

Marcus & Millichap  
TAG INDUSTRIAL GROUP

1115 TURRET DRIVE

MACHESNEY PARK, IL 61115



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TAG INDUSTRIAL GROUP

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# 1115 TURRET DRIVE

## MACHESNEY PARK, IL 61115

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**Marcus & Millichap**  
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Market Analysis • Demographic Analysis

Marcus & Millichap

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

## SECTION 1

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### INVESTMENT OVERVIEW

Marcus & Millichap

## OFFERING SUMMARY

- 18,500 Square Feet of Industrial Space Situated on 2.34 Acres
  - Features 14' Clear Height and 19 Grade-Level Doors
- Three Well-Maintained Buildings with a Strong Value-Add Opportunity
- Strategically Located with Proximate Access to Highway 251 and I-39 Corridor
- Rapidly Growing Market with 7.5% Rental Growth Year-Over-Year (Costar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1115 Turret Drive in Machesney Park, Illinois. The subject property consists of approximately 18,500 square feet of warehouse space and is situated on 2.34 acres of land. The three-building asset features a clear height of 14', four units, and 19 grade-level doors. With below market rents, the fully occupied asset offers investors a value-add opportunity. Due to staggered leases, the future landlord will be able to maintain steady cashflow while raising rents up to market rate. Strategically located in the Interstate 39 Corridor/Winnebago County submarket, the property has proximate access to Illinois Route 251.

The Interstate 39 Corridor/Winnebago County submarket contains a sizeable 35.3 million square feet of industrial space. While the vacancy rate finished the third quarter of 2022 at 7.6 percent, the rate steadily dropped by 310 basis points during the prior two years. Annual net absorption through Q3 topped 321,000 square feet, which falls in line with the five-year annual average. Despite the available supply, market rent growth hit a new annual record high of 7.5 percent during Q3. Market rents now average \$4.90 per square foot in the submarket, offering tenants a significant 43 percent discount compared to the adjacent Chicago market. The 90,000 square feet of industrial space currently underway in the submarket represents only a fraction of the inventory. As a result, vacancies and rent growth will be unimpeded by new supply for the foreseeable future (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

1115 TURRET DRIVE,  
MACHESNEY PARK, IL 61115

Number of Suites	17
Number of Buildings	3
Total Square Feet	18,500
Warehouse Square Feet	15,500
Office Square Feet	3,000
Office Ratio	16%
Year Built	1998
Lot Size	2.34 Acres
Type of Ownership	Fee Simple
Clear Height	14'
Parking Spaces	25
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi
Grade Level Doors	19
Construction	Metal
Type of Lighting	Fluorescent
Zoning	Light Industrial
Roof Type	Metal
Age/Condition of Roofs	Good Condition
HVAC Units	4 Units
Age/Condition of HVAC	Good Condition
Market	Chicago
Submarket	I-39 Corridor/Winnebago County
Market Vacancy	7.60%



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## 1115 TURRET DRIVE

MACHESNEY PARK, IL 61115

OFFERING PRICE

\$795,000

CAP RATE

6.09%

PRO-FORMA CAP RATE

8.66%

Offering Price	\$795,000
Cap Rate	6.09%
Pro-Forma Cap Rate	8.66%
Price/SF	\$42.97
Total Square Feet	18,500
Rental Rate	Vary
Lease Type	Modified Gross
Lease Term	Vary
Tenancy	Multi
Occupancy	100.00%

## FINANCING

Loan Amount	\$516,750
Loan Type	New
LTV	70%
Interest Rate	6%
Term	5-Year
Amortization	25 Years

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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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	Lease Type	Renewal Options and Option Year Rental Information
Hals Plumbing LLC	1115 #1	9,000	48.6%	COE	4/30/23	\$4.00	\$3,000	\$36,000	\$54,000	Modified Gross	-
Fielder Solutions	1115 #2	3,000	16.2%	6/1/22	5/31/25	\$6.00	\$1,500	\$18,000	\$18,000	Modified Gross	One (3) Year Option
McCormack Cabinet Refinishing	1117	3,000	16.2%	1/1/22	12/31/26	\$6.00	\$1,500	\$18,000	\$18,000	Modified Gross	One (5) Year Option
Individual Self-Storage	1119	3,500	18.9%	MTM	MTM	\$2.57	\$750	\$9,000	\$16,800	Modified Gross	-
Total		18,500				\$4.38	\$6,750	\$81,000	\$106,800		
Occupied Tenants: 4				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$6,750						Occupied Current Rents: \$6,750		Unoccupied Current Rents: \$0			



## OPERATING STATEMENT

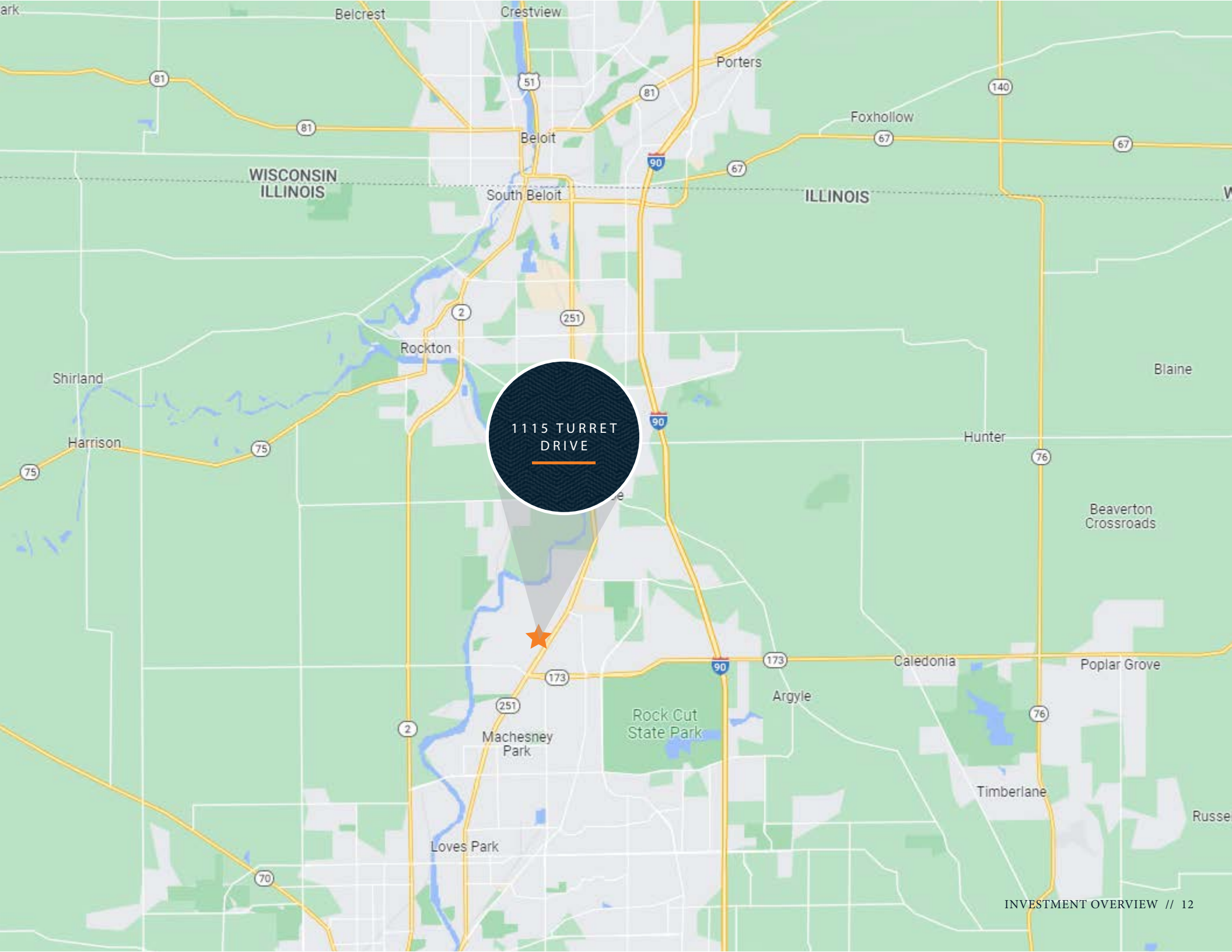
Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	81,000	4.38	106,800	5.77
Expense Reimbursement Income				
Net Lease Reimbursement				
Management Fees	0	0.00	0	0.00
Total Reimbursement Income	\$0 0.0%	\$0.00	\$0 0.0%	\$0.00
Effective Gross Revenue	\$81,000	\$4.38	\$106,800	\$5.77

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Landscaping	7,280	0.39	7,280	0.39
Snow Removal	700	0.04	700	0.04
Insurance	4,602	0.25	4,602	0.25
Real Estate Taxes	17,536	0.95	18,413	1.00
Management Fee	2,430 3.0%	0.13	3,204 3.0%	0.17
Total Expenses	\$32,548	\$1.76	\$34,199	\$1.85
Expenses as % of EGR	40.2%		32.0%	
Net Operating Income	\$48,452	\$2.62	\$72,601	\$3.92

Per the leases the tenants pay for all utilities

\*\*Snow Plow Expense is Estimated\*\*

\*\*Landscaping Expense is Estimated \$140/Week From Ownership\*\*



1115 TURRET  
DRIVE





IMI Precision  
Engineering Rockford

ITW Shakeproof

Micro Matic

Rusco Manufacturing

1115 TURRET  
DRIVE

Dan's Diesel Performance

Stateline Fastpitch  
Academy

Bowl Doctors

Rockford Air  
Services, Inc

Pneumatic Cylinders  
& Couplers







## 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

.....



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## SECTION 2

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### MARKET OVERVIEW

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# CHICAGO

## ILLINOIS

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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

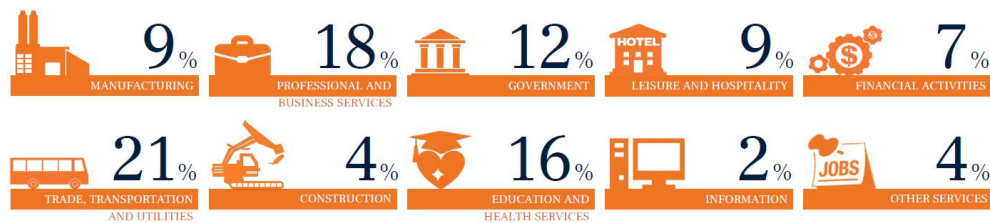


LARGE, DIVERSE  
EMPLOYMENT BASE

## METROPLEX GROWTH

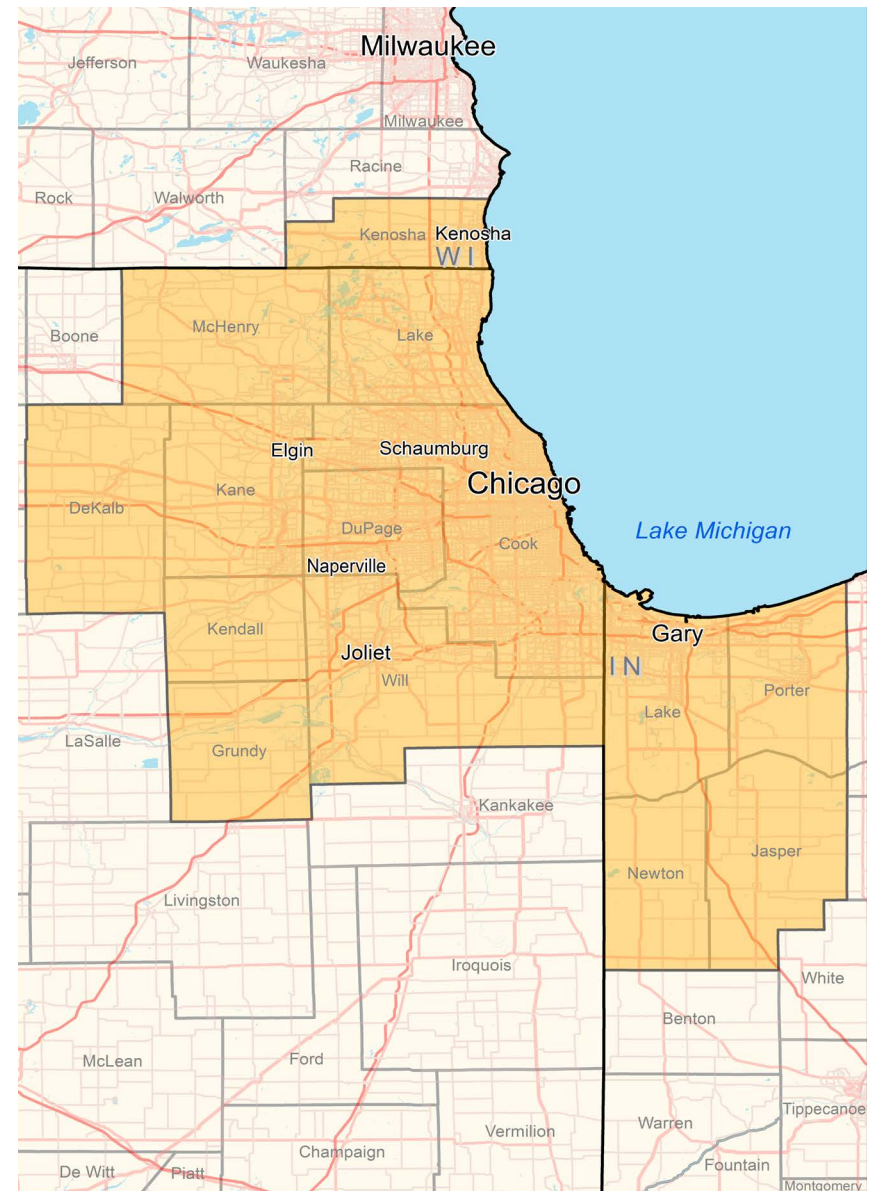
### ECONOMY

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

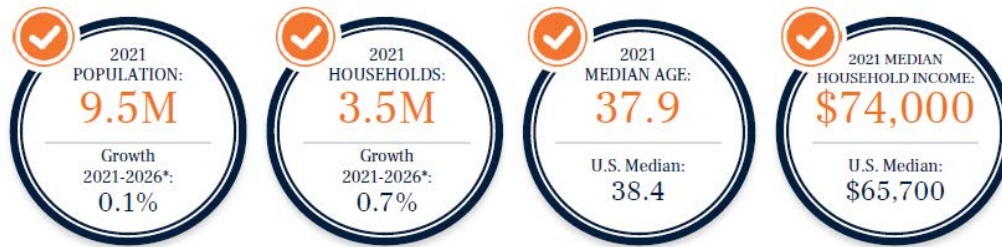
The region's transit network ranks among the largest and most efficient in the world. The vast network of freeways, centralized location, a large rail-truck intermodal facility and the Port of Chicago contribute to the metro's position as a major distribution and logistics hub. Chicago is the nation's 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



73,859

Total Population  
Within 5 miles



\$84,391

Average Household Income  
Within 5 miles



35,411

Employees  
Within 1 mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Population	3,600	31,683	72,785
<b>2021 Estimate</b>			
Total Population	3,673	32,082	73,859
<b>2010 Census</b>			
Total Population	3,865	33,240	76,567
<b>2000 Census</b>			
Total Population	3,713	28,281	66,712
<b>Daytime Population</b>			
2021 Estimate	3,238	26,619	66,018
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Households	1,327	11,769	28,072
<b>2021 Estimate</b>			
Total Households	1,346	11,838	28,275
Average (Mean) Household Size	2.7	2.7	2.6
<b>2010 Census</b>			
Total Households	1,418	12,290	29,469
<b>2000 Census</b>			
Total Households	1,312	10,232	24,856

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2021 Estimate</b>			
\$200,000 or More	2.4%	2.7%	4.0%
\$150,000-\$199,999	4.1%	4.8%	6.0%
\$100,000-\$149,999	22.8%	18.9%	17.6%
\$75,000-\$99,999	17.6%	15.8%	14.7%
\$50,000-\$74,999	24.6%	24.0%	21.4%
\$35,000-\$49,999	11.6%	12.5%	12.3%
\$25,000-\$34,999	7.8%	8.8%	9.0%
\$15,000-\$24,999	5.4%	7.8%	8.3%
Under \$15,000	3.7%	4.8%	6.6%
Average Household Income	\$85,715	\$81,057	\$84,391
Median Household Income	\$71,950	\$66,469	\$65,688
Per Capita Income	\$31,405	\$29,977	\$32,472
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2021 Estimate Total Population	3,673	32,082	73,859
Under 20	23.2%	24.4%	23.5%
20 to 34 Years	15.5%	17.9%	17.6%
35 to 39 Years	5.4%	6.3%	6.0%
40 to 49 Years	12.4%	13.1%	12.6%
50 to 64 Years	23.8%	21.1%	21.2%
Age 65+	19.7%	17.2%	19.2%
Median Age	45.3	41.1	42.5
<b>Population 25+ by Education Level</b>			
2021 Estimate Population Age 25+	2,612	22,402	52,335
Elementary (0-8)	2.0%	2.3%	2.7%
Some High School (9-11)	6.5%	7.4%	6.3%
High School Graduate (12)	35.9%	34.9%	31.5%
Some College (13-15)	28.6%	26.3%	25.0%
Associate Degree Only	10.4%	9.9%	9.9%
Bachelor's Degree Only	10.3%	12.3%	15.6%
Graduate Degree	6.3%	7.0%	9.1%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	23.0	24.0	24.0

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