

FIVE LAKES CENTRE

VALUE-ADD SHOPPING CENTER

400 S State St. Fairmont, MN 56031



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MULTI-TENANT RETAIL INVESTMENT OPPORTUNITY

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PROPERTY OVERVIEW

We are pleased to present to qualified investors an opportunity to purchase a value-add retail shopping center mall (Five Lakes Centre) located in Fairmont, MN that provides significant upside potential through lease up of a big box and small shops. Five Lakes Centre is a 192,240 SF regional retail hub located on 17.78 acres and positioned on the main north/south corridor of State St and located less than 2 miles from Interstate 90 (main east/west regional corridor).

This opportunity additionally includes the added benefit of the owner spending close to \$200,000 on parking lot capital improvements. Fairmont, MN is the county government seat of Martin County ensuring long-term job stability and higher household incomes. It is one of the state's most affordable places to live and features a healthy business environment with over 780 businesses, some of which include the Mayo Clinic Health System, 3M, Hy-Vee, Walmart, Fairmont Foods and more. This is a unique opportunity to purchase a value-add retail center, priced on actual income at well below replacement cost, sitting on over 17.78 acres of land, providing an attractive entry point to reposition the asset for future occupancy and rental growth.

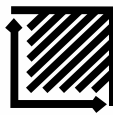
Parcel Details:



Parcel No. (APN)
23.039.1080



Building Size
192,240 SF



Lot Size
17.78 Acres



INVESTMENT HIGHLIGHTS

- **Five Lakes Centre** – Value-Add Shopping Center
 - Fee Simple Ownership (Land & Building)
- **192,240 SF Shopping Center** – \$200K Parking Lot Capital Improvement Completed
- **Attractive Entry Point** – Offered at Well-Below Replacement Costs
- **Large Lot – Over 17 Acres** – Incredible Lease-Up Opportunity
 - Opportunity to Substantially Increase Cash Flow
- **Less than 2 Miles from Interstate 90** – Longest Interstate in the Country – Seattle to Boston
- **Nearby Major Retailers** Hy-Vee, O’Reilly Auto Parts (Outparcel Not Included), Burger King (Outparcel NAP), Arby’s, Fareway Grocery (Outparcel Not Included), Tractor Supply, Walmart Supercenter, and More
- **Fairmont, MN** – County Seat - Accessible by Plane, Rail & Interstate Travel - Positioned on Area’s Main North/South Corridor (State St)
- **Features Over 780 Businesses** Including the Mayo Clinic Health System – Fairmont, 3M, Avery Weigh-Tronix, ADS Hancor, Green Plains, CHS, Kahler Automation and Others
- **Planned Industrial Development** – Expansive Industrial Park with Minnesota Shovel-Ready Certification
- **Average Household Income** of \$98,371 within a 5 Mile Radius



BUILDING SIZE
192,240 SF

LAND SIZE
17.78 ACRES



INCOME & EXPENSE

INCOME & EXPENSE (2023)

Base Rent	\$560,987
Additional Rent Income	\$162,133
Percentage Rent	\$62,558
Effective Gross Income	\$785,678

OPERATING EXPENSES

Janitorial Cleaning Staff Payroll & Expenses	(\$52,017)
Snow Removal	(\$39,623)
Fire Alarm	(\$10,016)
Utilities - Electricity	(\$73,978)
Utilities - Gas	(\$75,305)
Utilities - Water	(\$13,073)
Utilities - Sewer	(\$25,604)
Utilities - Garbage & Recycling	(\$5,700)
Utilities - Internet	(\$1,260)
Utilities - Telephone	(\$925)
Insurance - General Liability	(\$8,423)
Insurance - Property Insurance	(\$35,998)
Insurance - Workers Comp (Janitorial Staff)	(\$1,626)
Tax - Real Estate	(\$49,084)
Tax - Janitorial Staff Payroll	(\$3,101)
Property Management	(\$36,000)
Total Operating Expenses	(\$431,732)

CAPITAL IMPROVEMENTS

Repairs - Plumbing	(\$10,677)
Repairs - Flooring	(\$1,493)
Repairs - HVAC	(\$15,436)
Repairs - Roof	(\$4,627)
Repairs - Other	(\$1,004)
Repairs - Parking Lot	(\$5,661)
Repairs - Sprinklers	(\$323)
Total Capital Improvement Repairs	(\$39,220)

NET OPERATING INCOME (2023) \$353,945

INCOME & EXPENSE (2024 Jan-Apr)

Base Rent	\$172,210
Additional Rent Income	\$31,018
Percentage Rent	\$38,289
Effective Gross Income	\$241,517

OPERATING EXPENSES

Janitorial Cleaning Staff Payroll & Expenses	(\$19,612)
Snow Removal	(\$13,815)
Fire Alarm	(\$2,832)
Utilities - Electricity	(\$6,808)
Utilities - Gas	(\$29,950)
Utilities - Water	(\$3,801)
Utilities - Sewer	(\$9,511)
Utilities - Garbage & Recycling	(\$1,900)
Utilities - Internet	(\$420)
Utilities - Telephone	(\$327)
Insurance - General Liability	(\$2,740)
Insurance - Property Insurance	-
Insurance - Workers Comp (Janitorial Staff)	-
Tax - Real Estate	(\$45,094)
Tax - Janitorial Staff Payroll	(\$645)
Property Management	(\$12,900)
Total Operating Expenses	(\$150,355)

CAPITAL IMPROVEMENTS

Repairs - Plumbing	(\$833)
Repairs - Flooring	(\$1,255)
Repairs - HVAC	(\$7,864)
Repairs - Roof	(\$2,522)
Repairs - Other	(\$141)
Repairs - Parking Lot	-
Repairs - Sprinklers	-
Total Capital Improvement Repairs	(\$12,615)

NET OPERATING INCOME (2024 Jan - Apr) \$91,161

INVESTMENT OVERVIEW

OFFERING SUMMARY

Price	\$4,000,000
Price / Sq. Ft.	\$20.81
Occupancy	39.9%
Cap Rate (2023)	8.85%
NOI (2023)	\$353,945



RENT ROLL

TENANT	UNIT	LEASE TYPE	SQUARE FOOTAGE	LEASE START	LEASE EXPIRATION	ANNUAL BASE RENT	ANNUAL RENT PSF	ADDITIONAL RENT	PERCENTAGE RENT	RENTAL ADJUSTMENT DATE	ADJUSTED ANNUAL RENT	OPTION PERIODS
Scooter's Coffee	Outparcel	Gross	2,000 SF	1-Nov-2020	31-Oct-2030	\$18,000	\$9.00	-	-	1-Nov-2025	\$19,800	Four 5-Yr Options 11/1/2030: \$21,780 11/1/2035: \$23,958 11/1/2040: \$26,354 11/1/2045: \$28,989
Vacant (Lease Offers received from TJX and Five Below)	290	-	51,131 SF	-	-	-	-	-	-	-	-	-
Sterling Pharmacy	50	Net	16,740 SF	1-Aug-2017	31-Jul-2027	\$57,490	\$3.43	\$36,022	\$38,455	-	-	Two 5-Yr Option 8/1/2027: \$57,490 8/1/2032: \$63,239
Dunham's Sports	230	Gross	15,283 SF	17-Nov-2001	31-Jan-2027	\$53,490	\$3.50	-	\$30,379	-	-	Two 5-Yr Options 2/1/2027: \$57,311 2/1/2032: \$61,132
Vacant (Potential Harbor Freight site)	300	-	12,879 SF	-	-	-	-	-	-	-	-	-
Dollar Tree	60	Net	10,200 SF	29-Feb-2012	28-Feb-2027	\$91,800	\$9.00	\$17,364	-	-	-	One 5-Yr Option 3/1/2027: \$96,900
Vacant	295	-	10,000 SF	-	-	-	-	-	-	-	-	-
USPS	110	Gross	7,478 SF	22-Jul-2000	21-Jul-2025	\$74,530	\$9.97	-	-	-	-	Three 5-Yr Option 7/22/2025: \$80,120 7/22/2030: \$85,710 7/22/2035: \$91,299
Vacant	120	-	7,000 SF	-	-	-	-	-	-	-	-	-
Vacant	240/250B	-	6,800 SF	-	-	-	-	-	-	-	-	-
New China Buffet	310	Mod Gross	6,600 SF	1-Mar-2011	30-Nov-2028	\$36,000	\$5.45	\$25,617	-	-	-	-
Shoe Sensation	220	Gross	5,000 SF	31-Mar-2015	[Lease Extension in Progress]	\$30,000	-	-	-	-	-	-
Vacant	80	-	4,750 SF	-	-	-	-	-	-	-	-	-
Fairmont Workforce	180	Gross	3,422 SF	1-May-2008	30-Apr-2025	\$38,400	\$11.22	-	-	-	-	-
Vacant	260	-	3,372 SF	-	-	-	-	-	-	-	-	-
Vacant	90	-	3,000 SF	-	-	-	-	-	-	-	-	-
Vacant	1	-	2,925 SF	-	-	-	-	-	-	-	-	-
Social Security Administration - GSA	70	Gross	2,731 SF	15-Apr-2003	15-Jun-2033	\$57,345	\$21.00	-	-	-	-	-

RENT ROLL

TENANT	UNIT	LEASE TYPE	SQUARE FOOTAGE	LEASE START	LEASE EXPIRATION	ANNUAL BASE RENT	ANNUAL RENT PSF	ADDITIONAL RENT	PERCENTAGE RENT	RENTAL ADJUSTMENT DATE	ADJUSTED ANNUAL RENT	OPTION PERIODS
Vacant	170	-	2,178 SF	-	-	-	-	-	-	-	-	-
Vacant	160	-	1,981 SF	-	-	-	-	-	-	-	-	-
Vacant	10	-	1,652 SF	-	-	-	-	-	-	-	-	-
Dunham's Sports (Storage)	320	Gross	1,646 SF	1-Dec-2021	MTM	\$7,800	\$4.74	-	-	-	-	-
EXIT Realty - Great Plains	330	Gross	1,513 SF	1-Apr-2020	30-Apr-2028	\$8,988	\$5.94	-	-	-	-	-
Vacant	121	-	1,391 SF	-	-	-	-	-	-	-	-	-
Sterling Pharmacy (Storage)	40	Gross	1,360 SF	1-Nov-2021	MTM	\$9,000	\$6.62	-	-	-	-	-
Vacant	190	-	1,289 SF	-	-	-	-	-	-	-	-	-
Vacant	100	-	1,289 SF	-	-	-	-	-	-	-	-	-
Heretic Ink	20	Gross	1,068 SF	1-Mar-2023	28-Feb-2025	\$12,000	\$11.24	-	-	-	-	-
Vacant	30	-	1,050 SF	-	-	-	-	-	-	-	-	-
Vacant	210	-	1,045 SF	-	-	-	-	-	-	-	-	-
Vacant	270	-	986 SF	-	-	-	-	-	-	-	-	-
Vacant	150	-	900 SF	-	-	-	-	-	-	-	-	-
MN Department of Public Safety	280	Gross	891 SF	1-Oct-2017	30-Sep-2027	\$14,702	\$16.50	-	-	1-Oct-2024	\$15,147	-
Nail Boutique	140	Gross	690 SF	21-Oct-2000	31-Aug-2027	\$15,035	\$21.79	-	-	3% Annual Increases	\$15,486	-
Fareway Stores, Inc. (Parking Lot)	340	Net	-	1-May-2009	30-Apr-2027	\$9,400	-	\$9,333	-	-	-	Two 5-Yr Options 5/1/2029: \$14,000 5/1/2034: \$15,000
TOTALS:			192,240 SF			\$533,980		\$88,335	\$68,834			

DEMOGRAPHICS

5 MILE RADIUS:



Total Population: **10,763**

Households: **4,869**

Daytime Population: **13,888**

Median Age: **43.2**



Average Household Income: **\$95,535**

Median Household Income: **\$68,156**

10 MILE RADIUS:



Total Population: **13,944**

Households: **6,196**

Daytime Population: **15,370**

Median Age: **43.4**



Average Household Income: **\$96,773**

Median Household Income: **\$69,915**

25 MILE RADIUS:



Total Population: **38,653**

Households: **16,933**

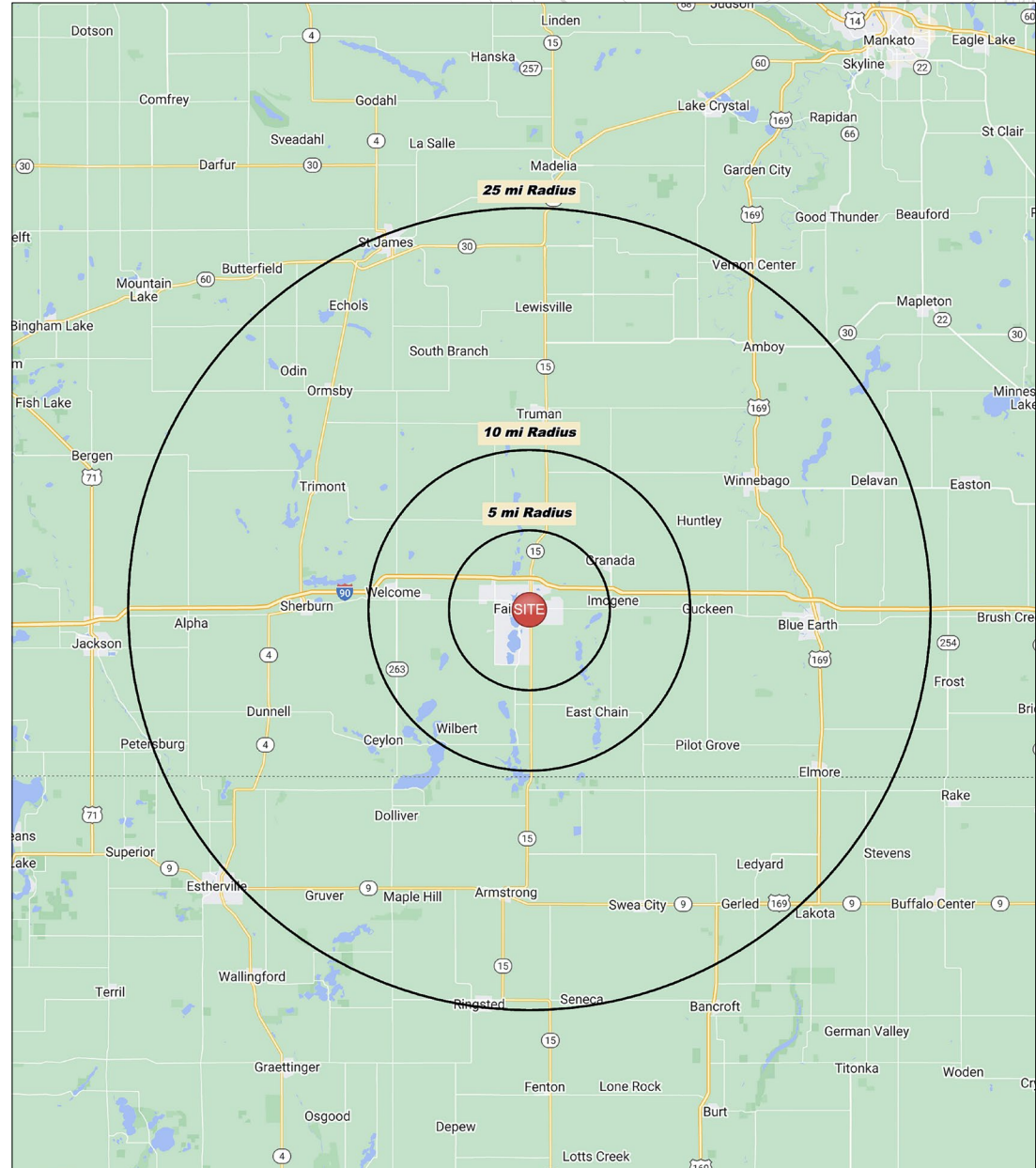
Daytime Population: **31,919**

Median Age: **43.7**

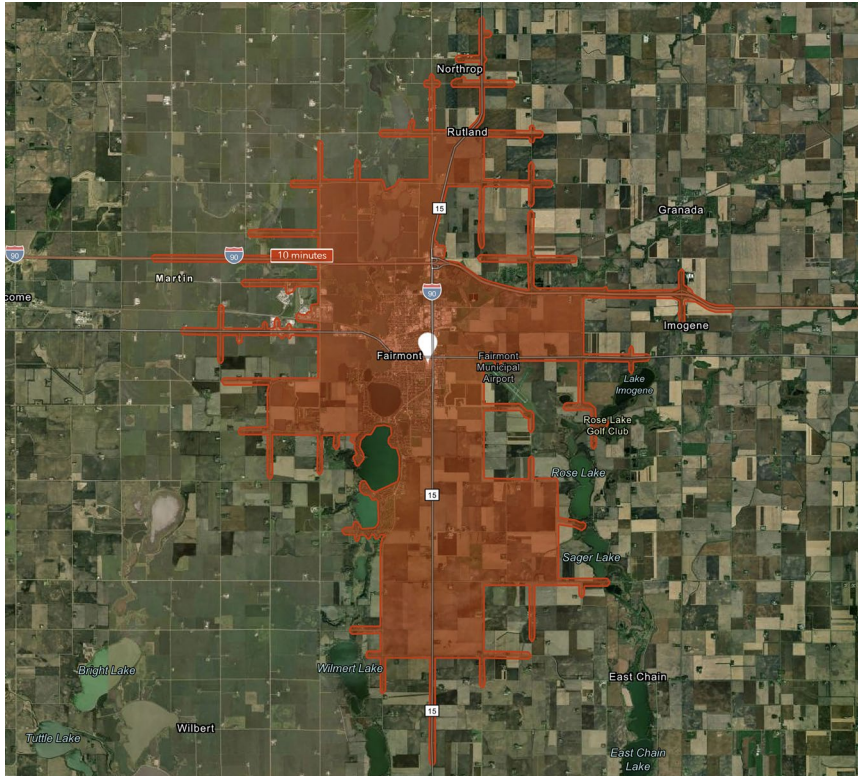


Average Household Income: **\$97,594**

Median Household Income: **\$69,901**



DEMOGRAPHICS - 10 MINUTE DRIVE TIME



TOTAL RETAIL SALES

Includes F&B



\$81,853,059

EDUCATION

Bachelor's Degree or Higher



23%

OWNER OCCUPIED HOME VALUE

Average



\$184,296

KEY FACTS

9,961

Population

\$54,238

Median Household Income

46.0

Median Age

11,716

Daytime Population

TAPESTRY SEGMENTS

Traditional Living <i>1,553 households</i>	Midlife Constants <i>934 households</i>	Retirement Communities <i>629 households</i>
<p>Socioeconomic Traits</p> <p>The manufacturing, retail trade, and health-care sectors are the primary sources of employment for these residents. This is a younger market.</p>	<p>Socioeconomic Traits</p> <p>Residents are seniors, at or approaching retirement, with below-average labor force participation and below average net worth.</p>	<p>Socioeconomic Traits</p> <p>A combination of single-family homes and independent living with apartments, assisted living, and continuous care nursing facilities. Frugal, they pay close attention to finances.</p>
<p>Household Types</p> <p>Households are a mix of married-couple families and singles.</p>	<p>Household Types</p> <p>Married couples, with a growing share of singles.</p>	<p>Household Types</p> <p>Small household size; many residents have outlived their partners and live alone.</p>
<p>Typical Housing</p> <p>Single Family</p>	<p>Typical Housing</p> <p>Single Family</p>	<p>Typical Housing</p> <p>Multiunits; Single Family</p>

ANNUAL HOUSEHOLD SPENDING

\$2,727

Eating Out

\$1,652

Apparel & Services

\$5,179

Groceries

\$184

Computer & Hardware

\$5,935

Health Care

VALUE-ADD SHOPPING CENTER

- Building Size -192,240 SF
- Lot Size - 17.78 Acres



TENANT OVERVIEW



Dunham's Sports is an American sporting goods retail chain under the ownership of Dunham's Athleisure Corporation, with its stores strategically located across the Midwestern to Southeastern United States. Specializing in athletic equipment, apparel, firearms, and various sports-related items, the chain has established itself as a prominent player in the market.

Boasting a robust presence with over 240 locations spread across 23 states, Dunham's Sports stands as the premier sporting goods chain in the Midwest. Originating in 1937 as Dunham's Bait & Tackle, the brand has evolved into a prominent full-line sporting goods chain, catering to secondary and tertiary markets throughout the United States. Driven by the motto, "Big Names, Low Prices", each Dunham's Sports outlet offers an extensive range of traditional sporting goods, athletic equipment, and an array of active and casual sports apparel and footwear.



Dollar Tree is an American discount variety store chain operating across multiple price points. Headquartered in Chesapeake, Virginia, it is a Fortune 500 company, traded on the NASDAQ stock exchange under the symbol "DLTR" (S&P rated BBB). With an extensive footprint encompassing 15,115 stores spread across the 48 contiguous U.S. states and Canada, Dollar Tree boasts a significant presence in the retail landscape. Facilitating its expansive retail network are 24 distribution centers strategically positioned nationwide. In addition to its flagship stores, the company also operates outlets under the names Dollar Bills and Family Dollar.

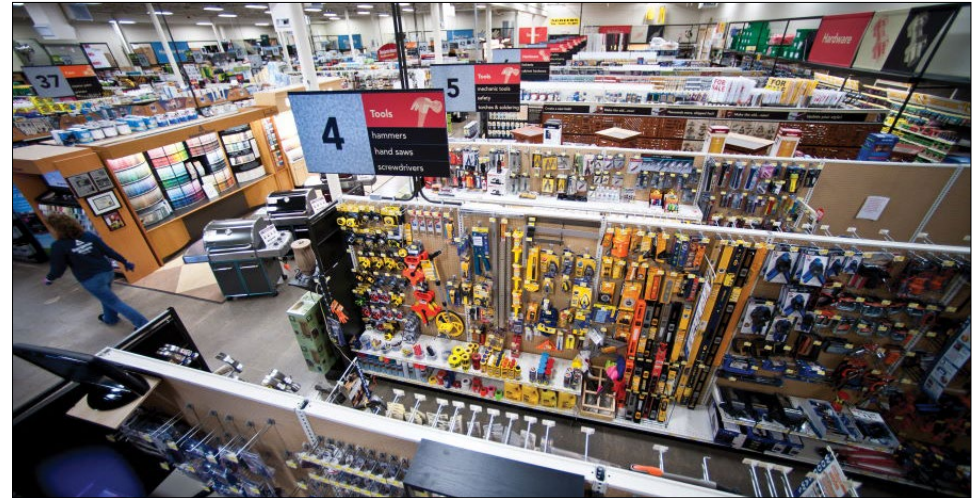
Competing in both the dollar store and low-end retail segments, Dollar Tree offers a diverse array of products catering to various consumer needs. Each Dollar Tree store stocks an eclectic mix of merchandise, ranging from national and regional brands to private-label offerings. Departments within a Dollar Tree outlet span health and beauty, food and snacks, party supplies, seasonal décor, housewares, glassware, dinnerware, cleaning supplies, confectionery, toys, gifts, stationery, craft supplies, educational materials, automotive products, electronics, pet supplies, and books.

TENANT OVERVIEW



Established in 1998, Scooter's Coffee Co-founders Don and Linda Eckles embarked on a remarkable journey with the inauguration of their inaugural drive-thru coffeehouse in Bellevue, Nebraska. Their recipe for success included identifying prime locations and maintaining unwavering dedication to premium beverages, prompt service, and warm hospitality. Scooter's Coffee owes its enduring prosperity to its steadfast adherence to its original business ethos and core principles.

With a network spanning 555 locations, the inaugural Scooter's Coffee outpost was initially dubbed "Scooter's Java Express." Following a thorough review of naming options, it was streamlined to "Scooter's," aligning seamlessly with the mission to facilitate swift customer service—allowing patrons to "scoot in and scoot out" efficiently. The brand's motto encapsulates its ethos: "Amazing People, Amazing Drinks...Amazingly Fast"!



Founded in 1952, Sterling Pharmacy, is a beloved regional drug store chain with over 13 locations providing services to Minnesota communities. Their family of companies includes long-term care pharmacies, state-of-the-art specialty pharmacy, a nationwide wholesale pharmacy buying ground, and a charitable Foundation – all united by their company goal of being "innovators in independent pharmacy care."

Currently the chain operates Minnesota locations in Adrian, Austin, Caledonia, Fairmont, Faribault, La Crescent, Lake City, Le Sueur, Northfield, Osage, Owatonna, Rushford, and Worthington. The Sterling family of companies includes a children's toy and games company (Sterling Toys) and a home décor line called Sterling Home.

CITY OVERVIEW

Fairmont, MN

Fairmont, renowned as the “City of Lakes,” resides in southern Minnesota. Its captivating scenery nestled amid a chain of five lakes provides abundant opportunities for fishing, boating, snowmobiling, and breathtaking vistas. Offering cozy accommodations and exceptional dining experiences, Fairmont is a destination not to be missed. Visitors are invited to delve into the area’s rich historical sites and partake in a round of Disc Golf at Cedar Creek Park. As one of the largest disc golf courses in the region, Cedar Creek ranks 5th in the state on DiscGolfScene.com. Comprising 29 city parks, including Cedar Creek, Fairmont provides ample avenues for recreation and leisure. Often hailed as a “true gem on the prairie,” both visitors and residents relish Fairmont’s allure, history, and the warm hospitality synonymous with southern Minnesota.



Martin County Quick Facts

Population: 20,392
Elevation: 1,162 ft.

Average High/Low Temperatures
Spring: 42F/34F
Summer: 81F/60F
Fall: 70F/48F
Winter: 24F/8F

- About 74 lakes cover an estimated 14,500 acres
- More than 230 acres of county park land



Fairmont Economy



Business & Industry

The economic pillars of Fairmont and Martin County revolve around agriculture and industrial enterprises. Fairmont stands as one of the state's foremost agricultural hubs, boasting a significant manufacturing sector alongside a robust mix of both local and national enterprises. Our county holds the distinction of being Minnesota's largest producer of hogs and corn, ranking among the state's top 10 for soybeans and cattle. Thanks to a conducive business environment and a skilled workforce, numerous agricultural-based companies have opted to establish their presence here, including Avery Weigh-Tronix, CHS, Green Plains Renewable Energy, Advanced Drainage Systems, Kahler Automation, Fairmont Vet Clinic, and Devenish Nutrition.

Within the city, over 680 businesses thrive, including two Fortune 500 entities: 3M and CHS. While Fairmont's population stands at approximately 10,500, its businesses cater to a much broader demographic, serving well over 20,000 residents.

Workforce

In Martin County, the unemployment rate stands impressively low at 3.9%, notably below the national average of 5.4%. With nearly 5,000 residents actively participating in the labor force out of approximately 10,000 individuals aged 16 and over, Fairmont emerges as an enticing prospect for prospective employers.

Local businesses attest to the workforce's high productivity, motivation, and low absenteeism, offering yet another incentive for companies to consider relocating to Fairmont. This appeal is further underscored by Fairmont's recognition as the 13th best place in Minnesota to initiate a business.

According to the most recent Regional Demographic and Economic Profile, over 52% of Fairmont's population aged 18 to 25 have pursued some level of college education or attained an Associate's Degree. Moreover, more than 17% of the total population holds a Bachelor's Degree or higher, highlighting the community's commitment to education and skill development.



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