

DALLAS INDUSTRIAL

Target Market Spotlight

WHY DALLAS

The Dallas-Fort Worth (DFW) metro area, the 3rd largest population in the nation, has entrenched itself as one of the premier industrial markets in the U.S.

Strong Economy – Extremely diverse economy, low unemployment, 70+ universities, and 36% lower cost of living than major metros

Population & Business Growth – Fastest growing metro in the U.S., most corporate relocations in the U.S. due to business-friendly climate

Robust Infrastructure – 1M+ tons of cargo are moved through DFW daily, home to 2nd busiest airport in the world that drives \$37B in North Texas economic activity and supports 200k+ jobs

Strategic Location – Central U.S. location makes it a hub for distribution and logistics



INVESTMENT RATIONALE

While our targeted small- and shallow-bay assets (SSB) represent only $\pm 11\%$ of the Dallas industrial market, that still represents $\pm 110\text{M}$ square feet of assets, helping create a sizeable opportunity while being a lesser focus for most buyers

High Demand for Target Assets – Target SSB assets (<75k SF) are highly sought after by tenants, with 5.5% vacancy rates, greatly outperforming bulk assets (12.0% vacancy)

Aging, Functional Supply Overlooked – Target assets built in 1980-1999 (45% of target assets) remain in demand, but are often overlooked by institutions despite continued functionality

Liquid Transaction Market – Target SSB assets transact 24% more often than in comparable markets, offering ample liquidity at entry and exit

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A COMUNALE PROPERTIES COMPANY

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PRIVATE CAPITAL CORE

Long-duration industrial income and growth strategy focused on aggregating high-quality, infill, small- and shallow bay assets.