COLDWATER DEPOT III

925 N. 127TH AVENUE :: AVONDALE, AZ

>> 100% LEASED TO THE VITAMIN SHOPPE THROUGH NOVEMBER 2029

>> NEW E-COMMERCE LOGISTICS BUILDING, TOTALING ±186,643 SF

NATIONAL PARTNERS

A CBRE NATIONAL PARTNERS INDUSTRIAL INVESTMENT OPPORTUNITY

CBRE

EXECUTIVE SUMMARY

THE OFFERING

CBRE Inc. is exclusively offering an excellent opportunity to acquire a 100% leased (through November 2029), State-of-the-Art, E-Commerce building. This property is a mission critical location for The Vitamin Shoppe which handles all of their online and retail distribution needs for the Western United States.

Coldwater Depot III provides great access to Interstate 10, Loop 303, Loop 101 and Interstate 17 and is situated only 15 minutes west of Sky Harbor International Airport. The property is located within 1.5 miles of two existing full diamond interchanges on Interstate 10 and two blocks from an additional planned (estimated completion in 2019) full diamond interchanges on Interstate 10. Given the proximity to freeways and the distribution capabilities to the Western United States, Coldwater Depot III offers incredible access for various types of E-Commerce distribution.

PROPERTY OVERVIEW

Address	925 N. 127th Avenue I Avondale, AZ
Square Footage	±186,643
Tenant	The Vitamin Shoppe
Lease Expiration	November 2029
Coverage	37.6%
Year Built	2015
Clear Height	30’
Dock High Doors	46
Grade Level Doors	4
Year 1 NOI	$939,486

INVESTMENT THESIS

Extraordinary opportunity to acquire a fully leased, State-of-the-Art logistics building occupied by The Vitamin Shoppe for 12 years. **The Vitamin Shoppe has directly invested an estimated $16-$17 million in improvements into the building.** This facility is mission critical for The Vitamin Shoppe, as they provide E-Commerce and store distribution to the Western United States and to a total of 40% of their Direct to Consumer (DTC) business. There are only 5 freestanding buildings in the Southwest submarket catering to users in the 150,000 SF and 200,000 SF size range and all of them are fully leased. As a result, this building will always be highly sought-after by users, with limited future new supply due to ever increasing construction costs.

STATE-OF-THE-ART E-COMMERCE DISTRIBUTION BUILDING WITH FULLY SECURED TRUCK COURTS

Building Specifications

- 30' clear height
- Cross-dock loading with 46 dock-high doors and 4 drive-in doors (north and south facing)
- 37.6% Coverage with 170 car and 30 trailer parking spaces
- Fully Air Conditioned
- 100% concrete and gated, secure truck courts
- 195' truck court on the north and 138' truck court on the south
- ESFR sprinkler system

Ability to Multi-Tenant. With two main existing office pods, this property provides leasing flexibly down the road both in a single-user scenario and multi-tenant scenario.

100% LEASED TO THE VITAMIN SHOPPE THROUGH NOVEMBER 2029

- The Vitamin Shoppe (NYSE: VSI) is a publicly traded company with a market cap of $128 million
- This is a mission critical facility servicing all ecommerce orders and retail stores in the Western United States
- The Vitamin Shoppe has invested $16-$17 million in this building
- The Vitamin Shoppe generated $1.2 billion in revenues over the last 12 months and has 746 stores nationwide, as well as a strong and strategically expanding ecommerce presence

PRIME SOUTHWEST VALLEY LOGISTICS AND ECOMMERCE LOCATION

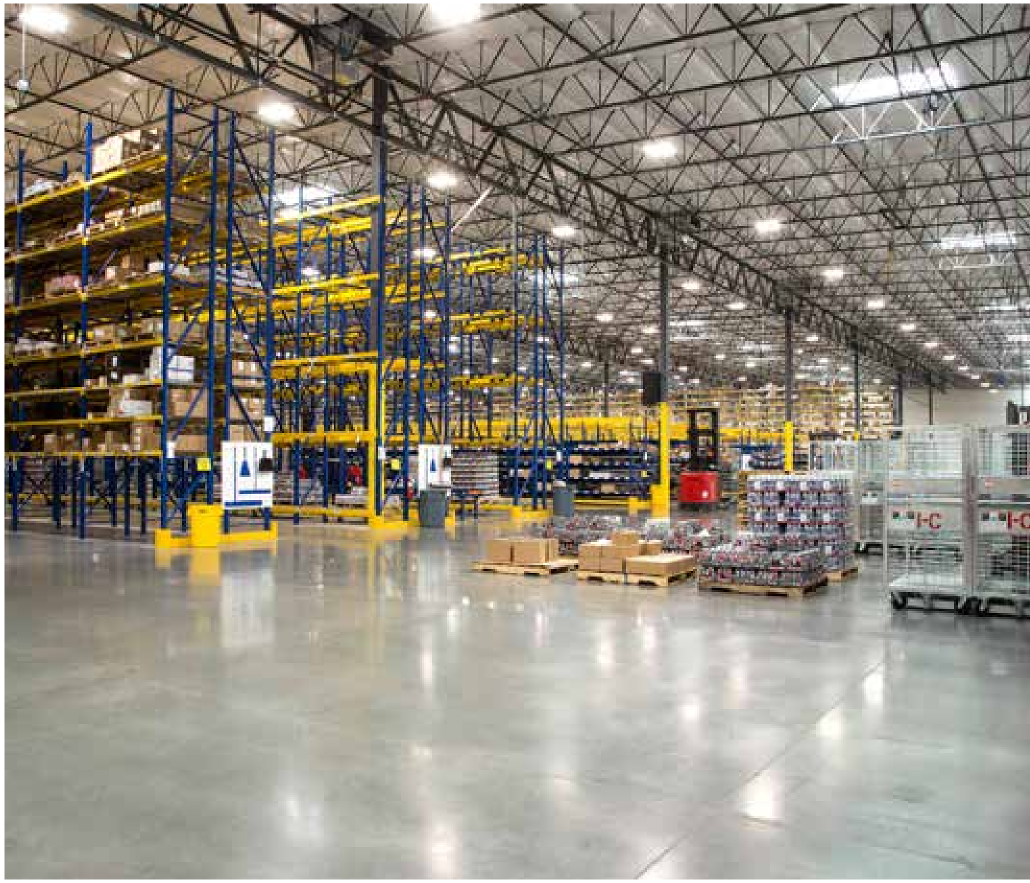
- Located within 1.5 miles of two existing full diamond interchanges on Interstate 10. The El Mirage full-diamond on-ramp to I-10 (estimated 2019 completion) is only 2 blocks from the property and will offer another access point to and from Interstate 10
- Desirable access to Interstate 10, Loop 303, Loop 101 and Interstate 17 and is situated 15 minutes west of Sky Harbor International Airport, the nation's 9th busiest airport
- Amenities: the building's location offers proximity to numerous retail amenities along Avondale Boulevard and Dysart Road both north and south of I-10

DESIREABLE LABOR FORCE AND DEMOGRAPHICS

- Incredible labor force with ±1.5 million people living in the West Valley
  - 58% are between 18 & 64 years of age
  - 69% of the workforce commutes from the west valley east. As a result, employers in Avondale/Goodyear offer a strategic advantage for their significantly reduced employee commute times
- Affordable housing - the median home price in Avondale is $194,500

ROBUST TENANT LEASING ACTIVITY DRIVING STRONG NET ABSORPTION AND MARKET RENT GROWTH

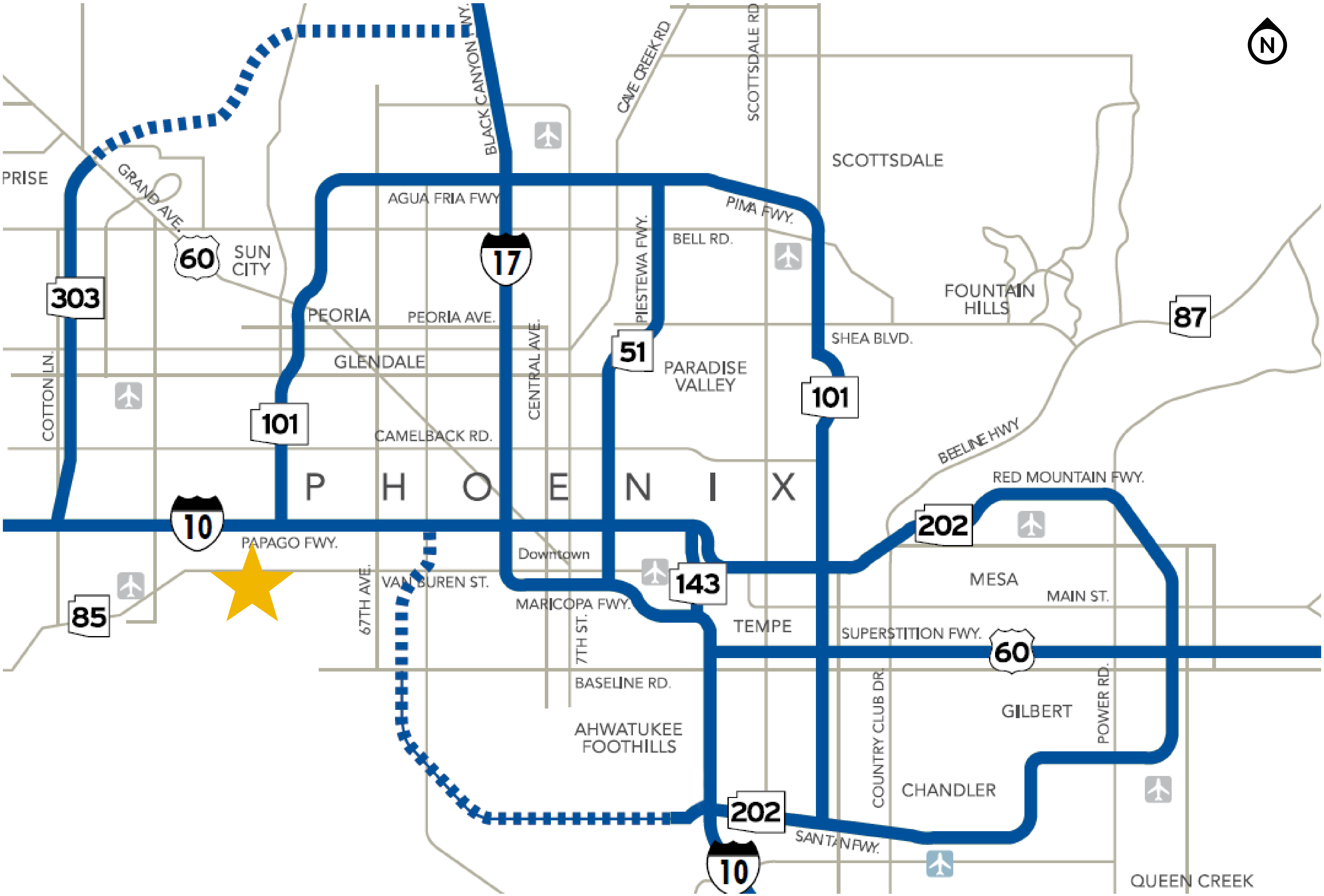
- Year to date net absorption is 4.7 MSF which compares to net absorption of 9.5 MSF in 2016 and strong momentum thus far in Q3 2017.
- Over the last two years, lease rates have grown by approximately 6.30% per year in the Phoenix market, with growth of 5.20% forecasted in 2017.
- Vacancy has decreased to 7.66%.
- Coldwater Depot III is only one of five free-standing buildings in this size range and submarket - all of them are 100% leased.
- This building hits the sweet spot of the market. Over the last 18 months 23 leases were completed in the 100,000 SF to 200,000 SF range.
- Pre-leasing activity has been commonplace for new construction in the past three quarters with B. Brown, Home Brands, UPS and Performance Designed Products all leasing space prior to building completion.



TENANT MAP

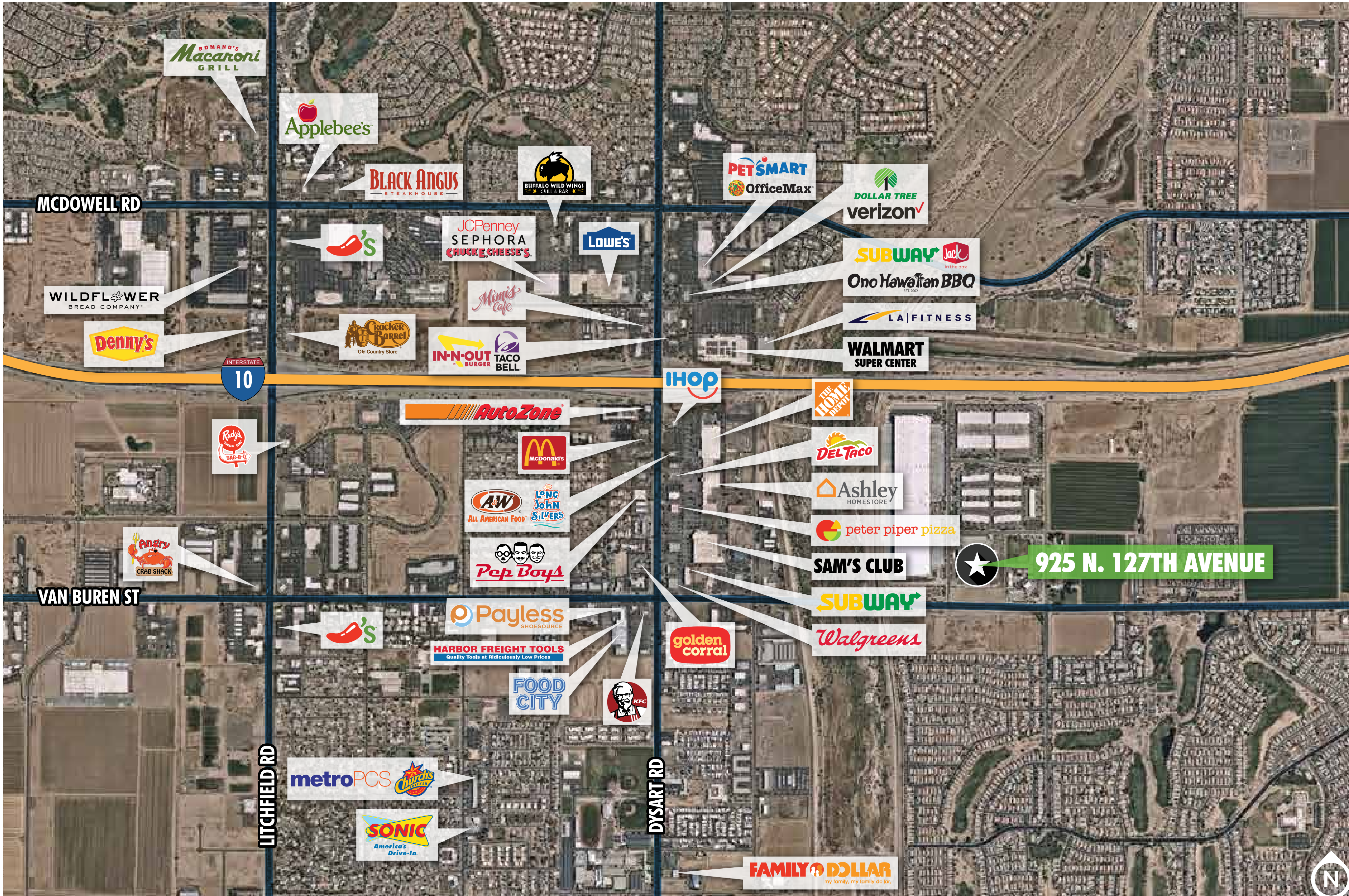

REI
DICK'S SPORTING GOODS
Ball
ups
SUB-ZERO
CODENAME PIERCE
ALDI
303
10
CAMELBACK ROAD
INDIAN SCHOOL ROAD
THOMAS ROAD
DYSART ROAD
MC DOWELL ROAD
VAN BUREN STREET
YUMA ROAD
BUCKEYE ROAD
LOWER BUCKEYE ROAD
ESTRELLA PARKWAY
McLANE
Cancer Treatment Centers of America
Conn's HomePlus
COPPER STATE RUBBER
SNYDER'S OF HANOVER
MLCo michael lewis company
SANMAR
SUBJECT
Albertsons
pepsi
McKESSON
Kroger
COOKSON
First Solar
E-Commerce Tenant
Kysor Panel Systems
NOV
Huhtamaki
macy's
N

LOCAL MAP

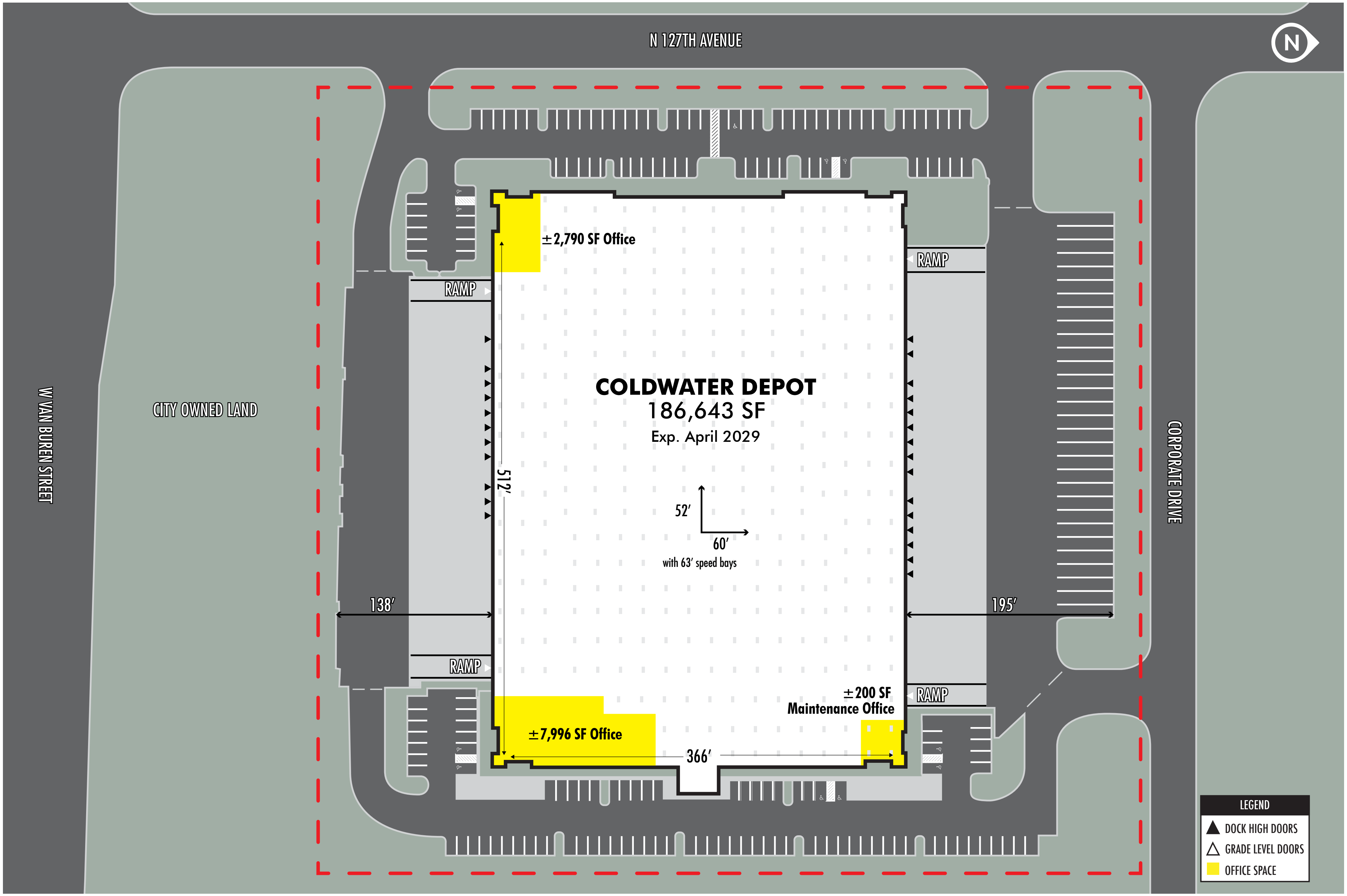


N
PRISE
GRAND AVE.
60
SUN CITY
303
COTTON LN.
AGUA FRIA FWY
BLACK CANYON FWY.
CAVE CREEK RD
SCOTTSDALE RD
SCOTTSDALE
PIMA FWY.
BELL RD.
17
PIESTEWA FWY.
PEORIA
PEORIA AVE.
GLENDALE
CENTRAL AVE.
51
PARADISE VALLEY
FOUNTAIN HILLS
87
SHEA BLVD.
101
101
CAMELBACK RD.
BEELINE HWY
P H O E N I X
RED MOUNTAIN FWY.
202
10
PAPAGO FWY.
Downtown
143
VAN BUREN ST.
67TH AVE.
MARICOPA FWY.
MESA
MAIN ST.
85
7TH ST.
TEMPE
SUPERSTITION FWY.
60
BASELINE RD.
GILBERT
AHWATUKEE FOOTHILLS
COUNTRY CLUB DR.
POWER RD.
CHANDLER
202
SANTAN FWY.
10
QUEEN CREEK

AMENITIES MAP



SITE PLAN


N 127TH AVENUE
N
W VAN BUREN STREET
CITY OWNED LAND
CORPORATE DRIVE
±2,790 SF Office
RAMP
RAMP
RAMP
RAMP
COLDWATER DEPOT
186,643 SF
Exp. April 2029
512′
52′
60′
with 63′ speed bays
138′
195′
±200 SF
Maintenance Office
±7,996 SF Office
366′
LEGEND
DOCK HIGH DOORS
GRADE LEVEL DOORS
OFFICE SPACE

PROPERTY AERIAL

COLDWATER DEPOT III

925 N. 127TH AVENUE :: AVONDALE, AZ

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Offering integrated real estate capital markets solutions from strategy to execution—delivered by a seamless national partnership