

965 W 18th St

Chicago, Illinois



THE AXON GROUP AT EXP REALTY

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# Property Information

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## EXECUTIVE SUMMARY

Fully Renovated 5-Unit Masonry Brick Mixed-Use Building Located on Pilsen's 18th Street Retail Corridor. The property includes (2) 3 bed, 2 bath residential apartments plus (3) built-out commercial units, offering strong in-place income in a prime Chicago neighborhood. The building was gut renovated in 2017-stripped to the floor joists and completely rebuilt, featuring updated interiors throughout. The residential units offer modern kitchens with stainless steel appliances, exposed brick accents, hardwood flooring, and excellent natural light. Current ownership has completed extensive additional capital improvements, including a new coach house roof, parapet wall reconstruction, Hardy board siding, masonry updates, replacement of multiple water heaters, added windows and lighting, a Doorbird entry system, and further updates to the residential units. Ownership also oversaw the buildout of all three commercial spaces and secured a new long-term tenant, Vela Spa. Ideally located near UIC, downtown Chicago, Cinespace Film Studios, and some of Pilsen's most popular restaurants, retail, and entertainment. Easy access to Metra and CTA transit.



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965 W 18th St

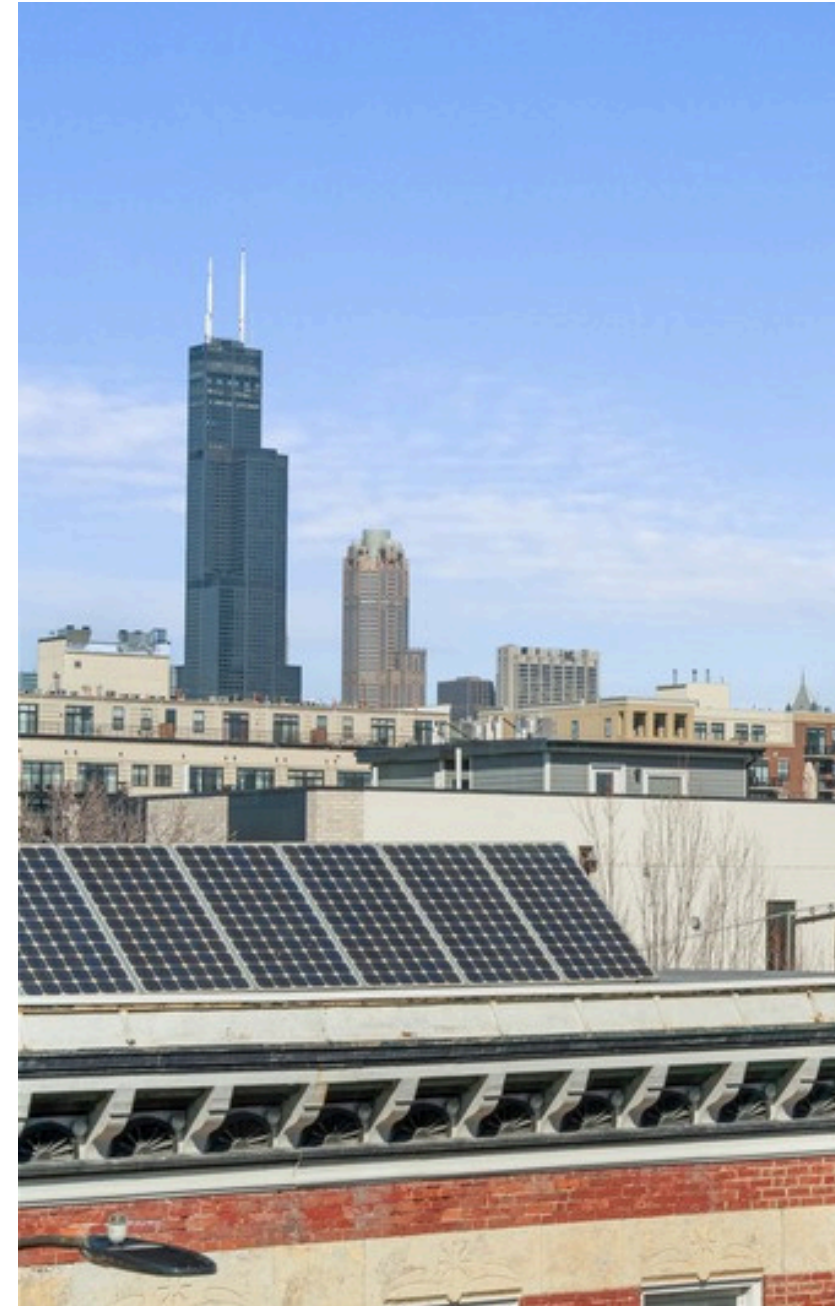
Chicago, Illinois

## BUILDING DESCRIPTION

LOT SIZE	25 X 100
ZONING	C1-2
FLOORS	3
UNIT COUNT	5
HEAT TYPE	Forced Air



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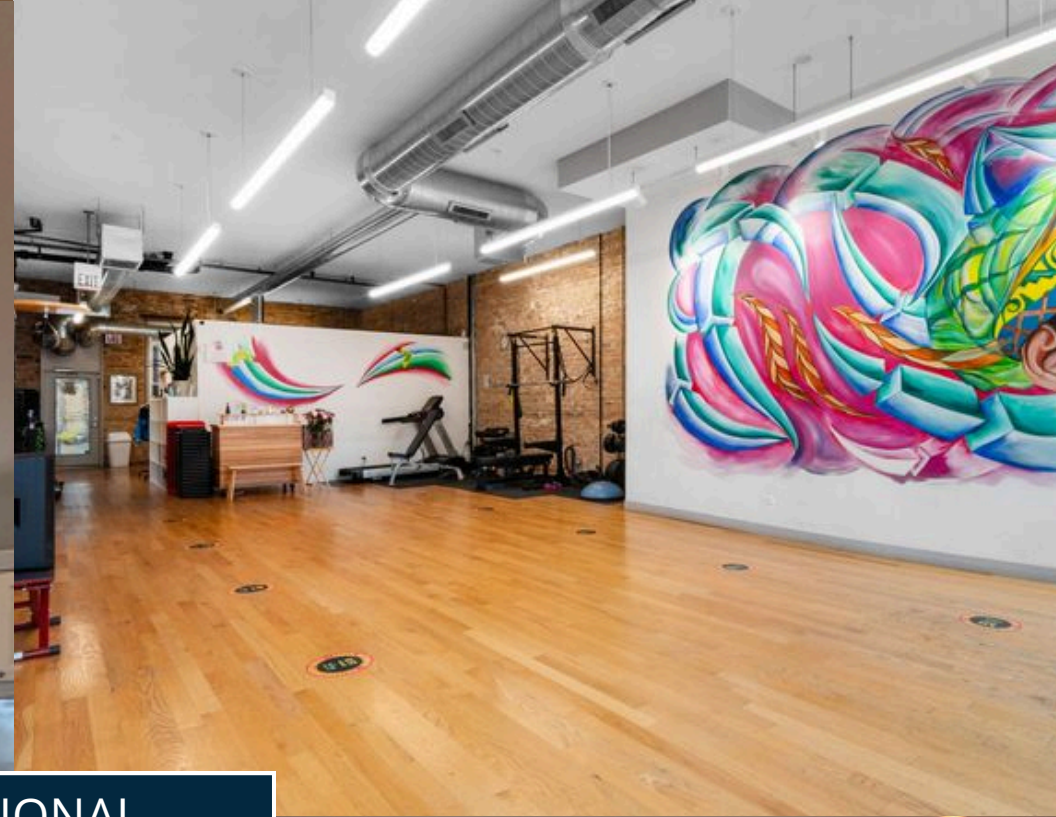
The background is a solid dark blue color. A faint, light blue grid pattern is visible, consisting of vertical and horizontal lines. A curved line, resembling a quarter-circle or a portion of a sphere, is drawn across the right side of the image, starting from the bottom and curving upwards and to the right. The word "Photos" is written in a bold, white, sans-serif font in the lower-left corner.

# Photos



965 W 18th St





ADDITIONAL  
PHOTOS





ADDITIONAL  
PHOTOS





# **Location Information**

965 W 18th St

Chicago, Illinois



## NEIGHBORHOOD OVERVIEW

Pilsen is a highly established mixed-use neighborhood located approximately two miles southwest of Chicago's Central Business District on the Lower West Side. The area has experienced sustained reinvestment over the past decade, driven by its strategic urban location, strong connectivity, and growing demand for both residential and retail space. The neighborhood is anchored by the West 18th Street commercial corridor, one of Chicago's most active pedestrian retail districts, supporting a diverse tenant base of restaurants, service-oriented businesses, boutique retailers, and national-recognition cultural destinations. Pilsen's built environment features a dense collection of historic brick and masonry structures, making it one of the city's most desirable submarkets for adaptive reuse and mixed-use investment.

Pilsen benefits from proximity to several major economic drivers, including the University of Illinois Chicago (UIC), the Illinois Medical District, Cinespace Chicago Film Studios, and Downtown Chicago. The neighborhood is also well-served by public transportation infrastructure, including CTA Pink Line stations, multiple bus routes, and convenient access to I-55 and I-90/94.

As a result of its continued population growth, limited supply of renovated product, and strong retail fundamentals, Pilsen has emerged as one of Chicago's premier submarkets for mixed-use and multifamily investment, offering long-term stability and attractive rental upside in a supply-constrained urban corridor.

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## PARCEL MAP



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# Property Highlights

# Property Highlights

- Rehabbed 5-unit building (3 retail + 2 apartments)
- Strong rental income with 7.00% cap rate
- Great turnkey investment
- Updates completed within the last year
- Full gut rehab in 2017
- Many interior improvements since 2022
- Permitted conversion from 3 units to 5 units
- Exterior repairs and improvements done
- Large unit floorplans — renter-friendly layouts
- Huge growth potential in Pilsen





# Financial Analysis

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## Rent Roll

Unit #	Rent	Renewal
Unit 1	\$4,059	5/1/2030
Unit 2	\$3,000	Month-to-month (no lease)
Unit 3	\$3,100	5/1/2026
Unit 4	\$1,132	10/1/2026
Unit 5	\$1,155	10/1/2026

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## Global Inputs

Inflation rate	4.00%
Vacancy rate	5.00%

## Purchase Inputs

Purchase price	\$ 1,600,000.00
Down Payment %	25.00%
Down payment	\$ 400,000.00
Depreciable basis	\$ 1,360,000.00
Closing costs	\$ 16,000.00

## Loan costs and cash flows

Loan fee	\$ 12,000.00
Loan amount	\$ 1,200,000.00
Loan interest rate	5.700%
Loan term	300

Monthly Debt service (7,513.06)

## Taxation Inputs

Marginal tax rate	25.00%
Cap gain rate	15.00%

## Sales Exit Inputs

Exit cap rate	7.00%
Exit selling costs	5.00%

## NPV Calculation Inputs

Pretax discount rate	6.00%
Aftertax discount rate	6.00%

Enter Property Information

Formula Field

## Part I - Forecast of Operating Income, Operating Expenses, and Operating Cash Flows

## Operating Income

Current Rental Income	Monthly	Units	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Retail Front	\$ 4,059.00	1	\$ 48,708.00	\$ 50,656.32	\$ 52,682.57	\$ 54,789.88	\$ 56,981.47	\$ 59,260.73	\$ 61,631.16
Retail 1R	\$ 1,155.00	1	\$ 13,860.00	\$ 14,414.40	\$ 14,990.98	\$ 15,590.62	\$ 16,214.24	\$ 16,862.81	\$ 17,537.32
Retail 2R	\$ 1,132.00	1	\$ 13,584.00	\$ 14,127.36	\$ 14,692.45	\$ 15,280.15	\$ 15,891.36	\$ 16,527.01	\$ 17,188.09
Residential 1	\$ 3,000.00	1	\$ 36,000.00	\$ 37,440.00	\$ 38,937.60	\$ 40,495.10	\$ 42,114.91	\$ 43,799.50	\$ 45,551.48
Residential 2	\$ 3,100.00	1	\$ 37,200.00	\$ 38,688.00	\$ 40,235.52	\$ 41,844.94	\$ 43,518.74	\$ 45,259.49	\$ 47,069.87
		1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Total Current Rental Income

	149,352.00	155,326.08	161,539.12	168,000.69	174,720.72	181,709.54	188,977.93
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## Other Income

Yearly	Quantity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
GAS	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pet Rent	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Move In Fees	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Total Current Potential Income

	\$ 149,352.00	\$ 155,326.08	\$ 161,539.12	\$ 168,000.69	\$ 174,720.72	\$ 181,709.54	\$ 188,977.93
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## Vacancy Allowance

	\$ 7,467.60	\$ 7,766.30	\$ 8,076.96	\$ 8,400.03	\$ 8,736.04	\$ 9,085.48	\$ 9,448.90
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## Forecasted Income

	\$ 141,884.40	\$ 147,559.78	\$ 153,462.17	\$ 159,600.65	\$ 165,984.68	\$ 172,624.07	\$ 179,526.03
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## Operating Expenses

	% of Potential Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Advertising		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opex Reserves		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Turnover Paint/Make ready		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Turnover Comissions		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance		\$ 6,264.00	\$ 6,514.56	\$ 6,775.14	\$ 7,046.15	\$ 7,327.99	\$ 7,621.11	\$ 7,925.96
Legal and other professional fees		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management fees		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repairs	5.00%	\$ 2,500.00	\$ 2,600.00	\$ 2,704.00	\$ 2,812.16	\$ 2,924.65	\$ 3,041.63	\$ 3,163.30
Janitorial & maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes	12.18%	\$ 18,194.61	\$ 18,922.39	\$ 19,679.29	\$ 20,466.46	\$ 21,285.12	\$ 22,136.53	\$ 23,021.99
Utilities, Water, Sewer, Garbage		\$ 2,400.00	\$ 2,496.00	\$ 2,595.84	\$ 2,699.67	\$ 2,807.66	\$ 2,919.97	\$ 3,036.77
HOA/RM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping/Snow Removal		\$ 500.00	\$ 520.00	\$ 540.80	\$ 562.43	\$ 584.93	\$ 608.33	\$ 632.66
Other/Parts/Supplies/Misc		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Total Operating Expenses

	\$ 29,858.61	\$ 31,052.95	\$ 32,295.07	\$ 33,586.88	\$ 34,930.35	\$ 36,327.56	\$ 37,780.67
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## Expense Ratio

19.99%

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Operating Income	\$ 112,025.79	\$ 116,506.82	\$ 121,167.09	\$ 126,013.78	\$ 131,054.33	\$ 136,296.50	\$ 141,748.36
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## Part II - Forecast of Pretax Cash Flows, Rate of Return, and Net Present Value

Total Annual Loan payments	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)
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### Pretax Cash Flows

Initial Investment	\$ (428,000.00)						
Net Operating Income	\$ 112,025.79	\$ 116,506.82	\$ 121,167.09	\$ 126,013.78	\$ 131,054.33	\$ 136,296.50	\$ 141,748.36
Loan payments	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)	\$ (90,156.73)
Sales proceeds							
Selling costs							
Loan repayment							
Total Pretax Cash Flows	\$ (428,000.00)	\$ 21,869.06	\$ 26,380.09	\$ 31,010.36	\$ 35,857.04	\$ 40,897.39	\$ 46,139.77

Pretax IRR	17.33%	** Internal Rate of Return, A+ rate = 6-11%, Gain or Loss on investment before taxes
Pretax NPV	\$ 517,457.72	** Net Present Value, should be a positive number
DSOR	1.24	** Debt-Service Coverage Ratio = VALUE > 1 (ratio of available cash flow to cover mortgage pmt)
Debt Yield	9.34%	** A+ Rate = 10%, but as low as 8% acceptable for premium properties (Net Income/loan amt.)

## Part III - Forecast of Taxable Income and of Aftertax Cash Flows, Rate of Return, and Net Present Value

### Taxable Income Forecast

Operating Income	112,025.79	116,506.82	121,167.09	126,013.78	131,054.33	136,296.50	141,748.36
Loan payments	(90,156.73)	(90,156.73)	(90,156.73)	(90,156.73)	(90,156.73)	(90,156.73)	(90,156.73)
Building depreciation	(49,454.33)	(49,454.55)	(49,454.33)	(49,454.55)	(49,454.55)	(49,454.33)	(49,454.55)
Loan fee amortization	(480.00)	(480.00)	(480.00)	(480.00)	(480.00)	(480.00)	(480.00)
Current Taxable Income (loss)	(28,065.49)	(23,584.46)	(18,904.19)	(14,077.50)	(9,036.95)	(3,794.78)	1,657.08

Tax expense (savings)	(7,016.37)	(5,836.11)	(4,731.05)	(3,519.38)	(2,259.24)	(948.69)	414.27
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Aftertax operating cash flows	28,885.43	32,246.20	35,741.41	39,376.42	43,156.63	47,088.46	51,177.36
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### Other aftertax cash flows

Initial investment	(428,000.00)						
Sales proceeds							
Selling costs							
Loan repayment							
Capital gains tax							
Aftertax all-inclusive cash flows	(428,000.00)	28,885.43	32,246.20	35,741.41	39,376.42	43,156.63	47,088.46

Aftertax IRR	16.70%
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Aftertax NPV	\$ 453,981.34
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## OFFERING TERMS

All offers must be presented with proof of funds showing amount and client/entity name. Please include a brief description of the client's experience.



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## CONFIDENTIAL OFFERING MEMORANDUM

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