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Dermody Properties to Develop 898,560 SF for Wayfair Inc. in Northern Kentucky

Cincinnati, Ohio – Dermody Properties, a national industrial development and operating company headquartered in Reno, Nev., in a joint-venture with Hillwood Investment Properties (Hillwood) will develop an 898,560-square-foot facility for Wayfair Inc. (NYSE:W), one of the world's largest online destinations for home furnishings and décor. The facility will be located on a 52-acre site at 1600 Donaldson Rd. in Erlanger, Ky., adjacent to the Cincinnati/Northern Kentucky International Airport (CVG). Dermody Properties and Hillwood leased the land site from CVG earlier this year.

The facility, known as LogistiCenterSM at 275, will be the largest single development, by square footage, in the history of Dermody Properties. It is the company's third development in the Kentucky market. DTZ served as the tenant broker, representing Wayfair. Paul Hemmer Company is the general contractor on the project. Construction is expected to be complete in the second quarter of 2016. Upon completion, LogistiCenterSM at 275 will be one of the largest developments in the region and the largest speculative development in the history of CVG.

"The vision of the CVG team in offering this site for industrial development, and its strategic location, provided an excellent development opportunity," said Gregory Arnold, Partner, Dermody Properties. "We are excited to see the project now come full circle with Wayfair as our customer. As a company, Wayfair shares our commitment to excellent customer service, and part of that commitment is getting products to their customers as quickly as possible. Dermody Properties' development practices, combined with the logistics advantages of this location, will help them do just that."

The new fulfillment facility will complement Wayfair's current distribution center in Hebron, allowing the company to increase its distribution capacity.

"We are pleased to expand our footprint in northern Kentucky as we increase our distribution capacity to accommodate the rapid growth of our business," noted Nicholas Malone, Chief Administrative Officer, Wayfair. "We look forward to creating local jobs as we build our fulfillment and service teams in northern Kentucky. Our new, state-of-the-art facility and the ability to tap into the region's strong talent pool will help us deliver on the Wayfair promise of an exceptional, ecommerce shopping experience in the home space."

"CVG is a premier location for development and we are pleased to enter into this transaction with Dermody Properties and Hillwood. We welcome Wayfair to CVG," said Candace McGraw, Chief Executive Officer, Cincinnati/Northern Kentucky International Airport. "We look forward to the completion of this state-of-the-art facility and future opportunities for development."

Hillwood Investment Properties is Dermody Properties' strategic financial partner on the project. This is the second joint venture for Dermody Properties and Hillwood. The companies are also



collaborating on a speculative development in Las Vegas, Nevada, which is scheduled for completion in October 2015.

“We are encouraged by the momentum we are seeing in many warehouse markets throughout the country, and specifically the Cincinnati market,” said Chris Brown, Senior Vice President, Hillwood Investment Properties. “Hillwood is excited to partner again with Dermody Properties on this premier distribution center and to have Wayfair as our customer.”

“We are pleased to be working with such excellent partners as Wayfair, Hillwood and CVG on a project that holds such significance for Dermody Properties and the entire region,” said Douglas A. Kiersey, Jr., President, Dermody Properties. “We look forward to working with them to develop a state-of-the-art facility that meets the needs of Wayfair and its customers.”

About Dermody Properties

Dermody Properties is a privately held, industrial real estate development company. Founded and headquartered in Reno, Nev., the company has a national development reach, served by its regional offices in Chicago, Northern New Jersey, Phoenix, and Seattle. Over its 50-year history, the company has developed and leased more than 45 million square feet of high quality facilities to many Fortune 500 companies and other well-respected firms. To learn more about Dermody Properties visit www.Dermody.com.

About Wayfair

Wayfair Inc. offers an extensive selection of home furnishings and décor across all styles and price points. The Wayfair family of brands includes:

- *Wayfair.com, an online destination for all things home*
- *Joss & Main, an online flash sales site offering inspiring home design daily*
- *AllModern, a go-to online source for modern design*
- *DwellStudio, a design house for fashion-forward modern furnishings*
- *Birch Lane, a collection of classic furnishings and timeless home décor*

Wayfair is headquartered in Boston, Massachusetts, with additional locations in New York, Utah, Kentucky, Ireland, U.K. and Germany.

About Hillwood Investment Properties

Hillwood Investment Properties, a Perot company, is one of the world's premier commercial real estate developers, investors and advisors of high-quality real estate properties that provide a significant economic impact to their region. Serving 20 markets in the U.S., Canada, Germany and Poland, the company is actively involved in development, acquisitions, construction, leasing and management of high quality, well located, flexible and functional industrial properties. For additional information, please visit www.hillwoodinvestmentproperties.com or www.hillwood.com.

About CVG

Cincinnati/Northern Kentucky International Airport (CVG) offers more nonstop flights than any airport in the region, including direct international service to Paris, Toronto, Cancun, Montego Bay and Punta Cana. CVGairport.com is your travel planning resource with flight status, security wait times, parking availability and weather.

CVG is one of three global super-hubs for DHL, and a top 10 cargo airport in North America. CVG has been rated the Best Regional Airport in North America five straight years by SkyTrax. CVG was the first airport in the country to receive Safety Act Designation and Certification from the Department of Homeland Security (DHS), giving the airport the highest level of protections under the Act.