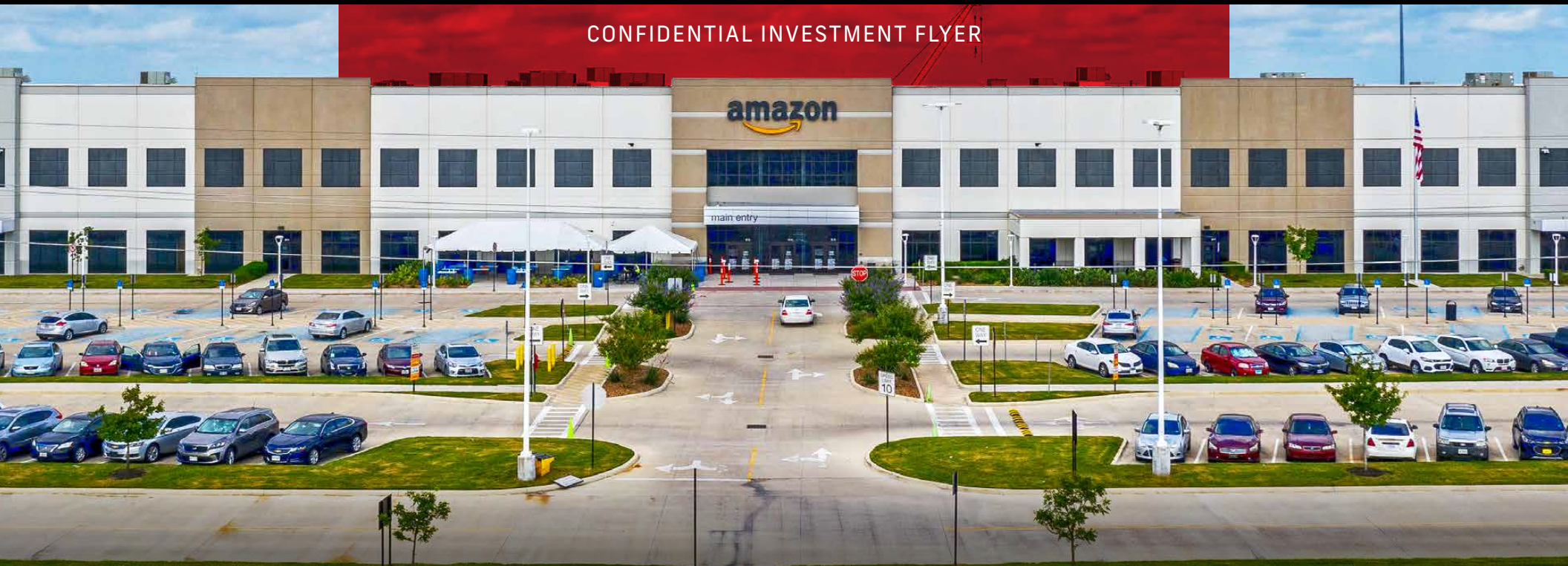




AMAZON KATY

Fulfillment Center

CONFIDENTIAL INVESTMENT FLYER



NEW CLASS A
CONSTRUCTION



HOUSTON'S
MOST DYNAMIC
SUBMARKET



AMAZON
INVESTMENT
GRADE
TENANCY
(S&P AA-)



MISSION-CRITICAL
AMAZON LOCATION
FOR A FULFILLMENT
CENTER



MARK-TO-
MARKET
OPPORTUNITY
AT EXPIRATION



12.3 YEARS
REMAINING
LEASE TERM

INVESTMENT SUMMARY

Jones Lang LaSalle (“JLL”), on behalf of the owner, is pleased to present the opportunity to purchase the fee simple interest in the **Amazon Katy Fulfillment Center** (the “Property”), a 1,016,000 square foot fulfillment center in Houston, TX with 12.3 years of lease term remaining. Developed in 2018 by Duke Realty as a Build-to-Suit, the state-of-the-art warehouse is currently 100% leased to Amazon.com and offers 1.5% annual rent increases throughout the remainder of the term.

The Amazon Katy Fulfillment Center serves as a mission-critical facility for Amazon, as the building features an optimal layout for the tenant’s logistical needs and is located in the highest growth area of Houston’s MSA only 15 minutes from the city’s population center. Amazon also put significant capital investment into the building, including a \$3.5 million two-level Hazmat Room located in the Northeast section of the building.

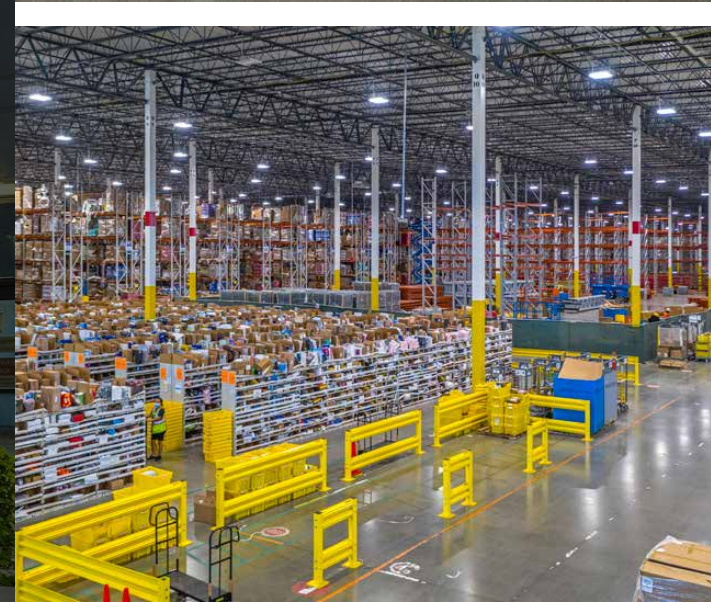
The highly functional facility employs 1,600 people and ships 40,000 packages per day in 22 hours of operation. The property’s rent is currently 19.5% below market, especially when compared to the other fulfillment center in the city, which will position a new owner to capture an increase in rental rates at lease expiration due to rising land prices and higher construction costs in West Houston. The Katy Fulfillment Center represents a unique opportunity to acquire best-in-class product in a core industrial location that is long-term net leased to one of the most desirable tenants in the world.



Amazon Katy Fulfillment Center

SF	1,016,000 SF
ACRES	84 Acres
OCCUPANCY	100%
WTD. AVG. TERM	12.3 Years
CLEAR HEIGHT	36'
OFFICE FINISH	38,002 SF / 4%
PARKING	1000 (1.00:1000 SF) (48 HC), 32 Motorcycle Spaces
TRAILER PARKING	141 Trailer Spaces
TRUCK COURT	190'
YEAR BUILT	2018
DOCK CONFIGURATION	Fulfillment Center
DOCK-HIGH DOORS	100 doors
DRIVE-IN DOORS	2 doors
BUILDING DIMENSIONS	1782.5' x 570'
STAGING BAYS	102'
ROOF TYPE	60 mil mechanically attached TPO
ROOF WARRANTY	20 Year (17.3 Years Remaining)
WAREHOUSE LIGHTING	LED
FIRE PROTECTION SYSTEM	ESFR
CONSTRUCTION OVERVIEW	Tilt Wall

The Property is outside the
500-year flood plain (Zone X)



INVESTMENT HIGHLIGHTS



Newly Constructed, **State-of-the-Art Facility**

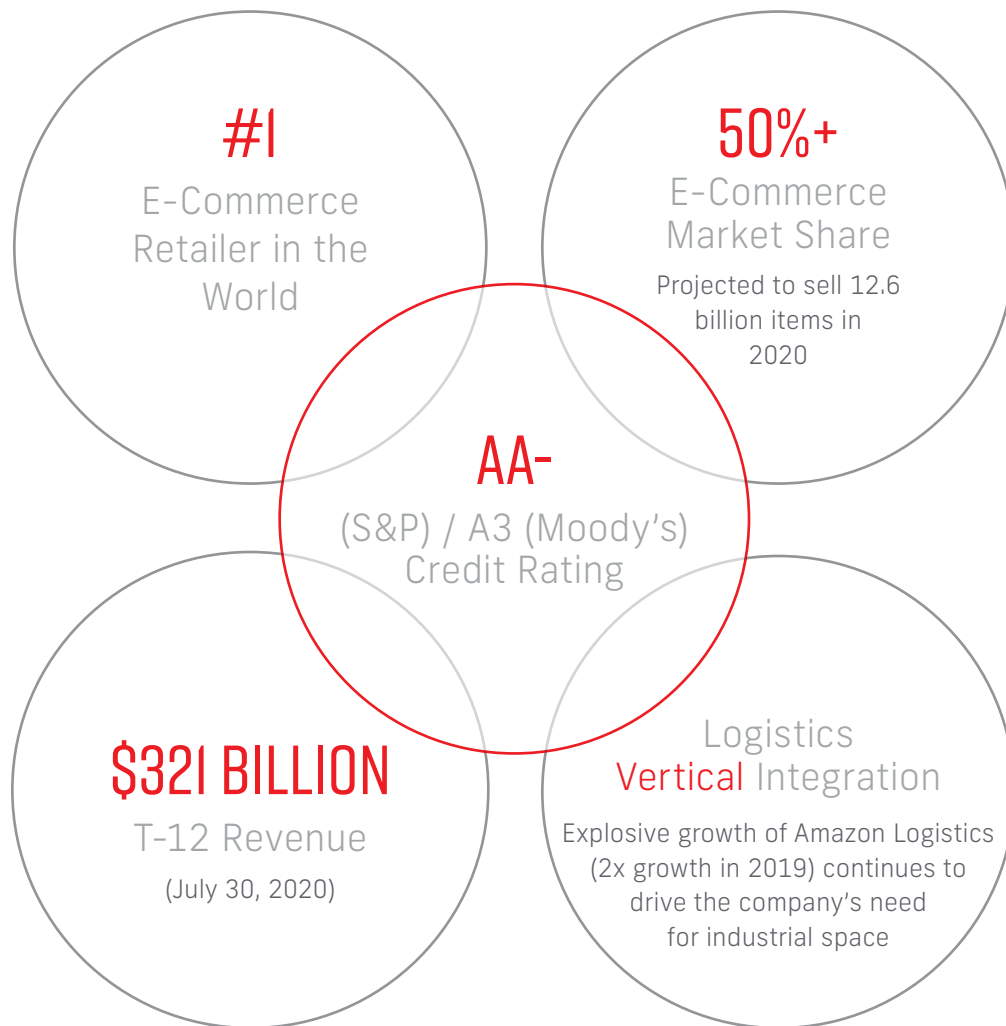
Constructed in 2018 as a build-to-suit by Duke Realty, The Amazon Katy Fulfillment Center is a state-of-the-art fulfillment center providing all amenities and building characteristics sophisticated tenants have come to expect in modern industrial warehouses. The 84-acre site allows for ample parking for its 1,600 employees with 1,048 parking spaces and 141 trailer spaces. The 1,016,000-square-foot building has 36' clear heights, LED lighting, ESFR fire system, and 2 drive-in doors.





Amazon Investment Grade Tenancy (S&P AA-)

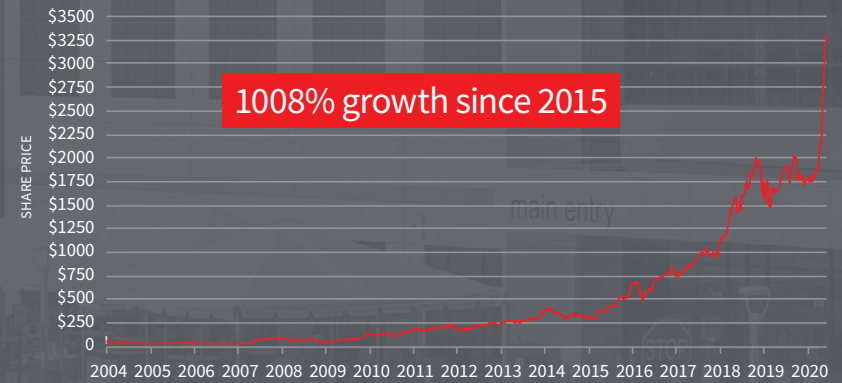
The #1 E-Commerce retailer in the world, Amazon.com, Inc. (the 'Guarantor') is one of the most sought-after tenants in the country and maintains one of the strongest retention ratios in the buildings they occupy. The company boasts a AA- credit rating by S&P and A3 by Moody's with \$280 billion in 2019 revenue with 10-year corporate bonds trading at 1.50%.



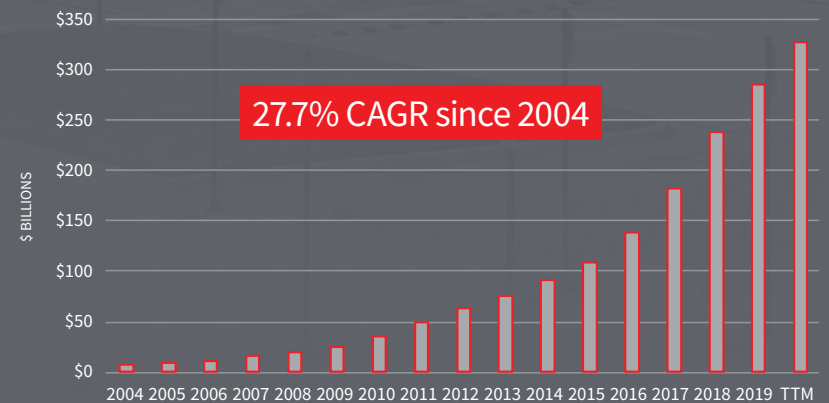
TICKER	NYSE: AMZN
STOCK PRICE	\$3,304.14
MARKET CAP	1.66T
REVENUE	\$321B

As of: August 18, 2020

HISTORICAL AMAZON STOCK PRICE



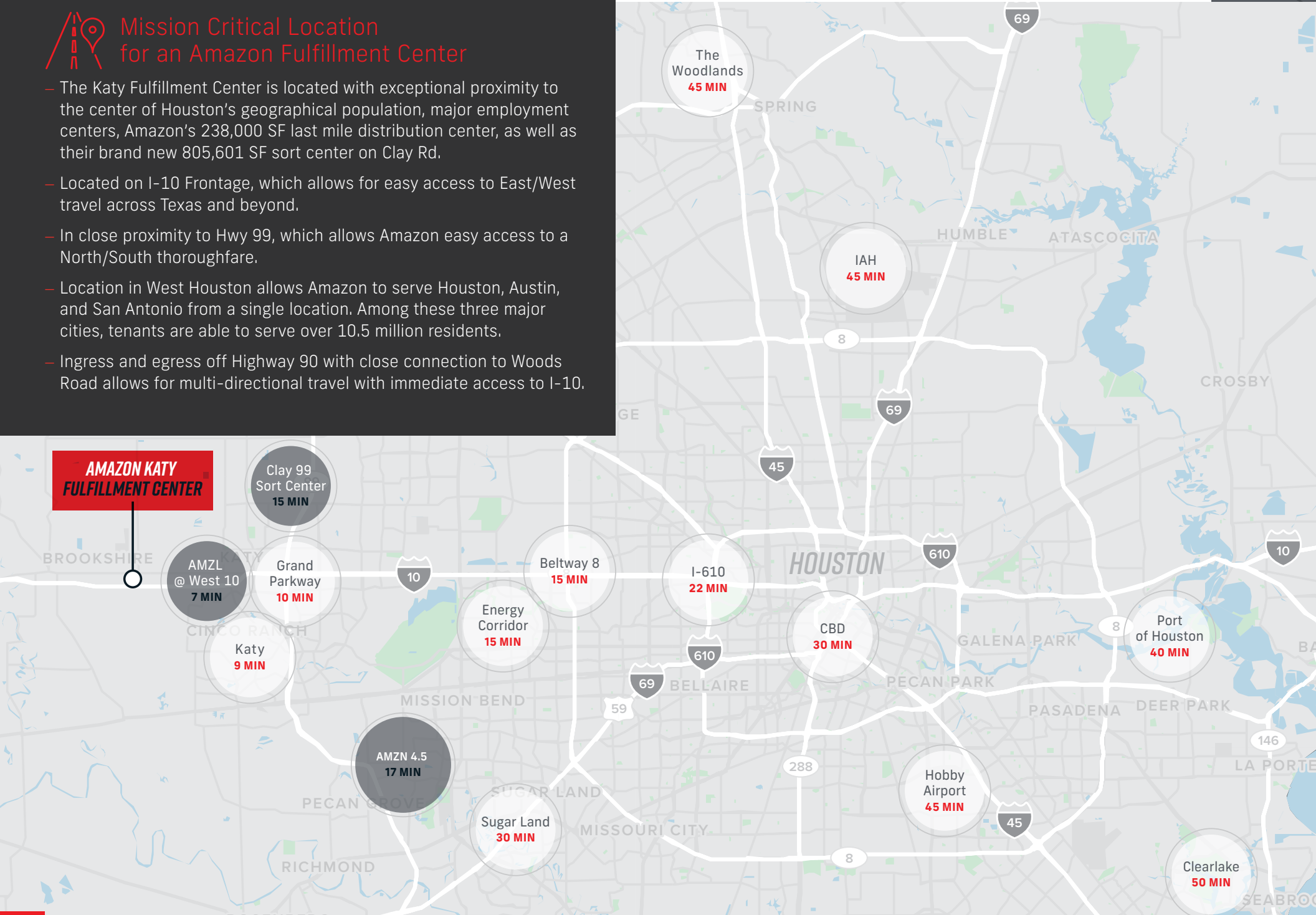
AMAZON ANNUAL NET REVENUE





Mission Critical Location for an Amazon Fulfillment Center

- The Katy Fulfillment Center is located with exceptional proximity to the center of Houston's geographical population, major employment centers, Amazon's 238,000 SF last mile distribution center, as well as their brand new 805,601 SF sort center on Clay Rd.
- Located on I-10 Frontage, which allows for easy access to East/West travel across Texas and beyond.
- In close proximity to Hwy 99, which allows Amazon easy access to a North/South thoroughfare.
- Location in West Houston allows Amazon to serve Houston, Austin, and San Antonio from a single location. Among these three major cities, tenants are able to serve over 10.5 million residents.
- Ingress and egress off Highway 90 with close connection to Woods Road allows for multi-directional travel with immediate access to I-10.





Mark-to-Market Rent Opportunity

The Katy Fulfillment Center allows a new owner the opportunity to capitalize on below market rents upon Amazon's lease expiration. The historic rise in land prices in West Houston coupled with rising construction costs will continue to drive rental rates up in the submarket and will perfectly position existing best-in-class assets, such as the Amazon Katy Fulfillment Center, to capture rent increases once in-place leases expire. In addition, Amazon's current rent is significantly below other comparable fulfillment centers in the region.

North Houston Fulfillment Center

ADDRESS	10550 Ella Blvd, Houston, TX 77038
SIZE	855,000 SF
YEAR BUILT	2017

San Marcos Fulfillment Center

ADDRESS	1401 East McCarty Ln, San Marcos, TX 78666
SIZE	855,000 SF
YEAR BUILT	2016

Amazon Katy Fulfillment Center

ADDRESS	31555 US-90, Brookshire, TX 77423
SIZE	1,016,000 SF
YEAR BUILT	2018

Schertz Fulfillment Center

ADDRESS	6000 Schertz Pkwy Shertz, TX 78154
SIZE	1,269,000 SF
YEAR BUILT	2013

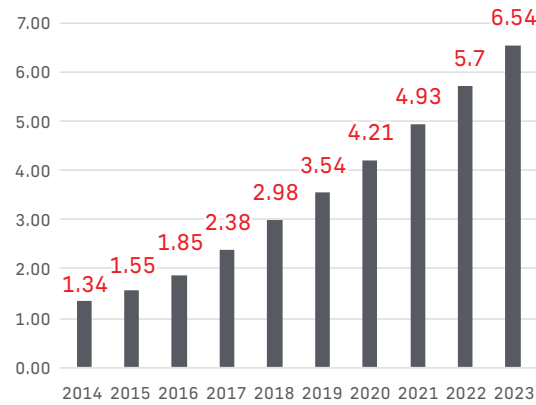
GULF OF MEXICO



Growth of E-commerce

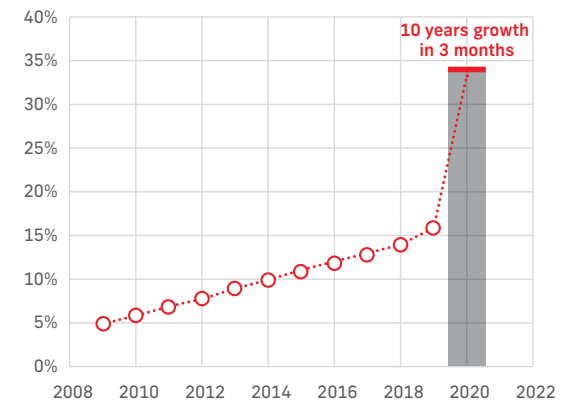
The rapid growth of e-commerce has continued to lead to rampant growth in the industrial property sector. A projected \$3.54 trillion was spent on e-commerce in 2019 globally, which results in 19% growth over 2018. Because of the recent pandemic, U.S. e-commerce penetration jumped to more than 25% in April of 2020, up from 15% at year-end 2019. The disruption e-commerce has caused to brick and mortar stores should have a very minimal impact on logistics supply and demand as major retailers who have announced bankruptcies in 2020 account for less than 20 bps of total U.S. logistics real estate market occupancy.

E-COMMERCE SALES GROWTH in Trillion U.S. Dollars



Source: Statista

U.S. E-COMMERCE PENETRATION



Source: McKinsey and Company




Houston: Nation-Leading Growth

The Houston MSA covers nearly 10,000 square miles and is home to over 3 million jobs. It is a global gateway city, boasting a history of impressive GDP, population, and employment growth. Since 9/11, Houston has added 2.3 million residents, equal to the size of Austin. In 2019, Houston ranked #3 in U.S. population growth, adding 90k new residents; only DFW and Phoenix ranked higher.




2020 Q2 QTD Fundamentals

INVENTORY	20,442,465 sf
Q2 2020 NET ABSORPTION	31,552 sf
2020 TOTAL NET ABSORPTION	70,014 sf
UNDER CONSTRUCTION	4,840,015 sf
TOTAL VACANCY	5.50%
AVERAGE ASKING RENT FOR BULK SPACE (NNN)	\$0.40 psf/month (\$4.80 PSF annual)




4,840,015

SF UNDER CONSTRUCTION



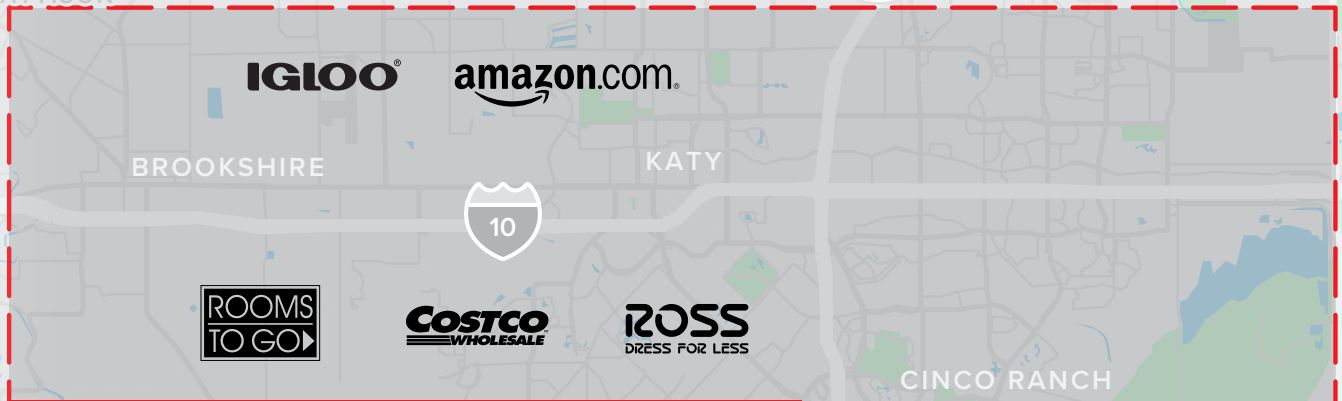
94.5%

OCCUPANCY



\$0.40

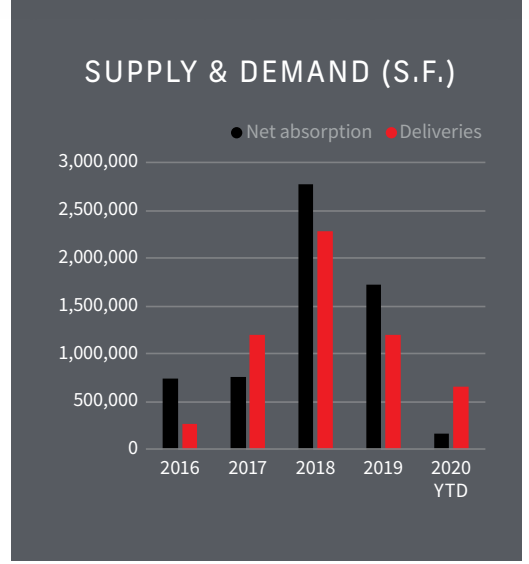
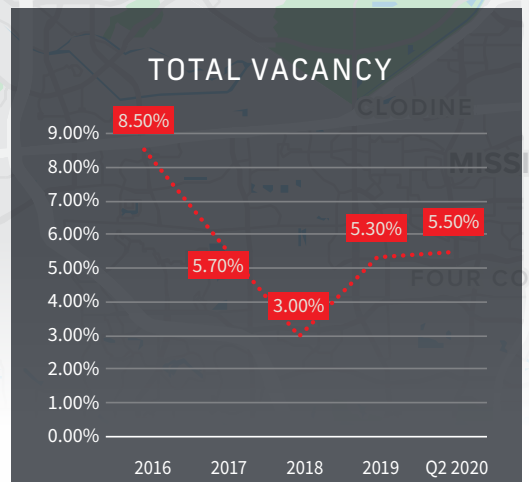
PSF (ASKING RATE FOR BULK SPACE)



Houston's Most Dynamic Submarket

As Houston's population migration continues to move West and Northwest, demand for quality industrial space in the coveted West Houston submarket remains strong and there is a lack of available land for future development. The submarket has 20,442,465 square feet of industrial space that is currently 94.5% occupied with 9% of the submarket inventory being built in the last 18 months. During that period, vacancy has remained relatively constant.

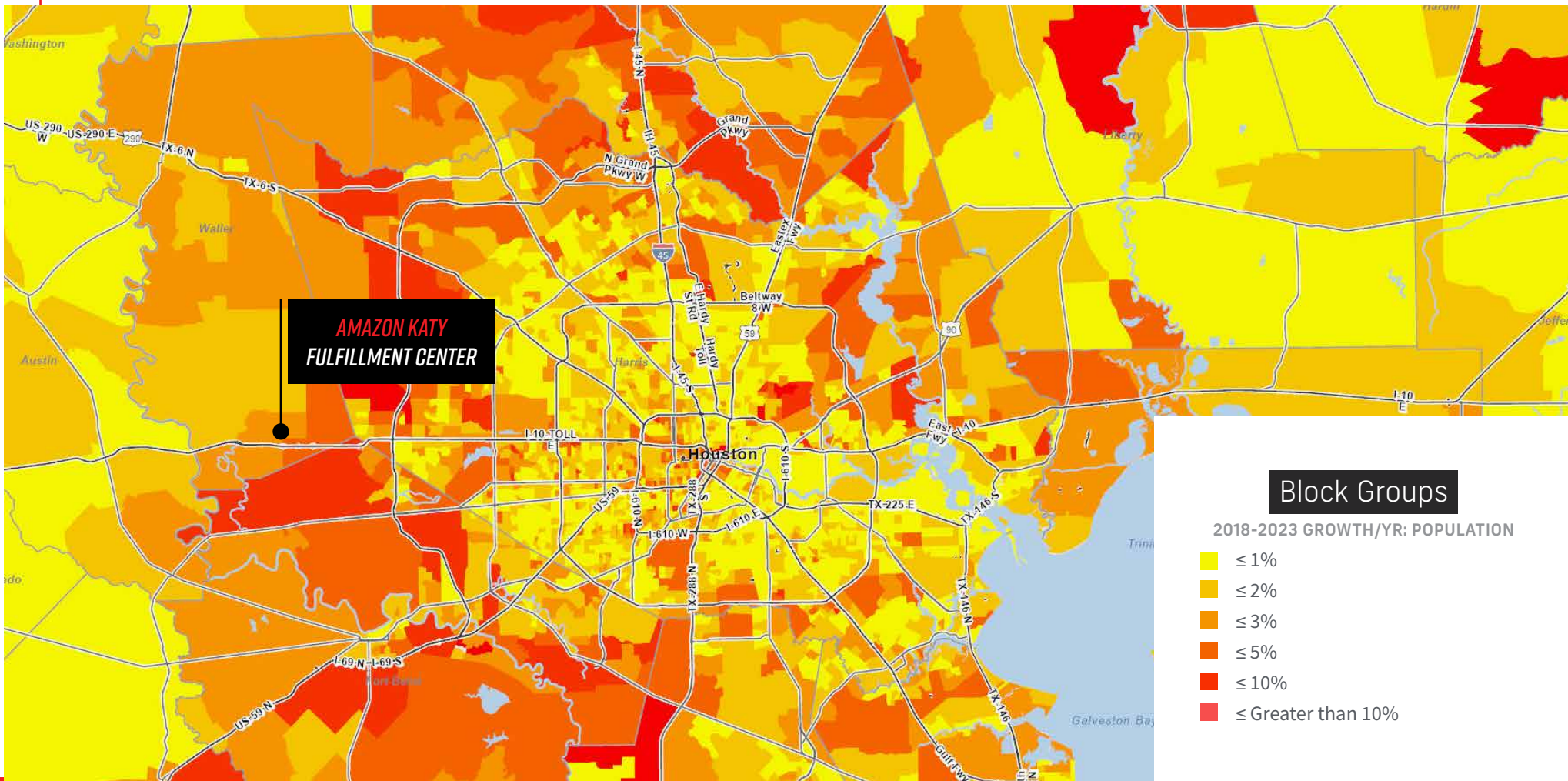
The West Houston submarket is quickly becoming the most desired industrial submarket in the city, as low vacancy continues to beat market averages due to over 1.8 million square feet of net absorption in 2019 and through the first half of 2020. The submarket contains other significant corporate users including Amazon, Igloo, Rooms To Go, Costco Wholesale, Ross Dress for Less, Southern Glazers, MedLine, Bel Furniture and many others.



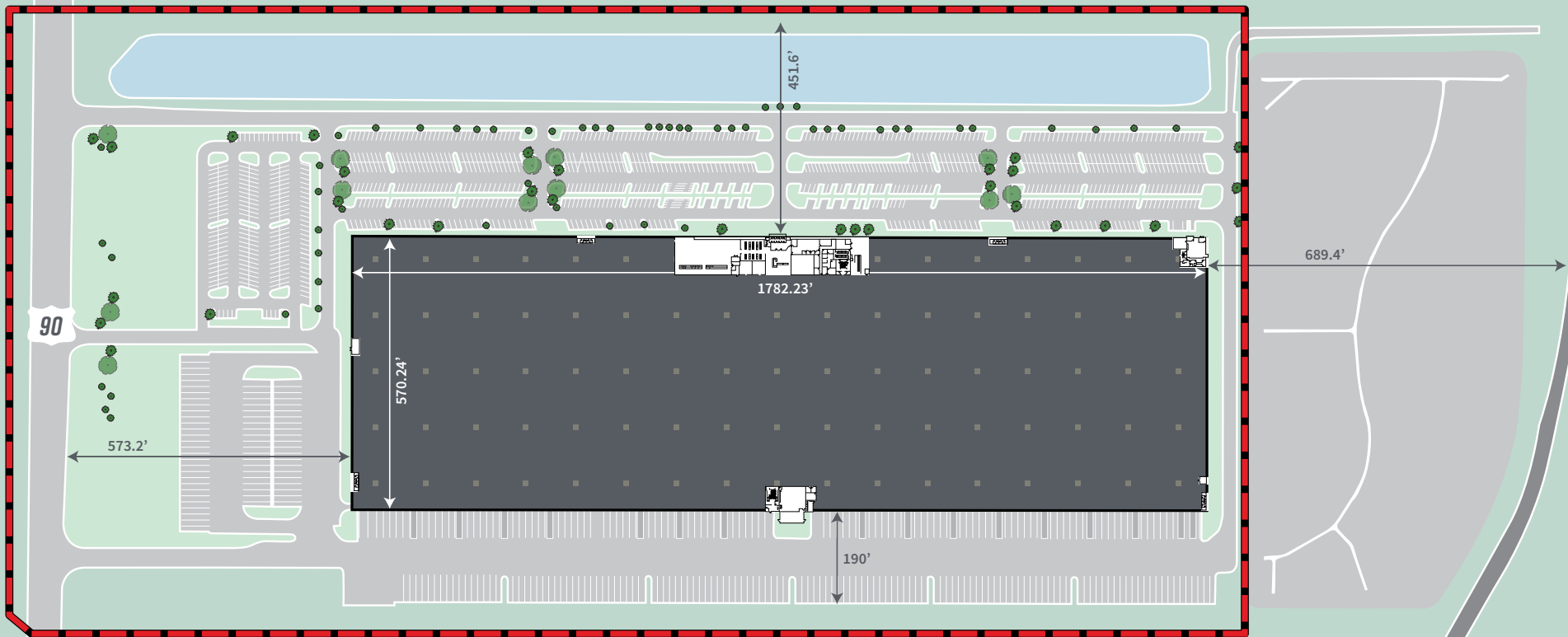


West Houston **Population Boom**

Approximately 375,000 people reside in the Katy area, which makes it larger in population than either Pittsburgh, PA or Cincinnati, OH. Population has shown strong growth at a rate over 3% annually, and the population is expected to grow to 440,000 people by the year 2024, with employment growth demonstrating trends similar to the population growth. The civilian employed population in the Katy area is 186,000, with growth projected to over 227,000 persons by the year 2024 (20.3%). The Katy area has an unemployment rate of below 5%. The average household income is \$129,000 and is projected to increase to \$142,000 by the year 2024. The strong household income number is fueled by educational attainment above the national average, with over 47.7% of the population having a bachelor's/graduate degree.



SITE PLAN



CONTACT INFORMATION

Investment Advisors

Trent Agnew, SIOR
MANAGING DIRECTOR
+1 713 852 3431
TRENT.AGNEW@AM.JLL.COM

Rusty Tamlyn, CCIM, SIOR
SENIOR MANAGING DIRECTOR
+1 713 852 3561
RUSTY.TAMLYN@AM.JLL.COM

Charlie Strauss
DIRECTOR
+1 713 212 6574
CHARLES.STRAUSS@AM.JLL.COM

Dustin Volz
MANAGING DIRECTOR
+1 214 438 6493
DUSTIN.VOLZ@AM.JLL.COM

Stephen Bailey
SENIOR DIRECTOR
+1 469 232 1992
STEPHEN.BAILEY@AM.JLL.COM

Tom Weber
ANALYST
+1 713 852 3495
TOM.WEBER@AM.JLL.COM

Jack Britton
ANALYST
+1 713 212 6575
JACK.BRITTON@AM.JLL.COM

Financing Inquiries

Colby Mueck
SENIOR MANAGING DIRECTOR
HOUSTON OFFICE CO-HEAD
+1 713 852 3575
COLBY.MUECK@AM.JLL.COM

Michael Johnson
SENIOR DIRECTOR
+1 713 852 3474
MFJOHNSON@AM.JLL.COM



9 Greenway Plaza, Suite 700 | Houston, Texas 77046
us.jll.com/capitalmarkets

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