



# Investor Presentation



BMO Capital Markets  
12<sup>th</sup> Annual Real Estate Conference  
September 2017

# SAFE HARBOR



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on certain assumptions and describe our future plans, strategies and expectations, and are generally identifiable by use of the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "seek," "target," "potential," "focus," "may," "will," "should" or similar words. Although we believe the expectations reflected in forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of real estate investment trusts) and actions of regulatory authorities; our ability to qualify and maintain our status as a real estate investment trust; the availability and attractiveness of financing (including both public and private capital) and changes in interest rates; the availability and attractiveness of terms of additional debt repurchases; changes in our credit agency ratings; our ability to comply with applicable financial covenants; our competitive environment; changes in supply, demand and valuation of industrial properties and land in our current and potential market areas; difficulties in identifying and consummating acquisitions and dispositions; our ability to manage the integration of properties we acquire; potential liability relating to environmental matters; defaults on or non-renewal of leases by our tenants; decreased rental rates or increased vacancy rates; higher-than-expected real estate construction costs and delays in development or lease-up schedules; changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; and other risks and uncertainties described under the heading "Risk Factors" and elsewhere in our annual report on Form 10-K for the year ended December 31, 2016, as well as those risks and uncertainties discussed from time to time in our other Exchange Act reports and in our other public filings with the SEC. We caution you not to place undue reliance on forward-looking statements, which reflect our outlook only and speak only as of the date of this press release or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. For further information on these and other factors that could impact us and the statements contained herein, reference should be made to our filings with the SEC.

# LONG-TERM VISION

## USING PLATFORM TO DRIVE SHAREHOLDER VALUE



- Talented people/platform to create/add value
- Strong balance sheet
- Active portfolio management
- Operational excellence and best-in-class customer service
- Continual focus on driving cash flow
- Growth through development and select acquisitions

# OUR PROGRESS – THE FR TIMELINE



**2009**

- Back to Basics
- Address liquidity and maturities
- Rationalize G&A
- Redefine strategy
- Set the stage for portfolio refinement

**2011**

- Drive occupancy and NOI/AFFO
- Strengthen balance sheet
- Implement Addition by Subtraction
- Initiate select investment

**2013**

- Drive occupancy and NOI/AFFO
- Portfolio refinement
- Expanding investment
- Reduce debt costs
- Reinitiate and grow the dividend

**Today**

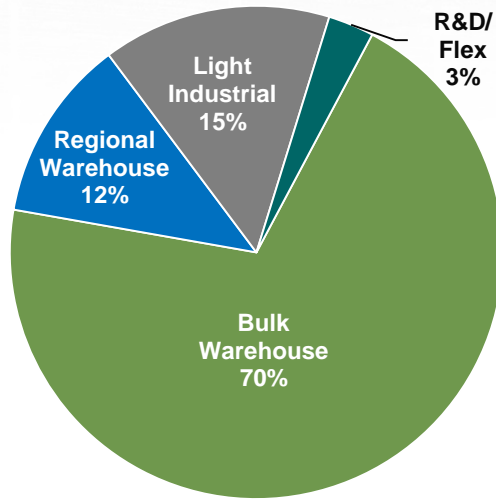
- Drive NOI/AFFO
- Portfolio enhancement
- Development focused investment
- Reduce capital costs
- Grow the dividend



# PORTFOLIO AND PLATFORM



## SF BY PROPERTY TYPE<sup>(1)</sup>



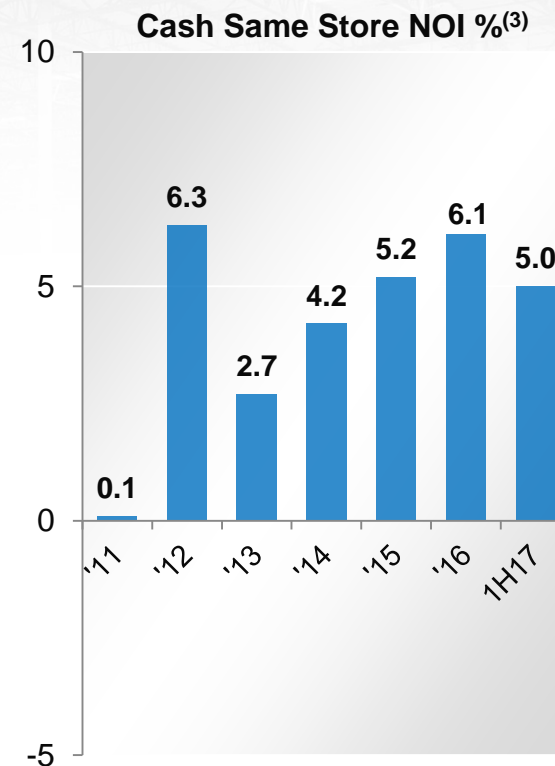
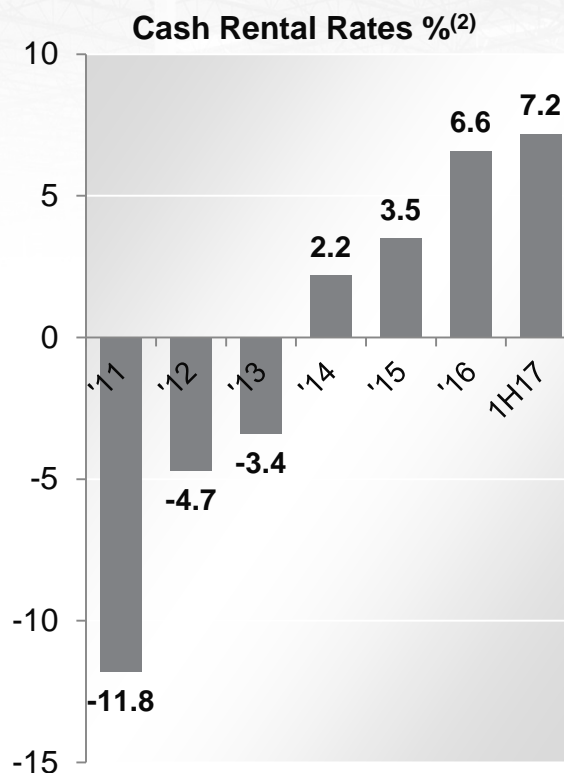
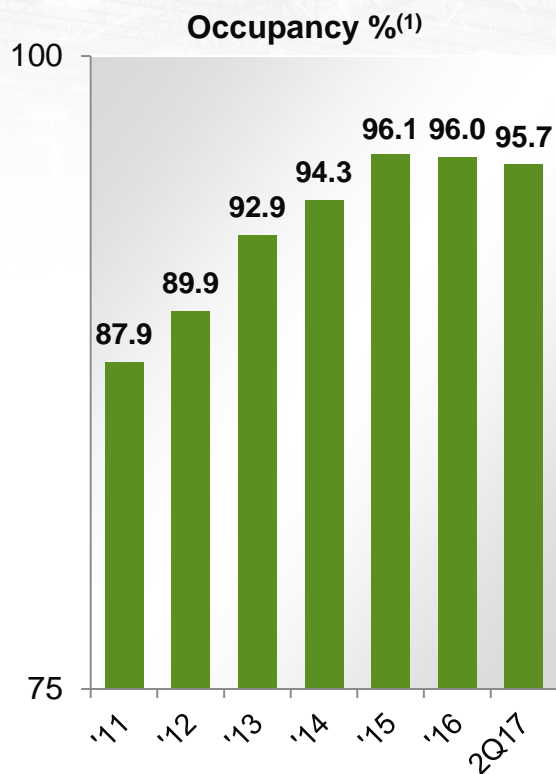
## BROAD MARKET PRESENCE



<sup>(1)</sup> As of June 30, 2017.

<sup>(2)</sup> Top five FR markets based on percentage of rental income as of June 30, 2017.

# STRONG OPERATING RESULTS



Driven by leasing and operational execution, supported by fundamentals

(1) Period End.

(2) Period Average.

(3) End of year population of properties. Excludes one-time restoration fee in 2014, and lease termination fees.

# WHY INDUSTRIAL REAL ESTATE?



## INSTITUTIONAL ASSET CLASS

- Expanding investment from new, sophisticated investors
- Strong capital flows due to under-allocation
- Lower volatility returns
- Challenging to assemble in size

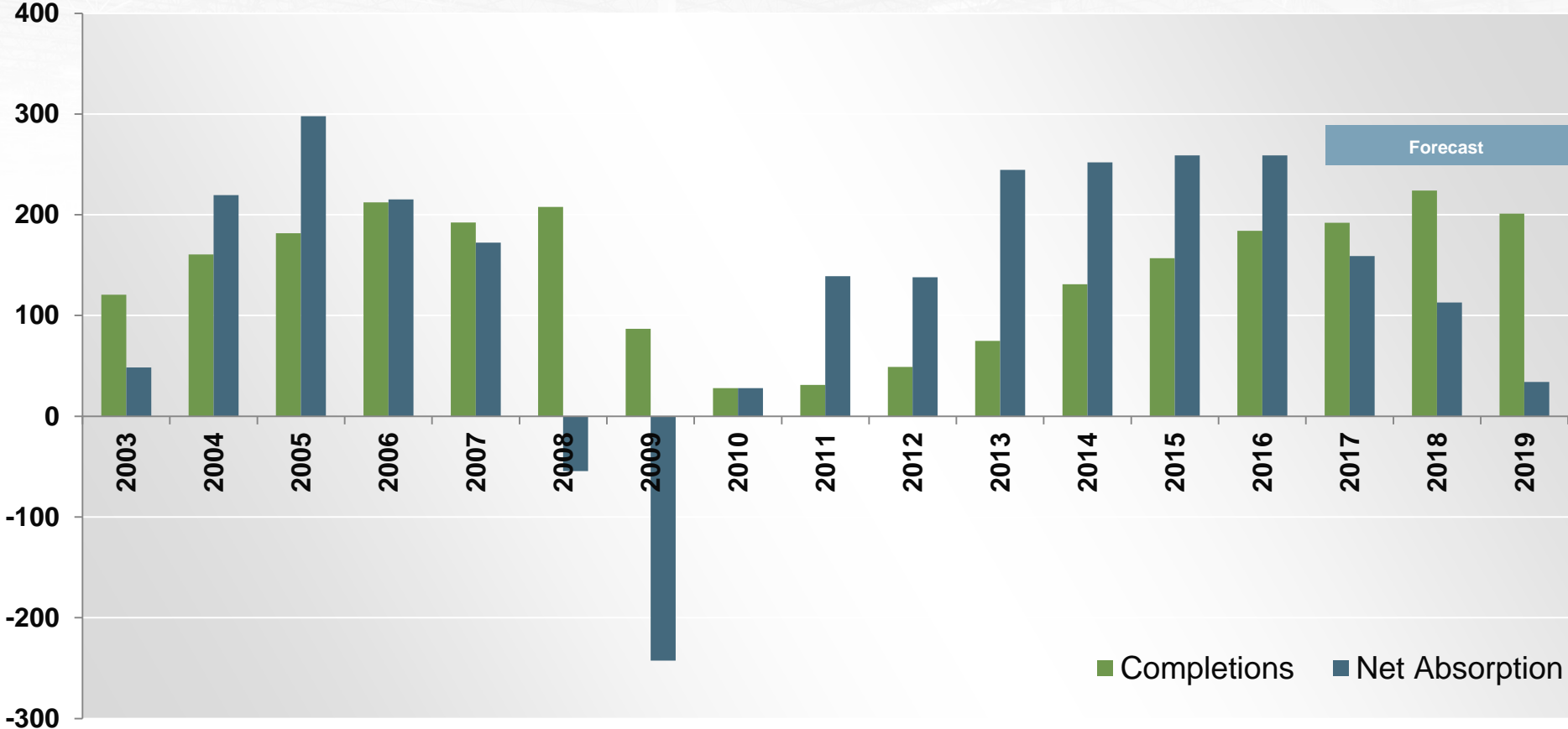
## TENANT DEMAND

- Increased globalization, consumption and urbanization
- Broad-based demand with e-commerce/omnichannel tailwinds
- Supply chain reconfiguration benefiting infill locations

## SUPPLY ENVIRONMENT

- Constrained financing due to Basel III
- Non-institutional developers have not re-emerged in size
- Increasingly difficult entitlement process and higher and better uses

# U.S. NET ABSORPTION AND NEW COMPLETIONS



Source: CBRE Econometric Advisors as of 9/7/17.



# STRATEGY FOR SUCCESS



## Leasing and Operations Management

- ≈ 96% Average Occupancy
- Grow Rents/Bumps
- Reduce TI/LC/CapEx
- Best-In-Class Customer Service



## Capital Management

- Strong Balance Sheet
- Investment Grade
- Capital Availability and Discipline



## Portfolio Management

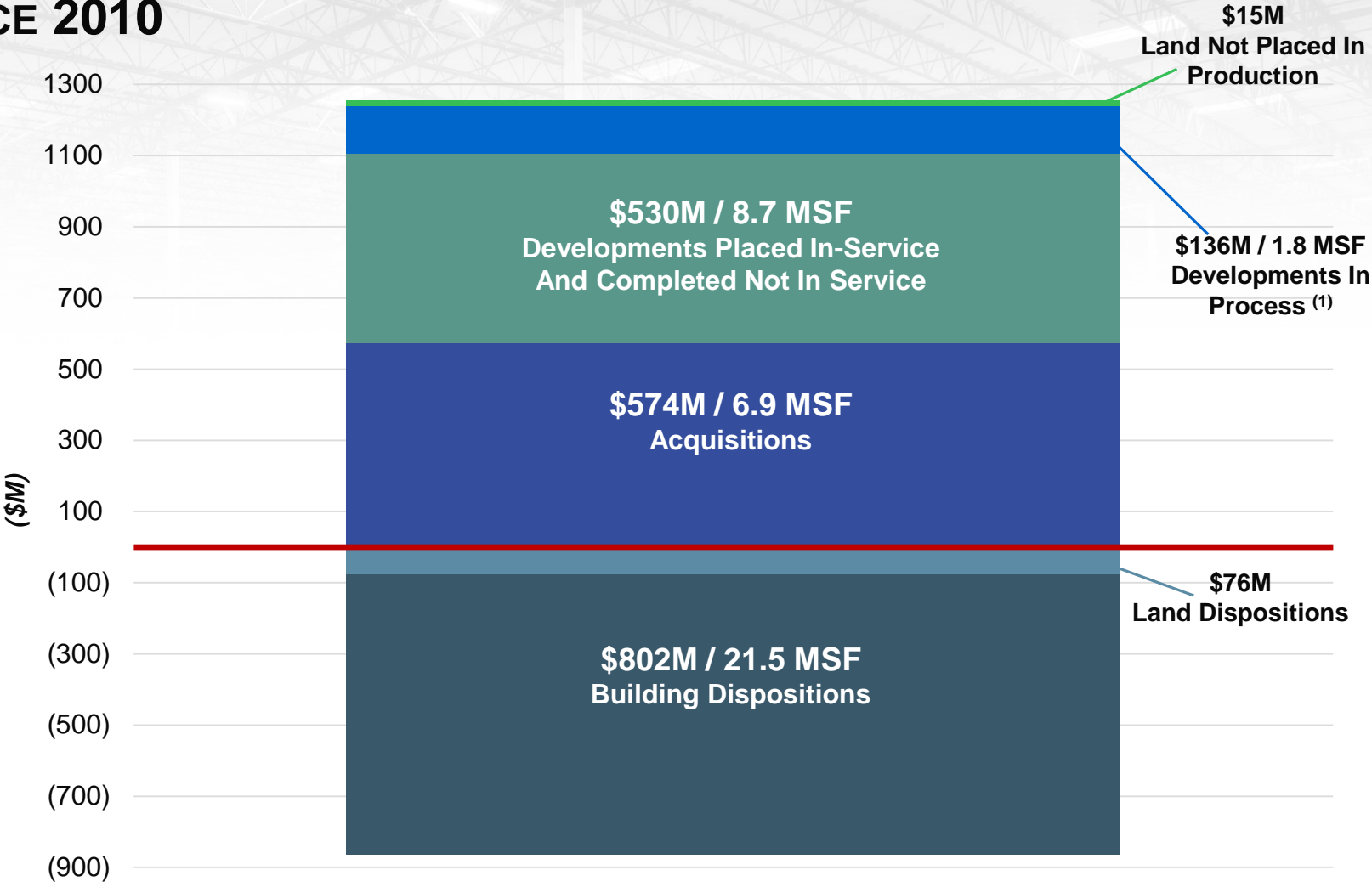
- Development Focus
- Selective Acquisitions
- Disciplined Dispositions



## The FR Platform

Drive cash flow, maintain balance sheet strength, thoughtfully allocate capital

# SIGNIFICANT PORTFOLIO TRANSFORMATION SINCE 2010



**$\Delta \approx \$2.1B$  or 39MSF Since 2010**

(1) As of June 30, 2017.

# 2017 INVESTMENT ACTIVITY<sup>(1)</sup>



Acquisitions	Market	Size (SF)	Purchase Price (M)	Purchase Price/SF	Occupancy <sup>(1)</sup>	Estimated GAAP Yield
21301 E 33rd Drive	Denver	181,348	\$11.2	\$62	100%	5.9%
2777 Loker Avenue West	San Diego	123,454	\$21.5	\$174	100%	5.0%
550 Gills Drive	Orlando	102,568	\$8.0	\$78	100%	6.1%
10586 Tamarind Avenue	Inland Empire	106,455	\$12.5	\$117	100%	5.0%
<b>Total Acquisitions</b>		<b>513,825</b>	<b>\$53.2M</b>	<b>\$104</b>	<b>100%</b>	<b>5.5%</b>
Developments	Market	Size (SF)	Total Investment (M)	Total Investment/SF	Occupancy <sup>(1)</sup>	Estimated GAAP Yield
<b>Developments Placed In-Service</b>						
First Park @ PV 303 <sup>(2)</sup>	Phoenix	618,350	\$45.4	\$55	100%	7.2%
<b>Developments In Process or Not In-Service</b>						
First Park 94 - Building II	Chicago	602,348	\$31.2	\$52	50%	8.0%
The Ranch by First Industrial	Inland Empire	936,000	\$86.7	\$93	0%	6.9%
First Sycamore 215 Logistics Center	Inland Empire	242,580	\$17.8	\$73	0%	6.0%
<b>Total Developments</b>		<b>2,399,278</b>	<b>\$181.1M</b>	<b>\$71</b>	<b>38%</b>	<b>7.1%</b>

<sup>(1)</sup> As of June 30, 2017.

<sup>(2)</sup> Total investment and estimated GAAP yield for First Park @ PV 303 reflect the building plus related land, including the 66-acre parcel acquired for \$11.6 million in 2Q17, also leased to UPS. \$/SF reflects building-only.

# 2017 INVESTMENT ACTIVITY



**10586 Tamarind Ave**  
106,455 SF



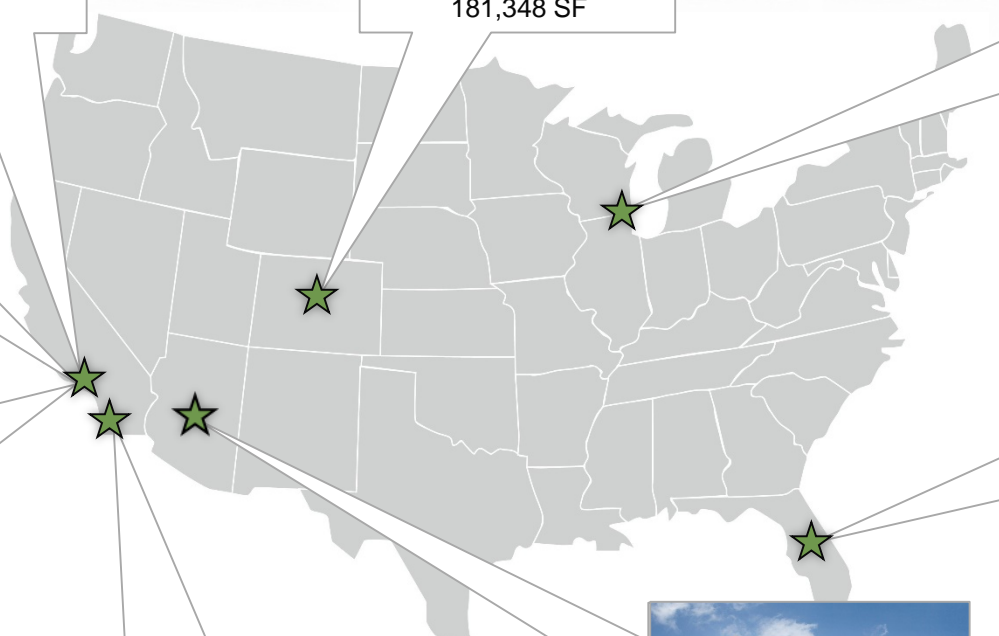
**21301 E 33<sup>rd</sup> Drive**  
181,348 SF



**First Park 94 - Building II**  
602,348 SF



**The Ranch by  
First Industrial**  
936,000 SF



**550 Gills Drive**  
102,568 SF



**First Sycamore 215  
Logistics Center**  
242,580 SF



**2777 Loker Avenue West**  
123,454 SF



**First Park @ PV 303**  
618,350 SF

# FIRST PARK @ PV 303

## GOODYEAR, AZ



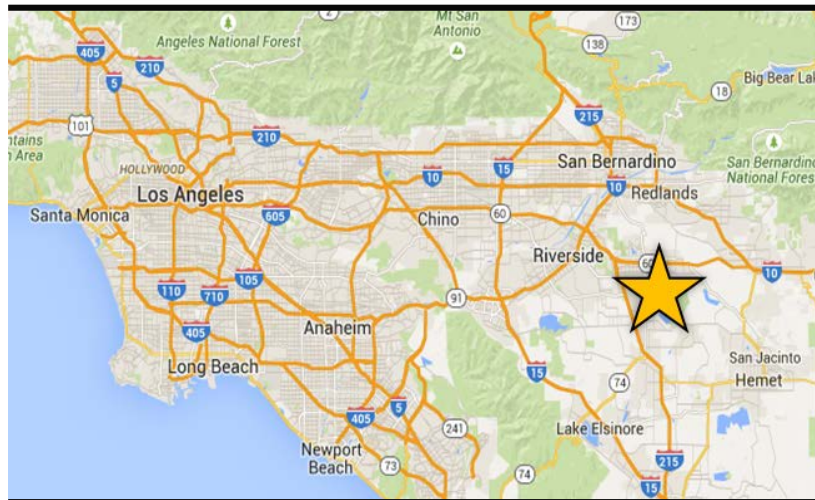
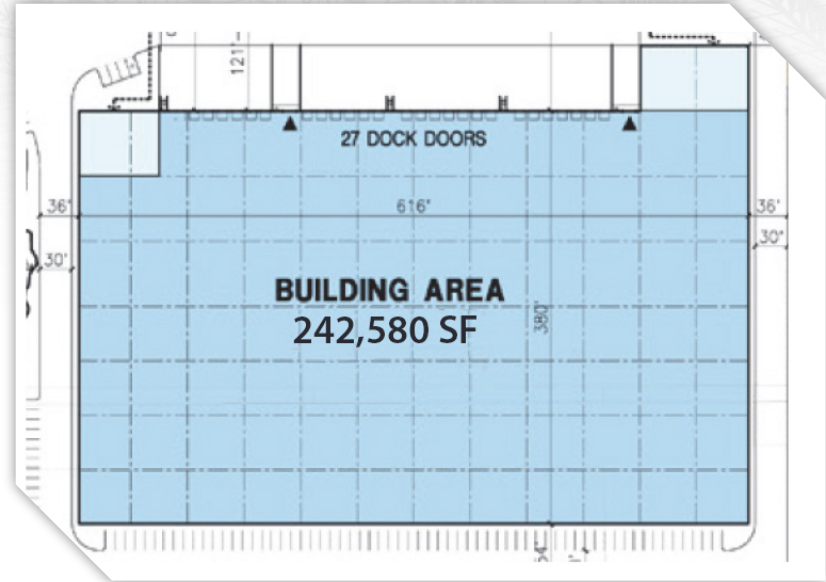
### Summary

Square Feet:	618,350
Percent Leased:	100%
Estimated GAAP Investment <sup>(1)</sup> :	\$45.4M / \$55/SF
Estimated GAAP Yield:	7.2%
Completed:	1Q17

<sup>(1)</sup> Estimated GAAP investment, estimated GAAP yield, and stabilized cash flow reflect totals for the building plus related land, including the 66-acre parcel acquired for \$11.6 million in 2Q17. \$/SF reflects building-only.

# FIRST SYCAMORE 215 LOGISTICS CENTER

## INLAND EMPIRE EAST, CA



### Summary

Square Feet:	242,580
Percent Leased:	0%
Estimated GAAP Investment:	\$17.8M/ \$73/SF
Estimated GAAP Yield:	6.0%
Target Completion Date:	2Q17

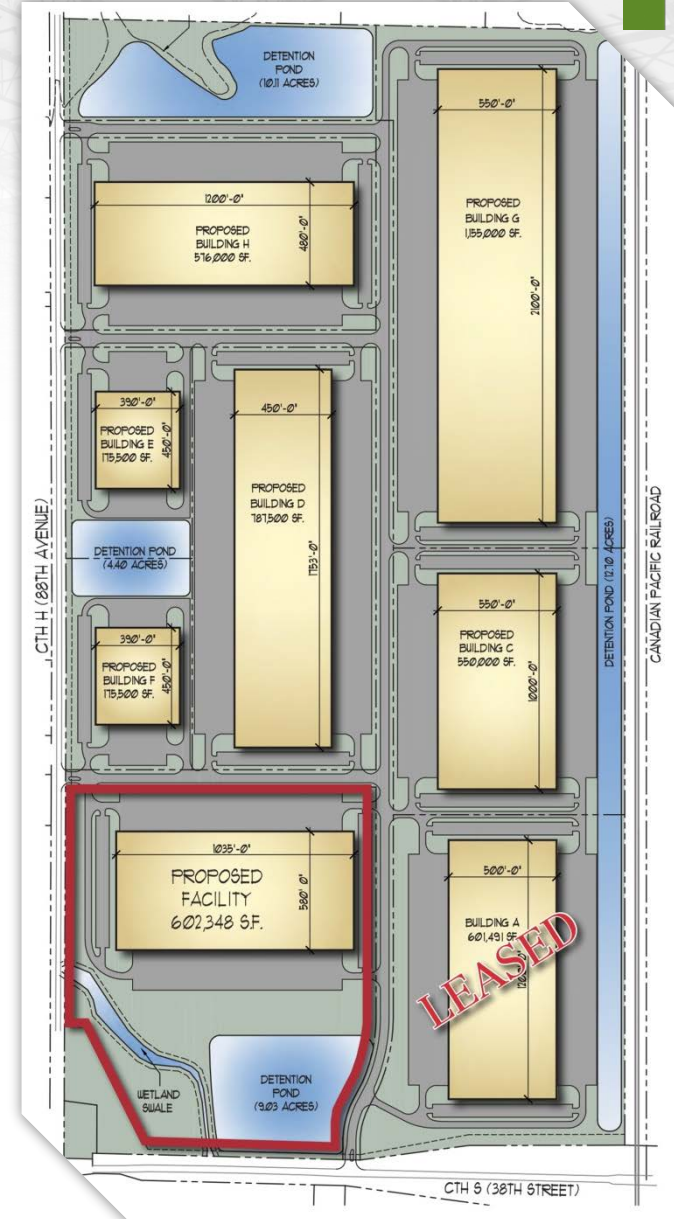
# FIRST PARK 94 – BUILDING II

## SE WISCONSIN / CHICAGO



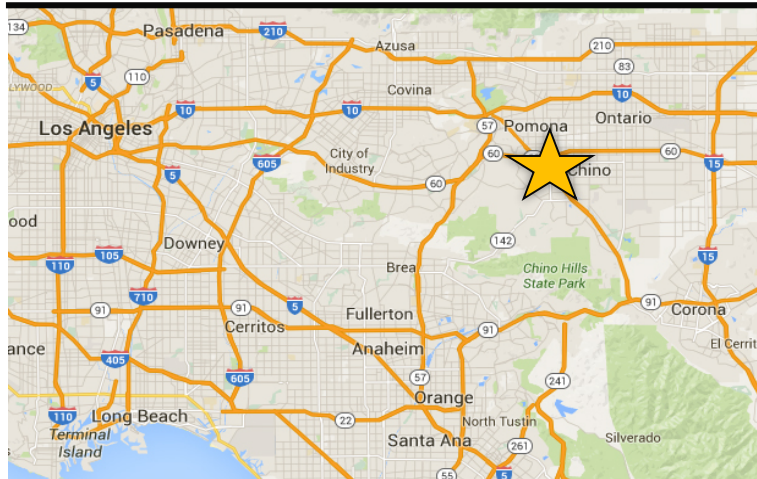
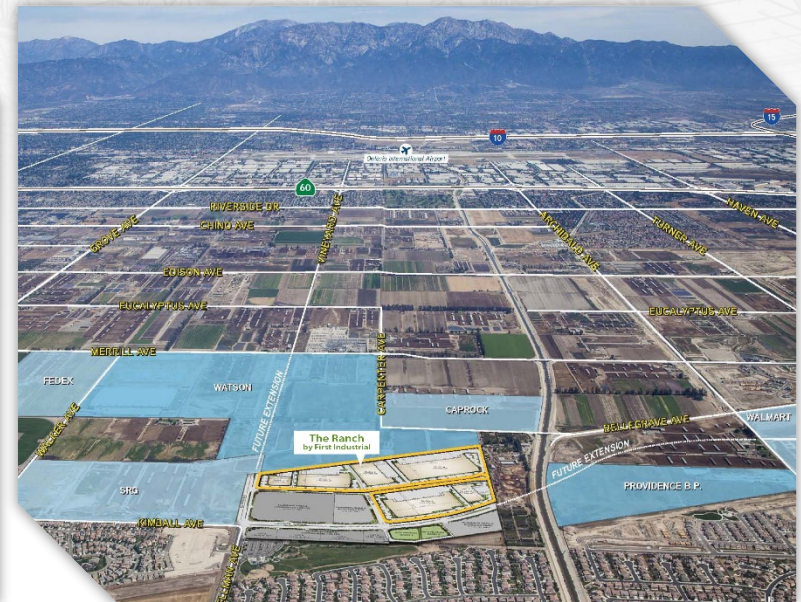
### Summary

Square Feet:	602,348
Percent Leased:	50%
Estimated GAAP Investment:	\$31.2 / \$52/SF
Estimated GAAP Yield:	8.0%
Target Completion Date:	2Q17



# THE RANCH BY FIRST INDUSTRIAL

## INLAND EMPIRE WEST, CA



### Summary

Square Feet:	936,000
Percent Leased:	0%
Estimated GAAP Investment:	\$86.7M / \$93/SF
Estimated GAAP Yield:	6.9%
Target Completion Date:	4Q17



# STRATEGICALLY LOCATED LAND POSITIONS



## LAND HOLDINGS (AS OF 6/30/17)



★ Markets with Developable Land

Site	Market	Acres	Developable SF
First Nandina Logistics Center	Inland Empire	69.2	1,450,000
First Perry Logistics Center	Inland Empire	11.0	236,000
First Fontana Logistics Center	Inland Empire	19.1	401,820
First Grand Parkway Commerce Center	Houston	46.7	676,000
First Park 94	Chicago	154.0	3,200,000
First Mountain Creek Distribution Center	Dallas	104.5	1,200,000
First I-20/35 Distribution Center	Dallas	26.3	420,000
Covington	Pennsylvania	35.9	502,000
First Park Fairburn	Atlanta	68.7	1,260,000
First Park @ PV 303	Phoenix	96.8	1,600,000
Stockton	Stockton	57.9	1,200,000
Rockdale	Nashville	<u>101.7</u>	<u>1,200,000</u>
<b>Total Key Sites</b>		<b>791.8</b>	<b>13,345,820</b>
Other Sites		<u>120.1</u>	<u>872,000</u>
<b>Total</b>		<b>911.9</b>	<b>14,217,820</b>

Ability to source, entitle and develop...  
...and sell when appropriate

# 2016 INVESTMENT ACTIVITY



Acquisitions	Market	Size (SF)	Purchase Price (M)	Purchase Price/SF	Occupancy <sup>(2)</sup>	Estimated GAAP Yield
8751 Skinner Court	Orlando	125,775	\$9.3	\$74	100%	7.8%
4473 Shader Road	Orlando	199,100	\$14.0	\$70	100%	6.6%
1445 Engineer Street	San Diego	99,307	\$11.9	\$120	100%	6.1%
81 Paragon Drive	Chicago	121,142	\$9.0	\$74	0% <sup>(3)</sup>	6.5%
1351 NW 78 <sup>th</sup> Avenue	Miami	63,389	\$8.4	\$133	100%	7.4%
6635 E 30 <sup>th</sup> Street	Indianapolis	99,877	\$4.1	\$41	100%	7.9%
<b>Total Acquisitions</b>		<b>708,590</b>	<b>\$56.7M</b>	<b>\$80</b>	<b>83%</b>	<b>6.9%</b>
Developments Placed In-Service	Market	Size (SF)	Total Investment (M)	Total Investment/SF	Occupancy <sup>(2)</sup>	Estimated GAAP Yield
First Arlington Commerce Center I	Dallas	153,200	\$9.5	\$62	100%	6.8%
First 33 Commerce Center	Central/Eastern PA	584,760	\$41.8	\$71	100%	6.9%
First Park @ Ocean Ranch III	San Diego	65,600	\$7.5	\$114	100%	7.1%
First Park Tolleson	Phoenix	386,100	\$21.8	\$56	81%	8.3%
First Park 94 – Building I	Chicago	601,439	\$27.6	\$46	100%	8.8%
First Arlington Commerce Center II	Dallas	234,100	\$12.4	\$53	100%	7.0%
First San Michele Logistics Center	Inland Empire	187,985	\$13.2	\$70	100%	6.4%
First Park McDonough - BTS	Atlanta	409,559	\$20.4	\$50	100%	9.4%
First Reyes Logistics Center	Los Angeles	63,450	\$17.0	\$268	100%	5.2%
First Florence Logistics Center	New Jersey	577,200	\$38.9	\$67	100%	7.3%
<b>Total Developments</b>		<b>3,263,393</b>	<b>\$210.1M</b>	<b>\$60<sup>(1)</sup></b>	<b>98%</b>	<b>7.4%</b>

<sup>(1)</sup> Excludes First Reyes Logistics Center.

<sup>(2)</sup> As of June 30, 2017.

<sup>(3)</sup> 30% leased as of September 12, 2017.

# 2016 INVESTMENT ACTIVITY



**First San Michele  
Logistics Center**  
187,985 SF



**81 Paragon Drive**  
121,142 SF



**First Park 94 - Building I**  
601,439 SF



**6635 E 30th St**  
99,877 SF



**First 33 Commerce Ctr**  
584,760 SF



**First Reyes Logistics Ctr**  
63,450 SF



**First Florence Logistics Ctr**  
577,200 SF



**1445 Engineer St**  
99,307 SF



**8751 Skinner Court**  
125,775 SF



**First Park @ Ocean  
Ranch III**  
65,600 SF



**First Park Tolleson**  
386,100 SF



**First Arlington  
Commerce Center - I & II**  
153,200 SF / 234,100 SF



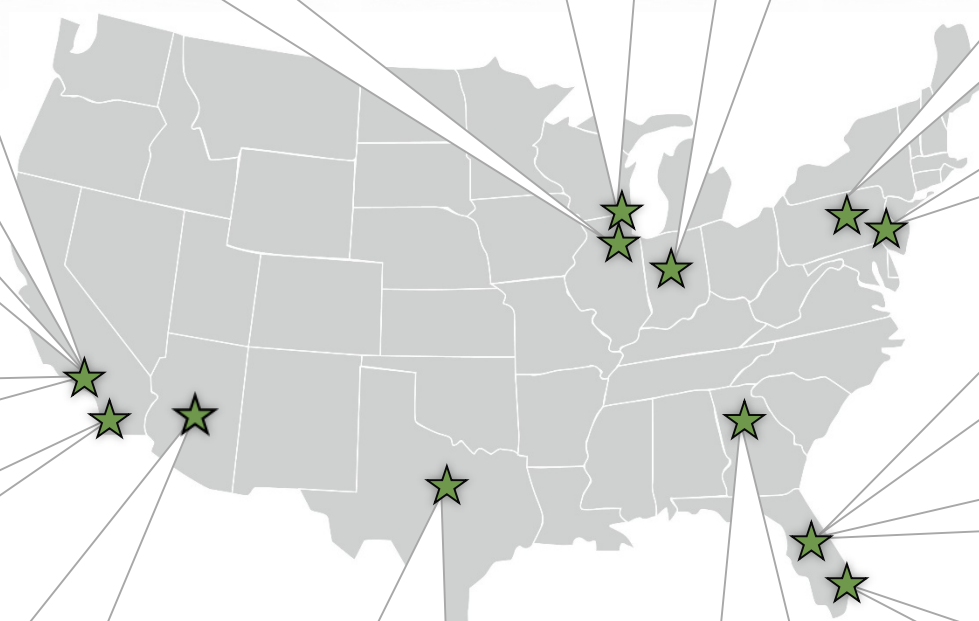
**First Park McDonough**  
409,559 SF



**4473 Shader Road**  
199,100 SF



**1351 NW 78th Ave**  
63,389 SF



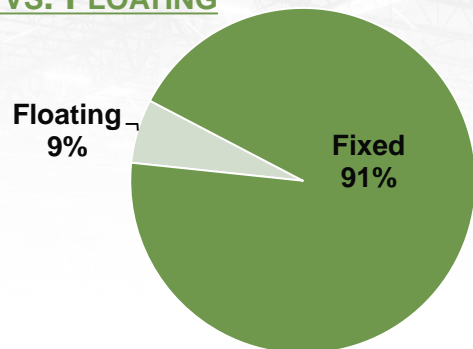


# BALANCE SHEET

# STRONG BALANCE SHEET AS OF JUNE 30, 2017



## FIXED VS. FLOATING

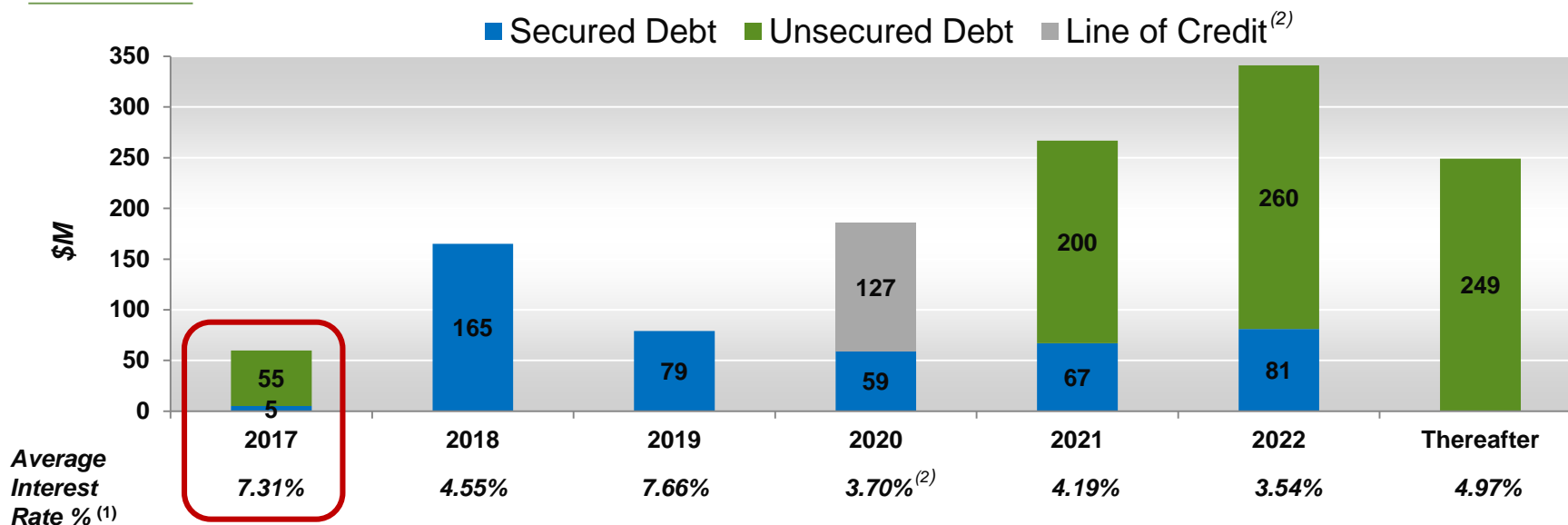


## SUMMARY

Debt Type	Amount (\$M)	%	Interest Rate	Weighted Maturity (Yrs.) <sup>(2)</sup>
Secured	457	34	5.4%	2.7
Unsecured <sup>(1)</sup>	890	66	4.1%	5.8
<b>Total</b>	<b>1,347</b>		<b>4.5%</b>	<b>4.8</b>

W/A interest rate without LOC 4.7%

## MATURITIES



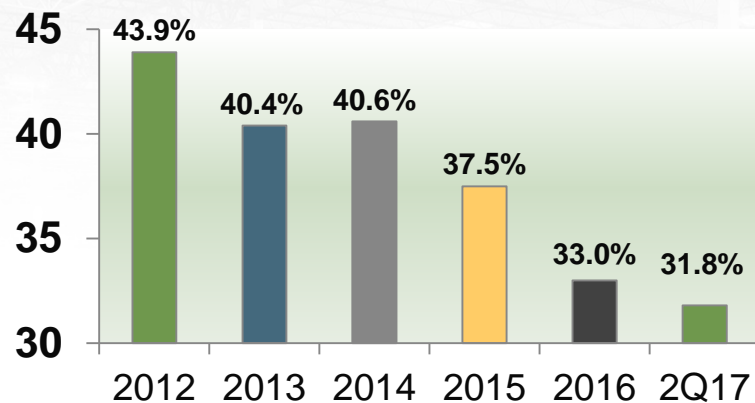
<sup>(1)</sup> Weighted average coupon interest rate includes the swapped rate for both of the unsecured term loans.

<sup>(2)</sup> Line of credit maturity assumes exercise of one-year extension option.

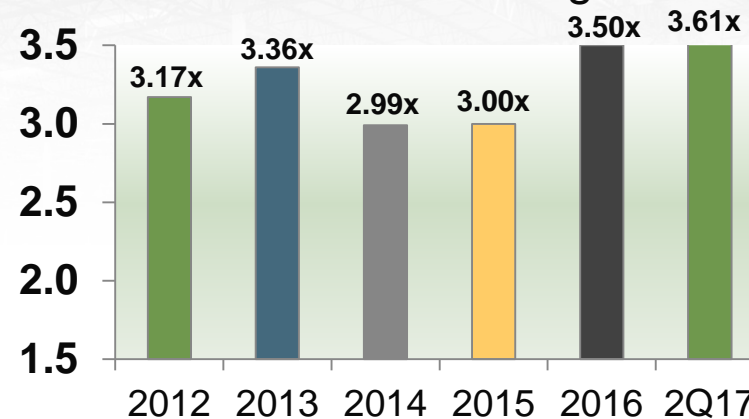
# LINE OF CREDIT/TERM LOANS COVENANTS



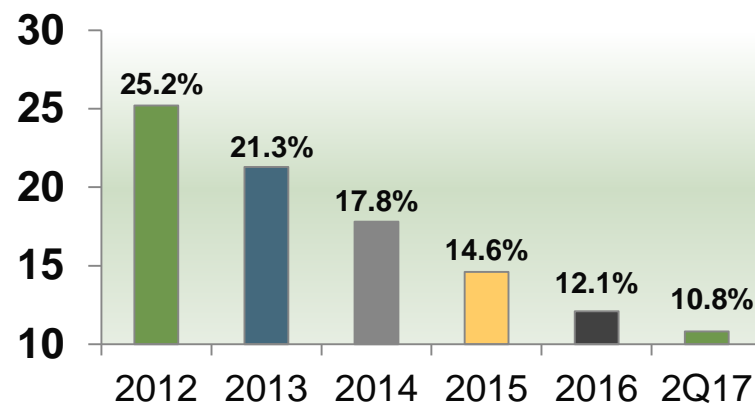
## Total Leverage



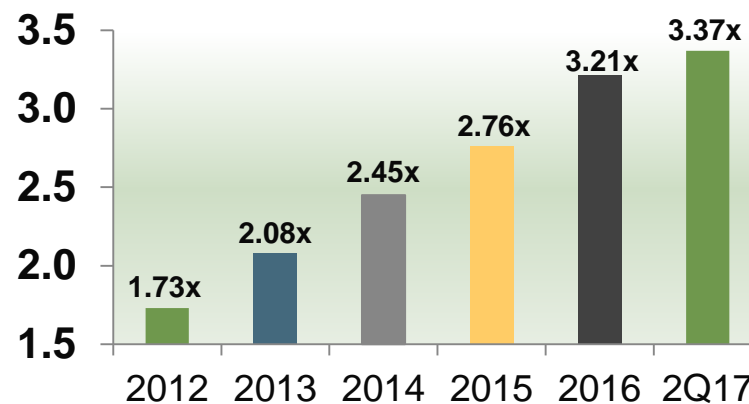
## Unsecured Leverage



## Secured Leverage



## Fixed Charge Coverage



# CONCLUSION



## Transformation

Creating stability for future economic cycles with

- Strong balance sheet
- Refined portfolio

## Performance

On-going cash flow growth opportunity via

- Tested platform
- Bumps, increasing market rents and lower TI/LC/CapEx
- Lease up of developments & value-add acquisitions
- Best-in-class customer service

## Opportunity

Unrealized upside given

- Attractive asset class
- Growth and value creation via new investment
- Valuation discount to private portfolio trades



Q&A