



SUGAR LAND
PHYSICIANS CENTER

OFFERING MEMORANDUM

SUGAR LAND PHYSICIANS CENTER

7616 BRANFORD PL | SUGAR LAND, TX 77479



INVESTMENT SUMMARY

INVESTMENT OPPORTUNITY

- At a GLA of 55,375 square feet and 91.4% leased, 7616 Branford is a well-established medical office building that has out-performed the marketplace. The stabilized occupancy and limited competition for assets of this size, quality, and amenity level provide the possibility to create value through future rental growth and appreciation, especially with near term renewals and rollover of existing tenants.
- Highly diversified and complementary tenant mix including internal medicine, pediatric, dermatology, general practice, rheumatology, fertility, pharmacy, and infusion therapy.
- The asset is one of few with garage parking and includes 150 covered and 75 uncovered parking spaces. The garage is a significant amenity and provides a competitive advantage relative to the submarket.
- Highly visible and accessible location just off Highway 59, 30 minutes from Downtown Houston.
- Affluent population within a three-mile radius with an average household income of \$179,108 that spends about \$66 million annually on healthcare.
- Walkable to numerous amenities such as Costco, Tropical Smoothie, McAlister's Deli, CVS, Gyro Hut, Schlotzky's, Kung Fu Tea, and Black Bear Diner.
- Sugar Land's population is projected to reach 134,625 by 2024 and is generally very young, with about 30% of current residents 24 years or under.
- The EDC of Sugar Land identifies life sciences as a key sector, hosting companies like Houston Methodist, MD Anderson, Bluebonnet Nutrition, and more.

DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
TOTAL POPULATION	8,545	75,775	196,434
TOTAL DAYTIME POPULATION	12,338	82,761	194,703
AVERAGE HH INCOME	\$202,319	\$179,108	\$157,866



OFFERING SUMMARY

SALE PRICE	MAKE AN OFFER
PROPERTY TYPE	MEDICAL/OFFICE
BUILDING SIZE:	55,375 SF
LEASE TYPE	NNN
WEIGHTED AVG RENT PSF (Based on \$1,342K effective gross income and 2024 occupied sf)	\$26.51 NNN
OCCUPANCY	91.4%
YEAR BUILT	2014
NET OPERATING INCOME	\$1,263,676

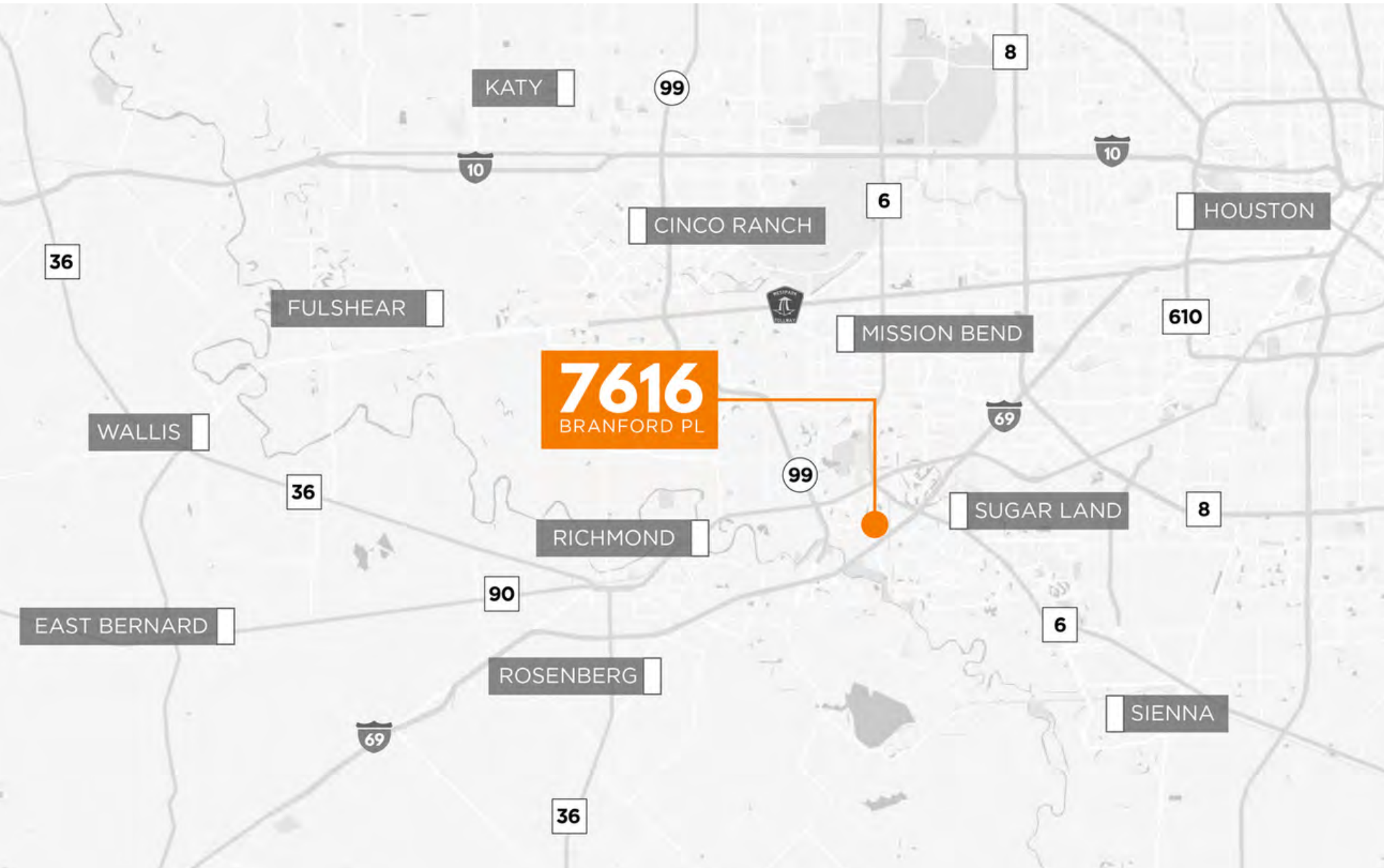
PROPERTY AERIAL



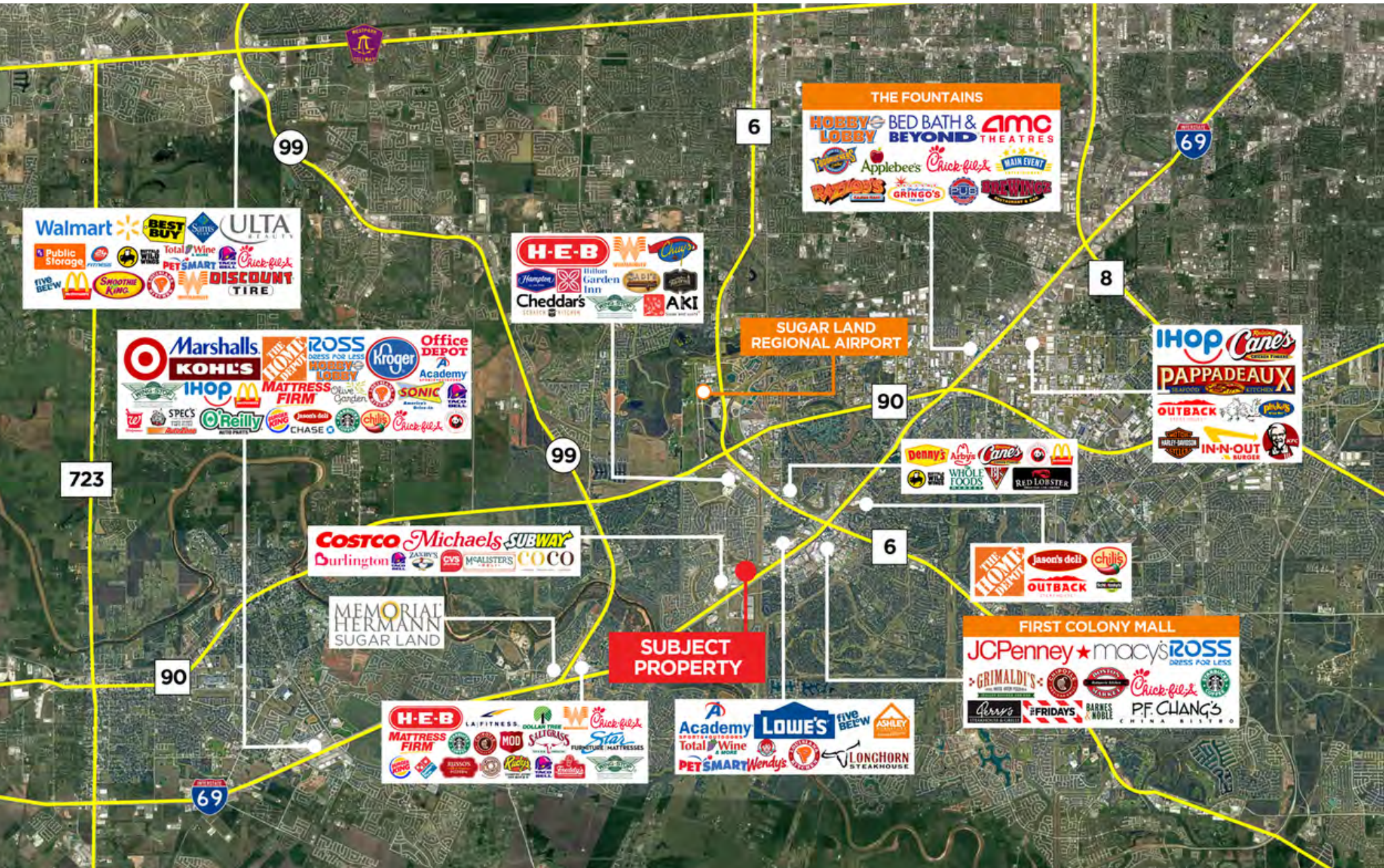
INTERIOR PHOTOS



PROPERTY LOCATION



SURROUNDING RETAIL



MARKET OVERVIEW

7616 Branford Pl - Competitive Set Analytics

INVENTORY SF

634K

+0%

Prior Period 634K

UNDER CONSTRUCTION SF

0

Prior Period 0

-

Prior Period 10.5K

12 MO NET ABSORPTION SF

(36.9K)

-450.6%

Prior Period 16.3%

VACANCY RATE

22.2%

+5.9%

Prior Period \$30.11

MARKET RENT/SF

\$30.43

+1.1%

AVAILABILITY

Vacant SF	140K	↑
Sublet SF	3.2K	↓
Availability Rate	29.7%	↑
Available SF Total	188K	↑
Available Asking Rent/SF	\$30.56	↑
Occupancy Rate	77.8%	↓
Percent Leased Rate	78.7%	↓

INVENTORY

Existing Buildings	9	↕
Under Construction Avg SF	-	
12 Mo Demolished SF	0	↕
12 Mo Occupied SF	-	
12 Mo Construction % at Delivery	0	↕
12 Mo Delivered SF	0	↕
12 Mo Avg Delivered SF	-	

DEMAND

12 Mo Net Absorp % of Inventory	-5.8%	↓
12 Mo Leased SF	51.3K	↑
Months on Market	16.7	↑
Months to Lease	24.7	↓
Months Vacant	26.0	↓
24 Mo Lease Renewal Rate	23.6%	
Population Growth 5 Yrs	7.3%	

MARKET OVERVIEW



SUGAR LAND - MARKET OVERVIEW

Sugar Land is a city in Fort Bend County, Texas, and is located approximately 20 miles southwest of downtown Houston. Sugar Land is a populous suburban municipality centered around the junction of Texas State Highway 6 and U.S. Route 59. Sugar Land was ranked as one of the “Top Cities in Texas” for business relocation and expansion by both Outlook Magazine and Texas Business.

Sugar Land holds the headquarters to CVR Energy, Western Airways, Nalco Champion’s Energy Services division, Schlumberger (an oil services company that has a 33 acre campus with over 250,000 square feet of Class A office space and a 100,000 square foot amenity building), Minute Maid and BMC Software. Sugar Land also has a large number of international energy, software, engineering and product firms.



MARKET OVERVIEW

KEY FACTS



120,553

POPULATION



2.97

AVG HH SIZE



41.6

MEDIAN AGE

BUSINESS



5,754

TOTAL BUSINESSES



67,818

TOTAL EMPLOYEES



5.9%

UNEMPLOYMENT RATE

INCOME



\$156,040

AVG. HH INCOME



\$116,819

MEDIAN HH INCOME



\$52,434

PER CAPITA INCOME

EDUCATION



12.8%

HIGH SCHOOL GRAD/GED



20.2%

SOME COLLEGE / ASSOCIATE'S DEGREE



61.3%

BACHELOR'S GRADUATE DEGREE





MARKET OVERVIEW

EMPLOYMENT TRENDS

CIVILIAN LABOR FORCE

SUGAR LAND AREA	FORT BEND COUNTY	GREATER HOUSTON MSA
118,606	822,907	3,079,264

EMPLOYED

SUGAR LAND AREA	FORT BEND COUNTY	GREATER HOUSTON MSA
111,784	773,442	2,986,886

UNEMPLOYED RATE

SUGAR LAND AREA	FORT BEND COUNTY	GREATER HOUSTON MSA
5.9%	6.0%	7.0%

WORKFORCE ANALYSIS



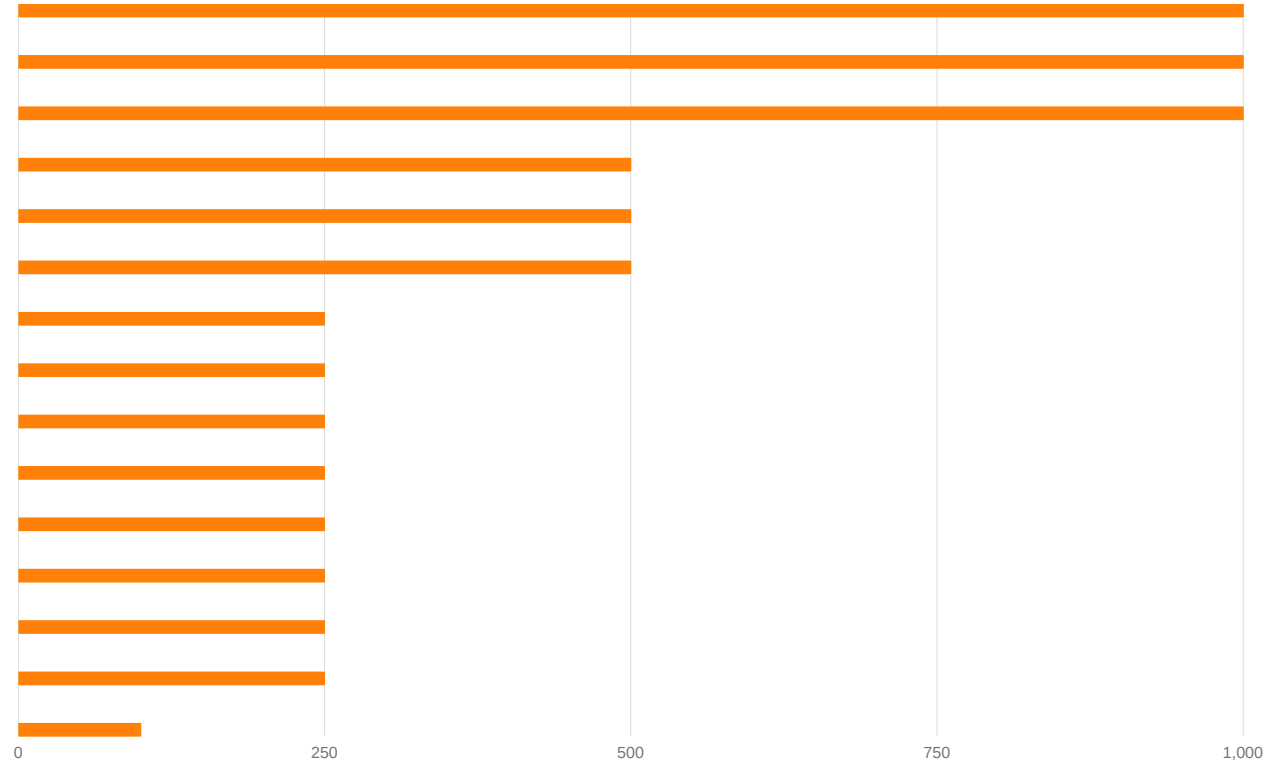
2.7%

EMPLOYMENT RATE GROWTH

MARKET OVERVIEW

TOP 10 EMPLOYERS

- Houston Methodist Sugar Land Hospital
- Methodist Sugar Land Hospital
- Schlumberger
- Accredo Packaging Inc.
- Flour Enterprises Inc.
- ABM
- Applied Optoelectronics Inc
- CHI St. Luke's Health - Sugar Land Hospital
- HCSS
- Healix Inc.
- QuVa Pharma
- Texas Instruments
- Tramontina
- Amazon



MAJOR JOB SECTORS

- Health Care & Social Assistance
- Office & Administrative Support
- Accommodation, Food Services & Retail
- Manufacturing



FOR MORE INFORMATION:

BRANDI SIKES, MCR, CRE

Principal & Senior Advisor
832-721-4032
brandi.sikes@svn.com

JEFF BEARD, CCIM

Managing Director
281-814-9928
jeff.beard@svn.com



281.367.2220

JBEARDCOMPANY.COM

10077 GROGAN'S MILL RD | SUITE 135
THE WOODLANDS, TX 77380

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Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date