



CIRE EQUITY

Goodyear Tires / Case Study





Industrial Sale Leaseback / Behind the Deal

Overview →

- Institutional quality industrial acquisition
- Structured 5-year sale-lease back of Goodyear Tires' west coast distribution hub
- 39%+ discount to 2021/2022 market pricing
- 46% discount to current industrial public REIT pricing

Market Positioning →

- Ultra-low, 2.7% submarket vacancy
- Inland Empire industrial rent forecasted to grow 5.3% annually over the next five years
- Deep discount to replacement cost on early 2000's vintage construction
- Adjacent to institutionally-owned assets, providing strong liquidity on sale

Deal Source →

- Sourced off-market through a long-standing broker relationship
- Capitalized on seller fatigue after multiple institutions backed out at higher pricing

Active Management →

- Negotiated lease-back rent 21% below market, creating an outsized opportunity for long-term rent growth
- Structured 4% rent escalations and 12-month notice period, growing cash flow during hold and minimizing rollover downtime
- Leveraged established relationships to obtain financing 265 bps tighter than cap rate
- Opportunity to monetize undeveloped excess land

17.9%

Gross IRR¹ ›

2.4x

Gross IRR¹ ›

9.6%

FFO Yield¹ ›

Deal Drivers ›



RELAT



INEFF



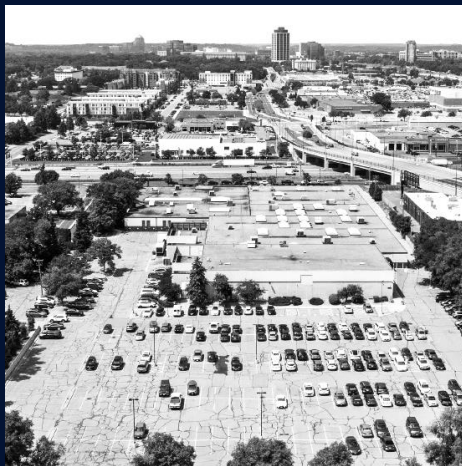
DISC



VALUE



DATA



Location ›

Victorville, CA

Property Type ›

Single-Tenant Industrial

MSA ›

Inland Empire

Building Size ›

827,689 SF

Occ. (As-Is / Stabilized) ›

100% / 100%

In-Place Cap Rate ›

8.0%

LTV ›

60.0%

Close Date ›

Q2 2023

Underwritten Investment Performance ›

Gross IRR ›

17.9%

Equity Multiple ›

2.4X

FFO Yield ›

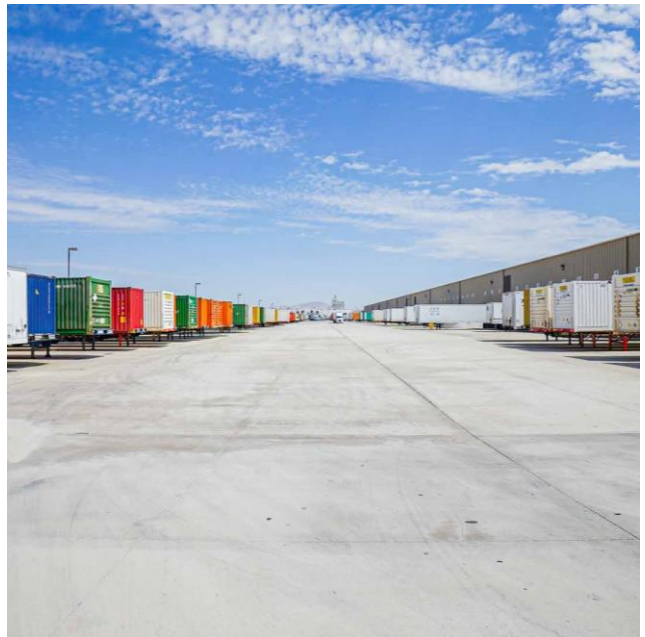
9.6%

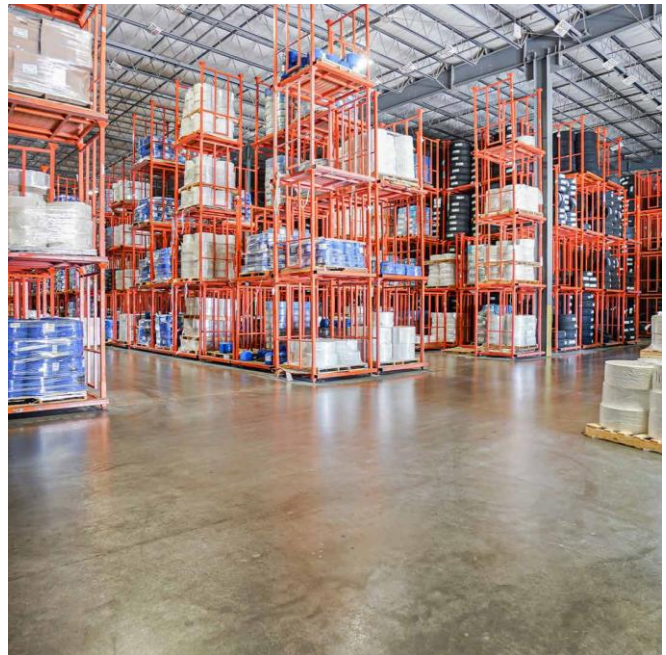
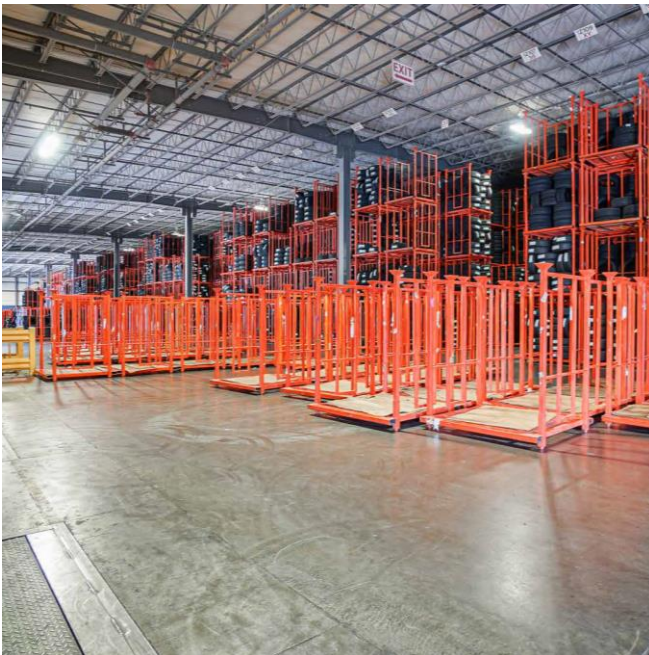
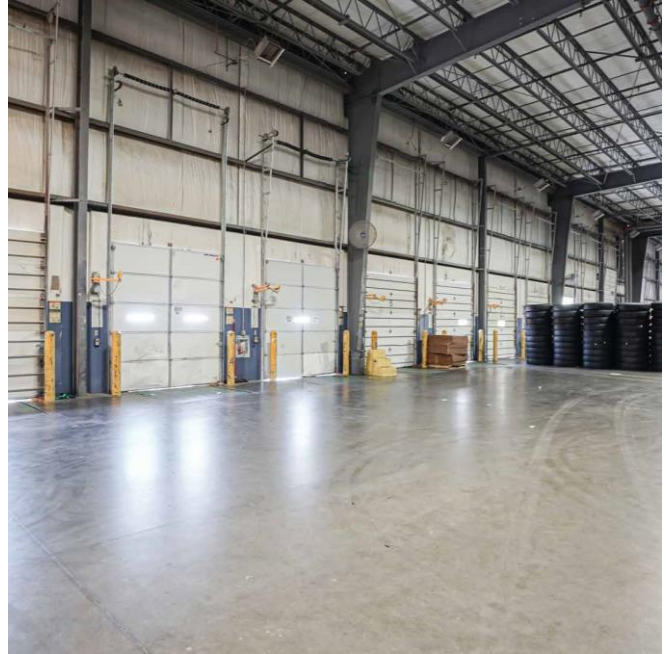
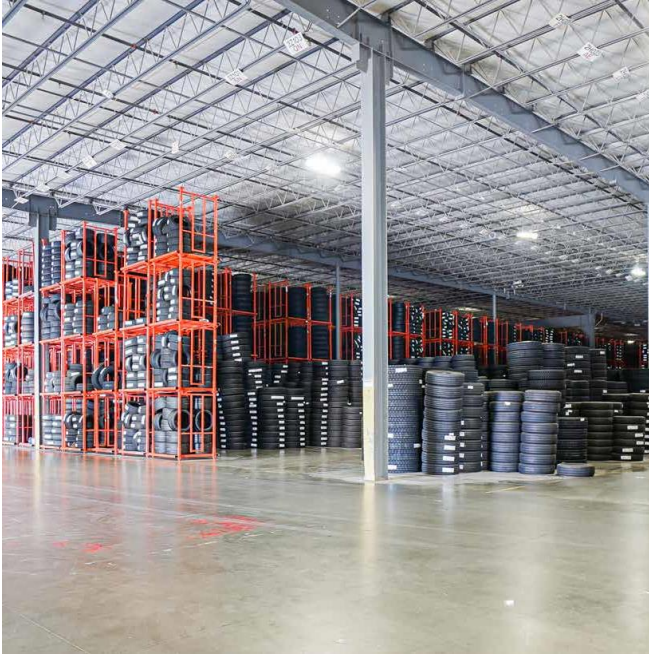
Hold Period ›

6 Years

Footnotes

¹ Displayed Gross IRR and FFO Yield is net of 1.85% fund management fee and G&A load
Leveraged IRR and Multiple







Disclosures ›

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