



INVESTMENT OPPORTUNITY
**KEURIG DR PEPPER
DISTRIBUTION CENTER**
S&P: BBB (STABLE)

DES MOINES, IA



Actual Property

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Confidentiality Agreement & Disclosures

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-- INVESTMENT HIGHLIGHTS --

KEURIG DR PEPPER (NYSE: KDP) • INVESTMENT GRADE CREDIT (S&P: BBB Stable) • 3RD LARGEST COFFEE & BEVERAGE COMPANY IN NORTH AMERICA • ANNUAL REVENUE IN EXCESS OF \$11 BILLION

The building is leased to Keurig Dr Pepper (NYSE: KDP), the 3rd largest coffee and beverage company in North America with dual headquarters in Burlington, MA and Plano, TX, with annual revenue in excess of \$11 billion. The Company employs more than 25,000 employees and operates more than 120 offices, manufacturing plants, warehouses and distribution centers across North America.

Keurig Green Mountain and Dr. Pepper merged in July 2018 creating the 7th largest company in the U.S. food and beverage sector. Keurig Dr Pepper carries an investment grade credit rating of BBB (Outlook) with Standard & Poor’s.

28 YEARS OF TENANCY AT THIS LOCATION (MULTIPLE LEASE EXTENSIONS) • NEW 10 YEAR LEASE EXTENSION • MITIGATED FUTURE VACANCY RISK • BUILD TO SUIT

The Tenant has occupied 100 percent of the facility since completion of the build-to-suit construction in 1992. They have since executed four amendments, the most recent executed in December 2019, extending their term another ten (10) years and agreeing to annual increases in rent. The combination of the newly executed 10-year lease extension, sub 3% vacancy rate in the market and historical long-term tenancy of the tenant provides an investor with mitigated future vacancy risk and a high probability of future lease renewals.

BOND ABSOLUTE TRIPLE-NET (NNN) LEASE • NO LANDLORD RESPONSIBILITIES

The bond triple-net (NNN) lease requires the tenant pay for taxes, insurance, and 100% of the maintenance of the building, foundation, and driveways/parking lot. The landlord has zero maintenance responsibilities on the asset, providing an investor with a true passive investment grade credit income stream.

CORPORATE HEADQUARTERS FOR PLAINS REGION • IMPORTANT DISTRIBUTION CENTER FOR MAJOR RETAILERS WALMART, TARGET, HY-VEE

This facility distributes 17 routes daily with around 20 stops per route, dropping off goods at convenience stores, grocery stores and big box retailers, such as Wal-Mart, Target, Hy-Vee, Casey’s and Kum & Go. Notably, Hy-Vee, Casey’s and Kum & Go all have headquarters in the greater Des Moines area. Additionally, this site is the Corporate Headquarters for the Plains Region, one of 5 specified regions for KDP.

STRATEGIC LOCATION • 2 MILES FROM LARGEST INTERCHANGE IN DES MOINES • DESIRABLE NORTHEAST DES MOINES INDUSTRIAL SUBMARKET • 2.94% VACANCY RATE

This facility is ideally located just off Highway 69 and less than one mile from the Interstate 80 interchange. In addition, the Subject Property is roughly two miles from the largest interchange in Des Moines, where Interstate 80, Interstate 235, and Interstate 35 conjoin.

The location in the highly desirable Northeast Des Moines submarket was strategically selected by the tenant for their logistics operations and distribution network. The Northeast Des Moines submarket is well known for its industrial presence and experiences a high demand from the largest industrial tenants in the metro area. Co-Star reported a 2.94% Vacancy rate in the Des Moines metro market for Q4-2019 which, is expected to dip even lower in 2020.

DRIVE-AROUND TRUCK ACCESS • AMPLE PARKING & LOADING • PROXIMITY TO INTERSTATES FOR EASE OF DISTRIBUTION

The Tenant’s distribution process benefits from the approximately 135 foot truck court and a securely gated full-circulation design, which provides trucks access to both NE 16th Street to the west and NE 53rd Avenue to the north. Additionally, the subject property is located less than a mile from the on/off ramp to Interstate 35/80, at the interchange with Highway 69, providing excellent access to distribution arteries throughout the state.

LOCATED IN DES MOINES • MOST POPULATED CITY IN IOWA • MAJOR CENTER OF U.S. INSURANCE INDUSTRY

The subject property is located in Des Moines, the capital and most populous city in Iowa. With a population of nearly 217,000 residents (2018), the City of Des Moines is the core of one of the fastest growing metro areas (DSM USA) in the Midwest and is a financially strong city with exceptional city services, fostering an involved community in a customer friendly atmosphere.

Des Moines is a major center of the U.S. insurance industry, and has a sizable financial services and publishing business base. The city was credited as the “number one spot for U.S. insurance companies” in a Business Wire article and named the third-largest “insurance capital” of the world. The city is the headquarters for the Principal Financial Group, the Meredith Corporation, Ruan Transportation, EMC Insurance Companies, and Wellmark Blue Cross Blue Shield. Other major corporations such as Wells Fargo, Voya Financial, Nationwide Mutual Insurance Company, ACE Limited, Marsh, Monsanto, and DuPont Pioneer have large operations in or near the metropolitan area. In recent years, Microsoft, Hewlett Packard, and Facebook have built data-processing and logistical facilities in the Des Moines area. Forbes ranked Des Moines as the “Best Place for Business” in both 2010 and 2013, based on factors such as the cost of doing business, cost of living, educational attainment, and crime rate. In 2017, Kemin Industries opened a state-of-the-art worldwide headquarters building in Des Moines.



-- OFFERING SUMMARY --

INVESTMENT HIGHLIGHTS	
Offering Price:	\$7,534,000
Net Operating Income:	\$414,411
Cap Rate:	5.50%
Price/SF:	\$82
Lease Type:	Bond Triple Net (NNN)

PROPERTY OVERVIEW	
Address:	1635 NE 53rd Ave Des Moines, IA 50313
Building Size:	Approx 90,838 Sq. Ft. Warehouse/Distribution
Improvements:	Base Floor: 85,200 Sq. Ft. Second Floor: 5,628 Sq. Ft. Office Space
Land Size:	6.46 Acres
Ownership:	Fee Simple (Land, Building)
Year Built:	1992; Ren 1999, 2002, 2009, 2012
APN:	270/01666-007-007

Lee & Associates is pleased to exclusively offer for sale, the fee simple interest (land & building) in an industrial warehouse/distribution facility located in Des Moines, IA (the “Property”). Built in 1992 as a build to suit for the tenant, the Property consists of a 90,838-square-foot (85,200 square foot NRA) industrial building that sits on an approximately 6.46-acre parcel. The building is leased to Keurig Dr Pepper (NYSE: KDP), the 3rd largest coffee and beverage company in North America with dual headquarters in Burlington, MA and Plano, TX, with annual revenue in excess of \$11 billion. The Company employs more than 25,000 employees and operates more than 120 offices, manufacturing plants, warehouses and distribution centers across North America.

Keurig Green Mountain and Dr. Pepper merged in July 2018 creating the 7th largest company in the U.S. food and beverage sector. Keurig Dr Pepper carries an investment grade credit rating of BBB (Stable) with Standard & Poor’s.

The Tenant has occupied 100 percent of the facility since completion of the build-to-suit construction in 1992. They have since executed four amendments, the most recent executed in December 2019, extending their term another ten (10) years and agreeing to annual increases in rent. The combination of the newly executed 10-year lease extension, sub 3% vacancy rate in the market and historical long-term tenancy of the tenant provides an investor with mitigated future vacancy risk and a high probability of future lease renewals.

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-- LEASE SUMMARY --

LEASE INFORMATION	
TENANT:	The American Bottling Company dba Keurig Dr Pepper Inc.
CREDIT RATING:	S&P: BBB (Outlook Stable)
BUILDING SIZE:	90,838 Sq. Ft.
NET RENTABLE AREA:	85,200 Sq. Ft.
LOT SIZE:	6.46 Acres
RENT COMMENCEMENT:	January 1, 2020
LEASE EXPIRATION:	December 31, 2029
BASE LEASE TERM:	15 Years
REMAINING TERM:	10 Years
RENEWAL OPTIONS:	(2) 10-Year Options @ FMV
RENT INCREASES:	1.5% Annual Increases
LEASE TYPE:	Bond Absolute Triple-Net (NNN)
LANDLORD RESPONSIBILITIES:	None
ANNUAL RENT:	\$414,411

-- RENT SCHEDULE --

LEASE TERM					
TERM	START DATE	END DATE	NOI/YR	NOI/MO	NOI/SF/YR
Year 1	1/1/2020	12/31/2020	\$414,411.20	\$34,534.26	\$4.54
Year 2	1/1/2021	12/31/2021	\$420,627.37	\$35,052.28	\$4.61
Year 3	1/1/2022	12/31/2022	\$426,936.78	\$35,578.06	\$4.67
Year 4	1/1/2023	12/31/2023	\$433,340.83	\$36,111.73	\$4.74
Year 5	1/1/2024	12/31/2024	\$439,840.94	\$36,653.41	\$4.82
Year 6	1/1/2025	12/31/2025	\$446,438.56	\$37,203.21	\$4.89
Year 7	1/1/2026	12/31/2026	\$453,135.14	\$37,761.26	\$4.96
Year 8	1/1/2027	12/31/2027	\$459,932.16	\$38,327.67	\$5.04
Year 9	1/1/2028	12/31/2028	\$466,831.14	\$38,902.60	\$5.11
Year 10	1/1/2029	12/31/2029	\$473,833.61	\$39,486.13	\$5.19





-- LEASE SUMMARY --

Tenant:	The American Bottling Company dba Keurig Dr Pepper Inc.				
Address:	1635 NE 53rd Avenue, Des Moines IA				
Tenant Square Footage:	90,838 Sq. Ft.				
Pro Rata Share:	100%				
Lease Execution Date:	January 7, 1992				
Lease Expiration:	December 31, 2029				
Lease Type:	Bond Triple-Net (NNN)				
Guarantor:	None				
Annual Base Rent	Rent Start	Rent End	Annual Rent	PSF	
	Current	12/31/2029	\$414,411	\$4.54	4th Amendment
Amendments	Date Executed	Description of Amendment			
1st Amendment	4/16/1992	Tenant agreed to amend the lease by adding an additional 26,000 square feet of improvements to the construction plans required to be completed for the Lease to commence. Base rental revenue was also increased as part of the expansion outlined in the amendment			
2nd Amendment	5/30/1996	Tenant agreed to amend the lease by changing the Expiration Date to September 1, 2015.			
3rd Amendment	4/20/1999	Tenant agreed to amend lease with a 20-year extension through December 2019. Detailed construction Improvements In accordance with Tenant specifications and Increases in base rental revenue of approximately \$1.00 PSF			
4th Amendment	12/12/2019	Tenant agreed to amend the lease with a 10-year extension through December 31, 2029 with updated rent schedule. Landlord provided Tenant with \$200,000 Tenant Allowance. Landlord agreed to replace the roof with a 15-year transferrable warranty. Updated Insurance language. Estoppel Certificate language added. Added language regarding Landlord Sale of Leased Premises.			
Expense Reimbursement:	Lease: Article IV Section 1 (Triple Net): Tenant shall have full responsibility for all taxes, Insurance, maintenance, repairs, necessary capital improvements, utilities and all other items that may relate to the leased premises and improvements thereupon. Lease: Article VI Section 1 (Utilities): Tenant shall pay for all heating, air conditioning, electricity, water and sewer charges used in the leased premises and building as recorded on separate meters for the leased premises and building only. Lease: Article X Section 1 (Insurance): Tenant agrees to procure and maintain a policy or policies of insurance, at its own cost and expense, insuring Landlord and Tenant from all claims, demands or actions for injury or death of any one person. Lease: Article X Section 2 (Insurance): Tenant agrees to keep the leased premises and building insured against loss by fire, extended coverage perils and such other perils as Landlord's mortgage may require. Lease: Article XIX Section 1 (Taxes): Tenant shall pay all real estate taxes and special assessments which become due and payable on the premises. Lease: Article XIX Section 2 (Taxes): Tenant shall pay all personal property and other taxes on the property in the leased premises.				
Tenant Responsibilities:	Lease: Article tV Section 2: Tenant will keep the foundations and roof in good condition and will make all repairs necessary to maintain the structural soundness of the floors and walls during the term hereof.				
Landlord Responsibilities:	Lease: Article VII Section 1: Landlord shall NOT be obligated to make repairs, replacements or capital improvements of any kind upon said premises, or any equipment, facilities or fixtures therein contained or for the exclusive use of Tenant.				
Landlord Access:	Lease: Article XIV Access to Premises: Landlord shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting the same or of making repairs, additions or alterations thereto or to the building in which the same are located, or for the purpose of exhibiting the same to prospective tenants, purchasers or other and shall have the right to place a "for rent" sign or signs in the leased premises during the last sixty (60) days of the lease term or any renewal thereof.				
Renewal Options:	Lease: Article II Section 2: Tenant shall have the option to renew this Lease for two (2) successive renewal terms of ten (10) years each. Rent for such renewal terms shall be at the then existing market rate. Tenant shall give Landlord written notice not less than six (6) months prior to the expiration of the then current term.				





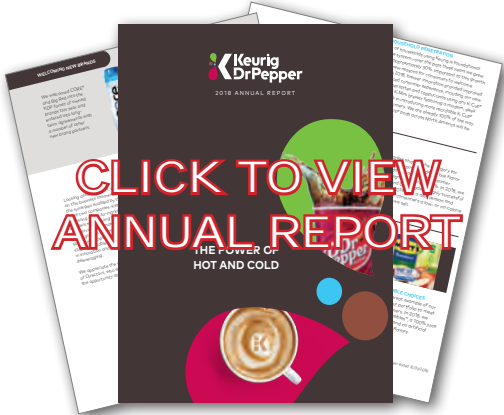
-- ABOUT KEURIG DR PEPPER --

COMPANY OVERVIEW	
Company:	Keurig Dr Pepper, Inc.
Founded:	1981 (Green Mountain Coffee Roasters)
Credit:	Standard & Poor's: BBB / Stable
Stock Symbol:	NYSE: KDP
Sales Revenue (2018):	\$11.024 Billion
Net Income (2018):	\$1.451 Billion
Facilities Operated::	120
Employees:	25,000
Headquarters:	Burlington, MA; Plano, TX
Website:	www.keurigdrpepper.com

Keurig Dr Pepper (NYSE: KDP) is a leading coffee and beverage company in North America, with annual revenue in excess of \$11 billion.

Formed in 2018 with the merger of Keurig Green Mountain and Dr Pepper Snapple Group, KDP has leadership positions in soft drinks, specialty coffee and tea, water, juice and juice drinks and mixers, and markets the #1 single serve coffee brewing system in the U.S.

With a wide range of hot and cold beverages that meet virtually any consumer need, KDP key brands include Keurig®, Dr Pepper®, Green Mountain Coffee Roasters®, Canada Dry®, Snapple®, Bai®, Mott's® and The Original Donut Shop®. The company employs more than 25,000 employees and more than 120 offices, manufacturing plants, warehouses and distribution centers across North America.



FINANCIAL RESULTS

All information is presented on an Adjusted pro forma basis*

in millions, except earnings per share	12 months ended December 31		
	2018	2017	Change
Net Sales	\$11,024	\$10,775	+2.3%
Cost of Sales	4,870	4,841	+0.6%
Selling, General and Administrative Expenses	3,550	3,533	+0.5%
Other Operating (Income) Expense, Net	(16)	(55)	-70.9%
Income from Operations	2,620	2,456	+6.7%
% Net Sales	23.8%	22.8%	+100 bps
Interest Expense	657	680	-3.4%
Other (Income) Expense, Net	(11)	81	NM
Income before Taxes	1,974	1,695	+16.5%
Provision for Income Taxes	523	513	+1.9%
Effective Tax Rate	26.5%	30.3%	-380 bps
Net Income	1,451	1,182	+22.8%
Diluted Earnings Per Share	\$1.04	\$0.85	+22.4%
Diluted Shares	1,401	1,387	+1.0%

*Refer to the Form 10-K, included with this report, for reconciliations from GAAP to Adjusted pro forma results.

2018 HIGHLIGHTS

- Successfully completed merger of Dr Pepper Snapple Group, Inc. (DPS) and Keurig Green Mountain, Inc. (KGM) on July 9, 2018.
- Delivered financial performance in line with the merger targets we communicated in early 2018.
- Drove strong in-market performance and market share growth for carbonated soft drinks (CSDs), single serve coffee and other key beverage categories.
- Repaid \$938 million of bank debt since merger close, due to strong operating profit results and ongoing effective working capital management, reducing management leverage ratio by a half turn to 5.4 times (see reconciliation on page 12).
- Acquired CORE®, a rapidly growing premium enhanced water brand, and Big Red, a strong regional CSD brand.
- Entered into a long-term partnership with Danone Waters of America to sell, distribute and merchandise evian®, the leading global brand of premium natural spring water, across the U.S.
- Expanded relationships with Peet's, a premium specialty coffee company, for ready-to-drink coffee, and FORTO®, a rapidly growing brand of coffee energy shots and beverages.





-- BUILDING DESCRIPTION --



Building Type:	Build to Suit Precast Concrete Tilt-Up
Building Area:	85,200 Sq. Ft. on first floor and 5,628 Sq. Ft. of second-story office area (includes private offices, restrooms, copy/printing room, break room, conference/training room.
Ceiling Height:	20’ Clear Height (Tenant stacks products 3 high on pallets & racking systems)
Building/Frame:	Concrete block and metal frame.
Lighting:	Warehouse: Mounted overhead incandescent lights. Office: Recessed flourescent lighting throughout suspended tile ceilings
Roof:	The built-up roofing is made up of a ballasted flexible sheet system of elastomeric sheet material (EPDM). Features include tear resistance of 125 pounds per lineal inch, ultra-violet and ozone resistance and low temperature brittleness of -40 degrees Fahrenheit. Additionally, there is tapered insulation toward roof drains for positive drainage around the perimeter of the roof.
HVAC:	Heating and cooling in the original office area is provided by rooftop HVAC systems. The office expansions (2012) have rooftop gas heaters along with exterior central air conditioning. Four exhaust fans located in the warehouse create necessary air circulation to account for interior truck loading exhaust.
Dock Doors:	Drive-Ins: 5 (12’ x 16’) Dock High: 8 (8’ x 10’) Total: 13
Sprinkler System:	The warehouse and office are 100 percent equipped with an overhead wet sprinkler system.
Parking Spaces:	120 spaces (1.20 per 1,000) Additional trailer parking located within gated premises.
Truck Courts:	3 Separately measured truck courts for each of the drive-in and dock high access points. <ul style="list-style-type: none">• South Side: 135 feet• West Side: 100 feet• East Side: 60 feet
Capital Improvements:	<ul style="list-style-type: none">• 8,000 SF Office space to tenant’s specification• 7 New offices & 1 large conference room (2012)• 12 x 47 foot 3-bay dock• Paving additions in 1999 & 2001• 35-Foot concrete driveway with 7” depth





-- SITE OVERVIEW --



PROPERTY SIZE

According to BOMA International Standards, the building has 85,200 square feet of net rentable area. The warehouse / distribution facility measures 90,838 gross square feet, with dimensions of approximately 426 feet by 200 feet. The improvements are comprised of base floor area measuring 85,200 square feet and a second floor office totaling 5,628 square feet. The building is situated on a 6.46 acre site with approximate dimensions of 600 feet by 475 feet. The Property has a 0.30 floor area coverage ratio and a well-designed parking and driveway layout, inclusive of full-circulation..

CONSTRUCTION & EXPANSION TIMELINE

The Property was a build-to-suit for Mid-Continent Bottlers, Inc. Construction began immediately following the execution of the Lease on January 7, 1992. In April 1992, during the construction process, the Tenant requested additional improvements to the facility, which included expanding the planned building by 26,000 square feet (First Amendment). In 1999, the building underwent additional renovations (Third Amendment) in accordance with Tenant specifications. Additional improvements to the office build-out were completed on the main level in 2002 and the second in 2009. Seven more personal offices and a large conference room were added onto a first floor expansion in 2012.

PROPERTY LAYOUT

The building was constructed using precast concrete tilt-up walling. The warehouse is a single story with access points via drive-in and dock-high doors on the east, south and west sides of the building. The office is located in the northwest corner of the building and includes private offices, restrooms, a copy/printing room, a break room and a conference/training room. The office build-out was expanded by 8,000 square feet to include two stories and multiple entrances, and makes up roughly 17.7 percent of net rentable area in the building. Numerous individual man doors are located around the ground level of the building, providing accessibility from the parking lots.

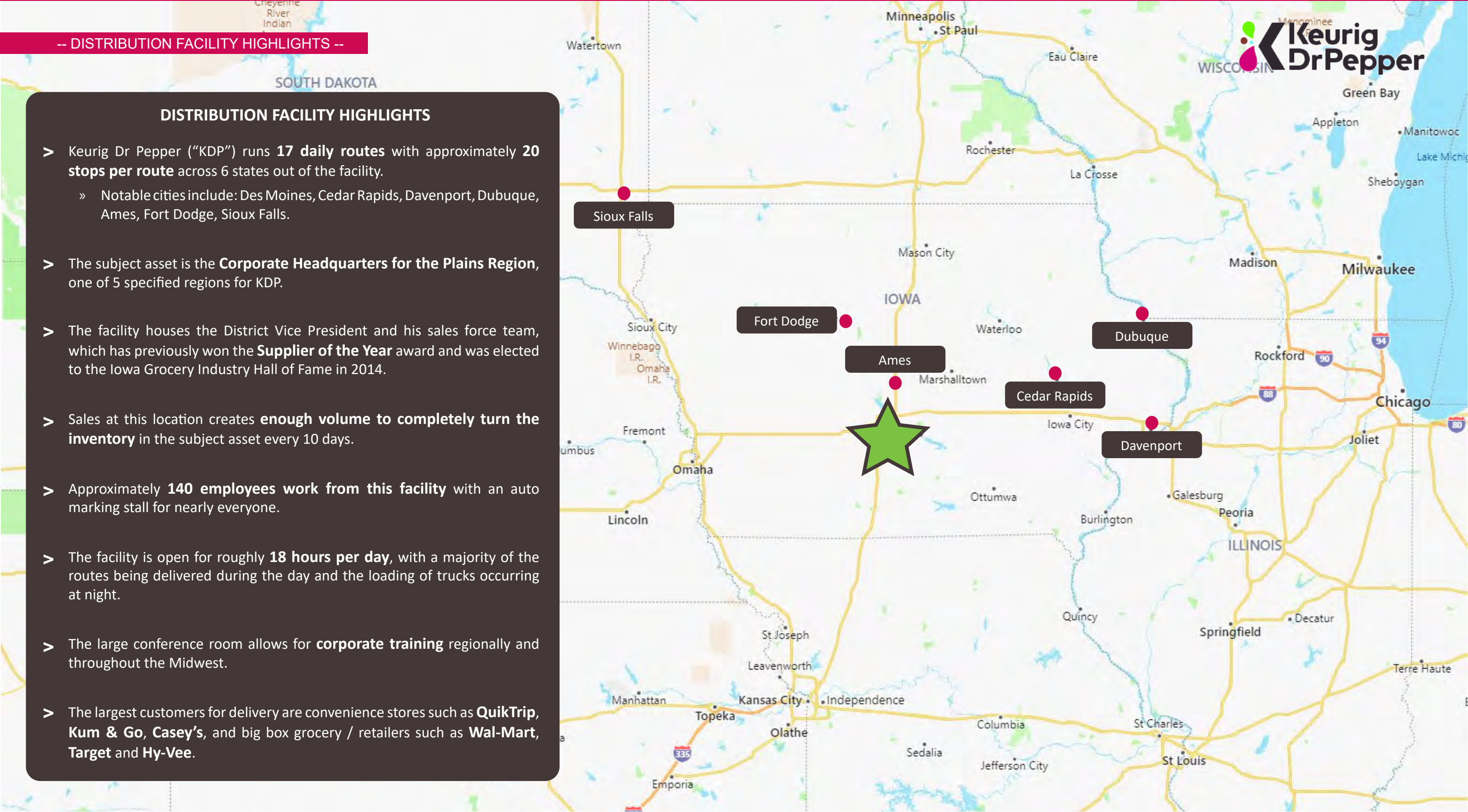
WAREHOUSE ACCESS

The Property features drive-in and dock-high doors on the east, south and west sides of the building, allowing for a seamless transition of inbound and outbound truck traffic for the Tenant. Full-circulation driveways around the building are securely gated. Along the east side of the building, there are two drive-in doors that are 12 feet wide and 16 feet high. Two additional drive-in doors are located directly across the floor of the warehouse, on the west side of the facility, allowing for seamless loading during the winter months. Four exhaust fans allow for necessary circulation. There are also eight dock-high doors measuring 8 feet wide and ten feet high, three on the west side and five along the south side within the gated premises..

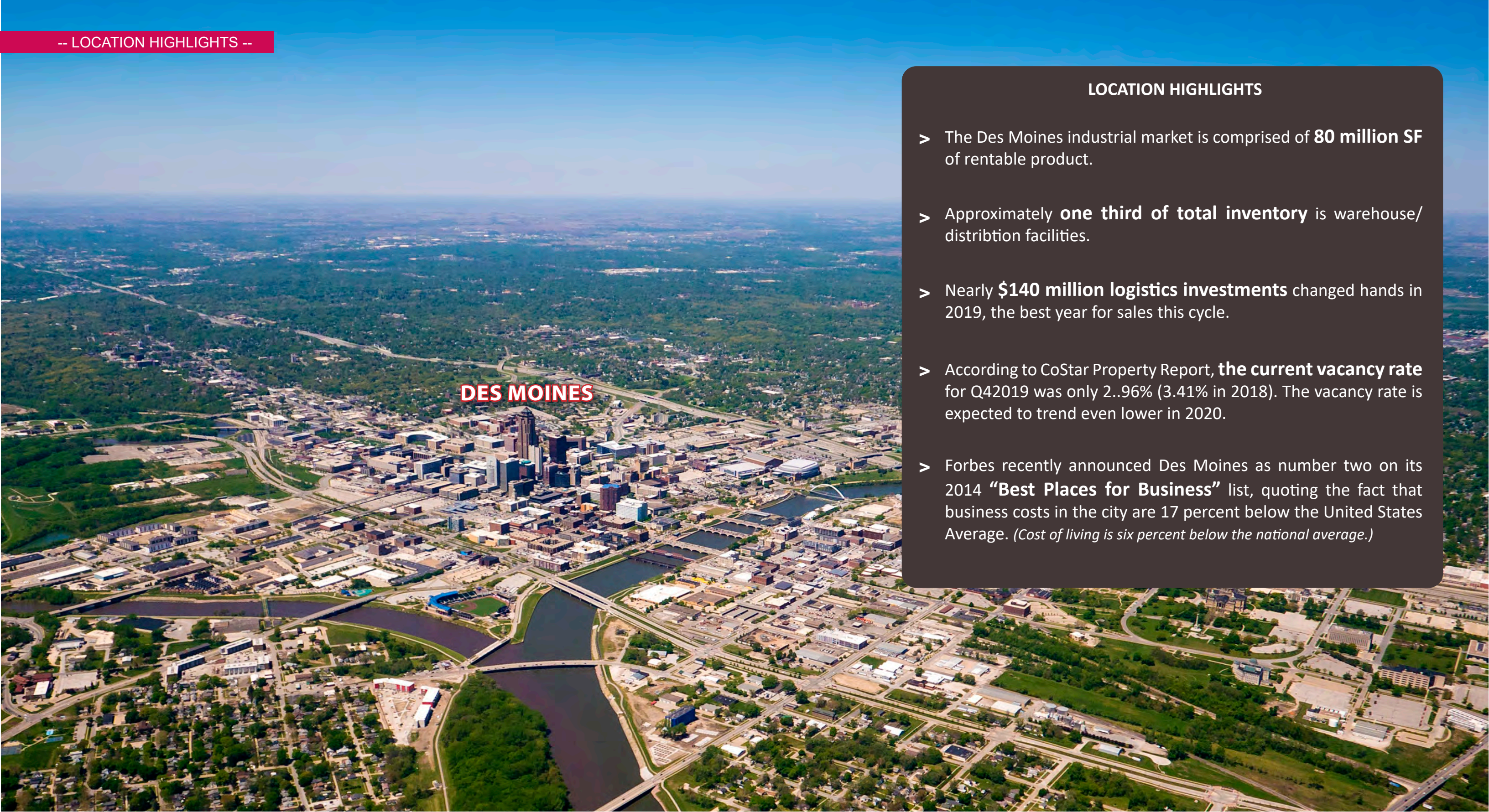
PARKING

The property features abundant auto parking along the north side of the building. There are approximately 120 auto spaces equating to approximately 1.20 spaces per 1,000 square feet. Trailer parking is available within the gated premises, however these spaces are not marked.





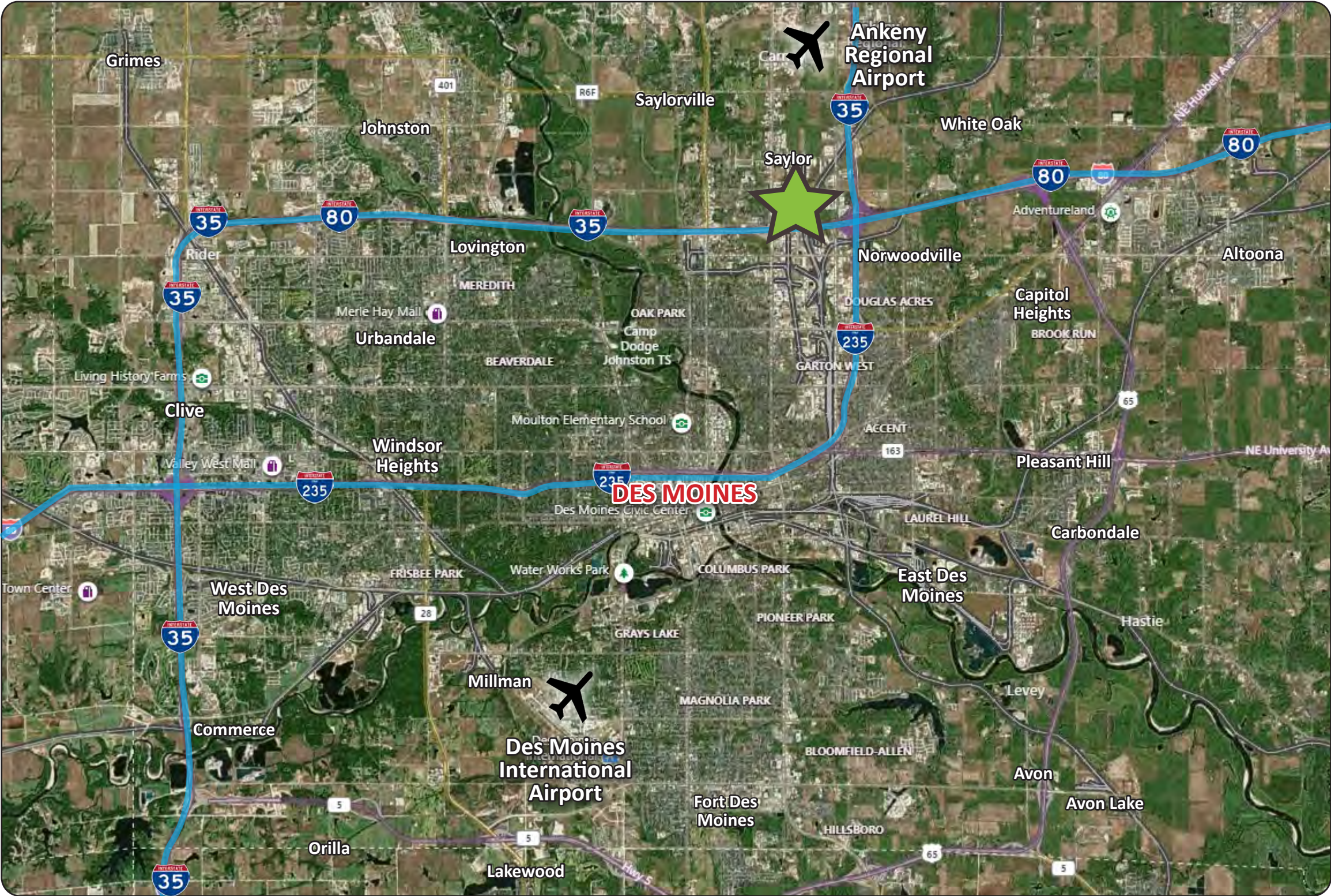
-- LOCATION HIGHLIGHTS --



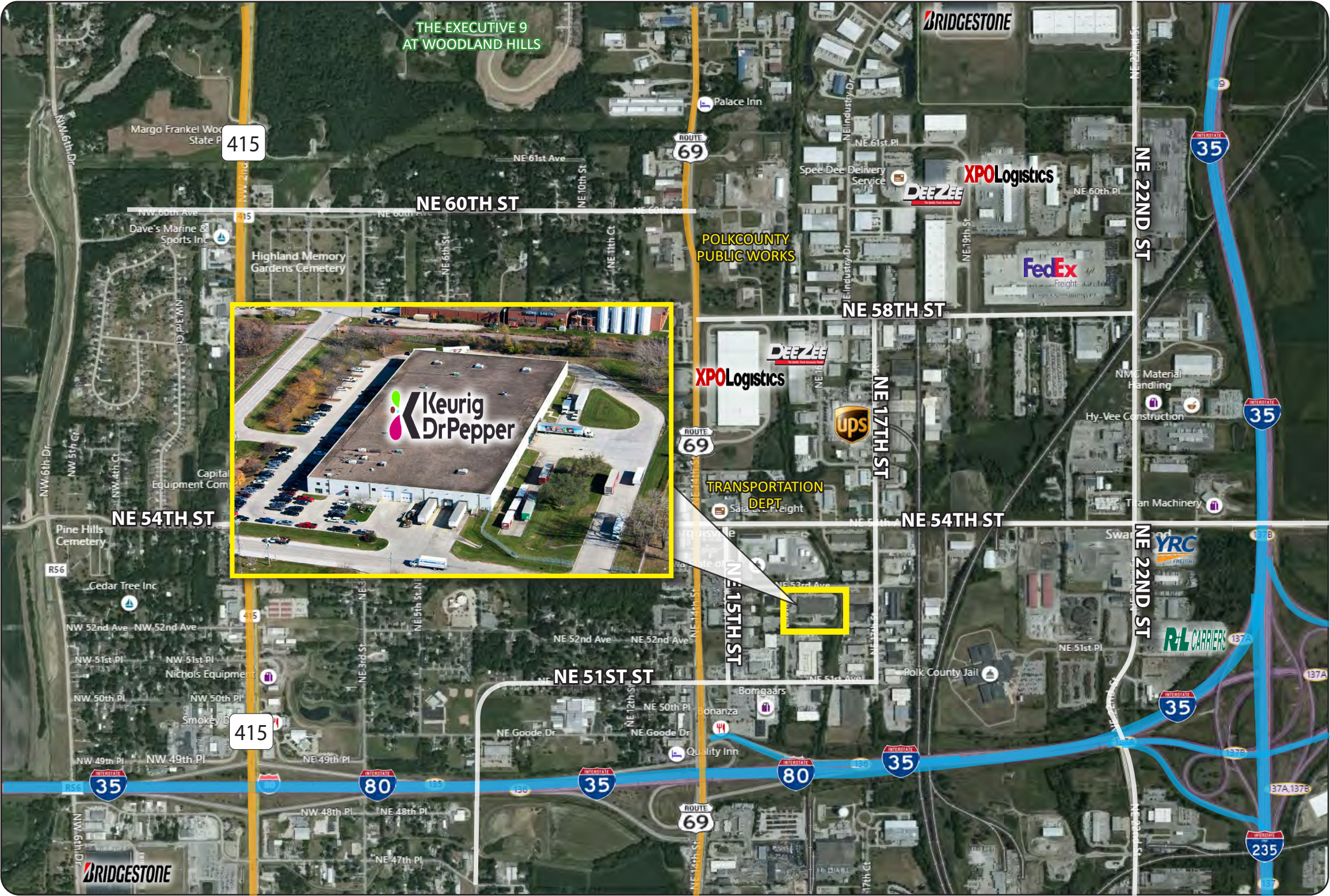
LOCATION HIGHLIGHTS

- > The Des Moines industrial market is comprised of **80 million SF** of rentable product.
- > Approximately **one third of total inventory** is warehouse/distribution facilities.
- > Nearly **\$140 million logistics investments** changed hands in 2019, the best year for sales this cycle.
- > According to CoStar Property Report, **the current vacancy rate** for Q42019 was only 2.96% (3.41% in 2018). The vacancy rate is expected to trend even lower in 2020.
- > Forbes recently announced Des Moines as number two on its 2014 **“Best Places for Business”** list, quoting the fact that business costs in the city are 17 percent below the United States Average. *(Cost of living is six percent below the national average.)*

-- SURROUNDING AREA MAP --



-- OVERHEAD MAP --



-- DES MOINES INDUSTRIAL MARKET --

OVERVIEW

The Des Moines industrial market contains nearly 80 million SF of inventory. The market primarily services the local economy but also contains several major transportation corridors, including I-80, I-35, and the Des Moines International Airport—ranked in the top 50 airports for cargo tonnage in the United States, per the Greater Des Moines Partnership. Many major corporations such as Wells Fargo, Voya Financial, Nationwide Mutual Insurance Company, ACE Limited, Marsh, Monsanto, and DuPont Pioneer have large operations in or near the metropolitan area. In recent years, Microsoft, Hewlett Packard, and Facebook have built data-processing and logistical facilities in the Des Moines area.

LEASING

Warehouse and distribution space has leased quickly, supported by the rise in e-commerce and consumer demand for online goods and services. These leasing trends in turn supported a steady decrease in vacancies earlier in the cycle and kept a lid on last year’s expansion. Strong demand has continued to keep vacancies below 3% into 19Q4, following over 1 million SF of new inventory coming on line during the past 12 months.

While local consumption has been a primary driver for demand of industrial space in Des Moines, the metro’s location as a regional crossroads contributes significantly as well. Indeed, the economy here keeps humming along, with companies across all industries continuing to grow and create jobs.

Demand has been strong most years this cycle, and vacancy continues to tighten, at under 3% as of 19Q4. The largest leases of 2019 include XPO, with 600,000 SF at 4950 Northeast 29th St.; EMCO Specialties Warehouse, with 154,000 SF at 4141 Dixon St.; Amazon, with 110,000 SF at 1301 SE Gateway Dr.; and finally Diamond Crystal Brands, with 100,000 SF at 1600 Second St. NE.

SALES

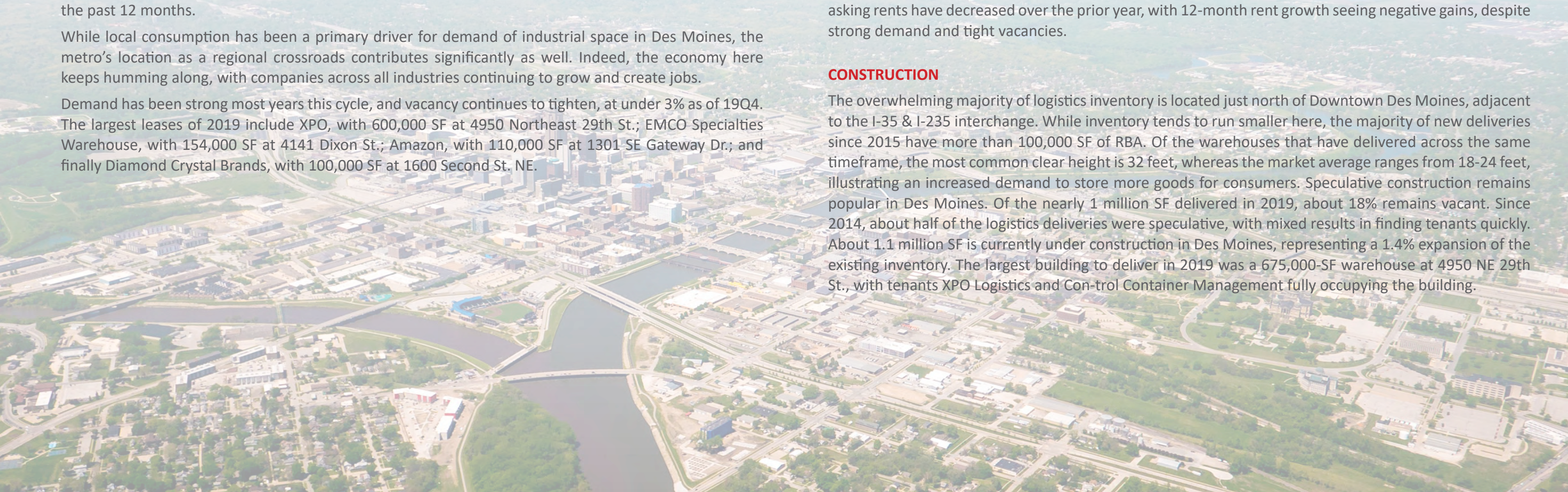
Both institutional and private investors are active in the Des Moines logistics market, and 2019 marked the best year for sales this cycle. Nearly \$140 million changed hands in 2019, with over 60% of the sales volume occurring in logistics properties. In the largest sale of the year, a 325,000-SF cold storage facility located at 612 Adventureland Dr. NE traded for \$25 million, or \$77/SF. The buyer, Lineage Logistics, paid cash for the property and fully occupies the building, built in 2003. In the next significant sale, Krause Holdings purchases a 671,000-SF warehouse at 1901 Bell Ave. from the Silverman Group for \$12.5 million. The property was purchased by the Silverman Group in January 2019 as part of a 28-property portfolio.

RENTAL RATES

Asking rents for industrial space in Des Moines average approximately \$5.70/SF. Flex space commands the highest rents, at nearly \$7.70/SF, while logistics space rents are usually lower—near \$5.10/SF. The Outlying Polk County Submarket commands the highest asking rents among its peers, although it contains the smallest inventory, with only four buildings. After strong rent growth throughout much of the cycle, asking rents have decreased over the prior year, with 12-month rent growth seeing negative gains, despite strong demand and tight vacancies.

CONSTRUCTION

The overwhelming majority of logistics inventory is located just north of Downtown Des Moines, adjacent to the I-35 & I-235 interchange. While inventory tends to run smaller here, the majority of new deliveries since 2015 have more than 100,000 SF of RBA. Of the warehouses that have delivered across the same timeframe, the most common clear height is 32 feet, whereas the market average ranges from 18-24 feet, illustrating an increased demand to store more goods for consumers. Speculative construction remains popular in Des Moines. Of the nearly 1 million SF delivered in 2019, about 18% remains vacant. Since 2014, about half of the logistics deliveries were speculative, with mixed results in finding tenants quickly. About 1.1 million SF is currently under construction in Des Moines, representing a 1.4% expansion of the existing inventory. The largest building to deliver in 2019 was a 675,000-SF warehouse at 4950 NE 29th St., with tenants XPO Logistics and Con-trol Container Management fully occupying the building.



-- DES MOINES OVERVIEW --



Des Moines is the capital and most populous city in the state of Iowa, and the county seat of Polk County. It is on and named after the Des Moines River. The local government serves more than 217,000 residents throughout 51 neighborhoods with more than 4,000 acres of parkland and 81 miles of trails. Des Moines is the core of one of the fastest growing metro areas (DSM USA) in the Midwest. Its pro-business environment and overall positive quality of life has earned the city numerous accolades.

More than 10,000 people live in Downtown Des Moines (DSM), while more than 80,000 people come to work here each day. Whether they’re employed by some of America’s largest insurance companies or one of the many tech startups that flourish here, opportunity is abundant in Downtown DSM.

As a globally connected community with a skilled workforce and a nationally ranked business environment, there’s a reason Downtown DSM is home to some of the world’s biggest and most dynamic brands. DSM has been named one of the 10 best cities to live and work, one of the best cities for business and careers, one of the top 10 places with the most job opportunities per capita and the #1 city for economic strength. The city offers an incredible business climate, unmatched incentives and an array of recent development projects. DSM has also been ranked among the top places to live in the U.S., as one of the most pro-business regions in the country and one of the best regions for young professionals and jobs.

Des Moines is located in the heart of Iowa, at the crossroads of Interstates 35, running north and south, and Interstate 80, running east and west. Centrally located in the Midwest, Des Moines is within 500 miles and a seven hour drive of 10 of the largest population bases. Interstate 80 connects Des Moines with nearby Omaha, Nebraska, and Iowa City, Iowa, while also running from San Francisco, California up to New Jersey, within the New York City metro area.



City	Distance from Des Moines	Drive Time from Des Moines
Omaha, NE	138 Miles	2 Hrs 10 Mins
Lincoln, NE	190 Miles	2 Hrs 58 Mins
Kansas City, MO	194 Miles	2 Hrs 57 Mins
Sioux City, IA	198 Miles	2 Hrs 59 Mins
Minneapolis, MN	244 Miles	3 Hrs 42 Mins
Madison, WI	293 Miles	4 Hrs 40 Mins
Chicago, IL	333 Miles	5 Hrs 4 Mins
St. Louis, MO	348 Miles	5 Hrs 33 Mins
Milwaukee, WI	375 Miles	5 Hrs 40 Mins
Indianapolis, IN	472 Miles	7 Hrs 11 Mins





-- DES MOINES OVERVIEW --

EMPLOYMENT

Employment gains picked up in Des Moines over the past year, as total employment increased by 2.3%, or about 8,450 jobs. Over the past five years, employment has increased by 2% annually on average, outperforming the national average, which increased by 1.7%. In fact, the local economic recovery outperformed many other Midwestern metros for most of the cycle, culminating in a median income level more than 10% above the national average and well ahead of most of its Midwestern neighbors. Des Moines is routinely voted in the top 10 best places for business and careers by Forbes. This recognition has continued to bring companies to Des Moines and is one of the reasons that professional and business services employment has outperformed in recent years.

Des Moines area businesses attract talent from a five-county metro area of more than 500,000 residents. Iowa’s work force, with more than an 80% high school graduation rate, ranks among the top five states.

The Des Moines metro area has a young and talented workforce relative to other Midwestern employment hubs and proportionally higher levels of educational attainment compared to cities such as Omaha and Kansas City. Young professionals are driving a cultural shift in Downtown Des Moines towards a live/work/play environment, and apartment development has jumped as a result.

Employment in the professional and business services industry has remained above the national average, and the area has been seeing healthy growth in financial activities and education and medical services. The Des Moines metro is a major insurance hub and home to Principal Financial (6,000 employees, per the Greater Des Moines Partnership), Wells Fargo (13,500 employees), Nationwide (4,300 employees), and Wellmark (1,500 employees), among others. The city recently hit an important economic milestone with unemployment 140 basis points below the national average, at 2.3%.

Insurance, government, manufacturing, trade, and health care services are major employers in Des Moines. Des Moines is a major center of the U.S. insurance industry, and has a sizable financial services and publishing business base. The city was credited as the “number one spot for U.S. insurance companies” in a Business Wire article and named the third-largest “insurance capital” of the world. The city is the headquarters for the Principal Financial Group, the Meredith Corporation, Ruan Transportation, TMC Transportation, EMC Insurance Companies, and Wellmark Blue Cross Blue Shield.





#5

Best Place for
Business and Careers
— *Forbes*, 2017

Best Job Markets
for 2018

#8

 ZipRecruiter®

#6

Best American Cities to
Work in Tech in 2019



 CUBESMART

One of the Best Cities to Start a Business (2018)





-- DEMOGRAPHICS --



POPULATION SNAPSHOT

- The population of Des Moines is 216,853.
- Des Moines is located within the Des Moines Metropolitan Area, which had an estimated 2017 population of nearly 683,000 residents.
- The median age in Des Moines is 34, which is lower than Iowa’s median age of 38.3 and lower than the US median age of 37.4.



HOUSING SNAPSHOT

- The median property value in Des Moines in 2017 was \$147,800.
- The homeownership rate in Des Moines-West Des Moines, IA is 69.6%, which is higher than the national average of 63.9%.
- There are approximately 251,000 households in the Des Moines-West Des Moines area.
- The Des Moines area has a cost of living index of 82.1, reflecting its affordable housing costs.



ECONOMY SNAPSHOT

- The median household income for the Des Moines-West Des Moines Iowa metro area was \$68,649 in 2017.
- The Des Moines-West Des Moines area has a trade area of 349,042 employees, reflecting a 2.89% growth over the previous year.
- According to a Greater Des Moines Partnership report, some of the top employer headquarters in Des Moines are:
 - » Wells Fargo Home Mortgage & Credit Services (1)
 - » UnityPoint Health Partners (2)
 - » Principal (Financial Services) (3)
 - » MercyOne Healthcare (4)
 - » Nationwide (5)
 - » Wellmark Blue Cross Blue Shield of Iowa (6)

		1 Mile	3 Miles	5 Miles
POPULATION	2019 Estimated Population	2,320	37,430	141,658
	2024 Projected Population	2,418	40,066	152,026
	2010 Census Population	2,230	35,341	129,849
	2000 Census Population	1,446	31,674	118,872
	Projected Annual Growth 2019 to 2024	0.8%	1.4%	1.5%
	Historical Annual Growth 2000 to 2019	3.2%	1.0%	1.0%
HOUSEHOLDS	2019 Median Age	36.3	36.2	34.0
	2019 Estimated Households	615	14,790	55,900
	2024 Projected Households	665	16,058	60,734
	2010 Census Households	557	13,520	49,261
	2000 Census Households	565	12,820	46,047
	Projected Annual Growth 2019 to 2024	1.6%	1.7%	1.7%
RACE & ETHNICITY	Historical Annual Growth 2000 to 2019	0.5%	0.8%	1.1%
	2019 Estimated White	85.8%	78.4%	72.3%
	2019 Estimated Black or African American	10.1%	8.6%	12.8%
	2019 Estimated Asian or Pacific Islander	1.9%	5.2%	6.0%
	2019 Estimated American Indian or Native Alaskan	0.2%	0.5%	0.5%
	2019 Estimated Other Races	1.9%	7.3%	8.5%
INCOME	2019 Estimated Hispanic	10.6%	12.0%	12.9%
	2019 Estimated Average Household Income	\$76,853	\$67,126	\$67,711
	2019 Estimated Median Household Income	\$64,337	\$59,396	\$59,893
BUSINESS	2019 Estimated Per Capita Income	\$26,867	\$27,124	\$27,053
	2019 Estimated Total Businesses	295	1,610	6,764
	2019 Estimated Total Employees	6,413	26,877	121,296
	2019 Estimated Employee Population per Business	21.7	16.7	17.9
	2019 Estimated Residential Population per Business	7.9	23.2	20.9

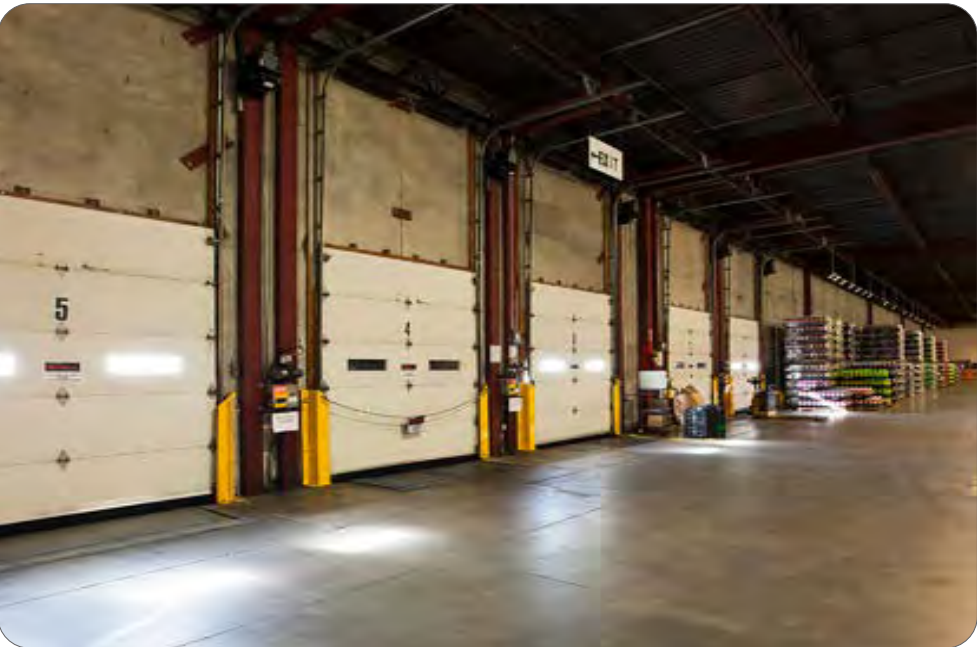
Sources: Livability.com; SitesUSA; DataUSA; Dsmpartnership.com

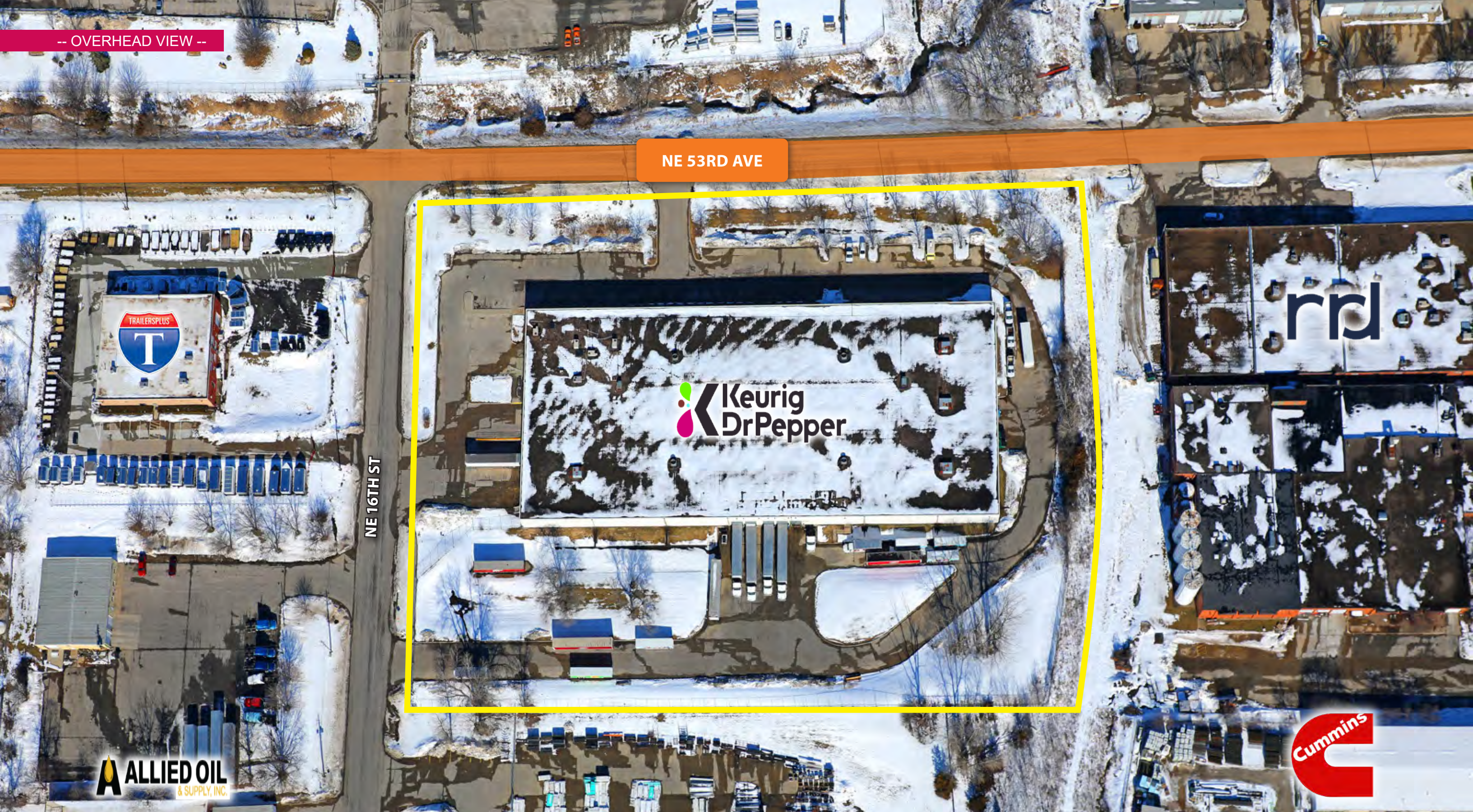


-- PROPERTY PHOTOS --



-- PROPERTY PHOTOS --













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