

# 455 EAST MEDICAL CENTER BLVD

106,168 Square Foot Office in Houston, Texas



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## EXECUTIVE SUMMARY

Jones Lang LaSalle Americas, Inc., as an exclusive advisor to the owner, is pleased to present the opportunity to acquire the fee-simple interest in 455 E Medical Center Blvd (“The Property”), a fully-occupied, five-story office asset comprised of 106,168 square feet, situated on approximately 5.87 acres strategically located in one of the fastest-growing submarkets within the Houston region. The Property offers excellent regional accessibility being located just minutes away from Interstate-45. The Property sits within Webster, the nucleus of Bay Area Houston, located midway between downtown Houston and Galveston. Webster is home to the “Medical Center of the South” and the “Aerospace Capital of the United States”. The Property boasts an extremely efficient performance history consisting of low leasing costs, high tenant retention, and strong historical occupancy rates. 455 E Medical Center Blvd offers the rare opportunity to own a well-located, modern asset that enjoys a loyal tenant base, strong in-place cash flow and the potential for long-term capital preservation and appreciation.



Unique, Fully Stabilized  
Class A Asset



Recently Constructed Modern  
Office Building



Easily accessible to population  
cores around Southeast Houston



Steps away from the Medical Center  
of the South



Minutes away from the Johnson  
Space Center – the Aerospace  
Capital of the United States



Ability to accommodate dense  
tenancy (3.50/1,000 SF Parking Ratio)



## PROPERTY SUMMARY

STREET ADDRESS:	455 E Medical Center Blvd
CITY, STATE:	Webster, TX 77598
COUNTY:	Harris
RENTABLE SQUARE FEET:	106,168 SF

AVERAGE FLOOR PLATE:	21,234 SF
OCCUPANCY:	100%
YEAR BUILT:	2008
PARKING RATIO:	3.50/ 1,000 SF

STORIES:	5
LOT SIZE:	5.87 AC
WALT:	4.7 years
MAJOR TENANTS:	United Fire Group, IBI Group, APNetwork







## INVESTMENT HIGHLIGHTS

### PREMIER WITH EXCELLENT INGRESS/EGRESS

455 E Medical Center Blvd is located in the NASA/Clear Lake submarket just east of Interstate-45 with immediate proximity to the rapidly evolving Southeast Houston region. The location in the submarket makes the Property the perfect site for access to Southeast Houston's key employment centers, residential neighborhoods, retail, and dining offerings. The Medical Center of the South, Johnson Space Center, Kemah and The University of Houston – Clear Lake are within six miles (15 minute drive) of the Property. The Property also provides tenants with exceptional multi-directional regional accessibility through Interstate 45, Beltway 8 and Red Bluff Road, linking 455 E Medical Center Blvd to Houston's major residential communities and employment centers.

### CLASS A PRODUCT AT AN ATTRACTIVE BASIS

455 E Medical Center Blvd provides investors with a readily financeable building due to the Property's 4.7 year WALT and diversified rent roll. The Property offers a rare combination of attractive in-place yield and substantial growth upside in one of suburban Houston's best performing submarkets. The Property holds a unique competitive leasing advantage by having the ability to accommodate dense tenancy with a 3.50/1000 parking ratio and efficient floor plans. 455 E Medical Center Blvd offers investors a rare opportunity to purchase an extremely well-located and well-built suburban office building significantly below replacement cost.





DEMOGRAPHICS & RESIDENTIAL BASE

The regional profile showcases a population that is well-educated, occupationally diverse, above state average in income and below state average in unemployment. 455 East Medical Center Blvd has a residential base of 201,415 people with an average household income of \$110,904 within a five-mile radius. The 5-mile radius surrounding the portfolio added 23,000+ new residents over the last decade and is expected to increase average household income by 8.9% over the next five years. Houston's population continues to primarily outside of the urban core, the Property's regional accessibility is well-positioned to benefit from outsized tenant demand.

POPULATION SUMMARY	1-MILE	3-MILE	5-MILE
2010 Total Population	11,722	70,392	178,197
2020 Total Population	12,291	76,658	201,415
2025 Total Population	12,865	80,743	215,557
2020-2025 Annual Growth	0.92%	1.04%	1.37%
2020 Total Daytime Population	20,562	91,986	200,667

AVERAGE HOUSEHOLD INCOME	1-MILE	3-MILE	5-MILE
2020	\$64,030	\$88,837	\$110,904
2025	\$67,659	\$94,880	\$120,797

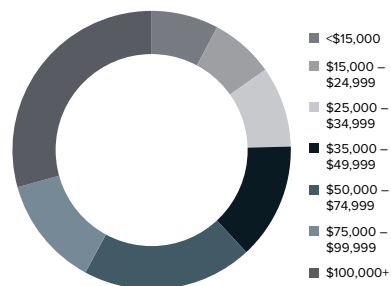
  

MEDIAN HOME VALUE	1-MILE	3-MILE	5-MILE
2020	\$158,081	\$196,479	\$235,229
2025	\$173,145	\$219,302	\$258,051

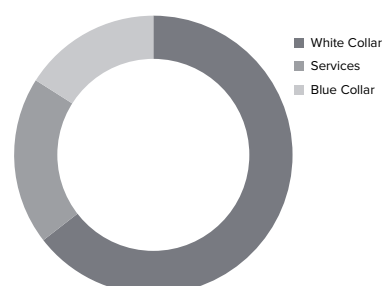
  

MEDIAN AGE	1-MILE	3-MILE	5-MILE
2010	30.0	34.6	36.2
2020	33.0	36.8	37.8
2025	33.3	37.5	38.4

2020 HOUSEHOLDS BY INCOME  
(3 Mile Radius)



2020 EMPLOYED POPULATION  
BY OCCUPATION

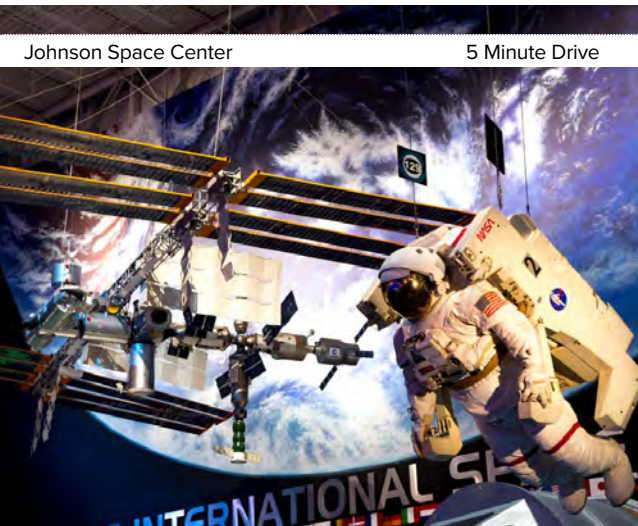
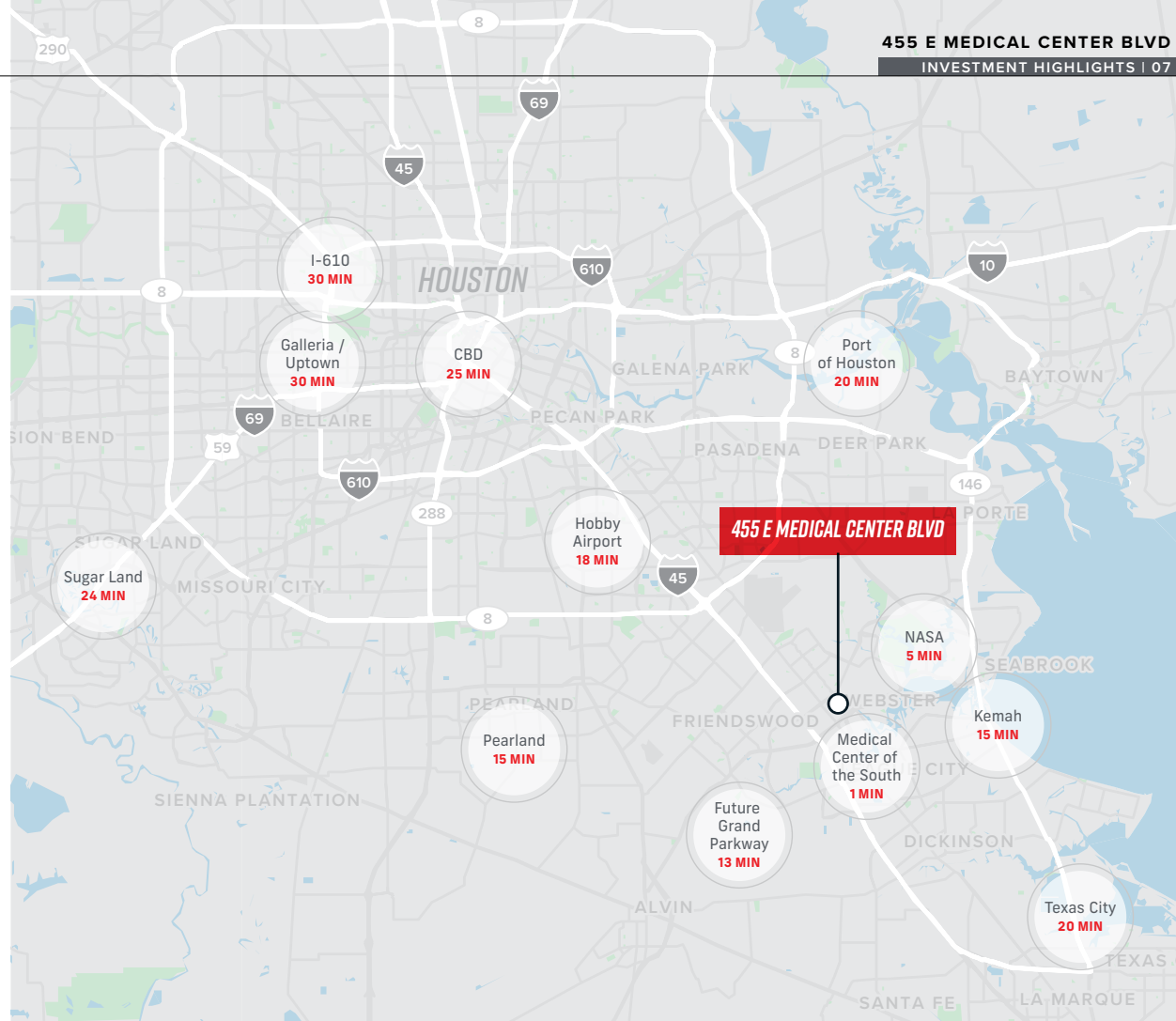




HIGH GROWTH LOCATION WITH EXCEPTIONAL REGIONAL ACCESS

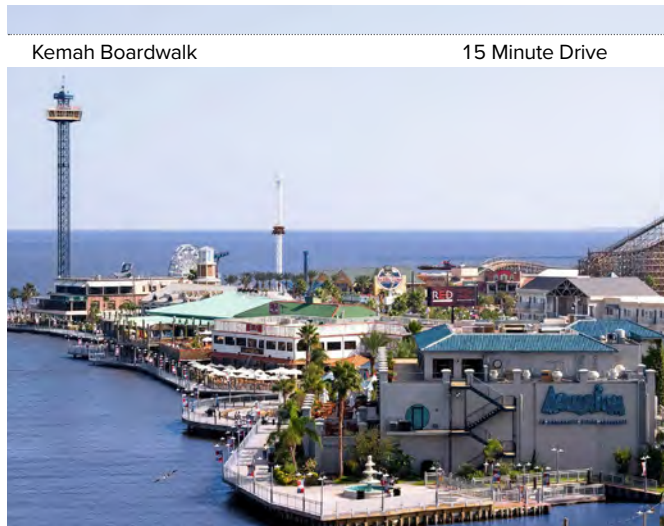
455 East Medical Center Blvd is strategically located in one of the fastest growing areas of the Houston MSA. Webster's central corridors consist of Interstate 45 with 250,000 vehicles daily, Bay Area Boulevard with 100,000 vehicles per day, and NASA Parkway with 75,000 vehicles daily. Additionally, Medical Center Boulevard, Texas Avenue, and Highway 3 are arteries that accommodate the "medical center of the south," with a service area population of 1,800,000 patients annually.

Webster's infrastructure development, high bond rating, and expanding local economy with a strong sales tax per capita -- nearly five times the national average -- illustrates that Webster's market is ideal and a leader among cities. Webster is known as the retail, dining, and entertainment capital of Bay Area Houston. With rooftops driving retail, the population is 3,603,976 within a 30-mile radius, 1,066,792 within a 15-mile radius, and 630,086 within a 10-mile radius. Webster is supported by major industry sectors: medical, aerospace, retail, higher education, specialty chemical, tourism, entertainment, and biomedical.



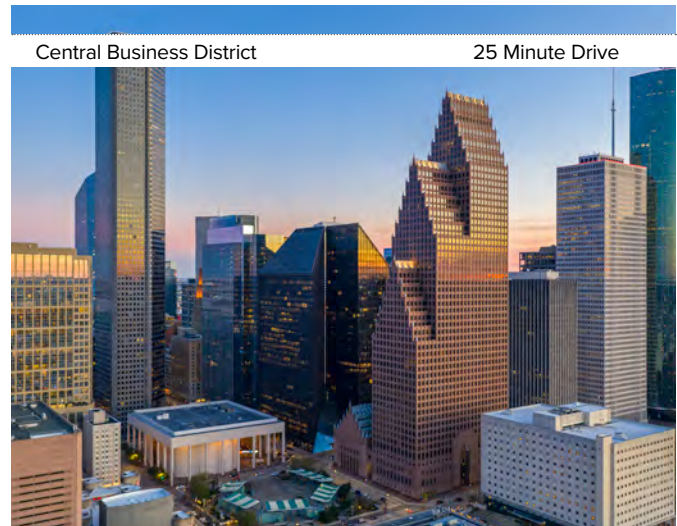
Johnson Space Center

5 Minute Drive



Kemah Boardwalk

15 Minute Drive



Central Business District

25 Minute Drive

ROBUST SUBURBAN AMENITY BASE

455 E Medical Center Blvd’s strategic location provides its tenants with the distinct advantage of convenience. Southeast Houston has experienced significant development and population growth over the last 10 years, creating more demand for office product. The area has an “urban-suburban” feel with over 16.1 million square of retail space within a 5-mile radius and is surrounded by both executive and employee housing options for tenants.



DINING

BJ's Restaurant & Brewhouse
Blaze Pizza
Carrabba's Italian Grill
Chipotle Mexican Grill
Dickey's Barbecue Pit
Dunkin' Donuts
Einstein Bros. Bagels
Freebirds World Burrito
Hopdoddy Burger Bar
Jason's Deli
JINYA Ramen Bar
Lupe Tortilla
Olive Garden
Outback Steakhouse
P.F. Chang's
Pappas Seafood House
Pappasito's Cantina
Pokeworks
Red Lobster
Salata
Saltgrass Steak House
Snap Kitchen
Starbucks
The Cheesecake Factory
Torchy's Tacos

ENTERTAINMENT

Johnson Space Center
Kemah Boardwalk

HEALTH AND FITNESS

Fitness Connection
Lifetime Fitness
Planet Fitness
Anytime Fitness

HEALTH CARE CENTERS

Clear Lake Regional Medical Center
Cornerstone Healthcare Group
HCA Clear Lake
Houston Physicians' Hospital
Kindred Healthcare
PAM Rehabilitation Hospital
University of Texas Medical Branch

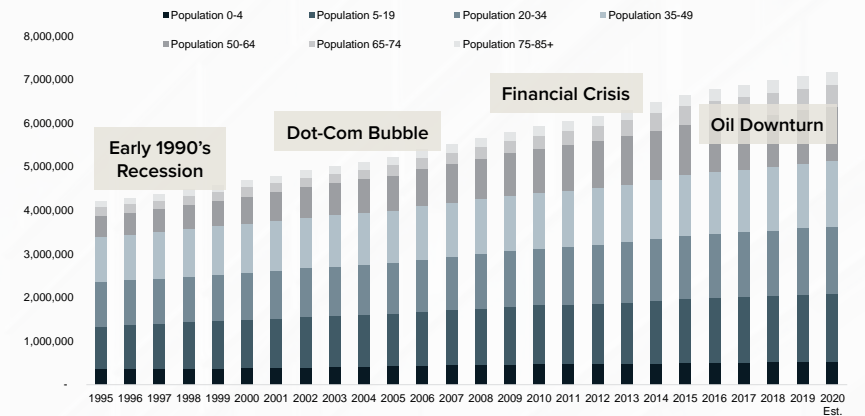
LODGING

Courtyard by Marriott
Holiday Inn Express & Suites
Home2 Suites by Hilton
Homewood Suites by Hilton
Staybridge Suites
TownePlace Suites by Marriott

RESILIENT HOUSTON ECONOMY

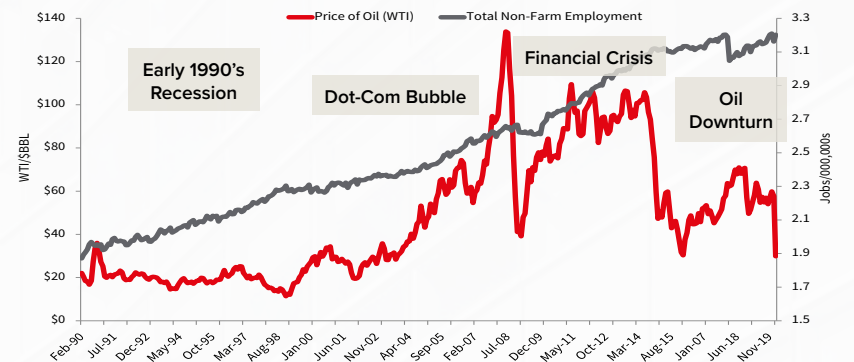
Despite four economic recessions in the last 30 years, Houston has continually held strong as illustrated in its’ steady employment growth through past downturns. Houston now has a total of 3.2 million jobs regionally and registered as the No. 1 U.S. Destination City for U-Hauls in America in 2019 for the 11th consecutive year. Houston has also established itself as a top city for consistent population growth proven by its’ more than double national population growth average and addition of almost 90,000 people from July 2018 to July 2019.

HOUSTON POPULATION GROWTH - 7.1 MILLION RESIDENTS



HOUSTON EMPLOYMENT VS. PRICE OF OIL (WTI)

Despite volatility of oil prices, Houston continues to add jobs now at 3.2 million regionally





## 455 E MEDICAL CENTER BLVD

ADDRESS	455 East Medical Center Boulevard, Webster, TX 77598
YEAR COMPLETED	2009
NUMBER OF FLOORS	5
SQUARE FOOTAGE	106,168
TYPE OF CONSTRUCTION	Steel structure; slab on grade.
EXTERIOR	The exterior is clad with a glass curtain wall system with ¼" Low-E, insulated spandrel glass, frit glass, aluminum composite metal panels, and black granite. Two accessible balconies on the fifth floor offering breathtaking views of the surrounding area.
INTERIOR FINISHES	Travertine & Marble lobby with color-changing LED lighting and a rotating 72" steel globe built into a raised planter. Touch screen directories.
ROOF SYSTEM	20-year Firestone white membrane roof (guarantee expires 8/30/2028)
HVAC SYSTEM	Roof-mounted Evapco cooling tower with one Trane air handler unit per floor. The HVAC system is a single zone VAV with perimeter fan powered boxes and interior VAVs. Design density is 150sf/person with a design load of 7 w/sf. HVAC controls are BACNet capable DDC.
LIFE SAFETY SYSTEMS	As per code
ELECTRICAL	2,000amp; 480/277 3-phase 4-wire. Receptacle power designed for 3.8w/sf (expandable). Emergency power provided to one elevator, egress lighting and life safety systems.  Electronic access control system and cameras.
LIGHTING	Lighting designed for 1.5 watts/sf.
ELEVATORS	Kone Elevators – 2x 2,500# passenger elevators, 1x 4,500# freight elevator
RESTROOMS	One common Men's and Ladies room per floor, Men's room contains two toilet stalls, one urinal, and two sinks per floor. Ladies room contains three toilets and two sinks per floor. All restroom vestibules contain two water fountains. The restrooms are decorated with Travertine wall tile and stone counter & backsplash.
PARKING	A two-level precast concrete parking structure is located adjacent to the office building. There are 224 structured and 152 surface spaces on the property contributing to an overall parking ratio of 3.5/1,000. There are five ingress / egress locations on the property – one on East Medical Center Boulevard, two on Feathercraft lane and two on Flint Ridge Road.
PLUMBING	As per code.
MONUMENT SIGNAGE	There are two monument signs on the property – one at the corner of East Medical Center Boulevard & Feathercraft Lane and one at the corner of Flint Ridge Road & Feathercraft Lane.
GROUNDS	The grounds of the property consist of concrete driveways and parking areas, a 96,200sf two-story concrete parking structure, a wet pond with two fountains, cast in place concrete sidewalks, and landscaped areas.







SITE PLAN

RENTABLE SF  
106,168

# OF STORIES  
FIVE

% LEASED  
100.0%

WALT  
4.7 YEARS

IN-PLACE NOI  
\$1,558,248









**455 E Medical Center Blvd**







NASA/CLEAR LAKE SUBMARKET

The NASA/Clear Lake submarket is situated near, but outside the congestion of the nation's fourth-largest city, in a metropolitan statistical area with more than 6.9 million residents. The submarket is surrounded by regional employment centers and major thoroughfares. Gulf Freeway (I-45) runs directly through the submarket. Hobby Airport is minutes away to the northwest, the Houston Ship Channel to the north, and the Sam Houston Tollway to the northwest. The submarket is near the Texas Medical Center, NASA's Johnson Space Center, and the Port of Houston's Ship Channel making it a leading region for the energy, petrochemical, healthcare, and aerospace industries.

The NASA/Clear Lake submarket continues to outperform the greater Houston office market. The overall percent leased for the submarket is 87%. Class-A product in the submarket is 88% leased and it is expected to remain well leased for the foreseeable future due to little to no new construction. The lack of new product in the market bodes well for 455 E Medical Center Blvd as it will continue to be in high demand as it continues to be viewed as a newer vintage property.



Since 2012, Average Net Rents in the Submarket have Grown by 6.19%



Average Net Rents for the Submarket have a Compound Annual Growth Rate of 1.29%



10-Year Average Occupancy of 87.0%

2020 Q2 OFFICE MARKET

	# OF BUILDINGS	TOTAL SF	DIRECT VACANCY	% LEASED	TOTAL VACANCY	% OCCUPIED	AVERAGE NET RENT	TTM NET ABSORPTION	TTM LEASING ACTIVITY
NASA/CLEAR LAKE MARKET	542	10,299,888	1,332,057	87.1%	1,368,526	86.7%	19.36	30,750	609,406

TOTAL SUBMARKET –CLASS A

BUILDINGS:	21
TOTAL SF:	2,400,653
TOTAL LEASED	88%

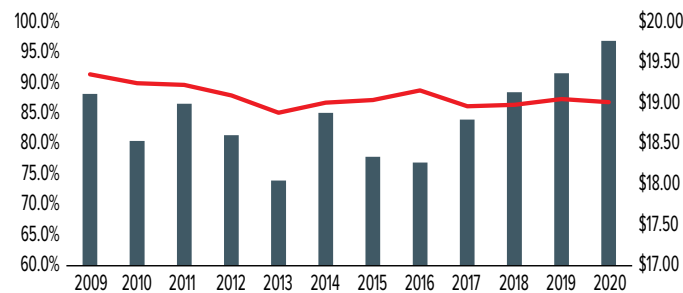
CLASS A BUILT SINCE 2008

BUILDINGS:	7
TOTAL SF:	507,018
TOTAL LEASED	96%

CLASS A BUILT BEFORE 2008

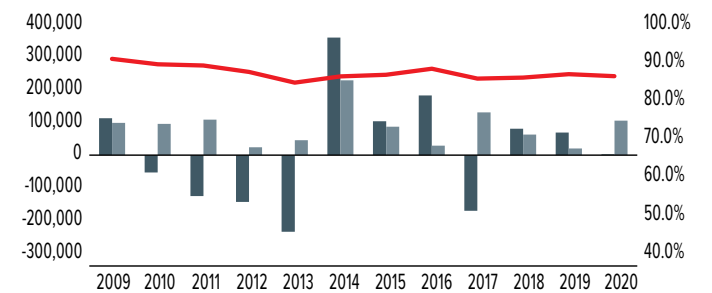
BUILDINGS:	14
TOTAL SF:	1,893,635
TOTAL LEASED	87%

HISTORICAL OCCUPANCY & RENTAL RATES



NASA/Clear Lake Submarket – 10-Year History

HISTORICAL ABSORPTION & DELIVERIES



NASA/Clear Lake Submarket – 10-Year History



## WEBSTER LOCATION OVERVIEW

Webster, midway between downtown Houston and Galveston, is a bustling suburban market within the Houston MSA. A small city in terms of its square miles, but large in terms of commercial vibrancy, home to more than 2,200 businesses and a trade area that includes a 15-mile radius and 1.5 million people.

### AEROSPACE CAPITAL OF THE UNITED STATES

Webster was incorporated in 1958, shortly before NASA announced that it would build the Johnson Space Center in 1961. Naturally, NASA served as a catalyst to grow the City of Webster and the region. Webster has been home to many aerospace companies, including Ad Astra Rocket Company and Lockheed Martin's Exploration Development Laboratory.

- 13,500 Civil Servants Employed by the Johnson Space Center
- Johnson Space Center's activities account for more than \$2.5 billion in personal income
- Boeing employs about 5,000 people locally to work on development of the commercial crew transportation system





## MEDICAL CENTER OF THE SOUTH

Two of Webster's growth industries have always been aerospace and medical. Webster became the "medical center of the south" with Houston as the "medical center of the north" beginning in 1972 with Clear Lake Regional Medical Center. Webster's medical center accommodates a service area population exceeding more than 1,800,000 patients annually. With the opening of Bay Area Regional Medical Center in 2014, that number has continued to escalate. In Webster, hospitals constitute the City's largest industry sector in terms of capital investment, workforce, and economic impact. This sector continues to burgeon as demand for highest quality medical care grows.

- The Medical Center is powered by more than 2,500 physicians
- Webster's medical center accommodates more than 1,800,000 patients annually
- 4 full-service hospitals with over 700 beds
- 5,000+ in medical workforce
- 2,000,000 square feet of medical facilities within three-mile radius



**HCA**  **Houston Healthcare™**  
Clear Lake

 **utmb Health**

**Clear Lake Regional**  
MEDICAL CENTER

 **CORNERSTONE**  
HEALTHCARE GROUP

  
**HOUSTON**  
PHYSICIANS'  
HOSPITAL

**Kindred**  **Hospital**





**CORNERSTONE**  
HEALTHCARE GROUP



**HCA+Houston**  
Healthcare  
ClearLake

**ClearLake Regional**  
MEDICAL CENTER

Kindred Hospital

**utmb** Health

**455 E Medical Center Blvd**

**EVERWOOD APARTMENTS**  
530 Units  
95% Occupied



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