

A photograph of an Office Depot store. In the foreground, a large white sign with a concrete base displays the 'Office DEPOT' logo in red. The sign is positioned on a grassy area next to a paved parking lot. In the background, the store's exterior is a light-colored, single-story building with 'Office DEPOT' signage in red. A small green tree stands in front of the building, and a silver sedan and a dark sedan are parked in the lot. The sky is blue with scattered white clouds.

**Office
DEPOT**

Offering Memorandum

OFFICE DEPOT

1311 MORMON MILL ROAD, MARBLE FALLS, TEXAS

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this Net Lease property.

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INVESTMENT OVERVIEW

\$ LIST PRICE
\$2,653,000

% CAP RATE
7.00%

QUICK FACTS

Net Operating Income	\$185,710
Price Per SQFT	\$142.86
Rent Per SQFT	\$10
Lease Type	Double Net
Guarantor	Corporate Guarantee
Term Remaining	4 Years
Square Footage	18,571 SF
Lot Size	1.74 Acres
Occupancy	100%



PROPERTY INFORMATION

OFFICE DEPOT

MORMON MILL ROAD • MARBLE FALLS, TEXAS

The subject offering provides qualified investors with the opportunity to acquire a free-standing Office Depot in Marble Falls, Texas. Office Depot has been at this location for almost 20 years and executed a ten-year extension early in 2017, showing a strong commitment to this location. Office Depot has three, five-year options remaining with built-in rent increases and currently pays a very sustainable ten dollars a foot. Additionally, the building is just over 18,000 square feet making it much more amenable to secondary uses than the traditional in-line location. The current lease is double net in nature with the landlord responsible for maintenance of the roof and structure while the tenant is responsible for maintaining the parking lot, CAM, taxes, and insurance.

Located just off Highway 281 in Marble Falls, this property benefits from strong traffic counts, excellent visibility, and strong retail synergy with the neighboring Home Depot and other national retailers. Marble Falls sits northwest of Austin, Texas, and has greatly benefited from the city's continued growth. Marble Falls's population has increased by almost 20 percent in the last decade and over 3,800 new homes are expected to be built in the next few years as Austin's growth continues to push out into the Hill Country.

HIGHLIGHTS

BEST IN CLASS TENANT

Office Depot is a leading provider for business services and supplies, products, and digital workplace technology solutions to small, medium, and enterprise businesses.

AUSTIN MSA

Marble Falls is located less than 30 minutes from downtown Austin and benefits from the growing population and employment opportunities in the booming tech industry

NEW TEN YEAR LEASE

Office Depot has shown commitment to the location by executing an early ten-year lease extension in 2017

ATTRACTIVE BUILDING

The building itself is in exceptional shape with a recent roof and HVAC replacement

SUSTAINABLE RENT PER SF

Good, low, sustainable rent per square foot allows the tenant to remain profitable and continue to grow

STRONG POPULATION

Strong population counts and future growth in the submarket means this location will only continue to succeed

FINANCIAL INFORMATION

THE OFFERING

Price	\$2,653,000
Capitalization Rate	7.00%
Price/SF	\$142.86

PROPERTY DESCRIPTION

Year Built / Renovated	2006
Gross Leasable Area	18,571 SF
Type of Ownership	Fee Simple
Lot Size	1.74 Acres

LEASE SUMMARY

Tenant	Office Depot
Rent Increases	In Options
Guarantor	Corporate Guarantee
Lease Type	Double Net
Lease Commencement	May 18th, 2017
Lease Expiration	May 31st, 2027
Renewal Options	Three (3), Five-Year Options
Term Remaining on Lease	4 Years
Landlord Responsibility	Roof, Structure
Tenant Responsibility	Taxes, Insurance, Parking Lot

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$185,710	\$15,475	\$10.00	7.00%
Option 1	\$222,852	\$18,571	\$12.00	8.40%
Option 2	\$232,138	\$19,345	\$12.50	8.75%
Option 3	\$241,423	\$20,119	\$13.00	9.10%





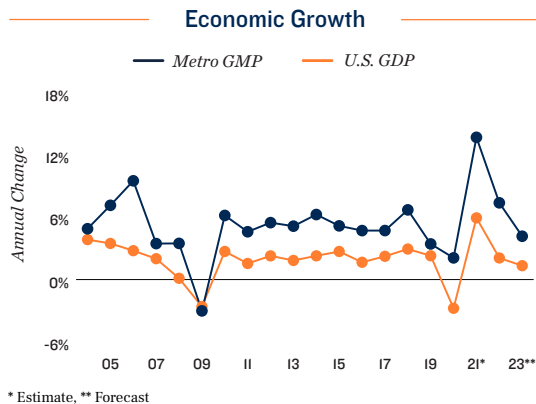
MARKET OVERVIEW

AUSTIN

Known as the home of South by Southwest, the Austin-Round Rock metro covers about 4,225 square miles and consists of five counties in central Texas: Travis, Williamson, Hays, Caldwell and Bastrop. The population of the metro increased significantly in recent decades and now exceeds 2.4 million residents. Travis County holds more than half of the metro's population and is home to Austin — the capital of Texas with a population of 1.1 million people. Employment gains in the tech sector have contributed significantly to the metro's recent population and median household income growth. Tesla recently constructed a massive Gigafactory in the city that is expected to eventually employ 20,000 workers, supporting future relocations and increased demand for housing.

ECONOMY

- Housed in a border state, Austin benefits from international trade agreements.
- The government is a significant driver in the local economy as Austin is the state capital and home to an IRS regional processing center, as well as military bases.
- The metro is a vibrant technology hub with industries that include semiconductor and related equipment manufacturing, along with computer and software development. High-tech firms with local operations include Meta, Apple, Tesla, Oracle and Amazon.



MAJOR AREA EMPLOYERS

- Dell Inc.
- Ascension Seton
- IBM Corp.
- Apple Inc.
- Austin Samsung Semiconductor, LLC
- University of Texas at Austin
- NXP Semiconductors NV
- Harden Healthcare Texas LP
- ACS Enterprise Solutions, Inc.
- Texas Roadhouse, Inc.

METRO HIGHLIGHTS



MAJOR TECHNOLOGY PRESENCE

Tech companies are drawn to one of the nation's most educated labor pools, boosting professional and business services growth. Firms with a local presence include Dell, IBM and Oracle.



STRONG POPULATION GAINS

Future employment opportunities will attract skilled job seekers to the region, boosting the number of residents.

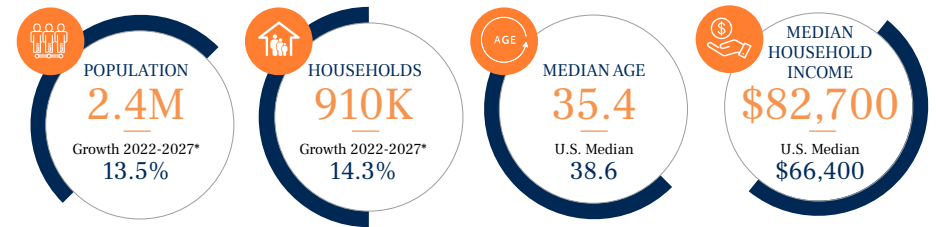


EMPLOYMENT GROWTH

In 2022, Austin added nearly 52,000 positions, expanding total employment by 4.3 percent. The employed workforce has grown nearly 50 percent in the past decade, multiple times that of the national pace.

DEMOGRAPHICS

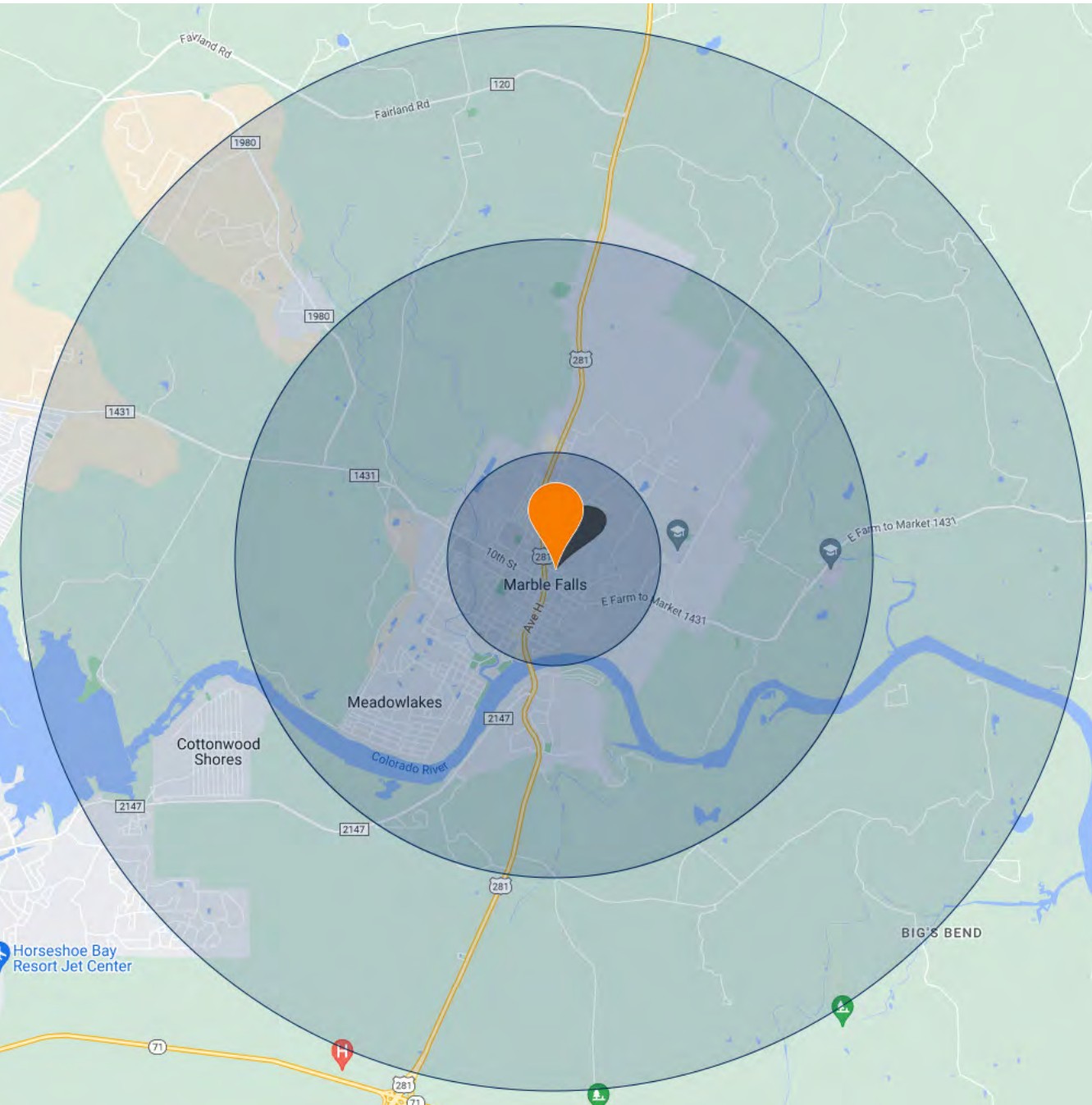
- The metro is expected to add nearly 324,000 people through 2027, resulting in the formation of roughly 130,100 households and generating housing demand.
- Rising home prices contribute to a lower rate of homeownership, aiding the existing renter pool.
- The local population of ages 25 and older includes 43 percent of bachelor's degree holders, of which 16 percent have earned a graduate or professional degree.



2022 POPULATION BY AGE



DEMOGRAPHICS



POPULATION



	1 MILE	3 MILE	5 MILE
2027 Projection	2,984	9,965	14,706
2022 Estimate	2,882	9,427	13,652
2010 Census	2,734	8,452	11,743

HOUSEHOLDS



	1 MILE	3 MILE	5 MILE
2027 Projection	1,225	4,376	6,034
2022 Estimate	1,172	4,088	5,567
2010 Census	1,073	3,541	4,673

HH INCOME



	1 MILE	3 MILE	5 MILE
Average	\$72,698	\$83,676	\$85,301
Median	\$57,849	\$64,947	\$64,319
Per Capita	\$29,724	\$36,378	\$34,847

TRANSPORTATION



	1 MILE	3 MILE	5 MILE
2022 Daytime Projections	6,454	14,106	16,538
2022 unemployment	3.45%	2.80%	2.72%
Average Time Traveled (min)	16	18	20

AERIAL

Creekside
Apartments

Hill Country Inn &
Suites

TWIN
LIQUORS
FINE WINE & SPIRITS

O'Reilly
AUTO PARTS

Papa Murphy's
TAKE 'N BAKE PIZZA

WHATABURGER

Walgreens

Quality
INN & SUITES
BY CHOICE HOTELS

Exxon

UNITED STATES
POSTAL SERVICE

C&D
Appliance Studio

AutoZone

DOLLAR GENERAL

Marble Falls
Middle School

CARQUEST

SONIC
America's
Drive-In

THE
HOME
DEPOT

Texas Department
of Public Safety

ANYTIME
FITNESS

Pet Super
market

TACO
BELL

H-E-B

AERIAL

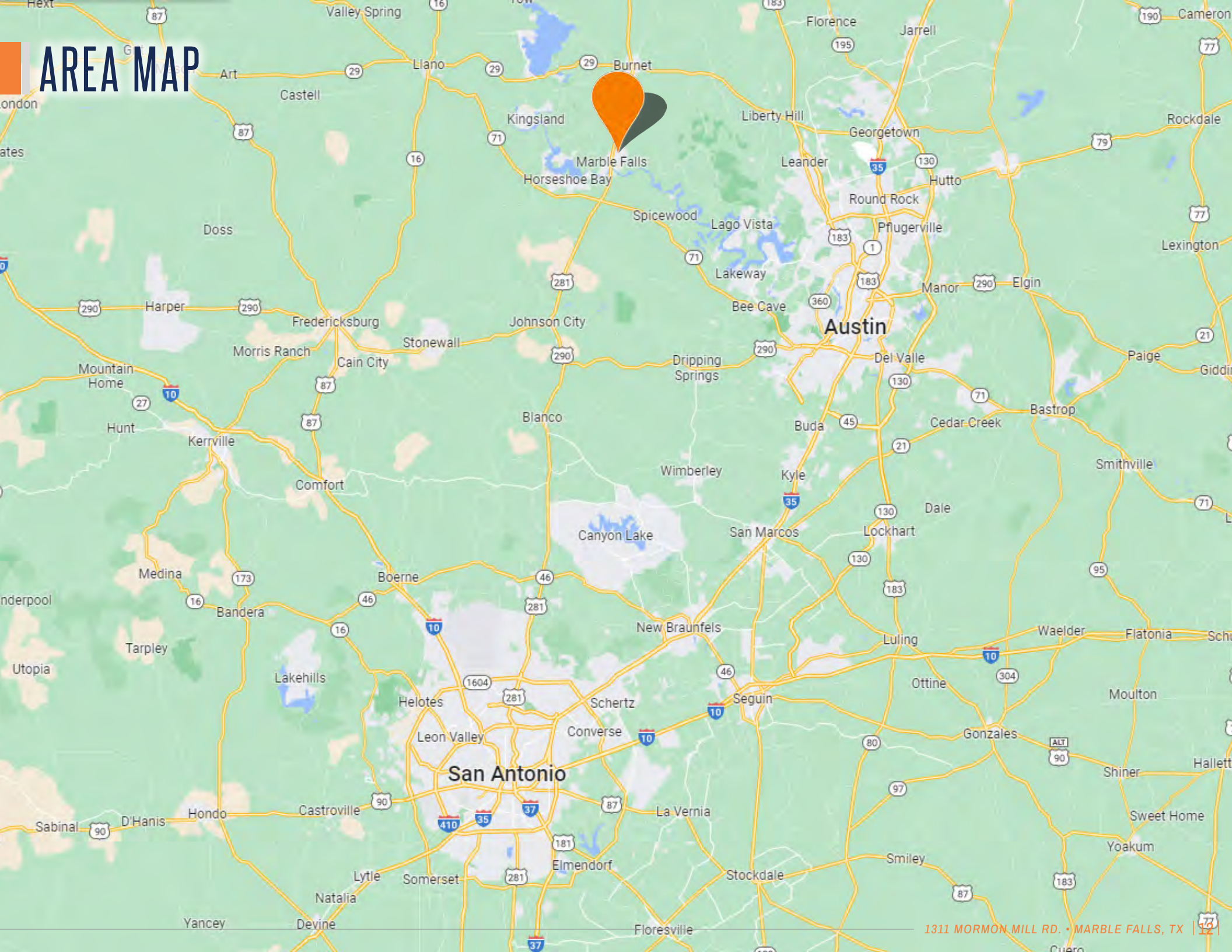


Texas Department of Public Safety

Homestead at Mormon Mill Apartments



AREA MAP



TENANT INFORMATION



Founded in 1986 in Fort Lauderdale, FL, Office Depot OfficeMax is a leading provider of business services and supplies, products, and digital workplace technology solutions to small, medium, and enterprise businesses.

Office Depot is owned by The ODP Corporation, which also owns OfficeMax, ODP Business Solutions, Varis, and Grand & Toy. They reported a total sales of \$8.5 billion in 2022.

OfficeMax helps its customers with everything they might need to start, grow, and succeed at their business. With more companies allowing employees to work from home, Office Depot is the one stop shop for setting up home offices and providing printing solutions for everyone.



QUICK FACTS



2022 SALES
\$4.4 billion



YEAR FOUNDED
1986



NO. OF LOCATIONS
980



HEADQUARTERS
Boca Raton, FL



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Marcus & Millichap

DIFFIE RETAIL TEAM



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 others, including the broker's own interests;
- 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 buyer/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 opinions 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 ESTABLISH:

- 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 purposes. 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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