

Marcus & Millichap
TAG INDUSTRIAL GROUP

EMERALD TRANSFORMER
896 BOWLING GREEN ROAD

LEXINGTON, MS 39095

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www.marcusmillichap.com

EMERALD TRANSFORMER
896 BOWLING GREEN ROAD
LEXINGTON, MS 39095

BROKER OF RECORD

WILLIAM M. DAVIS

Mississippi Broker of Record

5100 Poplar Ave., Ste. 2505

Memphis, TN 38137

Tel: (901) 620-3626

Mickey.Davis@MarcusMillichap.com

License #: B-15586

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 115,681 Square-Foot Industrial Asset Situated on 20.76 Acres
- Features 28'-37' Clear Heights, Five One-Ton Cranes, 19 Grade-Level Doors, and Two Dock-High Doors
- New Roof Membrane Overlay with 15-Year Transferable Warranty and Concrete Repairs Underway
- Value-Add Opportunity for Investor Backfill Space at Lease Expiration for Above Market Return
- Opportunity for Acquisition Well Below Replacement Cost (\$33.67/Sq.Ft)
- Excess Land for Additional Outside Storage Space for Tenant or User

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 896 Bowling Green Road in Lexington, Mississippi leased to Transformer Gaskets & Components LLC (TGC). The subject property consists of approximately 115,681 square feet of warehouse space and is situated on 20.76 acres of land. The single-tenant asset features clear heights ranging from 28' to 37', five one-ton cranes, 19 grade-level doors, and two dock-high doors. With a coverage ratio of just 12.8 percent, the property has ample excess land which can be used for outside storage for tenant or owner use. During September 2023, the property was under renovation with the installation of a new roof membrane overlay including a 15-year warranty, and \$50,000 in concrete repairs.

The triple-net lease in place runs through May 2027 and can be renewed twice for five years each time. At about \$3.00 per square foot, the rent is nearly 57 percent under the average market rate, providing investors a significant value-add opportunity. In business since 2001, TGC has quickly grown into the largest independent transformer parts distributor in the United States. TGC sells parts and components to over 200 customers that repair or remanufacture electrical equipment. By forming cooperative buying agreements with manufacturers, TGC transformed the industry by reducing shipment times to just 24 hours (TGCparts.com).

Located about an hour's drive north of Jackson, Mississippi, the property has proximate access to State Highway 12 in the Vicksburg/Central Area submarket. In addition, the property is only seven miles from Interstate 55, the main corridor connecting Chicago, St. Louis, Memphis, Jackson and New Orleans. This geographically large submarket contains 24.9 million square feet of industrial space. After reaching an all-time high of 15.4 percent in early 2021, the vacancy rate has significantly declined, settling at 5.4 percent by the midway point of 2023. Market rents rose quickly during this time and were up about 12.0 percent annually at the end of Q2, pushing the average rent to around \$7.10 per square foot. Going into the back half of 2023, there were no industrial properties under construction in the Vicksburg/Central Area submarket. This will allow vacancies and rents to go unimpeded by new supply for the foreseeable future (CoStar).

Jackson, Mississippi, is the state capital and largest urban center, strategically situated equidistant between New Orleans and Memphis. The metro area encompasses six counties, with Hinds County being the most populous at about 232,000 residents. Jackson's economy benefits from a strong public sector, providing nearly 40,000 jobs, and robust education and healthcare sectors. The presence of the Nissan Canton Vehicle Assembly Plant, employing over 5,000 people, boosts the local automotive industry and supports other suppliers like Delphi Technologies and Johnson Controls. Although the median income is below the national average, a 67 percent homeownership rate and low cost-of-living are notable economic features.

PROPERTY DETAILS

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896 BOWLING GREEN ROAD, LEXINGTON, MS 39095

Number of Suites	1
Number of Buildings	1
Total Square Feet	115,681
Warehouse Square Feet	104,998
Office Square Feet	7,603
Office Ratio	7%
Floored Storage Square Feet	3,080
Year Built	1997
Lot Size	20.76 Acres
Type of Ownership	Fee Simple
Clear Height	28'-37'
Parking Spaces	150
Parking Surface	Concrete
Building Class	B
Tenancy	Single
Dock High Doors	2
Grade Level Doors	19
Sprinklers	Wet
Construction	Metal
Power	2,000a/3p Heavy
Utilities	City
Submarket	Vicksburg/Central Area

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EMERALD TRANSFORMER

896 BOWLING GREEN ROAD, LEXINGTON, MS 39095

OFFERING PRICE
\$3,895,000

CAP RATE
9.06%

Offering Price	\$3,895,000
Cap Rate	9.06%
Price/SF	\$33.67
Total Square Feet	115,681
Rental Rate	\$3.05
Lease Type	Triple-Net (NNN)
Lease Expiration	May 2027
Tenancy	Single
Occupancy	100.00%

NEGOTIABLE: ASSUMABLE FINANCING

Lender	FirstBank Southwest
Hedge Provider	Pacific Coast Banker's Bank
Type	Fixed Rate
Loan Balance	\$2,670,046.63
Interest Rate	4.75%
Hedge Maturity Date	10/10/2038
Monthly Payment	\$20,785.26
Assumption Fee	Reimbursement for Hedge Provider's costs and legal fees incurred in it's analysis and negotiation of assignment

*Hedged Through PCBB's Borrow Loan Protection Program

*As of 9/10/2023

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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	Lease Type	Renewal Options and Option Year Rental Information
Transformer Gaskets & Components LLC	115,681	100.0%	5/15/17	5/14/27	\$3.05	\$29,402	\$352,827	\$352,827	NNN	Two Five-Year Renewal Options
Total	115,681				\$3.05	\$29,402	\$352,827	\$352,827		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$29,402					Occupied Current Rents: \$29,402		Unoccupied Current Rents: \$0			

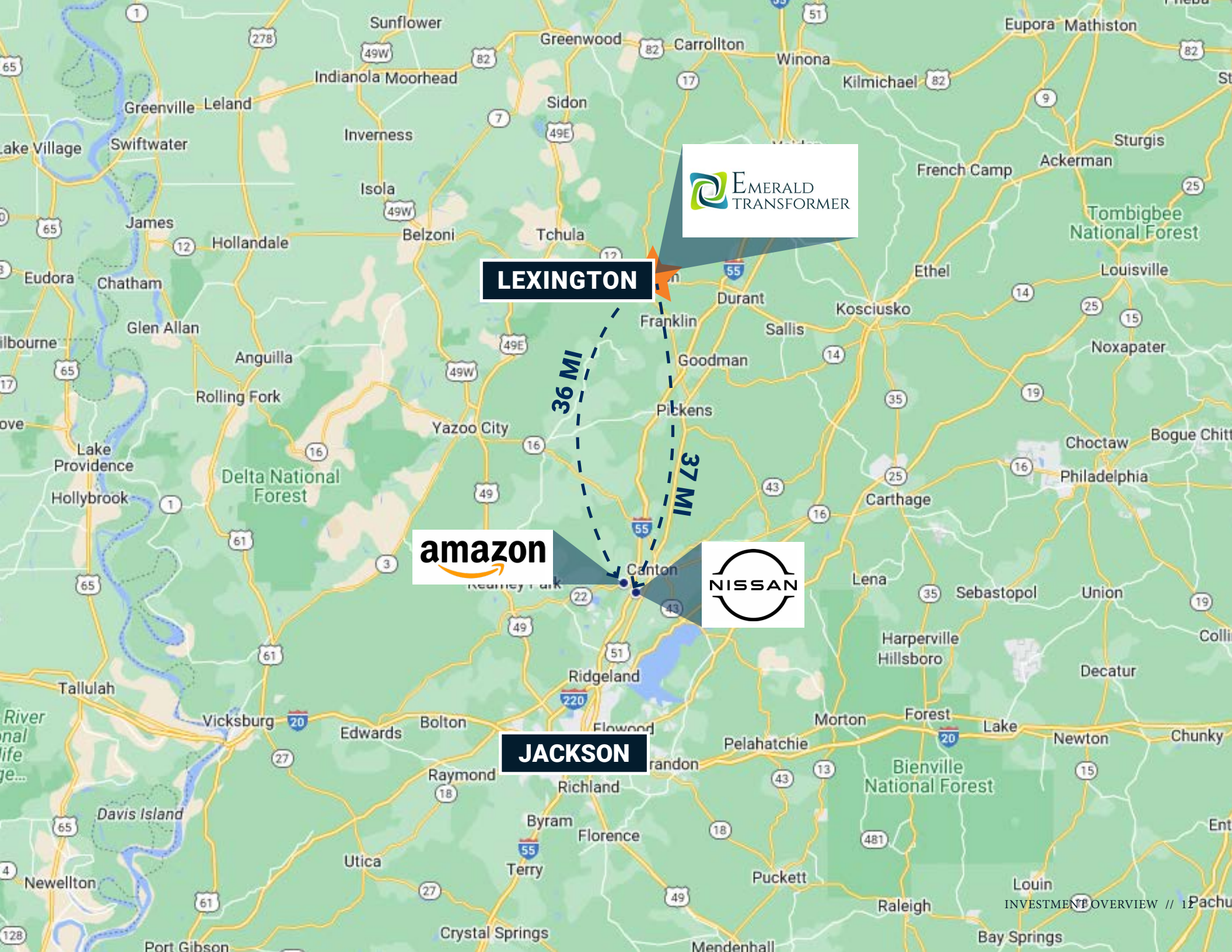
Notes: Renewal Option Rent to be negotiated or determined via appraisal, and include 2% annual increases.

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	352,827		3.05	352,827		3.05
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	75,194		0.65	75,194		0.65
Real Estate Taxes	51,180		0.44	51,180		0.44
Total Reimbursement Income	\$126,374	100.0%	\$1.09	\$126,374	100.0%	\$1.09
Effective Gross Revenue	\$479,201		\$4.14	\$479,201		\$4.14

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	75,194		0.65	75,194		0.65
Real Estate Taxes	51,180		0.44	51,180		0.44
Total Expenses	\$126,374		\$1.09	\$126,374		\$1.09
Expenses as % of EGR	26.4%			26.4%		
Net Operating Income	\$352,827		\$3.05	\$352,827		\$3.05

Lessor shall at all times maintain the roof, structure and foundation of the building.



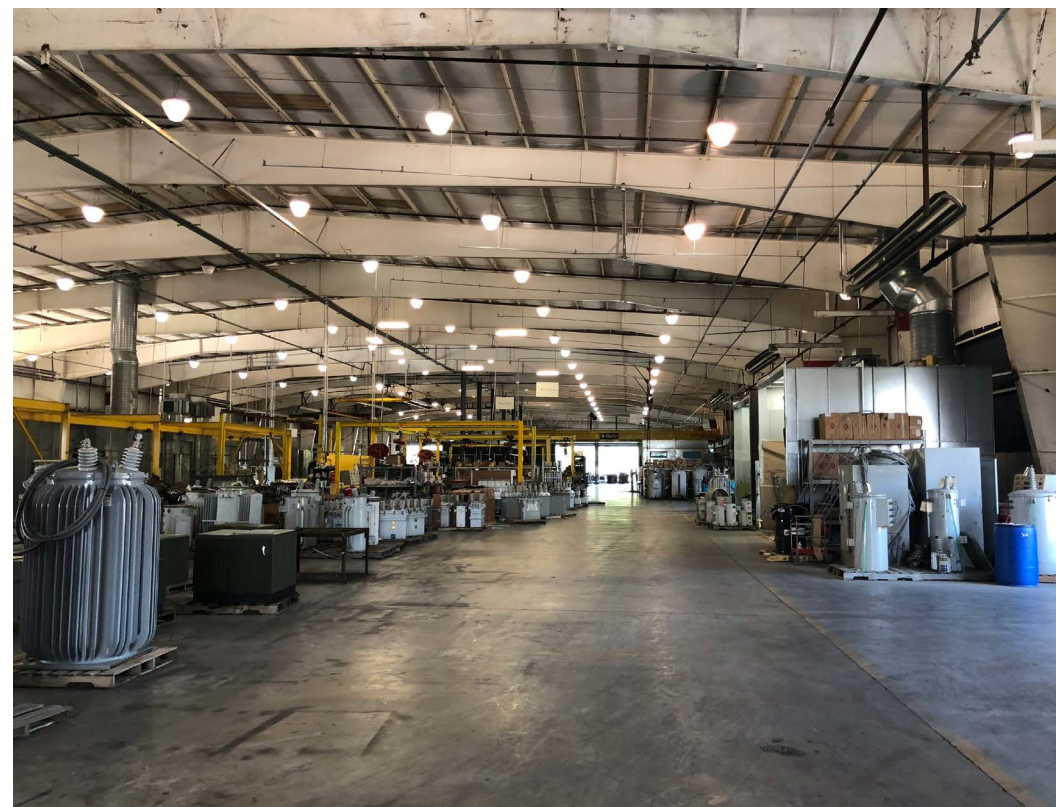
LEXINGTON



JACKSON







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 2,143 debt
and equity
financings in 2022



National platform operating
within the firm's
brokerage offices



\$12.8 billion total
national volume
in 2022



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

.....



The background of the slide is a dark, blue-tinted 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 a large warehouse or a factory interior.

SECTION 2

MARKET OVERVIEW

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JACKSON MISSISSIPPI

The city of Jackson is the state capital of Mississippi, and is equidistant between New Orleans and Memphis. The Jackson metro consists of Copiah, Hinds, Madison, Rankin, Simpson and Yazoo counties. Hinds County is the most populous at roughly 232,000 residents, followed by Rankin County with about 155,000 individuals. A relatively low cost-of-living, along with a skilled manufacturing work-force, drive growth in the local auto industry. Even though the median income falls below the national average, the homeownership rate of 67 percent surpasses the overall U.S. metric.



MANUFACTURING
INDUSTRY



STATE
CAPITAL

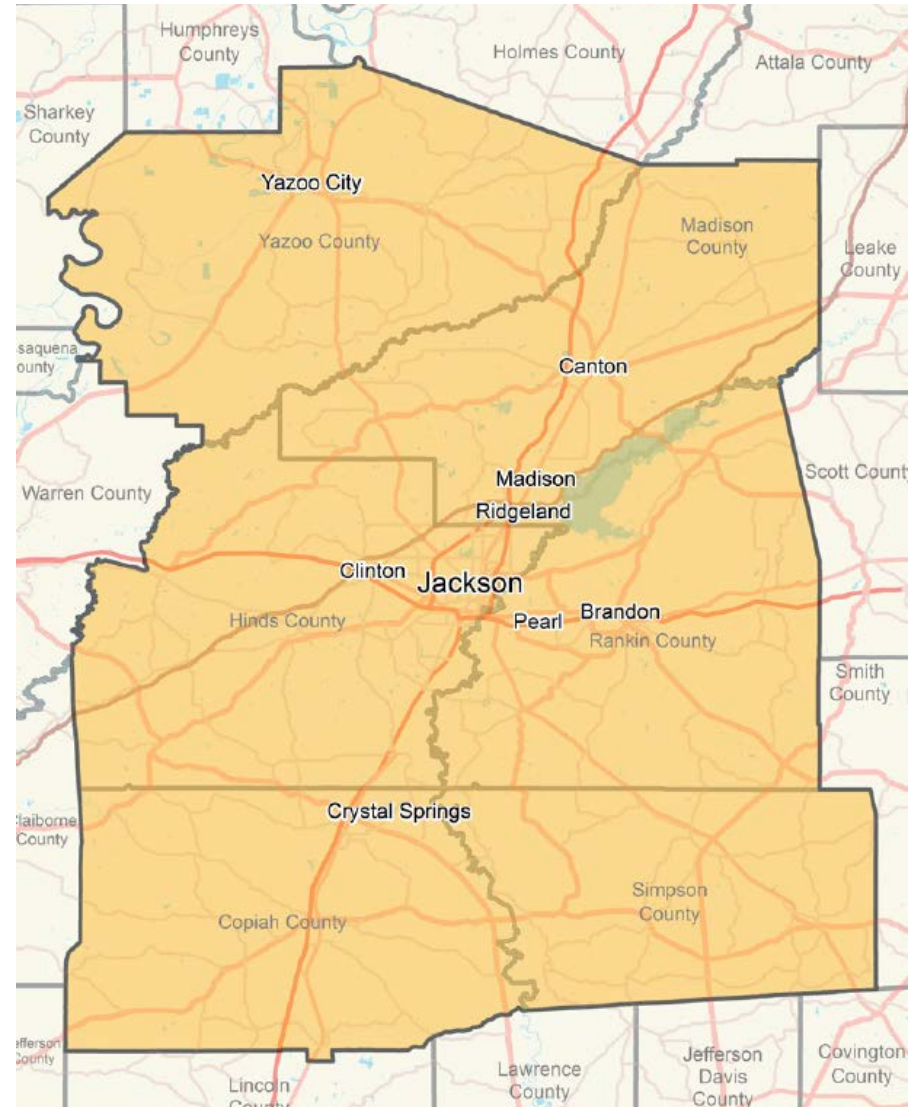
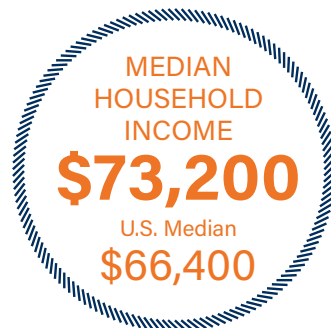
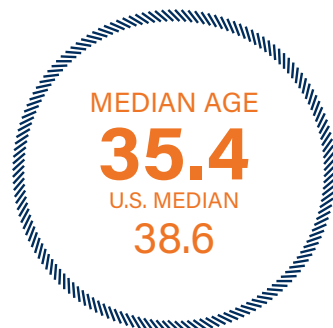
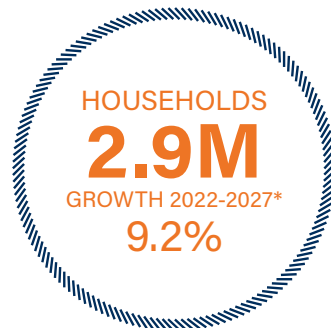


AUTOMOTIVE INDUSTRY
CONTRACTORS

METROPLEX GROWTH

ECONOMY

The area's largest industry is the local, state and federal governments, which account for nearly 40,000 jobs. The public education and higher education sectors are also strong contributors to the workforce. The largest institution of higher learning in the metro is Jackson State University. A broad base of manufacturing talent is present in the Jackson metro. Experienced workers here have engineering, production manufacturing, computer technology and materials-handling skills. The University of Mississippi Medical Center, Baptist Health Systems and Mississippi State Hospital lead the market's sizable health care sector.





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WILLIAM M. DAVIS

Mississippi Broker of Record

5100 Poplar Ave., Ste. 2505

Memphis, TN 38137

Tel: (901) 620-3626

Mickey.Davis@MarcusMillichap.com

License #: B-15586

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