

SHERWIN WILLIAMS DISTRIBUTION CENTER

Absolute NNN Investment Opportunity | Investment Grade Tenant



711 W. WABASH AVENUE
EFFINGHAM ILLINOIS

ACTUAL SITE



EXCLUSIVELY MARKETING BY

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Rent Roll | Brand Profile


SHERWIN-WILLIAMS.
Effingham DSC

INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to present the opportunity to acquire the fee simple interest in Sherwin Williams Distribution Center, an absolute NNN leased, corporate guaranteed investment property located in Effingham, IL. The tenant, The Sherwin Williams Company, is investment grade with a BBB credit rating from Standard & Poor's. There are currently more than 8 years remaining in the initial lease term with 1 (5-year) option period to extend. The lease features a 9% rental increase in June 2024 and at the beginning of the option period. Sherwin Williams has occupied the site since 1985 (34 years) and has expanded the facility four times, demonstrating a long term operating history and a strong commitment to the site. Sherwin Williams has also recently invested \$8.3 million into the property and is planned to invest an additional \$11.6 million over the next 5 years. Sherwin-Williams Co (NYSE: SHW) most recently reported annual revenue of \$17.5B in 2018.

The Sherwin Williams Distribution Center is strategically situated in central Illinois with convenient access to major surrounding MSA's including Chicago (212 miles), Indianapolis (144 miles), and St. Louis (102 miles). The site is also within close proximity to the intersection of two cross-country Interstates (I-57 and I-70), which is how Effingham became known as the "Crossroads of Opportunity." The subject property is one of the largest Sherwin Williams facilities distributing to approximately 1,000 stores and dealers including more than 300 Lowe's Home Improvement stores and the entire Menard's Midwest network. In addition, this facility distributes the coatings for the automotive industry nationwide and is the only facility that handles the coatings for the automotive industry, making this specific location very critical to Sherwin's success. The 30-mile trade area is supported by nearly 113,000 residents and more than 56,000 employees. The 10-mile population boasts a 2019 average household income of over \$82,000.

PROPERTY PHOTO



PROPERTY PHOTOS



PROPERTY PHOTOS



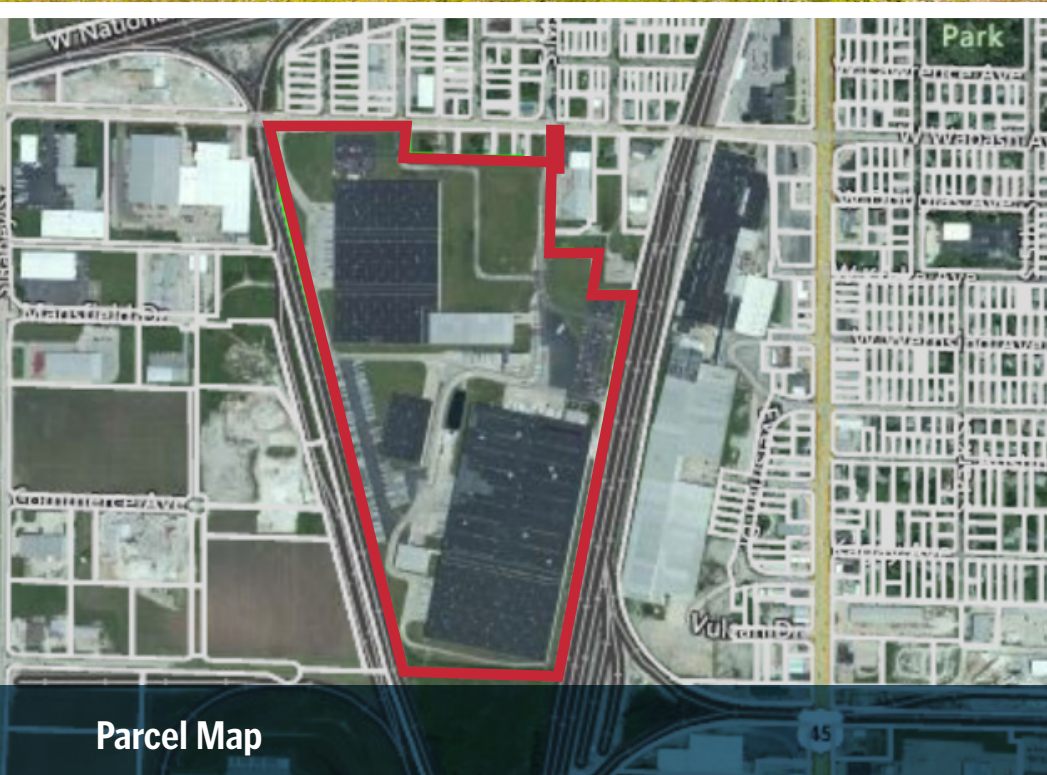
PROPERTY PHOTOS



PROPERTY PHOTOS



OFFERING SUMMARY



Parcel Map

Offering

PRICE	Best Offer
NET OPERATING INCOME	\$3,053,658
TENANT	The Sherwin-Williams Company
CREDIT RATING (S&P)	BBB
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITIES	None

Property Specifications

RENTABLE AREA	1,283,360 SF
LAND AREA	71.55 Acres
PROPERTY ADDRESS	711 W. Wabash Avenue Effingham, IL 62401
YEAR BUILT / REMODELED	1971-1996 / 2010
PARCEL NUMBER	03-11-029-017
OWNERSHIP	Fee Simple (Land & Building Ownership)

INVESTMENT HIGHLIGHTS

Investment Grade Tenant | Passive Ownership | Highly Improved Asset

- Sherwin Williams is an investment grade tenant rated S&P BBB with revenue of \$17.9 billion in 2019
- The lease is set up as an absolute net lease structure with over 8 years remaining and a 9% rental increase in June 2024
- Sherwin Williams has recently invested \$8.3 million into the property and is planned to invest an additional \$11.6 million over the next 5 years
- Includes two specialized robotic machines for pale (06') and gallon (15') sorting, significantly increasing the volume for this location
- Significantly below replacement at \$37.40 /SF

Long-Term Operating History at Site | Ideal Business Location | Near Intersection of Major Cross-Country Interstates

- Sherwin Williams occupied the site since 1985 (34 years) and has expanded the facility four times
- They moved the facility from Chicago to Effingham in 1985 to be more centrally located
- Effingham is known as "The Crossroads of Opportunity" due to its centralized location and ability to reach a majority of the country in a one day's drive
- Within close proximity to the intersection of two cross-country Interstates, I-57 (running from Chicago to Missouri) and I-70 (running from Maryland to Utah)
- Other nearby major companies include Fed Ex Freight, Continental Mills, Koerner Distributor, Inc., Pinnacle Foods Group, Quad Graphics, and more
- Strong tenant synergy with nearby shipping facilities including Fed Ex

Extremely Productive Facility | Critical to Sherwin's Success | 1 Billion Pounds Delivered in 2018

- The subject property is one of the largest Sherwin Williams facilities that distributes to approximately 1,000 stores and dealers including ~314 Lowe's Home Improvement stores and the entire Menard's network in the Midwest
- This facility distributes the coatings for the automotive industry nationwide and is the only facility that handles the coatings for the automotive industry, making this specific location very critical to Sherwin's success
- In 2018, this location did 1 billion pounds of distribution - YTD this facility has distributed 830 million pounds
- Over 300 employees work at this location at any given time - Draws employees from 30 miles away

Demographics within 10-Mile Trade Area

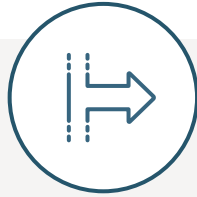
- The subject trade area is supported by more than 29,000 residents and nearly 24,000 employees
- Healthy 2019 average household income in excess of \$82,000

PROPERTY OVERVIEW



Location

Located in
Effingham, IL
Along Illinois Central Railroad



Access

W. Wabash Avenue
3 Access Points



Traffic Counts

W. Wabash Avenue
7,600 Cars Per Day

S Banker Street / US Highway 45
21,300 Cars Per Day



Improvements

There is approximately 1,283,360
SF of existing building area



Parking

There are approximately
430 parking spaces on the
owned parcel.

The parking ratio is
approximately 0.34 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number: 03-11-029-017
Acres: 71.55
Square Feet: 3,116,718 SF



Year Built

Built 1971-1996
Remodeled 2010



Zoning

M-1: Manufacturing



37,900
CARS PER DAY

INTERSTATE 57 & 70

18,600
CARS PER DAY

STATE HIGHWAY 33

(SHIP CENTER)

FedEx

CSX RAILROAD

W. WABASH AVE.

IGA

PINACLE FOODS GROUP

Peerless of America

SHERWIN WILLIAMS
DISTRIBUTION CENTER

CANADIAN NATIONAL RAILWAY





19,200
CARS PER DAY

U.S. HIGHWAY 45



ADM ALLIANCE
NUTRITION



PINNACLE
FOODS
GROUP

BOB'S FURNITURE

CANADIAN NATIONAL RAILWAY

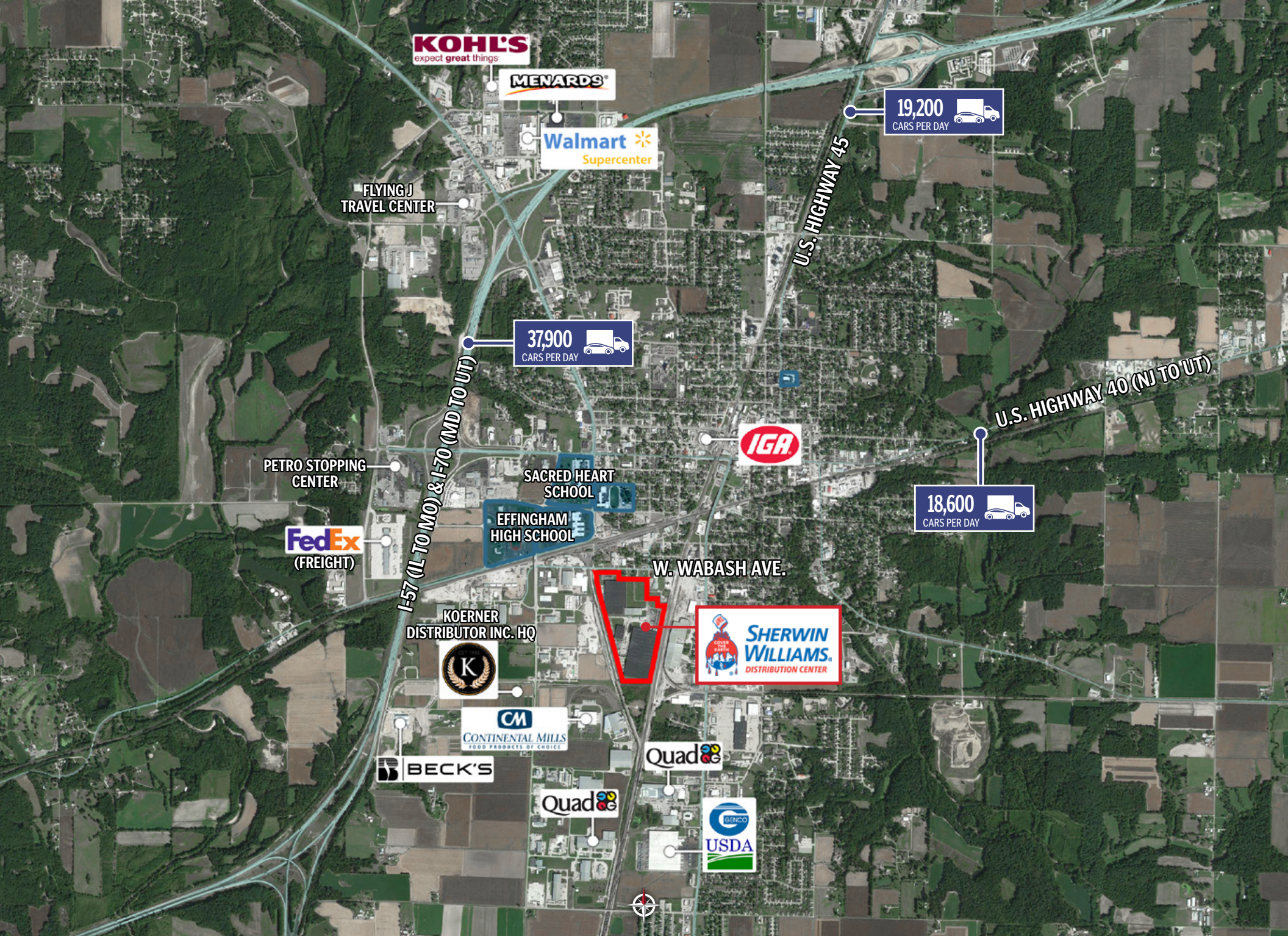


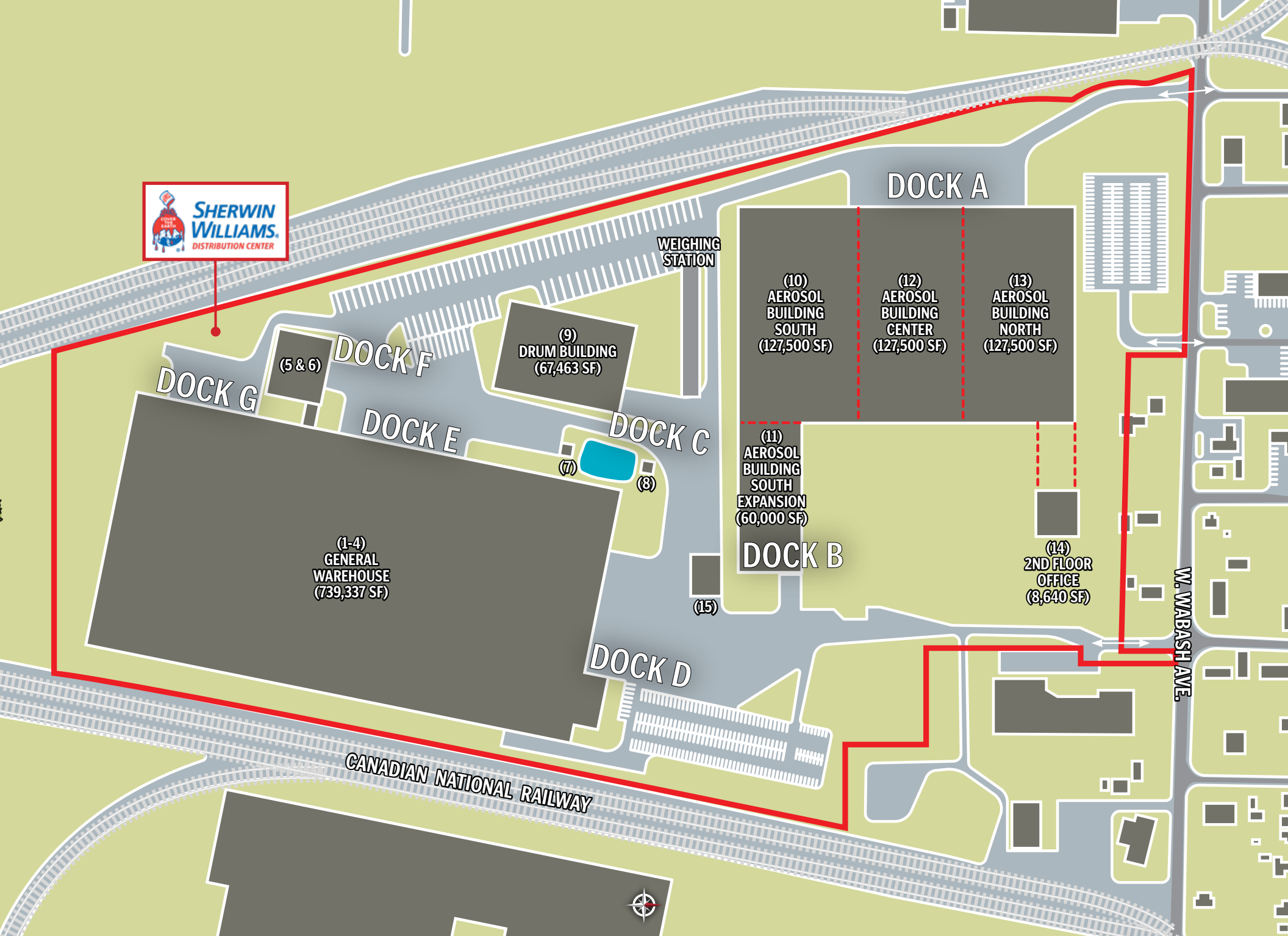
W. WABASH AVE.

S. CHERRY ST.





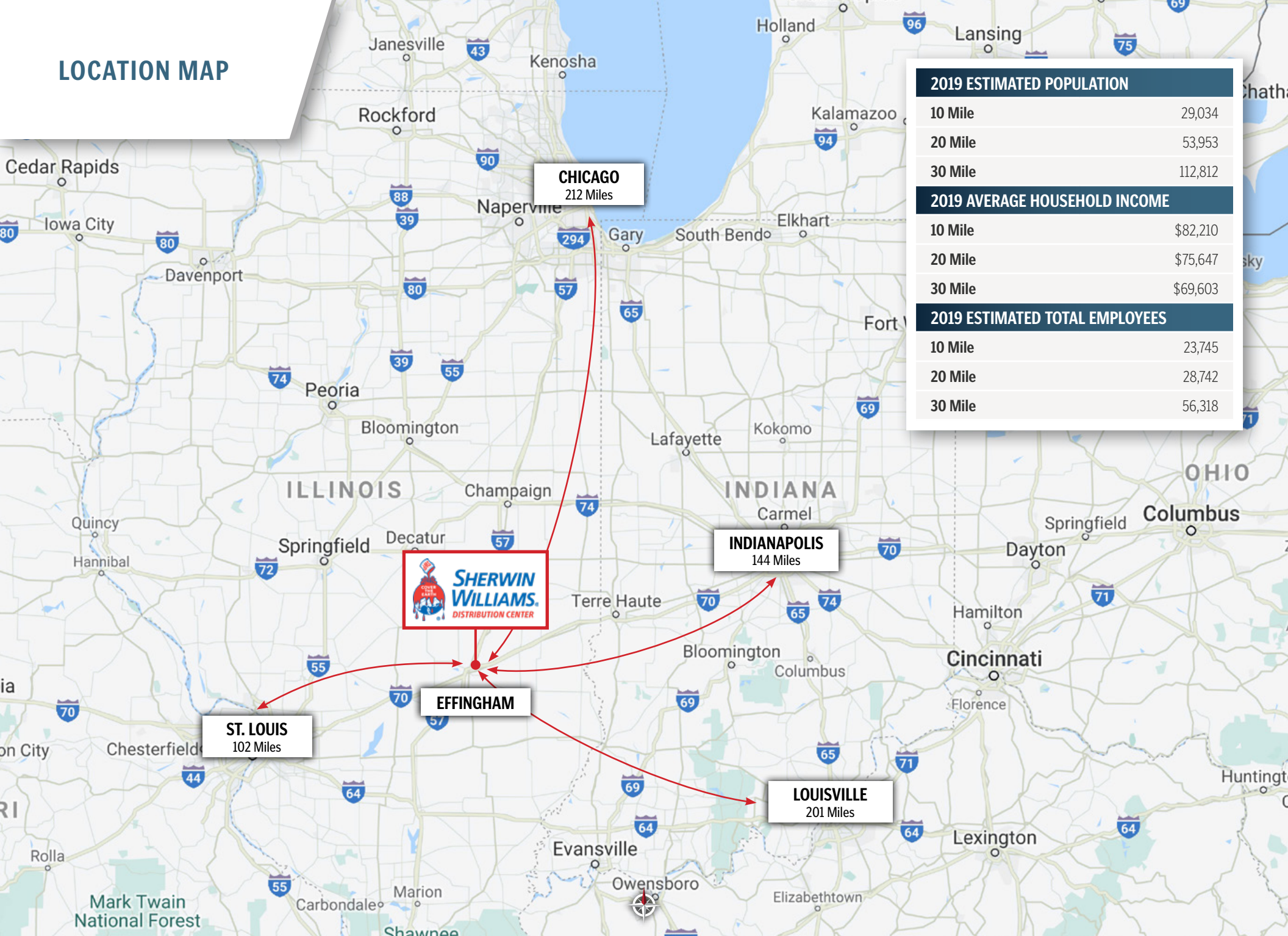




BUILDING OVERVIEW

Building Description	Square Footage	Ceiling Height	Year Built / Renovated
1) Arch General Warehouse	477,074	26' 9" - 28' 9"	1971-1972
2) Arch General Warehouse Expansion	248,800	26' 7" - 29' 1"	1996
3) Office (built off of Arch General Warehouse)	6,000		1987 / 2010
4) Office (inside Arch General Warehouse)	7,463		1987 / 2010
5) Arch Aerosol Room	20,000	26' 2" - 26' 10"	1987
6) Arch Aero Building Connecting Tunnel	900		1987
7) Pump House 1	460		1996
8) Pump House 2	460		1987
9) Drum Building	67,463	30' 6" - 32' 6"	1996
10) Aero Building South	127,500	29' 10" - 32' 0"	1996
11) Aero Building South Expansion	60,000	29' 6" - 32' 0"	1992
12) Aero Building Center	127,500	29' 10" - 32' 0"	1996
13) Aero Building North	127,500	29' 10" - 32' 0"	1996
14) Office (inside Aero Building North)	8,640		1996
15) CTS Trailer Repair Shop	3,600		1990
Total	1,283,360		

LOCATION MAP



AREA OVERVIEW



Effingham, Illinois “The Crossroads of Opportunity”

Effingham, Illinois, in Effingham county, is 54 miles SE of Decatur, Illinois and 99 miles E of St. Louis, Missouri. The City provides an extensive array of municipal services including public safety, public works, community development, health, welfare, cemetery, cultural services, a water and sewer utility as well as internal management support functions. The City of Effingham had a population of 12,576 as of July 1, 2019.

Effingham is strategically centralized in the Midwest, and due to its geographic location, the property is the ideal location for distribution centers and logistics.

The largest industries in Effingham, IL are Health Care & Social Assistance, Manufacturing, and Retail Trade, and the highest paying industries are Public Administration, Construction, and Transportation & Warehousing. Effingham is neither predominantly blue-collar nor white-collar, instead having a mixed workforce of both blue-collar and white-collar jobs. Overall, Effingham is a city of sales and office workers, service providers, and professionals. There are especially a lot of people living in Effingham who work in sales jobs, office and administrative support, and management occupations.

Effingham provides excellent opportunities for recreation with its scenic lakes and golf courses. Lake Sara has 27 miles of wooded shoreline with facilities for fishing, waterskiing, swimming, camping and motor boating. The Anthony Acres Resort offers a private beach, picnic tables, private decks and grills, a boat launch ramp, bonfire pit, basketball court, playground, shuffle board court and more. Further, there are both 18 and 9 hole golf courses in the vicinity. The city also offers suitable dining and shopping opportunities.

Effingham and nearby Attractions are Eagle Creek, Wolf Creek State Parks, Anthony Acres Resort, Effingham Country Club, Cardinal Golf Course and Lake Sara.

Opportunities for higher education are available at Lake Land College, Eastern Illinois University and Millikin University.

The nearest major airport is Decatur Airport. This airport has domestic flights from Decatur, Illinois and is 63 miles from the center of Effingham, IL.

AREA DEMOGRAPHICS

	10 MILE	20 MILES	30 MILES
2019 Estimated Population	29,034	53,953	112,812
2024 Projected Population	29,008	53,591	111,333
2010 Census Population	28,193	53,178	112,978
2019 Estimated Households	11,103	20,818	45,950
2024 Projected Households	11,499	21,287	46,148
2010 Census Households	10,677	20,035	45,071
2019 Estimated White	96.00%	96.80%	96.60%
2019 Estimated Black or African American	0.60%	0.50%	0.80%
2019 Estimated Asian or Pacific Islander	1.00%	0.70%	0.60%
2019 Estimated American Indian or Native Alaskan	0.20%	0.20%	0.20%
2019 Estimated Other Races	1.10%	0.80%	0.60%
2019 Estimated Hispanic	2.40%	1.80%	1.60%
2019 Estimated Average Household Income	\$82,210	\$75,647	\$69,603
2019 Estimated Median Household Income	\$59,903	\$57,232	\$53,433
2019 Estimated Per Capita Income	\$32,698	\$29,901	\$28,472
2019 Estimated Total Businesses	1,728	2,415	5,114
2019 Estimated Total Employees	23,745	28,742	56,318



RENT ROLL

Lease Term						Rental Rates					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCR.	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Sherwin-Williams	1,283,360	Oct 2016	May 2029	Current	-	\$254,472	\$0.20	\$3,053,658	\$2.38	Absolute NNN	1 (5-Year)
(Corporate Guaranty)				June 2024	9.00%	\$277,374	\$0.22	\$3,328,487	\$2.59	Opt. Rent: \$3,628,050 /Yr (9% Incr.)	

Note: Tenant must notify landlord 18 months prior to expiration of the lease to exercise their option.

FINANCIAL INFORMATION	
Price	Best Offer
Net Operating Income	\$3,053,658
Lease Type	Absolute NNN

PROPERTY SPECIFICATIONS	
Year Built / Remodeled	1971-1996 / 2010
Rentable Area	1,283,360 SF
Land Area	71.55 Acres
Address	711 W. Wabash Avenue, Effingham, IL 62401



For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.

BRAND PROFILE

The Sherwin-Williams Company sherwin-williams.com

Founded in 1866, The Sherwin-Williams Company is a global leader in the manufacture, development, distribution, and sale of paints, coatings and related products to professional, industrial, commercial, and retail customers. Sherwin-Williams manufactures products under well-known brands such as Sherwin-Williams, Valspar, HGTV HOME by Sherwin-Williams, Dutch Boy, Krylon, Minwax, Thompson's Water Seal, Cabot and many more. With global headquarters in Cleveland, Ohio, Sherwin-Williams branded products are sold exclusively through a chain of more than 4,900 company-operated stores and facilities, while the company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers, and industrial distributors. The Sherwin-Williams Performance Coatings Group supplies a broad range of highly-engineered solutions for the construction, industrial, packaging and transportation markets in more than 120 countries around the world. Sherwin-Williams shares are traded on the New York Stock Exchange (symbol: SHW).



COMPANY TYPE

Public (NYSE: SHW)

2019 EMPLOYEES

61,111

2019 REVENUE

\$17.90 B

2019 NET INCOME

\$1.54 B

2019 ASSETS

\$20.50 B

2019 EQUITY

\$4.12 B

CREDIT RATING

S&P: BBB

COMPANY SEGMENTS



The Americas Group

Products Sold: Paints, stains, aerosols, applicators, caulks, varnishes, protective and marine coatings, spray equipment and related products in the United States, Canada, the Caribbean and Latin America.

55%
of Total Sales

The Americas Group operates the exclusive outlets for Sherwin-Williams® branded paints, stains, supplies, equipment and floor covering in the United States, Canada and the Caribbean. The Group also manufactures and sells a wide range of architectural paints, industrial coatings and related products across Latin America through company operated stores, dedicated dealers and selected retailers.



Consumer Brands Group

Products Sold: Branded, private-label and licensed brand paints, stains, varnishes, industrial products, wood finishing products, wood preservatives, applicators, corrosion inhibitors, aerosols, caulks and adhesives, and related products.

16%
of Total Sales

Our Consumer Brands Group sells one of the industry's most recognized portfolios of branded and private-label products through retailers across North America and in parts of Europe, China, Australia and New Zealand. The Group also operates a highly efficient global supply chain for paint, coatings and related products.



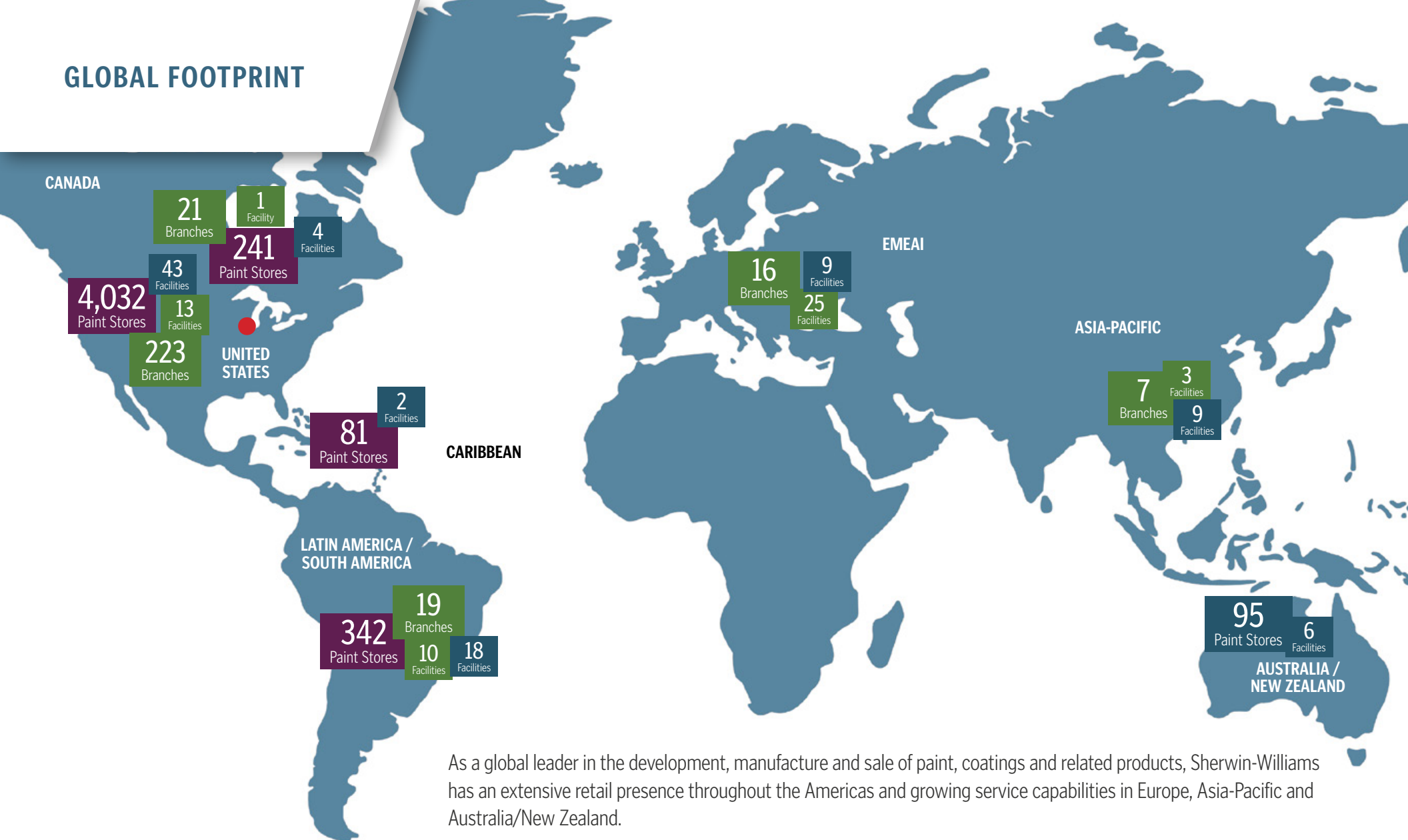
Performance Coatings Group

Products Sold: Asset protection products, wood finishes, powder coatings, coatings for plastic and glass, aerosols, high-performance interior and exterior coatings for the automotive, aviation, fleet, packaging, heavy truck, material handling, agriculture and construction, and building products segments.

29%
of Total Sales

The Performance Coatings Group sells a broad range of coatings and finishing solutions to general industrial, industrial wood, protective and marine, automotive, packaging and coil & extrusion customers in more than 120 countries.

GLOBAL FOOTPRINT



- **THE AMERICAS GROUP**
- **CONSUMER BRANDS GROUP**
- **PERFORMANCE COATINGS GROUP**
- **CORPORATE HEADQUARTERS**

As a global leader in the development, manufacture and sale of paint, coatings and related products, Sherwin-Williams has an extensive retail presence throughout the Americas and growing service capabilities in Europe, Asia-Pacific and Australia/New Zealand.

- The Americas Group has 4,354 company-operated specialty paint stores in the United States, Canada and the Caribbean. More than 90 percent of the U.S. population lives within a 50-mile radius of a Sherwin-Williams store.
- Consumer Brands Group includes company-operated outlets in Australia and New Zealand and a highly efficient global supply chain consisting of 95 manufacturing plants and distribution centers.
- Performance Coatings Group sells to a growing customer base in more than 120 countries around the world and has 282 company-operated general industrial, industrial wood, protective and marine, and automotive branches.



NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

**RETAIL
PROFESSIONALS**

25+

OFFICES

#1

**LARGEST REAL ESTATE
SERVICES FIRM**
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

**TRANSACTION
VALUE**
in 2018

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*Statistics are for 2018

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