

NON-INVESTMENT GRADE SINGLE-TENANT INDUSTRIAL



Investment Date:
2004-2005

Location:
Various US

Property Type:
Industrial

Square Footage:
2,923,428 (bldg sf)

Status: Fully Realized

- 2002** Greenfield sees mis-evaluation of risk in niche industrial real estate sector (single-tenant, below investment-grade) Single-tenant, investment grade very efficient (trade off of bond yields), as well as multi-tenant below investment-grade (5-6% cap)
- 2003** Greenfield sees opportunity to assemble "virtual" multi-tenant building through acquisition of multiple single-tenant facilities – mitigating perceived risk and lowering expected returns to future buyer pool
Forms a JV to acquire NNN leased single-tenant industrial properties in the US
- 2004** First assets acquired in strategy to effectively create a "multi-tenant" risk/reward profile, albeit in different geographic locations – target portfolio BB+ credit with lease duration of 7 years
- 2005** Aggregation of 21 assets (2.9 million sf) completed mid-2005 at an average cap rate of 11.4%, and a weighted average lease duration of 8 years
Refinanced portfolio at 83% LTC (5.0% fixed pay rate)
- 2006** Exited portfolio at 7.2% cap rate (just off multi-tenant pricing) consistent with the investment thesis

