

Southwest Commerce Center

477,355 Square Foot, 81% Leased, Class-A Property in the Southwest Submarket



NEWLY-CONSTRUCTED
CLASS-A
INSTITUTIONAL
PRODUCT



ATTRACTIVE BASIS
BELOW REPLACEMENT
COST



VALUE-ADD
OPPORTUNITY
THROUGH LEASE-UP
OF VACANT SPACE



STRATEGIC LOCATION
PROVIDING REGIONAL
CONNECTIVITY



HOUSTON LEASING
VELOCITY



INSTITUTIONALLY
PREFERRED
SUBMARKET
EXPERIENCING RECORD
SETTING ABSORPTION



HOUSTON : NATION
LEADING GROWTH

INVESTMENT SUMMARY

PROPERTY SUMMARY

Address:	611 S Cravens Road Missouri City, TX 77489
Total SF:	477,355 SF
Occupancy:	81%
Loading Configuration:	Cross-Dock
Land Area:	29.18 Acres
Year Built:	2019
Clear Height:	32'
WALT:	5.1 Years
Office Finish %:	2.8%

Jones Lang LaSalle (“JLL”), on behalf of ownership, is pleased to offer for sale **Southwest Commerce Center** (the “Property”), a 477,355 square foot Class-A cross-dock building in the Southwest Houston industrial submarket. Built in 2019, Southwest Commerce Center is currently 81.0% leased with 90,636 square feet of remaining vacancy located at the front of the building with a 3,436 square foot spec office suite in place. Located on S Cravens Road adjacent to Park 8Ninety, the Property provides easy access to both Highway 90 and Beltway 8 via S Cravens Road and Buffalo Lakes Drive. **In a single quarter, the 2.8 million square feet of positive net absorption seen in the Southwest submarket Q3 of 2021 beat the full year record set in 2020 of 2.7 million square feet. This trend continued into Q4 2021 with an additional 396,448 square feet of positive net absorption for a total of 4.4 million square feet of positive net absorption in 2021.** With rents expiring 18% - 19% below market upon expiration, investors have the opportunity to create value by marking rents to market upon tenant rollover. Southwest Commerce Center offers new ownership the rare value-add opportunity to lease up the remaining vacancy without the need for additional capital improvements at an extremely attractive basis below replacement cost.

INVESTMENT HIGHLIGHTS

Newly-Constructed, Class-A Institutional Product

The Property is a state-of-the-art, 477,355 square foot Class-A industrial building located in the institutionally preferred Southwest submarket. The cross-dock building features 32' clear heights, ESFR sprinkler system, and motion-censored LED lighting. The 29.18 acre site allows for ample parking with 191 car parking spaces and 75 trailer spaces. Developed in 2019 by Transwestern Development Company, the Property was built to the highest institutional standards that tenants have come to expect in modern industrial warehouses. With zero necessary non-leasing capital improvements, the Property represents an excellent opportunity for investors to acquire a newly constructed industrial asset at an attractive basis.





Attractive Basis Below Replacement Cost

The Southwest submarket is currently experiencing land constraints that did not exist in the past due to the rapid development seen in the past few years. Future development will have to push further south of Beltway 8 as the intersection of Beltway 8 and Hwy 90 nears full buildout. With the rising costs of land in the immediate area, and Houston in general, coupled with rising construction costs and more stringent detention requirements, the Property would be expensive to reproduce, with replacement cost exceeding \$105 per square foot.

Value-Add Opportunity Through Lease-Up of Vacant Space

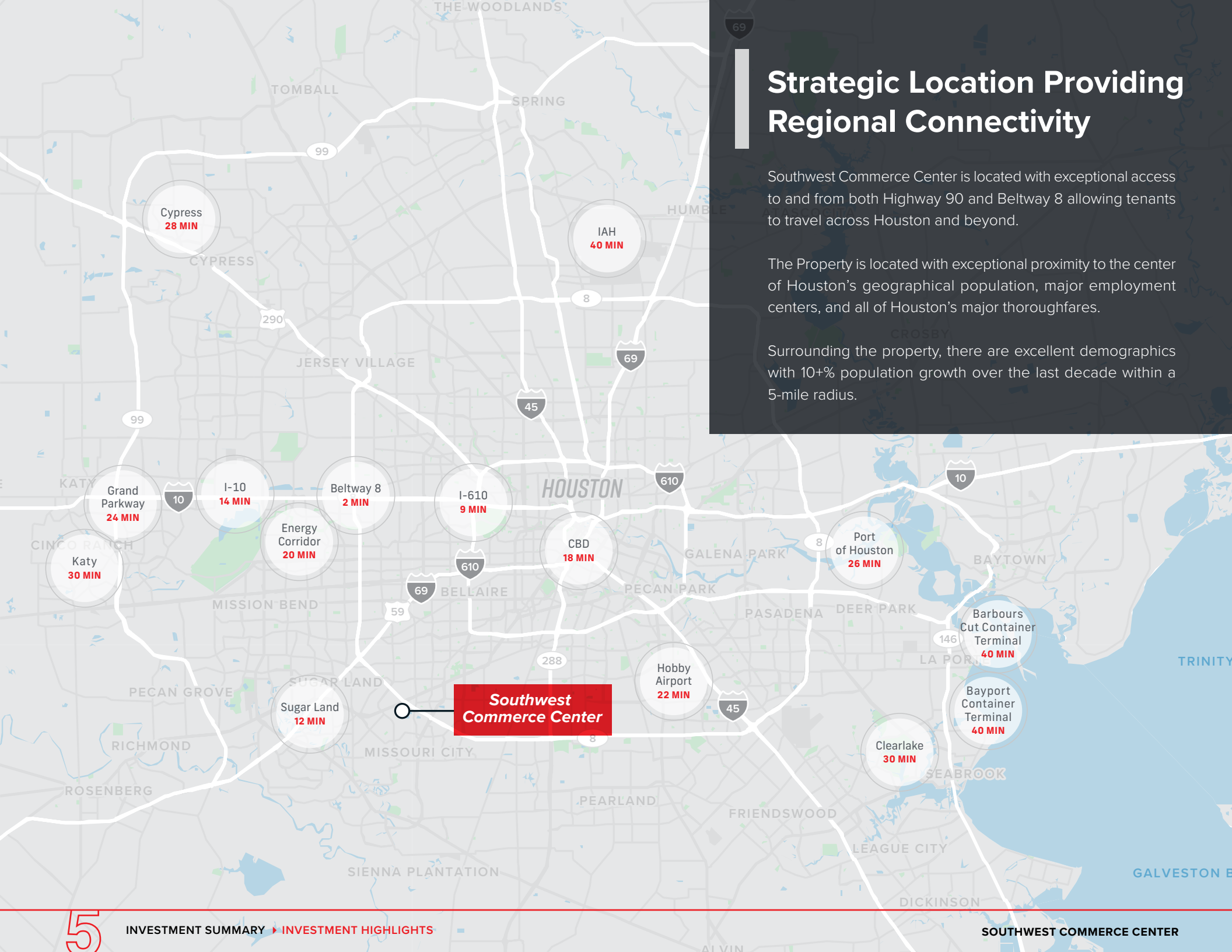
Currently 81.0% leased, the Property provides an excellent value-add opportunity through lease up of the 90,636 square feet of vacancy. Investors have the opportunity to focus on creating value via lease-up and capitalize on the robust leasing momentum in Houston. Leasing activity totaled 40.5 million square feet in 2021, nearly 75% higher than the average of the previous five years. With rents expiring 18% - 19% below market upon expiration, investors also have the opportunity to create value by marking rents to market upon tenant rollover.

Strategic Location Providing Regional Connectivity

Southwest Commerce Center is located with exceptional access to and from both Highway 90 and Beltway 8 allowing tenants to travel across Houston and beyond.

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.

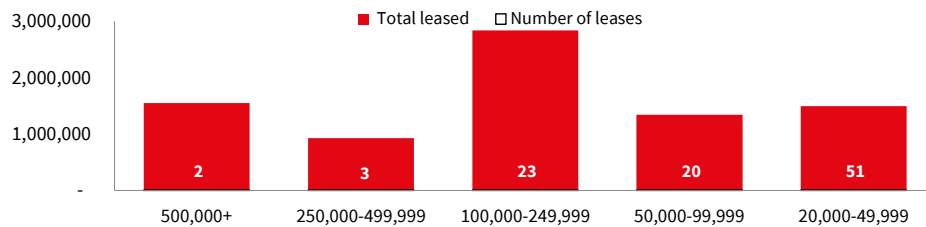
Surrounding the property, there are excellent demographics with 10+% population growth over the last decade within a 5-mile radius.



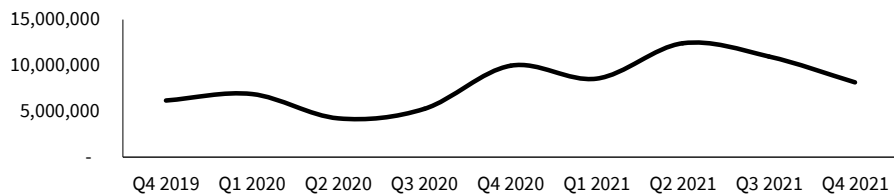
Houston Leasing Velocity

- Leasing activity totaled 40.5 million square feet in 2021, nearly 75% higher than the average of the previous five years
- Another 7.9 million square feet of occupancy gains occurred in Q4, setting a new record by far with 25.3 million square feet of total absorption for the year
- Total vacancy declined for a fourth consecutive quarter, falling to 7.7% in Q4
- 99 total transactions in the quarter and 431 leases in 2021
- Tenants in the market activity indicates that occupier demand will likely remain at above-average levels, helping set a new high watermark for annual occupancy gains in 2021
- Demand is ahead of supply year to date, a trend which will most likely carry through 2022

Leasing Activity By Size QTD



Historical Leasing Activity



Institutionally Preferred Submarket Experiencing Record Setting Absorption

Located in the highly desirable and rapidly growing Southwest submarket, Southwest Commerce Center is well positioned to due to its direct proximity to the dense and continually growing population base of West and Southwest Houston. In a single quarter, the 2.8 million square feet of positive net absorption seen in the Southwest submarket Q3 of 2021 beat the full year record set in 2020 of 2.7 million square feet. This trend continued into Q4 2021 with an additional 396,448 square feet of positive net absorption for a total of 4.4 million square feet of positive net absorption in 2021. Institutional owners such as Trammell Crow Company, CIGNA, Zurich, Artis REIT, Exeter, & Black Creek Group are all owners of Class-A institutional-quality industrial assets proximate to Southwest Commerce Center.



Houston: National 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. Single family home sales for the month of December jumped 25.5% compared to December 2019, leading to record low inventories across the MSA.

Over the past 10 years, Houston has gained 1,284,268 residents, ranking second in the U.S. over that time. For 2020 - 2029, Houston is expected to tack on another 1,242,781 residents, pushing the MSA's population to over 8 million people.

EXPLOSIVE REGIONAL POPULATION GROWTH

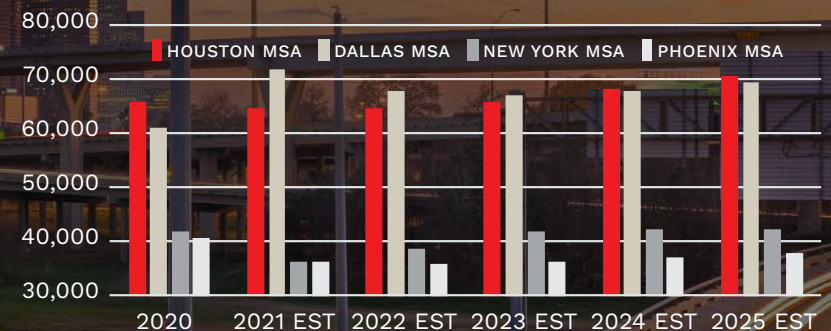
Houston led the nation in Housing Starts in 2020 and is expected to be a leading National MSA for new home starts for the next 5 years.

METROPOLITAN STATISTICAL AREA

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

HOUSING STARTS (MULTI FAMILY & SINGLE FAMILY)



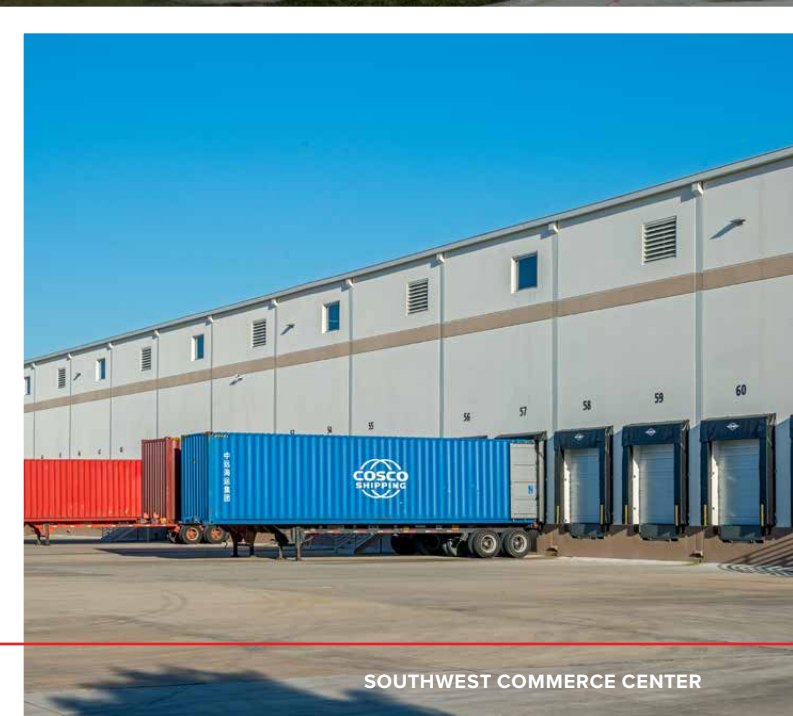
Source: Oxford Economics



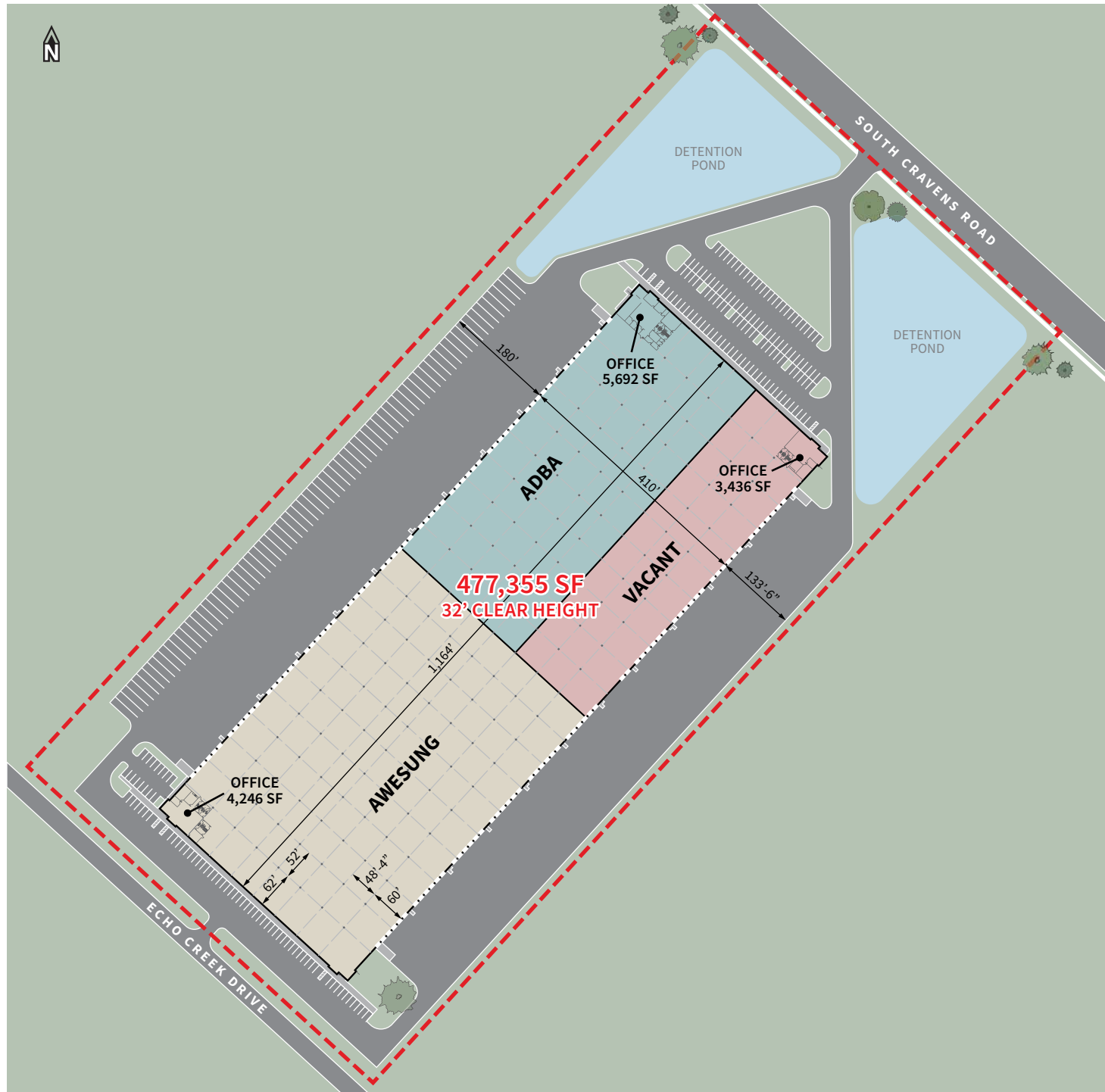
PROPERTY OVERVIEW

PROPERTY DESCRIPTION

Property Name:	Southwest Commerce Center
Address:	611 S Cravens Road Missouri City, TX 77489
Total SF:	477,355 SF
Occupancy:	81%
# Tenants:	2
Loading Configuration:	Cross-Dock
Land Area:	29.18 Acres
Building Construction:	Tilt-Wall
Year Built:	2019
Clear Height:	32'
Building Depth:	410'
Column Spacing:	52' x 48'-4"
Speed Bays:	60'
Truck Court:	133' - 180'
Dock Doors:	129 Doors (includes Drive-In Doors)
Drive-In Doors:	4 Doors
Roof:	TPO
Roof Age:	2019
Roof Warranty:	12.92 Years Remaining
Sprinklers:	ESFR Sprinkler System
Lighting:	LED Lighting (Motion Censored)
Electrical:	1,200 amp 277/480 volt, 3 phase, 4 wire service
HVAC:	Two (2) 12.5 ton units, Two (2) 10 ton units, & One (1) 3 ton unit
WALT:	5.1 Years
Office Finish %:	2.8%
Car Parking:	191 Spaces
Trailer Parking	75 Spaces



Site Plan



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