

Marcus & Millichap  
TAG INDUSTRIAL GROUP

500 BROADWAY AVENUE

SOUTH ROXANA, IL 62087

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**Marcus & Millichap**  
TAG INDUSTRIAL GROUP

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[www.marcusmillichap.com](http://www.marcusmillichap.com)



# 500 BROADWAY AVENUE SOUTH ROXANA, IL 62087

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  
Office & Industrial Division  
Dallas Office  
Office (972) 755-5223  
Adam.Abushagur@marcusmillichap.com  
License TX 661916

BROKER OF RECORD

---

**STEVEN WEINSTOCK**

Illinois Broker of Record  
One Mid America Plaza, Suite 200  
Oakbrook Terrace, IL 60181  
Tel: (630) 570-2200  
Steven.Weinstock@MarcusMillichap.com  
License: 471.011175

DEBT CONTACT

---

**FRANK MONTALTO**

Vice President Capital Markets  
333 West Wacker Drive, Suite 200  
Chicago, IL 60606  
P: (312) 327-5421  
Frank.Montalto@MarcusMillichap.com

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Marcus & Millichap



# SECTION 1

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## INVESTMENT OVERVIEW

Marcus & Millichap

## OFFERING SUMMARY

- Located in a High Barrier-to-Enter Submarket with a Market Vacancy of 4.2%
- This Property is Certified for X-Raying of Piping Equipment and Has a Concrete Vault for X-Raying
  - Given the Low Market Vacancy the Market Rent has Increased 11.3% Year-Over-Year
  - Versa was Started in 2012 After the Merger of Three NDE Inspection Companies
  - Since 2012, Versa Has Acquired Five Companies Throughout the United States
    - The X-Ray Vault Would be the Responsibility of the Tenant to Remove
      - NNN Lease that Minimizes Landlord Responsibilities

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 500 Broadway Avenue in South Roxana, Illinois leased to Versa Integrity Group, Inc. The subject property consists of approximately 17,254 square feet of warehouse space and is situated on 1.15 acres of land. The asset features a vault for x-raying and is certified for the x-raying of piping equipment. Signed to a triple net lease, minimizing landlord responsibilities, Versa Integrity Group offers a variety of services to the oil and gas industry including inspection, advanced NDE (nondestructive evaluation), asset integrity, heat treatment, and rope access. The company is the result of the merger of three NDE inspection companies in 2012. Since the merger, Versa Integrity Group has expanded its national footprint through five acquisitions (Versa Integrity Group). Given that the company is responsible for the removal of the vault upon vacating the property, the Versa Integrity Group has a strong incentive to continue occupying the property.

The subject property is situated within the Illinois submarket, containing a massive 52.1 million square feet of industrial space. Logistics facilities, such as warehouses, dominate the inventory, making up nearly 74 percent, followed by specialized space (including manufacturing space) and flex properties at about 24 percent and 2 percent, respectively. Over the last four quarters, the vacancy rate in the submarket has dropped by 350 basis points to 4.2 percent in the third quarter of 2022. The high barrier-to-entry has helped push market rent growth in the Illinois submarket to a record 11.3 percent annually during Q3. While the submarket has a sizable 2.8 million square feet of industrial space under construction, representing 5.4 percent of inventory, all but 62,000 square feet is concentrated in properties over 100,000 square feet (CoStar). As a result, rent growth and vacancies among smaller properties will not be directly impacted by new supply for the foreseeable future.

The Saint Louis metro is near the geographic center of the United States, within 500 miles of one-third of the U.S. population. About 2.8 million people call the metro area home, with Saint Louis hosting over 319,000 residents. Located at the confluence of the Mississippi and Missouri rivers, the metro area encompasses counties in both Missouri and Illinois. The economy of Saint Louis is anchored by the logistics industry, with trade, transportation, and utilities accounting for the largest share of employment. 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. The Gateway Arch continues to serve as a major tourist attraction and residents enjoy a high quality of life with a variety of entertainment options.



## PROPERTY DETAILS

500 BROADWAY AVENUE,  
SOUTH ROXANA, IL 62087

Number of Suites	1
Number of Buildings	1
Total Square Feet	17,254
Warehouse Square Feet	16,000
Office Square Feet	1,254
Office Ratio	7%
Year Built	2002
Lot Size	1.15 Acres
Type of Ownership	Fee Simple
Clear Height	10'-14'
Parking Spaces	69 Spaces
Parking Surface	Asphalt
Building Class	B
Tenancy	Single
Dock High Doors	2 Docks
Grade Level Doors	5 Drive-Ins
Construction	Metal
Roof Type	Metal
Age/Condition of Roofs	Good Condition
Market	St. Louis
Submarket	Illinois
Market Vacancy	4.20%





## 500 BROADWAY AVENUE

SOUTH ROXANA, IL 62087

OFFERING PRICE  
**\$1,830,000**CAP RATE  
**9.01%**PRO-FORMA CAP RATE  
**9.28%**

Offering Price	\$1,830,000
Cap Rate	9.01%
Pro-Forma Cap Rate	9.28%
Price/SF	\$106.06
Total Square Feet	17,254
Rental Rate	\$9.55
Lease Type	Triple Net (NNN)
Lease Term	2 Years
Rental Increases	3% Annual Increases
Tenancy	Single
Occupancy	100.00%

## FINANCING

Loan Amount	\$1,189,500
Loan Type	New
Interest Rate	6.25%
Amortization	25 Years
Year Due	2027

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

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. © 2022 Marcus & Millichap. All rights reserved. (Activity ID: ZAD0370718)

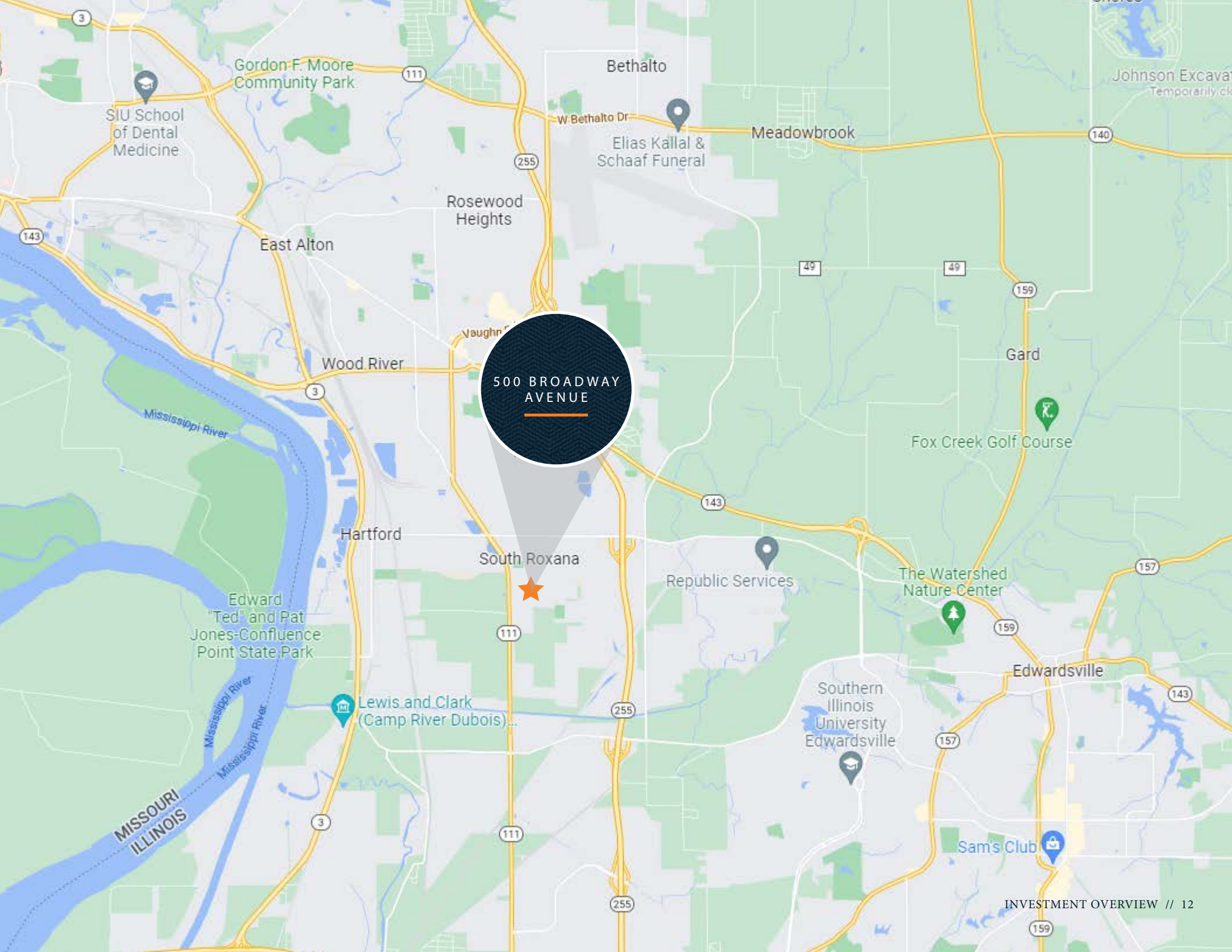
# RENT ROLL

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	Renewal Options and Option Year Rental Information
			Comm.	Exp.								
Versa Integrity Group	17,254	100.0%	8/1/19	8/31/24	\$9.55	\$13,733	\$164,796	\$169,740	Aug-2023	3.00%	NNN	Two 5-Year Options
<b>Total</b>	<b>17,254</b>				<b>\$9.55</b>	<b>\$13,733</b>	<b>\$164,796</b>	<b>\$169,740</b>				
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$13,733					Occupied Current Rents: \$13,733		Unoccupied Current Rents: \$0					



## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	164,796		9.55	169,740		9.84
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	4,449		0.26	4,449		0.26
Real estate Taxes	15,326		0.89	15,326		0.89
Total Reimbursement Income	\$19,775	100.0%	\$1.15	\$19,775	100.0%	\$1.15
Effective Gross Revenue	\$184,571		\$10.70	\$189,515		\$10.98
<b>Operating Expenses</b>	<b>Current</b>		<b>Per SF</b>	<b>Pro Forma</b>		<b>Per SF</b>
Insurance	4,449		0.26	4,449		0.26
Real Estate Taxes	15,326		0.89	15,326		0.89
Total Expenses	\$19,775		\$1.15	\$19,775		\$1.15
Expenses as % of EGR	10.7%			10.4%		
Net Operating Income	\$164,796		\$9.55	\$169,740		\$9.84



500 BROADWAY AVENUE





South Roxana  
Street Department

Heritage

Advantage Self Storage

500 BROADWAY AVENUE

Versa Integrity Group

webuyanycar.com  
Car dealer

Team Industrial Services

webuyanycar.com  
Car dealer

Broadway Ave

Broadway Ave

Broadway Ave

Central Park Pl

Accessible Storage







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## TENANT SUMMARY

“Versa’s never-ending mission is to be the preferred provider of total encompassing asset integrity and inspection solutions for our clients.”

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### TENANT

**Versa Integrity Group, Inc.**

### HEADQUARTERS

**Lake Charles, LA**

### DATE FOUNDED

**2012**

### 2021 REVENUE

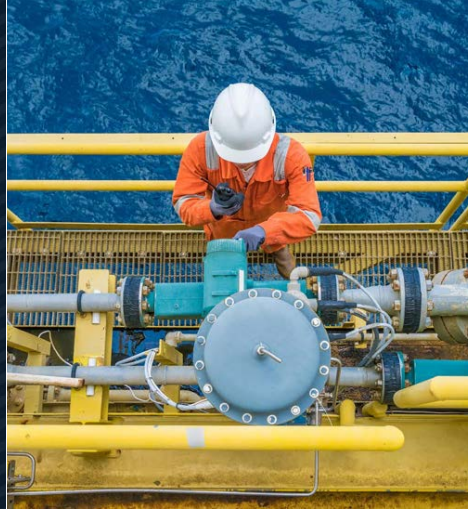
**\$123 Million**

### EMPLOYEES

**600+**

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**[www.versaintegrity.com](http://www.versaintegrity.com)**



**VERSA**  
INTEGRITY GROUP

A decade ago, three companies (Owensby & Kritikos, Savoy Technical Services, and Rope Access Technology) merged to create Versa Integrity Group, Inc., a leading provider of industrial services to the oil and gas industry. The combination of the three companies provides customers with more than 70 years of industry experience and over 600 engineers, American Petroleum Institute inspectors, rope access climbers, and NDE (nondestructive evaluation) technicians. Versa Integrity Group versatile services consist of inspection, advanced NDE, asset integrity, heat treatment, rope access, and more. These services are focused on minimizing customer downtime and maximizing facility up-time.

Since its formation, Versa Integrity Group has expanded its national footprint via five key acquisitions: Southern Inspection Services, Inc. in Pascagoula, Mississippi, CW Technical Services, Inc. in Lafayette, Louisiana, Renegade Testing & Inspection, Inc. in Florida, Maintenance & Turnaround Resources, LLC, and Element Integrity Group.

Versa Integrity Group works hard to stay on top of all of the latest technology while also developing proprietary technologies based on customer and industry demand. The company understands the importance of customer service and believes that the customers’ reputation is both directly and indirectly a reflection of Versa Integrity Group (Versa Integrity Group).

## 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

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### MARKET OVERVIEW

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# ST. LOUIS MISSOURI

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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 just under 300,000 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 set to be completed in 2025.



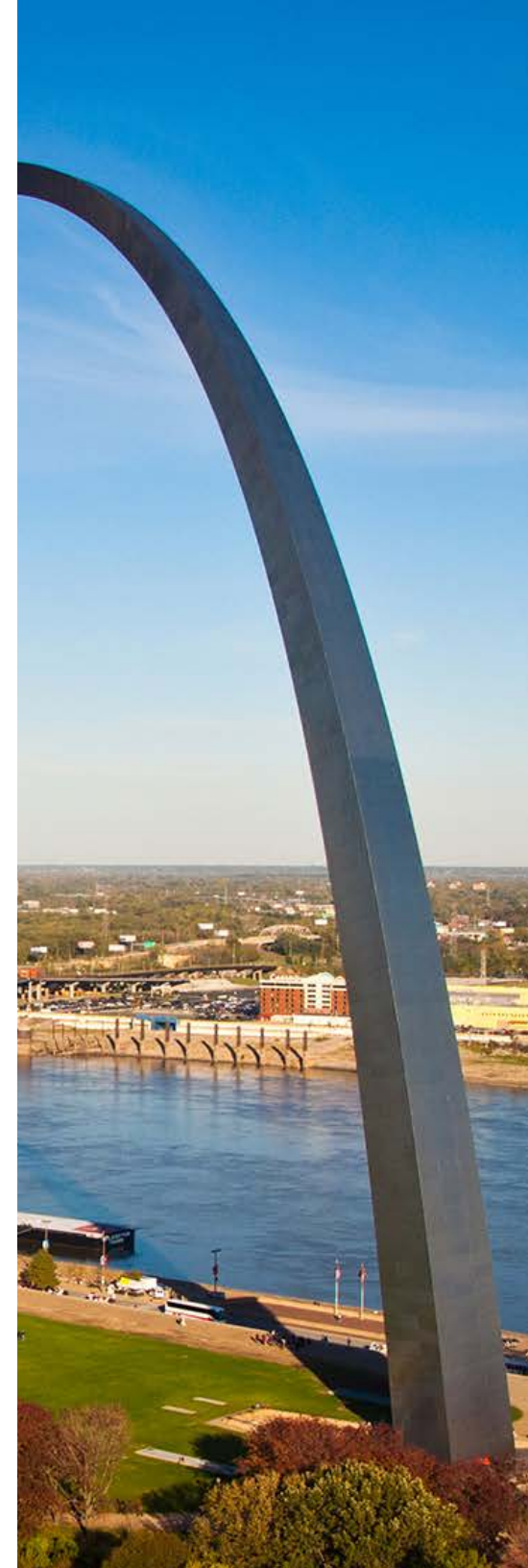
CENTRAL  
LOCATION



EXCELLENT  
TRANSPORTATION  
SYSTEM



AFFORDABLE COST  
OF LIVING

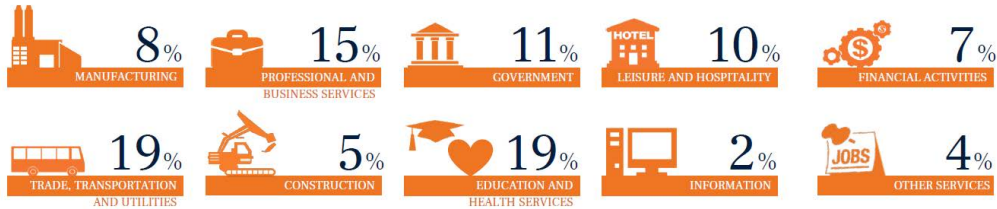




# METROPLEX GROWTH

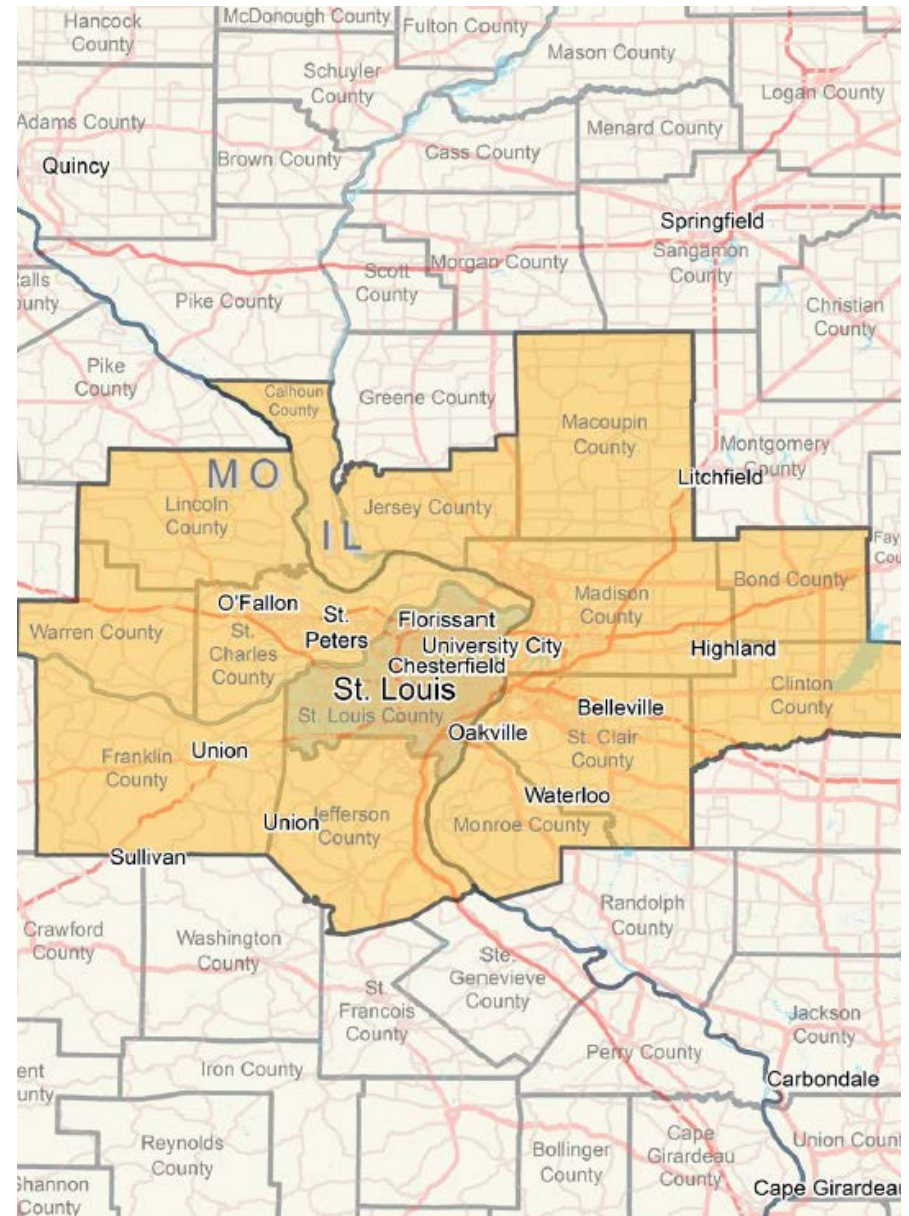
## ECONOMY

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 of America. The metro is home to six other Fortune 500 companies: Centene Corp., 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.

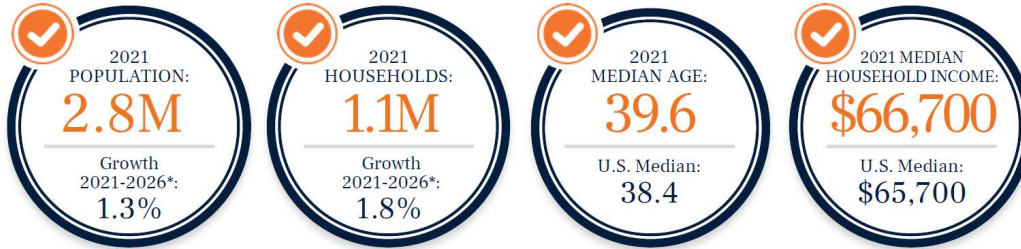


## DEMOGRAPHICS

The metro is expected to add more than 36,400 people through 2026, which will result in the formation of approximately 19,800 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 ages 25 and older hold bachelor's degrees; 13 percent have also earned a graduate or professional degree.



## METROPLEX GROWTH

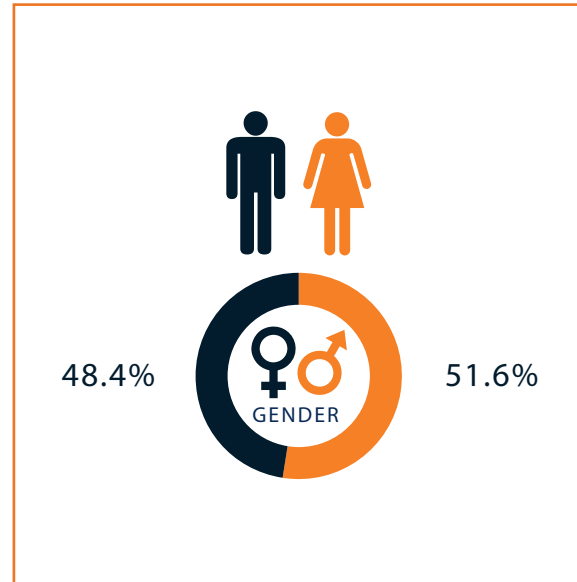


The metro boasts numerous public and private golf courses, more than 100 parks, 200 miles of trails and the Gateway Arch. Many of St. Louis' top attractions, including the Saint Louis Zoo, the Saint Louis Art Museum, the Missouri History Museum and the Municipal Opera, are located in Forest Park. The park features golf courses and athletic fields. The area houses the St. Louis Cardinals and the St. Louis Blues. Lake of the Ozarks is nearby, offering destinations for hunting, fishing, camping, hiking and spelunking. There are more than 40 colleges, universities and technical schools in the metro, enrolling around 200,000 students a year. Washington University in St. Louis is highly ranked among U.S. universities.





## DEMOGRAPHICS



# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Population	2,180	10,580	35,488
<b>2022 Estimate</b>			
Total Population	2,141	10,633	35,324
<b>2010 Census</b>			
Total Population	2,101	10,907	34,771
<b>2000 Census</b>			
Total Population	2,206	10,871	35,635
<b>Daytime Population</b>			
2022 Estimate	2,354	11,683	42,929
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2027 Projection</b>			
Total Households	861	4,378	13,614
<b>2022 Estimate</b>			
Total Households	834	4,367	13,546
Average (Mean) Household Size	2.6	2.4	2.4
<b>2010 Census</b>			
Total Households	811	4,454	13,741
<b>2000 Census</b>			
Total Households	847	4,391	13,958

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2022 Estimate</b>			
\$200,000 or More	0.5%	1.8%	3.9%
\$150,000-\$199,999	2.4%	4.4%	4.7%
\$100,000-\$149,999	10.1%	13.9%	14.6%
\$75,000-\$99,999	18.4%	15.9%	15.8%
\$50,000-\$74,999	22.6%	21.0%	19.0%
\$35,000-\$49,999	13.8%	14.3%	12.0%
\$25,000-\$34,999	8.6%	9.7%	9.3%
\$15,000-\$24,999	12.5%	9.5%	9.8%
Under \$15,000	11.3%	9.4%	11.0%
Average Household Income	\$59,968	\$70,524	\$78,067
Median Household Income	\$54,087	\$57,762	\$60,359
Per Capita Income	\$23,358	\$28,979	\$30,861
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2022 Estimate Total Population	2,141	10,633	35,324
Under 20	25.8%	24.8%	25.1%
20 to 34 Years	19.3%	18.9%	22.6%
35 to 39 Years	7.5%	7.0%	5.9%
40 to 49 Years	12.9%	12.1%	10.9%
50 to 64 Years	19.0%	19.8%	18.5%
Age 65+	15.4%	17.4%	16.9%
Median Age	38.2	39.5	36.8
<b>Population 25+ by Education Level</b>			
2022 Estimate Population Age 25+	1,463	7,370	22,863
Elementary (0-8)	2.8%	2.2%	2.2%
Some High School (9-11)	10.2%	8.0%	7.5%
High School Graduate (12)	43.9%	37.6%	35.8%
Some College (13-15)	23.6%	24.9%	24.9%
Associate Degree Only	8.9%	10.5%	10.7%
Bachelor's Degree Only	9.0%	11.9%	12.3%
Graduate Degree	1.7%	4.9%	6.6%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	26.0	24.0	24.0



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**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  
Office & Industrial Division  
Dallas Office  
Office (972) 755-5223  
Adam.Abushagur@marcusmillichap.com  
License TX 661916

BROKER OF RECORD

**STEVEN WEINSTOCK**

Illinois Broker of Record  
One Mid America Plaza, Suite 200  
Oakbrook Terrace, IL 60181  
Tel: (630) 570-2200  
Steven.Weinstock@MarcusMillichap.com  
License: 471.011175

DEBT CONTACT

**FRANK MONTALTO**

Vice President Capital Markets  
333 West Wacker Drive, Suite 200  
Chicago, IL 60606  
P: (312) 327-5421  
Frank.Montalto@MarcusMillichap.com

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