



**OFFERING
MEMORANDUM**

Class A - NNN Leased - Allstate Insurance Company
3509 N Louise Ave, Sioux Falls, SD 57107



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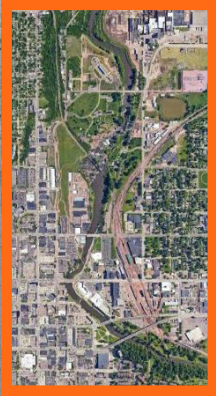
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↑ FOUNDATION PARK
MEGA SITE

SUBJECT PROPERTY



DOWNTOWN
SIOUX FALLS





The Offering

3509 N Louise Ave

The Allstate Insurance Company building is a unique opportunity for an investor to own a Class A, NNN leased asset requiring little-to-no maintenance with a Fortune 100 tenant (#79 in 2018). Allstate Insurance Company is the tenant of the building and has been so for the last 15 years. A prospective buyer has the opportunity to purchase a solidly-built office building with a premier tenant while also having the upside opportunity to raise rents upon each renewal. The tenant has approximately 4 years remaining on the current lease term. **The property is priced well below replacement cost.**

3509 N. Louise Avenue is located in northwest Sioux Falls, which is the primary area for call centers in the region. It is approximately five miles from Downtown Sioux Falls and near the Sioux Falls Regional Airport and the Interstate 29 & 90 interchange. The subject property is situated directly off the W. Benson Road exit along Interstate 29. Its neighbors include some of the other predominant Sioux Falls companies such as First PREMIER Bank, Midco, SONIFI, Concordance Healthcare, Butler Machinery, Tiger Corp., Great Western Bank and also the University Center.

This is a rare opportunity to own a Fortune 100 Single-Tenant NNN Leased Investment property in the solid office market of Sioux Falls, South Dakota.

The property is for sale at \$5,950,000 (8% cap rate).



INVESTMENT SUMMARY

OFFERING PRICE \$5,950,000

CURRENT OCCUPANCY 100%

BUILDING SIZE 54,151 SF

PRICE / SF \$109.88

CAP RATE 8%

YEAR BUILT 2004

LONG TERM TENANT



Property Summary

ALLSTATE BUILDING

Address	3509 N Louise Ave Sioux Falls, SD 57107
County	Minnehaha
RBA	54,151 SF
Building Height	14'
Parking	448 parking spaces; 8.27/1,000 ratio
Class	A
Stories	One (1)
Land Acres	7.29 AC
Land SF	317,507 SF
Zoning	C-4, Regional Commercial
APN	77670
Current Tenant	Allstate Insurance Company
Current Use	Administrative Processing Center





Financial Overview

FINANCIAL SUMMARY

Asking Price	\$5,950,000
Total Rentable SF	54,151 SF
Price/SF	\$109.88
Occupancy	100%
Monthly Rent/SF, NNN	\$0.73/SF
Annual Rent/SF, NNN	\$8.74/SF
Monthly Rent, NNN	\$39,437.09
Annual Rent, NNN	\$473,245.08
Net Operating Income	\$473,245.08
Cap Rate (Actual)	8%
Unleveraged 10-year IRR	11.18%
Leveraged 10-year IRR	18.78%

POTENTIAL FINANCING

Type	Conventional
Interest Rate	5.00%
LTV	65%
Down Payment	\$2,082,500
Amortization (years)	30 years
Estimated Monthly	\$20,762
Estimated Annual	\$249,139

ANNUAL EXPENSES

Property Taxes (2018 Actual)	(\$97,859.33) Paid by Tenant
Utilities	Paid by Tenant
Insurance	Paid by Tenant
CAM	Paid by Tenant
HVAC Maintenance/Repair	Paid by Tenant
Plumbing/Electrical/Sprinkler Systems	Paid by Tenant



Tenant & Lease Summary

Tenant Summary

Founded in 1931, The Allstate Corporation is the largest publicly held personal lines property and casualty insurer in America. The Company's business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company, and other subsidiaries. It is engaged in the property-liability insurance business and the life insurance, retirement and investment products business. Its segments include Allstate Protection, Allstate Financial, and Discontinued Lines & Coverages. The Allstate Protection segment sells private passenger auto, homeowners, and other property-liability insurance products through agencies and directly through contact centers and the Internet. The Allstate Financial segment sells life insurance and voluntary accident and health insurance products. Its Discontinued Lines & Coverages segment includes results from property-liability insurance coverage.

Allstate's integrated insurance platform serves more than 16 million households nationwide. Separating Allstate from other competitors is the "agent difference" – a term that encapsulates Allstate's focus on creating a connected community of local agents. Allstate's local agents are your neighbors, living and working in the communities they serve.

MONTHLY RENT, AS OF 3/1/19

\$39,437

ANNUAL RENT & NOI, AS OF 3/1/19

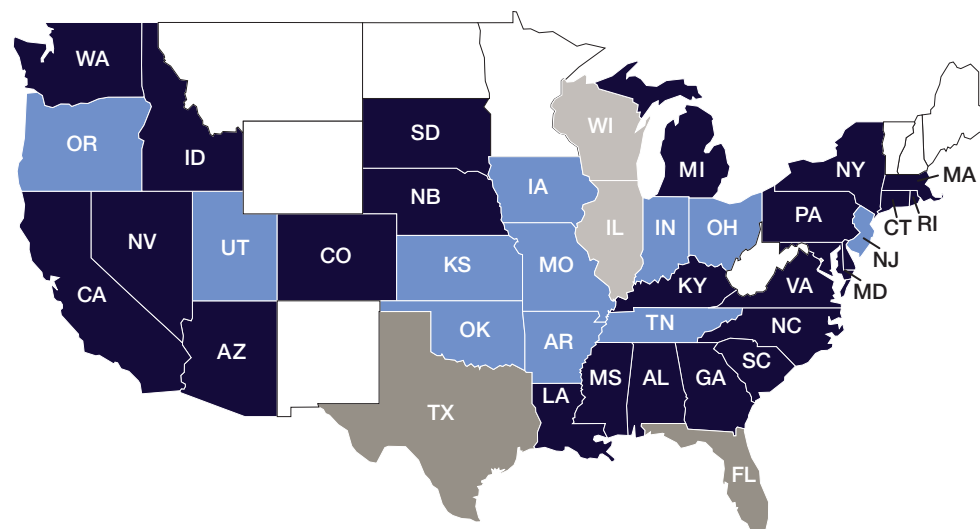
\$473,245

Allstate
You're in good hands.

Lease Term & Rent Schedule

Year 1	\$454,868.40
Year 2	\$463,965.77
Year 3 - Current, as of 3/1/19*	\$473,245.08
Year 4	\$482,709.99
Year 5	\$492,364.18
Year 6	\$502,211.47

*Rent is triple-net (NNN)



- States where we offer car insurance
- States where we offer car insurance & renters coverage
- States where we offer car and motorcycle coverage
- States where we offer car, motorcycle and renters coverage
- States where we don't offer insurance (yet!)

South Dakota

Located in the northern Midwest, South Dakota is the 17th largest state in the country. The 2018 estimated population of South Dakota is 877,790 – a number which has grown over 5.4% since the 2010 census. The state currently enjoys a population growth rate of 1.17%, which ranks 11th in the country. South Dakota's high growth rate can be attributed to a healthy population of working-aged adults and the expansion of industries such as manufacturing & finance – two job sectors that grew 548% and 137%, respectively, from 1970 to 2000.

The top industries in South Dakota include Educational, Health, and Social Sciences which represents 21.98% of major occupations, Retail which represents 11.97%, Manufacturing which represents 11.06%, Agriculture which represents 8.09%, and Construction which represents 6.26%.

South Dakota's current median household income (in 2016 dollars) is \$52,078. The state's median age currently sits at 36.9 years. South Dakota's largest universities are South Dakota State University, with roughly 2,451 graduates annually, and University of South Dakota, with roughly 2,290 graduates annually. The median home price in South Dakota has increased 2.8% year-over-year to \$174,620.



Sioux Falls

With a population of 183,200 people – a 2.5% improvement over the previous year – Sioux Falls is the most populous city in South Dakota. The city is located in the eastern part of South Dakota, about 15 miles west of the Minnesota border. Sioux Falls is the county seat of Minnehaha County. The Sioux Falls Metropolitan Statistical Area consists of four counties: Lincoln, McCook, Minnehaha, and Turner.

Sioux Falls continues to attract migrants from rural counties. Over the last half-century, the economy of Sioux Falls has become diversified and service-based, making the city a location for financial services, health care, and retail trade. In 2016, the major employers in Sioux Falls were Sanford Health with 8,992 employees, Avera Health with 7,284 employees, Smithfield Foods/John Morrell & Co. with 3,410 employees, and the Sioux Falls School District with 3,200 employees. Partially due to the lack of a state corporate income tax, Sioux Falls enjoys a prominent financial services sector. The largest financial employers in Sioux Falls are Wells Fargo and Citigroup, who in 2016 had 2,778 and 2,100 employees, respectively.





Company Overview

Experience. Solutions. Results.

Commercial Brokerage

Professionals	700+
Annual transaction total	\$7B
Annual sales	16.5M sf
Annual leases	34.6M sf

Property Management

Portfolio	50M+ sf
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Valuation Advisory

Appraisals annually	1,500+
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National & International Reach

Kidder Mathews has a global strategic alliance with Binswanger (in-depth knowledge of 103 markets in 34 countries) to provide leasing, sales, asset management, consulting, and corporate advisory services for industrial, office, retail, investment, life science, and technology properties worldwide.

ABOUT KIDDER MATHEWS

We have more than 750 professionals and employees in 21 offices throughout Washington, Oregon, California, Nevada, and Arizona, and we are actively involved in the cities and communities we serve. We have built a reputation of absolute integrity, high-level expertise, and incredible client service, that continuously impresses our clients.

We understand that real estate can be your single biggest investment, and even more important, affects and influences your company's culture and employees' effectiveness. Kidder Mathews can help you make informed real estate decisions that can help drive your business forward. Our extensive experience lends trusted expertise and insight to opportunities, investments, and property portfolio management. We're dedicated to finding the right opportunities and eager to use our expertise to your advantage.

Corporate Services	Life Science/Technology	Office/R&D
Industrial	Multifamily	Retail
Investment	Office	Tenant Advisory



Award Winning Services 2001-2019

A Largest Commercial Real Estate Firm in San Francisco

13 times

A Largest Commercial Real Estate Firm in Silicon Valley

11 times

SFBT/SBJ Best Places to Work

3 times

Bay Area News Group Top Workplaces

6 times

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