



CIRE EQUITY

GN Resound / Case Study





Industrial Corporate HQ & Manufacturing / Behind the Deal

Overview →

- Mission-critical flex R&D facility 100% leased to GN ReSound
- Tenant has been in-place for 22 years, has 6 years of remaining term, and has renewed 3 times
- Corporate guarantee provided by publicly traded parent company with over \$2.4B annual revenue

Market Positioning →

- Tight labor market and access to a dense, educated workforce have created robust tenant demand for space in Bloomington
- Infill market with high barriers to entry and a dearth of available space, with no new SF under construction within 5 miles has created rent growth well in excess of the 2.0% in-place escalators

Deal Source →

- Sourced through strong, ongoing broker relationship
- Opportunity to acquire at an attractive basis due to previous buyer falling out of contract and near-term end of fund requirements by seller

Active Management →

- Secured highly favorable fixed rate financing at a 326-bps spread to going-in cap rate, creating an outsized cash yield
- Near to mid-term ability to blend and extend the in-place lease to capitalize on tight market and strong rent growth
- Full conversion to industrial use possible due to attractive clear heights and heavy power availability

16.2%

Gross IRR¹ ›

3.1x

Gross IRR¹ ›

15.6%

FFO Yield¹ ›

Deal Drivers ›



RELAT



INEFF



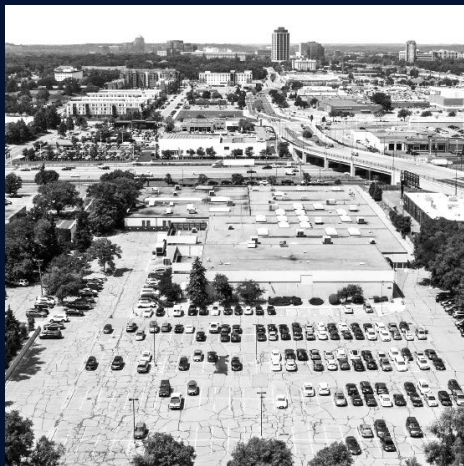
DATA



VALUE



ALPHA



Location ›

Bloomington, MN

Property Type ›

Single-Tenant Flex / R&D

MSA ›

Minneapolis / St. Paul / Bloomington

Building Size ›

121,870 SF

Occ. (As-Is / Stabilized) ›

100% / 100%

In-Place Cap Rate ›

8.9%

LTV ›

74.2%

Close Date ›

Q1 2023

Underwritten Investment Performance ›

Gross IRR ›

16.2%

Equity Multiple ›

3.1X

FFO Yield ›

15.6%

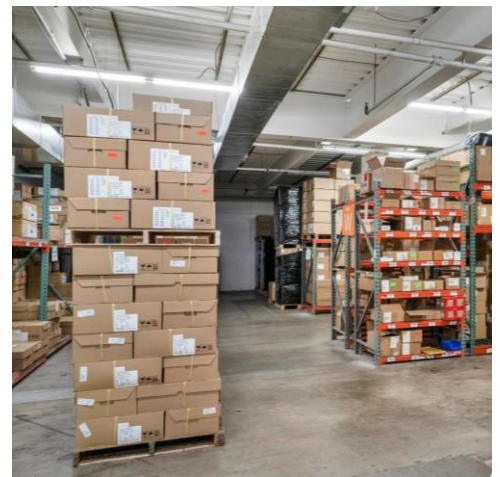
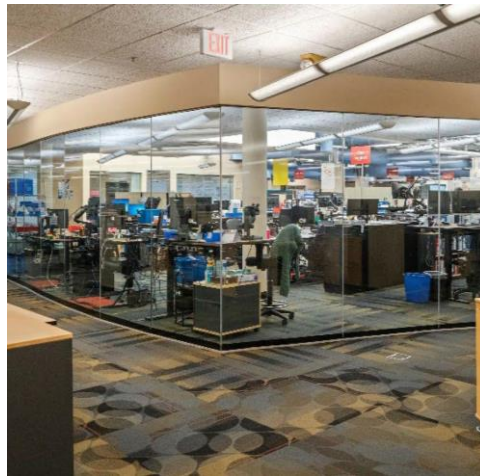
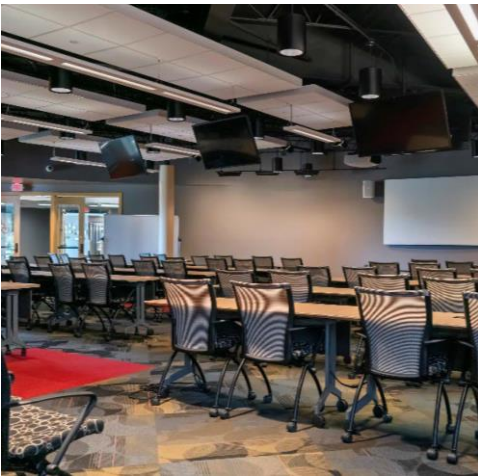
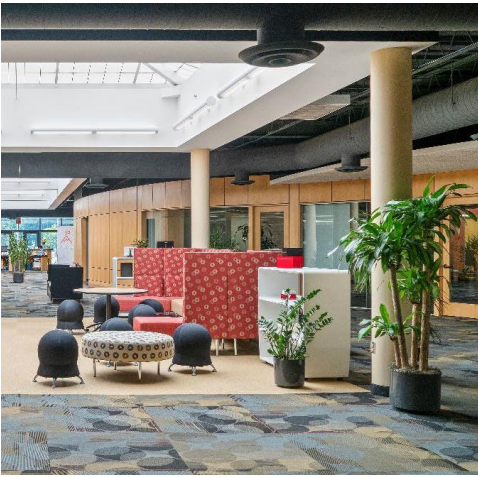
Hold Period ›

10 Years

Footnotes

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







Disclosures ›

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