OFFERING MEMORANDUM

Jim's Transmission Repair & Service

605 East 4th Street , Sioux Falls, SD 57103

Marcus & Millichap

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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

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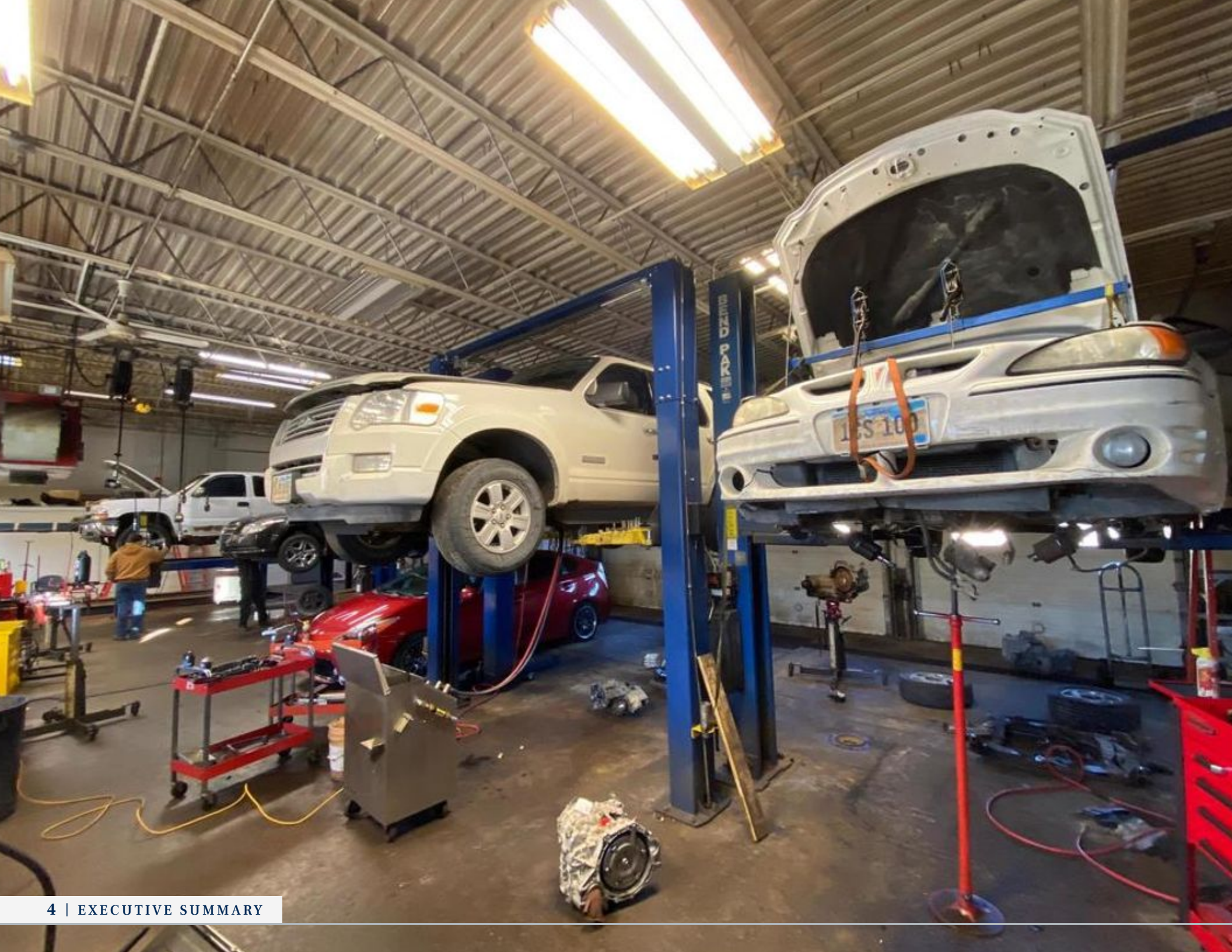
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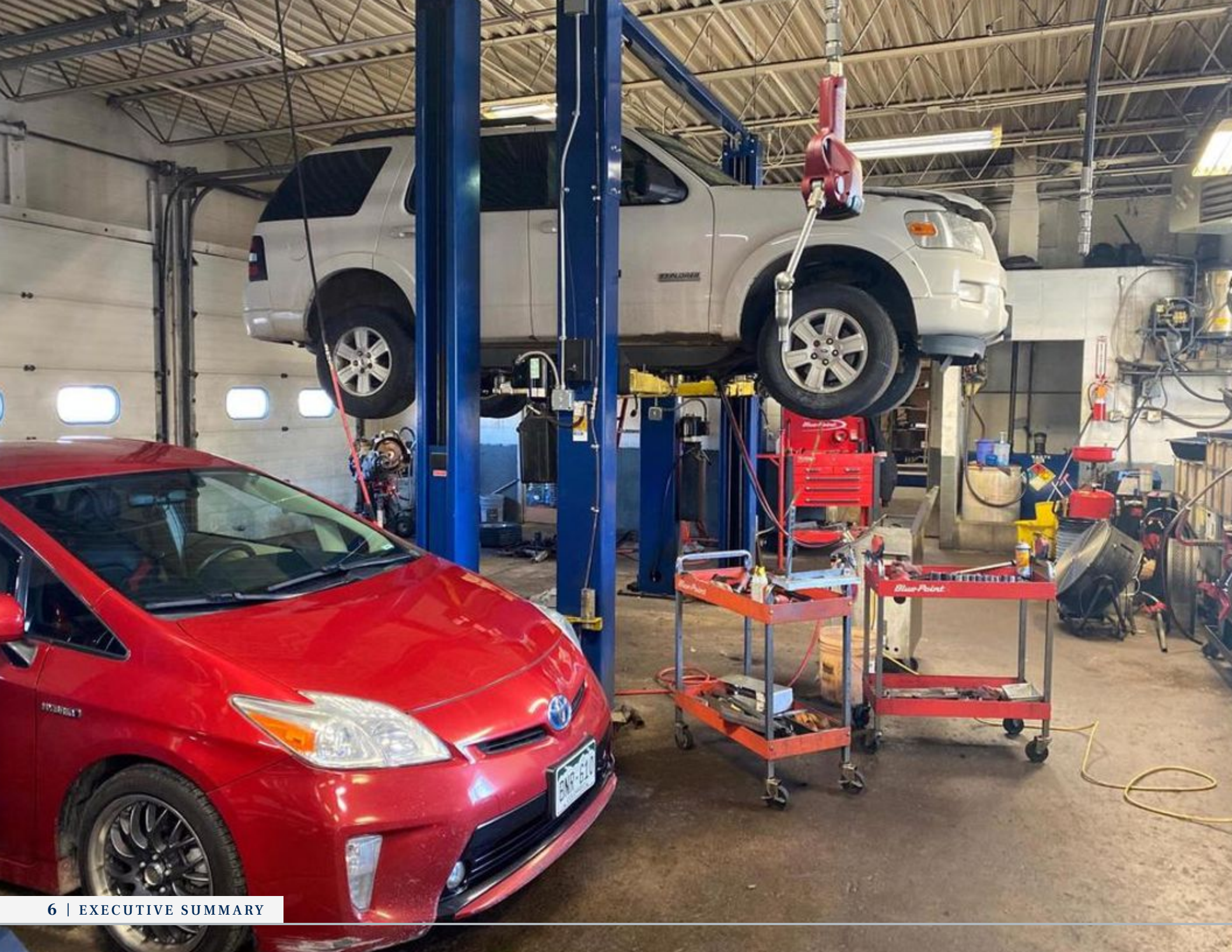
OFFERING SUMMARY

Listing Price	Cap Rate	Price/SF
$525,000	**9.15%**	**$108.65**

FINANCIAL	
Listing Price	$525,000
Down Payment	100% / $525,000
NOI	$48,000
Cap Rate	9.15%
Price/SF	$108.65
Rent/SF	$0.83

OPERATIONAL	
Lease Type	Double Net
Guarantor	Franchisee Guarantee
Lease Expiration	06/30/2025
Gross SF	4,832 SF
Lot Size	0.3 Acres (13,068 SF)
Year Built / Renovated	1950 / 1995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JIM'S TRANSMISSION REPAIR & SERVICE

605 East 4th Street , Sioux Falls, SD 57103

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this six-bay automotive repair facility in Sioux Falls, South Dakota. At a 9.15% cap, this double-net investment affords investors the opportunity to acquire an asset in a fast-growing market with potential upside. This site has a long history as an automotive repair location. The current tenant purchased the location from previous operators and maintains a transmission and lube facility at the site. The building is in fantastic shape, as the current owners have recently renovated the roof, putting more than $12,000 back into the building.

Sioux Falls is the most populated city in the state of South Dakota with a population of close to 200,000. The city has experienced explosive population growth over the past three decades, almost doubling in size since 1990. In large part due to South Dakota's lack of corporate income tax, many large corporations have moved to the area in the past few years. This growth was highlighted by the announcement in 2020 that Amazon plans to build a 640,000 square-foot distribution facility in Sioux Falls, slated to open in 2022.

INVESTMENT HIGHLIGHTS

- Double-Net Investment with Long History as Automotive Repair Site
- Fast-Growing Sioux Falls Market with No Corporate State Income Tax
- Attractive Six-Bay Building with Recent Renovations

SECTION 2

Financial Analysis

FINANCIAL DETAILS

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PROPERTY SUMMARY

THE OFFERING	
Price	$525,000
Capitalization Rate	9.14%
Price/SF	$108.65

PROPERTY DESCRIPTION	
Year Built / Renovated	1995
Gross Leasable Area	4,832 SF
Type of Ownership	Fee Simple
Lot Size	0.30 Acres

LEASE SUMMARY	
Tenant	Jim's Transmission Repair
Rent Increases	Yes
Guarantor	Franchisee Guarantee
Lease Type	Double Net
Lease Commencement	7/1/2020
Lease Expiration	06/30/2025
Renewal Options	One Five-Year Option
Term Remaining on Lease (Yrs)	4 Years
Landlord Responsibility	Roof and Structure
Tenant Responsibility	Taxes and Insurance

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	$48,000	$4,000	$9.93	9.14%
Option 1	$54,000	$4,500	$11.18	10.29%

SECTION 3

Property Information

AERIAL VIEW

DEMOGRAPHICS

PROPERTY DETAILS

DISCLAIMER

NET LEASE DISCLAIMER

BROKER OF RECORD

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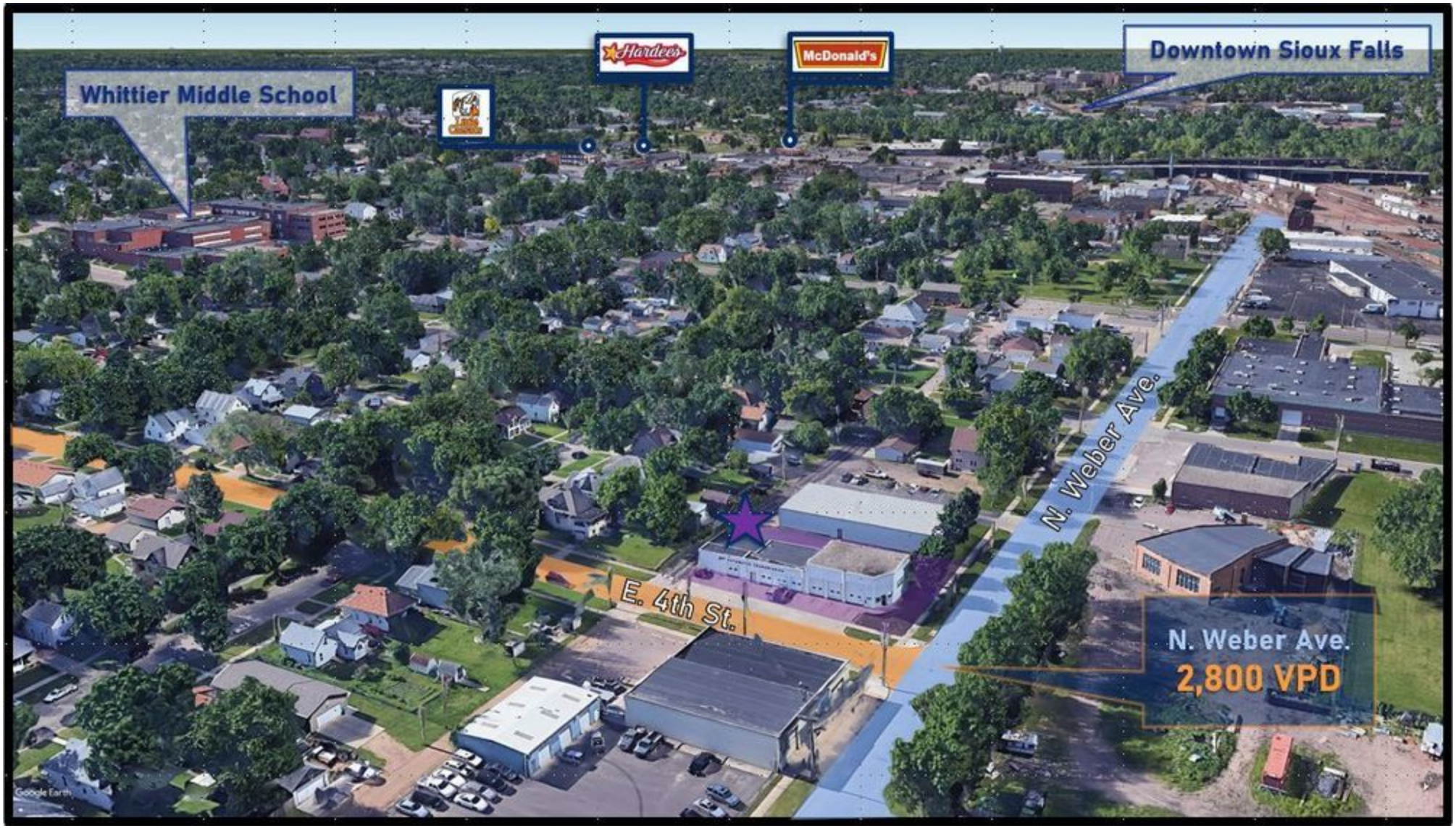
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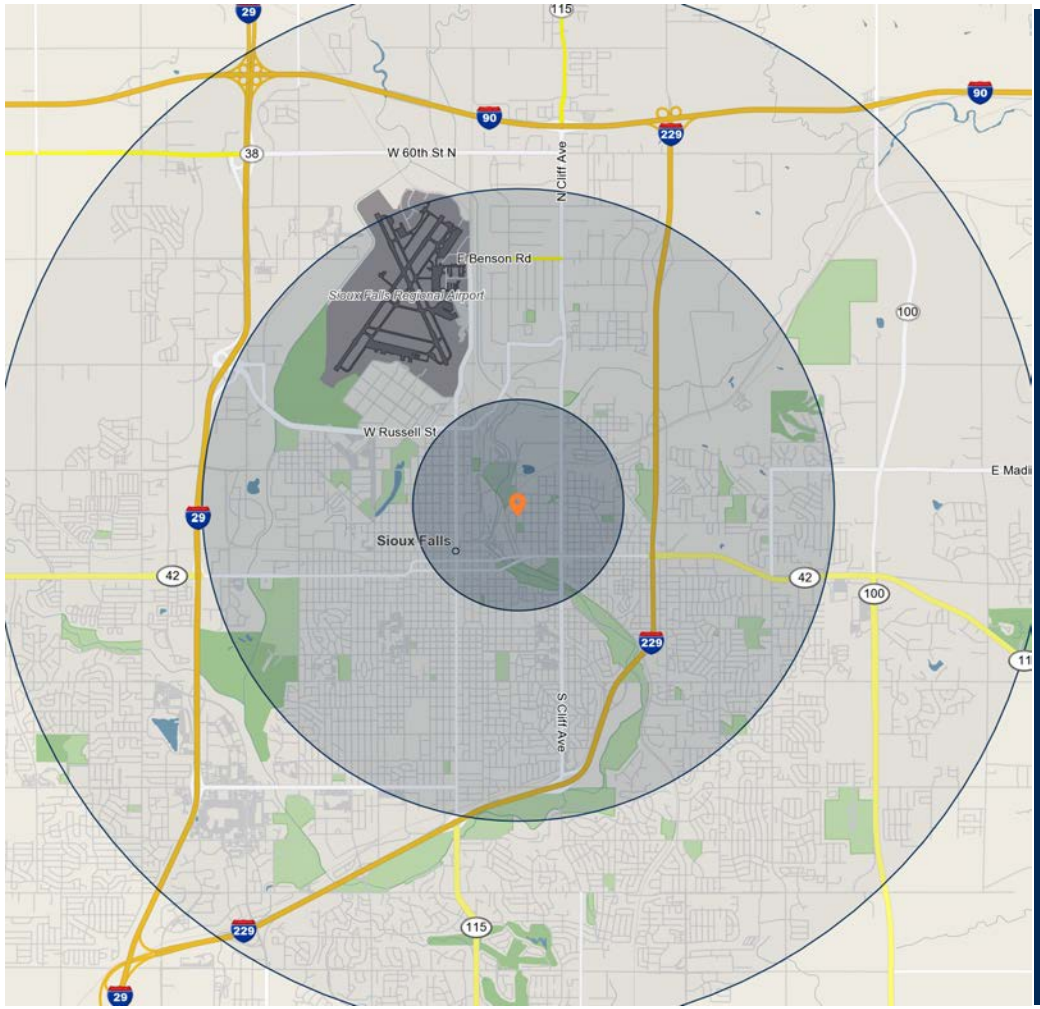
Hardee's
McDonald's
Downtown Sioux Falls
N. Weber Ave.
E. 4th St.
N. Weber Ave.
2,800 VPD
Google Earth



POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection	13,755	82,608	164,429
2020 Estimate	12,965	79,270	151,665
2010 Census	11,860	74,494	131,552
2000 Census	13,032	73,769	118,326
HOUSEHOLD INCOME			
Average	$45,961	$61,579	$76,105
Median	$34,901	$46,122	$57,786
Per Capita	$22,014	$25,758	$31,531
HOUSEHOLDS			
2025 Projection	6,161	33,995	67,836
2020 Estimate	5,729	32,292	62,043
2010 Census	5,101	29,934	53,390
2000 Census	5,374	30,145	47,736
HOUSING			
Median Home Value	$96,515	$146,353	$181,923
EMPLOYMENT			
2020 Daytime Population	29,971	129,987	205,924
2020 Unemployment	7.00%	4.01%	3.05%
Average Time Traveled (Minutes)	17	17	18
RACE & ETHNICITY			
White	60.75%	71.88%	79.95%
Native American	0.17%	0.11%	0.08%
African American	13.24%	12.06%	8.03%
Asian/Pacific Islander	3.58%	3.26%	2.94%

PROPERTY DETAILS // Jim's Transmission Repair & Service

PROPERTY INFORMATION	
Construction Status	Existing
Market	Sioux Falls
Cross Streets	Webster Avenue

NON-ENDORSEMENT & DISCLAIMER NOTICE

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Activity ID #ZAC0160079

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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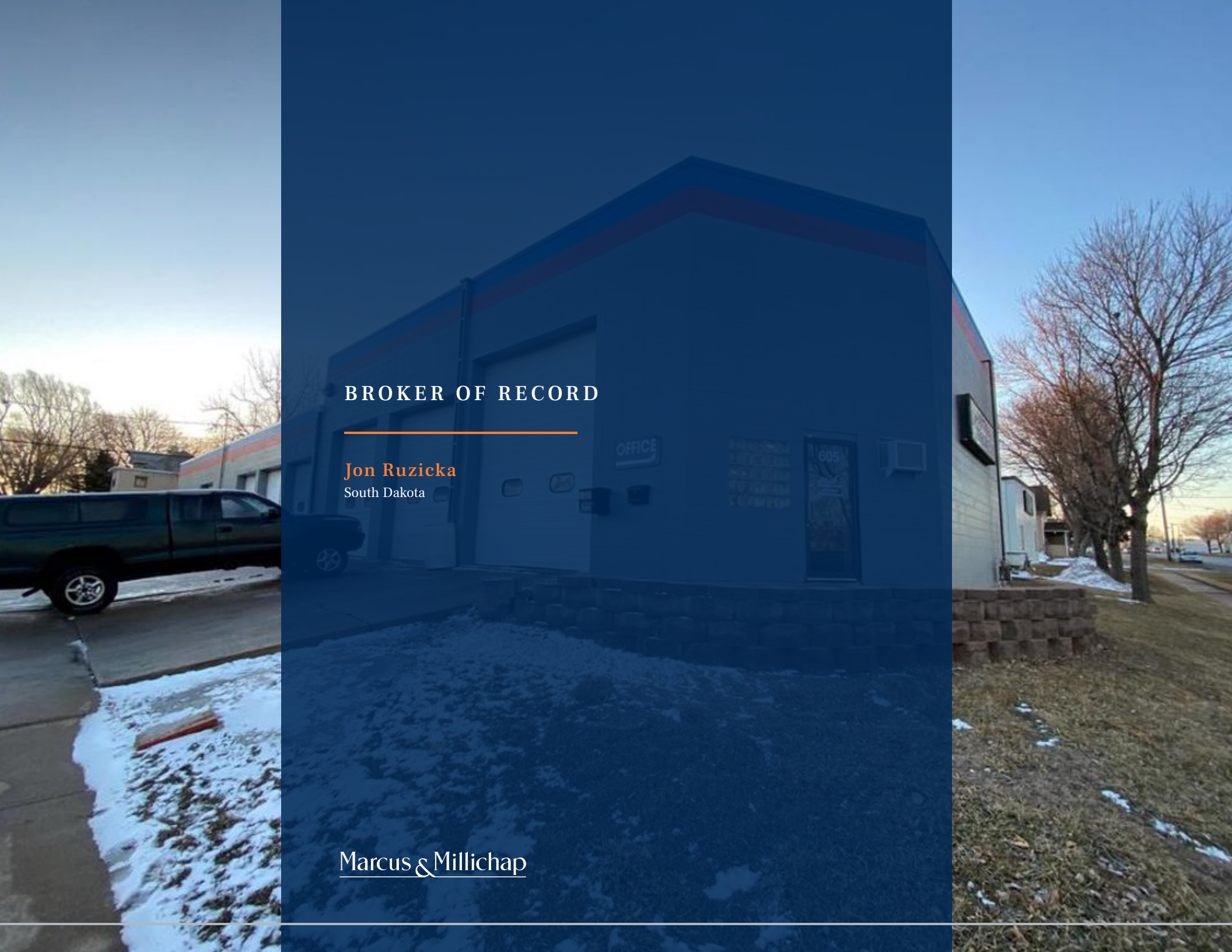

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Jon Ruzicka
South Dakota

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