540 PARK AVENUE EAST UNIT 4A-B & 5 CHATHAM, ON

Industrial Investment For Sale

For more information, please contact

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CBRE

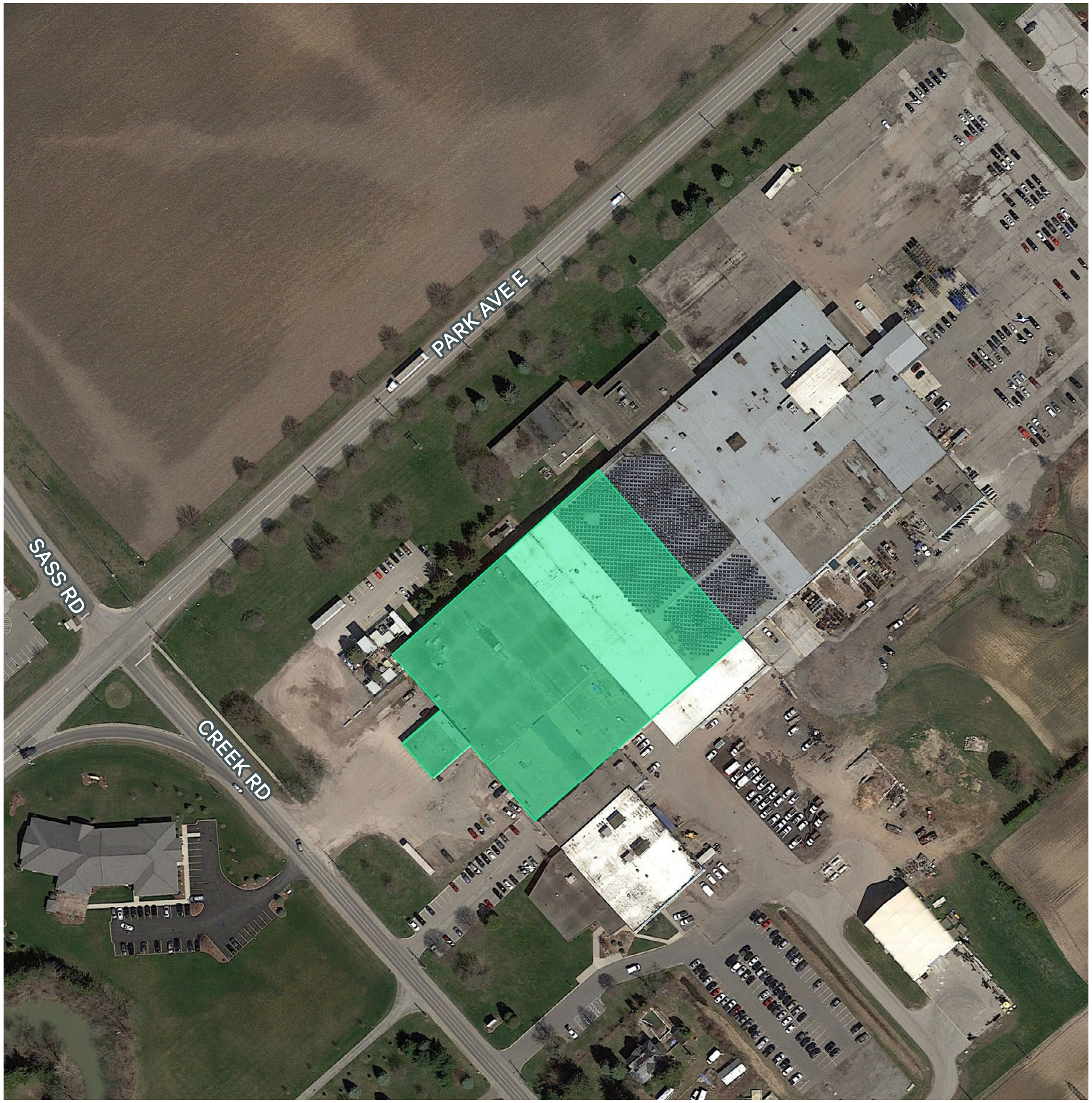
Industrial Investment Opportunity

540 Park Avenue East, Unit 4A-B & Unit 5 | Chatham, ON

For Sale

Contact Listing Agent for Pricing

PROPERTY OVERVIEW



KEY PROPERTY STATISTICS

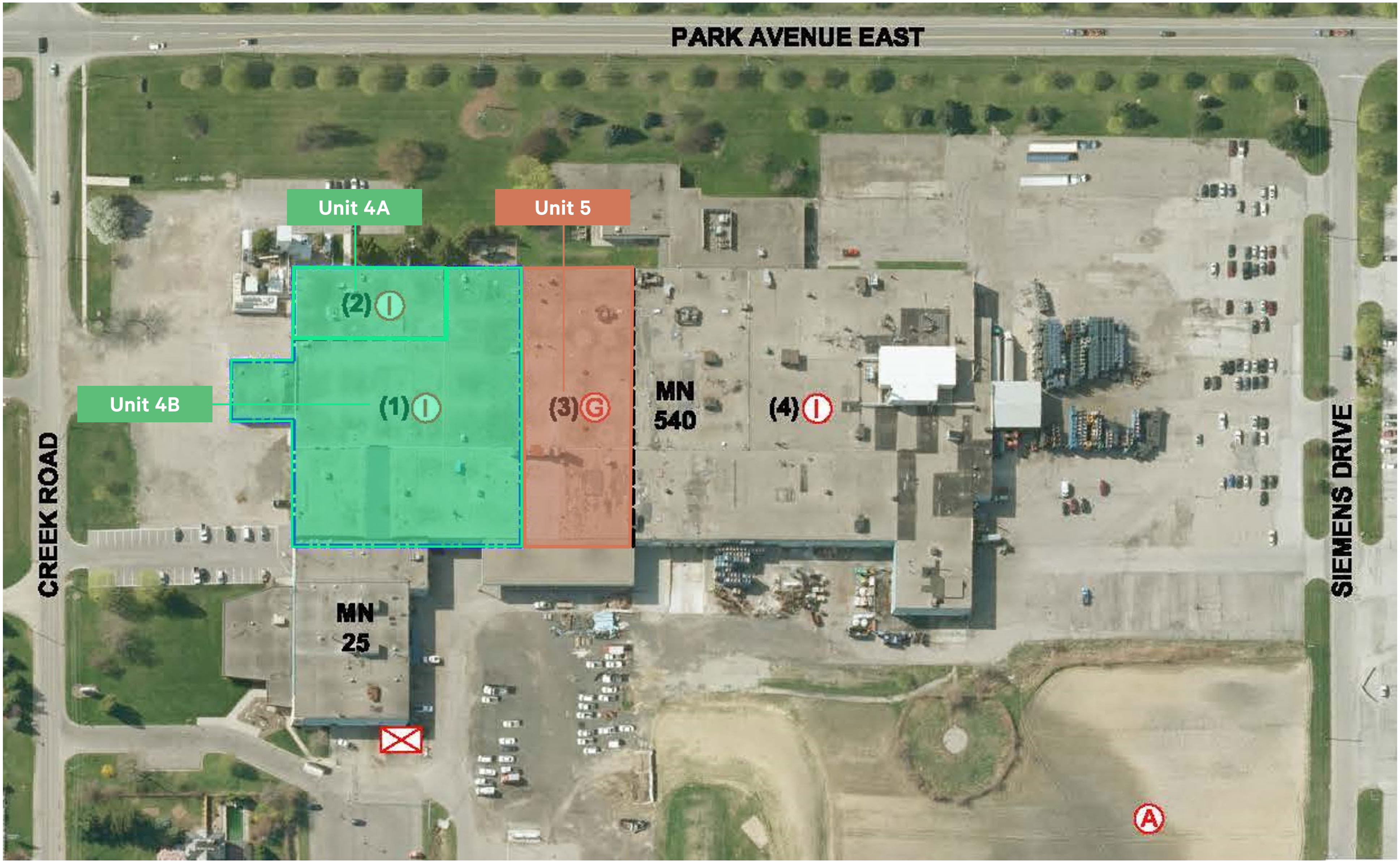
OWNERSHIP TYPE	Condominium
BUILDING SIZE	Unit 4A ± 61,000 Sq. Ft. - LEASED Unit 4B ± 9,297 Sq. Ft. - VACANT Unit 5 ± 25,000 Sq. Ft. - LEASED Total ± 95,297 Sq. Ft.
ZONING	M1-743 (General Industrial)
SHIPPING	Unit 4 6 drive-in doors | 4 truck level docks Unit 5 2 drive-in doors
HVAC	Radiant Heating | Natural Gas
AGE	1965
CEILING HEIGHT	24 Ft. clear
SERVICES	Municipal water & sewer, Full sprinkler system
POWER	400 A

TENANT INFORMATION

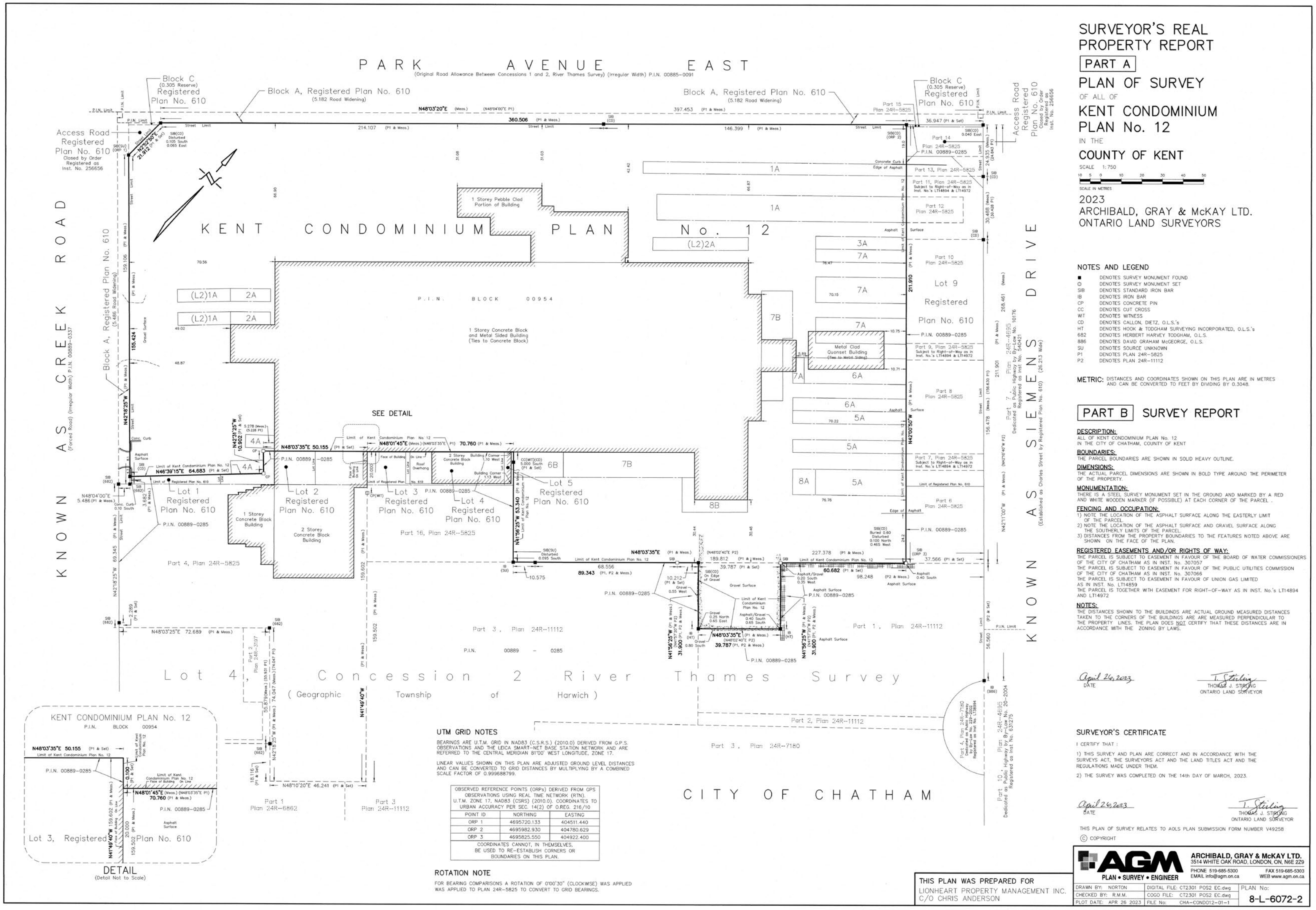
TENANT	MSSC CANADA INC.
WEBSITE	www.msscna.com
DESCRIPTION	Headquartered in Troy, Michigan with locations worldwide. Founded in 1895, MSSC offers automotive and off-road suspension solutions. A group company of Mitsubishi Steel Manufacturing since 2009.
LEASE TERM	Unit 4 Five (5) years from July 1, 2025, to June 30, 2030 Unit 5 Five (5) years from November 1, 2025, to October 31, 2030

CBRE

BUILDING DIVISIONS



SURVEY PLAN



PARK AVENUE EAST
KENT CONDOMINIUM PLAN No. 12
KNOWN AS CREEK ROAD
KNOWN AS SIEMENS DRIVE
SEE DETAIL
Lot 4, Concession 2 River Thames Survey
CITY OF CHATHAM
SURVEYOR'S REAL PROPERTY REPORT
PART A
PLAN OF SURVEY
OF ALL OF
KENT CONDOMINIUM PLAN No. 12
IN THE
COUNTY OF KENT
SCALE 1:750
2023
ARCHIBALD, GRAY & McKAY LTD.
ONTARIO LAND SURVEYORS
NOTES AND LEGEND
PART B SURVEY REPORT
SURVEYOR'S CERTIFICATE
UTM GRID NOTES
ROTATION NOTE
DETAIL
THIS PLAN WAS PREPARED FOR
LIONHEART PROPERTY MANAGEMENT INC.
C/O CHRIS ANDERSON
AGM
ARCHIBALD, GRAY & McKAY LTD.
PLAN • SURVEY • ENGINEER
8-L-6072-2

ZONING INFORMATION

GENERAL INDUSTRIAL ZONE (M1)
PERMITTED USES

- Agricultural Implements Sales and Service Establishment;
- Animal Grooming;
- Assembly Hall;
- Automobile Body Shop/Repair Shop;
- Autombile Sales and Service Establishment/Service Station;
- Builder's Supply Yard;
- Bulk Fuel Storage;
- Call Centre;
- Car Wash, Automatic/Manual;
- Commercial Entertainment and Recreational Establishment;
- Commercial School;
- Construction/Industrial Equipment and Service Establishment;
- Contractor's Yard;
- Courier Service;
- Dry Cleaning Establishment
- Eating Establishment/Drive-in/Take-out
- Factory Outlet
- Garage, Public
- Gas Bar
- Grain Elevator or other Storage Facility for Farm Produce
- Industrial Mall
- Industrial Use, which is not noxious
- Laboratory or Scientific Research Facility
- Nursery
- Office
- Public Storage
- Rental Establishment
- Service or Repair Shop
- Service Trade Establishment
- Taxi Establishment
- Towing Establishment
- Train Depot
- Truck Terminal
- Warehouse
- Wholesale Business with Accessories Retail Business

GENERAL INDUSTRIAL SPECIAL ZONE (M1-743)
PERMITTED USES

Special Zone Provisions

- Minimum front yard or exterior side yard - on a lot abutting Park Avenue or Creek Road setbacks of 22.86 m and 23.01 m from the original centre lines of these streets, respectively apply
- For schools or an office use, the following apply:
  - minimum lot frontage - 22.86 m
  - maximum lot area - 700 sq. m
  - maximum lot coverage - 50%
  - maximum gross floor area - no requirement
  - minimum interior side and rear yards - no requirement

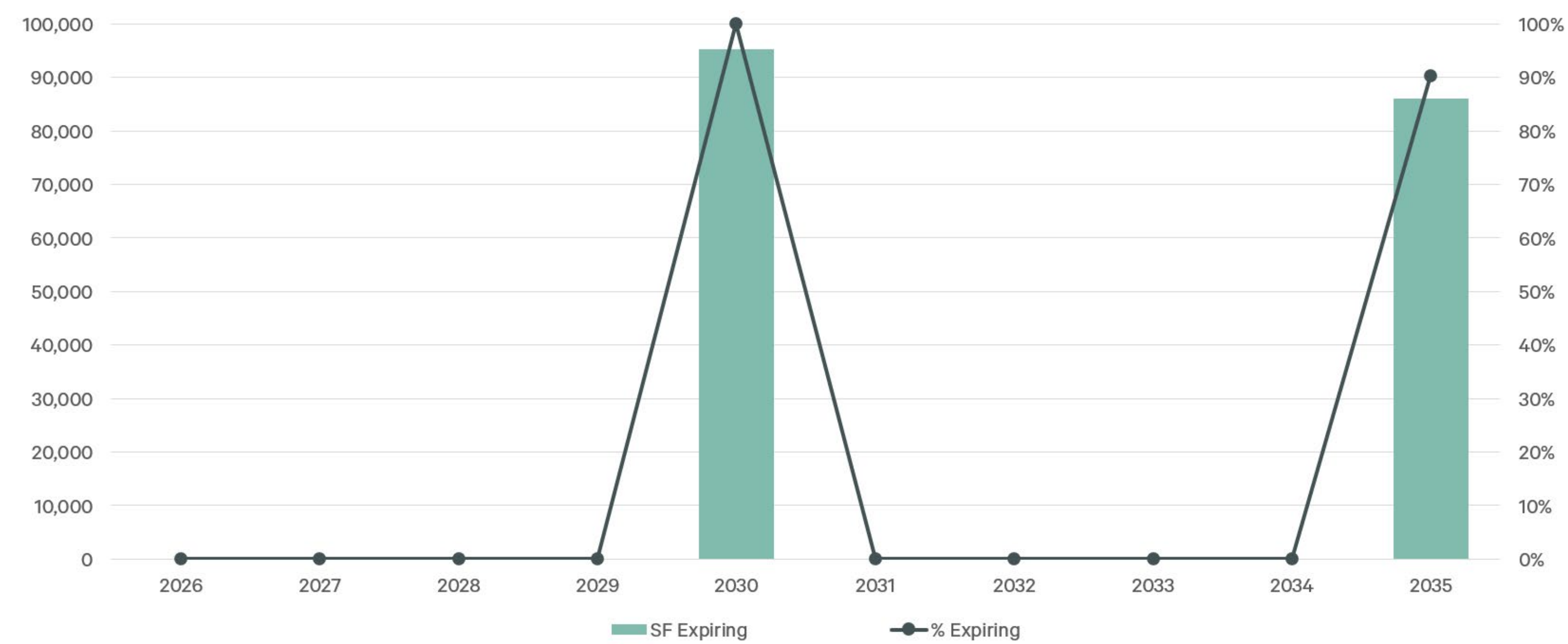
Zoning Map - 540 Park Avenue E

TENANCY PROFILE

TENANT PROFILE											
Tenant			Area (SF)		Base Rent		Rent Step	Weighted Average Years			Option to Renew
Name	Suite	Lease Type	NRA	Share	PSF	Year 1		Remaining	Start Date	Expiry Date	
MSSC Canada Inc	Unit 4A	Industrial	61,000	64%	$5.70	$362,950	$0.50/yr	4.5	Jun 30, 2025	Jun 30, 2030	N/A
2467436 Ontario Inc*	Unit 4B	Office	9,297	10%	$6.00	$55,782	$0.50/yr	5.0	Dec 31, 2025	Dec 31, 2030	N/A
MSSC Canada Inc	Unit 5	Industrial	25,000	26%	$5.70	$144,583	$0.50/yr	4.8	Oct 31, 2025	Oct 31, 2030	N/A
Total Occupied			**86,000**	**90%**		**$563,315**					

*Leaseback

EXPIRATION PROFILE



FINANCIAL ASSUMPTIONS

OVERVIEW
Set out below are the assumptions for the 10-year cash flow projection commencing on January 1st, 2026, and ending on December 31st, 2036. The reader is reminded that statements with respect to the anticipated future performance of the Property, as well as financial information and projections into the future, reflect various subjective assumptions concerning anticipated results, which may or may not occur. No representation or warranties, expressed or implied, are made as to the accuracy of such statements, financial information and projections. Future results will vary, and variance may be material. The financial model was prepared using Argus Enterprise version 12.1 and includes details of key assumptions for the cash flow projections. The Argus rent roll should be reviewed for tenant-specific notes.

MINIMUM RENT
For existing tenancies, minimum rent has been projected using contractual terms and conditions of leases currently in-place. All leases are triple net (NNN).

OPERATING EXPENSES
OPEX has been estimated using the September 2025 Budget OPEX figures provided by the Seller, with a general inflation rate of 2.00% per annum thereafter, the anticipated rise in expenses each year.

EXPENSE RECOVERIES
Expense recoveries are modeled using the September 2025 budgeted estimates and current lease agreements, which all show 100% recoverable expenses. All new leases are assumed to be NNN.

GENERAL VACANCY
A General Vacancy of 2.0% is applied to Potential Gross Revenue, miscellaneous revenue, and direct recoveries.

CAPEX RESERVE
A structural allowance of 2.0% of Effective Gross Revenue has been modeled.

GENERAL ASSUMPTIONS	
General Vacancy	2.0% of PGR
Inflation	2.0%
CapEx Reserve	2.0% of EGR

MARKET LEASING ASSUMPTIONS		
	Base Rent	Annual Increase
Market Rent	$6.00	2.0% per year
Renewal Probability & Downtime		
Renewal Probability	75%	
Downtime	3 months	
Term (Renewals)	5 years	
Term (New Tenant)	5 years	

10 YEAR CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
For the Years Ending	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	Dec-2033	Dec-2034	Dec-2035
Rental Revenue										
Potential Base Rent	$563,315	$606,315	$649,315	$692,315	$676,195	$623,695	$636,066	$648,787	$661,763	$674,998
Absorption & Turnover Vacancy	$0	$0	$0	$0	-$46,545	-$5,132	$0	$0	$0	-$51,389
Scheduled Base Rent	$563,315	$606,315	$649,315	$692,315	$629,650	$618,563	$636,066	$648,787	$661,763	$623,609
Expense Recoveries	$362,129	$369,371	$376,759	$384,294	$335,240	$393,345	$407,816	$415,972	$424,291	$370,132
Total Tenant Revenue	**$925,444**	**$975,687**	**$1,026,074**	**$1,076,609**	**$964,890**	**$1,011,907**	**$1,043,882**	**$1,064,759**	**$1,086,055**	**$993,742**
Potential Gross Revenue	$925,444	$975,687	$1,026,074	$1,076,609	$964,890	$1,011,907	$1,043,882	$1,064,759	$1,086,055	$993,742
Vacancy & Credit Loss										
Vacancy Allowance	-$18,509	-$19,514	-$20,521	-$21,532	-$17,468	-$18,711	-$20,878	-$21,295	-$21,721	-$17,899
Effective Gross Revenue	**$906,935**	**$956,173**	**$1,005,552**	**$1,055,077**	**$947,422**	**$993,196**	**$1,023,004**	**$1,043,464**	**$1,064,333**	**$975,843**
Operating Expenses										
OPEX (Recoverable)	$362,129	$369,371	$376,759	$384,294	$335,240	$393,345	$407,816	$415,972	$424,291	$370,132
Total Operating Expenses	**$362,129**	**$369,371**	**$376,759**	**$384,294**	**$335,240**	**$393,345**	**$407,816**	**$415,972**	**$424,291**	**$370,132**
Net Operating Income	**$544,806**	**$586,802**	**$628,794**	**$670,783**	**$584,921**	**$596,628**	**$615,188**	**$627,492**	**$640,042**	**$575,612**
Capital Expenditures										
CapEx Reserve	$18,139	$19,123	$20,111	$21,102	$18,948	$19,864	$20,460	$20,869	$21,287	$19,517
Cash Flow Before Debt Service	$526,668	$567,678	$608,683	$649,682	$565,973	$576,764	$594,728	$606,623	$618,755	$556,095

OFFERING PROCESS

This Confidential Information Memorandum ("CIM") is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire an interest in the Property. This CIM does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property. This CIM is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The CIM provides selective information relating to certain physical, locational and financial characteristics of the Property.

The information on which this CIM is based has been obtained from various sources considered reliable. Neither the Vendor nor CBRE Limited (the "Advisor") make any representations, declarations or warranties, expressed or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The Vendor and the Advisor expressly disclaim any and all liability for any errors or omissions in the CIM or any other written or oral communication transmitted or made available to prospective purchasers. Prospective purchasers should conduct their own independent investigation and verification of the information provided herein, and should seek legal, accounting, tax, engineering or other advice as necessary.

If any information relating to the Property, in addition to the information provided in this CIM, is provided at any time, orally or otherwise, by the Vendor and/or the Advisor or anyone acting on their behalf, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.

The terms and conditions in this section with respect to confidentiality and the disclaimer contained under the heading "Memorandum Contents" relate to all sections of the CIM as if stated independently therein. The division of the CIM into sections, paragraphs, sub-paragraphs and the insertion or use of titles and headings are for convenience of reference only and shall not affect the construction or interpretation of this CIM.

The CIM shall not be copied, reproduced or distributed, in whole or in part, to other parties at any time without the prior written consent of the Vendor. It is made available to prospective purchasers for information purposes only and upon the express understanding that such prospective purchaser will use it only for the purposes set forth herein and upon and subject to the terms of the Confidentiality Agreement. In furnishing the CIM, the Vendor and the Advisor undertake no obligation to provide the recipient with access to additional information.

CONFIDENTIALITY

Upon receipt of this CIM, prospective purchasers will have executed a confidentiality agreement (the "Confidentiality Agreement") under which they have agreed to hold and treat this CIM and its contents in the strictest confidence. Prospective purchasers will not, except as permitted under the Confidentiality Agreement, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this CIM or any of its contents or any part thereof to any person, firm or entity without the prior written consent of the Vendor. Prospective purchasers will not use or permit this CIM to be used for any other purpose than a proposed purchase of the Property.

OFFERING PROCESS

The Vendor has adopted a negotiated transaction process. Based on information contained in this CIM and other information that may be made available upon request, interested parties are invited to submit a proposal that addresses the requirements outlined under "Submission Guidelines".

Please submit your bid via email on a purchaser's form of LOI on the bid date to be articulated by the Advisor. Submissions should be directed electronically to:

2467436 ONTARIO INC.

c/o Conor Eardley

CBRE Limited, Brokerage
72 Victoria St S, Suite 200
Kitchener, N2G 4Y9
conor.eardley@cbre.com

SUBMISSION GUIDELINES

Proposals must address the following elements:

- Purchase price;
- Any material terms, conditions and timelines for APS Negotiation, Due Diligence and Closing;
- Name of the ultimate beneficial owners of the Property; and
- Evidence of the purchaser's financial ability to complete the transaction, including the method of financing the transaction.

The Vendor reserves the right to remove the Offering from the market and to alter the offering process described above and timing thereof, at its sole and absolute discretion.

SALE CONDITIONS

The Property is to be purchased on an "as is, where is" basis and there is no warranty, express or implied, as to title, description, condition, cost, size, merchantability, fitness for purpose, quantity or quality thereof and without limiting the foregoing, any and all conditions or warranties expressed or implied will not apply and are to be waived by the purchaser.

Any information related to the Property which has been or will be obtained from the Vendor or the Advisor or any other person, by a prospective purchaser, has been prepared and provided solely for the convenience of the prospective purchase and will not be warranted to be accurate or complete and will not form part of the terms of an agreement of purchase and sale agreement unless expressly agreed to in the binding purchase and sale agreement between Vendor and purchaser.

ADVISOR

The Advisor is acting solely as agent for the Vendor and not as agent for the purchaser. All inquiries regarding the Property or any information contained in this CIM should be directed to CBRE Limited, Brokerage, as Advisor for the Vendor:

CBRE Limited, Brokerage
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380 Wellington St, Suite 30
London, Ontario N6A 5B5

CBRE Waterloo
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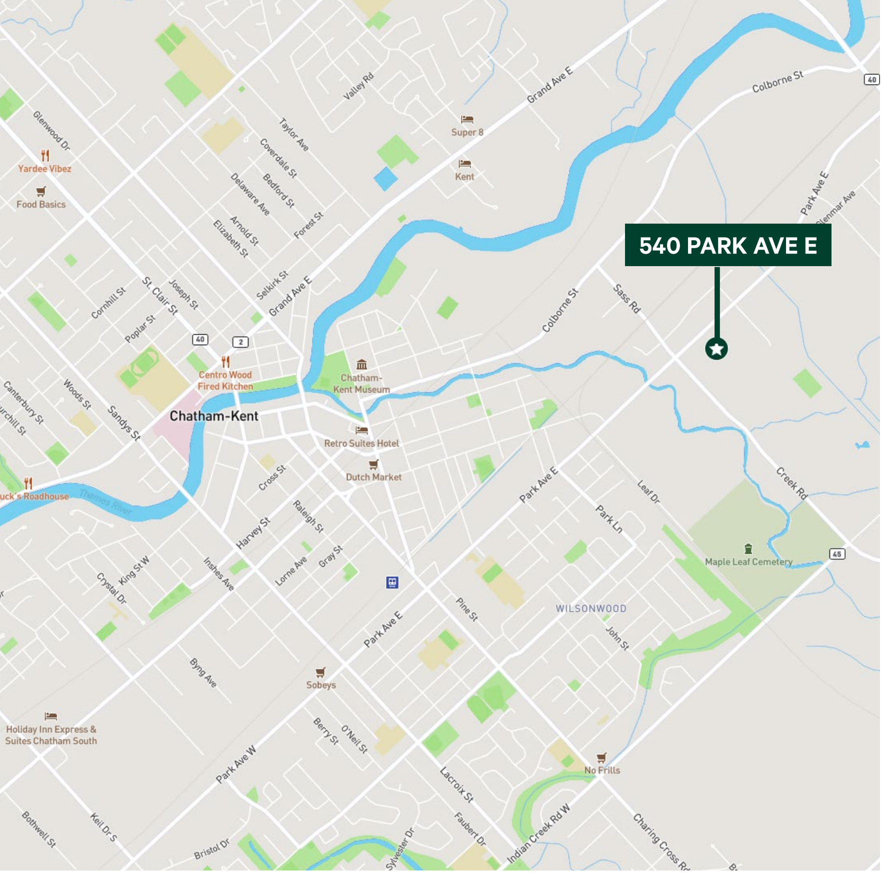

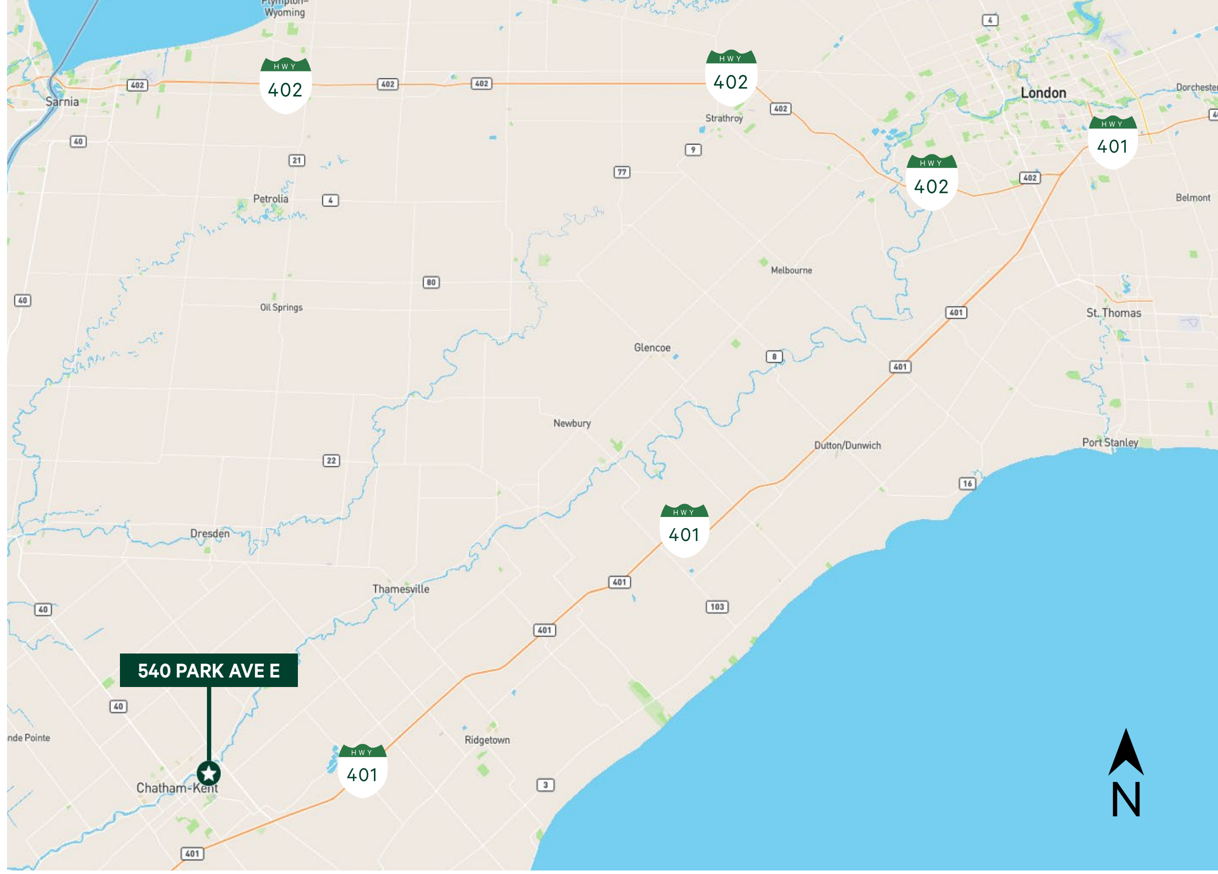

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