

4126

SOUTHWEST FREEWAY

70% LEASED MEDICAL OFFICE RESPOSITIONING OPPORTUNITY | HOUSTON, TX



THE OPPORTUNITY

JLL Capital Markets, on behalf of ownership, is pleased to present the opportunity to acquire a 100% fee simple interest in 4126 Southwest Freeway (“the Property”), a 140,012 square foot, medical office property located in the Greenway Plaza submarket in Houston, TX.

The Property is currently 70% leased with a well established medical tenancy base and offers investors a strategic value-add investment via repositioning of the asset and lease-up of the current vacancies. The Property’s largest tenant, T-Mobile (21% of NRA), is vacating in September 2024 bringing occupancy to 49.3%. This known vacate enables investors the opportunity to recapture the only space that is currently non-medical use and implement a strategy to re-brand the Property in the marketplace.

Additionally, the Property is positioned to benefit from a strengthening Houston medical office market. With direct frontage on Interstate 69, the Property boast one of the best signage opportunities along the entire highway.

PROPERTY SUMMARY

4126 SW FWY
ADDRESS

HOUSTON
LOCATION

HARRIS
COUNTY

140,012 SF
RENTABLE SF

1979 / 2012
YR BUILT / RENO

70.1%
OCCUPANCY

960 SPACES
TOTAL PARKING

6.85 / 1,000 SF
PARKING RATIO

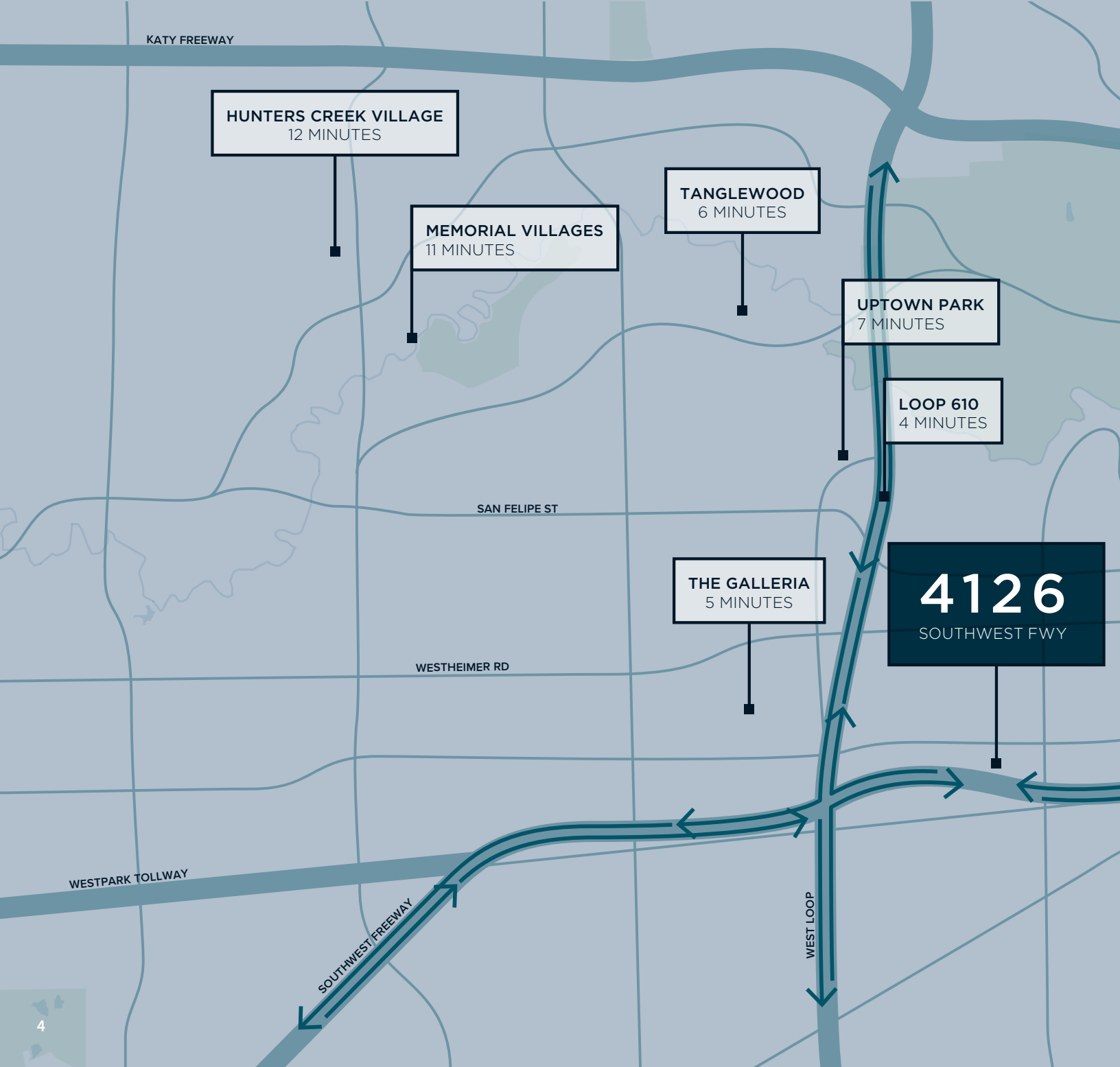
17 FLOORS
STORIES

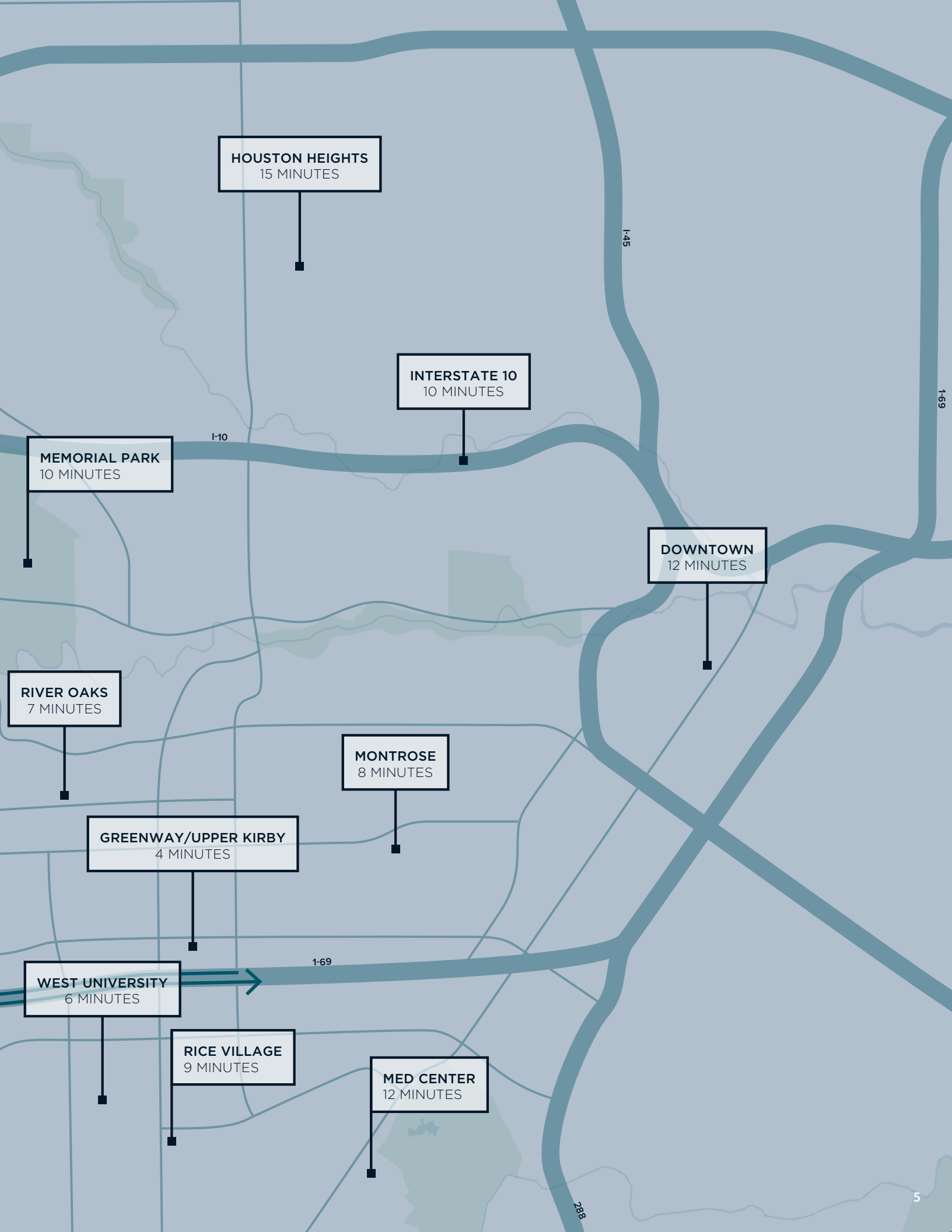
1.48 ACRES
LOT SIZE



HIGHLY ACCESSIBLE LOCATION ALONG SOUTHWEST FREEWAY

With direct frontage on Interstate 69, 4126 Southwest Freeway offers tenants and visitors exceptional access to many of Houston's major thoroughfares, such as Interstate 69, Loop 610, Westpark Tollway, and Richmond Ave. The location creates connectivity to all of Houston's major business hubs. Additionally, the Property is just under 4 miles away from the Texas Medical Center.





HOUSTON HEIGHTS
15 MINUTES

INTERSTATE 10
10 MINUTES

MEMORIAL PARK
10 MINUTES

DOWNTOWN
12 MINUTES

RIVER OAKS
7 MINUTES

MONTROSE
8 MINUTES

GREENWAY/UPPER KIRBY
4 MINUTES

WEST UNIVERSITY
6 MINUTES

RICE VILLAGE
9 MINUTES

MED CENTER
12 MINUTES

STRONG FUNDAMENTALS IN HOUSTON MEDICAL OFFICE

The medical office space in Houston saw a record year for completions with 889,969 square feet delivered in 2023. The market also experienced 2.2% year over year rent growth with asking rates reaching \$27.53 PSF. The metro's healthcare sector is shifting towards providing medical services to serve high-growth population nodes as tenants move away from on-campus sites.

Houston's healthcare sector shows promising potential, evident in the 5.3% boost in health services and private education employment in 2023, surpassing the growth rate of all other industries by 39.5%. The medical office market is anticipated to gain momentum as financial pressures ease and capital costs stabilize. With projected industry expansion, accompanied by growing demand and evolving patient expectations, Houston's healthcare industry is poised for a positive future.



2023 MEDICAL OFFICE HIGHLIGHTS

787,921 SF

NET ABSORPTION

14.80%

TOTAL VACANCY

\$27.53 PSF

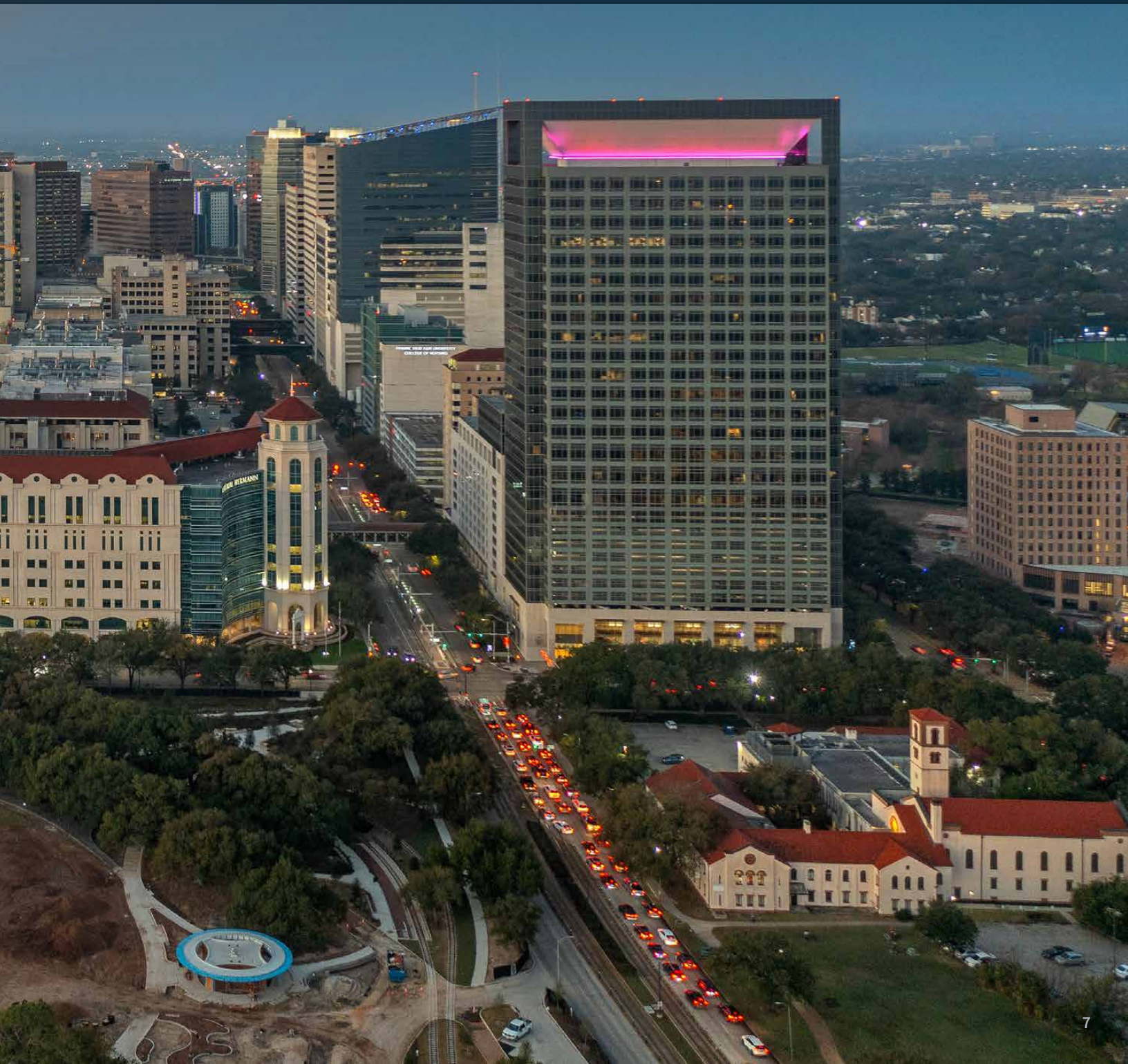
DIRECT ASKING RENT

1,373,665 SF

UNDER CONSTRUCTION

96%

PRE-LEASED



SIGNAGE
OPPORTUNITY



IDEAL FLOOR PLATES FOR FULL FLOOR USERS

With an average floor plate of 8,236 square feet the Property offers tenants the unique ability to lease a full floor of space at a fraction of the cost when compared to other buildings with larger floor plates. The ability to occupy a full floor allows users to design an efficient layout to suit their specific needs, without leftover awkward spaces or the inefficiency of spread-out departments across multiple floors. This fosters better space utilization and a more cohesive work environment.

Additionally, with a highly accessible location and direct frontage on Highway 59, a full floor or multiple floor user has the ability to capitalize on an unmatched signage opportunity.



IRREPLACEABLE IN-FILL LOCATION WITHIN THE GREENWAY PLAZA SUBMARKET

4126 Southwest Freeway benefits from the extensive amenity base offered by Greenway Plaza and is uniquely positioned to be within a short drive of a wide variety of amenities and a surplus of diverse restaurants, retailers, and hospitality options.



RIVER OAKS

ALEXAN
RIVER OAKS

LAIFITNESS
COSTCO
WHOLESALE

URBAN SOCIAL
LUCÉ
COFFEE ROASTERS
CHIPOTLE

CAMDEN
Highland Village

ARIA AT WILLOWICK PARK

RIVER OAKS HOSPITAL
AND CLINICS

4126
SOUTHWEST FWY

LENOX OAKS

Richmond Ave

DOWNTOWN

TEXAS MEDICAL CENTER
RICE VILLAGE
WEST UNIVERSITY
RICE UNIVERSITY


DOUBLETREE

 pearl
greenway

FUSIONEATS

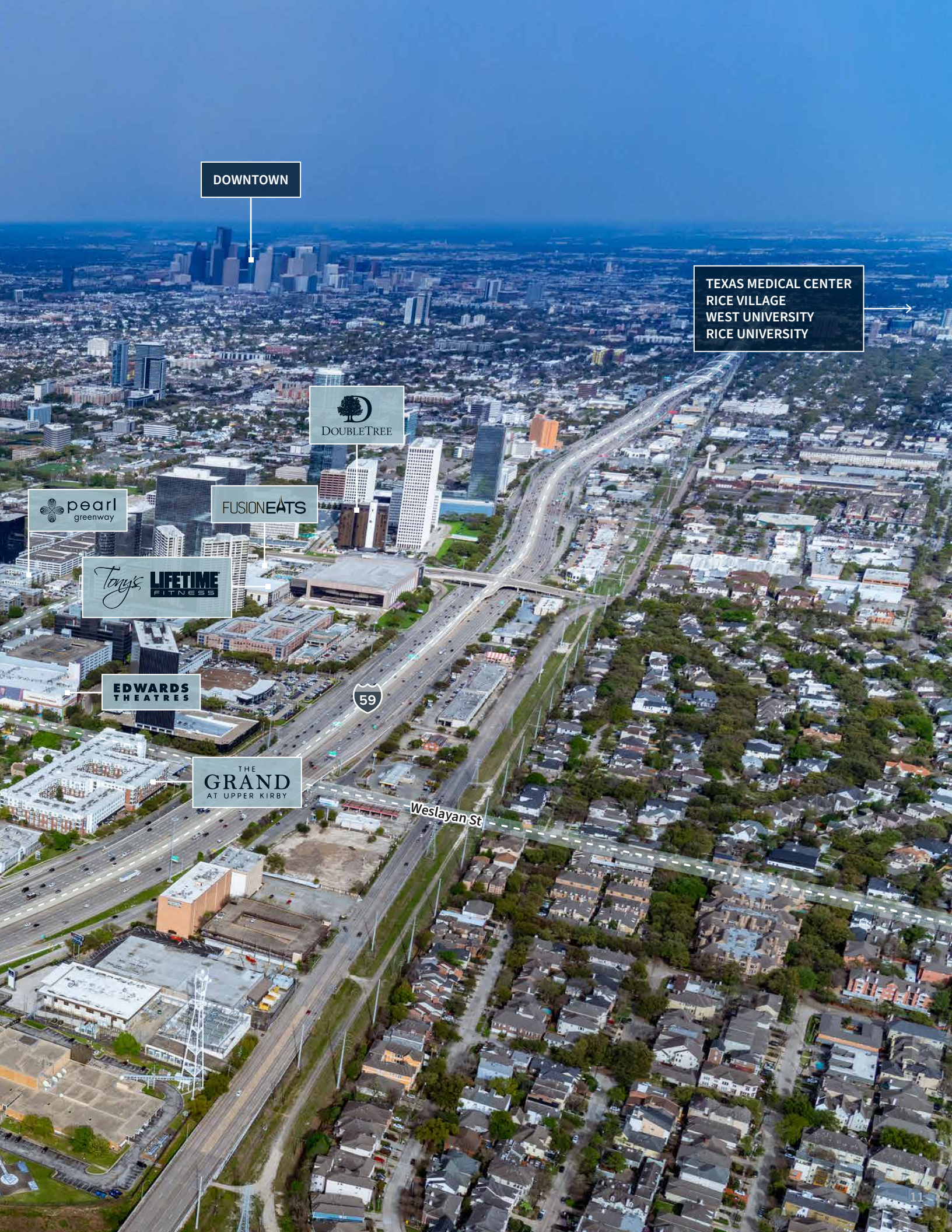


EDWARDS
THEATRES

THE
GRAND
AT UPPER KIRBY

59

Weslayan St



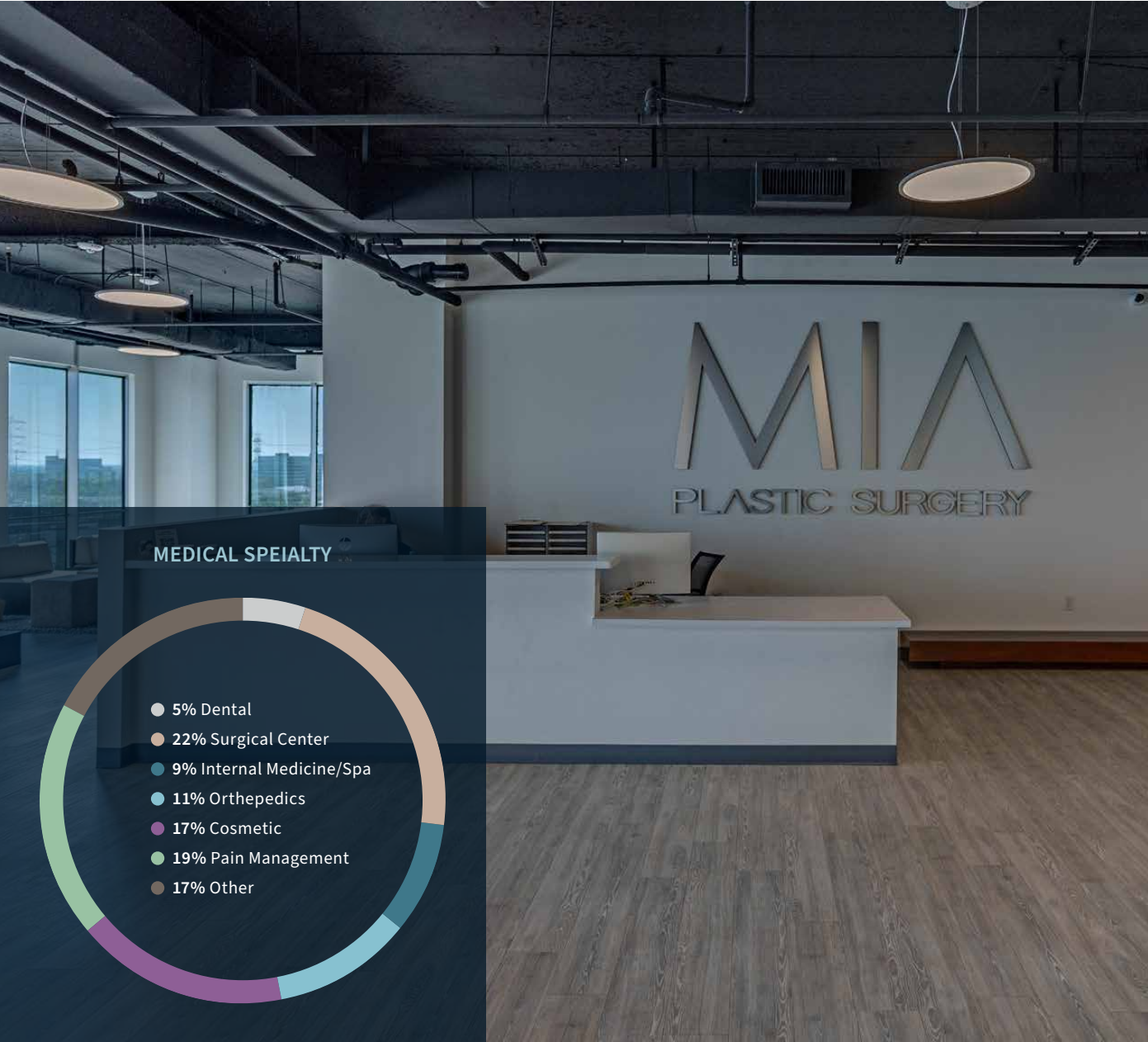


QDTdental

SCEPTRE

ESTABLISHED MEDICAL TENANCY WITH A DIVERSE MIX OF MEDICAL SPECIALTIES

4126 Southwest Freeway offers a tenancy base that is predominantly medical in nature with 100% of occupied space being medical uses excluding T-Mobile who is a known vacate in September 2024. Within the medical tenancy there is a diverse mix of specialties with no specific specialty accounting for more 22% of the space. This diverse mix of tenancy positions the Property to expand upon the already robust medical tenancy.



EXCEPTIONAL VALUE-ADD OPPORTUNITY THROUGH REPOSITIONING AND LEASE UP

As medical users continue to shift towards high population areas and focus on locations off of the TMC campus, properties like 4126 Southwest Freeway are positioned to benefit. With minor cosmetic upgrades to on-site amenities such as the lobbies, corridors, conferencing centers, and the addition of food services, the Property will see an immediate upside in the lease-up of the remaining vacancies. These improvements will reposition the asset and allow investors to re-brand the asset to attract new tenants in the market.





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 2022, Houston added 1.23 million residents, a 20.8% 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.



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 20170

MAGNET FOR TOP TALENT IN THE U.S.

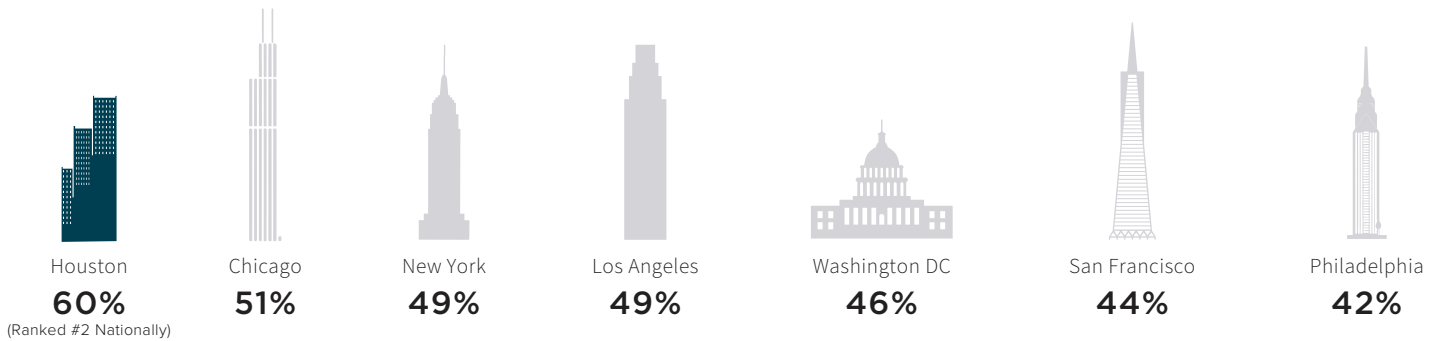
Strong wages and low cost of living create an attractive employment base

LARGEST MEDICAL COMPLEX IN THE WORLD

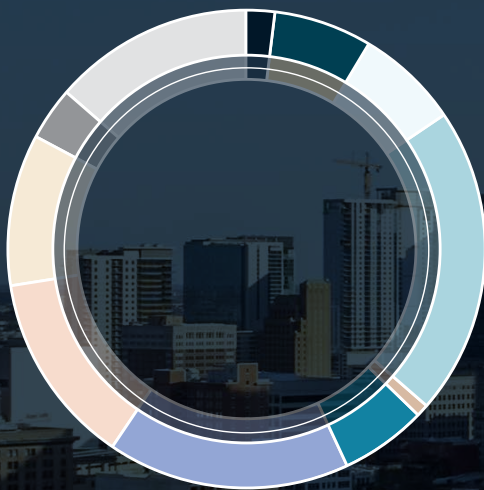
\$25B in local GDP | 8th largest business district in the U.S. | 10M patient encounters per year



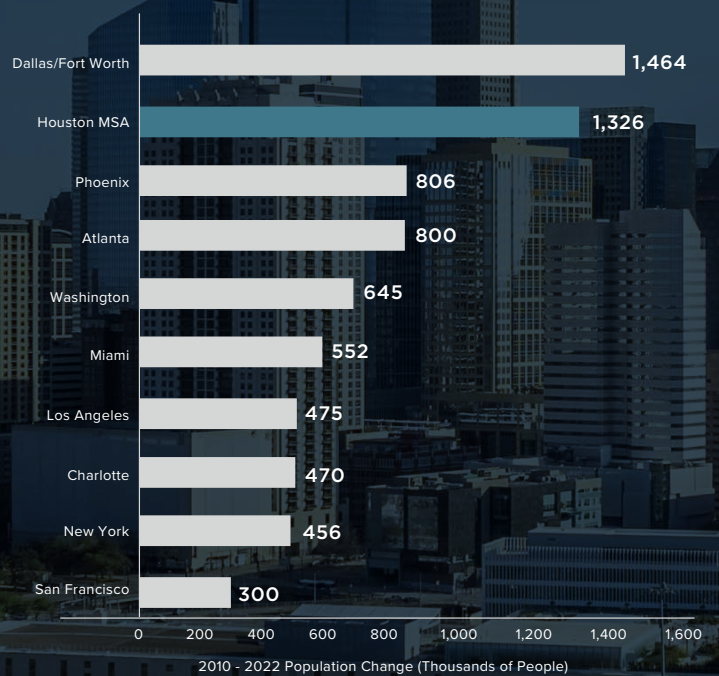
BACK TO WORK %



HOUSTON EMPLOYMENT BY INDUSTRY



#2 METRO FOR POPULATION GROWTH



TOP-RANKED POPULATION GROWTH

257
RESIDENTS MOVE
TO HOUSTON DAILY

One new resident moves to
Houston every 7 minutes

Source: US Census Bureau

473,453
POPULATION
GROWTH

from July 2022 – July 2023
#1 state in the nation

Source: US Census Bureau

1.2M
PROJECTED NEW
RESIDENTS BY 2030

Representing a 17.2%
population growth

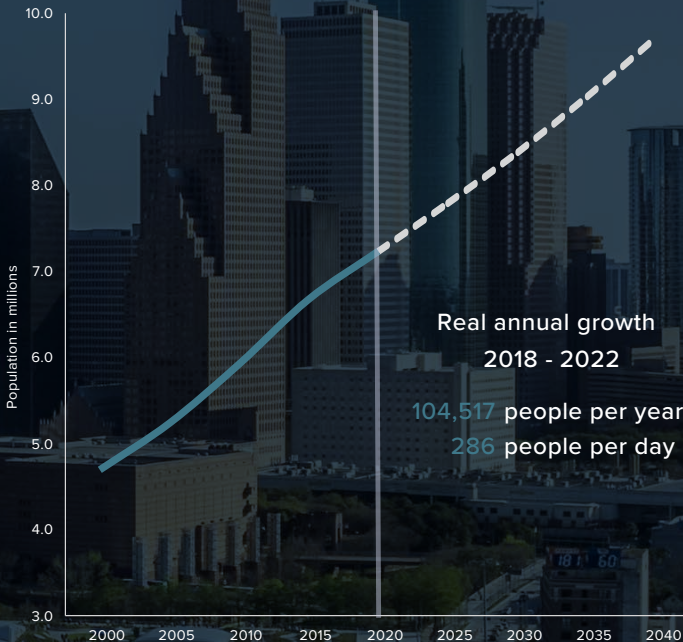
Source: US Census Bureau

TOP 5
IN THE
COUNTRY

For total
job growth

Source: U.S. Bureau of Labor Statistics

HOUSTON'S ROBUST POPULATION GROWTH RATES



NATION-LEADING POSITION IN PROJECTED POPULATION GROWTH



NATION-LEADING EMPLOYMENT GROWTH

#2 MSA

FOR PROJECTED
POPULATION GROWTH

HOUSTON IS HOME TO

23 FORTUNE 500 COMPANIES &

48 FORTUNE 1000 COMPANIES

50+

CORPORATE HEADQUARTER
RELOCATIONS TO HOUSTON
SINCE 2017

#3

IN MOST FORTUNE 500
HEADQUARTERS

LEADING

PRO BUSINESS ENVIRONMENT



70,100

New jobs added
in 2023

79%

Of Houston's higher education grads
stay and work in the region;

*The sixth highest retention
rate in the U.S.*

3.4M

Total non-farm
employment

#2

In the country for
percent job growth

(6.1% in 2022)

3,500,000

Person workforce, nearing
all time high for Houston

#2

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



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