CIM’s Community Qualification Process

During a 25-year history of investing in communities, CIM has refined a distinct and repeatable process to identify locations for investment. Our earliest projects were in densely-populated California communities such as Santa Monica, Pasadena and San Diego. We’ve since expanded our work to communities of all sizes across the Americas, although enhancing communities within larger metropolitan cities remains a primary focus.

Before making an investment in such areas, we identify communities that we believe are most likely to benefit from our efforts and deliver value. Next, we apply rigorous research to qualify the areas (“Qualified Communities”). Since 1994, CIM has identified more than 120 Qualified Communities and invested in over 70.
**Our Qualified Communities typically represent two types of areas:**

1. Underserved or transitioning communities near thriving metropolitan areas

2. Flourishing downtown neighborhoods where market values are below their long-term, intrinsic values

The community qualification process can take six months to five years and combines quantitative expertise, such as demographic data and historical analysis, with a qualitative, on-the-ground understanding of a community’s needs and potential.

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**In-House Expertise**

Once we’ve qualified a community, we tailor our work to meet the community’s specific needs and maximize value through:

- **Asset Type Flexibility**
  With expertise in a range of real estate and infrastructure asset types, we customize and execute project plans based on the community’s needs.

- **Tenanting Flexibility**
  Owning and operating multiple properties within a concentrated area supports our objective of delivering what the community needs, from grocery stores and pharmacies to new businesses and data centers.

- **Geographical Flexibility**
  Our local market knowledge and relationships in more than 120 Qualified Communities provides us with the flexibility to invest where and when market dynamics meet our investment criteria.

- **Capital Stack Flexibility**
  Our experience with various capital structures provides opportunities to structure transactions in efficient and creative ways.

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**Five-Point Process**

The core of our community qualification process is based on five essential criteria:

1. **Improving Market Dynamics**
   The community exhibits a combination of population and business growth, increased employment rates and other quantitative factors.

2. **Broad Public Support**
   Local government officials, community organizations and other local constituents are supportive of neighborhood growth, which builds positive momentum.

3. **Private Investment**
   Other investors and developers recognize opportunity in the area and bring about additional office buildings, residential towers or retail destinations. Restaurants, retailers and other businesses may also open locations within the community.

4. **Areas Underserved by Real Estate and Infrastructure**
   The community needs additional real estate and infrastructure resources to support anticipated population growth and more visitors. Such needs may include additional residential units, office space, retail and more.

5. **Potential for a Least $100 Million of Opportunistic Equity Investments Within Five Years**
   We are able to commit at least $100 million of opportunistic equity to the community within a five year timeframe. This level of commitment enables us to make a meaningful difference and a substantial long-term investment in the area.

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**122 Qualified Communities**

**Owned & Operated Assets in 71**

**5 Countries**
In the late 1990s, Washington D.C.’s downtown central business district experienced a major renaissance following the opening of the MCI Center (now Verizon Center), Gallery Place and the D.C. Convention Center. NoMa (North of Massachusetts Avenue), a nearby submarket, included underutilized space where we saw opportunities to provide the community with office space, residential units, restaurants, and a supermarket.

CIM identified NoMa as a Qualified Community and was selected by the District’s Redevelopment Land Agency to develop CityVista, a prominent mixed-use project featuring 244 apartments, 441 condos and 60,000 square feet of retail space as well as parking. The project helped attract top retailers to the area—including the neighborhood’s first grocery store—further solidifying the community’s long-term viability.

Over time, we acquired several Class A office buildings in key locations and leased the space to government agencies and other tenants. Once filled with warehouses and parking lots, NoMa has transformed into a vibrant neighborhood filled with offices and residences as well as shopping, dining and entertainment venues.
Our qualification process, coupled with our work and long-term commitment to the community, has delivered impressive results ranging from job creation to affordable housing and public spaces.

Transformations are evident in communities such as Hollywood, California; Downtown Brea in Orange County, California; and NoMa in Washington, DC. Residents and visitors alike now enjoy welcoming places to live, work and gather.

Additionally, we've observed that improved economics are often among the long-term benefits to these communities. Since 1994, office rental rate growth within these qualified communities has outperformed that of average national downtowns by approximately 55%.

CIM's distinct and repeatable five-point community qualification process helps ensure that our work makes a positive impact. This process is a critical component of our ability to enhance communities and create value.

CIM is a community-focused real estate and infrastructure owner, operator and lender. Utilizing our in-house expertise, we strive to create value through each project, ultimately benefiting communities across the Americas. Learn more at www.cimgroup.com.