

South Belt Central - Building 4

HOUSTON, TX

CONFIDENTIAL OFFERING
MEMORANDUM



SOUTH BELT CENTRAL
- BUILDING 4
PENSKE

101,000 VPD+

BELTWAY
8

603,389 SQUARE FEET | NEWLY CONSTRUCTED INDUSTRIAL ASSET | 100% LEASED TO PENSKE LOGISTICS | 7.0 YEARS OF REMAINING TERM

LOCATED IN A
BEST-IN-CLASS
BUSINESS PARK

NEWLY-
CONSTRUCTED
INSTITUTIONAL
ASSET

STRONG
NATIONAL TENANT
WITH FAVORABLE
RENTAL
ESCALATIONS

STRATEGIC
LOCATION
PROVIDING
REGIONAL
CONNECTIVITY

EXCELLENT
ACCESS TO THE
TEXAS MEDICAL
CENTER

EASY
ACCESSIBILITY
TO THE PORT OF
HOUSTON

SOUTH
SUBMARKET
OUTPERFORMANCE

THE OFFERING

JLL Capital Markets, on behalf of Investment & Development Ventures, LLC (the "Seller" or "IDV"), is pleased to offer qualified investors the opportunity to acquire South Belt Central - Building 4 (the "Property"), a newly constructed, Class A, cross-dock industrial building totaling 603,389 square feet. The Property is located within South Belt Central Business Park, a 3.3 million square foot business park with nearly a mile of frontage along Beltway 8, providing access to both the Port of Houston and the city's robust population base. Delivering in Q1 2023, the building is currently 100% leased to Penske Logistics with 7.0 years of lease term remaining. With 3.50% annual rental escalations, new ownership has the opportunity to secure long-term cash flow via exceptional tenancy in a brand-new, state-of-the-art facility located in South Belt Central Business Park within Houston's South submarket.

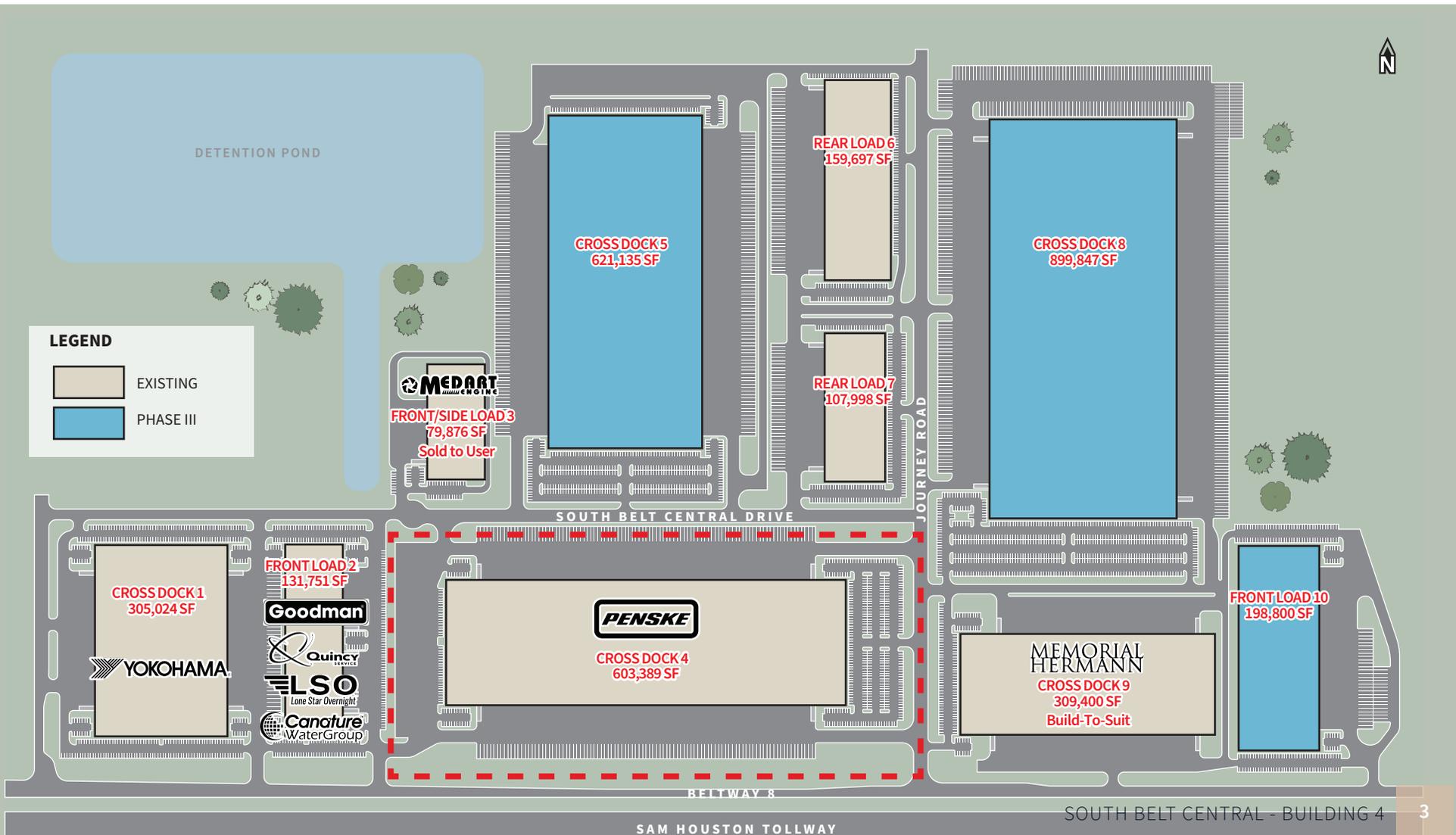
TRANSACTION SUMMARY

Property Address	4902 South Belt Central Drive Houston, TX 77048
Size (SF)	603,389
Occupancy	100%
Submarket	South
Year Built	2023
Configuration	Cross-Dock
Tenant	Penske Logistics
Remaining Lease Term	7.0 Years
Clear Height	36'
Office SF	5,494
Office Finish	1%
Car Parking Spaces	442 Spaces
Trailer Parking Spaces	196 Spaces
Land Size	36.90 Acres



LOCATED IN A BEST-IN-CLASS BUSINESS PARK

South Belt Central Business Park, developed by IDV, is a master-planned Class A industrial park that will total over 3.3 million square feet across 10 buildings at full build out. Phase I (two buildings totaling 436,775 square feet) delivered in late 2021 and achieved 100% occupancy by April 2022 with tenants such as Yokohama Tire, Goodman, Quincy Compressors, Lone Star Overnight, and Canature WaterGroup. Phase II (three buildings totaling 871,084 square feet) and a 309,400 square foot build-to-suit for Memorial Hermann Health System deliver in Q1 2023. The park boasts nearly one mile of frontage along Beltway 8 and is located just 2.7 miles east of Hwy 288 providing easy accessibility to the Port of Houston, the Texas Medical Center and the dense population in South/Southwest Houston.



NEWLY-CONSTRUCTED INSTITUTIONAL ASSET

Developed by Investment & Development Ventures ("IDV"), South Belt Central - Building 4 is a state-of-the-art distribution facility providing all the amenities and building characteristics that sophisticated tenants have come to expect in newly constructed industrial warehouses. IDV is a proven institutional quality sponsor with an active pipeline totaling over 13.4 million square feet and successful track record across the United States. Dedicated to providing the highest quality assets for their investors and tenants, South Belt Central Business Park is no exception. The Property features a high efficiency TPO roof, LED lighting, ESFR sprinkler systems, high-quality built-to-suit office finish, and ample trailer parking. South Belt Central Business Park was built to the highest institutional standards with zero necessary capital improvement costs necessary.



STRONG NATIONAL TENANT WITH FAVORABLE RENTAL ESCALATIONS

The tenant, Penske Logistics, is guaranteed by Penske Truck Leasing, a direct subsidiary of Penske Corporation. Penske is a closely-held, diversified, transportation services company whose subsidiaries operate in a variety of industry segments. South Belt Central is Penske Logistics' largest Houston-area lease and serves as a mission-critical facility for their Shell Oil account. With 3.50% annual escalations and 7.0 years of remaining lease term, investors have the opportunity to capitalize on a significant and stable cash flow backed by a highly acclaimed and well-known automotive and logistics corporation.

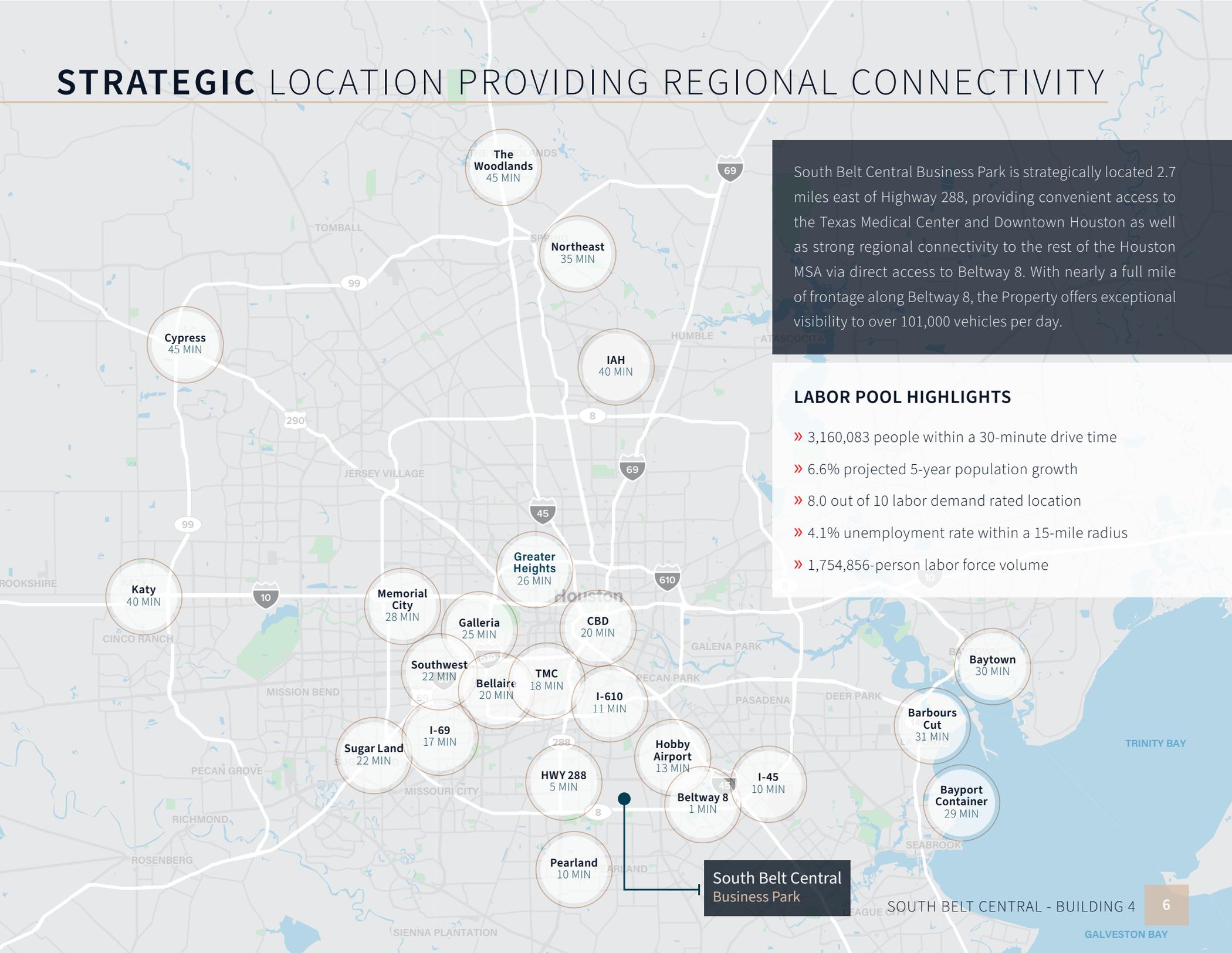


STRATEGIC LOCATION PROVIDING REGIONAL CONNECTIVITY

South Belt Central Business Park is strategically located 2.7 miles east of Highway 288, providing convenient access to the Texas Medical Center and Downtown Houston as well as strong regional connectivity to the rest of the Houston MSA via direct access to Beltway 8. With nearly a full mile of frontage along Beltway 8, the Property offers exceptional visibility to over 101,000 vehicles per day.

LABOR POOL HIGHLIGHTS

- » 3,160,083 people within a 30-minute drive time
- » 6.6% projected 5-year population growth
- » 8.0 out of 10 labor demand rated location
- » 4.1% unemployment rate within a 15-mile radius
- » 1,754,856-person labor force volume



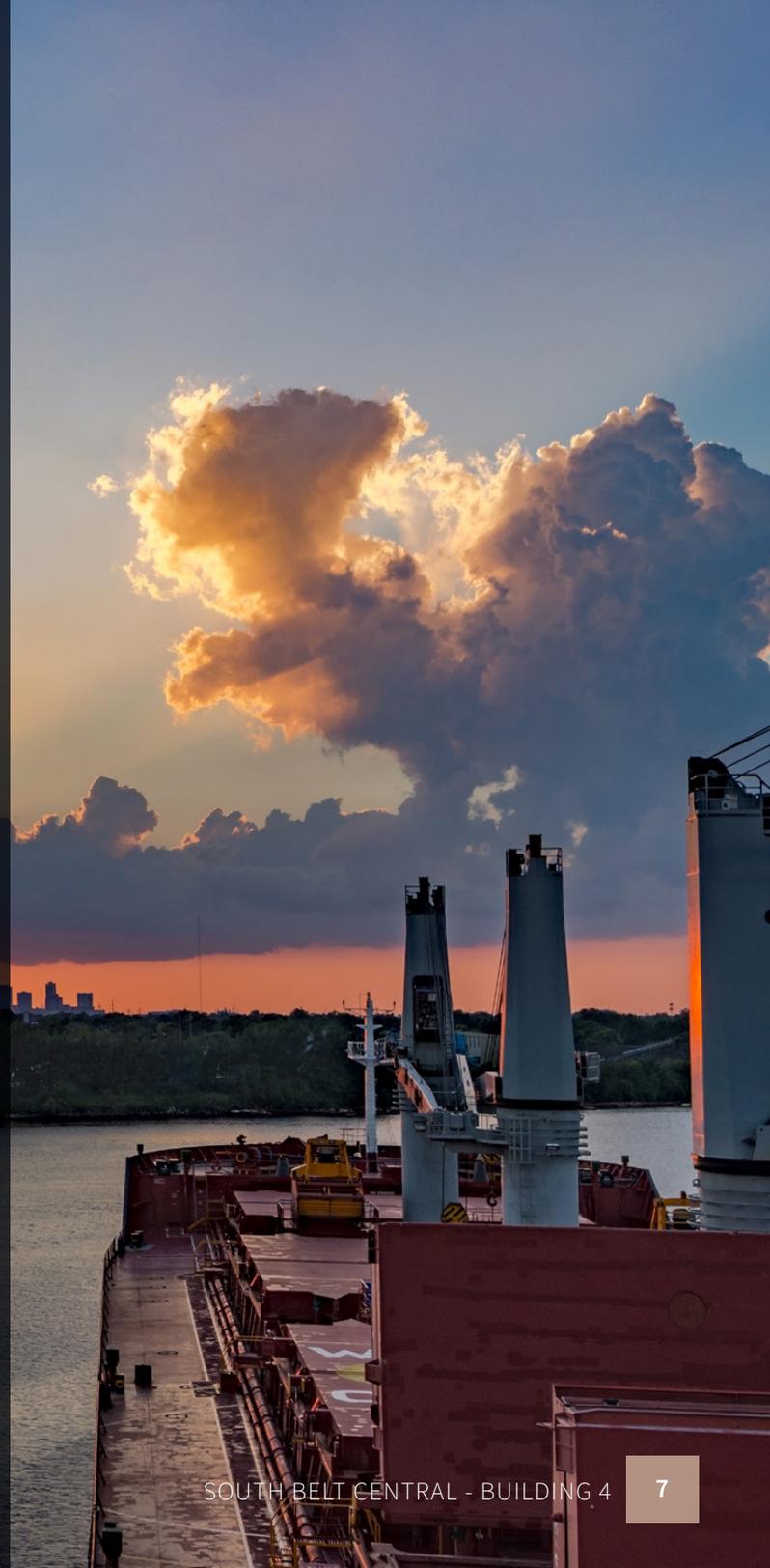
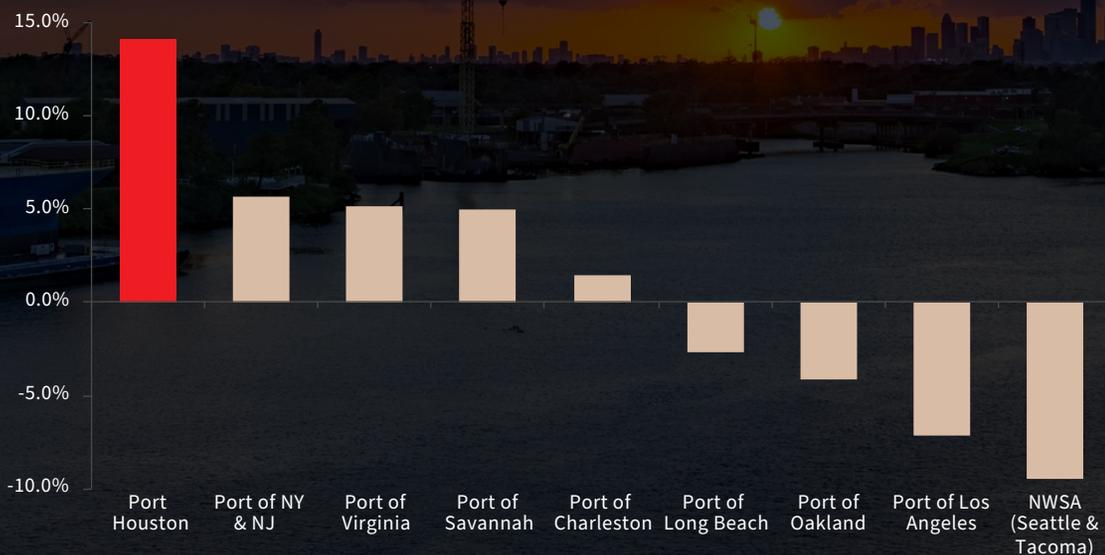
South Belt Central
Business Park

EASY ACCESSIBILITY TO THE PORT OF HOUSTON

PORT HOUSTON RAPIDLY GAINING MARKET SHARE AND ESTABLISHING ITSELF ON THE GLOBAL SUPPLY CHAIN

- » Gulf Coast and Southeast ports are experiencing significant jumps in volume as companies across diverse industries rethink how and where they ship goods. Reliance on West Coast ports shifted to the South and East regions to take advantage of expediency, capacity and cost savings.
- » Houston's industrial leasing activity and net absorption benefitted substantially as Port Houston's container throughput reached nearly four million twenty-foot equivalent units (TEUs) in 2022. Companies new to Houston expanded supply chain networks to the region, opening new distribution centers to fulfill demand.
- » Houston saw the largest growth of any U.S. port in 2022, in terms of TEU volume, climbing 14.1% year-over-year. The metro's growing population and proximity to other major Texas markets combined with the strength of Port Houston will continue driving industrial momentum in 2023.

ANNUAL CHANGE IN TEU VOLUMES (2021 TO 2022)

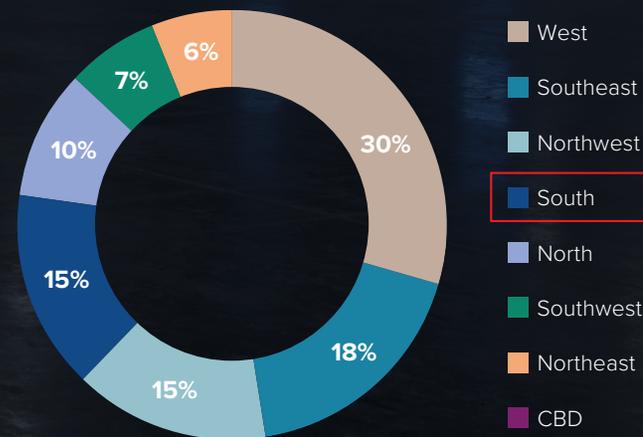


RECORD BREAKING LEASING VELOCITY AND FUNDAMENTALS

HOUSTON Q4 2022 HIGHLIGHTS

- » Net absorption far exceeded deliveries (27.5 m.s.f. vs. 20.8 m.s.f.), pushing vacancy down to 2019 levels at 5.9%
- » Rent growth significantly accelerated over the year, driving an 18.3% increase in achieved starting rents between 2H 2021 and 2H 2022
- » Leasing activity topped 10 million s.f. in the final quarter for an annual total of nearly 50 million s.f. of deal volume
- » The year's chart-topping 36 million s.f. of ground-breakings led to a new construction high of 29 million s.f. underway in Q4

LEASING ACTIVITY BY SUBMARKET QTD



THE SOUTH SUBMARKET EXPERIENCED 15% OF ALL 2022 LEASING ACTIVITY WHILE ONLY MAKING UP 7% OF THE TOTAL HOUSTON INVENTORY

PROPERTY OVERVIEW

PROPERTY SUMMARY

ADDRESS:	4902 South Belt Central Drive, Houston, TX 77048
SIZE (SF)	603,389 SF
OFFICE FINISH %:	1%
LAND AREA:	36.90 Acres
REMAINING LEASE TERM:	7.0 Years
OCCUPANCY:	100%
YEAR BUILT:	2023
LOADING CONFIGURATION:	Cross-Dock
CLEAR HEIGHT:	36'
BUILDING DIMENSIONS:	435' x 1388'
COLUMNG SPACING:	56' 0" x 52' 6"
SPEED BAYS:	60'
TRUCK COURT:	185' (North Side); 180' (South Side)
TRAILER PARKING:	196 Spaces
CAR PARKING:	442 Spaces
TENANT:	Penske Logistics
DOCK DOORS:	(67) 9X10 OH Doors
DRIVE-IN DOORS:	(4) 12X14 OH Doors with ramps
DOCK LEVELERS:	60 Dock Levelers
COVERAGE RATIO:	37.5%
ACCESS:	Beltway-8 Frontage

CONSTRUCTION

EXTERIOR WALLS:	Concrete tilt-wall
ROOF TYPE/WARRANTY:	TPO roof system; 20-year warranty

MECHANICAL

ELECTRICAL	
FIRE PROTECTION:	ESFR Sprinkler System
EXTERIOR LIGHTING:	LED Exterior Lighting

Representative photo (South Belt Central Phase I)

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