

General Acquisition Real Estate Investment Criteria



USAA Real Estate Company

	OFFICE	INDUSTRIAL	MULTI FAMILY	RETAIL	HOTEL	DEBT INVESTMENTS
TYPE	Mid & High Rise Concrete or Steel Structure Medical Office	Bulk Distribution Small Bay Distribution Cold Storage	Upscale & Urban Transit-Oriented Concrete or Steel	Grocery Anchored Selected Lifestyle/Power Center High Street Retail	Select Service Selected Full Service	First Mortgages Subordinate Debt Stretch Transitional Loans Mezzanine Loans Preferred Equity
LOCATION	Top Institutional Office Markets CBD (Preferred) Suburban	Top Institutional Industrial Markets Major Rail, Air, Sea Hub Port Proximate & Suburban	Top Growth Markets Urban & Suburban	Top Growth Markets Urban & Suburban	Top 50 Markets Urban, Suburban & Airport Locations	Major Markets Urban & Suburban
QUALITY	Value Add/Opportunistic Core to Core Plus A, A- & B+ (after value add)	Core Quality A+, A, A- Attractive Site Plan	Opportunistic, Core & Stabilized A or A- (after Value Add)	Core, Opportunistic A, A- & B+	Core, Value Add A, A- & B+	Institutional and Regional Quality Real Estate and Sponsors
MINIMUM SIZE	100,000 (SF) Smaller considered in Primary Markets	100,000 (SF)	100 + for Development Smaller considered for value add strategy	50,000 (SF) \$20,000,000	100 Keys	\$10,000,000 - subordinate debt \$25,000,000 – senior and stretch loans
MAXIMUM SIZE	None (SF)	None (SF)	None	None (SF)	600 Keys \$150,000,000	\$200,000,000
PREFERRED SIZE	200,000 (SF) + \$50,000,000 + Single Asset or Small Portfolios	250,000-500,000 (SF) \$15,000,000 + Single Asset or Portfolio	200 + \$50,000,000	75,000 – 300,000 (SF) \$50,000,000 Portfolio Assets	150-400 Keys \$20 Million - \$40 Million Single Assets	\$50,000,000
OCCUPANCY PREFERENCE	90% - 100% Multi-Tenant & Government	100% Vacancy OK Single or Multi-Tenant	0% - 100%	90% - 100% Multi-Tenant	N/A	Dependent on Product Type
WILL NOT CONSIDER	Low Rise, Wood Structures Flex	Physical Obsolescence Manufacturing Tertiary & Rural Markets Flex	< B Quality Significant Affordable Component	Unanchored Strip Centers Free Standing Pads or Restaurant Secondary Regional Malls Poor Sales Performance	Budget Luxury Resort	Tertiary Markets
JOINT VENTURE	Value Add, Opportunistic And Development Only	Value Add, Opportunistic And Development Only	Value Add, Opportunistic And Development Only	Select Occasions	Considered	Considered for Special Situations and Opportunistic

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