

Marcus & Millichap
TAG INDUSTRIAL GROUP

7105 KENNEDY AVENUE

HAMMOND, IN 46323

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The page features a background image 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, which has 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

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OFFERING SUMMARY

- 24,340-Square-Foot Flex Warehouse Situated on 1.34 Acres
- Property Features: Three Drive-Ins, C4 Zoning, & Fully Fenced +/- 0.70-Acre-Lot
- Month-to-Month Leases Offers Opportunities for Value-Add Investors, Owner-Users, or Redevelopment
 - Excellent Location +/- 0.5 Miles North of Kennedy Ave Exit on I-94
- High-Barrier-to-Entry Submarket: 2.6% Vacancy & 4.5% Rent Growth Among Comparables

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 7105 Kennedy Avenue in Hammond, Indiana. The subject property consists of approximately 24,340 square feet of flex space and is situated on 1.34 acres of land. The multi-tenant asset features brick construction, five suites, three drive-in doors, a clear height between 12' and 14', and a fully fenced-in lot measuring about 0.7 acres. Located just a half mile north of the Kennedy Avenue exit on Interstate 94, the property is zoned C4 for general commercial district that allows uses for restaurants, contractors, and automobile sales and service. Fully occupied by tenants on month-to-month leases, this sale offers an owner-user, value-add, or redevelopment opportunity.

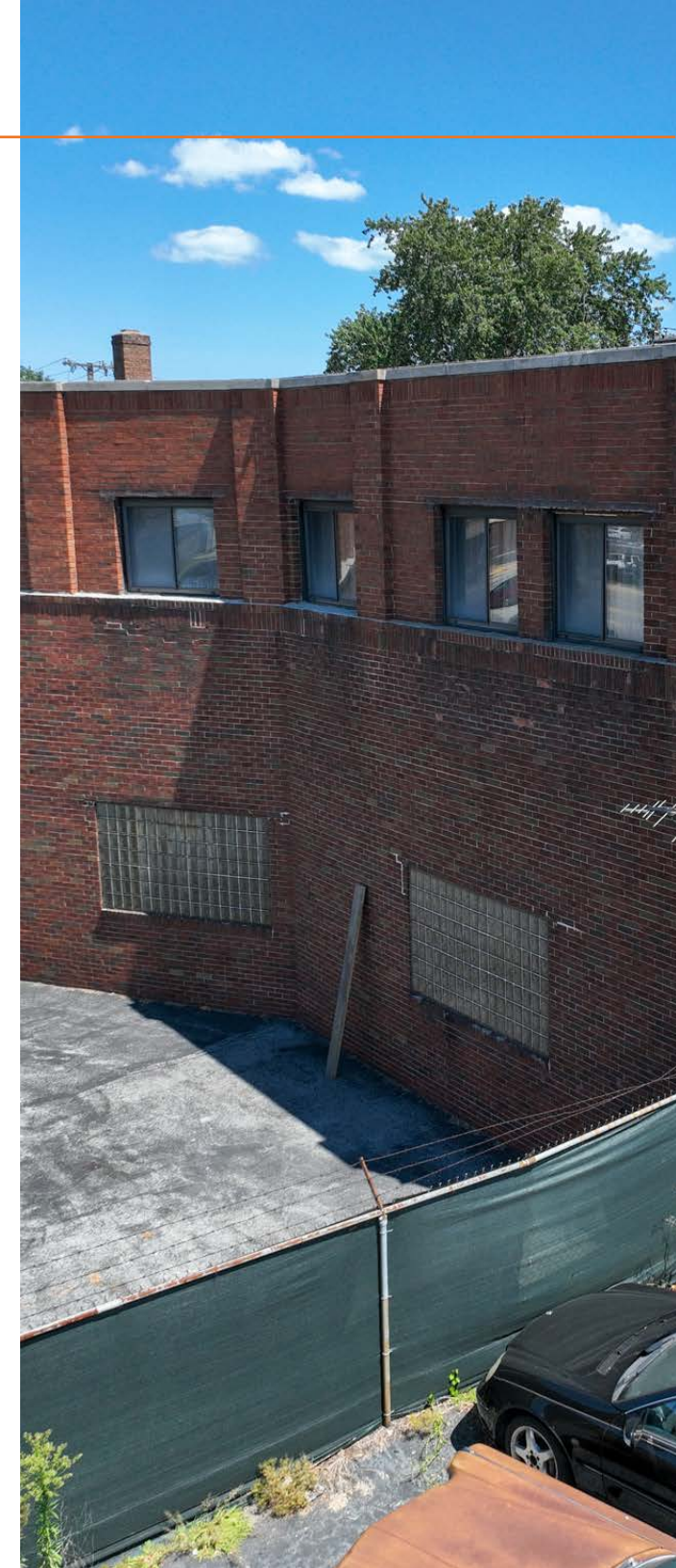
The subject property is positioned within the large Indiana submarket, containing 47.8 million square feet of industrial space. Unlike the national norm, half of the submarket consists of manufacturing facilities, followed by logistics and flex space. Over the last year, the Indiana submarket has experienced significant changes to its inventory. In the last quarter of 2023, the speculative 1 million-square-foot Crown Point warehouse was delivered. The largest delivery to the Indiana submarket in over 70 years helped push vacancy rates up over 200 basis points to nearly 10.0 percent. Two quarters later, the Crown Point warehouse was leased by Amazon. At the same time, the demolition of the 2 million-square-foot shuttered Cleveland-Cliffs steel mill in East Chicago was completed. The combination of historic absorption and demolition sent the vacancy rate plummeting 540 basis points to 4.6 percent in Q2. During the third quarter, vacancies drifted lower to 3.8 percent, setting the lowest level since the turn of the century. Vacancies were even tighter among comparable properties up to 50,000 square feet, sitting at just 2.6 percent. Despite tight availability, annual rent growth for comparables slowed to pre-pandemic levels at 4.5 percent but remained ahead of the Consumer Price Index. Only a 425,520-square-foot warehouse was under construction in the Indiana submarket in Q3. Given that the pipeline represents less than 1.0 percent of total inventory, vacancies and rents will largely 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

7105 KENNEDY AVENUE, HAMMOND, IN 46323

Number of Suites	5
Number of Buildings	1
Total Square Feet	24,340
Warehouse Square Feet	+/- 8,372
Office Square Feet	+/- 15,968
Office Ratio	+/- 66%
Year Built	1937
Lot Size	1.34 Acres
Type of Ownership	Fee Simple
Clear Height	12'-14'
Parking Surface	Asphalt
Building Class	C
Tenancy	Multi-Tenant
Grade Level Doors	3 (1 - 18'x12', 1 - 12'x12', 1 - 12'x10')
Construction	Brick
Power	Heavy
Type of Lighting	Fluorescent
Zoning	C-4 General Commercial District
Roof Type	EPDM
Age/Condition of Roofs	Unknown
HVAC Units	5 -Rooftop Units
Age/Condition of HVAC	Unknown
Market	Chicago
Submarket	Indiana
Submarket Vacancy	5.0% (CoStar)



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OFFERING HIGHLIGHTS

7105 KENNEDY AVENUE

HAMMOND, IN 46323

OFFERING PRICE
\$895,000

CAP RATE
3.34%

PRO FORMA CAP RATE
12.06%

Offering Price	\$895,000
Cap Rate	3.34%
Pro Forma Cap Rate	12.06%
Price/SF	\$36.77
Total Square Feet	24,340
Rental Rate	\$2.76
Lease Type	Full Service Gross
Lease Term	MTM
Tenancy	Multi-Tenant
Occupancy	100.00%

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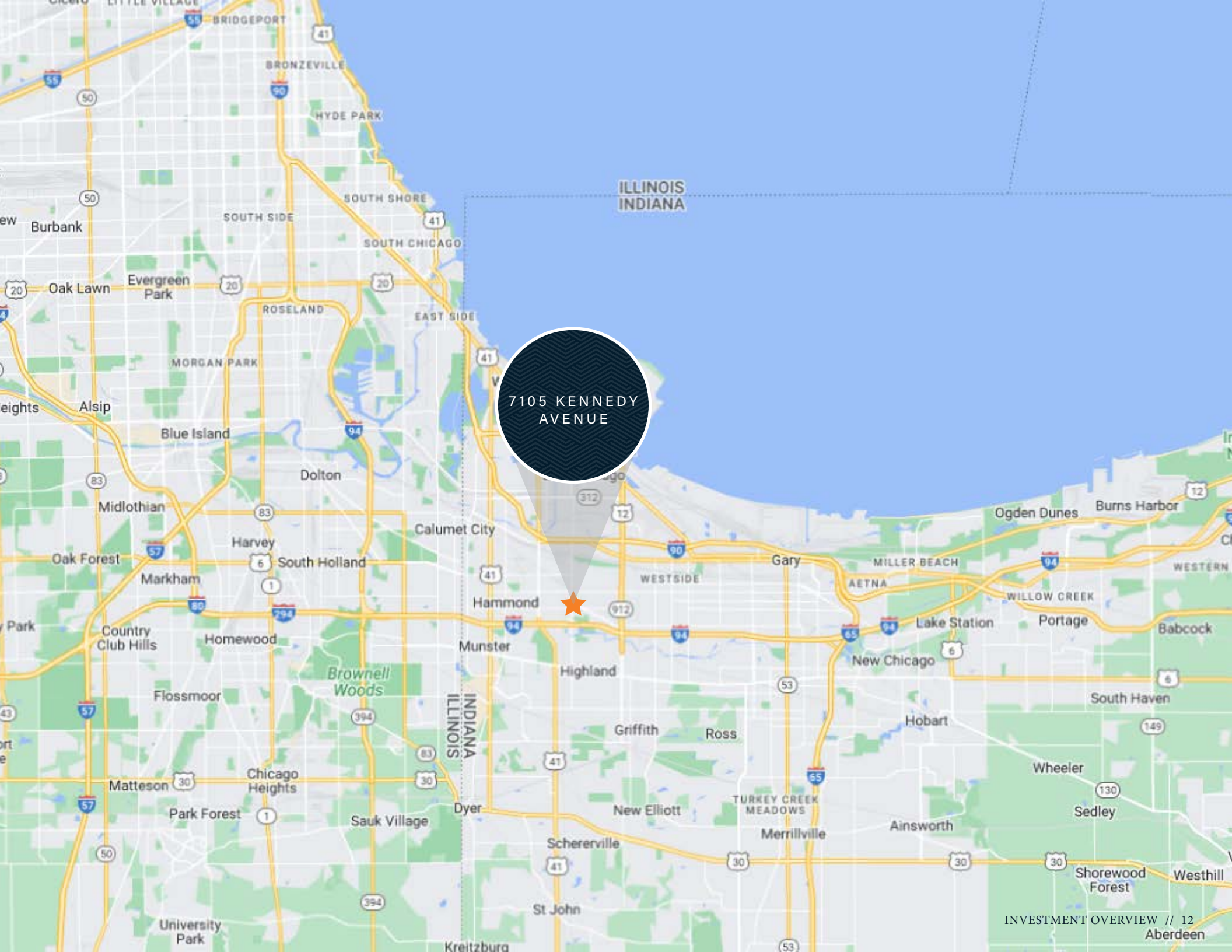
RENT ROLL

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
7105 Kennedy Avenue	All	24,340	100.0%	TBD	TBD	\$2.76	\$5,600	\$67,200	\$146,040	TBD	\$12,170	Gross
Total		24,340				\$2.76	\$5,600	\$67,200	\$146,040			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$5,600						Occupied Current Rents: \$5,600		Unoccupied Current Rents: \$0				

Notes: The Property has 4 Tenants on Month-to-Month Gross Leases Totaling \$5,600 per month | American Spray Fibers \$1,500 per month | Hessville Thrift \$1,400 per month | Tomas Quineros \$1,200 per month | Storage Lot \$1,500 per month | Owner Currently Occupies an Office Suite | Pro Forma Rent Estimated at \$6.00 PSF Gross

OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF	Notes
Scheduled Base Rental Income	67,200	2.76	146,040	6.00	
Expense Reimbursement Income					
Net Lease Reimbursement					
CAM	0	0.00	0	0.00	[2023]
Insurance	0	0.00	0	0.00	[2023]
Real estate Taxes	0	0.00	0	0.00	2023 Pay 2024
Total Reimbursement Income	\$0 0.0%	\$0.00	\$0 0.0%	\$0.00	
Effective Gross Revenue	\$67,200	\$2.76	\$146,040	\$6.00	
Operating Expenses	Current	Per SF	Pro Forma	Per SF	
Utilities	8,331	0.34	8,331	0.34	[2023]
Water	283	0.01	283	0.01	[2023]
Repairs & Maintenance	3,815	0.16	3,815	0.16	[2023]
Insurance	9,155	0.38	9,155	0.38	[2023]
Real Estate Taxes	15,743	0.65	16,530	0.68	2023 Pay 2024
Total Expenses	\$37,327	\$1.53	\$38,114	\$1.57	
Expenses as % of EGR	55.5%		26.1%		
Net Operating Income	\$29,873	\$1.23	\$107,926	\$4.43	



7105 KENNEDY AVENUE



7105 KENNEDY
AVENUE



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 2023



National platform operating within the firm's brokerage offices



\$86.3 billion total national volume in 2023



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

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SOUTH BEND INDIANA

Known as the home to the University of Notre Dame, the South Bend metro is situated in northern Indiana and southern Michigan, roughly 100 miles east of Chicago and 200 miles southwest of Detroit. It consists of St. Joseph and Cass counties. The city of South Bend is the most populous city in the metro, with 102,000 residents. Key drivers of the local economy include food and agriculture, advanced manufacturing, logistics and distribution, as well as technology and life science segments.



HIGHER
EDUCATION



MANUFACTURING
HEADQUARTERS

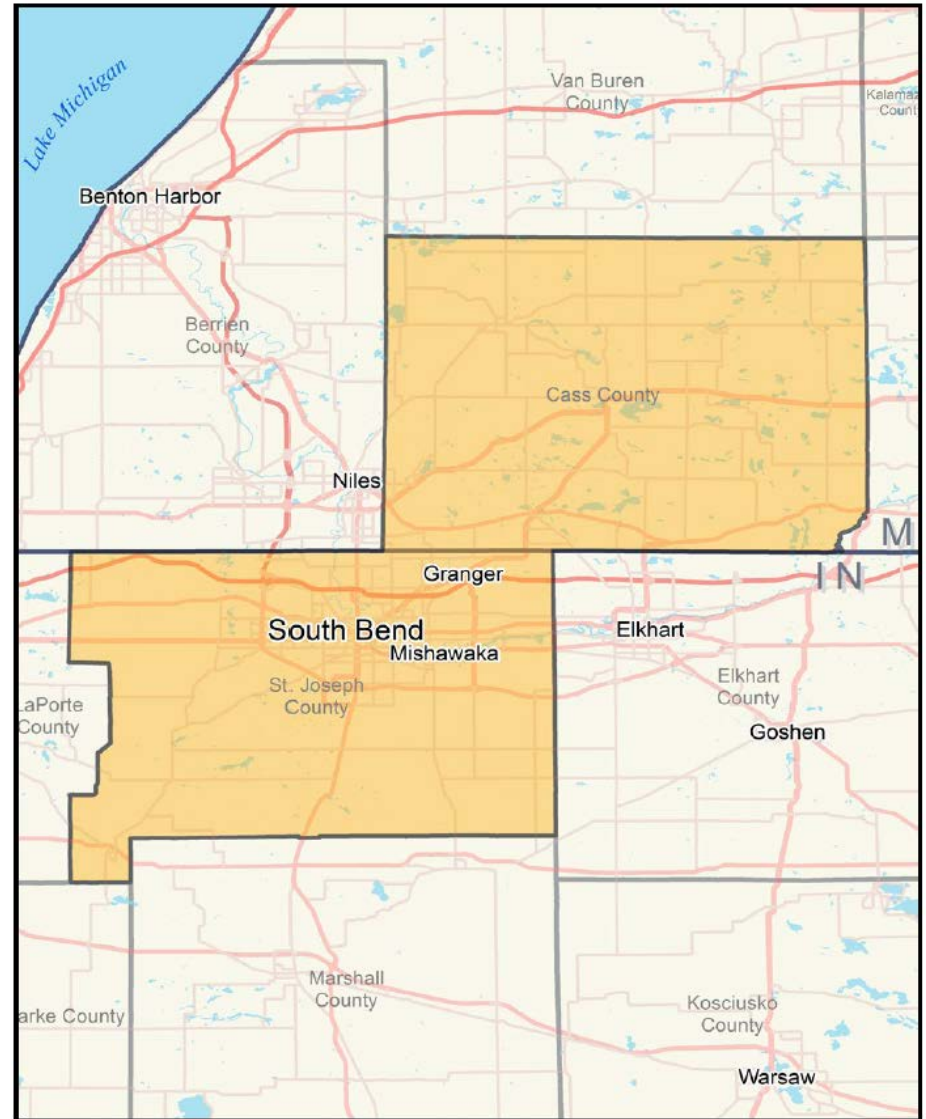
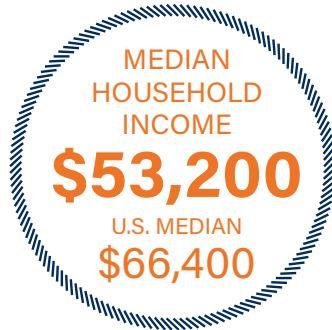
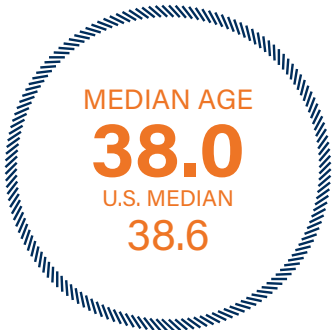


CENTRAL
LOCATION

METROPLEX GROWTH

ECONOMY

The University of Notre Dame anchors the region as the largest employer, with almost 6,000 workers. Combined with smaller schools, education employment offers the area a stable economic driver of growth and innovation. Excellent interstate access and South Bend International Airport have allowed the region to leverage its location as a logistics hub for Tire Rack, UPS, FedEx and numerous other freight forwarders. The region's low cost of living and doing business, as well as a business-friendly environment, offers significant upside growth potential to further expand high-tech manufacturing industries and logistics.



DEMOGRAPHICS



225,406

Total Population
Within 5 miles



\$68,421

Average Household Income
Within 5 miles



92,748

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	14,066	81,905	223,192
2022 Estimate			
Total Population	14,096	82,547	225,406
2010 Census			
Total Population	14,654	85,156	232,723
2000 Census			
Total Population	15,666	88,842	241,054
Daytime Population			
2022 Estimate	15,440	83,817	209,756
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	5,352	31,280	86,301
2022 Estimate			
Total Households	5,345	31,338	86,642
Average (Mean) Household Size	2.6	2.6	2.6
2010 Census			
Total Households	5,388	31,755	87,757
2000 Census			
Total Households	6,331	33,866	91,793

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.0%	2.0%	2.6%
\$150,000-\$199,999	2.1%	4.6%	4.5%
\$100,000-\$149,999	9.9%	12.1%	12.6%
\$75,000-\$99,999	12.3%	12.9%	11.8%
\$50,000-\$74,999	25.9%	22.3%	19.9%
\$35,000-\$49,999	16.7%	14.7%	13.9%
\$25,000-\$34,999	12.1%	10.6%	11.2%
\$15,000-\$24,999	9.5%	9.9%	10.4%
Under \$15,000	10.5%	10.8%	13.0%
Average Household Income	\$59,698	\$68,244	\$68,421
Median Household Income	\$51,234	\$54,363	\$51,729
Per Capita Income	\$22,923	\$25,991	\$26,357
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	14,096	82,547	225,406
Under 20	27.8%	27.5%	27.7%
20 to 34 Years	23.6%	19.8%	19.3%
35 to 39 Years	7.0%	6.7%	6.4%
40 to 49 Years	12.2%	12.4%	12.1%
50 to 64 Years	17.2%	17.9%	18.2%
Age 65+	12.3%	15.9%	16.4%
Median Age	34.0	37.1	37.3
Population 25+ by Education Level			
2022 Estimate Population Age 25+	8,973	54,334	148,276
Elementary (0-8)	5.2%	5.4%	5.8%
Some High School (9-11)	9.4%	8.7%	8.4%
High School Graduate (12)	40.5%	37.3%	35.6%
Some College (13-15)	20.9%	21.4%	22.3%
Associate Degree Only	7.9%	8.0%	8.0%
Bachelor's Degree Only	11.0%	13.4%	13.5%
Graduate Degree	5.1%	5.8%	6.4%
Travel Time to Work			
Average Travel Time to Work in Minutes	29.0	29.0	31.0

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