

Highland Grove Industrial Park

656,973 Square Foot, 87.4% Leased, 3-Building Class A+ Property in Northwest Houston with 8.2 years of WALT



Building 1



Building 2



Building 3



The Offering

Jones Lang LaSalle (“JLL”), on behalf of ownership, is pleased to present the opportunity to purchase the fee simple interest in **Highland Grove Industrial Park** (the “Property”), an 87.4% leased, 656,973 square foot industrial park in Houston, TX. Situated within a 70-acre master planned business park, the Property is comprised of three Class-A industrial buildings located in Houston’s Northwest submarket. The Property is highly accessible with direct access to Highway 290, Houston’s major northwest thoroughfare providing exceptional regional connectivity to the Houston MSA and beyond. Highland Grove is surrounded by major population cores and rapidly growing master planned communities with over 300,000 residents within a 5-mile radius.

The investment opportunity presents stable in-place cash flow from best-in-class tenants with future upside potential through the lease up of the remaining 82,587 square feet of vacancy. With a mark-to-market rent opportunity of 9.2% and 4.4% contractual NOI growth over the first three years, Highland Grove offers investors the opportunity to acquire institutional quality industrial product with 8.2 years of WALT in Houston’s most preferred submarket.

Investment Highlights



HIGHWAY 290
CORRIDOR LEASING
VELOCITY



INSTITUTIONALLY
PREFERRED
SUBMARKET



CLASS-A
INSTITUTIONAL
PRODUCT



PREMIER
NORTHWEST HOUSTON
LOCATION



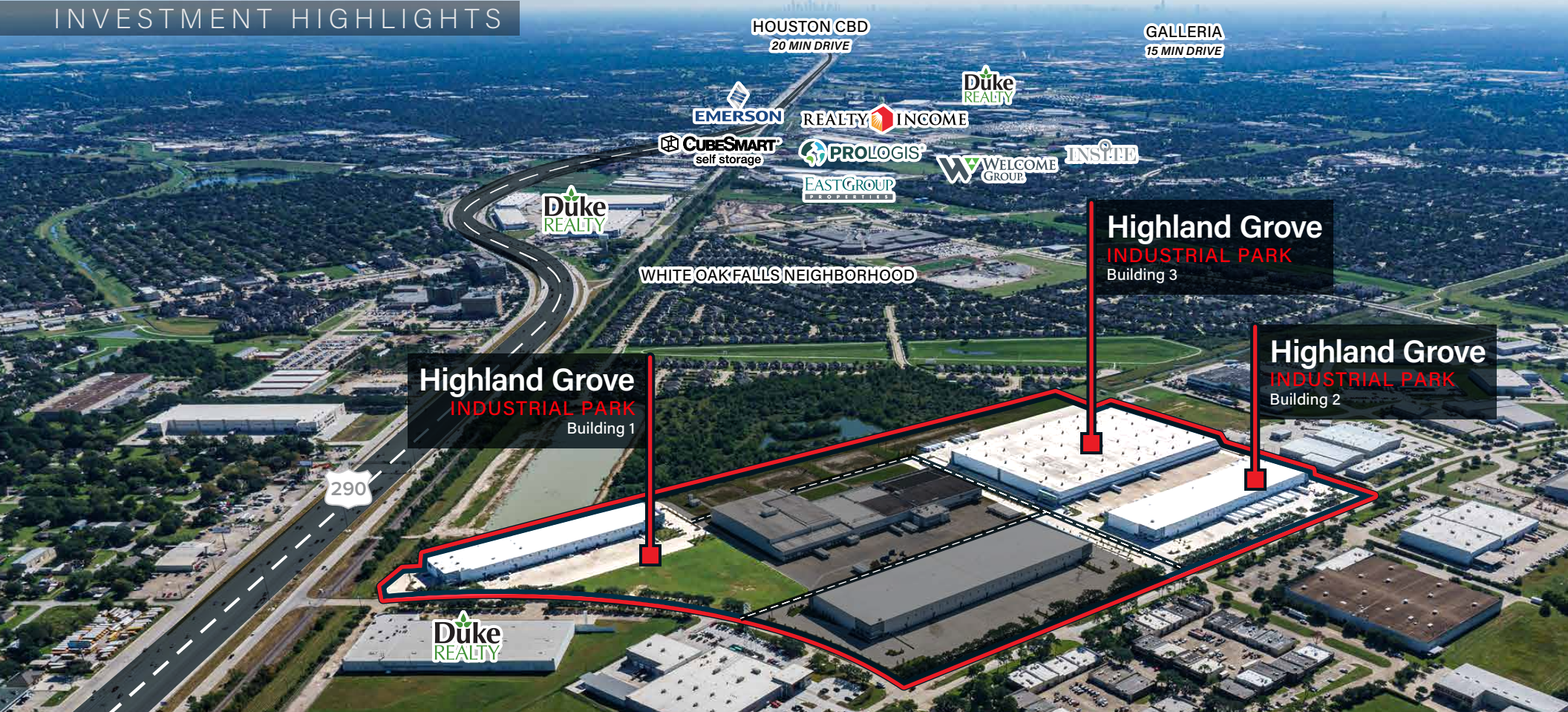
SIGNIFICANT
ACCESS TO
LABOR



SECURE CASH FLOW
WITH LEASING
UPSIDE



EXPLOSIVE REGIONAL
POPULATION
GROWTH



Class-A Institutional Product

The Property is a state-of-the-art, 656,973 square-foot Class-A industrial park built in 2019 consisting of three buildings, two front load and one cross dock, with 32' clear heights, 148 dock doors, 6 drive-in doors, and 169 trailer spaces. Buildings 1 & 2 were developed in 2019 by Crow Holdings Industrial, while Building 3 was fully renovated in 2019. Highland Grove was built to the highest institutional standards and does not require any near term capital improvements, allowing new ownership to focus on marketing and leasing the vacant space to boost returns.



Preferred Institutional Submarket

Highland Grove is located within Houston's Northwest submarket, the most sought-after location amongst institutional investors in Houston. The submarket boasts the lowest vacancy of Houston's four largest submarkets and is the largest submarket with 133.4 million square feet of product. The submarket is a "must have" location for tenants due to its proximity to Houston's continued population growth in West/Northwest Houston.

The Property is surrounded by some of the most renowned institutional owners in the country due to its premier Northwest Houston location. Surrounding owners include Carson Companies, Duke Realty, Principal, USAA, Trammell Crow Company, Cabot Properties, Clarion, Nuveen, and many others.

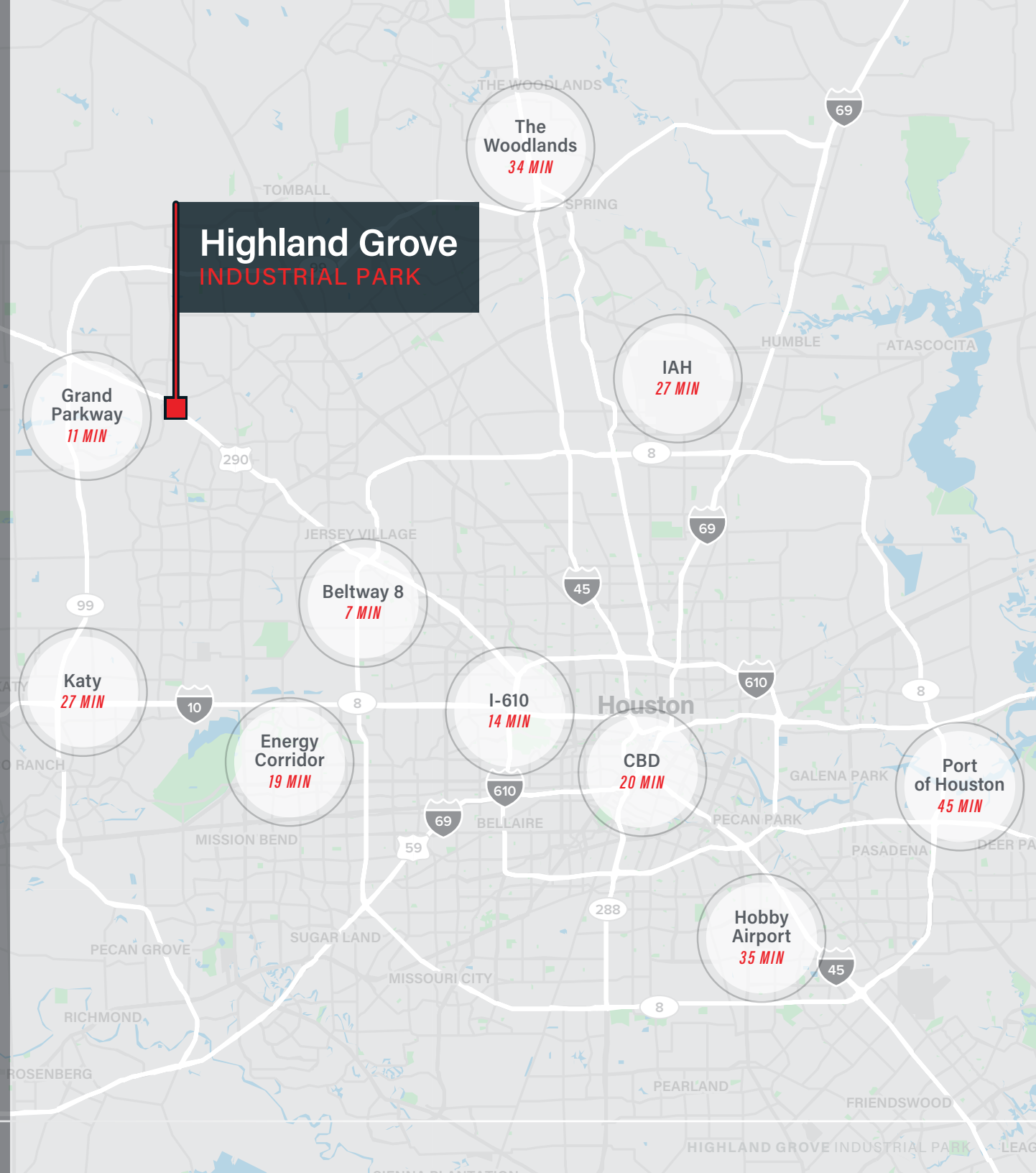


Premier Northwest Houston Location

The location along Highway 290 provides excellent visibility and accessibility along one of Houston's major trade routes and rapidly growing population centers via Beltway 8 (7-minute drive) and the Grand Parkway (11-minute drive). The Property's location in Northwest Houston also allows tenants to serve Houston, Austin and San Antonio from a single location. Among these three major cities, tenants are able to serve over 10.5 million residents.

Drive Times to Major Markets

BELTWAY 8	7 minutes	7.4 miles
GRAND PARKWAY	11 minutes	9.6 miles
I-610	14 minutes	15.6 miles
ENERGY CORRIDOR	19 minutes	19.2 miles
DOWNTOWN	25 minutes	25.0 miles
KATY	27 minutes	23.7 miles
IAH	27 minutes	27.6 miles
THE WOODLANDS	34 minutes	29.9 miles
HOBBY AIRPORT	35 minutes	33.9 miles
THE PORT OF HOUSTON	45 minutes	47.9 miles





Significant Access to Labor via Northwest Houston Population Boom

The Property is strategically located in Northwest Houston within one of the city's largest active warehouse labor pools. Additionally, Highland Grove is located just southeast of the fastest growing area of Houston as indicated by the heat map below. The Property will also benefit immensely from the rapid housing growth in the surrounding areas due to Houston's continued population growth pushing Northwest of the city.



Texas ranked second in the nation for relocation activity in 2019. The highest number of new Texans from other U.S. states relocated from California and Florida. This is the seventh year in a row that Texas attracted more than 500,000 new residents from out of state.

Source: the 2021 edition of the Texas Relocation Report by Texas Realtors

Highland Grove Industrial Park

Block Groups

2018-2023 GROWTH/YR: POPULATION

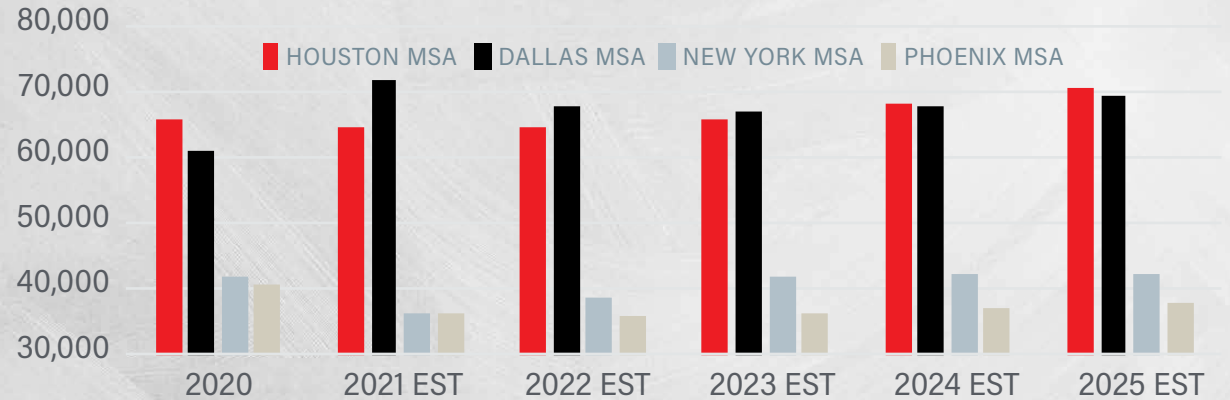
- ≤ 1%
- ≤ 2%
- ≤ 3%
- ≤ 5%
- ≤ 10%
- ≤ Greater than 10%



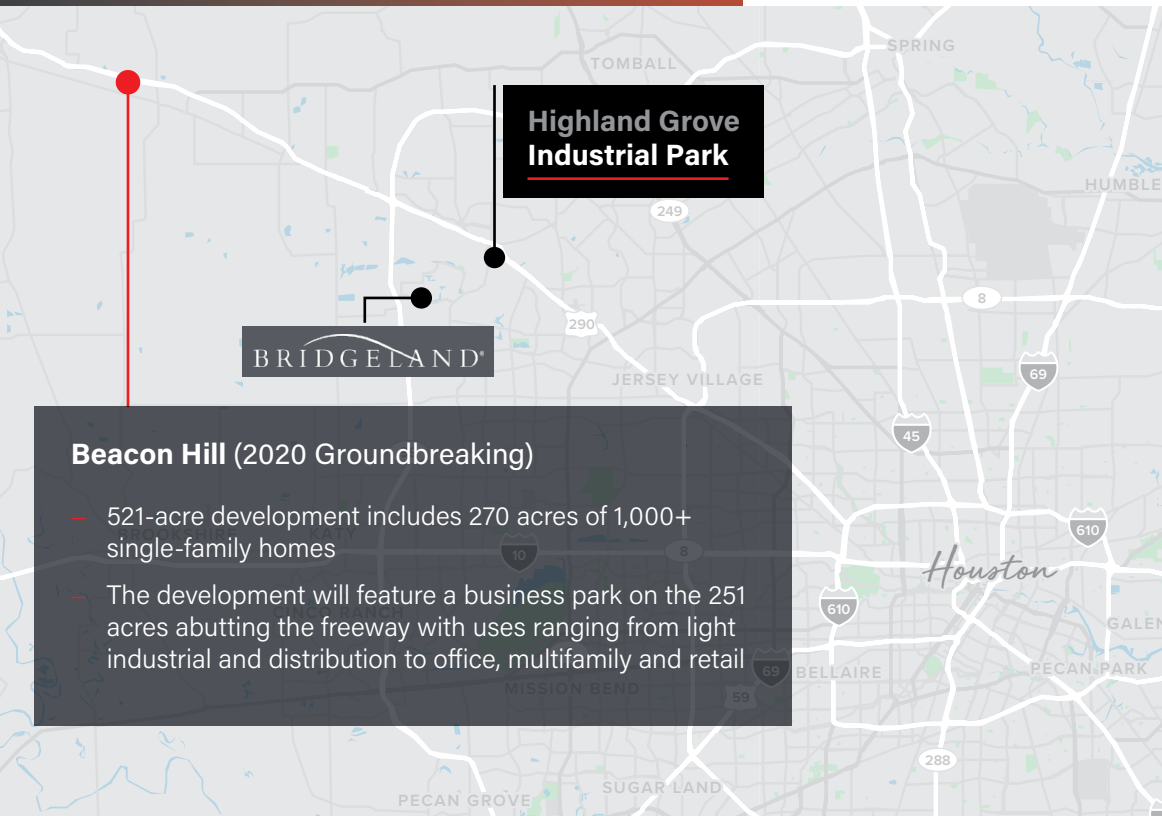
Explosive Regional Population Growth

Houston led the nation in Housing Starts in 2019 and is expected to be a leading National MSA for new home starts for the next 5 years.

Housing Starts (Multi Family & Single Family)



Source: Oxford Economics



Highland Grove Industrial Park

BRIDGELAND

Beacon Hill (2020 Groundbreaking)

- 521-acre development includes 270 acres of 1,000+ single-family homes
- The development will feature a business park on the 251 acres abutting the freeway with uses ranging from light industrial and distribution to office, multifamily and retail

Westward Expansion

Bridgeland, an 11,401-acre master planned community, is planned for 20,000 homes and approximately 65,000 residents. The community was named **Texas' #1 Master Planned Community in 2020** and moved to **No. 10 in the nation earlier this year according to RCLCO Real Estate Advisors**. Home sales in Bridgeland hit a record in 2020 with 804 new home sales, up 20 percent than the previous record in 2019. This is the first year more than 800 homes were sold in a single year. It is the highest selling year project to date and puts Bridgeland in a small group of master-planned communities to reach the 800-plus mark in single year sales.

The 290 Industrial market will continue to benefit from the future growth of West Houston. Current communities and future planned communities will drive population growth and industrial demand along the 290 Corridor and all of NW Houston.

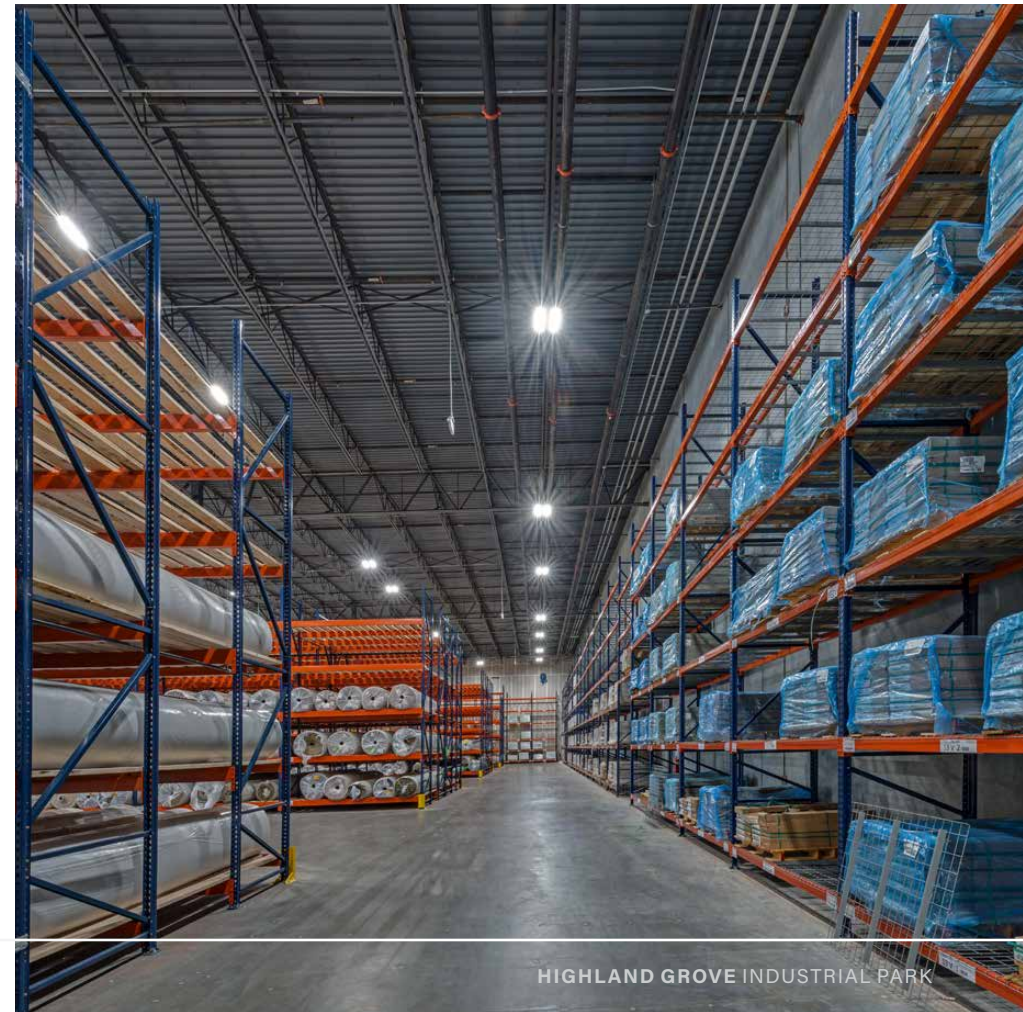
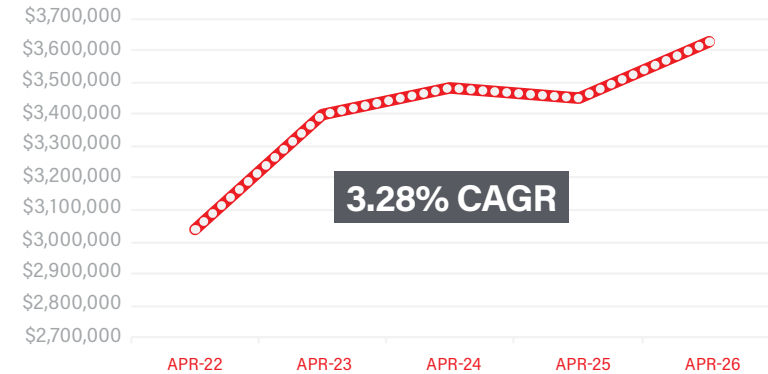


Secure Cash Flow with Leasing Upside

Currently 87.4% leased, the Property boasts a strong in-place cash flow with significant upside potential. Highland Grove has an 8.2-year weighted average lease term with rents expiring 9.2% below market. Due to the excellent condition of the Property, new ownership will have the opportunity to focus on creating value via leasing up the 82,587 square feet of vacancy at the Property.

YEAR ENDING	NOI GROWTH
APR-22	\$3,059,536
APR-23	\$3,411,877
APR-24	\$3,496,786
APR-25	\$3,463,740
APR-26	\$3,613,874

NOI Growth



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