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MARSH COURT

MADISON, WISCONSIN

CBRE





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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE.

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EXECUTIVE
SUMMARY



EXECUTIVE SUMMARY

The building has been continuously occupied by Women's International Pharmacy, Inc. since April, 2002. The Pharmacy is a compounding pharmacy specializing in compounded bio-identical hormones, nationally known, and licensed to do business throughout the United States. Women's International Pharmacy changed ownership in March 2021 – the transaction was conducted via a stock sale, so the tenant remains unchanged. Belmar Pharma Solutions, an industry-leading and nationally known compounding pharmacy having a similar business model to that of Women's International Pharmacy sought to acquire this leading specialty pharmacy to expand its product lines.

There has been no major change to the layout of the building as reflected on the floor plan; however, some areas/rooms may have been repurposed.



Square Footage	29,612 SF
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Asking Price	\$4,350,000 (\$147/SF)
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In Place NNN Rent	\$322,374/Year (FY 2025) \$10.89/SF, NNN (FY 2025) 2.95% Annual Escalations
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Lease Expiration	March 31, 2030 (6 Years Remaining)
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Renewal Options	One (1) 5-year option, fair market rent, 3% escalations, 12-15 month notice
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INVESTMENT HIGHLIGHTS

GOOD LOCATION

Near I-90 and Hwy 18 in the strong industrial/flex submarket of Southeast Madison. Several other office, healthcare technology/manufacturing, and biotechnology companies are located in the immediate surrounding area. Close proximity to University of Wisconsin-Madison (with leading pharmacy, medical, biotechnology, engineering, and chemistry programs) offers access to strong talent pool.

SINGLE-TENANT, NET LEASE ASSET

Built-to-suit for tenant, who has been the sole occupant for over 20 years. A 12-month notice is required for renewal option. Tenant self-manages the facility and it is maintained to very high standards of condition and cleanliness.

MISSION CRITICAL FACILITY

This industry-leading specialty pharmacy is one of two in the country operated by the Tenant. Highly-educated staff (pharmacists, etc) would be difficult to relocate. This location generally covers the central and eastern part of the U.S. Having two separate facilities is critical to operations of the Tenant.

STRONG LOCAL MARKET

The Madison office/flex market remains strong. Office vacancy is 6%, industrial/flex vacancy is 3%, and lab/pharmacy space is essentially 0%. Current rent is substantially below market, offering future upside potential, and lower future retenanting risk.



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PROPERTY
DESCRIPTION



PROPERTY OVERVIEW

The construction of 2 Marsh Court was completed in 2002 and the building has been continuously occupied by Women's International Pharmacy, Inc. since April, 2002.

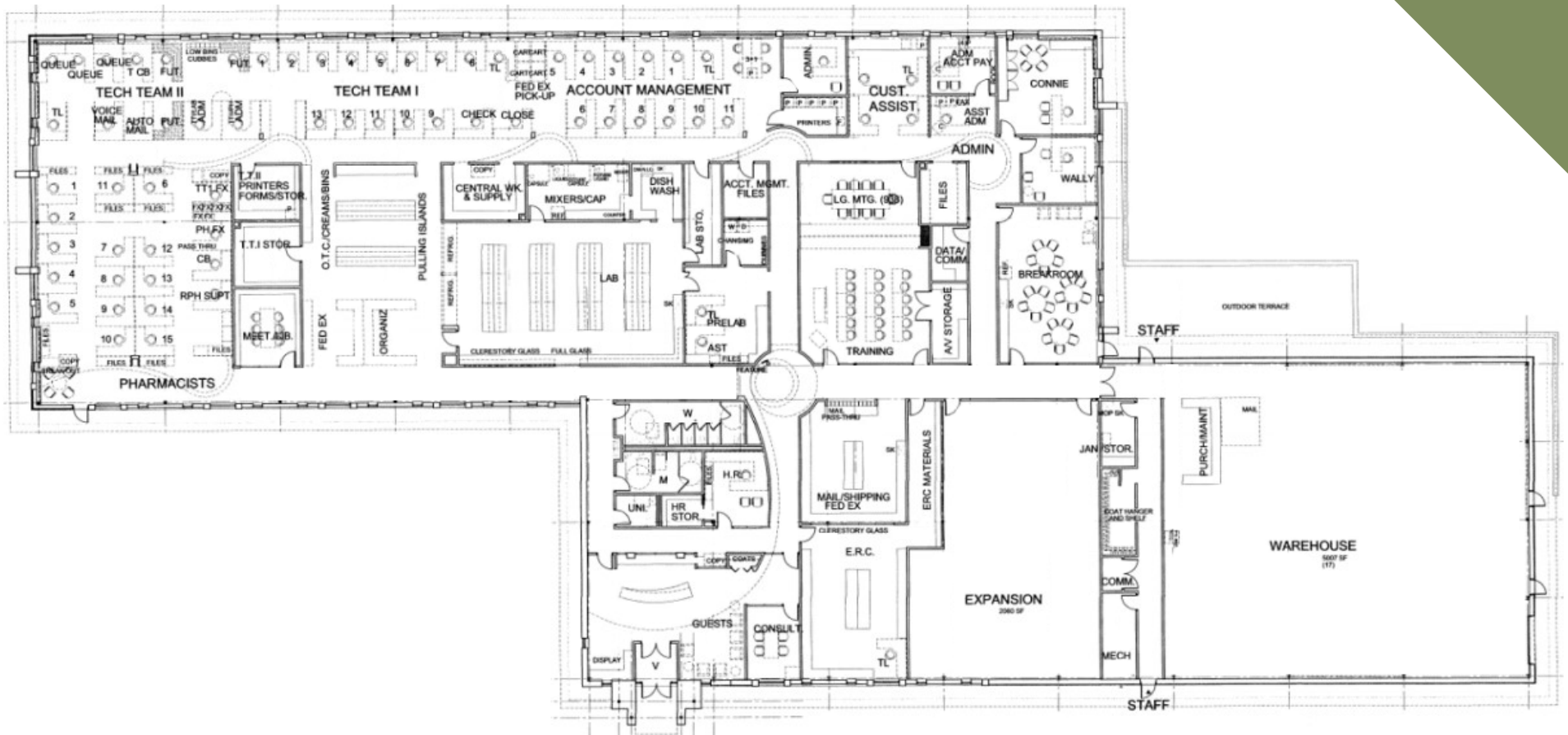
The building consists of approximately 7,500 SF of climate-controlled warehouse/distribution and storage space, and the balance of approximately 22,500 SF is used for the pharmacy business operations: i.e., compounding lab, call centers for pharmacists and technicians, pulling and filling area for prescriptions, billing department, education resource center, and miscellaneous offices for managers.

BUILDING OVERVIEW

Building Size	29,612 SF
Parcel Size	3.72 acres
Year Built	2002
Zoning	IL, Industrial Limited District
Parking	120 surface parking stalls
Dock	One (1) drive-in door with lift
Ceiling Height	Approx. 18-20' in warehouse



FLOOR PLAN



PROPERTY HIGHLIGHTS



STRONG INDUSTRIAL/
FLEX MARKET



NET LEASE
ASSET



120 SURFACE
PARKING STALLS



ONE (1)
DRIVE-IN DOOR



18-20' CEILING HEIGHT
IN WAREHOUSE





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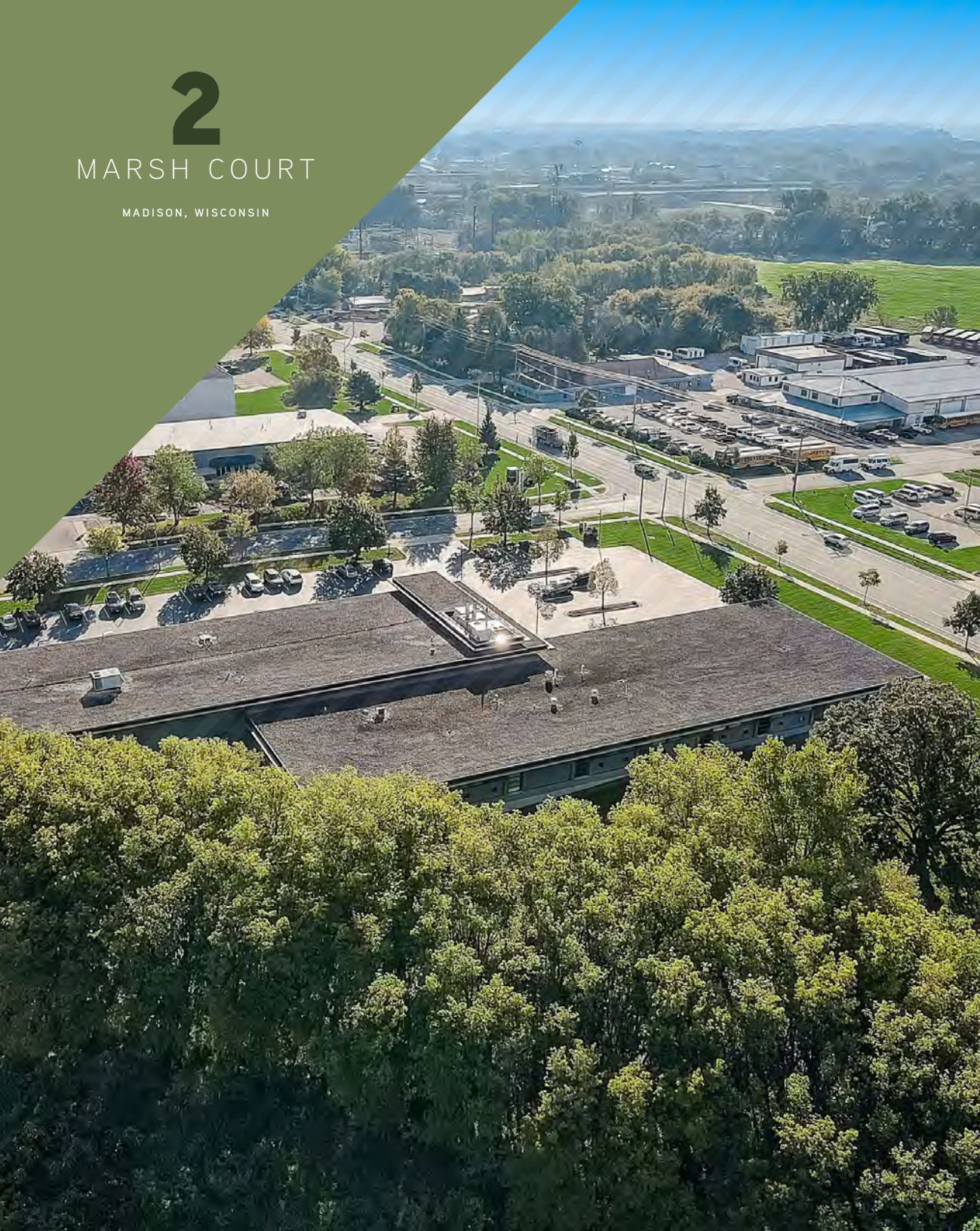
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MADISON, WISCONSIN

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AREA
OVERVIEW





DOWNTOWN
MADISON

MADISON, WISCONSIN

Madison, WI, enjoys a national reputation as a resilient economy due to strong job, income, and population growth. Madison is the state capital with a Metropolitan Statistical Area of approximately 697,771 residents in a four-county area and is home to the University of Wisconsin-Madison - the #10 Top Public University in America.

The stable presence of the University of Wisconsin and Epic Systems protects against employment volatility and provides a continued foundation for Madison's large and growing tech and bioscience industry clusters. Madison's unemployment rate is among the lowest in the nation, thanks to an extremely well-educated workforce.

Residents are among the most educated in the country, claiming the third-highest percentage of residents over 25 holding at least a bachelor's degree and ranking first in regard to the percentage of the population possessing PhDs.



252,500

Estimated Population

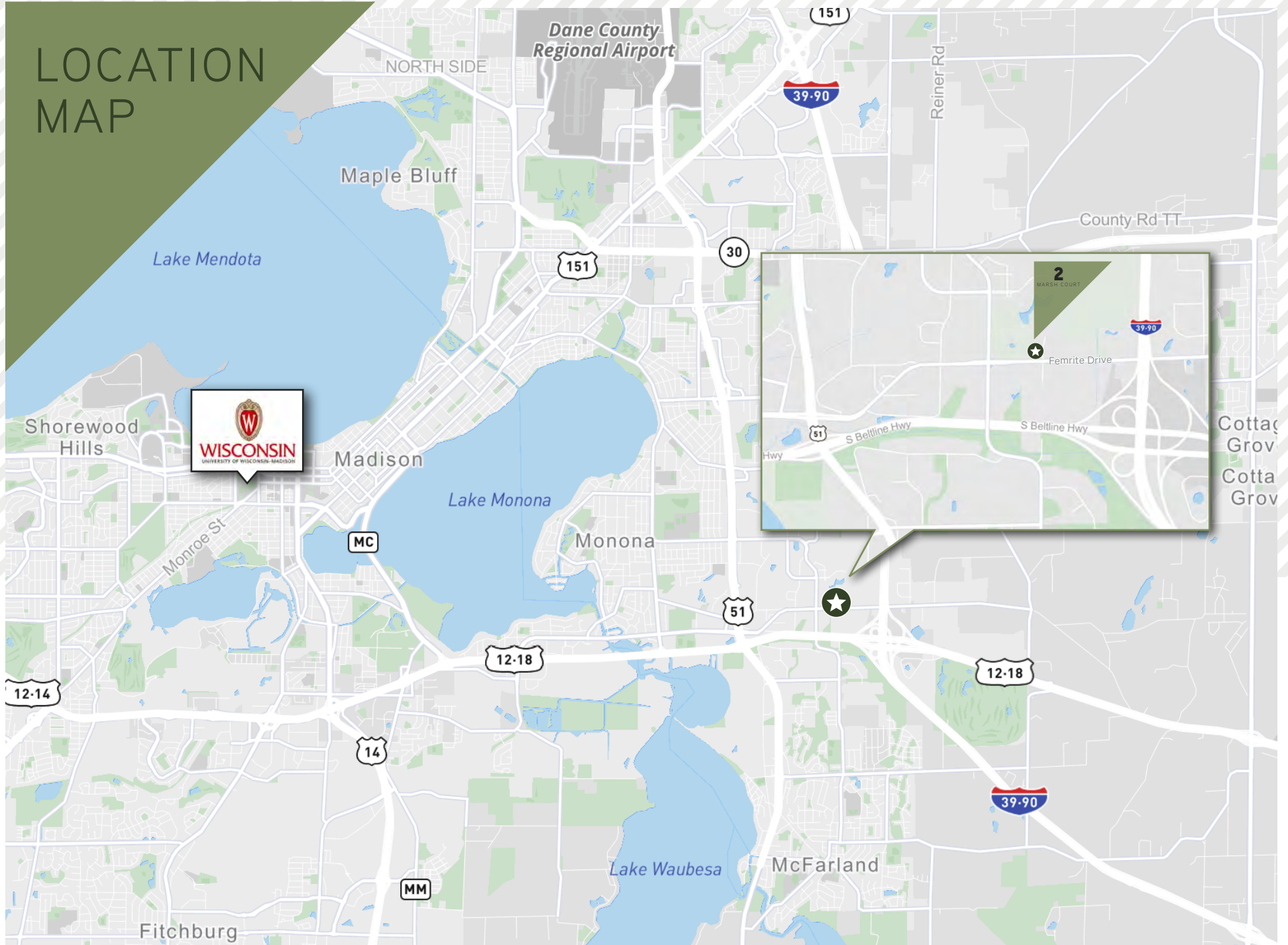
Making it the second largest city in Wisconsin
and the 82nd largest in the United States



**#5 Top 25 U.S.
Growth Cities**

Based on Migration Trends
U-Haul, 2020 & 2021

LOCATION MAP





INTERSTATE 94

BELTLINE HWY

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MARSH COURT

FENRITE DRIVE

DRIVE TIMES

I-90 / Beltline Hwy	1 Minute / 0.5 Miles	Milwaukee	75 Minutes / 80 Miles
Capitol Square	14 Minutes / 7 Miles	Chicago	2.5 Hours / 150 Miles
UW-Madison	15 Minutes / 7.5 Miles	Minneapolis	4.25 Hours / 275 Miles



AREA DEMOGRAPHICS

	5 MILE	10 MILES	15 MILES
POPULATION			
2023 Population	104,299	339,085	540,854
2028 Population - Projection	109,027	350,308	559,140
2023-2028 Growth Rate	0.89%	0.65%	0.67%
GENERATIONS			
Generation Alpha	7.7%	7.0%	7.3%
Generation Z	20.0%	28.6%	26.3%
Millennials	29.4%	26.5%	25.8%
Generation X	20.2%	17.1%	18.6%
Baby Boomers	18.9%	17.0%	17.9%
Greatest Generations	3.9%	3.9%	4.0%
HOUSEHOLD INCOME			
Average Household Income	\$104,145	\$102,229	\$113,951
Median Household Income	\$77,788	\$70,047	\$80,092
HOUSING VALUE			
Median Home Price	\$327,526	\$348,043	\$363,724
Average Home Price	\$370,802	\$395,299	\$408,725
HOUSING UNITS			
Owner-Occupied Housing	58.0%	48.7%	54.2%
Renter-Occupied Housing	37.9%	46.8%	41.5%

An aerial photograph of a large, single-story commercial building with a flat roof. The building is surrounded by a large parking lot filled with cars. There are trees and landscaping around the building and parking lot. The image is partially covered by a green overlay in the top left corner and a dark grey overlay on the right side.

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FINANCIAL
OVERVIEW

FINANCIAL ANALYSIS

2 Marsh Court offers prospective buyers a steady investment opportunity. The following pages include underwriting assumptions, cash flow projections based on existing rents, the anticipated mark-to-market upside after the current tenant's lease expires, a comparison of existing versus market rents, and a lease expiration schedule. Historic financial statements, the existing lease, and other supporting documents are available upon request as part of due diligence materials.

UPSIDE POTENTIAL

As demonstrated in the cash flow pro forma, the Property has below-market rents. Upon expiration of the existing lease, Tenant has one additional 5-year renewal option at Fair Market Rent, allowing Landlord to adjust to market rents at the time, or sell or lease to another user at market pricing. Life science/lab users have expressed interest in the building, should it become available in the future.



HISTORICAL ASSUMPTIONS

GLOBAL

ANALYSIS PERIOD

Commencement Date	March 1, 2024
End Date	February 28, 2031
Term	7 Years

AREA MEASURES (NRSF)

Rentable Square Feet	29,612 SF
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GROWTH RATES

Tenant Improvements	3.00%
Other Income Growth Rate	3.00%
Operating Expenses	3.00%
Real Estate Taxes	3.00%
Market Rent Growth	
CY 2025	3.00%
CY 2026	3.00%
CY 2027	3.00%
CY 2028	3.00%
CY 2029	3.00%
CY 2030	3.00%
CY 2031	3.00%
CY 2032	3.00%
CY 2033	3.00%
CY 2034+	3.00%

CAPITAL RESERVES (CY 2024 VALUE)	\$0.15 PSF
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SECOND GENERATION LEASING (MARKET)

RETENTION RATIO	70%
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FINANCIAL TERMS

2024 Annual Market Rent	\$15.75 PSF
Rent Adjustment	3.00% Annually
Lease Term	86 Months
Expense Reimbursement Type	NNN

TENANTING COSTS

Free Rent	2.0 Month(s)
New	0.0 Month(s)
Renewal	0.60 Month(s)
Weighted Average	3.00%

Tenant Improvements (\$/NRSF)	
New	\$30.00 PSF
Renewal	\$15.00 PSF
Weighted Average	\$19.50 PSF

Leasing Commissions	
New	7.00%
Renewal	3.00%
Weighted Average	4.20%

Downtime	
New	9 Month(s)
Weighted Average	3 Month(s)

NOTES

All market rates are stated on calendar-year basis.

LEASE OVERVIEW

TENANT	Women's International Pharmacy, Inc, a Wisconsin Corporation (acquired by Belmar Pharma Solutions in 2021, operates as a wholly-owned subsidiary)
LEASE TYPE	NNN
TENANT RESPONSIBILITIES	Tenant is responsible for all property related expenses, including maintenance, repairs, and replacements.
LANDLORD RESPONSIBILITIES	Landlord pays real estate tax bill and property insurance bill, and seeks 100% reimbursement from Tenant.
LEASE TERM	Approximately six (6) years remaining (Expiration Date: March 31, 2030)
BASE RENT	<i>See full rent schedule on following page.</i>
ESCALATIONS	Approximately 2.95% annually, occurring each January 1st.
RENEWAL OPTION(S)	One (1) 5-Year option to extend the lease. Base Rent during option period shall be fair market rent, as defined in the lease, with 3% annual escalations thereafter. Notice required no more than 15 months and no less than 12 months prior to expiration.
SECURITY DEPOSIT	None



CASH FLOW PROJECTIONS

FISCAL YEAR ENDING - FEBRUARY 28	2025	2026	2027	2028	2029	2030	2031	2032
Physical Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	74.81%	100.00%
Overall Economic Occupancy [1]	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	72.75%	100.00%
Weighted Average Market Rent	\$15.83	\$16.30	\$16.79	\$17.30	\$17.82	\$18.35	\$18.90	\$19.47
Weighted Average In Place Rent [2]	\$10.89	\$11.38	\$11.73	\$12.08	\$12.43	\$12.80	\$17.12	\$19.20
Lease SF Expiring (Initial Term Only)	0	0	0	0	0	0	29,612	0
Lease SF Expiring (Cumulative %)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

	FY 2025 \$/SF/YR [3]								
REVENUES									
Scheduled Base Rent									
Gross Potential Rent	\$10.89	\$322,374	\$336,903	\$347,306	\$357,567	\$368,135	\$379,020	\$547,376	\$568,448
Absorption & Turnover Vacancy	0.00	0	0	0	0	0	0	(140,271)	0
Free Rent	0.00	0	0	0	0	0	0	(27,845)	0
Total Scheduled Base Rent	10.89	322,374	336,903	347,306	357,567	368,135	379,020	379,261	568,448
Expense Recoveries	2.62	77,655	79,985	82,385	84,856	87,402	90,024	69,485	95,506
Free Recovery	0.00	0	0	0	0	0	0	0	0
TOTAL GROSS REVENUE	13.51	400,029	416,888	429,691	442,423	455,536	469,044	448,746	663,955
General Vacancy Loss	0.00	0	0	0	0	0	0	0	0
EFFECTIVE GROSS REVENUE	13.51	400,029	416,888	429,691	442,423	455,536	469,044	448,746	663,955
OPERATING EXPENSES									
Insurance	(0.16)	(4,857)	(5,003)	(5,153)	(5,308)	(5,467)	(5,631)	(5,800)	(5,974)
Real Estate Taxes	(2.46)	(72,798)	(74,982)	(77,232)	(79,549)	(81,935)	(84,393)	(86,925)	(89,533)
TOTAL OPERATING EXPENSES	(2.62)	(77,655)	(79,985)	(82,385)	(84,856)	(87,402)	(90,024)	(92,725)	(95,506)
NET OPERATING INCOME	10.89	322,374	336,903	347,306	357,567	368,135	379,020	356,021	568,448
CAPITAL COSTS									
Tenant Improvements	0.00	0	0	0	0	0	0	(689,486)	0
Leasing Commissions	0.00	0	0	0	0	0	0	(182,792)	0
Capital Reserves	(0.15)	(4,464)	(4,598)	(4,736)	(4,878)	(5,024)	(5,175)	(5,330)	(5,490)
TOTAL CAPITAL COSTS	(0.15)	(4,464)	(4,598)	(4,736)	(4,878)	(5,024)	(5,175)	(877,609)	(5,490)
OPERATING CASH FLOW	\$10.74	\$317,910	\$332,306	\$342,571	\$352,689	\$363,110	\$373,845	(\$521,587)	\$562,958

NOTES

Lease is NNN. Trailing expense recoveries to be reconciled to match expenses. NNN lease, subject to partial reimbursement by Landlord of capital items completed by Tenant which amortization periods extend beyond Tenant's lease term and/or exercised option period(s).

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] Based on 29,612 square feet.

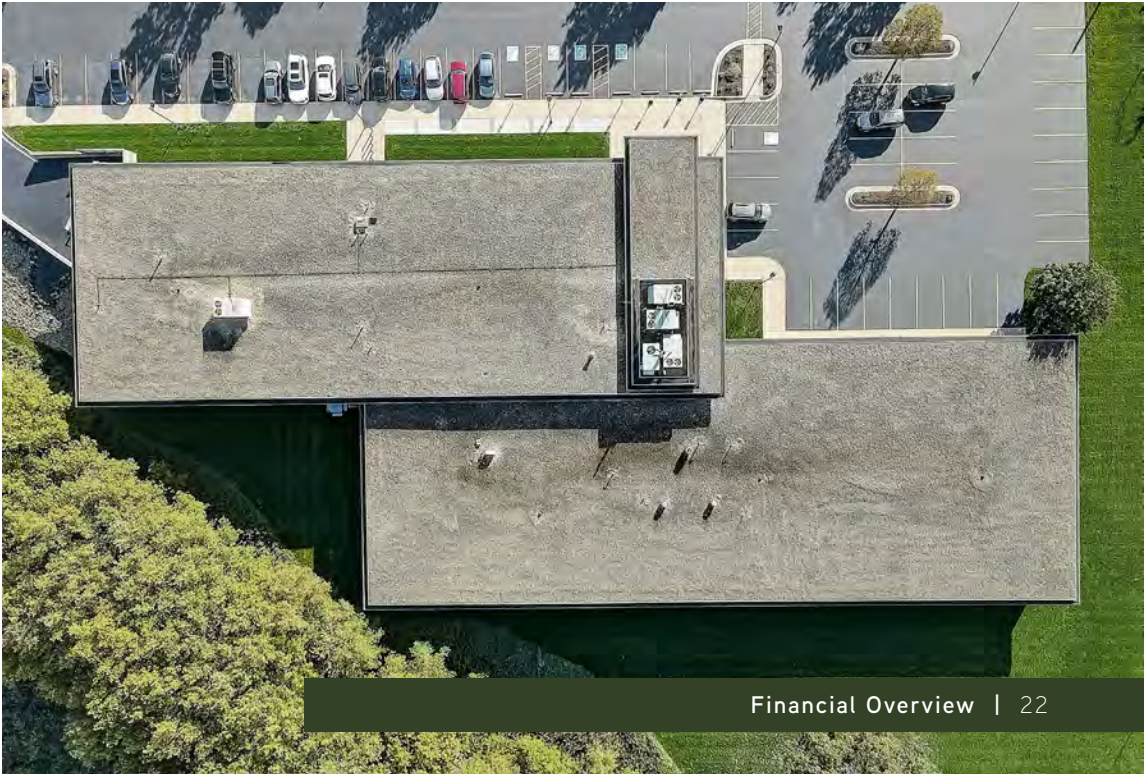
RENT ROLL

As of 3/01/2024

Suite	Tenant Name	Square Feet	% of Property	LEASE TERM		RENTAL RATES				Recovery Type
				Begin	End	Monthly	PSF	Term Rent	PSF	
A	Women's Intl Pharmacy (Existing Term)	29,612	100%	3/1/2024	12/31/2024	\$26,731	\$0.90	\$267,308	\$10.83	Net
				1/1/2025	3/31/2025	\$27,533	\$0.93	\$82,598	\$11.16	
				4/1/2025	12/31/2025	\$27,974	\$0.94	\$251,770	\$11.34	
				1/1/2026	12/31/2026	\$28,800	\$0.97	\$345,605	\$11.67	
				1/1/2027	12/31/2027	\$29,651	\$1.00	\$355,814	\$12.02	
				1/1/2028	12/31/2028	\$30,527	\$1.03	\$366,330	\$12.37	
				1/1/2029	12/31/2029	\$31,430	\$1.06	\$377,160	\$12.74	
				1/1/2030	3/31/2030	\$32,360	\$1.09	\$97,079	\$13.11	

OCCUPIED SQFT	29,612	100.0%
VACANT SQFT	0	0.0%
TOTAL SQFT	29,612	100.0%

WEIGHTED-AVERAGE LEASE TERM REMAINING: 6.08 Years



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An aerial photograph of a large, single-story commercial building with a flat roof, surrounded by a parking lot filled with cars. The building is situated in a green area with trees and a small pond in the background. The image is partially obscured by a green diagonal overlay on the left and a grey diagonal overlay on the right.**CBRE**