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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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	**47-1592886**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
518 Seventeenth Street, 17th Floor Denver, CO	**80202**
(Address of principal executive offices)	**(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	☐	Accelerated filer	☐	Smaller reporting company	☒
Non-accelerated filer	☒			Emerging growth company	☒

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 August 5, 2021, there were 184,811,164 shares of the registrant's Class T common stock, 11,466,783 shares of the registrant's Class W common stock and 27,349,247 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

	As of	
(in thousands, except per share data)	June 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Net investment in real estate properties	$ 2,419,589	$ 1,322,521
Investment in unconsolidated joint venture partnership(s)	45,246	324,242
Cash and cash equivalents	159,248	232,369
Restricted cash	1,595	530
Straight-line and tenant receivables	11,588	10,396
Due from affiliates	122	3,308
Deferred acquisition costs	101,909	610
DST Program Loans	24,561	—
Other assets	3,767	3,452
Total assets	$ 2,767,625	$ 1,897,428
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued liabilities	$ 21,489	$ 12,483
Debt, net	866,643	579,171
Financing obligations, net	81,568	—
Due to affiliates	18,938	28,275
Distributions payable	8,931	6,450
Distribution fees payable to affiliates	62,078	44,962
Other liabilities	45,658	29,624
Total liabilities	1,105,305	700,965
Commitments and contingencies (Note 13)		
Redeemable noncontrolling interest	13,586	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, 164,487 and 130,565 shares issued and outstanding, respectively	1,645	1,306
Class W common stock, $0.01 par value per share - 75,000 shares authorized, 10,504 and 7,866 shares issued and outstanding, respectively	105	79
Class I common stock, $0.01 par value per share - 225,000 shares authorized, 20,248 and 3,040 shares issued and outstanding, respectively	202	30
Additional paid-in capital	1,848,608	1,329,799
Accumulated deficit	(195,434)	(128,775)
Accumulated other comprehensive loss	(6,579)	(9,750)
Total stockholders’ equity	1,648,547	1,192,689
Noncontrolling interests	187	126
Total equity	1,648,734	1,192,815
Total liabilities and equity	$ 2,767,625	$ 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 June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Revenues:				
Rental revenues	$ 28,978	$ 18,345	$ 53,046	$ 35,122
Total revenues	28,978	18,345	53,046	35,122
Operating expenses:				
Rental expenses	7,250	4,283	12,825	8,371
Real estate-related depreciation and amortization	16,382	10,728	30,241	20,448
General and administrative expenses	2,121	1,794	4,370	3,445
Advisory fees	5,525	2,111	9,460	3,896
Performance participation allocation	11,842	2,985	16,022	3,260
Acquisition costs and reimbursements	1,148	753	2,125	1,612
Total operating expenses	44,268	22,654	75,043	41,032
Other (income) expenses:				
Equity in loss (income) from unconsolidated joint venture partnerships	404	—	(1,165)	—
Interest expense	4,571	2,974	8,295	6,296
Other income	(93)	(153)	(129)	(599)
Total expenses before expense support	49,150	25,475	82,044	46,729
Total expense support from the Advisor, net	—	5,788	—	10,322
Net expenses after expense support	(49,150)	(19,687)	(82,044)	(36,407)
Net loss	(20,172)	(1,342)	(28,998)	(1,285)
Net loss attributable to redeemable noncontrolling interest	148	4	225	4
Net income attributable to noncontrolling interests	(4)	—	(8)	—
Net loss attributable to common stockholders	$ (20,028)	$ (1,338)	$ (28,781)	$ (1,281)
Weighted-average shares outstanding	177,754	115,419	163,355	95,026
Net loss per common share - basic and diluted	$ (0.11)	$ (0.01)	$ (0.18)	$ (0.01)

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in thousands)	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Net loss	$ (20,172)	$ (1,342)	$ (28,998)	$ (1,285)
Change from cash flow hedging derivatives	836	(1,613)	3,198	(13,938)
Comprehensive loss	$ (19,336)	$ (2,955)	$ (25,800)	$ (15,223)
Comprehensive loss attributable to redeemable noncontrolling interests	142	8	198	68
Comprehensive loss attributable to common stockholders	$ (19,194)	$ (2,947)	$ (25,602)	$ (15,155)

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in thousands)	Stockholders' Equity: Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
FOR THE THREE MONTHS ENDED JUNE 30, 2020							
Balance as of March 31, 2020	99,802	$ 997	$ 933,087	$ (56,089)	$ (10,075)	$ 1	$ 867,921
Net loss (excludes $4 attributable to redeemable noncontrolling interest)	—	—	—	(1,338)	—	—	(1,338)
Change from cash flow hedging activities (excludes $4 attributable to redeemable noncontrolling interest)	—	—	—	—	(1,609)	—	(1,609)
Issuance of common stock	18,709	188	196,156	—	—	—	196,344
Share-based compensation	—	—	362	—	—	—	362
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(10,076)	—	—	—	(10,076)
Trailing distribution fees	—	—	(7,819)	2,710	—	—	(5,109)
Redemptions of common stock	(79)	—	(780)	—	—	—	(780)
Distributions to stockholders (excludes $18 attributable to redeemable noncontrolling interest)	—	—	—	(15,716)	—	—	(15,716)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(56)	—	—	—	(56)
Balance as of June 30, 2020	118,432	$ 1,185	$ 1,110,874	$ (70,433)	$ (11,684)	$ 1	$ 1,029,943
FOR THE THREE MONTHS ENDED JUNE 30, 2021							
Balance as of March 31, 2021	152,295	$ 1,523	$ 1,431,279	$ (154,559)	$ (7,409)	$ 126	$ 1,270,960
Net (loss) income (excludes $148 attributable to redeemable noncontrolling interest)	—	—	—	(20,028)	—	4	(20,024)
Change from cash flow hedging activities (excludes $6 attributable to redeemable noncontrolling interest)	—	—	—	—	830	—	830
Issuance of common stock	43,653	436	449,699	—	—	—	450,135
Share-based compensation	—	—	371	—	—	—	371
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(5,659)	—	—	—	(5,659)
Trailing distribution fees	—	—	(19,277)	3,373	—	—	(15,904)
Redemptions of common stock	(709)	(7)	(7,259)	—	—	—	(7,266)
Preferred interest in Subsidiary REITs	—	—	—	—	—	61	61
Distributions to stockholders (excludes $179 attributable to redeemable noncontrolling interest)	—	—	—	(24,220)	—	(4)	(24,224)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(546)	—	—	—	(546)
Balance as of June 30, 2021	195,239	$ 1,952	$ 1,848,608	$ (195,434)	$ (6,579)	$ 187	$ 1,648,734

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in thousands)	Stockholders' Equity: Common Stock: Shares	Common Stock: Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
FOR THE SIX MONTHS ENDED JUNE 30, 2020							
Balance as of December 31, 2019	49,275	$ 492	$ 451,526	$ (47,730)	$ 2,190	$ 1	$ 406,479
Net loss (excludes $4 attributable to redeemable noncontrolling interest)	—	—	—	(1,281)	—	—	(1,281)
Change from cash flow hedging activities (excludes $64 attributable to redeemable noncontrolling interest)	—	—	—	—	(13,874)	—	(13,874)
Issuance of common stock	69,303	694	723,802	—	—	—	724,496
Share-based compensation	—	—	976	—	—	—	976
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(34,447)	—	—	—	(34,447)
Trailing distribution fees	—	—	(29,381)	4,452	—	—	(24,929)
Redemptions of common stock	(146)	(1)	(1,439)	—	—	—	(1,440)
Distributions to stockholders (excludes $100 attributable to redeemable noncontrolling interest)	—	—	—	(25,874)	—	—	(25,874)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(163)	—	—	—	(163)
Balance as of June 30, 2020	118,432	$ 1,185	$ 1,110,874	$ (70,433)	$ (11,684)	$ 1	$ 1,029,943
FOR THE SIX MONTHS ENDED JUNE 30, 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 $225 attributable to redeemable noncontrolling interest)	—	—	—	(28,781)	—	8	(28,773)
Change from cash flow hedging activities (excludes $27 attributable to redeemable noncontrolling interest)	—	—	—	—	3,171	—	3,171
Issuance of common stock	54,740	547	563,788	—	—	—	564,335
Share-based compensation	—	—	856	—	—	—	856
Upfront offering costs, including selling commissions, dealer manager fees, and offering costs	—	—	(11,349)	—	—	—	(11,349)
Trailing distribution fees	—	—	(23,731)	6,613	—	—	(17,118)
Redemptions of common stock	(972)	(10)	(9,901)	—	—	—	(9,911)
Preferred interest in Subsidiary REITs	—	—	—	—	—	61	61
Distributions to stockholders (excludes $358 attributable to redeemable noncontrolling interest)	—	—	—	(44,491)	—	(8)	(44,499)
Redemption value allocation adjustment to redeemable noncontrolling interest	—	—	(854)	—	—	—	(854)
Balance as of June 30, 2021	195,239	$ 1,952	$ 1,848,608	$ (195,434)	$ (6,579)	$ 187	$ 1,648,734

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in thousands)	For the Six Months Ended June 30, 2021	2020
Operating activities:		
Net loss	$ (28,998)	$ (1,285)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Real estate-related depreciation and amortization	30,241	20,448
Equity in income from unconsolidated joint venture partnerships	(1,165)	—
Straight-line rent and amortization of above- and below-market leases	(3,007)	(3,923)
Other	1,595	1,466
Changes in operating assets and liabilities:		
Tenant receivables and other assets	2,328	2,137
Accounts payable and accrued liabilities	(1,527)	(1,113)
Due from / to affiliates, net	20,510	940
Net cash provided by operating activities	19,977	18,670
Investing activities:		
Real estate acquisitions	(229,520)	(293,833)
Incremental investment to acquire joint venture partnership portfolio	(580,559)	—
Deferred acquisition costs	(101,700)	(4,000)
Capital expenditures	(7,587)	(2,734)
Investment in unconsolidated joint venture partnerships	(3,700)	—
Distributions from joint venture partnerships	5,200	—
Net cash used in investing activities	(917,866)	(300,567)
Financing activities:		
Proceeds from line of credit	92,000	—
Repayments of line of credit	—	(107,000)
Proceeds from term loan	200,000	107,500
Debt issuance costs paid	(5,181)	(50)
Proceeds from issuance of common stock	535,359	682,793
Proceeds from financing obligations, net	57,879	—
Offering costs paid in connection with issuance of common stock and private placements	(22,420)	(5,099)
Distributions paid to common stockholders, redeemable noncontrolling interest holders and preferred shareholders	(14,480)	(7,546)
Distribution fees paid to affiliates	(6,541)	(3,926)
Redemptions of common stock	(9,911)	(1,440)
Other	(872)	—
Net cash provided by financing activities	825,833	665,232
Net (decrease) increase in cash, cash equivalents and restricted cash	(72,056)	383,335
Cash, cash equivalents and restricted cash, at beginning of period	232,899	51,178
Cash, cash equivalents and restricted cash, at end of period	$ 160,843	$ 434,513

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 Company is externally managed by its advisor. On July 1, 2021, Ares Management Corporation ("Ares") closed on the acquisition of the U.S. real estate investment advisory and distribution business of Black Creek Group, including the Company's former advisor, BCI IV Advisors LLC (the "Former Advisor"). As a result of the closing of this transaction, Ares Commercial Real Estate Management LLC became the Company's new advisor (the "New Advisor"). Ares did not acquire the Company's former sponsor, BCI IV Advisors Group LLC (the "Former Sponsor"), and the Company now considers the Ares real estate group ("AREG") to be its Sponsor. See Note 14 for additional information regarding this transaction. References to the "Advisor" throughout this report mean BCI IV Advisors LLC for periods prior to July 1, 2021 and Ares Commercial Real Estate Management LLC for periods thereafter.

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 six months ended June 30, 2021, the Company acquired 100% of the following properties, all of 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
Princess Logistics Center	4/12/2021	1	74,075
Rancho Cucamonga Business Center	5/28/2021	1	24,624
Norton Distribution Center	6/1/2021	1	32,413
Build-To-Core Logistics Portfolio (2)	6/15/2021	22	876,731
Benchmark Distribution Center	6/18/2021	1	19,651
Total Acquisitions		28	$ 1,107,356

(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.
(2) Refer to “Note 4” for further detail regarding the Build-To-Core Logistics Portfolio acquisition.

During the six months ended June 30, 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 Six Months Ended June 30, 2021
Land	$ 273,579
Building and improvements	769,400
Intangible lease assets	64,344
Above-market lease assets	4,511
Construction in progress	8,067
Below-market lease liabilities	(12,545)
Total purchase price (1)	$ 1,107,356

(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 six months ended June 30, 2021, as of the respective date of each acquisition, was 6.2 years.

3. INVESTMENT IN REAL ESTATE

As of June 30, 2021 and December 31, 2020, the Company’s consolidated investment in real estate properties consisted of 93 and 65 industrial buildings, respectively.

(in thousands)	As of June 30, 2021	As of December 31, 2020
Land	$ 659,569	$ 385,988
Building and improvements	1,660,057	885,489
Intangible lease assets	190,812	119,765
Construction in progress	12,708	4,203
Investment in real estate properties	2,523,146	1,395,445
Less accumulated depreciation and amortization	(103,557)	(72,924)
Net investment in real estate properties	$ 2,419,589	$ 1,322,521

Intangible Lease Assets and Liabilities

Intangible lease assets and liabilities as of June 30, 2021 and December 31, 2020 included the following:

	As of June 30, 2021			As of December 31, 2020		
(in thousands)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible lease assets (1)	$ 182,357	$ (44,650)	$ 137,707	$ 115,821	$ (32,699)	$ 83,122
Above-market lease assets (1)	8,455	(1,085)	7,370	3,944	(694)	3,250
Below-market lease liabilities (2)	(30,017)	7,725	(22,292)	(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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands)	2021	2020	2021	2020
Increase (Decrease) to Rental Revenue:				
Straight-line rent adjustments	$ 1,225	$ 1,825	$ 1,536	$ 2,540
Above-market lease amortization	(207)	(90)	(391)	(174)
Below-market lease amortization	965	770	1,862	1,557
Real Estate-Related Depreciation and Amortization:				
Depreciation expense	$ 10,132	$ 5,912	$ 18,290	$ 11,059
Intangible lease asset amortization	6,250	4,816	11,951	9,389

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, 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"). The BTC Partnerships were formed with third party investors for purposes of investing in industrial properties located in certain major U.S. distribution markets.

On June 15, 2021, the Company, through two of its subsidiaries, entered into a transaction (the "BTC I Partnership Transaction") with its joint venture partners in the BTC I Partnership, QR Master Holdings USA II LP (the "QR Limited Partner") and Industrial Property Advisors Sub I LLC (the "BTC I SLP"). The BTC I SLP is indirectly owned by the Chairman of the Company's board of directors. Pursuant to the BTC I Partnership Transaction, the Company, the QR Limited Partner, and the BTC I SLP agreed to split the real property portfolio of the BTC I Partnership in an equitable manner, such that following the split, the Company and the QR Limited Partner (together with certain of its affiliates), each own a 100% interest in approximately half of the portfolio of the BTC I Partnership (excluding one property that was distributed to the BTC I SLP). As a result of this transaction, the Company has a 100% interest in 22 buildings that were previously part of the BTC I Partnership (the "Build-To-Core Logistics Portfolio"). The Company and the BTC I SLP have no further interest in the BTC I Partnership as a result of the BTC I Partnership Transaction. The total cost of these properties to the Company is $876.7 million, which includes the cost of the Company's minority joint venture interest in the BTC I Partnership and the Company's incremental additional investment of approximately $580 million, exclusive of transaction costs, to effect the split of the BTC I Portfolio. The Company has elected the cost accumulation and allocation model to account for the BTC I Partnership Transaction, which allocates the cost of the acquisition at the carrying amount of the previously held interest, along with the incremental consideration paid and transaction costs incurred based on relative fair values.

The Company has reported its investments in the BTC Partnerships under the equity method on its condensed consolidated balance sheets, because with respect to the BTC I Partnership, for the period prior to the BTC I Partnership Transaction, the Company had the ability to exercise significant influence but did not have control over the partnership. Similarly, with respect to the BTC II Partnership, the Company has the ability to exercise significant influence but does not have control of the partnership. The following table summarizes the Company's investment in the BTC Partnerships:

	As of				Investment in Unconsolidated Joint Venture Partnerships as of	
	June 30, 2021		December 31, 2020			
($ in thousands)	Ownership Percentage	Number of Buildings (1)	Ownership Percentage	Number of Buildings (1)	June 30, 2021	December 31, 2020
BTC I Partnership	— %	—	26.8 %	42	$ —	$ 279,108
BTC II Partnership	8.0 %	25	8.0 %	25	45,246	45,134
Total BTC Partnerships		25		67	$ 45,246	$ 324,242

(1) Represents acquired or completed buildings.

As of June 30, 2021, the book value of the Company's investment in the BTC II Partnership was $45.2 million, which includes $6.3 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 interest in the BTC II Partnership, 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 partnership.

5. DEBT

The Company’s consolidated indebtedness is currently comprised of borrowings under its term loans 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:

	Weighted-Average Effective Interest Rate as of			Balance as of	
($ in thousands)	June 30, 2021	December 31, 2020	Maturity Date	June 30, 2021	December 31, 2020
Line of credit (1)	1.40 %	1.44 %	November 2023	$ 92,000	$ —
Term loan (2)	2.23	2.23	February 2024	415,000	415,000
Term loan (3)	1.45	—	May 2026	200,000	—
Fixed-rate mortgage notes (4)	3.14	3.14	August 2024 - December 2027	167,750	167,750
Total principal amount / weighted-average (5)	2.14 %	2.49 %		$ 874,750	$ 582,750
Less unamortized debt issuance costs				$ (8,852)	$ (4,430)
Add mark-to-market adjustment on assumed debt, net				745	851
Total debt, net				$ 866,643	$ 579,171
Gross book value of properties encumbered by debt				$ 300,278	$ 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 June 30, 2021, total commitments for the line of credit were $430.0 million and the unused portion under the line of credit was $338.0 million, of which $73.1 million was available.

(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 June 30, 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) The effective interest rate is calculated based on either (i) LIBOR plus a margin ranging from 1.35% to 2.20%; or (ii) an alternative base rate plus a margin ranging from 0.35% to 1.20%, depending on the Company’s consolidated leverage ratio. The weighted-average effective interest rate is the all-in interest rate. As of June 30, 2021, total commitments for the term loan were $600.0 million and the unused and available portions under the term loan were both $400.0 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.

(4) 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.

(5) The weighted-average remaining term of the Company’s consolidated debt was approximately 3.7 years as of June 30, 2021, excluding any extension options on the line of credit.

As of June 30, 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 Loans	Mortgage Notes	Total
Remainder of 2021	$ —	$ —	$ —	$ —
2022	—	—	—	—
2023	92,000	—	—	92,000
2024	—	415,000	38,000	453,000
2025	—	—	—	—
Thereafter	—	200,000	129,750	329,750
Total principal payments	$ 92,000	$ 615,000	$ 167,750	$ 874,750

(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 after 2021. 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 payments could change. In addition, uncertainty about the extent and manner of future changes may result in interest rates 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 June 30, 2021, the Company's term loans are the only consolidated indebtedness with maturity dates beyond 2023 that have exposure to LIBOR. The agreements governing the term loans provide 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 June 30, 2021, the Company has interest rate swaps in place to hedge LIBOR on $350.0 million of commitments under its $415.0 million 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 loans 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 June 30, 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 $3.6 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 June 30, 2021 and December 31, 2020.

($ in thousands)	Number of Contracts	Notional Amount	Balance Sheet Location	Fair Value
As of June 30, 2021				
Interest rate swaps	7	$ 350,000	Other liabilities	$ (6,611)
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.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands)	2021	2020	2021	2020
Derivative Instruments Designated as Cash Flow Hedges				
(Loss) gain recognized in AOCI	$ (81)	$ (2,185)	$ 1,394	$ (14,326)
Amount reclassified from AOCI into interest expense	917	572	1,804	388
Total interest expense presented in the condensed consolidated statements of operations in which the effects of the cash flow hedges are recorded	4,571	2,974	8,295	6,296

6. DST PROGRAM

On May 1, 2021, the Company initiated a program to raise capital through private placement offerings by selling beneficial interests (the “DST Interests”) in specific Delaware statutory trusts holding real properties (the “DST Program”). Under the DST Program, each private placement offers interests in one or more real properties placed into one or more Delaware statutory trust(s) by the Operating Partnership or its affiliates (“DST Properties”). DST Properties may be sourced from properties currently indirectly owned by the Operating Partnership or newly acquired properties. The underlying interests of real properties sold to investors pursuant to such private placements are leased-back by an indirect wholly owned subsidiary of the Operating Partnership on a long-term basis. These master lease agreements are fully guaranteed by the Operating Partnership. Additionally, the Operating Partnership retains a fair market value purchase option giving it the right, but not the obligation, to acquire the interests in the Delaware statutory trusts from the investors at a later time in exchange for held partnership units in the Operating Partnership (“OP Units”).

Under the master lease, the Company is responsible for subleasing the property to occupying customers and all underlying costs associated with operating the property, and is responsible for paying rent to the Delaware statutory trust that owns such property. As such, for financial reporting purposes (and not for income tax purposes), the DST Properties are included in the Company’s condensed consolidated financial statements, with the master lease rent payment obligations taking the place of the cost of equity and debt capital. Accordingly, for financial reporting purposes, the rental revenues and rental expenses associated with the underlying property of each master lease are included in the respective line item on the condensed consolidated statements of operations. Consistent with the foregoing, rental payments made to the Delaware statutory trusts pursuant to the master lease agreements are accounted for using the interest method whereby a portion is accounted for as interest expense and a portion is accounted for as an accretion or amortization of the outstanding principal balance of the financing obligations. The net amount the Company receives from the underlying properties subject to the master lease may be more or less than the amount it pays to the investors of the DST Program and could fluctuate over time.

Consistent with the financial reporting position described herein, the proceeds from each private placement under the DST Program are accounted for as a financing obligation on the condensed consolidated balance sheets due to the fact that the Company has an option (which may or may not be exercised) to purchase the interests in the Delaware statutory trusts and thereby acquire the real property owned by the Delaware statutory trusts. Consistent with the financial reporting position described herein, upfront costs incurred for services provided by the Advisor and its affiliates related to the DST Program are accounted for as deferred loan costs and are netted against the financing obligation.

In order to facilitate additional capital raise through the DST Program, the Company has made and may continue to offer loans (“DST Program Loans”) to finance a portion of the sale of DST Interests in the trusts holding DST Properties to potential investors. As of June 30, 2021, there were approximately $24.6 million of outstanding DST Program Loans that the Company has made to partially finance the sale of DST Interests. DST Program Loans are evidenced by promissory notes from the investor, secured by the investor’s DST Interests, and based on commercially reasonable terms. DST Program Loans bear interest at market rates that may be fixed or based on LIBOR, or an alternate rate in the event LIBOR is not available, and are non-recourse to the investor (except for certain non-recourse carve-outs). Accordingly, the Company includes its investments in DST Program Loans separately on its condensed consolidated balance sheets in the “DST Program Loans” line item and includes income earned from DST Program Loans in “other income” on its statements of operations. The Company does not have a significant credit concentration with any individual purchaser as a result of DST Program Loans.

During the six months ended June 30, 2021, the Company sold approximately $82.4 million in gross interests related to the DST Program, including interests financed by $24.6 million of DST Program Loans, and incurred rent obligations of approximately $0.1 million under its master lease agreements with investors who are participating in the DST Program.

7. 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 June 30, 2021 and December 31, 2020.

(in thousands)	Level 1	Level 2	Level 3	Total Fair Value
As of June 30, 2021				
Liabilities				
Derivative instruments	$ —	$ (6,611)	$ —	$ (6,611)
Total liabilities measured at fair value	$ —	$ (6,611)	$ —	$ (6,611)
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 Measurements

As of June 30, 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:

	As of June 30, 2021		As of December 31, 2020	
(in thousands)	Carrying Value (1)	Fair Value	Carrying Value (1)	Fair Value
Assets:				
DST Program Loans	$ 24,561	$ 24,561	$ —	$ —
Liabilities:				
Line of credit	$ 92,000	$ 91,781	$ —	$ —
Term loans	615,000	613,908	415,000	411,787
Fixed rate mortgage notes	167,750	171,174	167,750	172,008

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

8. STOCKHOLDERS' EQUITY

Public Offerings

The Company intends to conduct a continuous public offering that will not have a predetermined duration, subject to continued compliance with the rules and regulations of the SEC and applicable state laws. 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 offered 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. On August 4, 2021, the Company's second public offering was terminated immediately upon effectiveness of the Company's registration statement for its third public offering of up to $5.0 billion of shares of its common stock, and the third public offering commenced the same day. Under the third public offering, the Company is offering up to $3.75 billion of shares of its common stock in the primary offering and up to $1.25 billion 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.

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 June 30, 2021, is as follows:

(in thousands)	Class T	Class W	Class I	Total
Amount of gross proceeds raised:				
Primary offering	$ 1,684,193	$ 104,237	$ 200,303	$ 1,988,733
DRIP	56,414	3,242	1,779	61,435
Total offering	$ 1,740,607	$ 107,479	$ 202,082	$ 2,050,168
Number of shares issued:				
Primary offering	160,389	10,333	19,666	190,388
DRIP	5,586	321	176	6,083
Total offering	165,975	10,654	19,842	196,471

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 JUNE 30, 2020				
Balance as of March 31, 2020	92,954	4,697	2,151	99,802
Issuance of common stock:				
Primary shares	16,898	848	230	17,976
DRIP	678	38	16	732
Stock grants	—	—	1	1
Redemptions	(62)	(17)	—	(79)
Balance as of June 30, 2020	110,468	5,566	2,398	118,432
FOR THE THREE MONTHS ENDED JUNE 30, 2021				
Balance as of March 31, 2021	138,967	9,121	4,207	152,295
Issuance of common stock:				
Primary shares	25,192	1,358	15,993	42,543
DRIP	990	68	56	1,114
Stock grants	—	—	—	—
Redemptions	(662)	(43)	(4)	(709)
Forfeitures	—	—	(4)	(4)
Balance as of June 30, 2021	164,487	10,504	20,248	195,239
FOR THE SIX MONTHS ENDED JUNE 30, 2020				
Balance as of December 31, 2019	45,240	2,736	1,299	49,275
Issuance of common stock:				
Primary shares	64,289	2,813	872	67,974
DRIP	1,041	61	26	1,128
Stock grants	—	—	201	201
Redemptions	(102)	(44)	—	(146)
Balance as of June 30, 2020	110,468	5,566	2,398	118,432
FOR THE SIX MONTHS ENDED JUNE 30, 2021				
Balance as of December 31, 2020	130,565	7,866	3,040	141,471
Issuance of common stock:				
Primary shares	32,937	2,563	16,962	52,462
DRIP	1,887	129	81	2,097
Stock grants	—	—	204	204
Redemptions	(902)	(54)	(16)	(972)
Forfeitures	—	—	(23)	(23)
Balance as of June 30, 2021	164,487	10,504	20,248	195,239

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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					
June 30	$ 0.13625	$ 8,557	$ 12,290	$ 3,373	$ 24,220
March 31	0.13625	6,721	10,310	3,240	20,271
Total	$ 0.27250	$ 15,278	$ 22,600	$ 6,613	$ 44,491
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	$ 0.54500	$ 20,293	$ 30,655	$ 10,634	$ 61,582

(1) 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.
(2) 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.
(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 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 Six Months Ended June 30, 2021	2020
Number of eligible shares redeemed	974	146
Aggregate dollar amount of shares redeemed	$ 9,911	$ 1,440
Average redemption price per share	$ 10.18	$ 9.86

9. REDEEMABLE NONCONTROLLING INTERESTS

The Operating Partnership issued OP Units to the Former Sponsor as payment of the performance participation allocation (also referred to as the performance component of the advisory fee) pursuant to the advisory agreement, by and among the Company, the Operating Partnership and the Advisor. The Former Sponsor subsequently transferred these OP Units to its members or their affiliates. 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 limited partners who hold these OP Units have the ability to tender the OP Units at any time, irrespective of the period that they have held such OP Units, 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 interests are 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 six months ended June 30, 2021:

($ in thousands)		
As of December 31, 2019	$	723
Settlement of 2019 performance participation allocation (1)		2,913
Distributions to OP Unitholders		(100)
Net loss attributable to redeemable noncontrolling interest		(4)
Change from cash flow hedging activities attributable to redeemable noncontrolling interest		(64)
Redemption value allocation adjustment to redeemable noncontrolling interest		163
As of June 30, 2020	$	3,631
As of December 31, 2020	$	3,648
Settlement of 2020 performance participation allocation (2)		9,640
Distributions to OP Unitholders		(358)
Net loss attributable to redeemable noncontrolling interest		(225)
Change from cash flow hedging activities attributable to redeemable noncontrolling interest		27
Redemption value allocation adjustment to redeemable noncontrolling interest		854
As of June 30, 2021	$	13,586

(1) The 2019 performance participation allocation in the amount of $2.9 million became payable to the Former Sponsor on December 31, 2019. At the Advisor's election, it was paid in the form of Class I OP Units valued at $2.9 million (based on the NAV per unit as of December 31, 2019), which were issued to the Former Sponsor in January 2021 and subsequently transferred to its members or their affiliates.

(2) The 2020 performance participation allocation in the amount of $9.6 million became payable to the Former 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 Former Sponsor in January 2021 and subsequently transferred to its members or their affiliates.

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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		Payable as of	
(in thousands)	2021	2020	2021	2020	June 30, 2021	December 31, 2020
Selling commissions and dealer manager fees (1)	$ 3,932	$ 8,007	$ 7,627	$ 17,465	$ —	$ —
Ongoing distribution fees(1)(2)	3,373	2,710	6,613	4,453	1,194	1,122
Advisory fee—fixed component	5,525	2,111	9,460	3,896	2,186	1,345
Performance participation allocation	11,842	2,985	16,022	3,260	16,022	9,640
Other expense reimbursements (3)(4)	3,092	2,427	6,265	5,022	1,657	2,706
Property accounting fee (5)	223	138	418	277	85	59
DST Program selling commissions, dealer manager fees and distribution fees (1)	227	—	227	—	5	—
Other DST Program related costs (4)	908	—	908	—	12	—
Development fees (6)	324	—	714	—	81	24
Total	$ 29,446	$ 18,378	$ 48,254	$ 34,373	$ 21,242	$ 14,896

(1) All or a portion of these amounts will be retained by, or reallowed (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 were approximately $62.1 million and $45.0 million as of June 30, 2021 and December 31, 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) Includes costs reimbursed to the Advisor related to the DST Program.
(5) The property accounting fee is equal to the difference between: (i) the property management fee charged with respect to each real property, which reflects the market rate for all real property management services, including property-level 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 arm's 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.
(6) 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 BTC Partnerships, which are 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 did not otherwise receive a separate fee. These amounts include a portion of the salary, bonus, and benefits of certain of the Company's named executive officers. The Company reimbursed the Advisor approximately $2.6 million and $2.0 million for the three months ended June 30, 2021 and 2020, respectively, and $5.3 million and $4.2 million for the six months ended June 30, 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.

Joint Venture Partnerships

For the three and six months ended June 30, 2021, the BTC Partnerships (as described in “Note 4”) incurred in aggregate approximately $3.3 million and $6.4 million, respectively, 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 the minority ownership interests in the BTC Partnerships were acquired on July 15, 2020, there were no amounts incurred for the three and six months ended June 30, 2020. As of June 30, 2021, the Company owed the BTC II Partnership $0.5 million, which was recorded in due to affiliates on the condensed consolidated balance sheet, and as of December 31, 2020, the Company had amounts due from the BTC Partnerships in aggregate of approximately $25,000, which was recorded in due from affiliates on the condensed consolidated balance sheet.

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.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in thousands)	2021	2020	2021	2020
Fees deferred	$ —	$ 2,111	$ —	$ 3,896
Other expenses supported	—	6,860	—	9,609
Total expense support from Advisor	—	8,971	—	13,505
Reimbursement of previously deferred fees and other expenses supported	—	(3,183)	—	(3,183)
Total expense support from Advisor, net	$ —	$ 5,788	$ —	$ 10,322

11. SUPPLEMENTAL CASH FLOW INFORMATION

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

	For the Six Months Ended June 30,	
(in thousands)	2021	2020
Distributions payable	$ 8,931	$ 5,393
Distributions reinvested in common stock	21,349	11,346
Increase in DST Program Loans receivable	24,561	—
Redeemable noncontrolling interest issued as settlement of performance participation allocation	9,640	2,913
Carry-over of minority ownership interest in BTC I Partnership	279,340	—
Non-cash selling commissions and dealer manager fees	7,627	30,357

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 Six Months Ended June 30, 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	$ 159,248	$ 434,513
Restricted cash (2)	1,595	—
Cash, cash equivalents and restricted cash	$ 160,843	$ 434,513

(1) As of 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 December 31, 2019, the Company did not have any restricted cash.
(2) As of June 30, 2021, 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, and cash held in escrow in connection with a property acquired as part of the Build-To-Core Logistics Portfolio. As of June 30, 2020, 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 the 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 could severely impact the Company's customers' businesses, financial condition and liquidity and could 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 six months ended June 30, 2021 from the COVID-19 pandemic and the vaccination rates in the United States are encouraging, the number of people diagnosed with COVID-19 in the United States is once again on the rise and the Company 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 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

Litigation

From time to time, the Company and its subsidiaries may be involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2021, the Company and its subsidiaries were not involved in any material legal proceedings.

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 June 30, 2021.

14. SUBSEQUENT EVENTS

Status of the Public Offerings

As of August 5, 2021, the Company had raised gross proceeds of $2.4 billion from the sale of 225.3 million shares of its common stock in its public offerings, including $70.7 million from the sale of 7.0 million shares of its common stock through its distribution reinvestment plan. On August 4, 2021, the Company launched its third public offering of up to $5.0 billion in shares of the Company’s common stock in any combination of Class T shares, Class W shares and Class I shares, including up to $1.25 billion 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’s second public offering ended on August 4, 2021, immediately prior to the commencement of its third public offering.

Completed Acquisitions

Key Logistics Portfolio

On July 14, 2021, BCI IV Portfolio Real Estate Holdco LLC, a Delaware limited liability company, an indirect wholly owned subsidiary of the Company, acquired a 100% fee interest in 48 industrial buildings totaling approximately 8.3 million square feet on approximately 480.7 acres (the “Key Logistics Portfolio”) pursuant to an Agreement and Plan of Merger, by and between Black Creek Holdco, Prologis Targeted U.S. Logistics Fund, L.P., a Delaware limited partnership (“USLF”), Prologis USLV Operating Partnership, L.P., a Delaware limited partnership (“USLV”), and Prologis USLV SubREIT 1, LLC, a Delaware limited liability company (“USLV SubREIT”, and together with USLF and USLV, the “Sellers”).

The total purchase price was $920.0 million, subject to customary prorations. The Sellers are not affiliated with the Company or its affiliates. The Company funded the acquisition using proceeds from the Company’s public offering and funds from its existing credit facility.

Stonewood Logistics Center

On July 16, 2021, the Company acquired one industrial building located in the Pennsylvania market. The total purchase price was approximately $19.1 million, exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Heron Industrial Center

On July 21, 2021, the Company acquired one industrial building located in the New Jersey market. The total purchase price was approximately $26.0 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 $106.5 million, comprised of four industrial buildings. There can be no assurance that the Company will complete the acquisition of the properties under contract.

Ares Acquisition

Completion of the Transaction with Ares

On July 1, 2021, Ares Management Corporation ("Ares") closed on the acquisition of Black Creek Group's U.S. real estate investment advisory and distribution business, including BCI IV Advisors LLC, the Company's Former Advisor (the "Transaction"). On the same date, the Company's Former Advisor assigned the advisory agreement to the Company's New Advisor. Ares did not acquire the Former Sponsor, and the Company now considers the Ares real estate group to be the Company's sponsor.

Ares intends to continue to operate the business of Black Creek Group consistent with past practice. The principals of Black Creek Group, the rest of the management team and the Company's current officers are expected to continue to serve in their roles with respect to the Company for the foreseeable future, although certain Ares personnel are expected to join the Company's board of directors and have joined the Advisor's investment committee. Any changes to the Company's board of directors, management team or investment policies will require approval of the Company's board of directors. Although such changes may be made in the future, no such changes have been approved at this time.

Advisory Agreement

On July 1, 2021, in connection with the Transaction, the Company and the Operating Partnership entered into the Third Amended and Restated Advisory Agreement (2021) (the "Advisory Agreement") with the New Advisor. The Advisory Agreement amends and restates the Second Amended and Restated Advisory Agreement (the "Prior Advisory Agreement") to, among other things, reflect the assignment of the Advisor's rights and obligations under the Prior Advisory Agreement to the New Advisor. The term of the Advisory Agreement ends on July 1, 2022, subject to renewals by mutual consent of the parties for an unlimited number of successive one-year periods. The terms of the Advisory Agreement are otherwise substantially the same as the terms of the Prior Advisory Agreement.

Limited Partnership Agreement

On July 1, 2021, in connection with the Transaction, the Company, on behalf of itself as general partner and on behalf of the limited partners thereto other than the special limited partner, entered into the Eighth Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP (the "Limited Partnership Agreement"). The Limited Partnership Agreement amends and restates the Seventh Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP, dated as of February 16, 2021 (the "Prior Limited Partnership Agreement") in order to reflect the assignment and transfer of all of the special partnership units to the New Advisor. The terms of the Limited Partnership Agreement are otherwise substantially the same as the terms of the Prior Limited Partnership Agreement.

Equity Incentive Plans

On July 1, 2021, in connection with the Transaction, the Company adopted a Second Amended and Restated Equity Incentive Plan and an Amended and Restated Private Placement Equity Incentive Plan, in order to add Ares, the New Advisor and their affiliates as plan related parties, which will allow the outstanding awards under each plan to continue to vest in due course following the closing of the Transaction.

Term Loan

On July 16, 2021, the Company entered into a loan agreement with Regions Bank, pursuant to which the Company obtained a secured term loan in the amount of $209.3 million. The effective interest rate is calculated based on LIBOR plus a margin of 1.50% and the term loan has a four year term, which may be extended pursuant to a one-year extension option, subject to the Company satisfying certain conditions.

Status of Derivative Instruments

Subsequent to June 30, 2021, the Company had executed three interest rate swaps on its $600.0 million term loan with an aggregate notional amount of $225.0 million.

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 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;
- Challenges related to the integration of Black Creek Group into the business operations and corporate culture of Ares, the allocation of corporate resources, and the retention of Black Creek Group personnel, which could adversely impact our business and reduce the synergies that we expect to benefit from as a result of the acquisition of Black Creek Group's U.S. real estate investment advisory and distribution business by Ares;
- 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.

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 offered 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. On August 4, 2021, our second public offering was terminated immediately upon effectiveness of our registration statement for our third public offering of up to $5.0 billion of shares of our common stock, and the third public offering commenced the same day. Under the third public offering, we are offering up to $3.75 billion of shares of our common stock in the primary offering and up to $1.25 billion 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.

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 a program to raise capital through private placement offerings by selling DST Interests the DST Program. These private placement offerings are 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. We also make loans ("DST Program Loans") to finance a portion fo the sale of the DST Interests to certain puchasers of the interests in the Delaware statutory trusts to finance no more than 50% of the purchase price payable upon their acquisition of such interests. During the six months ended June 30, 2021, we sold $82.4 million of gross interests related to the DST Program, $24.6 million of which were financed by DST Program Loans. See "Note 6" to the Condensed Consolidated Financial Statements" for additional detail regarding the DST Program.

As of June 30, 2021, we had raised gross proceeds of approximately $2.1 billion from the sale of 196.5 million shares of our common stock, including shares issued pursuant to our distribution reinvestment plan. See "Note 8 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 June 30, 2021, we directly owned and managed a real estate portfolio that included 93 industrial buildings totaling approximately 19.7 million square feet located in 22 markets throughout the U.S., with 168 customers, and was 95.5% occupied (96.8% leased) with a weighted-average remaining lease term (based on square feet) of 4.9 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 June 30, 2021 our real estate portfolio included:

- 90 industrial buildings totaling approximately 19.2 million square feet comprised our operating portfolio, which includes stabilized properties, and was 97.1% occupied (97.3% leased) with a weighted-average remaining lease term (based on square feet) of approximately 4.9 years; and
- Three industrial buildings totaling approximately 0.5 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.

Additionally, as of June 30, 2021, we owned and managed 25 buildings totaling approximately 5.5 million square feet and 10 buildings either under construction or in pre-construction phase totaling approximately 4.1 million square feet through our 8.0% minority ownership interest in the BTC II Partnership (as described in "Note 4 to the Condensed Consolidated Financial Statements"). Unless otherwise noted, these buildings are excluded from the presentation of our portfolio data herein.

During the month ended June 30, 2021, we, along with our joint venture partners, entered into the BTC I Partnership Transaction to split the BTC I Portfolio, which, prior to the transaction, consisted of 44 buildings totaling approximately 12.1 million square feet. As a result of the BTC I Partnership Transaction (described further in "Note 4 to the Condensed Consolidated Financial Statements"), we own a 100% interest in 22 buildings that were previously part of the BTC I Portfolio, totaling approximately 5.4 million square feet with a total cost of $876.7 million, which includes the cost of our minority joint venture interest in the BTC I Partnership and our incremental additional investment of approximately $580 million, exclusive of transaction costs, to effect the split of the BTC I Portfolio. Including these buildings, as of June 30, 2021, we had directly acquired 93 buildings comprised of approximately 19.7 million square feet for an aggregate total purchase price of approximately $2.5 billion.

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.

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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 and review 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 third-party appraisal firms, 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 properties are determined by the Independent Valuation Advisor and the final estimates of fair values of our real estate-related assets, our other assets, and our 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 properties, 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 and review process generally. Unconsolidated real properties 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 properties, the Advisor will determine the estimated fair value of the unconsolidated real properties for those interim periods. All parties engaged by us in connection with our valuation procedures, including the Independent Valuation Advisor, ALPS Fund Services Inc. ("ALPS"), and 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. See Exhibit 99.2 of this Quarterly Report on Form 10-Q for a more detailed description of our valuation procedures, including important disclosure 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 from 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 total equity or stockholders' equity on a GAAP basis. Most significantly, the valuation of our real assets, which is the largest component of our NAV calculation, is provided to us by the Independent Valuation Advisor. For GAAP purposes, these assets are generally recorded at depreciated or amortized cost. Another example that will cause our NAV to differ from our GAAP total equity or stockholders' equity is the straight-lining of rent, which results in a receivable for GAAP purposes that is not included in the determination of our NAV. 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 and are used by ALPS 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. 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. The aggregate real property valuation of $2.74 billion compares to a GAAP basis of real properties (net of intangible lease liabilities and before accumulated amortization and depreciation) of $2.49 billion, representing a difference of approximately $249.1 million, or 10.0%.

As used below, "Fund Interests" means our outstanding shares of common stock, along with OP Units, which may be or were held directly or indirectly by the Advisor, the Former Sponsor, members or affiliates of the Former Sponsor, and third parties, and "Aggregate Fund NAV" means the NAV of all the Fund Interests.

The following table sets forth the components of Aggregate Fund NAV as of June 30, 2021 and December 31, 2020:

(in thousands)	As of June 30, 2021	As of December 31, 2020
Investments in industrial properties	$ 2,742,200	$ 1,453,200
Investment in unconsolidated joint venture partnership(s)	54,813	375,488
DST Program Loans	24,561	—
Cash and cash equivalents	159,248	232,369
Other assets	115,070	12,606
Line of credit, term loans and mortgage notes	(874,750)	(582,750)
Financing obligations associated with our DST Program	(82,118)	—
Other liabilities	(46,819)	(43,248)
Accrued performance participation allocation	(16,022)	(9,640)
Accrued fixed component of advisory fee	(2,186)	(1,345)
Aggregate Fund NAV	$ 2,073,997	$ 1,436,680
Total Fund Interests outstanding	196,231	141,632

The following table sets forth the NAV per Fund Interest as of June 30, 2021:

(in thousands, except per Fund Interest data)	Total	Class T Shares	Class W Shares	Class I Shares	OP Units
Monthly NAV	$ 2,073,997	$ 1,738,489	$ 111,013	$ 210,636	$ 13,859
Fund Interests outstanding	196,231	164,487	10,504	19,929	1,311
NAV Per Fund Interest	$ 10.5692	$ 10.5692	$ 10.5692	$ 10.5692	$ 10.5692

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 June 30, 2021, we estimated approximately $63.3 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 partnership as of June 30, 2021 includes a minority interest discount on the real property valuation component of the unconsolidated joint venture valuation to account for the restricted salability or transferability of those real properties given our minority ownership interest in the BTC II Partnership. We estimate the fair value of our minority ownership interest in the BTC II Partnership as of June 30, 2021 would have been $8.9 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 June 30, 2021 would have been higher by approximately $8.9 million, or $0.05 per share, not taking into account all of the other items that impact our monthly NAV. Due to the transaction we entered into to split up the portfolio of the BTC I Partnership (as described above in the section titled "Overview—General"), we have adjusted certain assumptions regarding the liquidity discount and the portion of the total discount associated with the BTC I Partnership was eliminated as of June 15, 2021, thereby having a positive impact on our NAV, not taking into account all of the other items that impact our monthly NAV or that 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 our share redemption program at any time. Our NAV generally does not reflect the potential impact of 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 properties as of June 30, 2021, excluding certain newly acquired properties that are currently held at cost which we believe reflects the fair value of such properties, 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	6.2 %
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 property. 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, excluding certain newly acquired properties that are currently held at cost which we believe reflects fair value of such properties:

Input	Hypothetical Change	Increase (Decrease) to the NAV of Real Properties
Exit capitalization rate (weighted-average)	0.25% decrease	3.5 %
	0.25% increase	(3.2)%
Discount rate (weighted-average)	0.25% decrease	2.1 %
	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 June 30, 2021 was $8.8 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 $8.8 million, or $0.05 per share, not taking into account all of the other items that impact our monthly NAV, as of June 30, 2021. As of June 30, 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.

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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 June 30, 2021:

(in thousands)	As of June 30, 2021
Total stockholder's equity	$ 1,648,547
Noncontrolling interests	187
Total equity under GAAP	1,648,734
Adjustments:	
Accrued distribution fee (1)	62,078
Unrealized net real estate, debt and interest rate hedge appreciation (depreciation) (2)	255,877
Unrealized gain (loss) on investments in unconsolidated joint venture partnerships (3)	9,567
Accumulated depreciation and amortization (4)	95,832
Other adjustments (5)	1,909
Aggregate Fund NAV	$ 2,073,997

(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 of 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 $10.5692 per share as of June 30, 2021. The increase in NAV was primarily driven by the performance of our real estate portfolio, including the acquisition of six operating properties during the six months ended June 30, 2021, for an aggregate purchase price of $230.6 million, which is equal to the total consideration paid, as well as the performance of our interests in the BTC Partnerships' real estate portfolio. Additionally, as a result of the BTC I Partnership Transaction, as of June 30, 2021, we directly own the Build-To-Core Logistics Portfolio, consisting of 22 buildings that were previously a part of the BTC I Partnership. To effect the BTC I Partnership Transaction, we made an incremental investment of approximately $580 million, exclusive of transaction costs, bringing the total cost of these properties to $876.7 million, which includes the cost of our minority joint venture interest in the BTC I Partnership.

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 June 30, 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)	0.04 %	1.75 %	4.90 %	4.81 %
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)	0.17 %	2.14 %	4.70 %	4.71 %
Difference	(0.13)%	(0.39)%	0.20 %	0.10 %
Class T Share Total Return (without Sales Charge) (3)	4.75 %	6.55 %	9.84 %	6.14 %
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)	4.89 %	6.96 %	9.64 %	6.03 %
Difference	(0.14)%	(0.41)%	0.20 %	0.11 %
Class W Share Total Return (3)	4.84 %	6.75 %	10.32 %	6.98 %
Adjusted Class W Share Total Return (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	4.97 %	7.16 %	10.11 %	6.85 %
Difference	(0.13)%	(0.41)%	0.21 %	0.13 %
Class I Share Total Return (3)	4.97 %	7.00 %	10.86 %	7.17 %
Adjusted Class I Share Total Return (continued inclusion of mark-to-market adjustments for borrowing-related interest rate hedge and debt instruments) (4)	5.10 %	7.42 %	10.65 %	7.06 %
Difference	(0.13)%	(0.42)%	0.21 %	0.11 %

(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 June 30, 2021 we have $3.0 billion in assets under management, which includes the fair value of our real estate investments, the fair value of our net investment in our joint venture partnership of $54.8 million and $159.2 million in cash and cash equivalents. Additionally, we have leverage of 29.6% as of June 30, 2021, which is calculated as our total borrowings outstanding divided by the fair value of our real property plus our investment in our unconsolidated joint venture partnership 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 June 30, 2021, we directly owned and managed a real estate portfolio comprised of 93 industrial buildings totaling 19.7 million square feet, with 168 customers, spanning a multitude of industries and sectors across 22 markets, with a strategic weighting towards top tier markets where we have historically seen the lowest volatility combined with positive returns over time. Our consolidated portfolio was 95.5% occupied (96.8% leased) as of June 30, 2021, with a weighted-average remaining lease term (based on square feet) of 4.9 years, and our operating portfolio was 97.1% occupied (97.3% leased). During the six months ended June 30, 2021, we leased approximately 0.9 million square feet, which included 0.5 million square feet of new and future leases and 0.4 million square feet of renewals, through 14 separate transactions with an average annual base rent of $7.99 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 June 30, 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 any remaining unpaid rent.

While the uncertain length and depth of the damage from business disruptions remain a risk, we believe our NAV as of June 30, 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 experienced a strong six months in 2021, with the acquisition of six buildings in five markets for $230.6 million, as well as the BTC I Partnership Transaction, which resulted in the addition of 22 buildings to our directly-owned real estate portfolio for a total cost of $876.7 million, which includes the cost of our minority joint venture interest in the BTC I Partnership and our incremental additional investment of approximately $580 million, exclusive of transaction costs, and we believe our strong balance sheet and ability as an operator will continue to 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 six months ended June 30, 2021, we completed the following activities:

- Our NAV increased to $10.5692 per share as of June 30, 2021 as compared to $10.1437 per share as of December 31, 2020.
- We raised $564.3 million of gross equity capital from our public offerings. Additionally, we raised $82.4 million of gross capital through private placement offerings by selling DST Interests, $24.6 million of which were financed by DST Program Loans.
- On June 15, 2021, we closed the BTC I Partnership Transaction, resulting in the direct ownership of 22 buildings, totaling approximately 5.4 million square feet, that were previously part of the BTC I Partnership, for an incremental investment of approximately $580 million, exclusive of transaction costs, bringing the total cost of these properties to $876.7 million, which includes the cost of our minority joint venture interest in the BTC I Partnership.
- In addition to the properties acquired as a result of the BTC I Partnership Transaction, we directly acquired six industrial buildings comprised of 1.4 million square feet for an aggregate purchase price of approximately $230.6 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 0.9 million square feet, which included 0.5 million square feet of new and future leases and 0.4 million square feet of renewals through 14 separate transactions with an average annual base rent of $7.99 per square foot.
- Prior to the BTC I Partnership Transaction on June 15, 2021, we, through our previous 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 three industrial buildings comprising 0.5 million square feet for aggregate total costs to complete the development of approximately $51.2 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.

Portfolio Information

Our owned and managed portfolio was as follows:

	As of		
(square feet in thousands)	**June 30, 2021**	**December 31, 2020**	**June 30, 2020**
Portfolio data:			
Total buildings	93	65	55
Total rentable square feet	19,677	12,810	11,618
Total number of customers	168	117	103
Percent occupied of operating portfolio (1)	97.1 %	99.1 %	97.1 %
Percent occupied of total portfolio (1)	95.5 %	94.4 %	97.1 %
Percent leased of operating portfolio (1)	97.3 %	99.3 %	97.1 %
Percent leased of total portfolio (1)	96.8 %	94.6 %	97.1 %

(1) 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 and Six Months Ended June 30, 2021 Compared to the Same Periods in 2020

The following table summarizes the changes in our results of operations for the three and six months ended June 30, 2021 as compared to the same periods 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 interest in our joint venture partnership using the equity method of accounting; therefore, our proportionate share of income and loss is recognized in income (loss) of our unconsolidated joint venture partnership 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 included 46 buildings totaling approximately 8.6 million square feet owned as of April 1, 2020, which represented 43.8% of total rentable square feet, 58.3% of total revenues, and 58.6% of net operating income for the three months ended June 30, 2021. The same store operating portfolio for the six month periods presented below included 45 buildings totaling approximately 8.5 million square feet owned as of January 1, 2020, which represented 43.1% of total rentable square feet, 62.6% of total revenues, and 63.2% of net operating income for the six months ended June 30, 2021.

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
(in thousands, except per share data)	**2021**	**2020**	**Change**	**%Change**	**2021**	**2020**	**Change**	**%Change**
Rental revenues:								
Same store operating properties	$ 16,897	$ 16,556	$ 341	2.1 %	$ 33,215	$ 33,334	$ (119)	(0.4)%
Other properties	12,081	1,789	10,292	NM %	19,831	1,788	18,043	NM %
Total rental revenues	28,978	18,345	10,633	58.0 %	53,046	35,122	17,924	51.0 %
Rental expenses:								
Same store operating properties	(4,163)	(3,915)	(248)	(6.3)%	(7,814)	(8,006)	192	2.4 %
Other properties	(3,087)	(368)	(2,719)	NM %	(5,011)	(365)	(4,646)	NM %
Total rental expenses	(7,250)	(4,283)	(2,967)	(69.3)%	(12,825)	(8,371)	(4,454)	(53.2)%
Net operating income:								
Same store operating properties	12,734	12,641	93	0.7 %	25,401	25,328	73	0.3 %
Other properties	8,994	1,421	7,573	NM %	14,820	1,423	13,397	NM %
Total net operating income	21,728	14,062	7,666	54.5 %	40,221	26,751	13,470	50.4 %
Other income and expenses:								
Real estate-related depreciation and amortization	(16,382)	(10,728)	(5,654)	(52.7)%	(30,241)	(20,448)	(9,793)	(47.9)%
General and administrative expenses	(2,121)	(1,794)	(327)	(18.2)%	(4,370)	(3,445)	(925)	(26.9)%
Advisory fees	(5,525)	(2,111)	(3,414)	NM	(9,460)	(3,896)	(5,564)	NM
Performance participation allocation	(11,842)	(2,985)	(8,857)	NM	(16,022)	(3,260)	(12,762)	NM
Acquisition costs and reimbursements	(1,148)	(753)	(395)	(52.5)%	(2,125)	(1,612)	(513)	(31.8)%
Equity in (loss) income from unconsolidated joint venture partnerships	(404)	—	(404)	(100.0)%	1,165	—	1,165	100.0 %
Interest expense	(4,571)	(2,974)	(1,597)	(53.7)%	(8,295)	(6,296)	(1,999)	(31.8)%
Other income	93	153	(60)	(0.4)%	129	599	(470)	(0.8)%
Total expense support from the Advisor, net	—	5,788	(5,788)	(100.0)%	—	10,322	(10,322)	(100.0)%
Total expenses	(41,900)	(15,404)	(26,496)	NM	(69,219)	(28,036)	(41,183)	NM
Net (loss) income	(20,172)	(1,342)	(18,830)	NM	(28,998)	(1,285)	(27,713)	NM
Net loss attributable to redeemable noncontrolling interest	148	4	144	NM %	225	4	221	NM
Net income attributable to noncontrolling interests	(4)	—	(4)	(100.0)%	(8)	—	(8)	(100.0)%
Net (loss) income attributable to common stockholders	$ (20,028)	$ (1,338)	$ (18,690)	NM	$ (28,781)	$ (1,281)	$ (27,500)	NM
Weighted-average shares outstanding	177,754	115,419	62,335		163,355	95,026	68,329	
Net (loss) income per common share - basic and diluted	$ (0.11)	$ (0.01)	$ (0.10)		$ (0.18)	$ (0.01)	$ (0.17)	

NM = Not meaningful

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 $10.6 million, or 58.0%, and $17.9 million, or 51.0%, for the three and six months ended June 30, 2021, respectively, as compared to the same periods 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 and six months ended June 30, 2021, non-same store rental revenues reflect the addition of 47 and 48 buildings we have acquired since April 1, 2020 and January 1, 2020, respectively. Same store rental revenues increased by $0.3 million, or 2.1%, for the three months ended June 30, 2021, as compared to the same period in 2020, primarily due to an increase in recoverable expenses that resulted in increases to recovery revenue. Same store rental revenues decreased by $0.1 million, or 0.4%, for the six months ended June 30, 2021, 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 in the first quarter of 2021, resulting in a decrease to recovery revenue, which was 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 $3.0 million, or 69.3%, and $4.5 million, or 53.2%, for the three and six months ended June 30, 2021, respectively, 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 April 1, 2020 and January 1, 2020, respectively. Same store rental expenses increased by $0.2 million, or 6.3%, for the three months ended June 30, 2021, as compared to the same period in 2020, primarily due to an increase in recoverable expenses in connection with the stabilization of one industrial property and an increase in recoverable real estate taxes, which were partially offset by a decrease in repair and maintenance due to the timing of roof maintenance for the real estate portfolio. Same store rental expenses decreased by $0.2 million, or 2.4%, for the three and six months ended June 30, 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, and the decrease of roof maintenance expenses, which were partially offset by an increase in repairs and maintenance, including higher snow removal costs.

Other Expenses. Other expenses, in aggregate, increased by approximately $26.5 million and $41.2 million for the three and six months ended June 30, 2021, respectively, as compared to the same periods in 2020, primarily due to the following:

- an aggregate increase in advisory fees, including the fixed component and the performance participation allocation, of $12.3 million and $18.3 million for the three and six months ended June 30, 2021, respectively, as a result of the growth in our portfolio, as well as the increase in the value of our properties, as compared to the same periods in 2020;

- a net decrease in the expense support from the Advisor of $5.8 million and $10.3 million for the three and six months ended June 30, 2021, respectively, due to the $5.8 million and $10.3 million of net expense support received for the three and six months ended June 30, 2020, respectively. 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 and six months ended June 30, 2021.

- an increase in real estate-related depreciation and amortization expense and general and administrative expenses totaling an aggregate amount of $6.0 million and $10.7 million for the three and six months ended June 30, 2021, respectively, as a result of the growth in our portfolio as compared to the same periods in 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 June 30, 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 second quarter of 2021, which we are working to deploy as we continue to build our real estate portfolio; significant growth in our NAV, driven in part by the BTC I Partnership Transaction and the strong performance of our portfolio as a result of unprecedented demand in the industrial property sector due to the significant increase in e-commerce in the last year; and an increase in the performance participation allocation as a result of our receipt of the BTC I Partnership promote in December 2020 and our increased NAV, 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 and six months ended June 30, 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.

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. 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 June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020	For the Period From Inception (August 12, 2014) to June 30, 2021
GAAP net loss attributable to common stockholders	$ (20,028)	$ (1,338)	$ (28,781)	$ (1,281)	$ (85,441)
GAAP net loss per common share	(0.11)	$ (0.01)	(0.18)	$ (0.01)	$ (2.34)
Reconciliation of GAAP net loss to NAREIT FFO:					
GAAP net loss attributable to common stockholders	$ (20,028)	$ (1,338)	$ (28,781)	$ (1,281)	$ (85,441)
Add (deduct) NAREIT adjustments:					
Real estate-related depreciation and amortization	16,382	10,728	30,241	20,448	102,501
Our share of real estate-related depreciation and amortization of unconsolidated joint venture partnerships	3,360	—	7,127	—	12,175
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	(145)	(33)	(299)	(62)	(481)
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	$ (431)	$ 9,357	$ 6,024	$ 19,105	$ 26,490
NAREIT FFO per common share	$ (0.00)	$ 0.08	$ 0.04	$ 0.20	$ 0.73
Reconciliation of NAREIT FFO to MFFO:					
NAREIT FFO attributable to common stockholders	$ (431)	$ 9,357	$ 6,024	$ 19,105	$ 26,490
Add (deduct) MFFO adjustments:					
Acquisition costs and reimbursements	1,148	753	2,125	1,612	13,259
Redeemable noncontrolling interest's share of acquisition costs and reimbursements	(8)	(2)	(17)	(5)	(31)
Straight-line rent and amortization of above/below-market leases	(1,983)	(2,505)	(3,007)	(3,923)	(16,845)
Our share of straight-line rent and amortization of above/below-market leases of unconsolidated joint venture partnerships	(349)	—	(612)	—	(980)
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	17	8	28	12	59
MFFO attributable to common stockholders	$ (1,606)	$ 7,611	$ 4,541	$ 16,801	$ 21,952
MFFO per common share	$ (0.01)	$ 0.07	$ 0.03	$ 0.18	$ 0.60
Weighted-average shares outstanding	177,754	115,419	163,355	95,026	36,484

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.

During the six months ended June 30, 2021, we raised $564.3 million of gross equity capital from our public offering. As of June 30, 2021, we had $3.0 billion in assets under management, which includes the fair value of our real estate investments, the fair value of our net investment in our joint venture partnership of $54.8 million and $159.2 million in cash and cash equivalents. Additionally, we have leverage of 29.6%, calculated as our total borrowings outstanding divided by the fair value of our real property plus our investment in our unconsolidated joint venture partnership 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 June 30, 2021, we directly owned and managed a real estate portfolio that included 93 industrial buildings totaling approximately 19.7 million square feet, with a diverse roster of 168 customers, large and small, spanning a multitude of industries and sectors across 22 markets, with a strategic weighting towards top tier markets where we have historically seen the lowest volatility combined with positive returns over time. Our portfolio was 95.5% occupied (96.8% leased) with a weighted-average remaining lease term (based on square feet) of 4.9 years. Contractual rent collections as of June 30, 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 Six Months Ended June 30, 2021	2020	Change
Total cash provided by (used in):			
Operating activities	$ 19,977	$ 18,670	$ 1,307
Investing activities	(917,866)	(300,567)	(617,299)
Financing activities	825,833	665,232	160,601
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (72,056)	$ 383,335	$ (455,391)

Cash provided by operating activities during the six months ended June 30, 2021 increased by approximately $1.3 million as compared to the same period in 2020, primarily as a result of growth in our property operations, offset by an increase in the performance participation allocation in 2021 as a result of our receipt of the BTC I Partnership promote in December 2020. Cash used in investing activities during the six months ended June 30, 2021 increased by approximately $617.3 million as compared to the same period in 2020, primarily due to: (i) a net increase in acquisition and capital expenditure activity of $613.9 million, and (ii) an increase related to our investment in unconsolidated joint venture partnerships of $3.7 million in 2021, which were partially offset by distributions received in 2021 from the BTC I Partnership of $5.2 million. Cash provided by financing activities during the six months ended June 30, 2021 increased approximately $160.6 million as compared to the same period in 2020, primarily driven by (i) an increase in net borrowing activity under our line of credit and term loans of $286.4 million, and (ii) net proceeds from financing obligations of $57.9 million associated with the DST Program, which were partially offset by a $167.4 million decrease in the amount of net capital raised through our public offering and private placements, net of offering costs paid, during the six months ended June 30, 2021, compared to the six months ended June 30, 2020. During the six months ended June 30, 2020, particularly during the first quarter, we saw an extraordinary influx of capital.

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 Loans. As of June 30, 2021, we had an aggregate of $1.4 billion of commitments under our credit agreement, including $430.0 million under our line of credit and $1.0 billion under our two term loans. As of that date, we had $92.0 million outstanding under our line of credit and $615.0 million outstanding under our term loans with an effective interest rate of 1.97%, which includes the effect of the interest rate swap agreements. The unused and available portions under our line of credit were $338.0 million as of June 30, 2021. Our $430.0 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 $600.0 million term loan matures in May 2026. 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 loans.

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 after 2021. 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 payments could change. In addition, uncertainty about the extent and manner of future changes may result in interest rates 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 June 30, 2021, our term loans are our only consolidated indebtedness with maturity dates beyond 2022 that have exposure to LIBOR. The agreements governing the term loans provide 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 June 30, 2021, we have interest rate swaps in place to hedge LIBOR on $350.0 million of commitments under our $415.0 million 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 June 30, 2021, we had property-level borrowings of approximately $167.8 million of principal outstanding with a weighted-average remaining term of 5.6 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 agreements governing our line of credit and term loans contain 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 June 30, 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 our unconsolidated joint venture partnership, cash and cash equivalents. We had leverage of 29.6% as of June 30, 2021. Our management believes our strong equity raise and the timing of our deployment of capital accounts for our lower leverage as of June 30, 2021 and expects that as we deploy capital going forward, our leverage will near approximately 50%.

Offering Proceeds. As of June 30, 2021, aggregate gross proceeds raised since inception from our public offerings, including proceeds raised through our distribution reinvestment plan, were $2.05 billion ($1.95 billion net of direct selling costs).

Distributions. We intend to continue to accrue and make distributions on a regular basis. For the six months ended June 30, 2021, approximately 44.9% of our total gross distributions were paid from cash flows from operating activities, as determined on a GAAP basis, and 55.1% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically, 4.3% were funded with proceeds from financing activities, and 50.8% 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 third 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 third quarter of 2021, or July 31, 2021, August 31, 2021 and

September 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 third 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:

	Source of Distributions									
($ in thousands)	Provided by Expense Support (1)		Provided by Operating Activities		Proceeds from Financing Activities		Proceeds from DRIP (2)		Gross Distributions (3)	Total Cash Flows from Operating Activities
2021										
June 30,	$ —	— %	$ 10,544	43.5 %	$ 1,386	5.7 %	$ 12,290	50.7 %	$ 24,220	$ 10,544
March 31,	—	—	9,433	46.5	528	2.6	10,310	50.9	20,271	9,433
Total	$ —	— %	$ 19,977	44.9 %	$ 1,914	4.3 %	$ 22,600	50.8 %	$ 44,491	$ 19,977
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 six months ended June 30, 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 June 30, 2021 and 2020, our NAREIT FFO was ($0.4) million and $9.4 million, respectively, compared to total gross distributions of $24.2 million and $15.7 million, respectively. For the six months ended June 30, 2021 and 2020, our NAREIT FFO was $6.0 million and $19.1 million, respectively, compared to total gross distributions of $44.5 million and $25.9 million, respectively. FFO is a non-GAAP operating metric and should not be used as a liquidity measure. However, management believes the relationship between FFO and distributions may be meaningful for investors to better understand the sustainability of our operating performance compared to distributions made. Refer to "Additional Measures of Performance" above for the definition of FFO, as well as a detailed reconciliation of our GAAP net income (loss) to FFO.

Refer to "Note 8 to the Condensed Consolidated Financial Statements" for further detail on our distributions.

Redemptions. For the six months ended June 30, 2021, we received eligible redemption requests for approximately 1.0 million shares of our common stock, all of which we redeemed using cash flows from financing activities, for an aggregate amount of approximately $9.9 million, or an average price of $10.18 per share. For the six months ended June 30, 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 $1.4 million, or an average price of $9.86 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 August 5, 2021, we had raised gross proceeds of $2.4 billion from the sale of 225.3 million shares of its common stock in our public offerings, including $70.7 million from the sale of 7.0 million shares of our common stock through our distribution reinvestment plan. On August 4, 2021, we launched our third public offering of up to $5.0 billion in shares of our common stock in any combination of Class T shares, Class W shares and Class I shares, including up to $1.25 billion in shares of common stock available for sale through our distribution reinvestment plan, which may be reallocated for sale in our primary offering. Our second public offering ended on August 4, 2021, immediately prior to the commencement of our third public offering.

Completed Acquisitions

Key Logistics Portfolio

On July 14, 2021, BCI IV Portfolio Real Estate Holdco LLC, a Delaware limited liability company, our indirect wholly owned subsidiary, acquired a 100% fee interest in 48 industrial buildings totaling approximately 8.3 million square feet on approximately 480.7 acres (the "Key Logistics Portfolio") pursuant to an Agreement and Plan of Merger, by and between Black Creek Holdco, Prologis Targeted U.S. Logistics Fund, L.P., a Delaware limited partnership, Prologis USLV Operating Partnership, L.P., a Delaware limited partnership, and Prologis USLV SubREIT 1, LLC, a Delaware limited liability company. The Key Logistics Portfolio is located in 13 geographic markets throughout the United States and is 96.4% occupied by 83 customers with a weighted-average remaining lease term (based on square feet) of approximately 3.4 years.

The total purchase price was $920.0 million, subject to customary prorations. The Sellers are not affiliated with us or our affiliates. We funded the acquisition using proceeds from our public offering and funds from its existing credit facility.

Stonewood Logistics Center

On July 16, 2021, the Company acquired one industrial building located in the Pennsylvania market. The total purchase price was approximately $19.1 million, exclusive of transfer taxes, due diligence expenses, acquisition costs and other closing costs.

Heron Industrial Center

On July 21, 2021, the Company acquired one industrial building located in the New Jersey market. The total purchase price was approximately $26.0 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 $106.5 million, comprised of four industrial buildings. There can be no assurance that the Company will complete the acquisition of the properties under contract.

Ares Acquisition

Completion of the Transaction with Ares

On July 1, 2021, Ares closed on the Transaction. On the same date, our Former Advisor assigned the advisory agreement to our New Advisor. Ares did not acquire the Former Sponsor and we now consider the Ares real estate group to be our sponsor.

Ares intends to continue to operate the business of Black Creek Group consistent with past practice. The principals of Black Creek Group, the rest of the management team and our current officers are expected to continue to serve in their roles with respect to us for the foreseeable future, although certain Ares personnel are expected to join our board of directors and have joined the Advisor's investment committee. Any changes to our board of directors, management team or investment policies will require approval of our board of directors. Although such changes may be made in the future, no such changes have been approved at this time.

Advisory Agreement

On July 1, 2021, in connection with the Transaction, we and the Operating Partnership entered into the Advisory Agreement with the New Advisor. The Advisory Agreement amends and restates the Prior Advisory Agreement to, among other things, reflect the assignment of the Former Advisor's rights and obligations under the Prior Advisory Agreement to the New Advisor. The term of the

Advisory Agreement ends on July 1, 2022, subject to renewals by mutual consent of the parties for an unlimited number of successive one-year periods. The terms of the Advisory Agreement are otherwise substantially the same as the terms of the Prior Advisory Agreement.

Limited Partnership Agreement

On July 1, 2021, in connection with the Transaction, we, on behalf of ourself as general partner and on behalf of the limited partners thereto other than the special limited partner, entered into the Eighth Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP (the "Limited Partnership Agreement"). The Limited Partnership Agreement amends and restates the Seventh Amended and Restated Limited Partnership Agreement of BCI IV Operating Partnership LP, dated as of February 16, 2021 (the "Prior Limited Partnership Agreement") in order to reflect the assignment and transfer of all of the special partnership units to the New Advisor. The terms of the Limited Partnership Agreement are otherwise substantially the same as the terms of the Prior Limited Partnership Agreement.

Equity Incentive Plans

On July 1, 2021, in connection with the Transaction, we adopted a Second Amended and Restated Equity Incentive Plan and an Amended and Restated Private Placement Equity Incentive Plan, in order to add Ares, the New Advisor and their affiliates as plan related parties, which will allow the outstanding awards under each plan to continue to vest in due course following the closing of the transaction.

Term Loan

On July 16, 2021, we entered into a loan agreement with Regions Bank, pursuant to which we obtained a secured term loan in the amount of $209.3 million. The effective interest rate is calculated based on LIBOR plus a margin of 1.50% and the term loan has a four year term, which may be extended pursuant to a one-year extension option, subject to us satisfying certain conditions.

Status of Derivative Instruments

Subsequent to June 30, 2021, we had executed three interest rate swaps on its $600.0 million term loan with an aggregate notional amount of $225.0 million.

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 June 30, 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 June 30, 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 June 30, 2021, our consolidated debt outstanding consisted of borrowings under our term loans and mortgage notes.

Fixed Interest Rate Debt. As of June 30, 2021, our consolidated fixed interest rate debt consisted of $350.0 million under our $415.0 million 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 59.2% of our total consolidated debt as of June 30, 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 June 30, 2021, the fair value and the carrying value of our consolidated fixed interest rate debt, excluding the values of hedges, were $520.3 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 June 30, 2021. Based on our debt as of June 30, 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 June 30, 2021, our consolidated variable interest rate debt consisted of $265.0 million under our term loans, and $92.0 million under our line of credit, which represented 40.8% 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 June 30, 2021, we were exposed to market risks related to fluctuations in interest rates on $357.0 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 June 30, 2021, would increase our annual interest expense by approximately $0.4 million.

Derivative Instruments. As of June 30, 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 June 30, 2021. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 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 six months ended June 30, 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 and Part II, Item 1A, "Risk Factors" of our Quarterly Report on Form 10-Q for the three months ended March 31, 2021 (the "First Quarter 2021 10-Q"), which could materially affect our business, financial condition, and/or future results. The risks described in our 2020 Form 10-K and the First Quarter 2021 10-Q 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 factors set forth below, which update and supplement the risk factors disclosed in our 2020 Form 10-K and First Quarter 2021 10-Q, there have been no material changes to the risk factors disclosed in our 2020 Form 10-K and First Quarter 2021 10-Q.

Our ability to redeem your shares may be limited. In addition, our board of directors may modify or suspend our share redemption program at any time.

Our share redemption program contains significant restrictions and limitations. For example, if holders of our common stock do not hold their shares for a minimum of one year, then they will only be eligible for redemption at 95% of the transaction price on the redemption date. We may redeem fewer shares than have been requested in any particular month to be redeemed under our share redemption program, or none at all, in our discretion at any time. We may redeem fewer shares due to lack of readily available funds because of adverse market conditions beyond our control, the need to maintain liquidity for our operations or because we have determined that investing in real property or other illiquid investments is a better use of our capital than redeeming our shares. In addition, the total amount of aggregate redemptions of Class T, Class W, and Class I shares (based on the price at which the shares are redeemed) will be limited for each calendar month to 2% of the aggregate NAV of all classes as of the last calendar day of the previous quarter and for each calendar quarter will be limited to 5% of the aggregate NAV of all classes of shares as of the last calendar day of the previous calendar quarter. With respect to the limitations described above, (i) provided that this 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 and (ii) provided that this 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). 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, which 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.

The vast majority of our assets will consist of properties which cannot generally be readily liquidated on short notice without impacting our ability to realize full value upon their disposition. Therefore, we may not always have a sufficient amount of cash to immediately satisfy redemption requests. Further, we may invest in real estate-related securities and other securities with the primary goal of maintaining liquidity in support of our share redemption program. Any such investments may result in lower returns than an investment in real estate assets, which could adversely impact our ability to pay distributions and your overall return. Further, if redemption requests, in the business judgment of our board of directors, place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on stockholders whose shares are not redeemed, or should we otherwise determine that investing our liquid assets in real properties or other investments rather than repurchasing our shares is in the best interests of the Company as a whole, then our board of directors may make exceptions to, modify or suspend our share redemption program if in its reasonable judgment it deems such action to be in our best interest and the best interest of our stockholders. Although our board of directors has the discretion to suspend our share redemption program, our board of directors will not terminate our share redemption program other than in connection with a liquidity event which results in our stockholders receiving cash or securities listed on a national securities exchange or where otherwise required by law. Our board of directors may determine that it is in our best interests and the interest of our stockholders to suspend the share redemption program as a result of regulatory changes, changes in law, if our board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed, a lack of available funds, a determination that redemption requests are having an adverse effect on our operations or other factors. Upon suspension of our share redemption program, our share redemption program requires our board of directors to consider at least quarterly whether the continued suspension of the program is in our best interest and the best interest of our stockholders; however, we are not required to authorize the re-commencement of the share redemption program within any specified period of time and any suspension may be for an indefinite period, which would be tantamount to a termination. As a result, your ability to have your shares redeemed by us may be limited, our shares should be considered as having only limited liquidity and at times may be illiquid.

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, such as is the case with respect to the BTC I Partnership and could happen in the future with respect to the BTC II Partnership, pursuant to the terms of its partnership agreement, it could have a positive impact on the calculation of our NAV. In some cases, the impact may be significant. For example, we estimate the fair value of our minority ownership interest in the BTC II Partnership as of June 30, 2021 would have been $8.9 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 would have been higher by approximately $8.9 million, or $0.05 per share, not taking into account all of the other items that impact our monthly NAV, as of June 30, 2021.

The performance participation allocation, which is a component of the advisory fee, is calculated on the basis of the overall investment return provided to holders of Fund Interests over a calendar year, so it may not be consistent with the return on your shares.

The performance participation allocation is calculated on the basis of the overall investment return provided to holders of Fund Interests (i.e., our outstanding shares and OP Units held by third parties) in any calendar year such that the Advisor will earn a performance participation allocation equal to the lesser of (1) 12.5% of (a) the annual total return amount less (b) any loss carryforward, and (2) the amount equal to (x) the annual total return amount, less (y) any loss carryforward, less (z) the Hurdle Amount. Therefore, if the annual total return amount exceeds the Hurdle Amount plus the amount of any loss carryforward, then the Advisor will earn a performance participation allocation equal to 100% of such excess, but limited to 12.5% of the annual total return amount that is in excess of the loss carryforward. The foregoing calculations are performed based on the weighted-average number of outstanding Fund Interests during the year and the weighted-average total return per Fund Interest. The "annual total return amount" referred to above means all distributions paid or accrued per Fund Interest plus any change in NAV per Fund Interest since the end of the prior calendar year, adjusted to exclude the negative impact on annual total return resulting from our payment or obligation to pay, or distribute, as applicable, the performance participation allocation as well as ongoing distribution fees (i.e., our ongoing class-specific fees). If the performance participation allocation is being calculated with respect to a year in which we complete a Liquidity Event (if any), for purposes of determining the "annual total return amount," the change in NAV per Fund Interest will be deemed to equal the difference between the NAV per Fund Interest as of the end of the prior calendar year and the value per Fund Interest determined in connection with such Liquidity Event, as described in "The Advisor and the Advisory Agreement—The Advisory Agreement—Advisory Fee and Expense Reimbursements." The "loss carryforward" referred to above will track any negative annual total return amounts from prior years and offset the positive annual total return amount for purposes of the calculation of the performance participation allocation. The loss carryforward was zero as of the effective date of the Advisory Agreement. Therefore, payment of the performance participation allocation (1) is contingent upon the overall return to the holders of Fund Interests exceeding the Hurdle Amount plus the amount of any loss carryforward, (2) will vary in amount based on our actual performance and (3) cannot cause the overall return to the holders of Fund Interests for the year to be reduced below 5.0%.

As a result of the manner in which the performance participation allocation is calculated, as described above, the performance participation allocation is not directly tied to the performance of the shares you purchase, the class of shares you purchase, or the time period during which you own your shares. The performance participation allocation may be payable to the Advisor even if the NAV of your shares at the time the performance participation allocation is calculated is below your purchase price, and the thresholds at which increases in NAV count towards the overall return to the holders of Fund Interests are not based on your purchase price. Because of the class-specific allocations of the ongoing distribution fee, which differ among classes, we do not expect the overall return of each class of Fund Interests to ever be the same. However, if and when the performance participation allocation is payable, the expense will be allocated among all holders of Fund Interests ratably according to the NAV of their units or shares, regardless of the different returns achieved by different classes of Fund Interests during the year. Further, stockholders who redeem their shares during a given year may redeem their shares at a lower NAV per share as a result of an accrual for the estimated performance participation allocation, even if no performance participation allocation is ultimately payable to the Advisor for all or any portion of such calendar year. In addition, if the Advisor earns the performance participation allocation in any given year, neither of them will be obligated to return any portion of it based on our subsequent performance.

Due to the acquisition of Black Creek Group's U.S. real estate investment advisory and distribution business by Ares, the management and personnel of Black Creek Group, our investment strategy and our business strategy may change without stockholder approval.

On July 1, 2021, Ares closed on the acquisition of Black Creek Group's U.S. real estate investment advisory and distribution business, including our Former Advisor. We believe that Ares intends to continue to operate the business of Black Creek Group consistent with past practice. On the same date, our Former Advisor assigned the Advisory Agreement to our New Advisor. The principals of Black Creek Group, the rest of the management team and our current officers are expected to continue to serve in their roles with respect to our Company for the foreseeable future, although certain Ares personnel are expected to join our board of directors and have joined the Advisor's management team and investment committee. We intend to continue to operate as a NAV-based REIT with no targeted liquidity window primarily focused on investing in and operating institutional-quality bulk distribution, light industrial and last-mile distribution facilities and other industrial properties that are leased to creditworthy corporate customers. Any changes to our board of directors, management team or investment policies will require approval of our board of directors. Although such changes may be made in the future, no such changes have been approved at this time. However, the members of the management team at Black Creek Group and our Company may eventually change, including the positions currently held by Messrs. Mulvihill and Zucker. We expect to appoint a representative of Ares to our board of directors. We may also approve changes to our investment policies and business strategies. Stockholders in our Company should be aware of the risk that these aspects impose on our management and that our Company's overall management strategy could change without stockholder approval.

We could face challenges related to the integration of Black Creek into the business, operations and corporate culture of Ares, the allocation of corporate resources, and the retention of Black Creek personnel, which could adversely impact our business and reduce the synergies that we expect to benefit from as a result of the transaction.

The integration of Black Creek Group into the business of Ares could present challenges that are often encountered by the surviving companies of similar corporate transactions (e.g., issues involving the integration of corporate cultures or infrastructure), in addition to unanticipated challenges, which could divert time and attention away from the activities of our Company.

As a result of the transaction, there may be future changes to the composition of our senior management team and investment professionals. The loss of one or more key people at the Advisor who are expected to continue to serve in their respective roles following the closing of the transaction could have a material adverse effect on our performance.

Former employees of Black Creek Group, in their capacities at Ares, are expected to work on new projects or accounts that they were not involved in when Black Creek was a standalone business. As a result of the transaction and related integration of certain Black Creek Group personnel, conflicts may arise in the allocation of certain personnel and other resources. Different entities and persons may be performing different roles and devoting different levels of attention to our Company as compared to the individuals and entities performing these functions prior to the closing of the transaction.

There will not be a complete overlap in the team of management professionals, and the roles of various team members, as between our Company and prior investment vehicles sponsored by Ares and Black Creek Group, respectively. Investors should consider this when reviewing historical information about our Sponsor and Black Creek Group in the prospectus.

Compliance with the SEC's Regulation Best Interest by participating broker dealers may negatively impact our ability to raise capital in our public offering, which would harm our ability to achieve our investment objectives.

Commencing June 30, 2020, broker dealers are required to comply with Regulation Best Interest, which, among other requirements, establishes a new standard of conduct for broker dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. The full impact of Regulation Best Interest on participating broker dealers cannot be determined at this time, and it may negatively impact whether participating broker dealers and their associated persons recommend this offering to certain retail customers. In particular, under SEC guidance concerning Regulation Best Interest, a broker dealer recommending an investment in our shares should consider a number of factors, including but not limited to cost and complexity of the investment and reasonably available alternatives in determining whether there is a reasonable basis for the recommendation. Broker dealers may recommend a more costly or complex product as long as they have a reasonable basis to believe it is in the best interest of a particular retail customer. However, if broker dealers instead choose alternatives to our shares, many of which likely exist, our ability to raise capital may be adversely affected. If Regulation Best Interest reduces our ability to raise capital in our public offering, it would harm our ability to further expand and diversify our portfolio of investments, as well as our ability to achieve our investment objectives.

Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland shall be the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders with respect to our company, our directors, our officers or our employees (we note we currently have no employees). This choice of forum provision will not apply to claims arising under the Securities Act or the Exchange Act. Similarly, this choice of forum provision will not apply to actions arising out of, or in connection with, the sale of securities in, or the violation of the laws of, the states and U.S. territories and districts, in which our shares are sold pursuant to our public offering; provided that the inapplicability of this choice of forum provision to such actions will not cause this provision to be inapplicable to other types of claims, whether they are brought concurrently with or before or after actions arising out of, or in connection with, the sale of securities in, or the violation of the laws of, the states and U.S. territories and districts in which our shares are sold pursuant to our public offering. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that the stockholder believes is favorable for disputes with us or our directors, officers or employees, which may discourage meritorious claims from being asserted against us and our directors, officers and employees. Alternatively, if a court were to find this provision of our charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. We adopted this provision because we believe it makes it less likely that we will be forced to incur the expense of defending duplicative actions in multiple forums and less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements, and we believe the risk of a court declining to enforce this provision is remote, as the General Assembly of Maryland has specifically amended the Maryland General Corporation Law to authorize the adoption of such provisions.

Advisory fees may not create proper incentives or may induce the Advisor and its affiliates to make certain investments, including speculative investments, that increase the risk of our real estate portfolio.

The advisory fees we pay the Advisor are made up of a fixed component and a performance participation allocation. We will pay the Advisor the fixed component regardless of the performance of our portfolio. The Advisor's entitlement to the fixed component, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking investments that provide attractive risk-adjusted returns for our portfolio. We will be required to pay the Advisor the fixed component in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period. The performance participation allocation, which is based on our total distributions plus the change in NAV per share, may create an incentive for the Advisor to make riskier or more speculative investments on our behalf than it would otherwise make in the absence of such performance-based compensation. Because the performance participation allocation is based on our NAV, the Advisor may be motivated to accelerate acquisitions in order to increase NAV or, similarly, delay or curtail dispositions of assets or share redemptions to maintain a higher NAV, which would, in each case, increase amounts payable to the Advisor.

Our Advisor and its affiliates, including our officers and two of our directors, face conflicts of interest caused by compensation arrangements with us and other entities sponsored or advised by affiliates of our Sponsor, which could result in actions that are not in our stockholders' best interests.

Some of our executive officers, two of our directors and other key personnel are also officers, directors, managers, and key personnel in the Advisor, the Dealer Manager and/or other entities related to the Sponsor. The Advisor and its affiliates receive substantial fees from us in return for their services and these fees could influence their advice to us. Among other matters, the compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of our agreements with the Advisor and its affiliates, including the Advisory Agreement and the agreement with the Dealer Manager;
- recommendations to our board of directors with respect to developing, overseeing, implementing and coordinating our NAV procedures, or the decision to adjust the value of certain of our assets or liabilities if the Advisor is responsible for valuing them;
- public offerings of equity by us, which may result in increased fees for the Advisor and other related parties;
- competition for customers from entities sponsored or advised by affiliates of the Sponsor that own properties in the same geographic area as us; and
- investments through joint ventures or other co-ownership arrangements, which may result in increased fees for the Advisor.

We will be responsible for our proportionate share of certain fees and expenses, including due diligence costs, as determined by our Advisor, including legal, accounting and financial advisor fees and related costs, incurred in connection with evaluating and consummating investment opportunities, regardless of whether such transactions are ultimately consummated by the parties thereto.

In addition, we reimburse the Advisor and its affiliates for the salaries and other compensation of its personnel in accordance with the Advisory Agreement based on the percentage of such personnel's time spent on our affairs. Pursuant to the terms of our Advisory Agreement, we reimburse our Advisor and its affiliates for personnel (and related employment) costs and overhead (including, but not limited to, allocated rent paid, equipment, utilities, insurance, travel and entertainment, and other costs) incurred by the Advisor or its affiliates in performing the services under the Advisory Agreement, including, but not limited to, total compensation, benefits and other overhead of all employees involved in the performance of such services; provided, that we will not reimburse the Advisor or its affiliates for services for which the Advisor or its affiliates are entitled to compensation in the form of a separate fee.

Considerations relating to compensation to the Advisor and its affiliates from us and other entities sponsored or advised by affiliates of the Sponsor could result in decisions that are not in our stockholders best interests, which could hurt our ability to pay distributions to our stockholders or result in a decline in the value of our stockholders' investments. Conflicts of interest such as those described above have contributed to stockholder litigation against certain other externally managed REITs that are not affiliated with us or the Sponsor.

We may invest in, acquire, sell assets to or provide financing to investment vehicles managed by our Advisor or its affiliates.

We may invest in, acquire, sell assets to or provide financing to investment vehicles managed by our Advisor or its affiliates and their portfolio companies or purchase assets from, sell assets to, or arrange financing from any such investment vehicles and their portfolio companies. Any such transactions will require approval by a majority of our independent directors. There can be no assurance that any procedural protections will be sufficient to ensure that these transactions will be made on terms that will be at least as favorable to us as those that would have been obtained in an arm's-length transaction.

We depend on the Advisor and its key personnel; if any of such key personnel were to cease employment with the Advisor or its affiliates, our business could suffer.

Our ability to make distributions and achieve our investment objectives is dependent upon the performance of the Advisor in the acquisition, disposition and management of our investments, the selection of customers for our properties, the determination of any financing arrangements and other factors. In addition, our success depends to a significant degree upon the continued contributions of certain of the Advisor's key personnel, including, in alphabetical order, William Benjamin, Rajat Dhanda, David M. Fazekas, Andrea L. Karp, Brian R. Lange, Thomas G. McGonagle, Dwight L. Merriman III, Lainie P. Minnick, James R. Mulvihill, Taylor M. Paul, Scott W. Recknor, David Roth, Scott A. Seager, Jeffrey W. Taylor, J. R. Wetzel, Joshua J. Widoff and Evan H. Zucker, each of whom would be difficult to replace. We currently do not have, nor do we expect to obtain, key man life insurance on any of the Advisor's key personnel. If the Advisor were to lose the benefit of the experience, efforts and abilities of one or more of these individuals through their resignation, retirement, or due to an internalization transaction effected by another investment program sponsored by the Sponsor or its affiliates, or due to such individual or individuals becoming otherwise unavailable because of other activities on behalf of the Sponsor or its affiliates, our operating results could suffer.

Our Advisor is subject to extensive regulation as an investment adviser, which could adversely affect its ability to manage our business.

Our Advisor is subject to regulation as an investment adviser by various regulatory authorities that are charged with protecting the interests of its clients, including us. Instances of criminal activity and fraud by participants in the investment management industry and disclosures of trading and other abuses by participants in the financial services industry have led the United States Government and regulators to increase the rules and regulations governing, and oversight of, the United States financial system. This activity resulted in changes to the laws and regulations governing the investment management industry and more aggressive enforcement of the existing laws and regulations. Our Advisor could be subject to civil liability, criminal liability, or sanction, including revocation of its registration as an investment adviser, revocation of the licenses of its employees, censures, fines, or temporary suspension or permanent bar from conducting business, if it is found to have violated any of these laws or regulations. Any such liability or sanction could adversely affect our Advisor's ability to manage our business. Our Advisor must continually address conflicts between its interests and those of its clients, including us. In addition, the SEC and other regulators have increased their scrutiny of potential conflicts of interest. Our Advisor has procedures and controls that are reasonably designed to address these issues. However, appropriately dealing with conflicts of interest is complex and difficult and if our Advisor fails, or appears to fail, to deal appropriately with conflicts of interest, it could face litigation or regulatory proceedings or penalties, any of which could adversely affect its ability to manage our business.

We compete with entities sponsored or advised by affiliates of the Sponsor, for whom affiliates of the Sponsor provide certain advisory or management services, for opportunities to acquire, lease, finance, or sell investments, and for customers, which may have an adverse impact on our operations.

We compete with entities sponsored or advised by affiliates of the Sponsor and may compete with any such entity created in the future, as well as entities for whom affiliates of the Sponsor provide certain advisory or management services, for opportunities to acquire, lease, finance or sell certain types of properties. We may also buy, lease, finance or sell properties at the same time as these entities are buying, leasing, financing or selling properties. In this regard, there is a risk that we will purchase a property that provides lower returns to us than a property purchased by entities sponsored or advised by affiliates of the Sponsor and entities for whom affiliates of the Sponsor provide certain advisory or management services. Certain entities sponsored or advised by affiliates of the Sponsor own and/or manage properties in geographical areas in which we expect to own properties. Therefore, our properties may compete for customers with other properties owned and/or managed by these entities. The Advisor may face conflicts of interest when evaluating customer leasing opportunities for our properties and other properties owned and/or managed by these entities and these conflicts of interest may have a negative impact on our ability to attract and retain customers.

The Sponsor and the Advisor have implemented lease allocation guidelines to assist with the process of the allocation of leases when we and certain other entities to which affiliates of the Advisor are providing certain advisory services have potentially competing properties with respect to a particular customer. These guidelines are designed to allow, where possible, each fund with a potentially competing property to bid on a lease with a prospective customer in a fair and equitable manner.

Because affiliates of the Sponsor and the Advisor currently sponsor and advise, and in the future may sponsor and advise, other investment vehicles and clients (each, an "Advisory Client") with overlapping investment objectives, strategies and criteria, potential conflicts of interest may arise with respect to real estate investment opportunities. In order to manage this potential conflict of interest, in allocating opportunities among the Advisory Clients, the Sponsor follows an allocation policy (the "Allocation Policy") which endeavors to allocate investment opportunities in a fair and equitable manner. The Sponsor's Allocation Policy, which may be amended without our consent, is intended to enable us to share equitably with any other Advisory Clients that are managed by the Sponsor and the Advisor and competing with us to acquire similar types of assets.

Under the Allocation Policy, real estate equity investments will be considered for Advisory Clients based on appropriateness and conformity with their respective investment objectives, as well as the suitability of the investment for each Advisory Client. Suitability is determined by a variety of factors related to the investment mandates of each Advisory Client, the nature of the investment opportunity and the composition of each client's portfolio. In the circumstance where an investment is suitable for only one Advisory Client based on such factors, the investment will be allocated to that Advisory Client. Where an investment is suitable for more than one Advisory Client, the Sponsor generally employs an allocation rotation process pursuant to the Allocation Policy that is designed to facilitate an equitable allocation of such opportunities over time. Nevertheless, it is possible that we may not be given the opportunity to participate in certain investments made by Advisory Clients managed by affiliates of the Sponsor and the Advisor. In addition, the Sponsor may from time to time grant to certain Advisory Clients certain exclusivity, rotation or other priority (each, a "Rotational Priority") with respect to industrial investments or other investment opportunities. Current existing Rotational Priorities have been granted to certain of the Sponsor's industrial real estate funds which ensure them a minimum number of opportunities (e.g., one out of every three) in each core, value-add and development rotation. This means that, depending on the number of Advisory Clients in each such rotation, we may be offered less investment opportunities so that the Rotational Priority can be met. The Sponsor or its affiliates may grant additional Rotational Priorities in the future and from time to time.

The Sponsor may modify its overall allocation policies from time to time. Any changes to the Sponsor's allocation policies will be timely reported to our board of directors or our Conflicts Resolution Committee. The Advisor will be required to provide information to our board of directors on a quarterly basis to enable our board of directors, including the independent directors, to determine whether such policies are being fairly applied.

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

Share Redemption Program

We expect that there will be no regular secondary trading market for shares of our common stock. While our stockholders should view their investment as long term with limited liquidity, we have adopted a share redemption program applicable to all shares of our common stock, whereby stockholders may receive the benefit of limited liquidity by presenting for redemption to us all or any portfion of those shares in accordance with the procedures and subject to certain conditions and limitations. All references herein to classes of shares of our common stock do not include the OP Units issued by our Operating Partnership, unless the context otherwise requires.

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. 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. In addition, shares of our common stock acquired through the redemption of OP Units will not be subject to the Early Redemption Deduction. To have your shares redeemed, your 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.

Our board of directors may modify or suspend our share redemption program if in its reasonable judgment it deems such actions to be in our best interest and the best interest of our stockholders. Although our board of directors has the discretion to suspend our share redemption program, our board of idrectors will not terminate our share redemption program other than in connection with a liquidity event which results in our stockholders receiving cash or securities listed on a national securities exchange or where otherwise required by law. Our board of directors may determine that it is in our best interests and the interest of our stockholders to suspend the share redemption program as a result of regulatory changes, changes in law, if our board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed, a lack of available funds, a determination that redemption requests are having an adverse effect on our operations or other factors. Once the share redemption program has been suspended, our board of directors must affirmatively authorize the recommencement of the program before stockholder requests will be considered again. Following any suspension, our share redemption program requires our board of directors to consider at least quarterly whether the continued suspension of the program is in our best interest and the best interest of our stockholders; however, we are not required to authorize the re-commencement of the share redemption program within any specified period of time and any suspension may be for an indefinite period, which would be tantamount to a termination.

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 June 30, 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)
April 30, 2021	193,244	$ 10.19	193,244	—
May 31, 2021	199,214	10.20	199,214	—
June 30, 2021	318,447	10.25	318,447	—
Total	710,905	$ 10.22	710,905	—

(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
2.1	Agreement and Plan of Merger, dated as of June 2, 2021, by and among BCI IV Portfolio Real Estate Holdco LLC, Prologis USLV Operating Partnership, L.P., Prologis USLV SubREIT 1, LLC and Prologis Targeted U.S. Logistics Fund, L.P. Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on June 3, 2021.***
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*	Amended and Restated Share Redemption Program, effective as of August 4, 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. 333-255376) on July 19, 2021.
10.1	Master Transaction Agreement, dated as of June 15, 2021, by and between IPT BTC I GP LLC, IPT BTC I LP LLC and QR Master Holdings USA II LP. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 15, 2021.
10.2	Distribution and Redemption Agreement, dated as of June 15, 2021, by and between IPT BTC I GP LLC, IPT BTC I LP LLC and Build-To-Core Industrial Partnership I LP. Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on June 15, 2021.
10.3	Membership Interest Purchase Agreement, dated as of June 15, 2021, by and between BTC I REIT B LLC and BTC I REIT A LLC. Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on June 15, 2021.
10.4	Contribution, Distribution and Redemption Agreement, dated as of June 15, 2021, by and between Build-To-Core Industrial Partnership I LP and Industrial Property Advisors Sub I LLC. Incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on June 15, 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.

Exhibit Number	Description
99.2	Net Asset Value Calculation and Valuation Procedures. Incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed with the SEC on June 15, 2021.
101	The following materials from Black Creek Industrial REIT IV Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed on August 10, 2021, formatted in iXBRL (Inline 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.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.
*** The Company has omitted certain schedules and exhibits pursuant to Item 601(b)(2) of Regulation S-K and will furnish supplementally to the SEC copies of any of the omitted schedules and exhibits upon request by the SEC.

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.
August 10, 2021	By:	/s/ JEFFREY W. TAYLOR
		Jeffrey W. Taylor **Managing Director, Co-President** ***(Principal Executive Officer)***
August 10, 2021	By:	/s/ SCOTT A. SEAGER
		Scott A. Seager **Senior Vice President, Chief Financial Officer and Treasurer** ***(Principal Financial Officer and Principal Accounting Officer)***

BLACK CREEK INDUSTRIAL REIT IV INC.

AMENDED AND RESTATED SHARE REDEMPTION PROGRAM

As adopted by the Board of Directors, effective August 4, 2021

Definitions

Advisor — Shall mean Ares Commercial Real Estate Management LLC.

Advisory Agreement — Shall mean the Third Amended and Restated Advisory Agreement (2021), dated July 1, 2021, by and among Black Creek Industrial REIT IV Inc., BCI IV Operating Partnership LP and Ares Commercial Real Estate Management LLC., as amended from time to time.

Class I shares — Shall mean the shares of the Company's common stock classified as Class I.

Class T shares — Shall mean the shares of the Company's common stock classified as Class T.

Class W shares — Shall mean the shares of the Company's common stock classified as Class W.

Company — Shall mean Black Creek Industrial REIT IV Inc. References herein to "we," "our," or "us" refer to the Company.

Code — Shall mean the Internal Revenue Code of 1986, as amended.

Early Redemption Deduction — Shall have the meaning given herein.

NAV — Shall mean the net asset value of the Company or one or more classes of its shares, as the context requires, determined in accordance with the Company's valuation policies and procedures.

Offering — Shall mean any ongoing public offering of shares of our common stock, whether in a primary offering or pursuant to the Company's distribution reinvestment plan.

Operating Partnership — Shall mean BCI IV Operating Partnership LP.

Operating Partnership Agreement — Shall mean the Eighth Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of July 1, 2021, as amended from time to time.

OP Units — Shall mean limited partnership interests in the Operating Partnership.

Redemption Date — Shall have the meaning given herein.

SEC — Shall mean the United States Securities and Exchange Commission.

Securities Act — Shall mean the Securities Act of 1933, as amended.

Sponsor — Shall mean Ares real estate group.

Stockholders or stockholders — Shall mean the holders of Class T, Class W, or Class I shares. Stockholders may be referred to as "you" or "your" within the context of this document.

Transaction Price — Shall mean the price at which a share will be redeemed, which will generally be equal to the most recently disclosed monthly NAV per share for the applicable class of shares. The Company may use a Transaction Price other than the most recently disclosed monthly NAV in cases where the Company believes there has been a material change (positive or negative) to the Company's NAV per share relative to the most recently disclosed monthly NAV per share.

Share Redemption Program

We expect that there will be no regular secondary trading market for shares of our common stock. While you should view your investment as long term with limited liquidity, we have adopted this share redemption program, whereby stockholders may receive the benefit of limited liquidity by presenting for redemption to us all or any portion of those shares in accordance with the procedures and subject to certain conditions and limitations described below. This share redemption program applies to all shares of our common stock All references herein to classes of shares of our common stock do not include the OP Units issued by the Operating Partnership, unless the context otherwise requires.

Due to the illiquid nature of investments in real property, we may not have sufficient liquid resources to fund redemption requests. In addition, we have established limitations on the amount of funds we may use for redemptions and the amount of shares that may be redeemed. See "—Redemption Limitations" below. Further, our board of directors has the right to modify or suspend this share redemption program if it deems such action to be in the best interest of our stockholders.

A stockholder's request for redemption in accordance with any of the special treatment described below in the event of the death or qualifying disability of a stockholder must be submitted within 18 months of the death of the stockholder or the initial determination of the stockholder's disability (which we define as such term is defined in Section 72(m)(7) of the Code), as further described below.

There is no fee in connection with a redemption of shares of our common stock.

You may request that we redeem shares of our common stock through your financial advisor or directly with our transfer agent. We will generally adhere to the following procedures relating to the redemption of shares of our common stock:

- Under this share redemption program, to the extent we choose to redeem shares in any particular month we will only redeem shares as of the last calendar day of that month (a "Redemption Date"). To have your shares redeemed, your 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. Redemption requests received and processed by our transfer agent will be effected at a redemption price equal to the Transaction Price on the applicable Redemption Date, subject to any Early Redemption Deduction. Although the Transaction Price for shares of our common stock will generally be based on the most recently disclosed monthly NAV per share, the NAV per share of such stock as of the Redemption Date may be significantly different. 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.

- A stockholder may withdraw his or her redemption request by notifying the transfer agent, directly or through the stockholder's financial intermediary, on our toll-free, automated telephone line, (888) 310-9352. The line is open on each business day between the hours of 9:00 a.m. and 6:00 p.m. (Eastern time). Redemption requests must be cancelled before 4:00 p.m. (Eastern time) on the last business day of the applicable month.

- If a redemption request is received after 4:00 p.m. (Eastern time) on the second to last business day of the applicable month, the purchase order will be executed, if at all, on the next month's Redemption Date at the Transaction Price applicable to that month (subject to any Early

Redemption Deduction), unless such request is withdrawn prior to the redemption. Redemption requests received and processed by our transfer agent on a business day, but after the close of business on that day or on a day that is not a business day, will be deemed received on the next business day.

- Redemption requests may be made by mail or by contacting your financial intermediary, both subject to all of the conditions set forth in this share redemption program. If making a redemption request by contacting your financial intermediary, your financial intermediary may require you to provide certain documentation or information. If making a redemption request by mail to the transfer agent, you must complete and sign a redemption authorization form, which is available on our website. Written requests should be sent to the transfer agent at the following address:

For regular mail:	**For overnight deliveries:**
DST Systems, Inc. PO Box 219079 Kansas City, Missouri 64121-9079	DST Systems, Inc. 430 West 7th Street, Suite 219079 Kansas City, Missouri 64105 Toll Free Number: (888) 310-9352

Corporate investors and other non-individual entities must have an appropriate certification on file authorizing redemptions. A signature guarantee may be required.

- For processed redemptions, stockholders may request that redemption proceeds are to be paid by mailed check provided that the amount is less than $100,000 and the check is mailed to an address on file with the transfer agent for at least 30 days.

- Processed redemptions of more than $100,000 will be paid only via ACH or wire transfer. For this reason, stockholders who own more than $100,000 of our common stock must provide bank instructions for their brokerage account or designated U.S. bank account. Stockholders who own less than $100,000 of our common stock may also receive redemption proceeds via ACH or wire transfer, provided the payment amount is at least $2,500. For all redemptions paid via wire transfer, the funds will be wired to the account on file with the transfer agent or, upon instruction, to another financial institution provided that the stockholder has made the necessary funds transfer arrangements. The customer service representative can provide detailed instructions on establishing funding arrangements and designating your bank or brokerage account on file. Funds will be sent only to U.S. financial institutions (ACH network members).

- A medallion signature guarantee may be required in certain circumstances. The medallion signature process protects stockholders by verifying the authenticity of a signature and limiting unauthorized fraudulent transactions. A medallion signature guarantee may be obtained from a domestic bank or trust company, broker dealer, clearing agency, savings association or other financial institution which participates in a medallion program recognized by the Securities Transfer Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program, the Stock Exchanges Medallion Program and the New York Stock Exchange, Inc. Medallion Signature Program. Signature guarantees from financial institutions which are not participating in any of these medallion programs will not be accepted. A notary public cannot provide signature guarantees. We reserve the right to amend, waive or discontinue this policy at any time and establish other criteria for verifying the authenticity of any redemption or transaction request. We may require a medallion signature guarantee if, among other reasons: (1) the amount of the redemption request is over $500,000; (2) you wish to have redemption proceeds transferred by wire to an account other than the designated bank or brokerage account on file for at least 30 days or sent to an address other than your address of record for the past 30 days; or (3) our transfer agent cannot confirm your identity or suspects fraudulent activity.

- If a stockholder has made multiple purchases of shares of our common stock, any redemption request will be processed on a first in/first out basis unless otherwise requested in the redemption request.

- If we receive a request from a stockholder for redemption of all of the stockholder's shares of our common stock and the stockholder is a participant in our distribution reinvestment plan, we will terminate the stockholder's participation in the distribution reinvestment plan.

Minimum Account Redemptions

In the event that any stockholder fails to maintain the minimum balance of $2,000 of shares of our common stock, we may redeem all of the shares held by that stockholder at the redemption price in effect on the date we determine that the stockholder has failed to meet the minimum balance, less any Early Redemption Deduction. Minimum account redemptions will apply even in the event that the failure to meet the minimum balance is caused solely by a decline in our NAV. Minimum account redemptions are subject to an Early Redemption Deduction.

Sources of Funds for Redemptions

We may, in the Advisor's discretion, after taking the interests of our company as a whole and the interests of our remaining stockholders into consideration, use proceeds from any available sources at our disposal to satisfy redemption requests, subject to the limitation on the amount of funds we may use described below under "—Redemption Limitations." Potential sources of funding redemptions include, but are not limited to, cash on hand, cash available from borrowings, cash from the sale of shares of our common stock and cash from liquidations of investments, to the extent that such funds are not otherwise dedicated to a particular use, such as working capital, distributions to stockholders, purchases of real property, debt-related or other investments or redemption of OP Units.

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 the Offering and/or sales of our assets.

This share redemption program may limit our ability to make new investments or increase the current distribution rate if we experience redemption demand in excess of capacity over any two-year period. This share redemption program requires that if during any consecutive 24-month period (the "Pro-Rata Period"), we do not have at least one month in which we fully satisfy 100% of properly submitted redemption requests or accept all properly submitted tenders in a self-tender offer for our shares, we will not make any new investments (excluding short-term cash management investments under 30 days in duration) and we will use all investable assets to satisfy redemption requests (subject to the limitations under this program) until all outstanding requests are satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserve associated with costs in the normal course of owning, operating and selling real estate, debt service, redemption of holders of OP Units, repayment of debt, debt financing costs, current or anticipated debt covenants associated with existing debt, funding commitments related to real estate (provided that, any such funding commitments related to the acquisition of property were made prior to the second half of the Pro-Rata Period), master lease payments pursuant to the DST Program, general and administrative expenses, organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries (provided that any such obligation, other than an immaterial obligation or an obligation or change requested by a federal or state regulatory body, existed prior to such Pro-Rata Period), obligations imposed by law, regulations, courts or arbitration, or distributions (whether for stockholders or other investors in the company or its subsidiaries) or establishment of an adequate liquidity reserve as determined by our board of directors. The Advisor will also defer the performance component of its advisory fee until all redemption requests are satisfied. Furthermore, our board of directors and management will consider additional ways to improve stockholder liquidity through this share redemption program or otherwise. The purpose of this provision is to use all available investable assets to satisfy redemption requests in such a situation as described above. Exceptions to the limitations of this paragraph may be made to complete like-kind exchanges under Section 1031 of the Code necessary to avoid adverse tax consequences, or to take actions necessary to maintain our qualification as a REIT under the Code.

Redemption Limitations

We may redeem fewer shares than have been requested in any particular month to be redeemed under this share redemption program, or none at all, in our discretion at any time. The total amount of aggregate redemptions of Class T, Class W, and Class I shares (based on the price at which the shares are redeemed) will be limited for each calendar month to 2% of the aggregate NAV of all classes as of the last calendar day of the previous quarter and for each calendar quarter will be limited to 5% of the aggregate NAV of all classes of shares as of the last calendar day of the previous calendar quarter. In the event that we determine to redeem some but not all of the shares submitted for redemption during any month, shares redeemed at the end of the 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 this share redemption program, as applicable.

With respect to the limitations described above, (i) provided that this 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 and (ii) provided that this 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 the 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 current 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.

Material Modification, Suspension and Termination

As described above, 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 repurchasing our shares is in the best interests of the company as a whole, we may choose to redeem fewer shares in any particular month than have been requested to be redeemed, or none at all. Further, our board of directors may modify or suspend this share redemption program if in its reasonable judgment it deems such actions to be in our best interest and the best interest of our stockholders. Although our board of directors has the discretion to suspend this share redemption program, our board of directors will not terminate this share redemption program other than in connection with a liquidity event which results in our stockholders receiving cash or securities listed on a national securities exchange or where otherwise required by law. Our board of directors may determine that it is in our best interests and the interest of our stockholders to suspend the share redemption program as a result of regulatory changes, changes in law, if our board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed, a lack of available funds, a determination that redemption requests are having an adverse effect on our operations or other factors. Once the share redemption program has been suspended, our board of directors must affirmatively authorize the recommencement of the program before stockholder requests will be considered again. Following any suspension, this share redemption program requires our board of directors to consider at least quarterly whether the continued suspension of the program is in our best interest and the best interest of our stockholders; however, we are not required to authorize the re-commencement of the share redemption program within any specified period of time and any suspension may be for an indefinite period, which would be tantamount to a termination. Material modifications to the share redemption program, including, without limitation, any amendment to the limitations on redemptions, as well as the suspension or termination of the share redemption program will be promptly disclosed to stockholders in a prospectus supplement (or post-effective amendment if required by the Securities Act) or current or periodic report filed by us. Material modifications will also be disclosed on our website. Any modification, suspension or termination of this share redemption program will not affect the rights of holders of OP Units to cause us to redeem their OP Units pursuant to the Operating Partnership Agreement.

Early Redemption Deduction

There is no minimum holding period under this share redemption program and stockholders can request that we redeem their shares at any time. However, subject to limited exceptions, shares of our common stock 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 the "Early Redemption Deduction."

Shares of our common stock acquired through the redemption of OP Units will not be subject to the Early Redemption Deduction. The Early Redemption Deduction will inure indirectly to the benefit of our remaining stockholders and is intended to offset the trading costs, market impact and other costs associated with short-term trading in our common stock. We may, from time to time, waive the Early Redemption Deduction in the following circumstances: redemptions resulting from death or qualifying disability;

- in the event that a stockholder's shares are redeemed because the stockholder has failed to maintain the $2,000 minimum account balance;
- or with respect to shares purchased through our distribution reinvestment plan or received from us as a stock dividend.

In addition, the Early Redemption Deduction may not apply to transactions initiated by the trustee or advisor to a donor-advised charitable gift fund, collective trust fund, common trust fund, fund of fund(s) or other institutional accounts, strategy funds or programs if we determine, in our sole discretion, such account, fund or program has an investment strategy or policy that is reasonably likely to control short-term trading. Further, shares of our common stock may be sold to certain employer sponsored plans, bank or trust company accounts and accounts of certain financial institutions or intermediaries for which we may not apply the Early Redemption Deduction to the underlying stockholders, often because of administrative or systems limitations. The Early Redemption Deduction also will not apply to shares taken by the Advisor in lieu of fees or expense reimbursements under the Advisory Agreement or Operating Partnership Agreement, though such shares will not be eligible for redemption under this program until six months after their issue date.

The Early Redemption Deduction will also not apply in certain situations following the departure of certain key persons to our company, unless replaced as described below. The currently designated key persons are Rajat Dhanda, Brian R. Lange, Dwight L. Merriman III, Jeffrey W. Taylor, and Evan H. Zucker, and any individual appointed by a majority of our independent directors to replace such key persons as described below. If two or more of such key persons have died, resigned, been removed, become disabled (meaning the earlier of (a) the date on which a key person's healthcare provider states in writing that that such key person will be unable, or can reasonably be expected to be unable, to perform the essential functions of his/her regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness or injury for a period of at least 60 consecutive days, or (b) the 60th consecutive day in which such key person has actually been unable to perform the essential functions of his/her regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness or injury), or are otherwise unable or unwilling to exercise the authority and discharge those day-to-day management responsibilities with respect to our company as are currently exercised and discharged by such key persons, and our independent directors have not, within 60 days of such situations having arisen with respect to two more of such key persons, approved the appointment of one or more replacements who will fulfill substantially all of the duties of at least all but one of such key persons (meaning one key person position may remain unfilled for longer than 60 days) (a "Key Person Triggering Event"), then the Early Redemption Deduction will be waived with respect to all shares purchased prior to the expiration of five business days after the public disclosure of the occurrence of such Key Person Triggering Event

(“Exempt Shares”) from the time the Key Person Triggering Event is publicly disclosed until the completion of three full calendar months; provided, that if not all properly submitted redemption requests are satisfied during such three full calendar months, then such Early Redemption Deduction waiver for Exempt Shares will continue until there has been a subsequent calendar month in which all properly submitted redemption requests were satisfied. We will publicly disclose a Key Person Triggering Event and the associated waiver of the Early Redemption Deduction promptly upon its occurrence, and also promptly publicly disclose when the associated waiver of the Early Redemption Deduction has ended. Any such public disclosure will be made 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.

From time to time, our board of directors may authorize waivers of the Early Redemption Deduction for specified periods of time with respect to future redemptions for all investors upon the occurrence of specific circumstances other than personal circumstances (e.g. significant corporate changes, natural disasters) that it determines, in its sole discretion, do not raise concerns over short-term trading. Any such waivers will be publicly disclosed promptly following their approval. Any such waivers will apply to all investors and apply on a prospective basis only, and will remain effective for at least three full monthly redemption periods. Any such public disclosure will be made 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.

Redemptions In the Event of Death or Disability

As set forth above, we may waive certain of the terms and requirements of this share redemption program in respect of the redemption of shares resulting from the death of a stockholder who is a natural person, subject to the conditions and limitations described above, including shares held by such stockholder through a revocable grantor trust or an IRA or other retirement or profit-sharing plan, after receiving written notice from the estate of the stockholder, the recipient of the shares through bequest or inheritance, or, in the case of a revocable grantor trust, the trustee of such trust, who shall have the sole ability to request redemption on behalf of the trust. We must receive the written redemption request within 18 months after the death of the stockholder in order for the requesting party to rely on any of the special treatment described above that may be afforded in the event of the death of a stockholder. Such a written request must be accompanied by a certified copy of the official death certificate of the stockholder. If spouses are joint registered holders of shares, the request to have the shares redeemed may be made if either of the registered holders dies. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar entity, the right of redemption upon death does not apply.

Furthermore, as set forth above, we may waive certain of the terms and requirements of this share redemption program in respect of the redemption of shares held by a stockholder who is a natural person who is deemed to have a qualifying disability (as such term is defined in Section 72(m)(7) of the Code), subject to the conditions and limitations described above, including shares held by such stockholder through a revocable grantor trust, or an IRA or other retirement or profit-sharing plan, after receiving written notice from such stockholder, provided that the condition causing the qualifying disability was not pre-existing on the date that the stockholder became a stockholder. We must receive the written redemption request within 18 months of the initial determination of the stockholder’s disability in order for the stockholder to rely on any of the waivers described above that may be granted in the event of the disability of a stockholder. If spouses are joint registered holders of shares, the request to have the shares redeemed may be made if either of the registered holders acquires a qualifying disability. If the stockholder is not a natural person, such as certain trusts or a partnership, corporation or other similar entity, the right of redemption upon disability does not apply.

Items of Note

When you make a request to have shares redeemed, you should note the following:

- if you are requesting that some but not all of your shares be redeemed, keep your balance above $2,000 to avoid minimum account redemption, if applicable;
- you will not receive interest on amounts represented by uncashed redemption checks;
- under applicable anti-money laundering regulations and other federal regulations, redemption requests may be suspended, restricted or canceled and the proceeds may be withheld; and
- all shares of our common stock requested to be redeemed must be beneficially owned by the stockholder of record making the request or his or her estate, heir or beneficiary, or the party requesting the redemption must be authorized to do so by the stockholder of record of the shares or his or her estate, heir or beneficiary, and such shares of common stock must be fully transferable and not subject to any liens or encumbrances. In certain cases, we may ask the requesting party to provide evidence satisfactory to us that the shares requested for redemption are not subject to any liens or encumbrances. If we determine that a lien exists against the shares, we will not be obligated to redeem any shares subject to the lien.

Internal Revenue Service regulations require us to determine and disclose on Form 1099-B the adjusted cost basis for shares of our stock sold or redeemed. Although there are several available methods for determining the adjusted cost basis, unless you elect otherwise, which you may do by checking the appropriate box on the redemption form or calling our customer service number at (888) 310-9352, we will utilize the first-in-first-out method.

The federal income tax consequences to you of participating in this share redemption program will vary depending upon your particular circumstances, and you are urged to consult your own tax advisor regarding the specific tax consequences to you of participation in this share redemption program.

You will not relinquish your shares until we redeem them. The shares we redeem under this share redemption program will be cancelled and will have the status of authorized but unissued shares. We will not resell such shares to the public unless such sales are first registered with the SEC under the Securities Act and under appropriate state securities laws or are exempt under such laws.

The Transaction Price approved by our board of directors in the future may be higher or lower than the most recently disclosed Transaction Price. The Transaction Price is not a representation, warranty or guarantee that (i) a stockholder would be able to realize such per share amount if such stockholder attempts to sell his or her shares; (ii) a stockholder would ultimately realize distributions per share equal to such per share amount upon our liquidation or sale; (iii) shares of our common stock would trade at such per share amount on a national securities exchange; or (iv) a third party would offer such per share amount in an arm's-length transaction to purchase all or substantially all of our shares of common stock.

Mail and Telephone Instructions

We and our transfer agent will not be responsible for the authenticity of mail or phone instructions or losses, if any, resulting from unauthorized stockholder transactions if they reasonably believe that such instructions were genuine. We and our transfer agent have established reasonable procedures to confirm that instructions are genuine including requiring the stockholder to provide certain specific identifying information on file and sending written confirmation to stockholders of record no later than five days following execution of the instruction. Stockholders, or their designated custodian or fiduciary, should carefully review such correspondence to ensure that the instructions were properly acted upon. If any discrepancies are noted, the stockholder, or its agent, should contact his, her or its financial advisor as well as our transfer agent in a timely manner, but in no event more than 60 days from receipt of such correspondence. Failure to notify such entities in a timely manner will relieve us, our transfer agent and the financial advisor of any liability with respect to the discrepancy.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey W. Taylor certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Creek Industrial REIT IV Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2021

/s/ JEFFREY W. TAYLOR

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

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Scott A. Seager, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Creek Industrial REIT IV Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 10, 2021

/s/ SCOTT A. SEAGER

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

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
Certification of Principal Executive Officer

In connection with the Quarterly Report on Form 10-Q of Black Creek Industrial REIT IV Inc. (the “Company”) for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey W. Taylor, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2021

/s/ JEFFREY W. TAYLOR
Jeffrey W. Taylor
Managing Director, Co-President
(Principal Executive Officer)

Certification of Principal Financial Officer

In connection with the Quarterly Report on Form 10-Q of Black Creek Industrial REIT IV Inc. (the “Company”) for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Scott A. Seager, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2021

/s/ SCOTT A. SEAGER
Scott A. Seager
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 99.1

CONSENT OF INDEPENDENT VALUATION FIRM

We hereby consent to the reference to our name and the description of our role in the valuation process described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Net Asset Value" in Part I, Item 2 of the Quarterly Report on Form 10-Q for the period ended June 30, 2021 of Black Creek Industrial REIT IV Inc. (the "Company"), filed by the Company with the Securities and Exchange Commission on the date hereof, being included or incorporated by reference in the Company's Registration Statement on Form S-8 (File No. 333-228818). In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

/s/ Altus Group U.S. Inc.

August 10, 2021 — Altus Group U.S. Inc.