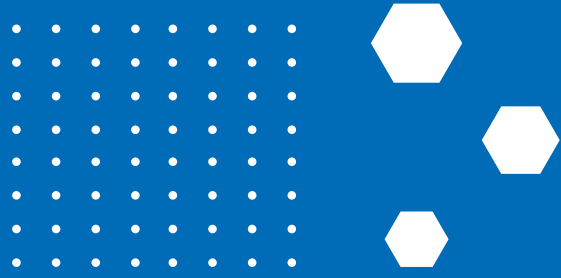


NEWMARK



OFFERING MEMORANDUM
48150 Grand River Avenue
Novi, MI 48374



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EXECUTIVE SUMMARY

Newmark's Government Capital Markets team is pleased to present an exceptional investment opportunity to acquire a single-tenant, net-leased district courthouse located at 48150 Grand River Avenue in Novi, Michigan (the "Property"). The 25,833-square-foot Property is occupied by Oakland County, Michigan (AAA/S&P), operating the facility as the 52nd District Court, First Division. The County recently executed a new ten-year net lease commencing June 1, 2024. Built in 1994 as a build-to-suit facility specifically designed for courthouse operations, the Property features four courtrooms, judge's chambers, holding cells, and all necessary court support spaces on a 4.74-acre site with 246 parking spaces. The modified net lease structure requires minimal landlord management responsibilities and features annual rent escalations of 2.0%, providing investors with built-in inflationary protection and consistent income growth throughout the term.

THE OFFERING



\$5,836,000
Offering Price



\$408,505
Year 1 NOI



7.00%
CAP Rate



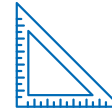
10 Years
Lease Term



June 1, 2024
Lease Commence



May 31, 2034
Lease Expire



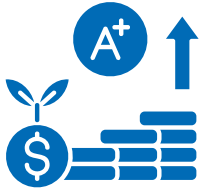
25,833 SF
Building Size



Net
Lease Type



INVESTMENT HIGHLIGHTS



Investment-Grade Tenant with Exceptional Credit Quality

The property is 100% leased to Oakland County, Michigan, which carries a "AAA" credit rating from Standard & Poor's—the highest possible credit rating. This investment-grade tenant provides unparalleled security and minimal default risk, ensuring stable and reliable income generation throughout the lease term. As a governmental entity, Oakland County represents one of the most creditworthy tenant profiles available in commercial real estate.



Long-Term Lease with Predictable Cash Flow and Built-In Growth

The tenant recently executed a 10-year NNN lease term extending through May 2034, with two additional 5-year renewal options, providing potential occupancy through 2044. The lease features a 2% annual rent escalation each April, creating predictable income growth that serves as an effective hedge against inflation. This contractual rent growth ensures the investment maintains its purchasing power over time while providing NOI visibility for long-term financial planning.



Mission-Critical Facility with Exceptional Tenant Retention

As a purpose-built district courthouse constructed in 1994 specifically for Oakland County, this property serves an essential governmental function that cannot be easily relocated. The specialized nature of the facility—featuring four courtrooms, judge's chambers, holding cells, and extensive court-specific infrastructure—creates significant barriers to relocation and ensures exceptional tenant "stickiness." The Offering Price of \$226 per square foot—well below current replacement cost—makes constructing a comparable facility economically prohibitive, effectively locking in the tenant and significantly de-risking future lease renewal negotiations.



Premier Location in High-Growth Submarket with Superior Demographics

The courthouse is strategically positioned on Grand River Avenue, a major commercial corridor in Novi, Michigan—a thriving super-regional retail hub within the Detroit MSA. Located just 0.7 miles from the I-96/Beck Road interchange, the property benefits from exceptional visibility and accessibility. The immediate area features strong retail anchors including Home Depot and Kroger at the adjacent Market Square, and the Ascension Providence Hospital complex across the street, underscoring the area's vitality and long-term economic stability.



TENANT OVERVIEW

The Property is leased to Oakland County, Michigan and serves as the 52nd District Court – First Division (“52-1”). Purpose-built for the Tenant in 1994, the facility supports a wide range of judicial functions for multiple jurisdictions, including the City of Novi, Novi Township, Walled Lake, Wixom, the Villages of Milford and Wolverine Lake, and the Townships of Lyon, Commerce, Milford, and Highland, as well as South Lyon. The 52-1 District Court serves an estimated population of approximately 175,000 residents and is the busiest division within the 52nd District Court system, managing around 25,000 cases annually. The Court’s caseload includes:



Traffic / civil infractions: The court processes citations for civil traffic violations and also offers hearings (informal or formal) for those tickets.



Criminal misdemeanor cases: The court handles misdemeanors (lesser criminal offenses), initial proceedings for felonies (arraignments, probable cause conferences, etc) before a case may be bound over to the circuit court.



Civil cases: These include claims for money/damages (up to a certain dollar limit), landlord/tenant disputes, land contract forfeitures, garnishments, etc.



Small-claims: For smaller dollar amounts (for example the Small Claims division handles up to ~\$7,000 in this court) for individuals or businesses seeking to recover money.



Weddings, community court programs: The court also performs some civil functions such as marriages, and participates in community-court or problem-solving court programs (sobriety court, teen alcohol/drug programs) in its local jurisdiction.



LEASE GUARANTOR

Oakland County serves as the lease guarantor for this investment and represents one of the strongest governmental credits in Michigan. The County maintains AAA bond ratings from both Moody’s Ratings and S&P Global Ratings with a stable outlook, reaffirmed most recently in May 2024—the highest possible credit rating indicating exceptional financial management and creditworthiness. Rating agencies have specifically cited the County’s “strong management,” “robust fund balance and liquidity,” and “very strong financial policies and practices” as justification for these premier ratings.



**AAA (Stable)
S&P Rating**



**1.27 Million Residents
2nd Largest in MI**



**\$95,296 Median HH Income
Wealthiest County in MI**



**660,000+
Employed Residents**



UNDERWRITING NOTES

Start of Analysis	June 1, 2026
Analysis Period	8 Years
Lease Commence	June 1, 2024
Lease Expiration	May 31, 2034
OPEX Growth	The model assumes annual operating expense growth of 2.00%
Lease Options	Two (2), five-year
Option Rent	2% annual rent increases

Rent Schedule	Period	Annual Amount	Per SF
	6/1/25-5/31/26	\$428,735	\$16.60
	6/1/26-5/31/27	\$437,310	\$16.93
	6/1/27-5/31/28	\$446,056	\$17.27
	6/1/28-5/31/29	\$454,978	\$17.61
	6/1/29-5/31/30	\$464,077	\$17.96
	6/1/30-5/31/31	\$473,359	\$18.32
	6/1/31-5/31/32	\$482,826	\$18.69
	6/1/32-5/31/33	\$492,482	\$19.06
	6/1/33-5/31/34	\$502,332	\$19.45



LEASE ABSTRACT

Tenant	County of Oakland
Use	52nd District Court, First Division
Occupancy History	Build-to-suit for Tenant in 1994
Lease Commence	June 1, 2024
Lease Expiration	May 31, 2034
Renewal Options	Two (2) successive five (5) year renewal periods, 365 calendar day notice
Building Size	25,833 square feet
Lease Type	Net
Rental Escalations	2% annual increases
Termination Rights	If Michigan legislature takes over or assigns 52/1 District Court to another entity, Tenant may terminate with 365 days written notice. There shall be no penalty for termination.
Tenant Responsibilities (Direct)	Real estate taxes, all utilities, security services and equipment, equipment and furnishings, signage, janitorial, interior and exterior window cleaning, landscaping and grounds maintenance, parking lot cleaning and sweeping, snow and ice removal, trash removal, pest control, HVAC preventative maintenance, fire extinguisher maintenance and inspection, interior maintenance, light bulbs and ballast replacements, property management and admin fees
Landlord Responsibilities (Nonreimbursable)	Property insurance, repairs/maintenance/repalcement of: roof, building structure (foundation, exterior walls, windows), exterior areas repairs (parking lot, driveways, sidewalks, retention pond, dumpster - excluding landscaping/sweeping), exterior lighting (excluding bulb/ballast replacement), base building mechanical, electrical, and plumbing systems, HVAC system (excluding preventative maintenance), life safety systems (sprinklers, fire alarm, emergency lighting - excluding fire extinguishers).
Landlord Insurance	General liability insurance must be either (i) \$5,000,000 combined single limit per occurrence or, (ii) \$1,000,000 combined single limit per occurrence plus \$4,000,000 umbrella/excess policy. Property insurance must include fire and extended coverage on Premises, structure, and improvements.
Estoppel	Tenant must execute within 10 business days of Landlord's request in form reasonably acceptable to Landlord or relying third party.
Assignment & Subletting	Tenant may not assign, sublet, or transfer lease without Landlord's prior written consent.



PRO FORMA CASH FLOW

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		May-27	May-28	May-29	May-30	May-31	May-32	May-33	May-34
INCOME	<i>per SF</i>								
Rent	\$16.92	\$437,310	\$446,056	\$454,978	\$464,077	\$473,359	\$482,826	\$492,482	\$502,332
Gross Income	\$16.92	\$437,310	\$446,056	\$454,978	\$464,077	\$473,359	\$482,826	\$492,482	\$502,332
EXPENSES*									
MEP System Repairs**	(\$0.55)	(\$14,300)	(\$14,586)	(\$14,878)	(\$15,175)	(\$15,479)	(\$15,788)	(\$16,104)	(\$16,426)
Building Envelope	(\$0.06)	(\$1,500)	(\$1,530)	(\$1,561)	(\$1,592)	(\$1,624)	(\$1,656)	(\$1,689)	(\$1,723)
Parking Lot/Sidewalks/Retention	(\$0.06)	(\$1,600)	(\$1,632)	(\$1,665)	(\$1,698)	(\$1,732)	(\$1,767)	(\$1,802)	(\$1,838)
Insurance	(\$0.29)	(\$7,400)	(\$7,548)	(\$7,699)	(\$7,853)	(\$8,010)	(\$8,170)	(\$8,334)	(\$8,500)
Miscellaneous/Maintenance Staff	(\$0.15)	(\$4,000)	(\$4,080)	(\$4,162)	(\$4,245)	(\$4,330)	(\$4,416)	(\$4,505)	(\$4,595)
Total Expenses	(\$1.11)	(\$28,800)	(\$29,376)	(\$29,964)	(\$30,563)	(\$31,174)	(\$31,798)	(\$32,433)	(\$33,082)
Net Operating Income	\$15.81	\$408,505	\$416,675	\$425,009	\$433,509	\$442,179	\$451,023	\$460,043	\$469,244



NOTES

*Projected expenses reflect the average of actual annual expenses from 2022 - 2024.

**Mechanical, electrical, and plumbing systems including HVAC and life safety systems. Does not include HVAC preventative maintenance contract, an expense paid directly by Tenant.

SITE DESCRIPTION

The Property is a single story, masonry and steel frame structure with poured concrete floors (Type IA), rubber membrane roof, and nine roof-top HVAC units. Interior improvements consist of four courtrooms, adjacent judge's chambers, magistrate's chambers, central administration area with public service counter, law library, jury room, case file storage room, lawyer/client meeting rooms, public waiting area, holding cells, probation offices, employee break room, and restrooms. The Property has been meticulously maintained by Ownership as the roof is inspected annually, the HVAC units are enrolled in a quarterly preventive maintenance plan, and the parking lot is routinely swept, sealed, and resurfaced as needed. The Tenant also employs an on-site building maintenance supervisor.



Address 48150 Grand River Avenue
Novi, MI 48374



Building Size 25,833 Square Feet



Lot Size 4.74 Acres



Parking 246 Spaces (9.5 per 1,000 SF)



Year Built 1994



Zoning Office Service Commercial (OSC)



Roof Entire roof replaced in 2014 with Duro-Last system. Warranty thru 2029



HVAC Nine (9) roof-mounted units. All units installed 2015, economizers in 2017 and components replaced 2025. 74.5 tons, 17 zones



Parking Lot Completely resurfaced 2022, new concrete apron 2023



Windows Replaced in 2014



Traffic Average Daily Traffic of 35,806 VPD (Grand River Avenue)

PROPERTY PHOTOS



LOCATION OVERVIEW

Novi, Michigan is a thriving suburban city in north-western Detroit Metropolitan Area located approximately 25 miles northwest of downtown Detroit, offering immediate access to major freeways and regional infrastructure. The city's population has grown by roughly 20% from 2010 to 2020 and is projected to reach over 74,000 by 2050, with a 2023 estimate of about 66,200 residents and a median age of 39.9 years. The resident household median income exceeds \$110,000, with very high educational attainment—more than 68% of adults hold at least a bachelor's degree—and a homeownership rate near 70%. The city's economic base is diversified and vibrant, with strong representation in professional, scientific/technical services, advanced manufacturing and retail / logistics, and a median home value in the ~\$400,000-plus range. The city is served by the reputable Novi Community School District (among others), contributing to its appeal for families and businesses alike. With solid demographics, strategic location, strong income and education metrics, and access to skilled labor, Novi presents a compelling background for commercial real estate investment.



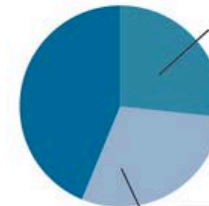
66,372
total population

19% increase
in population growth
from 2010-2020

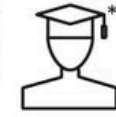


median
age **39.2**

62% 18-64
years old



31.3% Graduate or
Professional degree



68.1%

Hold a Bachelor's
degree or higher

36.8% Bachelor's degree

Novi school district
ranked
#1
of all Michigan districts*

more than
1,400
acres
of park land

**THE
LOWEST**
tax rate in all of
Oakland County

TOP EMPLOYERS

 **Ascension
Providence** 2,200 Employees

 **HARMAN** 840 Employees
A SAMSUNG COMPANY

 **Ryder** 650 Employees

 **Lineage** 650 Employees


 **ITC** 540 Employees
A FORTIS COMPANY

 **Yanfeng** 475 Employees

PERCENTAGE OF POPULATION EMPLOYED

 Manufacturing **31.1%**

 Professional, Technical & Scientific Services **13.88%**

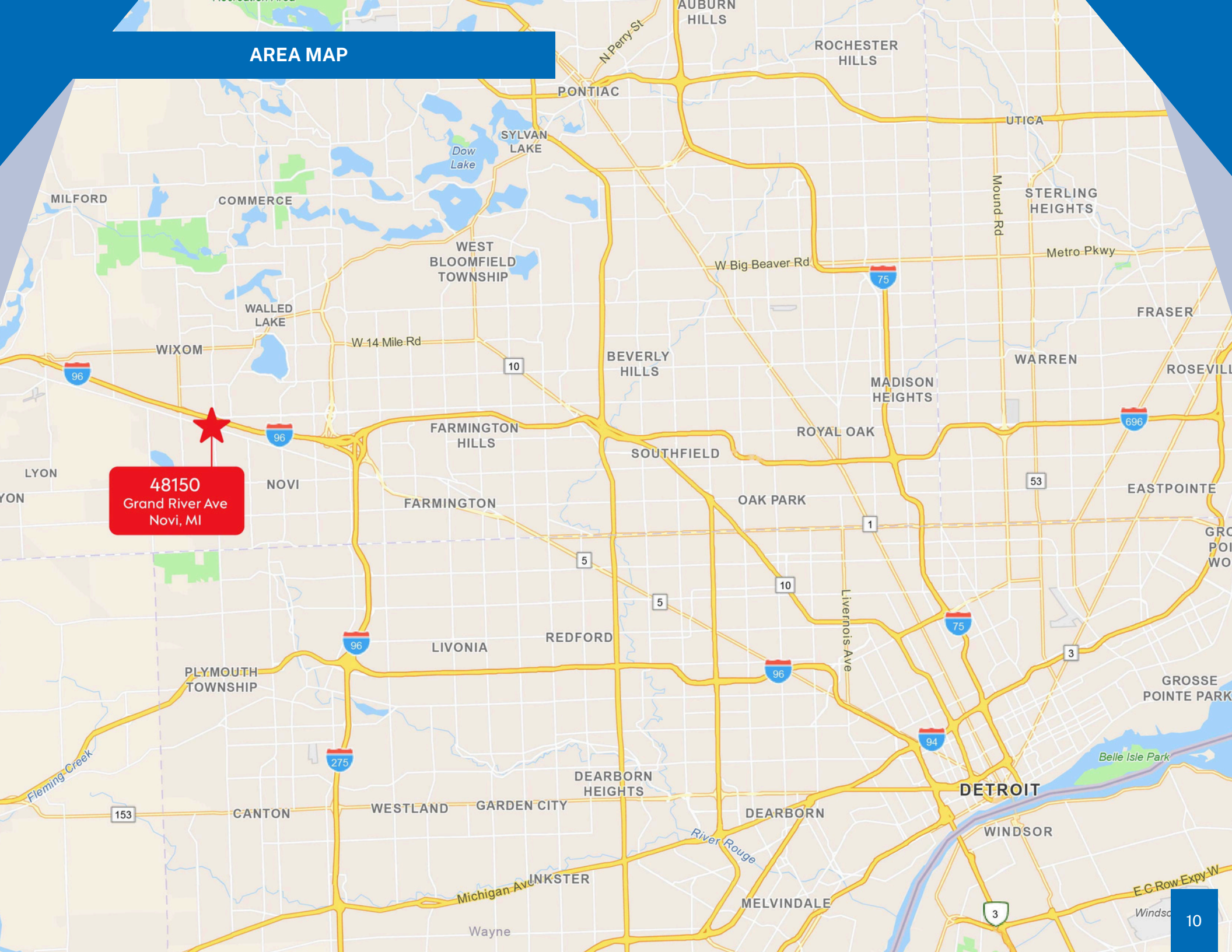
 Health care and social assistance **12.35%**

 Finance and insurance **6.81%**

 Retail trade **6.1%**

 Educational Services **5.54%**

AREA MAP



48150
Grand River Ave
Novi, MI

PROPERTY AERIAL



SUBWAY

Kroger

Staples

Kroger FUEL Center

HENRY FORD HEALTH Ascension

SUPERCUTS

Applebee's

Davita

THE HOME DEPOT

ANYTIME FITNESS

BANK OF AMERICA

OUTBACK STEAKHOUSE

Providence Parkway 4,940 VPD

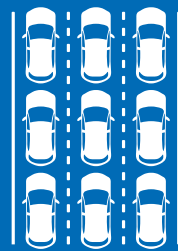
Grand River Ave 35,306 VPD

Davita

PROPERTY AERIAL



Less than 30 minutes from
DTW
Detroit Metro Airport

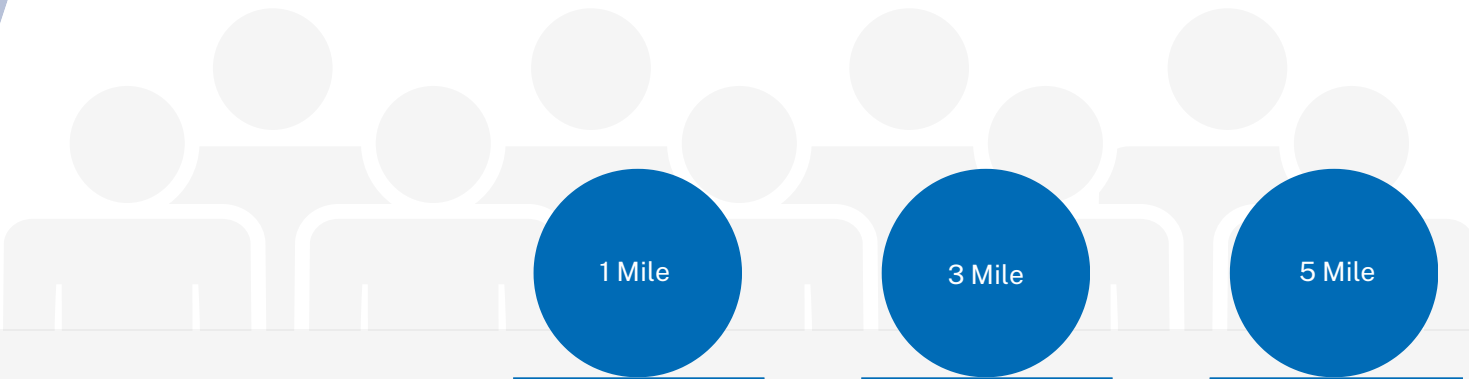


Frontage on Grand River Avenue
35,806
Vehicles Per Day



0.7 Miles from
I-96
Beck Road Interchange

DEMOGRAPHICS



1 Mile

3 Mile

5 Mile

	1 Mile	3 Mile	5 Mile
Total Population (2024)	2,247	41,494	119,978
Median Home Value	\$485,999	\$439,403	\$360,899
Median Age	41.1	38.0	41.3
Average Household Income	\$173,623	\$128,623	\$126,087
Total Specified Consumer Spending	\$35.7M	\$610.6M	\$1.8B

\$

\$1.8 Billion

Consumer Spending
(5 Mile)



\$173,623

Average Household
Income (1 Mile)



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