



# AMAZON CLAY 99

## Sort 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 SORTATION  
CENTER



SIGNIFICANT  
TENANT  
INVESTMENT



10.0 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 **Amazon Clay 99 Sort Center** (the “Property”), an 805,601 square foot sort center that is 100% leased to Amazon in Houston, TX with 10.0 years of lease term remaining. Currently being developed by Duke Realty, the best-in-class asset is expected to deliver in September 2020 with Amazon taking occupancy in October 2020. The facility is a build-to-suit project for Amazon that includes tenant funded improvements in excess of \$16.5 million.

Upon delivery, Amazon will begin their 10-year lease at the Property that is set to expire in September 2030 and includes 2.5% annual rent escalations. The Amazon Clay 99 Sort 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 within 15 minutes of the center of Houston’s population in one of the fastest-growing areas of the city. The Amazon Clay 99 Sort Center represents a unique opportunity to acquire a newly constructed, state-of-the-art facility in a core industrial location that is long-term net leased to one of the most desirable tenants in the world.





## Amazon Clay 99 Center

SF	805,601
ACRES	54.2 Acres
OCCUPANCY	100%
WTD. AVG. TERM	10.0 Years
CLEAR HEIGHT	40'
OFFICE FINISH	7,306 SF/ 3.39%
PARKING	500 Car Spaces (0.62 : 1,000 SF)
TRAILER PARKING	495 Trailer Spaces
TRUCK COURT	190'
YEAR BUILT	2020
DOCK CONFIGURATION	Cross Dock
DOCK-HIGH DOORS	190 doors
DRIVE-IN DOORS	4 doors
BUILDING DIMENSIONS	580' x 1383'
HVAC	Warehouse Full A/C Resolve
ROOF TYPE	Mechanically attached 60 mil TPO with R-30 insulation
ROOF WARRANTY	20 years
WAREHOUSE LIGHTING	LED
FIRE PROTECTION SYSTEM	ESFR
CONSTRUCTION OVERVIEW	Tilt Wall

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



REPRESENTATIVE IMAGES

# INVESTMENT HIGHLIGHTS



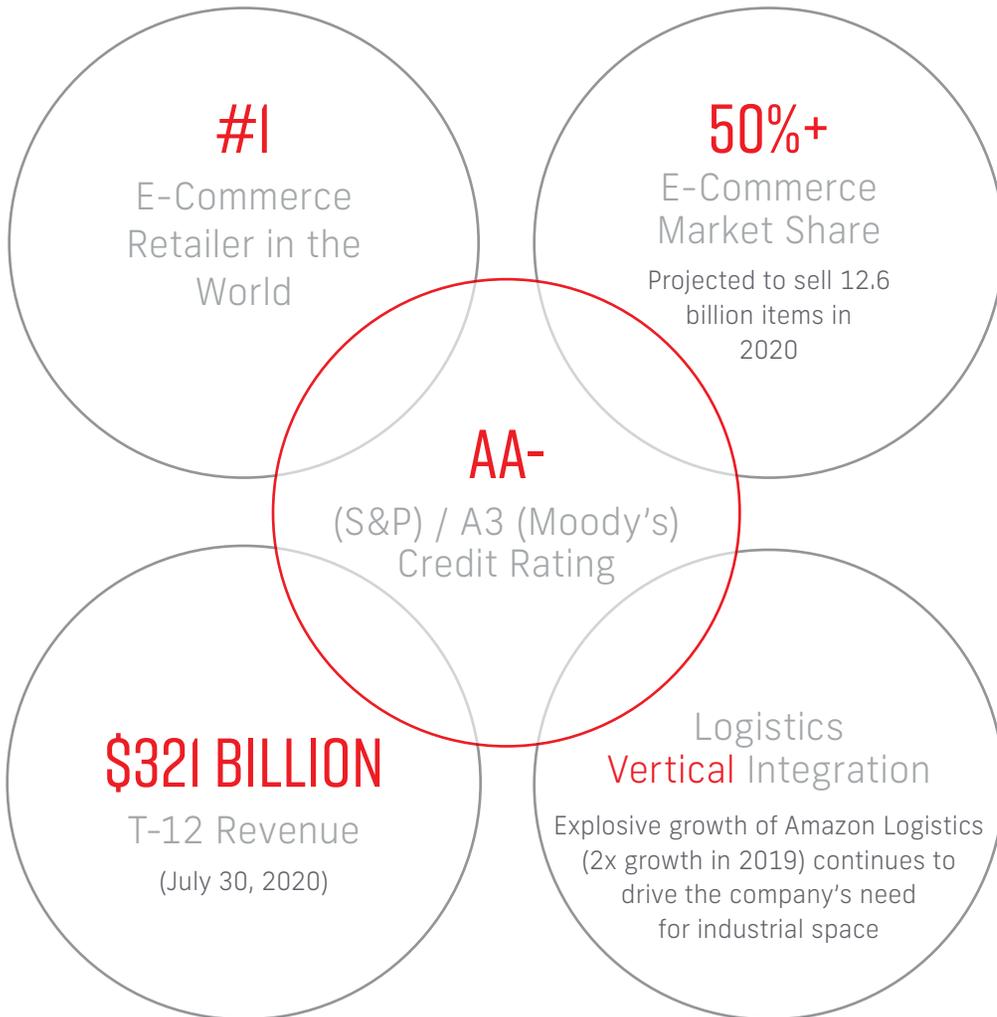
## Newly Constructed, State-of-the-Art Facility

Currently under development as a build-to-suit by Duke Realty, The Amazon Clay 99 Sort Center is a state-of-the-art sortation center providing all amenities and building characteristics sophisticated tenants have come to expect in modern industrial warehouses. The cross-docked, 54.15-acre site allows for ample parking with 500 car parking spaces and 495 trailer parking spaces. The 805,601-square-foot building has 40' clear heights, LED lighting, an ESFR fire system, and 4 drive-in doors.



## Amazon Investment Grade Tenancy (S&P AA-)

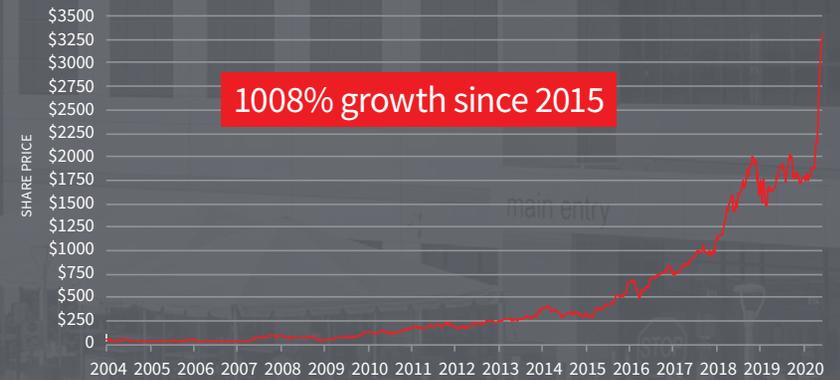
The #1 E-Commerce retailer in the world, Amazon.com, Inc. (the 'Guarantor') is one of the most sought-after tenants in the country and maintains one of the strongest retention ratios in the buildings they occupy. The company boasts a AA- credit rating by S&P and A3 by Moody's with \$280 billion in 2019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



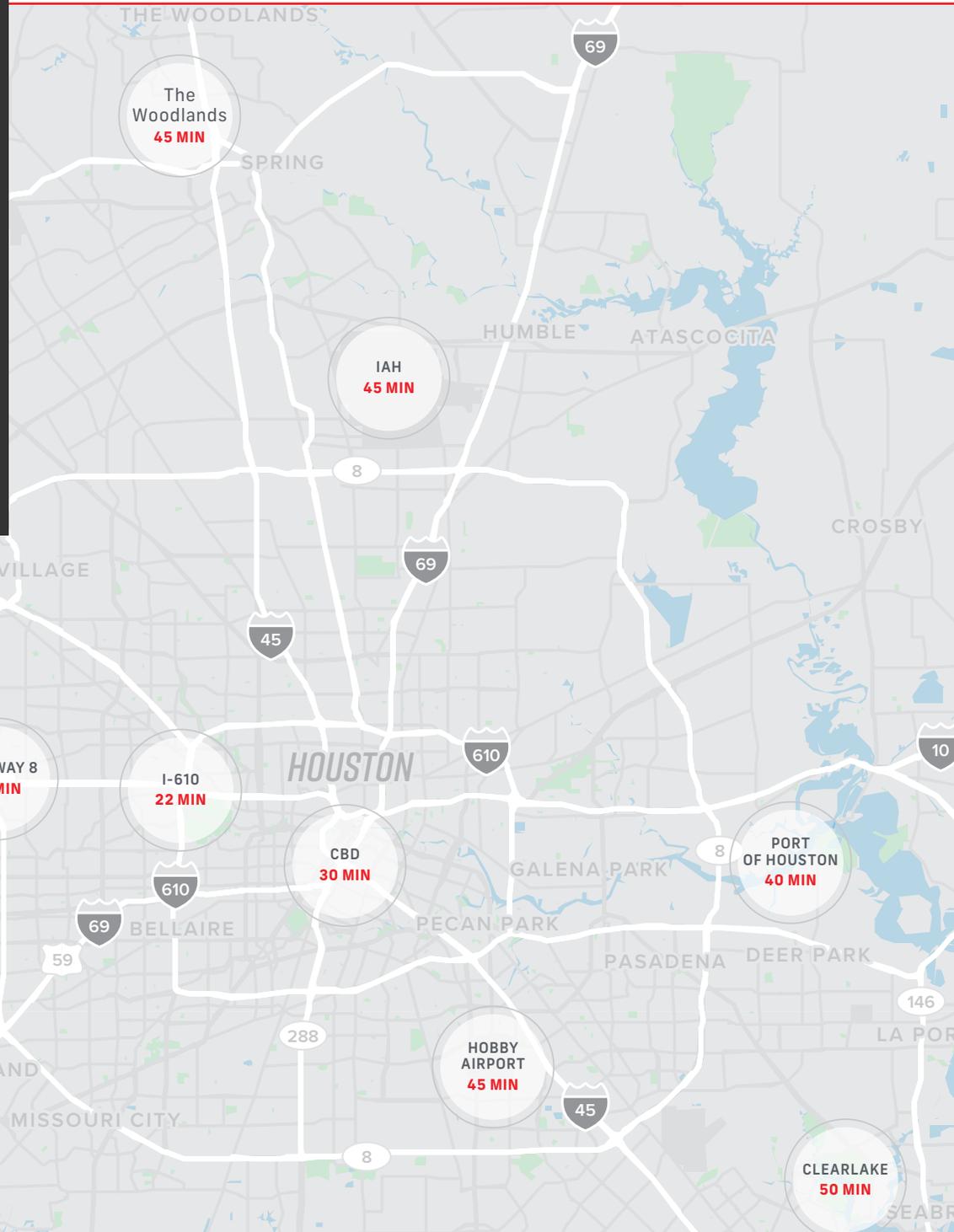
### AMAZON ANNUAL NET REVENUE





## Mission Critical Location for an Amazon Sort Center

- Amazon Clay 99 Sort Center is located with exceptional proximity to the center of Houston’s geographical population, major employment centers, Amazon’s 238,000 square foot last mile distribution center, as well as their 1,016,000 SF fulfillment center on Highway 90.
- Direct access to Hwy 99, which allows Amazon easy access to a North/South thoroughfare.
- In close proximity to Interstate 10, which allows for easy access to East/West travel across Texas and beyond.
- Location in West Houston allows Amazon to serve Houston, Austin, and San Antonio from a single location. Among these three major cities, tenants will be able to serve more than 10.5 million residents.

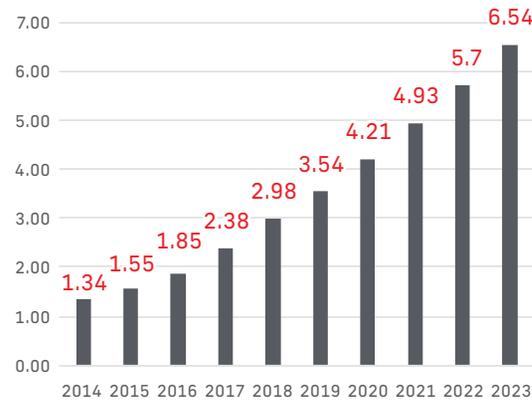




## Growth of E-commerce

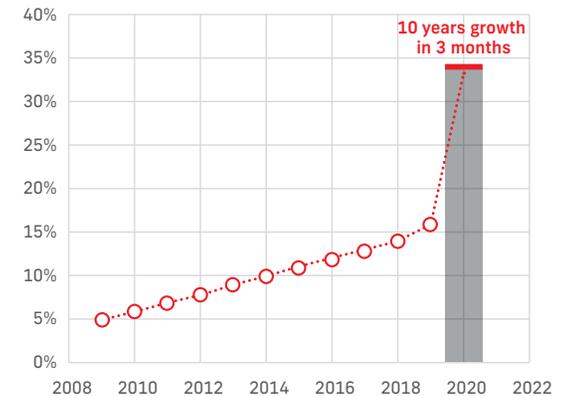
The rapid growth of e-commerce has continued to lead to rampant growth in the industrial property sector. A projected \$3.54 trillion was spent on e-commerce in 2019 globally, which results in 19% growth over 2018. Because of the recent pandemic, U.S. e-commerce penetration jumped to more than 25% in 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 US population growth, adding 90k new residents; only DFW and Phoenix ranked higher.



## 2020 Q2 QTD Fundamentals

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



4,840,015

SF UNDER CONSTRUCTION



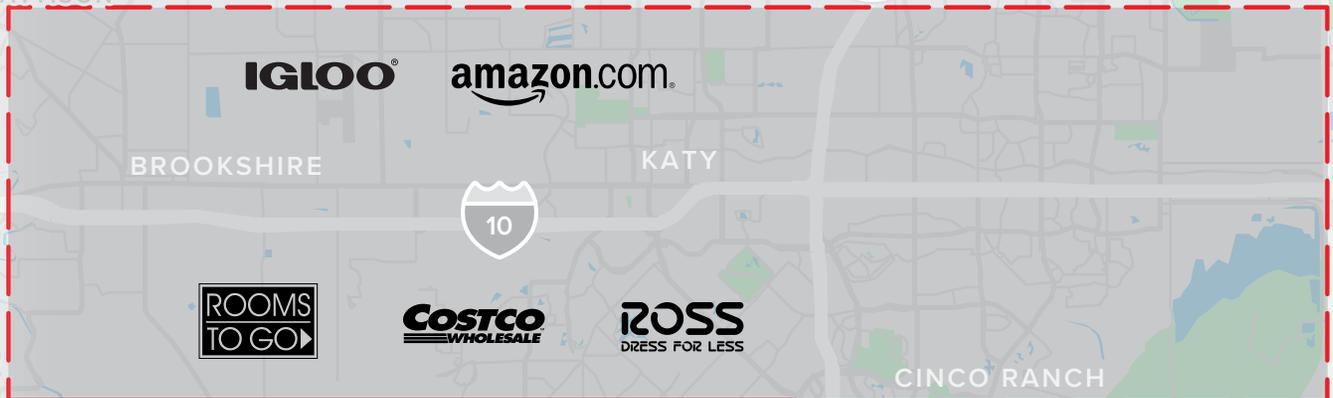
94.5%

OCCUPANCY



\$0.40

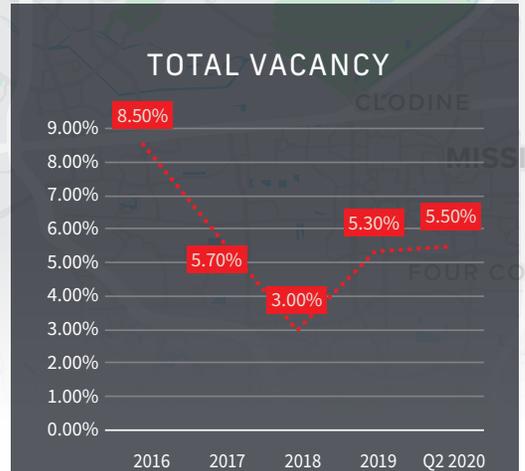
PSF (ASKING RATE FOR BULK SPACE)



### 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.

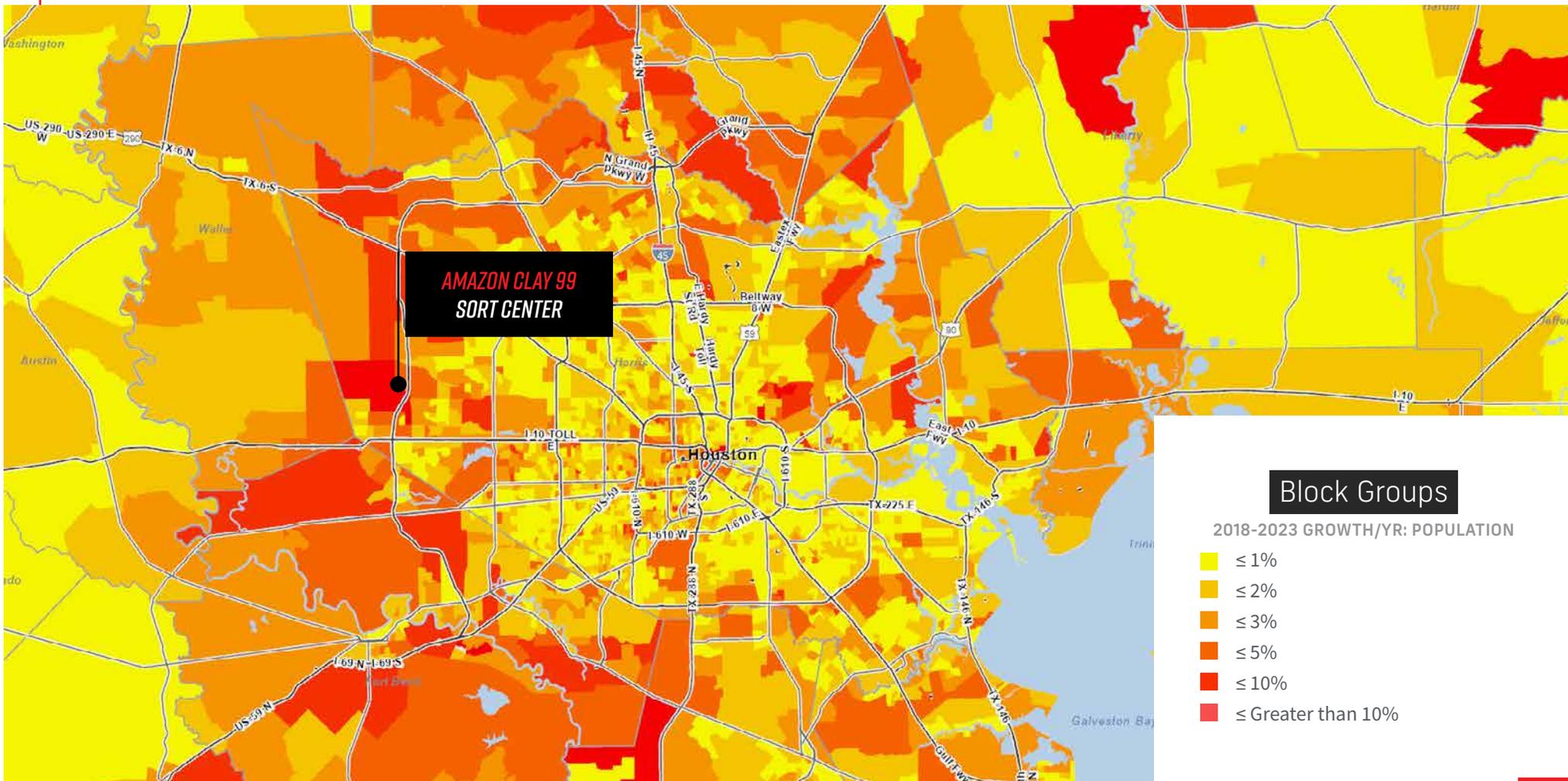
The West Houston submarket is quickly becoming the most desired industrial submarket in the city, as low vacancy continues to beat market averages due to over 1.8 million square feet of net absorption in 2019 and through the first half of 2020. The submarket contains other significant corporate users 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.



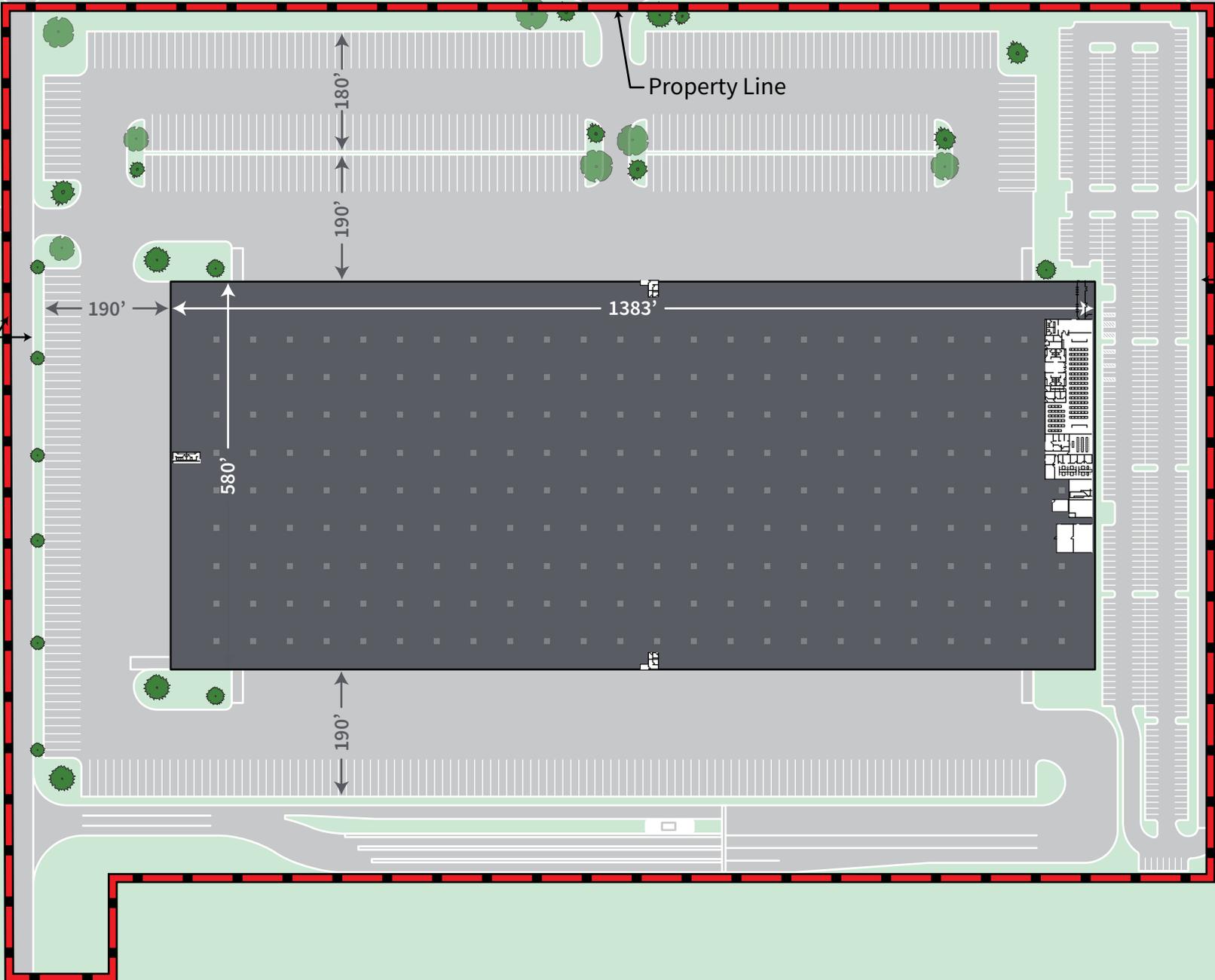
# SITE PLAN

Clay Road

Property Line

36' Wide  
Access Easement

36' Wide  
Access Easement





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