

PROSPERITY

BUSINESS

CENTER



2611 FM 1960 WEST | HOUSTON, TX

CBRE

THE OFFERING

OVERVIEW

Prosperity Business Center offers 45,980 square feet of leasable area on a 3.43 acre parcel located at the entry to the affluent Northgate Forest development. Constructed in 1983, the business park consists of several one and two-story buildings with a variety of floor plans and premier amenities like after hours secured access, a designated traffic light, signage exposure to FM 1960, and even wood burning fireplaces in certain suites.

Northgate Forest is a 440-acre master-planned residential golf community located just 18 miles north of downtown Houston, and 13 miles west of Bush Intercontinental Airport. While offering a beautiful setting, home prices range from the reasonable \$200-\$300's to the several million for large golf-course lots. Slightly rolling terrain, gorgeous homes, first-class golf courses, and proximity to everything make Champions/1960 one of Houston's most well-planned, elegant, and vibrant neighborhoods in the Houston MSA.



MAJOR TENANT SUMMARY

TENANT	SIZE (SF)	% GLA	LEASE START	EXPIRATION
JJ Gradoni and Assoc Inc.	2,433	5.8%	Sep-18	Jun-22
Cultured Realty	2,212	5.3%	Feb-20	Jan-25
Houston Northwest Rehab	2,157	4.6%	Jun-16	MTM
Family Resource Center	1,386	3.0%	Dec-18	Nov-21
TOTAL/AVG	8,188	18.70%		

45,980
SIZE (SF)

87.1%
OCCUPANCY

1983
YEAR BUILT

3.43 ACRES
LAND AREA

INVESTMENT HIGHLIGHTS



DIVERSIFIED TENANCY

- The Property is well-positioned to weather the economic storm of Covid-19, with a dynamic tenant mix ranging from real estate and tax services firms to local plumbing and beauty businesses that will remain largely uninterrupted by the pandemic
- Offers security of cash flow, as no single lease represents more than 5.8% of the Property's total square footage



RECENT CAPITAL IMPROVEMENTS

- Seller has recently spent well over \$300,000 on capital improvements including gates, cameras, security, and signage



SUPERIOR EXPOSURE & VISIBILITY

- The Property boasts its own signaled entry along FM 1960, as well as a new custom digital LED monument sign
- Exposure to Nearly 84,000 Vehicles Per Day



SIGNIFICANT IN-PLACE RETURN PROFILE WITH VALUE ENHANCEMENT OPPORTUNITIES

- » Levered Cash on Cash Returns of 17.85%
- » Lease up of 6,063 vacant square feet
- » Mark-to-market rent opportunity
- » With the onset of the Covid-19 Pandemic, office landlords are seeing a departure from traditional office buildings to boutique office parks, primarily due to direct access, sanitation, and lower population density

HOUSTON RANKED 2ND IN U.S. POPULATION GROWTH

According to the U.S. Census Bureau, the Houston-The Woodlands-Sugar Land MSA ranked second among the nation's metros for numeric growth between 2010-2019, increasing by 1,145,654 or 19.4%. Similarly, the population growth within a 5-mile radius of the Property was 14.3% during the same period, outpacing some of Houston's most established suburbs.

	1 Mile	3 Mile	5 Miles
2019 Population	11,980	127,425	307,311
2024 Population	13,167	137,864	331,514
2010-2019 Population Growth	22.5%	14.3%	14.3%
2019-2024 Population Growth	9.6%	8.0%	7.7%

BIGGER IS NOT ALWAYS BETTER

THE BOUTIQUE OFFICE SPACE TREND

- » From startups and tech giants to old-school local firms, businesses are rethinking the role of office space. When the Covid-19 pandemic hit, and along with it, the enforced work-from-home orders, many companies realized they could operate with less than half the amount of office space. Instead of a sprawling, capital-intensive footprint, more work can be done virtually with a scaled-down office home base.
- » Architecture firms are anticipating that offices may no longer be places where individuals congregate to do their work in parallel, but visit sometimes to collaborate. The result will be a reduction of square footage and companies considering the benefits of smaller satellite offices.
- » Small floor plates that allow smaller tenants to have full floor offices with direct access, while larger tenants are able to occupy the whole building instead of just a handful of floors. Companies are also looking for office spaces on the ground floor – to avoid having to use an elevator.
- » Trends have pointed to an imminent mass migration of millennials out of the cities to the suburban communities where they plan to raise families. Companies with downtown real estate could follow this rush to the suburbs, where space is plentiful and social distancing is much easier to enforce.

Sources: Marker, CNBC, Biznow

New management is optimizing the value of the assets by maximizing operational performance and enriching tenant experiences

NEW MANAGEMENT KEEPING COSTS DOWN, LEASING UP

Recent new management is providing positive momentum for the Property, including several new leases and a significant reduction in operating expenses.



STRATEGIC LOCATION

Located adjacent to Northgate Forest, a 440-acre master-planned residential golf community, the Property is strategically positioned within one of North Houston's popular and populous areas, home to more than 308,000 people within a 5-mile radius. The area draws both residents and businesses alike, as it is conveniently located just 18 miles north of downtown Houston, and 13 miles west of Bush Intercontinental Airport.



PARC @ CHAMPION FOREST
232 UNITS



CASA DEL MAR
354 UNITS



WALMART



NORTHGATE OAKS
312 UNITS

FM 1960- 53,195 VPD

PROSPERITY DESIGNATED TRAFFIC LIGHT



ASHFORD SANTA CRUZ
452 UNITS

ESTATES OF NORTHGATE FOREST
AVG. HH INCOME: \$156K
AVG. HOME VALUE: \$482K

5

FACT SHEET

45,980 SF

87.1% OCCUPIED

PROSPERITY BUSINESS CENTER



- 45,980 Square Feet
- 1-2 Stories
- 3.43 Acres
- Built in 1983
- 87.1% Occupied
- 975 SF Average Suite Size
- 152 Parking Spaces
- 3.31/1,000 SF Parking Ratio
- 83,764 Vehicles Per Day
- No Zoning Restrictions in Harris County
- Accessible via two (2) primary access points located along FM 1960 Road

Parcel #	Legal Description	Acreage
0421160000030	TR 4A-1 ABST 255 J EHRHARDT	3.4265
TOTAL		3.4265

SUITE	TENANT	SF	EXP DATE
A100	Level It Up Hair Salon Salon	850	7/31/2024
A101	Cultured Realty	2,212	1/31/2025
A102	Richard F Pfliman	1,231	9/30/2023
B100	Promenade Healthcare LLC	1,560	3/31/2024
B101	Alluring Locz	1,470	11/30/2021
C100	JJ Gradoni and Assoc Inc.	2,433	6/30/2022
D100	Larry Lipton	1,358	9/30/2021
D101	Champion Security Agency	1,368	6/30/2022
D102	Faith Family Health and Weight Management	1,230	6/30/2022
E100	Jasmine Robertson	1,235	6/30/2021
E101	Robinson Consolidation	849	11/30/2023
F100	VCFS Hope & Healing	639	MTM
F101	Empire Services & Installations	975	9/30/2021
F102	KTS Kwik Tax Service	322	MTM

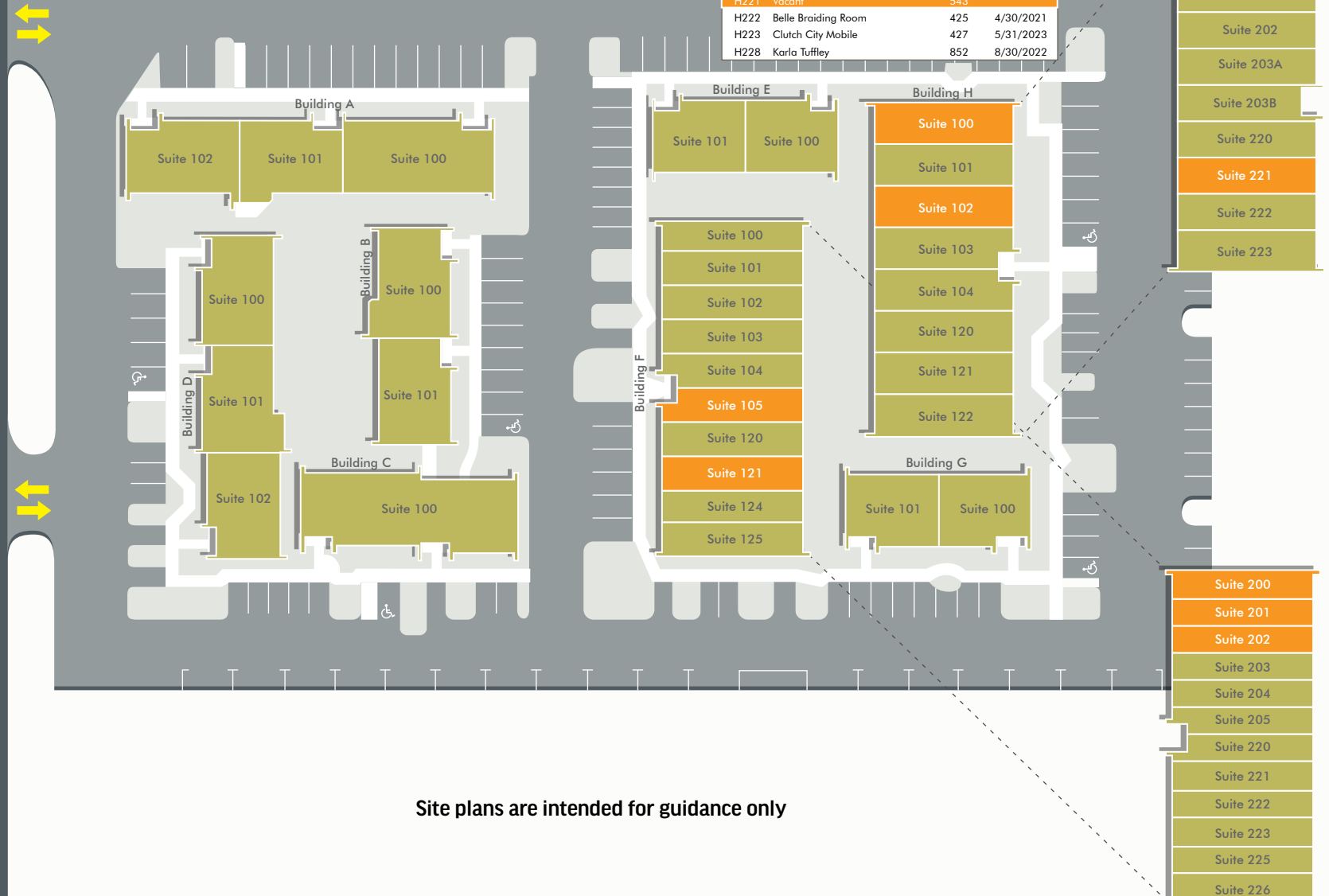
SUITE	TENANT	SF	EXP DATE
F103	Gibson Plumbing	639	MTM
F104	Kimberly Roberson	942	10/31/2024
F105	Vacant	363	
F120	Dimbo AVL	556	5/31/2022
F121	Vacant	696	
F124	Family Resource Center	1,386	11/30/2021
F125	Tax Prep Tiffany Mayfield	729	11/30/2021
F200	Vacant	815	
F201	Vacant	411	
F202	Vacant	752	
F203	Hair by Renay	366	7/31/2023
F204	Righteous Business Inc.	1,131	MTM
F205	Shaundale Lightfood	416	10/31/2023
F220	TAS Studios	458	8/31/2022
F221	Mane Choice Beauty Bar	551	11/30/2021
F222	The Sauce Lounge	942	11/30/2023
F223	The Media Network	415	4/30/2021
F225	The Boudoir Beauty	921	3/31/2021

SUITE	TENANT	SF	EXP DATE
F226	Terrance Morgan	534	10/31/2023
G100	Houston Hair Hospital	1,235	6/30/2023
G101	DMR Realty	849	5/31/2023
H100	Vacant	1,242	
H101	DAS Dynamic Services	432	MTM
H102	Vacant	681	
H103	Olivia Rault	1,006	5/31/2022
H104	Future Somebody	494	5/31/2023
H120	Houston Northwest Rehab	2,157	MTM
H121	Giovani Fillmore	848	9/30/2023
H122	Pam Williams	425	MTM
H200	Vacant	560	
H201	Queen of Kings Salon	630	2/28/2022
H202	Nails by Silky	768	3/31/2021
H203A	Norris Lumar		
	Positive Vibes Hair Studio	1,129	4/30/2023
H203B	Who Chopped U	812	12/31/2022
H220	Belle Braiding Room	562	2/28/2022
H221	Vacant	543	
H222	Belle Braiding Room	425	4/30/2021
H223	Clutch City Mobile	427	5/31/2023
H228	Karla Tuffley	852	8/30/2022

FM 1960 RD W - 53,195 VPD



FRITZ OAKS PL



Site plans are intended for guidance only

Building H 2nd Floor

- Suite 200
- Suite 201
- Suite 202
- Suite 203A
- Suite 203B
- Suite 220
- Suite 221
- Suite 222
- Suite 223

- Suite 200
- Suite 201
- Suite 202
- Suite 203
- Suite 204
- Suite 205
- Suite 220
- Suite 221
- Suite 222
- Suite 223
- Suite 225
- Suite 226

Building F 2nd Floor

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2019 Population - Current Year Estimate	11,980	127,425	307,311
2024 Population - Five Year Projection	13,167	137,864	331,514
2010-2019 Population Growth	22.5%	14.3%	14.3%
2019-2024 Population Growth	9.6%	8.0%	7.7%
2019 Daytime Population	10,522	109,127	273,373
HOUSEHOLDS			
2019 Households - Current Year Estimate	4,295	45,496	104,650
2024 Households - Five Year Projection	4,697	48,916	112,221
2010-2019 Household Growth	20.7%	12.2%	12.3%
2019-2024 Household Growth	9.1%	7.3%	7.1%
HOUSEHOLD INCOME			
2019 Average Household Income	\$70,798	\$74,998	\$86,693
2024 Average Household Income	\$78,920	\$84,701	\$97,553
HOME VALUE			
2019 Average Home Value	\$319,604	\$230,636	\$245,648
PLACE OF WORK			
2019 Businesses	621	5,082	11,032
2019 Employees	4,285	38,951	108,688

DEMOGRAPHIC SNAPSHOT

5-MILE POPULATION
307,311

5-MILE BUSINESS COUNT
11,032

5-MILE POP GROWTH
14.3%

5-MILE HH INCOME
\$86,693

HOUSTON MARKET

A GLOBAL MARKETPLACE

Houston is firmly established as a premier global city and is a leading destination for investment by all capital sources due to its unique combination of stability and dynamic growth. Houston combines its position as the “Energy Capital of the World” with a significant depth in the healthcare, technology and distribution industries to create an economic composition that serves as a buffer to national economic trends and provides stability and continued growth.

Houston is internationally known as home to NASA Johnson Space Center and Texas Medical Center, the world’s largest medical complex. Also the Port of Houston is ranked first in the U.S. for foreign tonnage and is the largest Gulf Coast container port. The Houston MSA’s gross area product for 2018 was estimated at \$439.0 billion, and is expected to more than double between 2020 and 2045, according to The Greater Houston Partnership. If Houston were a country, its economy would rank 26th in the world, and is larger than that of Poland and Nigeria, according to the International Monetary Fund. Only 25 foreign nations’ gross domestic products exceed Houston’s.

LARGEST U.S. CITIES

#	City	Current Pop.
1	New York	8,622,357
2	Los Angeles	4,085,014
3	Chicago	2,670,406
4	Houston	2,378,146
5	Phoenix	1,743,469

Source: World Population Review, 2020

LARGEST U.S. METROS

#	Metro Area	Current Pop.
1	New York	19,216,182
2	Los Angeles	13,214,799
3	Chicago	9,458,539
4	DFW	7,573,136
5	Houston	7,066,141

Source: US Census Bureau, 2019



KEY HIGHLIGHTS



Central U.S. Location



Pro-Business Community



Favorable Tax Climate



Wide Array of Economic Development Support & Incentives



Competitive Costs of Doing Business



Critical Mass of HQs Regional Hubs



Superior Transportation Network



Sustained Economic & Demographic Growth



High Quality of Life

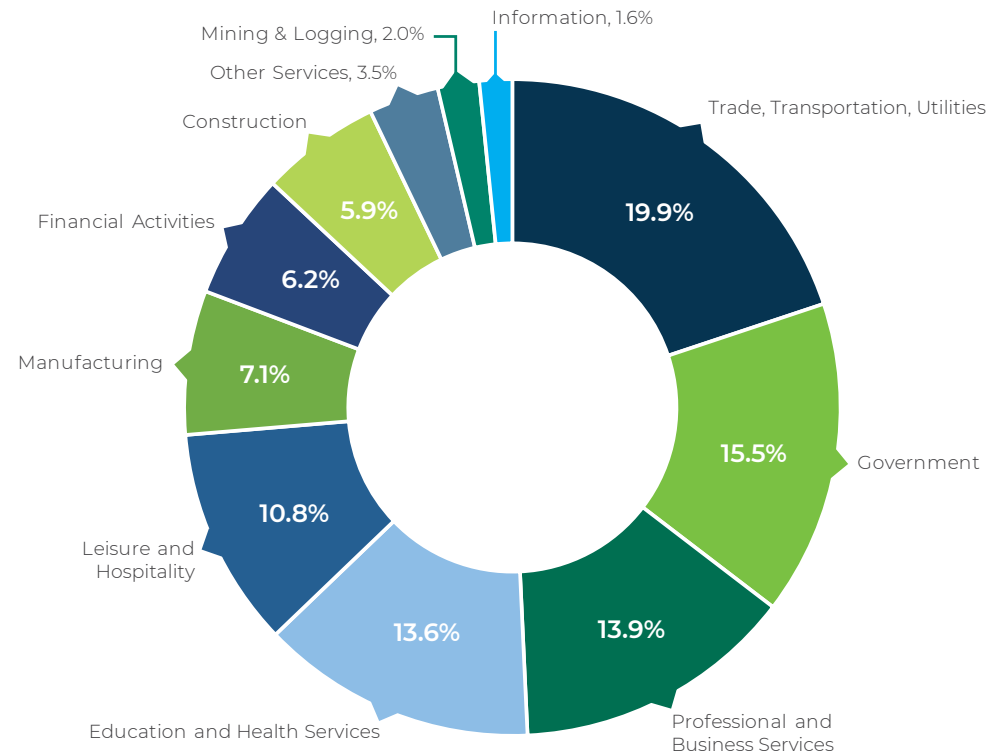


Favorable Year-Round Climate

HOUSTON EMPLOYMENT

- » Industry diversification is mitigating the negative effects of the energy slowdown and will continue to support job growth.
- » Local job gains in leisure and hospitality, education and health services, and government segments are offsetting potential fluctuations in manufacturing, mining, and financial services.
- » The Texas Workforce Commission reports that nonfarm payroll employment topped 3,202,100 jobs in October 2019, a record for the region. That also represents an increase of 80,400 jobs, or 2.6 percent, from October 2018.
- » The Greater Houston Partnership projects a 22% increase in employment for the next decade.

INDUSTRY DIVERSIFICATION



LEADING POPULATION GROWTH



Current Residents in the Houston MSA
Fifth-Largest MSA in the U.S - 20% Population
Growth between 2010-2018



Between 2010-2017



±125,000 People Each Year
1 New Resident every ± 4.2 minutes!

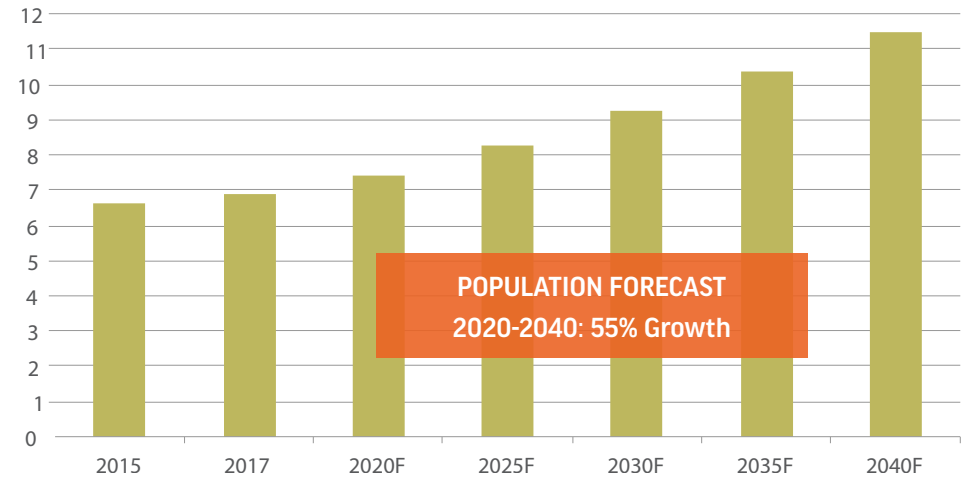
PROJECTED GROWTH: 2018-2023

Rank	MSA	New Residents
1	DFW	720,520
2	Houston	649,000
3	Atlanta	637,320
4	Phoenix	571,580
5	Miami	567,530

Source: Moody's Analytics

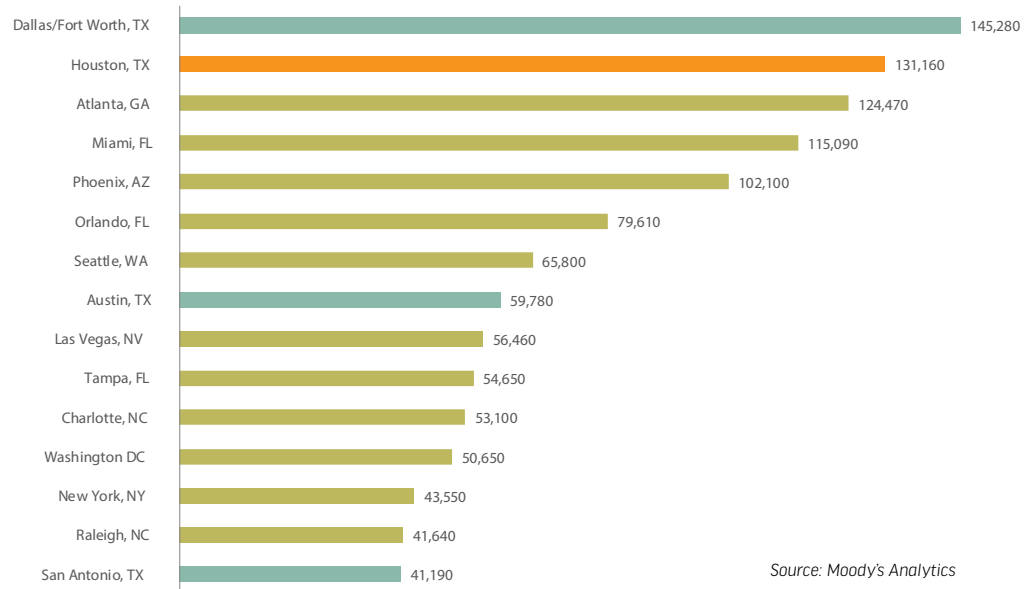
Moody's projects that Houston will rank second nationwide in population growth over the next five years, adding more than 340 new residents each day.

HOUSTON POPULATION GROWTH



Source: Greater Houston Partnership

TOP ANNUAL POPULATION GROWTH



Source: Moody's Analytics

NATIONAL RECOGNITION

Top U.S. Metros for Job Growth (#2)

U.S. Bureau of Labor Statistics – December 2019

America's 50 Best Places to Live - West University Place (#1)

24/7 Wall Street (as reported by USA Today) – September 2019

Best Market to Purchase Multifamily Assets (#1)

Ten-X (as reported by Houston Business Journal) – August 2019

Metros with Most Corporate Headquarters (#2)

Business Facilities – July 2019

Top Destination City – Tenth Consecutive Year (#1)

U-HAUL International – May 2019

2018 World's Most Competitive Cities - Energy (#1)

Site Selection – May 2019

Highest Avg. Starting Salaries (Adjusted for Cost of Living) (#1)

WalletHub – May 2019

2019's Most Diverse Cities in the U.S. (#1)

WalletHub – April 2019

Nation's Best Cities for Millennials (#1)

The Langston Co. – April 2019

Top Metros Where Young Adults Are Moving (#1)

The Brookings Institution - January 2019

Best U.S. City for Expats (#1)

InterNations - November 2018

Top Metro for Economic Growth Potential (#1)

Business Facilities Magazine – July 2018

Least Expensive Real Estate Markets (#2)

Property Shark – July 2018

Best Seaport in North America (#1)

Asia Cargo News – May 2018

Top Housing Markets for New Homes (#2)

MetroStudy - April 2018

Top Metros in the Nation for New and Expanded Corporate Facilities (#2)

Site Selection - March 2018

Best U.S. Metropolitan Area for Middle Market Firms

Houston Business Journal – February 2018

Top Moving Destination in the Country (#4)

Penske Truck Rental – January 2018

Source: Greater Houston Partnership

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