

February 2023 Update

Thanks to everyone who wrote in response to last month's *coronawoeful* report. Everyone is doing fine, now.

Members of PWL-managed investments will be attending our annual meeting on April 11, in-person or via Zoom. We will discuss the audited 2022 results and our outlook for the year. We host three such large meetings each year in the Seattle area (also live-stream for those who can't attend), typically in April, July, and December. We host smaller Member meetings in Boise, Portland, the San Francisco Bay Area, Silicon Valley, and occasionally other places on a less predictable schedule.

Both PWREI and PWRE2 are doing well. The bottom-bottom line for **PWREI** (*unaudited*) shows **net income of \$7.65M for the year** against Member Equity of \$29.3M. **That's terrific.** For non-accountants, remember that Member Equity is simply (Total Assets minus Total Liabilities), or the book value of the firm to start the year.

PWRE2 2022 results were also excellent, with **net income of over \$8 million** against Member Equity of \$31.4M. Free cash flow for the year was up over 50%, as several projects exited the rehabilitation stage of ownership.

1031-Exchange

PWL is currently under contract to purchase a couple of properties to satisfy the **1031-exchange** needs of existing PWL investors. If you are selling a property and looking at 1031-exchange options, please give me a call.

PWL signed seven new leases in January.



The national burger chain, [Five Guys](#), signed a new 3,250 sq. ft. lease at [Sugarcreek](#) for 10 years. We encourage everyone to stop in for a cheeseburger.



[Express Employment Professionals](#) signed a new 1,670 sq. ft. 5-year lease at [Log Pond](#).



[Holy Smokes BBQ](#), an award winning barbeque restaurant exercised their option to extend their 2,400 sq. ft. lease for another 3 years at [Dublin Village](#).



[Aroma Wellness Spa](#) signed a new 643 sq. ft. 5-year lease at [44 Renton Center](#).



[Aimee's Pet Grooming](#) signed a new 1,000 sq. ft. 5-year lease at [Village Pointe](#).

[Brazilian Wax](#) renewed their 1,400 sq. ft. lease for 5 years at [Epps Bridge](#). Dream House Furniture signed a new 5-year, 2,850 sq. ft. lease at [Lexington Commons](#).

Office visitors with an appointment are welcome, although ferry rides are more fun when the sun is shining.

Stay healthy & keep smiling –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 12/31/2022

Willow Hill Center

The 21,082 sq. ft. center located in Puyallup, WA was purchased in May 2014 with an 83% stake for PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 9 tenants with the most recognizable being Moneytree, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$5,625,000	\$2,897,139	100%	\$332,672

Benjamin Square

PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off I-5 in Woodland, WA. The property currently has 6 tenants; the national tenants include Starbucks (drive thru), Subway, Papa Murphy's, T-Mobile and H&R block.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$1,900,000	\$2,020,457	86%	\$125,394

Auburn Road

Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 4 tenants include State Farm, Intracore Healthcare, Georgia Veterinary, and Center Stripe Golf.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$1,000,000	\$1,043,791	100%	\$79,631

Gulf Breeze

PWREI purchased this 27,739 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's national tenants include Edward Jones, Sprint, World Finance, Super Cuts, Republic Finance, The Nutrition Store, Pizza Hut, and a Wells Fargo ATM.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$2,677,500	\$2,874,743	100%	\$359,840

Log Pond Plaza

Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 11 local and national tenants, which include Hertz, Cheng's Chinese, Fiesta Salon, and CATO.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$1,850,000	\$2,151,567	88%	\$192,468

Massard Farms

Located in Fort Smith, AR, this large shopping complex was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, Firehouse Subs, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$13,415,287	\$7,333,966	96%	\$389,320

Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 63,048 sq. ft. of leasable space that includes 12 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
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\$8,618,667

\$2,456,425

91%

\$246,355

Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 88,953 sq. ft. shopping center is located at the intersection of I-74 and State Rd. 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 15 local and national tenants. The most recognizable tenants are Jimmy John's, Great Clips, GameStop, GNC, Rent-A-Center, Feeder's Pet Supply, Goodwill, Open Box Outlet and Bath & Body Works.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$12,512,000	\$3,644,190	93%	\$262,635

Gateway Center

PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow anchored by a Walmart. With 12 tenants, the center's most notable occupants include GameStop, Quick Credit, Nexien, and T-Mobile.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$2,030,055	\$2,233,215	100%	\$278,378

Powder Springs

Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchase of the property, we acquired a vacant pad that was sold in February 2016 for ~\$280K net. Powder Springs is shadow anchored by a Home Depot and has a total of 6 tenants including Hanger Prosthetics and Premier Martial Arts.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$1,100,000	\$997,146	81%	\$116,652

Sugarcreek Crossing

Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a ground leased Cracker Barrel pad that was eventually sold in May 2016 for ~\$2.28M net; a Tire Discounters pad that was sold in December 2016 for ~\$2.96M net; and a multi-tenant retail building containing a UPS store, a Chiropractic office, and Edward Jones, among others.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$5,117,333	\$2,135,840	82%	\$154,809

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,017 sq. ft. property in February 2016. East West Market is located along the East West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Hearing Imaging, and Thumbs Up Diner.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$2,660,000	\$2,206,308	100%	\$228,845

Castleberry Promenade

PWREI acquired this 26,651 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 10 tenants, among them Liberty Tax, Kumon Learning, Castleberry Ale House, and Ovo Salon.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$2,906,000	\$3,207,943	100%	\$306,606

Village at Las Sendas

PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, Jimmy John's, and Smashburger.

Initial Investment	Net Investment	Occupancy	2022 Q1-Q3 NOI
\$2,922,500	\$3,012,222	100%	\$185,865

Little Corona – SOLD August 2020

Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.57M. At the time of sale, Little Corona held 100% occupancy.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,010,000	\$1,170,646	1.82x	13%

Dail Center – SOLD August 2020

Dail Center was purchased by PWREI in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

Initial Investment

\$1,522,500

Profit

\$1,990,807

Deal Multiple

2.08x

Gross IRR

16%

Roosevelt Place – SOLD November 2021

This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold in November 2021 for \$5.02M.

Initial Investment

\$2,960,000

Profit

\$4,620,030

Deal Multiple

2.55x

Deal IRR

19.9%

Shoppes at Buford – SOLD June 2022

This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The centers' location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. Shoppes at Buford sold in June 2022 for \$5.7M.

Initial Investment

\$2,740,600

Profit

\$5,699,583

Deal Multiple

2.68x

Deal IRR

15.1%

Oak Creek Commons– SOLD June 2022

This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons sold in June 2022 for \$2.5M.

Initial Investment

\$1,191,750

Profit

\$2,499,248

Deal Multiple

2.81x

Deal IRR

18.4%

Note: 2022 NOI numbers reflect the PWREI's portion of the total. All profit, NOI, Gross IRR, and Deal Multiple calculations presented are unaudited gross estimates. All numbers within this report are unaudited and should be considered as close approximations. Members receive audited results on an annual basis from a PCAOB registered public accounting firm.