



CAPITOL TOWER



EXECUTIVE SUMMARY

Jones Lang LaSalle ("JLL"), as exclusive advisor, is pleased to present the opportunity to acquire Capitol Tower (the "Property"), a Class A office tower in Austin's CBD. The 20-story tower measures 175,510 rentable square feet and is 69% leased to a strong tenant roster. Of the six total tenants, three are considered creditworthy while the remainder have received significant institutional investment and backing. The institutionally owned asset has unmatched views of the Capitol Building. The Property's prime urban location provides access to an abundance of walkable retail and amenities, which positions the asset well to compete for Austin's ample inbound institutional leasing demand.



ADDRESS

206 E 9th Street
Austin, TX 78701



OCCUPANCY

69%



PARKING

4.15 / 1,000 SF



SUBMARKET

Austin, CBD



FLOORS

20 Stories



WALK SCORE

98



NET RENTABLE AREA

175,510 RSF



YEAR BUILT/ RENOVATED

1984 / 2018



WALT

4.33 Years



REMAINING CONTRACTUAL REVENUE

\$35.7M





SHISEIDO

3

19
E3

4

19
E4





INVESTMENT DISTINCTIONS



HIGH GROWTH RESILIENT AUSTIN OFFICE MARKET

Austin is the fastest growing major metro area in the country. Austin's office market consistently outperforms other gateway markets in the US, especially during the current cycle. Also, according to Kastle Systems, Austin is leading the nation with return to the office as the entire office market in the city is approximately 60% occupied, further supporting the strength and resiliency of the Austin Market.



PARKING INCOME GROWTH

The Property offers a compelling opportunity to grow revenue in the garage by returning to pre-pandemic occupancy levels. With an outsized parking ratio which is rare for the CBD, and its proximity to the Capitol, Capitol Tower has historically achieved nearly 25% of its income through parking revenue.



LEASE TO CORE OPPORTUNITY WITH IN-PLACE CASH FLOW

Capitol Tower has been institutionally maintained and historically well leased. The Property offers the opportunity to acquire a CBD Austin office tower at a relatively low basis with \$35.7 million in remaining contractual revenue. The building is positioned to benefit from the influx of companies moving to Austin and presents an opportunity to grow NOI through lease-up, as Capitol Tower sits at 69% leased with a 4.33 year weighted average lease term.



COMPETITIVE BASIS IN A RISING CLASS A MARKET

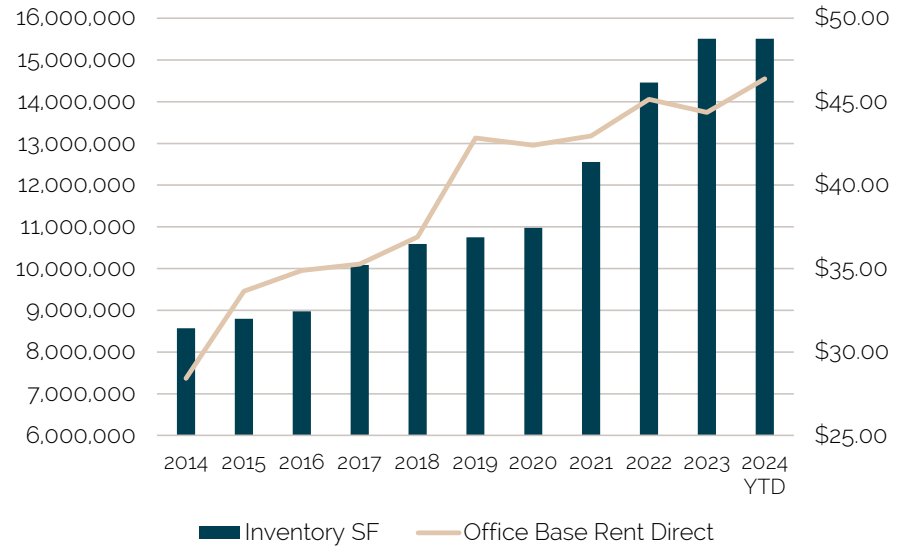
Urban, Class A Austin CBD has grown tremendously in recent years. With the continued new development proving tenant's demand and flight to quality, Class A occupancy costs have doubled over the last 7 years.

Rising rental rates and replacement costs have caused Capitol Tower to benefit from a significant discount in total occupancy costs relative to its Class A and new construction competitors. Class A top of market rents are over \$90 FSG and likely rising in the near term. Drastically rising land and construction costs will continue to improve the relative basis while also creating more upside for rental rate growth.

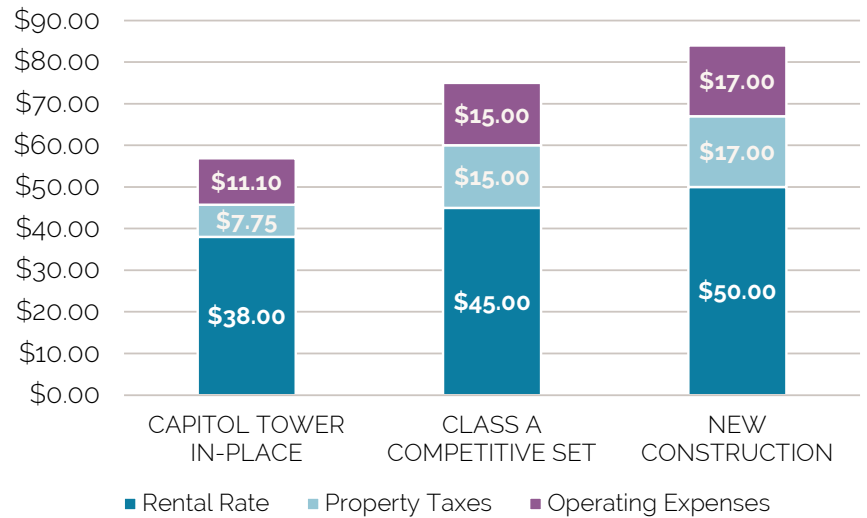




CLASS A CBD AUSTIN INVENTORY & RENT GROWTH (NNN)



TOTAL TENANT OCCUPANCY COST



LOCATION OVERVIEW

West CBD

Just west of Capitol Tower the West CBD has seen towering growth over the past decade as the Austin CBD has shifted West, with nearly 6M SF of new office deliveries occurring west of Congress Ave and an abundance of apartments, condos, hotels, and retail to support the tenant base.

Convention Center / Hotel District

The Convention Center district, located just south of Capitol Tower, holds the most hotel rooms of any district in the MSA.

Rainey

Austin's hippest Downtown district undergoing a renaissance with 1,068 Apartment units built in last 5 years and a unique bars and restaurants.

6th Entertainment District

Just three blocks from Capitol Tower, "Old 6th Street" is made up of 42 entertainment venues including comedy clubs, live music, and 29 unique bars.

Capitol Complex

Located halfway between the CBD and UT, the Capitol Complex stretches for 4 blocks north and south of the Texas State Capitol and holds the majority of downtown government and government adjacent workers.

Medical District/Waterloo

Home to the Moody Amphitheater and Dell Seton Medical Center, the area is poised to undergo a transformation from low rise office district into a vibrant mixed use medical district less than a 15 minute walk from Capitol Tower.

Eastside

Austin fastest growing residential and entertainment district, chock full of neighborhood bars, lots of outdoor spaces, craft breweries, and fine dining.

West CBD

- Walking distance to Capitol Tower | <5 minutes
- Hotel Rooms | 1,193 existing
- Condos: 1,355 existing | Apartments: 3,804 existing; 697 UC
- Retail: 915k SF

Convention Center / Hotel District

- Walking distance to Capitol Tower | <15 minutes
- Hotel Rooms | 5,480
- Condos: 352 | Apartments: 1,169
- Retail: 432k SF | Office: 2.1M SF

Rainey

- Walking distance to Capitol Tower | <25 minutes
- Hotel Rooms | 860 existing; 251 UC
- Condos: 961 existing; 1,072 UC | Apartments: 1,180 existing 1,853 UC
- Retail: 54.6k SF

6th Entertainment District

- Walking distance to Capitol Tower | <5 minutes
- Retail: 62k SF

Capitol Complex

- Walking distance from Capitol Tower | <5 minutes

Medical District/Waterloo

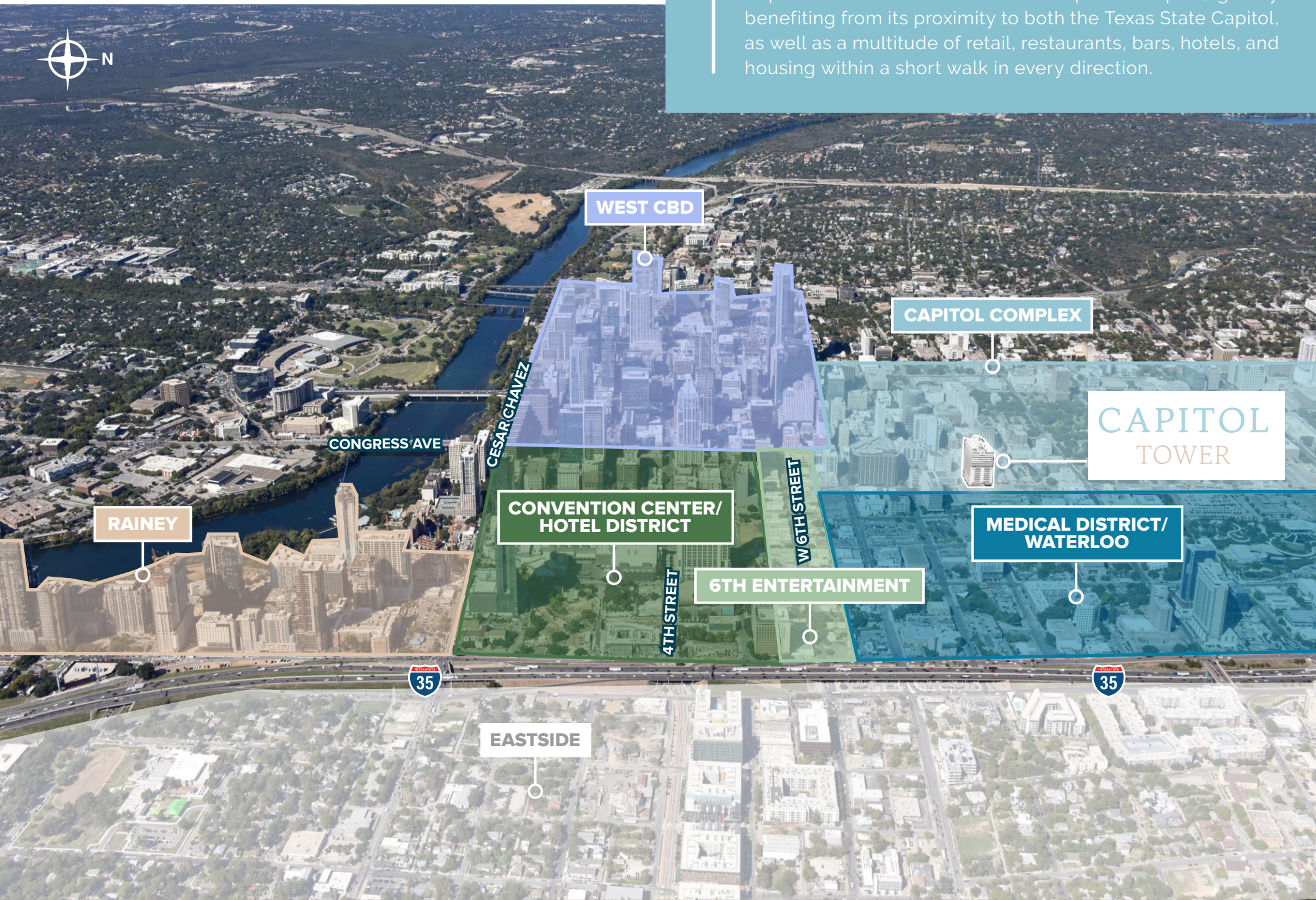
- Walking distance to Capitol Tower | <5 minutes
- Hotel Rooms | 1,014
- Apartments | 917
- Retail: 135k SF | Office: 716k SF medical; 2.1M total SF

Eastside

- Walking distance to Capitol Tower | 15 minutes
- Hotel Rooms | 289
- Apartments | 2,195 existing; 216 UC
- Retail: 363k SF | Office: 1.6M SF



Capitol Tower is in the heart of Capitol Complex, greatly benefiting from its proximity to both the Texas State Capitol, as well as a multitude of retail, restaurants, bars, hotels, and housing within a short walk in every direction.



WEST CBD

CAPITOL COMPLEX

CAPITOL TOWER

RAINEY

CONVENTION CENTER/
HOTEL DISTRICT

6TH ENTERTAINMENT

MEDICAL DISTRICT/
WATERLOO

EASTSIDE



AUSTIN'S UNMATCHED ECONOMIC PERFORMANCE



Austin was named the #5 Market Overall Real Estate Prospects by PWC Emerging Trends in 2024 and #5 for US Real Estate Investment by AFIRE in 2023 with real estate investors taking note of its rapid population growth, large influx of corporate relocations and expansions, quality of life, economic resilience, and relative affordability.

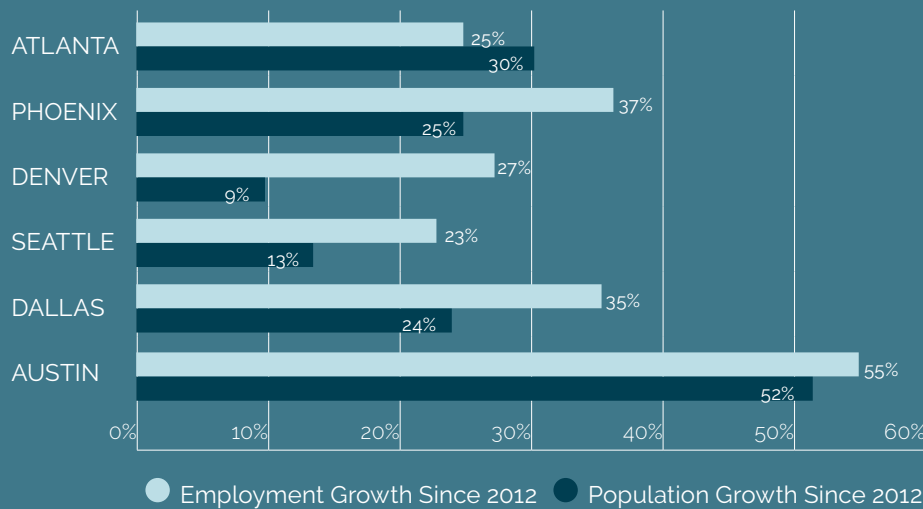
BOOMING POPULATION & EMPLOYMENT GROWTH

Austin's employment and population growth since 2012 sit at 47% and 52%, respectively, leading all major Sunbelt Metros.

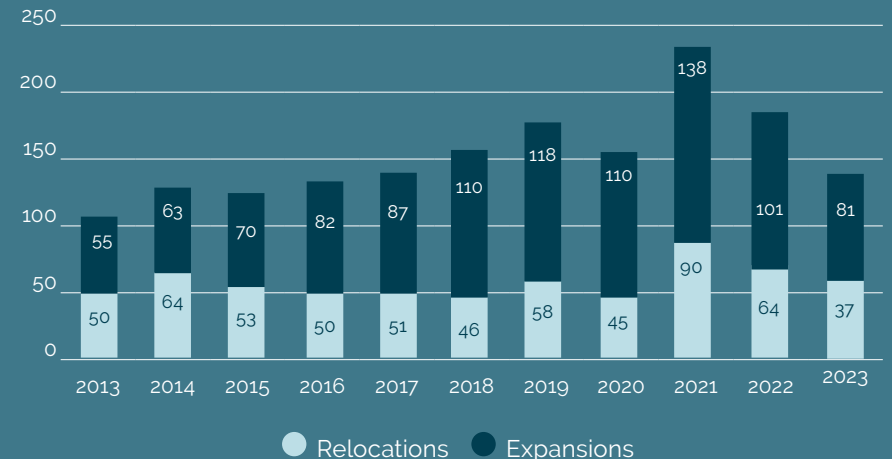
BUSINESS MAGNET

Austin saw 118 corporate relocations/expansions in 2023 that created over 19,856 new jobs, a 38% increase when compared to relocations/expansions a decade ago.

EMPLOYMENT & POPULATION GROWTH



AUSTIN CORPORATE RELOCATIONS & EXPANSIONS





PROVEN RESILIENCE

Austin has proven to be resilient during US recessions; during the Great Recession Austin's employment exceeded its pre-recession peak just two years later, whereas the US remained below its pre-recession peak for six years.

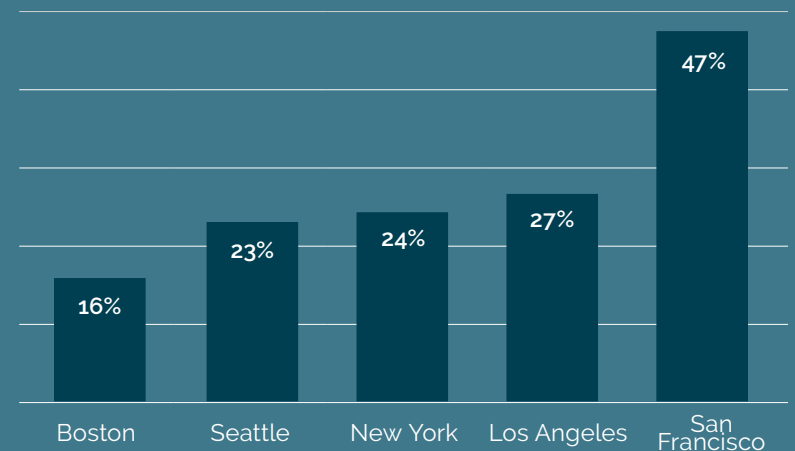
COMPELLING AFFORDABILITY

Despite the economic prosperity of the city, it still remains 24% more affordable than New York and 47% more affordable than San Francisco.

AUSTIN VS. US EMPLOYMENT GROWTH



% HIGHER COST OF LIVING COMPARED TO AUSTIN



TEXAS STATE CAPITOL

The granite Texas statehouse stands out as a testament to the history of the Lone Star State. Widely recognized as one of the nation's most distinguished state capitols – it was placed on the National Register of Historic Places in 1970 and designated a National Historic Landmark in 1986. From the ornate architecture, gorgeous grounds, free guided tours, and delicious surrounding food options, the Texas State Capitol is one of the most noteworthy attractions in all of Austin, bringing in thousands of visitors on a daily basis.

In addition to the Texas State Capitol as one of Austin's historic attractions, every other year, the Capitol hosts statewide conventions that Capitol Tower is the beneficiary of. Capitol Tower gets the benefit of overflow parking during these heavy usage years due to its large parking garage and proximity to the Capitol.





CAPITOL TOWER

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