

BRICKWORKS SUPPLY

3401 MT. VERNON AVE, EVANSVILLE, IN



IOS INDUSTRIAL PROPERTY | SINGLE-TENANT | (9) YEAR LEASE TERM | NN LEASE



INDUSTRY
REAL ESTATE PARTNERS

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THE TERMS AND CONDITIONS SET FORTH ABOVE APPLY TO THIS OFFERING MEMORANDUM IN ITS ENTIRETY.



INDUSTRY
REAL ESTATE PARTNERS

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01



EXECUTIVE SUMMARY

INVESTMENT SUMMARY

PROPERTY OVERVIEW

INVESTMENT SUMMARY

LOCATION:	3401 MT VERNON AVE., EVANSVILLE, IN
SITE SIZE:	4.90 ACRES
USABLE SIZE:	3.50 ACRES
BUILDING TO LAND RATIO (SF):	3%
BUILDING SF:	17,360 SF (2 BUILDINGS)
OFFICE SF:	1,399 SF
OCCUPANCY:	100%
# TENANTS:	ONE (1)
YEAR BUILT:	1976
ZONING:	M3 - INDUSTRIAL
TENANT:	BRICK WORKS SUPPLY- WHOLLY OWNED SUBSIDIARY OF BRICKWORKS AU, A \$2.8 BILLION COMPANY
EXPENSES:	NN- LANDLORD HAS RESPONSIBILITY FOR EXTERIOR AND STRUCTURE
REMAINING LEASE TERM:	NINE (9) YEARS / REMAINING (10 YR LEASE)

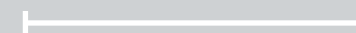
YR 1 NOI:

\$242,700



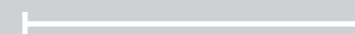
LEASE TERM:

NINE (9) YEARS



ANNUAL LEASE ESCALATIONS:

3.0%



PRICE:

\$2,623,800



















CAP RATE:

9.25%

PROPERTY OVERVIEW

3401 MT VERNON AVE.,
EVANSVILLE, IN

	YEAR BUILT	1976
	TOTAL ACREAGE	4.90 ACRES
	EST. USABLE ACREAGE	3.50 ACRES
	BUILDING/SITE COVERAGE	9%
	FENCE	NO
	ENTRY GATE	YES
	BUILDING SIZE	TWO (2) BUILDINGS FOR TOTAL OF 17,360 SF
	OFFICE AREA SF	1,399

	WAREHOUSE SF	15,961
	CLEAR HEIGHT	22' (WAREHOUSE)
	EXTERIOR WALLS	BRICK AND METAL
	DI DOORS	TWO (2)
	ROOF	FLAT RUBBER OVER OFFICE AND METAL OVER WAREHOUSE
	FOUNDATION	POURED CONCRETE
	OUTSIDE STORAGE AREA	ASPHALT
	ZONING	M3- INDUSTRIAL

NOTES:
INFILL SITE WITH HEAVY RESIDENTIAL MIX- JUST WEST OF DOWNTOWN EVANSVILLE



BRICKWORKS
SUPPLY CENTER

BEER WESTSIDE LIQUOR

LIQUOR



IOS (INDUSTRIAL OUTSIDE STORAGE) OVERVIEW

INDUSTRIAL OUTDOOR STORAGE (IOS) OVERVIEW

Industrial Outdoor Storage (IOS) properties are low building coverage, industrial zoned sites used primarily for their land to serve a broad range of industrial purposes - including fleet parking, heavy equipment and machinery storage, equipment rentals, truck maintenance, and building supply storage

- . IOS is a specialized sub-sector of Industrial properties
- . Outdoor & land areas are often more critical to the tenant than the building
- . Building improvements are usually between 5% to max of 20% of total land square footage
- . Minimal ongoing capital investment required and often able to lease as is
- . Diverse and creditworthy tenant base

IOS OWNERSHIP

86%



NON-
INSTITUTIONAL
OWNERS

14%



INSTITUTIONAL
OWNERS

IOS OUTLOOK

Highly Constrained Supply

- New Supply is blocked by zoning and entitlement issues
- Many Municipalities have removed Industrial land from their counties and will not allow sites to be "re-zoned" for IOS use
- Limited suitable and available land
- Existing stock of sites is decreasing

"THERE IS APPROXIMATELY ZERO
NET NEW SUPPLY OF IOS SITES
NEAR LOGISTICS NODES."

**GREEN STREET REALTY RESEARCH,
APRIL 2023**



Sustained & Diverse Demand

- Trucks and Trailers in the US lack parking
- Trucks and Trailers on US Roads are increasing as supply chains evolve
- US imports are increasing to East coast and Midwest - which is increasing the surrounding storage requirements
- IOS Demand is highly diverse - including rental equipment companies, roofing supply, lumber yards, pipe yards, concrete yards, general building supply yards, etc.





FINANCIAL OVERVIEW & LEASE SUMMARY

LEASE ABSTRACT

Tenant:	Brickworks, LLC
Total Acres:	4.38
Total Square Feet:	Two (2) Buildings, One (1) approximately 1,384 SF and One (1) approximately 7,449 SF
Rent Commencement:	May-19-2023
Lease Expiration:	June-1-2033
Renewal Option:	Two (2), five (5) year options to renew. Tenant must deliver a written notice exercising binding renewal on or before, but not later than ninety (90) days prior to the then-current Expiration Date. Each Extended Term shall be on the same terms, covenants, and conditions of the Lease, with fixed three percent (3%) annual increases on the in place Base Rent.

OPERATING EXPENSES:

- NN
- Tenant responsible for taxes, insurance

MAINTENANCE AND REPAIRS

Tenant's Maintenance. Tenant, at its expense, shall keep and maintain the Premises (including, but not limited to, (i) doors, (ii) loading docks, (iii) hoists and cranes, (iv) interior and exterior windows (Tenant shall promptly replace any broken glass with glass of the same kind, size and quality), (vi) interior walls and interior portions of exterior walls, (vii) ceilings, (viii) floors, (ix) utility meters, (x) pipes and conduits located inside and outside of the Building, and (xi) HVAC, electrical, lighting (including, without limitation, all light fixtures, tubes, bulbs and ballasts), plumbing and fire protection and other units, systems, and equipment located inside or on (or exclusively serving) the Premises) in substantially the condition identified on Exhibit C attached hereto, reasonable wear and tear excepted. Tenant shall perform all maintenance, repairs or replacements in a good, workmanlike and lien-free manner, using only new, good-grade materials and in accordance with all applicable Laws.

Landlord's Maintenance. Landlord, at Landlord's sole cost and expense, shall maintain, repair, and replace the structural soundness of the roof, foundation, and exterior structural walls of the Building in good and sanitary condition, working order and repair, reasonable wear and tear excluded. Landlord shall also, at Landlord's sole cost and expense: (i) maintain, repair, and replace the roof membrane, exterior areas of and surrounding the Building, including, without limitation, driveways, alleys, paved areas, parking areas, landscape and grounds surrounding the Building.

** This lease abstract is not intended to be an entire outline of the lease. If you have any additional questions or would like to see the lease documents, please let us know.*



UNDERWRITING ASSUMPTIONS

General Assumptions

Analysis Period			
Commencement Date	Sep-24		
End Date	Aug-34		
Term	11 years		
Building Area			
Total Building SF	17,360		
Occupied SF	17,360	100%	
Available SF	-	0%	
Usable Site Area (Acres)			
	4.38		
Growth Rates			
Expense Inflation	3.00%		
General Inflation	3.00%		
Market Rent Inflation			
Annual rate	3.00%		
General Vacancy Loss	3.00%		
Capital Reserve	\$3,000/YR		

OPEX / Expense Assumptions (Year 1)

1. RE Taxes	\$3,264	\$0.19	psf
2. Insurance	\$31,102	\$1.79	psf
3. Capex & Maintenance	\$6,600	2.00%	of EGR
Total	\$40,966	\$2.36	psf

Market Leasing Assumptions

	Industrial MLA
Market Rate/AC/MO	\$5,885.00
Future Base Rent Escalations	3.00%
Lease Term (Months)	60 months
Expense Reimbursement	NNN
Rent Abatements	
New	0 months
Renewal	0 month
Tenant Improvements	
New	\$0.00 PSF
Renewal	\$0.00 PSF
Leasing Commissions	
New	6.00%
Renewal	4.00%
Downtime	6 months
Retention Ratio	70%

Valuation Notes

Remaining Term for the Property is 8.75 years as of Sept 1, 2024

- Analysis Real Estate Taxes come from the actual 2023 tax bill and escalated at 3.0% annually

- See lease abstract for additional lease details

CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	Aug-25	Aug-26	Aug-27	Aug-28	Aug-29	Aug-30	Aug-31	Aug-32	Aug-33	Aug-34	Aug-35
Rental Revenue											
Potential Base Rent	\$249,293	\$256,772	\$264,475	\$272,409	\$280,582	\$288,999	\$297,669	\$306,599	\$313,135	\$314,673	\$324,113
Absorption & Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$36,193	\$0	\$0
Scheduled Base Rent	\$249,293	\$256,772	\$264,475	\$272,409	\$280,582	\$288,999	\$297,669	\$306,599	\$276,942	\$314,673	\$324,113
Total Rental Revenue	\$249,293	\$256,772	\$264,475	\$272,409	\$280,582	\$288,999	\$297,669	\$306,599	\$276,942	\$314,673	\$324,113
Other Tenant Revenue											
Total Expense Recoveries	\$34,366	\$35,397	\$36,459	\$37,552	\$38,679	\$39,839	\$41,035	\$42,266	\$43,534	\$44,840	\$46,185
Total Other Tenant Revenue	\$34,366	\$35,397	\$36,459	\$37,552	\$38,679	\$39,839	\$41,035	\$42,266	\$43,534	\$44,840	\$46,185
Total Tenant Revenue	\$295,899	\$304,776	\$313,919	\$323,337	\$333,037	\$343,028	\$353,319	\$363,919	\$329,090	\$375,483	\$386,748
Potential Gross Revenue	\$295,899	\$304,776	\$313,919	\$323,337	\$333,037	\$343,028	\$353,319	\$363,919	\$329,090	\$375,483	\$386,748
Effective Gross Revenue	\$295,899	\$304,776	\$313,919	\$323,337	\$333,037	\$343,028	\$353,319	\$363,919	\$329,090	\$375,483	\$386,748
Operating Expenses											
Taxes	\$3,264	\$3,362	\$3,463	\$3,567	\$3,674	\$3,784	\$3,897	\$4,014	\$4,135	\$4,259	\$4,387
Insurance	\$31,102	\$32,035	\$32,996	\$33,986	\$35,005	\$36,056	\$37,137	\$38,251	\$39,399	\$40,581	\$41,798
Capex + Maintenance	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428	\$7,651	\$7,881	\$8,117	\$8,361	\$8,612	\$8,870
Total Operating Expenses	\$46,606	\$48,004	\$49,444	\$50,927	\$52,455	\$54,029	\$55,650	\$57,319	\$59,039	\$60,810	\$62,634
Net Operating Income	\$242,693	\$249,974	\$257,473	\$265,197	\$273,153	\$281,348	\$289,788	\$298,482	\$268,582	\$306,062	\$315,243
Leasing Costs											
Leasing Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,250	\$0	\$0
Total Leasing Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,250	\$0	\$0
Total Leasing & Capital Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,250	\$0	\$0
Cash Flow Before Debt Service	\$242,693	\$249,974	\$257,473	\$265,197	\$273,153	\$281,348	\$289,788	\$298,482	\$189,332	\$306,062	\$315,243
Cash Flow Available for Distribution	\$242,693	\$249,974	\$257,473	\$265,197	\$273,153	\$281,348	\$289,788	\$298,482	\$189,332	\$306,062	\$315,243





TENANT OVERVIEW

ABOUT BRICKWORKS SUPPLY

Delivering the building blocks to your success.

A wholly owned division of Brickworks Limited – an Australian based conglomerate with a market capitalization of over \$2.8B, Brickworks Supply is now one of the nation’s largest brick, stone, landscape and masonry supply companies, Brickworks Supply Center serves their customers by staying true to their core values—Including:

- Only Quality Materials - They offer the most comprehensive, competitively priced, selection of brick, natural and manufactured stone, landscaping and masonry supplies from the largest and most respected manufacturing partners in the U.S. That means we deliver more choices to you.
- Superior Service - With 24 locations throughout the country, their team of experts will promptly and professionally cater to your project needs, with product supply at the ready.
- Timely Delivery - Their centrally located Transportation, Dispatch and Customer Service departments ensure reliable delivery, keeping jobs on schedule and projects moving forward.



THE FOCUS HAS ALWAYS BEEN ON DELIVERING THE BEST.

Brickworks Supply locations have been providing brick and masonry products to market for decades.

Providing all the materials and tools needed for a successful projects has always been a priority. Today, they are one of the largest networks of brick and masonry supply companies in the U.S. Their strategically located Transportation, Dispatch and Customer Service centers ensure convenient service and reliable delivery to all of their customers.

Your dedicated single source supplier

Brickworks Supply Center supplies hardscape and landscape products and continues to add new products in this category each year. Additionally, they carry lines of metal siding, thin brick panel systems, outdoor living products, and all supporting products like mortar, adhesives and more to button up any job.



BRICKWORKS SUPPLY OVERVIEW:



Market Leadership across all of their products for key states across Northeast, Midwest, and Mid-Atlantic regions of the U.S.



934
total employees



8
manufacturing plants



26
company operated
distribution outlets



FY 2023 Revenues of
\$296M with FY 2023
EBITDA of \$27M





AREA OVERVIEW

EVANSVILLE, INDIANA

Located in the southwestern corner of the state, is a vibrant city with a rich history, diverse culture, and a range of attractions for residents and visitors alike. Here's an overview of the area:



HISTORY: Evansville has a storied past, initially inhabited by various Native American tribes before European settlers arrived in the late 18th century. It grew rapidly in the 19th century due to its strategic location on the Ohio River, becoming a hub for shipping, trade, and industry.

ECONOMY: Historically, Evansville's economy has been driven by manufacturing, particularly in industries like automotive, steel, and appliances. Today, it boasts a more diversified economy with sectors like healthcare, education, and logistics playing significant roles.

CULTURE: The city has a vibrant cultural scene, with numerous museums, art galleries, theaters, and music venues. The Evansville Museum of Arts, History, and Science, Mesker Park Zoo & Botanic Garden, and the Victory Theatre are among the city's cultural highlights.

EDUCATION: Evansville is home to several institutions of higher education, including the University of Evansville, University of Southern Indiana, and Ivy Tech Community College. These institutions contribute to the city's intellectual and cultural vibrancy.



SPORTS: Evansville has a passionate sports community, with college athletics being a focal point. The University of Evansville Purple Aces compete in NCAA Division I sports, while the Evansville Otters play minor league baseball. High school sports also enjoy a strong following.



RECREATION: Outdoor enthusiasts can enjoy the city's parks, green spaces, and recreational facilities. The Evansville riverfront offers opportunities for boating, fishing, and leisurely strolls along the Ohio River. Wesselman Woods Nature Preserve provides a serene escape within the city limits.



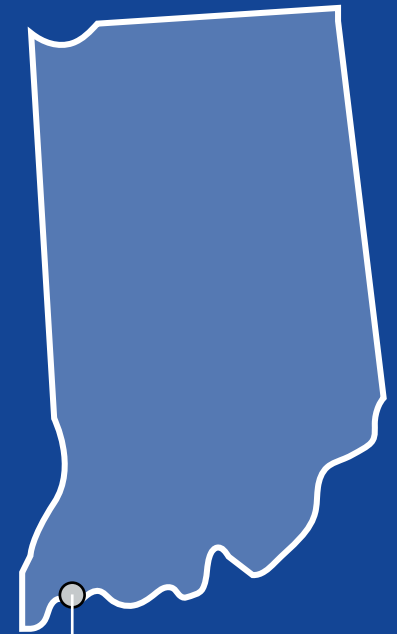
COMMUNITY EVENTS: Throughout the year, Evansville hosts various community events and festivals, celebrating everything from arts and culture to food and music. The West Side Nut Club Fall Festival is one of the largest street festivals in the nation, drawing crowds from across the region.



INFRASTRUCTURE: Evansville benefits from a well-developed infrastructure, including a network of highways, public transportation options, and healthcare facilities. The city is served by Evansville Regional Airport, providing convenient air travel connections.



QUALITY OF LIFE: With its affordable cost of living, strong sense of community, and range of amenities, Evansville offers residents a high quality of life. The city's friendly atmosphere and Midwestern charm contribute to its appeal as a place to live, work, and raise a family.



EVANSVILLE, INDIANA

Overall, Evansville, Indiana, combines its industrial heritage with modern amenities, cultural offerings, and natural beauty, making it a dynamic and welcoming city in the heart of the Midwest.

MARKET OVERVIEW - EVANSVILLE INDUSTRIAL



12 Mo Deliveries in SF
192K



12 Mo Net Absorption in SF
239K



Vacancy Rate
2.0%



Market Asking Rent Growth
3.9%

Early in 2024, industrial vacancy of 1.4% in the Evansville industrial market has compressed by approximately 70 basis points over the past 12 months and is sitting just above the all-time low of 1.2% set late last year during 23Q4. This vacancy reduction in Evansville is a healthy performance, considering the national vacancy average increased by 190 basis points over the same period to 6%. Solid absorption of 340,000 SF helped tighten vacancy in the area, while there were no deliveries over the past year. Meanwhile, only 100,000 SF is under construction, which should present no supply-side threat to fundamentals over the near term, as the amount underway is less than 1% of the area's current inventory. Logistics space is the most common

subtype within this market, with 23.4 million SF, followed by 14.3 million SF of specialized space and 5.2 million SF of flex space.

Rents are around \$5.80/SF, a 3.8% increase from this time last year. For context, over the past five years, rents here have increased by a cumulative 28.8%. Despite the recent increases, this is a structurally inexpensive market, with average rents far below the national average of \$11.90/SF. Flex rents are the highest, with average rents around \$9.10/SF, while logistics rents are the least expensive, at around \$5.20/SF.

Development continues in the area, with 100,000 SF underway, composed entirely of specialized property space. The amount underway represents

an inventory expansion of less than 1%, so there should be no supply-side pressures on market fundamentals in the near term. But this market is used to developmental activity, with roughly 560,000 SF delivered here over the past five years.

There were 42 recorded sales transactions over the past year, with sales among this cohort averaging around \$43/SF. Sales of specialized properties had the highest volume over the past year, with just over \$10 million worth of assets changing hands. Over the past five years, there have been 270 sales, which have traded for approximately \$935 million. The market cap rate for Evansville is 8%, moderately below its trailing three-year average of 10.8%.

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