

Marcus & Millichap
TAG INDUSTRIAL GROUP

HIGH YIELD MULTI-TENANT FLEX INDUSTRIAL

9934 NORTH ALPINE ROAD
MACHESNEY PARK, IL 61115

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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

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- ± 29,503-Square-Foot Flex Industrial Building Situated on 2.72 Acres
 - Features 12'6" Clear Height and Eight Grade-Level Doors
 - Incoming-Producing Stabilized Asset with Staggered Rent Roll
 - Well Below Replacement Cost Per-Square-Foot Offering
- Rapidly Growing Market with 5.7% Rental Growth Year-Over-Year (Costar)

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 9934 North Alpine Road in Machesney Park, Illinois. The subject property consists of approximately ± 29,503 square feet of flex space and is situated on 2.72 acres of land. The multi-tenant asset features 17,703 square feet of office space, seven suites, eight 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 around 100 surface spaces available. At \$61 per square foot, the property is offered well below replacement cost. With direct access to Illinois Route 173, and within close proximity to Interstate 90, the subject property sits about 75 miles west of the O'Hare 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

MERCY HEALTH ANCHORED MULTI-TENANT FLEX INDUSTRIAL 9934 NORTH ALPINE ROAD, MACHESNEY PARK, IL 61115

Number of Suites	7
Number of Buildings	1
Total Square Feet	± 29,503
Warehouse Square Feet	±11,800
Office Square Feet	± 17,703
Office Ratio	± 60%
Year Built	1997
Lot Size	2.72 Acres
Type of Ownership	Fee Simple
Clear Height	12'6"
Parking Spaces	± 100
Parking Surface	Asphalt
Building Class	B
Tenancy	Multi
Grade Level Doors	8
Sprinklers	Wet
Construction	Masonry
Type of Lighting	Fluorescent & LED
Zoning	IG
Roof Type	EPDM
Age/Condition of Roofs	Original
HVAC Units	6
Age/Condition of HVAC	One Year Old
Market	Chicago
Submarket	I-39 Corridor / Winnebago County
Submarket Vacancy	6.70%

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HIGH YIELD MULTI-TENANT INVESTMENT

9934 NORTH ALPINE ROAD, MACHESNEY PARK, IL 61115

OFFERING PRICE
\$1,800,000CAP RATE
10.27%PRO FORMA CAP RATE
10.33%

Offering Price	\$1,800,000
Cap Rate	10.27%
Pro Forma Cap Rate	10.33%
Price/SF	\$61.01
Total Square Feet	± 29,503
Rental Rate	Varied
Lease Type	Varied
Lease Term	Varied
Rental Increases	Varied
Tenancy	Multi
Occupancy	100.00%

DEBT QUOTE

LTV	65%
Interest Rate	6.75%
Term	5 Years
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	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
Candy Cloud LLC	2100	5,000	16.9%	7/21/22	11/30/25	\$7.25	\$3,021	\$36,250	\$36,250	N/A	N/A	NNN	One (3) Year Option
Johnson Controls Inc.	2101	3,500	11.9%	8/15/22	8/28/27	\$9.03	\$2,634	\$31,605	\$32,237	Aug-2024	2.00%	NNN	Two (3) Year Options
Peak Innovations LLC	2104	4,000	13.6%	1/1/23	12/31/24	\$6.50	\$2,167	\$26,000	\$26,000	N/A	N/A	NNN	-
Tri City Auto Service Inc.	2105	2,500	8.5%	6/1/22	5/31/25	\$5.50	\$1,146	\$13,750	\$13,750	N/A	N/A	NNN	-
Blest Art Inc.	2106	3,000	10.2%	1/1/24	1/31/29	\$7.85	\$1,963	\$23,550	\$24,270	Feb-2025	3.06%	NNN	One (5) Year Option
Orput Companies, Inc.	2107	1,400	4.7%	3/1/23	5/31/26	\$5.00	\$583	\$7,000	\$7,000	N/A	N/A	NNN	One (3) Year Option
Mercyhealth Visiting Nurse Association, Inc.	2110	10,103	34.2%	9/1/22	8/31/27	\$7.95	\$6,691	\$80,292	\$81,495	Sep-2024	1.50%	Gross	-
Total		29,503				\$7.40	\$18,204	\$218,447	\$221,002				
Occupied Tenants: 7				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$18,204						Occupied Current Rents: \$18,204		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	218,445	7.40	221,002	7.49
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	18,800	0.64	19,364	0.66
Insurance	4,446	0.15	4,578	0.16
Real estate Taxes	19,501	0.66	19,501	0.66
Total Reimbursement Income	\$42,747	56.0%	\$43,443	55.3%
Effective Gross Revenue	\$261,192	\$8.85	\$264,445	\$8.96

Operating Expenses	Current	Per SF	Pro Forma	Per SF
CAM	28,591	0.97	29,449	1.00
Insurance	6,760	0.23	6,963	0.24
Real Estate Taxes	29,657	1.01	29,657	1.01
Management Fee	11,387	4.4%	12,525	4.7%
Total Expenses	\$76,395	\$2.59	\$78,594	\$2.66
Expenses as % of EGR	29.2%		29.7%	
Net Operating Income	\$184,798	\$6.26	\$185,851	\$6.30

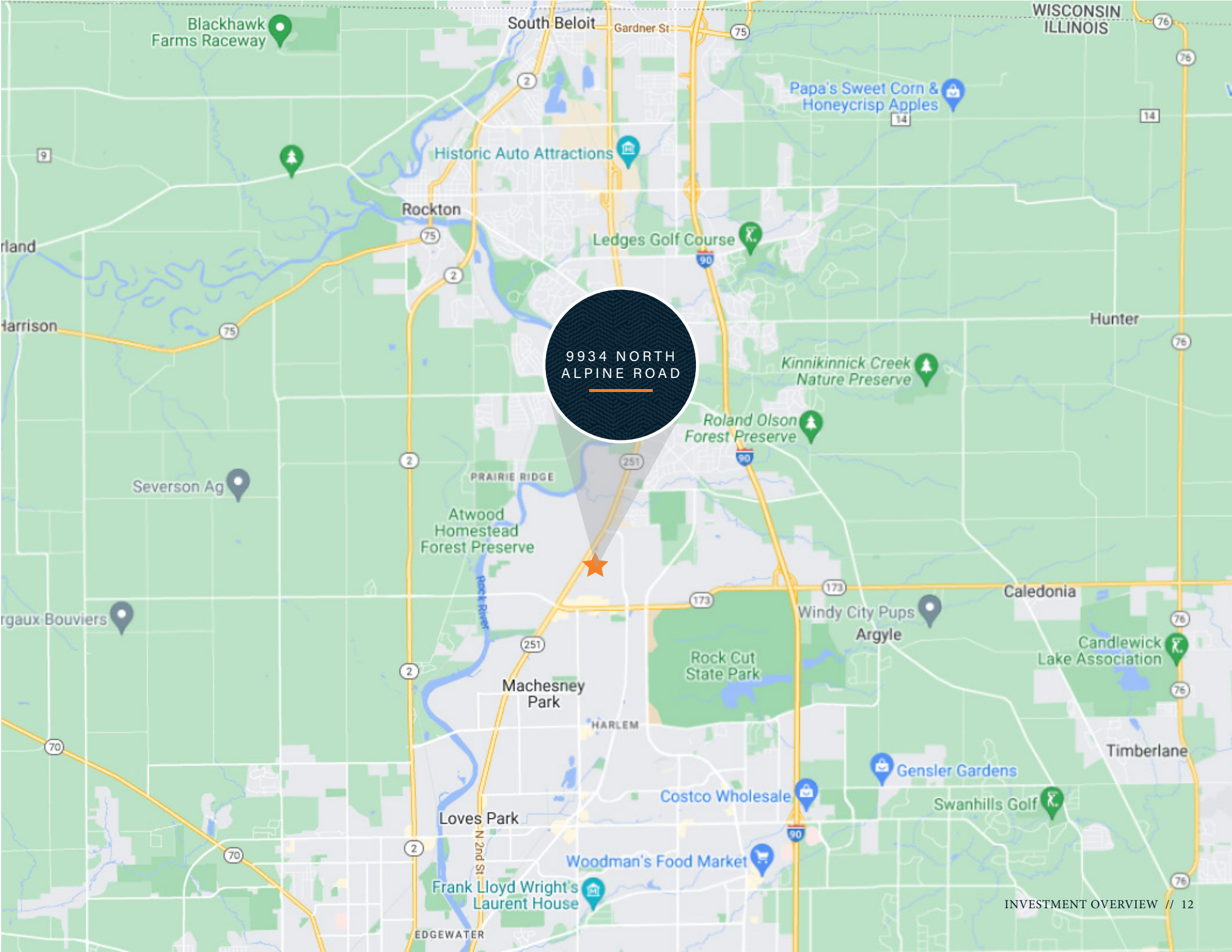
* Current CAM Expense are Sellers Forecasts for 2023

* 2022 Annual CAM Expenses was \$21,612.55

* Per Leases Tenant Pay for Utilities

* 2022 Operating Costs Reconciliation Including Insurance and Taxes was \$59,920.29

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



9934 NORTH
ALPINE ROAD

An aerial photograph of an industrial park. In the center, a large white industrial building with a grey roof is marked with an orange star. To its right is another large white building with a grey roof. To the left of the star-marked building is a smaller white building with a grey roof. Further left is a parking lot with several vehicles. In the background, there are more industrial buildings, a blue water tower, and a residential area with many trees. A road runs horizontally across the middle of the image. A circular callout with a dark background and white text points to the star-marked building.

9934 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.

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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 features a complex network of steel beams, girders, and hanging industrial lights, creating a sense of depth and structure.

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



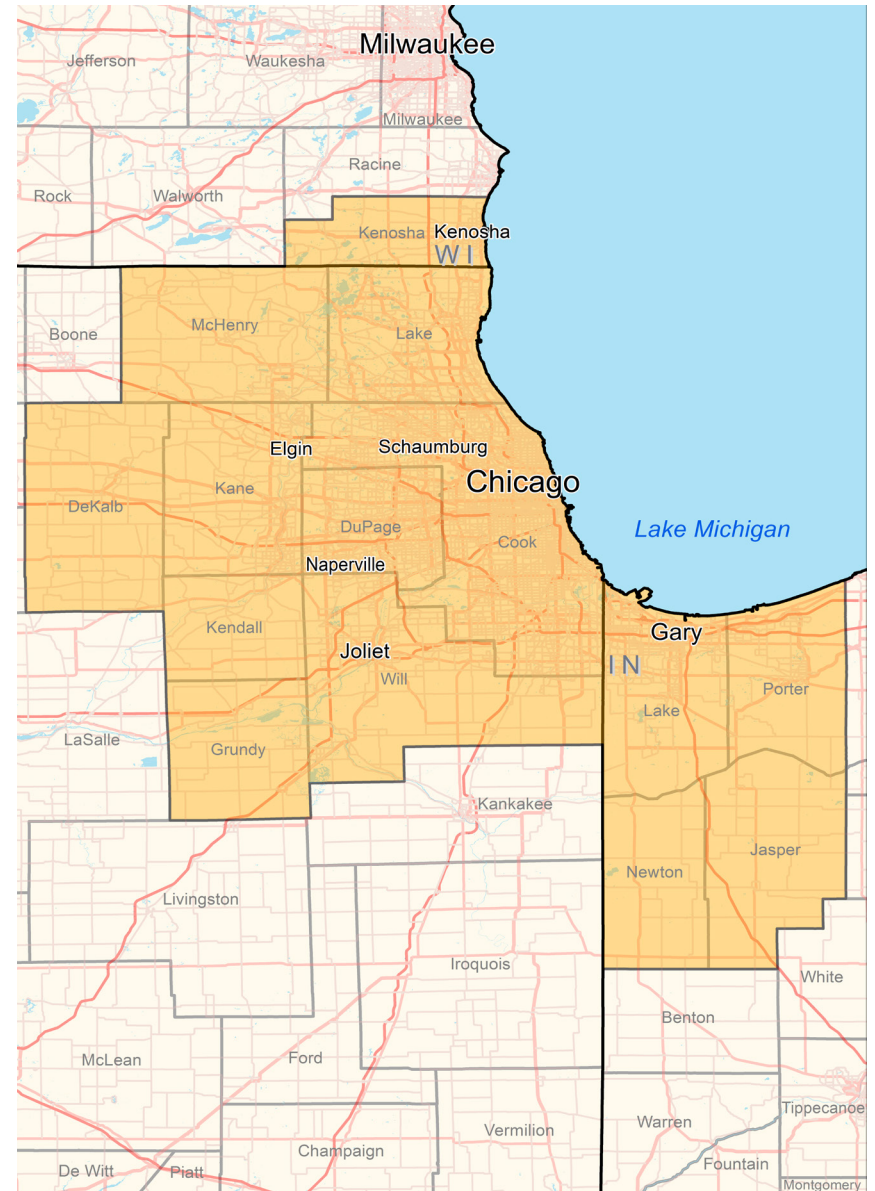
16%
EDUCATION AND
HEALTH SERVICES



2%
INFORMATION



4%
OTHER SERVICES



METROPLEX GROWTH

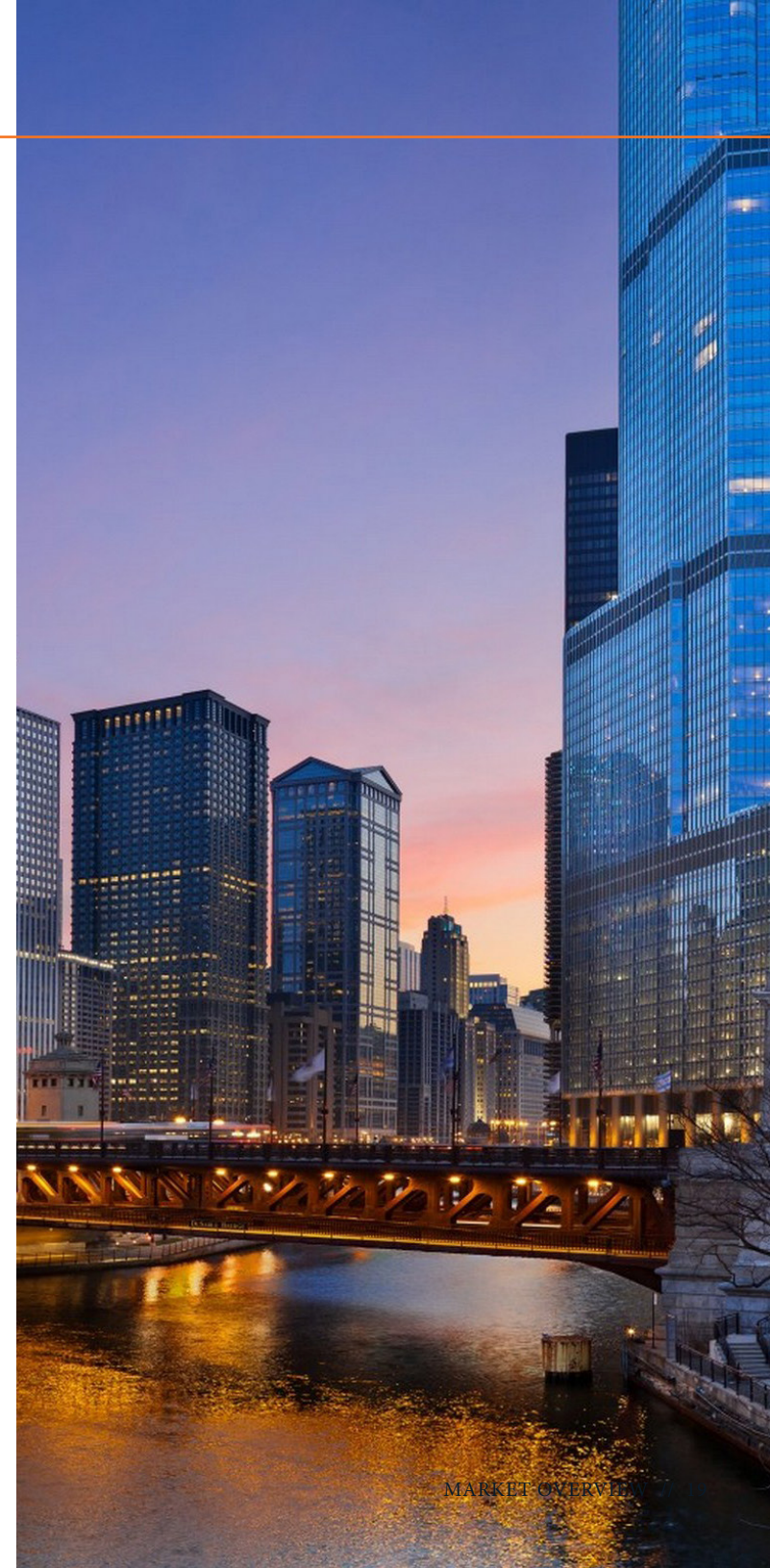
TRANSPORTATION

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

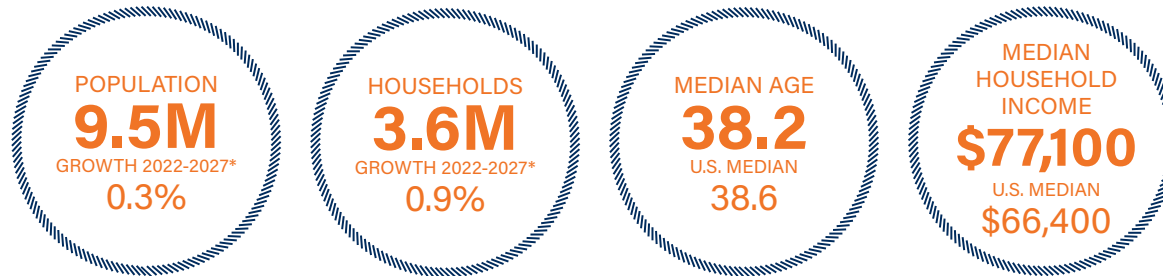
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, din-ing, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its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



73,996

Total Population
Within 5 miles



48.9%



51.1%



\$91,185

Average Household Income
Within 5 miles



36,705

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	3,628	31,838	73,203
2022 Estimate			
Total Population	3,673	32,079	73,996
2010 Census			
Total Population	3,808	32,856	76,133
2000 Census			
Total Population	3,134	28,038	66,389
Daytime Population			
2022 Estimate	4,485	27,077	66,509
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	1,336	12,097	28,689
2022 Estimate			
Total Households	1,345	12,098	28,766
Average (Mean) Household Size	2.6	2.6	2.5
2010 Census			
Total Households	1,380	12,256	29,311
2000 Census			
Total Households	1,096	10,184	24,780

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	2.6%	3.4%	4.8%
\$150,000-\$199,999	5.6%	6.1%	7.2%
\$100,000-\$149,999	27.0%	21.3%	19.8%
\$75,000-\$99,999	16.6%	16.2%	15.3%
\$50,000-\$74,999	23.3%	23.0%	20.9%
\$35,000-\$49,999	9.8%	11.3%	11.2%
\$25,000-\$34,999	7.8%	7.8%	7.9%
\$15,000-\$24,999	4.6%	6.7%	7.2%
Under \$15,000	2.6%	4.1%	5.8%
Average Household Income	\$91,542	\$87,609	\$91,185
Median Household Income	\$77,198	\$71,806	\$71,377
Per Capita Income	\$33,513	\$33,085	\$35,568
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	3,673	32,079	73,996
Under 20	22.2%	23.7%	23.3%
20 to 34 Years	16.3%	18.0%	17.7%
35 to 39 Years	5.9%	6.2%	5.9%
40 to 49 Years	12.7%	12.8%	12.3%
50 to 64 Years	22.3%	21.1%	21.1%
Age 65+	20.6%	18.2%	19.6%
Median Age	44.7	41.7	42.6
Population 25+ by Education Level			
2022 Estimate Population Age 25+	2,652	22,607	52,565
Elementary (0-8)	2.0%	2.3%	2.6%
Some High School (9-11)	6.8%	7.0%	6.0%
High School Graduate (12)	35.3%	34.3%	31.0%
Some College (13-15)	28.3%	26.5%	25.1%
Associate Degree Only	9.9%	10.2%	10.1%
Bachelor's Degree Only	11.0%	12.7%	15.9%
Graduate Degree	6.7%	7.0%	9.3%
Travel Time to Work			
Average Travel Time to Work in Minutes	23.0	24.0	24.0

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