



Invesco Real Estate Acquisitions

Acquisitions

With the corporate office centrally located in Dallas, Texas and regional acquisitions offices in New York, San Francisco and Orange County, Invesco is able to effectively source acquisition opportunities nationwide.

Our continued access to proprietary deal flow can be credited to our approach to the acquisition process. Our process involves the efforts of each of our disciplines: Research, Acquisitions, Underwriting, Asset Management and Closing Services. At many firms, an acquisitions officer is not only responsible for sourcing transactions but is also required to negotiate the contract, review leases, perform tenant interviews, and coordinate third-party due diligence and close the transaction. At Invesco, our team approach incorporates the expertise of each of our specialties to evaluate the risks associated with an investment. Given this level of professional support, our acquisition officers are able to focus on their expertise, which is sourcing quality investment opportunities by building relationships with sellers and brokers of high quality assets.

Acquisitions Investment Criteria: Industrial

Industrial Investment Objective: To acquire Class A & B industrial properties. All cash buyer but will consider properties with existing debt.

Minimum Investment Size: \$10 Million

Target Product: Bulk distribution and office/warehouse facilities (single or multi-tenant)

- Low Office Finish (\leq 25%)
- 22' Minimum Clear Height
- 100% Sprinklered Preferred
- Dock High-Loading

Location Characteristics: Prefer in-fill locations in "park-like" setting with easy access to transportation networks

Minimum Size: 100,000 Square Feet of Net Rentable Area

Physical Characteristics: Facility should function as a competitive, generic-use, distribution or office/warehouse building; not limited to special uses. Condition should be of equal/better quality relative to competition.

Divisibility: Easily divisible; minimum tenant size of 10,000 square feet; average one-dock door per 10,000 square feet

Minimum Occupancy: 80% for Core Investments; no leasing minimum for Value--Added Investments



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Lease Terms: Preference for 5 to 10 year lease terms

Lease Rollover: Prefer staggered lease expirations

Initial Yield: Rate varies per market

Preliminary Information Should Include:

- Property Description
- Rent Roll
- Current and Past Operating Statements
- Argus Disk
- Existing Financing Information
- Location Map
- Site Plan
- Aerial Photograph
- Property Photographs
- Current Supply/Demand Data
- Market and Neighborhood Overview
- Demographics

Acquisitions Investment Criteria: Retail

Investment Objective: To acquire Class A & B retail properties. All cash buyer but will consider properties with existing debt.

Minimum Investment Size: \$10 Million

Target Product: Neighborhood, Community, Lifestyle and Power Centers (preference for grocer-anchored)

Location: Prefer strong supporting demographics (3-mile population of 50,000, 3-mile median household income of \$40,000)

Minimum Size: 75,000 Square Feet of Net Rentable Area

Area Tenant Base: Dominant anchored tenants, creditworthy tenant base demonstrating rental growth, renewal and/or expansion potential. Prefer high percentage of national or regional credit tenants. Prefer long-term anchor leases with staggered rollover.

Access: Prefer centers with good visibility and multiple access points along major roadways with adequate traffic counts

Parking Ratio: Prefer five spaces per 1,000 square feet



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Minimum Occupancy: 80% for Core Investments; no leasing minimum for Value-Added Investments

Initial Yield: Rate varies per market

Preliminary Information Should Include:

- Property Description
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- Current and Past Operating Statements
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Acquisitions Investment Criteria: Multi-Family

Investment Objective: To acquire Class A & B apartment properties. All cash buyer but will consider properties with existing debt.

Minimum Investment Size: \$10 Million

Target Product: Prefer well located in-fill garden and mid-rise apartment complexes with competitive unit sizes and amenity packages

Markets: Prefer major metropolitan markets

Location: Preference for strong suburban and urban in-fill locations

Minimum Size: 150 Units

Age: Prefer 2000 or newer construction for Core Investments; no age constraints for Value-Added Investments

Tenant Base: Diversified amongst area employers; limited exposure to corporate units

Minimum Occupancy: 80% for Core Investments; no leasing minimum for Value-Added Investments

Initial Yield: Rate varies per market



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Preliminary Information Should Include:

- Rent Roll
- Site Plan
- Market and Neighborhood Overview
- Location Map
- Current and Past Operating Statements
- Tenant Profile
- Property Description
- Existing Financing Information
- Demographics
- Property Photographs
- Aerial Photograph
- Current Supply/Demand Data

Acquisitions Investment Criteria: Office

Investment Objective: To acquire Class A & B office properties. All cash buyer but will consider properties with existing debt.

Minimum Investment Size: \$20 Million

Target Product: Low-rise, mid-rise and high-rise office buildings will be considered

Markets: Prefer major metropolitan coastal markets

Location: In-fill locations in major employment nodes; easy access to area amenities, major roadways, and mass transit

Minimum Size: 100,000 Square Feet of Net Rentable Area

Physical Characteristics: Property should be functionally competitive and structurally sound. Prefer properties that are less than 10 years old.

Floor Size/Configuration: Property should be easily multi-tenanted with ability to accommodate a wide range of tenant needs

Parking: Adequate parking relative to market competition

Minimum Occupancy: 80% for Core Investments; no leasing minimum for Value-Added Investments

Lease Terms: Preference for 5 to 10 year lease terms

Lease Rollover: Prefer staggered lease expirations

Initial Yield: Rate varies per market



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Preliminary Information Should Include:

- Property Description
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- Demographics

Acquisitions Investment Strategy: Core

- Target Product: Industrial, Retail, Multi-Family and Office
- Major metropolitan markets
- Existing, leased, operating properties (typically minimum 80% occupancy)
- Investment size of \$10 to \$150 million per individual asset
- Will acquire portfolios up to \$300 million
- Prefer unleveraged investments but will consider properties with existing debt
- Prefer functional assets with multi-tenant flexibility
- Focus on in-fill locations with supply constraints
- Class A & B product quality
- Utilize third-party leasing and management

Acquisitions Investment Strategy: Value Added

- Target product: Industrial, Retail, Multi-Family and Office
- Major metropolitan markets
- Investment size of \$10 to \$60 million per individual asset
- Will invest in portfolios up to \$500 million
- Leverage of 50% to 65% of total capitalization
- Class A, B & C product quality
- Focus on in-fill locations with supply constraints
- Will utilize partnerships, LLCs and incentive management agreements
- Utilize third-party leasing and management



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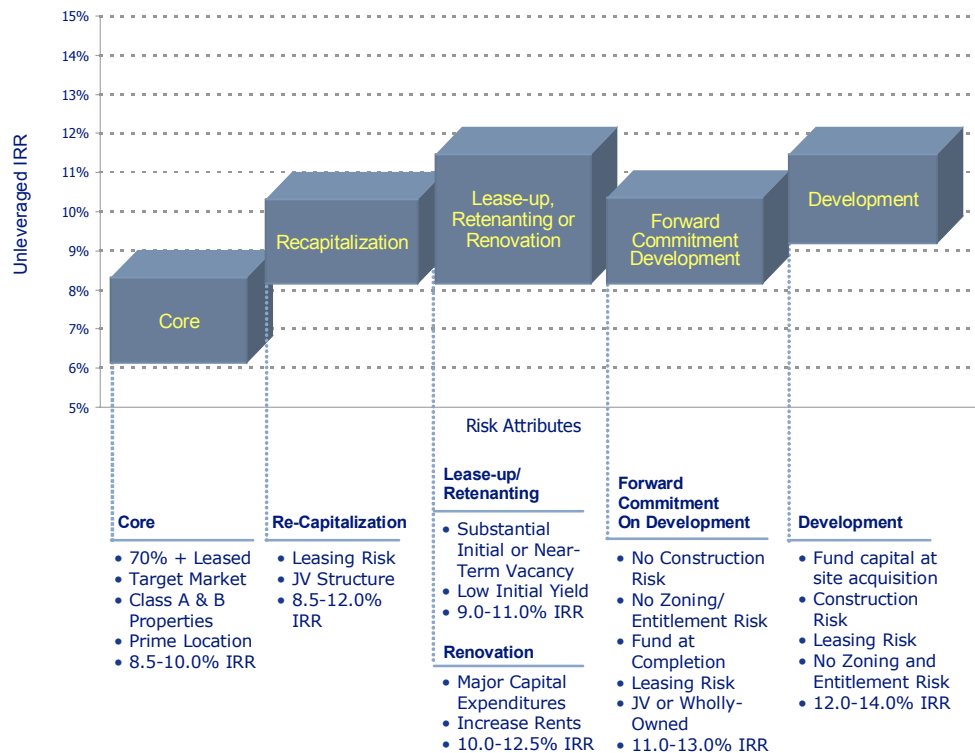
Renovation/Re-Tenancing

- Properties in "in-fill", "Class-A" locations
- Cure deferred maintenance and/or physical obsolescence in under-utilized assets
- Develop additional revenue generating amenities
- Assume leasing risk (including 100% vacant buildings)
- Reposition rent roll

Re-Capitalization

- Buy-out existing partners and/or lenders at a discount
- Recapitalize individual assets or portfolios
- Provide capital to reposition assets

Acquisitions Investment Strategy: Total Return Targets¹



¹ Target Internal Rates of Return are established by Invesco, are based on our historical experience, and do not necessarily reflect the opinions of other Invesco portfolio managers. The targets are subject to change without notice. Past performance is not indicative of future results.