

**8.7% Cap Rate + Annual Escalations**

# Long Term NNN Industrial Sale-Leaseback

38 Haniak Road, Thunder Bay, ON



**Lennard:**



# Executive Summary

Lennard Capital Markets is pleased to present the opportunity to acquire 38 Haniak Road, Thunder Bay, Ontario (the “Building”, “Property” or “Site”). The Property is being sold under a long term absolute NNN sale-leaseback structure, with the lease guaranteed by an established operating company, servicing the Thunder Bay and Northern Ontario market of over 45 years.

Highly Secured Investment	Offered at a 8.7% cap rate, the Property presents an attractive yield, secured at pricing well below replacement cost a. The rugged terrain of Thunder Bay makes new developments expensive and time consuming, placing high demand on existing assets.
Strong Market Fundamentals	With a very little industrial vacancy rate in Thunder Bay, ON, the lack of available inventory places high demand from users on product that becomes available to the market, for both sales and leasing.
Long Term Predictable Cash Flow	The 15-year leaseback with renewal options provides a stable and predictable cash flow from a leading Thunder Bay structural steel fabricator. Annual rent escalations creates income growth throughout the lease term and renewal periods.
Quality Tenant	With a 45 year track record, the tenant is a well known and respected company in the Northern Ontario market, with a near monopoly on servicing the Greater Thunder Bay Area. Please refer to the data room for an overview of the tenant. NDA required.
High Growth Sector & Municipality	Thunder Bay, ON, boasts high growth potential, driven by its thriving mining & lumber sector. Rich in precious minerals, the city's robust mining & lumber industry continues to attract significant investment, creating numerous job opportunities and fostering economic development in the region.

## Thunder Bay Summary

Located in the centre of Canada and with close proximity to the United States, Thunder Bay is the regional hub of Northwestern Ontario. The city sits on the shores of Lake Superior - the world’s largest freshwater lake - and is a natural gateway by seaway, road, rail and air to western Canada. Northwestern Ontario is one of the world’s leading mining exploration and development areas, and the latest frontier for developments in bio-mass, energy, natural gas, infrastructure, transportation, research and health sciences

Thunder Bay is a diverse and modern economy with endless natural resources, entrepreneurial SMEs and world-leading research capabilities. Research and innovation are revitalizing the area’s traditional forestry and mining industries, while science and technology are creating high-growth opportunities in health and education sectors. The high levels of creativity and innovation among local entrepreneurs has also resulted in small business clusters, and the emergence of thriving new sectors in local food, agriculture and tourism.

## Key Sectors

- Aerospace
- Forestry
- Bioeconomy
- Health Sciences
- ICT
- Manufacturing
- Mining
- Remote Health Care
- Tourism

## Importance of Canadian Natural Resource Sector

The Canadian mining and natural resource sector presents a compelling bull case for investors and the national economy. As global demand for minerals and natural resources continues to rise, Canada, with its vast and diverse reserves, is well-positioned to capitalize on this trend. This sector significantly contributes to GDP growth by attracting substantial foreign investment, creating high-paying jobs, and fostering technological advancements. Additionally, the robust performance of the mining sector supports the Canadian dollar, as increased exports of valuable commodities strengthen the currency. With sustainable practices and innovation, Canada’s mining industry not only promises substantial economic returns but also aligns with global environmental standards, making it a key driver of long-term national prosperity.

# Asset Overview



## Description

Address	38 Haniak Road, Thunder Bay ON
Zoning	PM1 - Paipoonge Light Industrial Zone
Building Area	38,201 SF (2,737 SF Office)
Shipping	11 overhead doors
Land Area	18.02 Acres
Clear Height	up to 26 feet
Asking Price	\$6,143,868
Taxes	\$99,779.39 (2024)

## Sale-Leaseback Economics

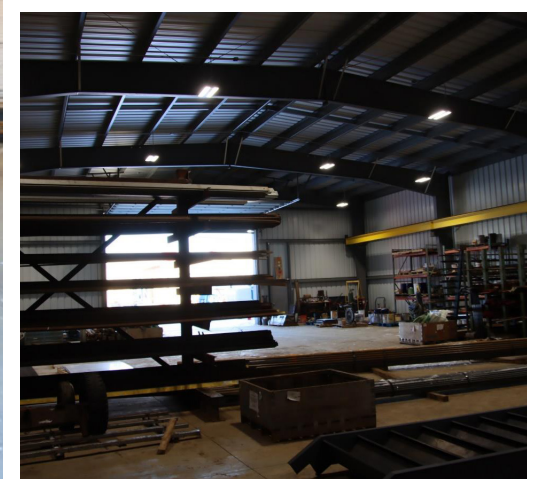
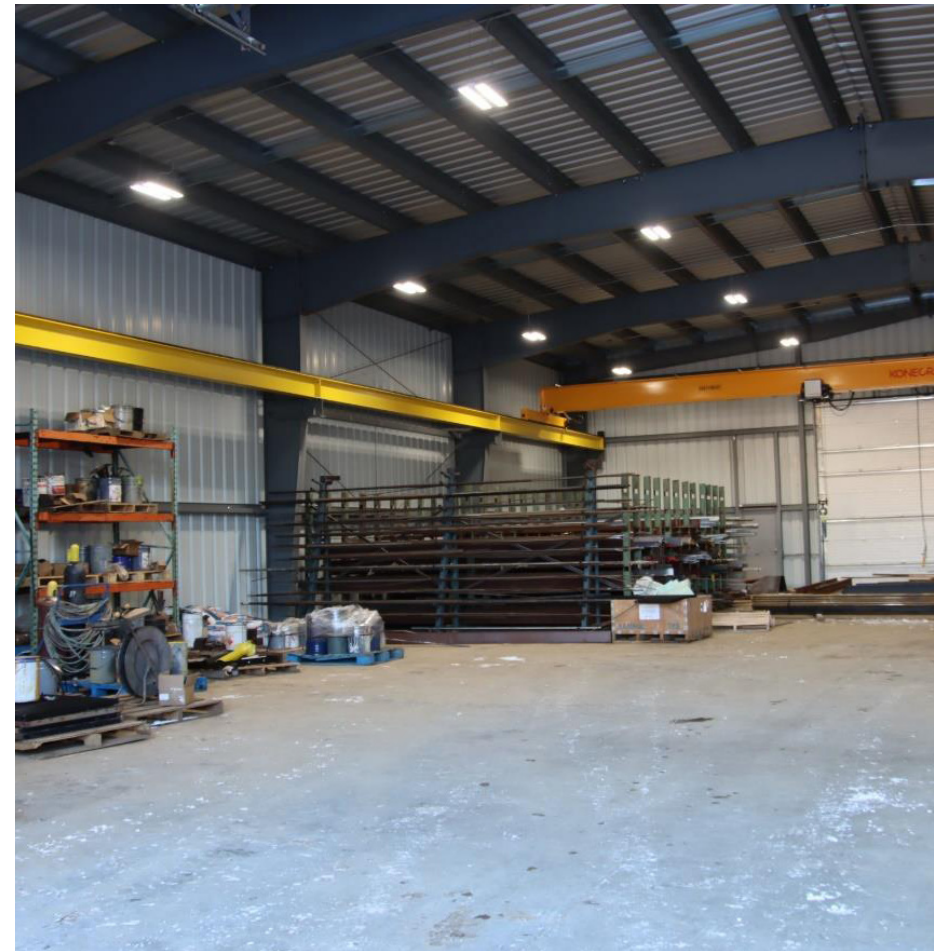
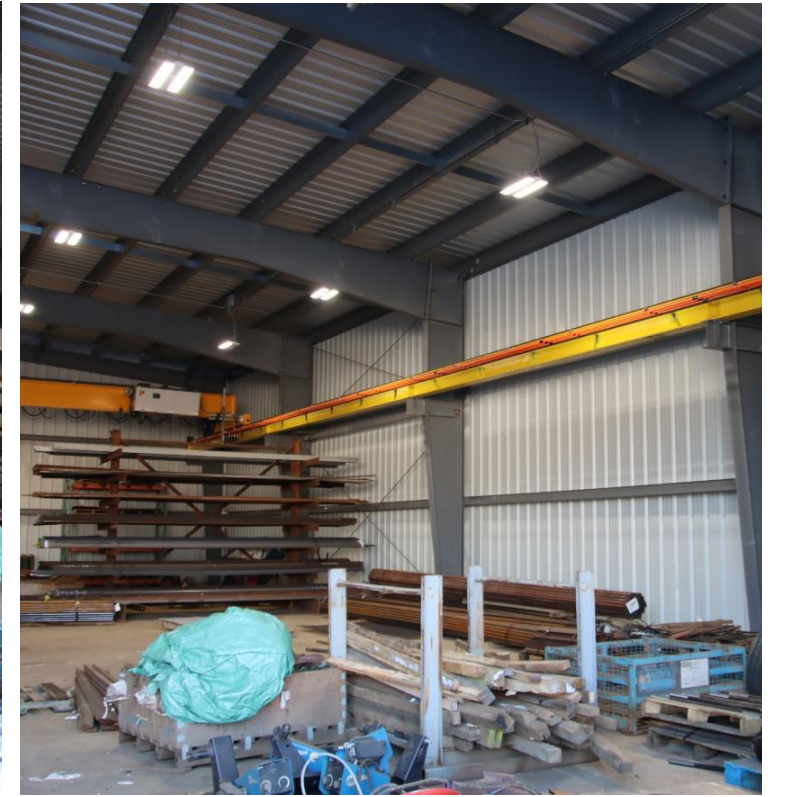
- Starting Net Rent: \$14.00 PSF
- Annual Escalations: 2.5%
- Lease Structure: Absolute Triple Net
- Lease Term: 15 Years + Renewal Options
- Cap Rate: 8.7%

## Data Room Contents

- Tenant Financial Statements (2024)
- Environmental Report Peer Review (2023)
- Tenant Profile
- Verification Soil Sampling Program (2023)
- Survey
- Phase II Environmental Report (2022)



# Photos





# Offering Process

## Memorandum Contents

This Confidential Investment Memorandum (“CIM”) has been prepared by the Advisor and is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire 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. This CIM provides selective information relating to certain physical, location 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 the Advisor make any representations, declarations or warranties, express 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 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 and engineering 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 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.

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## Confidentiality

By accepting this CIM, prospective purchasers agree to hold and treat this CIM and its contents in the strictest confidence. Prospective purchasers will not, 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 and Advisor. Prospective purchasers will not use or permit this CIM to be used in any manner detrimental to the interests of the Vendor, Lennard or their affiliates or for any other purpose than a proposed purchase of the Property. The recipient of this CIM agrees to provide the Advisor with a list of those persons to whom this CIM or any information contained herein is provided.

The terms and conditions in this section with respect to confidentiality and the disclaimer contained under final page of the memorandum will relate to all sections of the CIM as if stated independently therein.

## Indemnification

Recipients of this CIM acknowledge that they are principals or investment advisor in connection with the possible acquisition of the Property and agree that they will not look to the Vendor or the Advisor or any of their affiliates for any fees or commissions in connection with the sale of the Property other than the co-operating fee being offered.

In no event shall any prospective purchaser or any of its agents or contractors contact any governmental authorities concerning the Property, or make any physical inspection or testing of the Property, without the prior written consent of the Vendor or Advisor.

At any time prior to the Completion of the proposed transaction, the Vendor may request additional information from interested parties relevant to the transaction. The Vendor reserves the right to end the sale process or to cease discussions with any and all parties at any time without notice or liability.

## Process

Based on the information contained in this CIM, and other information that may be made available by the Advisor upon request, interested parties are invited to submit an offer to address the following requirements:

1. The purchase price and deposits for the Property
2. Proposed timeline and the terms of due diligence and closing
3. Confirmation that the Property will be purchased on an “as is, where is” basis
4. Name of the ultimate beneficial owners of the Purchaser
5. Evidence of the Purchaser’s financial ability to complete the transaction

After review of the offer, it is the intent of the Vendor to enter into a binding Agreement of Purchase and Sale for the Property with a selected party. None of the initial proposals, regardless of their form and content will create any binding legal obligation upon the Vendor or the Advisor.

Prospective purchasers should note that the Vendor is under no obligation to select any of the offers.

## Sale Conditions

The Property and any fixtures, chattels and equipment included with the Property are to be purchased on an “as is, where is” basis. There is no warranty, express or implied, as to title, description, condition, cost, size, quantity or quality thereof.

Any information related to the Property which have been or will be obtained from the Vendor, Advisor or any other person, have been prepared and provided solely for the convenience of the prospective purchaser. Neither the Vendor nor the Advisor make any representation or warranty that such information is accurate or complete. Such information shall not form part of the terms of an Agreement of the Purchase and Sale, unless otherwise agreed in writing by the Vendor.

## Submission Process & Timing

Proponents are invited to submit their offers to Lennard Commercial to the attention of Parker Payette & Jay Finch.

Offers to purchase will be evaluated based upon, but not limited to, the structure proposed by the prospective Purchaser, the net proceeds to the Vendor, the prospective Purchaser’s ability to complete the transaction, the time lines and proposed closing conditions. The Vendor is not obliged to accept any offers and reserves the right to reject any or all offers received.

The Advisor and the Vendor intend to review all offers as soon as possible following a submission. Following the review, the Vendor will, at their discretion, choose a purchaser based on offer criteria. Once the purchaser has been chosen, Lennard will contact the proponents and provide them with feedback on their offer.

## Exclusive Advisor

All inquiries regarding the Property or any information contained in this CIM should be directed to Lennard Commercial as exclusive agents for the Vendor.

## Parker Payette\*

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\*\* Broker

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