

Marcus & Millichap
TAG INDUSTRIAL GROUP

905 ANITA AVENUE

ANTIOCH, IL 60002

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The background of the page is a photograph 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, featuring 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

Marcus & Millichap

OFFERING SUMMARY

- ± 39,825-Square-Foot Manufacturing Facility Situated on 1.84 Acres
- Features 20' Clear Height, Two Dock Doors, Three Grade Doors, and Proximity to Routes 83/173
- New Triple-Net Lease to ERMCO, Leading Manufacturer of Oil-Filled Distribution Transformers
 - Rent 47% Below Average Market Asking | Asset Priced Below Replacement Cost
 - 2.9% Submarket Vacancy Rate Among Comparable Properties

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 905 Anita Avenue in Antioch, Illinois, leased to ERMCO, Inc. The subject property consists of approximately 39,825 square feet of manufacturing space and is situated on 1.84 acres of land. The single-tenant asset features a clear height of 20', two dock-high doors, three drive-in doors, and steel and masonry construction. Located near the major intersection of Illinois Route 83 (Main Street) and Illinois Route 173, the property sits about equal distance from Downtown Chicago and Downtown Milwaukee. For sale at \$54.87, the property can be acquired well below replacement costs.

Expiring in May 2027, the tenant recently renewed their triple-net lease early, indicating a strong commitment to the property. The low-maintenance lease escalates annually at 2.59 percent with one three-year renewal option at fair market value. At \$4.25 per square foot, the current rent is roughly half the average asking rent in the North Lake County submarket. The property was originally leased to Lakeview Metals in 2011 and later acquired by ERMCO. Established in 1972, ERMCO is one of the largest producers of oil-filled distribution transformers and transformer components in the nation.

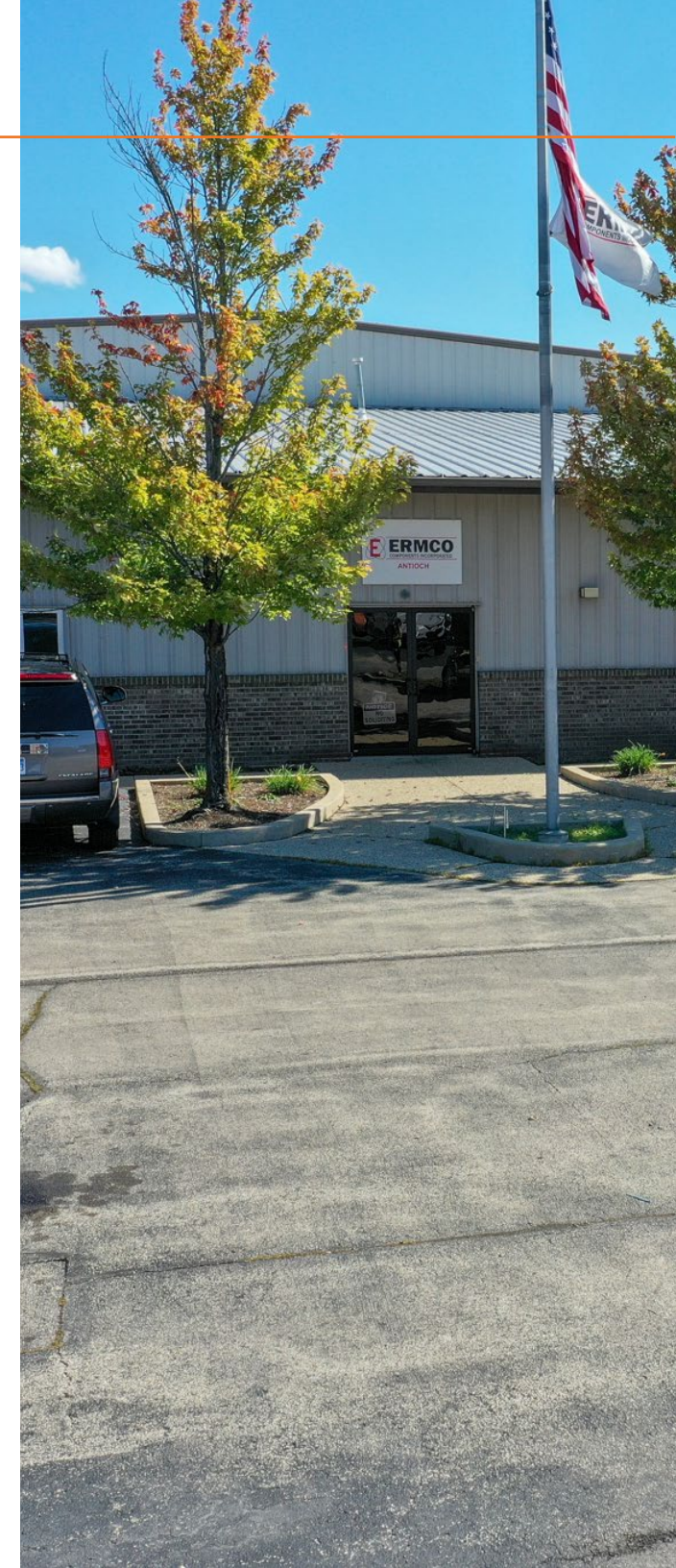
The subject property is primely situated within the North Lake County submarket, containing 44 million square feet of industrial space. Through the first three quarters of 2024, the vacancy rate bucked the national trend, slipping to 5.5 percent. Among comparable properties up to 50,000 square feet, availability remains tight at only 2.9 percent. Despite North Lake County outperforming the national average, annual rent growth continued to decelerate to 4.2 percent, pushing average asking rents to about \$9.00 per square foot in Q3. With only about 203,000 square feet under construction (representing less than 1 percent of inventory), rents and vacancies will essentially 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

905 ANITA AVENUE, ANTIOCH, IL 60002

Number of Suites	1
Number of Buildings	1
Total Square Feet	± 39,825 SF
Warehouse Square Feet	± 32,800 SF
Office Square Feet	± 7,025 SF
Office Ratio	17.64%
Year Built	1991
Lot Size	1.84 Acres
Type of Ownership	Fee Simple
Clear Height	20'
Parking Spaces	67
Parking Surface	Asphalt
Building Class	B
Tenancy	Single
Dock-High Doors	2
Drive-In Doors	3
Rail Served	None
Construction	Steel/Masonry
Zoning	M-1
Sprinklers	Yes
Market	IL-Chicago MSA
Submarket	North Lake County
Market Vacancy	4.50%



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905 ANITA AVENUE

ANTIOCH, IL 60002

OFFERING PRICE	CAP RATE	PRO FORMA CAP RATE
\$2,185,000	7.75%	7.95%

Offering Price	\$2,185,000
Cap Rate	7.75%
Pro Forma Cap Rate	7.95%
Price/SF	\$54.87
Total Square Feet	± 39,825
Rental Rate	\$4.25
Lease Type	Triple-Net (NNN)
Lease Term	2.7 Years
Rental Increases	± 2.59%
Tenancy	Single
Occupancy	100.00%

FINANCING

Loan Amount	\$1,420,250
Loan Type	New
Interest Rate	6.50%
Amortization	25 Years
Year Due	2027

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

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RENT ROLL

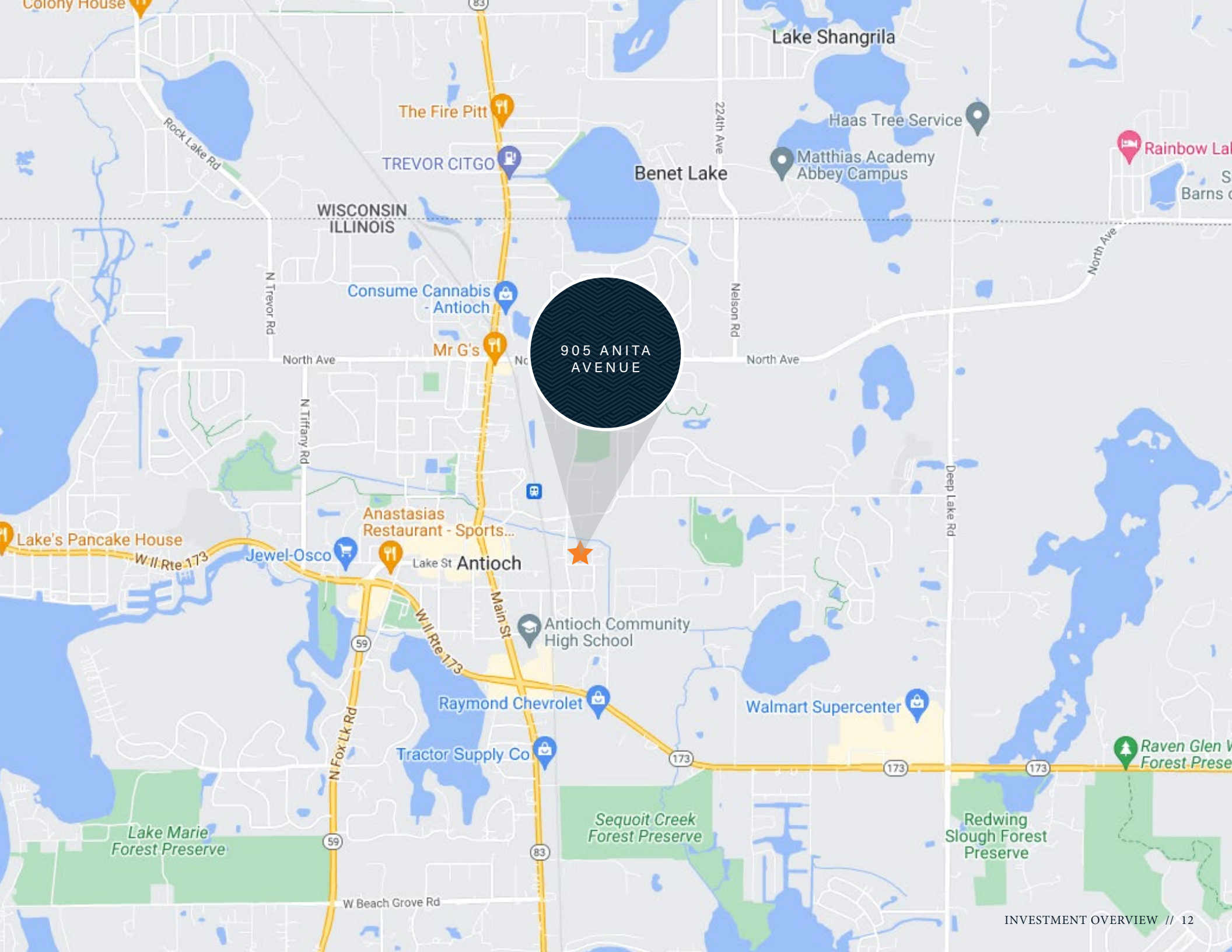
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
ERMCO, Inc.	A	39,825	100.0%	2/28/24	5/1/27	\$4.25	\$14,105	\$169,260	\$173,641	May-2025	2.59%	NNN	One (1) Three-Year Option at FMV
Total		39,825				\$4.25	\$14,105	\$169,260	\$173,641				
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$14,105						Occupied Current Rents: \$14,105		Unoccupied Current Rents: \$0					

Notes: Tenant has the option to terminate after the first year of the lease with 90 days written notice.

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF	Notes
Scheduled Base Rental Income	169,260		4.25	173,641		4.36	
Expense Reimbursement Income							
Net Lease Reimbursement							
Insurance	11,948		0.30	11,948		0.30	
Real Estate Taxes	60,398		1.52	60,398		1.52	
Total Reimbursement Income	\$72,346	100.0%	\$1.82	\$72,346	100.0%	\$1.82	
Effective Gross Revenue	\$241,606		\$6.07	\$245,987		\$6.18	

Operating Expenses	Current		Per SF	Pro Forma		Per SF	
Insurance	11,948		0.30	11,948		0.30	*Estimated
Real Estate Taxes	60,398		1.52	60,398		1.52	
Total Expenses	\$72,345		\$1.82	\$72,345		\$1.82	
Expenses as % of EGR	29.9%			29.4%			
Net Operating Income	\$169,261		\$4.25	\$173,641		\$4.36	



905 ANITA AVENUE

An aerial photograph of an industrial park. In the center, a large white-roofed building is highlighted with a white callout bubble containing the text '905 ANITA AVENUE'. An orange star is positioned on the roof of this building. The surrounding area includes various other industrial buildings, parking lots filled with cars and trucks, and a large green field with baseball diamonds in the background. The sky is clear and blue.

905 ANITA
AVENUE



TENANT SUMMARY

“Our Family Working to Keep
Your Family Powered.”

TENANT
ERMCO, Inc.

HEADQUARTERS DATE FOUNDED
Dyersburg, TN 1964

LOCATIONS: EMPLOYEES
10 2000+

www.ermco-eci.com



ERMCO began operations in 1972 in a 32,000-square-foot facility with 30 employees. It was the first plant in the nation built solely by rural electricians to make single-phase padmount transformers new to the market. ERMCO was also one of the first transformer manufacturers to substitute aluminum foil for copper wire in transformer coils due to the expense of copper and government regulations. Today, ERMCO is one of the largest producers of oil-filled distribution transformers and transformer components in the nation. As of 2023, ERMCO occupies about 1.5 million square feet of commercial real estate space, manufacturing roughly 400,000 transformers.

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

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 progressing tourism levels support activity in the urban core.



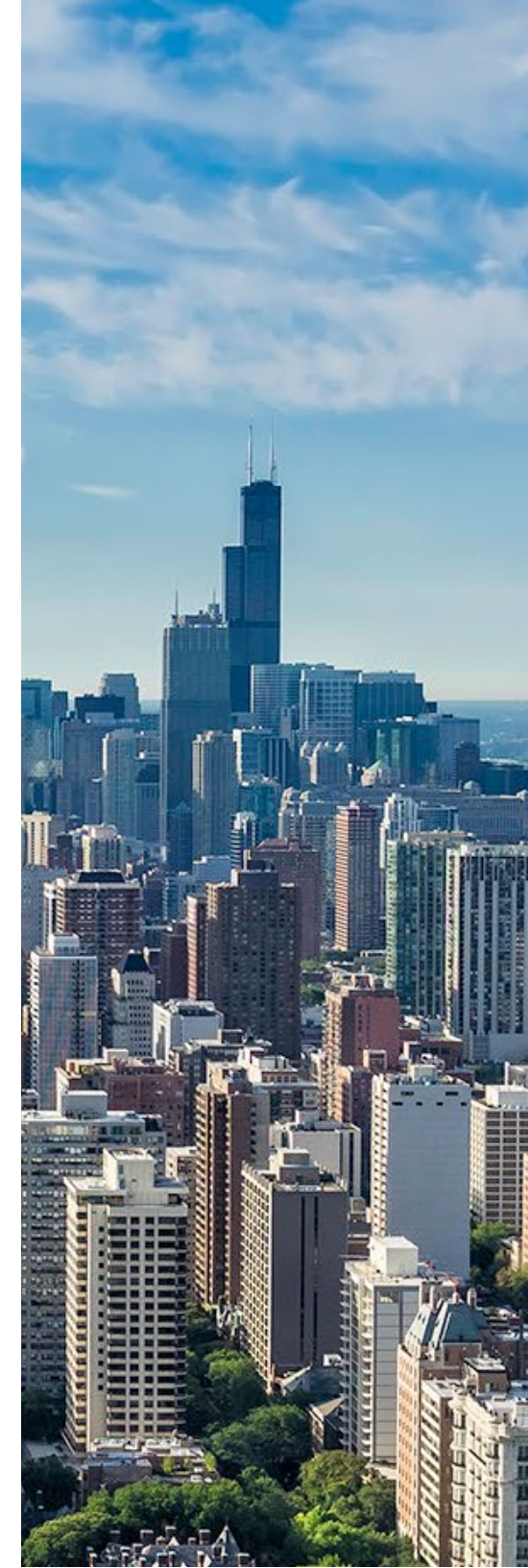
THIRD-LARGEST
METROPOLITAN
AREA



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



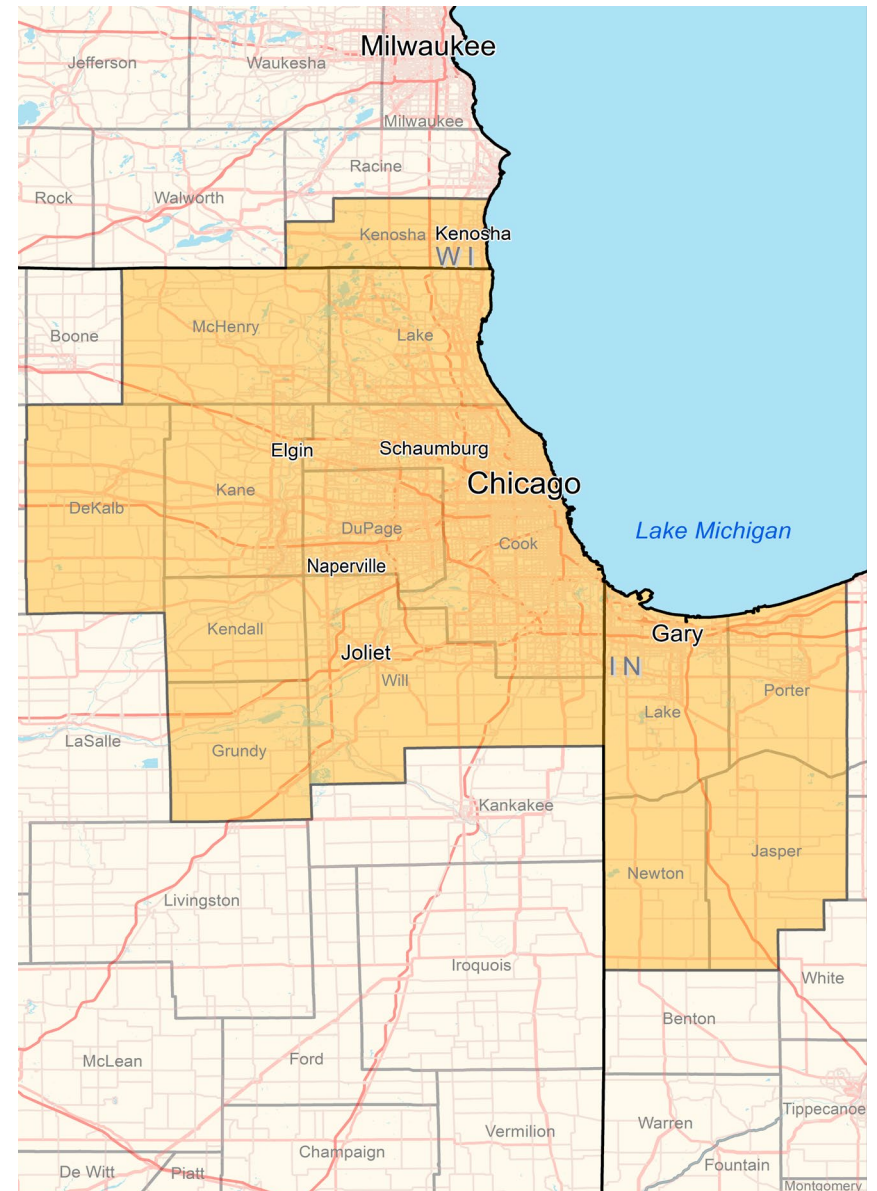
16%
EDUCATION AND
HEALTH SERVICES



2%
INFORMATION



4%
OTHER SERVICES



METROPLEX GROWTH

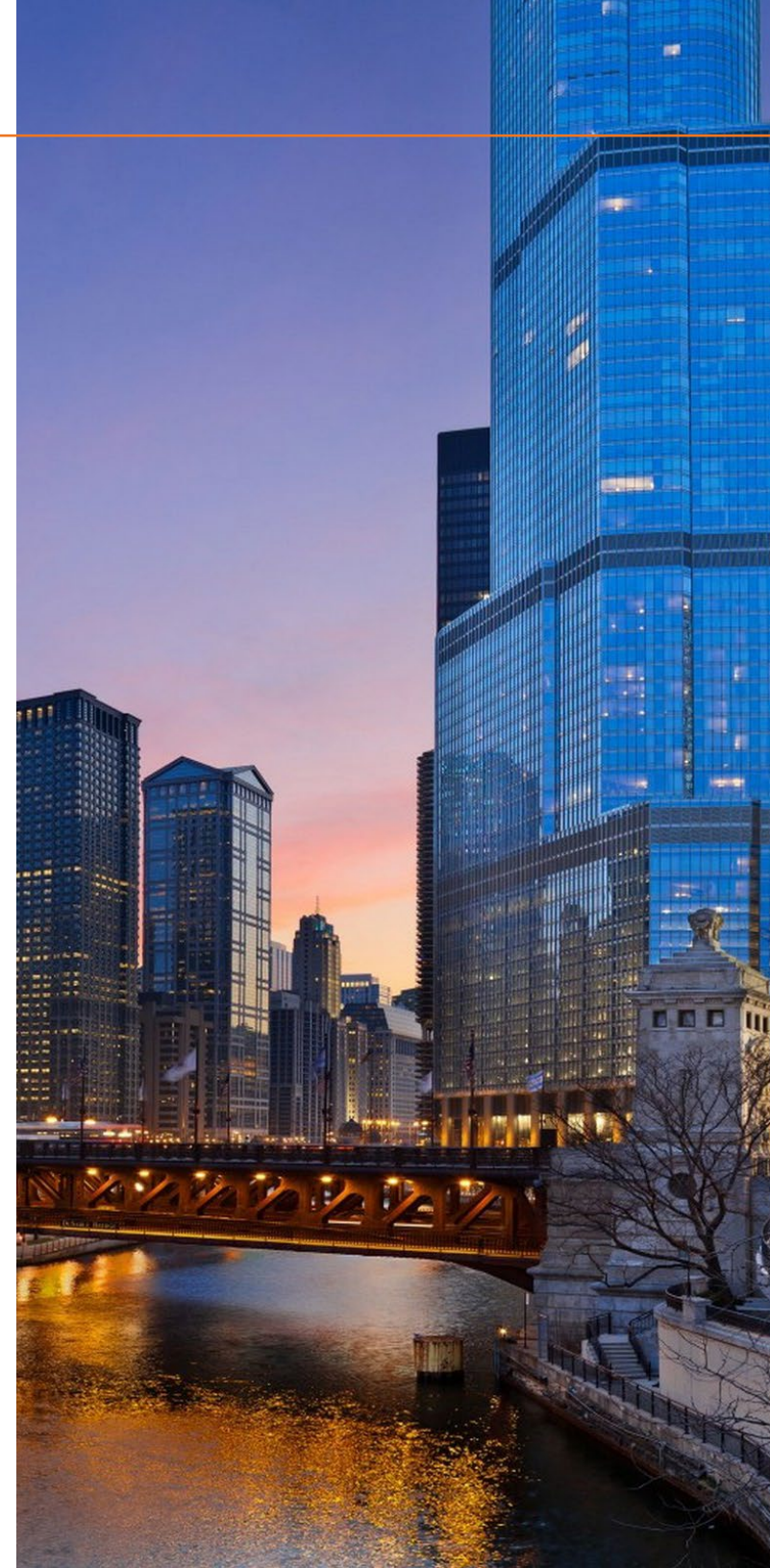
TRANSPORTATION

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

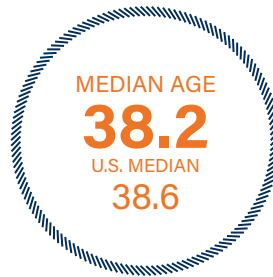
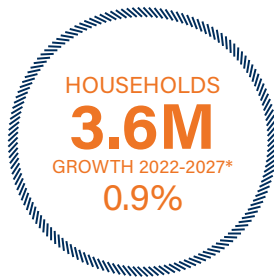
The Chicago metro has something to offer to each of its residents and visitors, whether it is legendary blues and jazz music, cultural and educational venues, professional sports, dining, entertainment, shopping or recreational amenities. The Chicago area's relative affordability is largely due to its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



49,913

Total Population
Within 5 Miles



\$117,581

Average Household Income
Within 5 Miles



26,758

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Population	7,313	26,384	50,115
2023 Estimate			
Total Population	7,275	26,229	49,913
2020 Census			
Total Population	6,919	25,573	48,982
2010 Census			
Total Population	6,985	25,617	49,346
Daytime Population			
2023 Estimate	7,239	20,770	37,835
HOUSEHOLDS			
2028 Projection			
Total Households	2,871	10,044	19,046
2023 Estimate			
Total Households	2,846	9,945	18,894
Average (Mean) Household Size	2.6	2.6	2.6
2020 Census			
Total Households	2,832	9,898	18,829
2010 Census			
Total Households	2,719	9,468	18,208

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2023 Estimate			
\$200,000 or More	8.1%	9.7%	10.2%
\$150,000-\$199,999	10.5%	12.7%	13.2%
\$100,000-\$149,999	19.3%	20.1%	20.1%
\$75,000-\$99,999	12.9%	13.9%	14.3%
\$50,000-\$74,999	14.7%	14.5%	14.9%
\$35,000-\$49,999	10.8%	9.4%	9.5%
\$25,000-\$34,999	6.3%	5.5%	5.2%
\$15,000-\$24,999	8.3%	7.0%	6.1%
Under \$15,000	9.2%	7.2%	6.3%
Average Household Income	\$102,278	\$113,153	\$117,581
Median Household Income	\$76,475	\$86,187	\$88,350
Per Capita Income	\$40,012	\$42,924	\$44,552
POPULATION PROFILE			
Population By Age			
2023 Estimate Total Population	7,275	26,229	49,913
Under 20	25.3%	24.3%	24.1%
20 to 34 Years	17.5%	16.0%	15.9%
35 to 39 Years	6.7%	6.2%	6.0%
40 to 49 Years	13.3%	13.6%	14.0%
50 to 64 Years	18.9%	21.7%	22.6%
Age 65+	18.4%	18.1%	17.4%
Median Age	40.4	42.6	42.9
Population 25+ by Education Level			
2023 Estimate Population Age 25+	4,989	18,327	34,947
Elementary (0-8)	1.8%	1.6%	1.7%
Some High School (9-11)	5.3%	4.8%	4.5%
High School Graduate (12)	27.2%	27.2%	27.3%
Some College (13-15)	25.7%	24.8%	24.3%
Associate Degree Only	9.2%	8.8%	9.0%
Bachelor's Degree Only	19.3%	21.5%	22.1%
Graduate Degree	11.4%	11.2%	11.0%
Travel Time to Work			
Average Travel Time to Work in Minutes	37.0	36.0	36.0



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