



3642 University



Boutique Retail Center Within One of *Houston's Most Affluent Neighborhoods*

property *summary*

ADDRESS	3642 University and 6221 Edloe Houston, TX 77005
YEAR BUILT	1935 (Remodel 2005)
GLA	13,228 SF
LAND AREA	0.44 acres
OCCUPANCY	100%
TRAFFIC COUNTS	
<i>University Blvd</i>	7,295 VPD
<i>Edloe St</i>	2,345 VPD

3642 University



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financial summary

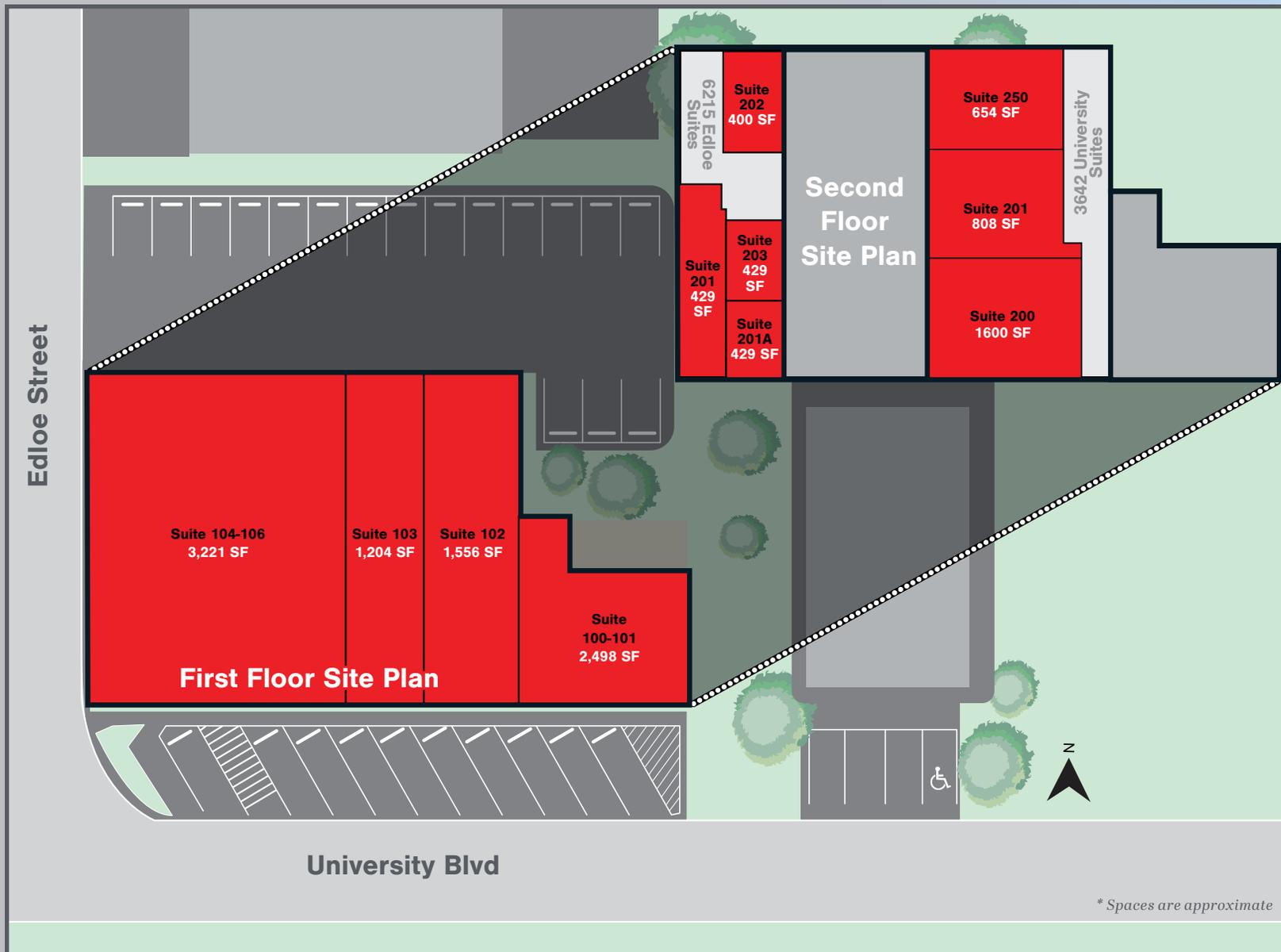
AS IS NOI	\$343,842
WTD. AVERAGE TENURE	10 Years, 4 Months
WTD. AVERAGE REMAINING LEASE TERM	2 Years, 3 Months

tenant summary

TENANT	SUITE NO.	NRA	% OF PROPERTY	TENURE
Xavier Educational Academy	Univ-100	747	5.6%	7.5 Yrs
Xavier Educational Academy	Univ-101	1,751	13.2%	10.3 Yrs
West U Orthodontics	Univ-102	1,556	11.8%	14.8 Yrs
SOHO Couture	Univ-103	1,204	9.1%	8.2 Yrs
Studio 3 The Salon	Univ-104	1,275	9.6%	10.4 Yrs
Studio 3 The Salon	Univ-105	1,800	13.6%	15.1 Yrs
Studio 3 Storage	Univ-106	146	1.1%	10.4 Yrs
Jacqueline McGregor	Univ-200	1,600	12.1%	14.7 Yrs
West University Consulting	Univ-201	808	6.1%	4.8 Yrs
Lisa A Miller	Univ-250	654	4.9%	8.8 Yrs
Wray-Todd Ranch	Edloe-201	429	3.2%	2.8 Yrs
Career Placement	Edloe-201A	429	3.2%	3.7 Yrs
Neuroscience Advancements	Edloe-202	400	3.0%	4.8 Yrs
Little Matts 5-8	Edloe-203	429	3.2%	0.6 Yrs
TOTAL		13,228		10.3 YRS



SITE PLAN



3642 UNIVERSITY TENANTS

Xavier Educational Academy
 West U Orthodontics
 SOHO Couture
 Studio 3 The Salon
 Jacqueline McGregor
 West University Consulting
 Lisa A Miller

Suite 100
Suite 102
Suite 103
Suite 106
Suite 200
Suite 201
Suite 250

6215 EDLOE TENANTS

Wray-Todd Ranch
 Career Placement
 Neuroscience Advancements
 Little Matts 5-8

Suite 201
Suite 201A
Suite 202
Suite 203



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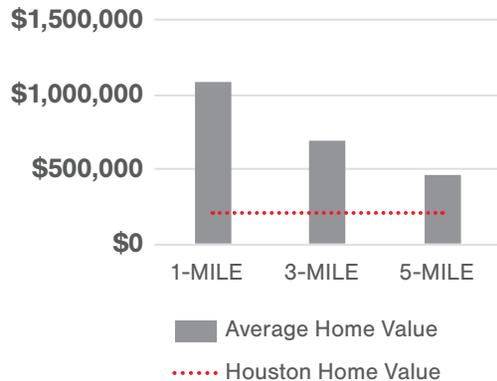
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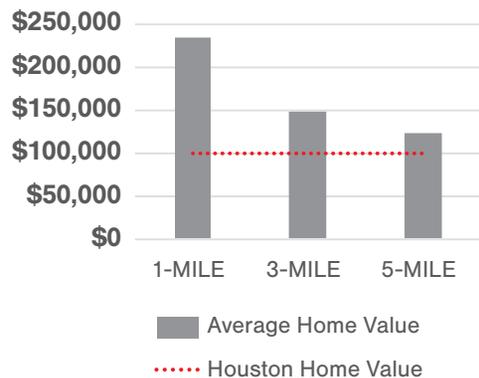
EMBEDDED IN THE HEART OF A HIGHLY EDUCATED AND AFFLUENT RESIDENTIAL AREA

- Over 80% of the population has a college degree or higher, the median home value is \$1.3M and the average household income is \$235,000 within a one-mile radius of the property.

Home Values



Household Income



RIVER OAKS
2.4 mi | 10 min

GREENWAY
PLAZA
1.5 mi | 5 min

RICE
UNIVERSITY
1.8 mi | 8 min

TEXAS
MEDICAL
CENTER
2.7 mi | 10 min

DOWNTOWN
5.8 mi | 10 min

3642 University



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OPTIMAL LOCATION ON THE "MAIN STREET" OF WEST UNIVERSITY

- University Boulevard is the main East-West thoroughfare for the West University neighborhood and serves as a primary connector to the globally recognized Texas Medical Center and Rice University.



UNIQUE RETAIL CENTER WITH STICKY TENANTS

- Existing tenants average an 8.5 years tenure at the building



INVESTORS PRIMED TO CAPITALIZE ON A MARK TO MARKET RENT OPPORTUNITY

- Average in place rent of \$29.75 PSF



DIVERSE TENANT MIX

- Tenant industries include education, medical, dental and consumer products



ABUNDANT PARKING AVAILABLE

- Customer parking is enhanced with plentiful short-term public off-site parking. Public parking has a two hour limit to insure availability to property visitors.



CENTRAL LOCATION

- Minutes from MSA's major employment hubs and top residential areas

West University at a glance

Just south of US Highway 59 located within the 610 Loop, West University is consistently ranked as one of the best neighborhoods in the Houston MSA. West U has some of the city's most expensive real estate, nationally recognized schools, and a safe community protected by a private police and fire department resulting in one of the lowest crime rates in all of Houston.

Downtown Houston

5.8 mi / 10 min

Greenway Plaza

1.5 mi / 5 min

H-E-B

Plaza in the Park



Education

- Highly ranked public schools include West University Elementary and DeBakey High School, a medical-centric program ranked #2 in Houston and #7 in the state
- Proximate to top private schools in the area including St. Marks Episcopal School, Episcopal High School and the Post Oak School
- Rice University** is a 300-acre tree-lined campus that is ranked among the nation's top 20 universities by U.S. News & World Report.

Amenities & Community

- One of Houston's most walkable neighborhoods
- West University Little League is the largest little league group in the nation with over 1,200 players
- Popular Neighborhood Venues: Rice Village, Rice University, West U Library System
- Top Ranked Restaurants Nearby: Sixty Vines, Benjy's, Houston's, Hu's Cooking
- Trails & Parks: West University Park System, Rice University Running Trails

Tiny's N°5

3642 University

Edloe St. [2,345 VPD]

West University Elementary

West University Little League

Houston Museum District

- Houston's cultural heart, with venues exploring a variety of subjects across the Museum of Fine Arts, the Museum of Natural Science, the Holocaust Museum, the Children's Museum and many others
- Home to the Houston Zoo, Miller Outdoor theatre, and Hermann Park, popular for its pedal boats, miniature railway, and Japanese garden.

Houston Museum District



27 mi / 10 min

Rice Village

Kirby Dr.

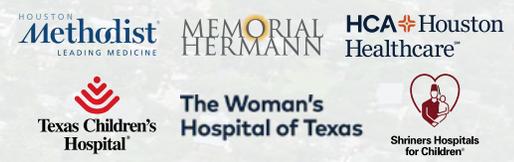
Rice Village

- Houston's largest urban shopping district
- A vibrant 18-block, 67 acre urban district that includes over 300 shops and restaurants

Texas Medical Center

- World's Largest Medical Center with over 106,000 employees operating on a \$15 billion annual budget
- Encompasses 50 million square feet and would be the 8th largest US business district on its own.
- Approximately 12% of Houston's GDP (\$59 billion) is healthcare related
- Very high concentration of healthcare professionals in West U due to proximity to Texas Medical Center

University Blvd. 17,295 VPDJ



? Did You Know?
 Almost all street names in West University Place are allusions to universities, colleges, and poets.

SURROUNDING HIGH END RESI



Average Houston Home Value

	AVG. LIST PRICE	% OVER HOUSTON MSA
<i>River Oaks</i>	\$3,744,509	1652%
<i>Tanglewood</i>	\$2,746,684	1185%
<i>Highland Village</i>	\$2,349,990	1000%
<i>Memorial</i>	\$2,127,679	896%
<i>West University</i>	\$2,125,596	895%
<i>Memorial Park</i>	\$1,826,880	755%
<i>Upper Kirby</i>	\$1,161,042	443%
<i>The Galleria/Uptown</i>	\$1,088,810	409%
<i>Bellaire</i>	\$983,963	360%
<i>Rice</i>	\$943,474	341%
<i>Medical Center</i>	\$683,000	220%
<i>Montrose</i>	\$676,757	217%
<i>Washington Corridor</i>	\$551,121	158%
<i>CBD</i>	\$444,445	108%
<i>Midtown</i>	\$409,120	91%

Source: HAR.com, ESRI Business Analyst

West University

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within 1-mile radius



\$1.3 M
median home value



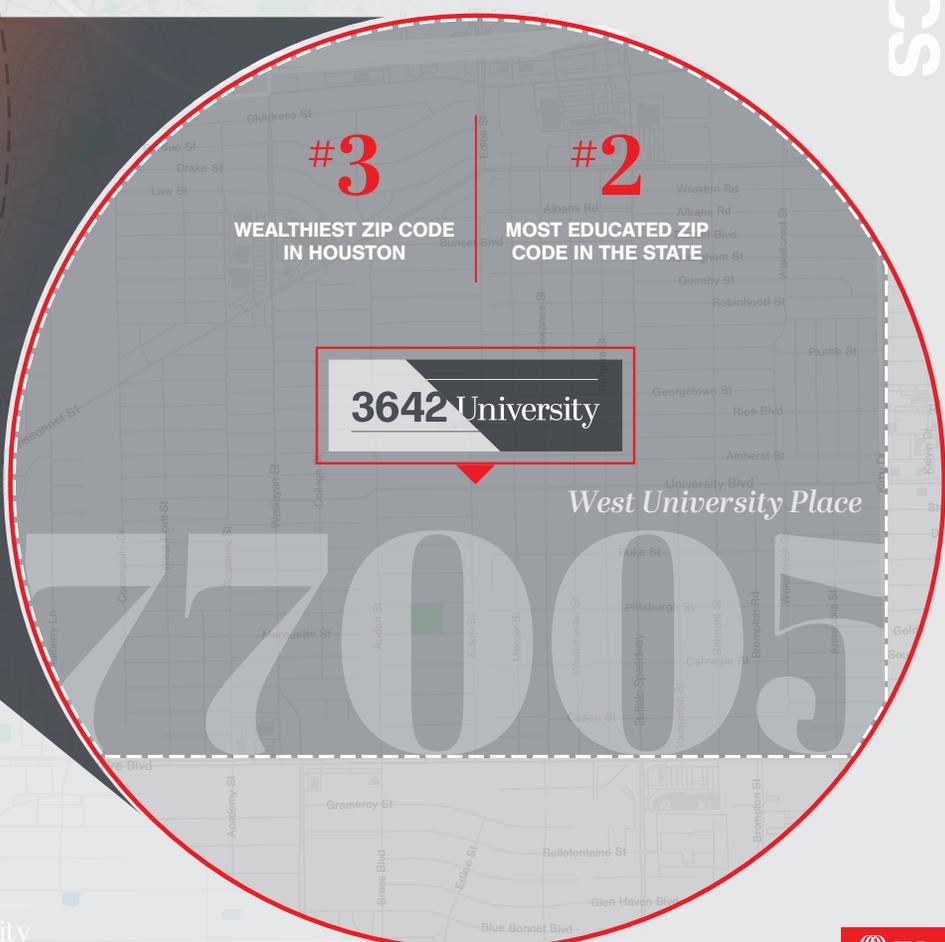
82%
have college degree or higher
(national average 25%)



\$800K-\$3.0M
home value price range



\$235,000
annual average household income



	3 MILE	5 MILE
2020 POPULATION	190,000	490,000
MEDIAN HOME VALUE	\$695,000	\$465,000
UNDERGRADUATE DEGREE +	71%	59%
AVG HOUSEHOLD INCOME	\$150,000	\$125,000

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- Houston's retail sector is directly affected by *the Covid-19 pandemic*, however, when the virus abates, pent-up demand should revive retail activity.
- Prior to the pandemic, Houston was one of several non-coastal cities seeing *massive investment and growth*.
- Houston's retail market has *weathered negative headlines*, including the 2015-2016 oil downturn, Harvey, and department store closings nationally.
- Since 2010, 80% of Harris County *population growth has occurred outside the city limits* of Houston, resulting in more Harris County residents living outside Beltway 8 than within it
- *Retail development trails this growth pattern* as Harris County's unincorporated area is anticipated to be home to more residents than Houston by year-end 2020
- Unlike the super-regional malls of decades past, most new retail projects are part of *smaller centers and mixed-use developments*, helping assuage the risk of oversupply

INVENTORY & CONSTRUCTION

- Houston ranked *number three in SF under construction*, with 3.1 MSF, trailing only New York and Dallas-Fort Worth
- Most of the new development that is taking place is occurring in *outlying suburban areas chasing rooftop growth*
- Areas that used to feel fairly distant from the city center are *starting to grow rapidly and densify*

NET ABSORPTION & DELIVERIES

- Houston ranked the *highest in the nation in trailing 12-month net absorption*, with 3.4 MSF, and *number one in net deliveries*, with 4.6MSF, as of 2020Q2

VACANCY

- Houston's retail market also continues to experience *near-record low vacancy* at a rate of 5.7%.
- Houston's vacancy rate has remained under 6% since 2014 due to Texas' *low-cost, low-tax, high-quality-of-life model*

RENTAL RATES

- Fueled by consistently low vacancies, as well as a general lack of deliveries, *asking rents in Houston grew every year this past cycle*
- Cumulatively, *rents increased more than 25% since 2010*, standing at \$20.00/SF today

West University {77005}



INVENTORY

- 224 Buildings
- 2,229,399 Total GLA



DELIVERIES

- 0 SF



VACANCY

- 75,454 Direct SF
- 76,854 Total SF
- 3.4% Vacant



UNDER CONSTRUCTION

- 1 Building
- 21,872 Total GLA



NET ABSORPTION

- Q2 2020: -14,834 SF
- T-12: 952 SF



RENTAL RATES

- \$38.79 Avg. Quoted Rate

Houston MSA



INVENTORY

- 27,729 Buildings
- 397,319,112 Total GLA



DELIVERIES

- 1,658,146 SF



VACANCY

- 22,047,880 Direct SF
- 22,447,149 Total SF
- 5.7% Vacant



UNDER CONSTRUCTION

- 17 Buildings
- 323,747 Total GLA



NET ABSORPTION

- Q2 2020: 49,165 SF
- T-12: 106,102 SF



RENTAL RATES

- \$21.17 Market Rent PSF



EMPLOYMENT

3.2 MILLION JOBS IN THE HOUSTON MSA
more than 35 states and nearly a quarter of Texas' entire employment base

2ND LARGEST
NUMBER OF JOBS CREATED IN 2018
OUT OF ANY MSA IN THE NATION

↓ 3.6%
unemployment rate

64,400
NEW JOBS CREATED IN 2019



ECONOMY

26TH **LARGEST**
economy in the world if Houston were an independent nation

7TH **LARGEST**
U.S. metro economy in the nation

\$480
BILLION GDP [2018]



GLOBAL TRADE CITY
LARGEST GULF COAST CONTAINER PORT

73
FOREIGN-OWNED FIRMS

1ST
IN FOREIGN WATERBORNE TONNAGE

1ST IN IMPORT AND EXPORT
1ST GULF COAST CONTAINER PORT



POPULATION & DEMOS

7 MILLION residents in the Houston MSA
2.3 MILLION residents in the city of Houston

1 IN 4 Houstonians are foreign-born
5TH MOST POPULOUS MSA IN THE NATION • **4TH MOST POPULOUS CITY IN THE NATION**



CORPORATE HEADQUARTERS

22 FORTUNE 500
companies call Houston home

3RD LARGEST
NUMBER OF FORTUNE 1000
companies in the nation

4TH LARGEST
NUMBER OF FORTUNE 500
companies in the nation



GEOGRAPHY

10,000
SQUARE MILES
larger than the state of NJ

9 COUNTIES in the Houston MSA



CLUTCH CITY



GATEWAY TO THE WORLD

4TH LARGEST
MULTI-AIRPORT SYSTEM
IN THE U.S.
58.3 MILLION PASSENGERS
GLOBAL HUB FOR
AEROSPACE TECHNOLOGY



THE TEXAS MEDICAL CENTER
LARGEST MEDICAL COMPLEX IN THE WORLD



\$25 billion
IN LOCAL GDP

8TH largest
BUSINESS DISTRICT IN THE U.S.

10 million
PATIENT ENCOUNTERS PER YEAR

106,000+
EMPLOYEES AT TMC

3642 University





City of West University Place
A NEIGHBORHOOD CITY

Edge St 2200
University St

3642 University





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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