



# CITI 2019 GLOBAL PROPERTY CEO CONFERENCE

MARCH 2019

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LISTED  
NYSE



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, 2018, 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 presentation or the dates indicated on the slides. 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.

# STRATEGY FOR SUCCESS



Maximize the economics on every lease



Focus on higher rent growth assets and markets



Continue to reduce allocation to low barrier markets



Emphasize development as long as yields and demand justify



Maintain balance sheet discipline

# INDUSTRIAL REAL ESTATE DEMAND DRIVERS

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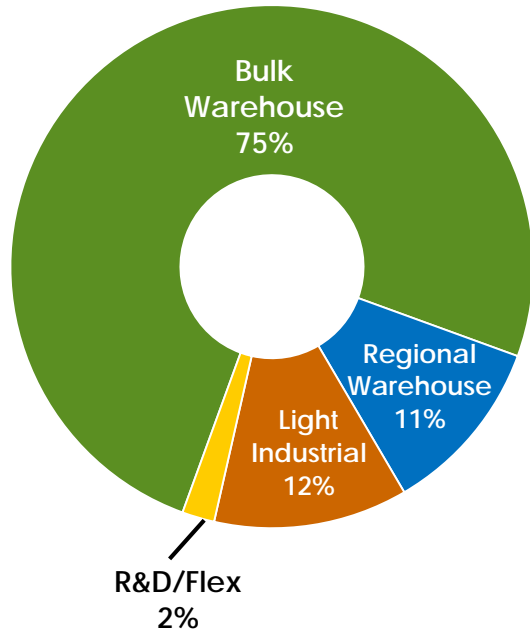
- GDP growth
- Consumption
- E-commerce
- Global trade
- Supply chain optimization

# PORTFOLIO AND PLATFORM

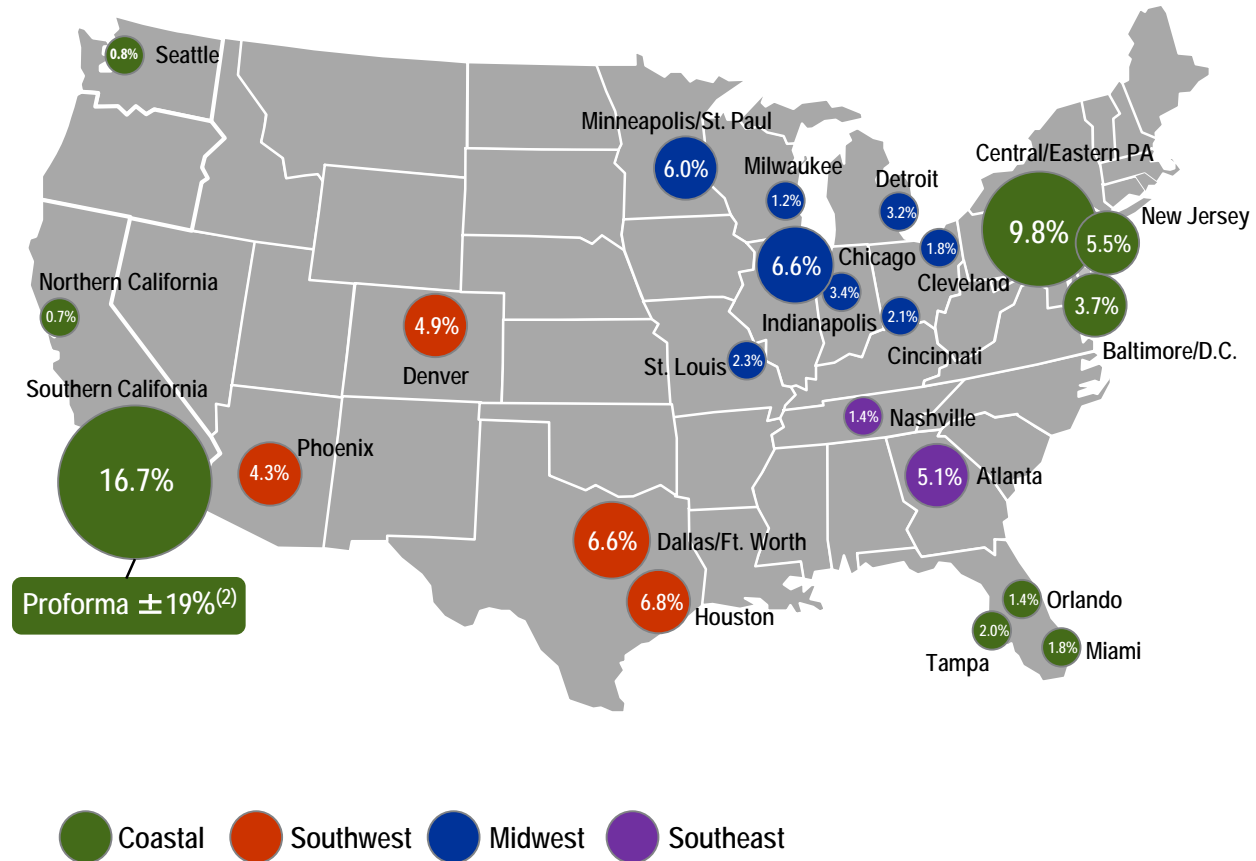


AS OF DECEMBER 31, 2018

Square Footage by Property Type



Percentage of Rental Income<sup>(1)</sup>



<sup>(1)</sup> 1.9% of rental income from Other markets.

<sup>(2)</sup> Pro forma for impact of 1.4 MSF First Nandina lease in 4Q18 and assuming lease-up of completed and under construction developments and value-add acquisitions as of December 31, 2018.

# RECENT HIGHLIGHTS



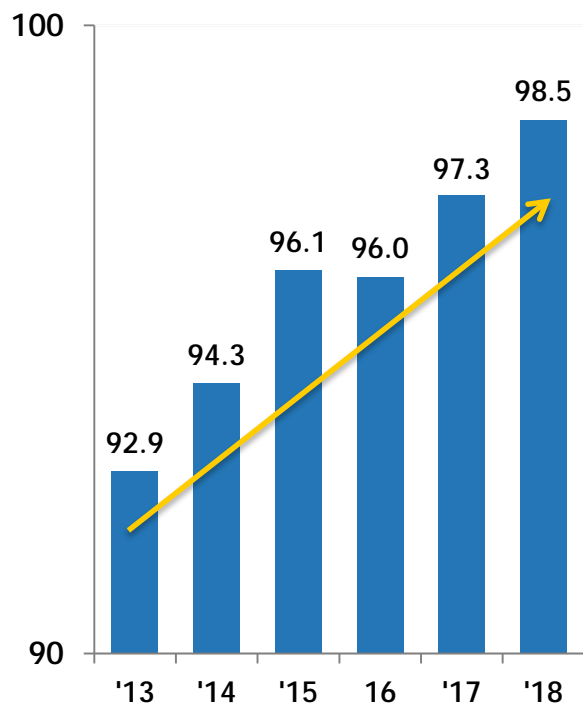
- Occupancy of 98.5%, up 120 basis points from 4Q17
- Cash Same Store NOI grew 6.0% in 4Q18, 5.8% for the year
- Cash Rental Rates were up 6.5% in 4Q18, 8.1% in 2018
- Increased First Quarter 2019 dividend to \$0.23 per share, a 5.7% increase
- Leased 100% of the First Nandina Logistics Center, a 1.4 MSF development in the Inland Empire
- Started two new build-to-suits totaling 1.6 MSF in Atlanta and Dallas; estimated total investment of \$93M
- In 1Q19, started two developments totaling 249,000 SF in Dallas and Phoenix; estimated total investment of \$20M
- Placed in service eight 100% leased developments comprised of 3.5 MSF, total Investment of \$227M in 2018, with first year cash yield of 7.9%
- Acquired ten buildings totaling 1.0 MSF plus eight land parcels for \$168M in 2018
- Completed \$72M of asset sales in 4Q18, \$192M for 2018

# KEY PORTFOLIO CASH FLOW METRICS

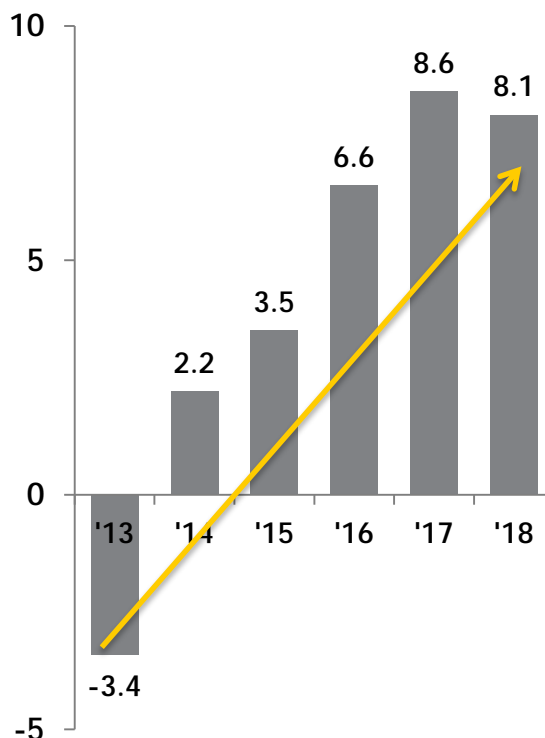


12.6% cash rental rate change on 2019 rollovers signed as of February 14th<sup>(4)</sup>

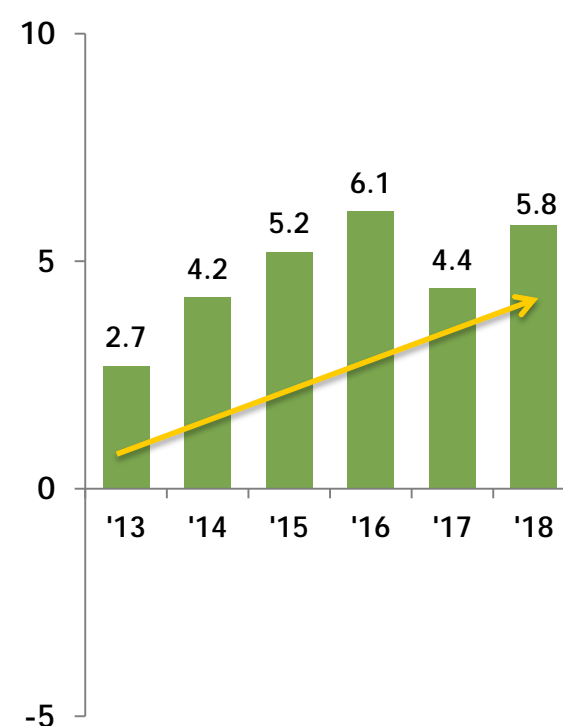
Occupancy %<sup>(1)</sup>



Cash Rental Rates %<sup>(2)</sup>



Cash Same Store NOI %<sup>(3)</sup>



**Driven by leasing execution, supported by fundamentals**

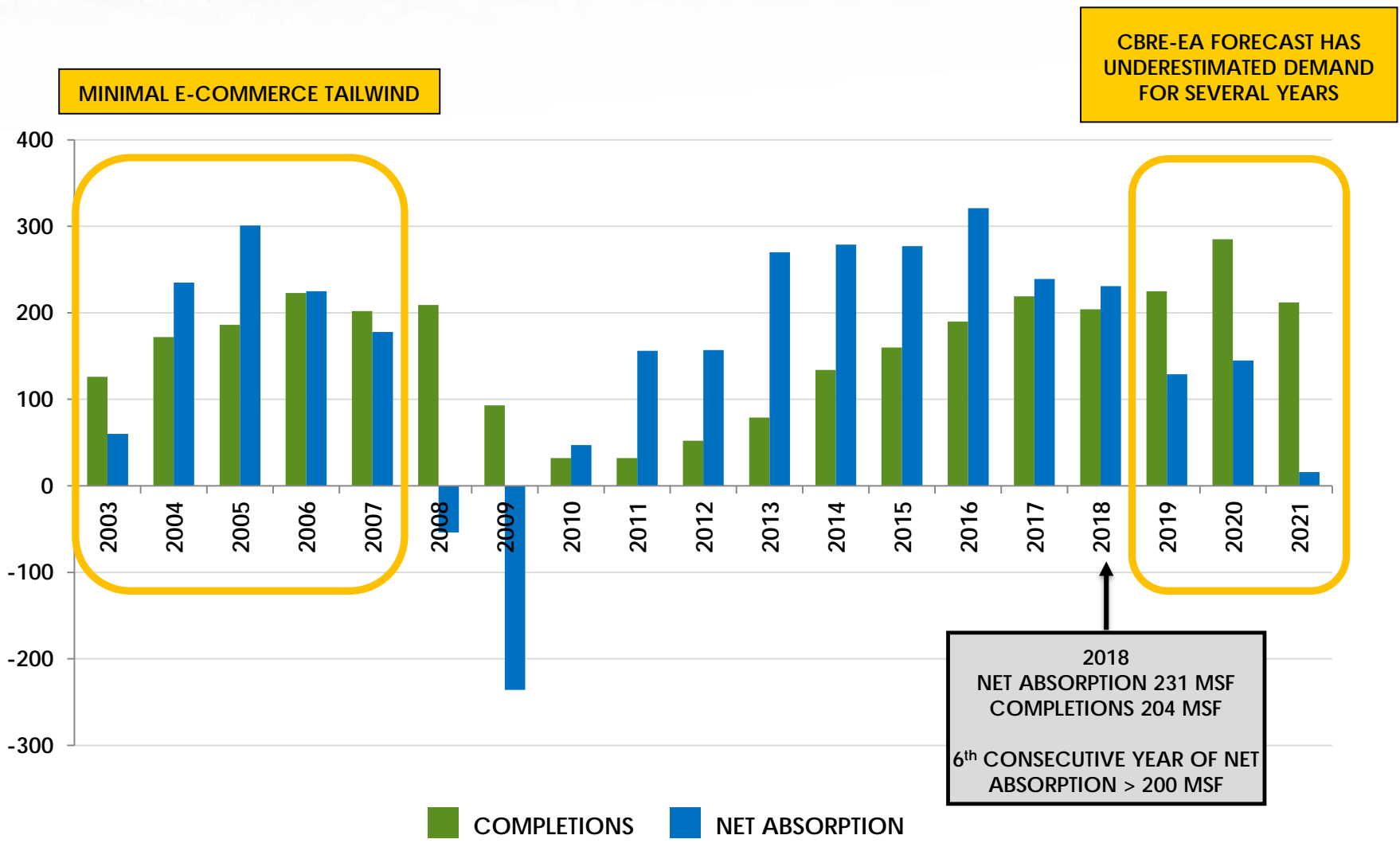
<sup>(1)</sup> Period End.

<sup>(2)</sup> Period Average as of December 31, 2018.

<sup>(3)</sup> End of period population of properties. Excludes one-time restoration fee in 2014 and lease termination fees.

<sup>(4)</sup> Approximately 64% of total 2019 rollovers as of February 14, 2019.

# U.S. NET ABSORPTION AND NEW COMPLETIONS



Source: CBRE-EA.com Industrial Market Snapshot as of March 1, 2019.





# INVESTMENT ACTIVITY



# DEVELOPMENTS UNDER CONSTRUCTION



2019



First Perry Logistics Center  
239,950 SF  
Estimated Completion: 4Q19



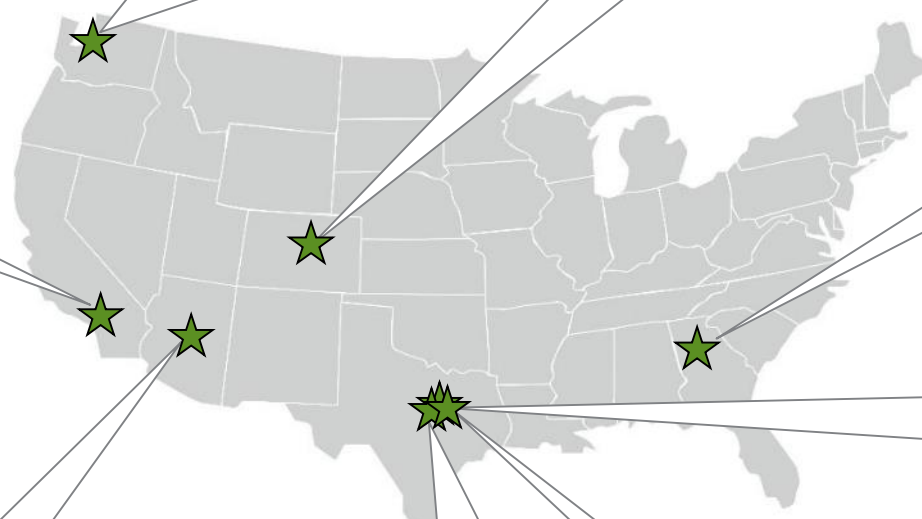
First Glacier Logistics Center  
66,751 SF  
Estimated Completion: 2Q19



First Aurora  
Commerce Center - Bldg. D  
555,840 SF  
Estimated Completion: 3Q19



First Park Fairburn - BTS  
703,080 SF  
Estimated Completion: 3Q19



First Park 121 - Buildings I & II  
345,280 SF  
Estimated Completion: 2Q19



First Park @ PV 303 - BTS  
50,184 SF  
Estimated Completion: 4Q19



First Fossil Creek  
198,589 SF  
Estimated Completion: 4Q19





First Mountain Creek - BTS  
863,328 SF  
Estimated Completion: 4Q19

# DEVELOPMENTS UNDER CONSTRUCTION



## 2019

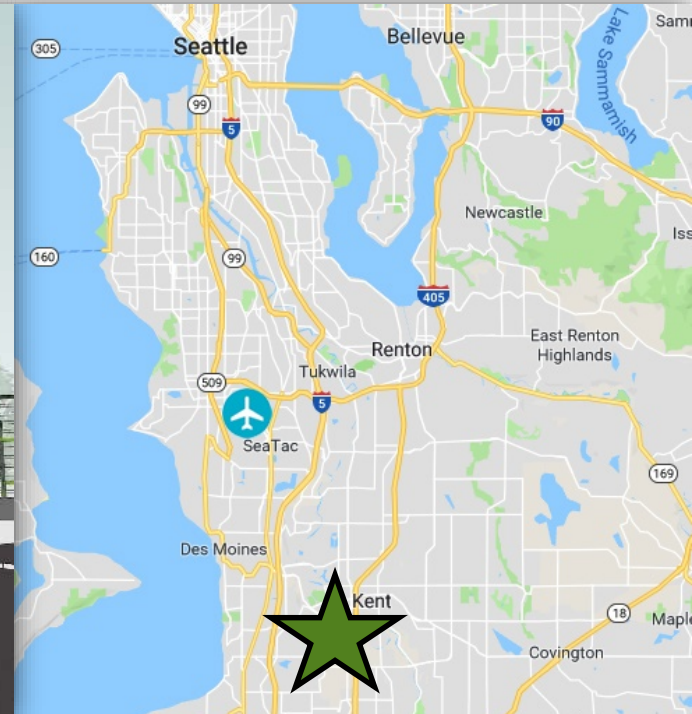
Property	Market	SF	Estimated GAAP Investment (\$M)	\$/SF	% Leased	Estimated Cash Yield <sup>(1)</sup>	Estimated Completion
 First Glacier Logistics Center	Seattle	66,751	10.2	153	0%	5.5%	2Q19
 First Park 121 – Phase I (2 Buildings)	Dallas	345,280	27.5	80	18%	7.1%	2Q19
 First Aurora Commerce Center – Building D	Denver	555,840	38.3	69	0%	7.2%	3Q19
 First Park Fairburn - BTS	Atlanta	703,080	40.4	57	100%	6.0%	3Q19
 First Perry Logistics Center	Inland Empire	239,950	20.5	85	0%	5.9%	4Q19
 First Mountain Creek Distribution Center - BTS	Dallas	863,328	52.5	61	100%	5.7%	4Q19
 First Fossil Creek Commerce Center	Dallas	198,589	12.4	62	0%	7.0%	4Q19
 First Park @ PV 303 - BTS	Phoenix	50,184	7.7	153	100%	5.7%	4Q19
<b>TOTAL</b>		<b>3,023,002</b>	<b>\$209.5</b>	<b>\$69</b>	<b>55.5%</b>	<b>6.3%</b>	

Average potential margin expected for the above developments is approximately 32 - 42%

<sup>(1)</sup> Cash yield defined as first year stabilized cash NOI divided by GAAP basis.

# FIRST GLACIER LOGISTICS CENTER

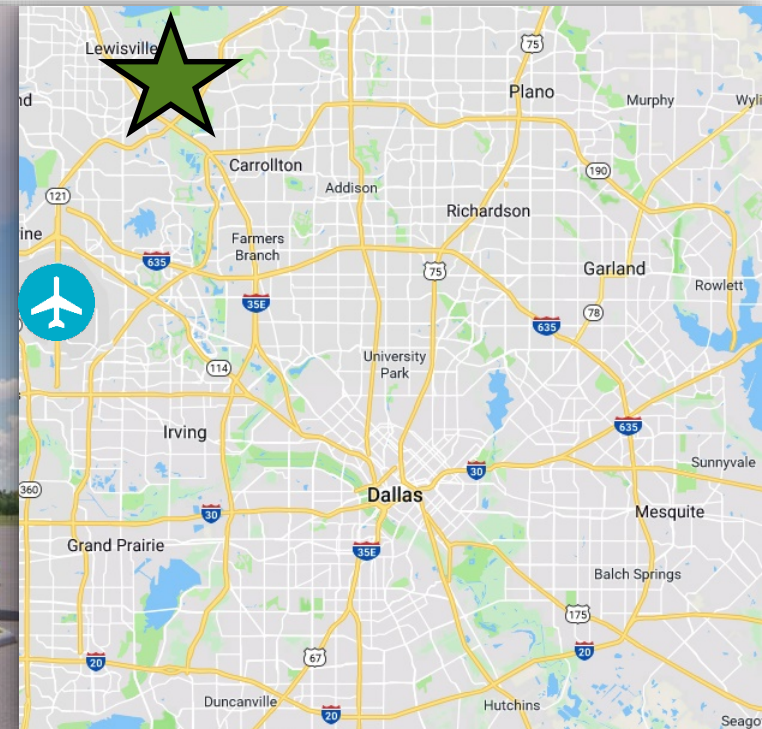
## SEATTLE



SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
66,751	\$10.2	\$153	5.5%	0%	2Q19

# FIRST PARK 121 – PHASE I

## DALLAS

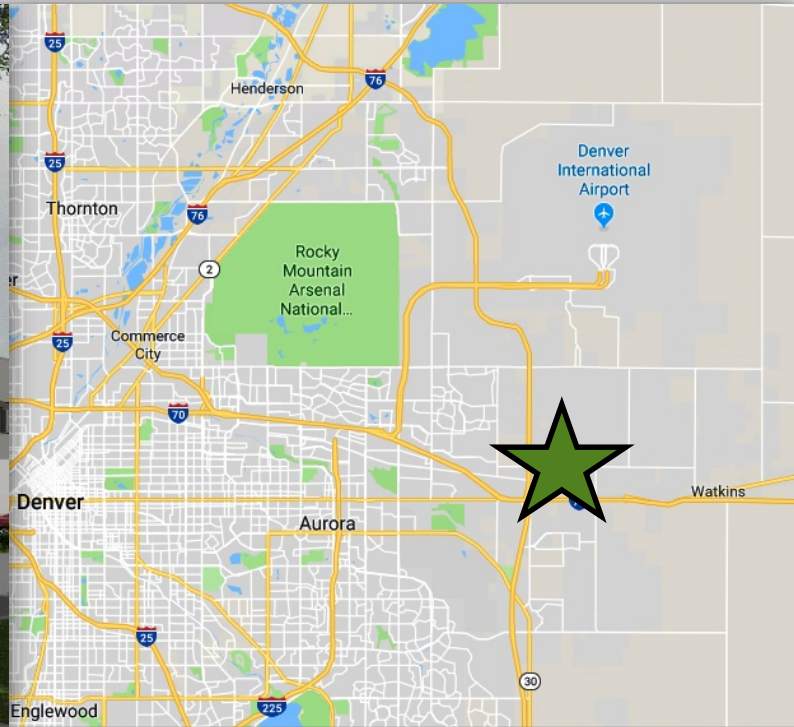


SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
345,280 (2 Buildings)	\$27.5M	\$80	7.1%	18%	2019

# FIRST AURORA COMMERCE CENTER – BLDG. D



DENVER

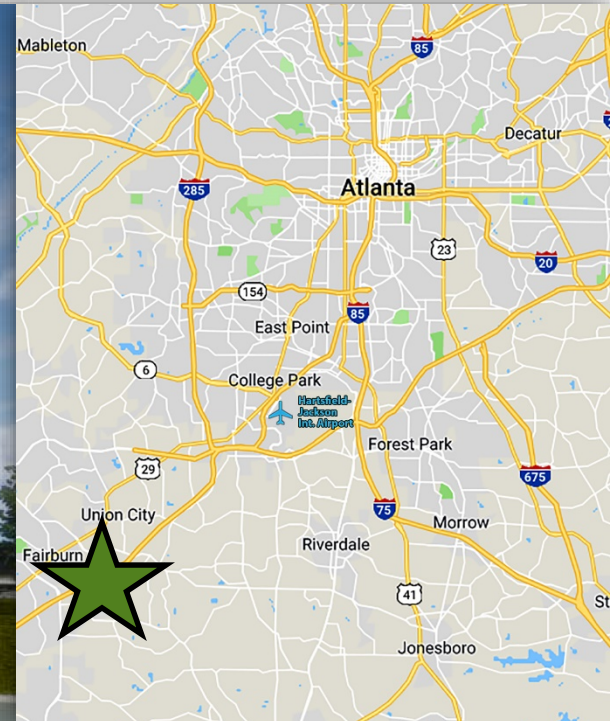


SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
555,840	\$38.3M	\$69	7.2%	0%	3Q19

# FIRST PARK FAIRBURN - BTS



## ATLANTA

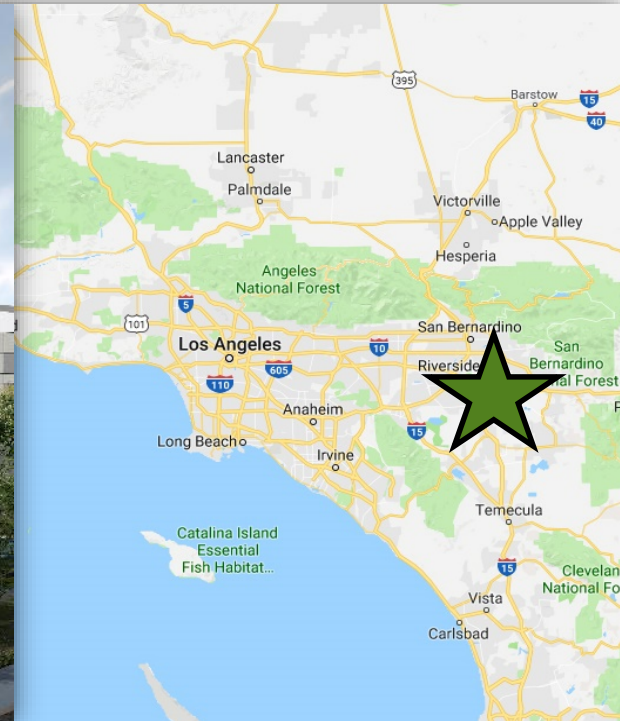


SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
703,080	\$40.4M	\$57	6.0%	100%	3Q19

# FIRST PERRY LOGISTICS CENTER



## INLAND EMPIRE



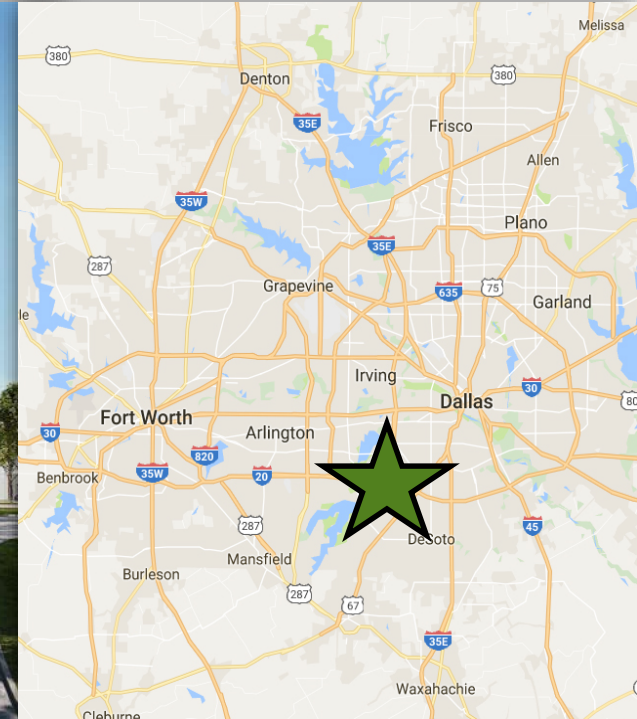
SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
239,950	\$20.5M	\$85	5.9%	0%	4Q19



# FIRST MOUNTAIN CREEK - BTS



## DALLAS

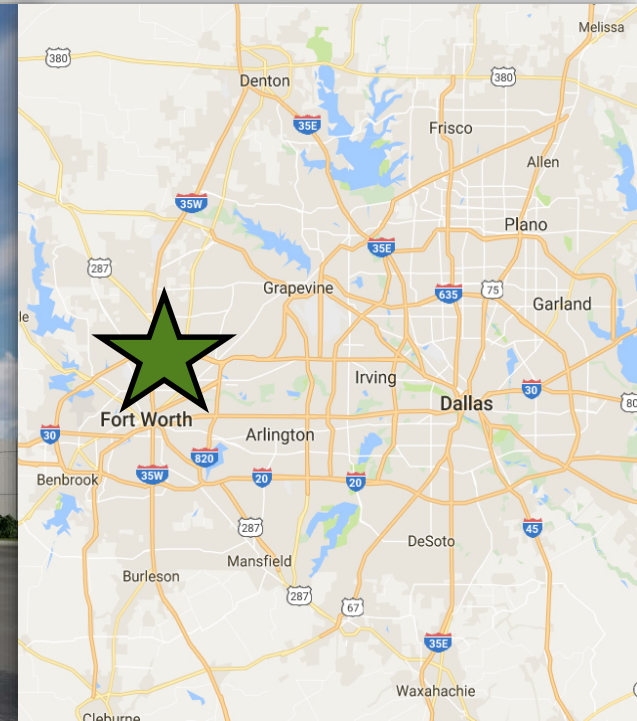


SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
863,328	\$52.5M	\$61	5.7%	100%	4Q19

# FIRST FOSSIL CREEK COMMERCE CENTER



DALLAS



SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
198,589	\$12.4M	\$62	7.0%	0%	4Q19

# FIRST PARK @ PV 303 - BTS



## PHOENIX



SF	Est. GAAP Investment	\$/SF	Est. Cash Yield	% Leased	Estimated Completion
50,184	\$7.7M	\$153	5.7%	100%	4Q19

# DEVELOPMENTS IN LEASE-UP



2018



First Joliet Logistics Center  
355,199 SF



First Logistics Center @  
I-78/81 - Bldg A  
738,720 SF



First Logistics Center @  
I-78/81 - Bldg B  
250,200 SF



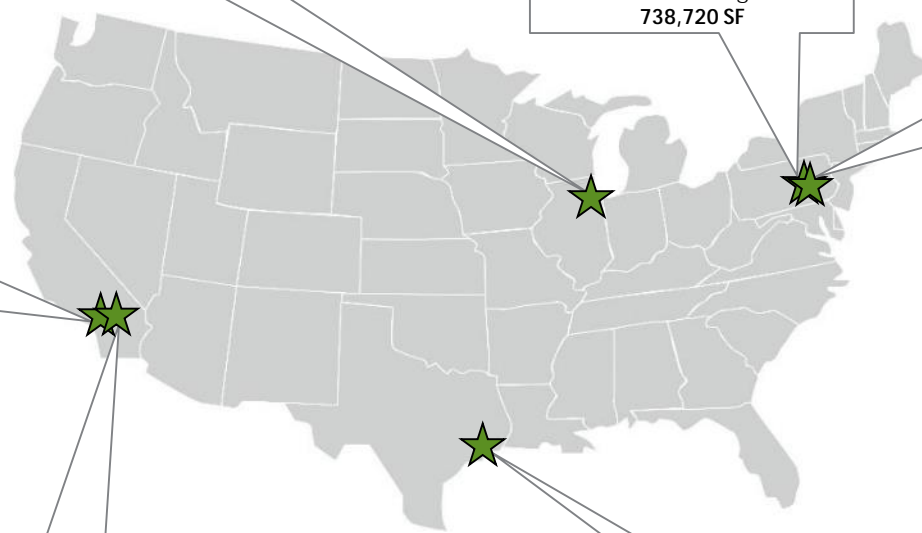
The Ranch by First Industrial -  
Building V  
220,707 SF



The Ranch by First Industrial -  
Building III  
137,358 SF



First 290 @ Guhn Rd  
126,250 SF



# DEVELOPMENTS IN LEASE-UP



## 2018

Property	Market	SF	Estimated GAAP Investment (\$M)	\$/SF	% Leased	Estimated Cash Yield <sup>(1)</sup>	Building Completion
 The Ranch by First Industrial – Bldg. III	Inland Empire	137,358	12.3	90	0%	7.1%	2Q18
 The Ranch by First Industrial – Bldg. V	Inland Empire	220,707	20.2	92	0%	6.9%	2Q18
 First Joliet Logistics Center	Chicago	355,199	21.2	60	0%	7.1%	3Q18
 First 290 @ Guhn Rd	Houston	126,250	9.1	72	0%	7.0%	4Q18
 First Logistics Center @ I-78/81 – Building A	Central PA	738,720	48.9	66	0%	6.8%	4Q18
 First Logistics Center @ I-78/81 – Building B	Central PA	250,200	17.5	70	0%	6.9%	4Q18
<b>TOTAL</b>		<b>1,828,434</b>	<b>\$129.2</b>	<b>\$71</b>	<b>0%</b>	<b>6.9%</b>	

Average potential margin expected for the above developments is approximately 41 - 51%

<sup>(1)</sup> Cash yield defined as first year stabilized cash NOI divided by GAAP basis.

# DEVELOPMENTS PLACED IN SERVICE



2018



The Ranch by First Industrial -  
Building I  
49,571 SF



First Sycamore 215  
Logistics Center  
242,580 SF



First Park 94 - Building II  
602,348 SF



The Ranch by First Industrial -  
Building II  
155,742 SF



First Park @ PV 303 - Building B  
643,798 SF



The Ranch by First Industrial -  
Building IV  
301,388 SF



The Ranch by First Industrial -  
Building VI  
71,234 SF



First Nandina Logistics Center  
1,387,899 SF

# DEVELOPMENTS PLACED IN SERVICE



## 2018

Property	Market	SF	Estimated GAAP Investment (\$M)	\$/SF	% Leased	Cash Yield <sup>(1)</sup>	Building Completion
 First Sycamore 215 Logistics Center	Inland Empire	242,580	18.1	75	100%	6.6%	2Q17
 First Park 94 – Building II	Chicago	602,348	29.9	50	100%	8.2%	2Q17
 The Ranch by First Industrial – Building II	Inland Empire	155,742	14.3	92	100%	7.4%	2Q18
 The Ranch by First Industrial – Building I	Inland Empire	49,571	4.9	99	100%	8.2%	2Q18
 The Ranch by First Industrial – Building IV	Inland Empire	301,388	27.3	91	100%	7.1%	2Q18
 The Ranch by First Industrial – Building VI	Inland Empire	71,234	7.6	107	100%	9.2%	2Q18
 First Park @ PV 303 – Building B	Phoenix	643,798	41.1	64	100%	7.8%	2Q18
 First Nandina Logistics Center	Inland Empire	1,387,899	83.4	60	100%	8.4%	4Q18
<b>TOTAL</b>		<b>3,454,560</b>	<b>\$226.6</b>	<b>\$66</b>	<b>100%</b>	<b>7.9%</b>	

Estimated average margin for the above developments is approximately 72 - 82%

<sup>(1)</sup> Cash yield defined as first year stabilized cash NOI divided by GAAP basis.

# PROPERTY ACQUISITIONS



2018





# PROPERTY ACQUISITIONS



## 2018

Property	Market	SF	Purchase Price (\$M)	\$/SF	% Leased <sup>(3)</sup>	Estimated Cash Yield <sup>(1)</sup>
 6407 S. 210th St	Seattle	35,132	5.6	159	100%	5.7%
 First Park @ Ocean Ranch II	San Diego	225,489	36.7	163	100%	5.4%
 4401 Shader Rd	Orlando	93,608	8.7	93	100%	5.7%
 28545 Livingston Ave	Southern California	170,556	20.7	121	0%	5.6%
 First Park @ Central Crossing II <sup>(2)</sup>	Southern New Jersey	119,922	12.9	108	100%	6.3%
 Energy Commerce Business Park II	Houston	334,360	32.2	98	92%	6.1%
 1402 Puyallup Street	Seattle	56,336	8.1	108	0%	5.6%
<b>TOTAL</b>		<b>1,035,403</b>	<b>\$124.9</b>	<b>\$121</b>	<b>75.5%</b>	<b>5.7%</b>

<sup>(1)</sup> Cash yield defined as first year stabilized cash NOI divided by GAAP basis.

<sup>(2)</sup> 4Q18 acquisition reflects \$12.9M purchase price allocation to building; total price of \$16.6M included adjacent 120,000 SF development site.

<sup>(3)</sup> Percent leased as of March 1, 2019.

# FIRST PARK @ PV 303 – JOINT VENTURE



- Acquisition of 532 net acres at PV 303 Business Park in Phoenix
- \$49M (≈ \$2 per land foot), FR share: 49%
- Partner: Diamond Realty, the US real estate arm of Mitsubishi Corporation
- Speculative and build-to-suit development plus one-off land sales to users
- Target leverage of 55% loan-to-cost for each spec or BTS project
- FR will earn development, asset management, property management, disposition and leasing fees, plus potential promote
- Venture sold a 21-acre site to a corporate customer in 2Q18.
  - FR's share of sales proceeds ± \$1.9M

# FIRST PARK @ PV 303 – JOINT VENTURE



# STRATEGICALLY LOCATED LAND POSITIONS



AS OF FEBRUARY 13, 2019



Site	Market	Acres	Developable SF
First Park 94	Chicago	154.0	3,200,000
First Aurora Commerce Center	Denver	93.6	1,334,000
Rockdale	Nashville	101.7	1,200,000
Stockton	San Francisco	57.9	1,200,000
First Park @ PV 303	Phoenix	56.3	900,000
Covington	Pennsylvania	35.9	502,000
First I-20/35 Distribution Center	Dallas	26.3	420,000
First Redwood Logistics Center	Inland Empire	19.1	402,000
First Park 121- Phase II	Dallas	27.4	381,500
First Grand Parkway	Houston	21.2	371,000
First Nandina II Logistics Center	Inland Empire	10.0	231,000
First 95 Distribution Center	Miami	8.4	140,000
First Park @ Central Crossing III	New Jersey	10.9	120,000
First Redwood II Logistics Center	Inland Empire	4.2	76,500
<b>Total Key Sites</b>		<b>626.9</b>	<b>10,478,000</b>
<b>Other Sites</b>		<b>87.9</b>	<b>538,000</b>
<b>Total Owned Land</b>		<b>714.8</b>	<b>11,016,000</b>

Joint Venture Land			
DRI FR Goodyear, LLC	Phoenix	510.5	8,006,053
<b>Total Joint Venture Land</b>		<b>510.5</b>	<b>8,006,053</b>

Ability to source, entitle and develop and sell when appropriate



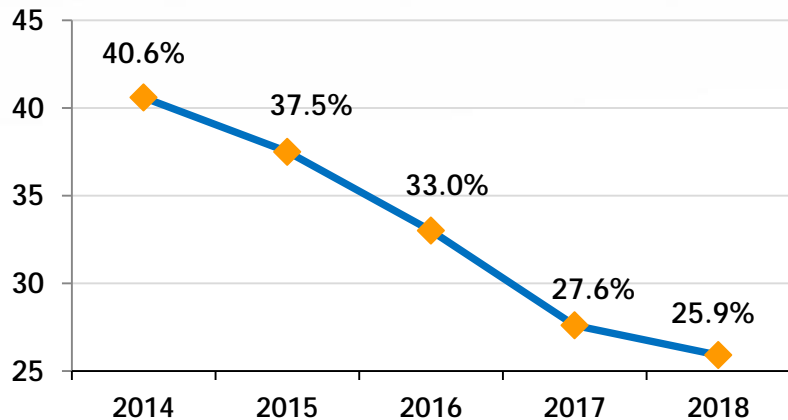
# BALANCE SHEET



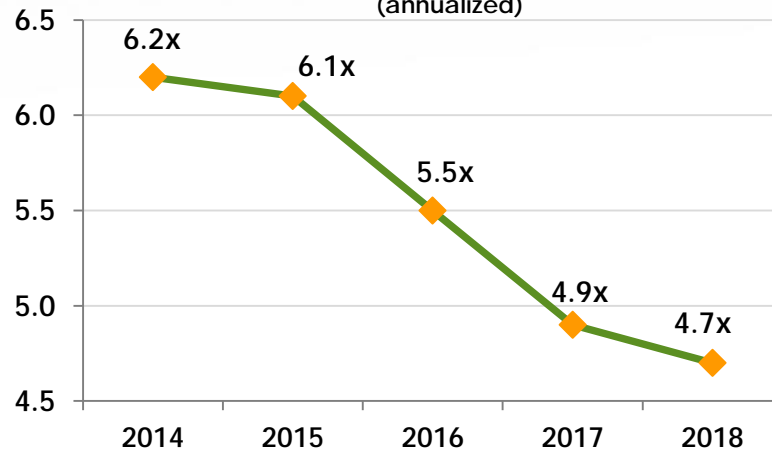
# LINE OF CREDIT/TERM LOANS COVENANTS



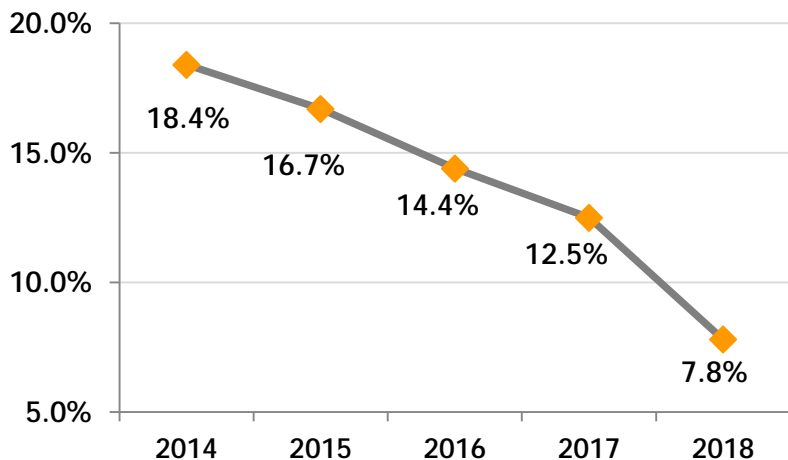
**TOTAL LEVERAGE<sup>(1)</sup>**



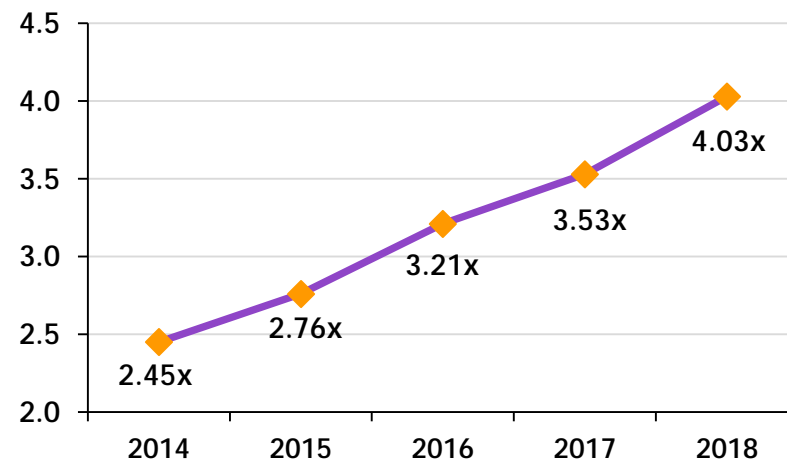
**(DEBT + PREFERRED) TO EBITDA  
(annualized)**



**SECURED LEVERAGE**



**FIXED CHARGE COVERAGE**



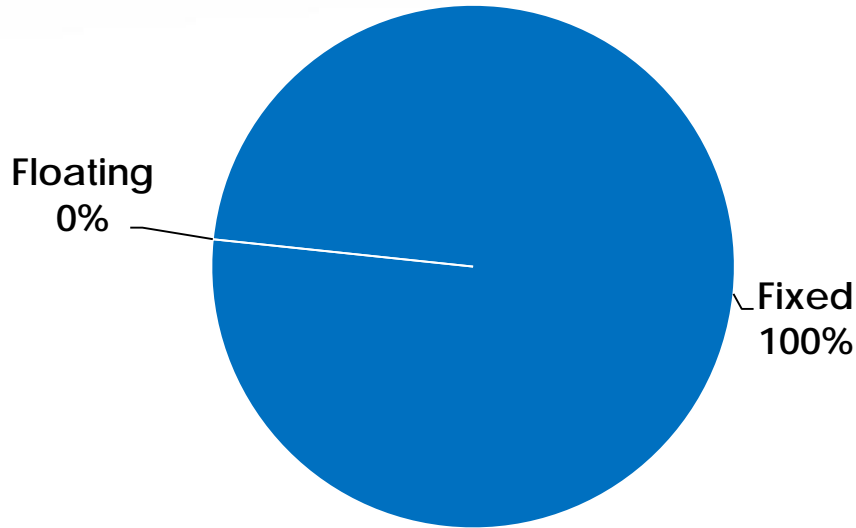
<sup>(1)</sup> Historical credit metrics were calculated in accordance with the Company's July 2013 and March 2015 line of credit (LOC) terms, with a cap rate of 7.5% and 7.0%, respectively. For 2017 and moving forward, credit metrics calculated based on October 2017 LOC terms, with a cap rate of 6.25%.

# STRONG BALANCE SHEET



AS OF DECEMBER 31, 2018

Fixed vs. Floating



Debt Type	Amount (\$M)	%	Interest Rate	Weighted Maturity (Yrs.)
Secured	297	23	5.8%	2.5
Unsecured	1,009	77	3.8%	6.7
Total	1,306		4.2%	5.8

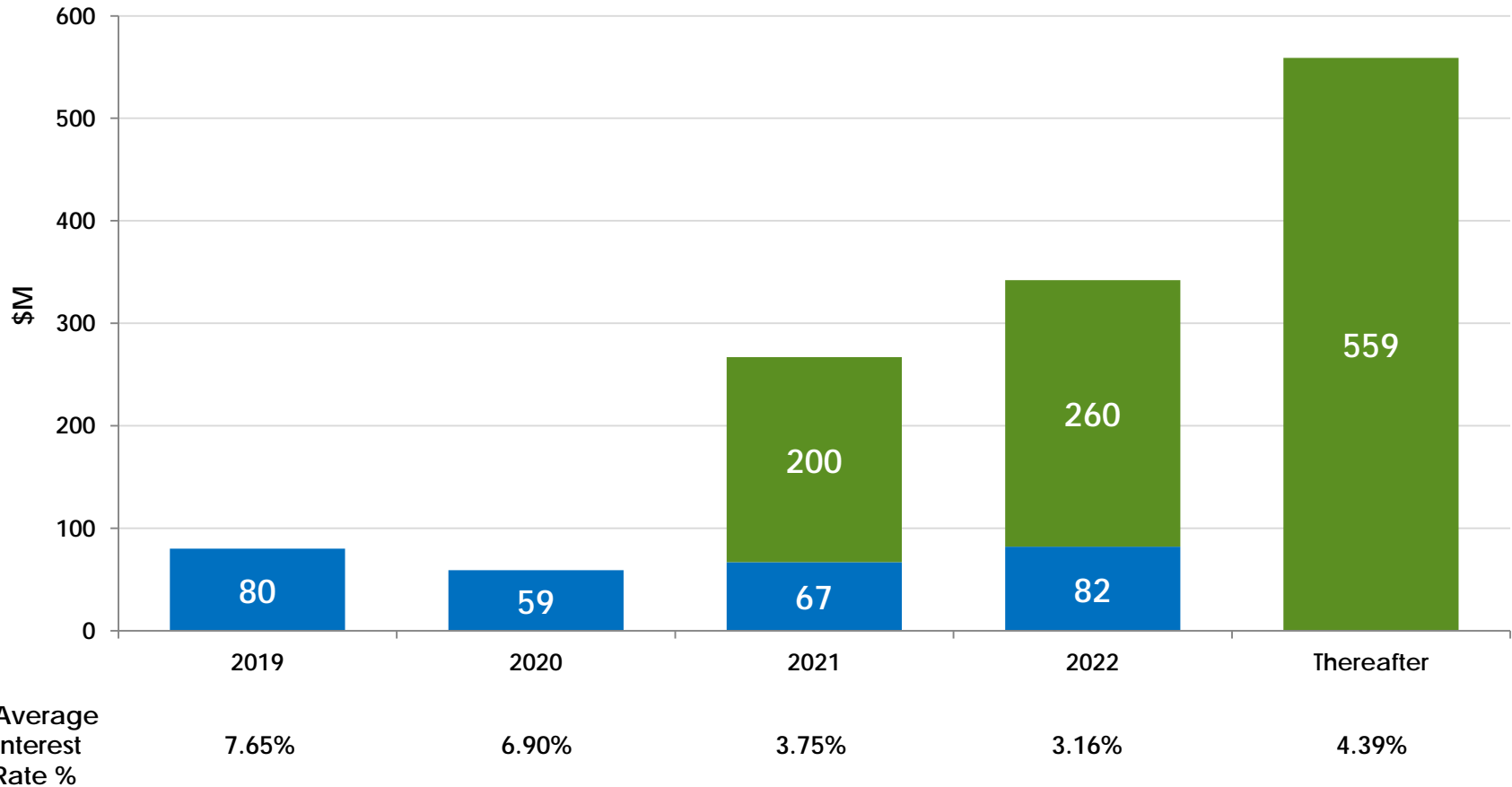
# STRONG BALANCE SHEET



## AS OF DECEMBER 31, 2018

### Maturities

■ Secured Debt   ■ Unsecured Debt   ■ Line of Credit <sup>(1)</sup>



<sup>(1)</sup> LOC balance is \$0 at December 31, 2018.



# WHY FIRST INDUSTRIAL?



Cash flow growth opportunity



Ability to create value through development and select acquisitions via platform



Valuation gap to peers and market transactions



# Q & A

