



OFFERING MEMORANDUM

14199 Westfair East Dr, Houston, TX 77041

Absolute Net 10-Year Sale Leaseback Investment Opportunity

partners



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Executive Summary



14199 Westfair East Drive

Partners is pleased to present the opportunity to acquire 14199 Westfair East Drive, a $\pm 41,450$ -square-foot office/warehouse on ± 2.755 acres in Northwest Houston, occupied by Ovation Data Services. The property features tilt wall construction, four overhead doors, high-end office finishes, and a fully climate-controlled warehouse.

Ovation Data Services will lease back the property at the close of escrow for a period of ten years on an absolute net lease basis with 3.5% annual increases. Ovation Data Services is a leader in digital transformation and data repository solutions with a 45-year operating history. Ovation Data Services works with the Energy, Media & Entertainment, Digital Heritage, Biotech & Life Sciences, and Security industries.

14199 Westfair East Drive is in the West Outer Loop Submarket, ideally located near major thoroughfares such as US Highway 290, Highway 6, and the Sam Houston Tollway. The submarket has a low vacancy rate of 5.6%, outperforming the Houston metro average of 6.3%, highlighting a tight barrier to entry and desirability by both tenants and owner/users alike.

Property Highlights



- >> ±41,450 Net Rentable Square Feet
 - ±10,000 SF Climate Controlled Warehouse
 - ±7,500 SF Lab/Assembly Area
 - ±7,500 SF Concrete Mezzanine Storage
 - ±16,450 SF Office
- >> Concrete Tilt Wall Construction Built in 2008
- >> ±10,000 SF Climate-Controlled Warehouse with 28' Clear Height
- >> Four (4) Overhead Doors
 - Two (2) Dock High Doors
 - One (1) Grade Level Door
 - One (1) Semi-Dock
- >> Fully Sprinklered
- >> Wrought Iron Fence Surrounding Perimeter of Property With Remote Controlled Access Gates
- >> Original Building Plans Allow for Building Expansion by up to 15,750 SF
- >> High-End Corporate Office Finishes
- >> 1000KVa Utility Service; Both 120v & 240v Power In All Work Areas
- >> Two (2) Natural Gas Generators with Pad Site for a Third Future Generator
- >> Covered Employee Parking & Parking Lot Lighting

Property Aerial



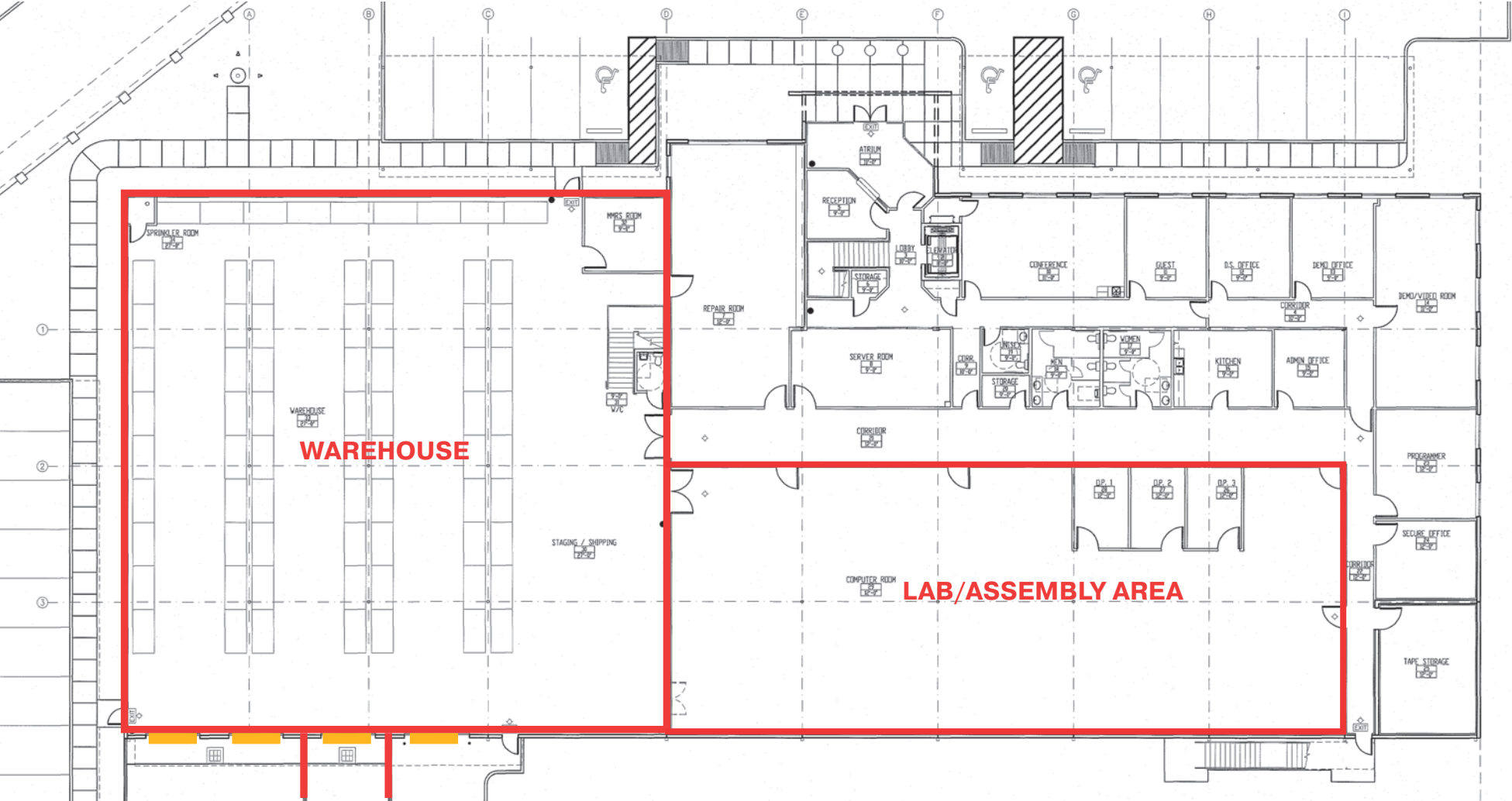
Interior Photos



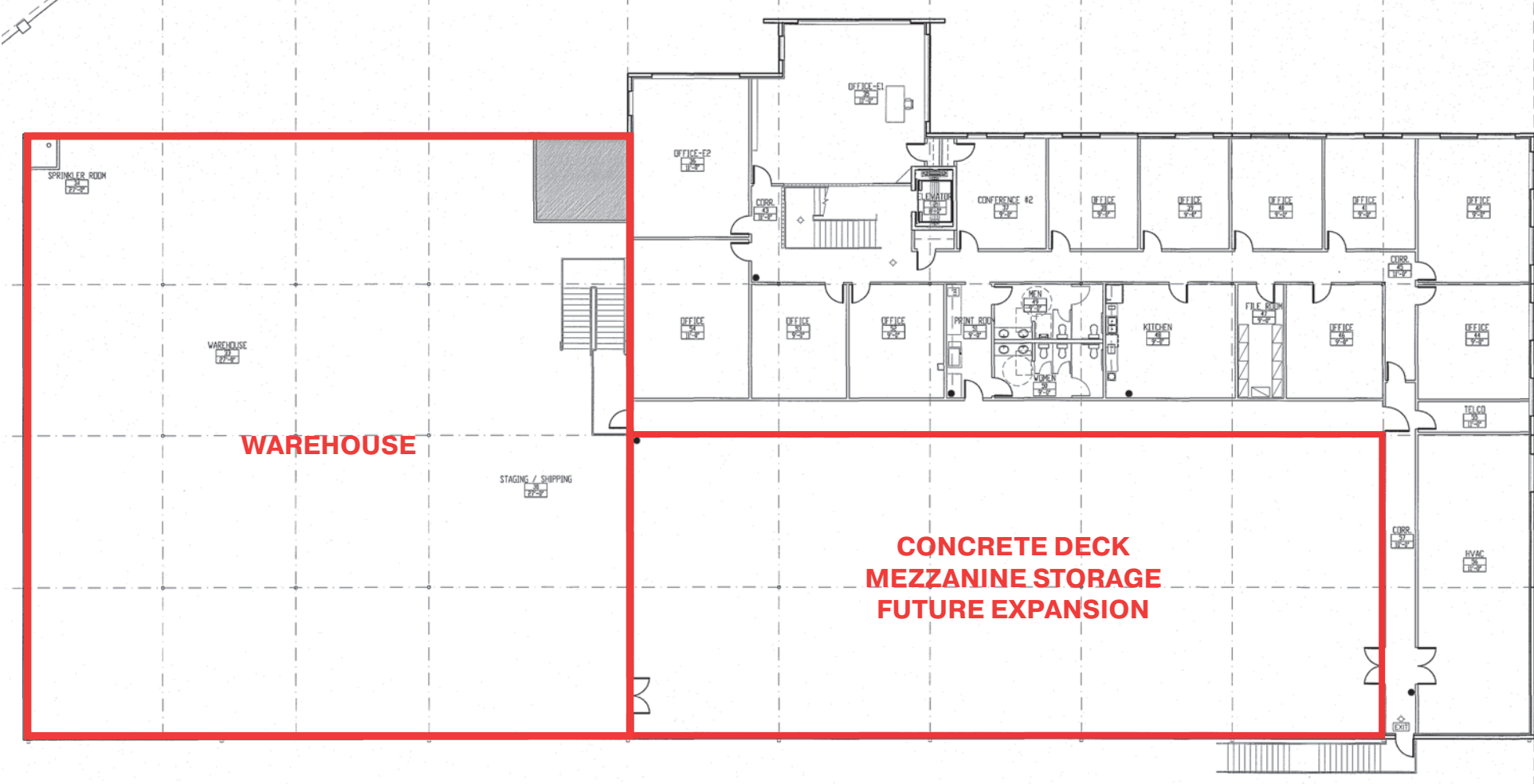
Exterior Photos



Site Plan - Floor One



Site Plan - Floor Two





Financial Overview

Tenant Overview



For more than 45 years, Ovation Data has been helping industries resolve some of the most challenging data management problems. Ovation is recognized today as a leader in understanding the science and technology of digital data storage media, hardware and software solutions. They lead the way in digital transformation and data repository solutions including data transcription, digitization, processing, verification, archiving, backup, cloud migration and de-migration, analytics, and hosting and storage. Today, Ovation is working to release the power of data assets within the Energy, Media & Entertainment, Digital Heritage, Biotech & Life Sciences, and Security industries.

www.ovationdata.com

Data Hosting & Storage

Data Analytics & AI

Data Security

Data Transcription & Recovery

Data Inventory

Data Transformation

High-Performance Computing

Our Partners



Lease Summary

Sale Leaseback

Tenant	Ovation Data Services
Occupied Square Feet	41,450
Commencement Date	COE
Lease Expiration	10 Years
Rental Rate (Price/SF/Year)	\$14.40
Annual Rent	\$596,880.00
Annual Rent Escalations	3.50%
Lease Type	Absolute Net





Location Overview

Submarket Overview

Demographics within a 5-mile radius

14199 Westfair East Drive is located in a robust industrial pocket of Northwest Houston containing 33.7 million square feet of inventory. Its location near major thoroughfares, including Sam Houston Tollway, Highway 290, Highway 6, and Farm to Market Road 1960, provides easy access throughout the region.

The West Outer Loop submarket has added 2.2 million square feet of new development over the past three years, and demand has kept up with 1.8 million square feet absorbed during this time. The submarket vacancy rate is 5.6% and estimated to be around 5.5% by the end of the year as the area works through its recent increase in supply. Some of the largest occupiers of this submarket are within the manufacturing industry and food and beverage suppliers such as Metallic Building Systems, Toshiba International Corporation and Silver Eagle Distributors.

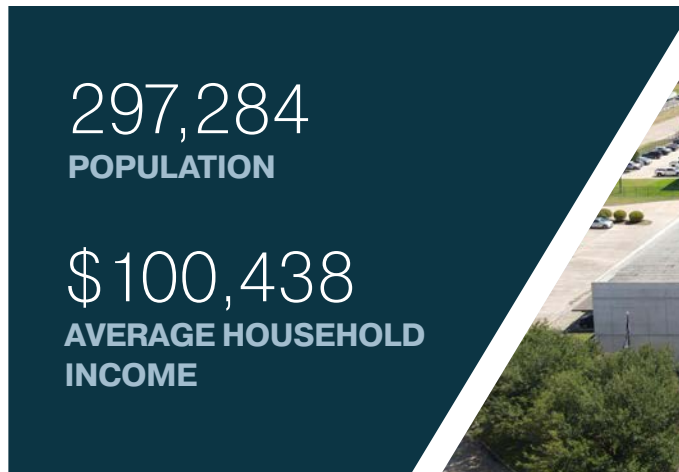
Houston's rapid outward household growth has brought a stronger demographic to the area, which boasts a population of 297,284, 104,946 households and an average household income of \$100,438 in a 5-mile radius.

Source: Costar



129,840
DAYTIME EMPLOYEES

104,946
HOUSEHOLDS



297,284
POPULATION

\$100,438
AVERAGE HOUSEHOLD INCOME



33%
POPULATION WITH BACHELOR'S DEGREE OR HIGHER

\$234,577
MEDIAN HOME VALUE



Houston at a Glance

4th Largest City

Houston is the nation's 4th most populous city and is the 7th largest U.S. metro economy. The Houston MSA has grown at a 2.3 compound annual growth rate since 2001.



2.3 MILLION
City Of Houston Residents



7.3 MILLION
Residents In The Houston MSA

Houston Industrial Market

By the end of Q4 2023, the overall vacancy rate in the Houston Industrial market rose 180 basis points year-over-year, from 5.2% to 7.0%. Net absorption is at 2.3 million sq. ft., 68% down from the prior year's 7.3 million sq. ft. Year-to-date, net absorption is at 18.5 million sq. ft. Many tenants have reduced their need for Warehouse/Distribution space due to economic uncertainty and higher borrowing costs. During the fourth quarter, HRDC Shell Lubricants moved out of 9255 Railwood Drive, and Goodman Distribution moved out of 22533 Northwest Lake Drive, returning 300,000 sq. ft. and 231,839 sq. ft. of industrial space to the market, respectively. Leasing activity is at 9.3 million sq. ft., 38% down from 15.1 million sq. ft. last year. Lastly, the average monthly rental rate (NNN) reached \$0.78 per sq. ft.—a record-high for the metro's industrial sector.

Employment

The major industries in Houston include energy, life sciences, aerospace & aviation, advanced manufacturing, digital technology & innovation, and transportation & logistics. There are 3.3 million jobs in the Houston MSA. Health, Education, and Business & Professional Services account for nearly 1 in 4 of the region's jobs. The goods-producing sector accounts for nearly 1 in 6 of the region's jobs. Houston is home to 70,450 engineers and architects, and approximately 230,000 people work in the region's manufacturing industry. 42 of the 113 publicly-traded oil and gas exploration firms are based in Houston.



3.3 MILLION
Jobs In The Houston MSA

World's Largest Medical Complex

The Texas Medical Center is the world's largest medical complex. It comprises 50 Million developed square feet, and there is currently \$3 Billion in construction projects underway. The Texas Medical Center employs 120,000+ workers and has 10 million annual patient visits.

50 MILLION
Developed Square Feet

\$3 BILLION
In Construction Projects Underway

Population Growth

The Houston Metro population growth surged in 2022, ranking second among the nation's major metros in population growth. Nearly 125,000 residents were added in 2022, up from the 75,000 added in 2021. The surge in population contributed to last year's robust job growth and strong demand for housing. Houston added 176,000 jobs, closed on 108,000 single-family homes, absorbed 21,000 apartment units, and delivered 280,000 new vehicles over the period covered by the Census data, i.e., the 12 months ending July 1, 2022. Houston performed exceptionally well last year considering nine of the nation's 20 largest metros shed population and five added fewer than 20,000 residents.

Source: Greater Houston Partnership



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