

Marcus & Millichap  
TAG INDUSTRIAL GROUP

W.E. HOBAN COMPANY  
SEVEN-YEAR ABSOLUTE NNN LEASEBACK

138 PIERCE STREET,  
AURORA, IL 60505



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TAG INDUSTRIAL GROUP

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### SECTION 2

Market Analysis • Demographic Analysis



The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, open space with a high ceiling, featuring a complex network of steel beams and several large, white, dome-shaped pendant lights hanging from the ceiling. In the lower left, there is a large, white industrial door with several small, rectangular windows. The overall atmosphere is industrial and modern.

## SECTION 1

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### INVESTMENT OVERVIEW

Marcus & Millichap



## OFFERING SUMMARY

- Two-Building 61,951-Square-Foot Specialized Manufacturing Facility Situated on 3.59 Acres
- Featuring 16'-30' Clear Height, Two Dock Doors, Seven Grade Doors, and Proximity to I-88 and BNSF Railyard
- Seven-Year Sale-Leaseback at Above-Market 9.3% Cap Rate, with 2.0% Escalations
- Occupied by W.E. Hoban Company, Manufacturer of Metal Components for Auto, Agriculture, and Energy Sectors
- Located in Second-Largest City in Illinois with Submarket Vacancy at 3.5% vs. 7.1% National Average

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 138 Pierce Street in Aurora, Illinois, occupied by the owner, W.E. Hoban Company. The subject property consists of approximately 61,951 square feet of manufacturing space and is situated on 3.59 acres of land. The asset features two buildings, a clear height of 16'-30', two dock-high doors, seven grade-level doors, metal construction, and heavy power. Located along the Fox River adjacent to the BNSF Railway Hill Yard just off North Broadway, the asset has proximity to Interstate 88 in Illinois' second-largest city. Upon the sale of the property, W.E. Hoban Company plans to sign a seven-year lease at \$5.00 per square foot with 2.0 percent annual escalations. Generating a cap rate of 9.3 percent, this sale offers buyers an opportunity to acquire a specialized asset (reducing tenant loss risks) with above-market returns. Originally developed in 1940 to produce war-related components, the Fox Valley Forge now manufactures a variety of metal parts for the automotive, agricultural, and energy industries.

The subject property is located in the massive Interstate-88 West Chicago submarket, containing 85.7 million square feet of industrial space. In the first quarter of 2025, new industrial supply (600,000 square feet) outgained demand (272,000 square feet), causing the vacancy rate to rise by 40 basis points. However, the submarket's 3.5 percent vacancy rate is half the 7.1 national vacancy rate (based on the top 50 metros, minimum 10,000 square feet, classes A, B, & C). Despite availability remaining tight in Interstate-88 West, annual rent growth continued to decelerate by 20 basis points to 4.1 percent but remains ahead of the 2.6 percent national rate. The average market cap rate in Interstate-88 West stood at 8.0 percent in Q1. During Q2, 1.4 million square feet of industrial space were under construction in the submarket, representing the lowest level since pre-pandemic (CoStar).

Known as the Greater Chicagoland area, Chicago-Naperville-Elgin is the third-largest metro in the nation. The metro houses 9.3 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 30 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

### 138 PIERCE STREET, AURORA, IL 60505

Number of Suites	2
Number of Buildings	2
Total Square Feet	61,951 SF
Warehouse Square Feet	53,651 SF
Office Square Feet	8,300 SF
Office Ratio	13.40%
Year Built	Main Building: 1943   New Office: 1988   Press Building Addition: 2002 Shipping & Receiving (Smaller Building): 1999
Lot Size	3.59 Acres
Clear Height	16'-30'
Parking Spaces	20
Parking Surface	Asphalt
Building Class	C
Tenancy	Owner-User
Dock-High Doors	2
Grade Level Doors	7
Construction	Metal
Type of Lighting	LED
Zoning	M-2
Roof Type	Metal & Modified Bitumen Membrane / Asphalt Shingle
Age/Condition of Roofs	Fair Condition
Age/Condition of HVAC	Fair Condition
Sprinklers	Wet System
Market	IL-Chicago MSA
Submarket	I-88 West
Market Vacancy	3.40%



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## 138 PIERCE STREET

AURORA, IL 60505

OFFERING PRICE  
**\$3,350,000**

CAP RATE  
**9.25%**

PRO FORMA CAP RATE  
**9.43%**

Offering Price	\$3,350,000
Cap Rate	9.25%
Pro Forma Cap Rate	9.43%
Price/SF	\$54.07
Total Square Feet	61,951
Rental Rate	\$5.00
Lease Type	Absolute Triple-Net
Lease Term	7 Years
Rental Increases	2%
Tenancy	Single
Occupancy	100.00%

## FINANCING

LTV	65%
Interest Rate	6.75%
Loan Term	7 Years
Amortization	25 Years

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

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# RENT ROLL

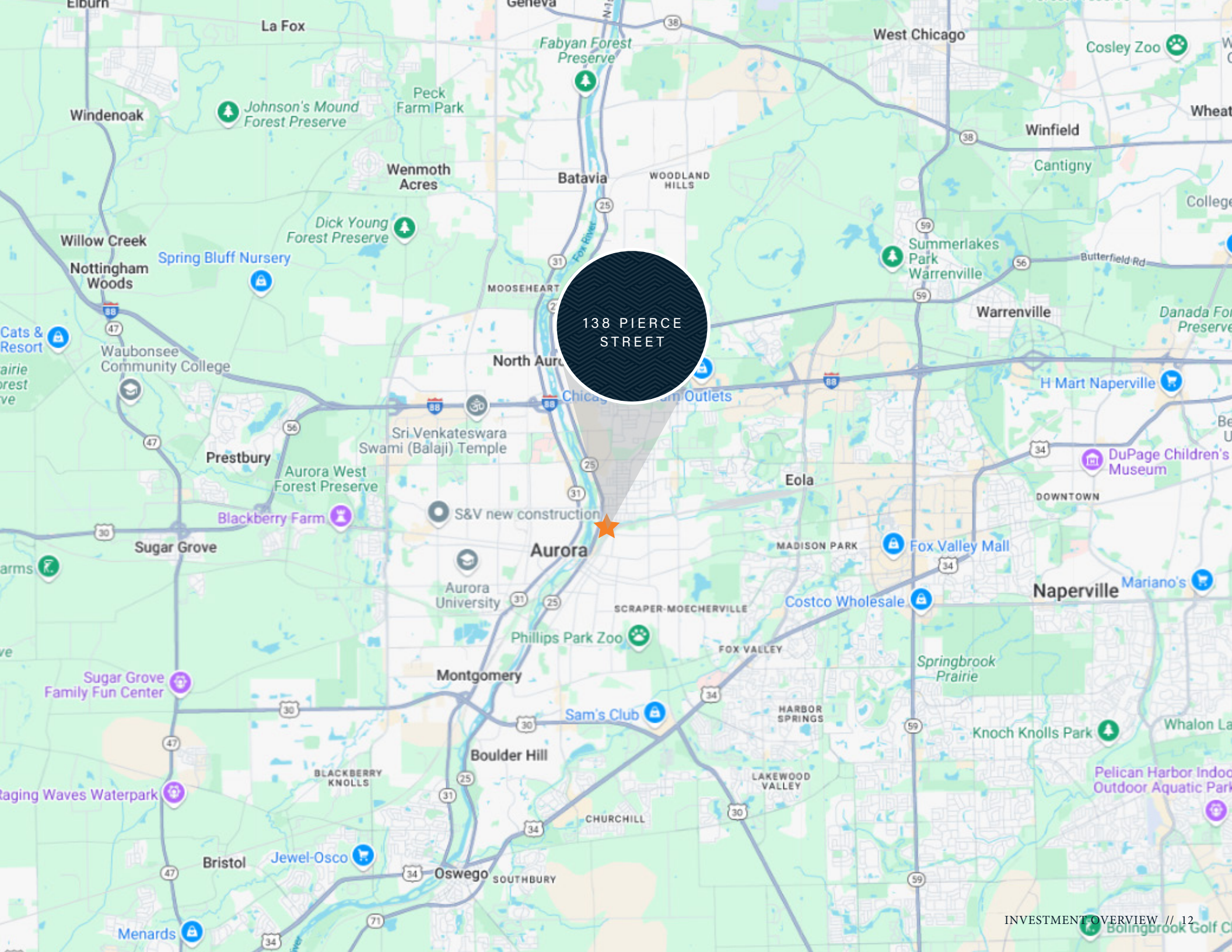
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type
Fox Valley Forge (W.E Hoban Company)	Full Property	61,951	100.0%	COE	7-Years	\$5.00	\$25,813	\$309,755	\$315,950	COE + 1-Year	2.00%	NNN
Total		61,951				\$5.00	\$25,813	\$309,755	\$315,950			
Occupied Tenants: 1				Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%				
Total Current Rents: \$25,813						Occupied Current Rents: \$25,813		Unoccupied Current Rents: \$0				

## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	309,755		5.00	315,950		5.10
Expense Reimbursement Income						
Net Lease Reimbursement						
CAM	52,200		0.84	53,766		0.87
Insurance	21,000		0.34	21,630		0.35
Real estate Taxes	20,985		0.34	24,133		0.39
Total Reimbursement Income	\$94,185	100.0%	\$1.52	\$99,529	100.0%	\$1.61
Effective Gross Revenue	\$403,940		\$6.52	\$415,479		\$6.71

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Trash Removal	1,400		0.02	1,442		0.02
Repairs & Maintenance	2,500		0.04	2,575		0.04
Landscaping	1,000		0.02	1,030		0.02
Water	2,400		0.04	2,472		0.04
Electric	34,000		0.55	35,020		0.57
Gas	10,900		0.18	11,227		0.18
Insurance	21,000		0.34	21,630		0.35
Real Estate Taxes	20,985		0.34	24,133		0.39
Total Expenses	\$94,185		\$1.52	\$99,529		\$1.61
Expenses as % of EGR	23.3%			24.0%		
Net Operating Income	\$309,755		\$5.00	\$315,951		\$5.10





138 PIERCE STREET





138 PIERCE  
STREET











## TENANT SUMMARY

“To deliver superior-manufactured solutions through continuous innovation and optimization, while sustaining a company culture based on family values.”

TENANT  
W.E. Hoban Company

HEADQUARTERS      # OF LOCATIONS  
Green Bay, WI      2

NET SALES  
Average \$31,638,271 - 2022-2024

[www.wehoban.com](http://www.wehoban.com)



**W.E. HOBAN**  
COMPANY



In 2024, the Cleveland Hardware and Forging Company was renamed the W.E. Hoban Company, a pre-existing merger of three companies with roots dating back over 140 years. Cleveland Hardware and Forging Company was incorporated in 1881, acquiring the Fox Valley Forge (established in 1940) in 1973, and later, the Green Bay Drop Forge (founded in 1914) in 1978. The merger of the three companies is named after William E. Hoban, who purchased the companies in 1985. Today, the W.E. Hoban Company is spearheaded by Mr. Hoban's son, William M.

The subject property was originally developed to produce war-related components. In 1948, after new ownership, the Fox Valley Forge name was adopted. Fox Valley Forge began to serve the markets of automotive, truck, agricultural, and energy. Fox Valley Forge was acquired by Cleveland Hardware and Forging Company in 1973 and continued to expand both its capacity and capabilities. The company doubled its upset capacity by adding 4 additional upsetters and installed multiple press lines to produce near-net shape forgings. Fox Valley Forge also added the ability to upset tube and pipe to meet the growing demands of the energy market. Fox Valley continues to be recognized as an expert in forging processes such as upsetting, extrusion, and swaging, providing gear blanks, gear and axle shafts, wheel hubs and spindles, forged coupling pup joints and horizontal drill pipe, and many custom shapes in production quantities large and small.

## 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.



1,249 Financing  
Transactions  
in 2024



National platform operating  
within the firm's  
brokerage offices



\$6.7 billion total  
national volume  
in 2024



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 a complex network of steel beams, pipes, and several large, dome-shaped pendant lights hanging from the ceiling. The lighting is dim, creating a moody atmosphere. The structure appears to be a large warehouse or a manufacturing facility.

## 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 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. During the past 20 years, the greatest growth 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 in-person work attendance, 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, State Farm Insurance 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 have rebounded substantially. 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



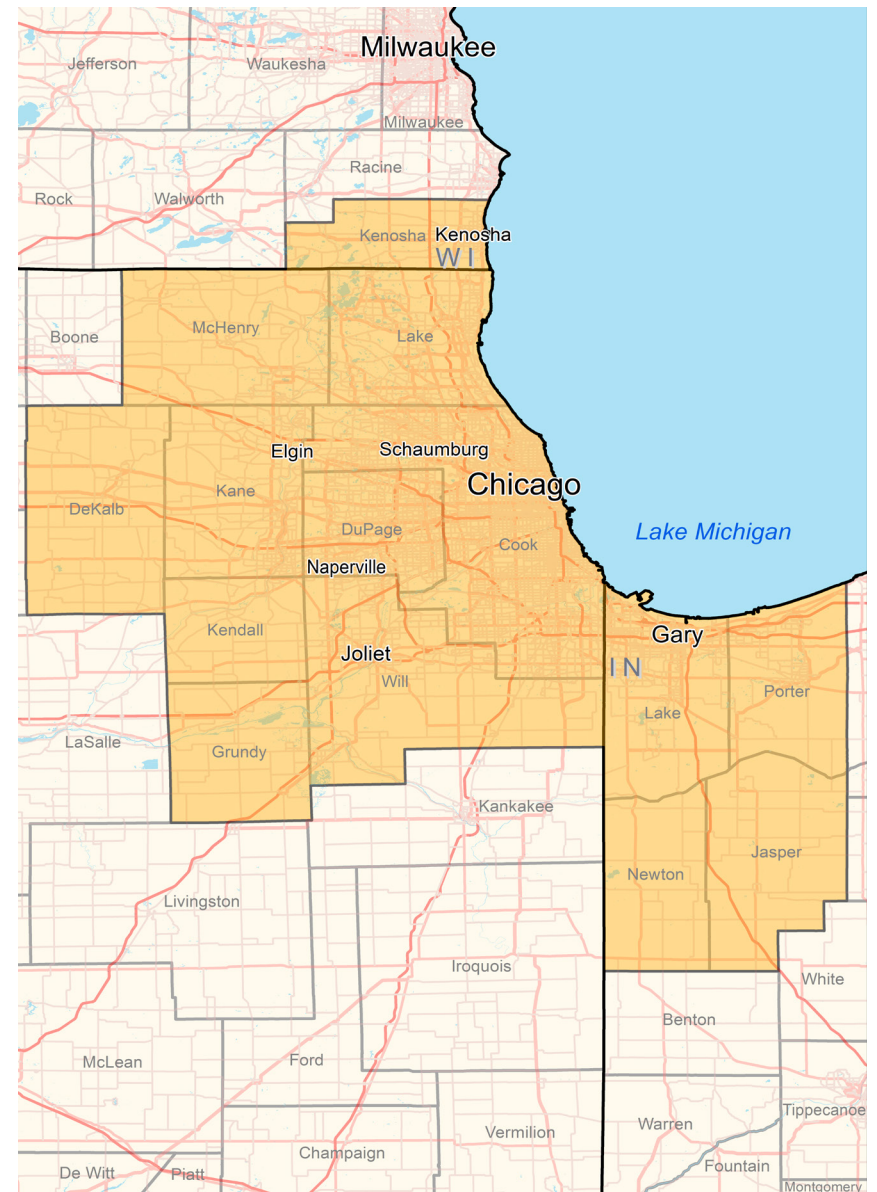
**16%**  
EDUCATION AND  
HEALTH SERVICES



**2%**  
INFORMATION



**4%**  
OTHER SERVICES





## METROPLEX GROWTH

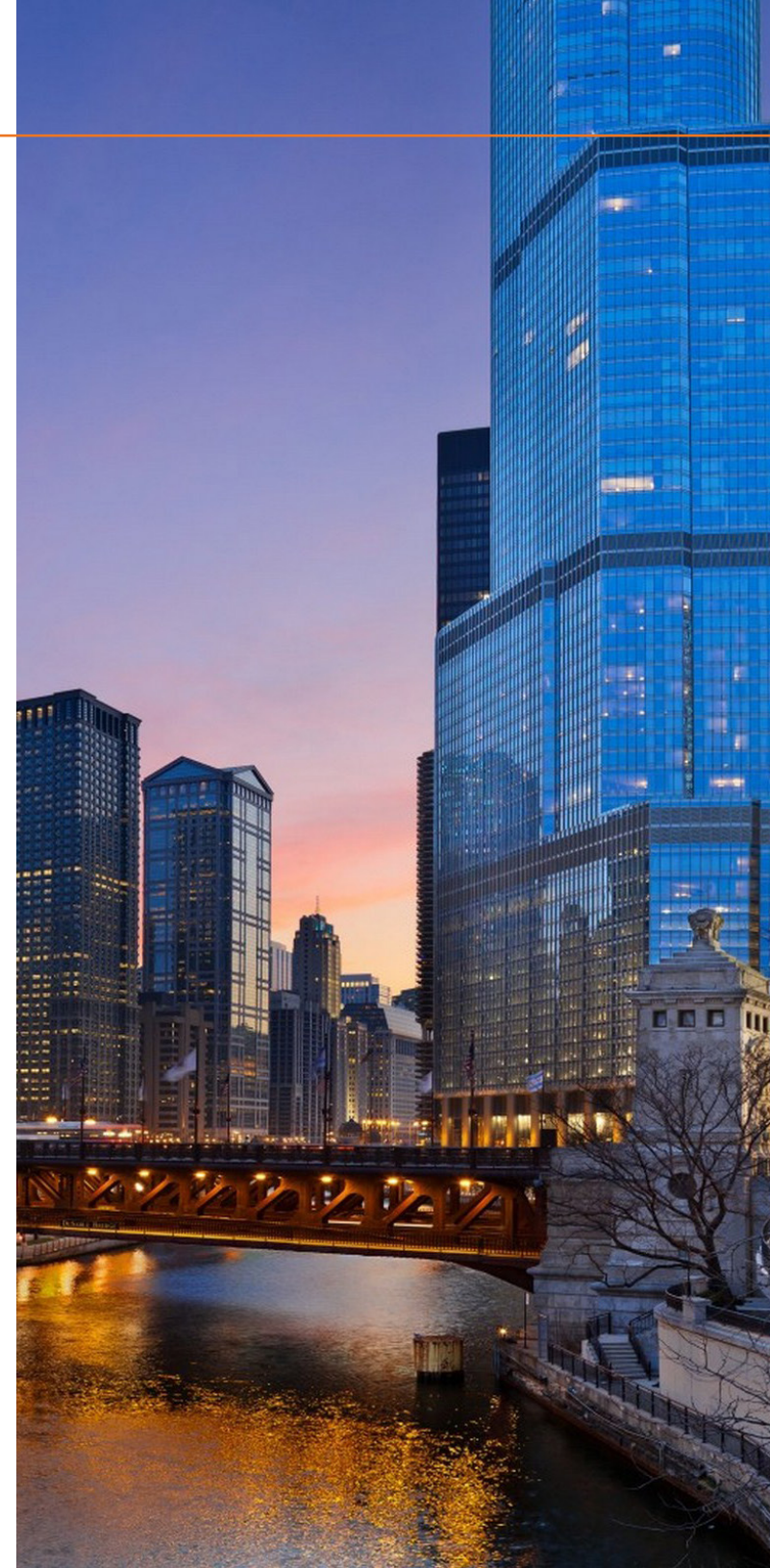
### TRANSPORTATION

The region's transit network ranks among the largest and most efficient across the country, with the Chicago L spanning over 100 miles across the metro. 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 "L" serves the city of Chicago. The Metra commuter rail provides passenger service in the suburbs. 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 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 is set to open in 2026.

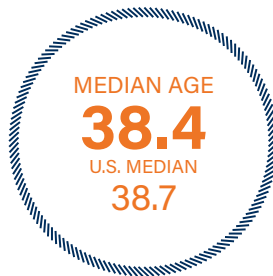
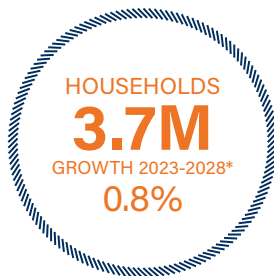




## METROPLEX GROWTH

### DEMOGRAPHICS

Chicago is the second-most populous metro in the U.S., with 9.5 million residents. During the next five years, however, the population is expected to lower marginally. 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 work-force 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. Local home-ownership is slightly below the national rate of 65 percent.



## DEMOGRAPHICS



**236,792**

Total Population  
Within 5 Miles



50.1%



49.9%



**\$117,047**

Average Household Income  
Within 5 Miles



**125,908**

Employees  
Within 1 Mile



## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2029 Projection</b>			
Total Population	20,913	113,348	238,160
<b>2024 Estimate</b>			
Total Population	20,984	113,722	236,792
<b>2020 Census</b>			
Total Population	21,657	117,610	241,573
<b>2010 Census</b>			
Total Population	27,895	136,208	255,067
<b>Daytime Population</b>			
2024 Estimate	17,185	102,939	213,051
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2029 Projection</b>			
Total Households	6,727	38,248	84,598
<b>2024 Estimate</b>			
Total Households	6,701	38,136	83,724
Average (Mean) Household Size	3.1	2.9	2.8
<b>2020 Census</b>			
Total Households	6,661	37,958	82,505
<b>2010 Census</b>			
Total Households	7,665	41,095	83,055

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2024 Estimate</b>			
\$200,000 or More	4.0%	8.7%	12.8%
\$150,000-\$199,999	6.2%	8.1%	10.7%
\$100,000-\$149,999	14.9%	18.5%	22.4%
\$75,000-\$99,999	12.7%	13.2%	12.9%
\$50,000-\$74,999	20.9%	19.0%	17.1%
\$35,000-\$49,999	16.1%	11.5%	8.8%
\$25,000-\$34,999	9.3%	7.5%	5.4%
\$15,000-\$24,999	8.0%	7.0%	5.0%
Under \$15,000	7.8%	6.5%	5.0%
Average Household Income	\$79,521	\$97,059	\$117,047
Median Household Income	\$64,171	\$78,949	\$97,410
Per Capita Income	\$25,070	\$33,063	\$41,438
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2024 Estimate Total Population	20,984	113,722	236,792
Under 20	31.1%	29.3%	28.2%
20 to 34 Years	22.9%	21.9%	20.9%
35 to 39 Years	6.9%	7.1%	7.5%
40 to 49 Years	13.8%	13.8%	14.5%
50 to 64 Years	15.5%	16.3%	17.4%
Age 65+	9.7%	11.7%	11.5%
Median Age	32.0	34.0	36.0
<b>Population 25+ by Education Level</b>			
2024 Estimate Population Age 25+	12,727	71,490	153,257
Elementary (0-8)	25.9%	16.9%	9.6%
Some High School (9-11)	13.1%	10.4%	6.9%
High School Graduate (12)	28.6%	25.9%	22.3%
Some College (13-15)	15.3%	18.8%	19.1%
Associate Degree Only	4.4%	5.5%	7.0%
Bachelor's Degree Only	9.4%	14.8%	21.8%
Graduate Degree	3.3%	7.8%	13.3%
<b>Travel Time to Work</b>			
Average Travel Time to Work in Minutes	25.0	28.0	32.0

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