

THE SHOPPES AT KINGSGATE

KINGWOOD, TX



Property Dashboard

PROPERTY SUMMARY

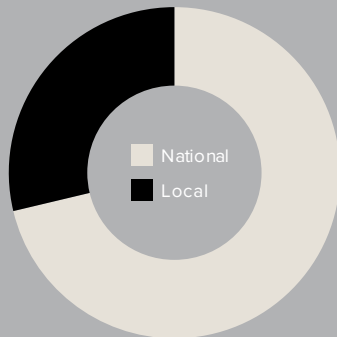
ADDRESS	1113-1387 Kingwood Dr., Kingwood, TX 77339
YEAR BUILT	1980 & 1987
GLA	156,343
LAND AREA	14.78 Acres
IN-PLACE OCCUPANCY	91.9%
PARKING	756 Spaces (4.84:1,000 SF)
TRAFFIC COUNTS	Kingwood Drive: 41,257 VPD

FINANCIAL SUMMARY

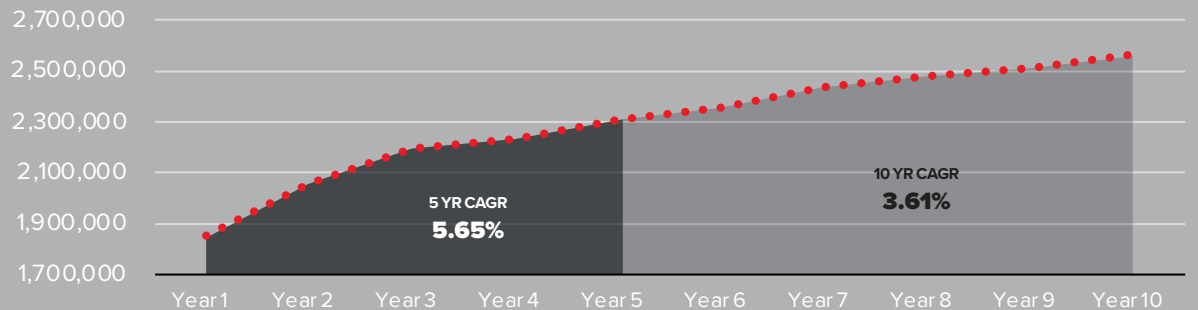
Month 1 Annualized NOI	\$1,837,288
WTD. AVERAGE TENURE	4.5 Years
WTD. AVERAGE REMAINING LEASE TERM	7.2 Years
ROLLOVER SUMMARY	
WITHIN 2 YEARS OF OPERATION	11.1%
WITHIN 5 YEARS OF OPERATION	48.46%
Percent Below Market Rents	26.6%

Tenant	Suite	NRA	% of Property
Aldi	1387	18,533	11.9%
Binh's Tailor	1117	1,000	0.6%
CareATC	1331	1,820	1.2%
Cell Doc	1113	800	0.5%
Cilantro's	1377	3,000	1.9%
Dollar Tree	1385	9,500	6.1%
Donald's Donuts	1381	1,400	0.9%
Essential Skin Care	1259	1,265	0.8%
Fit in 42	1267	3,533	2.3%
Fur Babies	1303	5,843	3.7%
Hearing Aid Express	1247	1,435	0.9%
Jason's Deli	1275	4,000	2.6%
Liberty Tax	1309	1,050	0.7%
Mencius Gourmet Hunan	1379	3,250	2.1%
Mr. Gattis Pizza	1345	5,550	3.5%
On The Park	1271	5,000	3.2%
Schlotzky's	1263	1,820	1.2%
Painted Tree	1153	37,528	24.0%
State Farm Agent	1329	1,820	1.2%
The Mint National Bank	1213, 1215, 1223	6,518	4.2%
Thrive Nutrition	1327	1,925	1.2%
Tiger - Rock Martial Arts	1313	2,450	1.6%
Tina Nails	1245	1,075	0.7%
Trademark Kitchens	1133	3,240	2.1%
Tuesday Morning	1375	17,538	11.2%
Wells Fargo Bank	1319	2,710	1.7%
Total Occupied GLA		143,603	91.9%
Total Vacant GLA		12,740	8.1%
Total GLA		156,343	100.0%

TENANT BREAKDOWN



PROFORMA NOI



Investment Highlights



Currently 91.9% leased, purchasers will have the opportunity to increase NOI via lease-up



In-Place Rents are an estimated **26.6% below today's market rates**



Grocery anchored by rapidly expanding global grocery brand ALDI which is on track to become the third largest grocer in the U.S. by store count in 2022



Located at the gateway to Kingwood with excellent visibility to over 41,000 vehicles per day along Kingwood Drive, the most heavily trafficked thoroughfare in Kingwood



Stable in-place cash flow with **7.2 years of remaining WALT**



Surrounded by the thriving Kingwood community with a 45,975 residents within a 3-mile radius and affluent demographics.



The center has captured over **65,000 SF of new leases** since the beginning of 2021



Situated in a heavily underserved retail market.



Heavily Under Served Retail Market

KINGWOOD VS THE WOODLANDS

Positioned 27 miles north of downtown Houston, Kingwood is one of the largest, most established, and enduringly popular master-planned developments in the Houston MSA. The heavily wooded, 14,000-acre development has over 500 acres of private parks and nature preserves and 75 miles of greenbelt. Despite its affluent demographics which are comparable to the well known community of The Woodlands, Kingwood has less than half of the retail per capital as displayed in the ratios compared below.

KINGWOOD DEMOGRAPHICS

Population	3-Mile
2021 Estimate	65,270
Annual Growth Rate 2021-2026	0.95%
2021 Est. Avg Household Income	\$132,619
Retail Centers	31
SF of Retail	1,144,496
Retail SF Per Capita	17.5
Residents Per SF of Retail Property	2,105:1

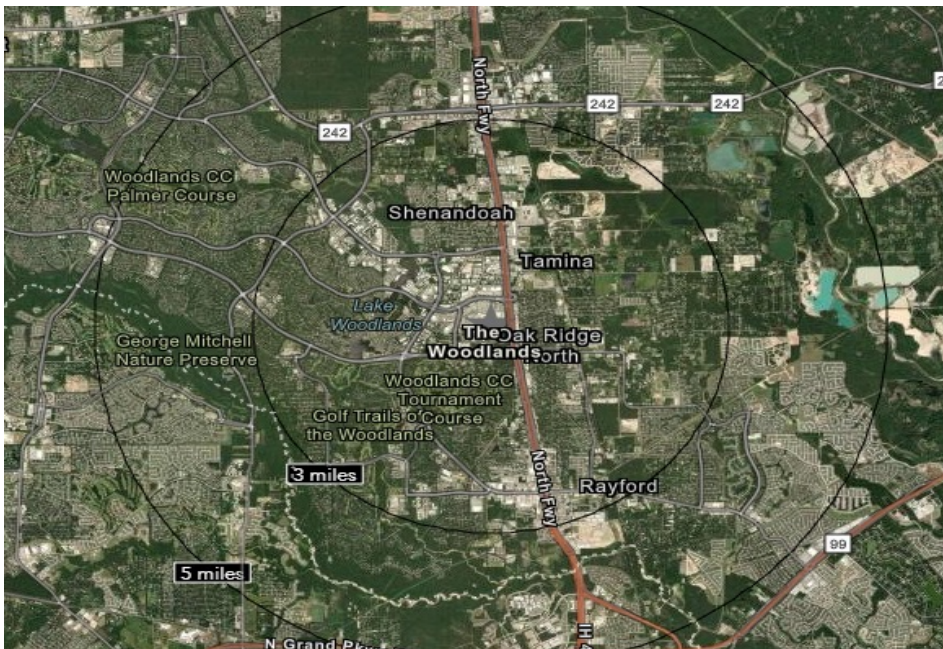
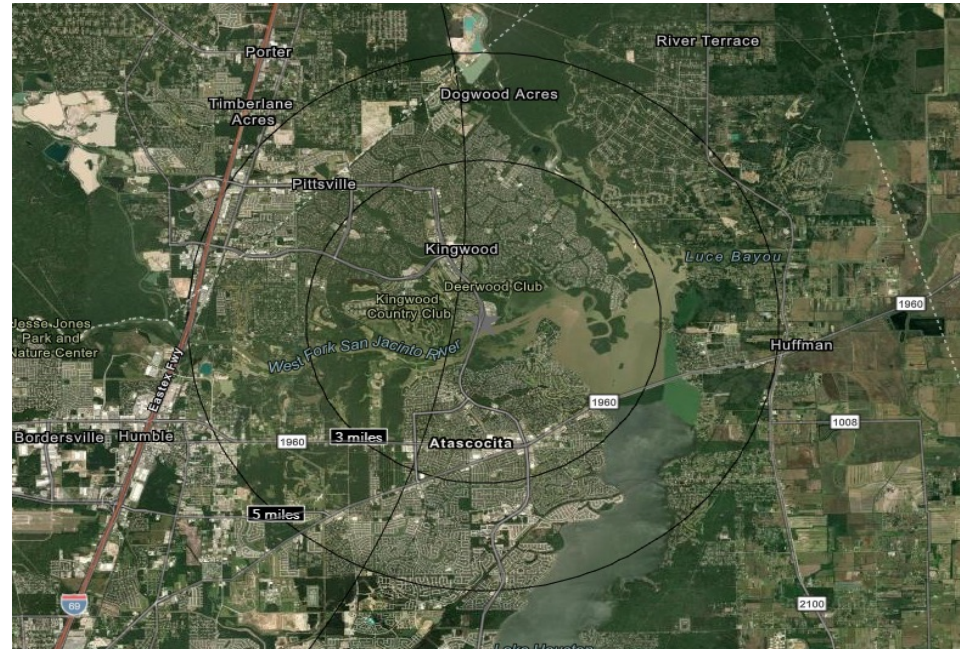
Population	5-Mile
2021 Estimate	160,323
Annual Growth Rate 2021-2026	1.89%
2021 Est. Avg Household Income	\$119,397
Retail Centers	49
SF of Retail	1,717,613
Retail SF Per Capita	10.7
Residents Per SF of Retail Property	3,272:1

THE WOODLANDS DEMOGRAPHICS

Population	3-Mile
2021 Estimate	66,497
Annual Growth Rate 2021-2026	2.49%
2021 Est. Avg Household Income	\$131,801
Retail Centers	66
SF of Retail	2,874,240
Retail SF Per Capita	43.2
Residents Per SF of Retail Property	1,008:1

Population	5-Mile
2021 Estimate	162,653
Annual Growth Rate 2021-2026	2.40%
2021 Est. Avg Household Income	\$137,052
Retail Centers	91
SF of Retail	3,785,729
Retail SF Per Capita	23.3
Residents Per SF of Retail Property	1,787:1

Kingwood vs The Woodlands



Houston Retail Overview

Houston's retail market remained resilient in 2021 with vacancy closing in on pre-Covid levels and two consecutive quarters of strong net absorption. The pandemic has proven the adaptability of the metro's retail sector as stores evolved to meet the digital and physical demands of consumers. Big-box retailers continued to expand the definition of omnichannel, leveraging successes in curbside and in-store pick-up to increase the diversity of these offerings. Boutique-style retailers remain focused on creating an experience to drive foot traffic

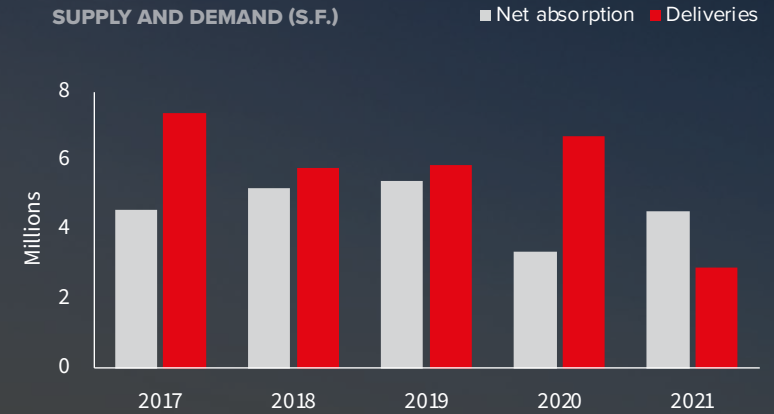
New supply additions were muted in the second half of the year, recording some of the lowest quarters for deliveries in the metro's history. This is not unique to Houston, though, as other Texas markets like Dallas and Austin also experienced a decrease in completions. A number of factors are at play, including a fall-off in new construction starts during the height of the pandemic and rising materials costs as supply chain struggles persist.

Many restaurants and retailers are confidently moving forward with growth plans, and fundamentals should continue to strengthen in the coming quarters. With Montrose Collective, MKT, and Regent Square already opened this year, the live-work-play community continues to drive foot traffic and strengthen the local market. Construction activity is increasing, bringing both pure retail and creative new mixed-use projects to the market in late 2022 and 2023.

Q4 KEY FUNDAMENTALS

TYPE	INVENTORY (S.F.)	TOTAL VACANCY	NET ABSORPTION (S.F.)	AVG. ASKING RENT (P.S.F.)	% RENT CHANGE Y-O-Y
General Retail	157,460,108	3.50%	420,509	\$21.06	0.00%
Malls	31,376,973	7.10%	178,520	\$30.72	0.70%
Power Centers	30,536,131	5.40%	100,233	\$16.10	7.80%
Shopping Centers	157,082,691	8.30%	541,425	\$17.77	2.70%
Specialty Center	2,371,010	1.80%	65,105	\$18.32	-8.80%
Totals	378,826,913	5.90%	1,305,792	\$19.00	3.10%

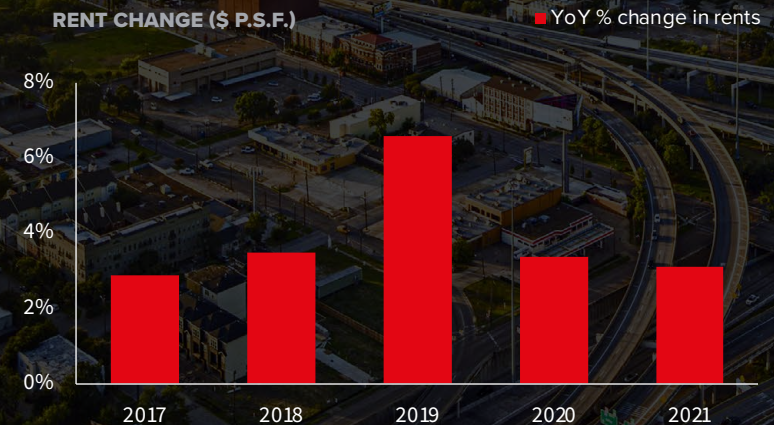
SUPPLY AND DEMAND (S.F.)



TOTAL VACANCY (%)



RENT CHANGE (\$ P.S.F.)

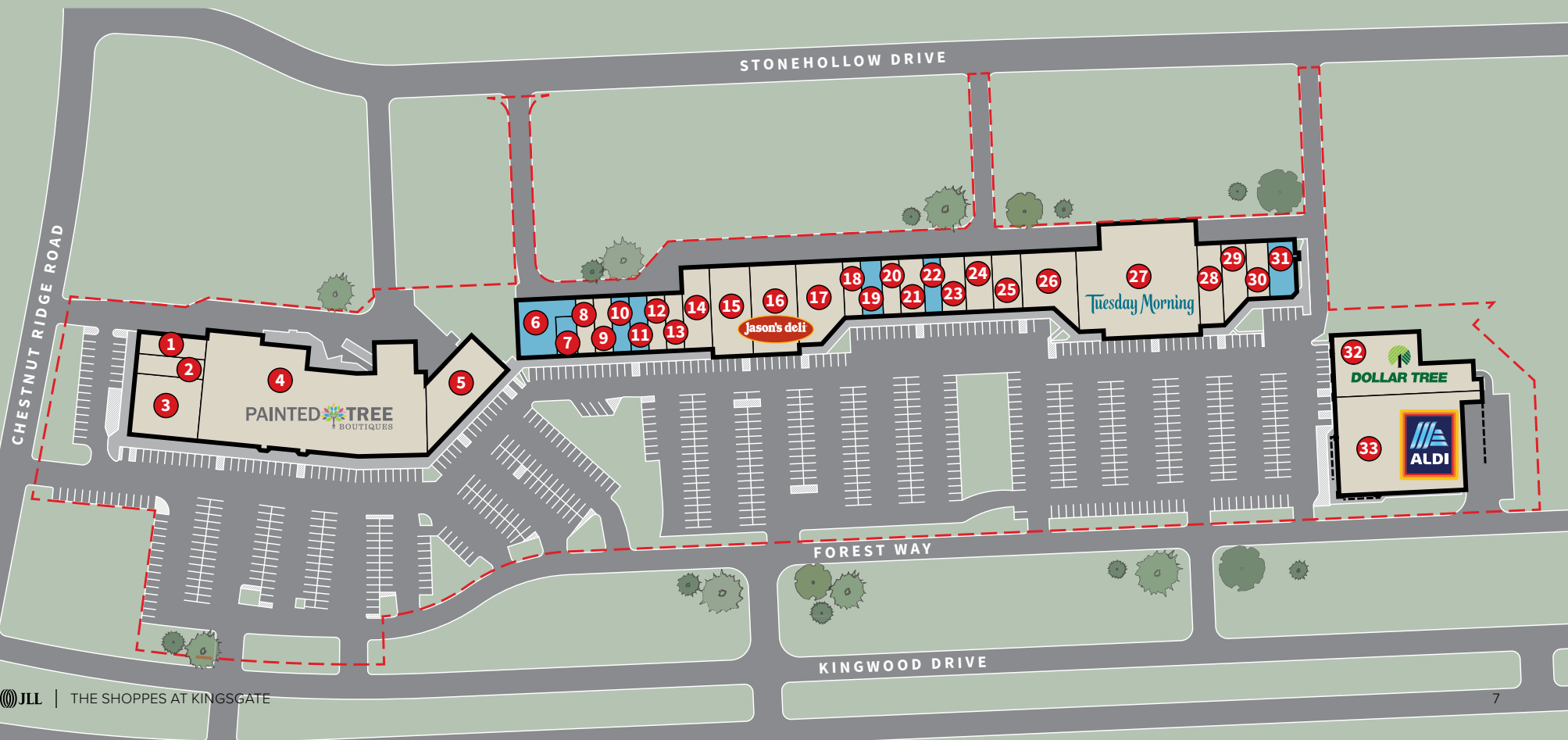


Site Plan

NO.	TENANT	SF
1	Cell Doc	800
2	Binh's Tailor	1,000
3	Trademark Kitchens & Baths	3,240
4	Painted Tree	37,528
5	The Mint National Bank	6,518
6	AVAILABLE	3,686
7	AVAILABLE	1,510
8	Tina Nails	1,075
9	Hearing Aid Express	1,435
10	AVAILABLE	1,400
11	AVAILABLE	1,400

NO.	TENANT	SF
12	Essential Skin Care	1,265
13	Schlotzsky's	1,820
14	Fit in 42	3,533
15	On the Park	5,000
16	Jason's Deli	4,000
17	Fur Babies	5,843
18	Liberty Tax	1,050
19	AVAILABLE	1,400
20	Tiger-Rock Martial Arts	2,450
21	Wells Fargo Bank	2,710
22	AVAILABLE	1,228

NO.	TENANT	SF
23	Thrive Nutrition	1,925
24	State Farm	1,820
25	CareATC	1,820
26	Mr. Gatti's Pizza	5,550
27	Tuesday Morning	17,538
28	Cilantro's	3,000
29	Mencius Gourmet Hunan	3,250
30	Donald's Donuts	1,400
31	AVAILABLE	2,116
32	Dollar Tree	9,500
33	ALDI	18,533



Aerial



DOWNTOWN HOUSTON

BOOT BARN
ROSS
DRESS FOR LESS
Total Wine & More petco

Costco
WHOLESALE
Target
Kohl's

IAH
GEORGE BUSH
INT'L AIRPORT

WEST FORK
HIGH SCHOOL

HCA Houston
Healthcare
Kingwood

BEST BUY
buybuy BABY
DICK'S
SPORTS & OUTDOORS
WORLD MARKET
BED BATH & BEYOND

LOWE'S

119,499 VPD

SPEC'S
BR baskin
robbins

Walgreens

CVS

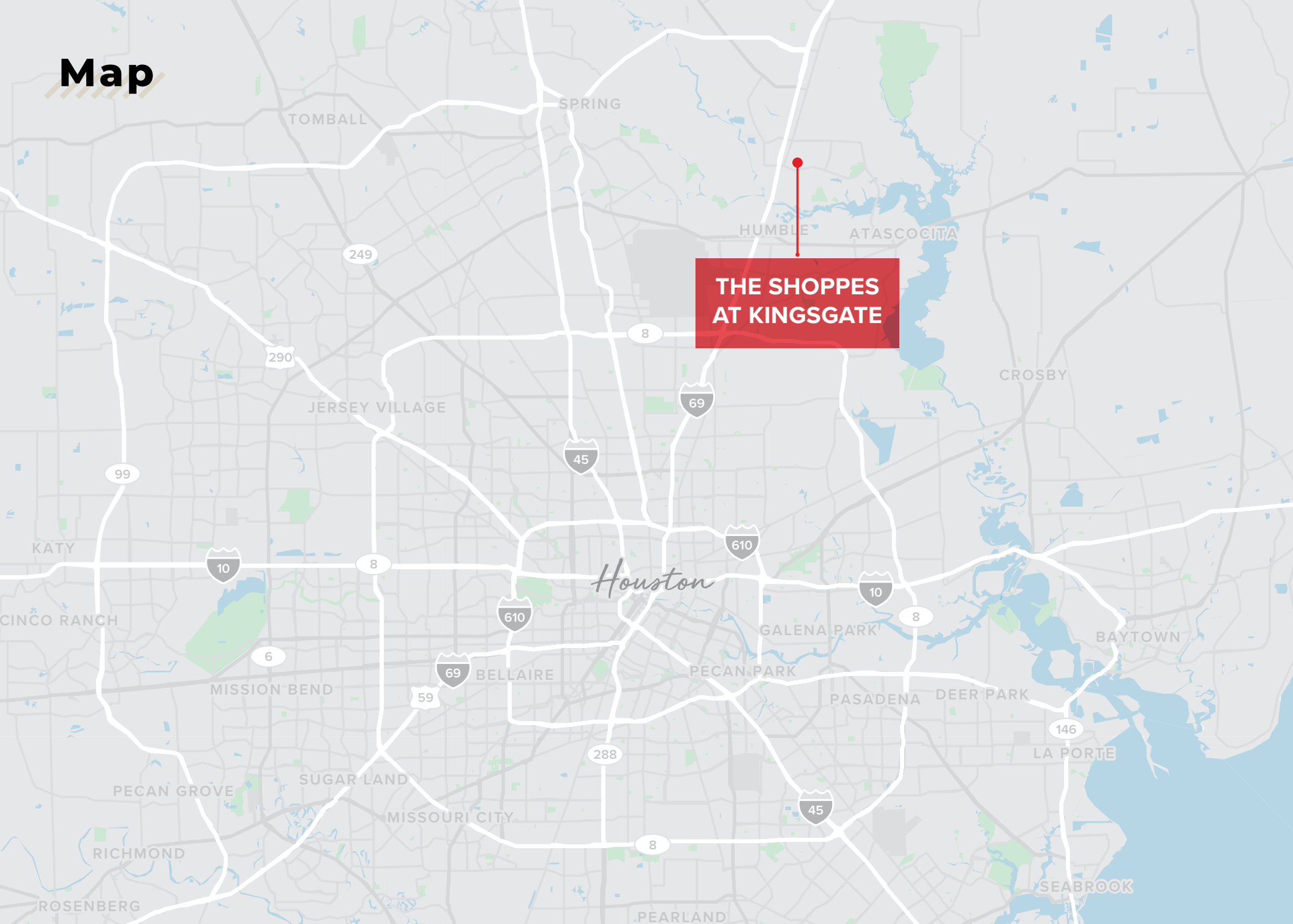
**THE SHOPPES
AT KINGSGATE**

chico's **GameStop**
Pizza Hut **petco**
ME Massage Envy **J'S. A. BANK**

Inspireity

KINGWOOD DR | 41,257 VPD

Map





Location Overview

ACCESS TO INTERSTATE 69 AND FM 1960

PROXIMATE TO GEORGE BUSH
INTERCONTINENTAL AIRPORT AND THE
PORT OF HOUSTON

8.6% PROJECTED POPULATION GROWTH
WITHIN A 5-MILE RADIUS IN THE NEXT 5
YEARS

AVERAGE HOUSEHOLD INCOME OF OVER
\$106,000 WITHIN 5 MILES

UNMATCHED VISIBILITY AND ACCESS
FROM THE AREA'S MAIN NORTH/SOUTH
THOROUGHFARE

STRONG SUSTAINABLE DEMAND FROM
ONE OF THE LARGEST MASTER-PLANNED
COMMUNITIES IN TEXAS

SUPERIOR RETAIL TRADE AREA

Positioned 27 miles north of downtown Houston, Kingwood is one of the largest, most established, and enduringly popular master-planned developments in the Houston MSA. The heavily wooded, 14,000-acre development has over 500 acres of private parks and nature preserves and 75 miles of greenbelt. The local area as a whole is well-known for its forested beauty and high quality of life with exemplary schools and wide variety of outdoor and water-based recreational opportunities near the 11,854-acre Lake Houston. Kingwood proper has grown to house a diverse residential population of about 65,000 present-day and is a thriving commercial center with abundant retail and dining opportunities.

BARRIERS TO ENTRY

Known as the "Livable Forest," Kingwood is the largest master-planned community in Harris County and second-largest within the 10-county Houston metropolitan area. The "suburban infill" nature of this site which is along one of the community's main thoroughfares and surrounded by Kingwood's affluent neighborhoods, combined with a lack of remaining developable land, allows investors to benefit from strong barriers to entry that will limit competition.

Local Demographics Snapshot	1-mile	3-mile	5-mile
Population (2010)	9,926	38,862	118,440
Population (2021)	11,350	45,975	146,082
Population (2026)	12,526	49,757	158,715
Population Growth (2010-2021)	14.3%	18.3%	23.3%
Population Growth (2021-2026)	10.4%	8.2%	8.6%
2021 Total Households	5,031	18,714	53,287
2021 Average Household Income	\$96,154	\$98,894	\$106,743
Total Consumer Spending (2021)	\$271 Million	\$1.04 Billion	\$3.18 Billion
Average Home Value	\$288,090	\$283,938	\$290,117
Median Age	38.8	38.4	35.6
Average Household Size	2.25	2.45	2.73

Houston Overview

GEOGRAPHY

9 COUNTIES
in the Houston MSA

10,000
square miles
larger than the state of NJ

POPULATION & DEMOS

7.2 MILLION
residents in the Houston MSA

2.5 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

\$472.1

BILLION GDP [2019]

EMPLOYMENT



3.0 MILLION JOBS IN THE HOUSTON MSA
more than 35 states and nearly a quarter of
Texas' entire employment base

168,400
RECOVERED AS OF MARCH

140,000
NEW JOBS CREATED YEAR-OVER-YEAR
(MAY 2021)

80,000
NEW JOBS FORECASTED IN 2021

CORPORATE HEADQUARTERS

24 FORTUNE 500
companies call Houston home

3RD LARGEST
NUMBER OF FORTUNE 1000
companies in the nation

3RD LARGEST
NUMBER OF FORTUNE 500
companies in the nation

GLOBAL TRADE CITY

LARGEST GULF COAST
CONTAINER PORT

73



FOREIGN-OWNED FIRMS

1ST IN IMPORT AND EXPORT

1ST 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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