

Marcus & Millichap
TAG INDUSTRIAL GROUP

300 GEORGE STREET

EAST ALTON, IL 62024

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The background of the page is a photograph of an industrial building. The left side shows the interior of a large, empty warehouse with a high ceiling supported by a grid of dark steel beams. The right side shows the exterior of the building, featuring light-colored corrugated metal siding and a concrete base. A thin orange horizontal line is positioned above the main title.

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SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- The Tenant, SGS, is the Nation's Leading Testing, Inspection, and Certification Company
 - SGS Has 3,350 Employees, with Operations in All 50 States
 - The Tenant Has Been Located in this Property Since 1990
- The Illinois Submarket of Saint Louis is a High Barrier-to-Entry Submarket with a Vacancy of 4.2%, a Decrease of 3.5% Year-Over-Year
 - With the Low Vacancy Rate this Submarket's Rent Has Grown at 10.9% Year-Over-Year
 - Brand New Roof Installed in 2022, and a Fenced in Parking Lot with Gate
 - The Building Sits on 0.43 Acres, Allowing for Expansion

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 300 George Street in East Alton, Illinois, leased to SGS North America, Inc. The subject property consists of approximately 3,700 square feet of flex space and is situated on 0.43 acres of land. The asset features a new roof installed in 2022, a fenced in parking lot with gate access, and ample land, allowing for expansion. Incorporated in the U.S. in 1980, SGS has occupied the property for 32 years. With 3,350 employees operating in all 50 states, SGS is the nation's leading testing, inspection, and certification company.

The subject property is situated within the Illinois submarket, containing a massive 52.1 million square feet of industrial space. Logistics facilities, such as warehouses, dominate the inventory, making up nearly 74 percent, followed by specialized space (including manufacturing space) and flex properties at about 24 percent and 2 percent, respectively. Over the last four quarters, the vacancy rate in the submarket has dropped by 350 basis points to 4.2 percent in the third quarter of 2022. The high barrier-to-entry has helped push market rent growth in the Illinois submarket to a record 10.9 percent annually during Q3. While the submarket has a sizable 2.8 million square feet of industrial space under construction, representing 5.4 percent of inventory, all but 62,000 square feet is concentrated in properties over 100,000 square feet (CoStar). As a result, rent growth and vacancies among smaller properties will not be directly impacted by new supply for the foreseeable future.

The Saint Louis metro is near the geographic center of the United States, within 500 miles of one-third of the U.S. population. About 2.8 million people call the metro area home, with Saint Louis hosting over 319,000 residents. Located at the confluence of the Mississippi and Missouri rivers, the metro area encompasses counties in both Missouri and Illinois. The economy of Saint Louis is anchored by the logistics industry, with trade, transportation, and utilities accounting for the largest share of employment. As Saint Louis continues to be a desirable industrial market for investors, a recent report ranked Saint Louis as the tenth industrial market to watch in 2019. The Gateway Arch continues to serve as a major tourist attraction and residents enjoy a high quality of life with a variety of entertainment options.

PROPERTY DETAILS

300 GEORGE STREET,
EAST ALTON, IL 62024

Number of Suites	1
Number of Buildings	1
Total Square Feet	3,700
Warehouse Square Feet	3,330
Office Square Feet	370
Office Ratio	10%
Year Built	1960
Lot Size	0.43 Acres
Type of Ownership	Fee Simple
Clear Height	14' Clear
Parking Spaces	3
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Construction	Masonry
Power	Yes
Roof Type	TPO
Age/Condition of Roofs	Good Condition, Recently Replaced
Market	St. Louis
Submarket	Illinois
Market Vacancy	4.30%



300 GEORGE STREET

EAST ALTON, IL 62024

OFFERING PRICE

\$490,000

CAP RATE

9.58%

PRO-FORMA CAP RATE

9.78%

Offering Price	\$490,000
Cap Rate	9.58%
Pro-Forma Cap Rate	9.78%
Price/SF	\$132.43
Total Square Feet	3,700
Rental Rate	\$13.37
Lease Type	Modified Gross
Lease Term	4 Years
Rental Increases	2% Annual
Tenancy	Single
Occupancy	100.00%



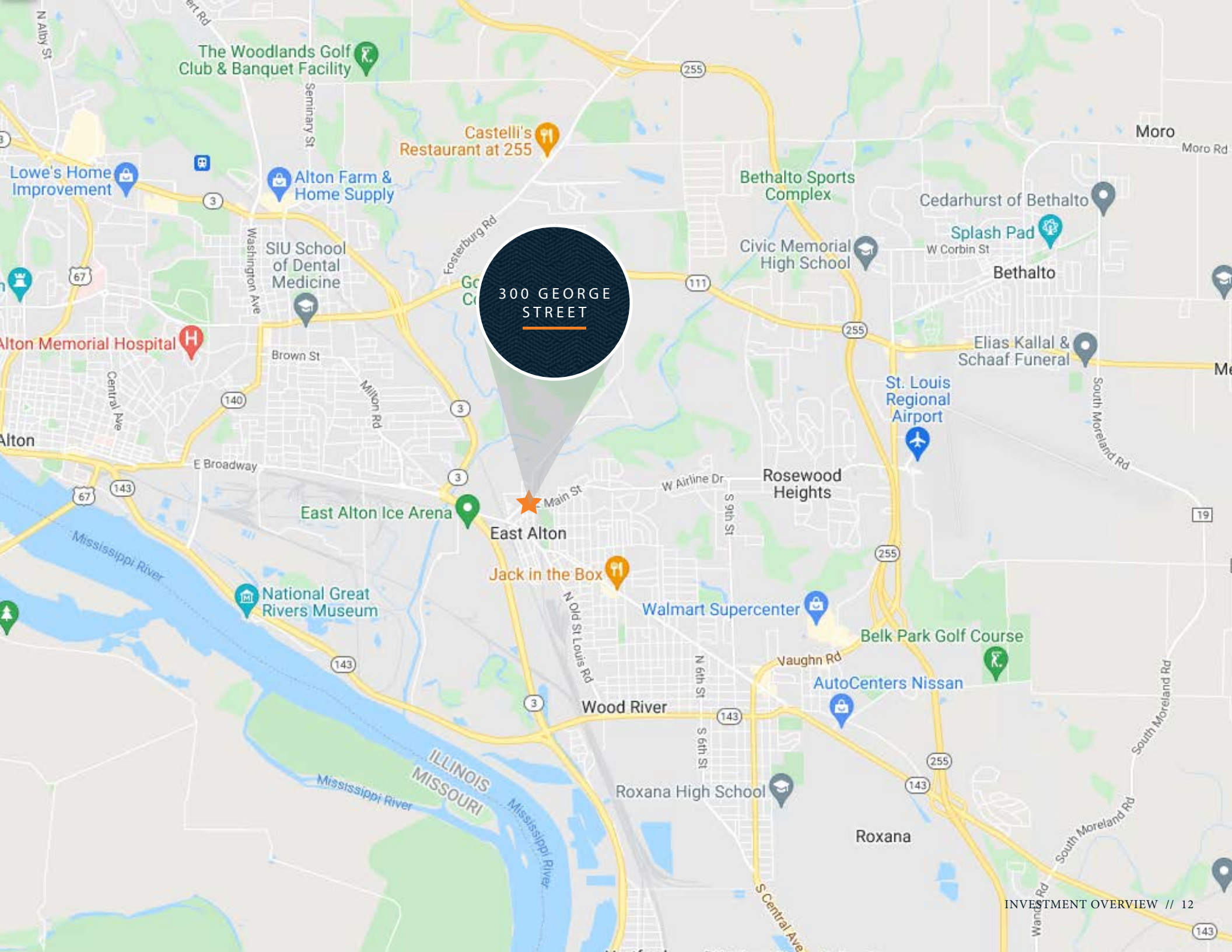
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RENT ROLL

Tenant Name	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.						
SGS Control	3,700	100.0%	8/1/21	7/31/26	\$13.37	\$4,122	\$49,461	\$50,450	Aug-2023	Modified Gross
Total	3,700				\$13.37	\$4,122	\$49,461	\$50,450		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$4,122					Occupied Current Rents: \$4,122		Unoccupied Current Rents: \$0			

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	49,461	13.37	50,450	13.64
Expense Reimbursement Income				
Net Lease Reimbursement				
Real estate Taxes	3,599	0.97	3,599	0.97
Total Reimbursement Income	\$3,599	58.6%	\$3,599	58.6%
Effective Gross Revenue	\$53,060	\$14.34	\$54,049	\$14.61
Operating Expenses				
Insurance	1,101	0.30	1,101	0.30
Real Estate Taxes	5,038	1.36	5,038	1.36
Total Expenses	\$6,139	\$1.66	\$6,139	\$1.66
Expenses as % of EGR	11.6%		11.4%	
Net Operating Income	\$46,921	\$12.68	\$47,910	\$12.95



300 GEORGE STREET

The Woodlands Golf Club & Banquet Facility

Castelli's Restaurant at 255

Lowe's Home Improvement

Alton Farm & Home Supply

SIU School of Dental Medicine

Bethalto Sports Complex

Cedarhurst of Bethalto

Splash Pad

Bethalto

Alton Memorial Hospital

St. Louis Regional Airport

Elias Kallal & Schaaf Funeral

East Alton Ice Arena

East Alton

Rosewood Heights

Jack in the Box

Walmart Supercenter

Belk Park Golf Course

National Great Rivers Museum

AutoCenters Nissan

Wood River

ILLINOIS MISSOURI

Roxana High School

Roxana

300 GEORGE STREET

Sharry M

SGS North America Inc. OGC St. Louis

First Assembly Of God

Olin Building

ATM (Regions Bank)

Regions Mortgage

Regions Bank



TENANT SUMMARY

To enable a better world by helping businesses everywhere to work efficiently, deliver with quality, and trade with integrity and trust.

TENANT

SGS North America, Inc.

HEADQUARTERS

Rutherford, NJ

DATE FOUNDED

1980

2021 REVENUE

\$6.45 Billion

EMPLOYEES

3,350

www.sgs.com/en-us



SGS

SGS North America, Inc. is the nation's leading provider of inspection, testing, verification and certification services. The company serves a variety of industries, including oil and gas, automotive, food, and government, by helping clients reduce risk and improve productivity. Comprised of operations in the United States, Canada, and Mexico, SGS North America is a member of the SGS Group. Founded in 1878, SGS Group ranks as the world's largest certification and inspection company. Collectively, SGS Group is represented by over 96,000 employees globally under 210 affiliated companies. With operations in more than 130 countries, SGS Group occupies about 2,700 offices and laboratories worldwide.

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

Marcus & Millichap

ST. LOUIS MISSOURI

Known for its Gateway Arch, the St. Louis metro is situated near the geographic center of the United States, within 500 miles of one-third of the U.S. population, and it has nearly 2.8 million residents. The metro encompasses the city of St. Louis; the Missouri counties of St. Charles, Jefferson, Franklin, St. Louis, Lincoln, Warren and Washington; and the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. St. Louis is the most populous county, with 1 million people. The city of St. Louis contains just under 300,000 citizens and is the only city in the metro with a population of more than 90,000 residents. In North St. Louis, the U.S. National Geospatial-Intelligence Agency has a major expansion underway. The \$1.7 billion 97-acre campus is set to be completed in 2025.



CENTRAL
LOCATION



EXCELLENT
TRANSPORTATION
SYSTEM



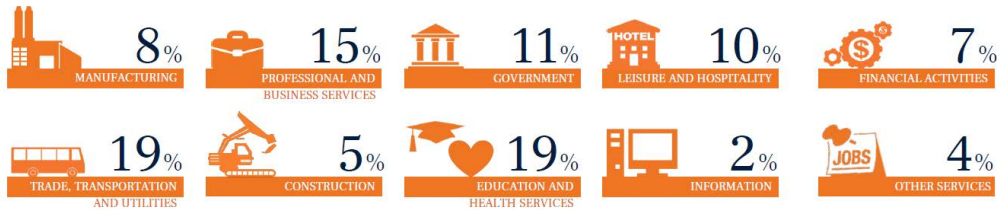
AFFORDABLE COST
OF LIVING



METROPLEX GROWTH

ECONOMY

St. Louis is highly ranked for its logistics infrastructure, bolstered by its central geographic location and easy access to major waterways. It is a significant inland port. The region is emerging as a large financial services center, with two Fortune 500 companies headquartered in the metro: Jones Financial and Reinsurance Group of America. The metro is home to six other Fortune 500 companies: Centene Corp., Emerson Electric, Olin, Ameren, Post Holdings and Graybar Electric. Government entities pursue business development and provide resources for startups, along with incubators, with guidance and inexpensive office and lab space.

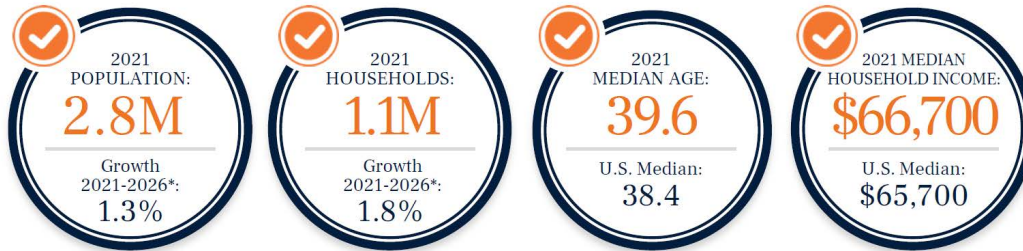


DEMOGRAPHICS

The metro is expected to add more than 36,400 people through 2026, which will result in the formation of approximately 19,800 households. A median home price below the national level has produced a homeownership rate of nearly 69 percent, which is well above the national rate of 64 percent. Roughly 33 percent of people ages 25 and older hold bachelor's degrees; 13 percent have also earned a graduate or professional degree.



METROPLEX GROWTH



The metro boasts numerous public and private golf courses, more than 100 parks, 200 miles of trails and the Gateway Arch. Many of St. Louis' top attractions, including the Saint Louis Zoo, the Saint Louis Art Museum, the Missouri History Museum and the Municipal Opera, are located in Forest Park. The park features golf courses and athletic fields. The area houses the St. Louis Cardinals and the St. Louis Blues. Lake of the Ozarks is nearby, offering destinations for hunting, fishing, camping, hiking and spelunking. There are more than 40 colleges, universities and technical schools in the metro, enrolling around 200,000 students a year. Washington University in St. Louis is highly ranked among U.S. universities.



DEMOGRAPHICS



65,801

Total Population
Within 5 miles



48.4%



51.6%



\$66,892

Average Household Income
Within 5 miles



31,140

Employees
Within 1 mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	6,412	35,712	65,068
2022 Estimate			
Total Population	6,539	36,208	65,801
2010 Census			
Total Population	6,818	37,523	67,838
2000 Census			
Total Population	7,330	40,273	71,683
Daytime Population			
2022 Estimate	7,650	34,452	63,827
HOUSEHOLDS			
2027 Projection			
Total Households	2,724	14,816	27,312
2022 Estimate			
Total Households	2,776	14,987	27,496
Average (Mean) Household Size	2.3	2.4	2.4
2010 Census			
Total Households	2,944	15,664	28,525
2000 Census			
Total Households	3,140	16,725	29,483

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.1%	1.3%	1.9%
\$150,000-\$199,999	1.0%	2.6%	3.8%
\$100,000-\$149,999	8.6%	10.9%	12.7%
\$75,000-\$99,999	11.6%	15.0%	15.0%
\$50,000-\$74,999	16.9%	19.4%	19.6%
\$35,000-\$49,999	14.8%	14.4%	13.1%
\$25,000-\$34,999	11.9%	11.0%	10.1%
\$15,000-\$24,999	14.5%	11.5%	10.4%
Under \$15,000	19.5%	13.8%	13.4%
Average Household Income	\$51,460	\$61,254	\$66,892
Median Household Income	\$40,154	\$49,204	\$53,756
Per Capita Income	\$22,204	\$25,688	\$28,240
POPULATION PROFILE			
Population By Age			
2022 Estimate Total Population	6,539	36,208	65,801
Under 20	24.4%	24.4%	24.6%
20 to 34 Years	20.6%	19.9%	19.1%
35 to 39 Years	6.5%	6.6%	6.6%
40 to 49 Years	11.9%	11.7%	11.6%
50 to 64 Years	18.7%	19.4%	19.6%
Age 65+	17.9%	17.9%	18.4%
Median Age	38.8	39.3	39.7
Population 25+ by Education Level			
2022 Estimate Population Age 25+	4,565	25,326	46,020
Elementary (0-8)	3.9%	2.7%	2.6%
Some High School (9-11)	9.8%	8.7%	7.8%
High School Graduate (12)	38.9%	37.0%	34.9%
Some College (13-15)	26.6%	26.1%	25.9%
Associate Degree Only	10.6%	10.4%	10.9%
Bachelor's Degree Only	8.0%	10.6%	12.2%
Graduate Degree	2.4%	4.5%	5.8%
Travel Time to Work			
Average Travel Time to Work in Minutes	25.0	25.0	26.0

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