the Central Texas Expressway corridor, with multi-family development consisting primarily of small-scale complexes.

Northern Killeen is more densely developed than the area south of Central Texas Expressway, and the boundaries of Fort Cavazos to the north limit future expansion in that direction. The boundaries of Fort Cavazos also limit development to the southwest, although more vacant land is currently available in this area than to the north. Considering the boundaries created by Fort Cavazos, future growth in Killeen is focused to the south.

Texas A&M Central Texas is located in Killeen, on a site where, in 2004, Congress approved the transfer of 672 acres from Fort Cavazos to the A&M System. The site is reported to be large enough to accommodate a freestanding university with an enrollment of as many as 15,000 students and more than 700 faculty and staff members as well as the potential development of a research park. Construction of the first building was completed in May, 2012. Building two, a \$50- million, 125,500-square-foot facility was completed in June of 2014. The TAMUCT campus offers a variety of Undergraduate and Graduate Degree Programs.

The addition increases the number of independent universities in the A&M system to eleven. The Army agreed to accept in-kind consideration in exchange for use of available classroom space and for educational services in areas including nursing, computer networking, mental health education and business. Fort Cavazos area community leaders and lawmakers worked for a decade to win approval and funding for a freestanding public university campus. Current enrollment at Texas A&M University-Central Texas has reached 2,500 students with a 70% retention rate.

Future campus development will include 19 academic buildings totaling 1,600,000 square feet.

In September 2010, the Balfour Beatty/McCarthy joint venture, with HKS Architects and Wingler and Sharp as design partners, was selected to the U.S. Army Corps of Engineers to provide design-build services for the Fort Cavazos Replacement Hospital project at Fort Cavazos, Texas.

A new 944,000-square-foot facility will replace the existing 45-year old Carl R. Darnall Army Medical Center and provide a new state-of-the-art healthcare facility for service members and their families. The \$503 million project will include a hospital, outpatient clinics, ambulance garage, logistics building, central utility plant and three parking structures. The \$351 million for design and construction budget is funded by the American Recovery and Reinvestment Act of 2009. Construction started in April 2011 with completion in early 2016. The facility showcases numerous innovative sustainable features and was designed and constructed to achieve LEED Gold certification.

ACCESS

Central Texas Expressway (US Highway 190) is the primary thoroughfare providing access to the city of Killeen from IH-35 to the east and traveling west to Fort Cavazos and Lampasas. Although Central Texas Expressway is a major thoroughfare for the area, it is not a major connector for the state as are many Interstate Highways in other parts of the state.

Veteran's Memorial Boulevard is the primary thoroughfare that connects Central Texas Expressway to the central business district of Killeen. State Highway 195 (Fort Cavazos Street) and FM 439 (Rancier Avenue) are the only other highways in the area that provide access to the surrounding countryside. Trimmier Road, W.S. Young Drive and Elms Drive are primary northsouth thoroughfares that provide access from Central Texas Expressway to southern portions of Killeen. All of these roadways were noted to be in average to good condition. General access to the subject neighborhood is considered to be good.

03. DEMOGRAPHICS OVERVIEW

DEMOGRAPHICS

Selected neighborhood demographics in from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS				
3101 E Veterans Memorial Boulevard Killeen, TX 76543	1 Mile Radius	3 Mile Radius	5 Mile Radius	Killeen-Temple, TX Metropolitan Statistical Area
Population				
2027 Total Population	9,008	87,167	175,041	513,990
2022 Total Population	8,546	82,614	167,159	491,093
2010 Total Population	8,697	79,346	147,099	405,300
2000 Total Population	8,426	75,339	119,351	330,738
Annual Growth 2022 - 2027	1.06%	1.08%	0.93%	0.92%
Annual Growth 2010 - 2022	-0.87%	2.04%	6.60%	10.08%
Annual Growth 2000 - 2010	0.32%	0.52%	2.11%	2.05%
Households				
2027 Total Households	3,763	35,232	63,462	184,789
2022 Total Households	3,548	33,306	60,419	175,960
2010 Total Households	3,551	31,068	52,956	144,119
2000 Total Households	3,263	28,330	40,746	112,019
Annual Growth 2022 - 2027	1.18%	1.13%	0.99%	0.98%
Annual Growth 2010 - 2022	-0.04%	3.54%	6.81%	10.50%
Annual Growth 2000 - 2010	0.85%	0.93%	2.66%	2.55%
Income				
2022 Median Household Income	\$38,974	\$44,842	\$53,760	\$59,122
2022 Average Household Income	\$51,294	\$60,858	\$72,500	\$82,820
2022 Per Capita Income	\$21,225	\$24,811	\$26,921	\$30,134
2022 Pop 25+ College Graduates	848	9,321	23,745	80,355
Age 25+ Percent College Graduates - 2022	16.0%	18.5%	23.8%	25.9%

Source: ESRI

CONCLUSION

The subject property is situated in an area of Killeen that lends itself favorably to commercial property use due to its proximity to primary roadways. The outlook for the neighborhood is for continued growth with Annual Growth 2022 - 2027 of 0.93% projected in a five mile radius.

EMPLOYMENT BY INDUSTRY

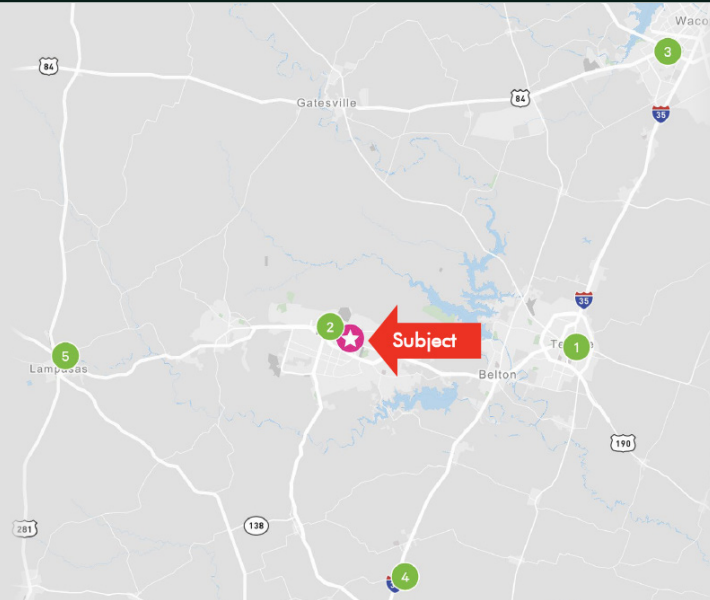
Selected employment demographics in from the subject are shown in the following table:

EMPLOYMENT BY INDUSTRY				
Occupation ()	1 Mile Radius	3 Mile Radius	5 Mile Radius	Killeen-Temple, TX Metropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	0.43%	0.11%	0.14%	0.48%
Construction	7.65%	9.14%	7.31%	8.02%
Manufacturing	3.64%	3.52%	3.74%	5.64%
Wholesale Trade	0.25%	1.07%	1.09%	2.11%
Retail Trade	13.42%	14.75%	14.10%	11.97%
Transportation/Warehousing Information	8.61%	4.22%	4.62%	4.97%
Finance/Insurance	0.43%	1.67%	1.52%	1.26%
Prof/Scientific/Tech Services	4.66%	2.93%	2.76%	3.23%
Mgmt of Companies/Enterprises	3.64%	3.63%	5.32%	5.09%
Admin/Support/Waste Mgmt Svcs	0.00%	0.01%	0.02%	0.01%
Educational Services	5.65%	8.56%	6.96%	4.70%
Health Care/Social Assistance	4.38%	6.72%	8.46%	9.79%
Arts/Entertainment/Recreation	17.28%	13.06%	14.07%	16.78%
Accommodation/Food Services	2.59%	1.80%	1.60%	1.05%
Other Services (excl Publ Adm)	8.42%	9.44%	8.07%	7.24%
Public Administration	7.71%	4.78%	4.28%	5.10%
	11.23%	14.59%	15.94%	12.56%

Source: ESRI

04. FINANCIAL OVERVIEW

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.




SUMMARY OF COMPARABLE INDUSTRIAL SALES

No.	Property Name	Transaction Type	Date	YOC / Reno'd	GBA (SF)	Percent Office	Percent Air Cond.	Clear Height (Ft)	Land to Bldg. Ratio	Actual Sale Price	Adjusted Sale Price ¹	Price Per SF ¹	NOI Per SF	OAR
1	Perro Grande Warehouse, 611 E Avenue A Temple, TX 76501	Sale	Nov-22	1960	54,198	10.0%	10.0%	12'	1.69 : 1	\$1,065,000	\$1,065,000	\$19.65	\$1.59	8.09%
2	Office Warehouse, 2301 Federal Street Killeen, TX 76543	Sale	Jun-21	1996	29,610	20.0%	20.0%	20'	2.94 : 1	\$845,000	\$845,000	\$28.54	\$2.23	7.83%
3	Office Warehouse, 6401 Imperial Waco, TX 76712	Sale	Jun-21	1971 / 2006	138,307	11.6%	11.6%	28 - 32'	7.85 : 1	\$4,900,000	\$4,900,000	\$35.43	\$2.88	8.14%
4	Warehouse, 500 LR Williams Drive Jarrell, TX 76537	Sale	Jun-20	2019	10,000	45.0%	45.0%	14 - 16'	4.4 : 1	\$750,000	\$750,000	\$75.00	\$5.25	7.00%
5	Office Warehouse, 1505 E Avenue J Lampasas, TX 76550	Sale	Jun-20	2010	12,000	20.0%	20.0%	16'	8.6 : 1	\$595,000	\$595,000	\$49.58	\$3.59	7.25%
Subj.	Office Warehouse Facility, 3101 E Veterans Memorial Boulevard Killeen, TX 76543	---	---	1964	51,680	3.7%	3.7%	16'	4.93 : 1	---	---	---	\$2.45	---

The sales utilized represent the best data available for comparison with the subject property and were chosen based upon their physical characteristics and general location. Due to a lack of sales in the immediate Killeen area, we expanded our search to include the greater Bell and McLennan Counties area. All of the comparables represent fee simple transactions similar to the subject.

04. FINANCIAL OVERVIEW – IMPROVED SALES DATA SHEETS

SALE	INDUSTRIAL – WH/DISTRIBUTION/LOGISTICS	NO.1
Property Name	Perro Grande Warehouse	
Address	611 E Avenue A Temple, TX 76501	
County	Bell	
Govt./Tax ID	9607	
Gross Building Area (GBA)	54,198 sf	
Condition	Fair	
Number of Buildings	1	
Parking Type/Ratio	Surface/ 0.46:1,000 sf	
Year Built/Renovated	1960/ N/A	
Floor Count	1	
Occupancy Type	Owner/User	
Actual Land to Bldg Ratio	1.69:1	
Land Area Net	2.104 ac/ 91,650 sf	
Shape	Rectangular	
Zoning	HI	
% Office	10%	
Clear Ceiling Height	12 ft	
Construction Class/Type	S/ Average	
Exterior Finish	Metal	
Rail Access	Yes, east side of property	
Loading	2 grade level doors, 2 elevated docks	
Fire Protection	No	

This comparable represents the sale of a 54,198 square foot office warehouse building located at 611 East Avenue A in Temple, Texas. The improvements were constructed in 1960 and are in fair overall condition. The exterior walls depict metal construction components and the land-to-building ratio was indicated as 1.69 to 1. The property's clear height was indicated as 16 ft. while the percentage of air conditioning and office space was indicated 10%, respectively. The property sold in November 2022 for \$1,065,000, or \$19.65 per square foot at an implied OAR of 8.09% based on market parameters.

TRANSACTION DETAILS			
Type	Sale	Primary Verification	Costar, Seller
Interest Transferred	Fee Simple	Transaction Date	11/07/2022
Condition of Sale	Arm's Length	Recording Date	05/10/2023
Recorded Buyer	Perro Grande Commercial LLC	Sale Price	\$1,065,000
Buyer Type	End User	Financing	Cash to Seller
Recorded Seller	JAGM LLC	Cash Equivalent	\$1,065,000
Marketing Time	2 Month(s)	Capital Adjustment	\$0
Listing Broker	Greg Davis	Adjusted Price	\$1,065,000
Doc #	2022068008	Adjusted Price / sf	\$19.65
Buyer's Primary Analysis	Static Capitalization Analysis	Occupancy at Sale	100%
Static Analysis Method	Market	Underwritten Occupancy	94%
Source	Appraiser	Potential Gross Income	\$189,693
NOI / sf	\$1.59	Vacancy/Collection Loss	\$11,382
IRR	N/A	Effective Gross Income	\$178,311
OER	51.67%	Expenses	\$92,136
Expenses /sf	\$1.70	Net Operating Income	\$86,175
Cap Rate	8.09%		

04. FINANCIAL OVERVIEW – IMPROVED SALES DATA SHEETS

SALE INDUSTRIAL – MANUFACTURING/FACTORY NO.2

Property Name	Office Warehouse
Address	2301 Federal Street Killeen, TX 76543
County	Bell
Govt./Tax ID	150176
Gross Building Area (GBA)	29,610 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 1.18:1,000 sf
Year Built/Renovated	1996/ N/A
Floor Count	1
Occupancy Type	Owner/User
Actual Land to Bldg Ratio	2.94:1
Land Area Net	2.000 ac/ 87,120 sf
Shape	Rectangular
Zoning	LI
% Office	20%
Clear Ceiling Height	20 ft
Construction Class/Type	S/ Average
Exterior Finish	Metal
Rail Access	N/A
Loading	3 at grade docks, 1 elevated dock
Fire Protection	N/A



This comparable represents the sale of a 29,610 square foot office warehouse building located at 2301 Federal Street in Killeen, Texas. The improvements were constructed in 1996 and are in average overall condition. The exterior walls depict metal construction components. The property's clear height was indicated as 20 ft. while the percentage of air conditioning and office space was indicated 20%, respectively. The property sold in June 2021 for \$845,000, or \$28.54 per square foot at an implied OAR of 7.83% based on market parameters.

TRANSACTION DETAILS

Type	Sale	Primary Verification	Listing Broker
Interest Transferred	Fee Simple	Transaction Date	06/30/2021
Condition of Sale	None	Recording Date	N/A
Recorded Buyer	N/A	Sale Price	\$845,000
Buyer Type	N/A	Financing	Cash to Seller
Recorded Seller	Edwin Vale	Cash Equivalent	\$845,000
Marketing Time	15 Month(s)	Capital Adjustment	\$0
Listing Broker	Jim Wright	Adjusted Price	\$845,000
Doc #	N/A	Adjusted Price / sf	\$28.54
Buyer's Primary Analysis	Static Capitalization Analysis	Occupancy at Sale	N/A
Static Analysis Method	Market	Underwritten Occupancy	94%
Source	Appraiser	Potential Gross Income	\$140,647
NOI / sf	\$2.23	Vacancy/Collection Loss	\$8,439
IRR	N/A	Effective Gross Income	\$132,208
OER	49.94%	Expenses	\$66,030
Expenses /sf	\$2.23	Net Operating Income	\$66,178
Cap Rate	7.83%		

04. FINANCIAL OVERVIEW – IMPROVED SALES DATA SHEETS

SALE INDUSTRIAL – MANUFACTURING/FACTORY NO.3

Property Name	Office Warehouse
Address	6401 Imperial Waco, TX 76712
County	McLennan
Govt./Tax ID	342278
Gross Building Area (GBA)	138,307 sf
Condition	Average
Number of Buildings	2
Parking Type/Ratio	Surface/ N/A
Year Built/Renovated	1971 / 2006
Floor Count	1
Occupancy Type	Owner/User
Actual Land to Bldg Ratio	7.85:1
Land Area Net	24.940 ac/ 1,086,386 sf
Shape	Rectangular
Zoning	M-2
% Office	12%
Clear Ceiling Height	28 - 32 ft
Construction Class/Type	S/ Average
Exterior Finish	Metal
Rail Access	None
Loading	Grade and Dock
Fire Protection	N/Av



This comparable represents a two-building, 138,307-square foot manufacturing located at 6401 Imperial Drive in Waco, Texas. The metal improvements were constructed in 1971 and renovated in 2006 at a land-to-building ratio of 7.85 to 1 and features a 28 to 32-foot clear height, functional loading, heavy power, paint booths, and 11.6% office finish. The property sold in June 2021 for \$4,900,000 or \$35.43 per square foot.

TRANSACTION DETAILS

Type	Sale	Primary Verification	Knowledgeable Third Party
Interest Transferred	Fee Simple	Transaction Date	06/15/2021
Condition of Sale	None	Recording Date	06/15/2021
Recorded Buyer	Montez Gato II LLC	Sale Price	\$4,900,000
Buyer Type	End User	Financing	Cash to Seller
Recorded Seller	Manitou Equipment America LLC	Cash Equivalent	\$4,900,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Bland Cromwell	Adjusted Price	\$4,900,000
Doc #	2021023397	Adjusted Price / sf	\$35.43
Buyer's Primary Analysis	Static Capitalization Analysis	Occupancy at Sale	100%
Static Analysis Method	Market	Underwritten Occupancy	94%
Source	Appraiser	Potential Gross Income	\$865,801
NOI / sf	\$2.88	Vacancy/Collection Loss	\$51,948
IRR	N/A	Effective Gross Income	\$813,853
OER	50.98%	Expenses	\$414,921
Expenses /sf	\$3.00	Net Operating Income	\$398,932
Cap Rate	8.14%		

04. FINANCIAL OVERVIEW – IMPROVED SALES DATA SHEETS

SALE INDUSTRIAL – WH/DISTRIBUTION/LOGISTICS NO.4

Property Name	Warehouse
Address	500 LR Williams Drive Jarrell, TX 76537
County	Williamson
Govt./Tax ID	R-11-4024-020A-0002
Gross Building Area (GBA)	10,000 sf
Condition	Good
Number of Buildings	2
Parking Type/Ratio	Open/ N/A
Year Built/Renovated	2019/ N/A
Floor Count	1
Occupancy Type	Owner/User
Actual Land to Bldg Ratio	4.40:1
Land Area Net	1.010 ac/ 43,996 sf
Shape	Rectangular
Zoning	Industrial
% Office	45%
Clear Ceiling Height	14 - 16 ft
Construction Class/Type	S/ Good
Exterior Finish	Metal
Rail Access	None
Loading	5 grade level doors
Fire Protection	N/A




This comparable represents the sale of two newly built vacant industrial office/warehouse at 500 LR Williams Drive in Jarrell, Texas. The property is located in an industrial park and has about 45% office between the two buildings. The buildings sold in June 2020 for \$750,000 or \$75.00 per square foot at an implied OAR of 7.0% based on market parameters.

TRANSACTION DETAILS

Type	Sale	Primary Verification	Broker
Interest Transferred	Fee Simple	Transaction Date	06/26/2020
Condition of Sale	Average	Recording Date	06/26/2020
Recorded Buyer	Terry Kitchens	Sale Price	\$750,000
Buyer Type	Private Investor	Financing	Cash to Seller
Recorded Seller	Anthony Williams	Cash Equivalent	\$750,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Debbie Stewart - KW Realty	Adjusted Price	\$750,000
Doc #	2020072255	Adjusted Price / sf	\$75.00
Buyer's Primary Analysis	Static Capitalization Analysis	Occupancy at Sale	0%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	95%
Source	Appraiser	Potential Gross Income	\$78,947
NOI / sf	\$5.25	Vacancy/Collection Loss	\$3,947
IRR	N/A	Effective Gross Income	\$75,000
OER	30.00%	Expenses	\$22,500
Expenses /sf	\$2.25	Net Operating Income	\$52,500
Cap Rate	7.00%		

04. FINANCIAL OVERVIEW – IMPROVED SALES DATA SHEETS

SALE	INDUSTRIAL – WH/DISTRIBUTION/LOGISTICS	NO.5
Property Name	Office Warehouse	
Address	1505 E Avenue J Lampasas, TX 76550	
County	Lampasas	
Govt./Tax ID	705	
Gross Building Area (GBA)	12,000 sf	
Condition	Average	
Number of Buildings	1	
Parking Type/Ratio	Open/ 2.92:1,000 sf	
Year Built/Renovated	2010/ N/A	
Floor Count	1	
Occupancy Type	Owner/User	
Actual Land to Bldg Ratio	8.60:1	
Land Area Net	2.370 ac/ 103,237 sf	
Shape	Rectangular	
Zoning	LR	
% Office	20%	
Clear Ceiling Height	16 ft	
Construction Class/Type	S/ Average	
Exterior Finish	Metal	
Rail Access	None	
Loading	2 grade level doors	
Fire Protection	N/A	

This represents the sale of a 12,000-square-foot industrial facility and is situated on a 2.37-acre parcel at 1505 E Avenue J in Lampasas, TX. The improvements were originally constructed in 2010 and were considered in average condition at the time of sale. The exterior walls depict metal construction components and the land-to-building ratio was indicated as 8.6 to 1. The property's clear height was indicated as 16 ft. while the percentage of air conditioning and office space was indicated 20.0%, respectively. The parking type is described as open with a parking ratio of 2.92 spaces per 1,000 square feet. The property sold in June 2020 for \$595,000, or \$49.58 per square foot at an implied OAR of 7.25% based on market parameters.

TRANSACTION DETAILS

Type	Sale	Primary Verification	Buyer
Interest Transferred	Fee Simple	Transaction Date	06/08/2020
Condition of Sale	Arm's length	Recording Date	06/08/2020
Recorded Buyer	COMO LAMPASAS LLC	Sale Price	\$595,000
Buyer Type	Private Investor	Financing	Cash to Seller
Recorded Seller	ABBOTT SPRINGS LTD	Cash Equivalent	\$595,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Jim Wright	Adjusted Price	\$595,000
Doc #	181586	Adjusted Price / sf	\$49.58
Buyer's Primary Analysis	Static Capitalization Analysis	Occupancy at Sale	0%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	95%
Source	N/A	Potential Gross Income	\$64,868
NOI / sf	\$3.59	Vacancy/Collection Loss	\$3,243
IRR	N/A	Effective Gross Income	\$61,625
OER	30.00%	Expenses	\$18,488
Expenses /sf	\$1.54	Net Operating Income	\$43,137
Cap Rate	7.25%		

05. MARKET OVERVIEW

MARKET ANALYSIS

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis includes CoStar’s 4th Quarter 2022 Industrial Market Survey (the most current available). The subject is located in the Greater Killeen Submarket.

METROPOLITAN KILLEEN - TX WAREHOUSE MARKET OVERVIEW

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Killeen - TX warehouse market, as reported by CoStar.

KILLEEN - TX WAREHOUSE MARKET							
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)
2017	9,356,736	39,550	8,799,074	94.0%	\$5.41	4.43%	146,065
2018	9,401,634	44,898	8,981,828	95.5%	\$5.70	5.45%	182,754
2019	9,454,684	53,050	9,031,851	95.5%	\$5.99	5.10%	50,023
2020	10,050,513	595,829	9,731,720	96.8%	\$6.26	4.49%	699,869
Q1 2021	10,050,513	0	9,697,761	96.5%	\$6.37	1.69%	-33,959
Q2 2021	10,050,513	0	9,596,127	95.5%	\$6.49	1.92%	-101,634
Q3 2021	10,065,513	15,000	9,618,706	95.6%	\$6.61	1.83%	22,579
Q4 2021	10,071,513	6,000	9,780,370	97.1%	\$6.74	2.03%	161,664
2021	10,071,513	21,000	9,780,370	97.1%	\$6.74	7.68%	48,650
Q1 2022	10,071,513	0	9,823,884	97.5%	\$6.87	1.92%	43,514
Q2 2022	10,071,513	0	9,865,118	98.0%	\$7.01	2.03%	41,234
Q3 2022	10,080,513	9,000	9,953,740	98.7%	\$7.12	1.53%	88,622
Q4 2022	10,080,513	0	10,002,239	99.2%	\$7.21	1.28%	48,500
2022	10,080,513	9,000	10,002,239	99.2%	\$7.21	6.93%	221,870
2023*	11,052,025	971,512	10,875,887	98.4%	\$7.55	4.73%	874,030
2024*	11,333,157	281,132	11,058,455	97.6%	\$7.76	2.73%	183,213
2025*	11,638,257	305,100	11,310,119	97.2%	\$7.92	2.12%	252,202
2026*	11,893,505	255,248	11,543,557	97.1%	\$8.05	1.59%	234,006
2027*	12,109,646	216,141	11,748,385	97.0%	\$8.15	1.29%	205,458

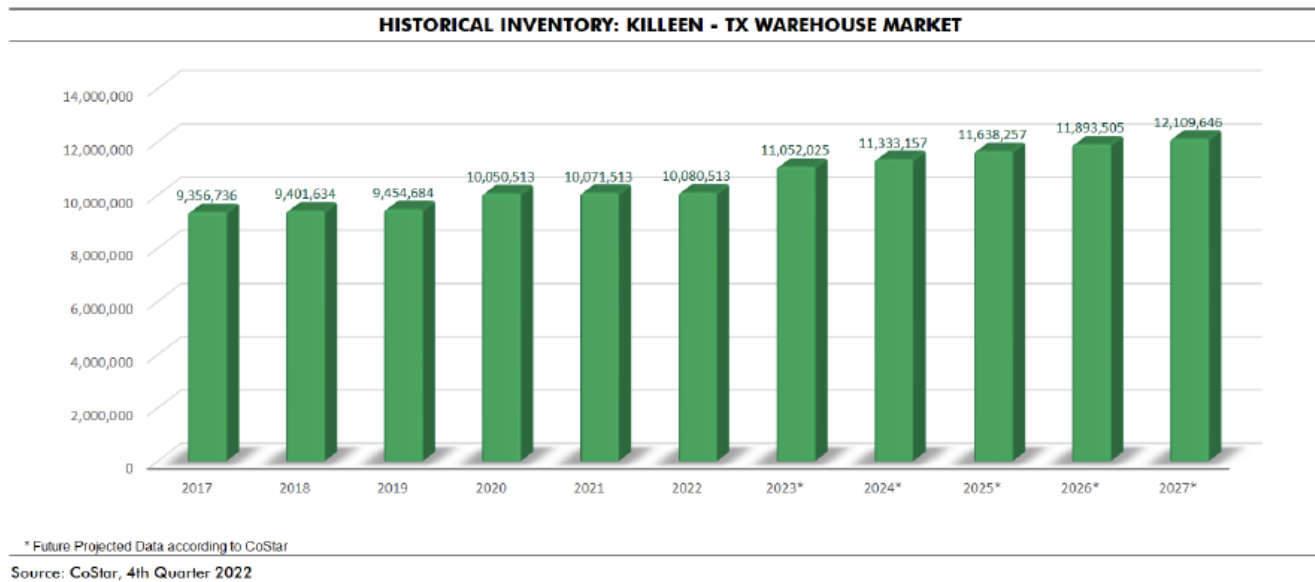
* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

05. MARKET OVERVIEW

The Killeen - TX warehouse market consists of approximately 10,080,513 square feet of warehouse space. The following observations are noted from the table above:

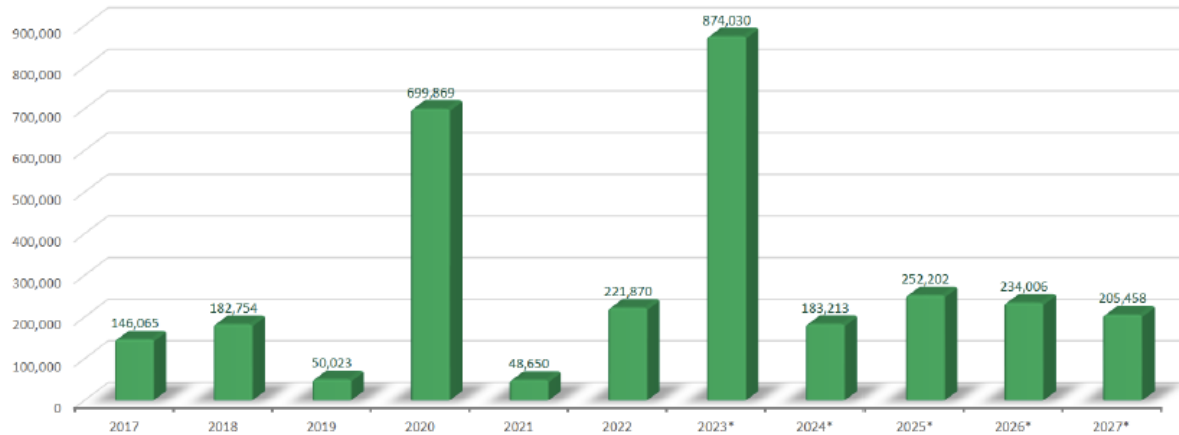
- As of 4th Quarter 2022, there was approximately 10,002,239 square feet of occupied warehouse space (including sublet space), resulting in an occupancy rate of 99.2% for the metro area. This reflects an increase from the previous quarter's occupancy of 98.7%, and an increase from an occupancy rate of 97.1% from the prior year.
- The area experienced positive 48,500 square feet of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 88,622 square feet of net absorption, and a decline from the positive 48,650 square feet of net absorption from the prior year.
- The area had zero completions for the current quarter, which indicates a decrease from the previous quarter's completions of positive 9,000 square feet, and indicates a decline from completions of positive 21,000 square feet from the prior year.
- The area achieved average asking rent of \$7.21 per square foot, which indicates an increase from the previous quarter's asking rent of \$7.12 per square foot, and an increase from the asking rent of \$6.74 per square foot from the prior year.



Inventory is projected to be 10,080,513 square feet at the end of the current year, which represents an increase from the previous year's inventory of 10,071,513 square feet. Inventory for next year is projected to be 11,052,025 square feet, reflecting an increase from the current year.

05. MARKET OVERVIEW

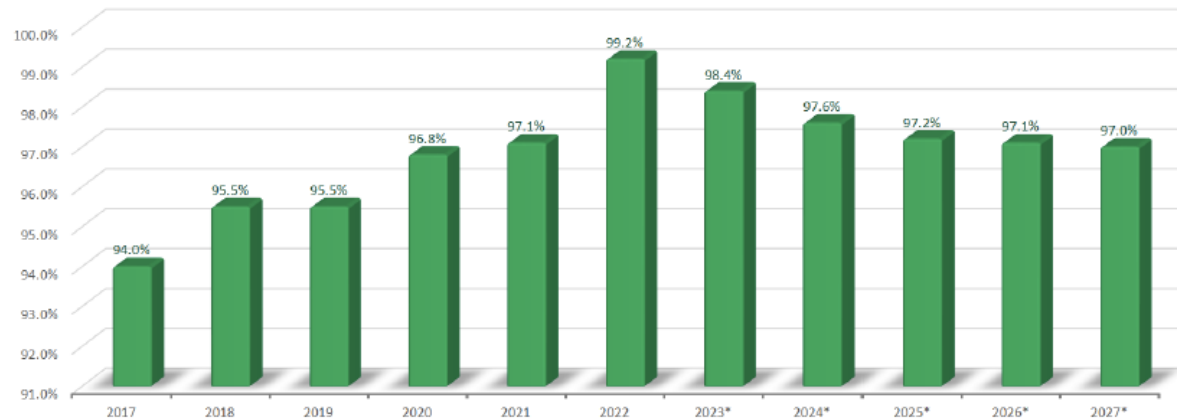
HISTORICAL NET ABSORPTION: KILLEEN - TX WAREHOUSE MARKET



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

HISTORICAL OCCUPANCY: KILLEEN - TX WAREHOUSE MARKET



* Future Projected Data according to CoStar

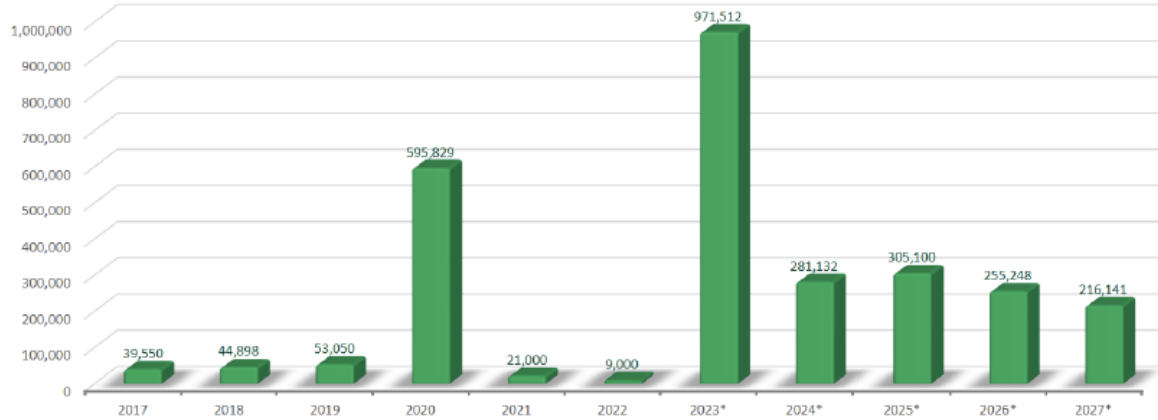
Source: CoStar, 4th Quarter 2022

Inventory is projected to be 10,080,513 square feet at the end of the current year, which represents an increase from the previous year's inventory of 10,071,513 square feet. Inventory for next year is projected to be 11,052,025 square feet, reflecting an increase from the current year.

At the end of the current year, the area is projected to experience positive 221,870 square feet of net absorption, which indicates an improvement from the positive 48,650 square feet of net absorption for the previous year. The area is projected to experience positive 874,030 square feet of net absorption as of the end of next year, which indicates an improvement from the current year.

05. MARKET OVERVIEW

HISTORICAL COMPLETIONS: KILLEEN - TX WAREHOUSE MARKET

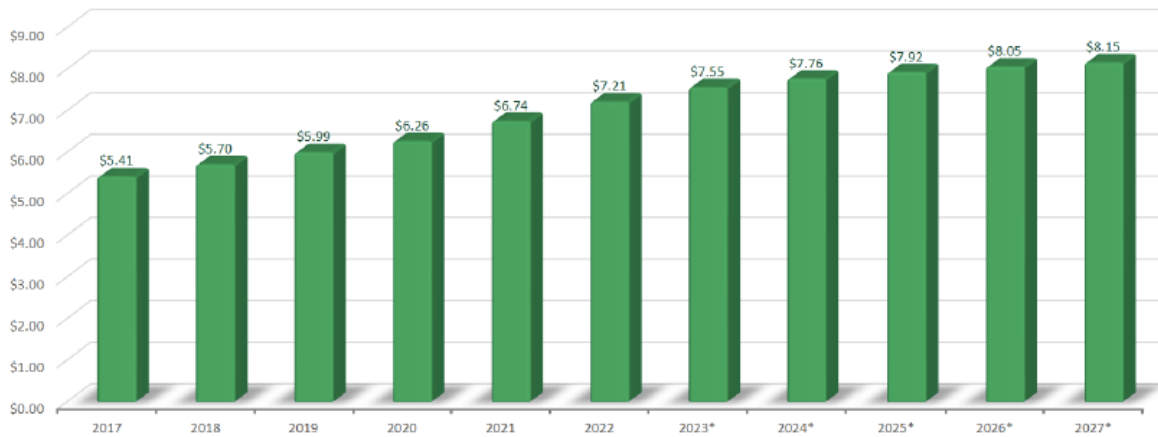


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The area is projected to achieve completions of positive 9,000 square feet for the current year, which indicates a decline from the previous year's completions of positive 21,000 square feet. The area is projected to experience completions of positive 971,512 square feet as of the end of next year, which indicates an improvement from the current year.

HISTORICAL ASKING RENT: KILLEEN - TX WAREHOUSE MARKET



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The area is projected to achieve average asking rent of \$7.21 per square foot at the end of the current year, which indicates an increase from the previous year's asking rent of \$6.74 per square foot. The area is projected to achieve asking rent of \$7.55 per square foot by the end of next year, indicating an increase from the current year.

06. SUBMARKET OVERVIEW

SUBMARKET SNAPSHOT

The following table summarizes the supply of warehouse square footage for each submarket within the Killeen - TX market as of 4th Quarter 2022.

KILLEEN - TX WAREHOUSE SUBMARKET SNAPSHOT				
Submarket	Inventory (SF)	Completions* (SF)	Asking Rent (\$/SF NNN)	Occupancy
Copperas/SW Coryell Cnty	92,508	0	\$8.49	100.0%
Downtown Killeen	24,299	0	\$6.57	100.0%
Greater Killeen	1,214,713	0	\$12.35	99.6%
Lampasas County	329,446	0	\$8.21	100.0%
Outlying Bell County	2,446,837	9,000	\$8.57	97.6%
Outlying Coryell County	162,657	0	\$6.53	100.0%
Temple	5,810,053	0	\$5.75	99.8%

*Completions include trailing 4 quarters

Source: CoStar, 4th Quarter

GREATER KILLEEN SUBMARKET

Important characteristics of the Greater Killeen warehouse market are summarized below:

GREATER KILLEEN WAREHOUSE SUBMARKET							
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF NNN)	Asking Rent Change	Net Absorption (SF)
2017	1,208,713	31,300	967,215	80.0%	\$9.40	3.59%	-130,848
2018	1,208,713	0	1,142,330	94.5%	\$9.90	5.22%	175,115
2019	1,208,713	0	1,111,213	91.9%	\$10.36	4.73%	-31,117
2020	1,208,713	0	1,132,568	93.7%	\$10.79	4.08%	21,355
Q1 2021	1,208,713	0	1,130,068	93.5%	\$10.96	1.58%	-2,500
Q2 2021	1,208,713	0	1,130,068	93.5%	\$11.16	1.86%	0
Q3 2021	1,208,713	0	1,152,568	95.4%	\$11.38	1.93%	22,500
Q4 2021	1,214,713	6,000	1,163,568	95.8%	\$11.61	2.08%	11,000
2021	1,214,713	6,000	1,163,568	95.8%	\$11.61	7.65%	31,000
Q1 2022	1,214,713	0	1,172,713	96.5%	\$11.82	1.75%	9,145
Q2 2022	1,214,713	0	1,152,713	94.9%	\$12.02	1.69%	-20,000
Q3 2022	1,214,713	0	1,188,713	97.9%	\$12.22	1.67%	36,000
Q4 2022	1,214,713	0	1,209,270	99.6%	\$12.35	1.05%	20,557
2022	1,214,713	0	1,209,270	99.6%	\$12.35	6.31%	45,702
2023*	1,214,203	-510	1,201,333	98.9%	\$12.92	4.68%	-7,850
2024*	1,214,695	492	1,201,793	98.9%	\$13.27	2.71%	635
2025*	1,215,306	611	1,198,882	98.6%	\$13.55	2.12%	-2,781
2026*	1,215,647	341	1,195,351	98.3%	\$13.77	1.56%	-3,403
2027*	1,215,757	110	1,192,802	98.1%	\$13.94	1.26%	-2,398

*Future Projected Data according to CoStar

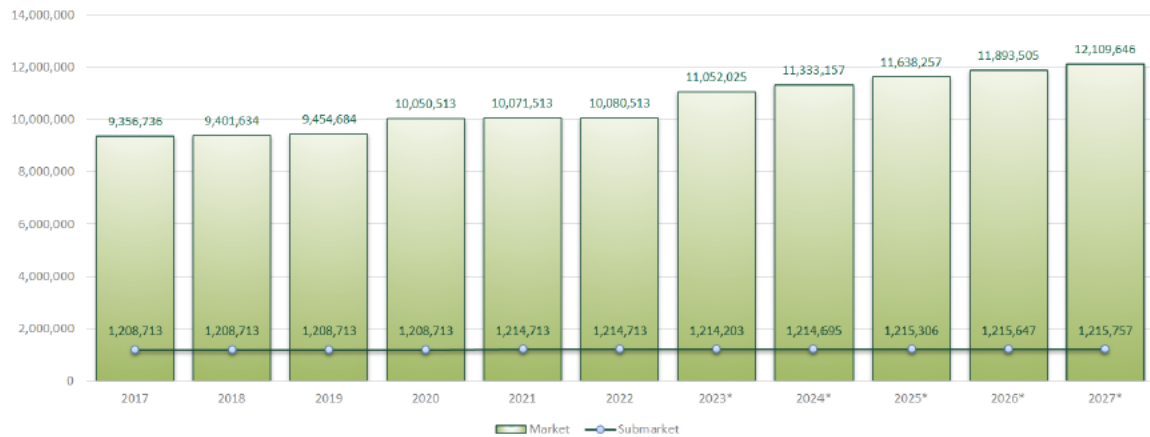
Source: CoStar, 4th Quarter 2022

06. SUBMARKET OVERVIEW

The Greater Killeen warehouse submarket consists of approximately 1,214,713 square feet of warehouse space. The current submarket inventory represents approximately 12.1% of the overall market inventory. The following observations were noted from the table above:

- As of 4th Quarter 2022, there was approximately 1,209,270 square feet of occupied warehouse space (including sublet space), resulting in an occupancy rate of 99.6% for the submarket. This reflects an increase from the previous quarter's occupancy of 97.9%, and an increase from an occupancy rate of 95.8% from the prior year. The submarket occupancy is above the 99.2% market occupancy.
- The submarket experienced positive 20,557 square feet of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 36,000 square feet of net absorption, and a decline from the positive 31,000 square feet of net absorption from a year ago. Overall, the submarket has experienced positive 45,702 square feet of net absorption for the current year-to-date period. The submarket's current net absorption of positive 20,557 square feet is below the overall market net absorption of positive 48,500 square feet.
- The submarket had zero completions for the current quarter, which indicates no change from the previous quarter's zero completions, and a decrease from the completions of positive 6,000 square feet from the prior year.
- The submarket achieved average asking rent of \$12.35 per square foot, which indicates an increase from the previous quarter's asking rent of \$12.22 per square foot, and an increase from the asking rent of \$11.61 per square foot from the prior year. The submarket's current asking rent of \$12.35 per square foot compares favorably with the overall market asking rent of \$7.21 per square foot.

HISTORICAL INVENTORY: GREATER KILLEEN WAREHOUSE MARKET



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

Submarket Inventory is projected to be 1,214,713 square feet at the end of the current year, which represents no change from the previous year's submarket inventory of 1,214,713 square feet. Inventory for next year is projected to be 1,214,203 square feet, reflecting a decrease from the current year.

06. SUBMARKET OVERVIEW

HISTORICAL OCCUPANCY: GREATER KILLEEN WAREHOUSE MARKET



Submarket occupancy is projected to be 99.6% at the end of the current year, which represents an increase from the previous year's submarket occupancy of 95.8%. Submarket occupancy for next year is projected to be 98.9%, reflecting a decrease from the current year.

* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

HISTORICAL NET ABSORPTION: GREATER KILLEEN WAREHOUSE MARKET



Net absorption in the submarket is projected to be positive 45,702 square feet at the end of the current year, reflecting an improvement from the previous year's net absorption of positive 31,000 square feet. Net absorption for next year is projected to be negative 7,850 square feet, indicating a decline from the current year.

* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

06. SUBMARKET OVERVIEW

HISTORICAL COMPLETIONS: GREATER KILLEEN WAREHOUSE MARKET



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

HISTORICAL ASKING RENT: GREATER KILLEEN WAREHOUSE MARKET



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2022

The submarket is projected to achieve zero completions at the end of the current year, which indicates a decline from the previous year's completions of positive 6,000 square feet. The submarket is projecting completions of negative 510 square feet for next year, which indicates a decline from the current year.

The submarket is projected to achieve average asking of \$12.35 per square foot at the end of the current year, which represents an increase from the previous year's asking rent of \$11.61 per square foot. The submarket is projected to achieve average asking rent of \$12.92 per square foot, reflecting an increase from the current year.

07. ZONING OVERVIEW

ZONING SUMMARY

The following chart summarizes the subject's zoning requirements.

Current Zoning	B-5
Legally Conforming	Yes
Uses Permitted	The subject is located within the B-5 Business District , which allows for a variety of commercial and industrial uses including storage warehouses similar to the subject that are greater than 25,000 square feet.
Zoning Change	Not Likely

Category	Zoning Requirement
Minimum Lot Size	None
Minimum Lot Width	None
Maximum Height	0 Feet
Minimum Setbacks	
Front Yard	None
Street Side Yard	None
Interior Side Yard	None
Rear Yard	10 Feet

Source: Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

None None 0 Feet

None None None 10 Feet

Erin Durnin Minor, LLC
Owner- Erin Durnin Minor, CFP®
512-576-8541
erindminor@gmail.com