

Marcus & Millichap
TAG INDUSTRIAL GROUP

SINGLE-TENANT INDUSTRIAL

655 SUNDOWN ROAD

SOUTH ELGIN, IL 60177

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OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

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SOUTH ELGIN, IL 60177

PRESENTED BY

TIMOTHY SULLIVAN

Associate
Office & Industrial Division
Chicago Office
Office (312) 624-7078
Timothy.Sullivan@MarcusMillichap.com
License: IL 475.200518

TYLER SHARP

Vice President of Investments
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@MarcusMillichap.com
License: IL 475.177869

ADAM ABUSHAGAR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License: TX 661916

BROKER OF RECORD

STEVEN WEINSTOCK

Illinois Broker of Record
One Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181
Tel: 630-570-2200
Steven.Weinstock@marcusmillichap.com
License: IL 471.011175

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Marcus & Millichap

The background of the slide is a dark, blue-tinted 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

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- ± 18,935-Square-Foot Industrial Warehouse Situated on 1.16 Acres
- Features 15'-22' Clear Height, Three Dock-High Doors, and One Grade-Level Door
 - New Roof in April of 2021
- Strategically Located with Proximate Access to I-90 and IL Route 31
- Tight Barrier-to-Entry Market: 3.7% Vacancy and 8.2% Rent Growth (CoStar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 655 Sundown Road in South Elgin, Illinois, leased to Lane Tool & Manufacturing. The subject property consists of approximately 18,935 square feet of warehouse and manufacturing space and is situated on 1.16 acres of land. The single-tenant asset features a clear height of 15' to 22', three dock-high doors, and one grade-level door. Recent renovations include a new TPO roof that was installed in 2021. With proximate access to Interstate 90 via Illinois Route 31, the property is strategically located in the North Kane/Interstate 90 submarket.

North Kane/Interstate 90 is a large submarket containing 45.6 million square feet of industrial space. The submarket is largely anchored by manufacturers, distributors, and wholesalers. Like the overall Chicago market, logistics facilities account for the largest proportion of local supply making up 70 percent, followed by specialized and flex space at 22 percent and 8 percent, respectively. Annual net absorption in North Kane/Interstate 90 clocked in at 1.6 million square feet by the midway point of 2023. Strong demand has kept vacancies low, sitting at just 3.7 percent in Q2 2023. As a result, market rents were up 8.2 percent year-over-year, trending near record highs. With 4.4 million square feet of industrial space under construction (equaled to 9.6 percent of inventory), rent growth is expected to slow as vacancies rise in the second half of 2023. However, 95 percent of the new inventory is concentrated in properties over 100,000 square feet, providing a buffer to small industrial properties (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

SINGLE-TENANT INDUSTRIAL
655 SUNDOWN ROAD, SOUTH ELGIN, IL 60177

Number of Suites	1
Number of Buildings	1
Total Square Feet	± 18,935
Warehouse Square Feet	± 17,135
Office Square Feet	± 1,800
Office Ratio	± 10%
Year Built	1993
Lot Size	1.16 Acres
Type of Ownership	Fee Simple
Clear Height	15'-22'
Parking Spaces	± 30
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Dock High Doors	3
Grade Level Doors	1
Construction	Concrete
Zoning	I-1
Roof Type	TPO
Age/Condition of Roofs	Replaced April of 2021
HVAC Units	3
Market	Chicago
Submarket	North Kane/I-90
Market Vacancy	3.70 %

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SINGLE-TENANT INDUSTRIAL

655 SUNDOWN ROAD, SOUTH ELGIN, IL 60177

OFFERING PRICE

\$1,200,000

CAP RATE

7.26%

PRO FORMA CAP RATE

8.21%

Offering Price	\$1,200,000
Cap Rate	7.26%
Pro Forma Cap Rate	8.21%
Price/SF	\$63.37
Total Square Feet	18,935
Rental Rate	\$719
Lease Type	Modified Gross
Lease Term	4.75 Years
Rental Increases	Varied
Tenancy	Single
Occupancy	100.00%

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RENT ROLL

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual	Total Rent Per Month	Total Rent Per Year	Pro Forma	Changes on	Rent Increase	Lease Type
				Comm.	Exp.	Rent per Sq. Ft.			Rent Per Year			
Lane Tool & Manufacturing	1	18,935	100.0%	4/1/23	3/31/28	\$7.19	\$11,345	\$136,143	\$138,604	Apr-2024	1.81%	Modified Gross
Total		18,935				\$7.19	\$11,345	\$136,143	\$138,604			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$11,345						Occupied Current Rents: \$11,345		Unoccupied Current Rents: \$0				

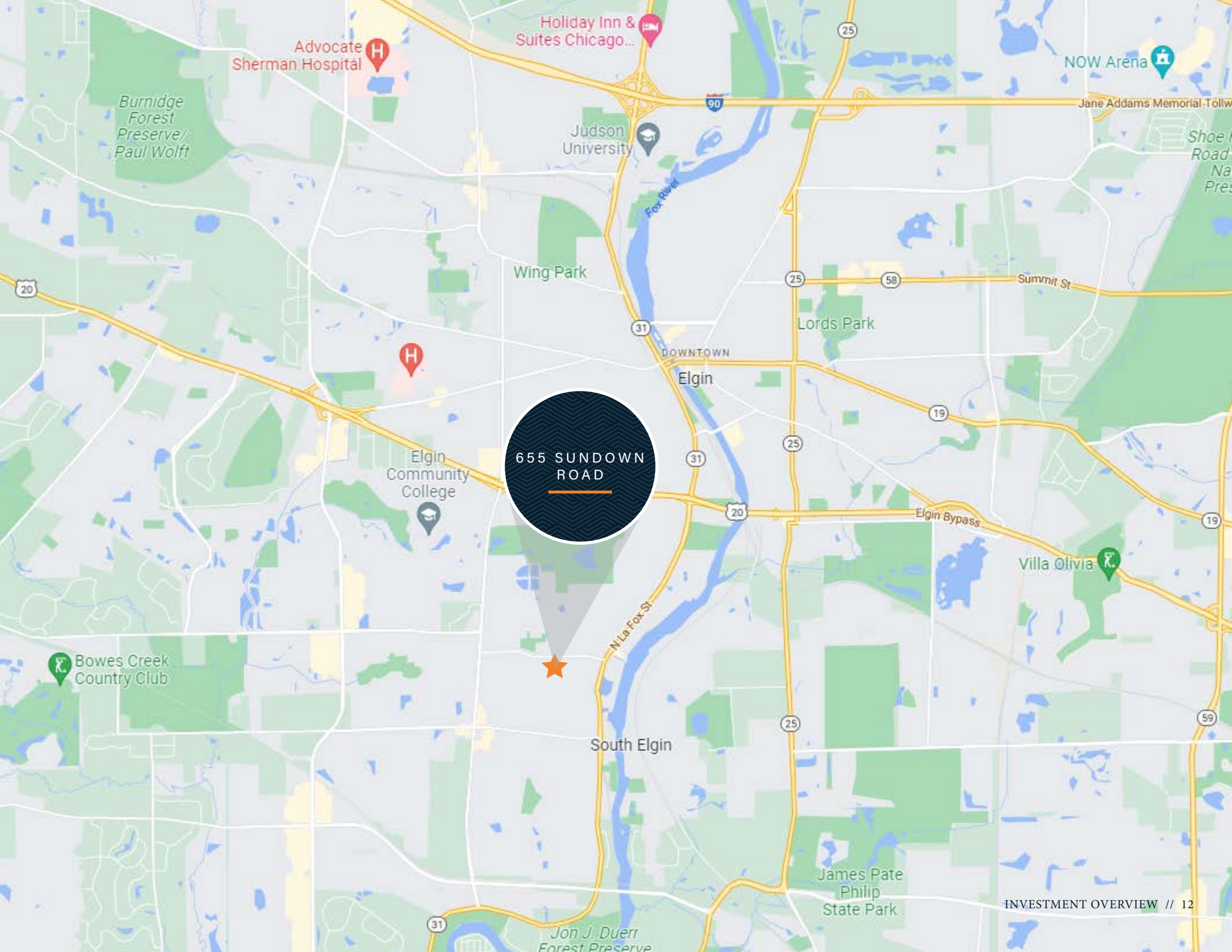
BASE RENT PAYMENTS	
LEASE PERIOD	ANNUAL BASE RENT
April 1, 2023 - March 31, 2024	\$136,142.60
April 1, 2024 - March 31, 2025	\$138,604.20
April 1, 2025 - March 31, 2026	\$141,823.20
April 1, 2026 - March 31, 2027	\$144,852.70
April 1, 2027 - March 31, 2028	\$147,882.40

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	136,143	7.19	138,604	7.32
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	0	0.00	4,869	0.26
Management Fees	0	0.00	4,437	0.23
Total Reimbursement Income	\$0 0.0%	\$0.00	\$9,306 18.8%	\$0.49
Effective Gross Revenue	\$136,143	\$7.19	\$147,911	\$7.81

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	4,869	0.26	4,869	0.26
Real Estate Taxes	40,068	2.12	40,068	2.12
Management Fee	4,084 3.0%	0.22	4,437 3.0%	0.23
Total Expenses	\$49,021	\$2.59	\$49,374	\$2.61
Expenses as % of EGR	36.0%		33.4%	
Net Operating Income	\$87,122	\$4.60	\$98,536	\$5.20

BASIC TERMS	Section	
Tenant's Proportionate Share	1.1	100% of all operating expenses, other than taxes
Operating Expenses	3.1	Definitional Term Relating to Additional Rent. For purposes of this Section and other relevant provisions of the Lease:
	3.1.1	Operating Expenses: The term "Operating Expenses" shall mean all costs and expenses paid or incurred by Landlord with respect to, or in connection with, the ownership, repair, restoration, maintenance and operation of the Property. Operating Expenses may include, but are not limited to, any or all of the following: (i) services provided directly by employees of Landlord in connection with the operation, maintenance or rendition of other services to or for the Property; (ii) to the extent not separately metered, billed, or furnished, all charges for utilities and services furnished to either or both of the Property and the Premises, together with any taxes on such utilities; (iii) all market-based premiums for commercial property, casualty, general liability, boiler, flood, earthquake, terrorism and all other types of insurance provided by Landlord and relating to the Property; all reasonable administrative costs incurred in connection with the procurement and implementation of such insurance policies; and all deductibles required to be paid by Landlord pursuant to insurance policies required to be maintained by Landlord under this Lease; (iv) any capital improvements made by, or on behalf of, Landlord to the Property that are either or both (a) designed to reduce Operating Expenses and (b) required to keep the Property in compliance with all governmental laws, rules and regulations applicable thereto, from time to time, the cost of which capital improvements shall be reasonably amortized by Landlord over the useful life of the improvement, in accordance with generally accepted accounting principals; (v) all professional fees incurred in connection with the operation, management and maintenance of the Property; and (vi) all costs and expenses incurred to maintain, repair and replace all or any of the Common Areas.



Advocate
Sherman Hospital

Holiday Inn &
Suites Chicago...

NOW Arena

Jane Addams Memorial Tollw

Shoe Road
Na Pres

Burnidge
Forest
Preserve/
Paul Wolf

Judson
University

Fox River

Wing Park

Lords Park

Summit St

20

31

25

58

DOWNTOWN

Elgin

19

655 SUNDOWN
ROAD

31

25

Elgin
Community
College

Elgin Bypass

Villa Olivia

Bowes Creek
Country Club

South Elgin

25

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James Pate
Philip
State Park

Jon J. Duerr
Forest Preserve

31



655 SUNDOWN
ROAD



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 2,143 debt
and equity
financings in 2022



National platform operating
within the firm's
brokerage offices



\$12.8 billion total
national volume
in 2022



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

The background of the slide is a dark, blue-tinted photograph of an industrial interior. It shows a large, multi-level structure with a complex network of steel beams and pipes. Several large, white, dome-shaped pendant lights are suspended from the ceiling. In the lower-left corner, a large, white industrial door with a grid of small rectangular windows is visible. The overall atmosphere is industrial and modern.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

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 and was exemplified between 2020-2021. Since then, movement back into downtown Chicago is gaining headway as employers increasingly push for hybrid work schedules, while progress-ing tourism levels



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-technology sectors. Fortune 500 companies headquartered in the metro include Walgreens, Abbott Laboratories, 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 nearly 500,000 jobs in the leisure and hospitality sector. Although suppressed during the pandemic, visitations and employment are improving. Large tech firms operating in the metro, such as Amazon and Google, attract a wide array of startup companies. Backed by some of the nation's more well-regarded universities, the workforce is considered one of the most diverse and well trained among major United States metros.



9%
MANUFACTURING



18%
PROFESSIONAL AND
BUSINESS SERVICES



11%
GOVERNMENT



9%
LEISURE AND HOSPITALITY



7%
FINANCIAL
ACTIVITIES



20%
TRADE, TRANSPORTATION,
AND UTILITIES



4%
CONSTRUCTION



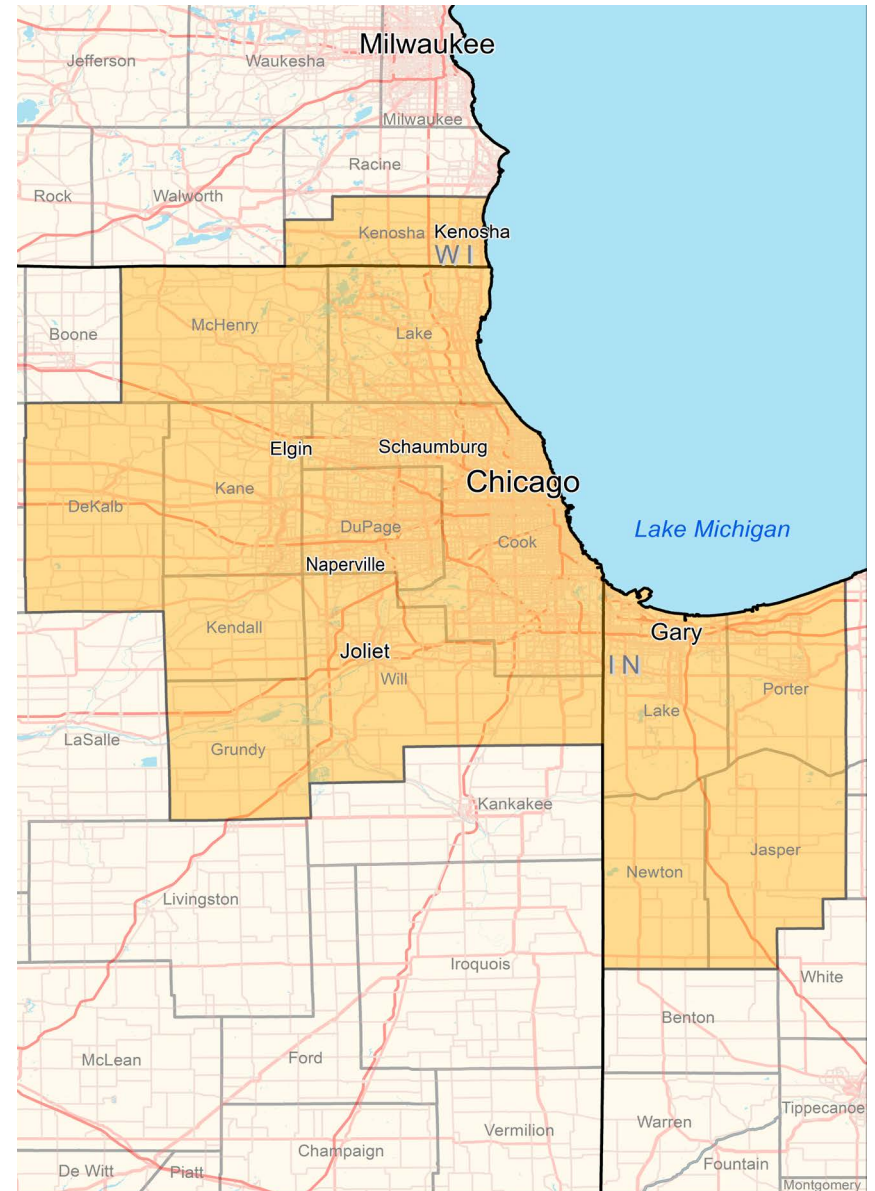
16%
EDUCATION AND
HEALTH SERVICES



2%
INFORMATION



4%
OTHER SERVICES



METROPLEX GROWTH

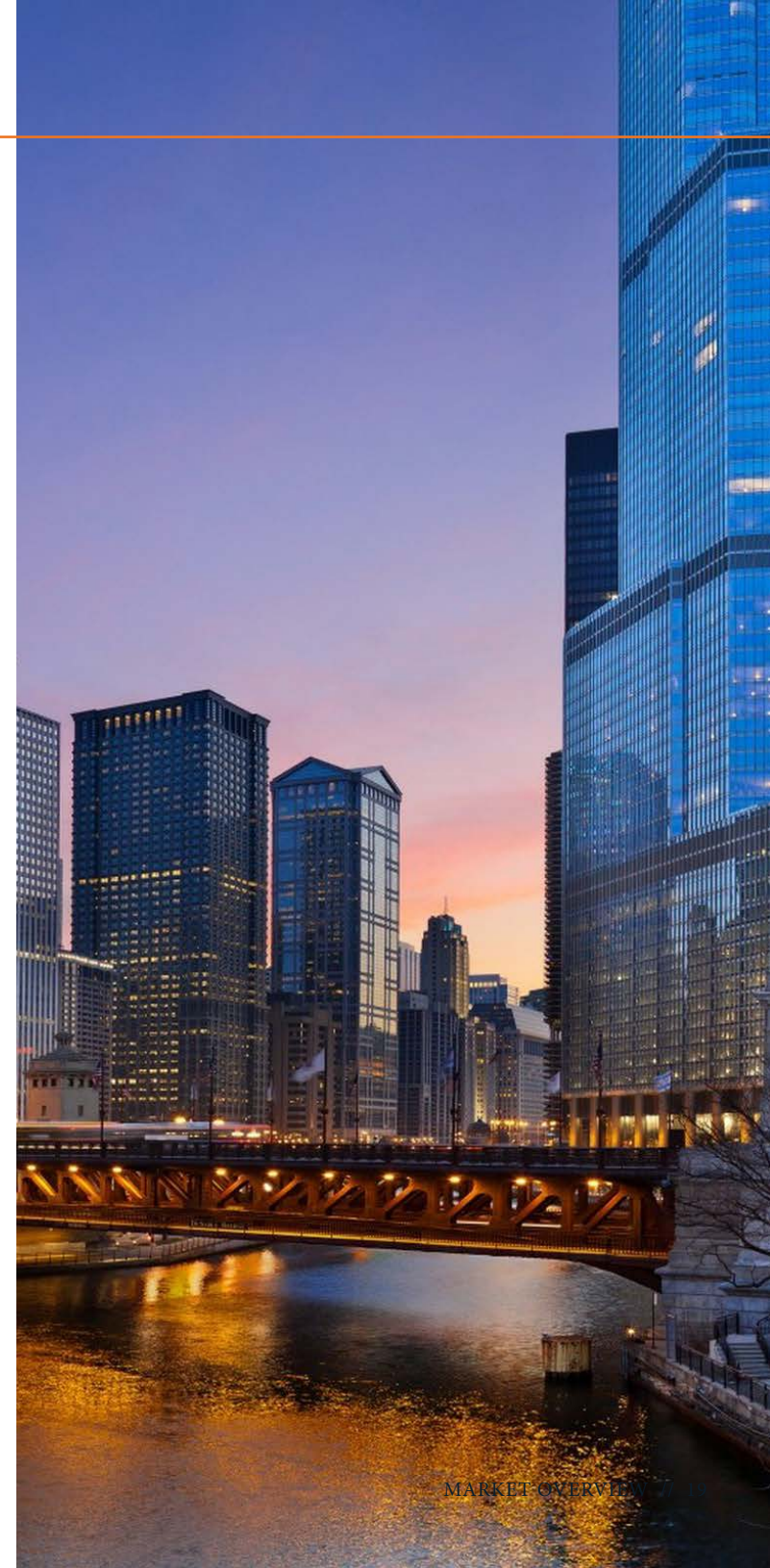
TRANSPORTATION

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.



QUALITY OF LIFE

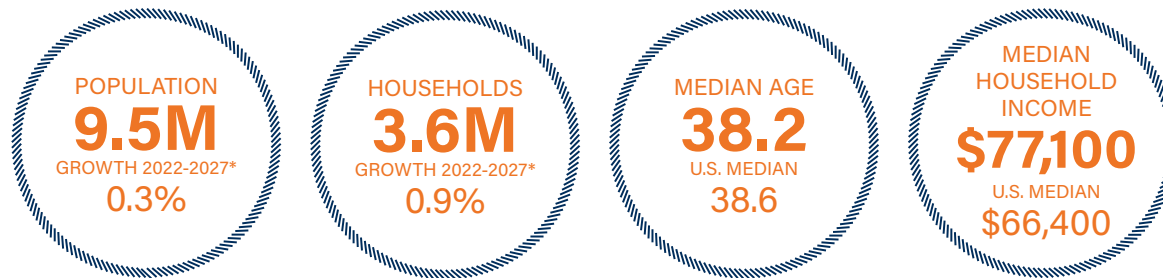
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, din-ing, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its lower housing costs. The medi-an 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, sym-phony orchestras and music venues abound. Chicago is also home to the upcoming Obama Presidential Center, which broke ground in September 2021.



METROPLEX GROWTH

DEMOGRAPHICS

Chicago is the second-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. More than 40 percent of residents ages 25 and older hold a bachelor's degree, and of these, roughly 15 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 slightly 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 home-ownership at 61 percent is slightly below the national rate.



DEMOGRAPHICS



166,112

Total Population
Within 5 miles



49.8%



50.2%



\$109,581

Average Household Income
Within 5 miles



88,172

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Population	9,850	83,194	168,631
2021 Estimate			
Total Population	9,542	81,893	166,112
2010 Census			
Total Population	9,065	79,459	162,015
2000 Census			
Total Population	7,818	68,163	134,258
Daytime Population			
2021 Estimate	10,168	75,220	151,422
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2026 Projection			
Total Households	3,630	27,286	56,185
2021 Estimate			
Total Households	3,498	26,693	55,138
Average (Mean) Household Size	2.8	3.0	3.0
2010 Census			
Total Households	3,284	25,658	53,435
2000 Census			
Total Households	2,811	22,480	45,118

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2021 Estimate			
\$200,000 or More	5.5%	6.3%	8.9%
\$150,000-\$199,999	7.5%	7.4%	8.7%
\$100,000-\$149,999	23.1%	20.6%	21.0%
\$75,000-\$99,999	21.2%	16.6%	16.0%
\$50,000-\$74,999	19.1%	18.1%	16.8%
\$35,000-\$49,999	7.4%	10.1%	9.9%
\$25,000-\$34,999	4.8%	7.1%	6.6%
\$15,000-\$24,999	5.0%	6.2%	5.6%
Under \$15,000	6.3%	7.6%	6.4%
Average Household Income	\$101,156	\$97,964	\$109,581
Median Household Income	\$83,509	\$76,352	\$82,022
Per Capita Income	\$37,252	\$32,144	\$36,505
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2021 Estimate Total Population	9,542	81,893	166,112
Under 20	26.9%	29.0%	27.9%
20 to 34 Years	18.1%	19.7%	19.1%
35 to 39 Years	7.9%	7.4%	7.2%
40 to 49 Years	15.7%	14.6%	14.2%
50 to 64 Years	18.6%	17.9%	19.0%
Age 65+	12.8%	11.3%	12.8%
Median Age	38.2	35.9	37.2
Population 25+ by Education Level			
2021 Estimate Population Age 25+	6,457	52,793	109,400
Elementary (0-8)	3.5%	8.8%	8.0%
Some High School (9-11)	7.9%	9.1%	7.3%
High School Graduate (12)	26.3%	25.6%	24.3%
Some College (13-15)	26.9%	22.2%	21.7%
Associate Degree Only	9.4%	8.0%	7.9%
Bachelor's Degree Only	18.1%	17.6%	20.4%
Graduate Degree	8.0%	8.6%	10.5%
Travel Time to Work			
Average Travel Time to Work in Minutes	34.0	32.0	33.0

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TIMOTHY SULLIVAN

Associate
Office & Industrial Division
Chicago Office
Office (312) 624-7078
Timothy.Sullivan@MarcusMillichap.com
License: IL 475.200518

TYLER SHARP

Vice President of Investments
Office & Industrial Division
Chicago Office
Office (312) 327-5446
Tyler.Sharp@MarcusMillichap.com
License: IL 475.177869

ADAM ABUSHAGAR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagar@MarcusMillichap.com
License: TX 661916

BROKER OF RECORD

STEVEN WEINSTOCK

Illinois Broker of Record
One Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181
Tel: 630-570-2200
Steven.Weinstock@marcusmillichap.com
License: IL 471.011175

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