

Marcus & Millichap
TAG INDUSTRIAL GROUP

NSK INDUSTRIES

611 MCDONALD STREET

ELKHART, IN 46516

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Marcus & Millichap

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 3-Year NNN Sale-Leaseback to NSK Industries: Machine Shop and Fastener Distributor
- Tough Barrier-to-Entry Submarket: 0.8% Market Vacancy Rates, 8.3% Rent Growth
 - Features 18' Clear Heights, 1 Internal Dock-High Door, and 2 Drive-In Doors
 - Capital Improvements Made to Roof, HVAC, and Garage Doors in 2015
 - Landlord Responsible for Roof, Structure, and HVAC
 - 13,424-Square-Foot Warehouse Situated on 0.62 Acres

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 611 McDonald Street in Elkhart, Indiana, occupied by the current owner NSK Industries. The subject property consists of approximately 13,424 square feet of warehouse space and is situated on 0.62 acres of land. The asset features a clear height of 18', one internal dock-high door, and two drive-in doors. In 2015, capital improvements were made to the roof, HVAC, and garage doors. Upon sale of the property, NSK Industries will execute a triple-net leaseback with a term of three years. NSK Industries is a distributor of fasteners and special machine parts.

The subject property is situated within Outlying Elkhart County, one of the nation's largest industrial submarkets with 77.2 million square feet. Over the last decade, the vacancy rate has trended below 5 percent, sitting in record territory so far in Q2 at just 0.8 percent. Thanks to a lack of availability, annual market rent growth has jumped to an all-time high of 8.3 percent, allowing investors to keep pace with inflation. Despite the impressive fundamentals, only about 537,000 square feet of industrial space is currently under construction, representing just 0.7 percent of inventory. With new supply largely restrained, rent growth and vacancies will be unimpeded for the foreseeable future (CoStar). Outlying Elkhart County defines what a tough barrier-to-entry submarket looks like, offering the industrial market a solid investment opportunity in today's economic environment.

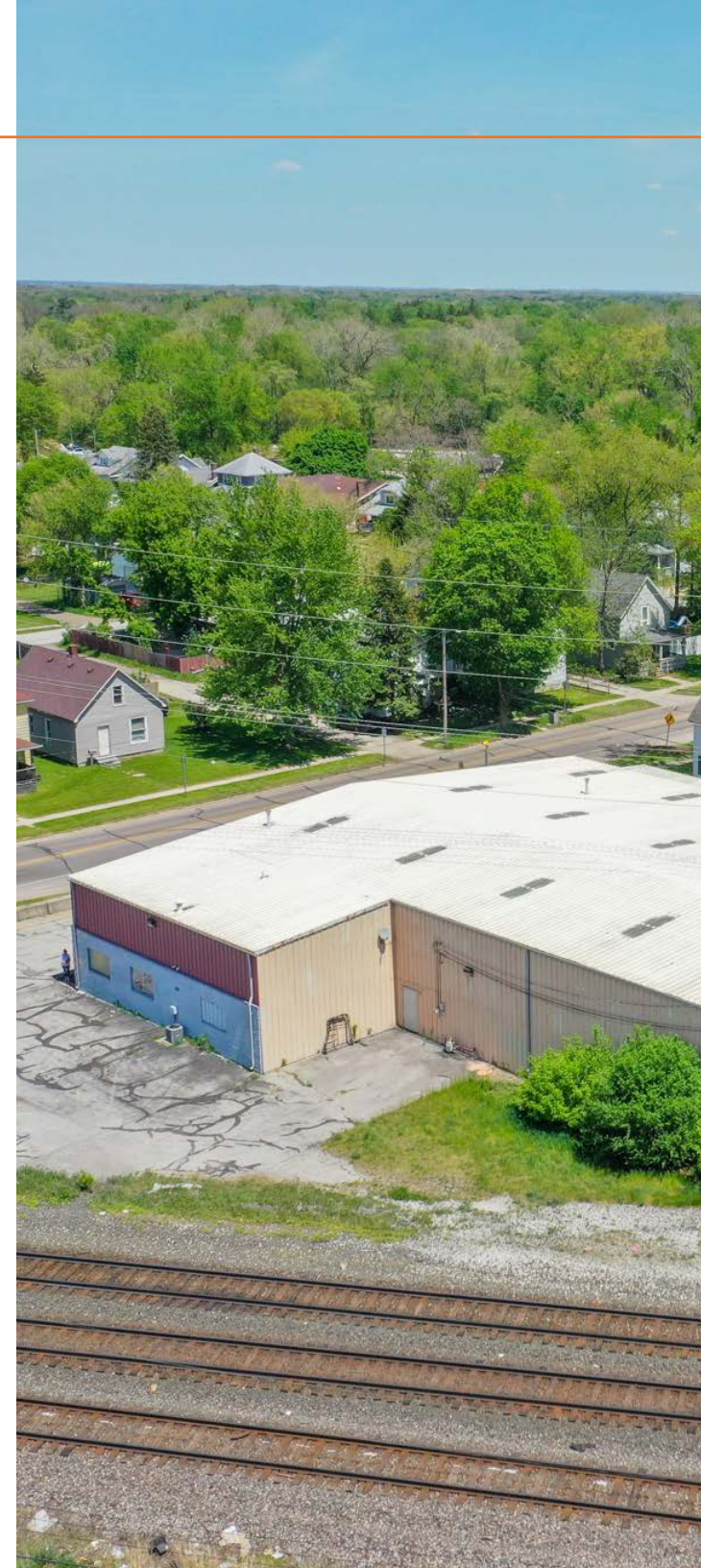
Located just East of South Bend, Indiana, along the Saint Joseph River, the Elkhart-Goshen metropolitan area is home to 205,184 residents. The city of Elkhart maintains the largest population at 53,923, although the county seat is held by Goshen. Both known as the "RV Capital of the World" and the "Band Instrument Capital of the World", manufacturing plays a major role in the Elkhart economy. Multiple recreational vehicle (RV) manufacturers are situated in the area, including Thor Motor Coach and Forest River Inc. The local musical instrument manufacturing industry is largely dominated by the Conn-Selmer conglomerate formed in 2003. Highlighted by the Downtown Riverwalk, Elkhart offers residents 35 parks and recreational facilities.

PROPERTY DETAILS

NSK INDUSTRIES - 611 MCDONALD STREET, ELKHART, IN 46516

Number of Suites	1
Number of Buildings	1
Total Square Feet	13,424
Warehouse Square Feet	11,314
Office Square Feet	2,110
Office Ratio	16%
Year Built	1968
Lot Size	0.62 Acres
Type of Ownership	Fee Simple
Clear Height	18'
Parking Spaces	10
Parking Surface	Asphalt
Building Class	C
Tenancy	Owner-User
Dock High Doors	1
Grade Level Doors	2
Construction	Metal
Power	3p
Type of Lighting	Fluorescent
Zoning	B-3
Roof Type	Metal
Age/Condition of Roofs	Replaced in 2015
HVAC Units	Yes
Age/Condition of HVAC	Replaced in 2015
Market	Elkhart
Submarket	Outlying Elkhart County
Market Vacancy	0.80%

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NSK INDUSTRIES

611 MCDONALD STREET, ELKHART, IN 46516

OFFERING PRICE	CAP RATE	PRO-FORMA CAP RATE
\$650,000	7.74%	7.90%
Offering Price	\$650,000	
Cap Rate	7.74%	
Pro-Forma Cap Rate	7.90%	
Price/SF	\$48.42	
Total Square Feet	13,424	
Rental Rate	\$3.75	
Lease Type	Triple Net (NNN)	
Lease Term	3 Years	
Rental Increases	2%	
Tenancy	Owner-User	
Occupancy	100.00%	

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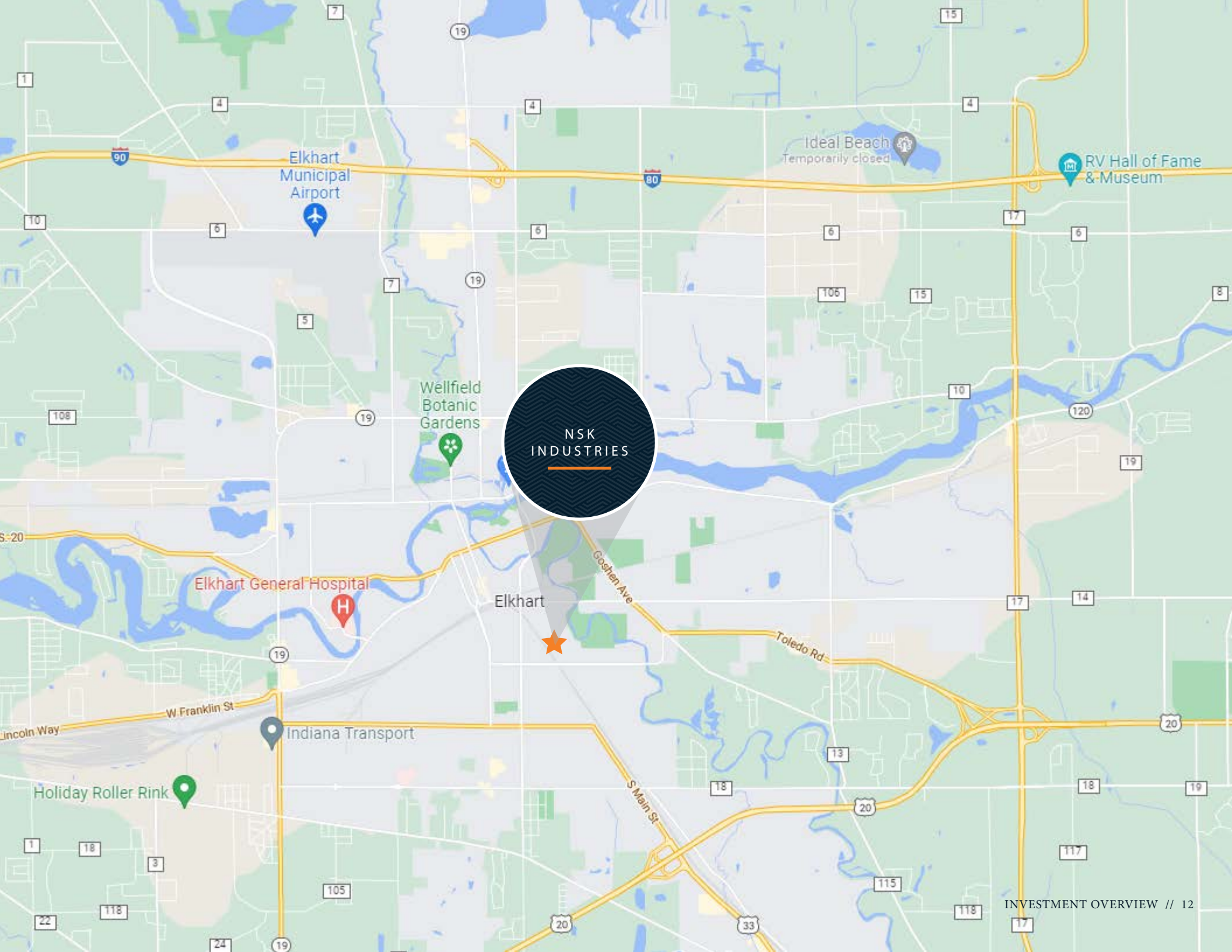
RENT ROLL

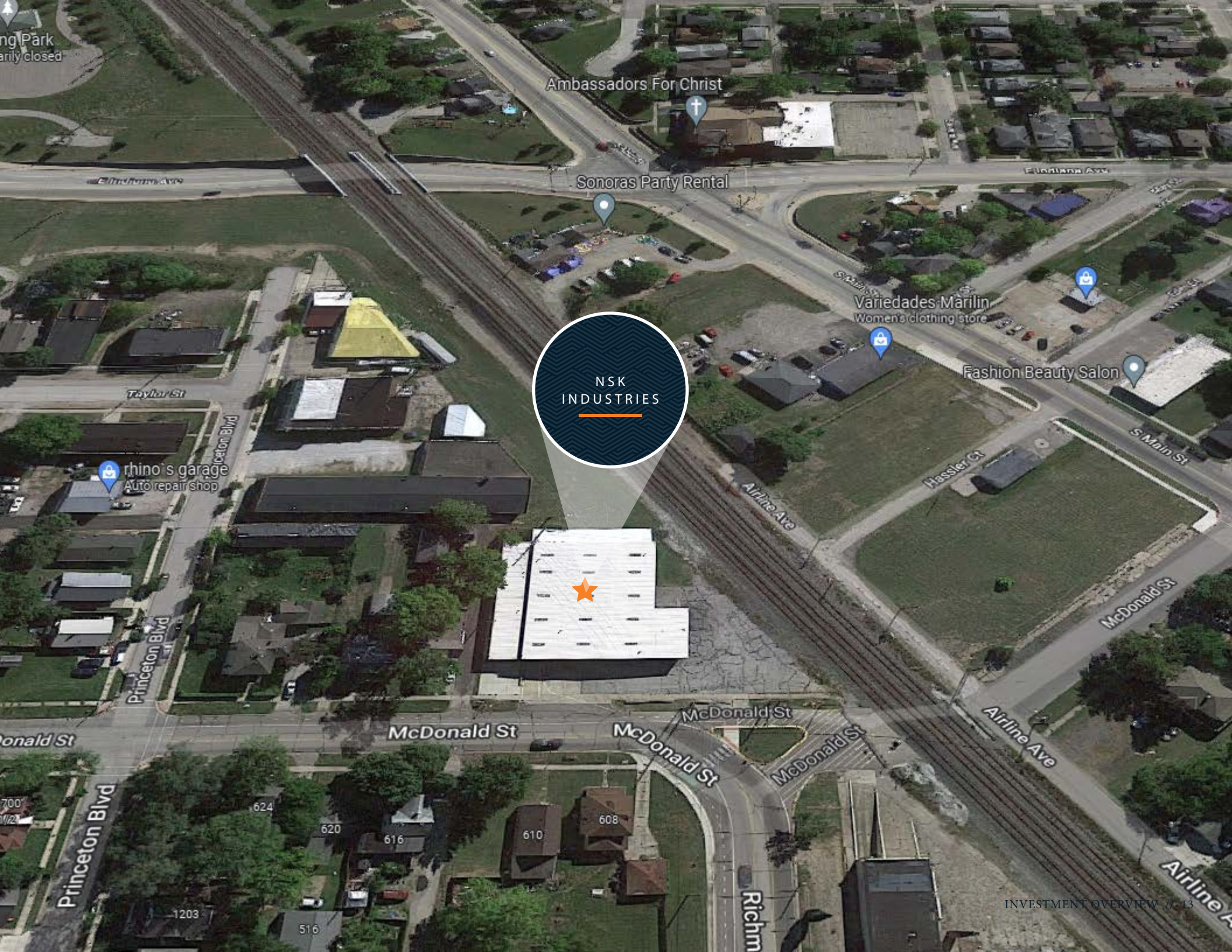
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
NSK Industries	A	13,424	100.0%	COE	3-Years	\$3.75	\$4,195	\$50,340	\$51,347	TBD	2.00%	NNN	Two (2) One (1) Year Options
Total		13,424				\$3.75	\$4,195	\$50,340	\$51,347				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$4,195						Occupied Current Rents: \$4,195		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	50,340	3.75	51,347	3.83
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	15,875	1.18	15,875	1.18
Insurance	4,497	0.33	4,497	0.33
Real estate Taxes	4,746	0.35	4,983	0.37
Total Reimbursement Income	\$25,118 100.0%	\$1.87	\$25,355 100.0%	\$1.89
Effective Gross Revenue	\$75,458	\$5.62	\$76,702	\$5.71

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Electric	3,820	0.28	3,820	0.28
Water & Sewer	523	0.04	523	0.04
Natrual Gas	5,235	0.39	5,235	0.39
Trash Removal	1,712	0.13	1,712	0.13
Repairs & Maintenance	1,000	0.07	1,000	0.07
Internet	2,585	0.19	2,585	0.19
Snow Removal	1,000	0.07	1,000	0.07
Insurance	4,497	0.33	4,497	0.33
Real Estate Taxes	4,746	0.35	4,983	0.37
Total Expenses	\$25,118	\$1.87	\$25,355	\$1.89
Expenses as % of EGR	33.3%		33.1%	
Net Operating Income	\$50,340	\$3.75	\$51,347	\$3.83





ng Park
arily closed

Ambassadors For Christ

Sonoras Party Rental

Florida Ave

Variedades Marilin
Women's clothing store

Fashion Beauty Salon

S Main St

McDonald St

Airline Ave

Airline Ave



NSK
INDUSTRIES

Taylor St

rhino's garage
Auto repair shop

Princeton Blvd

Donald St

McDonald St

McDonald St

McDonald St

Princeton Blvd

Richm



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

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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

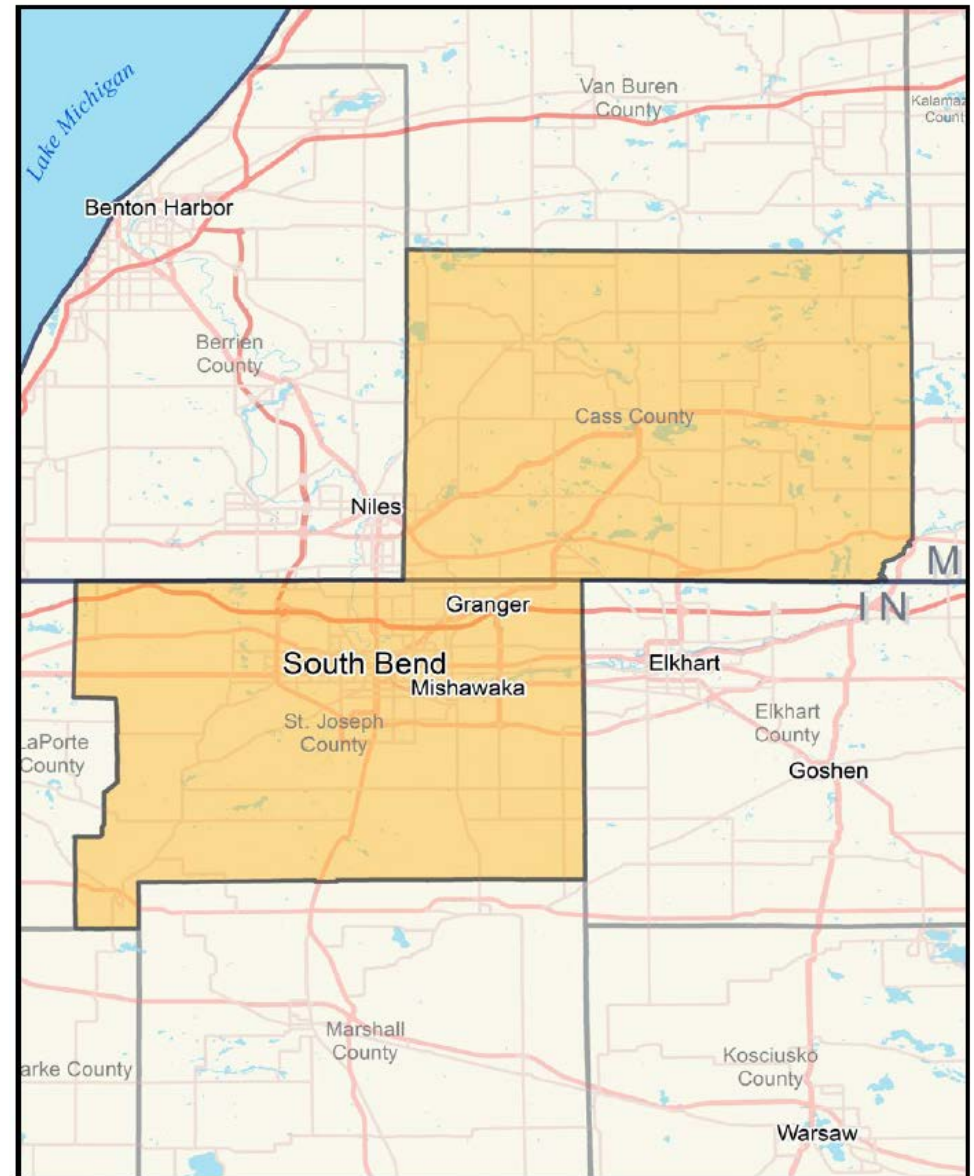
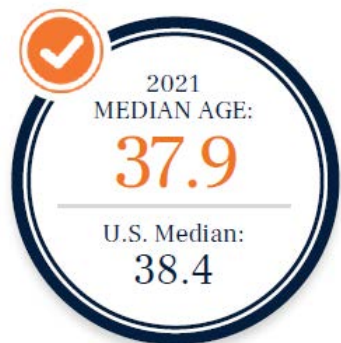


CENTRAL
LOCATION

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



95,958

Total Population
Within 5 miles



\$68,725

Average Household Income
Within 5 miles



45,901

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	12,128	61,501	96,029
2021 Estimate			
Total Population	12,319	61,692	95,958
2010 Census			
Total Population	12,275	60,601	93,868
2000 Census			
Total Population	13,053	60,808	91,970
Daytime Population			
2021 Estimate	11,818	64,564	106,316
HOUSEHOLDS			
2026 Projection			
Total Households	4,251	23,575	37,093
2021 Estimate			
Total Households	4,307	23,552	36,914
Average (Mean) Household Size	2.8	2.6	2.6
2010 Census			
Total Households	4,220	22,599	35,289
2000 Census			
Total Households	4,523	23,025	34,897

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	0.6%	2.6%	3.1%
\$150,000-\$199,999	1.2%	3.1%	3.6%
\$100,000-\$149,999	5.1%	9.4%	11.6%
\$75,000-\$99,999	10.1%	11.6%	13.0%
\$50,000-\$74,999	16.1%	19.7%	20.7%
\$35,000-\$49,999	14.1%	15.2%	14.8%
\$25,000-\$34,999	13.4%	11.3%	10.4%
\$15,000-\$24,999	18.7%	13.3%	11.3%
Under \$15,000	20.8%	13.8%	11.5%
Average Household Income	\$44,590	\$62,216	\$68,725
Median Household Income	\$33,012	\$46,075	\$52,231
Per Capita Income	\$15,796	\$23,898	\$26,565
POPULATION PROFILE			
Population By Age			
2021 Estimate Total Population	12,319	61,692	95,958
Under 20	34.7%	30.2%	28.9%
20 to 34 Years	22.1%	20.4%	19.1%
35 to 39 Years	6.9%	6.5%	6.3%
40 to 49 Years	11.9%	12.0%	11.9%
50 to 64 Years	15.4%	17.1%	18.1%
Age 65+	9.0%	13.9%	15.7%
Median Age	30.3	34.6	36.6
Population 25+ by Education Level			
2021 Estimate Population Age 25+	7,229	39,285	62,497
Elementary (0-8)	13.9%	8.4%	6.7%
Some High School (9-11)	20.1%	13.3%	11.6%
High School Graduate (12)	35.1%	36.4%	36.5%
Some College (13-15)	16.7%	19.7%	20.8%
Associate Degree Only	4.6%	6.5%	7.0%
Bachelor's Degree Only	6.5%	10.4%	11.7%
Graduate Degree	3.1%	5.4%	5.9%
Travel Time to Work			
Average Travel Time to Work in Minutes	20.0	20.0	21.0

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