

PANERA – 2020 CONSTRUCTION

3511 SOUTH 27TH ST MILWAUKEE, WI 53221

OFFERING MEMORANDUM

ELEVEN YEARS REMAINING

10% RENT INCREASE AT YEAR 11





McKesson

FedEx

ZEBB'S
RESTAURANT

Panera BREAD
DRIVE THRU

Panera BREAD
DRIVE THRU

PANERA – 2020 CONSTRUCTION

3511 SOUTH 27TH ST MILWAUKEE, WI 53221



OFFERING PRICE:

\$2,480,000



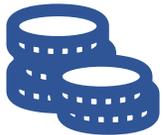
CAP RATE:

7.25%



NET OPERATING INCOME:

\$179,740



PRICE PER SQUARE FOOT:

\$576.74

GROSS LEASABLE AREA: +/- 4,300 SF

CURRENT OCCUPANCY: 100%

YEAR BUILT / RENOVATED: 2020

LOT SIZE: 0.72 AC

TYPE OF OWNERSHIP: Fee Simple



[CLICK TO VIEW ON GOOGLE MAPS](#)

PROPOSED FINANCING: 65% LTV / 3 YR TERM / 25 YR AMORT / 6.10% RATE

CASH ON CASH RETURN: \$53,921 / 6.21%

TOTAL RETURN: (PRINCIPAL REDUCTION) \$82,190 / 9.47%



Seller Disclosure: The property benefits from a perpetual non-exclusive easement on, over, across, along and upon those parts of the [Loomis Center] Shopping Center that are used for ingress, egress, and parking. Seller has learned that future access may be impacted by Milwaukee Metropolitan Sewerage District's ownership rights over that same adjacent parking lot. Seller has been working with MMSD to secure assurances to mitigate potential risks related to any uncertainty.

Red line shows approximate location of easement.
Orange arrow shows subject property.





RENT SCHEDULE

*SELLER WILL CREDIT THE DIFFERENCE TO THE \$179,740 AT CLOSING

| YEAR | ANNUAL RENT | MONTHLY RENT | RENT/SF | CAP RATE |
|----------|-------------|--------------|---------|----------|
| Current | *\$163,400 | \$13,617 | \$38.00 | 6.59% |
| 6-10 | \$179,740 | \$14,978 | \$41.80 | 7.25% |
| 11-15 | \$197,714 | \$16,476 | \$45.98 | 7.97% |
| Option 1 | \$217,485 | \$18,124 | \$50.58 | 8.77% |
| Option 2 | \$239,252 | \$19,938 | \$55.64 | 9.65% |
| Option 3 | \$263,177 | \$21,931 | \$61.20 | 10.61% |

LEASE SUMMARY

| | |
|------------------------------|----------------------|
| LEASE TYPE: | Double-Net |
| LEASE GUARANTEE: | Corporate |
| OPTION TO PURCHASE / ROFR: | None |
| SALES / FINANCIAL REPORTING: | N/A |
| RENT COMMENCEMENT: | 8/1/2021 |
| LEASE EXPIRATION: | 7/31/2036 |
| RENT INCREASES: | 10% Every Five Years |
| OPTIONS: | Three – Five Years |

INVESTMENT HIGHLIGHTS

BUILDING OVERVIEW

- +/- 4,300 SQUARE FEET
- +/- 0.72 AC PARCEL
- BUILT IN 2020
- TRANSFERABLE 20-YEAR ROOF WARRANTY
- DRIVE-THRU

PANERA

- FOUNDED IN 1987 AS ST. LOUIS BREAD COMPANY
- OPERATES IN 48 STATES AND CANADA
- PANERA BREAD IS PRIVATELY HELD BY JAB HOLDING COMPANY
- OVER 2,200 LOCATIONS

LEASE OVERVIEW

- 15 YEAR LEASE
- JUST OVER 11 YEARS REMAIN
- 10% RENT INCREASES EVERY FIVE YEARS
- THREE-FIVE YEARS OPTIONS WITH 10% RENT INCREASE
- CORPORATE GUARANTEE - JAB HOLDING COMPANY
- [HTTPS://WWW.JABHOCO.COM/](https://www.jabhoco.com/)

DOUBLE-NET LEASE

- TENANT RESPONSIBLE FOR REAL ESTATE TAXES
- TENANT RESPONSIBLE FOR CAM
- TENANT RESPONSIBLE FOR INSURANCE
- LANDLORD RESPONSIBLE FOR ROOF & STRUCTURE

LOCATION

- HARD CORNER LOCATION
- NEAR AURORA ST. LUKE'S MEDICAL CENTER
- MILWAUKEE MARKET – 97.2% OCCUPANCY

DEMOGRAPHICS

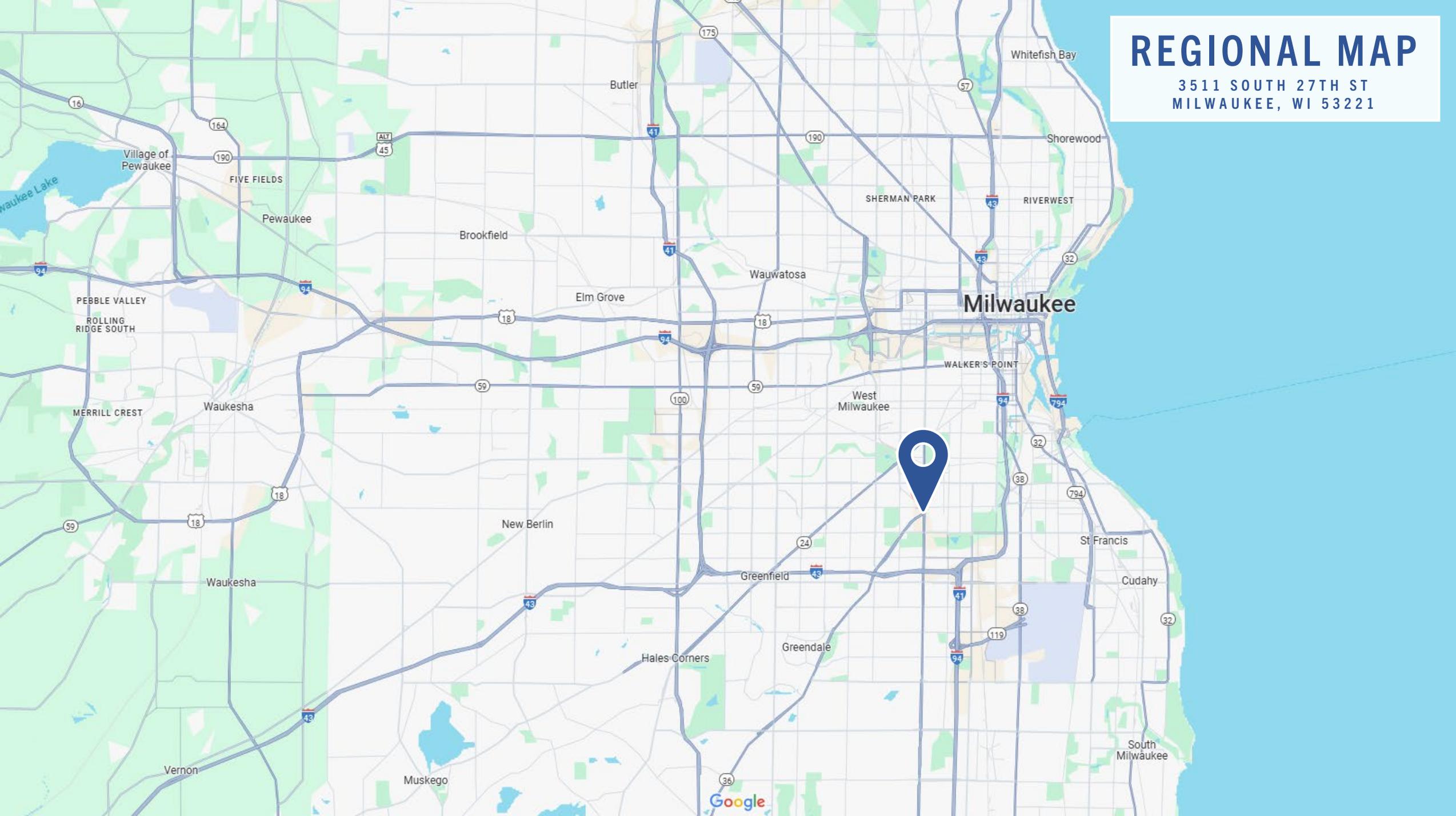
- OVER 368,000 RESIDENTS WITHIN FIVE MILES
- AVERAGE HOUSEHOLD INCOME OF \$73,386 WITHIN FIVE MILES

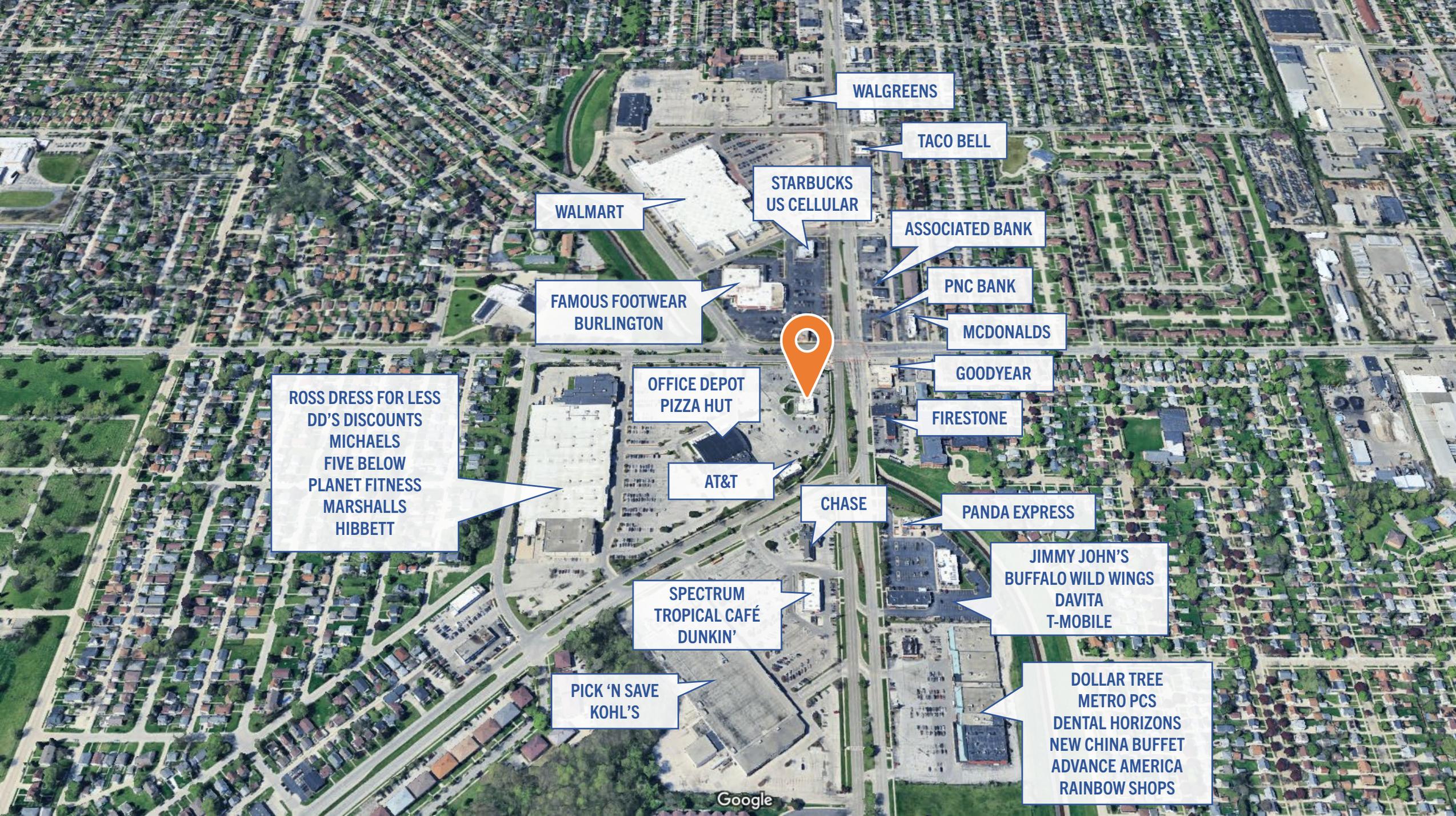
CORPORATE GUARANTEE
OVER 2,200 LOCATIONS



REGIONAL MAP

3511 SOUTH 27TH ST
MILWAUKEE, WI 53221





WALGREENS

TACO BELL

STARBUCKS
US CELLULAR

WALMART

ASSOCIATED BANK

FAMOUS FOOTWEAR
BURLINGTON

PNC BANK

MCDONALDS

ROSS DRESS FOR LESS
DD'S DISCOUNTS
MICHAELS
FIVE BELOW
PLANET FITNESS
MARSHALLS
HIBBETT

OFFICE DEPOT
PIZZA HUT

GOODYEAR

FIRESTONE

AT&T

CHASE

PANDA EXPRESS

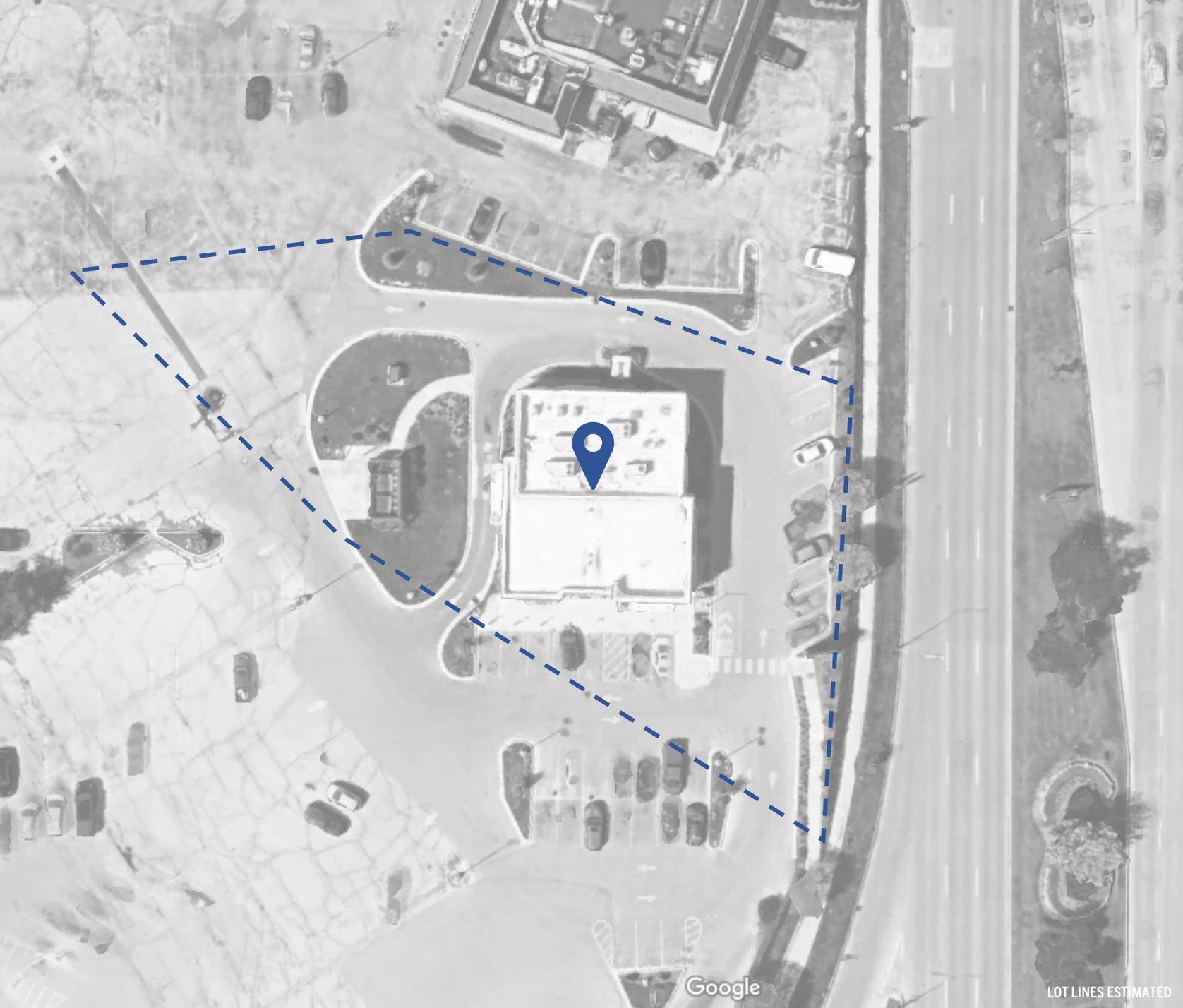
SPECTRUM
TROPICAL CAFÉ
DUNKIN'

JIMMY JOHN'S
BUFFALO WILD WINGS
DAVITA
T-MOBILE

PICK 'N SAVE
KOHL'S

DOLLAR TREE
METRO PCS
DENTAL HORIZONS
NEW CHINA BUFFET
ADVANCE AMERICA
RAINBOW SHOPS





LEASE RESPONSIBILITIES

| | |
|--------------------------------|---|
| REAL ESTATE TAXES | Tenant Pays Real Estate Taxes To Landlord |
| INSURANCE | Tenant Pays Insurance Premiums To Landlord |
| COMMON AREA MAINTENANCE | Tenant Responsible For Common Area Maintenance On The Property |
| MANAGEMENT/ ADMIN | 5% Admin Fee Excluding Insurance And Real Estate Taxes |
| PARKING LOT | Landlord Responsible For Parking Lot |
| HVAC | Tenant Responsible For Maintenance & Repairs & Replacement Of HVAC |
| ROOF / STRUCTURE | Landlord Responsible For Roof & Structure Transferable 20yr. Roof Warranty |
| UTILITIES | Tenant Pays Utilities Directly |

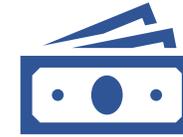
DEMOGRAPHICS SUMMARY

| POPULATION | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2029 Projection | 182,171 | 360,242 | 864,054 |
| 2024 Population | 187,233 | 368,723 | 877,830 |
| 2020 Population | 198,616 | 383,610 | 895,041 |
| Median Age | 35.6 | 36.2 | 36.9 |

| INCOME | 3 Miles | 5 Miles | 10 Miles |
|---------|----------|----------|----------|
| Average | \$69,061 | \$73,386 | \$81,311 |
| Median | \$53,606 | \$55,709 | \$59,749 |

| HOUSEHOLDS | 3 Miles | 5 Miles | 10 Miles |
|-----------------|---------|---------|----------|
| 2029 Projection | 69,690 | 151,124 | 364,370 |
| 2024 Households | 71,687 | 154,608 | 370,327 |
| 2020 Households | 76,074 | 159,876 | 376,713 |

Source: © COSTAR 2024



AVERAGE HOUSEHOLD INCOME
FIVE MILE RADIUS

\$73,386



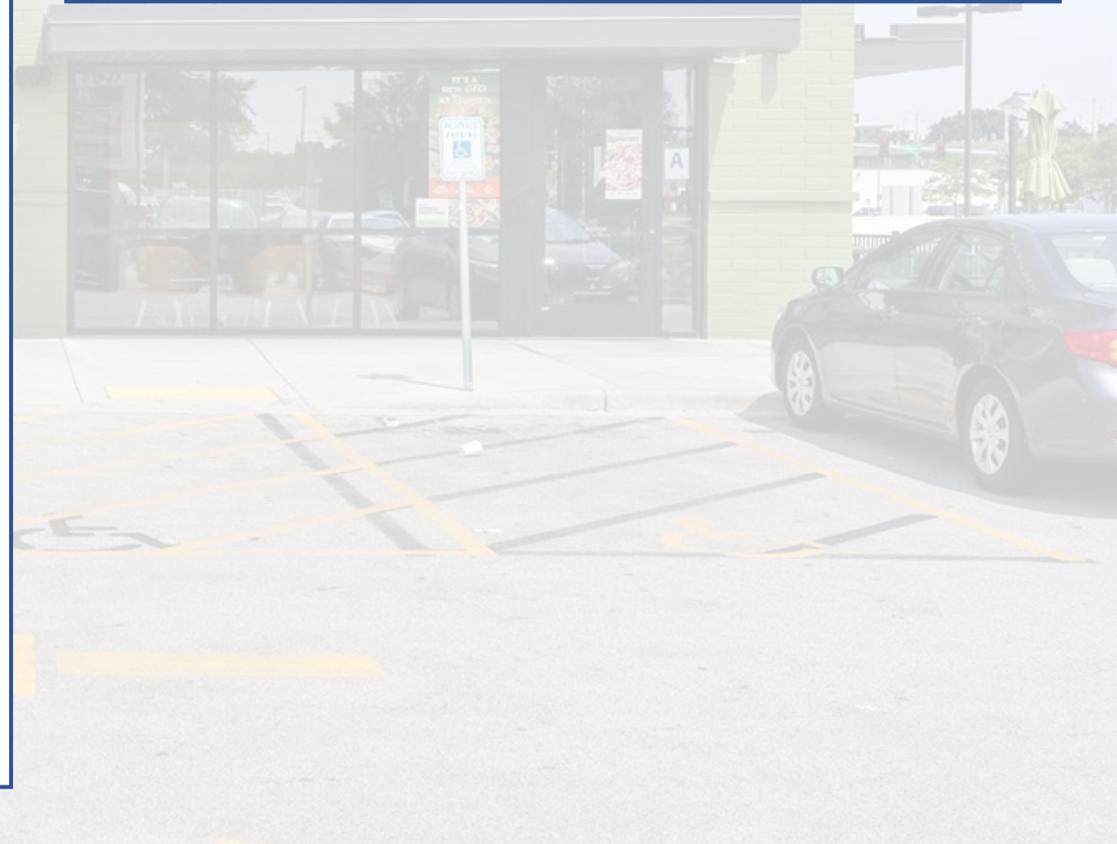
HOUSEHOLDS WITHIN FIVE MILE
RADIUS

154,608

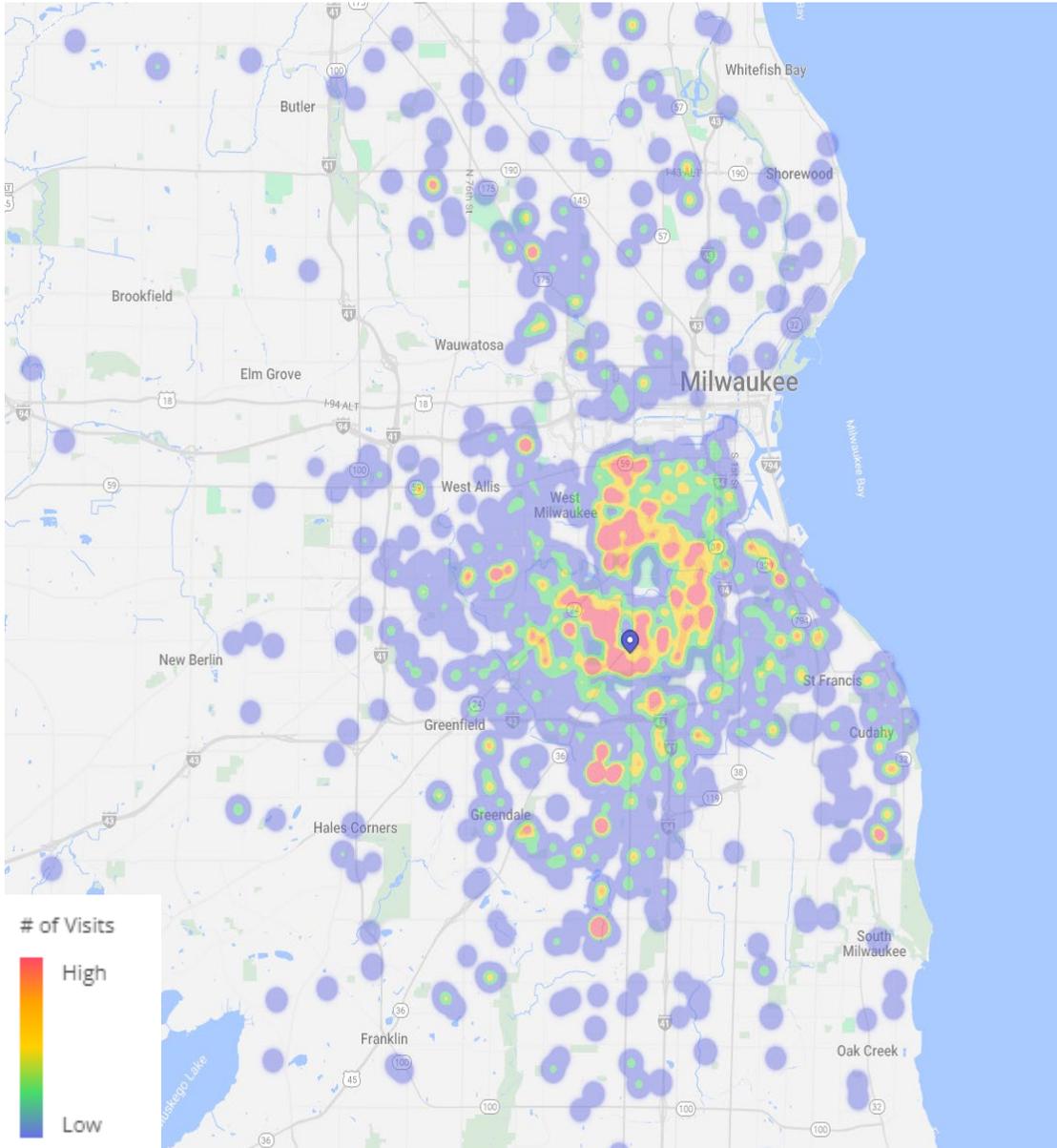


POPULATION WITHIN FIVE MILE
RADIUS

368,723



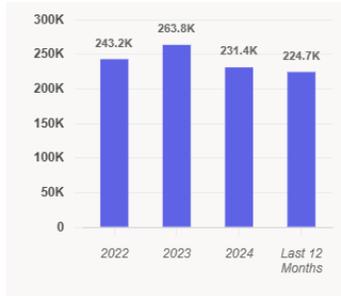
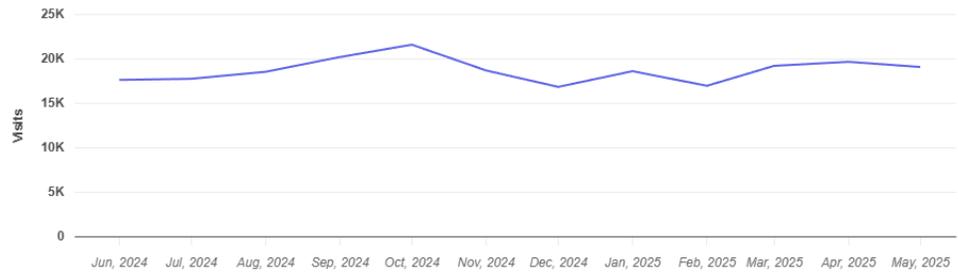
TRUE TRADE AREA



VISITS DATA

| | | | |
|----------------|--------|-----------------|--------|
| Visits | 224.7K | Visit Frequency | 2.83 |
| Visits / sq ft | 47.74 | Avg. Dwell Time | 23 min |
| Visitors | 78.5K | | |

VISITS VARIANCE



TENANT RANKINGS

Nationwide

1,010 / 1,925

[View List](#)

Wisconsin

22 / 38

[View List](#)

Local: 15mi

6 / 9

[View List](#)

| Rank | Name | Visits |
|------|---|--------|
| 1 | Panera Bread / 4901 S Moorland Rd, New Berlin, WI 53151 | 308.5K |
| 2 | Panera Bread / 2095 N Calhoun Rd, Brookfield, WI 53005 | 278.7K |
| 3 | Panera Bread / 12630 W Capitol Dr, Brookfield, WI 53005 | 271K |
| 4 | Panera Bread / 8907 South Howell Ave, Oak Creek, WI 53154 | 268.7K |
| 5 | Panera Bread / 7840 W Layton Ave, Greenfield, WI 53220 | 231.4K |
| 6 | Panera Bread / 3511 S 27th St, Milwaukee, WI 53221 | 224.7K |
| 7 | Panera Bread / 600 East Ogden Avenue, Milwaukee, WI 53202 | 204.1K |



CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2024 Marcus & Millichap. All rights reserved.

Seller retains all rights and discretion to determine the offer and acceptance process including but not limited to the right to accept or reject any offer in its sole and absolute discretion. Seller shall only be bound by duly executed and enforceable agreements entered into, if any. ALL MATTERS PRIVILEGED AND CONFIDENTIAL.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

All logos are the property of each respective companies.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

ACTIVITY ID:

PANERA

3511 SOUTH 27TH ST
MILWAUKEE, WI 53221
OFFERING MEMORANDUM

PRESENTED BY:

JEFF ROWLETT

SENIOR MANAGING DIRECTOR INVESTMENTS
SENIOR DIRECTOR - NATIONAL RETAIL GROUP
(262) 364-1924
JEFF.ROWLETT@MARCUSMILLICHAP.COM
LICENSE: WI 74743-94

TODD LINDBLOM

BROKER OF RECORD
MILWAUKEE OFFICE
(262) 364-1964
TODD.LINDBLOM@MARCUSMILLICHAP.COM
LICENSE: WI 56163-90

WISCONSIN REALTORS® ASSOCIATION

4801 Forest Run Road, Madison, WI 53704
Marcus & Millichap Real Estate
Effective July 1, 2016

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

Copyright © 2016 by
Wisconsin REALTORS® Association

Drafted by Attorney Debra Peterson Conrad

Marcus & Millichap Real Estate Services
13890 Bishop's Drive Suite 300
Brookfield, WI 53005

DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the
2 following disclosure statement:
3 DISCLOSURE TO CUSTOMERS You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the
7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request
11 it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the
13 information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your
15 confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 CONFIDENTIALITY NOTICE TO CUSTOMERS The Firm and its Agents will keep confidential any information given to the
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

- 29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
- 30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 CONFIDENTIAL INFORMATION: _____
36 _____
37 _____

38 NON-CONFIDENTIAL INFORMATION (The following information may be disclosed by the Firm and its Agents):
39 _____
40 _____

41 _____ (Insert information you authorize to be disclosed, such as financial qualification information.)

42 DEFINITION OF MATERIAL ADVERSE FACTS

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
51 contract or agreement made concerning the transaction.

52 NOTICE ABOUT SEX OFFENDER REGISTRY You may obtain information about the sex offender registry and persons
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
54 <http://www.doc.wi.gov> or by telephone at 608-240-5830.