

Cypress Station

301-305 WELLS FARGO DR, HOUSTON, TX 77090



104,212 SQUARE FOOT LIGHT INDUSTRIAL ASSET | VALUE-ADD OPPORTUNITY
PREMIER NORTH HOUSTON LOCATION

Confidential Offering Memorandum

THE OFFERING

JLL Capital Markets, on behalf of ownership, is pleased to offer qualified investors the opportunity to purchase the fee simple interest in Cypress Station (“the Property”), a 104,212 square foot light industrial asset consisting of two buildings across a 7.7 acre site. The Property is located adjacent to George Bush Intercontinental Airport and is just under a 15 minute drive away. The infill location with immediate access to Interstate 45, positions the Property to cater towards Houston’s light industrial tenants serving the dense population in the surrounding areas.

The Property is home to a total of twenty tenants with suite sizes ranging from approximately 1,000 square feet to 20,000 square feet and boasting an average suite size of ~3,300 square feet. Both the location and suite sizes within the Property would be highly difficult and costly to replicate today, insulating the Property from any future development pipeline.

Currently 78% leased with 2.2 years of weighted average lease term remaining, potential investors have the unique value-add opportunity to significantly grow NOI through the lease-up of remaining vacancies and a continued office pullback strategy while acquiring an asset substantially below replacement cost.



104,212

SIZE (SF)

78%

OCCUPANCY

North

SUBMARKET

1977

YEAR BUILT

16'

CLEAR HEIGHT

2.2

YEARS WALT

46%

OFFICE FINISH

404 Spaces

CAR PARKING
3.88/1,000 SF

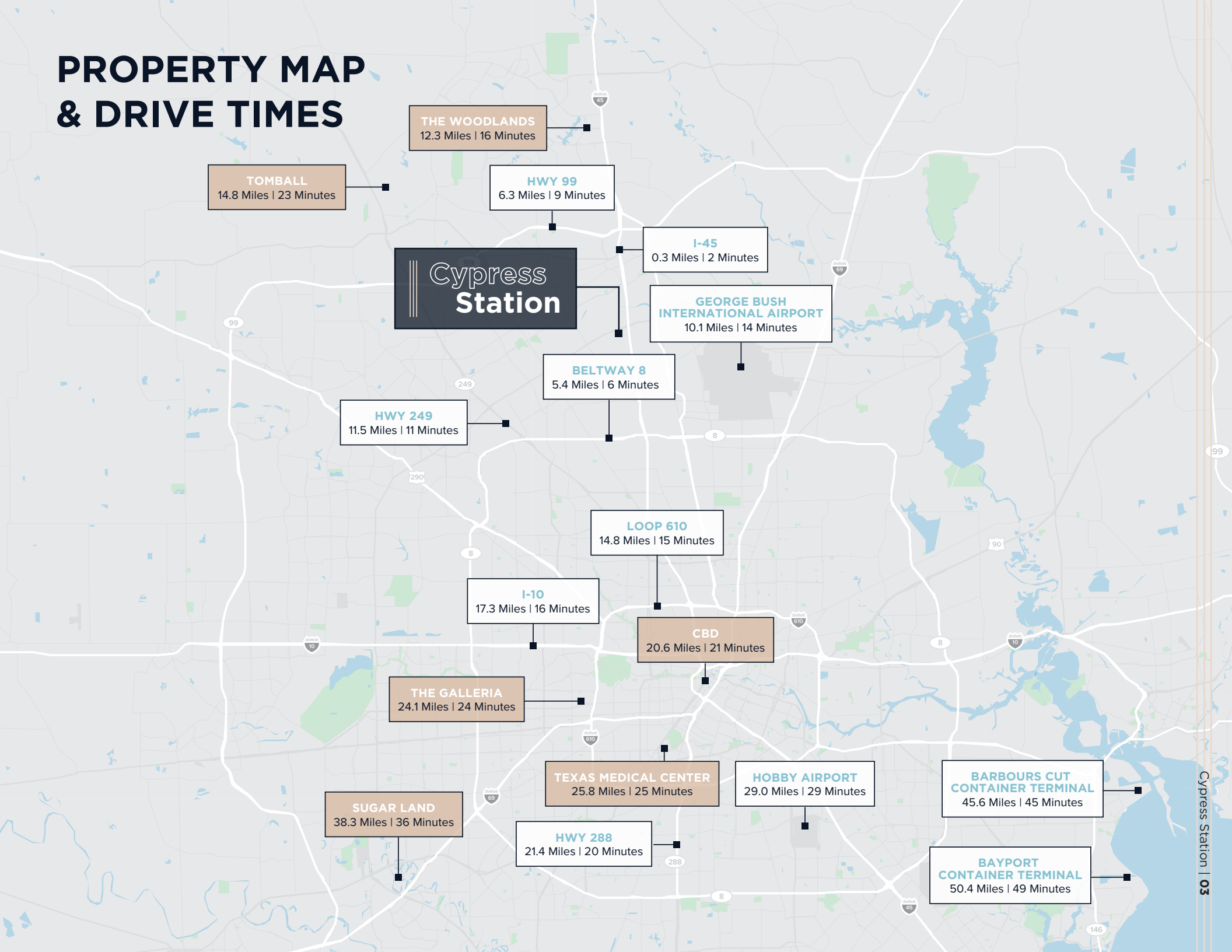
7.7

ACRES

31.0%

COVERAGE RATIO

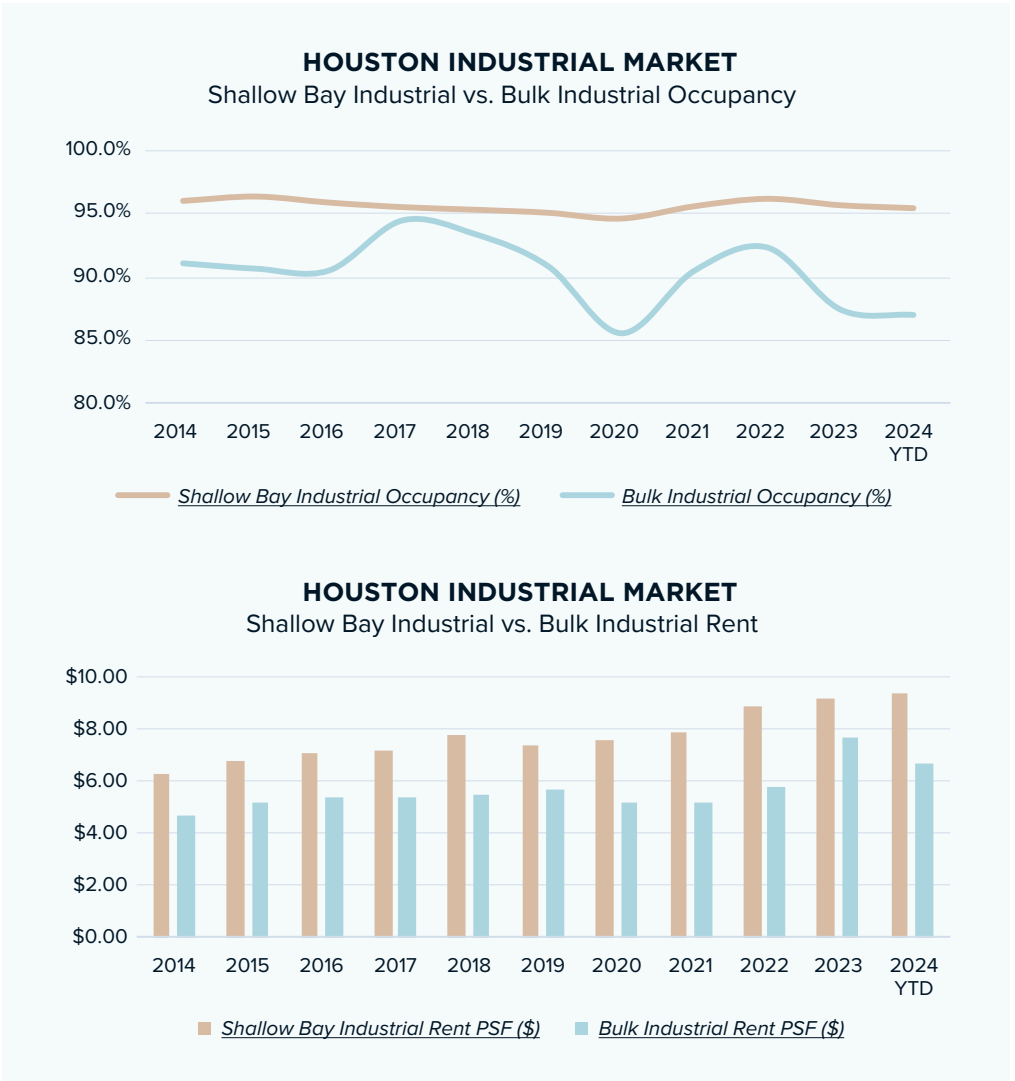
PROPERTY MAP & DRIVE TIMES



SHALLOW BAY PRODUCT OUTPERFORMING THE OVERALL MARKET

Vintage (pre-2000) shallow bay product (less than 120k SF) within the Houston industrial market has consistently outperformed bulk industrial product, with stable occupancy averaging above 95% since 2014 and outstanding historical rent growth outpacing Class A distribution product.

Source: CoStar data



AVG. OCCUPANCY SINCE 2014
**Shallow Bay: 95.6% vs.
Bulk Industrial: 90.4%**

TOTAL RENT GROWTH SINCE 2014
**Shallow Bay: 48.9% vs.
Bulk Industrial: 42.7%**



VERSATILE LIGHT INDUSTRIAL PRODUCT PRICED WELL BELOW REPLACEMENT COST

The Property consists of two functional light industrial buildings with infill locations along Interstate 45. Combining the cost for office buildouts, demising walls, and the infill land values, replicating these assets today would be extremely difficult with replacement cost exceeding \$215 per square foot. Given the cost to replace, this Property will benefit from out-sized rent growth as this smaller tenant base will continue to have limited options citywide.

CYPRESS STATION - REPLACEMENT COST ANALYSIS

Land Acreage	7.71 Acres	
Land SF	335,630 SF	
Price Per Land SF	\$10.00	
Building Size	104,212 SF	
Land Purchase Price	\$3,356,298	\$32.21
Shell Construction Costs	\$7,294,840	\$70.00
Site Work	\$312,636	\$3.00
Permits & Fees	\$260,530	\$2.50
Tenant Improvements	\$7,815,900	\$75.00
Hard Cost Contingency (5.00%)	\$952,010	\$9.14
Total Hard Costs	\$19,992,214	\$191.84
Design Costs	\$208,424	\$2.00
3rd Parties & Survey	\$78,159	\$0.75
Legal & Administrative	\$156,318	\$1.50
Developer Fees (4.00% of Hard Costs)	\$799,689	\$7.67
Leasing Commissions (6.00% Gross)	\$504,953	\$4.85
Operating Deficit	\$104,212	\$1.00
Taxes During Construction Period	\$83,370	\$0.80
Financing Fee	\$208,424	\$2.00
Interest Carry	\$521,060	\$5.00
Soft Cost Contingency (5.00%)	\$133,230	\$1.28
Total Soft Costs	\$2,797,839	\$26.85
TOTAL PROJECT COSTS	\$22,790,053	\$218.69



SURROUNDED BY INSTITUTIONAL OWNERSHIP

As shown, the Property is surrounded by institutional ownership providing further conviction in the infill location. The adjacent ownership provides enhanced stability, credibility, and a sense of long-term desirability for assets in the immediate area.



Dalfen
INDUSTRIAL
HARDY INDUSTRIAL CENTER
206,333 SF

Crow Holdings
NORTH CENTRAL
DISTRIBUTION CENTER
409,795 SF

**Cypress
Station**

HIGH STREET
LOGISTICS PROPERTIES
INTERSTATE COMMERCE CENTER
BLDG. 3
225,600 SF

bel
FURNITURE

HIGH STREET
LOGISTICS PROPERTIES
INTERSTATE COMMERCE CENTER
BLDG. 4
108,000 SF

mapletree
INTERSTATE COMMERCE CENTER
BLDG. 2
284,170 SF

mapletree
INTERSTATE COMMERCE CENTER
BLDG. 1
129,936 SF



UNMATCHED ACCESSIBILITY TO MAJOR INDUSTRIAL THOROUGHFARES

DOWNTOWN HOUSTON

THE GALLERIA

Excellent connectivity to I-45 via Wells Fargo Dr and Cypress Station Dr, providing access to the Beltway 8 and FM 1960

Proximity to Houston's major thoroughfares: Interstate 45, Beltway 8, Interstate 69, Highway 249, Highway 99,

Bush Intercontinental Airport (IAH) is located just 6 miles northeast of the Property and is the city's primary airport and the second largest hub for United Airlines. IAH is the 14th busiest airport in the United States for total passenger traffic

Cypress
Station

PROXIMATE TO GEORGE BUSH INTERCONTINENTAL AIRPORT

Houston IAH continues to enhance terminal services and facilities in cooperation with its major hub carrier, United Airlines. The airport has a broad range of dining choices which represents the best of local Texan food culture as well as many national and international brands. There is an extensive city art program in place around the airport, and in Terminals A and D, customers may also enjoy daily live music from Harmony in the Air.

Principal Employers



2024 Skytrax World Airport Awards

George Bush Intercontinental Airport (IAH) keeps its 4-star Skytrax rating for a seventh straight year.

Houston Airports - World's Best Art & Entertainment Program

IAH & HOU rank among the Top 40 Best Airports in the World

IAH & HOU rank among the Top 3 Best Airports in the World (Based on Passenger Volume)

IAH among the Top 10 World's Best Airport Dining Experience

52M

PASSENGERS

\$481M

OPERATING REVENUE

30

AIRLINES

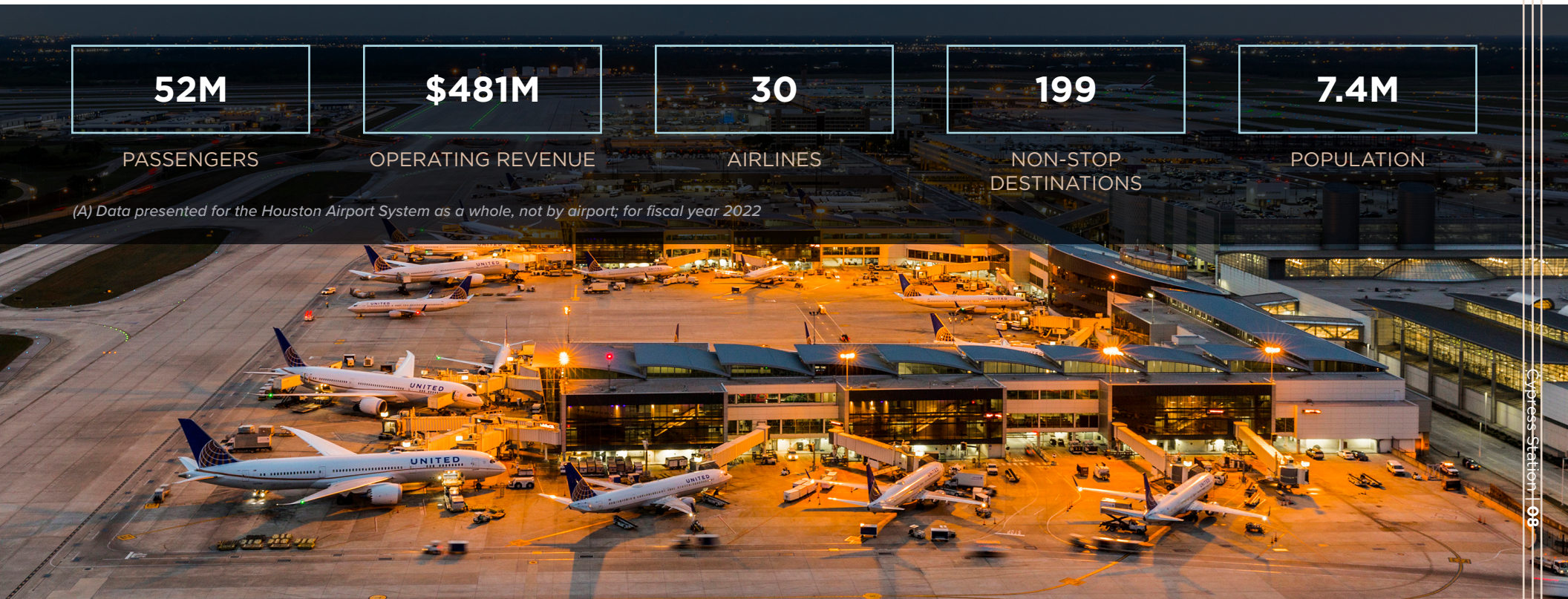
199

NON-STOP
DESTINATIONS

7.4M

POPULATION

(A) Data presented for the Houston Airport System as a whole, not by airport; for fiscal year 2022

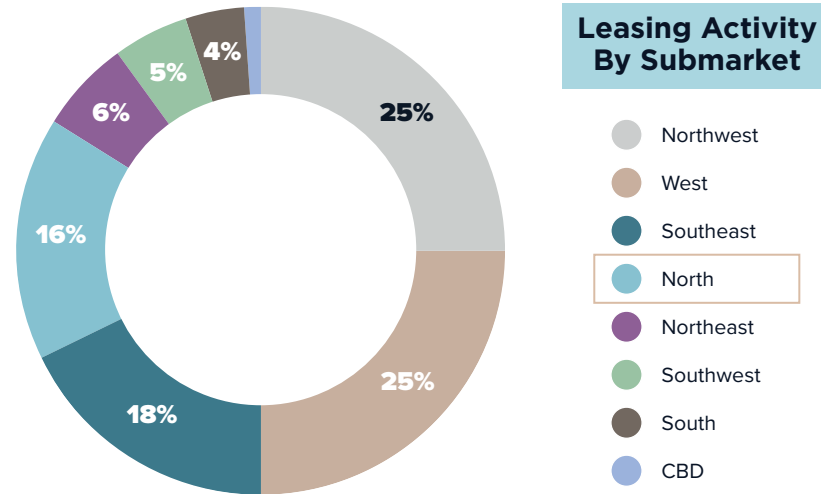


ROBUST LEASING ACTIVITY AND HEALTHY FUNDAMENTALS

Houston's healthy market conditions continued into Q1 2025, as supply and demand remained in tandem keeping vacancy stable at 6.4%

Total vacancy was flat at 6.4% as occupancy gains and deliveries were relatively balanced (2.6 million s.f. vs. 2.8 million s.f.); vacancy remained well below the five-year average of 7.2%.

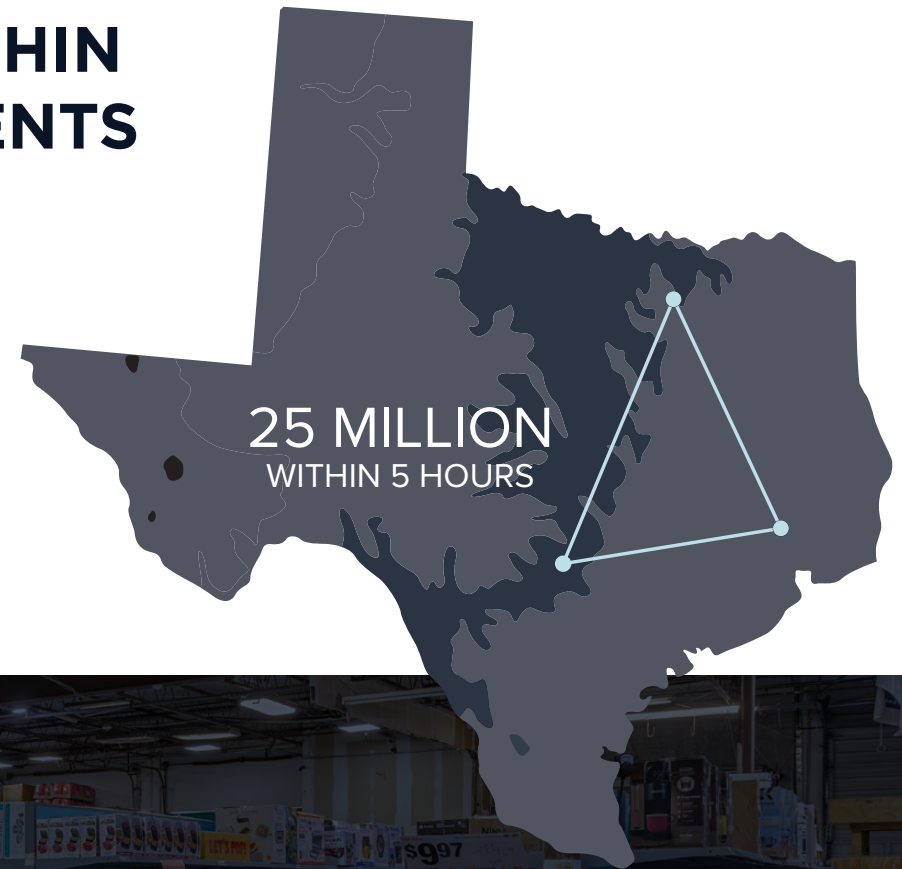
Houston's industrial market reached 2.6 million s.f. of Q1 occupancy gains, with the North and Northwest submarkets making up approximately 40% of all leasing activity



DISTRIBUTION LOCATION WITHIN REACH OF 25 MILLION RESIDENTS

With easy access to the Texas Triangle, the area between DFW, Houston, and San Antonio, the Property's tenants can reach over 25 million people in a matter of hours.

Over the next 40 years, the population of the Texas Triangle is projected to grow more than 65%, resulting in 78% of Texans living within the area. The Dallas-Fort Worth, Houston, Austin, and San Antonio metropolitan areas combine to create one giant megalopolis, which ranks as the seventh largest mega-region in North America. The Texas Triangle megalopolis' \$1.32 trillion in economic output would rank among the world's 15 largest economies.



Population Growth 2000-2028



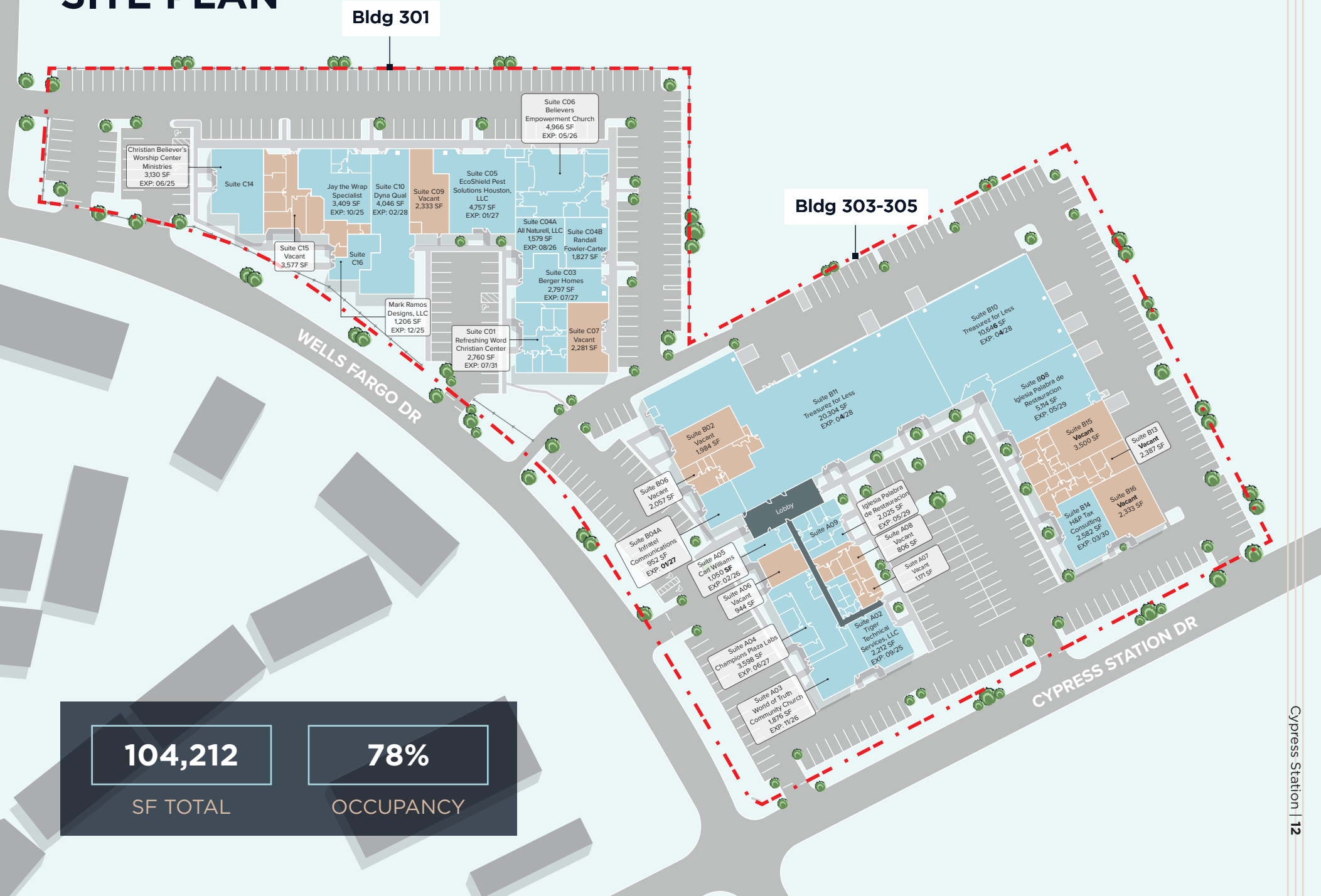
PROPERTY DESCRIPTION

PROPERTY SUMMARY	301 WELLS FARGO DR	303-305 WELLS FARGO DR
ADDRESS:	Houston, TX 77090	Houston, TX 77090
SIZE (SF):	38,634	65,578
OFFICE (SF):	23,343	24,957
OFFICE FINISH %:	60%	38%
YEAR BUILT:	1977	1977
# OF TENANTS (VACANCIES)	10 (3)	10 (8)
LOADING CONFIGURATION:	Rear-Load	Rear-Load
CLEAR HEIGHT:	16'	303: 16' 305: 12"
ROOF TYPE:	TPO	BUR
ROOF AGE:	2019 (Warranty - 2039)	2019 (Warranty - 2039)
WALT:	2.2 Years	
# OF BUILDINGS:	2	
LAND SIZE:	7.705 Acres	
PARKING:	404 Spaces - 3.88/1,000 SF	
FLOOD ZONE:	Zone X	
FOUNDATION/SUBSTRUCTURE:	Concrete slab-on-grade with perimeter footings under load bearing structures	
STRUCTURE:	Concrete tilt-up wall panels with steel	
FAÇADE:	Painted concrete tilt-up wall panels, with decorative metal panels & storefront-type glazing systems at tenant entrances	
ROOF:	Flat, adhered, single-ply thermoplastic membrane (301); Flat, built-up roofing w/ asphalt flood coat embedded ballast (303 & 305)	
PARKING AREA:	Concrete pavement at grade	
HVAC:	Packaged roof top units and split-system units. Tenants reimburse ownership monthly for individual HVAC servicing.	
SPRINKLERS:	Buildings are not sprinklered.	



COMBINED SITE PLAN

- ▲ DOCK DOOR
- DRIVE IN DOOR



HOUSTON INDUSTRIAL MARKET OVERVIEW

Q1 2025 Highlights

- Healthy leasing activity totaled 9.2 million s.f. led by two transactions from Tesla in the West submarket, a 1.7 million-s.f. extension of its current one-million-s.f. lease and a new 616,463-s.f. build-to-suit expansion.
- Total vacancy was flat at 6.4% as occupancy gains and deliveries were relatively balanced (2.6 million s.f. vs. 2.8 million s.f.); vacancy remained well below the five-year average of 7.2%.
- Development climbed for the third consecutive quarter, up 11.5% from year end with 14.7 million s.f. underway.

Houston's industrial market reached 2.6 million s.f. of Q1 occupancy gains, with a substantial portion attributed to the Southeast. The submarket notched a total of 1.2 million s.f. of net absorption and secured the three largest move-ins of Q1. Among these the most prominent was a 279,450-s.f. occupancy at Port 10 Logistics Center from a new-to-market tenant, Old World Industries. This trend indicates continued demand for industrial space, particularly from the manufacturing and logistics and distribution sectors.

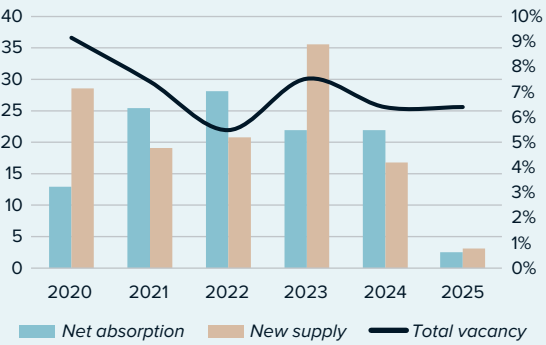
Completions totaled 2.8 million s.f. with three noteworthy deliveries: Westpoint 45, a 728,080-s.f. speculative building in the North, and Stafford Logistics, a two-building park in the Southwest totaling 785,138 s.f., completed construction. Supply and demand remained in tandem in Q1, keeping vacancy stable at 6.4%. New project starts pushed ahead as Houston's development pipeline rose for the third consecutive quarter, totaling 14.7 million s.f. underway and 27% preleased. Notably, two high profile, big-box owner-user sites totaling 1.8 million s.f. broke ground in the Northwest submarket. Grainger is underway on a 1.3-million-s.f. facility, while H-E-B started the first phase of its new multi-building distribution center on a 500-acre site in Hockley, both to support growing customer bases across Houston.

Industrial demand started 2025 with 9.2 million s.f. of leasing activity, led by two deals from Tesla totaling 1.7 million s.f. in the West submarket. The electric automotive manufacturer extended its one-million-s.f. lease at Empire West and signed an additional 616,463-s.f. build-to-suit expansion within the business park. The company plans to operate a new Megapack battery storage manufacturing facility from the location.

Outlook

Houston continues to forge ahead through the economic uncertainty. A lack of deal focus by tenants around the election in Q4 resulted in lighter occupancy gains to start the year, but Houston's resiliency is well documented. Consistent growth in the pipeline, both speculative and owner-built, demonstrates confidence in Houston's future. In addition, the strength of the market's foundational demand drivers, coupled with sustained leasing momentum, should enable it to maintain balanced conditions in 2025.

Historical Trends (SF in Millions)



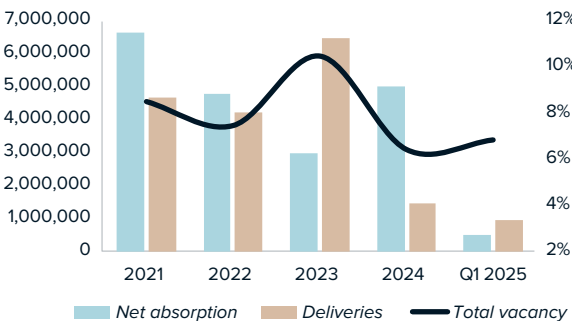
Fundamentals

YTD Net Absorption	—	2,572,063 s.f.	▲	Total Vacancy	—	6.4%	▶
Under Construction	—	14,741,581 s.f.	▲	Total Availability	—	11.1%	▶
Pre-Leased	—	26.9%	▲	Average Asking Rent	—	\$0.60 p.s.f.	▲
YTD Deliveries	—	2,827,557 s.f.	▲	Concessions	—	Stable	▶

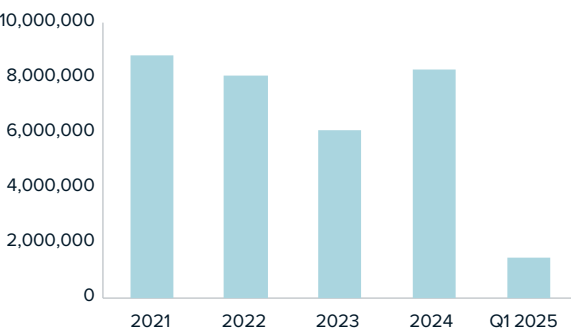


NORTH INDUSTRIAL SUBMARKET OVERVIEW

Supply, Demand & Vacancy



Leasing Activity



Q1 2025 Fundamentals

99.1
million SF

INVENTORY

6.7%

TOTAL
VACANCY

463,880
SF

Q1 NET
ABSORPTION

463,880
SF

YTD NET
ABSORPTION

1.3
million SF

UNDER
CONSTRUCTION

\$0.61
per PSF (NNN)

DIRECT
ASKING RENT

1.4
million SF

Q1 LEASING
ACTIVITY

Key Takeaways

In Q1, the North demonstrated resilience and growth, with absorption up 75% quarter-over-quarter. This suggests momentum towards a more balanced market with steady demand. The largest move in was a 164,840-s.f. expansion from MEI Rigging & Crating at Kennedy Greens.

The submarket notched 919,851 s.f. of new deliveries, the largest quarterly volume in the market. This was driven by Westpoint 45, Vigavi's 728,080-s.f. spec completion near Pinto Business Park. Following this, construction activity dipped to 1.3 million s.f. and vacancy climbed 40 basis points to 6.7%.

Robust leasing activity persisted with 1.4 million s.f. of deals signing in Q1. The North captured 16% of quarterly activity. Notable leases included Ashley Furniture Home Store's 302,501-s.f. renewal at Airtex Industrial Center and Red Bull's 137,171-s.f. new-to-market lease at Carter Crossing.

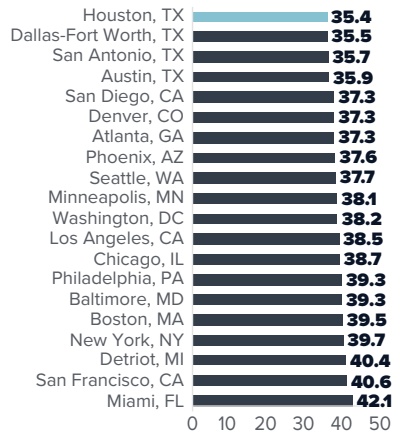
Looking ahead, the North is poised for further growth. With a moderating development pipeline, the submarket has opportunity to absorb recent completions. Additionally, the slight uptick in vacancy offers opportunities for tenants seeking quality space.

HOUSTON RESILIENCY FIVE THINGS TO KNOW

01

Houston is a thriving and diverse city with the youngest population among major U.S. metros

Median Age



Diversity Rankings

RANKING	MSA
1	Los Angeles, CA
2	Miami, FL
3	Houston, TX
4	Las Vegas, NV
5	Washington, DC
6	Atlanta, GA
7	New York, NY
8	San Antonio, TX
9	Dallas-Fort Worth, TX
10	Chicago, IL

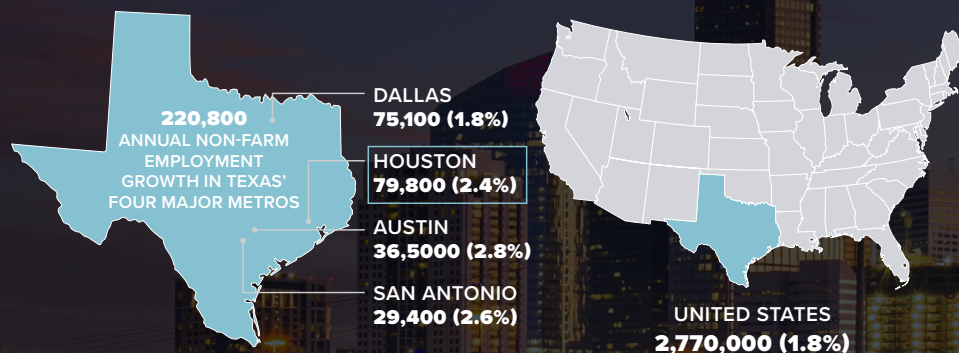
Despite the pandemic, Houston's population continues to climb steadily due to strong natural and in-migration trends

Population Growth 2000-2028

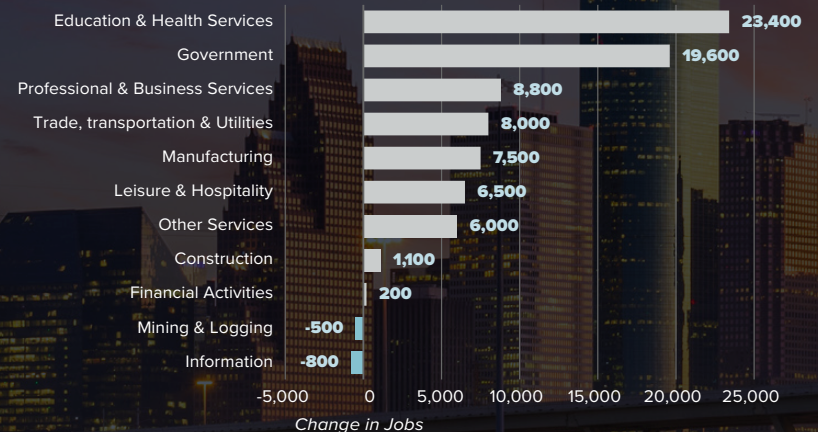


02

Houston was **No. 1** in job growth among Texas major markets over the trailing 12 months

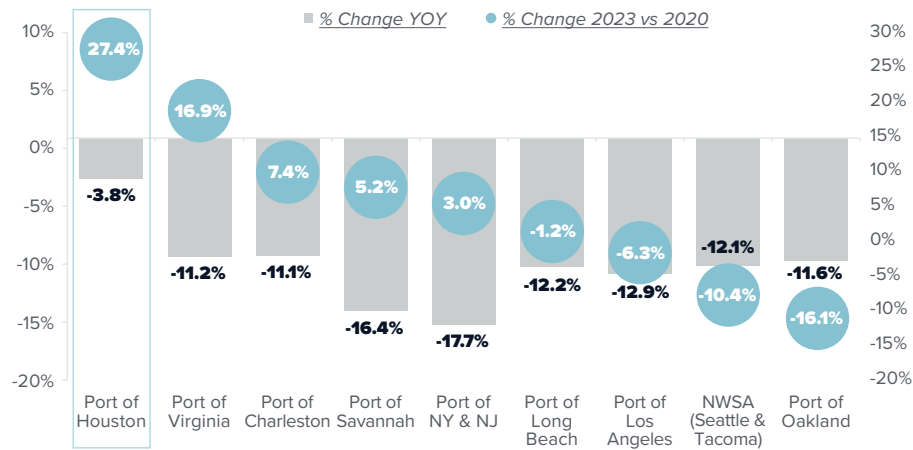


Total Nonfarm Employment Climbed to Over 3.4m

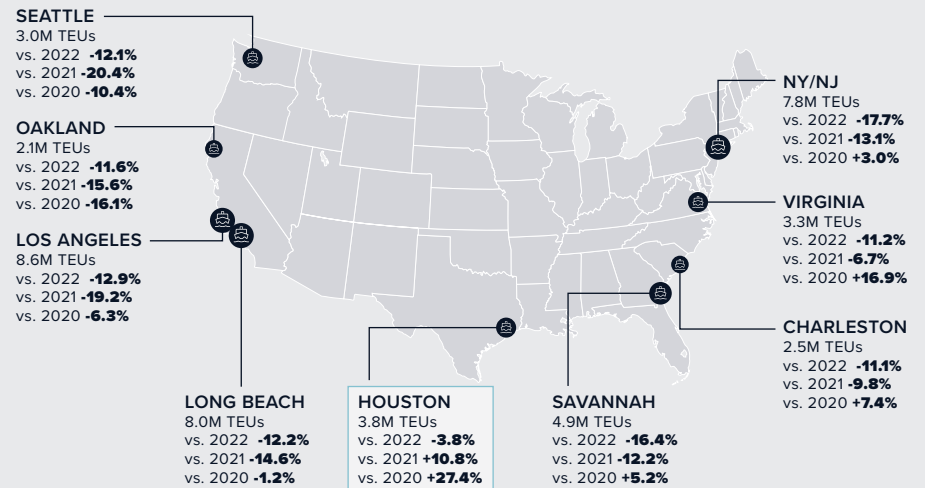


HOUSTON RESILIENCY FIVE THINGS TO KNOW

03 Port Houston continues its record-breaking growth, a major economic engine for the entire Gulf Coast region.



Port Houston is now the **5th-largest** container terminal in the U.S.

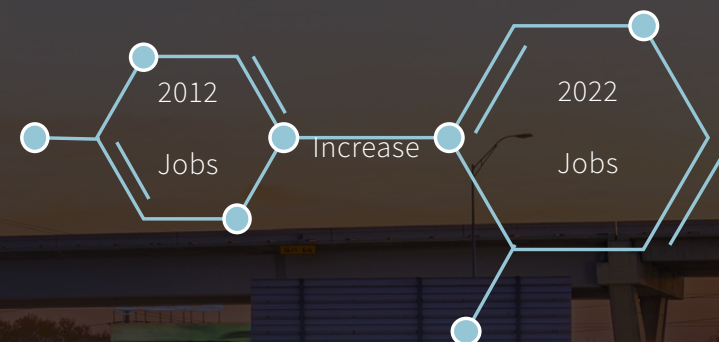


04 Despite the pandemic, Houston's population continues climb steadily due to strong natural and in-migration trends

RANKING	U.S. MARKETS TO WATCH	RANKING	U.S. MARKETS TO WATCH
1	Nashville	9	Phoenix
2	Dallas/Fort Worth	10	Charlotte
3	Atlanta	11	San Diego
4	Austin	12	San Antonio
5	Tampa/St. Petersburg	13	Orlando
6	Raleigh/Durham	14	Houston
7	Miami	15	Northern New Jersey
8	Boston		

Source: JLL Research, 2022 JLL Life Sciences Research Outlook and Cluster Rankings, Port Houston as of October 2022, Urban Land Institute and PwC, Greater Houston Partnership, EMSI. © 2022 Jones Lang LaSalle IP, Inc. All rights reserved.

05 Houston was the only Texas metro to land on the U.S. life sciences cluster rankings due to its impressive base of talent and research institutions. The life sciences sector has seen marked employment growth, advancing greater Houston's position as an emerging market



JLL CONTACTS

Transaction Team

Trent Agnew, SIOR

Industrial Group Leader,
Senior Managing Director
+1 713 852 3431
trent.agnew@jll.com

Charlie Strauss, SIOR

Managing Director
+1 713 212 6574
charles.strauss@jll.com

Lance Young

Director
+1 713 852 3544
lance.young@jll.com

Clay Anderson

Senior Analyst
+1 713 243 3388
clay.anderson@jll.com

Texas Team

Tom Weber

Senior Director
+1 713 852 3495
tom.weber@jll.com

Pauli Kerr

Director
+1 214 692 4733
pauli.kerr@jll.com

Witt Westbrook

Senior Director
+1 254 595 1407
witt.westbrook@jll.com

Kyle Mueller

Senior Director
+1 830 556 1270
kyle.mueller@jll.com

Financing Team

Steve Heldenfels

Managing Director
+1 469 232 1924
steve.heldenfels@jll.com

Jack Britton

Director
+1 713 212 6575
jack.britton@jll.com



4200 Westheimer, Suite 1400 | Houston, Texas 77027
www.us.jll.com/capitalmarkets

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