



1701 W SOUTH AIRPORT RD
TRAVERSE CITY, MI 49686

Offering Memorandum

Industrial Investment Opportunity



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PROPERTY OVERVIEW



±45,500 SF
Total Building Area

±194,278 SF
Total Lot Square Feet

23.42%
Building/Lot Coverage

±4.46 AC
Total Acres



INVESTMENT HIGHLIGHTS

LONG-TERM CORPORATE TENANT WITH NATIONAL SCALE

The property is leased to US LBM Holdings, LLC, one of the nation's largest building materials distributors with more than 460 locations nationwide and approximately \$6.8 billion in annual revenue. Located in Traverse City, the facility serves one of the most desirable and supply-constrained regions in Michigan, supporting contractors, residential development, and year-round construction activity 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 option featuring a 10% rental increase. The Industrial NNN lease structure provides dependable passive income while limiting landlord responsibilities. The combination of a national corporate guarantor and affordable in-place rent creates a durable long-term tenancy profile.

HIGHLY FUNCTIONAL INDUSTRIAL FACILITY WITH OUTDOOR STORAGE

The $\pm 45,500$ SF facility sits on ± 4.46 acres with 23.42% site coverage, allowing for efficient circulation, outdoor storage, and contractor-oriented operations. Renovated in 2019, the property is well configured for building materials distribution and serves as an important operational node within US LBM's regional network.

ATTRACTIVE YIELD WITH LOW RENT BASIS

Offered at a 7.20% cap rate, the property presents an opportunity to acquire stable cash flow backed by a nationally recognized tenant in an industry with long-term demand drivers. The investment combines corporate credit, affordable in-place rent, and a highly desirable market location, positioning the asset as a compelling long-term industrial holding.

TRAVERSE CITY MARKET FUNDAMENTALS SUPPORT LONG-TERM DEMAND

Traverse City continues to benefit from population growth, strong household incomes, tourism-driven economic activity, and ongoing residential development throughout the region. Limited industrial inventory and high barriers to new development in Northern Michigan continue to support demand for functional industrial and contractor supply facilities.

Positioned adjacent to Cherry Capital Airport, the property benefits from strong visibility and accessibility along South Airport Road (36,800 vehicles per day) and Park Drive (11,400 vehicles per day). The location serves one of Northern Michigan's primary commercial corridors and provides direct access to the region's growing population, tourism economy, and affluent second-home communities.



PROPERTY SUMMARY

\$2,750,000

List Price

\$60.44

Price Per SF

7.20%

Cap Rate

\$14.16

Price Per SF Land



Property Summary

| | |
|------------------------|--|
| Tenant | US LBM Holdings, LLC |
| Address | 1701 W South Airport Rd, Traverse City, MI 49686 |
| Building Square Feet | ±45,500 SF |
| Acres | ±4.46 AC |
| Lot Square Feet | ±194,278 SF |
| Building/Lot Coverage | 23.42% |
| Year Built / Renovated | 1977 / 2019 |

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 | \$16,500 |
| Current Annual Rent | \$198,000 |
| Rent/SF | \$4.35 |
| Rent/Acre/Month | \$3,699.55 |
| Rental Increases | 10% 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 | \$198,000 | \$16,500 | \$4.35 | \$3,699.55 | 7.20% | - |
| 9/1/2026-8/31/2028 | \$198,000 | \$16,500 | \$4.35 | \$3,699.55 | 7.20% | |
| 9/1/2026-8/31/2029 | \$198,000 | \$16,500 | \$4.35 | \$3,699.55 | 7.20% | |
| 9/1/2026-8/31/2030 | \$198,000 | \$16,500 | \$4.35 | \$3,699.55 | 7.20% | |
| 9/1/2026-8/31/2031 | \$198,000 | \$16,500 | \$4.35 | \$3,699.55 | 7.20% | |
| (1) 5-Year Option @ 10% Increase | | | | | | |
| 9/1/2031-8/31/2032 | \$217,800 | \$18,150 | \$4.79 | \$4,069.51 | 7.92% | 10.00% |
| 9/1/2031-8/31/2033 | \$217,800 | \$18,150 | \$4.79 | \$4,069.51 | 7.92% | |
| 9/1/2031-8/31/2034 | \$217,800 | \$18,150 | \$4.79 | \$4,069.51 | 7.92% | |
| 9/1/2031-8/31/2035 | \$217,800 | \$18,150 | \$4.79 | \$4,069.51 | 7.92% | |
| 9/1/2031-8/31/2036 | \$217,800 | \$18,150 | \$4.79 | \$4,069.51 | 7.92% | |



PROPERTY PHOTOS



WAREHOUSE INTERIOR PHOTOS



RETAIL & SHOWROOM PHOTOS



COMPANY 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

INSTITUTIONAL 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

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

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.



Bay Hill Apartments
±222 Units



Cherryland Center Transformation
This former mall has pivoted heavily from traditional retail into a thriving community and entertainment hub

851 Tradewinds Terrace
±122 Units



Cherry Capital Airport



New Construction



New Development

Proposed \$30—\$40 Million Technology & Logistics Park
Groundbreaking on a 20,000-30,000 sq. ft. "speculative" flexible building. Over the next few years, it aims to build out over 200,000 square feet of light industrial, tech, warehousing, and R&D lab space



Subject Property



New Development

BATA Headquarters
A new, 80,000+ square-foot operations, administration, and bus maintenance facility built to accommodate future electric transit fleets



Traverse City, MI — Market Overview



Property Demographics

| POPULATION | 3-MILE | 5-MILE | 10-MILE |
|----------------------|----------|-----------|-----------|
| 2025 Population | 28,353 | 45,432 | 82,488 |
| HOUSEHOLDS | 3-MILE | 5-MILE | 10-MILE |
| 2025 Households | 13,407 | 20,226 | 35,181 |
| INCOME | 3-MILE | 5-MILE | 10-MILE |
| Avg Household Income | \$93,128 | \$101,700 | \$106,031 |

Traverse City has emerged as one of Northern Michigan’s strongest regional economic hubs, supported by consistent population growth, elevated household incomes, and expanding commercial activity. The broader Traverse City metropolitan area has experienced population gains that continue to outperform statewide trends, driven by quality-of-life migration, tourism, healthcare expansion, and a growing professional workforce. The region benefits from a highly educated population base, strong residential demand, and a diverse mix of industries that support long-term economic stability. Significant public and private investment throughout Grand Traverse County continues to strengthen the area’s infrastructure and employment base, enhancing its appeal for industrial and logistics users seeking access to Northern Michigan markets.

Industrial demand in Traverse City is supported by limited supply, constrained new development, and continued expansion among light manufacturing, distribution, construction, and service-oriented businesses. The region’s strategic location along major transportation corridors, proximity to Cherry Capital Airport, and access to statewide highway networks provide efficient regional connectivity.



INDUSTRIAL MARKET DEVELOPMENT

Traverse City's industrial market continues to benefit from investment concentrated around Cherry Capital Airport and the broader airport corridor. Ongoing airport expansion and infrastructure improvement planning are expected to support future commercial, cargo, and logistics activity, while a proposed airport-area technology and logistics park could create additional opportunities for industrial, warehouse, and flex users seeking regional connectivity.

Economic development activity across Grand Traverse County is also supporting long-term industrial growth. Recent regional projects are projected to create 144 jobs and generate more than \$4.35 million in investment, including a local life-sciences and food-testing expansion. The Grand Traverse County EDC continues to support development through revenue bond financing and land bank programs that encourage business expansion and redevelopment activity throughout the market.

- Cherry Capital Airport expansion planning supports future logistics and commercial growth.
- Proposed airport-area technology and logistics park planned for future industrial development.
- Regional economic development projects are expected to create 144 jobs and generate \$4.35 million in investment.

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 **1701 W South Airport Rd, Traverse City, MI 49686** ("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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