

# National Sale Leaseback Portfolio

## Johnson Controls

Closing Date: December 2020 - Current

Seller & Type: Johnson Controls, Inc. | Corporate

Buyer & Type: Oak Street Real Estate Capital | Private Equity Real Estate

Market Responses: Following the marketing launch, CBRE received a significant amount of interest from investors due to the investment grade tenancy and long lease term.



Asset Summary	
Location(s)	Nationwide
Property Type(s)	Office and Flex
Sub-Type(s)	Single-Tenant
Size	1,862,870 SF
Year Built	1958-1989
Occupancy	100%

Sale & Lease Summary	
Price	\$172,000,000
Tenant Credit Rating	“BBB+”
Lease Term	12 and 13 Years
Lease Type	Absolute NNN
Rent Escalations	Various

### Transaction Notes

Johnson Controls approached CBRE about completing a long-term sale leaseback at eight of its owned office and flex buildings. One of the objectives of the transaction involved closing within a 3-month time period.

CBRE launched marketing on an expedited time schedule and received significant interest from the investor community. CBRE received over 100 executed confidentiality agreements.

Following a review of the offers, Johnson Controls and CBRE decided to proceed with Oak Street Real Estate Capital due to their ability to provide attractive pricing, flat lease, and a shortened term of only 13 years.

In addition to the above-mentioned portfolio, CBRE and JCI entered into two subsequent sale leaseback portfolio transactions with Oak Street. One portfolio totaled eight properties and closed in June 2020 while the most recent portfolio comprised two properties and closed in December 2020.

Following the successful execution of two portfolio sale leasebacks, Johnson Controls engaged CBRE to review its global portfolio of owned real estate and identify strong candidates for a programmatic sale leaseback initiative. CBRE and Johnson Controls continue to execute sale leaseback transactions on the company’s properties, ranging from industrial to flex buildings.