

Marcus & Millichap
TAG INDUSTRIAL GROUP

18130-18134 NORTHWEST FRONTAGE ROAD

SHOREWOOD, IL 60404

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SECTION 1

INVESTMENT OVERVIEW

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- Under-Market Rents with Short Lease Remaining Creates Value-Add Investment
 - 3+ Acre Lot Leaves Ample Room for Outside Storage Space
 - Low Will County Taxes
 - High Growth Submarket Average Rent Up 9.6% Year-Over-Year
 - Each Industrial Suite Has Its Own Drive-In Door
 - 2.5 Miles from I-55 Entrance, the Joliet Area's Main Expressway

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 18130 to 18134 Northwest Frontage Road in Shorewood, Illinois. The subject property consists of approximately 16,400 square feet of warehouse space and is situated on 3.18 acres of land. The seven-suite asset features individual drive-in doors and ample room for outside storage space. With short-term leases in place priced under the current market rate, the fully occupied asset creates a value-add investment opportunity. Situated in Will County, the property benefits from low taxes relative to neighboring jurisdictions. Located just 2.5 miles from Interstate 55, the property is well positioned to the main expressway in the Joliet area.

The subject property is located within the Joliet submarket, containing a massive 98.8 million square feet of industrial space. Joliet's unmatched accessibility attracts third-party logistics companies and manufacturers seeking distribution hubs. Two large intermodal terminals, the BNSF Logistics Park Chicago and UP Joliet Intermodal, anchor the local economy. Both of these intermodal terminals play a key role in facilitating trade between Asia and the Midwest, thanks to direct rail access to all major West Coast port markets. The Joliet submarket has experienced significant growth over the last year, with net absorption clocking in 4.7 million square feet, representing over 10 percent of absorption in the entire Chicago industrial market. The vacancy rate was only 3.3 percent at the end of Q2 2022, sitting well below the 8.5 percent five-year average. With supply tightening, market rents grew at a record pace of 9.7 percent year-over-year during the second quarter. There were 9 million square feet of industrial space under construction to start Q3, representing a sizeable 9.1 percent of inventory. However, essentially all of the new space is concentrated in properties over 100,000 square feet and will not directly impact vacancies or rent growth for shallow-bay warehouses (CoStar).

Known as the Greater Chicagoland area, Chicago-Naperville-Elgin is the third largest metro in the nation. The metro houses 9.5 million people, including 2.7 million residents within the city of Chicago. The number of corporate headquarters in Chicago is second only to New York City and is home to 33 Fortune 500 companies. Thanks to eight commercial and passenger rail lines, the Port of Chicago, three international airports, and a vast network of freeways, Chicago is a major distribution and logistics hub. The local economy and workforce are highly diverse, supported largely by distribution, finance, manufacturing, and high-tech industries. As a multicultural city that thrives on the harmony and diversity of its neighborhoods, Chicago boasts 100 neighborhoods, 77 community areas, 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

18130-18134 NORTHWEST FRONTAGE ROAD,
SHOREWOOD, IL 60404

Number of Suites	7
Number of Buildings	4
Total Square Feet	16,400
Warehouse Square Feet	16,400
Year Built	Varied
Lot Size	3.18 Acres
Type of Ownership	Fee Simple
Clear Height	Varied
Parking Surface	Crushed Gravel
Building Class	C
Tenancy	Multi
Grade Level Doors	9
Construction	Metal
Power	200a/220v 3-Phase
Type of Lighting	Fluorescent
Zoning	I-2
Roof Type	Metal
Age/Condition of Roofs	Good Condition
Age/Condition of HVAC	Fair Condition
Market	Chicago
Submarket	Joliet Area
Market Vacancy	1.90%





OFFERING HIGHLIGHTS

18130-18134 NORTHWEST FRONTAGE ROAD

SHOREWOOD, IL 60404

OFFERING PRICE
\$815,000

CAP RATE
9.54%

PRO-FORMA CAP RATE
9.86%

Offering Price	\$815,000
Cap Rate	9.54%
Pro-Forma Cap Rate	9.86%
Price/SF	\$49.70
Total Square Feet	16,400
Rental Rate	\$6.26
Lease Type	Full Service Gross
Lease Term	Varied
Tenancy	Multi Tenant
Occupancy	100.00%

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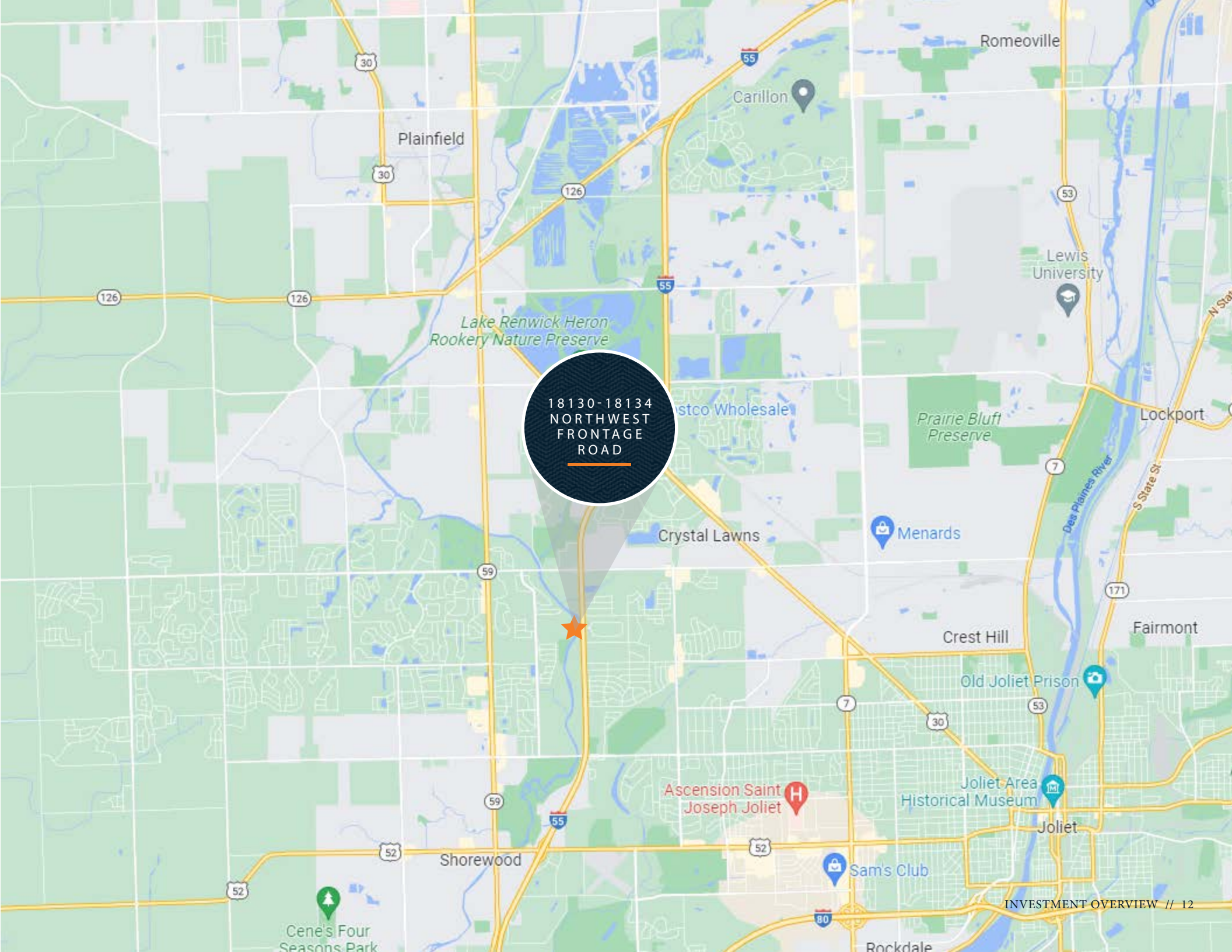
RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Lease Type
				Comm.	Exp.						
18130 - Unit 1	1	2,300	14.0%	12/1/10	MTM	\$5.74	\$1,100	\$13,200	\$14,375	TBD	Gross
18130 - Unit 2	2	1,800	11.0%	12/1/21	12/31/22	\$6.33	\$950	\$11,400	\$11,400	TBD	Gross
18130 - Unit 3	3	2,300	14.0%	3/1/22	3/31/23	\$7.83	\$1,500	\$18,000	\$18,000	TBD	Gross
18132 - Unit 1	1	4,200	25.6%	7/1/08	MTM	\$5.86	\$2,050	\$24,600	\$26,400	TBD	Gross
18132 - Unit 2	2	1,800	11.0%	2/1/22	2/28/23	\$6.67	\$1,000	\$12,000	\$12,000	TBD	Gross
18134 - Unit 1	1	4,000	24.4%	11/1/22	11/30/23	\$5.85	\$1,950	\$23,400	\$23,400	TBD	Gross
Total		16,400				\$6.26	\$8,550	\$102,600	\$105,576		
Occupied Tenants: 6				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$8,550						Occupied Current Rents: \$8,550		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

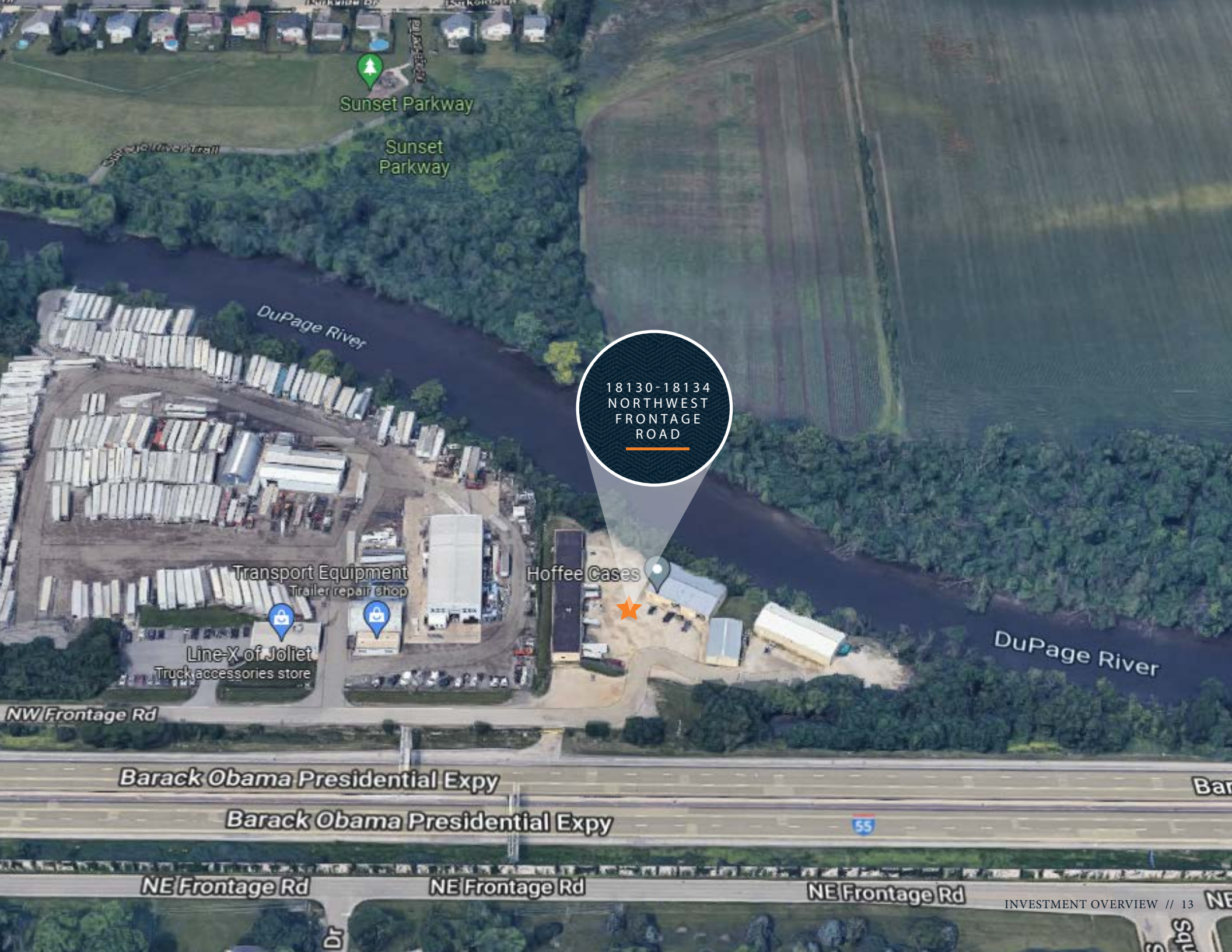
Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	102,600	6.26	105,576	6.44
Expense Reimbursement Income				
Net Lease Reimbursement				
Management Fees	0	0.00	0	0.00
Total Reimbursement Income	\$0	0.0%	\$0	0.0%
Effective Gross Revenue	\$102,600	\$6.26	\$105,576	\$6.44

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Repairs & Maintenance	750	0.05	1,013	0.06
Landscaping	980	0.06	1,323	0.08
Snow Removal	1,000	0.06	1,350	0.08
Insurance	4,122	0.25	5,565	0.34
Real Estate Taxes	8,715	0.53	11,765	0.72
Management Fee	4,104	4.0%	4,223	4.0%
Other Expenses - Non Reimbursable	5,144	0.31	0	0.00
Total Expenses	\$24,815	\$1.51	\$25,238	\$1.54
Expenses as % of EGR	24.2%		23.9%	
Net Operating Income	\$77,785	\$4.74	\$80,338	\$4.90



18130-18134
NORTHWEST
FRONTAGE
ROAD

18130-18134
NORTHWEST
FRONTAGE
ROAD



Sunset Parkway

Sunset Parkway

DuPage River

18130-18134
NORTHWEST
FRONTAGE
ROAD

Transport Equipment
Trailer repair shop

Hoffee Cases

Line-X of Joliet
Truck accessories store

DuPage River

NW Frontage Rd

Barack Obama Presidential Expy

Barack Obama Presidential Expy

55

NE Frontage Rd

NE Frontage Rd

NE Frontage Rd



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 2,399 debt and equity financings in 2021



National platform operating within the firm's brokerage offices



\$10.4 billion total national volume in 2021



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

WHY MMCC?

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. The Chicagoland area 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 9.5 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 have been 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



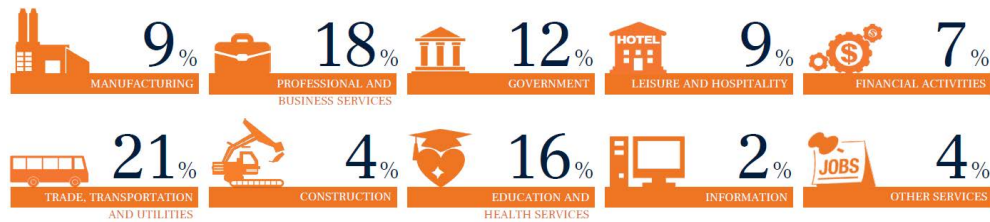
LARGE, DIVERSE
EMPLOYMENT BASE



METROPLEX GROWTH

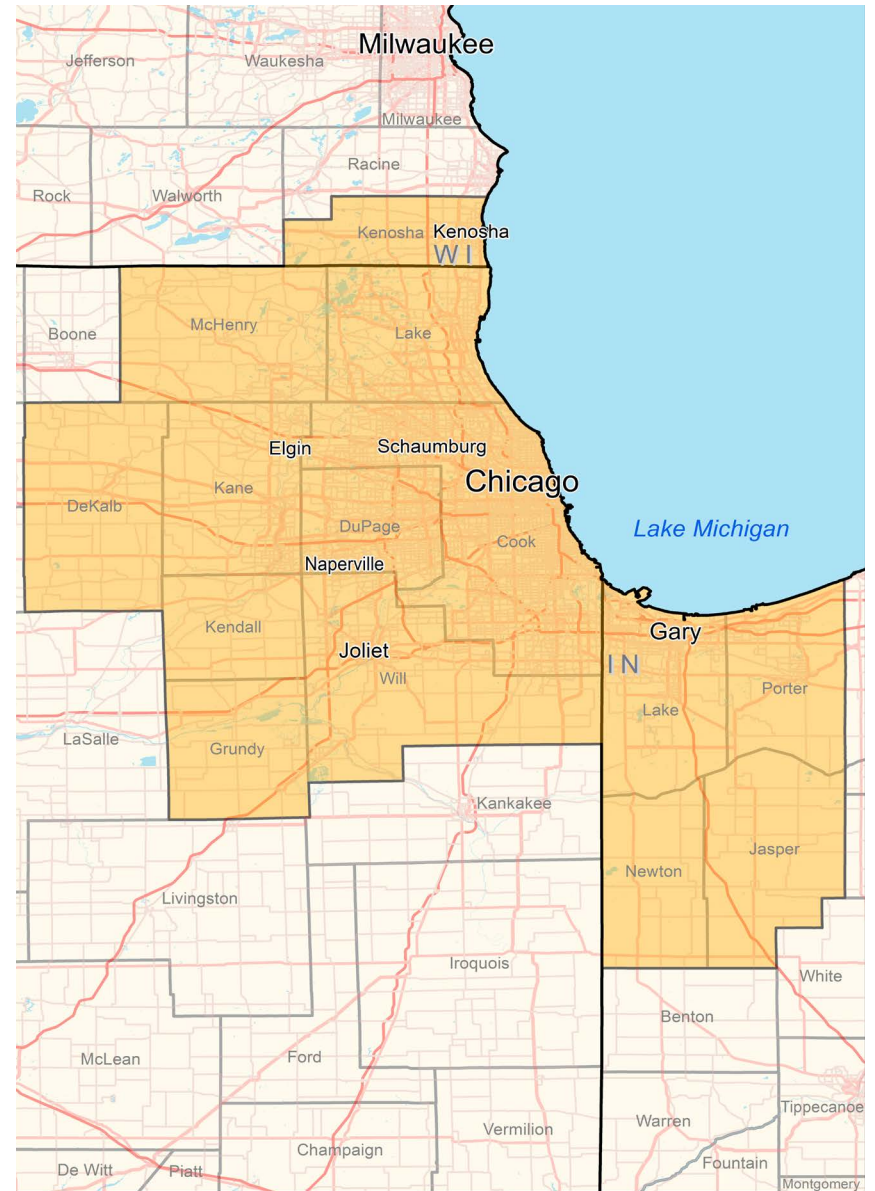
ECONOMY

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. Typically, more than 50 million people visit the metro annually and support approximately 500,000 jobs in the leisure and hospitality sector. Although suppressed during the pandemic, visitations and employment are improving. Large tech firms, such as Amazon and Google, attract a wide array of startup companies. The workforce is considered one of the most diverse and well trained among major United States metros.



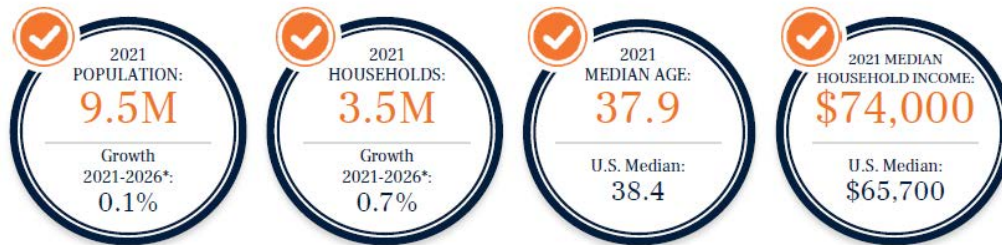
TRANSPORTATION

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 top freight rail hub, with major carriers BNSF, Union Pacific, CSX and Norfolk Southern servicing 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. Sixteen smaller airports also provide air service for the region.



METROPLEX GROWTH

Chicago is the third most populous metro in the U.S., with 9.5 million residents. During the next five years, the population is expected to remain steady. World-class education institutions, including Northwestern University and the University of Chicago, help provide a skilled labor pool. Nearly 37 percent of residents ages 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. median, as well as a household income above the national level. More people are renting as thousands of new apartments are completed. The local homeownership at 64 percent is slightly above the national rate.



The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, dining, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its lower housing costs. The median home price is significantly less than in other cities of its size and is below that of many smaller cities, including Seattle and Denver. Cultural activities and artistic venues underpin the metro's cosmopolitan lifestyle. The region is home to various well-known museums, including the world-class Field Museum, Shedd Aquarium, the Museum of Science and Industry, the Art Institute of Chicago and Adler Planetarium. The theater scene rivals the world's best, and troupes, dance companies, symphony orchestras and music venues abound. Chicago is also home to the upcoming Obama Presidential Center, which broke ground in September 2021.



DEMOGRAPHICS



188,993

Total Population
Within 5 miles



49.9%



50.1%



\$98,479

Average Household Income
Within 5 miles



108,631

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	10,809	78,990	191,477
2021 Estimate			
Total Population	10,762	78,522	188,993
2010 Census			
Total Population	10,724	77,623	184,635
2000 Census			
Total Population	8,801	51,405	118,468
Daytime Population			
2021 Estimate	7,844	66,381	173,766
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	3,611	27,347	64,931
2021 Estimate			
Total Households	3,574	27,002	63,750
Average (Mean) Household Size	3.0	2.9	2.9
2010 Census			
Total Households	3,553	26,716	62,343
2000 Census			
Total Households	2,916	18,240	42,301

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	3.6%	5.1%	5.4%
\$150,000-\$199,999	12.4%	10.6%	9.9%
\$100,000-\$149,999	28.1%	25.9%	23.6%
\$75,000-\$99,999	18.4%	16.9%	16.1%
\$50,000-\$74,999	15.4%	16.1%	17.3%
\$35,000-\$49,999	10.4%	10.0%	10.5%
\$25,000-\$34,999	4.8%	5.6%	6.3%
\$15,000-\$24,999	4.2%	5.7%	6.1%
Under \$15,000	2.7%	4.2%	4.9%
Average Household Income	\$102,162	\$100,595	\$98,479
Median Household Income	\$92,290	\$87,664	\$82,399
Per Capita Income	\$33,943	\$34,611	\$33,630
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2021 Estimate Total Population	10,762	78,522	188,993
Under 20	27.4%	27.1%	27.5%
20 to 34 Years	19.6%	18.9%	20.0%
35 to 39 Years	7.1%	7.2%	7.6%
40 to 49 Years	14.9%	14.5%	14.3%
50 to 64 Years	20.3%	18.8%	17.3%
Age 65+	10.7%	13.6%	13.4%
Median Age	37.2	37.8	36.7
Population 25+ by Education Level			
2021 Estimate Population Age 25+	7,107	52,274	124,400
Elementary (0-8)	2.9%	3.2%	4.1%
Some High School (9-11)	5.5%	5.4%	6.4%
High School Graduate (12)	30.8%	29.6%	29.6%
Some College (13-15)	25.8%	25.2%	24.3%
Associate Degree Only	10.4%	9.5%	8.9%
Bachelor's Degree Only	17.9%	18.5%	18.2%
Graduate Degree	6.7%	8.5%	8.5%
Travel Time to Work			
Average Travel Time to Work in Minutes	36.0	36.0	35.0

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