



Equus Capital Partners, Ltd. Acquires 304-Unit Multi-Family Community in Naples, FL

In December, Equus Capital Partners, Ltd. ("Equus"), announced that an affiliate has acquired Inspira, a 95% occupied, 304-unit Class A apartment community located in Naples, FL, for \$82,250,000. The acquisition was made on behalf of Equus Investment Partnership XI, L.P. ("Fund XI"), a fully discretionary \$387.8 million equity fund managed by Equus. Madison Apartment Group, L.P. ("Madison"), the multi-family operating arm of Equus, will manage the community.

Robert Given, Brad Capas, and Neal Victor of Cushman and Wakefield represented the seller, an affiliate of Southwest Florida based Stock Development.

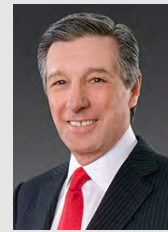
Inspira is located at the intersection of Rattlesnake Hammock Road and Grand Lely Drive within Lely Resort, a five square mile master planned community which boasts multiple gated communities with three championship golf courses (two

public, one private). Inspira is located 15 minutes southeast of downtown Naples and its many shops, restaurants, hotels and beaches.

Built in 2018, Inspira boasts a mix of one, two and three-bedroom apartment homes. The average unit size is a generous 1,059 square-feet. Residents access their units via spacious breezeway corridors. There are five, four-story garden-style buildings, each with elevator access and multiple covered open-air stairways. The property features an attractive parking ratio of 2.05 spaces per unit (including 78 private detached parking garage spaces), car wash and vacuum station and entry gates for controlled vehicular access. All apartment units have 9'4" ceilings. Interior unit finishes include gourmet kitchens with stainless steel appliances, granite countertops, ceramic tile backsplash, modern shaker-style cabinets, oversized chef's island, undermount sink within the island and pendant lighting. Additional

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The Year Ahead



Daniel M. DiLella
President and CEO

2020 turned out to be a year in which many in the real estate industry experienced unprecedented events. The COVID-19 pandemic impacted all industry sectors and participants in unforeseen ways,

and as we enter 2021, notwithstanding promising news on the vaccine front, several uncertainties remain including a resurgence of COVID-19 cases, delayed but recently passed federal stimulus, the implication of recently elected one-party rule among the legislative and executive branches of government and reemergent concerns regarding inflation and increased long term interest rates.

The reliance on a strong supply chain for goods during a pandemic has enhanced the performance in the industrial sector. Demand is outpacing deliveries and is expected to do so for the foreseeable future. As a result, rents are rising, and investor demand seems insatiable. Multi-family, particularly in established markets with a middle to upper income resident demographic is also performing well. Investor appetite for that product is very competitive. Unfortunately, those multi-family markets/projects whose

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Acquisitions

Inspira,
Naples, FL
Multi-Family | 304 Units

Dispositions

Knitting Mills' Three-Building
Office/Lab Portfolio,
Wyomissing, PA
Office/Lab | 262,615 SF

New Hire

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Matthew Emmanuel, *Assistant Property
Manager*

Promotions

Equus Capital Partners, Ltd.
Chicago, IL Office
Adam Seyfarth, *Asset Manager/
Acquisitions*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Keith Hontz, *Vice President*

Development Update



Shippensburg 81 Logistics Center

During the quarter, Equus entered into a 10-year lease agreement with Lowe's Home Centers, LLC, one of the nation's largest home improvement, building materials, and home appliance retailers, for 1,100,846 square-feet of warehouse distribution space in the Shippensburg 81 Logistics Center in Shippensburg, Pennsylvania.

Lowe's Home Centers was represented in the transaction by Mike Hess and David Remington of CBRE. Equus was represented by Mark Chubb and Mike Zerbe of Colliers International.

"Equus Capital Partners is extremely proud to partner with Lowe's on this exciting project. We enjoyed the opportunity to work with the Lowe's team in completing this transaction and look forward to having our Shippensburg facility as an integral part of the tenant's supply chain," commented Daniel M. DiLella, Jr., Senior Vice President of Equus, who oversaw the transaction for the firm. "The leasing of the Shippensburg 81 Logistics Center represents the successful execution of our development plan. Activity on Interstate 81 in the mid-Atlantic region remains strong and due to Equus' expansive land holdings in that area, the Firm is well-positioned to accommodate other users looking for space along the corridor."

Shippensburg 81 Logistics Center includes the following Class-A warehouse features: Cross-Docked, 620' deep, 36' clear ceiling height, 50' x 50' column spacing with 60' speed bays, 189 dock doors, 185' truck court, 631 trailer spaces with concrete dolly pads, LED high bay lighting, ESFR fire protection and parking for 250 cars. ■

Graystone 81 Logistics Center

During the quarter, Equus' Graystone 81 Logistics Center ("Graystone"), in Winchester, Virginia, on which construction began during the fourth quarter 2019, has entered into a 5-year lease agreement with Geodis Logistics, a third-party logistics firm, for 348,500 square-feet of warehouse distribution space. Geodis will be handling importing and distribution operations and will utilize the Virginia Inland Port, which is located 20 miles from the site.

Geodis Logistics was represented in the transaction by Brian Camp of ProVenture, LLC. Equus was represented by Jim Clarke, John Dettleff, and Abbott Wallenborn of Jones Lang LaSalle.

Graystone 81 Logistics Center is a newly developed class-A speculative industrial building situated on a 26.4-acre site within the Graystone Industrial Park, located at the I-81 interchange with U.S. Route 11. The site is ½ mile from Exit 317 of I-81 and is only ¼ mile from the Rutherford Crossing Shopping Center, which offers several restaurant and shopping options for employees.

The single side loaded facility includes the following Class-A warehouse features: precast concrete construction, 410' depth, 32' clear ceiling height, 50'x50' column spacing, 180' truck court, 48 dock door locations, 62 trailer spaces, 143 auto spaces, ESFR sprinkler system, and LED energy-efficient lighting. Neighboring industrial occupiers include The Home Depot (250,000 square-foot), Amazon (1,000,000 square-foot), McKesson (450,000 square-foot), Rubbermaid (287,000 square-foot), and Fiat-Chrysler (400,000 square-foot). ■



Virginia Port Logistics Park

Construction continues on 1201 and 1401 Enterprise Drive, totaling 700,000± square-feet of warehouse/distribution facilities in the Norfolk, Virginia region. These two buildings will expand the 600-acre park, acquired by an affiliate of Equus during Q2 2019, to a total of 2.45 million square-feet of existing industrial space.

Construction on 1201 Enterprise Drive, which commenced in late July 2020 as a 350,000± square-foot build-to-suit warehouse/distribution facility under a pre-lease to Massimo Zanetti Beverage ("MZB-USA"), continues. The 7" concrete floor slab is 75% complete and the concrete tilt walls are being formed along the east and south sides of the building. Following the tilt wall forming is the construction of the crane road for the tilt wall erection process. Site work outside of the building perimeter is ongoing with the installation of underground utilities and the stone base to prepare for asphalt paving. The main access road, Enterprise Drive, is being excavated and underground utilities, water and sewer, are being installed. Completion of the MZB build to suit and the Enterprise Drive roadway are scheduled for Summer 2021.

Construction of 1401 Enterprise Drive, a 350,000± square-foot spec building which commenced at the same time, is progressing with bulk grading underway and installation of storm water management basins adjacent to the site. The building pad is being built up to its final elevation in preparation for installation of footers and foundations. Completion is scheduled for 3rd quarter 2021. ■

Drexel University College of Medicine at Tower Health

Construction on the 180,000 square-foot, 6-story Drexel University College of Medicine at Tower Health development continues to take shape as one of the region's most distinct buildings. As of the end of the quarter, the building's windows, curtain wall, and roofing system were 100% complete. Work continues as exterior metal panels, and the vertical fins elements are 95% completed as of the beginning of January.

Temporary heat has been running since early December so that drywall finishing and painting can proceed through the winter. Rooftop HVAC equipment also continues to be set and should be complete by the end of January. Substantial completion for the construction remains in early July, insuring an on-time delivery for the commencement of the 2021 fall semester.

The medical school will quickly become an integral part of the community and Tower Health System's operations and growth as the students and interns train at nearby Reading Hospital and live, work and play in the community. In addition, there will be many synergies among Teleflex, Drexel University's College of Medicine and Reading Hospital's research and development of cutting edge cardiovascular treatments that will form the foundation for additional biotech companies in Berks County. ■

A Year In Review



Arthur P. Pasquarella, COO

We are pleased to report that despite the pandemic and all its disruptions to business activity, our commercial asset management staff completed 192

leases totaling more than 3.7 million square-feet during 2020. These leases represent an aggregate lease value of more than \$229 million (with new leasing representing 56% of the total volume). We thank the many leasing agents from around the country who work closely with us in achieving this sizable activity.

Our capital markets department was very busy again during 2020 closing 15 loans totaling more than \$525 million. We also sold 9 commercial properties during the year from our fund and development portfolios for a total consideration of more than \$200 million.

Our development teams remained active during 2020 completing more than 1.8 million square feet of industrial and office space while starting construction on another 1.4 million square feet of industrial space. In addition, they advanced land development approvals for future Equus projects across multiple municipalities and multiple states in the Southeast and mid-Atlantic regions.

On behalf of our latest fund, Equus Investment Partnership XI, L.P. ("Fund XI"), we purchased four value-add properties (industrial and multi-family) in four metro areas across the country with purchase prices totaling more than \$215 million and have already made significant physical and leasing improvements therein. Our acquisition focus in early 2021 is on value add industrial, multi-family and select office opportunities across the country.

Best wishes for a Happy and Healthy New Year. ■



Inspira, Clubhouse



Inspira, Model Kitchen

(Continued from page 1 | Inspira)

finishes include faux-wood flooring, living room and master bedroom ceiling fans, vertical blinds, oversized closets and private patios or balconies. The building exteriors are concrete block with stucco finishes and concrete tile roofs.

The property also features a 10,000 square-foot, two-story clubhouse featuring a demonstration kitchen, resident lounge with media entertainment, a game and card room, 24-hour business center with conference room, state-of-the-art fitness center with weight training and cardio stations, yoga studio and peloton virtual fitness bikes and treadmills. Outdoor amenities include a resort-style pool, expansive sun deck, grilling stations and fire-pits, pickleball courts, dog park and dog washing area.

"It has been a goal of our firm to expand our current Florida portfolio, adding an asset in a new market and re-entering the Southwestern region of the state," commented Nicoletta M. DeSimone, Acquisitions Manager of Equus, who along with Peter Naccarato and Andrew Peabody, oversaw the transaction for the firm. "Acquiring a recently completed asset in lease-up, allows for Equus to create value by managing through the financial burdens associated with delivering a new product to the market." ■

(Continued from page 1 | The Year Ahead)

tenants are highly reliant on the retail and hospitality sectors (many in lower income locations) have experienced occupancy challenges and are unable to increase rents. The primary uncertainty within the office market is focused on how businesses will evaluate their space needs as the pandemic subsides and their current leases mature. Will lower space needs due to the possible adoption of flexible work models be offset by expanded space needs for distancing? Could public transit reliant, high-rise locations see less "bounce back" of workers than the less dense vehicle-centric suburban low and mid-rise markets? Or will the adoption of vaccines calm reluctant workers sufficient to return to a near normal? Experienced investors will find opportunity among the uncertainty and be rewarded for their acumen.

In the 1st quarter 2020, Equus' 13th Value-Add Closed-End Fund, Equus Investment Partnership XI, L.P., held its final close at \$387.8 million of equity capital, 11% beyond its target. Fourteen acquisitions, including 9 office properties totaling more than 2 million square-feet, 1 industrial portfolio totaling over 600,000 square-feet and 4 multi-family communities totaling 981 units have already been made, committing 70% of the Fund's capital across the office, industrial and multi-family sectors. The Fund has already diversified its acquisitions across 7 of the 8 NCREIF regions: Northeast, Mideast, Southeast, West North Central, Southwest, Mountain and Pacific. Entering 2021, the Fund has dry powder of approximately \$100 million and given the dynamics of the pandemic is currently emphasizing industrial and multi-family opportunities.

Equus Investment Partnership X, L.P. a \$361 million Value-Add Closed-End Fund continued its repositioning activity and began dispositions. This Fund was originally comprised of 18 investments in the office, multi-family, and industrial sectors across the U.S. Seven of the Fund's 18 investments have been sold excluding individual sales within multi-property investments still held by the Fund. The

remaining assets are well into their repositioning phase and dispositions will continue in 2021 and 2022 as the Fund looks to wind down its activity consistent with its initial strategy.

BPG Investment Partnership IX, L.P. a \$310 million Value-Add Closed-End Fund, anticipates selling its one remaining investment during 2021.

Equus also continued its development activities through several joint venture programs with institutional and high net worth partners. Work advanced on projects at Ellis Preserve in Newtown Square, PA, including completion of the 378,000 square-foot AmeriHealth headquarters building and commencement of sitework on phase two of the campus' final mixed-use component. Industrial development remained active with construction commencement of more than 1.4 million square-feet of projects in Virginia, North and South Carolina. Leasing of newly built industrial buildings totaled in excess of 2.3 million square-feet during the year. Projects in the development pipeline expected to commence in 2021 include industrial, multi-family and office throughout the Mid-Atlantic and Southeast markets.

Market conditions and real estate fundamentals remain favorable for investment activity, particularly in the industrial and multi-family sectors. A recovering economy resulting from federal stimulus, an accommodative Federal Reserve and improvement in the pandemic is expected to generate improved demand for commercial real estate activity. Equus, under its tenured leadership, direct operator model, presence in multiple US markets and access to capital, is well positioned to capitalize on the opportunities which will surely arise in 2021.

As always, thank you for your support and best wishes for a Happy and prosperous New Year. ■



Equus Sells Three-Building Office/Lab Portfolio in Wyomissing, PA

In December, Equus Capital Partners, Ltd. ("Equus"), completed the sale of a three-building office and lab portfolio within The Knitting Mills, a 53-acre campus in Wyomissing, PA. The properties were originally part of the VF Outlet Center in Wyomissing and West Reading, PA which was acquired by Equus in December 2016. The three-building, 100% leased, 262,615 square-foot portfolio, including UGI Energy Services' corporate headquarters, Teleflex's Research and Development Lab, and Tower Health Systems' IT and Training Hub, was sold to an affiliate of Kawa Capital Management ("Kawa").

Robert Fahey, Jerome Kranzel, and Brandon McMenemy of CBRE represented Equus in the transaction.

"Kawa is excited to close the acquisition of the three-building portfolio within The Knitting Mills," said Dan Amer, Director at Kawa Capital Management. "The investment is well-aligned to offer our clients strong cash-on-cash yields via quality credit tenants, as well as long-term capital preservation."

Equus will continue its involvement and investment in The Knitting Mills' remaining assets, which totals over 375,000 square-feet and includes Tower Health's Executive Office, Sly

Fox Taphouse, Wawa, and The Drexel University College of Medicine, which is slated for completion in July 2021. An affiliate of Equus will remain actively involved in the property management of the properties sold.

"Equus is very proud to be a catalyst for the rebirth of the historic Knitting Mills and remains committed to advancing the site as a major economic driver for growth in Berks County," said George Haines, Senior Vice President at Equus, who along with Kevin Flannery, Vice President, led the project redevelopment. "The Knitting Mills would not be what it is today without the early commitment and continued collaboration from UGI Energy Services, Tower Health, Teleflex, and the Boroughs of Wyomissing and West Reading. Through these robust partnerships, we were able to reimagine the 100 plus year-old former Mill buildings into a modern, mixed-use campus that honors the history, boasts innovation, and adapts to the growing needs of cutting-edge companies and the local community."

Originally constructed from 1906 to 1920, the Knitting Mills site served as a multi-story manufacturing facility for The Berkshire Knitting Mills until the 1960s. This economic engine of

Berks County was at one time the largest stocking manufacturer in the world. VF Corporation later acquired the property in 1969 and The VF Outlet Center opened here in 1970 as the nation's first retail outlet center. In 2015, Equus and VF Corporation entered into a sales agreement that would lead to the development of a plan that would revitalize the property while supporting the region's rich legacy.

Since the acquisition in 2016, The Knitting Mills has seen a major transformation that included the demolition of 600,000 square-feet of buildings and careful adaptive reuse and redevelopment of the remaining buildings. Equus preserved the architecturally and historically significant structures while completely modernizing the building systems and infrastructure. The Knitting Mills is over 97% occupied across its 700,000 square-feet of both renovated and new office, retail, restaurant and laboratory space. ■



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In December 2020, the AmeriHealth Caritas at Ellis Preserve project received CREW Greater Philadelphia's 2020 Community Impact Award!

Equus would like to thank the following brokers and their firms for helping us lease 2,046,939 SF in the 4th Quarter 2020:

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▶ CBRE (CA)	Dave Remington
▶ CBRE (GA)	Ellen Stern
▶ CBRE (MN)	Josh Johnson
▶ CBRE (PA)	Scott Gabrielsen and Mike Hess
▶ CBRE (SC)	Bob Barrineau and Brendan Redeyoff
▶ CBRE (TX)	Renee Castillo, Fletcher Cordell, Jackie Marshall and Jackie Smith
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▶ Cresa (DC)	Rick Meadows
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▶ Norton Commercial Acreage Group (GA)	Gerald Lambert
▶ Palm Commercial Brokerage (MN)	Ben Schettler
▶ ProVenture (TN)	Brian Camp
▶ Stream Realty (GA)	Simon Arpiarian, Steve DeVinney and Kevin Driver
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▶ Transwestern (CO)	Cheryl Casserly
▶ Vestmont (TX)	Jeremy Steenerson
▶ Washington Realty Group (DC)	Peter Gordon
▶ William I. Judy (NC)	William I. Judy
▶ York Properties, Inc. of Raleigh (NC)	Brian E. Wallace

Equus Capital Partners, Ltd.® is one of the nation's leading private real estate investment managers. Equus' diversified portfolio consists of office, multi-family, R&D, and industrial properties located throughout the United States.

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