

Marcus & Millichap
TAG INDUSTRIAL GROUP

2530-2536 SOUTH SOUTHEAST DRIVE

WICHITA, KS 67216

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Marcus & Millichap
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

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PRESENTED BY

JACOB CRABTREE

Associate
Office & Industrial Division
Chicago Office
Office (312) 327-5475
Jacob.Crabtree@marcusmillichap.com
License: IL 475.193901

TYLER SHARP

Senior Associate
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@marcusmillichap.com
License: IL 475.177869

ADAM ABUSHAGUR

Senior Managing Director Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

BROKER OF RECORD

BRAD BARHAM
Missouri Broker of Record
Downtown Chicago Office
Tel: 312-327-5400
Fax: 312-327-5410
Brad.Barham@marcusmillichap.com
License: MO 2013016939

DEBT CONTACT

FRANK MONTALTO
Vice President Capital Markets
333 West Wacker Drive, Suite 200
Chicago, IL 60606
Tel: 312.327.5421
Frank.Montalto@marcusmillichap.com

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SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- The Tenant, Western Industries, Has Just Resigned a 1-Year Commitment for the Property
- The Southeast Industrial Submarket Has Experienced an Influx of Business Owner Demand
- This Submarket had a 4.6% Drop in its Vacancy Rate, Bringing Submarket Vacancy to 3.0%
 - Due to this Decrease in the Supply of Leasable Space, Market Rent Grew 4.2% Y-o-Y
 - There is Currently No New Industrial Properties Under Construction in this Submarket
- Western Industries Has Five Locations Across the US and Mexico and an Additional Seven in China
 - Ease of Access to I-135 Being Only 0.5 Mile from a Ramp

Marcus & Millichap is pleased to present the opportunity to acquire the properties located at 2530 to 2536 South Southeast Drive in Wichita, Kansas, leased to Western Industries. The subject properties consist of approximately 54,870 square feet of space and is situated on 4.94 acres of land. The assets feature easy access to Interstate 135, with the onramp located just a half-mile away. Recently, the tenant resigned to a one-year commitment. Western Industries operates at five locations across the U.S. and Mexico and an additional seven in China.

The subject property is located in the Southeast submarket, a mid-sized market containing around 5.2 million square feet of industrial space. Logistics facilities account for the largest proportion of inventory with 4.2 million square feet, followed by 850,000 square feet of specialized space, and 190,000 square feet of flex space. Since peaking in Q2 2020 at 7.6 percent, the vacancy rate has plummeted down to 3.0 percent at the start of Q4 2021. Net absorption over the past year came in at over 210,000 square feet, three times greater than the five-year average. The reduction in availability has pushed the growth of market rents up to 4.2 percent year-over-year, the highest rate in over a decade. Given that industrial rents in Southeast are averaging about 16 percent below the market average at \$4.93 per square-foot, rents have more room to grow before reaching competitive levels. With no industrial projects currently under construction, there will be no pressure from new supply on vacancies and rents for the foreseeable future.

In 1916, Clyde Cessna signed a contract to start manufacturing planes in Kansas. Since then, the greater Wichita region has pioneered aviation and manufacturing with a culture of innovation - building iconic planes, revolutionizing manufacturing with composites, and cultivating an industry synergy. The world's great aviation brands - Textron Aviation with Beechcraft/Cessna Aircraft Company, Airbus, Bombardier Learjet and Spirit AeroSystems - working with more than 450 world-class suppliers, are designing and building the world's fleet of commercial and general aviation aircraft. (aircapitaloftheworld.com)

The City of Wichita Office of Economic Development offers a variety of incentive programs designed to broaden and diversify the tax base, encourage capital investment, create employment opportunities and provide the economic growth and welfare of the region. The Wichita City Council has adopted an economic development policy which governs the use of incentives. The policy defines the eligibility criteria, required economic impact and return on investment. Industry sectors for which incentives may be used include: Manufacturing, Service Sector, Research and Development, Warehousing and Distribution, Corporate Headquarters, Transportation, Commercial Redevelopment, Tourism, Affordable Housing, and Medical Services. (Wichita.gov)

PROPERTY DETAILS

2530 SOUTH SOUTHEAST DRIVE,
WICHITA, KS 67216

Number of Suites	1
Number of Buildings	1
Total Square Feet	51,270
Warehouse Square Feet	51,270
Year Built	1957
Lot Size	4.45 Acres
Type of Ownership	Fee Simple
Clear Height	16'
Parking Spaces	34 Spaces
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Dock High Doors	7
Grade Level Doors	3
Sprinklers	Wet
Construction	Masonry
Power	480v/200amp
Zoning	LC
Roof Type	TPO
Age/Condition of Roofs	5 Years Old
Age/Condition of HVAC	Good Condition - Repaired 5 Years Ago
Market	Wichita
Submarket	Southeast
Market Vacancy	3.20%

2536 SOUTH SOUTHEAST DRIVE,
WICHITA, KS 67216

Number of Suites	1
Number of Buildings	1
Total Square Feet	3,600
Warehouse Square Feet	1,800
Office Square Feet	1,800
Office Ratio	50%
Year Built	1986
Lot Size	0.49 Acres
Type of Ownership	Fee Simple
Clear Height	12'
Parking Spaces	15 Spaces
Parking Surface	Concrete
Building Class	C
Tenancy	Single
Dock High Doors	1 Dock w Leveler
Construction	Metal
Zoning	LC
Roof Type	Metal
Age/Condition of Roofs	5 Years Old
Age/Condition of HVAC	Good Condition - Repaired 5 Years Ago
Market	Wichita
Submarket	Southeast
Market Vacancy	3.20%



2530-2536 S SOUTHEAST DRIVE

WICHITA, KS 67216

OFFERING PRICE
\$2,550,000

CAP RATE
7.85%

PRO-FORMA CAP RATE
8.94%

Offering Price	\$2,550,000
Cap Rate	7.85%
Pro-Forma Cap Rate	8.94%
Price/SF	\$46.47
Total Square Feet	54,870
Rental Rate	\$3.94
Lease Type	Modified Gross
Lease Term	1-Year
Tenancy	Single
Occupancy	100.00%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2021 Marcus & Millichap. All rights reserved. (Activity ID: ZAC0370649)

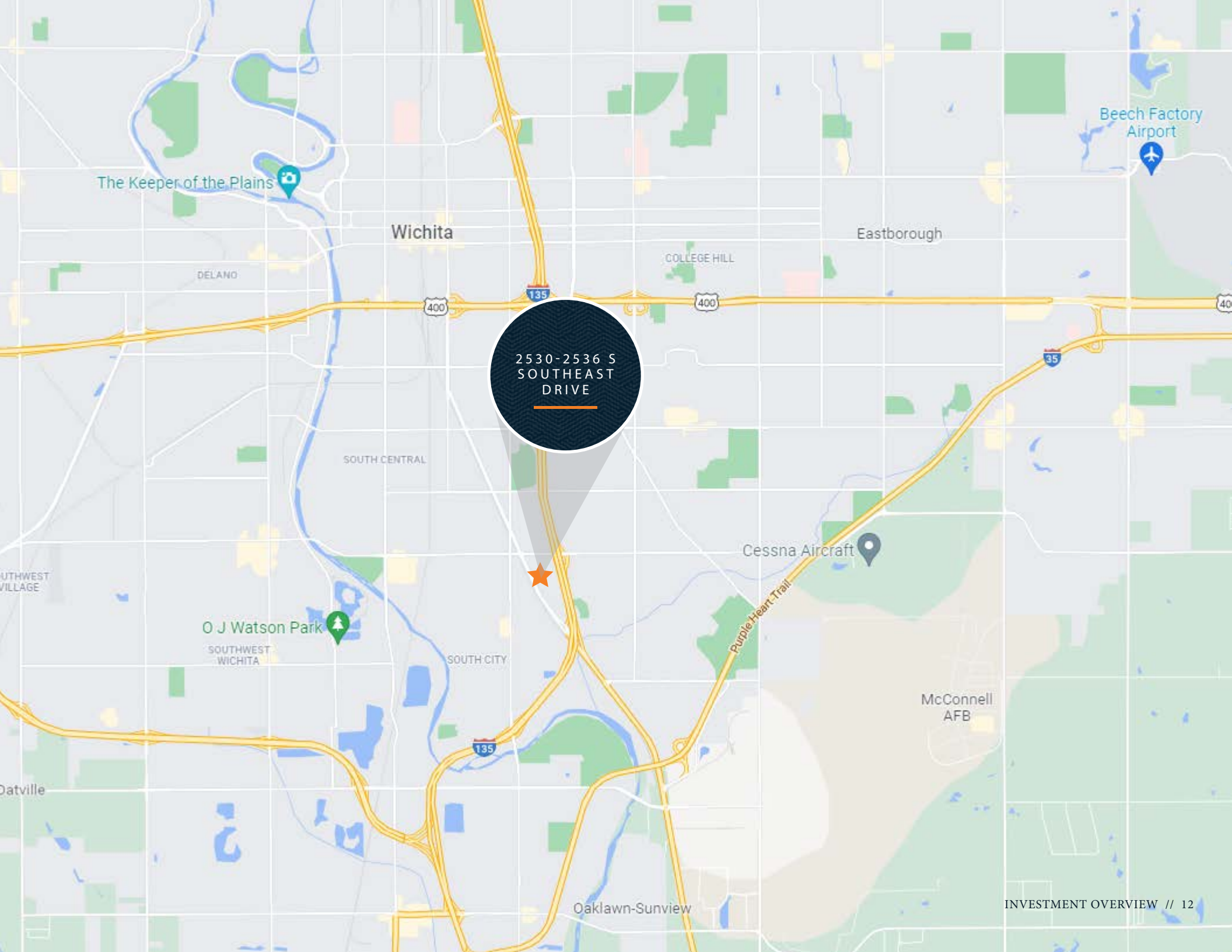
RENT ROLL

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
			Comm.	Exp.							
Western Industries - 2530	51,270	93.4%	11/1/21	10/31/22	\$3.86	\$16,500	\$198,000	\$225,588	Oct-2022	\$18,799	Modified Gross
Western Industries - 2536	3,600	6.6%	11/1/21	10/31/22	\$5.00	\$1,500	\$18,000	\$18,000	Oct-2022	\$1,500	Modified Gross
Total	54,870				\$3.94	\$18,000	\$216,000	\$243,588			
Occupied Tenants: 2			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$18,000					Occupied Current Rents: \$18,000		Unoccupied Current Rents: \$0				

Notes: Pro-Forma Shows the Tenant Coming up to \$4.40 MG for Market Rent

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	216,000	3.94	243,588	4.44
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	3,909	0.07	3,909	0.07
Real estate Taxes	18,709	0.34	18,709	0.34
Total Reimbursement Income	\$22,618	59.0%	\$22,618	59.0%
Effective Gross Revenue	\$238,618	\$4.35	\$266,206	\$4.85
Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	7,737	0.14	7,737	0.14
Real Estate Taxes	30,595	0.56	30,595	0.56
Total Expenses	\$38,332	\$0.70	\$38,332	\$0.70
Expenses as % of EGR	16.1%		14.4%	
Net Operating Income	\$200,286	\$3.65	\$227,874	\$4.15



2530-2536 S
SOUTHEAST
DRIVE



Chisholm Creek

Double H Logistics

MOS.V Auto Spa

S Minnesota Ave

Minnesota

2530 S
SOUTHEAST
DRIVE

2536 S
SOUTHEAST
DRIVE

Minneapolis

Western Industries
Corporation

Southeast Blvd

S Southeast Dr

Southeast Blvd



LEASE COMPARABLES



MAIN PROPERTY NAME // Address	2530-2536 South Southeast Dr. Wichita, KS 67216	2909 S Spruce St. Wichita, KS 67213	7716 E Osie St. Wichita, KS 67207	3503 W Harry St. Wichita, KS 67213	1834 S Florence Ct. Wichita, KS 67209
LEASE COMMENCEMENT	N/A	10/12/2021	8/6/2020	11/7/2020	10/10/2020
LEASE RATE	\$3.94	\$5.00	\$4.94	\$5.50	\$6.39
RENTABLE SF	54,870	12,000	17,000	8,352	9,200
LEASE TYPE	MG	IG	IG	IG	IG
YEAR BUILT	1957	1971	1975	1956	1981
TENANCY	Single Tenant	Single Tenant	Multi Tenant	Single Tenant	Single Tenant
LOT SIZE (Acres)	4.45 Acres	1.62 Acres	2.1 Acres	1.12 Acres	1.36 Acres
CONSTRUCTION	Masonry	Masonry	Masonry	Metal	Tilt Wall
NOTES	-	5-Year Term, 16' Clear, 2 Docks, 2 Levelers	4 Docks, 3 Drive-Ins, 24' Ceiling, 3p Power	13' Clear, 1 Drive-In, 40% Office	2 Docks, 3 Drive-Ins, 16' Clear, 16% Office

CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,944 debt and equity financings in 2019



National platform operating within the firm's brokerage offices



\$7.18 billion total national volume in 2019



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

Marcus & Millichap

WICHITA KANSAS

Boasting a diverse economic base of manufacturing, aircraft, healthcare and professional services, the Wichita market is composed of five counties and supports a population of roughly 656,000 people. Through 2024, the metro is forecast to add almost 51,000 people. Over three-quarters of all residents live in the city of Wichita. Wichita State University also lies within the metro, enrolling a student body of nearly 16,000 in both graduate and undergraduate programs. The metro is home to several other smaller liberal arts colleges.



DIVERSE
MANUFACTURING
BASE



EDUCATIONAL
CENTER



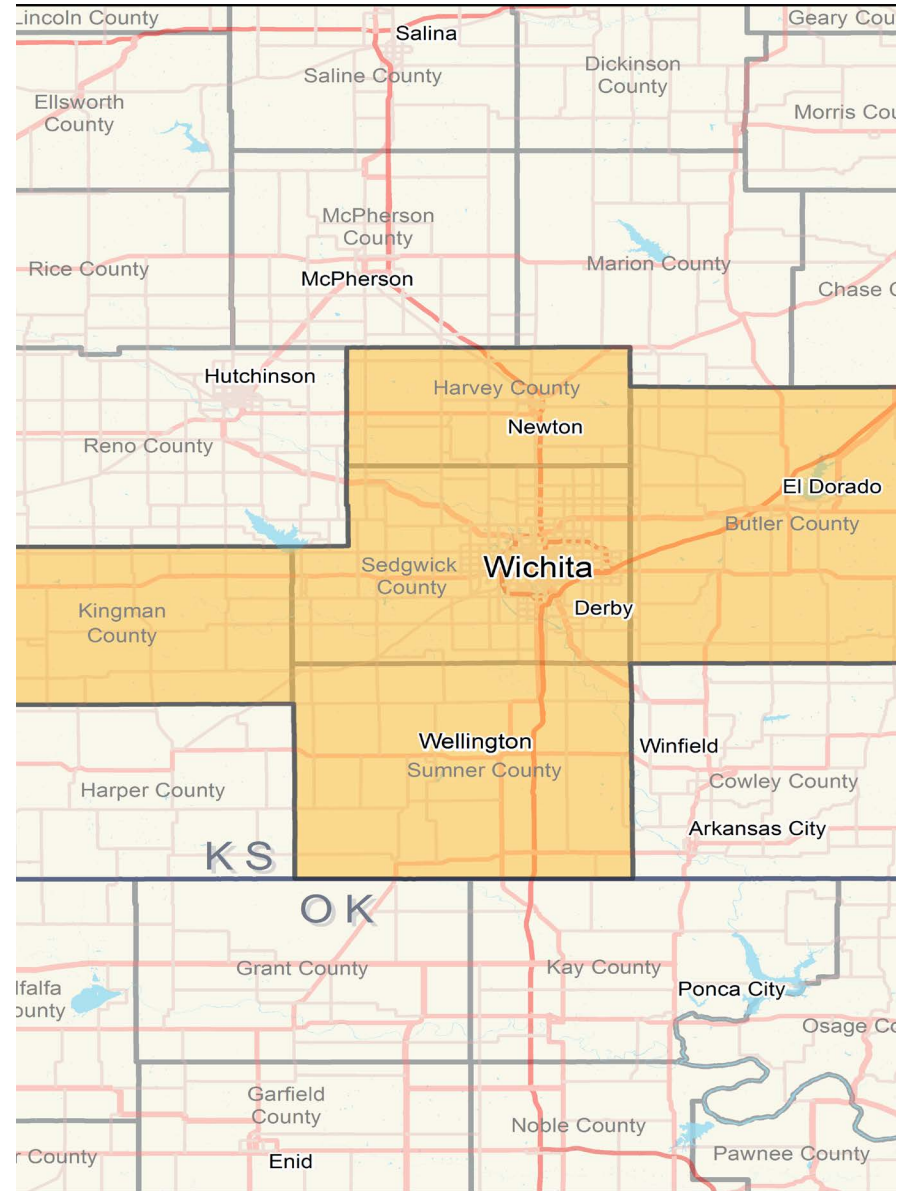
LARGE
GOVERNMENT
PRESENCE



METROPLEX GROWTH

ECONOMY

Aviation is an integral part of the economy, with Spirit AeroSystems, Bombardier and Textron Aviation providing roughly 24,000 jobs. The large healthcare sector is represented by Ascension Via Christi, Wesley Healthcare and Robert J. Dole VA Medical Center together employing nearly 7,500 workers. Numerous other active distribution and manufacturing companies in the metro include Cargill Meat Solutions, Koch Industries Inc., Johnson Controls and AGCO Corp. Several telecommunications firms have established bases of operations in the market. Combined T-Mobile and Cox Communications employ over 1,800 residents.



DEMOGRAPHICS



202,760

Total Population
Within 5 miles



\$53,623

Average Household Income
Within 5 miles



92,495

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	12,661	88,612	204,276
2020 Estimate			
Total Population	12,604	88,074	202,760
2010 Census			
Total Population	12,597	87,250	200,338
2000 Census			
Total Population	12,282	89,632	204,666
Daytime Population			
2020 Estimate	8,836	97,952	241,178
HOUSEHOLDS			
2025 Projection			
Total Households	4,931	36,435	83,982
2020 Estimate			
Total Households	4,900	36,020	82,799
Average (Mean) Household Size	2.6	2.4	2.4
2010 Census			
Total Households	4,850	35,407	81,163
2000 Census			
Total Households	5,240	37,905	84,731

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	0.8%	1.2%	1.7%
\$150,000-\$199,999	1.0%	1.1%	1.8%
\$100,000-\$149,999	4.6%	5.4%	7.8%
\$75,000-\$99,999	9.1%	7.8%	8.9%
\$50,000-\$74,999	19.9%	18.4%	19.4%
\$35,000-\$49,999	17.7%	17.5%	16.4%
\$25,000-\$34,999	14.9%	14.4%	13.2%
\$15,000-\$24,999	15.8%	15.4%	13.9%
Under \$15,000	16.0%	18.9%	17.0%
Average Household Income	\$47,743	\$47,278	\$53,623
Median Household Income	\$37,296	\$36,050	\$40,231
Per Capita Income	\$18,685	\$19,514	\$22,219
POPULATION PROFILE			
Population By Age			
2020 Estimate Total Population	12,604	88,074	202,760
Under 20	31.3%	30.4%	29.1%
20 to 34 Years	22.9%	23.6%	24.5%
35 to 39 Years	6.8%	7.0%	6.9%
40 to 49 Years	11.0%	10.9%	10.8%
50 to 64 Years	15.9%	16.0%	16.4%
Age 65+	12.1%	12.1%	12.3%
Median Age	32.2	32.5	32.7
Population 25+ by Education Level			
2020 Estimate Population Age 25+	7,801	55,443	128,403
Elementary (0-8)	10.9%	8.5%	6.3%
Some High School (9-11)	12.6%	11.8%	10.4%
High School Graduate (12)	33.9%	32.9%	30.6%
Some College (13-15)	26.4%	25.6%	25.2%
Associate Degree Only	5.5%	6.6%	7.5%
Bachelor's Degree Only	7.8%	9.6%	12.9%
Graduate Degree	2.8%	5.1%	7.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	20.0	19.0	19.0

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PRESENTED BY

JACOB CRABTREE

Associate
Office & Industrial Division
Chicago Office
Office (312) 327-5475
Jacob.Crabtree@marcusmillichap.com
License: IL 475.193901

TYLER SHARP

Senior Associate
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@marcusmillichap.com
License: IL 475.177869

ADAM ABUSHAGUR

Senior Managing Director Investments
National Office and Industrial Properties Group
Dallas Office
Office 972.755.5223
Adam.Abushagur@marcusmillichap.com
License TX 661916

BROKER OF RECORD

BRAD BARHAM
Missouri Broker of Record
Downtown Chicago Office
Tel: 312-327-5400
Fax: 312-327-5410
Brad.Barham@marcusmillichap.com
License: MO 2013016939

DEBT CONTACT

FRANK MONTALTO
Vice President Capital Markets
333 West Wacker Drive, Suite 200
Chicago, IL 60606
Tel: 312.327.5421
Frank.Montalto@marcusmillichap.com

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