

Sun Belt Light Industrial Fund I

\$150M Value-Add Investment Strategy | Q1 2025

Investment Opportunity

Target: \$150M equity fund focused on light industrial assets in high-growth Sun Belt markets

Strategy: Acquire small-bay warehouse and flex industrial properties with value-add potential

Target Returns: 15-18% Net IRR with 1.7-2.0x equity multiple over 5-year hold period

Markets: Dallas-Fort Worth, Phoenix, Nashville, Charlotte, Tampa, and Austin

Thesis: E-commerce growth and supply chain reshoring driving unprecedented demand for last-mile facilities

Fund Overview

\$150M

Target Fund Size

15-18%

Target IRR

1.7-2.0x

Equity Multiple

5 Years

Hold Period

Light Industrial: The Strongest CRE Sector

US industrial vacancy at historic low of 4.1% nationally, sub-3% in target markets

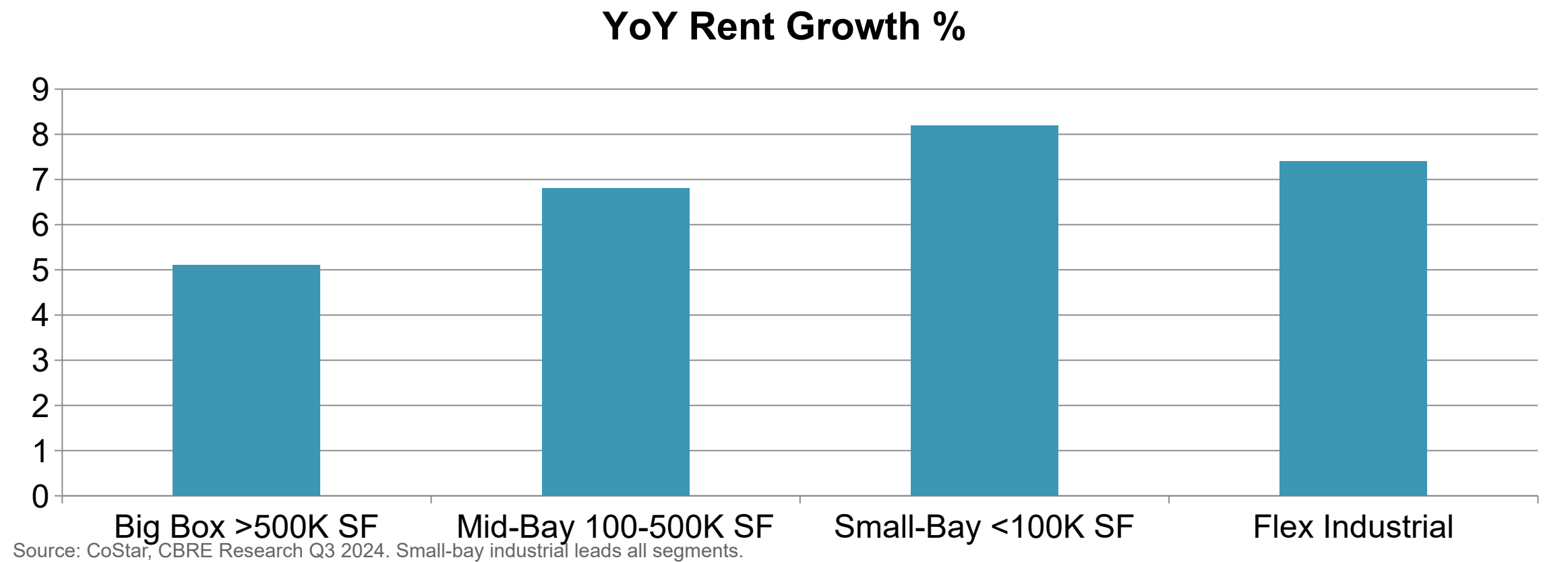
E-commerce penetration grew from 14% to 22% post-pandemic, driving 3x demand for warehouse space

Small-bay segment (<100K SF) outperforming with 8.2% rent growth YoY vs 5.1% for big-box

Supply chain reshoring adding 350,000+ manufacturing jobs since 2021

Sun Belt population growth 2x national average, driving tenant demand

Industrial Rent Growth by Segment



Target Market Fundamentals

Market	Vacancy %	Rent Growth	Population Growth	Job Growth
Dallas-Fort Worth	3.8%	9.2%	2.1%	3.4%
Phoenix	3.2%	11.4%	2.8%	4.1%
Nashville	2.9%	8.7%	2.3%	3.8%
Charlotte	3.5%	7.9%	2.0%	3.2%
Tampa	3.1%	10.2%	2.4%	3.5%
Austin	4.2%	8.1%	3.1%	4.5%

Value-Add Approach

Target: Small-bay warehouse (20K-100K SF) and flex industrial properties

Acquisition criteria: 70-85% occupied, below-market rents, deferred maintenance

Value creation: Lease-up to 95%+, mark-to-market rents, light capex improvements

Hold period: 3-5 years with exit to institutional buyers or 1031 exchange buyers

Leverage: 55-65% LTV with fixed-rate debt to protect against rate volatility

Investment Criteria

Target Profile

- Asset size: 20,000 - 100,000 SF
- Multi-tenant small-bay format
- 1990+ construction or renovated
- Clear height: 18-24 feet
- Truck court and loading

Value-Add Drivers

- Below-market in-place rents
- Lease-up from 70% to 95%+
- Deferred maintenance cure
- Tenant improvement allowances
- Energy efficiency upgrades

Target Acquisition Metrics

6.0-6.5%

Going-In Cap Rate

7.5-8.0%

Stabilized Yield

**5.75-
6.25%**

Exit Cap Rate

\$8-15M

Avg Deal Size

Proven Industrial Investment Experience

Management team has deployed \$420M+ across 45 industrial transactions since 2015

Realized gross IRR of 22.4% and 2.1x equity multiple on exited deals

Zero principal losses across all investments

Deep relationships with regional brokers, lenders, and tenants

Vertically integrated platform with in-house property management

Representative Realized Investments

Property	Market	Size (SF)	Hold Period	Equity Multiple	IRR
Southport Business Park	Nashville	68,000	3.2 years	2.4x	28.5%
Mesa Industrial Center	Phoenix	92,000	4.1 years	2.1x	21.2%
DFW Flex Portfolio	Dallas	145,000	3.8 years	1.9x	19.8%
Charlotte Commerce	Charlotte	54,000	2.9 years	2.2x	26.1%
Tampa Bay Logistics	Tampa	78,000	4.5 years	1.8x	17.4%

Firm-Wide Performance Summary

\$420M+

Total Deployed

45

Transactions

22.4%

Avg Gross IRR

0%

Loss Ratio

Identified Investment Opportunities

Property	Market	Size (SF)	Price	Cap Rate	Status
Metroplex Industrial Park	Dallas-Fort Worth	85,000	\$12.8M	6.2%	LOI Submitted
Camelback Flex Center	Phoenix	62,000	\$9.4M	6.4%	Due Diligence
Music City Warehouse	Nashville	48,000	\$7.2M	6.1%	Under Contract
I-485 Business Center	Charlotte	71,000	\$10.5M	6.3%	LOI Submitted
Tampa Gateway	Tampa	55,000	\$8.1M	6.5%	Preliminary Review

Pipeline Summary

5 properties totaling 321,000 SF and \$48M in potential acquisitions

Weighted average going-in cap rate of 6.3%

All properties meet core investment criteria with clear value-add path

Expect to deploy 30-40% of fund within first 12 months

Robust deal flow from established broker relationships in target markets

Key Risks and Mitigants

Risk Factors

- Interest rate volatility
- Economic recession impact
- New supply in target markets
- Tenant credit risk
- Execution risk on renovations

Mitigating Strategies

- Fixed-rate debt, conservative LTV
- Essential-use tenants, diverse base
- Focus on infill locations
- Credit underwriting, security deposits
- Experienced in-house team

Summary of Terms

Term	Details
Fund Size	\$150 million target (\$175M hard cap)
Minimum Commitment	\$1 million
Management Fee	1.5% on committed capital (investment period), 1.25% on invested capital (thereafter)
Carried Interest	20% over 8% preferred return
Preferred Return	8% compounded annually
Investment Period	3 years
Fund Term	7 years (2 one-year extensions)
GP Commitment	2% of fund size (\$3M)

Experienced Leadership

John Smith, Managing Partner - 20+ years industrial RE experience, former CBRE Industrial

Sarah Johnson, Partner - 15 years acquisitions, \$2B+ transaction experience

Michael Chen, VP Acquisitions - 10 years underwriting and deal execution

Lisa Rodriguez, VP Asset Management - 12 years property management and leasing

David Park, CFO - 18 years fund administration and investor relations

Thank You

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