

79

INVESTMENT SUMMARY

NORTH INDUSTRIAL & RESEARCH PARK

SEVEN BUILDINGS TOTALING 406,702 SQUARE FEET
AND +/- 82 ACRES LAND

LIGHT INDUSTRIAL PORTFOLIO
Pittsburgh | Pennsylvania



NATIONAL PARTNERS

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CBRE

PORTFOLIO HIGHLIGHTS

INCOMPARABLE ACCESS TO I-79 PROVIDES CONNECTIVITY TO PITTSBURGH METRO

- The I-79 Industrial Corridor between I-379 and I-76 (PA Turnpike) reports 5.4% vacancy in its light industrial (10k – 100k RSF) inventory
- The 10.3 million square foot I-79 Industrial Corridor concentration of shallow bay industrial product is surging due to supply constraints – average asking rents have increased approximately 18% in the past 24 months
- “One-Turn” access to Interstate 79 within one mile of the properties distinguishes 79 North Industrial and Research Park from its competitive set, providing more direct access to Downtown Pittsburgh and its affluent suburban consumer base than any other regional business parks

CRITICAL MASS LIGHT INDUSTRIAL PORTFOLIO

- 406,702 Rentable square foot portfolio represents approximately 15% of the modern Class A/B light industrial inventory along the I-79 Industrial Corridor

SECURED INCOME STREAM ANCHORED BY GLOBAL/NATIONAL CREDIT TENANCY

- Rent Roll includes: FedEx (70k RSF), Mygrant Glass (42k RSF); Safelite (37k RSF); Southern Wine & Spirits (23k RSF); Verizon (22k RSF); Culligan (18k RSF) and Chrysler (12k RSF)
- These tenants represent +55% of the portfolio’s rentable square footage, with approximately 3 years weighted average remaining lease term

DISTINGUISHING LIGHT INDUSTRIAL PARK FEATURES

- Expansive site includes overflow parking lots (Verizon), secured truck storage areas (FedEx), external storage capacity (211 Overlook), and lots for potential future development
- Averages of 5,200 RSF per dock door, 21’ clear height, and 7.09 car parking spaces per 1,000 RSF of office position the portfolio favorably

VALUE ADD OPPORTUNITY THROUGH LEASE UP AND CAPITAL INJECTION

- Current occupancy offers a rare opportunity to create value through lease up - historical park occupancy has averaged +/- 90% over the past ten years, reaching as high as 96.6%
- Repositioning available suites with pre-emptive capital will reinvigorate leasing momentum to bring the park in line with the competitive set occupancy of 94.6%

MAJOR TENANTS



NUMBER OF BUILDINGS

Seven (7)

TOTAL PORTFOLIO SIZE SF

406,702

OFFICE FINISH SF

51,630 (12.7%)

OCCUPANCY

74.4%

TOTAL LAND AREA (ACRES)

+/- 112.8

YEARS BUILT

1980-1990

CAR PARKING SPACES

365

LOADING (DOCK/DRIVE-IN DOORS)

66/15

CLEAR HEIGHTS

18'-27'

SPRINKLER SYSTEMS

Wet

FINANCIAL SUMMARY

TOTAL RSF	406,702 RSF
# OF BLDGS	7 Buildings
PORTFOLIO OCCUPANCY	74.4%
WEIGHTED AVERAGE LEASE TERM	2.6 Years
PORTFOLIO NOI (Year 1)	\$1,573,885
PORTFOLIO NOI (Year 3 - Stabilized)	\$2,579,837



501 NORTH DRIVE 69,930 RSF

- 100% Occupied by FedEx Home Delivery
- Distinguishing single-tenant functionality, featuring three-sided loading, electronic gate-secured trailer/truck storage lot, and potential for additional loading.
- Freestanding single-tenant facility - few comparable properties available in the market with this kind of parking & storage
- Extensive tenant investment in customized material handling equipment



503 NORTH DRIVE 39,696 RSF

- 88.5% Occupied by Verizon and Linde Gas
- Excellent loading - 3,300 RSF per door
- Full circulation
- Overflow parking lot (included in portfolio) with capacity for +/- 135 vehicles critical to Verizon's operation for service van storage



203/205 OVERLOOK DRIVE 81,520 RSF

- Currently 100% leased with rent roll including Safelight Fulfillment (37,136 RSF) and Chrysler Group (11,890 RSF)
- Chrysler's suite is 100% conditioned space utilized for training dealership mechanics (self-funded hydraulic car lifts installed)
- Safelight's regional replacement operation is a strong candidate for expansion into an adjacent to-be-available suite
- Highly flexible design with +/- 145' building depth





207 OVERLOOK DRIVE 60,304 RSF

- 62% Occupied including a 23,210 RSF lease with Southern Wine and Spirits
- Ample number of dock-high doors (13) - approximately 4,600 RSF/ door
- Suites right-sized for most active user base (10k - 25k RSF)
- Highly flexible vacancy with adjacent 9k and 14k RSF suites

209 OVERLOOK DRIVE 10,280 RSF

- Right-sized for regional headquarter office/distribution operations
- Private, fence-secured lot attractive to single tenants prioritizing car parking, vehicle storage, or external product staging
- Candidate for potential building expansion



211 OVERLOOK DRIVE 55,704 RSF

- 67% Leased including 18.6k RSF with Culligan (d/b/a Susquehanna Valley Water) and 18.6k RSF with Premier Heating and Cooling
- Even loading distribution amongst six suites
- Drop lot adjacent to available suite is a unique feature highly desirable for tenants requiring external storage

304 DEER RUN DRIVE 89,268 RSF

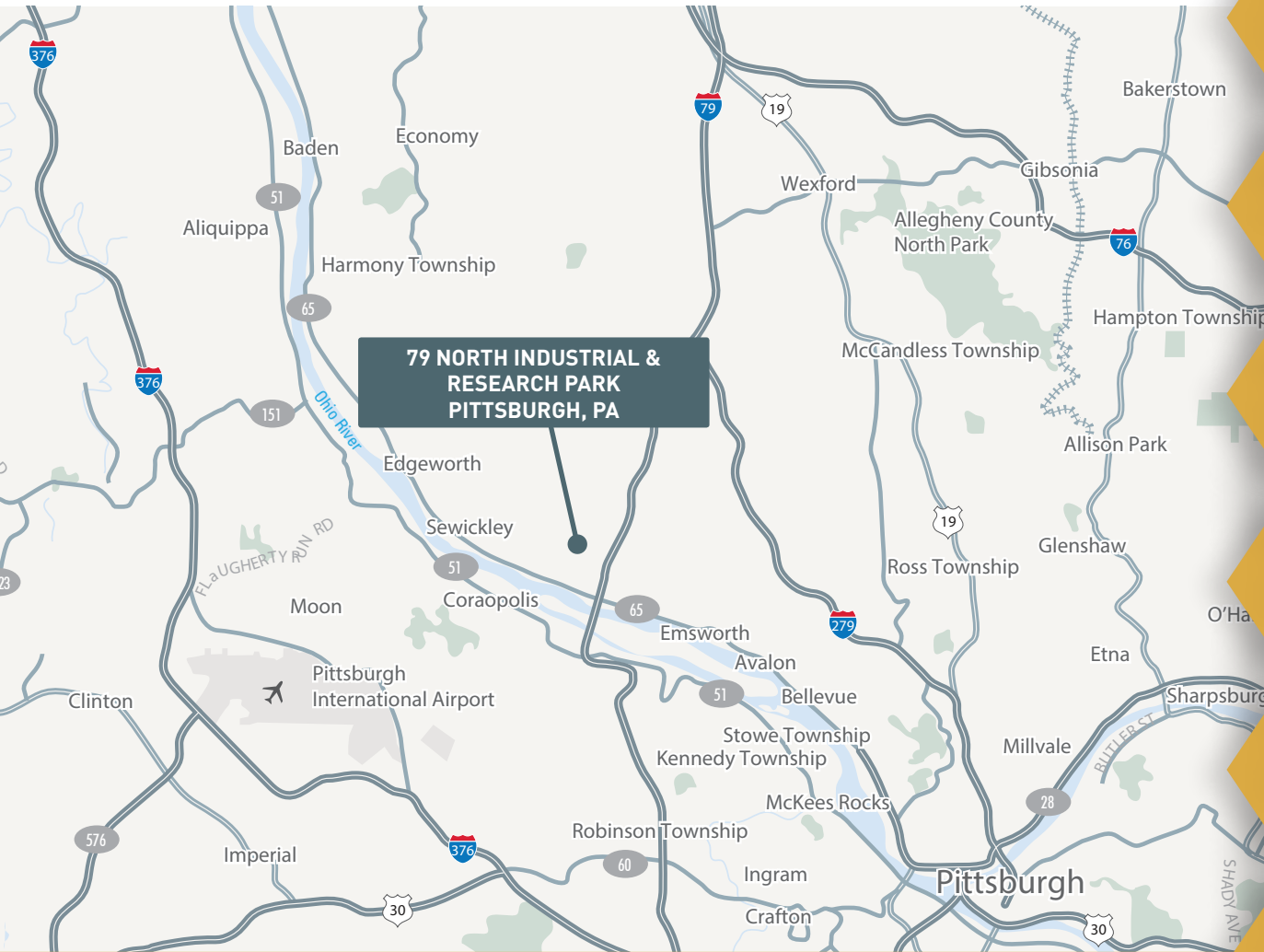
- 46% Leased to Myrgant Glass, the largest independent wholesale distributor of auto glass in the U.S., as its Pittsburgh regional distribution center
- 47.7k RSF availability is unique in its size for the submarket and masonry office pod outside the box directly accessible from employee parking area
- Immediate access to Deer Run Road



ADDITIONAL LOTS INCLUDED IN PORTFOLIO

- Lot 6A (+/- 2.2 Acres) - Overflow parking lot for +/- 135 vehicles (currently leased to Verizon)
- 9 Additional Parcels, +/- 81.5 Acres throughout/surrounding park

PITTSBURGH INDUSTRIAL MARKET HIGHLIGHTS



TECH INCUBATOR

- \$1.8 B invested in emerging businesses over 10 years
- 292,000 tech employees = 23% of workforce

EVOLVING ENERGY HUB

- Shale extraction driving construction boom including \$5.0 B planned Shell cracker plant

HIGH BARRIER-TO-ENTRY SHALLOW BAY MARKET

- Expensive site improvement costs due to topography
- Since 2010: 6.4 MSF absorption/ 2.5 MSF deliveries

PITTSBURGH LIGHT INDUSTRIAL

- 169 MSF (10k - 100k RSF) - predominantly 18' - 24' clear
- 2Q15 Direct Vacancy 7.10%

I-79 INDUSTRIAL CORRIDOR FUNDAMENTALS

- 10.3 MSF concentration between I-376 & I-76
- 2Q15 Direct Vacancy 5.4%

I-79 INDUSTRIAL CORRIDOR RENT GROWTH

- Average asking rents have grown 18% over the past 24 months
- CBRE-EA projects annual rent growth averaging 5.0% over the next five years

DISTANCES TO :



AERIAL





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