Commercial Equities Group
Investment Real Estate Services

EXCLUSIVE OFFERING MEMORANDUM

EXCLUSIVE INVESTMENT OFFERING

MULTI-TENANT OFFICE / FLEX · 43,080 SF ± · OFF I-35W AT 106TH ST EXIT

10740 Lyndale Ave S

BLOOMINGTON, MINNESOTA 55420

$4,800,000 | 43,080 SF ± | 7.15% CAP RATE | NOI $343,131 | 92.8% OCCUPIED | SDVOSB BROKER

ASKING PRICE	NET OPERATING INCOME	CAP RATE	WALT
$4.8M	$343K	7.15%	2.2yr
$111.42 / SF	Actual Trailing 12 Months	NOI ÷ Ask Price	Near-Term Renewal Opportunity

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BRIAN POTRATZ
BROKER · COMMERCIAL EQUITIES GROUP · AT CEG, WE KNOW SPACE

SDVOSB

brian@cegspaces.com 612-269-7401 · cegspaces.com

10740 LYNDALE AVE S · BLOOMINGTON, MN — MAIN ENTRANCE · DIRECTLY OFF I-35W AT 106TH ST

01 INVESTMENT HIGHLIGHTS

$619K
GROSS INCOME

$343K
NOI (T-12)

92.8%
OCCUPANCY
26 of 27 units

2.2yr
WALT
26 months remaining

STABILIZED ASSET — IMMEDIATE VALUE-ADD OPPORTUNITY AT RENEWAL

10740 Lyndale Avenue South is a 43,080 SF multi-tenant office/flex building located directly off I-35W at the 106th Street exit in Bloomington — 5 minutes from MSP Airport, 8 minutes from Mall of America. The property is 92.8% occupied across 26 active tenants, generating $619,371 in gross annual income and a trailing-12 NOI of $343,131. With a WALT of just 2.17 years, a new owner will have the opportunity to renegotiate a meaningful portion of the portfolio's lease structures in the near term.

LOCATION & ACCESS

ATTRIBUTE	DETAIL
Address	**10740 Lyndale Ave S**
I-35W / 106th St Exit	**≈ 0.3 miles**
I-494	~1.5 miles
MSP Airport	~5 minutes
Mall of America	~8 minutes
Minneapolis CBD	~15 minutes

PROPERTY PROFILE

ATTRIBUTE	DETAIL
Building SF	**43,080 SF ±**
Total Units	27 (26 occupied)
Year Built / Renov.	1979 / 2014
Lot Size	3.26 Acres
Zoning	I-2 / C-4
Parcel ID	03-027-24-23-0013

02 FINANCIAL SUMMARY — TRAILING 12 MONTHS

INCOME

INCOME CATEGORY	ANNUAL AMOUNT	% OF TOTAL
Total Rental Income	$516,703.43	83.4%
Total Expense Income (Tenant Recoveries)	$102,668.00	16.6%
TOTAL GROSS INCOME	**$619,371.43**	**100.0%**

OPERATING EXPENSES

EXPENSE CATEGORY	ANNUAL AMOUNT	PER SF	% OF EXPENSE
Property Taxes	$114,664.06	$2.66	41.5%
Property Management	$30,968.57	$0.72	11.2%
Electric	$25,179.27	$0.58	9.1%
Insurance	$21,270.51	$0.49	7.7%
HVAC	$17,589.52	$0.41	6.4%
Janitorial	$15,980.91	$0.37	5.8%
Snow Removal	$12,851.02	$0.30	4.7%
Gas	$11,313.79	$0.26	4.1%
Garbage	$9,431.30	$0.22	3.4%
Water / Sewer	$7,291.15	$0.17	2.6%
Lawn / Grounds	$6,021.48	$0.14	2.2%
Phone	$2,125.05	$0.05	0.8%
Pest Control	$953.60	$0.02	0.3%
Fire / Life Safety	$600.00	$0.01	0.2%
TOTAL OPERATING EXPENSES	**$276,240.23**	**$6.41**	**100.0%**
NET OPERATING INCOME (NOI)	**$343,131.20**	**$7.96 / SF**	**–**

44.6%
EXPENSE RATIO

$6.41
EXPENSE / SF

$7.96
NOI / SF

03 RENT ROLL ANALYTICS & LEASE STRUCTURE

26	92.8%	2.17yr	$15.67
ACTIVE TENANTS	OCCUPANCY	WALT	AVG RENT / SF
1 vacant (3,102 SF)	40,045 / 43,147 SF	As of April 2026	Occupied units

LEASE STRUCTURE MIX

FULL SERVICE / GROSS

63.7%

14 units · 21,183 SF
$355,762 ann. rent
Owner absorbs all operating expenses

MODIFIED GROSS

13.8%

5 units · 5,535 SF
$95,296 ann. rent
Expense stops / partial pass-throughs

TRIPLE NET (NNN)

22.5%

4 units · 9,015 SF
$112,829 ann. rent
Tenant pays all operating expenses

LEASE TYPE SUMMARY

LEASE TYPE	UNITS	SF	% OF OCC. SF	ANNUAL RENT	% OF RENT	AVG $/SF
FULL SERVICE / GROSS	14	21,183	52.9%	$355,762	56.7%	$16.79
MODIFIED GROSS	5	5,535	13.8%	$95,296	15.2%	$17.22
TRIPLE NET (NNN)	4	9,015	22.5%	$112,829	18.0%	$12.52
UNCLASSIFIED / FULL SERVICE	3	4,312	10.8%	$63,517	10.1%	$14.73
TOTAL OCCUPIED	**26**	**40,045**	**100%**	**$627,404**	**100%**	**$15.67**

LEASE EXPIRATION SCHEDULE — % OF OCCUPIED SF

Data as of April 9, 2026. WALT of 2.17 years calculated on occupied units. "Full Service / Gross" classification includes leases tagged Full Service and Gross. One unit (16W, 3,102 SF) is vacant-unrented. Coffee & Tea by Lee (GW, 1,188 SF) is in eviction proceedings; included in occupancy per property records but excluded from WALT. Unclassified units carry Full Service terms per standard building lease form.

04 VALUATION & VALUE-ADD OPPORTUNITY

PRICING SUMMARY

METRIC	VALUE
Asking Price	**$4,800,000**
Price Per SF	$111.42 / SF
Total Gross Income	$619,371.43
Total Operating Expenses	$276,240.23
Net Operating Income	**$343,131.20**
Cap Rate @ Ask	**7.15%**
Gross Rent Multiplier	7.75x
WALT	2.17 years

CAP RATE SENSITIVITY

CAP RATE	IMPLIED VALUE	VS. ASK
6.00%	$5,718,853	+19.1%
6.50%	$5,278,172	+10.0%
7.00%	$4,901,874	+2.1%
7.15%	**$4,800,000**	**Ask Price**
7.50%	$4,575,082	(4.7%)
8.00%	$4,289,140	(10.6%)
8.50%	$4,036,837	(15.9%)

VALUE-ADD OPPORTUNITY — LEASE STRUCTURE CONVERSION TO TRIPLE NET (NNN)

A SHORT WALT CREATES AN EARLY RENEWAL WINDOW

With a portfolio WALT of just 2.17 years, a new owner will encounter renewal conversations across a significant portion of the tenant base within the near term — including leases representing over **44% of occupied SF expiring in 2026–2027 alone**. This near-term rollover creates a meaningful and time-sensitive window to renegotiate lease structures, terms, and expense responsibilities before the portfolio extends out again.

CURRENT STRUCTURE: PREDOMINANTLY GROSS & MODIFIED GROSS

Approximately **77.5% of occupied square footage** is leased on a Full Service Gross or Modified Gross basis, meaning the owner currently absorbs a meaningful share of operating costs — including utilities, taxes, insurance, janitorial, maintenance, and snow removal — totaling **$276,240 annually**. Only 22.5% of the portfolio (9,015 SF across 4 tenants) is currently on NNN terms, where tenants bear those expenses directly.

THE VALUE-ADD: SHIFTING EXPENSE BURDEN TO TENANTS AT RENEWAL

As gross and modified gross leases come up for renewal, a buyer has the opportunity to negotiate toward Triple Net or expense-stop structures — progressively shifting the $276,240 operating expense burden to tenants. **Important note:** a straight gross-to-NNN conversion is not a simple one-to-one trade. Full Service leases often carry higher base rents that reflect the included expenses — so any restructuring must carefully balance the base rent adjustment against the expense pass-through to ensure a net improvement in owner economics. The value-add is real, but it requires disciplined lease-by-lease underwriting at each renewal to capture it effectively. Buyers should request the full rent roll and lease abstracts to evaluate the opportunity on a tenant-by-tenant basis.

05 BROKER OF RECORD

BP

BRIAN POTRATZ

BROKER · COMMERCIAL EQUITIES GROUP · SDVOSB

Phone: 612-269-7401 **Email:** brian@cegspaces.com
Web: cegspaces.com **License:** MN Licensed Real Estate Broker **NAIOP** · **MNCAR** Member

ABOUT COMMERCIAL EQUITIES GROUP

Commercial Equities Group (CEG) is a full-service commercial real estate firm comprised of Brokerage, Investments, and Property Management. Owned by MN licensed broker and Army veteran Jeff Salzbrun, CEG is a federally designated Service-Disabled Veteran-Owned Small Business (SDVOSB). CEG's team has been involved in thousands of transactions ranging from single offices to 250,000+ SF, serving corporate, private, and government clients across the Minneapolis–St. Paul metro.

MARKETING REACH

PLATFORM	NETWORK
CEGspaces.com	Direct Web
CoStar	World Leader in CRE Info
LoopNet	High-Traffic Online Marketplace
Crexi	Commercial Real Estate Exchange
MNCAR	MN Commercial Assoc. of Realtors
NorthstarMLS	Upper Midwest MLS

DUE DILIGENCE PACKAGE

DOCUMENT	AVAILABILITY
Executed Leases	NDA REQUIRED
3-Year Financials	NDA REQUIRED
Rent Roll Detail	NDA REQUIRED
Property Tax Stmts	AVAILABLE
Survey / Site Plan	NDA REQUIRED
Phase I ESA	TBD

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