

# RENAISSANCE TOWER

LONG-TERM GROUND LEASE INVESTMENT OFFERING  
CLASS A CBD | LEASED FEE ESTATE

RENAISSANCE TOWER / 1201 ELM ST. DALLAS, TX



# ***THE OFFERING***

CBRE, Inc. is pleased to offer qualified investors the opportunity to acquire the Ground Lessor's position in the leased fee estate of 1201 Elm Street, Dallas, Texas aka Renaissance Tower. The site is improved with a well-constructed, well performing, & well positioned 1,738,979 square foot, Class A, free standing multi-tenant office building located in the heart of Dallas' central business district. The property was designed by HOK and managed by CBRE and will be 75.6% occupied when the EPA lease commences. Furthermore, 55% of the net rentable space is long term leased, with the addition of the US Environmental Protection Agency, and by 7 other national tenants with very limited turnover.

The offering involves the opportunity to purchase 100% of the fully unsubordinated leased fee estate in the property for a non-cancellable term of 99 years (lease to be executed upon purchase). The lease income is "absolute net" to the Lessor.

Initial annual ground rent will start at \$3,250,000 payable in equal monthly installments. This ground rent will remain flat for 15 years. In year 16 the ground rent will escalate to \$4,063,254. The ground rent will escalate at 2.0% thereafter through the termination of the lease. At that time the ownership of the improvements will revert to the Leased Fee Owner.

This is exclusively an asset backed lease whose tenant is a single purpose limited liability company, sponsored by a Los Angeles based national commercial real estate owner and operator. Thus, the sole security for the Lessor (i.e. the Leased Fee Buyer) is the land and a residual interest in the improvements. It is important to note that there is no other guarantor and/or security from any other party. Please be advised that this offering and the ability sell the leased fee interest as described herein is strictly contingent upon the current fee simple owner of the property and Sponsor of Tenant completing an agreed upon sale transaction of Renaissance Tower. The lease and other due diligence documents are available now through CBRE for prospective purchasers to review at [www.dallasgroundlease.com](http://www.dallasgroundlease.com).



# *Investment*

## HIGHLIGHTS

- Landmark, 56 Story, Class A Office Tower
- Fully Unsubordinated 99-Year Absolute Net Escalating Lease
- Significant Residual Value in the Improvements
- Long-Term, In-Place Cash Flow
- DFW: Leading Population & Job Growth
- 2nd Tallest Office Tower in Dallas
- Leases Fee Value Expected to Be Less Than or Equal to 40% of Seller's Cost
- [www.dallasgroundlease.com](http://www.dallasgroundlease.com)





# *Investment*

## SUMMARY

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**PRICE:**

Unpriced

**YR 1 NET OPERATING INCOME:**

\$3,250,000

**CAPITALIZATION RATE:**

Unpriced

**ANNUAL RENT ESCALATORS:**

Years 1-15:

Stable Rent, No Increases

Year 16:\*

\$4,063,254

Years 17-99:

2.0%

**LEASE STRUCTURE:**

Absolute Net

**LEASE TERM:**

99 Years

**PURCHASE OPTIONS:**

None

**EARLY TERMINATION OPTIONS:**

None

**EXISTING DEBT TO ASSUME:**

None

*\* Year 16 Rent was calculated as though the initial rent of \$3,250,000 escalated each year at 1.5%.*

# Asset

## PROFILE

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**LOCATION:**

1201 Elm Street  
Dallas, Texas 75270

**NET RENTABLE AREA:**

1,738,979 RSF

**LEASED:**

75.6% (with EPA occupancy in Dec-18)

**NUMBER OF STORIES:**

56 (Plus Concourse and Basement Levels)

**YEAR BUILT:**

1974

**SUBSTANTIALLY RENOVATED:**

1986 - 1991

**TYPICAL FLOOR SIZES:**

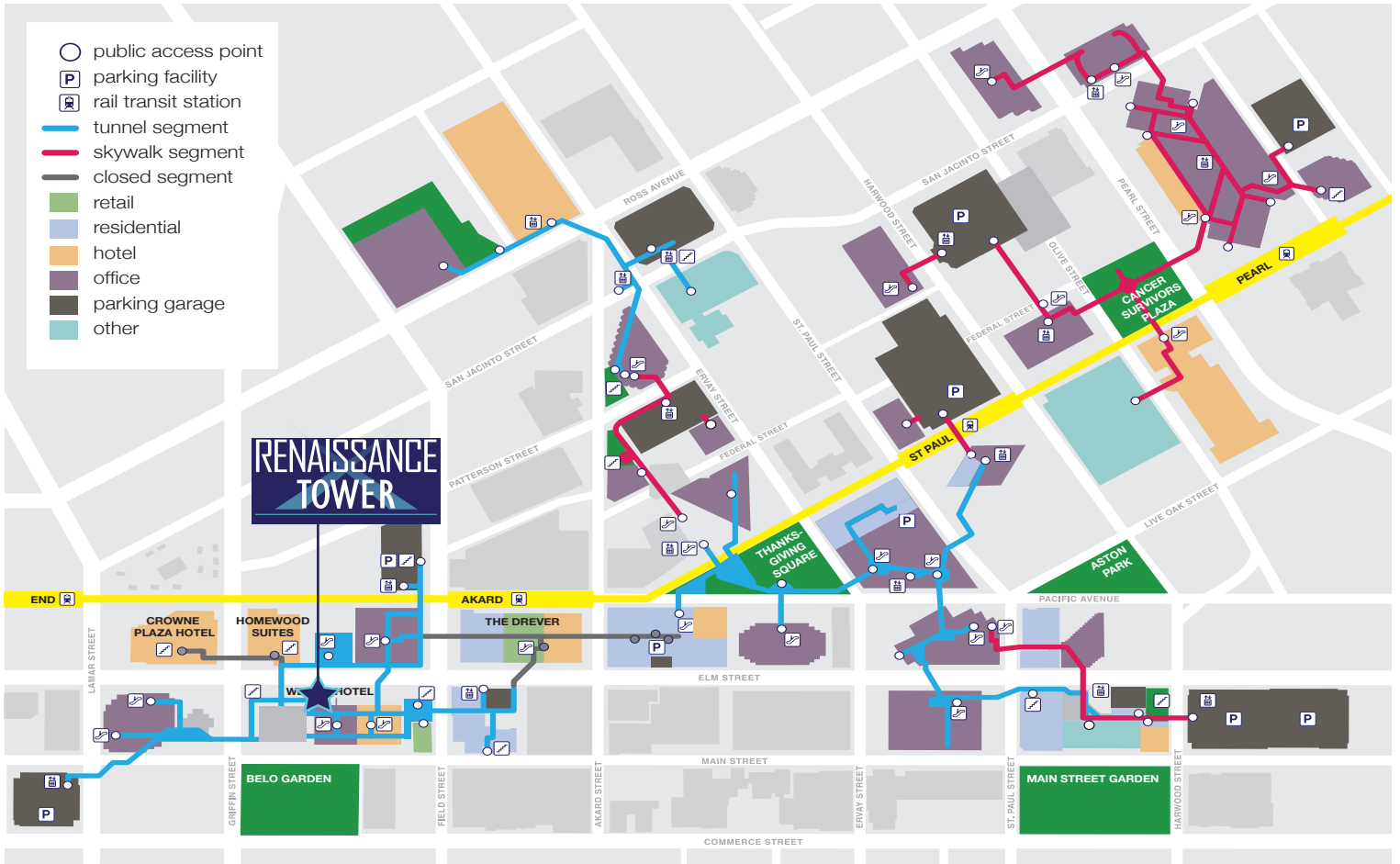
31,000 RSF

**SITE:**

1.6 Acres



# LOCATION



# SUMMARY OF GROUND LEASE TERMS

## GROUND LEASE COMMENCEMENT DATE:

To be determined.

## TERM:

Ninety-nine (99) years, to be commenced upon the close of Leased Fee Sale.

## MINIMUM ANNUAL RENT:

Please refer to Contractual Rent Schedule table.

## LEASE EXPENSE STRUCTURE:

This is an "absolute net" Ground Lease.

## USE:

Class A Office Building, ground level retail, and such other income producing uses as may be permitted by law.

## TITLE TO THE IMPROVEMENTS:

Vested in Tenant during the term of the Lease.

## CONTRACTUAL RENT SCHEDULE

LEASE YEAR	MINIMUM ANNUAL GROUND RENT	MINIMUM MONTHLY GROUND RENT
Year 1	\$3,250,000.00	\$270,833.33
Year 2	\$3,250,000.00	\$270,833.33
Year 3	\$3,250,000.00	\$270,833.33
Year 4	\$3,250,000.00	\$270,833.33
Year 5	\$3,250,000.00	\$270,833.33
Year 6	\$3,250,000.00	\$270,833.33
Year 7	\$3,250,000.00	\$270,833.33
Year 8	\$3,250,000.00	\$270,833.33
Year 9	\$3,250,000.00	\$270,833.33
Year 10	\$3,250,000.00	\$270,833.33
Year 11	\$3,250,000.00	\$270,833.33
Year 12	\$3,250,000.00	\$270,833.33
Year 13	\$3,250,000.00	\$270,833.33
Year 14	\$3,250,000.00	\$270,833.33
Year 15	\$3,250,000.00	\$270,833.33
Year 16	\$4,063,254.22	\$338,604.52
Year 17*	\$4,144,519.30	\$345,376.61
Year 18*	\$4,227,409.69	\$352,284.14
Year 19*	\$4,311,957.88	\$359,329.82
Year 20*	\$4,398,197.04	\$366,516.42

\* Increases 2.00% per Annum thereafter until Expiration of Lease

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