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OFFERING
MEMORANDUM

831 OAKTON STREET

ELK GROVE VILLAGE, IL 60007

TAG INDUSTRIAL
THE ABUSHAGUR GROUP

Marcus & Millichap

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The image is a cover page for a report. It features a dark blue background with a white vertical line on the left and a white horizontal line at the top. The central text is framed by a white L-shaped border. The background is composed of two vertical panels: the left panel shows the interior of a large industrial building with a high, vaulted steel roof and concrete floor; the right panel shows the exterior of a similar building with corrugated metal siding and a row of windows.

SECTION 1
INVESTMENT
OVERVIEW

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831 OAKTON STREET

ELK GROVE VILLAGE, IL 60007

INVESTMENT HIGHLIGHTS

- Long Tenant History Paired with Varying Lease Terms and Below-Market Rents Allow for an Investor to Increase Their Return
 - Potential to Sell Eight Parcels as Condominiums Offers Immediate Upside to an Investor
 - Quick Access to O'Hare International Airport and Interstate 90
 - Well-Maintained Building with a Fire Alarm System, 65 Parking Spaces, and LED Security Lights
 - Elk Grove Village has a Vacancy Rate of 5.76% and Year-Over-Year Rent Growth of 4.1% for 2019
 - Emergency Generator for Anchor Tenants Broadway Electric and CS2
 - Close Proximity to Newly Built Elk Grove Technology Park Demonstrates Desirability of the Location
-

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 831 Oakton Street in Elk Grove Village, Illinois. The subject property consists of approximately 33,854 square feet of space and is situated on 2.09 acres of land. The asset features 12' clear height, 65 parking spaces, and eight grade-level doors. The building is well-maintained with a fire alarm system, LED security lights, and an emergency generator for anchor tenants Broadway Electric and CS2. Long tenant history paired with varying lease terms and below-market rents allow for an investor to increase their return. In addition, the potential to sell eight parcels as condominiums offers immediate upside to an investor. Close proximity to the newly built Elk Grove Technology Park demonstrates desirability of the location. The subject property has quick access to O'Hare International Airport and Interstate 90. The asset is in a tight barrier-to-entry submarket with a 5.76 percent vacancy rate and year-over-year rent growth of 4.1% for 2019.

Elk Grove Village has established itself as one of the most business-friendly locations in the United States. With approximately 3,600 neighboring businesses, it has grown to become the largest business park in the country, covering nearly five square miles adjacent to global and national transportation hubs. Situated adjacent to O'Hare International Airport and the City of Chicago, Elk Grove Village also offers especially convenient access to interstates 90, 290, 294 and 355, as well as the 390 Expressway. Extensive freight rail service serves companies within the commercial zone. Elk Grove Village continues to have the lowest combined property tax rate among comparable Cook County suburbs. (elkgrovesites.com)

The City of Chicago covers an area of 60,000 hectares and sits 578 feet above sea level on the southwestern shore of Lake Michigan. At 190 kilometers wide and 495 kilometers long, it is the 5th largest body of fresh water in the world. The city is traversed by the Chicago and Calumet rivers. Chicago's extensive parklands, including 3,000 hectares of city parks, attract an estimated 86 million visitors annually. As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago boasts 100 neighborhoods, 77 community areas, 2,716,450 residents, 50 wards, and eight major league sports teams including two MLB teams. Chicago is a leader in reforming public schools, enhancing public safety and security initiatives, providing affordable housing in attractive and economically sound communities, ensuring accessibility for all, and fostering social, economic and environmental sustainability. (Chicago.gov)

PROPERTY DETAILS

831 OAKTON STREET,
ELK GROVE VILLAGE, IL 60007

Number of Suites	10
Number of Buildings	1
Total Square Feet	33,854
Year Built	1992
Lot Size	2.09 Acres
Type of Ownership	Fee Simple
Clear Height	12'
Parking	65 Spaces
Building Class	B
Tenancy	Multi
Dock High Doors	1
Grade Level Doors	8
Construction	Masonry
Power	400-Amp, 3 Phase for Broadway Electric and CS2*
Zoning	I-1
Age/Condition of Roofs	11/12 Years Old
Submarket	Elk Grove Village
Market Vacancy	5.76%

*Remaining spaces have individual power service

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OFFERING HIGHLIGHTS

831 OAKTON STREET
ELK GROVE VILLAGE, IL 60007

OFFERING PRICE

\$3,250,000

CAP RATE

7.98%

PRO-FORMA CAP RATE

8.05%

Offering Price	\$3,250,000
Cap Rate	7.98%
Pro-Forma Cap Rate	8.05%
Price/SF	\$96.00
Total Square Feet	33,854
Occupancy	100.00%

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OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	435,902		12.88	442,203		13.06
Expense Reimbursement Income						
Net Lease Reimbursement						
Management Fees	0		0.00	0		0.00
Total Reimbursement Income	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00
Effective Gross Revenue	\$435,902		\$12.88	\$442,203		\$13.06

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Trash Removal	5,000		0.15	5,000		0.15
Landscaping	4,950		0.15	4,950		0.15
Snow Removal	4,000		0.12	4,000		0.12
Total CAM	13,950		0.41	13,950		0.41
Insurance	6,771		0.20	6,771		0.20
Real Estate Taxes	120,114		3.55	123,717		3.65
Management Fee	21,795	5.0%	0.64	22,110	5.0%	0.65
Total Expenses	\$176,579		\$5.22	\$180,498		\$5.33
Expenses as % of EGR	40.5%			40.8%		
Net Operating Income	\$259,322		\$7.66	\$261,705		\$7.73

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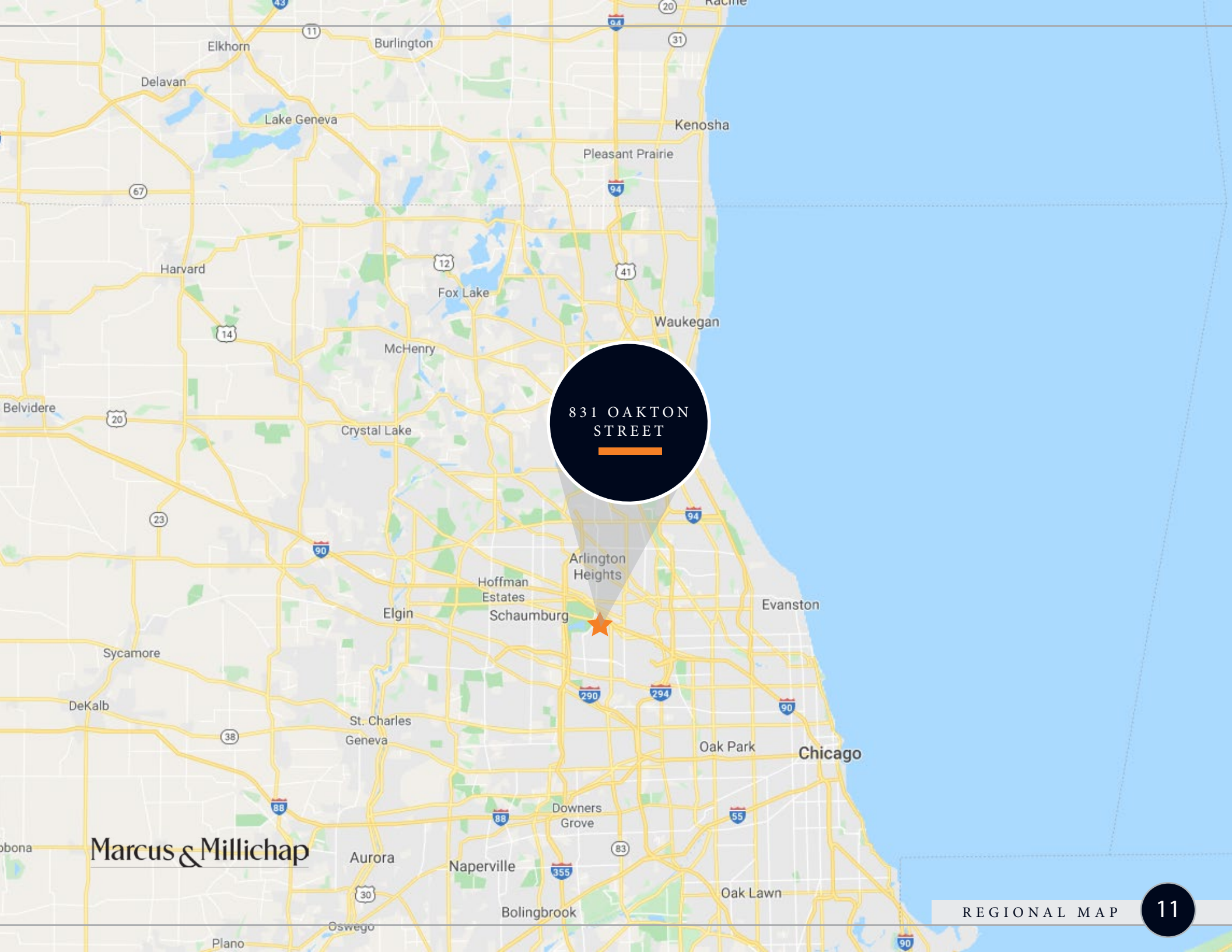
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RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm. Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	
Broadway Electric	831 Oakton Unit A	13,200	39.0%	COE 12/31/22	\$14.66	\$16,128	\$193,540	\$197,411	Jan-2021	\$16,451	Gross	
Broadway Storage	837 Oakton Unit B	2,500	7.4%	COE 12/31/22	\$9.24	\$1,925	\$23,097	\$23,559	Aug-2021	\$1,963	Gross	
CS2	831 Oakton Unit B & 871 Oakton Unit A	5,915	17.5%	1/1/07 12/31/20	\$12.84	\$6,331	\$75,973	\$75,973	n/a	n/a	Gross	
Pagoda	837 Oakton Unit C	2,509	7.4%	6/15/20 6/14/22	\$9.57	\$2,000	\$24,000	\$24,720	Jun-2021	\$2,060	Gross	
Pagoda	837 Oakton Unit F Unit 1	1,445	4.3%	1/1/19 12/31/23	\$19.58	\$2,357	\$28,288	\$29,136	Feb-2021	\$2,428	Gross	
HWDP Inc	837 Oakton Unit D	2,509	7.4%	4/1/11 3/31/21	\$9.09	\$1,900	\$22,800	\$22,800	n/a	n/a	Gross	
JK Plumbing	837 Oakton Unit E	2,495	7.4%	9/1/10 8/31/21	\$8.90	\$1,850	\$22,200	\$24,600	Sep-2020	\$2,050	Gross	
American First	837 Oakton Unit F Unit 2	902	2.7%	3/1/19 2/28/21	\$21.66	\$1,628	\$19,536	\$19,536	n/a	n/a	Gross	
Multi-System, Inc.	837 Oakton Unit G	2,379	7.0%	6/1/11 5/31/21	\$10.28	\$2,039	\$24,468	\$24,468	n/a	n/a	Gross	
Total		33,854			\$12.82	\$36,158	\$433,902	\$442,203				
Occupied Tenants: 9				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$36,325						Occupied Current Rents: \$36,325		Unoccupied Current Rents: \$0				

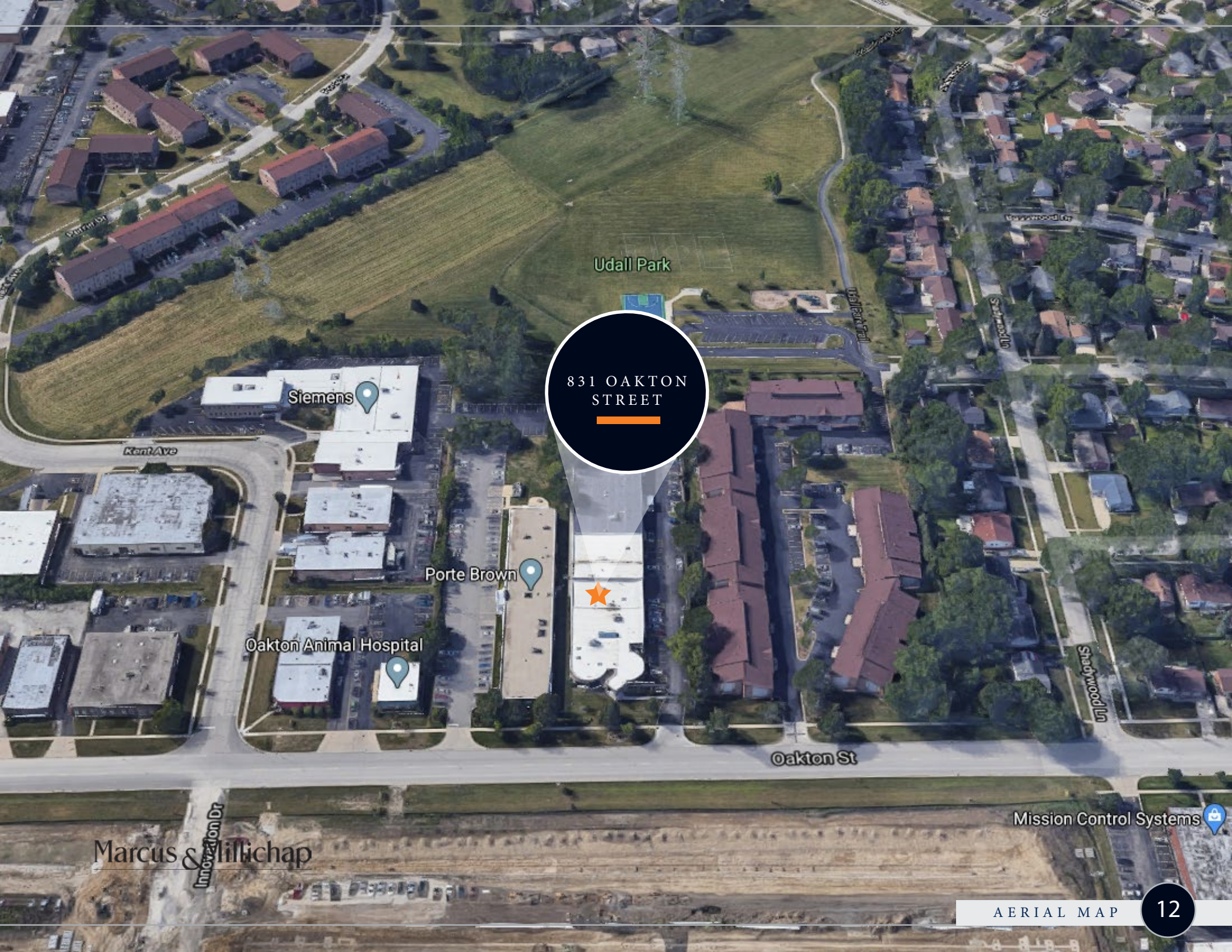


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831 OAKTON
STREET

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831 OAKTON STREET



Siemens

Porte Brown

Oakton Animal Hospital

Mission Control Systems

Marcus & Millichap





MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

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Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

MARKET OVERVIEW

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CHICAGO ILLINOIS

Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the Greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential and office towers in downtown Chicago.



THIRD-LARGEST
METROPOLITAN AREA



WEALTH OF
INTELLECTUAL
CAPITAL

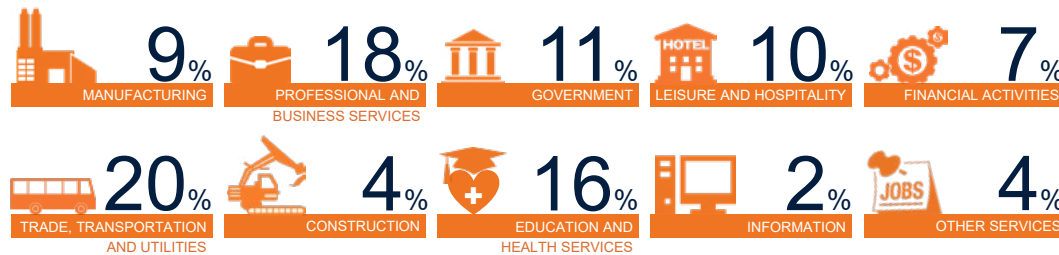


LARGE, DIVERSE
EMPLOYMENT BASE

METROPLEX GROWTH

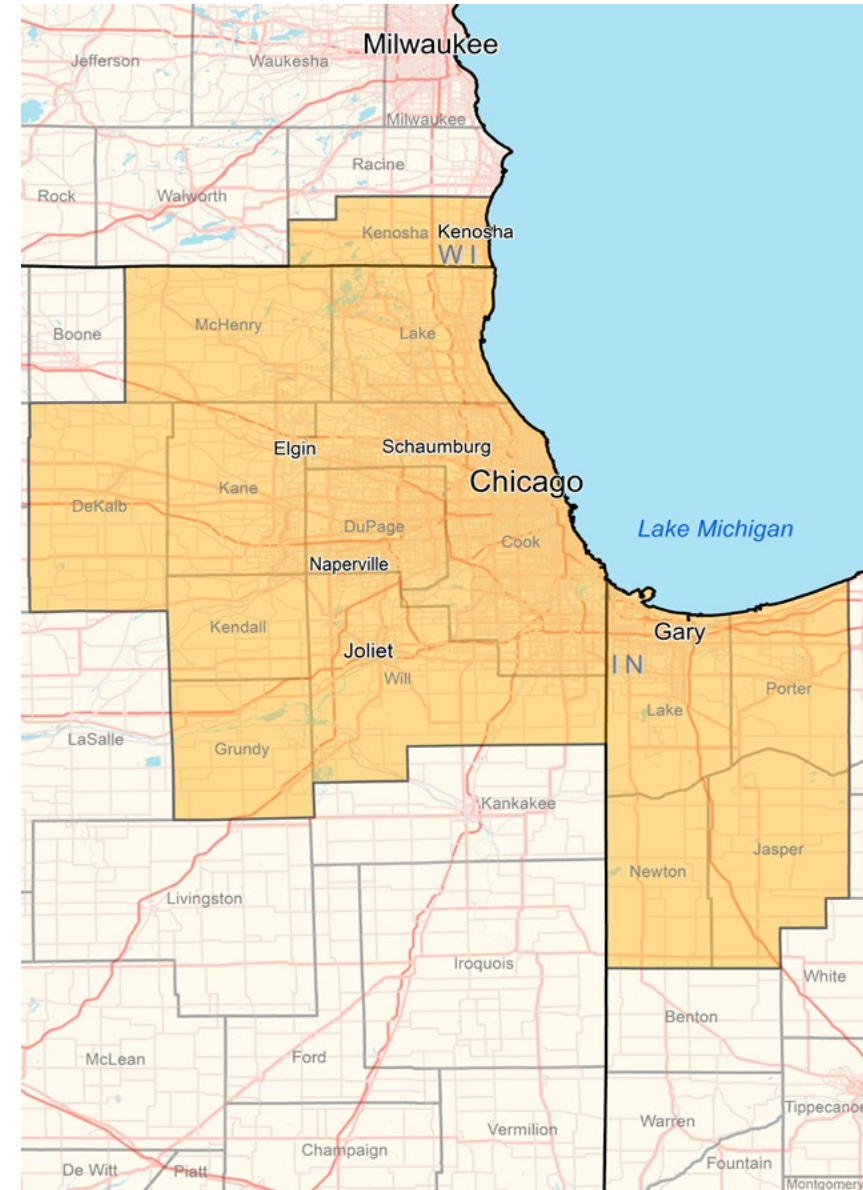
ECONOMY

The metro has one of the biggest economies in the nation and is buoyed by its distribution, finance, manufacturing operations and growing high-tech sectors. Fortune 500 companies headquartered in the metro include Boeing, Walgreens, Allstate and McDonald's. The area is a major global tourist and convention destination. Last year, a record 57.7 million people visited the metro, supporting 500,600 jobs in the leisure and hospitality sector. Large tech firms such as Amazon, Groupon and Google attract startup companies. The workforce is considered one of the most diverse and well trained among major U.S. metros.

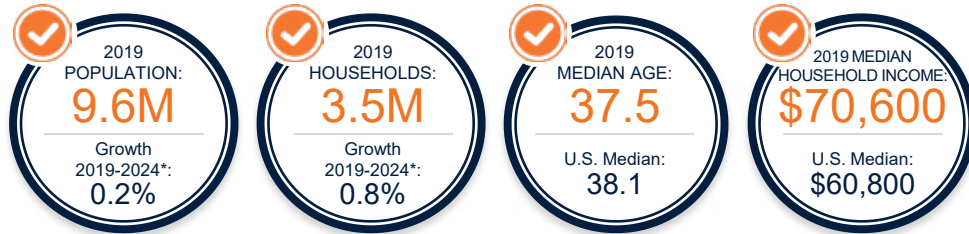


TRANSPORTATION

The region's transit network ranks among the largest and most efficient in the world. The vast network of freeways, centralized location, a large rail-truck intermodal facility, and the Port of Chicago contribute to the metro's position as a major distribution and logistics hub. Chicago is the nation's premier freight rail hub, with four carriers —BNSF, Union Pacific, CSX, and Norfolk Southern — that service the region. Amtrak routes originate from Union Station, while the Metra commuter rail and the Chicago L provide passenger service throughout the metro area and beyond. International airports include O'Hare, Midway and Gary/Chicago. Also 16 smaller airports also provide air service for the region.



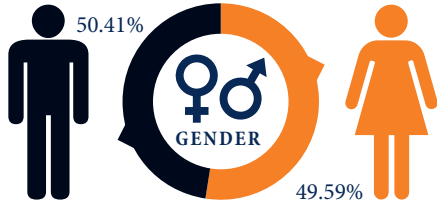
METROPLEX GROWTH



Chicago is the third most populous metro in the U.S. with 9.6 million residents. During the next five years, gains will remain below the U.S. rate of growth. World-class education institutions including Northwestern University and the University of Chicago help provide a skilled labor pool. Nearly 36 percent of residents age 25 and older hold a bachelor's degree and of these, 14 percent have also earned a graduate or professional degree, which is well above the national level. Younger professionals moving to the market for employment provide a skilled workforce and contribute to a median age that is below that of the U.S. and a household income above the national level. More people are renting as thousands of new apartments are completed. As a result, the local homeownership at 60 percent has declined in recent years.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	7,682	72,816	246,100
■ 2019 Estimate			
Total Population	7,791	73,223	246,590
■ 2010 Census			
Total Population	7,759	72,762	244,502
■ 2000 Census			
Total Population	8,435	75,150	244,340
■ Daytime Population			
2019 Estimate	19,799	121,707	386,200
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	2,824	28,512	97,022
■ 2019 Estimate			
Total Households	2,847	28,646	97,017
Average (Mean) Household Size	2.65	2.54	2.54
■ 2010 Census			
Total Households	2,842	28,525	96,062
■ 2000 Census			
Total Households	2,955	29,672	95,582

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	3.45%	5.94%	8.07%
\$150,000 - \$199,000	6.08%	6.31%	8.02%
\$100,000 - \$149,000	16.00%	16.57%	18.54%
\$75,000 - \$99,999	19.30%	15.27%	15.31%
\$50,000 - \$74,999	20.43%	19.52%	18.03%
\$35,000 - \$49,999	11.61%	12.24%	11.06%
\$25,000 - \$34,999	9.12%	9.13%	7.48%
\$15,000 - \$24,999	6.90%	8.00%	6.97%
Under \$15,000	7.10%	7.05%	6.51%
Average Household Income	\$82,973	\$90,845	\$102,485
Median Household Income	\$68,084	\$66,435	\$74,918
Per Capita Income	\$30,319	\$35,560	\$40,398
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	7,791	73,223	246,590
Under 20	23.28%	21.95%	22.22%
20 to 34 Years	23.78%	21.05%	19.05%
35 to 39 Years	7.78%	7.39%	6.80%
40 to 49 Years	12.65%	12.79%	13.20%
50 to 64 Years	18.91%	19.43%	21.18%
Age 65+	13.60%	17.38%	17.56%
Median Age	36.80	39.72	41.51
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	5,493	53,218	178,746
Elementary (0-8)	4.81%	5.64%	4.64%
Some High School (9-11)	6.03%	6.15%	5.11%
High School Graduate (12)	27.75%	25.92%	24.47%
Some College (13-15)	19.39%	18.65%	18.75%
Associate Degree Only	8.26%	7.73%	7.39%
Bachelors Degree Only	23.59%	23.43%	24.88%
Graduate Degree	7.79%	10.80%	13.32%
■ Time Travel to Work			
Average Travel Time in Minutes	27	29	30



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