

Onida, SD Main Post Office and Farm Service Agency 703 and 709 Birch Street, Onida, SD 58564 Located in Sully County

Sales Price: \$ 608,674 CAP Rate 7.47%



Summary: This is a unique opportunity to acquire two properties that are leased to the U S Postal Service and to the Department of Agriculture for the Farm Service Agency (FSA). The U S Postal Service recently completed lease negotiations to extend occupancy to July 2022. The Landlord had a new roof and a new furnace installed in the past ten years at the Post Office. The flooring had all been replaced previously by the U S Postal Service. There is not a termination option in the lease.

The Farm Service Agency implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster and farm marketing programs through a national network of offices. FSA programs are delivered through an extensive network of field offices in 2,248 USDA County Service Centers and 51 State Offices. The Onida FSA facility has a ten (10) year lease that expires August 31, 2023.

Onida is the county seat of Sully County and had a population of 658 while Sully County had a population of 1,373 at the 2010 census. The county courthouse is located in Onida and most if not all of the county offices are located in this community. There are two banks in Onida plus the community provides the residents a Kindergarten through high school facility.

Onida, SD Main Post Office Purchase Price \$209,175 CAP 8.25%

Building Size: 2,088 sq ft **Site Size:** 5,808 sq ft.

Lease Term: From 8/1/2012 through 7/31/2017 with rent at \$17,544 per year. The USPS has executed a new lease to 7/31/2022 with rent at \$20,040.

Maintenance Rider: The Landlord is responsible for normal repairs and maintenance to the property. The U S Postal Service provides for their own custodial services and pays for their utility expenses. The air conditioner is the responsibility of the Post Office.

Taxes – Landlord is responsible for payment of property taxes. **Termination Rider** - None

Net Operating Income

Rent	\$20,040	
Maintenance	(\$ 835)	Estimated at \$.40/sq ft
Insurance	(\$ 658)	Actual Cost
Taxes	(\$ 1,040)	Actual Cost
Management	<u>(\$ 250)</u>	
NOI	\$17,257	

Farm Service Agency Building Purchase Price \$399,500 CAP 7.05%

Building Size: 2,782 rentable square feet

Lease Term: The current lease began September 1, 2013 and expires August 31, 2023.

Annual Rent: The current rent is \$42,897.26/year, or \$ 15.42/sq ft.

Annual Operating Expenses: The Landlord is responsible for the payment of property taxes and provides janitorial services to the tenant. The Landlord is responsible for all utility charges and has responsibility for the normal repairs and maintenance to the property. There is a tax adjustment clause over the base tax year.

Net Operating Income:

Rent	\$42,898	
Insurance	(\$ 1,135)	
Taxes	(\$ 1,260)	
Variable Expenses	(\$ 9,625)	Consists of Utilities, Janitorial Service, and Supplies
Maintenance	(\$ 2,087)	Based on \$.75/sq ft for maintenance reserves
Management	<u>(600)</u>	

NOI: **\$28,191**

Note: Information contained herein was obtained from sources deemed reliable, but is provided without any representations nor warranties as to its accuracy by Real Estate Asset Counseling, Inc. or its principals.