

Marcus & Millichap

Real Estate Investment Services

**8866 & 8876 Gulf Freeway
Houston, TX 77017**

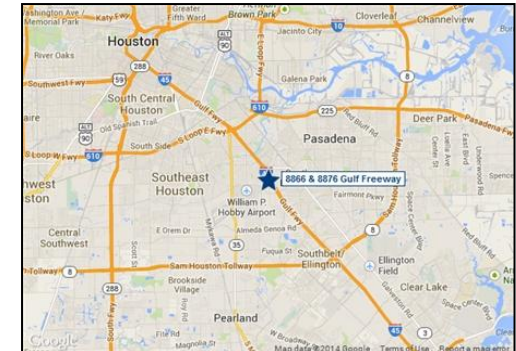


INVESTMENT HIGHLIGHTS

- ◆ Offered at \$59 Per Square Foot, Significantly Under Half of Replacement Cost
- ◆ Over 83 Percent Currently Leased
- ◆ Current In-Place Rent at Approximately 75 Percent of Market (Significant Upside)
- ◆ Favorable Leasing Market Fundamentals and Trends
- ◆ Impressive 15.42 Percent 10 Year Leveraged Return
- ◆ Staggered Lease Expirations Offer Significant Near Term Upside
- ◆ Established Tenancy of Government and Professional Tenants
- ◆ Minutes from William P. Hobby Airport

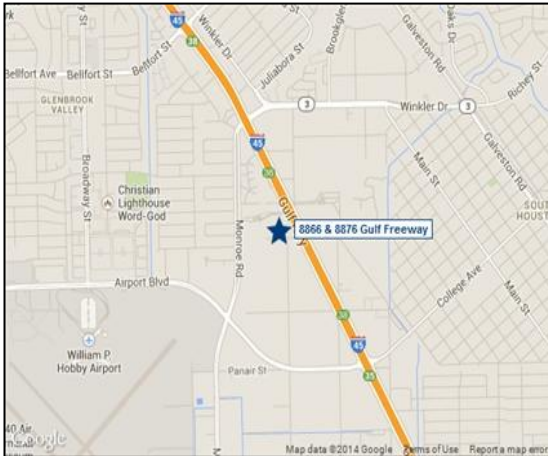
OFFERING SUMMARY

Price	\$10,500,000
Down Payment	(30%) \$3,150,000
Loan Amount	\$7,800,000
Loan Type	New
Rentable SF	178,410
Price Per Rentable SF	\$58.85
Year Built	1983/1984
Parcel Size	291,516 SF
Cap Rate - Current	9.98%
Net Cash Flow After Debt Service - Current	17.70%



Listed by:

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INVESTMENT OVERVIEW

Marcus & Millichap has been selected to exclusively market for sale 8866 and 8876 Gulf Freeway, two five-story, multi-tenant office buildings totaling 178,410 square feet in Houston, Texas. The property is prominently located on Interstate 45 South and is in close proximity to William P. Hobby Airport. Priced at \$10.5 million or \$59 per square foot, well under half of replacement cost, the property provides an outstanding opportunity to generate an attractive 9.98 percent initial investment yield (15.42 percent 10 year leveraged return) with strong upside potential.

The property offers investors the opportunity to capitalize on strong leasing velocity in the Gulf Freeway/Pasadena submarket. In particular, nearby office buildings along the Interstate 45 South corridor are currently over 90 percent occupied and at higher rental rates than the property, offering both rental rate and occupancy upside to an investor. Relative to the property's competitive peer group, the average in-place rent for the property is approximately 75 percent of current market rents. The property's staggered lease expirations offer significant increase to near-term net operating income. There has been strong leasing momentum both in this submarket as well as at the property.

OPERATING DATA

Income	Current
Gross Potential Rent	\$2,373,785
Gross Potential Income	\$2,373,785
Effective Gross Income	\$2,373,785
Total Expenses	\$1,326,001
Net Operating Income	\$1,047,784
Debt Service	\$490,244
Debt Coverage Ratio	2.14
Net Cash Flow After Debt Service	17.70% / \$557,540

MAJOR TENANTS

◆ Don McClure

EXPENSES

Real Estate Taxes	\$275,577
Insurance	67,692
Utilities	318,603
Repairs & Maintenance	289,337
Janitorial	181,977
Management Fee	71,214
Administrative	121,601
Total Expenses	\$1,326,001
Expenses per SF	\$7.43



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