



CAPITAL PARTNERS, LTD.

ONE OF THE NATION'S LEADING REAL ESTATE INVESTMENT MANAGERS

InSITES

Third Quarter 2021



## Equus Acquires \$1.15 Billion+ Arizona Industrial Portfolio

In Early October, affiliates of Equus acquired a 74 property, 7.3 million square foot industrial portfolio located across the Phoenix and Tucson metropolitan areas in Arizona. The portfolio is comprised of predominantly multi-tenant in-fill shallow bay properties located in established transportation corridors and population centers. The portfolio is approximately 98% leased and consists of 342 buildings in 74 business parks. Approximately 85% of the portfolio is located across six strategic sub-markets in Phoenix and about 15% of the portfolio is in Tucson; both metropolitan areas are some of the top growth markets in the United States and poised for continued economic expansion.

The portfolio was acquired through Equus sponsored value-added funds and a consortium of strategic co-investment partners.

The investment aligns with Equus' strategy of aggregating high quality multi- and single-tenant in-fill properties located in desirable growth corridors across the United States. "Our focus is to invest in markets with favorable strong supply and demand fundamentals enabling our investment partners to capitalize on continued economic expansion. Robust population and employment growth resulting from the state's pro-business stance and high quality of life features are strong drivers for continued expansion of the Arizona economy," commented Robert Butchenhart, Vice President, Head

of Equus' Western Region.

The diversified portfolio includes a tenant roster that spans twenty-two different industry segments. No single tenant occupies more than 1.5% of the occupied square footage. Capitalizing

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on economies of scale, the diversified tenant roster and geographic locations provide for tenant expansion and incubation while maintaining a balanced cash flow stream. The 7.3 million square foot portfolio includes industries spanning e-commerce, logistic providers, manufacturing, business-to-business, and business-to-consumer uses with no tenant industry accounting for more than 25% of the revenue. The strong historical occupancy and short-term nature of the rent roll provide for an immediate value expansion through mark-to-market of rental rates and lease duration expansion. The micro-location of each asset is favorably positioned to capture continued business in-migration across the state of Arizona.

"The Equus platform is well-suited to operate the complexities and high velocity nature of this portfolio. Due

to the low single digit market-wide industrial vacancy and growing tenant demand, the portfolio is poised to be the beneficiary of continued out-performance through a thoughtful and strategic focus on intense hands-on asset management. Our strategy emphasizes a flexible and entrepreneurial approach that will enable the growth of attractive in-place cash returns and long-term value enhancement," said Kyle Turner, Partner and Director of Investments of Equus. "We will continue to source creative and complex real estate transactions on behalf of our investment partners and will look to grow our presence in the industrial sector up and down the risk curve."

As part of this transaction Equus is onboarding twenty-six highly talented and experienced professionals from the seller's property management team to continue the operation of the portfolio. Equus will add its eighth office location in the Phoenix metropolitan area to continue the expansion of the platform and boots on the ground operating strategy. Equus currently owns and operates approximately 25 million square feet of industrial space across the United States and owns or controls land capable of supporting another 12 million square feet of new industrial development. Equus is focused on expanding this portfolio's holdings in the industrial asset class and has allocated capital available to continue to increase its presence in the Phoenix and Tucson metropolitan areas.

Kyle Turner, Christopher Locatelli and Robert Butchenhart, along with Laura Brestelli, Vice President and Director of Capital Markets, and Peter Russo, Analyst, oversaw the transaction for the firm. ■



## Equus Announces the Sale of Hill House Apartments in Philadelphia, PA

During the quarter, Equus Capital Partners, Ltd. ("Equus"), completed the sale of Hill House Apartments, a 188-unit high-rise multi-family community in the Chestnut Hill neighborhood of Philadelphia, PA. The 99% occupied property was recently renovated by Equus and sold to Sentinel Real Estate Corporation.

Erin Miller, Lizann McGowan and Marybeth Farris of Newmark Knight Frank Philadelphia brokered the transaction.

The sale was made on behalf of Equus Investment Partnership X, L.P. ("Fund X"), a \$361 million discretionary equity fund managed by Equus. ■

## Dispositions

Hill House Apartments,  
Philadelphia, PA  
Multi-Family | 188 Units

Land Parcel at the Port of Virginia  
Industrial Portfolio,  
Norfolk, VA  
Land | 73 Acres

## New Hire

Equus Development, L.P.  
Newtown Square, PA Office  
Jean Gardy Pharaud, *Project Manager*





## Equus Completes Three Single Tenant Warehouse Leases Totaling 934,370 SF at Virginia Port Logistics Park

During the quarter, Equus Capital Partners, Ltd. ("Equus"), one of the nation's leading developers and real estate investment managers, on behalf of its affiliates, entered into a 10-year lease agreement with XPO Logistics, and 15-year and 5-year lease agreements with two (2) undisclosed tenants, totaling 934,370 square-feet of Class A warehouse distribution space within the Virginia Port Logistics Park in Suffolk, Virginia.

Equus signed a 5-year lease agreement for 348,500 square-feet at 1401 Enterprise Drive with XPO Logistics, an innovation leader in truck brokerage and less-than-truckload freight transportation and leading supply chain partner to blue-chip companies across every major industry, with a sole focus on freight transportation. The Class-A

warehouse/distribution center offers 32' clear height, concrete tilt-up wall construction, an ESFR sprinkler system, LED high bay lighting, rear loaded with 34 dock positions and 75 trailer parking spaces. Equus began construction on a speculative basis and will deliver the completed building and tenant improvements in December 2021.

Equus affiliates own six (6) other existing buildings totaling 2.1 million square-feet in the Park as well as 240 additional acres in the Park, which can accommodate more than two million square-feet of industrial space.

Equus also entered into a 10-year, 307,200 square foot build-to-suit lease agreement with an undisclosed tenant at 1080 Centerpoint Drive. The building will be a Class A warehouse/distribution center with 32' clear height, concrete tilt-

up wall construction, an ESFR sprinkler system, LED high bay lighting, rear loaded with 50 dock positions and 142 trailer parking spaces. The development of the building commenced in October 2021 and is due to be delivered in Q2 2022.

Lastly, Equus entered into a 15-year, 278,670 square-foot build-to-suit lease agreement with an undisclosed e-commerce tenant at Lot 7 at the Virginia Port Logistics Park. The building will be a Class A warehouse/distribution center with 36' clear height, concrete tilt-up wall construction, an ESFR sprinkler system, LED high bay lighting, cross docked with 78 dock positions, 320 trailer parking spaces and 360 employee parking spaces. The development of the building commenced in September 2021 and is due to be delivered in Q3 2022. ■

## Equus would like to thank the following brokers and their firms for helping us lease 1,401,281 SF in the 3<sup>rd</sup> Quarter 2021:

► Avid Real Estate (TX)	Ryan Jordan
► Avison Young (IL)	Fred Ishler and Paige Korte
► CBRE (CO)	Alex Hammerstein
► CBRE (IL)	Pat Elwood
► CBRE (MA)	John Lashar and Brynn Lockyer
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► Colliers International (VA)	Worth Remick, Lang Williams and Ashton Williamson
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► Cushman & Wakefield (NC)	Keith Bell
► Cushman & Wakefield (VA)	Paige Barger, Todd Brinkman, Scott Killie and Tom Walsh
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► Jones Lang LaSalle (GA)	Ben Pridemore
► Jones Lang LaSalle (IL)	Mike Tumpy
► Jones Lang LaSalle (IN)	John Robinson and Abby Zito
► Jones Lang LaSalle (TX)	Christian Canion, Scott Fikes, Bret Hefton and Matt Pruitt
► Jones Lang LaSalle Brokerage, Inc. (NC)	Michael J. Morgan
► KW Commercial (TX)	Eugene Kim
► Lee & Associates (TX)	Drew Donahue
► Metro Commercial (PA)	B. Mullegun and S. Niggeman
► Mohr Partners (TX)	Crystal Jutte
► NAI Brannen Goddard (GA)	Mike Berens and Logan Haner
► NAI Carolantic Realty (NC)	Edward B. Brown
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► Nemark Knight Frank (D.C.)	Ryan Harding
► Ohio Equities, LLC (OH)	Kim Benincasa
► Partners Commercial Realty, LLC (NC)	Adam Michael Capani
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► Savills (D.C.)	Tomi Beightol, Demetri Koutrouvelis, Steve London, and Nicole Miller
► Stream Realty (TX)	Matt Asvestas and Brad Fricks
► Sturm Realty (IL)	Gail Sturm
► Transwestern (TX)	Bobbie Bozarth and Sanders Thompson
► Trinity Partners (NC)	Tim Arnold, Rhea Greene and Maddy Howey
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Equus Capital Partners, Ltd.® is one of the nation's leading private real estate investment managers. Equus' diversified portfolio consists of office, multi-family, R&D, and industrial properties located throughout the United States.

Philadelphia | Chicago | Washington, D.C. | Los Angeles | Raleigh | Atlanta | Arizona | Delray Beach

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**CAM 21-1162  
Exhibit 5**  
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