

SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



BRAND NEW 16-YEAR DEAL | NOVEMBER 2023 OPENING | ANNUAL RENTAL INCREASES



55th Street NW & Chateau Road NW

ROCHESTER MINNESOTA

ACTUAL SITE



EXCLUSIVELY MARKETED BY



JARED DAVIS

First Vice President

SRS National Net Lease Group

jared.davis@srsre.com

D: 949.698.1100 | M: 401.578.0928

610 Newport Center Drive, Suite 1500

Newport Beach, CA 92660

AZ License No. SA690135000

MATTHEW MOUSAVI

Managing Principal

SRS National Net Lease Group

matthew.mousavi@srsre.com

D: 949.698.1116 | M: 714.404.8849

610 Newport Center Drive, Suite 1500

Newport Beach, CA 92660

CA License No. 01732226

PATRICK R. LUTHER, CCIM

Managing Principal

SRS National Net Lease Group

patrick.luther@srsre.com

D: 949.698.1115 | M: 480.221.4221

610 Newport Center Drive, Suite 1500

Newport Beach, CA 92660

CA License No. 01912215

KYLE ZIMMER

Senior Associate

SRS National Net Lease Group

kyle.zimmer@srsre.com

D: 949.270.8221 | M: 858.361.8383

610 Newport Center Drive, Suite 1500

Newport Beach, CA 92660

CA License No. 02222176



Broker of Record: Daniel Boschwitz, KW Commercial | MN License No. 40358686



4

INVESTMENT SUMMARY

Offering Summary
Investment Highlights

7

PROPERTY OVERVIEW

Aerials
Site Plan
Location Map

15

AREA OVERVIEW

Demographics

18

FINANCIALS

Rent Roll
Pricing Summary
Brand Profile

PROPERTY PHOTO



INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, Take 5 investment property located in Rochester, Minnesota. The tenant, Ironside Operations, LLC recently signed a brand new 16 year lease with 4 (5-year) options to extend, demonstrating their commitment to the site. The lease features 2% annual rental increases throughout the initial term and at the beginning of each option period, steadily growing NOI and hedging against inflation. The lease is absolute NNN with zero landlord responsibilities making it an ideal, management free investment opportunity for a passive investor. The newly-constructed building that opened in Nov. 2023 features a state-of-the-art design with high-quality materials. Take 5 Oil Change® has more than 800 company-owned and franchised service centers throughout the United States and Canada.

The Take 5 is located at the signalized, hard corner intersection of Chateau Rd. NW and 55th St NW. The site benefits from direct on/off ramp access to U.S. Hwy 52 & 63, a major thoroughfare averaging over 61,000 vehicles per day. The asset is directly across from a Walmart Supercenter anchored center, providing consumer draw to the immediate area. Furthermore, the subject property is ideally situated in a dense retail corridor, with numerous nearby national/credit tenants including Sam's Club, Petco, Home Depot, Petsmart, Target, Culver's, Harbor Freight, McDonald's, Best Buy, Wendy's, and many more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure to the site. The 5-mile trade area is supported by over 86,000 residents and 177,000 employees, providing a direct consumer base from which to draw. Residents within a 1-mile radius of the subject property boast an affluent average household income of \$142,344.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Price	\$3,096,000
Net Operating Income	\$209,000
Cap Rate	6.75%
Guaranty	Personal Guaranty
Tenant	Ironside Operations, LLC
Lease Type	Absolute NNN
Landlord Responsibilities	None
Sales Reporting	No

PROPERTY SPECIFICATIONS

Rentable Area	1,750 SF (Est.)
Land Area	1.14 Acres
Property Address	55th Street NW & Chateau Road NW Rochester, Minnesota 55901
Year Built	2023
Parcel Number	TBD
Ownership	Fee Simple (Land & Building Ownership)

INVESTMENT HIGHLIGHTS



Brand New 16-Year Deal | Annual Rental Increases | Established Brand | New Construction

- The tenant recently signed a brand new 16-year lease with 4 (5-year) options to extend, demonstrating their long-term commitment to the site
- The lease features 2% annual rental increases throughout the initial term and at the beginning of each option period, steadily growing NOI and hedging against inflation
- Opened in November 2023
- The newly-constructed building features a state-of-the-art design with high-quality materials
- Take 5 Oil Change has more than 800 company-owned and franchised service centers throughout the United States and Canada

Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor

Strong Demographics in 5-Mile Trade Area | Six-Figure Incomes

- More than 86,000 residents and 177,000 employees support the trade area, providing a direct consumer base from which to draw
- An affluent average household income of \$142,344

Directly Across from Walmart Anchored Center | Dense Retail Corridor

- The asset is directly across from a Walmart Supercenter anchored center, providing consumer draw to the immediate area
- Furthermore, the subject property is ideally situated in a dense retail corridor, with numerous nearby national/credit tenants including Sam's Club, Petco, Home Depot, Petsmart, Target, Culver's, Harbor Freight, McDonald's, Best Buy, Wendy's, and many more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure to the site

Signalized, Hard Corner Intersection | U.S Hwy 52 & 63 | Excellent Visibility

- The asset is located at the signalized, hard corner intersection of Chateau Rd. NW and 55th St NW with a combined 26,200 vehicles passing by daily
- The site benefits from direct on/off ramp access to U.S. Hwy 52 & 63, a major thoroughfare averaging over 61,000 vehicles per day
- The asset has excellent visibility via significant street frontage

PROPERTY OVERVIEW



LOCATION



Rochester, Minnesota
Olmsted County
Rochester MSA

ACCESS



Villa Rd NW: 1 Access Point

TRAFFIC COUNTS



55th Street NW: 26,200 VPD
U.S. Highway 52 & 63: 61,000

IMPROVEMENTS



There is approximately 1,750 SF (Est.) of existing building area

PARKING



There are approximately 10 parking spaces on the owned parcel.
The parking ratio is approximately 5.71 stalls per 1,000 SF of leasable area.

PARCEL



Parcel Number: TBD
Acres: 1.14
Square Feet: 49,492

CONSTRUCTION



Year Built: 2023

ZONING



MX-N: Mixed Use Neighborhood Scale



HyVee

Epic

think BANK

23,800
VEHICLES PER DAY

SALLY.

PLATOS CLOSET

SportClips HAIRCUTS

BUFFALO WILD WINGS

Cosmo Prof.

AMERICA'S BEST CONTACTS & EYEGLASSES

MIDWEST INDOOR STORAGE

Kwik TRIP

AFFINITY PLUS FEDERAL CREDIT UNION

Lumen COFFEE

DISCOUNT TIRE

Firestone COMPLETE AUTO CARE

WELLS FARGO

TAKE 5 OIL CHANGE

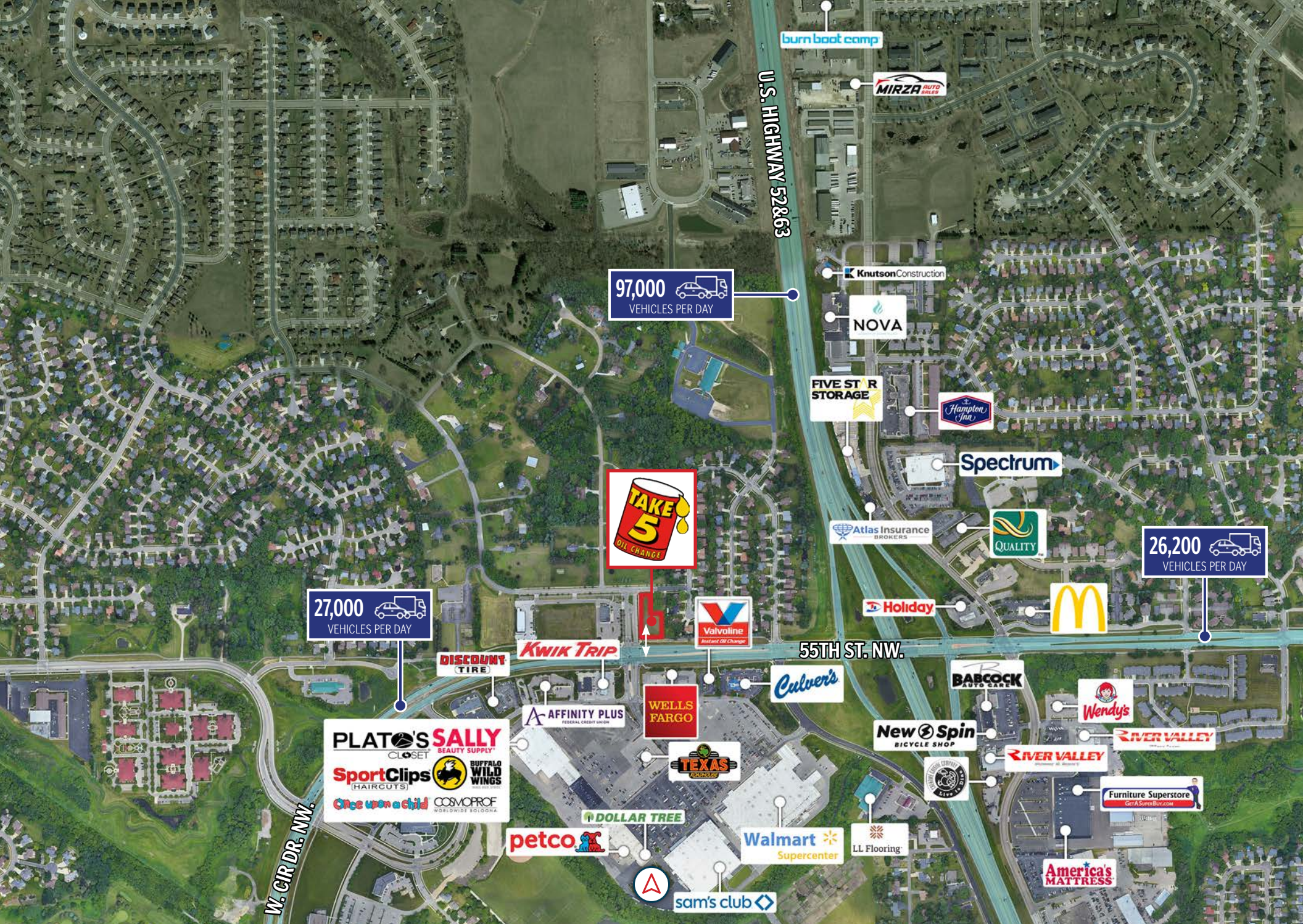
COMPCARE USED CARS

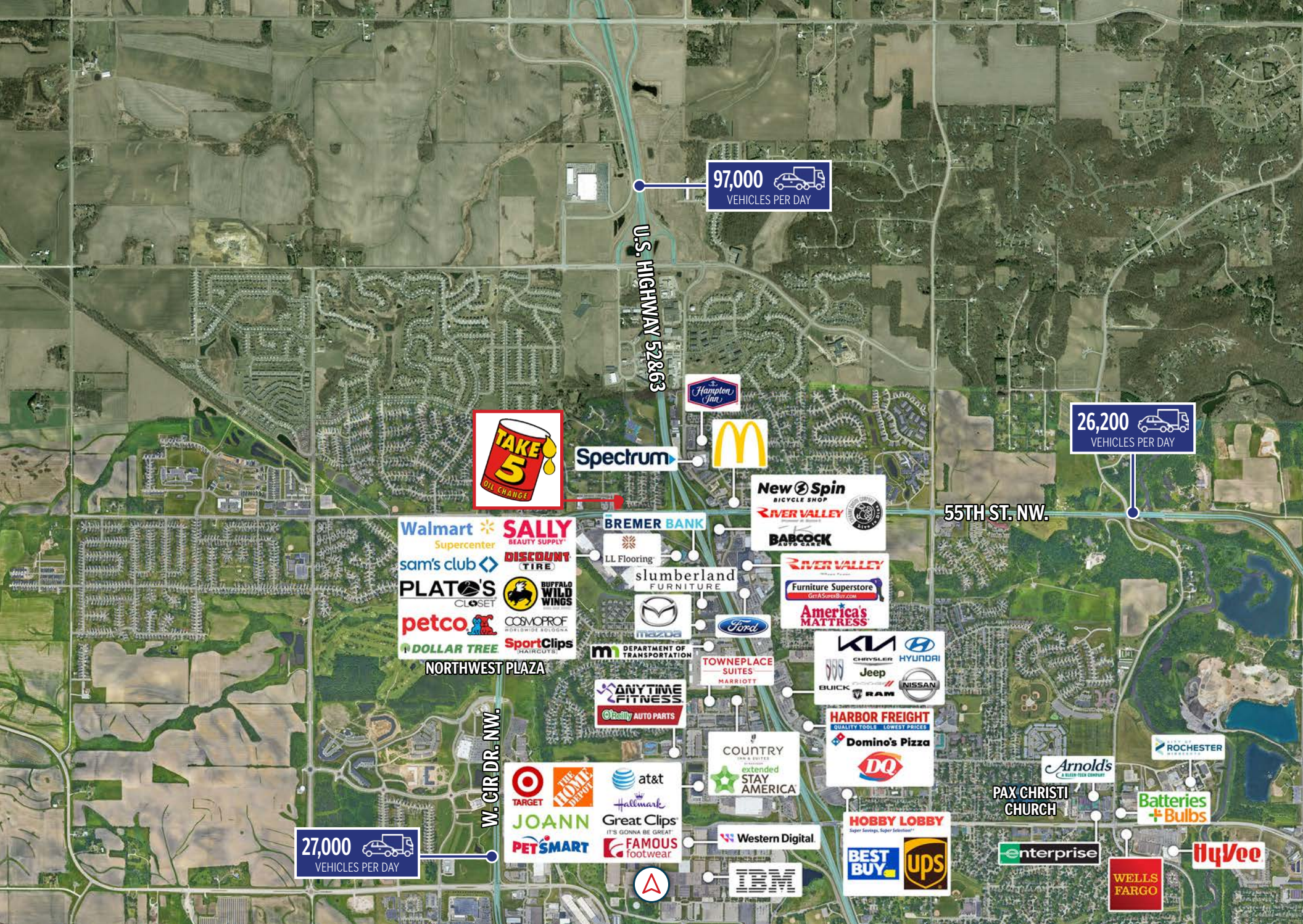
Valvoline

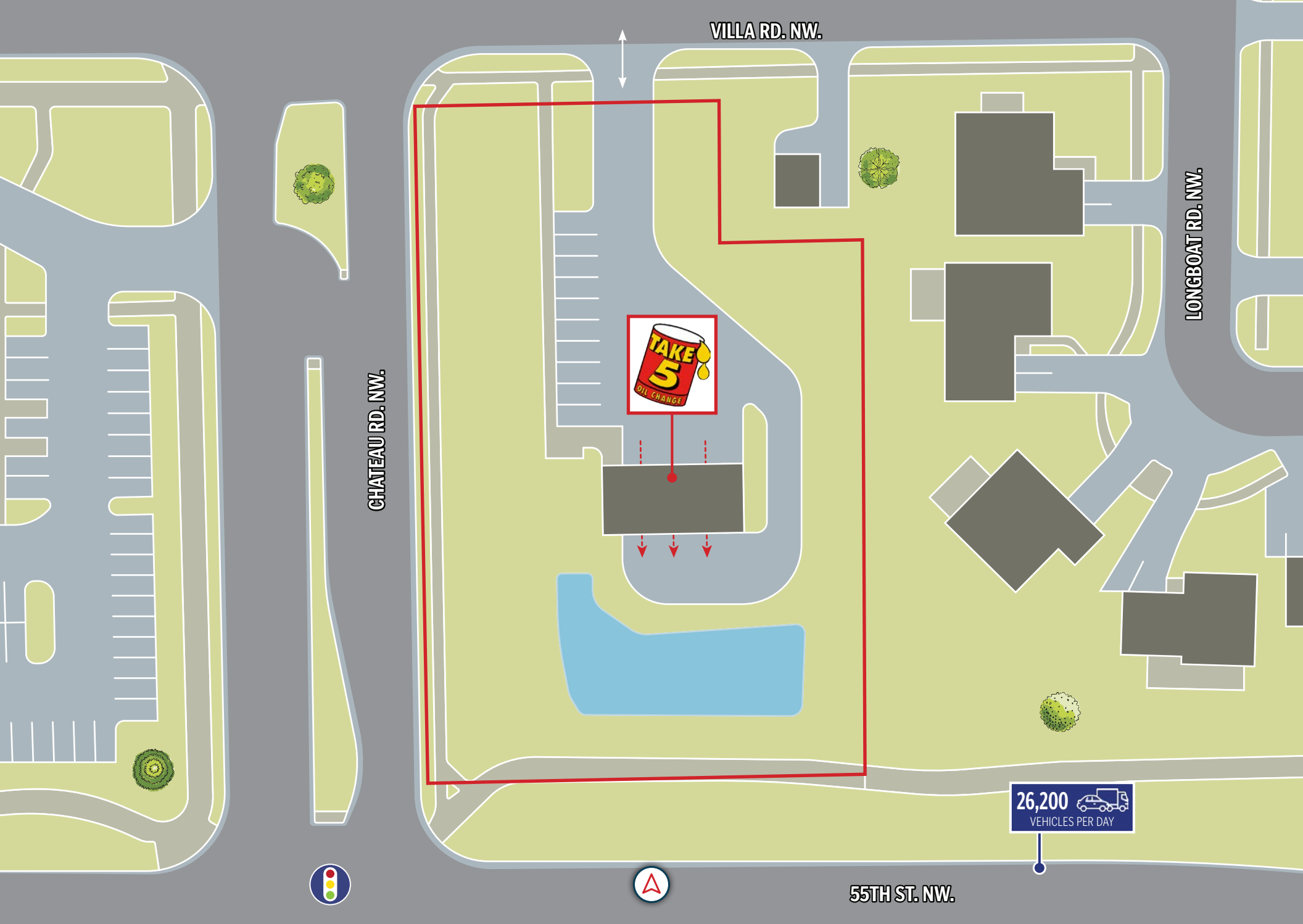
55TH ST. NW.

CHATEAU RD. NW.

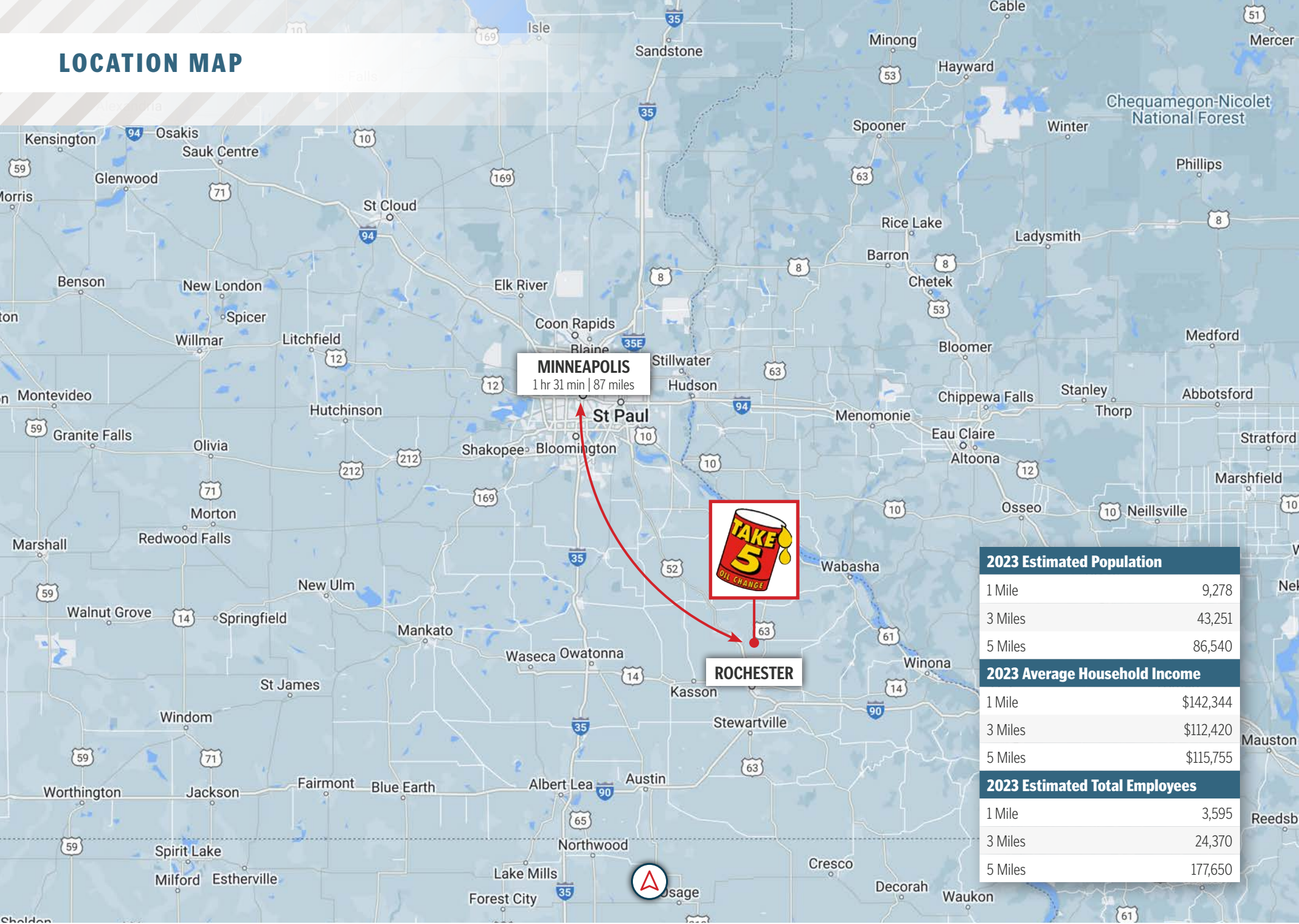








LOCATION MAP



MINNEAPOLIS
1 hr 31 min | 87 miles



ROCHESTER

2023 Estimated Population	
1 Mile	9,278
3 Miles	43,251
5 Miles	86,540
2023 Average Household Income	
1 Mile	\$142,344
3 Miles	\$112,420
5 Miles	\$115,755
2023 Estimated Total Employees	
1 Mile	3,595
3 Miles	24,370
5 Miles	177,650



ROCHESTER, MINNESOTA

The City of Rochester, incorporated on August 5, 1858, is located in the southeastern part of the State of Minnesota, which is considered to be one of the top growth areas in the state, and one of the top growth areas in the country. The City of Rochester is the 3rd largest city in Minnesota with a population of 125,341 as of July 1, 2023.

The third largest City in Minnesota, Rochester is located 78 miles southeast of Minneapolis and St. Paul. Rochester's strong economy is built around world-renowned health care, cutting-edge technology, agriculture and agribusiness. As home to the Mayo Clinic and IBM Rochester, the City has developed into an economic growth center and the cultural hub of southeastern Minnesota. Its many recreational and cultural activities draw people from southeastern Minnesota and northern Iowa.

The economy of Rochester is also influenced by the agricultural nature of the region. Seneca Foods has a processing plant in Rochester. There are multiple dairy producers such as Kemps that are active in the area. In addition, Kerry Flavours and Ingredients, a subsidiary of the global Irish company called Kerry Group, maintains a production plant in Rochester that specializes in fermented ingredients, found in breads, meats and other processed foods.

There are a multitude of attractions in Rochester. Heritage House, located in the city's 1856 Town Square Central Park, depicts the way of life of a middle class Midwestern family as it existed 100 years ago. The History Center of Olmsted County exhibits chronicling Rochester's story as a world leader in health care. The Mayo Clinic is itself a storied attraction, offering tours and a look behind the scenes of one of the world's premier health care facilities. The five-story Mayowood Mansion is the historic home of three generations of the Mayo family. The Quarry Hill Nature Center encompasses five miles of trails covering 270 acres.

Higher education in Rochester has been concentrated around the former University Center Rochester in the city's southeast outskirts, where Rochester Community and Technical College shares a campus with a branch of Winona State University.

AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
Population			
2023 Estimated Population	9,278	43,251	86,540
2028 Projected Population	9,925	45,558	89,554
2010 Census Population	7,764	36,284	75,197
Projected Annual Growth 2023 to 2028	1.36%	1.04%	0.69%
Historical Annual Growth 2010 to 2020	1.02%	1.37%	1.04%
Households & Growth			
2023 Estimated Households	3,280	17,199	36,692
2028 Projected Households	3,569	18,320	38,420
2010 Census Households	2,658	14,196	30,967
Projected Annual Growth 2023 to 2028	1.70%	1.27%	0.92%
Historical Annual Growth 2010 to 2020	1.22%	1.49%	1.24%
Race & Ethnicity			
2023 Estimated White	75.46%	73.42%	76.25%
2023 Estimated Black or African American	8.29%	11.04%	8.73%
2023 Estimated Asian or Pacific Islander	10.81%	9.10%	8.72%
2023 Estimated American Indian or Native Alaskan	0.25%	0.39%	0.40%
2023 Estimated Other Races	1.41%	2.33%	2.39%
2023 Estimated Hispanic	3.78%	5.47%	5.58%
Income			
2023 Estimated Average Household Income	\$142,344	\$112,420	\$115,755
2023 Estimated Median Household Income	\$106,759	\$82,546	\$81,803
2023 Estimated Per Capita Income	\$52,172	\$45,166	\$48,874
Businesses & Employees			
2023 Estimated Total Businesses	247	1,252	3,122
2023 Estimated Total Employees	3,595	24,370	177,650



RENT ROLL



Tenant Name	SF	LEASE TERM				RENTAL RATES				
		Lease Start	Lease End	Begin	Increase	Monthly	Annually	PSF	Cap Rate	Options
Ironsides Operations, LLC (Personal Guaranty)	1,750	Nov. 2023	16-Year Term	Year 1	-	\$17,417	\$209,000	\$119.43	5.75%	4 (5-Year)
	(Est.)			Year 2	2%	\$17,765	\$213,180	\$121.82	5.87%	-
				Year 3	2%	\$18,120	\$217,444	\$124.25	5.98%	-
				Year 4	2%	\$18,483	\$221,792	\$126.74	6.10%	
				Year 5	2%	\$18,852	\$226,228	\$129.27	6.22%	
				Year 6	2%	\$19,229	\$230,753	\$131.86	6.35%	
				Year 7	2%	\$19,614	\$235,368	\$134.50	6.48%	
				Year 8	2%	\$20,006	\$240,075	\$137.19	6.60%	
				Year 9	2%	\$20,406	\$244,877	\$139.93	6.74%	
				Year 10	2%	\$20,815	\$249,774	\$142.73	6.87%	

Blended Cap Rate: 6.30%

PROPERTY SPECIFICATIONS

Year Built	2023
Rentable Area	1,750 SF (Est.)
Land Area	1.14 Acres
Address	55th Street NW & Chateau Road NW Rochester, Minnesota 55901

FINANCIAL INFORMATION

Price	\$3,096,000
Net Operating Income	\$209,000
Cap Rate	6.75%
Lease Type	Absolute NNN



TAKE 5 OIL CHANGE

drivenbrands.com

Company Type: Subsidiary

Locations: 4,400+

Parent: Driven Brands, Inc.

2022 Employees: 11,000

2022 Revenue: \$2.03 Billion

2022 Net Income: \$43.19 Million

2022 Assets: \$6.50 Billion

2022 Equity: \$1.65 Billion

Credit Rating: S&P: B+

Established in 1984, Take 5 Oil Change® is a quick lube service featuring a unique drive-thru concept that allows customers to never leave the comfort of their car. The brand offers an on average 10-minute oil change service and ancillary services such as air filter replacement, wiper blade changes, and coolant exchanges. Take 5 Oil Change® has more than 800 company-owned and franchised service centers throughout the United States and Canada.

Source: take5.com finance.yahoo.com



THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM

of SRS Real Estate Partners

255+

RETAIL
PROFESSIONALS

25+

OFFICES

#1

LARGEST
REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

2.3K+

RETAIL
TRANSACTIONS
company-wide
in 2022

760+

NET LEASE
TRANSACTIONS
SOLD
in 2022

\$2.9B+

NET LEASE
TRANSACTION
VALUE
in 2022

This document has been prepared by SRS Real Estate Partners' National Net Lease Group (SRS) and has been approved for distribution by all necessary parties. Although effort has been made to provide accurate information, SRS and those represented by SRS make no guarantees, warranties, or representations as to the completeness of the materials presented herein or in any other written or oral communications transmitted or made available. Documents may have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither SRS or those represented by SRS represent that this document is all inclusive or contains all of the information you may require. Any financial projections and/or conclusions presented herein are provided strictly for reference and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in economic performance, local market conditions, economic and demographic statistics, or further business activities since the date of preparation of this document.

Recipients of this document are urged to undertake their own independent evaluation of the subject and/or asset(s) being shared in this document.

[SRSRE.COM/NNLG](https://www.srsre.com/nnlg)