

Marcus & Millichap
TAG INDUSTRIAL GROUP

20950 IRELAND ROAD

SOUTH BEND, IN 46614

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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

Marcus & Millichap

OFFERING SUMMARY

- 44,228-Square-Foot Multi-Tenant Warehouse with Four Docks and One Drive-In Situated on 5.5 Acres
- Below-Market Rents, Short-Term Leases, and Available Space Offer Owner-User Opportunity and/or Value-Add Investment
 - +/- 1.5 Miles from U.S. Route 31 and U.S. Route 20 Interchange
 - High Barrier-to-Entry Submarket: 3.2% Vacancy Rate and 6.8% Rent Growth
 - Vacancies Down 2.6% Year-Over-Year with Annual Net Absorption Up 466%

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 multi-tenant asset features a clear height between 16' and 18', four dock-high doors, and one drive-in door. With below-market rents in place and all leases expiring by April 2024, the sale offers investors a significant value-add opportunity. Buyers can also acquire the property for both income and partial owner-use by occupying Suite B, a 13,482-square-foot warehouse space that will be available starting June 1, 2023. The property is primely located in the Greater South Bend submarket, only 1.5 miles away from the interchange between U.S. Route 31 and U.S. Route 20.

Greater South Bend is a tough barrier-to-entry submarket containing 20.8 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 12-month net absorption rising by 466 percent from about 95,000 square feet in Q1 2022 to nearly 538,000 square feet in Q1 2023, the vacancy rate dropped from 5.8 percent to 3.2 percent during this time. While rent growth has recently slowed down, market rents were still up 6.8 percent in Q1 year-over-year, which was 180 basis points higher than the five-year average. With only 546,400 square feet of industrial space under construction (all of which is concentrated in properties over 100,000 square feet), there will be no supply-side pressures on vacancies or rents among small industrial properties 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

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	1982/1999/2004
Lot Size	5.5 Acres
Type of Ownership	Fee Simple
Clear Height	10' (Office/ Mezzanine) 16'-18' (Warehouse)
Parking Spaces	55
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi
Dock High Doors	4
Grade Level Doors	1 (12' w x 14' h)
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 Office Space - Original
Market	South Bend/ Mishawaka
Submarket	Greater South Bend
Market Vacancy	3.4% (CoStar)



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20950 IRELAND ROAD

SOUTH BEND, IN 46614

OFFERING PRICE

\$1,650,000

CAP RATE

5.95%

PRO FORMA CAP RATE

10.12%

Offering Price	\$1,650,000
Cap Rate	5.95%
Pro Forma Cap Rate	10.12%
Price/SF	\$36.48
Total Square Feet	45,228
Rental Rate	\$3.74
Lease Type	Triple Net (NNN)
Lease Term	Varies
Tenancy	Multi
Occupancy	64.34%

FINANCING

Loan Amount	\$1,155,000
Loan Type	New
Interest Rate	6.75%
Amortization	25 Years
Year Due	2028

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

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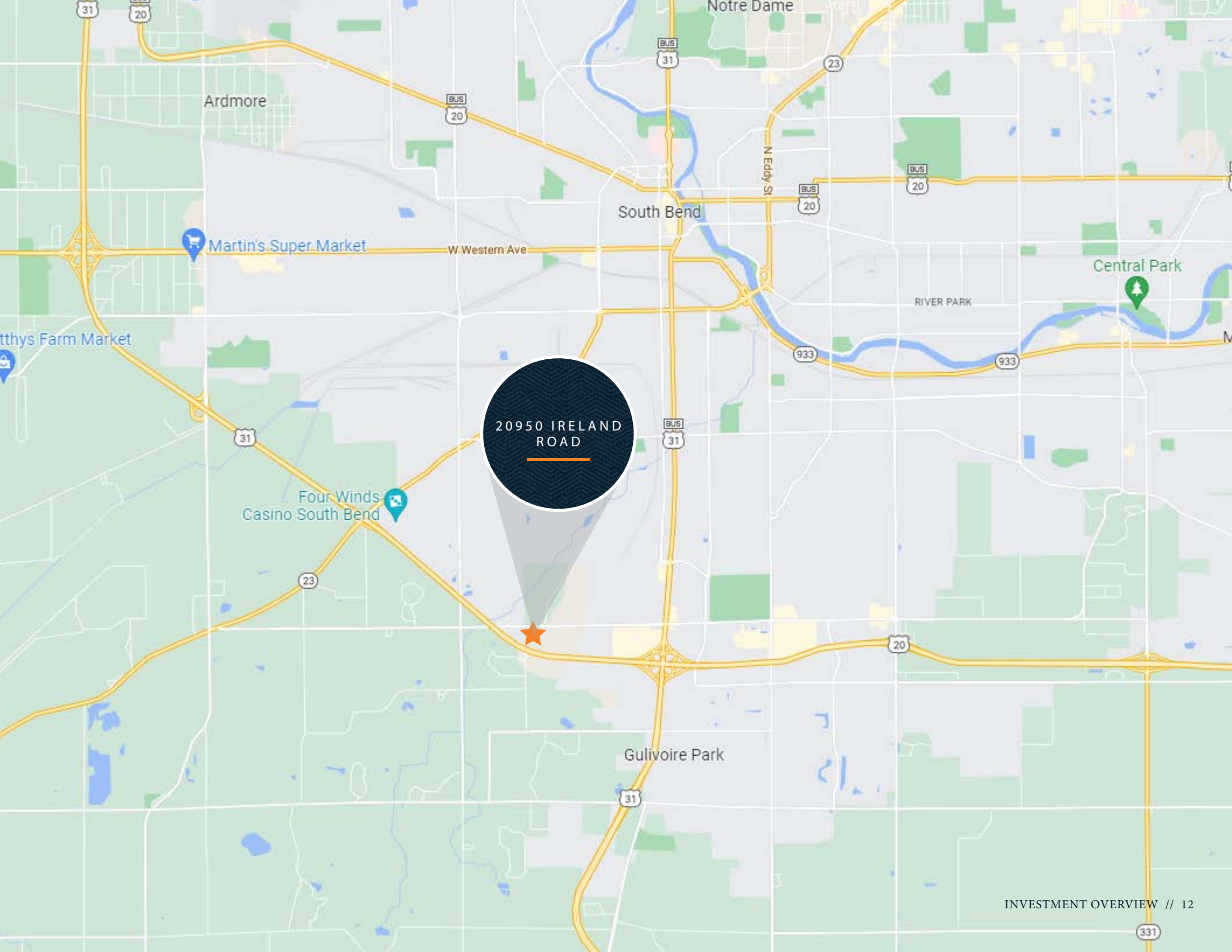
RENT ROLL

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
Roundbelly's Pizza, LLC	A1	4,900	10.8%	10/1/22	4/30/24	\$4.41	\$1,800	\$21,600	\$21,600	May-2024	NNN
Vacant Office	A2	2,646	5.9%	TBD	TBD	\$0.00	\$0.00	\$0.00	\$11,907	TBD	NNN
Vacant Warehouse	B	13,482	29.8%	TBD	TBD	\$0.00	\$0.00	\$0.00	\$53,928	TBD	NNN
Mikasha, Inc	C	24,200	53.5%	5/1/21	4/30/24	\$3.60	\$7,264	\$87,168	\$87,168	May-2024	NNN
Total		45,228				\$3.74	\$9,064	\$108,768	\$174,603		
Occupied Tenants: 2				Unoccupied Tenants: 2		Occupied GLA: 64.30%		Unoccupied GLA: 35.70%			
Total Current Rents: \$9,064						Occupied Current Rents: \$9,064		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	108,768	2.40	174,603	3.86
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	2,392	0.05	3,718	0.08
Real Estate Taxes	7,993	0.18	13,044	0.29
Management Fees	0	0.00	0	0.00
Total Reimbursement Income	\$10,385 49.7%	\$0.23	\$16,762 68.6%	\$0.37
Effective Gross Revenue	\$119,153	\$2.63	\$191,365	\$4.23

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	3,718	0.08	3,718	0.08
Real Estate Taxes	12,423	0.27	13,044	0.29
Management Fee	4,766 4.0%	0.11	7,655 4.0%	0.17
Total Expenses	\$20,907	\$0.46	\$24,417	\$0.54
Expenses as % of EGR	17.5%		12.8%	
Net Operating Income	\$98,246	\$2.17	\$166,948	\$3.69



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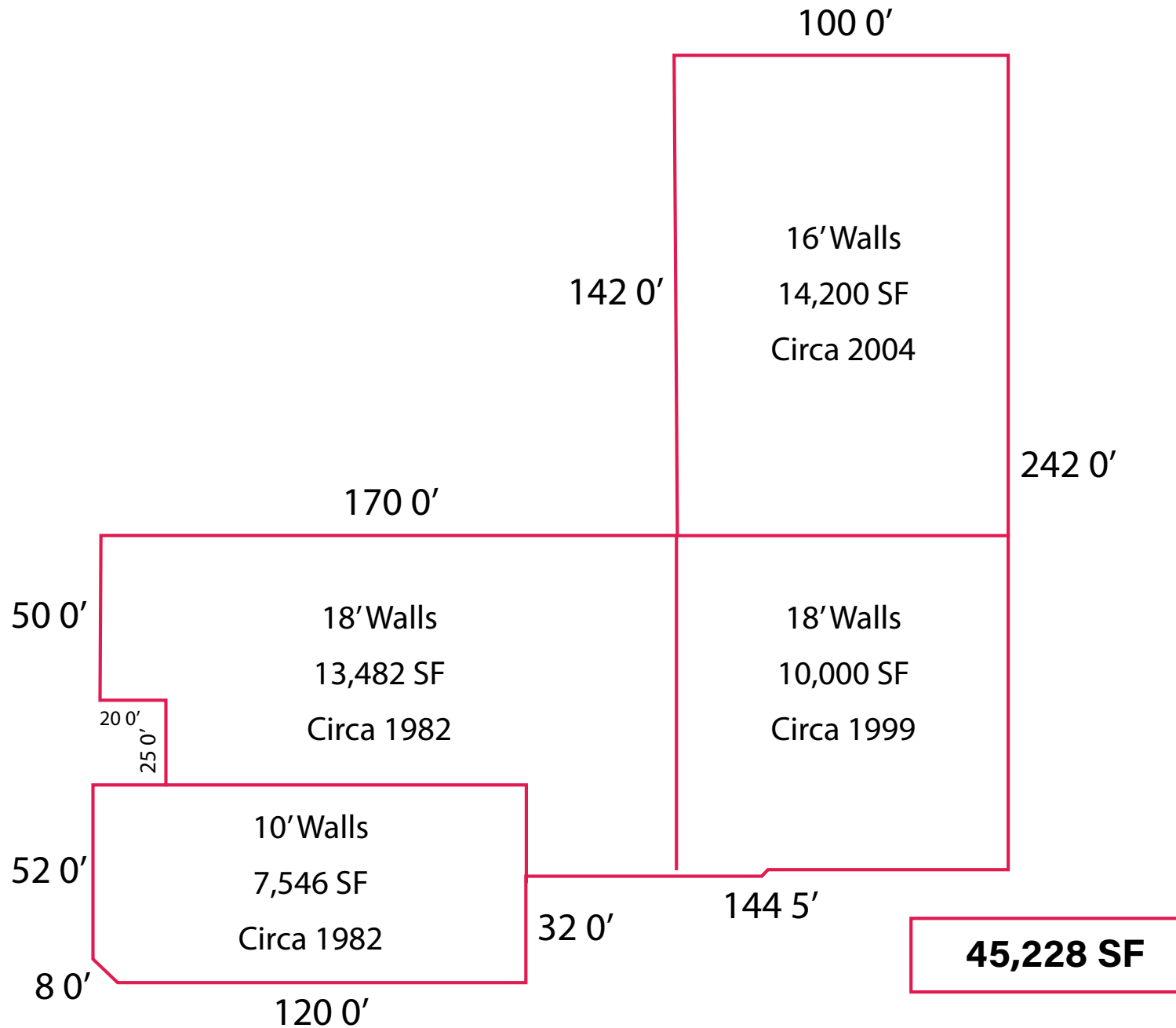


20950 IRELAND
ROAD





FLOOR PLAN



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

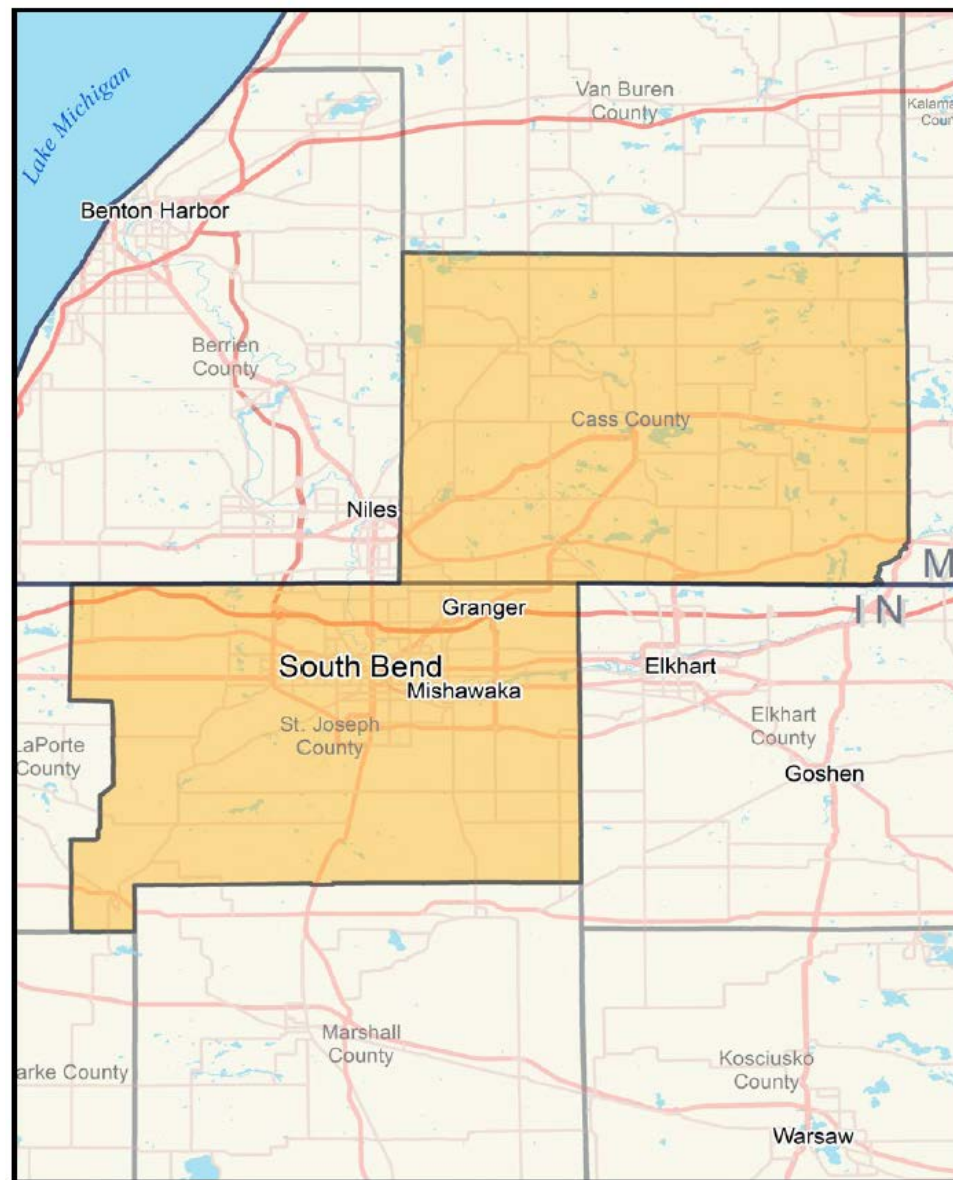


CENTRAL
LOCATION

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



107,935

Total Population
Within 5 miles



48.9%



51.1%



\$60,073

Average Household Income
Within 5 miles



44,652

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	955	37,856	107,631
2022 Estimate			
Total Population	954	38,094	107,935
2010 Census			
Total Population	953	38,025	107,014
2000 Census			
Total Population	959	38,070	114,011
Daytime Population			
2022 Estimate	674	32,414	108,406
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	357	14,258	42,972
2022 Estimate			
Total Households	355	14,264	42,835
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
2022 Estimate			
\$200,000 or More	9.7%	3.0%	2.3%
\$150,000-\$199,999	4.8%	2.5%	2.6%
\$100,000-\$149,999	23.0%	12.1%	9.7%
\$75,000-\$99,999	16.0%	13.0%	10.5%
\$50,000-\$74,999	20.6%	19.1%	18.1%
\$35,000-\$49,999	9.6%	15.2%	15.3%
\$25,000-\$34,999	7.9%	10.2%	11.8%
\$15,000-\$24,999	4.5%	11.1%	12.4%
Under \$15,000	3.9%	13.8%	17.3%
Average Household Income	\$113,135	\$68,076	\$60,073
Median Household Income	\$79,961	\$49,638	\$42,083
Per Capita Income	\$42,098	\$25,919	\$24,291
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	954	38,094	107,935
Under 20	23.9%	28.9%	28.5%
20 to 34 Years	14.6%	19.7%	21.6%
35 to 39 Years	5.1%	6.8%	6.7%
40 to 49 Years	12.2%	11.5%	11.3%
50 to 64 Years	23.5%	17.7%	17.0%
Age 65+	20.8%	15.4%	14.9%
Median Age	45.6	36.0	34.9
Population 25+ by Education Level			
2022 Estimate Population Age 25+	673	24,894	70,176
Elementary (0-8)	1.4%	4.2%	4.3%
Some High School (9-11)	4.8%	10.2%	10.8%
High School Graduate (12)	27.1%	32.5%	32.5%
Some College (13-15)	21.2%	22.2%	21.2%
Associate Degree Only	7.8%	7.7%	7.3%
Bachelor's Degree Only	19.2%	14.6%	13.7%
Graduate Degree	18.5%	8.7%	10.1%
Travel Time to Work			
Average Travel Time to Work in Minutes	23.0	23.0	22.0

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