

Bluffview Towers

DALLAS, TX 75220



Investment Summary

THE OPPORTUNITY

Jones Lang LaSalle (“JLL”) has been exclusively retained by the Owner to market the opportunity to acquire Bluffview Towers (the “Property”), a 196,472 square foot, two-building Class A asset in the Preston Center submarket. **The Owner will accept offers from qualified investors to acquire either building or the office complex as a whole.** The Property is strategically positioned on Northwest Highway, just west of Preston Center, adjacent to a recently renovated, 248-room Embassy Suites Hotel.

Bluffview Towers is strategically located between the premier Preston Center and the ever-expanding Dallas Love Field Airport, providing unparalleled access to a market leading tenant base and nation-wide transportation. The Property is also within close proximity to the Dallas Medical District employing over 27,000 people.

INVESTMENT HIGHLIGHTS

IN-PLACE CASH FLOW WITH SIGNIFICANT UPSIDE - 93% leased East Tower with in-place rates 20% below market

“BLANK CANVAS” OPPORTUNITY - Investors will be able to capture leasing upside as Seller completes full common area renovations of West Tower

BELOW REPLACEMENT COST - Ability to acquire two Class A buildings on top of structured parking well below today’s construction prices

EXCEPTIONAL LEASING VELOCITY - Sewell, KBR/Wyle Labs, MEMCO/Windridge, and other renewals signed at market NNN rents post-COVID

DIVERSIFIED LONG-TENURED TENANT ROSTER - Sewell, JLB, GSA - TSA, and HEB contribute to 9.8-year weighted average lease tenure in the East Tower

INSTITUTIONAL OWNERSHIP - Current/previous owners have invested \$10.5M in cosmetics and building systems to maintain the highest commercial standards

AFFLUENT LOCATION - Surrounding Bluffview, Midway Hollow and Preston Hollow Neighborhoods cater to affluent employee base with +\$200,000 average household incomes and +\$1.2 million average home values. New apartments and townhomes next door provide a variety of living options



EAST TOWER



The 126,248 square foot East Tower is 93% occupied by a diversified and credit-worthy rent roll with a weighted average lease term of 5.4 years and over 11 years of tenure. Additionally, the Property underwent a \$2 million renovation in 2017 which included significant lobby, restrooms, corridors, and other common area upgrades. This renovation is on top of previously spent capital to improve the structure and building systems.

WEST TOWER



The 70,224 square foot West Tower presents the opportunity to strategically re-lease the Property, drafting off of momentum created by the renovations currently underway. GSA - ICE recently vacated two full floors in a consolidation strategy and Sewell is expected to giveback 25,231 square feet for a new location in Preston Center while extending their lease in the East Tower.





SUBMARKET
Preston Center

TOTAL SITE
8.0 Acres

ZONING
MU-1



CONDO ASSOCIATION: Bluffview Towers is part of a larger Condo Association agreement with the adjoining Embassy Suites Hotel. Per the agreement, 46% of Condo common area expenses along with 173 garage parking spaces and 38 surface parking spaces (excluded from the Property's parking ratio) are allocated to the hotel. The condo association dues are included in the annual budget and the Bluffview Towers management team heads the association.

PROPERTY HIGHLIGHTS

ADDRESSES

East Tower: 3890 W Northwest Highway
West Tower: 3860 W Northwest Highway

YEAR BUILT / RENOVATED

East Tower: 1985 / 2008 / 2017
West Tower: 1985 / 2008 / 2021

NET RENTABLE AREA

East Tower: 126,248 square feet
West Tower: 70,224 square feet
Total: 196,472 square feet

OCCUPANCY

East Tower: 93%
West Tower: 36%
Total: 73%

WALT

East Tower: 5.4 Years
West Tower: 1.3 Years
Total: 4.6 Years

FLOORS

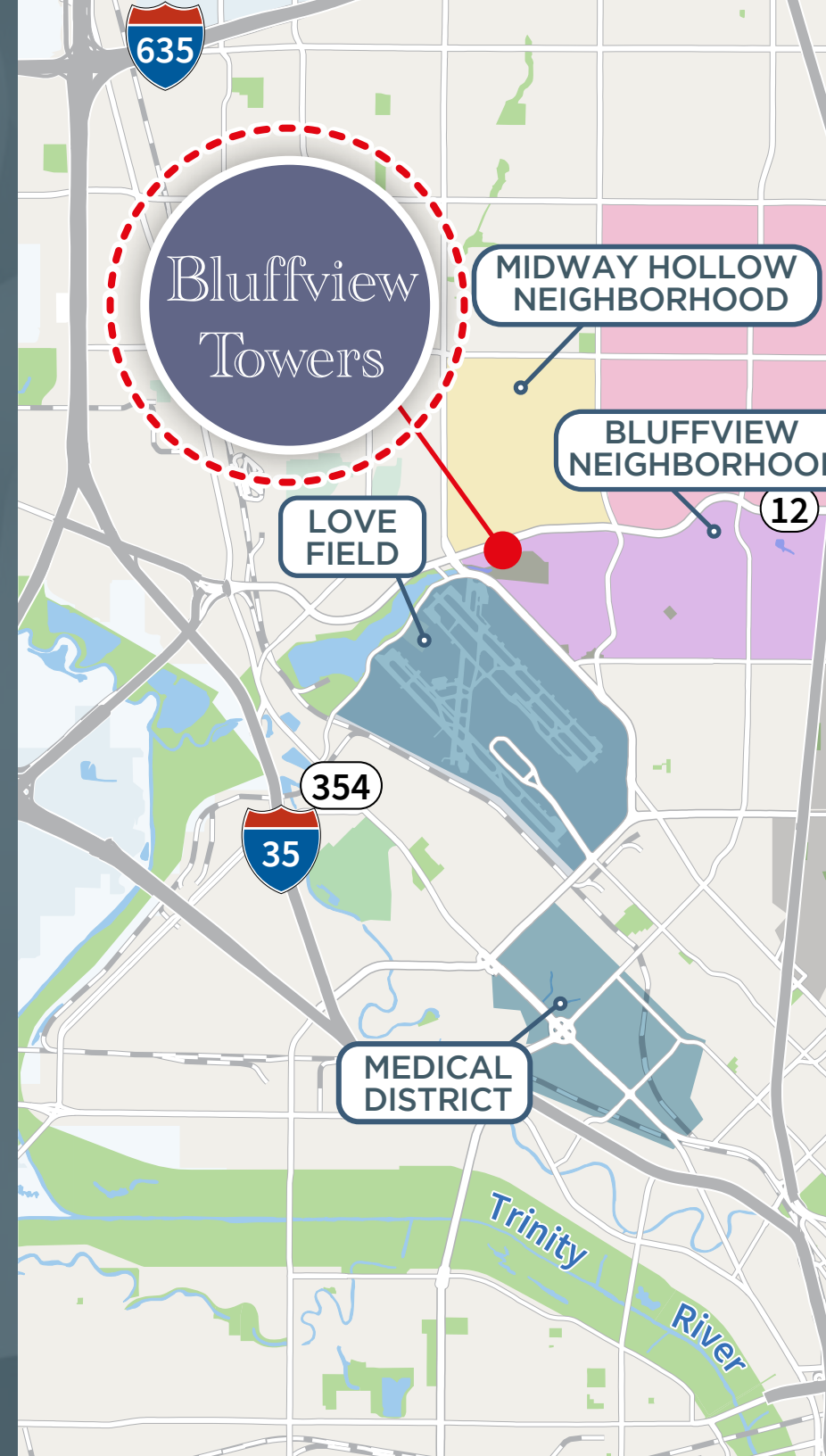
East Tower: 7 Floors
West Tower: 4 Floors
Typical Floor Plate: +/-18,000 square feet

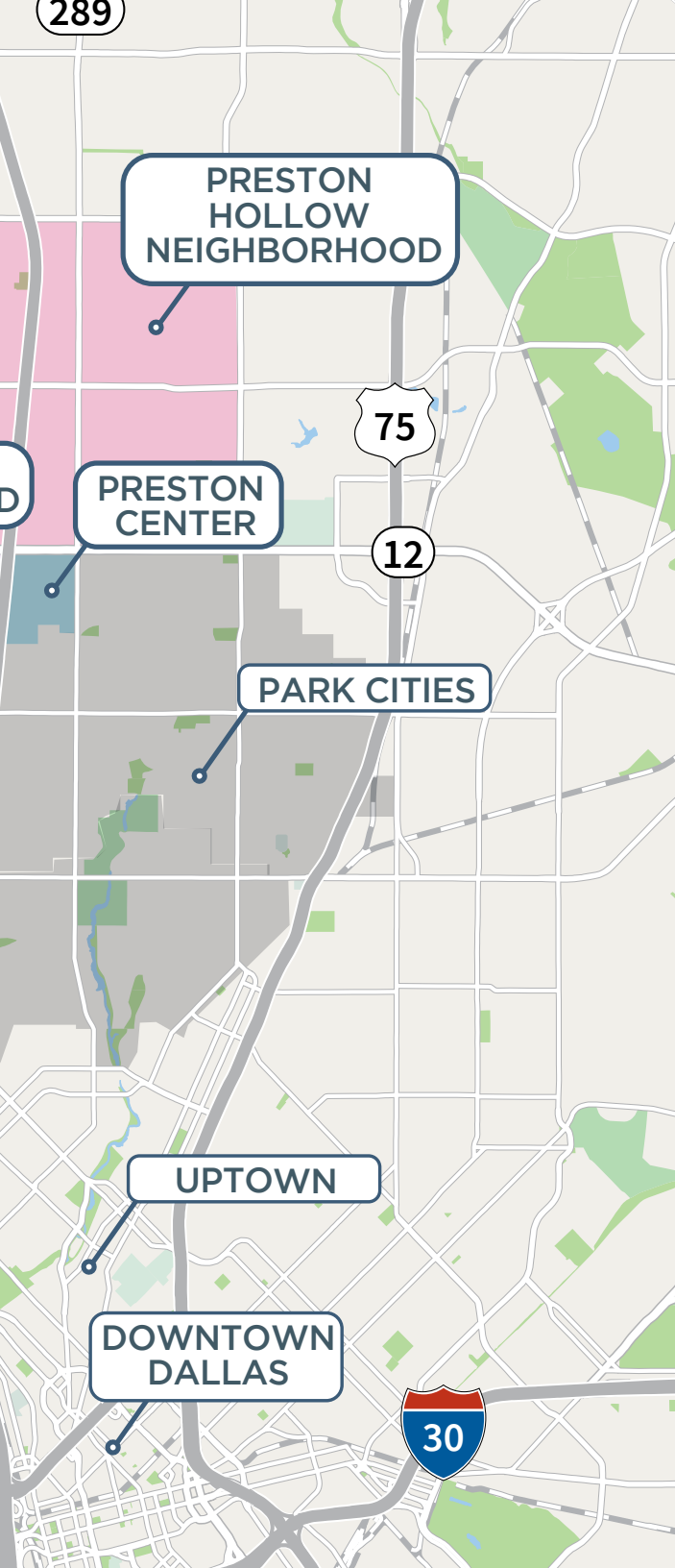
PARKING RATIO

728 total parking spaces (3.7:1,000 square feet)
Below-grade: 247 garage parking spaces
Surface: 481 surface parking spaces

PRESTON CENTER LOCATION

PRESTON CENTER IS KNOWN AS ONE OF THE MOST EXCLUSIVE COMMERCIAL CENTERS IN DFW. A collection of premier retail and office space surrounded by the most affluent neighborhoods in Dallas, Preston Center is a regional corporate hub to several large institutions. Bluffview Towers benefits from its strategic location within the submarket, providing tenants with superior access to Dallas Love Field Airport and the Dallas Medical District Complex while residing on the border of the Bluffview and Preston Hollow Neighborhoods. The extensive expansion of Dallas Love Field Airport and rapid growth of the Dallas Medical District Complex have attracted numerous other developments, expansions and relocations as well as roused an expanding amenity base. Additionally, the immediate area contains nearly 4,200 high-end multifamily units along with several retail and hotel options.





NEIGHBORHOOD



The Bluffview, Midway Hollow and Preston Hollow Neighborhoods boast average home values of +\$1.2 million. The average household incomes rank amongst the best in Dallas, both clearing \$200,000 annually. The neighborhoods are also home to some of the area's most exclusive private schools such as Episcopal School of Dallas, St. Marks School of Dallas, Ursuline Academy, The Hockaday School, and Jesuit College Preparatory School.

LOVE FIELD



The Dallas Love Field Airport sits adjacent to the Property and has enjoyed rapid expansion since the abolishment of the Wright Amendment in 2014 which allowed direct flights to any city in the country. Passenger traffic has nearly doubled from 4.0 million annual enplanements in 2013 to over 7.7 million today (190 commercial flights a day). Headlining this expansion is the completion of a \$1 billion 2-phase terminal addition. Southwest Airlines (S&P: BBB) is headquartered at Love Field and currently owns/occupies +/-1.1 million square feet of office space.

MEDICAL DISTRICT

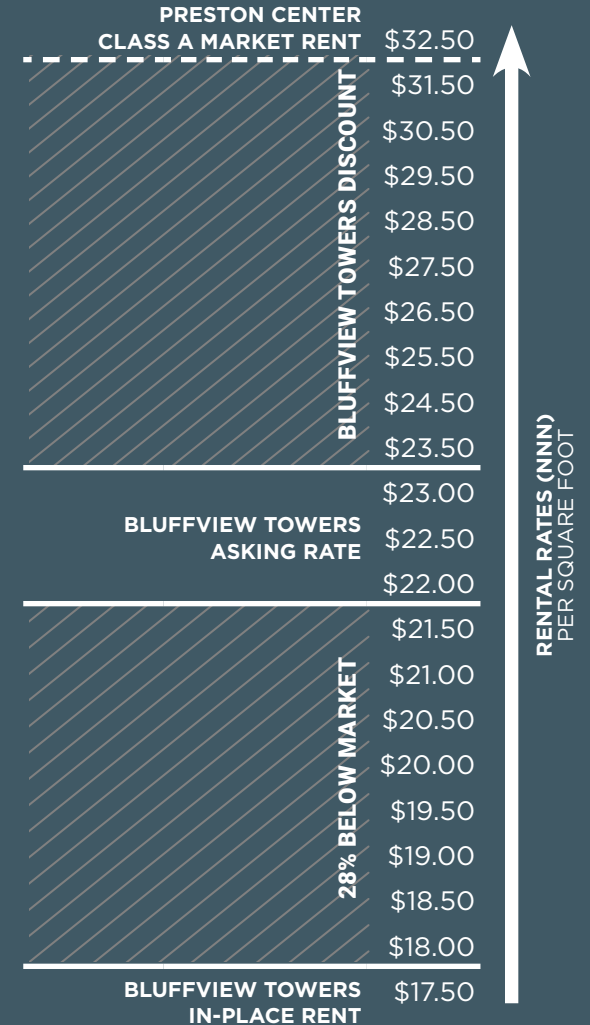
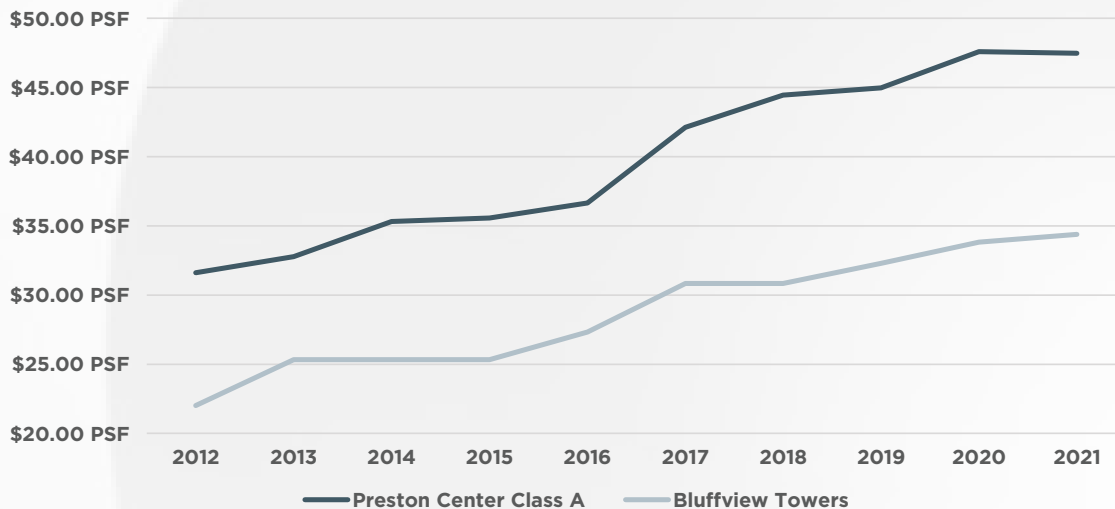


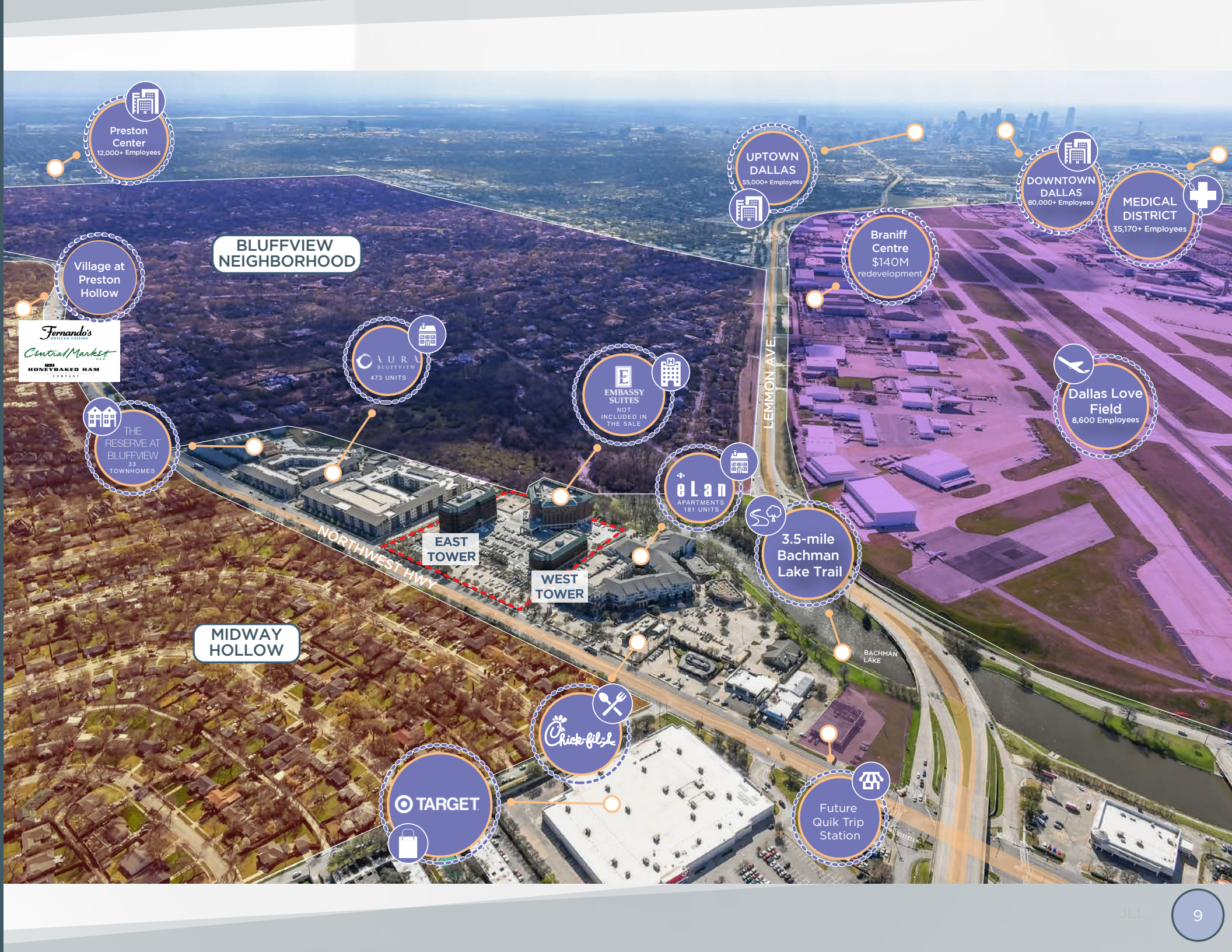
The 390-acre Dallas Medical District Complex receives over 2.2 million patients annually and is supported by a workforce of approximately 27,000 employees. This district includes Parkland Hospital, Children's Medical Center of Dallas and UT Southwestern Medical Center. UT Southwestern was ranked as the second best hospital in the state in 2020 by the U.S. News & World Report.

PRESTON CENTER CLASS A OFFICE OVERVIEW

- Bluffview Towers competes for tenancy focused on the Preston Center submarket, where rental rates have grown 30% over the last 5 years.
- As Preston Center has experienced extraordinary gains in rental rates, Bluffview Towers' strategic positioning offers an alternative to the submarket's core while recent renovations continue to close the gap. The East Tower has enjoyed 19% rent growth since completing renovations in 2017.
- The Property's tenants enjoy proximity to Preston Center amenities as well as direct access to Dallas Love Field and affluent neighborhoods.
- The Preston Center submarket is one of D/FW's strongest, ranking 2nd in net absorption in 2020 despite the global pandemic and averaging 90% occupancy over the last ten years.

HISTORICAL GROSS RENT COMPARISON





Preston Center
12,000+ Employees

Village at Preston Hollow

Fernando's
MEXICAN CUISINE
Central Market
HONEYBAKED HAM
COMPANY

THE RESERVE AT BLUFFVIEW
33 TOWNHOMES

BLUFFVIEW NEIGHBORHOOD

AURA
BLUFFVIEW
473 UNITS

EMBASSY SUITES
NOT INCLUDED IN THE SALE

eLan
APARTMENTS
181 UNITS

EAST TOWER

WEST TOWER

3.5-mile Bachman Lake Trail

MIDWAY HOLLOW

TARGET

Chick-fil-e

Future Quik Trip Station

UPTOWN DALLAS
55,000+ Employees

DOWNTOWN DALLAS
80,000+ Employees

MEDICAL DISTRICT
35,170+ Employees

Braniff Centre
\$140M redevelopment

Dallas Love Field
8,600 Employees

DFW OPEN FOR BUSINESS - ECONOMIC RESILIENCY

**ONLY 7.5% OF JOBS LOST
DUE TO COVID
3RD BEST IN COUNTRY**

**LEADS COUNTRY WITH 46%
PHYSICAL OFFICE OCCUPANCY**
**Chicago - 20%, New York - 17%*

**67% INCREASE
IN JOB POSTINGS
SINCE MAY 2020**

**#1 IN THE NATION
WITH 87% JOB RECOVERY**
post-COVID

**LOW COST OF DOING BUSINESS
WITH A SCORE OF 88.45
(US AVG - 100)**

**3 FORTUNE 10
COMPANY HQS**
**No other MSA has more than one*



**#4 REAL ESTATE MARKET
FOR 2021**

Urban Land institute/PWC

**#1 MSA FOR PROJECTED
POPULATION GROWTH**

*461,800 new residents projected
over the next 5 years*

**LEADING PRO BUSINESS
ENVIRONMENT**

*#1 market for doing business
15 years in a row*

**OVER 1,000,000 JOBS
ADDED SINCE 2010**

*3% unemployment
rate pre-COVID*

**ROBUST ECONOMIC
DIVERSITY - ENERGY**

*now accounts for only
1.6% of DFW's GDP*

**#1 MARKET FOR
OFFICE ABSORPTION**

*26.3mm SF net absorption
in the last 5 years*



EAST TOWER



SALES CONTACTS

JACK CREWS

Senior Managing Director

+1 214 438 6150

jack.crews@am.jll.com

PARKER MCCORMACK

Senior Director

+1 469 232 1952

parker.mccormack@am.jll.com

GREYSON FEWIN

Analyst

+1 214 438 6380

greyson.fewin@am.jll.com

MATTHEW BARGE

Analyst

+1 214 692 4731

matthew.barge@am.jll.com

FINANCING CONTACTS

STEVE HELDENFELS

Managing Director

+1 469 232 1924

steve.heldenfels@am.jll.com



WEST TOWER

