

Offering Memorandum

Sentinel Building, 225 East Mason Street, Milwaukee, WI

Exclusive Office Listing



Investment Highlights:

- Value-add investment or redevelopment opportunity
- Excellent location in desirable Downtown East submarket, one-half block from new Milwaukee Streetcar route
- Attractive building with functional rectangular floorplates



MBH
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REAL ESTATE

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Disclaimer

The information contained in this Offering Memorandum (“Brochure”) is confidential and is provided for the sole purpose of allowing persons to evaluate whether there is interest in proceeding with further discussions with the Owner regarding a possible transaction with respect to the subject property (the “Property”). The information contained herein shall not be photocopied or disclosed to any other party and shall not be used for any other purpose. If the person receiving this Brochure does not elect to pursue such a transaction, same person agrees that this material is to be returned to MBH Investment Real Estate, LLC (“Broker”).

Neither the Owner, nor Broker, nor any of their respective officers, directors, partners, employees, agents or affiliates, assume any responsibility or make any representations or warranties, whether express or implied, by operation of law or otherwise, with respect to the Property or this Brochure or any information or statements (including financial statements and projections) contained herein or relating hereto, including but not limited to the accuracy or completeness of such information or statements and the condition, quality or fitness of the Property. Such information and statements have in many circumstances been obtained from outside sources, have not been tested or verified and may be subject to errors or omissions. Projections, in particular, are based upon various assumptions and subjective determinations as to which no guaranty or assurances can be given. Without limiting the foregoing, in the event this Brochure contains information relating to asbestos or any other hazardous, toxic or dangerous materials in relation to the Property, such information shall in no manner be construed as creating warranties or representations, express or implied, by operation of law or otherwise, by any party, as to the existence or non-existence or nature of such materials in, under, on or around the Property. Potential investors must perform their own examination and investigation of the Property and information relating to the Property and in its operations, and shall rely solely on such examination and investigation and not on this Brochure or any information or materials contained herein or otherwise provided in making their decisions on whether to proceed with a transaction. The Property is being sold “as is” by the respective Owner, without representation or warranty as to condition or profitability.

The only party authorized to represent the Owner of the Property is Broker, and Owner shall not be obligated to pay any fees or commissions to any other advisor, broker or representative. Any party entering into a transaction with Owner shall be obligated to pay any fees or commissions due any advisor, brokers or representatives, other than Broker, dealing with such a party.

This Brochure is provided subject to prior sale or lease, change of price or terms and other changes to the materials, statements and information contained herein or relating to the Property, and is subject to withdrawal, all without notice or liability. In no event shall the delivery or receipt of this Brochure be deemed to create any legal obligation to enter into any transactions with respect to the Property, and only a definitive agreement signed by all parties shall create a binding commitment to enter into a transaction.

Sentinel Building

225 East Mason Street, Milwaukee, WI 53202



Executive Summary

MBH Investment Real Estate, LLC, on behalf of the owner of record, is offering for sale the Sentinel Building, an attractive 31,000-SF value-add office investment or redevelopment opportunity in the desirable Downtown East submarket of Milwaukee, WI. The property is one-half block from the new Milwaukee Streetcar route and is immediately south of the BMO Harris redevelopment block, which is slated for a new \$137 million, 25-story tower and a \$90 million overhaul of the existing 20-story tower into a mixed-use development.

Investment Highlights:

- Value-add investment opportunity or redevelopment potential to alternative uses including residential or hotel
- Attractive building steeped in history – originally home to The Sentinel newspaper from 1893 to 1930
- Rectangular floorplates with two elevators in southeast corner
- Excellent location in Downtown East submarket, in close proximity to the Milwaukee Streetcar and numerous parking garages and other downtown amenities including retail, restaurants and nightlife

Offering Price: \$1,750,000 (\$56.73/SF)

Occupancy: 47.0%



As-Is Sale: The property is being sold on an “As-Is, Where-Is” basis and the owner will make no representations or warranties as to the condition of the property, the property’s systems, the serviceability or fitness for a particular use or any component of the property, or the accuracy of the offering information provided.

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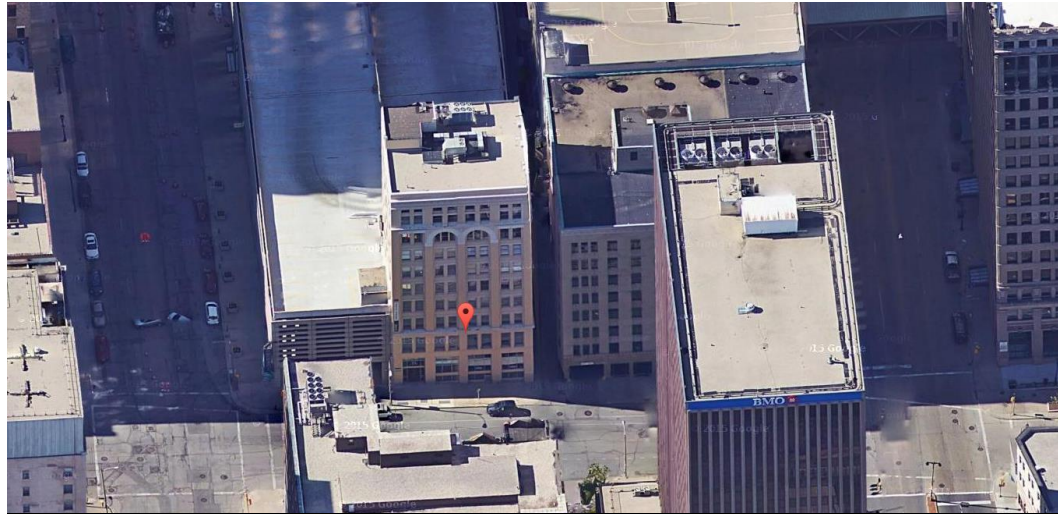
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Sentinel Building

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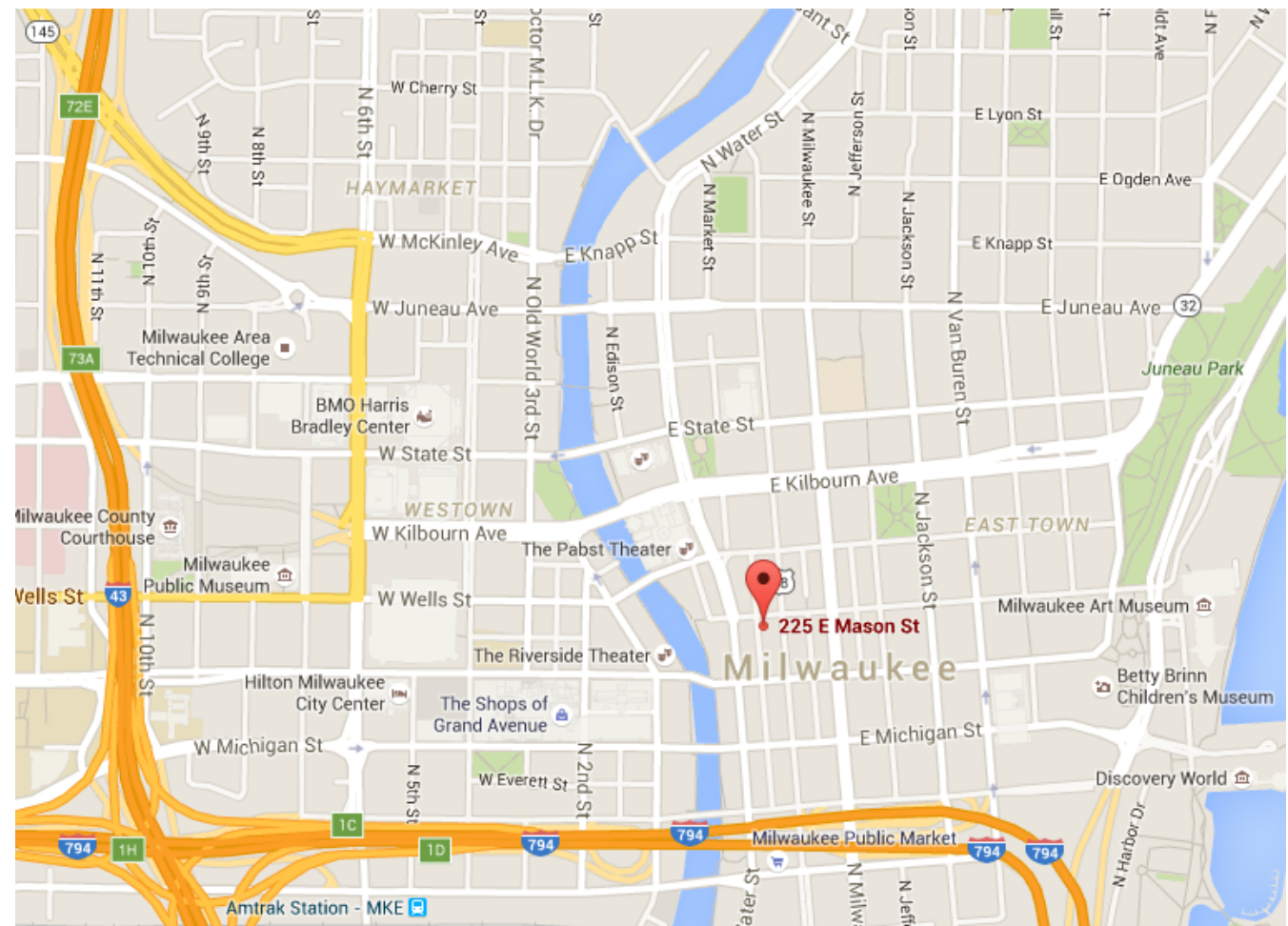


Property Description – Overview



Building Details

Building Area:	30,848 SF
Floors:	10
Floor Plate:	~3,100 SF
Year Built:	1892
Elevator:	Yes (2)
Tax Key:	3920683000
2017 Assessed Value	\$1,221,000
2017 Net Property Tax	\$33,263.30
- BID 21 & Specials	\$2,204.26



Site Details

Site Size	3,900 SF
Parking:	Adjacent to multiple parking structures
Zoning:	C9F(B)



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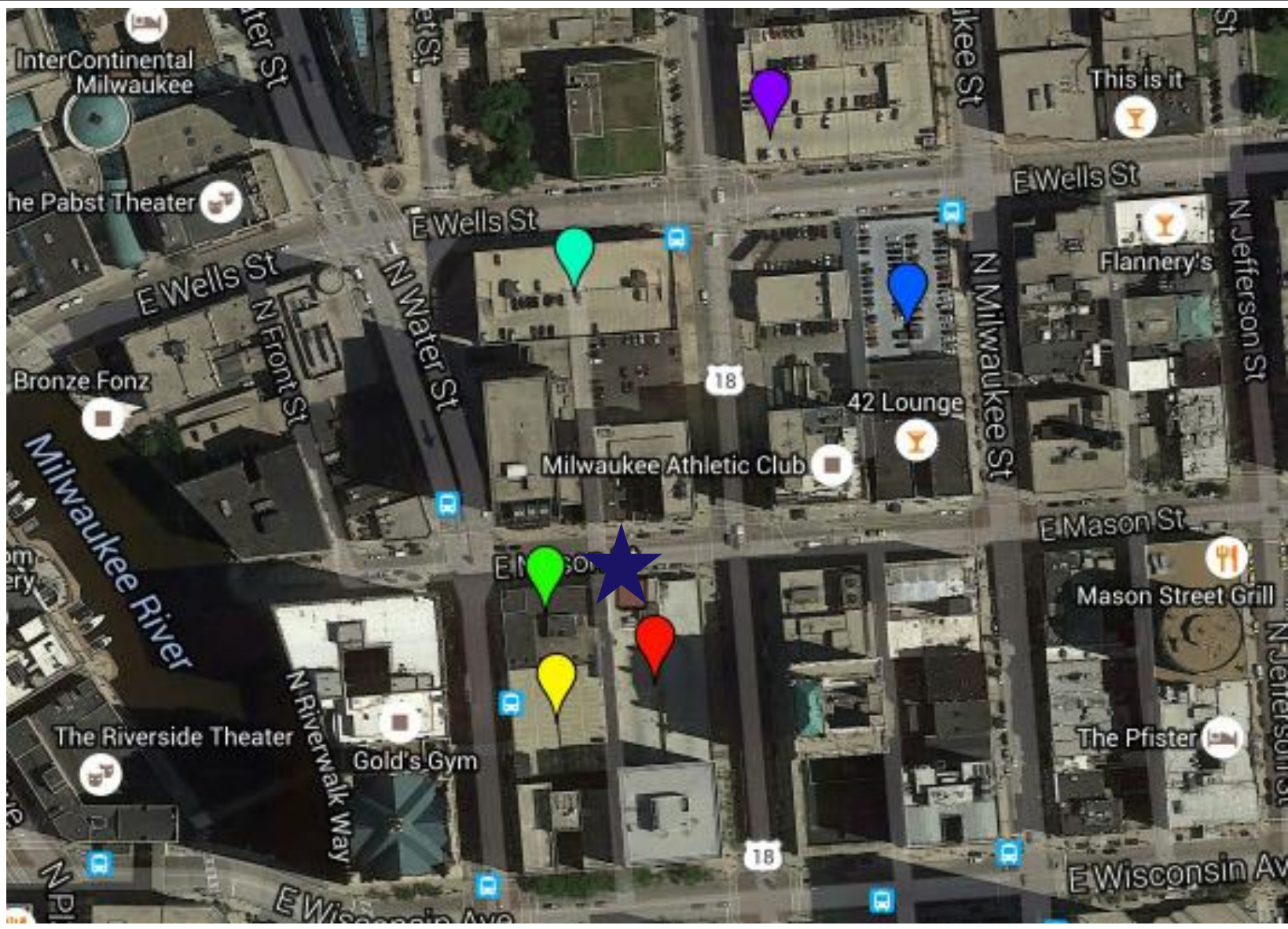



Sentinel Building 225 East Mason Street, Milwaukee, WI 53202

Property Description – Nearby Parking Garages

Parking Garages

-  721 N. Broadway - \$190/month
-  720 N. Water St. - \$160/month
-  209 E. Mason St. - \$140-\$160/month
-  770 N. Water St.
-  767 N. Milwaukee St. - \$110-\$150/month
-  330 E. Wells St. - \$145/month



 225 E. Mason St.



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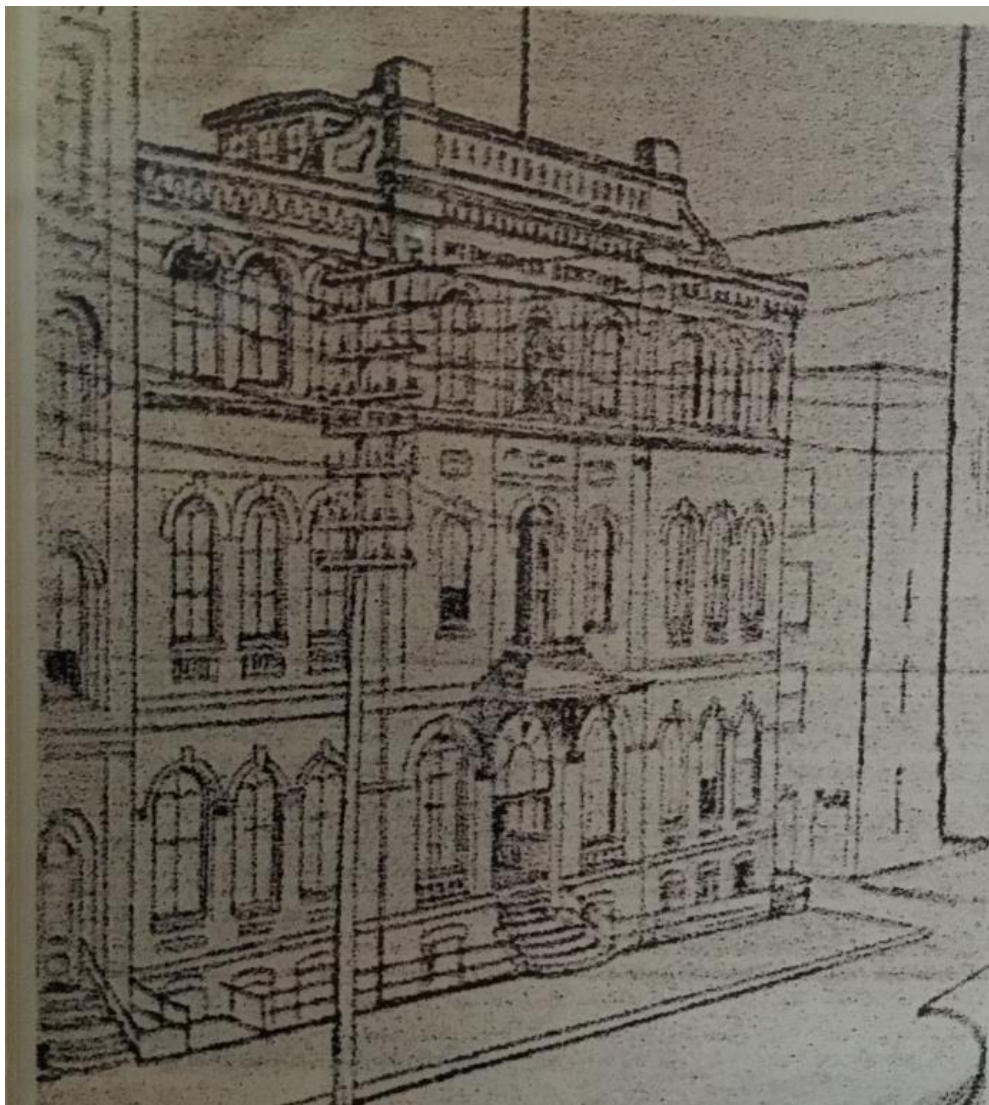
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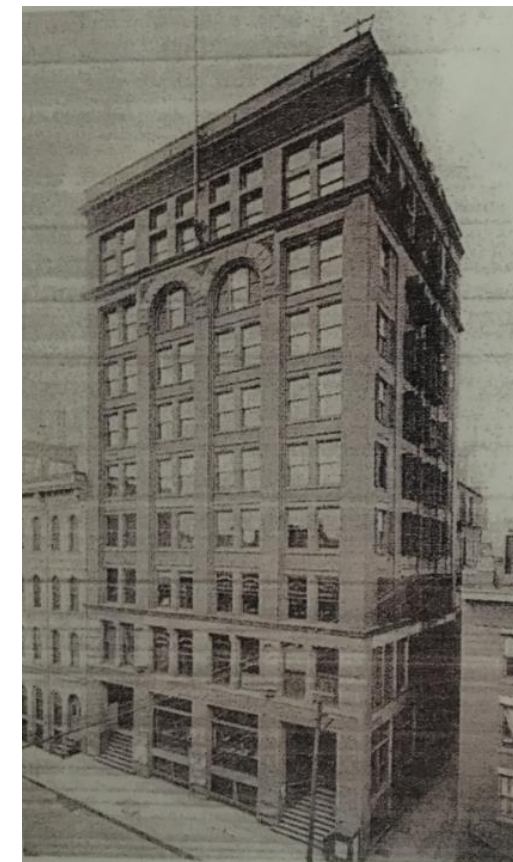


Property Description – Building History



At left is a sketch of the original building at the 225 E. Mason Street address. Built by The Sentinel in 1864, it was the first “real” home for the newspaper. Prior to occupying this building, The Sentinel “was shooed from building to building as a fledgling before roosting here for 66 years.”

The decision to build a permanent home came during the Civil War (1861-1865). As a result of the War, circulation increased making it necessary for the newspaper to find a permanent home.



Needing more room, in 1893, The Sentinel razed the original three-story building and replaced it with the present ten-story structure (above, right). This building housed The Sentinel until 1930.

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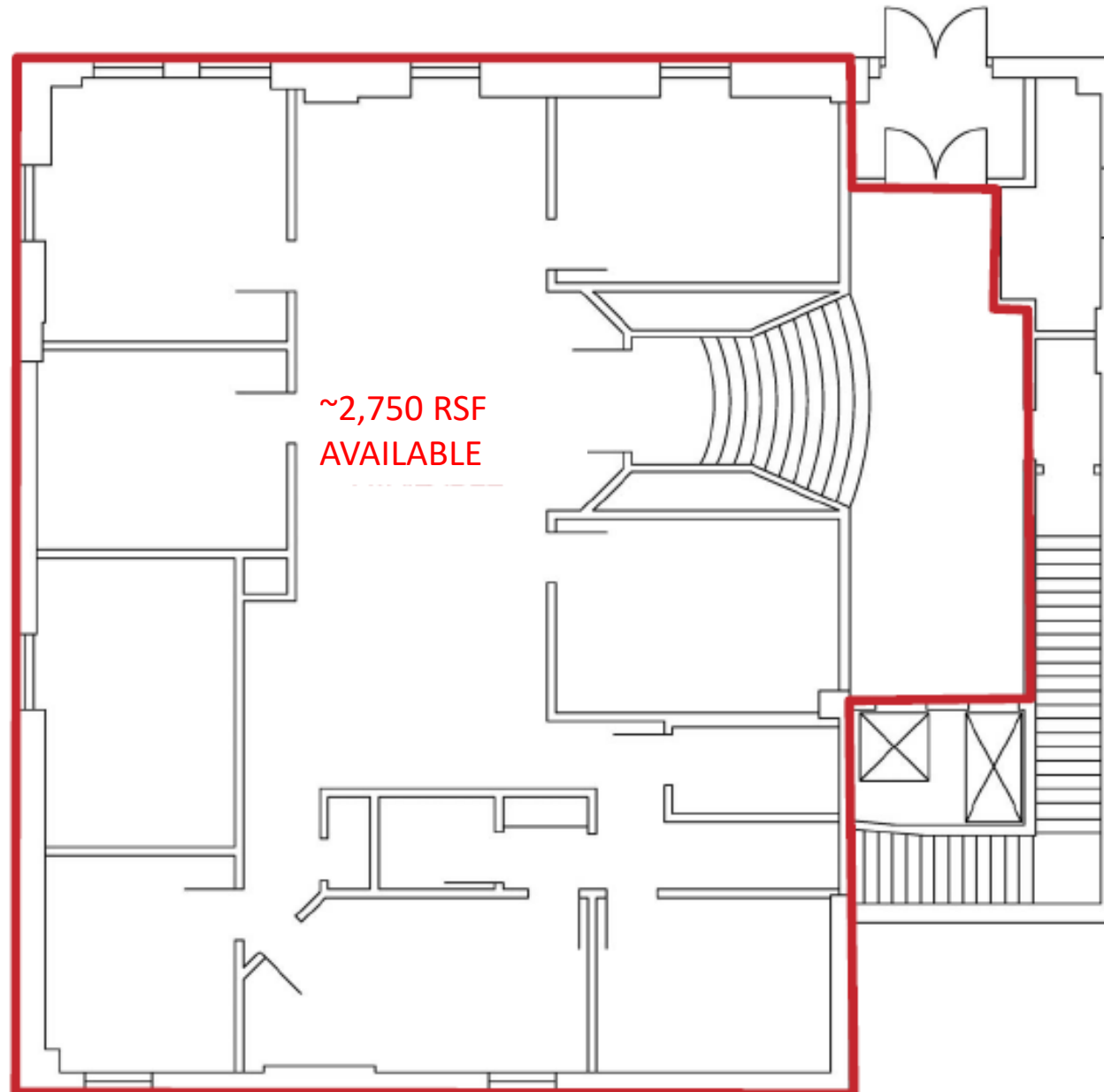
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Sentinel Building

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Property Description – Floorplan: 1st Floor

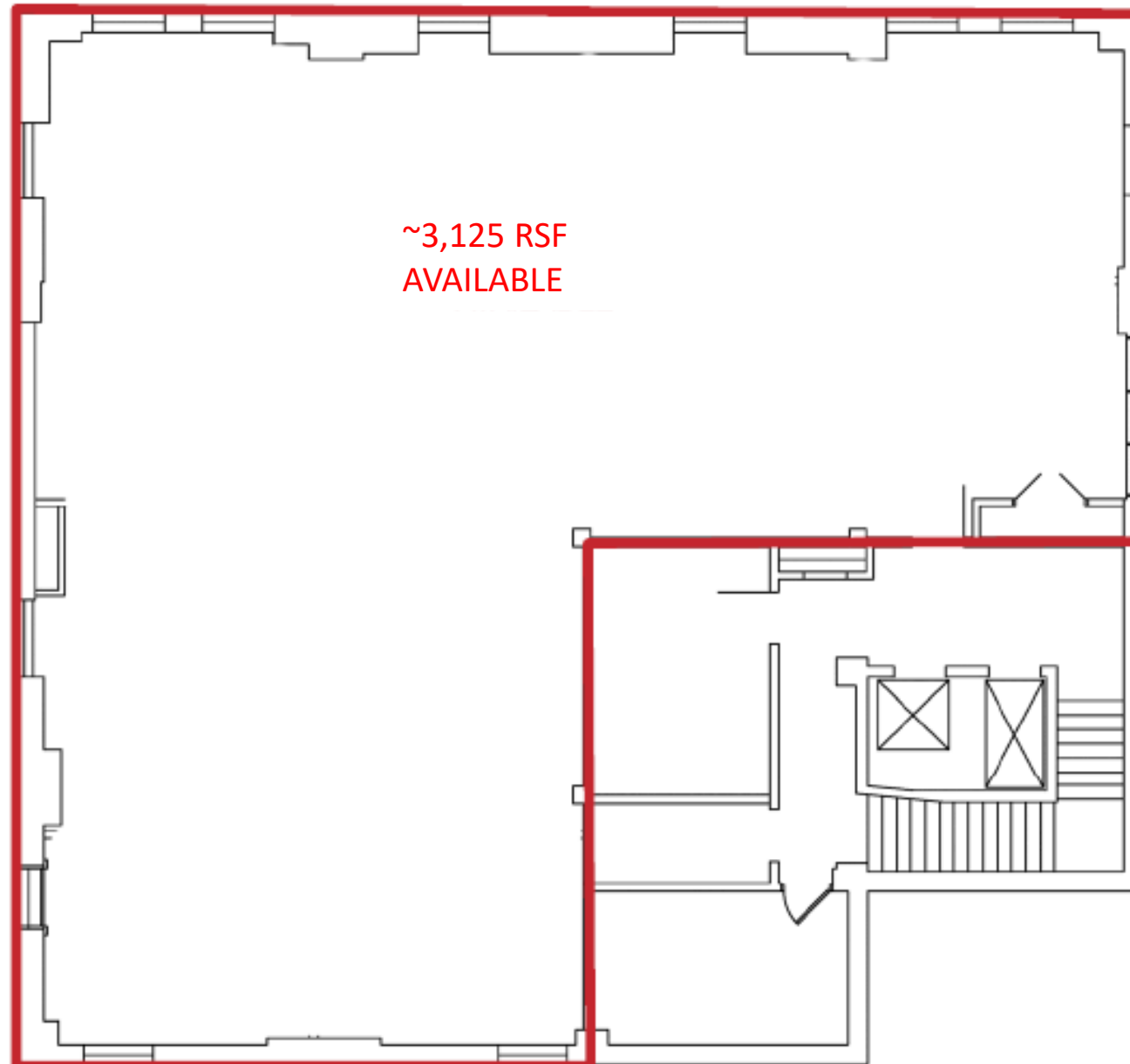


Sentinel Building

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Property Description – Floorplan: 2nd Floor

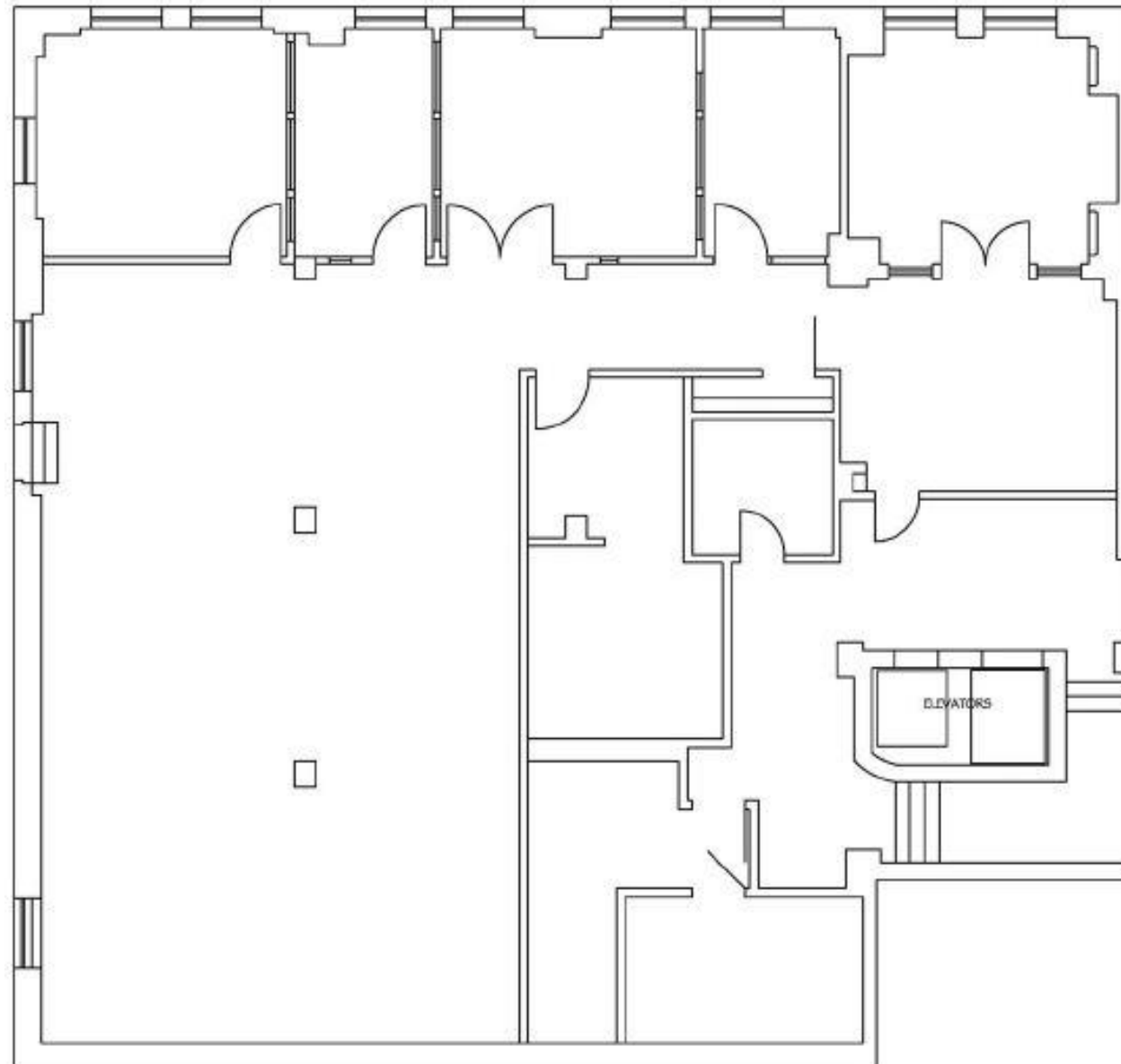


Sentinel Building

225 East Mason Street, Milwaukee, WI 53202



Property Description – Floorplan: 3rd Floor

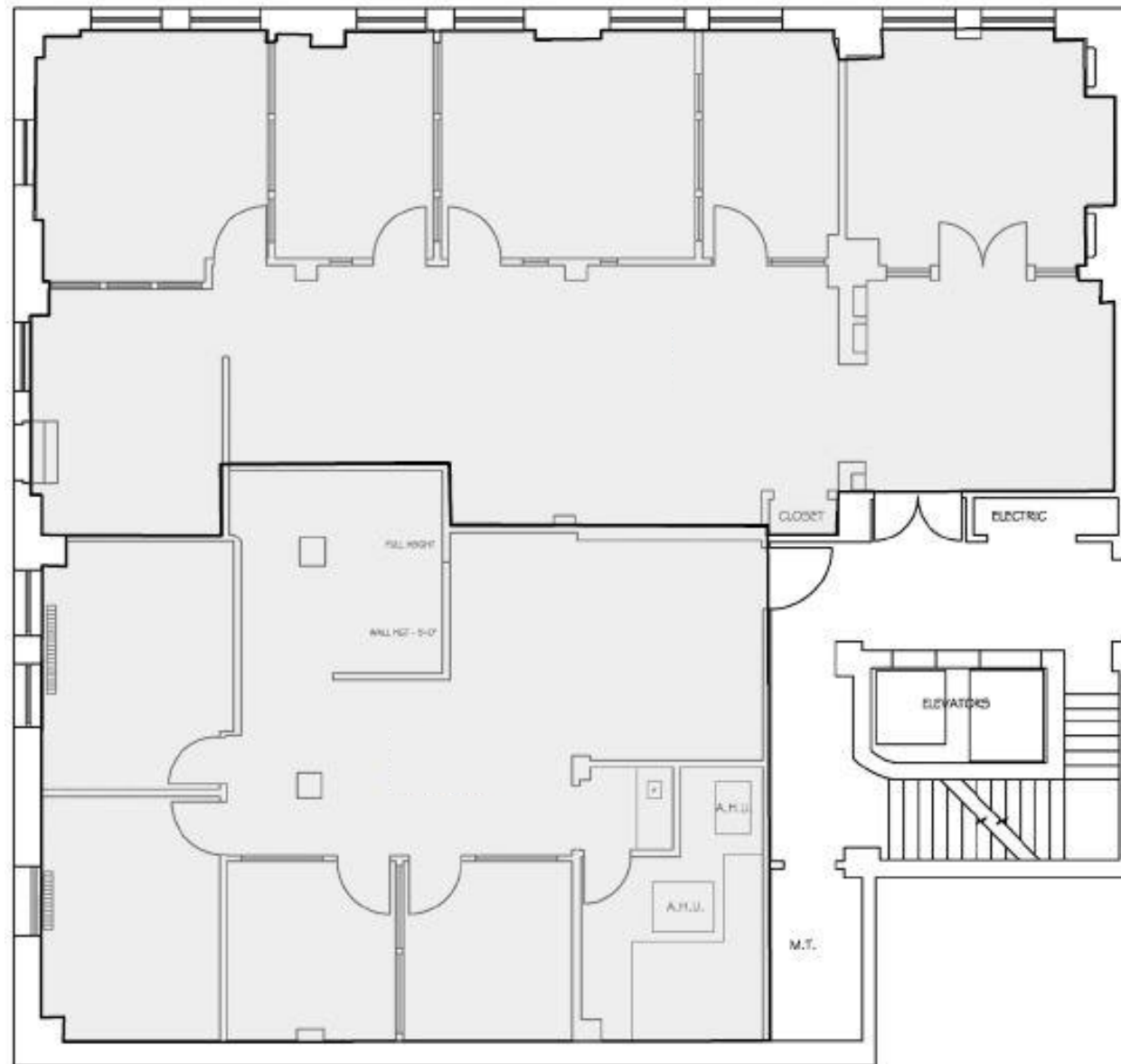


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Property Description – Floorplan: 4th Floor



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Property Description – Floorplan: 5th Floor

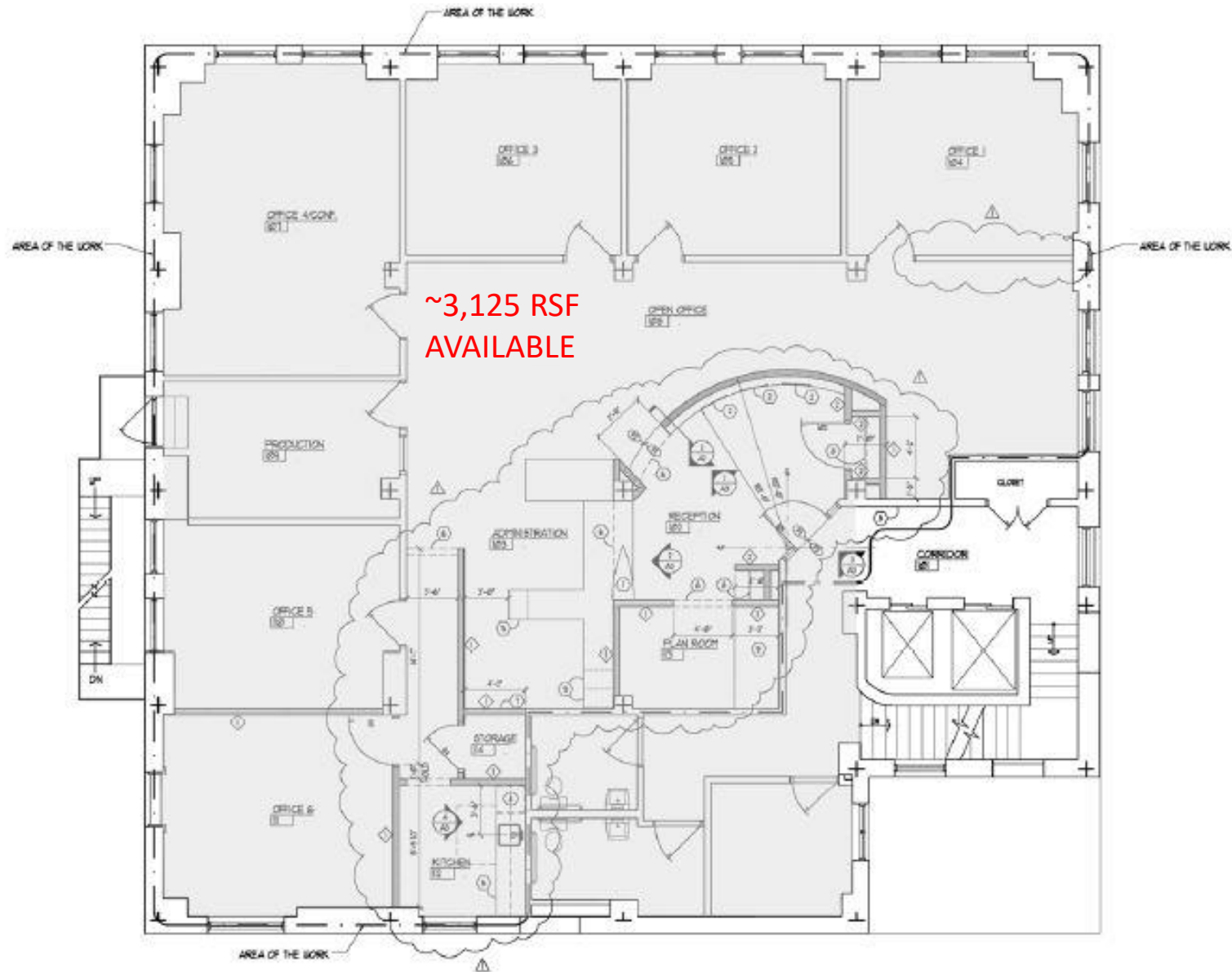


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Property Description – Floorplan: 6th Floor

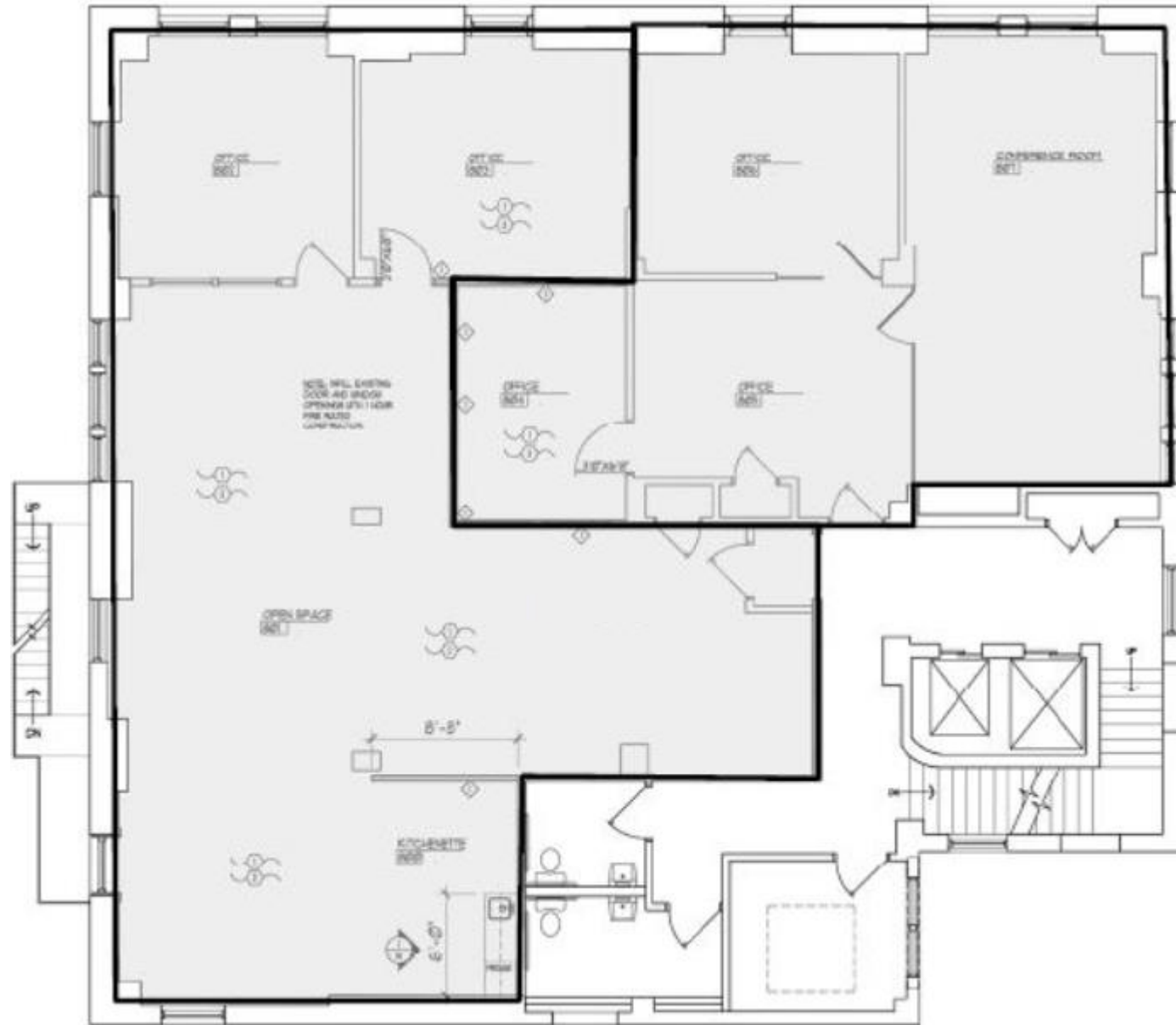


Sentinel Building

225 East Mason Street, Milwaukee, WI 53202



Property Description – Floorplan: 8th Floor

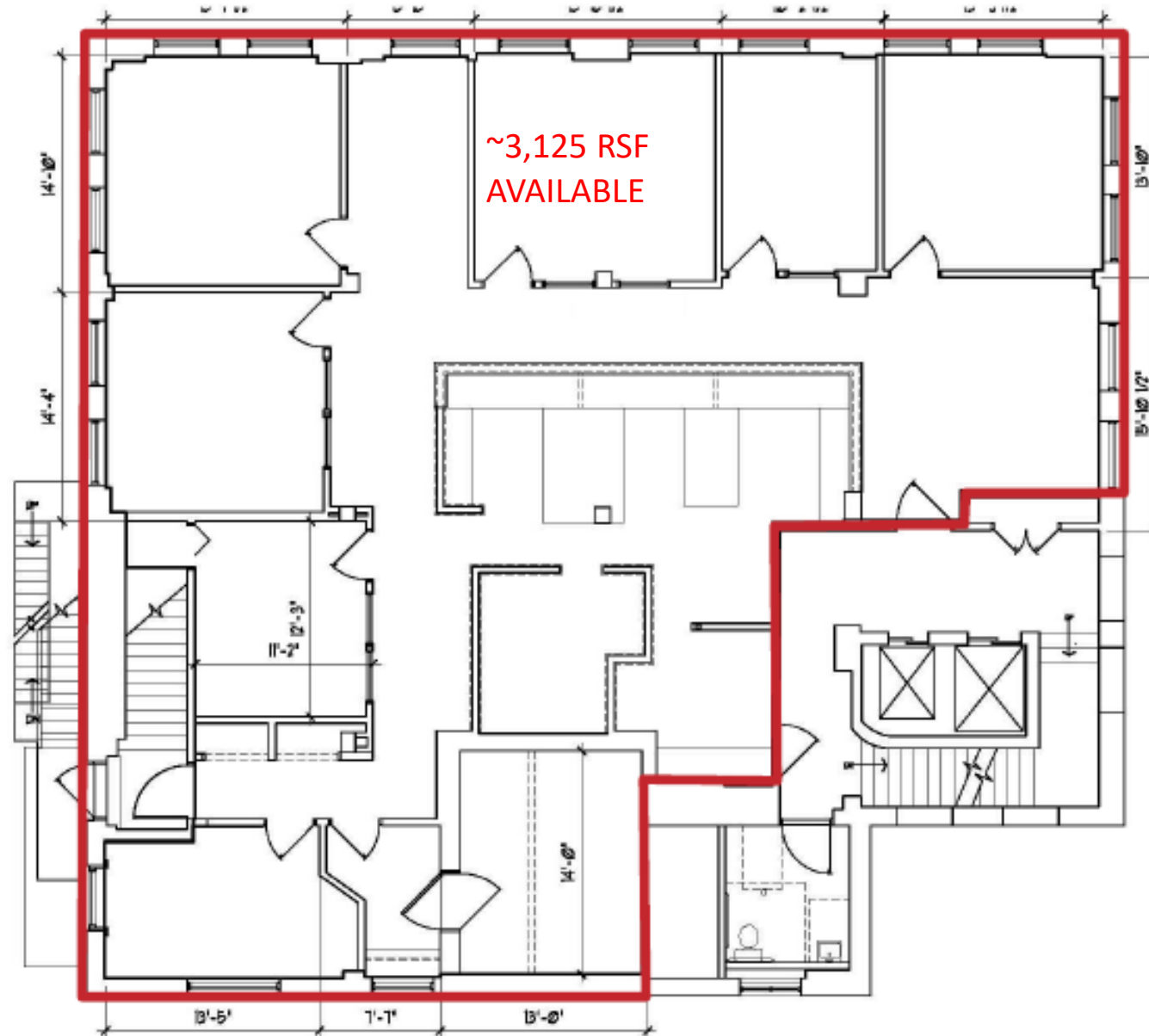


Sentinel Building

225 East Mason Street, Milwaukee, WI 53202



Property Description – Floorplan: 9th Floor

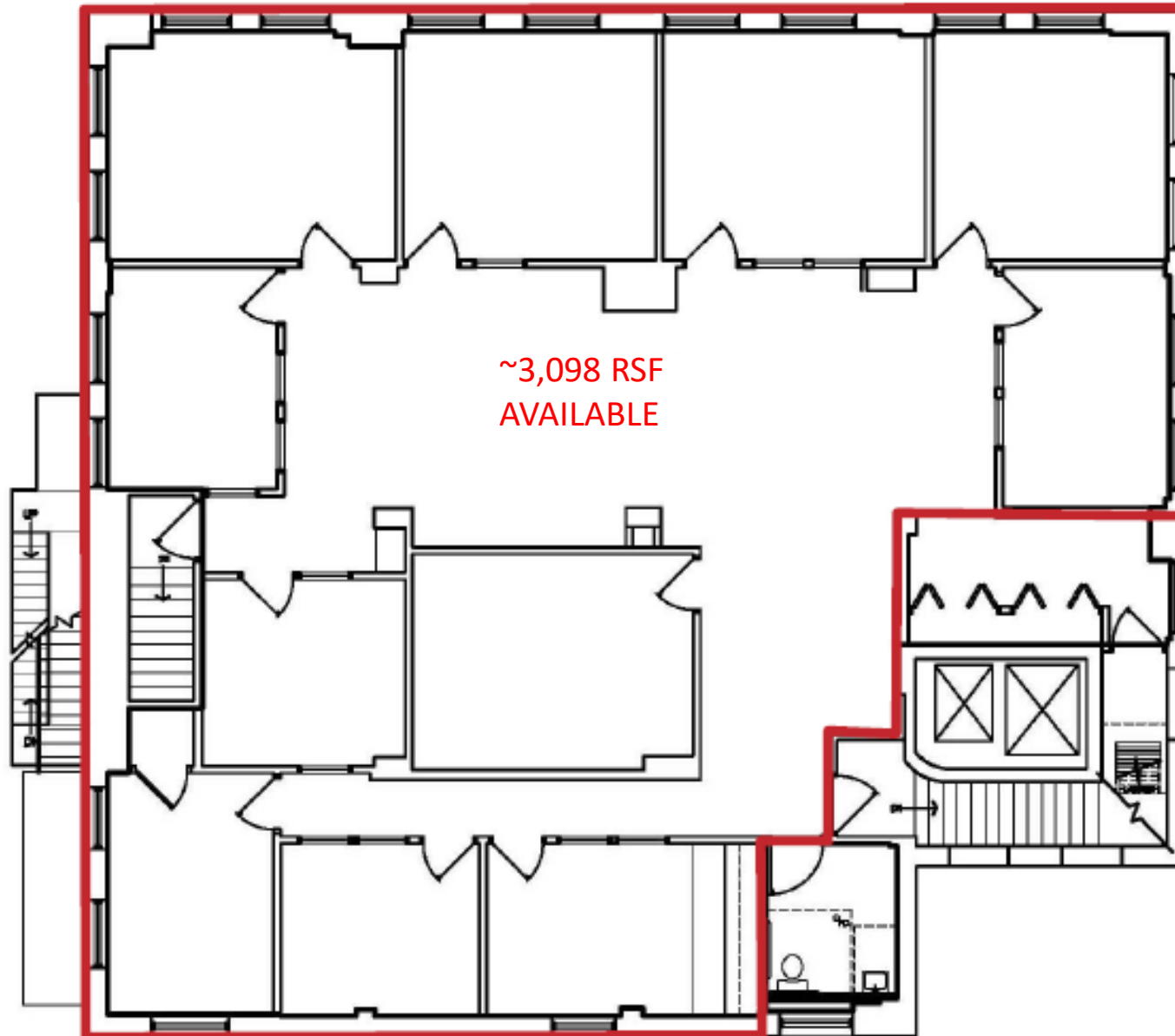


Sentinel Building

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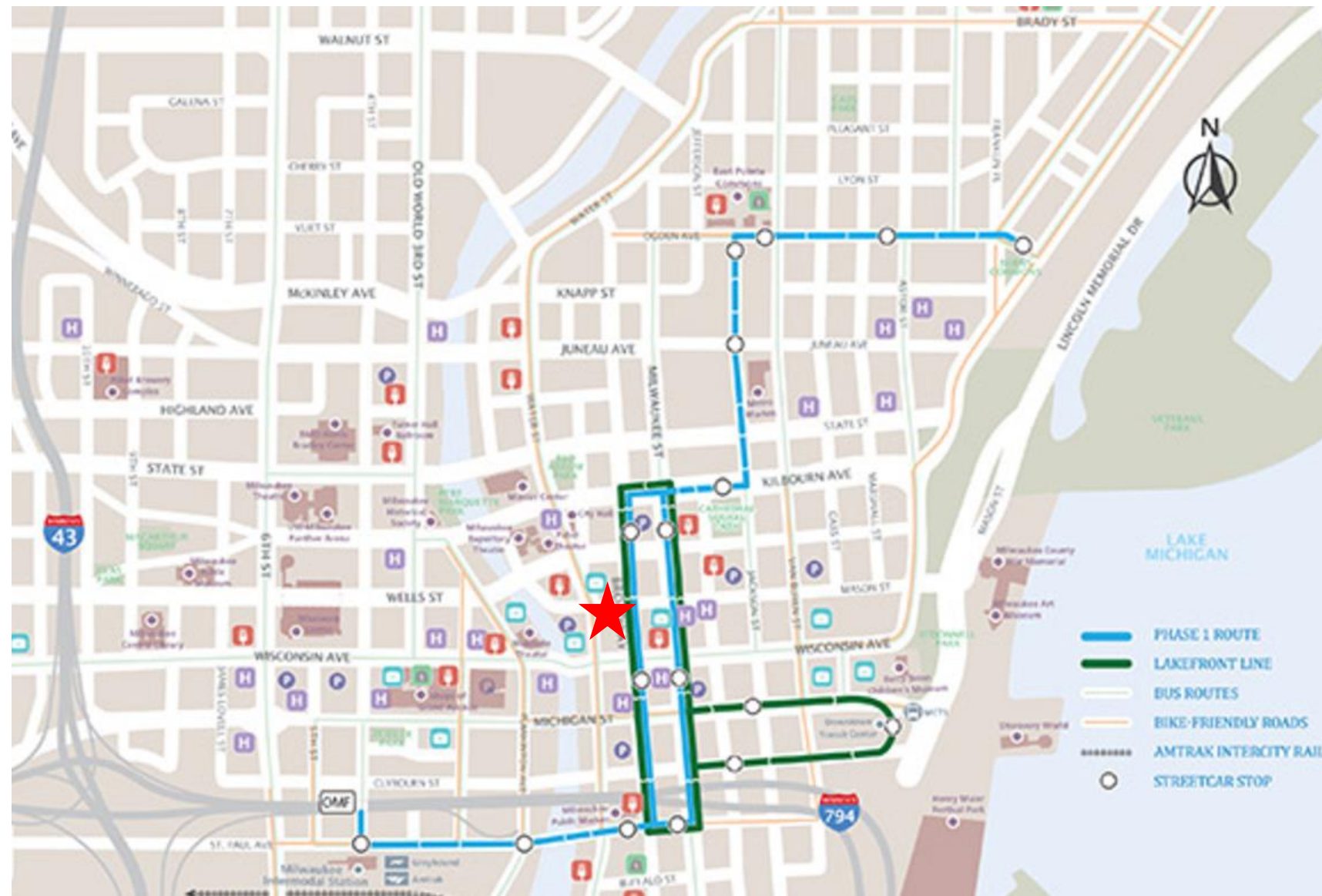
Property Description – Floorplan: 10th Floor



Sentinel Building 225 East Mason Street, Milwaukee, WI 53202



Market Overview – Milwaukee Streetcar Map



The Sentinel Building is located one-half block from the Milwaukee Streetcar, the first phase of which is under construction and expected to open in 2018.



★ = Sentinel Building

Sentinel Building

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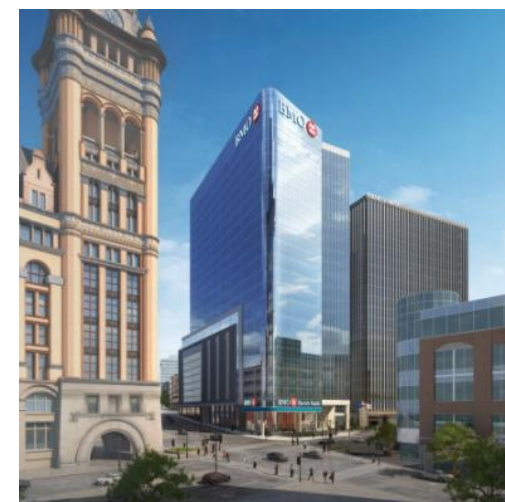


Market Overview – Immediate Neighborhood Investment



 = Sentinel Building

The new \$137 million BMO Tower will have 379,400 total square feet and a 647-stall parking ramp. BMO Harris will lease 124,000 square feet of the high-rise from Irgens, which bought the real estate for the project earlier this year. BMO's lease includes first-floor space for a ground-level bank branch, and the 11th through 16th floors for offices. Law firm Michael Best & Friedrich LLP will lease about 60,000 square feet of the top three floors.



After the new tower is constructed, the existing tower at 770 North Water Street, right across from the Sentinel Building, will undergo a \$90 million redevelopment.



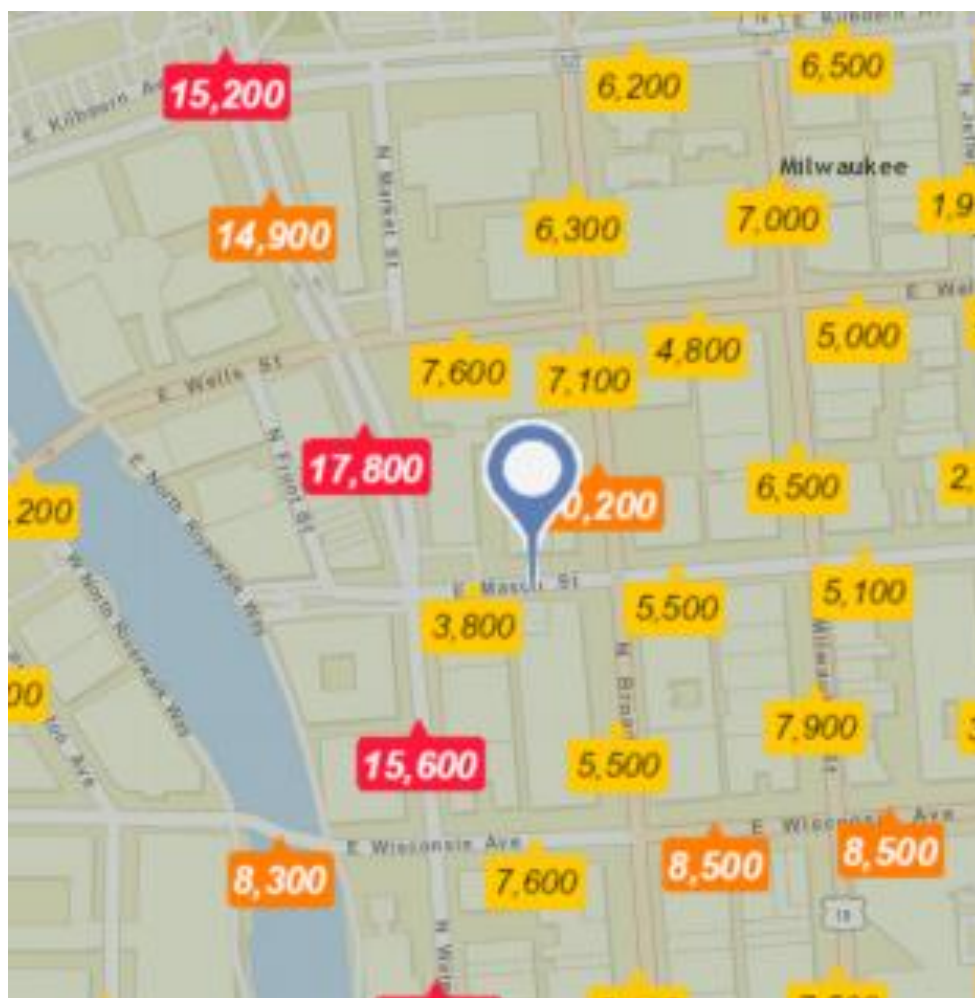
A group of investors are planning to buy the Milwaukee Athletic Club building downtown and invest \$30 million into a redevelopment project for the 100-year-old structure. As part of those plans, a newly-branded hotel would occupy floors eight through 12 of the building, which is situated half a block from the Sentinel Building.

Sentinel Building

225 East Mason Street, Milwaukee, WI 53202



Market Overview – Traffic Counts/Business Summary (1-mile Radius)



Data for all businesses in area		1 mile	
Total Businesses:		3,990	
Total Employees:		90,872	
Total Residential Population:		20,360	
Employee/Residential Population Ratio:		4.46:1	

by SIC Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	29	0.7%	560	0.6%
Construction	153	3.8%	1,239	1.4%
Manufacturing	83	2.1%	2,248	2.5%
Transportation	59	1.5%	926	1.0%
Communication	53	1.3%	1,219	1.3%
Utility	15	0.4%	1,993	2.2%
Wholesale Trade	71	1.8%	2,182	2.4%
Retail Trade Summary	674	16.9%	10,822	11.9%
Home Improvement	16	0.4%	322	0.4%
General Merchandise Stores	6	0.2%	1,619	1.8%
Food Stores	50	1.3%	970	1.1%
Auto Dealers, Gas Stations, Auto Aftermarket	17	0.4%	64	0.1%
Apparel & Accessory Stores	55	1.4%	328	0.4%
Furniture & Home Furnishings	65	1.6%	566	0.6%
Eating & Drinking Places	305	7.6%	5,926	6.5%
Miscellaneous Retail	161	4.0%	1,028	1.1%
Finance, Insurance, Real Estate Summary	661	16.6%	24,766	27.3%
Banks, Savings & Lending Institutions	188	4.7%	4,021	4.4%
Securities Brokers	132	3.3%	5,331	5.9%
Insurance Carriers & Agents	76	1.9%	7,727	8.5%
Real Estate, Holding, Other Investment Offices	266	6.7%	7,686	8.5%
Services Summary	1,777	44.5%	32,674	36.0%
Hotels & Lodging	25	0.6%	2,500	2.8%
Automotive Services	87	2.2%	584	0.6%
Motion Pictures & Amusements	128	3.2%	3,831	4.2%
Health Services	124	3.1%	2,810	3.1%
Legal Services	334	8.4%	5,197	5.7%
Education Institutions & Libraries	72	1.8%	3,178	3.5%
Other Services	1,006	25.2%	14,573	16.0%
Government	304	7.6%	11,791	13.0%
Unclassified Establishments	111	2.8%	453	0.5%
Totals	3,990	100.0%	90,872	100.0%

Source: Copyright 2015 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2015.

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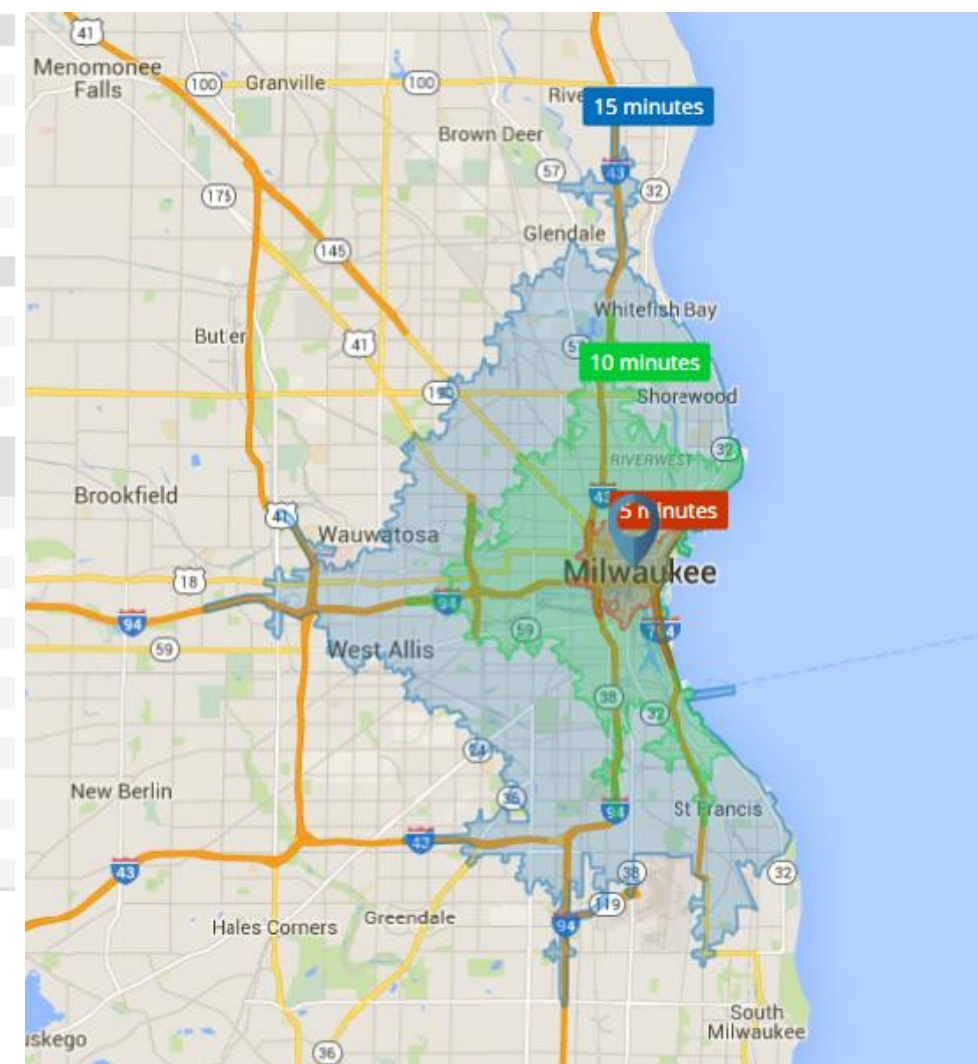
Sentinel Building

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Market Overview – Demographics (1-mile Radius)/Drive-Time Map

Summary	Census 2010	2015	2020	
Population	19,745	20,360	20,987	
Households	9,956	10,406	10,786	
Families	1,972	2,034	2,100	
Average Household Size	1.50	1.51	1.51	
Owner Occupied Housing Units	1,934	1,967	2,072	
Renter Occupied Housing Units	8,022	8,439	8,714	
Median Age	28.8	30.1	31.7	
Trends: 2015 - 2020 Annual Rate	Area	State	National	
Population	0.61%	0.32%	0.75%	
Households	0.72%	0.39%	0.77%	
Families	0.64%	0.31%	0.69%	
Owner HHs	1.05%	0.37%	0.70%	
Median Household Income	3.84%	2.81%	2.66%	
Households by Income	2015		2020	
	Number	Percent	Number	Percent
<\$15,000	2,345	22.5%	2,181	20.2%
\$15,000 - \$24,999	1,154	11.1%	831	7.7%
\$25,000 - \$34,999	881	8.5%	755	7.0%
\$35,000 - \$49,999	1,614	15.5%	1,627	15.1%
\$50,000 - \$74,999	1,693	16.3%	1,837	17.0%
\$75,000 - \$99,999	1,095	10.5%	1,329	12.3%
\$100,000 - \$149,999	825	7.9%	1,071	9.9%
\$150,000 - \$199,999	359	3.4%	524	4.9%
\$200,000+	440	4.2%	630	5.8%
Median Household Income	\$41,403		\$49,981	
Average Household Income	\$61,938		\$74,642	
Per Capita Income	\$33,712		\$40,394	



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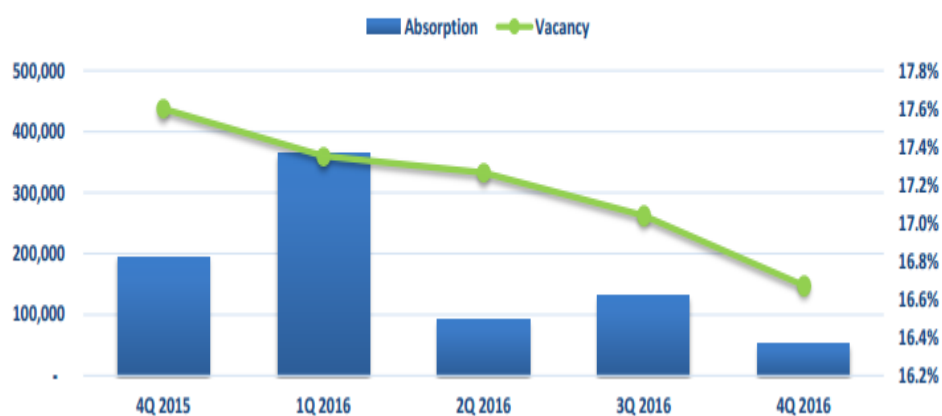
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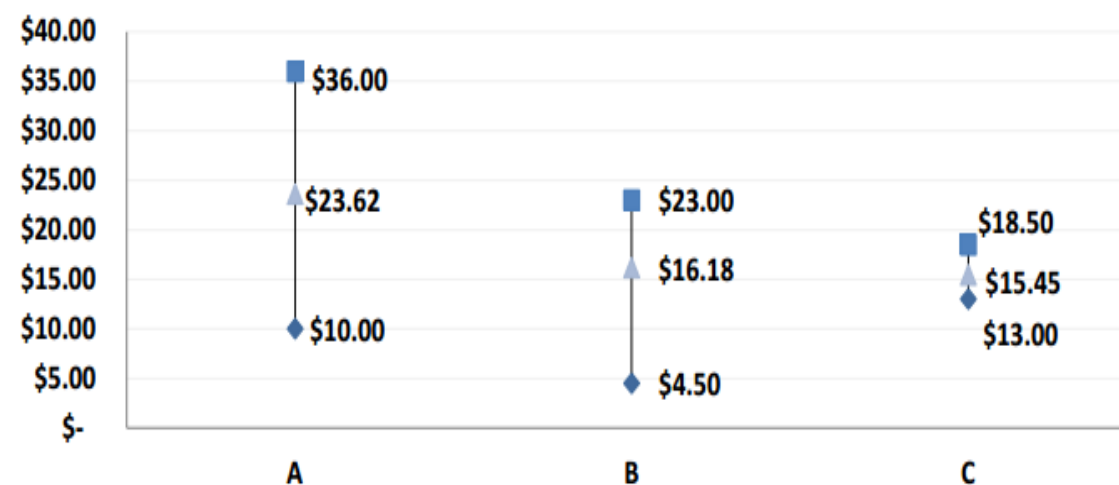
Market Overview – Office Market Snapshot 2016 Q4– Greater Milwaukee Area

	# of Bldgs	Inventory (sf)	Total Available (sf)	Total Vacant (sf)	Total Vacancy Rate (%)	Quarterly Net Absorption (sf)	YTD Net Absorption (sf)
A	131	12,654,338	2,266,031	1,907,943	15.1%	-13,054	388,517
B	255	14,398,078	3,454,940	2,698,529	18.7%	61,888	230,619
C	23	1,127,184	179,417	91,988	8.2%	3,983	19,644
Overall	409	28,179,600	5,900,388	4,698,460	16.7%	52,817	638,780

Historical Vacancy Rate & Net Absorption



Asking Rent Range by Class (FSG)



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Broker Disclosure

WISCONSIN REALTORS® ASSOCIATION
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MBH Investment Real Estate, LLC
Effective July 1, 2016

DISCLOSURE TO NON-RESIDENTIAL CUSTOMERS

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

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 608-240-5830.

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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