



ZIFF
REAL ESTATE
PARTNERS

**Upcoming Retail Investment
Opportunities
December 2024**



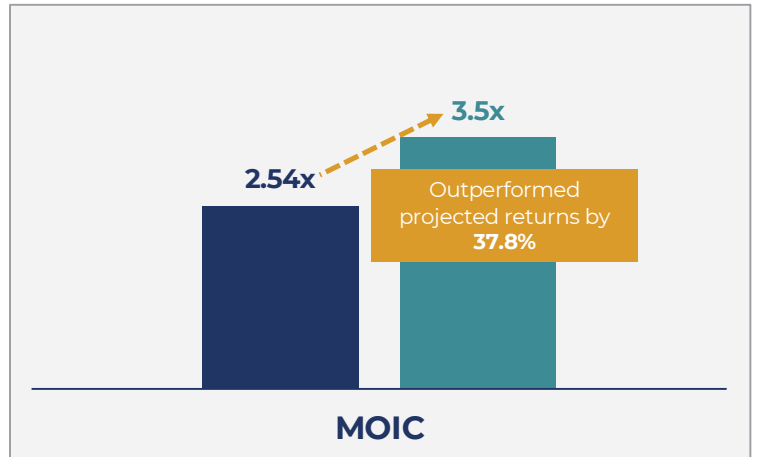
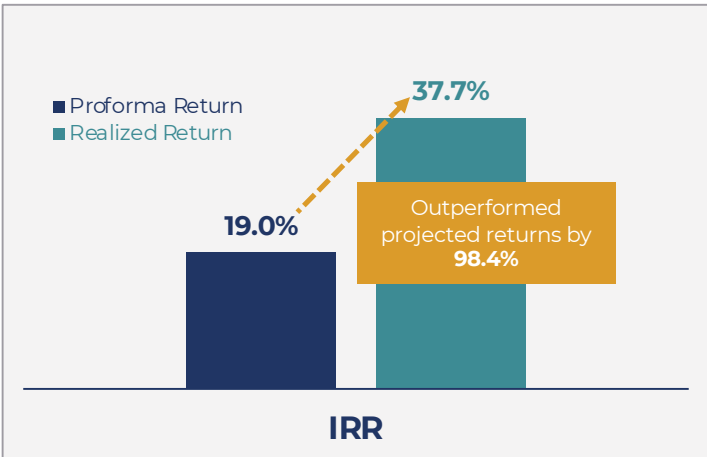
Fellow ZRP Investors:

First, we would like to wish you all a Happy Thanksgiving. Before you begin a relaxing weekend with your family, we wanted to give you early notice regarding two upcoming retail investment opportunities.

As you know from our [July 2024 update](#), we believe the fundamentals for retail centers are among the strongest of any type of commercial real estate, and we are seeing attractive investment opportunities. Our positive view is being confirmed by the strong rental performance of our existing retail portfolio of over 1.5mm square feet.

The pending disposition of our Jackson’s Courtyard investment is a good example of the types of opportunities we are seeing and our strategy for creating value. We acquired this 40,000sf retail center in December of 2020 and it had many of the key characteristics we seek in an investment; a strong location but inattentive management resulting in deferred maintenance, a suboptimal tenant mix and below market rents. Over the past few years, we executed our property and tenant improvement program, brought rents to market and are now under contract to close on the sale of Jackson’s Courtyard in January. The sale price will produce a net IRR to investors of 37.7% and an MOIC of 3.5x. This compares to our original base case of 19.0% IRR and 2.54x MOIC.

JACKSON’S COURTYARD REALIZED VS. PROFORMA RETURNS



We have two upcoming investment opportunities in similarly sized retail centers that you will receive materials on in the next two weeks, with expected closings in early January.



The first is **Hilliard Square**, a 52,000sf neighborhood center in a rapidly growing suburb of Columbus, Ohio. We are in contract to acquire the property at a going in cap rate of 7.6% and a price that equates to a 35% discount to comparable transactions. With rents 30% below market and numerous leases expiring without options, there is a clear path to driving higher rents and NOI.



The second is **Village Square** a 40,000sf center located in Louisville, CO, a suburb of Boulder. The property is in a high growth area with positive, high-income demographics and is located adjacent to a new Class A multi-family development and near the University of Colorado. Rents are ~27% below market.

Both Hilliard and Village Square will provide cash flow distributions in the first year of ownership and are targeted to be 5-year investments.





Later in January, we have **Promenade at Northwoods**, a 250,000sf shadow-anchored power center in our home market of Charleston, SC. The center is in the primary path of growth in the MSA, on Rivers Avenue in North Charleston. More details will follow early in the new year.



With the busy holiday season approaching we wanted to give everyone ample notice and a clear timeline to invest in these transactions.

Hilliard:

- 12/04/24 materials distributed
- 12/13/24 subscription docs due
- 01/09/25 funding due

Village Square:

- 12/10/24 materials distributed
- 12/19/24 subscription docs due
- 01/09/25 funding due

You will receive detailed information on these transactions next week. Enjoy your holiday weekend.

Ziff Real Estate Partners