

SIGNIFICANT DEMAND FOR ICONIC RESIDENTIAL BUILDING AT UNION STATION AVERAGE SALES VELOCITY OF 38 UNITS PER MONTH



The Coloradan (Denver, CO)

The Coloradan is a 334-unit residential property offering the first for-sale condominiums in Denver's Union Station neighborhood. Since commencing sales in August 2017, 227 contracts have been executed representing 75% of the for-sale homes. The Coloradan is located between Denver's flagship Whole Foods Market and Union Station, a renowned transportation node connecting residents to countless destinations including rail access to Winter Park Resort, Denver International Airport and Denver's suburban markets.

The Coloradan boasts outstanding views of downtown, Coors Field and the mountains, and will feature thoughtfully-curated ground floor retail and restaurants. "The design aesthetic is spectacular – to select a color for the terra-cotta façade, GBD Architects drew inspiration from the alpenglow that often accompanies sunsets in the Rocky Mountains," said Ascentris Managing Director Bobby Ghiselli. "We are excited to see the 14,000 terra-cotta tiles make their way from Germany across the Atlantic and onto the building. The Coloradan is one of the first in the U.S. to utilize the natural clay tile for a large portion of the exterior," added Ghiselli. Resident amenities include a rooftop pool deck and club room, a fitness room, an owner's library, and a garden terrace. The Coloradan will be LEED Gold and Certified Healthy, a certification recognizing exceptional projects that integrate stringent wellness standards to encourage healthy lifestyles. Additionally, 10% of the residences will provide much-needed affordable housing to qualified purchasers; the 33 affordable homes will be offered for sale in spring 2018. Ascentris and its development partner, East West Partners, celebrated a major construction milestone in January, when the building topped out at 19 stories. The project remains on schedule for completion in late 2018.

ASCENTRIS ACQUIRES PALOMA RIDGE IN AUSTIN, TEXAS EXPERIENCES STRONG LEASING DEMAND

Ascentris purchased Paloma Ridge, a newly-constructed 211,000 square foot Class A suburban office property in December 2017, and quickly signed a 12,000 square foot lease, taking the property to 75% leased. Further, Stream has the leasing assignment and is negotiating with prospective tenants for all the remaining vacancy. "Ascentris is targeting high-quality, differentiated, suburban office properties in historically-resilient markets where there is a significant rent and valuation discount from their CBD counterparts. Paloma Ridge is a great example of what we find attractive in the office sector today," said Ascentris Senior Vice President Jake Rome. The property is in Northwest Austin, a submarket known for high-credit tenants in need of large blocks of space and ample parking (Paloma has a 7:1,000 square foot parking ratio). Austin's record-setting population growth is concentrated in the northern suburbs where the population grew by more than 25% from 2010 – 2016. Paloma is less than a mile from a light-rail station with direct access to The Domain and Downtown, Austin's most expensive office markets. The 15' ceilings and polished concrete floors enable creative office fit-outs which often command higher rents. Common amenities include showers and lockers in each building, outdoor gathering areas and a routine food truck service, a popular amenity in Austin. The property is a candidate for the City of Austin's Green Energy Certification and has attracted national-credit tenants diversified across the Insurance, Technology, Homebuilding, Communications and Financial industries that are seeking high-quality space at a material rent discount to the Domain.



Paloma Ridge (Austin, TX)

Ascentris' business plan calls for stabilizing the property by capitalizing on robust tenant demand. Energy Star Certifications are being pursued for both buildings, and Ascentris is exploring capital projects that support energy efficiency and reduce operating expenses. "Once the existing buildings are stabilized, we will focus on creating additional upside by developing a third office building that can be accommodated on the site," added Rome.



The Connection

WINTER 2018

ASCENTRIS, LINCOLN PROPERTY COMPANY, ACQUIRE OFFICE TOWER IN DOWNTOWN CHICAGO BUSINESS PLAN INCLUDES ESG INITIATIVES FOCUSED ON SUSTAINABILITY, WELLNESS, RESILIENCY



120 North LaSalle (Chicago, IL)

In December 2017, Ascentris partnered with Lincoln Property Company and acquired 120 North LaSalle, a 383,000 square foot Class "A" office tower located in Downtown Chicago. "While our business plan includes upgrading the common areas of the office tower in order to enhance the tenant experience, Ascentris and Lincoln Property will also spend considerable time incorporating Environmental, Social and Governance (ESG) considerations as the partnership repositions the property," said Ascentris Vice President Denis Curran, who leads the investment on behalf of Ascentris.

"Most investors realize there is a business case for sustainability, especially with energy efficiency and renewables," said Ascentris Senior Vice President Jake Rome who chairs Ascentris' ESG Committee. "While the ESG Committee focuses on implementing initiatives that result in operating our properties more efficiently, we are also focused on ways to incorporate ESG practices into our corporate processes and procedures," added Rome.

The rapid evolution of autonomous data collection and analytic technologies enables accurate tracking of waste, water and energy consumption. With efficient tracking mechanisms, comes the ability to quantify the impact of energy efficiency projects, as well as set and report against utility reduction targets. Tenants can be billed based on their actual usage, and therefore are incentivized to save given the direct impact to their bottom line.

ASCENTRIS SELLS OVER 4.0 MILLION SQUARE FEET OF INDUSTRIAL PROPERTIES REPRESENTING NEARLY \$250 MILLION IN PROPERTY SALES

In 2017 alone, Ascentris executed over 1.3 million square feet of industrial sales including two developments in Atlanta: Fairburn 85, a 318,000 square foot cross-dock distribution building that Ascentris and Huntington Industrial Partners developed in partnership with Trammel Crow Company, and Skyview Distribution Center, a 225,000 square foot front-loading light industrial facility that Ascentris also developed in partnership with Huntington. These sales highlight Ascentris' industrial development strategy, which was centered around new logistics models that have resulted in greater demand for regional distribution centers in strategic locations across the United States, as well as increased demand for smaller, more local facilities which deliver e-commerce goods to consumers in a quick turnaround environment. "We recognized an outstanding opportunity to be early into the industrial development cycle so we concentrated our efforts in markets that were undersupplied and indicated increased tenant demand," said Jeff Higgins, Vice President of Ascentris. "As a result, we partnered with some of the strongest development companies in the country and developed 11 buildings totaling over 2.3 million square feet in Dallas-Fort Worth, Houston, Atlanta, and Portland," added Higgins.

Rounding out Ascentris' 2017 industrial sales was the sale of a 748,000 square foot portfolio consisting of five buildings in Atlanta, Georgia. Ascentris and Huntington Industrial Partners acquired the properties in 2012 recognizing there was an opportunity to aggregate, through single property acquisitions, an attractive portfolio of well-located, income-producing warehouse/distribution properties significantly below replacement cost. "As we were developing, we also recognized that there was an opportunity to aggregate a highly attractive portfolio of operating properties through the acquisition of smaller multi- or single-tenant industrial buildings that serve local populations in high growth markets," Higgins added.

Since 2012, Ascentris either acquired or developed 20 industrial properties totaling 4.8 million square feet and completed sales totaling more than \$242 million.



Skyview Distribution Center (Atlanta, GA)



Fairburn (Atlanta, GA)

SPOTLIGHT: ASCENTRIS HOSTS FIRST ANNUAL PARTNER SUMMIT

In September 2017, Ascentris hosted its first annual Partner Summit, which was attended by many of its current and prior operating and development partners. The Summit, which was held at Ascentris' office in Denver, provided the opportunity for Ascentris to introduce its partners to one another and for the group to share industry experience and knowledge with each other.

The two-day event began with each firm presenting an overview of its investment strategy as well as sharing insight on its respective markets and experience with Ascentris. Following a group dinner that night, the event culminated the next morning with a round-table discussion focused on prevalent topics impacting the real estate industry, including e-commerce, technology, and driverless cars, among others.

"We are thrilled that so many of our most valued partners were able to take part in our first annual Partner Summit. The event is a testament to the strength of our partner network, and we are grateful to have deep relationships with some of the best real estate developers and operators the U.S. We look forward to continuing to host this event annually" said Ascentris Managing Director, Tricia Noble.



Partner Summit (Denver, CO)

ABOUT ASCENTRIS

Ascentris is a real estate private equity firm based in Denver, Colorado. With nearly \$1.0B in assets under management, Ascentris invests in and manages commercial real estate, both directly and through joint venture partners, on behalf of institutional investors. Since 2003, the Ascentris management team has focused exclusively on value-add and opportunistic investments across all the major property types and geographic regions in the United States.

Built on a foundation of transparency and accountability, Ascentris is positioned to quickly identify real estate opportunities in an ever-changing market while maintaining an unwavering commitment to put its clients' needs first. Ascentris is a privately held and employee owned SEC registered investment adviser. Additional information is available at www.ascentris.com.