



FEDERAL GOVERNMENT LEASE

SOCIAL SECURITY ADMINISTRATION FACILITY

CHICAGO HEIGHTS, ILLINOIS



Price Reduction: \$116,000

104 S. Halsted St, Chicago Heights, IL 60411

For more information, contact: **Gary Green** DRE# 00693574
(619) 922-1991

garywgreen550@gmail.com

[SSA Chicago Heights - Video Link](#)



SSA Branch Office: Chicago Heights, Illinois

DETAILS

- Price: **\$ 3,076,275**
- NOI: \$ 215,565.47
- BUILDING SIZE: 15,283 SQ FT
- Cap Rate: 7.00%
- LEASE TERM: 10yr lease (7 years firm)
- TENANT: U.S. Social Security Administration
- OCCUPANCY: 100%
- PROPERTY TYPE: Office
- YEAR BUILT: 2000
- LOT SIZE: 2.5 Acres

Investment Highlights

SINGLE-TENANT PROPERTY WITH Aaa CREDIT

- The subject property is 100% leased to the U.S. Federal Government, which features an AAA credit rating from Moody's Investor Services

10-YEAR LEASE TERM

- New 10-year lease begins 05/02/2025 and runs through 05/01/2035.
- There is a fixed increase in Shell Rent of 8.72% in years 6-10 (+\$27,955.79 per year)
- 2000 Build-to-Suit for the SSA
- Designed to meet the specific requirements of the tenant incorporating the latest technology

HIGH-DEMAND LOCATION / EXCELLENT ACCESSIBILITY

- This facility has over 100,000 people living within 5 miles, including an average household income of \$81,000/year
- Located on a major north/south artery surrounded by high amenity, mixed-use development

PASSIVE INVESTMENT OPPORTUNITY

- Managed by current owner who has built & managed (5) other facilities for the SSA

Property Description

The Chicago Heights Social Security Administration (SSA) Branch Office is a single-tenant, 15,283 square foot office facility located in Chicago Heights, IL, approximately 29 miles from downtown Chicago. This location experiences exceptionally strong demand for SSA services. The property is leased for a new 10-year lease term via the U.S. General Services Administration (GSA), demonstrating the long-term commitment to this location. The lease is guaranteed by the United States of America, which has a credit rating of AAA from Moody's Investor Services. The GSA has a long-standing reputation as a tenant with one of the highest renewal probabilities in the commercial real estate industry. Historical data published by the GSA regarding their portfolio of over 8,000 leases nationwide reflects a retention rate which typically exceeds 93%.

The Chicago Heights SSA presents a passive investment opportunity, as the seller/developer has managed (5) SSA facilities since 2000. The seller of this asset has invested over \$ 650,000 to update this facility to meet and exceed all current standards. The developer's strong relationship with the tenant will provide an easy, hassle-free experience for the future owner.

Contact: Gary Green **Phone:** (619) 922-1991 **Email:** garywgreen550@gmail.com

Tenant Overview

The **Social Security Administration (SSA)** is an independent agency of the U.S. federal government that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits. The SSA also issues Social Security numbers and administers the Supplemental Security Income (SSI) Program from more than 1,400 offices around the country, including its regional headquarters in Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, New York, Philadelphia, San Francisco, and Seattle. The SSA operates primarily with an annual federal budget of about \$13 billion and some \$66 billion in contributions from workers. President Franklin D. Roosevelt created Social Security and the administration in 1935.

About 40 million people visit the SSA's field offices and more than 37 million people call the agency daily for filing claims and asking questions. The SSA pays benefits to about 67 million people and issues more than 16 million new and replacement social security cards.

SSA is headquartered in Woodlawn, Maryland, just to the west of Baltimore, at what is known as Central Office. The agency includes 10 regional offices, 8 processing centers, approximately 1,400 field offices, and 37 Teleservice Centers. SSA also operates an extensive international program to service the needs of Social Security beneficiaries living abroad.

Social Security is the largest social welfare program in the United States. For the year 2014, the net cost of social security was \$906.4 billion which accounted for 21% of government expenditure. The SSA's President's 2017 budget of \$13.1 billion allowed the agency to build a workforce to execute its multi-year plan to eliminate the hearings backlog and invest in its IT infrastructure. The money was also be used to expand its efforts to prevent and deter fraud by adding new units to its Cooperative Disability Investigation (CDI) program and to continue to support its SSA fraud prosecutors.



GSA Overview

The **General Services Administration (GSA)** provides centralized procurement for the federal government, offering billions of dollars worth of products, services, and facilities that federal agencies need to serve the public. In addition to acting as the government's landlord in obtaining office space for the federal workforce, the GSA also manages properties, and supplies equipment, telecommunications, and information technology products to its customer agencies. It oversees some \$24 billion in federal assets, including 8,600 buildings, and over 20,000 vehicles. It also manages USA.gov, the government's official website.

GSA's acquisition solutions supply federal purchasers with cost-effective high-quality products and services from commercial vendors. The GSA helps federal agencies build and acquire office space, products and other workspace services, and oversees the preservation of historic federal

properties. Its policies covering travel, property, and management practices promote efficient government operations.

GSA was established by President Harry Truman on July 1, 1949, to streamline the administrative work of the federal government. GSA consolidated the National Archives Establishment, the Federal Works Agency, and the Public Buildings Administration; the Bureau of Federal Supply and the Office of Contract Settlement; and the War Assets Administration into one federal agency tasked with administering supplies and providing workplaces for federal employees.

Today, through its two largest offices – the Public Buildings Service and the Federal Acquisition Service – and various staff offices, GSA provides workspace to more than 1 million federal civilian workers, oversees the preservation of more than 480 historic buildings, and facilitates the federal government's purchase of high-quality, low-cost goods and services from quality commercial vendors.

The landlord for the civilian federal government, **Public Buildings Service (PBS)** acquires space on behalf of the federal government through new construction and leasing, and acts as a caretaker for federal properties across the country. PBS owns or leases 8,700 assets, maintains an inventory of more than 370 million square feet of workspace for 1.1 million federal employees, and preserves more than 481 historic properties.

PBS is funded primarily through the Federal Buildings Fund, which is supported by rent from federal customer agencies.

As an integral part of GSA, the **Federal Acquisition Service (FAS)** possesses unrivaled capability to deliver comprehensive products and services across government at the best value possible. FAS offers a continuum of innovative solutions and services in the areas of: Products and Services, Technology, Motor Vehicle Management, Transportation, Travel, and Procurement and Online Acquisition Tools.





BUILDING DATA

Introduction:

The description of the subject improvements is based on a personal visitation of the building and a review of the plat map. The visitation is not a substitute for thorough engineering studies. The subject photographs can be seen at the end of this section.

General Description:

The subject consists of a free-standing one story, slab on grade with a 5" concrete floor, stand up concrete panels, fully sprinklered & new flat roof. The total square footage per county records is 15,283 gross sq. ft. The building was erected in 2000 and is in great condition. It has been fully remodeled and upgraded to current GSA standards by the new owner in 2020/2021.

Occupancy:

The subject property is currently 100% occupied by a GSA tenant (Social Security Administration) on a new 10-year lease agreement that began on 05/02/2025 with 7-years firm. The lease includes a fixed increase in Shell Rent of 8.72% (\$27,955.79) per year in years 6-10.



BUILDING DATA (*CONTINUED*)

<u>Gross Building Area:</u>	15,283 sq. ft.
<u>Net Rentable Area:</u>	+/- 15,000 sq. ft.
<u>Exterior Walls:</u>	Steel supports & concrete panels with window openings
<u>Foundation/Slab:</u>	Poured reinforced concrete
<u>Windows:</u>	Brushed aluminum framing
<u>Floor Constructions:</u>	Concrete slab with Carpet &/or Tile
<u>Wall Covering:</u>	Paint
<u>Handicap Access:</u>	Accessible
<u>Rest Rooms:</u>	Two accessible employee restrooms Two accessible public restrooms (Lobby)



BUILDING DATA (CONTINUED)

<u>HVAC (In Office Area):</u>	(7) new (2020) roof mounted HVAC units for heating & cooling with central control with new ductwork distribution system and supply & return ceiling diffusers in good operating condition appropriate for the remodeled interior building configuration
<u>Fire Protection Systems:</u>	This facility has a fire alarm system, fire exits, fire extinguishers, and/or other fire protection measures adequate to meet the local fire marshal requirements
<u>Ceiling System:</u>	Acoustical tiles in suspended T-grid system
<u>Lighting System:</u>	Fully recessed LED lights 2x2 30-watt light panels with occupancy sensors installed in 2020
<u>Grounds & Landscaping:</u>	Upgraded landscaping which meets, or exceeds the Government requirements
<u>Parking:</u>	There are 73 surface parking spaces, including three handicapped spaces & one loading space. In addition, the junior college next door operates 90% at night, leaving 300+ parking spaces available for use during normal business hours
<u>Environmental:</u>	The value estimate rendered within this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials were visible
<u>Roof:</u>	Brand new APP modified membrane roof was installed in 2020 with a 12yr roof guarantee



BUILDING DATA (CONTINUED)

Americans with Disabilities

Act of January 1990:

The building does conform to the Americans with Disabilities Act of January 1990.
It must also be noted that we are in compliance with all current SSA requirements

Functional Quality of

Tenant Space:

The interior floor plans are flexible and will accommodate a variety of tenant layouts. There are no observed design problems, and none are reported by management

Design/Appeal:

The design of the subject is appropriate for office use and the building has a market appeal that is comparable to other competitive buildings in the area

Overall Quality and

Condition:

The building appears to be of good quality construction and is in good condition relative to its age

Functional Utility

of Improvements:

The improvements do satisfy the demands made on the improvements by the Social Security Administration

Compatibility with

Surrounding Uses:

The subject is surrounded by similar commercial office buildings and is seen to be in better condition with the surrounding buildings and uses

Personal Property

(Furniture, Fixtures, and Equipment):

Personal Property has not been valued in this report

Current Improvement:

This facility has been improved with over \$ 650,000+ in shell and T.I.'s, of which the current owner covered ALL improvement costs



2020/2021 TENANT IMPROVEMENTS (\$650,000+)

Full Remodel:

- All Walls and ceiling newly painted throughout
- 40% of the exterior painted
- Employee kitchen/break room fully renovated with new cabinets, countertops, and stainless steel double bowl sink
- New caulking and updates to all bathrooms including flooring
- Brand new vinyl plank flooring in server room
- Furnish and installation of FRP in seating areas on wall return with corner pieces
- Brand new carpeting throughout building in 2023

Updated Roof:

- APP modified membrane roof with the roof including a 12-year roof guarantee
- Drainage is provided by two-way slop in steel decking – 4” deck drains

New HVAC System:

- Seven brand new Lennox Rooftop units
- One modulating ductless Fujitsol System as IT room supplemental system
- T2 new locking thermostat covers
- Wi-Fi thermostat controls to monitor and manage rooftop unit



2020/2021 TENANT IMPROVEMENTS (CONTINUED)

(\$650,000+)

New Lighting:

- Brand new lighting system with 2x2 LED 30W light panels with intelligent occupancy sensors
- 250W fixtures to LED floor light
- Drywall ceiling installation

New Fencing & Caulking of Windows:

- New fence and caulking of all windows

Mold Remediation:

- GSA sponsored mold specialists monitored remediation services throughout the work
- All mold removed from property

New Flooring Throughout Building

SSA Chicago Heights – View of SSA Site

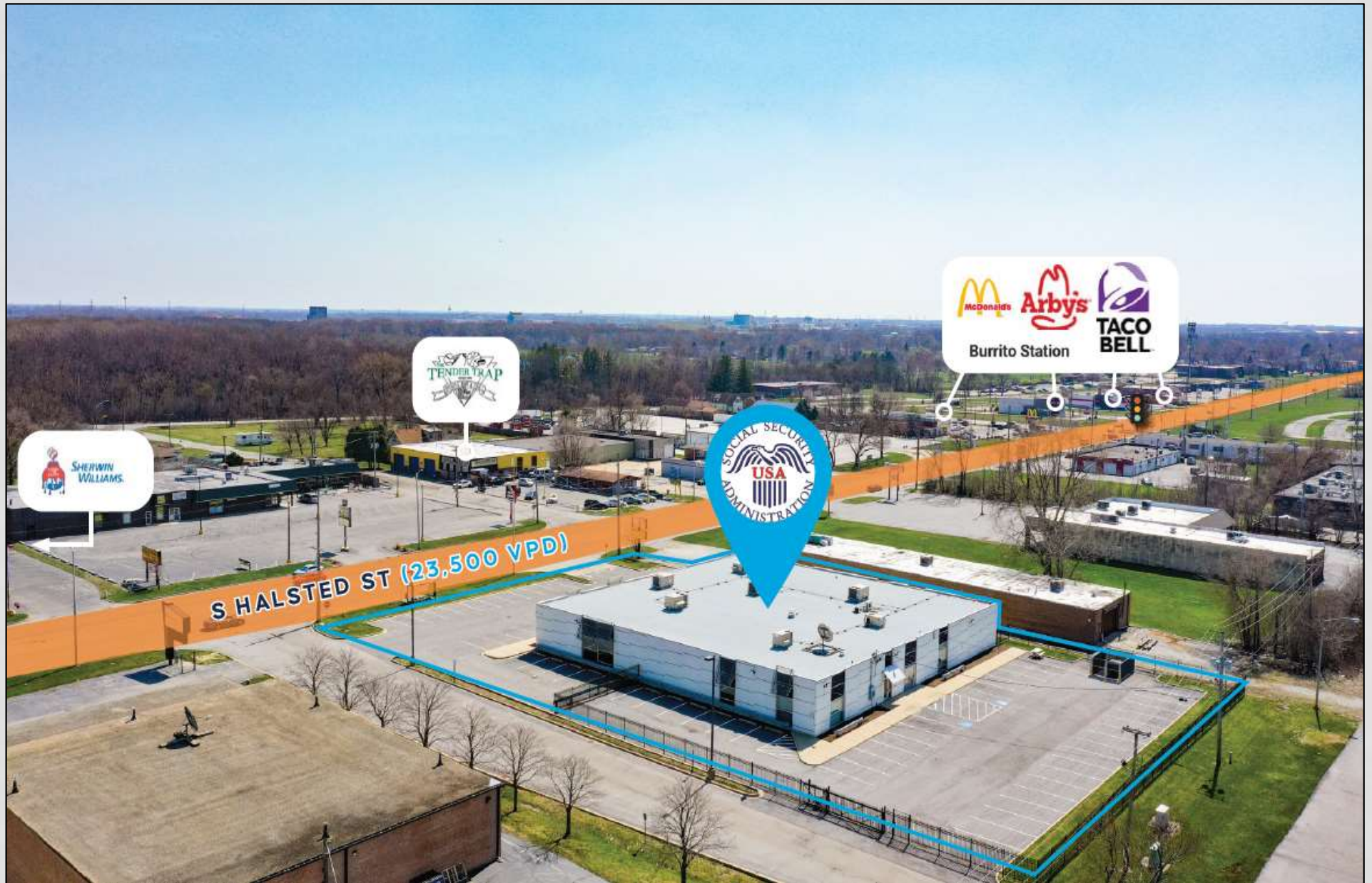
Parking Lot View



SSA Chicago Heights – Aerial View



SSA Chicago Heights – Aerial View



SSA Chicago Heights – Aerial View



SSA Chicago Heights – Map & Demographics



TOTAL POPULATION

1 mile	8,516
3 miles	67,178
5 miles	187,458



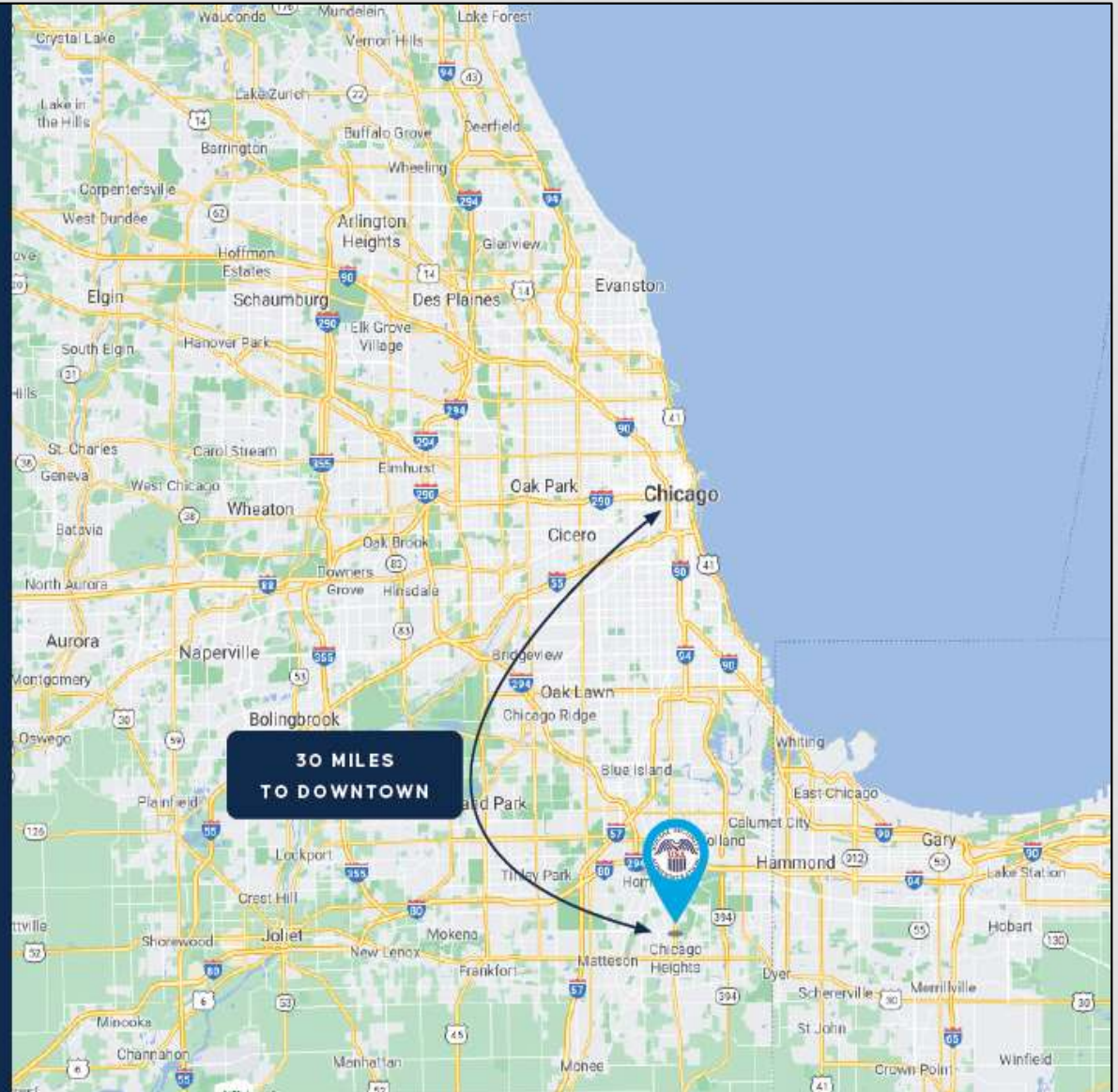
TOTAL HOUSEHOLDS

1 mile	2,953
3 miles	23,302
5 miles	67,709



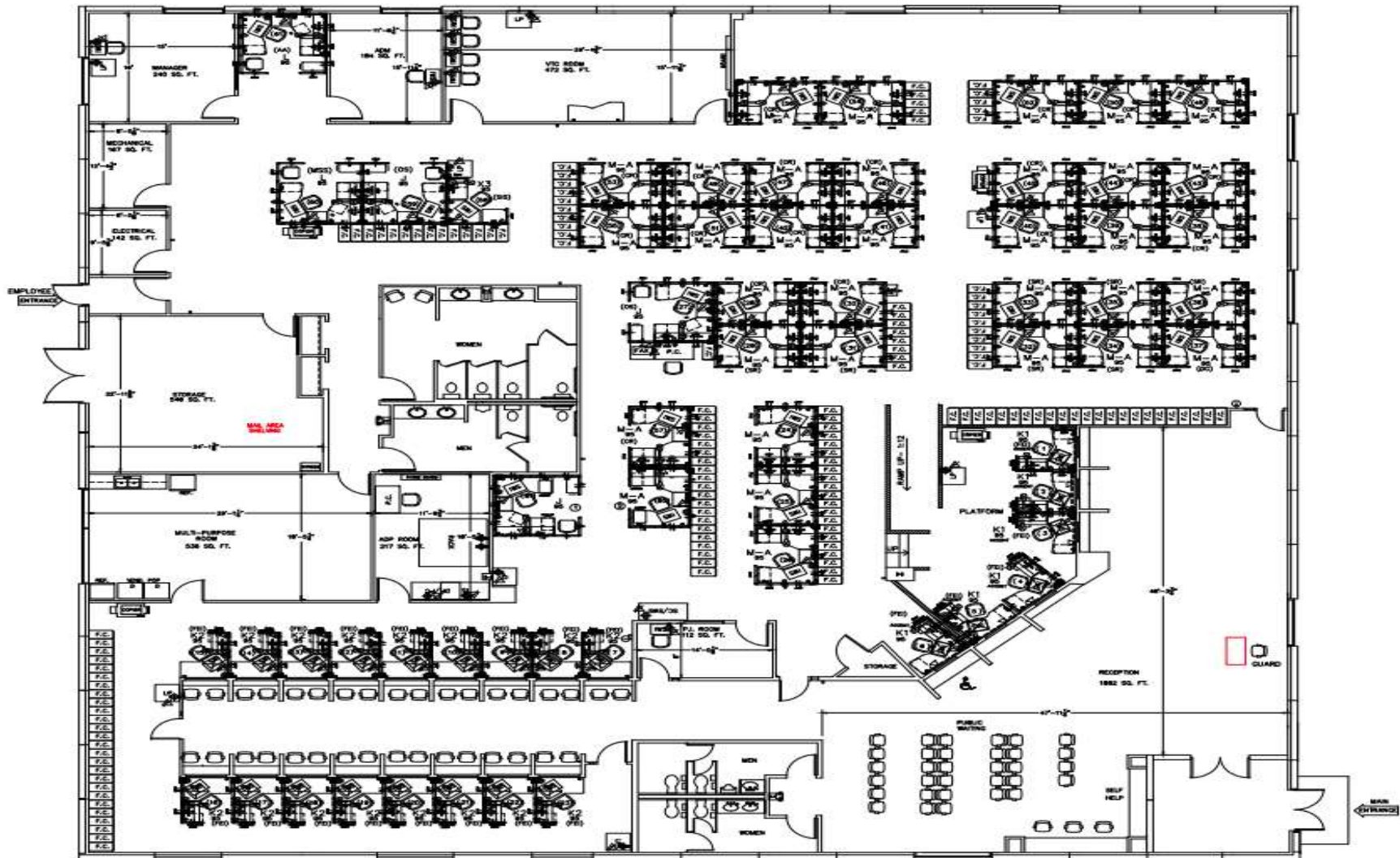
AVERAGE HH INCOME

1 mile	\$81,102
3 miles	\$86,959
5 miles	\$80,770





SSA CHICAGO HEIGHTS





INVESTMENT OVERVIEW

Purchase Price:

\$3,076,275.00

Cap Rate:

7.00%

Net Operating Income:

\$215,339.16

Lease Expiration:

May 1, 2035

Tenant:

U.S. Social Security Administration (GSA)

Credit Rating:

Investment Grade (S&P: AA+)

Building Size:

15,283 sqft

Land Size:

2.5 acres

Year Built/Renovated:

2000/2020

Parking Spaces:

73 (includes 3 handicap & 1 loading space)



NET OPERATING INCOME & PROPERTY VALUES

NOI (years 1-5)	Cap Rate	Property Value
\$ 215,483.97	7.00%	\$ 3,078,342.36
NOI (years 6-10)	Cap Rate	Property Value
\$ 215,565.47	7.00%	\$ 3,079,506.66
NOI (years 1-7)	Cap Rate	Property Value
\$ 215,339.16	7.00%	\$ 3,076,273.78
NOI (years 1-10)	Cap Rate	Property Value
\$ 215,524.72	7.00%	\$ 3,078,924.51



10-YEAR CASH FLOW PROJECTION 2025 - 2035

104 S Halsted

10 Year Cash Flow Projection

May 2,2025 - May 1,2035

		Firm Term 7 Years							Option Period 3 Years			Total	Average
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Lease Year Start		5/2/2025	5/2/2026	5/2/2027	5/2/2028	5/2/2029	5/2/2030	5/2/2031	5/2/2032	5/2/2033	5/2/2034		
Lease Year End		5/1/2026	5/1/2027	5/1/2028	5/1/2029	5/1/2030	5/1/2031	5/1/2032	5/1/2033	5/1/2034	5/1/2035		
Shell Rent	6.	\$320,520.03	\$320,520.03	\$320,520.03	\$320,520.03	\$320,520.03	\$348,475.82	\$348,475.82	\$348,475.82	\$348,475.82	\$348,475.82	\$ 3,344,979.25	\$334,497.93
Operating Cost Reimbursement - Base		\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$165,816.80	\$ 1,658,168.00	\$165,816.80
Operating Cost Adjustments	1.	\$ 4,145.42	\$ 8,394.48	\$ 12,749.76	\$ 17,213.92	\$ 21,789.69	\$ 26,479.85	\$ 31,287.27	\$ 36,214.87	\$ 41,265.66	\$ 46,232.28	\$ 199,540.91	\$ 19,954.09
Real Estate Tax Reimbursement	2.			\$ 5,954.57	\$ 12,147.32	\$ 18,587.78	\$ 25,285.86	\$ 32,251.86	\$ 39,496.51	\$ 47,030.94	\$ 54,567.42	\$ 180,754.84	\$ 18,075.48
Real Estate Tax Reimbursement, Prior Lease	5.	\$103,030.05	\$ 34,155.17										
Total Revenue		\$589,366.88	\$524,637.42	\$494,731.31	\$505,041.16	\$515,698.07	\$554,670.09	\$566,058.33	\$577,831.75	\$590,004.00	\$602,589.22	\$ 5,383,443.01	\$538,344.30
Less:													
Operating Expenses	3.	\$152,403.55	\$156,213.64	\$160,118.98	\$164,121.95	\$168,225.00	\$172,430.63	\$176,741.39	\$181,159.93	\$185,688.93	\$190,331.15	\$ 1,707,435.15	\$170,743.52
Real Estate Taxes	4.	\$143,138.67	\$143,138.67	\$148,864.22	\$154,818.79	\$161,011.54	\$167,452.00	\$174,150.08	\$181,116.08	\$188,360.72	\$195,895.15	\$ 1,657,945.92	\$165,794.59
Total Operating Expenses		\$295,542.22	\$299,352.31	\$308,983.20	\$318,940.74	\$329,236.54	\$339,882.63	\$350,891.47	\$362,276.01	\$374,049.65	\$386,226.30	\$ 3,365,381.07	\$336,538.11
Total Cash Flow		\$293,824.66	\$225,285.11	\$185,748.11	\$186,100.42	\$186,461.53	\$214,787.46	\$215,166.86	\$215,555.74	\$215,954.35	\$216,362.91	\$ 2,155,247.16	\$215,524.72

1. CPI Increase of 2.5% Annually, and cumulative starting with the 2nd lease year

2. Tenant to pay increase over 2026 Taxes (paid in 2027) each year - begins in the 4th lease year for 2027 taxes (paid in 2028).

3. Assume Operating Expense growth of 2.5% per year over 05/01/2024 - 04/30/2025 costs of \$148,686.39.

4. As 2023 (paid 2024)was triannual reassessment year, assume no change in assement until 2026 (paid 2027) with 4% annual increase for that year and thereafter.

5. GSA to pay final RETAX adjustments from prior lease for calander year 2024 and partial 2025 (paid in arrears) over base year amount of \$40,108.62. Paid in arrears as the taxes are paid.

6. In years 6-10, the Shell Rent will increase 8.72% from years 1-5. Shell Rent goes from \$320,520.03 to \$348,475.82 - an increase of \$27,955.79/yr in years 6-10.



FEDERAL GOVERNMENT LEASE

SOCIAL SECURITY ADMINISTRATION FACILITY

The lease term with the Federal Government (GSA) has just been written for a 10-year term (7-years firm). The effective start date for this lease is 05/02/2025. The new lease includes a Fixed Increase in Shell Rent of 8.72% (\$27,955.17) in years 6-10.

The Federal Government (GSA) leases this space to the Social Security Administration (SSA).

NOTE: *This contract/lease is with the Federal Government (GSA) and if the Social Security Administration were to vacate the space before the lease term, the Federal Government (GSA) is still contractually obligated to continue with the lease.*



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SOCIAL SECURITY ADMINISTRATION FACILITY

CHICAGO HEIGHTS, ILLINOIS

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