

Offering
Memorandum

PODS Build-To-Suit | Corporate Lease

2501 Karsten Ct. SE | Albuquerque, NM 87102



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Investment Highlights

Investment Property Advisors is pleased to offer for sale an Absolute Triple Net-Leased PODS building located at 2501 Karsten Ct. SE in Albuquerque, New Mexico. The location is at the southwest corner of the intersection of Interstate 25 and Gibson Blvd. The facility services the entire Albuquerque MSA, including Santa Fe and surrounding areas. The location's close proximity to the intersection of Interstate 25 and Interstate 40, provides for easy access to the north/south and east/west.

PODS occupies a ±48,777 square feet building on a ±138,246 square feet (3.1737 Acres) parcel that is zoned as SU-2 HM (Heavy Manufacturer). The facility was a build-to-suit specifically for PODS, and they have occupied the property for over 10 years. PODS has about 4.5 years remaining on the current term with 1, 5-year renewal option. There is a rental increase based on CPI at the renewal option. The lease is an absolute NNN with zero landlord responsibilities.

The location benefits from its direct visibility from Interstate 25 with high traffic counts of over 120,000 cars per day at the intersection of Interstate 25 and Gibson Blvd, as well as its central location within the Albuquerque MSA. Substantial cash flow and relatively low rental rates, combined with the low interest rate environment, make this property an opportunity that an investor can capitalize on.

- Absolute NNN lease with zero landlord responsibilities
- Build-to-suit for PODS to meet their requirements
- ±4.5 year base lease term remaining through May 31, 2020, with (1) 5-year renewal option
- CPI Increase at renewal option
- Large corporate tenant with over 220 locations in four countries
- Visibility to over 120,000 Cars Per Day at the intersection of Interstate 25 and Gibson Blvd
- Location services the entire Albuquerque MSA
- Excellent access to the north/south and east/west with close proximity to the intersection of Interstate 25 and Interstate 40

Offering Summary

Purchase Price	\$3,000,000
Net Operating Income	\$276,000
Cap Rate	9.20%
Lease Type	Absolute NNN



Tenant Highlights



PODS, or Portable On Demand Storage, is a moving and storage company. It was founded in 1998 by Peter Warhurst in Clearwater, Florida. Mr. Warhurst was looking to expand his family's storage business and invented PODS containers, including a hydraulic lift system that enables operators to easily deliver and transport the units, called PODZILLA. In February 2007, PODS was acquired by Atlanta-based Arcapita for \$451.4 million.

PODS reached a significant milestone in the containerized moving and storage industry as they announced the delivery of their two millionth container to a residential customer in Florida.

In 2014, PODS was bought by the Ontario Teachers' Pension Plan. The terms of the deal were not disclosed, but the Wall Street Journal, citing a Reuters story, reports PODS explored a deal earlier in 2014 that could value the firm at \$1 billion, including debt.

PODS operates by delivering a storage container to the customer's house. The customer can pack their items in it, lock it themselves with their own padlock, then have the unit stored at a warehouse, or it can be delivered to another location.

Tenant	PODS Enterprises, LLC
Trade Name	PODS
Year Founded	1998
Headquarters	Clearwater, FL
Website	www.pods.com

Lease Summary

Location	2501 Karsten Ct. SE, Albuquerque, NM 87102
Tenant	PODS Enterprises, LLC
Building Size	±48,777 SF
Land Size	±138,246 SF; 3.1737 Acres
Lease Commencement	June 28, 2004
Lease Expiration	May 31, 2020
Remaining Base Lease Term	±4.5 Years
Renewal Options	One (1), Five (5) Year Option
Rental Increases	CPI at Option
Net Operating Income	\$276,000
Lease Type	Absolute NNN
Landlord Responsibilities	Zero Landlord responsibilities





Albuquerque Overview

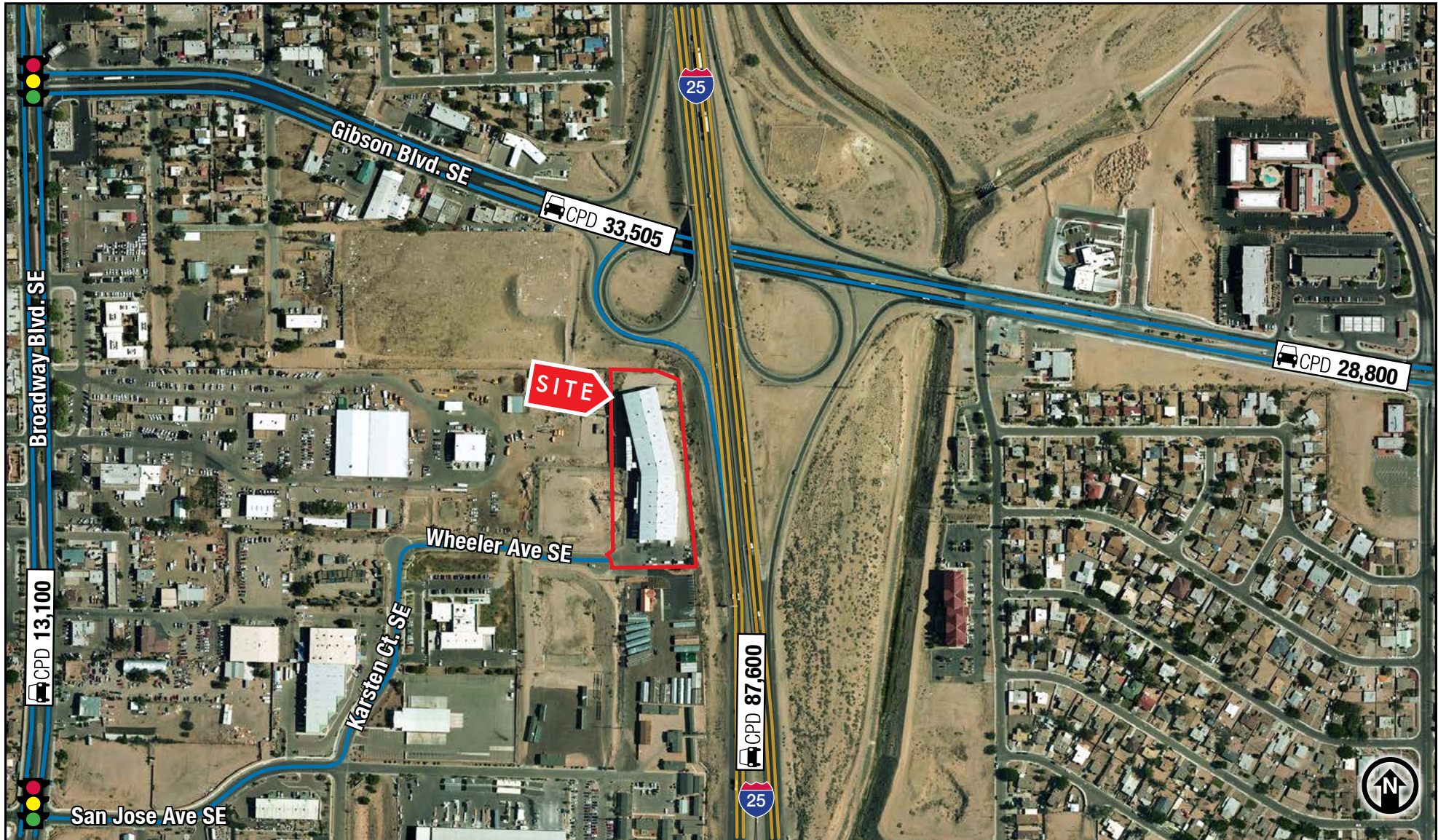
Centrally located at the intersection of I-25 and I-40, Albuquerque is the most populous city in New Mexico with an estimated metropolitan population of 909,344 in 2014. The city serves as a southwestern commercial hub, with BNSF Railroads rail service, air cargo shipped from the Albuquerque International Sunport, as well as the commuter train, the Rail Runner, spanning from Belen to Santa Fe.

Albuquerque's economic environment is experiencing growth due in part to the city being the center of the New Mexico Technology Corridor. Numerous high-tech, private companies as well as government institutions have recently expanded into the Rio Grande Valley. The largest employers located in Albuquerque include Kirtland Air Force Base, the University of New Mexico and Sandia National Laboratories. Recent economic news includes Comcast selecting Albuquerque for a 500 employee bilingual customer support center; Bendix/King a Honeywell aerospace company, also located its headquarters in Albuquerque, with 140 quality jobs; General Mills finished a \$100 million expansion of its plant with more than 100 new employees; Lowes Home Improvement opened a \$15 million customer support center in 2012. Because of these business developments and Albuquerque's great quality of life, Forbes Magazine named the city #1 in its survey of the best places in the USA for Business and Careers. For more information, visit www.abq.org.

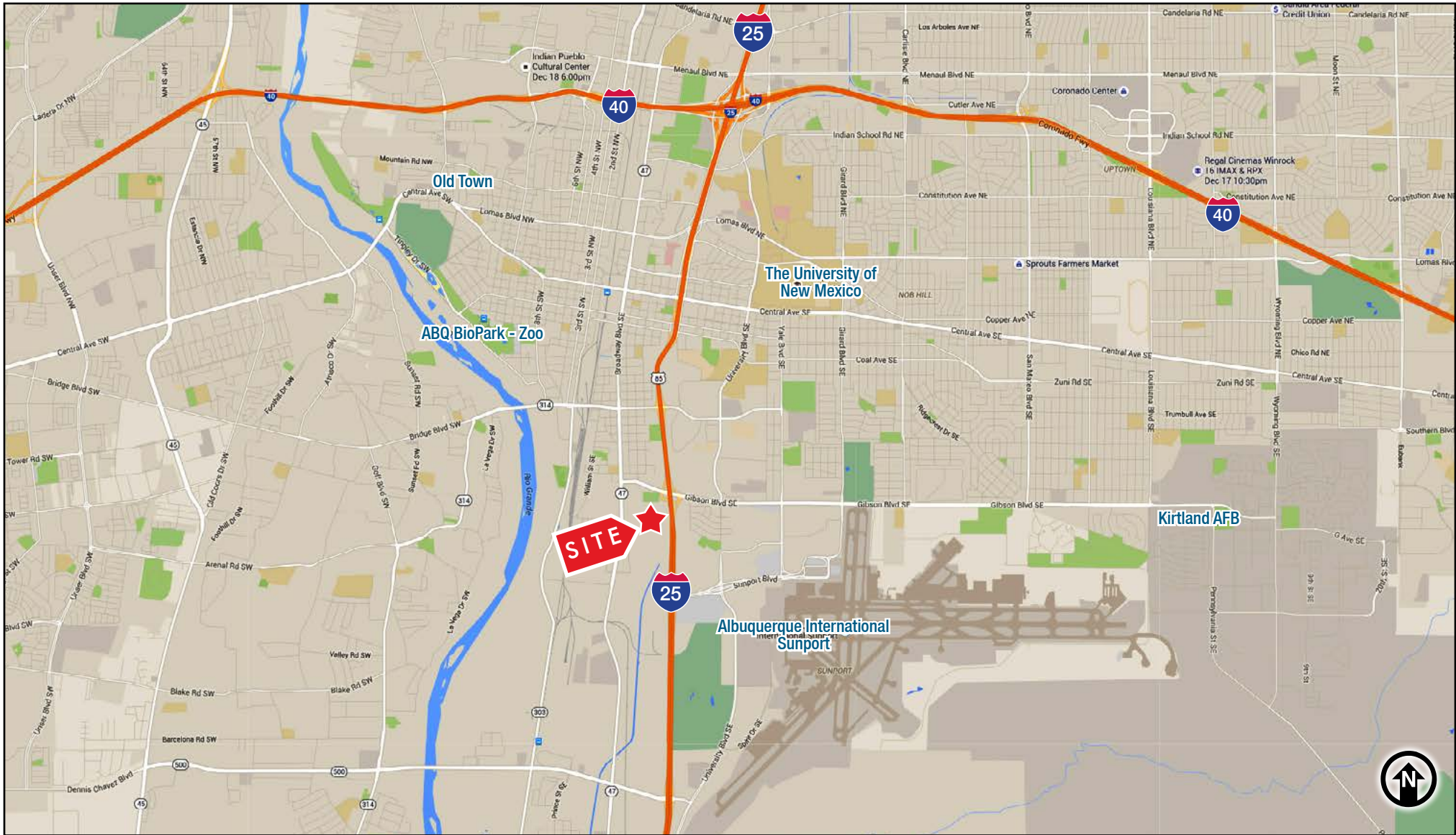
Albuquerque temperatures are characteristic of high, arid areas. Midday temperatures average 50 degrees in the winter and 90 degrees in the summer. Warm summer days yield to cool nights, and an average relative humidity of only 42% allows residents the economy of evaporative cooling. Despite an average annual rainfall of eight inches, the city has an adequate water supply located in an aquifer beneath the Rio Grande and through a recent river diversion project. Regardless, water conservation is a continuing quest.

Albuquerque's MSA (September 2014) estimated median household income was \$46,203 and per capita income was \$36,272. The median age of its citizens stands at 38.10 years. Its labor force stands at 385,956 (educational and health services - 16%; retail trade - 11%; professional and business services - 15%; public sector - 22%; construction, manufacturing and mining - 9%). Albuquerque's non-agricultural employment growth rate was 0.5% and the city's unemployment rate is 6.4%. The 2014, second quarter commercial space and vacancy rates were: Office - 20.9%; and Industrial 7.9%. Albuquerque's median sales price of single-family homes as of 2014 Q2 is \$178,700.

Property Aerial



Property Location



Demographics

Summary	1 Mile	3 Mile	5 Mile
	2015	2015	2015
Population	7,130	69,544	198,642
Households	2,382	29,502	80,476
Families	1,629	13,661	42,828
Average Household Size	2.97	2.21	2.39
Owner Occupied Housing Units	1,318	12,864	40,372
Renter Occupied Housing Units	1,064	16,638	40,104
Median Age	30.8	33.1	34.0

Trends: 2015 - 2020 Annual Rate	State	State	State
Population	0.46%	0.46%	0.46%
Households	0.50%	0.50%	0.50%
Families	0.34%	0.34%	0.34%
Owner HHs	0.52%	0.52%	0.52%
Median Household Income	2.64%	2.64%	2.64%

Households by Income	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	533	22.4%	7,764	26.3%	19,590	24.3%
\$15,000 - \$24,999	571	24.0%	5,060	17.2%	13,164	16.4%
\$25,000 - \$34,999	397	16.7%	4,364	14.8%	11,257	14.0%
\$35,000 - \$49,999	364	15.3%	3,723	12.6%	10,887	13.5%
\$50,000 - \$74,999	293	12.3%	3,949	13.4%	11,632	14.5%
\$75,000 - \$99,999	113	4.7%	1,921	6.5%	5,939	7.4%
\$100,000 - \$149,999	100	4.2%	1,507	5.1%	4,922	6.1%
\$150,000 - \$199,999	4	0.2%	633	2.1%	1,784	2.2%
\$200,000+	9	0.4%	578	2.0%	1,297	1.6%

Median Household Income	\$26,667	\$28,644	\$30,943
Average Household Income	\$36,043	\$45,160	\$46,721
Per Capita Income	\$12,228	\$19,826	\$19,292

Population by Age	2015		2015		2015	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	576	8.1%	4,183	6.0%	13,502	6.8%
5 - 9	542	7.6%	3,886	5.6%	12,591	6.3%
10 - 14	536	7.5%	3,555	5.1%	11,756	5.9%
15 - 19	482	6.8%	5,247	7.5%	13,559	6.8%
20 - 24	631	8.8%	7,360	10.6%	17,848	9.0%
25 - 34	1,282	18.0%	12,692	18.3%	33,141	16.7%
35 - 44	850	11.9%	8,484	12.2%	24,043	12.1%
45 - 54	858	12.0%	7,996	11.5%	23,764	12.0%
55 - 64	693	9.7%	7,975	11.5%	23,172	11.7%
65 - 74	403	5.7%	4,863	7.0%	14,657	7.4%
75 - 84	195	2.7%	2,228	3.2%	7,228	3.6%
85+	82	1.2%	1,075	1.5%	3,380	1.7%