

Jones Lang LaSalle Americas, Inc. ("JLL")

5550

MACADAM



RECENTLY RE-POSITIONED SUBURBAN OFFICE
WITH STABLE IN-PLACE INCOME

5550 S MACADAM AVENUE
PORTLAND, OR 97239



THE OFFERING

JLL, as exclusive advisor, is pleased to present the opportunity to acquire the 100% fee simple interest in 5550 Macadam (the “Property”), a 43,151 square foot office building in Portland, Oregon. 5550 Macadam is 89% occupied with 42% of the NRA leased to Erickson Air-Crane providing income stability and downside protection. 5550 Macadam has a history of long-term tenancy with current tenants averaging 9.8 years of occupancy. In-place rents average \$35.19 per square foot per year FSG with market

rents projected to be \$37.00 FSG, presenting a mark-to-market opportunity and the ability to capitalize on the area's 6.3% compound annual market rent growth rate over the last five years.

In addition to a recent and extensive renovation, the Property offers exceptional riverfront views, maintains superior geographic location, and generates reliable cash flow over the term of the hold.





ADDRESS
5550 S Macadam Avenue
Portland, OR 97239



FLOOR PLATES
±14,000 SF



BUILDING SIZE
43,151 (existing)
46,498 (2017 BOMA)



OCCUPANCY*
89%



AVERAGE IN-PLACE RENT
\$35.19 FSG



MARKET RENT
\$35.00 – 37.00 FSG



MARK-TO-MARKET
5.4%**



WEIGHTED AVERAGE LEASE TERM
4.2 years



YEAR BUILT / RENOVATED
1983/2019



PARKING RATIO
3.5 per 1,000 SF



INFOGROUP NORTHWEST



3RD FLOOR LANDING

*As of January 1, 2021 Reporting Start Date

**In-place rents are 5.4% below market on average over the first 36 months of the hold

INVESTMENT HIGHLIGHTS

OUTSTANDING LOCATION WITH HIGH ACCESSIBILITY

5550 Macadam's convenient location in the Johns Landing micromarket offers easy access to the CBD and Portland's efficient freeway system. The Property is less than a mile south from Oregon Health & Science University's South Waterfront campus expansion which will likely transition the surrounding area into a life science hub.

HIGH PERFORMING MARKET

The Southwest Close-In submarket features a total vacancy rate of 10.5% as of Q2 2020 – second tightest of the westside submarkets and 500 basis points inside the CBD. Rents have continued to rise for office properties with a compound annual growth rate of 6.3% in the Johns Landing micromarket over the last five years.

URBAN LOCATION WITH SUBURBAN CONVENIENCES

With an above-market parking ratio of 3.5 per 1,000 square feet, a location directly off Interstate-5, and surrounded by restaurants, hotels, and retailers, 5550 Macadam offers tenants the convenience and efficiency of a suburban location with the amenities of the Central City.





STABLE CASH-FLOWING OPPORTUNITY

At 89% leased, 5550 Macadam provides a stable income stream while simultaneously allowing investors to capitalize on the submarket's considerable year over year rent growth and increase in-place rents as tenants roll.

DISCOUNT TO REPLACEMENT COSTS

With replacement costs in Portland north of \$550 per square foot, 5550 Macadam offers investors the opportunity to acquire a high-profile asset at a low basis with limited downside risk.

SIGNIFICANT CAPITAL INVESTMENT

Current ownership has invested over \$3.8 million of capital in 5550 Macadam, including lobby modernizations, renovated common areas, restrooms, landscaping, building exteriors, and modern tenant improvement packages, which has served as a catalyst for the recent leasing velocity.

ABILITY TO INCREASE BUILDING SIZE

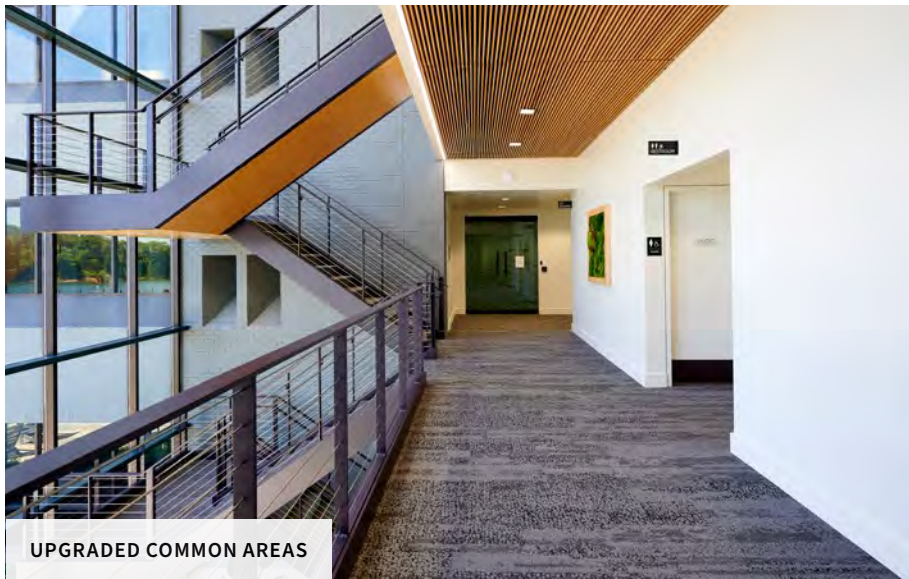
The Property has been re-measured to 2017 BOMA standards, representing an 8% increase in total rentable square footage. Investors will have the opportunity to roll existing suites to their revised sizes upon expiration, representing a substantial value-add opportunity.

RECENTLY RENOVATED

Current ownership underwent extensive renovations to give 5550 Macadam a modern and contemporary feel.



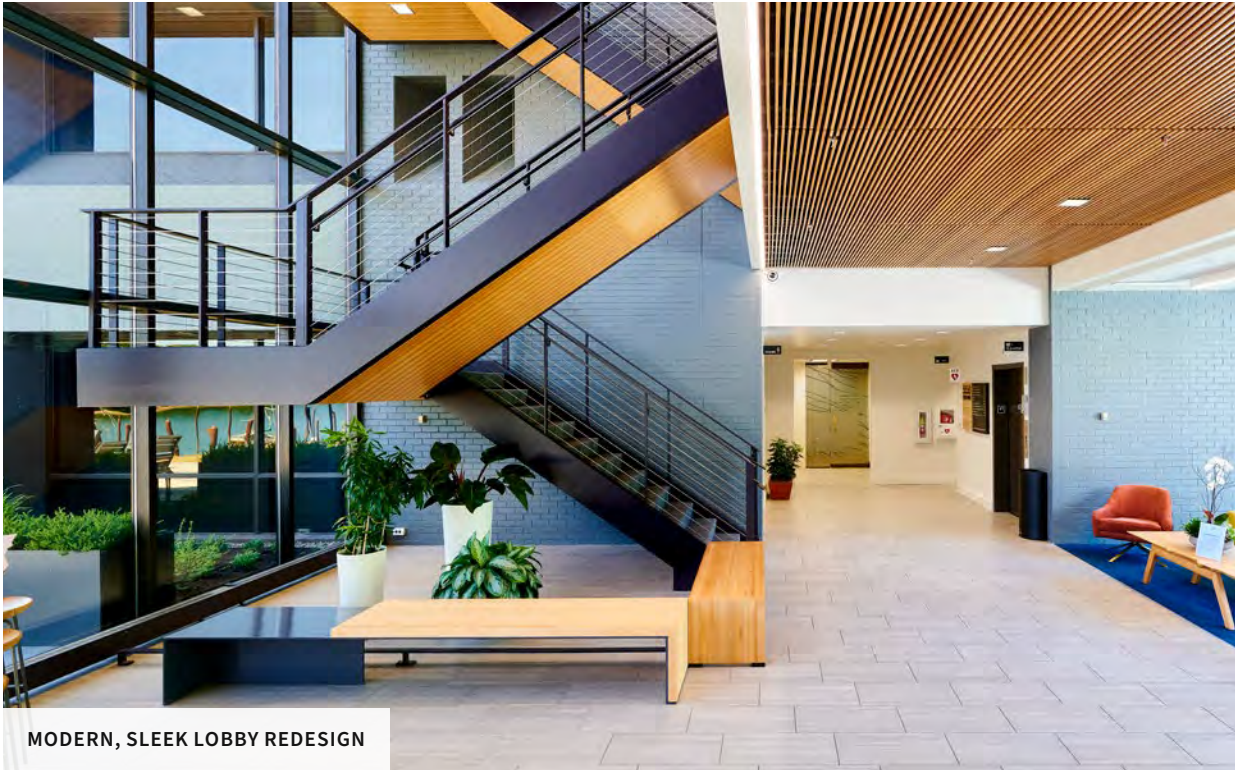
PATIO AND EXTERIOR PAINT RENOVATION



UPGRADED COMMON AREAS



UPGRADED RESTROOMS



MODERN, SLEEK LOBBY REDESIGN



UPGRADED LOCKER ROOM



EXPANSIVE DAYLIGHT



LUSH LANDSCAPING EXEMPLIFYING THE PACIFIC NORTHWEST

SOUTHWEST CLOSE-IN SUBMARKET OVERVIEW

Located south of Portland CBD and west of the Willamette River, 5550 Macadam is in the Southwest Close-In submarket, one of the top performing markets in Portland. The Southwest Close-In submarket features the highest average office asking rate outside of the CBD at \$34.62 per square foot per year FSG with a 11.3% compound annual market rent growth rate over the last five years. The area continues to see a boom in development with over 1,550 multi-housing units delivered or under construction since 2015, along with Oregon Health & Science University's expansion of their nearby campus (1.2 miles from 5550 Macadam) into the South Waterfront with two new facilities totaling 625,000 square feet. 5550 Macadam benefits from its location with superior access to the city's main freeway systems and an abundance of walkable amenities along the Willamette River.



2.44M
SF OF INVENTORY



10.5%
TOTAL VACANCY



11.3%
5-YEAR MARKET
RENT CAGR

Sources: JLL Research, CoStar, OHSU





2ND

MOST AFFORDABLE OFFICE MARKET ON THE WEST COAST



5TH

FASTEST GROWING MARKET ON THE WEST COAST



70%

RENT GROWTH SINCE 2010

Portland continues to separate from the pack as one of the most coveted markets in the nation. Global and domestic investors alike are attracted to the city's strong in-migration, tech job growth, diversified economy, and affordability when compared to alternative West Coast markets.



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