

ABSOLUTE NNN CORPORATE LEASE



VERMILLION, SOUTH DAKOTA

500+ UNITS

PRINCETON AVENUE



ACTUAL PROPERTY

EXCLUSIVELY OFFERED BY:

CHRIS HOLLENBECK

Vice Chair
+1 602 224 4475 | AZ Lic #SA584876000
chris.hollenbeck@cushwake.com

SHANE CARTER

Director
+1 602 224 4442 | AZ Lic #SA673156000
shane.carter@cushwake.com

KRISTEN ZUEGER

Local Broker of Record | SD Lic #11941
Lloyd Companies | SD Lic #15191
www.lloydcompanies.com

NET LEASE INVESTMENTS



CUSHMAN & WAKEFIELD

Private Capital Group

EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

TENANT:	Les Schwab Tire Center
GUARANTOR:	Corporate
LOCATION:	1134 Princeton St, Vermillion, SD 57069
LEASE TYPE:	Absolute NNN Lease - Ground Lease No landlord responsibilities
APN:	15295-00600-040-00
LEASE TERM REMAINING:	±19 years
BUILDING SIZE:	±10,800 SF
LAND SIZE:	±1.51 AC (±65,775 SF)
YEAR BUILT:	2024
RENT COMMENCEMENT:	February 22, 2024
LEASE EXPIRATION:	February 29, 2044
OPTIONS:	Six (6) Five (5) Year Options
RENT ADJUSTMENT:	10% every 5 years including options
ROFR:	Yes. 10 days

OFFERING TERMS

CURRENT NOI:	\$85,000
PRICE:	\$1,700,000
CAP:	5.00%

RENT SCHEDULE:

TERM	YEARS	LEASE DATE	MONTHLY RENT	ANNUAL RENT	% INCREASE	CAP RATE
Primary	1-5	2/22/24 - 2/28/29	\$7,083.00	\$85,000.00	N/A	5.00%
Primary	6-10	3/1/29 - 2/28/34	\$7,792.00	\$93,500.00	10%	5.50%
Primary	11-15	3/1/34 - 2/28/39	\$8,571.00	\$102,850.00	10%	6.05%
Primary	16-20	3/1/39 - 2/29/44	\$9,428.00	\$113,135.00	10%	6.66%
Option 1	21-25	3/1/44 - 2/28/49	\$10,371.00	\$124,449.00	10%	7.32%
Option 2	26-30	3/1/49 - 2/28/54	\$11,408.00	\$136,894.00	10%	8.05%
Option 3	31-35	3/1/54 - 2/28/59	\$12,549.00	\$150,583.00	10%	8.86%
Option 4	36-40	3/1/59 - 2/28/64	\$13,803.00	\$165,641.00	10%	9.74%
Option 5	41-45	3/1/64 - 2/28/69	\$15,184.00	\$182,205.00	10%	10.72%
Option 6	46-50	3/1/69 - 2/29/74	\$16,702.00	\$200,426.00	10%	11.79%

INVESTMENT HIGHLIGHTS

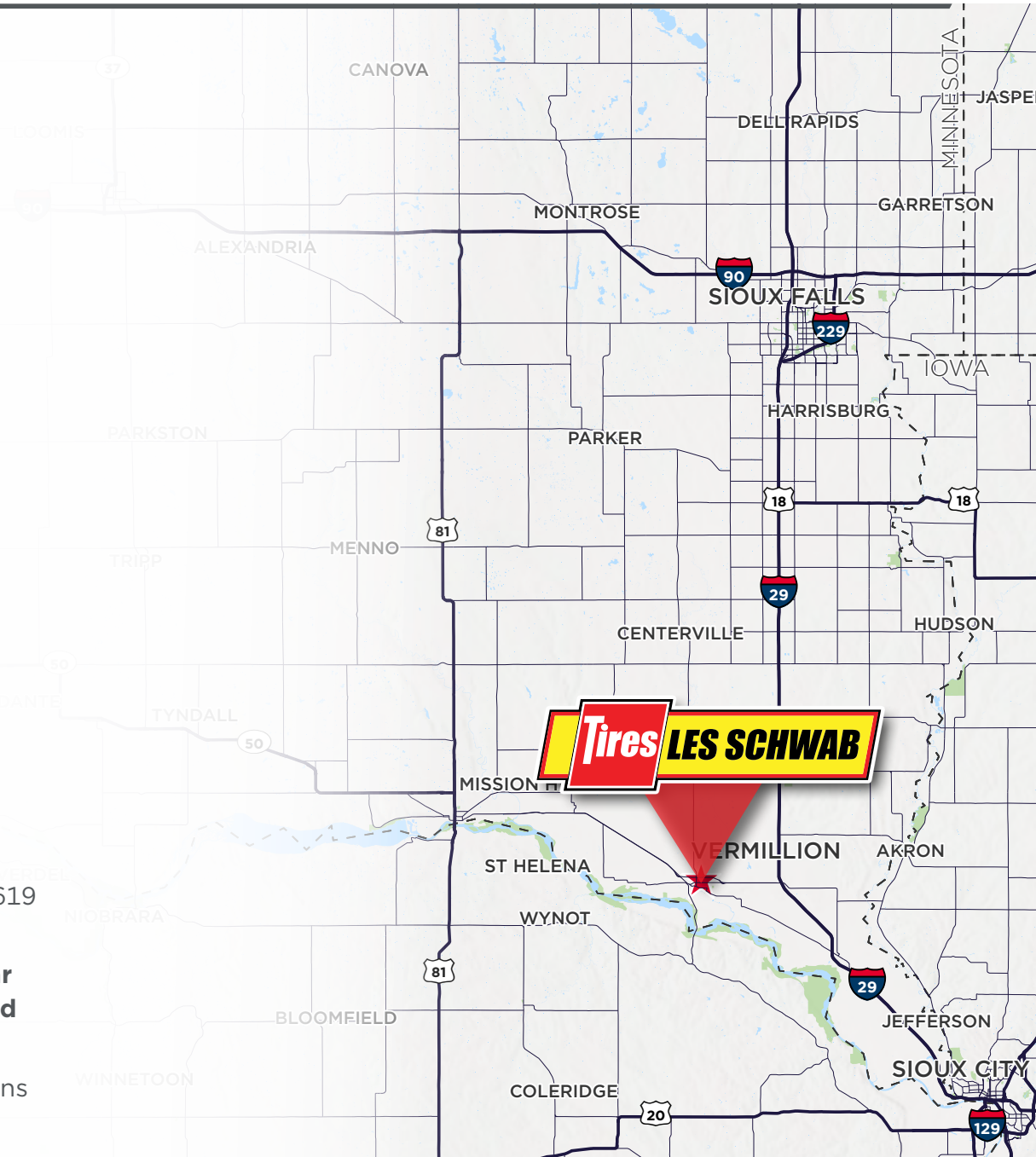
- **Corporate lease**
- **Long term primary lease (±19 years remaining)**
- Brand new high quality construction
- Extremely low rent
- **Absolute NNN Ground Lease - no landlord responsibilities**
- Rental increases every 5 years to hedge against inflation

TENANT HIGHLIGHTS

- **Substantial annual sales above \$2 Billion**
- **Les Schwab Tire Centers has over 500 locations across 13 states in the Western U.S.**
- Founded in 1952, over 72 years in the business with over 7,000 employees
- Les Schwab has invested significantly in the site by building their own building and maintaining it

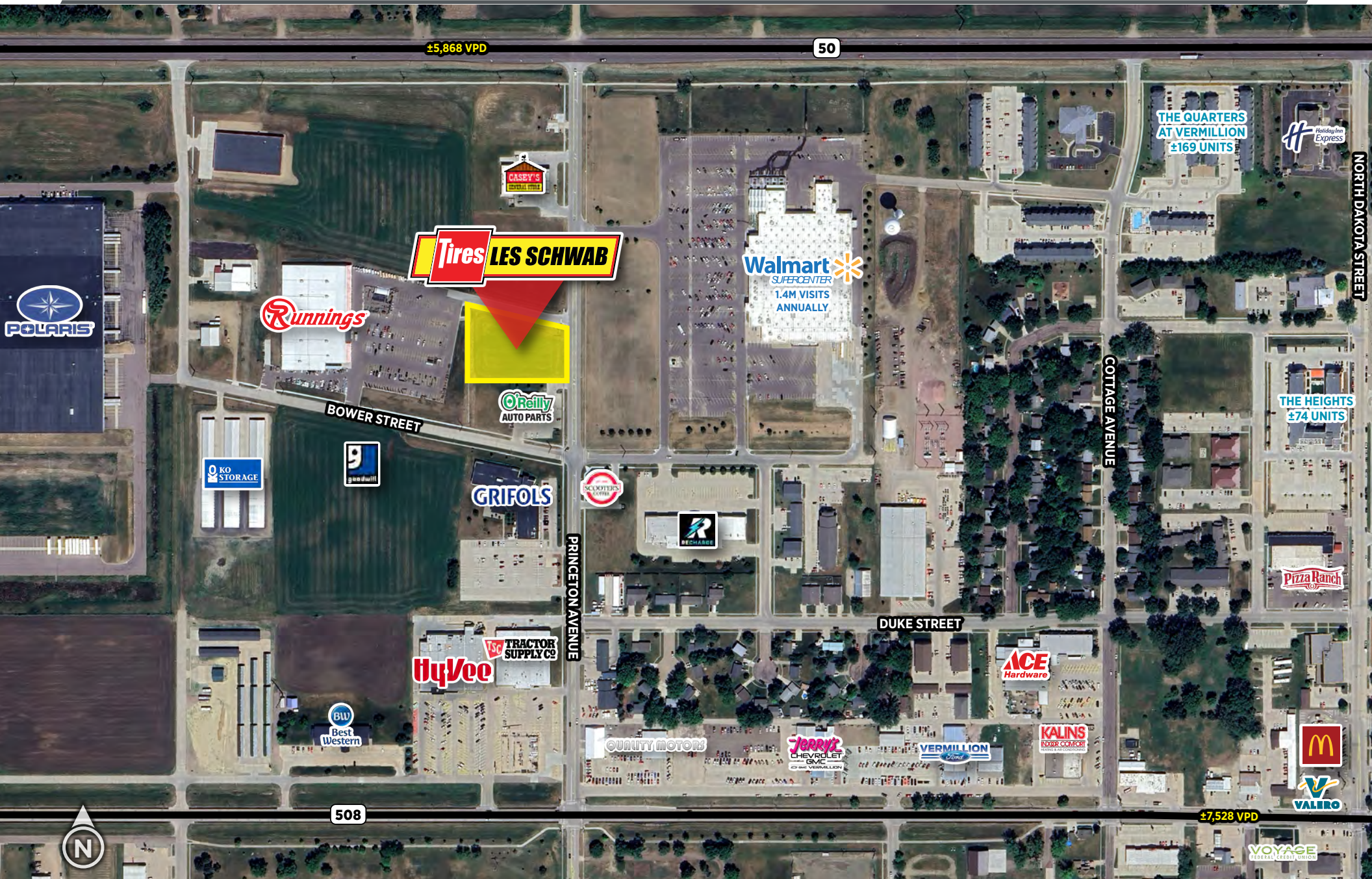
LOCATION HIGHLIGHTS

- Across the street from a Walmart Supercenter
- ±1.5 miles from the University of South Dakota (10,619 students) ([Source](#))
- **Neighboring national credit retailers such as Dollar Tree, Tractor Supply Co, Hy-Vee Grocery Store, and Runnings**
- Near 612,00 SF Polaris facility with 25 year operations history and over \$10M in improvements ([Source](#))











Tires LES SCHWAB



DAKOTADOME

SANFORD COYOTE SPORTS CENTER



UNIVERSITY OF SOUTH DAKOTA



508



50





Les Schwab Tire Center is a well-established tire and automotive service provider known for its high-quality products and exceptional customer service. Founded in 1952 in Prineville, Oregon, Les Schwab has grown into one of the largest independent tire dealers in the United States, with over 500 locations across the western United States.

Les Schwab Tire Center specializes in tires, brakes, batteries, alignments, and related automotive services. Their business model focuses on customer service and community involvement, fostering a loyal customer base across multiple regions. Les Schwab is one of the most financially stable tire and auto service retailers in the U.S., with a solid reputation and a long history of profitability.

Les Schwab is known for its customer-centric philosophy. Their “World-Class Customer Service” commitment is exemplified through highly trained staff and quick, efficient service. This dedication has earned the company a strong reputation and numerous industry awards. Les Schwab is especially recognized in smaller communities where dependable tire and auto services are crucial for residents.

YEAR FOUNDED: 1952

NUMBER OF EMPLOYEES: ±7,000

NUMBER OF LOCATIONS: ±500

2023 ANNUAL SALES: ±\$2B



VERMILLION, SOUTH DAKOTA

POPULATION



	1 MILE	3 MILE	5 MILE
2024	6,580	12,720	13,165

DAYTIME POPULATION

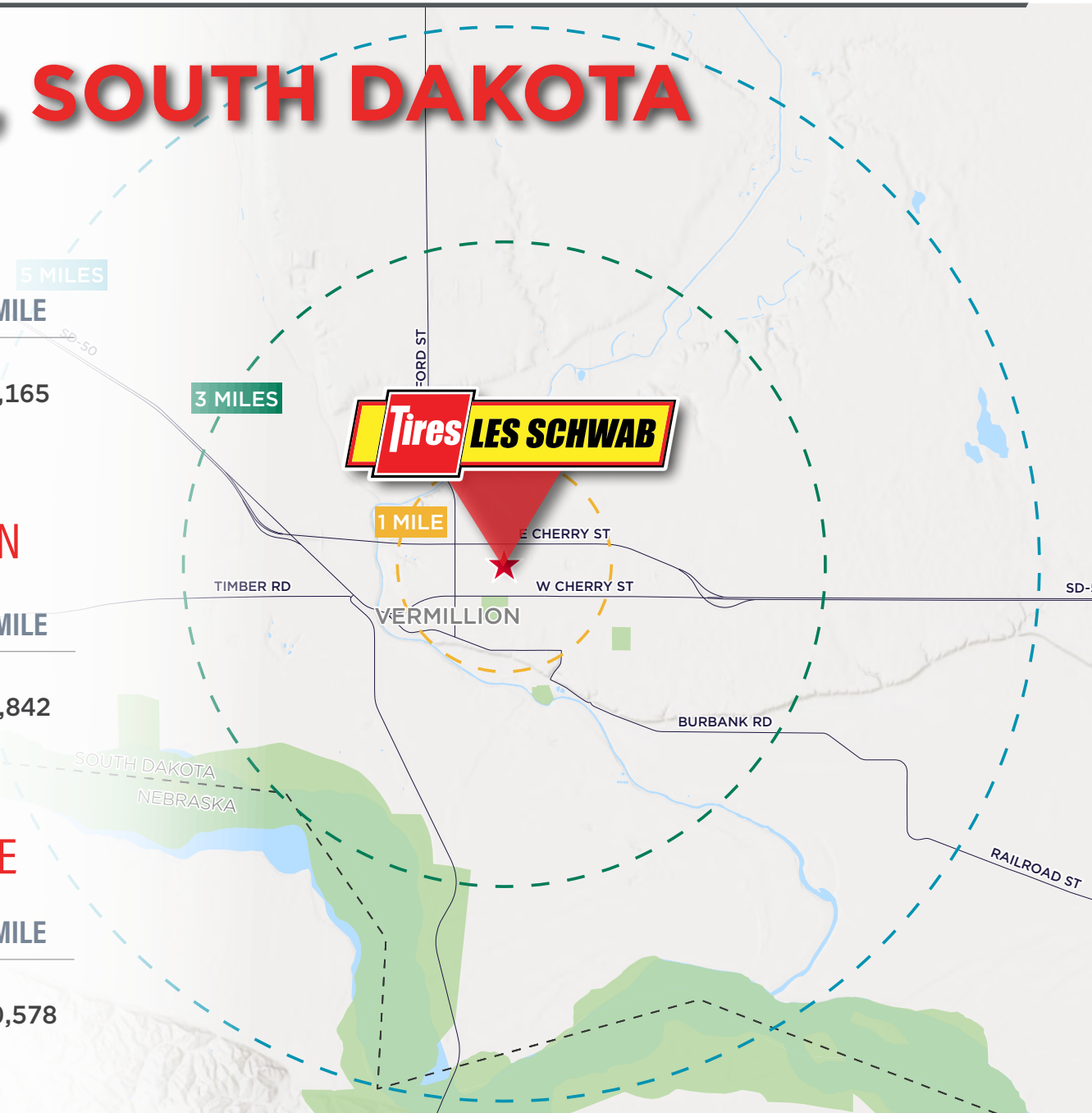


	1 MILE	3 MILE	5 MILE
2024	7,418	12,543	12,842

AVERAGE HH INCOME



	1 MILE	3 MILE	5 MILE
2024	\$76,390	\$79,076	\$80,578



Vermillion is best known as the home of the University of South Dakota, the state's oldest university and a prominent public research institution. Established in 1862, USD has grown to become a center for higher education in the region, attracting students from across the country. The university is well-regarded for its medical, law, and business schools, particularly the Sanford School of Medicine and USD School of Law, which have a significant impact on the state's healthcare and legal professions.

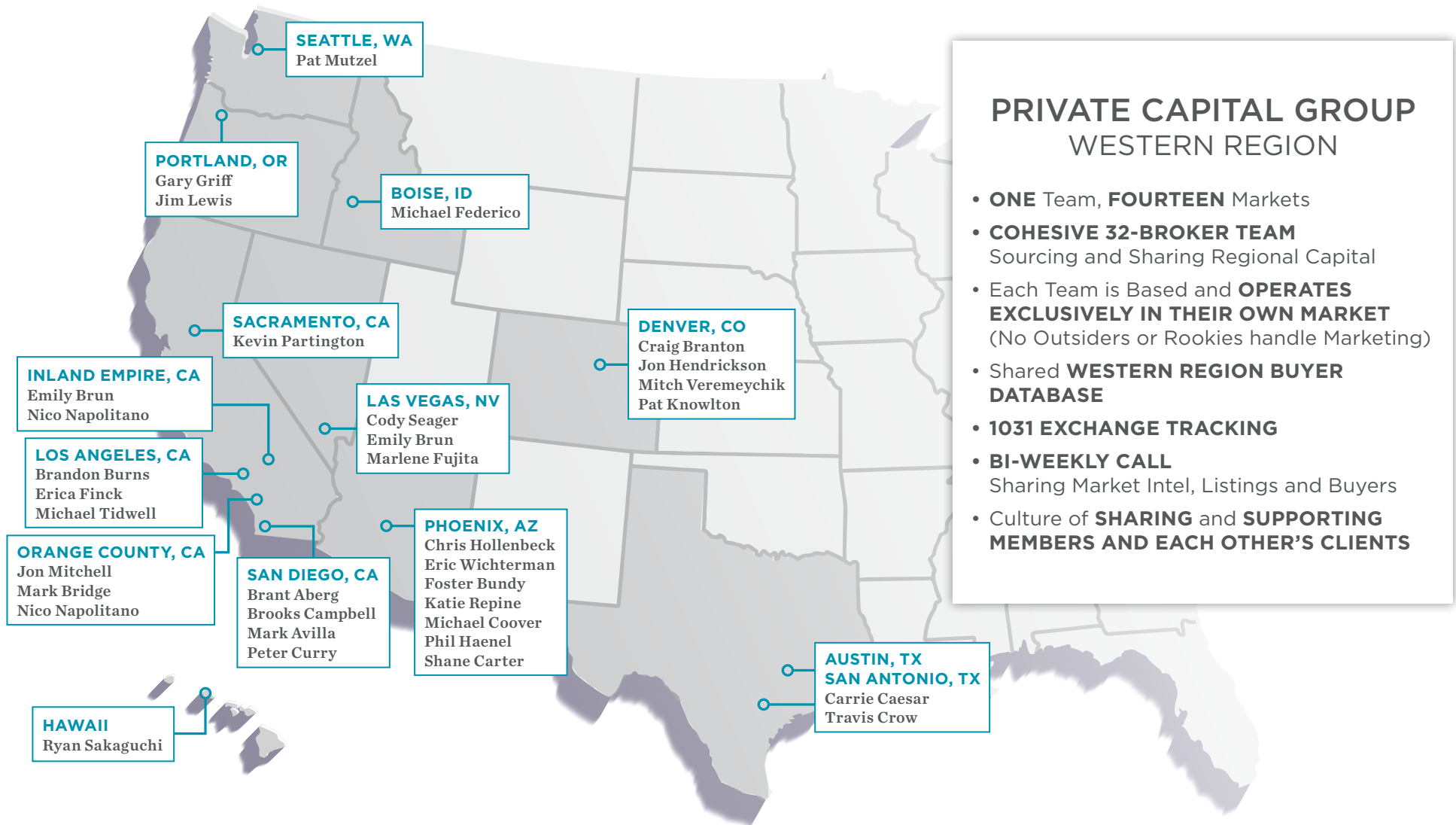
Vermillion's economy is influenced heavily by the University of South Dakota, which is the largest employer in the area. Education, healthcare, and retail are the main economic sectors, along with a small but growing presence of technology and manufacturing companies.

Community events like Dakota Days, the university's annual homecoming celebration, bring together students, alumni, and locals for parades, games, and festivities. The Vermillion Farmers Market and other community gatherings help foster a tight-knit community.

Vermillion's location provides easy access to larger cities like Sioux Falls, SD, and Sioux City, IA, making it a convenient yet peaceful place to live for those who may or need access to the more urban areas.



PRIVATE CAPITAL GROUP, WESTERN REGION
 ONE Team, FOURTEEN Markets



PRIVATE CAPITAL GROUP WESTERN REGION

- **ONE** Team, **FOURTEEN** Markets
- **COHESIVE 32-BROKER TEAM**
Sourcing and Sharing Regional Capital
- Each Team is Based and **OPERATES EXCLUSIVELY IN THEIR OWN MARKET** (No Outsiders or Rookies handle Marketing)
- Shared **WESTERN REGION BUYER DATABASE**
- **1031 EXCHANGE TRACKING**
- **BI-WEEKLY CALL**
Sharing Market Intel, Listings and Buyers
- Culture of **SHARING** and **SUPPORTING MEMBERS AND EACH OTHER'S CLIENTS**

ABSOLUTE
NNN CORPORATE LEASE



VERMILLION, SOUTH DAKOTA



**CUSHMAN &
WAKEFIELD**

Private Capital Group

NET LEASE INVESTMENTS

EXCLUSIVELY OFFERED BY:

CHRIS HOLLENBECK

Vice Chair
+1 602 224 4475 | AZ Lic #SA584876000
chris.hollenbeck@cushwake.com

SHANE CARTER

Director
+1 602 224 4442 | AZ Lic #SA673156000
shane.carter@cushwake.com

KRISTEN ZUEGER

Local Broker of Record | SD Lic #11941
Lloyd Companies | SD Lic #15191
www.lloydcompanies.com

ACTUAL PROPERTY

CONFIDENTIALITY & DISCLAIMER

©2024 Cushman & Wakefield. All rights reserved. The information contained in this communication is strictly confidential. This information has been obtained from sources believed to be reliable but has not been verified. No warranty or representation, express or implied, is made as to the condition of the property (or properties) referenced herein or as to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by the property owner(s). Any projections, opinions or estimates are subject to uncertainty and do not signify current or future property performance.