SOUTHPARK COMMERCE CENTER

A 372,763-square-foot, Class A, four-building, 100% leased industrial park located in Austin, Texas.

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Investment Summary

EXECUTIVE SUMMARY

Jones Lang LaSalle, Inc. (“JLL”) has been exclusively retained to offer qualified investors the opportunity to acquire SouthPark Commerce Center (the “Property”), a Class A industrial park located in an unparalleled infill location within the high-growth Austin market. The Property is comprised of four buildings totaling 372,623 square feet of light industrial and warehouse space. Located inside one of the premier business parks in the Austin market in SouthPark Commerce Business Park, the Property features an irreplaceable infill location proximate to Austin’s urban core and prominent demand drivers while providing unbeatable accessibility to the region given the asset’s location at the intersection of Interstate 35 and US Highway 71. 100%-leased since 2015, SouthPark Commerce Center is home to a diverse mix of national and regional credit tenants who average more than 15 years of occupancy tenure at the Property and have a history of significant capital investment into their space, signaling the in-place tenancy’s commitment to SouthPark Commerce Center. The Property’s rent roll features a weighted average remaining lease term of 4.4 years and in-place rental rates approximately 13% below market, providing a compelling mark-to-market opportunity in a highly sought-after industrial submarket that has averaged 4.5% rent growth over the last decade. SouthPark Commerce Center presents a rare opportunity to acquire a Class A industrial park featuring a diverse tenant roster that is reflective of Austin’s nation-leading economy.

PROPERTY OVERVIEW

Address
4401 Freidrich Lane, Austin, TX 78744

Square Feet
372,763 SF

Lease Term
4.39 Years Weighted Avg Lease Term

Occupancy
100%

Year Built
1998

Clear Height
24’

Buildout %
36% Office Finish

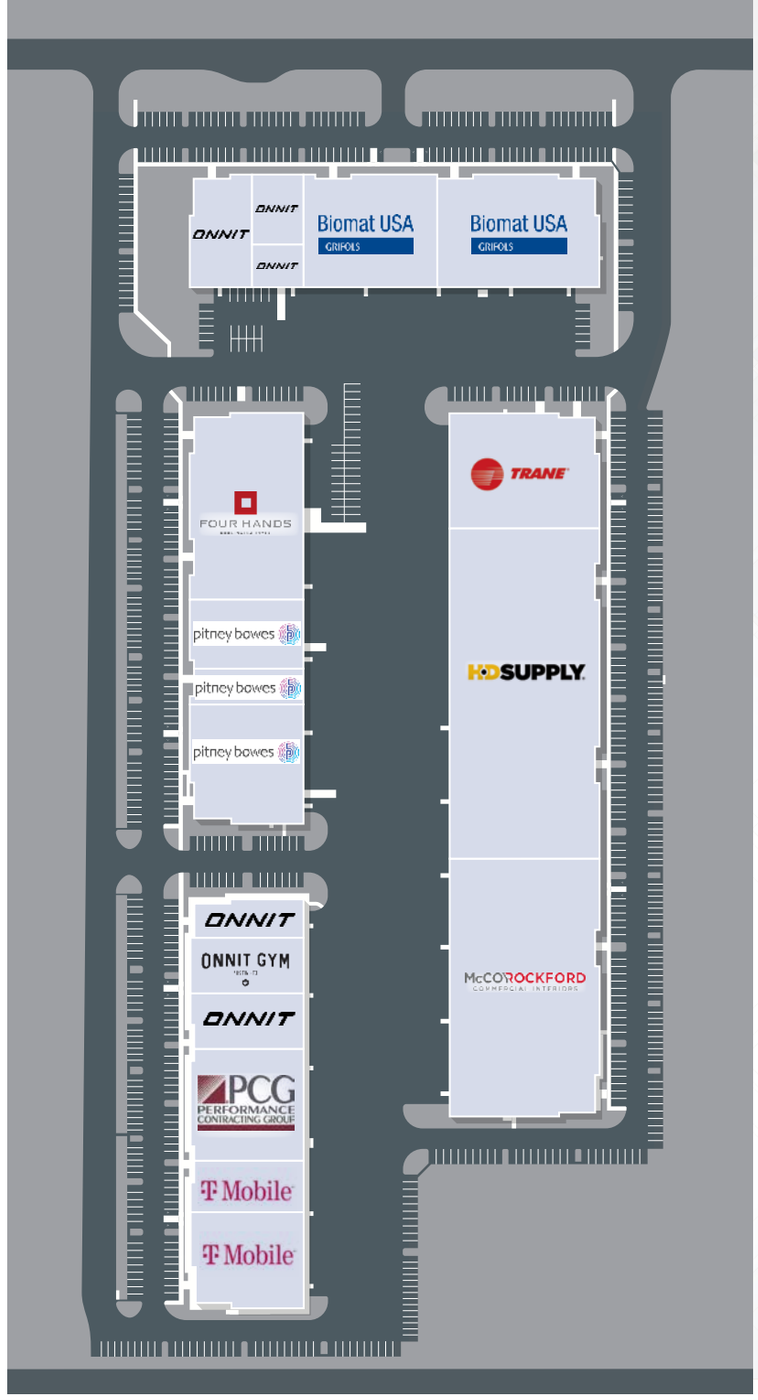
Parking Ratio
2.00/1,000 SF

INVESTMENT HIGHLIGHTS

SOUTH AUSTIN'S PREMIER CLASS A BUSINESS PARK

SouthPark Commerce Business Park (Phases I-V) is the premier business park in South Austin, as it's position at the confluence of Interstate 35 and Highway 71 is the gateway into Austin's most dense residential areas and the rapidly growing Austin-San Antonio IH-35 Corridor. Developed in 1998 by Transwestern, SouthPark Commerce Center features institutional quality construction with highly functional Class A configurations for industrial users. The Property is comprised of four rear-load buildings able to accommodate a variety of operations ranging from bulk distribution to office, showroom, and more specialized uses.

Excluding the Travis Association for the Blind (owner-occupant), SouthPark Commerce Business Park comprises **1.9M SF of Class A space that is currently 97%-leased**. The Business Park has seen tremendous upward momentum on rental rates with **72% growth since 2011** (7.2% annually) that can largely be attributed to the rapidly increasing tenant demand for quality, infill industrial space in Austin.



100% LEASED TO A DIVERSE TENANT ROSTER WITH TENURE AND SIGNIFICANT TENANT INVESTMENT

SouthPark Commerce Center is currently 100% leased to a dynamic roster of regional and national tenants with long-term tenure at the Property and a history of significant capital investment into their spaces, highlighting the tenancy's commitment to the business park. **The Property has averaged 98% annual occupancy since 2012 and has been fully leased since 2015.** With in-place rents approximately 13% below market, the rent roll features over 4 years of weighted average lease term and substantial contractual rent increases in-place, allowing potential investors to capture strong income growth and the ability to push rents upon tenant rollover in one of Austin's most infill industrial submarkets.

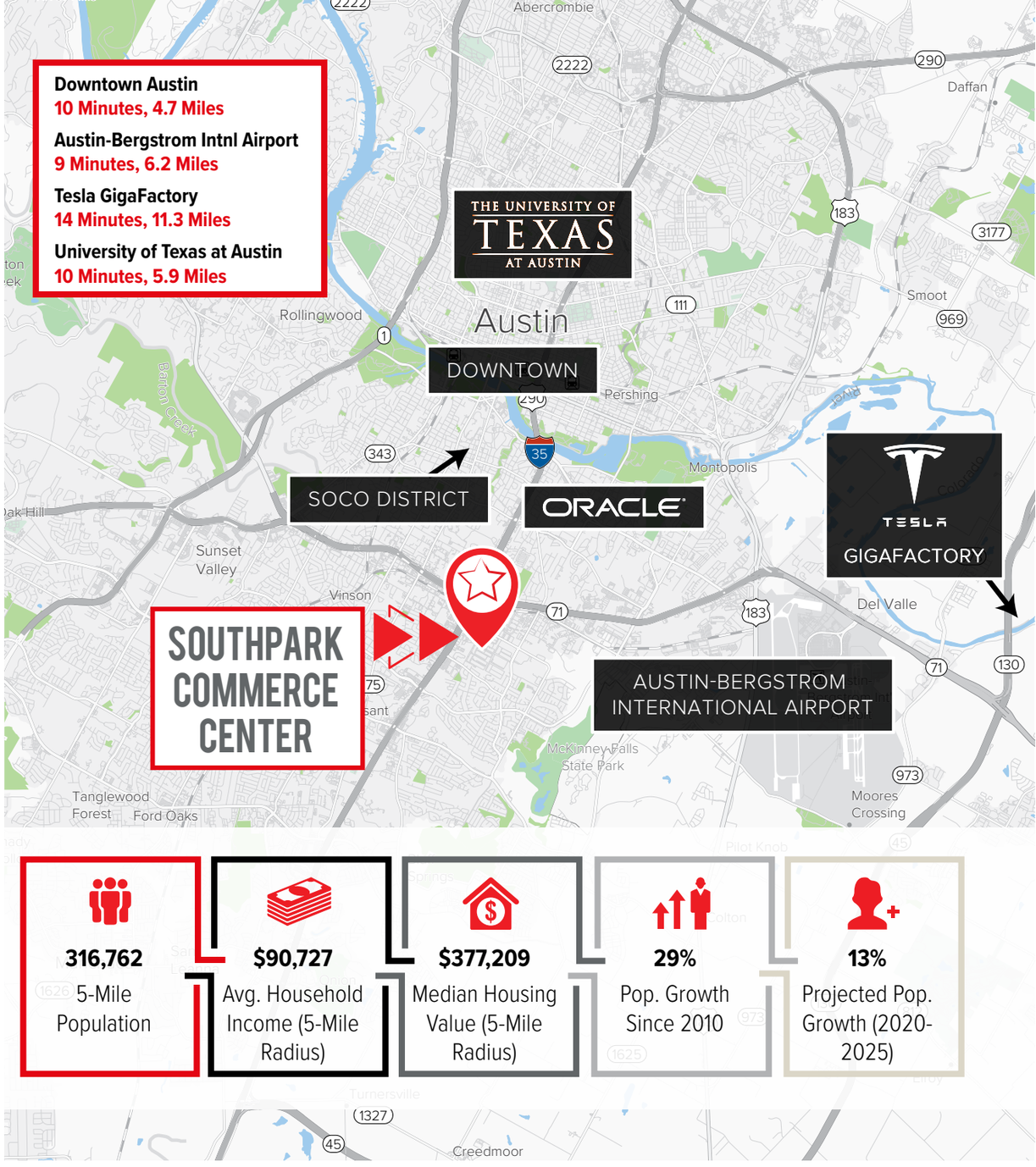
100% Leased

Significant Tenant Investment

15+ Yrs Avg. In-Place Tenure

IRREPLACEABLE LAST MILE LOGISTICS LOCATION WITH SUPERIOR INTERSTATE VISIBILITY & ACCESS

SouthPark Commerce Center's location at the southeast corner of the IH-35 and Hwy 71 intersection is the standard for best-in-class, infill industrial locations in Austin. The Property is located within 10-miles of some of the largest demand drivers in the region including Austin's CBD, Austin-Bergstrom International Airport (ABIA), the University of Texas at Austin, and the 5 MSF Tesla GigaFactory currently under construction. SouthPark's immediate access to IH-35 and Hwy 71 offers a 12-minute or less drive time to MoPac Expressway, Hwy 183 and Hwy 130, providing convenient connectivity to virtually the entire Austin-Round Rock MSA.



316,762
5-Mile Population

$90,727
Avg. Household Income (5-Mile Radius)

$377,209
Median Housing Value (5-Mile Radius)

29%
Pop. Growth Since 2010

13%
Projected Pop. Growth (2020-2025)

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CORE INDUSTRIAL OPPORTUNITY IN HIGHLY SOUGHT-AFTER MSA

COVETED INDUSTRIAL SUBMARKET

The Property is well-located in one of the most desirable industrial submarkets in the Austin-Round Rock Market. The Southeast submarket is a perpetual **top performer, averaging 4.5% rental rate growth and over 300,000 SF of positive net absorption annually since 2010.** As the third largest industrial submarket in Austin, the Southeast is home to vital highways including IH-35, Hwy 71, Hwy 183, and Hwy 130, which have helped the submarket attract brand name tenants and a large presence of institutional owners.

RARE AUSTIN INDUSTRIAL OPPORTUNITY

SouthPark Commerce Center presents investors a unique opportunity to acquire 372,763 square feet of industrial product in Austin, a city that has limited industrial supply and minimal acquisition opportunities each year, averaging 2% of overall inventory market-wide for sale over the last 5-years on an annual basis.

SIGNIFICANT BARRIERS TO ENTRY

Cost-effective industrial development sites near Austin's urban core have become nearly impossible to find due to the residential housing growth and incredible office tenant demand, yielding a high barriers-to-entry environment in the best located submarkets that lead to outsized rental rate growth potential.

WEST LAKE HILLS
DOWNTOWN AUSTIN
THE UNIVERSITY OF TEXAS AT AUSTIN
EAST AUSTIN
N
MOPAC EXPRESSWAY (LOOP 1)
SOCO DISTRICT
BOULDIN CREEK
TRAVIS HEIGHTS
EAST RIVERSIDE DISTRICT
ST. EDWARD'S UNIVERSITY
ORACLE HQ CAMPUS
PLEASANT VALLEY ROAD
ST. ELMO MARKETPLACE REDEVELOPMENT
71
INTERSTATE 35
ST. ELMO ROAD
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
SOUTHPARK COMMERCE CENTER
FREIDRICH LANE

BURGEONING INDUSTRIAL MARKET

Over the past decade, Austin has continually led the nation in economic and population growth, supported by its ability to attract and expand major corporations and high-tech companies including, Apple, Amazon, Facebook, Google, and most recently Tesla. Austin's pro-business climate and highly educated workforce, combined with geographic constraints, rising construction costs, and limited land sites have resulted in upward pressure on industrial rental rates and occupancy.

54.2M SF
Austin Market Inventory

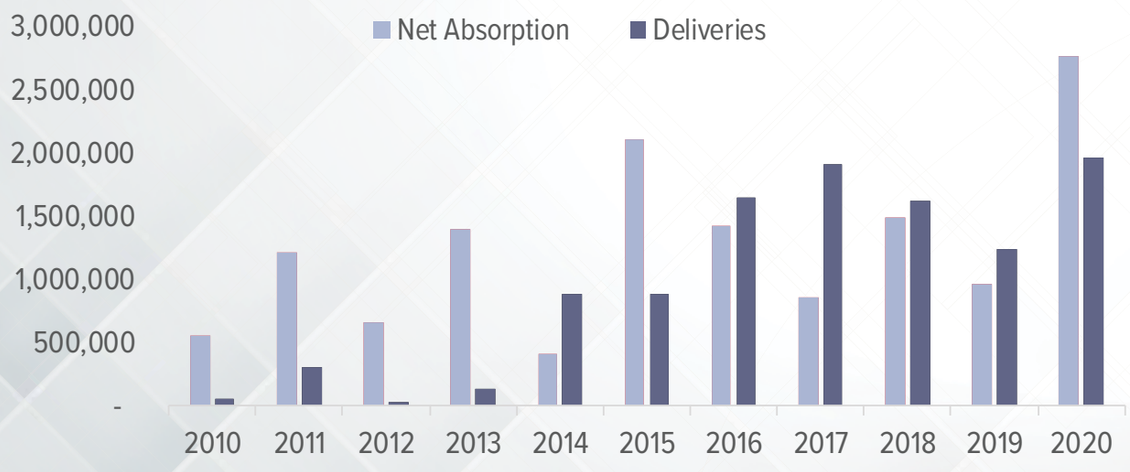
94.9%
Occupancy

2.8M SF
2020 Net Absorption

1.4M SF*
Under Construction

** Excludes 3.8M SF fulfillment center in Pflugerville for Fortune 5-ecommerce giant and Tesla's 5M SF Gigafactory under construction - Including both developments, total SF under construction is +/- 9.7M SF*

SUPPLY AND DEMAND (S.F.)



AUSTIN, **TEXAS**

BEST PLACE TO LIVE IN THE U.S.

2017, 2018, 2019, 2020

U.S. News & World Report

No. 1

JOB MARKET

The Wall Street Journal

No. 1

SOARING TECH SALARIES

Bloomberg

No. 1

NATION'S HIGH-TECH HUB

The Wall Street Journal

No. 1

BEST CITY TO START A BUSINESS

Inc.

No. 1

BEST CITY TO LIVE IN AMERICA

Money Magazine

No. 1

MARKET FOR REAL ESTATE INVESTMENT 2020

Emerging Trends in Real Estate® 2020

No. 2

BEST JOB MARKET

Forbes

No. 2

LARGEST MILLENNIAL POPULATION

Commercial Cafe

JLL

SOUTHPARK COMMERCE CENTER

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