

EXECUTIVE SUMMARY

30755

30755

STATE OF MICHIGAN
DEPARTMENT OF HEALTH & HUMAN SERVICES
www.michigan.gov/mdhhs

MICHIGAN DEPT. OF
HEALTH & HUMAN
SERVICES

Exclusively Listed BY:
Jon Holmquist
Direct Cell: 415-596-3691

SUPERIOR CASH FLOW WITH STATE GUARANTEED LEASE

Michigan Broker of Record:
Paul Kerber
License #: 6502433613

•OFFERING SUMMARY



•Listing Price
•**\$3, 650,000**



•Cap Rate
•**9.42%**



•Price/SF
•**\$137**

•FINANCIAL

- Listing Price \$3,650,000
- Down Payment 100% / \$3,650,000
- NOI \$343,841 after 01/01/2027
- Cap Rate 9.42% Cap Rate 01 / 01 / 2027
- Price/SF \$137
- Annual Rent/SF \$20.00

•OPERATIONAL

- Lease Type: Gross
- Guarantor State of Michigan
- Landlord Responsible for Interior & Exterior Maintenance Inc. Roof & Structure
- Lease Expiration 12/31/2031, rent increase 01/01/2027 to \$598,392
- Term Remaining 7 Years, 1 Month Firm
- Rentable SF 26,595 per lease
- Lot Size Unknown per county records
- Occupancy 100%
- Year Built 1990



INVESTMENT OVERVIEW

The Subject property consists of a 26,595 square foot building currently leased to the State of Michigan, Department of Health and Human Services. The subject property was constructed circa 1990 (per property records) and offers the opportunity for an investor to acquire an asset with superior cash flow, at a compelling intrinsic value of only \$137 per square foot.

Madison Heights is a well-established inner-ring suburb of Metro Detroit, positioned in southern Oakland County, one of Michigan's most affluent and economically diverse counties. The city benefits from exceptional regional accessibility, located at the convergence of two of Southeast Michigan's most critical transportation corridors, Interstate 75 and Interstate 696, providing direct connectivity to Downtown Detroit, Troy, Royal Oak, and the broader Detroit metropolitan area.



PRICING DETAILS

SUMMARY

Price	\$3,650,000	
Down Payment	\$3,650,000	100%
Number of Suites	1	
Price Per SqFt	\$137.24	
Gross Leasable Area (GLA)	26,595 SF	
Lot Size	N A	
Year Built/Renovated	1990	
Occupancy	100.00%	

RETURNS

	Year 1	Year 2027
CAP Rate	9.42%	9.42%
Cash-on-Cash	9.42%	9.42%
Debt Coverage Ratio	N/A	N/A

OPERATING DATA

INCOME

		Year 1
Scheduled Base Rental Income		\$598,392
Total Reimbursement Income	0.0%	\$0
Other Income		\$0
Potential Gross Revenue		\$598,392
General Vacancy		\$0
Effective Gross Revenue		\$598,392
Less: Operating Expenses	42.5%	(\$254,551)
Net Operating Income		\$343,841
Tenant Improvements		\$0
Leasing Commissions		\$0
Capital Expenditures		\$0
Cash Flow		\$343,841
Debt Service		\$0
Net Cash Flow After Debt Service	9.42%	\$343,841
Principal Reduction		\$0
Total Return	9.42%	\$343,841

OPERATING EXPENSES

	Year 1
CAM	\$0
Insurance	\$7,500
Real Estate Taxes	\$81,573
Management Fee	\$15,957
Other Expenses	\$149,521
Total Expenses	\$254,551
Expenses/SF	\$9.57

Madison Heights, MI

EXCLUSIVELY LISTED BY

JON HOLMQUIST

Senior Managing Director
San Francisco Office
Direct: (415) 625-2117 / Fax: (415) 963-3010
jon.holmquist@marcusmillichap.com
License: CA 01257479

Michigan Broker of Record:
Paul Kerber
License #: 6502433613

Marcus & Millichap
THE HOLMQUIST GROUP