



FOR SALE

SHERWIN  
WILLIAMS

6445 PENN AVENUE SOUTH • RICHFIELD, MN 55423

CBRE



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# INVESTMENT SUMMARY

## SHERWIN WILLIAMS | RICHFIELD, MN

### PRICE

**\$1,342,000**

**5.50% CAP Rate**

### ADDRESS

6445 Penn Avenue South  
Richfield, MN 55423

### APN

28-028-24-23-0007

### NET OPERATING INCOME

\$73,788

### BUILDING/LOT SIZE

4,475 SF / 0.35 Acres

### YEAR BUILT

1993

### LEASE TYPE

NN

### TERM EXPIRATION

9/30/2029

### OPTIONS

Two 5-year Options

### TYPE OF OWNERSHIP

Fee Simple

### SUMMARY



#### Early Lease Renewal

Sherwin Williams recently executed a 10-year lease extension early, demonstrating their continued commitment to the market and this location.



#### Corporate Tenant

Sherwin Williams (stock ticker “**SHW**”) is #177 on the Fortune 500 and carries an S&P rating of “BBB”.



#### Excellent History of Occupancy

Sherwin Williams has been in this location for over 25 years, and has renewed their lease five times since opening.



#### High Traffic Location

The Property is located on a corner lot, with CVS one block to the south. Lunds & Byerly's and a **recently delivered ALDI** are just two blocks to the north.



#### 1st Ring Suburb Experiencing a Renaissance

The City of Richfield is experiencing significant revitalization with roughly **\$200 million in redevelopment underway**.



#### Attractive Lease

Net lease with minimal landlord responsibilities and carrying a low rental rate of only \$16.40 per square foot.

# INVESTMENT SUMMARY

SHERWIN WILLIAMS | RICHFIELD, MN

RENT SCHEDULE			
Rent Start	Annual Rent	Monthly Rent	Per SF
Current - 9/30/2027	\$73,788	\$6,149	\$16.49
10/1/2027 - 9/30/2029	\$77,477	\$6,456	\$17.31
10/1/2029 - 9/30/2034 [OPTION 1]	\$85,239	\$7,103	\$19.05
10/1/2034 - 9/30/2039 [OPTION 2]	\$93,763	\$7,814	\$20.95





# TENANT SUMMARY

## SHERWIN WILLIAMS | RICHFIELD, MN

### TENANT SUMMARY

Ownership	Public ("SHW", NYSE)
Tenant	Sherwin-Williams
Credit Rating	"BBB", Standard & Poor's
Lease Commencement (Estimated)	1993
Lease Expiration	9/30/2029
Renewal Options	Two 5-Year Options
Lease Type	NN - Minimal Landlord Responsibilities
Lease Guarantor	Corporate
No. of Locations	Approx. 4,620
Headquartered (Corporate)	Cleveland, OH
Website	<a href="http://www.sherwin-williams.com">www.sherwin-williams.com</a>

### SHERWIN WILLIAMS

The Sherwin-Williams Company is a Fortune 500 company in the general building materials industry, primarily engaging in the manufacturing, distribution, and sales of paints, coatings, and related products. Sherwin-Williams caters to a wide variety of customers, including professional, industrial, commercial, and retail, primarily in North and South America and Europe.

Sherwin-Williams acquired Minneapolis-based Valspar for \$9 billion in 2017. Today the company is ranked 190th on the Fortune 500 list of largest United States corporations by revenue. The company operates four divisions: retail stores, diversified brands, automotive finishes, and chemical coatings.



# SHERWIN WILLIAMS®

"The Sherwin-Williams Company's shares have rallied around 34% year to date."

- Sherwin-Williams's (SHW) shares rise 34% YTD: here's why. <https://finance.yahoo.com>, August 20, 2019.

### PROPERTY EXPENSE RESPONSIBILITIES

Real Estate Tax	Tenant Responsible
Repair and Maintenance	Tenant Responsible
Property Insurance	Tenant Responsible
Utilities	Tenant Responsible
Roof/Structure/Parking Lot (Replace)	Landlord Responsible

# MARKET SUMMARY

## SHERWIN WILLIAMS | RICHFIELD, MN

### BUSTLING SUBURBAN HOME OF BEST BUY

An inner-ring suburb of Minneapolis-St. Paul, the city of Richfield is one of the original Twin Cities enclaves. The city shares a border with the Minneapolis- St. Paul International Airport to the east, and Best Buy, the U.S.'s largest electronics retailers, has its headquarters in Richfield.

Richfield retains a small town atmosphere despite its proximity to the Twin Cities, with well-established residential neighborhoods, 460 acres of parkland, 21 parks, a nature center, and many community and athletic facilities.

### TOP FIVE EMPLOYERS IN RICHFIELD [2014]

**Best Buy HQ** (4,500 EMPLOYEES)

**US Bank** (2,400 EMPLOYEES)

**Richfield Public Schools** (682 EMPLOYEES)

**Target** (394 EMPLOYEES)

**Metro Sales Inc. HQ** (294 EMPLOYEES)

### INCOME

**\$62,162** 2019 Estimated Richfield Median Household Income  
(*\$61,372 2018 National Average, CNBC.com*)

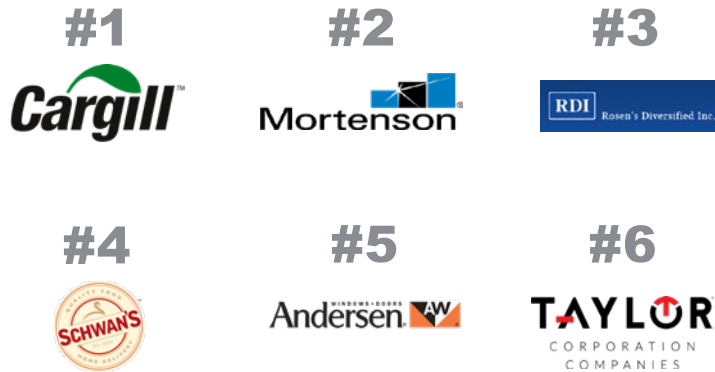
**\$33,568** 2019 Estimated Richfield Per Capita Income  
(*\$31,177 2018 National Average, www.census.gov*)



# MSP MARKET SNAPSHOT

SHERWIN WILLIAMS | RICHFIELD, MN

## TOP FORBES PRIVATE MINNESOTA COMPANIES



## MINNESOTA FORTUNE 500



## TOP TEN MAJOR EMPLOYERS

Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area

<b>#1</b> Allina Health System 27,635 Employees	<b>#2</b> Target Corporation 26,694 Employees	<b>#3</b> University of Minnesota 26,436 Employees	<b>#4</b> HealthPartners 22,500 Employees	<b>#5</b> Fairview Health System 22,000 Employees
<b>#6</b> Wells Fargo & Co. 20,000 Employees	<b>#7</b> UnitedHealth Group 15,750 Employees	<b>#8</b> CHS Inc. 12,157 Employees	<b>#9</b> U.S. Bancorp 12,010 Employees	<b>#10</b> Land O'Lakes Inc. 10,000 Employees

## MAJOR RETAIL BRAND HEADQUARTERS



# MSP MARKET SNAPSHOT

SHERWIN WILLIAMS | RICHFIELD, MN

## MSP AIRPORT TRAFFIC



- "About MSP - MSP by the Numbers", MSPairport.com/about-msp



**163**  
Nonstop  
Markets  
Served



**38M**  
Travelers



**15**  
Commercial  
Passenger  
Airlines

## HEALTHCARE & RESEARCH

Minnesota Has the  
**2nd Highest  
Total Number of  
Medical Device  
Patents**

In the Nation - "Compare Minnesota: Invention  
Patents", MN.gov

Minneapolis - St. Paul MSA is a  
**Top Ten U.S. City**  
for Corporate Innovation



- "Top 10 Cities for Corporate Innovation",  
Innovation Leader Magazine, May 2017

## MSP DEMOGRAPHICS

**3,628,856**

Minneapolis-St. Paul, Bloomington Population  
- U.S. Census Bureau, 2018

**#2 in the Nation**

#2 State in Percentage of the Population with Associate Degree or Higher  
- MN Office of Higher Education, [http://www.ohe.state.mn.us/sPages/educ\\_attain.cfm](http://www.ohe.state.mn.us/sPages/educ_attain.cfm)

**93.6%**

of Persons Age 25+ Hold High School Diploma or Higher | 88% National Average  
- U.S. Census Bureau, 2018

**3% Unemployment**

3.8% National Average, January 2019  
- U.S. Census Bureau, 2018

## LIFE & RETAIL IN MSP

**\$2 Billion**

in Economic Activity  
Generated for Minnesota by  
Mall of America



"Mall of America: By the Numbers."  
Mall of America, 2016,  
[www.mallofamerica.com/upload/  
FactSheets\\_2016.pdf](http://www.mallofamerica.com/upload/FactSheets_2016.pdf)

**#3 Best State**

Overall in the United States  
Based on 70 Metrics, 2019



"Best States Rankings."  
U.S. News, 2019,  
<https://www.usnews.com/news/best-states/rankings>

**\$59,736**

Average Per Capita Personal  
Income (2017), \$53,658 National  
Average (2018)



"Per Capita Personal Income in Minneapolis-St. Paul Bloomington MSA", Federal  
Reserve Bank of St. Louis, Economic  
Research

**Best Parks**

System in the Nation  
According to The Trust for  
Public Land's ParkScore®  
Index



"Minneapolis Repeats as  
Nation's Best Park System."  
Minneapolis Park & Recreation Board, May 23,  
2018, [www.MinneapolisParks.org](http://www.MinneapolisParks.org)

**#3 Fittest  
City**

Ranked by the American  
Fitness Index Summary  
2019



"ACSM American Fitness Index", American  
Fitness Index, May 2019,  
[www.americanfitnessindex.org](http://www.americanfitnessindex.org)

**#2 Ticket  
Sales**

In the Nation, Theater Tickets  
Sold Per Capita (NYC #1)



Meet Minneapolis - Things To Do, [https://  
www.minneapolis.org/things-to-do/arts-cul-  
ture/theaters/](https://www.minneapolis.org/things-to-do/arts-culture/theaters/)

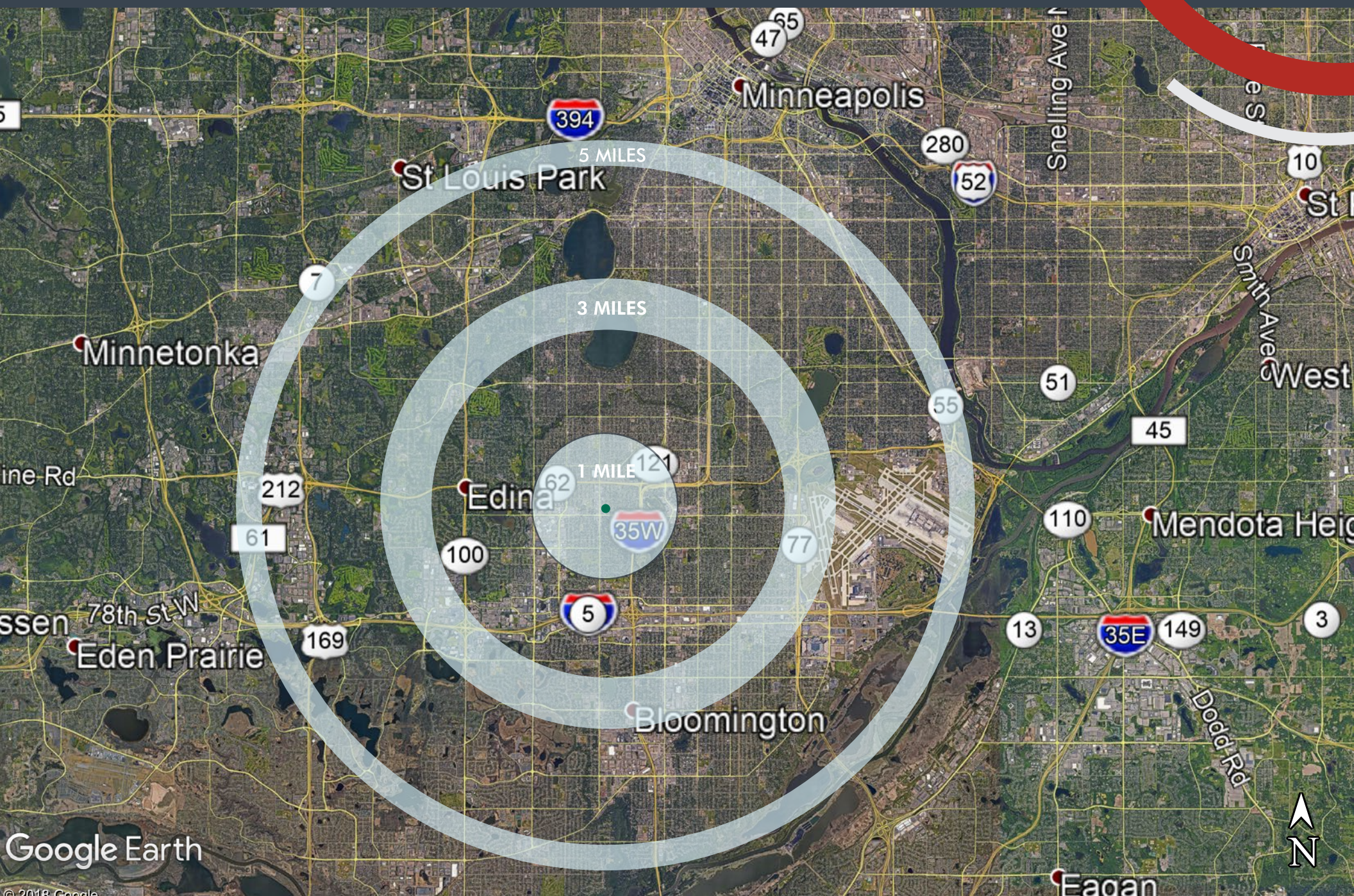


# DEMOGRAPHICS

## SHERWIN WILLIAMS | RICHFIELD, MN

	1 Mile	3 Miles	5 Miles
POPULATION			
2019 Population - Estimate	16,940	135,264	332,002
2024 Population - Five Year Projection	17,706	140,113	344,922
2019-2024 Annual Population Growth Rate Projection	0.89%	0.71%	0.77%
GENERATIONS			
Generation Z (Born 1999-2016)	16.7%	21.5%	20.2%
Millennials (Born 1981-1998)	22.4%	21.6%	26.6%
Generation X (Born 1965-1980)	19.8%	21.1%	20.4%
Baby Boomers (Born 1946-1964)	23.6%	22.8%	20.9%
HOUSEHOLD INCOME			
2019 Average Household Income	\$92,179	\$123,940	\$112,965
2024 Average Household Income	\$106,446	\$139,308	\$128,932
EDUCATION			
High School Diploma	12.9%	12.3%	12.5%
Some College - No Degree	18.3%	15.3%	15.9%
Associate's Degree	9.4%	7.9%	7.5%
Bachelor's Degree	33.5%	34.0%	33.7%
Graduate or Professional Degree	20.4%	24.1%	22.4%
EMPLOYMENT			
2019 Employed Civilian Population (16+)	96.8%	96.9%	96.9%
2019 Unemployed Population (16+)	3.2%	3.1%	3.1%







# IMMEDIATE TRADE AREA

SHERWIN WILLIAMS | RICHFIELD, MN





# LOCAL TRADE AREA

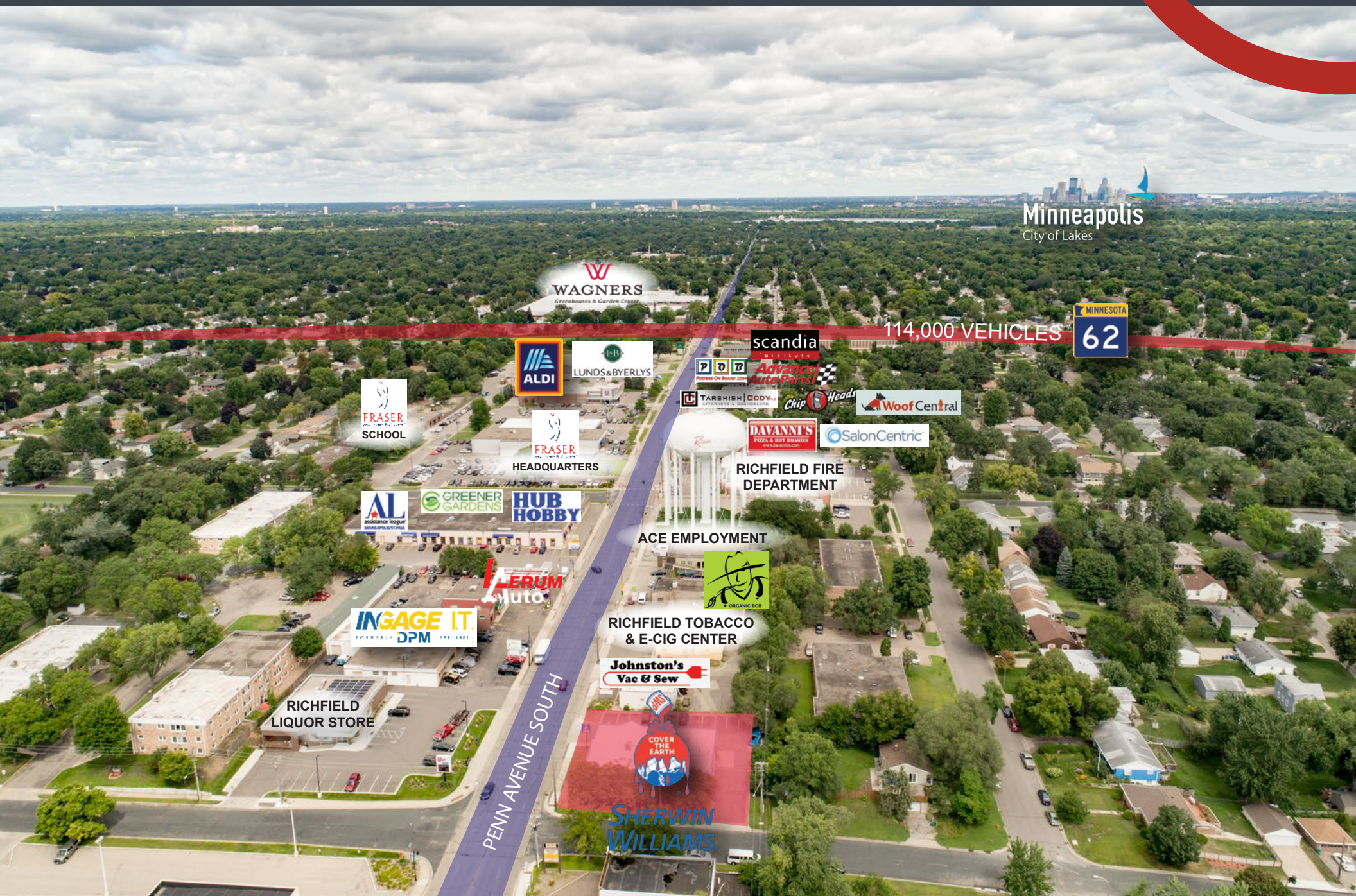
SHERWIN WILLIAMS | RICHFIELD, MN





# AERIAL - NORTH FACING

SHERWIN WILLIAMS | RICHFIELD, MN



Minneapolis  
City of Lakes

114,000 VEHICLES



WAGNERS  
Greenhouses & Garden Center



LUNDS & BYERLYS

scandia



Advantage  
Auto Parts



CODY'S

Chip Heads

Woof Central



HEADQUARTERS



GREENER GARDENS

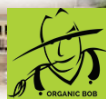
HUB HOBBY

DAVANNI'S  
PIZZA & HOT DRAGERS

SalonCentric

RICHFIELD FIRE  
DEPARTMENT

ACE EMPLOYMENT



RICHFIELD TOBACCO  
& E-CIG CENTER

Johnston's  
Vac & Sew



SHERWIN  
WILLIAMS

INGAGE IT  
FORUM DPM

RICHFIELD  
LIQUOR STORE

PENN AVENUE SOUTH



# AERIAL - SOUTHWEST FACING

SHERWIN WILLIAMS | RICHFIELD, MN



SOUTHDOWN CENTER  
A RICHMOND

ONYX  
EDINA

ENVI  
LUXURY APARTMENTS

TIRE PLUS

ZUPAS  
TURN OF STYLE

Papa Murphy's

Pier 1

State Farm

SANDY'S  
TAVERN

ELITE  
DRIVING SCHOOL

AMERICAN FAMILY  
INSURANCE

Flynn's  
Diner

KOR-AM  
TAE KWON DO

CVS  
pharmacy

Arc's

VALUE VILLAGE  
THRIFT STORE & DONATION CENTER

AMERICA'S BEST  
CONTACTS & EYEGLASSES

RICHFIELD  
LIQUOR STORE

INGAGE IT.  
FORMERLY DPM - EST. 1921

AERUM  
Auto

SHERWIN  
WILLIAMS



18,500 VEHICLES

AIDA  
a team of professionals

DUNKIN'

SUBWAY

12,800 VEHICLES



# CONSUMER BASE

SHERWIN WILLIAMS | RICHFIELD, MN

## 14.9% EMERALD CITY

- Lower-density neighborhoods, more likely to rent
- Well educated and well employed with incomes close to the US median
- Cell phones and text messages are a huge part of every day life
- Interested in the fine arts and enjoy listening to music
- They buy green, natural products

### OTHER TOP SEGMENTS

## 10.9% METRO RENTERS

- Highly mobile and educated market living alone or with a roommate
- They spend a large portion of wages on rent, clothes, and technology
- Residents live close to their jobs and usually walk or take taxis to get around
- Willing to take risks and work long hours to get to the top of their profession
- Socializing and social status are very important

### DOMINANT LIFEMODE GROUP

## 23.1% MIDDLE GROUND

- Millennials in the middle: single/married, renters/homeowners, middle class/working class
- Lifestyles of thirtysomethings
- Majority of residents attended college or attained a college degree
- Online all the time

### DOMINANT URBANIZATION GROUP

## 41.9% METRO CITIES

- Affordable city life including smaller metropolitan cities or satellite cities with mix of single-family and multiunit housing
- Consumers include college student, affluent GenX couples, and retirement communities
- Residents share an interest in city life and its amenities

## 10.1% PARKS & REC

- Semirural locales within metropolitan areas
- Traditional values are the norm here - faith, country, and family
- Prefer to buy American and for a good price
- Conservative, family-oriented consumers
- Thrifty, but willing to carry some debt
- Young couples, many with children

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