

TAHOE-RENO 3 & 4

- » TWO CLASS A, CROSS-DOCK LOGISTICS BUILDINGS TOTALING 1,133,741 SF
- » 100% LEASED TO HOME DEPOT AND CHEWY, INC.

385 & 555 MILAN DRIVE, MCCARRAN, NV



A CBRE NATIONAL PARTNERS INDUSTRIAL INVESTMENT OPPORTUNITY



TAHOE-RENO 3 & 4

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EXECUTIVE SUMMARY

The Offering

CBRE, Inc. is pleased to offer an excellent opportunity to acquire **Tahoe-Reno 3 & 4** (the "Property"), two Class A cross-dock, industrial buildings totaling 1,133,741 SF in McCarran, Nevada. Tahoe-Reno 3 is 100% leased to Home Depot (NYSE: HD), the world's largest home improvement retailer, through February 2022. Tahoe-Reno 4 is 100% leased Chewy, Inc. (NYSE: CHWY), an online animal product retailer with a market cap of \$11.2B and a total revenue of \$4.6B (ttm), through March 2024.

The site is in the highly desirable Reno industrial market, one of the top emerging markets in the U.S. The market posted 2.5 million SF of net absorption in the fourth quarter of 2019, bringing the annual total to 3.7 million SF. This marks the seventh consecutive year with over 3.5 million SF of net absorption. Strong leasing activity has pushed vacancy down 100 bps during Q4 2019.

E-commerce and distribution tenants are attracted to this location given the excellent transportation infrastructure, immediate access to I-80 and proximity to the Reno-Tahoe International Airport. The property is strategically located in the iconic 107,000-acre Tahoe-Reno Industrial Center ("TRIC") which qualifies the site as an Opportunity Zone and provides Foreign Trade Zone status. Corporate neighbors include Tesla, Google, Walmart, Blockchains, Switch, PPG and many more.



TAHOE-RENO 4

	TAHOE-RENO 3 555 MILAN DRIVE MCCARRAN, NV	TAHOE-RENO 4 385 MILAN DRIVE MCCARRAN, NV	TOTAL
OCCUPANCY	100%	100%	100%
SQUARE FOOTAGE	566,875 SF	566,866 SF	1,133,741 SF
LAND SIZE	28.08 Acres	27.45 Acres	55.53 Acres
FAR	0.46	0.47	0.47
CLEAR HEIGHT	32'	36'	32'-36'
DH/GL DOORS	148/4	146/4	294/8
TRUCK COURT DEPTH	170'	190'	170'-190'
YEAR BUILT	2008	2015	2008, 2015
NOI			\$4.9M

TAHOE-RENO INDUSTRIAL CENTER AERIAL



switch

BLOCKCHAINS

MARS
Petcare

Duraflex

INTERSTATE
80

jet

zulily

PPG

JamesHardie

Walmart

TIRE RACK
.com

SCOU GAL RUBBER
CORPORATION

C.R.England

L
LAWSON

TAHOE - RENO 1

PET SMART

TAHOE - RENO 4

Radial

chewy.com

ELECTRIC AVE

TESLA

TESLA

TAHOE - RENO 4

THRIVE
- MARKET -

THE HOME
DEPOT

TAHOE - RENO 3

MILAND DR

OFFERING HIGHLIGHTS

State-Of-The-Art Logistics Buildings

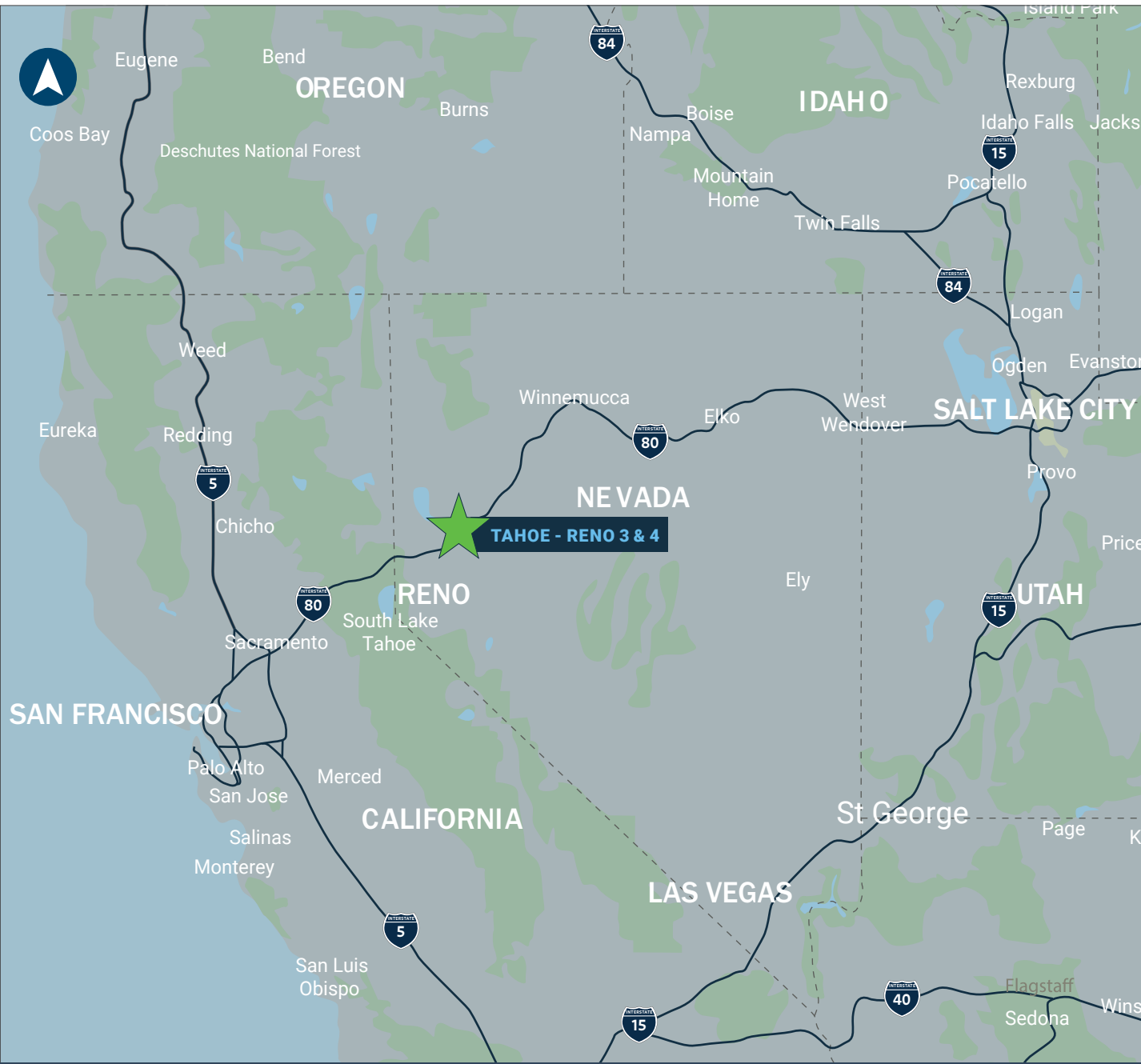
- » Two Class A logistics facilities totaling 1,133,741 SF on 55.53 acres of land
- » Excellent distribution features include 32'-36' clearance, cross-dock loading, ample dock high/grade level doors and trailer parking
- » Flexible design with parking at both ends accommodating future multi-tenanting
- » Drive around access with multiple points of ingress/egress

100% Leased To Blue Chip Tenants

- » In-place rent is approximately 7% below market, providing future upside to NOI upon lease rollover
- » **Tahoe-Reno 3** is 100% leased to an investment grade tenant, Home Depot (NYSE: HD), through February 2022
 - » Home Depot, founded in 1978, is the world's largest home improvement retailer with nearly 400,000 employees in 2,200 store locations
 - » Home Depot had a record sales year with total sales reaching \$110.2 billion, up 3.5% from FY 2018
 - » The company is publicly traded in the NYSE with a market cap of \$263 billion
 - » Tahoe-Reno 3 is a Class A facility with modern features which originally attracted Home Depot to the site
- » **Tahoe-Reno 4** is 100% leased to Chewy, Inc. (NYSE: CHWY) through March 2024
 - » Chewy, Inc. offers the personalized service of a neighborhood pet store alongside the convenience and speed of e-commerce
 - » The company has shipped 100 million orders since 2011 and has 12.7 million active customers as of Q3 2019
 - » Market cap of \$11.1 billion with \$4.6 billion in revenue over the last year and 40% quarterly revenue growth compared to 2018. Over the last 12 months Chewy generated \$51 million in operating cash flow
 - » This fully racked distribution center is critical for Chewy to meet its fulfillment needs as a rapidly growing e-commerce company



OFFERING HIGHLIGHTS



Strategic Distribution Location With Immediate I-80 Access

- » Strategically located 3.0 miles from I-80, a major east-west highway that connects San Francisco and Sacramento to Salt Lake City
- » Two dedicated exits (Patrick & USA Parkway), one that serves a four-lane artery south through the center of the park
- » Located approximately 16 miles east of Reno/Sparks which offers access to an abundant labor pool
- » ±24 miles to Reno-Tahoe International Airport with flights almost hourly to all major markets in the country and air cargo service from Capital Cargo, DHL, FedEx and UPS
- » Regional distribution reaching the eight most Western states overnight utilizing the cost savings of ground rates and serving eleven states with one and two-day shipping
- » Logistics companies use these rail and truck networks to reach 80% of the vast Western U.S. within a day's travel time
- » State regulation of trucking allows for "Triples" across much of the west, making Reno a convenient location for assembly/disassembly of loads headed both East to West and North to South showing lack of supply for industrial buildings of this scale

IDEAL FOR REGIONAL DISTRIBUTION, LOCATED WITHIN A ONE-DAY DRIVE OF LOS ANGELES, SAN FRANCISCO, LAS VEGAS AND SALT LAKE CITY - ACCESS TO ±56 MILLION PEOPLE

OFFERING HIGHLIGHTS

Iconic Tahoe-Reno Industrial Center

- » The Tahoe-Reno Industrial Center ("TRIC") is the premier park in the Reno area totaling 107,000-acres and is perfectly located as a regional distribution hub for logistics users
- » Approximately 11 MSF of industrial space now in use by 140+ companies including Tesla, Switch, Blockchains, PPG, Walmart, Petsmart, Jet, Chewy.com and many more
- » 12 miles of dedicated frontage along the I-80 corridor and Union Pacific rail line, which is the central logistics corridor to and from the East Coast
- » High-pressure gas available and five generating power plants on site delivering 900+ megawatts of electrical power available directly to all park users
- » The pace of the area's growth has been unprecedented, as it will take less than 20 years before almost the entirety of the Tahoe-Reno Industrial Center is developed

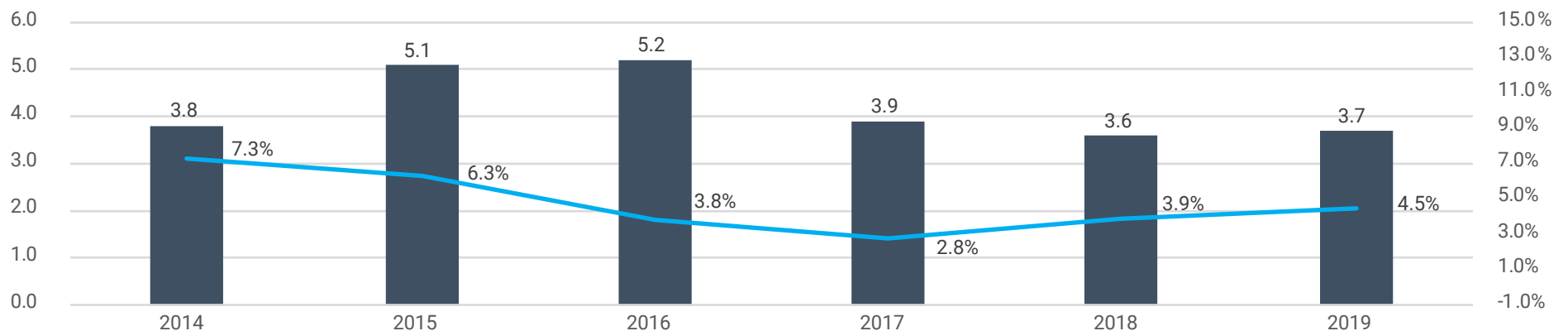
TAHOE-RENO INDUSTRIAL CENTER HAS BECOME RELATIVELY LAND-CONSTRAINED OVER THE LAST 12 MONTHS DUE TO THE ACQUISITION OF LARGE TRACKS OF LAND BY BLOCKCHAINS, SWITCH, AND OTHER WORLD RENOWNED TECHNOLOGY COMPANIES. THESE COMPANIES ARE USING THEIR SITES FOR THEIR OWN FACILITIES AND ARE UNWILLING TO SELL. THEREFORE, THERE ARE FEW SITES LEFT IN THE CENTER TODAY (FOR NON-BUILD-TO-SUIT BUYERS) THAT CAN ACCOMMODATE BUILDINGS OF SCALE.

Strong Market Dynamics

- » 2.5 MSF of positive net absorption was recorded during the fourth quarter of 2019 bringing the annual total to 3.7 MSF
- » 7th consecutive year with over 3.5 MSF of annual net absorption
- » Reno recorded 1.52 MSF of annual positive net absorption for buildings greater than 500K SF, accounting for 41% of Reno's overall net absorption in 2019
- » Overall vacancy dropped by 100 basis points (bps) in Q4 2019, representing the largest drop in the vacancy rate in 2 years
- » East Valley recorded 751,928 SF of positive net absorption in 2019, accounting for 20% of the overall markets net absorption
- » Only two buildings 500K+ SF were completed in East Valley in the past 18 months showing lack of supply for industrial buildings of this scale

RENO HAS RECORDED AN AVERAGE OF 4.2 MSF OF NET ABSORPTION ANNUALLY, WHILE VACANCY HAS DECREASED 38% OVER THE PAST 6 YEARS

RENO VACANCY & NET ABSORPTION



LOCAL MAP

KEY DISTANCES



2.8 MI



RENO / SPARKS

16.0 MI



20.0 MI



RENO-TAHOE INTERNATIONAL AIRPORT

24.0 MI



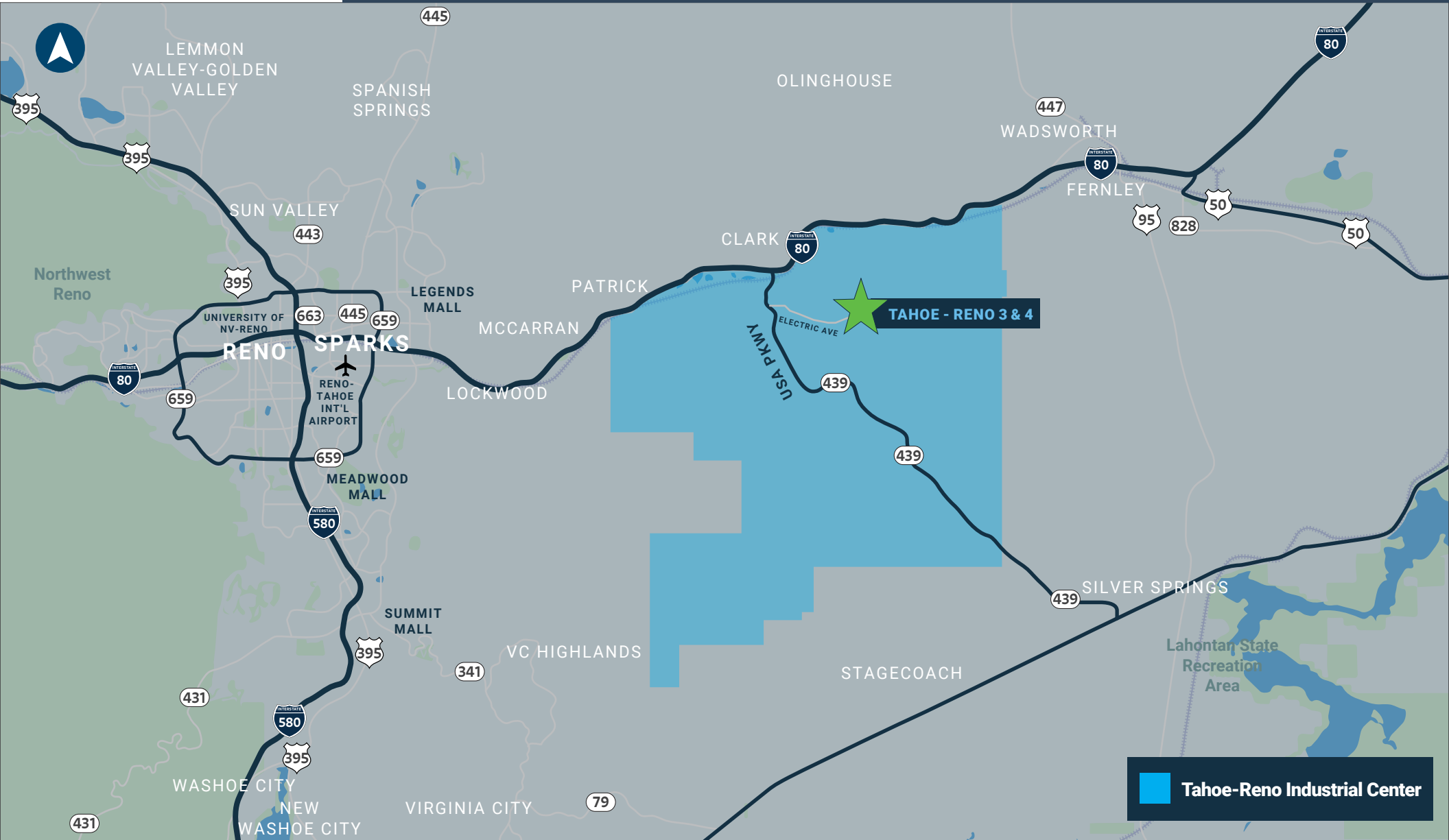
RENO STEAD AIRPORT

31.0 MI



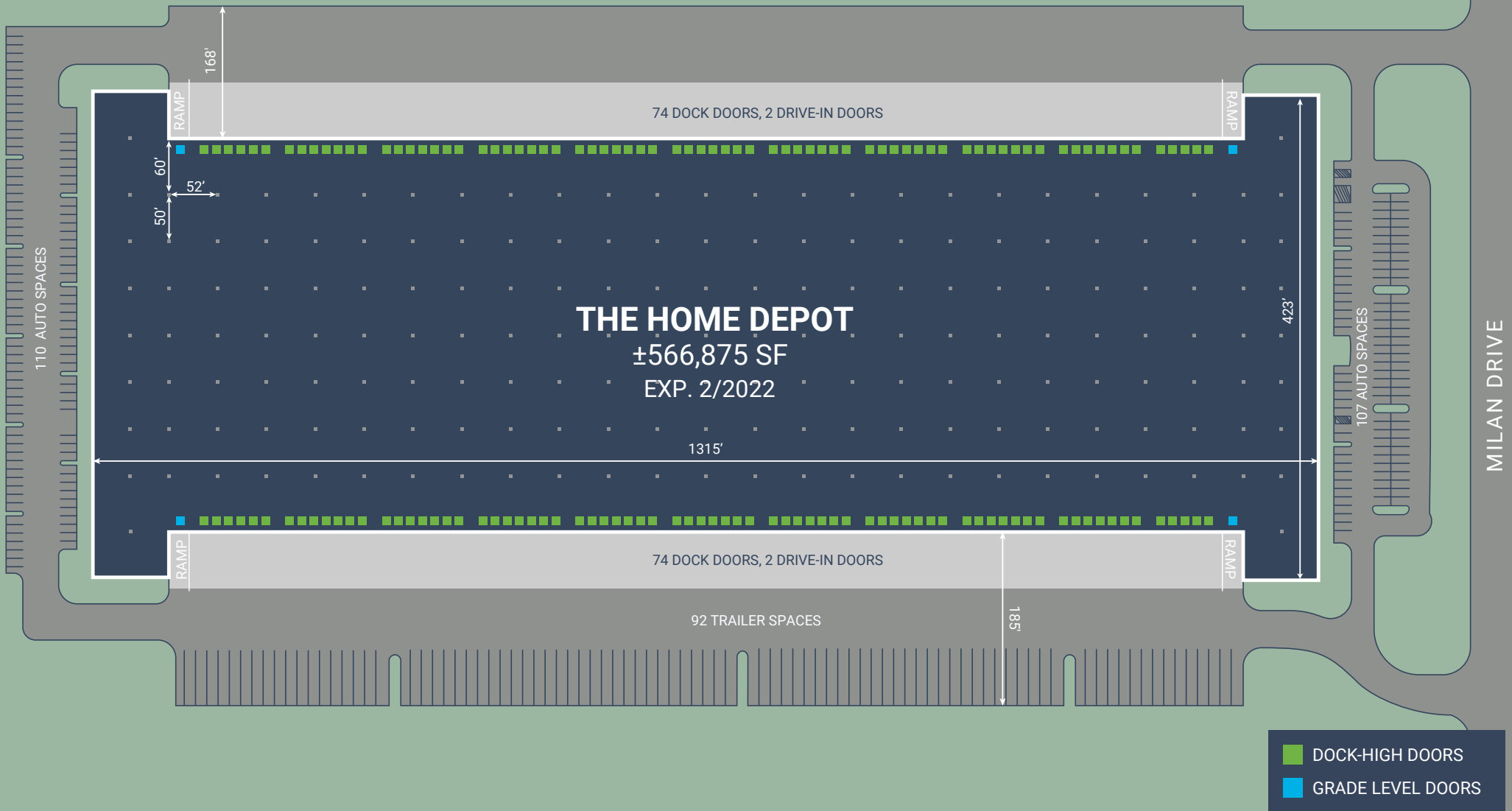
CALIFORNIA BORDER

35.0 MI

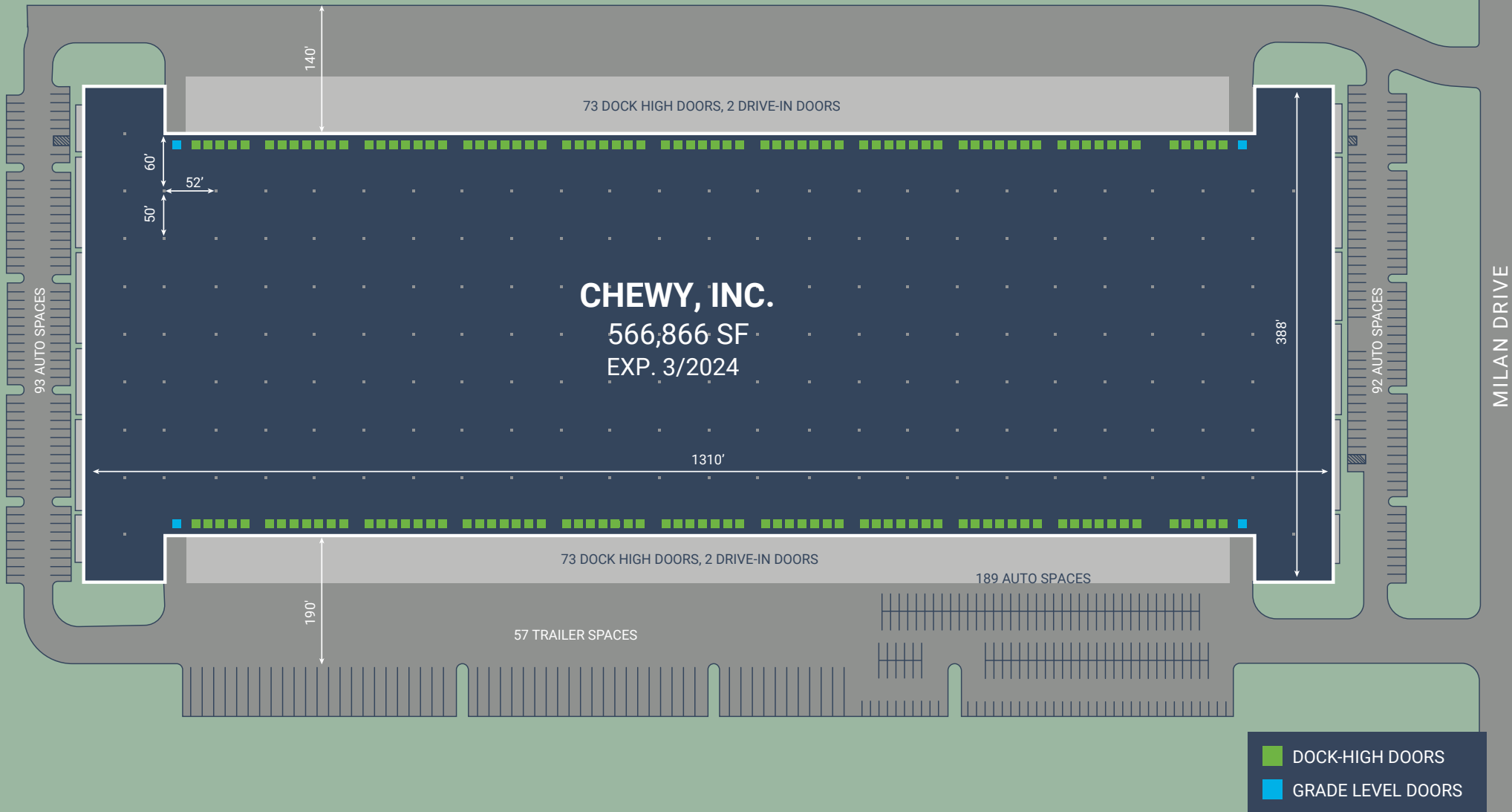


 Tahoe-Reno Industrial Center

TAHOE-RENO 3 SITE PLAN



TAHOE-RENO 4 SITE PLAN



TAHOE-RENO 3 & 4

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