



**1480 S W BAY SHORE DR**  
**SUTTONS BAY, MI 49682**

**Offering Memorandum**  
Industrial Investment Opportunity



**MATTHEWS™**

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## TABLE OF CONTENTS

- 03 | Investment Highlights
- 03 | Property Overview
- 07 | Lease Overview
- 09 | Tenant Overview
- 10 | Market Overview

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## INVESTMENT HIGHLIGHTS

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### LONG-TERM CORPORATE TENANT WITH NATIONAL SCALE

The lease is guaranteed by US LBM Holdings, LLC, one of the largest privately held building materials distributors in the United States with more than 460 locations nationwide and approximately \$6.8 billion in annual revenue. The property serves as an established building supply location in the Traverse City / Suttons Bay market, supporting contractors and customers throughout Northern Michigan.

### INDUSTRIAL NNN LEASE WITH BUILT-IN RENTAL GROWTH

US LBM recently renewed the lease through August 2031, leaving approximately 5.3 years remaining on the base term with one additional five-year renewal option featuring a 12.5% rental increase. The Industrial NNN lease structure provides stable and predictable cash flow with limited landlord responsibilities. Current rent of \$3.00/SF remains highly affordable for the tenant and supportive of long-term occupancy.

### HIGHLY FUNCTIONAL INDUSTRIAL FACILITY WITH OUTDOOR STORAGE

The ±45,000 SF facility sits on ±4.90 acres with only 21.08% site coverage, allowing for ample outdoor storage, circulation, and operational flexibility. The property's layout is well suited for building materials distribution and contractor-oriented operations, making it a functional and established part of the tenant's regional footprint.

### ATTRACTIVE YIELD WITH LOW RENT BASIS

The offering provides investors with a 7.75% cap rate backed by a national corporate tenant in a sector that has continued to demonstrate long-term demand fundamentals. With current rent well below replacement economics and market disruption risk limited by the property's functionality and affordability, the asset offers durable in-place cash flow with future upside through contractual rent growth.

### STRATEGICALLY LOCATED IN SUPPLY-CONSTRAINED

Located in Suttons Bay just outside Traverse City, the property benefits from strong regional demographics, affluent surrounding communities, and limited industrial inventory. The property also benefits from proximity to Cherry Capital Airport, Northern Michigan's primary commercial airport serving more than 700,000 passengers annually. Northern Michigan continues to experience population growth and housing demand, supporting long-term need for building supply and contractor-oriented industrial facilities in the region. Suttons Bay's status as one of Northern Michigan's premier vacation and second-home markets is driven by its access to Lake Michigan and Lake Leelanau, abundant recreational amenities, scenic vineyards and cherry orchards, and a growing wine, brewery, and craft beverage industry that attracts visitors year-round.



# PROPERTY OVERVIEW



**±45,000 SF**  
Total Building Area

**±213,444 SF**  
Total Lot Square Feet

**21.08%**  
Building/Lot Coverage

**±4.90 AC**  
Total Acres

## PROPERTY SUMMARY

**\$1,742,000**

List Price

**\$38.71**

Price Per SF

**7.75%**

Cap Rate

**\$8.16**

Price Per SF Land



### Property Summary

Tenant/Guarantor	US LBM Holdings, LLC
Address	1480 S W Bay Shore Drive Suttons Bay, MI 49682
Building Square Feet	±45,500
Acres	± 4.90
Lot Square Feet	± 213,444
Building/Lot Coverage	21.08%
Year Built	1970

### Lease Summary

Lease Commencement	9/1/2021
Lease Expiration	8/31/2031
Lease Term Remaining	5.3-Years
Options	(1) 5-Year Option
Monthly Rent	\$11,250
Current Annual Rent	\$135,000
Rent/SF	\$3.00
Rent/AC/Month	\$2,295.92
Rental Increases	12.5% Increase in Option
Lease Type	Industrial NNN
Tenant Responsibilities	Taxes, Insurance, Utilities, CAM
Landlord Responsibilities	Roof, Structure, Paving, Mechanical, HVAC, Electrical

## INCOME TABLE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT / SF	RENT / AC / MONTH	CAP RATE	% INCREASE
9/1/2026-8/31/2027	\$135,000	\$11,250	\$3.00	\$2,295.92	7.75%	-
9/1/2027-8/31/2028	\$135,000	\$11,250	\$3.00	\$2,295.92	7.75%	
9/1/2028-8/31/2029	\$135,000	\$11,250	\$3.00	\$2,295.92	7.75%	
9/1/2029-8/31/2030	\$135,000	\$11,250	\$3.00	\$2,295.92	7.75%	
9/1/2030-8/31/2031	\$135,000	\$11,250	\$3.00	\$2,295.92	7.75%	
(1) 5-Year Option @ 12.5% Increase						
9/1/2031-8/31/2032	\$151,875	\$12,656	\$3.38	\$2,582.91	8.72%	12.5%
9/1/2032-8/31/2033	\$151,875	\$12,656	\$3.38	\$2,582.91	8.72%	
9/1/2033-8/31/2034	\$151,875	\$12,656	\$3.38	\$2,582.91	8.72%	
9/1/2034-8/31/2035	\$151,875	\$12,656	\$3.38	\$2,582.91	8.72%	
9/1/2035-8/31/2036	\$151,875	\$12,656	\$3.38	\$2,582.91	8.72%	







# TENANT OVERVIEW

US LBM is the largest privately-owned, full-line distributor of specialty building materials in the United States, serving professional builders, contractors, and remodelers through a national network of locations. With a unique operating model that combines the scale and purchasing power of a national platform with local market responsiveness, US LBM has established itself as a dominant force in building materials distribution, offering an extensive portfolio of lumber and specialty products critical to residential and commercial construction.

**YEAR FOUNDED**  
2009

**HEADQUARTERS**  
Atlanta, Georgia

**INSITUTIONAL SPONSORS**  
Platinum Equity & Bain Capital

**LOCATIONS**  
±460



## Market Leadership & Core Business

US LBM is the largest privately owned specialty building materials distributor in the United States, serving professional builders, contractors, and remodelers through a nationwide network of distribution locations. The company offers a broad portfolio of essential construction products, positioning itself as a critical supply-chain partner within the residential and commercial building industries.

## Growth Strategy & Operating Model

Founded in 2009, US LBM has scaled rapidly through a disciplined growth strategy that combines acquisitions with organic expansion. Its operating model preserves strong local brands and market expertise while leveraging the purchasing power, systems, and capital strength of a national platform, enabling consistent service and competitive pricing across regions.

## National Footprint & Product Offering

Headquartered in Atlanta, Georgia, US LBM operates more than 460 locations across the country and employs approximately 14,000 professionals. The company's product mix includes lumber, windows, doors, roofing, siding, millwork, engineered components, cabinetry, and other specialty building materials that are integral to construction activity.

## Ownership Structure & Financial Positioning

US LBM is privately held and backed by leading institutional investors, Platinum Equity and Bain Capital. This ownership structure provides long-term capital support and strategic flexibility, reinforcing the company's position as a stable, well-capitalized tenant with strong relevance to the construction and housing sectors.

# SUTTONS BAY, MI

## LOCAL MARKET OVERVIEW

Suttons Bay is a small waterfront village on the Leelanau Peninsula in Northern Michigan, supported by a tourism-driven economy, high household incomes, and limited commercial supply. Located about 20 miles north of Traverse City, it attracts seasonal visitors, second-home buyers, and retirees drawn to Lake Michigan access, wineries, and a walkable downtown. Leelanau County ranks among Michigan's highest-income regions, with steady demand for waterfront and recreational real estate supporting stable fundamentals. The broader economy is anchored by tourism, agriculture, healthcare, and small business services, with Traverse City serving as the primary employment hub. Regional wineries and agritourism generate strong seasonal visitation, reinforcing Suttons Bay's role as a destination market with limited supply and long-term demand stability.

## ECONOMIC DRIVERS

The Suttons Bay and broader Leelanau County economy is anchored by tourism, hospitality, agriculture, healthcare, and small business activity. The region draws millions of annual visitors for waterfront recreation, wineries, golf, and seasonal destinations across Northern Michigan. Traverse City serves as the primary economic hub, supporting the area through healthcare, regional air service, logistics, and professional services. Cherry production, vineyards, craft beverage manufacturing, and agritourism remain key drivers of the local economy. Strong household wealth, limited development, and continued in-migration from Midwest metros support long-term stability across the peninsula. The property also benefits from proximity to Cherry Capital Airport, Northern Michigan's primary commercial airport serving more than 700,000 passengers annually.

# Disclaimer & Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1480 S West Bay Shore Drive, Suttons Bay, MI 49682** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™, the property, or the seller by such entity.

Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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 of this Offering Memorandum.

**Net Lease Disclaimer:** There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.

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