



Publicly Traded Company (NYSE: JCI; S&P BBB+) | Recent Lease Extension w/ No Options Remaining

SOURCE 1  
YORK GUARDIAN



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

**By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.**

# DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

**WISCONSIN REALTORS® ASSOCIATION**  
4801 Forest Run Road, Madison, WI 53704

Marcus & Millichap Real Estate  
Effective July 1, 2016

No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

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Drafted by Attorney Debra Peterson Conrad

Marcus & Millichap Real Estate Services  
13890 Bishop's Drive Suite 300  
Brookfield, WI 53005

1 Prior to negotiating on your behalf the brokerage firm, or an agent associated with the firm, must provide you the  
2 following disclosure statement:  
3 **DISCLOSURE TO CUSTOMERS** You are a customer of the brokerage firm (hereinafter Firm). The Firm is either an agent  
4 of another party in the transaction or a subagent of another firm that is the agent of another party in the transaction. A  
5 broker or a salesperson acting on behalf of the Firm may provide brokerage services to you. Whenever the Firm is  
6 providing brokerage services to you, the Firm and its brokers and salespersons (hereinafter Agents) owe you, the  
7 customer, the following duties:

- 8 (a) The duty to provide brokerage services to you fairly and honestly.
- 9 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 10 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request  
11 it, unless disclosure of the information is prohibited by law.
- 12 (d) The duty to disclose to you in writing certain Material Adverse Facts about a property, unless disclosure of the  
13 information is prohibited by law (see lines 42-51).
- 14 (e) The duty to protect your confidentiality. Unless the law requires it, the Firm and its Agents will not disclose your  
15 confidential information or the confidential information of other parties (see lines 23-41).
- 16 (f) The duty to safeguard trust funds and other property held by the Firm or its Agents.
- 17 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the  
18 advantages and disadvantages of the proposals.

19 Please review this information carefully. An Agent of the Firm can answer your questions about brokerage services,  
20 but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home  
21 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a  
22 plain-language summary of the duties owed to a customer under section 452.133(1) of the Wisconsin statutes.

23 **CONFIDENTIALITY NOTICE TO CUSTOMERS** The Firm and its Agents will keep confidential any information given to the  
24 Firm or its Agents in confidence, or any information obtained by the Firm and its Agents that a reasonable person  
25 would want to be kept confidential, unless the information must be disclosed by law or you authorize the Firm to  
26 disclose particular information. The Firm and its Agents shall continue to keep the information confidential after the  
27 Firm is no longer providing brokerage services to you.

28 The following information is required to be disclosed by law:

- 29 1. Material Adverse Facts, as defined in Wis. Stat. § 452.01(5g) (see lines 42-51).
- 30 2. Any facts known by the Firm or its Agents that contradict any information included in a written inspection  
31 report on the property or real estate that is the subject of the transaction.

32 To ensure that the Firm and its Agents are aware of what specific information you consider confidential, you may  
33 list that information below (see lines 35-41) or provide that information to the Firm or its Agents by other means. At a  
34 later time, you may also provide the Firm or its Agents with other Information you consider to be confidential.

35 **CONFIDENTIAL INFORMATION:** \_\_\_\_\_  
36 \_\_\_\_\_  
37 \_\_\_\_\_

38 **NON-CONFIDENTIAL INFORMATION** (The following information may be disclosed by the Firm and its Agents): \_\_\_\_\_  
39 \_\_\_\_\_  
40 \_\_\_\_\_

41 \_\_\_\_\_ (Insert information you authorize to be disclosed, such as financial qualification information.)

## 42 **DEFINITION OF MATERIAL ADVERSE FACTS**

43 A "Material Adverse Fact" is defined in Wis. Stat. § 452.01(5g) as an Adverse Fact that a party indicates is of such  
44 significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable  
45 party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction  
46 or affects or would affect the party's decision about the terms of such a contract or agreement.

47 An "Adverse Fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee  
48 generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural  
49 integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information  
50 that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a  
51 contract or agreement made concerning the transaction.

52 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
53 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at  
54 <http://www.doc.wi.gov> or by telephone at 608-240-583

# OFFERING SUMMARY

### PROPERTY ADDRESS

**York International**  
 929 Watson Avenue  
 Madison, WI 53713

### OFFERING SUMMARY

Price:	\$1,352,000
Cap Rate:	7.25%
Net Operating Income:	\$98,016
Building Square Footage:	14,636 Sq Ft
Year Built Renovated:	1979   2006
Lot Size:	+/- 1.25 Acres

### LEASE SUMMARY

Tenant:	Johnson Controls, Inc.
Guaranty:	Corporate
Rent Commencement:	11/1/2024
Lease Expiration:	10/31/2027
Lease Term:	3 Years
Lease Type:	Double Net
Roof and Structure:	Landlord Responsible
Rental Increases:	None
Renewal Options:	None
Right of First Refusal:	None

### OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate
1-3	11/1/2024	10/31/2027	\$98,016	7.25%

**Lease Comments:** Tenant may cancel this lease at any time after the third lease year upon one 180 days written notice. Tenant agrees to pay landlord a cancellation fee equal to the unamortized tenant improvement costs and commissions together with the cost of any necessary removal of tenant improvements to return the premises to marketable condition.

## INVESTMENT HIGHLIGHTS

- **Recent 3-Year Lease Extension with Minimal Landlord Responsibilities**
  - The tenant has occupied the property since 2006 and recently signed a 3-year lease renewal, demonstrating their commitment to the facility.
  - Landlord responsibilities are limited to the repair and replacement of the property's structure, foundation, load bearing walls, floor slab, roof and plumbing.
  - The tenant has no remaining options to extend their lease, providing flexibility to ownership.
- **Several Major Capital Improvements Have Been Made to the Property in Recent Years**
  - A new TPO roof with a 20-year warranty was added to the property in 2020.
  - The parking lot was resurfaced and striped in 2019.
  - Other recent capital improvements include one new set of dock bumpers, new metal hand railings leading to office entry doors, new overhead LED lighting in warehouse, new LED lighting in the parts area of the warehouse, new LED lighting in the office and showroom area, new side service door and more.
  - Ownership is currently working on replacing the concrete in front of the loading docks.
- **York International & Johnson Controls to be Acquired by Bosch**
  - Bosch, the German manufacturing giant whose portfolio includes several premium kitchen appliance brands, has agreed to purchase the residential and light commercial heating, ventilation and air conditioning business of Johnson Controls International Plc for \$8 billion in cash.
  - The acquisition is the largest in Bosch's history, and includes a North American duct business joint venture with Hitachi Ltd. The deal is expected to close within a year, subject to regulatory approval.
  - The HVAC business will be added to Bosch's Home Comfort division, which is expected to nearly double in sales to about \$9.8 billion.
- **Demand for Industrial Real Estate Remains Extremely Strong**
  - The Madison, WI Industrial Real Estate markets boasts an incredibly low vacancy rate of 2.8% as of Q4 2023.
  - The national vacancy rate for industrial properties between 10,000 and 50,000 square feet sits at 3.6% as of Q2 2024, the least vacant size tranche.
  - The 10,000 – 50,000 square foot size tranche accounted for less than 2.7 percent of active industrial construction volumes as of June 2024.
- **Located in Booming Madison Wisconsin**
  - Madison Wisconsin is the second largest city in the state of Wisconsin with a metropolitan population of nearly 700,000.
  - Home to the University of Wisconsin-Madison, the largest University in the state of Wisconsin with 50,000+ students as of 2023.
  - U.S. News ranked Wisconsin's Madison, WI third for the best quality of life in the U.S. in 2024.



# SITE PLAN





**AERIAL OVERVIEW**





# TENANT PROFILE

Trusted in the world’s most prestigious buildings for 150 years, YORK® commercial HVAC systems are designed to deliver performance that uses less energy and runs more efficiently in real-world conditions.

At YORK®, comfort is everything — and not just in terms of the way our heating systems and cooling systems make you feel. We put our customers at ease by delivering innovative products and leveraging our unparalleled residential dealer network and world-class commercial support services. YORK® residential systems are built with state-of-the-art quality processes and proven through rigorous simulated and real-world tests. Our systems come standard with industry-leading warranties that are factory-backed - so repairs are handled by the company that built your system, not a third-party vendor who might not be as familiar with your system and who may not be as invested in your complete satisfaction.

Johnson Controls is a world leader in smart buildings, creating safe, healthy and sustainable spaces. For nearly 140 years, we’ve made buildings better and now we’re transforming them again with our award-winning digital technologies and services. We’re using artificial intelligence and data driven solutions to give you deeper insight into your building’s health, sustainability and performance. It’s changing the way we design, operate and maintain indoor environments and driving to a new era of autonomous buildings.

Johnson Controls offers the world’s largest portfolio of building technology, software and services. Supported by a team of more than 100,000 dedicated employees working across 150 countries, we’re helping customers achieve their sustainability goals and power their mission.

**Company Type:** Public (Johnson Controls Inc.)  
**Location:** Milwaukee, Wisconsin (51 locations)  
**Website:** <https://madison.yorknow.com/>

**1885**  
Year  
Founded

**\$26.8B+**  
2023  
Company Revenue

**BBB+**  
S&P  
Credit Rating





## TENANT PROFILE- NEWS ARTICLE

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### **Johnson Controls to Sell Residential and Light Commercial HVAC Businesses**

Divestiture Advances Johnson Controls' Transformation into a Pure-Play Provider of Comprehensive Solutions for Commercial Buildings

Transaction Valued At \$8.1 Billion; JCI Consideration of \$6.7 Billion

Company Provides Preliminary 2024 Third Fiscal Quarter Earnings Update

CORK, Ireland, July 23, 2024 /PRNewswire/ -- Johnson Controls International plc (NYSE: JCI) ("Johnson Controls" or the "Company"), the global leader in smart, healthy, safe and sustainable buildings, today announced it has reached a definitive agreement to sell its Residential and Light Commercial (R&LC) HVAC business in an all-cash transaction to the Bosch Group ("Bosch"). The transaction includes the North America Ducted business and global Residential joint venture with Hitachi, Ltd. ("Hitachi"), of which Johnson Controls owns 60% and Hitachi owns 40%. The total transaction is valued at \$8.1 billion, and the Company's portion of the consideration is approximately \$6.7 billion. As part of the transaction, Hitachi will retain certain ductless HVAC assets located in Shimizu, Japan.

Following the close of the transaction, the Johnson Controls portfolio will be substantially simplified with enhanced strategic focus, aligned with the Company's objective to be a pure-play provider of comprehensive solutions for commercial buildings. Johnson Controls delivers a unique value proposition to customers, with its unmatched service and digital offerings that improve commercial building efficiency and reduce operational costs through its OpenBlue digital platform. The transaction represents a significant portion of the Company's previously announced strategic evaluation of non-core product lines.

"We are pleased to have reached this pivotal milestone, which accelerates our transformation and positions Johnson Controls as a simpler, higher-growth company," said Johnson Controls Chairman and CEO George Oliver. "Johnson Controls is already benefiting from our transformation, which enables the unparalleled value proposition we provide to customers, and exposure to rapidly accelerating demand in the data center market and other key macro-economic tailwinds. We believe Johnson Controls is well-positioned for its next phase of growth to deliver enhanced, long-term value to shareholders."

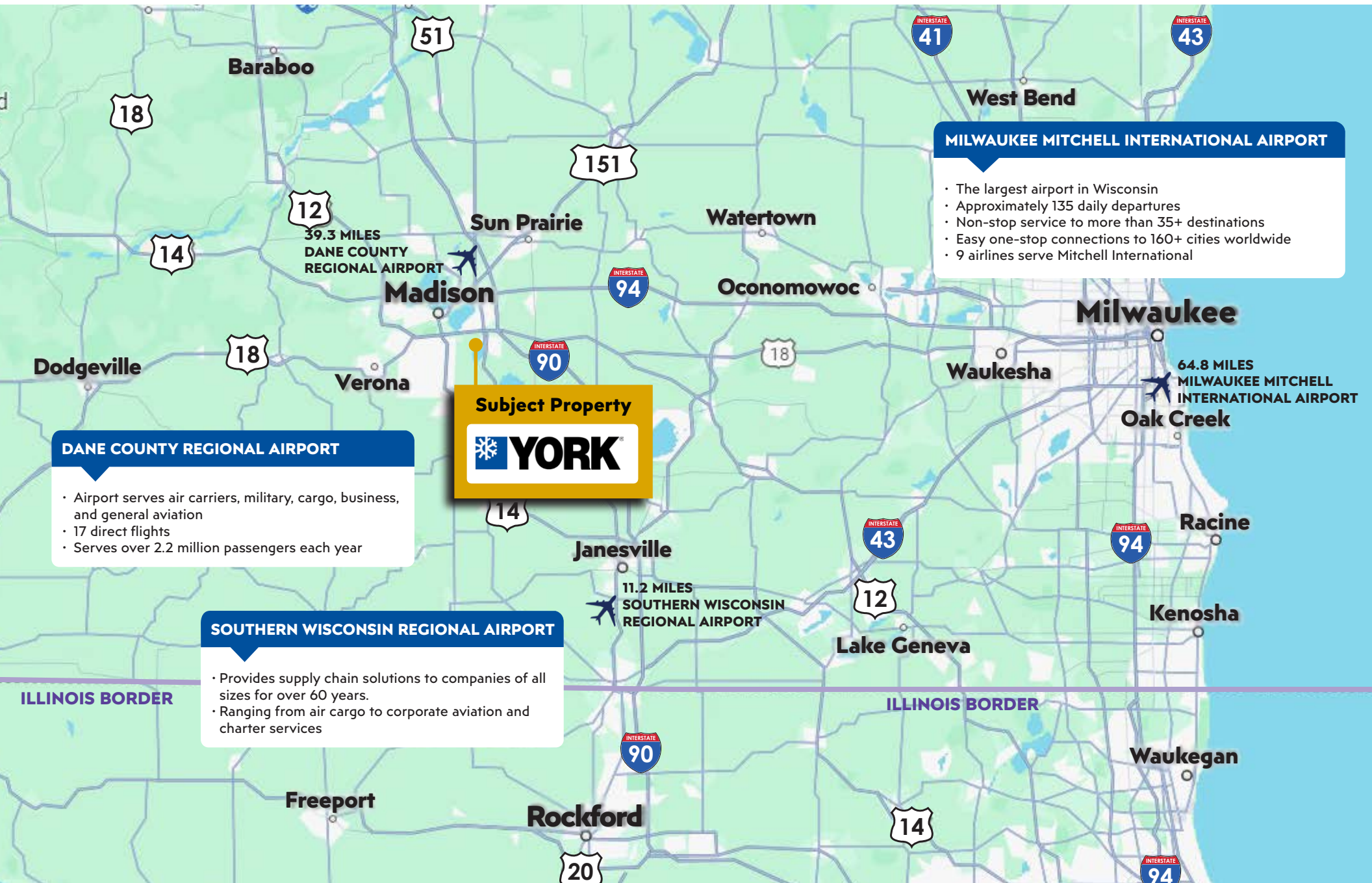
Full Article: <https://investors.johnsoncontrols.com/news-and-events/press-releases/johnson-controls-international-plc/2024/07-23-2024-090330304>

# PROPERTY PHOTOS





# REGIONAL MAP



**Subject Property**

**DANE COUNTY REGIONAL AIRPORT**

- Airport serves air carriers, military, cargo, business, and general aviation
- 17 direct flights
- Serves over 2.2 million passengers each year

**MILWAUKEE MITCHELL INTERNATIONAL AIRPORT**

- The largest airport in Wisconsin
- Approximately 135 daily departures
- Non-stop service to more than 35+ destinations
- Easy one-stop connections to 160+ cities worldwide
- 9 airlines serve Mitchell International

**SOUTHERN WISCONSIN REGIONAL AIRPORT**

- Provides supply chain solutions to companies of all sizes for over 60 years.
- Ranging from air cargo to corporate aviation and charter services

**ILLINOIS BORDER**

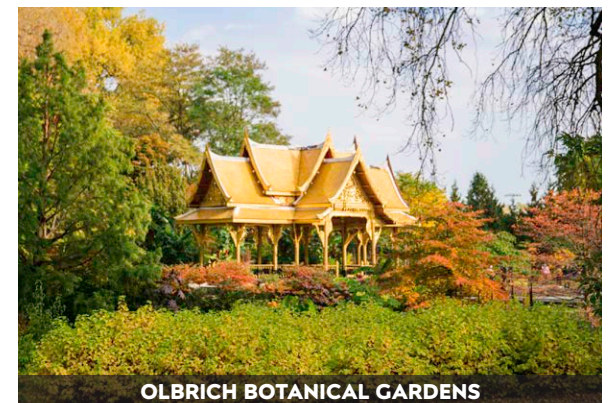
## AREA OVERVIEW

### MADISON

- The Madison metro is situated in south-central Wisconsin, roughly 80 miles west of Milwaukee, 150 miles northwest of Chicago and 270 miles southeast of Minneapolis.
- The market consists of Dane, Columbia, Iowa and Green counties. Madison is the state's capital city and comprises nearly 40% of the metro's population, with 281,000 citizens.
- 2nd largest city in Wisconsin and the 81st largest city in the U.S. Madison is one of only two major U.S. cities built on an isthmus. It's nestled between lakes Mendota and Monona.
- The largest public university in the state is also located in the city of Madison, providing local employers with a stream of young and educated personnel.
- Metrowide, population growth of 37,000 people is expected during the next five years.
- The University of Wisconsin is a major driver of the metro's economy, with more than 50,000 students and nearly 21,000 faculty and staff members.
- As the capital city, Madison has just over 93,000 government employees, which tends to insulate the local economy during economic downturns
- With more than 45% of the adult population having a bachelor's degree or higher, the metro's median household income is well above the national level.
- Madison is home to a number of great museums, arts & music venues and festivals, unique local shopping, award-winning restaurants, sporting events, and so much more.
- The city is one of the most bike-friendly cities in the United States, and many enthusiasts commute by bike all year around.
- From skiing and snowboarding in the winter to swimming, sailing, and hiking in the warmer months, Madison has what you are looking for to stay active outdoors.
- The city is home to over 260 parks, 6,000 acres of parkland and more than 200 miles of off-road and multi-use paths and trails.
- Madison is home to the world's largest Brat Fest, held annually on Memorial Day weekend. More than 4 million brats have been sold at the festival since 1983.

### ECONOMY

- The University of Wisconsin-Madison is a boon for startups and collaborative research endeavors.
- Madison's deep pool of educated workers supports major software and insurance operations, such as Epic Systems, WPS Health Insurance and American Family Insurance.
- The headquarters and research and development center for Sub-Zero is in Madison, while the Lands' End headquarters is located just south of Madison in Dodgeville.
- Many tourists pass through the Madison metro to vacation in the Wisconsin Dells, located to the northwest of the market.






# DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	7,806	61,410	156,999
2020 Population	8,215	69,152	181,482
2023 Population	9,632	75,151	189,192
2028 Population	10,388	79,872	197,849
<b>HOUSEHOLDS</b>			
2010 Households	3,485	25,266	67,130
2020 Households	4,042	30,383	79,299
2023 Households	4,245	31,645	81,781
2028 Households	4,593	33,771	85,932
<b>OWNER OCCUPIED HOUSING UNITS</b>			
2010 Owner Occupied Housing Units	23.3%	43.8%	42.8%
2020 Owner Occupied Housing Units	13.0%	37.1%	36.0%
2023 Owner Occupied Housing Units	21.4%	42.4%	40.7%
2028 Owner Occupied Housing Units	20.9%	42.4%	40.7%
<b>RENTER OCCUPIED HOUSING UNITS</b>			
2010 Renter Occupied Housing Units	76.7%	56.2%	57.2%
2020 Renter Occupied Housing Units	82.5%	58.7%	59.3%
2023 Renter Occupied Housing Units	78.6%	57.7%	59.4%
2028 Renter Occupied Housing Units	79.1%	57.6%	59.3%
<b>AVERAGE HOUSEHOLD INCOME</b>	<b>\$61,080</b>	<b>\$98,634</b>	<b>\$97,168</b>

## AREA SNAPSHOT




**189,192**  
POPULATION (5-MILE)

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**311,547**  
DAYTIME POPULATION (5-MILE)

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**5.2%**  
POPULATION GROWTH (2023-2028)

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**\$97,168**  
AVERAGE HOUSEHOLD INCOME (5-MILE)