

MARCUS & MILLICHAP ACHIEVES RECORD PRICE FOR SINGLE-TENANT ASSET IN HOUSTON



Marcus & Millichap's ability to achieve unparalleled success in the sale of industrial investment property was recently demonstrated in a closing in Houston. The property, a Sunstate Equipment building, sold for \$2.35 million, or \$210 a square foot, a record for a single-tenant industrial property in Houston.

The property was part of a larger portfolio of 25 Sunstate Equipment properties marketed by a Marcus & Millichap agent. The properties were part of a sale-leaseback and were marketed with 20-year leases and annual rent increases. The 25 properties, which were sold to a bevy of buyers, received more than 100 offers with four separate offers received on this property. Potential buyers included 1031 exchange buyers from numerous product types and buyers spread from California to New York.

The strength of the tenant and lease terms, and the strong locations, prompted intense competition for these properties. The Houston location was no exception, and the buyer of the property paid list price plus all the closing costs to secure the transaction. The buyer was a family trust of a former U.S. senator and justice of the Arizona Supreme Court, based in Tucson, which also acquired another property in the portfolio. In fact, the buyer's 1031 exchange requirement was fulfilled with the purchase of the other property, but the investor was so impressed by Sunstate and its management that the trust purchased this Houston property as well.

Marcus & Millichap's ability to source buyers from various product types and all geographic regions is the hallmark of its unparalleled marketing system. Creating a competitive market that provides sellers with numerous offers, buyer selection, timely closings and strong prices is its goal with every transaction.

Alan L. Pontius, National Director
Office & Industrial / Net Leased Properties Group
(415) 391-9220
apontius@marcusmillichap.com