



Proven Value-Add Industrial Real Estate Investments

Blackstone has PS Business Parks, you have BKM Capital Partners.

When Blackstone acquired PS Business Parks in July, they recognized not only the value found in the light industrial asset class but the need for an established operating platform to maximize it. While not everyone can acquire the experience and resources necessary to execute in the operationally intensive light industrial space, it is still possible to access this attractive asset class through a proven operating partner like BKM.

This niche property type demands that owners and operators bring decades of experience and a hands-on approach that is significantly more complex and involved than the big box industrial facilities that house a single tenant.



MULTI-TENANT LIGHT INDUSTRIAL OPPORTUNITY

- + **Small to mid-bay light industrial & multi-use logistics properties;** 200,000 to 500,000 sq.ft. business parks
- + **Inflation hedge with favorable spreads** over broader industrial property sector
- + **Infill locations; importance to e-commerce and supply chain;** proximity to customers; barriers to new supply
- + **Compelling fundamentals;** strong secular demand; static supply; excellent rental growth potential
- + **Fragmented ownership;** under-capitalized and under-managed; rents typically well-below market
- + **Strong risk-adjusted returns;** low credit loss; tenant diversification; value of infill locations
- + **Institutional capital flows;** institutions recognizing niche opportunity and pursuing this segment of the light industrial sector

FULLY INTEGRATED PLATFORM

The value-add, multi-tenant light industrial asset class requires a vertically integrated operator platform and team capable of managing the space and relationships of significantly more tenants. **BKM's team executes roughly 2.2 leases per business day (average of 575 per year) and delivers 2.1 spec move-in ready units per business day (average of 550 per year) while adjusting rents every 90 days.**

Asset Management | Leasing Management | Property Management
Construction Management | Industry-Leading Technology

FOCUS

Value-add strategy focused exclusively on light industrial and multi-use logistics investments in the Western United States.

TECHNOLOGY

Industry-leading/proprietary technology to execute management-intensive product type and optimize decision-making.

OPERATIONAL EXCELLENCE

Proven ability to reposition properties and drive NOI growth – consistent top quartile fund performance¹.

CLIENT SERVICE

Our clients come first, both investors and tenants.



PRODUCT TYPE CHARACTERISTICS

- Business parks with less than 200,000 square feet
- 4-10 buildings in a single asset
- 20-200 industrial units/tenants
- 70-75% warehouse, assembly, or manufacturing space
- 25-30% office space
- Shorter Weighted Average Lease Terms (WALT) typically in the 3-to-4-year range
- Ability for tenants to grow within the business park (BKM's average tenant stays in the park for 8 years)
- Infill locations close to city centers, 3-10 miles from consumers, businesses, and key infrastructures
- Flexible zoning (light industrial zoning) to allow a range of uses

BKM at a glance

2013

founded

\$2.6 billion

in transactions

15 million

square feet acquired

71

light industrial
properties acquired

26.7%

gross IRR on realized
investments²

2.5x

gross equity multiple on
realized investments²

3,000+

tenants

90+

employees

25+

average years of experience
amongst leadership

13

offices

6 states

in which we operate
AZ • CA • CO • NV • OR • WA

as of September 2022

¹Cambridge Associates/IHS Markit Real Estate Fund Index 1Q2022; Prequin 2Q2022.

²Gross IRR and Gross Equity Multiple are aggregated property level returns gross of fund level expenses, management fees and carried interest, based on Realized Value as of June 30, 2022.

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