

SUGAR CREEK ON THE LAKE

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 Sugar Creek on The Lake ("the Property"), a suburban, 516,526 square foot, headquarters quality office building in one of the fastest growing micro-economies in the country. Developed in 1982 and later renovated in 2008 and substantially renovated in 2014 and 2018, Sugar Creek on The Lake represents one of the premier office addresses in Sugar Land, Texas, due to its location at the epicenter of the Sugar Land office market with highway frontage and exceptional visibility on U.S. Highway 59. Sugar Creek on The Lake boasts unmatched floor plate diversity, with floor plates as big as 60,000 square feet, and a favorable above-market parking ratio. Currently 54.0% leased with a weighted average remaining term of 2.9 years, Sugar Creek on The Lake offers current cash flow along with a significant value add opportunity through the lease-up of current vacancy.



Property Summary

Address	14141 Southwest Freeway, Sugar Land, TX 77478
NRA	516,526 SF
Number of Stories	10
Year Built	1982
Years Renovated	2008 / 2014 / 2018
Parking Ratio	4.92 per 1,000 SF (5.4 / 1,000 SF when concourse and auditorium space is excluded)
Occupancy	54.0%
Site Area	8.9820 acres (Bldg & Attached Garage) 14.7233 acres (Surface Parking & Detached Garage) 23.7053 acres (Total)
WALT	2.9 Years



Investment Highlights

DISCOUNT TO REPLACEMENT COST, NO NEW CONSTRUCTION

With the increase in construction costs, Sugar Creek on The Lake offers the rare opportunity to acquire Class A office product at a discount to current replacement cost which is estimated to be \$450+ per square foot. Within the Sugar Land office submarket, there is no new construction currently underway. With no supply growth for the foreseeable future, extensively renovated office buildings with efficient floor plates and ample parking such as Sugar Creek on the Lake will be the beneficiary of the trend of tenants' flight to quality, and therefore able to command above market rents.

HEADQUARTERS QUALITY ASSET

Sugar Creek on The Lake, originally a build-to-suit project for Kaneb Services in the early 1980s, has continually served as a corporate or regional headquarters location for its tenants until the present day. Following Kaneb Services, the Property served as the regional headquarters for Unocal Corp. for more than 20 years before the company was acquired by Chevron in 2005. When Chevron relocated its employees to downtown, Fluor occupied several floors in the building before moving to its current headquarters in May of 2010. In 2014, United Healthcare took residence originally leasing 193,466 square feet and ABM established their presence in the building in 2017 leasing 63,210 square feet.

Since 2012, the building has undergone substantial renovations, further cementing the Property's status as an institutional quality asset. With full floors available, Sugar Creek on The Lake presents investors with a compelling opportunity to add additional tenants looking to establish headquarters in the area's premier office environments with an excellent location, unrivaled amenities, and floor to ceiling glass on every floor.



Investment Highlights



FIRST-CLASS AMENITIES

Sugar Creek on The Lake offers tenants a fully amenitized office experience, equipped with thoughtfully designed spaces and functionality aimed to enhance tenant employee experience. First-class amenities include:

- New fitness center with racquetball court, basketball court, and locker rooms
- Building auditorium and conference center
- Full service delicatessen
- Ample outdoor dining and lounge space overlooking The Lake
- Beautifully landscaped, park-like setting complemented by a pond and outdoor sitting areas



Investment Highlights

EXCEPTIONAL PHYSICAL CONDITION & LIMITED FUTURE CAPEX EXPOSURE

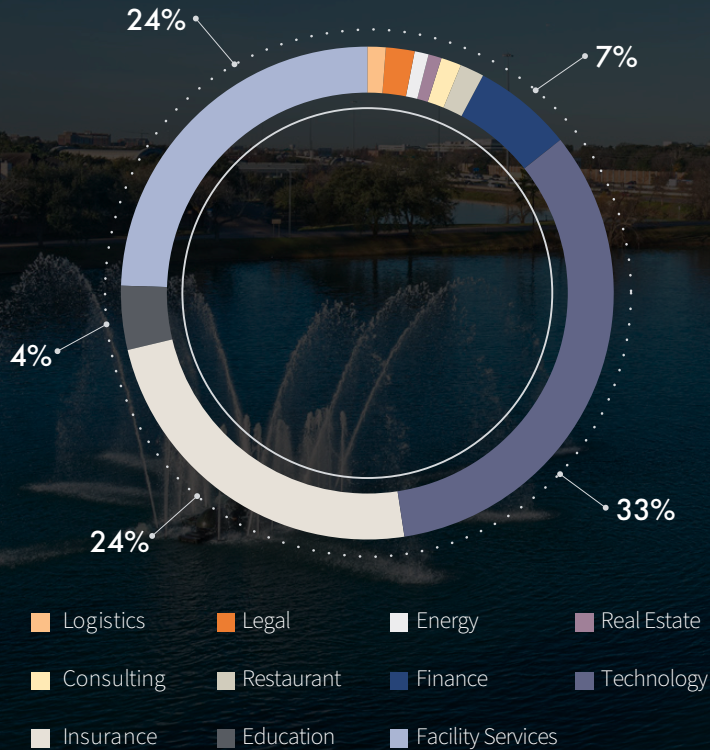
Since 2012, current ownership has invested over \$29.1 million of non-leasing capital into the Property. The recent extensive upgrades to the building systems coupled with modern finishes and code compliance mitigate a buyer's exposure to future capital outlays, and allows a new owner to focus on the execution of its leasing strategy and business plan. Previous ownership also invested over \$4.0 million improving the front entrance, lobby and common areas, restrooms and elevators.



Investment Highlights

DIVERSIFIED RENT ROLL WITH LIMITED ENERGY EXPOSURE

Sugar Creek on The Lake has been very successful at limiting the property's exposure to any one industry by diversifying their tenant roster. Specifically, Sugar Creek on The Lake provides a new owner with low energy exposure. 33% of the rent roll is concentrated in the technology industry with one of the anchor tenants, Fiserv, occupying over 80,000 square feet. The next two highest industry representation are Facility Services and Insurance coming from ABM and United Healthcare respectively.



JLL

Contacts

INVESTMENT SALES

MARTY HOGAN

Managing Director

T +1 713 852 3557

marty.hogan@am.jll.com

RICK GOINGS

Senior Director

T +1 713 425 5855

rick.goings@am.jll.com

BAILEY BLACK

Analyst

T +1 713 852 3436

bailey.black@am.jll.com

DEBT ADVISOR

WALLY REID

Senior Managing Director

T +1 713 852 3497

wally.reid@am.jll.com



Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the properties to market them for sale. Information concerning the properties described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2020 Jones Lang LaSalle IP, Inc. All rights reserved.