



# COMMERCE CENTER STAFFORD



QUALITY ASSETS WITH  
ROBUST LEASING ACTIVITY



STRATEGIC LOCATION IN  
SOUTHWEST HOUSTON



VERSATILE LIGHT  
INDUSTRIAL PRODUCT



LAND CONSTRAINED  
MICRO-MARKET



INSTITUTIONALLY  
PREFERRED SUBMARKET



HOUSTON: NATION  
LEADING GROWTH



## THE OFFERING

Jones Lang LaSalle (“JLL”) on behalf of ownership, is pleased to offer for sale **Commerce Center Stafford** (the “Property”), a best-in-class flex/light industrial park comprised of sixteen buildings totaling 245,495 square feet in the southwest Houston industrial submarket. Built between 1996-2004 and currently 87% occupied, the Property has benefited from significant leasing activity and rent growth due to its strategic location and limited supply in the surrounding area. The Property offers new ownership the opportunity to acquire a multi-building portfolio with upside via lease-up and marking rents to market rates, which are currently 16.5% below market, in one of Houston’s premier industrial submarkets.

### PROPERTY SUMMARY

<b>NUMBER OF BUILDINGS</b>	16
<b>SIZE (SF):</b>	245,495 SF
<b>OCCUPANCY:</b>	87%
<b>LOADING CONFIGURATION:</b>	Rear Load
<b>LAND AREA:</b>	14.56 Acres
<b>YEAR BUILT:</b>	1996-2004
<b>CLEAR HEIGHT:</b>	14-16'
<b>WALT:</b>	2.6 Years
<b>OFFICE FINISH %:</b>	57%
<b>AVG. BUILDING SIZE:</b>	15,340 SF
<b>AVG. SUITE SIZE:</b>	3,190 SF

# PROPERTY SUMMARY

BLDG #	1	2	3	4	5	6	7	8	9
ADDRESS	3750-3776 Greenbriar Dr	3830-3844 Greenbriar Dr	12865-12881 Capricorn St	12845-12861 Capricorn Dr	12823-12841 Capricorn Dr	12805-12821 Capricorn Dr	12703 Capricorn St	12723 Capricorn Dr	12743 Capricorn Dr
SIZE (SF)	16,500	16,875	16,875	16,875	16,875	16,875	16,875	16,875	16,875
VACANT SF	0	1,875	5,625	0	5,625	0	0	1,875	9,375
OCCUPANCY	100%	89%	67%	100%	67%	100%	100%	89%	44%
YR BUILT	1999	1999	1998	1999	1998	1999	2003	2004	1999
# TENANTS (VACANCIES)	6	5 (1)	6 (1)	7	3 (2)	5	4	3 (1)	3 (2)
OFFICE FINISH (%)	41%	53%	55%	60%	61%	34%	43%	76%	56%
PARKING SPACES	58	25	25	25	25	25	46	25	25

BLDG #	10	11	12	13	14	15	16	TOTALS
ADDRESS	12763 Capricorn Dr	12783 Capricorn Dr	3900-3928 Bluebonnet Dr	3936-3960 Bluebonnet Dr	3964-3992 Bluebonnet Dr	4010 Bluebonnet Dr	4014 Bluebonnet Dr	
SIZE (SF)	16,875	16,875	13,975	13,950	10,608	10,560	11,152	245,495
VACANT SF	0	0	0	0	0	4,082	4,365	32,822
OCC	100%	100%	100%	100%	100%	61%	61%	87%
YR BUILT	2004	2004	1997	1997	1999	1996	1996	1996-2004
# TENANTS (VACANCIES)	5	5	1	6	6	1 (1)	1 (2)	68 (9)
OFFICE FINISH (%)	52%	40%	75%	65%	76%	100%	43%	57%
PARKING SPACES	25	50	20	20	21	21	21	457



## INVESTMENT HIGHLIGHTS



### QUALITY ASSETS WITH ROBUST LEASING ACTIVITY

Over the past five years, \$3.3 million has been invested in the Property, including upgrades to the roofs, HVAC, parking lots, make-ready spaces, lighting, and electrical. Additionally, over the last 12 months, the Property has seen 70,903 square feet of leasing activity consisting of 22 deals between renewals, relocations, and new leases. With nearly zero non-leasing capital upgrades necessary, investors have the opportunity to take advantage of the robust leasing activity and focus on the lease-up of the remaining vacancy and renewal of upcoming expiring tenants (59,175 square feet over the next two years) with leases currently 16.5% below market.

CAPEX	2016-2021 TOTAL
Roof Coating*	\$1,411,210
HVAC	\$378,398
Exterior Upgrades	\$346,534
Vacant Space Capex	\$208,928
Lighting	\$109,969
Electric Upgrades	\$59,859
Fire Alarm Panel	\$585,000
Other Items	\$71,090
<b>Total</b>	<b>\$3,170,988</b>

\*Roof warranty is transferrable.



# INVESTMENT HIGHLIGHTS

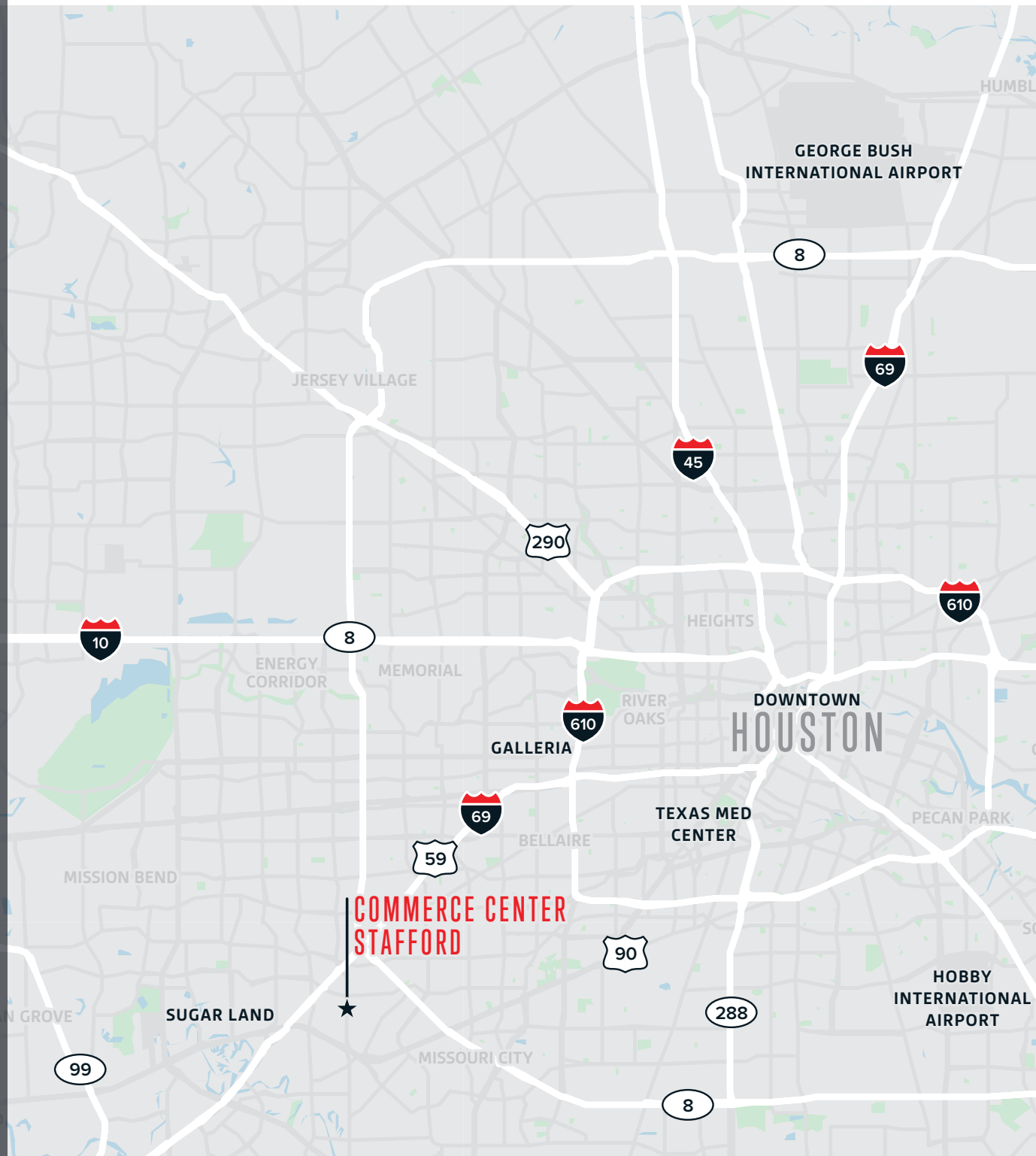


## STRATEGIC LOCATION IN SOUTHWEST HOUSTON

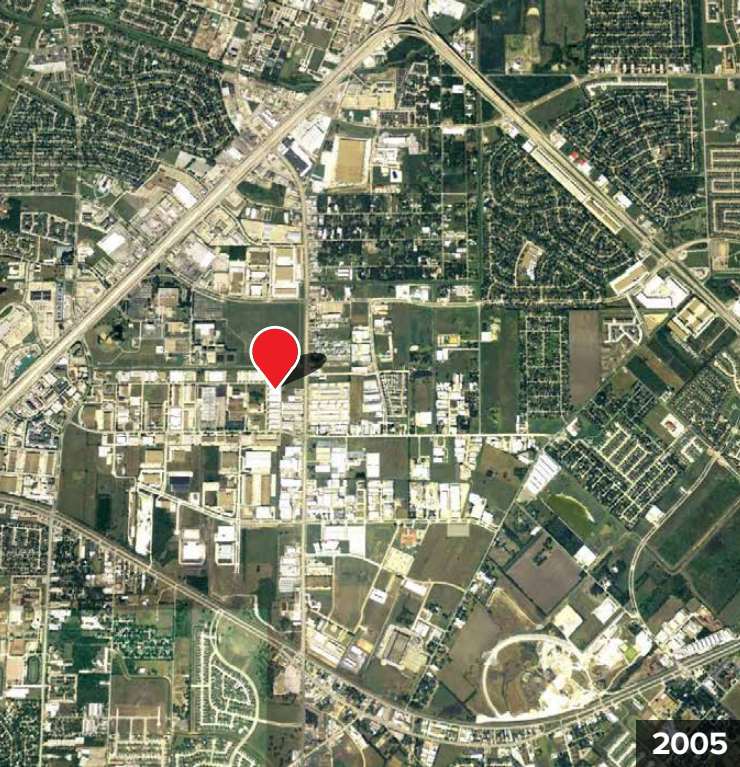
The Property is located with exceptional proximity to the center of Houston's geographical population, major employment centers, and all of Houston's major thoroughfares. **Convenient access to U.S. Highway 59 & Beltway 8 allows for easy access across the Houston MSA and beyond.** Surrounding the property, there are excellent demographics with 11.5% population growth over the last decade within a 5 mile radius.

### Drive Times

Highway 59	4 Minutes (1.5 Miles)
Highway 90	5 Minutes (1.9 Miles)
Beltway 8	7 Minutes (3.1 Miles)
Highway 6	8 Minutes (3.4 Miles)
Grand Parkway	14 Minutes (7.0 Miles)
Westpark Tollway	20 Minutes (7.1 Miles)
IH-10	24 Minutes (11.7 Miles)
Texas Medical Center	22 Minutes (10.8 Miles)
US-290	22 Minutes (15.5 Miles)
Houston CBD	24 Minutes (17.6 Miles)
Hobby Airport	27 Minutes (20.8 Miles)
IAH Airport	38 Minutes (37.8 Miles)





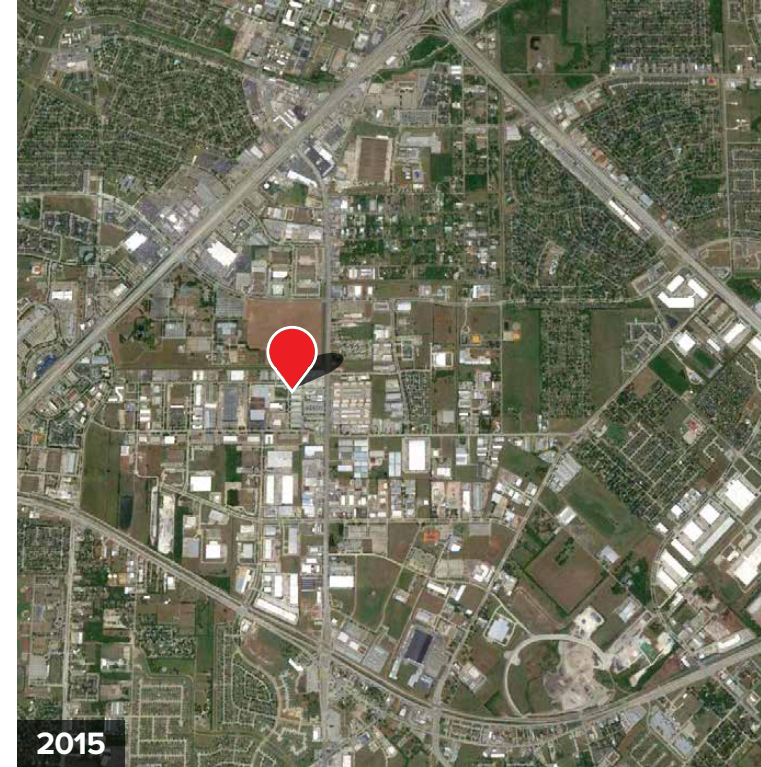


2005



**VERSATILE LIGHT INDUSTRIAL  
PRODUCT OFFERED WELL BELOW  
REPLACEMENT COST**

The Property consists of sixteen institutional quality, flex/light industrial buildings with 16' - 18' clear heights and 57% office finish. Rising land and construction costs makes the property expensive to reproduce as current replacement cost figures are above \$175 per square foot.

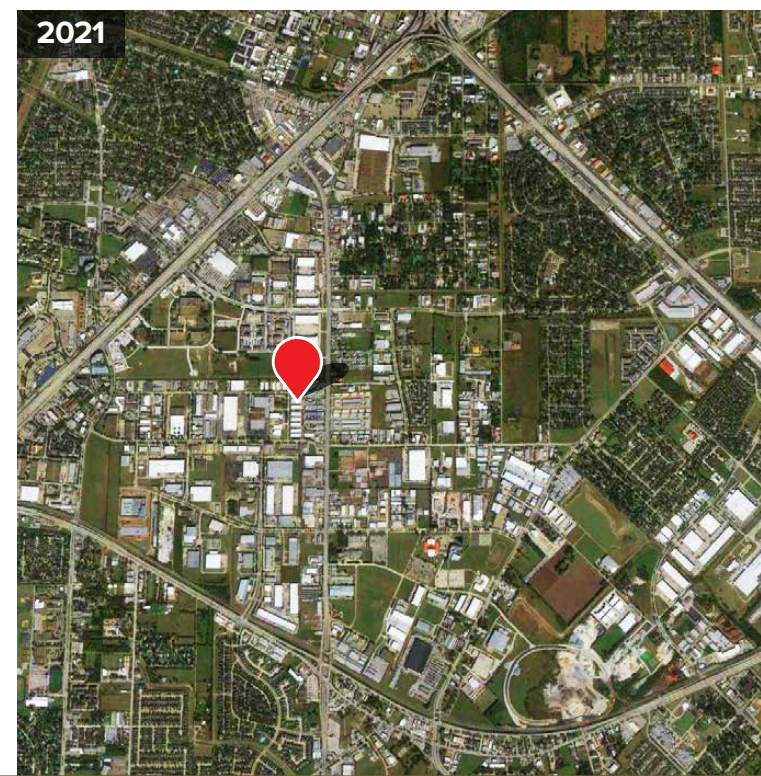


2015



**LAND CONSTRAINED MICRO-MARKET**

The immediate area is currently experiencing a land constraint that did not exist in the past due to the rapid development seen in the past few years. The new development in the submarket has primarily been larger buildings that cater to larger tenants making Commerce Center Stafford a unique offering that caters to an under-served tenant base.



2021





MEGA HARVEST CORP

VANTEX COMMERCIAL PROPERTY GROUP

SONI REALTY CO

tyco

CIRRUS GROUP

BLACK CREEK GROUP

GRAINGER

SOS MEDICAL SUPPLIES

GREENBRIAR DR - 13,262 VPD



**INSTITUTIONALLY PREFERRED SUBMARKET**

Located in the highly desirable and rapidly-growing Southwest submarket, the Property is positioned to continue its strong performance due to its direct proximity to the dense and continually growing population base of west and southwest Houston. **The southwest submarket saw a record 2.7 million square feet of positive net absorption in 2020 and saw two of the five largest leases in Houston to start out the year.** Overall, the submarket continues to gain momentum and currently sits as the third-largest submarket in the city comprised of 49.9 million square feet.

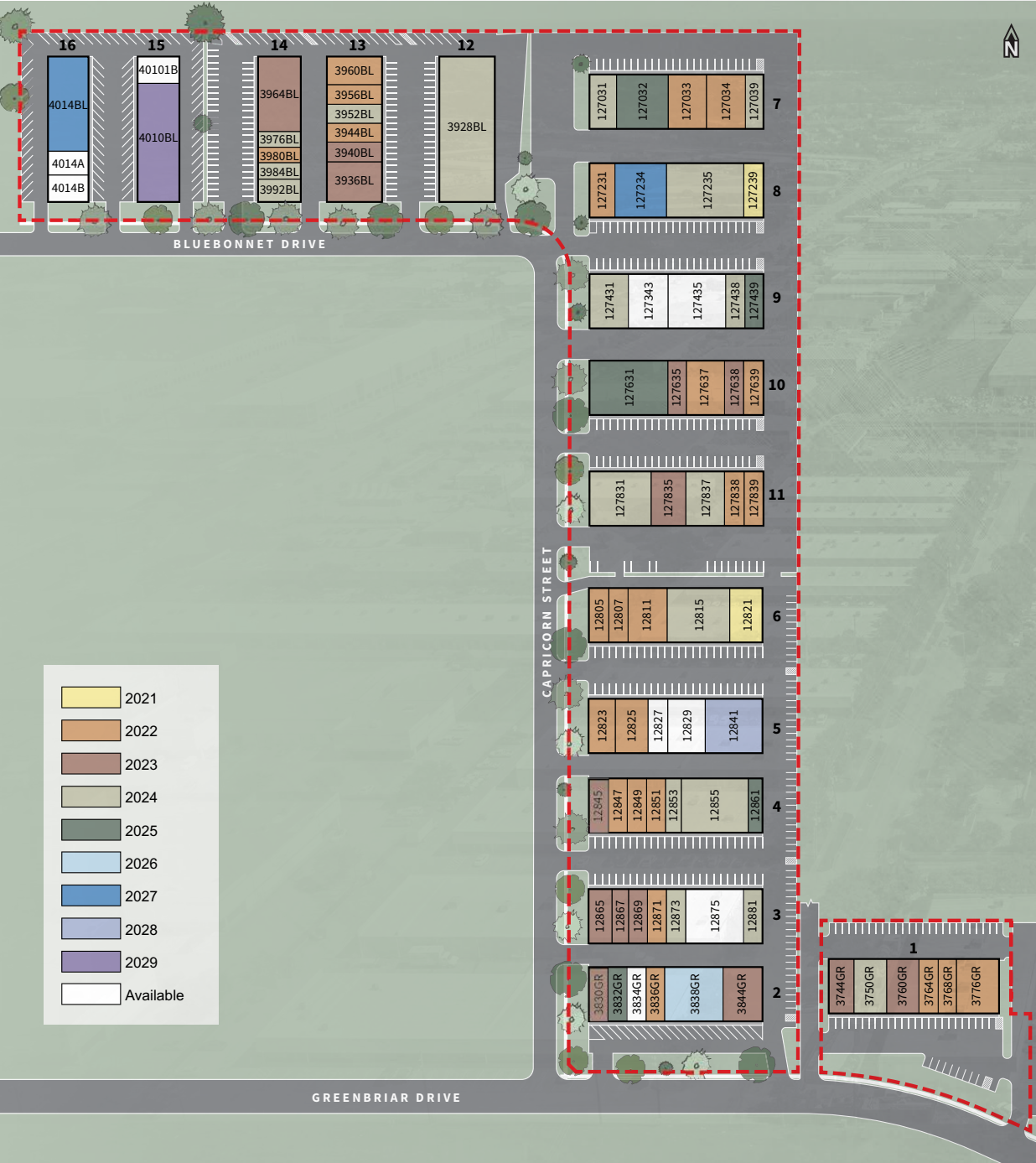
Located west of Loop 610 between Interstate 10 and 288, the Southwest Industrial submarket offers a number of logistical advantages in Houston. While several neighboring submarkets have introduced new, high-quality supply over the past few years, the overall lack of available industrial space has resulted in impressive rent growth of nearly 13% since 2010.







# SITE PLAN



## Project Overview

<b>PROPERTY NAME:</b>	Commerce Center Stafford
<b>TOTAL SF:</b>	245,495 SF
<b>OCCUPANCY:</b>	87%
<b># BUILDINGS:</b>	16
<b>LOADING CONFIGURATION:</b>	Rear Load
<b>LAND AREA:</b>	14.56 Acres
<b>BUILDING TYPE:</b>	Office/Warehouse
<b>BUILDING CONSTRUCTION:</b>	Concrete tilt-up and steel framing with steel decking
<b>YEAR BUILT:</b>	1996-2004
<b>ROOF:</b>	Low-slope standing seam metal with elastomeric coating
<b>ROOF AGE:</b>	3-10 Years
<b>ROOF COATING UPDATE:</b>	2017
<b>ROOF WARRANTY EXPIRATION:</b>	June 2027
<b>ELECTRICAL:</b>	240-volt, three phase
<b>WALT:</b>	2.62 Years
<b>OFFICE FINISH %:</b>	57%
<b>CAR PARKING:</b>	457 Spaces (1.66 Per 1,000 SF Parking Ratio)



PROPERTY PHOTOS

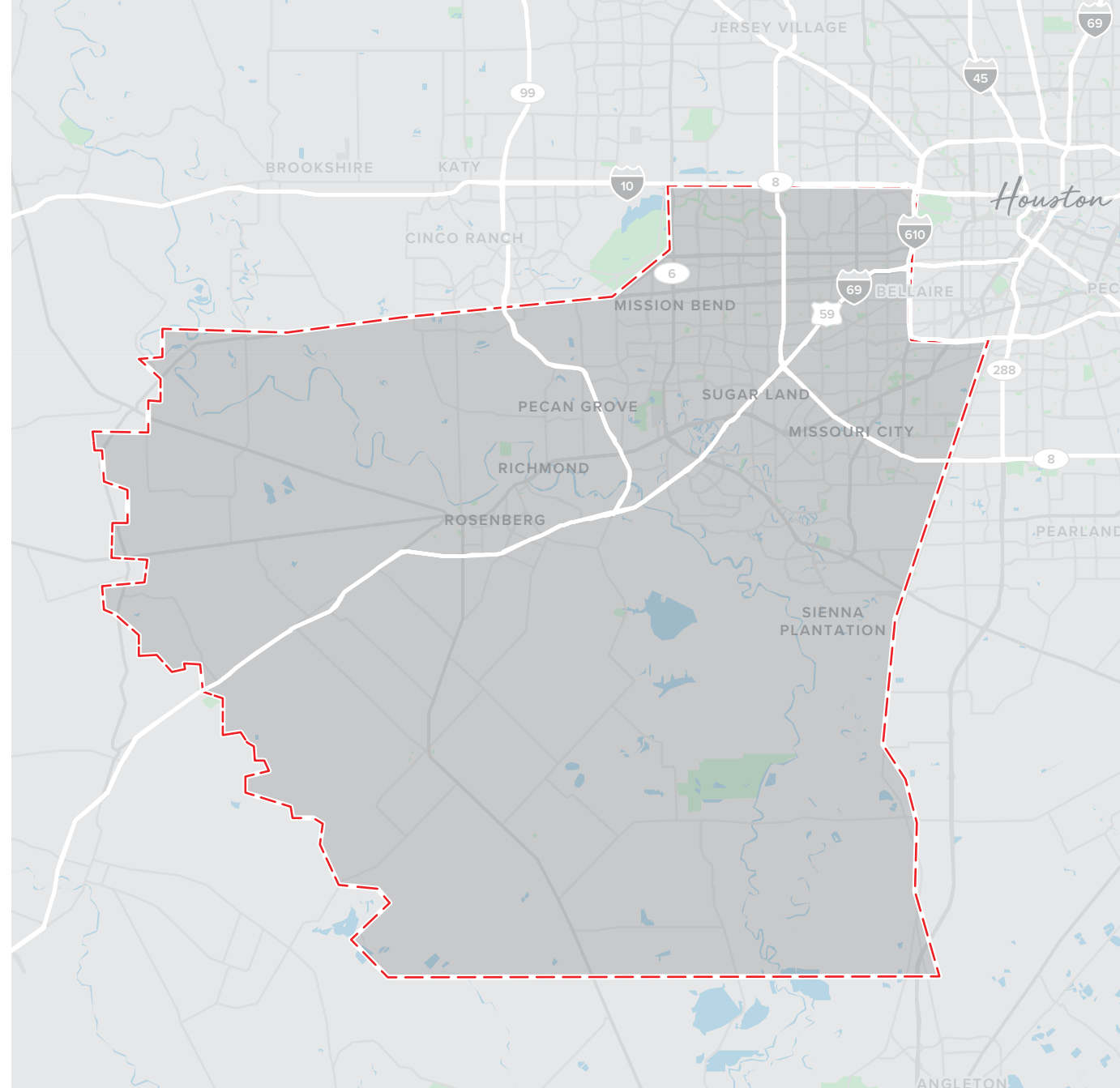




# Q1 2021 SOUTHWEST INDUSTRIAL OVERVIEW

## QUARTER IN REVIEW

- The Southwest has grown substantially over the last cycle, adding over seven million square feet of new supply to the submarket in the last three years, for a 16.8% increase in total inventory.
- The submarket landed two of the five largest leases to start the year, both of which were new to market transactions – 4PX Express USA signed for 347,730 square feet at 5860 W Fuqua St and Awesung inked 239,124 square feet at 611 S Cravens Rd. Other notable transactions included a 166,970-square foot new lease for Soft-Tex at 1407 Gillingham Ln and an 86,099-square foot renewal for Ram Tool at 10001 Fannin St.
- Occupancy gains were above average for the third consecutive quarter and totaled 520,085 square feet. The largest move-ins included Awesung for 239,124 square feet at 611 S. Cravens Rd, Wet Sounds' owner-user delivery for 115,000 square feet, and Hunton Trane for 78,180 square feet at 10560 Bissonnet St.
- The Southwest saw improving vacancy for the second quarter in a row and is the first submarket in the metro to begin trending back down. Total vacancy fell 90 basis points to 8.9% and matches the Q1 2020 vacancy. Similarly, total availability is down 70 basis points from Q4 and 160 basis points year-over-year. Additionally, industrial properties in the Southwest submarket below 25,000 square feet have a total vacancy of only 5.4%.



### Southwest

INVENTORY (SF)	Q1 2021 TOTAL NET ABSORPTION	2020 TOTAL NET ABSORPTION (SF)	2020 TOTAL NET ABSORPTION (% OF STOCK)	TOTAL VACANCY (%)	NNN ASKING RENT (\$)	QUARTERLY COMPLETIONS (SF)	2020 COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
49,891,958	520,085	2,739,781	5.5%	8.9%	\$0.52	115,000	4,453,403	3,824,440

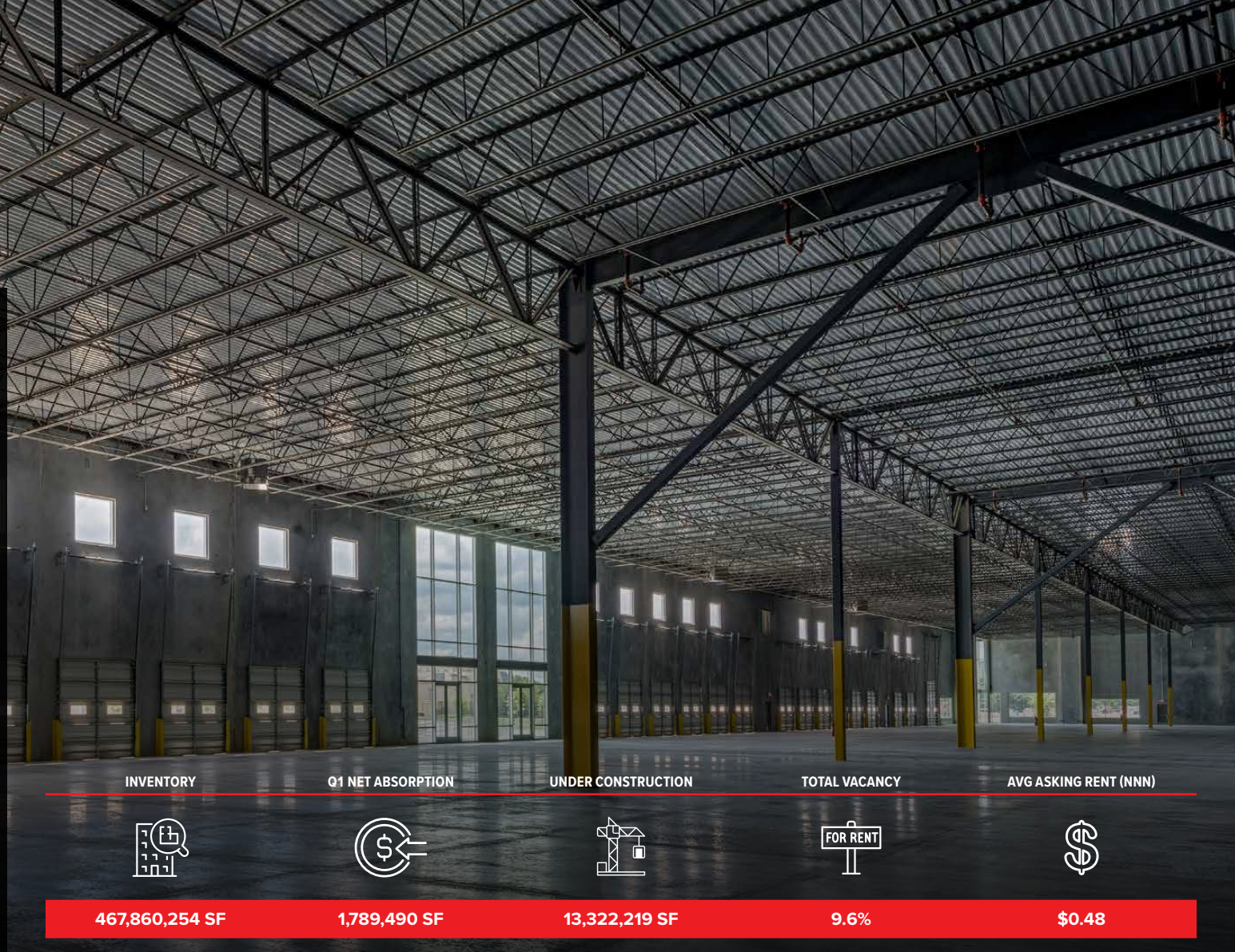


# HOUSTON INDUSTRIAL OVERVIEW

- 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 SF 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.



Houston	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)
<b>Warehouse &amp; Distribution</b>	380,850,068	1,627,980	0.4%	11.0%	14.7%	\$0.48	2,554,360	13,042,219
<b>Manufacturing</b>	87,010,186	161,510	0.2%	3.5%	6.3%	\$0.54	497,450	280,000
<b>Overall Total</b>	<b>467,860,254</b>	<b>1,789,490</b>	<b>0.4%</b>	<b>9.6%</b>	<b>13.2%</b>	<b>\$0.48</b>	<b>3,051,810</b>	<b>13,322,219</b>

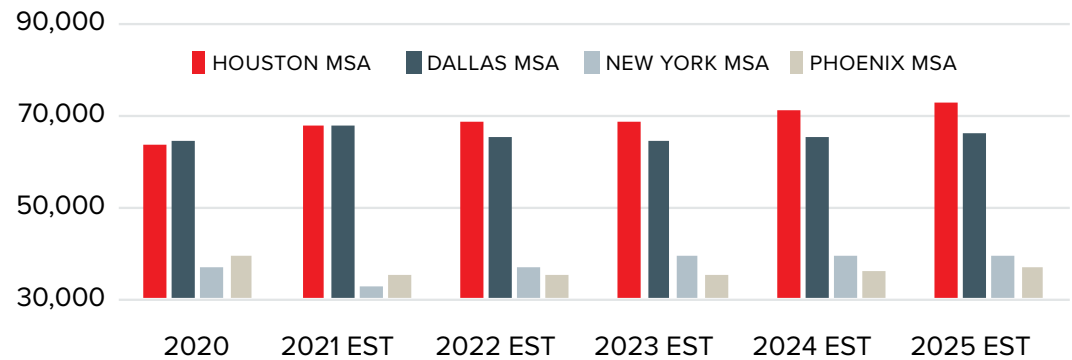




## HOUSTON: NATION-LEADING GROWTH

Fueled by strong population growth, Port activity and growth in the petrochemical industry, Houston is well positioned to see continued gains with both the local economic base and the industrial marketplace. Houston led the nation in Housing starts in 2019 and 2020 and is expected to be a leading national MSA for new home starts for the next 5 years. The Houston MSA continues to be a leader in population growth adding 91,078 new residents between 2019-2020, bringing the region's total population to more than 7.1 million, which is projected to exceed 7.5 million by 2025. Houston ranked third in population growth for 2020, behind Dallas-Fort Worth and Phoenix.

### Housing Starts (Multi-Family & Single-Family)





# 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  
5<sup>TH</sup> MOST POPULOUS MSA IN THE NATION • 4<sup>TH</sup> MOST POPULOUS CITY IN THE NATION



## CLUTCH CITY



## GATEWAY TO THE WORLD

**4<sup>TH</sup> LARGEST**  
MULTI-AIRPORT SYSTEM  
IN THE U.S.

**58.3 MILLION** PASSENGERS  
GLOBAL HUB FOR  
AEROSPACE TECHNOLOGY



## ECONOMY

**26<sup>TH</sup>**  
**LARGEST**  
economy in the world if Houston  
were an independent nation



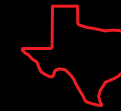
**7<sup>TH</sup>**  
**LARGEST**  
U.S. metro economy in the nation



**\$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

**2<sup>ND</sup> LARGEST**  
NUMBER OF JOBS CREATED IN 2020  
OUT OF ANY MSA IN THE NATION



## CORPORATE HEADQUARTERS

**22** FORTUNE 500  
companies call Houston home

**3<sup>RD</sup> LARGEST**  
NUMBER OF FORTUNE 1000  
companies in the nation

**4<sup>TH</sup> LARGEST**  
NUMBER OF FORTUNE 500  
companies in the nation



## GLOBAL TRADE CITY LARGEST GULF COAST CONTAINER PORT

**73**  
FOREIGN-OWNED FIRMS



**1<sup>ST</sup>**  
IN FOREIGN WATERBORNE TONNAGE

**1<sup>ST</sup> IN IMPORT AND EXPORT**  
**1<sup>ST</sup> GULF COAST CONTAINER PORT**



## THE TEXAS MEDICAL CENTER LARGEST MEDICAL COMPLEX IN THE WORLD

**\$25 billion**  
IN LOCAL GDP

**8<sup>TH</sup> largest**  
BUSINESS DISTRICT IN THE U.S.

**10 million**  
PATIENT ENCOUNTERS PER YEAR

**106,000+**  
EMPLOYEES AT TMC





## CONTACT INFORMATION

### INVESTMENT ADVISORS

#### TRENT AGNEW, SIOB

Senior Managing Director  
JLL Industrial Group Leader  
+1 713 852 3431  
trent.agnew@am.jll.com

#### CHARLIE STRAUSS

Director  
+1 713 212 6574  
charles.strauss@am.jll.com

#### KATHERINE MILLER

Analyst  
+1 713 852 3485  
katherine.miller@am.jll.com

#### JACK MOODY

Analyst  
+1 713 212 6548  
jack.moody@am.jll.com

### FINANCING INQUIRIES

#### MICHAEL JOHNSON

Senior Director  
+1 713 852 3474  
mj.johnson@am.jll.com



9 Greenway Plaza, Suite 700 | Houston, Texas 77046  
[www.us.jll.com/capitalmarkets](http://www.us.jll.com/capitalmarkets)

*Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the property to market it for sale. Information concerning the property described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2021 Jones Lang LaSalle IP, Inc. All rights reserved.*

*JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$16.6 billion, operations in over 80 countries and a global workforce of more than 91,000 as of March 31, 2021. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit [jll.com](http://jll.com).*