

JLL Income Property Trust Declares Special Dividend

The board of Jones Lang LaSalle Income Property Trust Inc., an institutionally managed daily NAV REIT (NASDAQ: ZIPTAX; ZIPTMX; ZIPIAX; ZIPIMX), has approved a special dividend of \$0.04 per share to stockholders of record as of September 27, 2019. The dividend, which stems from the sale of 111 Sutter Street in San Francisco, will be paid on November 1, 2019.

The board also approved a regular quarterly dividend of \$0.135 per share, which is the 31st consecutive quarterly dividend issued to stockholders since the first quarter 2012.

Known as the Hunter-Dulin Building, 111 Sutter Street is a historic multi-tenant office building that was sold by the REIT in February for roughly \$227 million. The property was sold for more than two times the initial acquisition cost.

The \$0.04 per share special dividend allows the company to reduce certain state income taxes due from the capital gains on the sale of 111 Sutter Street.

“In keeping with our late cycle de-risking portfolio strategy,” said Allan Swaringen, president and CEO of JLL Income Property Trust, “the 111 Sutter sale earlier this year was strategic in terms of underweighting our portfolio allocation to higher beta markets and property types – in this case, San Francisco multi-tenant office properties.”

The company noted that the sale generated a \$120 million taxable gain that was fully sheltered from federal taxation at the company level and should result in dividends paid throughout 2019 to be characterized as long-term capital gain, a reduced tax rate as compared to ordinary income tax rates for most stockholders. Certain states also assess REITs income taxes.

Swaringen added, “through this special dividend of approximately \$6 million, along with other tax mitigation efforts, the company saved over \$2 million from our initial state tax estimates. In these situations, which are fairly unique, we would rather pay cash to our stockholders in the form of special dividends than have the company incur taxes.”

On an annualized basis, the \$0.135 regular quarterly dividend is equivalent to \$0.54 per share and represents a yield of approximately 4.4 percent on a NAV per share of \$12.21 as of August 7, 2019. All stockholders will receive \$0.175 per share less applicable share class specific fees and the annualized yield will differ based on the share class.

Jones Lang LaSalle Income Property Trust owns and manages a \$2 billion portfolio of 70 office, retail, industrial and apartment properties located primarily in the United States. Since 2012, the company has raised a total of approximately \$1.9 billion through its ongoing public and various private offerings, as well as its distribution reinvestment plan.

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JLL Income Property Trust Books \$107 Million Gain on Sale of San Francisco Office Building

Jones Lang LaSalle Income Property Trust Inc., an institutionally managed daily NAV REIT (NASDAQ: ZIPTAX; ZIPTMX; ZIPIAX; ZIPIMX), has sold a historic multi-tenant

office building located in San Francisco, California for \$227 million, less closing costs. The property, located at 111 Sutter Street, was purchased by Paramount Group Acquisition and Development LLC.

In connection with the disposition, the mortgage loan associated with the property totaling approximately \$52.5 million was retired. The REIT said that it expects to record a gain of approximately \$107 million from the sale.

Known as the Hunter-Dulin Building, the 286,000-square-foot property is located in the North Financial District of San Francisco and listed on the National Register of Historic Places.

Built in 1926 and renovated in 2001, 111 Sutter Street was jointly owned by JLL Income Property Trust and Ellis Partners from 2005 until December 2015, when the REIT paid \$22 million for the remaining 20 percent stake held by Ellis Partners.

At a sale price of \$227 million, this asset had appreciated to nearly 10 percent of the portfolio, the company noted. With near record pricing for the San Francisco market, the asset closed at more than two times the initial acquisition cost.

“The iconic 111 Sutter building has been a cornerstone of our portfolio since we launched JLL Income Property Trust in 2012,” said Allan Swaringen, president and CEO of JLL Income Property Trust. “It has been one of our best performing investments over the last seven years. That said, in keeping with our core investment strategy, we’ve sold over \$730 million and more than 30 properties, harvesting gains and reinvesting in properties and markets that we believe represent better risk-adjusted opportunities for our investors.”

Swaringen added, “Recognizing we are later in the cycle, we believe it is essential to be a timely seller as well as a disciplined acquirer. In keeping with our de-risking portfolio

strategy, we have been underweighting our allocation to office properties and focusing on property types that historically have required less ongoing capital investment and have generated more free cash flow from operations.”

Proceeds from the sale will be reinvested across a number of other properties and geographic markets.

A joint venture between Ellis Partners and Cargill Inc. originally purchased the property in 1999 for \$45 million, and the pair invested roughly \$30 million into its renovation. JLL Income Property Trust reportedly paid \$24.6 million in 2005 for Cargill’s 80 percent stake.

Jones Lang LaSalle Income Property Trust owns and manages a \$2.7 billion portfolio of 70 office, retail, industrial and apartment properties located primarily in the United States. Since 2012, the company has raised a total of approximately \$1.6 billion through its ongoing public and various private offerings, as well as its distribution reinvestment plan.

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JLL Income Property Trust Expands and Extends Credit Facility

JLL Income Property Trust, an institutionally managed daily NAV REIT (NASDAQ: ZIPTAX; ZIPTMX; ZIPIAX; ZIPIMX), has closed on the expansion and extension of a \$400 million credit facility. The increased credit facility revolver and term loans have been extended by one year, and the revolver

capability has been increased from \$200 million to \$300 million with the addition of a new lender, US Bank.

The expanded and extended credit facility contains an accordion feature that can increase the facility up to a total of \$650 million, bearing interest based on LIBOR plus a spread ranging from 1.25 percent to 2.00 percent.

“We continue to appreciate the support of our bank group and their recognition of our investment strategy, the size and quality of our portfolio, and our investment performance track record,” said Allan Swaringen, president and CEO of JLL Income Property Trust. “The addition of US Bank, and the expansion and extension of our credit facility provides additional flexibility to reduce borrowing costs, make strategic acquisitions and further deliver on our investment strategy.”

US Bank joins the original credit facility which was closed with a syndicate of six market-leading real estate lenders led by JPMorgan Chase Bank N.A. as sole bookrunner, joint lead arranger and administrative agent, and include Bank of America N.A., and PNC Bank National Association, as co-syndication agents and Merrill Lynch, Pierce, Fenner & Smith Incorporated and PNC Bank National Association as joint lead arrangers. Other lenders participating in the syndicated credit facility include Wells Fargo Bank, Fifth Third Bank, and BMO Harris Bank N.A.

As of the third quarter 2018, Jones Lang LaSalle Income Property Trust owned and managed a \$2.3 billion portfolio of 54 office, retail, industrial and apartment properties located primarily in the United States, according to Summit Investment Research. Since 2012, the company has raised a total of approximately \$1.6 billion through its ongoing public and various private offerings, as well as its distribution reinvestment plan.

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JLL Income Property Trust Schedules Second Quarter Earnings Call

JLL Income Property Trust, a daily NAV REIT (NASDAQ: ZIPTAX; ZIPTMX; ZIPIAX; ZIPIMX), will hold a public earnings call on Wednesday, August 15, 2018 at 9:00 a.m. CDT to review second quarter 2018 operating and financial results.

Allan Swaringen, president and CEO of JLL Income Property Trust, and Gregg Falk, chief financial officer, will present an overview of recent economic events that directly influence the business of the company and commercial real estate markets, along with a review of the financial performance and accomplishments of the quarter and year.

Dial-in Number (Toll Free): 1-877-407-9205

Dial-in Number (International): 201-689-8054

Replay Number (Toll Free): 1-877-481-4010

Replay ID: 271320

The teleconference replay will be available until August 22, 2018 at 10:00 a.m. CDT. The audio replay will be posted to the investor relations section of the JLL Income Property Trust website within 24 hours of the call.

As of the first quarter 2018, Jones Lang LaSalle Income Property Trust owned and managed a \$2.6 billion portfolio of 69 office, retail, industrial and apartment properties located primarily in the United States. Since 2012, the company has raised a total of approximately \$1.6 billion through its

ongoing public and various private offerings, as well as its distribution reinvestment plan.

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JLL Income Property Trust JV Invests in Two Multifamily Properties Near Boston

JLL Income Property Trust (NASDAQ: ZIPTAX; ZIPTMX; ZIPIAX; ZIPIMX), a daily NAV REIT sponsored by Jones Lang LaSalle (NYSE: JLL), formed a joint venture with Nordblom Company to invest in The Tremont and The Huntington apartment communities in Burlington, Massachusetts, 15 miles from downtown Boston. The investment amount was not disclosed.

Nordblom is a New England-based developer that recently developed the two properties, which are located within its Northwest Park mixed-use development.

Combined, the two Class A communities total 297 units and have hardwood flooring, quartz countertops, stainless steel appliances, washers and dryers, and nine-foot ceilings. Community amenities include a tech lounge, community kitchen, pool tables, swimming pool, fitness center, yoga room, grilling patio, designated pet areas and covered parking.

The Tremont and The Huntington are within walking distance of a Wegmans grocery store, more than 20 restaurants and other retailers, and are directly adjacent to the Burlington Mall, the second largest retail center in Massachusetts.

“Burlington has seen no new apartment construction in 10

years, putting these two luxury communities in a class by themselves,” said Allan Swaringen, president and CEO of JLL Income Property Trust. “This investment in one of Boston’s thriving live/work/play neighborhoods brings our aggregate apartment allocation to just over \$730 million, with over 2,800 apartment units, representing nearly 30 percent of our \$2.6 billion, 71-property portfolio.”

In other company news, the REIT [recently registered \\$3 billion](#) in shares of common stock, as reported by The DI Wire.

As of the first quarter 2018, Jones Lang LaSalle Income Property Trust owned and managed a \$2.6 billion portfolio of 69 office, retail, industrial and apartment properties located primarily in the United States. Since 2012, the company has raised a total of approximately \$1.6 billion through its ongoing public and various private offerings, as well as its distribution reinvestment plan.

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