



9525 WALLISVILLE

203,421 SF SINGLE TENANT INDUSTRIAL ASSET NET
LEASED TO TA CHEN INTERNATIONAL



HIGHLY FUNCTIONAL
LOCATION FOR A
COMMITTED SINGLE
TENANT



SECURE CASH FLOW
WITH BACK END UPSIDE
POTENTIAL



LARGE YARD FOR
OUTSIDE STORAGE AREA



URBAN INFILL LOCATION



IRREPLACEABLE
INDUSTRIAL PRODUCT
AMIDST RISING
CONSTRUCTION
PRICES



PROXIMITY TO
TRANSPORTATION
INFRASTRUCTURE



HOUSTON: RECORD-
BREAKING LEASING
ACTIVITY IN Q2 2021



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 **9525 Wallisville Road** (“the Property”), a 203,421 square foot, Class A, single-tenant industrial facility in Houston, TX. The Property is currently 100% leased to Ta Chen International and offers stable income with approximately 5.75 years of term remaining and 2.5% annual rent increases. The facility has served as a mission-critical location for the tenant due to its proximity to the Port of Houston and provides exceptional regional access through its position relative to major thoroughfares, including the 610 loop, Interstate 10, and Highway 90. 9525 Wallisville Road offers qualified investors the opportunity to acquire a high-functional industrial asset that is 100% leased to a top-tier international metals distributor.





TRANSACTION SUMMARY

LOCATION

9525 Wallisville Road,
Houston, TX 77013

SQUARE FEET

203,421

YEAR BUILT

1999/2008/2014

BUILDING TYPE

Distribution &
Warehousing

ACREAGE

17.05

CLEAR HEIGHT

30'

TENANT

Ta Chen International

LEASE TERM

5.75 Years

ANNUAL RENT ESCALATIONS

2.50%

INVESTMENT HIGHLIGHTS



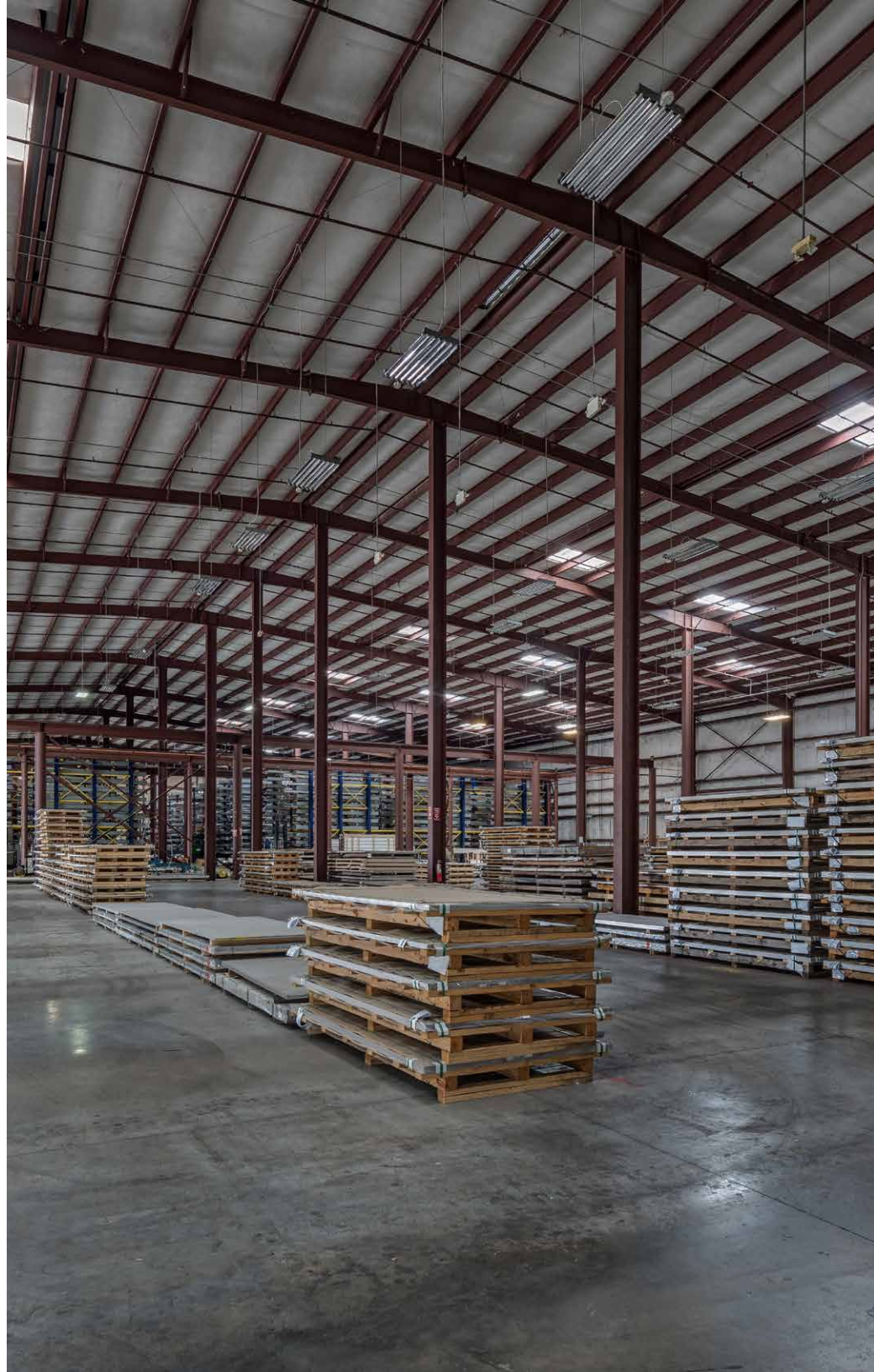
HIGHLY FUNCTIONAL LOCATION FOR A COMMITTED SINGLE TENANT

9525 Wallisville Road is 100% leased to Ta Chen International through September 2027. With a NNN lease in-place, the landlord retains minimal management responsibilities and gains guaranteed income from a +5-year lease backed by one of the largest steel and metals distributors in the World. Additionally, new ownership will benefit from appreciating income as the lease features 2.5% annual rent escalations. Prior to signing their lease, Ta Chen International was the owner of the facility and has been the only occupant since original construction.



SECURE CASH FLOW WITH BACK END UPSIDE POTENTIAL

9525 Wallisville Road offers investors a stable cash flow stream via over 5 years of lease term remaining with contractual 2.5% rent escalations as well as potential for significant value creation with a lease that will expire 15% below market rental rates in Q4 2027.



INVESTMENT HIGHLIGHTS



LARGE YARD FOR OUTSIDE STORAGE AREA

The property's tenancy benefits from having a large outside storage area that spans approximately 5.3 acres. The majority of the yard is utilized by the current tenant to store excess product, and presents an amenity to Ta Chen that is extremely difficult to duplicate in today's land-constrained market. Additionally, the outside storage presents new ownership with the opportunity for future building expansion or to add additional parking in the event the building is ever leased to a high-density user such as those in e-commerce.



URBAN INFILL LOCATION

9525 Walliville Road is strategically located on the urban east side of Houston, offering Ta Chen International direct access and utilization of the Port of Houston where most of the tenant's product is distributed through. The Port of Houston is a 25-mile long development servicing 8,200 vessels and 215,000 barges each year, that 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-efficient system possible.



IRREPLACEABLE INDUSTRIAL PRODUCT AMIDST RISING CONSTRUCTION PRICES

With the continued rise in construction and land prices, the Property 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.



PROXIMITY TO TRANSPORTATION INFRASTRUCTURE

Located only 0.6 miles from the 610 Loop, the property is ideally situated in proximity to several of Houston's major thoroughfares. 9525 Wallisville Road is a 1.8 mile drive from Highway 90, 1.8 miles from Interstate 10, and 7.3 miles from Downtown Houston. With exceptional access to Houston's transportation infrastructure, the property is ideally located for long-term industrial viability.

DRIVE TIMES

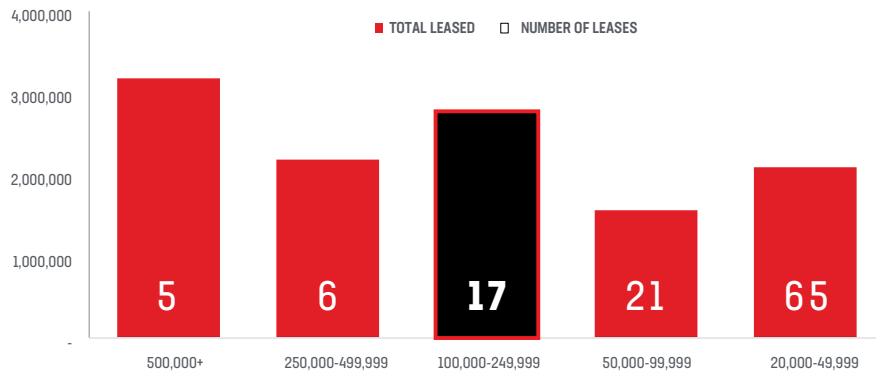
	TIME	MILES
610 LOOP	3	0.6
HIGHWAY 90	5	1.8
INTERSTATE 10	5	1.8
HIGHWAY 59	9	5.1
HARDY TOLL ROAD	11	6.2
BELTWAY 8	13	6.2
INTERSTATE 45	15	7.7
DOWNTOWN HOUSTON	16	7.3
HOBBY AIRPORT	23	11.2
GEORGE BUSH INTERCONTINENTAL AIRPORT	26	19.6



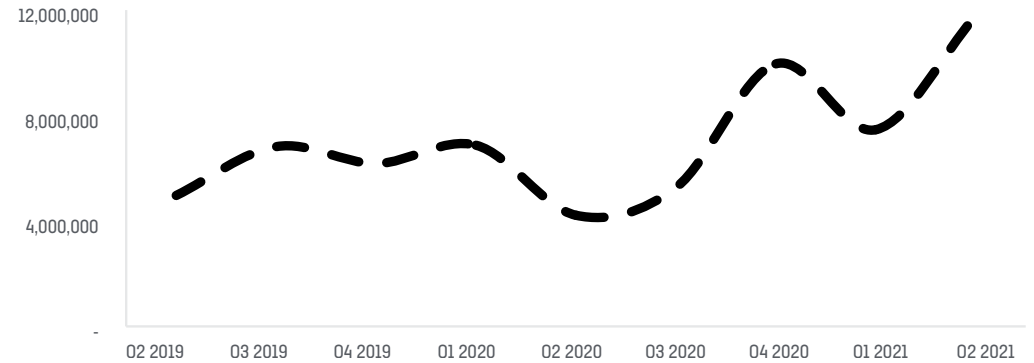
HOUSTON: RECORD-BREAKING LEASING ACTIVITY IN Q2 2021

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. 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. 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.

LEASING ACTIVITY BY SIZE - 2Q 2021



HISTORICAL LEASING ACTIVITY

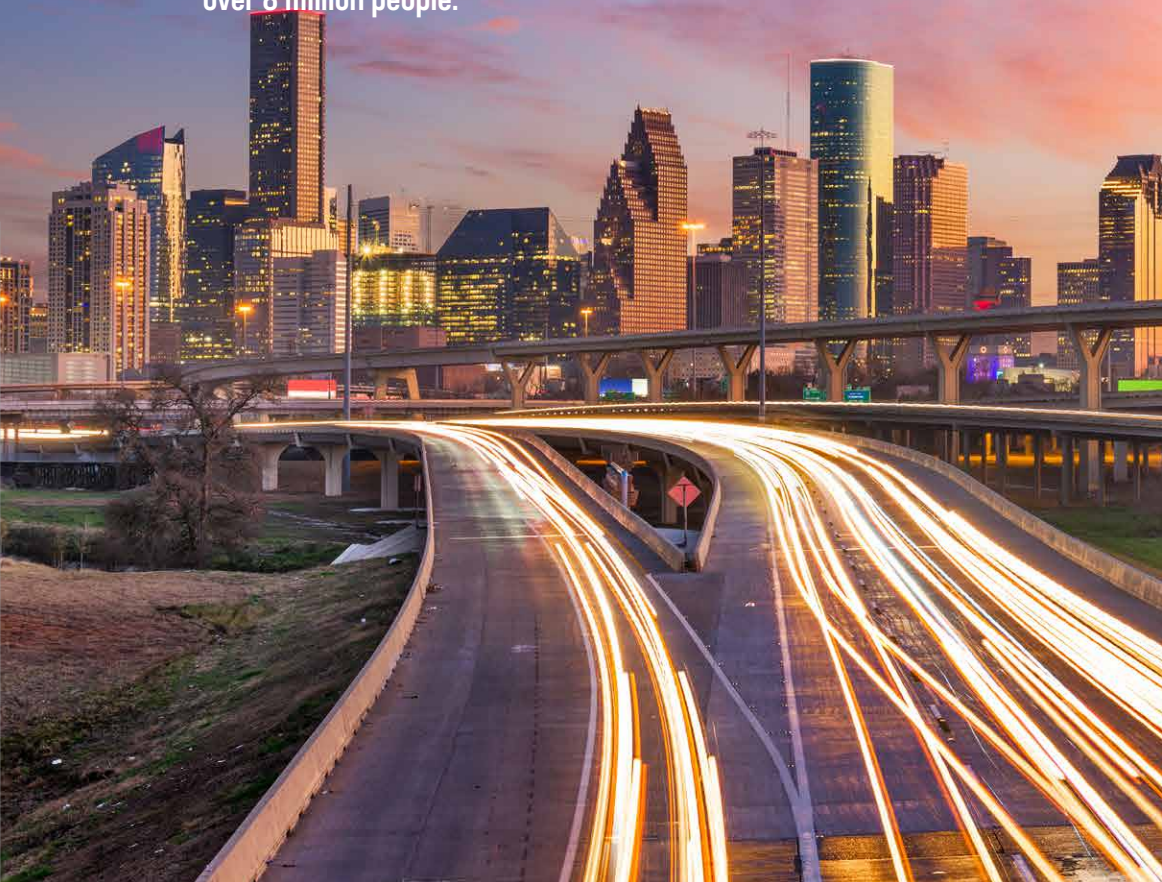




HOUSTON - NATION LEADING GROWTH

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

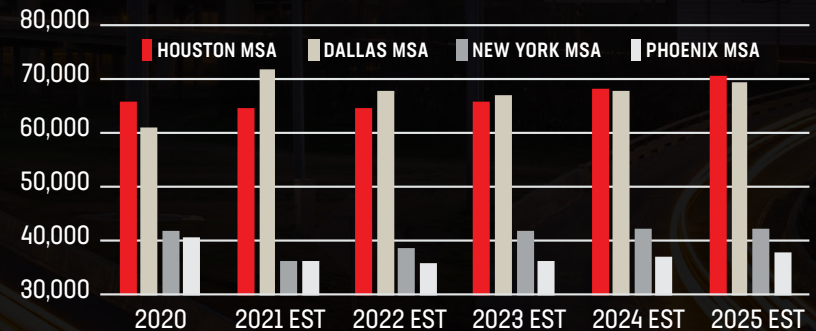
Sources: National Association of Home Builders

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

WEST FACING AERIAL



220,500-VPD
10

CARSON COMPANIES

EQT EXETER

PACKWELL

Kroger

CARSON COMPANIES

EQT EXETER

SEALY & COMPANY

610 157,914 VPD

ATCAP PARTNERS

Black Equities Group

WALLISVILLE ROAD

WAREHOUSE ASSOCIATES

Wallisville Road - 28,128 VPD

SOUTHEAST FACING AERIAL



WALLISVILLE ROAD

Goldman Sachs

SOUTHWEST OILFIELD PRODUCTS

RL CARRIERS

WAREHOUSE ASSOCIATES

ATCAP PARTNERS

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.

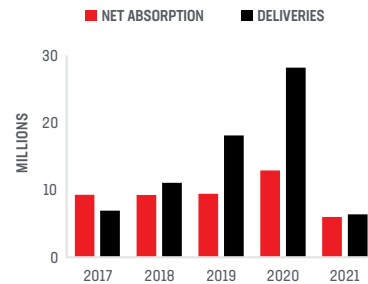
Total vacancy reversed course after an eight-quarter climb and dropped to 9.3%, which is notable given the one-million-square foot vacant spec delivery in the Southeast submarket this quarter. Supply and demand are largely in balance at the midpoint of the year, an alignment that hasn't occurred since 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.

Outlook: The market is moving at a rapid pace, and quickly changing conditions are accelerating timelines for both owners and occupiers. After peaking in Q1, vacancy is expected to tighten over the next few quarters and reach the mid-8% range by year-end. Leasing activity from H1 2021, coupled with a 67.8% preleased construction pipeline, is setting Houston up for its highest annual absorption on record. The market is still broadly tenant favorable, but leverage is shifting, and large users in particular are seeing options dwindle, turning that segment of the market more landlord favorable.

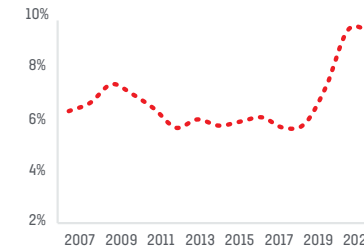
Q2 2021 HIGHLIGHTS

- ▶ 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%

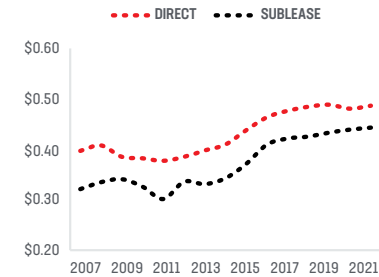
SUPPLY & DEMAND [SF]



TOTAL VACANCY



AVERAGE ASKING RENTS [\$/SF]



INVENTORY	Q2 NET ABSORPTION	YTD NET ABSORPTION	UNDER CONSTRUCTION	TOTAL VACANCY	DIRECT ASKING RENT	Q2 LEASING ACTIVITY	CONCESSIONS
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	Stable

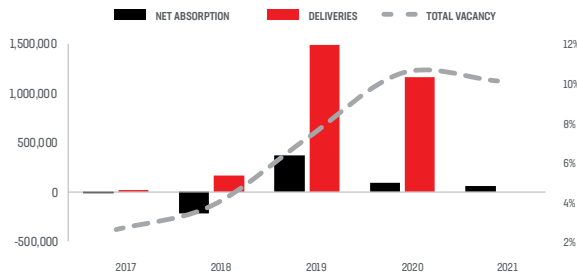
HOUSTON	INVENTORY (S.F.)	QUARTERLY TOTAL ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (S.F.)	YTD TOTAL NET ABSORPTION (% OF STOCK)	TOTAL VACANCY (%)	TOTAL AVAILABILITY (%)	AVG DIRECT ASKING RENT (\$ P.S.F.)	QUARTERLY COMPLETIONS (S.F.)	YTD COMPLETIONS (S.F.)	UNDER CONSTRUCTION (S.F.)
WAREHOUSE & DISTRIBUTION	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

NORTHEAST INDUSTRIAL SUBMARKET

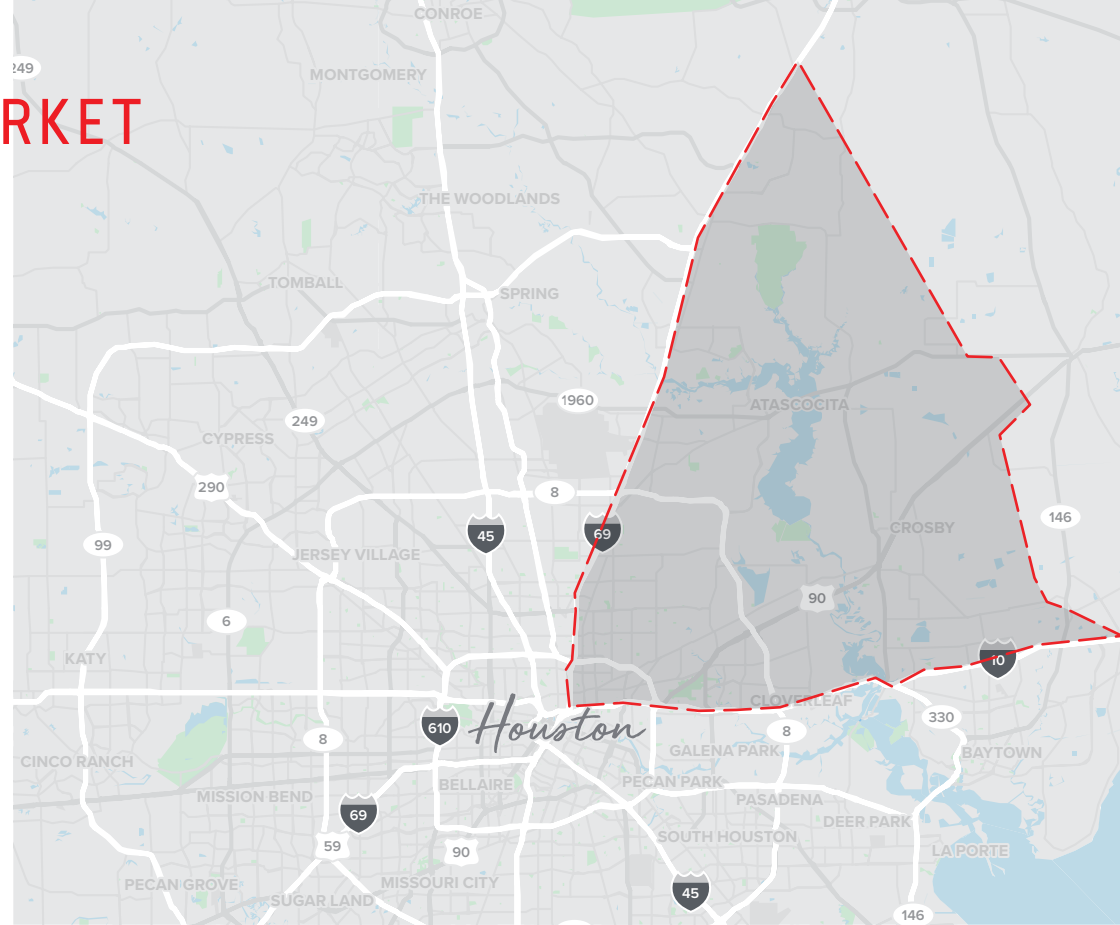
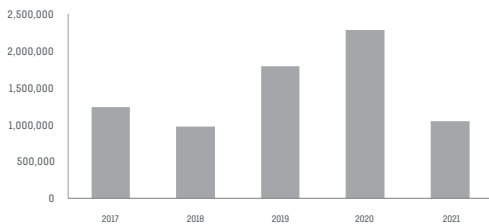
KEY TAKEAWAYS:

- ▶ The submarket experienced strong demand this quarter, led by the second-largest lease signed across the metro - Living Spaces for 685,400 s.f. at Air 59 Logistics Center. The balance of deal activity was characterized by small- to mid-sized transactions.
- ▶ The Northeast has two projects currently underway - the 509,600-s.f. speculative 59 Logistics Center and a 308,043-s.f. owner-user project for Service Wire.
- ▶ The Northeast continued to be heavily impacted by a supply overhang created in 2019-2020. Lease up in first-generation product will be a major driver of market conditions in H2 2021.

SUPPLY, DEMAND & VACANCY



LEASING ACTIVITY



INVENTORY	Q2 NET ABSORPTION	YTD NET ABSORPTION	UNDER CONSTRUCTION	TOTAL VACANCY	DIRECT ASKING RENT	Q2 LEASING ACTIVITY
32.2 Million SF	-129,706 SF	57,074 SF	817,643 SF	10.1%	\$0.46 PSF	888,116 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.)
NORTH HOUSTON										
WAREHOUSE & DISTRIBUTION	25,579,392	-129,706	37,074	0.1%	12.5%	13.5%	\$0.46	0	0	509,600
MANUFACTURING	6,625,089	0	20,000	0.3%	1.0%	3.2%	\$0.43	0	0	308,043
OVERALL TOTAL	32,204,481	-129,706	57,074	0.2%	10.1%	11.3%	\$0.46	0	0	817,643

CONTACTS

INVESTMENT ADVISORS

RUSTY TAMLYN

SENIOR MANAGING DIRECTOR
+1 713 852 3561
RUSTY.TAMLYN@AM.JLL.COM

TRENT AGNEW

SENIOR MANAGING DIRECTOR
JLL INDUSTRIAL GROUP LEADER
+1 713 852 3481
TRENT.AGNEW@AM.JLL.COM

CHARLIE STRAUSS

DIRECTOR
+1 713 212 6574
CHARLES.STRAUSS@AM.JLL.COM

JACK MOODY

ANALYST
+1 713 212 6548
JACK.MOODY@AM.JLL.COM

FINANCING INQUIRIES

JAMES BROLAN

SENIOR DIRECTOR
+1 713 425 5881
JAMES.BROLAN@AM.JLL.COM



4200 Westheimer Rd, Suite 1400 | Houston, Texas 77027

us.jll.com/capitalmarkets

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