

## Onida, SD Main Post Office

703 Birch Street, Onida, SD 58564 Located in Sully County

Sales Price: \$252,500 CAP Rate 7.25%



**Summary:** This is a unique opportunity to acquire buildings leased to two government tenants. The tenants are the U S Postal Service and the Department of Agriculture for the Farm Service Agency (FSA). This Flyer provides details regarding the Post Office and a separate Flyer provides similar details for the Farm Service Agency.

The U S Postal Service lease goes through July 31, 2027. The current lease had an expiration date of July 31, 2022 but the USPS has exercised their last renewal to extend occupancy an additional five years.

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 USPS lease. The Post Office is open from 9:00 a.m. to 3:00 p.m. and closed for lunch during Monday-Friday. The nearest Post Office is nine (9) miles from Onida. Onida is 37 miles north of Pierre, SD.

**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 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.

**Building Size:** 2,088 sq ft

**Site Size:** 5,808 sq ft.

**Lease Term:** From 8/1/2017 through 7/31/2022 with rent at \$20,040. The USPS has exercised their last renewal option to extend occupancy for five more years through 7/31/2027 with the rent increasing to \$22,040 per year.

**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	\$21,470	Blended Rent
Maintenance	(\$ 835)	Estimated at \$.40/sq. ft.
Insurance	(\$ 788)	Actual Cost
Taxes	(\$ 1,292)	Actual Cost
Management	<u>(\$ 250)</u>	
<b>NOI</b>	<b>\$18,305</b>	

**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.