

Marcus & Millichap
TAG INDUSTRIAL GROUP

O'FALLON BREWERY
45 PROGRESS PARKWAY

MARYLAND HEIGHTS, MO 63043

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The image features a large, empty industrial building interior on the left, with a high ceiling supported by a grid of steel beams. On the right, the exterior of the building is visible, showing vertical corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the main title.

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- Located at the Major Interchange Between I-270 and State Road 364
- Building Was Renovated in 2015: New Bathrooms, Carpet/Flooring, New Surface on Parking Lot
 - O'Fallon Brewery Has Posted Double-Digit Growth Numbers Year-Over-Year
 - Tight Barrier-to-Entry Submarket with a Market Vacancy of 3.6 Percent
- Due to the Low Vacancy in this Submarket, Market Rent has Grown 4.9 Percent Year-Over-Year
- Surrounded by Multiple Hotels, Edward Jones St. Louis Headquarters, and The World Wide Technology's Global Headquarters

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 45 Progress Parkway in Maryland Heights, Missouri, leased to O'Fallon Brewery. The subject property consists of approximately 38,382 square feet of space and is situated on 2.17 acres of land. The asset, renovated in 2015, features new bathrooms, carpet and flooring, and a newly paved parking lot. For over 20 years, O'Fallon Brewery has produced and distributed craft beers for the Saint Louis metropolitan area. Year-over-year, O'Fallon Brewery has posted double digit growth in sales. With multiple hotels, Edward Jones St. Louis Headquarters, and the World Wide Technology global headquarters surrounding the property, O'Fallon's onsite restaurant, O'Bar, has access to a large pool of customers.

Located at the major interchange between Interstate 270 and State Road 364, the property is primely situated within the Westport submarket. Westport is a sizable submarket with 15.5 million square feet of industrial space, largely consisting of logistics facilities. Specialized and flex properties together make up nearly 28 percent of local inventory. Over the last year, the vacancy rate has fallen 170 basis points down to 3.6 percent, representing the lowest level on record. Conversely, average market rents have increased a record 4.9 percent during this time. At \$7.48-per-square-foot, the market rents in Westport enjoy a 23 percent premium over the Saint Louis market average. However, the best is yet to come as net absorption in Westport is expected to hit an all-time high in 2022 with nearly 650,000 square feet. While net deliveries are projected to set a 20-year high at over 385,000 square feet, the lag behind net absorption should allow vacancies to fall significantly further (CoStar).

The Saint Louis metro is near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and has more than 2.9 million residents. The metro encompasses the city of Saint Louis; the Missouri counties of Saint Charles, Jefferson, Franklin, Saint Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, Saint Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. Saint Louis is the most populous county with 1 million people. The city of Saint Louis, which is located at the confluence of the Mississippi and Missouri rivers, is the only city in the metro with a population of more than 300,000 citizens. As Saint Louis continues to be a desirable industrial market for investors, a recent report ranked Saint Louis as the tenth industrial market to watch in 2019.

PROPERTY DETAILS

O'FALLON BREWERY 45 PROGRESS PARKWAY, MARYLAND HEIGHTS, MO 63043

Number of Suites	1
Number of Buildings	1
Total Square Feet	38,382
Warehouse Square Feet	27,476
Office Square Feet	4,511
Kitchen Square Feet	1,636
Retail/Restaurant Square Feet	4,759
Office Ratio	12%
Year Built	1972/2015
Lot Size	2.17 Acres
Type of Ownership	Fee Simple
Clear Height	10' - 20'
Parking Spaces	96 Spaces
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Dock High Doors	3
Grade Level Doors	1
Sprinklers	Wet
Construction	Masonry
Power	3p
Type of Lighting	LED
Zoning	M-1
Roof Type	TPO
Market	St. Louis
Submarket	Westport
Market Vacancy	3.60%

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O'FALLON BREWERY

45 PROGRESS PARKWAY, MARYLAND HEIGHTS, MO 63043

OFFERING PRICE	CAP RATE	PRO-FORMA CAP RATE
\$3,470,000	7.47%	7.62%

Offering Price	\$3,470,000
Cap Rate	7.47%
Pro-Forma Cap Rate	7.62%
Price/SF	\$90.41
Total Square Feet	38,382
Rental Rate	\$6.75
Lease Type	Triple Net (NNN)
Lease Term	5 Years
Rental Increases	2% Annual
Tenancy	Single
Occupancy	100.00%

*Backing out \$154,000 in roofing expenses

FINANCING

Loan Amount	\$2,429,000
Loan Type	New
Interest Rate	3.85%
Amortization	25 Years
Year Due	2027

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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RENT ROLL

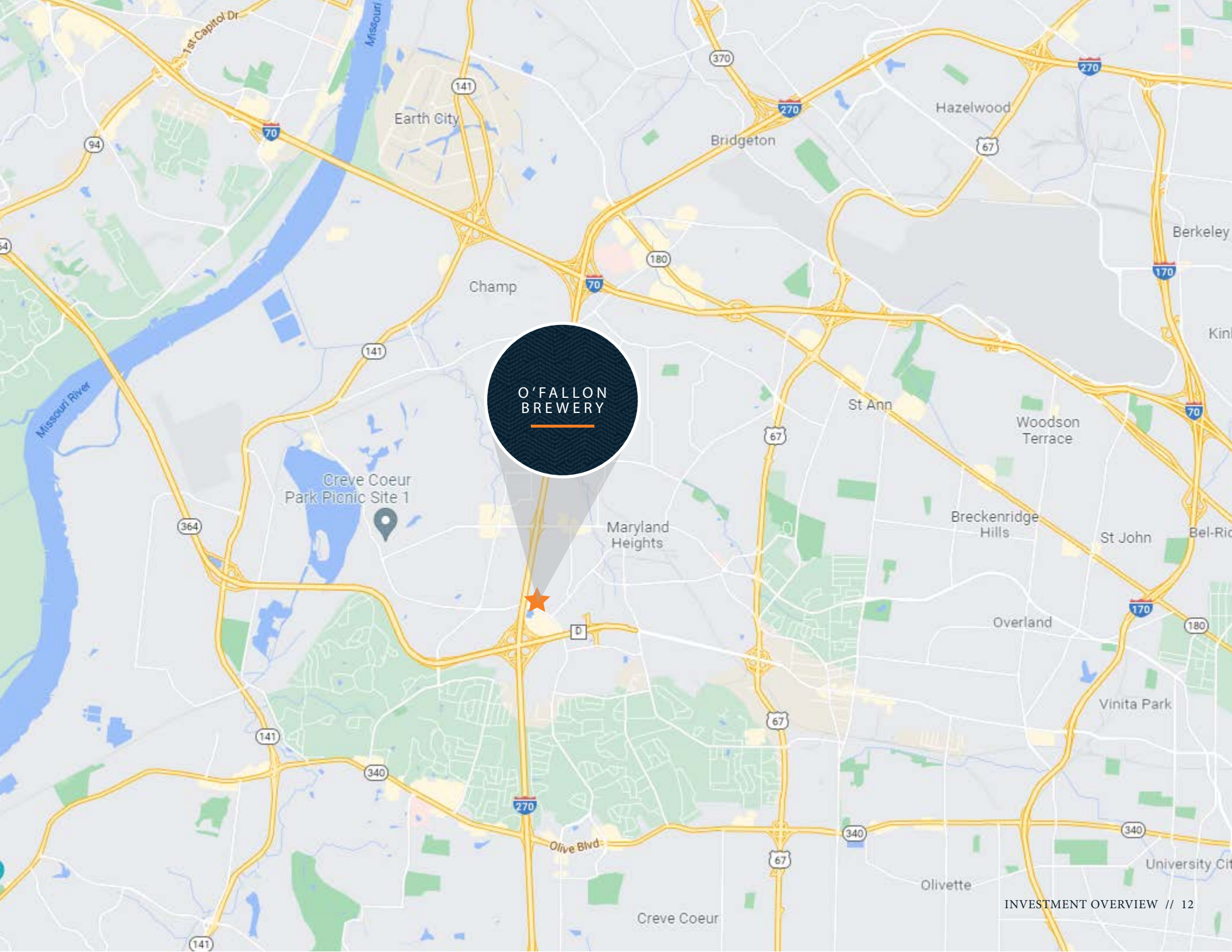
Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type	Renewal Options and Option Year Rental Information
			Comm.	Exp.						
O'Fallon Brewery	38,382	100.0%	COE	5 Year Term	\$6.75	\$21,590	\$259,079	\$264,260	NNN	One 5-Year Renewal Option
Total	38,382				\$6.75	\$21,590	\$259,079	\$264,260		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$21,590					Occupied Current Rents: \$21,590		Unoccupied Current Rents: \$0			

Lease Will Commence at Close of Escrow. Landlord is Responsible for Roof, Structure, Parking Lot, and HVAC.

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	259,079		6.75	264,260		6.89
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	11,515		0.30	11,515		0.30
Real estate Taxes	83,694		2.18	83,694		2.18
Total Reimbursement Income	\$95,209	100.0%	\$2.48	\$95,209	100.0%	\$2.48
Effective Gross Revenue	\$354,288		\$9.23	\$359,469		\$9.37

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	11,515		0.30	11,515		0.30
Real Estate Taxes	83,694		2.18	83,694		2.18
Total Expenses	\$95,209		\$2.48	\$95,209		\$2.48
Expenses as % of EGR	26.9%			26.5%		
Net Operating Income	\$259,079		\$6.75	\$264,260		\$6.89



O'FALLON
BREWERY



O'FALLON
BREWERY

O'Fallon Brewery

Staybridge Suites St
Louis - Westport, an IHG

Concentra Urgent Care

St. Louis Bread Co



TENANT SUMMARY



TENANT

O'Fallon Brewery

HEADQUARTERS

Maryland, MO

DATE FOUNDED

2000

www.ofallonbrewery.com

O'Fallon Brewery was founded in 2000 in O'Fallon, Missouri. Since its establishment, the regional brewery has maintained a goal to brew balanced craft beers that focus on unique ingredients and local collaborations. In June 2015, O'Fallon moved into its current facility in Westport Plaza and opened O'Bar, a tasting room and full-scale restaurant. O'Fallon's selection of beer includes popular varieties such as IPA and Amber Ale, and unique flavors such as Pretzel, Creamy Peanut Butter, and Strawberry Chocolate. Year-over-year, O'Fallon has posted double-digit sales growth as the brewery continues to expand into surrounding markets. In May 2021, O'Fallon Brewery announced the beginning of its Tennessee distribution.

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 1,943 debt and equity financings in 2020



National platform operating within the firm's brokerage offices



\$7.67 billion total national volume in 2020



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

ST. LOUIS MISSOURI

Known for its Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents. The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. St. Louis is the most populous county with 1 million people. The city of St. Louis contains approximately 316,000 citizens and is the only city in the metro with a population of more than 90,000 residents. In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is due to be completed in 2025.



CENTRAL LOCATION



EXCELLENT
TRANSPORTATION
SYSTEM



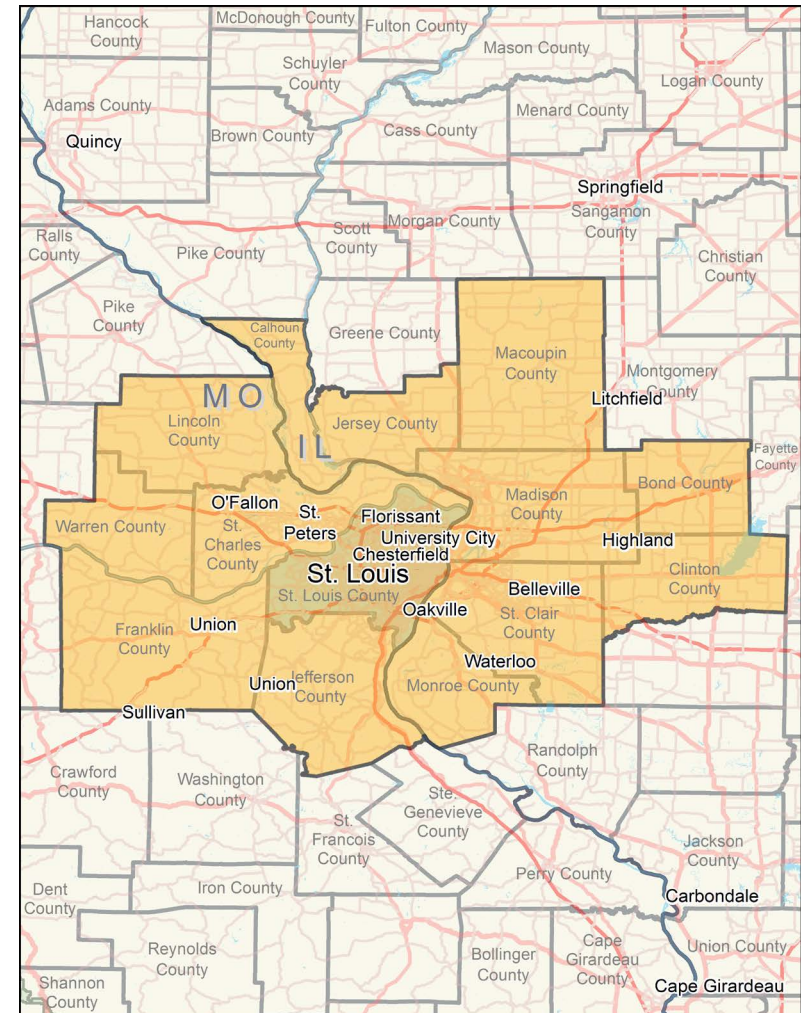
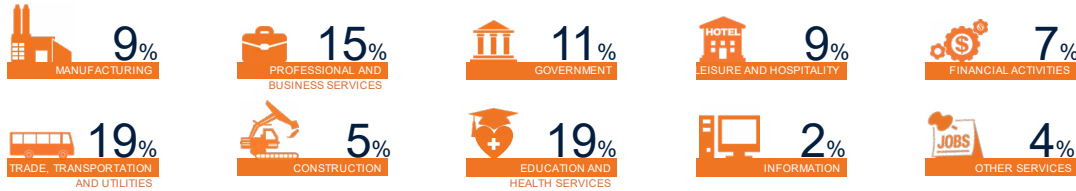
AFFORDABLE COST
OF LIVING



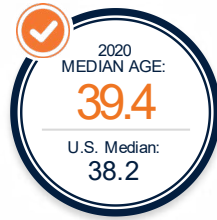
METROPLEX GROWTH

ECONOMY

St. Louis is highly ranked for its logistics infrastructure, bolstered by its central geographic location and easy access to major waterways. It is a significant inland port. The region is emerging as a large financial services center, with two Fortune 500 companies headquartered in the metro: Jones Financial and Reinsurance Group-America. The metro is home to six other Fortune 500 companies: Centene, Emerson Electric, Olin, Ameren, Post Holdings and Graybar Electric. Government entities pursue business development and provide resources for startups, along with incubators with guidance and inexpensive office and lab space.



METROPLEX GROWTH



The metro is expected to add more than 37,000 people through 2025, which will result in the formation of approximately 21,000 households. A median home price below the national level has produced a homeownership rate of nearly 69 percent, which is well above the national rate of 64 percent. Roughly 33 percent of people age 25 and older hold bachelor's degrees; among those residents, 13 percent also have earned a graduate or professional degree.



DEMOGRAPHICS



146,069

Total Population
Within 5 miles



\$98,522

Average Household Income
Within 5 miles



76,627

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Population	9,153	71,392	145,919
2020 Estimate			
Total Population	8,939	71,480	146,069
2010 Census			
Total Population	8,615	70,968	145,294
2000 Census			
Total Population	8,485	70,745	147,996
Daytime Population			
2020 Estimate	24,523	112,981	264,487
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2025 Projection			
Total Households	4,425	32,098	62,880
2020 Estimate			
Total Households	4,330	31,991	62,714
Average (Mean) Household Size	2.1	2.2	2.3
2010 Census			
Total Households	4,197	31,810	62,372
2000 Census			
Total Households	4,197	31,586	63,631

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2020 Estimate			
\$200,000 or More	2.8%	6.8%	8.8%
\$150,000-\$199,999	4.9%	6.5%	5.9%
\$100,000-\$149,999	12.2%	17.2%	14.8%
\$75,000-\$99,999	13.8%	14.4%	13.1%
\$50,000-\$74,999	23.2%	20.6%	19.3%
\$35,000-\$49,999	18.8%	13.6%	13.5%
\$25,000-\$34,999	11.0%	7.6%	8.7%
\$15,000-\$24,999	6.7%	7.0%	7.9%
Under \$15,000	6.7%	6.4%	8.0%
Average Household Income	\$74,588	\$95,084	\$98,522
Median Household Income	\$57,086	\$68,767	\$65,332
Per Capita Income	\$36,131	\$42,753	\$42,505
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2020 Estimate Total Population	8,939	71,480	146,069
Under 20	21.9%	20.9%	22.8%
20 to 34 Years	37.4%	22.1%	20.1%
35 to 39 Years	9.4%	7.2%	6.7%
40 to 49 Years	10.5%	11.4%	11.4%
50 to 64 Years	12.2%	19.1%	19.9%
Age 65+	8.7%	19.3%	19.1%
Median Age	31.2	39.9	40.3
Population 25+ by Education Level			
2020 Estimate Population Age 25+	6,156	52,477	104,565
Elementary (0-8)	2.4%	2.1%	2.4%
Some High School (9-11)	3.7%	3.6%	5.1%
High School Graduate (12)	16.5%	18.1%	21.1%
Some College (13-15)	17.9%	20.0%	20.2%
Associate Degree Only	7.9%	7.2%	7.0%
Bachelor's Degree Only	31.3%	27.8%	24.7%
Graduate Degree	20.4%	21.2%	19.6%
Travel Time to Work			
Average Travel Time to Work in Minutes	22.0	22.0	23.0

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