

\*Representative photo\*



**ALDI**  
CRITTENDEN CT. & M-32  
ALPENA, MI

**Offered By:**  
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**CBRE**

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# I. Executive Summary

## The Offering:

David Hesano, of the CBRE Net Lease Property Group, is pleased to exclusively market this long-term Aldi investment property. Located in Alpena, MI, and with a planned opening in February of 2024, this is a new-construction, freestanding Aldi of the latest design. The tenant has signed a twenty (20) year absolute-net groundlease with a rent escalation in year eleven (11).

This is an absolute net groundlease whereas the Landlord does not have any replacement, maintenance, or repair responsibilities.

Positioned to serve Alpena and the surrounding region of the northeastern portion of Michigan's lower peninsula, this new development is situated on the "Main St." of the retail area. Other tenants in the immediate area include Meijer, Walmart, Home Depot, Walgreens, and a recently opened Marshall's.



## Investment Highlights:

- **Asking price of \$1,985,000 (4.75% capitalization rate)**
- Brand-new 20 year groundlease
- New construction and the latest Aldi prototype
- Planned opening in February of 2024.
- Lease Guaranteed by Aldi, Inc. (Michigan)
- Rent increases by \$5,000 annually in year 11 of the initial lease term.

## Property Facts:

PROPERTY ADDRESS	NEC of Crittenden Ct & M-32 Alpena, MI.
YEAR BUILT	2023-2024
TOTAL BUILDING AREA	20,192 SF
PARKING	Approximately 95 spaces
LAND AREA	2.28 Acres
SIGNAGE	Building fascia and multiple pylon signs

## Lease Abstract

<b>PROPERTY ADDRESS</b>	NEC of Crittenden Dr & M-32, Alpena Twp. , MI 49707
<b>TENANT</b>	Aldi, Inc. (Michigan)
<b>GUARANTOR</b>	Aldi, Inc. (Michigan)
<b>LEASE TYPE</b>	Absolute-Net Ground Lease
<b>PROJECTED RENT COMMENCEMENT DATE</b>	March 1, 2024
<b>PROJECTED EXPIRATION DATE</b>	February 28, 2044
<b>LEASE TERM</b>	Twenty (20) year lease initial groundlease term
<b>INITIAL ANNUAL RENT (Years 1-10)</b>	\$93,000.00
<b>RENTAL ESCALATIONS</b>	Annual rent shall increase to \$98,000 beginning upon the 11th lease year through the end of the initial lease term.
<b>RENTAL ABATEMENTS</b>	None
<b>PERCENTAGE RENT</b>	None
<b>RENEWAL OPTIONS</b>	Six (6) successive five (5) year Tenant renewal options. Options shall be automatically exercised unless Tenant delivers written notice to Terminate not less than 120 days before the expiration of the then current term.
<b>OPTION RENT SCHEDULE</b>	The rental rate shall increase by \$5000/Year upon the commencement of each subsequent option period.
<b>EARLY TERMINATION OPTION</b>	None
<b>RIGHT OF FIRST REFUSAL</b>	None

## Lease Abstract

### **ASSIGNMENT & SUBLETTING**

Tenant shall not assign or sublet without the prior written consent of Landlord. Tenant shall remain liable for all of Tenant's obligations under the lease.

### **OPERATING COSTS**

#### **Real Estate Taxes:**

Tenant shall directly pay any and all taxes that are assessed against the property.

#### **Insurance:**

**Tenant** shall maintain commercial general liability insurance and umbrella liability with total combined limits up to at least \$2M per occurrence. **Tenant** shall also maintain a "causes of loss - special form" policy. At all times, **Landlord** shall cause the residual property owners to keep in force a policy of commercial general liability insurance with a \$2,000,000 combined combined single limit on an occurrence basis which may be through an endorsement on a blanket liability insurance policy.

#### **Utilities:**

Tenant shall be solely responsible for all utility charges

#### **Common Area Maintenance:**

As per the ECR, the Aldi parcel owner is not responsible for the performance of the Critical Access Drive maintenance, repair, and replacement except for pro-rata payment to the responsible party which shall be paid directly by Aldi or reimbursed to Aldi parcel owner.

#### **Tenant Repair, Maintenance & Replacement:**

Tenant, at its sole cost and expense, will maintain, repair, and replace the building and all other improvements to the property.

### **ESTOPPEL**

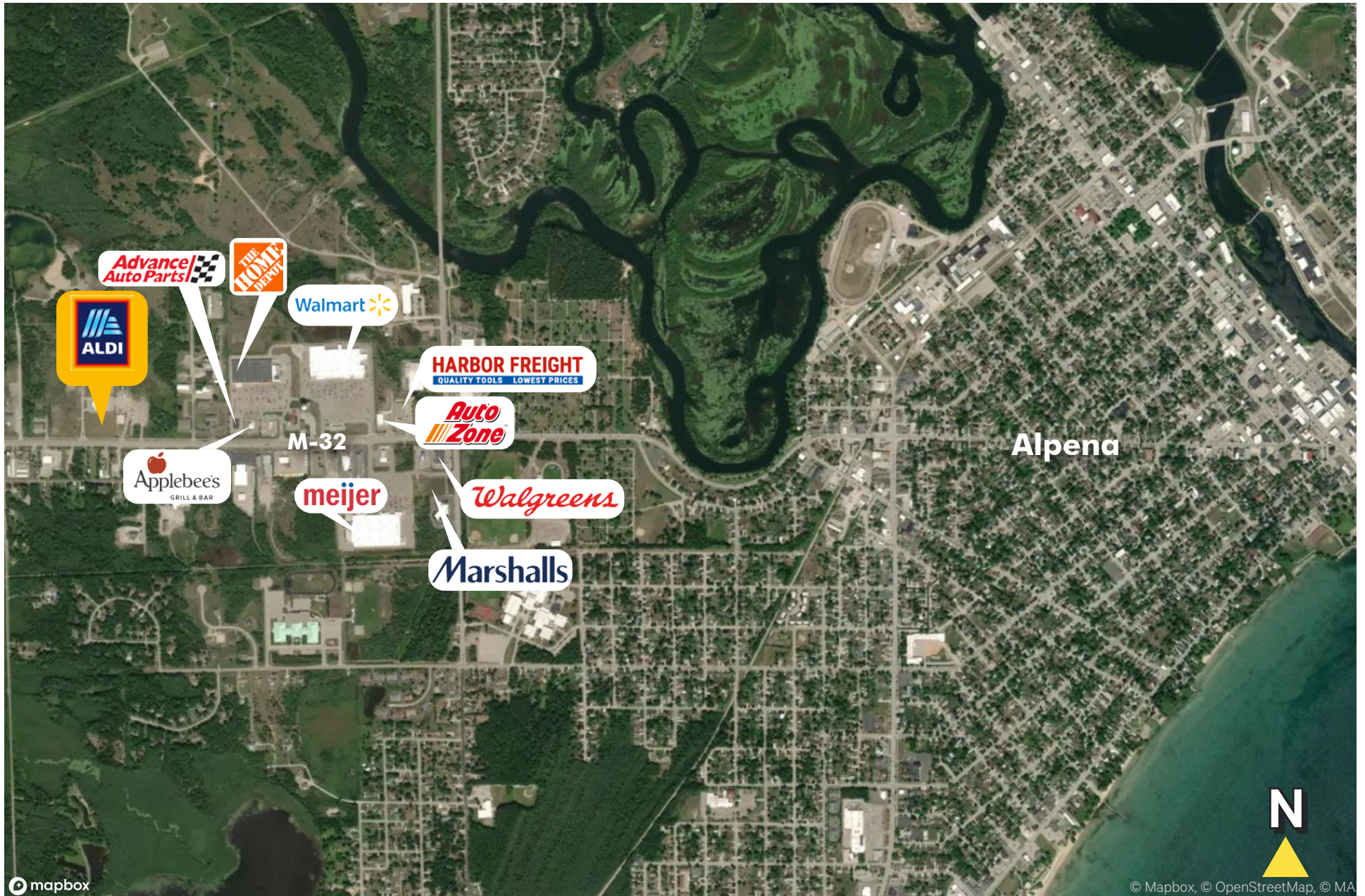
Within 30 days notice, either party shall deliver an estoppel to the other party.



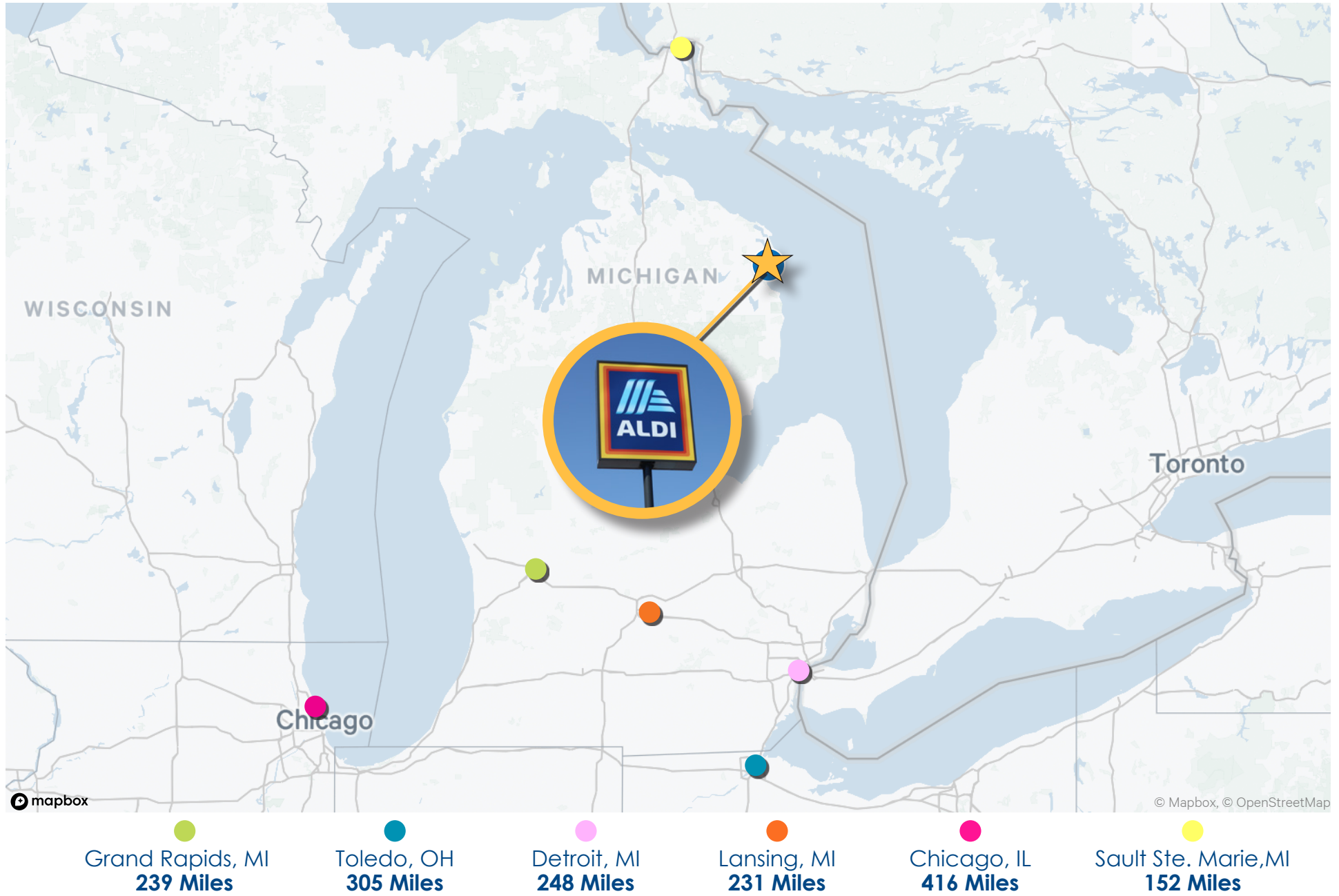
## II. Location & Property Overview



## Aerial Map: Nearby National Tenants & Retail Corridors



# Proximity Map





### III. Financial Analysis

# Financial Analysis

## Aldi - Alpena Twp., MI. Year One Cash Flow Estimates

Price	\$1,958,000
Rentable Square Feet	20,192
Price per Square Foot	\$96.97
CAP Rate	4.75%

	Year One 03/2024 - 04/2034	Monthly
Base Rent		
<i>Aldi</i>		
<i>Twenty (20) Years Remaining</i>	\$93,000.00	\$7,750.00
Total Base Rent	\$93,000.00	\$7,750.00
Scheduled Base Rental Revenue	\$93,000.00	\$7,750.00
Percentage Rent	\$0.00	\$0.00
Expense Reimbursement Revenue		
Insurance	\$2,000.00	\$166.67
Common Area Maintenance	\$5,000.00	\$416.67
Administrative Charges	\$0.00	\$0.00
Real Estate Taxes	\$0.00	\$0.00
Total Expense Reimbursement Revenue	\$7,000.00	\$583.33
Gross Potential Income	\$100,000.00	\$8,333.33
Effective Gross Income	\$100,000.00	\$8,333.33
Operating Expense Estimates		
Insurance <sup>1</sup>	\$2,000.00	\$166.67
Common Area Maintenance <sup>2</sup>	\$5,000.00	\$416.67
Real Estate Taxes <sup>3</sup>	\$0.00	\$0.00
Total Common Area Expenses	\$7,000.00	\$583.33
Administrative Fee	\$0.00	\$0.00
Total Expenses	\$7,000.00	\$583.33
<b>Net Operating Income</b>	<b>\$93,000.00</b>	<b>\$7,750.00</b>



<sup>1</sup>Estimated insurance expenses

<sup>2</sup>Estimated common area expenses for the Critical Access Drive which will be either paid directly or reimbursed by Aldi.

You are solely responsible for independently verifying the information in this Memorandum. **ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.**



## V. Market & Area Overview

## Market & Area Overview

### City of Alpena, MI:

Alpena is a city in the U.S. state of Michigan. It is the county seat of Alpena County, and is the only city within the county.[4] The population was 10,197 at the 2020 census, making it the third most populated city in the Northern Michigan region, after Traverse City and Cadillac. The city is surrounded by Alpena Township, but the two are administered autonomously. It is the core city of the Alpena micropolitan statistical area, which encompasses all of Alpena County and had a total population of 28,907 at the 2020 census.[5]

Alpena is located at the head of Thunder Bay, a bay of Lake Huron. Offshore of Alpena is the Thunder Bay National Marine Sanctuary, which protects an estimated 116 historically significant shipwrecks.[6] Alpena is the third-largest American city on Lake Huron, behind Bay City and Port Huron.



AREA DEMOGRAPHICS - 2023			
AREA AVERAGES	RADIUS FROM SUBJECT PROPERTY		
	5 mi.	10 mi.	25 mi.
POPULATION	17,023	23,600	36,981
HOUSEHOLDS	7,596	10,314	16,895
HOUSEHOLD INCOME	\$60,876	\$64,076	\$71,793



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