



Equus Completes Over \$150 Million in Sales

During the quarter and into mid-January 2025, Equus Capital Partners, Ltd. ("Equus"), completed sales of multiple industrial properties, totaling in excess of \$150 million. Equus was responsible for entitling, designing, constructing, and leasing each of these projects, reinforcing its expertise in creating high-quality industrial developments in key logistics markets. Transactions included the sales of 3030 Enterprise Drive, 1401 Enterprise Drive, 1080 Centerpoint Drive—all located in Suffolk, Virginia—and a 17-acre industrial land parcel in Waynesboro, Virginia.

3030 Enterprise Drive, a state-of-the-art 150,000-square-foot build-to-suit transload warehouse located in the strategically positioned Port of Virginia Logistics Park, was developed and leased by Equus then sold to LBA Logistics, in November 2024, for one

of its closed-end industrial funds. In December 2021, Equus secured a long-term, tailor-made lease with NFI, a leading supply chain solutions provider renowned for its expertise in dedicated transportation, warehousing, and logistics. The property spans 74.86 acres, featuring 937 trailer spaces and 181 loading docks, making it an ideal hub for seamless, high-volume logistics and distribution. With these vast facilities, the site is poised to drive efficiency and scalability for NFI's operations, while serving as a key asset within LBA's industrial portfolio.

1401 Enterprise Drive, which consists of 348,500 square-feet, and 1080 Centerpoint Drive, which consists of 307,200 square-feet, are located in the same industrial park as the NFI building, and were developed by Equus between 2021 and 2022 and leased to Dart Corporation and GXO, respectively. These transactions reflect

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The Year Ahead



Stephen M. Spaeder
President and CEO

Welcome to the first of my annual "The Year Ahead" columns. As Equus' new President and CEO, I look forward to continuing the tradition established by Dan DiLella, our Board Chair, of sharing my perspective and that of

our management team on the year ahead. As the leadership transition at Equus concludes, I want to assure you of our continued commitment to providing the best-in-class real estate investment management services you have been accustomed to under Dan's leadership. Please do not hesitate to reach out to me to share your thoughts, input and feedback as we welcome every opportunity to engage with our investors, tenants and vendors. Now to the business at hand.

Having cheered on the Fed's summer 2024 shift in interest rate policy and welcomed the end of uncertainty stemming from the 2024 election, real estate investment managers looked forward to 2025 with enthusiasm and hope. But after assessing the strength of the economy as measured by the labor market's resilience and its anticipation of potential inflationary trends from actions proposed by the Trump administration, the Fed has transmitted a likely delay in further rate reductions. We appear to be back to a "higher for longer" approach. To wit, as we enter 2025, the 10-year Treasury had found its way back above 4.5%.

From an investment perspective, property cash flows will continue, at least in the short

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New Hires

Equus Capital Partners, Ltd.
Marina del Ray, CA Office
Michael Riordan, *Associate - Asset Manager*

BPG Management Company, L.P.
Newtown Square, PA Office
Jean Marie Sines, *Property Manager*

Equus Management Company AZ, LLC
Scottsdale/Tucson, AZ Office
Michelle Chernecki, *Assistant Property Manager*

Promotions

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Timothy Feron, *Senior Vice President, Acquisitions*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Michael Brower, *Senior Vice President, Valuations & Dispositions*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Scott Miller, *Vice President, Acquisitions*

Equus Development, L.P.
Newtown Square, PA Office
Nicole Biello, *Senior Project Manager*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Alex Mazur, *Associate*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Sofia Melhor, *Associate*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Tucker Scaringe, *Associate*

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term, to feel the stress of higher debt rates. Cap rates may not see the relief anticipated from lower rates, thus opportunities to sell or refinance assets could face hurdles the market thought were subsiding. The "Reawakening of Commercial Real Estate Capital Markets" and commencement of a "New Cycle" as described in Emerging Trends 2025, may be a bit premature. If surveyed again, we suspect most would suggest that a delay in these outcomes is short term rather than permanent. In the interim, more stress may appear in the market, particularly for assets bought or constructed prior to the 2022 run up in rates, and that may bode well for well-capitalized investors.

The effects of the pandemic and ongoing demographic changes continue to impact tenants' use of and demand for space, both commercial and residential. The resilience in the industrial market continued with stronger net absorption in the 2nd half of 2024. Coupled with deceleration in construction deliveries, 2025 is poised for upward pressure on rental rates. On the residential front, supply additions appear to have peaked in late 2024, early 2025. This bodes well for rental rate growth as strong labor markets, favorable demographics and housing shortages will bolster demand.

Not to be ignored, office will continue to be challenged by the impact of the pandemic on work-from-home practices. We expect to continue to see more directives from employers to have workers back in the office. As this occurs, occupancies will improve, and higher quality buildings will likely experience enhanced performance. Older buildings will likely continue their struggle in both leasing and rental rate. Notwithstanding the interest rate challenges, we expect to see some financing and thus sale activity in the sector. Prudent investors able to acquire quality office buildings in strong locations should be able to do so at attractive prices and as the sector recovers, be rewarded with excellent returns.

Well capitalized and stable firms will have ample opportunity to execute their business plans and in environments such as we see now, will be well rewarded. Equus, with its tenured leadership, direct operator model, presence in multiple US markets and access to capital, is well positioned to take advantage of opportunities in 2025.

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

A Year In Review



George Haines,
COO

We are pleased to report that our commercial asset management staff completed 764 leases totaling over 5.2 million square-feet in 2024.

During the 4th quarter, our team completed 209 leases totaling over 1.1 million square-feet. The 2024 leases represent an aggregate lease value of more than \$327 million in rent (with new leasing representing 43% of the total volume). We thank the many leasing agents from around the country who work closely with us in achieving this sizable activity.

Despite a stubbornly slow nationwide capital market environment, we acquired properties totaling more than \$452.9 million during the year while successfully completing over \$623 million in sales comprising 4 industrial properties, 10 multi-family communities, and 3 land parcels.

Our development team remained active this past year completing construction on 548 luxury apartment units, a state-of-the-art 100,000 square foot mass timber office building, a 140-key hotel, and over 90,000 square feet of town-center retail. Additionally, our construction efforts continue on a 314,000 square foot manufacturing facility build-to-suit in Waynesboro, VA for Northrop Grumman. Finally, we continue to advance land development approvals for future multi-family and industrial projects across multiple states in the Mid-Atlantic region.

Our Capital Markets department was very busy again during 2024, closing approximately \$300 million in new financings while managing regular activity within our \$4.4B debt portfolio.

Our acquisition focus in early 2025 is on value-add industrial and multi-family opportunities across the country while we keep our eye on office fundamentals and the opportunities that may arise.

Best wishes for a happy and healthy New Year. ■

Dispositions

3030 Enterprise Drive,
Suffolk, VA
Industrial | 150,000 SF

1401 Enterprise Drive,
Suffolk, VA
Industrial | 348,500 SF

1080 Centerpoint Drive,
Suffolk, VA
Industrial | 307,200 SF

Industrial Land Parcel,
Waynesboro, VA
Land | 17 Acres



1080 Centerpoint Drive,
Suffolk, VA



1401 Enterprise Drive,
Suffolk, VA



17-acre industrial land parcel,
Waynesboro, VA

A Message From the Board



Daniel M. DiLella
Chairman



Arthur P. Pasquarella
Vice Chairman



Robert K. Maloney
Treasurer

Happy Holidays!
Earlier in 2024 we appointed our successors at Equus in Steve Spaeder CEO, George Haines COO, Howard Patent CFO and Kyle Turner CIO. The three of us have assumed board roles yet continue to be actively involved both financially and consultatively on a day-to-day basis. We are very pleased with the performance of our next generation of leadership here at Equus. Best wishes for a Happy and Healthy New Year.

Dan DiLella, Art Pasquarella, Bob Maloney ■

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the strong demand for well-positioned industrial assets in supply chain-critical locations and highlight Equus' ability to execute successful projects that attract institutional investors and high-quality tenants.

These three sale transactions were brokered by CBRE's Jonathan Beard, Bo Cashman, Liam Fahey, and Mike Hines.

In December 2024 Equus sold a 17-acre industrial entitled land parcel in Waynesboro, VA, which adjoins a nearly completed 315,000 square foot

manufacturing and engineering facility on Shenandoah Village Drive being developed for Northrop Grumman. The land parcel was acquired by Neuman Aluminum, a global manufacturer specializing in high-quality aluminum solutions for the automotive, aerospace, and industrial manufacturing sectors. With operations across Europe and North America, Neuman continues to expand its U.S. footprint to support growing demand for lightweight and sustainable metal products. ■

Equus would like to thank the following brokers and their firms for helping us lease 1,114,796 SF in the 4th Quarter 2024:

▶ Adena Commercial, LLC (OH)	Nolan M. Babb
▶ Arrow (MN)	Steve Fisher
▶ Avison Young (IL)	Fred Ishler and Chris O'Leary
▶ Bespoke (IL)	Vic Sanmiguel
▶ CBIZ/ Gibraltar (IL)	Bill Main
▶ CBRE (MD)	Kevin O'Neil and Jared Ross
▶ CBRE (PA)	Mike Maloney
▶ CBRE (TX)	Michael Dudley, Alix Kirby, and Jon Lee
▶ Citywide (AZ)	Todd Hamilton, Jack Scanlan, Adam Shteir, and Scott Wiley
▶ Colliers (GA)	Josh Gregory
▶ Colliers (IL)	Jess Esch, Dave Florent, and Francis Prock
▶ Commercial Properties, Inc. (AZ)	Sarge Glenn
▶ CPI (AZ)	David Bean, Cory Breinholt, Keith Clark, Kelli Jelinek, and Cory Sposi
▶ Cushman & Wakefield (DC)	Craig Estey
▶ Cushman & Wakefield (IL)	Steve LaKind
▶ Cushman & Wakefield (NC)	Elliott G. Honeycutt and Stacy Mutheu Mbithi
▶ Cushman & Wakefield (PA)	Gina Brennan and John Shelly
▶ Cushman & Wakefield (TX)	Charlie Bech
▶ Cushman & Wakefield (TX)	Todd Brandon, Grant Goodwillier, and Samantha Kaye
▶ Cushman & Wakefield (VA)	Jack Abel, Paige Barger, Todd J. Brinkman, and Tom Walsh
▶ Cushman & Wakefield (AZ)	Gary Anderson
▶ Jones Lang Lasalle (FL)	Peter Johnston, Yuri Quispe, and Peter Sheridan
▶ Jones Lang Lasalle (IL)	Garrett Johnson, Giles Phylar, and Robert Tamillo
▶ Jones Lang Lasalle (MN)	Jon Dahl, Teig Hutchinson, and Brent Robertson
▶ Jones Lang Lasalle (TX)	Cribb Altman, Joe Berwick, Harrison Biro, Christian Canion, David Holland, Eliza Klein, Anya Marmuscak, Matt Pruitt, Richard Quarles, Clara VanLandingham, and Angela Watford
▶ Jones Lang LaSalle (VA)	Steve Burman
▶ Laughlin Commercial Group (TX)	Grant Laughlin
▶ Lee & Associates (MN)	Ron Scholder
▶ Lee & Associates (TX)	Travis Taylor
▶ Lee & Associates Raleigh Durham, LLC (NC)	Ryan William Lawler
▶ Markeim Chalmers, Inc. (NJ)	Kevin T. Burns
▶ Oxford Realty (AZ)	Cameron Casey
▶ Partners National Real Estate Group, Inc. (TX)	Kane Dossett
▶ PICOR Commercial Real Estate Services (AZ)	Denisse Angulo, Rob Glaser, Paul Hooker, Andrew Keim, and Tara Kernen
▶ Prism (IL)	Tony Guido
▶ Renaud Consulting (VA)	Henry M. Renaud
▶ Stream Realty Partners - Houston (TX)	William Carpenter, Woody Hillyer, and Meg Zschappel
▶ Sturbridge Commercial Real Estate (TX)	Chance Atkins
▶ Thalhimer (VA)	Brian Felton, Danny Holly, and Graham Stoneburner
▶ Tierra Antigua Realty (AZ)	Esther Empens
▶ TP Triangle, LLC (NC)	William Garrett Lewis
▶ Transwestern Real Estate (TX)	Bobbie Bozarth

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.

Philadelphia | Washington, D.C. | Marina Del Rey | Raleigh | Atlanta | Scottsdale | Delray Beach

Acquisition Contacts

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