

ASHFORD OFFICE P O R T F O L I O

HOUSTON, TX



CONFIDENTIAL OFFERING MEMORANDUM

THE OFFERING

Jones Lang LaSalle (“JLL”), as exclusive advisor, is pleased to present for sale a 100% fee simple interest in the Ashford Office Portfolio (“the Portfolio”), a three building, 570,045 square-foot Class B office portfolio located in an irreplaceable location near the intersection of Dairy Ashford Rd and Interstate 10 in the heart of the Energy Corridor - Houston’s hottest leasing market. The portfolio benefits from superior access near Interstate 10 with visibility to over 300,000 vehicles per day. The Ashford Office Portfolio is situated at the epicenter of the westward migration of tenancy the greater Houston office market has observed over the last 12 - 18 months, as over 2.8M SF of leasing has occurred in West Houston since this time last year. With over \$3.8 million invested by current ownership used to replace mechanical systems and complete common area upgrades, the portfolio is extremely well positioned to take advantage of the continued migration of tenants into the energy corridor as new ownership can focus capital towards leasing costs at a basis well below its competitive set. At the current 58.7% occupancy level, there is strong in-place yield with a WALT of 4.7 years. Additionally, the existing lender will provide a high LTV assumption and extension of the existing debt, further enhancing yields for new ownership.





PROPERTY OVERVIEW

ADDRESS

Ashford 5: 14701 St. Mary's Ln
Ashford 6: 1155 Dairy Ashford Rd
Ashford 7: 900 Threadneedle St

CITY, STATE, ZIP

Houston, TX 77079

COUNTY

Harris

RENTABLE SQUARE FEET

570,045 SF

PORTFOLIO OCCUPANCY

58.7%

YEAR BUILT/RENOVATED

1981-1982/2008-2009

PARKING RATIO

Ashford 5: 3.50/1,000 SF
Ashford 6: 3.11/1,000 SF
Ashford 7: 3.50/1,000 SF

STORIES

Ashford 5: 8 Stories
Ashford 6: 8 Stories
Ashford 7: 8 Stories

LAND PARCEL

Ashford 5: 4.33 Acres
Ashford 6: 4.6 Acres
Ashford 7: 3.3 Acres

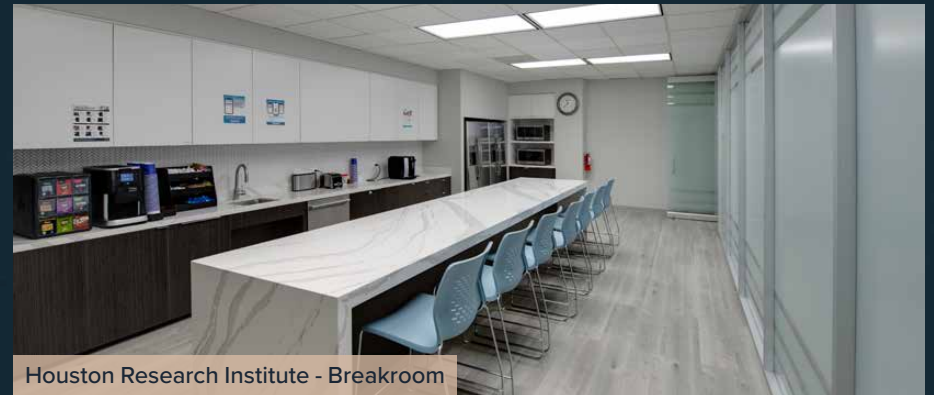
WALT

4.7 years *(As of July 1, 2023)*

OFFERED AT A SUPERIOR BASIS, SIGNIFICANT DISCOUNT TO REPLACEMENT COST

The Ashford Office Portfolio is offered at a basis that will be lower than any competing Class-B property in the submarket. Resetting the basis at The Portfolio 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 and continue to take advantage of the significant westward migration of tenants in the market.

At the offered basis, The Ashford Office Portfolio offers the perfect opportunity to acquire a well-located corporate campus at a significant discount, allowing new ownership to allocate discretionary towards cosmetic upgrades that will help fully amenitize the campus and offer the live-work-play that tenants seek in today's market.



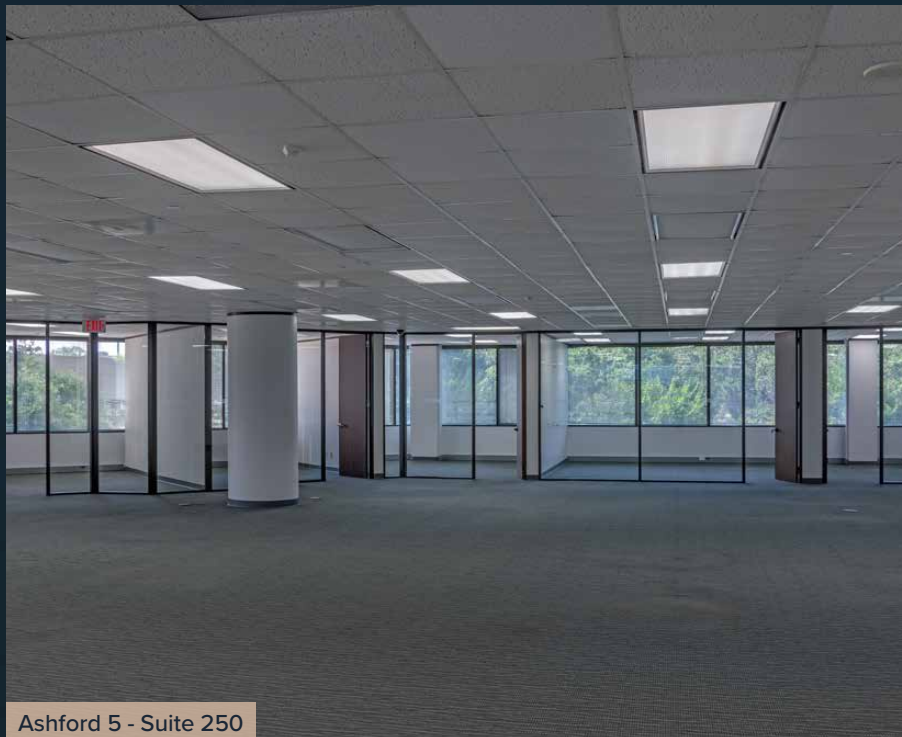
Houston Research Institute - Breakroom



Ashford 5 - Suite 700



B2Z Engineering - Lobby



Ashford 5 - Suite 250

WELL-MAINTAINED PORTFOLIO WITH SIGNIFICANT CAPITAL INVESTMENT

Since current ownership acquired the Portfolio in 2012, the buildings have been maintained to a high quality as evidenced by ownership investing over \$3.8 million on capital improvements. The continued upgrading of building systems eliminates the need for any deferred maintenance from new ownership, positioning the portfolio to benefit from the continued migration of tenants into the Energy Corridor as capital can be focused towards leasing costs and discretionary cosmetic projects.



Houston Research Institute - Lobby



Fitness Center

YEAR	DESCRIPTION	COST
2013	Spec office	10,821
	Clean & Seal Helipad	10,283
	Fire Sprinklers	23,898
2014	Fire Sprinklers	37,479
	New Chillers	546,211
2015	New Chillers	1,231,000
	HVAC Controls	234,000
	Sprinklers	41,000
	Roof	586,000
2016	Sprinklers	135,000
	Sprinklers	
2017	Sprinklers	43,000
	Hurricane Harvey	52,000
2018	Lobby Renovations	333,408
2019	Fitness / Conference	507,698
	Lobby Renovations	2,380
	Deli Renovations	9,486
TOTAL		3,803,664

MEMORIAL

Stratford High School

Tully Stadium

ASHFORD 6

ASHFORD 5

ASHFORD 7

SHELL WOODCREEK

10 361,489 VPD

WOODBRANCH PLAZA
580,558 SF
Owner: Stena Realty Group
Major Tenants: VIA Renewables,
Sasol Chemicals, Sapura Energy

ASHFORD PORTFOLIO



CENTRAL LOCATION BENEFITING FROM A WEALTH OF DEMAND DRIVERS

Due to West Houston's rapid population growth, major Houston employers took notice and made significant real estate decisions to move closer to their employees. Over the last 12 months, West Houston has experienced over 2.8M SF of leasing activity, primarily in the Energy Corridor near the Ashford Office Portfolio, which far exceeds that of any other submarket in the greater Houston MSA. The Portfolio's central location on I-10 and Dairy Ashford position the portfolio in the heart of the westward migration of employees and tenants alike, and new ownership is primed to take advantage of the recent momentum.

The Ashford Office Portfolio is located in the population core of Houston between Katy and Memorial with immediate access to I-10 and Beltway 8, providing ease of access to executive neighborhoods and desirable areas for employee bases with significant apartment concentration. A significant portion of the Houston region can be accessed by car in under 25 minutes.

ASHFORD OFFICE PORTFOLIO SURROUNDING AREA DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
2010 Total Population	18,068	134,306	299,644
2022 Total Population	20,255	159,930	342,177
2010 - 2022 Population Growth %	12.1%	19.1%	14.2%
2027 Estimated Total Population	21,268	166,156	350,856
2022 - 2027 Est. Population Growth %	5.0%	3.9%	2.5%
Average Household Income	\$143,334	\$121,830	\$106,977
Average Home Value	\$432,500	\$441,069	\$418,589
% of Population (25+) with a College Degree	62.7%	57.4%	47.2%
Median Age	39.8	37.4	35.8

POSITIONED TO BENEFIT FROM THE EXPLOSIVE GROWTH IN WEST HOUSTON

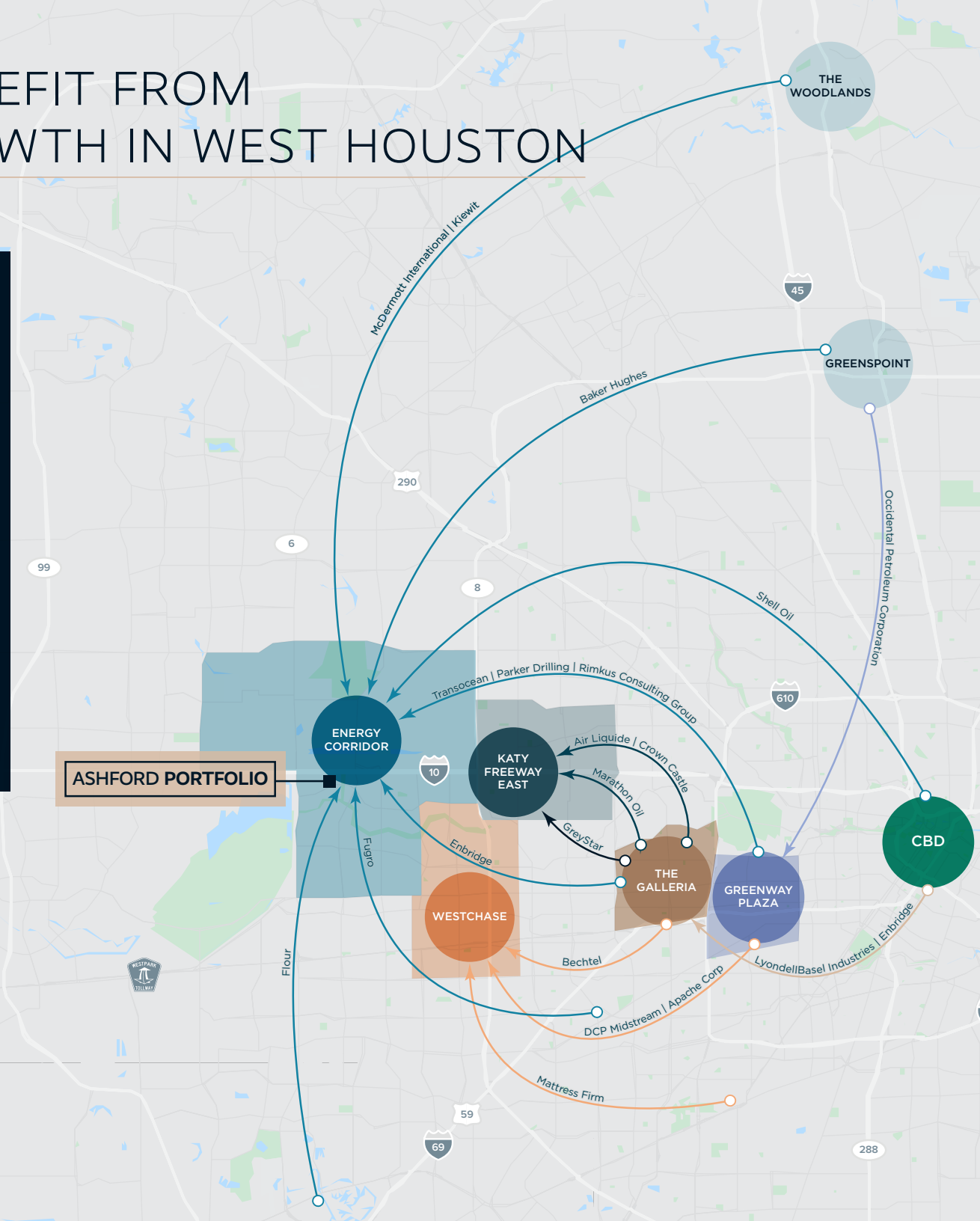
Houston's population growth has continued to move to the west of the city's urban core.

The new population center of Houston is estimated to be located in West Houston at the interchange of Interstate 10 and the Sam Houston Tollway.

Over the past 30 years, West Houston's population has grown 155% compared to 86% growth in the Houston metro.

West Houston's share of the region's population has grown from 19% to 26% over the same timeframe.

As the population continues to migrate westward, companies are taking notice and swiftly following their employees as return to work policies take shape coming out of the pandemic.



ASHFORD PORTFOLIO



UNPARALLELED ACCESSIBILITY

The Property is conveniently located on the intersection of Dairy Ashford and Interstate 10 at the epicenter of the Energy Corridor submarket. Direct frontage and visibility on I-10 allows The Ashford Office Portfolio to be accessed and viewed by over 300,000 cars per day. The Property also benefits from excellent ingress and egress via Patchester Drive.



6.1 Miles

WESTCHASE DISTRICT

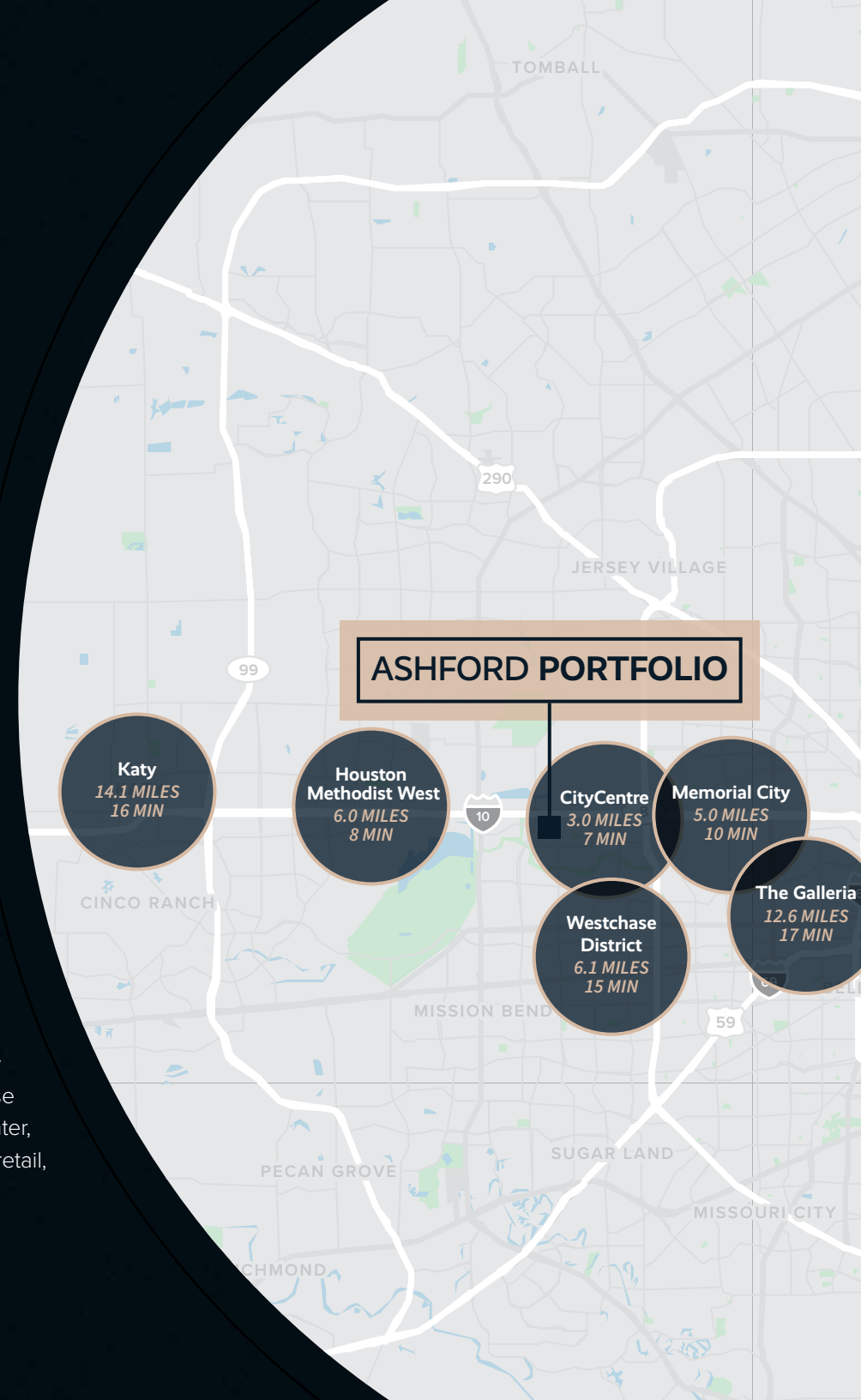
The Westchase District spans 2,700 acres, contains 18 million square feet in 117 office buildings, 1.4 million square feet in 42 retail centers and 3,075 hotel rooms in 23 hotels. Major tenants in the Westchase District include ABB, BMC Software, DataVox, Jacobs Engineering, National Oilwell Varco, Phillips 66, Samsung and Schlumberger. It is home to 1,500+ businesses and 93,000+ employees.



3.0 Miles

CITYCENTRE

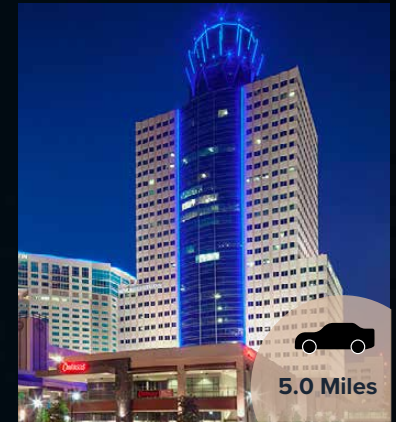
CityCentre is a pedestrian-friendly, mixed-use development situated at the I-10 and Beltway 8 interchange. The 37-acre expanse, especially popular with Energy Corridor residents and those working in the nearby West Houston Medical Center, brings together casual and fine dining, shopping, retail, office space, and residential living.





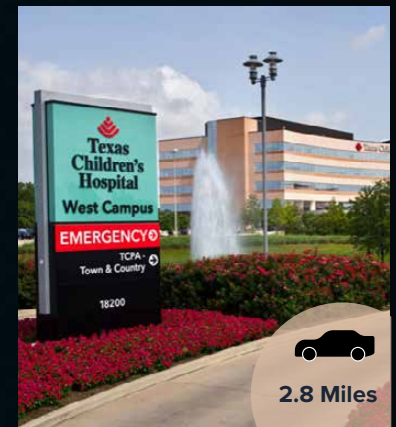
MEMORIAL CITY

Memorial City is a 265-acre employment district with 12,500+ employees, 3.6 million square feet of retail space, and 2.9 million square feet of primarily Class A office space. The largest employers are Memorial Hermann Memorial City, Memorial City Mall, Chase Bank and CEMEX's US headquarters.



TEXAS CHILDREN'S HOSPITAL

The West Campus of Texas Medical Center features 170 acres of satellite hospitals including Texas Children's, Methodist and Memorial Hermann. The TMCW's 170 acres of land is virtually the same size as the original Texas Medical Center and will continue to grow in order to serve the growing west Houston area.

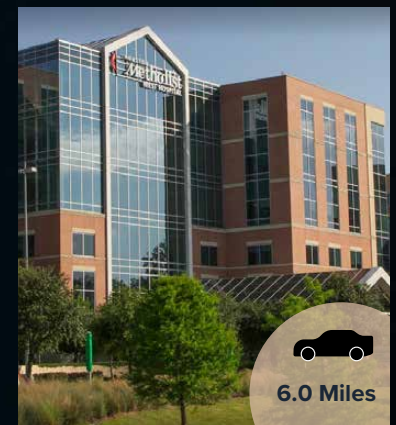


HOUSTON METHODIST

Houston Methodist's fifth hospital since 1919 with nearly 200 beds

AWARDS AND RECOGNITIONS

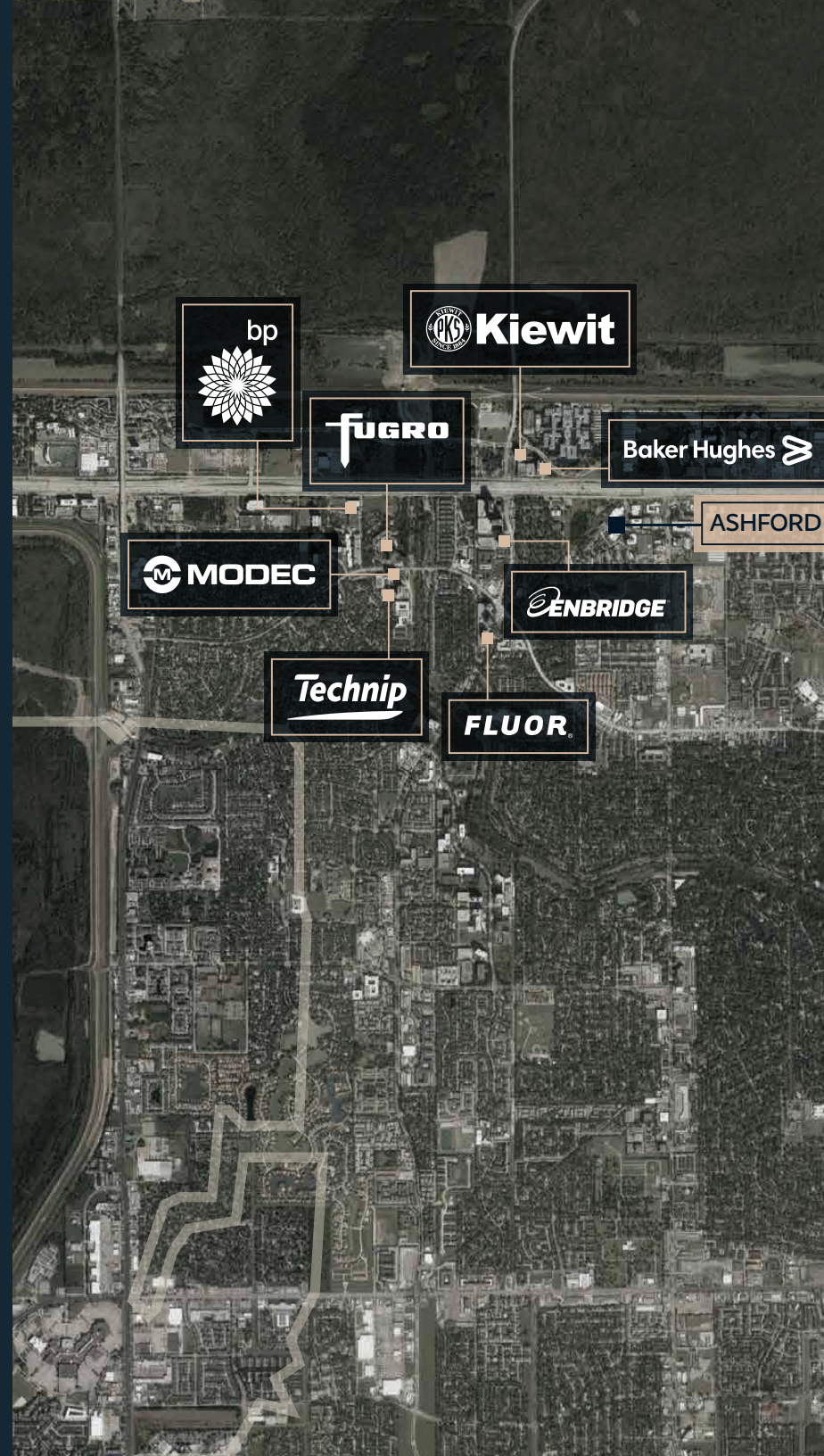
- Pathway to Excellence designation from the American Nurses Credentialing Center
- Exemplary Five Star Award From the Texas Department Health Services
- Breast Imaging Center of Excellence designation from the American College Of Radiology
- Top 100 Places to Work, recognized by Fortunate magazine



PROXIMITY TO THE REGIONS LARGEST EMPLOYERS

The immediate area surrounding The Ashford Office Portfolio is home to some of Houston's largest employers. From multi-national oil companies to Fortune 500 food-services companies - The Ashford Office Portfolio is central to Houston's flourishing western office market.

The Energy Corridor is the 3rd largest employment center in Houston, known as the "Central Business District of West Houston" is home to over 300+ companies and over 104,000 employees.



Sysco

ConocoPhillips

GROUP 1
AUTOMOTIVE

CROWN
CASTLE

NOY

#48

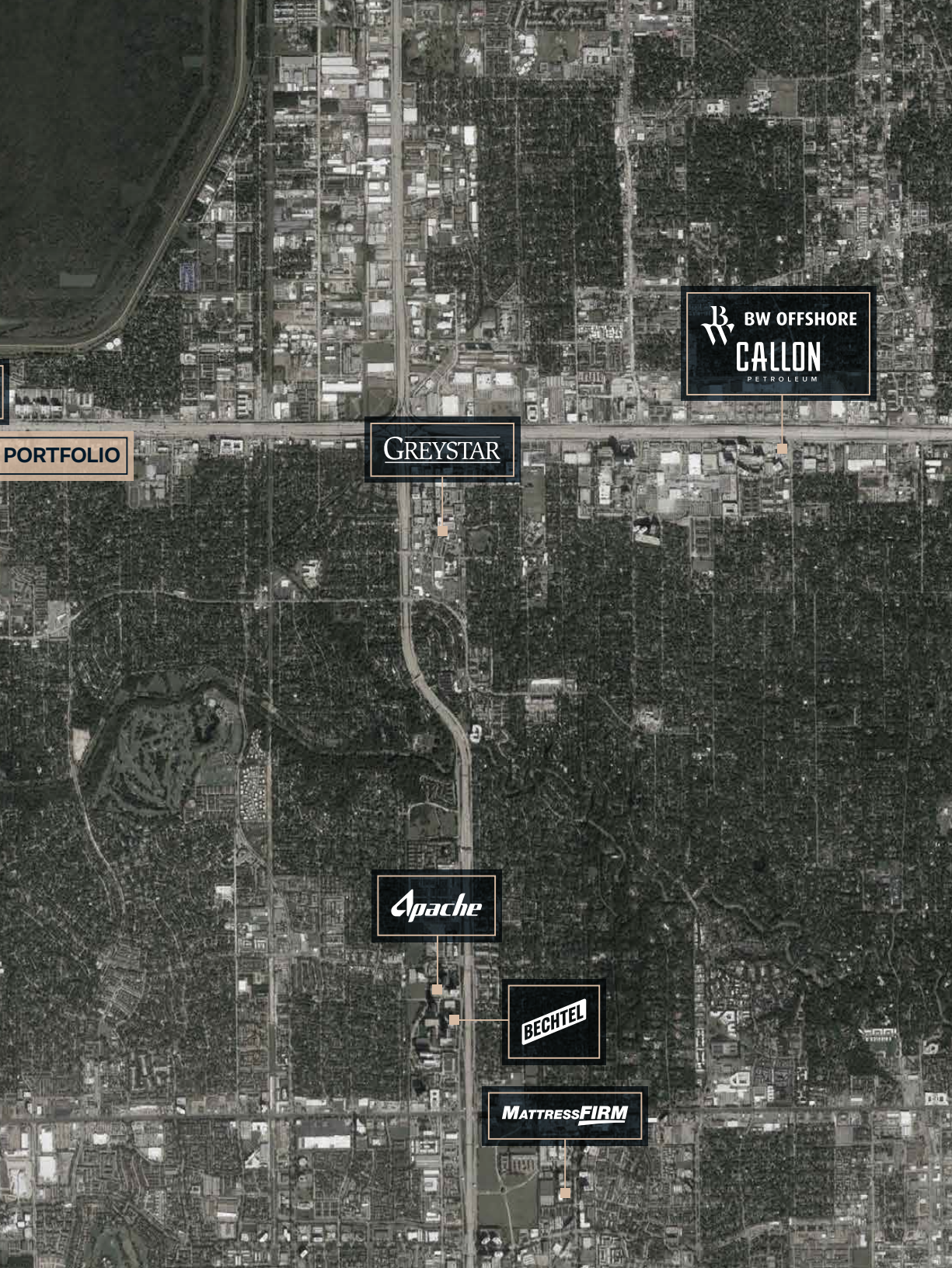
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NOTABLE TENANTS IN THE ENERGY
CORRIDOR



THE UNIVERSITY OF TEXAS
**MD Anderson
Cancer Center**
Making Cancer History®

ConocoPhillips



ENBRIDGE®

Technip

Worley
energy | chemicals | resources

Transocean

Schlumberger

Baker Hughes



THE HOUSTON ECONOMY

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



CRITICAL MASS OF HQS & 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

JLL

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