

Marcus & Millichap
TAG INDUSTRIAL GROUP

MULTI-TENANT FLEX INDUSTRIAL
9950 NORTH ALPINE ROAD

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-tinted photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The perspective is looking upwards, emphasizing the height and complexity of the facility.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- ± 17,961-Square-Foot Flex Industrial Building Situated on 2.60 Acres
 - Features 12'6" Clear Height and Two Grade-Level Doors
- Offering Triple-Net Leases with Minimized Landlord Responsibilities and Expenses
- Strategically Located with Proximate Access to Interstate 90 and Greater Rockford Airport
 - Rapidly Growing Market with 5.7% Rent Growth (Costar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 9950 North Alpine Road in Machesney Park, Illinois. The subject property consists of approximately 17,961 square feet of flex space and is situated on 2.6 acres of land. The multi-tenant asset features 14,369 square feet of office space, five suites, two grade-level doors, and a clear height of 12'6". Tenants also benefit from a brand-new HVAC system that was replaced just over a year ago, as well as ample parking with 66 surface spaces available. The triple-net leases in place offer investors a cash-flowing investment opportunity with minimal landlord responsibilities. With direct access to Illinois Route 173, and within close proximity to Interstate 90, the subject property sits about 14 miles north of the Chicago Rockford International Airport.

The subject property is positioned within the Interstate 39/Winnebago County submarket, containing a sizeable 37.5 million square feet of industrial space. During the third quarter of 2023, the vacancy rate rose slightly to 7.1 percent. While relatively high, the vacancy rate was still down from 9.2 percent at the start of 2021. At 5.7 percent, the submarket's annual rent growth remains robust in Q3. Although net absorption is negative in 2023, the lack of deliveries and construction starts should keep the vacancy rate in check. With only 230,000 square feet of industrial space under construction, representing less than 1.0 percent of inventory, vacancies and rent growth will be unaffected 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

MULTI-TENANT FLEX INDUSTRIAL

9950 NORTH ALPINE ROAD, MACHESNEY PARK, IL 61115

| | |
|------------------------|----------------------------------|
| Number of Suites | 5 |
| Number of Buildings | 1 |
| Total Square Feet | 17,961 |
| Warehouse Square Feet | ± 3,592 |
| Office Square Feet | ± 14,369 |
| Office Ratio | ± 80% |
| Year Built | 1997 |
| Lot Size | 2.6 Acres |
| Type of Ownership | Fee Simple |
| Clear Height | 12'6" |
| Parking Spaces | ± 66 |
| Parking Surface | Asphalt |
| Building Class | B |
| Tenancy | Multi |
| Grade Level Doors | 2 |
| Sprinklers | Wet |
| Construction | Masonry |
| Type of Lighting | Fluorescent & LED |
| Zoning | IG |
| Roof Type | EPDM |
| Age/Condition of Roofs | Original |
| HVAC Units | 3 |
| Age/Condition of HVAC | One Year Old |
| Market | Chicago |
| Submarket | I-39 Corridor / Winnebago County |
| Submarket Vacancy | 6.20% |



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MULTI-TENANT FLEX INDUSTRIAL

9950 NORTH ALPINE ROAD, MACHESNEY PARK, IL 61115

OFFERING PRICE
\$1,200,000

CAP RATE
9.38%

PRO FORMA CAP RATE
9.71%

| | |
|--------------------|------------------|
| Offering Price | \$1,200,000 |
| Cap Rate | 9.38% |
| Pro Forma Cap Rate | 9.71% |
| Price/SF | \$66.81 |
| Total Square Feet | 17,961 |
| Rental Rate | Varied |
| Lease Type | Triple-Net (NNN) |
| Lease Term | Varied |
| Rental Increases | Varied |
| Tenancy | Multi |
| 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 | Rent Increase | Lease Type | Renewal Options and Option Year Rental Information |
|--|-------|-------------|--------------|-----------------------|----------|----------------------------------|----------------------|-------------------------------|-------------------------|------------|---------------|------------|--|
| J and J Tumbling, Trampoline, Dance & Swimming LLC | 3100 | 1,570 | 8.7% | 11/23/22 | 2/28/28 | \$7.00 | \$916 | \$10,990 | \$11,320 | Mar-2024 | 3.00% | NNN | One (3) Year Option |
| YES! Staffing LLC | 3101 | 3,845 | 21.4% | 2/1/21 | 1/31/24 | \$4.00 | \$1,282 | \$15,380 | \$15,380 | N/A | N/A | NNN | - |
| TDS Metrocom Inc. | 3102 | 6,020 | 33.5% | 6/1/21 | 5/31/26 | \$8.37 | \$4,199 | \$50,387 | \$51,168 | Jun-2024 | 1.55% | NNN | One (5) Year Option |
| Alternative Wellness Therapies, LLC | 3103 | 5,126 | 28.5% | 6/13/21 | 10/31/26 | \$6.61 | \$2,824 | \$33,883 | \$35,574 | Nov-2024 | 4.99% | NNN | One (3) Year Option |
| Emerald Moon Floral LLC | 3104 | 1,400 | 7.8% | 2/24/23 | 5/31/26 | \$7.00 | \$817 | \$9,800 | \$9,996 | Jun-2024 | 2.00% | NNN | One (3) Year Option |
| Total | | 17,961 | | | | \$6.71 | \$10,037 | \$120,440 | \$123,438 | | | | |
| Occupied Tenants: 5 | | | | Unoccupied Tenants: 0 | | Occupied GLA: 100.00% | | Unoccupied GLA: 0.00% | | | | | |
| Total Current Rents: \$10,037 | | | | | | Occupied Current Rents: \$10,037 | | Unoccupied Current Rents: \$0 | | | | | |

OPERATING STATEMENT

| Income | Current | Per SF | Pro Forma | Per SF |
|------------------------------|-----------|--------|-----------|--------|
| Scheduled Base Rental Income | 120,440 | 6.71 | 123,438 | 6.87 |
| Expense Reimbursement Income | | | | |
| Net Lease Reimbursement | | | | |
| CAM | 22,515 | 1.25 | 23,191 | 1.29 |
| Insurance | 6,480 | 0.36 | 6,674 | 0.37 |
| Real Estate Taxes | 19,772 | 1.10 | 20,760 | 1.16 |
| Total Reimbursement Income | \$48,767 | 86.1% | \$50,625 | 87.9% |
| Effective Gross Revenue | \$169,207 | \$9.42 | \$174,063 | \$9.69 |

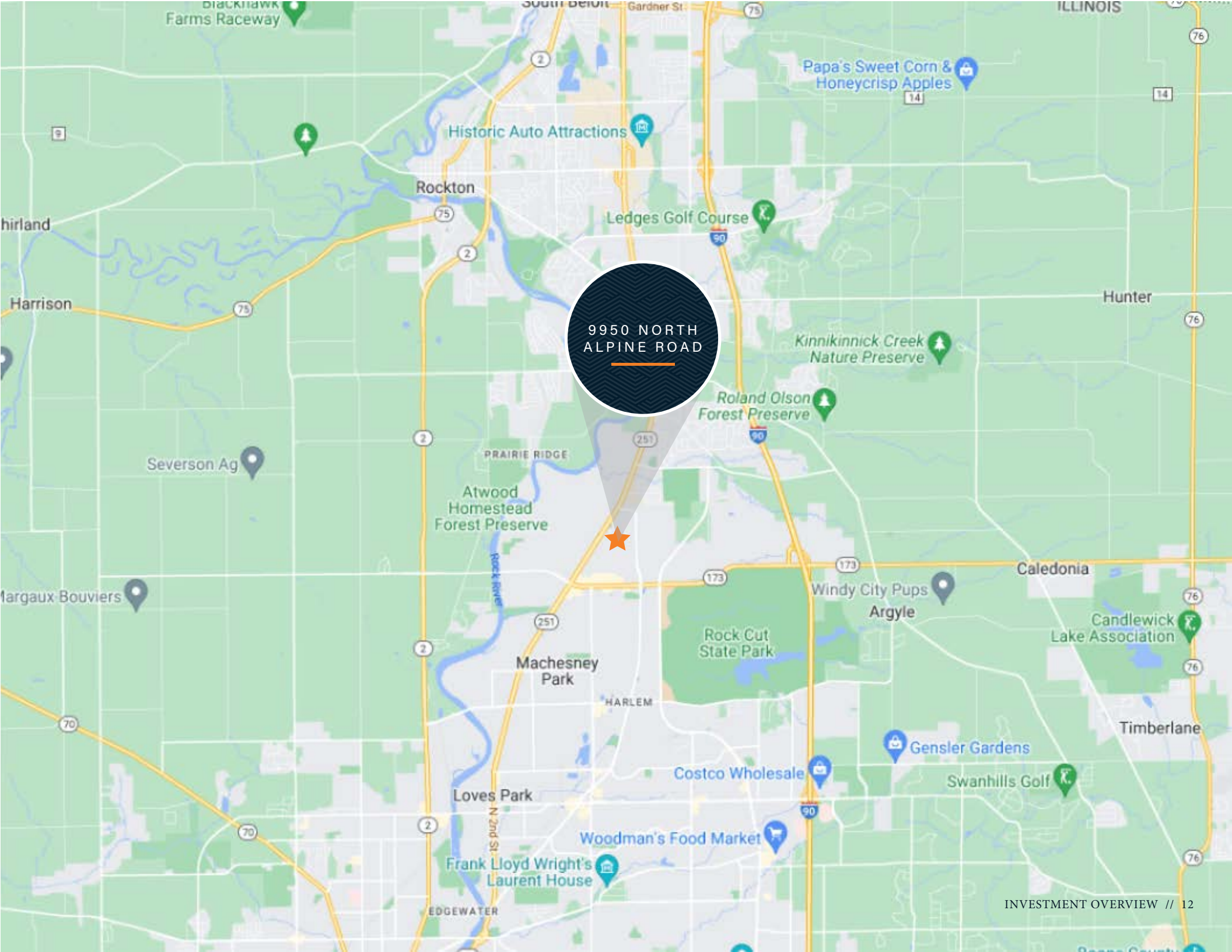
| Operating Expenses | Current | Per SF | Pro Forma | Per SF |
|----------------------|-----------|--------|-----------|--------|
| CAM | 22,515 | 1.25 | 23,191 | 1.29 |
| Insurance | 6,480 | 0.36 | 6,674 | 0.37 |
| Real Estate Taxes | 19,772 | 1.10 | 20,760 | 1.16 |
| Management Fee | 7,903 | 4.7% | 6,951 | 4.0% |
| Total Expenses | \$56,670 | \$3.16 | \$57,576 | \$3.21 |
| Expenses as % of EGR | 33.5% | | 33.1% | |
| Net Operating Income | \$112,537 | \$6.27 | \$116,487 | \$6.49 |

* Current CAM Expense are Sellers Forecasts for 2023

* Per Leases Tenants Pay for All Utilities

* 2022 Operating Costs Reconciliations Including Insurance and Taxes was \$45,798.10

* 2020, 2021, 2022 Operating Statements Can be Provided Upon Request and Signed CA





9950 NORTH
ALPINE 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-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 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



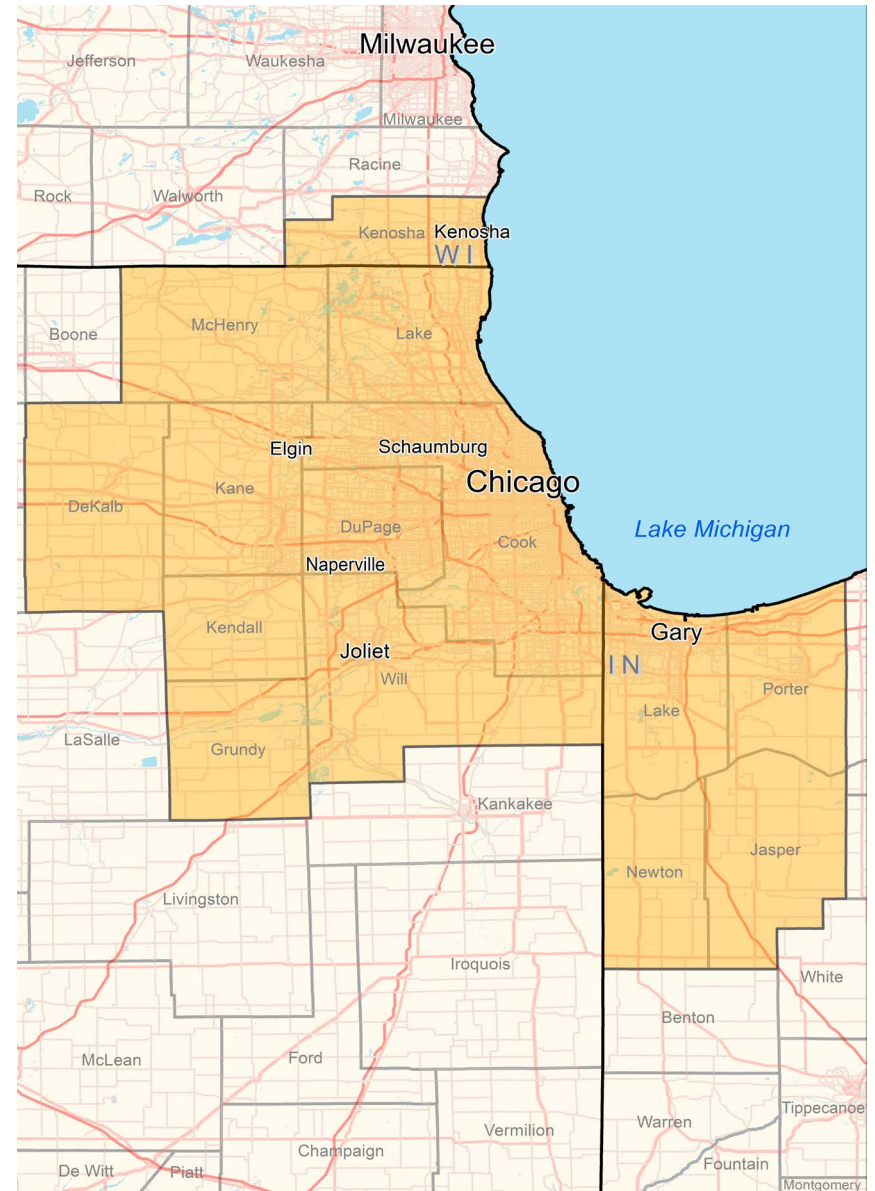
16%
EDUCATION AND
HEALTH SERVICES



2%
INFORMATION



4%
OTHER SERVICES



METROPLEX GROWTH

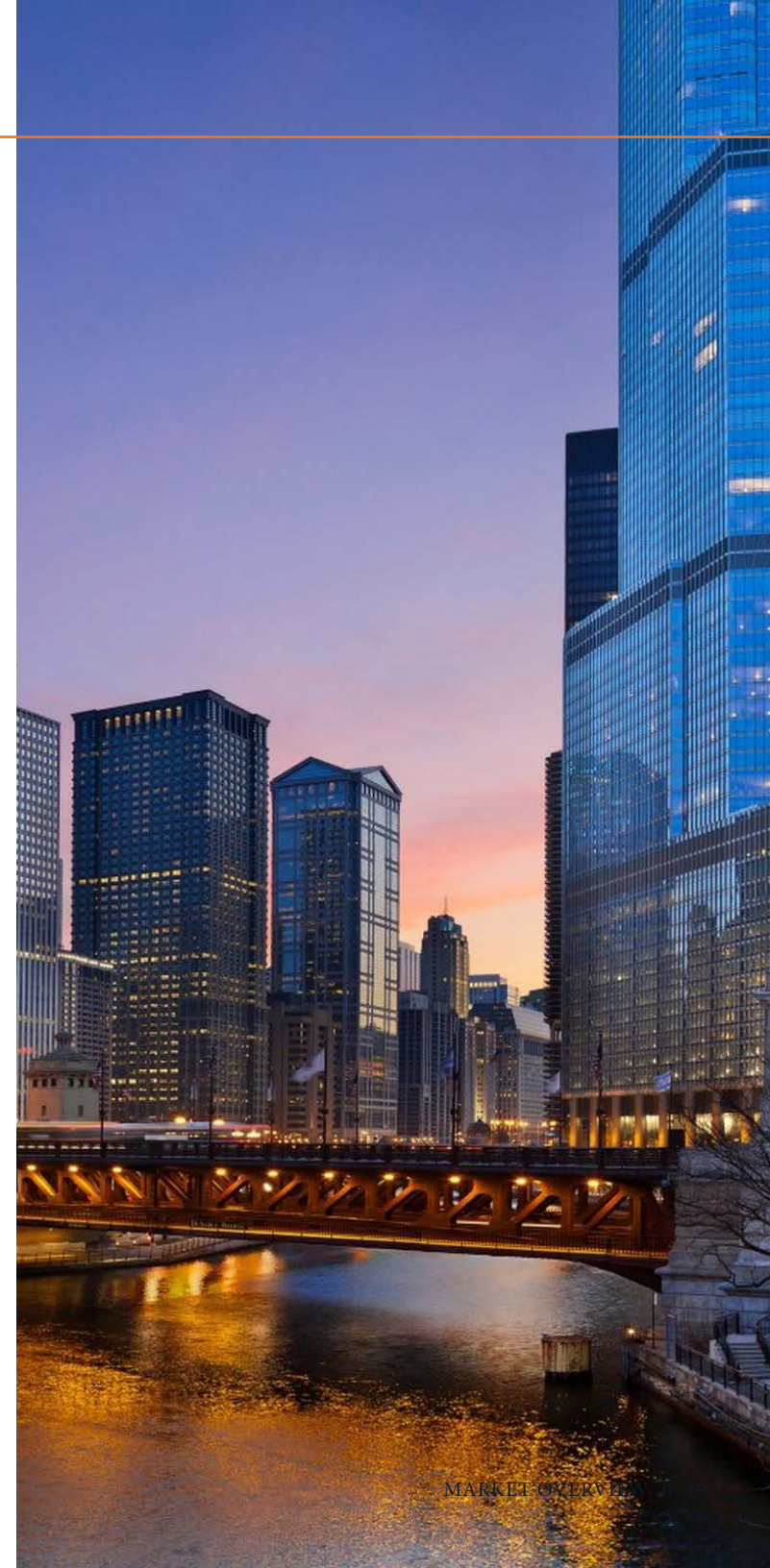
TRANSPORTATION

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

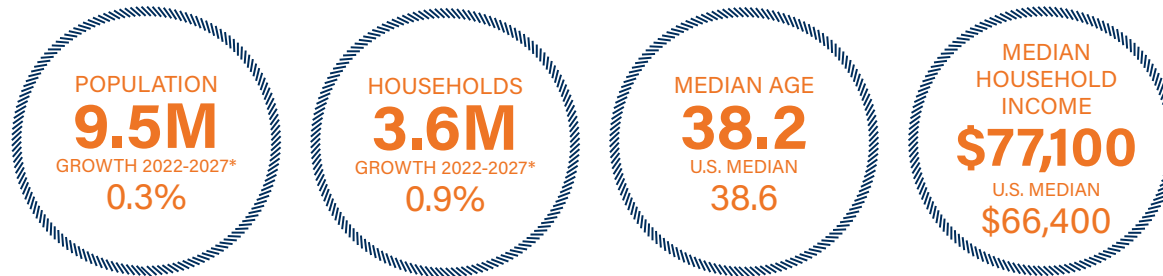
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, din-ing, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its 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



73,381

Total Population
Within 5 miles



48.9%



51.1%



\$91,828

Average Household Income
Within 5 miles



36,461

Employees
Within 1 Mile

DEMOGRAPHICS

| POPULATION | 1 Mile | 3 Miles | 5 Miles |
|-------------------------------|--------|---------|---------|
| 2027 Projection | | | |
| Total Population | 3,436 | 30,779 | 72,595 |
| 2022 Estimate | | | |
| Total Population | 3,475 | 30,994 | 73,381 |
| 2010 Census | | | |
| Total Population | 3,598 | 31,719 | 75,503 |
| 2000 Census | | | |
| Total Population | 2,908 | 26,819 | 65,719 |
| Daytime Population | | | |
| 2022 Estimate | 4,347 | 26,383 | 65,789 |
| HOUSEHOLDS | 1 Mile | 3 Miles | 5 Miles |
| 2027 Projection | | | |
| Total Households | 1,277 | 11,694 | 28,399 |
| 2022 Estimate | | | |
| Total Households | 1,285 | 11,687 | 28,473 |
| Average (Mean) Household Size | 2.6 | 2.6 | 2.5 |
| 2010 Census | | | |
| Total Households | 1,319 | 11,830 | 29,009 |
| 2000 Census | | | |
| Total Households | 1,027 | 9,728 | 24,448 |

| HOUSEHOLDS BY INCOME | 1 Mile | 3 Miles | 5 Miles |
|--|----------|----------|----------|
| 2022 Estimate | | | |
| \$200,000 or More | 2.8% | 3.5% | 4.8% |
| \$150,000-\$199,999 | 5.9% | 6.4% | 7.3% |
| \$100,000-\$149,999 | 27.1% | 21.8% | 19.9% |
| \$75,000-\$99,999 | 16.6% | 16.3% | 15.3% |
| \$50,000-\$74,999 | 22.3% | 22.9% | 20.9% |
| \$35,000-\$49,999 | 9.8% | 11.0% | 11.1% |
| \$25,000-\$34,999 | 8.1% | 7.7% | 7.9% |
| \$15,000-\$24,999 | 4.8% | 6.5% | 7.2% |
| Under \$15,000 | 2.7% | 3.9% | 5.7% |
| Average Household Income | \$92,395 | \$89,000 | \$91,828 |
| Median Household Income | \$78,025 | \$72,845 | \$71,794 |
| Per Capita Income | \$34,180 | \$33,607 | \$35,751 |
| POPULATION PROFILE | 1 Mile | 3 Miles | 5 Miles |
| Population By Age | | | |
| 2022 Estimate Total Population | 3,475 | 30,994 | 73,381 |
| Under 20 | 21.9% | 23.5% | 23.2% |
| 20 to 34 Years | 16.4% | 17.9% | 17.7% |
| 35 to 39 Years | 5.9% | 6.2% | 5.9% |
| 40 to 49 Years | 12.8% | 12.8% | 12.4% |
| 50 to 64 Years | 22.3% | 21.3% | 21.2% |
| Age 65+ | 20.8% | 18.4% | 19.6% |
| Median Age | 44.9 | 42.0 | 42.7 |
| Population 25+ by Education Level | | | |
| 2022 Estimate Population Age 25+ | 2,523 | 21,911 | 52,167 |
| Elementary (0-8) | 2.1% | 2.2% | 2.6% |
| Some High School (9-11) | 7.1% | 6.8% | 6.0% |
| High School Graduate (12) | 35.5% | 34.0% | 31.0% |
| Some College (13-15) | 27.8% | 26.5% | 25.0% |
| Associate Degree Only | 9.9% | 10.3% | 10.1% |
| Bachelor's Degree Only | 11.1% | 13.0% | 16.0% |
| Graduate Degree | 6.5% | 7.2% | 9.3% |
| Travel Time to Work | | | |
| Average Travel Time to Work in Minutes | 23.0 | 24.0 | 24.0 |

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