

ASSA-ABLOY ENTRANCE SYSTEMS

1902 AIRPORT ROAD | MONROE, NORTH CAROLINA | CHARLOTTE MSA



100% LEASED TO ASSA-ABLOY ENTRANCE SYSTEMS
ABSOLUTE-NET LEASE STRUCTURE
161,458 SF MISSION-CRITICAL HQ FACILITY
7.9 YEARS OF REMAINING LEASE TERM



ASSA-ABLOY ENTRANCE SYSTEMS

100% ABSOLUTE-NET LEASED, MISSION-CRITICAL HQ FACILITY

Jones Lang LaSalle Americas, Inc. (“JLL”) has been retained as the exclusive sales representative for **ASSA-ABLOY Entrance Systems (the “Property”)** – a 161,458 square foot mission-critical HQ facility located south of Charlotte, North Carolina. The Property is 100% leased under an absolute-net structure to ASSA-ABLOY Entrance Systems AB, and its wholly-owned US Subsidiary, ASSA-ABLOY Entrance Systems US, Inc (collectively, “Assa-Abloy”) with 7.9 years of remaining lease term. ASSA-ABLOY AB, the parent company of ASSA-ABLOY Entrance Systems AB, is rated A- by S&P. Assa-Abloy is a global leader in the manufacture of automatic doors and entryway systems that has centered its US operations in Charlotte with three (3) of its facilities – most notably comprising the headquarters of ASSA-ABLOY Entrance Systems US, Inc. located at **the Property**. The firm has maintained its presence at the Property for over fifteen (15) years and has made significant capital improvements to the space during the tenure of the lease. Institutional quality construction and a stable, in-place cash flow provide noteworthy financial stability for the Property.

The well-located mission-critical HQ facility is positioned directly to the south of the Charlotte CBD and less than eight (8) miles from I-485, which gives access to nearly all major thoroughfares in the area, including I-77 and I-85, the backbone of the Southeast. This location gives the Property immense connectivity to the entire Charlotte MSA and surrounding population and logistics hubs. Moreover, due to rising construction costs and a premium on available land, the Property is being offered significantly below replacement cost and at a highly competitive basis. **ASSA-ABLOY Entrance Systems** presents investors with the opportunity to acquire an absolute-net leased mission-critical HQ facility asset that features strong connectivity and a low entry point to the desirable Charlotte market.



INVESTMENT SUMMARY

Address	1902 Airport Road Monroe, NC 28110
Year Built	1972/2019
Rentable Building Area	
Warehouse	±106,898 SF (66.2%)
Office	±54,560 SF (33.8%)
Total	161,458 SF
Occupancy	100.0%
Clear Height	18.5' - 31.5'
Tenants	ASSA-ABLOY Entrance Systems, U.S., Inc. ASSA-ABLOY Entrance Systems AB
Lease Term Remaining¹	7.9 Years
Lease Structure	Absolute-Net
Annual Escalations	1.50%
NOI²	\$694,939

¹RSF reflects most recent ALTA/NSPS Land Title Survey dated October 2, 2019. RSF does not include 6,000 SF of mezzanine office space.

²Assumes 11/1/2021 Analysis Start Date





MISSION-CRITICAL HQ FACILITY LOCATED IN THE ROARING CHARLOTTE MARKET

STABLE LONG TERM IN-PLACE CASH FLOWS

- 100% leased under an absolute-net structure to ASSA-ABLOY Entrance Systems AB, and its wholly-owned US Subsidiary, ASSA-ABLOY Entrance Systems US, Inc (collectively, “Assa-Abloy”) with 7.9 years of remaining lease term. ASSA-ABLOY AB, the parent company of ASSA-ABLOY Entrance Systems AB, is rated A- by S&P

ABSOLUTE-NET LEASE STRUCTURE

- The absolute-net lease at the Property provides investors with a passive investment in a mission-critical facility

MISSION-CRITICAL HQ FACILITY

- For Assa-Abloy, the Property functions as a true mission-critical facility, comprising the headquarters of ASSA-ABLOY Entrance Systems, US Inc. in addition to manufacturing, office, R&D and distribution capabilities
- Complements existing Assa-Abloy facilities in the surrounding market, making the Charlotte MSA the epicenter of the company’s operations

BELOW REPLACEMENT COST ACQUISITION

- The Property is offered considerably below acquisition cost for the Charlotte Industrial market, given its small footprint and skyrocketing construction costs

WELL-LOCATED INDUSTRIAL PRODUCT

- Located within two (2) miles to US-74 and less than eight (8) miles from I-485, the Property features access to other major thoroughfares such as I-77 and I-85, as well as Charlotte Douglas International Airport (CLT)

ACCESS TO ROARING CHARLOTTE MSA

- Charlotte continues its meteoric rise, boasting 50.8% population growth since 2000 with 4.0% projected growth in the next three (3) years
- Rock-solid fundamentals include 12% rent growth and 7.1 million square feet of net absorption in 2020 with an impressive 3.25% vacancy rate

HEAVY TENANT INVESTMENT

- In 2019, Assa-Abloy completed a significant expansion project on the Property, including the construction of over 42,000 square feet of additional warehouse and office space among other renovations and improvements to the site
- The firm’s commitment to the Property’s longevity and usability has been reaffirmed by numerous capital improvements



TENANT PROFILE

ASSA ABLOY

ASSA-ABLOY ENTRANCE SYSTEMS AB ASSA-ABLOY ENTRANCE SYSTEMS US, INC.

161,458 SF | 9/30/2029 LXD | CREDIT RATING (S&P) OF PARENT COMPANY: A-

ASSA-ABLOY Entrance Systems AB, together with its wholly-owned US Subsidiary, ASSA-ABLOY Entrance Systems US, Inc (collectively, "Assa-Abloy") are a world-leading manufacturer of access solutions. Assa-Abloy's most successful offerings include commercial, industrial and residential doors. ASSA-ABLOY AB, the parent company of ASSA-ABLOY Entrance Systems AB, is rated A- by S&P. Assa-Abloy has an extensive network of distribution in over 100 countries, of which 37 have dedicated sales operations to support industries and clients all over the globe. Over 14,000 employees and 3,500 service technicians make up Assa-Abloy's expert team. A sales tally for the ASSA-ABLOY Entrance Systems, U.S. entity of over \$3.33 billion (2.8 billion euro) marked a very successful 2020 fiscal year for the entrance solutions division, cementing the company as a market powerhouse among its competitive field.

The firm's technological innovations provide a vast range of benefits such as improved air quality and energy performance of any building in which they are installed. The firm also markets its maintenance and service capabilities to its clientele, as well as a fully integrated Internet-of-Things (IoT) platform known as Assa-Abloy Insight. Additionally, Assa-Abloy has a presence in the industrial space, with a line of products such as levelers, shelters, load houses, and other accessories to make loading and unloading goods a safer and more efficient task.

Over the last 18 months, a 20 percent uptick in demand has occurred for all varieties of automatic doors, due largely in part to significant shifts in cultural and health preferences across the US. With significant future growth on the horizon, Assa-Abloy and its mission-critical establishment at the Property are poised for continued success in the market.

INDUSTRIES SERVED BY ASSA-ABLOY ENTRANCE SYSTEMS



RETAIL



HOTELS



MEDICAL



INDUSTRIAL



RESIDENTIAL

ASSA-ABLOY

AT THIS LOCATION:

- Functions as the US headquarters for ASSA-ABLOY Entrance Systems US, Inc. as well as a business operations hub and manufacturing facility
- Completed a significant expansion totaling more than 42,000 SF to the Property in 2019 to bolster operations on-site, including additional warehouse and production space
- In addition to two (2) other locations in Union County, this marks the company's largest North American footprint
- Rapid demand increases in the last year have motivated the firm to add a third line shift and extend operations to seven (7) days per week

\$3.33 BILLION

TOTAL SALES, 2020

+20%

INCREASE IN DEMAND
SINCE Q1 2020

14,000

GLOBAL EMPLOYEES

A-

CREDIT RATING (S&P)
OF PARENT COMPANY

SEAMLESS REGIONAL CONNECTIVITY

Located within two (2) miles to US-74 and eight (8) miles of I-485, and in close proximity to all major thoroughfares in the Charlotte region, the Property has considerable access to the most sought-after markets of the Carolinas and the Southeast, including Raleigh-Durham, Atlanta, and the Triad. Charlotte Douglas International Airport (CLT), the sixth-busiest airport in the US, is easily accessible via US-74.

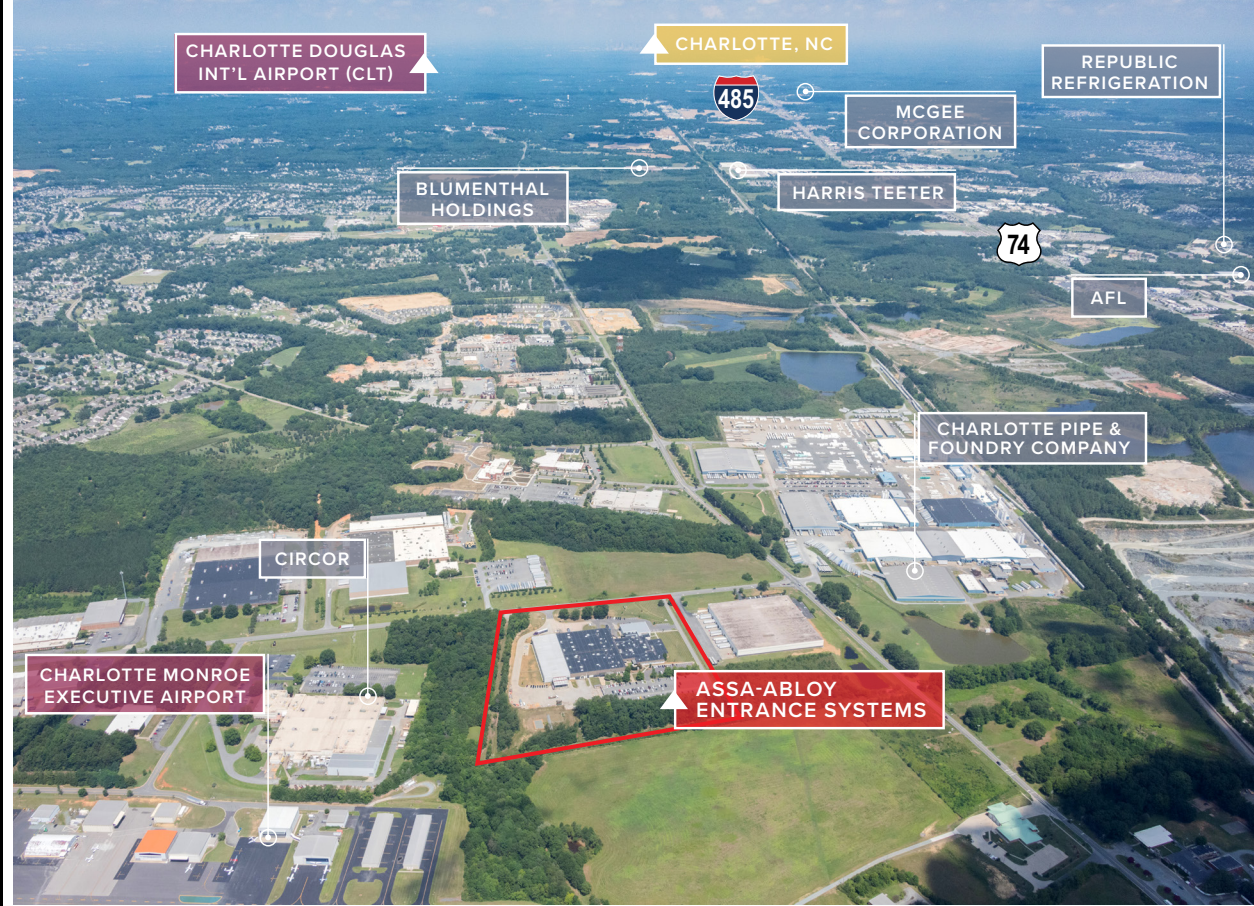
PROXIMITY

US-74	±1.6 mi.
I-485	±7.4 mi.
I-77	±19.6 mi.
Charlotte Douglas Int'l Airport (CLT)	±23.0 mi.
I-85	±23.7 mi.
UNC Charlotte	±24.3 mi.
Charlotte CBD	±35.6 mi.

EXPLOSIVE CHARLOTTE MSA

The third-fastest growing major city in the country, Charlotte has emerged as a major East Coast logistics hub due to its centralized location along the Eastern Seaboard and its outstanding economic fundamentals.

Charlotte's proximity to numerous interstates and major metropolitan areas enables distributors to reach more than 53% of the U.S. population within a two-day drive, which has been a major factor in the explosive economic growth in the region.





A PREMIER INDUSTRIAL MARKET

ROCK-SOLID FUNDAMENTALS

Comprised of 248.5 million square feet of total inventory, the Charlotte industrial market is currently over 94% leased following 10.5 million square feet of positive net absorption since the beginning of 2019.

PHYSICAL AND CONSTRUCTION CONSTRAINTS

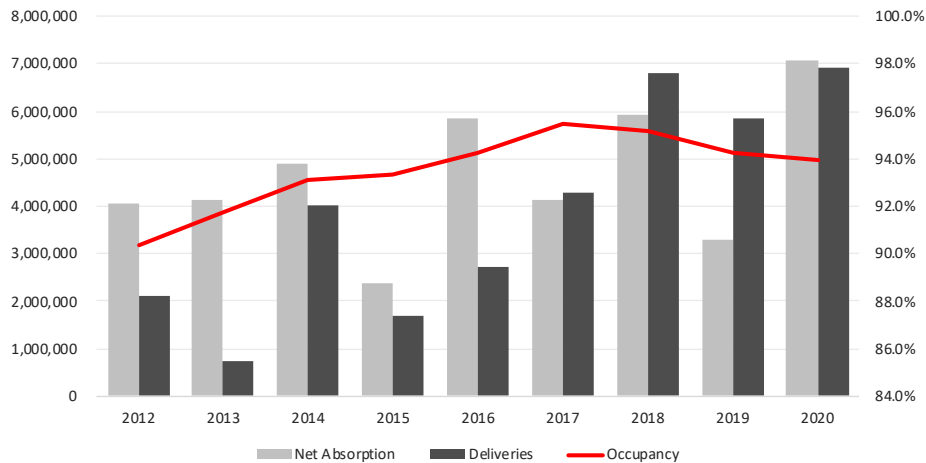
Soaring construction costs and increasingly scarce cost-effective industrial land has created an environment conducive to considerable rent growth.

A MAGNET MARKET FOR BUSINESSES

The Charlotte MSA is home to numerous major industrial users in the immediate vicinity including Amazon, FedEx, Coca-Cola, Home Depot, Black and Decker, and many others. The market continues to garner immense appeal to employers with operations needs such as manufacturing, distribution and logistics in the Southeast.

NET ABSORPTION & DELIVERIES VS. AVERAGE OCCUPANCY

CHARLOTTE INDUSTRIAL MARKET (2012 - 2020)



CHARLOTTE INDUSTRIAL MARKET

248.5 MSF
Total Inventory

94.4%
Occupancy

10.5 MSF
Net Absorption
Past 24 Mos

+11.8%
Rent Growth
Past 24 Mos

UNION COUNTY INDUSTRIAL SUBMARKET

13.2 MSF
Total Inventory

92.2%
Occupancy

+26%
Rent Growth
Since 2019

209K
Net Absorption
Past 24 Mos



INVESTMENT ADVISORS

PETE PITTROFF, SIOR
Senior Managing Director
+1 704 906 9943
pete.pittroff@am.jll.com

PATRICK NALLY
Managing Director
+1 919 573 4649
patrick.nally@am.jll.com

DAVE ANDREWS
Director
+1 704 526 2859
david.andrews@am.jll.com

ANALYSTS

ZACH LLOYD
Analyst
+1 704 804 5788
zachary.lloyd@am.jll.com

MICHAEL SCARNATO
Analyst
+1 704 526 2829
michael.scarnato@am.jll.com

JOSH MCARDLE
Analyst
+1 704 526 2875
josh.mcardle@am.jll.com

DEBT + STRUCTURED FINANCE

TAYLOR ALLISON
Director
+1 704 804 5830
taylor.allison@am.jll.com

LOCAL MARKET EXPERTISE

BRAD CHERRY
Managing Director
+1 704 927 3013
brad.cherry@am.jll.com

JLL INDUSTRIAL CAPITAL MARKETS SOUTHEAST

CAROLINAS

Pete Pittroff, SIOR
Patrick Nally
Dave Andrews

GEORGIA

Dennis Mitchell
Matt Wirth
Britton Burdette

FLORIDA

Luis Castillo
Cody Brais



650 S TRYON ST | SUITE 600 | CHARLOTTE, NC 28202
4509 CREEDMOOR RD | SUITE 300 | RALEIGH, NC 27612