

# Southpoint Industrial Park

4200 Southpoint Parkway, Austin, TX · Industrial / Warehouse · Due Diligence

CLASS B INDUSTRIAL · SOUTHEAST AUSTIN

RECOMMENDATION

**Advance to IC**

Subject to conditions

ASKING PRICE	GOING-IN CAP	TOTAL SF	T-12 NOI	OCCUPANCY	WALT
<b>\$42.5M</b>	<b>6.8%</b>	<b>182,350</b>	<b>\$1.45M</b>	<b>94.2%</b>	<b>4.8 yrs</b>

## Investment Thesis

Southpoint Industrial Park is a 182,350 SF Class B industrial / warehouse asset in the Southeast Austin submarket, currently **94.2% leased** across eight tenants spanning analytics, logistics, and manufacturing [Rent Roll]. The going-in cap rate of 6.8% on a \$42.5M basis [Offering Memorandum] is supported by in-place T-12 NOI of \$1.45M [T-12], with embedded mark-to-market upside as near-term rollovers re-lease toward market.

- **Below-market in-place rents.** WALT base rent of \$12.84/SF is ~4.8% below the submarket asking average of ~\$13.49/SF [Market Comps] – a credible path to NOI growth beyond contractual escalations.
- **Functional, well-located asset.** Phase I ESA identified no RECs; roof has ~12 years of remaining life [Appraisal / PCA].
- **Diversified, creditworthy rent roll** anchored by Bluefin Analytics, with staggered expirations through 2031 [Rent Roll].

## Base-Case Returns · 7-year hold, levered

LEVERED IRR <b>14.2%</b>	EQUITY MULTIPLE <b>1.87x</b>	CASH-ON-CASH <b>8.4%</b>	DSCR <b>1.79x</b>	DCF VALUE <b>\$44.8M</b>
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Underwriting assumes 3.0% rent growth, 35.2% expense ratio, \$28.0M debt at 5.75% (30-yr amort), and a 7.50% exit cap [DCF Model]. The DCF value of \$44.8M implies ~5.4% upside to the \$42.5M asking price.

## Tenancy & Lease Summary

TENANT	SUITE	SF	% NRA	RENT/SF	ANNUAL RENT	EXPIRATION
Bluefin Analytics	100	76,587	42.0%	\$13.25	\$1,014,778	Jun 2028
Vertex Logistics	200	32,450	17.8%	\$11.80	\$382,910	Mar 2031
Lone Star Fabrication	300	24,100	13.2%	\$12.00	\$289,200	Dec 2029
DataPrime Solutions	400	18,200	10.0%	\$14.50	\$263,900	Aug 2030
Austin Cold Storage	520	16,900	9.3%	\$10.75	\$181,675	Jan 2027

Weighted average lease term of 4.8 years. **9.3% of NRA rolls within 24 months** (Austin Cold Storage, Jan 2027) — the primary near-term leasing exposure **[Rent Roll]**. Rent roll ties to the T-12 within 1.8%, inside tolerance **[T-12]**.

## Key Risks

### Tenant concentration

Bluefin Analytics is 42.0% of NRA, expiring Jun 2028. Renewal or backfill risk is the single largest cash-flow exposure. **[Rent Roll]**

### Near-term rollover

9.3% of NRA rolls within 24 months. Re-leasing downtime and TI/LC could pressure Year 1–2 cash flow. **[Rent Roll]**

### Exit assumption

The 7.50% exit cap is ~30 bps below current market; a 50 bps move compresses IRR by ~260 bps. **[Market Comps / DCF Model]**

## Recommendation

### Advance to Investment Committee — subject to conditions.

- Confirm whether the 11% YoY increase in insurance reimbursements is recurring before valuation release **[T-12]**.
- Obtain Bluefin Analytics renewal intent / estoppel ahead of the Jun 2028 expiration.
- Stress exit cap to 8.00% (IRR ~11.6%, EM ~1.71x) as the downside case in the IC memo.
- Resolve the two open data conflicts (Total SF, Year Built) to the governing source before close.

**Source basis.** Every figure in this summary is source-linked to the reviewed deal record: Offering Memorandum, Rent Roll, T-12 operating statement, Appraisal / PCA, Market Comps, and the EQUIRE DCF Model. Figures reflect reviewed (not yet released) deal data. **This is a sample deliverable on fictional data, generated by EQUIRE for demonstration.**