

## PORTFOLIO ACQUISITION (COMPLETE THE 1031)

**Property:** 4 Buildings - Americo

**Address:** Dallas Metroplex

**Square Feet:** 243,427 SF

**Location:** The buildings are located in strong infill locations throughout Dallas including Irving (Adjacent to the DFW Airport), Grand Prairie (Institutional Business Park), and Plano (North Dallas Growth Corridor). This provides immediately critical mass to one of the top growth markets in the Country.

### Key Team Members

Canon Shoults – Vice President  
Holt Lunsford Commercial  
(Operating Partner)

Mona Carlton – Partner  
HFF (Debt Source)

## RETURN PARAMETERS

Leveraged Cash Yield 2016	10%
Unrealized IRR	18%
Equity Multiple	2.2x

## CASE STUDY #3



Top: 10<sup>th</sup> Street, Plano  
Bottom: Tristar Tech Center, Irving



Top: 1517 W. North Carrier Pkwy, Grand Prairie;  
Bottom: 8080 Beltline Road, Irving



The property was sourced on an off-market basis through HFF, with coordination between the Los Angeles and Dallas offices. KFG was able to move quickly and procure the buildings on an all-cash basis to complete a 1031 exchange requirement, with a close of escrow in February 2015. In May 2015 the assets were refinanced locking long term debt at 3.81%. The purchase price of \$20,950,000 (+/- \$86/SF) represented a 7.67% going-in capitalization rate. The property breakdown is as follows:

Beltline Road	\$4,200,000	39,559 SF	3-tenant Flex industrial
Tristar Tech Center	\$8,159,180	80,791 SF	Multi-tenant flex/industrial
Carrier Center	\$4,918,258	83,896 SF	Shallow bay industrial
10 <sup>th</sup> Street Plano	<u>\$3,672,562</u>	<u>39,181 SF</u>	2-tenant flex industrial
	\$20,950,000	243,427 SF	

### Key Asset Management Accomplishments

- The properties are infill locations which, coupled with a follow-up acquisition in Plano, is designed to provide a critical mass of infill assets in Dallas.
- Holt Lunsford Commercial in Dallas was involved in the due diligence and handles the leasing and management, and was willing to co-invest with KFG. Holt Lunsford has a strong presence in Dallas with over 46 million square feet under management, and provides the relationship necessary to continue to expand in the Dallas market.
- The initial year of operations were projected to generate an 8% cash yield after reserves for leasing costs. The properties are exceeding projection in leasing and cash flow.

