



OFFERING MEMORANDUM

# ZELIENOPE INDUSTRIAL PARK



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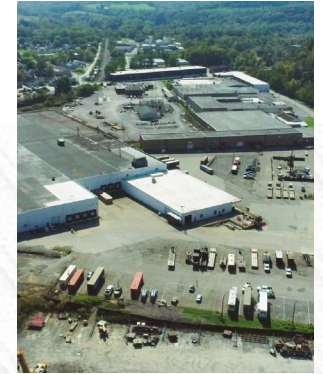
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## SUMMARY OF TERMS

### INTEREST OFFERED

The fee simple interest in Zelienople Industrial Park, an industrial property located at Zelienople, Pennsylvania.

### TERMS OF SALE

Zelienople Industrial Park is being offered at a price of \$24,000,000.

### PROPERTY TOURS

All property tours must be arranged with the Marcus & Millichap listing agents. At no time shall the tenants, on-site management or staff be contacted without prior approval.

## ZELIENOPLE INDUSTRIAL PARK

Marcus & Millichap is pleased to present the opportunity to acquire the Zelienople Industrial Park located at 719 West New Castle Street, 306 Halstead Boulevard, and 420 Halstead Boulevard in Zelienople, Pennsylvania. The subject property consists of approximately 488,282 square feet of manufacturing and warehouse space and is situated on 31.81 acres of land. The four-building asset features 12 suites, a clear height ranging from 14' to 30', 15 dock-high doors, 29 grade-level doors, 17 overhead cranes, three-phase power with 1,200 amps and 480 volts, and ample industrial outdoor storage space. Located 31 miles north of Downtown Pittsburgh the property has easy proximity to Interstate 79 to the East and accessibility to Interstate 76 to the West.

Situated in Butler County, the property benefits from a relatively lower tax burden compared to surrounding counties, creating a competitive advantage to retain tenants and release vacant spaces. In the third quarter of 2024, the vacancy rate in the Butler County industrial submarket sat at 5.1 percent. With most commercial real estate markets across the U.S. headed for negative rent growth in an inflationary environment, future investment demand will likely seek specialized properties, like the subject asset, that give landlords greater pricing power. The property is 95 percent occupied at below-market rents ranging from \$4.17 to \$5.75 per square foot on modified gross leases, creating a significant upside in rental income. Anchored by a leading oilfield equipment and services provider, Deep Well Services, the average tenancy is over 15 years. International and national tenants such as polyurethane equipment manufacturer, Cannon USA, Inc., and sheet metal processor, Main Steel, provide additional financial stability.

The Pittsburgh metropolitan area, nestled in the foothills of the Allegheny Mountains, has evolved significantly from its historical roots in the steel industry. Comprising seven counties and home to approximately 2.4 million residents, with a concentration in Allegheny County, the region's economy has diversified, driven by a robust educational sector that includes institutions like Carnegie Mellon University and the University of Pittsburgh. The tech industry is burgeoning, particularly in neighborhoods like the Strip District and Oakland-Shadyside, contributing to high-compensation jobs. Pittsburgh boasts a median home price below the national average, allowing for a homeownership rate of 69 percent. With a low crime rate and numerous cultural amenities, including professional sports teams and a vibrant arts scene, Pittsburgh presents an attractive socioeconomic landscape for both residents and businesses.







### BUILDING 1

719 WEST NEW CASTLE STREET, ZELIENOPLE, PA 16063

|                        |                       |
|------------------------|-----------------------|
| Number of Suites       | 2                     |
| Number of Buildings    | 1                     |
| Total Square Feet      | 141,119               |
| Warehouse Square Feet  | 127,007               |
| Office Square Feet     | 14,111                |
| Office Ratio           | 10.00%                |
| Year Built             | 1950-1968             |
| Lot Size               | 5.68 Acres            |
| Type of Ownership      | Fee Simple            |
| Clear Height           | 16'-30'               |
| Parking Spaces         | 78                    |
| Parking Surface        | Asphalt               |
| Building Class         | C                     |
| Tenancy                | Multi                 |
| Dock High Doors        | 6                     |
| Grade Level Doors      | 7                     |
| Cranes                 | 4                     |
| Construction           | Masonry               |
| Power                  | 1200a/480v - 3 phase  |
| Type of Lighting       | Fluorescent           |
| Age/Condition of Roofs | 2022 - Good Condition |
| Market                 | PA-Pittsburgh         |
| Submarket              | Butler County         |
| Market Vacancy         | 5.10%                 |

### BUILDINGS 2-4

306 & 420 HALSTEAD BOULEVARD, ZELIENOPLE, PA 16063

|                     |                    |
|---------------------|--------------------|
| Number of Suites    | 10                 |
| Number of Buildings | 3                  |
| Total Square Feet   | 354,000            |
| Building 2          | 90,000             |
| Building 3          | 256,500            |
| Building 4          | 7,500              |
| Clear Height        | 14'-30'            |
| Building 2          | 14'-30'            |
| Building 3          | 15'-30'            |
| Building 4          | 15'                |
| Dock High Doors     | 9                  |
| Building 2          | 2                  |
| Building 3          | 7                  |
| Grade Level Doors   | 22                 |
| Building 2          | 4                  |
| Building 3          | 10                 |
| Building 4          | 8                  |
| Cranes              | 13                 |
| Building 2          | 2                  |
| Building 3          | 11                 |
| Year Built          | 1968-1970          |
| Lot Size            | 26.13 Acres        |
| Parking Surface     | Asphalt / Concrete |
| Building Class      | C                  |
| Tenancy             | Multi              |
| Construction        | Masonry            |
| Power               | 480v 3p 4w         |
| Market              | PA-Pittsburgh      |

# INVESTMENT

## HIGHLIGHTS



488,282-SQUARE-FOOT SPECIALIZED MANUFACTURING WAREHOUSE SITUATED ON 31.81 ACRES THAT ALLOWS FOR OUTSIDE STORAGE EXPANSION



FEATURES 12 SUITES, 14'-30' CLEAR HEIGHT, 15 DOCK DOORS, 29 GRADE DOORS, AND 17 CRANES



LOCATED 30 MILES NORTH OF DOWNTOWN PITTSBURGH WITH PROXIMITY TO I-76 AND I-79



ANCHORED BY DEEP WELL SERVICES | 95% OCCUPIED AT BELOW-MARKET RENTS WITH 15-YEAR AVERAGE TENANCY



SITUATED IN LOW-TAX BUTLER COUNTY INDUSTRIAL SUBMARKET WITH 5.1% VACANCY RATE

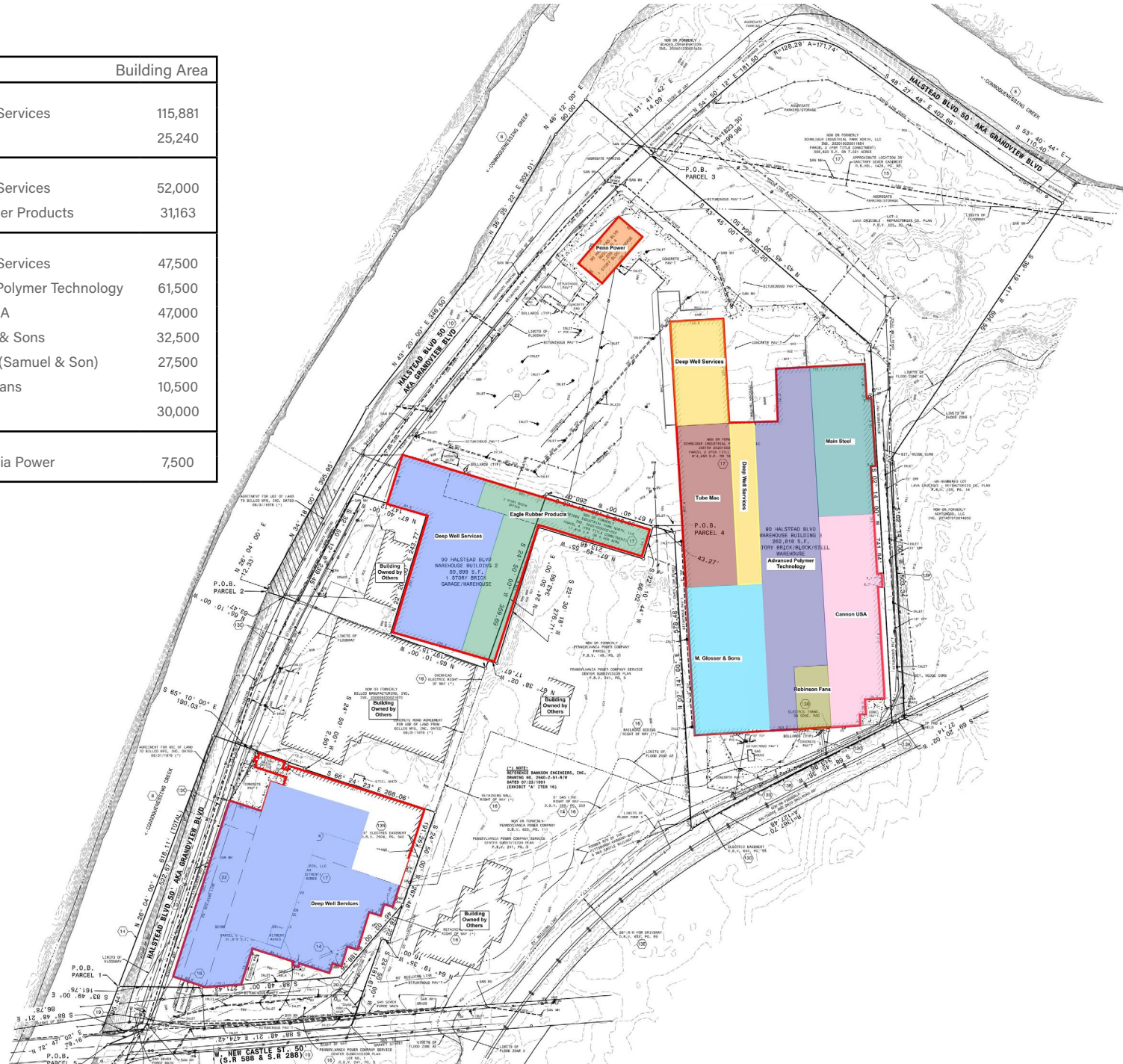


CURRENT RENTS ARE +/- 49.14% BELOW THE ASKING MARKET RENT WITHIN A TEN MILE RADIUS



# SITE PLAN

| Tenant                      | Building Area |
|-----------------------------|---------------|
| <b>Building I</b>           |               |
| Deep Well Services          | 115,881       |
| Vacant                      | 25,240        |
| <b>Building II</b>          |               |
| Deep Well Services          | 52,000        |
| Eagle Rubber Products       | 31,163        |
| <b>Building III</b>         |               |
| Deep Well Services          | 47,500        |
| Advanced Polymer Technology | 61,500        |
| Cannon USA                  | 47,000        |
| M. Glosser & Sons           | 32,500        |
| Main Steel (Samuel & Son)   | 27,500        |
| Robinson Fans               | 10,500        |
| Tube Mac                    | 30,000        |
| <b>Building IV</b>          |               |
| Pennsylvania Power          | 7,500         |









719 WEST NEW CASTLE STREET





306 HALSTEAD BOULEVARD





420 HALSTEAD BOULEVARD





# FINANCIAL ANALYSIS

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|                                |                      |
|--------------------------------|----------------------|
| Offering Price                 | \$24,000,000         |
| Cap Rate                       | 8.36%                |
| Average Five-Year C-O-C Return | 11.52%               |
| Five-Year LIRR                 | 18.03%               |
| Price/SF                       | \$49.15              |
| Total Square Feet              | 488,282              |
| Average Rental Rate            | \$5.15               |
| Lease Type                     | Modified Gross       |
| WALT                           | 4.10                 |
| Rental Increases               | Varies See Rent Roll |
| Tenancy                        | Multi-Tenant         |
| Occupancy                      | 94.83%               |

# TENANT

## RENT ROLL

| Tenant Name                 | Suite        | Lease Type | Building Area | Yard Area | % Share | Lease Start Date | Lease End Date | Original Lease Year | WALT | Annual Rent PSF | Monthly Base Rent | Potential Base Rent | Scheduled Base Rent |
|-----------------------------|--------------|------------|---------------|-----------|---------|------------------|----------------|---------------------|------|-----------------|-------------------|---------------------|---------------------|
| Deep Well Services          | Building 1   | Mod. Gross | 115,881       | -         | 23.73%  | 1/1/2025         | 12/31/2030     | 2012                | 6.22 | \$5.70          | \$55,043.00       | \$660,516.00        | \$660,516           |
| Deep Well Services          | Building 2   | Mod. Gross | 52,000        | -         | 10.65%  | 1/1/2025         | 12/31/2030     | 2012                | 6.22 | \$5.70          | \$24,700.00       | \$296,400.00        | \$296,400           |
| Deep Well Services          | Building 3   | Mod. Gross | 47,500        | -         | 9.73%   | 1/1/2025         | 12/31/2030     | 2012                | 6.22 | \$5.70          | \$22,563.00       | \$270,756.00        | \$270,756           |
| Eagle Rubber Products       | Building 2   | Mod. Gross | 31,163        | -         | 6.38%   | 10/1/2018        | 9/30/2028      | 1993                | 3.97 | \$5.25          | \$13,634.00       | \$163,608.00        | \$163,608           |
| Advanced Polymer Technology | Building 3   | Mod. Gross | 61,500        | -         | 12.60%  | 3/1/2022         | 2/28/2027      | 2022                | 2.38 | \$5.00          | \$25,625.00       | \$307,500.00        | \$307,500           |
| Cannon USA                  | Building 3   | Mod. Gross | 47,000        | -         | 9.63%   | 6/1/2022         | 5/31/2025      | 1996                | 0.64 | \$4.24          | \$16,621.00       | \$199,452.00        | \$199,452           |
| M. Glosser & Sons           | Building 3   | Mod. Gross | 32,500        | -         | 6.66%   | 9/1/2021         | 8/31/2026      | 2021                | 1.89 | \$5.75          | \$15,573.00       | \$186,876.00        | \$186,876           |
| Main Steel (Samuel & Son)   | Building 3   | Mod. Gross | 27,500        | -         | 5.63%   | 10/1/2022        | 12/31/2026     | 2012                | 2.22 | \$5.25          | \$12,031.00       | \$144,372.00        | \$144,372           |
| Robinson Fans               | Building 3   | Mod. Gross | 10,500        | -         | 2.15%   | 12/1/2022        | 11/30/2027     | 2006                | 3.14 | \$5.36          | \$4,693.42        | \$56,321.00         | \$56,321            |
| Tube Mac                    | Building 3   | Mod. Gross | 30,000        | -         | 6.14%   | 10/1/2019        | 9/30/2029      | 2001                | 4.97 | \$4.30          | \$10,750.00       | \$129,000.00        | \$129,000           |
| Pennsylvania Power          | Building 4   | Mod. Gross | 7,500         | -         | 1.54%   | 3/1/2024         | 2/28/2029      | 2014                | 4.39 | \$4.17          | \$2,609.17        | \$31,310.00         | \$31,310            |
| Rock Run                    | Ground Lease | Mod. Gross | -             | -         | 0.00%   | 10/1/2024        | 9/30/2029      | 2008                | 4.96 | -               | \$550.00          | \$6,600.00          | \$6,600             |
| Deep Well Services          | Yard Space   | Mod. Gross | -             | 65,340    | 0.00%   | 1/1/2025         | 12/31/2030     | 2012                | 6.22 | \$1.50          | \$8,168.00        | \$98,016.00         | \$98,016            |
| Vacant                      | Building 1   | Mod. Gross | 25,240        | -         | 5.17%   | 6/1/2025         | 12/31/2030     | -                   | -    | \$5.42          | \$11,393.08       | \$136,717.00        | \$10,517            |
| Total                       |              |            | 488,284       |           | 100%    |                  |                |                     | 4.10 |                 |                   | 2,687,444           | 2,561,244           |



# CASH FLOW

For the Years Ending

|                                      | Forecast<br>Year 1<br>Dec-2025 | Forecast<br>Year 2<br>Dec-2026 | Forecast<br>Year 3<br>Dec-2027 | Forecast<br>Year 4<br>Dec-2028 | Forecast<br>Year 5<br>Dec-2029 | Forecast<br>Year 6<br>Dec-2030 | Forecast<br>Total |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|
| <b>Rental Revenue</b>                |                                |                                |                                |                                |                                |                                |                   |
| Potential Base Rent                  | 2,680,844                      | 2,692,051                      | 2,715,883                      | 2,770,679                      | 2,830,804                      | 2,908,851                      | 16,599,112        |
| Absorption & Turnover Vacancy        | -63,100                        | 0                              | 0                              | 0                              | 0                              | 0                              | -63,100           |
| Free Rent                            | 0                              | -40,625                        | -171,438                       | -47,704                        | -44,063                        | 0                              | -303,829          |
| Scheduled Base Rent                  | 2,617,744                      | 2,651,426                      | 2,544,446                      | 2,722,975                      | 2,786,741                      | 2,908,851                      | 16,232,183        |
| Total Rental Revenue                 | 2,617,744                      | 2,651,426                      | 2,544,446                      | 2,722,975                      | 2,786,741                      | 2,908,851                      | 16,232,183        |
| <b>Other Tenant Revenue</b>          |                                |                                |                                |                                |                                |                                |                   |
| Total Expense Recoveries             | 208,302                        | 249,096                        | 423,145                        | 504,851                        | 578,034                        | 638,702                        | 2,602,130         |
| Total Other Tenant Revenue           | 208,302                        | 249,096                        | 423,145                        | 504,851                        | 578,034                        | 638,702                        | 2,602,130         |
| Total Tenant Revenue                 | 2,826,047                      | 2,900,522                      | 2,967,591                      | 3,227,827                      | 3,364,775                      | 3,547,552                      | 18,834,313        |
| <b>Other Revenue</b>                 |                                |                                |                                |                                |                                |                                |                   |
| Base Year Reimbursements (Taxes)     | 4,056                          | 4,056                          | 4,056                          | 4,056                          | 4,056                          | 4,056                          | 24,335            |
| Base Year Reimbursements (Ins.)      | 20,524                         | 20,524                         | 20,524                         | 20,524                         | 20,524                         | 20,524                         | 123,146           |
| Total Other Revenue                  | 24,580                         | 24,580                         | 24,580                         | 24,580                         | 24,580                         | 24,580                         | 147,481           |
| Potential Gross Revenue              | 2,850,627                      | 2,925,102                      | 2,992,171                      | 3,252,407                      | 3,389,355                      | 3,572,133                      | 18,981,794        |
| <b>Vacancy &amp; Credit Loss</b>     |                                |                                |                                |                                |                                |                                |                   |
| Vacancy Allowance (5% Gross Revenue) | -85,156                        | -146,255                       | -149,609                       | -162,620                       | -169,468                       | -178,607                       | -891,714          |
| Total Vacancy & Credit Loss          | -85,156                        | -146,255                       | -149,609                       | -162,620                       | -169,468                       | -178,607                       | -891,714          |
| Effective Gross Revenue              | 2,765,471                      | 2,778,847                      | 2,842,563                      | 3,089,786                      | 3,219,887                      | 3,393,526                      | 18,090,080        |
| <b>Operating Expenses</b>            |                                |                                |                                |                                |                                |                                |                   |
| Repair/Maintenance                   | 125,913                        | 132,209                        | 138,819                        | 145,760                        | 153,048                        | 160,701                        | 856,450           |
| Insurance                            | 212,192                        | 222,802                        | 233,942                        | 245,639                        | 257,921                        | 270,817                        | 1,443,315         |
| Property Tax                         | 124,688                        | 130,922                        | 137,468                        | 144,342                        | 151,559                        | 159,137                        | 848,116           |
| Electricity                          | 82,550                         | 86,677                         | 91,011                         | 95,562                         | 100,340                        | 105,357                        | 561,497           |
| Gas                                  | 77,112                         | 80,968                         | 85,016                         | 89,267                         | 93,731                         | 98,417                         | 524,512           |
| Water and Sewer                      | 35,864                         | 37,657                         | 39,540                         | 41,517                         | 43,592                         | 45,772                         | 243,941           |
| Snow Removal                         | 18,250                         | 19,163                         | 20,121                         | 21,127                         | 22,183                         | 23,292                         | 124,135           |
| Management Fee (3% of Gross Income)  | 82,340                         | 82,340                         | 82,340                         | 82,340                         | 82,340                         | 82,340                         | 494,037           |
| Total Operating Expenses             | 758,909                        | 792,737                        | 828,257                        | 865,553                        | 904,714                        | 945,832                        | 5,096,002         |
| <b>Net Operating Income</b>          | <b>2,006,562</b>               | <b>1,986,109</b>               | <b>2,014,305</b>               | <b>2,224,233</b>               | <b>2,315,174</b>               | <b>2,447,694</b>               | <b>12,994,078</b> |
| <b>Leasing Costs</b>                 |                                |                                |                                |                                |                                |                                |                   |
| Leasing Commissions                  | 0                              | 49,327                         | 218,782                        | 47,297                         | 53,500                         | 0                              | 368,907           |
| Total Leasing Costs                  | 0                              | 49,327                         | 218,782                        | 47,297                         | 53,500                         | 0                              | 368,907           |
| Total Leasing & Capital Costs        | 0                              | 49,327                         | 218,782                        | 47,297                         | 53,500                         | 0                              | 368,907           |
| Cash Flow Before Debt Service        | 2,006,562                      | 1,936,783                      | 1,795,523                      | 2,176,936                      | 2,261,673                      | 2,447,694                      | 12,625,171        |
| <b>Debt Service</b>                  |                                |                                |                                |                                |                                |                                |                   |
| Interest                             |                                |                                |                                |                                |                                |                                |                   |
| Acquisition Financing                | 938,321                        | 938,320                        | 932,279                        | 918,581                        | 904,039                        | 0                              | 4,631,540         |
| Total Interest                       | 938,321                        | 938,320                        | 932,279                        | 918,581                        | 904,039                        | 0                              | 4,631,540         |
| Principal                            |                                |                                |                                |                                |                                |                                |                   |
| Acquisition Financing                | 0                              | 0                              | 222,088                        | 235,786                        | 250,328                        | 0                              | 708,202           |
| Total Principal                      | 0                              | 0                              | 222,088                        | 235,786                        | 250,328                        | 0                              | 708,202           |
| Total Debt Service                   | 938,321                        | 938,320                        | 1,154,367                      | 1,154,367                      | 1,154,367                      | 0                              | 5,339,742         |
| Cash Flow After Debt Service         | 1,068,241                      | 998,463                        | 641,156                        | 1,022,569                      | 1,107,306                      | 2,447,694                      | 7,285,429         |
| Cash Flow Available for Distribution | 1,068,241                      | 998,463                        | 641,156                        | 1,022,569                      | 1,107,306                      | 2,447,694                      | 7,285,429         |

| ZELIENOPLE INDUSTRIAL PARK<br>IPA OPTIMIZED FINANCING |   |        |         |   |
|---|---|--------|---------|---|
|   | LifeCo   Banks  |        |         | CMBS  |
| Max LTV:  | 55% - 65%   |        |         | 55% - 70%   |
| Min Debt Yield:                                       | 9.50%   |        |         | 8.50%   |
| Min DSCR:   | 1.30x   |        |         | 1.25x (based on IO payments)  |
| Term:   | 5, 7 or 10 years  |        |         | 5, 7 or 10 years  |
| Index:  | Treasuries  |        |         | Treasuries  |
| Pricing:  | Term  | Spread |         | Rate  |
|   | 5 yrs   | 2.25%  | - 3.00% | 5.77% - 6.52%   |
|   | 10 yrs  | 2.25%  | - 3.00% | 5.99% - 6.74%   |
| Amortization:   | 25 or 30 years  |        |         | 30 years (if any)   |
| Interest Only:  | Partial interest only available   |        |         | Full term interest only   |
| Fees:   | Par to 1.0%   |        |         | Par   |
| Recourse:   | Non-recourse or partial recourse  |        |         | Non-recourse  |
| Prepayment:   | Yield maintenance or declining prepayment   |        |         | Defeasance  |
| Rate Lock:  | Pre-closing   |        |         | At closing  |
| Closing Period:                                       | 45 to 60 days   |        |         | 30 to 45 days   |
| Advantages:   | <ul style="list-style-type: none"> <li>• Rate lock at application</li> <li>• Balance sheet execution</li> </ul>                     |        |         | <ul style="list-style-type: none"> <li>• Often provides higher proceeds with interest only</li> <li>• Less focused on Sponsorship</li> </ul>                                    |
| Disadvantages:  | <ul style="list-style-type: none"> <li>• Lower leverage</li> <li>• Banks will require some level of deposits or recourse</li> </ul> |        |         | <ul style="list-style-type: none"> <li>• Often uses third-party servicers</li> <li>• Expensive prepayment penalty</li> <li>• Terms can change during closing process</li> </ul> |





# TENANT OVERVIEW

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OFS INDUSTRY
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AND SERVICES INDUSTRY
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METAL INDUSTRY
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POLYURETHANE  
INDUSTRY



## DEEP WELL SERVICES & OFS INDUSTRY

Deep Well Services (DWS) has grown from a small-town company with roots in the Appalachian basin to becoming the premier oilfield equipment and services (OFS) company for over 70 different oil and gas exploration and production (E&P) firms across North & South America. DWS is a technology and training company that specializes in the completion, intervention operations, and maintenance of existing wells. The company's services focus on hydraulic completion, workover operations, and high-pressure interventions, which are critical once a well has been drilled. DWS works with the most complex and difficult types of wells by utilizing their patented Hydraulic Completion Units (HCU) and workover rigs. DWS is the only snubbing company in North America to have earned the API Q2 certification for Quality Management and is also ISO 9001:2015 certified. The secret to the company's success is retaining top-tier talent, applying innovative technology, and building partnerships based on trust and reliability. DWS has active projects in Texas, Pennsylvania, Ohio, New Mexico, New York, North Dakota, West Virginia, and has recently expanded outside the U.S. into Argentina.



**TENANT**  
Deep Well Services



**HEADQUARTERS**  
Zelienople, Pennsylvania



**DATE FOUNDED**  
2008



**NUMBER OF LOCATIONS**  
3



**WEBSITE**  
[www.deepwellservices.com](http://www.deepwellservices.com)

*"To serve our customers with quality analytics  
& reliable engineering solutions."*



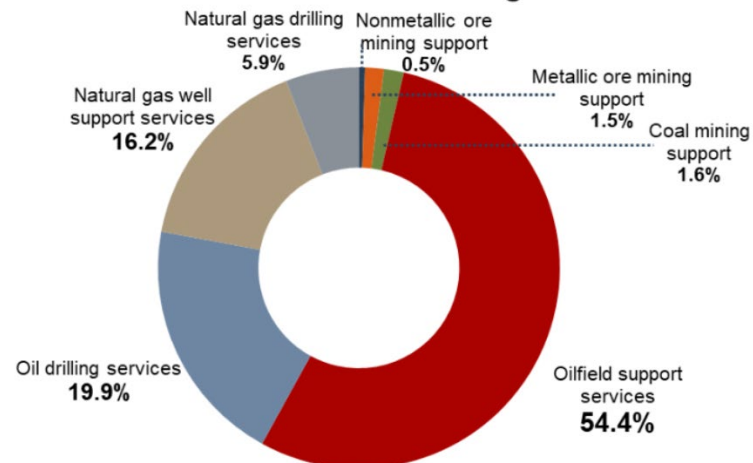


## OILFIELD EQUIPMENT AND SERVICES INDUSTRY

The oilfield equipment and services (or OFS) industry refers to all products and services associated with the oil and gas exploration and production process, known as the upstream sector of the energy industry. In general, these companies are engaged in the manufacturing, repair, and maintenance of equipment used in oil extraction and transportation. OFS companies provide a variety of equipment and services to E&P companies from well construction to snubbing (a well intervention method that allows for the insertion or removal of equipment, tubing, or drill pipe into or out of a well while maintaining well pressure).

In 2023, OFS companies generated \$133.1 billion in revenue worldwide, 40 percent of which originated from field operation companies such as Deep Well Services. North America represents the largest share of the oilfield services market, accounting for 32 percent (Grand View Research). The revenue of OFS companies is essentially a function of the capital and operating expenditure of the E&P companies, which is in turn governed by current and future expectations of the price of oil & natural gas. Despite the rise of the renewable energy market, the global demand for oil and gas products continues to grow. The changing economic environment suggests that oil and gas prices will rise significantly in the near future as the Federal Reserve eases monetary policies to support the U.S. economy and the federal government's debt burden. Furthermore, half of the world's top 10 oil producers are now formerly a part of the BRICS economic union and will likely be followed by other top producers, including the world's largest oil exporter Saudi Arabia. The BRICS seek to trade oil and other key commodities using alternative currencies other than the U.S. dollar, the effect of which would significantly increase oil prices in terms of dollars.

### OFS Products and Services Segmentation



Source: IBISWorld Oil and Gas Services in the US 2018

### Oilfield Services Market

Trends, by Region, 2024 - 2030



**31.9% North American Market Revenue Share, 2023**

Source: Grandviewresearch.com

## MAIN STEEL & SHEET METAL INDUSTRY

Main Steel is a leading national specialty processor and polisher of stainless steel, aluminum, and high nickel alloy products. As a toll processor of sheet metal, Main Steel is contracted to process stainless steel and non-ferrous bright metals using special equipment on behalf of companies in various industries, including automotive, transportation, petrochemical, and food service and equipment. With a national network of facilities in Atlanta, Georgia, Elk Grove, Illinois, and Harmony and Zelienople, Pennsylvania, Main Steel serves mills, service centers, and select strategic partners.

### SHEET METAL INDUSTRY

The global sheet metal market was valued at roughly \$400 billion in 2022 and is projected to reach \$450 billion by 2033. Today's demand for sheet metal has been driven heavily by four industries: automotive, transportation, building and construction, and industrial machinery. The ease of molding sheet metal into car parts has long created a strong demand for sheet metal by auto manufacturers. In the U.S., more than 10 million vehicles were produced in 2022. However, foreign demand may be the biggest driver going forward; for example, 21 million vehicles were sold in India in 2023. Transportation demand for sheet metal is comprised of products such as planes, buses, and trains. As the world's leading exporter of aviation equipment with over \$11 billion in annual sales, the U.S. is a major consumer of sheet metal products. The construction industry's growing need for energy-efficient building materials is a major source of new demand for sheet metal, which is a flexible, durable building material that offers good weather protection, low maintenance, and aesthetical appeal. The automotive, transportation, and construction industries all depend on machinery which is also a key component to the demand for sheet metal (SNIPS News).



**MAIN STEEL**



#### TENANT

Main Steel



#### HEADQUARTERS

Zelienople, Pennsylvania



#### DATE FOUNDED

1956



#### NUMBER OF LOCATIONS

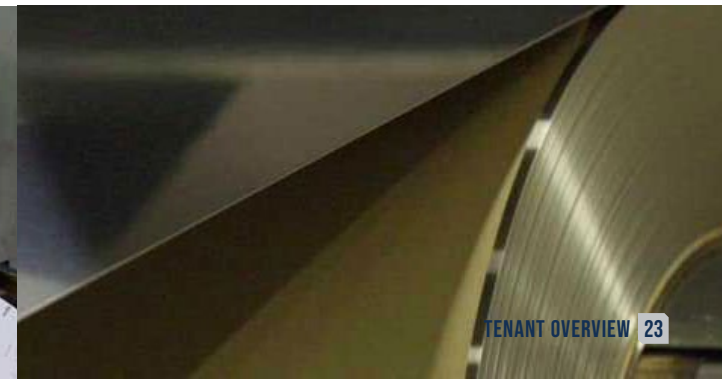
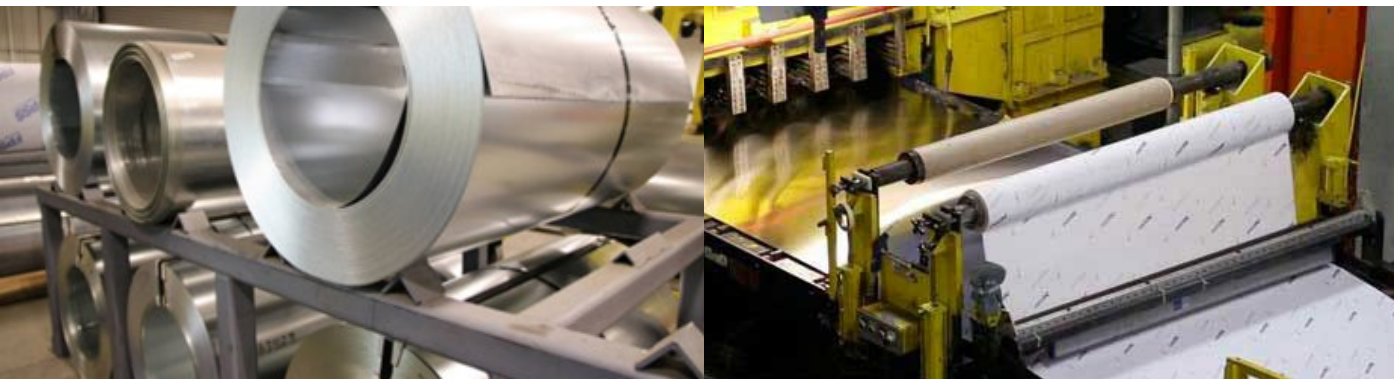
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#### WEBSITE

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

*"The Finish is Just the Start."*



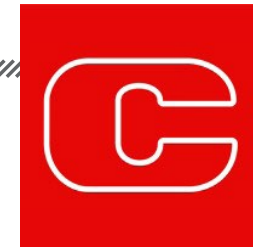


## CANNON USA & POLYURETHANE INDUSTRY

Established in 1977 as a subsidiary of the Cannon International Group, Cannon USA, Inc. is a top manufacturer of equipment used to produce polyurethane products and composites. Cannon specializes in the design, production, sale, installation, and maintenance of reactive polymer processing technologies and thermoforming plants. Supported by over 400 patents, Cannon manufactures equipment used in the production of automobiles, refrigeration, furniture, wind power, and building construction. Cannon's product lineup features 10 types of machinery such as metering machines, automotive foaming plants, presses, and tank farms. In addition to production in the U.S., Cannon International Group has manufacturing plants in Europe, Japan, and China. The company employs 1,200 workers among its 30 subsidiaries across 40 countries. About 30 percent of Cannon's global workforce carry engineering degrees and another 30 percent have technical diplomas.

### POLYURETHANE MARKET

The global market for polyurethane products was estimated at \$78.1 billion in 2023. While demand is fairly dispersed across multiple sectors, construction accounted for the largest market at 26 percent, followed by furniture and interiors, automotive, and electronics industries. Given that polyurethane products are largely consumed by manufacturers, the Asia Pacific region accounts for the largest share of demand at 68 percent, thanks to China and India. Given global sustainability concerns, the demand for building insulation materials is expected to be a key driving force for polyurethane demand for the foreseeable future (Grand View Research).



#### TENANT

Cannon USA, Inc.



#### HEADQUARTERS

Caronno Pertusella, Lombardy, Italy



#### DATE FOUNDED

1965



#### NUMBER OF EMPLOYEES

1,200

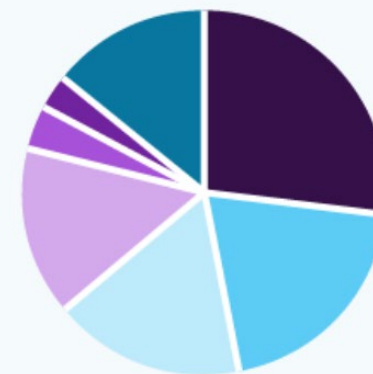


#### WEBSITE

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

### Global Polyurethane Market

Share, by Application, 2023 (%)



● Construction ● Furniture & Interiors ● Automotive  
● Electronics & Appliances ● Packaging ● Footwear ● Others

**\$78.1 B**  
Global Market  
Size 2023

Source: Grandviewresearch.com



# MARKET OVERVIEW

- 26 PITTSBURGH INDUSTRIAL  
MARKET
- 28 CITY AMENITIES
- 29 FUNDAMENTALS
- 30 DEMOGRAPHICS



## PITTSBURGH INDUSTRIAL MARKET

The Pittsburgh metro rests at the foothills of the Allegheny Mountains in the southwestern corner of Pennsylvania, outside the congested East Coast corridor. Consisting of Armstrong, Butler, Fayette, Westmoreland, Washington, Allegheny, Lawrence and Beaver counties, the metro contains 2.4 million residents, with around half concentrated in Allegheny County. The region's economy – which was once dominated by the steel industry – has diversified, with the help of the area's many colleges and universities, which provide a steady flow of educated personnel. The city limits of Pittsburgh are located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second largest in Pennsylvania, with approximately 306,100 residents.



EMPLOYMENT  
TRENDS



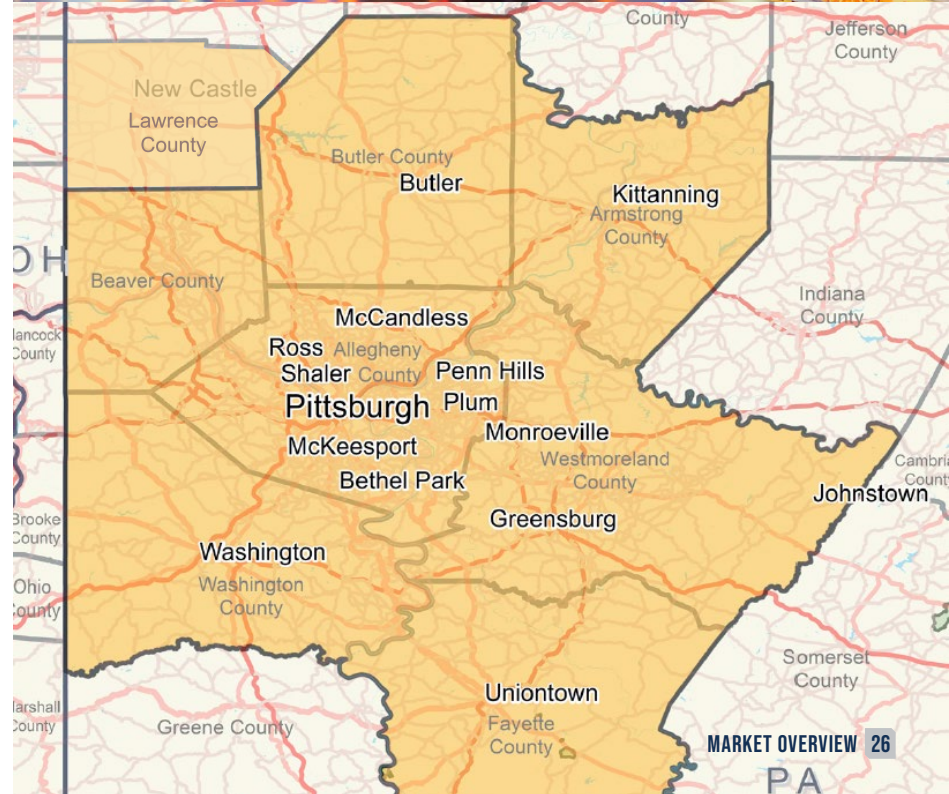
GROWING HIGH-  
COMPENSATION  
EMPLOYMENT



QUALITY HIGHER  
EDUCATION

### ECONOMY

Once centered on the steel industry, Pittsburgh's economy has become much more diversified over the past 20 years and continues to evolve. Pittsburgh is home to 10 Fortune 500 companies, including PNC Financial Services, WESCO International, U.S. Steel, Alcoa, PPG Industries, Viatris, Westinghouse Air Brake, Arconic, Dick's Sporting Goods, and EQT. The local high-tech sector is expanding, particularly in automation and manufacturing equipment, software, biotechnology, environmental services and pharmaceuticals.





## DEMOGRAPHICS

The metro is expected to note the formation of over 9,000 households by the end of 2028, facilitating retail and housing demand across the metro. A median home price below the national level allows 69 percent of households to own their home, which is above the national rate of 64 percent. Roughly 35 percent of people ages 25 and older hold bachelor's degrees; 13 percent have also earned a graduate or professional degree.

POPULATION  
**2.4M**

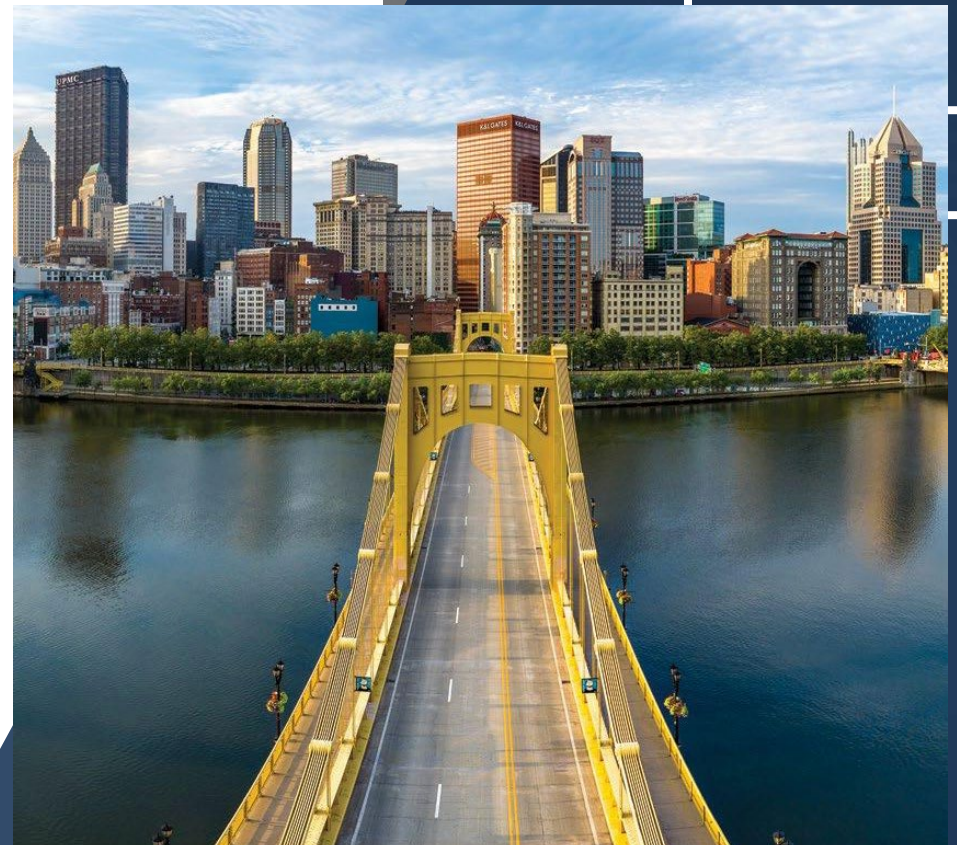
HOUSEHOLDS  
**1M**

MEDIAN AGE  
**42.8**

MEDIAN  
HOUSEHOLD  
INCOME  
**\$65,700**

## QUALITY OF LIFE

Pittsburgh is a relatively affordable place to live, compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Pittsburgh Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center, as well as practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, UPMC Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.





# ZELIENOPLE AMENITIES

- 1 Zelenople Municipal Airport
- 2 Zelenople-Harmony Sportsmen's Club
- 3 Downtown Zelenople
- 4 Zelenople Community Park



Zelenople Municipal Airport



Zelenople-Harmony Sportsmen's Club



Downtown Zelenople



Zelenople Community Park





# FUNDAMENTALS

DEEP WELL SERVICES  
& OFS INDUSTRY

**70+**

E&P COMPANIES  
SERVICED BY DWS

**\$133**

BILLION IN GLOBAL  
OFS REVENUE

OPERATING  
FOR NEARLY  
**7 DECADES**

MAIN STEEL & SHEET  
METAL INDUSTRY

**\$400**

BILLION IN SHEET METAL  
REVENUE WORLD WIDE

**400+**

COMPANY PATENTS

POLYURETHANE GLOBAL  
REVENUES AT

**\$78 BILLION**

**1,200**

EMPLOYEES  
ACROSS 40  
COUNTRIES

ONLY  
**300,000sf**  
UNDER CONSTRUCTION

BELOW NATIONAL  
AVERAGE

**5.4%**

VACANCY RATE

HOME TO

**10**

FORTUNE 500  
COMPANIES

**7%**

MANUFACTURING  
EMPLOYMENT

**2.4**

MILLION  
POPULATION

CANNON &  
POLYURETHANE  
INDUSTRY

PITTSBURGH  
INDUSTRIAL  
MARKET

METRO  
PITTSBURGH



# DEMOGRAPHICS

| POPULATION         | 1 MILE | 3 MILES | 5 MILES |
|--------------------|--------|---------|---------|
| 2028 Projection    |        |         |         |
| Total Population   | 3,964  | 11,095  | 22,559  |
| 2023 Estimate      |        |         |         |
| Total Population   | 3,701  | 10,188  | 20,865  |
| 2020 Census        |        |         |         |
| Total Population   | 3,548  | 9,874   | 19,676  |
| 2010 Census        |        |         |         |
| Total Population   | 3,464  | 9,026   | 17,778  |
| Daytime Population |        |         |         |
| 2023 Estimate      | 4,734  | 14,765  | 21,240  |

| HOUSEHOLDS                    | 1 MILE | 3 MILES | 5 MILES |
|-------------------------------|--------|---------|---------|
| 2028 Projection               |        |         |         |
| Total Households              | 2,034  | 5,064   | 9,396   |
| 2023 Estimate                 |        |         |         |
| Total Households              | 1,885  | 4,622   | 8,643   |
| Average (Mean) Household Size | 2.0    | 2.2     | 2.4     |
| 2020 Census                   |        |         |         |
| Total Households              | 1,789  | 4,339   | 8,162   |
| 2010 Census                   |        |         |         |
| Total Households              | 1,742  | 3,996   | 7,289   |

| HOUSEHOLDS BY INCOME     | 1 MILE   | 3 MILES  | 5 MILES   |
|--------------------------|----------|----------|-----------|
| 2023 Estimate            |          |          |           |
| \$200,000 or More        | 6.4%     | 7.7%     | 9.6%      |
| \$150,000 - \$199,000    | 2.9%     | 4.9%     | 7.4%      |
| \$100,000 - \$149,000    | 16.1%    | 19.6%    | 21.6%     |
| \$75,000 - \$99,999      | 14.4%    | 15.8%    | 16.2%     |
| \$50,000 - \$74,999      | 16.7%    | 15.9%    | 15.2%     |
| \$35,000 - \$49,999      | 14.2%    | 11.4%    | 9.9%      |
| \$25,000 - \$34,999      | 10.4%    | 9.5%     | 7.9%      |
| \$15,000 - \$24,999      | 9.3%     | 7.8%     | 6.4%      |
| Under \$15,000           | 9.7%     | 7.3%     | 5.8%      |
| Average Household Income | \$81,866 | \$95,194 | \$107,837 |
| Median Household Income  | \$57,340 | \$71,339 | \$82,648  |
| Per Capita Income        | \$41,970 | \$43,421 | \$44,794  |

| POPULATION PROFILE                | 1 MILE | 3 MILES | 5 MILES |
|-----------------------------------|--------|---------|---------|
| Population By Age                 |        |         |         |
| 2023 Estimate Total Population    | 3,701  | 10,188  | 20,865  |
| Under 20                          | 19.2%  | 19.6%   | 21.1%   |
| 20 to 34 Years                    | 18.2%  | 15.9%   | 14.8%   |
| 35 to 39 Years                    | 6.1%   | 5.4%    | 5.8%    |
| 40 to 49 Years                    | 10.1%  | 10.5%   | 12.1%   |
| 50 to 64 Years                    | 20.2%  | 22.6%   | 23.2%   |
| Age 65+                           | 26.2%  | 26.0%   | 22.1%   |
| Median Age                        | 46.5   | 48.8    | 46.1    |
| Population 25+ by Education Level |        |         |         |
| 2023 Estimate Population Age 25+  | 2,843  | 7,761   | 15,399  |
| Elementary (0-8)                  | 0.7%   | 1.1%    | 1.0%    |
| Some High School (9-11)           | 4.1%   | 3.9%    | 3.7%    |
| High School Graduate (12)         | 29.7%  | 31.9%   | 30.4%   |
| Some College (13-15)              | 14.1%  | 14.6%   | 14.7%   |
| Associate Degree Only             | 10.5%  | 10.5%   | 10.2%   |
| Bachelors Degree Only             | 25.8%  | 24.8%   | 26.1%   |
| Graduate Degree                   | 15.1%  | 13.2%   | 14.0%   |
| Travel Time to Work               |        |         |         |
| Average Travel Time in Minutes    | 27.0   | 30.0    | 31.0    |

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