



Investment Sale

**2702 International Ln
Madison**

\$1,130,000

Key Commercial Real Estate LLC

608-729-1800 | www.keycomre.com

TABLE OF CONTENTS

Executive Summary	Pg. 3
Investment Overview	Pg. 4
Floor Plans.....	Pg.5
Location & Demographics.....	Pg. 6
Site Plan & Aerial	Pg. 7
Building Details	Pg. 8
Photos	Pg. 9
Broker Disclosure.....	Pg. 10

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Executive Summary

Key Commercial Real Estate is pleased to present a stabilized investment opportunity at 2702 International Lane in Madison. This 2 story, 19,888 square foot multi-tenant office building was constructed in 1980 and has undergone extensive renovations in recent years to bring it to stabilization. The building is located just minutes from downtown Madison and has easy access to the highway system and the Dane County Regional Airport. The property is also located within an Opportunity Zone.



The property is situated on a two acre parcel in the Truax Air Business Park. All land in the park is owned by the Dane County Airport so the building is subject to a land lease which extends through September of 2078. The lot offers a beautiful wooded setting with walking paths and ample parking for tenants and customers.

The building has a new roof, upgraded mechanicals, newly renovated common areas well as new buildouts to each of the office suites. The property is currently home to thirteen tenants and has an occupancy rate of 100%.



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Investment Overview

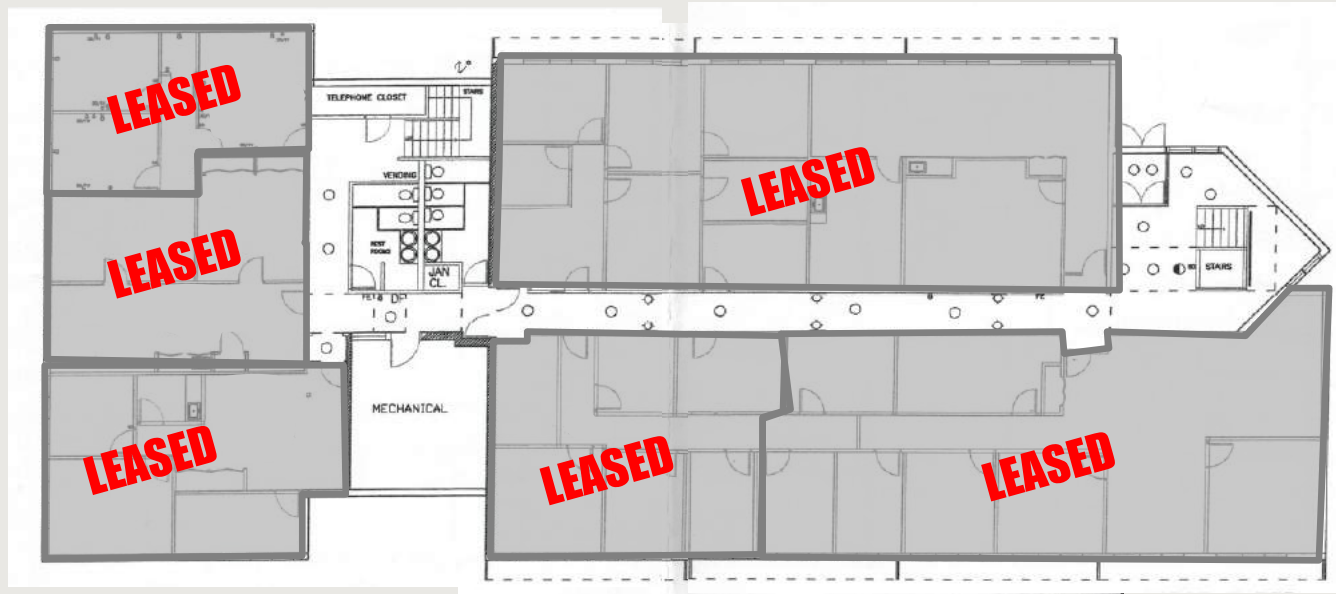
LEASE INFORMATION

- **Occupancy Rate:** 100%
- **Number of Suites:** 13
- **Number of Tenants:** 13
- **Lease Type:** Gross
- **Terms:** One MTM lease, all other leases 3-5 years with renewal options.
- **Shared Amenities:** Common conference room and common break room
- **Maintenance:** Landlord responsible for common areas, roof and structure. Tenants are responsible for in-suite maintenance.
- **ADA:** Ramp to second floor provides ADA access. No building elevator.
- **Ground Lease:** Expires 9-30-2078 and subject to CPI increases. Currently \$11,480 annually

FINANCIAL SUMMARY

Gross Potential Rent	223,500
Current Vacancy (6%)	<u>(12,300)</u>
Effective Rental Income	211,200
Utilities	40,000
Repairs	16,000
Insurance	3,000
Janitorial/Interior Maintenance	11,000
Real Estate Taxes	10,500
Landscape/Snow Removal	12,000
Land Lease	<u>11,500</u>
Total Operating Expenses	(104,000)
Reserve 3%	(6,300)
Management 5%	<u>(10,500)</u>
Net Operating Income (NOI)	90,400
Cap Rate	8.0%
Price	\$1,130,000
Building Price PSF	57.00
Annual Cash Flow	28,500
Cash On Cash ROI	12.61%
Cash Invested 20%	228,000
Debt 80%	912,000
Term (Years)	25.00
Annual Rate	4.75%
Annual Debt Service	62,400
DSCR	1.46

Floor Plans



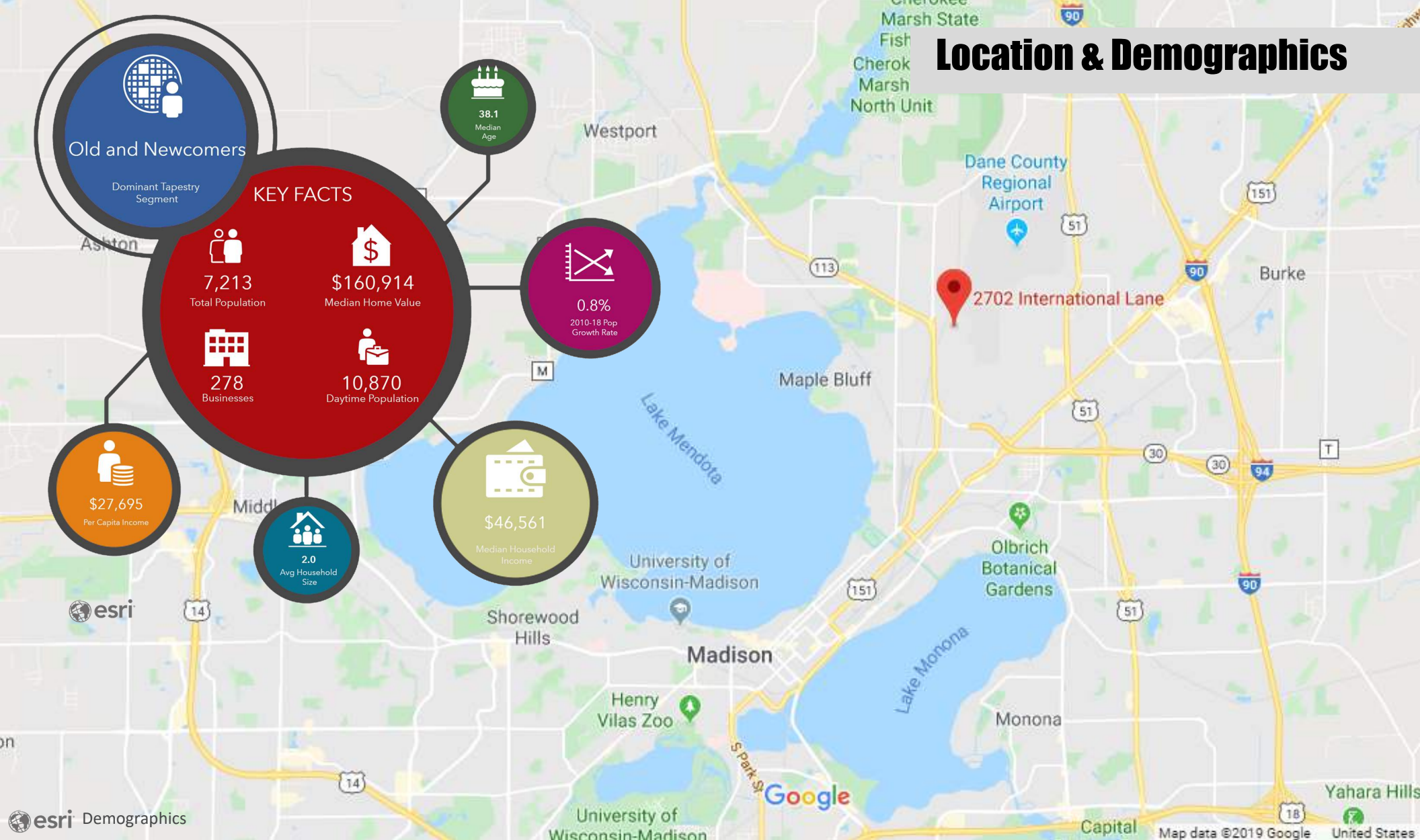
First Floor



Second Floor

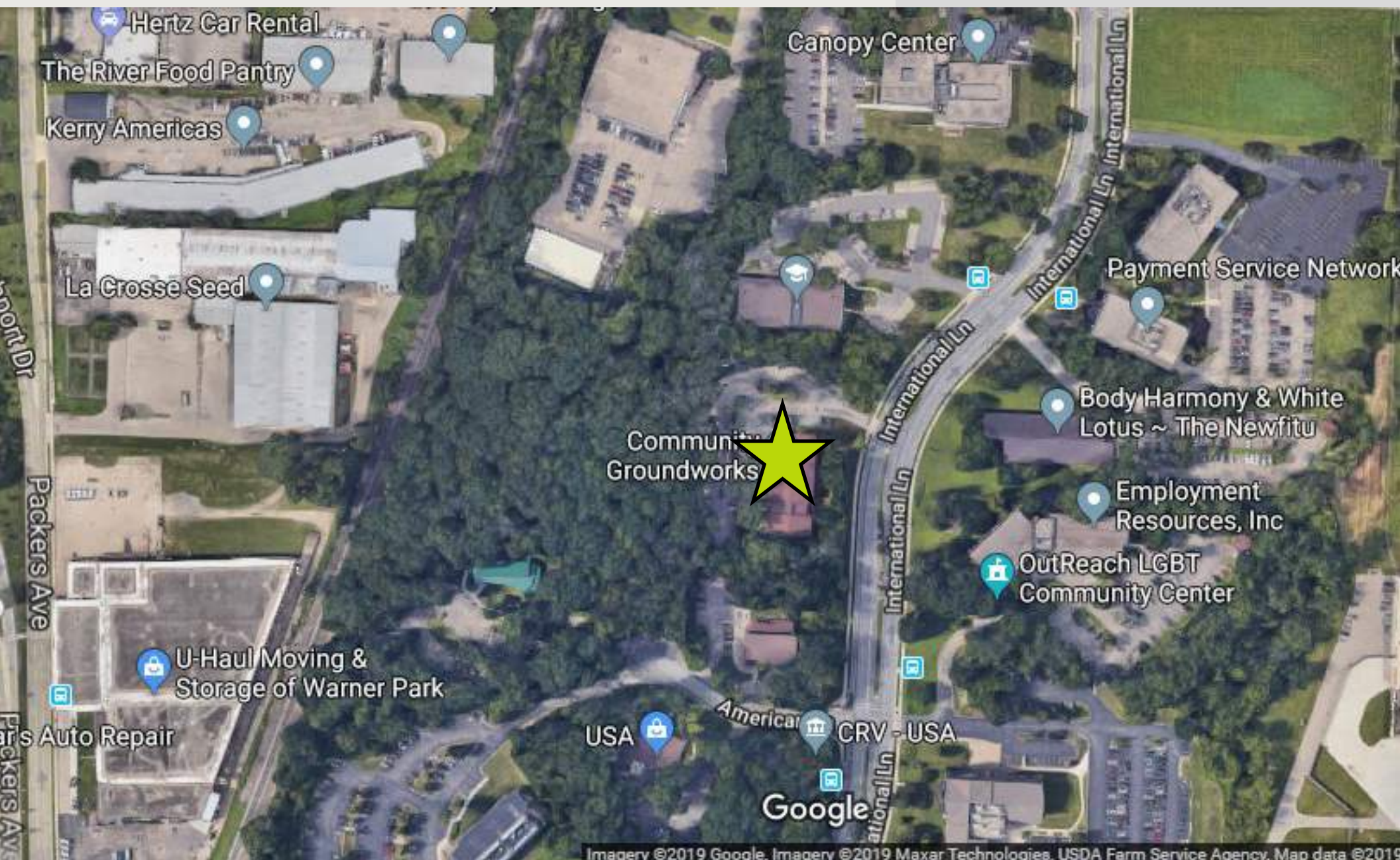


Location & Demographics



Radius	1 Mile	3 Miles	5 Miles
Median Household Income	\$46,561	57,100	54,318
Average Household Size	2.0	2.1	2.1
Median Age	38.1	37.3	30.5

Aerial



Imagery ©2019 Google, Imagery ©2019 Maxar Technologies, USDA Farm Service Agency, Map data ©2019



Building Details

- **Parcel Size:** 1.97 acres
- **Building Size:** 19,888 SF
- **Year Built:** 1980
- **Number of Stories:** 2
- **Zoning:** SE
- **Numerous Improvements Inc.:**
 - ◇ Common area carpet, lighting, paint, stairways
 - ◇ New common conference room & break room
 - ◇ Significant upgrades to HVAC system
 - ◇ Landscaping, external lighting, & windows
 - ◇ New common area restrooms
 - ◇ New roof
- **Exterior Walls:** Wood frame with horizontal wood lap exterior siding
- **Roof:** pitched asphalt shingle roof
- **HVAC:** Burnham hot water boiler and Tran DX cooling system have packaged controls. The air-handling unit has pneumatically controlled zone dampers. There are non-adjustable thermostats in all tenant spaces.
- **Electrical:** 120V, 3phas, 4 wire. 800 Amps main switch-fuse.
- **Assessment:**
 - Land: \$0 (tax exempt as owned by County)
 - Improvements: \$462,200
- **RE Taxes:** \$10,331



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Photos



BROKER DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

1 Prior to negotiating on your behalf the Broker must provide you the following disclosure statement:

2 **BROKER DISCLOSURE TO CUSTOMERS**

3 You are a customer of the broker. The broker is either an agent of another party in the transaction or a subagent of another broker
 4 who is the agent of another party in the transaction. The broker, or a salesperson acting on behalf of the broker, may provide
 5 brokerage services to you. Whenever the broker is providing brokerage services to you, the broker owes you, the customer, the
 6 following duties:

7 ■ The duty to provide brokerage services to you fairly and honestly.

8 ■ The duty to exercise reasonable skill and care in providing brokerage services to you.

9 ■ The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless
 10 disclosure of the information is prohibited by law.

11 ■ The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is
 12 prohibited by law (**See Lines 47-55**).

13 ■ The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the
 14 confidential information of other parties (**See Lines 22-39**).

15 ■ The duty to safeguard trust funds and other property the broker holds.

16 ■ The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and
 17 disadvantages of the proposals.

18 Please review this information carefully. A broker or salesperson can answer your questions about brokerage services, but if you
 19 need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home inspector.

20 This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain-language summary of
 21 a broker's duties to a customer under section 452.133 (1) of the Wisconsin statutes.

22 **CONFIDENTIALITY NOTICE TO CUSTOMERS**

23 BROKER WILL KEEP CONFIDENTIAL ANY INFORMATION GIVEN TO BROKER IN CONFIDENCE, OR ANY INFORMATION
 24 OBTAINED BY BROKER THAT HE OR SHE KNOWS A REASONABLE PERSON WOULD WANT TO BE KEPT CONFIDENTIAL,
 25 UNLESS THE INFORMATION MUST BE DISCLOSED BY LAW OR YOU AUTHORIZE THE BROKER TO DISCLOSE PARTICULAR
 26 INFORMATION. A BROKER SHALL CONTINUE TO KEEP THE INFORMATION CONFIDENTIAL AFTER BROKER IS NO LONGER
 27 PROVIDING BROKERAGE SERVICES TO YOU.

28 THE FOLLOWING INFORMATION IS REQUIRED TO BE DISCLOSED BY LAW:

29 1. MATERIAL ADVERSE FACTS, AS DEFINED IN SECTION 452.01 (5g) OF THE WISCONSIN STATUTES (**SEE LINES 47-55**).

30 2. ANY FACTS KNOWN BY THE BROKER THAT CONTRADICT ANY INFORMATION INCLUDED IN A WRITTEN INSPECTION
 31 REPORT ON THE PROPERTY OR REAL ESTATE THAT IS THE SUBJECT OF THE TRANSACTION.

32 TO ENSURE THAT THE BROKER IS AWARE OF WHAT SPECIFIC INFORMATION YOU CONSIDER CONFIDENTIAL, YOU MAY LIST
 33 THAT INFORMATION BELOW (**SEE LINES 35-36**). AT A LATER TIME, YOU MAY ALSO PROVIDE THE BROKER WITH OTHER

34 INFORMATION YOU CONSIDER TO BE CONFIDENTIAL.

35 **CONFIDENTIAL INFORMATION:**

36 _____
 37 **NON-CONFIDENTIAL INFORMATION** (The following information may be disclosed by Broker): _____
 38 _____

39 *(INSERT INFORMATION YOU AUTHORIZE THE BROKER TO DISCLOSE SUCH AS FINANCIAL QUALIFICATION INFORMATION.)*

40 **CONSENT TO TELEPHONE SOLICITATION**

41 I/We agree that the Broker and any affiliated settlement service providers (for example, a mortgage company or title company) may
 42 call our/my home or cell phone numbers regarding issues, goods and services related to the real estate transaction until I/we
 43 withdraw this consent in writing. **List Home/Cell Numbers:** _____

44 **SEX OFFENDER REGISTRY**

45 *Notice: You may obtain information about the sex offender registry and persons registered with the registry by contacting the*
 46 *Wisconsin Department of Corrections on the Internet at: <http://offender.doc.state.wi.us/public/> or by phone at 608-240-5830.*

47 **DEFINITION OF MATERIAL ADVERSE FACTS**

48 A "material adverse fact" is defined in Wis. Stat. § 452.01(5g) as an adverse fact that a party indicates is of such significance, or that
 49 is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect
 50 the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision
 51 about the terms of such a contract or agreement. An "adverse fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence
 52 that a competent licensee generally recognizes will significantly and adversely affect the value of the property, significantly reduce
 53 the structural integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information
 54 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or
 55 agreement made concerning the transaction.

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

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Broker Disclosure

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