



CEDAR PORT LOGISTICS

NEWLY-CONSTRUCTED, 643,940 SF CROSS-DOCK DISTRIBUTION BUILDING
100% LEASED TO WEBSTAURANTSTORE FOR 10.2 YEARS



NEWLY CONSTRUCTED,
STATE-OF-THE-ART
FACILITY



STRONG
NATIONAL TENANCY



LOCATED WITHIN
TGS CEDAR PORT
INDUSTRIAL PARK



RECORD-BREAKING
LEASING ACTIVITY IN Q2
2021



STRATEGIC SOUTHEAST
HOUSTON LOCATION
NEAR PORT OF
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 **Cedar Port Logistics** (the “Property”), a 643,940 square foot distribution center in Baytown, TX. Developed in 2020 by Avera Companies, the state-of-the-art warehouse is currently 100% leased to The WebstaurantStore, Inc. through December 2031 with 2.25% annual rent increases and rent 17.3% below market upon tenant rollover. The Property is located within Cedar Port Industrial Park, the largest master-planned rail-and-barge-served industrial park in the United States, which is home to tenants such as Home Depot, Wal-Mart, IKEA, GE, Vinmar and more. In addition to the irreplaceable location and superior construction quality, the Property includes expansion capabilities up to 760,400 square feet with flexibility to be rail-served in the future.

TRANSACTION SUMMARY

LOCATION	4725 East Grand Parkway Baytown, TX 77523
SQUARE FEET	643,940
TENANT	The WebstaurantStore, Inc.
LEASE TERM REMAINING <i>(As of November 2021)</i>	10.2 Years
ANNUAL RENT ESCALATIONS	2.25%



PROPERTY SUMMARY

SQUARE FEET	643,940
ACRES	40.77 Acres
OCCUPANCY	100%
WTD. AVG. TERM <i>(AS OF NOVEMBER 2021)</i>	10.2 Years
CLEAR HEIGHT	36'
OFFICE FINISH	1.17%
CAR PARKING	350
TRAILER PARKING	208
TRUCK COURT	185'
YEAR BUILT	2020
DOCK CONFIGURATION	Cross Dock
DOCK-HIGH DOORS	168
DRIVE-IN DOORS	3
COLUMN SPACING	46'8 x 56'
BUILDING DIMENSIONS	400' x 1568'
ROOF TYPE	Single ply .60 mil TPO mechanically fastened over R9 insulation
ROOF WARRANTY EXPIRATION	July 5, 2040
FIRE PROTECTION SYSTEM	ESFR
CONSTRUCTION TYPE	Tilt Wall
EXPANSION CAPABILITIES	760,400 SF (Total)
RAIL-SERVED	UP & BNSF Future Capabilities

INVESTMENT HIGHLIGHTS

NEWLY CONSTRUCTED, STATE-OF-THE-ART FACILITY

Developed in 2020 by Avera Companies, Cedar Port Logistics is a state-of-the-art distribution center providing all amenities and building characteristics that tenants have come to expect in modern industrial warehouses. The 40.77-acre site allows for ample parking with 350 car parking spaces and 208 trailer spaces. The 643,940 square foot building has 36' clear heights, LED lighting, an ESFR fire system, and has the ability to expand up to 760,400 square feet. With the rising costs of land within Cedar Port Industrial Park, and Houston in general, coupled with rising construction costs and more stringent detention requirements, the Property would be incredibly expensive to reproduce. As the current lease was signed prior to the fundamental shift in replacement cost, new ownership will have the opportunity to significantly increase rent at tenant rollover as the rate will be 17%+ below market.

STRONG NATIONAL TENANCY

WebstaurantStore is a subsidiary of Clark Associates, which was established in 1971 as an electrical contracting business. Since then, Clark Associates has grown to be a collective of dynamic, industry-leading companies in the food service industry. Established in 2004 and headquartered in Pennsylvania, WebstaurantStore is the leading online distributor of restaurant supplies and equipment worldwide. The company is privately-held and operates seven warehouses nationwide. The company had \$1.57B in revenue in 2020, a 10% increase from 2019.

WEBSTAURANTSTORE QUICK FACTS:

\$1.57B	342,000
2020 REVENUE	PRODUCTS OFFERED
#1	7
FASTEST GROWING CENTRAL PENNSYLVANIA COMPANY IN 2013 & 2018	WAREHOUSES NATIONWIDE

LOCATED WITHIN TGS CEDAR PORT INDUSTRIAL PARK

The Property is located within TGS Cedar Port Industrial Park, the largest master-planned rail-and-barge-served industrial park in the United States and the fifth largest industrial park in the world spanning 15,000 acres. Located near the Houston Ship Channel with access to Bayport and Barbours Cut Container Terminals, TGS Cedar Port offers:

- 100 miles of dualserved (UP & BNSF) rail access
- Railcar storage for 3,800 railcars with expansion capabilities up to 5,000 cars
- Transloading
- Railcar cleaning
- Warehousing
- Two barge dock terminals with ability to handle overweight containers
- Pipeline/feedstock access
- Heavy haul corridors

TGS Cedar Port Industrial Park was purchased in 2014 by a partnership formed by Trans-Global Solutions, Inc. (TGS). TGS is a leading provider of transportation, railroad, and heavy civil construction services and specialize in terminal development and operations, engineering and design, earthwork and new construction, track inspection, maintenance, 3rd party switching, locomotive leasing, railcar storage, cleaning, and repair.



INVESTMENT HIGHLIGHTS

RECORD-BREAKING LEASING ACTIVITY IN Q2 2021

Demand for industrial space in Houston has consistently ramped up in each of the last three quarters, but the anticipated surge finally hit mid-year. Leasing activity totaled 11.8 million square feet in Q2 2021, nearly twice the five-year quarterly average of 6.1 million square feet and 2.8 million square feet above the record previously set in Q4 2020. More importantly, 72% of activity was either new to market or tenants expanding their current footprint, which should drive occupancy gains in the second half of 2021. Net absorption during Q2 2021 was 3.5 million square feet and is expected to set a record next quarter as companies move into both existing supply and new deliveries, which will dramatically decrease the vacancy rate.

STRATEGIC SOUTHEAST HOUSTON LOCATION WITH FRONTAGE NEAR PORT OF HOUSTON

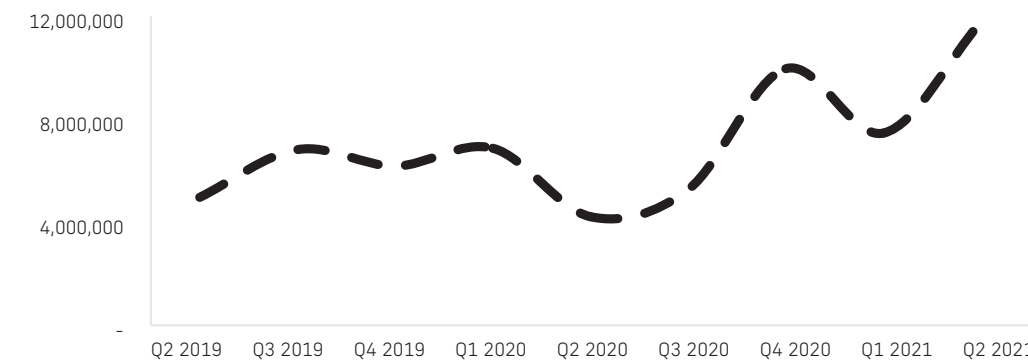
Cedar Port Logistics is strategically located in Houston's southeast industrial submarket directly across from the Bayport and Barbour's Cut Container Terminals and adjacent to the Houston Ship Channel. The 25-mile long Houston Ship Channel currently services 8,200 vessels and 215,000 barges each year, and is currently experiencing double-digit annual growth in container volume year over year. The Port of Houston continues to make strategic capital investments that will enhance the Port's waterway, terminal, road, rail and industrial property infrastructure to create the most efficient, productive, and cost-effective system possible.

The Property has frontage along a 12-mile segment of Highway 99 (Grand Parkway), Houston's third circumferential freeway, offering excellent accessibility to I-10, Highway 225 and Highway 146.

LEASING ACTIVITY BY SIZE QTD



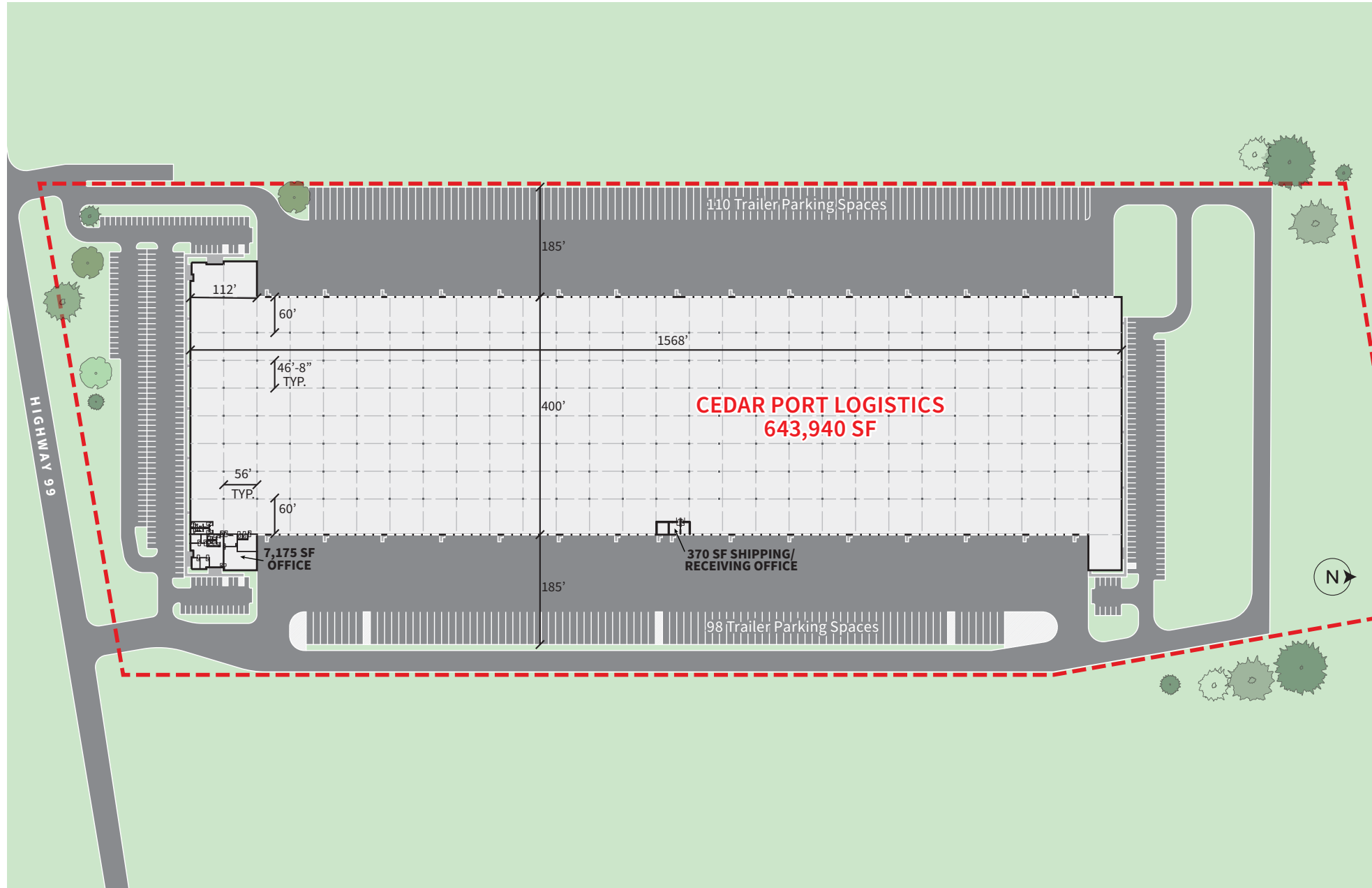
HISTORICAL LEASING ACTIVITY



SOUTHEAST FACING AERIAL



SITE PLAN



HOUSTON INDUSTRIAL MARKET

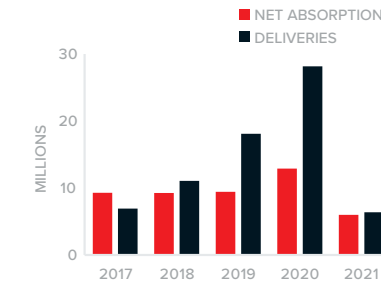
Market demand has consistently ramped up in each of the last three quarters, but the anticipated surge finally hit at mid-year. Leasing activity totaled 11.8 million square feet, almost twice the five-year quarterly average. Even more importantly, 72.3% of activity was either new to market or represented a tenant expanding its current footprint, which should drive strong occupancy gains in the second half of the year. Net absorption totaled 3.5 million square feet in Q2, led by sizable move-ins from RTIC Outdoors in the west submarket, an e-commerce user in the northwest and 4PX Express in the southwest. Absorption is projected to set a record next quarter as companies move into both existing supply and new deliveries.

Total vacancy reversed course after an eight-quarter climb and dropped to 9.3%, which is notable given the one-million-square foot vacant spec delivery in the southeast submarket this quarter. Supply and demand are largely in balance at the midpoint of the year, an alignment that hasn't occurred since 2018. Rising building materials costs have caused construction pricing to rise, temporarily delaying some project groundbreakings. Given this, construction activity rose just slightly quarter-over-quarter to 13.7 million square feet but is expected to remain at high levels. Total availability, which includes any space marketed for lease regardless of vacancy status, fell 140 basis points to 11.4%, a reflection of current leasing and construction activity.

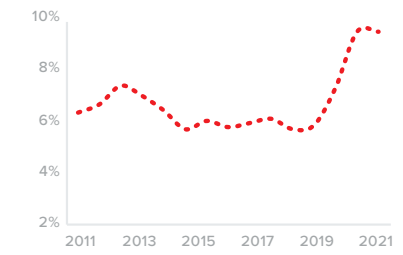
Q2 2021 HIGHLIGHTS

- Leasing volume totaled nearly 12 million square feet in Q2, topping Q4 2020's high watermark by nearly two million square feet
- Net absorption climbed above average at mid-year and is poised to set a new quarterly record in Q3
- Total vacancy reached an inflection point and edged downward to 9.3%

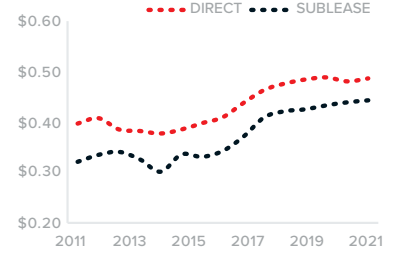
SUPPLY & DEMAND [SF]



TOTAL VACANCY



AVERAGE ASKING RENTS [\$/SF]



INVENTORY	Q2 NET ABSORPTION	YTD NET ABSORPTION	UNDER CONSTRUCTION	TOTAL VACANCY	DIRECT ASKING RENT	Q2 LEASING ACTIVITY
471,657,687 SF	3,512,404 SF	5,981,603 SF	13,742,827 SF	9.3%	\$0.48 PSF	11,778,039 SF

	INVENTORY (S.F.)	QUARTERLY TOTAL NET ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (% OF STOCK)	TOTAL VACANCY (%)	TOTAL AVAILABILITY (%)	AVG DIRECT ASKING RENT (\$ P.S.F.)	QUARTERLY COMPLETIONS (S.F.)	YTD COMPLETIONS (S.F.)	UNDER CONSTRUCTION (S.F.)
Houston										
Warehouse & Distribution	384,334,471	3,221,995	5,631,212	1.5%	10.6%	12.6%	\$0.48	3,078,249	5,632,609	13,154,784
Manufacturing	87,323,216	290,409	350,391	0.4%	3.6%	6.1%	\$0.53	211,600	709,050	588,043
OVERALL TOTAL	471,657,687	3,512,404	5,981,603	1.3%	9.3%	11.4%	\$0.48	3,289,849	6,341,659	13,742,827

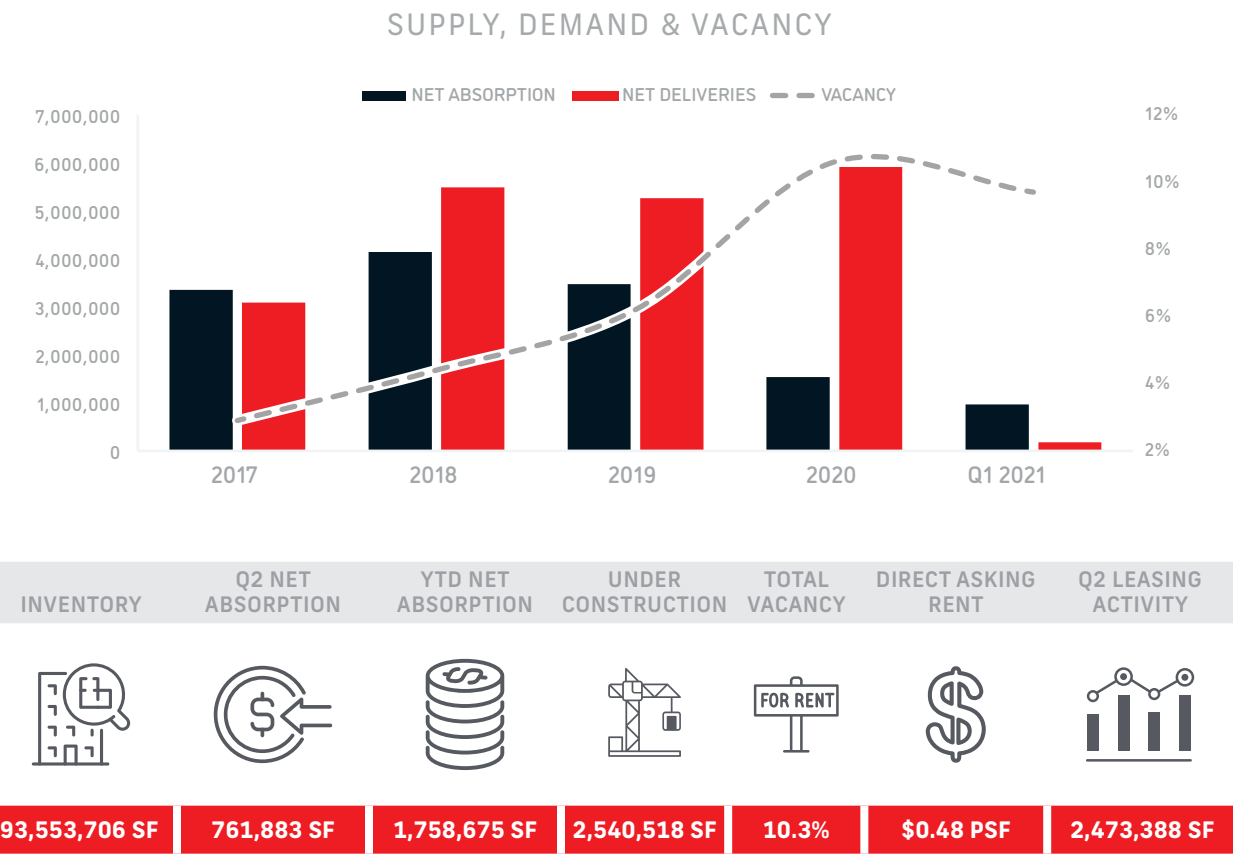
SOUTHEAST HOUSTON INDUSTRIAL MARKET

Located east of Loop 610 between Interstate 10 and Interstate 45, the southeast industrial submarket offers a number of logistical advantages in Houston, most notably Port Houston. With the port and extensive rail network in the area, the southeast industrial submarket offers the most convenient access to multi-modal transportation options. The southeast submarket has emerged as a leader in the Houston market and continues to outperform the market with strong leasing activity, evidenced by the submarket accounting for 21% of the 11.8 million square feet of leasing activity in Q2 2021.

The southeast submarket accounted for 21% of Houston's total industrial leasing activity in the Q2 2021 and ended the quarter with 1,758,675 square feet of net absorption YTD. JLL is currently tracking 89 tenants in the market totaling 18.9 million square feet of space requirements, of which, nearly a third are located within the southeast submarket, displaying the ongoing demand and resiliency of the submarket.

Q2 2021 HIGHLIGHTS

- Located within the Petrochemical Hub of the United States
- Proximity to Critical Operations/Locations
- Logistical Advantages with Access to Rail and the Port of Houston



	INVENTORY (S.F.)	QUARTERLY TOTAL NET ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (% OF STOCK)	TOTAL VACANCY (%)	TOTAL AVAILABILITY (%)	AVG DIRECT ASKING RENT (\$ P.S.F.)	QUARTERLY COMPLETIONS (S.F.)	YTD COMPLETIONS (S.F.)	UNDER CONSTRUCTION (S.F.)
Southeast										
Warehouse & Distribution	75,804,208	607,663	1,521,055	2.0%	12.3%	13.4%	\$0.46	1,257,840	1,432,886	2,500,518
Manufacturing	17,749,498	154,220	237,620	1.3%	2.1%	4.8%	\$0.47	211,600	211,600	40,000
TOTAL	93,553,706	761,883	1,758,675	1.9%	10.3%	11.8%	\$0.46	1,469,440	1,644,486	2,540,518

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