

NORTHCREEK OFFICE PARK

| CASE STUDY



| PHYSICAL ASSET

Description	Four (4) eight-story office buildings with a two-story parking deck
Size	536,240 rentable square feet
Location	Buckhead submarket located at the intersection of Interstate 75 and West Paces Ferry Road
Land Area	41.2 acres
Year Built	1971-1979

| CAPITAL STRUCTURE

Total Investment	\$74,350,000	Includes acquisition costs, working capital and fees
Equity	\$24,350,000	JV with Angelo, Gordon & Co.
Debt	\$50,000,000	Life company loan at 69% loan-to-cost

| VALUE CREATION

	Purchase	Sale
Date	April 2013	October 2016
Purchase Price	\$72,000,000 (\$134/sf)	\$101,500,000 (\$189/sf)
Occupancy	89.8%	87.0%
Avg. Lease Term In-Place	3.5 years	3.1 years
Net Operating Income	\$5,309,776 (Yr 1 Proforma)	\$6,640,725 (CY 2016 Budget + add back of contractual free rent)

| EXCEPTIONAL RETURNS

IRR (3.5-year hold)	29%	After all fees, before promote
Investment Return Multiple	2.4x	After all fees, before promote
Distributions and Amortization During Hold	\$7.6mm	31% of equity invested

| EXCELLENT REAL ESTATE

Located in the West Buckhead / West Paces Ferry Corridor at its interchange with Interstate 75, high barrier to entry market

Surrounding neighborhoods contain the highest concentration of decision makers in the metro Atlanta area

Highly efficient and functional for target tenant base including free and abundant parking of 3.0 spaces per 1,000 SF

No other office building at a comparable price point matches the property's combination of contiguity to decision maker neighborhoods, proximity to the elite private schools, highway access and amenities

| OPPORTUNISTIC PURCHASE

Purchased at onset of strong Atlanta and Buckhead office market recovery

APG acquired the property at attractive pricing after a previous group failed to close, creating a broken sales process. The deal was awarded to APG because of its track record and strong reputation with the sale broker

Acquired the property at a purchase price of \$134/sf, a substantial discount to peak pricing of comparable properties (~\$200/sf) and well over a 50% discount to replacement cost

| VALUE ADD OPERATING STRATEGY

Used local relationships to target smaller tenants and local decision makers leading to a 25% increase in rents over the hold period

During the first year, renewed the only large, near-term tenant expiration (13% of bldg.) for six years, and stabilized the rent roll

Developed site plans for an office and multifamily development to justify the potential land value prior to sale

Strategically positioned the future development opportunity so that no site plan approvals are required to proceed with development under current zoning

| OPPORTUNISTIC SALE

Sold for \$189/sf, which equates to approximately a 6% cap rate, after proving out market rates 25% higher than at acquisition

Purchaser attributed value to the future development potential of the site