

DFW/PHX

PRIME PORTFOLIO

8 PROPERTIES • 544,117 SF • 96% LEASED



PHOENIX - ELWOOD AIRPORT CENTER



PHOENIX - SOUTH 35 DISTRIBUTION CENTER



DALLAS - GSW 201



DALLAS - INWOOD BUSINESS CENTER



DALLAS - COMMERCIAL CENTER I & II

EXECUTIVE SUMMARY

Jones Lang LaSalle Americas, Inc. (“JLL”) has been exclusively retained to offer qualified investors the opportunity to acquire the DFW-PHX Prime Portfolio (the “Portfolio”), a 544,117 square foot, 13-building light industrial portfolio with 5 Properties located in the Dallas / Fort Worth market and 3 Properties located in the Phoenix market. Currently 96% leased to 44 tenants with an average remaining lease term of 3.2 years, the Portfolio consists of high-performing assets that present investors with the rare opportunity to find scale within two of the most robust industrial markets in the country. The Portfolio’s premier locations in the DFW and PHX markets are highly coveted due to the exceptional access to key infrastructure, including direct access to DFW International and PHX Sky Harbor International Airports.



PROPERTY SUMMARY

SQUARE FEET 544,117 SF	OCCUPANCY 96%	OFFICE FINISH 18%
CLEAR HEIGHT 12' - 28'	NUMBER OF BUILDINGS 13	WEIGHTED AVG LEASE TERM 3.2 YEARS
BELOW MARKET 25%	AVERAGE CLEAR HEIGHT 20'	NUMBER OF SUITES 50

INVESTMENT MERITS

**CRITICAL MASS**

The portfolio offers a critical mass with submarket diversification to complement existing holdings or establish an immediate presence in DFW and PHX.

**STABLE IN-PLACE CASH FLOW**

The 96% occupied portfolio is composed of a complementary mix of single-tenant buildings and multi-tenant buildings with durable cash flow.

**VINTAGE SHALLOW BAY PRODUCT OUTPERFORMING CLASS A INDUSTRIAL**

- » Average vacancy rates of older product (pre-2000) are very low across the DFW and PHX metros (low 4's%).
- » The Portfolio is expected to price well-below replacement cost.

**IMMEDIATE OPPORTUNITY TO INCREASE NOI SIGNIFICANTLY**

With in-place rental rates over 25% below market and a WALT of 3.2 years, a new investor will have the immediate opportunity to push rates.

**PREMIER INFILL LOCATIONS**

The properties are located in infill, established industrial submarkets and benefit from their location near significant demand drivers and major transportation arteries.

**NATION LEADING INDUSTRIAL MARKETS**

Both DFW and PHX are leaders in the country in terms of demand and net absorption, with over 45 million and 37 million square feet of industrial space absorbed since the start of 2020, respectively.



INWOOD BUSINESS CENTER



101 N. 45TH AVE



SOUTH 35 DISTRIBUTION CENTER

DALLAS / FORT WORTH, TX

PORTFOLIO OVERVIEW

1

2

3

4

5

PROPERTY	COMMERCIAL CENTER I & II	GRISSOM LANE	GSW 106	GSW 201	INWOOD BUSINESS CENTER
ADDRESS	2211-2229 E Division St Arlington TX 76011	11510-11530 Grissom Ln Dallas, TX 75229	700-710 107th St Arlington, TX 76011	3401-3411 Avenue D Arlington, TX 76011	4601 Langland Rd Farmers Branch, TX 75244
RENTABLE AREA	46,988	56,677	44,712	45,368	127,520
OCCUPANCY	88.1%	81.0%	100.0%	100.0%	94.1%
SUBMARKET	Lower GSW	East Hines North	Lower GSW	Lower GSW	Addison
# OF BUILDINGS	2	1	1	1	5
# OF SUITES	13	6	2	4	15
YEAR BUILT	1972	1978	1974	1969	1978
OFFICE FINISH	59%	18%	3%	10%	29%
CLEAR HEIGHT	12' - 17'	18'	22'	18'	12' - 24'



321,265 SF
SQUARE
FEET



24%
OFFICE
PERCENTAGE



1974
AVERAGE
YEAR BUILT



40
NUMBER
OF SUITES

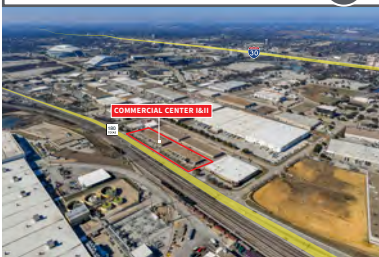


16'
AVERAGE
CLEAR HEIGHT



92.6%
OCCUPANCY

Commercial Center I & II 1



Grissom Lane 2



GSW 106 3

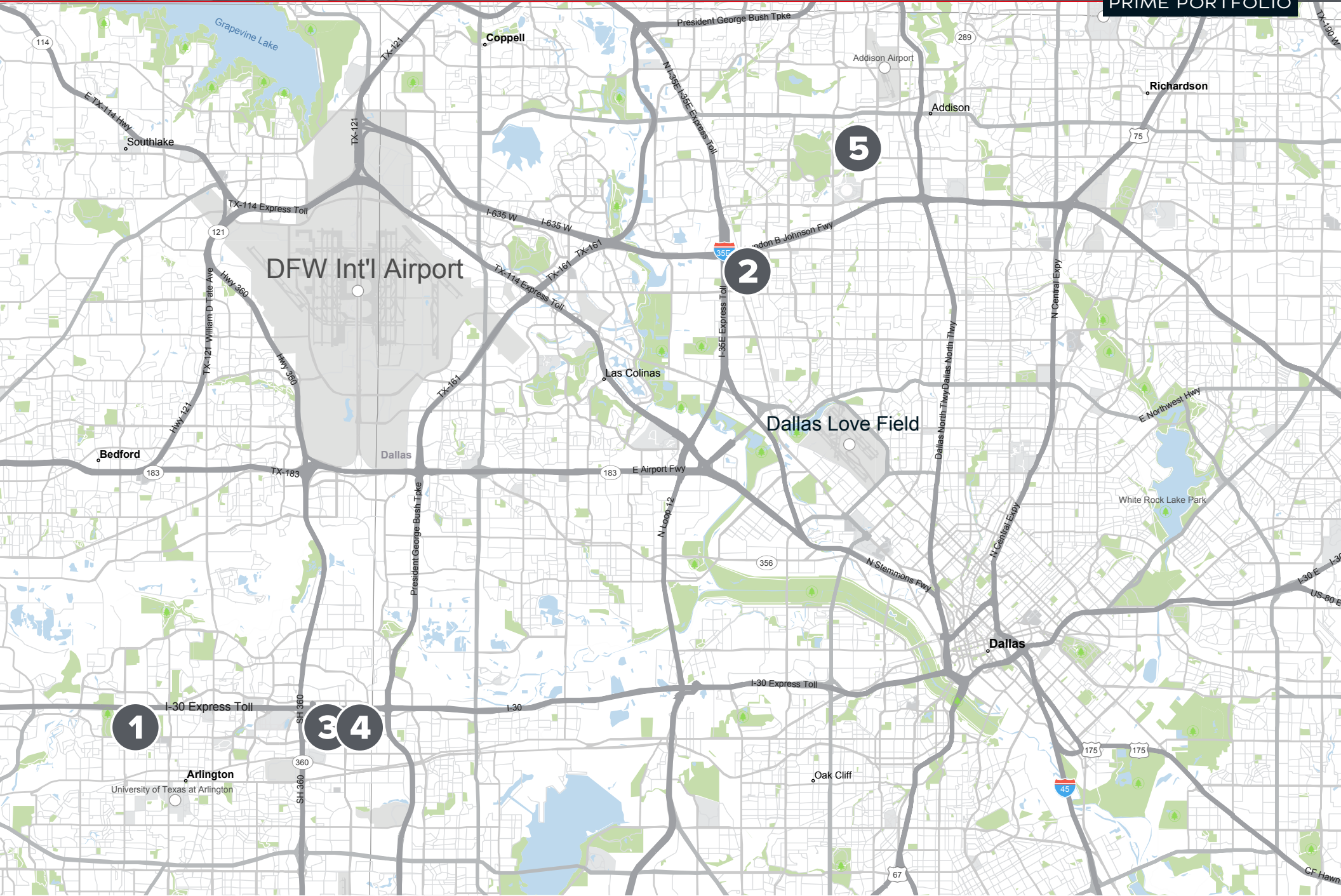


GSW 201 4



Inwood Business Center 5





PHOENIX, AZ







PORTFOLIO OVERVIEW

6

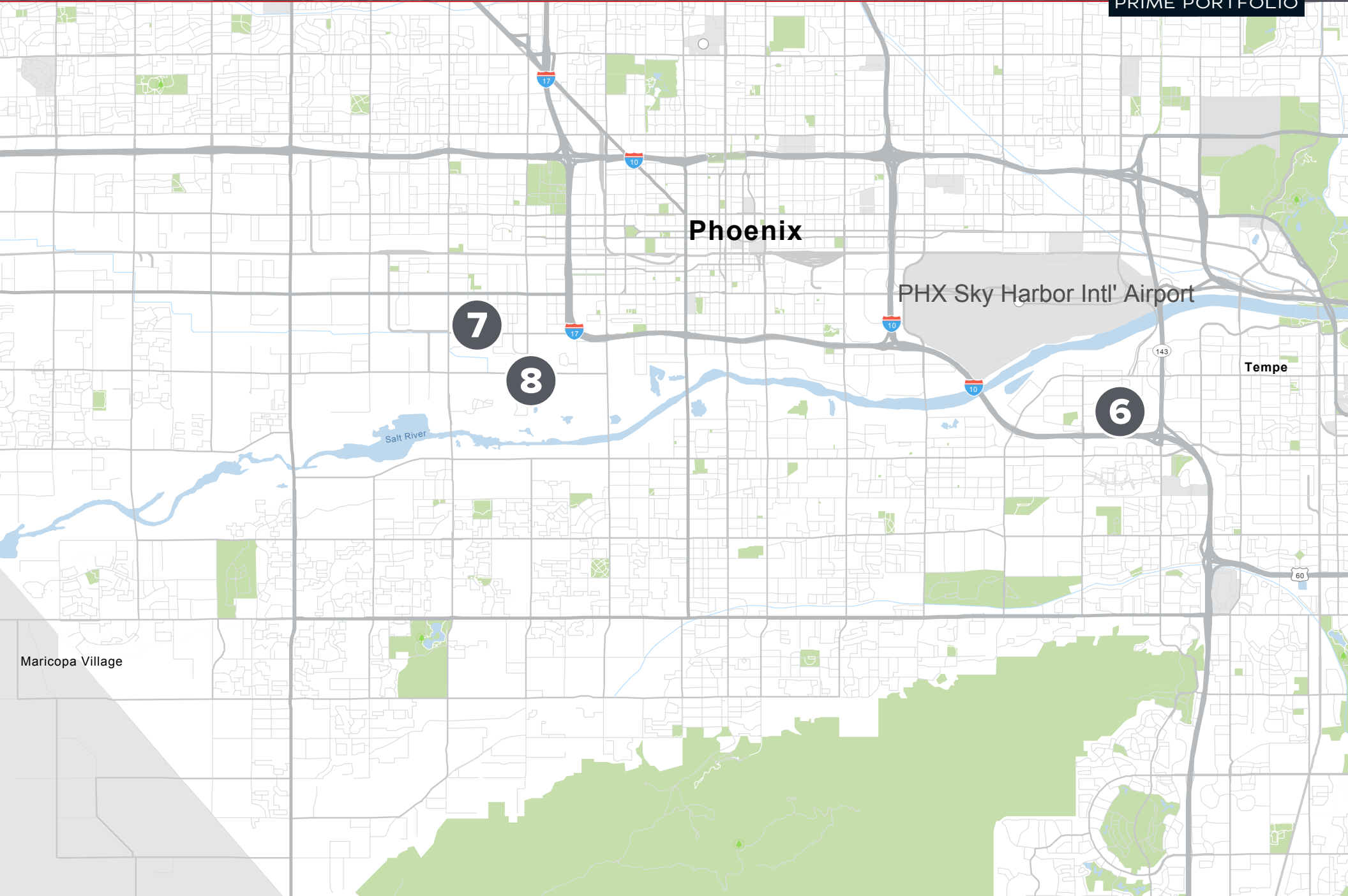
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8

PROPERTY	ELWOOD AIRPORT CENTER	SOUTH 35 DISTRIBUTION CENTER	101 N. 45TH AVE
ADDRESS	4346 E Elwood Phoenix, AZ 85040	1601-1605 S 35th Ave Phoenix, AZ 85009	101 N 45th Ave Phoenix, AZ 85043
RENTABLE AREA	66,429	125,091	31,332
OCCUPANCY	100.0%	100.0%	100.0%
SUBMARKET	Airport	Southwest	Southwest
# OF BUILDINGS	1	1	1
# OF SUITES	6	3	1
YEAR BUILT	2002	1967	1973
OFFICE FINISH	34%	5.3%	6.8%
CLEAR HEIGHT	20'	28'	16'

 <p>222,852 SF SQUARE FEET</p>	 <p>6% OFFICE PERCENTAGE</p>	 <p>1981 AVERAGE YEAR BUILT</p>	 <p>10 NUMBER OF SUITES</p>	 <p>21' AVERAGE CLEAR HEIGHT</p>	 <p>100.0% OCCUPANCY</p>
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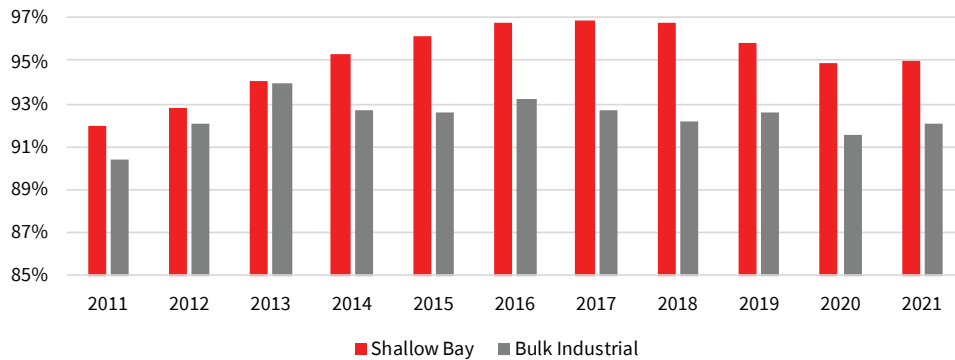


DALLAS / FORT WORTH, TX

SHALLOW BAY INDUSTRIAL PRODUCT OUTPERFORMS BULK

Shallow bay industrial properties – defined as vintage (pre-2000) properties under 120,000 square feet – within the DFW metroplex have consistently outperformed bulk industrial with stable average occupancy in the mid-to-high 90's and outstanding historical rent growth amounting to 4.9% average annual rent growth.

DFW INDUSTRIAL MARKET
SHALLOW BAY INDUSTRIAL VS. BULK INDUSTRIAL OCCUPANCY



27%
RENT
GROWTH
SINCE 2015

65%
RENT
GROWTH
SINCE 2011

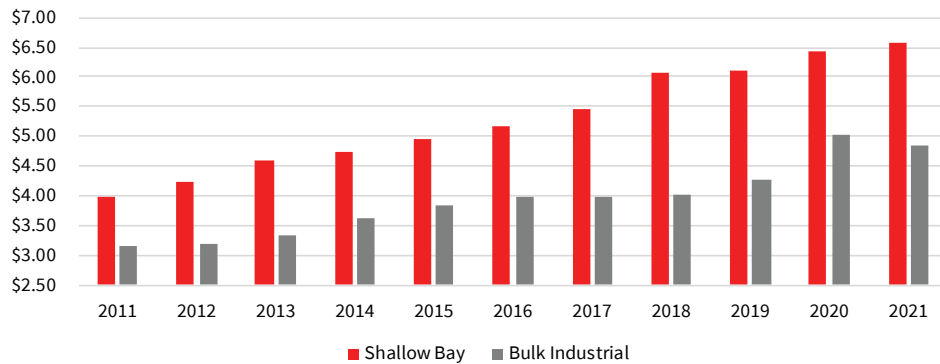
95%
AVG
OCCUPANCY
SINCE 2011

300 BPS
INCREASE IN
MARKET
OCCUPANCY
SINCE 2010

#1
PERFORMING
ASSET CLASS

**HIGH
BARRIERS
TO ENTRY**

DFW INDUSTRIAL MARKET
SHALLOW BAY INDUSTRIAL VS. BULK INDUSTRIAL RENTAL RATES



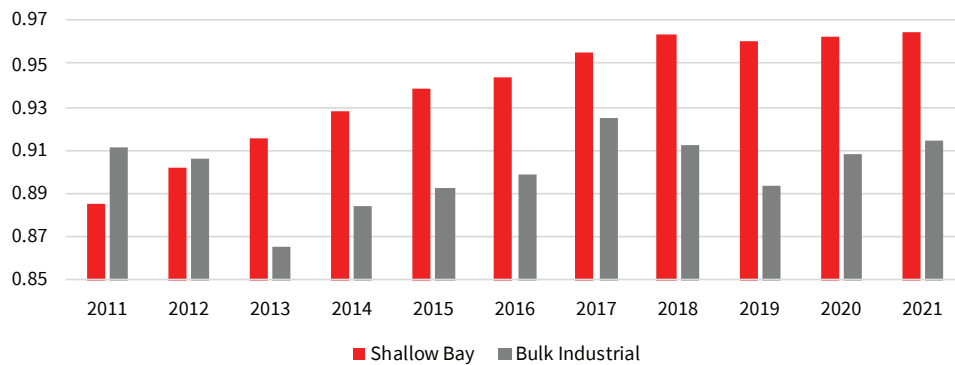
GSW 106

PHOENIX, AZ

SHALLOW BAY INDUSTRIAL PRODUCT OUTPERFORMS BULK

Shallow bay industrial properties – defined as vintage (pre-2000) properties under 120,000 square feet – within the PHX metroplex have consistently outperformed bulk industrial with stable average occupancy in the mid-to-high 90's and outstanding historical rent growth amounting to 4.1% average annual rent growth.

PHX INDUSTRIAL MARKET
SHALLOW BAY INDUSTRIAL VS. BULK INDUSTRIAL OCCUPANCY



22%
RENT
GROWTH
SINCE 2015

52%
RENT
GROWTH
SINCE 2011

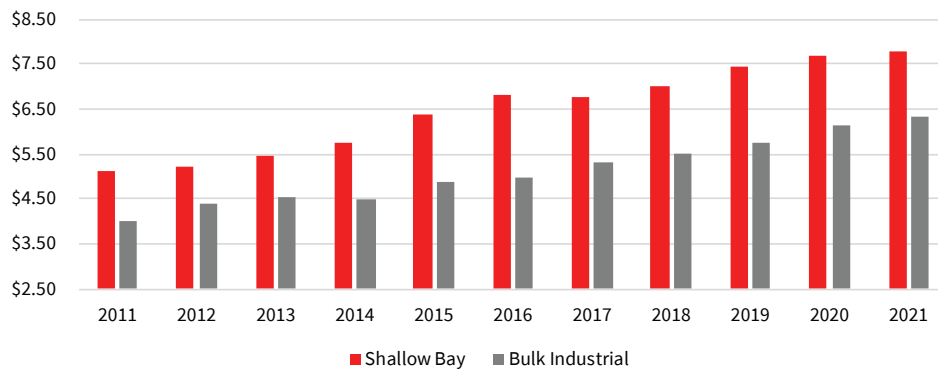
94%
AVG
OCCUPANCY
SINCE 2013

800 BPS
INCREASE IN
MARKET
OCCUPANCY
SINCE 2010

#1
PERFORMING
ASSET CLASS

**HIGH
BARRIERS
TO ENTRY**

PHX INDUSTRIAL MARKET
SHALLOW BAY INDUSTRIAL VS. BULK INDUSTRIAL RENTAL RATES



ELWOOD AIRPORT CENTER

WHY DFW?



Unemployment rate of 3.3%, adding over 116,400 jobs in 2018

From 2019 to 2023, DFW is projected to add 488,700 residents and 97,000 jobs, ranking first and fourth respectively in the U.S., according to Oxford Economics

ULI's Emerging Trends "#1 Top Market to Watch" in 2019

One of the largest concentrations of corporate headquarters in the country and has recently attracted a notable list of expansions and relocations spanning several diverse industries

Forbes recently ranked Texas #3 in Economic Climate out of all 50 states - 2019

CENTRAL U.S. LOCATION FEATURING DALLAS / FORT WORTH INTERNATIONAL AIRPORT & DALLAS LOVE FIELD



DFW DALLAS
FORT WORTH
INTERNATIONAL
AIRPORT

SERVICED APPROXIMATELY
73,000,000 PASSENGERS
IN 2019.



225+

NON-STOP
DESTINATIONS

85M PASSENGERS PER YEAR



Dallas Love Field

SERVICED OVER 16,800,000
PASSENGERS IN 2019 AND IS
HOME TO SOUTHWEST AIRLINES.



BUSINESS ENVIRONMENT



7,700,000

PROJECTED POPULATION OF THE REGION BY 2023



Nº1 IN GROWTH
PROSPECTS
Forbes

0%

STATE & LOCAL
INCOME TAX RATE



1,204,292

NUMBER OF RESIDENTS ADDED TO THE REGION BETWEEN 2010 AND 2019

3.8
MILLION
WORKERS



3.3%

UNEMPLOYMENT
RATE

4th
LARGEST
WORKFORCE IN
AMERICA



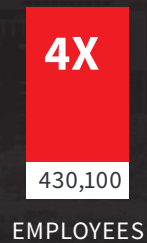
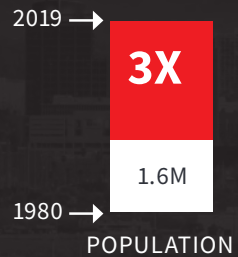
342

PEOPLE MOVE TO
DALLAS/FORT WORTH EACH DAY



WHY PHOENIX?

Known as “The Valley of the Sun,” Phoenix has consistently outpaced national population growth. Over the last 40 years, Metro Phoenix’s population has nearly tripled, growing from 1.6 million people in 1980 to approximately 4.9 million residents in 2020. People from around the world continue to migrate to the area for its exceptional quality of life including warm weather, higher education, outstanding employment opportunities, and affordable cost of living. The employment base in Phoenix more than quadrupled over the last 40 years.



Source: JLL Research



4.9

MILLION RESIDENTS
11th largest metropolitan area in the U.S.



PHOENIX

recently named one of the fastest-growing cities in America. (Forbes and CNN Money)



PROJECTED TO GROW MORE THAN
42%

Over the next 10 years, surpassing 6.5 million residents by 2030



20%

OF THE POPULATION ARE MILLENNIALS



32%

OF THE TOTAL POPULATION HOLDS A BACHELOR’S DEGREE OR HIGHER



76%

METRO PHOENIX REPRESENTS APPROXIMATELY 76% OF THE STATE’S ECONOMY



4.9%

CORPORATE INCOME TAX RATE



A talented labor pool fed by
300,000
CURRENT COLLEGE STUDENTS

DEMOGRAPHIC PROFILE: PHOENIX, AZ



4,932,833
POPULATION



36.2
MEDIAN AGE



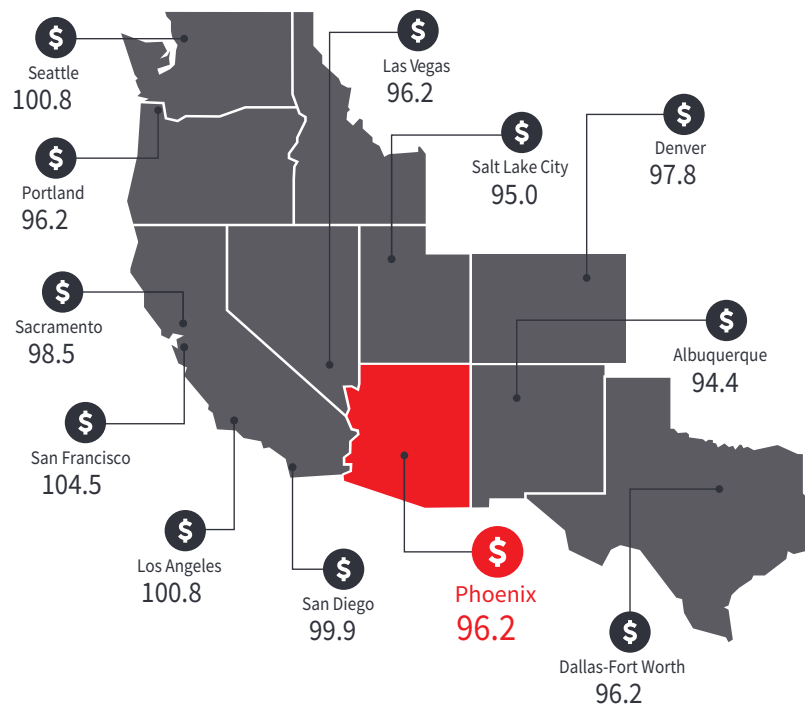
2.7
AVERAGE HOUSEHOLD SIZE



\$65,872
AVERAGE HOUSEHOLD INCOME

WORKING

- Phoenix has the lowest cost of business in the nation due to its tax structure and small state government
- Cost of business in Phoenix are 3.8% lower than the U.S. baseline of 100, which reflects average business costs of Seattle, Los Angeles, San Francisco and San Diego



JOB GROWTH

The significant influx of young, educated talent, as well as major corporate relocations, have established Phoenix as a very stable job market. As of Dec 2019, Phoenix had the 3rd fastest-growing job market in the US and, through Aug 2020, has been one of the least COVID affected job markets in the US in terms of job retention. As per the Arizona Office of Economic Opportunity, the annualized job growth rate is:

- Phoenix Metro : 3.2%
- Maricopa County : 2.7%

EMPLOYMENT



WHITE COLLAR

66%



BLUE COLLAR

18%



SERVICES

16%

TECH DOMINANT AREA

Deemed "Silicon Desert," large technology companies continue to relocate to Phoenix and the Southeast Valley for its exceptional quality of life and highly skilled workforce, both at a comparative fraction of the cost to other western cities.

- The Southeast Valley has become a hub for companies innovating and testing autonomous vehicles, including Cruise, Lucid, Nikola, Waymo, and all major car manufacturers.
- Companies relocating or expanding in Phoenix: Intel, Northrop Grumman, Amkor, Axon, Avnet, GoDaddy, Apple, Boeing, Honeywell, and many more.
- Arizona State University is ranked the #1 Most Innovative University in the US - US News

DFW/PHX

PRIME PORTFOLIO

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**The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.