



GALLERIA PARK

CONFIDENTIAL OFFERING MEMORANDUM

THE OFFERING

JLL Capital Markets, as exclusive advisor to the owner, is pleased to present for sale a 100% fee simple interest in **Galleria Park** (“the Property”), an irreplaceable office campus consisting of two office towers with adjoining retail space totaling 398,637 square feet. Galleria Park is strategically located on 5.71 acres in the heart of the Galleria at the intersection of Westheimer and Sage, across the street from the prestigious Galleria Mall and in close proximity to some of Houston’s most prestigious business centers and residential neighborhoods. Between the current and prior ownership, close to \$25M of non-leasing capital was invested in the project to upgrade building systems, common areas, lobbies and landscaping allowing a new investor the ability to focus time and capital solely on the lease-up of vacant space. Galleria Park offers tenants the combination of an unmatched onsite amenity base, walkability to 3 adjacent hotels (Hyatt Regency, Hyatt Place and Doubletree) and the Galleria Mall along with rental rates and deal structures few buildings can match. Galleria Park represents a unique opportunity to acquire an institutional-quality, Class-A value add office campus in Houston’s most preferred institutional submarket.

PROPERTY OVERVIEW

| | GALLERIA PARK I | GALLERIA PARK II | SAGE RETAIL |
|----------------------|------------------------|----------------------|----------------|
| ADDRESS | 5251 Westheimer Road | 5333 Westheimer Road | 2620 Sage Road |
| RENTABLE SF | 213,700 SF | 178,468 SF | 6,469 SF |
| % LEASED | 31.6% | 27.6% | 0.0% |
| PARKING RATIO | 3.8 Spaces/1,000 SF | 3.4 Spaces/1,000 SF | N/A |
| STORIES | Eleven (11) + Basement | Ten (10) + Basement | One (1) |
| WALT | 2.2 Years | 5.4 Years | N/A |



Rich's

100

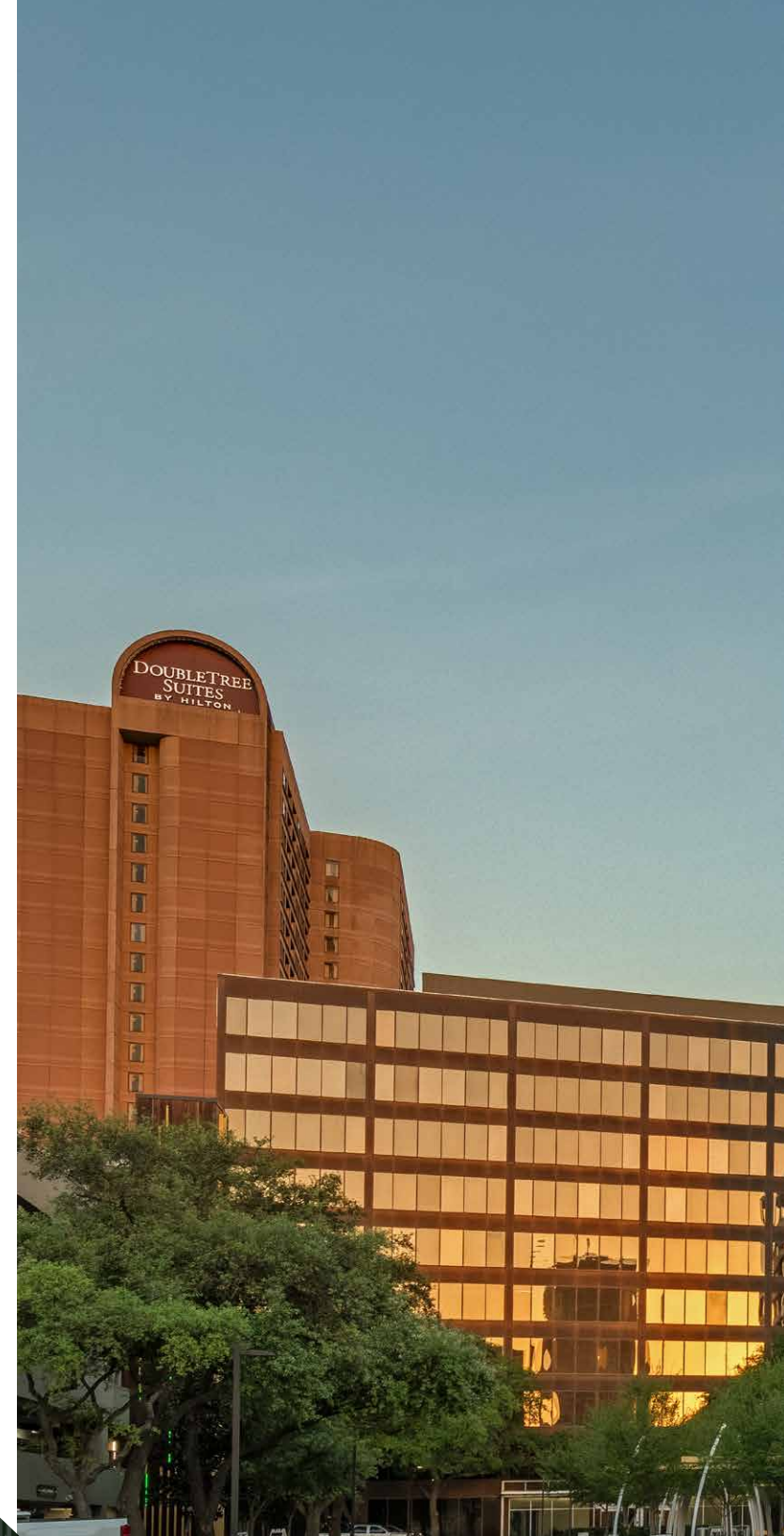
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OFFERED AT A SUPERIOR BASIS SIGNIFICANT DISCOUNT TO REPLACE COST

Galleria Park is offered at a basis that will be lower than any competing property in the submarket. The asset is offered at a fraction of current replacement cost, which exceeds \$500/SF, and will be one of few buildings to reset the basis in the submarket. Resetting the basis of Galleria Park to a fraction of its competition will allow an investor the opportunity to lease the vacant space at rental rates and deal term structures that other buildings will not be able to match. Additionally, given current ownership's recent investment in non-leasing capital expenditures, new ownership can focus exclusively on value-enhancing leasing capital.

POTENTIAL FUTURE DEVELOPMENT WITHIN CORE INFILL HOUSTON

Galleria Park offers investors a rare development opportunity within the dense, urban core of Houston, at an attractive basis compared to similar land sales in the area at \$150 to \$250 PSF. The Property sits just blocks from Houston's most concentrated amenity cluster and adjacent to the city's most sought after residential neighborhoods. The existing buildings sit on 5.71 acres of premier land with valuable frontage on Westheimer and Sage. (See JLL data room for comparable land sales).





INSTITUTIONAL-QUALITY, CLASS A ASSETS WITH SIGNIFICANT RECENT CAPITAL INVESTMENT

Located in the heart of the Houston Galleria, the Property was acquired by the current owner in 2015. Since then, the buildings have been maintained to the highest quality as evidenced by ownership spending over \$15 million on capital improvements. The buildings feature a redesigned Grand Lawn, activating the ample green space and incorporating the mature Live Oak trees on the property, newly renovated lobbies with stylish natural finishes, a new fitness center complete with locker rooms, conference center with multiple conference rooms, a new tenant lounge with comfortable seating and upscale meeting space, and linear LED lighting for a bright, warm feel. The continued upgrading of all buildings systems along with the addition of a new garage elevator for the GP I parking garage eliminate the need for any deferred maintenance from new ownership. With unmatched city views and prominent visibility, Galleria Park is a staple office park in the Houston Galleria submarket with proven dedication by current ownership.

| | |
|---|---------------------|
| EXTERIOR AMENITIES - THE GRAND LAWN | \$4,994,722 |
| PARKING GARAGE - GPI TUNNEL/ TOWER / LIGHTING / VALET MODULES | \$2,713,276 |
| CURTAINWALL REPAIRS / RETAIL INFRASTRUCTURE / DOOR REPLACEMENTS | \$2,320,401 |
| GPII LL AMENITIES - FITNESS CENTER / CONFERENCE CENTER | \$1,848,078 |
| LOBBY & CORRIDOR RENOVATIONS | \$1,382,777 |
| ELEVATORS - MODIFICATION GPI; GARAGE ELEVATOR TOWER/NEW CABS | \$1,097,004 |
| SPACE POSITIONING - WHITE BOX / SPEC SUITE PROGRAMS / BANK DEMO | \$453,981 |
| BUILDING SYSTEM UPGRADES | \$440,482 |
| SIGNAGE - MONUMENTS / DIRECTORIES | \$141,793 |
| TOTAL | \$15,392,514 |

INSTITUTIONALLY PREFERRED SUBMARKET FOR HOUSTON OFFICE INVESTORS

The submarket is a “must have” location for tenants and owners alike due to its proximity to Houston’s continued westward population growth. The Property is surrounded by some of the most renowned institutional owners in the country due to its premier Galleria location. Surrounding owners include:

nuveen
A TIAA Company

 **MetLife**

BlackRock

CPP  **Investments**

Allianz 


Invesco

AIP
ASSET MANAGEMENT


AZRIELGROUP

 **PARKWAY**

WORLD-CLASS AMENITIES



Galleria Park offers tenants convenient on-site amenities that join modern design, sophisticated technology, and smart spaces that allow teams to grind without ever feeling worn down. The Property's world-class amenities include:

**3,700 SF STATE-OF-THE-ART FITNESS CENTER WITH COUNTRY CLUB
QUALITY LOCKER ROOMS**

**IRREPLACEABLE OUTSIDE GREENSPACE WITH LIVE OAKS AND RICH,
GREEN GRASS**

**2,000 SF CONFERENCE CENTER WITH MODERN INTEGRATED
TECHNOLOGY**

**TWO CUSTOM COMMUNITY PAVILIONS MADE OF ROLLED
STEEL AND PINE**

**AMPLE GARAGE SPACE WITH SCULPTURAL EXTERIOR GARAGE
ELEVATOR SHAFT**

10,000 SF OF OUTDOOR RECREATION/EVENT SPACE

GROUND LEVEL DINING WITH PATIO SEATING





STRATEGIC LOCATION SURROUNDED BY PREMIER AMENITIES

Galleria Park offers investors an irreplaceable, urban-infill investment opportunity located within Houston's most desired submarket. The Property is surrounded by a surplus of dining, retail, entertainment, and fitness options as illustrated by the Property's "very walkable" walk score of 79, indicating most errands can be accomplished on foot.

GALLERIA PARK » INVESTMENT HIGHLIGHTS

BLVD PLACE
 True Food Kitchen
 North Italia
 Whole Foods
 The Original Ninfa's Uptown
 Rooftop Cinema Club

UPTOWN PARK
 Etoile Cuisine Et Bar
 Flower Child
 Uptown Sushi
 McCormick & Schmicks

RIVER OAKS DISTRICT
 The Tuck Room
 Steak 48
 Le Colonial
 Loch Bar
 Seasons 52
 Ouzo Bay
 Toulouse
 Bosscat Kitchen
 Eloise Nichols Grill
 MAD

Beck's Prime
 Jason's Deli
 Sleek Cafe

GALLERIA PARK

Pappa's Burgers
 Pappa's Steakhouse

Truluck's
 The Capital Grill
 Hyatt Place

1093

Chacho's
 The Melting Pot
 Lambo Chinese
 Chili's
 The Toasted Yolk

Ruth's Chris
 Steak House

THE GALLERIA
 Nobu
 Del Frisco's
 DoubleTree Hotel
 Fig and Olive
 Musaafer

Diablo Loco
 Prospect Park
 Sam's Boat
 Mary's Mediterranean
 Cuisine



JW MARRIOTT | 0.1 MILES



PAPPAS BROS. STEAK HOUSE | 0.6 MILES



TRULUCK'S SEAFOOD | 0.2 MILES



DEL FRISCO'S | 0.3 MILES



NOBU | 0.3 MILES



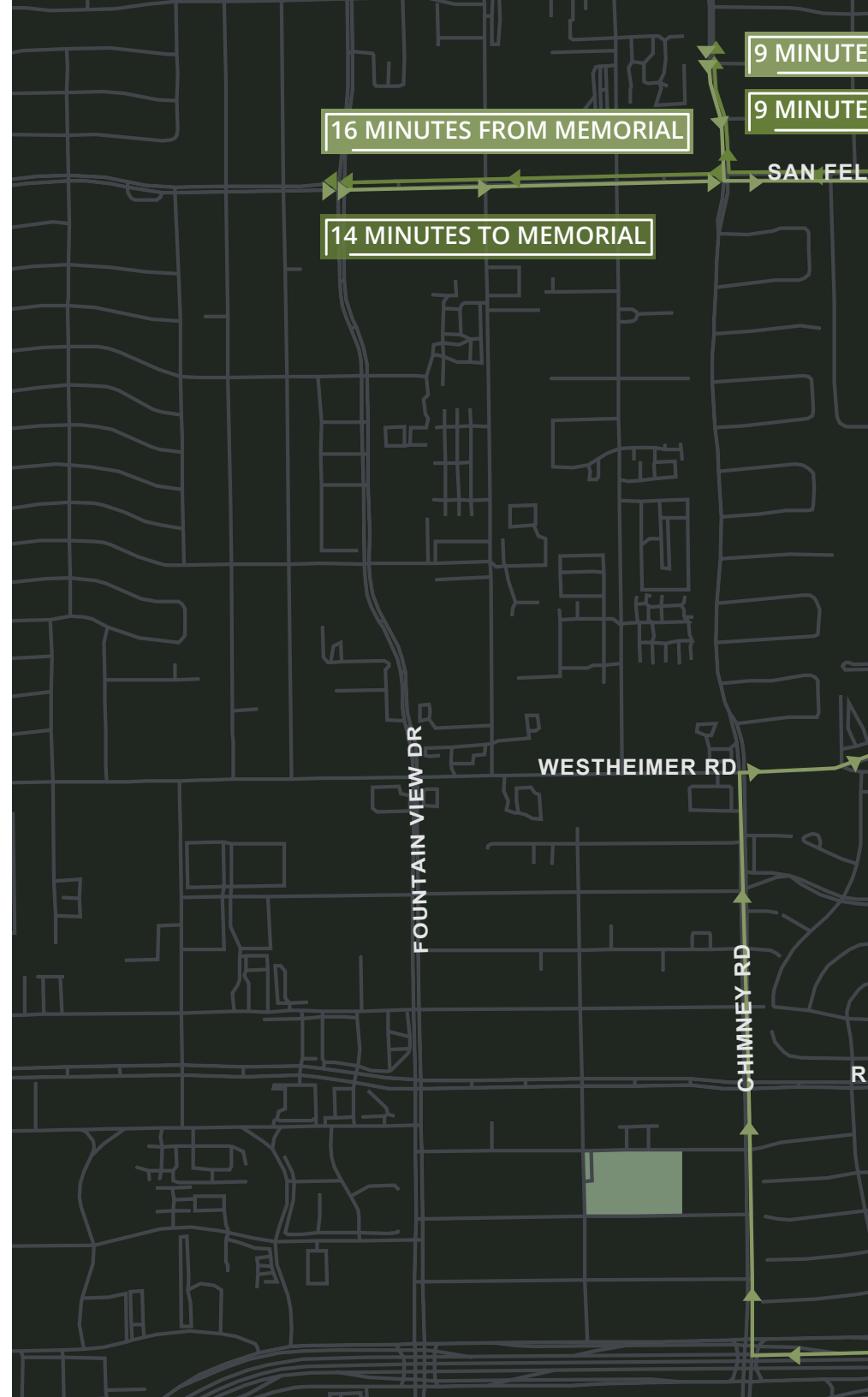
RUTH'S CHRIS STEAKHOUSE | 0.5 MILES

HIGHLY ACCESSIBLE LOCATION

With direct access to Sage and Westheimer Road from the Property's parking structures, tenants and visitors are seamlessly connected to Houston's surrounding neighborhood amenities, and throughfares. Westheimer Road itself is one of Houston's most important infill roadways, offering uninterrupted east-west connectivity through River Oaks and Tanglewood, two of Houston's most affluent residential neighborhoods that are home to many of the city's executives. Through the Property's proximity to Interstate 610 to the north and IH-69 to the south, tenants can easily visit clients and business connections in major employment centers within minutes.

DEMOGRAPHICS

| | 1-MILE | 3-MILE | 5-MILE |
|---|-----------|-----------|-----------|
| 2021 Total Population | 25,503 | 205,809 | 520,860 |
| 2026 Est. Population | 26,534 | 211,128 | 533,550 |
| 2021-2026 Growth Rate | 0.8% | 0.5% | 0.5% |
| 2021 Total Households | 14,731 | 93,520 | 231,896 |
| Avg. Home Value | \$466,242 | \$688,044 | \$492,764 |
| Avg. Household Income | \$132,485 | \$114,749 | \$115,782 |
| Median Age | 38.8 | 36.3 | 36.6 |
| % of Population with Bachelors Degree or Higher | 69% | 52% | 52% |



S FROM TANGLEWOOD

S TO TANGLEWOOD

IPE

GALLERIA PARK

3 MINUTES FROM 610

THE GALLERIA
A SIMON MALL

4 MINUTES TO 610

SAGE RD

POST OAK BLVD



9 MINUTES FROM RIVER OAKS

SAN FELIPE

13 MINUTES TO RIVER OAKS

21 MINUTES FROM DOWNTOWN

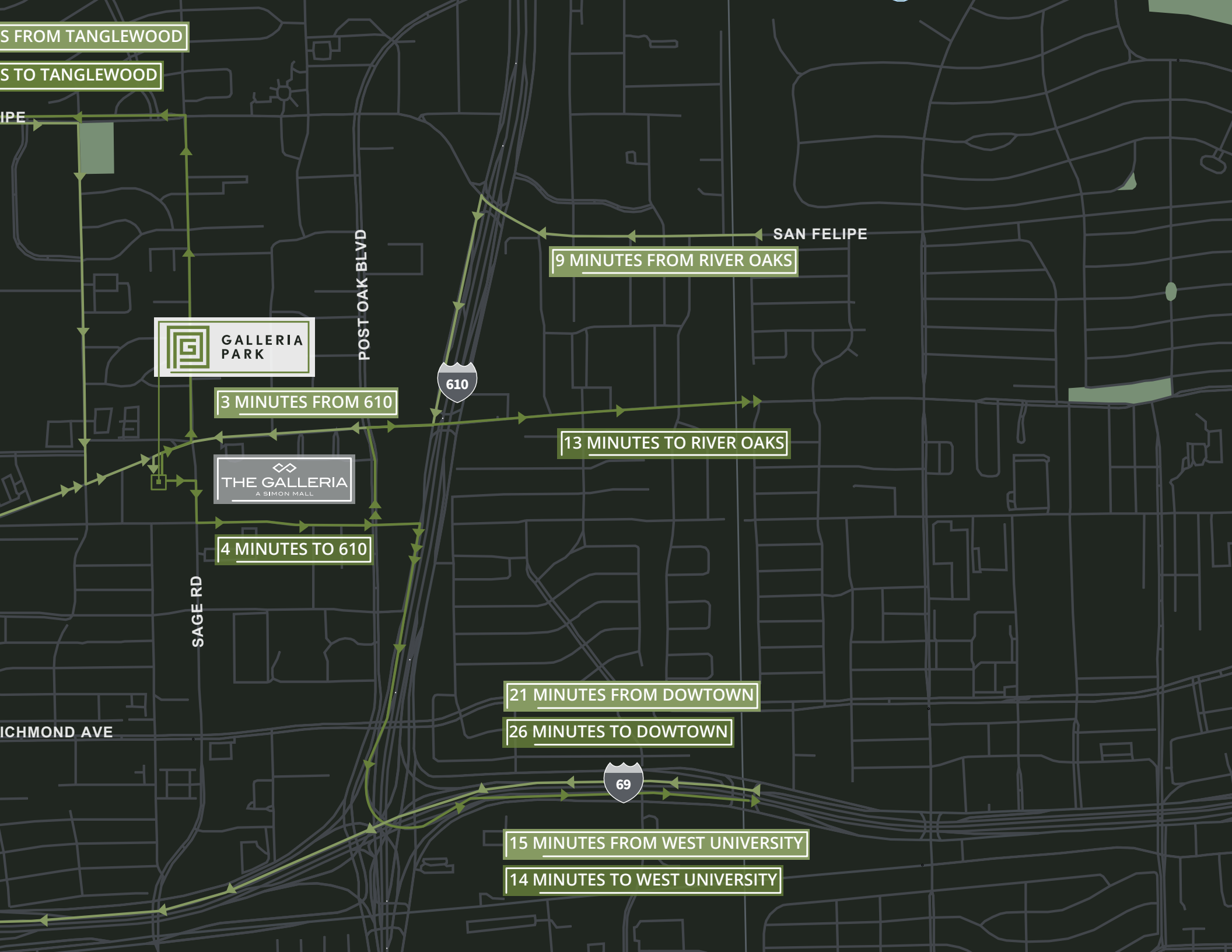
26 MINUTES TO DOWNTOWN

RICHMOND AVE



15 MINUTES FROM WEST UNIVERSITY

14 MINUTES TO WEST UNIVERSITY



NORTH FACING AERIAL

THE MEMORIAL VILLAGES
AVERAGE HOME VALUE
| \$1,344,751 |

5555 SAN FELIPE

TANGLEWOOD
AVERAGE HOME VALUE
| \$1,391,831 |

SAGE PLAZA PARK

5599 SAN FELIPE

ST. MICHAEL CATHOLIC SCHOOL



NOBU



Westheimer Road

West Alabama Street



Sage Road





UPTOWN PARK
THE RUSTIC FLOWER CHILD
URBE ETHAN ALLEN
STREET FOODS OF MEXICO

THE HEIGHTS

DOWNTOWN HOUSTON
| 10 MILES |

1500 POST OAK BLVD

MEMORIAL PARK

RIVER OAKS
AVERAGE HOME VALUE
| \$2,000,000 |

FIVE POST OAK PARK

WILLIAMS TOWER

BERRYHILL FIVE GUYS
BURGERS and FRIES
california PIZZA KITCHEN Panera
PIZZA BREAD

JOEY RESTAURANTS

RIVER OAKS DISTRICT
Cartier TOM FORD
IPIC®

ERIA

TIFFANY & Co. Christian
GUCCI Louboutin
STUART WEITZMAN JO MALONE
SEPHORA LONDON

3040 POST OAK BLVD

GERALD D. HINES
WATERFALL PARK

610

208,000-VRD

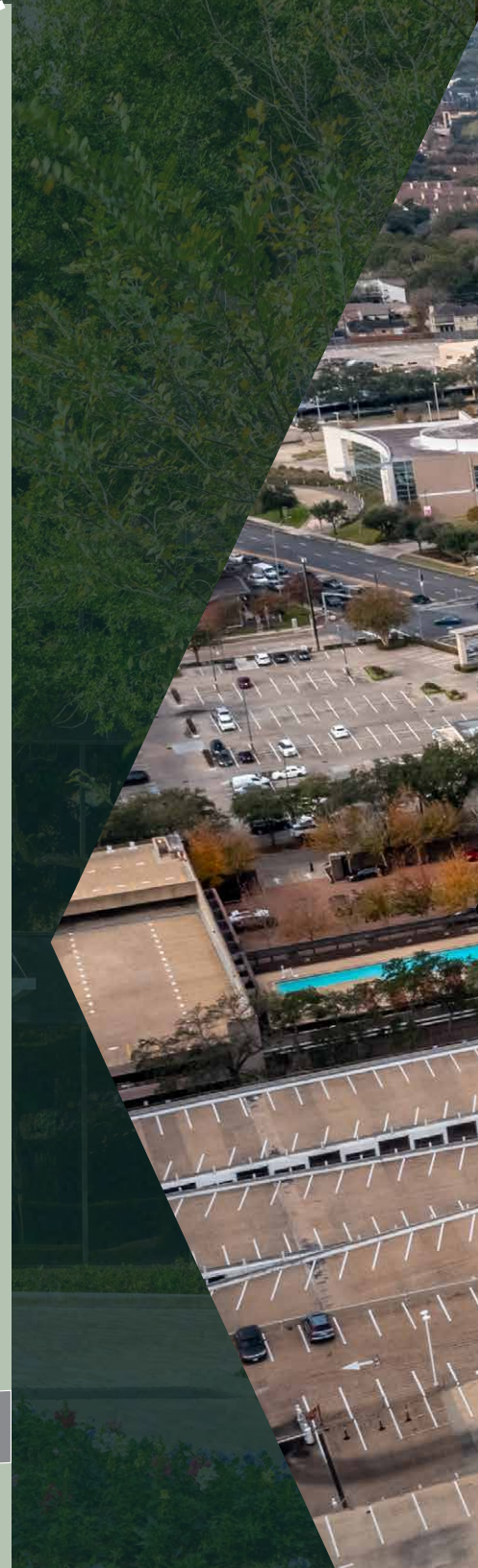
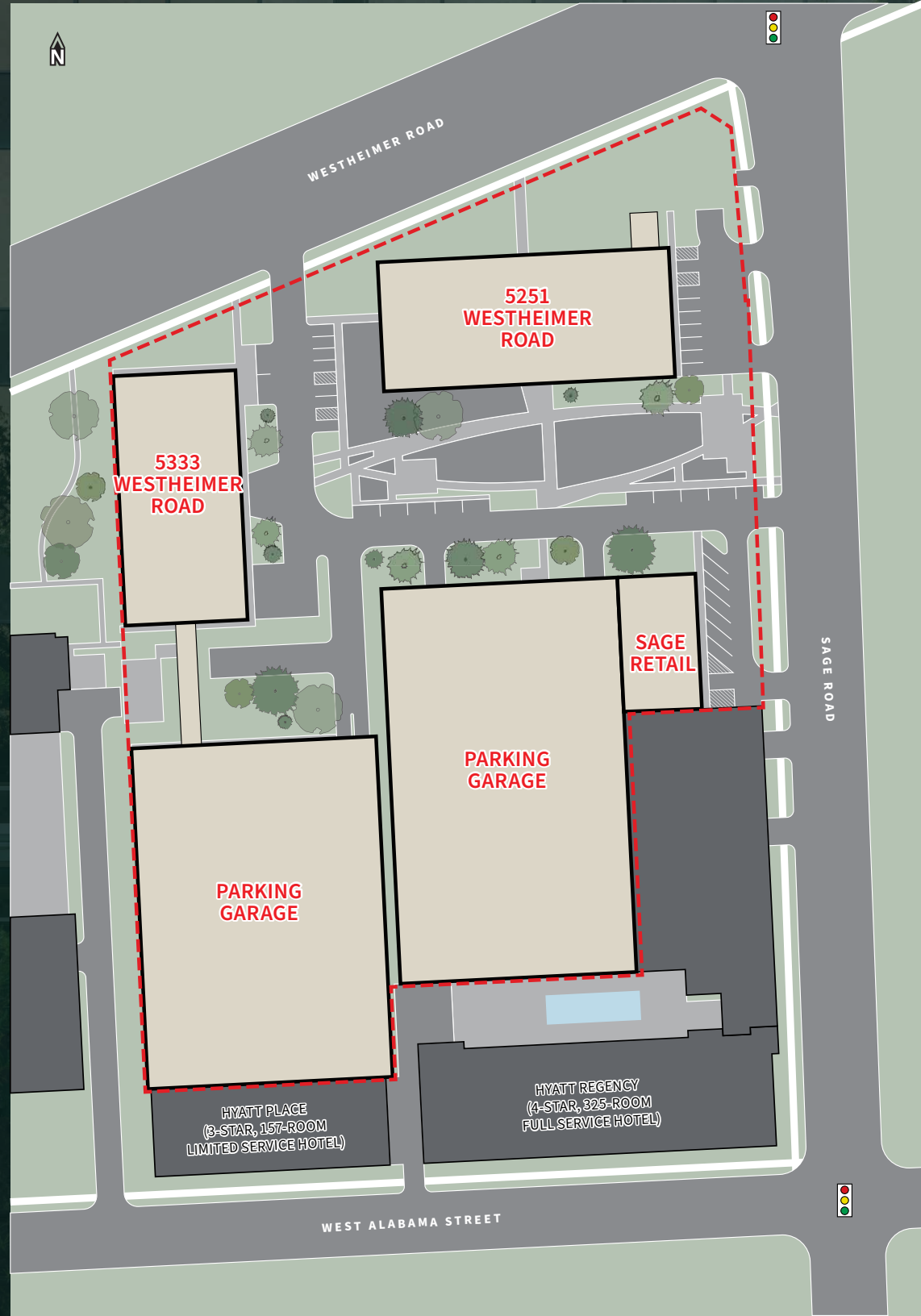
Post Oak Blvd

3000 POST OAK BLVD

3050 POST OAK BLVD

THE LAKES ON
POST OAK

SITE PLAN





GALLERIA PARK II

GALLERIA PARK I

GALLERIA/UPTOWN DISTRICT OVERVIEW

Centrally located and spanning approximately 500 acres, the Galleria/Uptown District is approximately ten miles west of downtown Houston. Anchored by Post Oak Boulevard, alongside Memorial Park, and flanked by the world-famous Galleria, the district is home to over 30 million square feet of commercial office space, six million square feet of retail space, 8,100 hotel rooms, more than 100 restaurants, and a booming residential market. More than 200,000 international business professionals, fashionistas, city dwellers and tourists from around the globe converge in the area daily. Defined by its unique blending of prestigious business and residential addresses with the best shopping, dining and entertainment, the Galleria/Uptown district is one of the world's leading urban districts and hosts more than 30 million visitors annually.

OFFICE

- » One of the largest business districts in the nation, ranked 15th overall in the US in terms of office space, comparable in size to the downtowns of Pittsburgh and Denver.
- » 30.6 million square feet commercial office space, of which 19.6 million square feet is Class A.
- » Signature buildings designed by the world's leading architects including Post Oak Central, Four Oaks Place, Four Leaf Towers, the Galleria and the 64-story Williams Tower are among Houston's most famous architectural landmarks.
- » Home to approximately 2,000 companies with 83,000 employees, representing a variety of diverse industries including prominent energy, financial, information technology, real estate and professional services companies.





RETAIL

- » The Galleria/Uptown District offers more than six million square feet of gross leasable retail space, more than any other retail destination in Houston.
- » With 2.4 million square feet and more than 400 stores and restaurants, The Galleria is ranked as the fourth largest retail complex in the country. The Galleria is anchored by Macy's, Neiman Marcus, Nordstrom, and Saks Fifth Avenue and averages approximately \$900 in sales per square foot.
- » Annual retail sales exceed \$3.6 billion, making it the highest volume of any retail shopping district in the metropolitan area and home to the largest number of couture retailers in the city including Bulgari, Giorgio Armani, Hermes, Versace, and Yves Saint Laurent.
- » With over 100 restaurants, it is the premier dining and entertainment area of Houston.

HOTELS/TOURISM

- » The Galleria/Uptown District is the most sought-after tourist destination in the city, and The Galleria, itself, is the number one shopping and tourist attraction in Houston and the southwest.
- » The area hosts more than 30 million visitors from all over the world each year.
- » It is the largest hotel district in Houston with 38 hotels and more than 8,100 rooms.

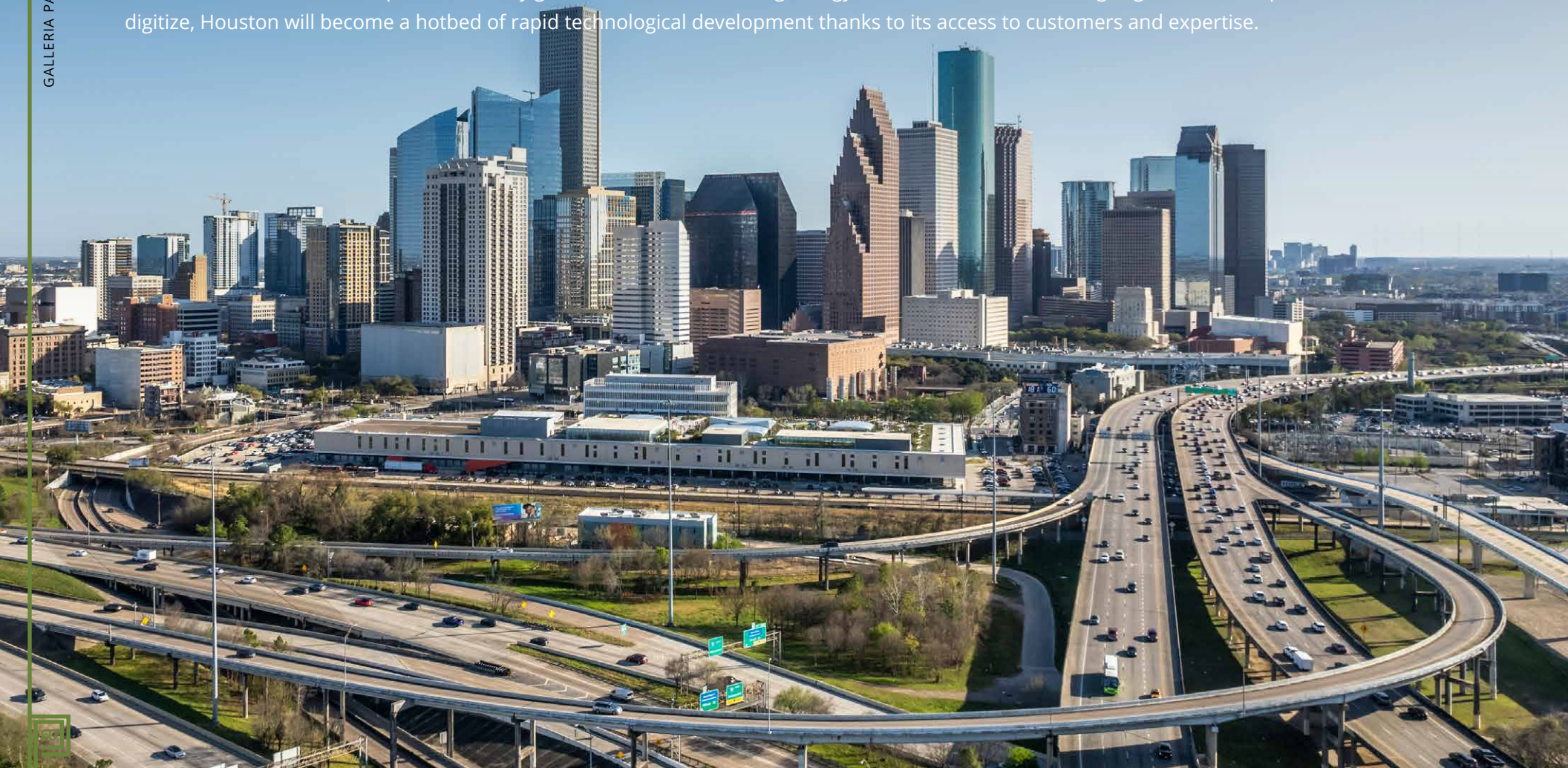
RESIDENTIAL

- » More than 180,000 residents within a three-mile radius with median age of 36.5 years.
- » Nearby neighborhoods include Tanglewood, Afton Oaks and River Oaks, where home values average more than \$1 million.
- » Per capita income is higher than Beverly Hills, Buckhead and Highland Park Village.

HOUSTON ECONOMIC OVERVIEW

Over the last two decades, there has been a remarkable transformation in Houston. Today, the nation's fourth largest city has become a diverse, vibrant metro with talented people who have an undeniable spirit. The Houston economy is strong, the cultures are many, and the quality of life is second to none. Houston has one of the youngest, fastest-growing and most diverse populations anywhere in the world. One in four of the region's 7 million residents is foreign born. From 2010 to 2018, Houston added 1.1 million residents, an 18.3% increase, the fastest rate of population growth among the 10 most populous U.S. metros.

Houston offers a well-developed suite of key global industries - including energy, life science, manufacturing, logistics, & aerospace. As these industries digitize, Houston will become a hotbed of rapid technological development thanks to its access to customers and expertise.



THE HOUSTON STORY



LEADING REAL ESTATE MARKET

Most active single-family residential market in the country for the past decade



FAVORABLE TAX CLIMATE

0% State & Local income tax



HIGH-QUALITY OF LIFE

Favorable year-round climate and traffic commute time



GLOBAL TRADE CITY

Houston ship channel ranks #1 in the nation | 1st in domestic & foreign waterborne tonnage | 1,700 foreign owned firms



CRITICAL MASS OF HEADQUARTERS & REGIONAL OFFICES

50+ corporate headquarter relocations since 2017



MAGNET FOR TOP TALENT IN THE U.S.

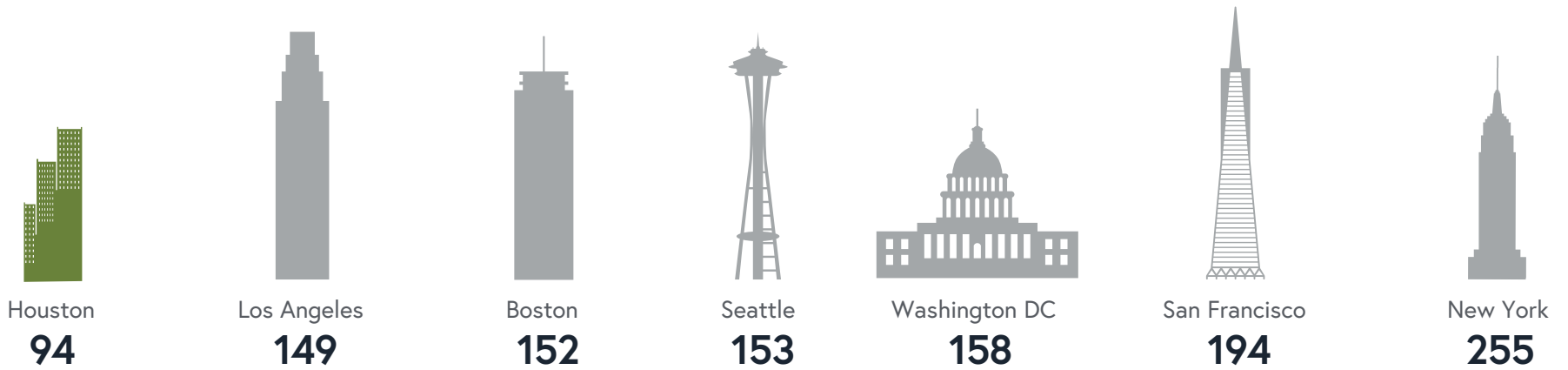
Strong wages and low cost of living create an attractive employment base



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

COST OF LIVING INDEX



HOUSTON EMPLOYMENT BY INDUSTRY (2021)

- Mining and Logging - 2.1%
- Construction - 7.1%
- Manufacturing - 6.9%
- Trade, Transportation, & Utilities - 20.8%
- Information - 1.0%
- Financial Activities - 5.3%
- Professional & Business Services - 16.9%
- Educational & Health Services - 13.2%
- Leisure & Hospitality - 9.6%
- Other Services - 3.4%
- Government - 13.7%



#2 METRO FOR POPULATION GROWTH



Source: Houston Economic Patterns

TOP-RANKED POPULATION GROWTH



265 RESIDENTS MOVE TO HOUSTON DAILY

One new resident moves to Houston every seven minutes

Source: US Census Bureau



20.8% POPULATION GROWTH

from 2010 – 2020 outpacing the U.S. average

Source: US Census Bureau



1.2 MILLION PROJECTED NEW RESIDENTS BY 2030

Representing a 17.2% population growth

Source: US Census Bureau



TOP 5 IN THE COUNTRY FOR TOTAL JOB GROWTH

2020

source: U.S. Bureau of Labor Statistics

HOUSTON'S ROBUST POPULATION GROWTH RATES



NATION-LEADING POSITION IN PROJECTED POPULATION GROWTH



NATION-LEADING EMPLOYMENT GROWTH



158,000

New job added in 2021



+174,000

Net change in total
non-farm employment

(From Jan 2021 to Oct 2021)



3,500,000

Person workforce, nearing all
time high for Houston



79%

Of Houston higher
education graduates stay and
work in the region;

The sixth highest retention rate in the U.S.



#7

In the country for percent
job growth

(5.1% in 2021)



#1

In the nation in office
re-entry levels in the country

#2 MSA
FOR PROJECTED
POPULATION GROWTH

HOUSTON IS HOME TO
25 FORTUNE 500 COMPANIES
& **40** FORTUNE 1000
COMPANIES

50+
CORPORATE HEADQUARTER
RELOCATIONS TO HOUSTON
SINCE 2017

4
NEW FORTUNE 500
RELOCATIONS IN 2021

Hewlett Packard Enterprise, NRG Energy, KBR,
Academy Sports & Outdoors, Exxon Mobil

LEADING
PRO BUSINESS ENVIRONMENT



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