



# Offering Memorandum

406 E. Wabash Street • O'Fallon, Missouri 63366  
5,878± SF Industrial Investment Property

Prepared by Buddy Chalfant, Broker Associate



**HILLIKER**  
CORPORATION

## Executive Summary

Building Size:	<b>5,878± SF</b>
Offering Price:	<b>\$925,000</b>
Cap Rate:	<b>7.2%</b>
Tenant:	<b>Swiss Air Heating &amp; Cooling – Established HVAC contractor</b>
Lease Type:	<b>Modified Gross</b>
Annual Gross Income:	<b>\$82,500</b>
Monthly Rent:	<b>\$6,875</b>
Remaining Term:	<b>5 years (May 1, 2025 – April 30, 2030)</b>

This stabilized single-tenant industrial investment is strategically positioned within one of the most supply-constrained industrial corridors in the St. Louis MSA. With recent capital improvements, a clean and efficient warehouse configuration, and a reliable, service-based tenant, the asset offers immediate, stable cash flow. The existing Modified Gross lease also provides a natural runway for investors to transition the property to a true NNN structure at renewal—creating a meaningful opportunity to enhance NOI and drive long-term value growth.

## Investment Highlights

Modified Gross lease with minimal landlord operational exposure.  
Opportunity to reposition the lease to NNN at tenant renewal.

- Established regional HVAC contractor with mission-critical use
- Significant recent capital improvements (roof, sewer, office)
- Highly functional industrial layout
- 20+ parking spaces suitable for fleet and employee vehicles
- Located within one of the highest-demand industrial submarkets in the St. Louis region

## Property Overview

- 5,878± SF industrial flex building.
- Two oversized drive-in doors with full vehicular access.
- Recent improvements: new roof, new sewer, renovated office.
- High-traffic corridor near TR Hughes Blvd and Main Street.
- Strong positioning for HVAC, plumbing, electrical, or contractor users.

## FINANCIAL SENSIVITY ANALYSIS

*Projected NOI Under NNN Conversion:*

- NOI @ \$12/SF on 5,878 SF: \$70,536
- NOI @ \$13/SF: \$76,414
- NOI @ \$14/SF: \$82,292

## Cap Rate Value Scenarios:

- 7.00% Cap → \$1,176,885
- 7.25% Cap → \$1,134,372
- 7.50% Cap → \$1,096,000

## MARKET OVERVIEW- Saint Charles County

- One of Missouri's fastest-growing municipalities with strong economic fundamentals.
- Demand for functional small and mid-bay product remains robust, further tightening and already supply-constrained market
- The submarket is anchored by a workforce of contractors, logistics providers, and service-trade operators whose operational needs align closely with functional industrial buildings like this one. These tenant types demonstrate low relocation velocity, strong retention tendencies, and consistent space demand, all of which contribute to the long-term stability and resiliency of the St. Charles County industrial market
- Proximity to I-70 and strong workforce availability enhances tenant retention.



Tenant Overview – Swiss Air Heating & Cooling

Swiss Air Heating & Cooling is a well-established regional HVAC and plumbing contractor serving both the St. Charles County and St. Louis County markets. The Premises serves as a mission-critical operational hub for dispatching service vehicles and storing equipment.



Tenant Strength Factors:

- Mission-critical service territory alignment
- Strong recurring customer base
- Consistent long-term operational footprint
- Recession-resistant HVAC service demand

Lease Summary

Lease Type:	Modified Gross
Remaining Term:	5 years (May 1, 2025 – April 30, 2030)
Base Rent:	\$6,875/month
Annual Gross Income:	\$82,500
Tenant Responsibilities:	HVAC maintenance, utilities, interior repairs, janitorial Lawn care, snow removal, parking lot maintenance

Financial Overview

Offering Price:	\$925,000
Actual Cap Rate:	7.2%
Net Operating Income:	\$66,613.93
Expense Exposure (Landlord):	Structural components, roof, property insurance, taxes, management
Value-Add Opportunity:	• Transition to NNN at lease rollover • Bring rent to market while shifting OpEx to tenant responsibility

### Aerial View of 406 E. Wabash Street – Approximate Property Boundary



### Confidentiality & Disclaimer

*This Offering Memorandum has been prepared for qualified investors. All information contained herein is derived from sources believed reliable; however, no representation or warranty is made as to its accuracy or completeness. Prospective purchasers should independently verify all financial, legal, and physical details pertaining to the property.*

### Contact

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