



INVESTMENT OPPORTUNITY



EXECUTIVE SUMMARY

Avison Young is pleased to exclusively offer to qualified investors the opportunity to purchase two exceptional institutional quality office buildings totaling approximately 211,281 square feet. Centrally located between Dallas and Fort Worth, the assets are located on the south side of Interstate 30 and in close proximity to the major thoroughfare, State Highway 360 and sit just 10 miles south of Dallas/Fort Worth International Airport.

Situated on 10.3 acres, the 12-story Copeland Tower, constructed in 1986, and the 5-story Stadium Place, constructed in 1984, are comprised of 126,628 net rentable square feet and 84,653 net rentable square feet respectfully. An above-market parking ratio of 4.3/1,000 square feet is a true competitive advantage and is achieved by a combination of 66 covered spaces and 914 surface parking spaces.

Copeland Tower and Stadium Place are located in one of the highest profile entertainment districts in the country, and in DFW's third largest city, Arlington, Texas. Anchored by AT&T Stadium, home of the Dallas Cowboys, and Globe Life Park, home of the Texas Rangers, it was joined in 2019 by Texas Live!, a \$200 million mixed-use development with retail, restaurants and a 300-room Loews hotel, thus making this offering one of the most exciting opportunities of the decade.

At a combined occupancy rate of 91.4%, Copeland Tower and Stadium Place offer an extremely compelling chance to acquire two high-profile, recently renovated office properties at a significant discount to replacement cost.



211,281
NET RENTABLE AREA



91.4%
OCCUPANCY



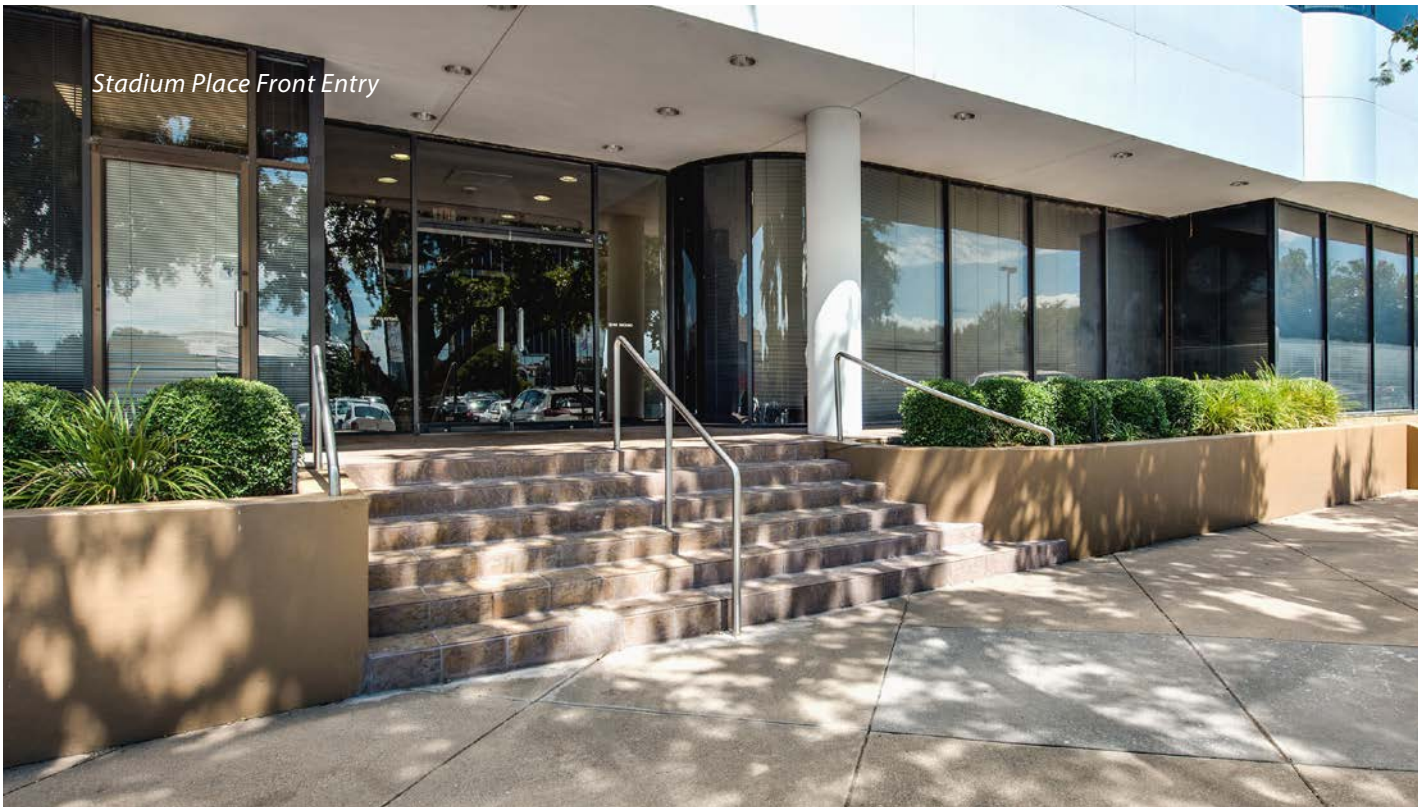
37 Months
WEIGHTED AVERAGE
REMAINING LEASE TERM



Copleand Tower Office



Copeland Tower Lobby



Stadium Place Front Entry



Stadium Place Corridor and Conference Room



INVESTMENT HIGHLIGHTS

Copeland Tower and Stadium Place (“CS”) offers an investor attractive stabilized office assets in the dynamic Arlington office market. Although stabilized with a low-risk tenant mix, there is much value-add possibility in rent growth. The excellent accessibility to Highway 30 and DFW Airport combined with outstanding views and proximity to AT&T Stadium, Globe Life Park, and Texas Live will help propel current project rents from a currently blended average below \$17.00+E closer to the overall Arlington submarket average approximating \$20.00+E. The delta between current CS blended rates to a mark-to-market rate is 15-20%.

The Arlington/Mid-Cities overall submarket encompasses 13.6mm sf of office product. The strength of the market is evident through sporting a 12.4% vacancy rate including all classes of office product. The relevant Arlington micro-sector aggregates to 4.1mm sf and demonstrates much stability with a 90% occupancy level. Further demonstrating submarket high performance is the retail occupancy strength at 95% and flex properties over 97%.

CS is just over 91% leased with an attractive low-risk and diversified tenant base. The project is anchored by two financially sound occupants; Multiplan—totaling 59k sf, and the State of Texas—at 46k sf, having been located in the project since 2003 and 2000 respectively. The weighted average lease term is 37 months and the expiration schedule is a model for stability as well as upside. The State of Texas represents approximately 22% of project RSF, is scheduled to expire 9.30.21, and offers an exceptional value-add opportunity with rental rates at expiration 20-25% below current average levels.

Net Operating Income is projected to increase 25%+ over the upcoming 48 months given minimal additional lease up, near term rollover and mark-to-market, and contractual lease rate increases.

Capital expenditures have been substantial and ongoing for the past 8-9 years exceeding \$3.4mm. Included in that total are roof replacement on Copeland, elevator upgrades and modernization, significant HVAC upgrades, and common area retrofit. (Please review the completed capex outline in this offering). These upgrades and replacements are true benefits for future ownership.

Assumption of existing CMBS debt will be necessary. The terms are attractive and outlined:

<i>Initial Loan</i>	<i>\$19.9 mm</i>	<i>Interest Rate</i>	<i>4.97%</i>
<i>Commencement</i>	<i>06.28.18</i>	<i>Monthly P & I</i>	<i>\$106,463</i>
<i>Term</i>	<i>10 Years</i>	<i>Initial 24 Mo IO</i>	<i>\$82,419</i>
<i>Amortization</i>	<i>30 Years</i>	<i>Guarantor Required</i>	

The financial cash flow analysis contemplates limited additional capital expenditure, a required 1% loan assumption fee and needed pursuit costs all to be absorbed within the first 24 months of ownership.

LOCATED IN THE ARLINGTON ENTERTAINMENT DISTRICT



AREA HIGHLIGHTS



Texas Live!



Ranger's Globe Life Field



Six Flags Over Texas and Hurricane Harbor



AT&T Cowboy's Stadium



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