



FULLY-LEASED FEDEX GROUND FACILITY | \$9,025,000 (7.4% CAP RATE)
ASHEVILLE, NORTH CAROLINA MSA

CBRE
CAPITAL MARKETS
INVESTMENT PROPERTIES



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INVESTMENT CONTACT

RANDY GETZ

Executive Vice President
Lic. 00828903
+1 916 446 8287
randy.getz@cbre.com

CBRE, Inc.
500 Capitol Mall
Suite 2400
Sacramento, CA 95814

LOCAL MARKET CONTACT

PATRICK GILDEA

Executive Vice President
Lic. 247858
+1 704 331 1217
patrick.gildea@cbre.com

CBRE, Inc.
201 S. College St.
Suite 1700
Charlotte, NC 28244

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EXECUTIVE SUMMARY

THE OFFERING

CBRE, Inc. is pleased to offer for sale a built-to-suit industrial property leased to FedEx Ground Package System, Inc., located 11 miles south of Asheville, North Carolina in the Broadpointe Business Park. Originally placed in service in 2006, the facility was expanded to 89,828 square feet in 2012 and the lease term extended to August 2022. Tenant has two additional five-year options to extend at fixed increases of 10% each. FedEx typically renews its leases, as each facility it occupies is built to its exacting specifications. This property is less than one mile from Asheville Regional Airport and is adjacent to Highway 280, providing quick regional access to Interstate 26, Interstate 40, and Highway 191.

The asset is priced at \$9,025,000, which equates to \$100.47 per square foot. The initial capitalization rate is 7.4%, but if debt is utilized as modeled in our 10-year discounted cash flow, the projected annual yield is 15.51%.

FedEx has a major presence in the area. In addition to this FedEx *Ground* facility, a large FedEx *Freight* facility (not a part) is located approximately 1/3-mile south on the east side of Highway 280 at 209 Fanning Fields Road.

OFFERING SUMMARY

PROPERTY TYPE	Industrial
PROPERTY NAME	FedEx Ground Terminal
ADDRESS	99 Broadpointe Drive, Mills River, NC 28759
NET RENTABLE AREA	89,828 square feet
OCCUPANCY	100%
OFFERING PRICE (PSF)	\$9,025,000 (\$100.47)
YIELDS	Initial cap rate: 7.4% Leveraged annual IRR: 15.51%
YEAR BUILT	2006; premises expanded and lease extended in 2012.
EXPIRATION OF FINAL OPTION:	August 31, 2032
CONSTRUCTION TYPE	Metal with metal roof





INVESTMENT HIGHLIGHTS

- Build-to-suit terminal has been fully leased to FedEx Ground since 2006
- Building was expanded and the lease extended in 2012
- Tenant has options to extend through August 2032
- Asheville is a 29-million-square-foot industrial market with 3.4% vacancy
- Subject's Henderson County submarket is the region's second largest with 0.9% industrial vacancy in 3Q 2017
- FedEx *Freight* has a similar facility 1/3-mile away
- FedEx is a Fortune 100 company with investment-grade credit
- NN lease with Landlord responsible for only exterior, (metal) roof and structural

LEASE HIGHLIGHTS

TENANT	FedEx Ground Package System, Inc.
S.&P. RATINGS	Long-term issue credit rating: BBB Short-term issue credit rating: A-2
CURRENT TERM/ ANNUAL RENT	September 1, 2006–August 31, 2022 / \$668,016
OPTION TERMS/ ANNUAL RENT	September 1, 2022–August 31, 2027 / \$734,808 September 1, 2027–August 31, 2032 / \$808,296
LEASE TYPE	NN (see below)
TENANT RESPONSIBILITIES	Property taxes, insurance, utilities, janitorial, HVAC, routine maintenance
LANDLORD RESPONSIBILITIES	Roof, walls, floors, foundations, supports, windows, overhead doors, skylights, roof vents, drains and downspouts





AREA OVERVIEW

Mills River in western North Carolina is within the Asheville Metropolitan Statistical Area (MSA), which is comprised of Henderson, Buncombe, Haywood and Madison counties. Mills River and Henderson County are on the southern border of Buncombe County in which Asheville is located.



The Broadpointe Business Park in Mills River is approximately 11 miles south of Asheville on Highway 280. Asheville Regional Airport is one mile away in the Town of Fletcher. In addition to FedEx Ground, other nearby corporate tenants include Continental Teves, Prince Manufacturing, UPM Raflatac, Raumedic, FedEx Freight and PepsiCo. In 2014, Sierra Nevada Brewing Company, based in Chico, California, opened a new Mills River brewery to serve the eastern half of the country. Featuring a restaurant, gift shop, and 90-minute brewery tours of their state-of-the-art facility, the company has become a must-see tourist destination for those visiting the area.

There are 100 million people living within a 500-mile radius of the Asheville MSA. Logistically, that means access to over 32% of the United States' population on flights lasting two hours or less. Asheville is 99 miles from Charlotte; 135 miles from Columbia, SC; 165 miles from Atlanta; and only 85 miles from Knoxville.

The Asheville metro area has a \$16.4 billion economy composed of a highly-diverse group of industries such as tourism, advanced manufacturing, professional services, science and technology, arts, and health services. The Leisure & Hospitality (tourism)



segment is the single largest economic driver in the area, comprising 19% of the overall economy. The Asheville Convention and Visitors Bureau estimates tourism's economic benefit to be in the neighborhood of \$2.9 billion annually.

Home of Fortune 1000 company Ingles Markets (#614), the Asheville MSA's labor force totals nearly 231,000, and boasted an unemployment rate of 3.9% as of November 2016. The region's unemployment rate is the lowest of all MSAs in North Carolina and its recovery from the recession has been stronger than that of North Carolina or the U.S. as a whole.

Despite its growth, Asheville residents enjoy a cost of living that is 3.4% below the national average. But perhaps Asheville's most compelling selling point is simply its remarkable quality of life. A tourist mecca well known for its art and music scene, Asheville has been able to maintain a low cost of living, high quality of life, charm and hospitality. The mild winters and falls coupled with comfortable springs and summers create a climate that has attracted many of Asheville's numerous new residents and businesses.





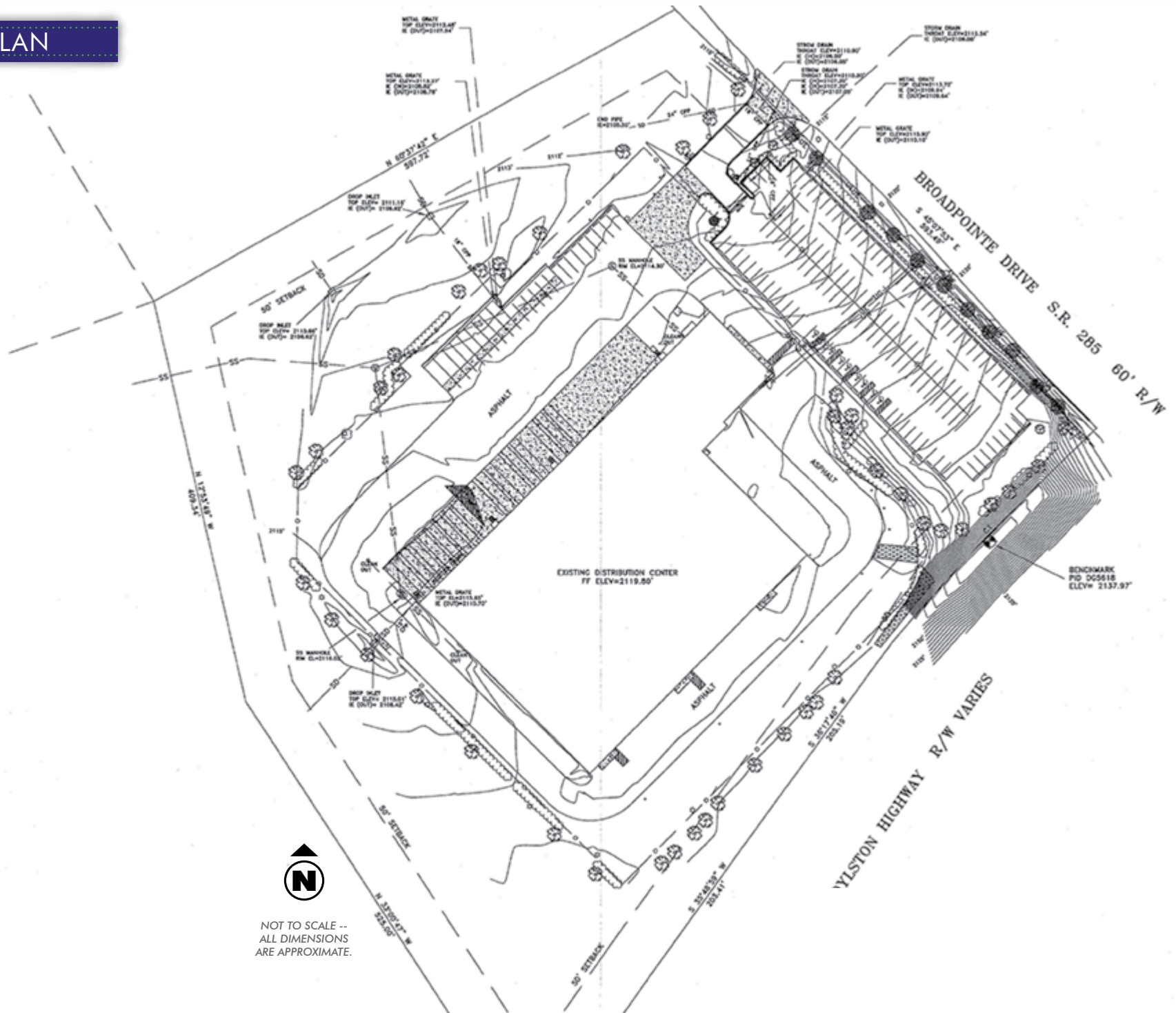
PROPERTY OVERVIEW

PROPERTY SUMMARY

NAME	FedEx Ground Terminal
ADDRESS	99 Broadpointe Drive, Mills River, NC 28759-4638
COUNTY	Henderson
PARCEL #	9962193
LAND AREA	12.96 acres
YEAR BUILT	2006; expansion in 2012
FLOOD ZONE	Zone X; determined to be outside the 500-year flood plain. NFIP map # 3700964200K dated January 6, 2010.
RENTABLE AREA	89,828 square feet
ARCHITECT	William G. Lapsey & Associates
GENERAL CONTRACTOR	David Looper & Co.
CONSTRUCTION TYPE	Steel erection
WALLS: EXTERIOR/INTERIOR	Steel/drywall
FOUNDATION	6" concrete slab
ROOF	Metal
HVAC	Office: Two central air units and two natural gas furnaces Dock: Natural gas ceiling heaters
SECURITY/FIRE	Sprinkler system in warehouse/office



SITE PLAN



NOT TO SCALE --
ALL DIMENSIONS
ARE APPROXIMATE.





FINANCIAL



The property is priced at \$9,025,000, which equates to \$100.47 per square foot. The initial capitalization rate is 7.4%. Our 10-year discounted cash flow analysis projects a leveraged annual return of 15.51% if debt is utilized as modeled and the asset is held for 10 years and then sold. The analysis assumes Tenant exercises its options to extend, probable since Tenant expanded the facility in 2012.

The following documents provide further details regarding the financial performance of the asset.

FINANCIAL SUMMARY

The projected income and expense statement below shows projected net operating income and pretax cash flow with hypothetical debt in place. The analysis includes a reserve of \$0.10 psf/year to cover Landlord responsibility for exterior, roof and structural.

Purchase Price:	\$9,025,000	
Net Rentable Area	89,828	
Price per Foot	\$100.47	
Prospective Financing:		
Type	Proposed	
Interest Rate	4.50%	
Principal Amount @ 60%	\$5,415,000	
Down Payment	\$3,610,000	
Amortization (years)	25	
Years Due	10	
Estimated Monthly Payment	\$30,098	
Estimated Annual Payment	\$361,180	6.67%
Scheduled Gross Income		
	\$668,016	
plus expense reimbursements (1)	NN lease	
Adjusted Scheduled Gross Income	\$668,016	
less vacancy and collection	\$0	
less operating expenses (1)	NN lease	
Net Operating Income	\$668,016	
less Capital Reserve @ \$0.10 psf (1)	(\$8,983)	
Estimated Annual Debt Service	(\$361,180)	
Pre-Tax Cash Flow	\$297,853	
Initial capitalization rate		
	7.40%	
Initial cash-on-cash return		
	8.25%	
Argus projected unleveraged return		
	10.18%	
Argus projected leveraged return		
	15.51%	

(1) The lease is net except for roof, structure, and exterior. A reserve allowance of \$0.10 psf/year is included in our analysis.



RENT ROLL

The rent roll shows the current and option terms, as well as scheduled rent increases for each.

TENANT	RENTABLE SQ. FT.	LEASE TERM		CURRENT BASE RENT			LEASE TYPE	DATE	OPTION RENTS	
		START	END	MONTHLY	PER SQ. FT.	ANNUAL			NEW MO. RENT	PER SQ. FT.
FedEx Ground Package System, Inc. (DE)	89,828	Aug-06	Aug-22	\$55,668	\$0.62	\$668,016	Mod. Net	Sep-22	\$61,234	\$0.68 <i>option 1</i>
							See (3) below	Sep-27	\$67,358	\$0.75 <i>option 2</i>
Total				\$55,668		\$668,016				

Notes: (1) Term of lease is firm through August 31, 2022. Thereafter, Tenant has two five-year options to extend, with six months' prior notice. (2) Lease is NN. Tenant reimburses property taxes and insurance, and pays utilities and maintenance vendors directly. (3) Landlord is responsible for roof, walls, floors, foundations, supports, windows, overhead doors, skylights, roof vents, drains and downspouts. A reserve allowance of \$0.10 per year is included in our discounted cash flow analysis.

EXPENSES

Current expenses are shown. North Carolina does not automatically reassess real estate upon sale or transfer, but does reassess every four to eight years. Tenant fully reimburses property taxes and insurance, as well as utilities and other routine operating expenses.

Occupancy %:	100%	100%	100%
	2017	ARGUS INPUT	POST-SALE
Ad valorem property taxes (paid by Tenant)	34,503	1.1362%	34,503
Direct levies (paid by Tenant)		2,405	-
Utilities-Gas & Electric	-		Tenant
Sewer, Water, Trash	-		Tenant
Insurance	11,238	12,171	11,238
Common area expenses		4,447	Tenant
Janitorial / Cleaning	-		Tenant
HVAC	-		Tenant
Landscaping / Parking	-		Tenant
TOTAL OPERATING EXPENSES	\$45,741	n/a	\$45,741

ARGUS ASSUMPTIONS

This table shows the assumptions used in our discounted cash flow analysis, the most important of which is that Tenant exercises its options to extend. No rollover occurs during the analysis period.

ANALYSIS TERM AND STARTING DATE:	Ten years commencing February 2018
INFLATION RATES:	
General:	2.5%
Market rent:	2.5%
Operating expenses:	2.5%
Property taxes:	2.0%
CURRENT MARKET RENT:	\$0.65 per square foot per month
RESERVES: EXTERIOR, ROOF & STRUCTURAL	\$0.10 psf/year. Roof is [steel] with a [25-year] warranty [confirm]
OPERATING EXPENSES:	Property taxes and insurance are both reimbursed by tenant. Common area and routine maintenance expenses paid by Tenant directly. In-house management assumed. Landlord responsibility for exterior, roof and structural covered by reserve allowance of \$0.10 psf/year.
EXPENSE REIMBURSEMENTS	
Current:	Net, with landlord responsible for roof and structural.
Future:	Same.
VACANCY ABSORPTION:	None
ROLLOVER ASSUMPTIONS	No rollover occurs during the term of this analysis, as Tenant is assumed to exercise its options to extend.
Renewal probability:	n/a
Options:	Tenant has occupied since 2005 and recently extended its firm term. Analysis assumes Tenant will exercise all options to extend.
Months dark:	n/a
Starting rent:	n/a
Escalations:	n/a
T.I. Allowance:	n/a
Concessions:	n/a
Term length:	n/a
Leasing commissions:	n/a
MINIMUM STABILIZED VACANCY:	None
DEBT / REFINANCING:	60% loan-to-value; 25-year amortization, due in 10 years; 4.5% interest rate.
REVERSION:	
Terminal capitalization rate:	6.5% on year-11 net income
Present value discounting method:	Monthly
Costs of Sale:	2% of reversion price

ARGUS: PROPERTY SUMMARY

TIMING & INFLATION

Reporting Period:	February 1, 2018 to January 31, 2028; 10 years
Inflation Month:	Analysis Start
General Inflation Rate:	2.50%

PROPERTY SIZE & OCCUPANCY

Property Size:	89,828 Square Feet
Alternate Size:	1 Square Foot
Number of rent roll tenants:	1
Total Occupied Area:	89,828 Square Feet, 100.00%, during first month of analysis

DEBT FINANCING

Number of Notes:	1
Beginning Principal Balance:	\$5,415,000
Average Year 1 Interest Rate:	4.50%

PROPERTY PURCHASE PRICE: \$9,025,000

RESALE:

Resale Method:	Capitalize Net Operating Income
Cap Rate:	6.50%
Cap Year:	Year 11
Commission/Closing Cost:	\$248,707
Net Cash Flow from Sale:	\$8,252,174

PRESENT VALUE DISCOUNTING

Discount Method:	Annually (Midpoint on Cash Flow/Endpoint on Resale)
Unleveraged Annual IRR:	10.18% at \$9,025,000
Leveraged Annual IRR:	15.51% at \$9,025,000





ARGUS CASH FLOW

Schedule Of Prospective Cash Flow In Inflated Dollars for the Fiscal Year Beginning 2/1/2018

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11
FOR THE YEARS ENDING	JAN-2019	JAN-2020	JAN-2021	JAN-2022	JAN-2023	JAN-2024	JAN-2025	JAN-2026	JAN-2027	JAN-2028	JAN-2029
Potential Gross Revenue											
Base Rental Revenue	\$668,016	\$668,016	\$668,016	\$668,016	\$695,846	\$734,808	\$734,808	\$734,808	\$734,808	\$765,428	\$808,296
Scheduled Base Rental Revenue	668,016	668,016	668,016	668,016	695,846	734,808	734,808	734,808	734,808	765,428	808,296
Expense Reimbursement Revenue	37,534	38,473	39,435	40,421	41,433	42,467	43,529	44,617	45,732	46,875	48,047
Total Potential Gross Revenue	705,550	706,489	707,451	708,437	737,279	777,275	778,337	779,425	780,540	812,303	856,343
Effective Gross Revenue	705,550	706,489	707,451	708,437	737,279	777,275	778,337	779,425	780,540	812,303	856,343
Operating Expenses											
Property taxes	28,240	28,946	29,670	30,411	31,172	31,951	32,750	33,568	34,408	35,268	36,150
Insurance	9,293	9,525	9,763	10,008	10,258	10,514	10,777	11,046	11,323	11,606	11,896
Total Operating Expenses	37,533	38,471	39,433	40,419	41,430	42,465	43,527	44,614	45,731	46,874	48,046
Net Operating Income	668,017	668,018	668,018	668,018	695,849	734,810	734,810	734,811	734,809	765,429	808,297
Debt Service											
Interest Payments	241,221	235,710	229,946	223,917	217,611	211,016	204,117	196,902	189,355	181,461	
Principal Payments	119,959	125,470	131,234	137,263	143,569	150,164	157,063	164,278	171,825	179,719	
Origination Points & Fees	54,150										
Total Debt Service	415,330	361,180	361,180	361,180	361,180	361,180	361,180	361,180	361,180	361,180	
Leasing & Capital Costs											
Reserves for exterior, roof, structural	8,983	9,207	9,438	9,673	9,915	10,163	10,417	10,678	10,945	11,218	11,499
Total Leasing & Capital Costs	8,983	9,207	9,438	9,673	9,915	10,163	10,417	10,678	10,945	11,218	11,499
Cash Flow After Debt Service	\$243,704	\$297,631	\$297,400	\$297,165	\$324,754	\$363,467	\$363,213	\$362,953	\$362,684	\$393,031	\$796,798
But Before Taxes	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

ARGUS: RESALE & IRR

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
FOR THE YEARS ENDING	JAN-2019	JAN-2020	JAN-2021	JAN-2022	JAN-2023	JAN-2024	JAN-2025	JAN-2026	JAN-2027	JAN-2028
Resale Amount										
Gross Proceeds from Sale										\$12,435,338
Commissions & Adjustments										(248,707)
Net Proceeds From Sale										12,186,631
Outstanding Debt Retirement										
Total Principal Balances										(3,934,457)
Net Resale Proceeds After Debt										\$8,252,174
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Unleveraged Annual IRR										10.18%
Leveraged Annual IRR										15.51%





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Ground

LEASE SUMMARY

LEASE SUMMARY

TENANT: FedEx Ground Package System, Inc. (NYSE: FDX)



TENANT PROFILE:

FedEx Ground Package System, Inc. is one business segment of FedEx Corporation, a Fortune 100 company, and a leading North American provider of small-package ground-delivery services. FedEx Ground provides low-cost, day-certain service to any business address in the U.S. and Canada, as well as residential delivery to 100% of U.S. residences through its FedEx Home Delivery service. On August 31, 2015, the Company's SmartPost business was merged into FedEx Ground. SmartPost specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages using the U.S. Postal Service for final delivery to any residential address or PO Box in the U.S. The FedEx Ground segment also includes GENCO Distribution System, Inc., which is a leading North American third-party logistics provider.

For the fiscal year ending 5/31/16, FedEx Corporation reported net income of \$1.82 billion on revenues of \$50.36 billion. Cash and cash equivalents totaled \$3.53 billion, and stockholder equity was \$13.78 billion.

WEB SITE: www.fedex.com

FINANCIAL STRENGTH: Standard & Poor's rates FedEx as follows:
Long-term issue rating: BBB
Short-term issue rating: A-2

LEASED AREA: 89,828 square feet of improvements and grounds totaling 12.96 acres

TERM AND OPTIONS:

Current term:	September 1, 2006–August 31, 2022
1st option to extend:	September 1, 2022–August 31, 2027
2nd option to extend:	September 1, 2027–August 31, 2032

RENT SCHEDULE:

Current term:	\$668,016 per year
1st option to extend:	\$734,808 per year
2nd option to extend:	\$808,296 per year

EARLY CANCELLATION: No provision for early lease termination

TYPE OF LEASE: NN; see additional detail below

TENANT EXPENSES: Tenant reimburses property taxes and insurance, and directly pays utilities, routine maintenance and cleaning.

LANDLORD EXPENSES: Exterior, roof, and structural, including roof and roof membrane, walls, floors, foundations, supports, windows, overhead doors, skylights, roof vents, drains and downspouts, excluding damage caused by Tenant.









AREA OVERVIEW



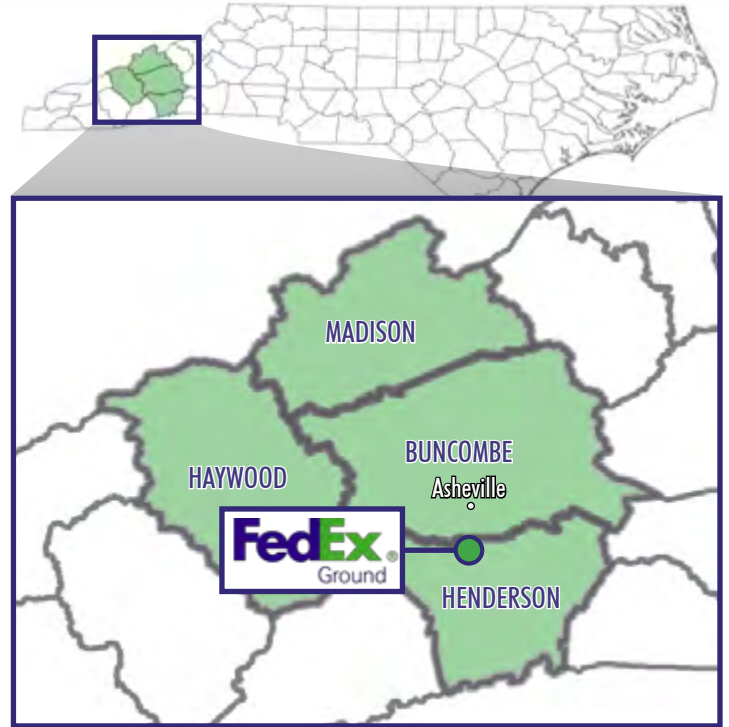
ASHEVILLE-AREA ECONOMY

LOCATION

The Town of Mills River is part of the Asheville, North Carolina Metropolitan Statistical Area (MSA), which is comprised of Henderson, Buncombe, Haywood and Madison counties. Located in western North Carolina in the northern portion of Henderson County, the Town of Mills River and Henderson County are on the southern border of Buncombe County in which Asheville is located.

There are 100 million people living within a 500-mile radius of the Asheville MSA. Logistically, that means being able to reach over 32% of the United States' population on flights lasting two hours or less.

State highways 191 and 280 serve as major arteries through Mills River, connecting it to Asheville via Interstate 26, a drive that takes less than a half hour. I-26 extends from Kingsport, Tennessee, to Charleston, South Carolina. In Asheville I-26 connects to I-40 which runs throughout the Southern half of the United States from Las Vegas, NV to Wilmington, NC. I-26 directly accesses Asheville Regional Airport (AVL), which is served by four major airlines and sees 442,100 passengers traveling through per year, per the latest AVL report.





Biltmore Estate

ECONOMIC DRIVERS

The Asheville metro area has a \$16.4 billion economy composed of highly diverse group of industries such as tourism, advanced manufacturing, professional services, science and technology, arts, and health services. Health Services and Private Education makes up the largest percentage of total employment in the Asheville metro region. Since 2000, this sector has grown at the fastest rate (62.5%), followed by Professional & Business Services (46.3%) and Leisure & Hospitality (43.8%). The Asheville Convention and Visitors Bureau estimates tourism's economic benefit to be in the neighborhood of \$2.9 billion annually.

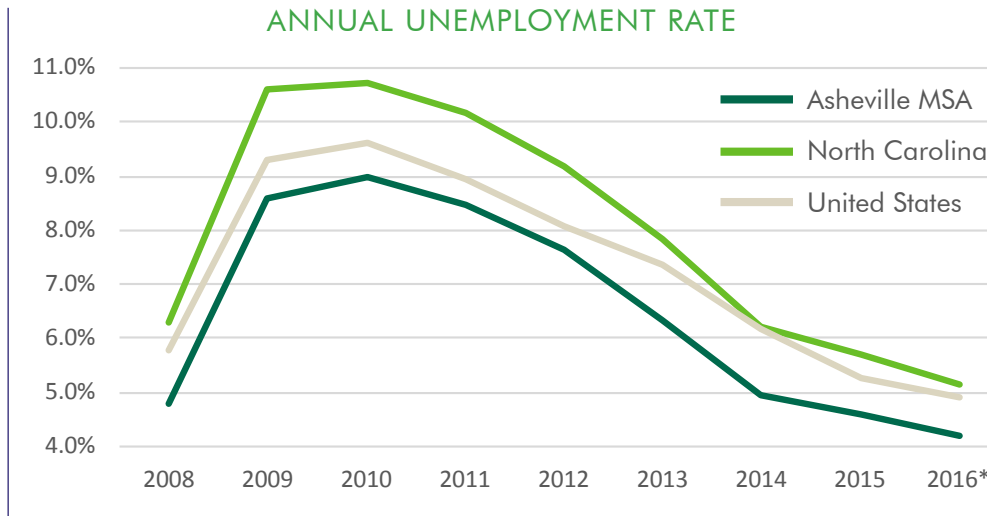


Sierra Nevada Brewery in Mills River

ASHEVILLE-AREA ECONOMY (continued)

STRONG & GROWING WORKFORCE

Home of Fortune 1000 company Ingle's Markets (#614), the Asheville MSA's labor force totals nearly 218,000, and boasted an unemployment rate of 3.4% as of August 2017. The region's unemployment rate is the lowest of all MSAs in North Carolina, and its recovery from the recession has been even stronger than that of North Carolina or the U.S. as a whole.



According to the U.S. Bureau of Labor Statistics, the Asheville MSA has gained an average of over 4,150 new and expanded jobs annually since 2012. Job growth late in 2016 appeared to be on track to exceed 2015's, which was the highest on record.

Several companies in the metro area have recently expanded or announced plans to do so, cementing their commitment to the Asheville area. Per the Asheville-Buncombe County Economic Development Coalition, in September 2016, Avadim Technologies announced an expansion that would create 551 jobs and \$25.4 million in capital investment over the next five years. In May 2016, Baldor Electric Company announced the addition of 41 jobs and a \$4.2 million investment in its campus. In January 2016, Burial Beer Company announced it would create 17 jobs and invest \$1.8 million for its second brewing facility and tasting room. Other recent expansion announcements include GE Aviation (52 jobs, \$126 million); Linamar (400 jobs, \$190 million); New Belgium Brewing (174 jobs, \$174 million); AVL Technologies (90 jobs, \$11.5 million); BorgWarner Turbo Systems (154 jobs, \$55.8 million); White Labs (65 jobs, \$8.1 million); Kearfott Corporation (75 jobs, \$11.9 million); Wicked Weed Brewing (82 jobs, \$5.0 million); Nypro Inc. (156 jobs; \$83.0 million); and Jacob Holm (66 jobs, \$45.9 million).



MAJOR EMPLOYERS IN METRO AREA

In addition to the major employers listed in the following table, small businesses and entrepreneurships actively fuel the regional economy. Per 2015 census data, 96% of the Asheville metro area's businesses have fewer than 50 employees; 98% have fewer than 100.

COMPANY	INDUSTRY	COUNTY	NUMBER OF EMPLOYEES
Asheville-Buncombe Technical Community College*	Education & Health Services	Buncombe	1,000+
Biltmore Workforce Management*	Leisure & Hospitality	Buncombe	1,000+
Blue Ridge Paper Products	Manufacturing	Haywood	1,000+
Buncombe County Board of Education*	Education & Health Services	Buncombe	1,000+
City of Asheville*	Public Administration	Buncombe	1,000+
Community CarePartners*	Education & Health Services	Buncombe	1,000+
County of Buncombe*	Public Administration	Buncombe	1,000+
Eaton Corporation	Manufacturing	Buncombe	1,000+
Haywood County Consolidated Schools	Education & Health Services	Haywood	1,000+
Henderson County Board of Public Education*	Education & Health Services	Henderson	1,000+
Ingles Markets*	Trade, Transportation & Utilities	Buncombe, Haywood & Henderson	1,000+
Margaret R. Pardee Memorial Hospital*	Education & Health Services	Henderson	1,000+
Memorial Mission Hospital*	Education & Health Services	Buncombe	1,000+
Park Ridge Health*	Education & Health Services	Henderson	1,000+
PSA Airlines	Trade, Transportation & Utilities	Buncombe	1,000+
Veterans Administration	Public Administration	Buncombe	1,000+
Walmart	Trade, Transportation & Utilities	Buncombe, Haywood & Henderson	1,000+
Asheville City Schools*	Education & Health Services	Buncombe	500-999
Borgwarner	Manufacturing	Buncombe & Henderson	500-999
Continental Automotive Systems	Manufacturing	Henderson	500-999
County of Haywood*	Public Administration	Haywood	500-999
County of Henderson*	Public Administration	Henderson	500-999
DLP Partner Midwest	Education & Health Services	Haywood	500-999
FastMed Urgent Care	Education & Health Services	Buncombe	500-999

COMPANY	INDUSTRY	COUNTY	NUMBER OF EMPLOYEES
Kendro Laboratory Products	Manufacturing	Buncombe	500-999
Lowe's	Trade, Transportation & Utilities	Buncombe	500-999
Mission Medical Associates*	Education & Health Services	Buncombe	500-999
NC Department of Health & Human Services	Public Administration	Buncombe	500-999
NC Department of Public Safety	Public Administration	Buncombe	500-999
Omni Hotels	Leisure & Hospitality	Buncombe	500-999
University of North Carolina at Asheville*	Education & Health Services	Buncombe	500-999
Wilsonart	Manufacturing	Buncombe	500-999
Blue Ridge Community College*	Education & Health Services	Henderson	250-499
Carolina Village*	Education & Health Services	Henderson	250-499
Charter HR	Professional & Business Services	Henderson	250-499
City of Hendersonville*	Public Administration	Henderson	250-499
Consolidated Metco	Manufacturing	Haywood	250-499
Fayetteville Industrial Maintenance Corp.	Professional & Business Services	Henderson	250-499
Flavor 1st Growers & Packers*	Natural Resources & Mining	Henderson	250-499
GE Lighting Solutions	Manufacturing	Henderson	250-499
Haywood Community College	Education & Health Services	Haywood	250-499
Haywood Vocation Opportunities	Manufacturing	Haywood	250-499
Madison County Schools*	Education & Health Services	Madison	250-499
Madison County*	Public Administration	Madison	250-499
Mars Hill College*	Education & Health Services	Madison	250-499
Meritor Heavy Vehicle Systems	Manufacturing	Henderson	250-499
Sierra Nevada Brewing Co.	Manufacturing	Henderson	250-499
Sitel Operating Corporation	Professional & Business Services	Buncombe	250-499
UPM Raflatac	Manufacturing	Henderson	250-499
YMCA	Other Services	Buncombe	250-499

*Headquarters Source: North Carolina Department of Commerce

ASHEVILLE-AREA ECONOMY (continued)

DEMOGRAPHICS

Mills River, the home of FedEx, is populated by 7,194 people while the Asheville MSA is populated by 462,067, per 2016 ESRI data. The community of Mills River is among the oldest in Henderson County; its first landholder received a deed from the State of North Carolina in 1787.

Mills River's demographics are impressive. Largely driven by its proximity and accessibility to Asheville, Mills River's population has grown considerably from 5,566 residents in 2000 to 7,120 residents today—a 28% increase in 16 years. Mills River's growth rate is eclipsing that of the Asheville MSA, North Carolina and the United States. Two-thirds of Mills River's residents have attained post-secondary education, which correlates with higher incomes and higher home values.



	MILLS RIVER	ASHEVILLE MSA	NORTH CAROLINA	UNITED STATES
POPULATION	7,194	462,067	10,220,672	323,580,626
POPULATION GROWTH 2010-2017	5.8%	8.8%	8.1%	6.1%
AVERAGE HOUSEHOLD SIZE	2.43	2.32	2.49	2.59
MEDIAN AGE IN YEARS	48.4	44.4	38.6	38.2
POST-SECONDARY EDUCATION ATTAINED	63.9%	67.9%	60.6%	59.5%
AVERAGE HOUSEHOLD INCOME	\$73,327	\$62,250	\$69,520	\$80,675
MEDIAN HOME VALUE	\$252,006	\$219,412	\$173,571	\$207,344

Source: ESRI, U.S. Bureau of Labor Statistics

EXCELLENT QUALITY OF LIFE

Despite its growth surge, the Asheville metro area has maintained low living costs for its residents. The Cost of Living Index, published by the Council for Community and Economic Research, details that the Asheville MSA's cost of living is 3.4% below the national average.

Perhaps the Asheville metro area's most compelling selling point is simply its remarkable quality of life. A tourist mecca well known for its art and music scene, Asheville has nevertheless been able to maintain a low cost of living, high quality of life, charm and hospitality. The mild winters and falls coupled with the favorable springs and summers create a comfortable climate proven attractive to Asheville's numerous new residents and businesses. Asheville's residents and businesses benefit from being well east of Tornado Alley, south of the Frost Belt and inland from the path of hurricanes.

ASHEVILLE-AREA ACCOLADES

One of **Top 15 Cities in U.S.**
– *Travel & Leisure*, 2017

One of **Top 17 Places to Visit in 2017**
– *Harper's Bazaar*, 2017

#3 Best Small Towns to Visit in USA
– *USA Today*, 2017

One of 12 **best music towns in the nation**
– *Expedia*, 2017

Ranked one of the **best mid-markets in the South to relocate your headquarters**
– *Southern Business & Development*, 2016

Named one of the **best locations for the creative class** in North Carolina
– *Southern Business & Development*, October 2015

One of the 10 **best outdoor towns in America**
– *SmarterTravel.com*, October 2015

UNC Asheville was ranked **No. 1 nationally for "Making an Impact"**
– *The Princeton Review*, February 2016

Asheville ranked #3 out of 18 for the **World's Best Cities for Millennials**
– *Matadornetwork.com*, May 2016

#8 of the **smartest cities** in the "small smart set" category
– *Forbes*, November 2014

Next Green Tech Town
– *Huffington Post*, October 2014

Ranked #9 of the **Best Small Cities in the U.S.**
– *Conde Nast Traveler*, October 2015

#10 **Friendliest City in the United States**
– *Conde Nast Reader's Choice*, August 2014

#10, **Best Cities in the U.S. and Canada**
– *Travel & Leisure*, July 2015

#12, Top 100 **Best Places to Live**, 2015
– *Livability.com*, September 2014

Forbes named the Asheville metro area #12 on its 2015 list of **Best Places for Business and Careers**, bested in North Carolina only by Raleigh.







MARKET TRENDS

FOURTH QUARTER STATISTICS

The Asheville, NC industrial market inventory totals over 29 million square feet, approximately 86% of which is warehouse space and 14% is flex space. The market is divided by CoStar into 10 submarkets made up of groups of buildings that are economically connected and compete with one another for tenants.

The Buncombe County submarket, which includes the city of Asheville, contains 9.4 million square feet of industrial space, or an approximate third of the Asheville market. The property in this offering is located just south of Asheville in Henderson County, which is the second-largest submarket with 6.7 million square feet.

Henderson County's warehouse market is very tight, reporting third quarter 2017 vacancy of only 0.9% compared to the overall Asheville warehouse market vacancy of 3.9%. The tight market for industrial space in Asheville has been pushing rents. The average asking industrial rent of \$5.68 NNN psf/year in the Asheville market as of third quarter 2017 is 6.0% higher than in fourth quarter 2016.

As of third quarter 2017 only one project totaling 10,300 square feet was under construction. This new space is scheduled for delivery in late 2017.



COMPS - FEDEX SALES

ADDRESS	DATE SOLD	TENANT	REMAINING TERM	PRICE	CAP RATE	SQUARE FEET	PRICE/SF
1668 Austin Dr. Decatur, GA	06/01/17	FedEx	4.0	\$3,795,000	7.24%	54,010	\$70.26
3900 Abernathy Dr. Texarkana, AR	12/30/16	FedEx Ground	10.0	\$10,819,000	6.25%	123,921	\$87.31
1400 Business Center Dr. San Leandro, CA	10/11/16	FedEx Ground	2.5	\$14,000,000	7.90%	66,000	\$212.12
20750 Brinson Blvd. Bend, OR	10/03/16	FedEx Ground	10.0	\$12,550,000	6.06%	69,367	\$180.92
3402 Ellen Trout Dr. Lufkin, TX	07/25/16	FedEx Ground	10.0	\$8,906,800	6.25%	83,457	\$106.72
99 Broadpointe Dr. Asheville, NC	Subject	FedEx Ground	4.5	\$9,025,000	7.40%	89,828	\$100.47
1508 Dougherty Ave. Albany, GA	07/06/16	FedEx Ground	7.0	\$4,806,506	7.00%	61,574	\$78.06
12900 Plantside Dr. Louisville, KY	04/12/16	FedEx Ground	15.0	\$41,893,105	5.91%	303,369	\$138.09
2560 Bertelkamp Knoxville, TN	12/15/15	FedEx Ground	10.0	\$23,850,000	6.31%	208,361	\$114.46
7303 Cushing Road Manassas, VA	10/30/15	FedEx	15.0	\$39,630,342	5.25%	175,308	\$226.06
2058 Summit Lake Dr. Tallahassee, FL	10/01/15	FedEx Ground	10.0	\$14,928,000	6.35%	124,600	\$119.81



INVESTMENT CONTACT

RANDY GETZ

Executive Vice President
Lic. 00828903
+1 916 446 8287
randy.getz@cbre.com

CBRE, Inc.
500 Capitol Mall
Suite 2400
Sacramento, CA 95814

LOCAL MARKET CONTACT

PATRICK GILDEA

Executive Vice President
Lic. 247858
+1 704 331 1217
patrick.gildea@cbre.com

CBRE, Inc.
201 S. College St.
Suite 1700
Charlotte, NC 28244



CBRE