

UNITED PRECISION PRODUCTS



INDUSTRIAL SALE LEASEBACK | METRO DETROIT | \$1,810,000 | 15 YEAR TERM | 8.0% CAP | ABSOLUTE NNN



KWEKEL
COMPANIES

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EXECUTIVE SUMMARY

Kwekel Companies is pleased to offer the sale leaseback of the United Precision Products 14,979 square foot industrial building located on a .72 acre site near Detroit, MI. UPP will execute a new 15 year absolute NNN lease at closing.

- PRICE: \$1,810,000
- CAP RATE: 8.0%
- 15 YEAR TERM
- NOI: \$144,750
- 2.0% ANNUAL INCREASES
- ABSOLUTE NNN
- MARKET BASED RENT | \$9.66 PSF
- 14,979 SF
- 25040 VAN BORN ROAD, DEARBORN HEIGHTS, MI 48125

STRATEGIC LOCATION | United Precision Products facility is within one of the largest metropolitan economies in the US that includes over 200 municipalities, an international airport and an advanced network of interstate highways.



ESTABLISHED LEGACY | Founded in the 1940s, the company has almost 80 years of experience in manufacturing high-quality, precision-made fasteners, related hardware and specialty machined parts for the aerospace market.



RELIABLE PARTNER | Military and prime government contractors are among the network of companies that trust UPP to align specifications with materials to efficiently finish the manufacturing process.



CONTINUED IMPROVEMENT | The company is committed to advancing their knowledge of the marketplace and has steadily expanded its manufacturing capabilities to encompass a broad range of standard and specialty products.



PROVEN VALUE | UPP has the ability to flex production to meet changing customer requirements, while leading to greater manufacturing efficiencies, superior quality, and effective throughput.



TRAINED EXPERTS | With advanced knowledge, the UPP team can manufacture parts from nearly any bar stock, conventional steel, super alloy, corrosion resistant materials or complex nickel-based alloys.



PROPERTY DESCRIPTION

ADDRESS	25040 VAN BORN ROAD	PARCEL	33-043-99-0025-000
CITY, STATE	DEARBORN HEIGHTS, MI 48125	CONSTRUCTION	MASONRY
TOTAL SF	14,979	CLEAR HEIGHT	10' - 12'
MANUFACTURING SF	10,500	DOCK DOORS	-
OFFICE SF	4,479	OVERHEAD DOORS	6
ACRES	0.72	ZONING	M-1 LIGHT INDUSTRIAL
YEAR BUILT	1953 1967 1981	FLOOD ZONE	AE



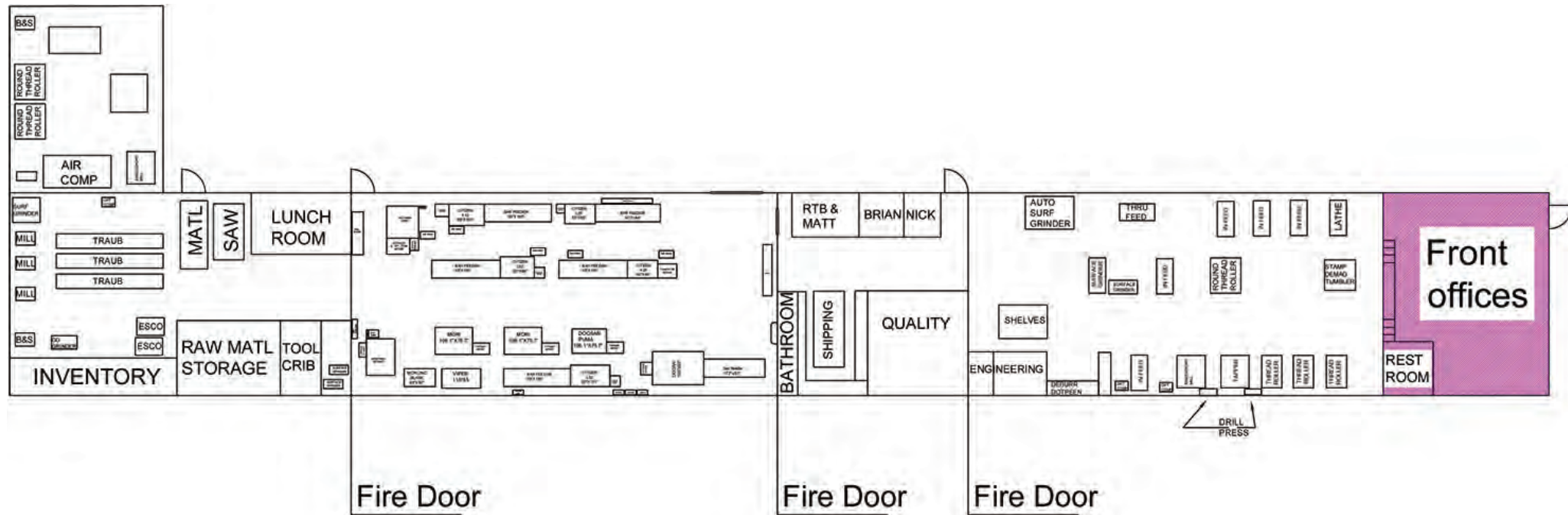
UPP | INTERIOR PHOTOS



UPP | INTERIOR PHOTOS

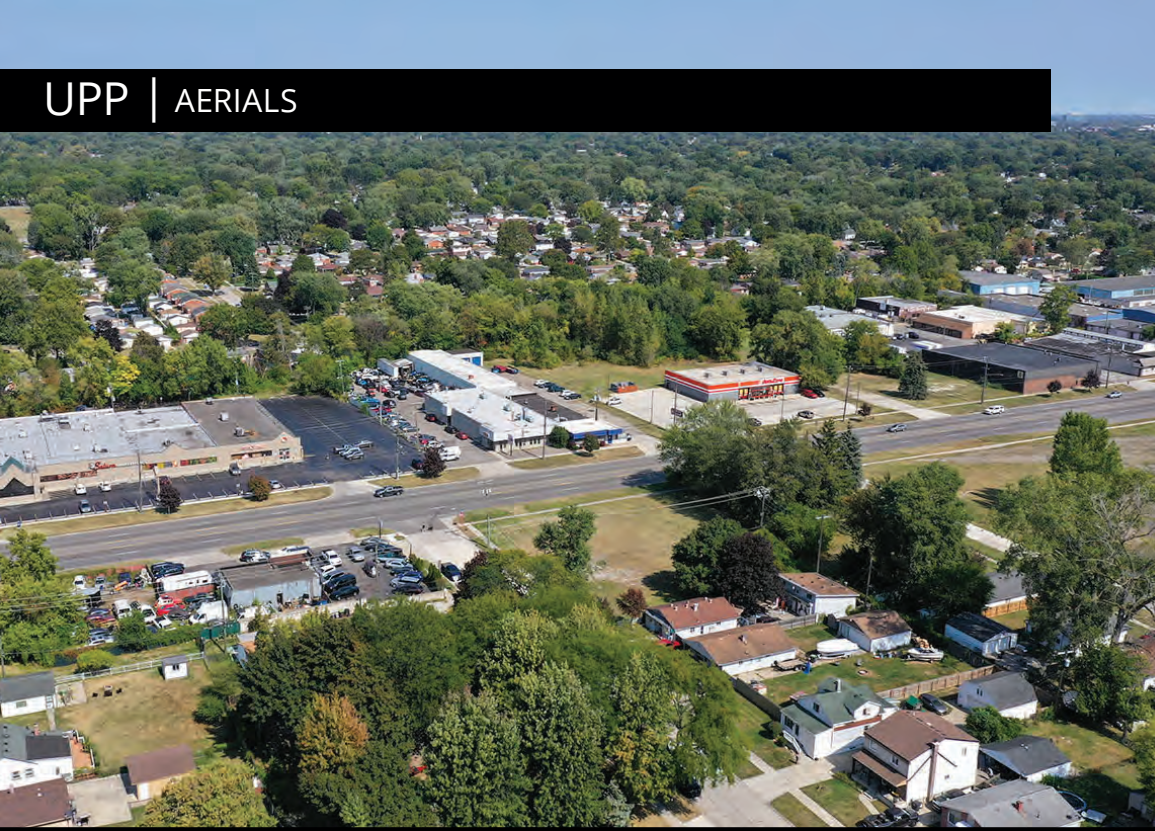


FLOOR PLAN

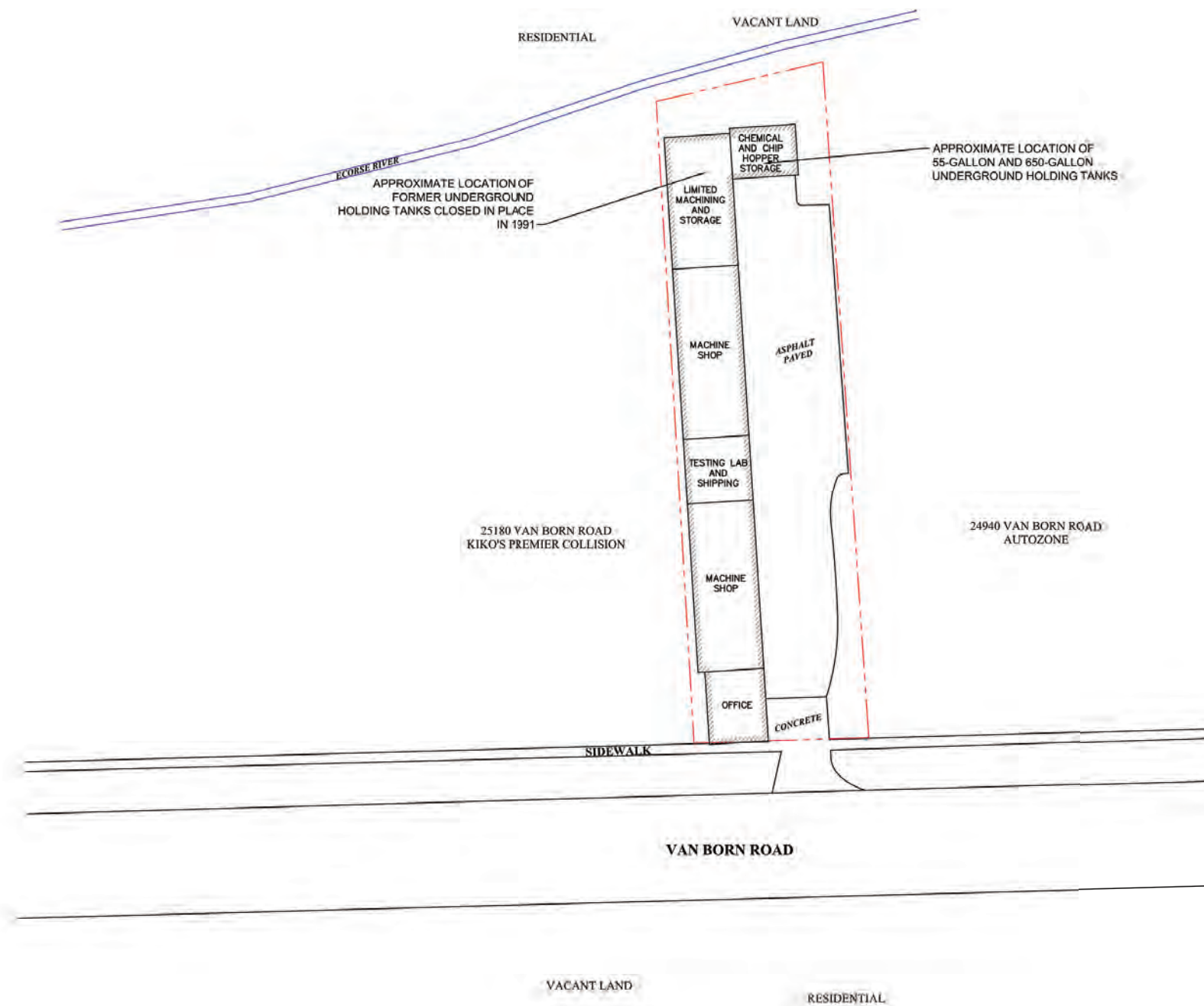


UPP | EXTERIOR PHOTOS





SITE PLAN



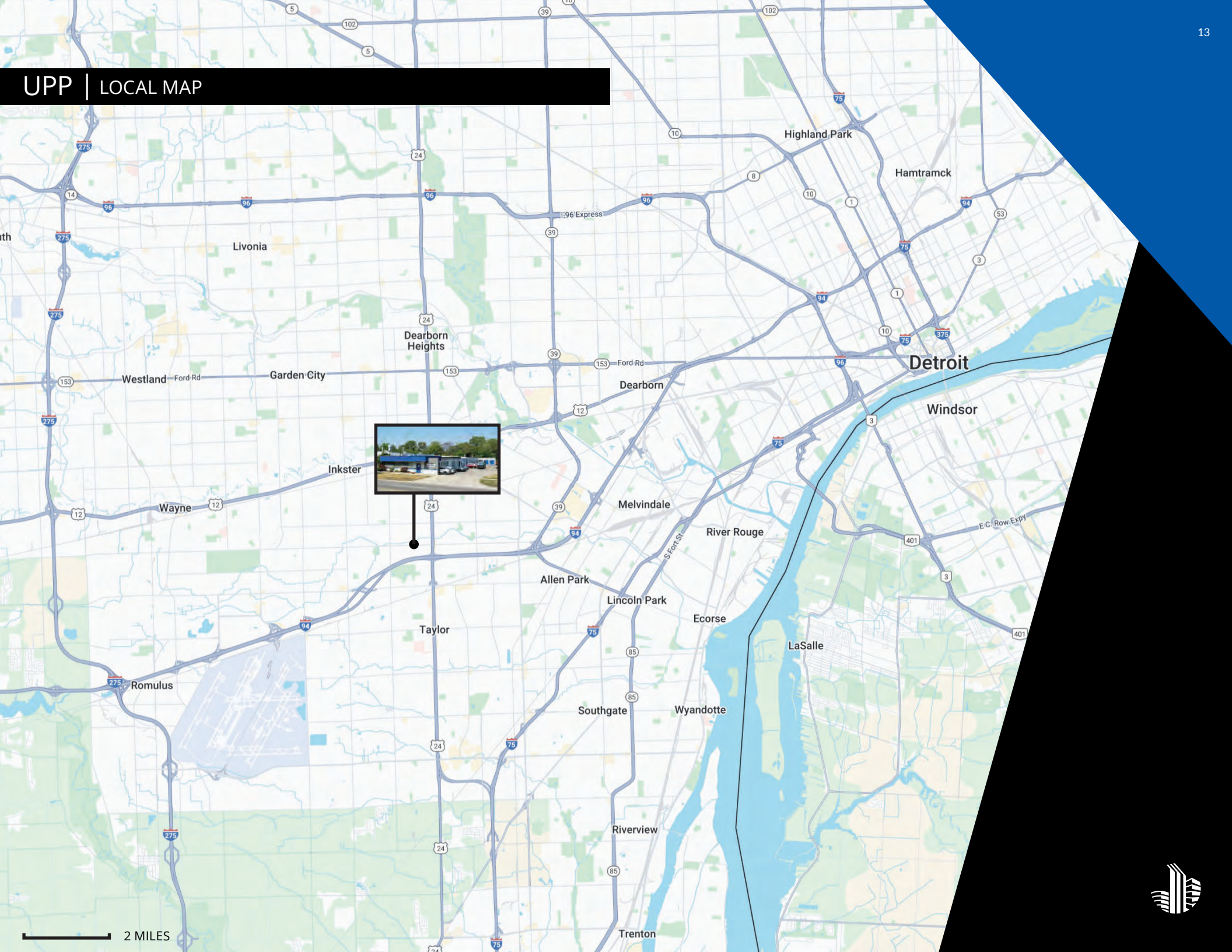
PARCEL BOUNDARY



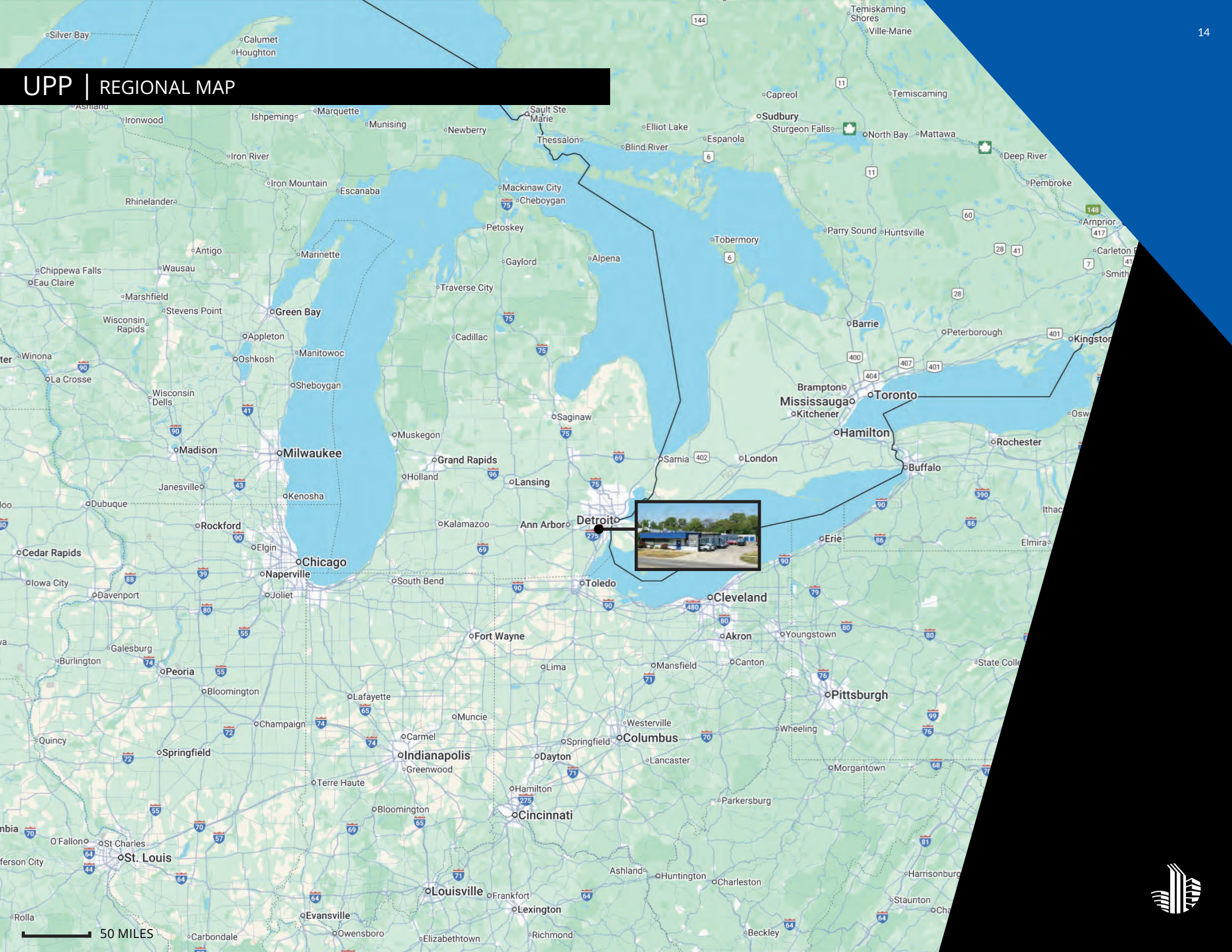
LOCAL AERIAL



UPP | LOCAL MAP



UPP | REGIONAL MAP



Located in the nation's fourteenth largest MSA with access to over four million residents, United Precision Products' facility sits five miles from the Detroit Metropolitan Airport and numerous major highways. Detroit's industrial space markets hit a significant speed bump in the first quarter, but even as the stark supply-demand imbalance has weighed on the market, Detroit's vacancy reading remains far below the U.S. average of 7.5%. In fact, the national vacancy measure has been higher than Detroit's by at least 220 basis points since the first quarter of 2024. The gap between the two is expected to remain elevated through 2026.

Detroit's industrial market should stabilize early next year, owing to a bounce back in tenant demand and easing supply-side pressure. Preliminary estimates of new leasing activity show that deals totaling 7.9 million SF were signed in the first six months of the year. That was 64% higher than last year's figure and the highest first-half tally since 2023. Historically, Detroit has not been susceptible to wild gyrations in rental performance. While many industrial markets across the country saw a pandemic-induced spike in asking rents, Detroit's rent growth peaked at 7.2% in early 2022, up from 5.1% at the end of 2019. While rent growth has cooled considerably to 2.8% in July, it remains above the national benchmark of 1.5%. Backstopped by improving space demand and a gradually depleting pipeline, the forecast anticipates rent growth to hover around current levels for the rest of the year.

The Detroit metro's industrial availability rate is 6.4% as of 25Q3, representing an 80-basis-point increase from last year. However, that's far below the U.S. average availability rate of 9.7%, which followed a roughly 90-basis-point rise. Property owners across Detroit are faring better than those in the largest industrial markets nationally. Twelve markets across the country have at least 400 million SF of inventory, and Detroit's availability rate is the lowest of the set. Detroit's industrial inventory expanded by just 3% relative to 2019 levels, helping to keep its current availability rate below long-term averages. Conversely, many of its peers saw supply growth in excess of 15% compared to 2019, weighing on fundamentals as availability rates push past 11% in places like Dallas-Fort Worth, Inland Empire, and Phoenix.

While the final numbers are still being tallied, the first half's leasing activity marks a 64% improvement from the comparable period last year. Additionally, 25Q1 was the first time new leasing volume eclipsed the five-million-SF mark since the third quarter of 2022 (6.0 million SF). With minimal competition from new space on the horizon, future demand headwinds should be more manageable for existing industrial owners in Detroit. Following a lackluster start to 2025, industrial sales activity across Detroit nearly doubled sequentially in the second quarter. Sales volume totaled over \$199 million between April and June, compared to \$110 million in the preceding period. As of July, sales volume on a trailing 12-month basis totaled \$658 million, with nearly a third coming from the Airport District and Central I-96 Corridor.

Midway through 2024, Detroit's economy continues recovering, with expectations for a recovery of the jobs lost during the pandemic early this year, after steady gains over the past few years. Detroit's economic recovery has gained strength and momentum over the past 12 months, with unemployment in the area at 3.8%. While the Detroit area is still known as the auto capital of the world, Michigan has been ranked fourth nationwide for high-tech employment. Economic recovery across Southeastern Michigan has been concentrated in suburban areas, which have outperformed core urban areas across multiple real estate class types. Even though urban areas have suffered from recent underperformance, many positive key economic drivers remain, which should aid in the recovery.

The Airport District is the second-largest industrial node in the Detroit metro, with 60.5 million SF. Over the past year, the Airport District has been the most heavily traded industrial node in the Detroit market, with \$83.5 million in sales volume. To be sure, the trailing measure is still boosted by a busy 24Q3, when over \$81 million changed hands. The subsequent two quarters were more subdued, with a combined \$24 million in sales, though a significant pick-up in buyer enthusiasm emerged during the second quarter of 2025.



DEMOGRAPHICS

10-MILE RADIUS

\$73,270

AVERAGE HH INCOME

\$151,931

MEDIAN HOME VALUE

878,130

TOTAL POPULATION

341,356

TOTAL HOUSEHOLDS

POPULATION SUMMARY






	1 MILE	5 MILES	10 MILES
2020 CENSUS	14,607	262,288	940,813
2024 ESTIMATE	13,313	240,078	878,130
2029 PROJECTION	12,803	231,154	849,139
2024-2029 GROWTH	-0.80%	-0.70%	-0.70%

HOUSEHOLDS

	1 MILE	5 MILES	10 MILES
AVERAGE HH INCOME	\$61,427	\$78,576	\$73,270
MEDIAN HOME VALUE	\$102,837	\$155,221	\$151,931
2024 TOTAL HOUSEHOLDS	5,285	94,584	531,356
2029 TOTAL HH ESTIMATE	5,082	91,064	329,910
2020-2024 HH GROWTH	-1.10%	-0.80%	-0.60%
2024-2029 HH GROWTH	-0.80%	-0.70%	-0.70%




LEASE COMPARABLES

UNITED PRECISION PRODUCTS

	ADDRESS	START DATE	SF LEASED/ AVAILABLE	NNN RENT	STATUS	CLASS	YEAR BUILT
	25040 VAN BORN ROAD DEARBORN HEIGHTS, MI 48125	-	14,979 SF	\$9.66	-	C	1953 1967 1981
	21439-21445 HOOVER ROAD WARREN, MI 48089	JUN 2025	20,000 SF	\$15.00	LEASED	C	1953
	2545 INDUSTRIAL ROW DRIVE TROY, MI 48084	AUG 2024	11,680 SF	\$15.00	LEASED	B	1967
	28567 HILDEBRANDT STREET ROMULUS, MI 48174	APR 2025	9,720 SF	\$12.35	LEASED	C	1979
	340 EXECUTIVE DRIVE TROY, MI 48083	OCT 2024	10,395 SF	\$11.00	LEASED	C	1977
	21430 COOLIDGE HIGHWAY OAK PARK, MI 48237	AUG 2022	10,624 SF	\$10.73	LEASED	C	1949
	1966 HEIDE DRIVE TROY, MI 48083	JUN 2023	14,000 SF	\$9.85	LEASED	B	1970

SALE COMPARABLES

UNITED PRECISION PRODUCTS

	ADDRESS	SALE DATE	SIZE	SALE PRICE	PSF	CLASS	YEAR BUILT
	25040 VAN BORN ROAD DEARBORN HEIGHTS, MI 48125	-	14,979 SF	\$1,810,000	\$120.84	C	1953 1967 1981
	12811 FARMINGTON ROAD LIVONIA, MI 48150	APR 2021	21,280 SF	\$4,200,000	\$197.37	C	1956
	30550 EIGHT MILE ROAD FARMINGTON HILLS, MI 48336	MAR 2024	18,286 SF	\$2,717,829	\$148.63	B	1964
	32301 DEQUINDRE ROAD MADISON HEIGHTS, MI 48071	OCT 2023	18,105 SF	\$2,587,000	\$142.89	C	1965
	13155 CLOVERDALE STREET OAK PARK, MI 48237	AUG 2023	9,198 SF	\$1,200,000	\$130.46	C	1960
	25225 EASY STREET WARREN, MI 48089	MAR 2021	10,444 SF	\$1,325,000	\$126.87	C	1954
	30600 W EIGHT MILE ROAD FARMINGTON HILLS, MI 48336	APR 2024	23,940 SF	\$3,020,123	\$236.15	C	1967

DISCLAIMER

The information contained in the following Investment Prospectus is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Kwekel Companies, and should not be made available to any other person or entity without the written consent of Kwekel Companies. This offering memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property(s). The information contained herein is not a substitute for a thorough due diligence investigation. Kwekel Companies has not made any investigation, and makes no warranty or representation, with respect to the size and square footage of the property(s) and improvements, the compliance with State and Federal regulations, the physical condition of the improvements thereon. The information contained in this overview has been obtained from sources we believe to be reliable; Kwekel Companies 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.

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