

CBRE



2727 Second Ave
Detroit, Michigan

Offering
Memorandum





Affiliated Business Disclosure & Confidentiality Agreement

Affiliated Business Disclosure

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Confidentiality Agreement

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc. ("CBRE"), and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE.

Disclaimer

This Memorandum contains select information pertaining to the Property and the Owner and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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Executive Summary

I.

| The * Offering

2727 Second Avenue, known as “The Block,” presents an attractive opportunity to acquire a truly unique property located in Midtown, Detroit. Constructed in 1927 for the S.S. Kresge company headquarters, the five-story office building consists of 247,869 square feet situated on a total of 3.64 acres. The Block is currently 22% occupied subject to short-term leases providing investors flexibility and upside. Parking includes sixty (60) underground spaces and one hundred eighty (180) exterior surface spaces, providing convenient, secured parking for current and future tenants.

The property boasts flexible B4 zoning, offering various opportunities for potential redevelopment. The combination of historical charm and functional versatility makes this a one-of-a-kind investment opportunity in the heart of the “Comeback City.”

SALE PRICE: \$9,750,000



Investment Highlights

“Detroit: America's Greatest Comeback City”

(Smarter Travel)

“It's Boom time for Developments in Heart of Detroit”

(The Detroit News)

“An exploding food scene, young entrepreneurs taking back the city and the driven hustle of the All-American comeback city.”

(Huffington Post)

❁ **MARQUEE BUILDING** Opportunity to acquire The Block, an iconic building in Downtown Detroit. Designed by Albert Kahn and built in 1930 as the World Headquarters for S.S. Kresge

❁ **INCOME STREAM** In-place income being generated from short-term leases providing investors with flexibility and upside

❁ **DISCOUNTED BASIS** The cost of the Property will compare favorably to the estimated replacement cost of over \$700 per square foot.

❁ **PARKING** Parking includes sixty (60) underground spaces and one hundred eighty (180) exterior surface spaces, providing for convenient, secured parking for current and future tenants.

❁ **EXCELLENT LOCATION** Set across from beautiful Cass Park and in the heart of Detroit, investors and users alike can benefit from favorable freeway access, adjacency to Little Ceaser Arena and a myriad of dining and other popular amenities.

❁ **AVAILABLE INCENTIVES** The building is located in the City of Detroit Opportunity Zone and qualifies for Historic Tax credits. Potential for other incentives.

❁ **ADAPTIVE REUSE POTENTIAL** Future development opportunities include, but are not limited to: shared workspace, medical, senior living, or redevelopment into sought after residential



Property Description

II. _____



Property Overview

ADDRESS

2727 Second Ave,
Detroit, MI

MARKET/SUBMARKET

Detroit/Midtown

SQUARE FOOTAGE

247,869 SF

FLOORS

Five (5)

YEAR BUILT

1927

LOT SIZE

3.64 Acres

ZONING

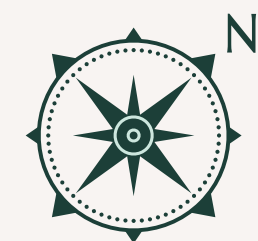
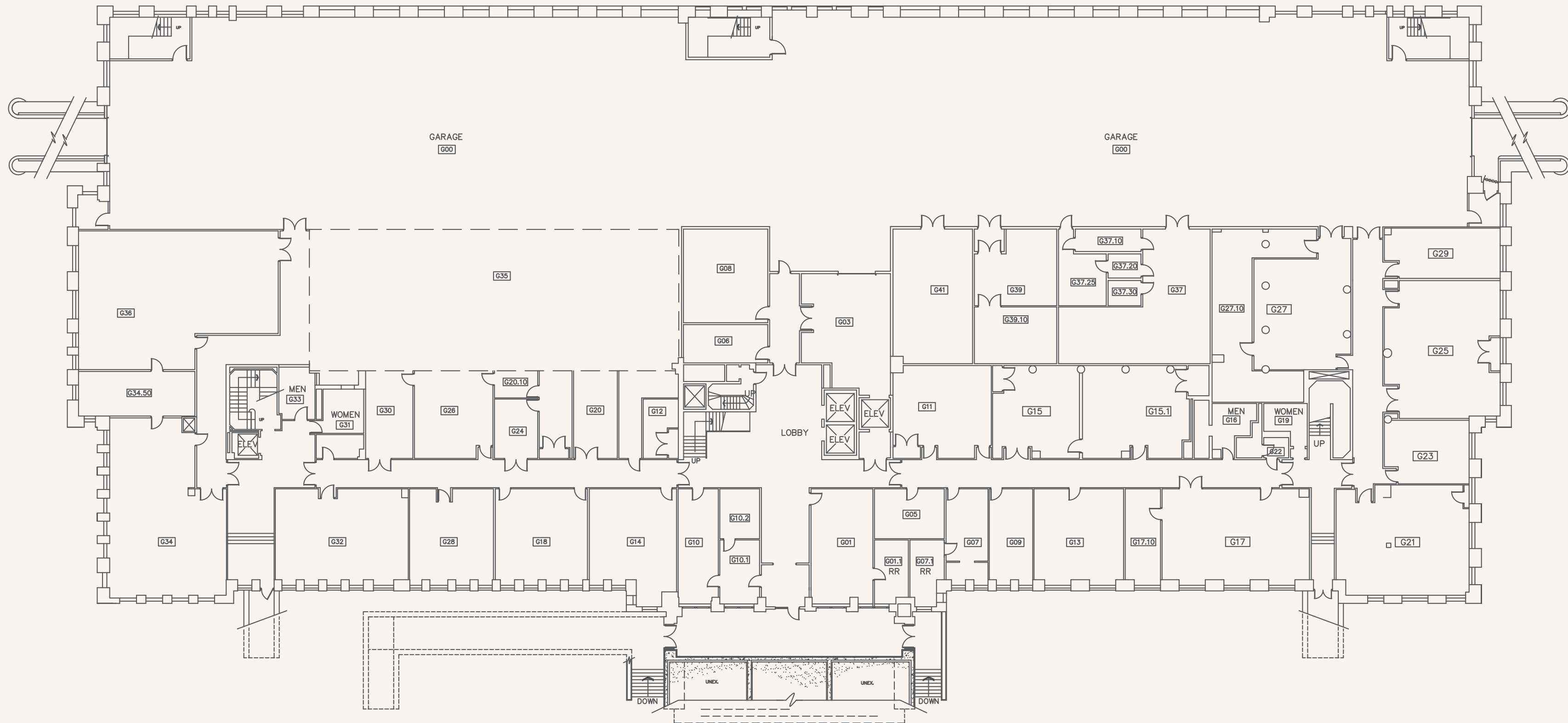
B4: General Business

PARKING

180 surface spaces +
60 covered spaces

SALE PRICE

\$9,750,000

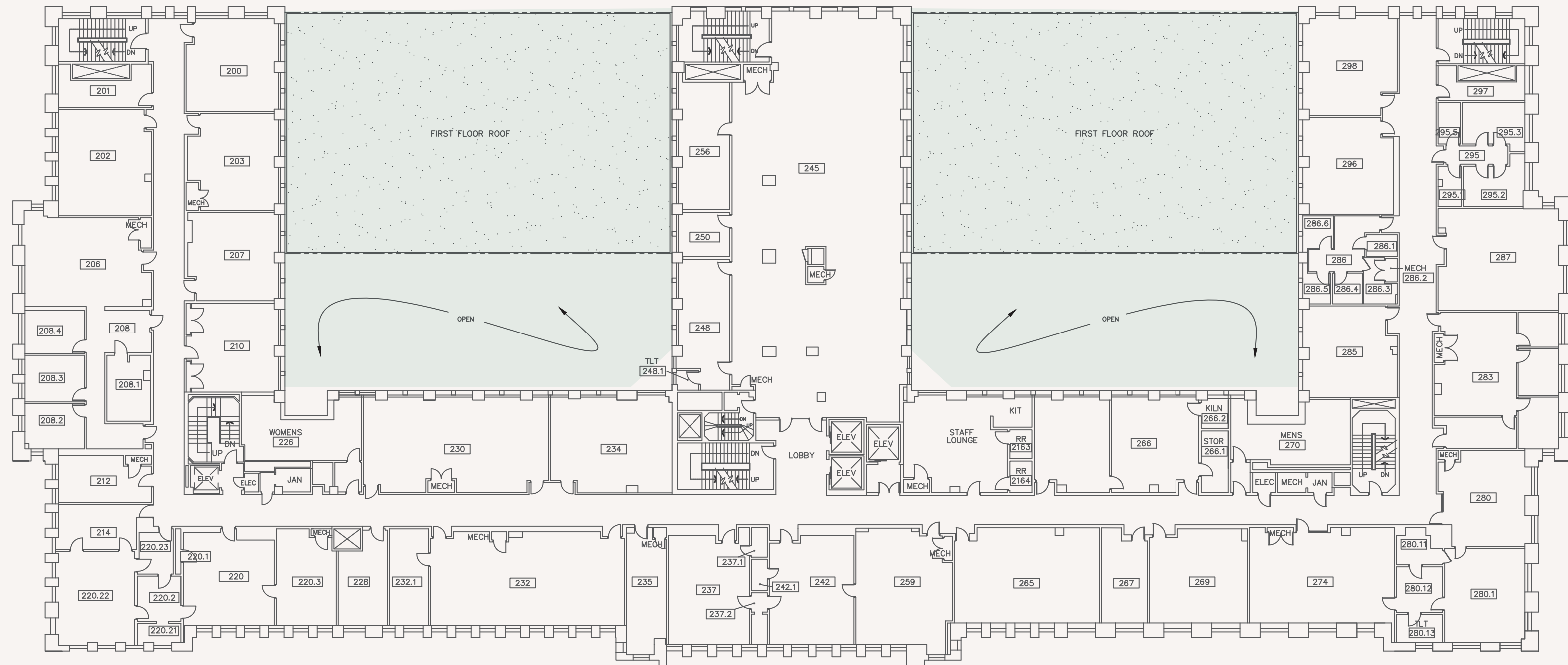


Lower
Level



❁ **Floor 1**





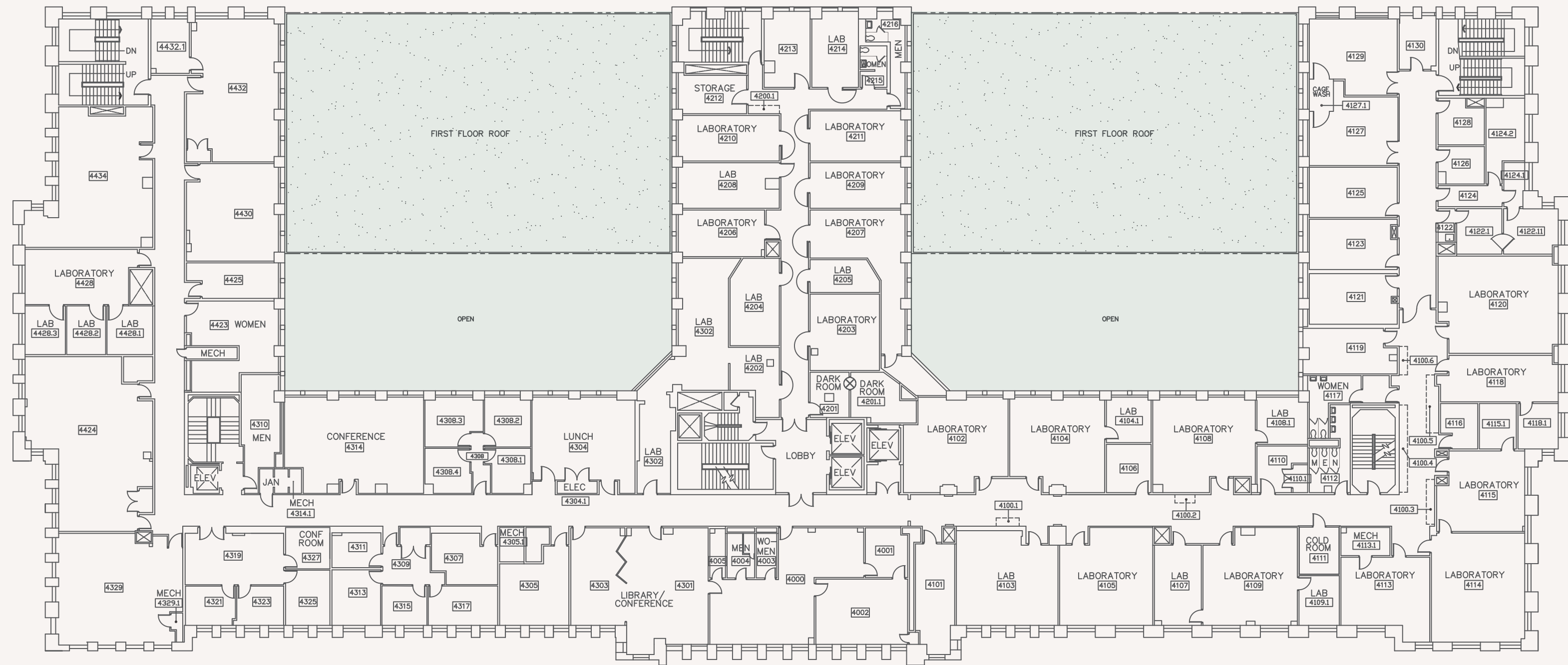
❁ Floor 2





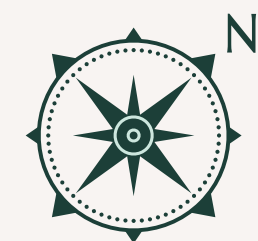
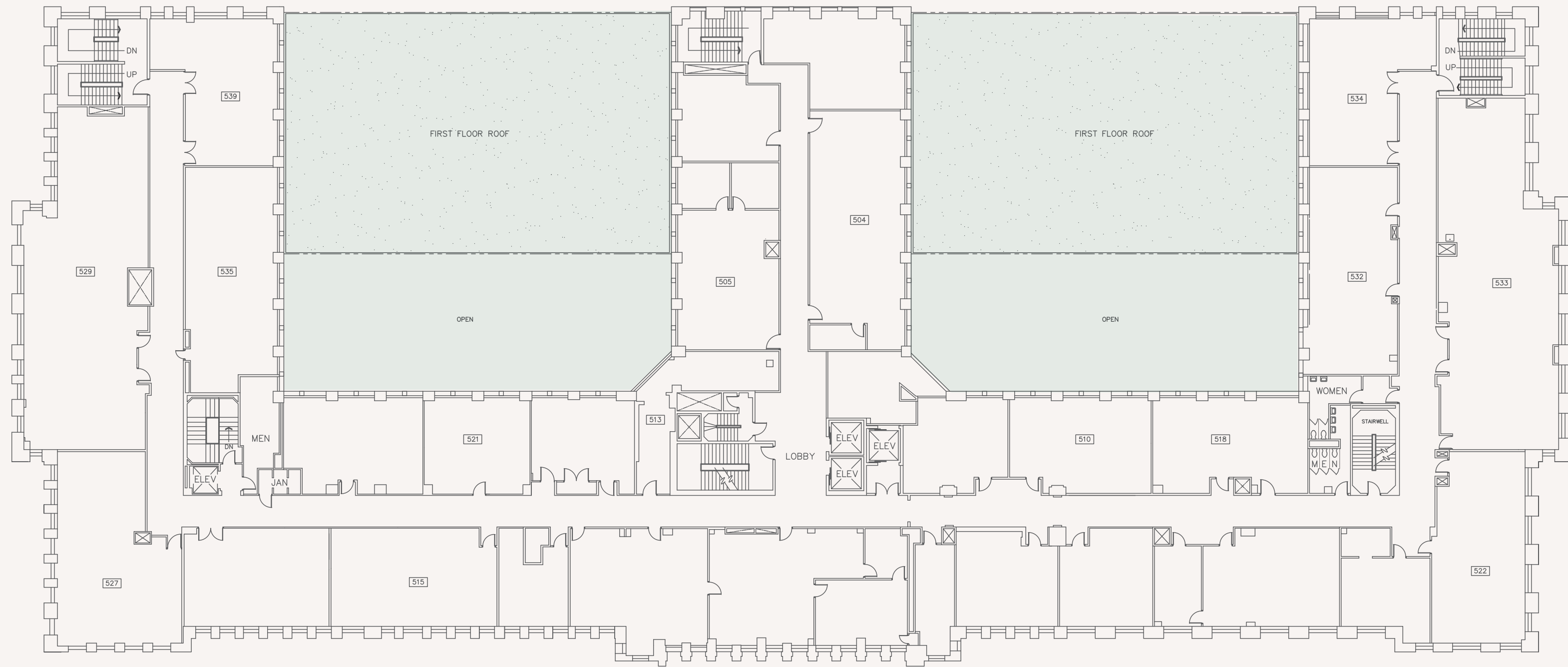
❁ Floor 3



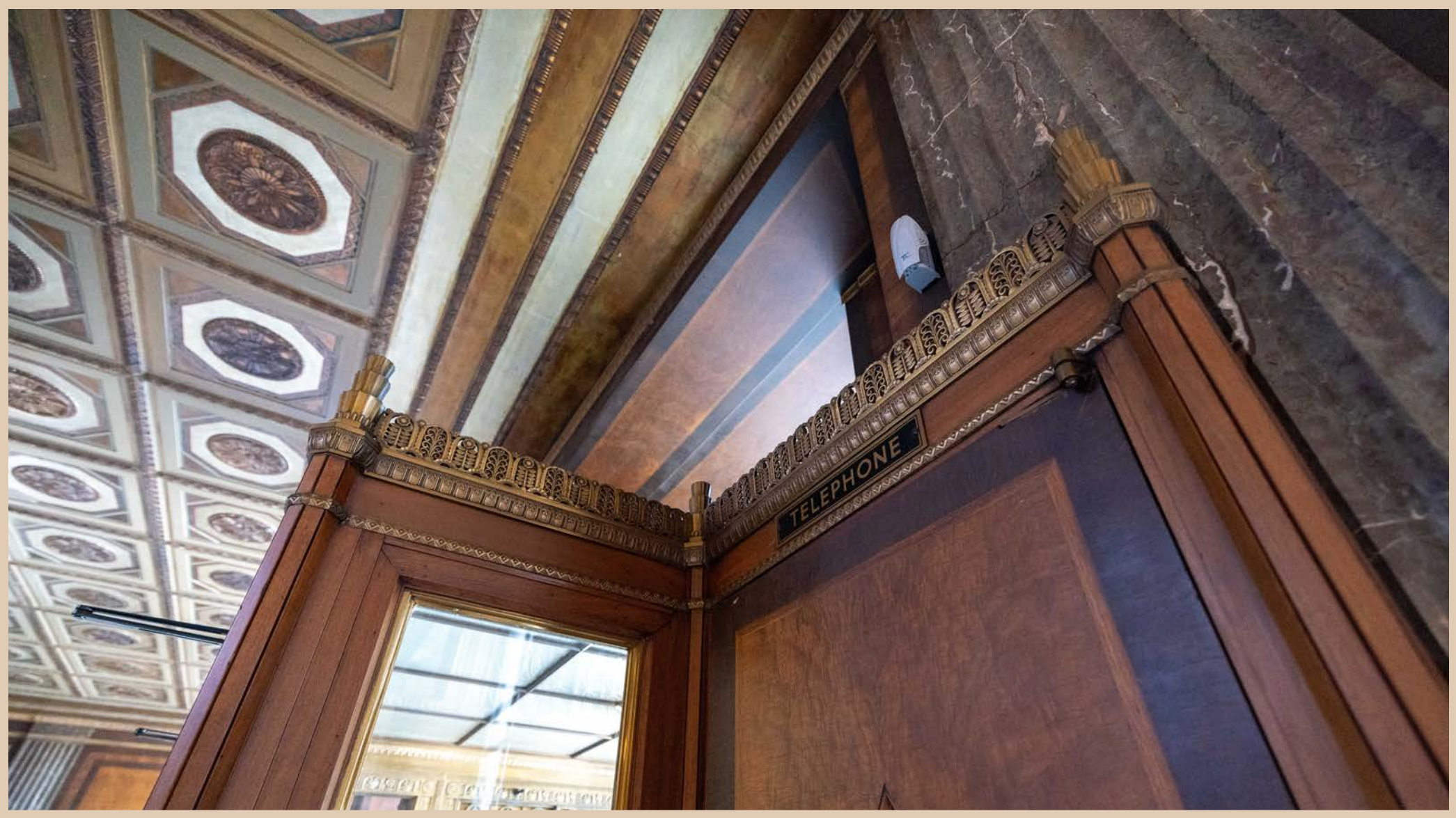
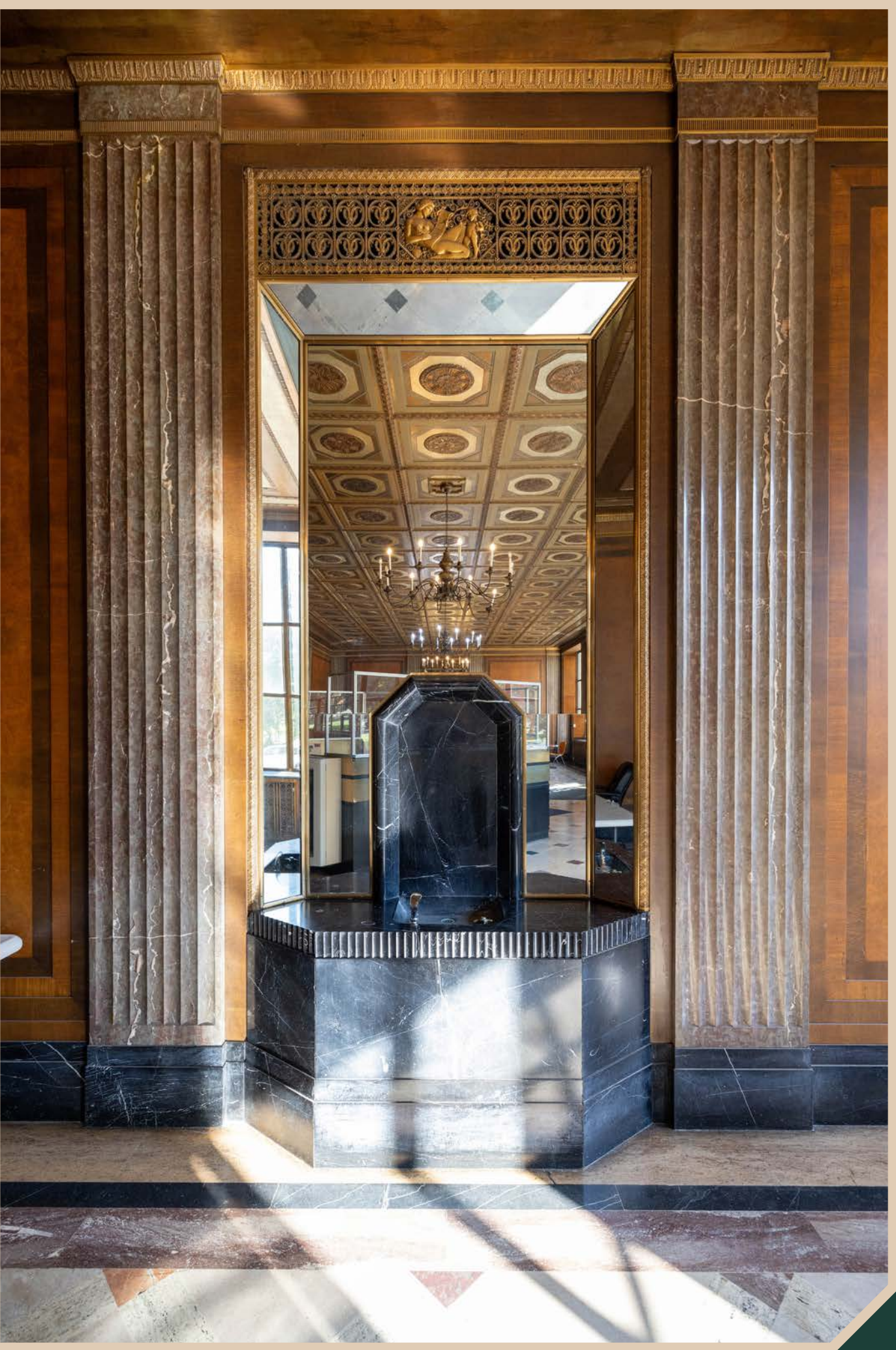


❁ Floor 4





❁ Floor 5





Financial Summary

III.

| Financial * Summary

The Block consists of 247,869 square feet and is currently 22% leased. The two largest tenants are Lakeshore Legal and United Community Housing Coalition which lease 11,148 SF and 17,097 SF, respectively representing 14% of the building. Leases are short-term or month-to-month. Operating Statements and Rent Rolls are available upon request.





Location Overview

IV.

Nearby Retailer & Business

-  Retail/Services
-  Dining & Beverage



Parcel Map

ID #	Parcel ID
1	0400564
2	04000565
3	0400566-71
4	04003374
5	04003373
6	04003372
7	04003371
8	0400370
9	04003369.002L
10	04003369.001
11	04003315





Market Overview

v. _____

| The City is Here, and Next

The largest U.S. city located along the United States-Canada border, Detroit is best known as the center of the U.S. automotive industry due to the “Big Three” auto manufacturers—General Motors, Ford, and Chrysler—being headquartered in the metro area. Detroit anchors the second-largest regional economy in the Midwest and the 14th-largest in the U.S. and has invested over \$3.5B in both public and private sector partnerships which will generate long term employment growth in the city and sustain the economy for decades. Detroit has recently returned to an investment-grade credit rating for the first time since 2009, now boasting a \$230M budget surplus.

(source: Bridge Detroit)

639,000

CITY POPULATION

4.3M

Metro Area
Population



| The Return of Downtown, * to Downtown

URBAN LIVING 2.0

The Motor City revamps its accessibility with new offerings for walking, commuting and gathering.

- The Detroit Riverwalk and the Dequindre Cut pathway provide central walking and biking routes connecting the downtown core to adjacent neighborhoods. The Detroit Riverwalk was named Best in America in 2021, 2022 and 2023 by USA Today.
- In addition to the concentrated People Mover and the wider bus transit system, the QLine streetcar provides swift access down bustling Woodward Ave., from the central square of Martius Park to trendy Midtown.
- Ralph C. Wilson Jr. Centennial Park, pitched as Detroit's version of Chicago's Millennium Park, will offer the public walking trails, a sports center, a water garden and playgrounds along the western riverfront in 2024.
- Detroit is home to an increasing number of residents who want to be at the center of it all. The multifamily scene is dynamic, with a variety of apartments, lofts and condos catering to different lifestyles.
- With a vibrant and diverse restaurant scene, Detroit offers a wide range of cuisines from around the world. From upscale dining establishments to cozy bistros and trendy food trucks, there's something for every palate.

A mixture of new developments, incentives, benefactors, entrepreneurs and creatives are helping to redefine Detroit's central business district for the post-pandemic world.



| The Return of Downtown, * to Downtown

A DESIGN FOR THRIVING

The center of UNESCO's first U.S. "City of Design" has simultaneously broken ground on modern offerings while reawakening the grand and gilded for a new age.

- The nearly completed Hudson's Site, a \$1.5 billion development anticipated to become Michigan's second tallest building, will bring sleek retail, residential and dining offerings along with an upcoming hotel.
- The city's historical icons continue to be revived and restored, including the Book Tower's transformation into a grand space for residential, hotel, event venue and mixed-use.
- The District Detroit, the city's walkable corridor connecting its three major sports venues, has added lively entertainment, residential, retail, educational and office spaces between downtown and its adjacent neighborhoods.



| a Rocking City

As one of Time Magazine's Greatest Places of 2022 and Condé Nast Traveler's **Best Places to Go in North America** in 2024, Detroit's reenergized hospitality and events attractions are exciting residents and visitors alike.

STAYING POWER

Detroit's hospitality industry invests new heart into timeless wonders.

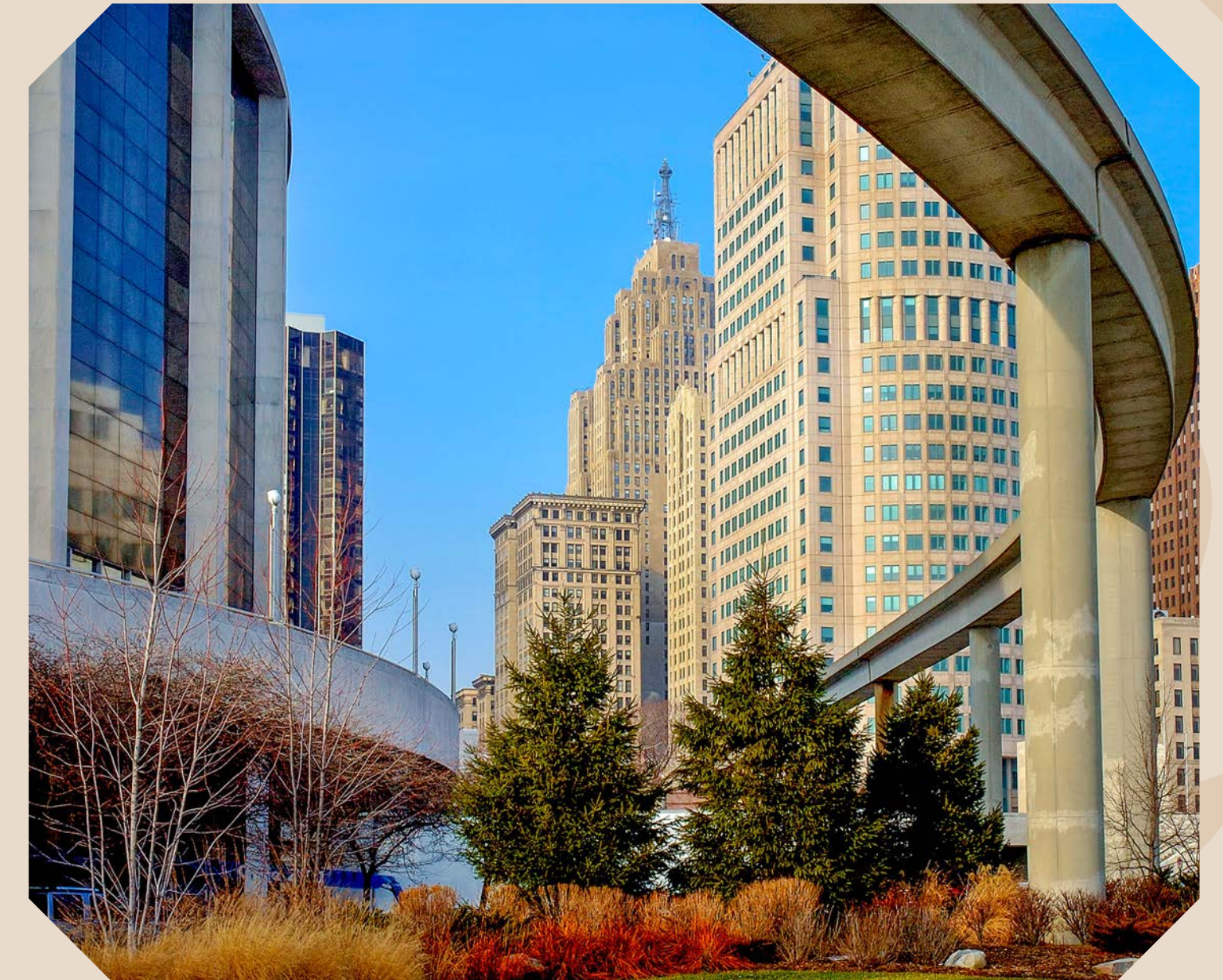
4.6%

INCREASE IN HOTEL
OCCUPANCY LEVELS

~1500

NEW ROOMS
IN DEVELOPMENT

A slate of hotels have infused art-deco and neo-renaissance classics with hyper-modern and curated amenities, including the AC Hotel, Courtyard by Marriott, Godfrey Detroit, the Siren, the Detroit Foundation and more.



Play Harder

From diehards to rookies, Detroit draws fans near and far.



SPORTS AND VENUES

LITTLE CAESAR'S ARENA

#2 Ranked U.S. Arena for Concert Attendance 2019

- District Detroit—only area in the U.S. connecting a city's four pro-sports teams within the CBD
- Ford Field—Home to the NFL's Lions
- Comerica Park—Home to MLB's Tigers.
- Huntington Place—home to North American International Auto Show, among the largest in the world

ARTS AND ENTERTAINMENT

DETROIT INSTITUTE OF ARTS

#1 Art Museum in the Country USA Today

- Theatre District—home to iconic theaters including Orchestra Hall, Fox Theatre and the Majestic; second largest theater district in the U.S. after Broadway
- Motown Museum—recently restored iconic studio and museum showcasing the history, story and artifacts of the Motown sound
- Movement Fest—one of the largest electronic festivals in the world

PUBLIC SPACES

RIVERWALK

#1 Riverwalk in the Country for 3rd Year in a Row USA Today

- Belle Isle Park—home to oldest public aquarium in the U.S.
- Eastern Market—largest historical outdoor market in the U.S.
- Campus Martius Park—named No. 1 “Top Public Square” in the U.S. 2024 by USA Today
- The 2024 NFL Draft took place at Campus Martius Park and Hart Plaza.

| Economic Drivers

THE MOTOR CITY

Detroit is the automobile capital of the United States. The Detroit Metro Area is home to advanced facilities that are producing and developing new technology for vehicles (source: Detroit Regional Chamber, 2023). General Motors World HQ is on the waterfront at GM Renaissance Center, only a 7-minute drive from The Block. Following GM's move to the new development Hudson's Site in 2025, it will be just a 5-minute drive from The Block. Ford World Headquarters is located in Dearborn, just 20 minutes from the property.

1.1M

JOBS IN THE DETROIT
AUTOMOTIVE INDUSTRY

20%

OF MICHIGAN'S
WORKFORCE IS IN THE
AUTOMOTIVE INDUSTRY

1.2M

SQUARE FEET

\$740M

DEVELOPMENT INVESTMENT

MICHIGAN CENTRAL INNOVATION DISTRICT

From a partnership between Ford, Google, and New Lab, along with the state of Michigan and the city of Detroit, comes the renovation of the long-abandoned Michigan Central Station into worldwide hub for advancements in transportation, mobility, and technology. When fully completed, the Corktown campus will include:

- The Factory, home to Ford's autonomous vehicle business and operations team
- The Platform, a testing platform for new mobility technologies
- Tech business incubator at New Lab

Additional programs for startup and small business acceleration
Google's Code Next program—its first in the Midwest—to train youth in coding and technical skills - Retail, residential, and hotel spaces

Healthcare



THE DETROIT MEDICAL CENTER (DMC)

The Detroit Medical Center is a for-profit medical system encompassing over 2,000 beds, 3,000 physicians, and over 12,000 employees.

(source: Detroit Medical Center, 2023)



HENRY FORD HOSPITAL

Henry Ford Hospital is an 877-bed tertiary care hospital, education, and research complex in Detroit. Henry Ford Hospital is staffed by the Henry Ford Medical Group, one of the nation's largest group practices comprised of 1,900 physicians in over 40 specialties. Henry Ford Health was recently approved for a \$3B hospital expansion in the New Center neighborhood.

(source: Henry Ford Health, 2023)



Detroit Top Employers

ROCKET
Companies

14,109
Employees

STELLANTIS

10,861
Employees



8,942
Employees

**HENRY
FORD
HEALTH**

7,718
Employees



U.S. Government
6,673
Employees



6,665
Employees

DMC
DETROIT MEDICAL CENTER

6,415
Employees



5,469
Employees

Ilitch Holdings, Inc.

5,034
Employees

DTE

4,794
Employees



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