

SOUTH 40

DISTRIBUTION CENTER

RALEIGH-DURHAM, NORTH CAROLINA

- 502,495 SF, CREDIT ANCHORED MULTI-TENANT INDUSTRIAL PROPERTY ADJACENT TO DOWNTOWN RALEIGH
- 96% LEASED WITH 7 YEARS OF WALT

DOWNTOWN
RALEIGH

440

40

S WILMINGTON ST

HAMMOND RD

▶ DRONE VIDEO

JLL



THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) has been retained as the exclusive sales representative for **South 40 Distribution Center (“South 40” or, the “Property”)** – a 502,495 square foot infill credit anchored property located in Raleigh-Durham, North Carolina, ranked the #1 market for real estate investment nationally by ULI and CrowdStreet (2021). The highly infill location is approximately one (1) mile south of the Raleigh CBD and enjoys quick access to I-40/I-440, Raleigh’s “Beltline,” offering seamless connectivity to the entire MSA.

Currently 96% leased, the Property provides investors with stable cash flows while the market-to-market of in-place rents provides an avenue for future value creation. Additionally, there is a significant amount of outside storage on site which is extremely rare for this market. The Property also features frontage along I-40/I-440, the primary interstate artery running through the Raleigh-Durham market. Featuring a very diverse rent roll with credit tenancy and limited rollover exposure, the Property is leased to name brand users such as UPS (NYSE: UPS ; S&P: A-) through 2027 and Iron Mountain (NYSE: IRM ; Moody’s: Ba3). Since locating to the Property in 2002, it has been an operational necessity for Iron Mountain to be proximal to the Raleigh CBD and its local clientele, specifically the state government and individual law firms housed within the city center. Overall, South 40 Distribution Center represents a rare opportunity to establish scale in an irreplaceable location, at a well below-replacement-cost basis within the extremely high-barriers-to-entry Raleigh-Durham market.

INVESTMENT SUMMARY

Address	2201 & 2126 S. Wilmington Street Raleigh, NC 27603
Building Size	502,495 SF
Occupancy	96.0%
Notable Tenants	UPS: (121,835 SF; LXP: 7/31/2027) Iron Mountain: (72,246 SF; LXP: 2/28/2023) BlueSky Solutions: (158,060 SF; LXP: 4/1/2032) Mid-Atlantic Roofing Supply: (46,913 SF; LXP: 11/30/2027)
WALT	7.0 Years (as of 10/1/2021)
% Below Market	17%
In-Place NOI	\$2,560,700

INVESTMENT HIGHLIGHTS

LAST MILE, URBAN INFILL LOCATION

- Strategically positioned adjacent to I-40/I-440, the primary interstate artery in the market, South 40 Distribution Center enjoys phenomenal visibility with seamless access to all points of the Raleigh market.
- The infill site is within minutes of Downtown Raleigh and within 10 minutes of Cary, North Raleigh, Apex, North Hills, Garner, and Clayton, some of the fastest growing corners of the MSA.
- Located in an Opportunity Zone, the Property is a prime candidate for future repositioning and/or new development given the highly sought-after infill location.

SECURE IN-PLACE CASH FLOW FEATURING BELOW MARKET LEASES AND CREDIT TENANCY

- 96.0% leased, infill Class B industrial product
- Strong in-place cash flows from six (6) tenants with a healthy 7.0 years of WALT
- Significant future mark-to-market opportunity as rents are 17% below market
- Features credit anchored tenancy
- Extremely desirable and rare outside storage

BELOW-REPLACEMENT COST ACQUISITION

- Situated on over 30 acres and just minutes from major residential and commercial hubs, the Property presents the opportunity to acquire a significantly below-replacement-cost footprint of scale in an irreplaceable location experiencing rapid economic growth.

SIGNIFICANT INVESTMENT BY OWNERSHIP

- Current ownership has recently invested substantial capital in exterior painting and cleaning, paving portions of the parking lot, installing motion-sensored LED lighting, expanding the outside storage, and “white boxing” Suites 101 & 101A which now houses BlueSky Solutions on a fresh 10 year 6 month lease term.





NORTH HILLS

DOWNTOWN RALEIGH

RALEIGH-DURHAM INTERNATIONAL AIRPORT

NORTH CAROLINA STATE UNIVERSITY

DOROTHEA DIX PARK 320 ACRE, 4 PHASE MIXED USE REDEVELOPMENT SITE - PHASE 1 \$200M+ INVESTMENT

DOWNTOWN SOUTH 140 ACRE, \$2.2B DEVELOPMENT

CARGILL REDEVELOPMENT MIXED USE SITE

CARY

440

40

95

SWILINGTON ST

HAMMOND RD

SOUTH 40 DISTRIBUTION CENTER: PROPERTY HIGHLIGHTS

The warehouse contains approximately 11 acres of outside storage or additional parking, multiple load configurations, up to 24" concrete slab flooring, motion sensed LED lighting, 41 dock doors, and six (6) drive-in doors.

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

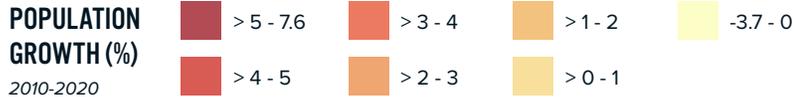
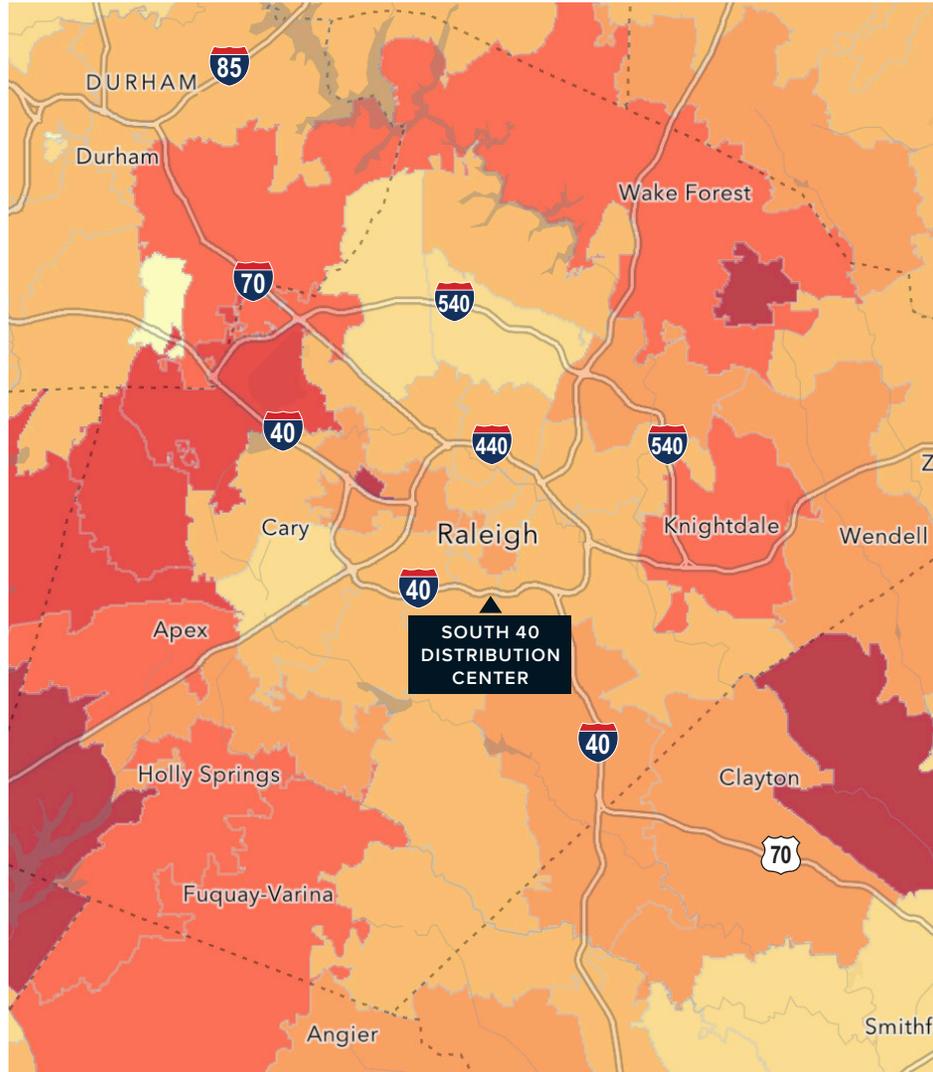
The 502,495 square foot building located within infill Raleigh provides excellent visibility and is less than one (1) mile from I-40/I-440, Raleigh's "Beltline." South 40 Distribution Center resides in an Opportunity Zone and is a prime candidate for future repositioning or new development.

Current ownership has invested substantial capital in exterior painting and cleaning, paving portions of the parking lot, installing motion-sensored LED lighting, expanding the outside storage, and "white boxing" Suites 101 & 101A which now houses BlueSky Solutions on a fresh 10 year 6 month lease.



BOOMING RALEIGH-DURHAM MSA

Raleigh-Durham is one of the fastest-growing large cities in the nation, adding 43 new residents per day and projected to be the second fastest-growing large city in the U.S. through 2030. **The pace of job creation and the subsequent multiplier effect within the economy will continue to drive well-located last mile industrial product.**



The Raleigh-Durham MSA witnessed incessant economic development headlines throughout the COVID-19 period, adding more than 10,200 jobs and receiving more than \$5.3 billion of investment since April 2020.

PROJECT SPOTLIGHT



Apple is investing \$1 billion into building its largest East Coast hub within the Research Triangle Park ("RTP") in Raleigh-Durham. Apple's new East Coast headquarters will sit on a 281-acre campus located at the southern edge of RTP with plans for up to 1MSF of office space and commitments to hire more than 3,000 people with an average annual salary of \$187,000.

Google recently selected Raleigh-Durham for an engineering hub focused on cloud computing that will create 1,000 jobs.



Diosynth
biotechnologies

Fujifilm Diosynth, a contract development and manufacturing organization (CDMO), is establishing a \$2B large-scale cell culture manufacturing of bulk drug substance production. The facility will create 725 new jobs.

Apject received a \$590 million loan to build a 'GigaFactory' that will assist in the distribution of vaccines. The facility will be the world's largest fill-finish facility capable of producing up to \$3 billion single-dose, pre-filled syringes annually and will bring approximately 650 jobs to RTP.



Global pharma giant Eli Lilly recently announced a \$474 million state-of-the-art manufacturing facility at the former GSK campus in RTP. The company will create 460+ jobs and initially produce two major diabetes drugs: Trulicity and Tirzepatide.

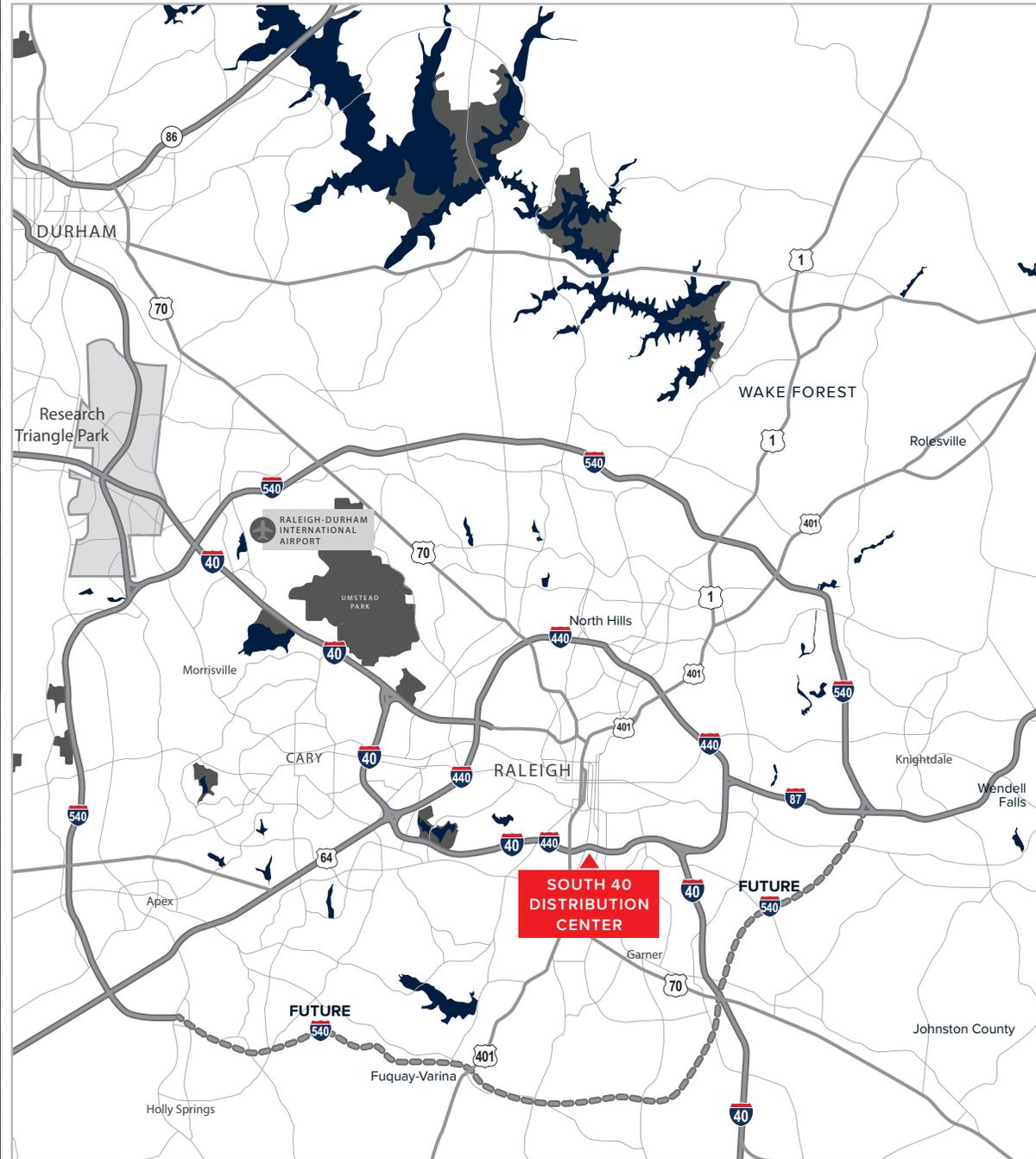
COMPANY	JOBS	INVESTMENT	DATE
APPLE	3,000	\$1,000,000,000	Apr-2021
BERRY GLOBAL	63	\$70,000,000	Apr-2021
FUJIFILM DIOSYNTH	725	\$1,500,000,000	Mar-2021
GOOGLE	1,000	TBD	Mar-2021
BIOGEN	90	\$200,000,000	Mar-2021
GILEAD SCIENCES	275	\$5,000,000	Feb-2021
ADVERUM BIOTECHNOLOGIES	200	\$83,000,000	Jan-2021
TAYSHA GENE THERAPIES	200	\$75,000,000	Dec-2020
THERMO FISHER	500	\$500,000,000	Dec-2020
CLOROX	158	\$7,500,000	Nov-2020
APIJECT	650	\$900,000,000	Nov-2020
KBI BIOPHARMA	200	\$150,000,000	Oct-2020
BIOAGILYTIX	878	\$61,500,000	Oct-2020
BEAM THERAPEUTICS	201	\$83,000,000	Aug-2020
GRAIL, INC	400	\$100,000,000	Jul-2020
ELI LILLY	460	\$474,000,000	May-2020
POWERHOME	100	TBD	Apr-2020
BANDWIDTH	1,165	\$100,000,000	Apr-2020
TOTAL	10,265	\$5,309,000,000	

HIGHLY CONNECTED, LAST-MILE LOCATION

Situated adjacent to a network of major transportation thoroughfares, the location has unparalleled access to the entire “Triangle” market which includes Raleigh, Durham, and Chapel Hill. The site is within minutes of Downtown Raleigh, adjacent to I-40/I-440, less than 10 minutes from North Hills, Cary, North Raleigh, Apex, Garner, and Clayton, and within 20 minutes of the Raleigh-Durham International Airport.

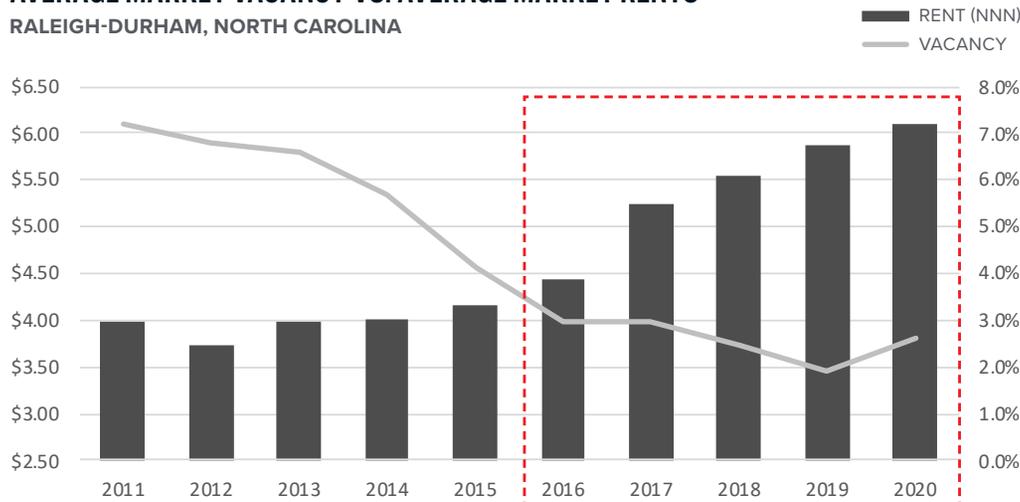
Adjacent to I-40/I-440, the property has seamless access within one (1) mile of the largest interstate in North Carolina and the primary artery connecting Raleigh-Durham, Greensboro, and Winston-Salem.

I-40/I-440	± 1.0 miles
Raleigh CBD	± 1.9 miles
NC State University	± 2.3 miles
North Hills	± 6.8 miles
I-540	± 10.1 miles
Raleigh-Durham Int'l Airport	± 16.9 miles
Research Triangle Park	± 20.5 miles
Durham	± 27.6 miles
Duke University	± 29.6 miles
UNC at Chapel Hill	± 30.7 miles
Chapel Hill	± 31.5 miles



AVERAGE MARKET VACANCY VS. AVERAGE MARKET RENTS

RALEIGH-DURHAM, NORTH CAROLINA



PREMIER SOUTHEAST INDUSTRIAL MARKET

- Raleigh-Durham is ranked the #1 market for real estate investment nationally by ULI and CrowdStreet (2021).
- Tightest market in the southeast at 96.7% occupancy on the heels of 5.5 million square feet of positive net absorption over the past 24 months.
- The East Wake industrial submarket has witnessed an explosion of deal flow, absorbing approximately 3.3 million square feet of the nearly 3.6 million square feet of industrial product recently delivered.
- Considered one of Raleigh-Durham's premier industrial pockets, properties within the East Wake submarket are controlled by a list of institutional and name-brand industrial owners including Duke Realty, Stockbridge, Realty Income, Hillwood, and Equus, among others. Additionally, owners such as Clarion Partners, Prologis, Principal, Link Logistics, and UBS carry a strong presence throughout the broader market.

Since 2016, the Raleigh-Durham industrial market has experienced 37.0% rental rate growth while maintaining an overall occupancy of 96.7%.



RALEIGH-DURHAM INDUSTRIAL MARKET

86.2 MSF TOTAL INVENTORY **96.7%** OCCUPANCY

5.5 MSF NET ABSORPTION
Past 24 Mos **13.3%** RENT GROWTH
Past 24 Mos

EAST WAKE INDUSTRIAL SUBMARKET

22.7 MSF TOTAL INVENTORY **95.8%** OCCUPANCY

3.3 MSF NET ABSORPTION
Past 24 Mos **14.4%** RENT GROWTH
Past 24 Mos



CARY

CHAPEL HILL

MORRISVILLE



PNC ARENA



DURHAM

RALEIGH-DURHAM INTERNATIONAL AIRPORT

NORTH CAROLINA STATE UNIVERSITY

NORTH CAROLINA STATE FARMERS MARKET

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