

**BLACK CREEK INDUSTRIAL REIT IV INC.
SUPPLEMENT NO. 2 DATED MAY 14, 2021
TO THE PROSPECTUS DATED MAY 3, 2021**

This prospectus supplement (“Supplement”) is part of and should be read in conjunction with the prospectus of Black Creek Industrial REIT IV Inc. (the “Company”), dated May 3, 2021 (the “Prospectus”), as supplemented by Supplement No. 1, dated May 5, 2021. Unless otherwise defined herein, capitalized terms used in this Supplement shall have the same meanings as in the Prospectus.

The purpose of this Supplement is to disclose:

- the transaction price and offering price for each class of our common stock for subscriptions to be accepted as of June 1, 2021;
- the calculation of our April 30, 2021 net asset value (“NAV”) per share, as determined in accordance with our valuation procedures, for each of our share classes;
- the status of this offering;
- updated information with respect to our real properties;
- updated information regarding our corporate credit facility;
- information regarding our term loan agreement;
- updated information regarding distributions;
- updated information regarding redemptions;
- updated selected information regarding our operations;
- an update on our assets and performance;
- updated information regarding fees and expenses payable to the Advisor, the Dealer Manager and their affiliates;
- updated historical NAV information for 2021;
- updated experts information; and
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

• **JUNE 1, 2021 TRANSACTION PRICE**

The transaction price for each share class of our common stock for subscriptions to be accepted as of June 1, 2021 (and distribution reinvestment plan issuances following the close of business on May 31, 2021 and share redemptions as of May 31, 2021) is as follows:

<u>Share Class</u>	<u>Transaction Price (per share)</u>	<u>Offering Price (per share)</u>
Class T	\$ 10.2518	\$ 10.7349
Class W	\$ 10.2518	\$ 10.2518
Class I	\$ 10.2518	\$ 10.2518

The transaction price for each of our share classes is equal to such class’s NAV per share as of April 30, 2021. A calculation of the NAV per share is set forth in the section of this Supplement titled “April 30, 2021 NAV Per Share.” The offering price of our common stock for each share class equals the transaction price of such class, plus applicable upfront selling commissions and dealer manager fees.

• **APRIL 30, 2021 NAV PER SHARE**

Our board of directors, including a majority of our independent directors, has adopted valuation procedures, as amended from time to time, that contain a comprehensive set of methodologies to be used in connection with the calculation of our NAV. Our most recent NAV per share for each share class, which is updated as of the last calendar day of each month, is posted on our website at www.blackcreekindustrialiv.com and is also available on our toll-free, automated telephone line at (888) 310-9352. See the “Net Asset Value Calculation and Valuation Procedures” section of the Prospectus for a more detailed description of our valuation procedures, including important disclosure regarding real property valuations provided by Altus Group U.S. Inc. (the “Independent Valuation Advisor”). All parties engaged by us in the calculation of our NAV, including the Advisor, are subject to the oversight of our board of directors. Generally, all of our real properties are appraised each calendar month by the Independent Valuation Advisor, with such appraisals reviewed by our external advisor. Additionally, each real property is appraised by a third-party appraiser at least once per calendar year, as described in our valuation procedures. Unconsolidated real property assets held

through joint ventures or partnerships are valued according to the valuation procedures set by such joint ventures or partnerships. At least once per calendar year, each unconsolidated real property asset will be appraised by a third-party appraiser. If the valuation procedures of the applicable joint ventures or partnerships do not accommodate a monthly determination of the fair value of real property assets, we will determine the estimated fair value of the unconsolidated real property assets for those interim periods.

As used below, “Fund Interests” means our outstanding shares of common stock, along with the partnership units in our Operating Partnership (“OP Units”), which may be held directly or indirectly by the Advisor, the Sponsor, and third parties, and “Aggregate Fund NAV” means the NAV of all of the Fund Interests.

The following table sets forth the components of Aggregate Fund NAV as of April 30, 2021 and March 31, 2021:

(in thousands)	As of	
	April 30, 2021	March 31, 2021
Investments in industrial properties	\$ 1,632,650	\$ 1,549,650
Investment in unconsolidated joint venture partnerships	397,256	385,633
Cash and cash equivalents	231,980	232,500
Other assets	12,565	12,348
Line of credit, term loan and mortgage notes	(582,750)	(582,750)
Other liabilities	(24,822)	(27,766)
Accrued performance component of advisory fee	(6,285)	(4,180)
Accrued fixed component of advisory fee	(1,641)	(1,454)
Aggregate Fund NAV	\$ 1,658,953	\$ 1,563,981
Total Fund Interests outstanding	161,820	153,285

The following table sets forth the NAV per Fund Interest as of April 30, 2021 and March 31, 2021:

(in thousands, except per Fund Interest data)	Total	Class T Shares	Class W Shares	Class I Shares	OP Units
As of April 30, 2021					
Monthly NAV	\$ 1,658,953	\$ 1,484,935	\$ 98,422	\$ 62,153	\$ 13,443
Fund Interests outstanding	161,820	144,846	9,600	6,063	1,311
NAV Per Fund Interest	\$ 10.2518	\$ 10.2518	\$ 10.2518	\$ 10.2518	\$ 10.2518
As of March 31, 2021					
Monthly NAV	\$ 1,563,981	\$ 1,417,893	\$ 93,065	\$ 39,644	\$ 13,379
Fund Interests outstanding	153,285	138,967	9,121	3,886	1,311
NAV Per Fund Interest	\$ 10.2031	\$ 10.2031	\$ 10.2031	\$ 10.2031	\$ 10.2031

Under GAAP, we record liabilities for ongoing distribution fees that (i) we currently owe the Dealer Manager under the terms of the dealer manager agreement and (ii) we estimate we may pay to the Dealer Manager in future periods for shares of our common stock. As of April 30, 2021, we estimated approximately \$50.4 million of ongoing distribution fees were potentially payable to the Dealer Manager. We do not deduct the liability for estimated future distribution fees in our calculation of NAV since we intend for our NAV to reflect our estimated value on the date that we determine our NAV. Accordingly, our estimated NAV at any given time does not include consideration of any estimated future distribution fees that may become payable after such date.

Investment in unconsolidated joint venture partnerships as of April 30, 2021 includes a minority interest discount on the real property valuation component of the unconsolidated joint venture valuations to account for the restricted salability or transferability of those real properties given our minority ownership interests in the Build-To-Core Industrial Partnership I LP (“BTC I Partnership”) and Build-To-Core Industrial Partnership II LP (“BTC II Partnership”). We estimate the fair value of our minority ownership interests in the BTC I Partnership and the BTC II Partnership as of April 30, 2021 would have been \$29.9 million higher if a minority discount had not been applied, meaning that if we used the estimated fair value without the application of the minority discount, our NAV as of April 30, 2021 would have been higher by approximately \$29.9 million, or \$0.18 per share, not taking into account all of the other items that impact our monthly NAV. Because we are currently exploring strategic alternatives for BTC I Partnership, we have adjusted certain assumptions regarding the liquidity discount and currently anticipate that a portion of the total discount will be eliminated on or before June 30, 2021, thereby having a positive impact on our NAV, not taking into account all of the other items that impact our monthly NAV and may offset the impact of the partial elimination of the discount to some extent, such as transaction expenses associated with any strategic alternative.

The valuations of our real property as of April 30, 2021 were provided by the Independent Valuation Advisor in accordance with our valuation procedures. Certain key assumptions that were used by the Independent Valuation Advisor in the discounted cash flow analysis are set forth in the following table:

	Weighted-Average Basis
Exit capitalization rate	5.2 %
Discount rate / internal rate of return	6.3 %
Average holding period (years)	10.1

A change in the exit capitalization and discount rates used would impact the calculation of the value of our real properties. For example, assuming all other factors remain constant, the changes listed below would result in the following effects on the value of our real properties:

Input	Hypothetical Change	Increase (Decrease) to the NAV of Real Properties
Exit capitalization rate (weighted-average)	0.25 % decrease	3.4 %
	0.25 % increase	(3.1)%
Discount rate (weighted-average)	0.25 % decrease	2.1 %
	0.25 % increase	(2.0)%

• STATUS OF THIS OFFERING

As of April 30, 2021, we had raised gross proceeds of approximately \$1.2 billion from the sale of approximately 117.0 million shares in this offering, including proceeds from our distribution reinvestment plan of approximately \$45.3 million. We have determined to reallocate \$430.0 million in shares previously allocated to the distribution reinvestment plan portion of this offering to the primary portion of this offering. We reserve the right to reallocate the shares further between the primary portion of this offering and the distribution reinvestment plan. As of May 14, 2021, approximately \$606.1 million in shares remained available for sale pursuant to this offering, including approximately \$21.0 million in shares available for sale through our distribution reinvestment plan.

• REAL PROPERTIES

The following information supplements, and should be read in conjunction with, the disclosure contained in the section titled “Investments in Real Properties, Real Estate Securities and Debt Related Investments” beginning on page 124 of the Prospectus:

Real Estate Portfolio Overview

As of March 31, 2021, we owned and managed, either directly or through our minority ownership interests in our joint venture partnerships (which are presented as if we own a 100% interest), a total real estate portfolio that included 134 industrial buildings totaling approximately 30.8 million square feet located in 23 markets throughout the U.S., with 212 customers, and was 84.5% occupied (90.8% leased) with a weighted-average remaining lease term (based on square feet) of approximately 4.8 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced. As of March 31, 2021, our total real estate portfolio included:

- 124 industrial buildings totaling approximately 28.7 million square feet comprised our operating portfolio, which includes stabilized properties, and was 90.4% occupied (94.4% leased) with a weighted-average remaining lease term (based on square feet) of approximately 4.8 years; and
- 10 industrial buildings totaling approximately 2.1 million square feet comprised our value-add portfolio, which includes buildings acquired with the intention to reposition or redevelop, or buildings recently completed which have not yet reached stabilization. We generally consider a building to be stabilized on the earlier to occur of the first anniversary of a building’s shell completion or a building achieving 90% occupancy.

Through March 31, 2021, we had directly acquired 67 buildings comprised of approximately 13.4 million square feet for an aggregate total purchase price of approximately \$1.4 billion, as well as the minority ownership interests in the two joint venture partnerships. Of our total portfolio, we owned and managed 67 buildings totaling approximately 17.3 million square feet through our minority ownership interests in our joint venture partnerships. In addition, as of March 31, 2021, through our minority joint venture partnerships, we owned and managed 13 buildings either under construction or in the pre-construction phase totaling approximately 4.6 million square feet. We have disposed of, through our minority ownership interests in our joint venture partnerships, three buildings comprised of approximately 0.7 million square feet for an aggregate sales price of \$125.0 million. Also, through our minority ownership interests in our joint venture partnerships, we completed the development of six industrial buildings comprising an aggregate of 1.5 million square feet and total costs to complete the development of approximately \$169.3 million through March 31, 2021. We funded these acquisitions and development activity primarily with proceeds from our public offerings, institutional equity

and debt financings. Unless otherwise noted, these buildings are excluded from the presentation of our portfolio data and our completed and probable real property acquisitions in the tables below.

The purchase price capitalization rate is based on the property’s projected cash net operating income from in-place leases for the 12 months after the date of purchase, including any contractual rent increases contained in such leases for those 12 months, divided by the purchase price for the property, exclusive of transfer taxes, due diligence expenses and other closing costs including acquisition costs.

Unless otherwise indicated, the term “property” as used herein refers to one or more buildings in the same market that were acquired by us in the same transaction.

Building Types. Our industrial buildings consist primarily of warehouse distribution facilities suitable for single or multiple customers. The following table summarizes our portfolio by building type as of March 31, 2021:

Building Type	Description	Percent of Rentable Square Feet	
		Total (1)	Consolidated (2)
Bulk distribution	Building size of 150,000 to over 1 million square feet, single or multi-customer	82.9 %	78.1 %
Light industrial	Building size of less than 150,000 square feet, single or multi-customer	17.1	21.9
		100.0 %	100.0 %

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties, as of March 31, 2021. Unconsolidated properties are those owned through our minority ownership interests in the BTC I Partnership and the BTC II Partnership. Properties owned through the BTC I Partnership and the BTC II Partnership are shown as if we owned a 100% interest.
- (2) Represents only our consolidated properties.

Portfolio Overview and Market Diversification. As of March 31, 2021, the average effective annual rent of our total real estate portfolio (calculated by dividing total annualized base rent, which includes the impact of any contractual tenant concessions (cash basis), by total occupied square footage) was approximately \$5.78 per square foot. The following table summarizes certain operating metrics of our portfolio by market as of March 31, 2021:

(\$ and square feet in thousands)	Number of Buildings (1)	Rentable Square Feet		Occupied Rate (3)	Leased Rate (3)	Annualized Base Rent (4)				
		Total (1)	Consolidated (2)			Total (1)		Consolidated (2)		
Operating Properties:										
Atlanta	10	2,521	138	74.2 %	78.6 %	\$ 8,437	5.6 %	\$ —	— %	
Austin	6	562	119	100.0	100.0	4,361	2.9	970	1.4	
Bay Area	3	845	—	67.8	89.3	6,267	4.2	—	—	
Central Valley	3	1,454	382	78.3	78.3	6,595	4.4	2,325	3.3	
Chicago	5	888	386	89.6	89.6	4,377	2.9	1,937	2.7	
Cincinnati	2	294	294	100.0	100.0	1,415	0.9	1,415	2.0	
Dallas	12	3,827	2,411	96.1	96.1	16,229	10.8	10,811	15.1	
D.C. / Baltimore	5	756	650	100.0	100.0	5,801	3.9	4,785	6.7	
Denver	1	152	152	100.0	100.0	685	0.5	685	1.0	
Houston	2	487	—	82.3	100.0	2,018	1.3	—	—	
Indianapolis	1	691	691	100.0	100.0	2,266	1.5	2,266	3.2	
Las Vegas	5	851	851	100.0	100.0	6,011	4.0	6,011	8.4	
New Jersey	14	2,603	1,107	98.1	98.1	15,706	10.5	6,788	9.5	
Orlando	2	441	441	100.0	100.0	2,531	1.7	2,531	3.5	
Pennsylvania	16	3,543	1,464	82.6	89.9	16,370	10.9	8,643	12.0	
Portland	1	160	—	100.0	100.0	1,340	0.9	—	—	
Reno	6	1,422	1,422	100.0	100.0	6,973	4.6	6,973	9.8	
Salt Lake City	1	384	384	100.0	100.0	2,040	1.4	2,040	2.9	
San Antonio	5	588	—	100.0	100.0	2,976	2.0	—	—	
San Diego	2	268	—	100.0	100.0	2,275	1.5	—	—	
Seattle	3	1,341	—	73.7	100.0	7,455	4.9	—	—	
South Florida	3	289	282	100.0	100.0	2,211	1.5	1,951	2.7	
Southern California	16	4,273	1,679	96.4	100.0	25,455	16.9	10,774	15.1	
Total operating	124	28,640	12,853	90.4	94.4	149,794	99.7	70,905	99.3	
Value-Add Properties:										
Cincinnati	1	161	161	57.8	57.8	479	0.3	479	0.7	
Houston	1	140	140	—	—	—	—	—	—	
Las Vegas	2	267	267	—	—	—	—	—	—	
New Jersey	2	650	—	—	81.4	—	—	—	—	
Seattle	1	205	—	—	—	—	—	—	—	
South Florida	2	436	—	—	—	—	—	—	—	
Southern California	1	251	—	—	100.0	—	—	—	—	
Total value-add properties	10	2,110	568	4.4	41.4	479	0.3	479	0.7	
Total portfolio	134	30,750	13,421	84.5 %	90.8 %	\$ 150,273	100.0 %	\$ 71,384	100.0 %	

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties, as of March 31, 2021. Unconsolidated properties are those owned through our minority ownership interests in the BTC I Partnership and the BTC II Partnership. Properties owned through the BTC I Partnership and the BTC II Partnership are shown as if we owned a 100% interest.
- (2) Represents only our consolidated properties.
- (3) The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced.
- (4) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of March 31, 2021, multiplied by 12.

Lease Terms. Our industrial properties are typically subject to leases on a “triple net basis,” in which customers pay their proportionate share of real estate taxes, insurance, common area maintenance, and certain other operating costs. In addition, most of our leases include fixed rental increases or Consumer Price Index-based rental increases. Lease terms typically range from one to 10 years, and often include renewal options.

Lease Expirations. As of March 31, 2021, the weighted average remaining lease term (based on square feet) of our total occupied portfolio was approximately 4.8 years, excluding renewal options. The following table summarizes the lease expirations of our occupied portfolio for leases in place as of March 31, 2021, without giving effect to the exercise of renewal options or termination rights, if any:

(\$ and square feet in thousands)	Number of Leases		Occupied Square Feet				Annualized Base Rent (3)			
	Total (1)	Consolidated (2)	Total (1)		Consolidated (2)		Total (1)		Consolidated (2)	
2021	21	10	\$ 863	3.4 %	\$ 527	4.1 %	\$ 5,883	3.9 %	\$ 3,859	5.4 %
2022	34	20	2,683	10.3	1,553	12.2	13,440	8.9	7,816	10.9
2023	35	22	3,527	13.6	1,720	13.5	20,814	13.9	10,422	14.6
2024	36	21	3,474	13.4	1,284	10.1	19,637	13.1	7,239	10.1
2025	28	19	3,496	13.4	2,511	19.7	19,815	13.2	13,070	18.3
2026	29	13	3,725	14.3	1,369	10.7	21,027	14.0	7,369	10.3
2027	13	8	2,392	9.2	1,417	11.1	13,193	8.8	8,302	11.6
2028	9	3	1,468	5.6	332	2.6	8,207	5.5	2,146	3.0
2029	15	10	2,209	8.5	1,342	10.5	14,088	9.4	7,714	10.8
Thereafter	13	4	2,160	8.3	705	5.5	14,169	9.3	3,447	5.0
Total occupied	233	130	\$ 25,997	100.0 %	\$ 12,760	100.0 %	\$ 150,273	100.0 %	\$ 71,384	100.0 %

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties, as of March 31, 2021. Unconsolidated properties are those owned through our minority ownership interests in the BTC I Partnership and the BTC II Partnership. Properties owned through the BTC I Partnership and the BTC II Partnership are shown as if we owned a 100% interest.
- (2) Represents only our consolidated properties.
- (3) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of March 31, 2021, multiplied by 12.

Customer Diversification. As of March 31, 2021, there was one customer that individually represented more than 5.0% of total occupied square feet of our total portfolio and one customer that individually represented more than 5.0% of total annualized base rent of our total portfolio. The following table reflects our 10 largest customers of our total portfolio, based on annualized base rent, which occupied a combined 7.7 million square feet as of March 31, 2021:

Customer	% of Total Occupied Square Feet (1)	% of Total Annualized Base Rent (1)
Amazon.com Services LLC	6.3 %	7.6 %
Steelcase Inc.	4.7	4.7
Radial, Inc.	4.5	3.4
National Distribution Centers, LLC	3.3	2.8
XPO Logistics Supply Chain, Inc.	2.7	2.5
SBS Transportation, Inc.	1.7	2.2
The Kroger Company	1.9	1.8
Clutter, Inc.	1.8	1.7
General Services Administration	1.0	1.6
Patagonia, Inc.	1.8	1.6
Total	29.7 %	29.9 %

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties, as of March 31, 2021. Unconsolidated properties are those owned through our minority ownership interests in the BTC I Partnership and the BTC II Partnership. Properties owned through the BTC I Partnership and the BTC II Partnership are shown as if we owned a 100% interest.

As of March 31, 2021, there was one customer that individually represented more than 5.0% of total occupied square feet of our consolidated portfolio and one customer that individually represented more than 5.0% of total annualized base rent of our consolidated portfolio. The following table reflects the 10 largest customers of our consolidated portfolio, based on annualized base rent, which occupied a combined 4.8 million square feet as of March 31, 2021:

Customer	% of Total Occupied Square Feet (1)	% of Total Annualized Base Rent (1)
Radial, Inc.	9.1 %	7.3 %
Steelcase Inc.	4.8	4.7
The Kroger Company	3.8	3.7
General Services Administration	2.1	3.4
Patagonia, Inc	3.7	3.4
AS America, Inc	3.3	3.1
Boyd Flotation, Inc.	2.5	3.0
Amazon.com Services LLC	3.0	2.9
Hooker Furniture Corporation	2.6	2.4
Motivating Graphics, LLC	2.8	2.3
Total	37.7 %	36.2 %

(1) Represents only our consolidated properties.

The majority of our customers do not have a public corporate credit rating. We evaluate creditworthiness and financial strength of prospective customers based on financial, operating and business plan information that is provided to us by such prospective customers, as well as other market, industry, and economic information that is generally publicly available.

Industry Diversification. The table below illustrates the diversification of our portfolio by industry classifications of our customers as of March 31, 2021:

(\$ and square feet in thousands)	Number of Leases		Annualized Base Rent (3)				Occupied Square Feet			
	Total (1)	Consolidated (2)	Total (1)	Consolidated (2)	Total (1)	Consolidated (2)	Total (1)	Consolidated (2)		
eCommerce / Fulfillment	15	5	\$ 23,794	15.8 %	\$ 7,665	10.7 %	\$ 4,365	16.8 %	\$ 1,625	12.7 %
Transportation / Logistics	20	9	19,305	12.8	5,801	8.1	3,094	11.9	1,050	8.2
Home Furnishings	11	8	14,286	9.5	9,558	13.4	2,487	9.6	1,645	12.9
Food & Beverage	19	10	13,170	8.8	5,857	8.2	2,132	8.2	965	7.6
Auto	18	11	10,685	7.1	5,591	7.8	2,228	8.6	1,340	10.5
Storage / Warehousing	17	10	9,306	6.2	4,166	5.8	1,501	5.8	748	5.9
Manufacturing	14	5	5,870	3.9	1,210	1.7	1,105	4.3	202	1.6
Home Improvement	18	9	5,683	3.8	2,870	4.0	878	3.4	450	3.5
Appliance	4	2	5,292	3.5	1,725	2.4	1,119	4.3	379	3.0
Printing	7	4	5,192	3.5	4,056	5.7	913	3.5	770	6.0
Other	90	57	37,690	25.1	22,885	32.2	6,175	23.8	3,586	28.1
Total	233	130	\$ 150,273	100.0 %	\$ 71,384	100.0 %	\$ 25,997	100.0 %	\$ 12,760	100.0 %

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties, as of March 31, 2021. Unconsolidated properties are those owned through our minority ownership interests in the BTC I Partnership and the BTC II Partnership. Properties owned through the BTC I Partnership and the BTC II Partnership are shown as if we owned a 100% interest.
- (2) Represents only our consolidated properties.
- (3) Annualized base rent is calculated as monthly base rent including the impact of any contractual tenant concessions (cash basis) per the terms of the lease as of March 31, 2021, multiplied by 12.

Debt Obligations. As of March 31, 2021, our consolidated indebtedness of \$582.8 million is comprised of borrowings under our term loan and mortgage note debt, with a weighted-average interest rate of 2.49%, which includes the effect of interest rate swap agreements. Our consolidated fixed interest rate debt consists of \$350.0 million under our term loan, which is effectively fixed through the use of interest rate swap agreements, and \$167.8 million of principal borrowings under our mortgage notes. Our consolidated variable interest rate debt consists of \$65.0 million under our term loan. The total gross book value of properties encumbered by our total consolidated debt is \$299.8 million. See “Note 5 to the Condensed Consolidated Financial Statements” in the section of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (included at the end of this Supplement) titled

“Condensed Consolidated Financial Statements and Notes” for additional information.

In July 2017, the Financial Conduct Authority (“FCA”) that regulates LIBOR announced it intends to stop compelling banks to submit rates for the calculation of LIBOR. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee (“ARRC”), which identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative rate for LIBOR in derivatives and other financial contracts. We are not able to predict when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets. Any changes adopted by the FCA or other governing bodies in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR. If that were to occur, our interest payment could change. In addition, uncertainty about the extent and manner of future changes may result in interest rate and/or payments that are higher or lower than if LIBOR were to remain available in the current form.

LIBOR is expected to be phased out or modified by June 2023, and the writing of contracts using LIBOR is expected to stop by the end of 2021. As of March 31, 2021, our term loan is our only consolidated indebtedness with maturity beyond 2023 that has exposure to LIBOR. The agreement governing the term loan provides procedures for determining a replacement or alternative base rate in the event that LIBOR is discontinued. However, there can be no assurances as to whether such replacement or alternative base rate will be more or less favorable than LIBOR. As of March 31, 2021, we have interest rate swaps in place to hedge LIBOR on \$350.0 million of commitments under our term loan. We intend to monitor the developments with respect to the potential phasing out of LIBOR after 2023 and work with our lenders to seek to ensure any transition away from LIBOR will have minimal impact on our financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

Completed Real Property Acquisitions

The following is inserted at the end of the table in the subsection of the Prospectus titled, “Investments in Real Properties, Real Estate Securities and Debt Related Investments—Completed Real Property Acquisitions” on page 130 of the Prospectus in order to describe additional individually insignificant real property acquisitions completed as of the date of this Supplement:

(\$ in thousands)	Acquisition / Shell Complete Date	Ownership Percentage	Purchase Price (1)	Purchase Price Capitalization Rate	Rentable Square Feet	Leased Rate
Princess Logistics Center—Lawrence Township, NJ	4/12/2021	100.0%	\$ 75,000	3.4%(2)	340,000	100.0%

- (1) Reflects contractual purchase price amount exclusive of transfer taxes, due diligence expenses, and other closing costs.
- (2) We acquired this building with an in-place lease that has below market rent for this type of property and location. If the rent under this lease was at the current market rate, we estimate that the purchase price capitalization rate would be 3.8%. There is no assurance that, upon expiration of this lease, we will renew or re-lease the building at the then-current market rent rate.

Probable Real Property Acquisitions

The following table summarizes our probable real property acquisitions as of the date of this filing:

(\$ in thousands)	Estimated Closing Quarter (1)	Ownership Percentage	Expected Purchase Price (2)	Rentable Square Feet	Leased Rate
Benchmark NW Distribution Center—Houston, TX	Q2-21	100.0%	\$ 20,750	158,000	100.0%
176 S Washington Street—Norton, MA	Q2-21	100.0%	\$ 32,500	210,000	100.0%
9180 Center Ave—Rancho Cucamonga, CA	Q2-21	100.0%	\$ 24,470	103,000	100.0%
125 Stonewood—York, PA	Q3-21	100.0%	\$ 18,838	222,000	—%
405 Heron—Swedesboro, NJ	Q3-21	100.0%	\$ 26,000	254,000	100.0%

- (1) The consummation of each of these acquisitions is subject to our completion of due diligence and various closing conditions to be met by the parties to each acquisition. There can be no assurance these acquisitions will be completed.
- (2) Reflects the contract purchase price exclusive of transfer taxes, due diligence expenses, and other closing costs.

• UPDATE TO THE CORPORATE CREDIT FACILITY

The following supersedes and replaces the second and third paragraphs in the section titled, “Investments in Real Properties, Real Estate Securities and Debt Related Investments—Corporate Credit Facility” beginning on page 138 of the Prospectus:

In addition, on December 20, 2019, the Borrower and the Lenders entered into an Incremental Term Loan and Revolving Commitment Assumption Agreement (the “Incremental Term Loan Agreement”) with Zions Bancorporation, N.A. dba Vectra Bank Colorado and on May 6, 2021, the Borrower and the Lenders entered into the First Amendment and Second Incremental Assumption Agreement (together with the Incremental Term Loan Agreement, the “Credit Facility Agreement Amendments”) with the other

lenders thereto, to further increase commitments under the Credit Facility Agreement. No other material changes were made to the Credit Facility Agreement.

As amended by the Credit Facility Agreement Amendments, the Credit Facility Agreement sets forth the terms of: (i) a revolving loan commitment of \$430.0 million, which we refer to as the “Revolving Credit Facility”; (ii) a term loan facility of \$415.0 million, which we refer to as the “Term Facility,” and together with the Revolving Credit Facility, we refer to as the “Credit Facility”; and (iii) the accordion feature which allows us to further increase the maximum borrowing capacity under the Credit Facility to \$1.0 billion, subject to meeting certain criteria.

• TERM LOAN AGREEMENT

The following is added after the section titled, “Investments in Real Properties, Real Estate Securities and Debt Related Investments—Corporate Credit Facility” on page 140 of the Prospectus:

Term Loan

On May 6, 2021, the Operating Partnership entered into a term loan credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent, Joint Lead Arranger and Joint Bookrunner, Wells Fargo Bank, National Association, Bank of America, N.A., PNC Bank, National Association, and Truist Bank as Co-Syndication Agents, Wells Fargo Securities, LLC, as Joint Lead Arranger and Joint Bookrunner, BofA Securities, Inc., PNC Capital Markets and Truist Securities, Inc., as Joint Lead Arrangers, and the lenders party thereto (the “Term Loan Agreement”) for an aggregate principal amount of \$600.0 million (the “Term Loan”). The maturity date of the Term Loan is May 1, 2026.

Borrowings under the Term Loan will be charged interest based on (i) LIBOR plus a margin ranging from 1.35% to 2.20%, or (ii) an alternate base rate plus a margin of 0.35% to 1.20%. In each case, the applicable margin will vary depending on the Company’s consolidated leverage ratio. Customary fall-back provisions will apply if LIBOR is unavailable. The alternate base rate is equal to the greatest of (a) the prime rate in effect on such day, (b) the NYFRB rate in effect on such day plus ½ of 1% and (c) the adjusted LIBOR rate for a one month interest period on such day (or if such day is not a business day, the immediately preceding business day) plus 1%; provided that for the purpose of this definition, the adjusted LIBOR rate for any day shall be based on the LIBOR screen rate (or if the LIBOR screen rate is not available for such one month interest period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the alternate base rate due to a change in the prime rate, the NYFRB rate or the adjusted LIBOR rate shall be effective from and including the effective date of such change in the prime rate, the NYFRB rate or the adjusted LIBOR rate, respectively. If either of the primary rate or the alternative base rate is less than zero, it will be deemed to be zero for purposes of the Term Loan.

Borrowings under the Term Loan will be available for general business purposes, including but not limited to debt refinancing, property acquisitions, new construction, renovations, expansions, tenant improvement, refinancing of existing lines, financing acquisitions of permitted investments, and closing costs and equity investments primarily associated with commercial real estate property acquisitions or refinancings. Borrowings under the Term Loan will be guaranteed by the Company and certain of its subsidiaries that own the assets that constitute the unencumbered asset pool under the Term Loan.

The Term Loan Agreement requires the maintenance of certain financial and borrowing base covenants including covenants concerning: (i) consolidated tangible net worth; (ii) consolidated fixed charge coverage ratio; (iii) consolidated leverage ratio; (iv) secured indebtedness; (v) secured recourse indebtedness; (vi) unencumbered property pool debt yield (prior to the equity release date); (vii) minimum total asset value; (viii) unencumbered interest coverage ratio (after the equity release date); (ix) unencumbered property pool leverage ratio; and (x) certain other unencumbered property pool criteria.

In addition, the Term Loan Agreement contains customary affirmative and negative covenants which, among other things, requires the Operating Partnership to deliver to the Term Loan lenders specified quarterly and annual financial information, and limit the Operating Partnership and/or its subsidiaries, subject to various exceptions and thresholds, from: (i) creating liens (other than certain permitted encumbrances, including any lien created in connection with certain permitted tax incentive transactions solely to secure repayment of a bond, note or other obligation owned by the Operating Partnership or its subsidiary) on the unencumbered property pool; (ii) merging with other companies or changing ownership interest; (iii) selling all or substantially all of its assets or properties; (iv) permitting certain transfers of a material interest in the Operating Partnership; (v) entering into transactions with affiliates, except on an arm’s-length basis; (vi) making certain types of investments; (vii) if in default under the Term Loan Agreement, paying certain distributions or certain other payments to affiliates; and (viii) incurring indebtedness (subject to certain permitted indebtedness).

The Term Loan Agreement permits voluntary prepayment of principal and accrued interest without premium or penalty and contains various customary events of default, which are described therein. As is customary in such financings, if an event of default occurs under the Term Loan Agreement, the Term Loan lenders may accelerate the repayment of amounts outstanding under the Term Loan Agreement and exercise other remedies subject, in certain instances, to the expiration of an applicable cure period.

● **DISTRIBUTIONS**

1) We have declared monthly distributions for each class of our common stock. To date, each class of our common stock has received the same gross distribution per share. Monthly gross distributions were \$0.0454 per share for each share class for the month of April 2021 and were paid to all stockholders of record as of the close of business on April 30, 2021. The net distribution per share is calculated as the gross distribution per share less any distribution fees that are payable monthly with respect to Class T shares and Class W shares. Since distribution fees are not paid with respect to Class I shares, the net distributions payable with respect to Class I shares are equal to the gross distributions payable with respect to Class I shares. The table below details the net distributions for each class of our common stock for the period presented:

Month	Pay Date	Net Distributions per Share		
		Class T Share	Class W Share	Class I Share
April 2021	5/3/2021	\$ 0.039	\$ 0.041	\$ 0.045

2) The following information should be read in conjunction with the sections titled “Prospectus Summary—Distribution Policy,” “Risk Factors—Risks Related to Investing in this Offering—We may have difficulty completely funding our distributions with funds provided by cash flows from operating activities...” and “Description of Capital Stock—Distributions” beginning on pages 30, 60, and 213, respectively, of the Prospectus:

We intend to continue to accrue and make distributions on a regular basis. For the three months ended March 31, 2021, approximately 46.5% of our total gross distributions were paid from cash flows from operating activities, as determined on a GAAP basis, and 53.5% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically, 2.6% were funded with proceeds from financing activities, and 50.9% of our total gross distributions were funded with proceeds from shares issued pursuant to our distribution reinvestment plan. Some or all of our future distributions may be paid from sources other than cash flows from operating activities, such as cash flows from financing activities, which include borrowings (including borrowings secured by our assets), proceeds from the issuance of shares pursuant to our distribution reinvestment plan, proceeds from sales of assets, interest income from our cash balances, and the net proceeds from primary shares sold in this offering. We have not established a cap on the amount of our distributions that may be paid from any of these sources. The amount of any distributions will be determined by our board of directors, and will depend on, among other things, current and projected cash requirements, tax considerations and other factors deemed relevant by our board.

For the second quarter of 2021, our board of directors authorized monthly distributions to all common stockholders of record as of the close of business on the last business day of each month for the second quarter of 2021, or April 30, 2021, May 31, 2021 and June 30, 2021 (each a “Distribution Record Date”). The distributions were authorized at a quarterly rate of (i) \$0.13625 per Class I share of common stock and (ii) \$0.13625 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable monthly with respect to such Class T shares and Class W shares. This quarterly rate is equal to a monthly rate of (i) \$0.04542 per Class I share of common stock and (ii) \$0.04542 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable with respect to such Class T shares and Class W shares. Distributions for each month of the second quarter of 2021 have been or will be paid in cash or reinvested in shares of our common stock for those electing to participate in our distribution reinvestment plan following the close of business on the respective Distribution Record Date applicable to such monthly distributions.

There can be no assurances that the current distribution rate or amount per share will be maintained. In the near-term, we expect that we may need to continue to rely on sources other than cash flows from operations, as determined on a GAAP basis, to pay cash distributions, which if insufficient could negatively impact our ability to pay cash distributions. See “Prospectus Summary—Compensation to the Advisor and its Affiliates—Expense Support Agreement” and “Management Compensation—Expense Support Agreement” for further detail regarding the waiver and expense support agreement among us, the Operating Partnership and the Advisor.

The following table outlines sources used, as determined on a GAAP basis, to pay total gross distributions (which are paid in cash or reinvested in shares of our common stock through our distribution reinvestment plan (“DRIP”)) for the quarters ended as of the dates indicated below:

(\$ in thousands)	Source of Distributions								Gross Distributions (3)	Total Cash Flows from Operating Activities
	Provided by Expense Support (1)		Provided by Operating Activities		Proceeds from Financing Activities		Proceeds from DRIP (2)			
2021										
March 31,	\$ —	— %	\$ 9,433	46.5 %	\$ 528	2.6 %	\$ 10,310	50.9 %	\$ 20,271	\$ 9,433
Total	\$ —	— %	\$ 9,433	46.5 %	\$ 528	2.6 %	\$ 10,310	50.9 %	\$ 20,271	\$ 9,433
2020										
December 31,	\$ —	— %	\$ —	— %	\$ 9,389	50.2 %	\$ 9,315	49.8 %	\$ 18,704	\$ (3,438)
September 30,	—	—	344	2.0	8,209	48.3	8,451	49.7	17,004	344
June 30,	7,904	50.3	—	—	—	—	7,812	49.7	15,716	16,854
March 31,	4,534	44.6	547	5.4	—	—	5,077	50.0	10,158	1,816
Total	\$ 12,438	20.2 %	\$ 891	1.4 %	\$ 17,598	28.6 %	\$ 30,655	49.8 %	\$ 61,582	\$ 15,576

- (1) The Advisor provided expense support of \$13.5 million and we reimbursed the Advisor \$13.5 million during the year ended December 31, 2020. The expense support agreement was not renewed after the expiration of its effective term on December 31, 2020 and we did not receive additional expense support from the Advisor during the three months ended March 31, 2021. Expense support from the Advisor used to pay distributions is presented above without the effect of our reimbursements to the Advisor of previously deferred fees and other expenses. See “Note 10 to the Condensed Consolidated Financial Statements” in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (included at the end of this Supplement) for further detail on the expense support provided during the quarter. See “Prospectus Summary—Compensation to the Advisor and its Affiliates—Expense Support Agreement” for a description of the expense support agreement.
- (2) Stockholders may elect to have their distributions reinvested in shares of our common stock through our distribution reinvestment plan.
- (3) Gross distributions are total distributions before the deduction of any distribution fees relating to Class T shares and Class W shares issued in the primary portion of our public offerings.

For the three months ended March 31, 2021, our cash flows provided by operating activities on a GAAP basis were \$9.4 million, as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of \$20.3 million. For the three months ended March 31, 2020, our cash flows provided by operating activities on a GAAP basis were \$1.8 million, as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of \$10.2 million.

We believe that our FFO of \$26.9 million, or \$0.87 per share, as compared to the total gross distributions declared (which are paid in cash or reinvested in shares offered through our distribution reinvestment plan) of \$107.4 million, or \$2.43 per share, for the period from Inception (August 12, 2014) to March 31, 2021, are not indicative of future performance as we are in the acquisition phase of our life cycle. Refer to Item 2 “Management’s Discussion and Analysis of Financial Condition” in the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (included at the end of this Supplement) for the definition of FFO, as well as a detailed reconciliation of our GAAP net income (loss) to FFO.

- **REDEMPTIONS**

For the three months ended March 31, 2021, we received eligible redemption requests for approximately 0.3 million shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately \$2.6 million, or an average price of \$10.06 per share. For the three months ended March 31, 2020, we received eligible redemption requests for 0.1 million shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately \$0.7 million, or an average price of \$9.83 per share.

- **SELECTED INFORMATION REGARDING OUR OPERATIONS**

Additional Performance Measures

Net Loss and Net Operating Income (“NOI”)

We define NOI as GAAP rental revenues less GAAP rental expenses. We consider NOI to be an appropriate supplemental performance measure and believe NOI provides useful information to our investors regarding our results of operations because NOI reflects the operating performance of our properties and excludes certain items that are not considered to be controllable in connection with the management of the properties, such as real estate-related depreciation and amortization, acquisition-related expenses, impairment charges, general and administrative expenses and interest expense. However, NOI should not be viewed as an alternative measure of our financial performance since it excludes such expenses, which expenses could materially impact our results of operations. Further, our NOI may not be comparable to that of other real estate companies as they may use different methodologies for calculating NOI. Therefore, we believe our net income (loss), as defined by GAAP, to be the most appropriate measure to evaluate our overall performance. Refer to “Results of Operations” above for a reconciliation of our GAAP net income (loss) to NOI for the three months ended March 31, 2021 and 2020.

Funds from Operations (“FFO”) and Modified Funds from Operations (“MFFO”)

We believe that FFO, and MFFO, in addition to net income (loss) and cash flows from operating activities as defined by GAAP, are useful supplemental performance measures that our management uses to evaluate our consolidated operating performance. However, these supplemental, non-GAAP measures should not be considered as an alternative to net income (loss) or to cash flows from operating activities as an indication of our performance and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders. No single measure can provide users of financial information with sufficient information and only our disclosures read as a whole can be relied upon to adequately portray our financial position, liquidity, and results of operations. Fees deferred or waived by the Advisor and payments received from the Advisor and/or reimbursed to the Advisor pursuant to the expense support agreement are included in determining our net income (loss), which is used to determine FFO and MFFO. If we had not received support from the Advisor and/or reimbursed the Advisor pursuant to the expense support agreement, our FFO and MFFO would have been lower or higher. In addition, other REITs may define FFO and similar measures differently and choose to treat acquisition-related costs and potentially other accounting line items in a manner different from us due to specific differences in investment and operating strategy or for other reasons.

FFO. As defined by the National Association of Real Estate Investment Trusts (“NAREIT”), FFO is a non-GAAP measure that excludes certain items such as real estate-related depreciation and amortization. We believe FFO is a meaningful supplemental measure of our operating performance that is useful to investors because depreciation and amortization in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. We use FFO as an indication of our consolidated operating performance and as a guide to making decisions about future investments.

MFFO. As defined by the Institute for Portfolio Alternatives (“IPA”), MFFO is a non-GAAP supplemental financial performance measure used to evaluate our operating performance. Similar to FFO, MFFO excludes items such as real estate-related depreciation and amortization. MFFO excludes acquisition-related costs, straight-line rent and amortization of above- and below-market leases. In addition, there are certain other MFFO adjustments as defined by the IPA that are not applicable to us and are not included in our presentation of MFFO.

We are in the acquisition phase of our life cycle. Management does not include historical acquisition-related costs in its evaluation of future operating performance, as such costs are not expected to be incurred once our acquisition phase is complete. We use FFO and MFFO to, among other things: (i) evaluate and compare the potential performance of the portfolio after the acquisition phase is complete, and (ii) evaluate potential performance to determine liquidity event strategies. Although some REITs may present similar measures differently from us, we believe FFO and MFFO generally facilitate a comparison to other REITs that have similar operating characteristics to us. We believe investors are best served if the information that is made available to them allows them to align their analyses and evaluation with the same performance metrics used by management in planning and executing our business strategy. We believe that these performance metrics will assist investors in evaluating the potential performance of the portfolio after the completion of the acquisition phase. However, these supplemental, non-GAAP measures are not necessarily indicative of future performance and should not be considered as an alternative to net loss or to cash flows from operating activities and is not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, NAREIT, nor any regulatory body has passed judgment on the acceptability of the adjustments used to calculate FFO and MFFO. In the future, the SEC, NAREIT, or a regulatory body may decide to standardize the allowable adjustments across the non-traded REIT industry at which point we may adjust our calculation and characterization of FFO and MFFO.

The following unaudited table presents a reconciliation of GAAP net income (loss) to NAREIT FFO and MFFO:

(in thousands, except per share data)	For the Three Months Ended March 31,		For the Period
	2021	2020	From Inception (August 12, 2014) to March 31, 2021
GAAP net loss attributable to common stockholders	\$ (8,753)	\$ 57	\$ (65,413)
GAAP net loss per common share	(0.06)	\$ 0.00	\$ (2.11)
Reconciliation of GAAP net loss to NAREIT FFO:			
GAAP net loss attributable to common stockholders	\$ (8,753)	\$ 57	\$ (65,413)
Add (deduct) NAREIT adjustments:			
Real estate-related depreciation and amortization	13,859	9,720	86,119
Our share of real estate-related depreciation and amortization of unconsolidated joint venture partnerships	3,767	—	8,815
Redeemable noncontrolling interest's share of real estate-related depreciation and amortization and our share of real estate-related depreciation and amortization of unconsolidated joint venture partnerships	(154)	(47)	(337)
Our share of net gain on disposition of real estate properties of unconsolidated joint venture partnership	(2,284)	—	(2,284)
Redeemable noncontrolling interest's share of net gain on disposition of real estate properties of unconsolidated joint venture partnership	20	—	20
NAREIT FFO attributable to common stockholders	\$ 6,455	\$ 9,730	\$ 26,920
NAREIT FFO per common share	\$ 0.04	\$ 0.13	\$ 0.87
Reconciliation of NAREIT FFO to MFFO:			
NAREIT FFO attributable to common stockholders	\$ 6,455	\$ 9,730	\$ 26,920
Add (deduct) MFFO adjustments:			
Acquisition costs and reimbursements	977	859	12,111
Redeemable noncontrolling interest's share of acquisition costs and reimbursements	(9)	(4)	(23)
Straight-line rent and amortization of above/below-market leases	(1,024)	(1,418)	(14,862)
Our share of straight-line rent and amortization of above/below-market leases of unconsolidated joint venture partnerships	(263)	—	(631)
Redeemable noncontrolling interest's share of straight-line rent and amortization of above/below-market leases and our share of straight-line rent and amortization of above/below-market leases of unconsolidated joint venture partnerships	11	7	42
MFFO attributable to common stockholders	\$ 6,147	\$ 9,174	\$ 23,557
MFFO per common share	\$ 0.04	\$ 0.12	\$ 0.76
Weighted-average shares outstanding	148,795	74,633	30,952

● **UPDATE ON OUR ASSETS AND PERFORMANCE**

As of April 30, 2021, we had \$2.3 billion in assets under management (calculated as fair value of investment in industrial properties and fair value of investment in unconsolidated joint venture partnerships, plus cash and cash equivalents), and our leverage ratio was approximately 25.8% (calculated as our total borrowings outstanding divided by the fair value of our real property plus our net investment in unconsolidated joint venture partnerships plus cash and cash equivalents).

As of April 30, 2021, we owned and managed, either directly or through our minority ownership interests in our joint venture partnerships (which are presented as if we own a 100% interest), a total real estate portfolio that included 135 industrial buildings totaling approximately 31.1 million square feet located in 23 markets throughout the U.S., with 215 customers, and was 87.4% occupied (92.9% leased) with a weighted-average remaining lease term (based on square feet) of 4.8 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced. As of April 30, 2021, our total real estate portfolio included:

- 127 industrial buildings totaling approximately 29.7 million square feet comprised our operating portfolio, which includes stabilized properties, and was 91.4% occupied (95.7% leased); and
- Eight industrial buildings totaling approximately 1.4 million square feet comprised our value-add portfolio, which includes buildings acquired with the intention to reposition or redevelop, or buildings recently completed which have not yet reached stabilization. We generally consider a building to be stabilized on the earlier to occur of the first anniversary of a building's shell completion or a building achieving 90% occupancy.

Of our total portfolio, we owned and managed 67 buildings totaling approximately 17.3 million square feet through our minority ownership interests in our joint venture partnerships. In addition, as of April 30, 2021, through our minority joint venture partnerships, we owned and managed 14 buildings either under construction or in the pre-construction phase totaling approximately 4.7 million square feet.

During the month ended April 30, 2021, we directly acquired one building comprised of approximately 0.3 million square feet for an aggregate total purchase price of approximately \$75.0 million. Additionally, during the month ended April 30, 2021, we leased approximately 0.8 million square feet within our total portfolio, which included 0.7 million square feet of new and future leases and 0.1 million square feet of renewals.

The following table sets forth the top ten geographic allocations of our real estate portfolio based on fair value as of April 30, 2021:

(\$ and square feet in thousands)	Total (1)			Consolidated		
	Number of Buildings (2)	Fair Value of Real Property	% of Fair Value	Number of Buildings	Fair Value of Real Property	% of Fair Value
Southern California	19	\$ 383,967	17.0 %	10	\$ 256,150	15.7 %
New Jersey	20	347,826	15.4	8	231,800	14.2
Dallas	12	266,925	11.8	8	227,400	13.9
Pennsylvania	19	233,620	10.4	9	169,800	10.4
Las Vegas	7	155,800	6.9	7	155,800	9.5
Reno	6	138,500	6.1	6	138,500	8.5
D.C. / Baltimore	5	94,056	4.2	4	92,200	5.6
Central Valley	4	73,985	3.3	1	51,400	3.2
South Florida	7	71,875	3.2	2	43,450	2.7
Seattle	6	69,174	3.1	-	-	-
Other	44	417,992	18.6	13	266,150	16.3
Total Portfolio	149	\$ 2,253,720	100.0 %	68	\$ 1,632,650	100.0 %

- (1) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties. Unconsolidated properties are those owned through our minority ownership interests in our joint venture partnerships. Unconsolidated properties are presented based on our effective ownership interests.
- (2) Includes 14 buildings that are either under construction or in the pre-construction phase that are owned through our minority ownership interests in our joint venture partnerships.

The following table sets forth the total shareholder returns for the periods ended April 30, 2021:

	<u>Trailing One-Month (1)</u>	<u>One-Year (Trailing 12-Months)(1)</u>	<u>Year-to-Date (1)</u>	<u>Since NAV Inception Annualized (1)(2)(3)</u>
Class T Share Total Return (without sales charge) (3)	0.86 %	6.50 %	2.58 %	5.29 %
Class T Share Total Return (with sales charge) (3)	(3.68)%	1.70 %	(2.03)%	3.92 %
Class W Share Total Return (3)	0.88 %	6.99 %	2.72 %	5.96 %
Class I Share Total Return (3)	0.92 %	7.51 %	2.88 %	6.32 %

- Performance is measured by total return, which includes income and appreciation (i.e., distributions and changes in NAV) and reinvestment of all distributions (“Total Return”) for the respective time period. Past performance is not a guarantee of future results. Performance data quoted above is historical. Current performance may be higher or lower than the performance data quoted. Actual individual stockholder returns will vary. The returns have been prepared using unaudited data and valuations of the underlying investments in our portfolio, which are estimates of fair value and form the basis for our NAV. Valuations based upon unaudited or estimated reports from the underlying investments may be subject to later adjustments or revisions, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated on any given day.
- The inception date for Class I shares and Class T shares was November 1, 2017, which is when shares of our common stock were first issued to third-party investors in our initial public offering. The inception date for Class W shares was July 2, 2018, which is when Class W shares of common stock were first issued to third-party investors.
- The Total Returns presented are based on the actual NAVs at which stockholders transacted, calculated pursuant to our valuation procedures. With respect to the “Class T Share Total Return (with sales charge),” the Total Returns are calculated assuming the stockholder also paid the maximum upfront selling commission, dealer manager fee and ongoing distribution fees in effect during the time period indicated. With respect to “Class T Share Total Return (without sales change),” the Total Returns are calculated assuming the stockholder did not pay any upfront selling commission or dealer manager fee, but did pay the maximum ongoing distribution fees in effect during the time period indicated. From NAV inception to January 31, 2020, these NAVs reflected mark-to-market adjustments on our borrowing-related debt instruments and our borrowing-related interest rate hedge positions. See Item 5 in Part II of our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information on the impact of not continuing to mark these instruments to market on the calculation of our Total Returns.

• FEES AND EXPENSES PAYABLE TO THE ADVISOR, THE DEALER MANAGER AND THEIR AFFILIATES

1) The following data supplements, and should be read in conjunction with the tables in the section of the Prospectus titled “Prospectus Summary—Compensation to the Advisor and its Affiliates” and “Management Compensation” on pages 22 and 174 to 175, respectively, of the Prospectus:

The following table summarizes fees and expenses incurred in connection with our offerings and operations for services provided by the Dealer Manager, the Advisor, and its affiliates and any related amounts payable. This table includes amounts incurred for the three months ended March 31, 2021 and 2020, as well as amounts payable as of March 31, 2021 and December 31, 2020.

<u>(in thousands)</u>	<u>For the Three Months Ended March 31,</u>		<u>Payable as of</u>	
	<u>2021</u>	<u>2020</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
Selling commissions and dealer manager fees—the Dealer Manager (1)	\$ 3,695	\$ 22,350	\$ -	\$ -
Ongoing distribution fees—the Dealer Manager (1)(2)	3,240	1,743	1,027	1,122
Advisory fee—fixed component—the Advisor	3,935	1,785	1,456	1,345
Advisory fee—performance component—the Advisor	4,180	275	4,180	9,640
Other expense reimbursements—the Advisor (3)	3,173	2,595	905	2,706
Development fees—the Advisor (4)	390	-	390	24
Total	\$ 18,613	\$ 28,748	\$ 7,958	\$ 14,837

- All or a portion of these amounts will be retained by, or reallocated (paid) to, participating broker-dealers and servicing broker-dealers.
- The distribution fees are payable monthly in arrears. Additionally, the Company accrues for future estimated amounts payable related to ongoing distribution fees. The future estimated amounts payable are approximately \$46.2 million and \$45.0 million as of March 31, 2021 and 2020, respectively.
- Other expense reimbursements include certain expenses incurred for organization and offering, acquisition and general administrative services provided to us under the advisory agreement, including, but not limited to, certain expenses described

below after footnote 4, allocated rent paid to both third parties and affiliates of the Advisor, equipment, utilities, insurance, travel and entertainment.

- (4) Development fees are included in the total development project costs of the respective properties and are capitalized in construction in progress, which is included in net investment in real estate properties on the Company's condensed consolidated balance sheets. Amounts also include the Company's proportionate share of development acquisition fees relating to the joint venture partnerships, which is included in investment in unconsolidated joint venture partnerships on the Company's condensed consolidated balance sheets.

Certain of the expense reimbursements described in the table above include a portion of the compensation expenses of officers and employees of the Advisor or its affiliates related to activities for which the Advisor does not otherwise receive a separate fee. Amounts incurred related to these compensation expenses for the three months ended March 31, 2021 and 2020, respectively. These amounts include a portion of the salary, bonus, and benefits of certain of the Company's named executive officers. The Company has reimbursed or will reimburse the Advisor approximately \$2.7 million and \$2.2 million for the three months ended March 31, 2021 and 2020, respectively, for such compensation expenses.

As of December 31, 2020, \$17.1 million of organization and offering costs that the Advisor had incurred on the Company's behalf through December 31, 2019, remained payable to the Advisor. The Company paid this amount to the Advisor in full in January 2021. The Company now pays offering costs directly as and when incurred.

In addition, the Company has paid or will pay the Advisor for property-level accounting services in the amount of approximately \$0.2 million and \$0.1 million for the three months ended March 31, 2021 and 2020, respectively. These payments were funded from a portion of the property management fees paid by customers at our properties, with the remainder of such property management fees paid to the third-party property managers for such properties. The portion of these payments by the customers that were passed through to the Advisor were related to property accounting services and are at or below market rates for the regions in which our properties are located. In certain limited circumstances, the Company may pay for a portion of such property management fees, including the fees related to the property-level accounting services provided by the Advisor, without reimbursement from the tenant or tenants at a real property.

2) The following supplements, and should be read in conjunction with, the tables at the end of each of the sections titled "Prospectus Summary—Compensation to the Advisor and its Affiliates—Expense Support Agreement" and "Management Compensation—Expense Support Agreement" on pages 24 and 176, respectively, of the Prospectus:

The table below provides information regarding the fees deferred and expense support provided by the Advisor, pursuant to the Expense Support Agreement. The expense support agreement was not renewed after the expiration of its effective term on December 31, 2020. The total aggregate amount paid by the Advisor pursuant to the Expense Support Agreement was \$27.1 million, and as of December 31, 2020, all reimbursable amounts had been paid in their entirety, and no amounts remain to be reimbursed to the Advisor.

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Fees deferred	\$ -	\$ 1,785
Other expenses supported	-	2,749
Total expense support from Advisor	-	4,534
Reimbursement of previously deferred fees and other expenses supported	-	-
Total expense support from Advisor, net	\$ -	\$ 4,534

• CERTAIN HISTORICAL NAV INFORMATION

The following table shows our NAV per share at the end of each quarter during 2020 and 2021:

Date	Class T	Class W	Class I	OP Units
March 31, 2021	\$ 10.2031	\$ 10.2031	\$ 10.2031	\$ 10.2031
December 31, 2020	10.1437	10.1437	10.1437	10.1437
September 30, 2020	10.0904	10.0904	10.0904	10.0904
June 30, 2020	10.0591	10.0591	10.0591	10.0591
March 31, 2020	10.0645	10.0645	10.0645	10.0645

- **EXPERTS**

The statements included in this Supplement under the section titled “April 30, 2021 NAV Per Share” relating to the role of Altus Group U.S. Inc. have been reviewed by Altus Group U.S. Inc., an independent valuation advisor, and are included in this Supplement given the authority of such advisor as experts in real estate valuations.

- **QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2021**

On March 11, 2021, we filed our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 with the SEC. The report (without exhibits) is attached to this Supplement.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Article I. (Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended March 31, 2021
or**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the transition period from _____ to
Commission file number: 000-56032**

Black Creek Industrial REIT IV Inc.

(Exact name of registrant as specified in its charter)

Maryland
**(State or other jurisdiction of
incorporation or organization)**

47-1592886
**(I.R.S. Employer
Identification No.)**

518 Seventeenth Street, 17th Floor
Denver, CO
(Address of principal executive offices)

80202
(Zip code)

Registrant's telephone number, including area code: (303) 228-2200

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>			Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 5, 2021, there were 153,964,782 shares of the registrant's Class T common stock, 10,011,414 shares of the registrant's Class W common stock and 13,236,005 shares of the registrant's Class I common stock outstanding.

BLACK CREEK INDUSTRIAL REIT IV INC.
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**BLACK CREEK INDUSTRIAL REIT IV INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share data)	As of	
	March 31, 2021 (unaudited)	December 31, 2020
ASSETS		
Net investment in real estate properties	\$ 1,391,589	\$ 1,322,521
Investment in unconsolidated joint venture partnerships	321,003	324,242
Cash and cash equivalents	232,500	232,369
Restricted cash	530	530
Straight-line and tenant receivables	10,891	10,396
Due from affiliates	120	3,308
Acquisition deposits	1,728	610
Other assets	3,964	3,452
Total assets	\$ 1,962,325	\$ 1,897,428
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued liabilities	\$ 9,837	\$ 12,483
Debt, net	579,451	579,171
Due to affiliates	6,361	28,275
Distributions payable	6,988	6,450
Distribution fees payable to affiliates	46,175	44,962
Other liabilities	29,192	29,624
Total liabilities	678,004	700,965
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interest	13,361	3,648
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value - 200,000 shares authorized, none issued and outstanding	—	—
Class T common stock, \$0.01 par value per share - 1,200,000 shares authorized, 138,967 and 130,565 shares issued and outstanding, respectively	1,390	1,306
Class W common stock, \$0.01 par value per share - 75,000 shares authorized, 9,121 and 7,866 shares issued and outstanding, respectively	91	79
Class I common stock, \$0.01 par value per share - 225,000 shares authorized, 4,207 and 3,040 shares issued and outstanding, respectively	42	30
Additional paid-in capital	1,431,279	1,329,799
Accumulated deficit	(154,559)	(128,775)
Accumulated other comprehensive loss	(7,409)	(9,750)
Total stockholders' equity	1,270,834	1,192,689
Noncontrolling interests	126	126
Total equity	1,270,960	1,192,815
Total liabilities and equity	\$ 1,962,325	\$ 1,897,428

See accompanying Notes to Condensed Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2021	2020
Revenues:		
Rental revenues	\$ 24,068	\$ 16,777
Total revenues	<u>24,068</u>	<u>16,777</u>
Operating expenses:		
Rental expenses	5,575	4,088
Real estate-related depreciation and amortization	13,859	9,720
General and administrative expenses	2,249	1,651
Advisory fees, related party	8,115	2,060
Acquisition costs and reimbursements	977	859
Total operating expenses	<u>30,775</u>	<u>18,378</u>
Other (income) expenses:		
Equity in income from unconsolidated joint venture partnerships	(1,569)	—
Interest expense and other	3,688	2,876
Total expenses before expense support	<u>32,894</u>	<u>21,254</u>
Total expense support from the Advisor, net	—	4,534
Net expenses after expense support	<u>(32,894)</u>	<u>(16,720)</u>
Net (loss) income	<u>(8,826)</u>	<u>57</u>
Net loss attributable to redeemable noncontrolling interest	77	—
Net income attributable to noncontrolling interests	(4)	—
Net (loss) income attributable to common stockholders	<u>\$ (8,753)</u>	<u>\$ 57</u>
Weighted-average shares outstanding	<u>148,795</u>	<u>74,633</u>
Net loss per common share - basic and diluted	<u>\$ (0.06)</u>	<u>\$ 0.00</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

<u>(in thousands)</u>	<u>For the Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Net (loss) income	\$ (8,826)	\$ 57
Change from cash flow hedging derivatives	2,362	(12,325)
Comprehensive loss	\$ (6,464)	\$ (12,268)
Comprehensive loss attributable to redeemable noncontrolling interests	56	60
Comprehensive loss attributable to common stockholders	<u>\$ (6,408)</u>	<u>\$ (12,208)</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(in thousands)	Stockholders' Equity						Total Equity
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	
	Shares	Amount					
FOR THE THREE MONTHS ENDED MARCH 31, 2020							
Balance as of December 31, 2019	49,275	\$ 492	\$ 451,526	\$ (47,730)	\$ 2,190	\$ 1	\$ 406,479
Net income (excludes \$0 attributable to redeemable noncontrolling interest)	—	—	—	57	—	—	57
Change from cash flow hedging activities (excludes \$60 attributable to redeemable noncontrolling interest)	—	—	—	—	(12,265)	—	(12,265)
Issuance of common stock	50,594	506	527,646	—	—	—	528,152
Share-based compensation	—	—	614	—	—	—	614
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(24,371)	—	—	—	(24,371)
Trailing distribution fees	—	—	(21,562)	1,742	—	—	(19,820)
Redemptions of common stock	(67)	(1)	(659)	—	—	—	(660)
Distributions to stockholders	—	—	—	(10,158)	—	—	(10,158)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(107)	—	—	—	(107)
Balance as of March 31, 2020	99,802	\$ 997	\$ 933,087	\$ (56,089)	\$ (10,075)	\$ 1	\$ 867,921
FOR THE THREE MONTHS ENDED MARCH 31, 2021							
Balance as of December 31, 2020	141,471	\$ 1,415	\$ 1,329,799	\$ (128,775)	\$ (9,750)	\$ 126	\$ 1,192,815
Net (loss) income (excludes \$77 attributable to redeemable noncontrolling interest)	—	—	—	(8,753)	—	4	(8,749)
Change from cash flow hedging activities (excludes \$21 attributable to redeemable noncontrolling interest)	—	—	—	—	2,341	—	2,341
Issuance of common stock	11,087	111	114,089	—	—	—	114,200
Share-based compensation	—	—	485	—	—	—	485
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(5,690)	—	—	—	(5,690)
Trailing distribution fees	—	—	(4,454)	3,240	—	—	(1,214)
Redemptions of common stock	(263)	(3)	(2,642)	—	—	—	(2,645)
Distributions to stockholders (excludes \$179 attributable to redeemable noncontrolling interest)	—	—	—	(20,271)	—	(4)	(20,275)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(308)	—	—	—	(308)
Balance as of March 31, 2021	152,295	\$ 1,523	\$ 1,431,279	\$ (154,559)	\$ (7,409)	\$ 126	\$ 1,270,960

See accompanying Notes to Condensed Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Operating activities:		
Net (loss) income	\$ (8,826)	\$ 57
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Real estate-related depreciation and amortization	13,859	9,720
Equity in income from unconsolidated joint venture partnerships	(1,569)	—
Straight-line rent and amortization of above- and below-market leases	(1,024)	(1,418)
Other	765	858
Changes in operating assets and liabilities:		
Tenant receivables and other assets	(616)	1,712
Accounts payable and accrued liabilities	(673)	(2,181)
Due from / to affiliates, net	7,517	(6,932)
Net cash provided by operating activities	9,433	1,816
Investing activities:		
Real estate acquisitions	(79,336)	(9,473)
Acquisition deposits	(1,600)	(5,500)
Capital expenditures	(1,980)	(911)
Distributions from joint venture partnerships	5,200	—
Net cash used in investing activities	(77,716)	(15,884)
Financing activities:		
Repayments of line of credit	—	(107,000)
Debt issuance costs paid	—	(45)
Proceeds from issuance of common stock	100,543	501,833
Offering costs paid in connection with issuance of common stock	(19,531)	(2,512)
Distributions paid to common stockholders and to redeemable noncontrolling interest holders	(6,618)	(2,600)
Distribution fees paid to affiliates	(3,335)	(1,330)
Redemptions of common stock	(2,645)	(660)
Net cash provided by financing activities	68,414	387,686
Net increase in cash, cash equivalents and restricted cash	131	373,618
Cash, cash equivalents and restricted cash, at beginning of period	232,899	51,178
Cash, cash equivalents and restricted cash, at end of period	\$ 233,030	\$ 424,796

See accompanying Notes to Condensed Consolidated Financial Statements.

BLACK CREEK INDUSTRIAL REIT IV INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

Unless the context otherwise requires, the “Company” and “BCI IV” refers to Black Creek Industrial REIT IV Inc. and its consolidated subsidiaries, which includes BCI IV Operating Partnership LP (the “Operating Partnership”).

The accompanying unaudited condensed consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain disclosures normally included in the annual audited financial statements prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) have been omitted. As such, the accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 5, 2021 (“2020 Form 10-K”).

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments and eliminations, consisting only of normal recurring adjustments necessary for a fair presentation in conformity with GAAP.

Recently Adopted Accounting Standards

In August 2020, the FASB issued ASU 2020-06, “Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)” (“ASU 2020-06”), which updates various codification topics to simplify the accounting guidance for certain financial instruments with characteristics of liabilities and equity, with a specific focus on convertible instruments and the derivative scope exception for contracts in an entity’s own equity. ASU 2020-06 is effective for annual and interim reporting periods beginning after December 15, 2021, with early adoption permitted for annual and interim reporting periods beginning after December 15, 2020. The Company adopted this standard as of the reporting period beginning January 1, 2021. The Company’s adoption of this standard did not have a material effect on its condensed consolidated financial statements.

In January 2021, the FASB issued ASU 2021-01 “Reference Rate Reform (Topic 848)” (“ASU 2021-01”) to refine the scope of ASU 2020-04 and clarify the guidance as part of FASB’s ongoing monitoring of global reference rate reform activities. The ASU extends the guidance to provide optional expedients and exceptions for applying GAAP to derivative contracts if certain criteria are met. The amendments only apply to derivative contracts that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2021-01 is effective for annual and interim reporting periods beginning after March 12, 2020, with early adoption permitted, through December 31, 2022. The expedients and exceptions do not apply to derivative contracts entered into after December 31, 2022. The Company adopted this standard immediately upon its issuance. The adoption did not have a material effect on the Company’s condensed consolidated financial statements.

2. REAL ESTATE ACQUISITIONS

During the three months ended March 31, 2021, the Company acquired 100% of the following properties, which were determined to be asset acquisitions:

(\$ in thousands)	Acquisition Date	Number of Buildings	Total Purchase Price (1)
Gerwig Distribution Center	1/8/2021	1	\$ 19,274
Harvill Business Center	3/10/2021	1	60,588
Total Acquisitions		2	\$ 79,862

(1) Total purchase price is equal to the total consideration paid plus any debt assumed at fair value. There was no debt assumed in connection with the 2021 acquisitions.

During the three months ended March 31, 2021, the Company allocated the purchase price of its acquisitions to land, building and improvements, and intangible lease assets and liabilities as follows:

(in thousands)	For the Three Months Ended March 31, 2021	
Land	\$	25,558
Building and improvements		49,205
Intangible lease assets		6,259
Below-market lease liabilities		(1,160)
Total purchase price (1)	\$	79,862

(1) Total purchase price is equal to the total consideration paid plus any debt assumed at fair value. There was no debt assumed in connection with the 2021 acquisitions.

Intangible and above-market lease assets are amortized over the remaining lease term. Below-market lease liabilities are amortized over the remaining lease term, plus any below-market, fixed-rate renewal option periods. The weighted-average amortization periods for the intangible lease assets and liabilities acquired in connection with the Company's acquisitions during the three months ended March 31, 2021, as of the respective date of each acquisition, was 6.7 years.

3. INVESTMENT IN REAL ESTATE

As of March 31, 2021 and December 31, 2020, the Company's consolidated investment in real estate properties consisted of 67 and 65 industrial buildings, respectively.

(in thousands)	As of	
	March 31, 2021	December 31, 2020
Land	\$ 411,547	\$ 385,988
Building and improvements	937,189	885,489
Intangible lease assets	126,633	119,765
Construction in progress	3,187	4,203
Investment in real estate properties	1,478,556	1,395,445
Less accumulated depreciation and amortization	(86,967)	(72,924)
Net investment in real estate properties	\$ 1,391,589	\$ 1,322,521

Intangible Lease Assets and Liabilities

Intangible lease assets and liabilities as of March 31, 2021 and December 31, 2020 included the following:

(in thousands)	As of March 31, 2021			As of December 31, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible lease assets (1)	\$ 122,689	\$ (38,400)	\$ 84,289	\$ 115,821	\$ (32,699)	\$ 83,122
Above-market lease assets (1)	3,944	(877)	3,067	3,944	(694)	3,250
Below-market lease liabilities (2)	(18,631)	6,759	(11,872)	(17,471)	5,862	(11,609)

(1) Included in net investment in real estate properties on the condensed consolidated balance sheets.

(2) Included in other liabilities on the condensed consolidated balance sheets.

Rental Revenue Adjustments and Depreciation and Amortization Expense

The following table summarizes straight-line rent adjustments, amortization recognized as an increase (decrease) to rental revenues from above-and below-market lease assets and liabilities, and real estate-related depreciation and amortization expense:

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Increase (Decrease) to Rental Revenue:		
Straight-line rent adjustments	\$ 311	\$ 715
Above-market lease amortization	(184)	(84)
Below-market lease amortization	897	787
Real Estate-Related Depreciation and Amortization:		
Depreciation expense	\$ 8,158	\$ 5,147
Intangible lease asset amortization	5,701	4,573

4. INVESTMENT IN UNCONSOLIDATED JOINT VENTURE PARTNERSHIPS

On July 15, 2020, the Company acquired, from a subsidiary of Industrial Property Trust (“IPT”), interests in two joint venture partnerships with third party investors for purposes of investing in industrial properties located in certain major U.S. distribution markets. The Company reports its investments in the Build-To-Core Industrial Partnership I LP (the “BTC I Partnership”) and the Build-To-Core Industrial Partnership II LP (the “BTC II Partnership” and, together with the BTC I Partnership, the “BTC Partnerships”) under the equity method on its condensed consolidated balance sheets as the Company has the ability to exercise significant influence in each partnership but does not have control of the entities. The following table summarizes the Company’s investment in the BTC Partnerships:

(\$ in thousands)	As of				Investment in Unconsolidated Joint Venture Partnerships as of	
	March 31, 2021		December 31, 2020		March 31, 2021	December 31, 2020
	Ownership Percentage	Number of Buildings (1)	Ownership Percentage	Number of Buildings (1)		
BTC I Partnership	26.8 %	44	26.8 %	42	\$ 278,905	\$ 279,108
BTC II Partnership	8.0 %	23	8.0 %	25	42,098	45,134
Total BTC Partnerships		67		67	\$ 321,003	\$ 324,242

(1) Represents acquired or completed buildings.

As of March 31, 2021, the book value of the Company’s investment in the BTC Partnerships was \$321.0 million, which includes \$148.8 million of outside basis difference. The outside basis difference originated from the difference between the purchase price paid by the Company for the minority ownership interests in the joint venture partnerships, which was based on fair value, and the book value of the Company’s share of the underlying net assets and liabilities of the joint venture partnerships.

The following is a summary of certain operating data of the BTC II Partnership:

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Operating data:		
Total revenues	\$ 5,472	\$ 4,095
Total operating expenses	5,885	4,349
Total other income (expenses)(1)	46,886	(234)
Net income (loss)	46,473	(488)

(1) Includes a gain of \$47.3 million for the three months ended March 31, 2021 related to the disposal of three industrial buildings. There were no dispositions during the three months ended March 31, 2020.

5. DEBT

The Company's consolidated indebtedness is currently comprised of borrowings under its term loan and mortgage notes. Borrowings under the non-recourse mortgage notes are secured by mortgages or deeds of trust and related assignments and security interests in collateralized and certain cross-collateralized properties, which are generally owned by single purpose entities. A summary of the Company's debt is as follows:

(\$ in thousands)	Weighted-Average Effective Interest Rate as of		Maturity Date	Balance as of	
	March 31, 2021	December 31, 2020		March 31, 2021	December 31, 2020
Line of credit (1)	1.41 %	1.44 %	November 2023	\$ —	\$ —
Term loan (2)	2.23	2.23	February 2024	415,000	415,000
Fixed-rate mortgage notes (3)	3.14	3.14	August 2024 - December 2027	167,750	167,750
Total principal amount / weighted-average (4)	2.49 %	2.49 %		\$ 582,750	\$ 582,750
Less unamortized debt issuance costs				\$ (4,097)	\$ (4,430)
Add mark-to-market adjustment on assumed debt, net				798	851
Total debt, net				\$ 579,451	\$ 579,171
Gross book value of properties encumbered by debt				\$ 299,789	\$ 299,318

- (1) The effective interest rate is calculated based on either: (i) the London Interbank Offered Rate ("LIBOR") plus a margin ranging from 1.30% to 2.10%; or (ii) an alternative base rate plus a margin ranging from 0.30% to 1.10%, each depending on the Company's consolidated leverage ratio. Customary fall-back provisions apply if LIBOR is unavailable. The line of credit is available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by the Company. As of March 31, 2021, total commitments for the line of credit were \$315.0 million and the unused and available portions under the line of credit were both \$314.9 million.
- (2) The effective interest rate is calculated based on either (i) LIBOR plus a margin ranging from 1.25% to 2.05%; or (ii) an alternative base rate plus a margin ranging from 0.25% to 1.05%, depending on the Company's consolidated leverage ratio. The weighted-average effective interest rate is the all-in interest rate, including the effects of interest rate swap agreements. As of March 31, 2021, total commitments for the term loan were \$415.0 million. This term loan is available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by the Company.
- (3) Interest rates range from 2.90% to 3.75%. The assets and credit of each of the Company's consolidated properties pledged as collateral for the Company's mortgage notes are not available to satisfy the Company's other debt and obligations, unless the Company first satisfies the mortgage notes payable on the respective underlying properties.
- (4) The weighted-average remaining term of the Company's consolidated debt was approximately 3.8 years as of March 31, 2021, excluding any extension options on the line of credit.

As of March 31, 2021, the principal payments due on the Company's consolidated debt during each of the next five years and thereafter were as follows:

(in thousands)	Line of Credit (1)	Term Loan	Mortgage Notes	Total
Remainder of 2021	\$ —	\$ —	\$ —	\$ —
2022	—	—	—	—
2023	—	—	—	—
2024	—	415,000	38,000	453,000
2025	—	—	—	—
Thereafter	—	—	129,750	129,750
Total principal payments	\$ —	\$ 415,000	\$ 167,750	\$ 582,750

- (1) The line of credit matures in November 2023 and the term may be extended pursuant to a one-year extension option, subject to certain conditions.

In July 2017, the Financial Conduct Authority ("FCA") that regulates LIBOR announced it intends to stop compelling banks to submit rates for the calculation of LIBOR. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee ("ARRC"), which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative rate for LIBOR in derivatives and other financial contracts. The Company is not able to predict when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets. Any changes adopted by the FCA or other governing bodies in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR. If that were to occur, our interest payment could change. In addition, uncertainty about the extent and manner of future changes may result in interest rate and/or payments that are higher or lower than if LIBOR were to remain available in the current form.

LIBOR is expected to be phased out or modified by June 2023, and the writing of contracts using LIBOR is expected to stop by the end of 2021. As of March 31, 2021, the Company's term loan is the only consolidated indebtedness with maturity beyond 2023 that has exposure to LIBOR. The agreement governing the term loan provides procedures for determining a replacement or alternative base rate in the event that LIBOR is discontinued. However, there can be no assurances as to whether such replacement or alternative base rate will be more or less favorable than LIBOR. As of March 31, 2021, the Company has interest rate swaps in place to hedge LIBOR on \$350.0 million of commitments under its term loan. The Company intends to monitor the developments with respect to the potential phasing out of LIBOR after 2023 and work with its lenders to seek to ensure any transition away from LIBOR will have minimal impact on its financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

Debt Covenants

The Company's line of credit, term loan and mortgage note agreements contain various property-level covenants, including customary affirmative and negative covenants. In addition, the line of credit and term loan agreements contain certain corporate level financial covenants, including leverage ratio, fixed charge coverage ratio, and tangible net worth thresholds. The Company was in compliance with all covenants as of March 31, 2021.

Derivative Instruments

To manage interest rate risk for certain of its variable-rate debt, the Company uses interest rate swaps as part of its risk management strategy. These derivatives are designed to mitigate the risk of future interest rate increases by providing a fixed interest rate for a limited, pre-determined period of time. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the interest rate swap agreements without exchange of the underlying notional amount. Certain of the Company's variable-rate borrowings are not hedged, and therefore, to an extent, the Company has on-going exposure to interest rate movements.

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss is recorded as a component of accumulated other comprehensive income (loss) ("AOCI") on the condensed consolidated balance sheets and is reclassified into earnings as interest expense for the same period that the hedged transaction affects earnings, which is when the interest expense is recognized on the related debt. The gain or loss on the derivative instrument is presented in the same line item on the condensed consolidated statement of operations as the earnings effect of the hedged item.

During the next 12 months, the Company estimates that approximately \$3.5 million will be reclassified as an increase to interest expense related to active effective hedges of existing floating-rate debt.

The following table summarizes the location and fair value of the cash flow hedges on the Company's condensed consolidated balance sheets as of March 31, 2021 and December 31, 2020.

(\$ in thousands)	Number of Contracts	Notional Amount	Balance Sheet Location	Fair Value
As of March 31, 2021				
Interest rate swaps	7	\$ 350,000	Other liabilities	\$ (7,447)
As of December 31, 2020				
Interest rate swaps	7	\$ 350,000	Other liabilities	\$ (9,809)

The following table presents the effect of the Company's cash flow hedges on the Company's condensed consolidated financial statements.

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Derivative Instruments Designated as Cash Flow Hedges		
Gain (loss) recognized in AOCI	\$ 1,475	\$ (12,141)
Amount reclassified from AOCI into interest expense	887	(184)
Total interest expense and other presented in the condensed consolidated statements of operations in which the effects of the cash flow hedges are recorded	3,688	2,876

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates the fair value of its financial instruments using available market information and valuation methodologies it believes to be appropriate for these purposes. Considerable judgment and a high degree of subjectivity are involved in developing these estimates and, accordingly, they are not necessarily indicative of amounts that the Company would realize upon disposition of its financial instruments.

Fair Value Measurements on a Recurring Basis

The following table presents the Company's financial instruments measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020.

(in thousands)	Level 1	Level 2	Level 3	Total Fair Value
As of March 31, 2021				
Liabilities				
Derivative instruments	\$ —	\$ (7,447)	\$ —	\$ (7,447)
Total liabilities measured at fair value	\$ —	\$ (7,447)	\$ —	\$ (7,447)
As of December 31, 2020				
Liabilities				
Derivative instruments	\$ —	\$ (9,809)	\$ —	\$ (9,809)
Total liabilities measured at fair value	\$ —	\$ (9,809)	\$ —	\$ (9,809)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Derivative Instruments. The derivative instruments are interest rate swaps. The interest rate swaps are standard cash flow hedges whose fair value is estimated using market-standard valuation models. Such models involve using market-based observable inputs, including interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements, which the Company has concluded are not material to the valuation. Due to the interest rate swaps being unique and not actively traded, the fair value is classified as Level 2. See "Note 5" above for further discussion of the Company's derivative instruments.

Nonrecurring Fair Value of Financial Measurements

As of March 31, 2021 and December 31, 2020, the fair values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses, other assets, due from/to affiliates, accounts payable and accrued liabilities, and distributions payable approximate their carrying values due to the short-term nature of these instruments. The table below includes fair values for certain of the Company's financial instruments for which it is practicable to estimate fair value. The carrying values and fair values of these financial instruments were as follows:

(in thousands)	As of March 31, 2021		As of December 31, 2020	
	Carrying Value (1)	Fair Value	Carrying Value (1)	Fair Value
Line of credit	\$ —	\$ —	\$ —	\$ —
Term loan	415,000	413,808	415,000	411,787
Fixed rate mortgage notes	167,750	169,536	167,750	172,008

(1) The carrying value reflects the principal amount outstanding.

7. STOCKHOLDERS' EQUITY

Public Offerings

On September 5, 2019, the Company’s initial public offering was terminated immediately upon effectiveness of the Company’s registration statement for its second public offering of up to \$2.0 billion of shares of its common stock, and the second public offering commenced the same day. Under the second public offering, the Company is offering up to \$1.5 billion of shares of its common stock in the primary offering and up to \$500.0 million of shares of its common stock pursuant to its distribution reinvestment plan, in any combination of Class T shares, Class W shares and Class I shares. The Company may reallocate amounts between the primary offering and distribution reinvestment plan. The Company’s second public offering is a continuous offering that will end no later than September 5, 2021, unless extended in accordance with federal and state securities laws.

Pursuant to its public offerings, the Company offered and continues to offer shares of its common stock at the “transaction price,” plus applicable selling commissions and dealer manager fees. The “transaction price” generally is equal to the net asset value (“NAV”) per share of the Company’s common stock most recently disclosed. The Company’s NAV per share is calculated as of the last calendar day of each month for each of its outstanding classes of stock, and will be available generally within 15 calendar days after the end of the applicable month. Shares issued pursuant to the Company’s distribution reinvestment plan are offered at the transaction price, as indicated above, in effect on the distribution date. The Company may update a previously disclosed transaction price in cases where the Company believes there has been a material change (positive or negative) to its NAV per share relative to the most recently disclosed monthly NAV per share.

Summary of the Public Offerings

A summary of the Company’s public offerings, including shares sold through the primary offering and the Company’s distribution reinvestment plan (“DRIP”), as of March 31, 2021, is as follows:

(in thousands)	Class T	Class W	Class I	Total
Amount of gross proceeds raised:				
Primary offering	\$ 1,422,797	\$ 90,360	\$ 36,828	\$ 1,549,985
DRIP	46,295	2,546	1,205	50,046
Total offering	<u>\$ 1,469,092</u>	<u>\$ 92,906</u>	<u>\$ 38,033</u>	<u>\$ 1,600,031</u>
Number of shares issued:				
Primary offering	135,197	8,975	3,673	147,845
DRIP	4,596	253	120	4,969
Stock grants	—	6	3	9
Total offering	<u>139,793</u>	<u>9,234</u>	<u>3,796</u>	<u>152,823</u>

Common Stock

The following table summarizes the changes in the shares outstanding for each class of common stock for the periods presented below:

(in thousands)	Class T Shares	Class W Shares	Class I Shares	Total Shares
FOR THE THREE MONTHS ENDED MARCH 31, 2020				
Balance as of December 31, 2019	45,240	2,736	1,299	49,275
Issuance of common stock:				
Primary shares	47,391	1,965	642	49,998
DRIP	363	23	10	396
Stock grants	—	—	200	200
Redemptions	(40)	(27)	—	(67)
Balance as of March 31, 2020	<u>92,954</u>	<u>4,697</u>	<u>2,151</u>	<u>99,802</u>
FOR THE THREE MONTHS ENDED MARCH 31, 2021				
Balance as of December 31, 2020	130,565	7,866	3,040	141,471
Issuance of common stock:				
Primary shares	7,745	1,205	969	9,919
DRIP	897	61	25	983
Stock grants	—	—	204	204
Redemptions	(240)	(11)	(12)	(263)
Forfeitures	—	—	(19)	(19)
Balance as of March 31, 2021	<u>138,967</u>	<u>9,121</u>	<u>4,207</u>	<u>152,295</u>

Distributions

The following table summarizes the Company's distribution activity (including distributions reinvested in shares of the Company's common stock) for each of the quarters ended below:

(in thousands, except per share data)	Declared per Common Share (1)	Paid in Cash	Amount Reinvested in Shares	Distribution Fees (2)	Gross Distributions (3)
2021					
March 31	\$ 0.13625	\$ 6,721	\$ 10,310	\$ 3,240	\$ 20,271
Total	<u>\$ 0.13625</u>	<u>\$ 6,721</u>	<u>\$ 10,310</u>	<u>\$ 3,240</u>	<u>\$ 20,271</u>
2020					
December 31	\$ 0.13625	\$ 6,159	\$ 9,315	\$ 3,230	\$ 18,704
September 30	0.13625	5,601	8,451	2,952	17,004
June 30	0.13625	5,194	7,812	2,710	15,716
March 31	0.13625	3,339	5,077	1,742	10,158
Total	<u>\$ 0.54500</u>	<u>\$ 20,293</u>	<u>\$ 30,655</u>	<u>\$ 10,634</u>	<u>\$ 61,582</u>

- Amounts reflect the quarterly distribution rate authorized by the Company's board of directors per Class T share, per Class W share, and per Class I share of common stock. Distributions were declared and paid as of monthly record dates. These monthly distributions have been aggregated and presented on a quarterly basis. The distributions on Class T shares and Class W shares of common stock are reduced by the respective distribution fees that are payable with respect to such Class T shares and Class W shares.
- Distribution fees are paid monthly to Black Creek Capital Markets, LLC (the "Dealer Manager") with respect to Class T shares and Class W shares issued in the primary portion of the Company's public offerings only.
- Gross distributions are total distributions before the deduction of any distribution fees relating to Class T shares and Class W shares issued in the primary portion of the Company's public offerings.

Redemptions

The following table summarizes the Company's redemption activity for the periods presented below:

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2021	2020
Number of eligible shares redeemed	263	67
Aggregate dollar amount of shares redeemed	\$ 2,645	\$ 660
Average redemption price per share	\$ 10.06	\$ 9.83

8. REDEEMABLE NONCONTROLLING INTERESTS

Our sponsor, BCI IV Advisors Group LLC (the "Sponsor") holds, either directly or indirectly, partnership units in the Operating Partnership ("OP Units"), which were issued as payment of the performance component of the advisory fee pursuant to the advisory agreement, by and among the Company, the Operating Partnership and BCI IV Advisors LLC (the "Advisor"). The Company has classified these OP Units as redeemable noncontrolling interests in mezzanine equity on the condensed consolidated balance sheets due to the fact that, as provided in the agreement of limited partnership of the Operating Partnership (the "Partnership Agreement"), the Sponsor has the ability to tender its OP Units at any time irrespective of the period that such OP Units have been held by the Sponsor, and the Operating Partnership is required to satisfy such redemption for cash unless such cash redemption would be prohibited by applicable law or the Partnership Agreement, in which case such OP Units will be redeemed for shares of the Company's common stock of the class corresponding to the class of such OP Units. The redeemable noncontrolling interest is recorded at the greater of the carrying amount, adjusted for its share of the allocation of income or loss and dividends, or the redemption value, which is equivalent to fair value, of such OP Units at the end of each measurement period.

The following table summarizes the redeemable noncontrolling interest activity for the three months ended March 31, 2021:

(\$ in thousands)	
As of December 31, 2020	\$ 3,648
Settlement of 2020 advisory fee—performance component (1)	9,640
Distributions to OP Unitholders	(179)
Net loss attributable to redeemable noncontrolling interest	(77)
Change from cash flow hedging activities attributable to redeemable noncontrolling interest	21
Redemption value allocation adjustment to redeemable noncontrolling interest	308
As of March 31, 2021	\$ 13,361

(1) The 2020 performance component of the advisory fee in the amount of \$9.6 million became payable to the Sponsor on December 31, 2020. At the Advisor's election, it was paid in the form of Class I OP Units valued at \$9.6 million (based on the NAV per unit as of December 31, 2020), which were issued to the Sponsor in January 2021.

9. NONCONTROLLING INTERESTS

During 2020, the Company acquired controlling interests in one subsidiary real estate investment trust (the "Subsidiary REIT") that owns one building for a total purchase price of \$22.4 million. The Company indirectly owns and controls the respective managing member of the Subsidiary REIT. Noncontrolling interests represent the portion of equity in the Subsidiary REIT that the Company does not own. Such noncontrolling interests are equity instruments presented in the condensed consolidated balance sheet as of March 31, 2021 as noncontrolling interests within permanent equity. The noncontrolling interests consist of redeemable preferred shares with a 12.5% annual preferred dividend. The Subsidiary REIT has 125 preferred shares issued and outstanding at a par value of \$1,000 per share, for an aggregate amount of \$125,000. The preferred shares are non-voting and have no rights to income or loss. The preferred shares are redeemable by the respective Subsidiary REIT at the discretion of the Company, through its ownership and control of the managing member, for \$1,000 per share, plus accumulated and unpaid dividends. As of March 31, 2021, the Subsidiary REIT had preferred dividends payable in the amount of approximately \$11,700, which were recorded in distributions payable on the Company's condensed consolidated balance sheet.

10. RELATED PARTY TRANSACTIONS

Summary of Fees and Expenses

The table below summarizes the fees and expenses incurred by the Company for services provided by the Advisor and its affiliates, and by the Dealer Manager related to the services the Dealer Manager provided in connection with the Company's public offerings and any related amounts payable:

(in thousands)	For the Three Months Ended March 31,		Payable as of	
	2021	2020	March 31, 2021	December 31, 2020
Selling commissions and dealer manager fees (1)	\$ 3,695	\$ 22,350	\$ —	\$ —
Ongoing distribution fees(1)(2)	3,240	1,743	1,027	1,122
Advisory fee—fixed component	3,935	1,785	1,456	1,345
Advisory fee—performance component	4,180	275	4,180	9,640
Other expense reimbursements (3)	3,173	2,595	905	2,706
Development fees (4)	390	—	390	24
Total	<u>\$ 18,613</u>	<u>\$ 28,748</u>	<u>\$ 7,958</u>	<u>\$ 14,837</u>

- (1) All or a portion of these amounts will be retained by, or reallocated (paid) to, participating broker-dealers and servicing broker-dealers.
- (2) The distribution fees are payable monthly in arrears. Additionally, the Company accrues for future estimated amounts payable related to ongoing distribution fees. The future estimated amounts payable are approximately \$46.2 million and \$45.0 million as of March 31, 2021 and 2020, respectively.
- (3) Other expense reimbursements include certain expenses incurred for organization and offering, acquisition and general administrative services provided to us under the advisory agreement, including, but not limited to, certain expenses described below after footnote 4, allocated rent paid to both third parties and affiliates of the Advisor, equipment, utilities, insurance, travel and entertainment.
- (4) Development fees are included in the total development project costs of the respective properties and are capitalized in construction in progress, which is included in net investment in real estate properties on the Company's condensed consolidated balance sheets. Amounts also include the Company's proportionate share of development acquisition fees relating to the joint venture partnerships, which is included in investment in unconsolidated joint venture partnerships on the Company's condensed consolidated balance sheets.

Certain of the expense reimbursements described in the table above include a portion of the compensation expenses of officers and employees of the Advisor or its affiliates related to activities for which the Advisor does not otherwise receive a separate fee. Amounts incurred related to these compensation expenses for the three months ended March 31, 2021 and 2020, respectively. These amounts include a portion of the salary, bonus, and benefits of certain of the Company's named executive officers. The Company has or will reimburse the Advisor approximately \$2.7 million and \$2.2 million for the three months ended March 31, 2021 and 2020, respectively, for such compensation expenses.

As of December 31, 2020, \$17.1 million of organization and offering costs that the Advisor had incurred on the Company's behalf through December 31, 2019, remained payable to the Advisor. The Company paid this amount to the Advisor in full in January 2021. The Company now pays offering costs directly as and when incurred.

In addition, the Company has paid or will pay the Advisor for property-level accounting services in the amount of approximately \$0.2 million and \$0.1 million for the three months ended March 31, 2021 and 2020, respectively. These payments were funded from a portion of the property management fees paid by customers at our properties, with the remainder of such property management fees paid to the third-party property managers for such properties. The portion of these payments by the customers that were passed through to the Advisor were related to property accounting services and are at or below market rates for the regions in which our properties are located. In certain limited circumstances, the Company may pay for a portion of such property management fees, including the fees related to the property-level accounting services provided by the Advisor, without reimbursement from the tenant or tenants at a real property.

Joint Venture Partnerships

For the three months ended March 31, 2021, the BTC Partnerships (as described in “Note 4”) incurred in aggregate approximately \$3.1 million in acquisition and asset management fees, and fees related to development, which were paid to affiliates of the Advisor pursuant to the respective service agreements. As of March 31, 2021 and December 31, 2020, the Company had amounts due from the BTC Partnerships in aggregate of approximately \$50,000 and \$25,000, respectively, which were recorded in due from affiliates on the condensed consolidated balance sheets.

As of December 31, 2020, the BTC I Partnership owed the Company \$3.2 million for the Company’s overpayment of the required contributions, which was recorded in due from affiliates on the condensed consolidated balance sheets. The BTC I Partnership returned the overpayment of the required contributions to the Company in January 2021.

Expense Support Agreement

The table below provides information regarding the fees deferred and expense support provided by the Advisor, pursuant to the expense support agreement. The expense support agreement was not renewed after the expiration of its effective term on December 31, 2020. Refer to Item 8, “Financial Statements and Supplementary Data” in the Company’s 2020 Form 10-K for a description of the expense support agreement. The total aggregate amount paid by the Advisor pursuant to the expense support agreement was \$27.1 million, and as of December 31, 2020, all reimbursable amounts had been paid in their entirety, and no amounts remain to be reimbursed to the Advisor.

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Fees deferred	\$ —	\$ 1,785
Other expenses supported	—	2,749
Total expense support from Advisor	—	4,534
Reimbursement of previously deferred fees and other expenses supported	—	—
Total expense support from Advisor, net	\$ —	\$ 4,534

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information and disclosure of non-cash investing and financing activities is as follows:

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Distributions payable	\$ 6,988	\$ 4,549
Distributions reinvested in common stock	9,961	3,970
Redeemable noncontrolling interest issued as settlement of performance component of the advisory fee	9,640	2,913
Non-cash selling commissions and dealer manager fees	3,695	22,350

Restricted Cash

The following table presents the components of the beginning of period and end of period cash, cash equivalents and restricted cash reported within the condensed consolidated statements of cash flows:

(in thousands)	For the Three Months Ended March 31,	
	2021	2020
Beginning of period:		
Cash and cash equivalents	\$ 232,369	\$ 51,178
Restricted cash (1)	530	—
Cash, cash equivalents and restricted cash	\$ 232,899	\$ 51,178
End of period:		
Cash and cash equivalents	\$ 232,500	\$ 424,796
Restricted cash (1)	530	—
Cash, cash equivalents and restricted cash	\$ 233,030	\$ 424,796

- (1) As of March 31, 2021 and December 31, 2020, restricted cash consisted of cash held in escrow in connection with certain property improvements required by the lender of the \$118.5 million mortgage note entered into in October 2020. As of March 31, 2020 and December 31, 2019, the Company did not have any restricted cash.

12. SIGNIFICANT RISKS AND UNCERTAINTIES

Significant Risks and Uncertainties

Currently, one of the most significant risks and uncertainties is the adverse effect of the current novel coronavirus (COVID-19) pandemic. The extent of the impact from COVID-19 on the commercial real estate sector continues to vary dramatically across real estate property types and markets, with certain property segments such as hospitality, gaming, shopping malls, senior housing, and student living being impacted particularly hard. While not immune to the effects of COVID-19, the industrial property sector in which the Company invests continues to remain relatively resilient; however, the Company has had customers request rent deferral or rent abatement during this pandemic.

The COVID-19 pandemic could have material and adverse effects on the Company's financial condition, results of operations and cash flows in the near term due to, but not limited to, the following:

- reduced economic activity severely impacts the Company's customers' businesses, financial condition and liquidity and may cause customers to be unable to fully meet their obligations to the Company or to otherwise seek modifications of such obligations, resulting in increases in uncollectible receivables and reductions in rental income;
- the negative financial impact of the pandemic could impact the Company's future compliance with financial covenants of the Company's credit facility and other debt agreements; and
- weaker economic conditions could cause the Company to recognize impairment in value of its tangible or intangible assets.

The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business, including how it will impact its customers and business partners. While the Company did not incur significant disruptions during the year ended December 31, 2020 and the three months ended March 31, 2021 from the COVID-19 pandemic and the vaccination rates in the United States are encouraging, it is unable to predict the impact that the COVID-19 pandemic will have on its future financial condition, results of operations and cash flows due to numerous uncertainties and the impact could be material. The extent to which the COVID-19 pandemic impacts the Company's operations and those of the Company's customers will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others.

13. COMMITMENTS AND CONTINGENCIES

The Company and the Operating Partnership are not presently involved in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company or its subsidiaries.

Environmental Matters

A majority of the properties the Company acquires have been or will be subject to environmental reviews either by the Company or the previous owners. In addition, the Company may incur environmental remediation costs associated with certain land parcels it may acquire in connection with the development of land. The Company has or may acquire certain properties in urban and industrial areas that may have been leased to or previously owned by commercial and industrial companies that discharged hazardous material. The Company may purchase various environmental insurance policies to mitigate its exposure to environmental liabilities. The Company is not aware of any environmental liabilities that it believes would have a material adverse effect on its business, financial condition, or results of operations as of March 31, 2021.

14. SUBSEQUENT EVENTS

Status of the Public Offerings

As of May 5, 2021, the Company had raised gross proceeds of \$1.86 billion from the sale of 178.1 million shares of its common stock in its public offerings, including \$57.3 million from the sale of 5.7 million shares of its common stock through its distribution reinvestment plan. As of May 5, 2021, approximately \$606.1 million in shares of the Company's common stock remained available for sale pursuant to its second public offering in any combination of Class T shares, Class W shares and Class I shares, including approximately \$451.0 million in shares of common stock available for sale through its distribution reinvestment plan, which may be reallocated for sale in the Company's primary offering. The Company has filed a registration for its third public offering, which will commence immediately upon effectiveness of the registration statement. The Company presently expects its second public offering to end and its third public offering to commence immediately thereafter during the third quarter of 2021.

Completed Acquisitions

On April 12, 2021, the Company acquired one industrial building located in the New Jersey market. The total purchase price was approximately \$75.0 million, exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Acquisitions Under Contract

The Company has entered into contracts to acquire properties with an aggregate contract purchase price of approximately \$122.6 million, comprised of five industrial buildings. There can be no assurance that the Company will complete the acquisition of the properties under contract.

Initiation of DST Program

On May 1, 2021, the Company initiated a program to raise capital through private placement offerings by selling beneficial interests in specific Delaware statutory trusts holding real properties (the "DST Program").

Amended Credit Facility

The Company has an existing credit facility made pursuant to that certain second amended and restated credit agreement, dated as of November 19, 2019, among the Operating Partnership, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, U.S. Bank National Association, as Revolving Credit Facility Documentation Agent, JPMorgan Chase Bank, N.A., as Existing Term Facility Documentation Agent, and Regions Bank, as Incremental Term Facility Documentation Agent (as previously amended, the "Credit Facility Agreement"). On May 6, 2021, pursuant to that certain first amendment and second incremental assumption agreement (the "Amendment"), the amount of aggregate revolving loan commitments under the Credit Facility Agreement were increased by \$115.0 million, bringing the maximum borrowing capacity under the revolving credit facility to \$430.0 million. The Borrower's existing revolving credit facility, as amended by the Amendment, is referred to herein as the "Amended Credit Facility." The Amended Credit Facility provides the Company, as the general partner of the Operating Partnership, with the ability from time to time to increase the size of the aggregate loan commitment under the agreement by an additional \$155.0 million up to a total of \$1.0 billion, subject to receipt of lender commitments and satisfaction of other conditions. Any increase to the size of the Amended Credit Facility may be in the form of an increase in the aggregate revolving loan commitments, the establishment of a term loan, or a combination of both. The maturity date of the Amended Credit Facility is November 19, 2023, and may be extended by the Company pursuant to a one-year extension option, subject to the continuing compliance with certain financial covenants, the payment of an extension fee and the satisfaction of other customary conditions. No other material changes were made to the Credit Facility Agreement.

Term Loan Agreement

On May 6, 2021, the Operating Partnership entered into a term loan credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent, Joint Lead Arranger and Joint Bookrunner, Wells Fargo Bank, National Association, Bank of America, N.A., PNC Bank, National Association, and Truist Bank as Co-Syndication Agents, Wells Fargo Securities, LLC, as Joint Lead Arranger and Joint Bookrunner, BofA Securities, Inc., PNC Capital Markets and Truist Securities, Inc., as Joint Lead Arrangers, and the lenders party thereto (the "Term Loan Agreement") for an aggregate principal amount of \$600.0 million (the "Term Loan"). The maturity date of the Term Loan is May 6, 2026.

Borrowings under the Term Loan will be charged interest based on (i) LIBOR plus a margin ranging from 1.35% to 2.20%, or (ii) an alternate base rate plus a margin of 0.35% to 1.20%. In each case, the applicable margin will vary depending on the Company's consolidated leverage ratio. Customary fall-back provisions will apply if LIBOR is unavailable. The alternate base rate is equal to the greatest of (a) the prime rate in effect on such day, (b) the NYFRB rate in effect on such day plus ½ of 1% and (c) the adjusted LIBOR rate for a one month interest period on such day (or if such day is not a business day, the immediately preceding business day) plus 1%; provided that for the purpose of this definition, the adjusted LIBOR rate for any day shall be based on the LIBOR screen rate (or if the LIBOR screen rate is not available for such one month interest period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the alternate base rate due to a change in the prime rate, the NYFRB rate or the adjusted LIBOR rate shall be effective from and including the effective date of such change in the prime rate, the NYFRB rate or the adjusted LIBOR rate, respectively. If either of the primary rate or the alternative base rate is less than zero, it will be deemed to be zero for purposes of the Term Loan.

Borrowings under the Term Loan will be available for general business purposes, including but not limited to debt refinancing, property acquisitions, new construction, renovations, expansions, tenant improvement, refinancing of existing lines, financing acquisitions of permitted investments, and closing costs and equity investments primarily associated with commercial real estate property acquisitions or refinancings. Borrowings under the Term Loan will be guaranteed by the Company and certain of its subsidiaries that own the assets that constitute the unencumbered asset pool under the Term Loan.

The Term Loan Agreement requires the maintenance of certain financial and borrowing base covenants including covenants concerning: (i) consolidated tangible net worth; (ii) consolidated fixed charge coverage ratio; (iii) consolidated leverage ratio; (iv) secured indebtedness; (v) secured recourse indebtedness; (vi) unencumbered property pool debt yield (prior to the equity release date); (vii) minimum total asset value; (viii) unencumbered interest coverage ratio (after the equity release date); (ix) unencumbered property pool leverage ratio; and (x) certain other unencumbered property pool criteria.

In addition, the Term Loan Agreement contains customary affirmative and negative covenants which, among other things, requires the Operating Partnership to deliver to the Term Loan lenders specified quarterly and annual financial information, and limit the Operating Partnership and/or its subsidiaries, subject to various exceptions and thresholds, from: (i) creating liens (other than certain permitted encumbrances, including any lien created in connection with certain permitted tax incentive transactions solely to secure repayment of a bond, note or other obligation owned by the Operating Partnership or its subsidiary) on the unencumbered property pool; (ii) merging with other companies or changing ownership interest; (iii) selling all or substantially all of its assets or properties; (iv) permitting certain transfers of a material interest in the Operating Partnership; (v) entering into transactions with affiliates, except on an arm's-length basis; (vi) making certain types of investments; (vii) if in default under the Term Loan Agreement, paying certain distributions or certain other payments to affiliates; and (viii) incurring indebtedness (subject to certain permitted indebtedness).

The Term Loan Agreement permits voluntary prepayment of principal and accrued interest without premium or penalty and contains various customary events of default, which are described therein. As is customary in such financings, if an event of default occurs under the Term Loan Agreement, the Term Loan lenders may accelerate the repayment of amounts outstanding under the Term Loan Agreement and exercise other remedies subject, in certain instances, to the expiration of an applicable cure period.

Second Amended and Restated Advisory Agreement

On May 1, 2021, the Company and the Operating Partnership entered into the Second Amended and Restated Advisory Agreement (2021) (the "Advisory Agreement") with the Advisor. The Advisory Agreement amends and restates the Amended and Restated Advisory Agreement (2021) to, among other things, clarify and reflect that the Advisor has provided and will continue to provide property accounting services with respect to each of the Company's real properties, which services relate to accounting for real property operations and are considered "property accounting" in the real estate industry ("Property Accounting Services"). The Property Accounting Services generally include the maintenance of the real property's books and records in accordance with United States generally accepted accounting principles and the Company's policies, procedures, and internal controls, in a timely manner, and the processing of real property-related cash receipts and disbursements. Examples include, but are not limited to, lease administration, monthly tenant billing and collections, rental revenue accounting, accounting for doubtful accounts, preparing rental expense recovery estimates and reconciliations, recording rental expenses, processing rental expense invoices and tenant reimbursement payments, accounting and budgeting for capital improvement projects, preparing and reviewing operating budgets, assisting in reporting and cash management for loan compliance purposes, and preparing account reconciliations and operating reports. Property Accounting Services do not include corporate-level accounting services such as, for example, consolidation, accounting and reporting analysis, and quality control reviews of accounting and reporting of third-party property accountants to ensure the accuracy, timeliness, and consistency of property accounting results. The Advisor receives a property accounting fee as consideration for providing Property Accounting Services, which is equal to the difference between: (i) the property management fee charged with respect to each real property (the "Property Management Fee"), which reflects the market rate for all real property management services, including Property Accounting Services, based on rates charged for similar properties within the region or market in which the real property is located, and (ii) the amount paid to third-party property management firms for property management services, which fee is based on an arms-length negotiation with a third-party property management service provider (the difference between (i) and (ii), the "Property Accounting Fee"). The cost of the Property Management Fee, including the Property Accounting Fee, is generally borne by the tenant or tenants at each real property, either via a direct reimbursement to the Company or, in the case of tenants subject to a gross lease, as part of the lease cost. In certain limited circumstances, the Company may pay for a portion of the Property Management Fee, including the Property Accounting Fee, without reimbursement from the tenant or tenants at a real property. In addition, the Advisory Agreement clarifies and reflects that advisors, consultants, and employees of the Advisor and its affiliates have received and may continue to receive certain equity awards under the Company's equity incentive plans at the discretion of the board of directors of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References to the terms "we," "our," or "us" refer to Black Creek Industrial REIT IV Inc. and its consolidated subsidiaries. The following discussion and analysis should be read together with our unaudited condensed consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes certain statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements relate to, without limitation, our ability to raise capital and effectively and timely deploy the net proceeds from our public offerings, the expected use of net proceeds from our public offerings, our reliance on the Advisor and BCI IV Advisors Group LLC (the "Sponsor"), our understanding of our competition and our ability to compete effectively, our financing needs, our expected leverage, the effects of our current strategies, rent and occupancy growth, general conditions in the geographic area where we will operate, our future debt and financial position, our future capital expenditures, future distributions and acquisitions (including the amount and nature thereof), other developments and trends of the real estate industry, investment strategies and the expansion and growth of our operations. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "project," or the negative of these words or other comparable terminology. These statements are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions, and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, present and future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- Our ability to raise capital and effectively deploy the net proceeds raised in our public offerings in accordance with our investment strategy and objectives;
 - The failure of properties to perform as we expect;
 - Risks associated with acquisitions, dispositions and development of properties;
 - Our failure to successfully integrate acquired properties and operations;
 - Unexpected delays or increased costs associated with any development projects;
 - The availability of cash flows from operating activities for distributions and capital expenditures;
 - Defaults on or non-renewal of leases by customers, lease renewals at lower than expected rent, or failure to lease properties at all or on favorable rents and terms;
 - Difficulties in economic conditions generally and the real estate, debt, and securities markets specifically, including those related to the COVID-19 pandemic;
 - Legislative or regulatory changes, including changes to the laws governing the taxation of real estate investment trusts ("REITs");
 - Our failure to obtain, renew, or extend necessary financing or access the debt or equity markets;
 - Conflicts of interest arising out of our relationships with the Sponsor, the Advisor, and their affiliates;
 - Risks associated with using debt to fund our business activities, including re-financing and interest rate risks;
 - Increases in interest rates, operating costs, or greater than expected capital expenditures;
 - Changes to GAAP; and
 - Our ability to continue to qualify as a REIT.
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Any of the assumptions underlying forward-looking statements could prove to be inaccurate. Our stockholders are cautioned not to place undue reliance on any forward-looking statements included in this Quarterly Report on Form 10-Q. All forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q and the risk that actual results will differ materially from the expectations expressed in this Quarterly Report on Form 10-Q will increase with the passage of time. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events, changed circumstances, or any other reason. In light of the significant uncertainties inherent in the forward-looking statements included in this Quarterly Report on Form 10-Q, including, without limitation, the risks described under “Risk Factors,” the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Quarterly Report on Form 10-Q will be achieved.

OVERVIEW

General

Black Creek Industrial REIT IV Inc. is a Maryland corporation formed on August 12, 2014 to make investments in income-producing real estate assets consisting primarily of high-quality distribution warehouses and other industrial properties that are leased to creditworthy corporate customers. We currently operate as a REIT for U.S. federal income tax purposes, and elected to be treated as a REIT beginning with our taxable year ended December 31, 2017. We utilize an Umbrella Partnership Real Estate Investment Trust (“UPREIT”) organizational structure to hold all or substantially all of our assets through the Operating Partnership.

We intend to conduct a continuous offering that will not have a predetermined duration, subject to continued compliance with the rules and regulations of the SEC and applicable state laws. In order to execute this strategy in compliance with federal securities laws, we intend to file new registration statements to replace existing registration statements, such that there will not be any lag from one offering to the next. On September 5, 2019, our initial public offering was terminated immediately upon the effectiveness of our registration statement for our second public offering of up to \$2.0 billion of shares of our common stock, and our second public offering commenced the same day. Under our second public offering, we are offering up to \$1.5 billion of shares of our common stock in the primary offering and up to \$500.0 million of shares of our common stock pursuant to our distribution reinvestment plan, in any combination of Class T shares, Class W shares and Class I shares. We may reallocate amounts between the primary offering and distribution reinvestment plan. Consistent with our strategy of providing a continuous public offering with unlimited duration, we have filed a registration statement for a third public offering, which we presently expect will take effect in the third quarter of 2021 and the second offering will be terminated immediately prior thereto.

Pursuant to our public offerings, we offered and continue to offer shares of our common stock at the “transaction price,” plus applicable selling commissions and dealer manager fees. The “transaction price” generally is equal to the net asset value (“NAV”) per share of our common stock most recently disclosed. Our NAV per share is calculated as of the last calendar day of each month for each of our outstanding classes of common stock, and is available generally within 15 calendar days after the end of the applicable month. Shares issued pursuant to our distribution reinvestment plan are offered at the transaction price, as indicated above, in effect on the distribution date. We may update a previously disclosed transaction price in cases where we believe there has been a material change (positive or negative) to our NAV per share relative to the most recently disclosed monthly NAV per share. See “Net Asset Value” below for further detail.

Additionally, we have initiated the DST Program. These private placement offerings will be exempt from registration requirements pursuant to Section 4(a)(2) of the Securities Act. We anticipate that these interests may serve as replacement properties for investors seeking to complete like-kind exchange transactions under Section 1031 of the Code. We expect that the DST Program will give us the opportunity to expand and diversify our capital raise strategies by offering what we believe to be an attractive and unique investment product for investors that may be seeking replacement properties to complete like-kind exchange transactions.

As of March 31, 2021, we had raised gross proceeds of approximately \$1.6 billion from the sale of 152.8 million shares of our common stock, including shares issued pursuant to our distribution reinvestment plan. See “Note 7 to the Condensed Consolidated Financial Statements” for information concerning our public offerings.

On July 15, 2020, we acquired minority ownership interests in two joint venture partnerships, the BTC I Partnership and the BTC II Partnership, with third party investors for \$301.0 million in cash paid at closing, exclusive of due diligence expenses and other closing costs. As of the date of acquisition, the joint venture partnerships’ aggregate real estate portfolios consisted of 64 acquired or completed buildings and 18 buildings under construction or in the pre-construction phase.

As of March 31, 2021, we owned and managed, either directly or through our minority ownership interests in our joint venture partnerships (which are presented as if we own a 100% interest), a total real estate portfolio that included 134 industrial buildings totaling approximately 30.8 million square feet located in 23 markets throughout the U.S., with 212 customers, and was 84.5% occupied (90.8% leased) with a weighted-average remaining lease term (based on square feet) of 4.8 years. The occupied rate reflects the square footage with a paying customer in place. The leased rate includes the occupied square footage and additional square footage with leases in place that have not yet commenced. As of March 31, 2021 our total real estate portfolio included:

- 124 industrial buildings totaling approximately 28.7 million square feet comprised our operating portfolio, which includes stabilized properties, and was 90.4% occupied (94.4% leased) with a weighted-average remaining lease term (based on square feet) of approximately 4.8 years; and
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- 10 industrial buildings totaling approximately 2.1 million square feet comprised our value-add portfolio, which includes buildings acquired with the intention to reposition or redevelop, or buildings recently completed which have not yet reached stabilization. We generally consider a building to be stabilized on the earlier to occur of the first anniversary of a building's shell completion or a building achieving 90% occupancy.

Through March 31, 2021, we had directly acquired 67 buildings comprised of approximately 13.4 million square feet for an aggregate total purchase price of approximately \$1.4 billion, as well as the minority ownership interests in the two joint venture partnerships, as described above. Of our total portfolio, we owned and managed 67 buildings totaling approximately 17.3 million square feet through our minority ownership interests in our joint venture partnerships (as described in "Note 4 to the Condensed Consolidated Financial Statements"). In addition, as of March 31, 2021, through our minority joint venture partnerships, we owned and managed 13 buildings either under construction or in the pre-construction phase totaling approximately 4.6 million square feet. We have disposed of, through our minority ownership interests in our joint venture partnerships, three buildings comprised of approximately 0.7 million square feet for an aggregate sales price of \$125.0 million. Also, through our minority ownership interests in our joint venture partnerships, we completed the development of six industrial buildings comprising an aggregate of 1.5 million square feet and total costs to complete the development of approximately \$169.3 million through March 31, 2021. We funded these acquisitions and development activity primarily with proceeds from our public offerings, institutional equity and debt financings.

We have used, and intend to continue to use, the net proceeds from our offerings primarily to make investments in real estate assets. We may use the net proceeds from our offerings to make other real estate-related investments and debt investments and to pay distributions. The number and type of properties we may acquire and debt and other investments we may make will depend upon real estate market conditions, the amount of proceeds we raise in our offerings, and other circumstances existing at the time we make our investments.

Our primary investment objectives include the following:

- preserving and protecting our stockholders' capital contributions;
- providing current income to our stockholders in the form of regular distributions; and
- realizing capital appreciation upon the potential sale of our assets or other liquidity events.

There is no assurance that we will attain our investment objectives. Our charter places numerous limitations on us with respect to the manner in which we may invest our funds. In most cases these limitations cannot be changed unless our charter is amended, which may require the approval of our stockholders.

We may acquire assets free and clear of mortgage or other indebtedness by paying the entire purchase price in cash or equity securities, or a combination thereof, and we may selectively encumber all or only certain assets with debt. The proceeds from our borrowings may be used to fund investments, make capital expenditures, pay distributions, and for general corporate purposes.

We expect to manage our corporate financing strategy under the current mortgage lending and corporate financing environment by considering various lending sources, which may include long-term fixed-rate mortgage loans, unsecured or secured lines of credit or term loans, private placement or public bond issuances, and the assumption of existing loans in connection with certain property acquisitions, or any combination of the foregoing.

Net Asset Value

Our board of directors, including a majority of our independent directors, has adopted valuation procedures, as amended from time to time, that contain a comprehensive set of methodologies to be used in connection with the calculation of our NAV. With the approval of our board of directors, including a majority of our independent directors, we have engaged Altus Group U.S., Inc., a third-party valuation firm, to serve as our independent valuation advisor ("Altus Group" or the "Independent Valuation Advisor") with respect to providing monthly real property appraisals, reviewing annual third-party real property appraisals, reviewing the internal valuations of debt-related assets and liabilities performed by our Advisor, helping us administer the valuation process for the real properties in our portfolio, and assisting in the development and review of our valuation procedures. As part of this process, our Advisor reviews the estimates of the values of our real property portfolio, real estate-related assets, and other assets and liabilities within our portfolio for consistency with our valuation guidelines and the overall reasonableness of the valuation conclusions, and informs our board of directors of its conclusions. Although the Independent Valuation Advisor or other pricing sources may consider any comments received from us or our Advisor or other valuation sources for their individual valuations, the final estimated fair values of our real property assets are determined by the Independent Valuation Advisor and real estate-related assets and other assets and liabilities are determined by the applicable pricing source, subject to the oversight of our board of directors. With respect to the valuation of our real property assets, the Independent Valuation Advisor provides our board of directors with periodic valuation reports and is available to meet with our board of directors to review valuation information, as well as our valuation guidelines and the operation and results of the valuation process generally. Unconsolidated real property assets held through joint ventures or partnerships are valued by such joint ventures or partnerships according to their valuation procedures. At least once per calendar year, each unconsolidated real property asset will be appraised by a third-party appraiser. If the valuation procedures of the applicable joint ventures or partnerships do not accommodate a monthly determination of the fair value of real property assets, we will determine the estimated fair value of the unconsolidated real property assets for those interim periods. All parties engaged by us in connection with the calculation of our NAV, including our Advisor, are subject to the oversight of our board of directors. Our board of directors has the right to engage additional valuation firms and pricing sources to review the valuation process or valuations.

if deemed appropriate. At least once each calendar year our board of directors, including a majority of our independent directors, reviews the appropriateness of our valuation procedures with input from the Independent Valuation Advisor. From time to time our board of directors, including a majority of our independent directors, may adopt changes to the valuation procedures if it: (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination; or (2) otherwise reasonably believes a change is appropriate for the determination of NAV. We will publicly announce material changes to our valuation procedures or the identity or role of the Independent Valuation Advisor or ALPS Fund Services Inc. See Exhibit 99.2 of this Quarterly Report on Form 10-Q for a more detailed description of our valuation procedures, including important disclosures regarding real property valuations provided by the Independent Valuation Advisor.

Our valuation procedures, which address specifically each category of our assets and liabilities and are applied separately to the preparation of our financial statements in accordance with GAAP, involve adjustments from historical cost. There are certain factors which cause NAV to be different from net book value on a GAAP basis. Most significantly, the valuation of our real estate assets, which is the largest component of our NAV calculation, is provided to us by the Independent Valuation Advisor on a monthly basis. For GAAP purposes, these assets are generally recorded at depreciated or amortized cost. Other examples that will cause our NAV to differ from our GAAP net book value include the straight-lining of rent, which results in a receivable for GAAP purposes that is not included in the determination of our NAV. Third party appraisers may value our individual real estate assets using appraisal standards that deviate from fair value standards under GAAP. The use of such appraisal standards may cause our NAV to deviate from GAAP fair value principles. We did not develop our valuation procedures with the intention of complying with fair value concepts under GAAP and, therefore, there could be differences between our fair values and the fair values derived from the principal market or most advantageous market concepts of establishing fair value under GAAP.

As used below, “Fund Interests” means our outstanding shares of common stock, along with the partnership units in our operating partnership (“OP Units”), which may be held directly or indirectly by the Advisor, the Sponsor and third parties, and “Aggregate Fund NAV” means the NAV of all of the Fund Interests.

The following table sets forth the components of Aggregate Fund NAV as of March 31, 2021 and December 31, 2020:

(in thousands)	As of	
	March 31, 2021	December 31, 2020
Investments in industrial properties	\$ 1,549,650	\$ 1,453,200
Investment in unconsolidated joint venture partnerships	385,633	375,488
Cash and cash equivalents	232,500	232,369
Other assets	12,348	12,606
Line of credit, term loan and mortgage notes	(582,750)	(582,750)
Other liabilities	(27,766)	(43,248)
Accrued performance component of advisory fee	(4,180)	(9,640)
Accrued fixed component of advisory fee	(1,454)	(1,345)
Aggregate Fund NAV	\$ 1,563,981	\$ 1,436,680
Total Fund Interests outstanding	153,285	141,632

The following table sets forth the NAV per Fund Interest as of March 31, 2021:

(in thousands, except per Fund Interest data)	Total	Class T Shares	Class W Shares	Class I Shares	OP Units
Monthly NAV	\$ 1,563,981	\$ 1,417,893	\$ 93,065	\$ 39,644	\$ 13,379
Fund Interests outstanding	153,285	138,967	9,121	3,886	1,311
NAV Per Fund Interest	\$ 10.2031	\$ 10.2031	\$ 10.2031	\$ 10.2031	\$ 10.2031

The fair values of our assets and certain liabilities are determined using widely accepted methodologies and, as appropriate, the GAAP principles within the FASB Accounting Standards Codification under Topic 820, Fair Value Measurements and Disclosures (“ASC Topic 820”) and are used by ALPS Fund Services Inc. in calculating our NAV per share. However, our valuation procedures and our NAV are not subject to GAAP and will not be subject to independent audit.

Under GAAP, we record liabilities for ongoing distribution fees that (i) we currently owe under the terms of the dealer manager agreement and (ii) we estimate we may pay to the Dealer Manager in future periods for shares of our common stock. As of March 31, 2021, we estimated approximately \$47.2 million of ongoing distribution fees were potentially payable to the Dealer Manager. We do not deduct the liability for estimated future distribution fees in our calculation of NAV since we intend for our NAV to reflect our estimated value on the date that we determine our NAV. Accordingly, our estimated NAV at any given time does not include consideration of any estimated future distribution fees that may become payable after such date.

Other liabilities as of December 31, 2020 include a \$17.1 million liability to reimburse the Advisor for outstanding organization and offering expenses that the Advisor paid on behalf of the Company prior to December 31, 2020. Our board of directors determined to accelerate this reimbursement in December 2020, and we have since repaid the entire outstanding balance. Accordingly, we recognized the entire outstanding liability and expense in December for purposes of determining our December NAV. We reimbursed the Advisor in full in January 2021.

Investment in unconsolidated joint venture partnerships as of March 31, 2021 includes a minority interest discount on the real property valuation component of the unconsolidated joint venture valuations to account for the restricted salability or transferability of those real properties given our minority ownership interests in the BTC Partnerships. We estimate the fair value of our minority ownership interests in the BTC Partnerships as of March 31, 2021 would have been \$37.5 million higher if a minority discount had not been applied, meaning that if we used the estimated fair value without the application of the minority discount, our NAV would have been higher by approximately \$37.5 million, or \$0.24 per share, not taking into account all of the other items that impact our monthly NAV, as of March 31, 2021. Because we are currently exploring strategic alternatives for BTC I, we have adjusted certain assumptions regarding the liquidity discount and currently anticipate that a portion of the total discount will be eliminated on or before June 30, 2021, thereby having a positive impact on our NAV, not taking into account all of the other items that impact our monthly NAV and may offset the impact of the partial elimination of the discount to some extent, such as transaction expenses associated with any strategic alternative.

We include no discounts to our NAV for the illiquid nature of our shares, including the limitations on our stockholders' ability to redeem shares under our share redemption program and our ability to suspend or terminate our share redemption program at any time. Our NAV generally does not consider exit costs (e.g. selling costs and commissions related to the sale of a property) that would likely be incurred if our assets and liabilities were liquidated or sold today. While we may use market pricing concepts to value individual components of our NAV, our per share NAV is not derived from the market pricing information of open-end real estate funds listed on stock exchanges.

Our NAV is not a representation, warranty or guarantee that: (i) we would fully realize our NAV upon a sale of our assets; (ii) shares of our common stock would trade at our per share NAV on a national securities exchange; and (iii) a stockholder would be able to realize the per share NAV if such stockholder attempted to sell his or her shares to a third party.

The valuations of our real property as of March 31, 2021, were provided by the Independent Valuation Advisor in accordance with our valuation procedures. The aggregate real property valuation of \$1.55 billion compares to a GAAP basis of real properties (net of intangible lease liabilities and before accumulated amortization and depreciation) of \$1.46 billion, representing an increase of approximately \$89.7 million, or 6.1%. Certain key assumptions that were used by the Independent Valuation Advisor in the discounted cash flow analysis are set forth in the following table:

	Weighted-Average Basis
Exit capitalization rate	5.3 %
Discount rate / internal rate of return	6.3 %
Average holding period (years)	10.1

A change in the exit capitalization and discount rates used would impact the calculation of the value of our real properties. For example, assuming all other factors remain constant, the changes listed below would result in the following effects on the value of our real properties:

Input	Hypothetical Change	Increase (Decrease) to the NAV of Real Properties
Exit capitalization rate (weighted-average)	0.25% decrease	3.4 %
	0.25% increase	(3.1)%
Discount rate (weighted-average)	0.25% decrease	2.0 %
	0.25% increase	(2.0)%

From November 1, 2017 through January 31, 2020, we valued our debt-related investments and real estate-related liabilities generally in accordance with fair value standards under GAAP. Beginning with our valuation for February 29, 2020, our property-level mortgages and corporate-level credit facilities that are intended to be held to maturity (which for fixed rate debt not subject to interest rate hedges may be the date near maturity at which time the debt will be eligible for prepayment at par for purposes herein), including those subject to interest rate hedges, were valued at par (i.e. at their respective outstanding balances). In addition, because we utilize interest rate hedges to stabilize interest payments (i.e. to fix all-in interest rates through interest rate swaps or to limit interest rate exposure through interest rate caps) on individual loans, each loan and associated interest rate hedge is treated as one financial instrument which is valued at par if intended to be held to maturity. This policy of valuing at par applies regardless of whether any given interest rate hedge is considered as an asset or liability for GAAP purposes. We currently estimate the fair value of our debt (inclusive of associated interest rate hedges) that was intended to be held to maturity as of March 31, 2021 was \$10.2 million higher than par for such debt in aggregate, meaning that if we used the fair value of our debt rather than par (and treated the associated hedge as part of the same financial instrument), our NAV would have been lower by approximately \$10.2 million, or \$0.06 per share, not taking into account all of the other items that impact our monthly NAV, as of March 31, 2021. As of March 31, 2021, we classified all of our debt as intended to be held to maturity. See "Performance" below for further information concerning the impact of interest rate movements on our share returns assuming we continue to include the mark-to-market adjustments for all borrowing-related interest rate hedge and debt instruments.

Reconciliation of Stockholders' Equity and Noncontrolling Interests to NAV

The following table reconciles stockholders' equity and noncontrolling interests per our condensed consolidated balance sheet to our NAV as of March 31, 2021:

(in thousands)	As of March 31, 2021
Total stockholder's equity	\$ 1,270,834

Noncontrolling interests	126
Total equity under GAAP	1,270,960
Adjustments:	
Accrued distribution fee (1)	46,175
Unrealized net real estate, debt and interest rate hedge appreciation (depreciation) (2)	97,970
Unrealized gain (loss) on investments in unconsolidated joint venture partnerships (3)	64,630
Accumulated depreciation and amortization (4)	80,208
Other adjustments (5)	4,038
Aggregate Fund NAV	\$ 1,563,981

- (1) Accrued distribution fee represents the accrual for the full cost of the distribution fee for Class T and Class W shares. Under GAAP, we accrued the full cost of the distribution fee payable over the life of each share (assuming such share remains outstanding the length of time required to pay the maximum distribution fee) as an offering cost at the time we sold the Class T and Class W shares. For purposes of calculating the NAV, we recognize the distribution fee as a reduction of NAV on a monthly basis when such fee is paid and do not deduct the liability for estimated future distribution fees that may become payable after the date as of which our NAV is calculated
- (2) Our investments in real estate are presented as historical cost in our condensed consolidated financial statements. Additionally, our mortgage notes, term loans and line of credit are presented at their carrying value in our condensed consolidated financial statements. As such, any increases or decreases in the fair market value of our investments in real estate or our debt instruments are not included in our GAAP results. For purposes of determining our NAV, our investments in real estate and certain of debt are recorded at fair value. Notwithstanding, our property-level mortgages and corporate-level credit facilities that are intended to be held to maturity, including those subject to interest rates hedges, are valued at par (i.e. at their respective outstanding balances).
- (3) Our investments in unconsolidated joint venture partnerships are presented under historical cost in our condensed consolidated financial statements. As such, any increases or decreases in the fair market value of the underlying investments or underlying debt instruments are not included in our GAAP results. For purposes of determining our NAV, the investments in the underlying real estate and certain of the underlying debt are recorded at fair value, and reflected in our NAV at our proportional ownership interest.
- (4) We depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization is not recorded for purposes of determining our NAV.
- (5) Includes (i) straight-line rent receivables, which are recorded in accordance with GAAP but not recorded for purposes of determining our NAV (ii) redeemable noncontrolling interests related to our OP Units, which are included in our determination of NAV but not included in total equity, and (iii) other minor adjustments.

Performance

Our NAV increased from \$10.1437 per share as of December 31, 2020 to \$10.2031 per share as of March 31, 2021. The increase in NAV was primarily driven by the performance of our real estate portfolio, including the acquisition of two operating properties acquired during the three months ended March 31, 2021, for an aggregate purchase price of over \$79.9 million, exclusive of due diligence expenses and other closing costs, as well as the performance of our interests in the BTC Partnerships' real estate portfolio.

As noted above, effective February 29, 2020, our board of directors approved amendments to our valuation procedures which revised the way we value property-level mortgages, corporate-level credit facilities and associated interest rate hedges when loans, including associated interest rate hedges, are intended to be held to maturity, effectively eliminating all mark-to-market adjustments for such loans and hedges from the calculation of our NAV. The following table summarizes the impact of interest rate movements on our returns assuming we continued to include the mark-to-market adjustments for all borrowing-related interest rate hedge and debt instruments beginning with the February 29, 2020 NAV:

(as of March 31, 2021)	Trailing Three-Months (1)	Year-to-Date (1)	One-Year (Trailing 12-Months) (1)	Since NAV Inception Annualized (1)(2)(3)
Class T Share Total Return (with Sales Charge) (3)	(2.87)%	(2.87)%	1.20 %	3.75 %
Adjusted Class T Share Total Return (with Sales Charge) (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	(2.62)%	(2.62)%	1.17 %	3.60 %
Difference	(0.25)%	(0.25)%	0.03 %	0.15 %
Class T Share Total Return (without Sales Charge) (3)	1.71 %	1.71 %	5.97 %	5.16 %
Adjusted Class T Share Total Return (without Sales Charge) (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	1.97 %	1.97 %	5.94 %	5.01 %
Difference	(0.26)%	(0.26)%	0.03 %	0.15 %
Class W Share Total Return (3)	1.82 %	1.82 %	6.47 %	5.80 %
Adjusted Class W Share Total Return (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	2.08 %	2.08 %	6.44 %	5.61 %
Difference	(0.26)%	(0.26)%	0.03 %	0.19 %
Class I Share Total Return (3)	1.94 %	1.94 %	6.99 %	6.19 %
Adjusted Class I Share Total Return (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	2.20 %	2.20 %	6.96 %	6.04 %
Difference	(0.26)%	(0.26)%	0.03 %	0.15 %

- (1) Performance is measured by total return, which includes income and appreciation (i.e., distributions and changes in NAV) and reinvestment of all distributions (“Total Return”) for the respective time period. Past performance is not a guarantee of future results. Performance data quoted above is historical. Current performance may be higher or lower than the performance data quoted. Actual individual stockholder returns will vary. The returns have been prepared using unaudited data and valuations of the underlying investments in our portfolio, which are estimates of fair value and form the basis for our NAV. Valuations based upon unaudited or estimated reports from the underlying investments may be subject to later adjustments or revisions, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated on any given day.
- (2) The inception date for Class I shares and Class T shares was November 1, 2017, which is when shares of our common stock were first issued to third-party investors in our initial public offering. The inception date for Class W shares was July 2, 2018, which is when Class W shares of common stock were first issued to third-party investors.
- (3) The Total Returns presented are based on the actual NAVs at which stockholders transacted, calculated pursuant to our valuation procedures. With respect to the “Class T Share Total Return (with Sales Charge),” the Total Returns are calculated assuming the stockholder also paid the maximum upfront selling commission, dealer manager fee and ongoing distribution fees in effect during the time period indicated. With respect to “Class T Share Total Return (without Sales Charge),” the Total Returns are calculated assuming the stockholder did not pay any upfront selling commission or dealer manager fee, but did pay the maximum ongoing distribution fees in effect during the time period indicated. From NAV inception to January 31, 2020, these NAVs reflected mark-to-market adjustments on our borrowing-related debt instruments and our borrowing-related interest rate hedge positions.
- (4) The Adjusted Total Returns presented are based on adjusted NAVs calculated as if we had continued to mark our borrowing-related hedge and debt instruments to market following a policy change to largely exclude borrowing-related interest rate hedge and debt marks to market from our NAV calculations (except in certain circumstances pursuant to our valuation procedures), beginning with our NAV calculated as of February 29, 2020. Therefore, the NAVs used in the calculation of Adjusted Total Returns were calculated in the same manner as the NAVs used in the calculation of the unadjusted total return for periods through January 31, 2020. The Adjusted Total Returns include the incremental impact of the adjusted NAVs on advisory fees and performance fees; however, they do not include the incremental impact that the adjusted NAVs would have had on any expense support from our Advisor, or the prices

at which shares were purchased in our public offerings or pursuant to our share redemption program. For calculation purposes, transactions in our common stock were assumed to occur at the adjusted NAVs.

Impacts of COVID-19

The global pandemic and resulting shut down of large parts of the U.S. economy has created significant uncertainty and enhanced investment risk across many asset classes, including real estate. The extent of the impact on the commercial real estate sector continues to vary dramatically across real estate property types and markets, with certain property segments affected particularly harshly. While not immune to the effects of COVID-19, the industrial property sector continues to remain relatively resilient and we believe we are well-positioned to navigate this unprecedented period. During the year ended December 31, 2020, we raised \$968.6 million of gross equity capital from our public offering. As of March 31, 2021 we have \$2.2 billion in assets under management, which includes the fair value of our real estate investments, the fair value of our net investment in joint venture partnerships of \$385.6 and \$232.5 million in cash and cash equivalents. Additionally, we have leverage of 26.9% as of March 31, 2021, which is calculated as our total borrowings outstanding divided by the fair value of our real property plus our investment in unconsolidated joint venture partnerships and cash and cash equivalents. See “—Liquidity and Capital Resources—Capital Resources and Uses of Liquidity—Offering Proceeds” for further information concerning capital raised thus far in 2021. As of March 31, 2021, we owned and managed, either directly or through our minority ownership interests in our joint venture partnerships, a total real estate portfolio comprised of 134 industrial buildings totaling 30.8 million square feet, with 212 customers, spanning a multitude of industries and sectors across 23 markets, with a strategic weighting towards top tier markets where we have historically seen the lowest volatility combined with positive returns over time. Our total portfolio was 84.5% occupied (90.8% leased) as of March 31, 2021, with a weighted-average remaining lease term (based on square feet) of 4.8 years, and our operating portfolio was 90.4% occupied (94.4% leased). During the three months ended March 31, 2021, we leased approximately 2.3 million square feet, which included 1.9 million square feet of new and future leases and 0.4 million square feet of renewals, through 17 separate transactions with an average annual base rent of \$7.09 per square foot. Future leases represent new leases for units that are entered into while the units are occupied by the current customer.

Our asset management teams worked directly with our customers to manage through these turbulent times and where appropriate, we restructured leases to position ourselves to recapture abated rent over time, however as of March 31, 2021, contractual rent collections are consistent with average annual collections prior to the pandemic. We can provide no assurances that we will be able to recover unpaid rent.

While the uncertain length and depth of the damage from business disruptions remain a risk, we believe our NAV as of March 31, 2021 currently reflects this uncertainty. During 2020, we experienced brief periods of decreased deployment due to increased demand for industrial properties, as well as the effects of COVID-19. However, we have started 2021 strong with the acquisition of two buildings in two markets for \$79.9 million and we believe our strong balance sheet and ability as an operator will allow us to be a patient buyer of assets in order to maximize long-term total return.

RESULTS OF OPERATIONS

Summary of 2021 Activities

During the three months ended March 31, 2021, we completed the following activities:

- Our NAV was \$10.2031 per share as of March 31, 2021 as compared to \$10.1437 per share as of December 31, 2020.
- We raised \$114.2 million of gross equity capital from our public offerings.
- We directly acquired two industrial buildings comprised of 0.6 million square feet for an aggregate purchase price of approximately \$79.9 million, which is equal to the total consideration paid. We funded these acquisitions with proceeds from our public offerings and debt financings.
- We leased approximately 2.3 million square feet, which included 1.9 million square feet of new and future leases and 0.4 million square feet of renewals through 17 separate transactions with an average annual base rent of \$7.09 per square foot.
- We, through our 26.8% ownership interest in the BTC I Partnership, completed the development of two industrial buildings comprising 0.3 million square feet for aggregate total costs to complete the development of approximately \$53.5 million.
- We, through our 8.0% ownership interest in the BTC II Partnership, completed the development of one industrial building comprising 0.3 million square feet for aggregate total costs to complete the development of approximately \$24.1 million. Additionally, the BTC II Partnership sold three industrial buildings for an aggregate sales price of \$125.0 million and recorded a gain of \$47.3 million related to this disposal. Our share of the gain related to this disposal is \$2.3 million, which includes a write-off of outside basis of \$1.5 million.
- As of March 31, 2021, our joint venture partnerships had seven buildings under construction totaling approximately 2.7 million square feet and six buildings in the pre-construction phase for an additional 1.9 million square feet.

Portfolio Information

Our total owned and managed portfolio was as follows:

(square feet in thousands)	As of		
	March 31, 2021	December 31, 2020	March 31, 2020
Portfolio data:			
Consolidated buildings (1)	67	65	46
Unconsolidated buildings (1)	67	67	—
Total buildings	134	132	46
Rentable square feet of consolidated buildings (1)	13,421	12,810	8,624
Rentable square feet of unconsolidated buildings (1)	17,329	17,531	—
Total rentable square feet	30,750	30,341	8,624
Total number of customers (2)	212	205	101
Percent occupied of operating portfolio (2)(3)	90.4 %	91.0 %	97.1 %
Percent occupied of total portfolio (2)(3)	84.5 %	84.9 %	97.1 %
Percent leased of operating portfolio (2)(3)	94.4 %	94.2 %	98.3 %
Percent leased of total portfolio (2)(3)	90.8 %	87.8 %	98.3 %

(1) Represents acquired or completed buildings.

(2) Represents our total portfolio of owned and managed properties, including our consolidated and unconsolidated properties. Unconsolidated properties are those owned through our minority ownership interests in our joint venture partnerships. Properties owned through our joint venture partnerships are shown as if we owned a 100% interest. See “Note 4 to the Condensed Consolidated Financial Statements” for more details on our joint venture partnerships.

(3) See “Overview—General” above for a description of our operating portfolio and our total portfolio (which includes our operating and value-add portfolios) and for a description of the occupied and leased rates.

Results for the Three Months Ended March 31, 2021 Compared to the Same Period in 2020

The following table summarizes the changes in our results of operations for the three months ended March 31, 2021 as compared to the same period in 2020. We evaluate the performance of consolidated operating properties we own and manage using a same store analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of any material changes in the composition of the aggregate portfolio on performance measures. We have defined the same store portfolio to include consolidated operating properties owned for the entirety of both the current and prior reporting periods for which the operations had been stabilized. Unconsolidated properties are excluded from the same store portfolio because we account for our interests in the joint venture partnerships using the equity method of accounting; therefore, our proportionate share of income and loss is recognized in income (loss) of unconsolidated joint venture partnerships on the condensed consolidated statements of operations. "Other properties" includes buildings not meeting the same store criteria. The same store operating portfolio for the three month periods presented below include 45 buildings totaling approximately 8.5 million square feet owned as of January 1, 2020, which represented 63.2% of total consolidated rentable square feet, 68.2% of total revenues, and 68.6% of net operating income (loss) for the three months ended March 31, 2021.

(in thousands, except per share data)	For the Three Months Ended March 31,		Change	%Change
	2021	2020		
Rental revenues:				
Same store operating properties	\$ 16,405	\$ 16,777	\$ (372)	(2.2)%
Other properties	7,663	—	7,663	100.0 %
Total rental revenues	24,068	16,777	7,291	43.5 %
Rental expenses:				
Same store operating properties	(3,728)	(4,088)	360	8.8 %
Other properties	(1,847)	—	(1,847)	100.0 %
Total rental expenses	(5,575)	(4,088)	(1,487)	(36.4)%
Net operating income:				
Same store operating properties	12,677	12,689	(12)	(0.1)%
Other properties	5,816	—	5,816	100.0 %
Total net operating income	18,493	12,689	5,804	45.7 %
Other income and expenses:				
Real estate-related depreciation and amortization	(13,859)	(9,720)	(4,139)	(42.6)%
General and administrative expenses	(2,249)	(1,651)	(598)	(36.2)%
Advisory fees, related party	(8,115)	(2,060)	(6,055)	NM
Acquisition costs and reimbursements	(977)	(859)	(118)	(13.7)%
Equity in income from unconsolidated joint venture partnerships	1,569	—	1,569	100.0 %
Interest expense and other	(3,688)	(2,876)	(812)	(28.2)%
Total expense support from the Advisor, net	—	4,534	(4,534)	100.0 %
Total expenses	(27,319)	(12,632)	(14,687)	NM
Net (loss) income	(8,826)	57	(8,883)	NM
Net loss attributable to redeemable noncontrolling interest	77	—	77	100.0 %
Net income attributable to noncontrolling interests	(4)	—	(4)	100.0 %
Net (loss) income attributable to common stockholders	<u>\$ (8,753)</u>	<u>\$ 57</u>	<u>\$ (8,810)</u>	<u>NM</u>
Weighted-average shares outstanding	148,795	74,633	74,162	
Net (loss) income per common share - basic and diluted	<u>\$ (0.06)</u>	<u>\$ 0.00</u>	<u>\$ (0.06)</u>	

Rental Revenues. Rental revenues are comprised of rental income, straight-line rent, and amortization of above- and below-market lease assets and liabilities. Total rental revenues increased by approximately \$7.3 million, or 43.5% for the three months ended March 31, 2021, as compared to the same period in 2020, primarily due to an increase in non-same store revenues, which was attributable to the significant growth in our portfolio. For the three months ended March 31, 2021, non-same store rental revenues reflect the addition of 22 buildings we have acquired since January 1, 2020. Same store rental revenues decreased by \$0.4 million, or 2.2%, as compared to the same period in 2020, primarily due to a decrease in prior year recoverable expenses due to the resolution of a tax appeal, which resulted in a decrease to recovery revenue, partially offset by an increase in current year recovery revenue.

Rental Expenses. Rental expenses include certain property operating expenses typically reimbursed by our customers, such as real estate taxes, property insurance, property management fees, repair and maintenance, and utilities. Total rental expenses increased by approximately \$1.5 million, or 36.4% for the three months ended March 31, 2021, as compared to the same period in 2020, primarily due to an increase in non-same store rental expenses attributable to the significant growth in our portfolio since January 1, 2020. Same store rental expenses decreased by \$0.4 million, or 8.8%, for the three months ended March 31, 2021, as compared to the same period in 2020, primarily due to the resolution of a prior year tax appeal related to one of our properties, resulting in a decrease of recoverable expenses, partially offset by an increase in repairs and maintenance, including higher snow removal costs.

Other Expenses. Other expenses, in aggregate, increased by approximately \$14.7 million for the three months ended March 31, 2021, as compared to the same period in 2020, primarily due to the following:

- an increase in advisory fees of \$6.1 million for the three months ended March 31, 2021, as a result of the growth in our portfolio as compared to the same period in 2020;
- an increase in real estate-related depreciation and amortization expense and general and administrative expenses totaling an



aggregate amount of \$4.7 million for the three months ended March 31, 2021, as a result of the growth in our portfolio as compared to the same period in 2020;

- a net decrease in the expense support from the Advisor of \$4.5 million for the three months ended March 31, 2021, due to the \$4.5 million of net expense support received for the three months ended March 31, 2020. The expense support agreement was not renewed after the expiration of its effective term on December 31, 2020 and, accordingly, we did not receive any expense support from the Advisor for the three months ended March 31, 2021.

Partially offset by:

- an increase in equity in income from unconsolidated joint venture partnerships of \$1.6 million for the three months ended March 31, 2021, due to the timing of the acquisition of the BTC Partnerships in the third quarter of 2020.

Generally, we are prohibited by our charter from incurring total operating expenses which, at the end of the four preceding fiscal quarters exceeds the greater of: (i) 2.0% of our average invested assets, or (ii) 25.0% of our net income determined without reduction for any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of our assets for that period (the “2%/25% Limitation”). Notwithstanding the above, we may incur operating expenses in excess of this limitation if a majority of our independent directors determines that such excess expenses are justified based on unusual and non-recurring factors. Due to the operating expenses we incurred for the fiscal quarter ended March 31, 2021, our total operating expenses exceeded the 2%/25% Limitation. Based upon a review of unusual and non-recurring factors, including but not limited to a significant spike in capital raised from our public offering in the first quarter of 2020, which we are still working to deploy as we continue to build our real estate portfolio, and an increase in the performance component of the advisory fee as a result of our receipt of the BTC I Partnership promote in December 2020, the majority of our independent directors determined that the excess expenses were justified. For these purposes, operating expenses exclude rental expenses, real estate-related depreciation and amortization expense, interest expense, acquisition expenses, taxes and impairments.

ADDITIONAL MEASURES OF PERFORMANCE

Net Loss and Net Operating Income (“NOI”)

We define NOI as GAAP rental revenues less GAAP rental expenses. We consider NOI to be an appropriate supplemental performance measure and believe NOI provides useful information to our investors regarding our results of operations because NOI reflects the operating performance of our properties and excludes certain items that are not considered to be controllable in connection with the management of the properties, such as real estate-related depreciation and amortization, acquisition-related expenses, impairment charges, general and administrative expenses and interest expense. However, NOI should not be viewed as an alternative measure of our financial performance since it excludes such expenses, which expenses could materially impact our results of operations. Further, our NOI may not be comparable to that of other real estate companies as they may use different methodologies for calculating NOI. Therefore, we believe our net income (loss), as defined by GAAP, to be the most appropriate measure to evaluate our overall performance. Refer to “Results of Operations” above for a reconciliation of our GAAP net income (loss) to NOI for the three months ended March 31, 2021 and 2020.

Funds from Operations (“FFO”) and Modified Funds from Operations (“MFFO”)

We believe that FFO, and MFFO, in addition to net income (loss) and cash flows from operating activities as defined by GAAP, are useful supplemental performance measures that our management uses to evaluate our consolidated operating performance. However, these supplemental, non-GAAP measures should not be considered as an alternative to net income (loss) or to cash flows from operating activities as an indication of our performance and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders. No single measure can provide users of financial information with sufficient information and only our disclosures read as a whole can be relied upon to adequately portray our financial position, liquidity, and results of operations. Fees deferred or waived by the Advisor and payments received from the Advisor and/or reimbursed to the Advisor pursuant to the expense support agreement are included in determining our net income (loss), which is used to determine FFO and MFFO. If we had not received support from the Advisor and/or reimbursed the Advisor pursuant to the expense support agreement, our FFO and MFFO would have been lower or higher. In addition, other REITs may define FFO and similar measures differently and choose to treat acquisition-related costs and potentially other accounting line items in a manner different from us due to specific differences in investment and operating strategy or for other reasons.

FFO. As defined by the National Association of Real Estate Investment Trusts (“NAREIT”), FFO is a non-GAAP measure that excludes certain items such as real estate-related depreciation and amortization. We believe FFO is a meaningful supplemental measure of our operating performance that is useful to investors because depreciation and amortization in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. We use FFO as an indication of our consolidated operating performance and as a guide to making decisions about future investments.

MFFO. As defined by the Institute for Portfolio Alternatives (“IPA”), MFFO is a non-GAAP supplemental financial performance measure used to evaluate our operating performance. Similar to FFO, MFFO excludes items such as real estate-related depreciation and amortization. MFFO excludes acquisition-related costs, straight-line rent and amortization of above- and below-market leases. In addition, there are certain other MFFO adjustments as defined by the IPA that are not applicable to us and are not included in our presentation of MFFO.

We are in the acquisition phase of our life cycle. Management does not include historical acquisition-related costs in its evaluation of future operating performance, as such costs are not expected to be incurred once our acquisition phase is complete. We use FFO and MFFO to, among other things: (i) evaluate and compare the potential performance of the portfolio after the acquisition phase is complete, and (ii) evaluate potential performance to determine liquidity event strategies. Although some REITs may present similar measures differently from us, we believe FFO and MFFO generally facilitate a comparison to other REITs that have similar operating characteristics to us. We believe investors are best served if the information that is made available to them allows them to align their analyses and evaluation with the same performance metrics used by management in planning and executing our business strategy. We believe that these performance metrics will assist investors in evaluating the potential performance of the portfolio after the completion of the acquisition phase. However, these supplemental, non-GAAP measures are not necessarily indicative of future performance and should not be considered as an alternative to net loss or to cash flows from operating activities and is not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, NAREIT, nor any regulatory body has passed judgment on the acceptability of the adjustments used to calculate FFO and MFFO. In the future, the SEC, NAREIT, or a regulatory body may decide to standardize the allowable adjustments across the non-traded REIT industry at which point we may adjust our calculation and characterization of FFO and MFFO.

The following unaudited table presents a reconciliation of GAAP net income (loss) to NAREIT FFO and MFFO:

(in thousands, except per share data)	For the Three Months Ended March 31,		For the Period
	2021	2020	From Inception (August 12, 2014) to March 31, 2021
GAAP net loss attributable to common stockholders	\$ (8,753)	\$ 57	\$ (65,413)
GAAP net loss per common share	(0.06)	0.00	(2.11)
Reconciliation of GAAP net loss to NAREIT FFO:			
GAAP net loss attributable to common stockholders	\$ (8,753)	\$ 57	\$ (65,413)
Add (deduct) NAREIT adjustments:			
Real estate-related depreciation and amortization	13,859	9,720	86,119
Our share of real estate-related depreciation and amortization of unconsolidated joint venture partnerships	3,767	—	8,815
Redeemable noncontrolling interest's share of real estate-related depreciation and amortization and our share of real estate-related depreciation and amortization of unconsolidated joint venture partnerships	(154)	(47)	(337)
Our share of net gain on disposition of real estate properties of unconsolidated joint venture partnership	(2,284)	—	(2,284)
Redeemable noncontrolling interest's share of net gain on disposition of real estate properties of unconsolidated joint venture partnership	20	—	20
NAREIT FFO attributable to common stockholders	\$ 6,455	\$ 9,730	\$ 26,920
NAREIT FFO per common share	\$ 0.04	\$ 0.13	\$ 0.87
Reconciliation of NAREIT FFO to MFFO:			
NAREIT FFO attributable to common stockholders	\$ 6,455	\$ 9,730	\$ 26,920
Add (deduct) MFFO adjustments:			
Acquisition costs and reimbursements	977	859	12,111
Redeemable noncontrolling interest's share of acquisition costs and reimbursements	(9)	(4)	(23)
Straight-line rent and amortization of above/below-market leases	(1,024)	(1,418)	(14,862)
Our share of straight-line rent and amortization of above/below-market leases of unconsolidated joint venture partnerships	(263)	—	(631)
Redeemable noncontrolling interest's share of straight-line rent and amortization of above/below-market leases and our share of straight-line rent and amortization of above/below-market leases of unconsolidated joint venture partnerships	11	7	42
MFFO attributable to common stockholders	\$ 6,147	\$ 9,174	\$ 23,557
MFFO per common share	\$ 0.04	\$ 0.12	\$ 0.76
Weighted-average shares outstanding	148,795	74,633	30,952

We believe that: (i) our NAREIT FFO of \$6.5 million, or \$0.04 per share, as compared to the total gross distributions declared (which are paid in cash or reinvested in shares offered through our distribution reinvestment plan) in the amount of \$20.3 million, or \$0.14 per share, for the three months ended March 31, 2021; and (ii) our NAREIT FFO of \$26.9 million, or \$0.87 per share, as compared to the total gross distributions declared (which are paid in cash or reinvested in shares offered through our distribution reinvestment plan) of \$107.4 million, or \$2.43 per share, for the period from inception (August 12, 2014) to March 31, 2021, are not indicative of future performance as we are in the acquisition phase of our life cycle. See “Liquidity and Capital Resources—Distributions” below for details concerning our distributions, which are paid in cash or reinvested in shares of our common stock by participants in our distribution reinvestment plan.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our primary sources of capital for meeting our cash requirements during our acquisition phase are, and will be, net proceeds from our public offerings, including proceeds from the sale of shares offered through our distribution reinvestment plan, debt financings, and cash generated from operating activities. We currently intend to maintain an allocation of 10% of our NAV to cash-related liquidity. Our principal uses of funds are, and will be, for the acquisition of properties and other investments, capital expenditures, operating expenses, payments under our debt obligations, and distributions to our stockholders. Over time, we intend to fund a majority of our cash needs for items other than asset acquisitions, including the repayment of debt and capital expenditures, from operating cash flows and refinancings. There may be a delay between the deployment of proceeds raised from our public offerings and our purchase of assets, which could result in a delay in the benefits to our stockholders, if any, of returns generated from our investments.

The global pandemic and resulting shut down of large parts of the U.S. economy has created significant uncertainty and enhanced investment risk across many asset classes, including real estate. The COVID-19 pandemic could have a material adverse effect on our financial condition, results of operations and cash flows as the reduced economic activity severely impacts certain of our customers’ businesses, financial condition and liquidity and may cause certain customers to be unable to meet their obligations to us in full. During the three months ended March 31, 2021, we raised \$114.2 million of gross equity capital from our public offering. As of March 31, 2021, we ended the first quarter with \$2.2 billion in assets under management, which includes the fair value of our real estate investments, the fair value of our net investment in joint venture partnership of \$385.6 million and \$232.5 million in cash and cash equivalents.



Additionally, we have leverage of 26.9%, calculated as our total borrowings outstanding divided by the fair value of our real property plus our investment in unconsolidated joint venture partnerships and cash and cash equivalents. See “—Capital Resources and Uses of Liquidity—Offering Proceeds” for further information concerning capital raised thus far in 2021. As of March 31, 2021, we owned and managed, either directly or through our minority ownership interests in our joint venture partnerships (which are presented as if we own a 100% interest), a total real estate portfolio that included 134 industrial buildings totaling approximately 30.8 million square feet, with a diverse roster of 212 customers, large and small, spanning a multitude of industries and sectors across 23 markets, with a strategic weighting towards top tier markets where we have historically seen the lowest volatility combined with positive returns over time. Our total portfolio was 84.5% occupied (90.8% leased) with a weighted-average remaining lease term (based on square feet) of 4.8 years. Contractual rent collections as of March 31, 2021 are consistent with average annual collections prior to the pandemic.

The Advisor, subject to the oversight of our board of directors and, under certain circumstances, the investment committee or other committees established by our board of directors, will continue to evaluate potential acquisitions and will engage in negotiations with sellers and lenders on our behalf. Pending investment in property, debt, other investments, and our 10% cash allocation mentioned above, we may decide to temporarily invest any unused proceeds from our public offerings in certain investments that are expected to yield lower returns than those earned on real estate assets. During these times of economic uncertainty, we have seen a slow down in transaction volume, which has adversely impacted our ability to acquire real estate assets, which would cause us to retain more lower yielding investments and hold them for longer periods of time while we seek to acquire additional real estate assets. These lower returns may affect our ability to make distributions to our stockholders. Potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, proceeds from the sale of assets, and undistributed funds from operations.

We believe that our cash on-hand, anticipated net offering proceeds, and anticipated financing activities will be sufficient to meet our liquidity needs for the foreseeable future.

Cash Flows. The following table summarizes our cash flows, as determined on a GAAP basis, for the following periods:

(in thousands)	For the Three Months Ended March 31,		Change
	2021	2020	
Total cash provided by (used in):			
Operating activities	\$ 9,433	\$ 1,816	\$ 7,617
Investing activities	(77,716)	(15,884)	(61,832)
Financing activities	68,414	387,686	(319,272)
Net increase in cash, cash equivalents and restricted cash	\$ 131	\$ 373,618	\$ (373,487)

Cash provided by operating activities during the three months ended March 31, 2021 increased by approximately \$7.6 million as compared to the same period in 2020, primarily as a result of growth in our property operations. Cash used in investing activities during the three months ended March 31, 2021 increased by approximately \$61.8 million as compared to the same period in 2020, primarily due to a net increase in acquisition and capital expenditure activity of \$67.0 million, partially offset by distributions received in 2021 from our joint venture partnership of \$5.2 million. Cash provided by financing activities during the three months ended March 31, 2021 decreased approximately \$319.3 million as compared to the same period in 2020, primarily driven by a \$401.3 decrease in the amount of capital raised during the first quarter of 2021 compared to the first quarter of 2020. During the first quarter of 2020, we had seen an extraordinary influx of capital following the completion of IPT’s asset sale in January 2020, partially offset by repayments on our line of credit in 2020 of \$107.0 million compared to no activity related to the line of credit in 2021.

Capital Resources and Uses of Liquidity

In addition to our cash and cash equivalents balance available, our capital resources and uses of liquidity are as follows:

Line of Credit and Term Loan. As of March 31, 2021, we had an aggregate of \$730.0 million of commitments under our credit agreement, including \$315.0 million under our line of credit and \$415.0 million under our term loan. As of that date, we had no amounts outstanding under our line of credit and \$415.0 million outstanding under our term loan with an effective interest rate of 2.23%, which includes the effect of the interest rate swap agreements. The unused and available portions under our line of credit was \$314.9 million as of March 31, 2021. Our \$315.0 million line of credit matures in November 2023 and may be extended pursuant to a one-year extension option, subject to continuing compliance with certain financial covenants and other customary conditions. Our \$415.0 million term loan matures in February 2024. Our line of credit and term loan borrowings are available for general corporate purposes including, but not limited to, the acquisition and operation of permitted investments by us. Refer to “Note 5 to the Condensed Consolidated Financial Statements” for additional information regarding our line of credit and term loan.

In July 2017, the Financial Conduct Authority (“FCA”) that regulates LIBOR announced it intends to stop compelling banks to submit rates for the calculation of LIBOR. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee (“ARRC”), which identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative rate for LIBOR in derivatives and other financial contracts. We are not able to predict when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets. Any changes adopted by the FCA or other governing bodies in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR. If that were to occur, our interest payment could change. In addition, uncertainty about the extent and manner of future changes may result in interest rate and/or payments that are higher or lower than if LIBOR were to remain available in the current form.



LIBOR is expected to be phased out or modified by June 2023, and the writing of contracts using LIBOR is expected to stop by the end of 2021. As of March 31, 2021, our term loan is our only consolidated indebtedness with maturity beyond 2022 that has exposure to LIBOR. The agreement governing the term loan provides procedures for determining a replacement or alternative base rate in the event that LIBOR is discontinued. However, there can be no assurances as to whether such replacement or alternative base rate will be more or less favorable than LIBOR. As of March 31, 2021, we have interest rate swaps in place to hedge LIBOR on \$350.0 million of commitments under our term loan. We intend to monitor the developments with respect to the potential phasing out of LIBOR after 2023 and work with our lenders to seek to ensure any transition away from LIBOR will have minimal impact on our financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

Mortgage Notes. As of March 31, 2021, we had property-level borrowings of approximately \$167.8 million of principal outstanding with a weighted-average remaining term of 5.9 years. These borrowings are secured by mortgages or deeds of trust and related assignments and security interests in the collateralized properties, and had a weighted-average interest rate of 3.14%. Refer to “Note 5 to the Condensed Consolidated Financial Statements” for additional information regarding the mortgage notes.

Debt Covenants. Our line of credit, term loan and mortgage note agreements contain various property-level covenants, including customary affirmative and negative covenants. In addition, the agreement governing our line of credit and term loan contains certain corporate level financial covenants, including leverage ratio, fixed charge coverage ratio, and tangible net worth thresholds. These covenants may limit our ability to incur additional debt, to make borrowings under our line of credit, or to pay distributions. We were in compliance with all of our debt covenants as of March 31, 2021.

Leverage. We use financial leverage to provide additional funds to support our investment activities. We may finance a portion of the purchase price of any real estate asset that we acquired with borrowings on short or long-term basis from banks, institutional investors and other lenders. We calculate our leverage for reporting purposes as the outstanding principal balance of our borrowings divided by the fair value of our real property plus our investment in unconsolidated joint venture partnerships, cash and cash equivalents. We had leverage of 26.9% as of March 31, 2021. Our management believes our strong equity raise and the timing of our deployment of capital accounts for our lower leverage as of March 31, 2021 and expects that as we deploy capital going forward, our leverage will near approximately 50%.

Offering Proceeds. As of March 31, 2021, aggregate gross proceeds raised since inception from our public offerings, including proceeds raised through our distribution reinvestment plan, were \$1.60 billion (\$1.51 billion net of direct selling costs).

Distributions. We intend to continue to accrue and make distributions on a regular basis. For the three months ended March 31, 2021, approximately 46.5% of our total gross distributions were paid from cash flows from operating activities, as determined on a GAAP basis, and 53.5% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically, 2.6% were funded with proceeds from financing activities, and 50.9% of our total gross distributions were funded with proceeds from shares issued pursuant to our distribution reinvestment plan. Some or all of our future distributions may be paid from sources other than cash flows from operating activities, such as cash flows from financing activities, which include borrowings (including borrowings secured by our assets), proceeds from the issuance of shares pursuant to our distribution reinvestment plan, proceeds from sales of assets, interest income from our cash balances, and the net proceeds from primary shares sold in our public offerings. We have not established a cap on the amount of our distributions that may be paid from any of these sources. The amount of any distributions will be determined by our board of directors, and will depend on, among other things, current and projected cash requirements, tax considerations and other factors deemed relevant by our board.

For the second quarter of 2021, our board of directors authorized monthly distributions to all common stockholders of record as of the close of business on the last business day of each month for the second quarter of 2021, or April 30, 2021, May 31, 2021 and June 30, 2021 (each a “Distribution Record Date”). The distributions were authorized at a quarterly rate of (i) \$0.13625 per Class I share of common stock and (ii) \$0.13625 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable monthly with respect to such Class T shares and Class W shares. This quarterly rate is equal to a monthly rate of (i) \$0.04542 per Class I share of common stock and (ii) \$0.04542 per Class T share and per Class W share of common stock, less the respective annual distribution fees that are payable with respect to such Class T shares and Class W shares. Distributions for each month of the second quarter of 2021 have been or will be paid in cash or reinvested in shares of our common stock for those electing to participate in our distribution reinvestment plan following the close of business on the respective Distribution Record Date applicable to such monthly distributions.

There can be no assurances that the current distribution rate or amount per share will be maintained. In the near-term, we expect that we may need to continue to rely on sources other than cash flows from operations, as determined on a GAAP basis, to pay distributions, which if insufficient could negatively impact our ability to pay such distributions.

The following table outlines sources used, as determined on a GAAP basis, to pay total gross distributions (which are paid in cash or reinvested in shares of our common stock through our distribution reinvestment plan) for the quarters ended as of the dates indicated below:

(\$ in thousands)	Source of Distributions								Gross Distributions (3)	Total Cash Flows from Operating Activities
	Provided by Expense Support (1)		Provided by Operating Activities		Proceeds from Financing Activities		Proceeds from DRIP (2)			
2021										
March 31,	\$ —	— %	\$ 9,433	46.5 %	\$ 528	2.6 %	\$ 10,310	50.9 %	\$ 20,271	\$ 9,433
Total	\$ —	— %	\$ 9,433	46.5 %	\$ 528	2.6 %	\$ 10,310	50.9 %	\$ 20,271	\$ 9,433
2020										
December 31,	\$ —	— %	\$ —	— %	\$ 9,389	50.2 %	\$ 9,315	49.8 %	\$ 18,704	\$ (3,438)
September 30,	—	—	344	2.0	8,209	48.3	8,451	49.7	17,004	344
June 30,	7,904	50.3	—	—	—	—	7,812	49.7	15,716	16,854
March 31,	4,534	44.6	547	5.4	—	—	5,077	50.0	10,158	1,816
Total	\$ 12,438	20.2 %	\$ 891	1.4 %	\$ 17,598	28.6 %	\$ 30,655	49.8 %	\$ 61,582	\$ 15,576

- (1) The Advisor provided expense support of \$13.5 million and we reimbursed the Advisor \$13.5 million during the year ended December 31, 2020. The expense support agreement was not renewed after the expiration of its effective term on December 31, 2020 and we did not receive additional expense support from the Advisor during the three months ended March 31, 2021. Expense support from the Advisor used to pay distributions is presented above without the effect of our reimbursements to the Advisor of previously deferred fees and other expenses. Refer to Item 8, “Financial Statements and Supplementary Data” in our 2020 Form 10-K for a description of the expense support agreement.
- (2) Stockholders may elect to have their distributions reinvested in shares of our common stock through our distribution reinvestment plan.
- (3) Gross distributions are total distributions before the deduction of any distribution fees relating to Class T shares and Class W shares issued in the primary portion of our public offerings.

For the three months ended March 31, 2021, our cash flows provided by operating activities on a GAAP basis were \$9.4 million, as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of \$20.3 million. For the three months ended March 31, 2020, our cash flows provided by operating activities on a GAAP basis were \$1.8 million, as compared to our aggregate total gross distributions declared (which are paid in cash or reinvested in shares issued pursuant to our distribution reinvestment plan) of \$10.2 million.

Refer to “Note 7 to the Condensed Consolidated Financial Statements” for further detail on our distributions.

Redemptions. For the three months ended March 31, 2021, we received eligible redemption requests for approximately 0.3 million shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately \$2.6 million, or an average price of \$10.06 per share. For the three months ended March 31, 2020, we received eligible redemption requests for 0.1 million shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately \$0.7 million, or an average price of \$9.83 per share. See Part II, Item 2. “Unregistered Sales of Equity Securities and Use of Proceeds—Share Redemption Program,” for a description of our share redemption program.

SUBSEQUENT EVENTS

Status of the Public Offerings

As of May 5, 2021, we had raised gross proceeds of \$1.86 billion from the sale of 178.1 million shares of our common stock in our public offerings, including \$57.3 million from the sale of 5.7 million shares of our common stock through our distribution reinvestment plan. As of May 5, 2021, approximately \$606.1 million in shares of our common stock remained available for sale pursuant to our second public offering in any combination of Class T shares, Class W shares and Class I shares, including approximately \$451.0 million in shares of common stock available for sale through our distribution reinvestment plan, which may be reallocated for sale in our primary offering. We have filed a registration statement for its third public offering, which will commence upon effectiveness of the registration statement. We presently expect its second public offering to end and its third public offering to commence immediately thereafter during the third quarter of 2021.

Completed Acquisitions

On April 12, 2021, we acquired one industrial building located in the New Jersey market. The total purchase price was approximately \$75.0 million, exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Acquisitions Under Contract

We have entered into contracts to acquire properties with an aggregate contract purchase price of approximately \$122.6 million, comprised of five industrial buildings. There can be no assurance that we will complete the acquisition of the properties under contract.

Initiation of DST Program

On May 1, 2021, we initiated a program to raise capital through private placement offerings by selling beneficial interests in specific Delaware statutory trusts holding real properties.

Amended Credit Facility

We have an existing credit facility made pursuant to that certain second amended and restated credit agreement, dated as of November 19, 2019, among the Operating Partnership, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, U.S. Bank National Association, as Revolving Credit Facility Documentation Agent, JPMorgan Chase Bank, N.A., as Existing Term Facility Documentation Agent, and Regions Bank, as Incremental Term Facility Documentation Agent (as previously amended, the "Credit Facility Agreement"). On May 6, 2021, pursuant to that certain first amendment and second incremental assumption agreement (the "Amendment"), the amount of aggregate revolving loan commitments under the Credit Facility Agreement were increased by \$115.0 million, bringing the maximum borrowing capacity under the revolving credit facility to \$430.0 million. The Borrower's existing revolving credit facility, as amended by the Amendment, is referred to herein as the "Amended Credit Facility." The Amended Credit Facility provides us, as the general partner of the Operating Partnership, with the ability from time to time to increase the size of the aggregate loan commitment under the agreement by an additional \$155.0 million up to a total of \$1.0 billion, subject to receipt of lender commitments and satisfaction of other conditions. Any increase to the size of the Amended Credit Facility may be in the form of an increase in the aggregate revolving loan commitments, the establishment of a term loan, or a combination of both. The maturity date of the Amended Credit Facility is November 19, 2023, and may be extended by us pursuant to a one-year extension option, subject to the continuing compliance with certain financial covenants, the payment of an extension fee and the satisfaction of other customary conditions. No other material changes were made to the Credit Facility Agreement.

Term Loan Agreement

On May 6, 2021, the Operating Partnership entered into a term loan credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent, Joint Lead Arranger and Joint Bookrunner, Wells Fargo Bank, National Association, Bank of America, N.A., PNC Bank, National Association, and Truist Bank as Co-Syndication Agents, Wells Fargo Securities, LLC, as Joint Lead Arranger and Joint Bookrunner, BofA Securities, Inc., PNC Capital Markets and Truist Securities, Inc., as Joint Lead Arrangers, and the lenders party thereto (the "Term Loan Agreement") for an aggregate principal amount of \$600.0 million (the "Term Loan"). The maturity date of the Term Loan is May 6, 2026.

Borrowings under the Term Loan will be charged interest based on (i) LIBOR plus a margin ranging from 1.35% to 2.20%, or (ii) an alternate base rate plus a margin of 0.35% to 1.20%. In each case, the applicable margin will vary depending on our consolidated leverage ratio. Customary fall-back provisions will apply if LIBOR is unavailable. The alternate base rate is equal to the greatest of (a) the prime rate in effect on such day, (b) the NYFRB rate in effect on such day plus $\frac{1}{2}$ of 1% and (c) the adjusted LIBOR rate for a one month interest period on such day (or if such day is not a business day, the immediately preceding business day) plus 1%; provided that for the purpose of this definition, the adjusted LIBOR rate for any day shall be based on the LIBOR screen rate (or if the LIBOR screen rate is not available for such one month interest period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the alternate base rate due to a change in the prime rate, the NYFRB rate or the adjusted LIBOR rate shall be effective from and including the effective date of such change in the prime rate, the NYFRB rate or the adjusted LIBOR rate, respectively. If either of the primary rate or the alternative base rate is less than zero, it will be deemed to be zero for purposes of the Term Loan.

Borrowings under the Term Loan will be available for general business purposes, including but not limited to debt refinancing, property acquisitions, new construction, renovations, expansions, tenant improvement, refinancing of existing lines, financing acquisitions of permitted investments, and closing costs and equity investments primarily associated with commercial real estate property acquisitions or refinancings. Borrowings under the Term Loan will be guaranteed by us and certain of our subsidiaries that own the assets that constitute the unencumbered asset pool under the Term Loan.

The Term Loan Agreement requires the maintenance of certain financial and borrowing base covenants including covenants concerning: (i) consolidated tangible net worth; (ii) consolidated fixed charge coverage ratio; (iii) consolidated leverage ratio; (iv) secured indebtedness; (v) secured recourse indebtedness; (vi) unencumbered property pool debt yield (prior to the equity release date); (vii) minimum total asset value; (viii) unencumbered interest coverage ratio (after the equity release date); (ix) unencumbered property pool leverage ratio; and (x) certain other unencumbered property pool criteria.

In addition, the Term Loan Agreement contains customary affirmative and negative covenants which, among other things, requires the Operating Partnership to deliver to the Term Loan lenders specified quarterly and annual financial information, and limit the Operating Partnership and/or its subsidiaries, subject to various exceptions and thresholds, from: (i) creating liens (other than certain permitted encumbrances, including any lien created in connection with certain permitted tax incentive transactions solely to secure repayment of a bond, note or other obligation owned by the Operating Partnership or its subsidiary) on the unencumbered property pool; (ii) merging with other companies or changing ownership interest; (iii) selling all or substantially all of its assets or properties; (iv) permitting certain transfers of a material interest in the Operating Partnership; (v) entering into transactions with affiliates, except on an arm's-length basis; (vi) making certain types of investments; (vii) if in default under the Term Loan Agreement, paying certain distributions or certain other payments to affiliates; and (viii) incurring indebtedness (subject to certain permitted indebtedness).

The Term Loan Agreement permits voluntary prepayment of principal and accrued interest without premium or penalty and contains various customary events of default, which are described therein. As is customary in such financings, if an event of default occurs under the Term Loan Agreement, the Term Loan lenders may accelerate the repayment of amounts outstanding under the Term Loan Agreement and exercise other remedies subject, in certain instances, to the expiration of an applicable cure period.

Second Amended and Restated Advisory Agreement

On May 1, 2021, we and the Operating Partnership entered into the Second Amended and Restated Advisory Agreement (2021) (the “Advisory Agreement”) with the Advisor. The Advisory Agreement amends and restates the Amended and Restated Advisory Agreement (2021) to, among other things, clarify and reflect that the Advisor has provided and will continue to provide property accounting services with respect to each of the Company's real properties, which services relate to accounting for real property operations and are considered “property accounting” in the real estate industry (“Property Accounting Services”). The Property Accounting Services generally include the maintenance of the real property's books and records in accordance with United States generally accepted accounting principles and the Company's policies, procedures, and internal controls, in a timely manner, and the processing of real property-related cash receipts and disbursements. Examples include, but are not limited to, lease administration, monthly tenant billing and collections, rental revenue accounting, accounting for doubtful accounts, preparing rental expense recovery estimates and reconciliations, recording rental expenses, processing rental expense invoices and tenant reimbursement payments, accounting and budgeting for capital improvement projects, preparing and reviewing operating budgets, assisting in reporting and cash management for loan compliance purposes, and preparing account reconciliations and operating reports. Property Accounting Services do not include corporate-level accounting services such as, for example, consolidation, accounting and reporting analysis, and quality control reviews of accounting and reporting of third-party property accountants to ensure the accuracy, timeliness, and consistency of property accounting results. The Advisor receives a property accounting fee as consideration for providing Property Accounting Services, which is equal to the difference between: (i) the property management fee charged with respect to each real property (the “Property Management Fee”), which reflects the market rate for all real property management services, including Property Accounting Services, based on rates charged for similar properties within the region or market in which the real property is located, and (ii) the amount paid to third-party property management firms for property management services, which fee is based on an arms-length negotiation with a third-party property management service provider (the difference between (i) and (ii), the “Property Accounting Fee”). The cost of the Property Management Fee, including the Property Accounting Fee, is generally borne by the tenant or tenants at each real property, either via a direct reimbursement to the Company or, in the case of tenants subject to a gross lease, as part of the lease cost. In certain limited circumstances, the Company may pay for a portion of the Property Management Fee, including the Property Accounting Fee, without reimbursement from the tenant or tenants at a real property. In addition, the Advisory Agreement clarifies and reflects that advisors, consultants, and employees of the Advisor and its affiliates have received and may continue to receive certain equity awards under the Company's equity incentive plans at the discretion of the board of directors of the Company.

CONTRACTUAL OBLIGATIONS

A summary of future obligations as of December 31, 2020 was disclosed in our 2020 Form 10-K. Except as otherwise disclosed in “Note 5 to the Condensed Consolidated Financial Statements” relating to borrowings under our line of credit and term loan, there have been no material changes outside the ordinary course of business from the future obligations disclosed in our 2020 Form 10-K.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2021, we had no off-balance sheet arrangements that have or are reasonably likely to have a material effect, on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

CRITICAL ACCOUNTING ESTIMATES

Our unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and in conjunction with the rules and regulations of the SEC. The preparation of our unaudited condensed consolidated financial statements requires significant management judgments, assumptions, and estimates about matters that are inherently uncertain. These judgments affect the reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in our condensed consolidated financial statements. Additionally, other companies may utilize different estimates that may impact the comparability of our results of operations to those of companies in similar businesses. For a detailed description of our critical accounting estimates, see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2020 Form 10-K. As of March 31, 2021, our critical accounting estimates have not changed from those described in our 2020 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We may be exposed to the impact of interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows, and optimize overall borrowing costs. To achieve these objectives, we plan to borrow on a fixed interest rate basis for longer-term debt and utilize interest rate swap agreements on certain variable interest rate debt in order to limit the effects of changes in interest rates on our results of operations. As of March 31, 2021, our consolidated debt outstanding consisted of borrowings under our term loan and mortgage notes.

Fixed Interest Rate Debt. As of March 31, 2021, our consolidated fixed interest rate debt consisted of \$350.0 million under our term loan, which was effectively fixed through the use of interest swap agreements, and \$167.8 million of principal borrowings under our mortgage notes. In total, our fixed rate debt represented approximately 88.8% of our total consolidated debt as of March 31, 2021. The impact of interest rate fluctuations on our consolidated fixed interest rate debt will generally not affect our future earnings or cash flows unless such borrowings mature, are otherwise terminated or payments are made on the principal balance. However, interest rate changes could affect the fair value of our fixed interest rate debt. As of March 31, 2021, the fair value and the carrying value of our consolidated fixed interest rate debt, excluding the values of hedges, were \$518.5 million and \$517.8 million, respectively. The fair value estimate of our fixed interest rate debt was estimated using a discounted cash flow analysis utilizing rates we would expect to pay for debt of a similar type and remaining maturity if the loans were originated on March 31, 2021. Based on our debt as of March 31, 2021, we do not expect that market fluctuations in interest rates will have a significant impact on our future earnings or operating cash flows.

Variable Interest Rate Debt. As of March 31, 2021, our consolidated variable interest rate debt consisted of \$65.0 million under our term loan, which represented 11.2% of our total consolidated debt. Interest rate changes on the variable portion of our consolidated variable-rate debt could impact our future earnings and cash flows, but would not significantly affect the fair value of such debt. As of March 31, 2021, we were exposed to market risks related to fluctuations in interest rates on \$65.0 million of consolidated borrowings. A hypothetical 25 basis points increase in the all-in interest rate on the outstanding balance of our consolidated variable interest rate debt as of March 31, 2021, would increase our annual interest expense by approximately \$0.2 million.

Derivative Instruments. As of March 31, 2021, we had seven outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk, with a total notional amount of \$350.0 million. See “Note 5 to the Condensed Consolidated Financial Statements” for further detail on our interest rate swaps. We are exposed to credit risk of the counterparty to our interest rate swap agreements in the event of non-performance under the terms of the agreements. If we were not able to replace these swaps in the event of non-performance by the counterparty, we would be subject to variability of the interest rate on the amount outstanding under our term loan that is fixed through the use of the swaps.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2021. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2021, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting to date as a result of many of the employees of our Advisor and its affiliates working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 pandemic on our internal controls to minimize the impact to their design and operating effectiveness.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A, “Risk Factors” of our 2020 Form 10-K, which could materially affect our business, financial condition, and/or future results. The risks described in our 2020 Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results.

With the exception of the risk factor set forth below, which updates the risk factors disclosed in our 2020 Form 10-K, there have been no material changes to the risk factors disclosed in our 2020 Form 10-K.

Valuations and appraisals of our properties, real estate-related assets and real estate-related liabilities are estimates of value and may not necessarily correspond to realizable value.

The valuation methodologies that are used to value our properties and certain real estate-related assets involve subjective judgments regarding such factors as comparable sales, rental revenue and operating expense data, known contingencies, the capitalization or discount rate, and projections of future rent and expenses based on appropriate analysis. As a result, any valuations and appraisals of our properties, real estate-related assets and real estate-related liabilities are only estimates of current market value. Ultimate realization of the value of an asset or liability depends to a great extent on economic and other conditions beyond our control and the control of the Independent Valuation Advisor and other parties involved in the valuation of our assets and liabilities. Further, these valuations may not necessarily represent the price at which an asset or liability would sell, because market prices of assets and liabilities can only be determined by negotiation between a willing buyer and seller. Valuations used for determining our NAV also are generally made without consideration of the expenses that would be incurred in connection with disposing of assets and liabilities. Therefore, the valuations of our properties, our investments in real estate-related assets and our liabilities may not correspond to the timely realizable value upon a sale of those assets and liabilities. In addition, the value of our interest in any joint venture or partnership that is a minority interest or is restricted as to salability or transferability may reflect or be adjusted for a minority or liquidity discount. In determining the amount of such discount, consideration may be given to a variety of factors, including, without limitation, the nature and length of such restriction. As a result, the realizable value of our interest in joint ventures or partnerships used in the calculation of our NAV may be lower than the value that would be derived if a minority or liquidity discount had not been applied, which could then have a negative impact on our calculation of NAV. Similarly, if any such properties held in a joint venture or partnership in which we own a minority interest are transferred to us as part of a liquidation of the assets of the joint venture or partnership or other transaction resulting in our ownership of 100% of such properties, it could have a positive impact on the calculation of our NAV. In some cases, the impact may be significant. As an example, we estimate the fair value of our minority ownership interests in the BTC Partnerships as of March 31, 2021 would have been \$37.5 million higher if a minority discount had not been applied, meaning that if we used the estimated fair value without the application of the minority discount, our NAV would have been higher by approximately \$37.5 million, or \$0.24 per share, not taking into account all of the other items that impact our monthly NAV, as of March 31, 2021. Because we are currently exploring strategic alternatives for BTC I, we have adjusted certain assumptions regarding the liquidity discount and currently anticipate that a portion of the total discount will be eliminated on or before June 30, 2021, thereby having a positive impact on our NAV, not taking into account all of the other items that impact our monthly NAV and may offset the impact of the partial elimination of the discount to some extent, such as transaction expenses associated with any strategic alternative.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Share Redemption Program

Subject to certain restrictions and limitations, our share redemption program may provide a limited opportunity for stockholders to have shares of our common stock redeemed for cash. To the extent our board of directors determines that we have sufficient available cash for redemptions, we initially intend to redeem shares under our share redemption program on a monthly basis; however, our board of directors may determine from time to time to adjust the timing of redemptions or suspend, terminate or otherwise modify our share redemption program.

While stockholders may request on a monthly basis that we redeem all or any portion of their shares pursuant to our share redemption program, we are not obligated to redeem any shares and may choose to redeem only some, or even none, of the shares that have been requested to be redeemed in any particular month, in our discretion. In addition, our ability to fulfill redemption requests is subject to a number of limitations. As a result, share redemptions may not be available each month. Under our share redemption program, to the extent we determine to redeem shares in any particular month, we will only redeem shares as of the last calendar day of that month (each such date, a “Redemption Date”). Redemptions will be made at the transaction price in effect on the Redemption Date, except that shares that have not been outstanding for at least one year will be redeemed at 95% of the transaction price. This deduction is referred to as an Early Redemption Deduction. However, our board of directors has determined to waive the 5.0% early redemption deduction for shares redeemed from February of 2021 through at least the end of September of 2021, even if the shares have been outstanding for less than one year. The Early Redemption Deduction may also be waived in certain circumstances including: (i) in the case of redemption requests arising from the death or qualified disability of the holder; (ii) in the event that a stockholder’s shares are redeemed because the stockholder has failed to maintain the \$2,000 minimum account balance; or (iii) with respect to shares purchased through our distribution reinvestment plan or received from us as a stock dividend. To have shares redeemed, a stockholder’s redemption request and required

documentation must be received in good order by 4:00 p.m. (Eastern time) on the second to last business day of the applicable month. Settlements of share redemptions will be made within three business days of the Redemption Date. An investor may withdraw its redemption request by notifying the transfer agent before 4:00 p.m. (Eastern time) on the last business day of the applicable month.

Under our share redemption program, we may redeem during any calendar month shares whose aggregate value (based on the price at which the shares are redeemed) is 2.0% of our aggregate NAV as of the last calendar day of the previous quarter and during any calendar quarter whose aggregate value (based on the price at which the shares are redeemed) is up to 5.0% of our aggregate NAV as of the last calendar day of the prior calendar quarter.

Provided that the share redemption program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month. Also, provided that the share redemption program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month. In no event will such carry-over capacity permit the redemption of shares with aggregate value (based on the redemption price per share for the month the redemption is effected) in excess of 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter (provided that for these purposes redemptions may be measured on a net basis as described in the paragraph below).

We currently measure the foregoing redemption allocations and limitations based on net redemptions during a month or quarter, as applicable. The term “net redemptions” means, during the applicable period, the excess of our share redemptions (capital outflows) over the proceeds from the sale of our shares (capital inflows). Thus, for any given calendar quarter, the maximum amount of redemptions during that quarter will be equal to (1) 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter, plus (2) proceeds from sales of new shares in this offering (including purchases pursuant to our distribution reinvestment plan) since the beginning of the current calendar quarter. The same would apply for a given month, except that redemptions in a month would be subject to the 2% limit described above (subject to potential carry-over capacity), and netting would be measured on a monthly basis. With respect to future periods, our board of directors may choose whether the allocations and limitations will be applied to “gross redemptions,” i.e., without netting against capital inflows, rather than to net redemptions. If redemptions for a given month or quarter are measured on a gross basis rather than on a net basis, the redemption limitations could limit the amount of shares redeemed in a given month or quarter despite our receiving a net capital inflow for that month or quarter. In order for our board of directors to change the application of the allocations and limitations from net redemptions to gross redemptions or vice versa, we will provide notice to stockholders in a prospectus supplement or special or periodic report filed by us, as well as in a press release or on our website, at least 10 days before the first business day of the quarter for which the new test will apply. The determination to measure redemptions on a gross basis, or vice versa, will only be made for an entire quarter, and not particular months within a quarter.

If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no redemption requests will be accepted for such month and stockholders who wish to have their shares redeemed the following month must resubmit their redemption requests.

Although the vast majority of our assets consist of properties that cannot generally be readily liquidated on short notice without impacting our ability to realize full value upon their disposition, we intend to maintain a number of sources of liquidity including: (i) cash equivalents (e.g. money market funds), other short-term investments, U.S. government securities, agency securities and liquid real estate-related securities; and (ii) one or more borrowing facilities. We may fund redemptions from any available source of funds, including operating cash flows, borrowings, proceeds from our public offerings and/or sales of our assets.

Should redemption requests, in our judgment, place an undue burden on our liquidity, adversely affect our operations or risk having an adverse impact on the Company as a whole, or should we otherwise determine that investing our liquid assets in real properties or other illiquid investments rather than redeeming our shares is in the best interests of the company as a whole, then we may choose to redeem fewer shares than have been requested to be redeemed, or none at all. In the event that we determine to redeem some but not all of the shares submitted for redemption during any month for any of the foregoing reasons, shares submitted for redemption during such month will be redeemed on a pro rata basis. All unsatisfied redemption requests must be resubmitted after the start of the next month or quarter, or upon the recommencement of the share redemption program, as applicable. If the transaction price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no redemption requests will be accepted for such month and stockholders who wish to have their shares redeemed the following month must resubmit their redemption requests.

The preceding summary does not purport to be a complete summary of our share redemption program and is qualified in its entirety by reference to the [share redemption program](#), which is incorporated by reference as Exhibit 4.1 to this Quarterly Report on Form 10-Q.

Refer to Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional details regarding our redemption history.

The table below summarizes the redemption activity for the three months ended March 31, 2021:

For the Month Ended	Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Redeemed Under the Plans or Programs (1)
January 31, 2021	64,572	\$ 9.93	64,572	—
February 28, 2021	112,790	10.08	112,790	—
March 31, 2021	85,323	10.16	85,323	—
Total	262,685	\$ 10.06	262,685	—

(1) We limit the number of shares that may be redeemed per calendar quarter under the program as described above.

ITEM 6. EXHIBITS

The exhibits required by this item are set forth on the Exhibit Index attached hereto.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Third Articles of Amendment and Restatement. Incorporated by reference to Exhibit 3.1 to Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 3 to the Registration Statement on Form S-11 (File No. 333-200594) filed with the SEC on June 30, 2017 (“Pre-Effective Amendment”).
3.2	Third Amended and Restated Bylaws of Black Creek Industrial REIT IV Inc. (formerly known as Industrial Logistics Realty Trust Inc.). Incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q filed with the SEC on November 9, 2017.
3.3	Articles of Amendment. Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on August 4, 2020.
4.1	Share Redemption Program, effective as of February 16, 2021. Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on February 16, 2021.
4.2	Fourth Amended and Restated Distribution Reinvestment Plan. Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on August 29, 2019.
4.3	Form of Subscription Agreement. Incorporated by reference to Appendix A to Pre-Effective Amendment No. 1 to the Registration Statement on Form S-11/A (File No. 333-229136) on August 30, 2019.
10.1	Assignment of Membership Interest, dated as of January 12, 2021 and effective as of December 22, 2020, by and among Industrial Property Advisors Sub I LLC, Industrial Property Advisors Sub II LLC and IPT BTC I GP LLC. Incorporated by reference to Exhibit 10.26 to the Annual Report on Form 10-K filed with the SEC on March 5, 2021.
10.2	Letter Amendment, dated as of January 12, 2021 and effective as of December 22, 2020, by and between IPT BTC I GP LLC, QR Master Holdings USA II LP, IPT BTC I GP LLC, QR Master Holdings USA II LP, IPT BTC I LP LLC and Industrial Property Advisors Sub I LLC. Incorporated by reference to Exhibit 10.27 to the Annual Report on Form 10-K filed with the SEC on March 5, 2021.
10.3	Assignment and Assumption Agreement, dated as of April 1, 2019, by and among BCIMC (College) US Realty Inc., BCIMC (Municipal) US Realty Inc., BCIMC (Public Service) US Realty Inc., BCIMC (Teachers) US Realty Inc., BCIMC (WCB) US Realty Inc., BCIMC (Hydro) US Realty Inc., BCIMC (WCBAF) Realpool Global Investment Corporation, QRMaster Holdings USA II LP and IPT BTC I GP LLC. Incorporated by reference to Exhibit 10.28 to the Annual Report on Form 10-K filed with the SEC on March 5, 2021.
10.4	Amended and Restated Advisory Agreement (2021), dated February 16, 2021, by and among Black Creek Industrial REIT IV, Inc., BCI IV Operating Partnership LP and BCI IV Advisors LLC. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 16, 2021.
10.5	Seventh Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP, dated as of February 16, 2021. Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on February 16, 2021.
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Consent of Altus Group U.S. Inc.
99.2	Net Asset Value Calculation and Valuation Procedures. Incorporated by reference to Exhibit 99.2 to Post-Effective Amendment No. 19 to the Registration Statement on Form S-11 (Registration No. 333-229136) filed with the SEC on February 16, 2021.

Exhibit Number	Description
101	The following materials from Black Creek Industrial REIT IV Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed on May 11, 2021, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK CREEK INDUSTRIAL REIT IV INC.

May 11, 2021

By: _____
Jeffrey W. Taylor
Managing Director, Co-President
(Principal Executive Officer)

May 11, 2021

By: _____
Scott A. Seager
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)
