

CenterSquare Announces Sale of Phoenix Industrial Property After Successful Renovation and Rapid Lease-Up



On September 29, 2021, CenterSquare Value-Added Fund IV and its Joint Venture Partner sold the infill distribution facility achieving a favorable outcome for investors.

Transaction Overview:

In July 2019, CenterSquare Value-Added Fund IV and its joint venture partner CapRock Partners acquired Papago Distribution Center, a Class A distribution facility in an infill location within the Southwest submarket of Phoenix. The Property was a functional, 226,436 square foot distribution facility built in 2000 with 30' clear heights, heavy power, excellent loading, and rail service accessibility. Phoenix has long been a target market for CenterSquare due to the area's outsized population and employment growth, and its robust infrastructure to accommodate expansion.

At the time of acquisition, the Papago Distribution Center was 100% leased to a third-party logistics tenant with a substantially below market lease in place. The business plan called to vacate the existing tenant upon lease expiration, implement a capital improvement plan, upgrade tenancy and execute a lease at a market rate. Improvements included adding new LED lights, HVAC units, ventilators, skylights, insulated dock doors, resealing the parking lot, fencing and securing the truck courts, and new office space. The improvements made the Property move-in ready and capitalized on robust tenant demand, resulting in the execution of a full building, long-term lease above and ahead of underwriting to an international building products manufacturer to serve as its West Coast hub.

After completion of the business plan, Papago Distribution Center was marketed for sale with Cushman & Wakefield and sold to an institutional investor.

"At the outset of this investment, we believed that the quality of the real estate and the location in one of the top growth markets in the country would put the Partnership in a strong position to create significant value," said Robert Wasenius, Vice President of Private Real Estate at CenterSquare. "Our timely execution of the business plan allowed the property to be move-in ready to meet the robust tenant demand. The outcome was a positive result for our investors and a testament to CenterSquare's strong conviction in our value-added strategy."

For more information about CenterSquare's Value-Added Private Real Estate Investment Strategy, please contact:



Chad Burkhardt
*Managing Director,
Private Real Estate*
CBurkhardt@CenterSquare.com



Jeffrey Reder
*Managing Director,
Private Real Estate*
JReder@CenterSquare.com



630 West Germantown Pike, Suite 300, Plymouth Meeting, PA 19462
T 610 834 9500 F 610 834 9505 www.centersquare.com
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