

CenterSquare Investment Management LLC Announces Sale of 300,000 Square Foot Industrial Property



Transaction follows new lease to Amazon with no down time after seven years of consistent cash flow from previous single tenant

Transaction Overview

In August 2013, CenterSquare, on behalf of a core-plus separate account client, acquired 12900 W. Airport Blvd., a 300,000 square foot industrial warehouse building located in Sugar Land, TX, a submarket of Houston. Sourced off-market from a family trust, the property was 100% leased to a single tenant who was underutilizing the building and marketing it for sublease. While the family trust was motivated to sell the property due to their fear of impending vacancy, CenterSquare viewed it as an opportunity to re-lease the property at higher market rents while also improving the tenant quality.

As projected, after exercising its five-year renewal option, the tenant decided to vacate in March 2020, allowing CenterSquare to re-lease the building. In January 2020, a lease was executed with Amazon to assume the final two months of the tenant's term and invest \$15 million in improvements to the building. The property was sold to an institutional buyer in June 2021 at a price which yielded a strong return that outperformed original underwriting.

"During the hold period, this investment produced consistent, attractive cash flow and, as a result of our success re-leasing the building to a superior tenant with zero downtime, exceeded original return projections," said Jeffrey Reder, Managing Director of Private Real Estate for CenterSquare. "CenterSquare continues to seek similar investments in attractive industrial assets located in growth markets with current or pending vacancies where we can execute our value enhancement business plan to create core quality assets."

For more information about CenterSquare's Core-Plus and Value-Added Private Equity Real Estate investment strategies, please contact:



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