



CONOVER DISTRIBUTION CENTER

CHARLOTTE, NORTH CAROLINA MSA

- 113,568 SF MANUFACTURING & DISTRIBUTION FACILITY
- 100% LEASED WITH 3.2 YEARS OF TERM
- WELL-BELOW REPLACEMENT COST ACQUISITION



CONOVER DISTRIBUTION CENTER

100% LEASED INDUSTRIAL ASSET WITH EXPANSION UPSIDE

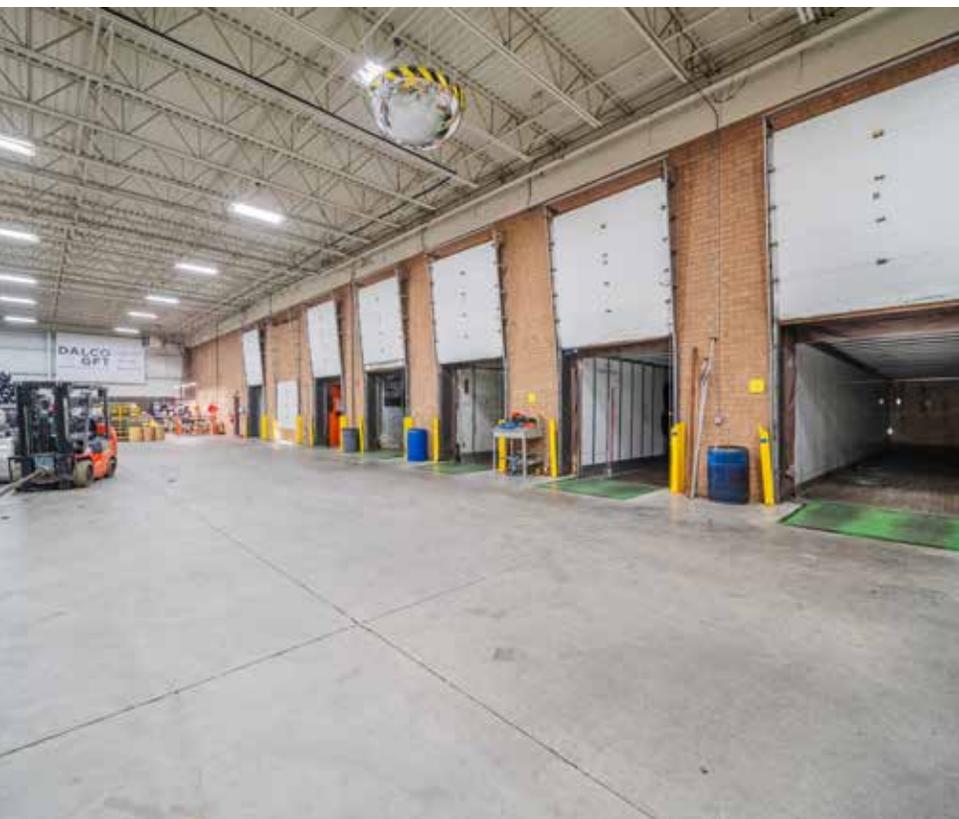
Jones Lang LaSalle Americas, Inc. (“JLL”) has been retained as the exclusive sales representative for **Conover Distribution Center (the “Property”)**, a 113,568 square foot warehouse facility located in Conover, North Carolina. The Property is 100% leased to Dalco-GFT Nonwovens (“Dalco”) with 3.2 years of lease term remaining. Dalco is a specialized manufacturer and supplier of high-performance nonwoven fabrics for a wide range of textile categories including automotive customers, home furnishings and industrial converters, geotextile applications as well as specialty niche end uses.

The Property sits within the Catawba County submarket that is 98% occupied, putting continued pressure on rental rates. Additionally, the Property is positioned less than two (2) miles from I-40, providing national and regional connectivity to various cities including Greensboro-Winston-Salem, Raleigh-Durham and Charlotte. Tenants of the corridor enjoy direct access to all major regional thoroughfares, including I-77, US-321 and I-85, the industrial backbone of the Southeast. **Overall, Conover Distribution Center provides investors the opportunity to acquire a 100% leased industrial asset at a below replacement cost basis, with future value creation potential.**

INVESTMENT SUMMARY

| | |
|------------------------|---|
| Address | 2050 & 2160 Evergreen Drive NE Conover, North Carolina 28613 |
| Year Built / Expanded | 2001 / 2011 |
| Rentable Building Area | |
| Warehouse | 110,367 SF (97.2%) |
| Office | 3,201 SF (2.8%) |
| Total RBA | 113,568 SF |
| Expansion Capacity | ±50,000 SF |
| Occupancy | 100% |
| Tenant | Dalco-GFT Nonwovens |
| WALT ¹ | 3.2 Years |
| Lease Structure | NNN |
| Annual Escalations | 2.50% |

¹Assumes 6/1/2025 Analysis Start Date



INVESTMENT HIGHLIGHTS

WELL-BELOW REPLACEMENT COST OPPORTUNITY

- The Property is being offered well-below the cost to replace the facility today, particularly given its small footprint and the current elevated construction cost environment
- Low basis acquisition enhances investment potential, allowing investors to enter a high barriers to entry industrial market while mitigating risk

ROBUST INDUSTRIAL FUNDAMENTALS

Located to the northwest of Charlotte, Catawba County demonstrates exceptionally resilient industrial fundamentals

- **Within the Catawba County submarket, Class B industrial space is currently 98% leased**, representing the exceptional demand for functional, workhorse industrial product in the region
- Average asking rental rates continue to grow in the submarket, with **Class B rents growing by more than 189% (+14.5% CAGR) since 2022**
- Non-existent supply pipeline with 0 SF of new product delivered in 2025, further increasing competition for well-located, workhorse industrial assets in the submarket

STRONG REGIONAL CONNECTIVITY

- The Property benefits from favorable accessibility to multiple surrounding interstates including I-40, US-321, I-77 and I-85, the logistics super corridor that has emerged as the economic engine of the Sun Belt providing seamless transportation and distribution opportunities
- Situated less than two (2) miles from I-40, the Property is within a one (1) day drive of 60% of the U.S. population

ACCESS TO EXPLOSIVE CHARLOTTE MSA

- Currently the 14th largest city in the US and a top 10 fastest-growing major city in the country, Charlotte has emerged as a major logistics hub due to its centralized location along the Eastern Seaboard, robust economic fundamentals and the presence of one of the world's busiest airports
- Charlotte continues its meteoric rise, boasting 50% population growth since 2000 with a further 6.2% projected growth between 2023 and 2028



CONOVER DISTRIBUTION CENTER

ADVANTAGEOUS LOGISTICS LOCATION

- Positioned less two (2) miles from I-40, the Property benefits from direct access to all major regional thoroughfares including I-77, US-16, as well as I-85, the industrial backbone of the Southeast
- The Property sits within a fifty (50) minute drive of Charlotte Douglas International Airport (CLT), the 6th busiest airport in the United States responsible for welcoming a record-breaking 58 million passengers in 2024 (+10% YoY)

PROXIMITY

| | |
|---|---------|
| US-70 | ±0.7mi |
| I-40 | ±1.4mi |
| US-16 | ±1.5mi |
| Hickory, NC | ±11.8mi |
| Statesville, NC | ±19.8mi |
| I-77 | ±20.8mi |
| Charlotte Douglas International Airport (CLT) | ±42.3mi |
| Charlotte CBD | ±43.6mi |
| I-85 | ±49.0mi |
| Winston-Salem, NC | ±62.0mi |
| Greensboro, NC | ±90.4mi |





CHARLOTTE INDUSTRIAL MARKET

FUNDAMENTALLY-ROBUST SOUTHEAST GROWTH MARKET

The Charlotte industrial market is one of the premier industrial markets in the Southeast, offering excellent regional accessibility, a skilled workforce, low cost of operation and a pro-business government. Charlotte's inventory is comprised of over 275 million square feet of warehouse space. Since 2021, the market has exhibited strong demand posting 28.3 million square feet of positive net absorption. Moreover, occupancy has remained robust, averaging 94.3% over the past ten (10) years.

Rental rates have increased by nearly 55% since 2021 (+9.2% CAGR) due to consistently low vacancy, rising construction costs and lack of infill, cost-effective development sites in the top performing submarkets.

275.6 MSF
INDUSTRIAL INVENTORY

55.1%
RENT GROWTH
(SINCE 2021)

6.5 MSF
NET ABSORPTION
(PAST 24 MOS)

94.3%
OCCUPANCY
(10-YR AVG)



CONOVER DISTRIBUTION CENTER

INVESTMENT ADVISORS

MICHAEL SCARNATO

Director
704.526.2829
michael.scarnato@jll.com

PETE PITTROFF, SIOR

Senior Managing Director
704.906.9943
pete.pittroff@jll.com

DAVE ANDREWS

Senior Director
704.526.2859
david.andrews@jll.com

ANALYTICAL SUPPORT

ALLAN PARROTT

Associate
757.818.1588
allan.parrott@jll.com

JACK BARNES

Analyst
704.804.5789
jack.barnes@jll.com

DEBT & STRUCTURED FINANCE

KATE RATHMAN

Director
843.805.5101
kate.rathman@jll.com

LEASING SUPPORT

JOHN CASHION

Executive Managing Director
704.804.5780
john.cashion@jll.com

MARIA DOWNS

Associate
980.299.9627
maria.downs@jll.com

JLL INDUSTRIAL CAPITAL MARKETS SOUTHEAST

CAROLINAS

Pete Pittroff, SIOR
Dave Andrews
Michael Scarnato

ATLANTA

Dennis Mitchell, CCIM, SIOR
Britton Burdette
Jim Freeman
Maggie Dominguez

FLORIDA

Luis Castillo
Cody Brais
John Huguenard



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