

8024 TELEGRAPH ROAD



INSTITUTIONALLY OWNED, FULLY LEASED INDUSTRIAL COLD STORAGE DISTRIBUTION FACILITY

EXECUTIVE SUMMARY





Jones Lang LaSalle Americas, Inc. ("JLL"), as exclusive representative for the Owner, is pleased to present this offering for the sale of the 8024 Telegraph Road (the "Property" or "Telegraph"), a 363,872 square foot tri temp and distribution facility in the heart of the Baltimore-Washington industrial corridor. The Property is strategically located within less than 4 miles of Route 295, offering direct access between Baltimore and Washington, DC. This location allows the user to reach more than 80% of the United States population within a two-day drive.

8024 Telegraph is 100% leased to SpartanNash (NASDAQ: SPTN) through August 2028. SpartanNash is a Fortune 400 company and is the nation's fifth-largest food distributor, operating 12 grocery distribution centers and seven military DCs. The company also operates 155 corporate-owned supermarkets in nine states and supplies more than 2,100 independent grocers nationwide. 8024 Telegraph will serve as the distribution/storage center servicing SpartanNash's new agreement with the world's pre-eminent ecommerce distributor which recently obtained the right to acquire significant ownership in the company.

Located on 30.95 acres, of which +/- 5 acres is available for future development, the facility is in excellent condition and offers 30' clear heights, 48 dock doors, over 140 trailer parking positions and over 370 auto parking positions. The building features approximately 47% freezer/cooler buildout and an on-site truck maintenance facility. The building is ideally located for last mile distribution in the densely populated Baltimore Washington Corridor (access to 9 million people within a 1.5 hour drive). Additionally, the Property is ideally positioned to benefit from the dramatic rise in refrigerated storage demand taking place across the country.

Accordingly, this investment offering represents a coveted opportunity to acquire an institutional quality industrial property in a desirable Mid-Atlantic cold storage distribution location.

INVESTMENT HIGHLIGHTS



363,872 SF cold storage/distribution building, 30' clear heights and LED lighting



Passive, 7 year net lease income stream with 2.5% annual escalations



Over \$6M of capital invested by current ownership



Four five-year renewal options at 2.5% annual escalations



Exceptional regional accessibility; 38 million people reachable within 300 miles



Underlying contractual agreement with world's pre-eminent ecommerce company



Proximity to Port of Baltimore, the most efficient deep water port in the United States with over a 7.2% increase in TEU volume between 2018 and 2019



Ideal East Coast cold storage distribution location



Major Corporate presence in area contributing to extremely tight market



+/- 5 acres of additional developable land offers additional upside





EXCEPTIONAL REGIONAL ACCESSIBILITY

Located four miles south of Baltimore Washington International Airport (BWI) and four miles from Route 295, Telegraph's location provides exceptional vehicular access to a network of highways and other commuter thoroughfares that connect major northern markets such as Philadelphia, New York and New Jersey to Baltimore, Washington, D.C and points south. U.S. Interstate 95, six miles northwest of the Property, is the primary east coast distribution arterial and provides access to over 38 million people within a 300 mile radius.



BRAND NAME TENANCY

SpartanNash (SPTN) is a Fortune 400 company and the fifth largest food distributor in the United States. They are a leading distributor of grocery products to U.S military commissaries. Headquartered in Michigan, SpartanNash currently operates 12 grocery distribution centers and seven military DCs. The company also operates 155 corporate-owned supermarkets in nine states and supplies more than 2,100 independent grocers nationwide. Since 2016, they have also supplied groceries to the largest ecommerce/online grocery provider in the country, who obtained the right to acquire significant ownership in the company. The facility was specifically chosen to support and further expand that relationship.

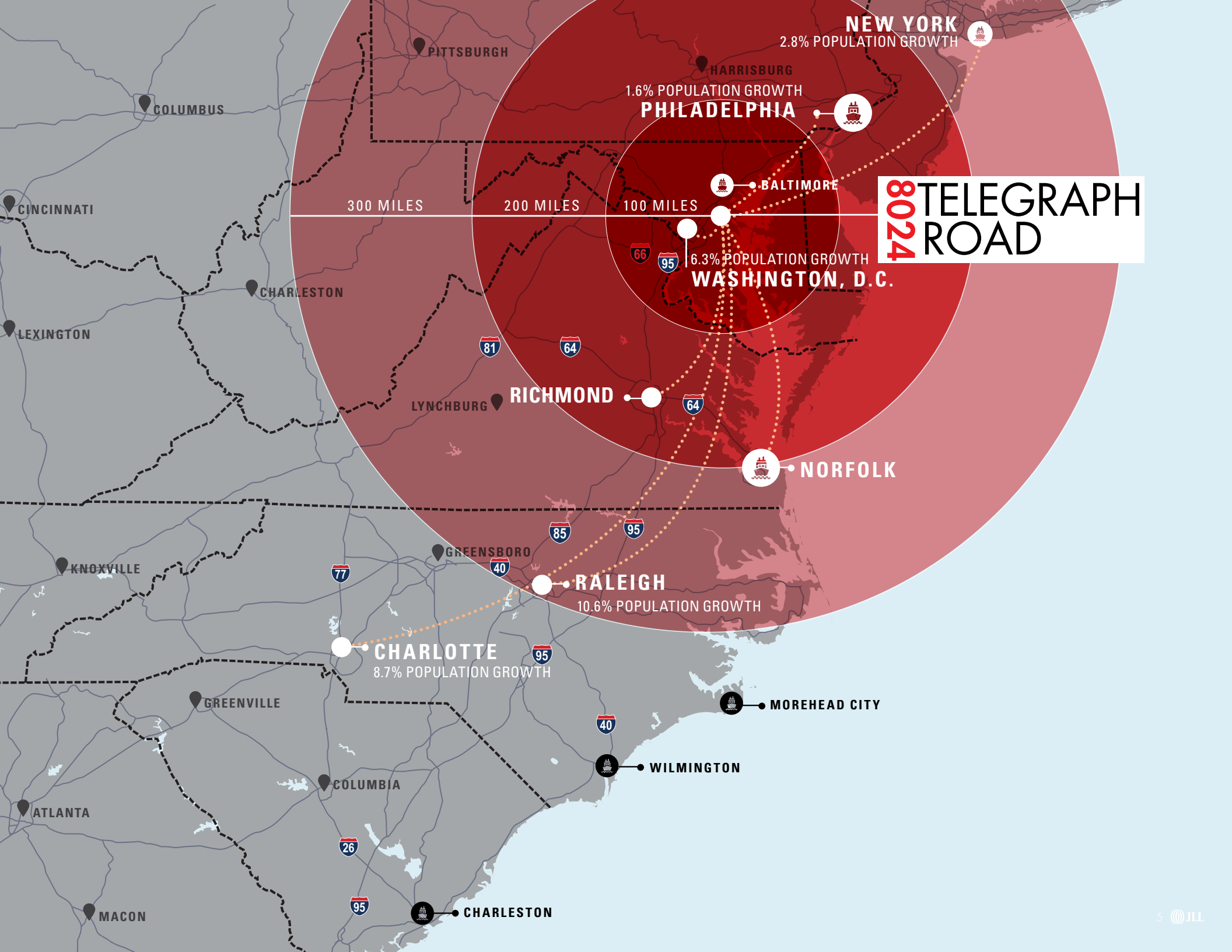


PROVEN LOGISTICS SUBMARKET

Telegraph is located approximately 12 miles south of The Port of Baltimore which is considered one of the Country's most efficient deep water ports. Ports America has allocated \$234 million to modernize the Port of Baltimore over the next four years. The company is currently dredging a second 50-foot berth and will spend \$135 million on cranes and infrastructure to service the improved wharf. The Port's proximity to major thoroughfares such as I-95, I-81 and I-70 along with immediate access to Norfolk Southern and CSX rail lines make it an ideal distribution hub.

The BW Corridor is quickly becoming one of the most land constrained markets in the nation. Land fundamentals in the BW Corridor are trending towards what has been observed in some of the nation's premier industrial markets. Land value will continue to increase as the number of remaining developable sites in the BW Corridor declines. Over the past five years, less than 5% of total market inventory was delivered in the BW Corridor which represents the second lowest proportional delivery to inventory ratio in the nation.

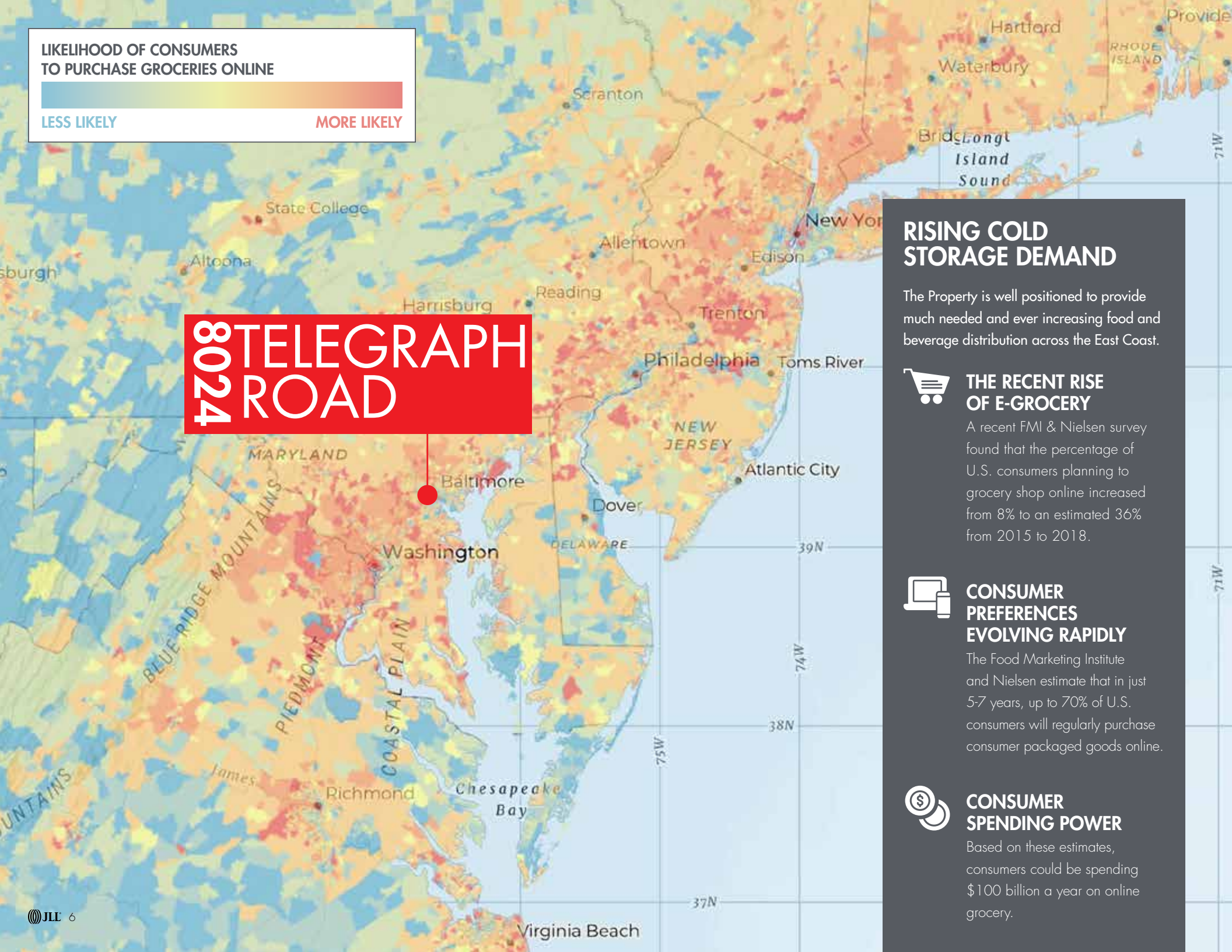




LIKELIHOOD OF CONSUMERS
TO PURCHASE GROCERIES ONLINE



8024 TELEGRAPH ROAD



RISING COLD STORAGE DEMAND

The Property is well positioned to provide much needed and ever increasing food and beverage distribution across the East Coast.



THE RECENT RISE OF E-GROCERY

A recent FMI & Nielsen survey found that the percentage of U.S. consumers planning to grocery shop online increased from 8% to an estimated 36% from 2015 to 2018.



CONSUMER PREFERENCES EVOLVING RAPIDLY

The Food Marketing Institute and Nielsen estimate that in just 5-7 years, up to 70% of U.S. consumers will regularly purchase consumer packaged goods online.



CONSUMER SPENDING POWER

Based on these estimates, consumers could be spending \$100 billion a year on online grocery.

The refrigerated storage industry has become an integral part of the food supply chain. The cold chain process involves any perishable food products stored or transported from refrigerated warehouses or manufacturing plants to distributors, grocery stores, restaurants or direct to the consumer. The primary drivers of the cold storage industry and its facilities are population growth, proximity to large population centers, consumer spending, and evolving consumer preferences in the digital age. The cold storage industry is also relatively insulated from economic cycles, as the demand for food products typically remains stable regardless of macro conditions.

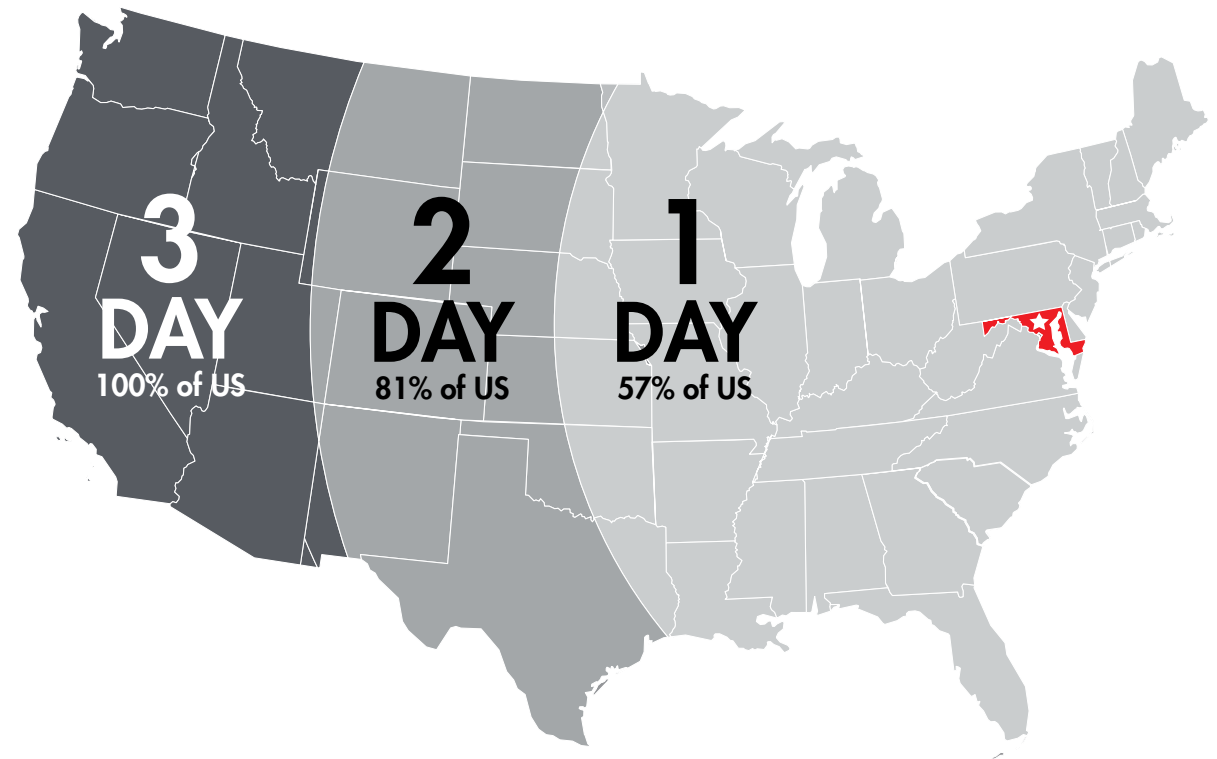
Despite current economic disruptions, e-commerce continues to be a game-changer and has greatly influenced the rapid changes in the **Food & Beverage** industry.

With existing providers and new startups allowing customers to shop online and select pick up and delivery options, today's society mandates new on-demand services. In 2019, online grocery sales grew an estimated 22.0 percent and **are expected to surge to 40.0 percent in 2020**. The growth in online grocery purchasing due to the COVID-19 pandemic is expected to continue, increasing focus on the Food and Beverage sector.

“There are three main drivers of cold storage, the 3 P’s: Ports (Imports & Exports), Population & Production.”

– Tim O’ Rourke, Managing Director

The U.S. has over 330 million people needing food, and as the population continues to rise, the demand for cold storage will follow trend. With limited cold storage facilities, it is next to impossible to accommodate the population right now. With the current pandemic bringing a heightened focus on e-commerce, food, medicines and other major players in the cold storage arena today, it's time to explore this topic again.



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