

3530 WEST DALLAS STREET

HOUSTON, TEXAS | EXECUTIVE SUMMARY

HFF®

Holliday Fenoglio Fowler, L.P. acting by and through Holliday GP Corp., a Texas licensed real estate broker ("HFF").

± 2.56 ACRE DEVELOPMENT OPPORTUNITY



3530 WEST DALLAS STREET | ± 2.56 Acre Development Opportunity

Aerial View Facing Southwest



THE GALLERIA

GREENWAY

RIVER OAKS

RIVER OAKS
SHOPPING CENTER

SHEPHERD DRIVE

FUTURE
REGENT SQUARE
DEVELOPMENT

FUTURE
REGENT SQUARE
DEVELOPMENT

DUNLAVY STREET

WEST DALLAS STREET

TIRRELL STREET

ALLEN PARKWAY

INVESTMENT SUMMARY

HFF is pleased to offer qualified investors an exceptional opportunity to develop ±2.56 acres located at 3530 West Dallas (“the Property”) in Houston, TX. The Property is an unrivaled site due to its size, location near River Oaks/Montrose and Buffalo Bayou Park, and its view corridors. This offering represents a tremendous opportunity to acquire a highly visible site that is ideal for multi-family, condominium, hotel, office, medical, or senior living development.

PROPERTY

- The site is approximately ±2.56 acres located in a prestigious “inner loop” location with exceptional ingress/egress provided by direct access to West Dallas St and Tirrell St.
- Unrestricted in terms of zoning, use, height, or density, the Site is the perfect size and shape for a variety of development configurations. In addition, there are no lease-back provisions required by the seller.
- Tremendous location with close proximity to River Oaks, Montrose, Washington Avenue, Downtown and Buffalo Bayou Park.
- Potential for spectacular views in all directions, particularly overlooking Buffalo Bayou Park, Allen Parkway, River Oaks and Downtown Houston.

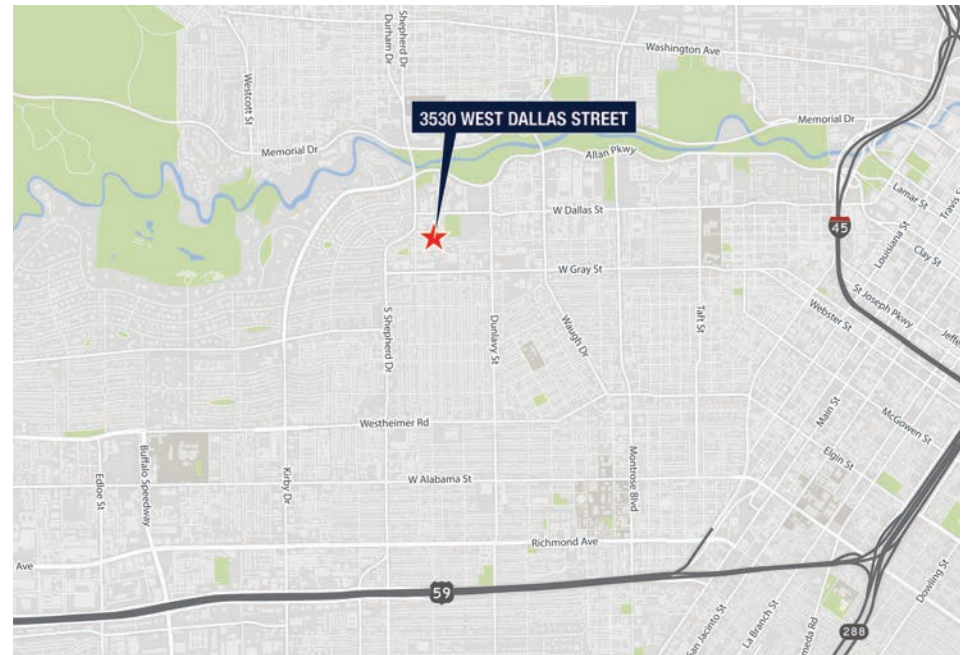
LOCATION

- 3530 West Dallas is strategically placed between River Oaks and Montrose and just minutes from downtown. The location makes the Property the perfect site for access to Houston’s key employment centers, shopping, dining, and entertainment.
- The location is central to Houston’s key employment centers including downtown (150,000 employed), the Uptown/Galleria and Greenway (200,000 employed), and Texas Medical Center (100,000 employed).
- 3530 West Dallas also offers close proximity to Houston’s established wealthy residential neighborhoods including River Oaks to the immediate west, Rice Military to the immediate north, and Montrose to the south.
- Close proximity to Buffalo Bayou Park, which recently underwent a \$58 million restoration and the 1,500-acre Memorial Park, a favorite among Houston’s joggers, golfers, and nature enthusiasts.

Address:	3530 West Dallas Street, Houston, Texas
Size:	±2.56 Acres
Current Use:	Office
Proposed Use:	Multi-family, condominium, hotel, office, medical, or senior living development.

OPPORTUNITY

- One of a kind development opportunity,
- Nation-leading growth of the Houston economy, with thriving energy, financial, manufacturing, medical, and shipping industries.
- Continued high level of job creation, with year over year job growth adding 48,500 new jobs T-12 in November 2017.
- Demand-rich submarket has \$1 billion in new commercial development planned for the near-term including office, retail, and residential. These new developments will further boost the desirability of the area, creating thousands of high-quality jobs, and generating more demand for residential housing.



EXECUTIVE SUMMARY

Walkability

The central location makes it incredibly convenient with walkability to dining, shopping and entertainment such as Buffalo Bayou Park, Whole Foods, and River Oaks Plaza, all situated a few blocks away. The Property has a Walk Score of 72 or Very Walkable, indicating that most errands can be accomplished on foot. Houston's average Walk Score is 44.



An Urban Retreat

The Property is located in one of the most infill areas in all of Houston with first class retail and entertainment within the immediate surrounding area, as well as exquisite dining options. In addition, it is a quick connection to Buffalo Bayou and a close walk to and from major employers and office towers.



Surrounding Residential

The surrounding residences include Houston's most affluent and exclusive neighborhoods. The median housing value within a one-mile radius is \$415,039. The homes available for sale within the immediate area, including the high-rise towers and neighborhoods, range from \$350,000 to \$15+ million.

The rental market for the River Oaks/Montrose submarket has seen some of the highest rates and is experiencing an urban renaissance that are highly favored by millennials, young families and empty nesters alike.



Superior Demographics

The Site is flanked by Houston's most affluent neighborhoods and has outstanding demographics to support numerous development configurations, with key measures that far exceed Houston MSA averages.

DEMOGRAPHICS	1-MILE	3-MILE	5-MILE
2017 Population Estimate	28,980	171,770	450,527
2022 Projection	31,922	186,741	483,904
Growth 2017-2022	10.15%	8.72%	7.41%
2017 Average Household Income	\$146,612	\$140,198	\$122,975
% HH income \$250,000+	9.39%	8.98%	7.28%
Median Owner Occ. Housing Value	\$415,039	\$408,116	\$372,381

Schools

The Property is in the Houston Independent School District and is within an eight-minute drive of all three schools to which it is zoned.

The Texas Education Agency (TEA) rates schools and school districts on a scale of Exemplary to Academically Unacceptable. Recognized is TEA's second highest rating. Private schools are also easily accessible from the Property. St. Thomas High School (All Male) is regarded as one of the top private schools in Houston and is located less than a mile from the property. Additionally, the Property is conveniently located nearby to St. Johns School, River Oaks Baptist (pre-K - 8th), as well as several other respected private schools.

SCHOOL	DISTANCE	RATING	ENROLLMENT
River Oaks Elementary	1.4 Miles	Exemplary	675
Lanier Middle School	1.3 Miles	Recognized	1,423
Lamar High	2.2 Miles	Recognized	3,388

“Live, Work, Play” ENVIRONMENT

CBD

The Property is less than 2.2 miles from the Houston CBD, Houston’s largest employment center, where 5,585 companies (including 12 Fortune 500 firms) employ 150,000 personnel in 99 office buildings totaling 48.7 million square feet. Downtown has had a capital investment of \$4 billion since the mid-1990s and now has nearly \$3 billion planned in the next wave of development and infrastructure improvements.



Buffalo Bayou

Likened to Houston’s own Central Park, Buffalo Bayou Park, which runs from downtown to Shepherd, recently completed a \$58 million restoration. Upgrades to the park include extension of the blue lunar cycle lighting, two pedestrian bridges and new and upgraded bicycle and jogging trails.



Memorial Park

The Property is located a short 2 mile walk away from Memorial Park, the most popular spot for Houston’s nature enthusiasts. The park provides a much needed outdoor space in the midst of Houston’s “Inner Loop” featuring approximately 1,500 acres, including trails, sports fields, and a golf course.

River Oaks

The Property is located with views overlooking River Oaks, one of Houston’s most desirable residential addresses, and the exclusive River Oaks Country Club. River Oaks is the city’s most prestigious and wealthiest residential enclave spanning 1,100 acres comprising 1,288 estates that average over \$1.2 million.

Washington Avenue

The Washington Avenue Corridor is an ultra-trendy, entertainment and restaurant district with more than 200 eateries, bars, and clubs along a three-mile stretch of Washington Avenue.

Museums

The Museum of Fine Arts, Houston (MFAH) has two facilities near the Property. The Bayou Bend Collection and Garden is MFAH’s museum for American decorative arts and paintings. The Museum is situated in the former house of noted Houston Philanthropist Ima Hogg and consists of 14 acres of organically maintained gardens.

River Oaks Shopping Center

The River Oaks Shopping Center is a shopping center located just a half-mile from the property. The center consists of more than 322,000-square-foot and includes one grocery store, one movie theater, 14 restaurants, and 76 stores.



MULTI-HOUSING MARKET OVERVIEW

Market Overview

Houston's third quarter performance was impacted by the arrival of Harvey during the final days of August. Citywide fundamentals were improving consistently across-the-board prior to the storm, and the surge in multi-housing demand afterwards accelerated the pace of this recovery.

Houston-based Apartment Data Services completed an industry-leading, comprehensive survey of more than 98% of Houston's apartment communities and calculated that 2.5% of total supply was damaged during the storm. The net effect of this damage (15,662 temporarily-vacant units) dropped occupancy and absorption figures for the quarter. However, when removing these units from the formulas and focusing solely on the unharmed supply, occupancy increased to 90.2%, and year-to-date net absorption swelled to an estimated 23,901 units (due to 10,926 units absorbed in the five weeks after the storm).

Year-over-year rent growth, which had already turned positive in August, jumped to 1.7% at the end of quarter, as rents increased 6.6% after the storm and most apartment operators in heavily-affected areas were able to remove concessions for both new leases and renewals. The availability of concessions has declined dramatically since Harvey; there were concessions available at 55% of Class A properties citywide at the beginning of August compared to 32% at the end of the September.

Ultimately, the main driver of Houston's improved fundamental performance remains intact; the citywide new supply pipeline continues its rapid deceleration and should alleviate any concerns about the temporary nature of a post-Harvey boost. There are 5,764 units currently scheduled to deliver in 2018, 96% less than the number of units delivered year-to-date in 2017 and 286% less than the number of units delivered in all of 2016.

Market Snapshot

# of Operating Communities	2,716	Occupancy*	88.3%
# of Operating Units	636,699	Stabilized Occupancy	90.2%
Avg Size (sf)	882	T12 Occupancy Growth	-0.4%
Average Rent Per Unit (\$/month)	\$999	T12 Deliveries (units)	15,065
Average Rent Per SF (\$/month)	\$1.13	T12 Net Absorption (units)**	5,625
T12 Rental Rate Growth	1.7%	Under Construction (units)	10,052

Source: Apartment Data Services.

*Occupancy calculations include communities that are in lease-up and communities with down units taken offline as a result of Harvey.

** Absorption calculations include down units taken offline as a result of Harvey.

Occupancy*:

88.3%

QoQ Change



YoY Change



Rents:

\$1.13

QoQ Change



YoY Change



Absorption**:

8,239

QoQ Change



YoY Change



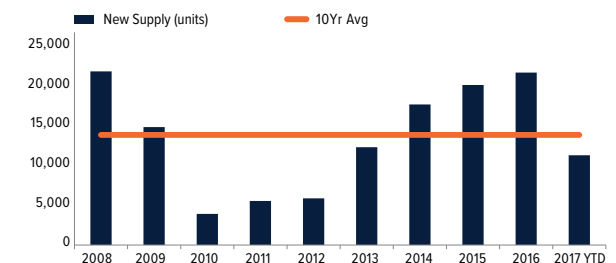
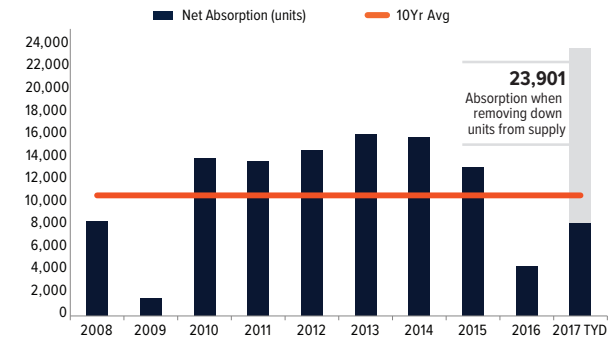
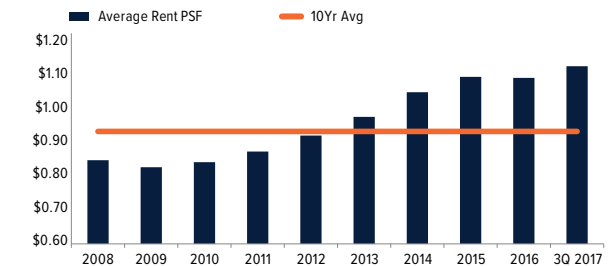
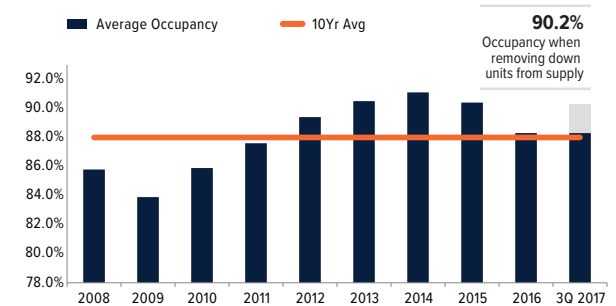
New Supply:

11,298

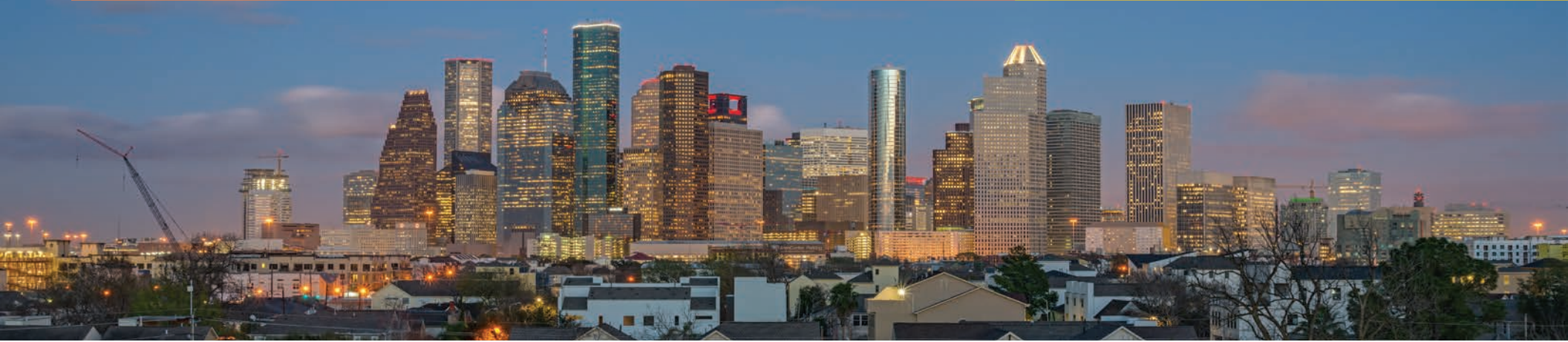
QoQ Change



YoY Change



HOUSTON OVERVIEW



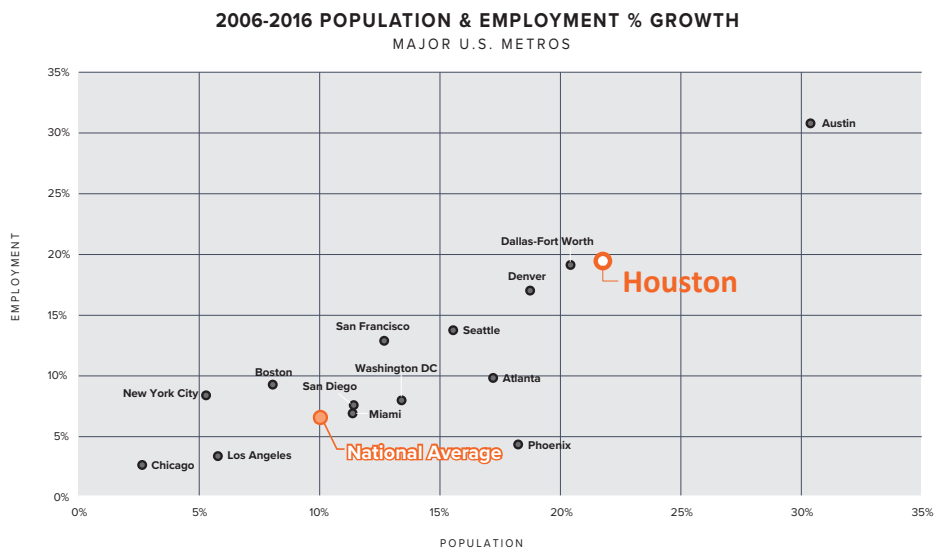
With a population of 2.3 million, Houston is the fourth-largest city in the United States. The Houston MSA, covering nearly 10,000 square miles and comprised of 6.77 million people, ranks third in job creation among MSAs between 2000 and 2016. In 2015, the MSA passed the three million job mark for the first time in history and registered a GDP of \$503.3 billion. As a global gateway city known for being the energy capital of the world, Houston also boasts the nation's largest medical center, a leading U.S. port and an internationally renowned hub for arts.

Preferred Corporate Home

There are 24 Fortune 500 and 46 Fortune 1000 companies headquartered in Houston, ranking it third in the nation. Many of these companies are tied to oil and gas but the list also includes several other industries, including banking, real estate, human resources, construction, food distribution, waste management, utilities, telecom, retail, tech and more. More than 1,500 significant corporate relocations or expansions have occurred since 2009 (Relocation/ expansions creating more than 50 jobs, leasing 20,000 square feet and/or investing more than \$1.0 million).

Energy Capital of The World

Houston is home to over 4,800 energy-related companies with nearly every major energy company maintaining a presence in the city. Despite the negative headlines surrounding the industry since the collapse of the price of oil in 2014, the petrochemical and refining complexes located along the Houston Ship Channel are growing at a rapid pace. There are over \$50 billion of new refining projects either recently completed or under construction in the Greater Houston area. The petrochemical and refining complex along the 25-mile Houston Ship Channel at the Port of Houston is the largest in the Western Hemisphere and the second-largest in the world.



Sources: Oxford Economics, Real Capital Analytics, HFF Research. *dots represent all U.S. metros as classified by Oxford Economics, those highlighted in orange represent the 20 most liquid CRE markets across property types according to RCA and include where HFF has an office/significant presence

HOUSTON OVERVIEW

Texas Medical Center

The Texas Medical Center ("TMC") in Houston is the largest life sciences destination in the world, with over 56 member institutions (including 21 hospitals). The TMC is equivalent to the size of the seventh-largest Central Business District (CBD) in the U.S., and has tripled in size over the past 20 years. With over 106,000 employees (more than ExxonMobil, Google, or Apple), 50,000 life science students, and thousands of volunteers and patient visits, over 160,000 people visit the TMC each day. Spanning 45.8 million square feet, the Texas Medical Center currently has over \$3 billion of projects under construction and is expected to eclipse 59 million square feet by 2020.



The Houston Airport Center

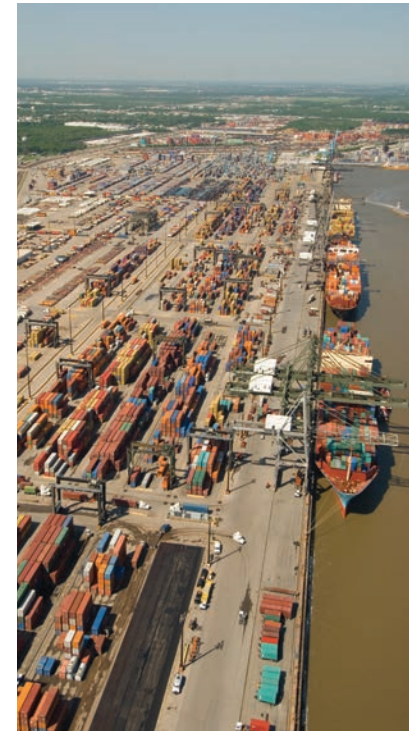
Houston is one of only six U.S. cities with two international airports. In 2016, 54.5 million passengers (11.6 of which were international travelers) passed through the Houston's airport system. George Bush Intercontinental and William P. Hobby offer direct flights to a combined 200 destinations across five continents.

Ellington Airport (EFD) was recently granted a launch site license from the Federal Aviation Administration (FAA) to establish a launch site for Reusable Launch Vehicles, making it the 10th commercial spaceport in the U.S. The site benefits from its long history of collaboration with the National Aeronautics and Space Administration (NASA)'s Lyndon B. Johnson Space Center, where human spaceflight training, research, and flight control are conducted.

The Port of Houston

The Port of Houston is the busiest container port on the Gulf Coast with over 80% of activity tied to oil and gas. Plastics, petrochemicals and heavy machinery manufactured in Texas are the lead export activity while consumer products and raw materials are the lead import activity. The recently expanded Panama Canal now allows the transit of ships with 12,600 containers per vessel and large liquefied natural gas (LNG) tankers, opening up significant opportunities for the Port of Houston.

- The Port of Houston has ranked first in the U.S. in import tonnage for the past 25 years, is the largest Gulf Coast container port, and has ranked 2nd in total tonnage for 23 straight years.
- The Houston-Galveston Customs District handled \$162.8 billion in trade in 2016, including \$69.8 billion in imports and \$93.0 billion in exports. That makes Houston the largest export market in the U.S.
- There are ten major rail companies that connect the Port of Houston to the largest markets in the continental U.S., Canada, and Mexico.



Global Hub for Arts and Culture

Forbes Travel Guide ranked Houston among its top 12 destinations in the world for 2017. The city is widely recognized as an important city for the contemporary visual arts and the Theater District in downtown Houston has the second-most number of theater seats of any U.S. city after New York City (14,000+). The 17-block district features nine world renowned performing arts organizations, and many smaller ones, in four venues – Jones Hall, Wortham Theater Center, Alley Theatre, and Hobby Center for the Performing Arts. The Houston Museum District boasts over 20 museums, galleries and cultural centers such as the Museum of Fine Arts, Houston (MFAH), the Menil Collection, and the Houston Museum of Natural Science.

Global Presence

Houston ranks third in the U.S. in terms of its total number of consular offices with 90+ countries that maintain official government representation. There are also 15 foreign governments which also maintain trade and commercial offices, and the Houston metro area has 35 active foreign chambers of commerce. The Greater Houston Partnership lists 5,000+ Houston companies doing business abroad and 1,000 Houston firms reporting foreign ownership.

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