3° Red Bluff

PREMIER PORT OF HOUSTON LOCATION | LONG-TERM LEASE WITH VALUE-ADD UPSIDE | 99,884 SF CLASS A COLD STORAGE

OPPORTUNITY TO ENTER COLD STORAGE MARKET

RECENTLY CONSTRUCTED, CLASS-A INSTITUTIONAL ASSET

UNIQUE VALUE-ADD OPPORTUNITY

IRREPLACEABLE PRODUCT AMID RISING CONSTRUCTION PRICES

STRATEGIC SOUTHEAST HOUSTON LOCATION

PREMIER PORT OF HOUSTON LOCATION

The Offering

Jones Lang LaSalle (“JLL”), on behalf of ownership, is pleased to offer qualified investors the opportunity to purchase the fee simple interest in 3° Red Bluff (“the Property”), a newly constructed, 99,884 SF cold-storage facility located in the highly sought-after Southeast submarket of Houston, TX. The Property is comprised of cold storage warehouse with critical capacity for food distribution throughout Houston. 3° Red Bluff is currently 61% leased to Houston Meat Distributors, a privately owned wholesale meat supplier that serves the greater Houston area. The Property showcases state-of-the-art cold storage infrastructure, including advanced temperature and humidity control systems, specialized storage areas, and cutting-edge technology for inventory monitoring and management.

3° Red Bluff features a premier logistics location with immediate access to vital local and regional highways as well as superior connectivity to the Port of Houston. The property’s coveted location south of the Houston Ship Channel is proximate to both container terminals and provides investors the unique opportunity to acquire a brand new, state-of-the-art facility in a best-of-the-best Port of Houston location with high barriers to entry for new construction.

3° Red Bluff is a one-of-a-kind opportunity to purchase a well-located and highly functional cold storage facility in a market that is severely lacking cold storage product. The Property offers investors stable in-place cash flow from a long-term lease from Houston Meat Distributors as well as superior value-add potential through the lease-up of vacant space.

TRANSACTION SUMMARY

Address	1015 Red Bluff Rd Pasadena, TX 77506
Building Size (SF)	99,884 SF
Occupancy	61%
WALT	17.3 Years
Year Built	2023
Total Land Area	11.31 Acres
Excess Land Area	3.22 Acres
Loading Configuration	Front-Load
Average Clear Height	36'
Dock Doors	22
Year One NOI	$403,049
Tenant	Houston Meat Distributors Inc.

Opportunity to Enter
the Cold Storage Market

3° Red Bluff offers investors the extremely rare ability to enter the Houston cold storage sector, a subset of the Houston industrial market that has historically seen very limited competition due to high barriers to entry. According to the Port of Houston Authority, Houston has seen a significant uptick in refrigerated cargo which has resulted in the construction of new cold-storage facilities at Barbours Cut and Bayport Container Terminals to provide additional capacity. 3° Red Bluff benefits from its superior distribution location near the intersection of Highway 225 and Red Bluff Rd, within a 25-minute drive time to Port of Houston and the region's major container terminals in Southeast Houston.

- Out of the top 10 cold storage markets by capacity, the State of Texas is the most underserved state with the lowest capacity per capita of the subset.
- Sales of frozen foods nationally have grown at a steady annual rate of 3-5% since the turn of the 21st century.
- Rents across the nation within the cold storage space are projected to trend to 2.0x in the next 5-years.
- A study by the Food Marketing Institute and Nielsen also found that by 2025, on-line grocery sales are expected to reach $143 billion by 2025 from $55 billion in 2021.

Grocery e-commerce delivery was on the rise industry-wide through 2019, which only accelerated during the pandemic. Urban/infill and highly connective cold storage locations have experienced a surge in demand for temperature-controlled capabilities to accommodate last mile, direct-to-consumer meal delivery, and grocery distribution. Other top cold storage users include pharmaceutical and flower distributors. As cold storage emerges from a specialty asset class to one of the most in-demand industrial product types, investors can capitalize on higher face rates that continue to increase, offering scalable opportunities within the sector.

Investment Highlights

RECENTLY-CONSTRUCTED, CLASS-A, INSTITUTIONAL ASSET

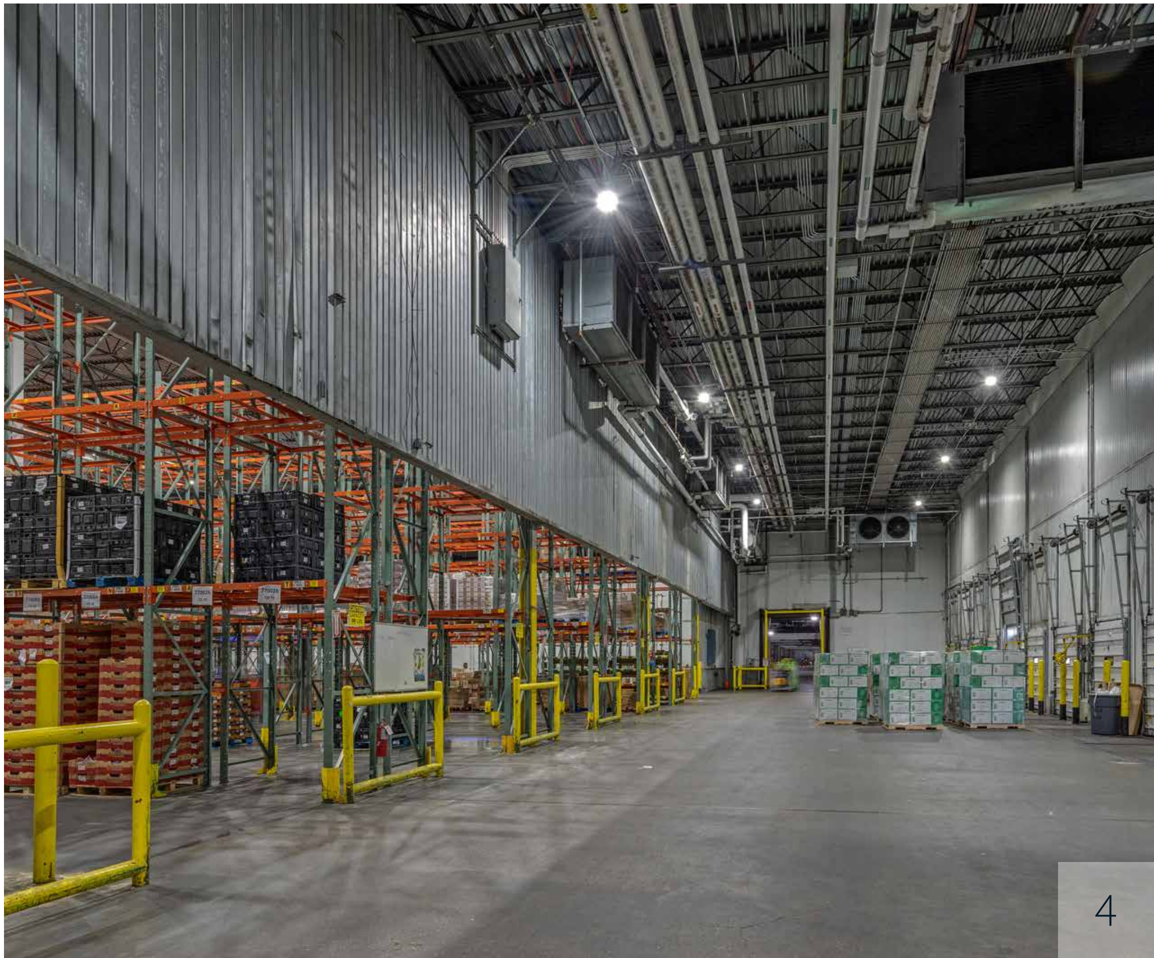
Developed in 2023, 3° Red Bluff consists of a 99,884 SF state-of-the-art cold storage facility featuring all amenities and building characteristics that cold storage tenants require in newly constructed product. This includes 36’ clear heights, necessary floor elevation for cold storage equipment, high efficiency TPO roofs, LED lighting, ESFR sprinkler systems, and high-quality office finishes.

UNIQUE VALUE-ADD OPPORTUNITY

At 61% leased, 3° Red Bluff offers investors the unique ability to capture significant tenant demand for Class-A cold storage space. At the offering’s compelling basis, the completed build out of the currently vacant space will be a fraction of today’s construction prices, furthering new ownership’s ability to strike competitive deal terms in today’s leasing market. Additionally, the Property includes a 3.22-acre vacant land site adjacent to the existing cold storage building, offering highly accretive long-term development opportunities through build-to-suit options, additional space that is cohesive with the existing property, or pavement for additional trailer parking. The excess land site is the perfect candidate for a small scale cold storage build-to-suit or tenants in the market who desire well-located functional product.

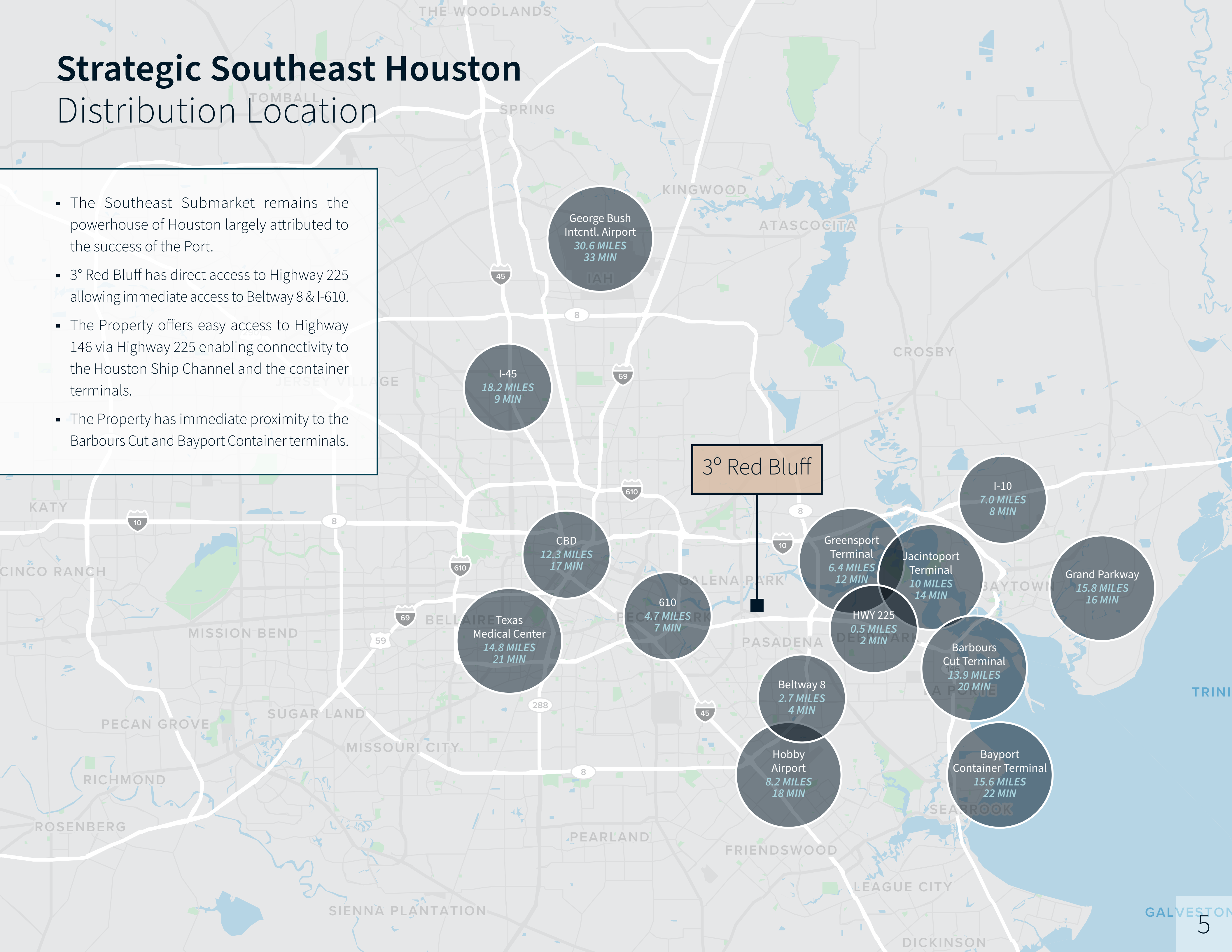
IRREPLACEABLE PRODUCT AMID RISING CONSTRUCTION PRICES

Cold storage inventory comprises only ±250 MSF of the 17.7 BSF of total U.S. industrial supply. The shortage of cold storage space will continue to snowball in the near-term in part to rising construction costs, where new developments can be 2-3x pricier than a conventional warehouse. Construction and operations require specialized expertise, large capital investments into infrastructure and equipment, heightened hygiene standards due to federal regulations, and advanced technology



Strategic Southeast Houston
Distribution Location

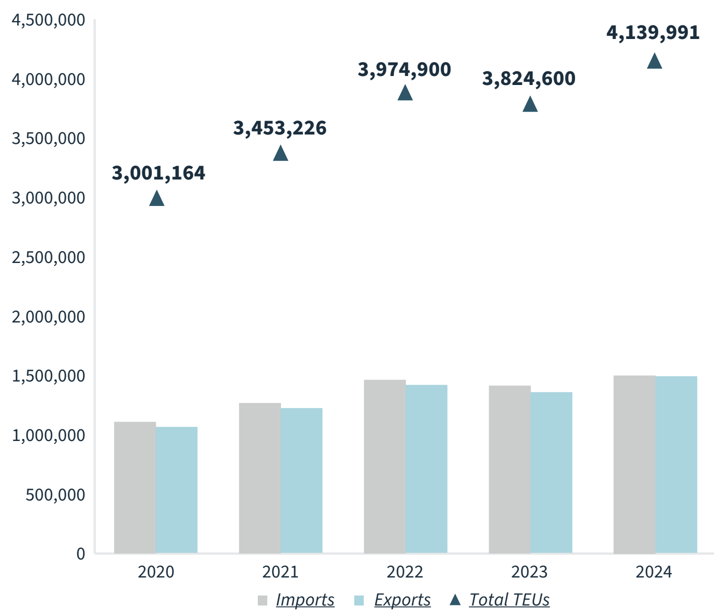
- The Southeast Submarket remains the powerhouse of Houston largely attributed to the success of the Port.
- 3° Red Bluff has direct access to Highway 225 allowing immediate access to Beltway 8 & I-610.
- The Property offers easy access to Highway 146 via Highway 225 enabling connectivity to the Houston Ship Channel and the container terminals.
- The Property has immediate proximity to the Barbours Cut and Bayport Container terminals.

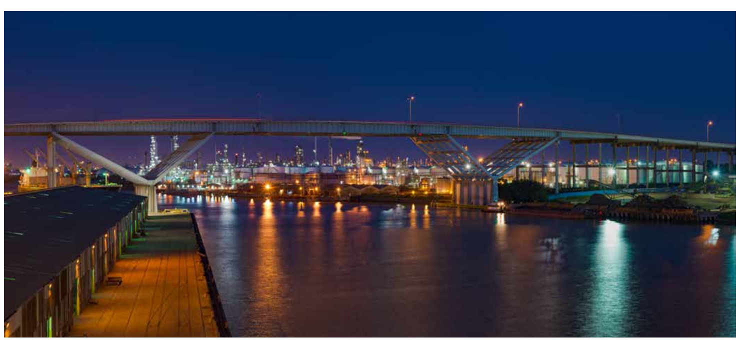


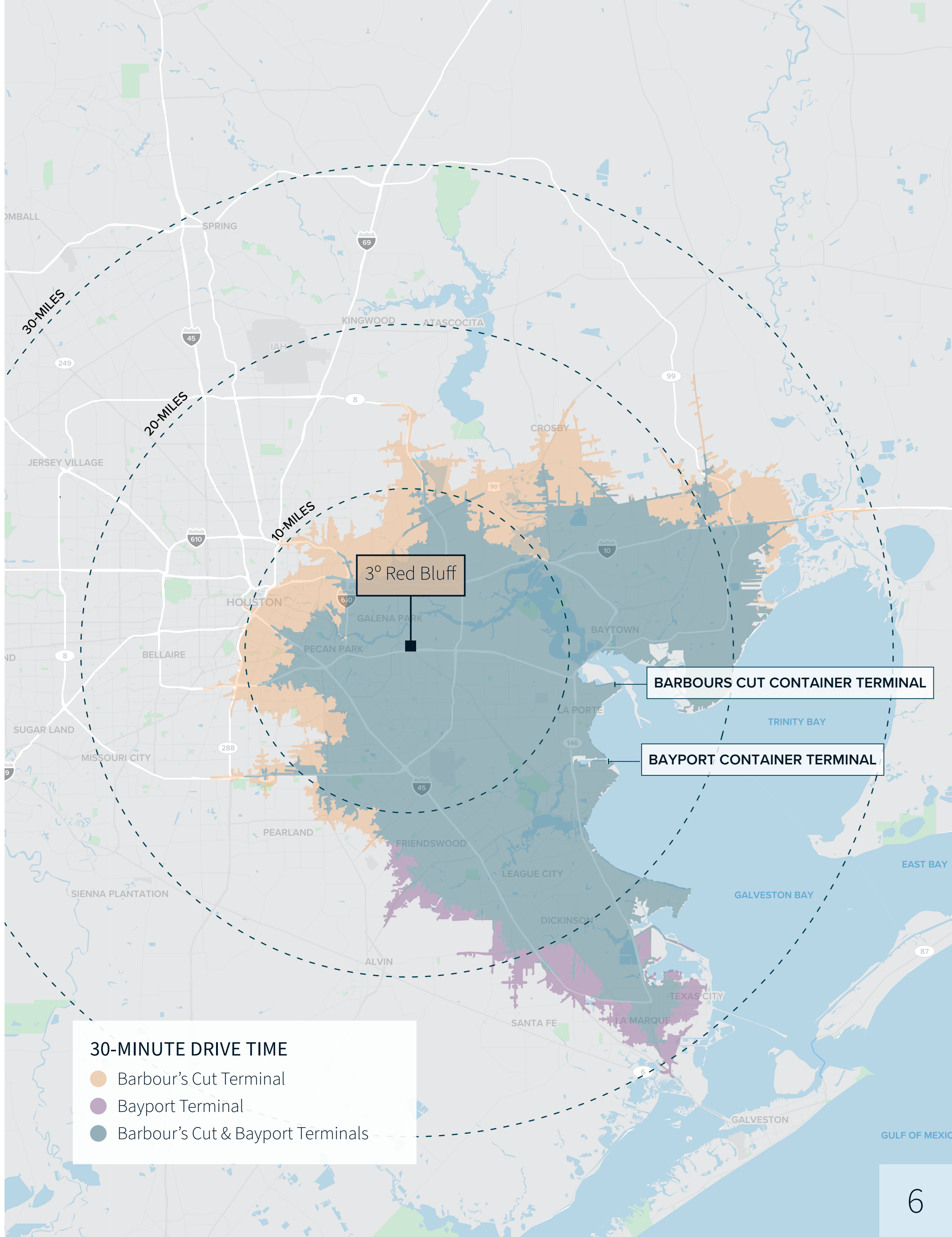
Premier
Port of Houston Location

PORT HOUSTON SURPASSED 4.1 MILLION TEUS IN 2024, SETTING NEW RECORD AND EXPERIENCED 8% YEAR-OVER-YEAR GROWTH

PORT OF HOUSTON CONTAINER TEUS



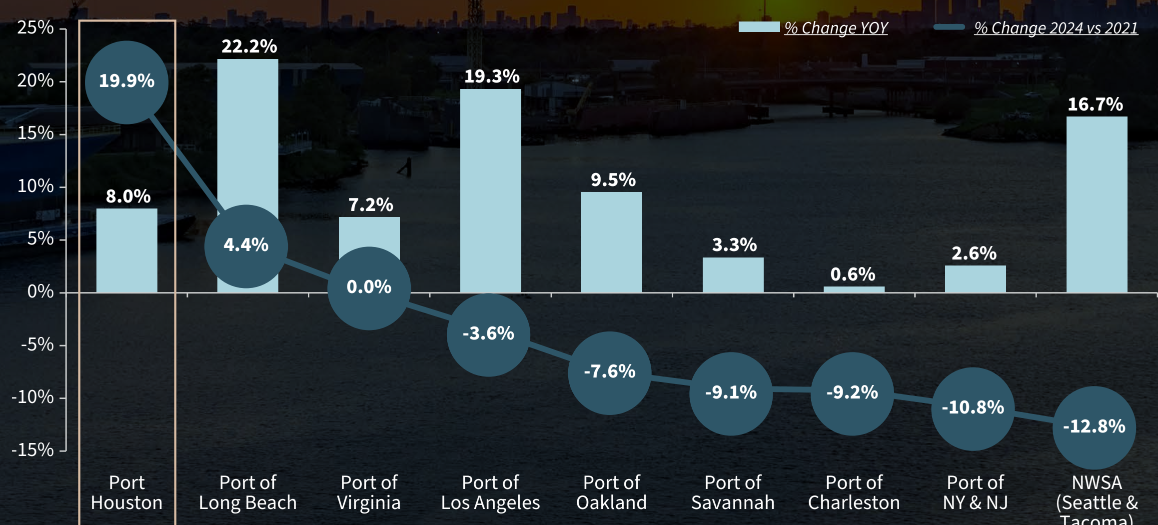


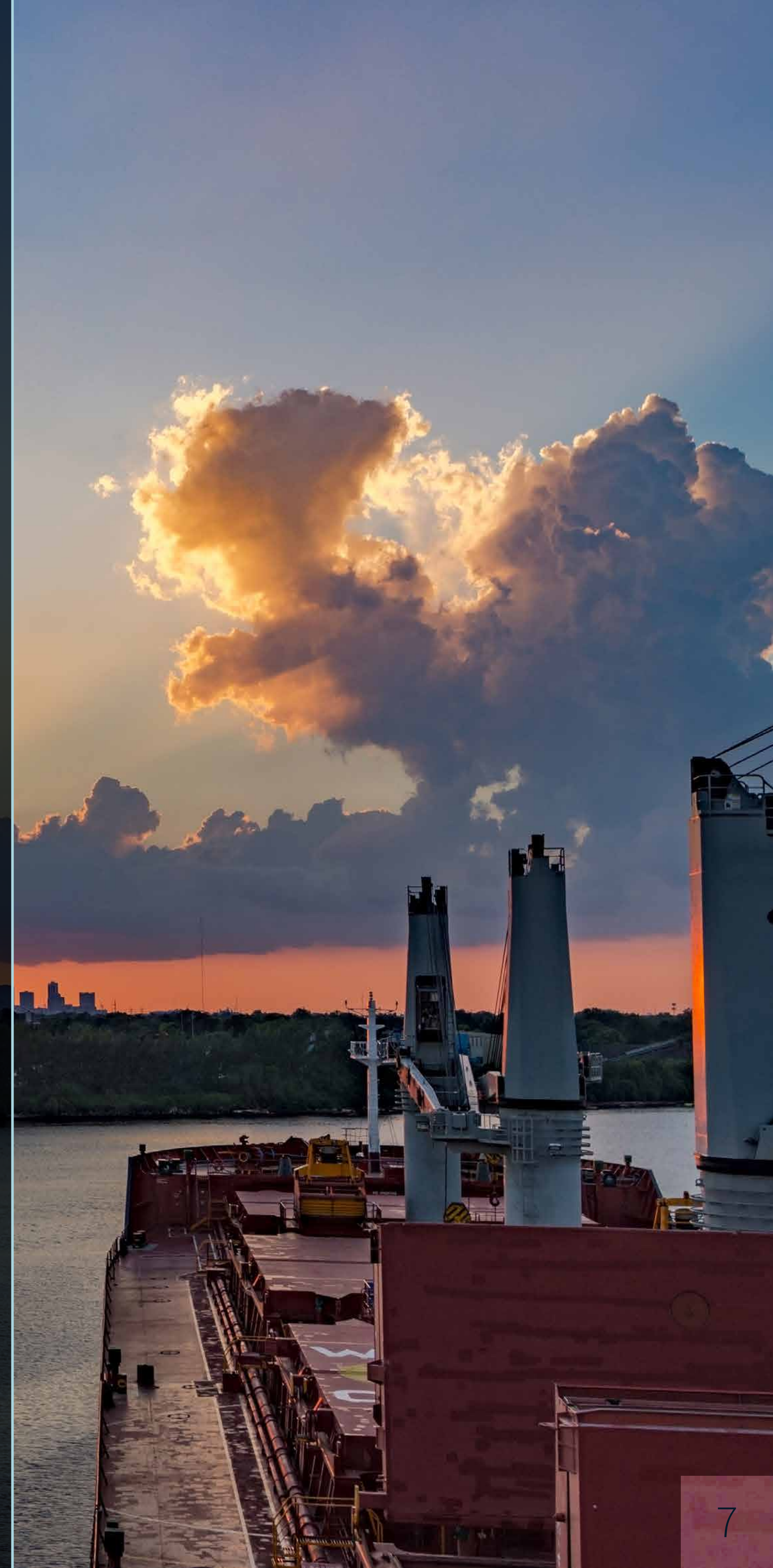


Premier
Port of Houston Location

- Port Houston ended 2024 with an impressive outcome, achieving a **record 4.1 million twenty-foot equivalent units (TEUs).** To top it off, December surpassed the monthly record for loaded exports, set a year earlier, by 12%. Houston rebounded from a slight TEU dip in 2023, **surpassing its previous peak in 2022 by 4.3%.**
- 2021 kicked off a period of transformative growth for ports across the country; for Port Houston specifically, it represented a **15.1% spike in TEUs in a single year.** From 2021-2024, Port Houston achieved a **19.9% increase in TEUs, leading the U.S. in container growth.** In contrast, many major West and East Coast ports incurred declines over the same period.
- The port continues to invest in its growth, including widening the Houston Ship Channel to accommodate 15,000-17,000 TEU neo-Panamax vessels.
- Port Houston's impact reverberates across the metro, with port-connected occupiers taking up positions across the 10-county metro area. **Houston has a compelling track record for securing new-to-market companies,** which accounted for **19% of 2024 leasing activity,** and helped close the year with 36.2 million s.f. of deal volume.
- The **four major Texas markets accounted for over a third of 2024 U.S. net absorption,** and Houston's 21.6 million s.f. netted it 45% of Texas' 48.0 million s.f. occupancy gains total.

HISTORICAL CHANGES IN TEU VOLUME FOR MAJOR U.S. PORTS



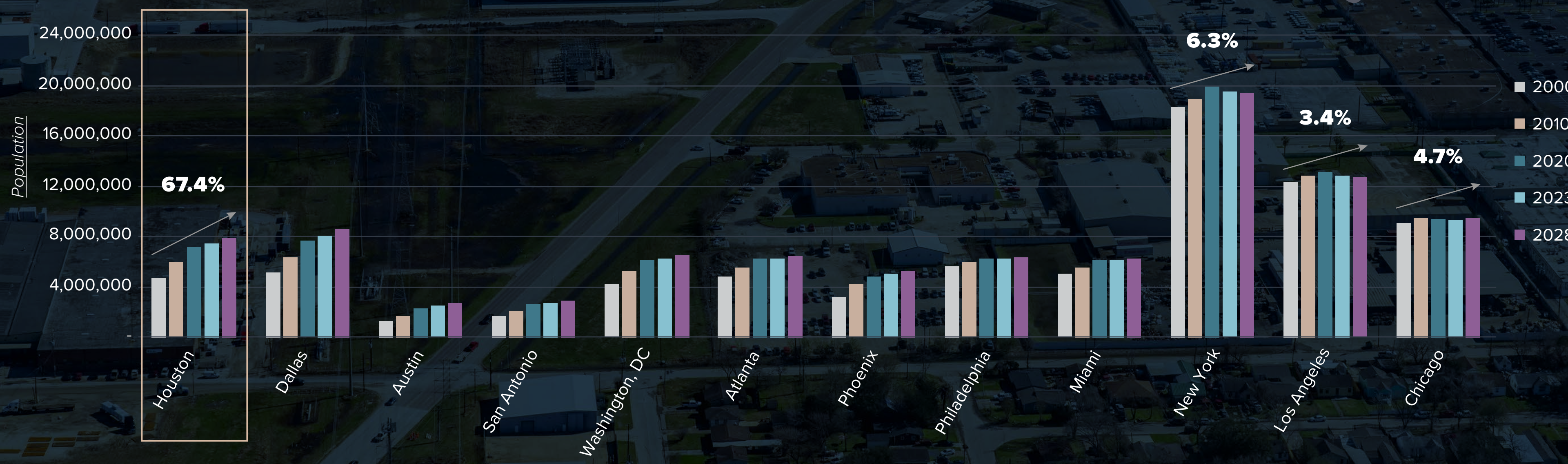


Distribution Location

Within Reach of 25 Million Residents (Texas Triangle)

With easy access to the Texas Triangle, the area between DFW, Houston, and San Antonio, the Property's tenant 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



Institutionally Preferred Submarket

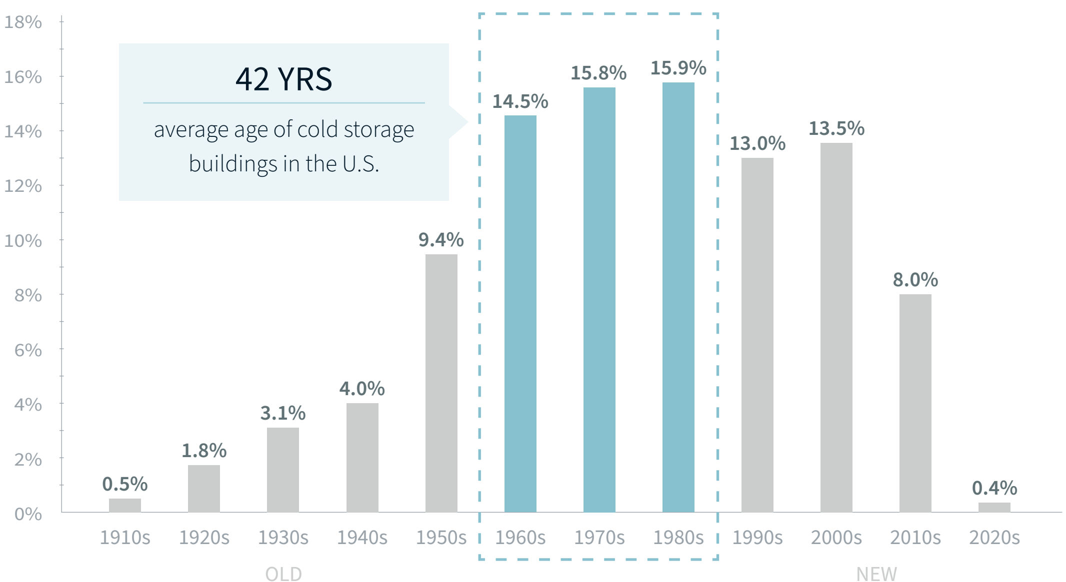
Proximity to **Institutional Ownership**

Cold Stroage
Overview

Food consumption and changes in consumer preference continues to be the primary demand drivers for temperature-controlled warehouse space globally. As the population increases and consumer preferences shift, the demand for new cold storage product is at an all-time high. Modernized cold storage facilities will be in high demand over the next few decades. Existing inventory nationally is ~ 40 years-old (with some facility's pushing 50+ years-old). The Property's recent, significant upgrades offer a highly functional and modern cold storage facility that is fully racked and features a large refrigerated dock and extensive dock positions.

Historically, cold storage has made up roughly 3% of the total industrial inventory in the U.S. in terms of total aggregated SF. However, shifting consumer preferences and the COVID-19 pandemic has accelerated the need to build state-of-the-art facilities that are more cost effective and meet the demands of the market. As the population continues to increase, especially in larger metropolitan areas and the southern portion of the U.S., last mile infill sites for state-of-the-art cold storage will continue to see compressed cap rates as demand far exceeds supply.

COLD SORAGE INVENTORY IS OUTDATED



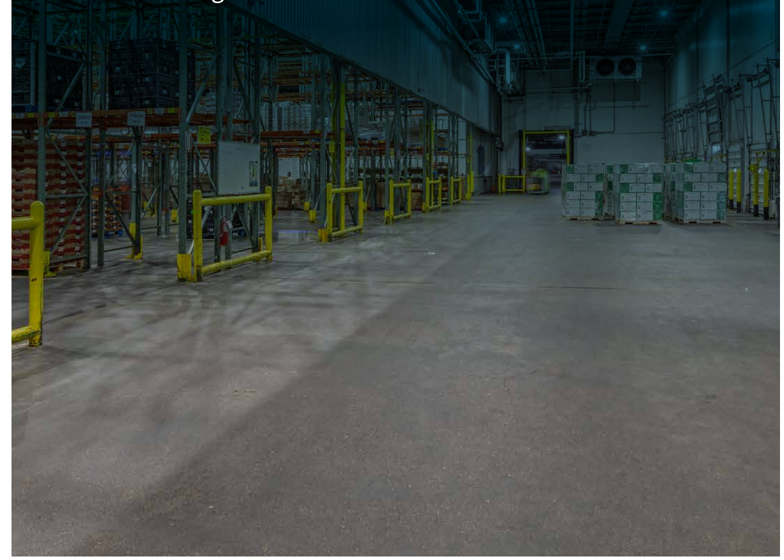
TRENDS TO WATCH

Key trends across the cold storage sector will continue to drive growth:

1. A rise in e-commerce adoption has increased on-line grocery shopping and the demand for cold storage and last mile transportation services

2. Consumption patterns have shifted diets to include increased amounts of organic food and adopt the "Farm-to-Fork" concept

3. Re-shoring of food production and pharmaceutical manufacturing sectors



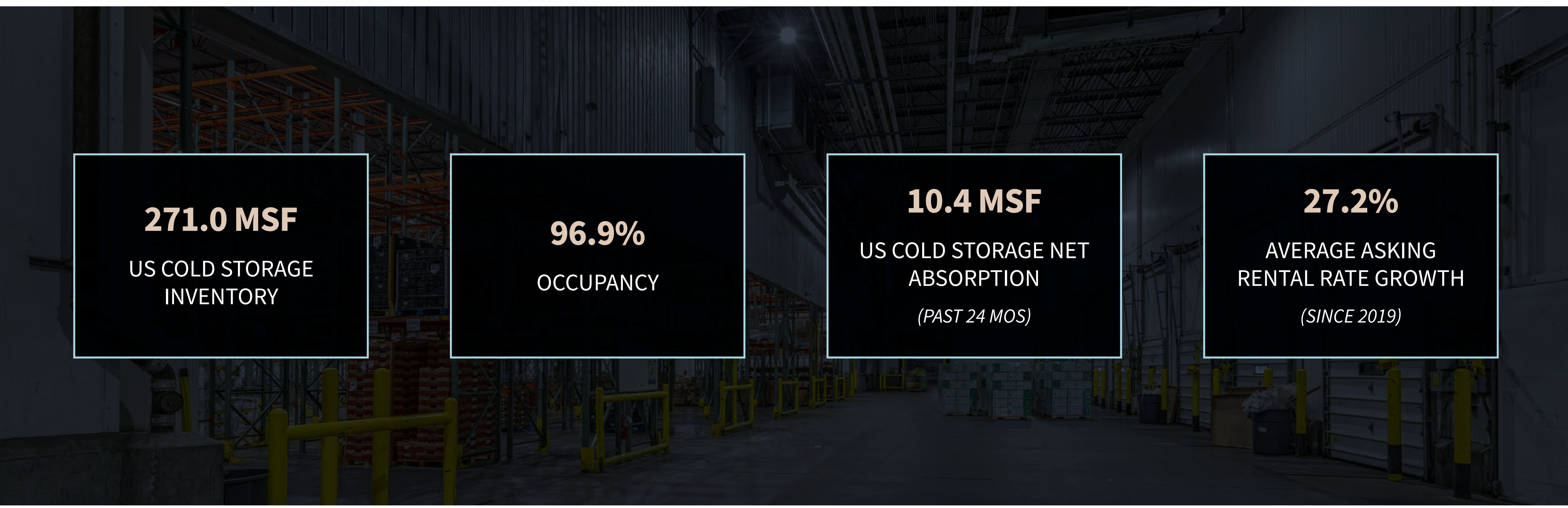
Cold Stroage
Overview

Across the United States and around the world, demand for functional warehouse and logistics space suited for climate-controlled food handling, manufacturing and distribution operations has skyrocketed during and after the pandemic era. An aging supply pool, high barriers to entry and substantial uptick in space requirements from some of the sector's largest users has driven remarkable growth in the specialized mission-critical asset type.

ROBUST MARKET FUNDAMENTALS

Comprising over 271 million square feet of space nationally, the cold storage market currently retains a remarkably tight 96.9% occupancy rate. Robust leasing activity and sustained increases in construction costs for the sought-after product continues to drive average asking rental rates to the tune of 27.2% (+4.5% CAGR) since 2019. Furthermore, the cold storage market appears to be largely agnostic to broader leasing slowdowns in the marketplace, posting a remarkable 10.4 million square feet of total positive net absorption in the past 24 months.

Due to the highly-specialized nature of these facilities and steep increases in land premiums for well-located developable industrial sites, the cost to duplicate state-of-the- art cold storage assets remains prohibitively high. Substantial barriers to entry for new development coupled with historic tenant demand results in a landlord-friendly leasing environment where functional speculative space is absorbed rapidly.



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 13% 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.

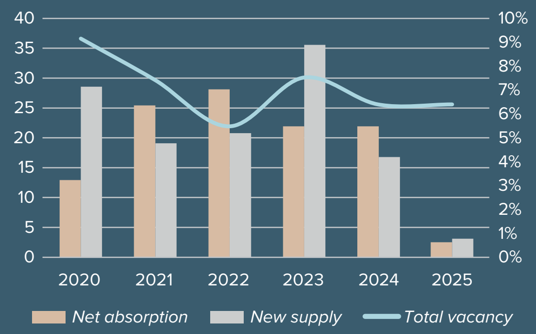
Completions totaled 2.8 million s.f. with three noteworthy deliveries: Westpoint 45, a 728,080-s.f. speculative building in the North, and Stafford Logistics, a two-building park in the Southwest totaling 785,138 s.f., completed construction. Supply and demand remained in tandem in Q1, keeping vacancy 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 MILLIONS)



FUNDAMENTALS

YTD net absorption	—	2,572,063 s.f.	▲
Under construction	—	14,741,581 s.f.	▲
Pre-leased	—	26.9%	▲
YTD deliveries	—	2,827,557 s.f.	▲
Total vacancy	—	6.4%	►
Total availability	—	11.1%	►
Average asking rent	—	$0.60 p.s.f.	▲
Concessions	—	Stable	►

Contacts

Investment Advisory

TRENT AGNEW
Senior Managing Director
Industrial Group Leader
+1 713.852.3431
trent.agnew@jll.com

CHARLES STRAUSS
Managing Director
+1 713.212.6574
charles.strauss@jll.com

WELLS WALLER
Director
+1 469.750.4651
wells.waller@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
+1 713.204.4400
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

WILL MOGK
Senior Director
+1 214.438.6549
will.mogk@jll.com

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