



# Investment Offering - Single Tenant Industrial / Office

606 W Troy Avenue | Indianapolis, IN

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**CIRE** Partners  
COMMERCIAL INVESTMENT REAL ESTATE

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# property snapshot

606 W Troy Avenue | Indianapolis, IN

22,860 SF Located on 6.6 Acres

Single Tenant Net Leased - Industrial / Office

Annual increases equal to the greater of 3.0% or CPI

Billion Dollar Subsidiary Tenant of \$14.6 Billion, Investment Grade Parent Company

Fee-Simple Ownership



## pricing summary

Purchase Price	\$4,173,886
NOI	\$292,172
CAP rate	7.00%
Lease Term	7+ Years Remaining

\* NOI of \$292,172 is based upon 2017 calendar year.

CIRE Partners is pleased to present a single-tenant net leased investment offering occupied by CHEP Recycled Pallet Solutions, LLC ("CHEP") on a long term lease with over 7 years of remaining term. CHEP, formerly Pallet Companies, LLC d/b/a IFCO, is a wholly owned subsidiary of Brambles Limited. IFCO/CHEP is an international logistics service provider with more than 45 locations worldwide and a net worth in excess of \$1 billion. Brambles is a \$14.6 billion, publicly traded Australian company with an investment grade credit rating of Baa1 by Moody's and BBB+ by S&P. IFCO/CHEP is the Nation's largest provider of white wood recycled pallets. Together, Brambles and IFCO/CHEP are the world's leading provider of pallet and container pooling solutions. They collect and reissue approximately 300 million pallets and containers from a network of service centers in 54 countries across the world.

The tenant, CHEP Recycled Pallet Solutions, LLC, is the subsidiary entity responsible for all of the white wood pallet operations in the United States. The Americas division of IFCO/CHEP produced revenue of \$2.4 billion and \$2.3 billion, and operating profit of \$428 million and \$418 million in fiscal years 2016 and 2015 respectively.

The subject property is located in Indianapolis, Indiana in the heart of central Indianapolis, just 4 miles south of downtown and 6 miles east of the Indianapolis International Airport. It is strategically situated in an excellent logistics corridor straddled by Interstates 70, 465, 65 and 74 to the north, south, east and west respectively, giving the property immediate access to all major highway systems serving greater Indianapolis and the surrounding markets. In addition, the property enjoys an efficient operational layout and expansion potential, which make it appealing not only to IFCO/CHEP, but also to a wide range of distribution/logistics operators. This is the only IFCO/CHEP locations in the state of Indiana. The next closest facility is over 100 miles away in Cincinnati, OH. IFCO/CHEP has occupied the property for over 17 years demonstrating the mission critical nature of this site and the company's long-term commitment to this location.

# investment overview

Address	606 W Troy Avenue   Indianapolis, IN
No. of Parcels	One (1) Parcel
APN	49-11-23-115-012.000-101
Land Area	6.6 Acres
Square Footage	22,860 SF
Purchase Price	\$4,173,886
CAP Rate	7.00%
NOI	\$292,172
Zoning	Industrial
Amenities	Cross-dock facility with 20 truck bays
Lease Type	NNN
Remaining Lease Term	7+ Years Remaining

Lease Year	Dates	NOI	Monthly Rent	CAP Rate
Year 3	5/1/2016 - 04/30/2017	\$286,443	\$23,870	
<b>Year 4</b>	<b>5/1/2017 - 04/30/2018</b>	<b>\$295,036</b>	<b>\$24,586</b>	<b>7.12%</b>
Year 5	5/1/2018 - 04/30/2019	\$303,887	\$25,324	7.33%
Year 6	5/1/2019 - 04/30/2020	\$313,004	\$26,084	7.55%
Year 7	5/1/2020 - 04/30/2021	\$322,394	\$26,866	7.78%
Year 8	5/1/2021 - 04/30/2022	\$332,066	\$27,672	8.01%
Year 9	5/1/2022 - 04/30/2023	\$342,028	\$28,502	8.26%
Year 10	5/1/2023 - 04/30/2024	\$352,289	\$29,357	8.50%

\*NOI of \$292,172 is based upon 2017 calendar year.

## investment highlights

- Long term lease to billion dollar subsidiary tenant of \$14.6 billion, investment grade parent company
- Attractive annual increases equal to greater of 3% or CPI
- Central location just 4 miles south of downtown Indianapolis and 6 miles east of the Indianapolis International Airport
- Excellent logistics site with immediate access to all major highway systems serving greater Indianapolis and the surrounding markets

## lease abstract

Tenant	IFCO / CHEP
Lease Commencement	05/01/2014
Lease Expiration	04/30/2024
Lease Type	NNN
Current Annual NOI	\$292,172
Rent Increases	Annual increases equal to the greater of 3.0% or CPI
Renewal Options	Two 5-Year Options with greater of 3.00% or CPI annual increases
Landlord Responsibilities	Roof & Structure
Guarantor	Corporate















## Indianapolis, IN

Indianapolis is the capital and largest city of the state of Indiana and the seat of Marion County. It is in the East North Central region of the Midwestern United States. The city covers 372 square miles and has an estimated population of 853,173 in 2015, making it the second most populous city in the Midwest, after Chicago, and 14th largest in the United States. The city is the economic and cultural center of the Indianapolis metropolitan area, home to 2 million people, the 34th most populous metropolitan statistical area in the United States. Its combined statistical area ranks 26th, with 2.4 million inhabitants. Indianapolis anchors the 26th largest economic region in the United States.

Founded in 1821 as a planned city for the new seat of the government of Indiana, Indianapolis was platted by Alexander Ralston and Elias Pym Fordham on a 1-square-mile grid adjacent to the White River. The city grew beyond the Mile Square, as completion of the National Road and advent of the railroad solidified the city's position as a manufacturing and transportation hub. Indianapolis is within a single-day drive of 70 percent of the nation's population, lending to its nickname as the "Crossroads of America." Indianapolis' economy is based on business services, transportation and logistics, education, financial services, hospitality and tourism, and distribution services. Indianapolis has developed niche markets in amateur sports and auto racing. The city hosts numerous events annually, most notably the Indianapolis 500, the world's largest single-day sporting event.

The city's philanthropic community has been instrumental in the development of its cultural institutions, including The Children's Museum of Indianapolis (the world's largest) and Indiana Landmarks (the country's largest statewide historic preservation organization). Indianapolis-based Lilly Endowment is among the largest foundations in the United States, with nearly \$10 billion in assets. Since the 1970 city-county consolidation, known as Unigov, local government administration has operated under the direction of an elected 25-member city-county council, headed by the mayor. Indianapolis is considered a "high sufficiency" global city.





IFCO ([www.ifco.com](http://www.ifco.com)) is the leading global provider of reusable packaging solutions for fresh products. With a network of over 50 company-owned and operated pallet distribution centers and a transportation fleet of over 5,700 units, IFCO is the largest pallet services company in the country. At IFCO, they focus on the retrieval, reconditioning, and resupplying of wood pallets. They offer a complete range of pallet recycling and pallet management services. IFCO's broad infrastructure, expertise and flexibility allow them to provide customized, single-source solutions to both national and local customers.

High-performance companies choose IFCO's wood pallet recycling and management services to develop and implement the most efficient pallet program for their operations. IFCO creates comprehensive pallet management programs to efficiently manage pallet supply, tracking, retrieval, sorting, repair, disposal and reporting. Their customers are some of the largest and most successful retailers and manufacturers in the country. These companies choose IFCO as their pallet provider because they know only IFCO has the nationwide infrastructure, industry experience, and customer service they require.

Almost half of the top 25 US retailers are IFCO's Pallet Management Partners. Twenty of the top 100 largest publicly held U.S. manufacturing companies (Source: IndustryWeek) are IFCO's Pallet Management Customers.



Year Founded	1996
Headquarters	Amsterdam
Website	<a href="http://www.IFCO.com">www.IFCO.com</a>
Total Locations	±210
Total Employees	±4,000



# tenant profile

The tenant, IFCO / CHEP, is a wholly owned subsidiary of Brambles Limited. Brambles is a supply-chain logistics company operating in more than 60 countries, primarily through the CHEP and IFCO brands. Brambles is listed on the Australian Securities Exchange (ASX) and has its headquarters in Sydney, Australia, but operates in more than 60 countries, with its largest operations in North America and Western Europe.

Brambles provides supply-chain logistics services to its customers based upon the Group's longstanding expertise in the management of reusable unit-load equipment such as pallets, crates and containers. Brambles primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best known brands among its customers. The Group also operates specialist container logistics businesses serving the automotive, aerospace, and oil and gas sectors.

As of June 2016, the Group employed more than 14,500 people and owned more than 550 million pallets, crates and containers (after provisions) through a network of more than 850 service centres. Brambles enhances performance for customers by helping them transport goods through their supply chains more efficiently, safely and sustainably. The Group's primary activity is the provision of reusable pallets, crates and containers for shared use by multiple participants throughout the supply chain, under a "sharing and reusing" model also known as "pooling". Under various pooling models, Brambles provides standardised reusable pallets, crates and containers to customers from its service centres, as and when customers require. Customers then use that equipment to transport goods through their supply chains, and – depending on the specific pooling model in operation – either arrange for its return to Brambles or transfer it to another participant in the network for that participant's use prior to its return to Brambles. By participating in Brambles' pooling system, customers eliminate the need to purchase and manage their own unit-load equipment, thereby reducing the capital requirements and complexity of their operations and simultaneously reducing waste from their supply chains. Customers benefit from the shared scale efficiencies generated by Brambles' network and systems, as well as the Group's asset management knowledge and development of additional value-adding services, products and solutions. Brambles generates sales revenue predominantly from rental and other service fees that customers pay based on their usage of the Group's equipment. Brambles retains ownership of its equipment at all times, inspecting, cleaning and repairing them as required to maintain appropriate quality levels.

## Brambles

Year Founded	1875
Headquarters	Sydney, Australia
Website	<a href="http://www.brambles.com">www.brambles.com</a>
Total Service Centres	±850
Market Capitalization	\$14.6 Billion
Credit Rating	Investment Grade
Total Employees	±14,500





