

MSD BUILDING CORP.

INDUSTRIAL SALE LEASEBACK | HOUSTON, TX | \$6,700,000 | 15 YEAR TERM | 7.35% CAP | ABSOLUTE NNN



KWEKEL
COMPANIES

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MSD BUILDING CORP.

EXECUTIVE SUMMARY

Kwekel Companies is pleased to offer the sale leaseback of MSD Building Corp's 51,000 square foot industrial building located on a 9.2 acre site in Houston, TX. MSD Building will execute a new 15 year absolute NNN lease at closing.

- PRICE: \$6,700,000
- CAP RATE: 7.35%
- 15 YEAR TERM
- NOI: \$492,150
- 2.0% ANNUAL INCREASES
- ABSOLUTE NNN
- MARKET BASED RENT | \$9.65 PSF
- 51,000 SF
- 12543 UNISON ROAD, HOUSTON, TX 77044

LEADER IN STEEL ERECTION | MSD Building Corp. is a structural and miscellaneous steel erection and fabrication company. They specialize in commercial, educational and institutional projects all over the state of Texas.



FULL SERVICE | They handle structural design, fabrication, and erection, giving clients continuity and single point of responsibility.



ESTABLISHED RELATIONSHIPS | Founded in 2001, MSD has experienced exceptional growth through hardwork, commitment and loyalty to their customers and friends in the industry. No project is too small or large for MSD.



CERTIFICATIONS | They are proud to be women owned and operated and are a registered state of Texas HUB, City of Houston Small Business and Houston Port Authority Small Business.



PORT ACCESS | MSD has a "Houston Port Authority for Small Business" certification, being located near port infrastructure helps with importing steel, logistics of heavy shipments, lowering costs and time in their supply chain.



STRATEGIC LOCATION | The facility is strategically located with quick access to Sam Houston Parkway, US-90 and I-610. Houston also has a large labor force with experience in construction, steel, fabrication, and heavy industrial work.



PROPERTY DESCRIPTION

ADDRESS	12543 UNISON ROAD	CONSTRUCTION	METAL
CITY, STATE	HOUSTON, TX 77044	ROOF	PITCHED METAL PITCHED COMPOSITE TILE
TOTAL SF	51,000	CLEAR HEIGHT	24'
INDUSTRIAL SF	46,832	DOCK DOORS	0
OFFICE SF	4,168	OVERHEAD DOORS	14
ACRES	9.24	CRANES	8 - 5 TON
YEAR BUILT RENOVATED	1970 2023	ZONING	INDUSTRIAL
PARCEL NUMBER	0680630130010	FLOOD ZONE	X



MSD | INTERIOR PHOTOS



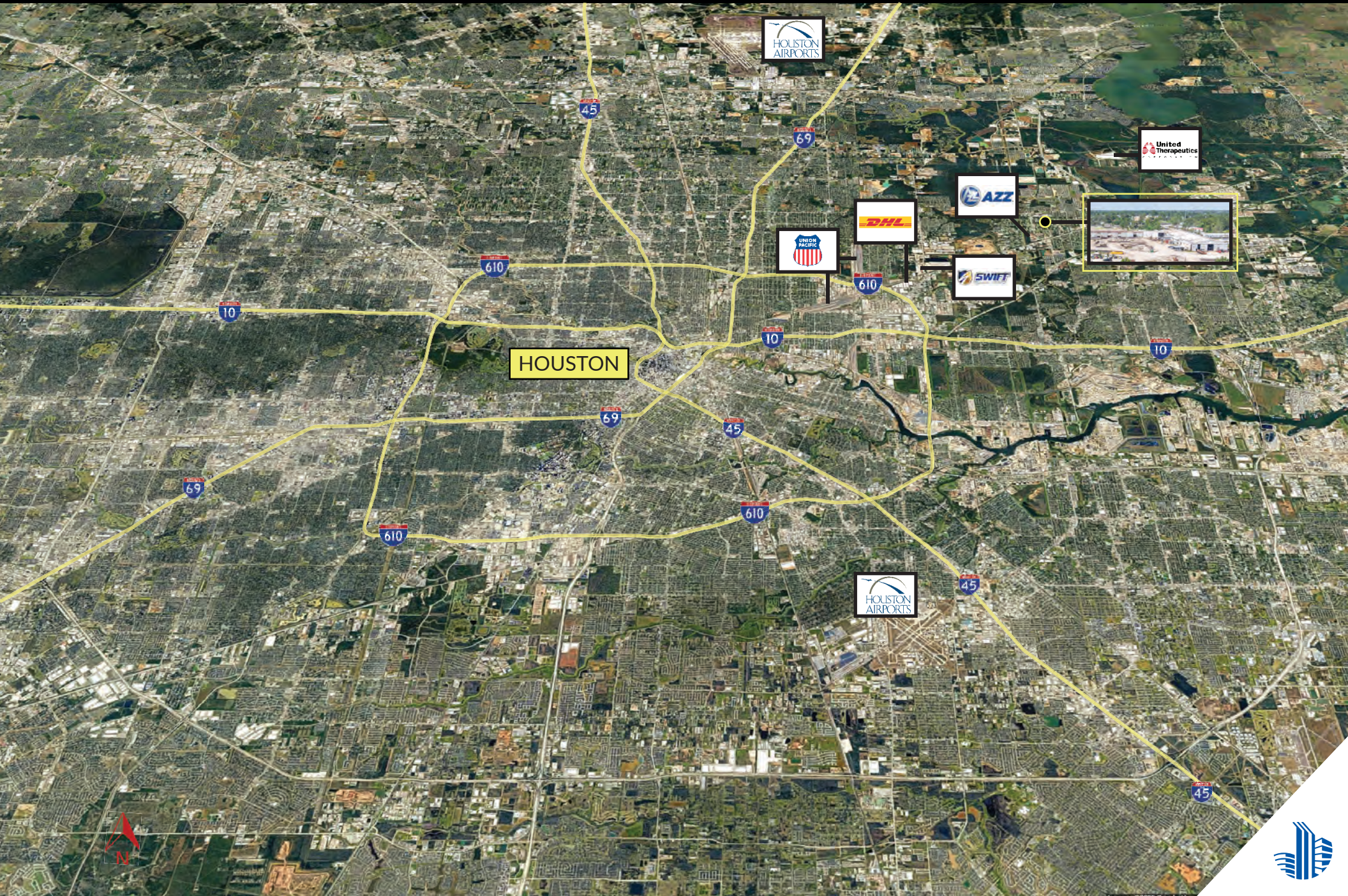




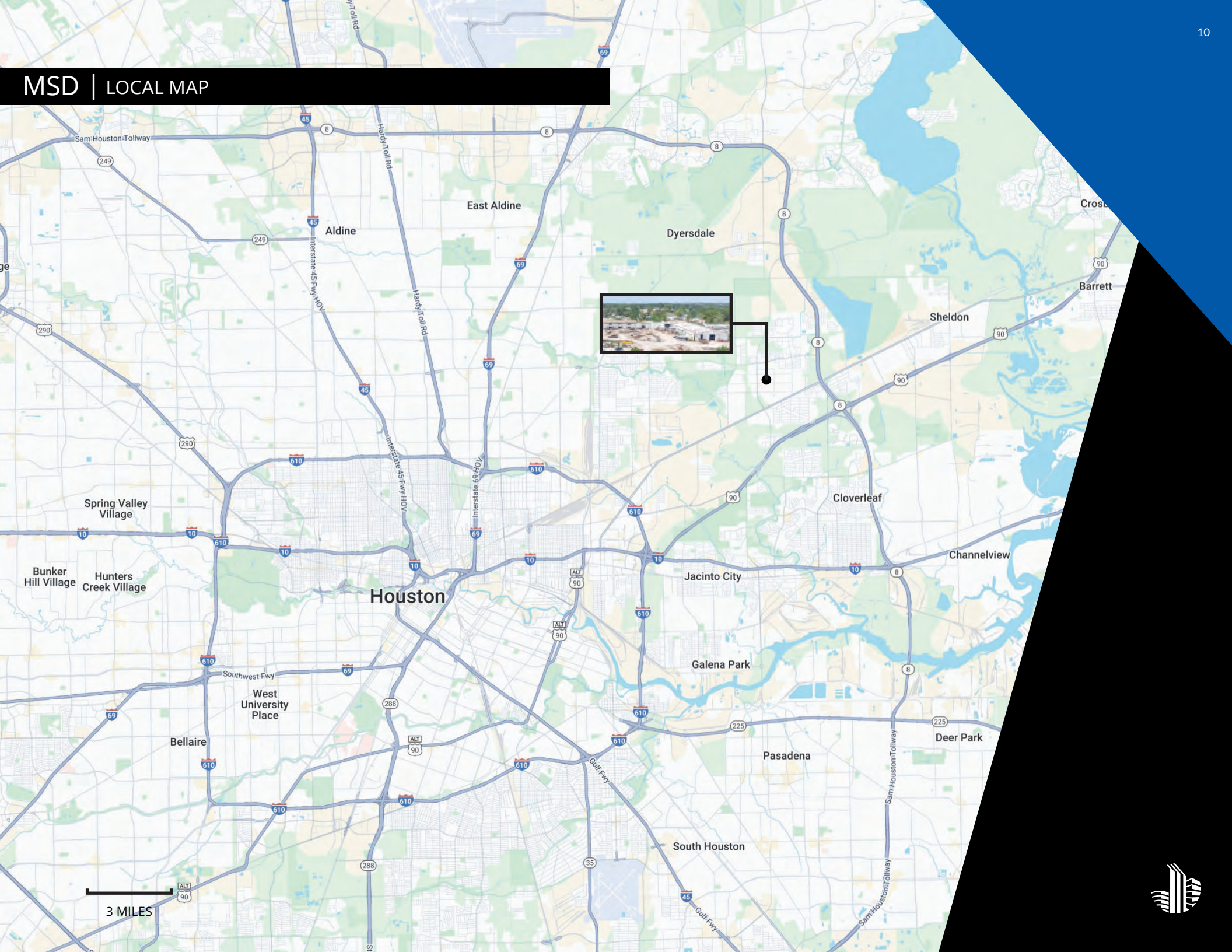
PARCEL BOUNDARY



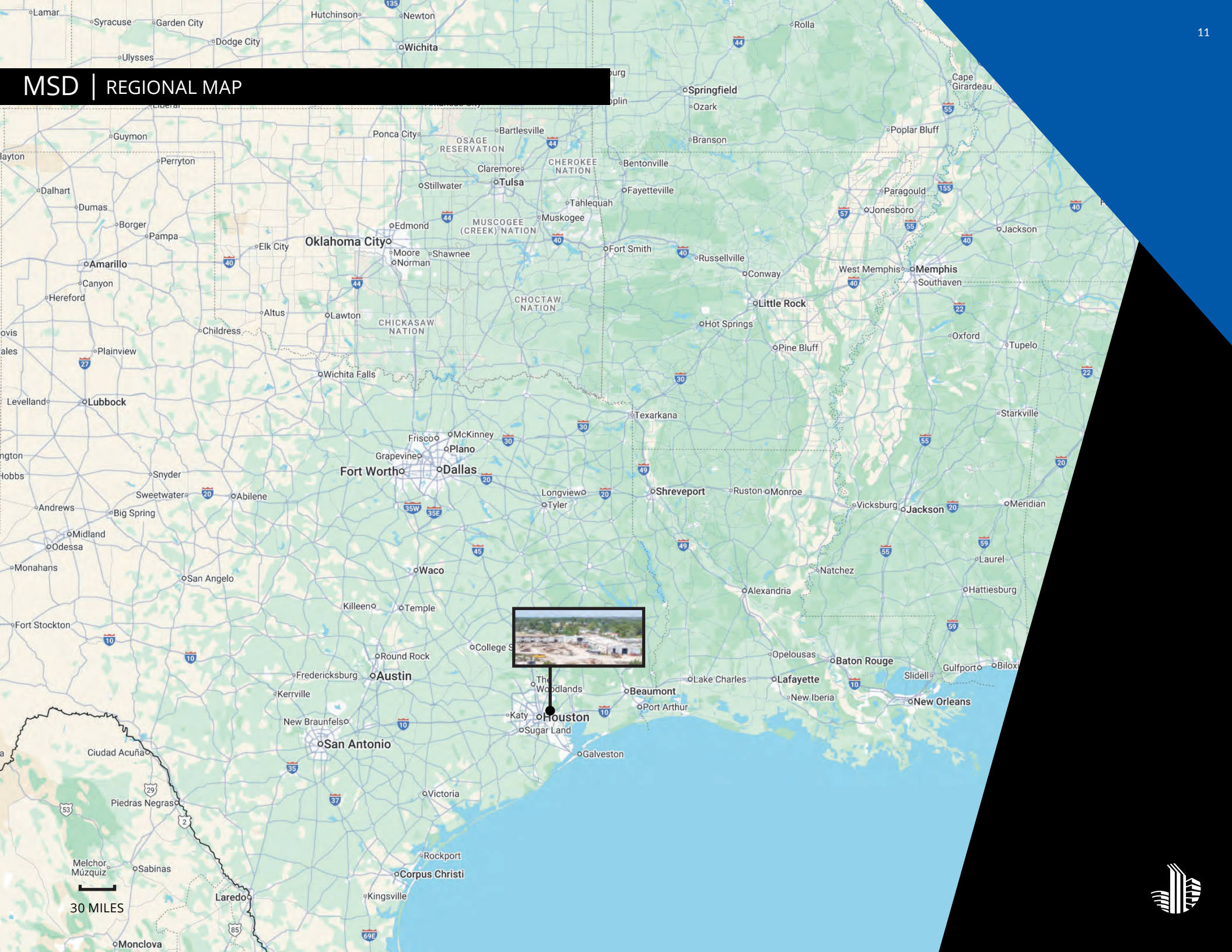
LOCAL AERIAL



MSD | LOCAL MAP



MSD | REGIONAL MAP



The vacancy rate in the Houston industrial sector has increased for the past three consecutive quarters, reaching 7.3% as of the third quarter of 2025, as absorption has slowed and supply has picked back up. Tariff uncertainty and the prospect of slowing economic growth have put some large-tenant decision-making on hold. The speed at which available spaces are leasing has slowed. Leased space so far in 2025 for properties 100,000 SF or larger has been typically listed as available for around 7.5 months, with that median time on market far above the 4.9 months only two years ago.

Absorption rates are now 15% below 2017-2019 levels, and it could take a few years before supply and demand are back in balance in the bulk distribution category. Like other fast-growing Sun Belt markets such as D-FW and Phoenix, Houston received a record amount of speculative new supply in recent years. The stock of logistics properties 100,000 SF or larger has grown by almost 40% since 2020.

Encouraged by strong tenant demand in recent years, developers have kept breaking ground on large speculative projects despite the challenging financing environment. There is 21.6 million SF underway, 75% of which is available for lease, and most of which is in this segment. New supply is not concentrated in one specific part of Houston but rather anywhere near Beltway 8. Availability rates are especially high in the southeast, near the port, due to a steady influx of new supply in recent years.

Long term, Houston's unique demand drivers are supportive of industrial demand, which includes the major port, strong population growth, and a massive manufacturing sector and petrochemical industry. Since 2022, Houston has added 520,000 new residents, one of the largest gains in the country. Container volume at Port Houston was up 5% year to date through August after record-breaking volume in 2024. Rent growth in Houston has been slowing over the past two years as a result of the recent speculative supply wave. Rents are up 3.1% year-over-year, near 2017-year lows. Still, many owners have considerable leasing spreads at the time of renewal. Rents grew more than 10% over the past three years and nearly 40% over the past decade.

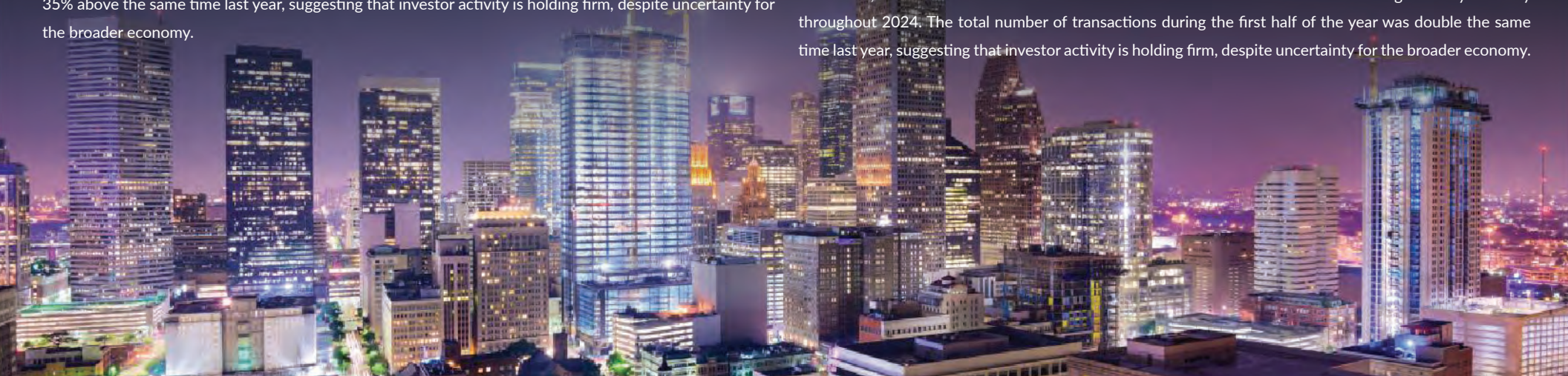
Momentum in Houston's industrial investment market continued to build in 2025 following a steady recovery throughout 2024. The total number of transactions during the first six months of the year was 35% above the same time last year, suggesting that investor activity is holding firm, despite uncertainty for the broader economy.

Transaction activity could continue to accelerate this year. Nearly \$300 million in industrial CMBS loans are maturing through 2026, and if rents are 20% below market, there are probably many lenders interested in making those loans.

The facility is located within the Northeast Hwy 90 industrial submarket. The Northeast Hwy 90 has become one of Houston's most desirable industrial submarkets in recent years. Beltway 8, the 610 Loop, and Interstate 45 provide transportation corridors throughout the region, as well as the nearby George Bush Intercontinental Airport. The southern half of the submarket, near downtown, has historically been a working-class neighborhood that is home to two major Union Pacific rail yards at Settegast and Englewood. Areas directly above Beltway 8 have seen substantial population and business growth, which is expected to continue over the next decade. For example, according to the U.S. Census, the population of Atascocita, which is at the very northeast tip of the submarket, below Kingwood, has grown by nearly 40% over the past five years. The submarket's strong infrastructure, as well as booming population, has transformed it into a critical node for supply chains in Houston.

In just one year, a sharp pullback in new supply paired with steady, strong demand has compressed the headline vacancy rate dramatically from a high of 13.0% in 23Q3 to 10.8%, today. Even so, the rate could trend back up within the next few months as a handful of large big bomber properties complete. Of the 590,000 SF under construction, more than 85% is available for lease. Nationally and regionally, industrial groundbreakings have slowed sharply over the past few years due to high borrowing and construction costs, as well as tighter lending standards. Even so, large speculative projects have continued to break ground in certain parts of Houston like this one that still have relatively affordable, buildable land near Beltway 8, an 88-mile highway that encircles the city of Houston.

The Northeast Highway 90 Submarket has become increasingly attractive to investors interested in tapping into the area's diversified tenant base and strong demographics. Institutional, REITs, and private equity own about 25% of the market share, while the remainder is primarily held by private capital. While activity has been below historic norms over the past couple of years due to high capital costs and tighter lending conditions, momentum in the investment market continued to build in 2025 following a steady recovery throughout 2024. The total number of transactions during the first half of the year was double the same time last year, suggesting that investor activity is holding firm, despite uncertainty for the broader economy.



DEMOGRAPHICS

10-MILE RADIUS

\$69,788

AVERAGE HH INCOME

\$164,251

MEDIAN HOME VALUE

659,285

TOTAL POPULATION

208,997

TOTAL HOUSEHOLDS

POPULATION SUMMARY








	2 MILES	5 MILES	10 MILES
2020 CENSUS	30,852	166,514	640,319
2024 ESTIMATE	32,277	168,419	659,285
2029 PROJECTION	33,238	172,387	677,001
2024-2029 GROWTH	0.60%	0.50%	0.50%

HOUSEHOLDS

	2 MILES	5 MILES	10 MILES
AVERAGE HH INCOME	\$70,769	\$64,285	\$69,788
MEDIAN HOME VALUE	\$148,266	\$149,345	\$164,251
2024 TOTAL HOUSEHOLDS	9,319	51,581	208,997
2029 TOTAL HH ESTIMATE	9,593	52,762	214,707
2020-2024 HH GROWTH	2.20%	1.20%	1.70%
2024-2029 HH GROWTH	0.60%	0.50%	0.50%

LEASE COMPARABLES

MSD BUILDING CORP

	ADDRESS	START DATE	SF LEASED/ AVAILABLE	NNN RENT	STATUS	CLASS	YEAR BUILT
	12543 UNISON ROAD HOUSTON, TX 77044	-	51,000	\$9.65	-	B	1970 REN. 2023
	16623 ALDINE WESTFIELD ROAD HOUSTON, TX 77032	NOV 2020	33,407 SF	\$12.21	LEASED	B	1991
	5510 SPRING STUEBNER ROAD SPRING, TX 77389	SEP 2023	45,245 SF	\$10.44	LEASED	B	1979
	6969 ARDMORE STREET HOUSTON, TX 77054	AUG 2023	26,600 SF	\$10.20	LEASED	B	1991
	8101 E MOUNT HOUSTON ROAD HOUSTON, TX 77050	NOV 2020	31,000 SF	\$9.72	LEASED	C	1979
	3004 ALDINE BENDER ROAD HOUSTON, TX 77032	APR 2022	40,844 SF	\$9.48	LEASED	C	1982
	7020 COTTON DRIVE HOUSTON, TX 77092	JAN 2025	32,007 SF	\$9.36	LEASED	C	1978

SALE COMPARABLES

MSD BUILDING CORP

	ADDRESS	SALE DATE	SIZE	SALE PRICE	PSF	CLASS	YEAR BUILT
	12543 UNISON ROAD HOUSTON, TX 77044	-	51,000	\$6,700,000	\$131.37	B	1970 REN. 2023
	1314 W SAM HOUSTON PARKWAY HOUSTON, TX 77043	MAY 2021	64,846 SF	\$12,100,000	\$186.60	C	1985 2019
	14103 INTERDRIVE W HOUSTON, TX 77032	APR 2022	28,531 SF	\$5,000,000	\$175.25	B	1993 2022
	6750 BENDER ROAD HUMBLE, TX 77396	JUL 2021	59,198 SF	\$10,000,000	\$168.92	B	1970
	5700 HARTSDALE DRIVE HOUSTON, TX 77036	FEB 2024	31,855 SF	\$4,825,000	\$151.47	B	1972
	6100 ALMEDA GENOA ROAD HOUSTON, TX 77048	APR 2023	35,500 SF	\$5,200,000	\$146.48	B	1994
	9300 TELEPHONE ROAD HOUSTON, TX 77075	DEC 2020	41,200 SF	\$5,850,000	\$141.99	C	1979

DISCLAIMER

The information contained in the following Investment Prospectus is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Kwekel Companies, and should not be made available to any other person or entity without the written consent of Kwekel Companies. This offering memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property(s). The information contained herein is not a substitute for a thorough due diligence investigation. Kwekel Companies has not made any investigation, and makes no warranty or representation, with respect to the size and square footage of the property(s) and improvements, the compliance with State and Federal regulations, the physical condition of the improvements thereon. The information contained in this overview has been obtained from sources we believe to be reliable; Kwekel Companies makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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