

The ONE

@ G l e n d a l e

SR LOOP 101 & W. BELL RD., GLENDALE, ARIZONA



CONSTRUCTION LOAN REQUEST

PREPARED FOR:



The ONE

@ Glendale

VISIT US ONLINE:



This document/email has been prepared by Northmarq for advertising and general information only. Northmarq makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Northmarq excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Northmarq and/or its licensor(s). © 2022. All rights reserved.

PHOENIX OFFICE • 3131 E. CAMELBACK ROAD, SUITE 415 • PHOENIX, AZ 85016

CONTENTS

04	EXECUTIVE SUMMARY
10	SPONSOR OVERVIEW
16	FINANCIAL ANALYSIS
20	PROPERTY OVERVIEW
24	LOCATION OVERVIEW
38	MARKET OVERVIEW
42	RENT COMPARABLES
48	SALES COMPARABLES

DEBT & EQUITY

BRANDON HARRINGTON
MANAGING DIRECTOR
T 602.508.2204
C 480.650.4277
bwharrington@northmarq.com

BRYAN MUMMAW
MANAGING DIRECTOR
T 602.508.2201
C 602.791.2084
bmummaw@northmarq.com

TYLER WOODARD
VICE PRESIDENT
T 602.508.2216
C 661.904.5869
twoodard@northmarq.com

BRYAN LIU
VICE PRESIDENT
T 602.524.4059
C 480.612.2667
bliu@northmarq.com

INVESTMENT SALES

TREVOR KOSKOVICH
PRESIDENT
T 602.952.4040
C 480.227.7420
tkoskovich@northmarq.com

BILL HAHN
EXECUTIVE VICE PRESIDENT
T 602.952.4041
C 602.418.9578
bhahn@northmarq.com

JESSE HUDSON
SENIOR VICE PRESIDENT
T 602.952.4042
C 480.437.4953
jHUDSON@northmarq.com

RYAN BOYLE
ASSOCIATE VICE PRESIDENT
T 602.952.4050
C 602.510.2972
rboyle@northmarq.com





EXECUTIVE SUMMARY

SENIOR LOAN	\$89,510,000 (60.00% of cost)
COMMON EQUITY	\$59,686,095 (40.00% of cost)
TOTAL COST	\$149,196,095 (\$356,942 / UNIT)

The ONE @ Glendale will be a Class A multifamily project located in Glendale, AZ. The ONE @ Glendale is being developed and sponsored by Talos Holdings, LLC. Talos Holdings (the "Sponsor"), brings decades of experience with over 5,000 units in both ground-up development and value-add acquisitions. The Sponsors have recently completed Class A apartment communities in Texas, Florida, Colorado, and Kansas.

Ingram Tynes of Tynes Development, will be a Go-GP and also a sponsor on the transactions. Mr. Tynes has developed multifamily assets across the Southeast (Alabama, Georgia, and North Carolina.).



The One @ Glendale will be a 16.10-acre multifamily development located at the intersection of West Bell Road and the Arizona State Route 101 Loop Beltway in Glendale, AZ. Upon completion, the project will include 418 market-rate residential apartments, 100 attached garage parking spaces, and 300 covered parking spaces.

The Project will provide its residents with best-in-class features and amenities. Units will include high-end finishes such as wood and ceramic flooring and crown molding. Residents will have access to a clubroom, fitness center, pool with in-water sun decks, dog grooming facility, bocce court, and horseshoe pits, as well as ample parking with 400 spaces for the 418 units.

FINANCING REQUEST

SENIOR LOAN

Loan Request	60.00%	\$89,510,000
Loan / Unit		\$214,139
Loan-to-Cost		60%
Interest Rate		Floating and/or fixed rate
Recourse?		Non-recourse with completion guarantee
Untrended Debt Yield		8.90%
Month 38 Debt Yield		9.29%
Return on Cost (Untrended)		5.34%
Return on Cost (Month 38)		5.57%

SOURCE OF FUNDS

Debt	\$89,510,000	60%
Equity	\$59,686,095	40%
Total Sources	\$149,196,095	100%



EXECUTIVE SUMMARY

CONTINUED



EXECUTIVE SUMMARY

CONTINUED

PROPOSED UNIT MIX

UNIT TYPE	# OF UNITS	UNIT SQ. SF.	RENT/UNIT
A1 1BD/1BA	58	670	\$1,850
A1 - XL 1BD/1BA	56	717	\$1,900
A2 1BD/1BA	54	742	\$1,900
B1 2BD/2BA	74	1,022	\$1,900
B1 - XL 2BD/2BA	60	1,073	\$2,250
B2 2BD/2BA	72	1,091	\$2,250
C1 3BD/3BA	44	1,352	\$2,580
TOTALS/AVGS	418	950	\$2,137

PROJECT SCHEDULE

ASSUMPTIONS

Units Leased / Month	30
Income Growth Trend	3%
Expense Growth Trend	2%





PROJECT TIMING

Construction Start Date	Oct-22
Construction Duration	24
Leasing Start Month	24
Construction End Date	Oct-24
Date of Opening	Oct-24
Inferred Lease-Up Duration	14
Date of Stabilization	Nov-25
Relative Month of Stabilization	38
Holding Months After Stabilizing	2

Note: Timing is an estimate

DISPOSITION

Hold Period (Months)	40	
NOI at Sale	\$8,358,298	
Exit Cap Rate	4.25%	
Value at Sale	PER UNIT	\$196,665,830
Selling Costs	\$470,492	\$983,329
Existing UPB	\$89,065,042	
Repayment of Pref	\$0	
Sale Proceeds	\$106,617,458	



ABOUT THE DEVELOPER

Talos Holdings was formed with the mission of creating financial freedom for our venture partners and a legacy of growth, flourishing, and fulfillment for our grateful residents. Over the years Talos has succeeded in their goals and have earned a reputation as a company that can identify rich opportunities, structure successful investment strategies, and employ best-in-class operators to enhance value.



JOHN K. McWILLIAM JR.

Chairman & President

With over 30 years' experience in the real estate industry, John K. McWilliams, Jr. serves as Chairman and President of Talos Holdings. John has overseen the development, renovation and acquisition of over 5,000 multi-family units, along with 2,500,000 square feet of retail space, totaling more than \$800 million in transactions. As Chairman, John is ultimately responsible for the strategic direction of the company. John holds a BBA in finance from the University of Georgia.



JACQUES BAZINET

 Chief Operations Officer

Jacques Bazinet serves as Chief Operations Officer of Talos Holdings. With over 30 years experience in operations, as well as 25 years experience in the field of human performance, Jacques brings a unique perspective and ability to assist Talos Holdings in achieving its overall corporate vision. With executive and director roles at companies like Franklin Covey and InsideOut Development, Jacques has been instrumental in helping 10x revenues, while also providing consulting, strategy, and vision for 98 of the Fortune 1000 companies. In addition to helping businesses thrive, Jacques has a personal goal to create environments that foster personal and professional growth for residents of Talos Holdings' developments, yielding maximum, consistent returns for investors.

SPONSOR OVERVIEW



TRACEY PETTET

Chief Financial Officer

Tracey Pettet oversees the finances at Talos Holdings. She interfaces with lenders and investors, ensuring continued confidence in the financial stability of all investment opportunities. With over 15 years' experience in real estate, financial services and accounting, Tracey keeps the finances on-track for current and future gains. Born and raised in Alaska, Tracey is an avid outdoors woman, enjoying hunting and fishing. Tracey holds a degree in Finance as well as Accounting from Arizona State University.

RECENT DEVELOPMENTS



THE VIEW

FORT WORTH, TX | 300 UNITS



THE DOUGLAS

WICHITA, KS | 240 UNITS



THE RETREAT

WACO, TX | 216 UNITS



THE RESIDENCE

WACO, TX | 216 UNITS

GO-GP



Ingram Tynes of Tynes Development will be a Go-GP and also a sponsor on the transactions. Mr. Tynes has been involved in the Birmingham and

Southeastern multi-family and commercial real estate markets for the past 30+ years since graduating with a degree in Economics from Wake Forest University. Tynes Entities are involved in multi-family development, construction and management. As of 2021, Tynes related entities own over 3500 apartment units in Alabama, Georgia, Tennessee, North Carolina and Texas with another 500 under construction. Sales include a regional mall, industrial parks, shopping centers, garden homes and a significant number of apartment communities.

SPONSOR OVERVIEW

CONTINUED

THE ARCHITECT



BILTFORM

Architecture . Landscape Design . Land Planning . Development Services

BILTFORM was founded in 2000 with the intent of providing clients with a heightened level of one-on-one service, and an informed sensitivity to economic, aesthetic and functional requirements. The firm's Principals, Jim Applegate and Vince Scarano recognize every project is shaped by a culmination of unique forces, and they strive through a design team approach with active participation from clients, consultants, contractors and vendors to achieve results with past precedent and forward-thinking innovation.

Mr. Applegate and Mr. Scarano have worked on well over 100,000 housing units collectively, and have provided design services for millions of square feet of office, retail, and residential building types. They have also been actively engaged in urban design, with large scale mixed-use projects in both city and suburban centers. The firm has extensive experience with the complexities of public sector financing through HUD programs, LIHTC, and other federal, state and municipal funding sources. BILTFORM has been chosen three times to represent the City of Phoenix in its prestigious HOPE VI Grant applications.

Mr. Scarano is a LEED Accredited Professional™ and a Certified Green Professional™ with the National Association of Home Builders. BILTFORM actively pursues opportunities to implement green building technology with cost effective practices as they apply to the many different building types and uses.



<
COMPLETED ALTA RAVENWOOD
LOCATED IN TEMPE, AZ

COMPLETED PROJECTS

- ELEVATION CHANDLER
163 Units | Chandler, AZ
- LUX CHANDLER
Chandler, AZ
- ALTA RAVENWOOD
240 Units | Tempe, AZ
- LEGACY BUNGALOWS
200 Units | Phoenix, AZ
- WESTGATE CITY CENTER
GLENDALE, AZ

SPONSOR OVERVIEW

(CONTINUED)

GENERAL CONTRACTOR

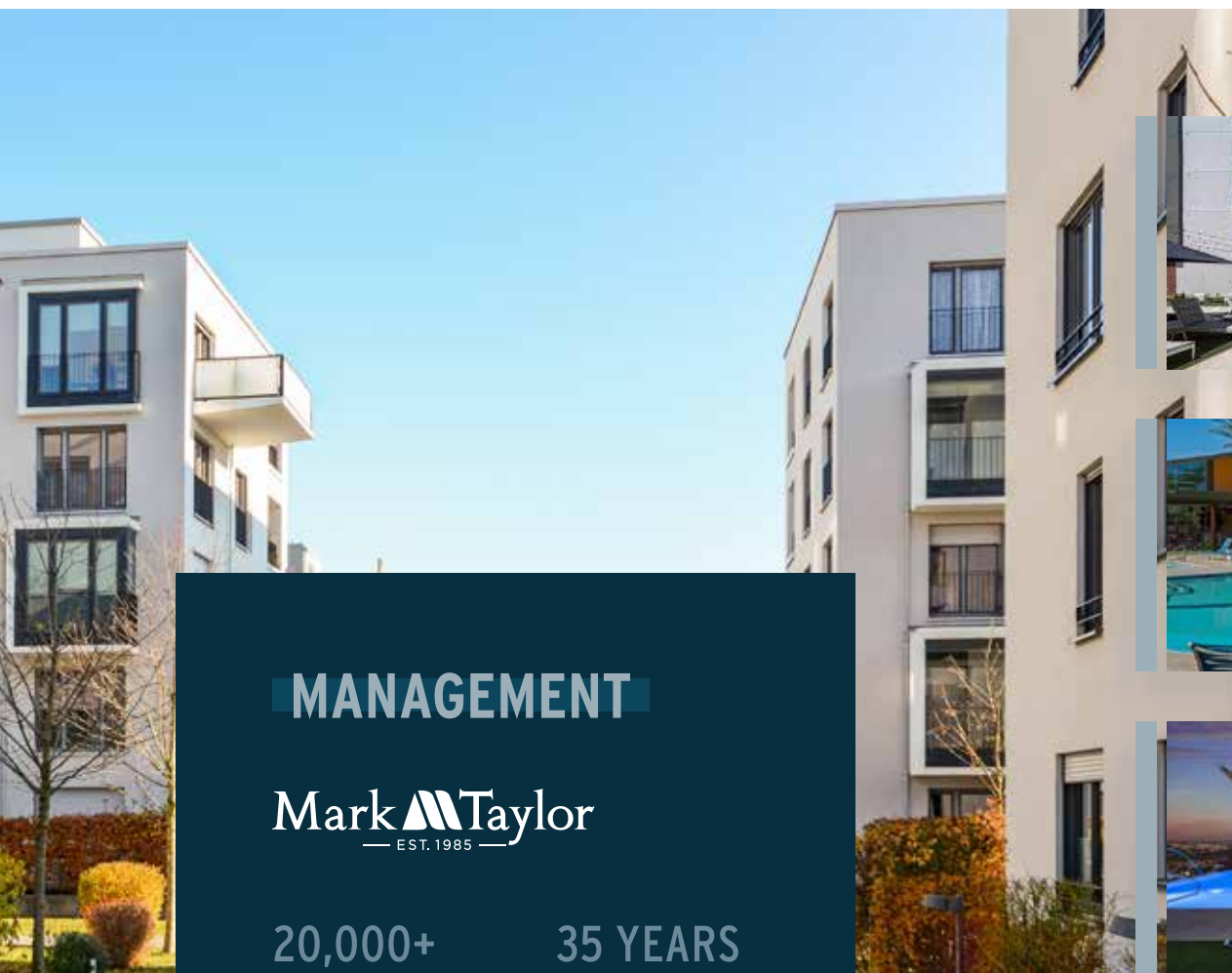


Since 1968, EMJ Corporation and its family of companies have delivered more than 300 million square feet of projects across the U.S.

With an extensive network of partners nationwide, regionally-designated teams, and offices in Dallas and Chattanooga, EMJ performs work in a variety of sectors, including Programmatic Retail (Grocery, Entertainment, and Self Storage), Multi-Unit Living and Redevelopment Projects. The corporation's history and experience are unique, but what elevates EMJ as a company is the client experience. EMJ challenges clients to expect more from their construction and development experience.



“THE CORPORATION'S HISTORY AND EXPERIENCE ARE UNIQUE, BUT WHAT ELEVATES EMJ AS A COMPANY IS THE CLIENT EXPERIENCE.”



CURRENT LEASE-UPS



THE ASTOR AT OSBORN
191 UNITS | MID-RISE



BB LIVING EASTMARK
132 UNITS | TOWNHOMES



HALSTEN
301 UNITS | MID-RISE



SAN VALLANTE
348 UNITS | GARDEN

MANAGEMENT

Mark Taylor
EST. 1985

20,000+
CLASS-A UNITS
DEVELOPED

35 YEARS
IN THE PHOENIX
MARKET

18,000+
CLASS-A UNITS
MANAGED

\$4B
CLASS-A PRODUCT
UNDER MANAGEMENT

FINANCIAL ANALYSIS

CONSTRUCTION BUDGET

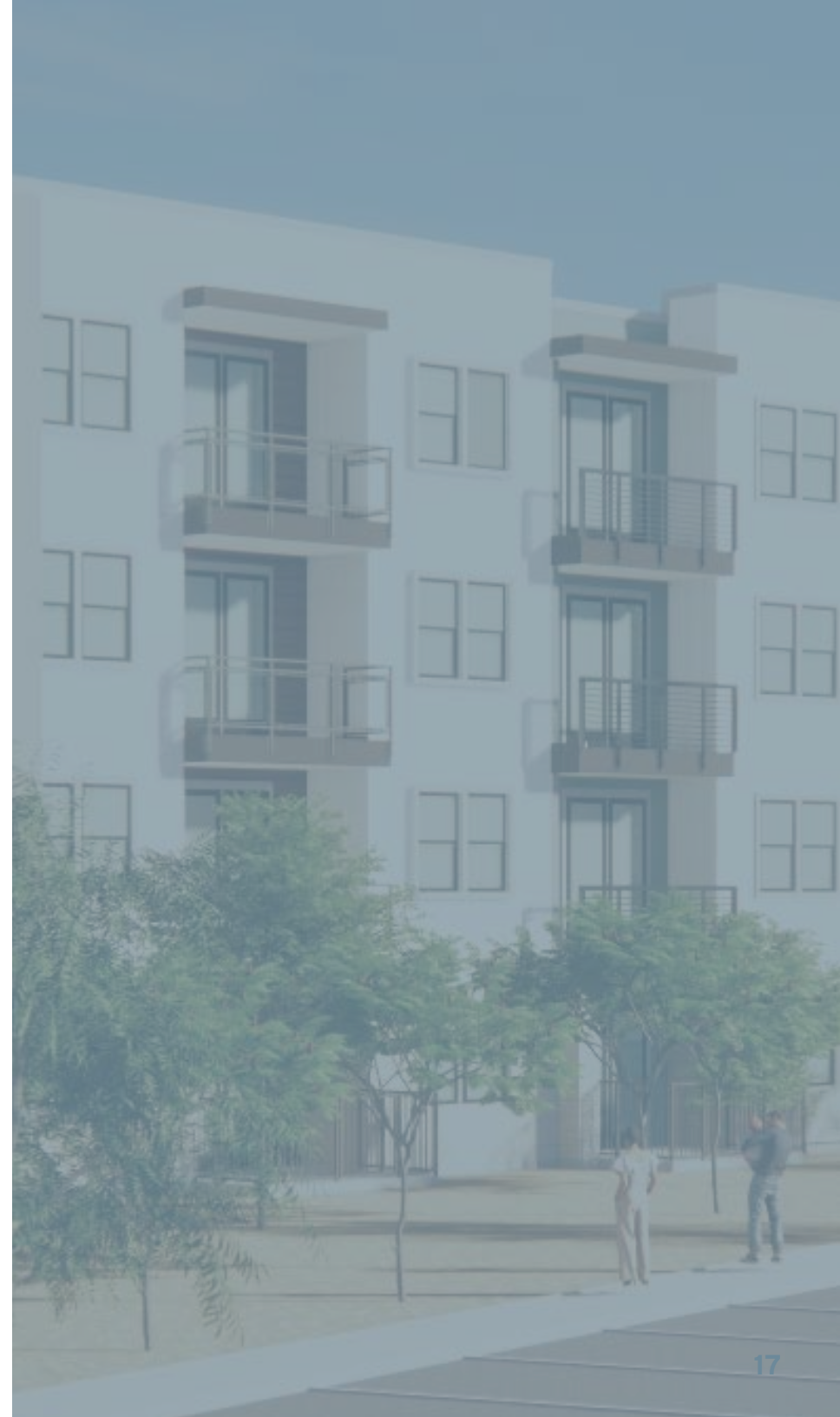
Budget Item	Amount	Per Unit	Per SqFt.	% of Total
Construction Costs				
Main Buildings	\$78,000,000	\$186,603	\$196.41	52.28%
Ansiliary Building	\$1,000,000	\$2,392	\$2.52	0.67%
Land Improvements	\$2,000,000	\$4,785	\$5.04	1.34%
General Requirements	\$4,050,000	\$9,689	\$10.20	2.71%
Builders Overhead	\$1,456,706	\$3,485	\$3.67	0.98%
Bond Premium	\$676,559	\$1,619	\$1.70	0.45%
GC Profit	\$1,456,706	\$3,485	\$3.67	0.98%
Hard Cost Contingency	\$7,500,000	\$17,943	\$18.89	5.03%
FF&E	\$1,250,000	\$2,990	\$3.15	0.84%
Hard Costs	\$97,389,971	\$232,990	\$245.24	65.28%
Architect Fee	\$1,100,000	\$2,632	\$2.77	0.74%
Supervisory Architect Fee	\$150,000	\$359	\$0.38	0.10%
Impact Water Permit Fees	\$2,750,000	\$6,579	\$6.92	1.84%
Total Architech & Permit Fees	\$4,000,000	\$9,569	\$10.07	2.68%
Taxes	\$700,000	\$1,675	\$1.76	0.47%
Insurance	\$100,000	\$239	\$0.25	0.07%
3rd Parites	\$50,000	\$120	\$0.13	0.03%
Working Capital	\$1,000,000	\$2,392	\$2.52	0.67%
Title & Recording	\$100,000	\$239	\$0.25	0.07%
Legal	\$150,000	\$359	\$0.38	0.10%
Developer Contingency	\$1,000,000	\$2,392	\$2.52	0.67%
Total Soft Costs	\$3,100,000	\$7,416	\$7.81	2.08%
Land Purchase Price	\$27,000,000	\$64,593	\$67.99	18.10%
Total Land Costs	\$27,000,000	\$64,593	\$67.99	18.10%
Development Fee	\$4,000,000	\$9,569	\$10.07	2.68%
Total Development Fee	\$4,000,000	\$9,569	\$10.07	2.68%
Interest & Lease-Up Expense	\$12,000,000	\$28,708	\$30.22	8.04%
Senior Lender Fee	\$447,550	\$1,071	\$1.13	0.30%
NorthMarq Debt Fee	\$447,550	\$1,071	\$1.13	0.30%
Equity Fee / Guarantor Fee	\$811,024	\$1,940	\$2.04	0.54%
TOTAL PROJECT	\$149,196,095	\$356,928	\$375.69	100.00%

PROPOSED UNIT MIX

Unit Type	Units	% of Space	SF	Rent / Unit	Rent / SF
A1 1BR / 1 Bath	58	14%	670	\$1,850	\$2.76
A1- XL 1BR / 1 Bath	56	13%	717	\$1,900	\$2.65
A2 1 BR / 1 Bath	54	13%	742	\$1,900	\$2.56
B1 2 BR / 2 Bath	74	18%	1,022	\$2,250	\$2.20
B1 - XL 2. BR / 2 Bath	60	14%	1,073	\$2,250	\$2.10
B2 2 BR / 2 Bath	72	17%	1,091	\$2,250	\$2.06
C1 3 BR/ 3 Bath	44	11%	1,352	\$2,580	\$1.91
Totals/Avg	418	100%	950	\$2,137	\$2.25

SPONSOR PRO FORMA

Sponsor Pro Forma		
Income & Expenses	Pro Forma Year 1 (Untrended)	
	Total	Unit / Month
Income		
Gross Potential Rent	\$10,719,840	\$2,137
Vacancy	(\$535,992)	5.00%
Residential Concessions	(\$107,198)	1.00%
Loss to Lease	(\$107,198)	1.00%
Rental Income	\$9,969,451	\$23,850
<i>Monthly Collections</i>	\$830,788	
Parking	\$251,100	\$50
Cable Income	\$186,595	\$37
Other Income (incl <u>unit Premiums.</u>)	\$271,099	\$54
Total Other Income	\$708,794	\$141
Total Income	\$10,678,245	\$2,129
Operating Expenses		Per Unit
Repairs and Maintenance	\$271,700	\$650
Payroll	\$700,000	\$1,675
Marketing	\$92,500	\$221
General and Administrative	\$84,000	\$201
Utilities	\$ 140,000	\$335
Total Variable Expenses	\$1,288,200	\$3,082
Insurance	\$100,000	\$239
Property Management Fees	\$320,347	3.00%
Real Estate Taxes	\$900,000	\$2,153
Replacement Reserves	\$104,500	\$250
Total Fixed Expenses	\$1,424,847	\$3,409
Total Expenses	\$2,713,047	\$6,491
<i>OpEx Ratio</i>		25.41%
Net Operating Income	\$7,965,198	\$19,055



FINANCIAL ANALYSIS

CONTINUED

YEARLY CASH FLOW

5 YEAR PROJECTIONS	Year 2 Stabilized		Year 3 Stabilized		Year 4 Stabilized		Year 5 Stabilized	
	<i>per Unit</i>		<i>per Unit</i>		<i>per Unit</i>		<i>per Unit</i>	
Income								
Gross Potential Rent	\$11,339,738	\$27,129	\$11,684,647	\$27,954	\$12,040,047	\$28,804	\$12,406,256	\$29,680
Vacancy	(\$561,317)	(\$1,343)	(\$578,390)	(\$1,384)	(\$595,982)	(\$1,426)	(\$614,110)	(\$1,469)
Concessions	(\$113,397)	(\$271)	(\$116,846)	(\$280)	(\$120,400)	(\$288)	(\$124,063)	(\$297)
Loss to Lease	(\$113,397)	(\$271)	(\$116,846)	(\$280)	(\$120,400)	(\$288)	(\$124,063)	(\$297)
Rental Income	\$10,551,626	\$25,243	\$10,872,564	\$26,011	\$11,203,263	\$26,802	\$11,544,021	\$27,617
Parking Income	\$264,297	\$632	\$272,336	\$652	\$280,619	\$671	\$289,155	\$692
RUBS Income	\$196,402	\$470	\$202,376	\$484	\$208,531	\$499	\$214,874	\$514
Other Income	\$285,347	\$683	\$294,026	\$703	\$302,970	\$725	\$312,185	\$747
Total Other Income	\$746,047	\$1,785	\$768,738	\$1,839	\$792,120	\$1,895	\$816,213	\$1,953
Total Income	\$11,297,673	\$27,028	\$11,641,302	\$27,850	\$11,995,384	\$28,697	\$12,360,235	\$29,570
Operating Expenses								
Repairs & Maint	\$281,140	\$673	\$286,815	\$686	\$292,604	\$700	\$298,510	\$714
Payroll	\$724,321	\$1,733	\$738,941	\$1,768	\$753,856	\$1,803	\$769,072	\$1,840
Marketing	\$95,714	\$229	\$97,646	\$234	\$99,617	\$238	\$101,627	\$243
General & Admin	\$86,919	\$208	\$88,673	\$212	\$90,463	\$216	\$92,289	\$221
Utilities	\$144,864	\$347	\$147,788	\$354	\$150,771	\$361	\$153,814	\$368
Total Variable Expenses	\$1,332,958	\$3,189	\$1,359,863	\$3,253	\$1,387,311	\$3,319	\$1,415,313	\$3,386
Insurance	\$103,474	\$248	\$105,563	\$253	\$107,694	\$258	\$109,867	\$263
Property Management	\$338,930	\$811	\$349,239	\$836	\$359,862	\$861	\$370,807	\$887
Real Estate Taxes	\$931,270	\$2,228	\$950,067	\$2,273	\$969,244	\$2,319	\$988,807	\$2,366
Replacement Reserves	\$104,500	\$250	\$104,500	\$250	\$104,500	\$250	\$104,500	\$250
Total Fixed Expenses	\$1,478,175	\$3,536	\$1,509,369	\$3,611	\$1,541,299	\$3,687	\$1,573,982	\$3,766
Total Expenses	\$2,811,133	\$6,725	\$2,869,232	\$6,864	\$2,928,610	\$7,006	\$2,989,295	\$7,151
<i>OpEx Ratio</i>	<i>24.9%</i>		<i>24.6%</i>		<i>24.4%</i>		<i>24.2%</i>	
Net Operating Income	\$8,486,540	\$20,303	\$8,772,070	\$20,986	\$9,066,773	\$21,691	\$9,370,940	\$22,419



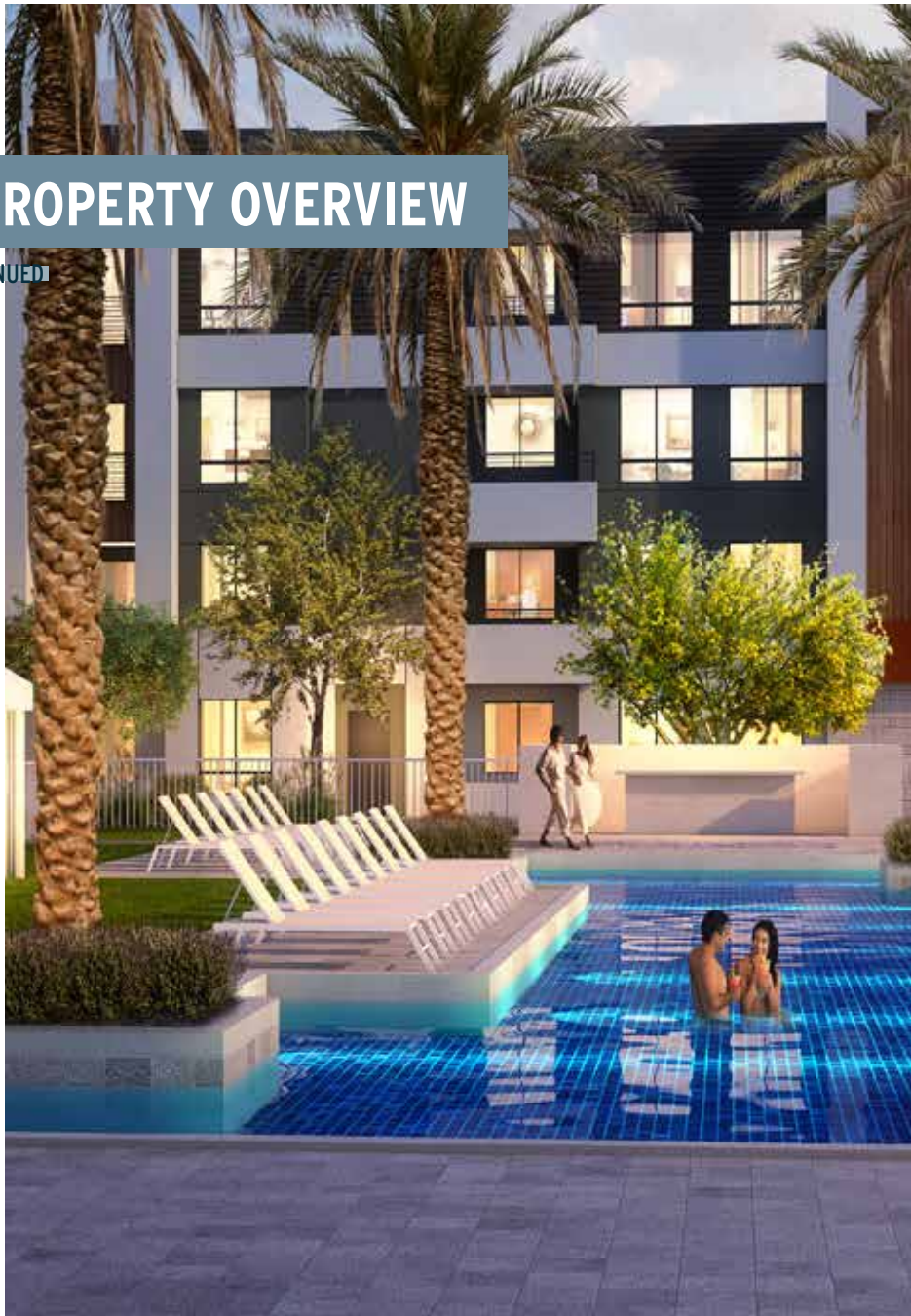


PROPERTY OVERVIEW



PROPERTY OVERVIEW

CONTINUED



COMMUNITY AMENITIES

- Clubroom
- Fitness Center
- Pool with In-Water Sun Decks
- Dog Grooming Facility
- Bocce Court
- Horseshoe Pits
- 400 Parking Spaces



THE PROJECT WILL PROVIDE ITS RESIDENTS WITH BEST-IN-CLASS FEATURES AND AMENITIES. UNITS WILL INCLUDE HIGH-END FINISHES SUCH AS WOOD AND CERAMIC FLOORING AND CROWN MOLDING. RESIDENTS WILL HAVE ACCESS TO A CLUBROOM, FITNESS CENTER, POOL WITH IN-WATER SUN DECKS, DOG GROOMING FACILITY, BOCCE COURT, AND HORSESHOE PITS, AS WELL AS AMPLE PARKING WITH 400 SPACES FOR THE 418 UNITS.



LOCATION OVERVIEW

PHOENIX MSA

Phoenix is a classic growth market, highlighted by robust growth during economic expansions. The market has demonstrated its strength during the past several years, first in the years leading up to the Covid disruptions in the economy, and recently in the market's recovery. From 2011-2019, employers averaged adding 57,500 net new jobs per year in the Phoenix market, an annual growth rate that topped 3 percent.

In recent years, all markets have recorded economic volatility due to the pandemic, but Phoenix has rebounded more quickly than most other large regional economies. The economy added 116,000 jobs in 2021, offsetting pandemic-related cuts of 80,000 positions in the preceding year. Phoenix was one of the first major markets to recover all of the jobs that were trimmed during Covid.

Looking ahead, forecasts call for additional expansion in the second half of 2022. Employers are forecast to grow payrolls by 3.6 percent this year, with the addition of 80,000 jobs.

The bulk Greater Phoenix's nearly 5 million residents live in Maricopa County, and that figure is on the rise. Maricopa County led the country in population growth in each of the last five years measured (2016-2020), with the county adding more than 86,000 residents in 2020. The Phoenix metro area has posted the second-greatest population growth in the U.S., trailing only Dallas-Fort Worth.





“THE BULK GREATER PHOENIX’S NEARLY 5 MILLION RESIDENTS LIVE IN MARICOPA COUNTY, AND THAT FIGURE IS ON THE RISE. MARICOPA COUNTY LED THE COUNTRY IN POPULATION GROWTH IN EACH OF THE LAST FIVE YEARS MEASURED (2016-2020), WITH THE COUNTY ADDING MORE THAN 86,000 RESIDENTS IN 2020.

LOCATION OVERVIEW

CONTINUED

Part of the reason the Greater Phoenix economy is expanding is that the area features a diverse group of industries and businesses. The largest employer in Banner Health Systems, which has been expanding throughout Arizona. Other prominent healthcare companies Honor Health and Dignity Health are among the largest employers in the Valley of the Sun. Major grocers such as Kroger/Fry's and Albertson's/Safeway are also prominent employers and Walmart is a top employer with nearly 37,000 employees located throughout the state.

The Greater Phoenix area also has a thriving professional/financial services industry. Wells Fargo and Bank of America have thousands of workers in the Phoenix metro area. State Farm made a large splash a few years ago with the company expanding to more than 7,000 workers at

its regional headquarters on Tempe Town Lake. In early 2022, the company announced plans to hire an additional 1,000 workers with a hybrid schedule of work-from-home and in-person work in Tempe. A few other prominent insurance/financial firms are expanding in the area, including USAA, Nationwide Insurance, and Northern Trust.

The explosion in e-commerce fulfillment has resulted in a surge of industrial development and hiring in the warehousing and distribution industry. This growth has been most pronounced in the West Valley, particularly in Goodyear, Avondale and Tolleson. Amazon has been the company that has grown the fastest in Arizona in recent years. The e-commerce giant has expanded its statewide workforce from about 8,500 workers a few years ago to 32,000 in 2021.



> PHOENIX'S
TOP EMPLOYERS



45,837
EMPLOYEES



32,000
EMPLOYEES



16,302
EMPLOYEES



14,500
EMPLOYEES



13,004
EMPLOYEES



36,995
EMPLOYEES



20,323
EMPLOYEES



14,700
EMPLOYEES



14,400
EMPLOYEES



13,000
EMPLOYEES

LOCATION OVERVIEW

CONTINUED



GLENDALE ENTERTAINMENT DISTRICT

Glendale is the largest city in the West Valley of the Greater Phoenix metro area, with a local population of nearly 250,000. The city is also home to some of the most heavily attended entertainment options, being home to the NFL's Arizona Cardinals.

The Arizona Cardinals anchor the city's Westgate Entertainment District at State Farm Stadium. State Farm Stadium will be the host of the 2023 Super Bowl. The last time Glendale hosted the Super Bowl, an estimated 120,000 out-of-state visitors came to the Valley during the course of the week, and the economic impact was estimated at more than \$700 million.





“**GLENDALE IS THE LARGEST CITY IN THE WEST VALLEY OF THE GREATER PHOENIX METRO AREA, WITH A LOCAL POPULATION OF NEARLY 250,000.**”



LOCATION OVERVIEW

CONTINUED

LOOP 303

The 36-mile Loop 303 has become the hot spot in the Phoenix metro area for industrial development and job creation. Construction of the freeway was completed in 2017, and this sparked a wave of industrial development along this high-traffic corridor that connects the West Valley to all the population centers of the Phoenix area, while also connecting Phoenix to the high-volume ports of Los Angeles and Long Beach.

In the past five years, nearly 15 million square feet of industrial space across more than two dozen properties has been delivered. Companies such as UPS, Dick's Sporting Goods, REI, Amazon and Red Bull have established a presence along the Loop 303 corridor, bringing thousands of jobs to the surrounding area.

The rush of activity along the 303 was triggered by a number of factors, chief among them being the rising costs of development in California. Slowly, companies were starting to realize they could build a distribution center or manufacturing plant in the West Valley of Phoenix for much less than a facility would cost in the major cities in California.

The existing projects are just the beginning of what will be a more complete build-out of the area.

Nearly 20 additional projects are currently under construction, totaling another 12 million square feet. Businesses moving into the projects under development include Williams Sonoma, Best Buy, and Pepsico.

The future will bring additional development. Dozens of projects totaling more than 30 million square feet are in the various planning phases of development and are expected to be delivered to the region over the next decade.

The majority of initial development along the 303 originally began in Goodyear, but additional projects have been built in Glendale in recent years. Other municipalities along Loop 303 are working to take advantage of the freeway access.

In Surprise, Loop 303 transitions into a lifestyle, amenity-anchored corridor with retail and residential opportunities. In 2020, Costco opened a new location in Surprise along the 303 on Waddell Road.



A GROWING MANUFACTURING INDUSTRY

Surprise is seeing significant growth in manufacturing employment. The first significant move occurred nearly a decade ago, when Rioglass Solar opened a new manufacturing facility and U.S. headquarters in Surprise. The facility employs approximately 100 workers. A second building, totaling 107,000 square feet is under construction at Skyway Business Park and is expected to deliver in early 2023. A tenant for this building has not been announced yet.

A few years after Rioglass Solar moved to Surprise, the city landed another large, international manufacturer. IRIS USA is a Japanese manufacturer of plastic containers. The company opened a new North American headquarters in Surprise in 2016, bringing about 70 employees to the area from a facility in Wisconsin. Upon opening the facility, the company had announced plans to double the employee headcount after about 5 years.

In 2019, Trimaco opened a manufacturing facility in Surprise, bringing 70 workers to a new 273,000-square foot property on Sweetwater Avenue. The company manufactures jobsite protection products including dust containment solutions, protective wear, and heavy-duty surface protection.

Manufacturing employment in Surprise totals about 900 workers, which closely tracks the total warehouse and distribution industry in the city. These employment sectors lag only retail, healthcare, and finance among private-sector employment industries

RIOGLASS SOLAR ▼

EMPLOYS APPROXIMATELY

100

WORKERS

A SECOND BUILDING TOTALING

107K sq ft

IS UNDER CONSTRUCTION

TRIMACO ▼

EMPLOYS APPROXIMATELY

70

WORKERS

A NEW BUILDING TOTALING

273K sq ft

PROPERTY ON SWEETWATER AVE

LOCATION OVERVIEW

CONTINUED

DRIVEN BY GROWTH

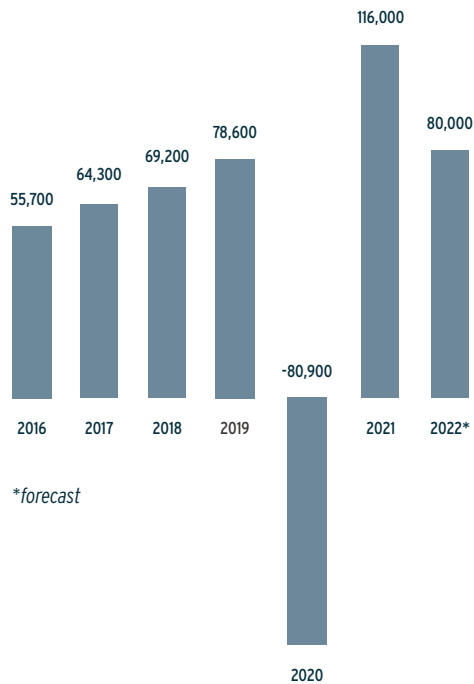
MARICOPA COUNTY LED THE COUNTRY IN POPULATION GROWTH

Phoenix is a classic growth market, highlighted by robust growth during economic expansions. The market certainly finds itself in an expansionary period right now, with nation-leading population growth as annual growth has averaged nearly 3 percent—or gains of 55,000 net new jobs per year—since 2012.

The bulk of Greater Phoenix's more than 4.5 million residents live in Maricopa County, and that figure is on the rise. Maricopa County led the country in population growth in each of the last three years measured (2016-2018), with the county adding more than 81,000 residents in 2018. The Phoenix metro area has posted the second-greatest population growth in the U.S. trailing only Dallas-Fort Worth.



PHOENIX MSA EMPLOYMENT GROWTH (#)

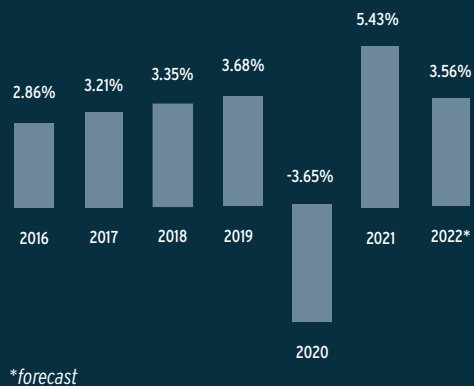


A DIVERSE GROUP OF INDUSTRIES & EMPLOYERS

Part of the reason the Greater Phoenix economy is expanding is that the area features a diverse group of industries and businesses. The largest employer, Banner Health Systems, continues to expand throughout Arizona. Other prominent healthcare companies, HonorHealth and Dignity Health are among the largest employers in the Valley of the Sun. Major grocers such as Kroger/Fry's and Albertson's/Safeway are also prominent employers as well as Walmart.

The Greater Phoenix area also has a thriving professional/financial services industry. Wells Fargo and Bank of America have thousands of workers in the Phoenix metro area. State Farm is making the biggest splash, with the company ultimately expanding to 8,000-10,000 workers at its Regional Headquarters at Tempe Town Lake. A few other prominent insurance/financial firms are expanding in the area, including USAA, Nationwide Insurance, Freedom Financial, and Northern Trust.

PHOENIX MSA EMPLOYMENT GROWTH (%)



No.01

TOP MSA IN US FOR NET
MIGRATION

Costar, 2021

No. 04

BEST HEALTHCARE
QUALITY IN THE US

U.S. News & World Report, 2021



MOST TAX-FRIENDLY
STATES IN THE U.S.

Kiplinger, 2018

No. 07

OVERALL BEST ECONOMY
BY STATE

U.S. News & World Report, 2021

No. 19

BEST PLACE TO
RAISE A FAMILY

Niche.com, 2021

WEST VALLEY DEVELOPMENT

INDUSTRIAL SPACE

73.1M SF

CURRENTLY
PROPOSED OR
UNDER
CONSTRUCTION

RETAIL SPACE

5.8M SF

CURRENTLY
PROPOSED
OR UNDER
CONSTRUCTION

OFFICE SPACE

3.45M SF

CURRENTLY
PROPOSED
OR UNDER
CONSTRUCTION

HOTEL ROOMS

3,790

CURRENTLY
PROPOSED
OR UNDER
CONSTRUCTION

EXPLODING WITH ECONOMIC GROWTH

The West Valley is a booming community with 1.7 million residents strong and an expected population of 2.1 million by 2030. With big name companies like the Taiwan Semiconductor Manufacturing Company (TSMC) making investments in the region, the West Valley is shedding old perceptions and becoming a destination for people to live, work and play.

"It's no secret that elected officials and business leaders have been working diligently to attract high-wage employment, professional companies and



The West Valley is a booming community with 1.7 million residents strong and an expected population of 2.1 million by 2030.

headquarters to the West Valley. We're seeing that, even during a pandemic. Microsoft, TSMC, Ball Corporation, White Claw and so many others have joined us during this challenging time," says Sintra Hoffman, president and CEO of WESTMARC - The Western Maricopa Coalition.

Economic growth doesn't just spontaneously occur. It requires a concerted effort on behalf of business leaders and elected officials to create the fertile ground from which development springs. "Our residents enjoy an exceptional quality of life, and we've become widely known for that," says Peoria Mayor Cathy Carlata. "What makes this possible, though, is that we are doing things the right way in Peoria. With a cohesive council, steady leadership and strong fiscal policies, we are focused on boldly embracing a future enriched by the depth of our character and enhanced by our courage to unleash the opportunities ahead."

Belmont "Smart" City - Bill Gates has a full plan for his futuristic 24,800 acre city of Belmont, to include 3,800 acres dedicated to office, retail and commercial space. There will also be 3,800 acres for industrial space, 3,400 acres of open green space, and 470 acres for schools.

Taiwan Semiconductor Manufacturing Co. Campus - The project is under construction on 1,129 acres of land near Interstate 17 and Loop 303 that TSMC purchased in December 2020. According to company representatives, the construction is on schedule to be operational in 2024. The project represents the largest foreign direct investment in Arizona's history. The company expected to have more than 2,000 employees working at the Arizona plant by 2023.

Village at Prasada - a 700,000-square-foot outdoor shopping center with retail, restaurants and a Fat Cats entertainment complex. Tenants include Sprouts Farmers Market, Ross, Ulta Beauty, Marshalls, Five Below and TJ Maxx, among others. Simon said they're also close to signing a lease with Floor & Decor, Hobby Lobby and potentially DICK's Sporting Goods.

Surprise City Center - 1-mile square development of retail, entertainment, office, medical and residential uses.

Northern Parkway Commerce Center - more than 2 million square feet of new manufacturing and warehouse space in the West Valley.

Douglas Ranch - Encompassing nearly 37,000 acres in the nation's fastest-growing metro region, Douglas Ranch is anticipated to become one of the leading MPCs in the country, with 100,000 homes, 300,000 residents and 55 million square feet of commercial development. Residential lot sales at Douglas Ranch are scheduled to begin in the first half of 2022.

Luke Field - three buildings of 1.26 million square feet, 604,000 square feet and 416,000 square feet, respectively, that will include "creative industrial."

Vision 2 - proposed master-planned development to include nearly 7.3 million square feet of office and retail space, as well as numerous residential buildings.

District at Sportsman's Park - 62-acre entertainment mixed-use project next to the State Farm Stadium in Glendale. Includes office, hospitality, shopping, restaurant, retail and multi-family users.

PARK303 - a premium west valley industrial warehouse space from 487,000 SF combinable to 1,257,750 SF situated within 265 acres of land available for sale or lease.

VAI Resort - 60-acre entertainment resort coming to Glendale in 2023, which includes within it the new **Mattel Adventure Park** — with brand experiences from Barbie, Masters of the Universe, Hot Wheels, Thomas & Friends, and Mattel Games.

Verrado Marketplace - 500,000 square-foot retail center are a premier grocery store, apparel and home decor stores, a department store, movie theatre and several new specialty shops, restaurants and services.

PV 303A - ±1,600-acre master planned business park located in Goodyear, Arizona that will include ±20 million square feet of industrial, office, and retail space at buildout.

The Base Industrial - A large industrial campus with about 15 buildings totaling approximately 2 million square feet.

Goodyear Civic Square - 7-acre mixed use development in Goodyear, Arizona. Phase 1 will consist of a 125,000 square foot class "A" Goodyear Civic Hall, a 2 acre fully improved Civic Park, 100,000 square foot class "A" office development and a 908 stall, four floor parking garage. Construction will begin January 2021 and completion June 2022.



The ONE
@ Glendale

AERIAL & PARCEL MAP





MARKET OVERVIEW

DEER VALLEY MARKET CONDITIONS

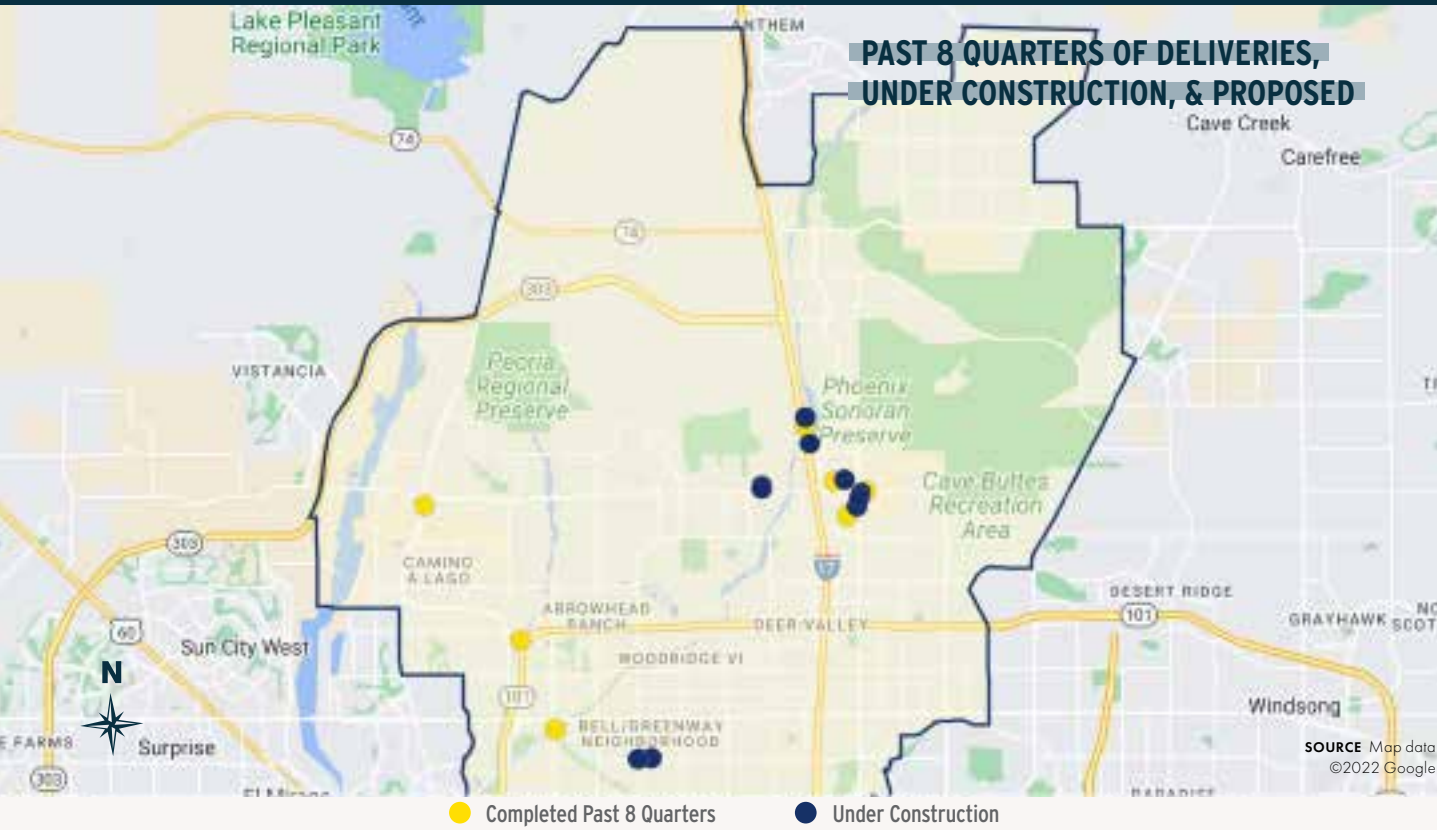
Even with elevated new supply, robust demand for apartments has kept vacancies near 6.1%. Relative affordability and the influx of out-of-state renters leaving dense and expensive markets since the onset of the pandemic have helped support fundamentals in the submarket.

The supply pipeline is full, which presents some supply-side risk in the near term. The submarket remains attractive due to its easy access to employment nodes throughout the metro at a relatively affordable price. Two of Phoenix's major transit arteries bisect the submarket, enabling a short commute to the East and West Valley via the Loop 101

and the I-17 and providing a 20- to -25 minute ride downtown. Deer valley is home to large corporate campuses, including Honeywell Aerospace, USAA, Discover Financial, and American Express. The list of corporate occupants will grow over the next few years upon completion of some projects, including a \$12 billion semiconductor facility by Taiwan Semiconductor that is currently under construction.

Investors had been consistently active in the submarket since 2016. About \$1.8 billion worth of apartments traded in the past 12 months and cap rates have compressed to 3.7%.

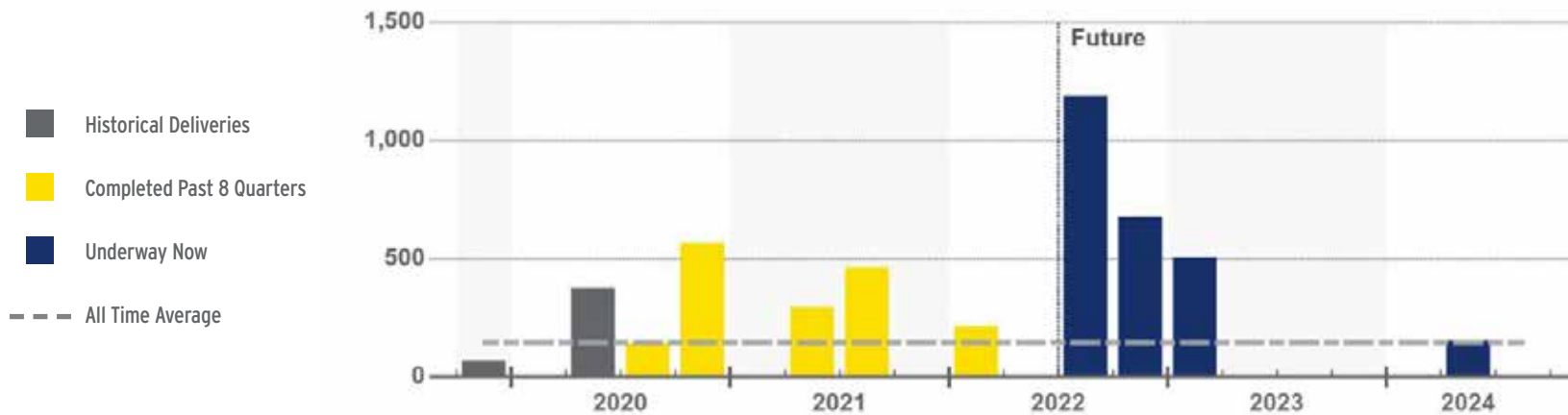
SOURCE ©2022 CoStar Group – Licensed to Northmarq – 707444



DEER VALLEY MULTIFAMILY PIPELINE

584	1,682
ALL-TIME ANNUAL AVG. UNITS	DELIVERED UNITS PAST 8 QTRS
2,525	0
DELIVERED UNITS NEXT 8 QTRS	PROPOSED UNITS NEXT 8 QTRS

PAST & FUTURE DELIVERIES IN UNITS



EAST VALLEY MULTIFAMILY PIPELINE

RECENT DELIVERIES

	PROPERTY NAME/ADDRESS	RATING	UNITS	STORIES	START	COMPLETE	DEVELOPER/OWNER
1	Kalon Luxury Apartments 25300 N 22nd Ln	★★★★☆	215	4	Jul 2021	Jan 2022	P.B. Bell Companies P.B. Bell Companies
2	Grandstone at Sunrise 24701 N Lake Pleasant Pky	★★★★☆	140	2	Sep 2020	Sep 2021	Thompson Thrift Thompson Thrift
3	Escape at Arrowhead 7951 W Beardsley Rd	★★★★☆	324	3	Jul 2019	Jul 2021	Embrey Partners, Ltd. Raymond Kao
4	Springs at Deer Valley 24025 23rd Ave	★★★★☆	296	2	May 2020	Jun 2021	McShane Construction Company Continental Properties Company,...
5	Cortland at P83 16601 N 75th Ave	★★★★☆	354	3	Apr 2019	Nov 2020	The Opus Group Cortland
6	FirstStreet at Happy Valley 1717 W Happy Valley Rd	★★★★☆	212	3	Jun 2019	Oct 2020	- Harvard Investments
7	The Logan at Jomax 27441 N Black Canyon Hwy	★★★★☆	141	1	Aug 2019	Aug 2020	Cavan Companies Logan Capital Advisors

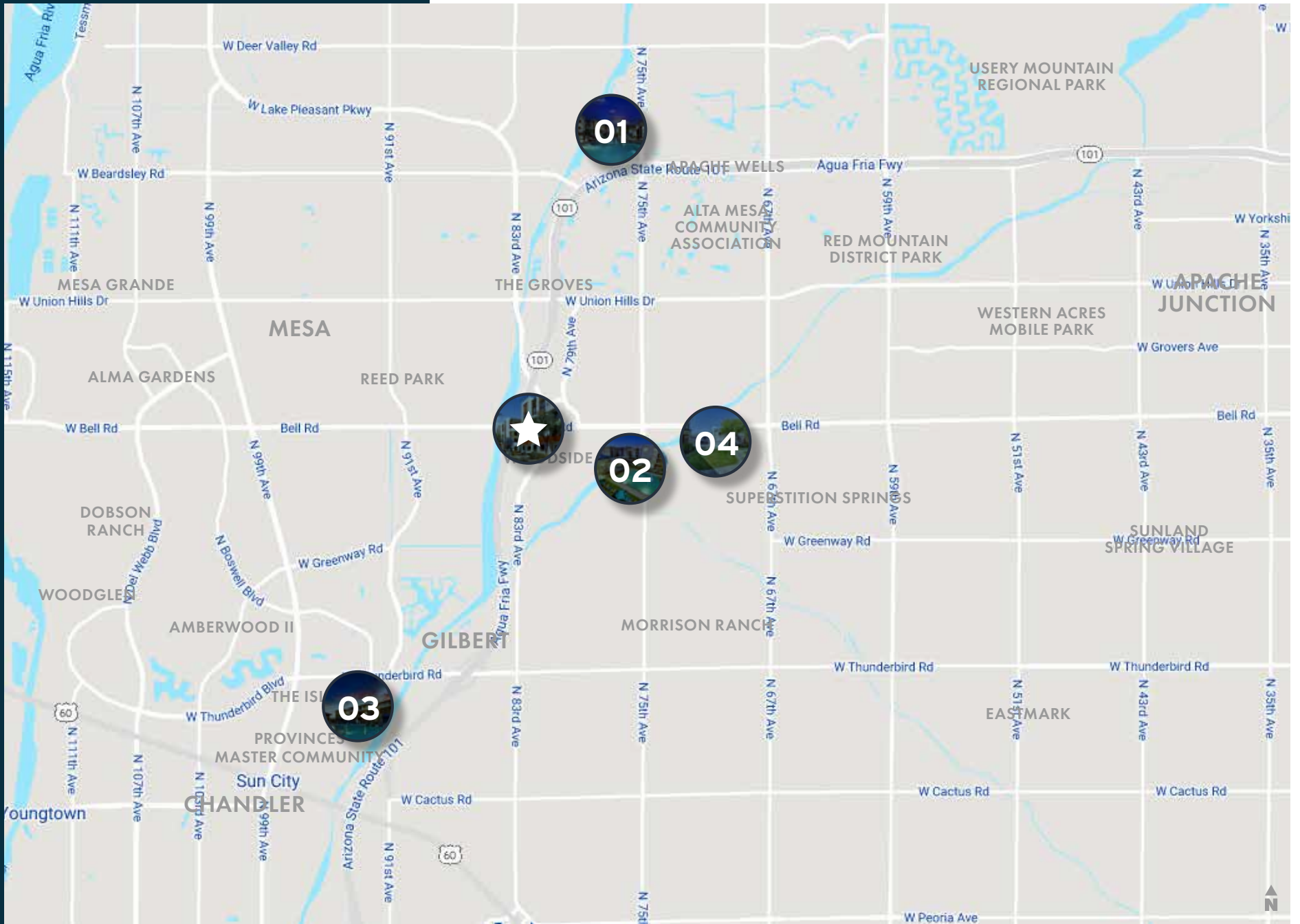
UNDER CONSTRUCTION

	PROPERTY NAME/ADDRESS	RATING	UNITS	STORIES	START	COMPLETE	DEVELOPER/OWNER
1	Town Deer Valley 24100 N 19th Ave	★★★★☆	388	3	Aug 2021	Aug 2022	Related Development, LLC Related Development, LLC
2	Sentio Apartments 3600 W Happy Valley Rd	★★★★☆	325	2	Jun 2020	Aug 2022	Hines Hines
3	Residences at Happy Val... NWC Happy Valley Rd & 3...	★★★★★	325	3	Oct 2020	Nov 2022	Hines Hines
4	Cabana Happy Valley 24825 N 19th Ave	★★★★☆	292	3	Nov 2021	Jan 2023	– Nancy Ball
5	Hangar at Thunderbird W Greenway Rd Ave	★★★★☆	266	3	Feb 2021	Sep 2022	P.B. Bell Companies –
6	The Livano Deer Valley 26800 N 27th Ave	★★★★☆	242	3	Dec 2021	Dec 2022	– LIV Development, LLC
7	Village at Thunderbird 59th Ave. & Greenway Road	★★★★☆	212	1	Jan 2022	Mar 2023	Sandbox Development Consultants –
8	Avilla Canyon 27777 N Black Canyon Hwy	★★★★☆	211	1	Jan 2021	Sep 2022	NexMetro Communities NexMetro Communities
9	BB Living at Union Park 19th Ave & Happy Valley Rd	★★★★☆	154	3	Jun 2022	Jun 2024	P.B. Bell Companies W.M. Grace Companies
10	Union Park at Norterra 25325 N 21st Ave	★★★★☆	110	1	Dec 2021	Dec 2022	Sunbelt Holdings USAA Real Estate

RENT COMPARABLES



	PROPERTY	UNITS	UNIT SIZE AVG. SF	ASKING RENT/UNIT	ASKING RENT/SF
	The ONE @ Mountain Vista	286	955	\$1,990	\$2.08
01	Velaire at Aspera	314	947	\$1,965	\$2.07
02	Cortland @ P83	333	929	\$1,855	\$2.00
03	Ocio Plaza del Rio	298	1016	\$1,916	\$1.89
04	Artesa	192	1007	\$2,043	\$2.03





The ONE @ Glendale

SR 101 & W. Bell Rd.
Glendale, AZ

Owner: Talos Holdings

UNIT TYPE	UNITS	SF	MARKET RENT/UNIT	MARKET RENT/SF
1BD/1BA	58	670	\$1,850	\$2.76
1BD/1BA	56	717	\$1,900	\$2.65
1BD/1BA	54	742	\$1,900	\$2.56
2BD/2BA	74	1022	\$2,250	\$2.20
2BD/2BA	60	1073	\$2,250	\$2.10
2BD/2BA	72	1091	\$2,250	\$2.06
3BD/2BA	44	1352	\$2,580	\$1.91
TOTAL/AVG.	418	950	\$2,137	\$2.25



VELAIRE AT ASPERA

7700 W Aspera Blvd
Glendale, AZ

UNIT TYPE	UNITS	SF	MARKET RENT/UNIT	MARKET RENT/SF
1BD/1BA	126	780	\$1,815	\$2.33
2BD/2BA	128	1045	\$2,061	\$1.97
3BD/2BA	32	1281	\$2,397	\$1.87
TOTAL/AVG.	286	955	\$1,990	\$2.08

RENT COMPARABLES

CONTINUED

02



CORTLAND @ P83

16601 N 75th Ave
Peoria, AZ

UNIT TYPE	UNITS	SF	MARKET RENT/UNIT	MARKET RENT/SF
1BD/1BA	151	725	\$1,691	\$2.33
2BD/2BA	134	1106	\$2,216	\$2.00
3BD/2BA	29	1373	\$2,236	\$1.63
TOTAL/AVG.	314	947	\$1,965	\$2.07

03



OCIO PLAZA DEL RIO

13310 N Plaza Del Rio Blvd
Peoria, AZ

UNIT TYPE	UNITS	SF	MARKET RENT/UNIT	MARKET RENT/SF
1BD/1BA	199	775	\$1,736	\$2.24
2BD/2BA	122	1146	\$2,023	\$1.77
3BD/2BA	12	1268	\$2,134	\$1.68
TOTAL/AVG.	333	929	\$1,855	\$2.00



ARTESSA
 7100 W Grandview Rd
 Peoria, AZ

UNIT TYPE	UNITS	SF	MARKET RENT/UNIT	MARKET RENT/SF
1BD/1BA	124	861	\$1,747	\$2.03
2BD/2BA	148	1090	\$1,948	\$1.79
3BD/2BA	26	1338	\$2,540	\$1.90
TOTAL/AVG.	298	1016	\$1,916	\$1.89



The ONE @ Glendale

RENT COMPARABLES

CONTINUED



SALES COMPARABLES

01



02



03



04



05



06



	PROPERTY	YEAR BUILT	UNITS	PRICE	\$/UNIT	SALE DATE
★	The ONE @ Glendale	2022-2024	418			
01	Senita on Cave Creek 23555 N Desert Peak Pky, Phoenix, AZ 85024	2018	240	\$109,500,000	\$456,250	6/29/2022
02	Arise Litchfield Park 5110 N 129th Ave, Litchfield Park, AZ 85340	2021	135	\$62,150,000	\$460,370	6/8/2022
03	TerraLane at Canyon Trails 195 N 173rd Ave, Goodyear, AZ 85338	2022	263	\$119,730,000	\$455,247	6/7/2022
04	TerraLane at South Mountain 8449 S 59th Ave, Laveen, AZ 85339	2002	148	\$66,160,000	\$447,027	6/7/2022
05	Park Central Luxury Townhomes 917 W Glendale Ave, Phoenix, AZ 85021	2020	56	\$33,500,000	\$598,214	4/11/2022
06	Haven at P83 7677 W Paradise Ln, Peoria, AZ 85382	2006	163	\$72,350,000	\$443,865	2/17/2022







 **TALOS**
HOLDINGS


Northmarq



Northmarq

DEBT & EQUITY

BRANDON HARRINGTON
MANAGING DIRECTOR
T 602.508.2204
C 480.650.4277
bwharrington@northmarq.com

BRYAN MUMMAW
MANAGING DIRECTOR
T 602.508.2201
C 602.791.2084
bmummaw@northmarq.com

TYLER WOODARD
VICE PRESIDENT
T 602.508.2216
C 661.904.5869
twoodard@northmarq.com

BRYAN LIU
VICE PRESIDENT
T 602.524.4059
C 480.612.2667
bliu@northmarq.com

INVESTMENT SALES

TREVOR KOSKOVICH
PRESIDENT
T 602.952.4040
C 480.227.7420
tkoskovich@northmarq.com

BILL HAHN
EXECUTIVE VICE PRESIDENT
T 602.952.4041
C 602.418.9578
bhahn@northmarq.com

JESSE HUDSON
SENIOR VICE PRESIDENT
T 602.952.4042
C 480.437.4953
jHUDSON@northmarq.com

RYAN BOYLE
SENIOR VICE PRESIDENT
T 602.952.4050
C 602.510.2972
rboyle@northmarq.com