



HOUSTON SINGLE TENANT INDUSTRIAL PORTFOLIO

100% LEASED, 13-BUILDING, 216,772 SF INDUSTRIAL PORTFOLIO IN HOUSTON, TX



THE OFFERING

JLL Capital Markets, on behalf of the seller, is pleased to offer qualified investors the opportunity to acquire the **Houston Single Tenant Industrial Portfolio** (the “Property” or “Portfolio”), a best-in-class, 216,772 square foot portfolio consisting of thirteen light industrial properties located in Houston’s northwest, north, and northeast submarkets. Built between 1993-2018 and currently 100% leased, the Portfolio offers investors the **opportunity to acquire a multi-building, stabilized, cash-flowing portfolio with rents currently 8.5% below market**. All buildings are located within the Grand Parkway among high-growth submarkets that have true barriers to entry and, with an average tenant size of approximately 16,675 square feet, see minimal competition from new supply as construction costs and land prices continue to rise. As a result, rents continue to grow at a significantly higher pace than the overall market.



Rare Large-Scale Opportunity



Strategic Locations with Geographic Diversity



Versatile Light Industrial Product Catering to Various Tenant Sizes



Diverse Tenancy



Favorable Market Fundamentals

PORTFOLIO SUMMARY

# OF BUILDINGS:	13
SIZE (SF):	216,772
OCCUPANCY:	100%
YEAR BUILT:	1993-2018
CLEAR HEIGHT:	14'-30'
WALT:	4.1 Years
OFFICE FINISH:	21.7%
AVG. BUILDING SIZE (SF):	16,675

HARMS ROAD BUSINESS PARK



PARK ROW



BRITTMORE



PORTFOLIO OVERVIEW

	13014 Brittmoore	13018 Brittmoore	7204 Harms Rd	7208 Harms Rd	7206 Harms Rd	7210 Harms Rd	7214 Harms Rd
TENANT	DeLong Automotive Group	Kelly Basketball DBA Shoot 360	Howden Roots	Bechtel Oil, Gas, and Chemicals, INC	Hyundai Global Service Americas Co.	Philadelphia Mixing Solutions	Pura Vida Bioplastics
TOTAL SIZE	9,750	11,250	39,375	24,000	16,000	21,000	23,625
SUBMARKET	Northwest	Northwest	Northwest	Northwest	Northwest	Northwest	Northwest
OCCUPANCY	100%	100%	100%	100%	100%	100%	100%
OFFICE FINISH	19.0%	16.0%	22.9%	32.0%	25.5%	21.4%	10.2%
LAND SIZE (ACRES)		1.73			9.37		
COVERAGE RATIO		27.9%			30.4%		
CRANE(S)	None	None	1, 20-ton crane	1, 20-ton crane	2, 5-ton cranes	1, 10-ton crane	None
YEAR BUILT	2006	2006	2018	2016	2016	2014	2014
CAR PARKING SPACES	18	12	30	30	11	12	12
PARKING RATIO	1.8/1,000	1.1/1,000	0.8/1,000	1.3/1,000	0.7/1,000	0.6/1,000	0.5/1,000
CLEAR HEIGHT	18'	18'	30'	30'	28'	30'	30'
	20155 Park Row	6934 Signat Drive	1960 Starpoint	1970 Starpoint	203 Blue Bell Road	7470 Miller Road 2	Total / Averages
TENANT	Ooh La La Bakery, LLC	The Meter Shop, Inc	Global Pump	KLX Energy	Ace Steel Supply	LOI - TBD	
TOTAL SIZE	3,165	6,000	7,875	10,000	23,750	20,982	216,772
SUBMARKET	Northwest	Northwest	North	North	North	Northeast	NW, N, NE
OCCUPANCY	100%	100%	100%	100%	100%	100%	100%
OFFICE FINISH	28.4%	25.0%	25.4%	40.0%	8.8%	25.0%	21.7%
LAND SIZE (ACRES)	0.38	0.51	1.85	2.00	1.33	4.15	21.34
COVERAGE RATIO	19.0%	26.9%	9.8%	11.5%	40.9%	11.6%	23.3%
CRANE(S)	None	None	None	1, 5-ton crane	2, 2.5-ton cranes	2, 5-ton cranes	9
YEAR BUILT	2008	2007	1998	2001	1993	2002	1993-2018
CAR PARKING SPACES	11	6	20	15	22	32	231
PARKING RATIO	3.5/1,000	1.0/1,000	2.5/1,000	1.5/1,000	0.9/1,000	1.5/1,000	0.5-3.5/1,000
CLEAR HEIGHT	18'	22'	18'	28'	14'-25'	22'	14'-30'

BRITTMOORE



HARMS ROAD BUSINESS PARK



HARMS ROAD BUSINESS PARK



HARMS ROAD BUSINESS PARK



STARPOINT



HARMS ROAD BUSINESS PARK



HARMS ROAD BUSINESS PARK



203 BLUE BELL



BRITTMORE



HARMS ROAD BUSINESS PARK



6934 SIGNAT



STARPOINT



INVESTMENT HIGHLIGHTS



Rare Large-Scale Opportunity

The Portfolio provides investors with a unique opportunity to plant a flag and materially increase their footprint in one of the largest industrial markets through a single transaction. With the variety of tenant sizes and office finish, the Portfolio offers immediate cash flow diversification with an immunity to new supply risk. The average tenant size of 16,675 is significantly smaller than what developers are targeting with new construction today; providing the opportunity to materially push rents as tenants roll.

BRITTMOORE

13014- 13018
BRITTMOORE
PARK DR



Northwest Industrial Submarket

20115 Park Row	3,165 SF
6934 Signat Drive	6,000 SF
13014-13018 Brittmoore	21,000 SF
7204-7214 Harms Rd	124,000 SF

North Industrial Submarket

1960-1970 Starpoint	17,875 SF
203 Blue Bell Road	23,750 SF

Northeast Industrial Submarket

7470 Miller Road 2	20,982 SF
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Strategic Locations with Geographic Diversity

Widely spread across Houston's Northwest, North, and Northeast submarkets, the Portfolio offers significant geographic diversification. Each property is located within infill, irreplaceable locations with strong barriers to entry. The infill nature of the Portfolio caters to tenants that demand proximity to their customers within major population centers, which will continue to attract tenants in the future.

INVESTMENT HIGHLIGHTS



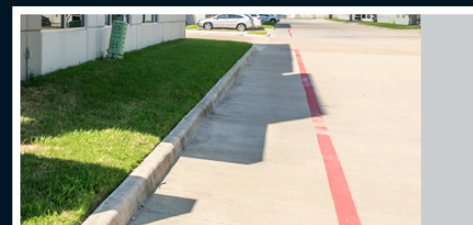
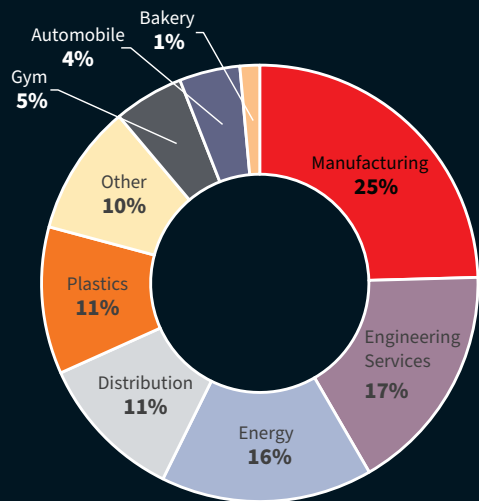
Versatile Light Industrial Product Catering to Various Tenant Sizes

The Portfolio consists of thirteen institutional quality, light industrial buildings with 14'-30' clear heights and 21.7% office finish. With the rising cost of land in Houston coupled with the increase in construction costs, the Portfolio would be incredibly expensive to reproduce. With replacement cost exceeding \$150+ per square foot, the Portfolio provides insulation to the threat of new supply. With tenant sizes ranging from 3,000 to 40,000 square feet, this product perfectly caters to the bread and butter tenants of Houston which have historically been 75,000 square feet or less.



Diverse Tenancy

The Portfolio is comprised of a diverse set of tenants with a majority in the manufacturing and engineering services industries (42%) and limited exposure to the energy industry (16%).



INVESTMENT HIGHLIGHTS

Favorable Market Fundamentals

In 2020, **Houston led the nation with 48,208 single-unit housing permits**, leading 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)

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

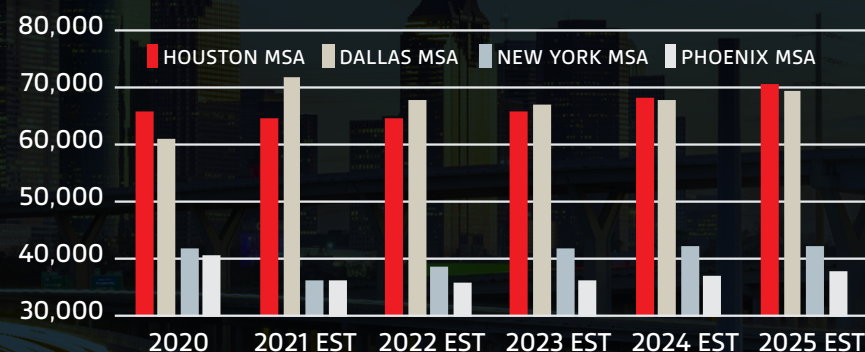
Sources: National Association of Home Builders

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

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.

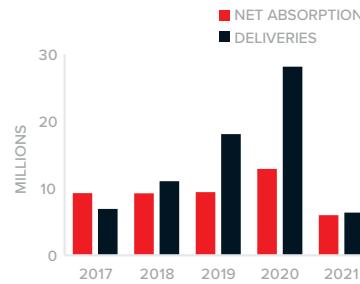
Q2 2021 HIGHLIGHTS

→ Leasing volume totaled nearly 12 million square feet in Q2, topping Q4 2020's high watermark by nearly two million square feet

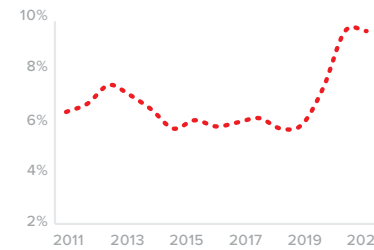
→ Net absorption climbed above average at mid-year and is poised to set a new quarterly record in Q3

→ Total vacancy reached an inflection point and edged downward to 9.3%

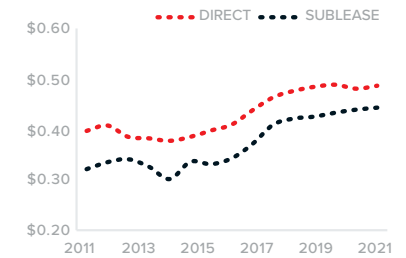
SUPPLY & DEMAND [SF]



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

HOUSTON 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



INTERNATIONAL HUB

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 [2018]

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

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 2018 OUT
OF ANY MSA IN THE NATION

64,400
NEW JOBS CREATED IN 2019

42,300
NEW JOBS FORECASTED IN 2020

GLOBAL TRADE CITY

73 FOREIGN-OWNED FIRMS

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

LARGEST GULF COAST
CONTAINER PORT

1st
IN FOREIGN
WATERBORNE
TONNAGE

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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