

Marcus & Millichap  
TAG INDUSTRIAL GROUP

# SINGLE TENANT OUTDOOR STORAGE FACILITY

3019 EAST END AVENUE, SOUTH CHICAGO HEIGHTS, IL 60564

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Marcus & Millichap

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# TABLE OF CONTENTS

01

## INVESTMENT OVERVIEW

### SECTION 1

Offering Summary • Property Details • Offering Highlights • Rent Roll • Operating Statement  
Regional Map • Aerial Map • Property Photos  
Acquisition Financing

02

## MARKET OVERVIEW

### SECTION 2

Market Analysis • Demographic Analysis

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# SECTION 1

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## INVESTMENT OVERVIEW

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## OFFERING SUMMARY

- 22,364-Square-Foot Warehouse and IOS Property Situated on 2.38 Acres
- Leased Through January 2026 by Traffic Control Company Established in 1962
- Asset Features 11 Drive-In Doors, Trench Drains, Locker Room, and Weight Bearing Mezzanine
- Heavy Industrial Zoning Permits All Outdoor Storage and Trucking Uses with Fully Fenced-in Lot
  - Proximity to I-57 in High-Demand Submarket with 4.0% Vacancy

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3019 East End Avenue in Chicago Heights, Illinois, leased to the Traffic Control Company. The subject property consists of approximately 22,364 square feet of warehouse space and is situated on 2.38 acres of land. The single-tenant asset features brick and metal construction, a clear height between 12.6' to 18.5', 11 grade-level doors, heavy three-phase power with 400 amps, trench drains, and a fully fenced-in lot. Consisting of two office spaces and a weight-bearing mezzanine floor, the property is also equipped with a locker room and shower. Zoned for heavy industrial, the property is permitted for all outdoor storage and trucking uses. Leased through January 2026 on triple-net terms, this sale offers investors a renewal opportunity with a tenant that's been in place since February 2021. Established in 1962, the Traffic Control Company specializes in the manufacturing and distribution of traffic control devices and safety equipment, along with offering contracting and pavement marking services.

Located about seven miles East of Interstate 57, the property is well positioned in the Far South Cook submarket, containing a sizeable 35.6 million square feet of industrial space. Going into 2024, the vacancy rate in Far South Cook started at 10.0 percent after experiencing a record amount of supply (2.1 million square feet of net deliveries) and the weakest level of demand since 2009 (-605,000 square feet of net absorption). However, this year, the submarket has bucked the national trend with a historic rebound. With less than three quarters in the book, demand has posted the highest level on record with nearly 2.4 million square feet of space absorbed on net. As a result, the vacancy rate has dropped back to 4.0 percent in Q3. Despite the turnaround in demand, annual rent growth continued to slow to 4.7 percent during this time, comparable to the pre-pandemic trendline. Market asking rents averaged about \$7.20 per square foot in Q3. With only 11,790 square feet of space under construction in Far South Cook, supply pressures will essentially be nonexistent on vacancies and rents for the foreseeable future (CoStar).

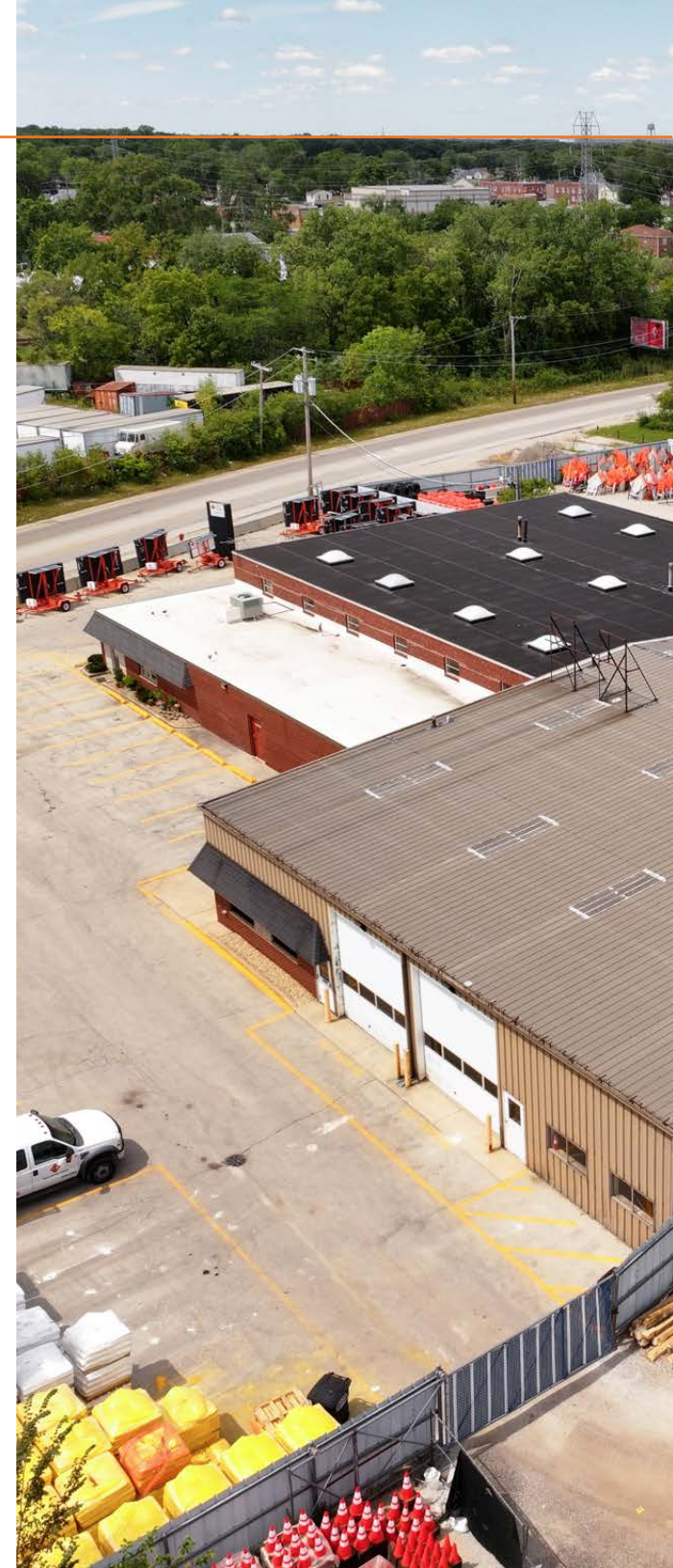
Known as the Greater Chicagoland area, Chicago-Naperville-Elgin is the third largest metro in the nation. The metro houses 9.5 million people, including 2.7 million residents within the city of Chicago. The number of corporate headquarters in Chicago is second only to New York City and is home to 33 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

### SINGLE TENANT OUTDOOR STORAGE FACILITY 3019 EAST END AVENUE, SOUTH CHICAGO HEIGHTS, IL 60564

Number of Suites	1
Number of Buildings	1
Total Square Feet	22,364
Warehouse Square Feet	18,215
Office Square Feet	4,149
Office Ratio	19%
Year Built	1972/1975
Lot Size	2.38 Acres
Type of Ownership	Fee Simple
Clear Height	12'7" - 18'6"
Parking Spaces	30
Parking Surface	Asphalt
Building Class	C
Tenancy	Single-Tenant
Grade Level Doors	11
Construction	Brick
Power	400 Amp, 3 Phase Panels
Type of Lighting	LED
Zoning	Industrial (South Chicago Heights)
Roof Type	EPDM & Metal
Age/Condition of Roofs	Great Condition
Age/Condition of HVAC	Fair Condition
Market	Chicago
Submarket	Far South Cook
Submarket Vacancy	4.00%

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OFFERING HIGHLIGHTS

SINGLE TENANT OUTDOOR STORAGE FACILITY

3019 EAST END AVENUE, SOUTH CHICAGO HEIGHTS, IL 60564

OFFERING PRICE	CAP RATE	PRO FORMA CAP RATE
<b>\$1,760,000</b>	<b>8.53%</b>	<b>8.88%</b>

Offering Price	\$1,760,000
Cap Rate	8.53%
Pro Forma Cap Rate	8.88%
Price/SF	\$78.70
Total Square Feet	22,364
Rental Rate	\$6.98
Lease Type	Triple-Net (NNN)
Lease Term	17 Months
Tenancy	Single-Tenant
Occupancy	100.00%

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# RENT ROLL

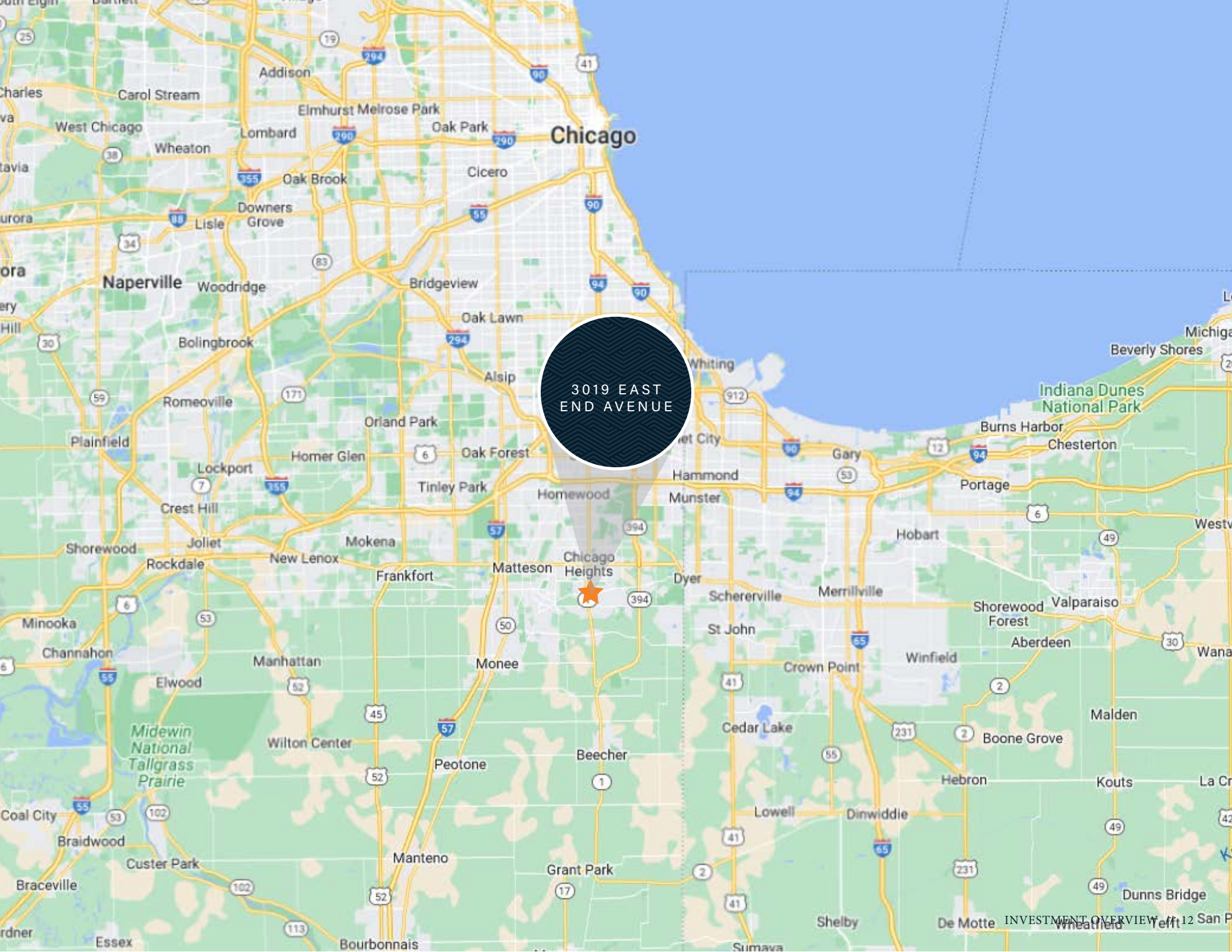
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
				Comm.	Exp.							
Traffic Control Company	Full Building	22,364	100.0%	2/1/21	1/31/26	\$6.98	\$13,000	\$156,000	\$163,704	Feb-2026	4.94%	NNN
<b>Total</b>		22,364				\$6.98	\$13,000	\$156,000	\$163,704			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$13,000						Occupied Current Rents: \$13,000		Unoccupied Current Rents: \$0				

## OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF	Notes
Scheduled Base Rental Income	156,000	6.98	163,704	7.32	
Expense Reimbursement Income					
Net Lease Reimbursement					
Insurance	7,827	0.35	8,062	0.36	
Real estate Taxes	29,254	1.31	73,135	3.27	
Management Fees	0	0.00	0	0.00	
<b>Total Reimbursement Income</b>	<b>\$37,081</b>	<b>86.5%</b>	<b>\$81,197</b>	<b>91.7%</b>	<b>\$3.63</b>
<b>Effective Gross Revenue</b>	<b>\$193,081</b>	<b>\$8.63</b>	<b>\$244,901</b>	<b>\$10.95</b>	

Operating Expenses	Current	Per SF	Pro Forma	Per SF	
Insurance	7,827	0.35	8,062	0.36	** Mkt Estimate **
Real Estate Taxes	29,254	1.31	73,135	3.27	** Accounts for Estimated Increase **
Management Fee	5,792	3.0%	7,347	3.0%	
<b>Total Expenses</b>	<b>\$42,874</b>	<b>\$1.92</b>	<b>\$88,544</b>	<b>\$3.96</b>	
Expenses as % of EGR	22.2%		36.2%		
<b>Net Operating Income</b>		<b>\$6.72</b>	<b>\$156,357</b>	<b>\$6.99</b>	



3019 EAST  
END AVENUE



An aerial photograph of an industrial site. A large parking lot filled with cars is on the right. A building with a black roof and white section is in the center. An orange arrow points from a callout circle to the building. The callout circle contains the text '3019 EAST END AVENUE'. The background shows a wooded area and a pond.

3019 EAST  
END 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

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### MARKET OVERVIEW

Marcus & Millichap



# CHICAGO

## ILLINOIS

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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 progressing tourism levels support activity in the urban core.



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



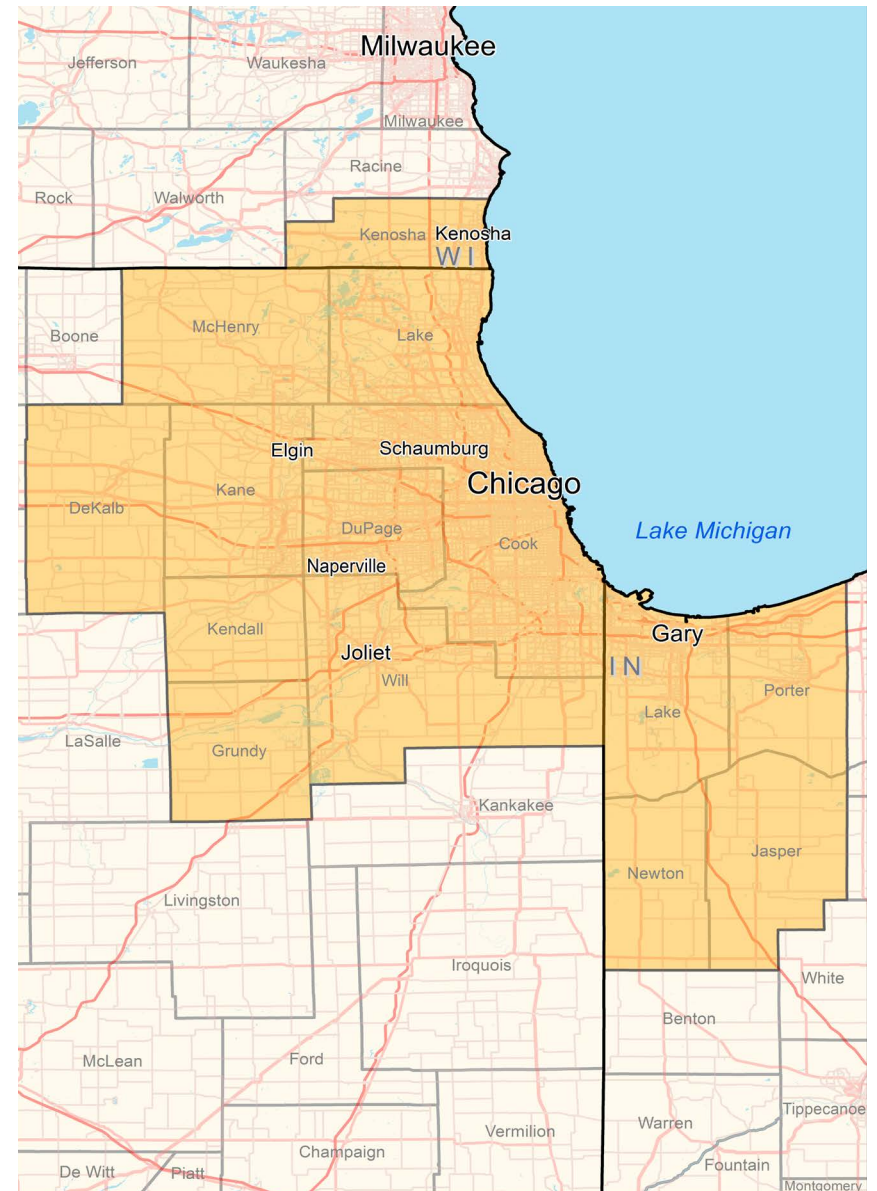
**16%**  
EDUCATION AND  
HEALTH SERVICES



**2%**  
INFORMATION



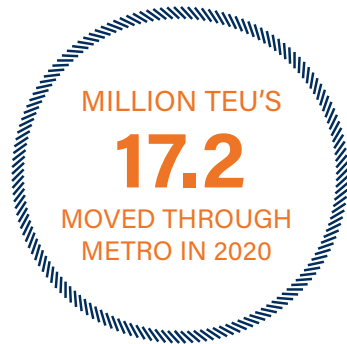
**4%**  
OTHER SERVICES



## 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

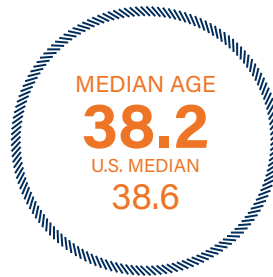
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, dining, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its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



**128,523**

Total Population  
Within 5 Miles



47.6%



52.4%



**\$79,431**

Average Household Income  
Within 5 Miles



**64,173**

Employees  
Within 1 Mile

# DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Population	8,560	56,452	127,271
<b>2023 Estimate</b>			
Total Population	8,653	56,709	128,523
<b>2020 Census</b>			
Total Population	8,917	57,993	132,611
<b>2010 Census</b>			
Total Population	9,589	61,481	138,317
<b>Daytime Population</b>			
2023 Estimate	6,763	53,517	118,028
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2028 Projection</b>			
Total Households	3,272	22,209	49,166
<b>2023 Estimate</b>			
Total Households	3,271	22,092	49,200
Average (Mean) Household Size	2.6	2.5	2.6
<b>2020 Census</b>			
Total Households	3,272	22,051	49,251
<b>2010 Census</b>			
Total Households	3,344	22,237	49,630

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2023 Estimate</b>			
\$200,000 or More	0.7%	2.3%	4.1%
\$150,000-\$199,999	2.6%	4.0%	6.3%
\$100,000-\$149,999	9.5%	11.5%	15.9%
\$75,000-\$99,999	11.7%	12.8%	13.8%
\$50,000-\$74,999	18.8%	16.1%	16.7%
\$35,000-\$49,999	14.1%	14.3%	12.5%
\$25,000-\$34,999	9.7%	9.3%	7.8%
\$15,000-\$24,999	12.8%	12.4%	9.4%
Under \$15,000	20.0%	17.4%	13.5%
Average Household Income	\$52,987	\$63,593	\$79,431
Median Household Income	\$41,247	\$46,100	\$59,155
Per Capita Income	\$20,054	\$24,969	\$30,613
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2023 Estimate Total Population	8,653	56,709	128,523
Under 20	28.2%	27.2%	26.5%
20 to 34 Years	20.1%	19.3%	18.1%
35 to 39 Years	6.6%	6.2%	5.9%
40 to 49 Years	12.5%	11.9%	12.0%
50 to 64 Years	18.0%	19.5%	20.4%
Age 65+	14.5%	15.9%	17.2%
Median Age	36.2	37.8	39.6
<b>Population 25+ by Education Level</b>			
2023 Estimate Population Age 25+	5,656	37,777	86,586
Elementary (0-8)	13.3%	6.7%	4.4%
Some High School (9-11)	9.1%	6.7%	5.0%
High School Graduate (12)	39.2%	32.0%	27.3%
Some College (13-15)	22.8%	26.4%	27.1%
Associate Degree Only	6.2%	8.5%	8.7%
Bachelor's Degree Only	6.3%	12.4%	16.6%
Graduate Degree	3.0%	7.5%	10.9%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	28.0	33.0	35.0



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