

# ESAB NORTH AMERICAN CENTER

DALLAS (DENTON) • TEXAS

A MISSION-CRITICAL INDUSTRIAL FACILITY SERVING AS ESAB'S WORLD HEADQUARTERS



OFFERING SUMMARY

# ESAB NORTH AMERICAN CENTER

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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.



# EXECUTIVE SUMMARY

Jones Lang LaSalle Americas, Inc. has been exclusively retained by the Owner to offer qualified investors the opportunity to purchase the ESAB North American Center ("the Property"), a 100% occupied, 422,819 square foot, industrial facility located in the North Dallas suburb of Denton. ESAB has leased the Property for the past 54 years and currently has 7.2 years of remaining lease term. Serving as ESAB's world headquarters location, the Property is ideally positioned within the Denton industrial market, a preferred location for corporate users due to the excellent access, diverse amenity base, well-educated labor pool and abundant residential options. Other large industrial properties in the area are leased to tenants such as Peterbilt, Target, ALDI, HD Supply, Lowe's, WinCo and Fastenal, among others.

**COLFAX/ESAB** — Colfax Corporation (NYSE: CFX), the parent company of ESAB and guarantor on the lease, is a diversified technology company serving the worldwide market. The Company operates in two segments: Fabrication Technology and Medical Technology. ESAB represents the Fabrication Technology segment, which formulates, develops, manufactures and supplies consumable products and equipment, including automated welding products. This segment sells its products through independent distributors and direct sales to the infrastructure, wind power, marine/ life sciences, pipelines, mobile/ off-highway equipment, and mining markets.

PUBLIC/PRIVATE	CFX (NYSE)
CREDIT RATING	S&P: BB
2020 ANNUAL REVENUE	\$3.0 Billion

## PROPERTY OVERVIEW

ADDRESS:	2800 Airport Road, Denton, TX 75207
RENTABLE AREA:	Phase I: 235,419 SF Phase II: 187,400 SF Total: 422,819 SF
% LEASED	100%
TENANT	ESAB
GUARANTOR	Colfax (S&P Rating: BB)
NOI	\$2,532,563 (\$5.99 PSF)
RENT SCHEDULE	Flat Lease
REMAINING LEASE TERM	7.2 Years
YEAR BUILT	Phase I: 18' Phase II: 36'
OFFICE FINISH	+/- 15%
SITE AREA	30.08 acres
LOADING DOORS	18 dock-high doors 1 Drive-In door



PHASE I



**CLEAR HEIGHTS:**  
PHASE I: 18'  
PHASE II: 36'

PHASE II



**ESAB** NORTH AMERICAN CENTER

**FORT WORTH**

**DALLAS**



## ESAB NORTH AMERICAN CENTER

### AREA DRIVERS

- Within a 60-minute drive, over 7 million consumers can be reached throughout the Dallas-Fort Worth metroplex
- Strategically situated at the heart of Denton's traffic and growth patterns
- Denton County is projected to grow by 53.6% from 2010 to 2030 or 350,000 additional people to the population
- #3 fastest growing large county in America
- UNT is the 5th-largest university in Texas, (33rd largest in U.S.)
- TWU has a student population of over 15,000
- Denton's diversified economy is home to major employers including Peterbilt Motors, Sally Beauty Supply International, United Copper, Acme Brick, Jostens, and Farmer Brothers
- Major distribution facilities for Target, Wal-Mart, Safety-Kleen, Lowes, and Miller Brewing are located in Denton
- I-35 is the thoroughfare for NAFTA-related traffic

## DENTON INDUSTRIAL MARKET

<b>96.1%</b> OCCUPANCY	<b>51%</b> RENT GROWTH SINCE 2011
<b>2.7 MSF</b> OF ABSORPTION SINCE Q1 2016	<b>14.9 MSF</b> OF INVENTORY



**ESAB** NORTH AMERICAN CENTER

## PROPERTY HIGHLIGHTS

ESAB North American Center represents a unique opportunity to acquire a mission-critical distribution and manufacturing center within one of the United States' most vital industrial markets, Dallas/Fort Worth. The Property is 100% leased to Colfax/ESAB through August 2028 and provides investors the opportunity to acquire a strategic asset with stable cash flow at a discount to replacement cost.

- 100% leased to Colfax/ESAB (\$3.0 billion annual revenue)
- Credit tenancy (S&P: BB)
- Mission-critical facility for ESAB North America
- Stable income with remaining lease term of 7.2 years
- Long-standing historical tenancy as Colfax/ESAB has occupied the Property for 54 years
- Access to major highway infrastructure, including I-35E, I-35W, Hwy 380
- Superior submarket fundamentals as Denton is 96.1% occupied with minimal new construction underway



## WHY DALLAS/FORT WORTH?

From 2021 to 2025, DFW is projected to add 489,820 residents and 100,690 jobs, ranking second and first respectively in the U.S., according to Oxford Economics.

Robust economic diversity - energy now accounts for only 1.6% of DFW's GDP

#4 Real Estate Market for 2021 according to Urban Land Institute/PWC

Three fortune 10 Company HQ's - no other MSA has more than one

Low cost of doing business with a score of 88.45 - the U.S. average is 100

Only 7.5% of jobs lost during covid - 3rd best in the country


## ACCESSIBILITY

Central U.S. location featuring Dallas-Fort Worth International Airport & Dallas Love Field



### 92M PASSENGERS PER YEAR

**DFW** DALLAS FORT WORTH INTERNATIONAL AIRPORT  
serviced approximately 75,000,000 passengers in 2019.

 **Dallas Love Field**  
serviced 16,800,000 passengers in 2019 and is home to Southwest Airlines

## BUSINESS ENVIRONMENT

**#1**  
STATE FOR DOING BUSINESS  
15 YEARS IN A ROW  
- CEO Magazine 2019



**#1** in Growth Prospects  
**Forbes**

**1,300,000**  
Number of residents added to the region between 2010 and 2019



**0%**  
STATE & LOCAL INCOME TAX RATE



**8,400,000**  
Projected population of the region by 2020



**3.8 MILLION**  
WORKERS



**4th** LARGEST WORK-FORCE IN AMERICA



**400** PEOPLE MOVE TO DALLAS / FORT WORTH EACH DAY







## FINANCIAL OVERVIEW

RENTABLE AREA:	422,819 SF
PERCENT LEASED:	100%
YEAR 1 NOI:	\$2,532,563

## ADDITIONAL INFORMATION

If you have any questions or require additional information, please contact the individuals below.

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