

# PNC BANK GROUND LEASE

4030 SOUTH EAST STREET, INDIANAPOLIS, INDIANA



OFFERING MEMORANDUM

Marcus & Millichap





**MARCUS & MILLICHAP**



# Executive Summary

4030 South East Street, Indianapolis, IN 46227

## FINANCIAL SUMMARY

|               |                    |
|---------------|--------------------|
| <b>Price</b>  | <b>\$2,217,100</b> |
| Cap Rate      | 5.25%              |
| Building Size | 4,935 SF           |
| Net Cash Flow | 5.25% \$116,400*   |
| Year Built    | 2003               |
| Lot Size      | 1.66 Acres         |

## LEASE SUMMARY

|                                |  |
|--------------------------------|--|
| Lease Type                     | Absolute Triple-Net (NNN) Ground Lease |
| Tenant                         | PNC Bank                               |
| Guarantor                      | Corporate                              |
| Roof & Structure               | Tenant Responsible                     |
| Lease Commencement Date        | April 1, 2003                          |
| Lease Expiration Date          | March 31, 2028                         |
| Effective Lease Term Remaining | 6 Years                                |
| Rental Increases               | \$9,600 in Each Option                 |
| Renewal Options                | 2, 5 Year Options                      |

\*Rent based on April 2023 Rent Increase, Seller to credit Buyer the difference in rent at closing.

## ANNUALIZED OPERATING DATA

| Lease Years             | Annual Rent  | Cap Rate |
|-------------------------|--------------|----------|
| 4/1/2023 – 03/31/2028   | \$116,400.00 | 5.25%    |
| Options                 | Annual Rent  | Cap Rate |
| 04/01/2028 – 03/31/2033 | \$126,000.00 | 5.68%    |
| 04/01/2033 – 03/31/2038 | \$135,600.00 | 6.12%    |

|                             |                        |
|-----------------------------|------------------------|
| <b>Base Rent</b>            | <b>\$116,400</b>       |
| <b>Net Operating Income</b> | <b>\$116,400</b>       |
| <b>Total Return</b>         | <b>5.25% \$116,400</b> |







LUCAS OIL  
STADIUM

DOWNTOWN  
INDIANAPOLIS



FAMILY DOLLAR  
South Side  
Flea Market



CALIBER  
COLLISION



6,982 CPD  
EAST HANNA AVENUE



26,686 CPD  
SOUTH EAST STREET







**FAMILY DOLLAR**  
South Side  
Flea Market

**OAK**  
MOTORS

**Speedway**

**bp**

**Steak 'n Shake**  
STEAKBURGERS

**ANYTIME FITNESS**  
**TACO BELL** **SUBWAY**

**U-HAUL**

**INDY AUTO MAN**

**Walgreens**

**UNIVERSITY OF INDIANAPOLIS**  
5,600+ STUDENTS

6,982 CPD  
EAST HANNA AVENUE

26,686 CPD  
SOUTH EAST STREET

**PNC BANK**

**Kroger**







102,530 CPD

INTERSTATE 465



Public  
Storage

amc  
THEATRES



26,686 CPD

SOUTH EAST STREET





# Property Description



## INVESTMENT HIGHLIGHTS

- » **6-Year Absolute Triple-Net (NNN) Corporate Guaranteed Ground Lease**
- » Attractive Rent Growth with \$9,600 Increase in Each Option Period
- » **Excellent Branch Deposits of \$193,865,000; 2nd Highest in Indianapolis & 4th Highest in State of Indiana**
- » Investment Grade Tenant - PNC is the 6th Largest Bank by Deposits in the U.S., a Market Capitalization of Approximately 56.4 Billion
- » **Located between Downtown Indianapolis and Interstate 465 (Approx. 33,668 Cars/Day)**
- » Shadow-Anchored to Kroger Grocery Store and Shares Ingress / Egress to Kroger's Parking Lot and Gas Station
- » **Immediate Proximity to National Tenants - Ross, Qdoba, Pizza Hut, AutoZone, AMC, Public Storage, Harbor Freight Tools, and More**
- » 212,356 Residents within a 5-Mile Radius with an Average Household income of \$62,828



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

|                 |        |        |         |
|-----------------|--------|--------|---------|
| 2026 Projection | 10,800 | 73,374 | 213,581 |
| 2021 Estimate   | 10,679 | 73,395 | 212,356 |

### Households

|                 |       |        |        |
|-----------------|-------|--------|--------|
| 2026 Projection | 3,913 | 28,964 | 85,873 |
| 2021 Estimate   | 3,874 | 28,826 | 84,500 |

### Income

|                                    |          |          |          |
|------------------------------------|----------|----------|----------|
| 2021 Est. Average Household Income | \$48,397 | \$56,806 | \$62,828 |
| 2021 Est. Median Household Income  | \$36,155 | \$43,192 | \$46,555 |
| 2021 Est. Per Capita Income        | \$18,812 | \$22,698 | \$25,401 |





# Tenant Overview



**Public**

**PNC**

**Pittsburgh, PA**

**1852**

**2,945**

**[www.pnc.com](http://www.pnc.com)**

Company Type

Stock Symbol (NYSE)

Headquarters

Founded

Branches

Website

The Southern Plaza Indianapolis, Indiana PNC Bank branch has experienced tremendous success, as it currently ranks eighth, fifth, and third in State, MSA and City deposits, respectively, and has experienced steady average annual deposit increases over the past several years.

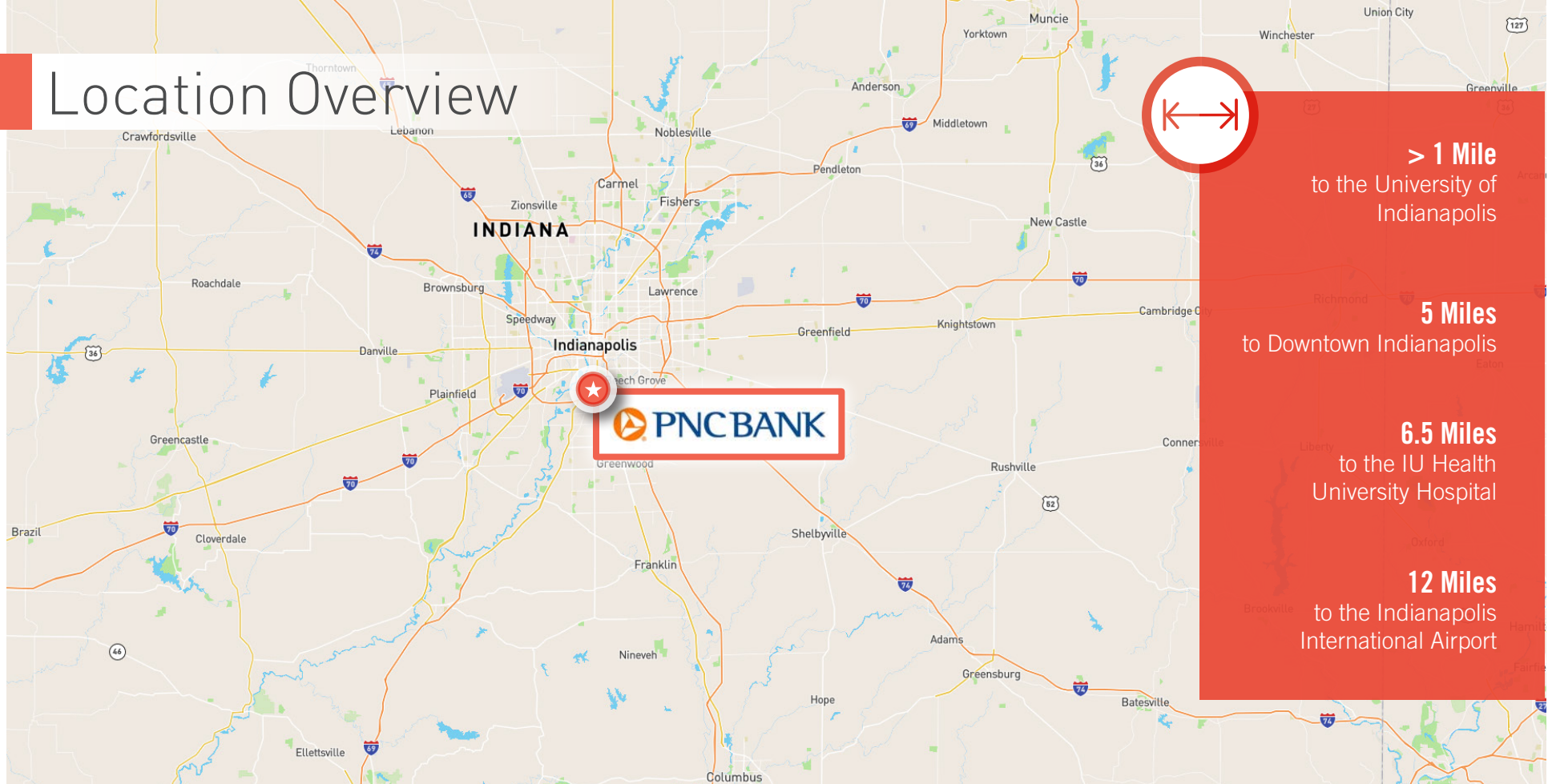
PNC Bank is the sixth largest by deposits, and the seventh largest by assets in the United States with a market capitalization of approximately 56.4 billion. The bank has an S&P crediting rating of A and a Moody's credit rating of A2. With 2,945 branches, 9,051 ATMs in 27 states and the District of Columbia,

PNC Bank offers a wide range of services to individuals and small businesses to corporations and government entities.

More than 9 million consumers utilize PNC's retail banking services ranging from deposit, lending, credit card, cash management, and investment services. In addition to retail banking, PNC delivers asset management insights and solutions through their Investment and National Practice Groups, comprised of PNC Private Bank<sup>SM</sup>, PNC Private Bank Hawthorn<sup>SM</sup>, and PNC Institutional Asset Management<sup>®</sup>.



# Location Overview



Indianapolis is the 12<sup>th</sup> largest city in the U.S., and home to 810,000 residents in the city proper, with 2 million residents in the greater metropolitan area. Nicknamed the “Circle City,” and “Crossroads of America,” Indianapolis has more interstate highways bisecting the city and state than any other in the country, and half the nation’s population is within a days drive of Indianapolis which makes it a center for the transportation of goods.

In addition to serving as a premier distribution hub, the Indianapolis MSA is also a major center for health and sciences, with the several educational institutions, and health related employers such as Eli Lilly & Co., Roche Diagnostics Corp. and Covance Inc. maintaining operations in the region.

Primary economic sectors include finance and insurance, manufacturing, professional and business services, education and health care, government, and wholesale trade. The city is home to three Fortune 500 companies, two major league sports clubs, four university campuses, and several museums, including the world’s largest children’s museum.

However, the city is perhaps best known for annually hosting the world’s largest single-day sporting event, the Indianapolis 500, or Indy 500 with approximately 300,000 attendees on race-day. Among the city’s historic sites and districts, Indianapolis is home to the largest collection of monuments dedicated to veterans and war casualties in the U.S. outside of Washington, D.C.



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**Marcus & Millichap**