

ASCENTRIS & CHILDRESS KLEIN PARTNER AGAIN ON \$185M DEVELOPMENT CONSTRUCTION OF APEX COMMENCED IN JUNE

In May, Ascentris and Childress Klein announced the acquisition of a 5.5-acre parcel at the corner of Morrison Boulevard and Sharon Road in Charlotte's SouthPark submarket, directly across from SouthPark Mall. Together, the joint venture purchased the land from Sharon United Methodist Church and will develop Apex SouthPark which will consist of 345 apartments in two 12-story towers and 88,000 square feet of ground floor retail. The property will also feature a 175-room hotel with a rooftop restaurant and bar, as well as a shared six-level parking structure which will serve the entire property. Demolition of the existing building and construction of the project commenced in June. The finishes and common area amenities will raise the standard for apartment living in SouthPark. One-, two-, and three-bedroom units will feature floor to ceiling windows, high-end stainless-steel appliances, under-cabinet lighting, quartz countertops, and backlit mirrors. The two towers will share an amenity deck with a swimming pool, cabanas, fire pits, grills, a tenant lounge and fitness center for both yoga and spinning studios. The property will also feature an on-site 24-hour concierge service. The 88,000 square feet of ground floor retail is designed to accommodate a variety of tenants, including restaurants and bars with outdoor seating, which will create an energetic environment. Childress Klein is leasing the retail portion of the property.



Apex (Charlotte, NC)

“Ascentris is thrilled to partner with Childress Klein again, this time on the development of Apex SouthPark. Childress Klein and RJTR have designed an iconic project that will be unlike anything else in SouthPark and will set the stage for a new generation of living in Charlotte,” said Ascentris Managing Director Tricia Noble.

Apex SouthPark is a property many years in the making. Sharon United Methodist solicited master development proposals for the site in 2015, ultimately selecting Childress Klein. The property was rezoned in 2016 to allow for the development of the property. Substantial completion of the first apartment tower is scheduled to occur in Spring 2020, with final completion of the project slated for Spring 2021.

ASCENTRIS & HARBOR ACQUIRE THE PINNACLE IN SAN DIEGO, CA PARTNERSHIP EMBARKS ON CAPITAL IMPROVEMENT PLAN



The Pinnacle (San Diego, CA)

In June, Ascentris and Harbor Associates acquired The Pinnacle, a 110,110 square foot, five-story Class A office building located in the north San Diego submarket of Rancho Bernardo. Located just 25 miles north of downtown San Diego, Rancho Bernardo is experiencing significant tenant demand due in large part to its access and affordability. Completed in 2007 and currently 93% leased, The Pinnacle is the submarket's newest office building and is the only property that offers subterranean parking. Ascentris and Harbor will execute a capital improvement plan to enhance the tenant experience, including creating new outdoor covered seating and collaborative workspace with canyon views, modernizing the bike storage and locker room areas, and refreshing the lobby.

Ascentris Managing Director Bobby Ghiselli added, “Ascentris is currently targeting high-quality office buildings in the primary suburban submarkets across the United States. The Pinnacle represents our fifth office acquisition in the past six months and we are excited to partner with a group as capable as Harbor to execute on the investment's business plan.”

BOUTIQUE APARTMENTS DELIVERED AND QUICKLY STABILIZED APARTMENT PROPERTY IDEALLY LOCATED IN SOUTH LAKE UNION, SEATTLE



Derby SLU (Seattle, WA)

Ascentris and Kōz Development stabilized Derby South Lake Union only three months after completing construction. The partnership broke ground on the 47-unit property in February 2017 and finished construction in March 2018. The eight-story building has experienced significant leasing demand; its residences average under 300 square feet and offer a 25% rent discount to other studios in the submarket, providing much-needed relief to Seattle's strained rent-to-income ratios.

"We are very pleased to see Derby South Lake Union's leasing success," said Ascentris Vice President Denis Curran. "Given South Lake Union's influx of luxury multifamily supply, we have long believed that the market would benefit from a property that can provide renters a more affordable place to call home," added Mr. Curran.

Derby South Lake Union establishes a new standard for small-unit living with its Class A finishes and thoughtfully-curated amenities. Studio units, which come furnished, feature floor-to-ceiling windows, 9'6" ceilings, fully-equipped kitchens, and significant tenant storage. The property features an expansive rooftop deck with views overlooking Lake Union including a fire pit and grills. Residents also have access to a dog wash area, ground-floor bike storage and a secure high-speed WiFi network dedicated to the building.

Ascentris and Kōz are under construction on a second boutique apartment project in Portland, OR. The 128-unit property, known as Derby Slabtown, is located between the Pearl and the Northwest submarkets, and is scheduled to deliver in 2019. The objective for Derby Slabtown is consistent with Ascentris' boutique apartment strategy: to deliver Class A living at an accessible price point by offering exceptionally well-designed apartment residences in premier locations.

ASCENTRIS ACQUIRES TRI-CENTER PLAZA IN LOS ANGELES, CA RENAMES PROPERTY TO 5990 SEPULVEDA, COMMENCES CAPITAL IMPROVEMENTS

Ascentris acquired Tri-Center Plaza, a 143,000 square-foot, multi-tenant office property in Los Angeles, CA. Built in 1990 and 65% leased at acquisition, the property is located at 5990 Sepulveda Boulevard in the Central San Fernando Valley submarket, one of the most centrally located submarkets in Los Angeles. The property is less than twenty minutes from most of Los Angeles' office submarkets, including Westside, Downtown, Tri-Cities, Santa Clarita, Conejo, and Simi Valley. The property's location at the intersection of Highway 101 and the 405 Freeway make the building a convenient commute for the extensive labor pool that lives in the San Fernando Valley and benefits from an above-market 3.5 per thousand square feet parking ratio. Tri-Center Plaza is well positioned to offer attractive and flexible space options to tenants looking for 2,500 square feet to 25,000 square feet at a 20 price point that is a 20%-25% discount to its direct competition and a 50% discount to other submarkets that are only 15-20 minutes away.



5990 Sepulveda (Los Angeles, CA)

Ascentris' business plan includes renaming the property and implementing a strategic renovation program and an aggressive leasing strategy in order to stabilize the property. Planned renovations include upgrading the exterior, improving the amenities and wayfinding, and modernizing the common areas of the property.

"We are actively acquiring high-quality, well-located suburban office properties because we believe the sector is still early in its cyclical recovery, particularly in markets with structurally high population and employment densities," said Ascentris Vice President Jeff Higgins.

RITA GUERRERO RECEIVES HER CERTIFIED PUBLIC ACCOUNTANT DESIGNATION



Rita Guerrero, CPA

Rita Guerrero received her CPA designation in March. Ms. Guerrero is an Accounting Manager at Ascentris, responsible for property, fund, and corporate level accounting and reporting, implementing accounting systems and procedures, and working directly with both external auditor and third-party property accounting groups. Prior to joining Ascentris in 2016, Ms. Guerrero was with RSM US LLP specializing in clients in the Financial Services sector. Ms. Guerrero earned a B.S. in Business Administration with a concentration in Accounting and minor concentrations in International Business and Marketing from Saint Louis University. Ms. Guerrero belongs to the American Institute of Certified Public Accountants as well as the Colorado Society of Certified Public Accountants.

“Rita has been a terrific addition to the Ascentris team,” said Ascentris Director of Corporate Finance Jacque Vedra. “She has done an exceptional job of streamlining our property and fund accounting processes, and she is a great liaison with our third-party property managers.”

ASCENTRIS WELCOMES NEW TEAM MEMBERS, CONTINUES ITS SUMMER INTERNSHIP PROGRAM

Ascentris welcomed two financial analysts and three summer interns to its team. Baird Elam joined Ascentris from Jones Lang LaSalle where she served as a capital markets analyst. Prior to JLL, Ms. Elam worked at J.P. Morgan’s Private Bank evaluating investment portfolios and managing banking relationships for high net worth individuals both in Denver, Colorado and Miami, Florida. Dylan Drescher recently graduated Cum Laude from the University of Southern California (“USC”) where he received a B.S. in Real Estate Development. Prior to his senior year at USC, Mr. Drescher interned at Ascentris in 2017.

Ascentris also welcomed Joseph Carbone, a rising senior at Yale University, James McKenna, a rising senior at the University of Colorado and Natalie Mitchell, a rising sophomore at the University of Texas, all of whom commenced Ascentris’ extensive three-month summer internship program in May 2018.



Joey Carbone, Dylan Drescher, James McKenna, Baird Elam

ABOUT ASCENTRIS

Ascentris is a real estate private equity firm based in Denver, Colorado. With \$1.1B 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 on core, 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.