



Grand National Business Park & Ella Logistics Center



SECURE CASH FLOW
WITH LEASING
UPSIDE



NEW CONSTRUCTION
WITH NO CAPITAL
REQUIREMENTS



IRREPLACEABLE
INDUSTRIAL PRODUCT
AMIDST RISING
CONSTRUCTION PRICES



LOCATED IN TWO OF
HOUSTON'S PREMIER
INSTITUTIONALLY OWNED
BUSINESS PARKS



HIGH BARRIER TO ENTRY
LOCATIONS IN NORTH
AND NORTHWEST
HOUSTON



HOUSTON:
NATION-LEADING
GROWTH

INVESTMENT SUMMARY

Jones Lang LaSalle (“JLL”), as the exclusive advisor to the Owner, is pleased to present the opportunity to purchase the fee simple interest in the **Grand National Business Park and Ella Logistics Center Portfolio** (the “Portfolio”), a 658,264 square foot Class A industrial portfolio in Houston, TX. Developed in 2020 by Hines, the Portfolio consists of four state-of-the-art warehouses that are currently **68% leased to five tenants with a weighted average lease term of 8.5 years**. The buildings are located within two of Houston’s most prestigious industrial parks, Grand National Business Park and Pinto Business Park, providing superior regional connectivity to the Houston metro and beyond. The Grand National Business Park and Ella Logistics Portfolio provides investors the opportunity to acquire four institutionally developed, newly constructed assets with stable, long-term in-place cash flow and significant upside via lease-up of the remaining vacancy.

ELLA LOGISTICS CENTER





	Grand National Building 1	Grand National Building 2	Grand National Building 3	Ella Logistics Center	TOTALS
ADDRESS	8630 Fallbrook Dr.	8602 Fallbrook Dr.	8550 Fallbrook Dr.	10507 Ella Blvd.	
CITY, STATE, ZIP	Houston, TX 77064	Houston, TX 77064	Houston, TX 77064	Houston, TX 77038	
SIZE	71,011	138,608	90,078	358,567	658,264
ACREAGE	4.764	6.856	5.796	19.375	36.791
OCCUPANCY	50.1%	0.0%	100.0%	89.8%	68.0%
YEAR BUILT	2020	2020	2020	2020	2020
LOADING CONFIGURATION	Front-Load	Front-Load	Rear-Load	Cross-Dock	2 FL, 1 RL, 1 CD
CLEAR HEIGHT	32'	32'	30'	36'	30' - 36'
OFFICE FINISH	16.2%	1.7% ²	23.2%	12.3% ²	12.0%
PARKING	104	118	155	338	715
TRAILER PARKING	0	0	0	37	37
TRUCK COURT	235' ¹	235' ¹	130'	135'	130' - 235'
# OF TENANTS (VACANCIES)	1 (1)	0 (2)	2 (0)	2 (1)	5 (4)

1. Truck courts shared between GN Buildings 1 & 2.

2. 2,371 SF of spec office in Grand National 2 and 2,315 SF of spec office in Ella Logistics Center.

INVESTMENT HIGHLIGHTS



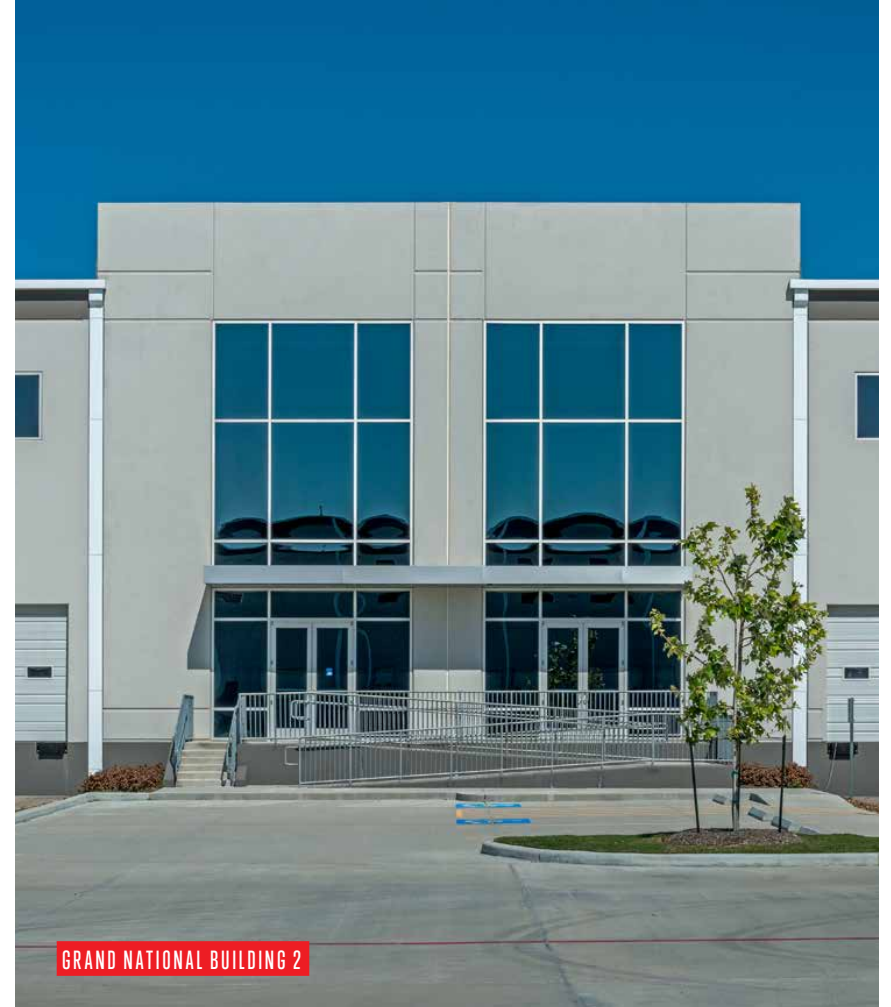
Secure Cash Flow with Leasing Upside

Currently 68% leased, the Portfolio boasts secure in-place cash flow with significant upside via lease-up of the current 210,588 square feet of vacancy. The Portfolio has an 8.5 year weighted average lease term **with rents expiring 14.6% below market, providing additional mark-to-market upside**. Investors have the opportunity to focus on creating value via lease up and taking advantage of the improving fundamentals in the Houston industrial market as vacancy rates are dropping quickly and rents growing.



New Construction with No Capital Requirements

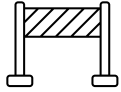
The state-of-the-art buildings were developed by Hines in 2020 and offer tenants a variety of loading configurations, 30'-36' clear heights, and various office finishes including recently completed spec office on several of the vacancies. With zero capital requirements in the near-term, investors can focus on leasing up the existing vacancies and stabilizing the Portfolio as demand for space in the 30,000 - 75,000 square feet range continues to grow with minimal supply to house the smaller tenant base.



ELLA LOGISTICS CENTER



INVESTMENT HIGHLIGHTS



Irreplaceable Industrial Product Amidst Rising Construction Prices

With the continued rise in construction and land prices, the Portfolio would be incredibly expensive to develop. New developments targeting smaller tenants will become more difficult to replicate in the near-term and therefore decrease the amount of new supply coming available, allowing investors to push rent growth in the coming years.

During the last recession, construction costs took nearly five years to recover. In 2021, construction costs have quickly recovered since a slight decline of 1.1% in 2020, and are projected to increase 3.5-5.0% annually through 2025.

National Cost Forecast:



+3.5-6.5% TOTAL

Increase in average total construction costs in 2021



+4-9% MATERIAL

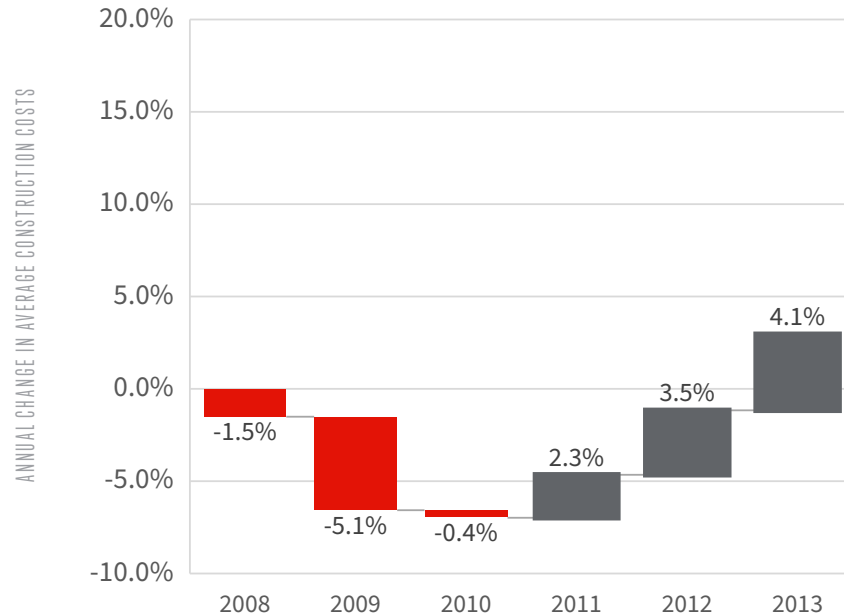
Increase in average construction material prices in 2021



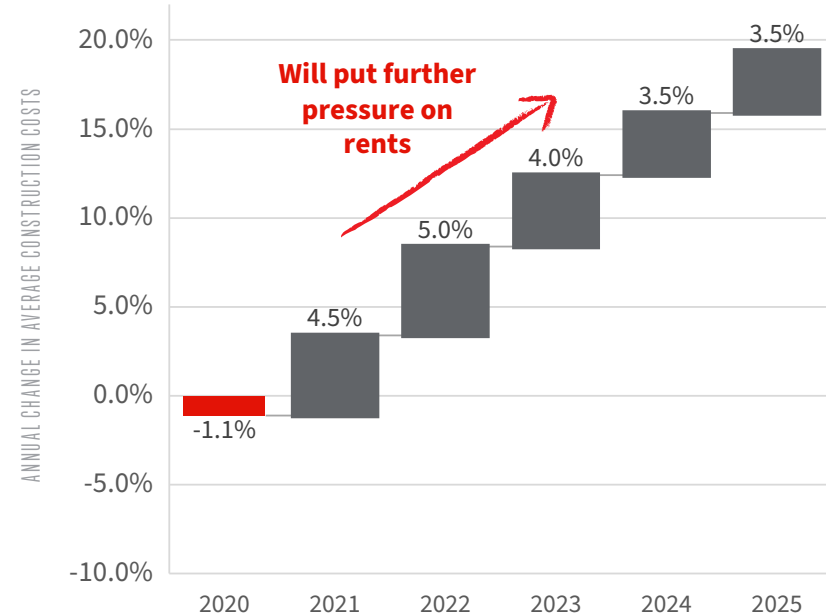
+2-5% LABOR

Increase in average labor prices in 2021

Construction costs from the last recession, 2008-2013



Construction cost forecast from current recession, 2020-2025



Source: JLL Research

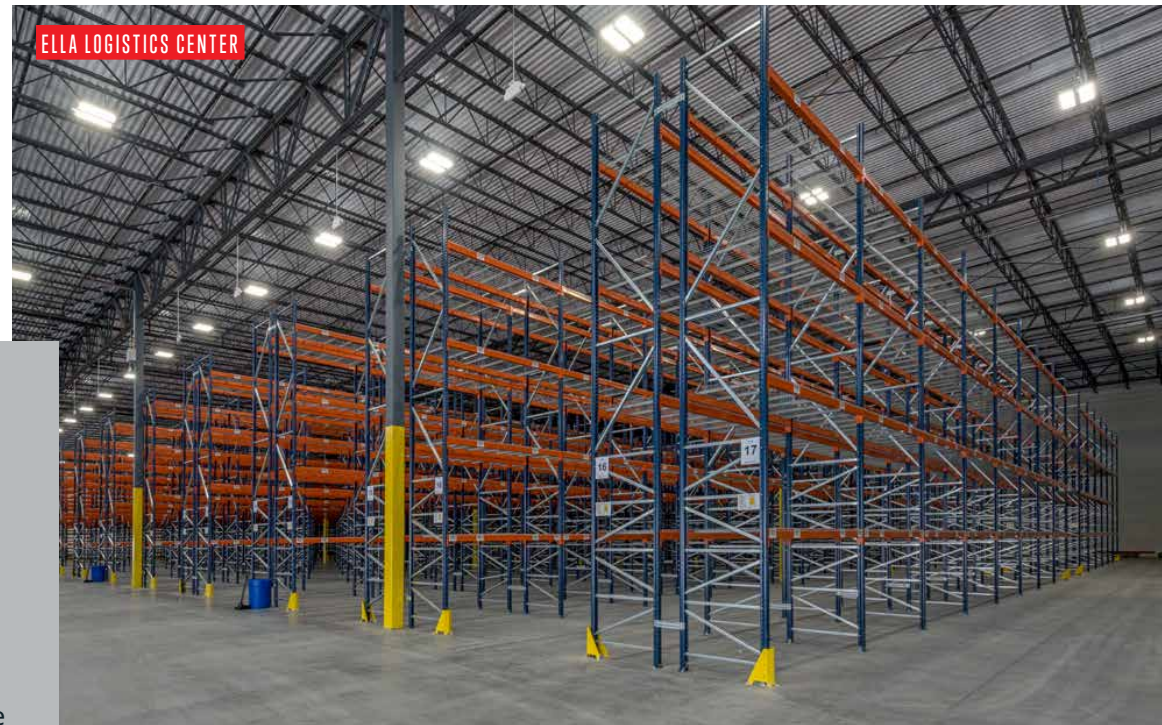
INVESTMENT HIGHLIGHTS



Located in Two of Houston's Premier Institutionally Owned/Preferred Business Parks

PINTO BUSINESS PARK OVERVIEW

Pinto Business Park is a 971-acre industrial park located in the heart of Houston's North Industrial submarket at the intersection of Interstate 45 and Sam Houston Tollway (Beltway 8). With over **5.3 million square feet of rentable space**, the park boasts an impressive **96.4% overall occupancy**, which is well above the submarket average. Pinto Business Park is the largest industrial park in Houston and is complete with drainage, detention, roads and utility infrastructure. The park is the largest, fully entitled, contiguous tract of land located inside Beltway 8 and outside of the 500-year floodplain.



Notable current tenants and/or owners in Pinto Business Park

ELLA LOGISTICS CENTER



GEORGE BUSH INTERCONTINENTAL AIRPORT (IAH)

15 MIN



GREENS CROSSING DISTRIBUTION CENTER
Owner: Prologis
Size: 1,073,102 SF
Tenants: Honeywell, Consolidated Electrical Distributors, XPO Logistics

LAYNE CROSSING
Owner: Crow Holdings Industrial
Size: 529,029 SF
Tenants: American Packing & Gasket, Door Scapes, Mainfreight

PARK 8
Owner: Avera/AEW
Size: 242,760 SF
Tenants: Hellmann Logistics

PARK 845 CROSSING
Owner: Equus
Size: 757,325 SF
Tenants: Preferred Meals, PFG, ADT, Telleworks Communications

PARK 505 AT HARDY
Owner: IDV
Size: 534,000 SF
Tenants: FedEx

Sysco
Owner: Sysco Corporation
Size: 739,141 SF
Tenants: Sysco Houston Inc.

PLAZA VERDE 1/2 & FALLBROOK 2
Owner: Nuveen
Size: 433,136 SF
Tenants: BNSF Logistics, Sanhua, Builder's Choice, Cambria, Lone Star Overnight

10484 GREENS CROSSING BLVD
Owner: Johnson Development Assoc.
Size: 238,020 SF
Tenants: BGI

MYGRANT GLASS | ELLA LOGISTICS
Owner: Mygrant Glass
Size: 146,028 SF
Tenants: Mygrant Glass

NORTH HOUSTON AR SORT CENTER
Owner: USAA
Size: 856,605 SF
Tenant: Amazon

10502 GREENS CROSSING BLVD
Owner: Light Investments, LP
Size: 130,000 SF
Tenants: The Reynolds Co.

Coca-Cola
COCA-COLA SOUTHWEST BEVERAGES
Owner: The Coca-Cola Company
Size: 1,000,000 SF
Tenants: Coca-Cola Southwest Beverages

GREENS CROSSING I
Owner: Nuveen
Size: 600,750 SF
Tenants: HD Supply, GEA, Flexitalic

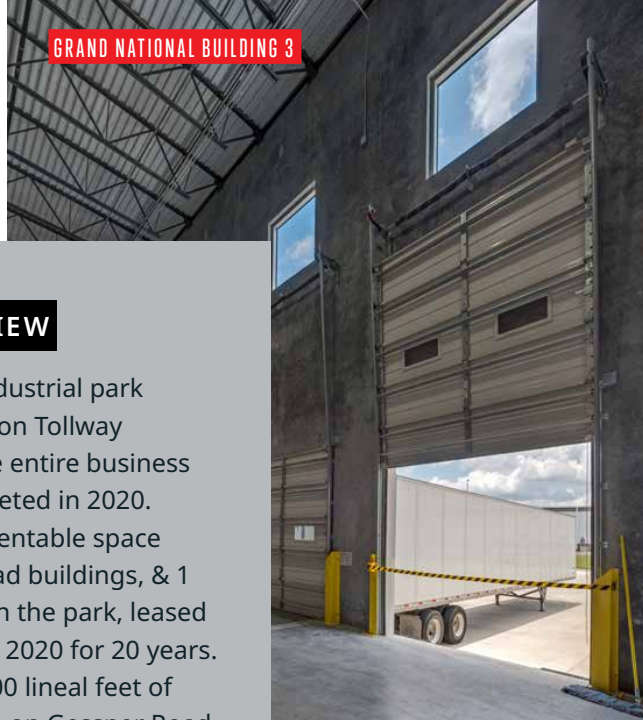
Ella Logistics Center
Emser Tile
Owner: Clarion Partners
Size: 601,426 SF
Tenants: Emser Tile

FALLBROOK 1
Owner: Nuveen
Size: 500,400 SF
Tenants: Kitchen Cabinet Distributors, TJ Maxx, VS America

BCI
Buckeye Corrugated, Inc
Owner: STAG Industrial
Size: 239,814 SF
Tenants: Buckeye Corrugated

INVESTMENT HIGHLIGHTS

GRAND NATIONAL BUILDING 3



GRAND NATIONAL BUILDING 2



GRAND NATIONAL BUILDING 1



GRAND NATIONAL BUSINESS PARK OVERVIEW

Grand National Business Park is a Class A, 106-acre industrial park located at the corner of Gessner Road and Sam Houston Tollway (Beltway 8) in the northwest industrial submarket. The entire business park was developed by Hines with construction completed in 2020. Overall, the park has over 1.28 million square feet of rentable space with 7 total buildings: 2 front-load buildings, 4-rear load buildings, & 1 cross-dock building. Home Depot, the anchor tenant in the park, leased the 770,640 square foot cross dock building in April of 2020 for 20 years. The master-planned and deed restricted park has 2,700 lineal feet of frontage on Sam Houston Parkway as well as frontage on Gessner Road. The park features one of the finest locations in the northwest submarket with easy access to Sam Houston Tollway (Beltway 8), TX-249, US-290, and I-45 in addition to excellent ingress/egress via Grand National Drive, Fallbrook Drive, Gessner Road, & the Beltway 8 service road. In addition, the entire business park is located outside of the 500-year floodplain.

Notable current tenants and/or owners in **Grand National Business Park**



Hines



KKR

Panasonic



ELLIOT ELECTRIC SUPPLY

GRAND NATIONAL BUILDING 2





**GEORGE BUSH
INTERCONTINENTAL
AIRPORT (IAH)**

PINTO BUSINESS PARK

LAYNE CROSSING
Owner: Crow Holdings Industrial
Size: 529,029 SF
Tenants: American Packing & Gasket,
Door Scapes, Mainfreight

**FALLBROOK
DISTRIBUTION CENTER**
Owner: Prologis
Size: 533,599
Tenant: Home Depot

PARK 249
Owner: Panattoni/Metlife
Size: 443,000 SF
Tenant: Amazon, Target, PUS Trading

**FALLBROOK
DISTRIBUTION CENTER**
Owner: Prologis
Size: 400,250
Tenant: Foxconn

**FALLBROOK PINES
BUSINESS PARK - 2**
Owner: Clarion
Size: 86,722 SF
Tenant: Freudenberg Oil & Gas

**FALLBROOK PINES
BUSINESS PARK - 1**
Owner: Clarion
Size: 62,061 SF
Tenant: Aramark

**FALLBROOK PINES
BUSINESS PARK - 3**
Owner: Clarion
Size: 362,395 SF
Tenants: Foxconn,
Serta Simmons

SAM HOUSTON RACE PARK

**GRAND NATIONAL
BUSINESS PARK BUILDING 4**
Owner: Supreme Pet Supplies
Size: 76,000 SF
Tenant: Supreme Pet Supplies

**GRAND NATIONAL
BUSINESS PARK BUILDING B**
Owner: Hines/i3
Size: 70,200 SF
Tenant: Empower Pharmacy

**GRAND NATIONAL
BUSINESS PARK
HOME DEPOT**
Owner: KKR
Size: 770,643 SF
Tenant: Home Depot

**GRAND NATIONAL
BUSINESS PARK BUILDING A**
Owner: Hines/i3
Size: 70,200 SF
Tenant: Empower Pharmacy

**FALLBROOK PINES
BUSINESS PARK - 4**
Owner: Clarion
Size: 197,917 SF
Tenants: Evolucity Commerce,
J.B. Hunt



FALLBROOK PINES BUSINESS PARK - 5
Owner: Clarion
Size: 291,606 SF
Tenants: Norlyn Enterprises, World Emblem,
Diligent Delivery Systems

**FALLBROOK PINES
BUSINESS PARK**
Owner: Clarion
Size: 368,467 SF
Tenant: Amazon



8

N. Gessner Road

Grand National

Fallbrook Drive

8

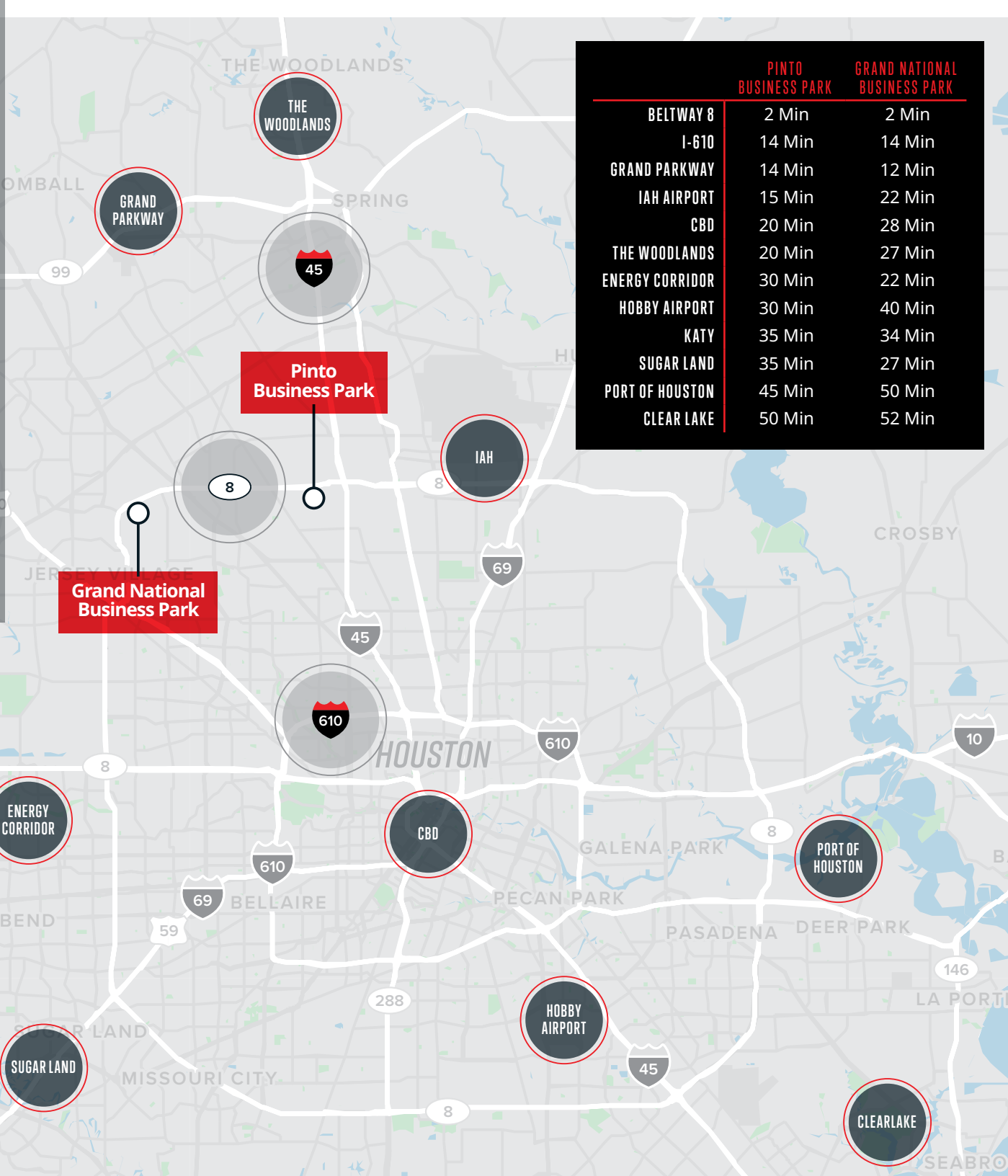
249

INVESTMENT HIGHLIGHTS



High Barrier to Entry Locations in North and Northwest Houston

The location of both Grand National Business Park & Pinto Business Park allow direct access along Beltway 8 and provide close proximity to Interstate 45, Highway 290 and Highway 249. The location of both business parks provide excellent accessibility along one of Houston's major trade routes and rapidly growing population centers in all directions via Beltway 8 (frontage) and the Grand Parkway. Located in close proximity is George Bush Intercontinental Airport (IAH), the city's primary airport. IAH is the second largest hub for United Airlines and the 14th busiest airport in the United States for total passenger traffic of 42.3 million passengers in 2019.



	PINTO BUSINESS PARK	GRAND NATIONAL BUSINESS PARK
BELTWAY 8	2 Min	2 Min
I-610	14 Min	14 Min
GRAND PARKWAY	14 Min	12 Min
IAH AIRPORT	15 Min	22 Min
CBD	20 Min	28 Min
THE WOODLANDS	20 Min	27 Min
ENERGY CORRIDOR	30 Min	22 Min
HOBBY AIRPORT	30 Min	40 Min
KATY	35 Min	34 Min
SUGAR LAND	35 Min	27 Min
PORT OF HOUSTON	45 Min	50 Min
CLEAR LAKE	50 Min	52 Min



Houston: Nation-Leading Growth

In 2020, Houston led the nation in single-unit housing permits.

With 48,208 permits, Houston led Dallas by nearly 5,000 permits and Austin by more than 20,000 permits. Driven by Houston's nation-leading population growth, the Houston housing market shows no signs of slowing down. The Houston single family home sales market saw its twelfth consecutive positive month of sales in May, jumping 56% year-over-year to 12,100 homes sold.

Over the past 10 years, Houston has gained 1,284,268 residents, ranking **second in the U.S.** over that time. From 2020 to 2029, Houston is expected to tack on another 1.24 million residents, pushing the MSA's **population to over 8 million people.**

METROPOLITAN STATISTICAL AREA

SINGLE-FAMILY PERMITS:
DEC (UNITS #YTD, NSA)

METROPOLITAN STATISTICAL AREA	SINGLE-FAMILY PERMITS: DEC (UNITS #YTD, NSA)
Houston-The Woodlands-Sugar Land, TX	48,208
Dallas-Fort Worth-Arlington, TX	43,884
Phoenix-Mesa-Scottsdale, AZ	31,724
Atlanta-Sandy Springs-Roswell, GA	28,057
Austin-Round Rock, TX	21,653
Charlotte-Concord-Gastonia, NC-SC	17,807
Tampa-St. Petersburg-Clearwater, FL	16,028
Orlando-Kissimmee-Sanford, FL	15,523
Nashville-Davidson-Murfreesboro-Franklin, TN	14,125
Washington-Arlington-Alexandria, DC-VA-MD-WV	13,594

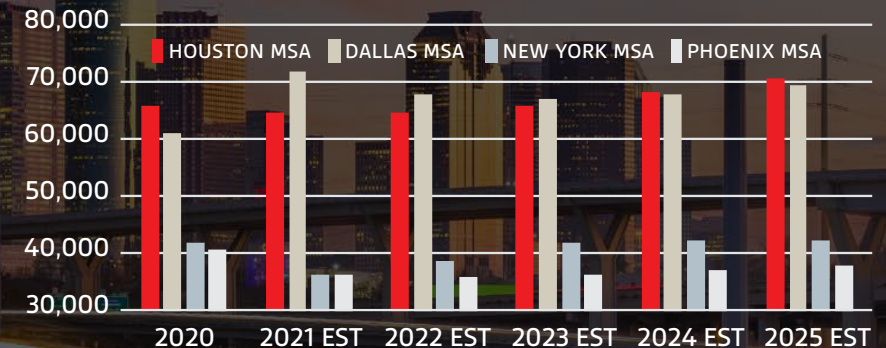
Sources: National Association of Home Builders

Explosive Regional Population Growth

Houston led the nation in Housing Starts in 2020 and is expected to be a leading National MSA for new home starts for the next 5 years.

HOUSING STARTS

(Multi Family & Single Family)

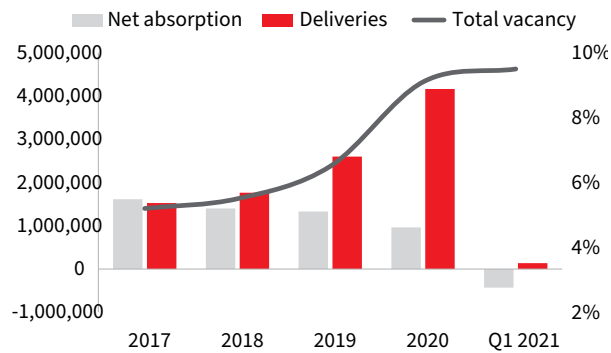


Source: Oxford Economics

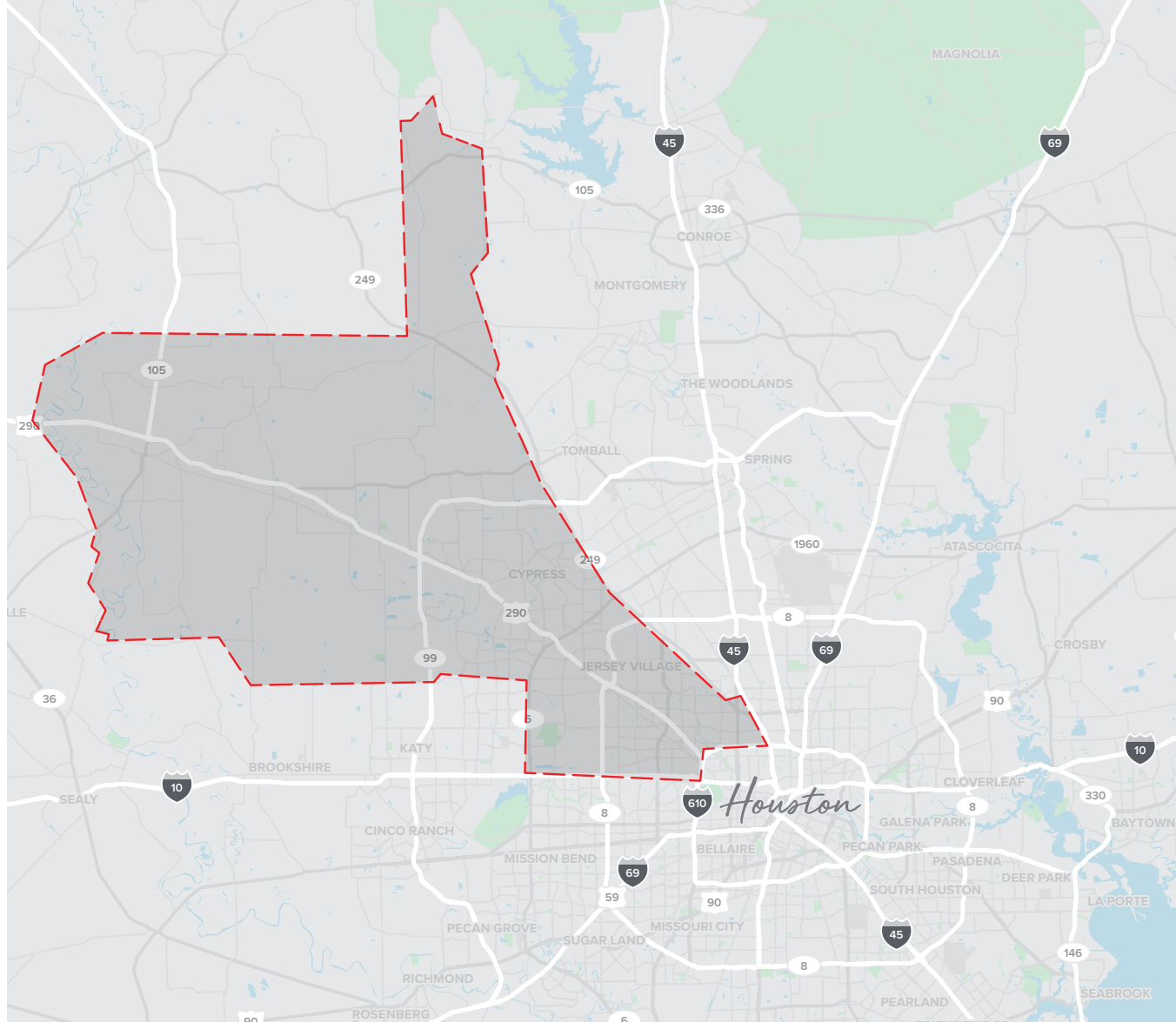
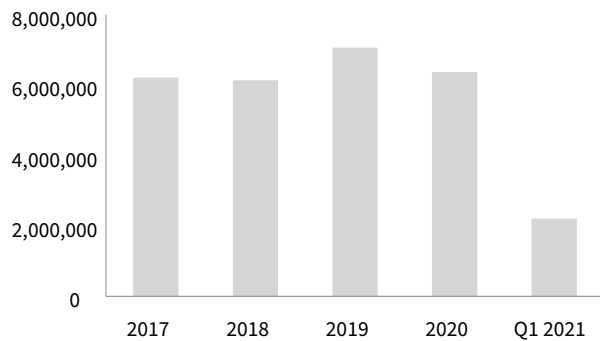
NORTHWEST HOUSTON INDUSTRIAL MARKET

- The Northwest led leasing activity in Q1, capturing 32.9% of total volume. This activity was well above average for the submarket, highlighted by three deals from an e-commerce company totaling 667,700 square feet
- The only delivery this quarter was a 134,800-square foot spec project at 6415 Langfield Rd. This will be a single quarter pause in completions, as construction activity more than doubled from Q4.
- The submarket has a significant spec pipeline set to deliver this year.

Supply, demand & vacancy



Leasing activity

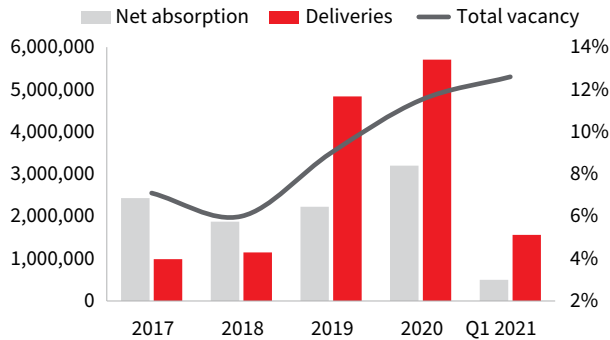


INVENTORY	TOTAL VACANCY	YTD NET ABSORPTION	UNDER CONSTRUCTION	YTD DELIVERIES	DIRECT ASKING RENT (NNN)	YTD LEASING ACTIVITY
113.8 million SF	9.50%	-429,653 SF	2.1 million SF	134,800 SF	\$0.51 per SF	2.2 million SF

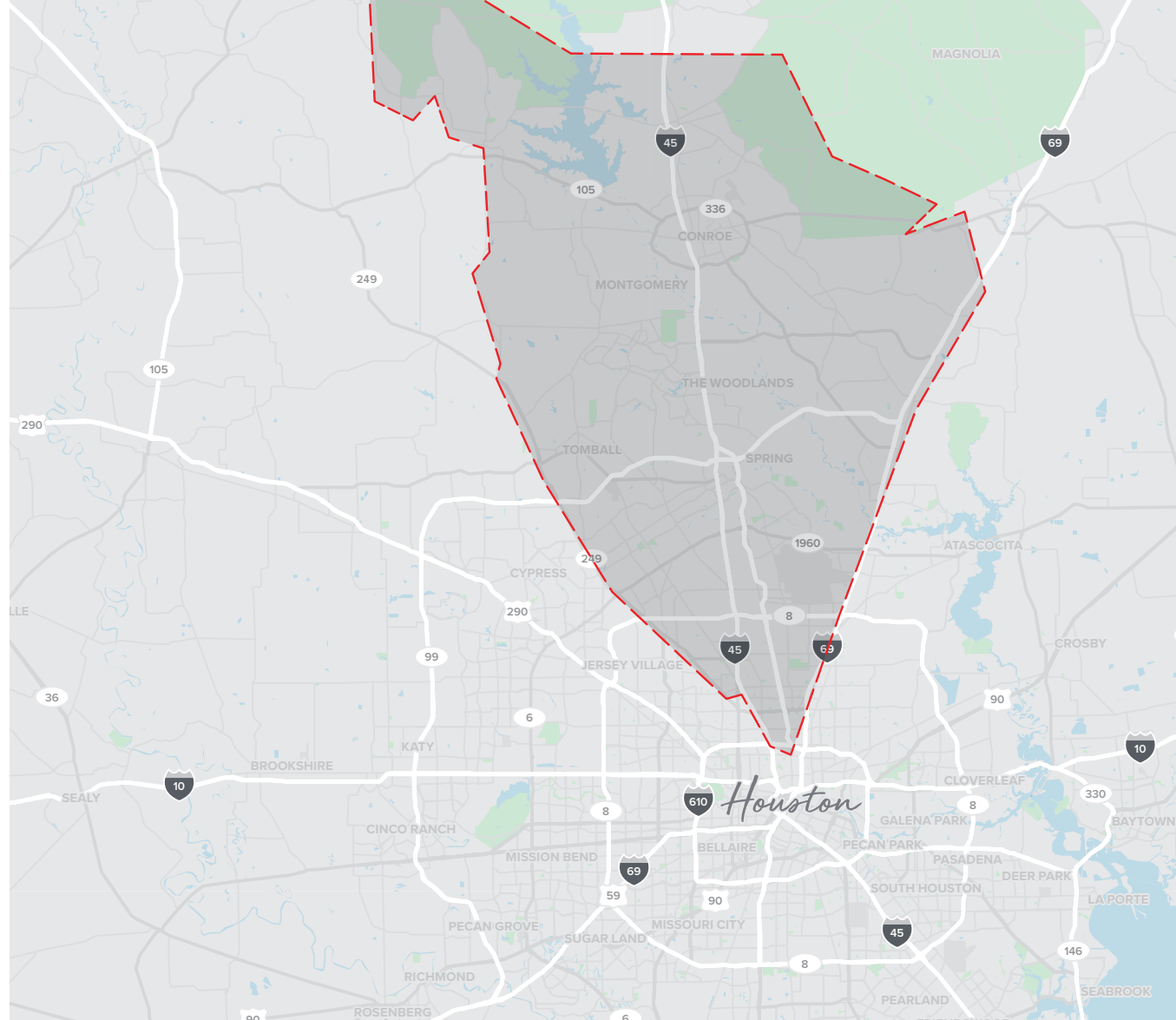
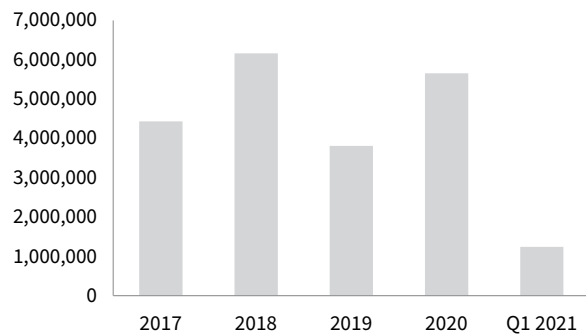
NORTH HOUSTON INDUSTRIAL MARKET

- While net absorption was below average to start the year, the current construction pipeline is comprised entirely of owner-user and build-to-suit projects, which will result in stronger occupancy gains in the coming quarters.
- Leasing activity was healthy in Q1 despite no transactions larger than 175,000 square feet. Notable deals included Modern Chemical's 158,000-square foot new lease at 14700 North Frwy and Source Logistics' 157,805-square foot expansion in the market at 22003 Cypress Slough Dr.
- Continued leasing momentum will be key to improving fundamentals in 2021.

Supply, demand & vacancy



Leasing activity



INVENTORY	TOTAL VACANCY	YTD NET ABSORPTION	UNDER CONSTRUCTION	YTD DELIVERIES	DIRECT ASKING RENT (NNN)	YTD LEASING ACTIVITY
81.7 Million SF	12.60%	499,586 SF	2.9 million SF	1.6 million SF	\$0.48 per SF	1.2 million SF

HOUSTON INDUSTRIAL MARKET

- Leasing volume continued its Q4 momentum with 6.9 million square feet of transactions in Q1
- Construction activity ramped up to 13.3 million square feet following 8.6 million square feet of Q1 groundbreakings
- Deliveries reflected the moderating construction pipeline of H2 2020 and totaled 3.1 million square feet
- Vacancy edged up slightly and is expected to recover some ground over the balance of the year

OUTLOOK

Vacancy has likely reached the peak of the cycle, and both owners and occupiers are executing deals confidently in the market, as evidenced by continued strong leasing and construction activity.

INVENTORY	Q1 NET ABSORPTION	UNDER CONSTRUCTION	TOTAL VACANCY	AVG ASKING RENT (NNN)
				
467,860,254 SF	1,789,490 SF	13,322,219 SF	9.6%	\$0.48

	INVENTORY (SF)	YTD TOTAL NET ABSORPTION (SF)	YTD TOTAL NET ABSORPTION (% OF STOCK)	TOTAL VACANCY (%)	TOTAL AVAILABILITY (%)	AVG DIRECT ASKING RENT (\$ PSF)	YTD COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Houston								
Warehouse & Distribution	380,850,068	1,627,980	0.4%	11.0%	14.7%	\$0.48	2,554,360	13,042,219
Manufacturing	87,010,186	161,510	0.2%	3.5%	6.3%	\$0.54	497,450	280,000
Overall Total	467,860,254	1,789,490	0.4%	9.6%	13.2%	\$0.48	3,051,810	13,322,219

HOUSTON MSA AT A GLANCE



GEOGRAPHY

9 COUNTIES
in the Houston MSA

10,000
square miles
larger than the state of NJ



POPULATION & DEMOS

7 MILLION
residents in the Houston MSA

2.3 MILLION
residents in the city of Houston



1 IN 4 Houstonians are foreign-born

5TH MOST POPULOUS MSA IN THE NATION • 4TH MOST POPULOUS CITY IN THE NATION



CLUTCH CITY



GATEWAY TO THE WORLD

4TH LARGEST
MULTI-AIRPORT SYSTEM
IN THE U.S.

58.3 MILLION PASSENGERS

GLOBAL HUB FOR
AEROSPACE TECHNOLOGY



ECONOMY

26TH **LARGEST**

economy in the world if Houston were an independent nation

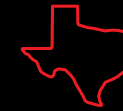
7TH **LARGEST**

U.S. metro economy in the nation

\$480 **BILLION GDP**



EMPLOYMENT



3.2 MILLION **JOBS IN THE HOUSTON MSA**
more than 35 states and nearly a quarter of Texas' entire employment base

2ND LARGEST
NUMBER OF JOBS CREATED IN 2020
OUT OF ANY MSA IN THE NATION



CORPORATE HEADQUARTERS

22 FORTUNE 500
companies call Houston home

3RD LARGEST
NUMBER OF FORTUNE 1000
companies in the nation

4TH LARGEST
NUMBER OF FORTUNE 500
companies in the nation



GLOBAL TRADE CITY

LARGEST GULF COAST CONTAINER PORT

73 FOREIGN-OWNED FIRMS

1ST

IN FOREIGN WATERBORNE TONNAGE

1ST IN IMPORT AND EXPORT
1ST GULF COAST CONTAINER PORT



THE TEXAS MEDICAL CENTER

LARGEST MEDICAL COMPLEX IN THE WORLD

\$25 billion
IN LOCAL GDP

8TH largest
BUSINESS DISTRICT IN THE U.S.

10 million
PATIENT ENCOUNTERS PER YEAR

106,000+
EMPLOYEES AT TMC



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