

# NORTH POINTE B

CHARLESTON, SOUTH CAROLINA

100% LEASED, CLASS A+ WAREHOUSE FACILITY WITH EXCEPTIONAL CREDIT TENANCY



# NORTH POINTE B

## MISSION-CRITICAL FACILITY AT IRREPLACEABLE PORT-ADJACENT LOCATION

Jones Lang LaSalle Americas, Inc. (“JLL”) has been retained as the exclusive sales representative for North Pointe B – a 247,000 square foot, state-of-the-art distribution facility located in the rapidly growing Charleston, South Carolina market. The Class A+ warehouse and regional headquarters facility is 100% leased to Expeditors International of Washington, Inc. (NASDAQ: EXPD) and features 6 years of remaining lease term with 2.4% annual rent escalations. Expeditors is one of the world’s largest and strongest global logistics companies with a \$15.6 billion market cap, \$8.2 billion in revenues (FY’19) and a robust balance sheet with an investment grade equivalent S&P: “BBB+” credit rating (shadow rated). From this strategic, port-proximate location the company services its logistics clients such as Walmart, Boeing, Gap, Ingersoll Rand, Baby Fair Imports and numerous automotive suppliers associated with the Charleston-based Daimler and Volvo facilities. Expeditors has been growing steadily within the Charleston market since June of 1995. Their recent investment into the North Pointe B facility acts as an expansion and consolidation of various locations into one mission-critical regional headquarters and distribution facility.

Strategically located within North Pointe Business Campus at the heart of the Hanahan/N. Rhett submarket, North Pointe B enjoys outstanding access to Charleston’s world-class logistics infrastructure, including the Port of Charleston and I-526 located just minutes away. The opening of the new Leatherman Terminal (Mar-2021), located directly south via N. Rhett Ave, will place added strategic value on this location with Hanahan/N. Rhett being the most accessible submarket in Charleston to the new primary container terminal. Featuring a rear-load design and multiple storefronts, the 32’ clear, LEED certified building has been thoughtfully designed to accommodate a diverse set of industries that call the submarket home. Furthermore, North Pointe B is irreplaceable today as the incredibly infill Hanahan/N. Rhett submarket remains supply constrained for future development. North Pointe B presents investors with the opportunity to acquire a core industrial asset with a secure income stream and sticky, investment grade equivalent tenancy in an irreplaceable infill location.



### INVESTMENT SUMMARY

<b>Address</b>	1017 North Pointe Industrial Blvd Hanahan, South Carolina 29410
<b>Year Built</b>	2018
<b>Rentable Building Area</b>	
Warehouse	221,874 SF (89.8%)
Office	25,126 SF (10.2%)
<b>Total</b>	247,000 SF
<b>Clear Height</b>	32'
<b>Occupancy</b>	100%
<b>Tenant</b>	Expeditors International of Washington, Inc. (NASDAQ: EXPD)
<b>Credit Rating</b>	S&P: BBB+ (shadow rated)
<b>Lease Structure</b>	NNN
<b>Lease Term</b>	5.9 years (as of 4/1/2021)
<b>Annual Escalations</b>	2.4%
<b>Year 1 NOI</b>	\$1,762,572



## 100% LEASED, CLASS A+ WAREHOUSE FACILITY WITH INVESTMENT GRADE EQUIVALENT TENANCY

### INVESTMENT GRADE EQUIVALENT TENANCY

100% leased to Expeditors with 6 years of remaining lease term and 2.4% annual escalations

- NASDAQ-100 company publicly-traded under ticker “EXPD”
- \$15.6 billion market cap
- \$8.2 billion revenues (FY’19), 18.1% growth since 2017
- 9.1x EBITDAR Coverage Ratio
- Shadow rated S&P: BBB+ investment grade equivalent credit rating

### MISSION-CRITICAL FACILITY WITH INGRAINED OPERATIONS

This location houses Expeditors’ port operations serving its large Charleston customers such as Walmart, Boeing, Gap, Ingersoll Rand, Baby Fair Imports and numerous Daimler and Volvo automotive suppliers. As a part of the company’s long-term growth strategy, Expeditors simultaneously expanded and consolidated its various locations in the market into North Pointe B. Expeditors has operated in the Charleston market since June of 1995 and remains embedded at this strategic location as the #1 Filer in Charleston, processing the most customs entries through the Port of Charleston.



### IRREPLACEABLE INFILL LOCATION

- Strategically positioned in close proximity to the Port of Charleston’s North Charleston Terminal (5.4 miles), I-526 (4.5 miles), the new Leatherman Terminal (10.5 miles) and Wando Welch terminal (14.3 miles)
- Superior regional accessibility via I-526 provides North Pointe B with direct access to the Charleston International Airport (CHS), SPAWAR defense installation and the Joint Base, large regional manufacturers and I-26 – one of South Carolina’s main distribution arteries and main linkage to I-95 to the west
- The lack of developable sites in the submarket continues to bolster North Pointe’s position in the Charleston market and provides landlords with an irreplaceable supply-constrained industrial location.

### HIGHLY FUNCTIONAL, VERSATILE BUILDING DESIGN

- Institutional-quality, LEED certified design features 32’ clear, ESFR and a 45mil TPO roof with 15-year warranty (13 years remaining)
- Multiple store fronts offer flexible future leasing configurations
- Ample trailer storage area (0.22/1,000 SF) and healthy existing parking (0.76/1,000 SF) with the ability to expand employee parking area by 194 spaces (1.55/1,000 SF)

### VALUABLE TAX INCENTIVES

North Pointe B has been granted a 30-year Fee in Lieu of Tax (FILOT) for the site (28 years remaining), which reduces the property’s taxes by a cumulative total of approximately \$5 million over the life of the incentive. The issuance of new FILOT incentive agreements have been curtailed, creating substantial operational advantages in this facility that cannot be duplicated elsewhere in the market

### TIGHT CHARLESTON MARKET EXPERIENCING STRONG GROWTH

Increased port capabilities, acceleration in e-commerce adoption and an average population growth of 30 new residents to the Charleston MSA per day (current population 802,122; expected to be over 1M in ten years) have led to increased demand in the Charleston industrial market. Moreover, the consolidation of the Boeing 787 Dreamliner production to Charleston and the addition of a second car production line at the Volvo plant increases demand for aerospace and automobile-related manufacturers and distribution users.





## CORE INDUSTRIAL PRODUCT FEATURING STATE-OF-THE-ART CONSTRUCTION

The best-in-class facility features a minimum 32' clear height, distinct tilt-wall construction with a sleek accented paint scheme, modern signage and abundant office glass lines.

The rear-load warehouse contains 50' x 50' column spacing, a 60' speed bay, an ESFR sprinkler system, and is used for the receipt and distribution of numerous goods through the Port of Charleston.

The building features a 45 mil TPO roof membrane with 15-year warranty (exp. 2033), thus mitigating cost of ownership.

## VERSATILE DESIGN IDEAL FOR MULTIPLE TENANT USES

Multiple storefronts and the ability to demise suites provide future ownership with flexible leasing configurations

The site can accommodate additional 194 employee parking spaces, which, in conjunction with 54 existing trailer storage positions, is a desirable commodity among the manufacturing-centered Charleston tenant base

# TENANT PROFILE: Expeditors®

Headquartered in Seattle, Washington, Expeditors International of Washington, Inc. ("Expeditors") is a Fortune 500 service-based logistics company. As an industry leader in global logistics services, the company offers airfreight, ocean freight and customs brokerage services among other related channels. With over 40 years of experience, Expeditors generates highly optimized and customized supply chain solutions through a global network of 357 locations in more than 60 countries throughout six (6) continents.

Expeditors started out in the Charleston market in June of 1995 with approximately 50,000 square feet in Hanahan off Commerce Circle. After 15 years of growing its business in the market, the company relocated and expanded its operations to Clements Ferry where it resided until consolidating all its Charleston operations to 143,000 square feet at North Pointe B in August of 2019. Recently, the company has expanded into the full 247,000 square foot footprint as a part of the company's long-term growth strategy. Strategically positioned between the Port of Charleston and Charleston International Airport (CHS), the North Pointe B facility allows Expeditors to efficiently service brand name and major local clients such as the Gap, Boeing, Walmart, Ingersoll Rand and Baby Fair Imports as well as numerous auto-supply partners servicing major manufacturers like Volvo and Mercedes, among others.

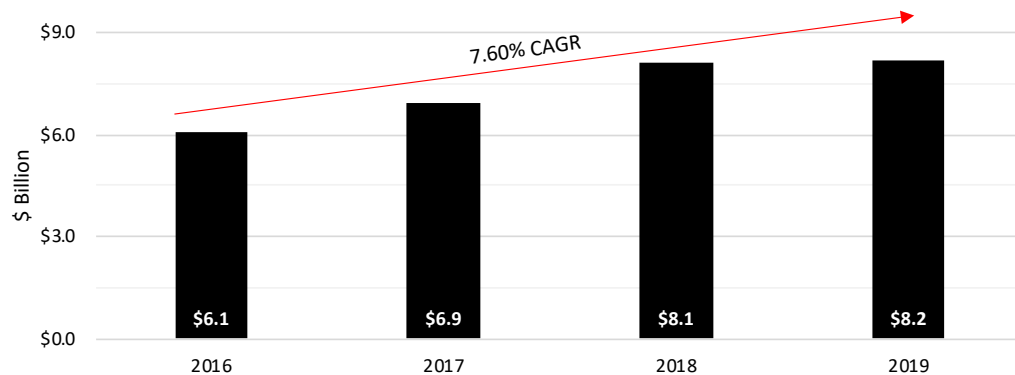
Currently in a state of continuous growth, Expeditors has experienced +11% revenue growth over the last two quarters primarily attributed to an increased use of charter and airfreight services. The company posted \$8.2 billion of revenue in 2019, holds a rock solid 0.0x debt to EBITDA ratio and maintains an investment grade equivalent S&P: "BBB+" credit rating (shadow rated).

## NO. 1 FILER IN CHARLESTON

*Expeditors processes the most customs entries through the Port of Charleston*

EXPD NASDAQ-100	S&P: BBB+ Shadow Rated Equivalent (No LT Debt)	No. 389 Fortune 500 (2020)	18,000+ Employees
\$15.6B Market Cap	\$8.2B Revenue (2019)	+18.1% Rev. Growth (since 2017)	357 Global Locations

### EXPEDITORS NATIONAL REV. GROWTH



### EXPEDITORS GLOBAL FOOTPRINT



## IRREPLACEABLE INFILL LOCATION

I-526 provides North Pointe B with seamless regional connectivity to the Port of Charleston, Charleston International Airport (CHS), large regional manufacturers and I-26 – one of South Carolina’s main distribution arteries and main linkage to I-95 to the west. Moreover, the opening of the Leatherman Terminal (Mar-2021) will place added strategic value on this location as North Pointe B will benefit from direct access to the new container terminal without the need to use I-526 while simultaneously avoiding the densely trafficked Clements Ferry area.

I-526	4.5 mi
North Charleston Terminal	5.4 mi
I-26	5.6 mi
Norfolk Southern & CSX Hubs	6.8 mi
Charleston International Airport	9.1 mi
Boeing Final Assembly	9.1 mi
Daimler Manufacturing Plant	9.8 mi
Leatherman Terminal	10.5 mi
Downtown Charleston	11.1 mi
Bosch Plant	13.7 mi
Wando Welch Terminal	14.3 mi
Volvo Plant	18.6 mi
Walmart Distribution Center	24.6 mi
I-95	41.8 mi

## RED-HOT CHARLESTON MSA

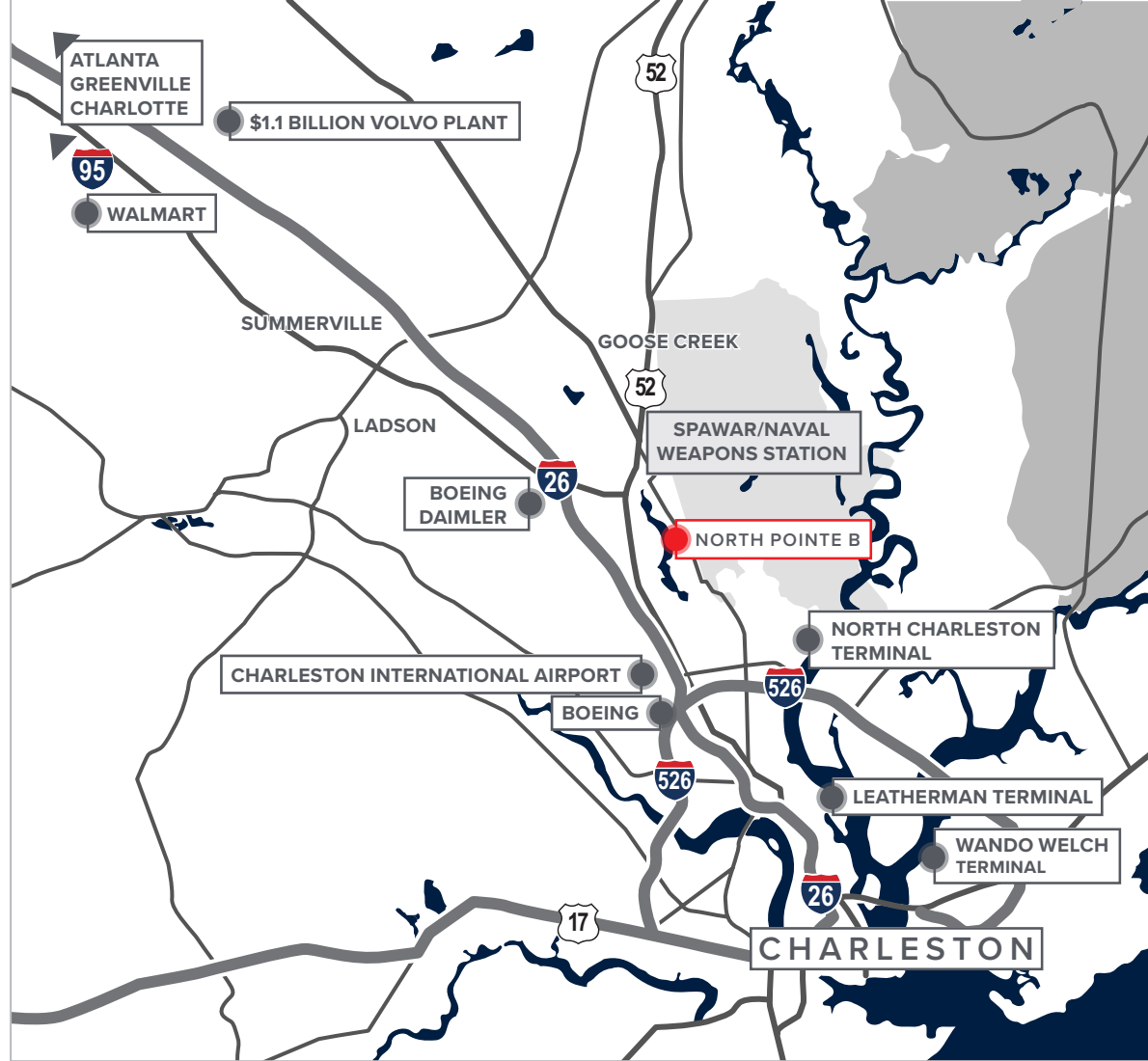
Coined a “millennial talent magnet,” Charleston remains poised for strong future growth behind a diversified economy based around the Port of Charleston, military, manufacturing and technology.

802,122  
MSA Residents

30  
New Residents  
per Day

46.1%  
Cum. Population  
Growth  
since 2000

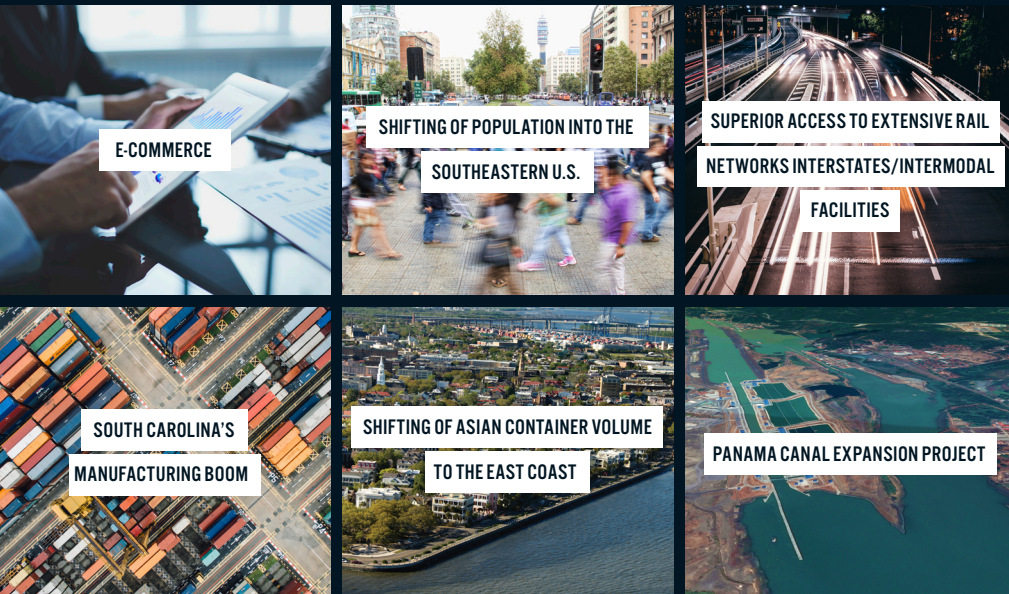
1M+  
Est. Population  
by 2030



# RAPIDLY EXPANDING PORT OF CHARLESTON

- The Port has experienced an outstanding 5.6% CAGR in total loaded TEUs over the past decade as a result of key drivers such as Southeastern population growth, secular shift from west coast to east coast ports, and more recently shifts in manufacturing from China to other parts of Asia.
- Totalling nearly \$2.8 billion, the Port's game-changing expansion program is well underway and will include the delivery of the new Leatherman Terminal (Mar-2021), a new access road connecting to I-26 and the new, dual-access intermodal terminal by 2021.
- Charleston Harbor Deepening Project is fully funded and on schedule, putting Charleston Harbor on track to be the deepest East Cost Harbor in 2021. 52' depth ensures mega container ships can access port terminals 24 hours a day without tidal restriction.
- \$63.4 million investment to further modernized the Wando Welch Terminal included three (3) more 155' ship-to-shore cranes and 24 rubber-tired gantry cranes which enables the Port to handle three New-Panamax ships simultaneously.
- Charleston is the only Southeast Port of call for ships on the North Atlantic Express (AX1), which considerably expands the Port's connectivity with Northern Europe.

## PORT OF CHARLESTON GROWTH DRIVERS



“WE HAVE NEVER BEEN AS BULLISH ABOUT THE PORT AS WE ARE TODAY.”

- MICAH MALLACE, Director of National Accounts at South Carolina Ports Authority

\$63.4B

Statewide Economic Impact

1 DAY

Rail to Inland Port Greer

100

Foreign ports served directly

37

Crane moves per day (most productive in the U.S.)



## STRONG INDUSTRIAL MARKET WITH IMPRESSIVE FUNDAMENTALS

Comprised of 58.2 million square feet of industrial inventory, Charleston is currently 94% leased on the heels of 4.1 million square feet of positive net absorption over the past 24 months.

Due to topographical constraints, government owned land, and residential housing, cost-effective development sites at infill locations are now rare, creating a supply-constrained leasing environment for existing product. As a result, infill shallow-bay product (sub 300k SF) has seen approximately 7% rent growth over the past 24 months.

Charleston has been the beneficiary of large leases from notable tenants, most recently including Walmart (3 MSF), 3G Distribution (316,140 SF) and Daye North America (310,128 SF), among many others.

North Pointe B is positioned in the Hanahan/North Rhett submarket, where industrial product is currently 95% leased. The existing vacancy in the submarket belongs to one contiguous 305,423 square foot building that was vacated by SAIC in October 2020 to move to its new state-of-the-art build-to-suit within the North Pointe Business Campus.

Considered one of Charleston's premier Class A industrial pockets, the submarket houses well-known tenants such as Amazon, SAIC, XPO Logistics, Expeditors, ManTech, AmerCare, Continental Terminals and Premier Logistics Solutions, among many others.

Class A facilities within the submarket are controlled by a list of institutional owners including Blackstone, Stockbridge Capital Group, CenterPoint Properties and Monmouth REIT.





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