

Marcus & Millichap
TAG INDUSTRIAL GROUP

KIRBY RISK CORPORATION
1331 NORTH IOWA STREET

SOUTH BEND, IN 46628

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The background of the page is a photograph of an industrial building. The left side shows the interior of a large, empty warehouse with a high ceiling supported by a grid of steel beams. The right side shows the exterior of the building, featuring corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the 'TABLE OF CONTENTS' text.

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Marcus & Millichap



SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- 12,728-Square-Foot Warehouse Situated on 1.1 Acres
- Fully Occupied by Kirby Risk Corporation Since 2006 | Full-Service Electrical Distributor with 45 Locations
 - +/- Five Years Remaining on NNN Lease | Landlord Responsible for Roof, Structure and Parking Lot
 - Constructed in 1989 / 1994 with 16' Clear Height, 10 Drive-Ins, and 1 Dock-High Door
 - High Barrier-to-Entry Submarket: 3.7% Market Vacancy, 8.0% Rent Growth
 - Great Location Near Airport, US 20/31 Bypass and I 80/90 Toll Road in Northwest South Bend

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1331 North Iowa Street in South Bend, Indiana, leased to Kirby Risk Corporation. The subject property consists of approximately 12,728 square feet of warehouse space and is situated on a total 1.1 acres of land. The asset features a clear height of 16', one dock-high door, and 10 grade-level doors. Since 2006, the tenant has fully occupied the property, with the current lease expiring in January 2028. Anchored by a triple-net lease, the asset minimizes landlord responsibilities to just the roof, building structure, and parking lot. The tenant remains responsible for the maintenance of the HVAC system. With 45 locations throughout Indiana, Illinois, Ohio, and Georgia, Kirby Risk Corporation is a full-service electrical distributor (Kirby Risk).

The subject property is situated within Greater South Bend, a tough barrier-to-entry submarket containing roughly 20.6 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 now three consecutive years of net absorption of at least 350,000 square feet, the vacancy rate has steadily fallen from an eight year high of 9.0 percent in Q2 2019 to a record low of 3.7 percent at the start of Q4 2022. Consistently high demand has kept market rent growth close to historical highs, rising 8.0 percent year-over-year in Q3.

With nothing currently under construction, there are no supply-side pressures on vacancy or rent for the foreseeable future (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

KIRBY RISK CORPORATION

1331 NORTH IOWA STREET, SOUTH BEND, IN 46628

Number of Suites	1
Number of Buildings	1
Total Square Feet	12,728
Warehouse Square Feet	10,928
Office Square Feet	1,800
Office Ratio	14%
Year Built	1989/1994
Lot Size	1.10 Acres
Type of Ownership	Fee Simple
Clear Height	16'
Parking Spaces	16
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Dock High Doors	1 (48")
Grade Level Doors	10 (12'x14')
Construction	Metal
Type of Lighting	LED
Zoning	Light Industrial
Roof Type	Metal
Age/Condition of Roofs	Good Condition (LL Responsibility)
HVAC Units	2
Age/Condition of HVAC	Good Condition (Tenant Responsibility)
Market	South Bend/Mishawaka
Submarket	Greater South Bend
Market Vacancy	3.7%

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KIRBY RISK CORPORATION

1331 NORTH IOWA STREET, SOUTH BEND, IN 46628

OFFERING PRICE

\$650,000

CAP RATE

8.22%

Offering Price	\$650,000
Cap Rate	8.22%
Price/SF	\$51.07
Total Square Feet	12,728
Rental Rate	\$4.20
Lease Type	Triple Net (NNN)
Lease Term	5 Years
Tenancy	Single
Occupancy	100.00%

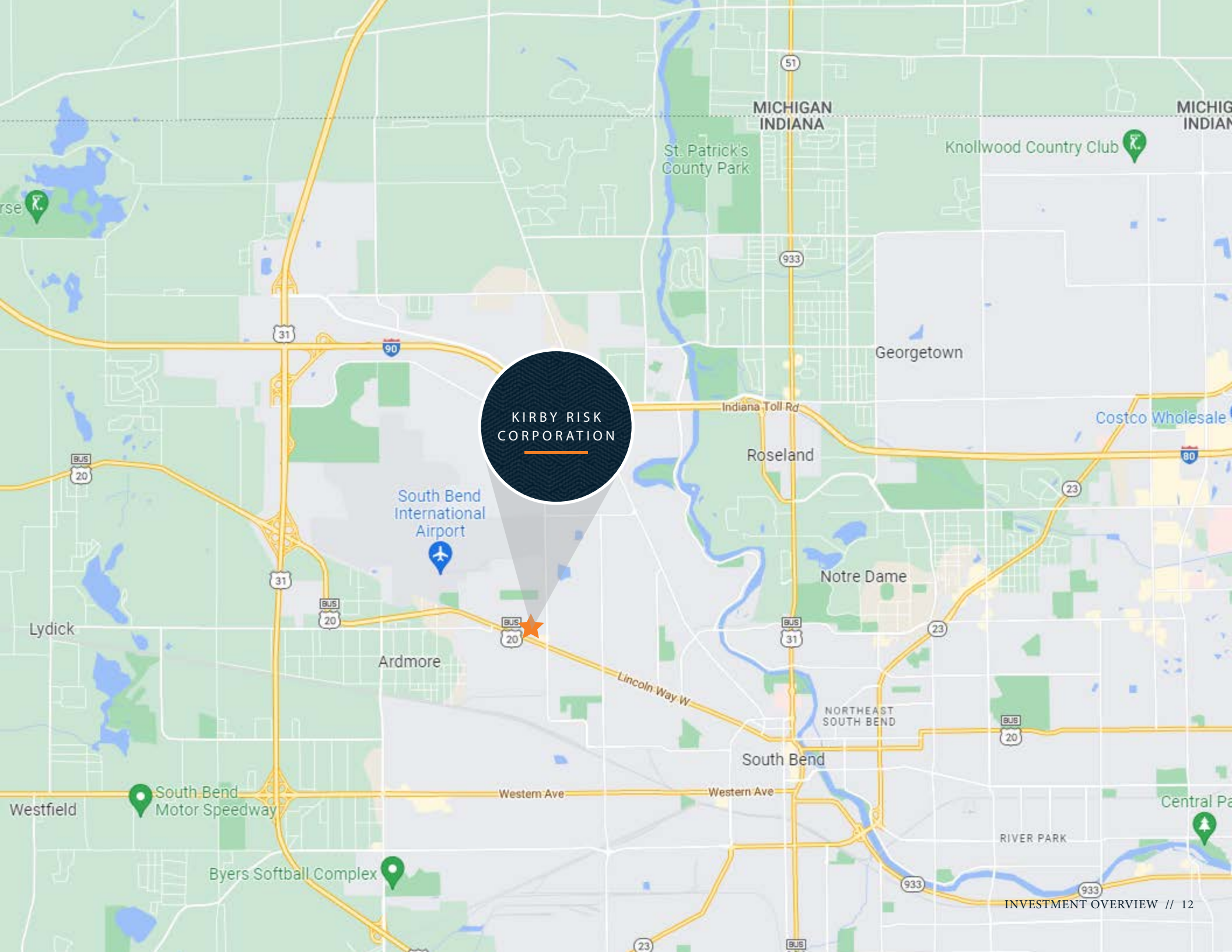
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RENT ROLL

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	Lease Type
				Comm.	Exp.						
Kirby Risk Corporation	A	12,728	100.0%	2/1/21	1/31/28	\$4.20	\$4,455	\$53,458	\$53,458	Feb-2028	NNN
Total		12,728				\$4.20	\$4,455	\$53,458	\$53,458		
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$4,455						Occupied Current Rents: \$4,455		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	53,458		4.20	53,458		4.20
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	2,724		0.21	2,724		0.21
Real estate Taxes	6,266		0.49	6,579		0.52
Management Fees	0		0.00	0		0.00
Total Reimbursement Income	\$8,990	100.0%	\$0.71	\$9,303	100.0%	\$0.73
Effective Gross Revenue	\$62,448		\$4.91	\$62,761		\$4.93
Operating Expenses						
Insurance	2,724		0.21	2,724		0.21
Real Estate Taxes	6,266		0.49	6,579		0.52
Total Expenses	\$8,990		\$0.71	\$9,303		\$0.73
Expenses as % of EGR	14.4%			14.8%		
Net Operating Income	\$53,458		\$4.20	\$53,457		\$4.20



KIRBY RISK
CORPORATION



KIRBY RISK CORPORATION

Volcano

St John the Baptist Catholic

T. Allen's King Gyros Barbecue • \$

Kuert Concrete

Penguin Point Fast Food • \$

Domino's Pizza Pizza Delivery • \$

Beauty #2 Supply store

Knights Inn South Bend



TENANT SUMMARY

“Kirby Risk Corporation is a multi-faceted organization dedicated to meeting your needs with innovative and effective solutions.”

TENANT

Kirby Risk Corporation

HEADQUARTERS

Indianapolis, IN

DATE FOUNDED

1926

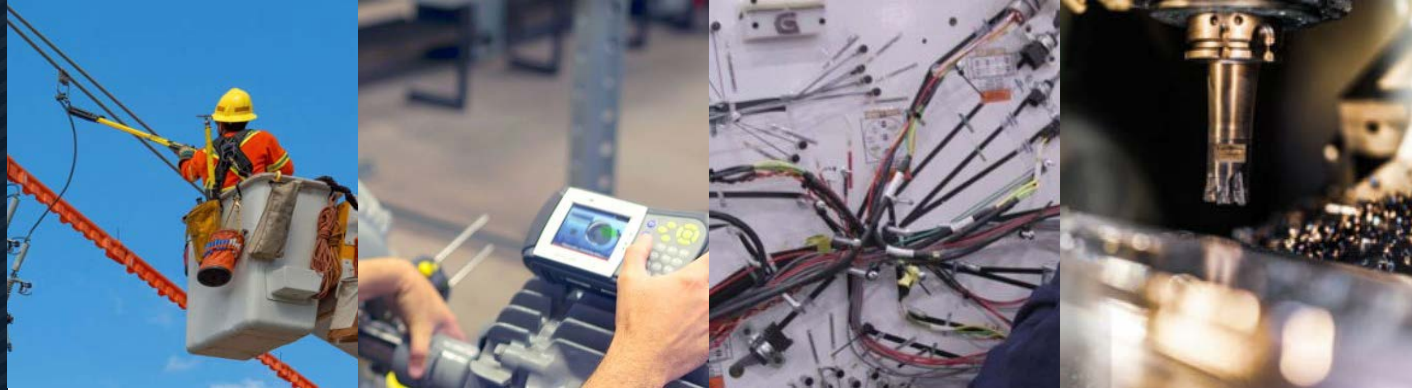
REVENUE

\$330 Million

OF LOCATIONS

45

www.kirbyrisk.com



Cofounded by James Kirby Risk in 1926, the Keiffer-Risk Battery Company was started in an abandoned blacksmith shop in Lafayette, Indiana. After dissolving his second partnership, James established the Kirby Risk Electric Company in 1934. The company concentrated its efforts in the wholesale distribution of electrical supplies and electrical motor sales and service.

Today, Kirby Risk provides a wide range of services, including quality electrical supplies, electrical apparatus sales and repair services, wiring harness/cable manufacturing, and quality industrial component manufacturing.

The company is built upon the following business operations:

Kirby Risk Electrical Supply provides quality electrical, automation, lighting, enterprise, and power distribution products and solutions for maintenance, design, and installation of electrical systems.

Kirby Risk Service Center designs and builds custom engineered systems, wiring harnesses, and subassemblies for JIT manufacturing requirements. The Service Center also provides line sequencing and inventory services.

Kirby Risk Mechanical Solutions and Service offers ISO 9002-quality electrical apparatus repair as well as motor, power transmission, and generator sales. Off-site services include predictive maintenance programs, motor cleaning, and analysis.

Kirby Risk Precision Machining provides quality precision machined components using the latest CNC technology KANBAN and other manufacturing logistics capabilities to extend the level of service in a wide range of industries.

ARCO Electric Products is a division of the Kirby Risk Corporation. ARCO specializes in the manufacture of roto-phase converters.

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

Marcus & Millichap

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

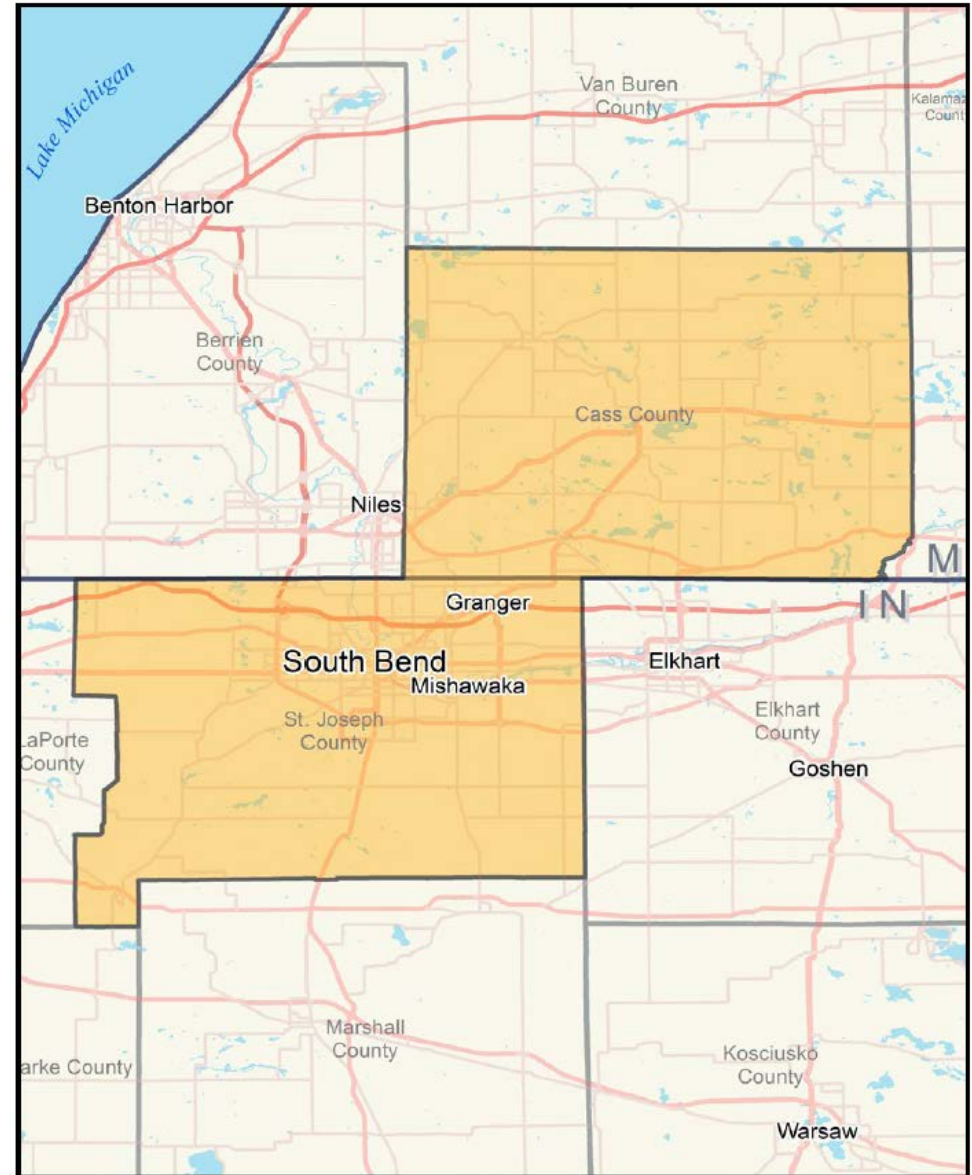
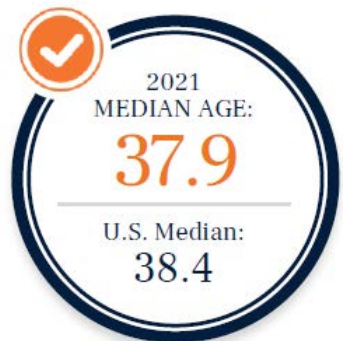


CENTRAL
LOCATION

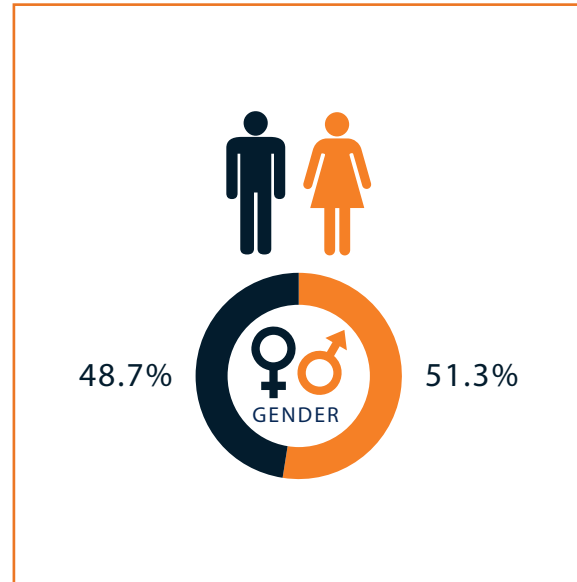
METROPLEX GROWTH

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



DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	6,889	59,193	124,062
2021 Estimate			
Total Population	6,974	59,497	124,220
2010 Census			
Total Population	6,954	58,802	122,264
2000 Census			
Total Population	7,805	64,415	128,575
Daytime Population			
2021 Estimate	6,959	75,904	145,291
HOUSEHOLDS			
2026 Projection			
Total Households	2,562	19,917	46,617
2021 Estimate			
Total Households	2,579	19,922	46,378
Average (Mean) Household Size	2.7	2.5	2.5
2010 Census			
Total Households	2,547	19,576	45,268
2000 Census			
Total Households	2,949	21,766	47,391

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	0.2%	1.3%	2.3%
\$150,000-\$199,999	1.7%	2.1%	3.0%
\$100,000-\$149,999	4.3%	8.3%	10.7%
\$75,000-\$99,999	7.9%	10.1%	12.2%
\$50,000-\$74,999	22.5%	19.9%	20.7%
\$35,000-\$49,999	16.8%	14.1%	13.9%
\$25,000-\$34,999	15.3%	12.2%	10.4%
\$15,000-\$24,999	12.3%	12.7%	11.1%
Under \$15,000	19.1%	19.4%	15.6%
Average Household Income	\$45,160	\$53,285	\$63,915
Median Household Income	\$37,293	\$39,845	\$48,597
Per Capita Income	\$16,712	\$18,526	\$24,802
POPULATION PROFILE			
Population By Age			
2021 Estimate Total Population	6,974	59,497	124,220
Under 20	34.5%	31.8%	28.6%
20 to 34 Years	20.8%	25.8%	24.4%
35 to 39 Years	6.4%	6.0%	6.3%
40 to 49 Years	11.1%	10.0%	10.5%
50 to 64 Years	15.3%	14.2%	16.1%
Age 65+	11.9%	12.3%	14.2%
Median Age	31.3	29.4	32.8
Population 25+ by Education Level			
2021 Estimate Population Age 25+	4,132	33,719	76,589
Elementary (0-8)	6.3%	6.3%	4.3%
Some High School (9-11)	12.2%	12.5%	10.1%
High School Graduate (12)	38.7%	33.0%	31.5%
Some College (13-15)	23.8%	20.4%	20.6%
Associate Degree Only	6.7%	7.3%	7.9%
Bachelor's Degree Only	7.8%	11.3%	14.6%
Graduate Degree	4.4%	9.3%	11.0%
Travel Time to Work			
Average Travel Time to Work in Minutes	22.0	21.0	21.0

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