

Marcus & Millichap
TAG INDUSTRIAL GROUP

20950 IRELAND ROAD

SOUTH BEND, IN 46614

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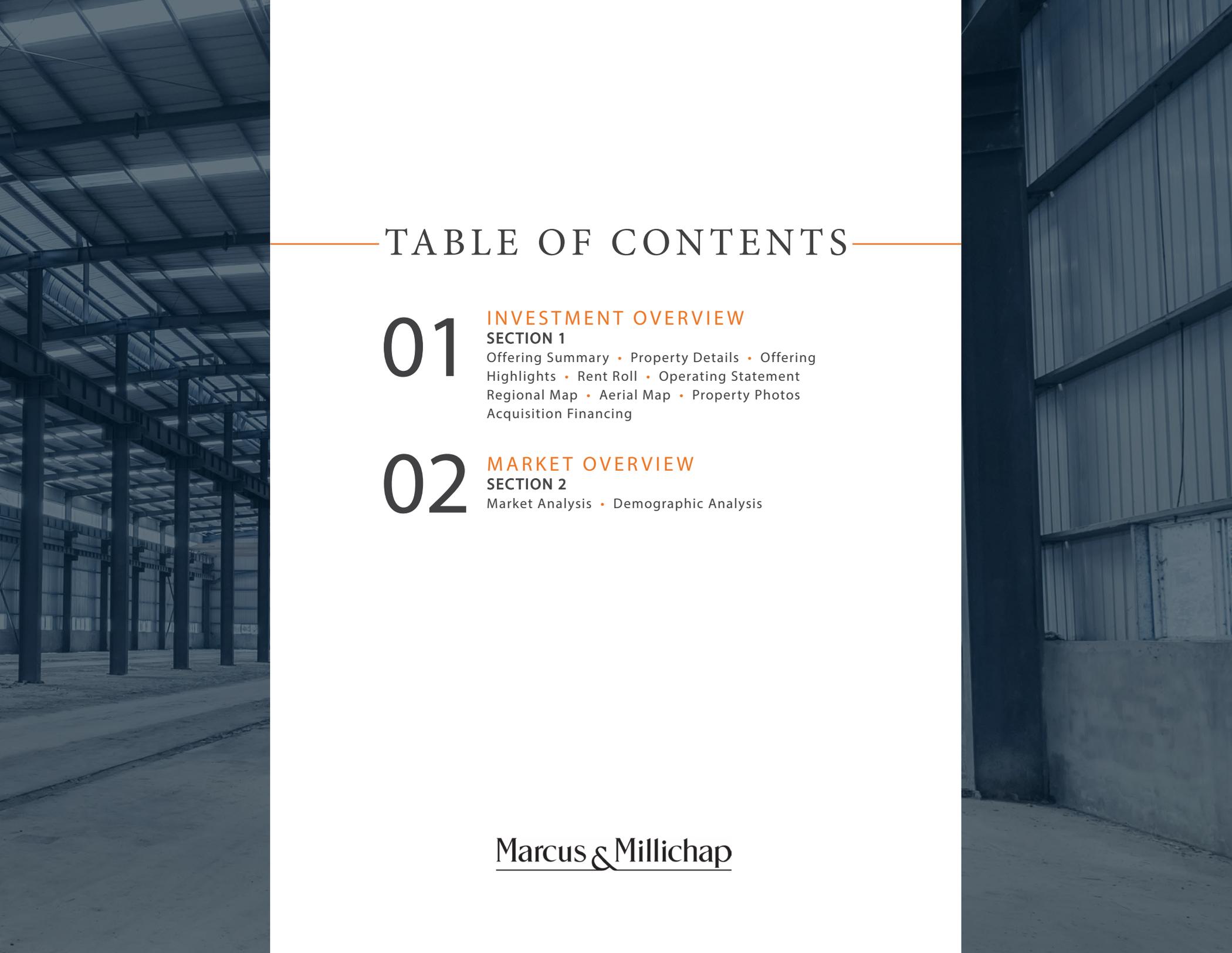


TABLE OF CONTENTS

01

INVESTMENT OVERVIEW

SECTION 1

Offering Summary • Property Details • Offering Highlights • Rent Roll • Operating Statement
Regional Map • Aerial Map • Property Photos
Acquisition Financing

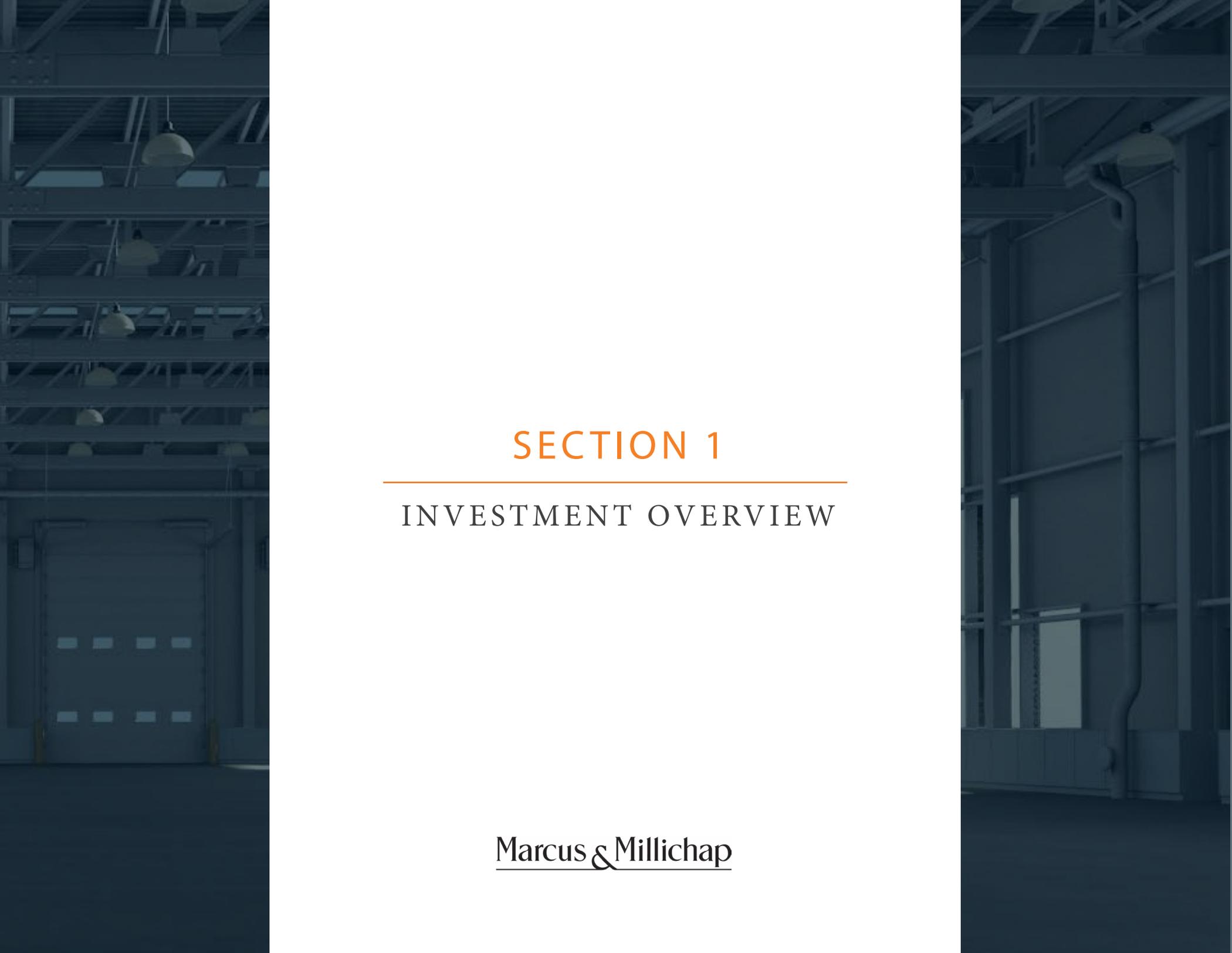
02

MARKET OVERVIEW

SECTION 2

Market Analysis • Demographic Analysis

Marcus & Millichap



SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- Features 16'-18' Clear Heights, Four Dock Doors, and One Drive-In Door
- 45,288-Square-Foot Multi-Tenant Warehouse Situated on 5.5 Acres
- 78% Occupancy Creates Lease-Up Opportunity for Investor to Add Value While Still Generating a Strong Return on Investment
 - Tough Barrier-to-Entry Market: 6.0% Overall Vacancy and 8.9% Annual Rent Growth
 - Below-Market Rent Per-Square-Foot with Leases Expiring in Two Years, Creates Value-Add Opportunity
 - Proximate to U.S. Route 31 and U.S. Route 20 Interchange

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 20950 Ireland Road in South Bend, Indiana. The subject property consists of approximately 45,288 square feet of warehouse space and is situated on 5.5 acres of land. The asset features a clear height between 16' and 18', four dock-high doors, and one drive-in door. At 83.30 percent occupancy, the multi-tenant property creates a lease-up opportunity in which investors can increase value while generating strong returns. Given that current leases are below the market rents and expiring within three years, the property also offers investors a value-add opportunity. The property sits in close proximity to the interchange between U.S. Route 31 and U.S. Route 20.

The subject property is situated within Greater South Bend, a tough barrier-to-entry submarket containing roughly 20.4 million square feet of industrial space. Unlike the overall market, warehouse and distribution centers dominate the Greater South Bend submarket, making up 54 percent of inventory. Specialized space, mostly manufacturing facilities, and flex properties account for 41 percent and 5 percent, respectively.

Thanks to back-to-back years of net absorption over 300,000 square feet, the vacancy rate has steadily fallen from an eight-year high of 9.1 percent in Q2 2019 to 6.0 percent at the start of Q2 2022. Consistently, high demand has also helped push market rent growth to the fastest pace on record at 8.9 percent year-over-year in Q2. With nothing currently under construction, there are no supply-side pressures on vacancy or rent for the foreseeable future. If Greater South Bend posts a third consecutive year of 300,000 square feet of absorption as forecast, the vacancy rate will drop to a record low near 4.0 percent (CoStar).

Located along the southernmost bend of the St. Joseph River, hence the name, South Bend is the fourth largest city in Indiana, with a population of 103,453 residents. Established as a fur trading post, South Bend grew quickly with the rise of the now-defunct automobile maker, Studebaker Corporation. Today, South Bend's economy is anchored by the famed University of Notre Dame. With nearly 6,000 workers, Notre Dame is the single largest employer in South Bend. Both residents and businesses benefit from a low cost of living and business-friendly environment, which has spawned growth in the logistics and high-tech manufacturing industries (Marcus & Millichap).

PROPERTY DETAILS

20950 IRELAND ROAD, SOUTH BEND, IN 46614

Number of Suites	3
Number of Buildings	1
Total Square Feet	45,228
Warehouse Square Feet	37,682
Office Square Feet	7,546
Office Ratio	17%
Year Built	1982
Lot Size	5.50 Acres
Type of Ownership	Fee Simple
Clear Height	16'-18'
Parking Spaces	55
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi
Dock High Doors	4
Grade Level Doors	1
Sprinklers	Wet
Construction	Metal
Power	420v 3-Phase
Type of Lighting	LED
Zoning	Industrial
Roof Type	Metal
Age/Condition of Roofs	Original
HVAC Units	6
Age/Condition of HVAC	Only in Vacant Flex/Office Space
Market	South Bend
Submarket	Greater South Bend
Market Vacancy	6.00%



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OFFERING HIGHLIGHTS

20950 IRELAND ROAD

SOUTH BEND, IN 46614

OFFERING PRICE
\$1,900,000

CAP RATE
5.79%

PRO-FORMA CAP RATE
8.39%

Offering Price	\$1,900,000
Cap Rate	5.79%
Pro-Forma Cap Rate	8.39%
Price/SF	\$42.01
Total Square Feet	45,228
Rental Rate	\$3.17
Lease Type	Triple Net (NNN)
Lease Term	Varies
Tenancy	Multi
Occupancy	83.32%

*Factoring in \$30,000 in Tenant Improvements / Leasing Costs

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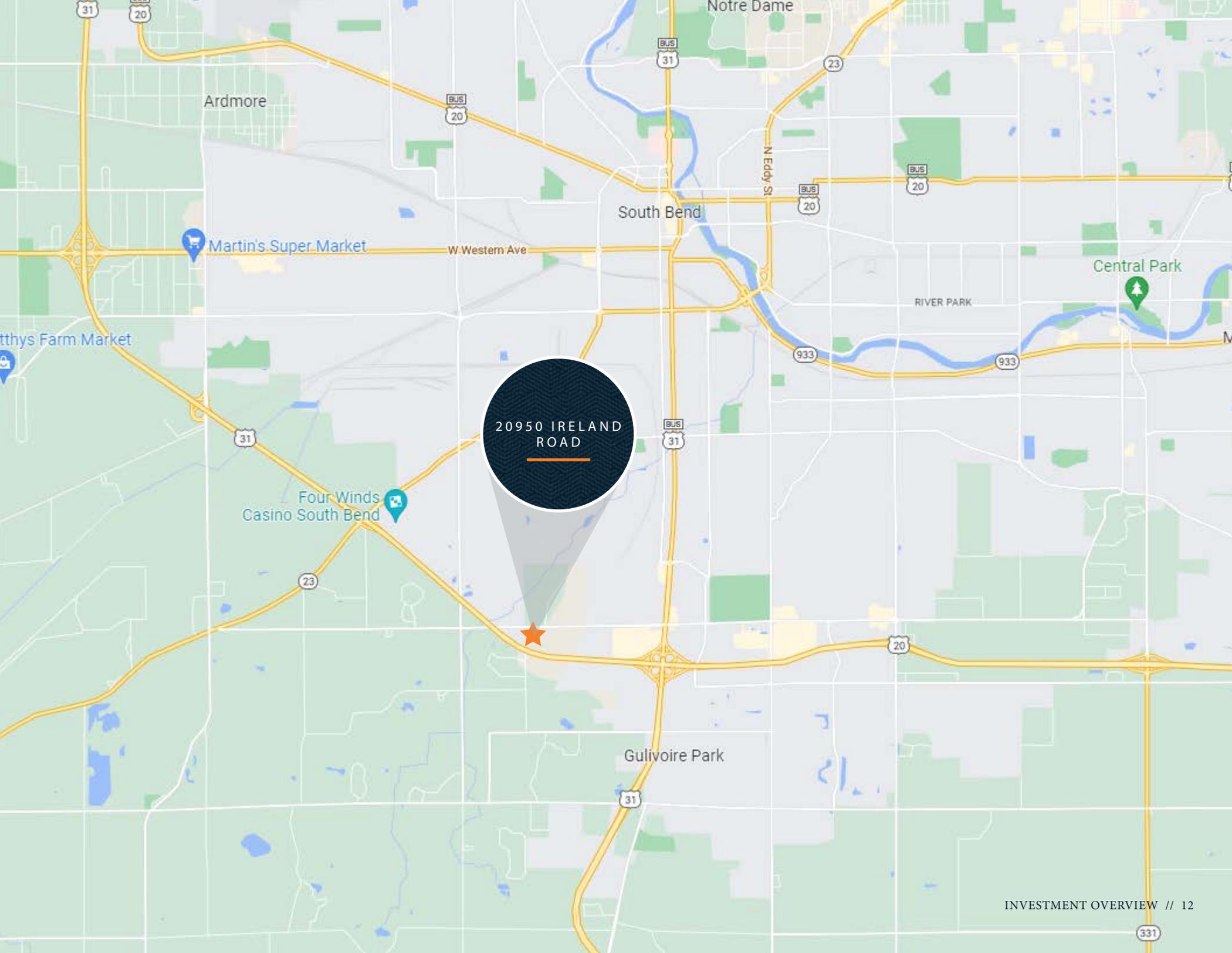
RENT ROLL

Tenant Name	Suite	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	Renewal Options and Option Year Rental Information
				Comm.	Exp.								
D.A. Dodd, LLC	A	13,482	29.8%	4/26/21	4/25/24	\$2.41	\$2,704	\$32,448	\$32,448	Apr-2023	\$2,704	NNN	One (1) Three-Year Option at Agreeable Rate
Mikasha, Inc	B	24,200	53.5%	5/1/15	4/30/24	\$3.60	\$7,264	\$87,168	\$87,168	May-2023	\$7,264	NNN	-
Vacant	C	7,546	16.7%	TBD	TBD	\$0.00	\$0.00	\$0.00	\$48,253	Jan-2023	\$4,101	NNN	-
Total		45,228				\$3.17	\$9,968	\$119,616	\$167,869				
Occupied Tenants: 2				Unoccupied Tenants: 1		Occupied GLA: 83.30%		Unoccupied GLA: 16.70%					
Total Current Rents: \$9,968						Occupied Current Rents: \$9,968		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	119,616		2.64	167,869		3.71
Expense Reimbursement Income						
Net Lease Reimbursement						
CAM	11,393		0.25	13,675		0.30
Insurance	2,957		0.07	3,549		0.08
Real estate Taxes	11,387		0.25	14,350		0.32
Management Fees	0		0.00	0		0.00
Total Reimbursement Income	\$25,737	73.0%	\$0.57	\$31,574	84.1%	\$0.70
Effective Gross Revenue	\$145,353		\$3.21	\$199,443		\$4.41

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Water	1,388		0.03	1,388		0.03
Sewer	1,388		0.03	1,388		0.03
Repairs & Maintenance	6,000		0.13	6,000		0.13
Landscaping	3,300		0.07	3,300		0.07
Snow Removal	1,600		0.04	1,600		0.04
Insurance	3,550		0.08	3,550		0.08
Real Estate Taxes	13,667		0.30	14,350		0.32
Management Fee	4,361	3.0%	0.10	5,983	3.0%	0.13
Total Expenses	\$35,253		\$0.78	\$37,559		\$0.83
Expenses as % of EGR	24.3%			18.8%		
Net Operating Income	\$110,100		\$2.43	\$161,885		\$3.58



20950 IRELAND
ROAD

Praxair Distribution Inc

Clean Seal, Inc

20950 IRELAND ROAD

Mikasha

W Ireland Rd

W Ireland Rd

Linden Rd



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 2,399 debt and equity financings in 2021



National platform operating within the firm's brokerage offices



\$10.4 billion total national volume in 2021



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

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SOUTH BEND INDIANA

Known as the home to the University of Notre Dame, the South Bend metro is situated in northern Indiana and southern Michigan, roughly 100 miles east of Chicago and 200 miles southwest of Detroit. It consists of St. Joseph and Cass counties. The city of South Bend is the most populous city in the metro, with 102,000 residents. Key drivers of the local economy include food and agriculture, advanced manufacturing, logistics and distribution, as well as technology and life science segments.



HIGHER
EDUCATION



MANUFACTURING
HEADQUARTERS

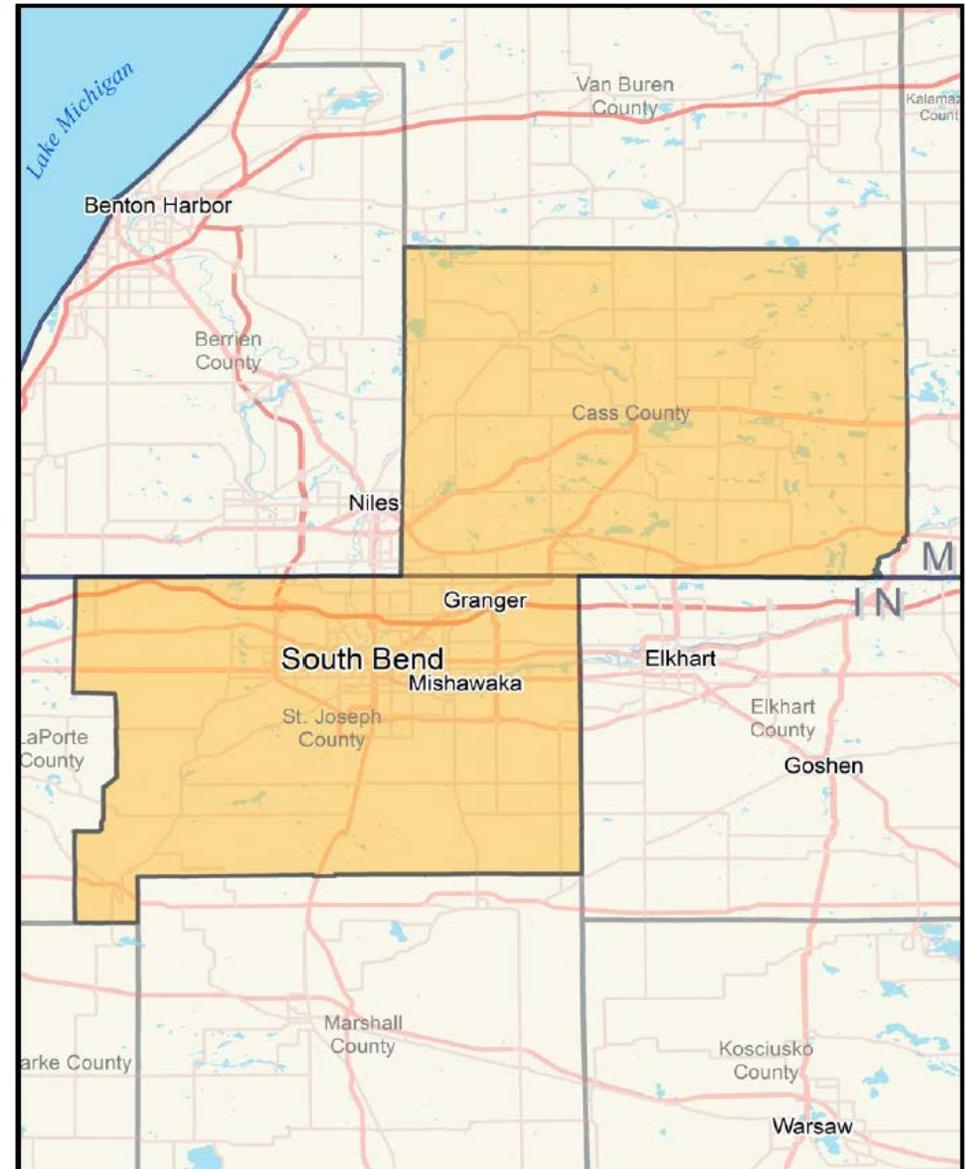


CENTRAL
LOCATION

METROPLEX GROWTH

ECONOMY

The University of Notre Dame anchors the region as the largest employer, with almost 6,000 workers. Combined with smaller schools, education employment offers the area a stable economic driver of growth and innovation. Excellent interstate access and South Bend International Airport have allowed the region to leverage its location as a logistics hub for Tire Rack, UPS, FedEx and numerous other freight forwarders. The region's low cost of living and doing business, as well as a business-friendly environment, offers significant upside growth potential to further expand high-tech manufacturing industries and logistics.



DEMOGRAPHICS



108,004

Total Population
Within 5 miles



48.8%



51.2%



\$63,514

Average Household Income
Within 5 miles



42,711

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	950	37,801	107,359
2021 Estimate			
Total Population	952	38,137	108,004
2010 Census			
Total Population	953	38,025	107,014
2000 Census			
Total Population	959	38,070	114,011
Daytime Population			
2021 Estimate	681	33,700	110,698
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	353	14,154	42,613
2021 Estimate			
Total Households	353	14,197	42,599
Average (Mean) Household Size	2.6	2.6	2.5
2010 Census			
Total Households	350	14,068	41,871
2000 Census			
Total Households	340	14,295	44,336

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	10.8%	3.4%	2.6%
\$150,000-\$199,999	5.0%	2.5%	2.7%
\$100,000-\$149,999	24.0%	12.9%	10.5%
\$75,000-\$99,999	17.6%	14.5%	11.8%
\$50,000-\$74,999	20.5%	20.5%	19.6%
\$35,000-\$49,999	8.2%	13.9%	14.2%
\$25,000-\$34,999	6.6%	9.6%	11.1%
\$15,000-\$24,999	3.9%	10.3%	11.7%
Under \$15,000	3.4%	12.4%	15.8%
Average Household Income	\$119,654	\$71,866	\$63,514
Median Household Income	\$84,669	\$54,371	\$45,862
Per Capita Income	\$44,339	\$27,149	\$25,467
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2021 Estimate Total Population	952	38,137	108,004
Under 20	24.3%	29.0%	28.6%
20 to 34 Years	14.6%	19.7%	21.6%
35 to 39 Years	5.1%	6.8%	6.7%
40 to 49 Years	12.3%	11.5%	11.3%
50 to 64 Years	23.9%	17.9%	17.3%
Age 65+	19.9%	15.2%	14.6%
Median Age	45.4	35.9	34.9
Population 25+ by Education Level			
2021 Estimate Population Age 25+	668	24,859	70,089
Elementary (0-8)	1.5%	4.5%	4.5%
Some High School (9-11)	5.0%	10.3%	10.9%
High School Graduate (12)	26.4%	32.3%	32.4%
Some College (13-15)	21.7%	22.3%	21.4%
Associate Degree Only	7.6%	7.5%	7.3%
Bachelor's Degree Only	19.2%	14.6%	13.6%
Graduate Degree	18.7%	8.6%	10.0%
Travel Time to Work			
Average Travel Time to Work in Minutes	22.0	23.0	22.0

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