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PROPERTY VIDEO



4556 Concourse Dr, Ann Arbor, MI

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

OFFERING MEMORANDUM



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EXECUTIVE SUMMARY

INVESTMENT SUMMARY

- **FedEx Express Build-To-Suit** – In 1996, this facility was specifically built for FedEx Express. This 45,400 SF building sits on 226,948 SF of land (20% Coverage), with future expansion capabilities.
- **Missions Critical Location** – This is the only FedEx Express Ship Center that serves the Ann Arbor MSA. Ann Arbor is the home to the University of Michigan which is one of the largest universities in the United States. The subject property is conveniently located adjacent to the Ann Arbor Airport and an industrial/retail corridor surrounded by national tenants such as Costco, Best Buy, U-HAUL, Public Storage, Home Depot, Target, Meijer, and more.
- **Strong Commitment to Location** – FedEx recently executed a 10-year lease extension with two additional 5-year options. This extension represents their third time renewing their lease at this location. The current lease has annual increases, with both options allowing the landlord to raise rents to Fair Market Value which has previously resulted in a significant increase.
- **Passive Ownership** – FedEx is on a Modified NNN Lease with limited Landlord responsibilities for Roof and Structure. FedEx is responsible for Taxes, Insurance, Utilities, HVAC, etc.
- **Investment Grade Tenant** – FedEx Express is the world's largest express transportation company, and one of four segment offerings that comprise the world's largest commerce provider, FedEx Corporation (NYSE: FDX). FedEx Corporation generates ± \$70 Billion in annual revenue and holds an S&P: BBB credit rating with Standard & Poor's Rating Service.



FINANCIAL OVERVIEW

» ADDRESS	4556 Concourse Dr, Ann Arbor, MI 48108
» PRICE	\$6,900,000
» CAP RATE	5.76%
» AVERAGE CAP RATE	5.91%
» PRICE/SF	\$151.98
» PRICE/SF LAND	\$30.40
» BUILDING/LOT COVERAGE	20.00%
» BUILDING SF (±)	45,400
» ACRES (±)	5.21
» LOT SQUARE FEET (±)	226,948
» LEASE TYPE	Industrial NNN
» RENTAL INCREASES	1% Annual Increases
» OPTIONS	(2) 5 Year Options @ FMV
» CURRENT MONTHLY RENT	\$33,142.00
» CURRENT ANNUAL RENT	\$397,704.00
» AVERAGE NOI	\$407,919.00



TENANT SUMMARY

Tenant Responsibilities	Operating Expenses
LL Responsibilities	Roof/ Structure/Parking
Original Lease Commencement	7/8/96
10 Year Extension Commencement	1/1/17
Lease Term Remaining	±6 Years
Lease Expiration	12/31/26
Rent / SF	\$8.76

ANNUALIZED OPERATING DATA

YEAR	ANNUAL RENT	RENT /MO.	ANNUAL RENT / SF	ANNUAL RENT / SF LAND	CAP RATE
1/1/2021 - 12/31/2021	\$397,704.00	\$33,142.00	\$8.76	\$1.75	5.76%
1/1/2022 - 12/31/2022	\$401,790.00	\$33,482.50	\$8.85	\$1.77	5.82%
1/1/2023 - 12/31/2023	\$405,876.00	\$33,823.00	\$8.94	\$1.79	5.88%
1/1/2024 - 12/31/2024	\$409,962.00	\$34,163.50	\$9.03	\$1.81	5.94%
1/1/2025 - 12/31/2025	\$414,048.00	\$34,504.00	\$9.12	\$1.82	6.00%
1/1/2026 - 12/31/2026	\$418,134.00	\$34,844.50	\$9.21	\$1.84	6.06%



meijer

BEST BUY
BIG LOTS
KOHLS

COSTCO
WHOLESALE

BRIARWOOD
SHOPPING MALL
VON MAUR
JCPenney
Eddie Bauer
★ macy's

U-HAUL

Hampton Inn & Suites
SHERATON
Holiday Inn
COURTYARD
BY MARRIOTT

ANN ARBOR
5 MILES AWAY

M
UNIVERSITY OF
MICHIGAN
7 MILES AWAY

ANN ARBOR
MUNICIPAL AIRPORT

FedEx
Express



Lowe's

CUBESMART
self storage

M
14

± 45,000 VPD

T.J. maxx

Kroger

UNIVERSITY OF MICHIGAN
7 MILES AWAY

23

± 74,000 VPD

meijer

INTERSTATE
94

± 71,000 VPD

ANN ARBOR
5 MILES AWAY

OfficeMax

Marshalls

petco

PETSMART

TRADER JOE'S

★macy's

ACE

U-HAUL

target

T.J. maxx

THE HOME
DEPOT

target

KOHL'S

COSTCO
WHOLESALE

ALDI

ANN ARBOR
MUNICIPAL AIRPORT

FedEx
Express

S STATE STREET
± 60,000 VPD

sam's club

Kroger

TENANT OVERVIEW



FEDEX EXPRESS

FedEx Corporation is an American multinational delivery services company headquartered in Memphis, Tennessee. The name “FedEx” is a syllabic abbreviation of the name of the company’s original air division, Federal Express (now FedEx Express), which was used from 1973 until 2000. The company is known for its overnight shipping service and pioneering a system that could track packages and provide real-time updates on package location, a feature that has now been implemented by most other carrier services. FedEx is also one of the top contractors of the US government.

Connecting people with goods, services, ideas and technologies creates opportunities that fuel innovation, energize businesses and lift communities to higher standards of living. FedEx believes that a connected world is a better world, and that belief guides everything they do.

FedEx delivers joy during the holidays. It delivers hope to survivors of natural disasters. Customers count on FedEx’s diverse portfolio of transportation, e-commerce, and business solutions. Its networks reach more than 220 countries and territories, linking more than 99 percent of the world’s GDP. Behind it all is more than 490,000 team members around the world, who are united around the Purple Promise: “I will make every FedEx experience outstanding.”

AREA OVERVIEW

#1 BEST PLACE TO LIVE IN MICHIGAN - U.S. NEWS AND WORLD REPORT, 2020-2021

#1 BEST COLLEGE TOWN & CITY IN AMERICA - WALLETHUB, 2021

#4 BEST PLACES TO LIVE IF YOU WORK FROM HOME - MONEY, 2021

#1 MOST EDUCATED CITY IN AMERICA - WALLETHUB, 2020

#2 IN TOP 100 PLACES TO LIVE - LIVABILITY, 2020

ANN ARBOR, MI

With a population of over 117,000 residents, the city of Ann Arbor is the county seat and the largest city in Washtenaw County, Michigan. **It is also the 5th largest city in Michigan.** Ann Arbor has a thriving economy with major industries including research and development, education, and health care. It is also home to over 158 parks. Thus, Ann Arbor has earned its name, as the word “arbor” means leafy garden. Major attractions in Ann Arbor include the **Matthaei Botanical Gardens, Main Street, and the Michigan Stadium**, which was nicknamed “The Big House” as it is the largest stadium in the United States. The city also celebrates several annual events, most of which are art and film festivals that draw large crowds to the city each year. Ann Arbor is a bustling college town as it is the location of the **University of Michigan** where over 31,300 students take rigorous courses. Ann Arbor is the perfect place to live and work as it is only **45 miles away from the Detroit** Metropolitan Area.



POPULATION



HOUSEHOLDS



HOUSEHOLD INCOME



3-MILE

2020 ESTIMATE	2025 PROJECTION
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44,267

44,802

5-MILE

156,232

159,579

10-MILE

313,611

320,944

2020 ESTIMATE	2025 PROJECTION
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19,551

19,767

63,186

64,602

123,920

126,952

2020 ESTIMATE

\$106,703

\$100,979

\$96,310

**SUBJECT PROPERTY DEMOGRAPHICS*



ECONOMY

Ann Arbor is a major research and development hub due to its proximity to Detroit and the presence of the University of Michigan. The research and development operations of several automotive companies and independent research firms provide over 6,000 jobs to the Ann Arbor metro area. These firms include GM, Ford, Toyota, Faurecia North America, and JAC Products. To add, Google’s AdWords program, its largest source of revenue, is also located in Ann Arbor. Several companies are headquartered in Ann Arbor such as IHA Health Services Corp., Terumo Cardiovascular Group, Domino’s Pizza, Zingerman’s Family of Businesses, ProQuest, and Truck Hero.

COMPANIES HEADQUARTERED IN ANN ARBOR, MI



MAJOR EMPLOYERS

COMPANY	# OF EMPLOYEES
University of Michigan	35,446
IHA Health Services Corp.	1,592
Thomson Reuters	1,155
Terumo Cardiovascular Group	1,100
Domino’s Pizza	1,000
IBM Watson Health	700
Zingerman’s Family of Businesses	700
ProQuest	570
Truck Hero	559
Washtenaw Community College	543

Source: Ann Arbor SPARK

DOWNTOWN ATTRACTIONS

The **MATTHAEI BOTANICAL GARDENS** is a 300-acre property that features natural areas with recreational trails, several research habitats, and a 10,000 square foot conservatory. The botanical gardens offer a variety of recreational activities to visitors. It is committed to environmental stewardship and the understanding and enjoyment of the natural world.

Located at the heart of downtown Ann Arbor, **MAIN STREET** features 31 shops, 50 restaurants and bars, 7 health and beauty services, 3 hotels, museums, theaters, galleries, and private businesses. There is something that will meet everyone's taste in Main Street.

Located just right off of the I-94 and 2 miles south of the University of Michigan, **BRIARWOOD MALL** is a 980,000 square foot property with 14 restaurants and 85 stores. The premier shopping hub features anchor stores Macy's, JCPenney, and Von Maur. The major retail destination serves Ann Arbor's diverse and highly educated community.



UNIVERSITY OF MICHIGAN

±4 MI FROM SUBJECT PROPERTY

Established in 1817, the University of Michigan is a public research university in Ann Arbor. As of Fall 2020, over 31,300 students attend the university. The university is comprised of 19 schools and colleges that offer over 275 degree programs.

The University of Michigan is known for its outstanding athletics. The UM Wolverines participate in 13 men's sports and 14 women's sports. All varsity level teams play at the NCAA Division I level as a member of the Big Ten Conference. The UM Wolverines have won 56 team national championships, 317 individual national titles, and 400 Big Ten championships.

Commonly known as "The Big House", the **Michigan Stadium is the largest stadium in the United States and the third-largest stadium in the world.** The stadium can hold over 107,600 sports fans during UM Wolverine football games.

Michigan Medicine is a high-volume, academic medical center that features 3 hospitals and over 125 health clinics. In 2019, **U.S. News and World Report ranked Michigan Medicine as the Best Hospital in Michigan and ranked C.S. Mott Children's Hospital as the Best Children's Hospital in Michigan.**



ENROLLMENT

- ±31,300 Students
- 275 Degree Programs



QUICK FACTS

- 522 new inventions reported (2020)
- 31 new business startups (2020)
- 163 patents issued (2020)
- \$14.5M in revenue (2020)
- 268 license/option agreements (2020)
- \$118M in annual industry-sponsored research expenditures (2019)
- 1,500+ students participated in Undergraduate Research Opportunity Program (2019)



RANKINGS

- #1 in Top Public Universities in America
- #1 in Best Small College Town in America
- #3 in Top Public Schools
- #3 in Business Programs
- #3 in Best Big Colleges in America
- #6 in Best Values in Public Colleges
- #6 in Best Undergraduate Engineering Programs
- #7 in Colleges with the Best Student Life in America
- #8 in Best Colleges for Veterans
- #8 in Best Colleges for Student Athletes in America

The image shows the Michigan Theatre, a historic building with Art Deco architectural features. The facade is made of brick with decorative yellow and blue tile patterns around the arched windows. A tall, vertical sign on the left side of the building reads "MICHIGAN" in blue letters with orange lights. Below it, a horizontal marquee sign, also outlined in orange lights, displays the word "MICHIGAN" in white. Below the marquee, there are two black signs with yellow text: "KIDS ARE ALL RIGHT MID-AUGUST LUNCH I AM LOVE" and "THANKS TO BENNETT OPTOMETRY & BELLS BREWERY". To the right of the theatre, there is a storefront for "ALLURE BOUTIQUE". A red car is partially visible in the foreground at the bottom left.

ANN ARBOR EVENTS

Several events are held in Ann Arbor each year. The Ann Arbor Art Fairs is a group of four award-winning art fairs that draw over 400,000 visitors to Ann Arbor each year. The art fairs feature art exhibits, music performances, art demonstrations, and other interactive activities. The Ann Arbor Film Festival is the 4th oldest film festival in North America. Over 3,000 film entries from filmmakers from over 60 different countries participate in the festival each year. It is one of the premier film festivals where experimental and independent filmmakers showcase their work.

CONFIDENTIALITY & DISCLAIMER STATEMENT

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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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